

1 STRIKE ALL AFTER THE ENACTING WORDS AND INSERT:
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3 The Commission is directed to address all renewable energy issues in a fair and balanced
4 manner, considering the costs and benefits to all customers of all programs and tariffs that relate
5 to renewable energy and energy storage, both as part of the utility's power system and as direct
6 investments by customers for their own energy needs and renewable goals. The Commission is
7 also directed to ensure that revenue recovery and rate design models in this State keep pace with
8 changes in the industry as a whole as well as any utility or state-specific impacts unique to South
9 Carolina which are brought about by the consequences of this Act.

10 **SECTION 1.** Title 58 of the 1976 Code is amended by adding a new Chapter 41:

11 **Section 58-41-10. Definitions.**

12 As used in this chapter:

13 (1) 'AC' means alternating current as measured at the point of interconnection of the small
14 power producer's facility to the interconnecting electrical utility's transmission or distribution
15 system.

16 (2) "Avoided costs" means payments for purchases of electricity made according to an
17 electrical utility's most recently approved or established avoided cost rates in this State or rates
18 negotiated pursuant to PURPA, in the year the costs are incurred, for purchases of electricity
19 from qualifying facilities pursuant to Section 210 of the Public Utility Regulatory Policies Act,
20 said costs to be calculated as set forth in Section 58-39-140(A)(1).

21 (3) 'Commission' means the South Carolina Public Service Commission.

22 (4) 'Electrical utility' shall be defined as set forth in Section 58-27-10(7), provided, however,
23 that electrical utilities serving less than one hundred thousand customer accounts shall be exempt
24 from the provisions of this chapter. A renewable energy supplier participating in an electrical
25 utility's voluntary renewable energy program pursuant to this chapter shall not be considered an
26 electrical utility for purposes of this chapter.

27 (5) 'Eligible customer' means a retail customer with a new or existing contract demand
28 greater than or equal to one megawatt at a single metered location or aggregated across multiple
29 metered locations.

30 (6) 'Generation credit' means a credit applied by an electrical utility to the bill of a
31 participating customer that is equal to the value to the electrical utility's system of the energy and
32 capacity provided by a renewable energy facility, as defined herein.

33 (8) 'Participating customer' means an eligible customer that elects to have a portion or all of
34 its electricity needs supplied by a voluntary renewable energy program.

35 (9) 'Participating customer agreement' means an agreement between a participating customer,
36 its electrical utility, and the renewable energy supplier establishing each party's rights and
37 obligations under the electrical utility's voluntary renewable energy program.

38 (10) 'Power purchase agreement' means an agreement between an electrical utility and a
39 renewable energy supplier for the purchase and sale of energy, capacity, ancillary services, and
40 environmental attributes from the renewable energy supplier's renewable energy facility pursuant
41 to this chapter.

42 (11) 'PURPA' means the Public Utility Regulatory Policies Act of 1978, as amended.

1 (12) 'Renewable energy contract' means a contract between an electric utility and a renewable
2 energy supplier that commits the parties to participating in an electrical utility's voluntary
3 renewable energy program for the purchase and sale of energy and capacity.

4 (13) 'Renewable energy facility' means a facility for the production of electrical energy that
5 utilizes a renewable generation resource as defined in Section 58-39-120(F), that is placed in
6 service after the effective date of this chapter, and for which costs are not included in an
7 electrical utility's rates.

8 (14) 'Renewable energy supplier' means the owner or operator of a renewable energy facility,
9 including the affiliate of an electrical utility that contracts with a participating customer.

10 (15) 'Small power producer' means a person or corporation owning or operating a 'qualifying
11 small power production facility' as defined in 16 U.S.C. Section 796, as amended.

12 (16) 'Standard offer' means avoided cost rates and power purchase agreement terms and
13 conditions approved by the commission and applicable to purchases of energy and capacity by
14 electrical utilities as provided in this chapter from small power producers up to two megawatts
15 AC in size.

16 (17) 'Voluntary renewable energy program' means a tariff filed with the commission by an
17 electrical utility that enables a participating customer to receive and pay for electric service,
18 including the energy and environmental attributes specified in the renewable energy contract,
19 from the electrical utility pursuant to the terms of the tariff.
20
21

22 **Section 58-41-20. Purchases from Small Power Producers.**

23 (A)(1) The commission is directed to open a docket for the purpose of establishing each
24 electrical utilities' avoided cost rates and methodologies and standard offer purchase power
25 agreements to be used after the effective date of this act. Within six months of the passage of the
26 Act and at least once every twenty-four months thereafter the commission shall conduct a
27 proceeding to review and approve each electrical utilities' avoided cost methodologies, standard
28 offers, form contracts, and commitment to sell forms. Any decisions by the Commission must be
29 in the public interest and strive to reduce the risk placed on the consuming public. Proceedings
30 shall include an opportunity for intervention, discovery, filed comments, testimony, and an
31 evidentiary hearing, as determined by the Commission.

