Electric Utility Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Scott D. Sandall

House Sponsor: Colin W. Jack

LONG TITLE

General Description:

This bill creates requirements for providing electrical service to large-scale electrical loads.

Highlighted Provisions:

This bill:

- defines terms;
- establishes alternative processes for providing electric service to customers with large electrical loads;
- exempts service provided under this chapter from certain rate regulation requirements while maintaining safety and reliability standards;
- creates procedures for submitting, evaluating, and contracting for large-scale electrical service requests;
- establishes requirements for qualified electric utilities and large-scale generation providers serving large load customers;
- creates accounting and operational transparency requirements to protect retail customers;
- establishes a framework for closed private generation systems and connected generation systems;
- requires the Public Service Commission (commission) to investigate the feasibility of a large load flexible tariff; and
- requires the commission to conduct periodic reviews of the program and report to the Legislature.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

63G-6a-107.6, as last amended by Laws of Utah 2024, Chapters 291, 522

ENACTS:

54-26-101, Utah Code Annotated 1953

54-26-102, Utah Code Annotated 1953

54-26-201, Utah Code Annotated 1953

54-26-202, Utah Code Annotated 1953

54-26-301, Utah Code Annotated 1953

54-26-301.5, Utah Code Annotated 1953

54-26-302, Utah Code Annotated 1953

54-26-401, Utah Code Annotated 1953

54-26-402, Utah Code Annotated 1953

54-26-501, Utah Code Annotated 1953

54-26-502, Utah Code Annotated 1953

54-26-503, Utah Code Annotated 1953

54-26-504, Utah Code Annotated 1953

54-26-505, Utah Code Annotated 1953

54-26-601, Utah Code Annotated 1953

54-26-602, Utah Code Annotated 1953

54-26-701, Utah Code Annotated 1953

54-26-801, Utah Code Annotated 1953

54-26-802, Utah Code Annotated 1953

54-26-901, Utah Code Annotated 1953

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

Section 1. Section **54-26-101** is enacted to read:

CHAPTER 26. LARGE-SCALE ELECTRIC SERVICE REQUIREMENTS

Part 1. General Provisions

54-26-101 . Definitions.

As used in this chapter:

(1) "Closed private generation system" means electric generating facilities and associated transmission infrastructure that:

(a) is not connected to and operates independently from the transmission system of a qualified electric utility, cooperative utility, municipal utility, or other utility;

(b) serves one or more customers with a minimum cumulative electrical demand of 100 megawatts; and

(c) serves one or more large load customers through direct connection.

(2) "Connected generation system" means electric generating facilities and associated transmission infrastructure that:

(a) is connected to and operates in conjunction with the transmission system of a qualified electric utility;

(b) serves one or more large load customers through connection to the transmission system of a qualified electric utility; and

(c) except as provided in a large load contract, operates independent of the generation resources of any qualified electric utility, cooperative utility, municipal utility, or other utility.

(3) "Evaluation" means an assessment that:

(a) evaluates the impact of a large-scale service request on a qualified electric utility's systems;

(b) identifies any necessary:

(i) system modifications or upgrades to the qualified electric utility's system to provide service as requested in a large-scale service request;

(ii) generation capacity; or

(iii) transmission service requests;

(c) provides cost estimates for any required improvements; and

(d) establishes an estimated timeline for implementing any necessary system changes.

(4) "Large load contract" means a large load construction contract or a large load service contract.

(5) "Large load construction contract" means a contract for the construction of large load facilities between:

(a) a qualified electric utility or a large-scale generation provider; and

(b) a large load customer.

(6) "Large load customer" means a current or potential customer in the service territory of a qualified electric utility that:

(a) requests electric service under a large-scale service request; or

(b) enters into a private generation contract with a large-scale generation provider.

(7) "Large load facilities" means facilities and resources reasonably necessary, as determined in an evaluation, to provide safe and reliable electric service as requested in a large-scale service request, including the reasonably allocated share of facilities or upgrades necessary to facilitate a transmission request from a qualified electric utility or large-scale generation provider necessary to serve a large-scale service request.

