**A** **BILL**

TO AMEND THE SOUTH CAROLINA CODE OF LAWS, 1976, BY AMENDING SECTION 58‑37‑40 TO REQUIRE ELECTRICAL UTILITIES, ELECTRIC COOPERATIVES, MUNICIPALLY‑OWNED ELECTRIC UTILITIES AND THE SOUTH CAROLINA PUBLIC SERVICE AUTHORITY TO EACH SUBMIT AN INTEGRATED RESOURCE PLAN AT LEAST EVERY THREE YEARS, TO ESTABLISH REQUIREMENTS FOR AN INTEGRATED RESOURCE PLAN, AND TO REQUIRE ELECTRICAL UTILITIES TO SUBMIT ANNUAL UPDATES TO THEIR INTEGRATED RESOURCE PLANS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1 Section 58‑37‑40 of the 1976 Code is amended to read:

“Section 58‑37‑40. (A) ~~Electrical utilities and the South Carolina Public Service Authority must prepare integrated resource plans. The South Carolina Public Service Authority and electrical utilities regulated by the Public Service Commission must submit their plans to the State Energy Office. The plan submitted by the South Carolina Public Service Authority must be developed in consultation with electric cooperatives and municipally‑owned electric utilities purchasing power and energy from the authority and must include the effect of demand‑side management activities of electric cooperatives and municipally‑owned electric utilities which directly purchase power and energy from the authority or sell power and energy which the authority generates. All plans must be submitted every three years and must be updated on an annual basis. The first integrated resource plan of the South Carolina Public Service Authority must be submitted no later than June 30, 1993. An integrated resource plan may be patterned after the integrated resource planning process developed by the Public Service Commission. For electrical utilities subject to the jurisdiction of the commission, submission of their plans as required by the commission constitutes compliance with this section. Nothing in this subsection may be construed as requiring interstate natural gas companies whose rates and services are regulated only by the federal government or gas utilities subject to the jurisdiction of the South Carolina Public Service Commission to prepare and submit an integrated resource plan.~~ Electrical utilities, electric cooperatives, municipally‑owned electric utilities, and the South Carolina Public Service Authority must each prepare an integrated resource plan. An integrated resource plan must be prepared and submitted at least every three years. Nothing in this section may be construed as requiring interstate natural gas companies whose rates and services are regulated only by the federal government or gas utilities subject to the jurisdiction of the commission to prepare and submit an integrated resource plan.

(1) Each electrical utility must submit its integrated resource plan to the commission. The integrated resource plan must be posted on the electrical utility’s website and on the commission’s website.

(2) ~~(B)~~ Electric cooperatives and municipally‑owned electric utilities ~~must~~ shall each submit an integrated resource plan~~s~~ to the State Energy Office. Each integrated resource plan must be posted on the State Energy Office’s website. If an electric cooperative or municipally‑owned utility has a website, its integrated resource plan must also be posted on its website. ~~whenever they are required by federal law to prepare these plans or if they plan to acquire, by purchase or construction, ownership of additional generating capacity greater than twelve megawatts per unit. An integrated resource plan must be submitted to the State Energy Office by an electric cooperative or municipally‑owned electric utility twelve months before the acquisition, by purchase or construction, of additional generating capacity in excess of twelve megawatts per unit. For an electric cooperative, submission to the State Energy Office of its plan in a format complying with the then current Rural Electrification Administration regulations constitutes compliance with this section.~~

~~(C)~~ ~~The State Energy Office, to the extent practicable, shall evaluate and comment on external environmental and economic consequences of each integrated resource plan submitted and on the environmental and economic consequences for suppliers and distributors.~~

(3) The South Carolina Public Service Authority shall submit its integrated resource plan to the State Energy Office. The integrated resource plan must be developed in consultation with the electric cooperatives and municipally‑owned electrical utilities purchasing power and energy from the Public Service Authority and consider any feedback provided by retail customers and shall include the effect of demand‑side management activities of the electric cooperatives and municipally owned electrical utilities that directly purchase power and energy from the Public Service Authority or sell power and energy generated by the Public Service Authority. The integrated resource plan must be posted on the State Energy Office’s website and on the Public Service Authority’s website.

