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**JUN 14 2021**

**MISS. PUBLIC SERVICE  
COMMISSION**

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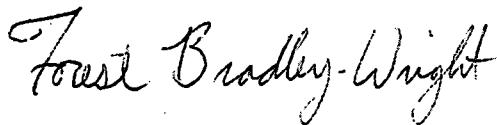
RE: MISSISSIPPI POWER COMPANY'S NOTICE OF IRP CYCLE  
PURSUANT TO COMMISSION RULE 29 (Docket No. 2019-UA-231)

June 14, 2021

Dear Ms. Collier:

On behalf of the Southern Alliance for Clean Energy (SACE), we submit the attached Comments in response to Mississippi Power Company's Integrated Resource Plan in MPSC Docket 2019-UA-231. As per the Commission's modified rules on March 12<sup>th</sup>, 2020 in Docket 2018-AD-141, this filing is being submitted and electronically and no physical copies will be mailed at this time. Thank you very much for your assistance with this matter.

Sincerely,



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JUN 14 2021

MISS. PUBLIC SERVICE  
COMMISSION

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSISSIPPI

DOCKET NO. 2019-UA-231

RE: MISSISSIPPI POWER COMPANY'S NOTICE OF  
IRP CYCLE PURSUANT TO COMMISSION  
RULE 29

**COMMENTS OF THE SOUTHERN ALLIANCE FOR CLEAN ENERGY**

Enshrined in the Mississippi Public Service Commission's ("Commission") Integrated Resource Planning ("IRP") rules and its corresponding Final Order was a clear intent to ensure that energy efficiency and demand response would be treated as energy resources, and that utility resource plans would result in robust demand-side management ("DSM") portfolios. Mississippi Power ("MPC") has failed to deliver on expectations set by the Commission Order when it filed its IRP on April 15<sup>th</sup>, 2021. It never compared DSM resources against any of its supply-side additions. It conducted no analysis of DSM potential in its service territory. And it failed to even present a plan for DSM resources beyond the current year, 2021, which will be more than half over before the IRP even reaches the Commission for consideration.

Unless the Commission takes action, Mississippi Power's customers will once again be stuck paying more for their monthly energy bills, while the state loses out on large numbers of new job opportunities, and risks being left behind while the nation transitions to a cleaner and more resilient electric grid. Unless the Commission takes action, it will also set a terrible precedent, from which Mississippi Power may conclude that the integrated resource planning process set forth by the Commission's 2019 rules is nothing more than a paper exercise, that demand-side management is functionally not an energy resource in Mississippi, and that its Quick Start efficiency savings levels may be maintained in perpetuity, despite landing the Company near the bottom of efficiency performance among the nation's investor-owned utilities.

The Mississippi Public Service Commission has enacted the nation's newest IRP rules, for which it deserves to be given modern, robust, and effective utility resource plans that will help the state prepare for the future. What Mississippi Power has done fails on each of these points. Instead, the proposed IRP is a demonstration of the extent to which the Company is willing to ignore and undermine the rules themselves. Waiting six years to reopen and shore up the Commission's IRP rules, as the rules themselves presently contemplate, is simply too long to address the issues that have emerged in this proceeding. The Commission can and should take corrective actions immediately to address deficiencies in Mississippi Power's current IRP filing. But in addition, the IRP rules themselves should be updated in response to the myriad issues uncovered in this proceeding prior to the next IRP cycle.

Our recommendations are that the Mississippi Public Service Commission take the following actions now:

- **Reject Mississippi Power's woefully inadequate IRP**
- **Institute a set of efficiency targets that increase annual savings to 1% of retail sales over the next three years**, which will lower customer bills and put the Company in line with its higher performing regional peers
- **Reopen and revise the rules to ensure DSM resources are optimized in future IRPs**
- Place additional guardrails to ensure Mississippi's IRPs are at least equally robust as those of other jurisdictions.

The following comments primarily address issues in Mississippi Power's IRP that pertain to energy efficiency and demand response resources. There are other issues of importance that we do not address, such as the treatment of renewable energy in the IRP. We generally support discussion of clean energy issues as presented in the filings of the Southeast Renewable Energy Association, Advanced Energy Manufacturing Association, and Sierra Club.

