



powerSC



Interagency Working Group Meeting

2 p.m., Aug. 24, 2023

USC Alumni Center

900 Senate Street, Columbia, SC 29201



Agenda

1. Welcome and Introductions
2. Overview of Economic Development in South Carolina
3. State of South Carolina Power
4. Overview of Executive Order Number 2023-18
5. Sharing of Expertise
6. Identify Next Steps and Actions
7. Adjourn

Interagency Working Group Members

- South Carolina Department of Commerce
- Office of the Governor
- Office of Regulatory Staff
- South Carolina State Energy Office
- Environmental Affairs Administration, South Carolina
- Department of Health and Environmental Control
- Division of Land, Water, and Conservation, South Carolina
- Department of Natural Resources
- South Carolina Department of Transportation
- South Carolina Department of Employment and Workforce
- South Carolina Office of Resilience
- South Carolina Department of Labor, Licensing and Regulation





Economic Development in South Carolina

ANNOUNCED INVESTMENTS

SINCE JAN. 1, 2022 TO PRESENT:



174
PROJECTS



\$15.87 B
**CAPITAL
INVESTMENT**

MEGA MANUFACTURING POWER USERS

EV BATTERY INDUSTRY

DATA CENTERS

ADVANCED ENERGY TECHNOLOGY COMPONENTS

powerSC





STATE OF SC POWER

Nanette Edwards, Executive Director

South Carolina Office of Regulatory Staff | *August 24, 2023*

About the ORS

MISSION: The Office of Regulatory Staff represents the public interest of South Carolina before the Public Service Commission.

Public interest- *The concerns of the using and consuming public with respect to public utility services, regardless of the class of customer, and preservation of continued investment in and maintenance of utility facilities so as to provide reliable and high-quality utility services.*

About the Energy Office



Our Structure



Energy Office – a department within the South Carolina Office of Regulatory Staff



