**A** **BILL**

TO AMEND CHAPTER 52, TITLE 48, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE PLAN FOR STATE ENERGY POLICY, SO AS TO RENAME THE CHAPTER THE “STATE ENERGY OFFICE”; TO AMEND SECTION 48‑52‑410, RELATING TO THE ESTABLISHMENT OF THE STATE ENERGY OFFICE, SO AS TO TRANSFER THE STATE ENERGY OFFICE FROM THE OFFICE OF REGULATORY STAFF AND ESTABLISH IT AS A SEPARATE AGENCY OF THIS STATE; BY ADDING SECTION 48‑52‑415 SO AS TO PROVIDE FOR THE NOMINATION AND APPOINTMENT OF THE EXECUTIVE DIRECTOR OF THE STATE ENERGY OFFICE; TO AMEND SECTION 1‑11‑20, RELATING TO THE TRANSFER OF OFFICES, DIVISIONS, AND OTHER AGENCIES FROM THE STATE BUDGET AND CONTROL BOARD TO APPROPRIATE ENTITIES, SO AS TO MAKE CONFORMING CHANGES; AND TO AMEND SECTIONS 48‑52‑440, AS AMENDED, AND 48‑52‑460, BOTH RELATING TO THE STATE ENERGY OFFICE, SO AS TO MAKE CONFORMING CHANGES.

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

SECTION 1. Section 48‑52‑410 of the 1976 Code is amended to read:

“Section 48-52-410. ~~There is established~~ The State Energy Office is transferred from within the Office of Regulatory Staff and established as a separate agency of the State with the duties and organizations as provided herein. The State Energy Office ~~which~~ shall serve as the principal energy planning entity for the State. Its primary purpose is to develop and implement a well‑balanced energy strategy and to increase the efficiency of use of all energy sources throughout South Carolina through the implementation of the Plan for State Energy Policy. The State Energy Office must not function as a regulatory body.”

SECTION 2. Article 4, Chapter 52, Title 48 of the 1976 Code is amended by adding:

“Section 48‑52‑415. (A) The State Energy Office shall consist of an executive director and such personnel as the executive director deems necessary to carry out the duties of the State Energy Office. All personnel must be employed, supervised, and directed by the executive director.

(B) The executive director shall be appointed by the Governor for a term of six years and until his successor is appointed.

(C) A person must not be appointed to serve as executive director unless nominated by the Energy Advisory Council established pursuant to Section 48‑52‑440.

(D) The Energy Advisory Council must nominate one candidate to serve as executive director for the Governor’s consideration.

(E) If the Governor rejects a person nominated by the Energy Advisory Council for executive director, the Energy Advisory Council must nominate another candidate for the Governor to consider until an appointment is made.”

SECTION 3. Section 1‑11‑20 of the 1976 Code is amended to read:

“Section 1-11-20. (A) The South Carolina Confederate Relic Room and Military Museum is transferred from the State Budget and Control Board and is governed by the South Carolina Confederate Relic Room and Military Museum Commission, as established in Section 60‑17‑10.

(B) ~~The State Energy Office is transferred from the State Budget and Control Board to the Office of Regulatory Staff.~~

~~(C)~~ The offices, divisions, or components of the State Budget and Control Board named in this subsection are transferred to, and incorporated into, the Rural Infrastructure Authority as established in Section 11‑50‑30. All functions, powers, duties, responsibilities, and authority vested in the agencies and authorities, including their governing boards, if any, named in this subsection are devolved upon the Rural Infrastructure Authority and the authority shall constitute the agencies and authorities, including their governing boards, if any, named in this subsection:

(1) Local Government Division in support of the local government loan program as established in Section 1‑11‑25;

(2) Water Resources Coordinating Council as established in Section 11‑37‑200(A); and

(3) Division of Regional Development as established in Section 11‑42‑40.

(~~D~~C) The regulation of minerals and mineral interests on public land, and the regulation of Geothermal Resources as provided in Chapter 9, Title 10 is transferred to, and incorporated into, the Department of Health and Environmental Control.

(~~E~~D) The Procurement Services Division of the State Budget and Control Board is transferred to, and incorporated into, the State Fiscal Accountability Authority.

(~~F~~E) The State Auditor is transferred to, and incorporated into, the State Fiscal Accountability Authority.

(~~G~~F) South Carolina Infrastructure Facilities Authority as established in Chapter 40, Title 11 and the South Carolina Water Quality Revolving Fund Authority in support of water quality projects and federal loan programs as established in Chapter 5, Title 48 are transferred to, and incorporated into, the State Fiscal Accountability Authority.”

