

Agency Name:	Office Of Regulatory Staff		
Agency Code:	R060	Section:	73



Fiscal Year FY 2026-2027

Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS <i>(FORM B1)</i>	For FY 2026-2027, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting General Fund Appropriations.
	<input checked="" type="checkbox"/>	Requesting Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.

NON-RECURRING REQUESTS <i>(FORM B2)</i>	For FY 2026-2027, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting Non-Recurring Appropriations.
	<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
	<input checked="" type="checkbox"/>	Not requesting any changes.

CAPITAL REQUESTS <i>(FORM C)</i>	For FY 2026-2027, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting funding for Capital Projects.
	<input checked="" type="checkbox"/>	Not requesting any changes.

PROVISOS <i>(FORM D)</i>	For FY 2026-2027, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).
	<input checked="" type="checkbox"/>	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Mark Rhoden	(803) 737-1108	mrhoden@ors.sc.gov
SECONDARY CONTACT:	Prasanthi Pandradju	(803) 737-0629	ppandradju@ors.sc.gov

I have reviewed and approved the enclosed FY 2026-2027 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
SIGN/DATE:		
TYPE/PRINT NAME:		

This form must be signed by the agency head – not a delegate.

Agency Name:	<u>Office Of Regulatory Staff</u>
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BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Wages, Benefits, and Related Overhead; Consulting Related to: Bill H3309, SC Energy Security Act, May 12, 2025	189,942	0	3,220,000	0	3,409,942	1.00	0.00	18.00	0.00	19.00
2	B2 - Non-Recurring	Consulting; Wages, Benefits, and Related Overhead Related to: Bill H.3309, SC Energy Security Act, May 12, 2025	500,000	0	0	0	500,000	0.00	0.00	0.00	0.00	0.00
TOTALS			689,942	0	3,220,000	0	3,909,942	1.00	0.00	18.00	0.00	19.00

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Wages, Benefits, and Related Overhead; Consulting Related to: Bill H3309, SC Energy Security Act, May 12, 2025
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$189,942 Federal: \$0 Other: \$3,220,000 Total: \$3,409,942
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What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	19.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input checked="" type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input checked="" type="checkbox"/>	HR/Personnel Related
<input type="checkbox"/>	Consulted DTO during development	
<input checked="" type="checkbox"/>	Related to a Non-Recurring request – If so, Priority # 2	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
	<input checked="" type="checkbox"/>	Government and Citizens

	<p>Budget request is for ORS Other Fund 3035, which funds regulatory oversight of utilities: Electric, Water Wastewater, Transportation, Telecommunications; as well as public safety: pipeline safety, railroad safety, and emergency management. ORS serves the following Statewide Enterprise Strategic Objectives components:</p> <ul style="list-style-type: none"> • Deliver a government that serves the needs of South Carolinians and achieves inter-agency collaboration to deliver highly effective, efficient, and innovative programs. • Build a world-class and safe public infrastructure to enhance the quality of life of our citizens and to promote the state in global competitiveness as a location for business, investment, talent, innovation, and visitors <p>Agency goals, which align with strategic objectives are:</p> <ul style="list-style-type: none"> • ORS is responsive to the public serving the needs of South Carolinians through its mission and related rate-making activities saving SC citizens millions of dollars annually. • Operations are marked by professional excellence in performance of rate-making activities as well as coordinating with other Federal and State Agencies
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in Pipeline and Railroad safety and responsiveness to EMD events

- Responsiveness to the public by providing consumer education related to public utilities.

This budget request advances the above by providing OTHER funds AUTHORIZATION to support the following:

- Certain ORS responsibilities resulting from the enactment of H3309, SC Energy Security Act.
 - Adapt IRP compliance review to new statute requirements; review/evaluate customer agreements; regarding deployment of nuclear facilities, review applications for siting, studies, progress reports, and costs; review DSM/EE program and incentives and amounts; review DSM program annual reports; triennial review of DSM/EE portfolios; review economic development rates; regarding net energy metering, review applications/agreements filed with Commission; review out-of-state facility siting applications; continuous monitoring of construction projects monthly update to PSC and General Assembly; review compliance in competitive procurements; review proceedings related to filings for long-lead, clean generation resources; monitor utility construction >\$500 million, quarterly status reports.
 - Examinations, compliance & monitoring under E-RSA.
 - Prepare/distribute 5-year report related to the E-RSA activities; review utility evaluations filed at PSC for SMR Nuclear deployment; review DESC report on conversion of Wateree to biomass-fired generation.

