A BILL TO BE ENTITLED
AN ACT PROVIDING THAT A PERSON WHO CONSTRUCTS OR OPERATES AN
ELECTRIC GENERATING FACILITY ON A CUSTOMER'S PROPERTY FOR THE
PRIMARY PURPOSE OF PRODUCING ELECTRICITY, HEAT, OR STEAM FOR
SALE TO OR FOR THE USE BY THE CUSTOMER IS NOT A PUBLIC UTILITY AND
IS NOT SUBJECT TO REGULATION BY THE UTILITIES COMMISSION SO LONG
AS THE FACILITY IS SIZED TO SUPPLY NO MORE THAN ONE HUNDRED
TWENTY-FIVE PERCENT OF THE AVERAGE ANNUAL ENERGY CONSUMPTION
OF THE CUSTOMER AT THAT SITE.

Whereas, it is the policy of the State of North Carolina to diversify the resources
used to reliably meet the energy needs of consumers in the State; and
Whereas, the development of renewable and distributed energy resources in the
State will provide greater energy security and reduce dependence on unreliable and unstable
foreign resources to meet the energy needs of consumers in the State; and
Whereas, the development of renewable and distributed energy resources in the
State will encourage and result in private investment in new generating facilities and ancillary
businesses, creating new tax bases, jobs, and economic opportunities throughout the State; and
Whereas, an increased use of renewable and distributed energy resources to serve
the State's energy needs will improve the quality of life in the State by reducing generation
from sources that cause harm to the public health; Now, therefore,
The General Assembly of North Carolina enacts:

SECTION 1. This act shall be known and may be cited as "The Energy Freedom
Act of 2015."

SECTION 2. G.S. 62-3(23) reads as rewritten:
As used in this Chapter, unless the context otherwise requires, the term:

... (23) a. "Public utility" means a person, whether organized under the laws of
this State or under the laws of any other state or country, now or
hereafter owning or operating in this State equipment or facilities for:
1. Producing, generating, transmitting, delivering or furnishing
electricity, piped gas, steam or any other like agency for the
production of light, heat or power to or for the public for
compensation; provided, however, that the term "public
utility" shall not include persons who construct or operate an
electric generating facility, the primary purpose of which
facility is either (i) for such person's own use and not for the
primary purpose of producing electricity, heat, or steam for
sale to or for the public for compensation or (ii) a person who constructs or operates a renewable energy
facility on the site of a customer's property and sells the
electricity produced by such facility to that customer, as
provided by and subject to the limitations of G.S. 62-119;

SECTION 3. Article 6 of Chapter 62 of the General Statutes is amended by adding
a new section to read:

§ 62-119. Third-party sales of electricity from on-site renewable energy facilities.
(a) The sale of electricity to a customer from a renewable energy facility, as defined in
G.S. 62-133.8, owned and operated by a third party and located on the customer's property
where such electricity will be consumed, shall not subject the third-party owner or operator of
the on-site generating equipment to any restrictions on such sales under G.S. 62-110.2 or to
regulation as a public utility under this Chapter so long as (i) the facility is sized to supply no
more than one hundred twenty-five percent (125%) of the average annual consumption of
electricity by the customer at that site and (ii) the third-party owner reports to the Utilities
Commission the proposed construction of such a facility prior to the beginning of construction.
(b) For purposes of this section, the customer's site includes all contiguous property
owned or leased by the customer, without regard to easements, public thoroughfares,
transportation or utility rights-of-way, or other similar interruptions that may divide parcels of
property under common ownership.
(c) For purposes of net metering as regulated by the Commission, renewable energy
facilities owned or operated by a third party under this section shall be eligible to participate in
net metering arrangements with applicable public utilities.
(d) The Commission may approve a new schedule of fees or credits for customers who
choose to use distributed energy resources, whether through ownership, lease, or through power
purchase agreement, with a utility or nonutility provider. Such fees and credits shall be
nondiscriminatory and applied only after an investigation of the costs and benefits of
customer-sited generation."

SECTION 4. G.S. 62-300(a) is amended by adding a new subdivision to read:
"(16) Twenty-five dollars ($25.00) for each report of proposed construction filed
by a person who constructs or operates a renewable energy facility on the
site of a customer's property and sells the electricity produced by such
facility to such customer, as provided by and subject to the limitations of
G.S. 62-119."

SECTION 5. This act becomes effective July 1, 2015.