

SB0227S01 compared with SB0227

~~{Omitted text}~~ shows text that was in SB0227 but was omitted in SB0227S01

inserted text shows text that was not in SB0227 but was inserted into SB0227S01

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

1
2
3
4
5
6
7
8
9
10
11
12
13

Electricity Supply Amendments
2025 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Kirk A. Cullimore
House Sponsor:

LONG TITLE

General Description:

This bill ~~{enacts provisions related to alternative-}~~ creates requirements for providing electrical service ~~{providers for-}~~ to large-scale electrical loads.

Highlighted Provisions:

- This bill:
- defines terms;
 - ~~{authorizes alternative electrical service providers in the state to provide electrical energy to qualifying customers;}~~
 - ~~{establishes requirements for alternative electrical service providers;}~~
 - ~~{creates procedures-}~~ establishes alternative processes for ~~{qualifying-}~~ providing electric service to customers with large electrical loads ~~{to select and receive service from alternative electrical providers}~~ ;
 - exempts service provided under this chapter from certain rate regulation requirements while maintaining safety and reliability standards;
 -

SB0227 compared with SB0227S01

creates procedures for submitting, evaluating, and contracting for large-scale electrical service requests;

15 ▶ establishes requirements for {~~certain public~~} qualified electric utilities {~~to provide transmission and other services~~} and large-scale generation providers serving large load customers; {~~and~~}

17 ▶ {~~creates provisions for flexible load tariffs and partial electrical services.~~}

17 ▶ creates accounting and operational transparency requirements to protect retail customers;

18 ▶ establishes a framework for closed private generation systems and connected generation systems;

20 ▶ requires the Public Service Commission (commission) to establish a large load flexible tariff;

22 ▶ directs the commission to establish rules for allocating transmission costs between large load customers and retail customers; and

24 ▶ requires the commission to conduct periodic reviews of the program and report to the Legislature.

26 **Money Appropriated in this Bill:**

27 None

28 **Other Special Clauses:**

29 None

31 **AMENDS:**

24 ~~{54-2-1, as last amended by Laws of Utah 2022, Chapter 314, as last amended by Laws of Utah 2022, Chapter 314}~~

32 63G-6a-107.6, as last amended by Laws of Utah 2024, Chapters 291, 522, as last amended by Laws of Utah 2024, Chapters 291, 522

33 **ENACTS:**

34 **54-26-101**, Utah Code Annotated 1953, Utah Code Annotated 1953

35 **54-26-102**, Utah Code Annotated 1953, Utah Code Annotated 1953

36 **54-26-201**, Utah Code Annotated 1953, Utah Code Annotated 1953

37 **54-26-202**, Utah Code Annotated 1953, Utah Code Annotated 1953

29 ~~{54-26-203, Utah Code Annotated 1953, Utah Code Annotated 1953}~~

38 **54-26-301**, Utah Code Annotated 1953, Utah Code Annotated 1953

39 **54-26-302**, Utah Code Annotated 1953, Utah Code Annotated 1953

SB0227 compared with SB0227S01

40 **54-26-401** , Utah Code Annotated 1953 , Utah Code Annotated 1953

41 **54-26-402** , Utah Code Annotated 1953 , Utah Code Annotated 1953

42 **54-26-501** , Utah Code Annotated 1953 , Utah Code Annotated 1953

43 **54-26-502** , Utah Code Annotated 1953 , Utah Code Annotated 1953

44 **54-26-503** , Utah Code Annotated 1953 , Utah Code Annotated 1953

45 **54-26-504** , Utah Code Annotated 1953 , Utah Code Annotated 1953

46 **54-26-505** , Utah Code Annotated 1953 , Utah Code Annotated 1953

47 **54-26-601** , Utah Code Annotated 1953 , Utah Code Annotated 1953

48 **54-26-602** , Utah Code Annotated 1953 , Utah Code Annotated 1953

49 **54-26-701** , Utah Code Annotated 1953 , Utah Code Annotated 1953

50 **54-26-801** , Utah Code Annotated 1953 , Utah Code Annotated 1953

51 **54-26-802** , Utah Code Annotated 1953 , Utah Code Annotated 1953

52 **54-26-901** , Utah Code Annotated 1953 , Utah Code Annotated 1953

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

55 {Section 1. ~~Section 54-2-1~~ is amended to read: }

56 **54-2-1. Definitions.**

As used in this title:

- 38 (1) "Avoided costs" means the incremental costs to an electrical corporation of electric energy or capacity or both that, due to the purchase of electric energy or capacity or both from small power production or cogeneration facilities, the electrical corporation would not have to generate itself or purchase from another electrical corporation.
- 42 (2) "Clean coal technology" means a technology that may be researched, developed, or used for reducing emissions or the rate of emissions from a thermal electric generation plant that uses coal as a fuel source.
- 45 (3) "Cogeneration facility":
- 46 (a) means a facility that produces:
- 47 (i) electric energy; and
- 48 (ii) steam or forms of useful energy, including heat, that are used for industrial, commercial, heating, or cooling purposes; and

SB0227 compared with SB0227S01

- 50 (b) is a qualifying cogeneration facility under federal law.
- 51 (4) "Commission" means the Public Service Commission.
- 52 (5) "Commissioner" means a member of the commission.
- 53 (6)
- (a) "Corporation" includes an association and a joint stock company having any powers or privileges not possessed by individuals or partnerships.
- 55 (b) "Corporation" does not include towns, cities, counties, conservancy districts, improvement districts, or other governmental units created or organized under any general or special law of this state.
- 58 (7) "Department" means the Department of Transportation created in Section 72-1-201.
- 59 (8) "Distribution electrical cooperative" includes an electrical corporation that:
- 60 (a) is a cooperative;
- 61 (b) conducts a business that includes the retail distribution of electricity the cooperative purchases or generates for the cooperative's members; and
- 63 (c) is required to allocate or distribute savings in excess of additions to reserves and surplus on the basis of patronage to the cooperative's:
- 65 (i) members; or
- 66 (ii) patrons.
- 67 (9)
- (a) "Electrical corporation" includes every corporation, cooperative association, and person, their lessees, trustees, and receivers, owning, controlling, operating, or managing any electric plant, or in any way furnishing electric power for public service or to its consumers or members for domestic, commercial, or industrial use, within this state.
- 72 (b) "Electrical corporation" does not include:
- 73 (i) an independent energy producer;
- 74 (ii) where electricity is generated on or distributed by the producer solely for the producer's own use, or the use of the producer's tenants, or the use of members of an association of unit owners formed under Title 57, Chapter 8, Condominium Ownership Act, and not for sale to the public generally;
- 78 (iii) an eligible customer who provides electricity for the eligible customer's own use or the use of the eligible customer's tenant or affiliate;[-or]
- 80 (iv) a nonutility energy supplier who sells or provides electricity to:
- 81

