

Amendment: 6

GENERAL PROVISIONS / SECTION 117

Representative G.M. SMITH proposes the following amendment:

Amend

117.141. (GP: Public Service Authority Evaluation and Recommendation Committee) ~~(A)(1)~~ From funds appropriated by the General Assembly for this purpose, there is created the ~~Public Service Authority Evaluation and Recommendation Committee to be composed of nine members:~~

- ~~(a) the Speaker of the House of Representatives or his designee;~~
 - ~~(b) the Majority Leader of the House of Representatives or his designee;~~
 - ~~(c) the Minority Leader of the House of Representatives or his designee;~~
 - ~~(d) the President Pro Tempore of the Senate or his designee;~~
 - ~~(e) the Majority Leader of the Senate or his designee;~~
 - ~~(f) the Minority Leader of the Senate or his designee;~~
 - ~~(g) one member appointed by the Governor from the State at large. No person shall be appointed by the Governor to the committee if such person is employed by, receives compensation from, or accepts retirement or other benefits from a publicly owned utility, an investor owned utility, an electric cooperative, or any association or organization that represents a publicly owned utility, an investor owned utility, or an electric cooperative or otherwise participates in the energy industry or marketplace;~~
 - ~~(h) one member appointed by the President Pro Tempore who is a member of the Senate from a direct serve Public Service Authority territory; and~~
 - ~~(i) one member appointed by the Speaker of the House of Representatives who is a member of the House from a direct serve Public Service Authority territory;~~
- ~~(2) Vacancies shall be filled in the manner of original appointment.~~

~~(B) The members of the committee shall elect a chairman and other officers as they consider necessary. The committee shall meet upon the call of the chairman or a majority of its members. Members shall receive per diem, mileage, and subsistence as provided by law for members of legislative or other state committees as appropriate to be paid from the approved accounts of the office or house of their appointing authority. Meeting space and staff support shall be provided by the General Assembly as needed and required. The committee shall make recommendations to the General Assembly as soon as practicable, at which time the committee is dissolved, unless otherwise continued as provided by law.~~

~~(C) The committee shall (A) *For Fiscal Year 2019-20, the Public Service Authority Evaluation and Recommendation Committee established by proviso 117.162 of Act 264 of 2018 shall continue to* evaluate objectives including but not limited to the following:~~

- ~~(1) determine the manner in which the General Assembly may best protect ratepayers and taxpayers in regard to Santee Cooper;~~

(2) analyze whether selling Santee Cooper is in the best interests of South Carolina taxpayers, the ratepayers of Santee Cooper, and the ratepayers of the Electric Cooperatives of South Carolina;

(3) determine whether the assets of Santee Cooper should be considered for sale as a whole or in parts and which assets of Santee Cooper, if any, should be retained by the State;

(4) obtain a valuation of Santee Cooper and its assets;

(5) develop a transparent and public process to conduct hearings, receive bids from potential purchasers, and evaluate a potential sale of Santee Cooper;

(6) determine the future role of Santee Cooper, whether sold or retained by the State; and

(7) determine the manner in which the natural resources owned by Santee Cooper are protected or managed for public enjoyment and wildlife habitat.

~~(D)~~ B) To assist with meeting those objectives, it is recommended that the committee consider actions including but not limited to the following:

(1) determine the criteria necessary to assess the viability and feasibility of the potential sale of Santee Cooper;

(2) identify all assets of Santee Cooper and then determine which assets, if any, of Santee Cooper should be considered for sale;

(3) evaluate whether Santee Cooper's water system, the Santee Cooper lakes, or both should be part of any sale;

(4) obtain a valuation of Santee Cooper's assets, both collectively and separately, with a specific valuation for the transmission, distribution, and generation assets of Santee Cooper;

(5) establish the criteria, parameters, and process to receive bid proposals from potential purchasers of Santee Cooper's assets;

(6) evaluate whether the South Carolina Consolidated Procurement Code or other state law impacts the sale parameters and, if so, determine the best course of action to address the same in its requests for proposals;

(7) as allowed by the South Carolina Consolidated Procurement Code or other state law, conduct public hearings to receive a bid from each potential prospective bidder and set a time for the same;

