~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

February 25, 2015

**S. 304**

Introduced by Senators L. Martin, Alexander, Verdin, Hayes, Peeler, Cromer, Corbin, Nicholson, Rankin, Hembree, Williams and Coleman

S. Printed 2/25/15--S. [SEC 2/26/15 2:10 PM]

Read the first time January 13, 2015.

**THE COMMITTEE ON JUDICIARY**

To whom was referred a Bill (S. 304) to amend Section 6‑23‑110, Code of Laws of South Carolina 1976, relating to contracts to buy power between a joint power and energy agency and its constituent, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

LUKE A. RANKIN for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Fiscal Impact Summary**

This bill is not expected to impact state or local expenditures.

**Explanation of Fiscal Impact**

**State Expenditure**

This bill amends Section 6-23-110, which relates to contracts to buy power between a joint power and energy agency and its constituent municipalities. This bill also provides for the renewal or extension of contracts to buy power for additional periods not to exceed fifty years from the date of the renewal or extension.

The Public Service Commission indicates this bill will have no expenditure impact on the general fund, federal funds, or other funds.

**Local Expenditure**

The Revenue and Fiscal Affairs Office contacted the Municipal Association of South Carolina concerning the impact of this bill. The Municipal Association indicates this bill will have no expenditure impact on municipal governments.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND SECTION 6‑23‑110, CODE OF LAWS OF SOUTH CAROLINA 1976, RELATING TO CONTRACTS TO BUY POWER BETWEEN A JOINT POWER AND ENERGY AGENCY AND ITS CONSTITUENT MUNICIPALITIES, SO AS TO PROVIDE FOR THE RENEWAL OR EXTENSION OF CONTRACTS TO BUY POWER FOR ADDITIONAL PERIODS NOT TO EXCEED FIFTY YEARS FROM THE DATE OF THE RENEWAL OR EXTENSION.

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

SECTION 1. The General Assembly finds and determines that:

(a) in 1978, the General Assembly enacted the Joint Municipal Electric Power and Energy Act, codified as Chapter 23, Title 6, Code of Laws of South Carolina, 1976, as amended, for the purpose of authorizing municipalities to form joint agencies to undertake joint planning, financing, development, ownership, and operation of electric generation and transmission facilities and that such joint undertakings would be for a public use and for public purposes and would be a means of achieving economies, adequacy and reliability in the generation of electric power and energy and in the meeting of future needs of this State and its inhabitants;

(b) since the passage of the joint agency act in 1978, much has changed in the generation of electric power, including, but not limited to, the extension of the useful life of electric generating facilities by the applicable regulatory authorities;

(c) since their inception, member municipalities and joint agencies have sought to match the useful life of generating facilities to the length of the contracts for the purchase of electric power from the joint agency;

(d) there is presently a need to amend the joint agency act to more clearly state the method for extending and renewing contracts between joint agencies and member municipalities so they can better determine the appropriate duration of their contracts; and

(e) the passage of this act is for a public purpose and is in the best interests of the State and its citizens.

SECTION 2. The second paragraph of Section 6‑23‑110 of the 1976 Code is amended to read:

“Notwithstanding the provisions of any other law to the contrary, the initial term for any such contracts with respect to the sale or purchase of capacity, output, power, or energy from a project may ~~extend~~ be for a period not ~~exceeding~~ to exceed the later of either fifty years from the date of the contract or fifty years from the date a project is estimated to be placed in normal continuous operation. ~~Upon approval of an extension of the date of operation of the project by all agencies having jurisdiction over such an extension, the term of the contract is extended for the same period unless either the joint agency or the member municipality seasonably determines otherwise.~~ Such contracts may be renewed or extended by the joint agency and the member municipality, upon such terms and conditions as the joint agency and the member municipality may agree, for an additional period not to exceed fifty years from the date of the renewal or extension. The execution and effectiveness of those contracts, or renewals or extensions of those contracts, are not subject to any authorizations or approvals by the State or any agency, commission, or instrumentality, or political subdivision thereof.”

SECTION 3. This act takes effect upon approval by the Governor.

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