Funded by US Department of Energy's State Energy Program

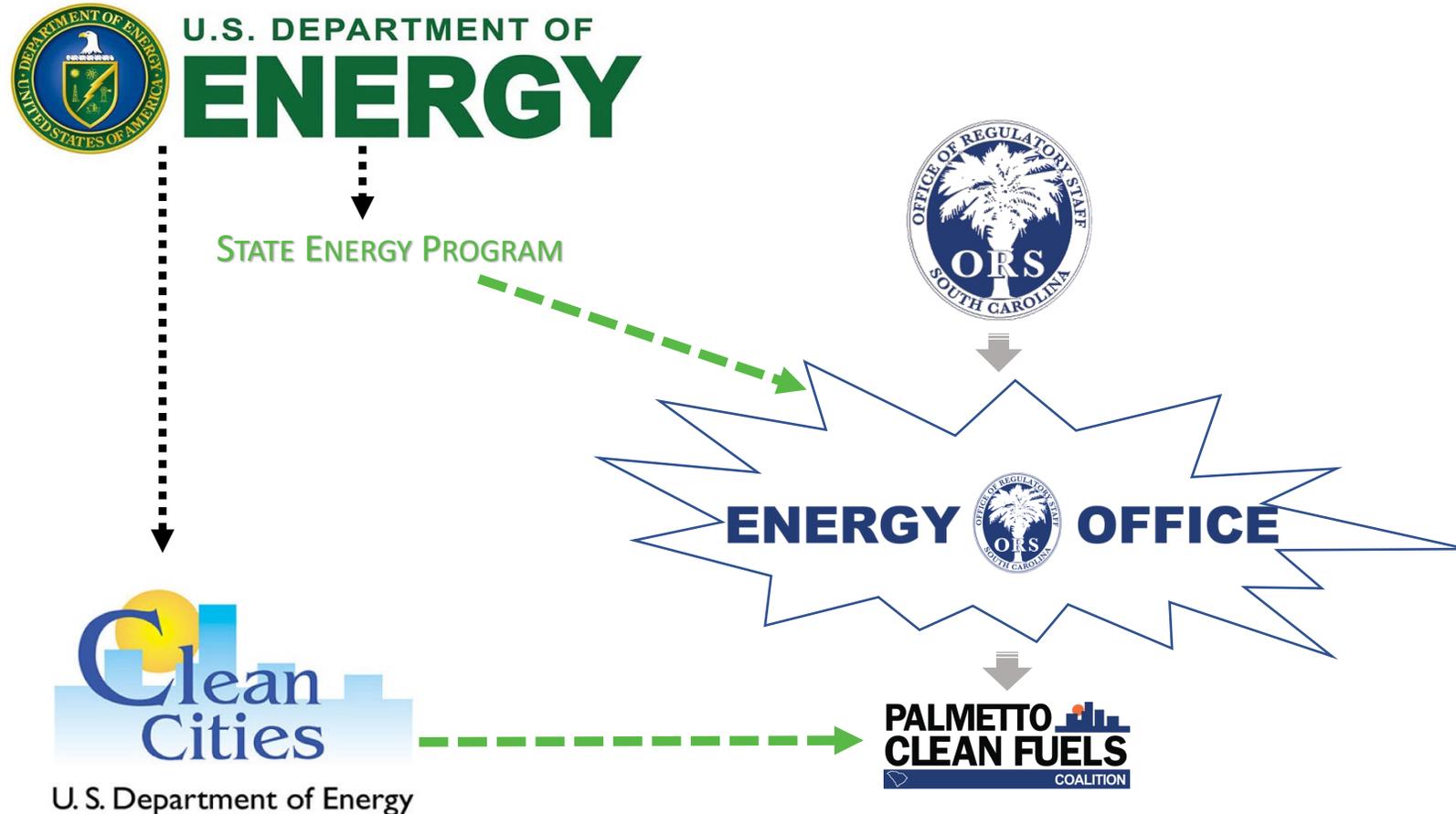
Our Mission

Promote energy efficiency, renewable energy, and clean transportation

- Technical Assistance
- Financial Assistance
- Education & Outreach
- Maintain Energy Data Resource