ACCOUNTABILITY OF FUNDS

This FY27 recurring budget submission does not include budget ask related to 3309 responsibilities that are dependent on general funding decisions as follows:

- Study to evaluate third-party EE administration.
- Prepare a comprehensive state energy assessment and ten-year action plan. The FY27 budget request related to the state energy assessment is covered on Form B2.

This budget request advances the above state goals by supporting the preparation of a comprehensive South Carolina energy assessment and action plan.

- ORS may retain an outside expert to assist with this report
 - Budget request includes one FTE with engineering expertise to supervise consultants and monitor development of the energy assessment. Wages, benefits, and overhead are budgeted at \$189,942.

What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

Currently, ORS' regulatory responsibilities are Other funded via Gross Receipts billings to regulated utilities. ORS is the recipient; funds received are used primarily to pay wages/benefits and overhead.

This budget ask represents a request for increased budget authorization. Actual funding is dependent on Gross Receipts billings to regulated utilities.

ORS anticipates it will need to increase its Gross Receipts billings to utilities next June 2026 to cover approximately \$2 million of this budget ask. For 3309 expenses expected to be incurred in FY26, ORS plans to absorb those expenses with current cash carryforward balances; however, part of the increase in Gross Receipts next year will be to recover FY26 expenditures as well as provide for FY27 and future annual spend necessary under 3309.

RECIPIENTS OF FUNDS

While the budget authorization ask includes authorization for E-RSA activities under 3309, ORS will not request any Gross Receipts funding related to E-RSA until utilities elect under the E-RSA and until ORS begins to incur expenditures for those activities.

It should be noted that parts of 3309 activities are dependent on funding from

General funds. The funds will be used primarily to pay consultants supervised by ORS and one FTE to supervise and monitor the project (\$189,942).

In addition, see Form B2 for non-recurring budget requests related to general funds.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

ORS is seeking \$3,220,000 in OTHER FUNDS budget authorization primarily in the areas of wages and benefits along with nominal overhead and \$50K consulting justified by requirements of enacted H3309 as follows:

- * Certain ORS responsibilities resulting from the enactment of H3309, SC energy Act
 - Adapt IRP compliance review to new statute requirements; review/evaluate customer agreements; regarding deployment of nuclear facilities, review applications for siting, studies, progress reports, and costs; review DSM/EE program and incentives and amounts; review DSM program annual reports; triennial review of DSM/EE portfolios; review economic development rates; regarding net energy metering, review applications/agreements filed with Commission; review out-of-state facility siting applications; continuous monitoring of construction projects monthly update to PSC and General Assembly; review compliance in competitive procurements; review proceedings related to filings for long-lead, clean generation resources; monitor utility construction >\$500 million, quarterly status reports.
Represents an FTE ask of 9.
 - Examinations, compliance & monitoring under E-RSA.
Represents an FTE ask of 8.
 - Prepare/distribute 5-year report related to the E-RSA activities; review utility evaluations filed at PSC for SMR Nuclear deployment; review DESC report on conversion of Wateree to biomass-fired generation.
Represents an FTE ask of 1.

ORS is also requesting \$189,942 in GENERAL FUNDS budget authorization to support an FTE who will manage the preparation of a comprehensive South Carolina energy assessment and 10-year action plan. The agency is requesting \$189,942 in general funds for wages, benefits and overhead for (1) FTE with engineering expertise to monitor and develop the project. ORS may retain an outside expert to assist with this report.

This FY27 recurring budget submission does not include budget ask related to 3309 responsibilities that are dependent on general funding decisions as follows:

- Study to evaluate third-party EE administration.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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FORM B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	2
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Consulting; Wages, Benefits, and Related Overhead Related to: Bill H.3309, SC Energy Security Act, May 12, 2025
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Provide a brief, descriptive title for this request.

