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Sponsors:

Referred to:

March 26, 2025

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH REQUIREMENTS FOR SITING AND OPERATION OF DATA CENTERS AND TO MAKE VARIOUS CHANGES TO STATE ENERGY AND UTILITIES POLICY.

The General Assembly of North Carolina enacts:

PART I. REQUIREMENTS FOR DATA CENTERS

REQUIREMENTS FOR LOCAL DEVELOPMENT APPROVAL PROCESS

SECTION 1.(a) Article 9 of Chapter 160D of the General Statutes is amended by adding a new section to read:

"**§ 160D-974. Site assessment required for data centers; other requirements.**

(a) Prior to any approval of a rezoning application, special exception, conditional or special use permit, or building permit for the siting of a new data center, a local government shall require that an applicant:

(1) Perform and submit a site assessment to examine the sound profile of the data center on residential units and schools located within 500 feet of the data center property boundary. A locality may also require that a site assessment examine the effect of the proposed facility on the community with regard to (i) ground and surface water resources, (ii) air quality, (iii) thermal plumes, (iv) agricultural resources, (v) parks, (vi) registered historic sites, and (vii) forestland on the data center site or immediately contiguous land.

(2) Submit an attestation that the data center will employ a closed-loop water or a liquid cooling system that will result in minimization of water consumption for cooling systems to the maximum extent possible, in compliance with G.S. 143-355.5A.

(b) The site assessment submitted to a local government pursuant to subdivision (1) of subsection (a) of this section shall be used by the local government to assess consistency with the policies of the local government's comprehensive plan, if any, and compliance with the local government's adopted noise ordinances, zoning ordinance provisions, and other applicable laws and regulations, if any.

(c) This section shall not apply to a site with an existing legislative, quasi-judicial, or administrative approval where an applicant is seeking an expansion or modification of an already

existing or approved facility and such expansion does not exceed an additional monthly electrical demand of 100 megawatts or more.

(d) For purposes of this section, the term "data center" means a facility, campus of facilities, or array of interconnected facilities used by an entity or other business enterprise for the primary purpose of storing, retrieving, managing, and processing digital data, which has a peak monthly electricity demand of 100 megawatts or greater.

(e) Nothing in this section shall be construed to prohibit, limit, or otherwise supersede existing local zoning authority."

SECTION 1.(b) This section is effective when it becomes law and applies to applications for rezoning, special exceptions, conditional or special use permits, or building permits submitted on or after that date.

CLOSED-LOOP WATER OR LIQUID COOLING SYSTEMS FOR DATA CENTERS

SECTION 2.(a) Article 38 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"**§ 143-355.5A. Closed-loop water system required for data centers.**

(a) A data center shall employ a closed-loop water or liquid cooling system that will result in minimization of water consumption for cooling systems to the maximum extent possible.

(b) A data center may not employ evaporative or open-loop cooling systems.

(c) In accordance with G.S. 160D-974, the owner of a proposed data center must submit a certification that the facility will employ a closed-loop water or liquid cooling system resulting in a minimization of water consumption for cooling systems to the maximum extent possible, at the time it applies for approval of a rezoning application, special exception, or special use permit for the siting of the data center. In addition, the data center shall annually file a certification to include third-party verification that the closed-loop cooling system remains operational, with documentation of any water losses, chemical treatment processes, and fluid replacement volumes.

(d) For purposes of this section, the following definitions apply:

(1) Closed-loop water or liquid cooling system. – A sealed cooling process in which the same water or coolant circulates continuously with de minimis withdrawal from or discharge into municipal systems, groundwater sources, or surface waters.

(2) Data center. – A facility, campus of facilities, or array of interconnected facilities used by an entity or other business enterprise for the primary purpose of storing, retrieving, managing, and processing digital data, which has a peak monthly electricity demand of 100 megawatts or greater."

SECTION 2.(b) This section is effective when it becomes law and applies to data centers for which no local development approvals or State permits, certifications, or authorizations have been issued for siting of the data center on or before that date.

PROHIBIT CERTAIN FOREIGN OWNERSHIP OF DATA CENTERS AND LAND UPON WHICH DATA CENTERS ARE SITED

SECTION 3.(a) Chapter 64 of the General Statutes is amended by adding a new Article to read:

"Article 5.

