



February 12, 2019

Katherine Collier
Executive Secretary
Mississippi Public Service Commission
PO Box 1174
Jackson, MS 39725-1174

RE: **MPSC Docket No: 2018-UA-267**
CONTINUED MODERNIZATION OF THE GENERATING FACILITIES OF ENTERGY
MISSISSIPPI, LLC WITH THE ACQUISITION OF THE SUNFLOWER SOLAR FACILITY
IN SUNFLOWER COUNTY, MISSISSIPPI

Dear Ms. Collier,

Please find attached the response of the 25x'25 Alliance to Entergy Mississippi, LLC's Joint Petition for Certificates of Public Convenience and Necessity filed with the Mississippi Public Service Commission in regards to the above referenced docket.

Thank you for the opportunity to provide comments in regards to the above referenced matter. Please contact me if you should have any questions.

Sincerely,

A handwritten signature in purple ink that reads "Brent Bailey".

Brent Bailey
State Activities Coordinator
25x'25 Alliance
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CERTIFICATE OF SERVICE

I hereby certify that the parties listed below have been served via email with a copy of the Comments of the 25x'25 Alliance:

Katherine Collier, Executive Secretary
Mississippi Public Service Commission
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Jeremy Vanderloo
Entergy Mississippi, LLC
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These comments were also submitted via electronic mail to: efile.psc@psc.state.ms.us

This 12th day of February 2019.



Brent Bailey

BEFORE THE MISSISSIPPI PUBLIC SERVICE COMMISSION

DOCKET NO. 2018-UA-267

**MISSISSIPPI PUBLIC SERVICE
COMMISSION**

**CONTINUED MODERNIZATION OF THE
GENERATING FACILITIES OF
ENTERGY MISSISSIPPI, LLC WITH THE
ACQUISITION OF THE SUNFLOWER
SOLAR FACILITY IN SUNFLOWER
COUNTY, MISSISSIPPI**

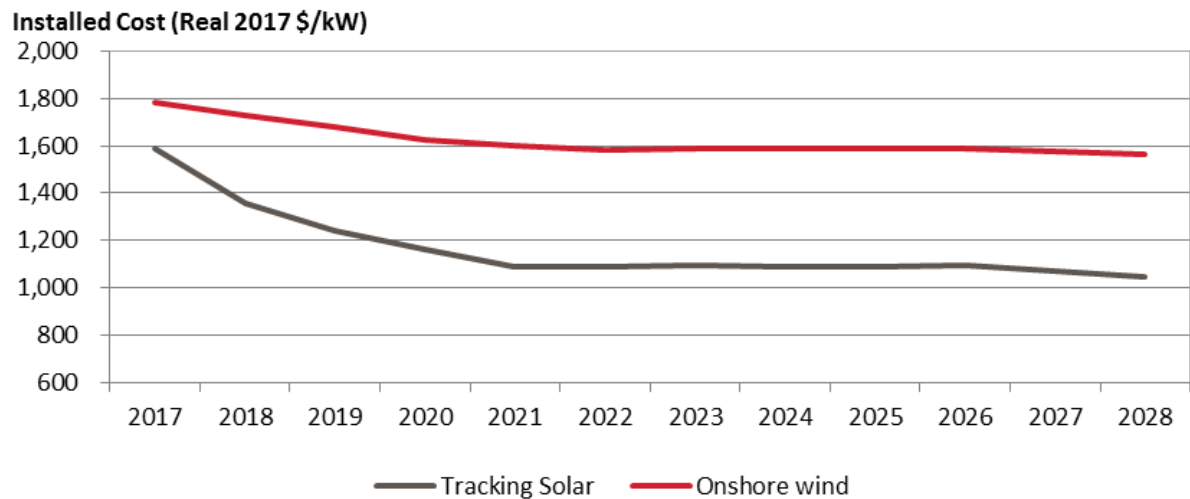
**RESPONSE TO JOINT PETITION FOR CERTIFICATES OF
PUBLIC CONVENIENCE AND NECESSITY**

COMES NOW 25x'25 Initiative (25x'25) and files this Response to Entergy Mississippi, LLC's (EML) Joint Petition for Certificates of Public Convenience and Necessity (Sunflower CPCN) to the Mississippi Public Service Commission (Commission) in regards to the above referenced docket.

