

SC OFFICE OF REGULATORY STAFF

PERFORMANCE SUMMARY

FISCAL YEAR 2020-2021

JULY 1, 2020 - JUNE 30, 2021



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A Note from the Executive Director



What a difference a year makes! A year ago, I described how the ORS had seamlessly carried out the agency’s mission across all areas, despite the unprecedented challenges of the COVID-19 pandemic.

COVID-19 continues to be a factor in how we conduct our work, but once again we have not allowed it to be a limitation. In FY 20-21, the ORS continued to serve the best interest of consumers across all programmatic areas and in our caseload before the Public Service Commission of South Carolina (PSC) — and we also assumed new responsibilities elaborated on in this report.

The most exciting of these new responsibilities is the expansion of internet in South Carolina. As I write this letter, our new Broadband Office is open, and its Director and staff are working hard to make broadband accessible to more South Carolinians.

The opening of the Broadband Office, on July 1, 2021, is the culmination of a year of intense and innovative work by many at the ORS, along with partnering agencies, broadband providers, and communities across the state. In the first half of the fiscal year, the ORS successfully administered the broadband portion of the federal Coronavirus, Aid, Relief, and Economic Security Act (CARES Act). Through tireless work by staff, we were able to achieve both programmatic and budgetary success by the deadline of December 31, 2020, and I was able to announce the successful completion of three broadband initiatives specified by the CARES Act. Through these initiatives— the Online Learning Initiative, Broadband Infrastructure Program, and Mapping and Planning efforts— more South Carolinians have access to reliable, high-speed broadband internet to enhance distance learning, telehealth, and other needs.

Of the \$50 million authorized to spend under the CARES Act, the total spent was approximately \$38.4 million; the approximately \$11.6 million remaining was returned to the Executive Budget Office to fund other programs.

Our progress in broadband continued in the second half of the fiscal year with an infrastructure grant program focusing on some of South Carolina's neediest counties and funded by a \$30 million allocation from the South Carolina Department of Commerce. To date, the ORS has issued Notices to Proceed to 17 internet service providers in 19 counties for almost \$30 million in projects to expand broadband availability in rural areas of need. All projects are scheduled to be completed by October 31, 2022.

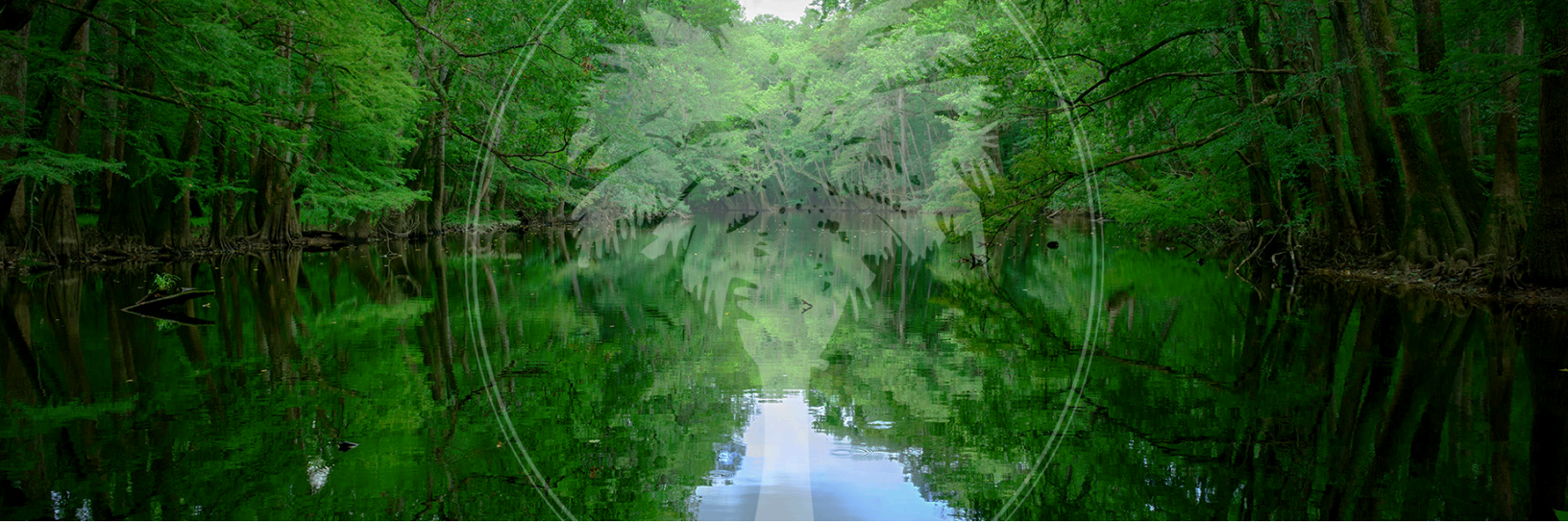
Beyond broadband, the ORS had a very productive year full of new initiatives and innovations. I invite you to read this report and learn about the many ways the ORS kept consumers protected, connected, and informed.

As we look ahead to FY 21-22, several challenges are on the horizon including new or expanding responsibilities arising from legislation. The recently passed Act 90 gives the ORS new regulatory duties regarding Santee Cooper. Our duties under Act 56, requiring compliance audits of South Carolina's 22 electric cooperatives, will continue with a focus on other parts of the Act not dealt with in FY 20-21. The Broadband Accessibility Act gives the ORS responsibilities related to the leasing by electric cooperatives and Santee Cooper of excess fiber capacity to broadband service providers; its implementation will require continued attention as broadband infrastructure expands throughout the state. Cases under the South Carolina Energy Freedom Act in FY 21-22 will focus on encouraging adoption of solar/renewable energy and will require our participation, along with a great deal of preparation. We are also working to help ensure consumers are fairly treated in compliance with new consumer-protection regulations.

I am very proud of the ORS. I have learned that, no matter the challenge, the ORS rises to meet it. We are steadfast and resilient when it comes to fulfilling our mission for consumers.



Nanette S. Edwards
Executive Director



INTRODUCTION

The South Carolina Office of Regulatory Staff (ORS) was created with the enactment of Act 175 in 2004.

The ORS represents the public interest of South Carolina in utility regulation for the major utility industries — electric, natural gas, telecommunications, water/ wastewater, and transportation — before the Public Service Commission of South Carolina (PSC), the court system, the South Carolina General Assembly, and federal regulatory bodies.

PURC

The State Regulation of Public Utilities Review Committee (PURC), also created by Act 175, is the oversight body for the ORS. The ten-member PURC includes three members from the SC Senate, three from the SC House of Representatives, and four appointed by the SC General Assembly from the general public.

Mission Change

With the passage of Act 258 in June of 2018, the SC General Assembly revised the ORS' mission. Fiscal Year (FY) 20-21 was the third fiscal year under this new mission. Specifically, "public interest" as it applies to the ORS' mission no longer includes the financial integrity of public utilities nor does it include economic development, job creation, or job retention. The revised public interest definition shifted the ORS from balancing competing interests to a more concentrated focus on consumers.

MISSION: The Office of Regulatory Staff represents the public interest of South Carolina before the Public Service Commission; "public interest" is defined as the concerns of the using and consuming public with respect to public utility services, regardless of the class of customer, and preservation of continued investment in and maintenance of utility facilities so as to provide reliable and high-quality utility services.

About this Report

The PURC establishes goals for the ORS that form the agency's strategic plan and by which the PURC evaluates the ORS annually.

Under the ORS' revised mission, the following six strategic goals now form the basis for the agency's annual strategic planning and assessment of performance:

1. The ORS provides services to benefit the State of South Carolina.
2. The ORS promotes reliable and high-quality services.
3. The ORS is responsive to the public.
4. The ORS anticipates and responds to policy developments that impact the ORS' mission.
5. The ORS Energy Office advances South Carolina's energy strategy and policy through education and outreach.
6. The ORS' operations are marked by professional excellence.

This report is organized into six sections by goal. Within each section are highlights of achievements in FY 20-21.

GOAL

The ORS provides services to benefit the State of South Carolina.

With the passage of Act 258, the mission of the ORS changed. FY 20-21 was the third year of operating under the revised mission. The revised public interest definition shifted the ORS from balancing competing interests to a more concentrated focus on consumers. Even though utility cases have become more challenging, the ORS continues to work with all parties, including utilities, to resolve as many issues as possible.



Notable Cases

In certain cases before the Public Service Commission of South Carolina (PSC or the Commission), the utilities voluntarily agreed to delay rate cases. As a result, cases that would normally have concluded in FY 19-20 carried over to FY 20-21.

Settlements and Stipulations

Dominion Energy SC Rate Case Settlement: 2020-125-E

Two days into FY 21-22, Dominion Energy South Carolina, Inc. (DESC), the ORS, the South Carolina Department of Consumer Affairs (the Consumer Advocate), and intervenors entered into a comprehensive settlement agreement regarding DESC's application to adjust its rates for electric service.

The settlement agreement was the result of lengthy and complicated negotiations between the parties during a six-month pause in the hearing on the application. AARP advocated for a pause and after the hearing began in January 2021, the ORS requested a pause during the COVID-19 pandemic. With the consent of DESC and the other parties, the Commission voted unanimously to grant the requested pause.

All intervenors to the case entered into the agreement except for CMC Steel South Carolina, which indicated it did not oppose the agreement. Intervenors who signed the agreement include the Consumer Advocate, AARP, Frank Knapp, Jr., the United States Department of Defense and all other federal executive agencies, Sierra Club, the South Carolina Coastal Conservation League, the Southern Alliance for Clean Energy, the South Carolina Energy Users Committee, and Walmart, Inc.