I. **Mississippi Power Has Not Met Commission Expectations and Requirements on Demand-side Management in Its Integrated Resource Planning Rules**

The Commission clearly expressed the value and importance it placed on the treatment of DSM as energy resources in its Final Order approving IRP rules in 2019, stating:

“Comprehensive IRP should encompass more than traditional resource planning, which historically has focused on supply-side resources...IRP should therefore be holistic and should include a thorough ***evaluation of all energy delivery processes, including demand response efforts, distributed energy resources, and energy efficiency programs in addition to traditional supply-side resources.***

Unlike current Rule 29, which fails to unite and integrate energy efficiency and long-term resource planning, ***the attached Rule folds the broader umbrella of distributed energy resources and demand-side management efforts (which include energy efficiency) into the resource planning process and explicitly recognizes and values them as resources for planning and cost-recovery purposes.***<sup>1</sup>

The Commission’s 2019 IRP rules themselves state:

“A comprehensive IRP should include an analysis of supply and demand-side resources, and consider transmission needs, in order to satisfy the utility’s load requirements while balancing costs, energy reliability and efficiency, environmental responsibility, risk mitigation and reasonably priced service for customers.”<sup>2</sup>

Definition of Integrated Resource Planning:

A type of utility planning process that develops long-range resource plans by seeking to identify an ***optimal combination of resources (including traditional supply sources, emerging supply sources such as distributed energy resources, demand-side resources, energy efficiency, conservation, and possibly other options) to meet forecasted load requirements at the lowest reasonable total cost***, subject to various objectives and constraints, including but not limited to reliability, planning, regulatory, environmental

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<sup>1</sup> Final Order Amending Rule 29 to Establish Integrated Resource Planning and Annual Energy Delivery Reporting Requirements.” November 2019, page 6-7 (Emphasis added)

<sup>2</sup> MPSC Rule 29 Integrated Resource Planning and Reporting, page 1

and operational requirements. The resource planning process should also define and assess various costs, benefits, and potential risks as they appear and are known in the market.<sup>3</sup>

*“Any utility-specific objectives must comply with the Commission’s overall objective of ensuring **transparent evaluation of a comprehensive set of potential resource options to determine a base or reference resource plan that offers the most economic and reliable combination of resources satisfying the forecasted load requirements.**”<sup>4</sup>*

As detailed below, MPC failed to optimize DSM resources in its IRP. Moreover, it presented no plan for delivering DSM savings beyond this year, and presented a portfolio of energy efficiency programs that is not comprehensive in scope or depth of savings. Because MPC failed to optimize (or even analyze) DSM as a resource in its IRP, and because its proposed efficiency program portfolio is neither comprehensive in scope nor sufficient in overall savings, the Commission should reject Mississippi Power’s proposed DSM plan.

## **II. Establishment of Energy Efficiency Savings Targets**

The problems with MPC’s treatment of DSM in its IRP are too fundamental to be resolved without direct intervention by the Commission. To do so, the Commission should exercise its authority to directly set efficiency savings targets for the Company and require it to expand its program offerings to all customers, including reinstating programs for the industrial customer class. **We propose that the Commission direct MPC to ramp up savings as a percentage of retail sales from its 2021 level of 0.2% to 1.0% annual savings by 2024 on the following schedule:**

*Annual Efficiency Savings as a Percentage of Retail Sales*

|             |             |
|-------------|-------------|
| <b>2021</b> | <b>0.2%</b> |
| <b>2022</b> | <b>0.4%</b> |
| <b>2023</b> | <b>0.7%</b> |
| <b>2024</b> | <b>1.0%</b> |

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<sup>3</sup> Ibid 2

<sup>4</sup> Ibid 4

National research by the American Council for an Energy Efficient Economy (“ACEEE”) has shown that the most effective policies for driving energy efficiency performance are prescribed savings targets over a span of at least three years, also known as Energy Efficiency Resource Standards (“EERS”). More than half of all states have such policies in place and they have been shown to deliver average efficiency savings that are three times higher than those without required efficiency savings targets.<sup>5</sup> Such targets can be, and frequently are, combined with integrated resource planning.

