

NORTH CAROLINA GENERAL ASSEMBLY



JOINT LEGISLATIVE COMMISSION ON ENERGY POLICY

REPORT TO THE 2024 SESSION of the 2023 GENERAL ASSEMBLY OF NORTH CAROLINA

MARCH 26, 2024

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TABLE OF CONTENTS

LETTER OF TRANSMITTAL	5
COMMITTEE PROCEEDINGS	7
FINDING AND RECOMMENDATIONS.....	8
APPENDICES	
<u>APPENDIX A</u>	
MEMBERSHIP OF THE JOINT LEGISLATIVE COMMISSION ON ENERGY POLICY	9
<u>APPENDIX B</u>	
COMMITTEE CHARGE/STATUTORY AUTHORITY	10
<u>APPENDIX C</u>	
LEGISLATIVE PROPOSALS	11

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TRANSMITTAL LETTER

March 26, 2024

[\[Back to Top\]](#)

TO THE MEMBERS OF THE 2024 REGULAR SESSION
OF THE 2023 GENERAL ASSEMBLY

The **JOINT LEGISLATIVE COMMISSION ON ENERGY POLICY**, respectfully submits the following report to the 2024 Regular Session of the 2023 General Assembly.

Paul Newton (Co-Chair)

Rep. Dean Arp (Co-Chair)

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COMMITTEE PROCEEDINGS

[\[Back to Top\]](#)

The Committee on Joint Legislative Commission on Energy Policy met 1 time after the 2023 Regular Session, on March 26, 2024. The following is a brief summary of the Committee's proceedings. Detailed minutes and information from each Committee meeting are available in the Legislative Library.

1. Call to order
Representative Dean Arp, Presiding
2. Introductory remarks by Cochairs and member introductions (*10 minutes*)
Representative Dean Arp
Senator Paul Newton
3. Commission Charge (*5 minutes*)
Chris Saunders, Commission Counsel
4. Presentation on proposed legislation for Commission recommendation (*10 minutes*)
Rural Electrification Authority fee increase (*10 minutes*)
Paul Spruill, Chairman of Board, NC Rural Electrification Authority and
General Manager & CEO of Tideland Electric Membership Corporation
5. Reliability and Resiliency of Electric Service in the US (*30 minutes*)
Dave Krueger, Program Manager, Operations, SERC Reliability
Corporation (SERC)
Courtney Ballard, Senior Legal Counsel, SERC
6. Implementation of "Carbon Plan" requirements pursuant to G.S. 62-110.9 (*1 hour*)
 - a. Overview of legislation (*5 minutes*)
Jennifer McGinnis, Commission Counsel
 - b. Overview of Carbon Plan proceedings before the Utilities Commission
(*30 minutes*)
Christopher J. Ayers, Executive Director, Utilities Commission Public
Staff
7. Recommendation of legislative proposal and adoption of Commission Report (*10 minutes*)
8. Commission discussion and announcements
9. Adjourn

FINDINGS AND RECOMMENDATIONS

[\[Back to Top\]](#)

The Commission recommends the attached draft legislation, Bill Draft 2023-RIfz-31, for consideration in the 2024 Regular Session of the 2023 General Assembly.

COMMITTEE MEMBERSHIP

[\[Back to Top\]](#)

2023-2024

President Pro Tempore of the Senate
Appointments:

Sen. Paul Newton (Co-Chair)
Sen. Jim Burgin
Sen. David W. Craven, Jr.
Sen. Joyce Krawiec
Sen. Paul A. Lowe, Jr.

Speaker of the House of Representatives
Appointments:

Rep. Dean Arp (Co-Chair)
Rep. Kyle Hall
Rep. Pricey Harrison
Rep. Charles W. Miller
Rep. Matthew Winslow

COMMITTEE CHARGE/STATUTORY AUTHORITY

[\[Back to Top\]](#)

§ 120-286. Purpose and powers and duties of Commission.

(a) The Joint Legislative Commission on Energy Policy shall exercise legislative oversight over energy policy in the State. In the exercise of this oversight, the Commission may do any of the following:

- (1) Monitor and evaluate the programs, policies, and actions of the Oil and Gas Commission established pursuant to G.S. 143B-293.1, the Energy Policy Council established pursuant to G.S. 113B-2, the Energy Division in the Department of Commerce, the Utilities Commission and Public Staff established pursuant to Chapter 62 of the General Statutes, and of any other board, commission, department, or agency of the State or local government with jurisdiction over energy policy in the State.
- (2) Review and evaluate existing and proposed State statutes and rules affecting energy policy and determine whether any modification of these statutes or rules is in the public interest.
- (3) Monitor changes in federal law and court decisions affecting energy policy.
- (4) Monitor and evaluate energy-related industries in the State and study measures to promote these industries.
- (5) Study any other matters related to energy policy that the Commission considers necessary to fulfill its mandate.

(b) The Commission may make reports and recommendations, including proposed legislation, to the General Assembly from time to time as to any matter relating to its oversight and the powers and duties set out in this section.

LEGISLATIVE PROPOSALS

[\[Back to Top\]](#)

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

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BILL DRAFT 2023-Rifz-31 [v.4]

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
03/15/2024 08:43:08 AM**

Short Title: Rural Electrification Authority/Fee Update.

(Public)

Sponsors:

Referred to:

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE REGULATORY FEE THAT THE STATE'S RURAL
ELECTRIFICATION AUTHORITY MAY COLLECT FROM ELECTRIC AND
TELEPHONE MEMBERSHIP CORPORATIONS, AS RECOMMENDED BY THE
JOINT LEGISLATIVE COMMISSION ON ENERGY POLICY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 117-3.1 reads as rewritten:

"§ 117-3.1. Regulatory fee.

(a) Fee imposed. – It is the policy of the State of North Carolina to provide fair regulation of electric and telephone membership corporations in the interest of the public. The cost of regulating electric and telephone membership corporations is a burden incident to the privilege of operating as an electric or telephone membership corporation. Therefore, for the purpose of defraying the cost of regulating electric and telephone membership corporations, every electric and telephone membership corporation subject to the jurisdiction of the Authority shall pay a quarterly regulatory fee, in addition to all other fees and taxes, as provided in this section. The fees collected shall be used only to pay the expenses of the Authority in regulating electric and telephone membership corporations in the interest of the public.

(b) Rate. – For each fiscal year, the regulatory fee shall be the greater of the following:

- (1) The rate established by the General Assembly for that year for each electric membership corporation's North Carolina meter connected for service and each telephone membership corporation's North Carolina access line connected for service for each quarter of the year.
- (2) Not more than six cents (6¢) ~~Four cents (4¢)~~ for each electric membership corporation's North Carolina meter connected for service and for each telephone membership corporation's North Carolina access line connected for service for each quarter of the year.

...."

SECTION 2. This act becomes effective July 1, 2024.