

**BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COLUMBIA, SOUTH CAROLINA**

CM #19-16

May 29, 2019

2:00 ~ 3:50 P.M.

COMMISSION MEMBERS PRESENT: Comer H. ‘Randy’ RANDALL, *Chairman*; Justin T. WILLIAMS, *Vice Chairman*; and COMMISSIONERS John E. ‘Butch’ HOWARD, Florence P. BELSER, Swain E. WHITFIELD, Thomas J. ‘Tom’ ERVIN, and G. O’Neal HAMILTON

COMMISSION MEMBERS ABSENT: —

ADVISOR TO COMMISSION: Joseph Melchers
GENERAL COUNSEL

PRESENTING AGENDA: Josh Minges, Esq.
LEGAL ADVISORY STAFF

STAFF PRESENT: Jocelyn Boyd, Chief Clerk/Administrator, B. Randall Dong, Esq., and David W. Stark, III, Esq., Legal Advisory Staff; Douglas K. Pratt, John Powers, Norman Scarborough, and William O. Richardson, Technical Advisory Staff; Janice Schmieding, Clerk’s Staff; Patricia Stephens, Project Management Staff; Randy Erskine, Information Technology Staff; and Jo Elizabeth M. Wheat, CVR-CM/M-GNSC, Court Reporter.

**TRANSCRIPT / MINUTES
OF
Utilities Agenda Item #8
COMMISSION BUSINESS MEETING**

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

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E X C E R P T

_____*Excerpt commences at 2:38 p.m.*_____

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3 **CHAIRMAN RANDALL:** So now we're going to be
4 moving to the presentation on House Bill 3659. We
5 seem to have a little energy lull at the end of
6 that docket, so let's get fired back up here. So
7 this is going to be very interesting, and we're
8 going to need to make some decisions.

9 **MR. MINGES:** Just for the record, Mr.
10 Chairman, that's Non-Docketed Item No. 2019-11-E.

11 **MS. BOYD:** Good afternoon, Mr. Chairman. How
12 are you doing?

13 **CHAIRMAN RANDALL:** I'm doing great, Ms. Boyd.
14 Hope you are.

15 **MS. BOYD:** Good, good.

16 [Reference: Presentation Slide 1]

17 Norman Scarborough, my colleague, and I are
18 going to make a presentation to the Commissioners
19 regarding House Bill 3659. I haven't been able to
20 find an act number just yet, so we're just going to
21 – it has, as you're aware, been signed by the
22 Governor, so we might continue to refer to it by
23 "3659," at this point.

24 Mr. Scarborough is going to lead off our
25 presentation.

26 **MR. SCARBOROUGH:** Good afternoon,
27 Commissioners. Pleasure to be with you this
28 afternoon. If at any time you have questions,
29 don't hesitate to jump right in and ask them.

30 [Reference: Presentation Slide 2]

31 What we are going to do today is tell you a
32 little bit about this Act. It's very

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comprehensive. But to set the stage, I wanted to start with this little summary of a study that was done by Accenture. It's an accounting and consulting firm. And what they've done is Accenture went out and took a survey, a sample of 3600 companies, and they evaluated their potential for disruption – the industries in which they operate, how likely are these companies to be disrupted. Disruption, of course, creates many challenges, but it also creates opportunities. And so this chart shows you – this little diagram shows you – the results of their disruption study.

There are two axes. This axis right here, the vertical one, describes, shows their current level of disruption; and the median, the number that falls in the middle, is right here [indicating] at .51. The scores go from zero to one. The higher the score, the closer the score to one, the more – the higher the level of disruption in that industry. This horizontal axis explains, shows the susceptibility to future disruption. So, current disruption on the vertical axis, future disruption on the horizontal axis. The median on the horizontal axis is .57.

If you will notice, energy is currently the industry that is most disrupted and has the potential to be disrupted in the future. Now, energy includes basically those companies that are producing oil and gas, right? But if you look a little farther down, but not much farther down, you'll see utilities grouped right in there with banking.

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The size of the circles, by the way, indicates the size of the companies that are included in the sample, in terms of their market capitalization.

So what you see here is – let me take you to the next slide.

[Reference: Presentation Slide 3]

You see that the utilities industry is slightly below average when it comes to current levels of disruption but above average for future disruption, and that’s what this is showing right here. Here’s utilities right across here [indicating]. Only energy and banking supersede them in terms of disruption.

So what you’re seeing here is an industry that is going to change rapidly in the future. There are so many factors that are changing this industry – things from the distributed generation that we’re talking about, that you’ve already talked about today; the proliferation, for example, of electric vehicles, EVs. The experts estimate that, right now, electric vehicles make up a little bit less than 3 percent of all the new vehicles sold in this year, 2019. In just six years, they’ll make up almost 22 percent of the new vehicles sold. You’ve got battery storage, changes taking place there, rapidly taking place. We have so many changes. You can also see the other industries that are being affected: Energy, as we’ve already pointed out, banking, insurance, capital markets, software, infrastructure. All of those industries have an impact on the utility business.

So what we’re showing you here is because this

1 industry is going to be disrupted in the next 10 to
2 15 years, rather dramatically, that means that the
3 utility of the future is going to look very
4 different from the utility of today. And that
5 means that the regulation of that industry, those
6 utilities, is probably also going to have to change
7 dramatically. And that's partially what this Act
8 3659 – Bill 3659 does.

9 So, we have set up a timeline here –

10 [Reference: Presentation Slides 4-5]

11 – and Ms. Boyd is going to tell you a little
12 bit about the timeline.

13 **MS. BOYD:** Mr. Chairman and fellow
14 Commissioners, we have – the timeline is in your
15 handout. It appears at the beginning of the slide
16 deck and the same set appears at the end. And what
17 we tried to do as we were reviewing House Bill 3659
18 was determine deadlines, obligations of this
19 Commission, decisions it needs to make, whether
20 it's opening dockets, making a decision, consider
21 opening a generic docket. So we tried to place
22 those on the timeline here, and it's on two
23 different slides.

24 Where you see a question mark, we'll be
25 looking for some feedback from you, as we thought
26 this was a good opportunity to have a discussion
27 with you about what we found. And so we'll go
28 review this again at the end of the presentation.

29 **MR. SCARBOROUGH:** If you'll notice, there are
30 two deadlines, dates on that timeline, that are in
31 red, and that's because they're coming up very,
32 very quickly, so we'll talk about those in a

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minute.

[Reference: Presentation Slide 6]

The first slide, in terms of the Act, itself, the bill itself, kind of addresses the general charge to the Public Service Commission. And if you notice, it's quite broad. In the opening bullet there: The PSC is to address all renewable energy issues in a fair and balanced manner, considering the costs and benefits to all customers of all programs and tariffs that relate to renewable energy and energy storage – like we were just talking about. It also addresses, as you see, the revenue recovery, cost allocation, and rate design of utilities that it regulates, to make sure those are, as we have seen in the *Bluefield* and *Hope* decisions from the US Supreme Court, just and reasonable. So this is a very broad, very comprehensive bill.

[Reference: Presentation Slide 7]

One of the first requirements is stated here in Section 58-41-20(A). It says, "Within six months after the effective date..." – now, remember, you've heard already that the Governor signed this bill into law on May 16, 2019, earlier this month; that means November 16, 2019 – "...and at least once every 24 months thereafter, the PSC shall," as you see, "establish or approve each electrical utility's avoided cost rates, avoided cost methodologies," and now remember, avoided cost is simply the marginal cost, the additional – the cost of producing one additional unit of power, the marginal cost of a utility's power generation.

