



CLEAN GRID
ALLIANCE

FILED

JUN 28 2021

MISS. PUBLIC SERVICE
COMMISSION

June 28th, 2021

Via Email: efile.psc@psc.state.ms.us

Katherine Collier, Esq.
Executive Secretary
Mississippi Public Service Commission
501 North West Street, Suite 201A
Jackson, MS 39201

RE: ORDER ESTABLISHING DOCKET TO INVESTIGATE THE MEMBERSHIP OF ENTERGY MISSISSIPPI, LLC. IN THE MIDCONTINENT INDEPENDENT TRANSMISSION OPERATOR

Dear Katherine,

On behalf of Clean Grid Alliance (CGA), please find the attached Comments in Mississippi Public Service Commission's Docket No. 2021-AD-52 for filing. Pursuant to the Commission's Order of March 12, 2020, this filing is being made electronically. Delivery of physical copies shall be made only upon further order of the Commission.

Sincerely,

Nathan LaFrance
Vice President of State Policy, Clean Grid Alliance

Enclosure

cc:

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Delivering Midwest Renewable Energy

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BEFORE THE MISSISSIPPI PUBLIC SERVICE COMMISSION

MISSISSIPPI PUBLIC SERVICE COMMISSION Docket No. 2021-AD-52

IN RE: ENTERGY MISSISSIPPI, LLC MISO MEMBERSHIP

COMMENT BY THE CLEAN GRID ALLIANCE

COMES NOW, the Clean Grid Alliance (“CGA”), pursuant to Mississippi Public Service Commission (“MS PSC” or “Commission”) RP 6.121 for Intervention and Rule 14 for Comments, to file these comments in this Entergy Mississippi LLC’s (“EML” or “Company”) Midcontinent Independent System Operator (“MISO”) membership docket.

CGA is a non-profit 501(c)(3) that supports the development and integration of renewable energy resources in the Midwest. CGA’s membership includes wind, solar and energy storage developers and manufacturers; non-profit environmental public interest and clean energy advocacy organizations; farmer organizations and other businesses that support renewable energy in the Midwest. CGA’s work focuses on transmission planning, state policy & regulation and education about the electric system and characteristics of renewable energy. CGA’s vision statement is “delivering a renewable energy future”, and our mission is to “advance renewable energy in the Midwest”.

I. Intervention Request

The Commission Order invited interested parties and stakeholders to file intervention. CGA is an interested party and stakeholder in several processes related to this docket. CGA is an official

Environmental Sector member in the MISO Stakeholder Engagement process, and sits on the MISO Advisory Committee as well as the MISO Planning Advisory Committee. On May 10th, 2021, CGA filed its motion to intervene in this docket. No party has opposed CGA's motion to intervene in this docket and we request our intervention request be granted.

II. Statement of the Issues

Based on the Commission's Order, the primary issue at hand is the evaluation of EML's membership and participation in MISO, and the investigation of the long-term benefits, costs and commitments of EML's continuing membership in MISO. The Commission poses several specific issues upon which it seeks comments; CGA will provide comments on several of the issues.

III. Statement of the Action Proposed

Based on the Commission's Order, the proposed action from this docket is to identify whether the long-term benefits of RTO (MISO) membership exceed the long-term costs and commitments of RTO (MISO) membership. CGA intends to show, through its comments, that EML will continue to greatly benefit from membership in the MISO RTO; and that, in fact, benefits are likely to increase in the future over those seen and submitted annually by EML to this Commission since the transfer of EML's transmission facilities to MISO was approved by the Commission in 2012.

IV. The Apparent Position of Other Parties Regarding the Proposed Action

There are a number of parties that have filed petitions to intervene in this docket. Several of these parties, including Southern Renewable Energy Association, 350 New Orleans, NRDC /

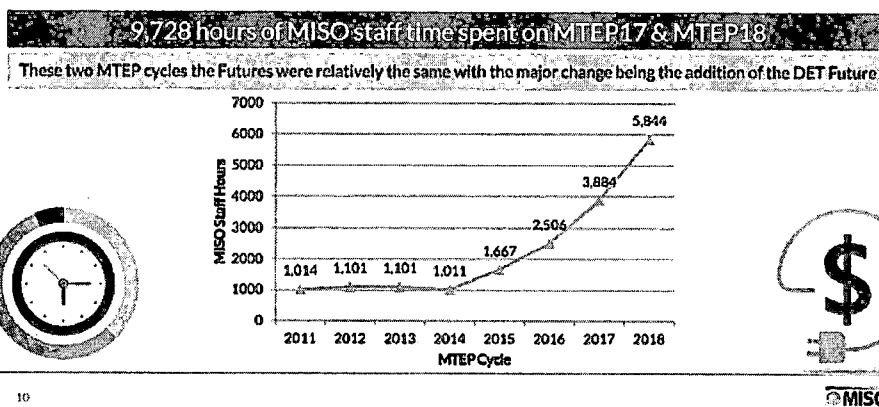
Sustainable FERC Project and Gulf States Renewable Energy Industries Association all appear to hold similar positions to CGA. These would include seeking to keep EML in the MISO RTO, an expanded use of renewable energy within the EML service territory and across the MISO system, and EML supporting transmission planning and expansion within the MISO planning processes.