32 (2) Proceedings shall be separate from the electrical utilities' annual fuel cost
33 proceedings.

34 (B) In addressing the issues in this section, the commission shall treat small power producers
35 on a fair and equal footing with electrical utility-owned resources, provided it is in the public
36 interest, by ensuring that:

37 (1) rates for the purchase of energy and capacity fully and accurately reflect the electrical
38 utility's avoided costs;

39 (2) power purchase agreements, including terms and conditions, are commercially
40 reasonable and consistent with regulations promulgated by the Federal Energy Regulatory
41 Commission implementing PURPA; and

42 (3) each electrical utility's avoided cost methodology fairly accounts for costs avoided by
43 the electrical utility or incurred by the utility, including, but not limited to, energy, capacity, and
44 ancillary services provided by or consumed by small power producers including those utilizing
45 energy storage equipment. Avoided cost methodologies proposed by electrical utilities and

1 approved by the commission may account for differences in costs avoided based on the
2 geographic location and resource type of a small power producer's facility.

3 (C) The avoided cost rates offered by an electrical utility to a small power producer not
4 eligible for the standard offer shall be calculated based on the avoided cost methodology
5 approved by the commission in its most recent proceeding. In the event that a small power
6 producer and an electrical utility are unable to mutually agree on an avoided cost rate, the small
7 power producer shall have the right to have any disputed issues resolved by the commission in a
8 formal complaint proceeding. The commission may require mediation prior to a formal
9 complaint proceeding.

10 (D) A small power producer shall have the right to sell the output of its facility to the
11 electrical utility at the rates, and pursuant to the power purchase agreement terms and conditions,
12 then in effect by delivering an executed notice of commitment to sell form to the electrical
13 utility. The commission shall approve a standard notice of commitment to sell form to be used
14 for this purpose that provides the small power producer a reasonable period of time from its
15 submittal of the form to execute a power purchase agreement. In no event, however, shall the
16 small power producer, as a condition of preserving the pricing and terms and conditions
17 established by its submittal of an executed commitment to sell form to the electrical utility, be
18 required to execute a power purchase agreement prior to receipt of a final interconnection
19 agreement from the electrical utility.

20 (E)(1) The Commission is empowered to set standard offer rates and terms and conditions for
21 the purchase of power from cogenerators and small power production facilities designated as
22 Qualifying Facilities ("QF"). The Commission also has the authority to provide for negotiation of
23 contracts and for competitive solicitation to occur within the utility's balancing authority if the
24 Commission determines such action to be in the public interest.

25 () Electrical utilities shall file with the Commission power purchase agreements entered into
26 pursuant to PURPA, resulting from voluntary negotiation of contracts between an electric utility
27 and a small power producer not eligible for the standard offer;

28 () The Commission is empowered to open a generic docket for the purposes of creating
29 competitive solicitation programs within the utility's balancing authority if the Commission
30 determines such action to be for the public good.

31 () Avoided cost rates, methodologies and standard offer purchase power agreements, including
32 terms and conditions, set by the commission must be in the in public interest and consistent with
33 PURPA and FERC's implementing regulations, which require such rates to be just and reasonable
34 to the ratepayers of the electrical utility, in the public interest, and must not discriminate against
35 the QF.

36 (3) The commission shall approve the standard offer and form contract power purchase
37 agreements to be used by each electrical utility in purchasing energy, capacity, and other related
38 services from small power producers.

39 (4) The commission shall either require the use of the standard offer power purchase agreement
40 or approve a separate form contract to be used by each electrical utility in purchasing energy,
41 capacity, and other related services from small power producers not eligible for the standard offer.

42 (5) Electrical utilities shall offer to enter into a fixed priced contract for the purchase of energy
43 and capacity at avoided cost, with commercially reasonable terms and with a duration of no less
44 than ten (10) years. The terms of this subsection apply only to those projects with an application
45 on file with the utility prior to the effective date of this act. Applications submitted after the
46 effective date of this act will be subject to the terms and conditions as determined by the

1 Commission. The Commission shall hold a proceeding in accordance with Section 58-41-20 to
2 consider terms, conditions, and terms of length for contracts entered into after the effective date of
3 this act.

