

## Session 120 - (2013-2014)

**S\*1189 (Rat #0241, Act #0236 of 2014) General Bill, By Gregory, Reese, McElveen, Hembree, Hutto, Lourie, Campsen, Cleary, Allen, Shealy, O'Dell, Campbell, Cromer, Hayes, Verdin, Sheheen, L. Martin, Kimpson, Scott and Alexander**

**Summary:** Distributed Energy Resource Program Act

AN ACT TO AMEND SECTION 58-27-865, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE DEFINITION OF "FUEL COST" AND RELATED PROVISIONS IN REGARD TO ELECTRIC UTILITY RATE DETERMINATIONS, SO AS TO REVISE THE DEFINITION AND FURTHER PROVIDE FOR RELATED PROVISIONS; BY ADDING CHAPTER 39 TO TITLE 58 SO AS TO PROVIDE FOR A SOUTH CAROLINA DISTRIBUTED ENERGY RESOURCE PROGRAM, TO DEFINE CERTAIN TERMS, TO SET GOALS FOR THE PROGRAM, AND TO PROVIDE FOR THE PROCESS AND IMPLEMENTATION OF THE PROGRAM, INCLUDING THE APPLICATION AND APPROVAL PROCESS FOR THE PROGRAM AND COST RECOVERY; BY ADDING CHAPTER 40 TO TITLE 58 SO AS TO PROVIDE FOR A NET ENERGY METERING PROGRAM, TO DEFINE CERTAIN TERMS, TO PROVIDE FOR THE REQUIREMENTS FOR THE NET ENERGY METERING PROGRAM, INCLUDING COSTS AND THE RESPONSIBILITIES OF THE PUBLIC SERVICE COMMISSION AND THE OFFICE OF REGULATORY STAFF PURSUANT TO THIS PROGRAM; BY ADDING ARTICLE 23 TO CHAPTER 27, TITLE 58 SO AS TO PROVIDE FOR THE LEASE OF RENEWABLE ELECTRIC GENERATION FACILITIES PROGRAM, TO DEFINE CERTAIN TERMS, TO PROVIDE FOR THE REQUIREMENTS OF THE LEASE PROGRAM, INCLUDING AN APPLICATION PROCESS AND REGISTRATION WITH THE OFFICE OF REGULATORY STAFF AND PENALTIES FOR VIOLATIONS OF THE LEASE PROGRAM; BY ADDING SECTION 58-27-1050 SO AS TO PROVIDE THAT THE OFFICE OF REGULATORY STAFF SHALL INVESTIGATE AND REPORT TO THE PUBLIC SERVICE COMMISSION ON FIXED COSTS, FIXED CHARGES, AND THE EXTENT OF COST SHIFTING THAT IS ATTRIBUTABLE TO DISTRIBUTED ENERGY RESOURCES WITHIN CURRENT UTILITY COST OF SERVICE RATEMAKING METHODOLOGIES, COST ALLOCATIONS, AND RATE DESIGNS; BY ADDING SECTION 58-27-460 SO AS TO PROVIDE THAT THE PUBLIC SERVICE COMMISSION SHALL PROMULGATE STANDARDS FOR INTERCONNECTION OF RENEWABLE ENERGY FACILITIES AND OTHER NONUTILITY-OWNED GENERATION WITH A GENERATION CAPACITY OF TWO THOUSAND KILOWATTS OR LESS TO AN ELECTRICAL UTILITY'S DISTRIBUTION SYSTEM AND TO PROVIDE THAT NO CUSTOMER-GENERATOR OR CUSTOMER-GENERATOR LESSEE SHALL CONNECT OR OPERATE AN ELECTRIC GENERATION UNIT IN PARALLEL PHASE AND SYNCHRONIZATION WITH ANY ELECTRICAL UTILITY WITHOUT WRITTEN APPROVAL BY THE ELECTRICAL UTILITY THAT ALL OF THE COMMISSION'S REQUIREMENTS HAVE BEEN MET; TO PROVIDE THAT EACH DISTRIBUTION ELECTRIC COOPERATIVE BOARD SHALL CONSIDER CERTAIN GENERAL OBJECTIVES AND METHODOLOGY IN ADOPTING A NET ENERGY METERING POLICY, AND TO PROVIDE THAT EACH DISTRIBUTION ELECTRIC COOPERATIVE SHALL ADOPT A NET ENERGY METERING POLICY AND SHALL REPORT THEIR POLICY TO THE OFFICE OF REGULATORY STAFF WITHIN ONE YEAR; TO PROVIDE THAT EACH ELECTRIC COOPERATIVE SHALL INVESTIGATE THE RELATIONSHIP BETWEEN FIXED COSTS, FIXED CHARGES, AND THE EXTENT OF COST SHIFTING THAT IS ATTRIBUTABLE TO DISTRIBUTED ENERGY RESOURCES WITHIN CURRENT COST OF SERVICE RATEMAKING METHODOLOGIES, COST ALLOCATIONS, AND RATE DESIGNS, WITH A FOCUS ON THE IMPLICATIONS DISTRIBUTED ENERGY RESOURCES COULD HAVE FOR THEIR BUSINESS MODELS IN THE FUTURE; TO PROVIDE THAT IF THE APPLICATION OF THE PROVISIONS OF THIS ACT TO ANY WHOLESALE ELECTRICAL CONTRACT EXISTING ON THE DATE OF ITS ADOPTION IS DETERMINED TO IMPAIR UNLAWFULLY ANY TERM OF SUCH CONTRACT OR TO ADD MATERIAL COSTS TO EITHER PARTY, THEN THAT CONTRACT IS EXEMPT FROM THE PROVISIONS OF THIS ACT UNDER CERTAIN CONDITIONS; AND TO PROVIDE HOW CERTAIN PROVISIONS OF THE ACT MUST BE CONSTRUED. - ratified title

04/02/14	Senate	Introduced and read first time (Senate Journal-page 4)
04/02/14	Senate	Referred to Committee on Judiciary (Senate Journal-page 4)
04/02/14	Senate	Polled out of committee Judiciary (Senate Journal-page 9)
04/02/14	Senate	Committee report: Majority favorable, minority unfavorable Judiciary (Senate Journal-page 9)
04/15/14	Senate	Amended (Senate Journal-page 55)
04/16/14		Scrivener's error corrected
04/29/14	Senate	Read second time (Senate Journal-page 35)
04/29/14	Senate	Roll call Ayes-37 Nays-0 (Senate Journal-page 35)
04/30/14	Senate	Read third time and sent to House (Senate Journal-page 36)
04/30/14	House	Introduced and read first time (House Journal-page 88)
04/30/14	House	Referred to Committee on Labor, Commerce and Industry (House Journal-page 88)

05/15/14	House	Committee report: Favorable with amendment Labor, Commerce and Industry (House Journal-page 6)
05/19/14		Scrivener's error corrected
05/21/14	House	Amended (House Journal-page 110)
05/21/14	House	Read second time (House Journal-page 132)
05/21/14	House	Roll call Yeas-105 Nays-0 (House Journal-page 134)
05/22/14	House	Read third time and returned to Senate with amendments (House Journal-page 5)
05/22/14	House	Roll call Yeas-86 Nays-0 (House Journal-page 6)
05/28/14	Senate	Concurred in House amendment and enrolled (Senate Journal-page 102)
05/28/14	Senate	Roll call Ayes-42 Nays-0 (Senate Journal-page 102)
05/29/14		Ratified R 241
06/02/14		Signed By Governor
06/13/14		Effective date 06/02/14
06/16/14		Act No. 236