The average residential customer's monthly bill increased by \$1.81 (an approximate 1.46 percent increase), representing an approximate 82 percent decrease from the initial request. In its application to increase rates, DESC sought approval to increase the average residential customer's bill by \$9.68.

Other benefits to consumers in the settlement agreement include, but are not limited to:

- A fixed Basic Facility Charge that remains under \$10 for residential customers under Rate 8. The fee currently is \$9, and the settlement amount is \$9.50;
- DESC agrees not to file for another general rate case before July 1, 2023, such that new rates will not be effective prior to January 1, 2024, except where necessary due to

unforeseen extraordinary economic or financial conditions which may include, but not be limited to, changes in tax rates;

- DESC agrees to double the annual commitment to \$1.5 million to Energy Share in 2021 and 2022, \$500,000 of which will be used to support small general service customers. This annual commitment will be funded by Dominion Energy Shareholders and therefore the Company will not seek recovery from customers;
- DESC commits to give up to \$15 million from Dominion Energy Shareholders to be used to give many customers with arrearages a clean slate and \$15 million from Dominion Energy Shareholders to fund a combination of energy-efficiency upgrades and critical health and safety repairs that may be required for a home to receive energy efficiency upgrades; and
- A stakeholder process to examine an electricity affordability program for DESC's low-income customers and address the need for legislation to implement such a program.

Originally, DESC had sought an overall revenue increase of \$178 million and a return on equity of 10.25 percent. The settlement agreement allows for a net increase of \$35.6 million and a 9.5 percent return on equity. The \$35.6 million net increase is achieved, in part, through a rider accelerating the return to customers of \$99.5 million in unprotected property-related Excess Deferred Income Tax as a result of the Tax Cuts Jobs Act passed in 2018. The rider will remain in place until the full balance is depleted, regardless of any change to the federal tax rate that may occur in the future or any general rate proceeding filed by DESC.

The Commission issued an Order approving the settlement agreement on August 16, 2021.

Palmetto Utilities, Incorporated (PUI): 2019-281-S

Palmetto Utilities, Inc. (PUI) filed an application for a rate increase in the fall of 2019 seeking, among other things, to increase customers' monthly sewer bills from \$52.10 to \$66.62, an almost 28 percent increase. The matter was originally scheduled to be heard in late April 2020 but was ultimately heard over July 13 and 14, 2020. PUI waived the statutory deadlines set forth in S.C. Code Section 58-5-240 and voluntarily stayed the deadlines of the proceeding due to the pandemic. The matter was further continued to accommodate the parties' ongoing efforts of settlement negotiations.

The pandemic added additional challenges to the highly contested proceeding – the public night hearings were held virtually, with participants calling in to offer their testimony. The merits hearing was also held virtually with Commissioners, counsel for the parties, and the witnesses

all appearing via video conference. During the two virtual public night hearings, the PSC heard from many PUI customers who voiced their concerns over the impact of the requested rate increase and the unfairness of a flat rate for all customers instead of a volumetric rate. Prior to the merits hearing, PUI reached an agreement with Intervenor Lisa Levine which resulted in PUI making an annual \$50,000 donation for the next three years to Wateree Community Actions to assist PUI's customers with bill payments.

The day before the merits hearing was to begin, PUI entered into a comprehensive stipulation with the ORS that resolved all issues between the two parties. The stipulations contain many provisions that greatly benefit PUI's customers, with a three-year rate freeze, a return to customers of \$2,032,146 related to the Tax Cuts and Jobs Act, and a rate increase that is a fraction of what PUI originally requested. For the first year, the rate is \$54.93 and thereafter \$59.87. The parties submitted proposed Orders to the PSC on July 29, 2020, and a final Order was issued on August 20, 2020. Savings to consumers is **\$4,619,105**.

DESC Fuel: 2021-2-E

The ORS entered into a stipulation and settlement agreement in the DESC Fuel Adjustment Clause case. The ORS identified an error in the Company's filing resulting in a potential increase to customers of approximately **\$5,549,000**. Through negotiations with the Company and other parties, a settlement agreement was reached in which the Company would not seek to recover this additional amount in this annual fuel proceeding, thereby resulting in these savings to customers. In addition, while other factors may also come into play in determining the residential customer rate, the newly established fuel factor for a residential customer – 2.523 (¢/kWh) – would increase the average monthly bill of a Rate 8 residential customer using 1,000 kWh per month from \$122.31 to approximately \$123.90, a net increase of approximately \$1.59 or 1.30 percent.

Rate Stabilization Act (RSA) Annual Reviews

The ORS filed its reports with the PSC on September 1, 2020 for both the Piedmont Natural Gas (PNG) 2020 RSA and the DESC 2020 RSA; both reports covered the 12-month period ending March 31, 2020.

PNG: 2020-007-G

PNG's calculation of an increase in revenue requirement totaled \$12,446,419. The ORS reached a settlement with PNG resulting in annual savings to ratepayers of **\$8,345,601**.

DESC: 2020-006-G

DESC's calculation of an increase in revenue requirement totaled \$8,630,682. The ORS reached a settlement with DESC resulting in annual savings to ratepayers of **\$2,303,687**.

CUC-ORS Stipulation Agreement: 2020-225-WS

The ORS entered into a stipulation agreement with CUC, Inc. and South Carolina Water Utilities-CUC, Inc. (SCWU-CUC), a subsidiary of SouthWest Water Company, for the sale of CUC's assets to SCWU-CUC. In the stipulation agreement, SCWU-CUC agrees not to apply for a rate increase before January 1, 2025. In addition, certain customer benefits were agreed to including 1) SCWU-CUC will provide customers certain service enhancements, including online billing, a company website, and the option to pay by credit card (within 120 days of closing) and 2) SCWU-CUC will issue refunds totaling \$33,508 related to the 2017 Tax Cuts and Jobs Act (within two billing cycles of closing).

Daufuskie Island Utility Company (DIUC) Settlement: 2014-346-WS

The ORS, Daufuskie Island Utility Company, Inc., and the intervening Daufuskie Island Property Owner's Associations entered into a settlement agreement in the DIUC rate case, which resolved many of the issues before the Commission. The remaining issue is DIUC's assertion that it is entitled to reparations from its customers; this matter is covered later in this section.

The settling parties jointly filed a Consent Order shortly after the filing of the settlement agreement. DIUC sought to charge the new, agreed-upon rates beginning March 1, 2021. The PSC held a settlement hearing on February 26, 2021 and approved the settlement.

Act 62

In FY 20-21, the ORS had continuing responsibilities in dockets created pursuant to the South Carolina Energy Freedom Act (Act 62) signed into law on May 16, 2019.

Integrated Resource Plan (IRP) Proceedings

Act 62 amended the previously established utility Integrated Resource Plan (IRP) statute to include specific requirements and outlined procedural requirements for IRP filings. Act 62 requires the PSC to hold a proceeding to review and either approve, modify, or reject the IRP, with S.C. Code Ann. §58-37-40 (B)(1) setting forth the information that the IRPs must contain. As part of Act 62, each regulated electric utility filed an IRP with the Commission. The ORS reviews the IRPs for compliance with Act 62.

Act 62 DESC IRP Proceeding: 2019-226-E

DESC filed its 2020 IRP with the Commission on February 28, 2020. The IRP modeled eight different resource plans (RP) over a study period of fifteen years. The Company identified RP2 as the least cost and the preferred plan. The ORS report assessed the IRP's compliance with the new requirements established in Act 62, identified flaws, and provided near- and long-term recommendations to be addressed by the Company. The ORS proposed the Company be required to modify the 2020 IRP to address the items identified in the ORS report.

The Company filed a revised 2020 IRP (IRP Supplement) on August 28, 2020 and addressed all the items identified by the ORS report.

On December 23, 2020, the Commission issued Order No. 2020-832 rejecting DESC's 2020 IRP and requiring the Company make modifications to the 2020 IRP, 2021 and 2022 annual updates, and the 2023 comprehensive IRP. The Commission ordered the Company to submit a Modified IRP within sixty (60) days and make several changes to the resource plans selection, resource cost assumptions, and make natural gas and CO2 prices consistent with the modifications specified in the Order.

The net result of the modifications required by the Commission to the 2020 DESC IRP is a revised time frame for coal retirements to an earlier date, 2028, than that included in the initial IRP; replacement of the coal capacity with new high-efficiency, low-emitting combined cycle and internal combustion turbine natural gas units; and the addition of approximately 2,000 megawatts (MW) of solar and approximately 900 MW of battery storage from 2026 to 2048.

The Company is required to file the 2021 IRP Update by August 17, 2021, which is sixty days from the issuance of Order No. 2021-429 accepting the Company's 2020 Modified IRP.

Act 62 DEC and DEP IRP Proceedings: DEC- 2019-224-E & DEP- 2019-225-E

The Duke Energy Progress (DEP) and Duke Energy Carolinas (DEC) IRP hearings were held from April 26th through May 5th, for a total of eight business days running daily from 9 a.m. to well after 5 p.m. In addition to participation by the ORS, there were six intervenors in the proceedings.

An IRP proceeding provides a map detailing where a utility plans to be over a 15-year planning horizon and how the utility plans to get there. Duke Energy has committed to being carbon-neutral by 2050, which may mean that any carbon-based fuel used would be offset by some form of renewable generation.

The ORS took the position that the proposed IRPs were a reasonable and prudent means of meeting energy and capacity needs. However, the ORS stopped short of deeming them as the “most” reasonable and prudent means. The ORS instead leaves that to the determination of the PSC after reviewing all the evidence presented. On June 28, 2021, the Commission issued an Order requiring modification of the IRPs. The modified IRPs are due August 28, 2021.