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“...avoided cost methodologies, standard offer power purchase agreements,” PPAs, “form contract PPAs, commitment-to-sell forms, and others.

MS. BOYD: Mr. Chairman, what we – before we move to the next bullet point here, regarding this section, as Norman has just told you, the Commission is responsible for establishing – opening a docket. That’s the way the statute reads: The Commission shall open a docket for the purpose of establishing each electrical utility’s standard offer...so on and so forth.

So there’s two issues that we want you to consider. One, we have opened a docket, thus far, and that is Docket No. 2019-176-E. The Commissioners can let us know if you think that we should open a docket for each electrical utility.

I was looking back at the definition for “electrical utility” under this section. It excludes electrical utilities serving less than 100,000 customers for just this renewable energy program section, okay? So that’s the first question. One or two – one docket or a docket for each electrical utility that falls underneath this section of 3659. And the other is the review, after the initial proceeding – or proceedings – at least once every 24 months.

Now, I’ll say this once because – and I know you’re aware of this. At the beginning of the year, or the end of each year, our Clerk’s Office opens the same dockets every year, those recurring dockets. For example, each electrical utility has an integrated resource plan docket. For example,

1 Duke Energy Progress' integrated resource plan
2 docket will always be the year and the number "8"
3 and then the letter "E." Another docket we open
4 every year are fuel case dockets. So, the number –
5 the only number that changes would be the year.

6 And so, as we continue to talk, just so you
7 know our goal, as you continue with these dockets,
8 if you indicate to Staff, "Okay, open a docket
9 annually," we're going to reserve those dockets
10 like we do for those other recurring dockets, so
11 everyone will know basically where to find those
12 relevant related dockets. If that makes sense.

13 **CHAIRMAN RANDALL:** So what we are needing to
14 do right now is decide on if we're going to do
15 every 24 months or every year? And then whether we
16 do one generic docket or dockets for each utility?

17 **MS. BOYD:** Yes, sir. We've opened one docket
18 and that docket will include a notice – if you
19 indicate, "Okay, we're just going to open one
20 docket and it's going to be all-inclusive, all the
21 interested parties and including the electrical
22 utilities," then we've already opened that docket,
23 2019-176-E. We have not issued any notices or
24 anything yet. Yes, sir, that's the first issue.

25 And then the other – and if you decide to say
26 something, to decide today; it's just for you to
27 discuss. And the other is, would you like for
28 Staff to just continually open these dockets
29 annually until – because the statute does say "at
30 least every 24 months."

31 **CHAIRMAN RANDALL:** I'm thinking we probably
32 ought to stay with every year. Things change so

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quickly.

Commissioner Belser.

COMMISSIONER BELSER: Thank you, Mr. Chairman.

Ms. Boyd, where in – point to me in the statute where we need to decide whether it’s going to be 12 months or 24 months?

MS. BOYD: It doesn’t say – I didn’t say “decide.” This is merely – well, I wouldn’t call it administrative.

COMMISSIONER BELSER: Okay. Do we need to make that decision today?

MS. BOYD: I don’t think you have to, no, ma’am.

COMMISSIONER BELSER: Okay.

MS. BOYD: We have “Discussion to decide” – and you’ll see that throughout our slides. So, no, ma’am, you do not have to, but we wanted to bring to your attention those issues that we think that you – in addition to what you’re already thinking about, as it relates to the bill, that you might want to say, “Okay, I see, Staff, where you’ve already opened a docket. It is our preference that you open multiple dockets to address that issue.”

COMMISSIONER BELSER: Well, and Mr. Chairman, based on what we’ve been told thus far – and I’m not making a motion at this time, but I would ask that the Commissioners consider a separate docket for each utility. And especially in this first round. You know, if it comes up later that there are common issues pertaining to all the dockets, then, in the interest of judicial economy at a certain point, it could be decided that the dockets

1 could be combined for hearing. But my thought with
2 this is, I think it's – I find it easier to keep
3 track of things related to each utility separately,
4 rather than having one huge docket where everything
5 is getting thrown in there. And there could be
6 occasion that something might need to be addressed
7 in Utility A's docket that wouldn't need to be in
8 Utility C's docket, and if they're all combined, it
9 just means you've got to notice parties for every
10 one in every docket, and there could be – while
11 there could be common parties to all the dockets,
12 there could be individuals interested in one docket
13 and not another.

14 So those are some things that I was just
15 thinking about as she was presenting, and I would
16 ask that y'all, the Commissioners, keep that in
17 mind, perhaps, as we go through this presentation.

18 **CHAIRMAN RANDALL:** So you're saying separate
19 dockets for each one, but, in cases where we can
20 have judicial economy, combining, once we get –

21 **COMMISSIONER BELSER:** For hearing purposes.

22 **CHAIRMAN RANDALL:** – going with this, for
23 hearing purposes.

24 **COMMISSIONER BELSER:** Yes, sir.

25 **CHAIRMAN RANDALL:** Has anybody else got
26 thoughts or questions?

27 **COMMISSIONER BELSER:** That's just an initial
28 thought.

29 **COMMISSIONER HAMILTON:** Mr. Chairman,
30 Commissioner Belser –

31 **CHAIRMAN RANDALL:** Oops, cut your mic back on
32 Commissioner Hamilton.

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COMMISSIONER HAMILTON: I turned it off?

CHAIRMAN RANDALL: You turned it back off.

COMMISSIONER HAMILTON: Okay, excuse me
[indicating].

I agree with what Commissioner Belser just pointed out to us, and if we need to go ahead and put a number to them, maybe we could request that it does be a motion today, and then we would have one for each company.

I would assume that's going to be three?

MS. BOYD: Yes, sir. I was looking up – I see Lockhart definitely files integrated resource plans, but I have not been able to check on its number of customers, Mr. Hamilton, so it could be three or four. Yes, sir.

COMMISSIONER HAMILTON: Okay. Three or four.

CHAIRMAN RANDALL: So, do we need to do a motion and take a vote?

MS. BOYD: Mr. Chairman, I'll leave that – I'm taking notes, so if you want to –

MR. SCARBOROUGH: Whatever you want to do.

CHAIRMAN RANDALL: So I get to decide this?

MS. BOYD: You know, whatever – you do, yes, sir. You do.

COMMISSIONER BELSER: Mr. Chairman?

CHAIRMAN RANDALL: Yes, Commissioner Belser.

COMMISSIONER BELSER: I was just putting that thought out there for everyone to consider as we go through. I mean, there could be something coming up in the presentation that may change our minds, so I would ask that we wait until the end of the presentation before we make a decision on that.

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CHAIRMAN RANDALL: Okay. Well, we can do that.

Since you're taking notes –

MS. BOYD: Yes, sir.

CHAIRMAN RANDALL: – just make a note of that, please, ma'am.

MS. BOYD: Yes, sir.

CHAIRMAN RANDALL: So we won't forget –

MS. BOYD: Yes, sir.

CHAIRMAN RANDALL: – to come back to that, if we need to make that decision.

MS. BOYD: Yes, sir. And then also –

CHAIRMAN RANDALL: Because I know there are some things we need to go ahead and do, because of time.

MS. BOYD: Yes, sir. So the opening docket, and the second one, Mr. Chairman, is the "at least once every 24 months," if you'd like for me to include that?

CHAIRMAN RANDALL: [Indicating.]

MS. BOYD: Okay. All right. Thank you.

MR. SCARBOROUGH: The second point here is that the Legislature has authorized or charged the PSC with approving a standard-form purchased-power agreement for small power production facilities. And those are the ones that produce less than two megawatts' alternating current.

