

Representative Fred C. Cox proposes the following substitute bill:

SUSTAINABLE TRANSPORTATION AND ENERGY PLAN ACT

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: J. Stuart Adams

House Sponsor: V. Lowry Snow

LONG TITLE

General Description:

This bill amends provisions related to a public utility providing electrical service.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ allows the Public Service Commission to authorize a large-scale electric utility to implement tariffs to provide funding for a sustainable transportation and energy pilot program;
- ▶ allows an electrical corporation to recover 100% of the electrical corporation's prudently incurred costs in an energy balancing account;
- ▶ allows a large-scale electric utility to establish innovative electric efficiency technology programs;
- ▶ allows a large-scale electric utility to provide an incentive for:
 - a generation facility to curtail electricity generation to improve air quality; and
 - creation of an electric vehicle infrastructure;
- ▶ provides that the commission may authorize a large-scale electric utility to implement:
 - a clean coal program; and



- 26 • other utility programs;
- 27 ▶ provides a repeal date;
- 28 ▶ requires an electrical corporation to pay cash to certain customers who produce
- 29 customer-generated electricity;
- 30 ▶ specifies requirements for an electrical corporation to charge an interconnection fee
- 31 for an interconnection of a customer generation system to the electrical corporation's
- 32 system;
- 33 ▶ enacts a provision related to withdrawal of notice to transfer electric service; and
- 34 ▶ allows the commission to implement a conservation, efficiency, or technology
- 35 program if the program is cost-effective and in the public interest.

36 **Money Appropriated in this Bill:**

37 None

38 **Other Special Clauses:**

39 None

40 **Utah Code Sections Affected:**

41 AMENDS:

42 **54-2-1**, as last amended by Laws of Utah 2014, Chapters 20, 381, and 388

43 **54-7-12.8**, as last amended by Laws of Utah 2009, Chapter 237

44 **54-7-13.5**, as enacted by Laws of Utah 2009, Chapter 319

45 **54-15-102**, as last amended by Laws of Utah 2014, Chapter 53

46 **54-15-104**, as last amended by Laws of Utah 2015, Chapter 324

47 **54-15-106**, as last amended by Laws of Utah 2014, Chapter 53

48 **54-17-801**, as last amended by Laws of Utah 2014, Chapter 34

49 **63I-1-254**, as last amended by Laws of Utah 2013, Chapter 311

50 ENACTS:

51 **54-3-33**, Utah Code Annotated 1953

52 **54-17-806**, Utah Code Annotated 1953

53 **54-20-101**, Utah Code Annotated 1953

54 **54-20-102**, Utah Code Annotated 1953

55 **54-20-103**, Utah Code Annotated 1953

56 **54-20-104**, Utah Code Annotated 1953

57 [54-20-105](#), Utah Code Annotated 1953
 58 [54-20-106](#), Utah Code Annotated 1953
 59 [54-20-107](#), Utah Code Annotated 1953

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

62 Section 1. Section **54-2-1** is amended to read:

63 **54-2-1. Definitions.**

64 As used in this title:

65 (1) "Avoided costs" means the incremental costs to an electrical corporation of electric
 66 energy or capacity or both that, due to the purchase of electric energy or capacity or both from
 67 small power production or cogeneration facilities, the electrical corporation would not have to
 68 generate itself or purchase from another electrical corporation.

69 (2) "Clean coal technology" means a technology that may be researched, developed, or
 70 used for reducing emissions or the rate of emissions from a thermal electric generation plant
 71 that uses coal as a fuel source.

72 [~~2~~] (3) "Cogeneration facility":

73 (a) means a facility that produces:

74 (i) electric energy; and

75 (ii) steam or forms of useful energy, including heat, that are used for industrial,
 76 commercial, heating, or cooling purposes; and

77 (b) is a qualifying cogeneration facility under federal law.

78 [~~3~~] (4) "Commission" means the Public Service Commission [~~of Utah~~].

79 [~~4~~] (5) "Commissioner" means a member of the commission.

80 [~~5~~] (6) (a) "Corporation" includes an association and a joint stock company having
 81 any powers or privileges not possessed by individuals or partnerships.

82 (b) "Corporation" does not include towns, cities, counties, conservancy districts,
 83 improvement districts, or other governmental units created or organized under any general or
 84 special law of this state.

85 [~~6~~] (7) "Distribution electrical cooperative" includes an electrical corporation that:

86 (a) is a cooperative;

87 (b) conducts a business that includes the retail distribution of electricity the cooperative

88 purchases or generates for the cooperative's members; and

89 (c) is required to allocate or distribute savings in excess of additions to reserves and
90 surplus on the basis of patronage to the cooperative's:

91 (i) members; or

92 (ii) patrons.

93 ~~[(7)]~~ (8) (a) "Electrical corporation" includes every corporation, cooperative
94 association, and person, their lessees, trustees, and receivers, owning, controlling, operating, or
95 managing any electric plant, or in any way furnishing electric power for public service or to its
96 consumers or members for domestic, commercial, or industrial use, within this state.

97 (b) "Electrical corporation" does not include:

98 (i) an independent energy producer;

99 (ii) where electricity is generated on or distributed by the producer solely for the
100 producer's own use, or the use of the producer's tenants, or the use of members of an
101 association of unit owners formed under Title 57, Chapter 8, Condominium Ownership Act,
102 and not for sale to the public generally;

103 (iii) an eligible customer who provides electricity for the eligible customer's own use or
104 the use of the eligible customer's tenant or affiliate; ~~[or]~~

105 (iv) a nonutility energy supplier who sells or provides electricity to:

106 (A) an eligible customer who has transferred the eligible customer's service to the
107 nonutility energy supplier in accordance with Section 54-3-32; or

108 (B) the eligible customer's tenant or affiliate.

109 (c) "Electrical corporation" does not include an entity that sells electric vehicle battery
110 charging services, unless the entity conducts another activity in the state that subjects the entity
111 to the jurisdiction and regulation of the commission as an electrical corporation.

112 ~~[(8)]~~ (9) "Electric plant" includes all real estate, fixtures, and personal property owned,
113 controlled, operated, or managed in connection with or to facilitate the production, generation,
114 transmission, delivery, or furnishing of electricity for light, heat, or power, and all conduits,
115 ducts, or other devices, materials, apparatus, or property for containing, holding, or carrying
116 conductors used or to be used for the transmission of electricity for light, heat, or power.

