

Colin W. Jack proposes the following substitute bill:

Decommissioned Asset Disposition Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Colin W. Jack

Senate Sponsor: Derrin R. Owens

LONG TITLE

General Description:

This bill makes changes to the requirements related to the decommissioning and disposal of electrical generation facilities and equipment by a project entity.

Highlighted Provisions:

This bill:

- defines terms;
- prohibits a project entity from:
 - altering facilities that provide power to station service;
 - disconnecting from or modifying existing interconnections and critical switchyard equipment; and
 - taking actions that would require a new plant owner to make an interconnection request; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

11-13-318, as last amended by Laws of Utah 2024, Third Special Session, Chapter 4

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

Section 1. Section **11-13-318** is amended to read:

11-13-318 . Notice of decommissioning or disposal of project entity assets.

(1) As used in this section:

(a) "Alternative permit" means the same as that term is defined in Section 11-13-320.

- 30 (b) "Critical switchyard equipment" means equipment located in a switchyard that is
31 necessary for the delivery of electricity to the transmission or distribution system,
32 including transformers, circuit breakers, disconnect switches, and other essential
33 interconnection equipment.
- 34 ~~(b)~~ (c) "Decommissioning" means to remove an electrical generation facility from
35 active service.
- 36 ~~(e)~~ (d) "Disposal" means the sale, transfer, dismantling, or other disposition of a project
37 entity's assets.
- 38 ~~(d)~~ (e) "Division" means the Division of Air Quality created in Section 19-1-105.
- 39 ~~(e)~~ (f) "Fair market value" means the same as that term is defined in Section 79-6-408.
- 40 (g) "Interconnection" means the physical system that connects an electrical generation
41 facility to the transmission or distribution system, including all switching stations,
42 transformers, and other equipment necessary to deliver electricity to customers.
- 43 ~~(f)~~ (h)(i) "Project entity asset" means a project entity's:
44 (A) land;
45 (B) water;
46 (C) buildings; or
47 (D) essential equipment, including turbines, generators, transformers, and
48 transmission lines.
- 49 (ii) "Project entity asset" does not include an asset that is not essential for the
50 generation of electricity in the project entity's coal-powered electrical generation
51 facility.
- 52 (i) "Project purchaser" means any entity that has the right to purchase power from the
53 project entity.
- 54 (j) "Station service" means the electric supply required for the operation of an electrical
55 generation facility and associated facilities, essential auxiliary equipment, and all
56 facilities necessary to maintain electrical output.
- 57 (2) A project entity shall provide a notice of decommissioning or disposal to the Legislative
58 Management Committee at least 180 days before:
59 (a) the disposal of any project entity assets; or
60 (b) the decommissioning of the project entity's coal-powered electrical generation
61 facility.
- 62 (3) The notice of decommissioning or disposal described in Subsection (2) shall include:
63 (a) the date of the intended decommissioning or disposal;

- 64 (b) a description of the project entity's coal-powered electrical generation facility
65 intended for decommissioning or any project entity asset intended for disposal; and
66 (c) the reasons for the decommissioning or disposal.

67 (4) A project entity may not intentionally prevent the functionality of the project entity's
68 existing coal-powered electrical generation facility.

69 (5) A project entity shall:

70 (a) maintain:

71 (i) facilities that provide power to station service so as to ensure continued
72 functionality;

73 (ii) existing interconnection and critical switchyard equipment in a manner that
74 ensures the ability to reactivate at least one of the project entity's coal-powered
75 electrical generation units; and

76 (b) make available an interconnection with the switchyard for a project entity's
77 coal-powered electrical generation facility that does not require a new
78 interconnection request.

79 ~~[(5)]~~ (6) Notwithstanding the requirements in Subsections (2) through (4), a project entity
80 may take any action necessary to transition to a new electrical generation facility
81 powered by natural gas, hydrogen, or a combination of natural gas and hydrogen,
82 including any action that has been approved by a permitting authority[-], provided that
83 such actions:

84 (a) do not violate the requirements in Subsection (5); or

85 (b) are specifically required by a permitting authority as an essential component of the
86 transition, with no feasible alternative that would avoid violating Subsection (5).

87 ~~[(6)]~~ (7) A project entity shall provide the state the option to purchase for fair market value a
88 project entity asset intended for decommissioning, with the option remaining open for at
89 least two years, beginning on July 2, 2025.

90 (8) Prior to the decommissioning of a project entity asset, the project entity shall provide a
91 notice to the Legislative Management Committee that the project entity has satisfied all
92 material conditions, promises, and inducements made to any municipal or cooperative
93 project purchaser to obtain approval from the municipal or cooperative project purchaser
94 for the early decommissioning of a project entity asset.

95 **Section 2. Effective Date.**

96 This bill takes effect:

97 (1) except as provided in Subsection (2), May 7, 2025; or

- 98 (2) if approved by two-thirds of all members elected to each house:
- 99 (a) upon approval by the governor;
- 100 (b) without the governor's signature, the day following the constitutional time limit of
- 101 Utah Constitution, Article VII, Section 8; or
- 102 (c) in the case of a veto, the date of veto override.