



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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<b>Bill Number:</b>	S. 0332	Introduced on January 8, 2019
<b>Author:</b>	Davis	
<b>Subject:</b>	Clean Energy Access Act	
<b>Requestor:</b>	Senate Judiciary	
<b>RFA Analyst(s):</b>	Gallagher	
<b>Impact Date:</b>	March 21, 2019 Updated for Additional Agency Response	

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### **Fiscal Impact Summary**

This bill will increase non-recurring Other Funds expenditures for the Public Service Commission (PSC) by up to \$500,000 for contractual services and agreements with experts in the utility field for FY 2019-20. The bill will have an undetermined impact to PSC for subsequent years, as the future need for consultancy hours for the periodic hearings required by this bill is unpredictable.

This bill will increase recurring Other Funds expenditures for the Office of Regulatory Staff (ORS) in FY 2019-20 by \$356,800 for the hire of four FTEs and additional operating expenses. This fiscal impact statement has been updated for an additional agency response from PSC.

### **Explanation of Fiscal Impact**

**Updated for Additional Agency Response on March 21, 2019**  
**Introduced on January 8, 2019**

#### **State Expenditure**

This bill establishes the Clean Energy Access Act and defines certain rights for customers of an electrical utility. It provides that an electrical utility will make net energy metering available to customer-generators and provides for a successor net energy metering tariff. This bill removes the solar leasing cap. This bill mandates review and approval proceedings by PSC for electrical utilities, establishes voluntary renewable energy programs, and provides for neighborhood community solar program plans. This bill allows for integrated resource plans to provide for the evaluation of the adoption of renewable energy, energy efficiency, and demand response, as well as to introduce certain reporting requirements. The bill requires a procurement process overseen by an independent evaluator chosen by ORS prior to the construction of a major utility facility. The bill includes any independent power producer that is proposing an alternative to the major utility facility as a party to a certification proceeding. It provides that PSC will promulgate standards for the interconnection of renewable energy facilities and other nonutility-owned generation to an electrical utility's distribution and transmission system. The bill provides certain requirements for interconnection standards and provides for the resolution of disputes.

**Public Service Commission.** PSC is tasked with conducting periodic hearings to review and approve electrical utilities' avoided cost methodologies, standard offers, form contracts, and commitment to sell forms. Furthermore, PSC is required to promulgate interconnection standards. To fulfill the duties enumerated in this bill, PSC anticipates it will need to hire expert consultants at a fee of \$300 per hour. PSC anticipates they could expend up to \$500,000 in non-

recurring Other Funds in FY 2019-20 as a result of expert consultations. However, the expenditure impact to PSC for subsequent years is undetermined, as the potential consultancy hours needed for the periodic hearings required by this bill is unpredictable. These funds will be used for contractual services and agreements with experts in the utility field. Pursuant to Section 58-3-100, PSC expenses are provided for by the public utilities subject to the commission's jurisdictions.

**Office of Regulatory Staff.** ORS is tasked with choosing an independent evaluator to oversee the procurement process for the building of major utility facilities. Pursuant to Section 58-4-10, the ORS is tasked with the representative of public interest in actions before the commission. The agency expects they will have \$356,800 in recurring Other Funds expenses in FY 2019-20 to enact this legislation. Of these funds, \$346,800 will be used to employ four FTEs: two Utility Rate Analysts and two lawyers. The analysts will provide analysis and testify before the PSC during hearings and act as independent evaluators to oversee the procurement process for the building of major utility facilities. Meanwhile, the two attorneys will be employed for filings and hearings before the PSC. The remaining \$10,000 will be utilized for other operating costs, which will include computers and data processing services, telephone services, and general office supplies.

This fiscal impact statement has been updated based on an additional response from PSC.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A

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**State Expenditure**

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**Public Service Commission.** PSC is tasked with conducting periodic hearings to review and approve electrical utilities' avoided cost methodologies, standard offers, form contracts, and commitment to sell forms. Furthermore, PSC is required to promulgate interconnection standards. The expenditure impact is pending, contingent upon further analysis and discussion with PSC.

**Office of Regulatory Staff.** ORS is tasked with choosing an independent evaluator to oversee the procurement process for the building of major utility facilities. The expenditure impact of this bill is pending, contingent upon further analysis and discussion with ORS.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



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Frank A. Rainwater, Executive Director