



# BOARD OF ECONOMIC ADVISERS SEPT. 21, 2023

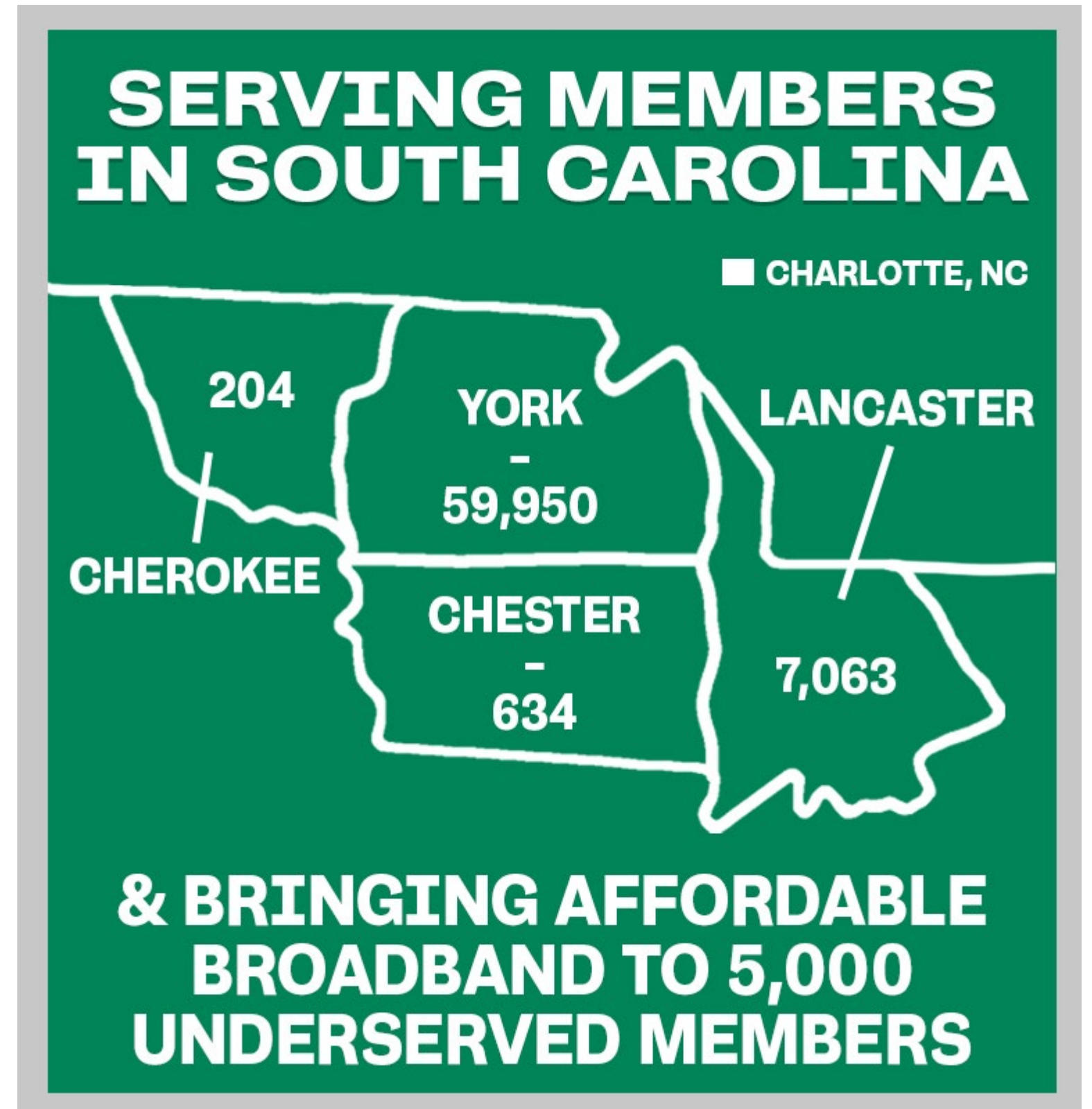


Your Touchstone Energy<sup>®</sup> Cooperative 



# YORK ELECTRIC

- Member -owned, Member controlled by a member elected board, not -for -profit distribution cooperative
- Serves York, Cherokee, Chester and Lancaster counties
- Formed in 1941



# YORK ELECTRIC

- 68,820 Meters Served
- Over 5,000 commercial/industrial meters
- 129 local employees
- 4,186 miles of line
- 16.44 consumers/mile of line

94

American Customer Satisfaction Score (ASCI)

\$

Retired \$16.9M in capital credits in the last 10 years.

