

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

H.B. 745  
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH30329-NJa-39B

Short Title: Fair Competition Study Act. (Public)

Sponsors: Representative Moss.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO CONDUCT A STUDY FOR IMPROVEMENTS AND REFORM FOR FAIR  
3 COMPETITION IN NORTH CAROLINA'S ENERGY MARKET.

4 Whereas, much of the electric service provided in North Carolina is currently  
5 provided by vertically integrated providers of electric distribution and transmission services; and

6 Whereas, the State has adopted legislation, including Session Law 2007-397 and  
7 Session Law 2017-192, to diversify the resources used to reliably meet the energy needs of  
8 consumers and provide economic benefits to the State; and

9 Whereas, the State has committed to reducing electric power sector greenhouse gas  
10 emissions by seventy percent (70%) below 2005 levels by 2030 and attaining carbon neutrality  
11 by 2050; and

12 Whereas, electricity sector regulatory framework changes to the wholesale electricity  
13 market may require changes to State law as well as federal authorization; and

14 Whereas, the South Carolina legislature authorized a study to be completed on  
15 November 18, 2021, to examine the benefits of various restructuring options for electricity  
16 markets associated with electricity generators, transmitters, and distributors in South Carolina;  
17 and

18 Whereas, regional and interstate arrangements may require changes to laws in states  
19 other than North Carolina; Now, therefore,

20 The General Assembly of North Carolina enacts:

21 **SECTION 1.** The North Carolina Public Utilities Commission shall conduct a study  
22 that accomplishes all of the following:

- 23 (1) Assesses the costs and benefits of the current energy market in North Carolina.
- 24 (2) Assesses possible reforms to be made to the Southeastern Energy Exchange  
25 Market.
- 26 (3) Evaluates the feasibility, costs, and benefits of an energy imbalance market or  
27 regional transmission organization in North Carolina and South Carolina or  
28 the Southeastern United States.
- 29 (4) Determines the necessary legal and procedural requirements for establishing  
30 an energy imbalance market in North Carolina and South Carolina or a larger  
31 geographical grid such as a regional transmission organization.

32 **SECTION 2.** For the purposes of this act, the following definitions apply:

- 33 (1) Consultant. – An independent, qualified individual or entity retained by the  
34 legislature to conduct objective, evidence-based research and analysis related  
35 to utility regulation, cost-recovery practices, and ratepayer impacts in North  
36 Carolina. The consultant must have demonstrated expertise in energy policy,



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1 utility regulation, public interest advocacy, and must maintain neutrality by  
2 being free from conflicts of interest, including any financial, professional, or  
3 personal ties to utility companies or their affiliates.

4 (2) Energy imbalance market. – A voluntary market for dispatching real-time  
5 energy across utility service territories in which each participating utility  
6 retains ownership and control of its transmission assets but opts to bid  
7 generation into a centralized dispatch authority.

8 (3) Regional transmission organization. – An independent, nonprofit organization  
9 that manages the transmission, generation, and retail sale of electricity in a  
10 region and is responsible for the reliability of the real-time electricity market.

11 (4) Southeastern Energy Exchange Market. – A 15-minute automated energy  
12 exchange market between balancing authorities in the Southeastern United  
13 States involving over 15 entities.

14 **SECTION 3.** The Commission shall initiate the study within 90 days after the date  
15 this act becomes law. Within one year of the date of enactment of this act, the Commission shall  
16 submit a written report to the Joint Legislative Energy Policy Commission concerning the results  
17 of the study. The Commission may contract for professional, clerical, or consultant services as  
18 provided by G.S. 120-32.02. The Commission shall seek additional federal funding for the study  
19 to the extent available. The study shall include, but is not limited to, all of the following:

20 (1) An evaluation of establishing an open access energy imbalance market within  
21 the geographical boundaries of North Carolina and the broader Southeast.  
22 Specific analysis shall be conducted in the following areas:

23 a. Electricity generation and capacity adequacy and diversity.

24 b. Customer service and rates.

25 c. Environmental quality and carbon emissions.

26 d. Economic opportunity.

27 e. The potential impacts, including costs and benefits, of an energy  
28 imbalance market on disadvantaged or vulnerable populations or  
29 communities or both.

30 (2) An evaluation of establishing a Southeastern Regional Transmission  
31 Organization. Specific analysis shall be conducted in all of the following  
32 areas:

33 a. Electricity generation and capacity adequacy and diversity.

34 b. Customer service and rates.

35 c. Environmental quality and carbon emissions.

36 d. Economic opportunity.

37 e. The potential impacts, including costs and benefits, of an energy  
38 imbalance market on disadvantaged or vulnerable populations or  
39 communities or both.

40 (3) An assessment of possible inefficiencies in the Southeastern Energy Exchange  
41 Market and an examination of the costs, benefits, and risks to State and local  
42 government, utilities, independent power producers, businesses, and  
43 customers of all classes regarding the following aspects of the State and  
44 region's current electricity system versus an energy imbalance market or  
45 potential regional transmission organization. Specific analysis shall be  
46 conducted in all of the following areas:

47 a. Electricity generation and capacity adequacy and diversity.

48 b. Customer service and rates.

49 c. Environmental quality and carbon emissions.

50 d. Economic opportunity.

1 e. The potential impacts, including costs and benefits, of an energy  
2 imbalance market on disadvantaged or vulnerable populations or  
3 communities or both.

4 (4) The legal and procedural requirements in North Carolina, at the Federal  
5 Energy Regulatory Commission, or in other states associated with the  
6 adoption of an energy imbalance market or regional transmission  
7 organization, including identification of existing laws, regulations, and  
8 policies that may need to be amended to implement the electricity market  
9 reform measures.

10 **SECTION 4.** There is appropriated from the General Fund to the North Carolina  
11 Utilities Commission the sum of three hundred fifty thousand dollars (\$350,000) in nonrecurring  
12 funds for the 2025-2026 fiscal year to be used to conduct the study authorized by this act.

13 **SECTION 5.** This act is effective when it becomes law.