

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

H.B. 1122
May 14, 2020
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10792-MQa-152

Short Title: Provide Affordable Broadband Access to NC. (Public)

Sponsors: Representative Queen.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE VARIOUS CHANGES TO THE LAWS REGARDING BROADBAND
3 DEPLOYMENT AND ACCESS IN THE STATE.

4 Whereas, schools and teachers increasingly rely on the use of digital resources and
5 tools to teach our children both inside and outside the classroom; and

6 Whereas, studies have shown that nearly one-in-five low-income households with
7 K-12 students fail to adopt broadband in their households; and

8 Whereas, access to broadband can enable the citizens of this State to benefit from the
9 use of telehealth services which can expand access to care, reduce costs to patients and medical
10 providers, and improve the quality of healthcare; and

11 Whereas, the General Assembly has previously looked to local solutions, like
12 member-owned utilities and public-private partnerships, as an effective way to provide for the
13 development of the infrastructure necessary to support economic development in rural and
14 underserved areas; and

15 Whereas, the General Assembly has long recognized that digital computing and
16 communications technology is the key element of infrastructure for connecting each person to
17 the economic development opportunities of the twenty-first century and has taken steps to
18 directly advance the development and use of this infrastructure where possible through programs
19 like the School Connectivity Initiative and Digital Learning Plan; and

20 Whereas, the COVID-19 pandemic has exposed the need for the State to help its
21 citizens by providing broadband access to the unserved and underserved areas of this State to
22 improve educational outcomes, enabling telework, and access to health by encouraging private
23 and local government action and reducing regulation to allow access to affordable and reliable
24 broadband; Now, therefore,

25 The General Assembly of North Carolina enacts:

26 **PART I. HOMEWORK GAP INITIATIVE**

27 **SECTION 1.1.(a)** The Department of Information Technology, in consultation with
28 the Department of Public Instruction, is authorized to establish and administer a pilot Homework
29 Gap Grants program to provide Internet access to students and teachers who do not have, or who
30 cannot afford, home Internet service. The Broadband Infrastructure Office within the Department
31 of Information Technology shall work with the Department of Public Instruction to initiate a
32 one-year grant program that will serve as the foundation for a long-term solution for students and
33 teachers who lack broadband service. Grants shall be provided to Local Education Agencies to
34 purchase equipment and services for individual student and teacher use, and to provide Wi-Fi on
35 school buses. Funds appropriated in this act to implement the grant program shall be allocated in
36 as follows:



- 1 (1) Four million five hundred thousand dollars (\$4,500,000) to provide grants to
2 Local Education Agencies for the purchase of mobile hotspot devices, service
3 for the hotspots, and equipment and mobile service to provide Wi-Fi on school
4 buses.
- 5 (2) Two hundred fifty thousand dollars (\$250,000) to administer the grant
6 program and conduct research on the size and scope of the homework gap.
- 7 (3) One hundred twenty-five thousand dollars (\$125,000) for a third-party
8 evaluation of the pilot program and progress made toward closing the
9 homework gap.
- 10 (4) One hundred twenty-five thousand dollars (\$125,000) for mobile service
11 testing to ensure mobile hotspot devices can provide adequate access for
12 at-home educational needs.

13 Upon approval of a Local Education Agency's grant request, the Department of Information
14 Technology shall transfer necessary funding to the Department of Public Instruction for
15 distribution.

16 **SECTION 1.1.(b)** The Broadband Infrastructure Office shall develop a strategy to
17 support the affordability of broadband service, including potential partnerships and private
18 sources of funding to support the efforts of the pilot program. The Department of Information
19 Technology shall negotiate with wireless providers to lower monthly subscription rates for
20 mobile hotspots and establish convenience contracts Local Education Agencies may use to
21 purchase equipment and services for the program.

