COMMITTEE REPORT

April 22, 2021

**S. 304**

Introduced by Senators Climer and Fanning

S. Printed 4/22/21--H.

Read the first time April 6, 2021.

**THE COMMITTEE ON**

**LABOR, COMMERCE AND INDUSTRY**

To whom was referred a Bill (S. 304) to amend the 1976 South Carolina Code of Laws by adding Section 58‑27‑1060, so as to provide when a person or corporation using an electric vehicle charging station, etc., respectfully

**REPORT:**

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

Amend the bill, as and if amended, by adding an appropriately numbered SECTION to read:

/ SECTION \_\_. Article 1, Chapter 27, Title 58 of the 1976 Code is amended by adding:

“Section 58‑27‑260. (A) There is established the Joint Committee on the Electrification of Transportation. The committee is comprised of four members of the Senate, two of whom are appointed by the Chairman of Senate Finance and two of whom are appointed by the Chairman of Senate Judiciary, and four members of the House of Representatives, two of whom are appointed by the Chairman of the Ways & Means Committee and two of whom are appointed by the Chairman of the Labor, Commerce and Industry Committee. The members of the Committee shall elect one co‑chairman from the Senate appointees and one co‑chairman from the House appointees.

(B)(1) The committee shall study the challenges and opportunities associated with the electrification of the transportation sector and make recommendations to the General Assembly to enable a fair, efficient, and cost‑effective transition to electric transportation.

At minimum, the committee shall study the following issues:

(a) environmental, economic, and customer challenges and benefits associated with the advancement of electric vehicles;

(b) the potential value of advancing the development and deployment of electric vehicles and associated infrastructure and address issues that impede development and deployment;

(c) explore and evaluate the impacts of electric vehicles on roads, bridges, and other infrastructure, including the potential loss of revenue due to the current and projected future use of electric vehicles in this state;

(d) explore and evaluate the impacts of electric vehicles on customers, utilities, and the grid; and

(e) any other issues associated with the electrification of the transportation sector.

(2) The Committee shall receive reports from:

(a) the Office of Regulatory Staff’s stakeholder initiative to advance the electrification of transportation sector;

(b) the South Carolina Public Service Commission pursuant to this section; and

(c) by September first of each year, the South Carolina Department of Revenue shall provide an annual report to the committee that details the prior fiscal year’s revenue collections, from whatever source derived, designated for the repair, maintenance, or improvements to the South Carolina transportation system.

(C) The committee shall receive clerical and related assistance from the staff of the Senate and the staff of the House of Representatives, as approved and designated by the President of the Senate and the Speaker of the House, respectively.

Section 58‑27‑265. (A) No earlier than April 1, 2022, The Public Service Commission shall open a docket for the purpose of identifying the regulatory challenges and opportunities associated with the electrification of the transportation sector.

At minimum, the commission shall study the following issues:

(1) grid integration of electrified transportation and transportation policies;

(2) the interaction between transportation electrification and the electric power grid;

(3) regulatory policies promoting a more efficient and cost‑effective transition to electric transportation;

(4) the need for data management and coordination at all levels and among a number of energy system participants;

(5) grid investments that support electric vehicle deployments as a part of planned modernization efforts to enable a more efficient and cost‑effective transition to electric transportation;

(6) increased electric vehicle adoption and the development of their charging infrastructure and how those advancements align with grid modernization efforts;

(7) changes in generation mix and load that are driven by a variety of factors including new technologies, such as fast charging and wireless charging, environmental policy, and consumer expectation;

(8) associated technologies making it possible to operate the electric power grid more efficiently and effectively;

(9) whether rate designs and other load management strategies are appropriate to mitigate potential negative grid impacts and maximize potential grid benefits;

(10) enhanced asset utilization through well‑timed electricity demand;

(11) other critical issues such as reliability, privacy, data management, affordability, and security jointly; and

(12) and any other issues the commission determines relevant.

