

The South Carolina Association of Municipal Power Systems represents the interest of the state's 21 municipal electric utilities. The Association acknowledges that generation from smaller distributed sources, most particularly solar, is likely to play an increasingly important role in power supply and that the South Carolina Energy Advisory Committee is currently evaluating best practices to integrate demand-side generation. In addition, the South Carolina General Assembly has discussed the issue of third-party sales of solar energy. While SCAMPS supports the assimilation of distributed generation and has encouraged its members to prepare for the coming change, our group has a number of concerns.

First, a one-size-fits-all-approach to integrating distributed generation will not work. With the exception of ten members that participate in Piedmont Municipal Power Agency, our member utilities individually contract for power supply. The terms and conditions of these long-term contracts, approved by the governing body of each utility, vary widely.

The second area of concern is the issue of cost shifting. Customers using solar, wind and other intermittent generating sources depend on their electric utility to provide access to instantaneous back stand service. The electric utility incurs costs to reserve capacity, maintain infrastructure and provide support to serve these customers. Customers requiring back stand service should be responsible for these costs. To do otherwise is to provide a hidden subsidy to the customer with distributed generation at the expense of all other customers.

The final concern is related to safety and who bears the cost of safety devices. Back feeding electricity from distributed generation onto distribution lines is a major concern. As such, utilities must be allowed to mandate the installation of devices to prevent back feeding. If such devices are not installed, electric linemen will unnecessarily encounter safety risks, and outage response time will be prolonged while the source of the electricity is located. The customer utilizing distributed generation should pay the cost associated with purchasing, installing and maintaining these devices.

SCAMPS respectfully requests that the concerns stated above be considered and addressed during the debate on the integration of distributed generation.