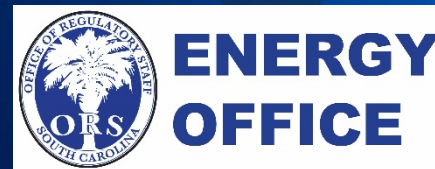


# Public Engagement Session: South Carolina's Energy Future



The seal of the Office of Regulatory Staff, State of South Carolina, is a circular emblem. It features a central figure of a person, possibly a Native American, holding a bow and arrow. The text "OFFICE OF REGULATORY STAFF" is written around the top inner edge of the circle, and "STATE OF SOUTH CAROLINA" is written around the bottom inner edge. The seal is rendered in a light blue, semi-transparent style.

# **Office of Regulatory Staff Energy Office**

***SECTION 48-52-410. State Energy Office established; purpose.***

***There is established the State Energy Office within the Office of Regulatory Staff 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.***

# Infrastructure

Current Energy Use and Resources

Environmental Regulations

Future Energy Use and Resources

Policy Recommendations

- Utilities operating in the State and oversight
  - Investor-owned
  - Cooperatives
  - Municipal systems
  - Santee Cooper
- Current status of electric and gas transmission system
- Infrastructure limitations and threats
  - Severe weather
  - Cyber attacks
  - Age
- Reliability



Infrastructure

## Current Energy Use and Resources

Environmental Regulations

Future Energy Use and Resources

Policy Recommendations

- Who consumes energy?
- What resources generate our electric power
- What role do energy efficiency and demand response play in meeting energy demand?
- State building energy consumption
  - State spending on building energy use
  - 2020 reduction mandate
- State electricity capacity/generation mix
  - In-state generation vs. in-state use
- Transportation



Infrastructure

Current Energy Use and  
Resources

## Environmental Regulations

Future Energy Use and  
Resources

Policy Recommendations

- Existing regulations impacting energy use
- EPA's Clean Power Plan
  - The Clean Power Plan must closely align with the State Energy Plan
  - Low carbon future
  - New nuclear development



Infrastructure

Current Energy Use and  
Resources

Environmental  
Regulations

**Future Energy  
Use and  
Resources**

Policy Recommendations

- What will drive consumption in the future?
- What resources will we have available in the future?
- What role will energy efficiency and demand response play in the future?
- Future electric capacity/generation mix
- Future of transportation
  - Growth of alternative fueled vehicles and supporting infrastructure
  - Expanded public transit options
  - Electric vehicles and the grid



Infrastructure

Current Energy Use and  
Resources

Environmental  
Regulations

Future Energy Use and  
Resources

**Policy  
Recommendations**

- Environmental Justice Considerations
- What do you think?