4 (6) The Commission may consider standard offer and form contract power purchase agreements
5 which prohibit any of the following, but not limited to:

6 (a) uncompensated curtailment of qualifying facilities other than due to a system
7 emergency as defined in the Public Utilities Regulatory Policies Act or in implementing
8 regulations promulgated by the Federal Energy Regulatory Commission;

9 (b) termination of the power purchase agreement, collection of damages from small
10 power producers, or commencement of the term of a power purchase agreement prior to
11 commercial operation, if delays in achieving commercial operation of the small power producer's
12 facility are due to the electrical utility's interconnection delays; or

13 (c) the electrical utility from reducing the price paid to the small power producer
14 based on costs incurred by the electrical utility to respond to the intermittent nature of electrical
15 generation by the small power producer.

16 (F) Nothing in this section prohibits the Commission from adopting various avoided
17 cost methodologies or amending those methodologies in the public interest.

18 (G) Unless otherwise agreed to between the electrical utility and small power producer, no power
19 purchase agreement entered into pursuant to PURPA shall allow curtailment of qualifying
20 facilities in any manner that is inconsistent with PURPA or implementing regulations
21 promulgated by the Federal Energy Regulatory Commission;

22 (H) The commission and Office of Regulatory Staff are empowered to employ, through contract
23 or otherwise, third-party consultants and experts in carrying out their duties under this Section,
24 including, but not limited to, for the purpose of evaluating rates, terms, calculations, and
25 conditions under this Section. The commission shall engage, for each utility, a qualified
26 independent third party to submit a report that includes the third party's independently derived
27 calculations and conclusions as to that third party's opinion of each utility's calculation of
28 avoided costs for purposes of these proceedings. The qualified independent third party's duty
29 will be to the commission and any conclusions drawn in the report are intended to be used by the
30 commission, along with all other evidence submitted during the proceeding, to inform their
31 ultimate decision setting the avoided costs for each electrical utility. The utilities may enter into
32 confidentiality agreements with the independent third party and shall be responsive in providing
33 all documents, information, and items necessary for the completion of the report. The
34 independent third party shall also include in the report a statement assessing the level of
35 cooperation received from the utility during the development of the report and whether there
36 were any material information requests that were not adequately fulfilled by the electrical utility.
37 Any party to this proceeding shall be able to review confidential portions of the report upon
38 entering into an appropriate confidentiality agreement.

39 (I) Each electrical utility's avoided cost filing must be reasonably transparent so that underlying
40 assumptions, data, and results can be independently reviewed and verified by the parties and the
41 Commission. The commission may approve any confidentiality protections necessary to allow
42 for independent review and verification of the avoided cost filing.

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45 **Section 58-41-30. Voluntary Renewable Energy Program.**

1 (A) Each electrical utility shall file a voluntary renewable energy program for review and
2 approval by the commission. The program shall provide that:

3 (1) the participating customer shall have the right to select the renewable energy facility
4 and negotiate with the renewable energy supplier on the price to be paid by the participating
5 customer for the energy, capacity and environmental attributes of the renewable energy facility
6 and the term of such agreement provided such terms are consistent with the voluntary renewable
7 energy program as approved by the commission.

8 (2) the renewable energy contract, power purchase agreement, and the renewable
9 program service agreement shall be of equal duration;

10 (3) in addition to paying a retail bill calculated pursuant to the rates and tariffs that would
11 otherwise be applicable to the participating customer, reduced by the amount of the generation
12 credit, a participating customer shall reimburse the electrical utility on a monthly basis for the
13 amount paid by the electrical utility to the renewable energy supplier under the renewable
14 program service agreement, plus an administrative fee approved by the commission;

15 (4) eligible customers shall be allowed to bundle their demand under a single
16 participating customer agreement and renewable energy contract and shall be eligible to annually
17 procure an amount of capacity as determined by the commission.

18 (B) The commission may approve a program that provides for both variable and fixed a
19 generation credit options, including but not limited to variable or fixed generation credit options.
20 The value of the fixed generation credit may be fixed for the duration of the participating
21 customer agreement and may equal the value of the avoided energy and capacity of the
22 renewable energy facility over the contract length, based on the commission-approved avoided
23 cost methodology;

24 (C) The Commission may limit the total portion of each electrical utility's voluntary
25 renewable energy program that is eligible for the program at a level consistent with the Public
26 Interest, and shall provide standard terms and conditions for the renewable program service
27 agreement and the renewable energy contract, subject to commission review and approval.

28 (D) A participating customer shall bear the burden of any costs associated with participating in
29 a voluntary renewable energy program. An electrical utility may not charge any non-
30 participating customers for any costs incurred pursuant to the provisions of this section.

31 (E) A renewable energy facility may be located anywhere in the electrical utility's service
32 territory within the utility's balancing authority.

33 (F) If an electrical utility has a voluntary renewable energy program on file with the
34 commission as of the effective date of this Act, the utility is not required to make a new filing to
35 meet the requirements of Subsection (A) of this section.

