

# SEEA Quarterly Highlights

Q1: January - March 2019

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**ATTENTION:** SEEA is improving upon the popular “Policy Highlights” quarterly document to include more of SEEA’s work areas and to adapt to the industry’s evolving regulatory and technical landscape. SEEA will now distribute “Quarterly Highlights” for the previous quarter on the 1<sup>st</sup> of April, July, October, and January. Each email distribution will allow you to view *State, Local, and Utility Updates* and *Regional and National Updates* separately or in a combined document. In addition, instead of displaying the full document text in the email body, the email body will now show brief summaries. The new Quarterly Highlights will continue to provide stakeholders with brief, timely, and relevant information on energy efficiency policy, codes, transportation, and related topics throughout the Southeast.

If you are part of a [member organization](#) and someone in your organization would like to be added to the SEEA Policy email list, please contact Emmeline Luck, Policy Associate at [eluck@seealliance.org](mailto:eluck@seealliance.org). To find more information or to provide input, please fill out our quick survey at <https://bit.ly/2HOnDZY>.

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## State, Local, and Utility Updates

### Alabama

- **Bellefonte Nuclear Plant:** In a legal brief filed February 4, the Tennessee Valley Authority (TVA) [stated](#) it could not complete the sale of its Bellefonte Nuclear Power Plant to developer Franklin L. Haney because Haney doesn't yet have a license to operate the unfinished twin-reactor plant. According to TVA attorneys, any sale to Haney would be illegal under the Atomic Energy Act.
- **Loan for Historic Building Retrofit:** In mid-February, the AlabamaSAVES Program [acquired](#) a participating interest in a third-party loan through its Participating Loan Program to support redevelopment of the Mercantile National Bank Building in Mobile, expected to be completed in 2019. The loan provides funding for energy efficiency measures to be included in the retrofit.
- **Smart Neighborhood:** Alabama Power, the Electric Power Research Institute (EPRI), and Oak Ridge National Laboratory (ORNL) have partnered to design an energy-efficient [“smart” neighborhood](#) made up of sixty-two single-family homes on a one-megawatt microgrid.
- **Gas Tax and Electric Vehicle Fees:** On March 12, the Alabama legislature [passed](#) a [bill](#) to increase the gas tax and set a \$200 registration fee for electric vehicles and a \$100 fee for plug-in hybrid vehicles.

### Arkansas

- **Smart Meters:** In early 2019, Entergy Arkansas [began](#) installing smart meters across the sixty-three counties in its territory. Over 4,000 meters have been installed to date; expected completion of the project is set in 2019.
- **Energy Savings Legislation:** On March 18, the Arkansas legislature enacted [Act 507](#) into law. Act 507 amends the state's energy performance contracting program by allowing guaranteed energy cost savings contracts to be extended if their energy cost savings measures possess either an active equipment warranty period or a combined useful life in excess of twenty years. The state program previously set a maximum term of twenty years.

### Florida

- **Energy Choice Amendment:** A group called Citizens for Energy Choices is leading a [campaign](#) in Florida in support of a proposed 2020 ballot initiative, called the Florida Electric Choice Initiative, that would amend the state's constitution to grant customers of investor-owned utilities the right to choose their electricity provider and to generate and sell their own electricity. In January,

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Citizens for Energy Choices submitted the needed petitions to advance the proposed amendment. On March 1, the Florida Attorney General Ashley Moody filed a [challenge](#) with the state Supreme Court requesting a written opinion on whether the title and summary of the proposed amendment are misleading and compliant with state law.

- **Clean Energy Legislation:** In March, bills were [introduced](#) in the Florida House and Senate that would require the Florida Office of Energy to create a plan to generate 100% of the state's energy from renewable sources by 2050 and 40% by 2030.
- **Climate Funding:** St. Petersburg [received](#) \$2.5 million from Bloomberg Philanthropies to use towards climate change mitigation efforts.