22 **SECTION 1.1.(c)** The Broadband Infrastructure Office, in consultation with the
23 Department of Public Instruction, shall establish qualifying grant criteria that include a
24 district-wide survey measuring the homework gap and demonstrated progress toward the Digital
25 Learning Plan. Implementation should begin no later than the 2021-2022 school year.

26 **SECTION 1.1.(d)** The Broadband Infrastructure Office shall collect data on the
27 impact of the pilot program. Specific data shall include at least all of the following:

- 28 (1) Number of students and teachers impacted.
- 29 (2) Number of buses equipped.
- 30 (3) Cost or cost range of services.

31 **SECTION 1.1.(e)** On or before January 1, 2022, the Broadband Infrastructure Office
32 shall submit a report to the Office of State Budget and Management, the Joint Legislative
33 Oversight Committee on Information Technology, the Joint Legislative Education Oversight
34 Committee, and the Fiscal Research Division. The report shall contain at least all of the
35 following:

- 36 (1) Status of the Homework Gap Grants Program.
- 37 (2) Number and amounts of grants awarded.
- 38 (3) Number of students and teachers impacted.

39 **SECTION 1.1.(f)** On or before June 1, 2021, the State Chief Information Officer, in
40 conjunction with the Department of Public Instruction and the third-party evaluator selected
41 pursuant to this Part, shall prepare a plan to bridge the homework gap that includes at least all of
42 the following:

- 43 (1) Information regarding the size and scope of the homework gap throughout the
44 State.
 - 45 (2) A strategy to provide affordable broadband access for students and teachers
46 falling within the homework gap, including the exploration of additional
47 outside sources of funding to support the effort.
 - 48 (3) Analysis of means, methods, and best practices to achieve statewide universal
49 Internet access for students and teachers.
- 50

PART II. CHANGES TO GROWING RURAL ECONOMIES WITH ACCESS TO TECHNOLOGY (G.R.E.A.T.) PROGRAM

SECTION 2.1.(a) Section 7(a) and Section 7(b) of S.L. 2019-230 are repealed.

SECTION 2.1.(b) G.S. 143B-1373 reads as rewritten:

"§ 143B-1373. Growing Rural Economies with Access to Technology (GREAT) program.

(a) As used in this section, the following definitions apply:

...

(9b) Low-cost service offering. – A service provided by a broadband service provider to a subscriber for broadband services that meets the following criteria:

a. A monthly subscription charge that does not exceed fifteen dollars (\$15.00) and does not impose additional fees or charges by the provider, other than taxes or other State or federally required fees or charges.

b. Speeds of at least 25 megabits per second download and at least 3 megabits per second upload with no data caps.

...

(14) Unserved area. – A designated contiguous geographic area that is presently without access to broadband service, as defined in this section, offered by a wireline or fixed wireless provider. Areas where a private provider has been designated to receive funds through other State or federally funded programs designed specifically for broadband deployment shall be considered served if such funding is intended to result in construction of broadband in the area within 18 months.

(15) Underserved area. – A designated contiguous geographic area that is presently without access to internet service offered by a wireline or fixed wireless provider with speeds of at least 25 megabits per second download and at least 3 megabits per second upload.

...

(g) Applications shall be scored based upon a system that awards a single point for criteria considered to be the minimum level for the provision of broadband service with additional points awarded to criteria that exceed minimum levels. The Office shall score project applications in accordance with the following:

...

(6) Base speed multiplier. – Projects that will provide minimum download and minimum upload speeds shall have the aggregate points given under subdivisions (1) through (5) of this subsection multiplied by a factor at the level indicated in the table below:

Minimum Download:	Score Multiplier
Minimum Upload	
At least 10:1 Mbps. up to 25:3 Mbps.	0.95
25:3 Mbps. up to 100:10 Mbps.	<u>1.351.00</u>
100:10 Mbps. or greater	<u>1.752.00</u>

...

