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To: Veldran, KatherineKatherineVeldran@gov.sc.gov

Date: 5/12/2014 5:10:05 PM

Subject: FW: Tentative deal reached on solar power in SC

Attachments: Distributed Energy Resources Proposed Amendment 3-20-14[1].docx

Below is a story from The State.

GG

From: HamiltonD@scccl.org

To: HamiltonD@scccl.org

Subject: Tentative deal reached on solar power in SC

Date: Thu, 20 Mar 2014 19:37:19 +0000

All,

Below is an article in *The State* reporting from the subcommittee meeting yesterday where the new solar legislation will be up for consideration. I have attached the most recent and complete version of the draft legislation, as well as a summary of what is contained in the bill (the overview can be found at the beginning of the doc).

The subcommittee did not take action yesterday in expectation of additional edits and feedback, but they were receptive to the material presented and are anxious to move legislation forward next week. Once a meeting has been scheduled, I plan to have a conference call updating you all on status and next steps. Stay tuned for that.

For now, take a look at the attached doc and get back to me with questions, concerns, etc. I realize that this legislation isn't perfect, but I believe it is a significant step forward for SC. Some changes will likely be made as additional feedback is gathered, but it is unlikely that major changes are practical at this stage.

Best,

HD

Tentative deal reached on solar power in SC

COLUMBIA, SC — Solar energy boosters and utility representatives say they have broken a stalemate over expanding the use of sun power in South Carolina after years of disagreement.

The tentative deal, which needs approval from the Legislature, would make it easier for homeowners and businesses to acquire the use of solar panels that could save money on monthly power bills.

Caps on solar power also would be loosened so that businesses and other non-residential entities could widen their use of energy from the sun, according to a bill discussed Wednesday with state senators in Columbia.

Furman University would be among the winners. The Greenville college, known for its earth-friendly initiatives, has been blocked from expanding its solar energy use because of a restrictive state cap. A looser cap would change that.

The deal doesn't resolve all issues — including how the state specifically could help non-profit groups, schools and churches afford the upfront costs of acquiring solar panels. The proposal also needs to be fully vetted by others, including the state Office of Regulatory Staff.

But environmentalists and power company representatives said the agreement is a substantial leap ahead.

During a Senate subcommittee meeting packed with business interests and environmentalists, no one spoke against the agreement when asked by Sen. Luke Rankin, R-Horry.

"An enormous amount of work went into getting to a place of compromise," said Hamilton Davis, who heads the energy division for the S.C. Coastal Conservation League. "It's not ideal, but I think it's a good product and something that is worthy of the Senate's consideration."

Chuck Claunch, a lobbyist for Duke Energy, said after the meeting that utilities like the compromise discussed Wednesday. So do the state's electric cooperatives, co-op representative John Frick said.

"From where we were last (year) to where we are now, is a pretty big accomplishment," said Sen. Greg Gregory, a Lancaster Republican who has pushed to make solar easier for people to use and afford.

In South Carolina, a groundswell of support for solar has helped make the use of sun power more attractive, observers said Wednesday. Utilities, such as SCE&G and Santee Cooper, have even begun to develop solar farms.

If the bill goes through, Davis predicted it could increase South Carolina's use of solar sharply. The state now has about 7 megawatts of installed solar capacity, one of the lowest amounts in the country.

A key part of the compromise focuses on how solar companies would provide the panels to homeowners at affordable rates.

Instead of allowing the sale of power directly to customers from rooftop solar panels, as proposed in a bill last year, companies could lease the panels to homeowners or businesses. Utilities opposed direct sales, worrying that it could set a precedent that would allow unregulated companies to compete directly with them, observers said.

Davis said the leasing arrangement provides the same benefit to private homeowners and businesses because leases would make the upfront panel costs more reasonable. But for tax reasons, leasing essentially shuts out non-profit groups, schools and churches, he and others said. Part of the compromise is to have utilities develop programs to help non-profits, churches and schools afford the panels.

"There wasn't an entity at the table that doesn't want to help fix this issue," Frick said.

The legislation, which would amend an existing solar bill that allows third-party sales, is expected to be voted on as early as next week by the subcommittee.

According to the deal discussed Wednesday, the state would:

- Raise a state limit on the use of solar power, which is now capped at 100 kilowatts, to 1 megawatt for non-residential use.
- Set a statewide limit of 2 percent for the use of solar power for those involved in net-metering

programs.

- Encourage utilities to increase the use of solar power they use in their mix of energy sources.

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