(8) "Large load flexible tariff" means a tariff:

(a) pursuant to which a large load customer:

(i) will receive components of electric services from a large-scale service provider; or

(ii) will reduce demand at periods specified by a large-scale service provider; and

(b) under which a large load customer receives components of available electric services from a qualified electric utility to the extent:

(i) the qualified electric utility's resources are reasonably expected to be available and sufficient; and

(ii) as determined by:

(A) agreement with the qualified electric utility; or

(B) tariffs approved by the commission.

(9) "Large load incremental costs" means all costs reasonably necessary for:

(a) the design, engineering, procurement, construction, and completion of:

(i) large load facilities; and

(ii) any activities required to provide electric service under a large-scale service request; and

(b) the long-term operation and maintenance of large load facilities for the duration of any applicable service contract.

(10) "Large load service contract" means a contract for the provision of electric service for a large-scale service request between:

(a) a qualified electric utility or a large-scale generation provider; and

(b) a large load customer.

(11) "Large-scale generation provider" means an entity that:

(a) is not a qualified electric utility;

(b) is registered with the commission in accordance with Section 54-26-501; and

(c) owns, operates, or contracts for the output of one or more qualifying generation resources intended to be used to supply certain retail electric services to a large load customer pursuant to a large load contract or a private generation contract.

(12) "Large-scale service request" means a request submitted to a qualified electric utility

for:

(a) new electric service that is expected to reach a cumulative demand of 100 megawatts or greater within five years of the requested initial start date; or

(b) additional electric service that is expected to increase a customer's total service level by 100 megawatts or greater within five years of the requested start date for the additional service.

(13) "Private generation contract" means a contract for the provision of electric service through a closed private generation system between:

(a) a large-scale generation provider; and

(b) a large load customer requesting new electric service that is expected to reach a cumulative demand of 100 megawatts or greater within five years of the requested initial start date.

(14) "Qualified electric utility" means a large-scale electric utility.

(15) "Qualifying generation resources" means one or more electric generating resources that, in combination:

(a) if connected to the transmission system of a qualified electric utility:

(i) meets or exceeds the resource adequacy standards of the qualified electric utility;

(ii) includes sufficient resources and capacity to meet all requirements imposed by the North American Electric Reliability Corporation and the Western Electricity Coordinating Council; and

(iii) is capable of satisfying the load and electricity requirements of a large load customer without drawing on any generation or generation services provided by a qualified electric utility, any cooperative utility, municipal utility, or other utility except to the extent such services are provided under a large load contract; or

(b) if not connected to the transmission system of a qualified electric utility:

(i) is capable of satisfying the load, transmission, and electricity requirements of a large load customer without drawing on any generation or services provided by a qualified electric utility, any cooperative utility, municipal utility, or other utility; and

(ii) meets any other reliability standards established by the commission.

(16) "Transmission provider" means an entity that:

(a) is an affiliate of a qualified electric utility; and

(b)(i) owns, operates, or controls facilities located in the state that are used for the transmission of electric energy at voltages above 100 kilovolts; or

(ii) provides transmission service under a Federal Energy Regulatory Commission-approved open access transmission tariff.

Section 2. Section **54-26-102** is enacted to read:

54-26-102 . Application.

(1) The procedures and standards set forth in this chapter shall govern:

(a) large-scale service requests;

(b) services sought, provided, or received under either a large-scale service request or a private generation service request;

(c) services provided through closed private generation systems under private generation contracts; and

(d) the review and approval of large load contracts and private generation contracts.

(2) Electric service provided pursuant to a large-scale service request under this chapter is exempt from:

(a) rate regulation under Section 54-3-1;

(b) the ratemaking provisions of Section 54-3-4;

(c) the tariff and schedule filing requirements under Section 54-3-2; and

(d) any other provision related to the regulation of rates, charges, or classifications of service.