"Prohibit Adversarial Foreign Government Ownership of Data Centers and Land on which Data Centers are Located.

"**§ 64-64. Definitions.**

As used in this Article, the following definitions apply:

(1) Adversarial nation. – One of the following:

a. China.

b. Iran.
c. North Korea.
d. Russia.

(2) Data center. – A facility, campus of facilities, or array of interconnected facilities used by an entity or other business enterprise for the primary purpose of storing, retrieving, managing, and processing digital data, which has a peak monthly electricity demand of 100 megawatts or greater.

(3) De minimis direct interest. – Any ownership of land or a data center resulting from ownership of registered equities in a publicly traded company owning the land or data center and if the ownership interest in the company is either of the following:

a. Less than five percent (5%) of any class of registered equities. Ownership of registered equities is determined by processes established under federal law.

b. Less than five percent (5%) interest in an entity controlled by a company that is both registered with the United States Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940, as amended, and is not a foreign entity.

(4) Foreign government. – Any government other than the federal government or the government of a state or a political subdivision of a state.

(5) Interest. – Any estate, remainder, or reversion, or any portion of the estate, remainder, or reversion, or an option pursuant to which one party has a right to cause the transfer of legal or equitable title to land described in G.S. 64-65(a), including, without limitation, a lease of land described in G.S. 64-65(a) (i) for a term of one year or longer or (ii) renewable by option for terms which, if the options were all exercised, would total one year or longer.

(6) Party. – Any individual, corporation, company, association, firm, partnership, society, joint-stock company, trust, estate, or any other legal entity.

(7) Prohibited foreign party. – Any of the following:

a. A citizen or resident of an adversarial nation.
b. A foreign government formed within an adversarial nation.
c. A party other than an individual or government that is created or organized under the laws of a foreign government within an adversarial nation.
d. A party other than an individual or a government that meets all of the following criteria:
1. Is created or organized under the laws of any state.
2. A significant interest or substantial control is directly or indirectly held or is capable of being exercised by one or more of the following:
I. An individual referred to in sub-subdivision a. of this subdivision.
II. A foreign government referred to in sub-subdivision b. of this subdivision.
III. A party referred to in sub-subdivision c. of this subdivision.
IV. A combination of the individuals, parties, or governments referred to in this sub-sub-subdivision.
e. An agent, trustee, or other fiduciary of a person or entity enumerated in this subdivision.

f. This definition does not apply to an entity that meets either of the following criteria:
1. The entity has received a determination from the Committee of Foreign Investment in the United States (CFIUS) that there are no unresolved national security concerns with respect to the entity in connection to a matter submitted to CFIUS and which CFIUS concluded all action pursuant to section 721 of the Defense Production Act of 1950, as amended.
2. The entity has a national security agreement with CFIUS and maintains the validity of such national security agreement.

(8) Residence. – A person's principal dwelling place where that person intends to remain permanently for an indefinite period of time.

(9) Resident alien. – A person who is not a citizen of the United States and is a resident of one of the following:
a. A state of the United States.
b. A territory of the United States.
c. A trusteeship of the United States.
d. A protectorate of the United States.

(10) Significant interest or substantial control. – Any interest, other than a de minimis direct interest, held by one or more of the following:
a. An individual referred to in sub-subdivision (7)a. of this section.
b. A single government referred to in sub-subdivision (7)b. of this section.
c. A party referred to in sub-subdivision (7)c. of this section.
d. A party referred to in sub-subdivision (7)d. of this section.

"**§ 64-65. Prohibited foreign party ownership of data centers and land on which a data center is located.**

(a) Notwithstanding any provision of law to the contrary, no adversarial nation shall either:

(1) Purchase, acquire, lease, or hold any interest in land on which a data center is located.

(2) Have any significant interest in or substantial control of a data center.