### Georgia

- **Vogtle Nuclear Plant:** On February 19, the Georgia PSC [voted](#) to postpone until late August the start of a scheduled round of updates and hearings on the construction status of Plant Vogtle Units 3 and 4. Georgia Power stated that it will instead [focus](#) on completing a more accurate timeline for [regulators](#) to review later this year. On February 20, Southern Company CEO Tom Fanning [stated](#) that construction is on track and each unit could possibly beat the current regulatory approved startup dates. On March 22, after Energy Secretary Rick Perry's [visit](#) to the site, President Trump and DOE [finalized](#) a \$3.7 billion loan to help finance the completion of the two new units.
- **Integrated Resource Plan (IRP):** On January 31, Georgia Power [filed](#) its 2019 IRP, in which it [proposes](#) adding energy-savings programs, retiring one gigawatt of coal capacity, and increasing renewable energy resource procurement.
- **Broadband Access:** On February 11, a [bill](#) that would allow local utility cooperatives to provide broadband [won](#) unanimous support in the Georgia House. The measure would help bring internet connection to rural communities. The Senate tabled HB 23 on March 29.
- **Clean Energy Commitment:** On March 4, the Atlanta City Council unanimously [approved](#) a plan to ensure all city facilities will run on clean energy by 2035.
- **Microgrid:** In early March, Georgia Power and Georgia Institute of Technology [announced](#) a new partnership to build a 1.4-megawatt microgrid in Midtown Atlanta's Tech Square.

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## Louisiana

- **Energy Efficiency Grant:** On January 17, the Louisiana Public Service Commission (LPSC) [awarded](#) a \$2 million grant to local area governments and institutions in Northwest Louisiana to help promote energy efficiency in the form of LED lights and the improvement of heat, air conditioning, and ventilation systems.
- **Extended Quick Start Program:** On January 16, the LPSC [voted](#) to extend the state's Quick Start energy efficiency programs for an additional year until December 31, 2019. The state's energy efficiency rules anticipate a second phase that will require utilities to implement comprehensive energy efficiency programs, but the LPSC has not yet established rules that would govern the Phase II programs.
- **Status of Electricity Rates:** On January 2, the LPSC issued a [request for public comments](#) on Docket No. S-34426, a docket opened in April 2017 to examine the current status and future outlook of electric rates in Louisiana. Specifically, the LPSC requested comments on a staff report summarizing stakeholder feedback from a technical conference in October 2017. The comment period closed on February 13, 2019.

## Mississippi

- **Broadband Access:** On January 23, the Mississippi legislature [passed](#) the Mississippi Broadband Enabling Act, which gives the state's twenty-six electric cooperatives the option to sell broadband. Governor Bryant signed the act into law on January 30.
- **Energy Codes:** On March 22, the Governor signed [HB 1362](#) into law, extending the repealer date for a statute requiring the state to adopt ASHRAE 90.1-2010 as the statewide mandatory commercial energy code. The statute was previously set to expire in July 2019, but HB 1362 extends its effective date to July 2021.
- **Integrated Resource Planning:** In May 2018, the Mississippi Public Service Commission opened a [docket](#) to consider the development of an Integrated Resource Planning process for electric utilities in the state. In the initial round of public comments, which closed in August 2018, Entergy Mississippi filed proposed language for an IRP rule that would also amend the state's existing energy efficiency regulation, Rule 29. In response, the MPSC opened an additional public comment period specifically to gather input on Entergy's proposed language. The comment period closed on February 15.

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## North Carolina

- **Integrated Resource Planning:** In September 2018, Duke Energy Progress and Duke Energy Carolinas filed a pair of Integrated Resource Plans (IRPs) with the North Carolina Public Utilities Commission (NCUC). In early March, intervenors in the [docket](#), including environmental advocates, NCUC Public Staff, and the Attorney General, filed a set of initial comments on the proposed IRPs. The NCUC has not yet issued an order to schedule additional proceedings on the IRP.
- **Green Bonds:** Duke Energy Progress [completed](#) in March its first issuance of \$600 million in green bonds that will finance eligible green energy projects.
- **Executive Order 80:** The [North Carolina Climate Change Interagency Council](#) held a public meeting on February 19 in Elizabeth City. The next meeting will be April 26 in Raleigh.
- **Clean Energy Commitments:** At least nineteen communities across North Carolina have [adopted](#) resolutions favoring 100% clean energy. Others have pledged to honor the US commitment under the Paris Agreement to reduce climate pollution.
- **Electric Vehicle Pilot:** On March 29, Duke Energy [filed](#) a pilot program that would assess different charging load profiles from different types of electric vehicles and charging structures.
- **Zero Emission Vehicle Meetings:** The North Carolina Clean Energy Technology Center (NCCETC) and NC Department of Transportation (NCDOT) hosted four public [Zero Emission Vehicle \(ZEV\) Information & Input Sessions](#) at four locations across the state in March.