[Reference: Presentation Slide 8]

When you have those proceedings, there's one slight change. Normally, you will do interventions, discovery, evidentiary hearing, but this one also includes filed comments or testimony,

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so we just wanted to point that out to you. I have it underlined so that you will notice it. And the proceedings have to be separate from the electric utilities' annual fuel cost proceedings, as well. And the law also requires the PSC to treat these small power producers on a fair – on the same basis as they would treat the electric utilities.

[Reference: Presentation Slide 9]

Section 58-41-20(D) says that the PSC shall approve a standard notice-of-commitment-to-sell form. So, if you notice, what this law does is it requires the PSC to create certain forms, all geared towards these small power producers. So this form, this commitment-to-sell form, would be like a notice that the small power producer intends to sell energy back to the utility. And so we would need to create a standard form that covers that agreement.

COMMISSIONER ERVIN: I have a question –

MR. SCARBOROUGH: Yes.

CHAIRMAN RANDALL: Yes, sir.

COMMISSIONER ERVIN: Thank you, Mr. Chairman.

There must be, quote, “standard forms” being utilized in other jurisdictions.

MS. BOYD: Yes, sir, there are.

COMMISSIONER ERVIN: Have you had a chance to pull any of them yet?

MR. SCARBOROUGH: Yes, sir, we have. We found one in North Carolina. The good news is it's actually very short. It's only about four pages long. And most of that is, you know, some blanks where you kind of check whichever one applies to

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your particular power producing facility.

COMMISSIONER ERVIN: And since Duke Energy, of course, would be familiar with that form already –

MR. SCARBOROUGH: Yes, sir, they would.

MS. BOYD: I think the one that we saw, though, had Dominion’s name on it.

COMMISSIONER ERVIN: And Dominion would be familiar with it, as well.

MS. BOYD: I think so, yes, sir. But, Judge Ervin, if you want us to look at specific regions or – we can do that.

COMMISSIONER ERVIN: Well, that would be a starting point, I think, an –

MS. BOYD: Yes, sir.

COMMISSIONER ERVIN: – adjoining state that, you know, two of the three or four companies will be familiar with. And then you can look at other jurisdictions, perhaps, in the Southeast – Virginia maybe, and Georgia, Florida, if they have them – and just see what’s being utilized. But there’s no reason to reinvent the wheel, if there’s already one out there being utilized –

MR. SCARBOROUGH: Yes, sir.

COMMISSIONER ERVIN: – and no problems with it. It’s probably been in existence for a while.

MR. SCARBOROUGH: We didn’t find a date on the ones that – we didn’t notice the dates, but, yeah, you’re right – I think you’re exactly right.

COMMISSIONER ERVIN: Thank you.

CHAIRMAN RANDALL: All right.

MR. SCARBOROUGH: Sometimes the utilities enter into voluntary agreements with these small

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power generators, and so the law says that you shall receive these purchased-power agreements from electrical utilities that are the result of those voluntary negotiations. And, again, it applies to those small power producers up to 2 megawatts of alternating current.

[Reference: Presentation Slide 10]

So that kind of leads to the question of, okay, what is a small power producer? And that takes us to PURPA. And if you notice your next slide, it basically just summarizes the five major goals of PURPA, and there they are.

And one of the ways that PURPA was to accomplish those five goals was to create what are called “qualifying facilities.” And those fall into two different categories. One is cogeneration facilities, but the one we’re focused on here in this law is the qualifying small power production facilities. And so here’s the definition – if you’ll flip the page, you’ll see the definition of these small power producers.

[Reference: Presentation Slide 11]

Now the law addresses this section of the US Code, so we put that in there. It’s probably a little easier to read the FERC definition in the second bullet. Notice what it says: A small power production facility is a generating facility of 80 megawatts or less, whose primary energy source is renewable – key word is “renewable” – hydro, wind, or solar; biomass; waste; or geothermal resources.”

[Reference: Presentation Slide 12]

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Section 58-41-20 addresses, again, opening a docket. We are to open a generic docket, creating programs for competitive procurement of energy and capacity from renewable energy facilities. So these – again, the idea is governing how purchases of renewable energy are handled.

MS. BOYD: [Indicating.] I apologize, excuse me, Mr. Chairman. I touched that again. Mr. Chairman, so, here, as the statute reads, it authorizes the PSC to open a generic docket.

So we would like some guidance on when, number one, to open the docket; and then perhaps consider whether the Commission – or ask the Commission to consider, does it want some type of feedback from interested persons regarding, more specifically, what the Commission will address in this generic docket? Maybe an outline, so that when interested persons come in, they aren't – I think more specificity would be helpful here.

VICE CHAIRMAN WILLIAMS: Mr. Chairman?

CHAIRMAN RANDALL: Yes, sir, Commissioner Williams.

VICE CHAIRMAN WILLIAMS: I have a question for the Staff. Do we know how many – like right now, today, do we know how many small power producers exist within the State?

MS. BOYD: I don't know.

MR. SCARBOROUGH: We do not.

VICE CHAIRMAN WILLIAMS: So do we have – so, say we created this generic docket today and opened it for applications, we have no idea how many applications we would –

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MS. BOYD: I would think, Commissioner Williams, though, since I think they receive certification through FERC, that all we would – perhaps FERC keeps its records for those that are located in South Carolina. I think that would be a great starting point. I don't think it would be hard for us to figure out, especially if they can only operate, certain entities, if they are – I think FERC, there's an easy way to find that answer.

CHAIRMAN RANDALL: I think some of these –

VICE CHAIRMAN WILLIAMS: Mr. Scarborough – I'm sorry, Mr. Chairman.

CHAIRMAN RANDALL: Go ahead. Go ahead.

VICE CHAIRMAN WILLIAMS: Mr. Scarborough, how would you define "competitive procurement"?

MR. SCARBOROUGH: To me, that would be an open market process where you might have various small power producers that may be submitting bids, maybe as a result of an RFP from a utility.

VICE CHAIRMAN WILLIAMS: And so, in your opinion, does this law give the Commission the authority to decide who's awarded a contract and who isn't?

MR. SCARBOROUGH: I don't see the law specifying that. I think the utility is the one who would make that call. I think the Commission is charged with establishing the framework within which that takes place.

COMMISSIONER ERVIN: And once again, the states that are close by have a process that they are following?

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MR. SCARBOROUGH: Yes, sir.

COMMISSIONER ERVIN: North Carolina already has one in place. So it seems to me that the logical – to find out what those policies and procedures are, since two of the four – three or four investor-owned utilities doing business in South Carolina would be familiar with that process.

MR. SCARBOROUGH: They certainly operate in those states, as well.

CHAIRMAN RANDALL: This is one we could probably come back to in two weeks, at our next meeting, don't you think? I mean, after looking at some of the things that Commissioner Ervin and Commissioner Williams are talking about? Is that –

MS. BOYD: Yes, sir. We can definitely do our best to find out how many small power producers are currently operating in South Carolina and –

CHAIRMAN RANDALL: Some of these things we need to accomplish today, but some we need a little more –

MS. BOYD: Yes, sir.

CHAIRMAN RANDALL: – a little more study, so –

MS. BOYD: Yes, sir, and also –

CHAIRMAN RANDALL: – we can make a really informed decision.

MS. BOYD: Yes, sir.

COMMISSIONER BELSER: Mr. Chairman.

CHAIRMAN RANDALL: Commissioner Belser.

COMMISSIONER BELSER: Ms. Boyd, is there – or Mr. Scarborough – is there a timeline to establish this docket?

MS. BOYD: For this particular one?

