

4th Sub. S.B. 115

SUSTAINABLE TRANSPORTATION AND ENERGY PLAN ACT

HOUSE FLOOR AMENDMENTS

AMENDMENT 2

MARCH 8, 2016 1:47 PM

Representative **Fred C. Cox** proposes the following amendments:

1. Page 13, Lines 385 through 387:

385 (2) The commission shall exempt a customer that enters into a contract described in
386 Subsection (1) from paying the costs recovered under Subsection 54-7-12.8(3) ~~{, except the costs~~
387 of the Utah solar incentive program included in Subsection 54-7-12.8(3)(b)} .

2. Page 14, Lines 409 through 410:

409 ~~{(d) "Utah solar incentive program" means the eligible utility rooftop solar pilot~~
410 ~~program established by commission order in 2012.}~~

3. Page 15, Line 431 through Page 16, Line 464:

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)}~~ (4) (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)}~~ (4) (a)(i), a
440 regulatory liability; and

441 (iii) use the regulatory liability described in Subsection ~~{(5)}~~ (4) (a)(ii) to depreciate thermal
442 generation plant.

443 (b) (i) The commission shall authorize the large-scale electric utility to use the
444 regulatory liability described in Subsection ~~{(5)}~~ (4) (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)}~~ (4) (a)(ii) in a determination to accelerate depreciation under Subsection
449 ~~{(5)}~~ (4) (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)}~~ (4) (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 shall allow a large-scale electric utility to use the regulatory
454 liability described in Subsection ~~{(5)}~~ (4) (a)(ii) to offset 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)}~~ (4) (c) to funds that a large-scale electric utility is authorized to use to depreciate
458 thermal generation plant under Subsection ~~{(5)}~~ (4) (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)}~~ (4) (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).

4. *Page 16, Lines 465 through 484:*

465 ~~{(6)}~~ (5) (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) \$500,000 for the clean coal technology program described in Section 54-20-104;
476 and
477 (B) \$3,900,000 for the innovative utility programs described in 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)}~~ (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 ~~{(6)}~~ (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.

5. *Page 16, Lines 485 through 490:*

485 ~~{(7)}~~ (6) 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); and
488 ~~{(c) the unrecovered Utah solar incentive program costs described in Subsection (6)(c);~~
489 and }
490 ~~{(d)}~~ (c) a carrying charge in an amount determined by the commission.

6. Page 17, Lines 491 through 494:

491 ~~{(8)}~~ (7) A customer that is paying a contract rate under an agreement with a large-scale
492 electric utility as of January 1, 2016, is exempt from the costs recovered under Subsection (3) {
493 except for costs created by or arising from the Utah solar incentive program included in
494 Subsection 54-7-12.8(3)(b)} .

7. Page 17, Lines 495 through 506:

495 ~~{(9)}~~ (8) (a) In any proceeding commenced under Section 54-3-32, the commission may not
496 consider or assess to an eligible customer an expenditure, cost, amortization, charge, or liability
497 of any kind that is created by or arises in whole or in part from:
498 (i) any program created under Title 54, Chapter 20, Sustainable Transportation and
499 Energy Plan Act; or
500 (ii) this section {, except for costs created by or arising from the Utah solar incentive
501 program included in Subsection 54-7-12.8(3)(b)} .
502 (b) Except as provided in Subsection (9)(a) and in Section 54-3-33, this section and
503 Title 54, Chapter 20, Sustainable Transportation and Energy Plan Act, do not:
504 (i) amend or repeal any provision of Section 54-3-32; or
505 (ii) affect any right, defense, or credit available to an eligible customer under Section
506 54-3-32.

8. Page 17, Line 507 through Page 18, Line 528:

507 ~~{(3)}~~ ~~{(10)}~~ (9) Each electrical corporation proposing a tariff under this section shall, before
508 submitting the tariff to the commission for approval, seek ~~[and receive]~~ input from:
509 (a) the Division of Public Utilities;
510 (b) the Office of Consumer Services ~~[created in Section 54-10a-201]; and~~
511 ~~[(c) other interested parties.]~~
512 (c) a person that files a request for notice with the commission.
513 ~~{(4)}~~ ~~{(11)}~~ (10) Before approving a tariff under this section, the commission shall hold a
514 hearing if:
515 (a) requested in writing by the electrical corporation, a customer of the electrical
516 corporation, or any other interested party within 15 days after the tariff filing; or
517 (b) the commission determines that a hearing is appropriate.
518 ~~{(5)}~~ ~~{(12)}~~ (11) The commission may approve a demand side management tariff under this
519 section either with or without a provision allowing an end-use customer to receive a credit

520 against the charges imposed under the tariff for electric energy efficiency measures that:

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

522 (b) qualify for the credit under criteria established by the [~~Utah Public Service~~

523 ~~Commission~~] commission.

524 [~~(6)~~] {~~(13)~~} (12) In approving a tariff under this section, the commission may impose
525 whatever conditions or limits it considers appropriate, including a maximum annual cost.

526 [~~(7)~~] {~~(14)~~} (13) Unless otherwise ordered by the commission, each tariff under this section
527 approved by the commission shall take effect no sooner than 30 days after the electrical
528 corporation files the tariff with the commission.

9. *Page 23, Lines 688 through 689:*

688 (1) The commission may authorize, subject to funding available under Subsection

689 54-7-12.8 {~~(6)~~} (5) (b)(ii)(B), a large-scale electric utility to implement programs that the commission