

Utilities

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H20 - 1998 Clean Water Bond Additional Connections. (SL 2021-37)

S.L. 2021-37 requires the Secretary of Environmental Quality (Secretary) to authorize additional connections to waterlines funded by the Clean Water and Natural Gas Critical Needs Bond Act of 1998 for structures located on lots zoned for residential and mixed-use development.

This act became effective June 16, 2021, and applies to requests for waivers to allow additional water lines submitted on or before that date.

H217 - Utilities Commission Technical and Additional Changes. (SL 2021-23)

S.L. 2021-23 makes several technical, clarifying, conforming, and administrative changes to the laws related to public utilities, as recommended by the Utilities Commission.

Except as otherwise provided, this act became effective May 17, 2021.

H220 - Choice of Energy/Additional Provisions. (Ratified)

House Bill 220 would: (1) prohibit local governments from adopting any ordinance that prohibits connection, reconnection, modification, or expansion of an energy service based on the type or source of energy to be delivered to the end-user of the energy service; and (2) expand an exemption from public records for detailed plans and drawings of public buildings and infrastructure facilities, and add a new exemption for specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure for energy, water, and wastewater utilities.

House Bill 220 was ratified by the General Assembly on November 30, 2021, and vetoed by the Governor on December 9, 2021.

H243 - Budget Technical Corrections.

Sec. 20.13: Utilities/Landlord Water Reseller Changes. (SL 2022-6)

Section 20.13 of S.L. 2022-6 authorizes the Utilities Commission (Commission) to adopt procedures to allow a lessor of any leased residential premises to equally divide the amount of a water and sewer bill for a unit among all the lessees in the unit and bill each lessee accordingly.

This section became effective March 17, 2022.

H344 - System Development Fees Update. (SL 2021-76)

S.L. 2021-76 does the following:

- Clarifies certain minimum standards incorporated into the generally accepted accounting, engineering, and planning methodologies used to calculate system development fees imposed by local governments for public water and sewer systems.
- Provides that the system development fee also applies to service provided under a wholesale arrangement between a water and sewer authority and a local governmental unit.
- Provides that water and wastewater public utilities are solely responsible for funding the income taxes due on taxable contributions made to the utility by a developer and that the taxes be recovered through the rate base over the life of the asset.

This act became effective July 2, 2021.

H951 - Energy Solutions for North Carolina. (SL 2021-165)

S.L. 2021-165 does the following:

- Requires the Utilities Commission (Commission) to take all reasonable steps to achieve a 70% reduction in emissions of carbon dioxide from electric public utilities from 2005 levels by the year 2030, and carbon neutrality by the year 2050.
- Authorizes the Commission to use "performance-based regulation" for the electric public utilities operating in the State, meaning an alternative ratemaking approach that includes decoupling revenue from electricity consumption, one or more performance incentive mechanisms, and a multi-year rate plan, including an earnings sharing mechanism, or such other alternative regulatory mechanisms as can be proposed by an electric public utility.
- Requires the Commission to adopt rules on various matters, including to require an electric public utility to use bond financing (securitization) of costs associated with early retirement of subcritical coal fired electric generating facilities, with such costs to be securitized at 50% of the remaining net book value of all subcritical coal fired electric generating facilities to be retired to achieve the authorized carbon reduction goals set forth in the act.
- Authorizes the Commission to allow potential modification of certain existing power purchase agreements with eligible small power producers.

This act became effective October 13, 2021.

S105 - 2021 Appropriations Act.

Secs. 11.19(f1) and (f2): Modify Renewable Energy Procurement Program for Major Military Installations, Public Universities, and Large Customers. (SL 2021-180)

Secs. 11.19(f1) and (f2) of S.L. 2021-180 modify the "Green Source Advantage Program" (Program), which is a renewable energy procurement program for large energy users, the military, and The University of North Carolina system. The sections provide that 350 megawatts (MW) of new renewable energy facility capacity that had been reserved for participation by major military installations and The University of North Carolina under the Program that remain unsubscribed by August 5, 2022, must be made available to a

customer of an electric public utility that locates a new manufacturing facility at a project site that is subject to an agreement with the Department of Commerce for a qualifying project in Randolph County.

These sections became effective November 18, 2021.

S105 - 2021 Appropriations Act.