117 ~~[(9)]~~ (10) "Eligible customer" means a person who:

118 (a) on December 31, 2013:

119 (i) was a customer of a public utility that, on December 31, 2013, had more than
120 200,000 retail customers in this state; and

121 (ii) owned an electric plant that is an electric generation plant that, on December 31,
122 2013, had a generation name plate capacity of greater than 150 megawatts; and

123 (b) produces electricity:

124 (i) from a qualifying power production facility for sale to a public utility in this state;

125 (ii) primarily for the eligible customer's own use; or

126 (iii) for the use of the eligible customer's tenant or affiliate.

127 [~~(10)~~] (11) "Eligible customer's tenant or affiliate" means one or more tenants or
128 affiliates:

129 (a) of an eligible customer; and

130 (b) who are primarily engaged in an activity:

131 (i) related to the eligible customer's core mining or industrial businesses; and

132 (ii) performed on real property that is:

133 (A) within a 25-mile radius of the electric plant described in Subsection [~~(9)~~]

134 (10)(a)(ii); and

135 (B) owned by, controlled by, or under common control with, the eligible customer.

136 [~~(H)~~] (12) "Gas corporation" includes every corporation and person, their lessees,
137 trustees, and receivers, owning, controlling, operating, or managing any gas plant for public
138 service within this state or for the selling or furnishing of natural gas to any consumer or
139 consumers within the state for domestic, commercial, or industrial use, except in the situation
140 that:

141 (a) gas is made or produced on, and distributed by the maker or producer through,
142 private property:

143 (i) solely for the maker's or producer's own use or the use of the maker's or producer's
144 tenants; and

145 (ii) not for sale to others;

146 (b) gas is compressed on private property solely for the owner's own use or the use of
147 the owner's employees as a motor vehicle fuel; or

148 (c) gas is compressed by a retailer of motor vehicle fuel on the retailer's property solely
149 for sale as a motor vehicle fuel.

150 ~~[(12)]~~ (13) "Gas plant" includes all real estate, fixtures, and personal property owned,
151 controlled, operated, or managed in connection with or to facilitate the production, generation,
152 transmission, delivery, or furnishing of gas, natural or manufactured, for light, heat, or power.

153 ~~[(13)]~~ (14) "Heat corporation" includes every corporation and person, their lessees,
154 trustees, and receivers, owning, controlling, operating, or managing any heating plant for public
155 service within this state.

156 ~~[(14)]~~ (15) (a) "Heating plant" includes all real estate, fixtures, machinery, appliances,
157 and personal property controlled, operated, or managed in connection with or to facilitate the
158 production, generation, transmission, delivery, or furnishing of artificial heat.

159 (b) "Heating plant" does not include either small power production facilities or
160 cogeneration facilities.

161 ~~[(15)]~~ (16) "Independent energy producer" means every electrical corporation, person,
162 corporation, or government entity, their lessees, trustees, or receivers, that own, operate,
163 control, or manage an independent power production or cogeneration facility.

164 ~~[(16)]~~ (17) "Independent power production facility" means a facility that:

165 (a) produces electric energy solely by the use, as a primary energy source, of biomass,
166 waste, a renewable resource, a geothermal resource, or any combination of the preceding
167 sources; or

168 (b) is a qualifying power production facility.

169 (18) "Large-scale electric utility" means a public utility that provides retail electric
170 service to more than 200,000 retail customers in the state.

171 ~~[(17)]~~ (19) "Nonutility energy supplier" means a person that:

172 (a) has received market-based rate authority from the Federal Energy Regulatory
173 Commission in accordance with 16 U.S.C. Sec. 824d, 18 C.F.R. Part 35, Filing of Rate
174 Schedules and Tariffs, or applicable Federal Energy Regulatory Commission orders; or

175 (b) owns, leases, operates, or manages an electric plant that is an electric generation
176 plant that:

177 (i) has a capacity of greater than 100 megawatts; and

178 (ii) is hosted on the site of an eligible customer that consumes the output of the electric
179 plant, in whole or in part, for the eligible customer's own use or the use of the eligible
180 customer's tenant or affiliate.

181 ~~[(18)]~~ (20) "Private telecommunications system" includes all facilities for the
182 transmission of signs, signals, writing, images, sounds, messages, data, or other information of
183 any nature by wire, radio, lightwaves, or other electromagnetic means, excluding mobile radio
184 facilities, that are owned, controlled, operated, or managed by a corporation or person,
185 including their lessees, trustees, receivers, or trustees appointed by any court, for the use of that
186 corporation or person and not for the shared use with or resale to any other corporation or
187 person on a regular basis.

188 ~~[(19)]~~ (21) (a) "Public utility" includes every railroad corporation, gas corporation,
189 electrical corporation, distribution electrical cooperative, wholesale electrical cooperative,
190 telephone corporation, telegraph corporation, water corporation, sewerage corporation, heat
191 corporation, and independent energy producer not described in Subsection ~~[(19)]~~ (21)(d),
192 where the service is performed for, or the commodity delivered to, the public generally, or in
193 the case of a gas corporation or electrical corporation where the gas or electricity is sold or
194 furnished to any member or consumers within the state for domestic, commercial, or industrial
195 use.

196 (b) (i) If any railroad corporation, gas corporation, electrical corporation, telephone
197 corporation, telegraph corporation, water corporation, sewerage corporation, heat corporation,
198 or independent energy producer not described in Subsection ~~[(19)]~~ (21)(d), performs a service
199 for or delivers a commodity to the public, it is considered to be a public utility, subject to the
200 jurisdiction and regulation of the commission and this title.

201 (ii) If a gas corporation, independent energy producer not described in Subsection
202 ~~[(19)]~~ (21)(d), or electrical corporation sells or furnishes gas or electricity to any member or
203 consumers within the state, for domestic, commercial, or industrial use, for which any
204 compensation or payment is received, it is considered to be a public utility, subject to the
205 jurisdiction and regulation of the commission and this title.

206 (c) Any corporation or person not engaged in business exclusively as a public utility as
207 defined in this section is governed by this title in respect only to the public utility owned,
208 controlled, operated, or managed by the corporation or person, and not in respect to any other
209 business or pursuit.