36
37
38 **Section 58-41-50. Neighborhood Community Solar Program.**

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40 **SECTION 2.** Title 58 of the 1976 Code is amended by adding:

41 (A) It is the intent of the General Assembly to expand the opportunity to support solar energy
42 and support access to solar energy options for all South Carolinians, including those who lack the
43 income to afford the upfront investment in solar panels or those that do not own their homes or
44 have suitable rooftops. The General Assembly encourages all electric service providers in this
45 state to consider adopting the neighborhood community solar program described in this section.

1 (B) (1) Within 60 days after the effective date of this act, the Commission shall open a docket to
2 review the Act 236 Community solar programs and solicit status information on existing
3 programs from the electric utilities
4

5 (2) Utilities will make another filing within 180 days after the commission opens the docket to
6 update their report on their existing programs and to propose new programs.
7

8 (B) Within 180 days of receiving the filing, the commission shall establish, after notice and
9 opportunity for public comment and public hearing, a new "Community Solar Energy Program"
10 for each electrical utility to permit customers of an electrical utility to participate in a solar
11 energy project to allow for a credit to the customer's utility bill based upon the electricity
12 generated that is attributed to the customer's participation in the solar energy project.
13

14 (C) The program developed by the commission shall establish, at minimum, for each utility:
15

16 (1) a per project capacity limit for individual community solar energy projects;
17

18 (2) minimum and maximum aggregate installed capacity of all community solar energy
19 projects for each electric public utility;
20

21 (4) a minimum number of participating customers for each solar energy project;
22

23 (5) the value of the credit on each participating customer's bill;
24

25 (6) the provision of access to solar energy projects for low and moderate income customers;
26

27 (7) standards to ensure the opportunity for residential, commercial, and tax exempt customers
28 to participate in the neighborhood community solar program, including residential customers in
29 multifamily housing;
30

31 (8) standards and methods to verify solar electric energy generation on a monthly basis for a
32 solar energy project;
33

34 (11) standards and an application process for owners of solar energy projects who wish to be
35 included in the Community Solar Energy Program;
36

37 (14) standards covering transferability, portability, and buy-out provisions for customers who
38 participate in community solar energy projects; and
39

40 (15) any other requirements as adopted by the commission, including, but not limited to,
41 requirements proposed by interested parties.
42

43 (C) Subject to review by the commission, a public utility shall be entitled to full and timely
44 cost recovery for all costs incurred in implementation and compliance with this section.
45
46

1 **Section 58-27-845. Consumer Control over Electric Bills**

2 (A) The General Assembly finds that there is a critical need to protect customers from rising
3 utility costs and to provide opportunity for customer measures to reduce or manage electrical
4 consumption from electrical utilities in a manner that contributes to reductions in utility peak
5 electrical demand and other drivers of electrical utility costs and also allows customers the
6 information and ability to manage their electric bills;

7 (B) Every customer of an electrical utility has the right to a rate schedule that allows the
8 customer a reasonable opportunity to employ energy and cost saving measures, such as energy
9 efficiency or onsite distributed energy resources, to reduce consumption of electricity from the
10 electrical utility's grid and to reduce electric utility costs.

11 (C) In fixing just and reasonable utility rates pursuant to S.C. Code Ann. §§ 58-3-140 and 58-
12 27-810, the Commission must consider whether rates are designed to discourage the wasteful use
13 of public utility services while promoting all use that is economically justified in view of the
14 relationships between cost incurred and benefits received, and that no one class of customers are
15 unduly burdening another, and that each customer class pays, as close as practicable, the cost of
16 providing service to them.

17 (D) For each class of service, the commission must ensure that each electrical utility offers to
18 each class of service a minimum of one rate option that aligns the customer's ability to achieve
19 bill savings with long-term reductions in the overall cost the electrical utility will incur in
20 providing electric service, including but not limited to time-variant pricing structures.

21 (E) Every customer of an electrical utility has a right to obtain their own electric usage data
22 in a machine-readable, accessible format, to the extent reasonably available. Electrical utilities
23 shall allow customers an electronic means to assent to share the customer's energy usage data
24 with a third-party vendor designated by the customer.

25
26 **SECTION 3.** Section 58-40-10 of the 1976 Code is amended as follows:

27
28 (C) "Customer-generator" means the owner, operator, lessee, or customer-generator lessee of
29 an electric energy generation unit which:

30 (1) generates or discharges electricity from a renewable energy resource, including an
31 energy storage device configured to receive electrical charge solely from an onsite
32 renewable energy resource;

33
34 (G) "solar choice metering measurement" means the process, method, or calculation used for
35 purposes of billing and crediting at the commission determined value.

