STATE OF SOUTH CAROLINA

BEFORE THE
PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

In Re: **Joint Application of South Carolina Public Service Authority and Dominion Energy South Carolina, Inc. for a Certificate of Environmental Compatibility and Public Convenience and Necessity for the Construction and Operation of an Advanced Class Combined Cycle Generating Plant and Associated Facilities in Colleton County, South Carolina, Pursuant to S.C. Code Ann. § 58-33-10 *et. seq.***	)	**Docket No. 2025-323-E**

SURREBUTTAL TESTIMONY OF LUCY METZ

ON BEHALF OF SIERRA CLUB

PUBLIC VERSION

March 17, 2026

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

1. INTRODUCTION AND PURPOSE OF TESTIMONY

Q Please state your name and occupation.

A My name is Lucy Metz. I am a Senior Associate at Synapse Energy Economics, Inc. My business address is 485 Massachusetts Avenue, Suite 3, Cambridge, Massachusetts 02139.

Q On whose behalf are you testifying in this proceeding?

A I am testifying on behalf of the Sierra Club.

Q Did you submit Direct Testimony in this docket?

A Yes. I submitted Direct Testimony in this docket on February 17, 2026.

Q What is the purpose of your Surrebuttal Testimony?

A My testimony responds to several points in the Rebuttal Testimony of South Carolina Public Service Authority ("Santee Cooper") Witnesses Settle and Stevick and Dominion Energy South Carolina ("DESC," and together with Santee Cooper, "Joint Applicants") Witnesses Neely, Parker, and Walker. I first respond to these witnesses' critiques of my recommendation that the Joint Applicants commit to retiring the Wateree, Williams, and Winyah coal plants as soon as the Canadys combined-cycle plant ("Canadys CC") comes online. Next, I clarify the role that large load plays in driving the Joint Applicants' claimed need for the Canadys CC, as well as the importance of a cost cap to protect ratepayers from potential escalation in the construction costs of the Canadys CC. Finally, I discuss the benefits of procuring battery energy storage systems ("BESS") paired with renewable energy resources to serve future load growth in South Carolina.

Q How is your surrebuttal testimony organized?

A In Section 2, I address Witness Neely, Walker, and Stevick's claims that it would be premature for the Joint Applicants to commit to retirement of the Wateree, Williams, and Winyah coal plants as soon as the Canadys CC comes online. I also respond to Witness Settle's claim that there is an omission in my supply and demand analysis.

In Section 3, I clarify how large-load customers contribute to Santee Cooper's need for the Canadys CC, in response to Witness Settle's rebuttal. I also respond to Witness Settle and Stevick's concerns about my recommendation that Santee Cooper procure resources to serve contracted large-load customers only.

In Section 4, I respond to Witness Stevick and Walker's concerns with my recommendation that the South Carolina Public Service Commission ("Commission") cap project costs for the Canadys CC at the total amount the Joint Applicants currently estimate and require a separate demonstration of prudence for any expenditures above the cost cap.

In Section 5, I reiterate the benefits that BESS and renewables provide to South Carolina ratepayers as a result of these resources' modularity, short construction timelines, and protection against fuel price volatility.

Q Do you have any exhibits attached to your testimony?

A Yes, I am sponsoring Exhibits LM-16 (Santee Cooper Response to Sierra Club Data Request 1-08) and LM-17 (DESC Response to Sierra Club Data Request 1-04), which are attached to my testimony.

2. THE JOINT APPLICANTS SHOULD COMMIT TO RETIRING THE WATEREE, WILLIAMS, AND WINYAH COAL PLANTS AS SOON AS THE CANADYS CC COMES ONLINE, TO AVOID INCURRING FURTHER UNNECESSARY COSTS AT THESE PLANTS.

Q Please summarize how the Joint Applicants respond to your recommendation that they commit to retiring the Wateree, Williams, and Winyah coal plants as soon as the Canadys CC comes online.

A In rebuttal, the Joint Applicants make a variety of vague statements about when they will retire the Wateree, Williams, and Winyah coal plants. For example, DESC Witness Neely testifies that "all of the build plans described in my testimony modeled the retirement of Wateree and Williams within a year of the Canadys Joint Resource coming online," but claims that DESC is unwilling to commit to retiring the plants and will instead "continue to evaluate the appropriate date for retiring these units."[1] DESC Witness Walker claims that the "need for [Wateree and Williams] after the early 2030s will probably not be known or knowable with certainty until that time," and that it would be "premature" to commit to a retirement date for the plants.[2]

Similarly, Santee Cooper Witness Stevick acknowledges that "one of the reasons Santee Cooper is proposing the Canadys Joint Resource is to support the eventual retirement of older coal-fired generation units," but rather than committing to this plan, he instead proposes to "proceed with the construction of the Canadys Joint

[1] Rebuttal Testimony of James W. Neely, P.E. on Behalf of Dominion Energy South Carolina, Inc. at 8–9 (Mar. 3, 2026) [hereinafter "Neely Rebuttal"].

