

429 (b) the sustainable transportation and energy plan; and

430 (c) the additional expense described in Subsection (5)(a)(i).

431 (4) On December 31, 2016, the commission shall end the Utah solar incentive program  
 432 and surcharge tariff and the large-scale electric utility shall stop accepting new applications for  
 433 solar incentive program incentives.

434 (5) (a) The commission may authorize a large-scale electric utility that capitalizes  
 435 demand side management costs under Subsection (2)(b) to:

436 (i) recognize the difference between the annual revenues the large-scale electric utility  
 437 collects for demand side management and the annual amount of the large-scale electric utility's  
 438 demand side management cost amortization expense as an additional expense;

439 (ii) establish and fund, via the additional expense described in Subsection (5)(a)(i), a  
 440 regulatory liability; and

441 (iii) use the regulatory liability described in Subsection (5)(a)(ii) to depreciate thermal  
 442 generation plant.

443 (b) (i) The commission ~~H→~~ [shalt] may ~~←H~~ authorize the large-scale electric utility  
 443a to use the  
 444 regulatory liability described in Subsection (5)(a)(ii) to depreciate thermal generation plant for  
 445 which the commission determines depreciation is in the public interest for compliance with an  
 446 environmental regulation or another purpose.

447 (ii) The commission may not consider the existence of the regulatory liability described  
 448 in Subsection (5)(a)(ii) in a determination to accelerate depreciation under Subsection (5)(b)(i).

449 (c) The commission shall allow the large-scale electric utility to apply a carrying  
 450 charge to the regulatory liability described in Subsection (5)(a)(ii) in an amount equal to the  
 451 large-scale electric utility's pretax average weighted cost of capital approved by the  
 452 commission in the large-scale electric utility's most recent general rate proceeding.

453 (d) The commission ~~H→~~ [shalt] may ~~←H~~ allow a large-scale electric utility to use  
 453a the regulatory  
 454 liability ~~H→~~ carrying charge ~~←H~~ described in Subsection ~~H→~~ [(5)(a)(ii)] (5)(c) ~~←H~~ to offset  
 454a the carrying charge described in Subsection  
 455 (2)(b)(iii).

456 (e) The large-scale electric utility shall apply the carrying charge described in  
 457 Subsection (5)(c) to funds that a large-scale electric utility is authorized to use to depreciate  
 458 thermal generation plant under Subsection (5)(a) until the reduction in the large-scale electric  
 459 utility's rate base associated with the thermal generation plant depreciation for which the funds

460 are used is reflected in the large-scale electric utility's customers' rates.

461 (f) If the commission determines that funds established in the regulatory liability under  
 462 Subsection (5)(a) are no longer needed for the purpose of depreciating thermal generation  
 463 plant, the large-scale electric utility shall use the balance of the funds in the regulatory liability  
 464 to offset the capitalized demand side management costs described in Subsection (2)(b)(i).

465 (6) (a) During the pilot program period, of the funds a large-scale electric utility  
 466 collects via the line item charge described in Subsection (3), the commission shall authorize the  
 467 large-scale electric utility to allocate on an annual basis:

468 (i) \$10,000,000 to the sustainable transportation and energy plan; and

469 (ii) the funds not allocated to the sustainable transportation and energy plan to demand  
 470 side management.

471 (b) The commission shall authorize a large-scale electric utility to spend up to:

472 (i) \$2,000,000 annually for the electric vehicle incentive program described in Section  
 473 54-20-103; and

474 (ii) an annual average of:

475 (A) ~~H~~→ [\$500,000] \$1,000,000 ←~~H~~ for the clean coal technology program described in  
 475a Section 54-20-104;

476 and

477 (B) ~~H~~→ [\$3,900,000] \$3,400,000 ←~~H~~ for the innovative utility programs described in  
 477a Section 54-20-105.

478 (c) The commission shall authorize a large-scale electric utility to recoup the  
 479 large-scale electric utility's unrecovered costs paid through the Utah solar incentive program  
 480 from the funds allocated under Subsection (6)(a)(i).

481 (d) The commission may authorize a large-scale electric utility to allocate funds the  
 482 large-scale electric utility collects via the line item charge described in Subsection (3) not spent  
 483 under Subsection (6) to a conservation, efficiency, or new technology program if the  
 484 conservation, efficiency, or new technology program is cost-effective and in the public interest.

485 (7) A large-scale electric utility shall establish a balancing account that includes:

486 (a) funds allocated under Subsection (6)(a)(i);

487 (b) the program expenditures described in Subsection (6)(b);

488 (c) the unrecovered Utah solar incentive program costs described in Subsection (6)(c);

489 and

490 (d) a carrying charge in an amount determined by the commission.