

KEEPING MISSISSIPPI POWERED:

A SNAPSHOT OF MISSISSIPPI'S GROWING DEMAND FOR ELECTRICITY

As the demand for electricity continues to rise in Mississippi and across the nation, we must meet new energy challenges head-on. Energy policy remains one of the most important issues for all Americans. This includes the urgent need to increase our energy supply, develop new sources of electricity, and become less dependent on foreign sources of power in the process.

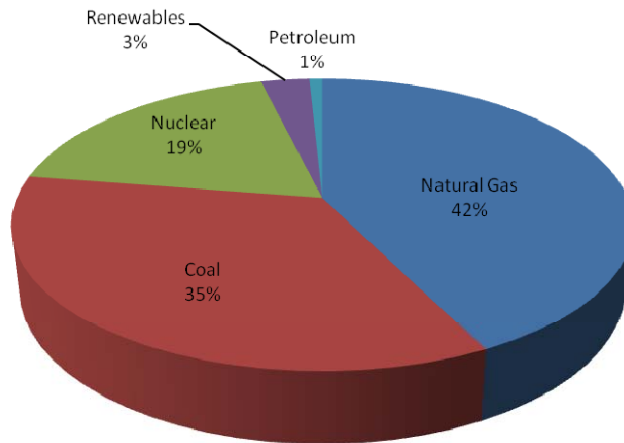
Energy policy, economic growth, and the infrastructure to fuel growth as well as other initiatives must be kept at the forefront of the debate for Mississippians to see new business and job opportunities come to the state and enable Mississippi to stay an excellent place to do business and live. This includes a reliable and affordable energy supply, a proper regulatory system that balances consumer protection with a positive business climate, a reasonable tax structure that does not constrict business growth and personal financial growth, smart environmental policies, effective workforce training, and other energy-focused policies that will help foster growth in Mississippi.

These challenges will take a concerted effort on the part of business and community leaders, as well as all residents of Mississippi, to advocate for sensible energy policy that fuels economic growth in Mississippi.

MISSISSIPPI'S ENERGY PORTFOLIO

The chart below shows the state's electricity supply by power source, and reveals that the majority of Mississippi's power is generated through fossil fuel sources like coal and natural gas, with 19 percent of Mississippi's electricity provided by nuclear power.

Mississippi Electric Power Generation by Fuel Source, 2007
(thousand mWh)