1 COMMISSIONER BELSER: This issue?

2 MS. BOYD: I don't –

3 MR. SCARBOROUGH: There is not a –

4 COMMISSIONER BELSER: If it's just providing
5 authorization, it's not even a mandatory, is it?

6 MS. BOYD: It's not. And, Commissioner
7 Belser, you are correct. There are a couple of
8 items – for example, you'll see where it mentions
9 the Commission promulgating regulations. We just
10 wanted to put it in the outline.

11 COMMISSIONER BELSER: Right, I understand.

12 MS. BOYD: Yes, ma'am.

13 COMMISSIONER BELSER: But as the Chairman has
14 indicated, there's not necessarily the urgency with
15 this one –

16 MS. BOYD: Yes, ma'am.

17 COMMISSIONER BELSER: – that there are with
18 some of the others.

19 MS. BOYD: Yes, ma'am.

20 CHAIRMAN RANDALL: We're just trying to get
21 them all on the table, so that we are ahead of the
22 game instead of catching up.

23 COMMISSIONER HAMILTON: I think you've loaded
24 the table.

25 [Laughter]

26 COMMISSIONER WHITFIELD: Mr. Chairman.

27 CHAIRMAN RANDALL: Yes, sir, Commissioner
28 Whitfield.

29 COMMISSIONER WHITFIELD: Could I ask the Staff
30 – I think this may have come up already, but do you
31 know – I guess you're aware FERC is still yet to
32 rule on its radius of these facilities, of these

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QFs. And do we know how that might impact this new Act – South Carolina Act, that is?

MR. SCARBOROUGH: It certainly could have an impact. We will look into that, as well.

COMMISSIONER WHITFIELD: Thank you.

MR. SCARBOROUGH: Good point. Thank you for making a note of that.

CHAIRMAN RANDALL: Okay, thank you.

MR. SCARBOROUGH: The next point, while we're talking about these PPAs, these power purchase agreements, there are some options here that the PSC shall consider, it says, prohibiting. And so you see those in the two sub-bullets. I won't go through all the details there, but I just wanted you to have a summary of those points. These are things that the PSC shall consider in evaluating or establishing these PPAs for these small power producers, should you prohibit certain types of activities. And there they are.

[Reference: Presentation Slide 13]

If you look at Section 58-41-20, what you will see here is a time limit. Again, subject to the Commission's approval, electric utilities will offer these fixed-price PPAs. And if you notice the time horizon there, commercially reasonable terms and a duration of 10 years.

Now, if you look at the next bullet, you can actually go longer than 10 years. The law allows you to establish reasonable fixed-price power purchase agreements for durations that last beyond 10 years, if you choose to do so. You see additional terms, conditions, and/or rate

1 structures, as proposed by intervening parties.

2 The last point I want to make here with this
3 slide is that this subsection that we're looking at
4 right here applies only to those small power
5 producers who have interconnection agreements
6 already on file with the utility as of May 15,
7 2019. In other words, they would be grandfathered
8 in.

9 Questions?

10 [No response]

11 [Reference: Presentation Slide 14]

12 The next slide describes another charge to the
13 PSC. This one involves basically hiring a third-
14 party consultant, if you will, to create a report
15 on the calculation of each utility's avoided costs
16 for the purpose of these proceedings. And the law
17 states that the PSC cannot use the same independent
18 third party that ORS does.

19 [Reference: Presentation Slide 15]

20 **MR. SCARBOROUGH:** Another deadline on the next
21 slide, Section 58-41-30(A) says within 120 days –
22 and if you notice, this one is approaching rather
23 rapidly; that's why we may need to address this
24 today – within 120 days, and that would be
25 September 13, 2019, each electrical utility shall
26 file a proposed voluntary renewable energy program
27 for the Commission to review and approve.

28 **MS. BOYD:** Okay. So, Mr. Chairman, based on
29 this slide, our concern is how do we initiate this
30 action. We have not opened a docket on this, at
31 this point. So that's the first thing is if you
32 want to consider how many dockets, and then how do

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we go about instructing the utilities – what means, what tools – to make this filing.

CHAIRMAN RANDALL: I certainly will entertain some conversation about that. I think we've decided on, when we're opening dockets, we need to open a separate docket for each utility and then combine them if we can, in places that make sense. Commissioners, any thoughts on this?

COMMISSIONER ERVIN: Mr. Chairman.

CHAIRMAN RANDALL: Yes, sir, Commissioner Ervin.

COMMISSIONER ERVIN: We can use our current notice provisions and then create a notice and a request from each electrical utility to file their proposed voluntary renewable energy program within 30 days – if they need an extension of time, I suppose they could request one – but for review and approval. And then also, you know, that would trigger the time for other things to happen: any intervenors, the matter being set for hearing. And we may want to stagger them out so that all three of them don't come in at the same time.

That's my first thought. But, again, the notice provisions under the code and the reg. should be sufficient, without – you know, since they haven't told us exactly what we need, we can just use what's in place, I would think. Do you agree?

MR. SCARBOROUGH: Makes good sense.

VICE CHAIRMAN WILLIAMS: Mr. Chairman.

CHAIRMAN RANDALL: Yes, sir, Commissioner Williams.

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VICE CHAIRMAN WILLIAMS: Just a question for the Staff. Reading this section, neither of you interpret it to put that 120-day deadline for the approval?

MR. SCARBOROUGH: No, sir.

VICE CHAIRMAN WILLIAMS: Okay.

MR. SCARBOROUGH: We see it as the utilities have to file within 120 days.

MS. BOYD: Right, this – yes, sir. I was going to read him that part.

MR. SCARBOROUGH: Oh, go ahead.

MS. BOYD: It just says, “Within 120 days,” and then there’s some language, “each electrical utility shall file the proposed voluntary renewable energy program for review and approval by the Commission” there. And then it says, “The Commission shall conduct a proceeding to review the program and establish reasonable terms and conditions for the program.”

VICE CHAIRMAN WILLIAMS: So, arguably, I mean, that first section puts the utilities on notice that there’s expectation for them to have something.

MR. SCARBOROUGH: They must file by – they have to file by September 13th, but you don’t have to approve or make any decisions by that deadline.

VICE CHAIRMAN WILLIAMS: Commissioner Ervin, I would ask, would you have any heartburn about allowing that deadline that’s listed there, September 13, 2019, being the Commission’s deadline, just to give the utilities ample opportunity to present –

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COMMISSIONER ERVIN: I think it's wise to do it that way. On or before; you could say on or before September 13, 2019, close of business, that each utility, as defined under the Act, shall file a proposed voluntary renewable energy...

VICE CHAIRMAN WILLIAMS: Okay.

COMMISSIONER ERVIN: And then we, once – you know, once the filing period has expired, then we go forward with the normal process.

MS. BOYD: Mr. Chairman and Judge Ervin, I need to ask a question. There's a section also, Subsection F, that says, if the Commission determines an electrical utility already has that type program, a voluntary renewable energy program, on file with the Commission as of the effective date of this chapter, that conforms with the requirements of this section, the utility is not required to make a new filing to meet the requirements of this section.

Would you like for us, in that notice, then, to state that language, and then they can file the letter that basically says they'd like for the Commission to consider whether or not they're in conformance?

COMMISSIONER ERVIN: Yes.

MS. BOYD: Okay.

COMMISSIONER ERVIN: If they take the position that they are in conformance with this statutory requirement, then they're required to affirmatively tell us –

MS. BOYD: Yes, sir.

COMMISSIONER ERVIN: – in writing what they

1 are relying on.

2 **CHAIRMAN RANDALL:** And then do we have
3 proceedings after that, or is –

4 **MR. SCARBOROUGH:** Yes.

