

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H.B. 1002
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10439-NJ-46A

Short Title: Rate Payer Protection Act.

(Public)

Sponsors: Representative Harrison.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT PROHIBITING PASSING ANY GRID OR ENERGY COSTS INCURRED SOLELY
3 FOR SERVING DATA CENTERS TO RATE PAYERS AND CREATING A SPECIAL
4 COMMISSION FOR DATA CENTER PLANNING.

5 The General Assembly of North Carolina enacts:

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7 **PART I. DATA CENTER COST RECOVERY**

8 **SECTION 1.** Article 7 of Chapter 62 of the General Statutes is amended by adding
9 a new section to read:

10 "**§ 62-159.3. Prohibit cost recovery for data centers.**

11 (a) For the purposes of this section, the term "commercial data center" means a facility,
12 campus of facilities, or array of interconnected facilities in this State that is used by an entity or
13 other business enterprise to operate, manage, or maintain a computer, group of computers, or
14 other organized assembly of hardware and software for the primary purpose of processing,
15 storing, retrieving, or transmitting data and has a peak demand of 100 megawatts or greater.

16 (b) Notwithstanding any other provision to the contrary, no costs incurred by a public
17 utility, including, but not limited to, costs associated with increased fuel requirements, generation
18 costs, and grid upgrade costs shall be included in any rates or charges approved or allowed to go
19 into effect if the cost satisfies all of the following criteria:

20 (1) Is related to the provision of electric services for commercial data centers.

21 (2) May be reasonably attributed to, either in whole or in part, the electric demand
22 of commercial data centers.

23 (c) Public utilities may charge rates or charges designed to recover costs associated with
24 subsection (b) of this section if the rates or charges are incurred solely from commercial data
25 centers or are prorated based on electric demand."

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27 **PART II. CREATION OF SPECIAL COMMISSION**

28 **SECTION 2.1.** There is established a Special Commission for Data Center Planning
29 (Commission). The Commission shall be composed of 14 members. All members shall serve for
30 the duration of the Commission. Any vacancy shall be filled in the same manner in which the
31 original appointment was made. The Commission may elect officers, other than the chairperson,
32 as it deems necessary. The Commission shall be composed as follows:

33 (1) The Governor shall appoint three members, two of whom shall be
34 representatives from an investor-owned public utility, and one of whom shall
35 be a member of an electric membership corporation.

36 (2) The President Pro Tempore of the Senate shall appoint one member.



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- 1 (3) The Speaker of the House of Representatives shall appoint two members.
2 (4) The minority leader of the House of Representatives shall appoint one
3 member.
4 (5) The minority leader of the Senate shall appoint one member.
5 (6) Two members shall be from the North Carolina Utilities Commission or
6 designees chosen by the chairperson of the North Carolina Utilities
7 Commission.
8 (7) The Secretary of Commerce, or his or her designee, shall appoint two
9 members.
10 (8) The Secretary of Health and Human Services, or his or her designee, shall
11 appoint two members.

12 **SECTION 2.2.** The Commission shall accomplish the following:

- 13 (1) Review existing electric grid and energy supply and make recommendations
14 for data center locations, based on such review and consideration of fiber,
15 water, labor, and latency related to data centers.
16 (2) Make recommendations to expand grid capacity in areas where energy for data
17 applications is most needed.
18 (3) Make recommendations on any energy generation, transmission, and
19 distribution expansion necessary to serve the industry.
20 (4) Consider creative approaches to manage usage, including variable load,
21 on-site generation, efficiency, and backup generation.
22 (5) Examine future trends related to the data center industry, including artificial
23 intelligence and project impact on the electric grid.
24 (6) Survey corporate employers to determine perceptions of adequacy of data
25 center capacity in North Carolina.
26 (7) Propose related legislation and budget recommendations.

27 **SECTION 2.3.** The Commission may request and receive information from
28 appropriate State agencies which the Commission deems useful in fulfilling its duties. Such
29 agencies shall cooperate with the Commission with respect to such information and shall furnish
30 all information requested by the Commission to the extent permitted by law. Additionally, the
31 Commission shall have the following powers:

- 32 (1) To authorize entering into contracts or agreements through the Commission's
33 chairperson necessary or incidental to the performance of its duties.
34 (2) To establish rules and procedures for conducting the business of the
35 Commission.
36 (3) To hold public hearings.
37 (4) To request the attendance and testimony of such witnesses and the production
38 of such documents as the Commission deems necessary to fulfill its duties.

39 **SECTION 2.4.** The Commission may conduct meetings at such places and times as
40 it deems necessary or convenient to enable it to fully and effectively exercise its powers, perform
41 its duties, and accomplish the objectives and purposes of this act. The Commission shall hold
42 meetings at the call of the chairperson. A quorum for transacting business shall be a majority of
43 the members of the Commission.

44 **SECTION 2.5.** The Commission shall submit a written report of its findings and
45 recommendations to the Governor, the President Pro Tempore of the Senate, the Speaker of the
46 House of Representatives, the minority leaders of the Senate and the House of Representatives,
47 and the North Carolina Utilities Commission no later than three months after the date of the last
48 meeting of the Commission.

49 **SECTION 2.6.** This Part expires June 30, 2027, and the Commission will be
50 abolished on this date.
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1 **PART III. EFFECTIVE DATE**

2 **SECTION 3.** Unless otherwise provided, this act is effective when it becomes law.