AMOUNT	\$500,000
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What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input checked="" type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
	<input type="checkbox"/>	HR/Personnel Related
	<input checked="" type="checkbox"/>	Request for Non-Recurring Appropriations
	<input checked="" type="checkbox"/>	Request for Federal/Other Authorization to spend existing funding
	Related to a Recurring request – If so, Priority # Wages, Benefits, and Related Overhead; Consulting Related to: Bill H3309, SC Energy Security Act, May 12, 2025	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
	<input checked="" type="checkbox"/>	Government and Citizens

	<p>Budget request is for GENERAL FUNDS pursuant to the enactment of H.3309, SC Energy Security Act, (May 12, 2025) to fund the preparation of a comprehensive South Carolina energy assessment and action plan that recommends actions over a ten-year period to ensure the availability of adequate, reliable, and economical supply of electric power and natural gas to the people and economy of SC.</p> <p>ORS serves the following Statewide Enterprise Strategic Objectives components:</p> <ul style="list-style-type: none"> • Deliver a government that serves the needs of South Carolinians and achieves inter-agency collaboration to deliver highly effective, efficient, and innovative programs. • Build a world-class and safe public infrastructure to enhance the quality of life of our citizens and to promote the state in global competitiveness as a location for business, investment, talent, innovation, and visitors. <p>Agency goals, which align with strategic objectives are:</p> <ul style="list-style-type: none"> • ORS is responsive to the public serving the needs of South Carolinians through its mission and related rate-making activities saving SC citizens millions of dollars annually. • Operations are marked by professional excellence in performance of rate-making activities as well as coordinating with other Federal and State Agencies in Pipeline and Railroad safety and responsiveness to EMD events • Responsiveness to the public by providing consumer education related to public
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utilities.

**ACCOUNTABILITY
OF FUNDS**

This budget request advances the above state goals by supporting the preparation of a comprehensive South Carolina energy assessment and action plan.

- Plan aggregates data/analysis from integrated resources plans to create a comprehensive view of the availability of adequate, reliable and economic supply of energy.
- Plan must detail factors and make recommendations that include:
 1. projections of energy consumption
 2. the adequacy of electrical generation, transmission and distribution resources to meet consumption,
 3. the adequacy of infrastructure by natural gas industries providing fuel supply to generation plants
 4. the overall needs of the SC electric grid and transmission system, and plans from electrical utilities and Public Service Authority to meet current and future needs
 5. assessment of state and local impediments to expanded use of generation or distributed resources and recommendations to reduce or eliminate impediments,
 6. how EE and DSM programs may be expanded to lower bills and consumption
 7. details regarding potential siting of energy resource and transmission facilities
 8. details regarding commercial and industrial consumer clean energy goals
 9. analysis of potential for utilities to construct generation facilities using domestic wood products from SC.
- ORS may retain an outside expert to assist with this report. Budget request includes \$500,000 for consulting fees.

Plan must include recommendations for legislative, regulatory or other actions to ensure reliable, reasonably priced energy supply in SC.

This FY27 non-recurring general budget submission does not include a budget request related to 3309 responsibilities related to:

- Study to evaluate third-party EE administration which may involve a future general funds non-recurring request of approx. \$382K.

What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

**RECIPIENTS OF
FUNDS**

ORS is the recipient; funds received are used primarily to monitor the project.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

**JUSTIFICATION
OF REQUEST**

ORS is seeking GENERAL FUNDS appropriation to fund an estimated \$500,000 for consulting related to the preparation of a comprehensive state energy assessment and ten-year action plan justified by requirements of Bill H.3309, SC Energy Security Act, May 12, 2025.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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FORM D – PROVISO REVISION REQUEST

NUMBER	73 NEW
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Cite the proviso according to the renumbered list (or mark "NEW").