5 **MS. BOYD:** It does say the Commission shall
6 conduct a proceeding to review the program and
7 establish reasonable terms and conditions for the
8 program. Yes, sir.

9 **MR. SCARBOROUGH:** And you notice the last
10 bullet: You may periodically hold additional
11 proceedings.

12 **VICE CHAIRMAN WILLIAMS:** And, Mr. Chairman,
13 I'd also like to point out, it also seems to give
14 intervenors a right to participate. So, arguably,
15 if the utility suggests that it has a program
16 already on file, there may be argument from an
17 intervenor that, well, maybe it could be a little
18 better. Is that a possible –

19 **MS. BOYD:** I think you're right. I think
20 that's a possibility. And I don't want to belabor
21 this, but I'm wondering if we have to – in thinking
22 if you have to perhaps make the decision within
23 120, I think you do.

24 **COMMISSIONER BELSER:** I – Mr. Chairman. I
25 don't think that the decision has to be made within
26 120 days, Ms. Boyd.

27 **MS. BOYD:** Okay.

28 **COMMISSIONER BELSER:** And what I would suggest
29 is – piggybacking off what's already been said –
30 that we could do a notice or a letter, or however
31 we're going to do, to the utilities, of the docket.
32 And it seems that if – once the utility either

1 makes its filing of its proposed voluntary
2 renewable energy program for review or, under
3 Section F, they come in and say, “We already have
4 one and we think that this complies, and you need
5 to look at it,” that would be the point to notice
6 the application to other parties to begin the
7 process of a hearing. Is that correct? I mean,
8 there needs to be something for parties to review.
9 I mean, that’s just something to consider.

10 **MR. SCARBOROUGH:** That’s a good point.

11 **COMMISSIONER BELSER:** So we might want to look
12 at it in those – in that light.

13 **MS. BOYD:** So I think what you’re saying is,
14 draft a letter to each utility and we’d put it on
15 the – it would be public; we’d publish it on the
16 DMS, but not issue a notice until after we receive
17 the filings.

18 **COMMISSIONER BELSER:** That’s – I mean, well,
19 just when you look at Section A, I mean, the 120
20 days, I think in the first sentence, that’s the
21 time for the electrical utility to file its
22 proposed program, and then the Commission shall
23 conduct a proceeding. Well, the proceeding – you
24 know, once they file it, then interested parties
25 need the opportunity to intervene. They don’t have
26 anything to intervene on until it’s filed.

27 **MS. BOYD:** That’s true.

28 **MR. SCARBOROUGH:** Makes sense.

29 **COMMISSIONER BELSER:** And then if a company
30 comes back under F – now, this is just talking, and
31 so y’all may disagree with me and point out the
32 fallacies of what I’m saying in two weeks. But

1 then they come back under Section F and say, “Wait
2 a minute. We’ve already got this program and we
3 submit our current program for your review,” and at
4 that point it’s noticed under that, for
5 intervention.

6 **COMMISSIONER HAMILTON:** Mr. Chairman.

7 **CHAIRMAN RANDALL:** Commissioner Hamilton.

8 **COMMISSIONER HAMILTON:** Ms. Boyd, is September
9 13th a fixed date that everything has got to work
10 around?

11 **MS. BOYD:** I think it’s a – it’s our
12 conservative date, yes, sir. We counted – yeah, on
13 these, we counted from May 16th, because if it
14 included days instead of months we actually counted
15 the number of days from the date the Governor
16 signed the bill. So that’s the number; that’s the
17 date.

18 **COMMISSIONER HAMILTON:** That’s the date that
19 we’ve got to live with.

20 **MS. BOYD:** Yes, sir.

21 **COMMISSIONER BELSER:** That’s the date by which
22 the utility has to file its – this.

23 **COMMISSIONER HAMILTON:** I know –

24 **COMMISSIONER BELSER:** Now, I would say this,
25 and this may be allowable – and it just pops into
26 my mind. If they’re filing a new program, they’ve
27 got 120 days; if they’re coming in under F saying,
28 “We have an existing program that we think
29 suffices,” I think in whatever letter is sent out,
30 we need to know about it – they don’t need to wait
31 until –

32 **MS. BOYD:** Till the deadline?

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COMMISSIONER BELSER: – the deadline to tell us they've got an existing program. I think we need to go ahead and hear about that beforehand. So, it's just something to think about.

MS. BOYD: Okay.

COMMISSIONER BELSER: But let's look back at the statute to make sure –

MS. BOYD: Yes, ma'am.

COMMISSIONER BELSER: – we're compliant, if we can't.

CHAIRMAN RANDALL: So, do we need to decide this today, exactly –

COMMISSIONER BELSER: I'll make a motion.

CHAIRMAN RANDALL: Okay.

COMMISSIONER BELSER: I'll make a motion that –

CHAIRMAN RANDALL: Making it on this one?

COMMISSIONER BELSER: – we do a separate docket for each one, and notify the utilities of – I'm sure they're already aware, but to cover ourselves – that we notify the utilities of the requirements of the Act, and then we'll have to wait for their responses.

CHAIRMAN RANDALL: Okay, we've got a motion from Commissioner Belser. Anybody else got a comment or question on that motion?

COMMISSIONER HAMILTON: I just wonder if, in the motion, we need – if this is a fixed thing, do we need to mention this date, that we've got to have the information prior to that time?

COMMISSIONER BELSER: Commissioner, I think that the more information that can be put in the letter or in that, whatever we're going to send to

1 the utilities giving them our expectations, the
2 better. I think really what's going to happen is
3 just it's going to reference the Act in the
4 sections and the pertinent language.

5 **COMMISSIONER HAMILTON:** Well, if we –

6 **COMMISSIONER BELSER:** September –

7 **COMMISSIONER HAMILTON:** – have the freedom –
8 excuse me.

9 **COMMISSIONER BELSER:** The September 13th date
10 is not in the Act; they've added that for our
11 edification. But it would say "within 120 days of
12 the effective date of this chapter," which is May
13 16th, is how I read it.

14 **COMMISSIONER HAMILTON:** I suggest we use this
15 date in order to have a deadline and something to
16 work with.

17 **CHAIRMAN RANDALL:** Okay, to add that into the
18 letter. Thank you.

19 Yes, sir, Commissioner Whitfield.

20 **COMMISSIONER WHITFIELD:** Thank you,
21 Commissioner Chairman.

22 Commissioner Belser, are you also open to or do
23 you think we need to put an amendment for the ones
24 who already have a program in place, maybe 60 days
25 out prior to that September 13 date? Like The Act
26 says in Section 58-41-40, within 60 days, July 15,
27 the PSC shall open a docket for each one. Do you
28 want to also maybe assign a date close to that for
29 the utilities who already have an existing program,
30 so they don't come up, like you said, and give us a
31 letter at the end, letting us know they're going to
32 let their existing program act as –

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COMMISSIONER BELSER: I think that's the next point.

CHAIRMAN RANDALL: You're looking at community solar programs.

COMMISSIONER BELSER: Yeah.

COMMISSIONER WHITFIELD: Okay.

COMMISSIONER BELSER: That's different.

CHAIRMAN RANDALL: We're still on voluntary.

COMMISSIONER WHITFIELD: Okay. Well, do you want to assign a date – regardless, do you want it 30 days out, 60 days out, of that September 19th date – I mean, September 13th date, or – you made the comment you didn't want them to come up at the end.

COMMISSIONER BELSER: Under 58-41-30(F), I mean, I think that if they have a renewable, there can be language in – there should be language in there saying, "Please notify us within," I don't know, 30 or 45 days. If they've got an existing program they think complies, they can let us know, but I would think they should be able to let us know that quickly. If they can't, I'm sure they'll let us know they can't.