# Comments or Suggestions

**Contact: Jacob Scoggins**

**Email: [jscoggins@regstaff.sc.gov](mailto:jscoggins@regstaff.sc.gov)**

**Phone: 803.737.6123**



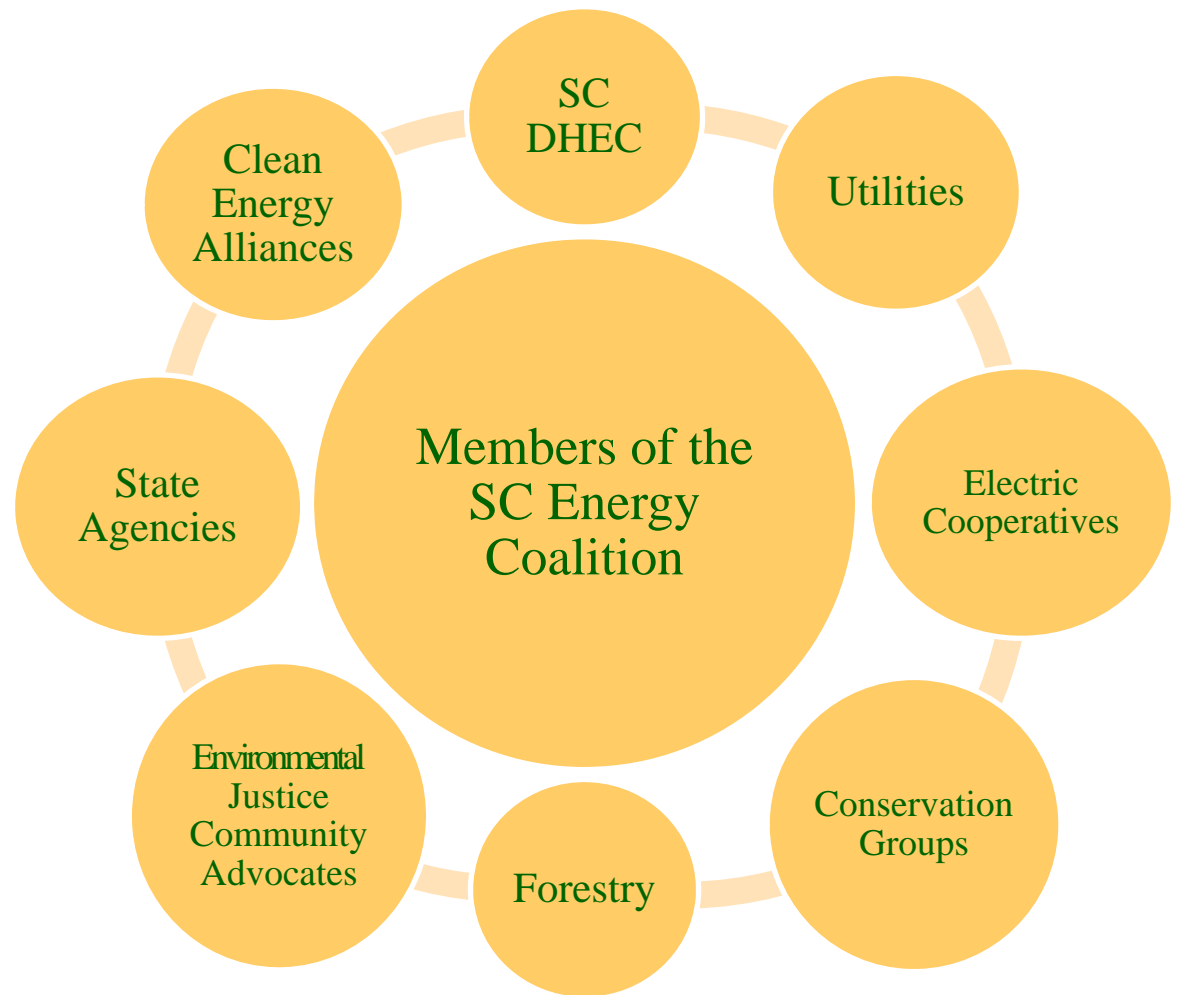


**EPA's Clean Power Plan  
and  
South Carolina's 111(d) State Plan**

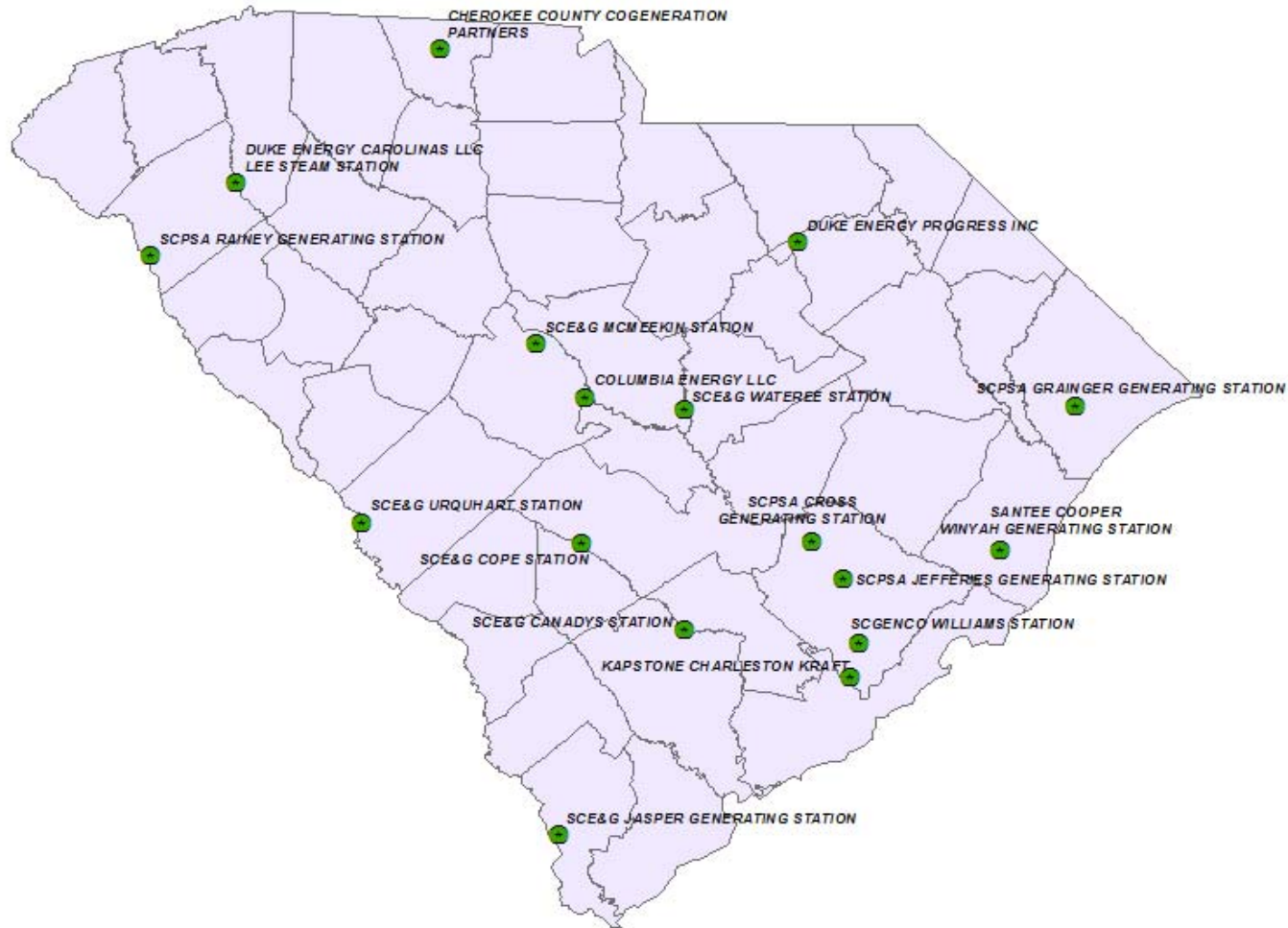
Robbie Brown  
Bureau of Air Quality  
Regional CPP Informational Session

# SC's STRATEGY

- Statewide energy coalition (Aug 2013)
- Grown from 15 to 75
- “Guiding Principles”
  - Flexibility; credit for early action; maintain affordable, reliable energy
- Comments to EPA
  - Pre & post proposal
  - Consensus?



# Affected Electric Generating Units



## Legend

● EGU Facilities

□ Counties



Note: The data represented on this map are subject to frequent changes. Although this map is believed to be fundamentally accurate, no guarantees as to its accuracy or completeness are expressed or implied. DHEC disclaims any liability with regards to this map.

Source: South Carolina Department of Health and Environmental Control Bureau of Air Quality

