

**ELECTRICAL UTILITY AMENDMENTS -
EFFICIENCY AND CONSERVATION TARIFF**

2010 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kevin T. Van Tassell

House Sponsor: Melvin R. Brown

LONG TITLE

General Description:

This bill addresses electric energy efficiency and conservation tariffs for electrical utilities.

Highlighted Provisions:

This bill:

- ▶ addresses Public Service Commission (PSC) approval of a tariff proposed by an electrical utility for demand side management or energy efficiency programs including direct load control programs;
- ▶ defines terms;
- ▶ addresses input by various entities before approval of a tariff; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

REPEALS AND REENACTS:

54-7-12.8, as last amended by Laws of Utah 2009, Chapter 237

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **54-7-12.8** is repealed and reenacted to read:

30 **54-7-12.8. Electric energy efficiency and conservation tariff.**

31 (1) As used in this section:

32 (a) "Demand side management program" means an activity or program designed to
33 promote electric energy efficiency, conservation, or direct load control.

34 (b) "Direct load control program" means a demand side management program that
35 allows an electrical corporation to interrupt a customer's load during a period of high demand
36 or incremental cost by directly controlling a customer's appliance or equipment, if the
37 customer is served under a tariff of general applicability.

38 (2) It is the policy of this state to encourage reasonable demand side management and
39 direct load control programs.

40 (3) (a) The commission shall ensure that an electrical corporation recovers all costs
41 prudently incurred by the electrical corporation for demand side management programs
42 approved by the commission.

43 (b) A tariff approved under this section may allow the electrical corporation to recover
44 the costs under a separate line item charge on a customer's bill, or otherwise as determined by
45 the commission.

46 (4) To the extent practicable, before submitting a proposed demand side management
47 program tariff to the commission for approval, the electric corporation proposing the tariff
48 shall ask the commission to convene an advisory group of interested public and private
49 stakeholders to provide input on the proposed tariff.

50 (5) Before approving a proposed tariff filed by an electric corporation under this
51 section, the commission shall hold a hearing if:

52 (a) the proposed tariff includes a rate increase as defined by Subsection 54-7-12(1)(b);
53 or

54 (b) the commission determines that a hearing would be useful.

55 (6) The commission may approve a tariff proposed under this section either with or
56 without a provision allowing an end-use customer to receive a credit against the charges
57 imposed under the tariff for electric energy efficiency measures that:

58 (a) the customer implements or has implemented at the customer's expense; and

59 (b) qualify for the credit under criteria established by the commission.

60 (7) A direct load control program tariff proposed by an electric corporation that passes
61 the cost benefit test utilized by the commission and that permits a customer to choose not to
62 participate in the program without adverse consequence to that customer, other than foregoing
63 a credit or benefit available for participation in the program tariff, shall be presumed to be in
64 the public interest and shall be approved by the commission absent a showing by a person that
65 may be affected by the tariff that the proposed tariff is not in the public interest.

66 (8) A direct load control program may require participation by all customers or all of a
67 group of customers of the electrical corporation served under a tariff of general applicability so
68 long as any customer may affirmatively choose not to participate in the program.

69 (9) Before installation of a load control device, a customer shall be informed of:

70 (a) the nature of the load control program, including how and under what
71 circumstances it will be applied, and the electrical corporation's responsibility relating to
72 installation, operation, and maintenance of the device;

73 (b) the manner in which the customer may choose not to participate in the program;
74 and

75 (c) the proposed installation date and process.

76 (10) If a commission order on a proposed tariff submitted under this section includes
77 any changes or conditions that may reasonably be expected to have a significant impact on the
78 economics of, or customer participation in, the program, the order may not become effective
79 for at least 30 days in order to give interested parties an opportunity to notify the commission
80 of any concerns or objections to the proposed changes or conditions.

81 (11) Unless otherwise ordered by the commission, a proposed tariff under this section
82 approved by the commission may take effect no sooner than 30 days after the electrical
83 corporation files the proposed tariff with the commission.