COMMISSIONER WHITFIELD: Well, that's my question. Do you want to assign a date to that? A number of days?

COMMISSIONER BELSER: I'm open to suggestions. You want to say 30, 45 days?

COMMISSIONER WHITFIELD: Forty-five days.

CHAIRMAN RANDALL: All right. Let's say 45 days, then. Add that to the notice, for programs – for utilities that say they already have a program.

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Everybody else –

MS. BOYD: We stagger, right? I think Judge Ervin mentioned that, to stagger the remaining?

MR. SCARBOROUGH: Yeah, stagger.

CHAIRMAN RANDALL: Well, I mean, this is just – this is not – all this is is for reporting whether you’re going to report a new program or if you already have a program.

MS. BOYD: Uh-huh.

CHAIRMAN RANDALL: You know, September 13th is to file a proposed program. If you’ve already got a program, we want to do it 45 days before. Is that correct? We want to do that earlier. We don’t want to wait – don’t want to – if somebody has a program already, Commissioner Belser was saying she didn’t want them to wait until –

COMMISSIONER BELSER: August.

CHAIRMAN RANDALL: – until right then, September 13th, so go ahead and give them 45 days from whenever we file the letter to get that to us.

MS. BOYD: From the date of the letter from us?

CHAIRMAN RANDALL: Yes.

MS. BOYD: Yes, sir.

CHAIRMAN RANDALL: Is that right?

COMMISSIONER BELSER: Yes.

CHAIRMAN RANDALL: Okay. Any other – any other comments?

COMMISSIONER BELSER: I will note that if they feel like they don’t have sufficient time, I don’t know that the utilities have ever been shy about asking for additional time.

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CHAIRMAN RANDALL: Okay. Anything else we need to add on that motion?

You got a question Ms. Boyd? You look like you do.

MS. BOYD: Yes, sir, I do.

COMMISSIONER BELSER: Help us out. Go ahead.

MS. BOYD: Well, okay. I understand, if the company has an existing program, then they have 45 days from the date of the PSC letter. What if they don't? That's what I was going to –

COMMISSIONER BELSER: Then they have –

CHAIRMAN RANDALL: Then they've got until the 13th.

COMMISSIONER BELSER: They have the 120 days.

CHAIRMAN RANDALL: Then they have until September 13th.

MS. BOYD: All right. And remember, we talked about staggering those dates, right, so you didn't receive all those filings at one time. I thought that's what he was saying.

CHAIRMAN RANDALL: I think we we're talking about staggering the dates for proceedings, right?

COMMISSIONER ERVIN: Yes, unless we're going to consolidate. But I'll leave that to your judgment.

MS. BOYD: Okay.

COMMISSIONER ERVIN: I don't know if you're going to – does the other statute still apply concerning the number of days? Is it six months from the date of filing? Is that –

MS. BOYD: For you to make a ruling, Judge?

COMMISSIONER ERVIN: Yes.

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MS. BOYD: I don't recall seeing that in this section.

COMMISSIONER BELSER: That's only in –

COMMISSIONER ERVIN: It's in there.

CHAIRMAN RANDALL: That's only in a rate case.

COMMISSIONER BELSER: That's only on the rates.

COMMISSIONER ERVIN: That's on the rate. So maybe we don't need to stagger.

MS. BOYD: Okay, thank you. That was it.

CHAIRMAN RANDALL: Anything else for that motion?

[No response]

All in favor, please say "aye"?

COMMISSIONERS: Aye.

CHAIRMAN RANDALL: All opposed, "no"?

[No response]

The motion carries. Thank you.

MS. BOYD: Thank you.

MR. SCARBOROUGH: If you look at the next slide –

[Reference: Presentation Slide 16]

– it addresses – the law addresses community solar programs. And here's another deadline. Again, you see it in red. This is the one we calculated. This was the stated number of days, as well. And it shows up – it pops up on July 15th, which is about 47 days away, so not very long at all.

The idea here is to open a – or, the requirement is to open a docket to review each utility's community solar program. And then, 180

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days later, after the Commission opens that docket, the utilities must update their reports and propose any new community solar programs that they might have.

MS. BOYD: Okay. So on this one, Mr. Chairman and Commissioners, we've already opened a docket, but I know what we have to do – I think I know. We'll have to open, perhaps, a separate docket for each utility? Or we need you to please consider that.

CHAIRMAN RANDALL: I believe that's what we –

VICE CHAIRMAN WILLIAMS: Mr. Chairman?

CHAIRMAN RANDALL: Yes, sir, Commissioner –

VICE CHAIRMAN WILLIAMS: I have a motion.

CHAIRMAN RANDALL: – Williams.

VICE CHAIRMAN WILLIAMS: I have a motion.

CHAIRMAN RANDALL: Yes, sir.

VICE CHAIRMAN WILLIAMS: Mr. Chairman, I move that we, pursuant to Section 58-41-40(B)(1), I move that we open a separate docket for each utility regarding a review of their community solar programs, by July 15, 2019.

CHAIRMAN RANDALL: Okay, we've got that motion from Commissioner Williams to open separate dockets. Are there any questions or comments on that motion?

[No response]

If not, all in favor, please say "aye"?

COMMISSIONERS: Aye.

CHAIRMAN RANDALL: All opposed, "no"?

[No response]

Motion carries.

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Now we also have some – we’ve got to do something else with this, too, right, as –

MS. BOYD: I think so.

COMMISSIONER ERVIN: Right.

CHAIRMAN RANDALL: – we talked.

MS. BOYD: Yes, sir.

COMMISSIONER ERVIN: And I would move that, once the docket is open, that the Clerk shall, within 30 days, notify the electrical utilities that they shall update their community solar program in a written report outlining their existing programs and any proposal for new programs within 180 days.

COMMISSIONER HAMILTON: Have you got 180?

COMMISSIONER ERVIN: That’s what it says on here. Once the docket is open, I suppose we have discretion to shorten the time, but I don’t know that we do. Is that a statutory provision?

MS. BOYD: Yes, sir, I think part of it, Judge Ervin, is for you – it just depends on how you read it. We’re to open the docket and then to review their community solar programs and solicit status information. And then I thought the second part was for them to update it, update their information, so –

COMMISSIONER ERVIN: Let’s see if we can shorten it, and that way, if anybody needs an extension of time, I’m sure they’ll ask for it.

CHAIRMAN RANDALL: Or do we need to get information like in an ex parte, before that, you know, somewhere before the end of June or somewhere before this July 15th, for them to –

1 MS. BOYD: I think –

2 CHAIRMAN RANDALL: – present information to
3 us?

4 MS. BOYD: Now, that’s my interpretation of
5 it. “The Commission shall open a docket for each
6 electrical utility to review the community solar
7 programs established pursuant to Act 236 and to
8 solicit status information on existing programs
9 from electrical utilities.”

10 COMMISSIONER ERVIN: It doesn’t say after 180
11 days; it says within.

12 MS. BOYD: Yes, sir.

13 COMMISSIONER ERVIN: So that gives us some
14 discretion.

15 MS. BOYD: Yes, sir.

16 COMMISSIONER ERVIN: So I think the sooner, the
17 better. And if they need more time, they can ask
18 for it.

19 MS. BOYD: Okay.

20 COMMISSIONER ERVIN: But once you open the
21 docket – let’s say if you open the docket tomorrow
22 – then you tell me how much time you need to send
23 out a notice to the affected utilities to submit
24 their report on their existing program and then
25 propose any new programs.