(i) Applications receiving the highest score shall receive priority status for the awarding of grants pursuant this section. As a means of breaking a tie for applications receiving the same score, the Office shall give priority to the application proposing to serve the highest number of new households at the lowest cost per household. Applicants awarded grants pursuant to this section shall enter into an agreement with the Office. The agreement shall contain all of the elements outlined in subsection (d) of this section and any other provisions the Office may require. The agreement shall contain a provision governing the time line and minimum

1 requirements and thresholds for disbursement of grant funds measured by the progress of the
2 project. Grant funds shall be disbursed only upon verification by the Office that the terms of the
3 agreement have been fulfilled according to the progress milestones contained in the agreement.
4 At project completion, the grant recipient shall certify and provide to the Office evidence
5 consistent with Federal Communications Commission attestation that either speeds greater than
6 those identified in the application guidelines or the proposed upstream and downstream
7 broadband speeds identified in the application guidelines, and for which a base speed multiplier
8 was awarded pursuant to subdivision (6) of subsection (g) of this section, are available throughout
9 the project area prior to any end user connections. ~~A single grant award shall not exceed two~~
10 ~~million dollars (\$2,000,000). No more than one grant may be awarded per fiscal year for a project~~
11 ~~in any one eligible economically distressed county; except that if funds remain available after all~~
12 ~~top scoring projects have been awarded a grant, then the next highest scoring projects may be~~
13 ~~awarded a grant even if the project is located in a county where a grant has been awarded in that~~
14 ~~fiscal year provided the total award associated with that county does not exceed two million~~
15 ~~dollars (\$2,000,000) in that fiscal year.~~The Office shall award three points for any project
16 application that (i) will offer a low-cost service offering for a qualified low-income household or
17 (ii) accepts Lifeline support in the project area.

18"

19 **PART III. CHANGES TO REGULATION AND PROVISION OF BROADBAND**

20 **SECTION 3.1.(a)** G.S. 62-2(b1) reads as rewritten:

21 "(b1) ~~Broadband~~The Commission shall determine on an annual basis whether broadband
22 service provided by public utilities as defined in G.S. 62-3(23)a.6 this Chapter is sufficiently
23 competitive and shall not be regulated by the Commission report its findings and
24 recommendations to the General Assembly."

25 **SECTION 3.1.(b)** G.S. 62-3(1) reads as rewritten:

26 "(1) "Broadband service" means any service that consists of or includes a
27 high-speed access capability to transmit at a rate of not less than ~~200 kilobits~~
28 ~~per second in either the upstream or downstream direction~~the current
29 threshold for broadband service established by the Federal Communications
30 Commission and either (i) is used to provide access to the Internet, or (ii)
31 provides computer processing, information storage, information content, or
32 protocol conversion, including any service applications or information service
33 provided over such high-speed access service. "Broadband service" does not
34 include intrastate service that was tariffed by the Commission and in effect as
35 of the effective date of this subdivision."

36 **SECTION 3.2.** Section 8.14 of S.L. 2015-241 reads as rewritten:

37 "...

38 **SECTION 8.14.(b)** The Department of Public Instruction shall collaborate with the Friday
39 Institute for Educational Innovation of North Carolina State University to implement public
40 school cooperative purchasing agreements for the procurement of information technology goods
41 and services to support public schools. For purposes of this section, the phrase "public school
42 cooperative purchasing agreement" means an agreement implemented pursuant to this section
43 and available for local school administrative units, regional schools, charter schools, or some
44 combination ~~thereof~~ thereof, and public and private libraries and regional library systems,
45 providing for collaborative or collective purchases of information technology goods and services
46 in order to leverage economies of scale and to reduce costs.

47 **SECTION 8.14.(c)** Each public school cooperative purchasing agreement shall be based on
48 a defined statewide information technology need to support education in the public
49 ~~schools~~ schools and public libraries. Each public school cooperative purchasing agreement shall
50 allow for equal access to technology tools and services and shall provide a standard competitive
51

1 cost throughout North Carolina for each tool or service. Public school cooperative purchasing
2 agreements shall follow State information technology procurement laws, rules, and procedures.

