

## **Commentary: Santee Cooper is making progress as it undergoes transformation**

By Mark Bonsall, Santee Cooper President and CEO  
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The South Carolina General Assembly has spent much time and effort considering the future of Santee Cooper, and what would be best for our customers and the state itself. The legislature paused that work in May, rightly so, to focus on addressing the growing pandemic and the needs it brought to light.

Having rejected all "Act 95" bids, legislators authorized certain activities Santee Cooper could work on now, until such time as they may reconsider Santee Cooper reform next year. For all intents and purposes, this was a roadmap giving Santee Cooper the opportunity to improve itself. We thank the General Assembly for that opportunity, we heard you loud and clear, and we have been working extremely hard to fulfill your expectations.

We have settled both the Cook and the Westinghouse lawsuits. These actions remove an existential threat to Santee Cooper, remove associated credit risk to the state, institute customer benefits including a four-year rate freeze, and enable the sale of equipment at Summer, the proceeds of which will ultimately benefit customers as well.

We are conducting joint resource planning with Central Electric Power Cooperative, through evaluation of bids for up to 500 MWs of new solar power, and through discussions around our new Integrated Resource Plan. The solar process drew a broad and deep response from more than 20 developers, including many South Carolina companies. All told, those vendors have proposed 56 projects, many at better than our previous price forecasts. We anticipate awarding contracts by the end of 2020 or early next year.

We are taking steps necessary to close the coal-fired Winyah Generating Station beginning in 2023, including idling two units early – one in December and one in late 2021 or early 2022. We are planning for a small dual-fuel generator to help with system stability and have already begun transitioning some employees to other jobs at Santee Cooper.

We are entering into limited money-saving agreements with neighboring utilities. Santee Cooper has begun limited joint resource dispatch with Dominion Energy, and we successfully piloted a joint vegetation management project in right-of-way corridors this summer. We are exploring additional joint efficiencies under a Memorandum of Understanding with Southern Co. and exploring, with a larger group of utilities, an energy exchange market that would allow voluntary 15-minute bilateral trades and provide millions of dollars in potential annual savings to Santee Cooper customers.

We have focused on reducing fuel costs through new purchased power agreements, natural gas hedges, and renegotiated coal supply and transportation agreements, yielding \$120 million in anticipated fuel savings through 2024.

Santee Cooper's debt-management strategy is producing real savings through two debt restructurings in late 2019, and we are finalizing plans for a debt refunding this month that will also yield significant benefit for customers. We are on track to pay off \$3.6 billion, an amount equal to the nuclear debt, in 12 years and produce \$2.7 billion net present value savings over the next 20 years.

Santee Cooper's rates are already lower than state and national averages for every customer class, and each of these measures will only strengthen that rate position. We have accomplished much in recent months, with all progress directly credited to legislators who gave us this time and opportunity. We will not squander a minute of it going forward, as we transform Santee Cooper into a leaner, greener utility, and one offering unequalled benefit in terms of low rates, reliability, safety, and economic development for our customers and South Carolina. Thank you.