

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

H

3

HOUSE BILL 535
Committee Substitute Favorable 4/18/23
Committee Substitute #2 Favorable 5/3/23

Short Title: Solar Capacity Limit Increase.

(Public)

Sponsors:

Referred to:

March 30, 2023

1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE THE ROOFTOP SOLAR LEASING CAP.
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 62-126.5 reads as rewritten:
5 "**§ 62-126.5. Scope of leasing program in offering utilities' service areas.**

6 ...
7 (d) The total installed capacity of all solar energy facilities on an offering utility's system
8 that are leased pursuant to this section shall not exceed ~~one percent (1%)~~ ten percent (10%) of
9 the previous five-year average of the North Carolina retail contribution to the offering utility's
10 coincident retail peak demand. The offering utility may refuse to interconnect customers that
11 would result in this limitation being exceeded. Each offering utility shall establish a program for
12 new installations of leased equipment to permit the reservation of capacity by customer generator
13 lessees, whether participating in a public utility or nonutility lessor's leasing program, on its
14 system, including provisions to prevent or discourage abuse of such programs. Such programs
15 must provide that only prospective individual customer generator lessees may apply for, receive,
16 and hold reservations to participate in the offering utility's leasing program. Each reservation
17 shall be for a single customer premises only and may not be sold, exchanged, traded, or assigned
18 except as part of the sale of the underlying premises.

19 (d1) A solar energy facility leased to an individual customer generator lessee pursuant to
20 this section is limited to a capacity of (i) not more than the lesser of 1,000 kilowatts (kW) or one
21 hundred percent (100%) of contract demand if a nonresidential customer or (ii) not more than 20
22 kilowatts (kW) or one hundred percent (100%) of estimated electrical demand if a residential
23 customer.

24 (e) To comply with the terms of this section, each customer generator lessor's solar
25 energy facility shall serve only one premises and shall not serve multiple customer generator
26 lessees or multiple premises. The customer generator lessee must enroll in the applicable rate
27 schedule made available by the interconnecting offering utility, subject to the participation
28 limitations set forth in subsection (a) of this section."

29 **SECTION 2.** This act becomes effective July 1, 2023, and applies to solar energy
30 facility leases executed on or after that date.