26 MS. BOYD: I think 30 days is –

27 COMMISSIONER ERVIN: All right.

28 MS. BOYD: – sufficient. Yes, sir.

29 COMMISSIONER ERVIN: I amend my motion, then,
30 to “within 30 days, they shall.” And if they need
31 an extension of time, they’ll let you know. They
32 may have nothing new in the hopper. If so, I’m

1 sure they'll tell us.

2 **MS. BOYD:** Okay. And then for the – if I may,
3 Mr. Chairman – the 180 days, I think we'll need to
4 schedule some type of proceeding for them to update
5 the Commissioners.

6 **CHAIRMAN RANDALL:** You're talking a proceeding
7 like an ex parte, or –

8 **MS. BOYD:** Or –

9 **CHAIRMAN RANDALL:** – what?

10 **COMMISSIONER ERVIN:** Well, I think it depends.
11 If we have intervenors, then we have to set a
12 hearing.

13 **MS. BOYD:** Right.

14 **COMMISSIONER ERVIN:** If we don't have
15 intervenors, then we could probably handle an
16 allowable ex parte.

17 **MS. BOYD:** I have a suggestion, then. Why
18 don't, then, after we receive their information, we
19 bring this back for your consideration?

20 **COMMISSIONER ERVIN:** That's a good idea.

21 **MS. BOYD:** Okay.

22 **MR. SCARBOROUGH:** The next section addresses –

23 **CHAIRMAN RANDALL:** All right, wait a minute.

24 **COMMISSIONER ERVIN:** I think we've got a
25 pending motion.

26 **CHAIRMAN RANDALL:** And I'm not sure where we
27 are on all that, because I had people in both ears.

28 **COMMISSIONER ERVIN:** I'm sorry.

29 **CHAIRMAN RANDALL:** No, it wasn't you.

30 **MR. SCARBOROUGH:** You do have a pending
31 motion.

32 **COMMISSIONER ERVIN:** We've already adopted –

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if you're on the community solar programs, so Commissioner Williams' motion essentially adopted the first section and my motion has addressed the second bullet point. And we decided that we have 180 days, but it doesn't have to be that long. So, within 30 days after these dockets are opened for each utility, pursuant to 58-41-40(B)(1), the electrical utilities shall update their community solar programs in a written report and propose any new programs in a written filing.

CHAIRMAN RANDALL: Okay. So we've got – that's Commissioner Ervin's motion.

COMMISSIONER ERVIN: My motion.

CHAIRMAN RANDALL: All right. Have we got questions or comments on Commissioner Ervin's motion?

MR. MELCHERS: How many days?

COMMISSIONER ERVIN: Thirty. And if they need time, an extension, they can ask for it. But, obviously, we don't want it to go past 180 because that's what the statute apparently requires.

MR. MELCHERS: That's 180 days for them to file. I don't think it's 180 days for you to decide.

COMMISSIONER ERVIN: Right, I agree. I understand. But we wouldn't want to grant more than three or four extensions and then we pass the 180.

MR. MELCHERS: Okay.

COMMISSIONER ERVIN: So somebody needs more time – for example, let's say, one of the utilities is in the process of designing a new program and

1 it's not yet ready to be rolled out, they can tell
2 us that and say, "We need an additional 30 days."
3 So that's an example of how that would work. If
4 they have them ready, they can file them
5 immediately.

6 **CHAIRMAN RANDALL:** Any other questions or
7 comments on Commissioner Ervin's motion?

8 [No response]

9 Okay. If not, all in favor, please say "aye"?

10 **COMMISSIONERS:** Aye.

11 **CHAIRMAN RANDALL:** All opposed, "no"?

12 [No response]

13 And the motion carries. Thank you

14 [Reference: Presentation Slide 17]

15 **MR. SCARBOROUGH:** The next part of the law
16 addresses just and reasonable rates. And
17 basically, if you – you see these, this first
18 bullet talks about it prohibits subsidizing one
19 customer class with another customer class. And
20 then the second bullet down here requires at least
21 one – you see it there, "a minimum of one" –
22 reasonable rate option that allows customers to
23 achieve bill savings, some kind of long-term
24 reductions. It includes but is not limited to,
25 like time-of-use pricing.

26 Questions?

27 **COMMISSIONER ERVIN:** This section just seems
28 to give us guidance on what the General Assembly
29 has – how they define just and reasonable rates,
30 under this section. So I don't think we need to
31 take any action on it.

32 **CHAIRMAN RANDALL:** Right.

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COMMISSIONER ERVIN: And so maybe we can move to net metering.

[Reference: Presentation Slide 18]

MR. SCARBOROUGH: Net metering. Again, this is a requirement. The PSC is to establish solar choice metering requirements.

There is a date here: no later than January 1, 2020, the PSC shall open a generic document to do these two things, to investigate the costs and benefits of current net metering programs and to establish a methodology for calculating the value of the energy that those customer-generators would produce. So you might have: How much is the utility going to credit a customer who has solar panels on his or her home?

CHAIRMAN RANDALL: So all we've got to do is open a docket, right, on this?

MR. SCARBOROUGH: Before January 2020.

MS. BOYD: I think we have, Mr. Chairman.

CHAIRMAN RANDALL: You've already opened a generic docket on this.

MR. SCARBOROUGH: We did have.

CHAIRMAN RANDALL: But does it have to be for all different ones?

MS. BOYD: Good point. We just opened one. Generic dockets, though, typically, the Commission opens one docket because it's a generic docket. Typically.

CHAIRMAN RANDALL: Okay.

MS. BOYD: So, and if you decide to do that this time, we've opened Docket No. 2019-182-E. Yes, sir.

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CHAIRMAN RANDALL: Okay. So the docket is open, so is that all we need to decide on this right now?

MS. BOYD: Yes, sir. We can keep this one still open, if you don't mind, Mr. Chairman, just to discuss when you would like for us to schedule that.

CHAIRMAN RANDALL: Gotcha. So we'll talk about that in two weeks.

MS. BOYD: Yes, sir.

CHAIRMAN RANDALL: Okay.

MR. SCARBOROUGH: The next slide just talks about some of the factors to consider.

[Reference: Presentation Slide 19]

Here's a laundry list, if you will, in evaluating the costs and the benefits of the net metering program. So, again, no action necessary there. Just wanted to summarize the factors that the PSC is to consider. "Shall consider." And, again, we tried to emphasize the "shall," the requirements, underlying "shall" everywhere it appears in the law.

[Reference: Presentation Slide 20]

The next slide also addresses net metering. The issue here is every year we have to update the value of the energy produced by those customer-generators, and every five years evaluate the methodology determining that value. Does that make sense?

CHAIRMAN RANDALL: Right, so –

MS. BOYD: We just put that – that's just another action item, Mr. Chairman.

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CHAIRMAN RANDALL: All right. So, but that's what we're going to do, right, what it says right there?

MS. BOYD: Well, this –

CHAIRMAN RANDALL: Or do we need to –

MS. BOYD: – is just a note for us to remember that the value must be updated annually, and the methodology revisited every five years. So we can talk about, at the next meeting, how you want us to docket that later on.

CHAIRMAN RANDALL: Okay.

MS. BOYD: Just to make sure we don't forget about it.

CHAIRMAN RANDALL: Okay. So we'll talk – we'll add that to be at the next meeting.

MS. BOYD: Yes, sir.

[Reference: Presentation Slide 21]

MR. SCARBOROUGH: The next one talks about solar choice. This is Section 58-40-20. The Commission, again, shall establish a new solar choice metering tariff for customer-generators to go into effect for applications received after May 31st of 2021.

There's also a requirement to establish a minimum guaranteed number of years to which those solar choice metering customers are entitled. And, third bullet, there's nothing here that prohibits the Commission from establishing similar tariffs for other renewable energy resources, such as wind, geothermal, and others.