Currently Mississippi Power’s energy efficiency performance is among the lowest in the country for major investor owned utilities. In 2019, its efficiency savings as a percentage of prior year retail sales was 0.22%, less than half the efficiency savings of its sister Company Georgia Power with 0.46%. According to ACEEE, *average* efficiency savings for major investor-owned utilities is over 1%, nearly five times higher than Mississippi Power has achieved or currently plans to achieve in the future. Numerous utilities in the region are already performing at or above this level. Entergy New Orleans and Entergy Arkansas both have annual efficiency savings targets greater than 1% of retail sales, while reporting that customer benefits from their programs are more than double the costs.<sup>6</sup> Entergy New Orleans has been required to increase its annual efficiency savings by 0.2% each year, up to 2% annual efficiency savings – double what we are proposing for Mississippi Power. Duke Energy Carolinas has also delivered annual efficiency savings at or near 1% of its retail sales for several years.<sup>7</sup> It has accomplished this by offering a broader suite of energy efficiency and demand response (“DR”) programs, with deeper investment to drive customer participation than what Mississippi Power has presented.

Mississippi Power’s historic underinvestment in energy efficiency means that there is a great deal of efficiency opportunity still available. According to a memo prepared for Mississippi

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<sup>5</sup> Molina, Maggie and Marty Kushler 2015, “Policies Matter: Creating a Foundation for an Energy-Efficient Utility of the Future.” American Council for an Energy Efficient Economy. Page 12.

<sup>6</sup> Entergy New Orleans, “Energy Smart Annual Report – Program Year 9 Annual Report.” July 2020, page 8 and Entergy Arkansas, “Energy Efficiency Program Portfolio Annual Report for the 2019 Program Year.” May 2020, page 12

<sup>7</sup> SACE, Third Annual Energy Efficiency in the Southeast Third Report, page 6

Power by Brightline Group in 2019,<sup>8</sup> Mississippi's home rule means that the utility can count even more efficiency savings for efficiency measures it implements than utilities operating in other jurisdictions that have statewide building codes. This means Mississippi Power can count efficiency savings against existing conditions in the homes it serves, rather than the higher baseline of statewide building codes, making it even easier for the Company to reap substantial savings at lower costs than peer utilities.

Energy efficiency is well documented as a least-cost energy resource. Inexplicably, however, Mississippi Power's cost benefit analysis shows that it is paying substantially more for its efficiency savings than peer utilities. In its latest Annual Energy Delivery Plan and its IRP workpapers, Mississippi Power's efficiency program portfolio achieved a Total Resource Cost test ("TRC") score of 1.12, meaning that every dollar spend on energy efficiency results in \$1.12 of savings for customers. This is relatively low in comparison to peer regional utilities like Entergy Arkansas (2.37) or Duke Energy Carolinas (2.99) that achieve double or nearly even triple the savings per dollar spent respectively. Even while using the Utility Cost Test ("UCT"), which measures the return on investment for only utility expenditures on efficiency, the story is much the same. Mississippi Power forecasts a UCT score for its efficiency portfolio of 1.46, while Entergy Arkansas's was 2.26 and Duke Energy Carolina's was 3.23. Particularly notable, Mississippi Power's levelized cost of energy saved is \$0.054/kWh,<sup>9</sup> for residential programs, more than double the national average.<sup>10</sup> One possible explanation for these underwhelming cost test scores is that the small size of Mississippi Power's energy efficiency programs deprives it of economies of scale, including the ability to spread administrative costs over a larger quantity of efficiency savings. Two important conclusions can be drawn from this comparison. First, increasing to 1% annual efficiency savings is likely to produce a higher cost to benefit ratio than continuing at the far lower level of savings Mississippi Power has proposed. Second,

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<sup>8</sup> MPC response to SACE IDR 1-7, page 2

<sup>9</sup> MPC response to SACE IDR 1-2

<sup>10</sup> Hoffman, Ian et. al. Lawrence Berkeley National Laboratory, "The Cost of Saving Electricity Through Energy Efficiency Programs Funded by Utility Customers: 2009-2015," 2018. Page 17

bringing administration for all but one of Mississippi Power's efficiency programs in-house has not resulted in lower cost per kWh saved compared to peer utilities.

