



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
**(803)734-0640 • RFA.SC.GOV/IMPACTS**

---

|                        |  |                                |
|------------------------|--|--------------------------------|
| <b>Bill Number:</b>    | S. 0998  | Introduced on January 14, 2020 |
| <b>Author:</b>         | Davis  |                                |
| <b>Subject:</b>        | Electricity Market Reform Measures Study Committee |                                |
| <b>Requestor:</b>      | Senate Judiciary                                   |                                |
| <b>RFA Analyst(s):</b> | Gallagher and Miller                               |                                |
| <b>Impact Date:</b>    | February 12, 2020                                  |                                |

---

### **Fiscal Impact Summary**

This bill creates the Electricity Market Reform Measures Study Committee to study whether to adopt various electricity reform measures. This bill will increase the Public Service Commissions' (PSC) Other Funds expenditures by \$750,000 in FY 2020-21 for the retention of two expert consultants to advise the committee.

This bill requires the Director of the Office of Regulatory Staff (ORS) to be a nonvoting member of the study committee. This bill will not impact ORS' Other Funds, as they can absorb any travel costs from attending committee meetings within existing appropriations.

Three members of the Senate and three members of the House of Representatives will serve as members on this committee. Each of the six members will receive per diem of \$35, subsistence of \$213.74, and mileage of \$0.575 per mile for each meeting held on non-session days. These expenses should be able to be managed within the budgets of the appointees' respective legislative bodies. Therefore, the bill will not have an expenditure impact for the Senate or the House of Representatives.

### **Explanation of Fiscal Impact**

#### **Introduced on January 14, 2020**

#### **State Expenditure**

This bill creates the Electricity Market Reform Measures Study Committee which will consist of the following members:

1. three members of the House of Representatives,
2. three Senators,
3. the Director of the Office of Regulatory Staff,
4. a representative of the South Carolina American Association of Retired Persons,
5. the South Carolina President of Duke Energy,
6. the CEO of the Public Service Authority,
7. the President of Dominion Energy South Carolina,
8. two representatives of residential electricity consumers,
9. two representatives of commercial electricity consumers,
10. two representatives of industrial electricity consumers,
11. a representative from the Coastal Conservation League,
12. a representative from the SC Solar Business Alliance,
13. a representative from the SC Chamber of Commerce,

14. a representative from the SC Electric Cooperatives,
15. a representative from the Piedmont Municipal Power Association,
16. a representative from the SC Municipal Power Association,
17. a representative from the SC Manufacturers' Alliance,
18. a representative of a renewable power developer that focuses on utility-scale solar projects,
19. a representative of a renewable power developer that focuses on residential-rooftop solar projects,
20. a representative of Central Electric Cooperative,
21. the President of Lockhart Power, and
22. a representative of the energy conservation or energy efficiency community industry.

The representatives listed in 5, 6, 7, 14, 20, and 21 are permitted to utilize technical support staff from the entity they represent for study committee-related matters.

The study committee is tasked with studying whether to adopt various electricity reform measures. The committee is required to address any legal or procedural requirements associated with the adoption of any recommended electricity market reform measures, the potential costs and benefits to consumers and ratepayers of each reform measure studied, and the experience of other states with adopting each reform measure studied.

The study committee is required to issue a report to the General Assembly by March 15, 2021 with its recommendations. If the committee recommends reform measures they must provide draft legislation and establish requirements.

**Public Service Commission.** This bill appropriates funds from PSC's Other Funds and current fiscal year carry-forward funds to retain third-party, expert consultant(s) to advise the committee on what market reform measures would benefit consumers and the economic benefits of each measure. The consultant must submit their recommendations to the legislature by March 15, 2021. This bill will result in an Other Funds expenditure increase to the department for the retention of expert consultant(s) to advise the committee. The department's carryforward balance as of July 1, 2019, was \$2,618,579. PSC utilizes their carry forward balance to fund expenditures for personal services, employer benefits, and operating expenditures. As such, the department anticipates they will need to adjust its annual assessments to utilities to pay for independent, expert consultant(s). Assuming a rate of \$300 per hour and the need for two consultants to work 50 hours per week for 25 weeks, PSC anticipates this bill will increase Other Funds expenditures to the agency by \$750,000 in FY 2020-21.

**Office of Regulatory Staff.** The Director of ORS is required to be a nonvoting member of the study committee. Per Proviso 117.19, they will not be permitted to collect per diem while serving on the committee as a state FTE. However, they may be entitled to a subsistence rate of \$42 per day and a mileage rate of \$0.575. ORS anticipates this bill will not have an expenditure impact on the agency's Other Funds, as they can absorb any travel costs from attending committee meetings within existing appropriations.

**Senate and House of Representatives.** Three members of the Senate and three members of the House of Representatives will serve as members on this committee. Each of the six members will receive per diem of \$35, subsistence of \$213.74, and mileage of \$0.575 per mile for each meeting held on non-session days. These expenses should be able to be managed within the budgets of the appointees' respective legislative bodies. Therefore, the bill will not have an expenditure impact for the Senate or the House of Representatives.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



---

Frank A. Rainwater, Executive Director