3"

4 **SECTION 3.3.** G.S. 153A-349.60 reads as rewritten:

5 **"§ 153A-349.60. Authorization to provide grants.**

6 (a) A county may provide grants to unaffiliated qualified private providers of highspeed
7 Internet access service, as that term is defined in G.S. 160A-340(4), for the purpose of expanding
8 service ~~in unserved areas for economic development~~ in the county. The grants shall be awarded
9 on a technology neutral basis, shall be open to qualified applicants, and may require matching
10 funds by the private provider. A county shall seek and consider request for proposals from
11 qualified private providers within the county prior to awarding a broadband grant and shall use
12 reasonable means to ensure that potential applicants are made aware of the grant, including, at a
13 minimum, compliance with the notice procedures set forth in G.S. 160A-340.6(c). The county
14 shall use only unrestricted general fund revenue or State or federal grants or loans for the grants.
15 For the purposes of this section, a qualified private provider is a private provider of high-speed
16 Internet access service in the State prior to the issuance of the grant proposal.

17 (b) Nothing in this section authorizes a county to provide highspeed Internet broadband
18 service."
19

20 **PART IV. HEALTH BENEFIT PLAN COVERAGE OF TELEHEALTH**

21 **SECTION 4.1.(a)** Article 50 of Chapter 58 of the General Statutes is amended by
22 adding a new section to read:

23 **"§ 58-50-310. Telehealth.**

24 (a) For the purposes of this section, the following definitions shall apply:

25 (1) Health benefit plan. – As defined in G.S. 58-3-167.

26 (2) Telehealth. – The delivery of health care, including mental and behavioral
27 health care, through real-time, two-way audio/visual delivery.

28 (3) Virtual health care. – The delivery of health care, including mental and
29 behavioral health care, through audio-only delivery or electronic-only
30 delivery, both synchronous and asynchronous. This term shall include health
31 care delivered over the telephone and electronic patient visits, including health
32 care delivered through an electronic provider portal or electronic patient
33 portal.

34 (b) All of the following shall apply to all health benefit plans offered in this State:

35 (1) Health benefit plans shall provide coverage and reimbursement for virtual
36 health care, including mental and behavioral health care.

37 (2) Health benefit plans shall provide reimbursement for provider-to-provider
38 consultations that are conducted using virtual health care if the health benefit
39 plan would provide reimbursement for the consult had it taken place
40 in-person, face-to-face.

41 (3) No health benefit plan may require prior authorization for telehealth services
42 or virtual health care services.

43 (4) No health benefit plan may put limits on the originating site or the distant site
44 for telehealth services or virtual health care services.

45 (5) Health benefit plans shall cover and reimburse physical therapy, occupational
46 therapy, and speech therapy when delivered through telehealth.

47 (6) A health benefit plan may require a deductible, a co-payment, or coinsurance
48 for a covered health care service delivered by telehealth by a preferred or
49 contracted provider to a covered individual. The amount of the deductible,
50 co-payment, or coinsurance may not exceed the amount of the deductible,

1 co-payment, or coinsurance required had the covered health care service been
2 provided in-person, face-to-face.

3 (7) A health benefit plan shall reimburse providers for a covered health care
4 service delivered by telehealth at a level no less than the reimbursement for
5 that service had it been provided in-person, face-to-face."

6 **SECTION 4.1.(b)** This Part becomes effective January 1, 2021.

7
8 **PART V. FIBER NC ACT**

9 **SECTION 5.1.(a)** Article 23 of Chapter 153A of the General Statutes is amended by
10 adding a new section to read:

11 **"§ 153A-460. Authority to construct and lease certain facilities.**

12 (a) A county shall have the authority to construct facilities or equipment of a broadband
13 service as defined by G.S. 62-3 for the purpose of leasing such facilities or equipment, in
14 accordance with G.S. 160A-272, to one or more lessees who are not a governmental unit as
15 defined in G.S. 160A-274.

