

S 166
Session 121 (2015-2016)

12/03/14 Senate Prefiled

12/03/14 Senate Referred to Committee on Judiciary

VERSIONS OF THIS BILL

12/3/2014

S. 166
A BILL

TO AMEND CHAPTER 37, TITLE 58 OF THE 1976 CODE, RELATING TO ENERGY SUPPLY AND EFFICIENCY, BY ADDING SECTION 58-37-60, TO PROVIDE THAT "OFFSHORE **WIND** RESEARCH AND DEVELOPMENT ACTIVITIES" MEANS INITIATIVES UNDERTAKEN BY AN ELECTRICAL UTILITY FOR THE LONG-TERM ADVANCEMENT OF THE ECONOMIC DEVELOPMENT AND CLEAN ENERGY BENEFITS RELATED TO OFFSHORE **WIND**, AND TO PROVIDE THAT THE SOUTH CAROLINA PUBLIC SERVICE COMMISSION SHALL ADOPT REGULATIONS THAT ENCOURAGE ELECTRICAL UTILITIES SUBJECT TO THE JURISDICTION OF THE COMMISSION TO INVEST IN OFFSHORE **WIND** RESEARCH AND DEVELOPMENT ACTIVITIES THAT PROVIDE INCENTIVES AND COST RECOVERY FOR ENERGY SUPPLIERS AND DISTRIBUTORS WHO INVEST IN OFFSHORE **WIND** RESEARCH AND DEVELOPMENT ACTIVITIES THAT ARE INTENDED TO RESULT IN ECONOMIC DEVELOPMENT OPPORTUNITIES RELATED TO THE MANUFACTURING AND DEPLOYMENT OF OFFSHORE **WIND**, AND THAT THE COMMISSION SHALL ADOPT REGULATIONS ENCOURAGING INVESTMENT IN OFFSHORE **WIND** RESEARCH AND DEVELOPMENT ACTIVITIES NO LATER THAN JANUARY 1, 2016.

Whereas, South Carolina is well suited to meet the workforce and infrastructure needs related to offshore **wind** energy development along the East Coast and such development would create long-term, well-paying jobs for the community; and

Whereas, the thirty-three **wind** energy manufacturing facilities currently operating in South Carolina employ over 1,100 people, generate \$530 million of output annually in the State, and support 1,797 indirect and induced jobs statewide; and

Whereas, the Clemson University Restoration Institute's "**Wind** Energy Supply Chain Survey and Offshore **Wind** Economic Impact Study" determined that the installation of a 1,000 megawatt **wind** farm will have a vast economic impact on the State, particularly in the ten-year construction phase; and

Whereas, Clemson University's **Wind** Turbine Drivetrain Testing Facility in North Charleston is one of a kind and the largest in the world and is well positioned to serve a central role in the further development of a **wind** energy industry hub for South Carolina, attracting manufacturers; and

Whereas, General Electric operates one of the largest **wind** turbine manufacturing facilities in the United States in the Upstate; and

Whereas, South Carolina's shallow-water offshore **wind** resource is the second largest of the East Coast states and represents a long-term economic investment opportunity, as well as a long-term opportunity for in-state energy production; and

Whereas, offshore **wind** energy is a domestic source of energy shielded from hostile foreign interests. Now, therefore,

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 37, Title 58 of the 1976 Code is amended by adding:

"Section 58-37-60. (A) For the purposes of this section, 'offshore **wind** research and development activities' means initiatives undertaken by an electrical utility for the long-term advancement of the economic development and clean energy benefits related to offshore **wind**.

(B) The South Carolina Public Service Commission shall adopt regulations that encourage electrical utilities subject to the jurisdiction of the commission to invest in offshore **wind** research and development activities.

(C) These regulations must:

(1) provide incentives and cost recovery for energy suppliers and distributors who invest in offshore **wind** research and development activities that are intended to result in economic development opportunities related to offshore **wind** energy; and

(2) allow energy suppliers and distributors to recover costs and obtain a reasonable rate of return that is at least as financially attractive as construction of new traditional generating facilities on their investment in an offshore **wind** facility of less than seventy-five megawatts.

(D) Offshore **wind** research and development activities undertaken by an electrical utility may include, but are not limited to:

(1) offshore **wind** potential studies;

(2) demonstration projects of less than seventy-five megawatts developed in collaboration with regional electrical utility partners or other electrical utility partners of this State;

(3) utility transmission and distribution system improvements associated with a demonstration **wind** project;

(4) regional initiatives that include out-of-state partnerships for data gathering activities related to future offshore **wind** deployment; and

(5) partnership initiatives with colleges and universities.

(E) The commission shall adopt regulations no later than January 1, 2016.

(F) Nothing in this section shall be construed as requiring an electrical utility subject to the jurisdiction of the commission to invest in offshore **wind** research and development activities."

SECTION 2. This act takes effect upon approval by the Governor.