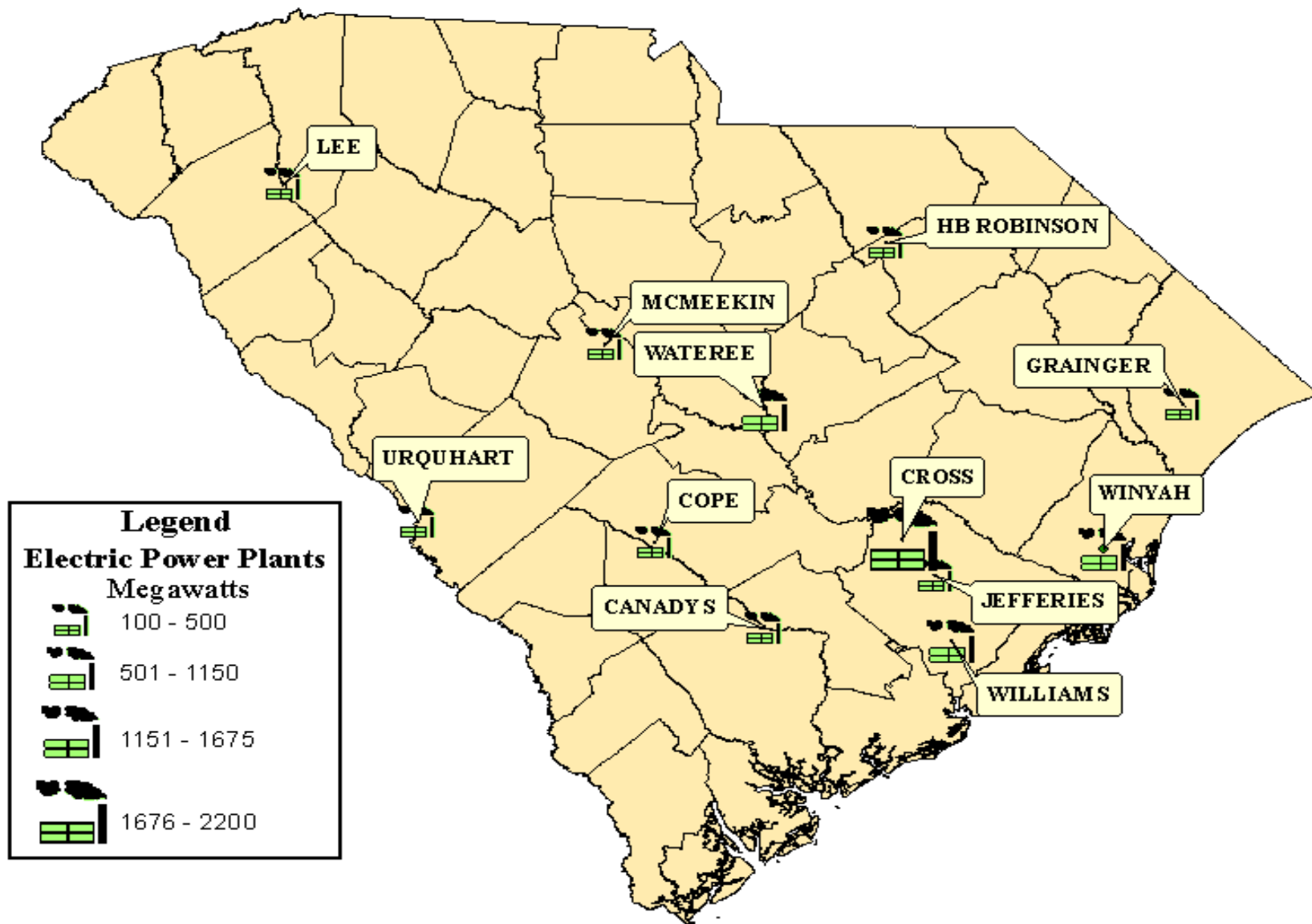
Date Saved: 9/11/2015 3:26:01 PM



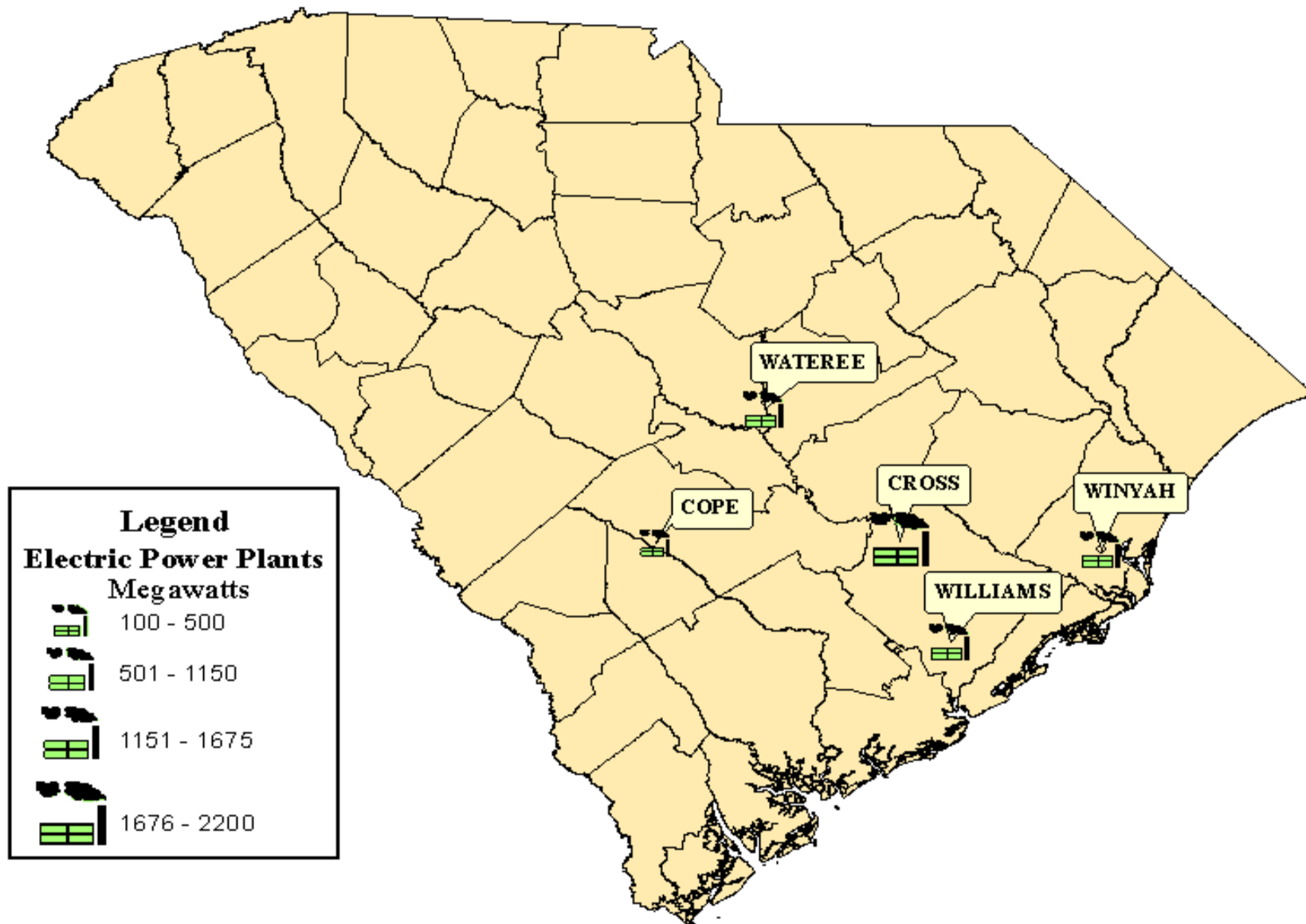
# Status of SC coal-fired units – by 2018 (Without Clean Power Plan)