Section 3. Section **54-26-201** is enacted to read:

Part 2. Service Request Process

54-26-201 . Large-scale service request requirements.

(1) Except for large load customers seeking service under a private generation contract, a large load customer seeking service under this chapter shall submit a large-scale service request to the qualified electric utility serving the proposed location.

(2) A large-scale service request shall include:

(a) the customer's identifying information;

(b) the proposed location for electric service;

(c) the requested amount of electric demand in megawatts;

(d) a proposed service commencement date;

(e) load profile information, including:

(i) anticipated annual energy usage;

(ii) expected hours of operation;

(iii) seasonal variations;

(iv) peak demand requirements; and

(v) any special service requirements;

(f) information sufficient to demonstrate the financial capability to complete the large load customer's project that is the subject of the large-scale service request; and

(g) confirmation that the customer will not use the electric service for resale.

(3) After submitting a large-scale service request and before entering into a large load contract, a customer shall:

(a) ensure that all information submitted under this section remains current; and

(b) promptly notify the qualified electric utility of any material changes to information submitted under this section.

(4) A large load customer satisfies the requirements of Subsection (1) of this section if the large load customer submitted a large-scale service request consistent with the qualified electric utility's then-existing requirements to the qualified electric utility prior to May 7, 2025.

Section 4. Section **54-26-202** is enacted to read:

54-26-202 . Service request procedures -- Notice.

(1) A qualified electric utility that receives a large-scale service request shall:

(a) acknowledge receipt of the request;

(b) notify the customer of any missing information within 15 business days after beginning to process the request under Subsection (2); and

(c) complete an evaluation as soon as reasonably practicable after beginning the study under Subsection (2), but in no case more than 6 months after beginning the evaluation.

(2) A qualified electric utility shall begin processing large-scale service requests, including conducting evaluations, no later than:

(a) April 1, for requests received after September 30 of the prior year and on or before March 31; or

(b) October 1, for requests received after March 31 and on or before September 30.

(3) During the evaluation process, the qualified electric utility shall:

(a) provide the customer with regular updates; and

(b) notify the customer when the evaluation is completed.

(4) Within 15 business days after completing an evaluation, the qualified electric utility shall provide to the customer a written service proposal that includes:

(a) whether the qualified electric utility can provide the requested service within the time frame required by the customer;

(b) the estimated large load incremental costs that will be allocated to the customer, based on the information provided by the customer;

(c) any required:

(i) system upgrades;

(ii) improvements; or

(iii) transmission service requests;

(d) the estimated timeline for commencing the requested electric service; and

(e) the proposed terms and conditions of service, including provisions for addressing long-term operation and maintenance costs for large load facilities.

(5) A qualified electric utility:

(a) may charge reasonable fees for costs incurred in:

(i) evaluating a large-scale service request; and

(ii) necessary subsequent or related assessments; and

(b) is not required to begin work on an evaluation until the customer:

(i) pays applicable fees; and

(ii) provides the information required to the qualified electric utility to conduct an evaluation.

Section 5. Section **54-26-301** is enacted to read:

Part 3. Large Load and Private Generation Contracts

54-26-301 . Large load contract requirements.

(1) Electric service for a large-scale service request shall be provided only under one or more large load contracts with:

(a) a qualified electric utility;

(b) a large-scale generation provider; or

(c) any combination of Subsections (1)(a) and (1)(b).

(2) A large load customer shall:

(a) contract for all of the customer's projected electrical requirements under the large-scale service request; and

(b) maintain contracts with resources or load shedding capabilities sufficient to meet the customer's actual electrical requirements at all times.

