



## Mississippi Power uses ads to persuade public on Kemper Project

By [Steve Wilson](#)

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Mississippi Power is trying desperately to shift the tide of public opinion about the Kemper Project integrated gasification power plant as it hopes to get a rehearing in front of the Mississippi Supreme Court.

Full-page ads in the *Biloxi Sun-Herald* and *Jackson Clarion-Ledger* and a radio spot running on Mississippi radio stations extol the virtues of the \$6.206 billion plant, which is two years behind schedule and billions over budget.

[The Mississippi Supreme Court ruled in February](#) that Mississippi Power must issue refunds on a 18 percent rate increase to fund Kemper's construction because the Mississippi Public Service Commission hasn't ruled yet on whether costs incurred for construction are justified. The company has asked the Court for a rehearing, along with the PSC.

The Mississippi radio spot invites listeners to "look at that facts." Watchdog.org took a look and found several to be skirting with reality.

*"Kemper was ordered to be built by the Mississippi Public Service Commission after extensive hearings regarding the needs of Mississippi Power customers."*

Jackson attorney Robert Wise, who practices in front of the PSC, said Mississippi Power's view on the PSC's order is not exactly accurate.

"What the Commission did was grant them permission to build Kemper," Wise said. "That gave them the go-ahead, but I don't believe that they were ordered to build Kemper, come what may. They always retained the discretion to stop and inform the Commission that the plant had become unprofitable."

Wise cited the example of Entergy's plans to build a second reactor at the Grand Gulf Nuclear Plant in western Mississippi in the early 1980s. Even though the PSC was set to approve the plant via order, the company decided not to build the new reactor.

*"Kemper is bringing jobs, growth and progress to south Mississippi"*

Jobless numbers reached a low of 5.3 percent in 2007 and still haven't come close to matching that, according to the federal [Bureau of Labor Statistics](#). Last year, when the smaller of two rate increases went into effect (15 percent in 2013 and 3 percent in 2014), the non-seasonally adjusted unemployment rate was 7.7 percent, down from 8.3 percent in 2013 and 8.8 in 2012. That's an improvement from 9.6 percent in 2011 and 9.1 in 2010, but it's a dubious claim that those slight gains can be credited to the Kemper Project's construction, which is nearly complete.

*"Energy experts the world over have hailed Kemper as the future of low-cost, clean energy."*

While the design for an integrated gasification plant like Kemper has been sold to the Chinese, it's a stretch to call anything that costs more than \$6.2 billion and rising as low cost.

Many experts, such as [Patrick Michaels](#), director of the Center for the Study of Science at the libertarian Cato Institute, disagree that Kemper is the future of low-cost power.

If Kemper, which converts lignite coal into a natural gas-like substance called synthesis gas to burn in its electricity-generating turbines. was the future, wouldn't every utility be building one? There are only four in the United States — Duke Energy's [Edwardsport](#) and [Wabash River](#) plants in Indiana and one [unit](#) at [Tampa Electric's Polk Power Station](#). Plans for similar plants have fallen by the wayside.

"They're not going to do it (build other integrated gasification power plants)," Michaels told Mississippi Watchdog in February. "If a utility wanted to rely upon this type of power, they would be noncompetitive. The result would be electricity that would be several times more expensive than in neighboring states if this was adopted (by other utilities). If you're going to create a synthetic natural gas, it obviously isn't going to be competitive."

*"A recent Supreme Court decision could result in a rate increase of 35 to 40 percent."*

The threat of even higher rate increases from Mississippi Power has propelled the coast's casino industry and other businesses to file [briefs](#) with the [Mississippi Supreme Court](#) in support of Mississippi Power's bid to get a rehearing.

At least customers aren't footing the bill for the ad campaign as they are with Kemper. Mississippi Power spokesman Bill Snyder told Mississippi Watchdog the company is not recovering the costs for its advertising from ratepayers.

"Mississippi Power communicates with customers in a variety of ways," Snyder said via e-mail. "From our website to monthly bill inserts to advertising about storm preparations and the Kemper facility, we want them to be as informed as they can be about how we provide them safe, clean, reliable electricity.

"With regards to the current Kemper ads running on TV, newspaper and radio, we are not recovering those costs through rates."