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October 1, 2019

Ms. Katherine Collier  
Executive Secretary  
Mississippi Public Service Commission  
PO Box 1174  
Jackson, MS 39215-1174

**RE: MPSC Docket No: 2018-AD-64**  
**ORDER ESTABLISHING DOCKET TO INVESTIGATE THE**  
**DEVELOPMENT AND IMPLEMENTATION OF AN INTEGRATED**  
**RESOURCE PLANNING RULE**

Dear Ms. Collier,

Please find attached the comments of the 25x'25 Alliance responding to the Mississippi Public Service Commission's ("Commission") request for comments on its proposed Integrated Resource Planning and Reporting Rule ("Proposed IRP Rule") "that combines long term resource planning with the planning and implementation of energy efficiency programs" for regulated electric utilities in Mississippi.

Thank you for the opportunity to provide comments on this Proposed IRP Rule. Please contact me if you should have any questions.

Sincerely,

*Brent Bailey*

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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:

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This 1<sup>st</sup> day of October 2019.

*Brent Bailey*

Brent Bailey

**BEFORE THE MISSISSIPPI PUBLIC SERVICE COMMISSION**

**DOCKET NO. 2018-AD-64**

**MISSISSIPPI PUBLIC SERVICE  
COMMISSION**

**ORDER ESTABLISHING DOCKET TO  
INVESTIGATE THE DEVELOPMENT  
AND IMPLEMENTATION OF AN  
INTEGRATED RESOURCE PLANNING  
RULE**

**COMMENTS OF THE 25X'25 ALLIANCE REGARDING THE PROPOSED INTEGRATED  
RESOURCE AND PLANNING RULE ISSUED BY THE MISSISSIPPI PUBLIC SERVICE  
COMMISSION DEFINING THE INTEGRATED RESOURCE PLANNING PROCESS FOR  
REGULATED ELECTRIC UTILITIES IN MISSISSIPPI**

**1. Introduction**

The Commission is to be commended for undertaking this challenge to establish a rule structure under which the process to develop an Integrated Resource Plan ("IRP") will be defined and executed to provide the maximum benefit to electric customers in the state. The Commission's willingness to solicit and consider stakeholder feedback on the Proposed IRP Rule is necessary to ensure that the ultimate IRP Rule is designed well. Specifically, 25x'25 commends the commission for requiring an evaluation and discussion of the utility-owned generation fleet and all demand-side resources, as well as providing a stakeholder participation schedule. The Commission should also be commended for their decisions to have a 20-year planning horizon and to incorporate uncertainty into scenario planning, such decisions make for long-term, sustainable solutions.

However, many known and recognized best practices are omitted from the Proposed IRP Rule. In comments dated August 1, 2018 and February 12, 2019, and now in these comments today, 25x'25 has laid out recommendations on 1) the process and objectives that should guide the development of a strong IRP rule, 2) the information and analyses time-tested IRPs utilize to maximize transparency and due diligence, and 3) the actions linked to the IRP process that ensure consumers receive the most benefit from energy resource decisions. These recommendations were based on sound economic theory, regional IRP best practices, and were intended to advance the public interest.

The Proposed IRP Rule that is the focus of today's comments – while greatly enhanced by the Commission – is still built upon and around a proposal submitted by a regulated electric utility to the Commission for consideration as a potential IRP Rule that provides little respect and recognition to demand-side management and distributed energy resources and would decimate the Commission's existing Rule 29 (Energy Conservation and Efficiency Rule). This utility-inspired Proposed IRP Rule continues to fall woefully short in stakeholder participation, transparency and resource comparison and evaluation. Furthermore, the Proposed IRP Rule includes unprecedented subsidies for transmission and distribution right-of-way management, charitable contributions for scholarships and early childhood education, "grid enhancement" activities, and broadband communications.