(8) analyze the impact of the potential sale of Santee Cooper on current employees and retirees and whether bidders must maintain current workforce levels and pension commitments for a set period post sale;

(9) develop or cause to be developed the request for proposals to be used by potential bidders;

(10) establish the time frame for receipts for proposals from potential bidders and evaluation of proposals by the committee and make a recommendation to the General Assembly on whether a sale is in the best interests of ratepayers and taxpayers;

(11) require that all bid proposals shall be made as the best and final offer from each bidder;

(12) identify legislation needed to complete any potential sale;

(13) determine whether the committee should hire an investment bank or other third-party expert to assist with the evaluation of offers received;

(14) determine the impact of Santee Cooper's debt, including all bonded indebtedness, in the sale of Santee Cooper's assets, including a requirement that all bids must satisfy the indebtedness of Santee Cooper existing at the close of sale;

(15) identify potential risks to South Carolina taxpayers and ratepayers that could result from the sale of Santee Cooper, either in whole or in part, including, but not limited to, the loss of

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tax exempt status of a buyer, impact on economic development, and whether sale at this time would not preclude South Carolina from recovering the full value of Santee Cooper;

(16) determine which course of action, whether the sale or retention of Santee Cooper or another option, provides maximum rate relief to Santee Cooper ratepayers, customers of the Electric Cooperatives of South Carolina, and industrial customers of Santee Cooper;

(17) determine the total assets of Santee Cooper and identify those not necessary for generation, transmission, or distribution needs in order for these assets to be sold without violating Section 58-31-360;

(18) evaluate Santee Cooper's plan and strategy for future generation facilities in order to meet future electric demand, Santee Cooper's timeline for the same, and costs for such projects to the ratepayers;

(19) ascertain future economic development projects for Santee Cooper and the projected revenue estimated from the same and whether an investor-owned utility can provide the same economic development impact as Santee Cooper;

(20) calculate the revenue to Santee Cooper from industrial and other nonresidential ratepayers, excluding revenue derived from the Electric Cooperatives of South Carolina;

(21) evaluate whether diversification of Santee Cooper's generation portfolio, including purchases of generation from outside Santee Cooper, provides a more cost effective manner to service customer needs;

(22) obtain information on the current amounts of cash on hand and in reserve of Santee Cooper;

(23) obtain a current estimate of Santee Cooper's pension liabilities;

(24) evaluate projected revenue growth and its impact on the ability of Santee Cooper to meet debt obligations;

(25) quantify the current amounts of long-term and short-term debt of Santee Cooper;

(26) identify the structure of each of Santee Cooper's bond offerings;

(27) review proposed rate schedules in both the long and short terms to determine the full impact of V.C. Summer on ratepayers;

(28) determine whether Santee Cooper's debt-to-equity ratio comports with market ratios of other electric utilities;

(29) determine whether Santee Cooper has obtained efficiency or performance studies related to expenses for workforce management and how Santee Cooper's ratios relate to industry standards;

(30) evaluate the electric cooperatives' structure, including the role of the Central Electric Power Cooperative;

(31) evaluate options to provide maximum rate relief to electric cooperative customers either through the sale or retention of Santee Cooper;

(32) analyze the central contract between Santee Cooper and the electric cooperatives to determine the impact of that agreement on any sale or management agreement involving Santee Cooper;

(33) solicit input from the electric cooperatives and other industrial customers on the potential sale or long-term viability of Santee Cooper;

(34) direct Santee Cooper to inventory all assets at the V.C. Summer site and to obtain a salvage or sale valuation for those assets, with any monies received from such salvage or sale to be used as directed in the Rate Relief and Stabilization Fund;

(35) determine whether Santee Cooper should be subject to oversight by the Public Service Commission or Joint Bond Review Committee;

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(36) provide alternative governance structures for Santee Cooper, other than a board of directors, based on other state-owned utilities; and

(37) study any other factors that the committee finds relevant to the objectives contained herein.

(C) The committee shall make recommendations to the General Assembly as soon as practicable, at which time the committee is dissolved, unless otherwise continued as provided by law.