By implementing required annual efficiency savings targets up to 1% over the next three years, the Commission can dramatically lower customer energy bills, while increasing the efficiency and cost effectiveness of Mississippi Power's energy efficiency portfolio overall. The Commission should also direct MPC to fully evaluate the expansion of DR to address both reliability and market price benefits. Looking beyond the next three years, the Commission should either continue to escalate these savings requirements and / or substantially revise its IRP rules to ensure Mississippi Power fully optimizes DSM resources in subsequent IRP cycles.

### **III. Key Deficiencies of Mississippi Power's IRP**

Mississippi Power opted not to competitively model DSM against supply side resources, and it did not conduct a DSM potential study on which to base proposed efficiency savings levels. Nor did the Company provide any information on what criteria were used to evaluate and determine what the optimal level of DSM resources would be, or indicate if any criteria were in fact used at all. In its list of "Expansion Plan Candidates for Reference Case," no element of demand-side management was included,<sup>11</sup> nor was DSM included in the "MPC Cumulative Additions."<sup>12</sup> It is worth noting that the modeling software that MPC used to produce its IRP, AURORA, is quite capable of analyzing DSM resources in numerous ways, including competitively against future supply-side additions, but the Company chose not to use these capabilities.

Despite claims that it continues to "study" and plans to "expand" demand-side solutions,<sup>13</sup> MPS's IRP falls short of both claims. The Company also did not undertake a demand-side management potential study to determine the level of energy efficiency and demand response

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<sup>11</sup> Ibid 21

<sup>12</sup> Ibid 30

<sup>13</sup> MPC IRP, page 4



available in its service territory, nor can the Brightline Memo<sup>14</sup> or the potential study results from its sister Company Georgia Power<sup>15</sup> functionally replace such an analysis for the purposes of determining optimal levels of DSM in Mississippi Power's IRP. Ultimately, the Company failed to provide any meaningful explanation for what criteria were used to evaluate and determine what the optimal level of DSM resources would be, or indeed to indicate if any criteria were in fact used at all. Oddly enough, in response to a discovery request by Sierra Club, the Company indicates that "MPC is in the process of procuring a market potential study to further inform future program design activities."<sup>16</sup>

In its IRP and Annual Energy Delivery Plan, all the Company provided were brief descriptions for a handful of energy efficiency programs it planned to offer in 2021, with corresponding budgets and savings levels for that year alone. But it provided no detail, nor explanation, for how those savings levels were set, what underlying assumptions were used, what load curves would be attributed to the included measures for modeling purposes, nor any other information that is commonly available to intervenors for the purposes of providing input on modeling DSM in resource planning. Ultimately, the Company failed to provide any explanation for what level of DSM resources would be deployed over the planning time horizon beyond the year 2021. This is in clear contravention of the rule, which states:

***"For purposes of the entire 20-year planning horizon, the electric utility should assess its supply-side and demand-side resources based on their cost effectiveness and considering both the utility's planning objectives and the Commission's stated policy goals."<sup>17</sup>***

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<sup>14</sup> Brightline Memo to MPC, "Mississippi Power Company DSM Program Planning Benchmarking." October 10, 2019

<sup>15</sup> Nexant for Georgia Power Company, "Achievable Energy Efficiency Potential Assessment," January 31, 2018

<sup>16</sup> MPC response to Sierra Club DR 1-12

<sup>17</sup> MPSC Rule 29 Integrated Resource Planning and Reporting, page 5

**“The near-term *and longer-term impacts* on customers and on utility financial integrity *must be factored into the final decision to proceed or not to proceed with any demand-side management investment.*”<sup>18</sup>**

Mississippi Power did include one planning scenario with higher DSM incentive payment levels, but it was not presented as a resource selection alternative. Instead, it was presented as nothing more than a reduction to the utility’s forecasted capacity needs, from which only supply-side additions were considered.<sup>19</sup> No cost information was presented related to this planning scenario upon which one could evaluate the economic efficiency of higher investments in DSM against the utility’s other portfolios.

