

SOUTH CAROLINA ENERGY PLAN

WHERE WE ARE - WHERE WE WANT TO GO

BACKGROUND

State Energy Plan History

In 1992, the South Carolina General Assembly passed the South Carolina Energy Efficiency Act, which created the State Energy Office and called for the creation of a comprehensive state energy plan ("State Energy Plan" or "Plan"). Section 48-52-210 of the South Carolina Code of Laws governs the State Energy Plan and states that:

"(A) It is the policy of this State to have a comprehensive state energy plan that maximizes to the extent practical environmental quality and energy conservation and efficiency and minimizes the cost of energy throughout the State. To implement this policy there is adopted the Plan for State Energy Policy."

(B) The purpose of the plan is to:

- (1) ensure access to energy supplies at the lowest practical environmental and economic cost;
- (2) ensure long-term access to adequate, reliable energy supplies;
- (3) ensure that demand-side options are pursued wherever economically and environmentally practical;
- (4) encourage the development and use of clean energy resources, including nuclear energy, energy conservation and efficiency, and indigenous, renewable energy resources;
- (5) ensure that basic energy needs of all citizens, including low income citizens, are met;
- (6) ensure that energy vulnerability to international events is minimized;
- (7) ensure that energy-related decisions promote the economic and environmental well-being of the State and maximize the ability of South Carolina to attract retirees, tourists, and industrial and service-related jobs;
- (8) ensure that short-term energy decisions do not conflict with long-range energy needs;
- (9) ensure that internal governmental energy use patterns are consistent with the state's long-range interests;
- (10) ensure that state government is organized appropriately to handle energy matters in the best public interest;
- (11) ensure that governmental energy-related tax, expenditure, and regulatory policies are appropriate, and, wherever possible, maximize the long-range benefits of competition; and
- (12) ensure that any future energy strategy that promotes carbon-free, nongreenhouse gas emitting sources includes nuclear energy, renewable resources, and energy conservation and efficiency."

State Energy Plan - Regulatory and Policy Framework

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In South Carolina, two state agencies are primarily charged with developing the state's energy regulation and policy framework. These agencies are the Public Service Commission of South Carolina and the South Carolina Office of Regulatory Staff. The South Carolina Department of Health and Environmental Control (the state's environmental regulatory agency), also plays an important roles in South Carolina's energy policy landscape.

The Public Service Commission of South Carolina

The Public Service Commission of South Carolina ("Commission" or "PSC") regulates public utilities under Section 58-3-140 of the South Carolina Code of Laws. This section states that:

"(A) Except as otherwise provided in Chapter 9 of this title, the commission is vested with power and jurisdiction to supervise and regulate the rates and service of every public utility in this State and to fix just and reasonable standards, classifications, regulations, practices, and measurements of service to be furnished, imposed, or observed, and followed by every public utility in this State.

(B) The commission must develop and publish a policy manual which must set forth guidelines for the administration of the commission. All procedures must incorporate state requirements and good management practices to ensure the efficient and economical utilization of resources.

(C) The commission must facilitate access to its general rate request orders in contested matters involving more than one hundred thousand dollars by publishing an order guide which indexes and cross-references orders by subject matter and case name. The order guide must be made available for public inspection.

(D) The commission must promulgate regulations to require the direct testimony of witnesses appearing on behalf of utilities and of witnesses appearing on behalf of persons having formal intervenor status, such testimony to be reduced to writing and prefiled with the commission in advance of any hearing.

(E) Nothing in this section may be interpreted to repeal or modify specific exclusions from the commission's jurisdiction pursuant to Title 58 or any other title.

(F) When required to be filed, tariffs must be filed with the office of the chief clerk of the commission and, on that same day, provided to the Executive Director of the Office of Regulatory Staff."

The PSC has seven members who are elected to four year terms by the General Assembly. The Commission makes rulings in regulatory proceedings for utilities, approving programs, tariffs and rate changes.

The South Carolina Office of Regulatory Staff

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Section 58-4-10 of the South Carolina Code of Laws creates the Office of Regulatory Staff ("ORS"). The ORS is a party of record in all proceedings before the PSC and represents the public interest. This purpose is stated in the code as follows:

"(B) Unless and until it chooses not to participate, the Office of Regulatory Staff must be considered a party of record in all filings, applications, or proceedings before the commission. The regulatory staff must represent the public interest of South Carolina before the commission. For purposes of this chapter, "public interest" means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the state's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services."

In addition to its role in the regulatory process, ORS houses the State Energy Office, which is charged with serving as the principal energy planning entity for the State. While the regulatory role of ORS applies primarily to the investor owned utilities, the policy role of the State Energy Office covers all energy utilities operating in the State. Section 48-52-410 of the South Carolina Code of Laws describes the purpose of the State Energy Office as follows:

"There is established the State Energy Office within the Office of Regulatory Staff which shall serve as the principal energy planning entity for the State. Its primary purpose is to develop and implement a well-balanced energy strategy and to increase the efficiency of use of all energy sources throughout South Carolina through the implementation of the Plan for State Energy Policy. The State Energy Office must not function as a regulatory body."

Section 48-52-420 of the South Carolina Code of Laws describe the State Energy Office's role in energy policy:

- "(1) provide, in cooperation and conjunction with the Governor's Office, informational and technical assistance programs to assist with residential, commercial, governmental, industrial, and transportation conservation and efficiency and to encourage the use of renewable indigenous energy resources;
- (2) promote, in conjunction with the South Carolina Energy Research and Development Center and the Governor's Office, continued and expanded energy research and development programs geared toward the energy needs of the State;
- (3) evaluate and certify energy conservation products in cooperation with the South Carolina Energy Research and Development Center;
- (4) in cooperation with the Governor's Office and other appropriate entities, examine and consider the desirability and feasibility of mechanisms for tax incentives, low-interest loans, and other financing means for

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cost-effective energy consideration and efficiency and use of renewable and indigenous energy resources, and advocate their implementation when deemed appropriate;

(5) work with the Public Service Commission and other groups to promote appropriate financial incentives for electric and gas utilities to maximize the use of cost-effective demand-side options in meeting future energy needs;

(6) promote the adoption and use of energy efficient building codes and certification procedures for builders, heating and cooling specialists, and building inspectors;

(7) promote energy efficiency in manufactured housing;

(8) promote the use of less-polluting transportation fuels, public transportation and other transportation alternatives, higher mileage and less-polluting vehicles, and work with state and local entities through policy development, planning, and advocacy to encourage reduction in the need for vehicle travel;

(9) ensure that state government agencies establish comprehensive energy efficiency plans and become models for energy efficiency in South Carolina, and assist the Department of Education in achieving energy efficiency in public schools;

(10) collect currently published and publicly available energy data and provide energy information clearinghouse functions in conjunction with the Governor's Office, and conduct long-range energy planning;

(11) assist the Governor's Office and the General Assembly in assessing the public economic and environmental interest on issues related to energy production, transportation, and use and provide information on the public interest in appropriate forums.

(12) ensure that any future energy strategy that promotes carbon-free, nongreenhouse gas emitting sources includes nuclear energy, renewable energy resources, and energy conservation and efficiency."