16 (b) A board of county commissioners may utilize ad valorem tax levies authorized under
17 G.S. 153A-149(c), grants, or any other unrestricted funds in exercising authority granted under
18 this section.

19 (c) When a board of county commissioners determines to construct facilities or
20 equipment of a broadband service as defined by G.S. 62-3, that county shall do all of the
21 following prior to beginning construction:

22 (1) Conduct a feasibility study to determine needs and available resources.

23 (2) Adopt a resolution at a regular meeting stating its intent to construct facilities
24 or equipment of a broadband service as defined by G.S. 62-3 for the purpose
25 of leasing such facilities or equipment in accordance with G.S. 160A-272.
26 Prior to the regular meeting, notice shall be published at least once, not less
27 than 10 days before the regular meeting.

28 (3) Notify the Local Government Commission of any commitment to expend
29 funds for construction over more than one fiscal year.

30 (4) Notify the State Chief Information Officer, or their designee, of the location
31 and type of facilities or equipment of a broadband service as defined by
32 G.S. 62-3 constructed, in the format determined by the State Chief
33 Information Officer."

34 **SECTION 5.1.(b)** Article 21 of Chapter 160A of the General Statutes is amended
35 by adding a new section to read:

36 **"§ 160A-499.5. Authority to construct and lease certain facilities.**

37 (a) A city shall have the authority to construct facilities or equipment of a broadband
38 service as defined by G.S. 62-3 for the purpose of leasing such facilities or equipment, in
39 accordance with G.S. 160A-272, to one or more lessees who are not a governmental unit as
40 defined in G.S. 160A-274.

41 (b) A city may utilize ad valorem tax levies authorized under G.S. 160A-209(c), grants,
42 or any other unrestricted funds in exercising authority granted under this section.

43 (c) When a city determines to construct facilities or equipment of a broadband service as
44 defined by G.S. 62-3, that city shall do all of the following prior to beginning construction:

45 (1) Conduct a feasibility study to determine needs and available resources.

46 (2) Adopt a resolution at a regular meeting stating its intent to construct facilities
47 or equipment of a broadband service as defined by G.S. 62-3 for the purpose
48 of leasing such facilities or equipment in accordance with G.S. 160A-272.
49 Prior to the regular meeting, notice shall be published at least once, not less
50 than 10 days before the regular meeting.

- 1 (3) Notify the Local Government Commission of any commitment to expend
 2 funds for construction over more than one fiscal year.
 3 (4) Notify the State Chief Information Officer, or their designee, of the location
 4 and type of facilities or equipment of a broadband service as defined by
 5 G.S. 62-3 constructed, in the format determined by the State Chief
 6 Information Officer."

7 **SECTION 5.2.(a)** G.S. 153A-149(c) is amended by adding a new subdivision (7a)
 8 to read:

9 "(7a) Broadband Services. – To build facilities and equipment of a broadband
 10 service as defined in G.S. 62-3."

11 **SECTION 5.2.(b)** G.S. 160A-209(c) is amended by adding a new subdivision to
 12 read:

13 "(7a) Broadband Services. – To build facilities and equipment of a broadband
 14 service as defined in G.S. 62-3."

15 **SECTION 5.2.(c)** This section is effective for taxes imposed for taxable years
 16 beginning on or after July 1, 2020.

17 **SECTION 5.3.** G.S. 159-81(3) is amended by adding a new sub-subdivision to read:

18 "r. Facilities or equipment of a broadband service as defined by G.S. 62-3
 19 for the purpose of leasing such facilities or equipment in accordance
 20 with G.S. 160A-272."