Implement the State Energy Plan

Energy Office Structure



State Energy Planning

Maximizes

- ✓ Environmental quality,
- ✓ Energy conservation &
- ✓ Energy efficiency,

AND

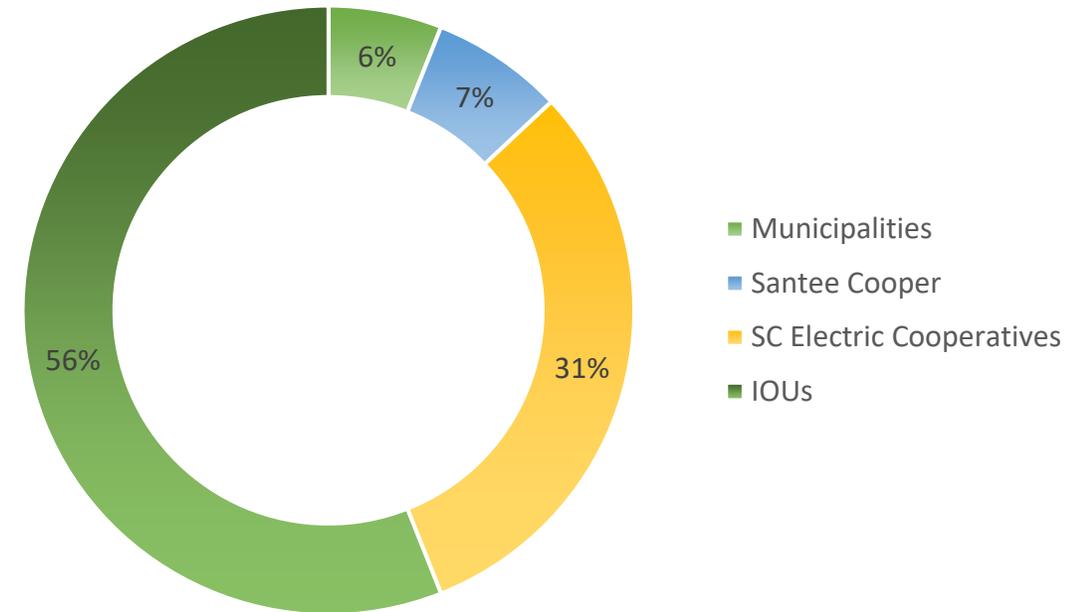
Minimizes

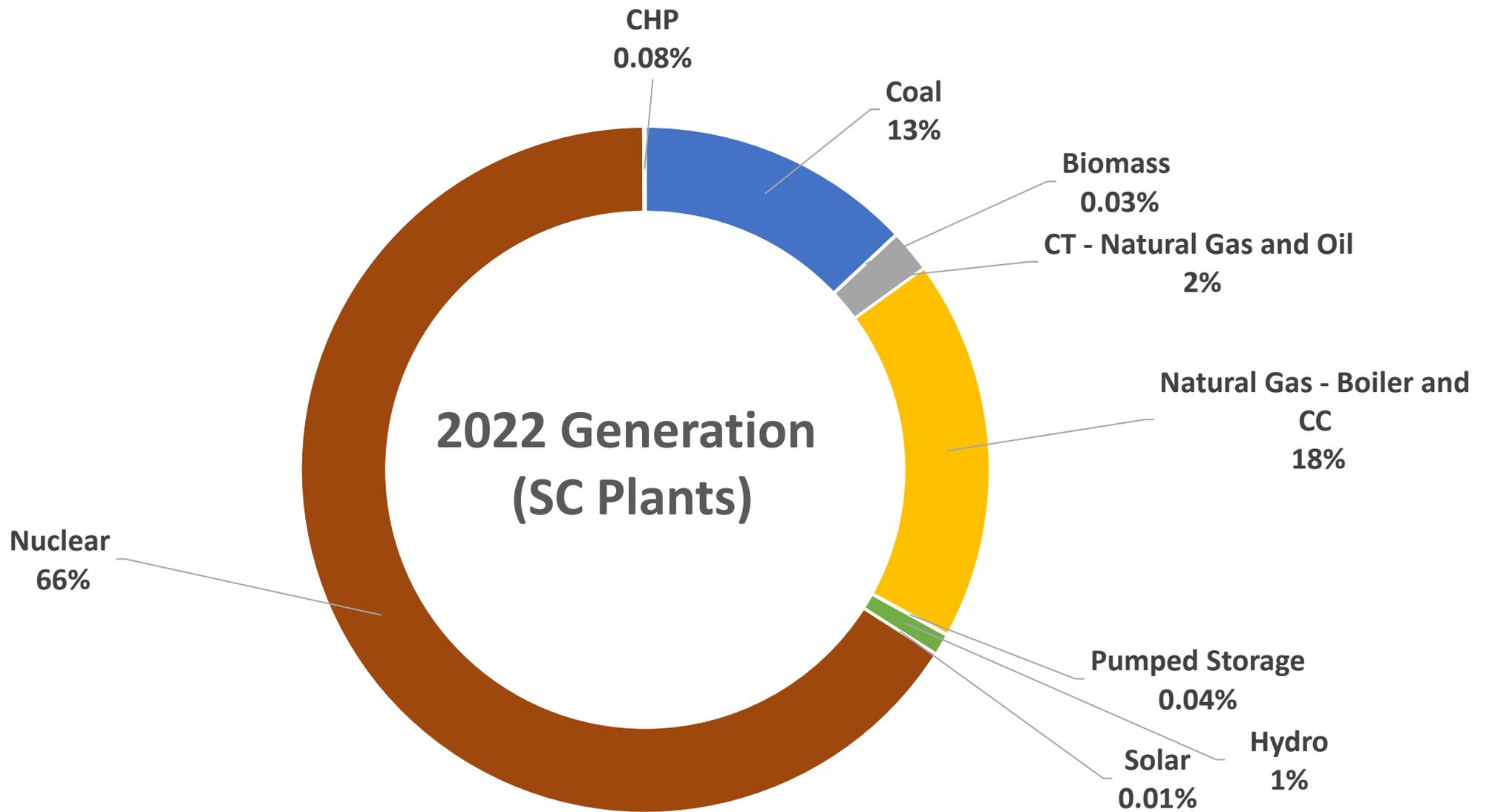
- ✓ **Cost of energy throughout the State**