- Significant reduction of coal fired generation capacity
  - Switch to natural gas and shutdowns
  - Significant emission reductions, including CO<sub>2</sub>
- 12 of 26 coal units will remain
  - All remaining 12 units have full suite of emission controls
- **Nuclear generation to meet future electrical growth needs/replace older generation: 2200 MW of additional zero CO<sub>2</sub> emitting generation**

## 2005 South Carolina Coal Fired Plants



# 2018 South Carolina Coal Fired Plants



# SC's Main Concern with the Clean Power Plan Proposal

- Treatment of un-constructed nuclear in the development of SC's emission target
- 2 units at the VC Summer Nuclear Station
  - 11B\$ investment in anticipation of carbon regulation
- Proposal Bottom line...SC would not receive credit for early actions to reduce carbon





# The Final Clean Power Plan

- Signs that EPA “listened” to SC stakeholders:
  - Credit for “under construction” nuclear units
  - More time to submit a state plan
    - 13 months versus 3 years
    - Final plan due September 2018
  - More time to comply...compliance begins 2022
  - More flexibility
  - Less stringent state target



# Other Observations...

## Final Clean Power Plan

- Now that the final rule is out, the FOCUS has shifted from EPA to the states.....(our reactions, our approach and our state compliance plans.)
- SC is receiving a lot of attention – our collaborative approach & extensive stakeholder approach

# How Did Goals Change?

Significant increases in both rate and mass goals.

<b>Action</b>	<b>Rate Goal, Lbs CO2/net MWh</b>	<b>Mass Goal, Short Tons/Yr</b>
Proposal	772	17,429,000
Final	1156	25,998,968

# Mandatory Community Engagement

## A Significant Chunk of the CPP

- States must demonstrate to EPA how they are engaging low-income, minority and tribal communities in the development of their state plans.
  - Definition of Meaningful Engagement ?
  - Not just a 30-day comment period
- EPA expects states to have a full understanding of how their plans may impact low income and minority communities

# Community Concerns with State Plans

- Want a seat at the table
- Want to see a focus and action on energy efficiency and clean energy opportunities while creating good jobs
- “Emissions trading will not provide any relief for families living near plants.”
  - State plans will add to pollution in already overburdened communities

# **Kickoff:**

## **Regional Stakeholder Meetings**

Initial stakeholder meetings, more will follow throughout SC State Rule development process.

