

From: Baker, Josh <JoshBaker@gov.sc.gov>  
To: Adams, Chaney <ChaneyAdams@gov.sc.gov>  
Patel, Swati <SwatiPatel@gov.sc.gov>  
CC: Godfrey, Rob <RobGodfrey@gov.sc.gov>  
Date: 5/31/2016 11:49:27 AM  
Subject: RE: Santee Cooper

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Unfortunately, it seems as though Doug has already set his narrative and is just trying to goad us into an argument that conforms to that narrative. This situation is complex, but the bottom line is that any business or regulatory decision shifts costs in some way. In this circumstance, however, one organization has indicated that this cost-shifting may be onerous or unreasonable based on the conditions of its market and customers.

Not speaking for Santee Cooper, but I think that the point Leighton was trying to make is that under the current regulatory regime, net metering would only be made available to wealthier citizens with the ability to make up-front investments and the long-term cost shift would be borne by the region's less affluent customers. Although Santee Cooper should continue to be challenged to move in this direction, we need to respect their on-the-ground evaluation of this model and look to their business model, their partners, and the regulatory regime we established to continue improve access to distributed energy resources.

This isn't a gotcha situation, it's one where the regulatory environment is going to continue to need to evolve as we learn more about the effect changing technologies have on this very heavily regulated market.

Josh

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From: Adams, Chaney  
Sent: Tuesday, May 31, 2016 11:24 AM  
To: Patel, Swati; Baker, Josh  
Cc: Godfrey, Rob  
Subject: FW: Santee Cooper

FYI

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From: Pardue, Doug [<mailto:dpardue@postandcourier.com>]  
Sent: Tuesday, May 31, 2016 11:21 AM  
To: Adams, Chaney  
Cc: Godfrey, Rob  
Subject: RE: Santee Cooper

Chaney,

I know you were a bit busy last week, but did you get a clarification as to what exactly the Gov. Haley means when you say she plans to continue to challenge the "these utilities to be innovative and open-up their business models to new forms of alternative energy, but not in a way that shifts costs to other customers."

Again my question is this: By saying "but not in a way that shifts costs to other customers." The Governor is in effect criticizing the methods that Duke and SCE&G, in agreement with the Public Service Commission, worked out to comply with provisions of the Distributed Energy Resources Program Act of 2014 to promote one-to-one net metering, solar rooftop and the growth of a new solar industry in South Carolina.

Is she saying that Duke and SCE&G should give up their methods and adopt a method similar to the one Santee Cooper adopted this year that basically makes solar rooftop installation impractical for all be the more affluent homeowners?

<http://www.postandcourier.com/20160430/160509988/santee-cooper-policies-cast-cloud-over-solar>

Doug

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From: Pardue, Doug  
Sent: Tuesday, May 24, 2016 4:30 PM  
To: 'Adams, Chaney'  
Cc: Godfrey, Rob  
Subject: RE: Santee Cooper

Chaney,

This sounds like Gov. Haley supports Santee Cooper's approach to rooftop solar, which is NOT net-metering at all, and definitely not the one-to-one net metering promoted by the 2014 law.

This reads to me that the Governor is critical of the approaches to solar rooftop systems taken by SCE&G and Duke, which adopted one-to-one, net-metering that does, if ever so slightly, shift costs to non net-metering customers.

Doug

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From: Adams, Chaney [<mailto:ChaneyAdams@gov.sc.gov>]  
Sent: Tuesday, May 24, 2016 4:19 PM  
To: Pardue, Doug  
Cc: Godfrey, Rob  
Subject: Santee Cooper

Quote from Haley press secretary Chaney Adams, "Governor Haley is proud of the bill she signed in 2014, and thinks it's a good thing for the state that utilities are offering programs that promote the use of alternative energy. We are going to continue to challenge. Our energy portfolio should be diverse, sustainable, and more affordable for all energy consumers."

On background: Santee Cooper has put forth programs that promote solar in accordance with the legislation signed in 2014. The board is of the opinion, as is demonstrated in the op-ed by the board's chairman, that implementing net metering in the manner prescribed in the bill will result in subsidies that are funded largely by small businesses and low-income customers who are not participating in net metering.