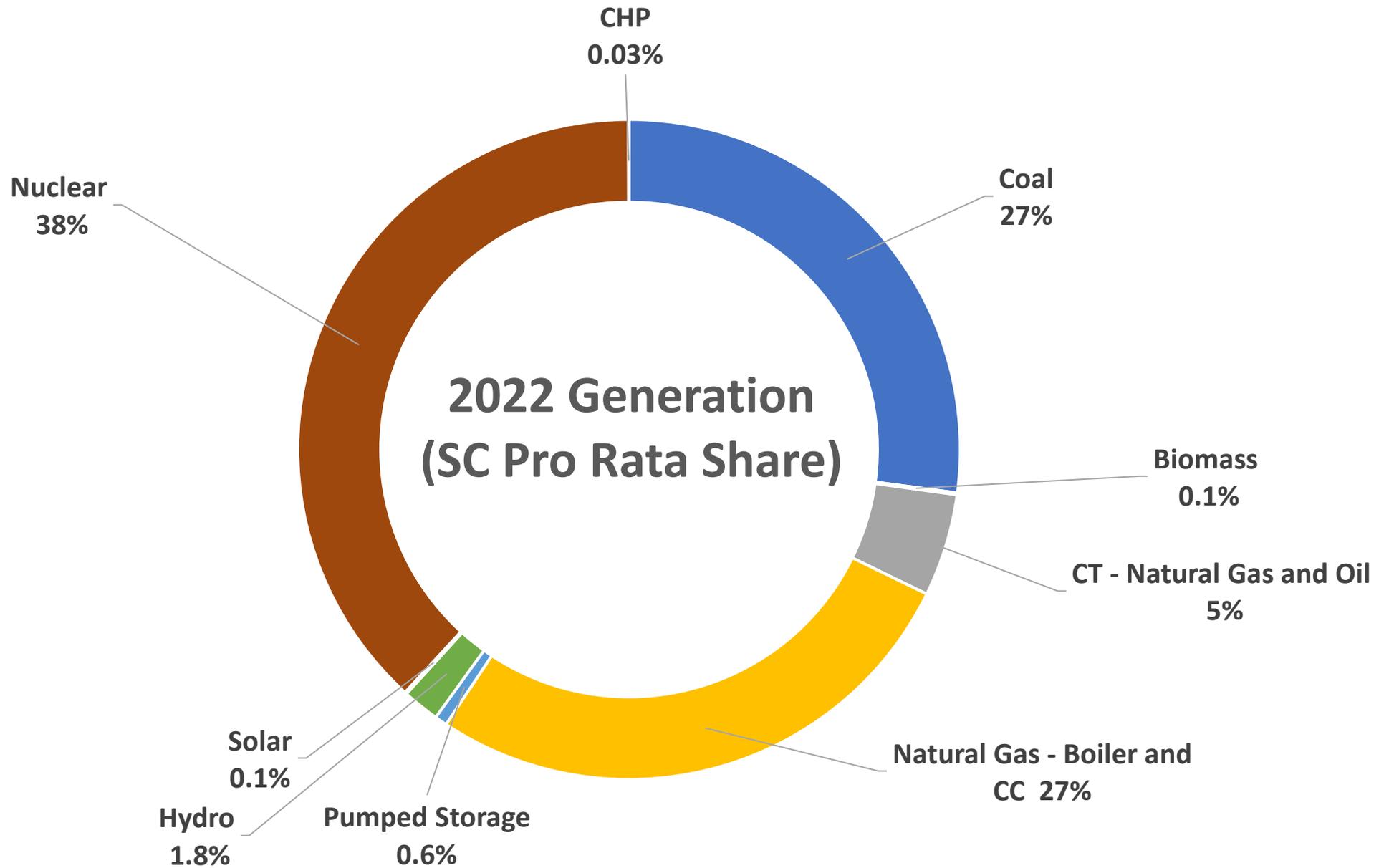
SC Code §48-52-210

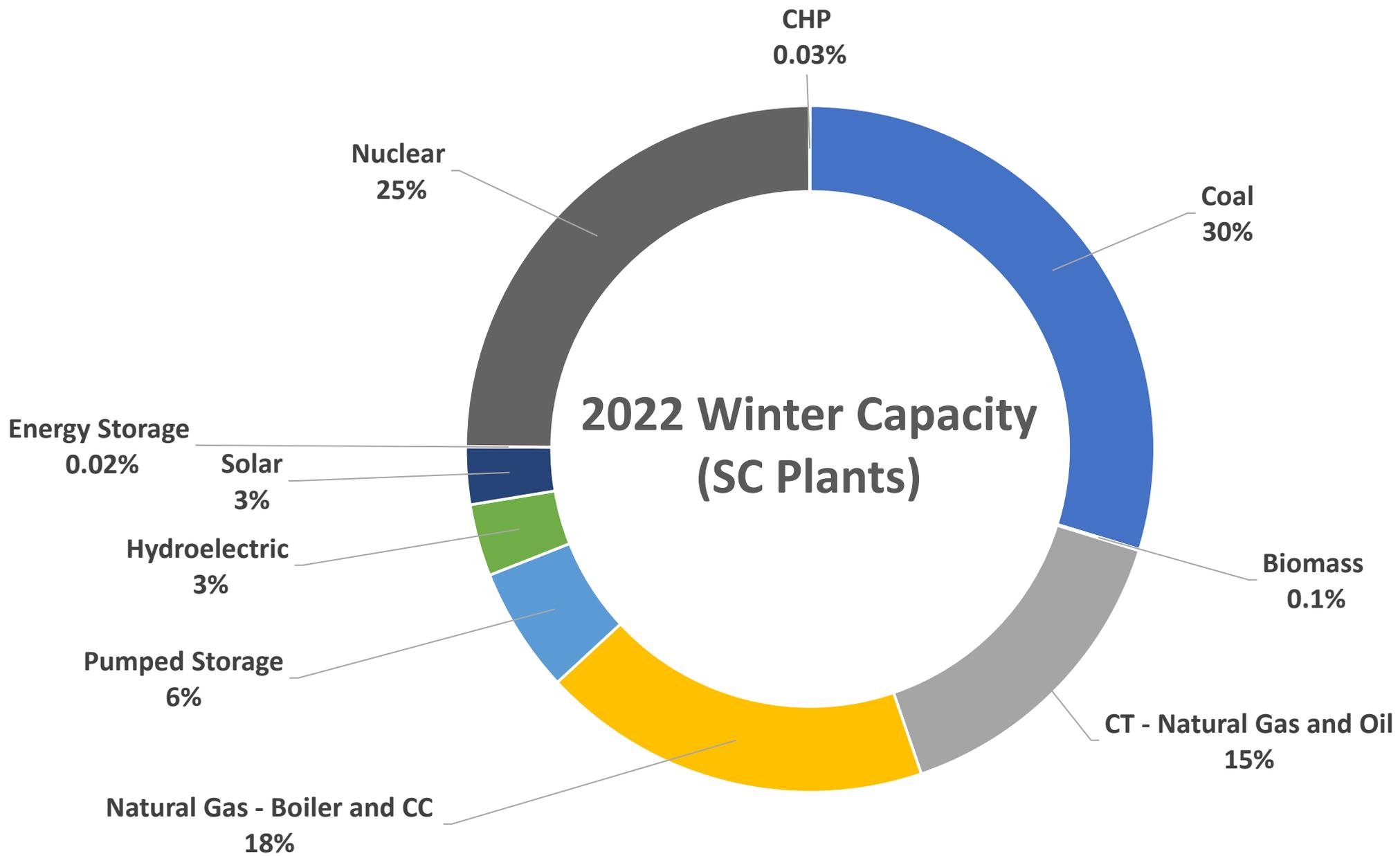
SC Energy Landscape

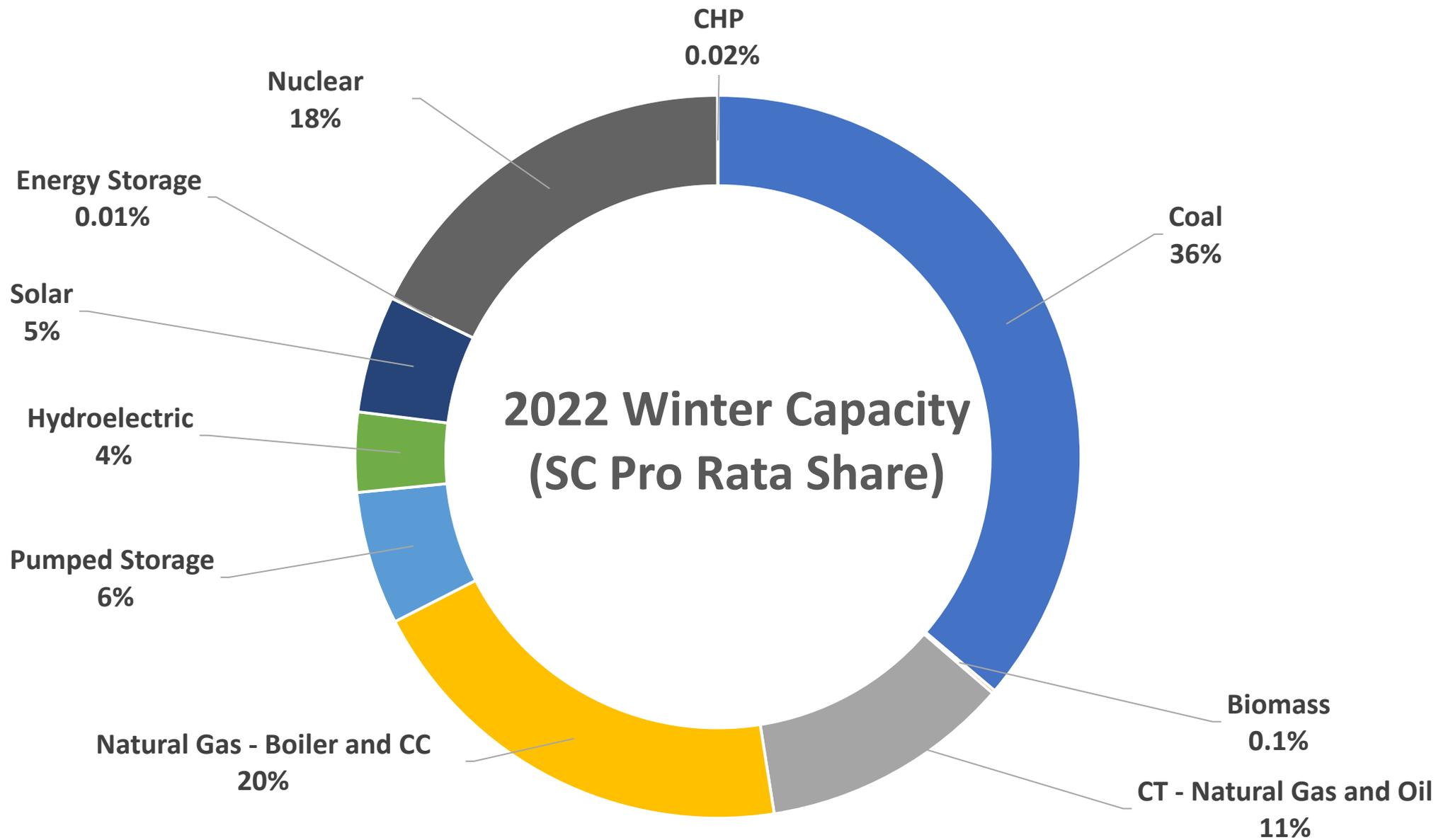
- Three large and one small private investor-owned utilities (IOUs)
 - Duke Energy Carolinas
 - Duke Energy Progress
 - Dominion Energy South Carolina
 - Lockhart Power
- Santee Cooper - state-owned utility who provides generation and transmission in addition to distribution
- Distribution electric utilities in the form of Municipal Electric Utilities and Electric Cooperatives
- Purchased Power