12

Brought 12,345 jobs to our area in the last 10 years.

# CO-OPS IN SOUTH CAROLINA

- York Electric is one of 20 electric cooperatives in South Carolina
- Co-ops serve 70% of the SC's land mass
- 800 miles of transmission lines
- Consumer -members in all 46 counties, but particularly in rural areas



# GROWING DEMAND FOR ELECTRICITY

- Rapid population growth
- Economic development
- Electrification of the economy



Aycock School Substation

# POPULATION GROWTH

- South Carolina is the 3rd fastest growing state in the U.S.
  - From 2012-22
    - 13.2% growth in co-op meters
    - 17.2% growth in KHW sold
- York County is growing even faster
  - 4.3% growth from 2020-22
  - 24.7% growth from 2010-20
  - New home construction



Kingsley Development

# ECONOMIC DEVELOPMENT

- SC attracted \$10 billion in capital investment last year alone
- Since 2012, projects in YEC's service territory have created:
  - Capital Investment: \$1.359 billion
  - New Jobs: 12,345
- These industries require a lot of electricity, help the tax base especially schools, help keep residential rates low.



East York Industrial Park

# ELECTRIFICATION OF THE ECONOMY

- Bulk of SC's major recent economic development successes have related to EVs
  - Scout Motors - 4,000 new jobs
  - Redwood Materials - 1,500 new jobs
  - AESC - 1,170 new jobs
  - Albemarle - 300 new jobs
- Serving EVs could require 2X, even 3X the electricity we produce today





# OPPORTUNITIES HERE AT HOME

- Aside from EVs, we are seeing the power of industry changes and the load it will take to serve them.
- We are looking at bringing large power users to our area that rely heavily on technology and the evolution of our day -to -day lives.



# CHALLENGES WE FACE

- Burdensome regulations
- Supply chain problems
- Uneven growth



# REGULATORY CHALLENGES

- EPA's proposed power plant rule:
  - Meant to eliminate greenhouse gas emissions by 2035
  - Effectively forces large gas- and coal-fired plants to shut down
  - These plants make up 60% of America's power supply



Winyah Generating Station  
(Photo from Santee Cooper)

# REGULATORY CHALLENGES

- EPA's compliance alternatives are not realistic or achievable on tight deadlines
  - Carbon capture
  - Hydrogen co-firing
- The technology to support these alternate generation sources is not here yet.



Cross Generating Station  
(Photo from Santee Cooper)

# SUPPLY CHAIN CHALLENGES

- Nationwide shortage of electric transformers
  - Wait times have ballooned from weeks to more than a year
  - Costs for those transformers are soaring and may get harder to get
  - Delays/cancellations of construction and development projects



# OTHER TRENDS

- Growth is uneven across the state and appears to be slowing down.
- Hiring is slowing, except for service jobs.
- There is brain drain from rural areas.
- By 2026, SC will have more residents over 65 years old than under 18.

*(Data from Heath Springs, Sumter, Barnwell and York area datapoints)*



# IN SUMMARY

- The demand for electricity is growing faster than the population.
- If we don't build new generation, growth will slow.
- Regulations are coming that will make keeping and building new power plants harder.
- All of this will make rates increase.



# IN SUMMARY

- Economic development may be forced to slow across the state.
- The job market is impacted by slower and more selective hiring.
- As the population continues aging and younger citizens leave the area, our job market will continue to constrict.







QUESTIONS?



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