Section 104.4 of the Commission’s IRP rules states:

**“The portfolios identified should be compared based on the electric utility’s ability to meet its identified planning objectives across varying potential outcomes over the planning horizon, *including but not limited to comparison of the net present values.*”<sup>20</sup>**

Mississippi Power did not provide a net present value comparison of its identified portfolios. As a result, there is little to no financial basis upon which resource acquisitions may be ranked in its IRP filing. This is a major problem and reason enough to reject Mississippi Power’s IRP. The lack of portfolio level economic analysis, failure to competitively evaluate DSM against supply resources, and absence of a potential study mean that the DSM savings levels in Mississippi Power’s IRP are arbitrary and will almost certainly lead to higher overall utility system costs and higher monthly bills for customers.

The lack of competitive modeling, inadequate scope and depth of savings, and incomplete consideration of cost information related to energy efficiency are key deficiencies that should cause the Commission concern. The Commission’s best immediate option to address these

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<sup>18</sup> Ibid 11

<sup>19</sup> MPC IRP page 26 and Workpapers “A\_Load Forecast vs Capability by Scenario”

<sup>20</sup> MPSC Rule 29 Integrated Resource Planning and Reporting, page 7

serious deficiencies with regard to DSM in MPC's IRP is to establish targets for MPC to reach 1% annual savings by 2024. Soon thereafter, the Commission should reopen and revise its IRP rules to ensure future IRP's are not plagued by the same problems as this one. The Commission should also consider reestablishing a separate proceeding specific DSM resources that would complement and supplement the IRP rules as described in comments filed by SACE on October 1<sup>st</sup>, 2019:

"The IRP should establish the general size and direction for EE programs and the portfolio as a whole. However, a separate docket for DSM should be maintained for the purposes of review and Commission approval of program design, inclusion of low income efficiency, budgets, evaluation and reporting requirements, cost recovery, and consideration of possible energy efficiency savings targets."<sup>21</sup>

#### IV. **Mississippi Power's DSM Portfolio is Neither Comprehensive Nor Robust**

*IRP Rule Final Commission Order:*

*"The Rule also supports effective Commission and utility decision-making by providing accurate, comprehensive and forward-looking information about anticipated resource needs and the options available to meet those needs, **while including and integrating what the Commission expects to be a robust demand-side management portfolio.**"<sup>22</sup>*

Prior to being rolled into the Commission's IRP rulemaking process, Rule 29 clearly indicated that investor owned utilities, like Mississippi Power, would soon be expected to transition from Quick Start to comprehensive energy efficiency programs. In its IRP, MPC states:

*"With the Rule 29 revisions adopted in 2019, Mississippi Power is now transitioning from the narrowly defined "Quick Start" approach to a broader strategy for evaluating and adopting EE programs."<sup>23</sup>*

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<sup>21</sup> Comments of Southern Alliance for Clean Energy in RE: Order Establishing Docket to Investigate the Development and Implementation of an Integrated Resource Planning Rule, October 1<sup>st</sup>, 2019, page 9

<sup>22</sup> Final Order Amending Rule 29 to Establish Integrated Resource Planning and Annual Energy Delivery Reporting Requirements." November 2019, page 7

<sup>23</sup> MPC IRP, page 15

But the portfolio of DSM programs presented in Mississippi Power's IRP and its latest Annual Energy Delivery Plan is neither comprehensive nor robust. Instead it reflected only relatively minor modifications to the energy efficiency programs offered by the Company during its Quick Start phase over the past seven years.

Section 104.3.e of the Commission's IRP rules state that when identifying and characterizing supply-side and demand-side resources:

*"A wide range of potentially viable demand-side options, including but not limited to energy efficiency, shall be identified for further evaluation to meet the electric utility's resource requirements."*