(B) The commission shall issue a report to the Joint Committee on the Electrification of Transportation. Upon submitting the report, the commission shall open a docket at least every three years thereafter to study the regulatory issues related to the electrification of the transportation sector and report back to the Joint Committee on the Electrification of Transportation and the General Assembly.

(C) To the extent necessary to carry out commission responsibilities, the commission is authorized to employ professional expertise as the commission may consider necessary to assist the commission in the proper discharge of the commission’s duties and responsibilities as provided by this section. The expenses for the employment of any professional expertise must be paid from the assessments collected pursuant to Section 58‑3‑100. The chairman, within allowed budgetary limits and as otherwise allowed by law, may authorize and approve travel, subsistence, and related expenses of third‑party consultants incurred while traveling on commission business. The commission shall provide an accounting of compensation and expenses incurred for third‑party consultants in a report provided annually to the review committee. The commission is exempt from the State Procurement Code in the selection and hiring of professional experts.

Section 58‑27‑270. (A) The South Carolina Office of Regulatory Staff in coordination with existing electric vehicle stakeholder initiatives launched by the ORS, shall establish a stakeholder process to facilitate a broad, collaborative statewide discussion among stakeholders to explore the opportunities to advance electrification of the transportation sector along with identifying challenges associated with the advancement of electrification of the transportation sector.

(B) Components of this initiative shall include, but not limited to:

(1) working with stakeholders in the private and public sector, including the South Carolina Department of Transportation, the South Carolina Department of Commerce, the South Carolina Department of Revenue, and other relevant stakeholders;

(2) examining the environmental, economic, and customer challenges and benefits;

(3) identifying challenges and trends in electrified vehicle technologies, such as power conversion and energy storage, the grid integration of electrified transportation and transportation policies, that pave the way for a higher penetration of electrified transportation;

(4) assessing the interaction between transportation electrification and the electric power grid;

(5) identifying efforts to enable a more efficient and cost‑effective transition to electric transportation; or

(6) identifying and examining transportation infrastructure planning models and related policy issues associated with the deployment of electric vehicles and to provide recommendations for transportation and regulatory planning actions to enhance the accommodation of electric vehicle infrastructure.

(C) The ORS shall make initial recommendations to the Joint Committee on the Electrification of Transportation no later December 31, 2021. Upon submitting the report, the ORS shall convene additional stakeholder initiatives and report recommendations to the Joint Committee at least every two years thereafter.” /

Renumber sections to conform.

Amend title to conform.

WILLIAM E. SANDIFER III for Committee.

**A** **BILL**

TO AMEND THE 1976 SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 58‑27‑1060, SO AS TO PROVIDE WHEN A PERSON OR CORPORATION USING AN ELECTRIC VEHICLE CHARGING STATION IS NOT AN ELECTRIC UTILITY, AND TO FURTHER PROVIDE THAT ANY INCREASE IN CUSTOMER DEMAND OR ENERGY CONSUMPTION ASSOCIATED WITH TRANSPORTATION ELECTRIFICATION SHALL NOT CONSTITUTE REVENUES FOR AN ELECTRICAL UTILITY.

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

SECTION 1. Article 7, Chapter 27, Title 58 of the South Carolina Code of Laws is amended by adding:

“Section 58‑27‑1060. (A) A person or corporation who uses an electric vehicle charging station to resell electricity to the public for compensation is not an electric utility if:

(1) the person or corporation has procured the electricity from an electrical utility, municipality, consolidated political subdivision, or an electric cooperative that is authorized to engage in the retail sale of electricity within the territory in which the electric vehicle charging service is provided;

(2) the person or corporation furnishes electricity exclusively for the charging of plug‑in electric vehicles; and

(3) the charging station is immobile.

(B) Nothing in this section shall be construed to limit the ability of an electrical utility, municipality, consolidated political subdivision, or an electric cooperative to use electric vehicle charging stations to furnish electricity for charging electric vehicles. Any increases in customer demand or energy consumption associated with transportation electrification shall not constitute found revenues for an electrical utility.”

SECTION 2. This act takes effect upon approval by the Governor.

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