The MISO is also an intervenor, at the request of the Commission. It is anticipated that MISO will propose keeping EML as part of the MISO RTO, as this provides greater economic benefits to all MISO participants including EML through a larger area of transmission control, including increased optionality of transmission path usage, and greater diversity in both load and generation resources available for dispatch.

Entergy Mississippi is also intervening in this docket. CGA is uncertain as to EML's responses to the docket, but expect EML to support evaluating alternatives to MISO membership. Entergy did not voluntarily approach MISO for membership when it joined MISO in 2012; it joined only because doing so was part of a settlement with the Department of Justice (DOJ) resulting from the DOJ's investigation into anti-competitive practices alleged to have been committed by Entergy. Through anecdotal evidence, including EML's participation and use of both disclosed and undisclosed consultants in the MISO stakeholder processes⁽¹⁾, it appears that EML has attempted to hinder progress at MISO, particularly in transmission planning. Chart 1 shows that the time required by MISO staff to conduct the annual MISO Transmission Expansion Plan (MTEP) has increased dramatically since Entergy joined the RTO in 2012. During the MTEP process, which CGA participates in on behalf of its members, it has appeared that Entergy has sought to delay progress and minimize proposed transmission expansions.

Chart 1

The time and effort to develop the Futures, resource expansion, and siting has increased over the past 5 years



Cooperative Energy is another intervenor in this docket. Cooperative Energy is a public utility providing electric service in Mississippi and a transmission services purchaser from EML. CGA is unable to offer thoughts on the expected comments from Cooperative Energy.

Flora Real Estate & Development and Bigger Pie Forum, LLC are the remaining intervenors in this docket. Both appear to be concerned about maintaining low and equitable electric rates for businesses and consumers in the state of Mississippi. Achieving these goals can be best achieved by having EML remain in MISO and actively participate in beneficial transmission planning.

V. All Relevant Facts Established or Proposed to be Established by the Party

Entergy Mississippi benefits greatly by being in MISO and it should remain in the RTO. Furthermore, EML should advocate for capacity expansion of the MISO North-South transmission constraint and constructively support the MISO Transmission Expansion Process (“MTEP”).