State of SC Power - Challenges

Need for Diverse Generation

- Load growth due to economic development and population increase.
- Diverse electric generation portfolio is necessary to minimize price volatility and enhance reliability.
- 9GW of Planned Retirements.

Expand Natural Gas Capacity

- Natural gas pipeline capacity expansion in the SE is critical to reliability and growth.

Additional Baseload Generation

- Generation needs to keep pace with growth and electrification.
- Replacement Generation Necessary Before Retirement - - Reliability is critical.

Cost, Land Use, Infrastructure & Regulation

- Transmission and pipeline development.
- Affordability.
- Best use of SC land resources.
- Proposed regulations.

State of SC Power - Opportunities

"All of the Above" Approach

- All options are on the table to meet immediate needs.
- Strategic retirements paced with development of new generation.
- State Energy Plan.

Streamline Processes to Support Expansion

- Regulatory processes may need to change.
- Cost-effective energy efficiency.

Leverage SC Resources

- Strategic use of existing ROW and infrastructure.
- Strategic use of federal and state funding.
- Communicate, coordinate and collaborate.



Questions?

Overview of
Governor McMaster's
Executive Order 2023-18

PowerSC

August 24, 2023



WHEREAS, the State of South Carolina has significant interests in ensuring the safety, security, efficiency, affordability, reliability, resiliency, and sustainability of the State's energy resources, as well as enhancing and diversifying South Carolina's power production capacity, the sufficiency of which is critical to protecting the public welfare, maintaining and advancing economic development and job growth, and fueling the State's current and future prosperity; and

WHEREAS, South Carolina has recently experienced tremendous economic growth, with over 700 economic-development projects announcing more than \$32.5 billion in investment in the State since January 2017, collectively representing approximately 81,000 new jobs; and

WHEREAS, although South Carolina is uniquely positioned to attract additional investment and to foster further innovation and economic development, the State also must not take for granted the essential role of, and critical need for, sufficient power supplies and electric generation resources to secure the current and future prosperity of all South Carolinians; and

WHEREAS, to this end, additional proactive action and coordinated measures are necessary to ensure that the State will have an adequate supply of, and sufficient access to, safe, secure, efficient, affordable, reliable, diverse, and sustainable energy resources and that South Carolina's electric generation, distribution, and transmission capacity and capability is prepared to accommodate enhanced economic activity, anticipated technological advances, and continued population growth, to include accounting for increases in demand from industrial and residential customers and electric-vehicle ("EV") consumers; and

WHEREAS, in furtherance of the foregoing, the undersigned has concluded that the **State of South Carolina must develop an updated comprehensive short and long-term plan and coordinated strategy focused on 1) enhancing the symbiotic relationship between energy production and economic development for the benefit of all South Carolinians, 2) protecting and conserving the State's natural and environmental resources, 3) exploring the feasibility of incorporating or incentivizing innovation and technological advances related to energy production, 4) addressing the existing limitations on the State's ability to receive and capability to utilize natural gas, 5) considering current or future opportunities to incorporate additional nuclear power production into South Carolina's diverse generation resources, 6) and identifying any modifications to existing laws, regulations, policies, or procedures that may be necessary to govern effectively, and facilitate the growth of, the State's energy economy; and**

WHEREAS, the undersigned has determined that it is appropriate to utilize a similar approach with respect to the State's energy production and economic-development landscape by **1) collectively exploring solutions to the complex challenges associated with meeting the energy needs of a rapidly growing economy, 2) identifying specific initiatives and policy goals or considerations, and formalizing a process of interagency evaluation, coordination, collaboration, and cooperation and proactive, strategic action to address the issues cited herein; and**

WHEREAS, additional interagency collaboration is necessary to evaluate and collectively address the aforementioned and other issues specific to the State's energy-related workforce and economic-development activities, to assist with and expand upon ongoing Administration and agency initiatives, and to inform future legislative action by providing the General Assembly with additional context regarding these significant policy matters and the State's interests associated with the same; and

