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GENERAL ASSEMBLY OF NORTH CAROLINA
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SENATE BILL DRS45473-NPa-34

Short Title:	Affordable Energy Omnibus.	(Public)
Sponsors:	Senator Bradley (Primary Sponsor).	
Referred to:		

A BILL TO BE ENTITLED

AN ACT TO REDUCE ENERGY COSTS, TO ENSURE FAIR COST ALLOCATION, TO PROTECT CONSUMERS, AND TO MODERNIZE NORTH CAROLINA'S ELECTRIC GRID.

Whereas, electricity costs for North Carolina households have increased substantially in recent years, placing financial strain on families; and

Whereas, large-load customers, including data centers, can impose significant infrastructure and generation costs on the electric system; and

Whereas, it is the policy of the State to ensure that costs are fairly allocated, consumers are protected from unsafe disconnections, and the electric grid is modernized to improve reliability and reduce long-term costs; Now, therefore,

The General Assembly of North Carolina enacts:

PART I. LARGE-LOAD COST ALLOCATION (DATA CENTERS)

SECTION 1.(a) Chapter 62 of the General Statutes is amended by adding a new Article to read:

"Article 6C.

"Large-Load Facilities.

"**§ 62-127. Definitions.**

For purposes of this Article, the following definitions apply:

(1) Data center. – A facility or group of co-located facilities under common ownership or control used to house computer systems, servers, network equipment, and associated infrastructure for the storage, processing, or transmission of data.

(2) Large-load data center. – A data center that meets the definition of a large-load facility.

(3) Large-load facility. – A nonresidential facility that has an actual or projected peak electricity demand equal to or greater than 50 megawatts (MW). Facilities under common ownership or control, or that are operationally or contractually integrated, whether located on one or multiple parcels, shall constitute one "large-load facility" for purposes of determining the applicability of any threshold, requirement, limitation, or fee pursuant to this Article.

(4) Political subdivision. – A county or municipality.

"**§ 62-127.1. Certificate of operation; large-load facility.**

(a) Application. – No person shall begin the construction or operation of a large-load facility without having applied for and obtained a certificate of operation from the Commission. The application for a certificate to operate a large-load facility shall be made in a form prescribed by the Commission.

(b) Issuance. – The Commission may, after notice and an opportunity for interested parties to be heard, issue a certificate to operate a large-load facility upon finding that the applicant is fit, capable, and financially able to operate the large-load facility in accordance with this Article. As a condition for the issuance and continuation of a certificate to operate a large-load facility, the applicant shall demonstrate to the satisfaction of the Commission all of the following:

(1) That any electric services purchased from an electric public utility will be in accordance with rates fixed under G.S. 62-127.2.

(2) That other members of the using and consuming public will be held harmless and protected from bearing any increased costs as a result of the electric services provided to large-load facilities.

(3) That an adequate environmental document studying the environmental impacts of a proposed large-load facility has been completed in compliance with G.S. 62-127.3.

(4) That the applicant will mitigate any adverse social, economic, and environmental effects resulting from foreseeable noise pollution caused by the large-load facility.

(5) In the case of large-load data centers, that the political subdivision with jurisdiction over the proposed facility has consented by local referendum held in accordance with G.S. 62-127.4 to the Commission issuing a certificate of operation.

(6) That the applicant will operate the large-load facility in compliance with any other requirement determined by the Commission to be necessary to protect the public interest.

(c) Effective Date. – A certificate of operation shall be effective from the date issued by the Commission unless otherwise specified and shall remain in effect until terminated either under its own terms or until suspended or revoked by the Commission as provided in subsection (d) of this section.

(d) Certificate Review; Suspension and Revocation. – Upon the request of an electric public utility, the Public Staff, or a person having an interest in the large-load facility's operation, the Commission may review the certificate to determine whether the owner or operator of the large-load facility is conducting operations in compliance with this Article. After notice to the large-load facility's owner or operator, the Commission may suspend the certificate and enter upon a hearing to determine whether the certificate should be revoked. After the hearing, and for good cause shown, the Commission may, in its discretion, reinstate a suspended certificate, continue a suspension of a certificate, or revoke a certificate.

"**§ 62-127.2. Electric service tariffs for large-load facilities.**

(a) Application. – Each electric public utility shall file for approval by the Commission tariffs for the provision of electric service to large-load facilities. Subject to the limitations set forth in this section, the Commission may approve a tiered tariff schedule that includes different rates, terms, and conditions for different classes of large-load facilities based on load requirements or other factors related to the cost of service.

(b) Commission Approval. – The Commission shall approve a proposed electric service tariff for large-load facilities only upon finding that the tariff is just and reasonable and sufficiently designed to ensure all of the following:

(1) That the proposed rates are based on the cost causation principle, as defined in G.S. 62-133.16, and that large-load facilities will be responsible for the

entire cost of any capital investments or incremental operational expenses necessary for the electric public utility to serve large-load facilities, including any generation, transmission, distribution, or interconnection costs reasonably attributable to serving this class of customers.

(2) That the proposed rates will not result in the electric public utility's other retail customers who are classified as residential or small commercial customers having to cross-subsidize large-load facilities.