210 (d) An independent energy producer is exempt from the jurisdiction and regulations of
211 the commission with respect to an independent power production facility if it meets the

212 requirements of Subsection [~~(19)~~] (21)(d)(i), (ii), (iii), or (iv), or any combination of these:

213 (i) the commodity or service is produced or delivered, or both, by an independent
214 energy producer solely for a use described in Subsections [~~(7)~~] (8)(b)(ii) through (iv) or for the
215 use of state-owned facilities;

216 (ii) the commodity or service is sold by an independent energy producer solely to an
217 electrical corporation or other wholesale purchaser;

218 (iii) (A) the commodity or service produced or delivered by the independent energy
219 producer is delivered to an entity that controls, is controlled by, or affiliated with the
220 independent energy producer or to a user located on real property managed or controlled by the
221 independent energy producer; and

222 (B) the real property on which the service or commodity is used is contiguous to real
223 property that is owned or controlled by the independent energy producer or is separated only by
224 a public road or an easement for a public road; or

225 (iv) the independent energy producer:

226 (A) supplies energy for direct consumption by a customer that is:

227 (I) a United States governmental entity, including an entity of the United States
228 military, or a county, municipality, city, town, other political subdivision, local district, special
229 service district, state institution of higher education, school district, charter school, or any
230 entity within the state system of public education; or

231 (II) an entity qualifying as a charitable organization under 26 U.S.C. Sec. 501(c)(3)
232 operated for religious, charitable, or educational purposes that is exempt from federal income
233 tax and able to demonstrate its tax-exempt status;

234 (B) supplies energy to the customer through use of a customer generation system, as
235 defined in Section 54-15-102, for use on the real property where the customer generation
236 system is located;

237 (C) supplies energy using a customer generation system designed to supply the lesser
238 of:

239 (I) no more than 90% of the average annual consumption of electricity by the customer
240 at that site, based on an annualized billing period; or

241 (II) the maximum size allowable under net metering provisions, defined in Section
242 54-15-102;

243 (D) notifies the customer before installing the customer generation system of:
244 (I) all costs the customer is required to pay for the customer generation system,
245 including any interconnection costs; and
246 (II) the potential for future changes in amounts paid by the customer for energy
247 received from the public utility and the possibility of changes to the customer fees or charges to
248 the customer associated with net metering and generation;
249 (E) enters into and performs in accordance with an interconnection agreement with a
250 public utility providing retail electric service where the real property on which the customer
251 generation system is located, with the rates, terms, and conditions of the retail service and
252 interconnection agreement subject to approval by the governing authority of the public utility,
253 as defined in Subsection 54-15-102(8); and
254 (F) installs the relevant customer generation system by December 31, 2021.
255 (e) Any person or corporation defined as an electrical corporation or public utility
256 under this section may continue to serve its existing customers subject to any order or future
257 determination of the commission in reference to the right to serve those customers.
258 (f) (i) "Public utility" does not include any person that is otherwise considered a public
259 utility under this Subsection [~~(19)~~] (21) solely because of that person's ownership of an interest
260 in an electric plant, cogeneration facility, or small power production facility in this state if all of
261 the following conditions are met:
262 (A) the ownership interest in the electric plant, cogeneration facility, or small power
263 production facility is leased to:
264 (I) a public utility, and that lease has been approved by the commission;
265 (II) a person or government entity that is exempt from commission regulation as a
266 public utility; or
267 (III) a combination of Subsections [~~(19)~~] (21)(f)(i)(A)(I) and (II);
268 (B) the lessor of the ownership interest identified in Subsection [~~(19)~~] (21)(f)(i)(A) is:
269 (I) primarily engaged in a business other than the business of a public utility; or
270 (II) a person whose total equity or beneficial ownership is held directly or indirectly by
271 another person engaged in a business other than the business of a public utility; and
272 (C) the rent reserved under the lease does not include any amount based on or
273 determined by revenues or income of the lessee.

274 (ii) Any person that is exempt from classification as a public utility under Subsection
275 ~~[(+9)]~~ (21)(f)(i) shall continue to be ~~[so]~~ exempt from classification following termination of
276 the lessee's right to possession or use of the electric plant for so long as the former lessor does
277 not operate the electric plant or sell electricity from the electric plant. If the former lessor
278 operates the electric plant or sells electricity, the former lessor shall continue to be so exempt
279 for a period of 90 days following termination, or for a longer period that is ordered by the
280 commission. This period may not exceed one year. A change in rates that would otherwise
281 require commission approval may not be effective during the 90-day or extended period
282 without commission approval.

283 (g) "Public utility" does not include any person that provides financing for, but has no
284 ownership interest in an electric plant, small power production facility, or cogeneration facility.
285 In the event of a foreclosure in which an ownership interest in an electric plant, small power
286 production facility, or cogeneration facility is transferred to a third-party financier of an electric
287 plant, small power production facility, or cogeneration facility, then that third-party financier is
288 exempt from classification as a public utility for 90 days following the foreclosure, or for a
289 longer period that is ordered by the commission. This period may not exceed one year.

290 (h) (i) The distribution or transportation of natural gas for use as a motor vehicle fuel
291 does not cause the distributor or transporter to be a "public utility," unless the commission,
292 after notice and a public hearing, determines by rule that it is in the public interest to regulate
293 the distributors or transporters, but the retail sale alone of compressed natural gas as a motor
294 vehicle fuel may not cause the seller to be a "public utility."

295 (ii) In determining whether it is in the public interest to regulate the distributors or
296 transporters, the commission shall consider, among other things, the impact of the regulation
297 on the availability and price of natural gas for use as a motor fuel.

298 (i) "Public utility" does not include:

299 (i) an eligible customer who provides electricity for the eligible customer's own use or
300 the use of the eligible customer's tenant or affiliate; or

301 (ii) a nonutility energy supplier that sells or provides electricity to:

302 (A) an eligible customer who has transferred the eligible customer's service to the
303 nonutility energy supplier in accordance with Section 54-3-32; or

304 (B) the eligible customer's tenant or affiliate.

305 (j) "Public utility" does not include an entity that sells electric vehicle battery charging
306 services, unless the entity conducts another activity in the state that subjects the entity to the
307 jurisdiction and regulation of the commission as a public utility.

308 [~~(20)~~] (22) "Purchasing utility" means any electrical corporation that is required to
309 purchase electricity from small power production or cogeneration facilities pursuant to the
310 Public Utility Regulatory Policies Act, 16 U.S.C. Section 824a-3.

311 [~~(21)~~] (23) "Qualifying power producer" means a corporation, cooperative association,
312 or person, or the lessee, trustee, and receiver of the corporation, cooperative association, or
313 person, who owns, controls, operates, or manages any qualifying power production facility or
314 cogeneration facility.

315 [~~(22)~~] (24) "Qualifying power production facility" means a facility that:

316 (a) produces electrical energy solely by the use, as a primary energy source, of biomass,
317 waste, a renewable resource, a geothermal resource, or any combination of the preceding
318 sources;

319 (b) has a power production capacity that, together with any other facilities located at
320 the same site, is no greater than 80 megawatts; and

321 (c) is a qualifying small power production facility under federal law.

