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April 24, 2007

Via E-Filing and Mail
Charles L. A. Terreni
Chief Clark/Administrator
South Carolina Public Service Commission
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

RE: Petition of the Office of Regulatory Staff to Establish Dockets to Consider Implementing the Requirements of Section 1251 (Net Metering and Additional Standards) of the Energy Policy Act of 2005
PSC Docket No.: 2005-385-E

Dear Mr. Terreni:

Enclosed please find the original and one copy of the Direct Testimony and Exhibits of David Wach in the above referenced docket. I am filing this testimony on behalf of myself and Pamela Greenlaw, another of the interveners. I am not acting in a representative capacity for any party other than myself.

Please note that the attached documents are exact duplicates, with the exception of the form of the signature, of the e-filed copy submitted to the Commission in accordance with its electronic filing instructions.

By copy of this letter we are also serving all other parties of record. Please let me know it you have any questions.

Yours truly,

John F. Hardaway

jem
Enclosure

cc: Parties of Record

TESTIMONY OF
DAVID WACH
ON BEHALF OF
THE INTERVENORS
DOCKET NO. 2005-385-E

Q: Please state your name, address, and occupation.

A: David Wach, 6173 East Old Marion Highway, Florence, S.C. 29506. I am an engineer and my title at Roche Carolina is Manager - Utility Department and Energy Management.

Q: Please state your educational background and experience relative to or relevant to issues of power/energy development and usage.

A: I have an B.E. degree in engineering from Stevens Institute of Technology in Hoboken, New Jersey and an MBA in Operations Management from Rutgers University.

Q: What is the purpose of your testimony today.

A: I have as a purpose for this testimony the provision of my opinions with respect to implementation of Net Metering and certain Additional Standards as required under Section 1251 of the Energy Policy Act of 2005 in South Carolina.

Q: What involvement does your company have with alternative energy production..

A: Roche Carolina produces active pharmaceutical ingredients at the Florence location. Its parent company **Hoffmann-La Roche Inc.**, has facilities all over the world. In several of these facilities it produces its own electrical energy by cogeneration from natural gas and by photovoltaic methods.

Q: Why do you do this.

A: It enables us to compete economically with other companies in our industry and allows us to reach our commitment to sustainable development.

Q: Does Roche Carolina produce any energy at its South Carolina plant.

1 **A:** No. But we do have a very active Energy Conservation program which supports the
2 sustainable objectives of our company.
3 **Q: Are you familiar with net metering and if so what is that familiarity.**
4
5 A. I am generally familiar with the opportunities provided by net metering. Roche Carolina
6 does not at this time utilize net metering. I understand that Progress Energy has had
7 interconnection standards approved by the Public Service Commission. However, the
8 current environment does not provide an attractive buy back rate structure or incentive
9 for installing solar electricity generation equipment.
10 **Q: Would implementation of appropriate net metering standards affect your**
11 **companies consideration of generating solar electricity, and, if so, how?**
12 **A:** Net metering would help provide an investment friendly environment for installing solar
13 energy systems. Appropriate net metering standards would create a state wide market for
14 renewable energy thus providing a supplemental rate incentive for electricity. As a result
15 the systems would become more financially feasible for companies such as Roche
16 Carolina.
17 **Q: Is Roche Carolina actively pursuing alternative energy opportunities in South**
18 **Carolina.**
19 **A:** Yes, but we face the problem that although we would like to use local companies who
20 have the expertise, installation support and equipment, but because of the current
21 regulatory environment in SC there are almost no local companies. Those that I have
22 contacted have limited capability – usually with residential applications only. We have
23 been forced to turn to companies from North Carolina, New Jersey, California and
24 Florida. I believe that an appropriate net metering standard would encourage the growth
25 of local companies which Roche Carolina would then use.

1 **Q: What should be the focus of net metering standards.**

2 **A:** The focus should be on having state level renewable energy targets with deadlines for

3 achievement.

4 **Q: Does this conclude your testimony?**

5 **A:** Yes.

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO.: 2005-385-E

IN RE:
Petition of the Office of Regulatory Staff to)
Establish Dockets to Consider Implementing)
the Requirements of Section 1251 (Net)
Metering and Additional Standards) of the)
Energy Policy Act of 2005)

CERTIFICATE OF SERVICE

This is to certify that I, John F. Hardaway, have this date served one (1) copy of the Direct Testimony and Exhibits of David Watch in the above referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

Len S. Anthony
Deputy General Counsel, Regulatory Affairs
Progress Energy Carolinas, Inc.
Post Office Box 1551
Raleigh, North Carolina 27602

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Columbia, South Carolina 29201

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John F. Hardaway

April 24, 2007
Columbia, South Carolina