

GENERAL ASSEMBLY OF NORTH CAROLINA
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40663-LRxf-207

Short Title: Data Center Amendments.

(Public)

Sponsors: Representative Logan.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT AMENDING THE UTILITIES AND TAX LAWS RELATIVE TO DATA CENTERS.
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.(a)** G.S. 62-3 reads as rewritten:

5 **"§ 62-3. Definitions.**

6 As used in this Chapter, unless the context otherwise requires, the term:

7 ...

8 (16a) "Large-load data center" means a facility (i) whose primary services are the
9 storage, management, and processing of digital data, (ii) that is used to house
10 computer and network systems, including associated components such as
11 servers and other telecommunications equipment and appliances, and (iii) that
12 has or is projected to have an aggregate demand of more than 20 megawatts.
13 Facilities located on contiguous or adjacent sites shall be considered a single
14 facility for purposes of calculating aggregate demand if under common
15 ownership or effective control.

16 ~~(16a)~~(16b) "Local exchange company" means a person holding, on January 1, 1995,
17 a certificate to provide local exchange services or exchange access services.

18 ...

19 (28a) "Tariff" means any compensation, charge, fare, rate, schedule, toll, or
20 classification demanded, observed, charged, or collected by any public utility,
21 for any service product or commodity offered by it to the public, and any rules,
22 regulations, practices, or contracts affecting such compensation, charge, fare,
23 rate, schedule, toll, or classification.

24"

25 **SECTION 1.(b)** G.S. 62-133.5(h)(1)a. reads as rewritten:

26 "a. Local exchange company. – The same meaning as provided in
27 ~~G.S. 62-3(16a).~~G.S. 62-3(16b)."

28 **SECTION 1.(c)** Article 7 of Chapter 62 of the General Statutes is amended by adding
29 a new section to read:

30 **"§ 62-133.25. Electric service tariffs for large-load data centers.**

31 (a) Each electric public utility shall file for Commission approval a tariff for the provision
32 of electric service to large-load data centers, as defined in G.S. 62-3. This tariff shall be
33 applicable only for customers that are large-load data centers. However, the Commission may
34 approve a tiered tariff schedule that includes different rates, terms, or conditions for different
35 classes of large-load data centers based on load requirements or other factors related to the cost
36 of service.



1 **(b)** Each tariff application filed with the Commission under this section shall be designed
2 to ensure that large-load data center customers are responsible for the entire cost of any capital
3 investments or incremental operational expenses necessary for the utility to provide electric
4 service to large-load data centers and to protect other electric customers from incurring any rate
5 increases caused by serving large-load data center customers. Furthermore, tariff applications
6 shall include provisions necessary to ensure that other electric customers are not placed at higher
7 risk of shouldering any stranded costs as a result of large-load data center customers ceasing
8 operations or else consuming less electricity than initially requested.

9 **(c)** The Commission shall require that each tariff filed by an electric public utility to serve
10 large-load data centers incorporate the following terms and conditions for the protection of other
11 customers:

12 **(1)** A minimum contract term that obligates a large-load data center customer to
13 take electric service for a term of no less than 10 years.

14 **(2)** A minimum billing demand requirement that obligates a large-load data center
15 customer to take or pay, for a period of no less than 10 years following
16 commencement of service, at least eighty-five percent (85%) of the maximum
17 electric service requested by the customer.

18 **(3)** A financial assurance or surety requirement that is sufficient to protect other
19 ratepayers against any material increase in rates occurring as a result of a
20 large-load data center customer ceasing operations or taking less service than
21 initially requested.

22 **(4)** A requirement that a large-load data center customer give the electric public
23 utility advanced notice prior to any anticipated reduction in its demand for
24 electricity.

25 **(5)** Any other provisions that the Commission determines to be reasonable and in
26 the public interest.

27 **(d)** The Commission may only approve a tariff application for providing electric service
28 to large-load data centers upon finding that the tariff, in addition to being just and reasonable and
29 in compliance with the requirements of this section, includes rates, terms, and other conditions
30 necessary to protect and hold harmless other electric customers from having to bear any increased
31 costs attributable to serving large-load data centers."

32 **SECTION 1.(d)** This section is effective when it becomes law. The tariff application
33 required to be filed with the Utilities Commission pursuant to G.S. 62-133.25, as enacted by
34 subsection (c) of this section, shall be filed by the electric public utility no later than 180 days
35 after the effective date of this section. Effective January 1, 2028, an electric public utility shall
36 not provide electric service to a large-load data center except under the terms of a tariff approved
37 by the Utilities Commission in accordance with G.S. 62-133.25.

38 **SECTION 2.(a)** G.S. 105-164.3(47), 105-164.3(79), 105-164.3(201),
39 105-164.13(43a)b., 105-164.13(55), and 105-164.13(55a) are repealed.

40 **SECTION 2.(b)** This section becomes effective January 1, 2027, and applies to sales
41 made on or after that date.

42 **SECTION 3.** Except as otherwise provided, this act is effective when it becomes
43 law.