Net Energy Metering Proceedings

Act 62 requires electric utilities to submit proposed solar choice metering riders and rate schedules, referred to as Solar Choice Tariffs, for Commission review. The intent is to promote the use of customer-scale distributed energy resources, while equitably allocating costs and benefits to eliminate cost shift or subsidization associated with net metering to the greatest extent practicable.

Act 62 Net Energy Metering- DESC, DEC, DEP: DESC- 2020-229-E, DEC- 2020-264-E, DEP- 220-265-E

This spring, the ORS participated in the Act 62 Solar Choice Metering Tariff proceedings.

The point of contention in the Solar Choice Metering Tariff cases revolved around the issue of cost shifting. All consumers of electric power pay for the grid that supports electric infrastructure; however, because solar customers’ electric bills may be very low, they may avoid having to pay their appropriate share of some of these charges. If so, non-solar customers necessarily will have to pay more than their appropriate share of these charges, meaning that portions of the cost of providing service are being unfairly shifted from the customer-generator (solar customer) to the non-participating (non-solar) customer. Based on our analyses, the ORS estimates the cost shifted to the non-participating (non-solar) consumers to be a *minimum* of \$300 annually for DESC customers and a minimum of \$400 annually for DEC and DEP customers under their respective proposals. These estimates are conservative and likely are higher.

The Commission voted to reject the Dominion Solar Choice Metering Tariff proposal and voted to reject the ORS’ position as to the cost shift that presently occurs.

In the DESC docket, the Company filed a petition for reconsideration, which was granted in part, and approved by Commission Order. In the Duke dockets, the Commission approved Duke’s stipulation agreements, to which the ORS was not a party. The ORS filed a petition for reconsideration on the reporting requirements. The Commission granted a limited rehearing. At the time of this writing, oral arguments are scheduled for September 8, 2021.

In addition to any new cost shift that occurs, every customer of DESC, DEC, and DEP currently pays a Distributed Energy Renewable (DER) charge that is capped at an annual amount of \$12.00 for residential customers, \$120 for commercial customers, and \$1,200 for industrial customers. See *annual* DER charge by utility (in dollars) below.

Customer Type	DESC	DEC	DEP
Residential	\$12.00	\$7.62	\$12.00
Commercial	\$73.99	\$34.81	\$44.00
Industrial	\$1,200.00	\$1,200.00	\$1,200.00

The ORS estimates the DER charges will continue past 2040. View the [2021 Report on Status of DER and Net Energy Metering Implementation report](#) for more information.

Daufuskie Island Utility Company (DIUC) Request for Reparations: 2014-346-WS

On May 17, 2021, DIUC filed its brief in support of its request for \$1,332,863 in reparations from customers.

The ORS filed its response in opposition to DIUC’s request for reparations on June 17, 2021. As discussed in its brief, DIUC is prohibited from charging its customers for any interest on any alleged lost revenues. The ORS’ position is that the awarding of any rates that provide for the future collection of any claim of past lost revenues or interest would constitute impermissible retroactive ratemaking. At the time of this writing, this matter remains unresolved.

Appeals

During FY 20-21, the ORS Legal team gained additional and significant appellate experience in recent regulatory case appeals.

DEC and DEP Appeal to SC Supreme Court on Coal Ash Remediation: DEC- 2019-001900 and DEP- 2019-001904

Pending before the South Carolina Supreme Court is an appeal by Duke Energy Carolinas, LLC and Duke Energy Progress, LLC (Duke or the Companies). While several issues were appealed, the issue with the largest financial impact on South Carolina ratepayers is the cost associated with compliance with North Carolina’s Coal Ash Management Act (CAMA). The ORS legal team assisted and gained significant appellate case-preparation experience working with outside Counsel Wallace Lightsey who presented the oral argument on behalf of the ORS on May 26, 2021. At the time of this writing, no disposition has been made in the case.

Because costs are allocated and the Companies operate in both states, the amount allocated in total and sought for by both Companies from South Carolina customers as of May 31, 2019 was \$248,451,000.

North Carolina's CAMA law imposes additional costs over and above what would otherwise have been incurred to comply with South Carolina and federal law. While the ORS did not oppose Duke's recovery of costs that would have been incurred to comply with South Carolina and federal law, the ORS took the position that South Carolina ratepayers should not have to pay increased costs based on a North Carolina law.

Duke may ultimately seek all the costs of remediation, including costs that have not yet been incurred or presented to the PSC. The ORS currently estimates South Carolina's portion to be included in rates would be over \$1 billion if Duke is successful at all stages of litigation.

Carolina Water Service (CWS) Appeal: 2020-000266

Carolina Water Service (CWS) appealed the PSC's decision to deny the Company's request to include in customer rates certain litigation expenses that it incurred in defending a lawsuit brought by the Congaree Riverkeeper for CWS' pollution of the Saluda River and failure to interconnect with the town of Lexington. The ORS filed its final brief with the South Carolina Supreme Court (the Court) on November 17th.

In March of 2021, the ORS argued before the Court asking the Court to affirm the Order of the Commission. On September 1, 2021, the Court issued its decision and affirmed the Commission's decision as argued by the ORS to disallow the litigation costs associated with a failure to comply with The Clean Water Act.

Blue Granite Water Company (BGWC) Appeal: 2020-001283

Blue Granite Water Company (BGWC) appealed the PSC's Order on the merits of its rate application (2019-290-WS) to the South Carolina Supreme Court (the Court) and requested an extension of time to file its initial brief. On October 23, 2020, the Court granted an extension to file the initial brief of BGWC to November 5, 2020.

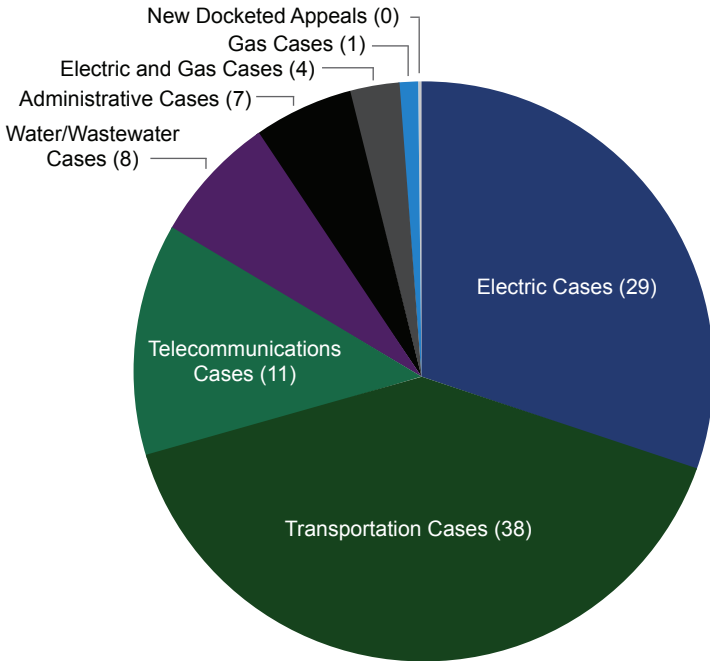
On November 6, 2020, the Commission issued an Order that granted BGWC's motion for approval of its bond while also addressing other issues. Even though the Commission approved BGWC's bond, the Commission required a stay of placing rates in effect under bond until December 31, 2020. At the time of this writing, the stay is still in place.

In June of 2021, the ORS argued its position before the Court in support of certain portions of the Commission Order. On September 1, 2021, the Court affirmed the Commission's decision in part and reversed in part. The Court remanded the proceeding to the Commission for further consideration.

Noller v. Daufuskie Island Utility Company, Inc. and ORS before the South Carolina Court of Appeals: 2019-001354

ORS attorney(s) will argue the case. Briefs have been filed with the South Carolina Court of Appeals. At the time of this writing, the ORS is awaiting the scheduling of oral argument.

New Docketed Cases FY 20-21



New Cases

The ORS participated in 98 newly docketed cases in FY 20-21. Close to 39 percent were transportation cases.

Consumer Savings by Fiscal Year

From the agency’s inception through June 30, 2021, ORS efforts have resulted in 516 settlements, agreements, and contested cases that generated savings to consumers of \$1.9 billion.

Savings by Fiscal Year (Rounded to the nearest thousand)

FY 04-05	\$63,356,000
FY 05-06	\$95,475,000
FY 06-07	\$59,794,000
FY 07-08	\$114,662,000
FY 08-09	\$147,692,000
FY 09-10	\$198,992,000
FY 10-11	\$233,461,000
FY 11-12	\$405,436,000
FY 12-13	\$83,097,000
FY 13-14	\$175,000,000
FY 14-15	\$45,983,000
FY 15-16	\$30,816,000
FY 16-17	\$69,388,000
FY 17-18	\$28,736,000
FY 18-19	\$158,850,000
FY 19-20	\$14,520,000
FY 20-21	\$20,817,000
TOTAL	\$1,946,075,000

Consumer Savings from FY 20-21 Cases

Of the 98 newly docketed cases, these rate-impacting cases generated savings to consumers of **\$20,817,393**.

FY 20-21 Savings to Consumers

Piedmont Natural Gas RSA	\$8,345,601
Dominion Energy SC RSA	\$2,303,687
PUI Rate Case	\$4,619,105
Dominion Energy SC Fuel	\$5,549,000
TOTAL	\$20,817,393

GOAL

The ORS promotes reliable and high-quality services.

