

REPORT OF THE SANTEE COOPER AD HOC COMMITTEE

(Stavrinakis, Finlay, Cobb-Hunter, G.R. Smith, Crawford, Weeks, Moss, Daning, Willis, Dillard, & Gagnon - Staff Contact: Meredith Ross)

HOUSE BILL 3194

H. 3194 -- Reps. Lucas, G.M. Smith, Simrill, Rutherford, Thigpen, McCravy, McGarry and B. Newton: A BILL TO AUTHORIZE THE SALE OF THE ASSETS OF THE SOUTH CAROLINA PUBLIC SERVICE AUTHORITY AND THE ASSUMPTION OR DEFEASMENT OF ITS LIABILITIES OR THE MANAGEMENT OF THE OPERATIONS OF THE PUBLIC SERVICE AUTHORITY BY A THIRD PARTY OR ENTITY; TO CREATE A SPECIAL COMMITTEE OF THE GENERAL ASSEMBLY TO FURTHER NEGOTIATE THE TERMS AND CONDITIONS OF THE PREFERRED SALE RECOMMENDATION OF THE DEPARTMENT OF ADMINISTRATION REGARDING THE PUBLIC SERVICE AUTHORITY AND THE PREFERRED MANAGEMENT RECOMMENDATION OF THE DEPARTMENT OF ADMINISTRATION REGARDING THE PUBLIC SERVICE AUTHORITY, TO PROVIDE THAT THE SPECIAL COMMITTEE SHALL REPORT ONE RECOMMENDATION TO EACH HOUSE OF THE GENERAL ASSEMBLY FOR ITS APPROVAL, AND TO PROVIDE FOR THE MANNER IN WHICH THE SELECTED PROPOSAL SHALL TAKE EFFECT; AND TO AMEND CHAPTER 31, TITLE 58, CODE LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE PUBLIC SERVICE AUTHORITY, SO AS TO FURTHER PROVIDE FOR THE GOVERNANCE AND OPERATIONS OF THE AUTHORITY IN CERTAIN PARTICULARS.

Received by Ways and Means:

Summary of Bill:

This bill first authorizes and creates a mechanism by which to sell Santee Cooper through the formation of a special committee of six members, three from each House, to further negotiate terms and conditions of a resolution of the future of Santee Cooper and potential sale to the "preferred bidder" as determined by the Department of Administration under Act 95 in the same manner of conduct as a Conference Committee. The bill also outlines various reform measures should the General Assembly choose not to sell the entity including reform of the governance structure and regulatory reform.

The bill reforms the governance of Santee Cooper by ending the terms of all current board members allowing them to remain in place until their successors are chosen and qualified. There will still be 12 board members appointed by the Governor, but with advice and consent of the General Assembly rather than just the Senate. It makes some changes to the board make up, such as replacing two current at-large members with one recommended by the Manufacturers' Alliance and one recommended by Santee Cooper's largest wholesale

"THE BELOW CONSTITUTED SUMMARY IS PREPARED BY THE STAFF OF THE SOUTH CAROLINA HOUSE OF REPRESENTATIVES AND IS NOT THE EXPRESSION OF THE LEGISLATION'S SPONSOR(S) OR THE HOUSE OF REPRESENTATIVES. IT IS STRICTLY FOR THE INTERNAL USE AND BENEFIT OF MEMBERS OF THE HOUSE OF REPRESENTATIVES AND IS NOT TO BE CONSTRUED BY A COURT OF LAW AS AN EXPRESSION OF LEGISLATIVE INTENT".

customer (Central Electric). It also adds four non-voting ex-officio members. It shortens the terms of the board members to 5 years and each member can only serve two terms. It adds the requirement that board members have particular experience and a college degree, and creates a fiduciary duty to the state as a whole.

The bill also adds several layers of regulatory oversight and involvement in the decision making of Santee Cooper similar in many respects to the oversight of other utilities. First, it requires an initial robust Integrated Resource Plan process including a revised reform plan requiring PSC approval. Furthermore, similar to other regulated utilities, Santee Cooper will be required to obtain PSC approval before building any major utility facilities or before the acquisition of a generation facility or for long term purchases of power with a duration over five years. They must also get PSC approval prior to debt issuance. PSC will not have any approval power over Santee Cooper's rate setting, which will be done through a new process allowing for notice and opportunity for ORS, Consumer Advocate, and customer involvement. The Board would be responsible for holding a hearing to determine the rates, and any decision of the Board would be subject to appeal to the Supreme Court. The bill creates a requirement for Santee Cooper to pursue operational efficiencies and cost-saving opportunities with neighboring utilities and any joint operating agreements would need PSC approval. The bill authorizes ORS to have continuing oversight, similar to the same authority they have with the other regulated utilities. The bill requires Santee Cooper to establish a PSC approved program for renewable energy procurement. Finally, the bill gives the authority to PSC and ORS to hire independent consultants and experts to help them in administering this Act.

Estimated Revenue Impact:

Pending

Other Notes/Comments:

The Ad Hoc Committee passed a strike-all and insert amendment that makes technical changes and reorganizes the sections for clarity's sake.

HOUSE
AMENDMENT

THIS AMENDMENT
ADOPTED

DRAFFIN/DOWNEY
JANUARY 8, 2021

CLERK OF THE HOUSE

THE SANTEE COOPER AD HOC COMMITTEE PROPOSES THE
FOLLOWING AMENDMENT No. TO H. 3194
(COUNCIL\SD\3194C002.NBD.SD21):

REFERENCE IS TO THE BILL AS INTRODUCED.

**AMEND THE BILL, AS AND IF AMENDED, BY
STRIKING ALL AFTER THE ENACTING WORDS AND
INSERTING:**

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PART I

**SECTION 1. THE GENERAL ASSEMBLY
AUTHORIZES THE SALE OF THE ASSETS OF THE
SOUTH CAROLINA PUBLIC SERVICE AUTHORITY
AND THE ASSUMPTION OR DEFEASMENT OF ITS**

LIABILITIES IN THE MANNER PROVIDED BY THIS ACT.

PART II

SECTION 2. A SPECIAL COMMITTEE IS HEREBY CREATED TO BE COMPOSED OF SIX MEMBERS, THREE FROM EACH HOUSE, TO BE SELECTED BY EACH BODY IN THE SAME MANNER MEMBERS OF CONFERENCE COMMITTEES ARE SELECTED BY THAT BODY. THE DUTIES AND RESPONSIBILITIES OF THE SPECIAL COMMITTEE ARE TO FURTHER NEGOTIATE THE TERMS AND CONDITIONS OF THE PREFERRED SALE PROPOSAL OF SANTEE COOPER AS RECOMMENDED BY THE DEPARTMENT OF ADMINISTRATION PURSUANT TO ACT 95 OF 2019. THE SPECIAL COMMITTEE SHALL ADOPT AND SET ITS OWN RULES OF PROCEDURE. THE SPECIAL COMMITTEE AT THE CONCLUSION OF ITS DELIBERATIONS SHALL RECOMMEND A PROPOSAL TO SELL THE SOUTH CAROLINA PUBLIC SERVICE AUTHORITY AS MODIFIED BY ITS FURTHER NEGOTIATIONS REGARDING THE RECOMMENDED

PREFERRED SALE PROPOSAL. THIS RECOMMENDATION AND REPORT MAY BE ACCEPTED AND APPROVED BY EACH HOUSE IN THE SAME MANNER CONFERENCE COMMITTEE REPORTS ARE ACCEPTED AND APPROVED. UPON APPROVAL OF THE SPECIAL COMMITTEE REPORT BY THE GENERAL ASSEMBLY, THE REPORT ALSO MUST BE TRANSMITTED TO THE GOVERNOR FOR HIS APPROVAL IN THE SAME MANNER ENACTMENTS ARE PRESENTED TO HIM UNDER ARTICLE IV OF THE CONSTITUTION OF THIS STATE. THE DEPARTMENT OF ADMINISTRATION SHALL EXECUTE ON BEHALF OF THE STATE OF SOUTH CAROLINA THE DOCUMENTS NECESSARY TO EFFECTUATE THE SALE PROPOSAL APPROVED IN THE MANNER PROVIDED IN THIS SECTION.

SECTION 3. IN THE EVENT THE PROVISIONS OF THIS ACT AND THE PROVISIONS OF ACT 95 OF 2019 CONFLICT, THE PROVISIONS OF THIS ACT SHALL CONTROL.

PART III

SECTION 4. VARIOUS PROVISIONS OF TITLE 58 OF THE 1976 CODE OR OTHER PROVISIONS ARE AMENDED OR ADDED AS FOLLOWS:

A. SECTION 58-31-20 OF THE 1976 CODE IS AMENDED TO READ:

“SECTION 58-31-20. (A) THE PUBLIC SERVICE AUTHORITY CONSISTS OF A BOARD OF TWELVE DIRECTORS WHO RESIDE IN SOUTH CAROLINA AND WHO HAVE THE QUALIFICATIONS STATED IN THIS SECTION, AS DETERMINED BY THE STATE REGULATION OF PUBLIC UTILITIES REVIEW COMMITTEE PURSUANT TO SECTION 58-3-530(14), BEFORE BEING APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE GENERAL ASSEMBLY AS FOLLOWS: ONE FROM EACH CONGRESSIONAL DISTRICT OF THE STATE; AND ONE FROM EACH OF THE COUNTIES OF Horry, Berkeley, and Georgetown who reside in Authority Territory and are customers of the Authority.; ~~AND TWO FROM THE STATE AT LARGE, ONE OF WHOM MUST BE CHAIRMAN. TWO OF THE DIRECTORS MUST HAVE SUBSTANTIAL WORK EXPERIENCE WITHIN THE OPERATIONS OF ELECTRIC COOPERATIVES OR SUBSTANTIAL EXPERIENCE ON AN ELECTRIC COOPERATIVE BOARD, INCLUDING ONE OF THE TWO WHO MUST HAVE SUBSTANTIAL EXPERIENCE WITHIN THE OPERATIONS OR BOARD OF A TRANSMISSION OR GENERATION COOPERATIVE. A DIRECTOR SHALL NOT SERVE AS AN EMPLOYEE OR BOARD MEMBER OF AN ELECTRIC COOPERATIVE DURING HIS TERM AS A DIRECTOR~~ TWO OF THE DIRECTORS FROM THE CONGRESSIONAL DISTRICTS MUST HAVE SUBSTANTIAL WORK EXPERIENCE WITHIN THE OPERATIONS OF ELECTRIC COOPERATIVES OR SUBSTANTIAL EXPERIENCE ON AN ELECTRIC COOPERATIVE BOARD, INCLUDING ONE OF THE TWO WHO MUST HAVE SUBSTANTIAL EXPERIENCE WITHIN THE OPERATIONS OR BOARD OF A TRANSMISSION OR GENERATION COOPERATIVE. THE BOARD

ALSO SHALL HAVE ONE DIRECTOR RECOMMENDED TO THE GOVERNOR BY THE SOUTH CAROLINA MANUFACTURERS ALLIANCE TO REPRESENT INDUSTRIAL CUSTOMERS OF THE AUTHORITY, AND ONE DIRECTOR RECOMMENDED TO THE GOVERNOR BY THE GOVERNING AUTHORITY OF THE AUTHORITY'S LARGEST WHOLESALE CUSTOMER; PROVIDED, HOWEVER, THESE TWO DIRECTORS MAY NOT BE AN EMPLOYEE, COUNSEL, OR BOARD MEMBER OF A CUSTOMER SERVED BY THE AUTHORITY.

A DIRECTOR SHALL NOT SERVE AS AN EMPLOYEE OR BOARD MEMBER OF AN ELECTRIC COOPERATIVE DURING HIS TERM AS A DIRECTOR. EACH DIRECTOR SHALL SERVE FOR A TERM OF SEVEN FIVE YEARS, AND SHALL NOT SERVE MORE THAN TWO CONSECUTIVE TERMS EXCEPT AS PROVIDED IN THIS SECTION. AT THE EXPIRATION OF THE TERM OF EACH DIRECTOR AND OF EACH SUCCEEDING DIRECTOR, THE GOVERNOR, WITH THE ADVICE AND CONSENT OF THE SENATE, MUST APPOINT A SUCCESSOR, WHO SHALL HOLD OFFICE FOR A TERM OF SEVEN YEARS OR UNTIL HIS SUCCESSOR HAS BEEN APPOINTED AND QUALIFIED. IN THE EVENT OF A DIRECTOR VACANCY DUE TO DEATH, RESIGNATION, OR OTHERWISE, THE GOVERNOR MUST APPOINT THE DIRECTOR'S SUCCESSOR, WITH THE ADVICE AND CONSENT OF THE SENATE GENERAL ASSEMBLY, AND THE SUCCESSOR-DIRECTOR SHALL HOLD OFFICE FOR THE REMAINDER OF THE UNEXPIRED TERM. A DIRECTOR MAY NOT RECEIVE A SALARY FOR SERVICES AS DIRECTOR UNTIL THE AUTHORITY IS IN FUNDS, BUT EACH DIRECTOR MUST BE PAID HIS ACTUAL EXPENSE IN THE PERFORMANCE OF HIS DUTIES, THE ACTUAL EXPENSE TO BE ADVANCED FROM THE CONTINGENT FUND OF THE GOVERNOR UNTIL THE TIME THE PUBLIC SERVICE AUTHORITY IS IN FUNDS, AT WHICH TIME THE CONTINGENT FUND MUST BE REIMBURSED. AFTER THE PUBLIC SERVICE AUTHORITY IS IN FUNDS, THE COMPENSATION AND EXPENSES OF EACH MEMBER OF THE BOARD MUST BE PAID FROM THESE FUNDS, AND THE COMPENSATION AND EXPENSES MUST BE FIXED BY THE ADVISORY BOARD ESTABLISHED IN THIS SECTION. A DIRECTOR MAY NOT RECEIVE A

SALARY FOR SERVICES AS A DIRECTOR. HOWEVER, THE AUTHORITY, BY VOTE AT A REGULARLY SCHEDULED MEETING, MAY CHOOSE TO GRANT THE DIRECTOR COMPENSATION BASED UPON THE AVAILABILITY OF FUNDS IN EXCESS OF THE PREVIOUS YEAR'S OPERATIONAL COSTS. THIS COMPENSATION MUST BE REASONABLY BASED UPON THE FINANCIAL PERFORMANCE OF THE AUTHORITY IN THE PREVIOUS FISCAL YEAR. DIRECTORS MAY RECEIVE REIMBURSEMENT FROM THE AUTHORITY FOR ACTUAL EXPENSES ASSOCIATED WITH THEIR SERVICE AS DIRECTORS. MEMBERS OF THE BOARD OF DIRECTORS MAY BE REMOVED FOR CAUSE, PURSUANT TO SECTION 1-3-240(C) OR A VIOLATION OF SECTION 58-31-55, BY THE GOVERNOR OF THE STATE, THE ADVISORY BOARD, OR A MAJORITY THEREOF. A MEMBER OF THE GENERAL ASSEMBLY OF THE STATE OF SOUTH CAROLINA IS NOT ELIGIBLE FOR APPOINTMENT AS DIRECTOR OF THE PUBLIC SERVICE AUTHORITY DURING THE TERM OF HIS OFFICE. ~~NO MORE THAN TWO MEMBERS FROM THE SAME COUNTY MAY SERVE AS DIRECTORS AT ANY TIME.~~ A DIRECTOR MAY NOT HAVE MADE A CAMPAIGN CONTRIBUTION TO THE GOVERNOR WHO APPOINTS THEM IN THE ELECTION CYCLE IMMEDIATELY PRECEDING THEIR APPOINTMENT.

(B) CANDIDATES FOR APPOINTMENT TO THE BOARD MUST BE SCREENED BY THE STATE REGULATION OF PUBLIC UTILITIES REVIEW COMMITTEE AND, PRIOR TO CONFIRMATION BY THE ~~SENATE~~ GENERAL ASSEMBLY, MUST BE FOUND QUALIFIED BY MEETING THE MINIMUM REQUIREMENTS CONTAINED IN SUBSECTION (C). THE REVIEW COMMITTEE MUST SUBMIT A WRITTEN REPORT TO THE ~~CLERK~~ CLERKS OF THE SENATE AND HOUSE SETTING FORTH ITS FINDINGS AS TO THE QUALIFICATIONS OF EACH CANDIDATE. A CANDIDATE MUST NOT SERVE ON THE BOARD, EVEN IN AN INTERIM CAPACITY, UNTIL HE IS SCREENED AND FOUND QUALIFIED BY THE STATE REGULATION OF PUBLIC UTILITIES REVIEW COMMITTEE.

(C)(1) EACH MEMBER MUST POSSESS ABILITIES AND EXPERIENCE THAT ARE GENERALLY FOUND AMONG DIRECTORS OF ENERGY UTILITIES

SERVING THIS STATE AND THAT ALLOW HIM TO MAKE VALUABLE CONTRIBUTIONS TO THE CONDUCT OF THE AUTHORITY'S BUSINESS. THESE ABILITIES INCLUDE SUBSTANTIAL BUSINESS SKILLS AND EXPERIENCE, BUT ARE NOT LIMITED TO:

~~(1)~~(A) GENERAL KNOWLEDGE OF THE HISTORY, PURPOSE, AND OPERATIONS OF THE PUBLIC SERVICE AUTHORITY AND THE RESPONSIBILITIES OF BEING A DIRECTOR OF THE AUTHORITY;

~~(2)~~(B) THE ABILITY TO INTERPRET LEGAL AND FINANCIAL DOCUMENTS AND INFORMATION SO AS TO FURTHER THE ACTIVITIES AND AFFAIRS OF THE PUBLIC SERVICE AUTHORITY;

~~(3)~~(C) WITH THE ASSISTANCE OF COUNSEL, THE ABILITY TO UNDERSTAND AND APPLY FEDERAL AND STATE LAWS, RULES, AND REGULATIONS INCLUDING, BUT NOT LIMITED TO, CHAPTER 4 OF TITLE 30 AS THEY RELATE TO THE ACTIVITIES AND AFFAIRS OF THE PUBLIC SERVICE AUTHORITY; AND

~~(4)~~(D) WITH THE ASSISTANCE OF COUNSEL, THE ABILITY TO UNDERSTAND AND APPLY JUDICIAL DECISIONS AS THEY RELATE TO THE ACTIVITIES AND AFFAIRS OF THE PUBLIC SERVICE AUTHORITY.

(2) EACH MEMBER ALSO MUST HAVE:

(A) A BACCALAUREATE OR MORE ADVANCED DEGREE FROM:

(I) A RECOGNIZED INSTITUTION OF HIGHER LEARNING REQUIRING FACE-TO-FACE CONTACT BETWEEN ITS STUDENTS AND INSTRUCTORS PRIOR TO COMPLETION OF THE ACADEMIC PROGRAM;

(II) AN INSTITUTION OF HIGHER LEARNING THAT HAS BEEN ACCREDITED BY A REGIONAL OR NATIONAL ACCREDITING BODY;
OR

(III) AN INSTITUTION OF HIGHER LEARNING CHARTERED BEFORE 1962; AND

(B) A BACKGROUND OF SUBSTANTIAL DURATION AND AN EXPERTISE IN AT LEAST ONE OF THE FOLLOWING:

- (I) ENERGY ISSUES;**
- (II) CONSUMER PROTECTION AND ADVOCACY ISSUES;**
- (III) WATER AND WASTEWATER ISSUES;**
- (IV) FINANCE, ECONOMICS, AND STATISTICS;**
- (V) ACCOUNTING;**
- (VI) ENGINEERING; OR**
- (VII) LAW.**

(D) FOR THE ASSISTANCE OF THE BOARD OF DIRECTORS OF THE PUBLIC SERVICE AUTHORITY, THERE IS HEREBY ESTABLISHED AN ADVISORY BOARD TO BE KNOWN AS THE ADVISORY BOARD OF THE SOUTH CAROLINA PUBLIC SERVICE AUTHORITY, TO BE COMPOSED OF THE GOVERNOR OF THE STATE, THE ATTORNEY GENERAL, THE STATE TREASURER, THE COMPTROLLER GENERAL, AND THE SECRETARY OF STATE, AS EX OFFICIO MEMBERS, WHO MUST SERVE WITHOUT COMPENSATION OTHER THAN NECESSARY TRAVELING EXPENSES. THE ADVISORY BOARD MUST PERFORM ANY DUTIES IMPOSED ON IT PURSUANT TO THIS CHAPTER, AND MUST CONSULT AND ADVISE WITH THE BOARD OF DIRECTORS ON ANY AND ALL MATTERS WHICH BY THE BOARD OF DIRECTORS MAY BE REFERRED TO THE ADVISORY BOARD. THE BOARD OF DIRECTORS MUST MAKE ANNUAL REPORTS TO THE ADVISORY BOARD, WHICH REPORTS MUST BE SUBMITTED TO THE GENERAL ASSEMBLY BY THE GOVERNOR, IN WHICH FULL INFORMATION AS TO ALL OF THE ACTS OF SAID BOARD OF DIRECTORS SHALL BE GIVEN, TOGETHER WITH FINANCIAL STATEMENT AND FULL INFORMATION AS TO THE WORK OF THE AUTHORITY. ON JULY FIRST OF EACH YEAR, THE ADVISORY BOARD MUST DESIGNATE A CERTIFIED PUBLIC ACCOUNTANT OR ACCOUNTANTS, RESIDENT IN THE STATE, FOR THE PURPOSE OF MAKING A COMPLETE AUDIT OF THE AFFAIRS OF THE AUTHORITY, WHICH MUST BE FILED WITH THE ANNUAL REPORT OF THE BOARD OF DIRECTORS. THE PUBLIC SERVICE AUTHORITY MUST SUBMIT THE AUDIT TO THE GENERAL ASSEMBLY.

(E) THE FOLLOWING SHALL BE NONVOTING EX OFFICIO MEMBERS OF THE BOARD OF DIRECTORS ENTITLED TO ATTEND ALL MEETINGS OF THE AUTHORITY BOARD, INCLUDING ANY EXECUTIVE SESSIONS:

(1) THE CHAIR OF THE BOARD OF CENTRAL ELECTRIC COOPERATIVE;

(2) THE SECRETARY OF COMMERCE OR HIS DESIGNEE;

(3) A DESIGNEE OF THE CHAIRS OF THE SENATE JUDICIARY COMMITTEE AND THE HOUSE LABOR, COMMERCE AND INDUSTRY COMMITTEE.

(F) THE MEMBERS OF THE BOARD ANNUALLY SHALL ELECT A CHAIRMAN AND THOSE OFFICERS IT DEEMS NECESSARY TO SERVE FOR TERMS OF ONE YEAR EACH IN THESE CAPACITIES.

(G) THE TERMS OF ALL CURRENT MEMBERS OF THE BOARD SERVING ON THE EFFECTIVE DATE OF THIS SUBSECTION SHALL EXPIRE AT WHICH TIME THEIR SUCCESSORS MUST BE SELECTED IN THE MANNER PROVIDED FOR BY THIS SECTION. HOWEVER, CURRENT BOARD MEMBERS SHALL CONTINUE TO SERVE UNTIL THEIR SUCCESSORS ARE APPOINTED AND QUALIFY, AND THE TWO MEMBERS APPOINTED BY THE GOVERNOR UPON RECOMMENDATION OF THE MANUFACTURER'S ALLIANCE AND UPON THE RECOMMENDATION OF THE AUTHORITY'S LARGEST WHOLESALE CUSTOMER SHALL BE DEEMED TO BE THE SUCCESSORS TO THE TWO CURRENT STATE AT-LARGE MEMBERS."