322 [~~(23)~~] (25) "Railroad" includes every commercial, interurban, and other railway, other
323 than a street railway, and each branch or extension of a railway, by any power operated,
324 together with all tracks, bridges, trestles, rights-of-way, subways, tunnels, stations, depots,
325 union depots, yards, grounds, terminals, terminal facilities, structures, and equipment, and all
326 other real estate, fixtures, and personal property of every kind used in connection with a
327 railway owned, controlled, operated, or managed for public service in the transportation of
328 persons or property.

329 [~~(24)~~] (26) "Railroad corporation" includes every corporation and person, their lessees,
330 trustees, and receivers, owning, controlling, operating, or managing any railroad for public
331 service within this state.

332 [~~(25)~~] (27) (a) "Sewerage corporation" includes every corporation and person, their
333 lessees, trustees, and receivers, owning, controlling, operating, or managing any sewerage
334 system for public service within this state.

335 (b) "Sewerage corporation" does not include private sewerage companies engaged in

336 disposing of sewage only for their stockholders, or towns, cities, counties, conservancy
337 districts, improvement districts, or other governmental units created or organized under any
338 general or special law of this state.

339 ~~[(26)]~~ (28) "Telegraph corporation" includes every corporation and person, their
340 lessees, trustees, and receivers, owning, controlling, operating, or managing any telegraph line
341 for public service within this state.

342 ~~[(27)]~~ (29) "Telegraph line" includes all conduits, ducts, poles, wires, cables,
343 instruments, and appliances, and all other real estate, fixtures, and personal property owned,
344 controlled, operated, or managed in connection with or to facilitate communication by
345 telegraph, whether that communication be had with or without the use of transmission wires.

346 ~~[(28)]~~ (30) (a) "Telephone corporation" means any corporation or person, and their
347 lessees, trustee, receivers, or trustees appointed by any court, who owns, controls, operates,
348 manages, or resells a public telecommunications service as defined in Section 54-8b-2.

349 (b) "Telephone corporation" does not mean a corporation, partnership, or firm
350 providing:

351 (i) intrastate telephone service offered by a provider of cellular, personal
352 communication systems (PCS), or other commercial mobile radio service as defined in 47
353 U.S.C. Sec. 332 that has been issued a covering license by the Federal Communications
354 Commission;

355 (ii) Internet service; or

356 (iii) resold intrastate toll service.

357 ~~[(29)]~~ (31) "Telephone line" includes all conduits, ducts, poles, wires, cables,
358 instruments, and appliances, and all other real estate, fixtures, and personal property owned,
359 controlled, operated, or managed in connection with or to facilitate communication by
360 telephone whether that communication is had with or without the use of transmission wires.

361 ~~[(30)]~~ (32) "Transportation of persons" includes every service in connection with or
362 incidental to the safety, comfort, or convenience of the person transported, and the receipt,
363 carriage, and delivery of that person and that person's baggage.

364 ~~[(31)]~~ (33) "Transportation of property" includes every service in connection with or
365 incidental to the transportation of property, including in particular its receipt, delivery,
366 elevation, transfer, switching, carriage, ventilation, refrigeration, icing, dunnage, storage, and

367 hauling, and the transmission of credit by express companies.

368 ~~[(32)]~~ (34) "Water corporation" includes every corporation and person, their lessees,
369 trustees, and receivers, owning, controlling, operating, or managing any water system for
370 public service within this state. It does not include private irrigation companies engaged in
371 distributing water only to their stockholders, or towns, cities, counties, water conservancy
372 districts, improvement districts, or other governmental units created or organized under any
373 general or special law of this state.

374 ~~[(33)]~~ (35) (a) "Water system" includes all reservoirs, tunnels, shafts, dams, dikes,
375 headgates, pipes, flumes, canals, structures, and appliances, and all other real estate, fixtures,
376 and personal property owned, controlled, operated, or managed in connection with or to
377 facilitate the diversion, development, storage, supply, distribution, sale, furnishing, carriage,
378 appointment, apportionment, or measurement of water for power, fire protection, irrigation,
379 reclamation, or manufacturing, or for municipal, domestic, or other beneficial use.

380 (b) "Water system" does not include private irrigation companies engaged in
381 distributing water only to their stockholders.

382 ~~[(34)]~~ (36) "Wholesale electrical cooperative" includes every electrical corporation that
383 is:

384 (a) in the business of the wholesale distribution of electricity it has purchased or
385 generated to its members and the public; and

386 (b) required to distribute or allocate savings in excess of additions to reserves and
387 surplus to members or patrons on the basis of patronage.

388 Section 2. Section **54-3-33** is enacted to read:

389 **54-3-33. Eligible customer energy supply contract.**

390 (1) The commission may approve a contract between a large-scale electric utility and a
391 customer of a large-scale electric utility that is eligible to transfer electric service to a
392 non-utility energy supplier under Section [54-3-32](#).

393 (2) The commission shall exempt a customer that enters into a contract described in
394 Subsection (1) from paying the costs recovered under Subsection [54-7-12.8\(3\)](#), except the costs
395 of the Utah solar incentive program included in Subsection [54-7-12.8\(3\)\(b\)](#).

396 (3) If an eligible customer that enters into a contract described in Subsection (1) has
397 provided notice to the commission under Subsection [54-3-32\(3\)](#), the notice is not considered

398 withdrawn under Subsection 54-3-32(4)(c) by the customer entering into the contract.

399 (4) Notwithstanding Subsection 54-3-32(4)(c), if the commission approves a contract
400 under this section for an eligible customer that states a contract termination date that is after
401 December 31, 2020, the notice described in Subsection 54-3-32(3)(a) is not considered to be
402 withdrawn unless a transfer of service under Section 54-3-32 does not occur before the later of:

403 (a) the day three years after the termination date stated in the contract; or

404 (b) 18 months after the intended date of transfer of service described in Subsection
405 54-3-32(3)(a)(ii).

406 Section 3. Section 54-7-12.8 is amended to read:

407 **54-7-12.8. Electric energy efficiency, sustainable transportation and energy, and**
408 **conservation tariff.**

409 (1) As used in this section[~~-, "demand~~]:

410 (a) "Demand side management" means [activities or programs that promote] an activity
411 or program that promotes electric energy efficiency or conservation or more efficient
412 management of electric energy loads.

413 (b) "Pilot program period" means a period of five years, beginning on January 1, 2017,
414 during which the sustainable transportation and energy plan is effective.

415 (c) "Sustainable transportation and energy plan" means the same as that term is defined
416 in Section 54-20-102.

417 (2) (a) As provided in this section, the commission may approve a tariff under which
418 an electrical corporation includes a line item charge on [its] the electrical corporation's
419 customers' bills to recover costs incurred by the electrical corporation for demand side
420 management.