While 25x'25 supports the Commission's efforts as outlined in their original Order dated May 8, 2018, we hope that the concerns outlined in these comments will enable and encourage the Commission to reevaluate its Proposed IRP Rule and move to draft, adopt and implement a comprehensive IRP Rule that is focused on exceptional stakeholder participation, utility data transparency, allowing competition in the evaluation and selection of energy resources, and the efficient delivery of the most cost-effective energy resources.

Outline of 25x'25's main issues:

- The impact and rigor of the IRP process:
  - o The IRP must guide future procurement in Mississippi, carrying the same weight as (but not superseding) the typical components of a prudence evaluation.
  - o The IRP process must be conducted with the typical rigor of the Commission's prudence evaluations, not used as a platform for unprecedented handouts.
- The IRP process must be amended to make stakeholder participation a central component throughout the development of the IRP by the utility and not just once the utility has completed a draft IRP.
- Viable demand-side energy resource options, such as energy efficiency, should inform the range of peak load and energy requirement forecasts; the IRP should not dictate the viability of demand-side resources.

## **2. The Proposed IRP Rule Should Not Supersede the Current Rule 29 (Conservation and Energy Efficiency Programs)**

As noted above, 25x'25 fully supports the Commission in the development of an IRP Rule for the utilities and electric customers of Mississippi, as illustrated by the effort invested by 25x'25 into the comments sponsored and developed over the course of this proceeding. However, the current proposal of the IRP Rule works to supersede the preexisting and current Rule 29 Conservation and Energy Efficiency Programs ("Current Rule 29").

As currently structured, the purpose of the Proposed IRP Rule does not call for the utilities to implement energy efficiency programs, which is fine in isolation because of the different and more system-level objectives of the IRP. Energy efficiency is outlined in 104.3 as a resource to be "considered" in the Utility Resource Plan. There is no directive regarding maintaining the successful portfolio of "Quick Start" energy efficiency programs or consideration of the development of "Comprehensive Portfolios" of energy efficiency programs.

Given the significant benefits to electric customers of Mississippi that the Current Rule 29 has unlocked, the protocols of Current Rule 29 should remain intact.

### *I. Background of Current Rule 29*

Current Rule 29 provides both electric and natural gas utilities guidance and structure to “implement energy efficiency programs and standards in Mississippi” and encourage the development of “Comprehensive Portfolios”<sup>1</sup> (i.e., long-term energy efficiency programs).

From January 2010 until July 2013, stakeholders worked collaboratively and with the MPSC to adopt standards for energy efficiency and conservation that help residential, commercial and industrial consumers reduce their energy usage and their energy bills while still maintaining comfort, security and productivity. The result was the Current Rule 29. It was the later part of 2014 and early 2015 before many Quick Start portfolios were launched. Utilities have now completed four full calendar years (2015-2018) of offering energy efficiency programs through the Quick Start portfolio and Current Rule 29.

The Commission is now proposing changes and amendments to Current Rule 29 that could indefinitely delay the implementation next phase Comprehensive Portfolio energy efficiency programs that would be designed to enhance energy efficiency performance for all customer classes.

## *II. Importance of Current Rule 29 for electric customers in Mississippi*

Energy efficiency is a staple resource in utility resource portfolios. As long as the procurement of energy efficiency is cost-effective, the resource should continue being prioritized in planning and procurement decisions. The Current Rule 29 mandates this focus on energy efficiency whereas the Proposed IRP Rule looks at the resource portfolio.

When evaluating resources at the portfolio-level, there is an implicit assumption that the resources considered are the most cost-effective resource available. However, utilities across the country have left cost-effective energy efficiency on the table without clear directives. 25x’25 is concerned that without an explicit mandate, as outlined in the Current Rule 29, some cost-effective energy efficiency may not be considered in the utilities’ resource portfolios. This outcome can have the compound effect of falsely establishing a system need for the utility that results in an unnecessary procurement of resources that would be more expensive than efficiency or conservation, a cost that would fall upon the electric customers.