(3) A large load contract with a qualified electric utility shall:

(a) ensure that all large load incremental costs are allocated to and paid by the large load customer;

(b) comply with all system requirements;

(c) require the large load customer to maintain financial security sufficient to cover the large load customer's obligations;

(d) specify:

(i) points of interconnection;

(ii) power delivery points;

(iii) the amount of electrical capacity contracted for;

(iv) the term of service; and

(v) any arrangements for backup power supply;

(e) provide curtailment provisions if the large load customer's demand exceeds the amount of contractually supported demand;

(f) identify the incremental generation resources that the qualified electric utility will use to serve the large load customer; and

(g) include provisions addressing the allocation and payment of long-term operation and maintenance costs for large load facilities.

(4) A large load contract with a large-scale generation provider that provides service through a connected electrical system shall:

(a) ensure that all large load incremental costs are allocated to and paid by the large load customer;

(b) comply with all system requirements;

(c) specify:

(i) points of interconnection;

(ii) power delivery points;

(iii) the amount of electrical capacity contracted for;

(iv) the term of service; and

(v) any arrangements for backup power supply; and

(d) provide curtailment provisions if the large load customer's demand exceeds the real-time dispatch of the large-scale generation provider's resources under the large load contract, net of transmission losses.

(5) A qualified electric utility:

(a) has no duty to serve a large load customer except as explicitly provided in a large load contract; and

(b) is not required to provide backup power to a large load customer except as explicitly provided in a large load contract.

(6) A qualified electric utility may not be required to commence design and construction of

large load facilities until after:

(a) executing a large load construction contract; and

(b) obtaining commission approval in accordance with Section 54-26-302.

(7) A qualified electric utility or large-scale generation provider shall:

(a) obtain commission approval in accordance with Section 54-26-302 before providing electric service under a large load contract; and

(b) negotiate the terms of a large load contract with a large load customer on a case-by-case basis.

(8) Within 15 business days after executing a large load contract, a person executing the contract shall submit an application for approval to the commission for review under Section 54-26-302.

Section 6. Section **54-26-301.5** is enacted to read:

54-26-301.5 . Private generation contracts.

A customer seeking to receive electric service through a closed private generation system:

(1) may negotiate directly with a large-scale generation provider; and

(2) is not required to submit a large-scale service request to a qualified electric utility.

Section 7. Section **54-26-302** is enacted to read:

54-26-302 . Commission review -- Approval of contracts.

(1) A qualified electric utility or a large-scale generation provider shall file an application with the commission for approval of a large load contract that includes:

(a) a copy of the large load contract for which the applicant seeks review and approval; and

(b) evidence sufficient to demonstrate compliance with Subsection (2)(b).

(2) The commission shall approve a large load contract submitted under Subsection (1) if the commission finds by a preponderance of the evidence that:

(a) the contract complies with the requirements of this chapter;

(b) the large load customer bears all just and reasonable incremental costs attributable to receiving the requested electric service; and

(c) existing ratepayers do not bear costs justly and reasonably attributable to providing electric service for the large load customer.

(3) Commission review of a large load contract:

(a) is limited to the requirements described in Subsection (2); and

(b) does not include review of other contract terms.

(4) The commission shall approve or disapprove an application submitted under this section within 60 days after the day on which a person files the application.

(5) The commission may establish rules to expedite the review of applications for approval of a large load contract under this chapter.

Section 8. Section **54-26-401** is enacted to read:

Part 4. Service Provider Obligations

54-26-401 . Qualified electric utility service obligations.

(1) Subject to Subsection (2), a qualified electric utility has the sole right to provide electric service to a large load customer in the qualified electric utility's service territory.

(2) A qualified electric utility:

(a) is not required to provide electric service:

(i) in response to a large-scale service request if:

(A) the large load customer has not complied with the requirements of this chapter;

(B) the qualified electric utility cannot provide the requested service within the timeframe required by the large-scale service request;

(C) the large load customer and the qualified electric utility cannot agree upon terms for a large load contract;

(D) the large load customer fails or refuses to comply with the requirements of a large load contract; or

(E) the large load customer is receiving service from a large-scale generation provider in accordance with Section 54-26-402; or

(ii) to a large load customer that receives service pursuant to a private generation contract; and

(b) that does not agree to terms with a large load customer for a large load contract:

(i) has no right or duty to serve the large load customer;

(ii) is not required to provide ancillary or backup services to the large load customer; and

(iii) is not required to provide any services to a large-scale generation provider.