421 (b) The commission shall authorize a large-scale electric utility that is allowed to
422 charge a customer for demand side management under Subsection (2)(a) to:

423 (i) if requested by the large-scale electric utility, capitalize the annual costs incurred for
424 demand side management provided in Subsection (2)(a);

425 (ii) amortize the annual cost for demand side management over a period of 10 years;

426 (iii) apply a carrying charge to the unamortized balance that is equal to the large-scale
427 electric utility's pretax weighted average cost of capital approved by the commission in the
428 large-scale electric utility's most recent general rate proceeding; and

429 (iv) recover the amortization cost described in Subsection (2)(b)(ii) and the carrying
430 charge described in Subsection (2)(b)(iii) in customer rates.

431 (3) The commission shall, before January 1, 2017, authorize a large-scale electric
432 utility to implement a combined line item charge on the large-scale electric utility's customers'
433 bills to recover the cost to the large-scale electric utility of:

434 (a) demand side management, including the cost of amortizing a deferred balance;

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

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

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

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

442 (ii) establish and fund, via the additional expense described in Subsection (4)(a)(i), a
443 regulatory liability; and

444 (iii) use the regulatory liability described in Subsection (4)(a)(ii) to depreciate thermal
445 generation plant.

446 (b) (i) The commission shall authorize the large-scale electric utility to use the
447 regulatory liability described in Subsection (4)(a)(ii) to depreciate thermal generation plant for
448 which the commission determines depreciation is in the public interest for compliance with an
449 environmental regulation or another purpose.

450 (ii) The commission may not consider the existence of the regulatory liability described
451 in Subsection (4)(a)(ii) in a determination to accelerate depreciation under Subsection (4)(b)(i).

452 (c) The commission shall allow the large-scale electric utility to apply a carrying
453 charge to the regulatory liability described in Subsection (4)(a)(ii) in an amount equal to the
454 large-scale electric utility's pretax average weighted cost of capital approved by the
455 commission in the large-scale electric utility's most recent general rate proceeding.

456 (d) The commission shall allow a large-scale electric utility to use the regulatory
457 liability described in Subsection (4)(a)(ii) to offset the carrying charge described in Subsection
458 (2)(b)(iii).

459 (e) The large-scale electric utility shall apply the carrying charge described in

460 Subsection (4)(c) to funds that a large-scale electric utility is authorized to use to depreciate
461 thermal generation plant under Subsection (4)(a) until the reduction in the large-scale electric
462 utility's rate base associated with the thermal generation plant depreciation for which the funds
463 are used is reflected in the large-scale electric utility's customers' rates.

464 (f) If the commission determines that funds established in the regulatory liability under
465 Subsection (4)(a) are no longer needed for the purpose of depreciating thermal generation
466 plant, the large-scale electric utility shall use the balance of the funds in the regulatory liability
467 to offset the capitalized demand side management costs described in Subsection (2)(b)(i).

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

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

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

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

475 (i) \$2,000,000 annually for the electric vehicle incentive program described in Section
476 [54-20-103](#); and

477 (ii) an annual average of:

478 (A) \$500,000 for the clean coal technology program described in Section [54-20-104](#);
479 and

480 (B) \$3,900,000 for the innovative utility programs described in Section [54-20-105](#).

481 (c) 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 (5) 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 (6) A large-scale electric utility shall establish a balancing account that includes:

486 (a) funds allocated under Subsection (5)(a)(i);

487 (b) the program expenditures described in Subsection (5)(b); and

488 (c) a carrying charge in an amount determined by the commission.

489 (7) A customer that is paying a contract rate under an agreement with a large-scale
490 electric utility as of January 1, 2016, is exempt from the costs recovered under Subsection (3),

491 except for costs created by or arising from the Utah solar incentive program included in
 492 Subsection 54-7-12.8(3)(b).

493 (8) (a) In any proceeding commenced under Section 54-3-32, the commission may not
 494 consider or assess to an eligible customer an expenditure, cost, amortization, charge, or liability
 495 of any kind that is created by or arises in whole or in part from:

496 (i) any program created under Title 54, Chapter 20, Sustainable Transportation and
 497 Energy Plan Act; or

498 (ii) this section, except for costs created by or arising from the Utah solar incentive
 499 program included in Subsection 54-7-12.8(3)(b).

500 (b) Except as provided in Subsection (8)(a) and in Section 54-3-33, this section and
 501 Title 54, Chapter 20, Sustainable Transportation and Energy Plan Act, do not:

502 (i) amend or repeal any provision of Section 54-3-32; or

503 (ii) affect any right, defense, or credit available to an eligible customer under Section
 504 54-3-32.

505 ~~[(3)]~~ (9) Each electrical corporation proposing a tariff under this section shall, before
 506 submitting the tariff to the commission for approval, seek [and receive] input from:

507 (a) the Division of Public Utilities;

508 (b) the Office of Consumer Services [created in Section 54-10a-201]; and

509 ~~[(c) other interested parties.]~~

510 (c) a person that files a request for notice with the commission.

511 ~~[(4)]~~ (10) Before approving a tariff under this section, the commission shall hold a
 512 hearing if:

513 (a) requested in writing by the electrical corporation, a customer of the electrical
 514 corporation, or any other interested party within 15 days after the tariff filing; or

515 (b) the commission determines that a hearing is appropriate.

516 ~~[(5)]~~ (11) The commission may approve a demand side management tariff under this
 517 section either with or without a provision allowing an end-use customer to receive a credit
 518 against the charges imposed under the tariff for electric energy efficiency measures that:

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

520 (b) qualify for the credit under criteria established by the [Utah Public Service
 521 Commission] commission.

522 [(6)] (12) In approving a tariff under this section, the commission may impose
523 whatever conditions or limits it considers appropriate, including a maximum annual cost.

524 [(7)] (13) Unless otherwise ordered by the commission, each tariff under this section
525 approved by the commission shall take effect no sooner than 30 days after the electrical
526 corporation files the tariff with the commission.

527 Section 4. Section **54-7-13.5** is amended to read:

528 **54-7-13.5. Energy balancing accounts.**

529 (1) As used in this section:

530 (a) "Base rates" [~~is as~~] means the same as that term is defined in Subsection
531 **54-7-12(1)**.

532 (b) "Energy balancing account" means an electrical corporation account for some or all
533 components of the electrical corporation's incurred actual power costs, including:

534 (i) (A) fuel;

535 (B) purchased power; and

536 (C) wheeling expenses; and

537 (ii) the sum of the power costs described in Subsection (1)(b)(i) less wholesale
538 revenues.

539 (c) "Gas balancing account" means a gas corporation account to recover on a
540 dollar-for-dollar basis, purchased gas costs, and gas cost-related expenses.