36
37
38 **SECTION 4.** Section 58-40-20 of the 1976 Code is stricken and replaced with the following:

39
40 (A) It is the intent of the General Assembly:

41 (1) to build upon the successful deployment of solar generating capacity through the
42 South Carolina Distributed Resource Act to continue enabling market-driven,
43 private investment in distributed energy resources across the State by reducing
44 regulatory and administrative burdens to customer installation and utilization of
45 onsite distributed energy resources;

1 (2) to avoid disruption to the growing market for customer-scale distributed energy
2 resources;

3 (3) to require the Commission to establish solar choice metering requirements that
4 fairly allocate costs and benefits to eliminate any cost shift or subsidization
5 associated with net metering to the greatest extent practicable.

6 (B) An electrical utility must make net energy metering available to all customer-generators
7 who apply before June 1, 2021 according to the terms and conditions provided to customer-
8 generators in commission Order No. 2015-194. Customer-generators who apply for net metering
9 before June 1, 2021, including subsequent owners of the customer-generator facility or premises,
10 may continue net energy metering service as provided for in Order No. 2015-194 until May 31,
11 2029.

12 (C) No later than January 1, 2020, the commission shall open a generic docket to:

13 (1) investigate and determine the costs and benefits of the current net energy metering
14 program;

15 (2) establish a methodology for calculating the value of the energy produced by
16 customer-generators.

17 (D) In evaluating the costs and benefits of the net energy metering program, the commission
18 must consider:

19 (1) the aggregate impact of customer-generators on the electrical utility's long-run marginal
20 costs of generation, distribution, and transmission;

21 (2) the cost of service implications of customer-generators on other customers within the
22 same class, including evaluation of whether customer-generators provide an adequate rate of
23 return to the electrical utility compared to the otherwise applicable rate class when, for analytical
24 purposes only, examined as a separate class within a cost of service study;

25 (3) the value of distributed energy resource generation according to the methodology
26 approved by the commission in Order No. 2015-194;

27 (4) the direct and indirect economic impact of the net energy metering program to the state;
28 and

29 (5) any other information it deems relevant.
30

31 (E) The value of the energy produced by customer-generators shall be updated annually and
32 the methodology revisited every five years.

33 (F) After notice and opportunity for public comment and public hearing, the commission
34 shall establish a new "solar choice metering tariff" for customer-generators to go into effect for
35 applications received on or after June 1, 2021. In establishing the successor solar choice metering
36 tariff, and in approving any future modifications, the commission shall determine how meter
37 information is used for calculating the solar choice metering measurement that is just and
38 reasonable in light of the costs and benefits of the solar choice metering program. This must
39 include a methodology to compensate customer-generators for the benefits provided by their
40 generation to the power system. In determining the appropriate billing mechanism, and energy
41 measurement interval, the commission shall consider:

42 (1) current metering capability and the cost of upgrading hardware and billing systems
43 to accomplish the provisions of the tariff;

44 (2) the interaction of the tariff with time-variant rate schedules available to customer-
45 generators and whether different netting intervals are justified for customer-
46 generators taking service on a time-variant rate schedule.

1 (3) whether additional extension of grandfathering for existing customer-generators is
2 warranted in light of the tariff; and

3 (4) any other information the Commission deems relevant.

4 (G) In establishing a successor solar choice metering tariff, the commission is directed:

5 (1) to eliminate any cost shift to the greatest extent practicable on customers who do
6 not have customer-sited generation while also ensuring access to customer-
7 generator options for customers who choose to enroll in customer-generator
8 programs.

9 (2) Permit solar choice customer-generators to use customer-generated energy behind
10 the meter without penalty.

11 (H) The Commission shall establish a minimum guaranteed number of years that solar choice
12 metering customers are entitled to under the commission approved energy measurement
13 interval and other terms of their agreement with the electrical utility.

14 (I) Notwithstanding another provision of law and any method of allocating revenue
15 requirements in a general rate case, customers of the electrical utility are not required to
16 reimburse the electrical utility for its loss of revenue that results from the use of self-generated
17 power that remains on the customer-side of the meter for customer-generators who reduce
18 purchases of electricity from the electrical utility. Nothing in this section, however, prohibits an
19 electrical utility from continuing to recover distributed energy resource program costs in the
20 manner and amount approved by commission Order No. 2015-194 for customer-generators
21 applying before the effective date of this Act. Such recovery shall remain in place until full cost
22 recovery is realized, unless otherwise requested by the utilities in a proceeding involving base
23 rates. Electrical utilities are prohibited from recovering lost revenues associated with customer-
24 generators who apply for customer-generator programs after the effective date of this Act.