SB0227 compared with SB0227S01

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

(B) the eligible customer's tenant or affiliate[-] ;

(v) a new large load customer; or

(vi) an alternative electrical service provider.

(c) "Electrical corporation" does not include an entity that sells electric vehicle battery charging services:

(i) if the entity obtains the electricity for the electric vehicle battery charging service, including any electricity from an electricity storage device:

(A) from an electrical corporation in whose service area the electric vehicle battery charging service is located; and

(B) under an established tariff for rates, charges, and conditions of service; and

(ii) unless the entity conducts another activity in the state that subjects the entity to the jurisdiction and regulation of the commission as an electrical corporation.

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

(11) "Eligible customer" means a person who:

(a) on December 31, 2013:

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

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

(b) produces electricity:

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

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

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

(12) "Eligible customer's tenant or affiliate" means one or more tenants or affiliates:

(a) of an eligible customer; and

SB0227 compared with SB0227S01

- (b) who are primarily engaged in an activity:
- (i) related to the eligible customer's core mining or industrial businesses; and
 - (ii) performed on real property that is:
 - (A) within a 25-mile radius of the electric plant described in Subsection (11)(a)(ii); and
 - (B) owned by, controlled by, or under common control with, the eligible customer.
- (13) "Gas corporation" includes every corporation and person, their lessees, trustees, and receivers, owning, controlling, operating, or managing any gas plant for public service within this state or for the selling or furnishing of natural gas to any consumer or consumers within the state for domestic, commercial, or industrial use, except in the situation that:
- (a) gas is made or produced on, and distributed by the maker or producer through, private property:
 - (i) solely for the maker's or producer's own use or the use of the maker's or producer's tenants; and
 - (ii) not for sale to others;
 - (b) gas is compressed on private property solely for the owner's own use or the use of the owner's employees as a motor vehicle fuel; or
 - (c) gas is compressed by a retailer of motor vehicle fuel on the retailer's property solely for sale as a motor vehicle fuel.
- (14) "Gas plant" includes all real estate, fixtures, and personal property owned, controlled, operated, or managed in connection with or to facilitate the production, generation, transmission, delivery, or furnishing of gas, natural or manufactured, for light, heat, or power.
- (15) "Heat corporation" includes every corporation and person, their lessees, trustees, and receivers, owning, controlling, operating, or managing any heating plant for public service within this state.
- (16)
- (a) "Heating plant" includes all real estate, fixtures, machinery, appliances, and personal property controlled, operated, or managed in connection with or to facilitate the production, generation, transmission, delivery, or furnishing of artificial heat.
 - (b) "Heating plant" does not include either small power production facilities or cogeneration facilities.
- (17) "Independent energy producer" means every electrical corporation, person, corporation, or government entity, their lessees, trustees, or receivers, that own, operate, control, or manage an independent power production or cogeneration facility.
- (18) "Independent power production facility" means a facility that:

SB0227 compared with SB0227S01

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

(b) is a qualifying power production facility.

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

(20) "Large-scale natural gas utility" means a public utility that provides retail natural gas service to more than 200,000 retail customers in the state.

(21) "Nonutility energy supplier" means a person that:

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

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

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

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

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

(23)

(a) "Public utility" includes every railroad corporation, gas corporation, electrical corporation, distribution electrical cooperative, wholesale electrical cooperative, telephone corporation, telegraph corporation, water corporation, sewerage corporation, heat corporation, and independent energy producer not described in Section 54-2-201 where the service is performed for, or the commodity delivered to, the public generally, or in the case of a gas corporation or electrical corporation where the gas or electricity is sold or furnished to any member or consumers within the state for domestic, commercial, or industrial use.

(b)

SB0227 compared with SB0227S01

- (i) If any railroad corporation, gas corporation, electrical corporation, telephone corporation, telegraph corporation, water corporation, sewerage corporation, heat corporation, or independent energy producer not described in Section 54-2-201, performs a service for or delivers a commodity to the public, it is considered to be a public utility, subject to the jurisdiction and regulation of the commission and this title.
- 189 (ii) If a gas corporation, independent energy producer not described in Section 54-2-201, or electrical corporation sells or furnishes gas or electricity to any member or consumers within the state, for domestic, commercial, or industrial use, for which any compensation or payment is received, it is considered to be a public utility, subject to the jurisdiction and regulation of the commission and this title.
- 195 (c) Any corporation or person not engaged in business exclusively as a public utility as defined in this section is governed by this title in respect only to the public utility owned, controlled, operated, or managed by the corporation or person, and not in respect to any other business or pursuit.
- 199 (d) Any person or corporation defined as an electrical corporation or public utility under this section may continue to serve its existing customers subject to any order or future determination of the commission in reference to the right to serve those customers.
- 203 (e)
- (i) "Public utility" does not include any person that is otherwise considered a public utility under this Subsection (23) solely because of that person's ownership of an interest in an electric plant, cogeneration facility, or small power production facility in this state if all of the following conditions are met:
- 207 (A) the ownership interest in the electric plant, cogeneration facility, or small power production facility is leased to:
- 209 (I) a public utility, and that lease has been approved by the commission;
- 210 (II) a person or government entity that is exempt from commission regulation as a public utility; or
- 212 (III) a combination of Subsections (23)(e)(i)(A)(I) and (II);
- 213 (B) the lessor of the ownership interest identified in Subsection (23)(e)(i)(A) is:
- 214 (I) primarily engaged in a business other than the business of a public utility; or
- 215 (II) a person whose total equity or beneficial ownership is held directly or indirectly by another person engaged in a business other than the business of a public utility; and
- 218

SB0227 compared with SB0227S01

(C) the rent reserved under the lease does not include any amount based on or determined by revenues or income of the lessee.

