

FILED JUL 22 2019 MISS. PUBLIC SERVICE COMMISSION

July 21, 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 Intervenor Testimony of the 25x'25 Alliance in regards to the above referenced docket.

25x'25 apologizes for the tardiness of its submission to the parties involved in this docket. It was not our intention to cause delay or disrupt the procedural schedule in this docket. Despite the delay, 25x'25 feels that adequate time remains for Staff and Entergy Mississippi LLC to formulate testimony and/or rebuttal testimony. 25x'25 will reserve the right to provide any additional comments at the docket hearing in September.

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

Sincerely,

Brent Bailey

Brent Bailey State Activities Coordinator 25x'25 Alliance 107 Cedar Ridge Dr. Canton, MS 39046 bbailey@25x25.org Telephone: (601) 573-4815

Respectfully submitted this 21<sup>st</sup> day of July 2019.

Brent Bailey

Brent Bailey State Activities Coordinator 25x'25 Alliance 601-573-4815 bbailey@25x25.org

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\*\*MPSC Electronic Copy \*\* 2018-UA-267 Filed on 07/22/2019 \*\*

#### CERTIFICATE OF SERVICE

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

Katherine Collier, Executive Secretary Mississippi Public Service Commission katherine.collier@psc.state.ms.us

Frank Farmer, Attorney for the Commission Mississippi Public Service Commission frank.farmer@psc.state.ms.us

Virden Jones, Executive Director Mississippi Public Utilities Staff virden.jones@psc.state.ms.us

Chad Reynolds, General Counsel Mississippi Public Utilities Staff chad.reynolds@psc.state.ms.us

Jeremy Vanderloo Entergy Mississippi, LLC vande1@entergy.com

These comments were also submitted via electronic mail to: efile.psc@psc.state.ms.us

This 21<sup>st</sup> day of July 2019.

Brent Bailey

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

# <u>INTERVENOR TESTIMONY IN REGARDS TO JOINT PETITION FOR</u> <u>CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY</u>

COMES NOW 25x'25 Initiative (25x'25) and files this Testimony 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. 25x'25 views the construction and operation of utility-scale solar as an important component of a utility's energy generation portfolio. 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.
- Entergy Mississippi, LLC (EML) provided responses to 25x'25's first set of data requests. Most of the information provided has been deemed by EML as being "TRADE SECRETS OR CONFIDENTIAL COMMERCIAL OR FINANCIAL INFORMATION (HIGHLY SENSITIVE PROTECTED MATERIALS) PROTECTABLE FROM DISCLOSURE."
- 2. 25x'25 does not wish to violate the terms of the Confidentiality Agreement executed between EML and 25x'25. However, 25x'25 wishes to express concerns regarding issues and responses as reflected in the data request questions submitted to EML.
- 3. According to the testimony of Mary M. Decuir (ATTACHMENT B of the Sunflower CPCN Petition), 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.
- 4. Response to data request Question 25 X 25 1-1 asking for addition details describing the solicitation process offer little additional information outside of Mary Decuir's original testimony yet is protected as highly sensitive material. 25x'25 believes all information pertaining to the solicitation should be available as it would serve the public interest and guide future proposal responses to ensure a more cost-competitive energy resource.

- 5. EML estimates its total dollar investment to acquire the Sunflower Solar Facility and related assets is approximately \$153.2 million. 25x'25 has expressed concerns regarding the annual and cumulative operations and maintenance (O&M) costs that could be incurred over the life of the project in addition to the overall project cost. 25x'25 urges the Commission and Public Utilities Staff (PUS) to research and evaluate any estimated O&M costs associated with the project, compare those costs to other similarly sized projects and determine if this would be a prudent project cost.
- 6. In addition to cost factors, operation and performance of the Sunflower Solar Facility must occur in a way that provides the greatest benefits to consumers while incurring minimal pass-through costs and risks. While physical, material and structural attributes are key to performance expectations, these attributes must be protected and supported via EML's agreement with the project developer for the ultimate purpose of protecting consumers.
- 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 PUS and Commission should evaluate the costs and benefits of acquiring the energy resource through a power purchase agreement and other energy acquisition models versus that of the ownership model proposed by EML.
- 8. In its response to 25x'25 data requests, EML obviously believes that its proposed project ownership model is the preferable pathway for reducing risks and increasing benefits. But is the overall cost and ownership structure the smartest investment given the restrictive nature of the solicitation used to identify this project?
- 9. EML has outlined many benefits to consumers in its project petition and other submissions, but to what extent will the project benefit EML via power sales into the MISO region to capture high revenue, high demand periods? Will EML be motivated to sell into the MISO market to capture generous revenues in peak demand periods or will EML provide the low-cost generation to its customers? The PUS and Commission need assurances that EML consumers will receive the maximum benefits from this project. Furthermore, the PUS and Commission should confirm that federal Investment Tax Credit benefits and savings are fully applied and the financial benefits pass on to EML customers to reduce rate impacts as much as possible.
- 10. Should the Commission decide to grant approval of the Sunflower CPCN, any Community Solar consideration should be examined as a separate matter as program design, cost recovery and customer benefits are different this proposal.
- 11. 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. There are fewer stronger advocates and supporters of clean energy technologies such as solar than 25x'25. 25x'25 wishes to ensure that investments in clean energy are prudent, smart, effective and provide long-term benefits to EML consumers and Mississippi's economy. Despite the concerns and questions put forth in previous comments, data requests and this testimony, 25x'25 believes that electric utilities in the state are being responsive to its customers, to the Commission, and helping to facilitate the creation of a new energy economy.