

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL DRS15270-NJa-39A

Short Title: Fair Competition Study Act. (Public)

Sponsors: Senators Meyer and Murdock (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO CONDUCT A STUDY FOR IMPROVEMENTS AND REFORM FOR FAIR
3 COMPETITION IN NORTH CAROLINA'S ENERGY MARKET.

4 Whereas, much of the electric service provided in North Carolina is currently
5 provided by vertically integrated providers of electric distribution and transmission services; and

6 Whereas, the State has adopted legislation, including Session Law 2007-397 and
7 Session Law 2017-192, to diversify the resources used to reliably meet the energy needs of
8 consumers and provide economic benefits to the State; and

9 Whereas, the State has committed to reducing electric power sector greenhouse gas
10 emissions by seventy percent (70%) below 2005 levels by 2030 and attaining carbon neutrality
11 by 2050.

12 Whereas, electricity sector regulatory framework changes to the wholesale electricity
13 market may require changes to State law as well as federal authorization; and

14 Whereas, the South Carolina legislature authorized a study to be completed on
15 November 18, 2021, to examine the benefits of various restructuring options for electricity
16 markets associated with electricity generators, transmitters, and distributors in South Carolina;
17 and

18 Whereas, regional and interstate arrangements may require changes to laws in states
19 other than North Carolina; Now, therefore,
20 The General Assembly of North Carolina enacts:

21 **SECTION 1.** The North Carolina Public Utilities Commission shall conduct a study
22 that accomplishes all the following:

- 23 (1) Assesses the costs and benefits of the current energy market in North Carolina.
24 (2) Assesses possible reforms to be made to the Southeastern Energy Exchange
25 Market.
26 (3) Evaluates the feasibility, costs, and benefits of an energy imbalance market or
27 regional transmission organization in North Carolina and South Carolina or
28 the Southeastern United States.
29 (4) Determines the necessary legal and procedural requirements for establishing
30 an energy imbalance market in North Carolina and South Carolina or a larger
31 geographical grid such as a regional transmission organization.

32 **SECTION 2.** For the purposes of this act, the following definitions apply:

- 33 (1) Consultant. – An independent, qualified individual or entity retained by the
34 legislature to conduct objective, evidence-based research and analysis related
35 to utility regulation, cost recovery practices, and ratepayer impacts in North
36 Carolina. The consultant must have demonstrated expertise in energy policy,



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- 1 utility regulation, public interest advocacy, and must maintain neutrality by
2 being free from conflicts of interest, including any financial, professional, or
3 personal ties to utility companies or their affiliates.
- 4 (2) Energy imbalance market. – A voluntary market for dispatching real-time
5 energy across utility service territories in which each participating utility
6 retains ownership and control of its transmission assets but opts to bid
7 generation into a centralized dispatch authority.
- 8 (3) Regional Transmission Organization. – An independent, non-profit
9 organization that manages the transmission, generation, and retail sale of
10 electricity in a region, and is responsible for the reliability of the real-time
11 electricity market.
- 12 (4) Southeastern Energy Exchange Market. – A 15-minute automated energy
13 exchange market between balancing authorities in the southeastern United
14 States involving over 15 entities.

15 **SECTION 3.** The Commission shall initiate the study within 90 days after the date
16 this act becomes law. Within one year of the date of enactment of this act, the Commission shall
17 submit a written report to the Joint Legislative Energy Policy Commission concerning the results
18 of the study. The Commission may contract for professional, clerical, or consultant services as
19 provided by G.S. 120-32.02. The Commission shall seek additional federal funding for the study
20 to the extent available. The study shall include, but is not limited to, all the following:

- 21 (1) An evaluation of establishing an open access energy imbalance market within
22 the geographical boundaries of North Carolina and the broader Southeast.
23 Specific analysis shall be conducted in the following areas:
24 a. Electricity generation and capacity adequacy and diversity.
25 b. Customer service and rates.
26 c. Environmental quality and carbon emissions.
27 d. Economic opportunity.
28 e. The potential impacts, including costs and benefits, of an energy
29 imbalance market on disadvantaged or vulnerable populations or
30 communities or both.
- 31 (2) An evaluation of establishing a Southeastern Regional Transmission
32 Organization. Specific analysis shall be conducted in all the following areas:
33 a. Electricity generation and capacity adequacy and diversity.
34 b. Customer service and rates.
35 c. Environmental quality and carbon emissions.
36 d. Economic opportunity.
37 e. The potential impacts, including costs and benefits, of an energy
38 imbalance market on disadvantaged or vulnerable populations or
39 communities or both.
- 40 (3) An assessment of possible inefficiencies in the Southeastern Energy Exchange
41 Market and an examination of the costs, benefits, and risks to State and local
42 government, utilities, independent power producers, businesses, and
43 customers of all classes regarding the following aspects of the State and
44 region's current electricity system versus an energy imbalance market or
45 potential regional transmission organization. Specific analysis shall be
46 conducted in all the following areas:
47 a. Electricity generation and capacity adequacy and diversity.
48 b. Customer service and rates.
49 c. Environmental quality and carbon emissions.
50 d. Economic opportunity.

e. The potential impacts, including costs and benefits, of an energy imbalance market on disadvantaged or vulnerable populations or communities or both.

(4) The legal and procedural requirements in North Carolina, at the Federal Energy Regulatory Commission, or in other states associated with the adoption of an energy imbalance market or regional transmission organization, including identification of existing laws, regulations, and policies that may need to be amended to implement the electricity market reform measures.

SECTION 4. There is appropriated from the General Fund to the North Carolina Utilities Commission the sum of three hundred fifty thousand dollars (\$350,000) in nonrecurring funds for the 2025-2026 fiscal year to be used to conduct the study authorized by this act.

SECTION 5. This act is effective when it becomes law.