CHAPTER 43

Economic Development Projects; Rates

**SECTION 58-43-10. Definitions.**

Unless otherwise specified, for purposes of this chapter:

(1) "Commission" means the Public Service Commission.

(2) "Contract" has the same meaning as the term is used in Section 58-27-980.

(3) "Electrical utility" has the same meaning as provided in Section 58-27-10(7).

(4) "Marginal cost" means the electrical utility's marginal cost for producing energy.

(5) "Qualifying customer" means either:

(a) an existing commercial or industrial customer with a combined firm and interruptible contract demand greater than 20 megawatts that agrees to a new or extended electric service contract with a term of five years or more; or

(b) a commercial or industrial customer that agrees to locate its operations in South Carolina or expand its existing establishment, and such location or expansion results in the minimum of:

(i) 500 kilowatts at one point of delivery;

(ii) fifty new employees; and

(iii) capital investment of $400,000 following the electrical utility's approval for service.

(6) "Rate proposal" means a written document that identifies the rates, terms, and conditions for electric service offered by an electrical utility to a prospective customer.

(7) "Renewable energy facility" means a solar array or other facility constructed by or on behalf of a qualifying customer for the exclusive purpose of supplementing electrical power generation from a renewable energy source for its economic development location, expansion, or retention.

(8) "Transformational customer" means a commercial or industrial customer that agrees to locate its operations in South Carolina or expand its existing establishment, and such location or expansion results in the addition of a minimum of:

(a) 50 megawatts at one point of delivery;

(b) 500 new employees;

(c) capital investment of $100,000,000 following the electrical utility's approval for service; and

(d) who is designated by the South Carolina Department of Commerce as a business which will bring substantial benefit to the economy of South Carolina and its citizens, such that it is in the public interest to have such transformational customer located in this State.

HISTORY: 2025 Act No. 41 (H.3309), § 36.B, eff May 12, 2025.

**SECTION 58-43-20. Reasonable rates.**

(A) When considering whether the rates, terms, and conditions negotiated with economic development prospects are just and reasonable, the commission shall give full weight and consideration to the economic development benefits to the electrical utility's customers that result from prospective commercial or industrial entities locating or expanding their activities in South Carolina.

(B) Notwithstanding any other provision of law, an electrical utility may provide the South Carolina Department of Commerce or a prospective qualifying customer or transformational customer with a rate proposal containing terms and conditions to incentivize the prospective customer to make capital investments and employ additional workforce in the electrical utility's service territory. The rate proposal initially provided by an electrical utility may differ from the final contract, rate, terms, and conditions with the qualifying customer or transformational customer.

(C) An electrical utility may offer special rates, terms, and conditions to a qualifying customer or transformational customer, including rates that are lower than the rates the customer otherwise would be charged. The agreement with the customer must be for a term not exceeding ten years and the electrical utility may offer the customer interruptible and real-time pricing options and riders for other clean energy attributes which may support the qualifying customer's or transformational customer's needs. However, rates for qualifying customers may not be lower than the electrical utility's marginal cost of providing service to the customer and rates for transformational customers may not be lower than twenty-five percent less than the electrical utility's marginal cost of providing service to the customer.

(D) Rates, terms, and conditions negotiated with qualifying and transformational customers shall be deemed just and reasonable if:

(1) for qualifying customers, the terms of this section are met;

(2) for transformational customers, the commission determines that:

(a) the economic development rate offered significantly impacts the customer's decision to locate or expand in South Carolina;

(b) the financial value realized by the electrical utility's system from the transformational customer being on the electrical utility's system for ten years is greater than or equal to the financial value of the rate incentive given to the transformational customer;

(c) measures have been taken to avoid or reduce cross-customer class-subsidization; and

(d) the consequences of offering the economic development rate are beneficial to the system as a whole considering all customer classes.

The commission must either approve or deny an application pursuant to this section within sixty days.

(E) Nothing in this chapter shall otherwise restrict the commission's authority to regulate rates and charges or review contracts entered into pursuant to this section or to otherwise supervise the operations of electrical utilities.

(F) The construction of a proposed renewable energy facility by or on behalf of a qualifying customer to support electric power generation at its location must comply with federal, state, and local laws and ordinances.

(G) Consistent with federal, state, and local laws and ordinances, the electrical utility may expedite interconnection of a proposed renewable energy facility to be constructed by a qualifying or transformational customer to support electrical power generation at its location where high-quality and reliable electric service are not adversely impacted.

(H) In the event a qualifying customer or transformational customer leaves this State or terminates its operations in this State during the ten-year contract period, such customer must reimburse the electrical utility and its customers the difference between standard rates and the rates paid during the term of the agreement between the electrical utility and its customers.

(I) An electrical utility shall not be required to adjust its cost of service in a rate proceeding as a result of a rate, agreement, or infrastructure provided pursuant to this section in any matter that would impute revenue at a level higher than received by the electrical utility from a qualifying customer or transformational customer or would otherwise reduce the electrical utility's revenue as a result of entering into contracts with qualifying customers or transformational customers pursuant to this section.

(J) If an electrical utility offers special rates, terms, and conditions to a qualifying customer or a transformational customer, any electrical utility in South Carolina may also offer all directly competing existing customers in its service territory in this State with similar special rates, terms, and conditions at the time the agreement is entered into with the qualifying customer or transformational customer to the extent the directly competing existing customer is able to substantiate its status as a directly competing existing customer. For purposes of this section, customers are "directly competing" if they make the same end-product, or offer the same service, for the same general group of customers. Customers that only produce component parts of the same end-product are not directly competing customers.

HISTORY: 2025 Act No. 41 (H.3309), § 36.B, eff May 12, 2025.