WHEREAS, in recognition of the foregoing considerations and authorities, and in furtherance of the cited policies and priorities, the undersigned has determined that **it is necessary and appropriate to initiate further proactive action to prioritize and formalize focused intergovernmental collaboration, cooperation, and coordination to develop comprehensive short and long-term plans to ensure that South Carolina has sufficient energy capacity and readily available generation, distribution, and transmission resources to account for anticipated increases in consumer demand and facilitate future economic development, while also simultaneously advancing responsible environmental stewardship, enhancing resource diversity and productivity, promoting technological innovation and investment, and minimizing energy-related costs for consumers and ratepayers.**

NOW, THEREFORE, by virtue of the authority vested in me as Governor of the State of South Carolina and pursuant to the Constitution and Laws of this State and the powers conferred upon me therein, I hereby order and direct as follows:

Section 1 Establishing "powerSC" Energy Resources and Economic Development Interagency Working Group

A. In furtherance of the State of South Carolina's significant interests in 1) ensuring the safety, security, efficiency, affordability, reliability, resiliency, sustainability, and sufficiency of the State's energy resources, 2) as well as enhancing and diversifying South Carolina's power production capacity, 3) and to support and facilitate additional collaboration with ongoing efforts and existing initiatives, I hereby authorize and direct the **Department of Commerce to convene, and to coordinate the activities of, the powerSC Energy Resources and Economic Development Interagency Working Group ("powerSC")**, which shall undertake the following actions and initiatives:

1. Coordinate and direct implementation of a strategic statewide initiative and collaborative effort involving critical stakeholders across the State's energy ecosystem-including state- and investor-owned utilities, electric cooperatives, public power providers, private industry, conservation organizations, nonprofits, academia, and federal, state, and local government entities-designed to advance the principles and considerations detailed herein, including assessing and expanding South Carolina's energy-related resources, workforce and economic development activities, and competitive standing of South Carolina's energy ecosystem and energy-related sector relative to other States, so as to ensure that South Carolina's power-generation capacity and available energy supplies will not limit further economic growth and development;

2. Assist ORS and the Energy Office as part of the comprehensive process to update South Carolina's strategic State Energy Plan by providing input regarding the requisite scope of work and by offering agency-specific perspectives and policy recommendations regarding the manner in which to account for and balance various considerations pertaining to the State's energy resources, including, *inter alia*, economic development, demand forecasts, and generation diversity, as well as broader interests involving energy affordability, conservation, efficiency, reliability, resiliency, safety, security, and sustainability;

3. Explore the feasibility of facilitating additional coordination between and among the State's utility providers to increase energy production capacity in a manner that would **maximize economies of scale and minimize price variability and volatility;**

4. Assess any **existing or anticipated technologies or opportunities to incorporate additional natural gas pipeline or generation capacity and nuclear-power production into the State's current generation mix to increase the diversity of South Carolina's energy resources;**

5. Identify loans, grants, and other funding streams available to the State, or political subdivisions or agencies, departments, or entities thereof, or to private parties pertaining to the construction, development, or deployment of new energy generation facilities or other energy-related resources, technology, and infrastructure;

6. Evaluate the effectiveness of existing economic-development mechanisms and assess the potential application of the same to future energy-related investments in this State, while also considering whether additional economic-development mechanisms or incentives may further advance South Carolina's interests related to the energy ecosystem;

7. Analyze any state licensing or permitting processes governing the construction, operation, or expansion of energy-related infrastructure and facilities and **identify any opportunities to reform or improve the same**, including considering the feasibility of state agencies concurrently reviewing any relevant permit applications rather than initiating state-level review upon completion of any applicable review by federal agencies and evaluating whether any existing state-level application processes can be streamlined, accelerated, or otherwise modified to be more efficient, while still providing sufficient time for appropriate environmental review and analysis and maintaining responsible stewardship of the State's natural resources;

8. Study existing building codes and **recommend any appropriate modifications or amendments that would enhance energy efficiency without unnecessarily increasing corresponding construction costs;**

9. Confer with industry stakeholders, education providers, and other state agencies and departments **to evaluate any existing or anticipated supply gaps in the State's energy-related workforce, consider the potential development and implementation of pilot programs or other initiatives to enhance and further develop the State's energy-related workforce, and assess the projected demand for any relevant education, training, credentials, or certifications;**

10. Collaborate with federal, state, and local agencies, departments, or entities, as necessary and appropriate, in furtherance of the interests and objectives identified herein, including recommending and advocating for federal actions that would address any existing barriers to the creation or expansion of the State's energy resources;

11. Review any evaluations and recommendations produced by the Electricity Market Reform Measures Study Committee, Joint Committee on the Electrification of Transportation, or other similar legislative committees, and provide input to those bodies, as requested or otherwise appropriate, on matters of mutual interest; and

12. Report to the undersigned any recommended modifications or amendments to state laws, regulations, policies, or procedures that may be necessary or appropriate to facilitate or accelerate the adoption or implementation of the energy-related strategies and initiatives set forth herein.