B. SECTION 58-31-30(A)(11) AND (12) OF THE 1976 CODE IS AMENDED TO READ:

"(11) TO MAKE BYLAWS FOR THE MANAGEMENT AND REGULATION OF ITS AFFAIRS, INCLUDING THE ESTABLISHMENT OF SUBCOMMITTEES OF THE BOARD OF DIRECTORS TO INCLUDE FINANCE AND AUDIT, PUBLIC INFORMATION, WATER SERVICES AND RESOURCE MANAGEMENT, GENERATION AND POWER SUPPLY PLANNING, AND EXECUTIVE AND GOVERNANCE, EACH OF THESE MAKING REGULAR

REPORTS TO THE FULL BOARD OF DIRECTORS AT EACH REGULAR MEETING OF THE FULL BOARD;

(12) ~~TO APPOINT OFFICERS, AGENTS, EMPLOYEES, AND SERVANTS, TO PRESCRIBE THEIR DUTIES, AND TO FIX THEIR COMPENSATION~~ TO SELECT A CHIEF EXECUTIVE OFFICER FOR THE AUTHORITY WHO SHALL CAUSE THE AUTHORITY TO EMPLOY ALL NECESSARY EMPLOYEES WITH THE BOARD APPROVING THE EMPLOYMENT AND COMPENSATION OF ANY SENIOR MANAGEMENT OFFICIAL SELECTED AS THE CHIEF EXECUTIVE OFFICER;”

C. SECTION 58-31-55 OF THE 1976 CODE IS AMENDED TO READ:

“SECTION 58-31-55. (A) EVERY DIRECTOR SHALL OWE A FIDUCIARY DUTY OF CARE TO THE STATE OF SOUTH CAROLINA DURING HIS SERVICE AS A DIRECTOR.

(B) A DIRECTOR SHALL DISCHARGE HIS DUTIES AS A DIRECTOR, INCLUDING HIS DUTIES AS A MEMBER OF A COMMITTEE:

(1) IN GOOD FAITH;

(2) WITH THE CARE AN ORDINARILY PRUDENT PERSON IN A LIKE POSITION WOULD EXERCISE UNDER SIMILAR CIRCUMSTANCES; AND

(3) IN A MANNER HE REASONABLY BELIEVES TO BE IN THE BEST INTERESTS OF THE PUBLIC SERVICE AUTHORITY. AS USED IN THIS CHAPTER, ‘BEST INTERESTS’ MEANS A BALANCING OF THE FOLLOWING:

(A) PRESERVATION OF THE FINANCIAL INTEGRITY OF THE PUBLIC SERVICE AUTHORITY AND ITS ONGOING OPERATION OF GENERATING, TRANSMITTING, AND DISTRIBUTING ELECTRICITY TO WHOLESALE AND RETAIL CUSTOMERS ON A RELIABLE, ADEQUATE, EFFICIENT, AND SAFE BASIS, AT JUST AND REASONABLE RATES, REGARDLESS OF THE CLASS OF CUSTOMER;

(B) ECONOMIC DEVELOPMENT AND JOB ATTRACTION AND RETENTION WITHIN THE PUBLIC SERVICE AUTHORITY’S PRESENT SERVICE AREA OR AREAS WITHIN THE STATE AUTHORIZED TO BE SERVED

BY AN ELECTRIC COOPERATIVE OR MUNICIPALLY OWNED ELECTRIC UTILITY THAT IS A DIRECT OR INDIRECT WHOLESALE CUSTOMER OF THE AUTHORITY; AND

(C) SUBJECT TO THE LIMITATIONS OF SECTION 58-31-30(B) AND ITEM (3)(A) OF THIS SECTION, EXERCISE OF THE POWERS OF THE AUTHORITY SET FORTH IN SECTION 58-31-30 IN ACCORDANCE WITH GOOD BUSINESS PRACTICES AND THE REQUIREMENTS OF APPLICABLE LICENSES, LAWS, AND REGULATIONS.

~~(B)~~(C) IN DISCHARGING HIS DUTIES, A DIRECTOR IS ENTITLED TO RELY ON INFORMATION, OPINIONS, REPORTS, OR STATEMENTS, INCLUDING FINANCIAL STATEMENTS AND OTHER FINANCIAL DATA, IF PREPARED OR PRESENTED BY:

(1) ONE OR MORE OFFICERS OR EMPLOYEES OF THE PUBLIC SERVICE AUTHORITY WHOM THE DIRECTOR REASONABLY BELIEVES TO BE RELIABLE AND COMPETENT IN THE MATTERS PRESENTED;

(2) LEGAL COUNSEL, PUBLIC ACCOUNTANTS, OR OTHER PERSONS AS TO MATTERS THE DIRECTOR REASONABLY BELIEVES ARE WITHIN THE PERSON'S PROFESSIONAL OR EXPERT COMPETENCE; OR

(3) A COMMITTEE OF THE BOARD OF DIRECTORS OF WHICH HE IS NOT A MEMBER IF THE DIRECTOR REASONABLY BELIEVES THE COMMITTEE MERITS CONFIDENCE.

~~(C)~~(D) A DIRECTOR IS NOT ACTING IN GOOD FAITH IF HE HAS KNOWLEDGE CONCERNING THE MATTER IN QUESTION THAT MAKES RELIANCE OTHERWISE PERMITTED BY SUBSECTION (B) UNWARRANTED.

~~(D)~~(E) A DIRECTOR IS NOT LIABLE FOR ANY ACTION TAKEN AS A DIRECTOR, OR ANY FAILURE TO TAKE ANY ACTION, IF HE PERFORMED THE DUTIES OF HIS OFFICE IN COMPLIANCE WITH THIS SECTION, EXCEPT FOR A VIOLATION OF THE FIDUCIARY DUTY CONTAINED IN SUBSECTION (A).

~~(E)~~(F) AN ACTION AGAINST A DIRECTOR FOR FAILURE TO PERFORM THE DUTIES IMPOSED BY THIS SECTION MUST BE COMMENCED WITHIN THREE YEARS AFTER THE CAUSE OF ACTION HAS OCCURRED, OR

WITHIN TWO YEARS AFTER THE TIME WHEN THE CAUSE OF ACTION IS DISCOVERED OR SHOULD REASONABLY HAVE BEEN DISCOVERED, WHICHEVER OCCURS SOONER. THIS LIMITATIONS PERIOD DOES NOT APPLY TO BREACHES OF DUTY WHICH HAVE BEEN CONCEALED FRAUDULENTLY.”

D. ARTICLE 1, CHAPTER 31, TITLE 58 OF THE 1976 CODE IS AMENDED BY ADDING:

“SECTION 58-31-230. (A) THE PUBLIC SERVICE AUTHORITY OF SOUTH CAROLINA SHALL EXPLORE JOINT COST-SAVING OPPORTUNITIES THROUGH JOINT AGREEMENTS WITH ONE OR MORE THIRD-PARTY ELECTRICAL UTILITIES FOR THE PURPOSE OF ADVANCING SYSTEM ECONOMY AND RELIABILITY AND GENERATING COST SAVINGS TO ITS CUSTOMERS. IN ORDER TO ADVANCE SYSTEM ECONOMY AND RELIABILITY AND GENERATE COST SAVINGS, THE PUBLIC SERVICE AUTHORITY OF SOUTH CAROLINA, SUBJECT TO APPROVAL OF THE PUBLIC SERVICE COMMISSION, SHALL HAVE ALL THE POWERS WHICH MAY BE NECESSARY OR CONVENIENT FOR THE EXERCISE OF SUCH ACTION, AND SHALL DISCHARGE ITS DUTIES BY EVALUATING THE POTENTIAL JOINT MANAGEMENT OR OPERATION OF VARIOUS SERVICES WITH A PRIVATELY OWNED ELECTRICAL UTILITY, SUCH AS THE FOLLOWING:

(1) NONNUCLEAR ELECTRIC GENERATION MATTERS BY PROVIDING FOR:

(A) THE PROVISION OF GENERATION OUTAGE, SECURITY, ENGINEERING, TRAINING, BENCHMARKING, ENVIRONMENTAL EMISSIONS DATA CAPTURE, ENVIRONMENTAL REGULATION COMPLIANCE, AND DECOMMISSIONING SUPPORT SERVICES; AND

(B) THE PROVISION OF PLANNING, ENGINEERING, AND CONSTRUCTION OPERATIONS SERVICES TO SUPPORT GENERATING STATION DEVELOPMENT PROJECTS;

(2) FUEL PROCUREMENT AND ENVIRONMENTAL COMMODITIES BY PROVIDING FOR SERVICES RELATED TO THE PROCUREMENT AND TRANSPORTATION OF ALL FUELS AND EMISSIONS REDUCTION PRODUCTS AND PHYSICAL AND FINANCIAL HEDGING OF SUCH FUELS AND EMISSIONS REDUCTION PRODUCTS;

(3) ELECTRIC TRANSMISSION MATTERS BY PROVIDING FOR:

(A) THE PREPARATION AND COORDINATION OF PLANNING STUDIES, CONSULTING, DESIGNING, INSPECTING, AND ENGINEERING, CONSTRUCTION AND MAINTENANCE SUPPORT SERVICES OF ELECTRIC TRANSMISSION AND SUBSTATION PLANT FACILITIES;

(B) SUPPORT SERVICES RELATED TO RELAY SETTINGS AND COORDINATION, RELAY MISOPERATION ANALYSIS, RELAY REPAIR AND MAINTENANCE, SUBSTATION AND TRANSMISSION LINE EQUIPMENT SPECIFICATIONS, ELECTRICAL EQUIPMENT REPAIR AND MAINTENANCE, AND GENERAL OUTAGE COORDINATION SUPPORT; AND

(C) VEGETATION MANAGEMENT SO AS TO IMPROVE THE RELIABILITY OF ELECTRIC TRANSMISSION SYSTEMS BY PREVENTING OUTAGES FROM VEGETATION LOCATED ON TRANSMISSION RIGHTS-OF-WAY AND MINIMIZING OUTAGES FROM VEGETATION LOCATED ADJACENT TO RIGHTS-OF-WAY, AND MAINTAINING CLEARANCE BETWEEN TRANSMISSION LINES AND VEGETATION ON AND ALONG TRANSMISSION RIGHTS-OF-WAY;

(4) ELECTRIC DISTRIBUTION MATTERS BY PROVIDING FOR METERING, VEGETATION MANAGEMENT, SAFETY, TRAINING, WEATHER FORECASTING, DESIGN, ENGINEERING, PLANNING STUDIES, SUBSTATION AND DISTRIBUTION CONTROL EQUIPMENT INSTALLATION, FIELD SUPPORT AND OPERATION SUPPORT SERVICES; THE PLANNING, FORMULATION, AND IMPLEMENTATION OF LOAD RETENTION, LOAD SHAPING AND CONSERVATION AND EFFICIENCY PROGRAMS, AND INTEGRATED RESOURCE PLANNING FOR SUPPLY-SIDE PLANS AND DEMAND-SIDE MANAGEMENT PROGRAMS;

(5) EMERGENCY SERVICES BY PROVIDING AID IN THE EMERGENCY RESTORATION OF ELECTRIC SERVICE SUCH AS:

- (A) DISTRIBUTION LINE RESTORATION;**
- (B) TRANSMISSION LINE RESTORATION;**
- (C) GENERATION FACILITY RESTORATION;**
- (D) VEGETATION MANAGEMENT;**
- (E) DAMAGE ASSESSMENT;**
- (F) SUBSTATION RESTORATION;**
- (G) RELAY (SYSTEM PROTECTION) RESTORATION; AND**
- (H) OTHER CRITICAL MAINTENANCE AND EMERGENCY**

RESTORATION SUPPORT SERVICES TO ASSIST IN THE SAFE AND TIMELY RESTORATION OF ELECTRIC SERVICE;

(6) SUPPLY-CHAIN MATTERS BY PROVIDING FOR THE PROCUREMENT OF REAL AND PERSONAL PROPERTY, MATERIALS, SUPPLIES AND SERVICES, CONDUCT PURCHASE NEGOTIATIONS, PREPARE PROCUREMENT AGREEMENTS, AND ADMINISTER PROGRAMS OF MATERIAL CONTROL;

(7) CUSTOMER SERVICES BY PROVIDING SERVICES AND SYSTEMS DEDICATED TO CUSTOMER SERVICE, BILLING, REMITTANCE, CREDIT, COLLECTIONS, CUSTOMER RELATIONS, CALL CENTERS, ENERGY CONSERVATION SUPPORT, AND METERING; AND

(8) GENERAL CORPORATE SERVICES SUCH AS ACCOUNTING, CORPORATE PLANNING, INFORMATION TECHNOLOGY, BUSINESS SERVICES, AND RISK MANAGEMENT.

(B) THE PUBLIC SERVICE AUTHORITY SHALL GIVE FIRST PREFERENCE TO A PRIVATELY OWNED ELECTRICAL UTILITY PROVIDING RETAIL ELECTRIC SERVICE IN SOUTH CAROLINA TO PURSUE BENEFITS FOR CUSTOMERS IN SOUTH CAROLINA. PRIOR TO APPROVING A JOINT OPERATING AGREEMENT WITH AN OUT-OF-STATE UTILITY, THE PUBLIC SERVICE AUTHORITY SHALL ESTABLISH COMPLIANCE WITH THIS SECTION AND DEMONSTRATE TO THE SATISFACTION OF THE COMMISSION THAT IT IS IN THE PUBLIC INTEREST TO APPROVE THE

AGREEMENT WITH AN OUT-OF-STATE ELECTRICAL UTILITY RATHER THAN AN ELECTRICAL UTILITY IN SOUTH CAROLINA.

(C) IN FURTHERANCE OF THIS SECTION, THE PUBLIC SERVICE AUTHORITY OF SOUTH CAROLINA IS AUTHORIZED TO PROVIDE THE PRIVATELY OWNED ELECTRICAL UTILITY WITH ACCESS TO, AND THE ABILITY TO UTILIZE, APPROPRIATE OFFICES, FACILITIES AND OTHER EQUIPMENT, AND ACCESS TO BOOKS, RECORDS, INFORMATION, AND EMPLOYEES OF THE PUBLIC SERVICE AUTHORITY OF SOUTH CAROLINA.

(D) THE PUBLIC SERVICE AUTHORITY SHALL ESTABLISH REGULAR OPPORTUNITIES FOR COMMENT AND INPUT FROM INTERESTED PARTIES DURING THE PROCESS OF EXPLORING OR ESTABLISHING ANY JOINT COST-SAVING OPPORTUNITIES THROUGH JOINT AGREEMENTS WITH A ELECTRICAL UTILITY.

(E) ANY JOINT MANAGEMENT OR OPERATING AGREEMENTS ENTERED INTO PURSUANT TO THIS SECTION MUST BE APPROVED BY THE COMMISSION WITH A FINDING THAT THE AGREEMENT IS IN THE PUBLIC INTEREST. NO CONTRACT PURSUANT TO THIS SECTION SHALL BE EXEMPT FROM ALTERATION, CONTROL, REGULATION, AND ESTABLISHMENT BY THE COMMISSION, WHEN IN ITS JUDGMENT THE PUBLIC INTEREST SO REQUIRES, TO THE FULL EXTENT OF THE POWERS IN RELATION TO CHARGES CONFERRED UPON THE COMMISSION BY THIS TITLE. PROCEEDINGS SHALL INCLUDE AN OPPORTUNITY FOR INTERVENTION, DISCOVERY, FILED COMMENTS OR TESTIMONY, AND AN EVIDENTIARY HEARING. THE PUBLIC SERVICE AUTHORITY SHALL REPORT ITS PROGRESS ON THE FOREGOING TO THE GENERAL ASSEMBLY.

(F) THE PUBLIC SERVICE AUTHORITY SHALL PREPARE AND SUBMIT A REPORT ANNUALLY TO THE GOVERNOR OF THE STATE OF SOUTH CAROLINA, THE PRESIDENT OF THE SENATE OF THE STATE OF SOUTH CAROLINA, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES OF THE STATE OF SOUTH CAROLINA, THE OFFICE OF REGULATORY STAFF, AND THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA REGARDING THE IMPLEMENTATION OF THIS SECTION.

(G) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO AMEND OR ALTER IN ANY WAY THE EXISTING WHOLESALE POWER SUPPLY CONTRACT BETWEEN THE PUBLIC SERVICE AUTHORITY AND CENTRAL ELECTRIC POWER COOPERATIVE.”

E. ARTICLE 1, CHAPTER 31, TITLE 58 OF THE 1976 CODE IS AMENDED BY ADDING:

“SECTION 58-31-295. (A) FOR PURPOSES OF THIS SECTION, ‘REFORM PLAN’ MEANS THE LOADS AND RESOURCES PORTION OF THE PUBLIC SERVICE AUTHORITY’S REFORM PLAN SUBMITTED TO THE GENERAL ASSEMBLY PURSUANT TO ACT 95 OF 2019, INCLUDING ANY UPDATES TO REFLECT CURRENT PLANS AND PRACTICES, RELATED ONLY TO THE PUBLIC SERVICE AUTHORITY’S PLANS FOR MEETING ITS FUTURE CAPACITY AND ENERGY NEEDS AND DOES NOT INCLUDE OTHER PORTIONS OF THE REFORM PLAN, INCLUDING GOVERNANCE OR ANY OTHER ITEM NOT RELATED DIRECTLY TO MEETING ITS FUTURE CAPACITY AND ENERGY NEEDS.

(1) WITHIN THIRTY DAYS OF THE EFFECTIVE DATE OF THIS ACT, THE PUBLIC SERVICE AUTHORITY, IN CONSULTATION WITH THE OFFICE OF REGULATORY STAFF AND CENTRAL ELECTRIC POWER COOPERATIVE, SHALL DEVELOP A PUBLIC PROCESS THAT ALLOWS INPUT FROM CUSTOMERS AND OTHER STAKEHOLDERS, TO REVIEW, AND UPDATE AS NECESSARY, THE PUBLIC SERVICE AUTHORITY’S REFORM PLAN AND PREPARE AN INTEGRATED RESOURCE PLAN INCORPORATING THE REVISED REFORM PLAN.

(2) WITHIN ONE HUNDRED EIGHTY DAYS OF THE EFFECTIVE DATE OF THIS SECTION, THE PUBLIC SERVICE AUTHORITY SHALL SUBMIT THE INTEGRATED RESOURCE PLAN INCORPORATING THE REVISED REFORM PLAN TO THE COMMISSION ALONG WITH ALL OTHER DOCUMENTATION REQUIRED PURSUANT TO SECTION 58-37-40. THE INTEGRATED RESOURCE PLAN INCORPORATING THE REVISED REFORM

PLAN SHALL INCLUDE AN ASSESSMENT OF VARIOUS RESOURCE PORTFOLIOS OVER VARIOUS STUDY PERIODS INCLUDING A TWENTY-YEAR STUDY PERIOD AND, BY COMPARISON ON A NET-PRESENT VALUE BASIS, IDENTIFY THE MOST COST-EFFECTIVE AND LEAST RATEPAYER-RISK RESOURCE PORTFOLIO TO MEET THE PUBLIC SERVICE AUTHORITY'S TOTAL CAPACITY AND ENERGY REQUIREMENTS WHILE MAINTAINING SAFE AND RELIABLE ELECTRIC SERVICE.

(3) UPON RECEIPT OF THE PUBLIC SERVICE AUTHORITY'S INTEGRATED RESOURCE PLAN INCORPORATING THE REVISED REFORM PLAN, THE COMMISSION SHALL OPEN A DOCKET AND ESTABLISH A PROCEEDING TO REVIEW THE INTEGRATED RESOURCE PLAN INCORPORATING THE REVISED REFORM PLAN PURSUANT TO SECTION 58-37-40.

(B)(1) THE COMMISSION SHALL REVIEW AND EVALUATE THE INTEGRATED RESOURCE PLAN INCORPORATING THE REVISED REFORM PLAN ALONG WITH LONG-TERM POWER SUPPLY ALTERNATIVES AND VARIOUS RESOURCE PORTFOLIOS OVER VARIOUS STUDY PERIODS INCLUDING A TWENTY-YEAR STUDY PERIOD AND, BY COMPARISON ON A NET PRESENT VALUE BASIS, IDENTIFY THE MOST COST-EFFECTIVE AND LOWEST RATEPAYER-RISK RESOURCE PORTFOLIO TO MEET THE PUBLIC SERVICE AUTHORITY'S TOTAL CAPACITY AND TOTAL ENERGY REQUIREMENTS WHILE MAINTAINING SAFE AND RELIABLE ELECTRIC SERVICE.

(2) THE COMMISSION'S EVALUATION SHALL INCLUDE, BUT NOT BE LIMITED TO:

(A) EVALUATING THE COST-EFFECTIVENESS AND RATEPAYER RISK OF SELF-BUILD GENERATION AND ITS ASSOCIATED INTERCONNECTED TRANSMISSION OPTIONS COMPARED WITH VARIOUS LONG-TERM POWER SUPPLY ALTERNATIVES INCLUDING POWER PURCHASE AGREEMENTS, COMPETITIVE PROCUREMENT OF RENEWABLE ENERGY, JOINT DISPATCH AGREEMENTS, MARKET PURCHASES FROM AN EXISTING REGIONAL TRANSMISSION ORGANIZATION, JOINING OR

CREATING A NEW REGIONAL TRANSMISSION ORGANIZATION, OR ANY COMBINATION THEREOF. IN EVALUATING THE COST-EFFECTIVENESS OF LONG-TERM POWER SUPPLY ALTERNATIVES, THE COMMISSION SHALL STRIVE TO REDUCE THE RISK TO RATEPAYERS ASSOCIATED WITH SELF-BUILD GENERATION OR TRANSMISSION OPTIONS WHILE MAINTAINING SAFE AND RELIABLE ELECTRIC SERVICE.

(B) AN ANALYSIS OF ANY POTENTIAL COST SAVINGS THAT MIGHT ACCRUE TO RATEPAYERS FROM THE RETIREMENT OF ANY GENERATION ASSETS.

(3) THE COMMISSION SHALL CONSIDER SUCH ANALYSIS AND ITS DETERMINATION IN ACTING UPON ANY PETITION BY THE PUBLIC SERVICE AUTHORITY UTILITY FOR THE APPROVAL OF CONSTRUCTION OR ACQUISITION OF A MAJOR UTILITY FACILITY OR APPROVAL OF LONG-TERM PURCHASES OF POWER WITH A DURATION OVER FIVE YEARS.

(C) AS PART OF THE FILING, THE COMMISSION SHALL ALLOW INTERVENTION BY INTERESTED PARTIES. THE COMMISSION SHALL ESTABLISH A PROCEDURAL SCHEDULE TO PERMIT REASONABLE DISCOVERY IN ORDER TO ASSIST PARTIES IN OBTAINING EVIDENCE CONCERNING THE INTEGRATED RESOURCE PLAN INCORPORATING THE REVISED REFORM PLAN, INCLUDING THE REASONABLENESS AND PRUDENCE OF THE PLANS AND ALTERNATIVES TO THE PLANS RAISED BY INTERVENING PARTIES. NO LATER THAN THREE HUNDRED DAYS AFTER THE PUBLIC SERVICE AUTHORITY FILES THE INTEGRATED RESOURCE PLAN INCORPORATING THE REVISED REFORM PLAN, THE COMMISSION SHALL ISSUE A FINAL ORDER APPROVING, MODIFYING, OR DENYING THE INTEGRATED RESOURCE PLAN INCORPORATING THE REVISED REFORM PLAN.