541 (2) (a) The commission may authorize an electrical corporation to establish an energy
542 balancing account.

543 (b) An energy balancing account shall become effective upon a commission finding
544 that the energy balancing account is:

545 (i) in the public interest;

546 (ii) for prudently-incurred costs; and

547 (iii) implemented at the conclusion of a general rate case.

548 (c) An electrical corporation:

549 (i) may, with approval from the commission, recover costs under this section through:

550 (A) base rates;

551 (B) contract rates;

552 (C) surcredits; or

553 (D) surcharges; and
554 (ii) shall file a reconciliation of the energy balancing account with the commission at
555 least annually with actual costs and revenues incurred by the electrical corporation.

556 (d) Beginning June 1, 2016, for an electrical corporation with an energy balancing
557 account established before January 1, 2016, the commission shall allow an electrical
558 corporation to recover 100% of the electrical corporation's prudently incurred costs as
559 determined and approved by the commission under this section.

560 [~~(d)~~] (e) An energy balancing account may not alter:

- 561 (i) the standard for cost recovery; or
562 (ii) the electrical corporation's burden of proof.

563 [~~(e)~~] (f) The collection method described in Subsection (2)(c)(i) shall:

- 564 (i) apply to the appropriate billing components in base rates; and
565 (ii) be incorporated into base rates in an appropriate commission proceeding.

566 [~~(f)~~] (g) The collection of costs related to an energy balancing account from customers
567 paying contract rates shall be governed by the terms of the contract.

568 [~~(g)~~] (h) Revenues collected in excess of prudently incurred actual costs shall:

569 (i) be refunded as a bill surcredit to an electrical corporation's customers over a period
570 specified by the commission; and

571 (ii) include a carrying charge.

572 [~~(h)~~] (i) Prudently incurred actual costs in excess of revenues collected shall:

573 (i) be recovered as a bill surcharge over a period to be specified by the commission;

574 and

575 (ii) include a carrying charge.

576 [~~(i)~~] (j) The carrying charge applied to the balance in an energy balancing account shall
577 be:

578 (i) determined by the commission; and

579 (ii) symmetrical for over or under collections.

580 (3) (a) The commission may:

581 (i) establish a gas balancing account for a gas corporation; and

582 (ii) set forth procedures for a gas corporation's gas balancing account in the gas
583 corporation's commission-approved tariff.

584 (b) A gas balancing account may not alter:

585 (i) the standard of cost recovery; or

586 (ii) the gas corporation's burden of proof.

587 (4) (a) All allowed costs and revenues associated with an energy balancing account or
588 gas balancing account shall remain in the respective balancing account until charged or
589 refunded to customers.

590 (b) The balance of an energy balancing account or gas balancing account may not be:

591 (i) transferred by the electrical corporation or gas corporation; or

592 (ii) used by the commission to impute earnings or losses to the electrical corporation or
593 gas corporation.

594 (c) An energy balancing account or gas balancing account that is formed and
595 maintained in accordance with this section does not constitute impermissible retroactive
596 ratemaking or single-issue ratemaking.

597 (5) This section does not create a presumption for or against approval of an energy
598 balancing account.

599 (6) The commission shall report to the Public Utilities and Technology Interim
600 Committee before December 1 in 2017 and 2018 regarding whether allowing an electrical
601 corporation to continue to recover costs under Subsection (2)(d) is reasonable and in the public
602 interest.

603 Section 5. Section **54-15-102** is amended to read:

604 **54-15-102. Definitions.**

605 As used in this chapter:

606 (1) "Annualized billing period" means:

607 (a) a 12-month billing cycle beginning on April 1 of one year and ending on March 31
608 of the following year; or

609 (b) an additional 12-month billing cycle as defined by an electrical corporation's net
610 metering tariff or rate schedule.

611 (2) "Customer-generated electricity" means electricity that:

612 (a) is generated by a customer generation system for a customer participating in a net
613 metering program;

614 (b) exceeds the electricity the customer needs for the customer's own use; and

- 615 (c) is supplied to the electrical corporation administering the net metering program.
- 616 (3) "Customer generation system":
- 617 (a) means an eligible facility that is used to supply energy to or for a specific customer
- 618 that:
- 619 (i) has a generating capacity of:
- 620 (A) not more than 25 kilowatts for a residential facility; or
- 621 (B) not more than two megawatts for a non-residential facility, unless the governing
- 622 authority approves a greater generation capacity;
- 623 (ii) is located on, or adjacent to, the premises of the electrical corporation's customer,
- 624 subject to the electrical corporation's service requirements;
- 625 (iii) operates in parallel and is interconnected with the electrical corporation's
- 626 distribution facilities;
- 627 (iv) is intended primarily to offset part or all of the customer's requirements for
- 628 electricity; and
- 629 (v) is controlled by an inverter; and
- 630 (b) includes an electric generator and its accompanying equipment package.
- 631 (4) "Eligible facility" means a facility that uses energy derived from one of the
- 632 following to generate electricity:
- 633 (a) solar photovoltaic and solar thermal energy;
- 634 (b) wind energy;
- 635 (c) hydrogen;
- 636 (d) organic waste;
- 637 (e) hydroelectric energy;
- 638 (f) waste gas and waste heat capture or recovery;
- 639 (g) biomass and biomass byproducts, except for the combustion of:
- 640 (i) wood that has been treated with chemical preservatives such as creosote,
- 641 pentachlorophenol, or chromated copper arsenate; or
- 642 (ii) municipal waste in a solid form;
- 643 (h) forest or rangeland woody debris from harvesting or thinning conducted to improve
- 644 forest or rangeland ecological health and to reduce wildfire risk;
- 645 (i) agricultural residues;

- 646 (j) dedicated energy crops;
- 647 (k) landfill gas or biogas produced from organic matter, wastewater, anaerobic
- 648 digesters, or municipal solid waste; or
- 649 (l) geothermal energy.
- 650 (5) "Equipment package" means a group of components connecting an electric
- 651 generator to an electric distribution system, including all interface equipment and the interface
- 652 equipment's controls, switchgear, inverter, and other interface devices.
- 653 (6) "Excess customer-generated electricity" means the amount of customer-generated
- 654 electricity in excess of the customer's consumption from the customer generation system during
- 655 a monthly billing period, as measured at the electrical corporation's meter.
- 656 (7) "Fuel cell" means a device in which the energy of a reaction between a fuel and an
- 657 oxidant is converted directly and continuously into electrical energy.
- 658 (8) "Governing authority" means:
- 659 (a) for a distribution electrical cooperative, its board of directors; and
- 660 (b) for each other electrical corporation, the Public Service Commission.
- 661 (9) "Inverter" means a device that:
- 662 (a) converts direct current power into alternating current power that is compatible with
- 663 power generated by an electrical corporation; and
- 664 (b) has been designed, tested, and certified to UL1741 and installed and operated in
- 665 accordance with the latest revision of IEEE1547, as amended.
- 666 (10) "Net electricity" means the difference, as measured at the meter owned by the
- 667 electrical corporation between:
- 668 (a) the amount of electricity that an electrical corporation supplies to a customer
- 669 participating in a net metering program; and
- 670 (b) the amount of customer-generated electricity delivered to the electrical corporation.
- 671 (11) "Net metering" means measuring the amount of net electricity for the applicable
- 672 billing period.
- 673 (12) "Net metering program" means a program administered by an electrical
- 674 corporation whereby a customer with a customer generation system may:
- 675 (a) generate electricity primarily for the customer's own use;
- 676 (b) supply customer-generated electricity to the electrical corporation; and

