

**54-12-2 Purchase of power from qualifying power producers.**

- (1) Purchasing utilities shall offer to purchase power from qualifying power producers.
- (2) The commission shall establish reasonable rates, terms, and conditions for the purchase or sale of electricity or electrical generating capacity, or both, between a purchasing utility and a qualifying power producer. In establishing these rates, terms, and conditions, the commission shall either establish a procedure under which qualifying power producers offer competitive bids for the sale of power to purchasing utilities or devise an alternative method which considers the purchasing utility's avoided costs. The capacity component of avoided costs shall reflect the purchasing utility's long-term deferral or cancellation of generating units which may result from the purchase of power from qualifying power producers.
- (3) Purchasing utilities and qualifying power producers may agree to rates, terms, or conditions for the sale of electricity or electrical capacity which differ from the rates, terms, and conditions adopted by the commission under Subsection (2).
- (4) The commission may adopt further rules which encourage the development of small power production and cogeneration facilities.

Amended by Chapter 374, 2008 General Session