### *Recommendations:*

- a. 25x’25 recommends that the Current Rule 29 should remain intact.
- b. The Proposed IRP Rule should be administered through a regulatory vehicle separate and distinct from the Current Rule 29.

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<sup>1</sup> Comprehensive Portfolio — A collection of energy efficiency programs that, when taken together, provide appropriate organizational resources including financial, technical, outreach, marketing, service provider infrastructure, training, and education support sufficient to achieve widespread implementation of all types of significant cost-effective energy-efficiency improvements in all categories of retail customers. (Rule 29 Conservation and Energy Efficiency Programs, Section 101 Definitions, pg. 1)

### **3. 25x'25 Framework for Evaluation of Proposed IRP Rule**

In initial comments filed with the Commission on August 1, 2018, the 25x'25 Alliance provided recommendations on 1) the process and objectives guiding the development of the IRP, 2) the information and analyses included in the IRP, and 3) the actions linked to the IRP process. These recommendations were based on sound economic theory, regional IRP best practices, and were intended to advance the public interest. Moreover, 25x'25's initial comments provide a framework for evaluating any future IRP process, including the EMI Rule. Below is the full list of recommendations for each category that 25x'25 provided in its initial comments.

#### *I. Process and objectives guiding the development of an IRP*

1. The IRP process should have a clear objective that is articulated by the Commission and reflects the public interest.
2. The IRP process should include opportunities for meaningful stakeholder participation. The Commission should also consider its role in overseeing this stakeholder process.
3. The IRP process should maximize transparency by identifying steps that utilities must take to provide stakeholders with access to data and information used in the process.
4. The IRP process and planning horizon being considered should have clear timelines.
5. The IRP process should include oversight from an independent evaluator.

#### *II. Information and analysis included in the IRP*

1. The IRP should include a well-documented load forecast that includes a range of possible outcomes. Customer resource impacts should also be clearly delineated.
2. The IRP should include a well-documented timeline of resource additions and retirements.
3. The IRP should present in a standardized format key sets of data and information to ensure clarity and completeness.
4. The IRP should include analysis of multiple resource portfolios that are sufficiently distinct from one another.
5. The IRP should include a set of metrics to evaluate performance of each resource portfolio against the Commission's stated objectives.
6. The IRP should consider all resource options on a consistent and comparable basis in any analysis conducted. This includes both supply-side and demand-side resources, as well as both new and existing resources.
7. The IRP should follow guidance from the Commission on how utility modeling studies should be conducted to ensure transparency and accuracy.
8. The IRP should include sensitivity analyses be conducted for key variables that pose substantial risk or uncertainty.



### *III. Actions linked to the IRP process*

1. The IRP approval process, its significance, and its relation to other Commission actions should be clearly articulated.
2. The IRP should include a near-term action plan that provides the Commission an opportunity to approve (or reject) near-term resource decisions.
3. Resource procurements should be conducted to inform development of near-term action plan.
4. The IRP process should be able to accommodate improvements for future IRP cycles.

#### **4. 25x'25's Evaluation of the Proposed IRP Rule and Recommendations to the Commission**

25x'25 has analyzed the Proposed IRP Rule in relation to the best practice areas outlined in the previous section and in its initial comments. As currently drafted, 25x'25 believes that while the Commission has addressed a number of issues in the Proposed IRP Rule, there remain several areas where the Proposed IRP Rule falls short in adhering to best practices and should incorporate suggestions outlined below to better serve the public interest and avoid suboptimal resource planning decisions. We organize our comments on these deficiencies in the Proposed IRP Rule into the three key areas outlined in the previous section.

25x'25 supports the Commission's efforts as outlined in their original Order and hopes that the concerns of the Proposed IRP Rule raised by stakeholders will enable the Commission to move swiftly to draft, adopt and implement a comprehensive IRP rule.