(D) DURING THE PENDENCY OF THE REGULATORY PROCEEDING, THE PUBLIC SERVICE AUTHORITY MAY NOT BEGIN THE CONSTRUCTION, PURCHASE, OR LEASE OF ANY FACILITY FOR THE GENERATION OR TRANSMISSION OF ELECTRICITY OVER ONE HUNDRED MEGAWATTS TO BE

DIRECTLY OR INDIRECTLY USED FOR THE FURNISHING OF ELECTRIC SERVICE AND MAY NOT ENTER INTO ANY LONG-TERM POWER PURCHASE AGREEMENTS WITHOUT PRIOR COMMISSION APPROVAL. DURING THE PENDENCY OF THE REGULATORY PROCEEDING, NOTHING IN THIS SECTION PROHIBITS THE AUTHORITY FROM:

(1) DOING THOSE THINGS NECESSARY FOR CLOSING AND DECOMMISSIONING THE WINYAH GENERATING STATION INCLUDING, BUT NOT LIMITED TO, PLANNING, PERMITTING, AND SECURING BY PURCHASE OR LEASE ONE HUNDRED MEGAWATTS OF COMBUSTION TURBINES AND MINOR TRANSMISSION UPGRADES, SUBJECT TO THE CONSENT OF CENTRAL PURSUANT TO THE POWER SYSTEM COORDINATION AND INTEGRATION AGREEMENT BETWEEN SANTEE COOPER AND CENTRAL, AS AMENDED (THE COORDINATION AGREEMENT). IN NO EVENT WILL THIS INCLUDE CONSTRUCTING A NATURAL GAS COMBINED CYCLE OR OTHER MAJOR GENERATION RESOURCE;

(2) DOING ALL THOSE THINGS NECESSARY FOR DEPLOYING UP TO 500 MEGAWATTS OF NEW SOLAR GENERATION IN ACCORDANCE WITH ACT 135 OF 2020, SUBJECT TO CONSENT OF CENTRAL PURSUANT TO THE COORDINATION AGREEMENT.

(E) FOLLOWING THE CONCLUSION OF THE INITIAL PROCEEDING TO EVALUATE THE PUBLIC SERVICE AUTHORITY'S INTEGRATED RESOURCE PLAN INCORPORATING THE REVISED REFORM PLAN, FOR FUTURE RESOURCE PLANNING, THE PUBLIC SERVICE AUTHORITY SHALL COMPLY WITH SECTION 58-37-40. TO THE EXTENT PRACTICABLE, THE COMMISSION SHALL ALIGN THE PUBLIC SERVICE AUTHORITY'S FUTURE INTEGRATED RESOURCE PLAN FILINGS ON A SCHEDULE THAT ALIGNS THE PUBLIC SERVICE AUTHORITY'S INTEGRATED RESOURCE PLAN FILING DATES WITH THOSE REQUIRED FOR OTHER ELECTRICAL UTILITIES IN THE STATE.

(F) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO GIVE THE COMMISSION THE AUTHORITY TO AMEND OR ALTER IN ANY WAY THE

EXISTING WHOLESALE POWER SUPPLY CONTRACT BETWEEN THE PUBLIC SERVICE AUTHORITY AND CENTRAL ELECTRIC POWER COOPERATIVE.

SECTION 58-31-296. (A)(1) THE COMMISSION, IN CONSULTATION WITH THE OFFICE OF REGULATORY STAFF AND THE PUBLIC SERVICE AUTHORITY, SHALL DEVELOP, PUBLICIZE, AND KEEP CURRENT AN ANALYSIS OF THE PUBLIC SERVICE AUTHORITY'S:

(A) LONG-RANGE CAPACITY AND ENERGY NEEDS;

(B) LONG-RANGE NEEDS FOR EXPANSION OF FACILITIES FOR THE GENERATION OF ELECTRICITY;

(C) ESTIMATES OF THE PROBABLE FUTURE GROWTH OF THE USE OF ELECTRICITY;

(D) EXTENT, SIZE, MIX, AND GENERAL LOCATION OF GENERATING PLANTS AND ARRANGEMENTS FOR POOLING POWER TO THE EXTENT NOT REGULATED BY THE FEDERAL ENERGY REGULATORY COMMISSION AND OTHER ARRANGEMENTS WITH OTHER UTILITIES AND ENERGY SUPPLIERS TO ACHIEVE MAXIMUM EFFICIENCIES FOR THE BENEFIT OF THE CUSTOMERS OF THE PUBLIC SERVICE AUTHORITY.

(2) THIS ANALYSIS MUST INCLUDE AN ESTIMATE OF:

(A) THE PROBABLE FUTURE GROWTH OF THE USE OF ELECTRICITY;

(B) THE PROBABLE NEED OF GENERATING RESERVES;

(C) IN THE JUDGMENT OF THE COMMISSION, THE OPTIMAL EXTENT, SIZE, MIX, AND GENERAL LOCATION OF GENERATING PLANTS;

(D) IN THE JUDGMENT OF THE COMMISSION, THE OPTIMAL ARRANGEMENTS FOR STATEWIDE OR REGIONAL POOLING OF POWER AND ARRANGEMENTS WITH OTHER UTILITIES AND ENERGY SUPPLIERS TO ACHIEVE MAXIMUM EFFICIENCIES FOR THE BENEFIT OF THE PEOPLE OF SOUTH CAROLINA; AND

(E) THE COMPARATIVE COSTS, ON A NET PRESENT-VALUE BASIS, OF MEETING FUTURE GROWTH BY OTHER MEANS OF PROVIDING RELIABLE, EFFICIENT, AND ECONOMIC ELECTRIC SERVICE, INCLUDING

PURCHASE OF POWER, COMPETITIVE MARKET POWER PURCHASES, JOINT OWNERSHIP OF FACILITIES, REFURBISHMENT OF EXISTING FACILITIES, CONSERVATION (INCLUDING ENERGY EFFICIENCY), LOAD MANAGEMENT, DISTRIBUTED GENERATION, AND COGENERATION.

(3) THE COMMISSION SHALL CONSIDER SUCH ANALYSIS IN ACTING UPON ANY PETITION BY THE PUBLIC SERVICE AUTHORITY TO APPROVE CONSTRUCTION OR ACQUISITION OF A MAJOR UTILITY FACILITY OR OTHER LONG-TERM MEANS OF PROCURING ENERGY WITH A DURATION OVER FIVE YEARS.

(B) ANY INTERVENOR MAY ATTEND OR BE REPRESENTED AT ANY PROCEEDING CONDUCTED BY THE COMMISSION IN DEVELOPING AN ANALYSIS FOR AND DETERMINING THE FUTURE REQUIREMENTS OF ELECTRICITY FOR THE PUBLIC SERVICE AUTHORITY.

(C) IN THE COURSE OF MAKING THE ANALYSIS REQUIRED BY THIS SECTION, THE COMMISSION SHALL CONDUCT ONE OR MORE PUBLIC HEARINGS.

(D) EACH YEAR, THE COMMISSION SHALL SUBMIT TO THE GOVERNOR AND TO THE APPROPRIATE COMMITTEES OF THE GENERAL ASSEMBLY A REPORT OF ITS ANALYSIS AND PLAN, THE PROGRESS TO DATE IN CARRYING OUT SUCH PLAN, AND THE PROGRAM OF THE COMMISSION FOR THE ENSUING YEAR IN CONNECTION WITH SUCH PLAN.”

F. CHAPTER 31, TITLE 58 OF THE 1976 CODE IS AMENDED BY ADDING:

“ARTICLE 7

PSA RETAIL RATES PROCESS

SECTION 58-31-710. PRIOR TO CREATING OR REVISING ANY OF ITS BOARD-APPROVED RETAIL RATE SCHEDULES FOR RESIDENTIAL,

LIGHTING, COMMERCIAL, OR INDUSTRIAL CUSTOMERS IN A MANNER THAT RESULTS IN A RATE INCREASE, THE PUBLIC SERVICE AUTHORITY, THROUGH RESOLUTION OF ITS BOARD OF DIRECTORS OR OTHERWISE, SHALL ADOPT A PROCESS THAT SHALL INCLUDE THE FOLLOWING:

(A) THE AUTHORITY SHALL PROVIDE NOTICE TO ALL CUSTOMERS WHEN ANY CUSTOMERS WILL BE AFFECTED BY A RATE INCREASE AT LEAST ONE HUNDRED AND EIGHTY DAYS BEFORE THE BOARD OF DIRECTORS' VOTE ON A PROPOSED RATE INCREASE.

(1) THE NOTICE REQUIRED BY THIS SUBSECTION MUST BE GIVEN IN THE FOLLOWING FORMS:

(A) BY FIRST-CLASS UNITED STATES MAIL ADDRESSED TO THE CUSTOMER'S BILLING ADDRESS IN THE AUTHORITY'S RECORDS AT THE TIME OF THE NOTICE, OR FOR CUSTOMERS WHO HAVE ELECTED PAPERLESS BILLING, BY THE SAME MEANS OF COMMUNICATION USED FOR PROVIDING THESE CUSTOMERS PAPERLESS BILLING;

(B) BY ADVERTISEMENTS TO BE PUBLISHED IN NEWSPAPERS OF GENERAL CIRCULATION WITHIN THE SERVICE TERRITORY OF THE AUTHORITY;

(C) BY WAY OF SANTEE COOPER'S REGULARLY MAINTAINED WEBSITE, INCLUDING A CONSPICUOUS PORTAL OR LINK ACCESSIBLE FROM THE WEBSITE'S LANDING PAGE; AND

(D) BY ISSUANCE OF A NEWS RELEASE TO LOCAL NEWS OUTLETS.

(2) THE NOTICE OF PROPOSED RATE INCREASES REQUIRED BY THIS SUBSECTION SHALL CONTAIN THE FOLLOWING INFORMATION:

(A) THE DATE, TIME, AND LOCATION OF ALL PUBLIC MEETINGS;

(B) THE DATE, TIME, AND LOCATION OF THE MEETING AT WHICH A PROPOSED RATE INCREASE IS EXPECTED TO BE SUBMITTED TO THE BOARD OF DIRECTORS FOR ITS CONSIDERATION;

(C) THE DATE, TIME, AND LOCATION OF THE MEETING AT WHICH THE BOARD OF DIRECTORS IS EXPECTED TO VOTE ON THE PROPOSED RATE INCREASE;

(D) A NOTIFICATION TO CUSTOMERS OF THEIR RIGHT TO:

(I) REVIEW THE PROPOSED RATE SCHEDULES;

(II) APPEAR AND SPEAK IN PERSON CONCERNING THE PROPOSED RATES AT PUBLIC MEETINGS OR THE SPECIFIED MEETINGS OF THE BOARD OF DIRECTORS; AND

(III) SUBMIT WRITTEN COMMENTS;

(E) THE MEANS BY WHICH CUSTOMERS CAN SUBMIT WRITTEN COMMENTS, INCLUDING THE EMAIL AND PHYSICAL ADDRESSES TO WHICH WRITTEN COMMENTS MAY BE SUBMITTED, AND THE DEADLINE FOR SUBMITTING SUCH COMMENTS; AND

(F) THE MEANS BY WHICH CUSTOMERS CAN ACCESS AND REVIEW A WRITTEN REPORT CONTAINING THE PROPOSAL OF PROPOSED RATE ADJUSTMENTS, ANY RATE STUDY, OR OTHER DOCUMENTATION DEVELOPED BY THE AUTHORITY IN SUPPORT OF THE RATE INCREASE, WHEN THESE MATERIALS BECOME AVAILABLE.

(3) CONTEMPORANEOUSLY WITH NOTICE TO CUSTOMERS, THE AUTHORITY SHALL PROVIDE NOTICE OF PROPOSED RATE INCREASES TO THE OFFICE OF REGULATORY STAFF AND THE DEPARTMENT OF CONSUMER AFFAIRS.

(4) A RATE ADJUSTMENT THAT DOES NOT RESULT IN A PROPOSED RATE INCREASE DOES NOT REQUIRE NOTICE PURSUANT TO THIS SUBSECTION.

(5) CUSTOMERS WHOSE RATES WILL NOT INCREASE ARE NOT ENTITLED TO NOTICE PURSUANT TO THIS SUBSECTION.

(B) IN ADDITION TO THE REQUIREMENTS OF NOTICE SET FORTH ABOVE, THE AUTHORITY SHALL PROVIDE FOR THE FOLLOWING:

(1) A COMPREHENSIVE REVIEW OF THE AUTHORITY'S RATE STRUCTURE AND RATES, CONSISTENT WITH THE PROVISIONS OF CHAPTER 31, TITLE 58 AND THE PUBLIC SERVICE AUTHORITY'S BOND

COVENANTS CONCERNING THE PUBLIC SERVICE AUTHORITY'S REVENUE REQUIREMENTS PROVIDED THAT:

(A) MANAGEMENT MAY ENGAGE CONSULTANTS AS NECESSARY TO ASSIST THE AUTHORITY IN COMPLETING THIS REVIEW; AND

(B) THIS REVIEW SHOULD INCLUDE SUCH SUBJECTS AS THE AUTHORITY'S REVENUE REQUIREMENTS, A COST OF SERVICE ANALYSIS THAT INCLUDES ALLOCATION OF COSTS BETWEEN WHOLESALE AND RETAIL CUSTOMERS, AND RATE/TARIFF DESIGN;

(2) A WRITTEN REPORT OF MANAGEMENT'S RECOMMENDATIONS CONCERNING PROPOSED RATE ADJUSTMENTS;

(3) AN OPPORTUNITY FOR CUSTOMERS WHO WILL BE AFFECTED BY A RATE INCREASE, IN ADVANCE OF THE BOARD OF DIRECTORS' CONSIDERATION AND DETERMINATION OF RATES, TO REVIEW THE PROPOSED RATE SCHEDULES AND WRITTEN FINDINGS AND ANALYSIS OF EMPLOYEES AND CONSULTANTS RETAINED BY THE AUTHORITY THAT SUPPORT THE PROPOSED RATE INCREASES PROVIDED THAT:

(A) BEGINNING NO LATER THAN THE DATE THAT NOTICE OF THE PROPOSED RATE INCREASE IS ISSUED BY THE AUTHORITY IN ACCORDANCE WITH THIS SECTION, THE AUTHORITY ALSO SHALL PROVIDE CUSTOMERS WHO WILL BE AFFECTED BY A RATE INCREASE ACCESS TO THE PROPOSED RATE SCHEDULES AND WRITTEN FINDINGS AND ANALYSIS OF EMPLOYEES AND CONSULTANTS RETAINED BY THE AUTHORITY THAT SUPPORT THE PROPOSED RATE INCREASES, SUCH MATERIALS TO BE MADE AVAILABLE AT A PHYSICAL LOCATION, AT PUBLIC MEETINGS, AND VIA SANTEE COOPER'S WEBSITE, AND PROVIDE A REASONABLE OPPORTUNITY FOR AFFECTED CUSTOMERS TO REQUEST ADDITIONAL INFORMATION AND SUBMIT WRITTEN QUESTIONS; AND

(B) CUSTOMERS WHO WILL BE AFFECTED BY A RATE INCREASE SHALL HAVE AT LEAST ONE HUNDRED AND TWENTY DAYS FROM THE DATE OF THE NOTICE OF THE PROPOSED RATE INCREASE TO PREPARE AND SUBMIT WRITTEN COMMENTS TO BE CONSIDERED BY THE

BOARD OF DIRECTORS BEFORE ANY VOTE CONCERNING A PROPOSED RATE INCREASE;

(4) PUBLIC MEETINGS, TO BE HELD AT LOCATIONS CONVENIENT FOR CUSTOMERS WHO WILL BE AFFECTED BY A RATE INCREASE WITHIN THE AUTHORITY'S SERVICE TERRITORY PROVIDED THAT:

(A) THE AUTHORITY SHALL CONVENE AT LEAST TWO PUBLIC MEETINGS AT A MINIMUM OF TWO LOCATIONS WITHIN ITS SERVICE TERRITORY FOR THE PURPOSE OF PRESENTING THE PROPOSED RATE INCREASE AND RELEVANT INFORMATION REGARDING THE SAME TO CUSTOMERS WHO WILL BE AFFECTED BY A RATE INCREASE FOR THEIR INFORMATION AND COMMENT;

(B) CUSTOMERS WHO WILL BE AFFECTED BY A RATE INCREASE MAY INTERVENE AND APPEAR AND SPEAK IN PERSON AT PUBLIC MEETINGS AND DIRECT COMMENTS AND INQUIRIES ABOUT THE RATE INCREASE TO REPRESENTATIVES OF THE AUTHORITY;

(C) AT LEAST ONE REPRESENTATIVE OF THE AUTHORITY'S STAFF OR MANAGEMENT AND AT LEAST ONE MEMBER OF THE BOARD OF DIRECTORS SHALL ATTEND EACH PUBLIC MEETING;

(D) THE AUTHORITY SHALL CAUSE A TRANSCRIPT OF ALL SUCH MEETINGS TO BE PREPARED AND MAINTAINED AS A PUBLIC RECORD AND FOR CONSIDERATION BY THE BOARD OF DIRECTORS PRIOR TO ITS CONSIDERATION AND VOTE ON A PROPOSED RATE INCREASE; AND

(E) THE CONTENTS OF THIS SECTION MUST NOT BE CONSTRUED IN SUCH A MANNER AS TO PREVENT THE AUTHORITY FROM HOLDING ADDITIONAL PUBLIC MEETINGS, FROM HOLDING ADDITIONAL MEETINGS WITH CUSTOMERS AS MAY BE SCHEDULED FROM TIME TO TIME AT THE CONVENIENCE OF THE AUTHORITY AND THE CUSTOMERS, OR FROM HAVING ADDITIONAL REPRESENTATIVES OF STAFF, MANAGEMENT, OR THE BOARD OF DIRECTORS IN ATTENDANCE AT SUCH MEETINGS;

(5) AN INSPECTION, AUDIT, AND EXAMINATION BY THE OFFICE OF REGULATORY STAFF OR INTERVENING PARTIES OF THE PROPOSED

RATE SCHEDULE, REVENUE REQUIREMENTS, COST OF SERVICE ANALYSIS, AND RATE/TARIFF DESIGN;

(6)(A) A PUBLIC HEARING HELD BY THE BOARD OF DIRECTORS, AT A REASONABLE TIME AFTER THE SUBMISSION DATE FOR WRITTEN COMMENTS AND SEPARATE FROM AND AT LEAST THIRTY DAYS PRIOR TO THE BOARD OF DIRECTORS' SCHEDULED VOTE ON PROPOSED RATE INCREASES, ALLOWING FOR ANY INTERESTED PARTY INCLUDING THE OFFICE OF REGULATORY STAFF AND THE DEPARTMENT OF CONSUMER AFFAIRS TO PRESENT TESTIMONY AND RECOMMENDATIONS PROVIDED THAT:

(I) A QUORUM OF DIRECTORS SHALL BE PRESENT FOR THE HEARING;

(II) A TRANSCRIPT OF THE HEARING SHALL BE PREPARED AND MAINTAINED ALONG WITH A RECORD OF ALL EVIDENCE ENTERED; AND

(III) THE BOARD OF DIRECTORS SHALL ISSUE A WRITTEN ORDER SETTING FORTH ITS DECISION BASED ON THE EVIDENCE IN THE RECORD.

(B) AT THE HEARING THE BOARD OF DIRECTORS SHALL RECEIVE MANAGEMENT'S RECOMMENDATION CONCERNING PROPOSED RATE INCREASES, RESULTS OF THE INSPECTION, AUDIT AND EXAMINATION OF THE OFFICE OF REGULATORY STAFF, THE PROPOSED RATE SCHEDULES, DOCUMENTATION SUPPORTING THE SAME, WRITTEN COMMENTS, AND TRANSCRIPTS OF THE PUBLIC MEETINGS PROVIDED THAT:

(I) AT THIS HEARING CUSTOMERS WHO WILL BE AFFECTED BY A RATE INCREASE SHALL BE ENTITLED TO APPEAR AND SPEAK IN PERSON FOR A REASONABLE AMOUNT OF TIME TO OFFER THEIR COMMENTS DIRECTLY TO THE BOARD OF DIRECTORS;

(II) CUSTOMER COMMENTS RECEIVED BY THE AUTHORITY PRIOR TO THIS HEARING AND TRANSCRIPTS OF THE PUBLIC

MEETINGS SHALL BE SUBMITTED TO THE BOARD OF DIRECTORS FOR THEIR CONSIDERATION IN THE DETERMINATION OF RATES; AND

(7) A MEETING AT WHICH THE BOARD OF DIRECTORS VOTES ON THE PROPOSED RATE INCREASE, FOLLOWING NOTICE AS SET FORTH IN SUBSECTION (A) AND COMPLETION OF THE PROCESS IMPLEMENTED BY THE BOARD OF DIRECTORS PURSUANT TO SUBSECTION (B).

(C) RATES SHALL BECOME EFFECTIVE NO EARLIER THAN NINETY DAYS AFTER THE BOARD VOTES ON THE PROPOSED RATE INCREASES.

(D) THE BOARD OF DIRECTORS' ACTION PURSUANT TO THIS SECTION AND ITS APPROVAL OF RATES ARE SUBJECT TO THE SAME STANDARDS AND REMEDIES PURSUANT TO SECTIONS 58-31-55, 58-31-56, AND 58-31-57, PROVIDED THAT NOTHING CONTAINED IN SECTION MAY BE CONSTRUED TO LIMIT OR DEROGATE FROM:

(1) THE BOARD OF DIRECTORS' DUTIES AND POWERS AS ESTABLISHED IN THIS CHAPTER; AND

(2) THE STATE'S COVENANTS AS PROVIDED IN SECTIONS 58-31-30 AND 58-31-360, AND THOSE COVENANTS ARE HEREBY REAFFIRMED.

(E) THE BOARD OF DIRECTORS SHALL UTILIZE COUNSEL INDEPENDENT FROM THE MANAGEMENT TEAM OF THE PUBLIC SERVICE AUTHORITY AND IS AUTHORIZED TO HIRE INDEPENDENT OUTSIDE EXPERTS AND CONSULTANTS AS NECESSARY TO FULFILL THE BOARD'S OBLIGATIONS AND DUTIES PURSUANT TO THIS SECTION.

(F) NOTWITHSTANDING THE PROVISIONS OF THIS SECTION THE AUTHORITY MAY PLACE SUCH INCREASED RATES AND CHARGES INTO EFFECT ON AN INTERIM BASIS UNDER EMERGENCY CIRCUMSTANCES SUCH AS THE AVOIDANCE OF DEFAULT OF ITS OBLIGATIONS AND TO ENSURE PROPER MAINTENANCE OF ITS SYSTEM. SAID INCREASED RATES AND CHARGES SHALL BE SUBJECT TO PROSPECTIVE RATE ADJUSTMENT IN ACCORDANCE WITH THE TERMS OF THIS SECTION. PROVIDED FURTHER, THAT THE AUTHORITY MAY IMPLEMENT EXPERIMENTAL RATES ON AN INTERIM BASIS FOR THE PURPOSE OF DEVELOPING

IMPROVED RATE OFFERINGS FOR CUSTOMERS. THESE EXPERIMENTAL RATES WILL BE ENACTED FOR NO LONGER THAN FIVE YEARS AND WILL APPLY TO NO MORE THAN FIVE PERCENT OF THE AFFECTED CUSTOMER CLASS.