SECTION 4. A. Section 48‑52‑440 of the 1976 Code, as last amended by Act 1 of 2019, is further amended to read:

“Section 48-52-440. (A) All funds allocated or directed to this State by the federal government relating to energy planning, energy conservation, and energy efficiency must be allocated or directed to the State Energy Office ~~in the Office of Regulatory Staff~~ to be distributed in accordance with the provisions of this section; provided, however, that no funding from the following federal programs is subject to the provisions of this section:

(1) the Low Income Home Energy Assistance Program (LIHEAP), created by Title XXVI of the Omnibus Budget Reconciliation Act of 1981 and codified as Chapter 94, Title 42 of the United States Code, as amended by the Human Services Reauthorization Act of 1984, the Human Services Reauthorization Act of 1986, the Augustus F. Hawkins Human Services Reauthorization Act of 1990, the National Institutes of Health Revitalization Act of 1993, the Low‑Income Home Energy Amendments of 1994, the Coats Human Services Reauthorization Act of 1998, and the Energy Policy Act of 2005, which is administered and funded by the United States Department of Health and Human Services on the federal level and administered locally by community action agencies; or

(2) the Weatherization Assistance Program, created by Title IV of the Energy Conservation and Production Act of 1976 and codified as Part A, Subchapter III, Chapter 81, Title 42 of the United States Code, amended by the National Energy Conservation Policy Act, the Energy Security Act, the Human Services Reauthorization Act of 1984, and the State Energy Efficiency Programs Improvement Act of 1990 and administered and funded by the United States Department of Energy on the federal level and administered locally by community action agencies.

Nothing in this section changes the exclusive administration of the Low Income Home Energy Assistance Program and Weatherization Assistance Program by local community action agencies through the Department of Administration’s Office of Economic Opportunity pursuant to its authority under the provisions of Chapter 45, Title 43, the Community Economic Opportunity Act of 1983.

(B) All funds described in subsection (A) that are not exempted by items (1) and (2) must be distributed by the State Energy Office ~~in the Office of Regulatory Staff~~ in accordance with all requirements of federal law associated with these funds. Persons seeking to obtain funding for energy related programs must submit to the State Department of Energy Office a plan for the use of the funds in a manner consistent with the provisions of this section.

(C) Upon receipt of the plans required by subsection (B), the State Energy Office ~~of the Office of Regulatory Staff~~ must prepare an analysis of the plans and their consistency with the provisions of this section and submit that analysis to the Department Advisory Council for its review and recommendations.

(D) There is hereby created in the State Energy Office ~~of Regulatory Staff~~ the Energy Advisory Council, which will advise the State Energy Office on all matters for which the State Energy Office is responsible and specifically with respect to its review of the annual plans required to be submitted pursuant to this section. The Advisory Council shall be composed of nine members as follows:

(1) three appointed by the Governor, one of whom must have a substantial background in environmental or consumer protection matters;

(2) three appointed by the President of the Senate, one of whom must have a substantial background in environmental or consumer protection matters; and

(3) three appointed by the Speaker of the House of Representatives, one of whom must have a substantial background in environmental or consumer protection matters.

All appointees must have backgrounds in environmental issues; the electricity, transportation, or natural gas industries; or economic development related to these sectors.

(E) In evaluating the plans required by this section, the Advisory Council shall consider the extent to which the plans allocate funds in a cost effective manner and promote the following alternative sources of domestic energy or avoidance of consumption of energy:

(1) the development of energy efficiency and conservation;

(2) renewable sources of energy, including wind power, solar power, energy from biomass sources, and energy storage;

(3) nuclear energy; and

(4) alternative fuels or power sources for the transportation sector.

In considering the cost‑effectiveness of the plans the Advisory Council must consider the cost of the proposed measures as to the expected useful life of the measures being proposed and the impact of the proposed measures on consumers. For each proposed plan, the Advisory Council must consider the value of the avoided cost of complying with anticipated state and federal environmental regulations.

(F) Upon completion of its review of plans submitted in compliance with this section, the Advisory Council must prepare a report describing the results of its review and submit copies of that report to the State Energy Office ~~of the Office of Regulatory Staff~~ and the Public Utility Review Committee of Article 5, Chapter 3, Title 58.

(G) The Executive Director of the State Energy Office ~~of Regulatory Staff~~ shall make the final determinations of distributions of funds as required by this section, taking into account the recommendations of the Advisory Council. Grant awards shall be made in a manner consistent with this section.”

B. Section 48‑52‑460 of the 1976 Code is amended to read:

“Section 48-52-460. The establishment of the State Energy Office ~~within the Office of Regulatory Staff~~, as provided for in this part, must be evaluated if restructuring or reorganizing of state government takes place so as to identify and provide for the proper placement of the office upon restructuring or reorganizing.”

SECTION 5. Chapter 52, Title 48 of the 1976 Code known as “Energy Efficiency” is renamed “State Energy Office”.

SECTION 6. A. Where the provisions of this act transfer offices, or portions of offices, of the Office of Regulatory Staff to the State Energy Office, the employees, authorized appropriations, and assets and liabilities of the transferred offices are also transferred to and become part of the State Energy Office. All classified or unclassified personnel employed by these offices on the effective date of this act, either by contract or by employment at will, shall become employees of the State Energy Office with the same employment status, compensation, classification, and grade level, as applicable.

B. Until the Governor appoints the initial Executive Director of the State Energy Office as provided in this act, the current Executive Director of the State Energy Office shall serve in this role.

SECTION 7. This act takes effect July 1, 2022.

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