B. In addition to the Department of Commerce, powerSC shall include representatives from the following agencies, departments, or entities:

- 1.ORS, including the Energy Office;
- 2.Environmental Affairs Administration, South Carolina Department of Health and Environmental Control, or the successor or equivalent component of the South Carolina Department of Environmental Services;
- 3.Division of Land, Water, and Conservation, South Carolina Department of Natural Resources, or the successor or equivalent component of the South Carolina Department of Environmental Services;
- 4.South Carolina Department of Transportation;
- 5.South Carolina Department of Employment and Workforce;
- 6.South Carolina Office of Resilience;
- 7.South Carolina Department of Labor, Licensing and Regulation; and
- 8.Office of the Governor.

In consultation with the Office of the Governor, the Department of Commerce may designate additional agencies or entities, or representatives thereof, to participate in powerSC, or components thereof, as necessary and appropriate.

C. The Department of Commerce and ORS, including the Energy Office, shall provide staff resources and administrative support to powerSC. Pursuant to article IV, section 17 of the South Carolina Constitution and sections 1-1-840 and 1-3-10 of the South Carolina Code of Laws, as amended, and in furtherance of the principles, considerations, and initiatives set forth above, I hereby authorize and direct any state agencies, departments, entities, or officials called upon for assistance by powerSC to cooperate with, accommodate, and assist powerSC in conducting or performing the activities required by this Section or otherwise undertaken to advance the interests and initiatives identified herein and to provide powerSC with any and all data, information, documents, or materials requested by powerSC in connection with the same.

D. PowerSC, or representatives or components thereof, **shall proactively engage with, and solicit input from, the public to ensure that any recommendations or proposals are made in consideration of, and for the benefit of, public needs and purposes.** PowerSC should invite input from members of the public and relevant stakeholders or interested parties, including state- and investor-owned utilities, electric cooperatives, public power providers, private industry, conservation organizations, nonprofits, academia, and federal, state, and local government entities, and should consider and incorporate the same as appropriate.

Section 2. General Provisions

- A. This Order is not intended to create, and does not create, any individual right, privilege, or benefit, whether substantive or procedural, enforceable at law or in equity by any party against the State of South Carolina, its agencies, departments, political subdivisions, or other entities, or any officers, employees, or agents thereof, or any other person.
- B. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this Order is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this Order, as the undersigned would have issued this Order, and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

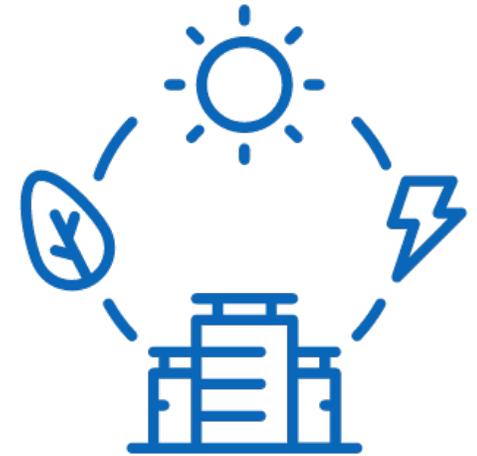
C. This Order shall be implemented consistent with and to the maximum extent provided by applicable law and shall be subject to the availability of appropriations. This Order shall not be interpreted, applied, implemented, or construed in a manner so as to impair, impede, or otherwise affect the authority granted by law to an executive agency or department, or the officials or head thereof, including the undersigned.

D. I hereby expressly authorize the Office of the Governor to provide or issue any necessary and appropriate additional or supplemental guidance, rules, regulations, or restrictions regarding the application of this Order or to otherwise to provide clarification regarding the same, through appropriate means, without the need for further Orders.

E. This Order is effective immediately and shall remain in effect unless otherwise expressly stated herein or modified, amended, extended, or rescinded by subsequent Order.

Agencies' Role in South Carolina's Energy Mix

- South Carolina Department of Commerce
- Office of the Governor
- Office of Regulatory Staff
- South Carolina State Energy Office
- Environmental Affairs Administration, South Carolina
- Department of Health and Environmental Control
- Division of Land, Water, and Conservation, South Carolina
- Department of Natural Resources
- South Carolina Department of Transportation
- South Carolina Department of Employment and Workforce
- South Carolina Office of Resilience
- South Carolina Department of Labor, Licensing and Regulation



Identify Next Steps and Actions



MEDIA CONTACT:
Kelly Coakley
Director of Marketing and Communications
South Carolina Department of Commerce
(803) 737-1998
kcoakley@sccommerce.com