Public Engagement Session:
South Carolina’s Energy Future
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.
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
Current Energy Use and Resources

- 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

Future Energy Use and Resources

Environmental Regulations

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
• 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
• Environmental Justice Considerations
• What do you think?
Comments or Suggestions

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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?
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 CO₂

• 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 CO₂ emitting generation
SC’s Main Concern with the Clean Power Plan Proposal

- Treatment of unconstructed 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.

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<th>Action</th>
<th>Rate Goal, Lbs CO2/net MWh</th>
<th>Mass Goal, Short Tons/Yr</th>
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<td>Final</td>
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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 over burdened 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’
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
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
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