[2] Rebuttal Testimony of Andrew R. Walker on Behalf of Dominion Energy South Carolina, Inc. at 27 (Mar. 3, 2026) [hereinafter "Walker Rebuttal"].

Resource, continually evaluate load growth and market conditions, and examine the potential to retire Winyah."[3]

Q Do you agree with the Joint Applicants that it is premature to commit to the retirement of Wateree, Williams, and Winyah?

A No, I do not. The Joint Applicants have not provided a compelling justification for why they are unable to commit to retiring the Wateree, Williams, and Winyah coal plants when the Canadys CC comes online. Instead, the Joint Applicants are effectively asking the Commission for a blank check to construct the Canadys CC without a corresponding commitment to retire any of their aging coal capacity.

To plan for the timely retirement of these coal plants, Santee Cooper and DESC will need to firmly commit to retirement dates. In his rebuttal, Witness Neely states that "the retirement of these units depends on DESC having sufficient generating resources to serve actual and forecasted load at the time that the decision is made to retire them."[4] This will not happen by accident or through delayed decision-making. As I described in my Direct Testimony, both Santee Cooper and DESC have a history of delaying the planned retirement dates for these plants and incurring hundreds of millions of dollars in environmental compliance costs as a result.[5] Continuing this pattern is not in the best interests of ratepayers. The way to obtain sufficient replacement capacity for these aging,

[3] Rebuttal Testimony of William Stevick on Behalf of the South Carolina Public Service Authority at 6 (Mar. 3, 2026) [hereinafter "Stevick Rebuttal").

[4] Neely Rebuttal at 9.

[5] Direct Testimony of Lucy Metz on Behalf of Sierra Club at 13–16, 41–43 (Feb. 17, 2026) [hereinafter "Metz Direct"].

costly coal plants is for DESC and Santee Cooper to commit to retirement dates and then rigorously plan for the replacement of Wateree, Williams, and Winyah.

Q How do you respond to Witness Neely and Walker's claims that because the combined capacity of the Wateree and Williams coal plants is greater than the capacity of the Canadys CC, the Canadys CC cannot facilitate the retirement of the coal plants?

A Witness Neely testifies, "The Williams and Wateree capacity that is projected to be retired is 1,284 MW which is 186 MW more than the generating capacity that DESC would receive through its ownership portion of the Canadys Joint Resource, leaving DESC with a 186 MW deficit, not an excess."[6] Witness Walker makes a similar claim in his rebuttal.[7] At best, this argument is highly oversimplified. At worst, it is an attempt to mislead the Commission about DESC's total capacity position.

As Witnesses Neely and Walker are surely aware, DESC's ability to retire Wateree and Williams when the Canadys CC comes online depends not on the size of these resources in isolation, but rather on DESC's total capacity position. As I discuss in my Direct Testimony, DESC currently has [redacted].[8] DESC's modeling results show that it will [redacted]

[6] Neely Rebuttal at 8–9.

[7] Walker Rebuttal at 26–27 ("As stated in DESC Witness Neely's direct testimony, simple math shows that retiring both Wateree (684 MW) and Williams (600 MW) simultaneously when bringing DESC's ownership share of the Canadys Joint Resource (1,098 MW) online would result in a net reduction in capacity for DESC of almost 200 MW.").

[8] Metz Direct at 29–30.

[redacted].[9] It is concerning that DESC is attempting to obscure this fact by focusing on 1:1 replacement of the Wateree and Williams plants, rather than DESC's capacity position as a whole.

Q How do you respond to Witness Settle's claim that your Direct Testimony "mistakenly relies solely on the supply and demand analytic tables" he presented in his testimony?[10]

A Witness Settle is mischaracterizing my testimony. In his Direct Testimony, Witness Settle presents a figure showing Santee Cooper's capacity position, including existing resources only.[11] As I explained for DESC above, the degree to which Santee Cooper can use the Canadys CC as replacement capacity for Winyah depends on its total capacity position in 2033, which includes both resources that exist today and resources it plans to construct over the next seven years. To more accurately show the size of Santee Cooper's capacity need in 2033, I present a modified version of Witness Settle's figure in my Direct Testimony, including *both* existing and near-term planned resources.[12] As Witness Settle notes in rebuttal, these near-term resources include a 108 megawatt

[9] *Id.* at 32–33.

[10] Rebuttal Testimony of Franklin Clay Settle on behalf of South Carolina Public Service Authority at 5 (Mar. 3, 2026) [hereinafter "Settle Rebuttal"].

[11] Direct Testimony of Franklin Clay Settle on Behalf of South Carolina Public Service Authority at 20 (Dec. 15, 2025) [hereinafter "Settle Direct"].

[12] Metz Direct at 22–23.

