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MEETING SUMMARY
SOUTH CAROLINA CLIMATE, ENERGY AND COMMERCE ADVISORY
COMMITTEE

Energy Supply (ES) Technical Work Group (TWG)

In person meeting #8, December 17, 2007 from 10:00 AM to 12:30 PM

Attendance:

1. Technical Work Group Members:

- Ray Pinson (for Lonnie Carter – President and CEO, Santee Cooper)
- John Clark – Director, South Carolina Energy Office
- Bob Fledderman – Manager, Environment and Regulatory Assurance, MeadWestvaco
- Jerry Freck – Environmental Engineer, South Carolina Department of Health and Environmental Control
- Emerson Gower – Vice President, Southern Region, Progress Energy Carolinas
- Henry Barton (for Kevin Marsh – President, South Carolina Electric & Gas)
- Ben Moore – Coastal Conservation League
- David Odell – President, Sunstore Solar of Greenville, South Carolina
- Mark Hollis (for James E. Rogers – Chairman, President and CEO, Duke Energy Corporation)
- Anthony James (for C. Dukes Scott – Executive Director, Office of Regulatory Staff)
- John Wilson (for Steve Smith – Executive Director, Southern Alliance for Clean Energy, who joined the call late)
- Scotty Griffin (for Coleman Smoak – General Manager, Piedmont Power)
- Joette G. Sonnenberg – Associate Laboratory Director, Energy Security, Savannah River National Laboratory

2. Center for Climate Strategies (CCS) Staff:

- Ezra Hausman – Lead facilitator
- Alice Napoleon
- Ben Warfield
- Kenji Takahashi

3. South Carolina Department of Health and Environmental Control (DHEC):

- Michael Juras – SCDHEC; Agency Liaison

4. South Carolina Agency Observers

- None

5. Public Attendees:

- None

Background documents:

Posted at http://www.scclimatechange.us/Energy_Supply.cfm:

1. [Meeting Notice and Agenda](#)
2. [Final Summary of Meeting #7](#)
3. [PowerPoint for Teleconference](#)
4. [Policy Option Document](#)
5. [Memo on quantification methods](#)

Discussion items and key issues:

This was the 8th meeting of the ES TWG.

1. CCS called the meeting to order, completed the roll call and reviewed the agenda and plans for the call.
2. Review of Draft meeting summary
 - Add Chairman Hagood's recommendation for Ezra to draft proposed language for certain proposals to the "next steps" section.
 - Subject to this revision, the notes were approved,

Inventory and Forecast

- The data do not reflect non-utility generation data; how will CCS account for this?
- One member suggests we extract this data from EIA website under "non utility generation"
- John says Bill Dougherty (CCS) is capable of making these changes'
- We (CCS) state that an updated copy of the spreadsheet will be posted or circulated by January 4th

Sales Forecast

- No objections to Ezra's proposal for use of utility projections
- Updated copy will be posted by January 4th

Transmission and Distribution Losses

- One member proposes to collect SC specific data, as opposed to data based on a national average.
- SERC numbers are derived from national averages.
- Mark Hollis suggests using NC proxy for T&D, no objections.
- Updated copy of spreadsheet will be posted or circulated by January 4th

Future Generation Mix

- John proposes a series of growth rate assumptions
 - o Nuclear: hold steady (assumption currently being used in CCS plan) or a variable growth, similar to NC's approach.

- Hydro: recommended to hold steady
- Petrol: allow for decline or hold steady
- I/E Balance: hold steady or vary as a share of overall generation
- Coal, NG, Renewables: 3 options:
 1. Use a uniform growth rate
 2. Use a linear rate for renewables, and uniform growth rate for coal and NG
 3. Decide on some other allocation method for the 3 resources
 4. Concludes that options 1 and 2 would be simplest.
- John suggests that we look at I/E balance and decide whether to keep the amount steady or as a share of overall generation.
 - Possibly look at historical data and project that trend forward.
- CCS to post or circulate an updated copy of the spreadsheet by January 4th
- CCS to check with Bill D. regarding the 10,000 per year in exports.

Discussion of policy options

ES-1

Renewables

- Discussion on whether renewable goals should cover new and existing resources or just new.
- Decision is that renewable goal percentages will be for analysis purposes only (*i.e.*, not a recommended policy at this point) and will refer to all new in-state generation after 2003.

Nuclear

- One member suggests a more aggressive overall percentage goal, but that it would include nuclear generation and energy efficiency.
- Decision is made that the percentages of nuclear & true renewables should not be combined, rather a set amount of nuclear capacity should be a goal by a specified date.
- For the purpose of analysis, it will be assumed that 2 nuclear plants will come on line in 2017 and 2019, each at 1000 MW, for a total of 2000 MW of nuclear by 2020.
 - Analysis must acknowledge the possibility of the plants not being built, and what to do with adjusting the goals if that were to occur.

Costs of Nuclear

- possible sources of data – Nuclear Energy Institute and EIA Annual Energy Outlook.

Energy Efficiency

- 5% or 10% by 2020 will be based on projected sales.
- Set limit of up to 40% of goal can be from EE
- Agree to combine bullets 2,4

Solar Set-aside

- allow the ability to insert a solar set aside into the spreadsheet in case CECAC decides to follow this approach.

Other

- Requests from some members to look into an analysis on a \$/kWh basis.

- We requested info from the utilities on avoidable costs – no response yet.

ES-2

- Hydrogen Infrastructure and Development Act mentioned a source of data
 - o Passed but not funded
- John Clark will provide needed data on offshore wind

ES-3

- Members recommend we look at other states as a reference to base our assumptions for analysis.
- Contact energy office for methodologies and estimates used by other states.

ES-4

- Mark Hollis raised the issue of using the word “decoupling” and recommends taking it out.
- Use of “decoupling” should be brought up with CECAC
- NAPEE study should be checked for any language that might be useful
- Line in 1) in Policy Design should be stricken – paragraph now ends with “...implemented”
- Decide to move 1,2 to Implementation Mechanisms, proposal will just be 4.

Unresolved Issues from TWG Meeting #8 on December 17, 2007

Inventory and Forecast

- Spreadsheet does not reflect any non-utility generation data.
 - o Should be extracted from the EIA website.
- Future generation mix growth rate assumptions are needed for:
 - o Coal
 - o NG
 - o Renewables

ES-1

- Information needed from utilities on avoidable costs – no response given when asked during call.
- Sources needed for the costs of nuclear plants.

ES-4

- Decision on whether to use “decoupling” in the description.

General

- Updated copy of spreadsheet to be posted by January 4th.