## South Carolina

- **New Utility Business Model:** Two bills introduced on January 8 would impact the electric utility business model in the state. [Senate Bill 137](#) would overhaul the current regulated utility model by implementing economic incentives to encourage the state's regulated electric companies to cut electricity costs, use renewable fuels, and take steps to modernize their power grid. [Senate Bill 332](#) would, among other things, remove the state's cap on net metering, make solar more accessible to all residents and businesses, and allow all forms of electricity to compete.
- **Energy Freedom Act:** HB 3659, [passed unanimously](#) by the House on February 21, would lift the net metering generation cap and extend the program for two years. As of April 1, 2019, the bill is in the Senate.
- **Dominion-SCANA Merger:** In January, Dominion Energy completed its acquisition of South Carolina Electric & Gas (SCE&G) and its subsidiary, SCANA. In February, Dominion Energy [announced](#) that SCE&G customers will not receive a \$1000 refund, as the utility had previously

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discussed, but that Dominion will instead strive to lower rates by about \$20 a month over the next twenty years. In March, Dominion [offered](#) early retirement buyouts to about 1,300 of the 5,000 SCANA employees.

### Tennessee

- **TVA Leadership:** On February 14, the Tennessee Valley Authority (TVA) board [announced](#) the selection of Jeffrey Lyash as President and CEO, effective in April.
- **TVA Integrated Resource Plan (IRP):** On February 15, TVA released its draft 2019 IRP and draft Environmental Impact Statement (EIS). TVA will accept comments on the draft IRP and EIS through April 8. On March 22, TVA held a [public meeting](#) on the IRP in Bowling Green, Kentucky.
- **TVA Board of Directors:** On February 28, the US Senate [approved](#) John Ryder to serve on TVA's nine-member board. On March 5, Trump [nominated](#) William Kilbride for a seat on the board.
- **Memphis Light Gas & Water:** In late February, Memphis Light Gas & Water (MLGW), TVA's largest customer, [commissioned](#) a study to determine if it could get cheaper power by generating its own electricity or by continuing to purchase from the grid through TVA.
- **Electric Vehicles (EVs):** Drive Electric Tennessee [released](#) the first edition of its Electric Vehicle Roadmap on January 18. The Roadmap identifies local projects and initiatives for local that intend to increase electric vehicle adoption throughout the state.

### Virginia

- **Grid Modernization:** On January 17, the Virginia State Corporation Commission (SCC) [rejected](#) most of Dominion Energy's \$6 billion proposal to modernize its electrical grid, stating that the cost to customers was too high and that any future filing by the utility should include additional information related to the plan's costs, its impact to customers, and how the plan would promote demand response, energy efficiency, and conservation.
- **Demand Side Management Program Approval:** In October 2018, in response to the passage of [SB 966](#) earlier in 2018, Dominion Energy [filed](#) its proposed slate of demand side management (DSM) and energy efficiency programs with the SCC. SB 966 requires Dominion to spend \$870 million on energy efficiency and DSM programs over the next ten years. In its original DSM proposal, Dominion included lost revenues from the proposed programs as part of its required spending; following [pushback](#) from the Governor and from intervenors in the docket, Dominion [issued a letter](#) stating that its spending on DSM programs would not include lost revenues. On March 20, the SCC began hearing oral testimony on the proposed DSM programs.