220 (ii) Any person that is exempt from classification as a public utility under Subsection (23)(e)(i) shall continue to be so exempt from classification following termination of the lessee's right to possession or use of the electric plant for so long as the former lessor does not operate the electric plant or sell electricity from the electric plant. If the former lessor operates the electric plant or sells electricity, the former lessor shall continue to be so exempt for a period of 90 days following termination, or for a longer period that is ordered by the commission. This period may not exceed one year. A change in rates that would otherwise require commission approval may not be effective during the 90-day or extended period without commission approval.

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

238 (g)

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

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

247 (h) "Public utility" does not include:

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

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

251

SB0227 compared with SB0227S01

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

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

(i) "Public utility" does not include an entity that sells electric vehicle battery charging services:

(i) if the entity obtains the electricity for the electric vehicle battery charging service, including any electricity from an electricity storage device:

(A) from a large-scale electric utility or an electrical corporation in whose service area the electric vehicle battery charging service is located; and

(B) under an established tariff for rates, charges, and conditions of service; and

(ii) unless the entity conducts another activity in the state that subjects the entity to the jurisdiction and regulation of the commission as a public utility.

(j) "Public utility" does not include[-] :

(i) an independent energy producer that is not subject to regulation by the commission as a public utility under Section 54-2-201[-] ;

(ii) a new large load customer who provides electric services for:

(A) the new large load customer's own use; or

(B) new tenant and affiliate loads; or

(iii) an alternative electrical service provider that produces or provides electric services to:

(A) a new large load customer; or

(B) new tenant and affiliate loads.

(24) "Purchasing utility" means any electrical corporation that is required to purchase electricity from small power production or cogeneration facilities pursuant to the Public Utility Regulatory Policies Act, 16 U.S.C. Sec. 824a-3.

(25) "Qualifying power producer" means a corporation, cooperative association, or person, or the lessee, trustee, and receiver of the corporation, cooperative association, or person, who owns, controls, operates, or manages any qualifying power production facility or cogeneration facility.

(26) "Qualifying power production facility" means a facility that:

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

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

SB0227 compared with SB0227S01

- 286 (c) is a qualifying small power production facility under federal law.
- 287 (27) "Railroad" includes every commercial, interurban, and other railway, other than a street railway,
and each branch or extension of a railway, by any power operated, together with all tracks, bridges,
trestles, rights-of-way, subways, tunnels, stations, depots, union depots, yards, grounds, terminals,
terminal facilities, structures, and equipment, and all other real estate, fixtures, and personal
property of every kind used in connection with a railway owned, controlled, operated, or managed
for public service in the transportation of persons or property.
- 294 (28) "Railroad corporation" includes every corporation and person, their lessees, trustees, and receivers,
owning, controlling, operating, or managing any railroad for public service within this state.
- 297 (29)
- (a) "Sewerage corporation" includes every corporation and person, their lessees, trustees, and receivers,
owning, controlling, operating, or managing any sewerage system for public service within this
state.
- 300 (b) "Sewerage corporation" does not include private sewerage companies engaged in disposing of
sewage only for their stockholders, or towns, cities, counties, conservancy districts, improvement
districts, or other governmental units created or organized under any general or special law of this
state.
- 304 (30) "Telegraph corporation" includes every corporation and person, their lessees, trustees, and
receivers, owning, controlling, operating, or managing any telegraph line for public service within
this state.
- 307 (31) "Telegraph line" includes all conduits, ducts, poles, wires, cables, instruments, and appliances,
and all other real estate, fixtures, and personal property owned, controlled, operated, or managed in
connection with or to facilitate communication by telegraph, whether that communication be had
with or without the use of transmission wires.
- 311 (32) "Telephone cooperative" means a telephone corporation that:
- 312 (a) is a cooperative; and
- 313 (b) is organized for the purpose of providing telecommunications service to the telephone corporation's
members and the public at cost plus a reasonable rate of return.
- 316 (33)

SB0227 compared with SB0227S01

- (a) "Telephone corporation" means any corporation or person, and their lessees, trustee, receivers, or trustees appointed by any court, who owns, controls, operates, manages, or resells a public telecommunications service as defined in Section 54-8b-2.
- (b) "Telephone corporation" does not mean a corporation, partnership, or firm providing:
- (i) intrastate telephone service offered by a provider of cellular, personal communication systems (PCS), or other commercial mobile radio service as defined in 47 U.S.C. Sec. 332 that has been issued a covering license by the Federal Communications Commission;
 - (ii) Internet service; or
 - (iii) resold intrastate toll service.
- (34) "Telephone line" includes all conduits, ducts, poles, wires, cables, instruments, and appliances, and all other real estate, fixtures, and personal property owned, controlled, operated, or managed in connection with or to facilitate communication by telephone whether that communication is had with or without the use of transmission wires.
- (35) "Transportation of persons" includes every service in connection with or incidental to the safety, comfort, or convenience of the person transported, and the receipt, carriage, and delivery of that person and that person's baggage.
- (36) "Transportation of property" includes every service in connection with or incidental to the transportation of property, including in particular its receipt, delivery, elevation, transfer, switching, carriage, ventilation, refrigeration, icing, dunnage, storage, and hauling, and the transmission of credit by express companies.
- (37) "Utility-owned vehicle charging infrastructure" means all facilities, equipment, and electrical systems owned and installed by a large-scale electric utility:
- (a) on the customer's side or the large-scale electric utility's side of the electricity metering equipment; and
 - (b) to facilitate utility vehicle charging service or other electric vehicle battery charging service.
- (38) "Utility vehicle charging service" means the furnishing of electricity:
- (a) to an electric vehicle battery charging station;
 - (b) by a public utility in whose service area the charging station is located; and
 - (c) pursuant to a duly established tariff for rates, charges, and conditions of service for the electricity.
- (39) "Water corporation" includes every corporation and person, their lessees, trustees, and receivers, owning, controlling, operating, or managing any water system for public service within this

SB0227 compared with SB0227S01

state. It does not include private irrigation companies engaged in distributing water only to their stockholders, or towns, cities, counties, water conservancy districts, improvement districts, or other governmental units created or organized under any general or special law of this state.

