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Sweetland Handout.

Noem Vetoes Bill Regulating Solar Energy



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Gov. Noem today vetoed Senate Bill 14 and sent the following message to the South Dakota Senate:

Dear Mr. President and Members of the Senate,

I respectfully return to you Senate Bill 14 with my VETO.

Senate Bill 14 is an Act to define solar energy facilities and to establish certain provisions regarding solar energy permits.

This bill creates unacceptable ambiguity and confusion over the Public Utilities Commission's authority. Even though the Legislature has expressly prohibited the Commission from mandating the specific location of an energy facility, as we conducted a detailed legal review of the enrolled bill, it became apparent poor drafting in this bill gives the Commission that authority for solar energy projects. Previous legislative changes in 2005 and 2006 added definitions of "wind energy facility" and "AC/DC conversion facility" to SDCL 49-41B-36, avoiding this ambiguity. The Commission should not be in the business of picking locations for solar projects, but the enrolled version of this bill permits it. I do not believe this was the Legislature's intent.

I also question the need for additional PUC regulation of solar generating stations. These facilities are already covered under the more generic definition of an "energy conversion facility," in the Code. I am very concerned by a number of bills this session that increase state regulation of renewable energy projects without appearing to have a tailored connection to protecting public interest. The renewable energy industry, just as any other, should be subject to only as much regulation as is necessary to promote the public interest and preserve our environment while making South Dakota an attractive place to do business.

Senate Bill 14, as well as several other Commission-authored bills regulating the renewable energy industry, were introduced without meaningful consultation with industry or other opportunity for comment ahead of time. I believe strongly government's exercise of regulatory power must be transparent and subject to meaningful debate. Our focus should be on finding common ground between regulators and industry, making for stronger outcomes and preserving our state's reputation as a premier place to do business. There is no reason why the Commission couldn't work with industry and other stakeholders to find a compromise solution to this issue and others.

As a state, we have been blessed with significant wind and solar resources. We should continue to benefit greatly from billions of dollars in completed and planned investments. The renewable energy industry has already invested heavily in South Dakota, and continued investment depends on common sense, transparent, and customized regulation. I do not believe Senate Bill 14 or the process that led to its introduction meets these basic standards.

For these reasons, I oppose this bill and ask that you sustain my veto.

Kristi Noem
Governor