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- **New Commissioner:** Former Judge Patricia West was [sworn into](#) the SCC on March 4, filling a post that had been vacant for about a year.
- **Integrated Resource Planning:** In December 2018, the SCC rejected Dominion Energy’s proposed Integrated Resource Plan. On March 7, Dominion Energy [filed](#) a revised version of its IRP; the revised IRP presents various alternative plans to meet future customer demand while building in about five to seven added gigawatts of solar capacity.
- **Renewables:** On January 7, the SCC [approved](#) a request from Appalachian Power Company to offer its Virginia customers the option of buying electricity entirely from renewable sources. The approval also triggers a provision in Virginia law that blocks competitive service providers from selling renewable energy to all but the largest of a utility’s customers once the utility itself has an approved offering, called a “green tariff.”
- **Industry Utility Service:** On February 25, the SCC [rejected](#) a request from Walmart to exit from the services of Dominion Energy and Appalachian Power and buy its electricity elsewhere. The SCC has pending exit applications from Target, Costco, Kroger, and Cox Communications.
- **Legislative Updates:**
  - **Electric Vehicle Charging:** [HB 1934](#) will allow the state Department of General Services, Department of Motor Vehicles, and Department of Transportation to operate retail fee-based charging stations for EVs on any property or facility controlled by the agency. The charging services must be offered at prevailing market rates. The bill was approved by the Senate on February 20 and by the House the following day. Governor Ralph Northam signed the bill on March 8.
  - **Broadband Access:** [HB 2691](#), signed by the Governor on March 19, will create a pilot program that allows Dominion Energy and Appalachian Power to spend up to \$60 million annually to expand "middle mile" broadband coverage — the infrastructure that connects the networks on the internet to local internet service providers that serve businesses and consumers. The companies will be able to recover spending for the program from ratepayers. It will be effective starting July 1, 2019.
  - **Vetoes:** Governor Northam [vetoed](#) two bills on March 14: [HB 2611](#), which would have prohibited Virginia from entering a regional program to reduce CO<sub>2</sub> emissions from power plants unless authorized by two-thirds of the General Assembly; and [HB 2269](#), which would prohibit the same kind of action to reduce air pollution from transportation.

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## Regional and National Updates

### Policy

- **Federal Energy Regulatory Commission (FERC):** FERC Commissioner Cheryl LaFleur [announced](#) on January 31 that she will not seek a third term at the agency and will depart later in 2019. Senate Minority Leader Chuck Schumer [recommended](#) Allison Clements to fill the role.
- **Environmental Protection Agency (EPA):** On February 28, the Senate [confirmed](#) Andrew Wheeler as the permanent EPA Administrator.
- **Federal Emergency Management Agency (FEMA):** FEMA Director Brock Long [resigned](#) from his position on February 13. President Trump [plans](#) to nominate [Jeffrey Byard](#) as a replacement.
- **Lighting and Appliance Standards:** The Department of Energy (DOE) issued a [Notice of Proposed Rulemaking](#) (NOPR) on February 6 to rescind Obama-era lightbulb standards that subjected specialty light bulbs to the same efficiency standards as required for basic light bulbs under the [Energy Independence and Security Act of 2007](#). The sixty-day comment period ends April 12. On February 13, DOE issued another [NOPR](#) and request for comment on proposed changes to its rulemaking methodology, including changes intended to "clarify that the [rule] applies to the establishment of new or revised energy conservation standards." DOE has extended the comment period until May 6.
- **State of the Electric Utility:** Utility Dive [released](#) the results of the 2019 State of the Electric Utility Survey, sharing the perspectives of over five hundred electric utility employees on the future of their power mixes, business models, and more.

### Energy Efficient Transportation

- **Electric Vehicle Federal Tax Credit:** On February 6, Senate Environment and Public Works Chairman John Barrasso [introduced](#) the "Fairness for Every Driver Act" which would repeal the federal electric vehicle tax credit and impose a new fee on those who choose to drive electric vehicles. Later in the month, two senators filed a [bill](#) that would [extend](#) the tax credit for another two years.
- **Electric Vans and Pickups:** On January 15, Ford Motor Co. and Volkswagen (VW) [announced](#) a partnership to produce vans and pickup trucks together, saying they hope it will lead to a union to produce electric and self-driving vehicles.
- **Car Rules Lawsuit:** Representative Doris Matsui (D-CA) introduced legislation to safeguard clean car standards from rollback attempts. The "Clean and Efficient Cars Act" would codify the greenhouse gas and corporate average fuel economy (CAFE) standards for model years 2021 to

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2025. Seventeen states, along with ride-hailing company Lyft, have joined to [challenge](#) the EPA's decision to roll back Obama-era car emissions standards. Several automakers had a [meeting](#) at the White House in March to discuss the standards.