#### *I. Process and Objectives of the IRP*

- 1. The proposed rule does not prioritize the relative importance of the listed objectives in Section 104.1. This risks a utility selecting preferential and contradictory objectives.***

25x'25 recognizes that the expressed objectives of the IRP process can have considerable impact on the resulting resource decisions. 25x'25 commends the Commission for adopting an extensive list of objectives in order to guide resource planning and development. However, the list also raises concern over select stated objectives which are not directly related to providing safe, reliable, and cost-effective service to customers. These objectives may distract from customer service prioritization and, if given priority, may ultimately result in bias in the IRP process.

Regarding the objectives of the IRP process, the Proposed IRP Rule states the following:

"The utility shall clearly state and support the objectives for its IRP, which may include but are not limited to: reliable, adequate, and reasonably-priced service; economic efficiency; financial integrity of the utility; equal consideration of available and commercially-proven demand-side and supply-side resources; reasonable mitigation of potential risks; consideration of future environmental impacts and associated costs; and consistency with governmental regulations and policies." (Section 104.1)

*Recommendations:*

- a. 25x'25 recommends that the Commission carefully articulate the objectives that should be prioritized.
- b. Primary objectives should be those which prioritize reliable, affordable, and safe service. Other potential objectives should be secondary.

***2. The proposed Rule lacks a meaningful opportunity for stakeholder participation to ensure transparency and accuracy in the IRP process***

As stated in previous comments regarding the IRP process, customers of vertically integrated utilities, such as those providing electric service in Mississippi, have little to no choice over the generation resource decisions made on their behalf. As such, the opportunity for stakeholder groups that represent these customers and other interests to weigh in on the resource planning process is critical. The Proposed IRP Rule, as drafted, offers very little transparency and extremely limited opportunity for stakeholder engagement in the IRP process.

The Proposed IRP Rule (Section 105.3) only allows input from interested parties and Commission staff after the Utility Resource Plan is already completed and filed by the utility. Under the Proposed IRP Rule, it is not possible for stakeholders to provide meaningful input before or during the development of the plan.

Additionally, while 25x'25 commends the Commission for extending the time period from 30 to 45 days for any interested party to file comment, under the currently proposed process where stakeholders have only one opportunity to comment, 45 days remains an insufficient timeframe for meaningful stakeholder involvement.<sup>2</sup> Given the anticipated complexity of each IRP, 25x'25 finds this time period inadequate for a comprehensive review of the final plan. Furthermore, below 25x'25 recommends pursuing a phased stakeholder review process, instead of solely having one opportunity for stakeholder involvement: there should be an initial, separate process for establishing methodologies and inputs, which the utility must then build upon in drafting its IRP.

Ultimately, 25x'25 would like to reiterate, from previous comments and from other stakeholder comments, the invaluable role that meaningful stakeholder participation has in ensuring the IRP process remains transparent, accountable, and as accurate as possible. As such, language should be utilized that mandates a meaningful measure of stakeholder involvement.

*Recommendations:*

- A. More specific language should be utilized surrounding a more involved stakeholder process.
- B. Rather than a single period for stakeholder feedback, allow stakeholders to review and comment on key inputs, assumptions, and methodologies prior to any formal analyses being conducted by the utility and at regular intervals during the IRP development process. 25x'25 recommends the following structure:<sup>3</sup>