677 (c) if net metering results in excess customer-generated electricity during a billing
678 period, receive cash or a credit as provided in Section 54-15-104.

679 (13) "Switchgear" means the combination of electrical disconnects, fuses, or circuit
680 breakers:

681 (a) used to:

682 (i) isolate electrical equipment; and

683 (ii) de-energize equipment to allow work to be performed or faults downstream to be
684 cleared; and

685 (b) that is:

686 (i) designed, tested, and certified to UL1741; and

687 (ii) installed and operated in accordance with the latest revision of IEEE1547, as
688 amended.

689 Section 6. Section 54-15-104 is amended to read:

690 **54-15-104. Charges or credits for net electricity.**

691 (1) Each electrical corporation with a customer participating in a net metering program
692 shall measure net electricity during each monthly billing period, in accordance with normal
693 metering practices.

694 (2) If net metering does not result in excess customer-generated electricity during the
695 monthly billing period, the electrical corporation shall bill the customer for the net electricity,
696 in accordance with normal billing practices.

697 (3) Subject to Subsection (4), if net metering results in excess customer-generated
698 electricity during the monthly billing period:

699 (a) (i) (A) if a customer elects to receive cash payment, the electrical corporation shall
700 pay cash to a customer for the excess customer-generated electricity based on the meter reading
701 for the billing period at rates established under Title 54, Chapter 12, Small Power Production
702 and Cogeneration, for facilities of up to three megawatts; or

703 (B) if the customer elects to receive credit, the electrical corporation shall credit the
704 customer for the excess customer-generated electricity based on the meter reading for the
705 billing period at a value that is at least avoided cost, or as determined by the governing
706 authority; and

707 (ii) all credits that the customer does not use during the annualized billing period

708 expire at the end of the annualized billing period; and

709 (b) as authorized by the governing authority, the electrical corporation may bill the
710 customer for customer charges that otherwise would have accrued during that billing period in
711 the absence of excess customer-generated electricity.

712 (4) At the end of an annualized billing period, an electrical corporation's avoided cost
713 value of remaining unused credits described in Subsection (3)(a) shall be granted:

714 (a) to the electrical corporation's low-income assistance programs as determined by the
715 governing authority; or

716 (b) for another use as determined by the governing authority.

717 Section 7. Section **54-15-106** is amended to read:

718 **54-15-106. Customer to provide equipment necessary to meet certain**
719 **requirements -- Governing authority may adopt additional reasonable requirements --**
720 **Testing and inspection of interconnection.**

721 (1) Each customer participating in a net metering program shall provide at the
722 customer's expense all equipment necessary to meet:

723 (a) applicable local and national standards regarding electrical and fire safety, power
724 quality, and interconnection requirements established by the National Electrical Code, the
725 National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, and
726 Underwriters Laboratories; and

727 (b) any other utility interconnection requirements as determined by the commission by
728 rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

729 (2) After appropriate notice and opportunity for public comment, the governing
730 authority may by rule adopt additional reasonable safety, power quality, and interconnection
731 requirements for customer generation systems that the governing authority considers to be
732 necessary to protect public safety and system reliability.

733 (3) (a) If a customer participating in a net metering program complies with
734 requirements referred to under Subsection (1) and additional requirements established under
735 Subsection (2), an electrical corporation may not require that customer to:

736 (i) perform or pay for additional tests; or

737 (ii) purchase additional liability insurance.

738 (b) An electrical corporation may not be held directly or indirectly liable for permitting

739 or continuing to permit an interconnection of a customer generation system to the electrical
740 corporation's system or for an act or omission of a customer participating in a net metering
741 program for loss, injury, or death to a third party.

742 (4) An electrical corporation may test and inspect an interconnection at times that the
743 electrical corporation considers necessary to ensure the safety of electrical workers and to
744 preserve the integrity of the electric power grid.

745 (5) The electrical function, operation, or capacity of a customer generation system, at
746 the point of connection to the electrical corporation's distribution system, may not compromise
747 the quality of service to the electrical corporation's other customers.

748 (6) (a) Except as provided in Subsection (6)(b), an electrical corporation administering
749 a net metering program:

750 (i) may not charge a customer an interconnection fee of more than \$2 during a monthly
751 billing period for an interconnection of a customer generation system to the electrical
752 corporation's system if the customer has zero power consumption during a monthly billing
753 period; or

754 (ii) may not charge a customer an interconnection fee of more than \$2 during a
755 monthly billing period for an interconnection of a customer generation system to the electrical
756 corporation's system if the customer is enrolled in a net-metering credit program as described in
757 Subsection 54-15-104(3)(a)(i)(B) or (3)(b).

758 (b) An electrical corporation may charge a customer an interconnection fee of more
759 than \$2 during a monthly billing period for an interconnection of a customer generation system
760 to the electrical corporation's system if the customer is selling excess customer-generated
761 electricity for cash as described in Subsection 54-15-104(3)(a)(i)(A).

762 Section 8. Section **54-17-801** is amended to read:

763 **54-17-801. Definitions.**

764 As used in this part:

765 (1) "Contract customer" means a person who executes or will execute a renewable
766 energy contract with a qualified utility.

767 (2) "Qualified utility" means an electric corporation that serves more than 200,000
768 retail customers in the state.

769 (3) "Renewable energy contract" means a contract under this part for the delivery of

770 electricity from one or more renewable energy facilities to a contract customer requiring the use
771 of a qualified utility's transmission or distribution system to deliver the electricity from a
772 renewable energy facility to the contract customer.

773 (4) "Renewable energy facility":

774 (a) except as provided in Subsection (4)(b), means a renewable energy source defined
775 in Section [54-17-601](#) that is located in the state; and

776 (b) does not include an electric generating facility whose costs have been included in a
777 qualified utility's rates as a facility providing electric service to the qualified utility's system.