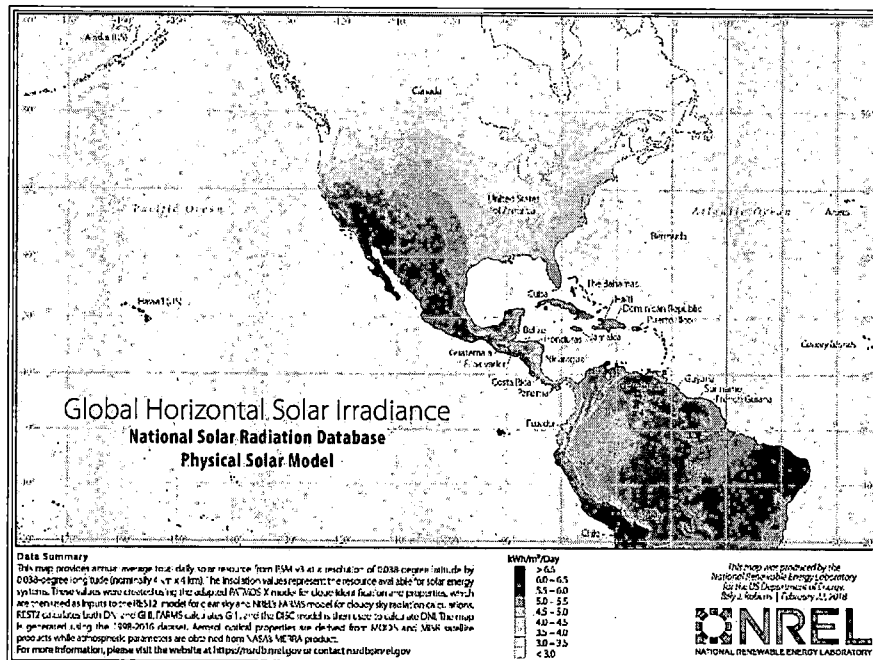
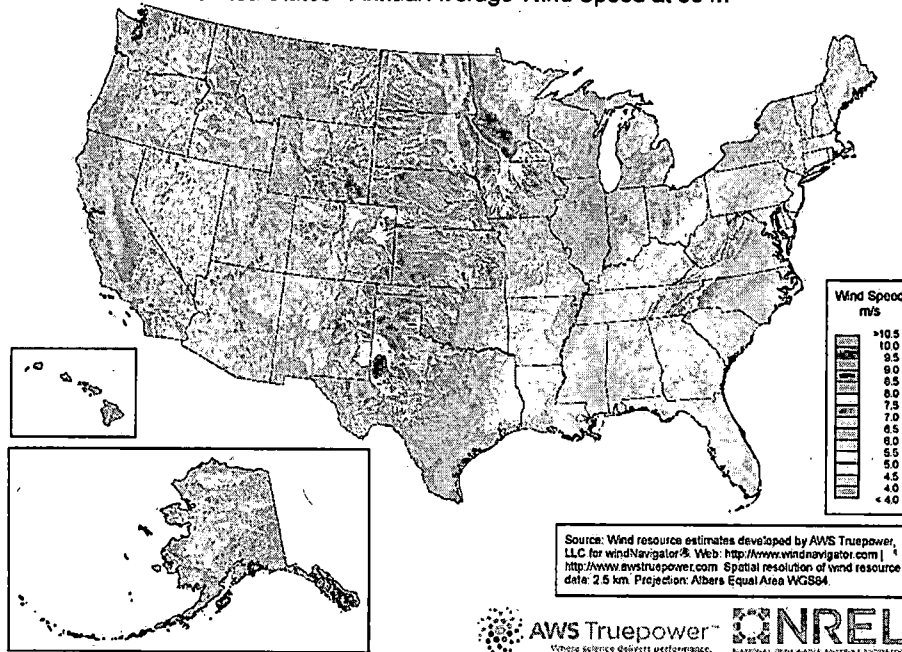
Benefits of RTO Membership: Transition to Zero-Carbon Economy

The United States is undergoing a rapid shift in its energy production, reducing dependency on fossil fuels and rapidly expanding renewable energy supply. CGA is a significant supporter of this effort. Several states within MISO are considering 100% renewable energy goals, while 17 MISO utilities have renewable energy goals of 80% or greater ⁽²⁾. The Biden Administration has proposed a zero-carbon electricity industry by 2035. Entergy has announced that it plans to reduce its carbon emissions to 50% below year-2000 levels by 2030, and achieve net-zero carbon emissions by 2050 ⁽³⁾. These ambitious goals will require Entergy to supply its electric customers with significant amounts of renewable energy going forward, and this effort is strongly supported by MISO membership. Whether it be voluntarily or by government requirement, a low-carbon or zero-carbon electricity grid is coming to Mississippi and the United States.

Increasing the supply of renewable energy will require a diversity of generation resources; diversity in type of facility (wind, solar, hybrid, storage) as well as diversity of location. The load and generation diversity across a system as large and diverse as MISO allows MISO to leverage areas of high renewable energy production and move that energy to areas of lower renewable energy production. As Maps 1 and 2 show ⁽⁴⁾⁽⁵⁾, the states of MISO North have high wind energy potential, but low solar potential. Conversely, the MISO South states, including Mississippi, have very little potential to generate wind energy, but significant potential for solar energy generation. MISO can lower electricity supply costs and increase reliability for all members by expanding the transmission system, particularly the North-South intertie, and moving the zero cost wind and solar power to where it is needed. It would be much more challenging and costly for Entergy to manage its system under a high renewables-penetration scenario if it attempts to do so on its own, outside of an RTO.

Maps 1 & 2

United States - Annual Average Wind Speed at 80 m



Appendix A is a renewable energy fact sheet for Mississippi created by Clean Grid Alliance. It shows that there are already over 2,000 MW of renewable energy projects in the MISO queue in Mississippi. These projects represent \$2.7 billion of investment in Mississippi, which is just a fraction of investment expected if EML opens up to renewable development and renewable power purchase agreements. The economic benefits for Mississippi communities from renewable energy projects, in the form of local taxes, local infrastructure spending and new jobs, are significant and can be a game-changer for rural Mississippi. In addition, industry data shows that solar power generation is significantly cheaper than new natural gas, coal or nuclear generation, which will help keep rates low for all Mississippi ratepayers. EML should be taking tangible steps toward its net-zero carbon goal by evaluating fossil fuel plants that could be economically replaced by renewable energy, as well as moving forward with transmission projects that will allow far more renewable energy development in the state.

