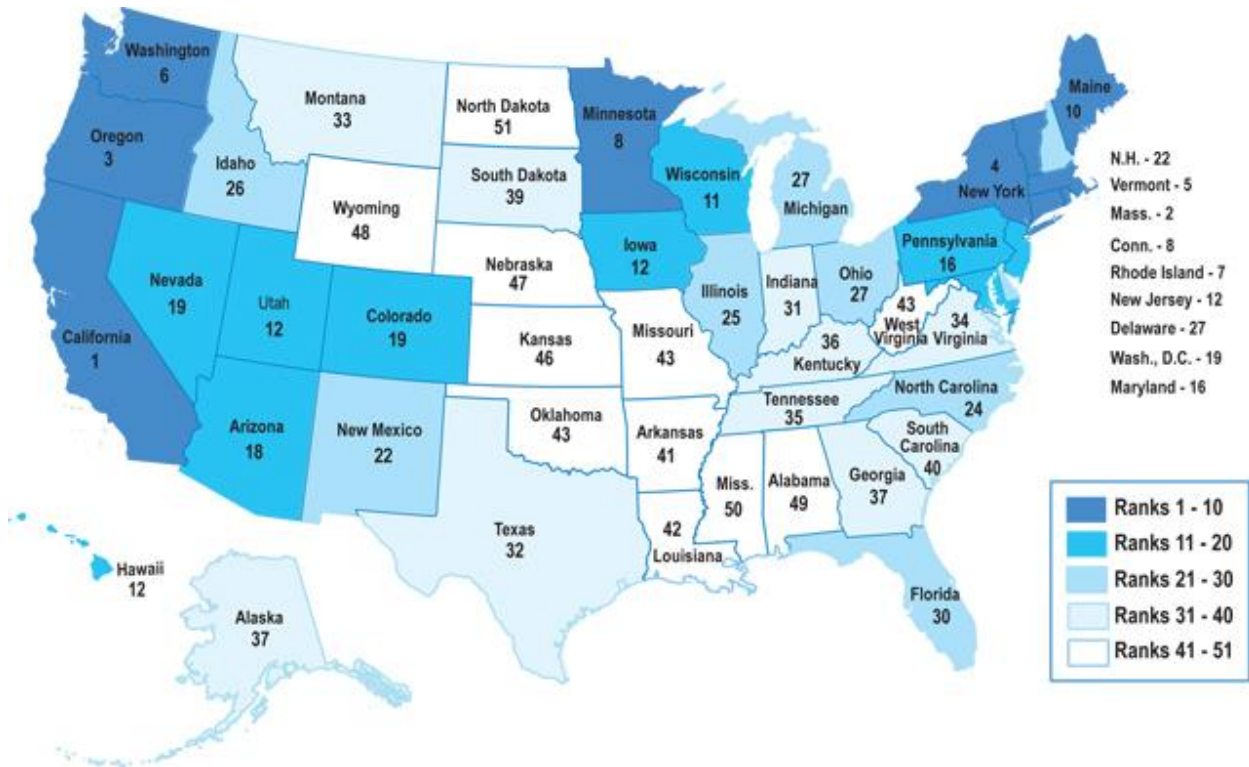
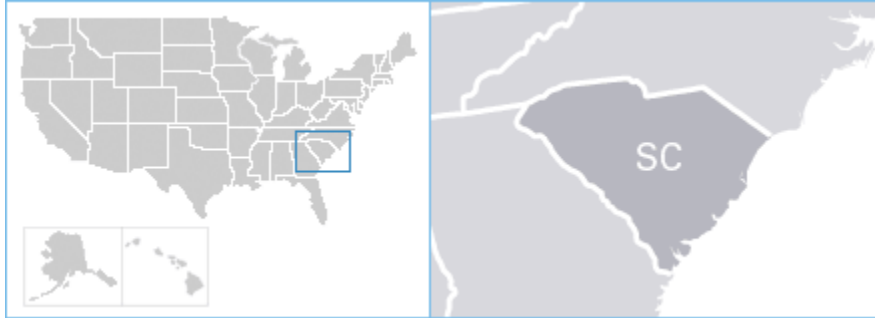


State Energy Efficiency Policy Database

South Carolina

ACEEE 's 2010 State Scorecard Ranking: #40



South Carolina Utility Policies

Summary

As of June 2010, South Carolina's legislature is considering Senate Bill 547, which would set energy efficiency resource standards, define the funding sources for programs, establish cost recovery for regulated utilities, and create an energy efficiency resource credit certification and tracking plan.

