

**Representative Kraig Powell** proposes the following substitute bill:

**RENEWABLE ENERGY AMENDMENTS**

2014 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Kraig Powell**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill modifies Title 54, Public Utilities, Chapter 17, Energy Resource Procurement Act.

**Highlighted Provisions:**

- This bill:
- ▶ authorizes a municipality or county to qualify as a contract customer;
  - ▶ describes the requirements for a municipality or county to qualify as a contract customer;
  - ▶ requires the Public Service Commission to make rules to determine appropriate charges and credits for participating customers within a municipality or county who do not pay a separate demand charge; and
  - ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:



26 [54-17-802](#), as enacted by Laws of Utah 2012, Chapter 182

27 [54-17-805](#), as enacted by Laws of Utah 2012, Chapter 182

28 ENACTS:

29 [54-17-806](#), Utah Code Annotated 1953

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

32 Section 1. Section **54-17-802** is amended to read:

33 **54-17-802. Contracts for the purchase of electricity from a renewable energy**  
34 **facility.**

35 (1) Within a reasonable time after receiving a request from a contract customer and  
36 subject to reasonable credit requirements, a qualified utility shall enter into a renewable energy  
37 contract with the requesting contract customer to supply some or all of the contract customer's  
38 electric service from one or more renewable energy facilities selected by the contract customer.

39 (2) Subject to a contract customer agreeing to pay the qualified utility for all  
40 incremental costs associated with metering facilities, communication facilities, and  
41 administration, a renewable energy contract may provide for electricity to be delivered to a  
42 contract customer:

43 (a) from one renewable energy facility to a contract customer's single metered delivery  
44 location;

45 (b) from multiple renewable energy facilities to a contract customer's single metered  
46 delivery location; or

47 (c) from one or more renewable energy facilities to a single contract customer's  
48 multiple metered delivery locations.

49 (3) (a) A single contract customer may aggregate multiple metered delivery locations to  
50 satisfy the minimum megawatt limit under Subsection (4).

51 (b) Multiple contract customers may not aggregate their separate metered delivery  
52 locations to satisfy the minimum megawatt limit under Subsection (4).

53 (4) The amount of electricity provided to a contract customer under a renewable energy  
54 contract may not be less than 2.0 megawatts.

55 (5) The amount of electricity provided in any hour to a contract customer under a  
56 renewable energy contract may not exceed the contract customer's metered kilowatt-hour load

57 in that hour at the metered delivery locations under the contract.

58 (6) A renewable energy contract that meets the requirements of Subsection (4) may  
59 provide for one or more increases in the amount of electricity to be provided under the contract  
60 even though the amount of electricity to be provided by the increase is less than the minimum  
61 amount required under Subsection (4).

62 (7) The total amount of electricity to be generated by renewable energy facilities and  
63 delivered to contract customers at any one time under all renewable energy contracts may not  
64 exceed 300 megawatts, unless the commission approves in advance a higher amount.

65 (8) Electricity generated by a renewable energy facility and delivered to a contract  
66 customer under a renewable energy contract may not be included in a net metering program  
67 under Chapter 15, Net Metering of Electricity.

68 (9) Subject to Subsections (10) and (11), a municipality or county may be a contract  
69 customer for the benefit of some or all participating customers of a qualified utility located  
70 within that municipality or county if the aggregated loads of all participating customers within  
71 a municipality or county satisfy the minimum megawatt limit under Subsection (4).

72 (10) (a) The maximum delivery requirement of Subsection (5) shall apply to each  
73 participating customer, provided that a participating customer's metered kilowatt-hour load in  
74 each hour may be based on estimated loads or average loads of similar customers if the  
75 customer does not have a meter capable of measuring hourly load.

76 (b) The bill credits described under Subsection 54-17-805(3) shall be credited to each  
77 participating customer.

78 (11) If a municipality or county becomes a contract customer under Subsection (9), the  
79 obligation to pay some or all of the incremental costs under Subsection (2) and delivery costs  
80 under Subsection 54-17-805(1) or (2) shall, at the option of the municipality or county, be:

81 (a) assumed by the municipality or county; or

82 (b) borne by each participating customer.

83 Section 2. Section 54-17-805 is amended to read:

84 **54-17-805. Costs associated with delivering electricity from a renewable energy**  
85 **facility to a contract customer.**

86 (1) To the extent that a renewable energy contract provides for the delivery of  
87 electricity from a renewable energy facility owned by the contract customer, the renewable

88 energy contract shall require the contract customer to pay for the use of the qualified utility's  
89 transmission or distribution facilities at the qualified utility's applicable rates, which may  
90 include transmission costs at the qualified utility's applicable rate approved by the Federal  
91 Energy Regulatory Commission.

92 (2) To the extent that a renewable energy contract provides for the delivery of  
93 electricity from a renewable energy facility owned by a person other than the qualified utility or  
94 the contract customer, the renewable energy contract shall require the contract customer to bear  
95 all reasonably identifiable costs that the qualified utility incurs in delivering the electricity from  
96 the renewable energy facility to the contract customer, including all costs to procure and deliver  
97 electricity and for billing, administrative, and related activities, as determined by the  
98 commission.

99 (3) A qualified utility that enters a renewable energy contract shall charge a contract  
100 customer for all metered electric service delivered to the contract customer, including  
101 generation, transmission, and distribution service, at the qualified utility's applicable tariff  
102 rates, excluding:

103 (a) any kilowatt hours of electricity delivered from the renewable energy facility, based  
104 on the time of delivery, if applicable, adjusted for transmission losses;

105 (b) any kilowatts of electricity delivered from the renewable energy facility that  
106 coincide with the contract customer's monthly metered kilowatt demand measurement, if  
107 applicable, adjusted for transmission losses;

108 (c) any transmission and distribution service that the contract customer pays for under  
109 Subsection (1) or (2); and

110 (d) any transmission service that the contract customer provides under Subsection (2)  
111 to deliver generation from the renewable energy facility.

112 Section 3. Section **54-17-806** is enacted to read:

113 **54-17-806. Commission rules.**

114 The commission shall, by rule, determine appropriate charges and credits under this  
115 chapter, including for participating customers who do not pay a separate demand charge.