(MW) aeroderivative gas turbine at the Winyah site, 300 MW of BESS at the Pinopolis site, and 150 MW of storage that Central plans to bring online.[13]

Witness Settle appears to have misread my testimony as saying that Santee Cooper omitted these near-term resources from its EnCompasss modeling.[14] I did not make this claim in my testimony; therefore, nothing in Witness Settle's rebuttal affects the findings in my Direct Testimony.

Q How do you respond to Witness Settle's claim that a commitment to retire Winyah "could jeopardize Santee Cooper's ability to serve its customers reliably"?[15]

A This claim is not supported by evidence. The analysis in my Direct Testimony shows that if Santee Cooper removes unsigned large load from its forecast, [redacted].[16] Santee Cooper can fill the small remaining capacity need with modular resources such as BESS and renewables. To the extent additional large load materializes in Santee Cooper's service area between now and 2033, Santee Cooper has more than enough time to procure additional BESS and renewables to serve that load, given these resources' short construction timelines of one to two years.[17] It can also use power purchase agreements to satisfy any remaining capacity needs, similar to the agreement Santee Cooper recently executed with the Jacksonville Electric Authority ("JEA") to purchase

[13] Settle Rebuttal at 5.

[14] *Id.* at 4–5.

[15] *Id.* at 3.

[16] Metz Direct at 29.

[17] Settle Direct at 35.

206 MW of capacity from Plant Vogtle in 2027 and 103 MW in 2028.[18] Again, this is exactly why Santee Cooper should make a commitment now to retire Winyah when the Canadys CC comes online. Doing so will ensure that it has enough time to plan for the retirement and replacement of Winyah while maintaining a high level of reliability.

Q Is continuing to maintain the Wateree, Williams, and Winyah coal plants a low-risk approach for ratepayers?

A No. These are aging plants that are currently between 45 and 56 years old and are approaching the end of their useful lives.[19] The Joint Applicants acknowledge as much in their testimony. For example, Witness Walker testifies that because Williams would be approximately 60 years old when a hypothetical conversion to gas would be complete, replacement of the plant would still be necessary.[20]

Every year that Santee Cooper and DESC keep these coal plants online, they sink additional ratepayer money into the plants. Based on their age and size, these coal plants are likely to require about $103 million ($2026) in routine capital expenditures every year, including $30 million for Wateree, $25 million for

[18] Jacksonville Electric Authority Board of Directors Meeting Minutes for February 24, 2026 at 105, available at https://www.jea.com/uploadedFiles/jea.com/Events/Board_Meetings/Agenda/JEA%20Board%20of%20Directors%20Meeting%20Materials%20-%20February%2024,%202026.pdf.

[19] Metz Direct at 44.

[20] Walker Rebuttal at 6.

Williams, and $48 million for Winyah.[21] Costs could be much higher in years when the plants experience a major equipment failure or require an environmental retrofit. In addition, the plants will require fixed and variable operations and maintenance expenses each year. Finally, the Joint Applicants must incur fuel costs to keep the plants operating. Coal costs are likely to increase and become more volatile going forward, as a result of the long-term contraction of the U.S. coal industry.[22]

Q Will the Joint Applicants incur additional environmental compliance costs if they delay the retirement of Wateree, Williams, and Winyah beyond 2034?[23]

A Yes. In May 2024, the U.S. Environmental Protection Agency updated its Effluent Limitations Guidelines ("ELG Rule") to require coal plants to reach zero-discharge limitations for flue gas desulfurization wastewater and bottom ash transport water by December 31, 2029.[24] In December 2025, the compliance deadline to meet the zero-discharge requirements was pushed back to December

[21] Sargent and Lundy, *Generating Unit Annual Capital and Life Extension Costs Analysis: Final Report on Modeling Aging-Related Capital and O&M Costs* at 58 (Dec. 2018), available at https://www.eia.gov/analysis/studies/powerplants/generationcost/pdf/full_report.pdf.

[22] Metz Direct at 39–40.

[23] Walker Rebuttal at 27 ("The investment that DESC has made to allow Wateree and Williams to comply with the 2020 Effluent Limitation Guidelines (the "ELG Rules") makes retaining these units until 2034 or later a viable option in their current state.").

[24] *Supplemental Effluent Limitations Guidelines and Standards for the Steam Electric Power Generating Point Source Category*, 89 Fed. Reg. 40,198 (May 9, 2024), available at https://www.govinfo.gov/content/pkg/FR-2024-05-09/pdf/2024-09185.pdf.

31, 2034.[25] The Joint Applicants estimate that complying with these zero-liquid discharge requirements will require the installation of experimental systems totaling hundreds of millions of dollars—including an estimated $250 million at Winyah—as well as millions of dollars in annual operations and maintenance costs.[26] Committing to retire these coal plants by mid-2033, when the Canadys plant is operational, would position the Joint Applicants for meeting the federal ELG Rule's 2034 deadline for zero-discharge limits.