Section 9. Section **54-26-402** is enacted to read:

54-26-402 . Alternative service requirements.

(1) A large load customer may enter into a large load contract with a large-scale generation provider if:

(a) a qualified electric utility fails to complete an evaluation or provide a written response within the time period specified in Section 54-26-202; or

(b) the qualified electric utility and large load customer cannot agree to a large load contract within 90 days after the day on which the large load customer receives the evaluation described in Section 54-26-202, unless the qualified electric utility and the large load customer mutually agree to a longer period of time.

(2) After submitting a large-scale service request, a large load customer:

(a) may negotiate a contract with one or more large-scale generation providers; and

(b) may not execute a contract with a large-scale generation provider unless the conditions described in Subsection (1) are met.

Section 10. Section **54-26-501** is enacted to read:

Part 5. Large-Scale Generation Provider Requirements

54-26-501 . Large-scale generation provider requirements.

(1) A large-scale generation provider shall:

(a) register with the commission before providing service to a large load customer;

(b) maintain any reasonable technical and financial qualifications required by the commission;

(c) provide service only through qualifying generation resources as required in this part; and

(d) post security:

(i) as reasonably negotiated with a large load customer;

(ii) as required by contract with a transmission provider; or

(iii) as required by the commission for services to be provided by a qualified electric utility.

(2) A large-scale generation provider shall submit to the commission:

(a) proof of compliance with Subsection (1);

(b) proof of financial capability as reasonably negotiated with the large load customer;

(c) the provider's operational history and experience;

(d) a description of the portfolio of qualifying generation resources the provider intends to use to serve the large load customer without reliance on any qualified electric utility, cooperative utility, municipal utility, or other utility except as provided under a large load contract; and

(e) documentation of:

(i) all required permits obtained for generating sources, including any environmental permits; and

(ii) the estimated impact of generating sources on the state implementation plan for

air quality.

Section 11. Section **54-26-502** is enacted to read:

54-26-502 . Operating requirements -- Registration suspension.

(1) A large-scale generation provider that fails to satisfy the requirements of this chapter:

(a) may not initiate new service to a large load customer;

(b) shall remedy any deficiencies within 90 days after the day on which the deficiency arises; and

(c) may have reasonable conditions imposed by the commission on the provider's registration status.

(2) If the commission suspends or revokes a large-scale generation provider's registration:

(a) the provider may not continue to provide service to a large load customer after the large load customer has been given a reasonable opportunity to secure alternative service arrangements; and

(b) the large load customer may not receive electric service from another large-scale generation provider or a qualified electric utility except pursuant to agreement and commission approval of the terms of a new large load contract consistent with this chapter.

Section 12. Section **54-26-503** is enacted to read:

54-26-503 . Transmission requirements.

(1) If the provision of service to a large load customer requires transmission service:

(a) the qualified electric utility or the large-scale generation provider shall submit a transmission service request to the transmission provider;

(b) to the fullest extent allowable under applicable federal law and regulations, the large-scale generation provider or large load customer shall:

(i) pay for:

(A) any interconnection or transmission-related studies;

(B) any identified interconnection upgrades, transmission upgrades, network upgrades, distribution system upgrades, or system upgrades; and

(C) the transmission service rates in the transmission provider's open access transmission tariff; and

(ii) pay and provide for:

(A) ancillary services;

(B) balancing services; and

(C) backup services.

(2) Nothing in this section shall be construed to:

(a) conflict with or supersede any applicable federal law, regulation, or order regarding transmission cost allocation; or

(b) require cost allocation methods inconsistent with Federal Energy Regulatory Commission requirements or orders.

(3) The commission shall review transmission cost allocation consistent with federal requirements and may establish rules for implementation of this section.