(b) Except as provided in this section, a prohibited foreign party shall not acquire by grant, purchase, devise, descent, or otherwise any interest, other than a de minimis direct interest, in land described in subsection (a) of this section or a data center in this State. A party may not knowingly hold land, or a significant interest in or substantial control of a data center, as an agent, trustee, or other fiduciary for a prohibited foreign party in violation of this section. A prohibited foreign party that acquires land, or holds a significant interest in or substantial control of a data center, in violation of this section remains in violation as long as the prohibited foreign party holds an interest in the land, or the significant interest in or substantial control of a data center. A prohibited foreign party who is a resident alien of the United States shall have the right to acquire and hold land described in subsection (a) of this section, or a significant interest in or substantial control of a data center, in the State upon the same terms as a citizen of the United States during the continuance of the party's residence in this State.

(c) A prohibited foreign party that has acquired any interest in land described in subsection (a) of this section, or a significant interest in or substantial control of a data center, in this State prior to the effective date of this section may continue to own or hold that interest but may not acquire by grant, purchase, devise, descent, or otherwise any additional interest in land described in subsection (a) of this section, or a significant interest in or substantial control of a data center, in this State and must register with the Secretary of State and the Attorney General. The Secretary of State and the Attorney General shall maintain one joint database of those foreign

parties that have registered, and the database shall be accessible and searchable by the public on each agency's website. The Secretary of State and the Attorney General shall establish a registration form for the purposes of this subsection, and the form shall include at least the following information:

(1) The name of the owner of the land or the owner of the interest in the land, or the owner of the data center, as applicable.

(2) The address of the land, the parcel identification number, and the property's legal description, or the address of the data center, as applicable.

(3) The number of acres of the land on which the data center is located.

(4) The mailing address of the owner of the land or the data center, as applicable.

(5) Country of citizenship and residency status or country of incorporation of the owner of the land or the owner of the interest in the land, or the owner of the data center, as applicable.

(d) A prohibited foreign party that fails to timely file a registration with the Secretary of State and the Attorney General pursuant to subsection (c) of this section is subject to a civil penalty of not less than one thousand dollars ($1,000) for each day that the registration is late, the clear proceeds of which shall be remitted to the Civil Penalty and Forfeiture Fund, in accordance with G.S. 115C-457.2. The unpaid balance of any penalties assessed under this subsection shall constitute a lien against the land if a lien, denoted as a Notice of Foreign Ownership Violation Lien, has been recorded by the Attorney General in the office of the register of deeds in the county where the property is located, and the lien shall have priority from the date and time of recordation and shall be enforced by the Attorney General.

(e) A prohibited foreign party that acquires land described in subsection (a) of this section, or a significant interest in or substantial control of a data center, on or after the effective date of this section, by devise or descent, through the enforcement of security interests, or through the collection of debts, other than a de minimis direct interest, shall sell, transfer, or otherwise divest itself of the land within three years after acquiring the land, or the significant interest in or substantial control of the data center.

(f) At the time of purchase, a buyer of any interest in land described in subsection (a) of this section shall provide an affidavit signed under penalty of perjury attesting that the buyer is (i) not a prohibited foreign party and (ii) in compliance with the requirements of this section. The affidavit is not required to be notarized and shall be attached as an exhibit to the deed or other document that conveys an ownership interest in the land. The failure to obtain or maintain the affidavit shall not affect the title or insurability of the title for the land, and shall not result in civil or criminal liability to any person or entity, unless the person or entity is in violation of subsection (k) of this section herein, or subject any nonparty to the purchase to civil or criminal liability, unless a nonparty to the purchase has actual knowledge that the transaction will result in a violation of this section. The Real Estate Commission shall establish the form for the affidavit required under this subsection.

(g) Upon receipt of information that leads the Attorney General to believe that a prohibited foreign party has not divested itself of the land described in subsection (a) of this section, or a significant interest in or substantial control of a data center, as required under subsection (e) of this section, the Attorney General shall enforce a violation of this section by commencing a receivership proceeding in the county where the property or data center is situated under Article 38A of Chapter 1 of the General Statutes seeking the appointment of a general receiver pursuant to G.S. 1-507.24(e1). Any interest in real property acquired or held in violation of this section shall be subject to divestiture pursuant to G.S. 64-66.

(h) A violation of this section by an adversarial nation may, at the discretion of the noteholder, be deemed a default under a loan, mortgage, or deed of trust and shall provide the lender the automatic right to trigger default on the loan, mortgage, or deed of trust.

(i) The responsibility for determining whether an individual or other entity is subject to this Article, pursuant to either civil or criminal law, rests solely with the State of North Carolina and no other individual or entity.