(B)(1)~~(D)~~ ~~The State Energy Office shall coordinate the preparation of an integrated resource plan for the State and shall coordinate with regional groups, including the Southern States Energy Board.~~ An integrated resource plan shall include all of the following:

(a) a long‑term forecast of the utility’s sales and peak demand under various reasonable scenarios;

(b) the type of generation technology proposed for a generation facility contained in the plan and the proposed capacity of the generation facility, including fuel cost sensitivities under various reasonable scenarios;

(c) projected energy purchased or produced by the utility from a renewable energy resource;

(d) a summary of the electrical transmission investments planned by the utility;

(e) several resource portfolios developed with the purpose of fairly evaluating the range of demand‑side, supply‑side, storage, and other technologies and services available to meet the utility’s service obligations. Such portfolios and evaluations must include an evaluation of low, medium, and high cases for the adoption of renewable energy and cogeneration, energy efficiency, and demand response measures, including consideration of the following:

(i) customer energy efficiency and demand response programs;

(ii) facility retirement assumptions; and

(iii) sensitivity analyses related to fuel costs, environmental regulations, and other uncertainties or risks;

(f) data regarding the utility’s current generation portfolio, including the age, licensing status, and remaining estimated life of operation for each facility in the portfolio;

(g) plans for meeting current and future capacity needs with the cost estimates for all proposed resource portfolios in the plan;

(h) an analysis of the cost and reliability impacts of all reasonable options available to meet projected energy and capacity needs; and

(i) a forecast of the utility’s peak demand, details regarding the amount of peak demand reduction the utility expects to achieve, and the actions the utility proposes to take in order to achieve that peak demand reduction.

~~(E)~~ ~~The State Energy Office must not exercise any regulatory authority with regard to the requirements set forth in this chapter.~~

(2) An integrated resource plan may include distribution resource plans or integrated system operation plans.

(C)(1) The commission shall have a proceeding to review each electrical utility’s integrated resource plan. As part of the integrated resource plan filing, the commission shall allow intervention by interested parties. The commission shall establish a procedural schedule to permit reasonable discovery after an integrated resource plan is filed in order to assist parties in obtaining evidence concerning the integrated resource plan, including the reasonableness and prudence of the plan and alternatives to the plan raised by intervening parties. Not later than three hundred days after an electrical utility files a comprehensive integrated resource plan, the commission shall issue a final order approving, modifying or denying the plan filed by the electrical utility.

(2) The commission shall approve an electrical utility’s integrated resource plan if the commission determines that the proposed integrated resource plan represents the most reasonable and prudent means of meeting the electrical utility’s energy and capacity needs as of the time the plan is reviewed. To determine whether the integrated resource plan is the most reasonable and prudent means of meeting energy and capacity needs, the commission, in its discretion, shall consider whether the plan appropriately balances the following factors:

(a) resource adequacy and capacity to serve anticipated peak electrical load, and applicable planning reserve margin;

(b) consumer affordability and least cost;

(c) compliance with applicable state and federal environmental regulations;

(d) power supply reliability;

(e) commodity price risks;

(f) diversity of generation supply; and

(g) other foreseeable conditions that the commission determines to be for the public good.

(3) If the commission modifies or rejects an electrical utility’s integrated resource plan, the electrical utility, within sixty days after the date of the final order, shall submit a revised plan addressing concerns identified by the commission and incorporating commission mandated revisions to the integrated resource plan to the commission for approval. Within sixty days of the electrical utility’s revised filing, the Office of Regulatory Staff shall review the electrical utility’s revised plan and submit a report to the commission assessing the sufficiency of the revised filing. Other parties to the integrated resource plan proceeding also may submit comments. Not later than sixty days after the Office of Regulatory Staff report is filed with the commission, the commission at its discretion may determine whether to accept the revised integrated resource plan or to mandate further remedies that the commission deems appropriate.

(4) The submission, review, and acceptance of an integrated resource plan by the commission, or the inclusion of any specific resource or experience in an accepted integrated resource plan, shall not be determinative of the reasonableness or prudence of the acquisition or construction of any resource or the making of any expenditure. The electrical utility shall retain the burden of proof to show that all of its investments and expenditures are reasonable and prudent when seeking cost recovery in rates.

(D)(1) An electrical utility shall submit annual updates to its integrated resource plan to the commission. An annual update must include a revision of the electric utility’s base planning assumptions relative to its most recently accepted integrated resource plan and present the impacts those changes had on the selected resource plan. At a minimum, the electrical utility shall update its energy and demand forecast, commodity fuel price inputs, the utilities’ renewable energy forecast, their energy efficiency and demand‑side management forecasts, any changes to projected retirement dates of the utilities’ existing units along with other inputs the commission deems to be for the public interest.

(2) The Office of Regulatory Staff shall review each electric utility’s annual updates and submit a report to the commission providing a recommendation concerning the reasonableness of the updated resource plan. After reviewing the annual update and the Office of Regulatory Staff report, the commission may accept the update or direct the electrical utility to make changes to the updated resource plan that the commission determines to be for the public interest.

(E) The commission is authorized to promulgate regulations to carry out the provisions of this section.”

SECTION 2. This bill takes effect upon approval by the Governor.

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