The ORS conducts a wide range of activities to promote reliable and high-quality utility services by:

- Analyzing and evaluating the performance of regulated utilities;
- Equitably enforcing the laws, rules, and regulations relating to public utilities; and
- Providing technical assistance and streamlining processes for consumers and utilities.

The ORS uses its resources and expertise to provide safety oversight, inspections and enforcement, technical assistance, and compliance guidance and education for regulated utilities.



Regulatory Reviews and Audits

The Audit Department supports the ORS' evaluation of the accuracy of financial data provided by the utilities supporting their filings for rate increases.

The Audit Department conducted a total of 533 regulatory reviews and audits in FY 20-21.

The Audit Department is also responsible for performing annual audits, if needed, to ensure contributions to the State Universal Service Fund (USF) are accurately assessed. These reviews are limited to testing the accuracy of USF rates charged. There are 460 telecommunications companies doing business in South Carolina. The companies are reviewed over a three-year period, which averages to 150-160 examinations per year.

Act 56

Act 56, which passed in May 2019 and became effective in January 2020, added to the scope of work for the Audit Department. Act 56 requires the ORS to determine compliance with bylaws for the 22 electric cooperatives serving the state. In early calendar year 2021, the ORS completed a compliance audit of Section 7, related to trustee compensation and benefits, the first provision of the Act to be examined. In FY 21-22, the ORS will begin its compliance audits under the remaining sections of Act 56 for all 22 cooperatives. By the end of calendar year 2021, it is expected that the ORS will have completed reviews for all 22 cooperatives addressing the major requirements of Act 56. However, the frequency and scope of the compliance reviews may be adjusted by the ORS Executive Director based on the results of prior reviews.

Act 135

As required by Act 135, signed into law on May 18, 2020, the ORS conducted monthly compliance reviews of the South Carolina Public Service Authority (Santee Cooper). The ORS completed 11 monthly reviews, covering over 10,000 pages of documents, and issued 12 reports detailing its findings. Each of these reports concluded that, based on the information provided and attestations made by Santee Cooper and in reliance that the responses provided are complete and accurate, Santee Cooper did not take action that violated the terms of Act 135 Section 11(E). Act 135, Section 11(G) provides that the provisions of Act 135, Section 11 "remain in effect through the earlier of May 31, 2021, or until an act of the General Assembly expressly supersedes this provision." Because this provision of Act 135 has now expired, the ORS completed its last monthly review of Santee Cooper on June 1, 2021.

Power Grid Resiliency Study

The ORS is continuing its efforts to “undertake a comprehensive review of our State’s public and private power grid to evaluate its ability to withstand potential ice storms and other dangerous winter weather conditions” as requested by Governor McMaster on February 19, 2021. In June of 2021, 14 regulated and non-regulated electric and natural gas utilities and other interested parties submitted comments regarding potential risks winter weather poses to disrupt electric and natural gas service and the utilities’ resiliency plans and proposals to mitigate these threats. On June 21 and 22, 2021, the ORS issued discovery requests to over 40 electric and natural gas utilities regarding these issues and has received a substantial amount of information in response. The ORS also engaged Guidehouse, Inc. to assist in reviewing this information and to provide the ORS with independent and expert analyses and recommendations regarding South Carolina’s electric and natural gas system reliability. Much work remains to be completed on this project; the ORS anticipates issuing a draft report in September 2021 with a final report completed before the end of calendar year 2021.

Pipeline Safety and Railroad Safety

Pipeline Safety Inspections

In partnership with the Pipeline and Hazardous Materials Safety Administration (PHMSA), the ORS Pipeline Safety Program maintained responsibility for 26,351 miles of natural gas pipeline serving 862,078 customers. Each of these areas consulted with federal and state counterparts on best practices for safe inspections during the COVID-19 crisis.

ORS Pipeline Safety inspectors conducted a total of 174 inspections in FY 20-21 and responded to 195 technical gas pipeline safety-related inquiries from the public, operators, and contractors. Inspectors focused on different aspects of operator safety throughout the year including right-of-way, regulator, drug and alcohol abuse inspections, and pipeline operators’ emergency plans. For all inspections, inspectors checked to see whether the operators are complying with regulations of the PHMSA.

Pipeline Safety Program Rating

Pipeline Safety received its 2019 annual scores from the PHMSA. For the program evaluation, which looks at the effectiveness of the ORS Pipeline Safety program to conduct inspections and enforcement, the ORS received a 94 out of 95 (approximately 99%). The one-point deduction was because the ORS does not issue civil penalties. On the progress report, the agency received a 48 out of 50 (96%) because the civil penalty amounts in South Carolina statutes do not match the federal level of civil penalty amounts.

Through its damage-prevention initiative, ORS Pipeline Safety makes educating third-party contractors on safe-digging practices a top priority. In addition, ORS Pipeline Safety is a leader in the SC Pipeline Emergency Response Initiative (SC PERI) that trains firefighters to respond to natural gas-related incidents. These efforts will continue in FY 21-22.

Rail Safety

In partnership with the Federal Railroad Administration (FRA), the ORS Rail Safety Program continued inspections of South Carolina's infrastructure to maximize the safety of the state's railroad system. Inspectors conducted both track and operating practices (OP) inspections around the state. For the track and OP disciplines combined, ORS inspectors conducted 234 rail safety inspections and issued 497 rail safety defect citations. Staff responded to 320 technical railroad safety-related inquiries from railroads, industry, and the public.

Transportation

During the pandemic, Transportation staff continued to issue, suspend, and reinstate certificates. Inspections continued while following social distancing and safety guidelines.

Household Goods Carriers Enforcement

The household goods (HHG) movers' market continues to expand. In FY 20-21, the ORS continued to manage multiple requests for rate increases and Certificates of Public Convenience and Necessity (CPCN) for new HHG applicants.

The ORS inspected 46 HHG movers mostly in response to newly filed CPCN applications (and a few tariff amendment applications). ORS inspectors conducted routine inspections, focused inspections, and complaint inspections for HHG movers across the state.

Inspections, Investigations, and Compliance Audits

ORS Transportation inspectors conducted 2,833 vehicle inspections and 114 compliance audits, both planned and random, of regulated transportation carriers.

Transportation inspectors continued to focus on education and public relations efforts with carriers. As a possible result of this effort, the number of complaints regarding motor carriers has been dropping for the past several fiscal years and currently stands at 82 for FY 20-21. As a comparison, this number was 131 in FY 16-17.

In FY 20-21, the ORS conducted annual driver-file audits of the Transportation Network Carriers (TNC) – Uber, Lyft, and Uzurv 360. The purpose of this type of audit is to enhance

passenger safety by examining randomly selected driver files for the following information: 1) making sure the driver is 21 or older and has a valid driver's license 2) examining the driver's 10-year driving record 3) making sure the company has conducted local and national criminal background checks 4) ensuring that the driver has valid personal automobile insurance and 5) making sure the vehicle has passed inspection. In addition, the ORS requests of each TNC their total number of complaints received in the one-year review period. Each TNC must also furnish the ORS with the disposition of ten customer complaints that display tracking from the time the complaint is registered until its resolution.

Online License Decal Portal

The online portal for Class C passenger carriers (taxis, limousines and certain types of non-emergency medical transportation) to pay semi-annual license decal fees using credit or debit cards became fully operational on the ORS website in the prior fiscal year. With implementation of the portal, passenger carriers can save time and effort by paying remotely—a benefit that was especially timely considering the COVID-19 pandemic. In FY 20-21, the ORS issued 4,744 license decals.

Outreach

The Transportation Department logged 12,692 technical assistance (in person, phone, and email) responses to transportation inquiries from prospective and regulated transportation carriers and the public. In addition, staff conducted two transportation forums this year to provide carriers with updated information on regulations.

Water, Telecommunications, and Solar Leasing

Water/Wastewater Technical Assistance and Compliance Efforts

The ORS provided technical assistance in response to 295 inquiries from new and existing water and wastewater companies, up from 110 in FY 19-20 due to a more established Water Operations Team, renewed efforts to ensure compliance with annual reports and performance bonds, and the re-opening of water and wastewater utility offices that were temporarily closed during the COVID-19 pandemic.

Through technical assistance efforts with regulated companies, the ORS assisted companies in achieving a 100% annual report compliance level, up from 90% in the prior fiscal year.

Telecommunications

The Telecommunications Department provides administrative oversight for several funds and programs including the SC Universal Service Fund— which includes the Lifeline program— and the SC Dual Party Relay Fund— which includes the Telecommunications Relay Service, the SC Equipment Distribution Program, and Real-Time Closed Captioning for local news and for the SC General Assembly. The department provided technical assistance to 362 existing companies and 45 new applicants, consultants, and regulated companies. The ORS worked closely with regulated companies, resulting in 94% coming into compliance with annual report requirements.

