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Electric Utility Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Scott D. Sandall

House Sponsor: Colin W. Jack

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LONG TITLE**General Description:**

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

Highlighted Provisions:

This bill:

▸ defines terms;

▸ establishes requirements for submitting and processing large-scale electrical service

requests;

▸ requires the Public Service Commission to review large load contracts;

▸ creates requirements for electrical corporations serving large loads;

▸ establishes registration and operating requirements for large-scale generation providers;

▸ requires separate accounting for large load service costs;

▸ prohibits cost shifting to other electrical customers; and

▸ requires financial security and insurance for large-scale service.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

54-26-101, Utah Code Annotated 1953

54-26-102, Utah Code Annotated 1953

54-26-201, Utah Code Annotated 1953

54-26-202, Utah Code Annotated 1953

54-26-301, Utah Code Annotated 1953

54-26-302, Utah Code Annotated 1953

54-26-401, Utah Code Annotated 1953

54-26-402, Utah Code Annotated 1953

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- 31 **54-26-501**, Utah Code Annotated 1953
32 **54-26-502**, Utah Code Annotated 1953
33 **54-26-503**, Utah Code Annotated 1953
34 **54-26-601**, Utah Code Annotated 1953
35 **54-26-602**, Utah Code Annotated 1953

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

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

39 **54-26-101 . Definitions.**

40 As used in this chapter:

41 (1) "Feasibility study" means an engineering analysis that:

42 (a) evaluates the impact of a large-scale service request on an electrical corporation's
43 systems;

44 (b) identifies any necessary:

45 (i) system modifications;

46 (ii) system upgrades; or

47 (iii) transmission service requests;

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

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

50 (2) "Large load contract" means a large load construction contract or a large load service
51 contract.

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

54 (a) an electrical corporation or a large-scale generation provider; and

55 (b) a large load customer.

56 (4) "Large load customer" means a customer or potential customer that requests electric
57 service under a large-scale service request.

58 (5) "Large load facilities" means facilities and resources reasonably necessary to provide
59 safe and reliable electric service for a large-scale service request, including facilities or
60 upgrades necessary to facilitate a transmission request from a large-scale generation
61 provider for a large-scale service request.

62 (6) "Large load incremental costs" means all costs reasonably necessary for the design,
63 engineering, procurement, construction, and completion of:

64 (a) large load facilities; and

- 65 (b) any activities required to provide electric service under a large-scale service request.
- 66 (7) "Large load service contract" means a contract for the provision of electric service for a
- 67 large-scale service request between:
- 68 (a) an electrical corporation or a large-scale generation provider; and
- 69 (b) a large load customer.
- 70 (8) "Large-scale generation provider" means an entity that:
- 71 (a) is not an electrical corporation;
- 72 (b) is registered with the commission in accordance with Section 54-26-501;
- 73 (c) owns and operates one or more qualifying generation resources; and
- 74 (d) is capable of generating electricity sufficient to fulfill a large-scale service request
- 75 using exclusively qualifying generation resources that the entity has offered to an
- 76 electrical corporation through a public procurement process.
- 77 (9) "Large-scale service request" means a request for:
- 78 (a) new electric service that is 50 megawatts or greater; or
- 79 (b) additional electric service that increases a customer's total service level by 50
- 80 megawatts or greater.
- 81 (10) "Qualifying generation resource" means an electric generating facility that:
- 82 (a) is capable of continuous operation at a minimum of 85% of rated capacity for not
- 83 less than 325 days per calendar year;
- 84 (b) maintains at the facility's own cost:
- 85 (i) spinning reserves of at least 15% of the facility's capacity; and
- 86 (ii) the total planning reserve margin required by the Western Electricity
- 87 Coordinating Council;
- 88 (c) is not dependent upon:
- 89 (i) intermittent energy sources; or
- 90 (ii) energy storage systems; and
- 91 (d) meets any other reliability standards established by the commission.
- 92 (11) "Spinning reserve" means spinning reserve as defined by the Western Electricity
- 93 Coordinating Council.
- 94 (12) "Transmission provider" means an electrical corporation that:
- 95 (a) owns, operates, or controls facilities used for the transmission of electric energy at
- 96 voltages above 100 kilovolts; and
- 97 (b) provides transmission service under a Federal Energy Regulatory
- 98 Commission-approved open access transmission tariff.