(G) APPEALS OF DECISIONS BY THE BOARD OF DIRECTORS TO APPROVE AN INCREASE IN RATES SHALL BE A DIRECT APPEAL TO THE SOUTH CAROLINA SUPREME COURT, AND SUCH APPEAL ONLY SHALL BE AS TO THE PUBLIC SERVICE AUTHORITY'S ADHERENCE TO THE RATES PROCESS SET FORTH ABOVE. THE SUPREME COURT SHALL NOT HAVE THE AUTHORITY TO SET THE PUBLIC SERVICE AUTHORITY'S RATES OR COMPEL IT TO SET SPECIFIED RATES, AND SUCH AUTHORITY SHALL REMAIN EXCLUSIVELY WITH THE PUBLIC SERVICE AUTHORITY'S BOARD OF DIRECTORS.

SECTION 58-31-720. THE BOARD OF DIRECTORS SHALL ESTABLISH A SET OF PRICING PRINCIPLES AND TAKE SUCH PRINCIPLES INTO CONSIDERATION WHEN ESTABLISHING NEW RATES. THE AUTHORITY SHALL MAINTAIN AND CONTINUE TO OFFER, SUBJECT TO POTENTIAL IMPROVEMENTS THAT WILL BENEFIT AFFECTED CUSTOMERS, ALL THE FIRM AND NONFIRM RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL RATE SCHEDULES AND RIDER OPTIONS AND RATE DESIGNS, SUCH AS FIRM, TIME-OF-USE, INTERRUPTIBLE AND ECONOMY POWER, OFFERED BY THE AUTHORITY AS OF THE DATE OF THIS ARTICLE.

SECTION 58-31-730. THE PUBLIC SERVICE AUTHORITY SHALL SUBMIT TO THE OFFICE OF REGULATORY STAFF A PRICING REPORT EACH YEAR, AND ITS REPORT MUST INCLUDE AN ANALYSIS OF THE ADHERENCE TO THE PRICING PRINCIPLES REQUIRED IN SECTION 58-31-720, THE CURRENT AND PROJECTED WHOLESALE AND RETAIL ELECTRIC CUSTOMER PRICING AND A COMPARISON OF PRICING TO INFLATION, AND TO OTHER UTILITIES, AND AN ANALYSIS OF THE RATES BY CUSTOMER CLASSES AND THE FAIR ALLOCATION OF COSTS AMONG

CUSTOMER CLASSES. A COPY OF THIS ANNUAL REPORT MUST BE PROVIDED TO THE CONSUMER ADVOCATE. IF THE PUBLIC SERVICE AUTHORITY'S PRICE OF ELECTRICITY IS PROJECTED TO RISE ABOVE THE RATE OF INFLATION, THEN IT MUST INCLUDE IN ITS ANNUAL PRICING REPORT A DETAILED EXPLANATION OF ALL COST SAVING EFFORTS BEING UNDERTAKEN AND PLANNED TO MITIGATE COSTS. AFTER ITS REVIEW, THE OFFICE OF REGULATORY STAFF SHALL ISSUE COMMENTS ON THE PUBLIC SERVICE AUTHORITY'S ANNUAL PRICING REPORT."

G. CHAPTER 31, TITLE 58 OF THE 1976 CODE IS AMENDED BY ADDING:

"ARTICLE 9

REVENUE OBLIGATIONS

SECTION 58-31-1010. (A) THE PUBLIC SERVICE AUTHORITY MUST APPLY TO THE COMMISSION FOR APPROVAL OF THE AUTHORITY'S PROPOSED ISSUANCE OF LONG-TERM REVENUE OBLIGATION SECURITIES REPRESENTING NEW DEBT, BUT NOT TO INCLUDE THE REFUNDING OF SUCH DEBT, LEASE, OR OTHER EVIDENCES OF INDEBTEDNESS INCLUDING, BUT NOT LIMITED TO, SHORT-TERM BORROWING OF THE AUTHORITY, BY FILING WITH THE COMMISSION AND PROVIDING A COPY OF AN APPLICATION TO THE OFFICE OF REGULATORY STAFF, TOGETHER WITH A STATEMENT VERIFIED BY ITS PRESIDENT AND CHIEF FINANCIAL OFFICER SETTING FORTH:

(1) THE AUTHORITY'S SYSTEM-WIDE GOALS AND OBJECTIVES FOR CAPITAL SPENDING OVER THE NEXT THREE YEARS;

(2) THE AMOUNT AND CHARACTER OF NEW REVENUE OBLIGATION SECURITIES PROPOSED TO BE ISSUED IN SUPPORT OF ITS SYSTEM-WIDE GOALS AND OBJECTIVES;

(3) THE PURPOSE FOR WHICH THEY ARE TO BE ISSUED;

(4) THE AUTHORITY'S FINANCIAL CONDITION, TO INCLUDE ALL CURRENT CREDIT RATINGS AND DEBT OUTSTANDING; AND

(5) THE STATUS OF ANY ONGOING PROJECTS FOR WHICH SECURITIES ARE PROPOSED TO BE ISSUED.

(B) THE OFFICE OF REGULATORY STAFF MUST THEREUPON MAKE AN INVESTIGATION AS MAY BE NECESSARY, AT WHICH INVESTIGATION THE AUTHORITY IS ENTITLED TO BE HEARD BEFORE THE COMMISSION. WITHIN NINETY DAYS OF RECEIVING AN APPLICATION THE COMMISSION MUST ISSUE A DETERMINATION OF THE FOLLOWING:

(1) WHETHER THE PURPOSE OF THE ISSUED REVENUE OBLIGATION SECURITIES IS PRUDENT; AND

(2) WHETHER THE ISSUANCE OF NEW DEBT SECURITIES IS SUPPORTED:

**(A) THE PROJECT PLANS, IN THE CASE OF A NEW PROJECT;
OR**

(B) THE CURRENT STATUS OF THE PROJECT, IN THE CASE OF AN ONGOING PROJECT; OR

(C) THE VALUE OF THE EQUIPMENT TO BE PURCHASED, IN THE CASE OF EQUIPMENT. TO THE EXTENT THAT THE COMMISSION APPROVES THE ISSUANCE OF SUCH NEW REVENUE OBLIGATION SECURITIES, IT MUST GRANT TO THE AUTHORITY A CERTIFICATE OF AUTHORITY STATING:

(I) THE AMOUNT OF REVENUE OBLIGATION SECURITIES THE AUTHORITY IS AUTHORIZED TO ISSUE; AND

(II) THE PROJECTS TO BE FUNDED AND THE EQUIPMENT TO BE ACQUIRED THEREWITH.

(C) NOTHING HEREIN CONTAINED SHALL BE CONSTRUED TO IMPOSE OR IMPLY ANY GUARANTY OR OBLIGATION AS TO THE SECURITIES ON THE PART OF THE STATE OR ANY AGENCY THEREOF, NOR SHALL THE COMMISSION, BY VIRTUE OF THE APPROVAL OF THE ISSUANCE OF SUCH SECURITIES, BE DEEMED TO BE REQUIRED TO PRESCRIBE OR APPROVE ANY RATE FOR THE REASON THAT SUCH RATE MAY BE NECESSARY TO

PROVIDE FUNDS REASONABLY SUFFICIENT TO RETIRE SUCH SECURITIES OR THE INTEREST THEREON.

(D) ALL REVENUE OBLIGATION SECURITIES APPROVED BY THE COMMISSION FOR ISSUANCE NEED NOT BE ISSUED BY THE AUTHORITY IMMEDIATELY, AND THE SECURITIES MAY BE ISSUED BY THE AUTHORITY ACROSS MULTIPLE SERIES AND OVER THE TERM OF THE AUTHORITY'S THREE-YEAR CAPITAL SPENDING PLAN. NOTWITHSTANDING THE FOREGOING, THE AUTHORITY SHALL NOT ISSUE REVENUE OBLIGATION SECURITIES ABOVE THE APPROVED AMOUNT BEFORE RECEIVING APPROVAL FROM THE COMMISSION.”

H. SECTIONS 58-27-160, 58-27-190, 58-27-200, 58-27-210, AND 58-27-220 OF THE 1976 CODE ARE AMENDED TO READ:

“SECTION 58-27-160. THE OFFICE OF REGULATORY STAFF MAY INVESTIGATE AND EXAMINE THE CONDITION AND MANAGEMENT OF ELECTRICAL UTILITIES, THE SOUTH CAROLINA PUBLIC SERVICE AUTHORITY, OR ANY PARTICULAR ELECTRICAL UTILITY.

SECTION 58-27-190. THE OFFICE OF REGULATORY STAFF HAS THE RIGHT AT ANY AND ALL TIMES TO INSPECT THE PROPERTY, PLANT, AND FACILITIES OF ANY ELECTRICAL UTILITY AND THE SOUTH CAROLINA PUBLIC SERVICE AUTHORITY AND TO INSPECT OR AUDIT AT REASONABLE TIMES THE ACCOUNTS, BOOKS, PAPERS, AND DOCUMENTS OF ANY ELECTRICAL UTILITY AND THE SOUTH CAROLINA PUBLIC SERVICE AUTHORITY. FOR THE PURPOSES HEREIN MENTIONED AN EMPLOYEE OR AGENT OF THE OFFICE OF REGULATORY STAFF MAY DURING ALL REASONABLE HOURS ENTER UPON ANY PREMISES OCCUPIED BY OR UNDER THE CONTROL OF ANY ELECTRICAL UTILITY AND THE SOUTH CAROLINA PUBLIC SERVICE AUTHORITY. AN EMPLOYEE OR AGENT OF THE OFFICE OF REGULATORY STAFF AUTHORIZED TO ADMINISTER OATHS HAS THE POWER TO EXAMINE UNDER OATH ANY

OFFICER, AGENT, OR EMPLOYEE OF THE ELECTRICAL UTILITY AND THE SOUTH CAROLINA PUBLIC SERVICE AUTHORITY IN RELATION TO THE BUSINESS AND AFFAIRS OF THE ELECTRICAL UTILITY, BUT WRITTEN RECORD OF THE TESTIMONY OR STATEMENT SO GIVEN UNDER OATH MUST BE MADE.

SECTION 58-27-200. IN THE PERFORMANCE OF ITS DUTIES UNDER THIS CHAPTER, AN EMPLOYEE OR AGENT OF THE OFFICE OF REGULATORY STAFF MAY INSPECT OR MAKE COPIES OF ALL INCOME, PROPERTY, OR OTHER TAX RETURNS, REPORTS, OR OTHER INFORMATION FILED BY ELECTRICAL UTILITIES AND THE SOUTH CAROLINA PUBLIC SERVICE AUTHORITY WITH OR OTHERWISE OBTAINED BY ANY OTHER DEPARTMENT, COMMISSION, BOARD, OR AGENCY OF THE STATE GOVERNMENT. ALL DEPARTMENTS, COMMISSIONS, BOARDS, OR AGENCIES OF THE STATE GOVERNMENT MUST PERMIT AN EMPLOYEE OR AGENT OF THE OFFICE OF REGULATORY STAFF TO INSPECT OR MAKE COPIES OF ALL INFORMATION FILED BY ELECTRICAL UTILITIES WITH OR OTHERWISE OBTAINED BY THE DEPARTMENT, COMMISSION, BOARD, OR AGENCY OF THE STATE GOVERNMENT.

SECTION 58-27-210. WHENEVER IT SHALL APPEAR THAT ANY ELECTRICAL UTILITY, ELECTRIC COOPERATIVE, THE SOUTH CAROLINA PUBLIC SERVICE AUTHORITY, OR CONSOLIDATED POLITICAL SUBDIVISION IS FAILING OR OMITTING, OR ABOUT TO FAIL OR OMIT, TO DO ANYTHING REQUIRED OF IT BY LAW OR BY ORDER OF THE COMMISSION OR IS DOING, OR ABOUT TO DO ANYTHING OR PERMITTING OR ABOUT TO PERMIT ANYTHING TO BE DONE CONTRARY TO OR IN VIOLATION OF LAW OR OF ANY ORDER OF THE COMMISSION, AN ACTION OR PROCEEDING SHALL BE PROSECUTED IN ANY COURT OF COMPETENT JURISDICTION IN THE NAME OF THE OFFICE OF REGULATORY STAFF FOR THE PURPOSE OF HAVING SUCH VIOLATION OR THREATENED VIOLATION DISCONTINUED OR PREVENTED, EITHER BY MANDAMUS, INJUNCTION, OR

OTHER APPROPRIATE RELIEF, AND IN SUCH ACTION OR PROCEEDING, IT SHALL BE PERMISSIBLE TO JOIN SUCH OTHER PERSONS, CORPORATIONS, MUNICIPALITIES, OR CONSOLIDATED POLITICAL SUBDIVISIONS AS PARTIES THERETO AS MAY BE REASONABLY NECESSARY TO MAKE THE ORDER OF THE COURT IN ALL RESPECTS EFFECTIVE. THE COMMISSION MUST NOT BE A PARTY TO ANY ACTION.

SECTION 58-27-220. IN ADDITION TO THE FOREGOING EXPRESSLY ENUMERATED POWERS, THE OFFICE OF REGULATORY STAFF MUST ENFORCE, EXECUTE, ADMINISTER, AND CARRY OUT THE PROVISIONS OF THIS CHAPTER RELATING TO THE POWERS, DUTIES, LIMITATIONS, AND RESTRICTIONS IMPOSED UPON ELECTRICAL UTILITIES AND THE SOUTH CAROLINA PUBLIC SERVICE AUTHORITY BY THIS CHAPTER OR ANY OTHER PROVISIONS OF THE LAW OF THIS STATE REGULATING ELECTRICAL UTILITIES AND THE SOUTH CAROLINA PUBLIC SERVICE AUTHORITY.”

I. ARTICLE 1, CHAPTER 31, TITLE 58 OF THE 1976 CODE IS AMENDED BY ADDING:

“SECTION 58-31-25. AFTER THE EFFECTIVE DATE OF THIS SECTION, MAJOR UTILITY FACILITIES, AS DEFINED IN SECTION 58-33-20(2), OF THE PUBLIC SERVICE AUTHORITY AS PROPOSED BY THE AUTHORITY MUST BE SUBMITTED TO THE PUBLIC SERVICE COMMISSION FOR APPROVAL AND DETERMINED IN THE MANNER PROVIDED BY ARTICLES 1, 3, 5, AND 7 OF CHAPTER 33, TITLE 58. IN ADDITION TO COMPLYING WITH THE REQUIREMENTS OF ARTICLES 1, 3, 5, AND 7 OF CHAPTER 33, TITLE 58, THE DECISION OF THE COMMISSION TO APPROVE A REQUEST BY THE AUTHORITY TO CONSTRUCT A MAJOR UTILITY FACILITY ALSO MUST COMPLY WITH SECTIONS 58-31-295, 58-31-296, AND 58-37-40.”

J. SECTION 58-33-20 OF THE 1976 CODE IS AMENDED TO READ:

“SECTION 58-33-20. (1) THE TERM ‘COMMISSION’ MEANS PUBLIC SERVICE COMMISSION.

(2) THE TERM ‘MAJOR UTILITY FACILITY’ MEANS:

(A) ELECTRIC GENERATING PLANT AND ASSOCIATED FACILITIES DESIGNED FOR, OR CAPABLE OF, OPERATION AT A CAPACITY OF MORE THAN SEVENTY-FIVE MEGAWATTS.

(B) AN ELECTRIC TRANSMISSION LINE AND ASSOCIATED FACILITIES OF A DESIGNED OPERATING VOLTAGE OF ONE HUNDRED TWENTY-FIVE KILOVOLTS OR MORE; PROVIDED, HOWEVER, THAT THE WORDS ‘MAJOR UTILITY FACILITY’ SHALL NOT INCLUDE ELECTRIC DISTRIBUTION LINES AND ASSOCIATED FACILITIES, ~~NOR SHALL THE WORDS ‘MAJOR UTILITY FACILITY’ INCLUDE ELECTRIC TRANSMISSION LINES AND ASSOCIATED FACILITIES LEASED TO AND OPERATED BY (OR WHICH UPON COMPLETION OF CONSTRUCTION ARE TO BE LEASED TO AND OPERATED BY) THE SOUTH CAROLINA PUBLIC SERVICE AUTHORITY.~~

(3) THE TERM ‘COMMENCE TO CONSTRUCT’ MEANS ANY CLEARING OF LAND, EXCAVATION, OR OTHER ACTION THAT WOULD ADVERSELY AFFECT THE NATURAL ENVIRONMENT OF THE SITE OR ROUTE OF A MAJOR UTILITY FACILITY, BUT DOES NOT INCLUDE SURVEYING OR CHANGES NEEDED FOR TEMPORARY USE OF SITES OR ROUTES FOR NONUTILITY PURPOSES, OR USES IN SECURING GEOLOGICAL DATA, INCLUDING NECESSARY BORINGS TO ASCERTAIN FOUNDATION CONDITIONS.

(4) THE TERM ‘MUNICIPALITY’ MEANS ANY COUNTY OR MUNICIPALITY WITHIN THIS STATE.

(5) THE TERM ‘PERSON’ INCLUDES ANY INDIVIDUAL, GROUP, FIRM, PARTNERSHIP, CORPORATION, COOPERATIVE, ASSOCIATION, GOVERNMENT SUBDIVISION, GOVERNMENT AGENCY, LOCAL GOVERNMENT, MUNICIPALITY, ANY OTHER ORGANIZATION, OR ANY

~~COMBINATION OF ANY OF THE FOREGOING, BUT SHALL NOT INCLUDE THE SOUTH CAROLINA PUBLIC SERVICE AUTHORITY.~~

(6) THE TERM 'PUBLIC UTILITY' OR 'UTILITY' MEANS ANY PERSON ENGAGED IN THE GENERATING, DISTRIBUTING, SALE, DELIVERY, OR FURNISHING OF ELECTRICITY FOR PUBLIC USE. THIS INCLUDES THE PUBLIC SERVICE AUTHORITY.

(7) THE TERM 'LAND' MEANS ANY REAL ESTATE OR ANY ESTATE OR INTEREST THEREIN, INCLUDING WATER AND RIPARIAN RIGHTS, REGARDLESS OF THE USE TO WHICH IT IS DEVOTED.

(8) THE TERM 'CERTIFICATE' MEANS A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC CONVENIENCE AND NECESSITY.

(9) THE TERM 'REGULATORY STAFF' MEANS THE EXECUTIVE DIRECTOR OR THE EXECUTIVE DIRECTOR AND THE EMPLOYEES OF THE OFFICE OF REGULATORY STAFF."

K. ARTICLE 1, CHAPTER 33, TITLE 58 OF THE 1976 CODE IS AMENDED BY ADDING:

"SECTION 58-33-180. (A)(1) IN ADDITION TO THE REQUIREMENTS OF ARTICLES 1, 3, 5, AND 7 OF CHAPTER 33, TITLE 58, A CERTIFICATE FOR THE CONSTRUCTION OF A MAJOR UTILITY FACILITY SHALL BE GRANTED ONLY IF THE PUBLIC SERVICE AUTHORITY DEMONSTRATES AND PROVES BY A PREPONDERANCE OF THE EVIDENCE AND THE COMMISSION FINDS:

(A) THE CONSTRUCTION OF A MAJOR UTILITY FACILITY CONSTITUTES A MORE COST EFFECTIVE MEANS FOR SERVING DIRECT SERVE AND WHOLESALE CUSTOMERS THAN OTHER AVAILABLE LONG-TERM POWER SUPPLY ALTERNATIVES AND PROVIDES LESS RATEPAYER RISK WHILE MAINTAINING SAFE AND RELIABLE ELECTRIC SERVICE THAN OTHER AVAILABLE LONG-TERM POWER SUPPLY ALTERNATIVES; AND

(B) ENERGY EFFICIENCY MEASURES; DEMAND-SIDE MANAGEMENT; RENEWABLE ENERGY RESOURCE GENERATION; AVAILABLE LONG-TERM POWER SUPPLY ALTERNATIVES, OR ANY COMBINATION THEREOF, WOULD NOT ESTABLISH OR MAINTAIN A MORE COST-EFFECTIVE AND RELIABLE GENERATION SYSTEM AND THAT THE CONSTRUCTION AND OPERATION OF THE FACILITY IS IN THE PUBLIC INTEREST.

(2) AVAILABLE LONG-TERM POWER SUPPLY ALTERNATIVES MAY INCLUDE, BUT NOT LIMITED TO, POWER PURCHASE AGREEMENTS, COMPETITIVE PROCUREMENT OF RENEWABLE ENERGY, JOINT DISPATCH AGREEMENTS, MARKET PURCHASES FROM AN EXISTING REGIONAL TRANSMISSION ORGANIZATION, JOINING OR CREATING A NEW REGIONAL TRANSMISSION ORGANIZATION, USING BEST AVAILABLE TECHNOLOGY FOR ENERGY GENERATION, TRANSMISSION, STORAGE AND DISTRIBUTION, OR ANY COMBINATION THEREOF.

(3) THE COMMISSION SHALL CONSIDER ANY PREVIOUS ANALYSIS PERFORMED PURSUANT TO SECTION 58-31-295, SECTION 58-31-296, OR SECTION 58-37-40 IN ACTING UPON ANY PETITION BY THE PUBLIC SERVICE AUTHORITY PURSUANT TO THIS SECTION. THE COMMISSION SHALL ALSO TAKE INTO ACCOUNT THE PUBLIC SERVICE AUTHORITY'S RESOURCE AND FUEL DIVERSITY, REASONABLY ANTICIPATED FUTURE OPERATING COSTS, ARRANGEMENTS WITH OTHER ELECTRIC UTILITIES FOR INTERCHANGE OF POWER, POOLING OF PLANTS, PURCHASE OF POWER AND OTHER ALTERNATIVE METHODS FOR PROVIDING RELIABLE, EFFICIENT, AND ECONOMICAL ELECTRIC SERVICE.

(B) THE PUBLIC SERVICE AUTHORITY SHALL FILE AN ESTIMATE OF CONSTRUCTION COSTS IN SUCH DETAIL AS THE COMMISSION MAY REQUIRE. NO CERTIFICATE SHALL BE GRANTED UNLESS THE COMMISSION HAS APPROVED THE ESTIMATED CONSTRUCTION COSTS AND MADE A FINDING THAT CONSTRUCTION WILL BE CONSISTENT WITH

THE AUTHORITY'S COMMISSION APPROVED PLAN FOR EXPANSION OF ELECTRIC GENERATING CAPACITY.

SECTION 58-33-185. (A) FOR PURPOSES OF THIS SECTION:

(1) THE TERM 'MAJOR UTILITY FACILITY' MEANS:

(A) ELECTRIC GENERATING PLANT AND ASSOCIATED FACILITIES DESIGNED FOR, OR CAPABLE OF, OPERATION AT A CAPACITY OF MORE THAN SEVENTY-FIVE MEGAWATTS.

(B) AN ELECTRIC TRANSMISSION LINE AND ASSOCIATED FACILITIES OF A DESIGNED OPERATING VOLTAGE OF ONE HUNDRED TWENTY-FIVE KILOVOLTS OR MORE; PROVIDED, HOWEVER, THAT THE WORDS 'MAJOR UTILITY FACILITY' SHALL NOT INCLUDE ELECTRIC DISTRIBUTION LINES AND ASSOCIATED FACILITIES.