- PEE DEE AREA: Thursday, November 12, 2015
- UPSTATE AREA: Thursday, November 19, 2015
- COASTAL AREA: December 1, 2015
- MIDLANDS AREA: Thursday, December 10, 2015

# Clean Energy Incentive Program

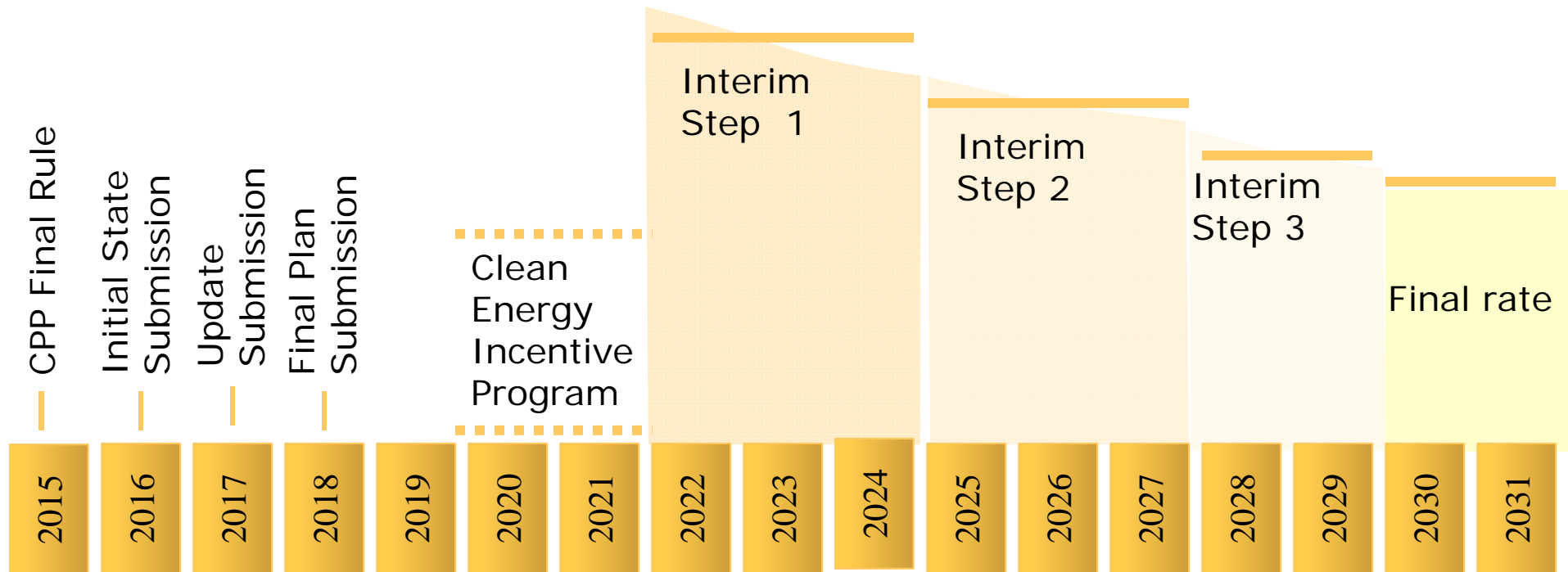
Early action program for select renewable energy and energy efficiency in 2020 and 2021

Eligible resources:

- Wind or solar commencing construction *after* state plan is submitted
- Energy efficiency in 'low-income communities'



# CPP Compliance Timeline



- EPA is encouraging early action in 2020-2021
- Interim compliance period pushed back 2 years to 2022
- Three interim steps
- Two year compliance periods for final goal
- SC Administrative Procedures Act determines our process for new/modified regulations – legislative review is required before our plan is final

# Timing of State Plan Submittals

## Step 1 (Initial Submittal)

- September 6, 2016 : States must submit final plan or seek a 2 yr extension or receive a “FIP”
  - Extension approval requires 3 components:
    1. Approaches under consideration, including description of progress made to date
    2. Explanation why we need more time
    3. Demonstration of meaningful public involvement opportunities, including vulnerable communities
- Non-binding statement of intent (Clean Energy Incentive Program)

# Timing of State Plan Submittals

## Step 2 (Check-in)

- September 6, 2017: Check-in for states who receive an extension – documentation of progress and steps already taken (schedule & list of final plan components not complete)
  - Commitment to 1 compliance approach
  - What is left to complete