(3) That the electric public utility's other retail customers who are classified as residential or small commercial customers will be held harmless, and neither advantaged nor disadvantaged, from large-load facilities either commencing service or discontinuing service under the proposed tariff.

(4) That the proposed tariff complies with any other rule or order adopted by the Commission pursuant to this Article.

"**§ 62-127.3. Environmental review for large-load facilities.**

(a) Definitions. – The definitions set out in G.S. 113A-9 apply in this section, unless when the context otherwise requires.

(b) Environmental Review. – Notwithstanding the thresholds for significant expenditure of public monies or use of public land set forth in G.S. 113A-9, the Commission shall conduct a study of the environmental impacts of any proposal to construct and operate a large-load facility for which a certificate is required under this Article. The study shall meet all of the requirements set forth in G.S. 113A-4 and rules adopted pursuant to G.S. 113A-4. In conducting the study, the Commission shall consider any foreseeable noise impacts, in addition to, notwithstanding G.S. 113A-4(2), the secondary and cumulative impacts resulting from the construction and operation of the large-load facility. An environmental assessment shall be prepared for any petition for a certificate under this Article. The determination of whether an environmental impact statement shall also be required shall be made in accordance with the provisions of Article 1 of Chapter 113A of the General Statutes. The applicant who petitions the Commission for a certificate under this Article shall pay the costs of special studies necessary to comply with Article 1 of Chapter 113A of the General Statutes.

(c) Adequacy Determination. – The Commission shall not act on any application for a certificate of operation for a large-load facility until the Commission has determined that the environmental document is complete and adequate. A decision on the adequacy of the environmental document is subject to review in a contested case on the decision of the Commission to issue or deny a certificate under this Article.

(d) Ongoing Review. – The holder of a certificate of operation for a large-load facility shall conduct an ongoing review of any ecological impacts caused as a result of the operation of the facility. The certificate holder shall submit an annual report to the Commission summarizing its assessment of the ecological impacts resulting from the operation of the facility.

(e) Noise Abatement. – The Commission shall order the holder of a certificate of operation for a large-load facility to mitigate any adverse social, economic, and environmental effects resulting from noise pollution caused by the large-load facility.

"**§ 62-127.4. Local referendum on large-load data centers.**

(a) Initiation. – The governing board of a political subdivision may initiate the process to consent to the Commission issuing a large-load data center a certificate of operation by adopting a resolution. The resolution shall call for a referendum on the question of authorizing the Commission to issue a certificate of operation for a specific large-load data center. The referendum shall be held and conducted by the county board of elections in accordance with G.S. 163-287.

(b) Ballot Proposition. – A proposition to authorize the Commission to issue a certificate of operation under G.S. 62-127.1 shall be printed on a ballot in substantially the following form:

"Shall (the political subdivision) consent to the Utilities Commission issuing a certificate of operation to allow the construction and operation of (the large-load data center)?

[ ] YES

[ ] NO"

If a majority of the votes cast on the proposition are in the affirmative, the political subdivision consents to the Commission issuing a certificate of operation to the large-load data center. If a majority of the votes cast are in the negative, the resolution is void.

(c) Referendum Result. – If the referendum is approved under this section, a certified true copy of the resolution and a certified true copy of the referendum results shall be filed with the Commission."

SECTION 1.(b) Article 1 of Chapter 113A of the General Statutes is amended by adding a new section to read:

"**§ 113A-8.2. Certification of large-load electricity customers.**

An environmental assessment shall be prepared for any application for a certificate of operation, filed with the Utilities Commission in accordance with Article 6C of Chapter 62 of the General Statutes, to construct or operate a large-load facility, as defined in G.S. 62-127."

SECTION 1.(c) The rate schedule required to be submitted for approval by the Utilities Commission pursuant to G.S. 62-127.2, as enacted by subsection (a) of this section, shall be submitted by the electric public utility no later than July 1, 2028. Effective January 1, 2029, an electric public utility shall not provide electric service to a large-load facility except under the rates approved by the Utilities Commission in accordance with G.S. 62-127.2.

PART II. ON-SITE GENERATION FOR LARGE ENERGY USERS

SECTION 2. The Utilities Commission shall evaluate and modify as necessary existing standby service charges, including any eligibility limits based on maximum electricity demands, for the purpose of encouraging large-load facilities to develop and operate on-site or dedicated generation resources, including renewable energy, energy storage, and combined heat and power generation.

SECTION 3. G.S. 62-140 is amended by adding a new subsection to read:

"(d) Nothing in this section shall be construed to prohibit an electric public utility from entering into agreements with customers or offering or receiving compensation or other forms of consideration for the purpose of implementing a project or measure that reduces grid strain or lowers systemwide costs."

PART III. EXTREME WEATHER DISCONNECTION PROTECTIONS

SECTION 4.(a) G.S. 62-159.1 reads as rewritten:

"**§ 62-159.1. Debt collection practices.**

…

(c) No public utility or electric membership corporation shall suspend or disconnect service to a residential retail customer during periods of extreme heat or cold, as defined by rule of the Commission. A public utility and electric membership corporation shall offer customers with delinquent accounts, who have been adversely affected by an extreme weather event, with the option of settling any unpaid balance through participation in a deferred payment plan."