21 **SECTION 5.4.(a)** G.S. 160A-272 reads as rewritten:
 22 "**§ 160A-272. Lease or rental of property.**

23 (a) Any property owned by a city may be leased or rented for such terms and upon such
 24 conditions as the council may determine, but not for longer than 10 years (except as otherwise
 25 provided in subsection (b1) of this section) and only if the council determines that the property
 26 will not be needed by the city for the term of the lease. ~~In determining the term of a proposed~~
 27 ~~lease, periods that may be added to the original term by options to renew or extend shall be~~
 28 ~~included.~~

29 (a1) Property may be rented or leased only pursuant to a resolution of the council
 30 authorizing the execution of the lease or rental agreement adopted at a regular council meeting
 31 upon 30 days' public notice. Notice shall be given by publication describing the property to be
 32 leased or rented, stating the annual rental or lease payments, and announcing the council's intent
 33 to authorize the lease or ~~rental at its next regular meeting.~~ rental.

34 (b) No public notice as required by subsection (a1) of this section need be given for
 35 resolutions authorizing leases or rentals for terms of one year or less, and the council may
 36 delegate to the city manager or some other city administrative officer authority to lease or rent
 37 city property for terms of one year or less.

38 (b1) Leases for terms of more than 10 years shall be treated as a sale of property and may
 39 be executed by following any of the procedures authorized for sale of real property.

40 (c) Notwithstanding ~~subsection~~ subsections (a) and (b1) of this section, the council may
 41 approve a lease without treating that lease as a sale of property for any of the following reasons:

- 42 (1) For the siting and operation of a renewable energy facility, as that term is
 43 defined in G.S. 62-133.8(a)(7), for a term up to 25 years.
 44 (2) For the siting and operation of a tower, as that term is defined in
 45 G.S. 146-29.2(a)(7), for communication purposes for a term up to 25 years.
 46 (3) For the operation and use of ~~components of a wired or wireless network,~~ any
 47 facilities and equipment of a broadband service, as defined in G.S. 62-3, for a
 48 term up to 25 years; provided, however, that the lease is entered into with a
 49 private broadband provider or a cooperative in connection with a grant
 50 agreement pursuant to G.S. 143B-1373 and is for a discrete and specific
 51 project located in an unserved area of an economically distressed county

1 seeking to provide broadband service to homes, businesses, and community
2 anchor points not currently served.~~years.~~

3 (d) ~~Notwithstanding subsection (a) subsections (a1) and (b) of this section, any lease by~~
4 ~~a city of any duration for components of a wired or wireless network shall be entered into on a~~
5 ~~competitively neutral and nondiscriminatory basis and made available to similarly situated~~
6 ~~providers on comparable terms and conditions and shall not be used to subsidize the provision of~~
7 ~~competitive service facilities and equipment of a broadband service, as defined in G.S. 62-3, shall~~
8 ~~comply with all of the following:~~

9 (1) Proposals shall be invited by advertisement in a newspaper having general
10 circulation in the city. A city may also invite proposals by electronic means.

11 (2) Advertisement for proposals from lessees shall be published in a newspaper
12 having general circulation in the city no less than seven full days prior to the
13 date on the notice for the opening of bids.

14 (3) The advertisement for proposals from lessees shall contain at least the
15 following information:

16 a. The type and location of the facilities or equipment of a broadband
17 service to be leased.

18 b. The time and place where plans and specifications of the proposed
19 lease may be had.

20 c. The time and place for opening of the proposals.

21 d. A statement reserving to the governing body the right to reject any or
22 all proposals.

23 (4) Proposals may be rejected for any reason determined by the governing body
24 to be in the best interest of the city.

25 (e) Notwithstanding G.S. 160A-321, for the lease of part of a city-owned public
26 enterprise to be operated and used as facilities or equipment of a broadband service as defined in
27 G.S. 62-3, a city shall not be required to submit to its voters the question of whether such lease
28 shall be undertaken.

29 (f) For purposes of this section, in determining the term of a proposed lease, periods that
30 may be added to the original term by options to renew or extend shall be included."

31 **SECTION 5.4.(b)** This section becomes effective July 1, 2020, and applies to leases
32 entered into on or after that date.