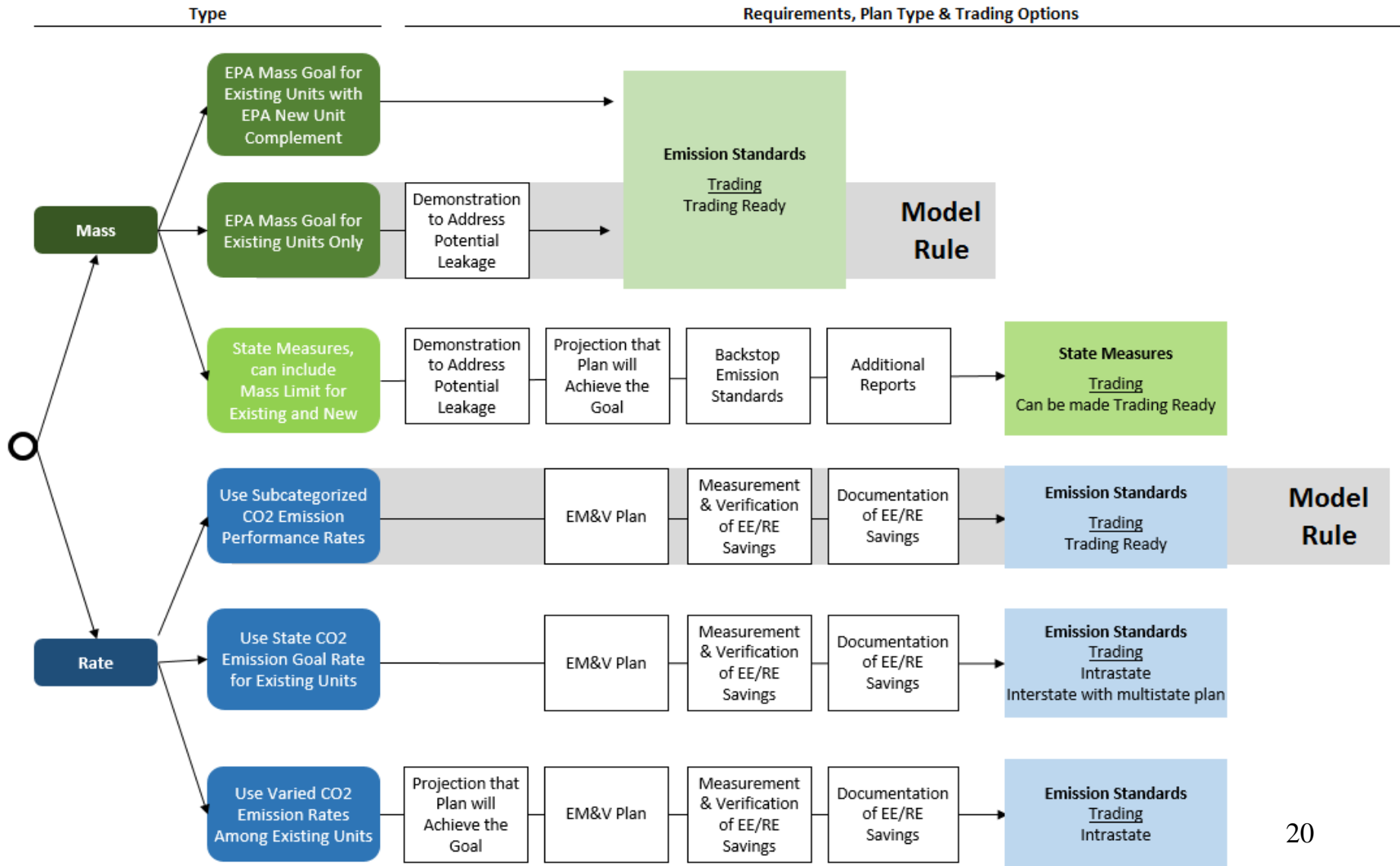
# Possible Changes in the Timeline?