In its MISO 2020 Value Proposition presentation, MISO estimates that its member utilities saved between \$1.9 billion and \$2.5 billion during the year from the RTO's "footprint diversity" ⁽⁶⁾. These diversity savings will increase if transmission expansion is allowed to occur, and especially if the North-South intertie's capacity is increased. This generation diversity not only provides significant economic benefits, but reliability benefits as well. Electricity can be moved from areas of lower demand to high demand areas, helping to avoid loss of load.

Would EML and its Customers Enjoy Greater Benefits in Alternative Operational Environment?

Entergy needs to remain in a functional RTO to maintain economic savings and reliability enhancements for its customers. According to Entergy, EML customers have saved \$41.4

million per year as a direct result of Entergy joining MISO ⁽⁷⁾. These savings have been produced by economic generation dispatch across the MISO system, reserves sharing, increased reliability, compliance activities, wind integration, demand response and ancillary services optimization.

If EML, or Entergy as a whole, were to join the newly formed Southeast Energy Exchange Market (SEEM), its customers would lose nearly all of these savings and see their electric bills increase. As of 2018, EML's electric rates are 24% below the national average ⁽⁷⁾; these low rates would increase significantly by joining SEEM. Entergy estimates that its customers have saved \$100 per year from being a part of MISO ⁽⁷⁾. According to estimates by the Southern Alliance of Clean Energy, customers of utilities that join SEEM would save approximately \$1 (one dollar) per year versus remaining stand-alone entities ⁽⁸⁾. Leaving MISO to join SEEM would thus cause Mississippi ratepayers to lose 99% of the savings they currently enjoy from MISO membership. This is not a tradeoff that Entergy or EML should consider.

The alternative to MISO that does make sense for the Commission to evaluate is moving EML from the MISO RTO to the SPP RTO. Currently, Entergy does not have any physical ties to MISO-North, and the tie between MISO-North and MISO-South is very constrained, with only 1,000 MW of firm contract capacity. On the other hand, Entergy has over 40 physical ties with SPP totaling 14,000 MW ⁽⁹⁾. Thus, the Entergy system would be more physically integrated into the SPP RTO than it currently is in MISO. There is an expectation that there will be transmission expansion that will increase the amount of power that is able to flow between MISO-North and MISO-South in the future, but this constraint currently reduces the amount of generation that can be shared between regions quite significantly. Joining the SPP RTO would also prevent Entergy from being in violation of its 2012 settlement with the DOJ. If Entergy is

to join SPP, it would only be beneficial if the full Entergy footprint were to do so together. It would be complicated for EML alone to do so, as it has no seam with SPP.

VI. All Relevant Precedent, Statutes, Case Law, Regulations or Regulatory Policy

If Entergy Mississippi were to exit the MISO-RTO, it would face significant exit costs. In 2006, Louisville Gas & Electric Company (LG&E) and Kentucky Utilities Company (KU) withdrew from MISO. They paid approximately \$40 million in exit fees. The Kentucky Public Service Commission authorized the exit on the basis of the utilities' analysis which showed that ratepayers of LG&E and KU would save between \$4 million and \$13 million per year by leaving MISO ⁽¹⁰⁾. In contrast, EML has shown this Commission that its ratepayers are saving significantly from its membership in MISO.

In 2011, Duke Energy Corporation withdrew its Duke Ohio utility from MISO. In relation to this withdrawal, Duke Ohio recorded a cost obligation of \$97 million on its balance sheet, which represented its estimated MISO exit obligation and share of MTEP costs ⁽¹¹⁾.

In summary, EML ratepayers could be exposed to tens of millions of dollars in exit costs were the utility withdraw from the MISO RTO. This is a large cost burden to overcome, and any alternative would need to provide ratepayers with significant savings above and beyond those already provided from EML's membership in MISO.