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

100 **54-26-102 . Application.**

101 The procedures and standards set forth in this chapter shall govern:

- 102 (1) large-scale service requests;
103 (2) services sought, provided, or received under a large-scale service request; and
104 (3) the review and approval of large load contracts.

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

106 **54-26-201 . Large-scale service request requirements.**

- 107 (1) A customer seeking service under this chapter shall submit a large-scale service request
108 to an electrical corporation serving the proposed location.
- 109 (2) A large-scale service request shall include:
- 110 (a) the customer's identifying information;
111 (b) the proposed location for electric service;
112 (c) the requested amount of electric capacity in megawatts;
113 (d) a proposed service commencement date that is at least three years, unless otherwise
114 specified by mutual agreement between the customer and electrical corporation, after
115 the date on which the customer delivers the large-scale service request to the
116 electrical corporation;
- 117 (e) load profile information, including:
- 118 (i) anticipated annual energy usage;
119 (ii) expected hours of operation;
120 (iii) seasonal variations;
121 (iv) peak demand requirements; and
122 (v) any special service requirements;
- 123 (f) information sufficient to demonstrate the financial capability to complete the project;
124 and
- 125 (g) confirmation that the customer will not use the electric service for resale.
- 126 (3) After submitting a large-scale service request and before entering into a large load
127 contract, a customer shall:
- 128 (a) ensure that all information submitted under this section remains current; and
129 (b) promptly notify the electrical corporation of any material changes to information
130 submitted under this section.

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

132 **54-26-202 . Service request procedures -- Notice.**

- 133 (1) An electrical corporation that receives a large-scale service request shall:
134 (a) acknowledge receipt of the request;
135 (b) notify the customer of any missing information within 15 business days after receipt
136 of the request; and
137 (c) conduct a feasibility study as soon as reasonably practicable under the circumstances.
- 138 (2) During the feasibility study process, the electrical corporation shall:
139 (a) provide the customer with regular updates; and
140 (b) notify the customer when the study is completed.
- 141 (3) Within 15 business days after completing a feasibility study, the electrical corporation
142 shall provide a written response that includes:
143 (a) whether the electrical corporation can provide the requested service within the time
144 frame required by the customer;
145 (b) the estimated large load incremental costs that will be allocated to the customer,
146 based on the information provided by the customer;
147 (c) any required:
148 (i) system upgrades;
149 (ii) improvements; or
150 (iii) transmission service requests;
151 (d) the estimated timeline for commencing electric service; and
152 (e) the proposed terms and conditions of service.
- 153 (4) An electrical corporation:
154 (a) may charge reasonable fees to recover costs of conducting:
155 (i) a feasibility study; and
156 (ii) any subsequent or related studies; and
157 (b) is not required to begin work on a study until the customer:
158 (i) pays applicable fees; and
159 (ii) provides the information required to the electrical corporation to conduct a
160 feasibility study.

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

162 **54-26-301 . Large load contract requirements.**

- 163 (1) Electric service for a large-scale service request shall be provided only under a large
164 load contract.
- 165 (2) A large load contract shall:
166 (a) ensure that all large load incremental costs are allocated to and paid by:

- 167 (i) the large load customer; or
168 (ii) in the case of service by a large-scale generation provider, the large-scale
169 generation provider, by the large load customer;
170 (b) comply with all system requirements;
171 (c) require the large load customer to maintain financial security sufficient to cover the
172 large load customer's obligations;
173 (d) specify:
174 (i) points of interconnection; and
175 (ii) power delivery points;
176 (e) specify the term of service; and
177 (f) provide curtailment provisions if the large load customer's demand exceeds:
178 (i) for service provided by an electrical corporation, the amount of contractually
179 supported demand; or
180 (ii) for service provided by a large-scale generation provider, the real-time output, net
181 of transmission losses.

