For Immediate Release

New Report Shows How BYOP Policy Could Help South Carolina Grow More Power Without Putting the Bill on Ratepayers

Michigan analysis reinforces South Carolina legislation offering large energy users another way to secure power as electricity demand and utility rates rise

Columbia, SC (October 7, 2026) — A new report from the Mackinac Center for Public Policy puts numbers behind a solution South Carolina lawmakers considered this year: allow willing large energy users to buy their own power rather than relying exclusively on utilities — and ultimately their ratepayers — to finance the generation needed to serve them.

South Carolina is currently confronting rapid electricity demand growth, driven in part by data centers and other large economic-development projects. Duke Energy's recent planning filings contemplate up to 4,000 megawatts (MW) of new large loads within five years, while Santee Cooper's 2026 resource plan projects demand in 2030 will be 1,250 MW higher than it projected just three years ago.

"Utilities across the country, including in South Carolina, are asking regulators for permission to spend billions of dollars on new power plants and electric infrastructure to meet growing demand," said Chris Ercoli, president and CEO of the Retail Energy Advancement League. "More power generation is needed. The question is who should pay for it?"

Rates Are Already Rising as South Carolina Prepares for Growth

South Carolina customers are already seeing higher bills. Duke Energy Progress customers had barely begun paying an approximately $11.23 monthly increase in February 2026 when the utility sought another $37 million in annual revenue, initially estimated to add another $10.20 per month to the average residential bill.

Duke Energy Carolinas also sought $150.5 million in additional annual revenue in its 2025 South Carolina rate case. Dominion Energy South Carolina filed another rate case in January 2026 seeking an approximately 12.7% increase, initially estimated at nearly $20 more per month for a typical residential customer.

And much of the generation needed to serve South Carolina's projected growth has yet to be built.

S.878 Offers Another Option

Sens. Michael Johnson, Wes Climer and Brian Adams introduced S.878 to establish a third-party electric supply option for eligible customers. The legislation would allow qualifying customers to obtain electricity supply from a third party while the incumbent utility continues providing transmission and other regulated services, with provisions addressing transmission costs, existing utility investments and returning customers.

"When commercial and industrial energy users can procure electricity through competitive suppliers, private capital — not residential ratepayers — finances a greater share of the new generation needed to serve them," Ercoli said. "That's good for economic development, good for businesses and, most importantly, good for families already struggling with rising electricity costs."

BYOP Concept Proven in Michigan

According to the Mackinac report, Michigan's Electric Customer Choice Program has demonstrated how allowing large commercial and industrial energy users to buy their own power (BYOP) can reduce the amount of utility-owned generation that must be financed through electric rates stuffed into consumer bills.

For nearly two decades, Michigan has allowed qualifying large energy users to procure their own electricity while utilities continue to own and operate the transmission and distribution system.

According to the report, Michigan's program has already delivered significant consumer benefits, including:

- 2,172 megawatts of large energy users' demand supplied by competitive electricity suppliers, not utilities
- $3-4 billion in avoided utility-built generation costs for ratepayers
- $185 million in savings for program participants in 2024
- More than 5,100 customers waiting to participate in the program because Michigan limits participation to 10% of each utility's retail load

The report also found that Michigan ratepayers could be spared from paying another $7-8 billion in avoided generation costs if the load cap for participants was increased to 30%.

To read the full Mackinac report, click here.

To learn more about BYOP legislation, click here.

Background: Electricity Equivalencies

1 gigawatt of electricity equals:

- 1,000 megawatts
- 750,000 to 1 million average homes
- A city the size of San Francisco or Austin
- ~5–10 hyperscale data center campuses, depending on their size
- 1 large natural gas plant (nameplate capacity)
- A 1 gigawatt natural gas combined cycle power plant costs at least $1.5 billion in 2026

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The Retail Energy Advancement League (REAL) is a national organization that advocates for competitive retail energy markets. REAL's members provide energy services to 25 million customers and operate 150,000 megawatts of electric capacity. REAL advocates for energy users — large and small — to have a choice in their energy supply and is committed to advancing fair, transparent, and competitive energy markets that benefit consumers, employers, and state economies.