TITLE	SC Energy Assessment and Action Plan - Procurement Exemption
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Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM	SC Energy Assessment and Action Plan, SECTION 118
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	Consulting; Wages, Benefits, and Related Overhead Related to: Bill H.3309, SC Energy Security Act, May 12, 2025
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Is this request associated with a budget request you have submitted for FY 2026-2027? If so, cite it here.

REQUESTED ACTION	Add
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	NA
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	<p>The FY27 budget request supports the preparation of a comprehensive South Carolina energy assessment and action plan resulting from the enactment of H.3309, SC Energy Act.</p> <ol style="list-style-type: none"> 1. Plan aggregates data/analysis from integrated resources plans to create a comprehensive view of the availability of adequate, reliable and economic supply of energy. 2. Plan must detail factors and make recommendations that include: <ol style="list-style-type: none"> 1. projections of energy consumption, 2. the adequacy of electrical generation, transmission and distribution resources to meet consumption, 3. the adequacy of infrastructure by natural gas industries providing fuel supply to generation plants, 4. the overall needs of the SC electric grid and transmission system, and plans from electrical utilities and Public Service Authority to meet current and future needs 5. assessment of state and local impediments to expanded use of generation or distributed resources and recommendations to reduce or eliminate impediments, 6. how EE and DSM programs may be expanded to lower bills and consumption 7. details regarding potential siting of energy resource and transmission facilities, 8. details regarding commercial and industrial consumer clean energy goals 9. analysis of potential for utilities to construct generation facilities using domestic wood products from SC. <p>ORS may retain an outside expert to assist with this report. Budget request includes \$500,000 for consulting fees.</p> <p>Plan must include recommendations for legislative, regulatory, or other actions to ensure reliable, reasonably priced energy supply in SC.</p>
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

\$500K

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

**PROPOSED
PROVISO TEXT**

The Office of Regulatory Staff is exempt from the State Procurement Code in the selection and hiring of an expert to conduct the SC energy assessment and action plan described in Section 58-4-150.

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

**AGENCY COST
SAVINGS PLANS**

Reduce travel costs and optional conferences - \$5,000

Leverage Federal funding - \$25,000

Reduce temporary positions - \$25,000

What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

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FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	Efforts to Reduce Cost and Burden to Business
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Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	<p>ORS participated in regulation development initiated by the Public Service Commission of South Carolina ("Commission") related to regulation changes in the Commission practice and procedure and regulation changes impacting the customers of natural gas, electric, water, sewer utilities and transportation carriers. Many of the changes proposed by ORS during the Commission's regulation development process are intended to streamline the regulatory process and reduce regulatory costs for customers.</p>
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What is the expected savings to South Carolina's businesses and citizens that is generated by this proposal? The savings could be related to time or money.

FACTORS ASSOCIATED WITH THE REQUEST	<p>Mark "X" for all that apply:</p> <table border="1"> <tr> <td><input type="checkbox"/></td> <td>Repeal or revision of regulations.</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Reduction of agency fees or fines to businesses or citizens.</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Greater efficiency in agency services or reduction in compliance burden.</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Other</td> </tr> </table>	<input type="checkbox"/>	Repeal or revision of regulations.	<input type="checkbox"/>	Reduction of agency fees or fines to businesses or citizens.	<input checked="" type="checkbox"/>	Greater efficiency in agency services or reduction in compliance burden.	<input type="checkbox"/>	Other
<input type="checkbox"/>	Repeal or revision of regulations.								
<input type="checkbox"/>	Reduction of agency fees or fines to businesses or citizens.								
<input checked="" type="checkbox"/>	Greater efficiency in agency services or reduction in compliance burden.								
<input type="checkbox"/>	Other								

METHOD OF CALCULATION	N/A
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Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.

REDUCTION OF FEES OR FINES	N/A
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Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?

REDUCTION OF REGULATION	N/A
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Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

SUMMARY	<p>ORS participated in regulation development initiated by the Public Service Commission of South Carolina ("Commission") related to regulation changes in the Commission practice and procedure and regulation changes impacting the customers of natural gas, electric, water, sewer utilities and transportation carriers. Many of the changes proposed by ORS during the Commission's regulation development process are intended to streamline the regulatory process and reduce regulatory costs for customers.</p>
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Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?