The state's three investor-owned are required to file integrated resource plans with the Public Service Commission. Some of the utilities incorporate demand-side management and energy efficiency programs. Such programs are not currently required of the utilities, but must be reported to the PSC; this situation will change if the new legislation passes.

The commission has recently approved a portfolio of energy efficiency programs for Duke Energy and experimental programs for Progress Energy Carolinas. Several of the natural gas utilities in the state merged in 2007 to create Carolina Energies. The new company does not conduct energy efficiency programs. According to the Energy Information Administration, South Carolina electric utilities saved 26,945 MWh with their efficiency programs in 2008. The Consortium for Energy Efficiency reports 2009 electric utility energy efficiency program budgets totaling \$14.6 million.

Links:

[South Carolina Energy Office](#)
[South Carolina Public Service Commission](#)

[South Carolina State Incentives for Renewables and Efficiency](#)

Energy Efficiency Program Funding

Funding for demand-side management and energy efficiency programs is included in the utilities' base rates. The Consortium for Energy Efficiency reports 2009 electric utility energy efficiency program budgets totaling \$14.6 million.

In April 2010, Senate Bill 1096 authorized electric cooperatives and municipal electric utilities to implement financing systems for energy efficiency improvements.

Links:

[Senate Bill 1096](#)

Energy Efficiency Resource Standards

As of June 2010, the state is considering setting energy efficiency targets. Senate Bill 9, which proposed these targets, is still in process.

Utility Policies

Customer Energy Efficiency Programs

The investor-owned utilities operating in South Carolina have offered and administered some demand-side management and energy efficiency programs under existing regulations and policies. They also proposed additional programs to the South Carolina Public Service Commission in their recent resource planning filings. If Senate Bill 547 passes, it will lead to new programs.

Duke Energy currently offers a small set of energy efficiency programs.

Progress Energy Carolinas provides energy audits and loans and operates the “Save the Watts” Web site and some limited residential and commercial programs. Cooperatives offer residential efficiency programs.

According to the Energy Information Administration, South Carolina utilities reported efficiency program savings of 26,945 MWh in 2008.

Duke recently had a broad portfolio of energy efficiency programs and a cost recovery mechanisms approved by the commission (Docket 2009 166-E). Progress Energy Carolinas also recently had a portfolio of experimental commercial, industrial, and governmental energy efficiency programs approved (Docket 2009 190-E).

Links:

[Save The Watt Web site](#)

Alternative Business Models

The commission approved a mechanism to allow Progress Energy to adjust its rates to recover lost revenue. True-ups occur annually. The mechanism will expire in 2012 (Docket 200-251-E).

South Carolina does not have decoupling for natural gas utilities.

Reward Structures for Successful Energy Efficiency Programs

The Public Service Commission (PSC) may adopt procedures to encourage electric utilities to invest in cost-effective energy-efficient technologies and conservation programs (NC Statute: Title 58, Chapter 37). Procedures must provide incentives and cost recovery opportunities for energy suppliers and distributors who invest in energy supply and end-use technologies that are cost-effective and environmentally acceptable, and reduce energy consumption or demand. The PSC recently approved Duke Energy’s avoided cost recovery plan (Docket 2007-358-E).

These reward structures apply to electric utilities, but not to natural gas utilities

Energy Efficiency as a Resource

South Carolina's investor-owned utilities are required to file integrated resource plans with the Public Service Commission. Some of the utilities operate demand-side management and energy efficiency programs, although such programs are not required in South Carolina. Progress Energy Carolinas and Duke Energy provide energy to both North Carolina and South Carolina and are subject to North Carolina's combined renewable and energy efficiency portfolio standard. As a result, the standards required for North Carolina will probably have an effect on South Carolina customers. South Carolina is considering legislation to set standards of its own.

South Carolina Appliance Standards

No policy in place or proposed

South Carolina Building Codes

Stringency– South Carolina's residential and commercial energy codes are mandatory statewide. All new residential and commercial buildings must meet the 2006 IECC.

Compliance– We currently have no information on compliance rates in South Carolina.