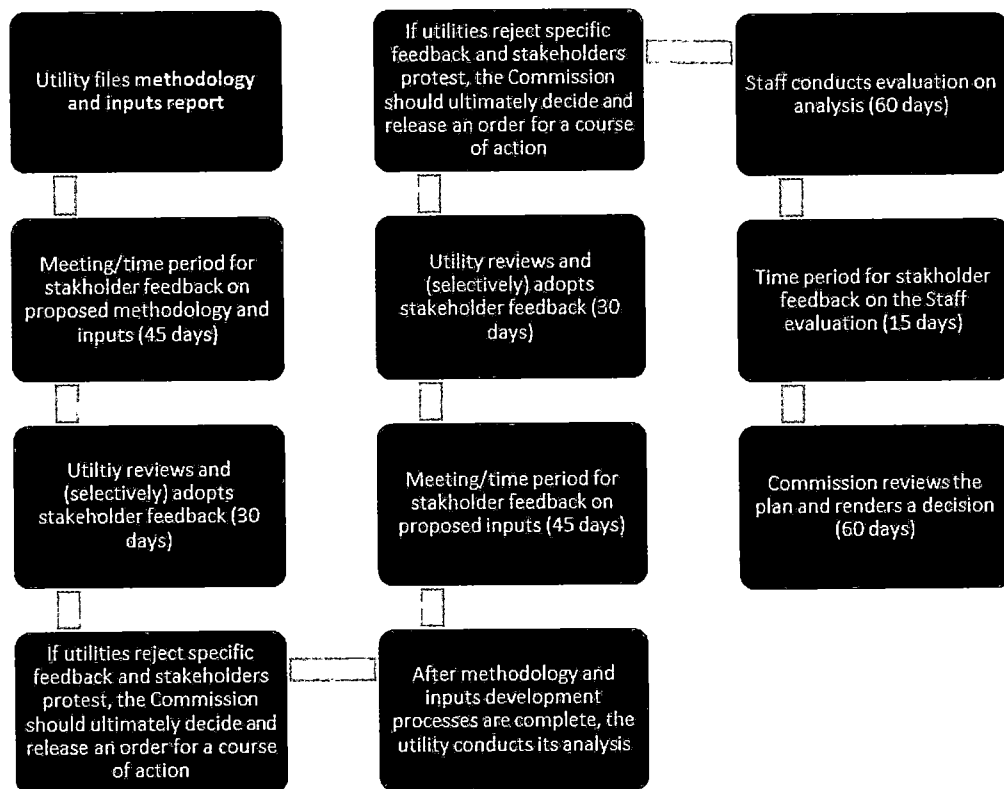
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<sup>2</sup> Other intervenors made similar comments on the EMI Rule: SREA (p.14)

<sup>3</sup> Other intervenors made similar comments on the EMI Rule: SREA (p.7); Sierra Club (p. 19); Pattern Energy (p.5); SACE (p.2)



- a. The resource portfolio planning process should be broken into three phases:
  - i. Methodology & Input development,
  - ii. Final analysis/results,
  - iii. Action plan.
- b. After the utility completes a phase, a meeting should be established for stakeholder feedback. Stakeholders should be given at least 45 days to present feedback for the methodology and inputs phase and 45 days for final analysis.
- c. After the given time period for stakeholder input is complete, the utility should be allotted time to incorporate the stakeholder feedback into their IRP. Utilities should be given at least 30 days to incorporate feedback for the methodology and inputs phase and 30 days for final analysis.
- d. After the utility makes its adjustments, its updates should be open for stakeholder feedback: if utilities reject specific feedback and stakeholders protest, the Commission should ultimately decide and release an order for a course of action.
- e. After the utility adjusts its analysis, Staff should conduct a thorough evaluation and file comments on the analysis. Stakeholders should then be given at least 15 days to present feedback on the Staff's evaluation.



## II. Information and analysis included in the IRP

1. ***The Proposed Rule does not specify the number of resource portfolios to evaluate nor fitness criteria for designing them.***

In Section 104.4, the Proposed IRP Rule directs utilities to use a “planning process that identifies multiple potential resource portfolios using scenario planning and sensitivity analysis.” However,

the details and structure of that “planning process” are undefined, allowing room for utilities to decide how many resource portfolios to evaluate.<sup>4</sup> The accompanying mandate that resource portfolios “meet reliability criteria and objectives established in the planning process” is vague. The lack of specificity in this language may allow utilities to develop an analysis that lacks rigor due to selecting a few simple and unrealistic resource portfolios.

