

# Utilities

**See full summary documents for additional detail**

## **Facilitate Permanent Installation of Broadband Infrastructure – Disaster Recovery Act of 2025 - Part I.**

SL 2025-2 (H47), Sec. 5.2

Section 5.2 of S.L. 2025-2 (House Bill 47) requires roadway constructors repairing or rebuilding roads within a county affected by Hurricane Helene to do all of the following: (i) on roads that are a quarter of a mile long or longer, collaborate with any broadband provider that is repairing or rebuilding broadband infrastructure that was located along the original right-of-way; (ii) coordinate with broadband providers to avoid extended traffic disruptions or the necessity of further improvements upon the completion of the roadway construction process; and (iii) cooperate with broadband providers converting temporary backbone broadband service into permanent broadband installations.

This section further requires the Department of Transportation and local governments to allow the underground installation of broadband infrastructure within rights-of-way as needed for the repair of broadband infrastructure damaged by Hurricane Helene.

This section became effective March 19, 2025.

## **Utility Emergency Authority – Disaster Recovery Act of 2025 - Part I.**

SL 2025-2 (H47), Sec. 5.10

Section 5.10 of S.L. 2025-2 (House Bill 47) imposes a temporary moratorium that prohibits private landowners in the affected area<sup>[\[1\]](#)</sup> from filing inverse condemnation or trespass claims against utilities arising from the replacement or repair of utility poles or transformers, to be in effect until June 30, 2026. The statute of limitations for private landowners to bring claims subject to the temporary moratorium is extended by one year.

This section became effective March 19, 2025.

<sup>[\[1\]](#)</sup> "Affected area" is defined as those "counties designated before, on, or after the effective date of this act under a major disaster declaration by the President of the United States under the Stafford Act (P.L. 93-288) as a result of Hurricane Helene."

## **Exemption from Nonbetterment Costs – JMAC/ABC/Other Revisions.**

SL 2025-65 (S664), Part IV

Part IV of S.L. 2025-65 (Senate Bill 664) requires the Department of Transportation to pay the nonbetterment cost of relocating water and sewer lines, located within the existing State transportation project right-of-way, that are necessary to be relocated for a State transportation

improvement project and are owned by (i) a municipality with a population of 20,000 or less, or (ii) a private water or sewer utility organized pursuant to Chapter 62 of the General Statutes (Public Utilities) serving 20,000 or fewer customers.

This Part is effective retroactive to January 1, 2025, and applies to (i) nonbetterment costs arising after that date and (ii) nonbetterment costs arising before that date but unpaid by a municipality on that date.

## **The Power Bill Reduction Act.**

SL 2025-78 (S266)

S.L. 2025-78 (Senate Bill 266) does all of the following:

- Eliminates the interim goal for a seventy percent (70%) reduction in carbon dioxide emissions in the State from electric generating facilities owned or operated by certain electric public utilities from 2005 levels by the year 2030.
- Allows an increase in the base rates of an electric public utility for financing costs of construction work in progress for baseload electric generating facilities outside of a general rate case, if the Utilities Commission (Commission) determines there is an overall cost savings for customers over the life of the generating facility and the facility has been subject to an annual ongoing review process through which the Commission has determined that the expenditures were reasonably and prudently incurred.
- Makes various changes to the statute governing fuel cost recovery to:
  - Add capacity costs to the total delivered costs of all purchases of electric power and capacity that a utility may recover.
  - Modify the language governing allocation of cost recovery among classes of customers to provide that the costs would be allocated on a demand basis.
  - Specify that the utility must make appropriate adjustments to its fuel and fuel-related costs to reflect costs already being recovered in base rates so as to avoid double recovery of any fuel and fuel-related costs and the Commission must approve any accounting adjustments necessary in a future fuel proceeding or general rate case to avoid such double recovery.
  - Provide that any experienced over-recovery or under-recovery of reasonable fuel and fuel related costs prudently incurred must accrue interest at the commercial paper rate as identified by the Federal Reserve for A2/P2 nonfinancial issuers (or reasonable successor thereto) on a weighted average basis over the applicable time period.
  - Require that a utility file a quarterly report detailing its actual over- and under-recovered fuel cost amounts through the quarter and an updated projection of the cumulative over- or under-recovered amounts at the end of such 12 month recovery period based on the most recently available fuel forecast. If the updated projection of the cumulative over- or under-recovered amounts at the end of such 12-month recovery period (inclusive of the actual amounts) is greater than 10% of the total revenue requirement approved by the Commission

in the most recent fuel proceeding, then the electric public utility must identify the adjustment needed to the increment or decrement rider to address such over- or under-recovery and file an updated tariff to reflect such adjustment as part of such quarterly report. The identified adjustment to the increment or decrement rider would go into effect at the start of the month that is approximately 45 days after the quarterly update filing and would remain in effect for the remainder of the 12 month recovery period in effect as of the effective date of such adjustment. All of the costs of fuel and fuel-related costs, including those which are recovered through the quarterly adjustment would be reviewed for reasonableness and prudence of such costs in the next annual proceeding held by the Commission to review an electric public utility's annual fuel and fuel related adjustment.