Q Do you agree with Witness Neely's assertion that coal plants protect against gas price volatility?[27]

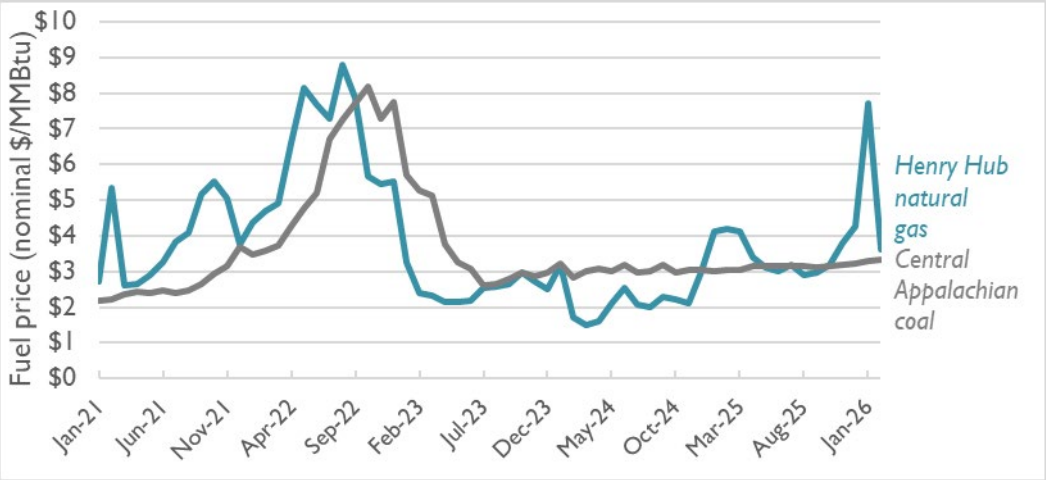
A No. Coal resources do not offer a strong protection against gas price volatility because coal prices are themselves volatile. For example, when gas prices spiked in 2022 as a result of Russia's invasion of Ukraine, coal prices in the Appalachian Basin also spiked (Figure 1). BESS and renewables offer more durable protection against fuel price volatility because they do not use fuel and are not subject to price volatility once constructed.

[25] *Effluent Limitations Guidelines and Standards for the Steam Electric Power Generating Point Source Category-Deadline Extensions*, 90 Fed. Reg. 61,328 (Dec. 31, 2025), available at https://www.govinfo.gov/content/pkg/FR-2025-12-31/pdf/2025-24102.pdf.

[26] Metz Direct at 42–43; *see also* Exhibit LM-14, Exhibit LM-15.

[27] Neely Rebuttal at 8 ("Having coal resources available is a means of mitigating fuel price volatility by providing DESC the flexibility to generate using whichever resources are most cost effective.").

Figure 1. Natural gas and coal prices from January 2021 to February 2026



Source: U.S. Energy Information Administration, Coal Market Archive (accessed March 11, 2026), available at https://www.eia.gov/coal/markets/; U.S. Energy Information Administration, Henry Hub Natural Gas Spot Price, (accessed March 11, 2026), available at https://www.eia.gov/dnav/ng/hist/rngwhhdm.htm.

Q In conclusion, has your recommendation about coal plant retirement changed based on the Joint Applicants' Rebuttal Testimony?

A No, it has not. I continue to recommend that Santee Cooper commit to retiring Winyah, and DESC commit to retiring Wateree and Williams, as soon as the Canadys CC comes online. Making this commitment will ensure that both utilities have ample time to plan for these coal retirements and procure supplementary resources, if needed.

3. SANTEE COOPER SHOULD PROCURE RESOURCES TO SERVE ONLY LARGE-LOAD CUSTOMERS WITH SIGNED CONTRACTS FOR SERVICE, ENABLING THE CANADYS CC TO ACT AS REPLACEMENT CAPACITY FOR WINYAH.

Q How do you respond to Witness Settle's statement that "it is simply incorrect for witness Metz to suggest that Santee Cooper is proposing the Canadys Joint Resource to meet load growth mainly for prospective large loads"?[28]

A The actual relationship between large-load growth and the need for the Canadys CC that I describe in my Direct Testimony is more nuanced than Witness Settle's rebuttal acknowledges. Specifically, prospective large-load customers without signed contracts are inflating Santee Cooper's load forecast, which increases the overall amount of near-term resource additions in Santee Cooper's build plan and delays the retirement of Winyah.[29] One of the recommendations in my Direct Testimony is that Santee Cooper remove uncontracted load from the forecast it uses for resource procurement, so that the Canadys CC can act as replacement capacity for Winyah.[30] Given the pace of large-load growth in the Southeast, it is reasonable for Santee Cooper to include higher load forecasts (including prospective customers without signed contracts) as planning scenarios in its integrated resource plan ("IRP") process. Scenario planning allows Santee Cooper to examine how its resource mix might change under different levels of large-load materialization, without requiring any financial commitment on Santee Cooper's part. Because resource procurement involves a higher level of financial commitment from Santee Cooper, with billions of dollars of ratepayer money at

[28] Settle Rebuttal at 7.