(j) Title to land described in subsection (a) of this section is not invalid or subject to divestiture due to a violation of this section by any former owner or any other person holding or owning a former interest in the land described in subsection (a) of this section.

(k) A party who knowingly sells an interest in land described in subsection (a) of this section in violation of this section or who has actual knowledge that the transaction will result in a violation of this section but aids and abets a party in knowingly selling an interest in land described in subsection (a) of this section shall be guilty of a Class 2 misdemeanor. It is an affirmative defense to prosecution under this subsection that a prohibited foreign party is a resident alien of this State.

(*l*) An individual or other entity who is not a prohibited foreign party shall bear no civil or criminal liability for failing to determine or make inquiry of whether an individual or other entity is a prohibited foreign party.

(m) This Article does not create or authorize a private right of action to enforce the provisions of this Article.

"**§ 64-66. Divestiture procedure.**

(a) Upon receipt of information that leads the Attorney General to believe that a violation of G.S. 64-65 may have occurred, the Attorney General shall investigate the alleged violation and may issue subpoenas requiring any of the following:

(1) Appearances of witnesses.

(2) Production of relevant records.

(3) Giving of relevant testimony.

(b) The Attorney General shall enforce a violation of G.S. 64-65 by commencing a receivership proceeding under Article 38A of Chapter 1 of the General Statutes seeking the appointment of a general receiver pursuant to G.S. 1-507.24(e1). The following apply to a receivership proceeding initiated pursuant to this section:

(1) Proceeds of the sale shall be paid as follows:

a. The costs of the receivership and sale.

b. To secured parties, in their order of priority, except for liens which under the terms of the sale are to remain on the property.

c. No proceeds shall be distributed from the receivership sale to the prohibited foreign party. Any excess proceeds are forfeited and shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

(2) At the receivership sale, any secured party shall be able to place a bid in an amount that is not more than the amount owed plus any costs incurred to the secured party as of the date of the sale, as established in the court order for the sale of the property.

(3) Upon commencement of an action under this section, the Attorney General shall file a notice of lis pendens as soon as practicable with the register of deeds of the county or counties in which the real property is situated. Upon the entry of an order for the sale of the property under this section, the Attorney General shall record a copy of the order as soon as practicable in the office of the register of deeds of the county or counties where the real property is situated.

(4) The receiver shall honor and give priority to any default that has been triggered on a loan, mortgage, or deed of trust prior to the commencement of a receivership under this section."

SECTION 3.(b) Article 2 of Chapter 161 of the General Statutes is amended by adding a new section to read:

"**§ 161-14.04. Citizenship and residential status of parties to a deed or conveyance.**

When recording a deed or other document that conveys an ownership interest in land described by G.S. 64-65(a), the register of deeds shall attach the affidavit as an exhibit to the deed or other document that conveys an ownership interest in land as required by G.S. 64-65(f) according to the requirements of G.S. 161-22."

SECTION 3.(c) G.S. 1-507.24 is amended by adding a new subsection to read:

"(e1) Receiver for Sale of Real Property Owned by Prohibited Foreign Party. – A general receiver may be appointed for the purpose of conducting a sale of real property in accordance with G.S. 64-66 upon a finding by the court that an interest in the real property is held by a prohibited foreign party in violation of G.S. 64-65(a)."

SECTION 3.(d) This section becomes effective December 1, 2026. Subsection (a) of this section applies to offenses committed on or after that date.

REQUIREMENTS FOR UTILITY SERVICE CONTRACTS WITH DATA CENTERS

SECTION 4.(a) Article 7 of Chapter 62 of the General Statutes is amended by adding a new section to read:

"**§ 62-142.1. Contracts with data centers.**

(a) Each data center located in North Carolina is required to enter into an electric service contract with the electric public utility providing service to the data center. Each contract between an electric public utility and a data center for the provision of electric service shall include terms and conditions designed to (i) protect residential, other retail, and wholesale electricity customers from costs incurred or reasonably anticipated to be incurred by the electric public utility to provide electric service to the data center and (ii) prevent, to the maximum extent reasonably feasible, other retail customers from subsidizing the cost of the data center's electric service. Such contracts shall include all of the following:

(1) Minimum billing requirements designed to recover incremental costs associated with serving or preparing to serve a data center.