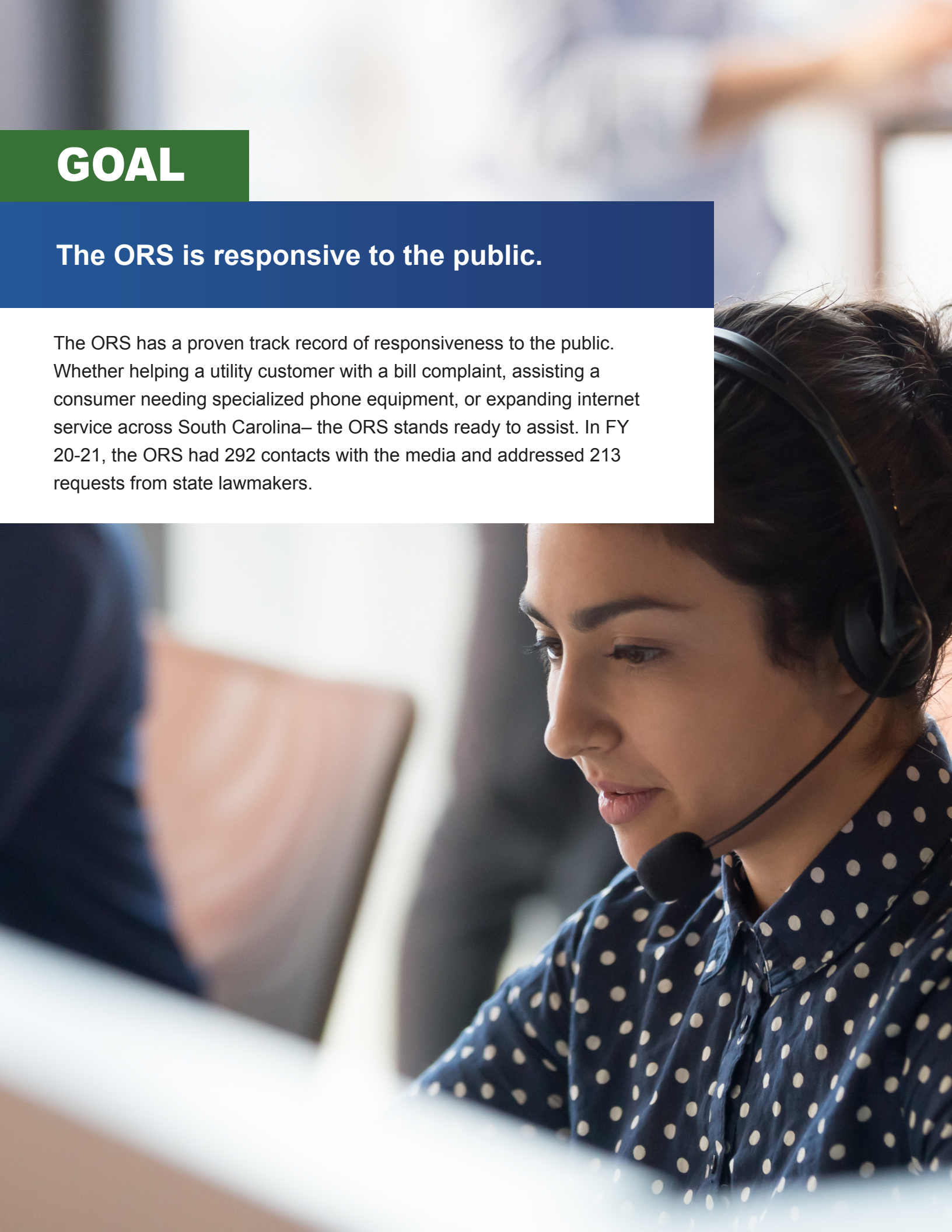
Solar Leasing

FY 20-21 marked the sixth fiscal year of the ORS administering the third-party solar/renewable leasing program. Total installations in FY 20-21 were 392 (up from 246 the prior fiscal year), bringing the total since inception to 8,473. Two applications were received, and two certificates were approved in this fiscal year. Staff continued to assist customers with complaints or questions.

GOAL

The ORS is responsive to the public.

The ORS has a proven track record of responsiveness to the public. Whether helping a utility customer with a bill complaint, assisting a consumer needing specialized phone equipment, or expanding internet service across South Carolina– the ORS stands ready to assist. In FY 20-21, the ORS had 292 contacts with the media and addressed 213 requests from state lawmakers.



Broadband

During the prior fiscal year when the COVID-19 pandemic began, it became clear that South Carolina was lacking internet access, particularly in its rural areas and among the most vulnerable populations impacted by COVID-19. The pandemic brought to the forefront the greater need for internet service – and the ORS responded.

Administration of the CARES Act

Act 142 authorized the ORS to expend up to \$50 million to address broadband needs through federal funds disbursed to South Carolina pursuant to the federal *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act).

This effort to address broadband needs had three components: online learning, mapping, and infrastructure (phase 1) initiatives. Under the broadband portion of Act 142, the ORS was directed to do the following:

1. Secure a vendor for the development of a broadband statewide county-by-county mapping plan
2. Secure a vendor for the development of a statewide broadband infrastructure plan. The infrastructure plan was to identify and prioritize communities in South Carolina where access to broadband had impeded the delivery of distance learning, telework, and telehealth for the most vulnerable population of South Carolinians impacted by COVID-19. The plan was required to identify the role that public and private broadband operators could play in addressing South Carolina's broadband plans.
3. Create, in consultation with the South Carolina Department of Education (SCDOE) and the Commission on Higher Education, an online learning initiative by procuring mobile hotspots and monthly service through December 2020 for distribution to a minimum of 100,000 households.

Within approximately six months, these three broadband initiatives under Act 142 were successfully completed – with funds to spare.

By January of 2021, the ORS announced successful completion of its administration of CARES Act funds. Through the Online Learning Initiative, Broadband Infrastructure Program, and Mapping and Planning efforts, more South Carolinians have access to reliable, high-speed broadband internet to enhance distance learning, telehealth, and other needs. Impressive results achieved by the end of 2020 included:

- **The Online Learning Initiative:** This initiative procured over 100,000 mobile hotspots and wired internet service for qualifying student households in school districts and institutions of higher learning statewide.
- **Mapping and Planning:** The ORS launched the state’s Broadband Map in December 2020, creating an accessible platform for the public to see where broadband is – and isn’t – available in South Carolina.
- **The Infrastructure Program (Phase 1):** This initiative helped to expand broadband access to almost 20,000 structures in the state; specifically, 18,574 households were passed under the program, meaning they were eligible to subscribe to services.

Success Leads to Success – Infrastructure Project Phase 2

In March of 2021, the SC Joint Bond Review Committee approved the allocation of \$30 million from the SC Department of Commerce to the ORS to administer an infrastructure grant program in 14 of the state’s neediest counties, and up to \$7 million could be used in adjacent counties. With assistance from the SC Revenue and Fiscal Affairs Office, the ORS produced a map showing areas of need in the 14 counties and 15 adjacent counties.

As of this writing (July 2021), the ORS has issued Notices to Proceed to 17 internet service providers in 19 counties for almost \$30 million in projects to expand broadband availability in rural areas of need in South Carolina. The first construction reports are due to the ORS by October 15, 2021, and all projects are scheduled to be completed by October 31, 2022.

Broadband Office

Approximately one year after the ORS began its work with broadband under Act 142, the Office of Broadband Coordinator opened at the ORS on July 1, 2021, giving the agency permanent responsibility for the expansion of internet in South Carolina. The ORS anticipates much progress in the coming fiscal year.

Innovation in Allendale County

A discussion of the broadband-expansion effort thus far would not be complete with highlighting the innovative project led by the ORS in Allendale County — one of South Carolina’s most impoverished areas. The ORS partnered with SCETV, SCDOE, University of South Carolina (USC) Salkehatchie, Allendale County School District, Allendale Hampton Jasper Regional Library, Town of Allendale, and Revolution D, Inc. to launch a pilot program allowing free Wi-Fi to students and/or the public together with residential broadband service in Allendale County. Project partners worked with Palmetto Rural Telephone Cooperative to get fiber backhaul and with DESC to get electricity to the SCETV towers located in Allendale County. In this

groundbreaking pilot program, community fixed wireless broadband service was established in just 61 days where no internet existed before.

In addition to free public Wi-Fi hubs, the pilot project allows for access to residential wireless broadband services. In February 2021, devices were provided to 20 households in Allendale County to pilot the new wireless technology. These households will provide speed-test data (download and upload speeds) and help inform future wireless broadband deployment across the state.

On May 7, 2021, the ORS hosted a press conference in Allendale to celebrate the successful completion of this project. More than 200 people attended the press conference. The keynote speaker was U.S. House Majority Whip James Clyburn. The event was recorded and livestreamed by SCETV.

One of the press inquiries that the ORS received because of the Allendale project was from the nationally syndicated radio show, NPR MARKETPLACE TECH®. After learning more about the project and speaking with ORS staff, NPR decided to do a featured series on the project that will last a year and include multiple updates, check-ins, follow-ups, and an on-site visit. The show reaches more than 3 million listeners, and the pieces will highlight the innovative nature of the pilot project and its impact on a community facing significant economic challenges.

Rural Digital Opportunity Fund

There are additional funding opportunities for broadband that are not administered by the ORS. One is the Federal Communication Commission's Rural Digital Opportunity Fund (RDOF). Desire to access these funds for broadband deployment has spurred applications for ETC (Eligible Telecommunications Carrier) designation by several broadband providers. As of June 30, 2021, 9 broadband providers applied for and received ETC designation. FCC rules require that a broadband provider have the ETC designation for the FCC-designated areas to receive funding from the RDOF to expand broadband.

Broadband Deployment Permit Working Group

Recognizing the need for coordination across the state, the ORS organized a Broadband Deployment Permit Working Group consisting of representatives from CSX, Norfolk Southern, Palmetto Railways, SCDHEC, US Army Corps of Engineers, SCDOT, SC811, and the ORS. The purpose of this group is to identify and coordinate on steps that can be taken to expedite permitting and to let stakeholders know where construction for broadband deployment will occur so they can plan on focusing resources in those areas. The Working Group will continue its coordination efforts in FY 21-22.

Consumer Services

The ORS Consumer Services Department is the agency's first line of contact with consumers. Consumer Services supports consumers to arrange installment payments, extensions to payment due dates, manageable security deposits, and access to community financial assistance resources. Staff works with consumers to recover funds due to erroneous charges, refunds of deposits, unauthorized charges, incorrect rates being charged, or disputes about charges.