[29] Metz Direct at 13–15.

[30] *Id.* at 9.

stake, it is essential that Santee Cooper procures resources only for load that is committed to materializing in South Carolina.

In addition, my testimony highlights the importance of large-load tariffs that commit large-load customers to paying their full incremental cost of service.[31] This is the section of my testimony that Witness Settle appears to be referencing in his rebuttal. Establishing strong ratepayer protections—including large-load tariffs—will be particularly important if the Commission allows Santee Cooper to move ahead with its plan to procure resources to serve the full amount of load in its resource planning forecast, including uncontracted large load. Regardless of the Commission's decision on this topic, establishing strong ratepayer protections will be a key consideration in South Carolina, given the level of large load that the Joint Applicants expect to materialize over the next decade.

Q Witness Settle references Santee Cooper's 2023 IRP build plan and the low-load sensitivity from Santee Cooper's modeling in this docket as evidence that the Canadys CC would be needed even in the absence of large load.[32] How do you respond?

A The preferred portfolio from Santee Cooper's 2023 IRP—before the inclusion of uncontracted large load in the forecast—shows the joint combined-cycle plant ("CC") coming online in 2031, with Winyah retiring that same year.[33] There are no other near-term gas CC additions in the 2023 IRP build plan.[34] As part of its modeling for this docket, Santee Cooper ran a low-load sensitivity that assumed

[31] *Id.* at 46–53.

[32] Settle Rebuttal at 6–7.

[33] Metz Direct at 15.

[34] *Id*.

no additional load growth from large-load customers.[35] Santee Cooper hard-coded Winyah's retirement at the beginning of 2035 in this scenario.[36] When allowed to optimize, the [redacted], the same year that Winyah retires.[37] [redacted].[38] Table 1 summarizes the resource additions in the 2023 IRP preferred portfolio, as well as the base portfolio ("Optimized Portfolio") and [redacted] the low-load sensitivity from this docket.

The modeling results in Table 1 confirm that in the absence of speculative large load, [redacted] This is in contrast to Santee Cooper's current base portfolio, which builds twice as much near-term CC capacity (2,394 MW by 2035) to serve the additional large-load customers in the forecast.[39] While my recommendation is that Santee Cooper should link the commercial operation date of the Canadys CC to the retirement of Winyah, under Santee Cooper's *current* proposal, the Canadys CC is not tied to the retirement of Winyah and instead appears to be mainly serving large-load growth.

[35] Settle Direct at 52.

[36] Santee Cooper Response to Sierra Club Data Request No. 1-8 (attached as Exhibit LM-16); *see also* Exhibit LM-5.

[37] Santee Cooper Response to ORS Data Request No. 1-3, "1.3.2 ORS 12192025_Canadys CECPCN EnCompass Outputs_CONFIDENTIAL.xlsx." The Company's response to ORS Data Request No. 1-3 and the associated attachments contain voluminous spreadsheet data and can be provided to the Commission and properly-authorized parties upon request.

[38] *Id.*

[39] Settle Direct at 44.

Table 1. Near-term (2026–2035) resource additions in Santee Cooper modeling portfolios

Source	CC and Combustion Turbine (CT) additions	Winyah retirement	Other resource additions
2023 IRP	1,020 MW CC in 2031, 112 MW peaking resource in 2034	Year-start 2031	2,400 MW solar and 200 MW BESS
2025 CECPCN modeling – base portfolio	1,098 MW in 2033 (Canadys CC), 1,296 MW CC in 2035	Year-start 2035	0 MW solar, 450 MW BESS, 108 MW aeroderivative
[redacted]			

Source: Santee Cooper 2023 IRP at 157; Settle Direct at 44; Santee Cooper Response to ORS Data Request No. 1-3, "1.3.2 ORS 12192025_Canadys CECPCN EnCompass Outputs_CONFIDENTIAL.xlsx." Supra note 37.

