



**SIERRA
CLUB**
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South Carolina Chapter

1314 Lincoln Street, Suite 211 · P.O. BOX 2388, COLUMBIA, SC 29202
<http://southcarolina.sierraclub.org>
(803)256-8487

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To whom it may concern,

On behalf of our members in South Carolina, the Sierra Club respectfully submits the following comments on the Distributed Energy Resources Initial Draft Report (“Report”) of the Energy Advisory Council (“EAC”). We would like to thank the staff and members of the EAC for taking such a comprehensive and fact-based review of the issues at hand, and hope that our comments and suggestions contribute to enhancing the usefulness of a final report for policymakers and the stakeholders, in the interest of improving our vital electric infrastructure.

The Sierra Club believes that quantification of the benefits and costs of distributed generation, as contemplated by the Report, will demonstrate that increased use of solar power is in the interest of South Carolina citizens. The Report identified a number of potential benefits, including: “avoided generation, T&D line loss savings, avoided T&D investment, fuel hedging value, environmental externalities, job creation”. Of special note is that the benefits of solar for customers such as churches, schools, military installations, and non-profit organizations may be increased if the solar panels are owned by third parties with the capacity to benefit from state and federal tax credits.

Similar studies and findings in other Southeast states have illustrated the likely positive value proposition of increased solar power for South Carolina. A 2013 study by Crossborder Energy found that the “benefits of solar generation in North Carolina equal or exceed the costs of this source of renewable generation” for both utility-scale and rooftop solar.¹ The Georgia Public Service Commission recently ordered Georgia Power to procure additional solar power, finding that “as a matter of energy policy, the Commission determines that it is appropriate to expand Georgia Power’s generation portfolio by the addition of 525 MW of new solar generation”.² The Report could include these or other examples of similar findings to further underscore the likely results and usefulness of such a study in South Carolina. The EAC should also consider explicitly recommending that a request for proposals (“RFP”) for different types of solar power resources be conducted by the incumbent electric companies under the purview of the Public Service Commission, as required in Georgia, to better define the actual costs and benefits of solar power for policymakers and stakeholders in the state. Such an RFP would deliver accurate information from potential developers at limited costs to the state.

The Report focuses most of its attention on one issue, the potential changes to existing rate structures that may be necessary to appropriately value different penetrations of distributed generation. This section is likely of great value to policymakers facing difficult questions about high penetration of distributed generation, such as in California and Arizona. However, as the report acknowledges, South Carolina has not yet reached that paradigm and the current structure can accommodate lower penetrations of distributed generation. The Sierra Club believes what may be especially useful to policymakers and stakeholders in South Carolina at this juncture would be a better understanding of what policy tools are most appropriate for increasing the penetration of solar power if they agree that the likely benefits are greater than the costs, or at least that it is worth establishing a more competitive electricity market, issuing an RFP for solar power, or conducting a study to determine whether that is true.

While the Report briefly addresses renewable energy credits and asks questions that must be answered about the impact of allowing sales by competitive solar power companies on the historic compact that grants incumbent utilities a monopoly, it neglects to fully articulate that these are two policies that have been effective at delivering cost effective rooftop solar at great benefits to customers in other comparable states.

¹ [http://energync.org/assets/files/Benefits%20and%20Costs%20of%20Solar%20Generation%20for%20Rate%20payers%20in%20North%20Carolina\(2\).pdf](http://energync.org/assets/files/Benefits%20and%20Costs%20of%20Solar%20Generation%20for%20Rate%20payers%20in%20North%20Carolina(2).pdf)

² <http://www.psc.state.ga.us/factsv2/Document.aspx?documentNumber=148995>

The Report's usefulness could potentially be improved with an analysis of the states that are experiencing significant growth in rooftop solar, the benefits and costs those states are receiving, and the factors that have led to such growth. Comparing such an analysis to the factors that currently determine South Carolina's rate of distributed generation achievement could be very helpful for assessing what policymakers and stakeholders should do if they decide that testing whether the benefits of increasing solar power exceed the costs is an appropriate decision, as we believe it to be.

The Sierra Club appreciates the opportunity to provide these comments in the interest of finalizing a report that will be most useful to the current policy discussions taking place in South Carolina. We would like to reiterate that the Report is an excellent first step, and that at a minimum the EAC should consider including a comparison of the level of distributed generation achieved in different states, the cost-benefit analyses that have been done in those states, and an explicit explanation of the factors that have delivered such levels of achievement and commensurate benefits.

Thank you,

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Corbett". The signature is written in a cursive, flowing style.

Susan Corbett