

Ronald M. Winterton proposes the following substitute bill:

Energy Resource Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Colin W. Jack

Senate Sponsor: Ronald M. Winterton

2

3 **LONG TITLE**

4 **General Description:**

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

7 **Highlighted Provisions:**

8 This bill:

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

16 **Money Appropriated in this Bill:**

17 None

18 **Other Special Clauses:**

19 None

20 **Utah Code Sections Affected:**

21 AMENDS:

22 **54-17-301**, as last amended by Laws of Utah 2008, Chapter 382

23 ENACTS:

24 **54-17-305**, Utah Code Annotated 1953

25

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

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

28 **54-17-301 . Review of integrated resource plan action plans.**

- 29 (1) As used in this part:
- 30 (a) "Baseload capacity" means the amount of baseload power that electricity generation
31 resources can reliably produce through continuous or nearly continuous operation.
- 32 (b) "Baseload electricity resource" means an electricity generation resource that operates
33 continuously or nearly continuously to maintain a stable power supply at the
34 electricity generation resource's rated capacity.
- 35 (c) "Baseload power" means the minimum amount of electric power continuously
36 needed to meet basic system demand.
- 37 (d) "Demand management program" means any incentive or technology designed to
38 modify the timing or amount of customer electricity consumption.
- 39 (e) "Expected deliverable energy" means the amount of electrical energy that a resource
40 can reliably deliver to the grid based on historical performance data and operational
41 constraints.
- 42 (f) "Firming capacity" means the amount of electric power that electricity generation
43 resources can produce, at the system operator's discretion, to reliably meet peak load
44 and balance fluctuations in electrical demand or supply.
- 45 (g) "Plant factor" means the same as that term is defined in Section 79-6-303.
- 46 (h) "Resource adequacy program" means a program that establishes capacity
47 contribution values for generation resources based on historical performance data.
- 48 (i)(i) "Supplemental resource" means a utility asset or operational control required to
49 maintain reliable power delivery when a variable energy resource is not operating
50 at full capacity.
- 51 (ii) "Supplemental resource" includes:
- 52 (A) generation resources;
- 53 (B) transmission resources;
- 54 (C) energy balancing measures; and
- 55 (D) market purchases.
- 56 (j) "Variable capacity" means the amount of electric power that electricity generation
57 resources can produce when operating on a variable basis due to elements outside of
58 operator control.
- 59 (k) "Variable energy resource" means an electricity generation facility that cannot
60 consistently deliver power at the facility's rated capacity due to elements outside of
61 the operator's control.
- 62 (l) "Voluntary conservation program" means a program that:

- 63 (i) provides customers financial incentives or cost-saving opportunities to reduce
64 energy consumption;
- 65 (ii) maintains the customer's control over the customer's energy usage decisions; and
66 (iii) allows customers to opt out of any offered programs without restrictive penalties
67 or length commitments.
- 68 (2) An affected electrical utility shall file with the commission any action plan developed as
69 part of the affected electrical utility's integrated resource plan to enable the commission
70 to review and provide guidance to the affected electrical utility.
- 71 (3) An affected electrical utility's action plan shall:
- 72 (a) report baseload energy resources as baseload capacity, specifying the expected
73 deliverable energy;
- 74 (b) report variable energy resources as variable capacity, specifying the expected
75 deliverable energy;
- 76 (c) report energy storage systems, including batteries and other storage devices, as
77 firming capacity;
- 78 (d) report variable energy resources paired with energy storage as firming capacity,
79 subject to the energy storage system requirements in Subsection (3)(g)(ii);
- 80 (e) separately report any expected curtailment of baseload and variable energy resources
81 resulting from regulations, costs, or demand constraints; and
- 82 (f) attribute relevant costs of supplemental resources to the variable energy resources
83 that necessitate the use of supplemental resources;
- 84 (g) for generation capacity calculations:
- 85 (i) exclude energy conservation measures and demand reduction programs;
86 (ii) reflect actual delivery capability for energy storage systems, accounting for:
87 (A) charging requirements;
88 (B) duration limitations; and
89 (C) seasonal performance variations in capacity and duration; and
- 90 (iii) for variable energy resources, use:
- 91 (A) capacity assumptions for long-term planning; and
92 (B) capacity and plant factor values established by a resource adequacy program
93 in which the affected electrical utility's resource adequacy participates.
- 94 [(2)] (4)(a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
95 Act, the commission shall make rules providing a process for its review of an action
96 plan.

97 (b) The rules required under Subsection [~~(2)(a)~~] (4)(a) shall provide sufficient flexibility
98 to permit changes in an action plan between the periodic filings of the affected
99 electrical utility's integrated resource plan.

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

101 **54-17-305 . Demand management programs.**

102 (1) An affected electrical utility may not:

103 (a) implement a demand management program unless:

104 (i) the consumer voluntarily participates; and

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

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

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

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

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

112 (ii) otherwise reliable; and

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

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

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

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

119 Section 3. **Effective Date.**

120 This bill takes effect on May 7, 2025.