

PURC Energy Advisory Council Minutes

Meeting: Monday, September 12, 2011; 2:00 p.m. in Gressette Building room 207

Members Present: Dukes Scott (council co-facilitator); Ashlie Lancaster (council co-facilitator); Jimmy Bagley; Sue Berkowitz; Dennis Boyd; Paul Campbell; Harry Cato; Mike Couick; Hamilton Davis; Catherine Heigel; Bob Long; Hank McCullough; Marc Tye; Mitch Williams

Staff gave opening remarks.

Ashlie Lancaster requested clarification concerning public comment on the Black & Veatch study. Mike Couick made the following motion, seconded by Ms. Lancaster

Once the Council has received a complete draft of the Black & Veatch study, the Energy Advisory Council (EAC) staff will post the draft on the EAC's website. Members of the public will have two weeks to submit written comments on the report; these comments will be posted online. Following this two week comment period, members of the public will have a subsequent two week period to respond to the initial written comments posted online. Once that time period has expired, the Council will hold a public hearing or hearings to receive oral testimony based on the written comments.

The Council unanimously adopted this motion.

Council members then discussed the Black & Veatch draft. This discussion included the costs portion of the study.

Mike Couick made the following motion concerning the costs portion of the study, which Bob Long seconded;

Black & Veatch are to utilize costs from "North Carolina's Renewable Energy Policy", prepared by La Capra Associates in June 2011 in conducting South Carolina's analysis. Costs and financial assumptions, except for state-specific incentives, would be utilized to calculate the levelized cost of energy using Black & Veatch's financial model.

The cost parameters should include:

- Capacity factor;
- Modeled project size;
- Overnight costs;
- Technology decline rate;
- Fixed O & M;
- Variable O & M;
- Fuel costs

Costs are to be calculated over a 20 year period with assumptions for inflation and the decline rate of each technology included.

After some discussion among Council members, the motion was amended to direct Black & Veatch to include a disclaimer that the analysis did not consider social factors, such as economic development.

The Council unanimously adopted this motion.

Some additional comments were made concerning the Black & Veatch study.

Paul Campbell made a motion to adjourn; Bob Long seconded the motion.