Q Would building only to contracted load cause reliability problems, as Witness Stevick suggests?[40]

A No. I would never recommend under-procuring capacity to the point where there are reliability challenges on Santee Cooper's system. As I explained in my Direct Testimony, my recommendation is that Santee Cooper should right-size capacity additions to match the true pace of load materialization in its service area. Notably, my recommendation that Santee Cooper include only signed large-load

[40] Stevick Rebuttal at 3–4.

customers in the forecast it uses for resource procurement matches the approach that DESC currently uses.[41]

This approach is also consistent with the Commission's order from Santee Cooper's 2023 IRP docket, which Witness Settle cites in his rebuttal.[42] While the Commission found that it was appropriate for Santee Cooper to "investigate other approaches to load forecasting and resource portfolio analysis to plan for future industrial load growth due to economic development" as part of its next IRP, nothing in that order requires Santee Cooper to procure resources to serve large load without contracts.[43]

Q How do you respond to Witness Settle's concern that this approach would "deter economic development"?[44]

A As I explained in my Direct Testimony, procuring resources for contracted large load will not deter economic development. In fact, it will enhance South Carolina's competitiveness because it will minimize costs, increase transparency, and ensure resources are tailored to the current needs of prospective customers. Large-load customers that are serious about siting in South Carolina will not be competing with phantom loads and will have more certainty about where they are in the queue.

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[41] Metz Direct at 31.

[42] Settle Rebuttal at 8.

[43] *South Carolina Public Service Authority's (Santee Cooper) 2023 Integrated Resource Plan (IRP),* Public Service Commission of South Carolina, Docket No. 2023-154-E, Order No. 2024-171 at 54 (Mar. 8, 2024), available at: https://dms.psc.sc.gov/Attachments/Order/570747c3-463a-49ed-b890-ab20f5d4244e.

[44] Settle Rebuttal at 10.

4. THE COMMISSION SHOULD CAP PROJECT COSTS FOR THE CANADYS CC AT THE AMOUNT THE JOINT APPLICANTS CURRENTLY ESTIMATE AND REQUIRE A SEPARATE DEMONSTRATION OF PRUDENCE FOR ANY EXPENDITURES ABOVE THAT CAP.

Q Do you agree with Witnesses Stevick and Walker that it would be inappropriate for the Commission to establish a cost cap as part of this docket?

A No. In my Direct Testimony, I recommend that the Commission should cap project costs at the total amount the Joint Applicants currently estimate and require a separate demonstration of prudence for any expenditures above the cost cap.[45] Witnesses Stevick and Walker argue that such a cost cap is unnecessary because the project costs will be subject to South Carolina's ratemaking procedures once construction is complete,[46,47] and because construction costs will be monitored by the South Carolina Office of Regulatory Staff ("ORS") and by independent monitors hired by ORS and the Joint Applicants.[48,49]

The type of cost cap that I recommend is a basic ratepayer protection, given the size and cost of the Canadys CC, as well as the increasing costs for new gas equipment and labor that the industry is currently experiencing.[50] As I explained

[45] Metz Direct at 9–10.

[46] Walker Rebuttal at 30 ("DESC will be required to justify the reasonableness and prudence of all costs for its ownership portion of the Canadys Joint Resource in future proceedings at the Commission before costs are included in rate base.").

[47] Stevick Rebuttal at 5 ("The costs for this project are already controlled under South Carolina's established ratemaking rules and processes.").

[48] *Id.*

[49] Walker Rebuttal at 30.

[50] Metz Direct at 19–21.

in my Direct Testimony, Santee Cooper's estimate of the per-kilowatt (kW) cost of the Canadys CC has [redacted] since it first began considering the resource, while DESC's estimate has increased by about [redacted].[51] The Commission's decision to grant a Certificate of Environmental Compatibility and Public Convenience and Necessity ("CECPCN") is based in large part on the Joint Applicants' current estimate of the cost of the Canadys CC. While the cost of the Canadys CC will be subject to later ratemaking processes, the granting of a CECPCN tends to indicate that the project costs will later be found prudent. Therefore, it is important for the Commission to establish clear expectations about its understanding of project costs before construction begins.

Construction monitoring will ensure the Commission is kept up-to-date about whether the Joint Applicants are on track to stay within their initial cost estimate. While construction monitors play an important role, construction monitoring on its own is not enough to protect ratepayers from cost escalation. In the absence of a cap, the monitor has little recourse if project costs are running over.

Q **Please address Witness Walker's concern that "a cost cap would only discourage utilities from making investments in the kinds of energy infrastructure projects that Act 41 declares to be of critical importance."[52]**

A Witness Walker's concern is unfounded. The cost cap does not prevent utilities from recovering costs that the Commission finds were prudently incurred. It simply increases transparency and ensures that any overruns will be subject to

[51] Metz Direct at 18.

[52] Walker Rebuttal at 30.

rigorous oversight from the Commission. This will encourage efficient use of ratepayer funds.

5. BESS PAIRED WITH RENEWABLES WILL SHIELD RATEPAYERS FROM FUTURE COST RISKS AND PROVIDE A VARIETY OF BENEFITS COMPARED TO NEW GAS CCS.