In addition, Section 104.4 lists several variables that are “often evaluated in scenario and sensitivity analyses in utility IRP studies” without specifying how many or which ones should be included in Mississippi’s IRP process. This again leaves room for subjective and incomplete resource portfolio analysis. Considering a wide range of future scenarios can provide insight on the risks and uncertainties related to different resource portfolios, particularly in terms of cost and meeting system needs.<sup>5</sup>

The fact that these critical methodology and input decisions require much greater attention highlights the need for our recommended structural changes to the IRP process above, in section I.2.B. Integrating stakeholder input in a multi-step process will ensure that the IRP planning process is scoped appropriately, inclusively, and transparently.

Resource portfolios can be chosen through a capacity expansion modeling exercise, which selects the least-cost portfolio that meets the projected demand under each future considered. All optimal portfolios, including stakeholder portfolios, should then be simulated through more detailed production cost models and reliability models to assess their economics, technical performance, and resulting risk under varying conditions. The IRP should provide a detailed explanation of how the combined investment and operational costs, as well as the technical and other performance metrics, of each portfolio under all futures is used to inform the final selection of the preferred portfolio.

*Recommendations:*

- a. The Commission should require that utilities follow a methodology, with stakeholder feedback, for selecting the number and criteria of resource portfolios to analyze. This should be determined using the structural process we recommended above, in section I.2.
- b. The Commission should further specify the reliability criteria and other objectives that all resource portfolios must achieve. This should not be determined independently in each utility’s planning process.
- c. 25x’25 recommends that a minimum of three resource portfolios be studied and that at least one be based on stakeholder input<sup>6</sup>.
- d. At a minimum, utilities should conduct sensitivity analyses with respect to load forecasts, fuel prices, technology cost curves, and other relevant inputs. We do not suggest minima in these recommendations in order to be prescriptive; rather, we offer some guidelines so that the utilities’ methodology is robust enough, with enough criteria that the proposed portfolios cover a number of future scenarios and risks.
- e. 25’x25 recommends that resource portfolios be determined through the use of a capacity expansion model, and that further production cost and reliability modeling then be used

<sup>4</sup> Other intervenors made similar comments on the EMI Rule: SREA (p.30); SACE (p.2).

<sup>5</sup> Other intervenors made similar comments on the EMI Rule: Sierra Club (p.6); SACE (p.5).

<sup>6</sup> This is consistent with 25x’25’s prior comments on the EMI Rule (p.x).

to compare performance of each portfolio under all futures and according to the objectives set out for this comparison.

## ***2. Utilities could exclude viable resource options based on their sole discretion***

In Section 104.3, the Proposed IRP Rule states the following: “For incremental capacity additions, reasonably useful, commercially-proven, and economic supply-side and demand-side resources that may be available to a utility should be considered, including...energy efficiency, demand response, and distributed energy resources ("DER")... Resources that do not otherwise meet minimum criteria including cost-effectiveness, risk mitigation, reliability, environmental, and/or other governmental rules or policy should be eliminated from further consideration in the applicable planning cycle.”

25x'25 finds this set of criteria to be overly broad; it could lead to a situation in which potentially viable resource options are systematically eliminated from the planning process based on the utility's sole discretion.

In addition, Section 104.3 does not mention an option to retire existing resources earlier than planned. It can be more cost-effective to procure alternative supply or demand resources than to continue operating existing inefficient supply-side resources (even including certain stranded costs)<sup>7</sup>. Therefore, all available new resources should also be compared to cost projections for currently operating assets. For existing assets, the costs associated with decommissioning should also be included so the entire value is properly represented.

### ***Recommendations:***

- a. A broad set of resources be included in the planning evaluation process, even if they do not meet one or more of the criteria listed.
- b. Resources that may be available in the near future or have limited commercial deployment should be considered in the resource portfolios.
- c. Existing resources that could be retired early, cost-effectively, should be considered in the resource portfolios<sup>8</sup>.
- d. Discussion on whether a resource can reasonably meet system needs should be held through the stakeholder process. Stakeholders should be consulted on any decision to exclude a specific resource prior to the evaluation process.