25
26 **SECTION 5.** Paragraphs (B), (H), and (I) of Section 58-27-2610 of the 1976 Code are stricken.
27 [removes leasing caps]

28
29 **SECTION 6.**

30
31 *(Give the PSC authority to monitor capacity and saturation rate and implement appropriate*
32 *measures in terms and conditions to protect the public interest)*

33
34 The Commission, in coordination with the Office of Regulatory Staff, is authorized to initiate an
35 independent study to evaluate the integration of renewable energy and emerging energy
36 technologies into the electric grid in the public interest. Any integration study should evaluate
37 what is required for electrical utilities to integrate increased levels of renewable energy and
38 emerging energy technologies while maintaining economic, reliable, and safe operation of the
39 electricity grid in a manner consistent with the public interest. A steering committee of interested
40 stakeholders may be established to select the study consultant and oversee the report. The results
41 of the independent study shall be reported to the General Assembly.

42
43 **SECTION 7.** Section 58-37-40 of the 1976 Code is amended by adding new subsections to
44 read:

45
46 **“Section 58-37-40. Integrated resource plans.**

1 (A) Electrical utilities must prepare integrated resource plans consistent with this section and
2 rules adopted by the commission. All plans must be submitted every three years and must be
3 updated on an annual basis. Nothing in this subsection may be construed as requiring interstate
4 natural gas companies whose rates and services are regulated only by the federal government or
5 gas utilities subject to the jurisdiction of the Commission to prepare and submit an integrated
6 resource plan.

7 (B) Electrical cooperatives and municipally-owned electrical utilities must submit integrated
8 resource plans to the State Energy Office whenever they are required by federal law to prepare
9 these plans or if they plan to acquire, by purchase or construction, ownership of additional
10 generating capacity greater than twelve megawatts per unit. An integrated resource plan must be
11 submitted to the State Energy Office by an electrical cooperative or municipally-owned electrical
12 utility twelve months before the acquisition, by purchase or construction, of additional
13 generating capacity in excess of twelve megawatts per unit. For an electrical cooperative,
14 submission to the State Energy Office of its plan in a format complying with the then current
15 United States Department of Agriculture's Rural Utilities Service regulations constitutes
16 compliance with this section.

17 (C) The South Carolina Public Service Authority must prepare integrated resource plans. The
18 South Carolina Public Service Authority must submit their plans to the State Energy Office. The
19 plan submitted must be developed in consultation with electric cooperatives and municipally-
20 owned electric utilities purchasing power and energy from the authority and must include the
21 effect of demand-side management activities of electric cooperatives and municipally-owned
22 electric utilities which directly purchase power and energy from the authority or sell power and
23 energy which the authority generates. All plans must be submitted every three years and must be
24 updated on an annual basis

25 (C) An integrated resource plan shall include all of the following:

26 (1) A long-term forecast of the utility's sales and peak demand under various reasonable
27 scenarios.

28 (2) The type of generation technology proposed for a generation facility contained in the
29 plan and the proposed capacity of the generation facility, including fuel cost sensitivities under
30 various reasonable scenarios.

31 (3) Projected energy purchased or produced by the electrical utility from a renewable
32 energy resource.

33 (4) A summary of the electrical transmission investments planned by the electrical utility.

34 (5) Several resource portfolios developed with the purpose of fairly evaluating the range of
35 demand-side, supply-side, storage, and other technologies and services available to meet the
36 utility's service obligations. Such portfolios and evaluations must include an evaluation of low,
37 medium, and high cases for the adoption of renewable energy, energy efficiency, cogeneration
38 and demand response measures, including consideration of the following:

39 (a) customer energy efficiency and demand response programs;

40 (b) facility retirement assumptions; and

41 (c) sensitivity analyses related to fuel costs, environmental regulations, and other
42 uncertainties or risks.

43
44 (7) Data regarding the utility's current generation portfolio, including the age, licensing
45 status, and remaining estimated life of operation for each facility in the portfolio.

1 (8) Plans for meeting current and future capacity needs with the cost estimates for all
2 proposed resource portfolios in the plan;

3 (9) An analysis of the cost and reliability impacts of all reasonable options available to
4 meet projected energy and capacity needs.

5 (10) A forecast of the utility's peak demand and details regarding the amount of peak
6 demand reduction the utility expects to achieve and the actions the utility proposes to take in
7 order to achieve that peak demand reduction.

8 (E) The integrated resource plan may include distribution resource plans or integrated system
9 operation plans.

10 (F) Every three years coincident with the utilities' comprehensive IRP filings, the commission
11 shall review each integrated resource plan in a commission proceeding. As part of the
12 comprehensive IRP filings, the commission shall allow intervention by interested persons
13 including electrical customers of the utility, independent power producers, and other parties
14 approved by the commission. The commission shall establish a procedural schedule to permit
15 reasonable discovery after an integrated resource plan is filed in order to assist parties in
16 obtaining evidence concerning the integrated resource plan, including, to, the reasonableness and
17 prudence of the plan and alternatives to the plan raised by intervening parties. Not later than 300
18 days after an electrical utility files an integrated resource plan under this section, the commission
19 shall issue a final order approving, modifying or denying the plan filed by the electrical utility.

