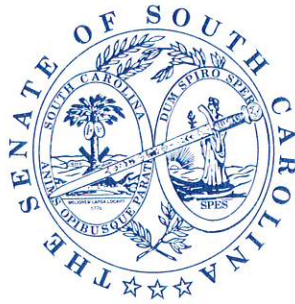


SENATOR TOM DAVIS
SENATE DISTRICT 46
BEAUFORT AND JASPER COUNTIES

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March 4, 2021



The Honorable Richard Glick
Chairman
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Invitation to Joint Technical Conference/Docket No. ER21-1111

Dear Chairman Glick:

I am writing to request that the Federal Energy Regulatory Commission (the "Commission") convene a technical conference to investigate wholesale market reform in the Southeast United States, in light of broad interest across the region in improving affordability and system reliability, and in order to spur competition among clean-energy technologies.

At \$145 per month, South Carolinians pay the fourth highest electric bills in the nation. This average monthly residential bill in South Carolina exceeds the national average by \$30 per month, and is higher than any other southern state except Alabama.¹

As you may know, the high average bills in South Carolina stem partly from a failed utility investment in two half-constructed units at the V.C. Summer nuclear plant. In our view, however, that failure is a symptom of a broader issue concerning the lack of transparency, competition, and accountability in the market for electricity generation and management technologies.

In that light, the South Carolina General Assembly recently passed legislation to study potential market-based reforms.² It has also enacted state-level reforms aimed at fairness for independent power producers, improved utility planning, and preservation of a vibrant distributed energy market.

¹ Table T5.a: 2019 Average Monthly Bill- Residential, United States Energy Information Administration (Oct. 6, 2020), available at: https://www.eia.gov/electricity/sales_revenue_price/pdf/table5_a.pdf.

² Act 187 of 2020: https://www.scstatehouse.gov/sess123_2019-2020/bills/4940.htm

A handwritten signature in blue ink, appearing to be "T. Davis".

I am aware of the Commission's efforts—particularly over the past four years—to promote a technology-neutral, open market for generation, storage, and demand-management. I see the potential for federal-state cooperation that might reduce customer bills, reduce the risk of imprudent investment, and promote a cost-effective transition to newer, cleaner energy technologies. Now is the time for a federal-state conversation on potential wholesale market reforms that might reinforce and facilitate state reliability, affordability, and clean energy goals in the Southeast.³

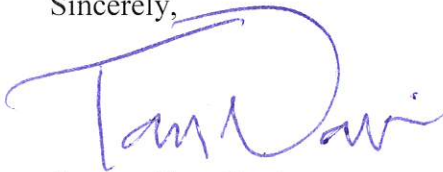
I am also aware that several South Carolina electric utilities recently joined with others across the Southeast in filing a proposal at the Commission for a transmission pooling arrangement called the Southeast Energy Exchange Market (SEEM). I am concerned that SEEM, in itself, will not meet the goals outlined above, in part because it limits competition by non-utility parties and has an extremely limited reach.

Regardless of the Commission's decision in the SEEM docket, I request your participation in a joint federal-state technical conference to go beyond its limited scope and consider the following issues:

1. The potential benefits for the Southeast of utility participation in an independently operated regional transmission organization or energy imbalance market;
2. In light of recent events in Texas, the potential for proper wholesale market design to help ensure system reliability; and
3. The ways in which state jurisdiction and prerogatives might be preserved or enhanced within a federal-state partnership.

I hope that a technical conference evaluating these issues can identify potential steps that the Commission and stakeholders can take to improve the state of the electricity marketplace in South Carolina and around the Southeast. Thank you for your consideration.

Sincerely,



Senator Tom Davis

CC: Commissioner Neil Chatterjee
Commissioner James Danly
Commissioner Allison Clements
Commissioner Mark C. Christie

³ See *Competitive Electricity Markets: Benefits for Customers and the Environment*, NERA Economic Consulting (Feb. 2008), available at: https://www.nera.com/content/dam/nera/publications/archive1/PUB_CompetitiveElectricityMarkets_Feb2008.pdf.

TJD
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