### ***III. Actions linked to the IRP process***

#### ***1. The Proposed IRP Rule provides an insufficient link between the IRP and actual resource procurement decisions***

This is 25x'25's greatest concern with the Commission's Proposed Rule. An IRP development process is virtually meaningless unless it is linked in some way to actual resource procurement

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<sup>7</sup> 25x'25 raised this issue in our original, August 1, 2018 comments (p.11)

<sup>8</sup> Other intervenors made similar comments on the EMI Rule: SREA (p.6); Bryan Estes (p.4); Sierra Club (p. 2).

decisions made by utilities or customer programs administered by utilities.<sup>9</sup> Not only does the Proposed IRP Rule not define a strong link between IRP process and official procurement; it in fact states in Section 102 that “these IRP reporting requirements do not supplant or equate with a prudence determination or otherwise replace the Commission’s existing regulatory processes for petition and approval of requisite certificates of convenience and necessity for new resources.” Maintaining consistency with the IRP will only be “a factor” in future decisions.

This language undermines the value and impact of the IRP. If utilities are not held accountable for acting on their IRP reporting requirements, and if the IRP process is not as rigorous as a traditional prudence evaluation, then it will not be influential; this effort will be futile<sup>10</sup>.

*Recommendations:*

- a. The Commission should ensure that the new IRP process will cohere with and directly influence actual procurement processes in Mississippi. The IRP reporting requirements should be as rigorous as a traditional prudence evaluation, and should be equally influential in infrastructure, investment, and resource decision-making.
- b. The Commission should establish and require a resource procurement process that facilitates a competitive solicitation mechanism. This will ensure that consumers receive the full benefits of a transparent, competitive market comparison.

***2. The Proposed IRP Rule’s Mid-Point Supply-Side Update weakens the IRP process***

Section 106 proposes a process in which the utility would submit an interim report at the mid-point of its planning cycle. The described report would also include the opportunity to identify a new resource need and plans to secure a new resource. 25x’25 is concerned that this mid-point Supply-Side Update process, as described, could lead to significant resource procurement decisions being made outside of the regular IRP process, and therefore would not be subject to an appropriate level of transparency and stakeholder input.<sup>11</sup>

Section 106 states that self-build options must be compared to market opportunities, which “can be satisfied through a competitive solicitation.” As drafted, the language in the rule gives utilities the option to hold a competitive solicitation but does not necessarily require them to do so. This is problematic since it could lead to self-build options being selected even if there are more cost-effective competitive options available. In addition, resources evaluated in competitive solicitation must consider elements beyond cost, such as risk (e.g., long-term resource contracts may carry increased risk due to declining technology costs and fuel price uncertainty).

*Recommendations:*

- a. Any “Supply-Side Report” or similar report should include an overview of all generation assets, data outlining the last three years performance, and information on anticipated future output levels, and operations and maintenance investments.

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<sup>9</sup> 25x’25 raised this issue in our original, August 1, 2018 comments (p.17)

<sup>10</sup> Other intervenors made similar comments on the EMI Rule: SREA (p. 7); Sierra Club (p.3); Pattern Energy (p.4); SACE (p.2).

<sup>11</sup> Other intervenors made similar comments on the EMI Rule: Bryan Estes (p.1); Pattern Energy (p.4); SACE (p.4).

- b. Resource procurement decisions shall be informed by a transparent competitive solicitation process via a request for information (RFI) for supply-side and demand-side resources.
- c. Utilities should be required to prioritize adopting cost-effective customer programs (e.g. demand side management) before other supply-side resources included in the preferred IRP portfolio or update.
- d. Before a utility files a CPCN for acquisition or construction of generation or transmission investments not previously included in an IRP, the utility shall submit an updated IRP reflecting the proposed procurement along with a commission-overseen competitive solicitation or request for proposals (RFP) for the proposed investment.
- e. Additionally, if the mid-point "Supply-Side Update" suggests new, previously undisclosed supply-side resources are needed, utilities shall be required to conduct a commission-overseen competitive solicitation or RFP for resources to be delivered to match the timing of the need.
- f. Utilities should be required to consider components beyond cost, such as risk, when comparing long-term and short-term resource contracts.