(2) A contract term that is sufficient to recover all of the electric public utility's incremental costs and which may exceed the length of the applicable service tariff.

(3) Performance and credit provisions designed to protect retail customers in the event of contract default.

(4) Termination provisions designed to protect retail customers in the event of termination of the contract for electric service.

(b) Each contract between an electric public utility and a data center for the provision of electric service shall be filed with the Commission as soon as practicable but in no event later than 30 days from the date of contract execution by both parties. Either the utility or the data center, or both, may designate all or any portion of a contract as confidential information as defined in G.S. 132-1.2, or sensitive public security information as defined in G.S. 132-1.7. Information shall be considered confidential only to the extent provided by law. Any dispute about whether information has been properly designated as confidential shall be determined by the Commission upon motion and response of interested parties. Subject to the requirements of G.S. 62-34(c), the Public Staff shall have the right to examine confidential information, as well as sensitive public security information, in exercising any power or performing any duty authorized by this Chapter.

(c) As part of the report required on the long-range needs for the expansion of facilities for the generation of electricity pursuant to G.S. 62-110.1(c), the electric public utility shall include details on contracted demand versus actual demand for each data center for the previous three years.

(d) As used in this section, the term "data center" means a facility, campus of facilities, or array of interconnected facilities used by an entity or other business enterprise for the primary purpose of storing, retrieving, managing, and processing digital data, which has a peak monthly electricity demand of 100 megawatts or greater.

(e) The Commission may adopt rules to implement the requirements of this section. Nothing in this section shall be construed to limit the authority of the Commission to adopt such additional rules as are in the public interest to protect retail customers from costs incurred by electric public utilities to provide electric service to data centers."

SECTION 4.(b) This section is effective when it becomes law and applies to agreements between an electric public utility and a data center entered into on or after that date.

NO CONDEMNATION FOR DATA CENTERS

SECTION 5. Article 1 of Chapter 40A of the General Statutes is amended by adding a new section to read:

"**§ 40A-14. No condemnation to facilitate siting of data center.**

Notwithstanding any authority granted under this Chapter, no condemnor shall exercise the power of eminent domain for the purpose of acquiring land for a data center to be sited upon."

NO LOCAL GOVERNMENT INCENTIVES FOR DATA CENTERS

SECTION 6.(a) G.S. 158-7.1 is amended by adding a new subsection to read:

"(i) Notwithstanding subsection (a), (b), or (d) of this section, local governments are prohibited from providing any economic development incentives for siting of a data center within their jurisdiction. For purposes of this section, the term "data center" means a facility, campus of facilities, or array of interconnected facilities used by an entity or other business enterprise for the primary purpose of storing, retrieving, managing, and processing digital data, which has a peak monthly electricity demand of 100 megawatts or greater."

SECTION 6.(b) This section is effective when it becomes law and applies to data centers for which no local development approvals or State permits, certifications, or authorizations have been issued for siting of the data center on or before that date. This section shall not be construed to impair agreements for incentives executed on or before that date.

PART II. ENERGY POLICY PROVISIONS

COST CAP FOR CEPS SET-ASIDES

SECTION 7.(a) G.S. 62-133.8 reads as rewritten:

"**§ 62-133.8. Clean Energy and Energy Efficiency Portfolio Standard (CEPS).**

…

(d) Compliance With CEPS Requirement Through Use of Solar Energy Resources. – For calendar year 2018 and for each calendar year thereafter, at least two-tenths of one percent (0.2%) of the total electric power in kilowatt hours sold to retail electric customers in the State, or an equivalent amount of energy, shall be supplied by a combination of new solar electric facilities and new metered solar thermal energy facilities that use one or more of the following applications: solar hot water, solar absorption cooling, solar dehumidification, solar thermally driven refrigeration, and solar industrial process heat. The terms of any contract entered into between an electric power supplier and a new solar electric facility or new metered solar thermal energy facility shall be of sufficient length to stimulate development of solar energy; provided, the Commission shall develop a procedure to determine if an electric power supplier is in compliance with the provisions of this subsection if a new solar electric facility or a new metered solar thermal energy facility fails to meet the terms of its contract with the electric power supplier. As used in this subsection, "new" means a facility that was first placed into service on or after January 1, 2007. The electric power suppliers shall comply with the requirements of this

subsection according to the following ~~schedule:~~schedule, if the incremental costs to comply with this subsection do not exceed two hundred percent (200%) of the cost to supply, or contract for supply, an equivalent percentage of total electric power in kilowatt hours sold to retail electric customers in the State using any other clean energy resource:

Calendar Year	Requirement for Solar Energy Resources
2010	0.02%
2012	0.07%
2015	0.14%
2018	0.20%

(e) Compliance With CEPS Requirement Through Use of Swine Waste Resources. – For calendar year 2018 and for each calendar year thereafter, at least two-tenths of one percent (0.2%) of the total electric power in kilowatt hours sold to retail electric customers in the State shall be supplied, or contracted for supply in each year, by swine waste. The electric power suppliers, in the aggregate, shall comply with the requirements of this subsection according to the following ~~schedule:~~schedule, if the incremental costs to comply with this subsection do not exceed two hundred percent (200%) of the cost to supply, or contract for supply, an equivalent percentage of total electric power in kilowatt hours sold to retail electric customers in the State using any other clean energy resource:

Calendar Year	Requirement for Swine Waste Resources
2012	0.07%
2015	0.14%
2018	0.20%

(f) Compliance With CEPS Requirement Through Use of Poultry Waste Resources. – For calendar year 2014 and for each calendar year thereafter, at least 900,000 megawatt hours of the total electric power sold to retail electric customers in the State or an equivalent amount of energy shall be supplied, or contracted for supply in each year, by poultry waste combined with wood shavings, straw, rice hulls, or other bedding material. The electric power suppliers, in the aggregate, shall comply with the requirements of this subsection according to the following ~~schedule:~~schedule, if the incremental costs to comply with this subsection do not exceed two hundred percent (200%) of the cost to supply, or contract for supply, an equivalent amount of megawatt hours sold to retail electric customers in the State using any other clean energy resource:

Calendar Year	Requirement for Poultry Waste Resources
2012	170,000 megawatt hours
2013	700,000 megawatt hours
2014	900,000 megawatt hours

…

(m) An electric power supplier shall satisfy the requirements of subsections (b) and (c) of this section, as applicable, in compliance with current law and practice with respect to the least cost planning for generation, pursuant to G.S. 62-2(a)(3a), in a manner that maintains or improves upon the adequacy and reliability of the existing grid. Through application of least cost principles to the requirements of this section, it is the goal of the General Assembly that the cap on per account annual charges set forth in subdivision (4) of subsection (h) of this section shall be reduced by fifty percent (50%) for all customer classes by 2035."

SECTION 7.(b) Nothing in this section shall be construed to impair any contract executed on or before July 1, 2026, for purposes of complying with the requirements of G.S. 62-133.8 as it existed prior to amendments enacted by subsection (a) of this section. All reasonable and prudent incremental costs incurred by an electric power supplier to comply with any former requirement of G.S. 62-133.8 may be recovered as provided in G.S. 62-133.8(h). For the purposes of cost recovery under this section, reasonable and prudent incremental costs shall include all of the following:

(1) Costs under purchase contracts for clean energy resources entered into prior to July 1, 2026, for the purpose of complying with the clean energy portfolio standard requirements.
(2) The costs of clean energy facilities built or acquired by an electric power supplier for which a certificate of public convenience and necessity has been issued by the Commission prior to July 1, 2026.

RFP FOR STUDY OF UTILITY POLICIES TO INCREASE AFFORDABILITY OF ELECTRIC RATES

SECTION 8. Recognizing the rising costs of utility service, the General Assembly finds that an examination of various utility policies should be conducted to ensure these policies are not exacerbating affordability issues for citizens of the State, including the 2050 goal for a reduction in carbon dioxide (CO2) emitted in the State from electric generating facilities that results in carbon neutrality, pursuant to G.S. 62-110.9. In addition to examining these existing utility policies, the General Assembly finds that expert analysis should be performed to determine the most effective approach to ensuring that costs of utility service to large load customers is not borne by other residential, commercial, and industrial customers in North Carolina, including appropriate terms for a large load tariff. The Legislative Services Officer shall issue a request for proposals for a study to be conducted by an entity with nationally recognized expertise in research and analysis of utility policy and rates to (i) ascertain the current impacts, and projected impacts over the next 25 years, to residential, commercial, and industrial customer bills from the 2050 carbon neutrality goal, and whether any changes to this policy or other policies are advisable to enhance customer affordability and (ii) provide recommendations for effective policies to prevent rate impacts from large load customers on other customer classes, including requirements that large load customers generate a portion of their own power, as well as curtailment policies for large load customers. The study shall adhere to the following time line:

(1) The request for proposals (RFP) shall be issued on or before August 1, 2026.
(2) A contract to award the RFP shall be executed on or before November 1, 2026.
(3) The study shall be completed and submitted to the Joint Legislative Commission on Energy Policy on or before May 1, 2027, in order to inform the development of utility policy during the 2027 Regular Session.

The Utilities Commission and the Public Staff shall assist the (i) Legislative Services Officer, as needed, in development of the RFP and the selection of a contractor and (ii) selected contractor, in every permissible manner within the constraints of their respective authority, in the conduct of the study.

EXPRESS PERMIT REVIEW FOR ENERGY PROJECTS

SECTION 9.(a) G.S. 143B-279.13 reads as rewritten:

"**§ 143B-279.13. Express permit and certification reviews.**

(a) The Department of Environmental Quality shall develop an express review program to provide express permit and certification reviews in all of its regional offices. Participation in the express review program is voluntary, and the program shall be supported by the fees determined pursuant to subsection (b) of this section. The Department of Environmental Quality shall determine the project applications to review under the express review program from those who request to participate in the program. The express review program may be applied to any one or all of the permits, approvals, or certifications in the following programs: the erosion and sedimentation control program, the coastal management program, and the water quality programs, including water quality certifications and stormwater management. The express review program shall focus on the following permits or certifications:

(1) Stormwater permits under Part 1 of Article 21 of Chapter 143 of the General Statutes.

(2) Stream origination certifications under Article 21 of Chapter 143 of the General Statutes.
(3) Water quality certification under Article 21 of Chapter 143 of the General Statutes.
(4) Erosion and sedimentation control permits under Article 4 of Chapter 113A of the General Statutes.
(5) Permits under the Coastal Area Management Act (CAMA), Part 4 of Article 7 of Chapter 113A of the General Statutes.

(a1) The Department of Environmental Quality shall have the authority to create express permitting options for programs in addition to those listed in subsection (a) of this section where it deems there to be a need or where it determines an express permitting option would create greater efficiencies for the permitting process.

(a2) The Department of Environmental Quality shall create an express review program for all permits, authorizations, and certifications required from the Department for projects involving the generation, distribution, or transmission of energy or fuel, including natural gas, diesel, petroleum, or electricity. Participation in the express review program is voluntary.

(b) The Department of Environmental Quality shall set the fees for express application review under the express review program at a level sufficient to cover all program expenses. Notwithstanding G.S. 143-215.3D, the maximum permit application fee to be charged under subsection (a) of this section for the express review of a project application requiring all of the permits under subdivisions (1) through (5) of subsection (a) of this section shall not exceed five thousand eight hundred eight dollars ($5,808). Notwithstanding G.S. 143-215.3D, the maximum permit application fee to be charged for the express review of a project application requiring all of the permits under subdivisions (1) through (4) of subsection (a) of this section shall not exceed four thousand seven hundred fifty-two dollars ($4,752). Notwithstanding G.S. 143-215.3D, the maximum permit application fee charged for the express review of a project application for any other combination of permits under subdivisions (1) through (5) of subsection (a) of this section shall not exceed four thousand two hundred twenty-four dollars ($4,224). As set forth in subsection (a1) of this section, express review of a project application involving additional permits or certifications issued by the Department of Environmental Quality other than those under subdivisions (1) through (5) of subsection (a) of this section may be allowed by the Department, and, notwithstanding G.S. 143-215.3D or any other statute or rule that sets a permit fee, the maximum permit application fee charged for the express review of a project application that includes a permit, approval, or certification designated for express review under subsection (a1) of this section shall not exceed four thousand two hundred twenty-four dollars ($4,224), plus one hundred fifty percent (150%) of the fee that would otherwise apply by statute or rule for that particular permit, approval, or certification. Additional fees, not to exceed fifty percent (50%) of the original permit application fee under this section, may be charged for subsequent reviews due to the insufficiency of the permit applications. The Department of Environmental Quality may establish the procedure by which the amount of the fees under this subsection is determined, and the fees and procedures are not rules under G.S. 150B-2(8a) for the express review program under this section."