1. Energy and Policy Institute, "*Records Reveal Entergy's role in stalling MISO transmission planning*", 4/5/2021, <https://www.energyandpolicy.org/entergy-role-stalling-miso-transmission-planning/>

2. MISO, “*MISO Futures Report*”, 4/2021, Page 10,
<https://cdn.misoenergy.org/MISO%20Futures%20Report538224.pdf>
3. Entergy Website, “*Climate Commitment, Goals and Actions*”,
<https://www.energy.com/environment/goals/>
4. National Renewable Energy Laboratory (NREL), “*U.S. Average Annual Wind Speed at 80 Meters*”, <https://windexchange.energy.gov/maps-data/319>
5. National Renewable Energy Laboratory (NREL), “*U.S. Solar GHI*”,
<https://www.nrel.gov/gis/assets/images/solar-annual-ghi-2018-usa-scale-01.jpg>
6. MISO, “*MISO 2020 Value Proposition*”, Slide 2,
<https://cdn.misoenergy.org/20210219%202020%20MISO%20Value%20Proposition%20Presentation521885.pdf>
7. Entergy Press Release, “*Entergy Mississippi Customers Save \$207 Million from Regional Transmission Organization Membership*”, 10/1/2019,
<https://www.energynewsroom.com/news/entergy-mississippi-customers-save-207-million-from-regional-transmission-organization-membership/>
8. Southern Alliance for Clean Energy, “*Southeast Energy Exchange Market (SEEM): What we know, Q&A-style*”, 3/17/2021, <https://cleanenergy.org/blog/seem-what-we-know-qa-style/>
9. Talk Business & Politics, “*Factsheet: Benefits of Entergy Joining SPP*”, 2011,
<https://talkbusiness.net/assets/files/Entergy%20SPP%20MISO%20Benefits.pdf>
10. Commonwealth of Kentucky Public Service Commission News Release, “*PSC Allows LG&E and KU to Leave MISO*”, 5/31/2006,
http://psc.ky.gov/agencies/psc/press/052006/0531_r02.pdf

Appendix A

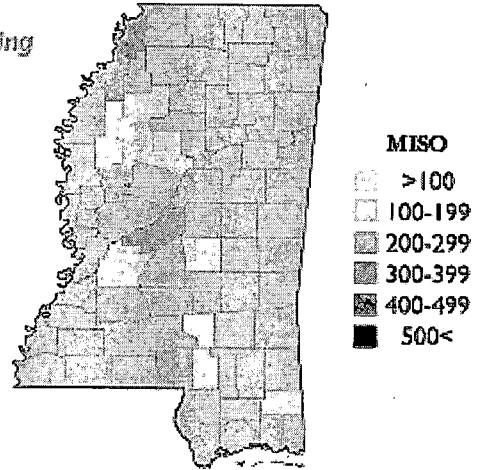


FACT SHEET

THE MISSISSIPPI RENEWABLE ENERGY PIPELINE

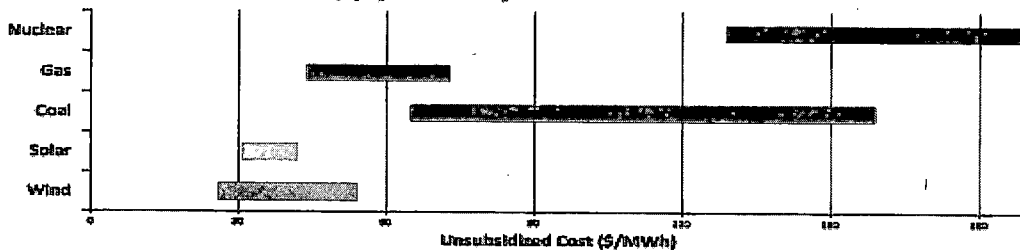
Over 2 GW of renewable energy projects in development in more than a dozen counties across the state, representing potential investment of \$2.7 billion

County	Total MW
MISO	
Covington	96 MW
Carroll	100 MW
Tallahatchie	100 MW
Lamar	104 MW
George	150 MW
Hinds	150 MW
Leflore	150 MW
Scott	175 MW
Sunflower	199 MW
DeSoto	200 MW
Washington	200 MW
Madison	300 MW
Tunica	360 MW
Total MW	2,284 MW



MISO Interconnection Queue, 2021

New renewable energy is cost-competitive with existing and new coal and gas resources, and enhances supply diversity



Wind	Solar	Coal	Gas	Nuclear
\$26-54	\$31-42	\$65-159	\$44-73	\$129-198

Source: Lazard Levelized Cost of Energy 14.0, Oct. 2020

Enabling competition and investment in renewable energy

- Support MISO transmission capacity expansion and grid flexibility measures
- Ensure renewables additions and fossil retirements are fairly evaluated in IRP and other regulatory processes



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