Source:
U.S. Department of Energy

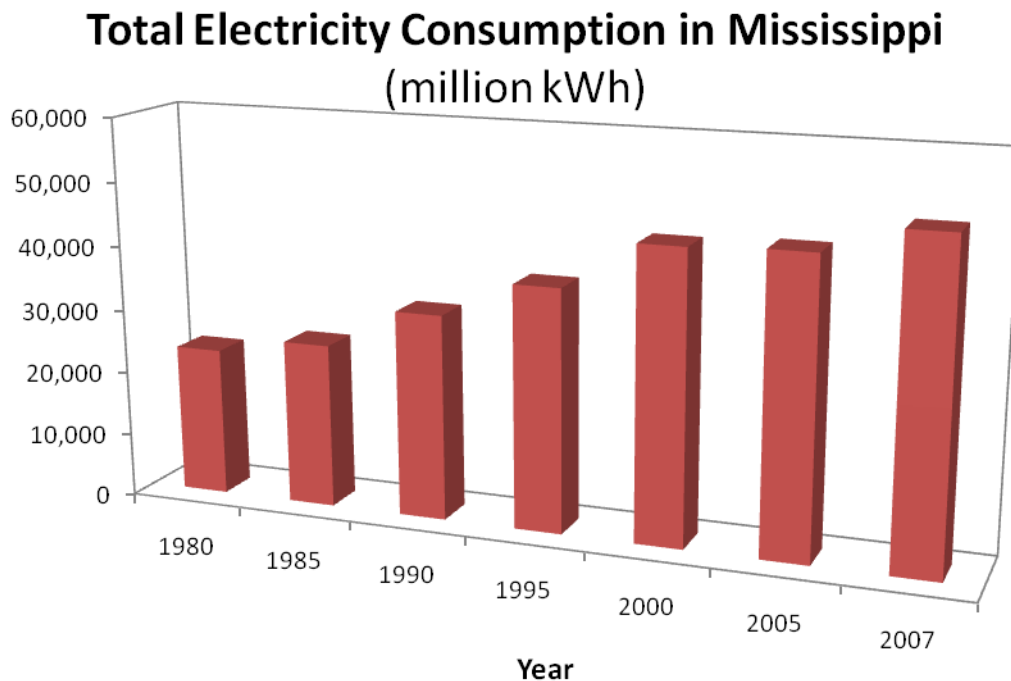
ELECTRICITY DEMAND CONTINUES TO RISE

According to the U.S Department of Energy’s (DOE) Energy Information Administration (EIA), the growth in demand for electricity in the U.S. is estimated to increase by 30 percent between 2006 and 2030.¹ Based on this estimate, we must prepare both nationally and in Mississippi for possible shortfalls of power and expand our capacity accordingly.

Energy consumption is the other key indicator for energy growth and demand. DOE predicts that nationwide electricity consumption will increase over this same period at an annual rate of 0.8 percent. This means electric power consumption, and the infrastructure needed to meet this increased demand (i.e., produce and deliver electricity), will be about 43 percent greater in 2030 than it is today.²

Mississippi’s annual average increase in electricity consumption from 1980-2005 was 2.6 percent, slightly higher than the U.S. average of 2.2 percent. With manufacturing edging out agriculture as the state’s largest industry, state energy use and per capita energy consumption will most likely continue to rise. The state will undoubtedly need new sources of power to keep up with this growth in the years ahead

The following chart illustrates Mississippi’s growing electricity demand from 1980-2007.



Source:
U.S. Department of Energy

The Edison Electric Institute reports that U.S. homes today use 21 percent more electricity than they did in 1978. Our electricity grid strains under the demand that new technologies in our

¹ “Annual Energy Outlook 2009 with Projections to 2030,” U.S. Energy Information Administration:
<http://www.eia.doe.gov/oiaf/aeo/electricity.html>.

² “Electric Power and Renewable Energy in Mississippi,” U.S. Department of Energy:
<http://apps1.eere.energy.gov/states/electricity.cfm/state=ms>



home, business, and for leisure place on it. Along with a diverse energy supply mix, this demand must be met with the development of additional generation capacity and electricity transmission infrastructure.

In Mississippi, the commercial and industrial sectors consume 61 percent of the electricity produced.³ To remain competitive and grow, these large energy users need reliable sources of electricity.

KEEPING THE AIR CLEAN

Though Mississippi's air quality has improved in recent years, citizens continue to suffer ill health effects from air pollution. While emissions typically come from fossil fuel power plants, manufacturing centers, and transportation (automobile, bus, and truck exhaust, etc...), in order to enable continued improvements in air quality, the state must consider investment in additional emission-free sources of electric power generation.

Among other sources of energy, Mississippi is fortunate to have an efficient supply of clean and affordable nuclear power, as well as a lignite coal plant that operates well within the environmental requirements of the U.S. Clean Air Act. Low-cost, reliable sources of energy like these directly correlate with not only clean air and water, but the state's economic growth as well.

To fuel economic growth in Mississippi, the state needs more cost competitive, safe, reliable, emission-free energy sources, and Mississippi would be wise to expand the existing clean and efficient energy sources while looking to incorporate new energy sources and technologies into the state's portfolio.

CONCLUSION

As the demand for electricity continues to rise, new power sources are needed to ensure adequate and reliable supplies of energy to fuel economic growth and opportunity for our future. Mississippi is fortunate to have a wealth of natural energy resources, existing clean and reliable sources of generation, robust natural gas pipelines, and two deep water ports that can facilitate the efficient distribution and use of energy in Mississippi and beyond. This abundance of resources puts more responsibility on our leaders and policy makers to ensure that Mississippi pursues smart, effective energy policies that will meet our goals moving forward and ensure that the state can continue to grow.

Advance Mississippi's mission is to advocate for sensible energy policy that will fuel economic opportunity in Mississippi, and educate policy makers, business and community leaders, and the general public about superior energy policies that foster economic growth.

³ "Electric Power and Renewable Energy in Mississippi," U.S. Department of Energy: <http://apps1.eere.energy.gov/states/electricity.cfm/state=ms>