Colin W. Jack proposes the following substitute bill:

Energy Resource Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Colin W. Jack

Senate Sponsor: Ronald M. Winterton

LONG TITLE

General Description:

This bill modifies provisions related to the evaluation of integrated resource plans by the Public Service Commission.

Highlighted Provisions:

This bill:

- defines terms;
- requires full cost attribution for supplemental resources in integrated resource plans;
- establishes requirements for calculating generation capacity;
- requires an affected electrical utility to include certain designations in the utility's action plan;
- prohibits certain involuntary demand management programs; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

54-17-301, as last amended by Laws of Utah 2008, Chapter 382

ENACTS:

54-17-305, Utah Code Annotated 1953

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

Section 1. Section **54-17-301** is amended to read:

54-17-301 . Review of integrated resource plan action plans.

(1) As used in this part:

(a) "Baseload capacity" means the amount of baseload power that electricity generation resources can reliably produce through continuous or nearly continuous operation.

(b) "Baseload electricity resource" means an electricity generation resource that operates continuously or nearly continuously to maintain a stable power supply at the electricity generation resource's rated capacity.

(c) "Baseload power" means the minimum amount of electric power continuously needed to meet basic system demand.

(d) "Demand management program" means any incentive or technology designed to modify the timing or amount of customer electricity consumption.

(e) "Expected deliverable energy" means the amount of electrical energy that a resource can reliably deliver to the grid based on historical performance data and operational constraints.

(f) "Firming capacity" means the amount of electric power that electricity generation resources can produce, at the system operator's discretion, to reliably meet peak load and balance fluctuations in electrical demand or supply.

(g) "Plant factor" means the same as that term is defined in Section 79-6-303.

(h) "Resource adequacy program" means a program that establishes capacity contribution values for generation resources based on historical performance data.

(i)(i) "Supplemental resource" means a utility asset or operational control required to maintain reliable power delivery when a variable energy resource is not operating at full capacity.

(ii) "Supplemental resource" includes:

(A) generation resources;

(B) transmission resources;

(C) energy balancing measures; and

(D) market purchases.

(j) "Variable capacity" means the amount of electric power that electricity generation resources can produce when operating on a variable basis due to elements outside of operator control.

(k) "Variable energy resource" means an electricity generation facility that cannot consistently deliver power at the facility's rated capacity due to elements outside of the operator's control.

(l) "Voluntary conservation program" means a program that:

(i) provides customers financial incentives or cost-saving opportunities to reduce energy consumption;

(ii) maintains the customer's control over the customer's energy usage decisions; and

(iii) allows customers to opt out of any offered programs without restrictive penalties or length commitments.

(2) An affected electrical utility shall file with the commission any action plan developed as part of the affected electrical utility's integrated resource plan to enable the commission to review and provide guidance to the affected electrical utility.

(3) An affected electrical utility's action plan shall:

(a) report baseload energy resources as baseload capacity, specifying the expected deliverable energy;

(b) report variable energy resources as variable capacity, specifying the expected deliverable energy;

(c) report energy storage systems, including batteries and other storage devices, as firming capacity;

(d) report variable energy resources paired with energy storage as firming capacity, subject to the energy storage system requirements in Subsection (4)(b)(ii); and

(e) separately report any expected curtailment of baseload and variable energy resources resulting from regulations, costs, or demand constraints.

(f) attribute relevant costs of supplemental resources to the variable energy resources that necessitate the use of supplemental resources;

(g) for generation capacity calculations:

(i) exclude energy conservation measures and demand reduction programs;

(ii) reflect actual delivery capability for energy storage systems, accounting for:

(A) charging requirements;

(B) duration limitations; and

(C) seasonal performance variations in capacity and duration; and

(iii) for variable energy resources, use:

(A) capacity assumptions for long-term planning; and

(B) capacity and plant factor values established by a resource adequacy program in which the affected electrical utility's resource adequacy participates.

[~~(2)~~] (4)(a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules providing a process for its review of an action plan.

(b) The rules required under Subsection [~~(2)(a)~~] (5)(a) shall provide sufficient flexibility to permit changes in an action plan between the periodic filings of the affected electrical utility's integrated resource plan.

Section 2. Section **54-17-305** is enacted to read:

54-17-305 . Demand management programs.

(1) An affected electrical utility may not:

(a) implement a demand management program unless:

(i) the consumer voluntarily participates; and

(ii) the consumer provides written or electronic consent; or

(b) count anticipated demand reductions from any demand management program as equivalent to generation capacity in an integrated resource plan.

(2) Notwithstanding Subsection (1), an integrated resource plan may account for load decrease from a demand management program if:

(a) the affected electrical utility demonstrates the load decrease is:

(i) within the utility's sole control; or

(ii) otherwise reliable; and

(b) the load decrease will not result in a supply shortage during the period for which the decrease is anticipated.

(3) This section does not prohibit an affected electrical utility from:

(a) offering voluntary conservation programs that provide customers direct financial benefits; or

(b) implementing emergency procedures necessary to maintain system reliability.

Section 3. **Effective Date.**

This bill takes effect on May 7, 2025.