20 (G) In the two IRP update years between comprehensive IRP filings, the utilities will revise
21 their base planning assumptions relative to their most recently approved resource plan and
22 present the impacts those changes had on the selected resource plan. At a minimum the utility
23 will update its energy and demand forecast, commodity fuel price inputs, the utilities' renewable
24 energy forecast, their energy efficiency and demand-side management forecasts, any changes to
25 projected retirement dates of the utilities' existing units along with other inputs the commission
26 deems to be in the public interest. The ORS will review the updates and submit a report to the
27 commission providing a recommendation concerning the reasonableness of the updated resource
28 plan. Following the filing of the updated IRP and the ORS report, the commission may accept
29 the updated IRP or direct the utility to make changes to the updated resource plan that the
30 commission finds in the public interest.

31 (H) The commission shall approve an integrated resource plan if the commission determines
32 that the proposed integrated resource plan represents the most reasonable and prudent means of
33 meeting the electrical utility's energy and capacity needs. To determine whether the integrated
34 resource plan is the most reasonable and prudent means of meeting energy and capacity needs,
35 the commission in its discretion shall consider whether the plan appropriately balances the
36 following factors:

37 (1) Resource adequacy and capacity to serve anticipated peak electrical load, and
38 applicable planning reserve margin.

39 (2) Consumer Affordability

40 (3) Compliance with applicable state and federal environmental regulations.

41 (4) Power Supply Reliability.

42 (5) Commodity price risks.

43 (6) Diversity of generation supply.

44 (7) Any other foreseeable conditions as determined by the commission to be in the public
45 interest..

1 (I) If the commission denies an electric utility's integrated resource plan, the electrical
2 utility, within 60 days after the date of the final order denying the integrated resource plan, shall
3 submit commission mandated revisions to the integrated resource plan to the commission for
4 approval. Within 60 days of the utility's revised filing, the ORS will review the utility's revised
5 plan and submit a report to the Commission assessing the sufficiency of the revised filing. Not
6 later than 60 days after the ORS report is filed with the Commission, the Commission at its
7 discretion may determine whether to approve the revised IRP or to mandate further remedies that
8 the commission may deem appropriate and in the public interest.
9

10 **SECTION 9.** Section 58-33-110 of the 1976 Code is amended by adding an appropriately
11 numbered new item to read:

12 "(8) No person shall commence to construct a major generating utility facility in the State of
13 South Carolina without first having made a demonstration that the facility to be built has been
14 compared to other generation options in terms of cost, reliability, and any other regulatory
15 implications deemed legally or reasonably necessary for consideration by the commission. The
16 commission is empowered to adopt rules for such evaluation of other generation options.

17 The Commission may, upon a showing of a public interest need, require a commission-approved
18 process that includes:

19 (a) the assessment of an unbiased Independent Evaluator retained by the Office of Regulatory
20 Staff as to reasonableness of any certificate sought under this Section for new generation;

21 (b) a report from the Independent Evaluator to the Commission regarding the transparency,
22 completeness, and integrity of bidding processes, if any;

23 (c) a reasonable period for interested parties to review and comment on proposed requests for
24 proposals, bid instructions, and bid evaluation criteria, if any, prior to finalization and issuance,
25 subject to any trade secrets that could hamper future negotiations; however the Independent
26 Evaluator may access all such information;

27 (d) Independent Evaluator access and review of final bid evaluation criteria and pricing
28 information for any and all projects to be evaluated in comparison to the request for proposal
29 bids received;

30 (e) access through discovery, subject to appropriate confidentiality, attorney client privilege or
31 trade secret restrictions, for parties to this proceeding to documents developed in preparing the
32 certificate of public convenience and necessity application;

33 (f) a demonstration that the facility is consistent with an integrated resource plan approved by the
34 Commission; and

35 (f) treatment of utility affiliates in the same manner as non-affiliates participating in the request
36 for proposal process."

37 **SECTION 10.** Section 58-27-460 of the 1976 Code is amended to read:

1 **"Section 58-27-460.** (A)(1) The commission shall promulgate, and shall periodically review,
2 standards for interconnection of renewable energy facilities and other nonutility-owned
3 generation with a generation capacity of two thousand kilowatts (2,000 kW AC) eighty
4 megawatts (80 MW AC) or less to an electrical utility's distribution and transmission system
5 where (1) the generating facility is a Qualifying Facility under PURPA and is precluded from
6 selling any portion of the output of its generating facility to an entity other than the electrical
7 utility to which it is interconnecting or (2) the generating facility is not a Qualifying Facility
8 under PURPA and is interconnected to a "first use" distribution facility of the utility. Each
9 electrical utility shall implement such standards in a fair, nondiscriminatory manner.