Q How do you respond to Witness Neely's assertion that the Joint Applicants have already sufficiently compared the Canadys CC to alternatives?[53]

A I remain concerned that Santee Cooper and DESC's modeling may not have captured the benefits of building a smaller CC paired with increased near-term BESS and renewable deployment. Santee Cooper's modeling included a variety of options for new gas generators, but the generic CC units—some of which had smaller capacities than the Canadys CC—were not available for the model to select until 2034, the year after the Canadys CC.[54] While Santee Cooper modeled a scenario with no new fossil capacity, it did not test a scenario with a smaller amount of near-term CC capacity and increased BESS and renewable additions. This type of build plan would provide a variety of advantages in terms of risk mitigation, as I describe below.

I have similar concerns about DESC's modeling. DESC included a restrictive annual build limit on solar and paired BESS and solar resources of 300 MW in its modeling.[55] The size of its proposed share of the Canadys CC has increased over time, from 553 MW in the Modified 2020 IRP to 1,098 MW today.[56] It is not

[53] Neely Rebuttal at 10.

[54] Settle Direct at 35.

[55] DESC Response to Sierra Club Data Request No. 1-04 (attached as Exhibit LM-17).

[56] Metz Direct at 15–17.

clear from DESC's modeling whether a smaller CC paired with increased near-term BESS and solar additions would satisfy DESC's capacity and energy needs at a comparable cost to the reference build plan, while providing risk reduction benefits to ratepayers.

Q Why is construction of an oversized CC risky for ratepayers?

A As I explained in my Direct Testimony, building a large gas plant such as the Canadys CC *now* will lock ratepayers into the current high capital costs of this asset. In the long term, it also locks in fixed costs to obtain firm fuel supply at the plant every year over its 36-year life, as well as the ongoing cost of operations and maintenance and fuel.

The Canadys CC will also increase ratepayers' long-term exposure to gas price volatility. Recent events underscore the riskiness of this approach. In January 2026, Winter Storm Fern caused the spike in gas prices shown in Figure 1 above, similar to the price spikes that occurred during Winter Storm Uri (February 2021) and Elliott (December 2022).[57] Geopolitical events, including the Russian invasion of Ukraine in 2022, can also cause increased gas prices.

Q What benefits does BESS paired with renewables provide?

A BESS paired with renewables has no exposure to fuel price volatility and so shields ratepayers from the risks described above. BESS, solar, and wind are also more modular than gas units, so the Joint Applicants can adjust the quantity they procure in a given year based on current market conditions, and they can procure

[57] U.S. Energy Information Administration, Henry Hub Natural Gas Spot Price (last accessed Mar. 11, 2026), available at https://www.eia.gov/dnav/ng/hist/rngwhhdm.htm.

resources incrementally to serve load growth as it materializes.[58] Finally, BESS resources equipped with grid-forming inverters contribute important reliability services to the grid.[59] BESS resources can provide more rapid frequency response than gas resources because their response time depends on power electronics, rather than physical ramping up and down of a thermal generator.[60]

Q How do you respond to Witness Parker's argument that because BESS is an energy-limited resource, BESS paired with renewables cannot replace thermal generation?[61]

A Witness Parker argues that because BESS resources are energy-limited (i.e., do not produce their own energy) and have limited duration on a single charge, they could not replace a portion of the Canadys CC's capacity.[62] In making this claim, Witness Parker overlooks a key aspect of my recommendation, which is that the Joint Applicants look into constructing BESS *paired with* renewable capacity. Renewables such as solar produce low-cost energy that can be used to charge BESS, ensuring that the BESS resources are available during peak load periods. More generally, BESS resources can take advantage of storing low-cost power

[58] Metz Direct at 46.

[59] Arun Muthukrishnan, "The physics of reliability: Why gas peakers alone can't save the modern grid," *Utility Dive* (Mar. 3, 2026), available at https://www.utilitydive.com/news/the-physics-of-reliability-why-gas-peakers-alone-cant-save-the-modern-gri/811716/.

[60] *Id*.

[61] Rebuttal Testimony of R. Scott Parker, P.E. on Behalf of Dominion Energy South Carolina at 20–21 (Mar. 3, 2026).

[62] *Id*.

that is available during off-peak periods to ensure that they are available to provide power to the grid during peak periods.

When needed, four-hour BESS can provide power during longer periods of grid need by (1) operating at less than full capacity, or (2) when multiple four-hour BESS resources are deployed in sequence. To determine the firm capacity of BESS in comparison to more traditional thermal generators, grid operators are developing more complex resource accreditation methodologies, such as effective load-carrying capability ("ELCC") ratings.

Q In conclusion, have any of the recommendations in your Direct Testimony changed as a result of the Joint Applicants' rebuttal?

A None of the critiques that the Joint Applicants raise in rebuttal change the recommendations in my Direct Testimony. In addition to the other recommendations in my Direct Testimony, I continue to recommend that the Commission make approval of the CECPCN for the Canadys CC contingent on a firm commitment from Santee Cooper to retire Winyah and a commitment from DESC to retire Wateree and Williams as soon as the Canadys CC comes online. I also recommend that the Commission cap the cost of the Canadys CC at the amount the Joint Applicants currently estimate to protect ratepayers from future cost escalation. Finally, because of the risks associated with CC buildout, I recommend that Santee Cooper and DESC focus future resource procurement on no-regrets additions, including BESS and renewable resources.