(B) THE PUBLIC SERVICE AUTHORITY MAY NOT ENTER INTO A CONTRACT FOR THE ACQUISITION OF A MAJOR UTILITY FACILITY OR CONTRACT FOR THE PURCHASE OF POWER WITH A DURATION LONGER THAN FIVE YEARS WITHOUT APPROVAL OF THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA, PROVIDED THAT THE APPROVAL IS REQUIRED ONLY TO THE EXTENT THE TRANSACTION IS NOT SUBJECT TO THE EXCLUSIVE JURISDICTION OF THE FEDERAL ENERGY REGULATORY COMMISSION OR ANY OTHER FEDERAL AGENCY.

(C)(1) IN ACTING UPON ANY PETITION BY THE PUBLIC SERVICE AUTHORITY FOR APPROVAL OF AN ACQUISITION OF A MAJOR UTILITY FACILITY, AS DEFINED BY SUBSECTION(A)(1)(A), OR PURCHASES OF POWER WITH A DURATION LONGER THAN FIVE YEARS, THE PUBLIC SERVICE AUTHORITY MUST PROVE BY A PREPONDERANCE OF THE EVIDENCE THAT THE ACQUISITION OF THE GENERATING RESOURCES OR PURCHASES OF POWER CONSTITUTES A MORE COST EFFECTIVE MEANS FOR SERVING DIRECT SERVE AND WHOLESALE CUSTOMERS THAN OTHER AVAILABLE LONG-TERM POWER SUPPLY ALTERNATIVES AND PROVIDES LESS RATEPAYER RISK WHILE MAINTAINING SAFE AND RELIABLE ELECTRIC SERVICE THAN OTHER AVAILABLE LONG TERM-POWER

SUPPLY ALTERNATIVES. THE COMMISSION SHALL CONSIDER ANY PREVIOUS ANALYSIS PERFORMED PURSUANT TO SECTION 58-31-295, SECTION 58-31-296, SECTION 58-33-180, OR SECTION 58-37-40 IN ACTING UPON ANY PETITION BY THE PUBLIC SERVICE AUTHORITY PURSUANT TO THIS SECTION. THE COMMISSION SHALL ALSO TAKE INTO ACCOUNT THE PUBLIC SERVICE AUTHORITY'S ARRANGEMENTS WITH OTHER ELECTRIC UTILITIES FOR INTERCHANGE OF POWER, POOLING OF PLANTS, PURCHASE OF POWER AND OTHER ALTERNATIVE METHODS FOR PROVIDING RELIABLE, EFFICIENT, AND ECONOMICAL ELECTRIC SERVICE

(2) AVAILABLE LONG-TERM POWER SUPPLY ALTERNATIVES MAY INCLUDE, BUT NOT LIMITED TO, POWER PURCHASE AGREEMENTS OF A DIFFERENT DURATION THAN PROPOSED, COMPETITIVE PROCUREMENT OF RENEWABLE ENERGY, JOINT DISPATCH AGREEMENTS, MARKET PURCHASES FROM AN EXISTING REGIONAL TRANSMISSION ORGANIZATION, JOINING OR CREATING A NEW REGIONAL TRANSMISSION ORGANIZATION, USING BEST AVAILABLE TECHNOLOGY FOR ENERGY GENERATION, TRANSMISSION, STORAGE AND DISTRIBUTION, OR ANY COMBINATION THEREOF.

(D) APPLICATION FOR THE APPROVAL OF THE COMMISSION SHALL BE MADE BY THE PUBLIC SERVICE AUTHORITY AND SHALL CONTAIN A CONCISE STATEMENT OF THE PROPOSED ACTION, THE REASONS THEREFOR, AND SUCH OTHER INFORMATION AS MAY BE REQUIRED BY THE COMMISSION.

(E) UPON THE RECEIPT OF AN APPLICATION, THE COMMISSION SHALL PROMPTLY FIX A DATE FOR THE COMMENCEMENT OF A PUBLIC HEARING, NOT LESS THAN SIXTY NOR MORE THAN NINETY DAYS AFTER THE RECEIPT, AND SHALL CONCLUDE THE PROCEEDINGS AS EXPEDITIOUSLY AS PRACTICABLE. THE COMMISSION SHALL ESTABLISH NOTICE REQUIREMENTS AND PROCEEDINGS SHALL INCLUDE AN OPPORTUNITY FOR INTERVENTION, DISCOVERY, FILED COMMENTS OR TESTIMONY, AND AN EVIDENTIARY HEARING.

(F) THE COMMISSION SHALL RENDER A DECISION UPON THE RECORD EITHER GRANTING OR DENYING THE APPLICATION AS FILED, OR GRANTING IT UPON SUCH TERMS, CONDITIONS OR MODIFICATIONS AS THE COMMISSION MAY DEEM APPROPRIATE.

(G) THE COMMISSION MAY NOT GRANT APPROVAL UNLESS IT SHALL FIND AND DETERMINE THAT THE PUBLIC SERVICE AUTHORITY SATISFIED ALL REQUIREMENTS OF THIS SECTION AND THE PROPOSED TRANSACTION IS IN THE BEST INTERESTS OF THE RETAIL AND WHOLESALE CUSTOMERS OF THE PUBLIC SERVICE AUTHORITY.”

L. SECTION 58-37-40 OF THE 1976 CODE, AS LAST AMENDED BY ACT 62 OF 2019, IS FURTHER AMENDED TO READ:

“SECTION 58-37-40. (A) ELECTRICAL UTILITIES, ELECTRIC COOPERATIVES, MUNICIPALLY OWNED ELECTRIC UTILITIES, AND THE SOUTH CAROLINA PUBLIC SERVICE AUTHORITY MUST EACH PREPARE AN INTEGRATED RESOURCE PLAN. AN INTEGRATED RESOURCE PLAN MUST BE PREPARED AND SUBMITTED AT LEAST EVERY THREE YEARS. NOTHING IN THIS SECTION MAY BE CONSTRUED AS REQUIRING INTERSTATE NATURAL GAS COMPANIES WHOSE RATES AND SERVICES ARE REGULATED ONLY BY THE FEDERAL GOVERNMENT OR GAS UTILITIES SUBJECT TO THE JURISDICTION OF THE COMMISSION TO PREPARE AND SUBMIT AN INTEGRATED RESOURCE PLAN.

(1) EACH ELECTRICAL UTILITY MUST SUBMIT ITS INTEGRATED RESOURCE PLAN TO THE COMMISSION. THE INTEGRATED RESOURCE PLAN MUST BE POSTED ON THE ELECTRICAL UTILITY’S WEBSITE AND ON THE COMMISSION’S WEBSITE.

(2) ELECTRIC COOPERATIVES AND MUNICIPALLY OWNED ELECTRIC UTILITIES SHALL EACH SUBMIT AN INTEGRATED RESOURCE PLAN TO THE STATE ENERGY OFFICE. EACH INTEGRATED RESOURCE PLAN MUST BE POSTED ON THE STATE ENERGY OFFICE’S WEBSITE. IF AN ELECTRIC COOPERATIVE OR MUNICIPALLY OWNED UTILITY HAS A

WEBSITE, ITS INTEGRATED RESOURCE PLAN MUST ALSO BE POSTED ON ITS WEBSITE. FOR DISTRIBUTION, ELECTRIC COOPERATIVES THAT ARE MEMBERS OF A COOPERATIVE THAT PROVIDES WHOLESALE SERVICE, THE INTEGRATED RESOURCE PLAN MAY BE COORDINATED AND CONSOLIDATED INTO A SINGLE PLAN PROVIDED THAT NONSHARED RESOURCES OR PROGRAMS OF INDIVIDUAL DISTRIBUTION COOPERATIVES ARE HIGHLIGHTED. WHERE PLAN COMPONENTS LISTED IN SUBSECTION (B)(1) AND (2) OF THIS SECTION DO NOT APPLY TO A DISTRIBUTION OR WHOLESALE COOPERATIVE OR A MUNICIPALLY OWNED ELECTRIC UTILITY AS A RESULT OF THE COOPERATIVE OR THE MUNICIPALLY OWNED ELECTRIC UTILITY NOT OWNING OR OPERATING GENERATION RESOURCES, THE PLAN MAY STATE THAT FACT OR REFER TO THE PLAN OF THE WHOLESALE POWER GENERATOR. FOR PURPOSES OF THIS SECTION, A WHOLESALE POWER GENERATOR DOES NOT INCLUDE A MUNICIPALLY CREATED JOINT AGENCY IF THAT JOINT AGENCY RECEIVES AT LEAST SEVENTY-FIVE PERCENT OF ITS ELECTRICITY FROM A GENERATING FACILITY OWNED IN PARTNERSHIP WITH AN ELECTRICAL UTILITY AND THAT ELECTRICAL UTILITY:

(A) GENERALLY SERVES THE AREA IN WHICH THE JOINT AGENCY'S MEMBERS ARE LOCATED; AND

(B) IS RESPONSIBLE FOR DISPATCHING THE CAPACITY AND OUTPUT OF THE GENERATED ELECTRICITY.

(3) THE SOUTH CAROLINA PUBLIC SERVICE AUTHORITY SHALL SUBMIT ITS INTEGRATED RESOURCE PLAN TO THE ~~STATE ENERGY OFFICE~~ COMMISSION. THE PUBLIC SERVICE AUTHORITY SHALL DEVELOP A PUBLIC PROCESS ALLOWING FOR INPUT FROM ALL STAKEHOLDERS PRIOR TO SUBMITTING THE INTEGRATED RESOURCE PLAN. THE INTEGRATED RESOURCE PLAN MUST BE DEVELOPED IN CONSULTATION WITH THE ELECTRIC COOPERATIVES AND MUNICIPALLY OWNED ELECTRIC UTILITIES PURCHASING POWER AND ENERGY FROM THE PUBLIC SERVICE AUTHORITY AND CONSIDER ANY FEEDBACK PROVIDED BY RETAIL CUSTOMERS AND SHALL INCLUDE THE EFFECT OF

DEMAND-SIDE MANAGEMENT ACTIVITIES OF THE ELECTRIC COOPERATIVES AND MUNICIPALLY OWNED ELECTRIC UTILITIES THAT DIRECTLY PURCHASE POWER AND ENERGY FROM THE PUBLIC SERVICE AUTHORITY OR SELL POWER AND ENERGY GENERATED BY THE PUBLIC SERVICE AUTHORITY. THE INTEGRATED RESOURCE PLAN MUST BE POSTED ON THE ~~STATE ENERGY OFFICE'S~~ COMMISSION'S WEBSITE AND ON THE PUBLIC SERVICE AUTHORITY'S WEBSITE.

(4)(A) IN ADDITION TO THE REQUIREMENTS OF 58-37-40(B), THE PUBLIC SERVICE AUTHORITY'S INTEGRATED RESOURCE PLAN SHALL INCLUDE AN ANALYSIS OF LONG TERM POWER SUPPLY ALTERNATIVES AND ENUMERATE THE COST OF VARIOUS RESOURCE PORTFOLIOS OVER VARIOUS STUDY PERIODS INCLUDING A TWENTY YEAR STUDY PERIOD AND, BY COMPARISON ON A NET PRESENT VALUE BASIS, IDENTIFY THE MOST COST EFFECTIVE AND LEAST RATEPAYER RISK RESOURCE PORTFOLIO TO MEET THE PUBLIC SERVICE AUTHORITY'S TOTAL CAPACITY AND ENERGY REQUIREMENTS WHILE MAINTAINING SAFE AND RELIABLE ELECTRIC SERVICE.

(B) IN ADDITION TO THE REQUIREMENTS OF SECTION 58-37-40(B), THE COMMISSION SHALL REVIEW AND EVALUATE THE PUBLIC SERVICE AUTHORITY'S ANALYSIS OF LONG-TERM POWER SUPPLY ALTERNATIVES AND VARIOUS RESOURCE PORTFOLIOS OVER VARIOUS STUDY PERIODS INCLUDING A TWENTY-YEAR STUDY PERIOD AND, BY COMPARISON ON A NET PRESENT VALUE BASIS, IDENTIFY THE MOST COST-EFFECTIVE AND LOWEST RATEPAYER-RISK RESOURCE PORTFOLIO TO MEET THE PUBLIC SERVICE AUTHORITY'S TOTAL CAPACITY AND ENERGY REQUIREMENTS WHILE MAINTAINING SAFE AND RELIABLE ELECTRIC SERVICE. THE COMMISSION'S EVALUATION SHALL INCLUDE, BUT NOT BE LIMITED TO:

(I) EVALUATING THE COST-EFFECTIVENESS AND RATEPAYER RISK OF SELF-BUILD GENERATION AND TRANSMISSION OPTIONS COMPARED WITH VARIOUS LONG-TERM POWER SUPPLY ALTERNATIVES INCLUDING POWER PURCHASE AGREEMENTS,

COMPETITIVE PROCUREMENT OF RENEWABLE ENERGY, JOINT DISPATCH AGREEMENTS, MARKET PURCHASES FROM AN EXISTING REGIONAL TRANSMISSION ORGANIZATION, JOINING OR CREATING A NEW REGIONAL TRANSMISSION ORGANIZATION, USING BEST AVAILABLE TECHNOLOGY FOR ENERGY GENERATION, TRANSMISSION, STORAGE AND DISTRIBUTION, OR ANY COMBINATION THEREOF. IN EVALUATING AND IDENTIFYING THE MOST COST EFFECTIVE AND LEAST RATEPAYER RISK RESOURCE PORTFOLIO, THE COMMISSION SHALL STRIVE TO REDUCE THE RISK TO RATEPAYERS ASSOCIATED WITH ANY GENERATION AND TRANSMISSION OPTIONS WHILE MAINTAINING SAFE AND RELIABLE ELECTRIC SERVICE; AND

(II) AN ANALYSIS OF ANY POTENTIAL COST SAVINGS THAT MIGHT ACCRUE TO RATEPAYERS FROM THE RETIREMENT OF REMAINING COAL GENERATION ASSETS.

(B)(1) AN INTEGRATED RESOURCE PLAN SHALL INCLUDE ALL OF THE FOLLOWING:

(A) A LONG-TERM FORECAST OF THE UTILITY'S SALES AND PEAK DEMAND UNDER VARIOUS REASONABLE SCENARIOS;

(B) THE TYPE OF GENERATION TECHNOLOGY PROPOSED FOR A GENERATION FACILITY CONTAINED IN THE PLAN AND THE PROPOSED CAPACITY OF THE GENERATION FACILITY, INCLUDING FUEL COST SENSITIVITIES UNDER VARIOUS REASONABLE SCENARIOS;

(C) PROJECTED ENERGY PURCHASED OR PRODUCED BY THE UTILITY FROM A RENEWABLE ENERGY RESOURCE;

(D) A SUMMARY OF THE ELECTRICAL TRANSMISSION INVESTMENTS PLANNED BY THE UTILITY;

(E) SEVERAL RESOURCE PORTFOLIOS DEVELOPED WITH THE PURPOSE OF FAIRLY EVALUATING THE RANGE OF DEMAND-SIDE, SUPPLY-SIDE, STORAGE, AND OTHER TECHNOLOGIES AND SERVICES AVAILABLE TO MEET THE UTILITY'S SERVICE OBLIGATIONS. SUCH PORTFOLIOS AND EVALUATIONS MUST INCLUDE AN EVALUATION OF LOW, MEDIUM, AND HIGH CASES FOR THE ADOPTION OF RENEWABLE

ENERGY AND COGENERATION, ENERGY EFFICIENCY, AND DEMAND RESPONSE MEASURES, INCLUDING CONSIDERATION OF THE FOLLOWING:

(I) CUSTOMER ENERGY EFFICIENCY AND DEMAND RESPONSE PROGRAMS;

(II) FACILITY RETIREMENT ASSUMPTIONS; AND

(III) SENSITIVITY ANALYSES RELATED TO FUEL COSTS, ENVIRONMENTAL REGULATIONS, AND OTHER UNCERTAINTIES OR RISKS;

(F) DATA REGARDING THE UTILITY'S CURRENT GENERATION PORTFOLIO, INCLUDING THE AGE, LICENSING STATUS, AND REMAINING ESTIMATED LIFE OF OPERATION FOR EACH FACILITY IN THE PORTFOLIO;

(G) PLANS FOR MEETING CURRENT AND FUTURE CAPACITY NEEDS WITH THE COST ESTIMATES FOR ALL PROPOSED RESOURCE PORTFOLIOS IN THE PLAN;

(H) AN ANALYSIS OF THE COST AND RELIABILITY IMPACTS OF ALL REASONABLE OPTIONS AVAILABLE TO MEET PROJECTED ENERGY AND CAPACITY NEEDS; AND

(I) A FORECAST OF THE UTILITY'S PEAK DEMAND, DETAILS REGARDING THE AMOUNT OF PEAK DEMAND REDUCTION THE UTILITY EXPECTS TO ACHIEVE, AND THE ACTIONS THE UTILITY PROPOSES TO TAKE IN ORDER TO ACHIEVE THAT PEAK DEMAND REDUCTION.

(2) AN INTEGRATED RESOURCE PLAN MAY INCLUDE DISTRIBUTION RESOURCE PLANS OR INTEGRATED SYSTEM OPERATION PLANS.

(C)(1) THE COMMISSION SHALL HAVE A PROCEEDING TO REVIEW EACH ELECTRICAL UTILITY'S AND THE PUBLIC SERVICE AUTHORITY'S INTEGRATED RESOURCE PLAN. AS PART OF THE INTEGRATED RESOURCE PLAN FILING, THE COMMISSION SHALL ALLOW INTERVENTION BY INTERESTED PARTIES. THE COMMISSION SHALL ESTABLISH A PROCEDURAL SCHEDULE TO PERMIT REASONABLE DISCOVERY AFTER AN INTEGRATED RESOURCE PLAN IS FILED IN ORDER TO ASSIST PARTIES IN

OBTAINING EVIDENCE CONCERNING THE INTEGRATED RESOURCE PLAN, INCLUDING THE REASONABLENESS AND PRUDENCE OF THE PLAN AND ALTERNATIVES TO THE PLAN RAISED BY INTERVENING PARTIES. NO LATER THAN THREE HUNDRED DAYS AFTER AN ELECTRICAL UTILITY FILES AN INTEGRATED RESOURCE PLAN, THE COMMISSION SHALL ISSUE A FINAL ORDER APPROVING, MODIFYING, OR DENYING THE PLAN FILED BY THE ELECTRICAL UTILITY OR THE PUBLIC SERVICE AUTHORITY.

(2) THE COMMISSION SHALL APPROVE AN ELECTRICAL UTILITY'S OR PUBLIC SERVICE AUTHORITY'S INTEGRATED RESOURCE PLAN IF THE COMMISSION DETERMINES THAT THE PROPOSED INTEGRATED RESOURCE PLAN REPRESENTS THE MOST REASONABLE AND PRUDENT MEANS OF MEETING THE ELECTRICAL UTILITY'S ENERGY AND CAPACITY NEEDS AS OF THE TIME THE PLAN IS REVIEWED. TO DETERMINE WHETHER THE INTEGRATED RESOURCE PLAN IS THE MOST REASONABLE AND PRUDENT MEANS OF MEETING ENERGY AND CAPACITY NEEDS, THE COMMISSION, IN ITS DISCRETION, SHALL CONSIDER WHETHER THE PLAN APPROPRIATELY BALANCES THE FOLLOWING FACTORS:

(A) RESOURCE ADEQUACY AND CAPACITY TO SERVE ANTICIPATED PEAK ELECTRICAL LOAD, AND APPLICABLE PLANNING RESERVE MARGINS;

(B) CONSUMER AFFORDABILITY AND LEAST COST;

(C) COMPLIANCE WITH APPLICABLE STATE AND FEDERAL ENVIRONMENTAL REGULATIONS;

(D) POWER SUPPLY RELIABILITY;

(E) COMMODITY PRICE RISKS;

(F) DIVERSITY OF GENERATION SUPPLY; AND

(G) OTHER FORESEEABLE CONDITIONS THAT THE COMMISSION DETERMINES TO BE FOR THE PUBLIC INTEREST.

(3) IF THE COMMISSION MODIFIES OR REJECTS AN ELECTRICAL UTILITY'S OR PUBLIC SERVICE AUTHORITY'S INTEGRATED RESOURCE PLAN, THE ELECTRICAL UTILITY OR PUBLIC SERVICE AUTHORITY,

WITHIN SIXTY DAYS AFTER THE DATE OF THE FINAL ORDER, SHALL SUBMIT A REVISED PLAN ADDRESSING CONCERNS IDENTIFIED BY THE COMMISSION AND INCORPORATING COMMISSION-MANDATED REVISIONS TO THE INTEGRATED RESOURCE PLAN TO THE COMMISSION FOR APPROVAL. WITHIN SIXTY DAYS OF THE ELECTRICAL UTILITY'S OR PUBLIC SERVICE AUTHORITY'S REVISED FILING, THE OFFICE OF REGULATORY STAFF SHALL REVIEW THE ELECTRICAL UTILITY'S OR PUBLIC SERVICE AUTHORITY'S REVISED PLAN AND SUBMIT A REPORT TO THE COMMISSION ASSESSING THE SUFFICIENCY OF THE REVISED FILING. OTHER PARTIES TO THE INTEGRATED RESOURCE PLAN PROCEEDING ALSO MAY SUBMIT COMMENTS. NO LATER THAN SIXTY DAYS AFTER THE OFFICE OF REGULATORY STAFF REPORT IS FILED WITH THE COMMISSION, THE COMMISSION AT ITS DISCRETION MAY DETERMINE WHETHER TO ACCEPT THE REVISED INTEGRATED RESOURCE PLAN OR TO MANDATE FURTHER REMEDIES THAT THE COMMISSION DEEMS APPROPRIATE.

(4) THE SUBMISSION, REVIEW, AND ACCEPTANCE OF AN INTEGRATED RESOURCE PLAN BY THE COMMISSION, OR THE INCLUSION OF ANY SPECIFIC RESOURCE OR EXPERIENCE IN AN ACCEPTED INTEGRATED RESOURCE PLAN, SHALL NOT BE DETERMINATIVE OF THE REASONABLENESS OR PRUDENCE OF THE ACQUISITION OR CONSTRUCTION OF ANY RESOURCE OR THE MAKING OF ANY EXPENDITURE. THE ELECTRICAL UTILITY SHALL RETAIN THE BURDEN OF PROOF TO SHOW THAT ALL OF ITS INVESTMENTS AND EXPENDITURES ARE REASONABLE AND PRUDENT WHEN SEEKING COST RECOVERY IN RATES.

(D)(1) AN ELECTRICAL UTILITY OR PUBLIC SERVICE AUTHORITY SHALL SUBMIT ANNUAL UPDATES TO ITS INTEGRATED RESOURCE PLAN TO THE COMMISSION. AN ANNUAL UPDATE MUST INCLUDE AN UPDATE TO THE ELECTRIC UTILITY'S OR PUBLIC SERVICE AUTHORITY'S BASE PLANNING ASSUMPTIONS RELATIVE TO ITS MOST RECENTLY ACCEPTED INTEGRATED RESOURCE PLAN, INCLUDING, BUT NOT LIMITED TO: ENERGY AND DEMAND FORECAST, COMMODITY FUEL PRICE INPUTS,

RENEWABLE ENERGY FORECAST, ENERGY EFFICIENCY AND DEMAND-SIDE MANAGEMENT FORECASTS, CHANGES TO PROJECTED RETIREMENT DATES OF EXISTING UNITS, ALONG WITH OTHER INPUTS THE COMMISSION DEEMS TO BE FOR THE PUBLIC INTEREST. THE ELECTRICAL UTILITY'S OR PUBLIC SERVICE AUTHORITY'S ANNUAL UPDATE MUST DESCRIBE THE IMPACT OF THE UPDATED BASE PLANNING ASSUMPTIONS ON THE SELECTED RESOURCE PLAN.