10
11 (2) The commission shall, within 6 months of the effective date of this Act, establish proceedings
12 for the purpose of considering revisions to the standards promulgated under this Section. In
13 considering such revisions, the Commission may consider any issue which in its discretion it
14 deems relevant to improving the fairness and effectiveness of the procedures.

15
16 (3) In implementing Section(A)(1),the commission shall ensure such standards provide for
17 efficient and timely processing of interconnection requests; and take into account the impact of
18 generator interconnection on electric utility system assets, service reliability or power quality.
19 Such standards shall address the impact of the addition of energy storage and the interconnection
20 processes for amending existing interconnection requests to include energy storage. The
21 commission should enact such standards that are fair, reasonable, nondiscriminatory with respect
22 to interconnection applicants, other utility customers, and electric utilities, and shall serve the
23 public interest in terms of overall cost and system reliability.

24
25 (B) No customer-generator or customer-generator lessee shall connect or operate an electric
26 generation unit in parallel phase and synchronization with any electrical utility without written
27 approval by the electrical utility that all of the commission's requirements have been met. For a
28 customer-generator or customer-generator lessee who violates this provision, an electrical utility
29 immediately may and without notice disconnect the electric facilities of the customer-generator
30 or customer-generator lessee and terminate the customer-generator's or customer-generator
31 lessee's electric service.

32 (C) In the event of any dispute between an interconnection customer and the electrical utility
33 on any issue relating to interconnection, the parties shall first attempt to resolve the claim or
34 dispute using any dispute resolution procedures provided for under the applicable
35 interconnection standards promulgated by the commission. If the parties are unable to resolve
36 such claim or dispute using those procedures, then either party may petition the commission for
37 resolution of the dispute, including but not limited to a determination of the appropriate terms
38 and conditions for interconnection. The commission shall resolve such disputes within six
39 months from the filing of the petition in accordance with the terms of applicable state and federal
40 law.

41 Each electrical utility shall comply with the South Carolina Generator Interconnection
42 Procedures and all commission-approved agreements regarding interconnection practices and
43 reporting requirements. The commission shall establish reasonable guidelines to ensure
44 reasonable interconnection timelines, including time requirements to deliver a final system

1 impact study to all interconnection customers that execute a system impact study agreement prior
2 to three months after the effective date of this act. The commission shall consider
3 implementation of additional performance incentives and enforcement mechanisms for electrical
4 utilities to ensure compliance with this requirement.
5

6 **SECTION 11.** All reasonable and prudent costs incurred by utilities necessary to effectuate this
7 Act shall automatically be deferred for Commission consideration of recovery in any proceeding
8 initiated under 58-27-870.
9

10 **SECTION 12: Consumer Protections** (*not complete*)
11

12 (A) The Office of Regulatory Staff is directed to develop consumer protection regulations
13 through a stakeholder process. Such regulations shall provide for the appropriate disclosure
14 provided by sellers and lessors.
15

16 (B) The Office of Regulatory Staff may enforce the provision of this chapter by:
17 (a) conducting an investigation into an alleged violation
18 (b) issuing a cease and desist order against a further violation; and
19 (c) imposing an administrative fine of no more than \$2,500 per agreement on a Solar
20 company that materially fails to comply with the consumer protection requirements;
21

22 (B) The Office of Regulatory staff is directed to develop as part of the consumer protection
23 regulations a complaint process.
24

25 **SECTION 13.**
26

27 Notwithstanding any other provisions herein, or any other provisions of law, no costs or
28 expenses incurred nor any payments made by the electrical utility in compliance or in accordance
29 with the above sections which exceed the avoided costs of the electrical utility as defined by
30 PURPA and approved by the Public Service Commission at the time of purchase shall be
31 included in the electrical utility's rates or otherwise be borne by the general body of subscribers
32 of the electrical utility without an affirmative finding supported by the preponderance of
33 evidence of record and conclusion in a written order by the Public Service Commission that such
34 expense, cost or payment were made in the best interest of the electrical utility's general body of
35 subscribers.
36

37 **SECTION 14.** If any provision, word, phrase, or clause of this act or the application thereof to
38 any person or circumstance is held invalid, such invalidity shall not affect the provisions, words,
39 phrases, clauses, or applications of this act that can be given effect without the invalid provision,
40 word, phrase, clause, or application, and, to this end, the provisions, words, phrases, and clauses
41 of this act are declared to be severable.
42

43 **SECTION 15.** This act takes effect upon approval by the Governor.