

Energy Office Review of South Carolina Electric & Gas 2019 Integrated Resource Plan

The ORS Energy Office (Energy Office) pursuant to SC Code Section 58-37-40(C) provides the following evaluation of the South Carolina Electric & Gas (SCE&G) 2019 Integrated Resource Plan (IRP).

SC Code Section 58-37-40(C) states, "The State Energy Office, to the extent practicable, shall evaluate and comment on external environmental and economic consequences of each integrated resource plan submitted and on the environmental and economic consequences for suppliers and distributors."

Through the Energy Office's development of the State Energy Plan, a study committee was established to evaluate South Carolina's IRP process. This committee consisted of diverse representation to include state agencies, conservationists, special interest groups, electric utilities, and electric cooperatives. The committee met frequently to develop [IRP Guidelines](#). On December 15, 2017, the IRP study committee adopted the IRP Guidelines by consensus. These guidelines include best practices to be considered when electric utilities develop annual IRPs. The Energy Office's review of IRPs is based on these guidelines.

On February 8, 2019, SCE&G submitted its 2019 IRP to the Energy Office. On March 18, 2019, the Energy Office requested additional information from SCE&G relating to its IRP submittal. SCE&G submitted responses on April 1, 2019.

Among the responses, SCE&G addressed a question which referred to the best practices included in the IRP Guidelines.

Energy Office Request:

With reference to the consensus IRP Best Practices Guidelines produced by the State Energy Plan IRP Study Committee, please discuss how SCE&G has addressed each best practice listed below in its 2019 IRP.

SCE&G Response:

SCE&G developed its IRP in accordance with the requirements of S.C. Code Ann. § 58-37-40 (2015) and Commission Order No. 98-502. The IRP Best Practices Guidelines are suggestions only and are not legally binding. As such, SCE&G did not prepare the 2019 IRP with these guidelines in mind.

SCE&G's 2020 IRP will be developed in accordance with the then applicable statutory and regulatory requirements as well as conditions specified in the Settlement Agreement among Dominion Energy, SCE&G, and the South Carolina Solar Business Alliance in Docket No. 2017-370-E, which is available at the following link: <https://dms.psc.sc.gov/Attachments/Matter/38aa0e8d-95c6-4d6c-9e06-407956bfaa4a>.

During the study committee discussions, the electric utilities agreed to evaluate their current IRP process and incorporate the IRP Guidelines as appropriate. The Energy Office encourages SCE&G to incorporate the IRP Guidelines into future IRPs, as appropriate.

SCE&G also responded to the Energy Office's request regarding the abandonment of V.C. Summer Nuclear Units 2 & 3.

Energy Office Request:

Please provide a narrative discussion detailing how SCE&G's decision to abandon V.C. Summer Nuclear Units 2 & 3 has impacted SCE&G's ability to meet its load forecast.

SCE&G Response:

The decision to abandon V.C. Summer 2 and 3 has not impacted SCE&G's ability to meet its load forecast. Before abandonment Unit 2 was scheduled to come online in August 2019 and Unit 3 in August 2020.

1. Load growth has slowed reducing the need for capacity.

2. In 2018, after the abandonment of the nuclear units, SCE&G added Columbia Energy Center to the fleet which provides approximately 40% of the capacity of VCS Units 2 and 3.

3. SCE&G presently has executed PPAs for 1,048 MW of solar generation, which the Company expects to be online providing capacity and energy by the end of 2020.

Additionally, the Energy Office encourages SCE&G to:

1. Include items such as the Reserve Margin Study and Resource Plan Study as an appendix in future IRP filings.
2. Continue to examine AMI meter deployment to assist with the advancement of demand side management and distributed energy resources program implementation.
3. Provide a more detailed discussion of electric vehicle implementation to include SCE&G's projected approach in future IRPs. This could possibly include infrastructure development, load management, and incentives.
4. Incorporate public participation as part of its IRP process, as recommended in the consensus IRP Best Practices.