(2) THE OFFICE OF REGULATORY STAFF SHALL REVIEW EACH ~~ELECTRIC~~ ELECTRICAL UTILITY'S OR PUBLIC SERVICE AUTHORITY'S ANNUAL UPDATE AND SUBMIT A REPORT TO THE COMMISSION PROVIDING A RECOMMENDATION CONCERNING THE REASONABLENESS OF THE ANNUAL UPDATE. AFTER REVIEWING THE ANNUAL UPDATE AND THE OFFICE OF REGULATORY STAFF REPORT, THE COMMISSION MAY ACCEPT THE ANNUAL UPDATE OR DIRECT THE ELECTRICAL UTILITY OR PUBLIC SERVICE AUTHORITY TO MAKE CHANGES TO THE ANNUAL UPDATE THAT THE COMMISSION DETERMINES TO BE IN THE PUBLIC INTEREST.

(E) THE COMMISSION IS AUTHORIZED TO PROMULGATE REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION.”

M. (1) THE PUBLIC SERVICE AUTHORITY SHALL FILE FOR COMMISSION APPROVAL A PROGRAM FOR THE COMPETITIVE PROCUREMENT OF ENERGY AND CAPACITY FROM RENEWABLE ENERGY FACILITIES WITH THE PURPOSE OF ADDING RENEWABLE ENERGY TO THE UTILITY'S GENERATION PORTFOLIO IN A MANNER THAT ALLOWS THE UTILITY TO CONTINUE TO RELIABLY AND COST-EFFECTIVELY SERVE CUSTOMERS' FUTURE ENERGY NEEDS.

(2) THE COMPETITIVE PROCUREMENT OF RENEWABLE ENERGY CAPACITY ESTABLISHED PURSUANT TO THIS SECTION SHALL BE INDEPENDENTLY ADMINISTERED BY A THIRD-PARTY ENTITY TO BE SELECTED BY THE COMMISSION. THE THIRD-PARTY ENTITY SHALL DEVELOP AND PUBLISH THE METHODOLOGY USED TO EVALUATE

RESPONSES RECEIVED PURSUANT TO A COMPETITIVE PROCUREMENT SOLICITATION AND TO ENSURE THAT ALL RESPONSES ARE TREATED EQUITABLY. ALL REASONABLE AND PRUDENT ADMINISTRATIVE AND RELATED EXPENSES INCURRED TO IMPLEMENT THIS SUBSECTION SHALL BE RECOVERED FROM MARKET PARTICIPANTS THROUGH ADMINISTRATIVE FEES LEVIED UPON THOSE THAT PARTICIPATE IN THE COMPETITIVE BIDDING PROCESS, AS APPROVED BY THE COMMISSION.

(3) THE COMMISSION SHALL ADOPT PROCEDURES TO IMPLEMENT THE REQUIREMENTS OF THIS SECTION INCLUDING COMMISSION OVERSIGHT OF THE COMPETITIVE PROCUREMENT PROGRAM.

(4) THE PUBLIC SERVICE AUTHORITY SHALL SUBMIT TO THE COMMISSION FOR APPROVAL AND MAKE PUBLICLY AVAILABLE AT 30 DAYS PRIOR TO EACH COMPETITIVE PROCUREMENT SOLICITATION A PRO FORMA CONTRACT TO BE UTILIZED FOR THE PURPOSE OF INFORMING MARKET PARTICIPANTS OF TERMS AND CONDITIONS OF THE COMPETITIVE PROCUREMENT. EACH PRO FORMA CONTRACT SHALL DEFINE LIMITS AND COMPENSATION FOR RESOURCE DISPATCH AND CURTAILMENTS. THE PRO FORMA CONTRACT SHALL BE FOR A TERM OF TWENTY YEARS; PROVIDED, HOWEVER, THE COMMISSION MAY APPROVE A CONTRACT TERM OF A DIFFERENT DURATION IF THE COMMISSION DETERMINES THAT IT IS IN THE PUBLIC INTEREST TO DO SO.

N. THE PUBLIC SERVICE COMMISSION AND THE OFFICE OF REGULATORY STAFF ARE AUTHORIZED TO EMPLOY, THROUGH CONTRACT OR OTHERWISE, THIRD-PARTY CONSULTANTS AND EXPERTS IN CARRYING OUT THEIR DUTIES UNDER THIS ACT. THE COMMISSION AND OFFICE OF REGULATORY STAFF ARE EXEMPT FROM COMPLYING WITH THE STATE PROCUREMENT CODE IN THE SELECTION AND HIRING OF THIRD-PARTY CONSULTANTS OR EXPERTS AUTHORIZED BY THIS SECTION. THE COMMISSION AND THE OFFICE OF REGULATORY STAFF MAY NOT HIRE THE SAME THIRD-PARTY CONSULTANT OR EXPERT IN THE

SAME PROCEEDING OR TO ADDRESS THE SAME OR SIMILAR ISSUES IN DIFFERENT PROCEEDINGS.

O. ALL LAWFUL EXPENSES AND CHARGES INCURRED BY THE PUBLIC SERVICE COMMISSION AND THE OFFICE OF REGULATORY STAFF IN THE ADMINISTRATION OF THIS ACT AND IN PERFORMANCE OF ITS DUTIES THEREUNDER SHALL BE DEFRAYED BY ASSESSMENTS MADE BY THE COMPTROLLER GENERAL AGAINST THE PUBLIC SERVICE AUTHORITY IN THE YEAR ENDING ON THE THIRTIETH DAY OF JUNE PRECEDING THAT ON WHICH THE ASSESSMENT IS MADE. THE PUBLIC SERVICE COMMISSION AND THE OFFICE OF REGULATORY STAFF SHALL CERTIFY TO THE COMPTROLLER GENERAL ANNUALLY ON OR BEFORE AUGUST FIRST THE AMOUNTS TO BE ASSESSED IN THE FORMAT APPROVED BY THE COMPTROLLER GENERAL.

PART IV

SECTION 5. THIS ACT TAKES EFFECT UPON APPROVAL BY THE GOVERNOR. /

RENUMBER SECTIONS TO CONFORM.

AMEND TITLE TO CONFORM.

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2
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A BILL

11 TO AUTHORIZE THE SALE OF THE ASSETS OF THE SOUTH
12 CAROLINA PUBLIC SERVICE AUTHORITY AND THE
13 ASSUMPTION OR DEFEASMENT OF ITS LIABILITIES OR
14 THE MANAGEMENT OF THE OPERATIONS OF THE PUBLIC
15 SERVICE AUTHORITY BY A THIRD PARTY OR ENTITY; TO
16 CREATE A SPECIAL COMMITTEE OF THE GENERAL
17 ASSEMBLY TO FURTHER NEGOTIATE THE TERMS AND
18 CONDITIONS OF THE PREFERRED SALE
19 RECOMMENDATION OF THE DEPARTMENT OF
20 ADMINISTRATION REGARDING THE PUBLIC SERVICE
21 AUTHORITY AND THE PREFERRED MANAGEMENT
22 RECOMMENDATION OF THE DEPARTMENT OF
23 ADMINISTRATION REGARDING THE PUBLIC SERVICE
24 AUTHORITY, TO PROVIDE THAT THE SPECIAL
25 COMMITTEE SHALL REPORT ONE RECOMMENDATION TO
26 EACH HOUSE OF THE GENERAL ASSEMBLY FOR ITS
27 APPROVAL, AND TO PROVIDE FOR THE MANNER IN
28 WHICH THE SELECTED PROPOSAL SHALL TAKE EFFECT;
29 AND TO AMEND CHAPTER 31, TITLE 58, CODE LAWS OF
30 SOUTH CAROLINA, 1976, RELATING TO THE PUBLIC
31 SERVICE AUTHORITY, SO AS TO FURTHER PROVIDE FOR
32 THE GOVERNANCE AND OPERATIONS OF THE
33 AUTHORITY IN CERTAIN PARTICULARS.

34
35 Be it enacted by the General Assembly of the State of South
36 Carolina:

37
38 Part I

39
40 SECTION 1. The General Assembly authorizes the sale of the
41 assets of the South Carolina Public Service Authority and the

1 assumption or defeasment of its liabilities in the manner provided
2 by this act.

3 Part II

4
5 SECTION 2. A special committee is hereby created to be
6 composed of six members, three from each House, to be selected by
7 each body in the same manner members of conference committees
8 are selected by that body. The duties and responsibilities of the
9 special committee are to further negotiate the terms and conditions
10 of the preferred sale proposal of Santee Cooper as recommended by
11 the Department of Administration pursuant to Act 95 of 2019. The
12 special committee shall adopt and set its own rules of procedure.
13 The special committee at the conclusion of its deliberations shall
14 recommend a proposal to sell the South Carolina Public Service
15 Authority as modified by its further negotiations regarding the
16 recommended preferred sale proposal. This recommendation and
17 report may be accepted and approved by each House in the same
18 manner conference committee reports are accepted and approved.
19 Upon approval of the special committee report by the General
20 Assembly, the report also must be transmitted to the Governor for
21 his approval in the same manner enactments are presented to him
22 under Article IV of the Constitution of this State. The Department
23 of Administration shall execute on behalf of the State of South
24 Carolina the documents necessary to effectuate the sale proposal
25 approved in the manner provided in this section.

26
27 SECTION 3. In the event the provisions of this act and the
28 provisions of Act 95 of 2019 conflict, the provisions of this act shall
29 control.

30
31 Part III

32
33 SECTION 4. Various provisions of Title 58 of the 1976 Code are
34 amended or added as follows:

35
36 A. Section 58-31-20 of the 1976 Code is amended to read:

37
38 “Section 58-31-20. (A) The Public Service Authority consists of
39 a board of twelve directors who reside in South Carolina and who
40 have the qualifications stated in this section, as determined by the
41 State Regulation of Public Utilities Review Committee pursuant to
42 Section 58-3-530(14), before being appointed by the Governor with
43 the advice and consent of the ~~Senate~~ General Assembly as follows:

1 one from each congressional district of the State; and one from each
2 of the counties of Horry, Berkeley, and Georgetown who reside in
3 authority territory and are customers of the authority; ~~and two from~~
4 ~~the State at large, one of whom must be chairman. Two of the~~
5 ~~directors must have substantial work experience within the~~
6 ~~operations of electric cooperatives or substantial experience on an~~
7 ~~electric cooperative board, including one of the two who must have~~
8 ~~substantial experience within the operations or board of a~~
9 ~~transmission or generation cooperative. A director shall not serve as~~
10 ~~an employee or board member of an electric cooperative during his~~
11 ~~term as a director~~ Two of the directors from the congressional
12 districts must have substantial work experience within the
13 operations of electric cooperatives or substantial experience on an
14 electric cooperative board, including one of the two who must have
15 substantial experience within the operations or board of a
16 transmission or generation cooperative. The board also shall have
17 one director recommended to the Governor by the South Carolina
18 Manufacturers Alliance to represent industrial customers of the
19 authority, and one director recommended to the Governor by the
20 governing authority of the authority's largest wholesale customer;
21 provided, however, these two directors may not be an employee,
22 counsel, or board member of a customer served by the authority.

23 A director shall not serve as an employee or board member of an
24 electric cooperative during his term as a director. Each director shall
25 serve for a term of seven five years, and shall not serve more than
26 two consecutive terms except as provided in this section. At the
27 expiration of the term of each director and of each succeeding
28 director, the Governor, with the advice and consent of the Senate,
29 must appoint a successor, who shall hold office for a term of seven
30 years or until his successor has been appointed and qualified. In the
31 event of a director vacancy due to death, resignation, or otherwise,
32 the Governor must appoint the director's successor, with the advice
33 and consent of the Senate General Assembly, and the
34 successor-director shall hold office for the remainder of the
35 unexpired term. A director may not receive a salary for services as
36 director until the authority is in funds, but each director must be paid
37 his actual expense in the performance of his duties, the actual
38 expense to be advanced from the contingent fund of the Governor
39 until the time the Public Service Authority is in funds, at which time
40 the contingent fund must be reimbursed. After the Public Service
41 Authority is in funds, the compensation and expenses of each
42 member of the board must be paid from these funds, and the
43 compensation and expenses must be fixed by the advisory board

1 ~~established in this section. A director may not receive a salary for~~
2 ~~services as a director. However, the authority, by vote at a regularly~~
3 ~~scheduled meeting, may choose to grant the director compensation~~
4 ~~based upon the availability of funds in excess of the pervious year's~~
5 ~~operational costs. This compensation must be reasonably based~~
6 ~~upon the financial performance of the authority in the pervious fiscal~~
7 ~~year. Directors may receive reimbursement from the authority for~~
8 ~~actual expenses associated with their service as directors. Members~~
9 ~~of the board of directors may be removed for cause, pursuant to~~
10 ~~Section 1-3-240(C) or a violation of Section 58-31-55, by the~~
11 ~~Governor of the State, the advisory board, or a majority thereof. A~~
12 ~~member of the General Assembly of the State of South Carolina is~~
13 ~~not eligible for appointment as Director of the Public Service~~
14 ~~Authority during the term of his office. No more than two members~~
15 ~~from the same county may serve as directors at any time. A director~~
16 ~~may not have made a campaign contribution to the Governor who~~
17 ~~appoints them in the election cycle immediately preceding their~~
18 ~~appointment.~~

19 (B) Candidates for appointment to the board must be screened
20 by the State Regulation of Public Utilities Review Committee and,
21 prior to confirmation by the ~~Senate~~ General Assembly, must be
22 found qualified by meeting the minimum requirements contained in
23 subsection (C). The review committee must submit a written report
24 to the ~~Clerk~~ Clerks of the ~~Senate and House~~ setting forth its findings
25 as to the qualifications of each candidate. A candidate must not
26 serve on the board, even in an interim capacity, until he is screened
27 and found qualified by the State Regulation of Public Utilities
28 Review Committee.

29 (C)(1) Each member must possess abilities and experience that
30 are generally found among directors of energy utilities serving this
31 State and that allow him to make valuable contributions to the
32 conduct of the authority's business. These abilities include
33 substantial business skills and experience, but are not limited to:

34 (1)(a) general knowledge of the history, purpose, and
35 operations of the Public Service Authority and the responsibilities
36 of being a director of the authority;

37 (2)(b) the ability to interpret legal and financial documents
38 and information so as to further the activities and affairs of the
39 Public Service Authority;

40 (3)(c) with the assistance of counsel, the ability to
41 understand and apply federal and state laws, rules, and regulations
42 including, but not limited to, Chapter 4 of Title 30 as they relate to
43 the activities and affairs of the Public Service Authority; and

1 (4)(d) with the assistance of counsel, the ability to
2 understand and apply judicial decisions as they relate to the
3 activities and affairs of the Public Service Authority.

4 (2) Each member also must have:

5 (a) a baccalaureate or more advanced degree from:

6 (i) a recognized institution of higher learning requiring
7 face-to-face contact between its students and instructors prior to
8 completion of the academic program;

9 (ii) an institution of higher learning that has been
10 accredited by a regional or national accrediting body; or

11 (iii) an institution of higher learning chartered before
12 1962; and

13 (b) a background of substantial duration and an expertise in
14 at least one of the following:

15 (i) energy issues;

16 (ii) telecommunications issues;

17 (iii) consumer protection and advocacy issues;

18 (iv) water and wastewater issues;

19 (v) finance, economics, and statistics;

20 (vi) accounting;

21 (vii) engineering; or

22 (viii) law.

23 (D) For the assistance of the board of directors of the Public
24 Service Authority, there is hereby established an advisory board to
25 be known as the advisory board of the South Carolina Public Service
26 Authority, to be composed of the Governor of the State, the Attorney
27 General, the State Treasurer, the Comptroller General, and the
28 Secretary of State, as ex officio members, who must serve without
29 compensation other than necessary traveling expenses. The advisory
30 board must perform any duties imposed on it pursuant to this
31 chapter, and must consult and advise with the board of directors on
32 any and all matters which by the board of directors may be referred
33 to the advisory board. The board of directors must make annual
34 reports to the advisory board, which reports must be submitted to
35 the General Assembly by the Governor, in which full information as
36 to all of the acts of said board of directors shall be given, together
37 with financial statement and full information as to the work of the
38 authority. On July first of each year, the advisory board must
39 designate a certified public accountant or accountants, resident in
40 the State, for the purpose of making a complete audit of the affairs
41 of the authority, which must be filed with the annual report of the
42 board of directors. The Public Service Authority must submit the
43 audit to the General Assembly.

1 (E) The following shall be nonvoting ex officio members of the
2 board of directors entitled to attend all meetings of the authority
3 board, including any executive sessions:

4 (1) The Chair of the Board of Central Electric Cooperative;

5 (2) The Secretary of Commerce or his designee;

6 (3) A designee of the Chairs of the Senate Judiciary
7 Committee and the House Labor, Commerce and Industry
8 Committee.

9 (F) The members of the board annually shall elect a chairman
10 and those officers it deems necessary to serve for terms of one year
11 each in these capacities.

12 (G) The terms of all current members of the board serving on the
13 effective date of this subsection shall expire at which time their
14 successors must be selected in the manner provided for by this
15 section. However, current board members shall continue to serve
16 until their successors are appointed and qualify, and the two
17 members appointed by the Governor upon recommendation of the
18 Manufacturer's Alliance and upon the recommendation of the
19 authority's largest wholesale customer shall be deemed to be the
20 successors to the two current state at-large members."

21
22 B. Article 1, Chapter 31, Title 58 of the 1976 Code is amended by
23 adding:

24
25 "Section 58-31-25. After the effective date of this section, major
26 utility facilities, as defined in Section 58-33-20(2), of the Public
27 Service Authority as proposed by the authority must be submitted to
28 the Public Service Commission for approval and determined in the
29 manner provided by Articles 1, 3, 5, and 7 of Chapter 33, Title 58.
30 In addition to complying with the requirements of Articles 1, 3, 5,
31 and 7 of Chapter 33, Title 58, the decision of the commission to
32 approve a request by the authority to construct a major utility facility
33 also must comply with Sections 58-31-295, 58-31-296, and
34 58-37-40."

35
36 C. Section 58-31-30(A)(11) and (12) of the 1976 Code is amended
37 to read:

38
39 "(11) to make bylaws for the management and regulation of
40 its affairs, including the establishment of subcommittees of the
41 board of directors to include Finance and Audit, Public Information,
42 Water Services and Resource Management, Generation and Power
43 Supply Planning, and Executive and Governance, each of these

1 making regular reports to the full board of directors at each regular
2 meeting of the full board;
3 ~~(12) to appoint officers, agents, employees, and servants, to~~
4 ~~prescribe their duties, and to fix their compensation~~ to select a chief
5 executive officer for the authority who shall cause the authority to
6 employ all necessary employees and to approve the employment and
7 compensation of any senior management officials selected as the
8 chief executive officer;”

9

10 D. Section 58-31-55 of the 1976 Code is amended to read:

11

12 “Section 58-31-55. (A) Every Director shall owe a fiduciary
13 duty of care to the State of South Carolina during his service as a
14 director.

15 (B) A director shall discharge his duties as a director, including
16 his duties as a member of a committee:

17 (1) in good faith;

18 (2) with the care an ordinarily prudent person in a like
19 position would exercise under similar circumstances; and

20 (3) in a manner he reasonably believes to be in the best
21 interests of the Public Service Authority. As used in this chapter,
22 ‘best interests’ means a balancing of the following:

23 (a) preservation of the financial integrity of the Public
24 Service Authority and its ongoing operation of generating,
25 transmitting, and distributing electricity to wholesale and retail
26 customers on a reliable, adequate, efficient, and safe basis, at just
27 and reasonable rates, regardless of the class of customer;

28 (b) economic development and job attraction and retention
29 within the Public Service Authority’s present service area or areas
30 within the State authorized to be served by an electric cooperative
31 or municipally owned electric utility that is a direct or indirect
32 wholesale customer of the authority; and

33 (c) subject to the limitations of Section 58-31-30(B) and
34 item (3)(a) of this section, exercise of the powers of the authority set
35 forth in Section 58-31-30 in accordance with good business
36 practices and the requirements of applicable licenses, laws, and
37 regulations.

38 ~~(B)~~(C) In discharging his duties, a director is entitled to rely on
39 information, opinions, reports, or statements, including financial
40 statements and other financial data, if prepared or presented by:

41 (1) one or more officers or employees of the Public Service
42 Authority whom the director reasonably believes to be reliable and
43 competent in the matters presented;

1 (2) legal counsel, public accountants, or other persons as to
2 matters the director reasonably believes are within the person's
3 professional or expert competence; or

4 (3) a committee of the board of directors of which he is not a
5 member if the director reasonably believes the committee merits
6 confidence.

7 ~~(C)~~(D) A director is not acting in good faith if he has knowledge
8 concerning the matter in question that makes reliance otherwise
9 permitted by subsection (B) unwarranted.

10 ~~(D)~~(E) A director is not liable for any action taken as a director,
11 or any failure to take any action, if he performed the duties of his
12 office in compliance with this section, except for a violation of the
13 fiduciary duty contained in subsection (A).

14 ~~(E)~~(F) An action against a director for failure to perform the
15 duties imposed by this section must be commenced within three
16 years after the cause of action has occurred, or within two years after
17 the time when the cause of action is discovered or should reasonably
18 have been discovered, whichever occurs sooner. This limitations
19 period does not apply to breaches of duty which have been
20 concealed fraudulently.”