Q Does this conclude your testimony?

A Yes.

Exhibit LM-16: Santee Cooper Response to Sierra Club Data Request No. 1-08

IN RE: JOINT APPLICATION OF SOUTH CAROLINA PUBLIC SERVICE AUTHORITY (SANTEE COOPER) AND DOMINION ENERGY SOUTH CAROLINA, INC. FOR A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC CONVENIENCE AND NECESSITY FOR THE CONSTRUCTION AND OPERATION OF AN ADVANCED CLASS COMBINED CYCLE GENERATING PLANT AND ASSOCIATED FACILITIES IN COLLETON COUNTY, SOUTH CAROLINA PURSUANT TO S.C. CODE ANN. § 58-33-10 ET SEQ.

DOCKET NO. 2025-323-E

Before the Public Service Commission of South Carolina
Sierra Club's First Set of Data Requests
Date Received: 01/15/2026
Request No.: 1-8

Question/Data Request:

State whether each Company allowed the PLEXOS or EnCompass model to optimize / select a retirement date for any of its coal-fired power plants.

a. Looking at Santee Cooper's EnCompass model, please confirm whether Santee allowed the models to select an earlier retirement date for Winyah than 2035, under any portfolios.

Response to Question/Data Request:

See the direct pre-filed testimony of Santee Cooper Witness Franklin C Settle.

a. Santee Cooper did not allow the EnCompass model to "select" a retirement date. Santee Cooper refers to the pre-field testimony of Santee Cooper Witness Franklin C Settle for the discussion of coal retirement dates assumed in the portfolios evaluated in support of the Joint Application.

Reference Documents:

N/A

Provided by:

Full Name	Franklin C. Settle
Business Title	Director System Planning
Address	1 Riverwood Dr Moncks Corner SC 29461
Telephone Number	843-761-8000 ext.5108
Email	clay.settle@santeecooper.com

IN RE: JOINT APPLICATION OF SOUTH CAROLINA PUBLIC SERVICE AUTHORITY (SANTEE COOPER) AND DOMINION ENERGY SOUTH CAROLINA, INC. FOR A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC CONVENIENCE AND NECESSITY FOR THE CONSTRUCTION AND OPERATION OF AN ADVANCED CLASS COMBINED CYCLE GENERATING PLANT AND ASSOCIATED FACILITIES IN COLLETON COUNTY, SOUTH CAROLINA PURSUANT TO S.C. CODE ANN. § 58-33-10 ET SEQ.

DOCKET NO. 2025-323-E

ATTESTATION: I, Franklin C. Settle, attest that the information given in response to the above question is full and accurate.

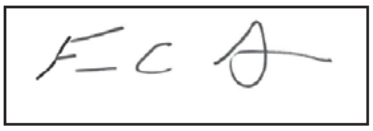

Exhibit LM-17: DESC Response to Sierra Club Data Request No. 1-04

SIERRA CLUB
FIRST SET OF DATA REQUESTS TO
SOUTH CAROLINA PUBLIC SERVICE AUTHORITY (SANTEE COOPER) &
DOMINION ENERGY SOUTH CAROLINA, INC.
DOCKET NO. 2025-323-E

REQUEST NO. 1-04:

For each new resource available to the models to select, provide the following information, along with all available sourcing and documentation.

a. Explain how each Company selected the first year available for each resource type.
b. Explain how each Company selected annual and cumulative build limits for each resource type.
c. Explain the source of each Company's cost assumptions for each new resource modeled.
d. Explain the source of each Company's operational assumptions for each new resource modeled

DESC RESPONSE NO. 1-04:

a. The availability of a thermal resource for DESC's modeling is based on the first available year on the Greensheet data provided by Dominion Energy's Project Construction group. Non-thermal resources are based on what the expected lead time would be for a resource such as storage and solar for about two to three years.

b. Cumulative limits for all resources, with the exception of the Joint Resource, are based on providing more than any one model could pick in order to give the model the ability to pick the best solution. The only yearly build limits applied to the model are to solar resources, including solar + storage, at 300 MW per year.

   The 300 MW per year build limit is applied to solar and solar + storage. This limit is based on historically what can be and has been connected to the DESC system, with the value being rounded up to the nearest 100 MW.

c. The source of cost assumptions for thermal resources is Dominion Energy's Project Construction group and the source of cost assumptions for renewable and battery resources is the NREL 2024 ATB.

d. Operational assumptions come from Dominion Energy's Project Construction group and the NREL 2024 ATB, where provided. ELCC values are developed from the DESC 2023 Planning Reserve Margin Study and discussions with stakeholders.