**A** **BILL**

TO AMEND CHAPTER 4, TITLE 58, CODE OF LAWS OF SOUTH CAROLINA, RELATING TO THE OFFICE OF REGULATORY STAFF, BY ADDING SECTION 58‑4‑140 SO AS TO CREATE A NON‑PROFIT ENTITY NAMED OPERATION EMPOWERED IN ORDER TO PROVIDE FINANCIAL ASSISTANCE TO LOW‑INCOME HOUSEHOLDS TO IMPLEMENT ENERGY EFFICIENCY AND CONSERVATION MEASURES.

Whereas, energy efficiency and conservation can bring substantial benefits, both environmental and economic, to this State by reducing the need for the construction of electricity generating facilities and by helping keep South Carolina electricity rates reasonable; and

Whereas, lower income citizens have a difficult time implementing energy efficiency and conservation measures to reduce their energy consumption because of the expense of such measures; and

Whereas, it is appropriate for the State to take steps to encourage the formation of a non‑profit, tax‑exempt organization that will be able to receive tax‑deductible contributions and grants for the purpose of assisting low‑income citizens in implementing energy efficiency and conservation measures. The entity should also be authorized to receive funds from grants and from class action settlements where appropriate; and

Whereas, the Office of Regulatory Staff currently manages the Lifeline and Link‑up programs, which offer assistance to low‑income citizens for the initial installation of telephone service and maintaining continued telephone service; and

Whereas, the Office of Regulatory Staff could, with a minimum of additional staff or budget, expand its management of the Lifeline and Link‑up programs to include the management of a program to assist low‑income citizens with implementing energy efficiency and conservation measures. Now, therefore,

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 4, Title 58 of the 1976 Code is amended by adding:

“Section 58‑4‑140. (A) The Office of Regulatory Staff shall form a non‑profit entity named Operation Empowered that will qualify to receive tax deductible contributions to promote energy efficiency and conservation. The entity shall be formed as a non‑profit corporation pursuant to Section 33‑31‑101, et seq., and shall assist the ORS with programs to provide financial assistance to low‑income citizens to implement energy efficiency and conservation measures. The State Regulation of Public Utilities Review Committee, as created by Section 58‑3‑510, et seq., shall serve as the board of directors of the non‑profit entity. The function of the non‑profit entity shall be to receive funds from contributions, grants, class action settlements, and other appropriate sources, and to manage such funds to maintain the tax exempt status of the fund, and to make the funds available to promote the purposes of this act. The entity shall disburse the funds in accordance with regulations promulgated by the ORS. The board of directors may use part of the funds to defray the expenses of the ORS in pursuing the purposes of this act.

(B) The Office of Regulatory Staff shall promulgate regulations to implement a program to provide assistance to low‑income citizens to allow them to take energy efficiency and conservation measures with respect to their residences in this State. The regulations shall define income qualifications for the program. All persons whose household income is at or below the federal poverty level as defined by the U.S. Department of Health and Human Services shall qualify. The regulations may allow additional persons to qualify up to a level of 200 percent of the federal poverty level.

(C) The Office of Regulatory Staff shall promulgate regulations:

(1) to define a process by which persons who qualify for assistance shall receive such assistance;

(2) to ensure that funds provided by the program are directed to energy efficiency programs and that the funds are actually spent directly on such programs;

(3) to define specific programs that are available; and

(4) to provide for qualification procedures for contractors or others who wish to deliver energy efficiency programs to low‑income citizens.

(D) The Office of Regulatory Staff shall have the responsibility of disseminating information about the low‑income energy efficiency assistance program to persons who may qualify.

(E) In order to promote the purposes of this act and to encourage contributions to the fund, electrical utilities, as defined in Section 58‑27‑10, shall be allowed to treat certain contributions to the fund as operating expenses for rate‑making purposes. All contributions shall be treated as an allowed operating and maintenance expense of the electrical utility for ratemaking purposes.

(F) The Office of Regulatory Staff may appoint an advisory committee of persons from electric utilities, electric cooperatives, and other energy related organizations, as well as persons from poverty assistance organizations. The purpose of the advisory committee will be to provide advice and guidance to the Office of Regulatory Staff in designing programs to further the goals of this act.

(G) The Office of Regulatory Staff shall have the responsibility of further promoting the goals of this act by engaging in activities intended to educate the citizens of South Carolina about the benefits of energy efficiency and conservation.”

SECTION 2. This act takes effect upon approval by the Governor.

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