21
22 E. Article 1, Chapter 31, Title 58 of the 1976 Code is amended by
23 adding:

24
25 “Section 58-31-230. (A) The Public Service Authority of South
26 Carolina shall explore joint cost-saving opportunities through joint
27 agreements with a privately owned electrical utility for the purpose
28 of advancing system economy and reliability and generating cost
29 savings to its customers. In order to advance system economy and
30 reliability and generate cost savings, the Public Service Authority of
31 South Carolina, subject to approval of the Public Service
32 Commission, shall have all the powers which may be necessary or
33 convenient for the exercise of such action, and shall discharge its
34 duties by evaluating the potential joint management or operation of
35 various services with a privately owned electrical utility, such as the
36 following:

37 (1) non-nuclear electric generation matters by providing for:
38 (a) the provision of generation outage, security,
39 engineering, training, benchmarking, environmental emissions data
40 capture, and decommissioning support services; and
41 (b) the provision of planning, engineering, and
42 construction operations services to support generating station
43 development projects;

1 (2) fuel procurement and environmental commodities by
2 providing for services related to the procurement and transportation
3 of all fuels and emissions reduction products and physical and
4 financial hedging of such fuels and emissions reduction products;
5 (3) electric transmission matters by providing for:
6 (a) the preparation and coordination of planning studies,
7 consulting, designing, inspecting, and engineering, construction and
8 maintenance support services of electric transmission and substation
9 plant facilities;
10 (b) support services related to relay settings and
11 coordination, relay misoperation analysis, relay repair and
12 maintenance, substation and transmission line equipment
13 specifications, electrical equipment repair and maintenance, and
14 general outage coordination support; and
15 (c) vegetation management so as to improve the reliability
16 of electric transmission systems by preventing outages from
17 vegetation located on transmission rights-of-way and minimizing
18 outages from vegetation located adjacent to rights-of-way, and
19 maintaining clearance between transmission lines and vegetation on
20 and along transmission rights-of-way;
21 (4) electric distribution matters by providing for metering,
22 vegetation management, safety, training, weather forecasting,
23 design, engineering, planning studies, substation and distribution
24 control equipment installation, field support and operation support
25 services; the planning, formulation, and implementation of load
26 retention, load shaping and conservation and efficiency programs,
27 and integrated resource planning for supply-side plans and
28 demand-side management programs;
29 (5) emergency services by providing aid in the emergency
30 restoration of electric service such as:
31 (a) distribution line restoration;
32 (b) transmission line restoration;
33 (c) generation facility restoration;
34 (d) vegetation management;
35 (e) damage assessment;
36 (f) substation restoration;
37 (g) relay (system protection) restoration; and
38 (h) other critical maintenance and emergency restoration
39 support services to assist in the safe and timely restoration of electric
40 service;
41 (6) supply-chain matters by providing for the procurement of
42 real and personal property, materials, supplies and services, conduct

1 purchase negotiations, prepare procurement agreements, and
2 administer programs of material control;

3 (7) customer services by providing services and systems
4 dedicated to customer service, billing, remittance, credit,
5 collections, customer relations, call centers, energy conservation
6 support, and metering; and

7 (8) general corporate services such as accounting, corporate
8 planning, information technology, business services, and risk
9 management.

10 (B) The Public Service Authority shall give first preference to a
11 privately owned electrical utility providing retail electric service in
12 South Carolina to pursue benefits for customers in South Carolina.
13 Prior to approving a joint operating agreement with an out-of-state
14 utility, the Public Service Authority shall establish compliance with
15 this section and demonstrate to the satisfaction of the commission
16 that it is in the public interest to approve the agreement with an
17 out-of-state electrical utility rather than an electrical utility in South
18 Carolina.

19 (C) In furtherance of this section, the Public Service Authority
20 of South Carolina is authorized to provide the privately owned
21 electrical utility with access to, and the ability to utilize, appropriate
22 offices, facilities and other equipment, and access to books, records,
23 information, and employees of the Public Service Authority of
24 South Carolina.

25 (D) Any joint management or operating agreements entered into
26 pursuant to this section must be approved by the commission with a
27 finding that the agreement is in the public interest. No contract
28 pursuant to this section shall be exempt from alteration, control,
29 regulation, and establishment by the commission, when in its
30 judgment the public interest so requires, to the full extent of the
31 powers in relation to charges conferred upon the commission by this
32 title. Proceedings shall include an opportunity for intervention,
33 discovery, filed comments or testimony, and an evidentiary hearing.
34 The Public Service Authority shall report its progress on the
35 foregoing to the General Assembly.

36
37 Section 58-31-240. (A) For any joint management or operating
38 agreement created pursuant to Section 58-31-230 and approved by
39 the commission, the Public Service Authority and the privately
40 owned electrical utility shall establish and create a committee
41 known as the Operational Process and Improvement Committee,
42 hereinafter called OPIC. In addition to the services set forth in
43 Section 58-31-230, the OPIC must attempt to identify and pursue

1 additional joint opportunities and other joint measures resulting in
2 cost savings or other efficiencies for the Public Service Authority
3 and, the State of South Carolina, subject to the approval of the
4 commission.

5 (B) For the purposes of this article:

6 (1) Privately owned electrical utility means a person:

7 (a) owning or operating equipment or facilities for
8 generating, transmitting, or delivering electricity to South Carolina
9 retail customers for compensation;

10 (b) having equipment and facilities interconnected with the
11 Public Service Authority of South Carolina; and

12 (c) jointly owning and operating a nuclear electric
13 generating station with the Public Service Authority of South
14 Carolina in Fairfield County, South Carolina; but it shall not include
15 electric cooperatives, municipalities, or a person's electricity only
16 for himself or itself, its residents, employees, or tenants when the
17 electricity is not resold or used by others.

18 (2) OPIC means the Operational and Process Improvement
19 Committee.

20

21 Section 58-31-250. OPIC shall be composed of the President and
22 Chief Executive Officer of the Public Service Authority of South
23 Carolina; three officers of the Public Service Authority of South
24 Carolina, and three employees from the privately owned electrical
25 utility. At no time will the employees from the privately owned
26 utility compose a majority of the OPIC.

27

28 Section 58-31-260. OPIC must meet at least once per calendar
29 quarter and shall report to the Board of Directors for the Public
30 Service Authority.

31

32 Section 58-31-270. OPIC must vote on any joint opportunities or
33 joint measures, and any such joint opportunities or joint measures
34 that are approved by a majority of the members of the OPIC shall
35 be submitted to the Board of Directors of the Public Service
36 Authority of South Carolina for review and potential approval. Each
37 voting member of OPIC shall have one vote; provided that if the
38 OPIC is voting on an agreement to which the privately owned
39 electrical utility or more of its affiliates is a party, the votes of the
40 privately owned electrical utility shall be disregarded for that vote.
41 If approved by the Board of Directors for the Public Service
42 Authority of South Carolina, then the Public Service Authority of
43 South Carolina must pursue such joint opportunity or joint measure,

1 subject to the approval of the commission pursuant to Section
2 58-31-230(D). At each meeting, the OPIC shall review the
3 performance of any previously implemented joint opportunities or
4 joint measures and the impact thereof on the Public Service
5 Authority of South Carolina.

6
7 Section 58-31-280. A representative from Central Electric
8 Cooperative, Inc., may attend any meeting of the OPIC but shall not
9 be entitled to any vote. OPIC also shall establish regular
10 opportunities for comment and input from other interested
11 customers. The representative from Central Electric Cooperative,
12 Inc., may reasonably request the OPIC to, subject to approval by the
13 Board of Directors of the Public Service Authority of South
14 Carolina, evaluate and review potential changes to the existing
15 Power System Coordination and Integration Agreement between the
16 Public Service Authority and Central Electric Cooperative, Inc., that
17 may be appropriate to accommodate industry trends, including any
18 changes necessary or appropriate to encourage renewable energy
19 resources by end use members, and assessing whether there are
20 potential legislative or other changes related to the manner in which
21 the Public Service Authority evaluates potential large-scale utility
22 investments that would be in the overall best interest of the Public
23 Service Authority and appropriate to pursue.

24
25 Section 58-31-290. OPIC shall prepare and submit a report
26 annually to the Governor of the State of South Carolina, the
27 President of the Senate of the State of South Carolina, and the
28 Speaker of the House of Representatives of the State of South
29 Carolina regarding the implementation of Sections 58-31-230,
30 58-31-240, 58-31-250, 58-31-260, 58-31-270, 58-31-280, and
31 58-31-290.”

32
33 F. Article 1, Chapter 31, Title 58 of the 1976 Code is amended by
34 adding:

35
36 “Section 58-31-295. (A) For purposes of this section, ‘Reform
37 plan’ means the portion of the Public Service Authority’s reform
38 plan submitted to the General Assembly pursuant to Act 95 of 2019
39 related only to the Public Service Authority’s plans for meeting its
40 future capacity and energy needs and does not include other portions
41 of the reform plan, including governance or any other item not
42 related directly to meeting its future capacity and energy needs.

1 (1) Within thirty days of the effective date of this act, the
2 Public Service Authority, in consultation with the Office of
3 Regulatory Staff and Central Electric Power Cooperative, shall
4 develop a public process that allows input from customers and other
5 stakeholders, to review, and update as necessary, the Public Service
6 Authority's reform plan and following such public process, submit
7 the revised reform plan to the commission within one hundred
8 eighty days as part of the integrated resource plan and along with all
9 other documentation required pursuant to Section 58-37-40. The
10 integrated resource plan incorporating the revised reform plan shall
11 include an assessment of various resource portfolios over various
12 study periods including a twenty-year study period and, by
13 comparison on a net-present value basis, identify the most
14 cost-effective and least ratepayer-risk resource portfolio to meet the
15 Public Service Authority's total capacity and energy requirements
16 while maintaining safe and reliable electric service.

17 (2) Upon receipt of the Public Service Authority's integrated
18 resource plan incorporating the revised reform plan, the commission
19 shall open a docket and establish a combined regulatory proceeding
20 pursuant to Section 58-37-40 to review the integrated resource plan
21 incorporating the revised reform plan pursuant to Section 58-37-40.
22 The commission shall review and evaluate the integrated resource
23 plan incorporating the revised reform plan along with long-term
24 power supply alternatives and various resource portfolios over
25 various study periods including a twenty-year study period and, by
26 comparison on a net present value basis, identify the most cost-
27 effective and lowest ratepayer-risk resource portfolio to meet the
28 Public Service Authority's total capacity and total energy
29 requirements while maintaining safe and reliable electric service. As
30 part of the combined integrated resource plan and revised reform
31 plan filing, the commission shall allow intervention by interested
32 parties. The commission shall establish a procedural schedule to
33 permit reasonable discovery after an integrated resource plan is filed
34 in order to assist parties in obtaining evidence concerning the
35 integrated resource plan and revised reform plan, including the
36 reasonableness and prudence of the plan and alternatives to the plan
37 raised by intervening parties. No later than twelve-months after the
38 Public Service Authority submits the combined filing, the
39 commission shall issue a final order approving, modifying, or
40 denying the integrated resource plan incorporating the revised
41 reform plan filed by the Public Service Authority. The
42 commission's evaluation shall include, but not be limited to:

1 (a) evaluating the cost-effectiveness and ratepayer risk of
2 self-build generation and its associated interconnected transmission
3 options compared with various long-term power supply alternatives
4 including power purchase agreements, competitive procurement of
5 renewable energy, joint dispatch agreements, market purchases
6 from an existing regional transmission organization, joining or
7 creating a new regional transmission organization, or any
8 combination thereof. In evaluating the cost-effectiveness of
9 long-term power supply alternatives, the commission shall strive to
10 reduce the risk to ratepayers associated with self-build generation or
11 transmission options while maintaining safe and reliable electric
12 service.

13 (b) an analysis of any potential cost savings that might
14 accrue to ratepayers from the retirement of any generation assets.

15 (3) Prior to approving any generation or transmission
16 self-build options or long-term purchases of power by the Public
17 Service Authority, the Public Service Authority must prove by a
18 preponderance of the evidence that the self-build generation or
19 transmission or long-term purchases of power constitutes a more
20 cost-effective means for serving direct-serve and wholesale
21 customers than other available alternatives, including joining an
22 RTO, and provides less ratepayer risk while maintaining safe and
23 reliable electric service than other power supply alternatives. The
24 commission shall consider such analysis and its determination in
25 acting upon any petition by the Public Service Authority utility for
26 construction or approval of long-term purchases of power.

27 (B) During the pendency of the regulatory proceeding, the Public
28 Service Authority may not begin the construction, purchase, or lease
29 of any facility for the generation or transmission of electricity over
30 one hundred megawatts to be directly or indirectly used for the
31 furnishing of electric service and may not enter into any long-term
32 power purchase agreements without prior commission approval.
33 During the pendency of the regulatory proceeding, nothing in this
34 section prohibits the Authority from:

35 (1) doing those things necessary for closing and
36 decommissioning the Winyah Generating Station including, but not
37 limited to, planning, permitting, and securing by purchase or lease
38 one hundred megawatts of combustion turbines and minor
39 transmission upgrades, subject to the consent of Central pursuant to
40 the Power System Coordination and Integration Agreement between
41 Santee Cooper and Central, as amended (the Coordination
42 Agreement). In no event will this include constructing a natural gas
43 combined cycle or other major generation resource;

1 (2) doing all those things necessary for deploying up to 500
2 megawatts of new solar generation, within the structure described in
3 the Santee Cooper Act 95 Reform Plan Appendix 8.2.4, subject to
4 consent of Central pursuant to the Coordination Agreement;
5 (3) entering into operational efficiency and joint dispatch
6 agreements with neighboring utilities for a period of up to one year,
7 with annual renewals and reciprocal cancellation clauses thereafter;
8 (4) renegotiating existing and entering into new coal supply,
9 transportation, and related agreements that produce savings and for
10 terms not to exceed five years or such longer period of time as may
11 be approved by the Santee Cooper Oversight Committee;
12 (5) entering into natural gas hedging arrangements for terms
13 not to exceed five years, or such longer period of time as may be
14 approved by the Santee Cooper Oversight Committee;
15 (6) conducting the planning, permitting, engineering and
16 feasibility studies to develop natural gas transportation and power
17 transmission to ensure a reliable power supply;
18 (7) entering into purchase power arrangements needed for,
19 but not in excess of, anticipated load for a term not to exceed the
20 rate freeze period of the Cook Settlement, and supportive thereof;
21 (8) defeasing debt, issuing or refunding debt under existing
22 bond resolutions and agreements, and entering into financing
23 arrangements consistent with existing bank facilities, all as
24 necessary to manage day-to-day operations and financing needs,
25 including converting variable rate debt to fixed rate debt. Refunding
26 of existing debt is permitted if it achieves present value savings or
27 mitigates risk and does not extend the average life of the debt;
28 (9) resolving outstanding lawsuits and claims;
29 (10) taking whatever steps are prudent and consistent with
30 good utility practice to address the impact of the COVID-19
31 pandemic; and
32 (11) freezing rates as provided in the settlement of Cook v.
33 Santee Cooper, et al.
34 (C) Following the conclusion of the combined regulatory
35 proceeding as required pursuant to subsection (A)(2), for future
36 resource planning, the Public Service Authority shall comply with
37 all commission requirements pursuant to Section 58-37-40 on a
38 schedule that aligns the Public Service Authority's IRP filing dates
39 with those required for other electrical utilities in the State. The
40 Public Service Authority shall comply with all commission
41 requirements pursuant to Section 58-37-40 and incorporate in the
42 filing the information required in subsection (D).

1 (D)(1) Prior to filing future integrated resource plans pursuant to
2 Section 58-37-40; the Public Service Authority shall, in consultation
3 with the Office of Regulatory Staff and Central Electric Power
4 Cooperative, develop a public process that allows input from other
5 stakeholders prior to submitting the Public Service Authority's
6 integrated resource plan. The integrated resource plan shall, in
7 addition to the requirements of Section 58-37-40, include an
8 analysis of long-term power supply alternatives and enumerate the
9 cost of various resource portfolios over various study periods
10 including a twenty-year study period and, by comparison on a net
11 present-value basis, identify the most cost-effective and least
12 ratepayer-risk resource portfolio to meet the Public Service
13 Authority's total capacity and energy requirements while
14 maintaining safe and reliable electric service.

15 (2) In addition to the requirements of Section 58-37-40, the
16 commission shall review and evaluate the integrated resource plan
17 along with long-term power supply alternatives and various
18 resource portfolios over various study periods including a twenty-
19 year study period and, by comparison on a net present value basis,
20 identify the most cost-effective and lowest ratepayer-risk resource
21 portfolio to meet the Public Service Authority's total capacity and
22 energy requirements while maintaining safe and reliable electric
23 service. The commission's evaluation shall include, but not be
24 limited to:

25 (a) evaluating the cost-effectiveness and ratepayer risk of
26 self-build generation and transmission options compared with
27 various long-term power supply alternatives including power
28 purchase agreements, competitive procurement of renewable
29 energy, joint dispatch agreements, market purchases from an
30 existing regional transmission organization, joining or creating a
31 new regional transmission organization, using best available
32 technology for energy generation, transmission, storage and
33 distribution, or any combination thereof. In evaluating the
34 cost-effectiveness of long-term power supply alternatives, the
35 commission shall strive to reduce the risk to ratepayers associated
36 with any generation and transmission options while maintaining
37 safe and reliable electric service; and

38 (b) an analysis of any potential cost savings that might
39 accrue to ratepayers from the retirement of remaining coal
40 generation assets.

41 (3) The commission shall consider such analysis and its
42 determination in acting upon any petition by the Public Service
43 Authority utility for construction or approval of long-term purchases

1 of power. Prior to approving any generation or transmission
2 self-build options in an integrated resource plan, the Public Service
3 Authority must prove by a preponderance of the evidence that the
4 self-build generation or transmission option constitutes a more
5 cost-effective means for serving direct-serve and wholesale
6 customers than other available alternatives, and provides less
7 ratepayer risk while maintaining safe and reliable electric service
8 than other power supply alternatives.

9

10 Section 58-31-296. (A)(1) The commission, in consultation with
11 the Office of Regulatory Staff and the Public Service Authority,
12 shall develop, publicize, and keep current an analysis of the Public
13 Service Authority's:

- 14 (a) long-range capacity and energy needs;
- 15 (b) long-range needs for expansion of facilities for the
16 generation of electricity;
- 17 (c) estimates of the probable future growth of the use of
18 electricity;
- 19 (d) extent, size, mix, and general location of generating
20 plants and arrangements for pooling power to the extent not
21 regulated by the Federal Energy Regulatory Commission and other
22 arrangements with other utilities and energy suppliers to achieve
23 maximum efficiencies for the benefit of the customers of the Public
24 Service Authority.

- 25 (2) This analysis must include an estimate of:
 - 26 (a) the probable future growth of the use of electricity;
 - 27 (b) the probable need of generating reserves;
 - 28 (c) in the judgment of the commission, the optimal extent,
29 size, mix, and general location of generating plants;
 - 30 (d) in the judgment of the commission, the optimal
31 arrangements for statewide or regional pooling of power and
32 arrangements with other utilities and energy suppliers to achieve
33 maximum efficiencies for the benefit of the people of South
34 Carolina; and
 - 35 (e) the comparative costs, on a net present-value basis, of
36 meeting future growth by other means of providing reliable,
37 efficient, and economic electric service, including purchase of
38 power, competitive market power purchases, joint ownership of
39 facilities, refurbishment of existing facilities, conservation
40 (including energy efficiency), load management, distributed
41 generation, and cogeneration.

1 (3) The commission shall consider such analysis in acting
2 upon any petition by the Public Service Authority to approve
3 self-build generation or other long-term means of procuring energy.

4 (4) In developing the analysis, the commission may confer
5 and consult with:

6 (a) the Public Service Authority and other utilities in the
7 State and region;

8 (b) utility commissions or comparable agencies of
9 neighboring states;

10 (c) the Office of Regulatory Staff and Consumer Advocate;

11 (d) wholesale and retail customers of the Public Service
12 Authority;

13 (e) the Federal Energy Regulatory Commission;

14 (f) other agencies having relevant information.

15 It also may participate as it considers useful in any joint boards or
16 other study committees investigating the probable needs for meeting
17 future energy requirements.

18 (B) Any intervenor may attend or be represented at any
19 proceeding conducted by the commission in developing an analysis
20 for and determining the future requirements of electricity for the
21 Public Service Authority.

22 (C) In the course of making the analysis required by this section,
23 the commission shall conduct one or more public hearings.

24 (D) Each year, the commission shall submit to the Governor and
25 to the appropriate committees of the General Assembly a report of
26 its analysis and plan, the progress to date in carrying out such plan,
27 and the program of the commission for the ensuing year in
28 connection with such plan.

29 (E) In acting upon any petition by the Public Service Authority
30 for the construction of any facility for the generation of electricity
31 or approval of other long-term means of procuring energy, the
32 commission shall take into account the Public Service Authority's
33 arrangements with other electric utilities for interchange of power,
34 pooling of plants, purchase of power and other alternative methods
35 for providing reliable, efficient, and economical electric service.

36 (F) As a condition for approving an application to self-build
37 generation, the Public Service Authority shall, in addition to the
38 requirements of Articles 1, 3, 5, and 7 of Chapter 33, Title 58, file
39 an estimate of construction costs in such detail as the commission
40 may require. No certificate shall be granted unless the commission
41 has approved the estimated construction costs and made a finding
42 that construction will be consistent with the authority's commission
43 approved plan for expansion of electric generating capacity. A

1 certificate for the construction of a self-build generation shall be
2 granted only if the Public Service Authority demonstrates and the
3 commission finds that energy efficiency measures; demand-side
4 management; renewable energy resource generation; alternative
5 sources of supply, or any combination thereof, would not establish
6 or maintain a more cost-effective and reliable generation system and
7 that the construction and operation of the facility is in the public
8 interest. In making its determination, the commission shall consider
9 resource and fuel diversity and reasonably anticipated future
10 operating costs.”

11

12 G. Chapter 31, Title 58 of the 1976 Code is amended by adding:

13

14 “Article 7

15

16 PSA Retail Rates Process

17

18 Section 58-31-710. Prior to creating or revising any of its
19 board-approved retail rate schedules for residential, lighting,
20 commercial, or industrial customers in a manner that results in a rate
21 increase, the Public Service Authority, through resolution of its
22 board of directors or otherwise, shall adopt a process that shall
23 include the following:

24 (A) The authority shall provide notice to all customers when any
25 customers will be affected by a rate increase at least one hundred
26 and eighty days before the board of directors’ vote on a proposed
27 rate increase.

28 (1) The notice required by this subsection must be given in
29 the following forms:

30 (a) by first-class United States mail addressed to the
31 customer’s billing address in the authority’s records at the time of
32 the notice, or for customers who have elected paperless billing, by
33 the same means of communication used for providing these
34 customers paperless billing;

35 (b) by advertisements to be published in newspapers of
36 general circulation within the service territory of the authority;

37 (c) by way of Santee Cooper’s regularly maintained
38 website, including a conspicuous portal or link accessible from the
39 website’s landing page; and

40 (d) by issuance of a news release to local news outlets.

41 (2) The notice of proposed rate increases required by this
42 subsection shall contain the following information:

43 (a) the date, time, and location of all public meetings;

1 (b) the date, time, and location of the meeting at which a
2 proposed rate increase is expected to be submitted to the board of
3 directors for its consideration;

4 (c) the date, time, and location of the meeting at which the
5 board of directors is expected to vote on the proposed rate increase;

6 (d) a notification to customers of their right to:

7 (i) review the proposed rate schedules;

8 (ii) appear and speak in person concerning the proposed
9 rates at public meetings or the specified meetings of the board of
10 directors; and

11 (iii) submit written comments;

12 (e) the means by which customers can submit written
13 comments, including the email and physical addresses to which
14 written comments may be submitted, and the deadline for
15 submitting such comments; and

16 (f) the means by which customers can access and review a
17 written report containing the proposal of proposed rate adjustments,
18 any rate study, or other documentation developed by the authority
19 in support of the rate increase, when these materials become
20 available.

21 (3) Contemporaneously with notice to customers, the
22 authority shall provide notice of proposed rate increases to the
23 Office of Regulatory Staff and the Department of Consumer Affairs.

24 (4) A rate adjustment that does not result in a proposed rate
25 increase does not require notice pursuant to this subsection.

26 (5) Customers whose rates will not increase are not entitled to
27 notice pursuant to this subsection.