(40)

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

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

(41) "Wholesale electrical cooperative" includes every electrical corporation that is:

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

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

Section 1. Section 1 is enacted to read:

54-26-101. Definitions.

~~{ 26. ALTERNATIVE ELECTRICAL SERVICE PROVIDERS }~~

26. LARGE-SCALE ELECTRIC SERVICE REQUIREMENTS

1. General Provisions

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 a transmission provider, cooperative utility, municipal utility, or other utility; and

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

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

SB0227 compared with SB0227S01

- (a) is connected to and operates in conjunction with the transmission system of a transmission provider, cooperative utility, municipal utility, or other utility;
- 69 (b) serves one or more large load customers through connection to the transmission system of a
qualified electric utility, and
- 71 (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.
- 373 (1){(3)} {~~"Alternative energy source"~~} "Evaluation" means {~~electric services~~} an assessment that:
- 374 {(a) {~~are generated by or delivered to a new large load customer; and~~}}
- 375 {(b) {~~are made available from~~}}
- 376 {(i) {~~an electric plant, cogeneration facility, or qualifying power production facility that~~}}
- 377 (A){(a)} {~~is not owned by~~} evaluates the impact of a large-scale service request on a qualified electric
utility utility's systems;
- 77 (b) identifies any necessary:
- 378 (B){(i)} {~~is not subject~~} system modifications or upgrades to {~~contractual commitments to~~} the
qualified electric utility's system to provide service as requested in a large-scale {~~electric utility that~~
make the electric services unavailable for purchase} service request; {~~and~~}
- 380 {(C)} {~~is developed and sized to supply projected electric services required by interrelated facilities of~~
~~new large load customers~~}; }
- 382 {(ii) {~~purchases through a provider of a source described in Subsection (1)(b)(i); or~~}}
- 383 {(iii) {~~market resources~~}}
- 384 {(2)} {~~"Alternative electrical service provider" means a person that~~}; }
- 385 {(a) {~~has received market-based rate authority from the Federal Energy Regulatory Commission; or~~}}
- 387 {(b) {~~owns, has ownership or contractual interest in, leases, operates, finances, or manages one or more~~
~~alternative energy sources~~}; }
- 389 {(3)} {~~"Ancillary service" means a service that supports the reliability, availability, and transmission~~
~~of electric services from an electric plant to the customer while maintaining reliable operation of~~
~~transmission systems~~}; }
- 392 {(4)} {~~"Electric services" means~~}; }
- 393 {(a) {~~energy services~~}; }
- 394 (b){(ii)} generation capacity {~~services~~} ;or
- 395 (c){(iii)} transmission {~~services~~} service requests;

SB0227 compared with SB0227S01

- 396 {~~(d)~~ {~~metering services;~~}}
- 397 {~~(e)~~ {~~ancillary services; and~~}}
- 398 {~~(f)~~ {~~other electrical services.~~}}
- 82 (c) provides cost estimates for any required improvements; and
- 83 (d) establishes an estimated timeline for implementing any necessary system changes.
- 84 (4) "Large load contract" means a large load construction contract or a large load service contract.
- 86 (5) "Large load construction contract" means a contract for the construction of large load facilities
between:
- 88 (a) a qualified electric utility or a large-scale generation provider; and
- 89 (b) a large load customer.
- 90 (6) "Large load customer" means a current or potential customer in the service territory of a qualified
electric utility that requests electric service under a large-scale service request.
- 92 (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.
- 399 (5){~~(8)~~} {~~"Flexible"~~} "Large load flexible tariff" means a tariff:
- 400 (a) pursuant to which a {~~new~~} large load customer:
- 401 (i) {~~receives~~} will receive components of electric services from{:} a large-scale service provider; or
- 402 {~~(A)~~ {~~an alternative energy source;~~}}
- 403 {~~(B)~~ {~~an alternative electrical service provider; or~~}}
- 404 {~~(C)~~ {~~both an alternative energy source and an alternative electrical service provider; or~~}}
- 406 (ii) {~~reduces~~} will reduce demand at {~~specified peak load~~} periodsspecified by a large-scale service
provider; and
- 407 (b) under which {~~the new~~} a large load customer receives components of available electric services
from a {~~large-scale~~} qualified electric utility to the extent:
- 409 (i) the {~~large-scale~~} qualified electric utility's resources are reasonably expected to be available and
sufficient; and
- 411 (ii) as determined by:
- 412 (A) agreement with the {~~large-scale~~} qualified electric utility; or