33 **SECTION 5.5.** G.S. 160A-340.2 is amended by adding a new subsection to read:

34 "(f) This Article shall not apply to facilities or equipment of a broadband service as
35 defined in G.S. 62-3 constructed by a city for the purpose of leasing such facilities or equipment
36 in accordance with G.S. 160A-272."

37 **SECTION 5.6.** G.S. 143-128.1C is amended by adding a new subsection to read:

38 "(n) For purposes of this section, the term "public-private project" shall also include a
39 capital improvement project undertaken for the benefit of a city or county that includes
40 construction of facilities or equipment of a broadband service, as defined in G.S. 62-3, in
41 conjunction with, or part of, another construction project undertaken by the city or county."

42 **SECTION 5.7.** Except as otherwise provided, this Part becomes effective July 1,
43 2020.

44 **PART VI. UNIVERSAL BROADBAND ACCESS THROUGH ENERGY SAVINGS** 45 **UPGRADES TO ELECTRIC POWER DISTRIBUTION NETWORK**

46 **SECTION 6.1.(a)** The General Assembly finds that the primary barrier to provision
47 of universal broadband access across North Carolina is the expected rate of return on capital
48 investment necessary to install broadband infrastructure in unserved or underserved areas does
49 not exceed the cost of that capital, and that this barrier reinforces a digital divide with respect to
50 broadband access that in turn mirrors and reinforces current patterns of economic disparity.
51

1 **SECTION 6.1.(b)** The General Assembly further finds that the technology used to
2 provide real-time electric usage feedback from the universal deployment of smart electric meters
3 can also be utilized to provide broadband access to its customers, and that these smart meters can
4 empower consumers to analyze and reduce their energy use, save money on utility costs, and
5 provide broadband access.

6 **SECTION 6.1.(c)** The General Assembly further finds that electric public utility
7 companies can realize significant gains in energy efficiency through universal deployment of
8 smart meter systems, and the generating capacity made available through energy efficiency gains
9 used to service population growth without the necessity of constructing additional generating
10 capacity.

11 **SECTION 6.1.(d)** The General Assembly further finds that the benefits of the
12 avoided cost generated by smart meter related energy savings should be shared by all North
13 Carolina consumers and electric public utilities.

14 **SECTION 6.1.(e)** To this end, the North Carolina Utilities Commission shall do all
15 of the following as soon as is practicable:

16 (1) Issue Requests for Proposal to enter into contracts with as many firms or other
17 entities in the network or telecommunications sectors as is necessary to
18 establish a statewide Universal Broadband Smart Meter program that will
19 include the following components:

20 a. Smart meter technology at the household level that accommodates
21 broadband access to the home occupant and the opportunity for remote
22 real-time electric usage feedback.

23 b. Remote energy usage management software and hardware interfaces
24 to promote average household energy savings of at least twenty
25 percent (20%) through peak shaving, peak avoidance, and other
26 cost-saving electric usage management practices.

27 c. "Last mile" connectivity solutions that bridge the gap between existing
28 broadband infrastructure and unserved or underserved users that
29 maximize speed, reliability, and noninterference with existing
30 telecommunications systems and networks, and that can feature a
31 variety of last mile solutions, avoiding complete reliance on any
32 particular last mile solution.

33 d. Funding of the Universal Broadband Smart Meter program drawn
34 from resale by the electric public utility's share of the energy savings
35 created by the installation and use of smart meter systems.

36 e. The use of hardware and firmware, such as so-called "System on Chip"
37 technology that can adapt to allow for a variety of applications,
38 including smart appliances, healthcare monitoring, access for public
39 education purposes, access for emergency management purposes, and
40 other smart-grid applications as functions become more widely
41 available, while incorporating robust anti-tampering and data privacy
42 protections.

43 (2) Execute a contract with the firm chosen to implement subdivision (1) of this
44 section and exercise oversight of the fulfillment of the contract.