Section 13. Section **54-26-504** is enacted to read:

54-26-504 . Closed private generation systems.

(1)

A large load customer may enter into a private generation contract for all needed electric services from a large-scale generation provider through a closed private generation system under terms and conditions acceptable to the large load customer and the large-scale generation provider.

(2) A closed private generation system and a large-scale generation provider that provides service on or through a closed private generation system in accordance with this chapter:

(a) are exempt from commission oversight or regulation as a public utility under this title;

(b) shall ensure all generation, transmission, and related facilities remain wholly separate from facilities owned or operated by any qualified electric utility, cooperative utility, municipal utility, or other utility except to the extent authorized by this part; and

(c) may connect to or receive services from a qualified electric utility only pursuant to a contract approved by the commission and consistent with Section 54-26-505.

(3) The provision of service to a large load customer on or through a closed private generation system shall utilize qualified generation resources.

(4) The commission may establish rules requiring appropriate notices and warnings regarding separation from the utility system.

Section 14. Section **54-26-505** is enacted to read:

54-26-505 . Connected generation systems.

(1) A large load customer may obtain all needed electric services from a large-scale generation provider through a connected generation system consistent with this chapter.

(2) A large-scale generation provider may provide service on or through a connected generation system if the provider:

(a) registers with the commission in accordance with Section 54-26-501;

(b) uses only qualifying generation resources;

(c) maintains sufficient generation capacity to serve all contracted load;

(d) provides the commission with:

(i) system design and operational information;

(ii) emergency response procedures; and

(iii) notification of any changes in system configuration or operation; and

(e) maintains commercial liability insurance as required under Section 54-26-602.

(3) A large-scale generation provider that provides service on or through a connected generation system consistent with the requirements of this chapter is exempt from commission regulation as a public utility under this title.

(4) A closed private generation system or a large-scale generation provider that provides service through a closed private generation system may connect to the interstate transmission system of a transmission provider only if:

(a) the closed private generation system is interconnected to the interstate transmission system pursuant to the transmission provider's Federal Energy Regulatory Commission approved open access transmission tariff; and

(b) the commission determines that the closed private generation system or large-scale generation provider has satisfied the requirements of this chapter for the provision of service on or through a connected generation system.

(5) A closed private generation system or a large-scale generation provider that provides service through a closed private generation system may receive services from a qualified electric utility only if:

(a) the requirements of Subsection (4) are met; and

(b) the system or provider has an agreement with the qualified electric utility as approved by the commission.

(6) A qualified electric utility:

(a) is not required to purchase or accept any power from a connected generation system; and

(b) shall accept power from a connected generation system only as explicitly provided in an agreement that has been approved by the commission.

Section 15. Section **54-26-601** is enacted to read:

Part 6. Customer Requirements and Accounting

54-26-601 . Large load customer requirements -- Cost allocation.

A large load customer shall pay all just and reasonable large load incremental costs necessary to receive electric service, including the costs of:

(1) generation resources;

(2) distribution system upgrades;

(3) to the extent permitted by federal law, and, as applicable, approved by the Federal Energy Regulatory Commission:

(a) transmission system improvements, including network upgrades; and

(b) interconnection facilities;

(4) transmission service; and

(5) other necessary infrastructure.

Section 16. Section **54-26-602** is enacted to read:

54-26-602 . Accounting requirements -- Service standards.

(1) A large-scale generation provider shall:

(a) maintain separate accounting records for all investments, revenues, and expenses associated with large-scale service requests using generally accepted accounting principles;

(b) take reasonable measures to ensure costs are properly allocated between large load service and other customers;

(c) provide all contracted energy services without reliance on any qualified electric utility, cooperative utility, municipal utility, or other utility except as provided under a large load contract;

(d) meet all applicable North American Electric Reliability Corporation standards; and

(e) maintain reasonable commercial liability insurance as determined by contract or the commission.