SB0227 compared with SB0227S01

- 413 (B) tariffs approved by the commission.
- 414 ~~{(6) {"Interrelated facilities" means one or more plant, equipment, or facilities constructed, acquired, or~~
~~operated in support of development or operation of a new individual or collaborative development~~
~~area, project, or enterprise in the state.}}~~
- 417 ~~{(7) {"New large load" means a new or additional total expected peak load of a facility or interrelated~~
~~facilities that:}}~~
- 419 ~~{(a) {are located within the certificated service territory of a large-scale electric utility;}}~~
- 420 ~~{(b) {collectively are expected to equal or exceed 50 megawatts within five years of the date of~~
~~commercial operation of the new large load; and}}~~
- 422 ~~{(c) {may be served through:}}~~
- 423 ~~{(i) {one or more new points of delivery; or}}~~
- 424 ~~{(ii) {a combination of:}}~~
- 425 ~~{(A) {new points of delivery; and}}~~
- 426 ~~{(B) {existing points of delivery, provided that all points of delivery are separately metered.}}~~
- 428 ~~(8){(9) {"New large" "Large load {customer} incremental costs" means {a current or prospective~~
~~consumer of electric services that} all costs reasonably necessary for:~~
- 430 ~~{(a) {will receive electric services provided pursuant to this chapter at 46 kV or above;}}~~
- 109 (a) the design, engineering, procurement, construction, and completion of:
- 431 ~~(b){(i) {has a new} large load facilities; and~~
- 111 (ii) any activities required to provide electric service under a large-scale service request; and
- 113 (b) the long-term operation and maintenance of large load facilities for the duration of any applicable
service contract.
- 432 ~~(c){(10) {may include} "Large load service contract" means a {customer with facilities that have~~
~~previously received} contract for the provision of electric service {from} for a large-scale {electric~~
~~utility, but only with respect to a new large load.} service request between:~~
- 117 (a) a qualified electric utility or a large-scale generation provider; and
- 118 (b) a large load customer.
- 434 ~~(9){(11) {"New tenant and affiliate loads} "Large-scale generation provider" means {new electrical~~
~~loads} an entity that:~~
- 120 (a) is not a qualified electric utility;
- 121 (b) is registered with the commission in accordance with Section 54-26-501; and

SB0227 compared with SB0227S01

- 122 (c) owns, operates, or contracts for the output of one or more qualifying generation resources intended
123 to be used to supply certain retail electric services to a large load customer pursuant to a large load
124 contract.
- 125 (12) "Large-scale service request" means a request submitted to a qualified electric utility for:
126 (a) new electric service that is expected to reach a cumulative demand of 100 megawatts or greater
127 within five years of the requested initial start date; or
128 (b) additional electric service that is expected to increase a customer's total service level by 100
129 megawatts or greater within five years of the requested start date for the additional service.
- 435 (a){(13)} {~~have not previously been served by~~} "Qualified electric utility" means a large-scale electric
436 utility{;} .
- 437 {(b) {are consumed by a person that is primarily engaged in an activity that is:}}
438 {(i) {the same as the new large load customer's core business;}}
439 {(ii) {related to the new large load customer's core business; or}}
440 {(iii) {supporting the new large load customer's core business; and}}
- 133 (14) "Qualifying generation resources" means one or more electric generating resources that, in
134 combination:
- 440 (c){(a)} {~~are served through the new large load customer's~~} if connected to the transmission system of
441 a qualified electric {~~facilities.~~} utility:
- 136 (i) meets or exceeds the resource adequacy standards of the qualified electric utility;
137 (ii) includes sufficient resources and capacity to meet all requirements imposed by the North American
138 Electric Reliability Corporation and the Western Electricity Coordinating Council, and
139 (iii) is capable of satisfying the load and electricity requirements of a large load customer without
140 drawing on any generation or generation services provided by a qualified electric utility, any
141 cooperative utility, municipal utility, or other utility except to the extent such services are provided
142 under a large load contract; or
- 144 (b) if not connected to the transmission system of a qualified electric utility:
145 (i) is capable of satisfying the load, transmission, and electricity requirements of a large load customer
146 without drawing on any generation or services provided by a qualified electric utility, any
147 cooperative utility, municipal utility, or other utility; and
148 (ii) meets any other reliability standards established by the commission.
- 149 (15) "Transmission provider" means an entity that:
150

SB0227 compared with SB0227S01

- (a) owns, operates, or controls facilities located in the state that are used for the transmission of electric energy at voltages above 100 kilovolts; or
- (b) provides transmission service under a Federal Energy Regulatory Commission-approved open access transmission tariff.

Section 2. Section 2 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 a large-scale service request; and
- (c) the review and approval of large load contracts.
- (2) Subject to Subsection (3), electric service provided by a qualified electric utility in response to a large-scale service request under this chapter is subject to:
- (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.
- (3) The commission may exempt electric service provided by a qualified electric utility under a large load contract from the provisions described in Subsection (2) if the commission determines that the service:
- (a) does not utilize or rely on generation or transmission resources, fuel, labor, or any other resources included in the rates established by the commission for other customers of the qualified electric utility; and
- (b) does not affect the borrowing or financing costs of the qualified electric utility.
- (4) Nothing in this chapter affects the authority of a cooperative utility, municipal utility, an electric improvement district, an interlocal, entity or any other utility to serve large load customers located within the utility's respective service areas.
- (5) The commission may:
- (a) modify existing tariffs or adopt new tariffs for the provision of service to large load customers;
- (b) establish terms and conditions under which a qualified electric utility may provide electric services to a large load customer; and

SB0227 compared with SB0227S01

(c) determine the conditions under which a qualified electric utility may require a large load customer to reduce or eliminate electric usage under tariffs established pursuant to this section.

(6) Any tariff modified or adopted under Subsection (5) must be:

(a) consistent with Title 54, Chapter 3, Duties of Public Utilities;

(b) just and reasonable; and(c) in the public interest.

(7) Notwithstanding any other provision of this chapter:

(a) this chapter does not:

(i) require a customer to obtain electric service through the procedures established in this chapter; or

(ii) prohibit a customer from obtaining electric service from a qualified electric utility through the processes established under Title 54, Chapter 3, Duties of Public Utilities; and

(b) a qualified electric utility shall fulfill the utility's duties and obligations to serve a large load customer that existed as of January 1, 2025.

Section 3. Section 3 is enacted to read:

54-26-201. {Alternative electrical} Large-scale service {provider} request requirements.

{2. Alternative Electrical Service Provider and Customer Requirements}

2. Service Request Process

(1) A customer seeking service under this chapter shall submit a large-scale service request to the qualified electric utility serving the proposed location.