But Mississippi Power's DSM portfolio lacks even some of the most basic DSM offerings. For instance, it does not include demand response programs, a multi-family program, commercial and industrial new construction program, a commercial and industrial retro-commissioning program, an agriculture program, a strategic management or continuous improvement program for commercial and industrial customers, a conservation voltage reduction programs,<sup>24</sup> an online marketplace, or midstream delivery channels. One of the most glaring and dubious exclusions stems from Mississippi Power's apparently unilateral decision to eliminate all program offerings for the industrial customer class, which according to the Energy Information Administration ("EIA") represents approximately *half of the Company's annual retail sales*.<sup>25</sup> This is disappointing for two reason. First, because it means the Company is failing to pursue savings from the *group of customers with the largest total consumption*, and second because efficiency programs for industrial customers typically capture some the highest efficiency saving impacts at the least cost. Section 104.3 of the Commission's IRP rules states that:

*"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. A written*

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<sup>24</sup> MPS Response to Sierra Club DR 1-17

<sup>25</sup> 2019 EIA Form 861, "Sales\_Ult\_Cust\_2019.xlsx"  
<https://www.eia.gov/electricity/data/eia861m/>

*explanation of such removal, including the basis therefore, shall be provided in the Integrated Resource Plan.*<sup>26</sup>

In contravention of the rules, no such explanation was provided for the removal of industrial energy efficiency programs from MPC's IRP and its Annual Energy Delivery Plan.

The DSM savings in MPC's IRP are far too low, and its program offerings are deficient in critical ways. The DSM portfolio presented by Mississippi Power represents a de minimus increase in savings levels for 2021 and leaves in question what level of savings will be included in the IRP for subsequent years. For 2019, Mississippi Power reported 21,536 MWh of efficiency savings.<sup>27</sup> At the technical conference in February, Mississippi Power proposed aggregate savings for programs of 21,896 MWh in 2021<sup>28</sup> – the only year for which any information was presented. This represents a mere 1.7% increase in total energy savings. Meanwhile, the Company proposes slashing both the savings and budgets in half for the only program it offers that specifically serves low income customers.<sup>29</sup>

Meanwhile, according to the Energy Information Administration (EIA), both average electricity usage and monthly bills for Mississippi residents are among the top five highest in the country<sup>30</sup> – both of which can be improved with additional investment in energy efficiency. Like any other resource, energy efficiency spending can impact rates (up or down), but EIA data also shows that neighboring state Arkansas has been able to maintain low rates (3<sup>rd</sup> lowest in the country)<sup>31</sup> while requiring its major utilities to deliver more than 1% annual efficiency savings (approximately five times higher than what Mississippi Power has proposed).

The national average for annual energy efficiency savings by major utilities is approximately 1% of retail sales, nearly five times higher than MPC proposed for 2021. Since Mississippi first

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<sup>26</sup> MPSC Rule 29, Integrated Resource Planning and Reporting, page 4

<sup>27</sup> Mississippi Power, "2019 Energy Efficiency Annual Report," May 2020 page 3

<sup>28</sup> Ibid and Mississippi Power Company 2021 IRP Technical Conference Presentation, Slide 29

<sup>29</sup> ibid

<sup>30</sup> Data from forms EIA-861- schedules 4A-D, EIA-861S and EIA-861U

<sup>31</sup> Data from forms EIA-861- schedules 4A-D, EIA-861S and EIA-861U

enacted energy efficiency rules in 2013, Mississippi Power's energy efficiency programs have operated under what was intended to be a temporary Quick Start framework, that was ultimately expected to be replaced by a comprehensive portfolio of efficiency programs. Instead, Mississippi Power's proposed efficiency savings for 2021 are just 1.7% higher than in 2019.<sup>32</sup> Mississippi Power's program offerings are also not comprehensive. Not only are they subpar with respect to total savings, they also fail to provide comparable depth of program offerings compared to peer utilities. In this regard, Mississippi Power is actually moving backwards. Without explanation, Mississippi Power unilaterally eliminated all program offerings for the industrial customer class, which represents approximately half of the Company's total retail sales. From a resource planning perspective this is indefensible, since industrial efficiency programs are typically among the least expensive sources of energy savings.

It is equally unacceptable that Mississippi Power decided to slash the savings and budgets for its low-income efficiency program in half, despite operating in the state with nation's highest poverty rate.