SECTION 9.(b) G.S. 143B-279.20 reads as rewritten:

"**§ 143B-279.20. Report on Department activity to process applications for permits required for natural gas pipelines and gas-fired electric generation facilities.**

The Department of Environmental Quality shall report on any applications received for ~~permits~~ permits, authorizations, or certifications required for siting or operation of natural gas pipelines and gas-fired electric generation facilities within the State, and activities of the Department to process such applications, including tracking of processing times. The report shall also include information on all activities under the express review program required pursuant to G.S. 143B-279.13(a2). The processing time tracked shall include (i) the total processing time

from when an initial permit application is received to issuance or denial of the permit and (ii) the processing time from when a complete permit application is received to issuance or denial of the permit. The Department shall report quarterly to the Joint Legislative Commission on Energy Policy pursuant to this section."

SECTION 9.(c) Within 30 days of the date this section becomes law, the Department shall notify applicants for all entities with pending applications for permits, authorizations, and certifications required from the Department for projects involving the generation, distribution, or transmission of energy or fuel, including natural gas, diesel, petroleum, or electricity, of the express review program enacted by subsection (b) of this section, and shall inform the applicants of the ability to process pending applications through the program upon payment of the applicable fee pursuant to G.S. 143B-279.13(b).

SECTION 9.(d) This section is effective when it becomes law and applies to applications for permits, authorizations, and certifications pending on or submitted after that date.

REQUIRE DEVELOPMENT OF NUCLEAR RESOURCES PRIOR TO RETIREMENT OF BASELOAD FACILITIES OR FACILITIES WITH DISPATCHABLE ELECTRIC GENERATION ABOVE 100 MW TO ENSURE ADEQUACY OF GRID

SECTION 10. G.S. 62-110.9(4) reads as rewritten:

"(4) Retain discretion to determine optimal timing and generation and resource-mix to achieve the least cost path to compliance with the authorized carbon reduction goal, including discretion in achieving the authorized carbon reduction goal by the date specified in order to allow for implementation of solutions that would have a more significant and material impact on carbon reduction; provided, however, the Commission shall not exceed the date specified to achieve the authorized carbon reduction goal by more than two years, except in the event the Commission authorizes construction of a nuclear facility or wind energy facility that would require additional time for completion due to technical, legal, logistical, or other factors beyond the control of the electric public utility, or in the event necessary to maintain the adequacy and reliability of the existing grid. In making such determinations, the Utilities Commission shall receive and consider stakeholder input. The Commission shall not authorize retirement of baseload facilities or facilities with dispatchable electric generation above 100 MW until such time as a certificate of public convenience and necessity has been issued to an electric public utility for construction of one nuclear facility with a generating capacity of at least 1,000 MW to ensure the adequacy of baseload and dispatchable generation from a clean energy resource."

PART III. MISCELLANEOUS

COOLING-OFF PERIOD FOR UTILITIES COMMISSIONERS AND STAFF

SECTION 11.(a) Article 15 of Chapter 62 of the General Statutes is amended by adding a new section to read:

"**§ 62-327A. Post-employment restrictions on members and employees of Commission.**

(a) Cooling-Off Period. – It shall be unlawful for any former commissioner or employee of the Commission to make, with the intent to influence on behalf of an employer or client, any communication to or appearance before the Commission within a period of six months following the termination of his or her service or employment with the Commission.

(b) Penalty. – A violation of this section is a Class 3 misdemeanor."

SECTION 11.(b) This section becomes effective December 1, 2026, and applies to offenses committed on or after that date.

SEVERABILITY/EFFECTIVE DATE

SECTION 12. If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part so declared to be unconstitutional or invalid.

SECTION 13. Except as otherwise provided, this act is effective when it becomes law.