(1){(2)} {An alternative electrical} A large-scale service {provider may} request shall include:

{(a) {own, have ownership or contractual interest in, purchase the output of, lease, manage, or finance an alternative energy source;}-}

(a) the customer's identifying information;

(b) the proposed location for electric service;

(b){(c)} {produce, transmit, and distribute} the requested amount of electric {services from an alternative energy source} demand in megawatts;

{(e) {sell electric services to new large load customers and the large load customers' interrelated facilities;}-}

{(d) {provide electric services that will be used to serve new tenant and affiliate loads;}-}

{(e) {participate in organized wholesale electricity markets, energy trading markets, or capacity markets regulated by the Federal Energy Regulatory Commission; and}-}

SB0227 compared with SB0227S01

{(f) ~~{subject to any applicable state or federal laws and regulations, build, own, and operate transmission and distribution lines to transmit electric services from an alternative energy source to a new large load customer.}~~}

456 {(2) ~~{Before providing service to a new large load customer, an alternative electrical service provider shall submit to the commission documentation demonstrating ownership or contractual control of generation capacity that:}~~}

207 (d) a proposed service commencement date;

208 (e) load profile information, including:

209 (i) anticipated annual energy usage;

210 (ii) expected hours of operation;

211 (iii) seasonal variations;

212 (iv) peak demand requirements; and

213 (v) any special service requirements;

459 (a){~~(f)~~ ~~{is}~~ information sufficient to ~~{reliably serve}~~ demonstrate the ~~{expected demand of}~~ financial capability to complete the ~~{contracted new}~~ large load ~~{customer}~~ customer's project that is the subject of the large-scale service request; and

461 (b){~~(g)~~ ~~{can be delivered when required by}~~ confirmation that the ~~{alternative electrical}~~ customer will not use the electric service ~~{provider's contracted new large load customers}~~ for resale.

463 {(3) ~~{An alternative electrical service provider that sells electric services to a new large load customer or for new tenant and affiliate loads:}~~}

465 {(a) ~~{is not a public utility as defined in this title;}~~}

466 {(b) ~~{may not be deemed to be a public utility as defined in this title solely because of such transactions; and}~~}

468 {(c) ~~{does not otherwise become subject to the jurisdiction of the commission.}~~}

469 {(4) ~~{An alternative electrical service provider shall provide written notice to the commission and the large-scale electric utility of:}~~}

471 {(a) ~~{an intention to interconnect with the large-scale electric utility's system; or}~~}

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

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

472

SB0227 compared with SB0227S01

(b) ~~{ a request to receive electric services from }~~ promptly notify the ~~{ large-scale }~~ 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 4 is enacted to read:

54-26-202. {New large load customer -- Authority -- Requirements} Service request procedures -- Notice.

~~{(1) {A new large load customer may:}}~~

~~{(a) {produce, transmit, distribute, receive, and consume electric services from an alternative energy source;}}~~

~~(b){(1)} {purchase} A qualified electric {services from an alternative electrical service provider;}~~
utility that receives a large-scale service request shall:

~~{(e) {purchase components of electric services from any authorized seller;}}~~

~~{(d) {obtain components of electric services from any combination of Subsections (1)(a), (b), and (e);}}~~
~~}~~

~~{(e) {sell or provide electric services for new tenant and affiliate loads; and}}~~

~~{(f) {sell unanticipated excess electric services to another large load customer or a utility.}}~~

(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 ~~{ new large load customer that requires any components of electric services from a large-scale }~~ qualified electric utility shall begin processing large-scale service requests, including conducting evaluations, no later than:

(a) January 1, for requests received after June 30 and on or before December 31 of the previous year; or

(b) July 1, for requests received after December 31 of the previous year and on or before June 30 of the same year.

~~(a){(3)} {file a written request with the large-scale}~~ During the evaluation process, the qualified electric utility {detailing} shall:

SB0227 compared with SB0227S01

- 242 (a) provide the customer with regular updates; and
243 (b) notify the customer when the evaluation is completed.
244 (4) Within 15 business days after completing an evaluation, the qualified electric utility shall provide to
the customer a written service proposal that includes:
487 (i){(a)} whether the {types and amounts of} qualified electric {services needed} utility can provide the
requested service within the time frame required by the customer;
248 (b) the estimated large load incremental costs that will be allocated to the customer, based on the
information provided by the customer;
250 (c) any required:
251 (i) system upgrades;
252 (ii) improvements; or
253 (iii) transmission service requests;
488 (ii){(d)} {proposed timing of} the estimated timeline for commencing the requested electric {services
requirements} service; and
489 {(iii) {expected duration of electric services needs; and}-}
490 {(b) {enter into a service agreement with the large-scale electric utility before receiving any electric
services.}-}
255 (e) the proposed terms and conditions of service, including provisions for addressing long-term
operation and maintenance costs for large load facilities..
492 (3){(5)} A {new large load customer shall provide written notice to the commission and the large-scale
} qualified electric utility {of} :
258 (a) may charge reasonable fees for costs incurred in:
494 (a){(i)} {an intention to interconnect with the} evaluating a large-scale {electric utility's system}
service request; {or} and
260 (ii) necessary subsequent or related assessments; and
261 (b) is not required to begin work on an evaluation until the customer:
262 (i) pays applicable fees; and
495 (b){(ii)} {a request} provides the information required to {receive electric services from} the {large-
scale} qualified electric utility to conduct an evaluation.

496 Section 5. Section 5 is enacted to read:

497 **54-26-203. Large-scale electric utility requirements.**

SB0227 compared with SB0227S01

- (1) A large-scale electric utility or a transmission provider that operates in the state shall:
- (a) offer available services on a non-discriminatory basis to:
- (i) a new large load customer and for new tenant and affiliate loads; or
- (ii) an alternative electrical service provider on behalf of, or to serve, a new large load customer and new tenant and affiliate loads; and
- (b) provide the service described in Subsection (1)(a) under any applicable tariff.
- (2) At the request of a new large load customer or an alternative electrical service provider, a large-scale electric utility or a transmission provider that operates in the state shall:
- (a) timely study a request for interconnection, transmission, metering, and other components of electric services from an alternative electrical service provider or a new large load; and
- (b) provide components of electric service pursuant to non-discriminatory and just and reasonable tariffs or contracts filed with and approved by the commission.
- (3) A large-scale electric utility shall not include a new large load customer's new large load in the large scale electric utility's integrated resource plan except to the extent the large-scale electric utility will provide electric services to the new large load customer or for new tenant or affiliate loads during the planning period of the integrated resource plan.
- (4) A large-scale electric utility has no obligation to furnish or provide electric services to a new large load customer or new tenant and affiliate loads to the extent such components of electric services are provided by an alternative electrical service provider or the new large load customer.

