

# FAST FACTS



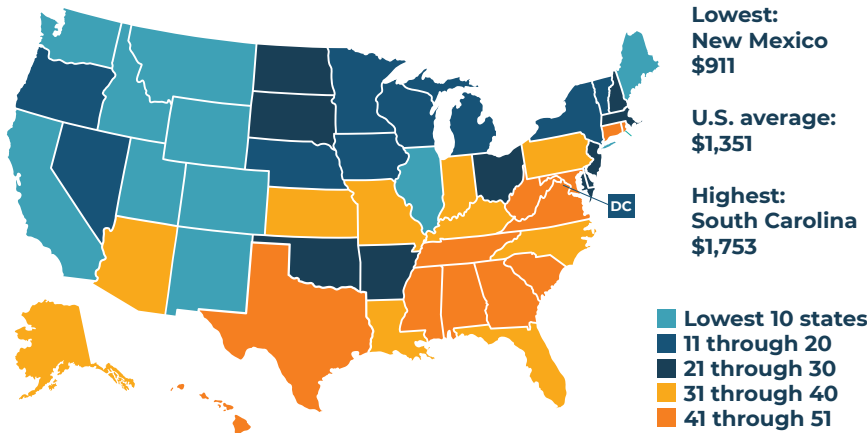
## OPTIONS FOR RELIEVING SOUTH CAROLINA'S HIGH ELECTRICITY BILLS



PALMETTO  
PROMISE  
INSTITUTE

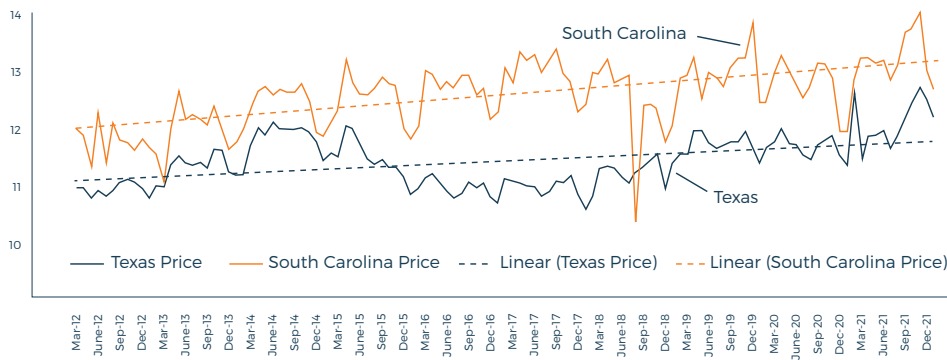
### JUST HOW HIGH ARE THE PALMETTO STATE'S ELECTRICITY BILLS?

#### AVERAGE RESIDENTIAL ELECTRICITY EXPENDITURES PER CUSTOMER

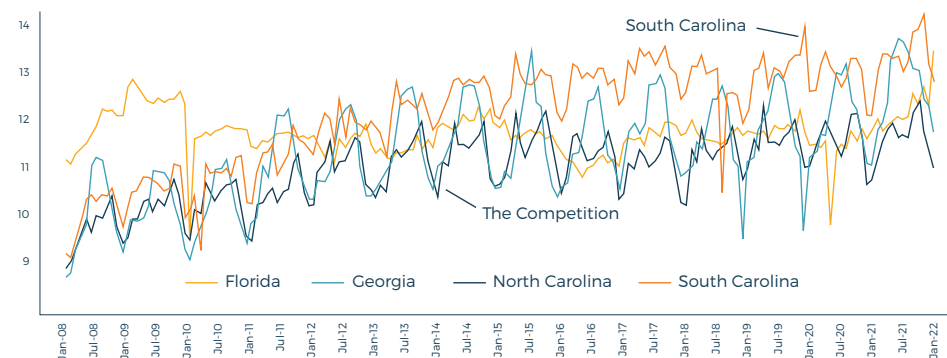


Source: United States Energy Information Administration  
(published 2018 using 2016 data)