778 (5) "Renewable energy tariff" means a tariff offered by a qualified utility that allows
779 the qualified utility to procure renewable generation on behalf of and to serve its customers.

780 Section 9. Section [54-17-806](#) is enacted to read:

781 **54-17-806. Qualified utility renewable energy tariff.**

782 (1) The commission may authorize a qualified utility to implement a renewable energy
783 tariff in accordance with this section if the commission determines the tariff that the qualified
784 utility proposes is reasonable and in the public interest.

785 (2) If a tariff is authorized under Subsection (1), a qualified utility customer with an
786 aggregated electrical load of at least five megawatts and who agrees to service that is subject to
787 the renewable energy tariff shall pay:

788 (a) the customer's normal tariff rate;

789 (b) an incremental charge in an amount equal to the difference between the cost to the
790 qualified utility to supply renewable generation to the renewable energy tariff customer and the
791 qualified utility's avoided costs as defined in Subsection [54-2-1](#)(1), or a different methodology
792 recommended by the qualified utility; and

793 (c) an administrative fee in an amount approved by the commission.

794 (3) The commission shall allow a qualified utility to recover the qualified utility's
795 prudently incurred cost of renewable generation procured pursuant to the tariff established in
796 this section that is not otherwise recovered from the proceeds of the tariff paid by customers
797 agreeing to service that is subject to the renewable energy tariff.

798 Section 10. Section [54-20-101](#) is enacted to read:

799 **CHAPTER 20. SUSTAINABLE TRANSPORTATION AND ENERGY PLAN ACT**

800 **54-20-101. Title.**

801 This chapter is known as the "Sustainable Transportation and Energy Plan Act."

802 Section 11. Section **54-20-102** is enacted to read:

803 **54-20-102. Definitions.**

804 As used in this chapter:

805 (1) "Demand side management" means the same as that term is defined in Section
806 54-7-12.8.

807 (2) "Pilot program period" means a period of 5 years, beginning on January 1, 2017,
808 during which the sustainable transportation and energy plan is effective.

809 (3) "Sustainable transportation and energy plan" means the programs approved by the
810 commission and undertaken by a large-scale electric utility during the pilot program period,
811 including:

812 (a) the electric vehicle incentive program described in Section 54-20-103;

813 (b) the clean coal technology program described in Section 54-20-104; and

814 (c) the innovative technology programs described in Section 54-20-105.

815 Section 12. Section **54-20-103** is enacted to read:

816 **54-20-103. Electric vehicle incentive program.**

817 (1) The commission shall, before July 1, 2017, authorize a large-scale electric utility to
818 establish a program that promotes customer choice in electric vehicle charging equipment and
819 service that includes:

820 (a) an incentive to a large-scale electric utility customer to install or provide electric
821 vehicle infrastructure;

822 (b) time of use pricing for electric vehicle charging;

823 (c) any measure that the commission determines is in the public interest that
824 incentivizes the competitive deployment of electric vehicle charging infrastructure.

825 (2) The commission may review the expenditures made by a large-scale electric utility
826 for the program described in Subsection (1) in order to determine if the large-scale electric
827 utility made the expenditures prudently in accordance with the purposes of the program.

828 (3) A large-scale electric utility proposing a program for approval by the commission
829 under this section shall, before submitting the program to the commission for approval, seek
830 input from:

831 (a) the Division of Public Utilities;

- 832 (b) the Office of Consumer Services;
833 (c) the Division of Air Quality; and
834 (d) any person that files a request for notice with the commission.

835 Section 13. Section **54-20-104** is enacted to read:

836 **54-20-104. Clean coal technology program.**

837 (1) Subject to Subsection (2), the commission shall authorize, before July 1, 2017, and
838 subject to funding, approve a program that authorizes a large-scale electric utility to
839 investigate, analyze, and research clean coal technology.

840 (2) The commission may review the expenditures made by a large-scale electric utility
841 for a program described in Subsection (1) in order to determine if the large-scale electric utility
842 made the expenditures prudently in accordance with the purposes of the program.

843 Section 14. Section **54-20-105** is enacted to read:

844 **54-20-105. Innovative utility programs.**

845 (1) The commission may authorize, subject to funding available under Subsection
846 54-7-12.8(5)(b)(ii)(B), a large-scale electric utility to implement programs that the commission
847 determines are in the interest of large-scale electric utility customers to provide for the
848 investigation, analysis, and implementation of:

- 849 (a) an economic development incentive rate;
850 (b) a solar generation incentive;
851 (c) a battery storage or electric grid related project;
852 (d) a commercial line extension pilot program;
853 (e) a program to curtail emissions from thermal generation plant in the Salt Lake
854 non-attainment area during a non-attainment event as defined by the Division of Air Quality;
855 (f) an additional electric vehicle incentive program incremental to the program
856 described in Section 54-20-103;
857 (g) an additional clean coal program incremental to the program described in Section
858 54-20-104; and
859 (h) any other technology program.

860 (2) The commission may review the expenditures made by a large-scale electric utility
861 for a program described in Subsection (1) in order to determine if the large-scale electric utility
862 made the expenditures prudently in accordance with the purposes of the program.

863 (3) The commission may authorize and establish funding for a conservation, efficiency,
864 or new technology program in addition to the programs described in this chapter if the
865 conservation, efficiency, or new technology program is cost-effective and in the public interest.

866 Section 15. Section **54-20-106** is enacted to read:

867 **54-20-106. Extension of Pilot Program.**

868 Before the first day of the legislative session in the final year of the pilot program
869 period, the commission shall submit a report and recommendation to the Legislature regarding
870 whether, in the discretion of the commission, the Legislature should, for the sustainable
871 transportation and energy plan:

872 (1) extend the plan or a portion of the plan as a ratepayer funded program;

873 (2) implement the plan or a portion of the plan as a state funded program; or

874 (3) discontinue the plan or a portion of the plan.

875 Section 16. Section **54-20-107** is enacted to read:

876 **54-20-107. Other Programs.**

877 The commission may authorize a large-scale electric utility to establish a program in
878 addition to the programs described in this chapter if the commission determines that the
879 program is cost-effective and in the public interest.

880 Section 17. Section **63I-1-254** is amended to read:

881 **63I-1-254. Repeal dates -- Title 54.**

882 (1) The language of Subsection [54-4-13.4\(1\)\(a\)\(ii\)](#) after "do not exceed \$5,000,000 in
883 any calendar year" is repealed July 1, 2018.

884 (2) Subsection [54-7-13.5\(2\)\(d\)](#) is repealed on December 31, 2019.