Sec. 12.12: Water Infrastructure Fund Enhancement . (SL 2021-180)

Section 12.12 of S.L. 2021-180 provides that funds appropriated to the Department of Environmental Quality (DEQ) for the Clean Water State Revolving Fund or the Drinking Water State Revolving Fund to provide State matching funds that are in excess of the amount required to draw down all available federal capitalization grant funds may also be used for water and wastewater infrastructure grants awarded from the Wastewater Reserve, the Drinking Water Reserve, or the Viable Utility Reserve.

This section authorizes DEQ to impose specific performance measures or conditions on any grant awarded from the Drinking Water Reserve or Wastewater Reserve to ensure an adequately funded program for the repair, maintenance, and management of the water or wastewater infrastructure.

This section became effective July 1, 2021.

S105 - 2021 Appropriations Act.

Sec. 38.1: Amendments to the Growing Rural Economies with Access to Technology (GREAT) Program. (SL 2021-180)

Section 38.1 of S.L. 2021-180 amends the Growing Rural Economies with Access to Technology (GREAT) Program, a broadband infrastructure grant program operated by the Broadband Infrastructure Office (Office) of the Department of Information Technology (Department) to provide grants to broadband providers and cooperatives for projects designed to extend broadband service to unserved areas in economically distressed counties of the State, by making the following changes:

- Clarifies that project area protection can be maintained for the duration of a project that is in good standing.
- Modifies the requirements relating to the protest period, including a reduction of the period to 20 days, and detailing the eligibility of protests and the evidence and criteria used by the Department to evaluate a protest.
- Enables the Office to evaluate applications that utilize a partnership, and clarifies the types of partnerships that are eligible under the program.
- Modifies the scoring metrics, matching requirements, and grant thresholds.

This section became effective November 18, 2021.

S105 - 2021 Appropriations Act.

Sec. 38.6: Completing Access to Broadband Program. (SL 2021-180)

Section 38.6 of S.L. 2021-180 establishes the Completing Access to Broadband Program (CAB) to supplement federal American Rescue Plan Act (ARPA) funding received by counties with State ARPA funds to expand broadband infrastructure to unserved and underserved areas.

This section became effective July 1, 2021.

S105 - 2021 Appropriations Act.

Sec. 38.7: Fixed Wireless and Satellite Broadband Grants. (SL 2021-180)

Section 38.7 of S.L. 2021-180 directs the Broadband Infrastructure Office in the Department of Information Technology (Office) to provide grants to eligible broadband service providers for providing satellite broadband equipment or fixed wireless broadband equipment to households lacking access to broadband service from a wireline or wireless service provider. The Office may utilize up to \$1 million in funds appropriated to the Growing Rural Economies with Access to Technology (GREAT) Fund for grants under this section.

This section became effective July 1, 2021.

S105 - 2021 Appropriations Act.

Sec. 38.8: Broadband Mapping. (SL 2021-180)

Section 38.8 of S.L. 2021-180 directs the Department of Information Technology (Department) to prepare and maintain statewide broadband maps and serve as the sole provider for broadband mapping for State agencies.

This section became effective July 1, 2021.

S105 - 2021 Appropriations Act.

Sec. 38.10: Broadband Acceleration. (SL 2021-180)

Section 38.10 of S.L. 2021-180 authorizes counties to provide grants to private or nonprofit providers of broadband service; establishes the Broadband Pole Replacement Program within the Department of Information Technology (Department); expands the definition of the term "city utility pole" for purposes of wireless telecommunication facilities; prohibits municipalities from imposing certain fees and recurring charges for the collocation of small wireless facilities; and makes various other related changes.

This section became effective November 18, 2021. The provisions related to the Broadband Pole Replacement Program expire December 31, 2024.

S211 - Amend Water/Sewer Rate Adjustment Mechanisms. (SL 2021-149)

S.L. 2021-149 does the following:

- Authorizes the State's Utilities Commission (Commission) to approve a "Water and Sewer Investment Plan" (Plan) for water or sewer utilities. Under a Plan, the Commission can:
 - Set water or sewer base rates, to include authorization of annual rate changes for a three-year period based on reasonably known and measurable capital investments and anticipated reasonable and prudent expenses approved under the plan without the need for a base rate proceeding during the plan period.
 - Set revenue requirements through banding of authorized returns.

S323 - Joint Municipal Power Agencies/Investments. (SL 2021-73)

S.L. 2021-73 allows moneys deposited in certain decommissioning funds established by North Carolina Municipal Power Agency Number 1, as well as funds deposited in the Swain County Settlement Trust Fund, to be invested through the State Treasurer's Ancillary Governmental Participant Investment Program.

This act became effective July 2, 2021.