MS. BOYD: We just included that because, when you open or address the solar choice metering

1 tariff, you might instruct Staff, “Okay, well, we
2 also want you to open other dockets related to
3 biomass or wind or whatever,” so that’s why we
4 included that, for us to remember.

5 CHAIRMAN RANDALL: Okay. You’re talking about
6 that last –

7 MS. BOYD: The last bullet, yes, sir.

8 CHAIRMAN RANDALL: All right. Do we need to
9 decide anything on that first bullet, or wait
10 till –

11 MS. BOYD: I think we can wait, Mr. Chairman.

12 CHAIRMAN RANDALL: Wait?

13 MS. BOYD: Yes, sir.

14 CHAIRMAN RANDALL: Okay.

15 [Reference: Presentation Slide 22]

16 MR. SCARBOROUGH: The next part of the law
17 deals with leases. Many customers would be leasing
18 their equipment, as opposed to purchasing, and
19 these are just some of the exemptions that the law
20 requires. It talks about single premises that are
21 not interconnected with a utility; facilities that
22 are owned by a customer-generator but financed by a
23 third party; and then, of course, standby emergency
24 services. But it also points out that the PSC may
25 promulgate regulations, consistent with this
26 section, interpreting the scope of these exemptions
27 as to the electric utilities. Not the small power
28 producers, not the individual premises, but to the
29 electric utilities themselves.

30 Again, we can put that on the agenda for two
31 weeks, if you so desire?

32 CHAIRMAN RANDALL: And so is that – and we’re

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talking about a generic proceeding on that, or a generic docket on that?

MS. BOYD: I think that's a good point, Mr. Chairman. I do think that we could – the Commission would welcome comments about the scope of that regulation, the substance of it, recommendations, because – I think it would be helpful. So when we get to that point when you're ready – when we're ready, before we issue a Notice of Drafting, perhaps seek some comments about what the content, the substance of that regulation, should be.

CHAIRMAN RANDALL: Okay. And we'll – okay. Anybody got any comment on that?

COMMISSIONER BELSER: May I ask a –

CHAIRMAN RANDALL: Yes, Commissioner Belser.

COMMISSIONER BELSER: Thank you, Mr. Chairman. Ms. Boyd, do you have – what's your advisory committee called?

MS. BOYD: It's just the PSC Advisory Committee.

COMMISSIONER BELSER: Is there a meeting of that advisory committee scheduled anytime soon?

MS. BOYD: We can schedule it anytime.

COMMISSIONER BELSER: Well, don't you normally do a notice of what may be discussed at that?

MS. BOYD: We do. We do.

COMMISSIONER BELSER: Could you consider maybe implementing or calling an advisory committee meeting and report back at the next meeting?

MS. BOYD: Yes, ma'am. Would you recommend that we bring up some of these same topics that we

1 can, like the regulations, the generic dockets?

2 **COMMISSIONER BELSER:** I think that it would be
3 helpful to discuss it with those individuals –

4 **MS. BOYD:** Okay.

5 **COMMISSIONER BELSER:** – that participate in
6 that. They always come up with some good ideas –
7 or in my experience, they have come up with some
8 good ideas.

9 **MS. BOYD:** Yes, ma'am.

10 **COMMISSIONER BELSER:** Thank you.

11 **MS. BOYD:** Thank you.

12 **CHAIRMAN RANDALL:** Hang on one second.

13 [Discussion off the record]

14 Okay. Is the next thing on our agenda the
15 IRPs?

16 **MR. SCARBOROUGH:** Yes.

17 **CHAIRMAN RANDALL:** Then we're going to take a
18 short break, and will be back in five or ten
19 minutes.

20 [WHEREUPON, a recess was taken from 3:37
21 to 3:47 p.m.]

22 **CHAIRMAN RANDALL:** Okay, we'll call this
23 meeting back to order. And we are going to – we
24 realize we've gone longer, and we've got a rule to
25 show cause, two dockets there. We do have one
26 thing more on this that we need to take some action
27 on, and then we're going to continue with this
28 presentation in two weeks.

29 So, Ms. Boyd and Mr. Scarborough.

30 [Reference: Presentation Slide 29]

31 **MS. BOYD:** Okay. Mr. Chairman, just one other
32 issue, I think, that we want to address with you

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today, and that's Section 58-27-460(D).

MR. MELCHERS: Page –

MR. SCARBOROUGH: And what this requires –

CHAIRMAN RANDALL: Page 29.

MR. MELCHERS: Twenty-nine?

MR. SCARBOROUGH: Yeah, if you look at page 29, slide 29, in your packet, you'll see this [indicating]. It deals with the PSC being required to establish reasonable guidelines for interconnection timelines. If you'll notice, there's – again, in bright red – August 16, 2019, where the PSC has to deliver a system impact study to all interconnection customers that execute a system impact study agreement prior to August 16, 2019, after the effective date of this Act. So we have a very limited amount of time to do this is.

MS. BOYD: So, Mr. Chairman, would you – just as a suggestion – perhaps open four dockets again, and send instructions to the utilities regarding that particular section, perhaps, and then we can discuss further as to how you're going to approve or establish those guidelines, in two weeks. Is that okay?

COMMISSIONER ERVIN: So moved.

MS. BOYD: Okay.

MR. SCARBOROUGH: We got it.

MS. BOYD: Mr. Chairman, we really, really, really appreciate your indulgence – you and the Commissioners – today, and we will come back in two weeks and follow up.

CHAIRMAN RANDALL: Okay.

COMMISSIONER ERVIN: We've still got –

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CHAIRMAN RANDALL: Yeah. All right. We've got a motion on that. Anybody, questions or comments?

[No response]

If not, all in favor, please say "aye"?

COMMISSIONERS: Aye.

CHAIRMAN RANDALL: All opposed, "no"?

[No response]

We need to go back to the very first thing, quickly, that Commissioner Belser had wanted us to hold off on.

MS. BOYD: Okay.

CHAIRMAN RANDALL: And I'm going to turn it over to her.

COMMISSIONER BELSER: Mr. Chairman, with regard for the dockets, under Section 58-41-20, I move that we open a docket for each utility, subject to that section.

Is that what you –

COMMISSIONER ERVIN: What page are you on, please?

COMMISSIONER BELSER: Well, I was referring to –

CHAIRMAN RANDALL: That's that very first one we did.

COMMISSIONER ERVIN: Oh.

COMMISSIONER BELSER: – the code section.

COMMISSIONER ERVIN: Right.

COMMISSIONER BELSER: It is –

MS. BOYD: It's on Slide 7, too, Commissioner Belser.

COMMISSIONER BELSER: All right. Thank you.

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MS. BOYD: Okay.

COMMISSIONER BELSER: That we open four dockets and not just one.

CHAIRMAN RANDALL: Anybody got questions on that, opening four dockets instead of just one, or open a docket for each utility?

[No response]

Okay. If not, all in favor, please say “aye”?

COMMISSIONERS: Aye.

CHAIRMAN RANDALL: All opposed, “no”?

[No response]

And the motion carries.

MS. BOYD: We’ll come back to the other issue about every 24 months in two weeks, okay?

CHAIRMAN RANDALL: Thank you.

MS. BOYD: Thank you, Mr. Chairman.

CHAIRMAN RANDALL: Thank you, both.

Okay. Now, we’ll need to adjourn the business meeting and we will start the rule to show cause in just a moment.

[WHEREUPON, at 3:50 p.m., the proceedings in the above-entitled matter were adjourned.]



Date: 6/4/19 .

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