In FY 20-21, Consumer Services fielded 1,487 complaints and inquiries from consumers. The traditional concerns of high-bill complaints, bill-payment issues, and deposits still account for most calls received. However, as the utilities have developed and offered more products and services to their customers, Consumer Services has received more complex inquiries and complaints such as those associated with Advanced Metering Infrastructure (smart meters), net metering, or the business practices of certain solar lessors.

During the COVID-19 pandemic, Consumer Services staff offered technical assistance to several utilities with matters related to the companies' consumer-relations operations. The ORS worked with the South Carolina Department of Administration and its technology division (DTO) to develop an overflow call center. This center would assist the Consumer Services Department during higher-than-normal call volume periods so that utility consumers could continue to be served in a timely fashion. While a plan was implemented, it has not been necessary to activate the overflow call center.

As part of its consumer-education outreach, Consumer Services distributed 42,400 publications and promotional materials. This includes a mailout of 5,100 that would have been sent in late spring of 2020; however, due to the remote working environment at that time, the spring mailout was delayed until July 2020.

By serving as the mediator between consumers and regulated utilities, Consumer Services resolves a vast majority of complaints through an informal investigation process, thereby avoiding the more costly avenue of a formal hearing at the PSC.

Dollars Recovered for Consumers

Investigations of complaints by Consumer Services staff saved customers **\$253,146**. Annually recurring recoveries account for approximately \$127,000 of this total.

Two large recoveries for consumers included:

\$82,800: Consumer Services investigated Blue Granite Water Company's (BGWC) AMI meter (smart meter) installation settings. The results of the investigation revealed overcharges for several Lake Wylie area commercial accounts. The accounts were corrected, which resulted in customer reimbursements totaling \$82,800.

\$14,405: Consumer Services investigated a high water-bill complaint for a Lake Wylie commercial account served by BGWC. The investigation revealed an overcharge due to a metering issue and resulted in a credit of \$14,404.99 to the customer.

Safety

ESF 12

EMD and COVID-19

For a large portion of FY 20-21, ESF 12 continued to participate in weekly calls with the Governor's Office, the counties, and the National Association of State Energy Officials regarding COVID-19. ESF 12 helped to formulate a COVID-19 vaccination rollout plan that distributed the vaccine to South Carolinians in three phases. ESF 12 also coordinated with the electric cooperatives to use some of their facilities as points of distribution for the vaccine.

Colonial Pipeline

As a stark reminder of the interconnectedness of cyber security with our nation's fuel supply, the ORS received notification on May 7, 2021 that Colonial Pipeline was shutting down its operations due to a cyber-attack. The ORS immediately notified the SC Emergency Management Division. In addition, the ORS began communicating with its fuel partners to 1) gather information and 2) see if they had any needs. The ORS was able to coordinate so that waivers for suppliers were provided by the SC Department of Agriculture to allow the use of different blends of gasoline, thereby mitigating the impact to the gasoline supply. The ORS also was in communication with Gas Buddy, who shared their data on fuel availability.

Gas Buddy Partnership for Emergency Activations

During the Colonial Pipeline incident, it became apparent that having up-to-date information on the petroleum market is essential. The ORS and Gas Buddy created an innovative contractual agreement, executed on July 2, 2021, whereby Gas Buddy provides the ORS daily update

meetings during emergency activations. When not in an activation mode, Gas Buddy will meet with the ORS monthly and provide updates on the market. As of this writing (July 2021), the first monthly non-emergency briefing has occurred.

Pipeline Safety

Pipeline Safety and SC PERI

Through its damage-prevention initiative, ORS Pipeline Safety makes educating third-party contractors on safe-digging practices a top priority. In addition, ORS Pipeline Safety is a leader in the SC Pipeline Emergency Response Initiative (SC PERI) that trains firefighters to respond to natural gas-related incidents. These efforts will continue in FY 21-22.

Protection and Assistance for At-Risk Consumers

Consumer Public Service Announcements on Solar

Following the conclusion of multiple hearings at the PSC about solar tariff costs, the ORS recorded new Public Service Announcements (PSAs) that specifically address concerns aired during the public-input portion of both the Duke Energy and DESC dockets. The PSAs focus on consumer-related solar panel information and ran statewide in June through the South Carolina Broadcasters Association. The PSAs were produced at no cost to the ORS, thanks to a partnership with the SC Department of Health and Environmental Control.

Frontier Communications Outage Investigation

In September 2020, the ORS entered a Memorandum of Understanding with Frontier Communications in which the company would provide to the ORS all outage reports through February 2021. This agreement was the result of the ORS' investigation into a prolonged outage of service in October 2019 in the St. Luke community in Georgetown, SC, served by Frontier.

Specifically, for a period of six months starting September 1, 2020, and ending February 28, 2021 Frontier provided the ORS 1) certain information regarding service outages lasting longer than 24 hours and 2) service-quality reports and metrics for its ten wire centers with the highest network-trouble report rate in Frontier's South Carolina service territory.

South Carolina Equipment Distribution Program (SCEDP)

The South Carolina Equipment Distribution Program (SCEDP), housed within the ORS, helps consumers who are deaf or have hearing or speech challenges by providing them with specialized telephone equipment. The program received and reviewed 660 applications; approved 598 applications; and conducted installations for 37 SCEDP clients, which included training on how to use the specialized telephone equipment.

In FY 20-21, SCEDP expanded outreach around the state including distribution of over 87,000 publications and printed materials. In addition, SCEDP placed targeted PSAs on radio and television stations throughout the state. A three-month contract with the South Carolina Broadcasters Association (SCBA) to run 15- and 30-second television and 30- and 60-second radio PSAs began on May 1, 2021. The PSAs ran a total of 3,827 times on radio stations and 1,330 times on television stations in May alone. For FY 21-22, SCEDP has a new ad campaign planned that strategically places PSAs during peak times that consumers watch television or listen to the radio.

During the COVID-19 pandemic, the SCEDP kept its commitment to clients. During the height of the pandemic, SCEDP staff was able to deliver new phone equipment to a quarantined assisted living facility so that a 104-year-old resident could stay connected to her family. In April 2021, the SCEDP program resumed installations and outreach after being on hold due to COVID-19 restrictions.

Domestic Violence Victims

The ORS began the domestic violence victim deposit waiver program several years ago. It was the result of an innovative agreement facilitated by the ORS with each of the investor-owned electric and gas utilities and women's shelters to waive the initial credit and deposit requirements for domestic violence victims. Through the years, this effort has expanded to law enforcement agencies who certify domestic violence victims. In FY 20-21, the program benefited **20** individuals who were victims of domestic violence. Since its inception several years ago, the program has benefited **545** individuals.



GOAL

The ORS anticipates and responds to policy developments that impact the ORS' mission.



On the horizon for FY 21-22 is the opening of the Office of Broadband Coordinator and implementation of Act 90. In addition, the ORS will continue to implement several recent laws and regulations including Act 56, the Broadband Accessibility Act, the SC Energy Freedom Act (Act 62), and consumer-protection regulations on solar leasing. The ORS is preparing for these responsibilities as well as monitoring other potential changes that may affect the regulatory landscape.

Launch of the Broadband Office

The opening of the Office of Broadband Coordinator within the ORS on July 1, 2021 brings the immediate challenge of hiring the expertise necessary to fulfill the mission of the program – expanding internet service in South Carolina.

Implementation of Act 90

Act 90 identifies the regulatory duties and responsibilities of the ORS with respect to the South Carolina Public Service Authority (Santee Cooper). The ORS will receive notice of proposed rate adjustments and is vested with the authority to review electric rates established by Santee Cooper. The ORS will have the opportunity to review the proposed rate schedules and written findings that support rate adjustments. The ORS may submit comments to Santee Cooper's Board of Directors, which will be presented for consideration as rates are determined. The legislation requires Santee Cooper to submit an annual pricing report to the ORS. The ORS may inspect Santee Cooper's facilities and examine and make copies of reports and other similar information. The Act provides that a proceeding will be held in any court of competent jurisdiction in ORS' name where it appears that Santee Cooper is failing or omitting to meet its requirements under law. The ORS will be responsible for reviewing Santee Cooper's annual update and provide a report to the Commission concerning its reasonableness. The ORS' responsibilities will take effect on January 1, 2022.

Continued Implementation of Act 56

Act 56 requires the ORS to determine compliance with bylaws for the 22 electric cooperatives serving the state. In early calendar year 2021, the ORS completed a compliance audit of Section 7, related to trustee compensation and benefits, the first provision of the Act to be examined. In FY 21-22, the ORS will begin its compliance audits under the remaining sections of Act 56 for all 22 cooperatives. By the end of calendar year 2021, it is expected that the ORS will have completed reviews for all 22 cooperatives addressing the major requirements of Act 56. However, the frequency and scope of the compliance reviews may be adjusted by the Executive Director based on the results of prior reviews.

Continued Implementation of Broadband Accessibility Act

Passed in the fall of 2020, the Broadband Accessibility Act is designed to increase access to broadband to promote economic development, job creation, telehealth, and educational advancement. The law provided the ORS with new ongoing responsibilities.

This Act takes advantage of current infrastructure by using electric easements with overhead and underground facilities. Electric cooperatives can lease their facilities to current telecommunications providers, provide broadband service through an affiliate of their electric cooperative, or a combination of these two options.

The ORS has the authority to make inspections, audits, and examinations of electric cooperatives relating to compliance with this law, and the PSC has jurisdiction to resolve disputes.

