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Heather Anderson Committee Counsel Jamey Goldin Committee Counsel

Post Office Box 142 Columbia, South Carolina 29202 (803) 212-6208

MEMORANDUM

TO: Members of the General Assembly

FROM: Thomas C. Alexander

DATE: April 28, 2017

RE: State Energy Plan Overview

Pursuant to §58-3-530(15), the Review Committee is required to review the state energy plan of the State Energy Office. The State Energy Office was transferred to the Office of Regulatory Staff (ORS) on July 1, 2015. Since that time, the ORS and the State Energy Office personnel have worked to integrate the State Energy Office with the ORS.

During the past year, the ORS staff laid the groundwork, and have worked tirelessly, to create a comprehensive state energy plan. This plan includes information regarding South Carolina's current energy systems and usage, as well as projections and recommendations for South Carolina's future. The creation of this energy plan was divided into two phases. Phase One established a snapshot of South Carolina's current energy systems and usage, as well as a projected forecast for the next five to ten years. Phase Two provided policy recommendations. Work began on this energy plan in the summer of 2015, and ORS staff and a diverse group of stakeholders have worked countless hours on the plan's creation. In addition to ORS staff, 130 persons representing more than 60 organizations, which include utilities, conservation groups, industry and state agencies, have been involved in committee and subcommittee processes. A website was established to provide information to the general public on

work conducted by the ORS and stakeholders, and five public hearings were held throughout the state to provide an opportunity for the general public's input.

The State Energy Office made its presentation of the state energy plan to the Review Committee on April 19, 2017. As this was the first comprehensive energy plan, it provided information regarding current energy issues and recommended additional work be conducted into certain areas. Over 80 policy recommendations resulted from the work of the various subcommittees, and the ORS staff, together with the subcommittees, worked to consolidate related policy recommendations and identified "top tier policy recommendations." These top tier policy recommendations include: (1) integrated resource planning process; (2) natural gas infrastructure; (3) building energy codes; (4) funding for needed energy upgrades; (5) determine the State's needs regarding renewable energy to potentially build upon Act 236 of 2014; (6) environmental justice assessment; (7) state transportation; and (8) state agency energy efficiency. More research is needed to continue the work on the policy recommendations, and the State Energy Office intends to continue its work through subcommittees and discussions with interested parties. The Review Committee unanimously voted for the State Energy Office to continue its work on the state energy plan.

The state energy plan can be found at www.energy.sc.gov/energyplan. If you have any questions, please contact Heather Anderson at (803) 212-6208.