1. The 25x'25 is a diverse, national grassroots alliance of nearly 1000 agriculture, forestry, conservation, business and environmental organizations (including several based in Mississippi) working collaboratively to advance the goal of securing 25 percent of the nation's energy needs from renewable sources by the year 2025.
2. 25x'25 views the construction and operation of utility-scale solar as an important measure to increase the amount of renewable electricity supplied to citizens, businesses and government entities. New, cost-competitive energy resources can help homeowners, businesses and industries, and governmental jurisdictions save money in the long-term and serve as a driver for economic development by creating local construction and maintenance jobs and attracting new business entities who wish to access dedicated sources of renewable energy.
3. Entergy Mississippi, LLC (EML) indicated in the Sunflower Solar Facility CPCN filing that its 2018 Integrated Resource Plan (IRP) supports the addition of utility-scale solar generation facilities.
4. According to the testimony of Mary M. Decuir (ATTACHMENT B of the Sunflower CPCN), EML issued a targeted solicitation that involved contacting only certain parties already in the Midcontinent Independent System Operator, Inc. (MISO) queue for a solar project located in EML's load zone. Furthermore, any proposed project had to capture the full value of the federal 30% Investment Tax Credit.
5. 25x'25 is concerned that the average time currently required for MISO to process a new interconnection request is more than 500 days. We encourage EML and its affiliates – what are members of MISO – to work with MISO staff to significantly reduce the interconnection review period for new proposed generation facilities, especially that of solar and wind.

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6. EML estimates its total dollar investment to acquire the Sunflower Solar Facility and related assets is approximately \$153.2 million. EML's 2018 IRP explains that the installed costs of utility-scale renewables (wind and solar) in real dollars are expected to decline over the next few year. Figure 9 of the EML 2018 IRP illustrates the projected installed costs of renewable alternatives through 2028.



The Commission should determine if the \$1,532/kW is the best value solar resource for its customers. EML proposes an increase in rates for the average residential customer using 1000 kWh/month in the range of \$1.65 to \$1.38.

7. While EML's investment in utility-scale solar energy generation can help meet a variety of energy diversity, economic development, and environmental goals, the financing and acquisition model of build-own-transfer (employed in this filing) must be thoroughly compared to the costs and benefits of a build-own-operate model.
8. Furthermore, the build-own-transfer model should be compared to the costs and benefits of executing a long-term power purchase agreement whereby EML would take the entire output of the solar energy produced by the Sunflower Solar Facility, as it is generated, in exchange for payments made on a rate per megawatt-hour of energy basis according to a fixed price schedule. The power purchase agreement model has been shown to put long-term downward pressure on rates as well as protect customers from the risk of construction cost overruns with respect to the project. Under a power purchase agreement, the utility company is paying only for energy received and, therefore, no recovery for capital investment or fixed costs will be required.
9. Additional scrutiny must be applied to this resource acquisition decision, specifically whether the Sunflower Solar Facility has been procured and financed in a manner that maximizes benefits to ratepayers.
10. Unlike power purchase agreement finance models where the performance and financial risks are borne by the owner/operator of a solar facility, EML's build-own-transfer will

shift performance and financial risks to the customers of EML. Should generation performance of the Sunflower Solar Facility fall short, the cost [to customers] goes up.

11. Should the Commission decide to grant approval of the Sunflower CPCN, the Commission should require a 20-year performance guarantee that would prevent rates for EML customers from increasing due to underperformance of the Sunflower Solar facility. The Commission should compare observed capacity factors for utility-scale solar in Mississippi to the capacity factor of 26% estimated by EML in its 2018 IRP. See the chart below pulled from EML's 2018 IRP illustrating operational costs and performance assumptions for solar and wind technology proposed under the EML 2018 IRP.

	Solar	Wind
Fixed O&M (2017\$/kW-yr)	\$15.78	\$23.46
Useful Life (yr)	30	25
Capacity Factor	26%	34%
Capacity Value	50%	15.6%
Tracking Type	Single Axis	N/A

12. Should the actual observed capacity factor fall below EML's assumed capacity factor, customers should not bear the costs of underperformance by either making up the shortfall in expected revenues or the purchasing of energy necessary to make up the shortfall in generation. To protect EML customers, the Commission should include a 20-year performance guarantee in the Sunflower CPCN.
13. The performance condition should require that EML must guarantee a collective capacity factor of at least 26%, but in any year when it does not, EML will bear the additional costs instead of its customers.
14. 25x'25 appreciates EML's goal to developing and maintaining a diverse portfolio of generation resources, including renewable resources like solar, and appreciates the opportunity to provide comments under this docket.

Respectfully submitted this 12th day of February 2019.

Brent Bailey

Brent Bailey
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