(2) A qualified electric utility shall:

(a) maintain separate accounting records for all investments, revenues, and expenses associated with large-scale service requests using generally accepted accounting principles; and

(b) take reasonable measures to ensure costs are properly allocated between large load service and other operations.

(3) All revenues and large load incremental costs associated with a large-scale service request shall be excluded from any rate determinations by the commission.

(4) In connection with any rate case or other appropriate proceeding before the commission, a qualified electric utility shall provide:

(a) operational data identifying when and to what extent the incremental generation resources identified in a large load contract pursuant to Subsection 54-26-301(3)(f) were dispatched to serve large load customers;

(b) an identification of the timing, magnitude, and duration of:

(i) the qualified electric utility's dispatch of the resources described in Subsection (4)(a);

(ii) any periods in which large load customers' loads exceeded the dispatch of resources described in Subsection (4)(a); and

(iii) any periods in which the dispatch of resources described in Subsection (4)(a) exceeded the large load customers' loads;

(c) the method by which costs for the provision of electric service from a qualified electric utility to a large load customer will be excluded from rates paid by retail customers; and

(d) any other information the commission requires to ensure that the costs associated with service to a large load customer are excluded from the rates paid for by retail customers.

(5) A qualified electric utility may not be required to publicly disclose specific revenue information from individual large load customers in any proceeding described in Subsection (4).

Section 17. Section **54-26-701** is enacted to read:

Part 7. Large Load Flexible Tariffs

54-26-701 . Large load flexible tariffs.

(1) The commission shall:

(a) investigate a large load flexible tariff for a qualified electric utility; and

(b) adopt a large load flexible tariff if the commission determines that the tariff is:

(i) just and reasonable; and

(ii) in the public interest.

(2) In conducting an investigation for a large load flexible tariff, the commission shall consider:

(a) the conditions and times for the tariff;

(b) the means of determining the rates, terms, and conditions pursuant to which a qualified electric utility may provide electric services to a large load customer; and

(c) the conditions under which a qualified electric utility may require a large load customer to reduce or eliminate electric usage under the large flexible load tariff.

Section 18. Section **54-26-801** is enacted to read:

Part 8. Application and Review

54-26-801 . Program duration.

The provisions of this chapter apply only to:

(1) large load customers, large-scale generation providers or qualified electric utilities which enter into a large load service contract which provides for service to commence on or before December 31, 2034; and

(2) large load customers and large-scale generation providers which enter into a private generation contract which provides for service to commence on or before December 31, 2034.

Section 19. Section **54-26-802** is enacted to read:

54-26-802 . Commission review.

The commission shall:

(1) conduct a review of this chapter before October 31, 2027, and every three years thereafter;

(2) conduct an investigation with stakeholder input and public comment and prepare a report that includes:

(a) data on program participation;

(b) analysis of impacts on electrical rates;

(c) assessment of transmission system reliability; and

(d) recommendations regarding whether to:

(i) extend the program;

(ii) modify program requirements; or

(iii) allow the program to close to new participants; and

(3) provide the report described in Subsection (2) and any recommendations to the Public Utilities, Energy, and Technology Interim Committee.

Section 20. Section **54-26-901** is enacted to read:

Part 9. Transmission Cost Allocation

54-26-901 . Transmission cost allocation.

(1) The commission shall:

(a) conduct a proceeding to establish rules for the allocation of transmission costs between large load customers and retail customers for large load contracts executed on or after January 1, 2026;

(b) retain a qualified independent consultant with expertise in transmission cost allocation methodologies to:

(i) analyze potential methodologies for transmission cost allocation, taking into account the factors listed in Subsection (2); and

(ii) make recommendations to the commission; and

(c) issue a rule no later than January 1, 2026.