SECTION 4.(b) This section is effective when it becomes law. The Commission shall adopt rules to implement the provisions of G.S. 62-159.1(c), as enacted by subsection (a) of this section, no later than 180 days after the effective date of this section.

PART IV. GRID MODERNIZATION AND COST REDUCTION

SECTION 5.(a) Article 5A of Chapter 62 of the General Statutes is amended by adding a new section to read:

"**§ 62-108. Grid modernization plan.**

(a) Each electric public utility shall submit to the Commission a proposed grid modernization plan to maintain and improve the adequacy, reliability, and resiliency of the electric grid to serve the people of the State or the area served by the utility. In developing the grid modernization plan, the electric public utility shall propose measures to improve system efficiency, reduce energy losses, implement reliability improvements, and facilitate the integration of advanced grid technologies. The Commission shall conduct a public hearing on an electric public utility's proposed grid modernization plan in the year a biennial integrated resource plan is filed and may hold a public hearing in a year that an annual update of an integrated resource plan is filed.

(b) The Commission shall consider the electric public utility's grid modernization plan in acting upon any petition by the utility for a certificate to construct a new transmission line."

SECTION 5.(b) G.S. 62-102(a) reads as rewritten:

"**§ 62-102. Application for certificate.**

(a) An applicant for the certificate described in G.S. 62-101 shall file an application with the Commission containing the following information:

(1) The reasons the transmission line is needed;

(2) A description of the proposed location of the transmission line;

(3) A description of the proposed transmission line;

(4) An environmental report setting forth:

a. The environmental impact of the proposed action;

b. Any proposed mitigating measures that may minimize the environmental impact; and

c. Alternatives to the proposed action.

(4a) A statement on the proposed action's consistency with the electric public utility's grid modernization plan, as provided in G.S. 62-108;

(5) A list of all necessary approvals that the applicant must obtain before it may begin to construct the transmission line; and

(6) Any other information the Commission requires."

SECTION 5.(c) G.S. 62-105 reads as rewritten:

"**§ 62-105. Burden of proof; decision.**

(a) The burden of proof is on the applicant in all cases under this Article, except that any party proposing an alternative location for the proposed transmission line shall have the burden of proof in sustaining its position. The Commission may consider any factors that it finds are relevant and material to its decision. The Commission shall grant a certificate for the construction, operation, and maintenance of the proposed transmission line if it ~~finds:~~finds all of the following:

(1) That the proposed transmission line is necessary to satisfy the reasonable needs of the public for an adequate and reliable supply of electric ~~energy;~~energy.

(2) That, when compared with reasonable alternative courses of action, construction of the transmission line in the proposed location is reasonable, preferred, and in the public ~~interest;~~interest.

(3) That the costs associated with the proposed transmission line are ~~reasonable;~~reasonable.

(4) That the impact the proposed transmission line will have on the environment is justified considering the state of available technology, the nature and economics of the various alternatives, and other material ~~considerations; and~~considerations.

(4a) That the proposed transmission line is consistent with the grid modernization plan developed under G.S. 62-108 and will result in either long-term consumer cost-savings or measurable reliability improvements.

(5) That the environmental compatibility, public convenience, and necessity require the transmission line.

(b) If the Commission determines that the location of the proposed transmission line should be modified, it may condition its certificate upon modifications it finds necessary to make the findings and determinations set forth in subsection (a) of this section."

PART V. TRANSPARENCY AND CONSUMER PROTECTION

SECTION 6.(a) Article 3 of Chapter 62 of the General Statutes is amended by adding a new section to read:

"**§ 62-55. Utility bill transparency.**

(a) Each public utility shall include on any bill for services charged to a customer a clear and concise statement of each applicable rate schedule, rider, surcharge, or tax that factors into the computation of the amount charged by the public utility to the customer. Each separate rate schedule, rider, surcharge, and tax shall be listed discretely and contain the apportioned amount charged to the customer for that billing period.

(b) In order to promote greater transparency of utility costs charged to consumers, the Commission shall develop a standardized billing format to be used by public utilities in compliance with the requirements under subsection (a) of this section."

SECTION 6.(b) This section is effective when it becomes law. The Commission shall adopt rules to implement the provisions of G.S. 62-55, as enacted by subsection (a) of this section, no later than 180 days after the effective date of this section.

PART VI. APPROPRIATION

SECTION 7.(a) There is appropriated from the General Fund to the Utilities Commission the sum of five million dollars ($5,000,000) in recurring funds beginning in the 2026-2027 fiscal year to be used for purposes consistent with this act, including administering the certification requirements for large-load customers, reviewing electric public utilities' grid modernization plans, enforcing consumer protection laws, and conducting data analysis on utility rates.

SECTION 7.(b) This section becomes effective July 1, 2026.

PART VII. EFFECTIVE DATE

SECTION 8. Except as otherwise provided, this act is effective when it becomes law.