28 (B) In addition to the requirements of notice set forth above, the
29 authority shall provide for the following:

30 (1) a comprehensive review of the authority's rate structure
31 and rates, consistent with the provisions of Chapter 31, Title 58 and
32 the Public Service Authority's bond covenants concerning the
33 Public Service Authority's revenue requirements provided that:

34 (a) management may engage consultants as necessary to
35 assist the authority in completing this review; and

36 (b) this review should include such subjects as the
37 authority's revenue requirements, a cost of service analysis, and
38 rate/tariff design;

39 (2) a written report of management's recommendations
40 concerning proposed rate adjustments;

41 (3) an opportunity for customers who will be affected by a
42 rate increase, in advance of the board of directors' consideration and
43 determination of rates, to review the proposed rate schedules and

1 written findings and analysis of employees and consultants retained
2 by the authority that support the proposed rate increases provided
3 that:

4 (a) beginning no later than the date that notice of the
5 proposed rate increase is issued by the authority in accordance with
6 this section, the authority also shall provide customers who will be
7 affected by a rate increase access to the proposed rate schedules and
8 written findings and analysis of employees and consultants retained
9 by the authority that support the proposed rate increases, such
10 materials to be made available at a physical location, at public
11 meetings, and via Santee Cooper's website, and provide a
12 reasonable opportunity for affected customers to request additional
13 information and submit written questions; and

14 (b) customers who will be affected by a rate increase shall
15 have at least one hundred and twenty days from the date of the notice
16 of the proposed rate increase to prepare and submit written
17 comments to be considered by the board of directors before any vote
18 concerning a proposed rate increase;

19 (4) public meetings, to be held at locations convenient for
20 customers who will be affected by a rate increase within the
21 authority's service territory provided that:

22 (a) the authority shall convene at least two public meetings
23 at a minimum of two locations within its service territory for the
24 purpose of presenting the proposed rate increase and relevant
25 information regarding the same to customers who will be affected
26 by a rate increase for their information and comment;

27 (b) customers who will be affected by a rate increase may
28 appear and speak in person at public meetings and direct comments
29 and inquiries about the rate increase to representatives of the
30 authority;

31 (c) at least one representative of the authority's staff or
32 management and at least one member of the board of directors shall
33 attend each public meeting;

34 (d) the authority shall cause a transcript of all such
35 meetings to be prepared and maintained as a public record and for
36 consideration by the board of directors prior to its consideration and
37 vote on a proposed rate increase; and

38 (e) the contents of this section must not be construed in
39 such a manner as to prevent the authority from holding additional
40 public meetings, from holding additional meetings with customers
41 as may be scheduled from time to time at the convenience of the
42 authority and the customers, or from having additional

1 representatives of staff, management, or the board of directors in
2 attendance at such meetings;

3 (5) an inspection, audit, and examination by the Office of
4 Regulatory Staff of the proposed rate schedule, revenue
5 requirements, cost of service analysis, and rate/tariff design;

6 (6)(a) a public hearing held by the board of directors, at a
7 reasonable time after the submission date for written comments and
8 separate from and at least thirty days prior to the board of directors'
9 scheduled vote on proposed rate increases, allowing for any
10 interested party including the Office of Regulatory Staff and the
11 Department of Consumer Affairs to present testimony and
12 recommendations provided that:

13 (i) a quorum of directors shall be present for the hearing;

14 (ii) a transcript of the hearing shall be prepared and
15 maintained along with a record of all evidence entered; and

16 (iii) the board of directors shall issue a written order
17 setting forth its decision based on the evidence in the record.

18 (b) at the hearing the board of directors shall receive
19 management's recommendation concerning proposed rate
20 increases, results of the inspection, audit and examination of the
21 Office of Regulatory Staff, the proposed rate schedules,
22 documentation supporting the same, written comments, and
23 transcripts of the public meetings provided that:

24 (i) at this hearing customers who will be affected by a
25 rate increase shall be entitled to appear and speak in person for a
26 reasonable amount of time to offer their comments directly to the
27 board of directors;

28 (ii) customer comments received by the authority prior
29 to this hearing and transcripts of the public meetings shall be
30 submitted to the board of directors for their consideration in the
31 determination of rates; and

32 (7) a meeting at which the board of directors votes on the
33 proposed rate increase, following notice as set forth in subsection
34 (A) and completion of the process implemented by the board of
35 directors pursuant to subsection (B).

36 (C) Rates shall become effective no earlier than ninety days after
37 the board votes on the proposed rate increases.

38 (D) The board of directors' action pursuant to this section and its
39 approval of rates are subject to the same standards and remedies
40 pursuant to Sections 58-31-55, 58-31-56, and 58-31-57, provided
41 that nothing contained in section may be construed to limit or
42 derogate from:

1 (1) the board of directors' duties and powers as established in
2 this chapter; and

3 (2) the state's covenants as provided in Sections 58-31-30 and
4 58-31-360, and those covenants are hereby reaffirmed.

5 (E) The board of directors shall utilize counsel independent from
6 the management team of the Public Service Authority and is
7 authorized to hire independent outside experts and consultants as
8 necessary to fulfill the board's obligations and duties pursuant to
9 this section.

10 (F) Notwithstanding the provisions of this section the authority
11 may place such increased rates and charges into effect on an interim
12 basis under emergency circumstances such as the avoidance of
13 default of its obligations and to ensure proper maintenance of its
14 system. Said increased rates and charges shall be subject to
15 prospective rate adjustment in accordance with the terms of this
16 section. Provided further, that the authority may implement
17 experimental rates on an interim basis for the purpose of developing
18 improved rate offerings for customers. These experimental rates
19 will be enacted for no longer than five years and will apply to no
20 more than five percent of the affected customer class.

21 (G) Appeals of decisions by the board of directors to approve an
22 increase in rates shall be a direct appeal to the South Carolina
23 Supreme Court, and such appeal only shall be as to the Public
24 Service Authority's adherence to the rates process set forth above.
25 The Supreme Court shall not have the authority to set the Public
26 Service Authority's rates or compel it to set specified rates, and such
27 authority shall remain exclusively with the Public Service
28 Authority's board of directors.

29

30 Section 58-31-720. The board of directors shall establish a set of
31 pricing principles and take such principles into consideration when
32 establishing new rates. The Authority shall maintain and continue
33 to offer, subject to potential improvements that will benefit affected
34 customers, all the firm and nonfirm residential, commercial, and
35 industrial rate schedules and rider options and rate designs, such as
36 firm, time-of-use, interruptible and economy power, offered by the
37 Authority as of the date of this Act.

38

39 Section 58-31-730. The Public Service Authority shall submit to
40 the Office of Regulatory Staff a pricing report each year, and its
41 report must include an analysis of the adherence to the pricing
42 principles required in Section 58-31-720, the current and projected
43 electric customer pricing and a comparison of pricing to inflation,

1 and to other utilities, and an analysis of the rates by customer classes
2 and the fair allocation of costs among customer classes. A copy of
3 this annual report must be provided to the Consumer Advocate. If
4 the Public Service Authority's price of electricity is projected to rise
5 above the rate of inflation, then it must include in its annual pricing
6 report a detailed explanation of all cost saving efforts being
7 undertaken and planned to mitigate costs. After its review, the
8 Office of Regulatory Staff shall issue comments on the Public
9 Service Authority's annual pricing report."

10

11 H. Chapter 31, Title 58 of the 1976 Code is amended by adding:

12

13

"Article 9

14

15

Revenue Obligations

16

17 Section 58-31-1010. (A) The Public Service Authority must
18 apply to the commission for approval of the authority's proposed
19 issuance of long-term revenue obligation securities representing
20 new debt, but not to include the refunding of such debt, lease, or
21 other evidences of indebtedness including, but not limited to,
22 short-term borrowing of the authority, by filing with the commission
23 and providing a copy of an application to the Office of Regulatory
24 Staff, together with a statement verified by its president and chief
25 financial officer setting forth:

26 (1) the authority's system-wide goals and objectives for
27 capital spending over the next three years;

28 (2) the amount and character of new revenue obligation
29 securities proposed to be issued in support of its system-wide goals
30 and objectives;

31 (3) the purpose for which they are to be issued;

32 (4) the authority's financial condition, to include all current
33 credit ratings and debt outstanding; and

34 (5) the status of any ongoing projects for which securities are
35 proposed to be issued.

36 (B) The Office of Regulatory Staff must thereupon make an
37 investigation as may be necessary, at which investigation the
38 authority is entitled to be heard before the commission. Within thirty
39 days of receiving an application the commission must issue a
40 determination of the following:

41 (1) whether the purpose of the issued revenue obligation
42 securities is prudent; and

43 (2) whether the issuance of new debt securities is supported:

1 (a) the project plans, in the case of a new project; or
2 (b) the current status of the project, in the case of an
3 ongoing project; or

4 (c) the value of the equipment to be purchased, in the case
5 of equipment. To the extent that the commission approves the
6 issuance of such new revenue obligation securities, it must grant to
7 the authority a certificate of authority stating:

8 (i) the amount of revenue obligation securities the
9 authority is authorized to issue; and

10 (ii) the projects to be funded and the equipment to be
11 acquired therewith.

12 (C) Nothing herein contained shall be construed to impose or
13 imply any guaranty or obligation as to the securities on the part of
14 the State or any agency thereof, nor shall the commission, by virtue
15 of the approval of the issuance of such securities, be deemed to be
16 required to prescribe or approve any rate for the reason that such
17 rate may be necessary to provide funds reasonably sufficient to
18 retire such securities or the interest thereon.

19 (D) All revenue obligation securities approved by the
20 commission for issuance need not be issued by the authority
21 immediately, and the securities may be issued by the authority
22 across multiple series and over the term of the authority's three-year
23 capital spending plan. Notwithstanding the foregoing, the authority
24 shall not issue revenue obligation securities above the approved
25 amount before receiving approval from the commission."

26

27 I. Sections 58-27-160, 58-27-190, 58-27-200, 58-27-210, and
28 58-27-220 of the 1976 Code are amended to read:

29

30 "Section 58-27-160. The Office of Regulatory Staff may
31 investigate and examine the condition and management of electrical
32 utilities, the South Carolina Public Service Authority, or any
33 particular electrical utility.

34

35 Section 58-27-190. The Office of Regulatory Staff has the right
36 at any and all times to inspect the property, plant, and facilities of
37 any electrical utility and the South Carolina Public Service
38 Authority and to inspect or audit at reasonable times the accounts,
39 books, papers, and documents of any electrical utility and the South
40 Carolina Public Service Authority. For the purposes herein
41 mentioned an employee or agent of the Office of Regulatory Staff
42 may during all reasonable hours enter upon any premises occupied
43 by or under the control of any electrical utility and the South

1 Carolina Public Service Authority. An employee or agent of the
2 Office of Regulatory Staff authorized to administer oaths has the
3 power to examine under oath any officer, agent, or employee of the
4 electrical utility and the South Carolina Public Service Authority in
5 relation to the business and affairs of the electrical utility, but
6 written record of the testimony or statement so given under oath
7 must be made.

8

9 Section 58-27-200. In the performance of its duties under this
10 chapter, an employee or agent of the Office of Regulatory Staff may
11 inspect or make copies of all income, property, or other tax returns,
12 reports, or other information filed by electrical utilities and the
13 South Carolina Public Service Authority with or otherwise obtained
14 by any other department, commission, board, or agency of the state
15 government. All departments, commissions, boards, or agencies of
16 the state government must permit an employee or agent of the Office
17 of Regulatory Staff to inspect or make copies of all information filed
18 by electrical utilities with or otherwise obtained by the department,
19 commission, board, or agency of the state government.

20

21 Section 58-27-210. Whenever it shall appear that any electrical
22 utility, electric cooperative, the South Carolina Public Service
23 Authority, or consolidated political subdivision is failing or
24 omitting, or about to fail or omit, to do anything required of it by
25 law or by order of the commission or is doing, or about to do
26 anything or permitting or about to permit anything to be done
27 contrary to or in violation of law or of any order of the commission,
28 an action or proceeding shall be prosecuted in any court of
29 competent jurisdiction in the name of the Office of Regulatory Staff
30 for the purpose of having such violation or threatened violation
31 discontinued or prevented, either by mandamus, injunction, or other
32 appropriate relief, and in such action or proceeding, it shall be
33 permissible to join such other persons, corporations, municipalities,
34 or consolidated political subdivisions as parties thereto as may be
35 reasonably necessary to make the order of the court in all respects
36 effective. The commission must not be a party to any action.

37

38 Section 58-27-220. In addition to the foregoing expressly
39 enumerated powers, the Office of Regulatory Staff must enforce,
40 execute, administer, and carry out the provisions of this chapter
41 relating to the powers, duties, limitations, and restrictions imposed
42 upon electrical utilities and the South Carolina Public Service
43 Authority by this chapter or any other provisions of the law of this

1 State regulating electrical utilities and the South Carolina Public
2 Service Authority.”

3
4 J. Section 58-33-20 of the 1976 Code is amended to read:

5
6 “Section 58-33-20. (1) The term ‘commission’ means Public
7 Service Commission.

8 (2) The term ‘major utility facility’ means:

9 (a) electric generating plant and associated facilities designed
10 for, or capable of, operation at a capacity of more than seventy-five
11 megawatts.

12 (b) an electric transmission line and associated facilities of a
13 designed operating voltage of one hundred twenty-five kilovolts or
14 more; provided, however, that the words ‘major utility facility’ shall
15 not include electric distribution lines and associated facilities, ~~nor~~
16 ~~shall the words ‘major utility facility’ include electric transmission~~
17 ~~lines and associated facilities leased to and operated by (or which~~
18 ~~upon completion of construction are to be leased to and operated by)~~
19 ~~the South Carolina Public Service Authority.~~

20 (3) The term ‘commence to construct’ means any clearing of
21 land, excavation, or other action that would adversely affect the
22 natural environment of the site or route of a major utility facility,
23 but does not include surveying or changes needed for temporary use
24 of sites or routes for nonutility purposes, or uses in securing
25 geological data, including necessary borings to ascertain foundation
26 conditions.

27 (4) The term ‘municipality’ means any county or municipality
28 within this State.

29 (5) The term ‘person’ includes any individual, group, firm,
30 partnership, corporation, cooperative, association, government
31 subdivision, government agency, local government, municipality,
32 any other organization, or any combination of any of the foregoing;
33 ~~but shall not include the South Carolina Public Service Authority.~~

34 (6) The term ‘public utility’ or ‘utility’ means any person
35 engaged in the generating, distributing, sale, delivery, or furnishing
36 of electricity for public use. This includes the Public Service
37 Authority.

38 (7) The term ‘land’ means any real estate or any estate or interest
39 therein, including water and riparian rights, regardless of the use to
40 which it is devoted.

41 (8) The term ‘certificate’ means a certificate of environmental
42 compatibility and public convenience and necessity.

1 (9) The term ‘regulatory staff’ means the executive director or
2 the executive director and the employees of the Office of Regulatory
3 Staff.”

4
5 K. Section 58-37-40 of the 1976 Code, as last amended by Act 62
6 of 2019, is further amended to read:

7
8 “Section 58-37-40. (A) Electrical utilities, electric cooperatives,
9 and municipally owned electric utilities, and the South Carolina
10 Public Service Authority must each prepare an integrated resource
11 plan. An integrated resource plan must be prepared and submitted at
12 least every three years. Nothing in this section may be construed as
13 requiring interstate natural gas companies whose rates and services
14 are regulated only by the federal government or gas utilities subject
15 to the jurisdiction of the commission to prepare and submit an
16 integrated resource plan.

17 (1) Each electrical utility must submit its integrated resource
18 plan to the commission. The integrated resource plan must be posted
19 on the electrical utility’s website and on the commission’s website.

20 (2) Electric cooperatives and municipally owned electric
21 utilities shall each submit an integrated resource plan to the State
22 Energy Office. Each integrated resource plan must be posted on the
23 State Energy Office’s website. If an electric cooperative or
24 municipally owned utility has a website, its integrated resource plan
25 must also be posted on its website. For distribution, electric
26 cooperatives that are members of a cooperative that provides
27 wholesale service, the integrated resource plan may be coordinated
28 and consolidated into a single plan provided that nonshared
29 resources or programs of individual distribution cooperatives are
30 highlighted. Where plan components listed in subsection (B)(1) and
31 (2) of this section do not apply to a distribution or wholesale
32 cooperative or a municipally owned electric utility as a result of the
33 cooperative or the municipally owned electric utility not owning or
34 operating generation resources, the plan may state that fact or refer
35 to the plan of the wholesale power generator. For purposes of this
36 section, a wholesale power generator does not include a municipally
37 created joint agency if that joint agency receives at least
38 seventy-five percent of its electricity from a generating facility
39 owned in partnership with an electrical utility and that electrical
40 utility:

41 (a) generally serves the area in which the joint agency’s
42 members are located; and

1 (b) is responsible for dispatching the capacity and output of
2 the generated electricity.

3 (3) The South Carolina Public Service Authority shall submit
4 its integrated resource plan to the ~~State Energy Office~~ commission.
5 The integrated resource plan must be developed in consultation with
6 the electric cooperatives and municipally owned electric utilities
7 purchasing power and energy from the Public Service Authority and
8 consider any feedback provided by retail customers and shall
9 include the effect of demand-side management activities of the
10 electric cooperatives and municipally owned electric utilities that
11 directly purchase power and energy from the Public Service
12 Authority or sell power and energy generated by the Public Service
13 Authority. The integrated resource plan must be posted on the ~~State~~
14 ~~Energy Office's~~ commission's website and on the Public Service
15 Authority's website.

16 (B)(1) An integrated resource plan shall include all of the
17 following:

18 (a) a long-term forecast of the utility's sales and peak
19 demand under various reasonable scenarios;

20 (b) the type of generation technology proposed for a
21 generation facility contained in the plan and the proposed capacity
22 of the generation facility, including fuel cost sensitivities under
23 various reasonable scenarios;

24 (c) projected energy purchased or produced by the utility
25 from a renewable energy resource;

26 (d) a summary of the electrical transmission investments
27 planned by the utility;

28 (e) several resource portfolios developed with the purpose
29 of fairly evaluating the range of demand-side, supply-side, storage,
30 and other technologies and services available to meet the utility's
31 service obligations. Such portfolios and evaluations must include an
32 evaluation of low, medium, and high cases for the adoption of
33 renewable energy and cogeneration, energy efficiency, and demand
34 response measures, including consideration of the following:

35 (i) customer energy efficiency and demand response
36 programs;

37 (ii) facility retirement assumptions; and

38 (iii) sensitivity analyses related to fuel costs,
39 environmental regulations, and other uncertainties or risks;

40 (f) data regarding the utility's current generation portfolio,
41 including the age, licensing status, and remaining estimated life of
42 operation for each facility in the portfolio;

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

3 (h) an analysis of the cost and reliability impacts of all
4 reasonable options available to meet projected energy and capacity
5 needs; and

6 (i) a forecast of the utility's peak demand, details regarding
7 the amount of peak demand reduction the utility expects to achieve,
8 and the actions the utility proposes to take in order to achieve that
9 peak demand reduction.

10 (2) An integrated resource plan may include distribution
11 resource plans or integrated system operation plans.

12 (C)(1) The commission shall have a proceeding to review each
13 electrical utility's and the Public Service Authority's integrated
14 resource plan. As part of the integrated resource plan filing, the
15 commission shall allow intervention by interested parties. The
16 commission shall establish a procedural schedule to permit
17 reasonable discovery after an integrated resource plan is filed in
18 order to assist parties in obtaining evidence concerning the
19 integrated resource plan, including the reasonableness and prudence
20 of the plan and alternatives to the plan raised by intervening parties.
21 No later than three hundred days after an electrical utility files an
22 integrated resource plan, the commission shall issue a final order
23 approving, modifying, or denying the plan filed by the electrical
24 utility or the Public Service Authority.

25 (2) The commission shall approve an electrical utility's or
26 Public Service Authority's integrated resource plan if the
27 commission determines that the proposed integrated resource plan
28 represents the most reasonable and prudent means of meeting the
29 electrical utility's energy and capacity needs as of the time the plan
30 is reviewed. To determine whether the integrated resource plan is
31 the most reasonable and prudent means of meeting energy and
32 capacity needs, the commission, in its discretion, shall consider
33 whether the plan appropriately balances the following factors:

34 (a) resource adequacy and capacity to serve anticipated
35 peak electrical load, and applicable planning reserve margins;

36 (b) consumer affordability and least cost;

37 (c) compliance with applicable state and federal
38 environmental regulations;

39 (d) power supply reliability;

40 (e) commodity price risks;

41 (f) diversity of generation supply; and

42 (g) other foreseeable conditions that the commission
43 determines to be for the public interest.

1 (3) If the commission modifies or rejects an electrical utility's
2 or Public Service Authority's integrated resource plan, the electrical
3 utility or Public Service Authority, within sixty days after the date
4 of the final order, shall submit a revised plan addressing concerns
5 identified by the commission and incorporating
6 commission-mandated revisions to the integrated resource plan to
7 the commission for approval. Within sixty days of the electrical
8 utility's or Public Service Authority's revised filing, the Office of
9 Regulatory Staff shall review the electrical utility's or Public
10 Service Authority's revised plan and submit a report to the
11 commission assessing the sufficiency of the revised filing. Other
12 parties to the integrated resource plan proceeding also may submit
13 comments. No later than sixty days after the Office of Regulatory
14 Staff report is filed with the commission, the commission at its
15 discretion may determine whether to accept the revised integrated
16 resource plan or to mandate further remedies that the commission
17 deems appropriate.

18 (4) The submission, review, and acceptance of an integrated
19 resource plan by the commission, or the inclusion of any specific
20 resource or experience in an accepted integrated resource plan, shall
21 not be determinative of the reasonableness or prudence of the
22 acquisition or construction of any resource or the making of any
23 expenditure. The electrical utility shall retain the burden of proof to
24 show that all of its investments and expenditures are reasonable and
25 prudent when seeking cost recovery in rates.

26 (D)(1) An electrical utility or Public Service Authority shall
27 submit annual updates to its integrated resource plan to the
28 commission. An annual update must include an update to the electric
29 utility's or Public Service Authority's base planning assumptions
30 relative to its most recently accepted integrated resource plan,
31 including, but not limited to: energy and demand forecast,
32 commodity fuel price inputs, renewable energy forecast, energy
33 efficiency and demand-side management forecasts, changes to
34 projected retirement dates of existing units, along with other inputs
35 the commission deems to be for the public interest. The electrical
36 utility's or Public Service Authority's annual update must describe
37 the impact of the updated base planning assumptions on the selected
38 resource plan.

39 (2) The Office of Regulatory Staff shall review each ~~electric~~
40 electrical utility's or Public Service Authority's annual update and
41 submit a report to the commission providing a recommendation
42 concerning the reasonableness of the annual update. After reviewing
43 the annual update and the Office of Regulatory Staff report, the

1 commission may accept the annual update or direct the electrical
2 utility or Public Service Authority to make changes to the annual
3 update that the commission determines to be in the public interest.

4 (E) The commission is authorized to promulgate regulations to
5 carry out the provisions of this section.”

6

7 L. All lawful expenses and charges incurred by the Public Service
8 Commission and the Office of Regulatory Staff in the administration
9 of this act and in performance of its duties thereunder shall be
10 defrayed by assessments made by the Comptroller General against
11 the Public Service Authority in the year ending on the thirtieth day
12 of June preceding that on which the assessment is made which is
13 due and payable on or before July fifteenth. The Public Service
14 Commission and the Office of Regulatory Staff shall certify to the
15 Comptroller General annually on or before August first the amounts
16 to be assessed in the format approved by the Comptroller General.

17

18

Part IV

19

20 SECTION 5. This act takes effect upon approval by the Governor.

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22