45 **SECTION 6.1.(f)** It is the intent of the General Assembly that ongoing program costs
46 be funded by the electric public utilities based on the energy savings achieved through
47 implementation of the Universal Broadband Smart Meter Program. The North Carolina Utilities
48 Commission shall by order provide for the electric public utilities to expend remaining avoided
49 cost-savings on enhancements to its transmission and distribution networks to increase energy
50 efficiency and on development of alternative energy resources, in order to provide the State with
51 a lower cost, and more efficient power future. For purposes of this subsection, alternative energy

1 includes a renewable energy resource, as defined in G.S. 62-133.8(a) or any other energy source
2 that is not derived from the combustion of peat or a fossil fuel.

3 4 **DOT BROADBAND INFRASTRUCTURE**

5 **SECTION 6.2.(a)** G.S. 136-18 is amended by adding a new subdivision to read:

6 "(47) The Department of Transportation shall have authority to construct conduits
7 for telecommunication cable in the State right-of-way, with the costs of
8 construction to be borne through the leasing of the conduit to private
9 telecommunications companies, where such construction and leasing is not
10 otherwise prohibited by any other federal or State law. The Conduit
11 Installation Account is created as a nonreverting account within the Highway
12 Trust Fund to receive revenues from conduit leasing. The Department shall
13 administer the Account. Revenue in the Account may be used only to fund the
14 installation of telecommunications conduit in State right-of-way, as
15 authorized by this subdivision."

16 **SECTION 6.2.(b)** Article 2A of Chapter 136 of the General Statutes is amended by
17 adding a new section to read:

18 **"§ 136-44.18. Installation of telecommunications conduit within State right-of-way.**

19 As authorized in G.S. 136-18(47), the Department shall include in its planning for new roads
20 and for improvements to existing roads the installation of conduit for telecommunications cables
21 when all of the following apply:

- 22 (1) Less than fifty percent (50%) of households in the county where the road
23 project is located have access to high-speed data or telecommunications
24 services. If a project is located in more than one county, the Department may
25 evaluate each county separately under this subdivision.
- 26 (2) A provider of high-speed data or telecommunications services provides the
27 Department with a letter indicating its interest in leasing the conduit from the
28 Department at any time within five years of completion of the project."

29 **SECTION 6.2.(c)** The Department shall report no later than May 1, 2021, to the
30 Joint Legislative Transportation Oversight Committee and annually thereafter on its progress in
31 implementing the program to install telecommunications conduit authorized by this act. The
32 initial report shall include identification by the Department of any statutory or regulatory barriers
33 to implementation of the conduit installation program. Each report shall include a list of highway
34 projects eligible for conduit installation in the next year with a financial and market analysis and
35 resulting estimate by the Department as to whether the conduit installation authorized by this act
36 is likely to be cost-effective for that project.

37 38 **PART VII. APPROPRIATIONS.**

39 **SECTION 7.1.(a)** There is appropriated from the General Fund to the Growing Rural
40 Economies with Access to Technology Fund the sum of thirty-five million dollars (\$35,000,000)
41 in nonrecurring funds for the 2020-2021 fiscal year.

42 **SECTION 7.1.(b)** There is appropriated from the General Fund to the Growing
43 Rural Economies with Access to Technology Fund the sum of fifty million dollars in
44 (\$50,000,000) recurring funds for the 2021-2022 fiscal year.

45 **SECTION 7.1.(c)** The recurring appropriation in this section shall expire after the
46 2022-2023 fiscal year.

47 **SECTION 7.2.** There is appropriated from the General Fund to the Department of
48 Information Technology the sum of five million dollars (\$5,000,000) in nonrecurring funds for
49 the 2020-2021 fiscal year for the purposes outlined in Part I of this act.

50 51 **PART VIII. EFFECTIVE DATE**

1 **SECTION 8.1.** Except as otherwise provided, this act becomes effective July 1,
2 2020.