Links:

[EERE Building Energy Codes Program](#)

[Online Code Environment & Advocacy Network \(OCEAN\)](#)

[South Carolina Energy Office](#)

[Building Codes Council](#)

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(updated 6/1/10)

South Carolina Clean Distributed Generation

Interconnection Standards

Policy: South Carolina PSC Order, Docket No. 2005-387-E

Description: In 2006, the South Carolina Public Service Commission enacted [interconnection](#) standards for small distributed generation with a maximum capacity of 100 [kW](#) for non-residential systems. The standards do not apply to three-phase generators, and only apply to the state's four investor-owned utilities. There is a \$250 non-residential system application fee as well as minimum \$300,000 liability insurance coverage. Redundant external disconnect switches are required. Total interconnection capacity is limited to a maximum of 2% of rated circuit capacity, and there are no codified procedures for dispute resolution.

Links:

- [Website](#)
- The text of PSC Order, Docket No. 2005-387-E can be found [here](#).
- For more detailed information about South Carolinainterconnection standards, visit the [DSIRE database](#)

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Financial Incentives for CHP

Policy: ConserFund Loan Program

Description: The South Carolina Energy Office offers the ConserFund Loan Program to fund energy efficiency improvements in state agencies, local governments, public colleges and universities, school districts, and non-profit organizations. Priority is given to projects with a fast energy savings payback. “Cogeneration systems that produce electricity and process steam heat for use primarily within a building or complex of buildings” are eligible for loans. Organizations may finance one or multiple projects, covering up to 100% of eligible project costs, from \$25,000 to \$500,000. Implementation of the energy efficiency improvement must begin within six months of the loan closing and the proposed energy improvement must have long-term cost reductions to qualify.

Links:

- [Website](#)
- Additional details of the loan program can be found in the [DSIRE database](#).

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Policy: Biomass Energy Production Incentive

Description: In 2007 South Carolina enacted the *Energy Freedom and Rural Development Act*, which provides production incentives for certain biomass-energy facilities. Eligible systems earn \$0.01 per kilowatt-hour ([kWh](#)) for electricity generated and \$0.30 per therm (100,000 [Btu](#)) for

energy produced from biomass resources. For more information about how to apply for the incentive, review the [program application](#)[PDF].

Links:

- Authority 1: [S.C. Code § 12-63-20](#)
- Authority 2: [HB 3649](#)
- Additional details of the production incentive can be found in the [DSIRE database](#).

Contact:

Public Information

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Web Site: <http://www.energy.sc.gov/>

Standby Rates

Policy: Santee Cooper Rider L-96-SB

Policy: Duke Energy Schedule PG

Description: Santee Cooper provides standby service to customers that contract for a specific amount of standby capacity. A demand-based reservation charge is assessed monthly. A high standby demand charge is assessed on usage that goes above the contract demand. Actual energy usage is billed through the customer's regular tariff, with a high demand charge and a moderate energy charge. Billing demand is based on the maximum demand of the month or 80% of the contract demand, whichever is higher. This standby service is viewed as unfavorable toward CHP.

Duke Energy provides standby service to customers operating in parallel with the grid. Duke's rates include a very high demand-based charge. A moderate reservation fee, based upon the contract demand, is assessed monthly. Actual energy usage is charged under a high demand-based rate. Billing demand is based on the maximum 30 minute demand during the month or 75% of the contract demand, whichever is higher. This service is also viewed as unfavorable toward CHP.

Links:

- Santee Cooper’s business and industrial rates can be viewed [here](#)
 - Duke Energy’s South Carolinarates can be found [here](#)
 - More information about best practices in utility rate design can be found on the [EPA’s CHP Partnership website](#)
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Output-Based Emissions Regulations

There are currently no output-based emissions regulations in place.

For more information on air emissions regulations, [click here](#).

CHP in Renewable Portfolio/Energy Efficiency Standards

There is currently no portfolio standard in place under which CHP is eligible.

For more information on portfolio standards, [click here](#).

Net Metering

There is currently no net metering policy in place that applies to CHP.

For more information on net metering, [click here](#).

South Carolina Vehicle Policies

Tailpipe Emissions Standards

No policy in place or proposed

Financial Incentives for Efficient Vehicles

Summary: A state income [tax credit](#) equivalent to 20% of the hybrid-electric vehicle (HEV) and alternative fuel vehicle (AFV) federal tax credit is available to residents in South Carolina who are eligible for the federal credits.