### ***3. The Annual Energy Delivery Plan must be a component of the Utility Resource Plan***

Section 107 of the Proposed Rule requires regulated utilities to "report to the Commission annually on their efforts to improve energy delivery", including "expanding access to supply alternatives or relieving congestion in the delivery system". These delivery improvements could be directly related to procurement decisions and therefore their costs should be considered in the Utility Resource Plan, as part of the evaluation of the resource portfolios.

### ***4. Other Concerns and Considerations***

- A. 25x'25 has concerns over the inclusion of "strategic load growth" as a demand-side management option. The assumptions surrounding the benefits of strategic load growth are uncertain. Strategic load growth typically refers to an increase in end-use consumption during certain time periods or among certain customer types with the result being a general increase in energy sales. Any reference to strategic load growth in the IRP process should not be associated with an increase in peak load.
- B. The Proposed IRP Rule allows utilities to propose to earn a rate of return on an array of demand-side management investments, some that would traditionally be considered expenses or a cost pass-through. This implies utility-ownership of demand-side management investments. If cost recovery opportunities remain in the final rule, the cost recovery mechanism must be accompanied by a rigorous vetting process of the prudence of such expenditures (and subsequent cost recovery), which is not currently specified.
- C. Determining the prudence of any cost-recoverable investment should be an accepted best practice, even if the investments are associated with North American Electric Reliability Corporation (NERC) rules. Allowing a utility to propose and choose alternate mechanisms for cost recovery to respond to changing customer demand or for "all vegetation management costs" is risky, characteristic of a handout, and thus must require prudence review.



- D. Section 107.5 of the Proposed IRP Rule gives the utilities complete ownership and control of consumers' data. Utilities are instructed to utilize the data to enhance utility service and create value for the consumer. However, consumers should have immediate, unrestricted, no-charge access to the data they are generating and providing to the utility so that they have the information needed to better control their usage.
- E. 25x'25 recognizes that grid resiliency and enhanced communications can improve the affected public's quality of life and improve economic opportunities for communities. However, 25x'25 has deep concerns regarding the exemption of expenditures (charitable contributions for STEM scholarships and early childhood education, vegetation management, Enhanced Grid Investments, and expansion of broadband service) from prudency reviews or cost/benefit analyses. These subsidies are not in alignment with nor germane to the purpose of the Proposed IRP Rule or with the transparency standards that support and advances the public policy goals of the Commission. 25x'25 strongly recommends the MPSC open a separate docket and proceeding to consider the monetary disbursements as outlined in Sections 107.4 and 107.5.

## 5. Conclusion

The 25x'25 Alliance would like to thank the Commission for the opportunity to submit these comments regarding this important matter. While 25x'25 commends the Commission on incorporating much stakeholder feedback in the latest Proposed IRP Rule, the comments above have identified other significant concerns and issues. 25x'25 is unconvinced of using Current Rule 29 as the placeholder for the Proposed IRP Rule because the Current Rule 29 has an important purpose. 25x'25 strongly recommends that the Commission develop their own IRP rule separate from existing Commission Rule 29 as a starting point for stakeholder feedback, using these comments and our previous comments submitted to this docket as the foundation for a comprehensive IRP process.

As our electric generation mix evolves and transforms in Mississippi, proper planning will be critical for the future of our economy, infrastructure, investments and innovation. 25x'25 hopes that the Commission will thoughtfully consider our recommendations and act appropriately to adopt a truly robust IRP rule.

We look forward to further participation in this proceeding.

Respectfully submitted this 1st day of October 2019.

*Brent Bailey*

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