Miss. Regulators Approve Energy Efficiency Rules

JEFF AMY, Associated Press

JACKSON, Miss. (AP) — Mississippi electric and natural gas utilities will soon be paying for their customers to cut energy use.

The state Public Service Commission voted unanimously Thursday to adopt energy efficiency rules requiring all gas and electric companies with more than 25,000 customers to begin offering programs within six months.

Commissioners say efficiency will save customers money by reducing the amount of power used, and will cut the need for new power plants in the future. Central District Commissioner Lynn Posey said the rules "will ensure utilities are educating their customers about how they can control some elements of their utility bills."

Quick start plans would be filed within six months. They could include energy audits, tuning customer heating and air conditioning systems, appliance and lighting rebates, weatherizing homes, and paying builders to make new homes and commercial structures more efficient.

Within three years, utilities would have to file more comprehensive plans. They would be allowed to recover the costs of implementing those plans by raising rates on all customers.

"We've supported the commission's efforts throughout this process, and have already begun work in this area in anticipation of the commission's rules," Mara Hartman, spokeswoman for Entergy Mississippi, wrote in an email. The company had petitioned for a delay of several months to allow for planning.

Mississippi ranked last on a scorecard of states put out earlier this year by the American Council on an Energy Efficient Economy. The council cited the lack of PSC policies and reports showing little spending on conservation and little energy saved. The Consortium for Energy Efficiency and Tennessee Valley Authority reported that the 2010 electric utility energy efficiency program's budgets were $12.5 million. No natural gas efficiency programs were listed in Mississippi.

"This is a big move to move us off the bottom and it's going to create jobs," said Northern District Commissioner Brandon Presley.

Karen Bishop, director of the energy and natural resources division at the Mississippi Development Authority, said using less energy could make room for the state to add more energy users.

"You have capacity to add more businesses, more plants," she said. "We see this as

an avenue for economic growth."

Mississippi Power Co. had opposed the rules, saying it was unfair because bills could rise for customers who don't make their homes or businesses more efficient.

"We respect the decision of the PSC and look forward to working with them to further promote energy efficiency measures for our customers," Keith Guillot, a spokesman for the unit of Atlanta-based Southern Co., wrote in an email.

An economic impact study that was demanded by public commenters says the proposals could cost utilities $90 million in the first year, in addition to $70 million that customers would spend after rebates. But positives include reducing demand by 93 megawatts and cutting the need for 800 megawatts of new generation, almost the size of two new natural-gas fired power plants statewide.

Presley said he believed the program would be a particular gain to small businesses and farmers, who would be able to cut their overhead and spend more money on other things. He cited the example of Arkansas, which found that LED lighting cut costs and improved productivity for poultry farmers.

Estimates cited by Presley say the rules would save consumers $2.3 billion through 2034 and create 9,500 jobs by 2030.

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