South Carolina Transportation System Efficiency

No policy in place or proposed

South Carolina Lead by Example Initiatives

Building Requirements

In June 2007, the South Carolina legislature overturned Governor Mark Sanford's veto and passed HB 3034, which mandates that new state-constructed buildings meet either the U.S. [Green Building Council's Leadership in Energy and Environmental Design \(LEED\)](#) Rating "Silver" standard or the Green Globes Rating System for construction.

The South Carolina Energy Efficiency Act addresses state government [energy conservation](#). The statute (South Carolina Codes Title 48.52.6) directs the State Energy Office to develop energy efficient codes/standards for state-owned and leased buildings, including public school buildings, and requires state agencies and school districts to adhere to these codes.

In June 2008, the state enacted additional legislation, [H.B. 4766](#), requiring state agencies and public school districts to develop energy conservation plans towards an ultimate goal of a 20% reduction in energy use by 2020.

Links:

- [HB 3034](#)
 - [S.C.C. Title 48.52.6](#)
 - [H.B. 4766](#)
-

Product Procurement

The South Carolina Energy Efficiency Act requires the State Energy Office to assist state agencies by identifying and compiling a list of energy efficient "goods". Before issuing any solicitation for these goods, the procuring agency is required to notify the State Energy Office which will assist in drafting or reviewing specifications and evaluating bids or offers received in response to the solicitation. There are no requirements to purchase energy-efficient products.

Links:

- [S.C.C. Title 48.52.6](#)
-

Fleets

No policy in place or proposed

Note: For state efficient fleet initiatives, policies listed must make a specific, mandatory requirement for increasing state fleet efficiency. State alternative-fuel vehicle procurement requirements that give a voluntary option to count efficient vehicles are thus not included.

Energy Savings Performance Contracting: Enabling Legislation

Links:

- [Oak Ridge National Laboratory: South Carolina ESPC Legislation](#)
 - [Energy Savings Coalition: South Carolina Energy Office Performance Contracting Activities](#)
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South Carolina Financial Incentives

Financial incentive information provided by the [Database of State Incentives for Renewables and Efficiency \(DSIRE\)](#).

S.C. Code § 12-36-2110, Sales Tax Cap on Energy Efficient Manufactured Homes

During the 2008 legislative session, South Carolina legislators passed [SB 1141](#), creating the *Energy Efficient Manufactured Homes Incentive Program*, effective July 1, 2009. This bill

created an income tax credit, with the goal of encouraging consumers to purchase energy efficient manufactured homes.

To qualify for the nonrefundable \$750 tax credit, an individual must purchase either: 1) a manufactured home that meets or exceeds the U.S. Environmental Protection Agency's and the U.S. Department of Energy's energy-saving efficiency requirements; or 2) a manufactured home that meets or exceeds energy efficiency requirements under the ENERGY STAR program. In addition, the individual must purchase the home from a retail dealership licensed by the South Carolina Manufactured Housing Board and use the manufactured home in South Carolina.

Links:

- For more information on South Carolina's incentives, please visit [DSIRE](#).
- To peruse the text of the bill, click here: [Legislation](#)
- Fore more information on the Sales Tax Cap, please visit the [South Carolina Energy Office](#).

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ConserFund Loan Program

The South Carolina Energy Office offers the ConserFund Loan Program to fund energy efficiency improvements in state agencies, local governments, public colleges and universities, school districts and non-profit organizations. The ConserFund Loan Program funds a variety of efficiency improvements, but priority is given to projects that have a fast energy savings payback. Generally, ConserFund loans are to be used on retrofits of existing buildings. However, ConserFund may be used to finance energy recovery systems, ground source heat pumps, biomass, solar, and other renewable energy systems in new construction facilities.

Links:

- [ConserFund Website](#)
 - For more information on this incentive, visit [DSIRE](#)
-

South Carolina Climate Change Policies

The South Carolina *Climate, Energy and Commerce Committee* published their final report in August, 2008. You can access the report [here](#), a summary by the Pew Center [here](#), and find out more about the committee's work [here](#).

Additional information can be found at [EPA State Climate and Energy Program, South Carolina Climate Policy Tracking](#)

Regional Initiatives: None