- Litigation
  - 24 states, including SC, have filed a petition for review
  - 23 states, including SC, have filed a motion to stay & expedited consideration of petition for review
- A New Administration
- Congressional Challenges (Congressional Review Act)

# Next Steps for SC?

- Oct – Jan: Review and submit comments to EPA on the proposed model rules, the federal plan, and the Clean Energy Incentive Program
- Begin modeling and in depth review of different state compliance pathways
- Broader engagement of the public and vulnerable/EJ communities
  - 4 initial public mtgs; Pee Dee/Upstate/Coastal/Midlands
  - Establish 4 community advisory groups

# State Plan Types

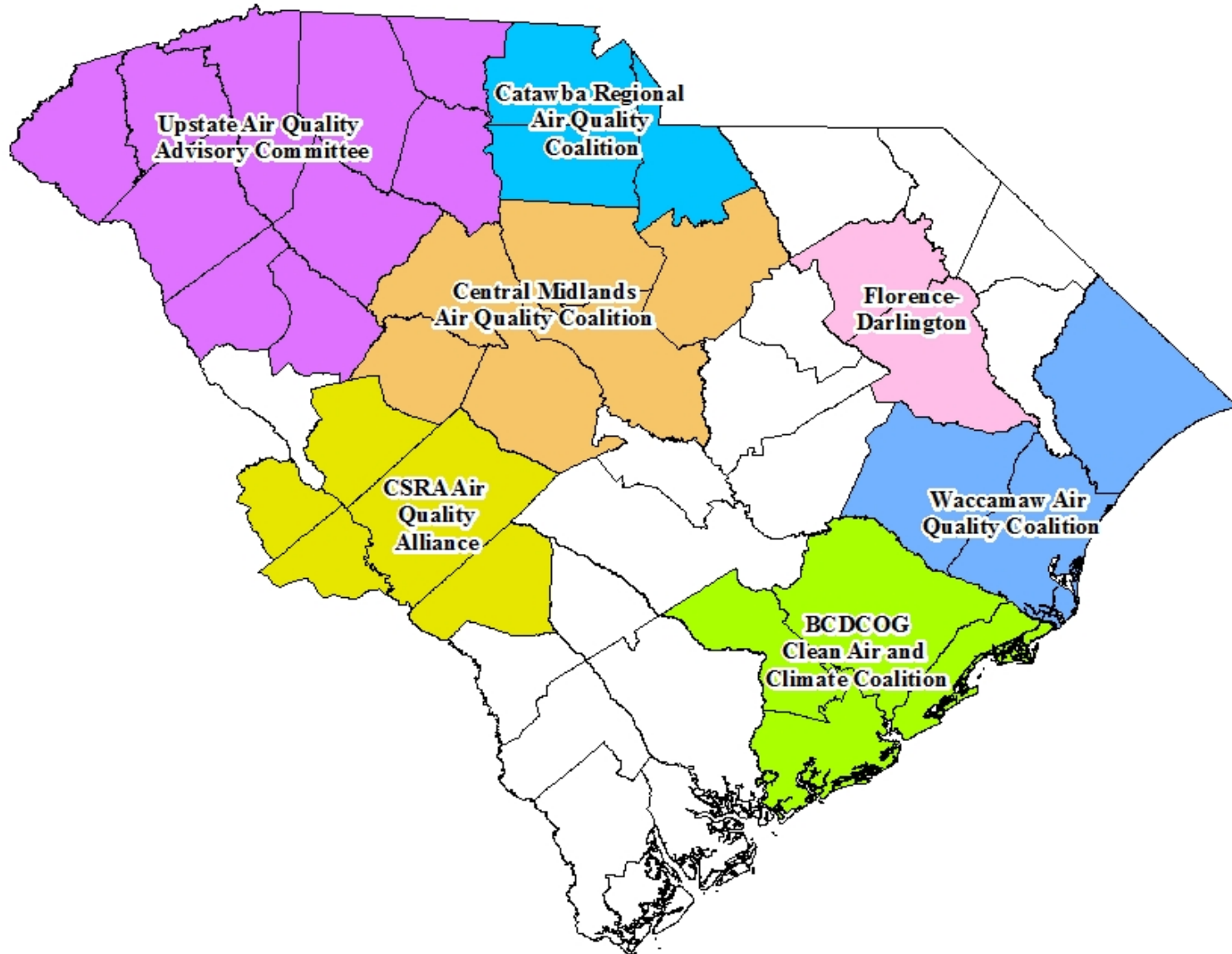


# Why a State Plan is Better than a Federal Plan?

- EPA has made it clear states can use tools they can not in developing plans
- SC's plan can include taking credit for EE programs, renewable energy projects, and other CO2 reduction measures we know exist or expected
- A less inclusive federal plan will have more impact on SC: more expensive to implement



## South Carolina Air Quality Coalitions



For local coalition contacts, coalition websites, and additional information, please go to [www.scdhec.gov/advance](http://www.scdhec.gov/advance)

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