Act 236 2.0 Stakeholders Committee
Meeting Notes September 11, 2018
Central Electric Cooperative Board Room

Maeve welcomed the group, thanked Central Electric Cooperative and staff for their hospitality, and particularly thanked everyone for participation considering the expected hurricane.

Introductions and Updates -

Maeve reminded people who have pledged travel funds to send them to Scott Elliott as soon as possible.

Recognizing that the storm might prevent people from getting data to E3 by the September 14 due date, she asked that they get it to our consultants as quickly as possible, storm permitting.

Matters of Immediate Concern - Settlement Agreement -
Lauren Bowen (SELC) gave a brief recap of discussions that led to Duke filing a plan for a temporary extension of the current net metering approach. She thanked Duke for their willingness to work with others, and Nanette for leadership in bringing everyone together. The main points in the agreement currently awaiting consideration by the PURC are:

- Time limited and utility specific
- Predicated on continued good faith efforts to keep negotiating
- Includes a plan to consider whether it is in the public interest to use federal tax reform funds coming to utilities to offset the costs of DER to utilities
- Support by the solar advocacy group for limited deferred accounting procedures, related to grid modernization
- Identification of additional topics to be considered for 2019 recommendations

Tyson Grinstead thanked the group for their efforts. John Raftery requested the opportunity to meet with ORS to discuss implications for SCE&G.

Matters of Intermediate Concern -

E3 presented a draft outline of the report they anticipate presenting to the group in draft form by the end of October, if not sooner. The completion date will depend to a large degree on the data received. Slides are available on the Act 236 website http://energy.sc.gov/energyplan/act236.

Comments and suggestions included (but were not limited to) the following:

Frick: Suggests incorporating future into **cost/benefit** discussion, rather than a current snapshot, to capture the full effect of the DER bill charges.

Brown: Suggest E3 schedule calls with IOUs to understand what may be happening in the future that is not captured in the data request (such as plants scheduled to come on line.)

All: Discussion (and rigor of discussion) of **LMI** issues will depend on availability of data.

Bowen: Recognize relationship between efficiency and renewables and highlight programs around the country that ensure efficiency standards are met before renewables implemented.

Tynan/Robbins et al.: Ensure that cost-shift discussion educates legislators about **cost-shifting**--that it is not a DER issue but is inherent in all rate-setting (as Dukes Scott noted in an earlier meeting.) Cost-shifting is not just important in the context of LMI.

Brown: Re: **interconnection**, open to any suggestion that will work, but be sure discussion considers infrastructure/engineering characteristics and "don't suggest a solution that is not feasible in SC." In response to a question from Streit, Davis noted that SCE&G does a good job managing queue.

Davis: Would like to see inclusion of an option for offsite solar for **C&I** customers.

Clark: Legislators are more familiar with, but still need educating about, **avoided cost**. Report should define different methodologies and provide a small primer.

Davis: Also include insights about **PURPA, and standard offer contract**, which will be revisited by the legislature.

Stone: Include analysis of **EJ** as a topic, including use of brownfields and other properties as a way of providing value to a disadvantaged community.

Rouff/Frick: **Wholistic rate design** should be considered…costs/benefits in relation to risks/rewards, and how to ensure that rate design doesn't remove incentives for utilities to hit targets and forecast needs more accurately. E3 noted this may be outside scope, and definitely beyond timeframe.
Maeve noted that this will definitely be included in the "Plan A"--full 236 2.0 discussion.

Davis: Include discussion of **storage** to "contextualize" the issue for legislators, show who is likely to use it and how.

Bowen: Slide 5--will results for all categories be included. (Yes, within constraints of data provided.)

Culley: Acknowledge **societal and environmental values** of interest to the General Assembly…acknowledge there are other considerations not captured by the numbers.

Other issues raised, which are likely to be addressed in the suggestions regarding "Plan A" included consumer protections, especially for those leasing panels; the larger discussion of the existing rate-making model and revenue requirements;

Issues to be addressed in full Act236 2.0 ("Plan A"):

A list of issues assembled from earlier Act 236 discussions as well as suggestions from the group was distributed. Davis noted the absence of interconnection/utility scale/C&I issues, which has been added. Please contact Maeve with other suggestions.

Schedule of Future Meetings:
A draft schedule for future agenda items was distributed. If you want to suggest additions or changes, please contact Maeve.

A marked-up version of "Plan B" was distributed. Duke Energy added material to the very minimalist approach offered at the last meeting, and several other groups, notably a combined solar advocate group also made comments on the original. The version distributed attempts to capture all points of view, so that areas of common ground can be identified. Lauren Bowen agreed to help coordinate discussions going forward and those interested in participating were asked to let Maeve know. (Tyson, Andrew, and John have already expressed interest in being involved).

Clarifying questions/discussion included the fact that items can certainly be added to Plan B, which is meant to serve as a backup if the group is not able to negotiate a more comprehensive plan likely to receive legislative consideration. It also serves to spark conversations and may assist in finding common ground going forward.

Other issues raised included the timing of the draft (interim drafts will be shared if time permits, but our timetable is very tight) and common principles or goals. Trish noted that several had emerged from earlier submissions, and that they had been distributed with no objection--they are attached, and if changes need to be made, please send us your suggestions.

Maeve again thanked participants for their availability in person or by phone under unusual circumstances.