MPC has historically operated load control, interruptible load, and standby generation programs to assist with reliability, but it has not developed, deployed, nor modeled DR programs based on economic efficiency. In other words, the utility will dispatch DR capabilities in response to imminent reliability issues, but does not use them in response to market price signals. As a result, customers are charged for higher generation costs than they would if MPC used DR during peak price times. The amount of demand response included in the Company's ten different future planning scenarios is the same in every instance, and there is no indication that this IRP reflects any addition of demand response resources. DR is an economically valuable energy resource for purposes of integrated resource planning and could help to lessen the excessive dependence MPC has on fossil gas generation, which has grown over the past decade from 49% to a whopping 92% of the Company's energy mix.<sup>33</sup> Diversification is a critical

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<sup>32</sup> MPC's 2020 efficiency performance was substantially lower than projected, primarily as a result of the pandemic.

<sup>33</sup> MPC IRP, page 3

component of managing risk, but Mississippi Power failed to consider the benefits of DR for this purpose.

**V. Mississippi Deserves Robust, Accurate, and Intelligent Integrated Resource Planning**

Mississippi Power has presented a substantively inferior IRP compared its peers, and exploited weaknesses in the rules that should be remedied as soon as possible. It includes far less DSM resources, built on far less rigorous analysis, and its assumptions are substantially less detailed and less transparent. Mississippi Power actively sought to block any stakeholders from intervening in its IRP proceeding, which is unprecedented in our experience, and the Company ultimately ignored all input presented by stakeholders through its public meeting, technical conference, and associated written comments. The problems with Mississippi Power's handling of stakeholder engagement and lack of transparency are further detailed in SACE's comments filed on March 22<sup>nd</sup>, 2021 in response to Mississippi Power's technical conference held on February 25<sup>th</sup>, 2021. Having ignored all recommendations that might have remedied the fatal problems with its planning approach, Mississippi Power's IRP is substantively deficient and should be rejected.

Mississippi deserves better than the second class treatment it has been given in Mississippi Power's IRP. The Company's resistance to outside input, incomplete and inadequate modeling analysis and failure to fully and fairly evaluate modern clean energy resources in its IRP, (including DSM resources) echoes its irresponsible behavior in the leadup to the Kemper Power Plant boondoggle. That experience is the primary reason why Mississippi Power should be held to a higher standard, and indeed why the Company should have taken it upon itself to conduct its IRP process with greater transparency, rigor, and openness to outside input. But that is not what happened. At stake are higher monthly electricity costs for customers; the potential loss of large numbers of much needed new jobs for local residents; and the risk of Mississippi falling behind as the rest of the country transitions to a cleaner, more modern and resilient grid.

Numerous utilities in the region have planned for and delivered efficiency savings that are substantially higher than those proposed by Mississippi Power in its IRP. The vast majority of investor-owned electric companies in the region, including Dominion Energy South Carolina, Duke Energy Progress, Duke Energy Carolinas, Entergy New Orleans, Entergy Arkansas, SWEPCO Arkansas, and even MPC's sister Company Georgia Power have all submitted IRPs with substantially higher efficiency savings levels than Mississippi Power.

As noted above, Mississippi Power's IRP lacks meaningful detail regarding energy efficiency beyond what it filed with its Annual Energy Delivery Plan last November.<sup>34</sup> In its Annual Energy Delivery Plan, only one year of forecasted energy savings are included, for 2021. To be an effective alternative to future supply side additions, investments in energy efficiency must be increased over several years prior to the capacity need, but no provision is made for that in MPC's IRP. Between the lack of explanation regarding demand-side resources for the remainder of the IRP planning period, and the very low savings levels MPC proposed for 2021, the Staff and Commission would be well justified to prescribe required efficiency savings targets for the utility, as contemplated in Section 107 of Mississippi's IRP rules.

When the Commission merged its existing energy efficiency rules into its new IRP rules it made abundantly clear that robust energy efficiency was to be an integral part of future utility resource plans. It is time for the Commission to make this point clearly once again, because it appears Mississippi Power didn't get it.

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<sup>34</sup> It should be noted that Mississippi Power neither provided nor notified intervenors in this docket the Annual Energy Delivery plan it filed on November 16, 2020. We request that in the future intervenors in this proceeding be notified when Mississippi Power's Annual Energy Delivery plan is filed in the future.