#### AVERAGE RESIDENTIAL PRICES: TEXAS VS. SOUTH CAROLINA



#### AVERAGE RESIDENTIAL PRICES: SOUTH CAROLINA VS. NEIGHBORS



#### Ranking of Residential Electricity Prices (Southeast)

- Florida
- Alabama
- South Carolina**
- Virginia
- West Virginia
- Kentucky
- Georgia
- Tennessee
- Mississippi
- Louisiana
- North Carolina
- Arkansas
- Oklahoma

#### Ranking of Commercial Electricity Prices (Southeast)

- Alabama
- Tennessee
- Mississippi
- Kentucky
- South Carolina**
- Georgia
- Louisiana
- Florida
- West Virginia
- Arkansas
- Oklahoma
- Virginia
- North Carolina

#### Ranking of Industrial Electricity Prices (Southeast)

- Florida
- Virginia
- South Carolina**
- Kentucky
- Georgia
- Alabama
- Louisiana
- Mississippi
- Arkansas
- Tennessee
- West Virginia
- Oklahoma
- North Carolina

# WHAT ARE THE REFORM OPTIONS FOR CUTTING WHOLESALE AND RETAIL ENERGY PRICES IN SOUTH CAROLINA?

## CHOICES FOR SOUTH CAROLINA ALONG THE SPECTRUM OF REFORM

- 1. Monopoly Muscle (current South Carolina).** The tired old vertically-integrated monopoly model—where a utility is assigned a territory and is guaranteed a profit based on their assets—dominates the Southeastern region of the United States.
- 2. Southeastern Energy Market (SEEM) Scheme.** Efforts by large Investor-Owned and Public Power utilities in the Southeast to create a semblance of wholesale competition, but under their control, is a half-measure. Utility ratepayers in all three classes deserve better.
- 3. California.** California is technically a choice state, and it has its own functioning ISO. But as retail choice exists in California, there is too much government involvement, which reduces risk but inhibits market forces from operating fully.
- 4. Wholesale Market Reforms (Intermediate Steps Toward Wholesale Choice).** Waystations that could eventually lead to true wholesale competitive real-time purchasing and pooling of some assets, like Energy Imbalance Markets and Joint Dispatch Agreements are worth exploring.
- 5. Regional Transmission Organization (RTO).** Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs) are not monolithic in nature. A home for South Carolina in a wholesale market could take many forms. RTOs like PJM and MISO run differently. A South Carolina-only “Palmetto RTO” should be in play as well.
- 6. Retail Market Reforms (Intermediate Steps Toward Retail Choice).** Retail choice as it currently exists in the United States is nearly impossible to achieve without wholesale choice. But options at the distribution level or options for large customers only are working in other states.
- 7. Retail Choice.** Retail Choice states—running in a geographic pattern roughly diagonally from Midwest to Northeast—have wholesale choice through an RTO but also have retail choice. Generation is divested from the retail side so that residential, commercial, and industrial customers have options that are not tied to generation costs.
- 8. Duopoly.** Time may have passed the duopoly market by. This market is one in which two utilities compete in the same territorial footprint. But some competition is better than none.
- 9. Willing Buyer, Willing Seller.** A more robust form of competition than duopoly is where two or more vertically-integrated utilities compete with one another. This model was articulated for South Carolina in 2018 by Palmetto Promise. Taking Greer, SC as an example, Duke Energy Carolinas, Blue Ridge Electric Cooperative and the Greer Commission of Public Works would be allowed to compete for customers.
- 10. Texas/ERCOT.** Texas is known as an “energy only” market. That means that prices are not based on a set rate of return but vary by market forces. An energy only market pays only for energy that is produced. Texas prices—are hard to beat (see Texas vs. South Carolina chart on reverse).
- 11. Full Electricity Choice (“Total Freedom”).** In this electricity market of the future, there are numerous buyers, sellers, generators, storers, transmitters, distributors, and aggregators all along the grid from generation to distribution.

**Learn more by reading the full report at [palmettopromise.org/electricity](http://palmettopromise.org/electricity)**