Section 5. Section 5 is enacted to read:

54-26-301. {Flexible} Large load {tariffs} contract requirements.

3. {Flexible} Large Load {Tariffs} Contracts

- (1) {By January 1, 2026, and periodically thereafter when determined to be in the public interest, the commission shall approve a flexible} A large load {tariff} customer may receive electric service for a large-scale {electric utility;} service request pursuant to a tariff adopted pursuant to section 54-26-102(5) or 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 {flexible} large load {tariff} customer shall:

SB0227 compared with SB0227S01

- (a) contract for all of the customer's projected electrical requirements under the large-scale service request; and
- 277 (b) maintain contracts with resources or load shedding capabilities sufficient to meet the customer's actual electrical requirements at all times.
- 279 (3) A large load contract with a qualified electric utility shall:
- 280 (a) ensure that all large load incremental costs are allocated to and paid by the large load customer;
- 282 (b) comply with all system requirements;
- 283 (c) require the large load customer to maintain financial security sufficient to cover the large load customer's obligations, as such obligations are defined by applicable tariffs or commission orders;
- 527 (a) ~~{(d)}~~ {shall} specify:
- 287 (i) points of interconnection;
- 288 (ii) power delivery points;
- 289 (iii) the amount of electrical capacity contracted for;
- 290 (iv) the term of service; and
- 291 (v) any arrangements for backup power supply;
- 292 (e) provide curtailment provisions if the large load customer's demand exceeds the amount of contractually supported demand;
- 528 (i) ~~{(f)}~~ {specify} identify the {conditions and times or the means of determining} incremental generation resources that the {specific times during which a large-scale} qualified electric utility {shall provide electric services} will use to {a new} serve the large load customer {that will}; and
- 296 (g) include provisions addressing the allocation and payment of long-term operation and maintenance costs for large load facilities.
- 298 (4) A large load contract with a large-scale generation provider that provides service through a connected electrical system shall:
- 300 (a) ensure that all large load incremental costs are allocated to and paid by the large load customer;
- 302 (b) comply with all system requirements;
- 303 (c) specify:
- 304 (i) points of interconnection;
- 305 (ii) power delivery points;
- 306 (iii) the amount of electrical capacity contracted for;
- 307 (iv) the term of service; and

SB0227 compared with SB0227S01

- 308 (v) any arrangements for backup power supply; and
- 309 (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.
- 312 (5) A large load contract with a large-scale generation provider that provides service through a closed
private generation system shall ensure that all large load incremental costs are allocated to and paid
by the large load customer or the large-scale generation provider.
- 316 (6) A qualified electric utility:
- 317 (a) has no duty to serve a large load customer except as explicitly provided in a large load contract or a
large load tariff approved by the commission; and
- 319 (b) is not required to provide backup power to a large load customer except as explicitly provided in a
large load contract.
- 321 (7) A qualified electric utility may not be required to commence design and construction of large load
facilities until after:
- 323 (a) executing a large load construction contract; and
- 324 (b) obtaining commission approval in accordance with Section 54-26-302.
- 531 (A){(8)} {~~receive~~} A qualified electric {~~services from an alternative energy source~~} utility or {~~an~~
alternative electrical service provider; or large-scale generation provider shall:
- 533 {(B) {~~otherwise reduce or eliminate demand~~};}
- 534 (ii){(a)} {~~include just, reasonable, and non-discriminatory rates, terms, and conditions for any requested~~
} obtain commission approval in accordance with Section 54-26-302 before providing electric
service {~~provided by~~} under a {~~large-scale electric utility to a new~~} large load {~~customer~~}
contract; and
- 537 {(iii) {~~include just, reasonable, and cost-based rates, terms, and provisions pursuant to which a large-~~
scale electric utility may provide requested electric services from a new large load customer that
also receives electric services from an alternative electrical service provider; and}-}
- 541 {(b) {~~may not require a new large load customer to self-supply electric services or reduce or eliminate~~
electric services supplied by a large-scale electric utility for more than those times reasonably
necessary to avoid expected peak constraints of the large-scale electric utility.}-}
- 545

SB0227 compared with SB0227S01

{(3) {~~A flexible load tariff may include an option for a large-scale electric utility to purchase and operate facilities used to provide electric service to a new large load or for new tenant or affiliate loads;}~~}

{(a) {~~upon reasonable negotiated terms, conditions, and cost; and}~~}

(b) {~~after a reasonable period, }~~ negotiate the terms of a large load contract with a large load customer consistent with {~~financing, tax~~} an applicable tariff or, {~~investor~~} absent an applicable tariff, {~~and other reasonable expectations and requirements of the owners or financiers of such facilities~~} on a case-by-case basis.

(9) 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 6 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 with a qualified electric utility shall include determining whether the qualified electric utility has demonstrated that its provision of service pursuant to the large load contract will not:

(a) utilize or rely on generation or transmission resources, fuel, labor, or any other resources included in the rates established by the commission for the customers of the qualified electric utility; or

(b) affect the borrowing or financing costs of the qualified electric utility.

SB0227 compared with SB0227S01

(4) If the commission determines that the qualified electric utility has not made the demonstration described in Subsection (3), the commission shall determine whether the large load contract satisfies:

(a) the rate regulation provisions of 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.

(5) Commission review of a large load contract with a large-scale generation provider:

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

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

(6) 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.

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

Section 7. Section 7 is enacted to read:

54-26-401. {Application} Qualified electric utility service obligations.