- Makes various changes to the statute governing performance-based ratemaking (PBR) to:
  - Exclude combustion turbine generating units which are not part of a combined cycle plant from a prohibition on the inclusion in a multi-year rate plan (MYRP) of revenue requirements associated with any single new generation plant placed in service during the MYRP for which the total plant in service balance exceeds \$500,000,000.
  - Alter reporting requirements for electric public utilities on the status of approved MYRP projects.
  - Modify a requirement that the Commission hold a technical conference prior to submission of any PBR application consisting of one or more public meetings at which the utility presents information regarding projected transmission and distribution expenditures and interested parties are permitted to provide comment and feedback. The change to the language requires the Commission to hold one meeting, and alters the required timing of the conference.
- Codifies authority for a public utility to securitize costs for retirement of subcritical coal-fired electric generating facilities.

This bill was vetoed by the Governor on July 2, 2025, and that veto was overridden by the General Assembly on July 29, 2025. This act became effective July 29, 2025.

## **Changes to the Broadband Pole Replacement Program – Continuing Budget Operations.**

SL 2025-89 (H125), Sec. 4.2

Section 4.2 of S.L. 2025-89 (House Bill 125) expands reimbursement eligibility under the Broadband Pole Replacement Program (Program) to allow the Department of Information Technology to reimburse communications service providers up to fifty percent (50%) of costs incurred to install broadband facilities underground. This section also allows cooperatively organized communications service providers to qualify for reimbursement under the Program for eligible costs related to poles owned by the provider or its affiliate.

This section became effective August 6, 2025.

## **Broadband Fund Flexibility – Continuing Budget Operations.**

SL 2025-89 (H125), Sec. 4.3

Section 4.3 of S.L. 2025-89 (House Bill 125) does all of the following:

- Repeals the statutory authority for the Satellite-Based Broadband Grant Program and the Growing Rural Economies with Access to Technology (GREAT) Program for Fixed Wireless and Satellite Broadband Grants.
- Directs the Department of Information Technology (DIT) to use funds appropriated to the GREAT Program for Fixed Wireless and Satellite Broadband Grants to award grants to eligible entities to purchase installation materials for satellite internet service. In awarding these grants, DIT must prioritize applicants operating in a county designated within the Hurricane Helene disaster area, and may also give priority to applicants that offer emergency services, disaster relief, educational services, or economic development. Eligible grant recipients include State agencies, local governments, volunteer fire departments, schools, libraries, community colleges, community centers, and other similar places.
- Authorizes DIT to provide emergency funding to communications service providers to rebuild, repair, or replace broadband infrastructure damaged by Hurricane Helene. DIT may use up to \$50 million of available funds that were originally appropriated in the 2021 Appropriations Act (S.L. 2021-180) for the purpose of the Broadband Make Ready Accelerator programs.

This section became effective retroactively to July 1, 2025.

## **BEAD Deployment Changes – Continuing Budget Operations.**

SL 2025-89 (H125), Sec. 4.4

Section 4.4 of S.L. 2025-89 (House Bill 125) does all of the following:

- Revises the statute authorizing the Broadband Equity, Access, and Deployment (BEAD) Program to incorporate by reference to federal law the definitions for the following terms: "low-cost broadband service," "reliable broadband service," "underserved," and "unserved."
- Repeals a provision that directed the Broadband Infrastructure Office in the Department of Information Technology (DIT) to prioritize applicants proposing to serve the highest number of new unserved and underserved locations when deciding between competing applicants for a BEAD grant who have received the same score on the objective, 100-point scale used to evaluate grant applicants.
- Appropriates to DIT any federal funds received from the Infrastructure Investment and Jobs Act for the BEAD Program to be used for administering the Program.

This section became effective retroactively to July 1, 2025.

## **Lifeline Service Providers – Continuing Budget Operations.**

SL 2025-89 (H125), Sec. 4.5

Section 4.5 of S.L. 2025-89 (House Bill 125) authorizes the Utilities Commission to designate a provider or reseller of mobile radio communications service as an eligible telecommunications carrier for the purpose of providing Lifeline Service.

This section became effective retroactively to July 1, 2025.

## **Allow Renewal or Extension of Contracts for Joint Municipal Power Agencies – Regulatory Reform Act of 2025.**

SL 2025-94 (H926), Sec. 22

Section 22 of S.L. 2025-94 (House Bill 926) amends the law authorizing the formation and operation of joint municipal power agencies (such as the North Carolina Eastern Municipal Power Agency and North Carolina Municipal Power Agency Number 1), originally enacted in 1975, to provide that contracts between a joint agency and a member municipality may be renewed or extended for additional periods not to exceed 50 years from the date of expiration of the preceding term.

This section became effective October 6, 2025.