The Act also allows Santee Cooper to lease, to a third party, excess fiber capacity that is used to provide broadband service. The lease must charge rates, fees, and other charges on a nondiscriminatory basis. The Act requires Santee Cooper to submit its terms and conditions to the ORS for its review and comment.

Continued Implementation of the SC Energy Freedom Act (Act 62)

Passed in May 2019, Act 62 covers a wide range of topics including avoided cost and power purchase agreements (PPA), voluntary and community solar, net metering, integrated resource plan (IRP), integration study, interconnection, and consumer protection. In FY 21-22, cases falling under Act 62 will focus on encouraging adoption of solar/renewable energy in South Carolina.

Continued Implementation of Consumer-Protection Regulations on Solar

Act 62 directed the ORS to develop consumer-protection regulations applicable to the leasing of renewable energy generation facilities. Act 62 also directed the South Carolina Department of Consumer Affairs to develop consumer-protection regulations for the sales of renewable energy generation facilities. The process of promulgating these regulations began last fiscal

year and concluded near the end of FY 20-21: Receiving no opposition, the ORS' proposed regulations passed by default on May 12, 2021 and became effective on May 28, 2021.

These regulations are intended to provide a consumer-protection framework to govern the practices of lessors and protect consumers, in part by requiring lessors to provide appropriate disclosures to help consumers make well-informed decisions prior to entering a lease for a renewable energy generation facility and by providing a formal complaint process for dispute resolution. Under ORS' regulations, depending on the nature of the violation, a variety of remedies and penalties are provided such as voiding the lease agreement, monetary fines assessed on the lessor, or suspension of the lessor's operations.

Outside Experts

The ORS consults with and/or retains recognized experts to assess emerging trends or specific issues. Experts used during the fiscal year included:

- **Energy + Environmental Economics** to assist with the preparation for solar choice tariff cases and to provide testimony in these proceedings.
- **Revolution D, Inc.** to identify priority areas of the state that were unserved, impacted by COVID-19, and that if broadband were available, would support distance learning, telehealth, and/or teleworking. This was part of the broadband infrastructure initiative.
- **CostQuest Associates, Inc.** to help with the broadband mapping initiative by performing the Geographic Information Systems (GIS) work that included address-specific data from the majority of South Carolina's internet providers. This data was used to create the South Carolina Broadband Map to show consumers where broadband is and isn't available in the state.
- **Guidehouse, Inc.** to assist in the power grid resiliency study by reviewing information provided by electric and natural gas utilities and providing the ORS with independent and expert analyses and recommendations regarding South Carolina's electric and natural gas system reliability.
- **J. Kennedy & Associates Inc.** to assist the ORS in its preparation and participation in IRP proceedings pursuant to Act 62.
- **Outside Counsel Wallace Lightsey** to argue the cases of Duke Energy Carolinas, LLC v. ORS, et. al. and Duke Energy Progress, LLC v. ORS, et. al. before the SC Supreme Court.

Staying Informed

ORS staff attends industry-specific workshops and meetings both regionally and on the national level to discuss trends and emerging issues that could affect South Carolina's utility customers and to share best practices with counterparts in other states.

GOAL

The ORS Energy Office advances South Carolina's energy strategy and policy through education and outreach.

South Carolina's Energy Office has been housed within the ORS since July of 2015. The role of the Energy Office is to advance South Carolina's energy strategy and policy through education and outreach. Through the development of the State Energy Plan, the Energy Office works to present a cohesive and collaborative approach to energy planning for the SC General Assembly.

The Energy Office serves as an informational, technical, and educational resource on energy matters for the state. In addition to hosting a wide array of energy-related data on its website, staff reviews energy consumption data, provides training opportunities, and conducts energy assessments for public facilities to identify opportunities for potential energy efficiency improvements.

The Energy Office also promotes renewable energy development, is active in several renewable-focused organizations, and has developed several guides, toolkits, and resources to help consumers and businesses make informed decisions regarding renewables.

Through the administration of Palmetto Clean Fuels and other programs, the Energy Office is also active in promoting clean transportation and alternative fuels throughout the state with the goal of increasing efficiency, encouraging adoption of advanced vehicle technologies, reducing vehicle miles traveled, and improving air quality.



State Energy Plan

During FY 20-21, the ORS continued to work toward addressing top-tier State Energy Plan recommendations as part of the Phase III implementation efforts. The ORS will continue to further develop the State Energy Plan in the coming fiscal year.

Energy Efficiency Roadmap

In FY 20-21, the Energy Office completed its Energy Efficiency Roadmap initiative. This initiative had launched in October 2019 to review and assess energy efficiency recommendations from the 2016 Energy Plan that had not yet been implemented as well as to identify new opportunities and develop next steps.

The Energy Efficiency Roadmap report was released in January 2021 by the Duke Nicholas Institute. The report summarizes the collaborative work of the stakeholders during the initiative and details 20 recommendations which resulted from the stakeholder engagement process.

The Energy Office is proceeding with developing individual “blueprints” of steps to achieve each recommendation and is conducting additional stakeholder engagement pertaining to certain high-priority recommendations.

Transportation: Lead by Example

A key component of the 2016 State Energy Plan was to lead by example to advance clean transportation. Since becoming the first state agency to purchase an electric vehicle (EV) in 2020, the Energy Office has been collecting data on vehicle use, maintenance, and costs to serve as a case study and assist other state agencies interested in procuring EVs. Among other initiatives to advance clean transportation are the following:

- Earned official re-designation and continued to support the work of Palmetto Clean Fuels (PCF), a US Department of Energy Clean Cities Coalition
- Coordinated with the South Carolina Department of Transportation to make recommendations to the US Department of Transportation on Alternative Fuels Corridors
- Launched an incentive program for EV charging-station owners to standardize signage and pavement markings as part of the Plug in SC initiative
- Organized and delivered PCF webinars and ride-and-drives to promote the use of alternative fuels and clean transportation alternatives

Education and Outreach


The Energy Office promotes energy efficiency, renewable energy, and clean transportation through its education and outreach efforts. A few examples of outreach from FY 20-21 are:

- Gave 67 presentations at public forums, community events, K-12 schools, science, technology, engineering, and mathematics (STEM) festivals, and conferences
- Published marketing and informational materials, including two monthly email newsletters, Success Stories, and Energy Spotlights
- Responded to 1,144 email and phone inquiries, ranging from questions related to tax incentives and utility programs to requests for renewable energy data and building code compliance.
- Managed four websites (ENERGY.SC.GOV, SOLAR.SC.GOV, EnergySaver.SC.GOV, and PalmettoCleanFuels.org) with 64,095 unique users and 224,020 individual page views
- Updated and published South Carolina-specific energy data on ENERGY.SC.GOV

Financial Support

The Energy Office promotes energy efficiency, renewable energy, and clean transportation among public and private entities and nonprofits through four low-interest loan/grant programs: ConserFund, ConserFund Plus, mini-grants, and the Energy Efficiency Revolving Loan (EERL) program. The Energy Office has provided financial support in a variety of ways:

- Awarded two ConserFund loans totaling \$1,194,000
- Completed three ConserFund Plus loans resulting in projected lifetime savings to borrowers of over \$3.5 million
- Provided public entities and nonprofits with seven mini-grants totaling \$70,000 to spur innovation and save over \$666,000 over the useful life of projects
- Retrofitted 15 buildings comprising 664,799 square feet
- Approved approximately \$83,000 in energy-efficiency tax credits
- Note: No tax credit applications were submitted for renewable energy or transportation in this program year. No EERL loans were awarded during this reporting period, due to impacts of COVID-19.



The Energy Office saved the public over \$22 million through a variety of energy initiatives.

Technical Assistance and Training

The Energy Office continued to assist with state agencies, school districts, and public colleges/universities in benchmarking energy use and costs to meet their mandatory energy consumption reductions by 2020. Staff also conducted energy assessments to identify opportunities for potential energy efficiency improvements, as well as fleet analyses to assist public and private fleet managers and decision makers when considering the acquisition of alternative fuel vehicles.

During FY 20-21, the Energy Office provided numerous training opportunities:



- Held or sponsored 15 technical workshops/training reaching 1,256 people
- Continued to coordinate the annual Accredited Commercial Energy Manager training, resulting in 13 attendees receiving certification this year



GOAL

The ORS' operations are marked by professional excellence.

Operating largely behind the scenes, the administrative side of the ORS is critical to the agency's success. Budgeting, staffing, training, and other core functions take place within the Administration and Human Resources Departments.



Information Services

The Information Services Department manages the ORS website, provides information to the media, creates and edits reports and newsletters for a variety of stakeholders, assists the Executive Director in keeping the PURC informed of the agency's activities, generates the annual reports for the PURC, assists with the agency's annual Accountability Report, and supports communication needs at all levels of the agency.

Information Consumers Can Use

COVID-19 Resource Page

The COVID-19 Consumer Resources page, created in FY 19-20 on the ORS website, continued to be a useful resource in FY 20-21. The page includes up-to-date information on consumer resources to help with utility bills and additional updates for consumers; updates on what utilities are doing in response to COVID-19; correspondence between the Governor, the ORS, and the PSC and PSC orders related to COVID-19; state of emergency executive orders arising from COVID-19; and other relevant information.

How the Rate Case Process Works in South Carolina

Recognizing the need for consumer-oriented information on the rate case process, the ORS created new content for its website to inform consumers on the basics of how the rate case process works. The new sections include information that can provide more insight and background on the rate case process.

Case Handouts

To keep consumers informed on the Solar Choice Metering Tariff cases and others, the ORS created consumer-information fact sheets. This practice will continue in FY 21-22.