{4. Application and Review}

{The provisions of this chapter apply only to:}

{(1) {alternative electrical service providers that begin providing service before December 31, 2034;}}

{(2) {new large load customers that begin receiving service before December 31, 2034;}}

{(3) {electrical generation, transmission, or distribution facilities constructed or contractually committed for construction before December 31, 2034, by:}}

{(a) {an alternative electrical service provider; or}}

4. Service Provider 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 in response to a large-scale service request if:

(b){(+) {a new} the large load customer has not complied with the requirements of this chapter; {and}}

{(4) {power purchase agreements, interconnection agreements, and transmission service agreements executed before December 31, 2034, between:}}

SB0227 compared with SB0227S01

- 564 { (a) { ~~an alternative electrical service provider and a new large load customer;~~ } }
- 565 { (b) { ~~an alternative electrical service provider and a large-scale electric utility; or~~ } }
- 378 (ii) the qualified electric utility cannot provide the requested service within the timeframe required by the large-scale service request;
- 566 (c){ (iii) } { ~~a new~~ } the large load customer and { ~~a large-scale~~ } the qualified electric utility { ~~:~~ } cannot agree upon terms for a large load contract;
- 382 (iv) the large load customer fails or refuses to comply with the requirements of a large load contract; or
- 384 (v) the large load customer is receiving service from a large-scale generation provider in accordance with Section 54-26-402; and
- 386 (b) that does not agree to terms with a large load customer for a large load contract under this chapter:
- 388 (i) has no right or duty to serve the large load customer under this chapter;
- 389 (ii) is not required to provide ancillary or backup services to the large load customer under this chapter; and
- 391 (iii) is not required to provide any services to a large-scale generation provider under this chapter.
- 393 Section 8. Section 8 is enacted to read:
- 394 **54-26-402. {Commission sunset review} Alternative service requirements.**
- { ~~The commission shall:~~ }
- 570 { (1) { ~~conduct a review of this chapter before October 31, 2034;~~ } }
- 571 { (2) { ~~prepare a report that includes:~~ } }
- 572 { (a) { ~~data on program participation;~~ } }
- 573 { (b) { ~~analysis of impacts on electrical rates;~~ } }
- 574 { (c) { ~~assessment of transmission system reliability; and~~ } }
- 575 { (d) { ~~recommendations regarding whether to:~~ } }
- 576 { (i) { ~~extend the application dates described in Section 54-26-401;~~ } }
- 577 { (ii) { ~~modify program requirements; or~~ } }
- 578 { (iii) { ~~allow the program to close to new participants; and~~ } }
- 395 (1) A large load customer may enter into a large load contract with a large-scale generation provider if:
- 397 (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
- 399 (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

SB0227 compared with SB0227S01

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

(3){(b)} {provide} may not execute a contract with a large-scale generation provider unless the {report} {conditions} described in Subsection {(2) and any recommendations to the Public Utilities, Energy, and Technology Interim Committee} (1) are met.

Section 9. Section 9 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, including any environmental permits, obtained for qualifying generation resources; and

(ii) any estimated impact of qualifying generation resources on the state implementation plan for air quality.

Section 10. Section 10 is enacted to read:

SB0227 compared with SB0227S01

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 11. Section 11 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) consistent with cost-causation principles adopted or modified by the Federal Energy Regulatory Commission, and 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

SB0227 compared with SB0227S01

(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 12. Section **12** is enacted to read:

54-26-504. Closed private generation systems.

(1) A large load customer may establish and operate or 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 if the large load customer meets the conditions described in Section 54-26-402.

(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, cooperative utility, municipal utility, or other utility only pursuant to a contract approved by the utility's governing authority 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 13. Section **13** 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;

SB0227 compared with SB0227S01

- (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 14. Section 14 is enacted to read:

Part 6. Customer Requirements and Accounting

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

SB0227 compared with SB0227S01

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) consistent with cost-causation principles adopted or modified by the Federal Energy Regulatory Commission, and 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 15. Section **15** 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) 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)

SB0227 compared with SB0227S01

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

(iv) 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.

(3) 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 16. Section **16** 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 17. Section **17** is enacted to read:

Part 8. Application and Review

54-26-801. Program duration.

The provisions of this chapter apply only to 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.

SB0227 compared with SB0227S01

Section 18. Section **18** 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
 - (e) provide the report described in this Subsection (2) and any recommendations to the Public Utilities, Energy, and Technology Interim Committee.

Section 19. Section **19** 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;
 - (b) retain a qualified independent consultant with expertise in transmission cost allocation methodologies to:
 - (i) analyze potential methodologies for transmission cost allocation;
 - (ii) consider the impact of projected large load growth on the transmission system;
 - (iii) evaluate the economic impacts of various cost allocation approaches; and
 - (iv) 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;

SB0227 compared with SB0227S01

- 638 (b) the projected increase in electricity demand from large load customers;
639 (c) the economic development benefits associated with serving large load customers;
640 (d) the need to maintain just and reasonable rates for retail customers;
641 (e) the extent to which new transmission infrastructure is required specifically to serve large load
customers;
643 (f) the extent to which large load customers utilize existing transmission infrastructure;
644 (g) methods to apportion costs based on causation and system benefits; and
645 (h) any other factors the commission determines are relevant to establishing a fair and reasonable
allocation of transmission costs.
- 647 (3) The commission may:
648 (a) establish different cost allocation methodologies based on:
649 (i) the timing of large load customer interconnection;
650 (ii) the size of the load being served;
651 (iii) the benefits accruing to various customer classes; or
652 (iv) other relevant distinctions; and
653 (b) consider phased-in approaches that balance economic development with consumer protection.
- 655 (4) Nothing in this section limits the commission's existing authority to determine just and reasonable
rates.
- 657 (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:
659 (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
662 (ii) any other reasonable costs incurred in conducting proceedings and evaluations under this
chapter.
- 664 (b) The fee shall be:
665 (i) assessed on a semi-annual basis corresponding to the study periods established in Section 54-26-202;
667 (ii) determined based on the anticipated needs given the number and complexity of requests received in
each study period; and
669 (iii) proportionately allocated among large load customers with pending requests.

SB0227 compared with SB0227S01

(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 20. 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;

SB0227 compared with SB0227S01

- 706 (f) activities related to the management of investments by a public entity granted investment authority
by law; or
- 708 (g) activities of the Utah water agent appointed under Section 73-10g-702.
- 709 (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.
- 711 (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.

714 Section 21. **Effective date.**

Effective Date.

This bill takes effect on May 7, 2025.

3-4-25 12:45 PM