(2) In developing rules under Subsection (1), the commission shall consider:

(a) Federal Energy Regulatory Commission policies and precedents regarding transmission cost allocation;

(b) the projected increase in electricity demand from large load customers;

(c) the incremental transmission costs required to serve large load customers;

(d) the economic development benefits associated with serving large load customers;

(e) the need to maintain just and reasonable rates for retail customers;

(f) the extent to which new large load facilities are required specifically to serve large load customers;

(g) the extent to which large load customers utilize existing transmission infrastructure;

(h) methods to apportion costs based on cost causation and system benefits; and

(i) any other factors the commission determines are relevant to establishing a fair and reasonable allocation of transmission costs.

(3) The commission may establish different cost allocation methodologies based on:

(a) the timing of large load customer interconnection;

(b) the size of the load being served;

(c) the cost causation attributable to various customer classes;

(d) the benefits accruing to various customer classes; or

(e) other relevant distinctions.

(4) Nothing in this section limits the commission's existing authority to determine just and reasonable rates.

(5)(a) The commission shall impose and collect a fee from each large load customer that submits a large-scale service request to cover the cost of:

(i) retaining qualified independent consultants and experts by the commission, the Division of Public Utilities, and the Office of Consumer Services to evaluate large-scale service requests and large load contracts; and

(ii) any other reasonable costs incurred in conducting proceedings and evaluations under this chapter.

(b) The fee shall be:

(i) assessed on a semi-annual basis corresponding to the study periods established in Section 54-26-202;

(ii) determined based on the anticipated needs given the number and complexity of requests received in each study period; and

(iii) proportionately allocated among large load customers with pending requests.

(c) All fees collected under this subsection shall be:

(i) remitted to the state treasurer;

(ii) credited to the Public Utility Regulation Fee Account created in Section 54-5-1.5; and

(iii) used exclusively for the purposes described in Subsection (5)(a).

Section 21. Section **63G-6a-107.6** is amended to read:

63G-6a-107.6 . Exemptions from chapter.

(1) Except for this Subsection (1), the provisions of this chapter do not apply to:

(a) a public entity's acquisition of a procurement item from another public entity;[~~or~~]

(b) a public entity that is not a procurement unit, including the Colorado River Authority of Utah as provided in Section 63M-14-210[~~.~~] ; or

(c) the retention of experts by:

(i) the Public Service Commission under Subsection 54-1-6(1)(a)(iii);

(ii) the Division of Public Utilities under Subsection 54-4a-3(2)(b); and

(iii) the Office of Consumer Services under Title 54, Chapter 10a, Office of Consumer Services Act.

(2) Unless otherwise provided by statute and except for this Subsection (2), the provisions of this chapter do not apply to the acquisition or disposal of real property or an interest in real property.

(3) Except for this Subsection (3) and Part 24, Unlawful Conduct and Penalties, the provisions of this chapter do not apply to:

(a) funds administered under the Percent-for-Art Program of the Utah Percent-for-Art Act;

(b) a grant;

(c) medical supplies or medical equipment, including service agreements for medical equipment, obtained by the University of Utah Hospital or the Department of Health and Human Services through a purchasing consortium if:

(i) the consortium uses a competitive procurement process; and

(ii) the chief administrative officer of the hospital or the executive director of the Department of Health and Human Services, as the case may be, makes a written finding that the prices for purchasing medical supplies and medical equipment through the consortium are competitive with market prices;

(d) the purchase of firefighting supplies or equipment by the Division of Forestry, Fire, and State Lands, created in Section 65A-1-4, through the federal General Services Administration or the National Fire Cache system;

(e) supplies purchased for resale to the public;

(f) activities related to the management of investments by a public entity granted investment authority by law; or

(g) activities of the Utah water agent appointed under Section 73-10g-702.

(4) This chapter does not supersede the requirements for retention or withholding of construction proceeds and release of construction proceeds as provided in Section 13-8-5.

(5) Except for this Subsection (5), the provisions of this chapter do not apply to a procurement unit's hiring a mediator, arbitrator, or arbitration panel member to participate in the procurement unit's dispute resolution efforts.

Section 22. **Effective Date.**

This bill takes effect on May 7, 2025.