Social Media Launch

In June of 2021, the ORS launched its social media accounts — Twitter, Facebook, and YouTube pages — for the three primary outreach arms of the agency: ORS (as a whole), the Energy Office, and the South Carolina Equipment Distribution Program (SCEDP). All social media is intended to inform, but not to be used for the purpose of advocacy. The social media

Information Services created, contributed to, or edited over 200 reports, newsletters, brochures, articles, presentations, scripts, and other communications pieces that ultimately inform the public and key stakeholders. Forty-six news releases, media advisories, public announcements, reports, and documents of interest to the public were posted on the ORS main website.

plan has several safeguards, and protocols have been put in place for handling complaints or comments received through social media. The goal is to have more ways to inform consumers.

Budget

While managing the \$50 million broadband CARES Act funding, ORS leadership successfully managed the remaining ORS budget of approximately \$15.4 million through careful monitoring of expenses on a regular basis. Successes include, but are not limited to:

- **FY20 Annual Agency Audit.** The SC Office of the State Auditor completed the audit of the ORS accounting records related to the FY20 agreed-upon procedures. The audit was successful. The final audit report for FY20 was published in early FY 21-22 (July 14, 2021), and there were zero findings.
- **Audit of 2020 USF (Universal Service Fund) Financial Statements.** The auditor issued a “clean” opinion, thereby indicating a successful audit. The objective of the audit is to express an independent opinion as to whether the financial statements of the Fund are fairly presented. The ORS is administrator of the Fund; the SC Universal Service Fund provides monetary support for telecommunications services in South Carolina.

Agency Staffing

ORS executive leadership continues to make organizational changes that better position the ORS for the future. Since May of 2019, several pieces of legislation passed that created new responsibilities for the ORS. The ORS has strategically hired new staff, as well as promoted from within the agency, to ensure that the agency can excel in carrying out all its responsibilities. During FY 20-21, 12 new hires were made; one of these was a newly created position for a broadband coordinator.

At the time of this writing, the ORS executive management team, along with Human Resources, are actively working on staffing and looking carefully at the organization to ensure the ORS can fulfill all aspects of its mission. In addition to preparing for the Office of the Broadband Coordinator, ORS leadership is planning for responsibilities related to Santee Cooper under Act 90.

As the workload at the ORS increases, there is a need to work both harder and smarter. Because of new initiatives in FY 20-21, many staff members’ positions were successfully retooled to accommodate the agency’s needs.

In planning for FY 21-22, the ORS leadership team continues to assess the agency's core functions in relation to the skillset of the staff, particularly considering the agency's new responsibilities. The executive team and Human Resources actively engage in planning for recruitment of new hires, succession planning, staff training, and career development and career paths for employees.

Staff Development and Training

ORS staff maintained and enhanced their knowledge through participation in classes, seminars, conferences, site visits, and special meetings. As mandated by Act 175, all ORS employees participate in 6 hours of ethics training yearly.

Implementation of Technology

Broadband Effort Enhanced by Ookla® Speedtest Intelligence®

In April 2021, the ORS signed a Master License Agreement with Ookla to obtain Speedtest Intelligence data for fixed broadband networks in South Carolina. Ookla is the global leader in Internet-speed testing, and their Speedtest app has been downloaded by over 350 million people globally. Any South Carolina resident can simply download the free app and begin testing their networks at home or while they travel. After pressing GO, the app will instantly tell a consumer their download and upload speeds in megabits per second (Mbps). This capability is very strategic for the consumer and for the state. By using the app, consumers can instantly tell if their home is receiving the FCC-recommended service level of 25/3 Mbps (download/upload). At the state level, the broadband maps leverage the data and get more accurate every time a consumer launches the app and runs a Speedtest.

Broadband Statewide and County-Specific Maps

With Speedtest Intelligence flowing into the ORS on a quarterly basis, the agency has set forth a semi-annual cadence and expects to be able to update the statewide and county-specific maps twice per year. The statewide Areas of Need map is an example of the new mapping capabilities. Work is underway to complete maps for all 46 counties.

Dynamics CRM Project

At the end of the prior fiscal year (June 2020), the ORS launched a project to replace its existing database of information used throughout the organization; the database is used to record and track information needed by each of the agency's functions such as consumer complaints, gross receipts, certificate holder data, transportation, telecommunications,

equipment distribution program, and rate cases. The new database replaced an outdated database system that was no longer supported by the original software vendor and could not be sustained. This replacement database significantly enhances efficiency and control over key information used to support operations for the future. The new database went “live” in December of 2020.

Energy Saver Tool and Website

In early FY 20-21, the Energy Office launched an online Energy Saver tool and website that can be accessed at EnergySaver.SC.GOV. The creation of this new website and tool comes after discussions and work done during the 2016 SC State Energy Plan and a 2018 financing roundtable hosted by the National Association of State Energy Officials. During both efforts, stakeholders identified the need for a central location where the public can find energy-saving and financing programs.

This new tool offers an easy way for the public to answer a few simple questions and be shown energy-saving and financing programs available to them in one central, online location. Users can also search programs by category or by program name to find specific program information. Programs and results are printable and can be shared by exporting to a PDF or Excel file.

In addition, the Energy Saver website includes additional energy-saving tips for homes and businesses in a user-friendly and easy-to-follow format.

The Energy Saver tool and Energy Saver website were built through a partnership between the Energy Office and NIC South Carolina, the company that provides SC.gov for the State of South Carolina.

Information Technology

The ORS Information Technology staff supports the agency through computer management, maintenance, and help desk roles. They interact with the State Division of Technology, Division of IT Security, and the Program Management Office for support and compliance. They conduct an annual cybersecurity awareness campaign for ORS staff as well as provide training and information.

Collaboration with Other Agencies

The ORS worked collaboratively with a wide array of federal, state, and local agencies and organizations. Coordination of services among these organizations is a priority to effectively carry out the mission and to efficiently utilize agency funding. See Appendix for a list of agencies and organizations.

APPENDIX



State and local agencies and organizations include, but are not limited to, the following:

- AARP South Carolina
- City of Orangeburg
- Coastal Conservation League
- Community Action Agencies
- Community Development Corporation
- Conservation Voters of South Carolina
- Distributed Energy Resource Program Collaboratives – Dominion Energy and Duke Energy
- DSM/EE Advisory Council for Dominion Energy and Duke Energy
- Electric Cooperatives of SC
- Governor’s Office
- League of Women Voters of South Carolina
- Medical Transportation Advisory Committee
- Midlands Utility Coordinating Committee (gas pipeline)
- Municipal Association of South Carolina
- Operation Lifesaver
- Pee Dee Coalition Against Domestic Violence
- Public Service Commission of South Carolina
- Safe Harbor, Inc.
- Savannah River National Laboratory
- SC 811
- SC Appleseed Legal Justice Center
- SC Assistive Technology Program
- SC Association of Licensed Trades
- SC Association of Municipal Power Systems
- SC Attorney General
- SC Clean Energy Business Alliance
- SC Department of Administration
- SC Department of Commerce
- SC Department of Consumer Affairs
- SC Department of Education
- SC Department of Health and Environmental Control
- SC Department of Health and Human Services
- SC Department of Insurance
- SC Department of Natural Resources

- SC Department of Parks, Recreation, and Tourism
- SC Department of Public Safety
- SC Department of Revenue
- SC Department of Social Services
- SC Department of Transportation
- SC Emergency Management Division
- SC Energy Users Committee
- SC Farm Bureau
- SC General Assembly
- SC Insurance Reserve Fund
- SC Manufacturers Alliance
- SC Office of The State Auditor
- SC Public Service Authority - Santee Cooper
- SC Regional Transmission Planning Stakeholder Group
- SC Revenue and Fiscal Affairs Office
- SC Small Business Chamber of Commerce
- SC Solar Business Alliance
- SC Solar Council
- SC Tariff Bureau
- SC Telecommunications and Broadband Association
- SC Thrive
- SC Trucking Association
- SCETV
- Sierra Club
- Sistercare, Inc.
- Solar Energy Industries Association
- Southern Alliance for Clean Energy
- Southern Environmental Law Center
- State Climatology Office
- State Regulation of Public Utilities Review Committee (PURC)
- State Transport Police
- Sustainable Energy Solutions, LLC
- Together SC
- Transportation Association of South Carolina
- Upstate Forever
- Vote Solar
- York County

Regulatory organizations, federal agencies, and related groups include, but are not limited to, the following:

- American Council for an Energy Efficient Economy (ACEEE)
- Association of Energy Engineers
- Atlantic Compact Commission
- Federal Communications Commission (FCC)
- Federal Energy Regulatory Commission (FERC)
- Federal Motor Carrier Safety Administration
- Federal Railroad Administration (FRA)
- Georgia Public Service Commission
- Low-Level Radioactive Waste Forum
- National Association of Pipeline Safety Representatives
- National Association of Regulatory Utility Commissioners (NARUC)
- National Association of State Utility Consumer Advocates (NASUCA)
- National Regulatory Research Institute (NRRI)
- National Telecommunications and Information Administration (NTIA) - US Department of Commerce
- North Carolina Public Staff
- Nuclear Regulatory Commission (NRC)
- Pipeline and Hazardous Materials Safety Administration (US DOT PHMSA)
- Society of Utility and Regulatory Financial Analysts (SURFA)
- Universal Service Administrative Company (USAC)
- US Congressional offices
- US Department of Agriculture (USDA)
- US Department of Defense and all other federal executive agencies
- US Department of Energy
- US Environmental Protection Agency
- US Government Accountability Office (US GAO)

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