- 182 (3) An electrical corporation or a large-scale generation provider shall:
183 (a) commence design and construction of large load facilities only after:
184 (i) executing a large load construction contract; and
185 (ii) obtaining commission approval in accordance with Section 54-26-302;
186 (b) commence providing electric service for a large-scale service request only after:
187 (i) executing a large load service contract; and
188 (ii) obtaining commission approval in accordance with Section 54-26-302; and
189 (c) negotiate the terms of a large load contract with a large load customer on a
190 case-by-case basis.
191 (4) Within 15 business days after executing a large load contract, a person executing the
192 contract shall submit an application for approval to the commission for review under
193 Section 54-26-302.

194 Section 6. Section **54-26-302** is enacted to read:

195 **54-26-302 . Commission review -- Approval of contracts.**

- 196 (1) An electrical corporation or a large-scale generation provider shall file an application
197 with the commission for approval of a large load contract that includes:
198 (a) a copy of the large load contract for which the applicant seeks review and approval;
199 and
200 (b) evidence sufficient to demonstrate compliance with Subsection (2)(b).

- 201 (2) The commission shall approve a large load contract if the commission finds by a
 202 preponderance of the evidence that:
 203 (a) the contract complies with the requirements of this chapter; and
 204 (b) service to the large load customer under the contract will not:
 205 (i) adversely impact the reliability of an electrical corporation's system; or
 206 (ii) prevent an electrical corporation from providing electric service to other
 207 customers.
- 208 (3) Commission review of a large load contract:
 209 (a) is limited to the requirements described in Subsection (2); and
 210 (b) does not include review of other contract terms.
- 211 (4) The commission shall approve or disapprove an application submitted under this section
 212 within 45 days after the day on which a person files the application.
- 213 (5) The commission may establish rules to expedite the review of applications for approval
 214 of a large load contract under this chapter.

215 Section 7. Section **54-26-401** is enacted to read:

216 **54-26-401 . Electric corporation service obligations.**

- 217 (1) Subject to Subsection (2), an electrical corporation has the sole right to provide electric
 218 service to a large load customer.
- 219 (2) An electrical corporation:
 220 (a) is not required to provide electric service in response to a large-scale service request
 221 if:
 222 (i) the large load customer has not complied with the requirements of this chapter;
 223 (ii) the electrical corporation cannot provide the requested service within the
 224 timeframe required by the large-scale service request;
 225 (iii) the large load customer and the electrical corporation cannot agree upon terms
 226 for a large load contract;
 227 (iv) the large load customer fails or refuses to comply with the requirements of a
 228 large load contract; or
 229 (v) the large load customer is receiving service from a large-scale generation provider
 230 in accordance with Section 54-26-402; and
 231 (b) that does not agree to terms with a large load customer for a large load contract:
 232 (i) has no duty to serve the large load customer;
 233 (ii) is not required to provide backup services to the large load customer; and
 234 (iii) is not required to provide any services to a large-scale generation provider.

235 Section 8. Section **54-26-402** is enacted to read:

236 **54-26-402** . **Alternative service requirements.**

237 (1) A large load customer may enter into a large load contract with a large-scale generation
238 provider if after 180 days following the issuance of a feasibility study, unless the period
239 is mutually extended by the electrical corporation and the large load customer:

240 (a) the electrical corporation and large load customer cannot agree to a large load
241 contract; and

242 (b) the electrical corporation has not exercised its right to provide service under this
243 chapter.

244 (2) If a large load customer intends to contract with a large-scale generation provider, the
245 large load customer shall:

246 (a) provide written notice to the electrical corporation of the terms of the large load
247 contract negotiated with the large-scale generation provider; and

248 (b) allow the electrical corporation 60 business days after delivery of the information
249 under Subsection (2)(a) to:

250 (i) agree to provide service to the large load customer on the same terms; or

251 (ii) submit a revised service proposal that is accepted by the large load customer.

252 Section 9. Section **54-26-501** is enacted to read:

253 **54-26-501** . **Large-scale generation provider requirements.**

254 (1) A large-scale generation provider shall:

255 (a) register with the commission before providing service;

256 (b) maintain technical and financial qualifications established by the commission;

257 (c) provide service only through qualifying generation resources;

258 (d) maintain spinning reserve capacity of at least 15% above contracted power delivery
259 obligations;

260 (e) comply with all applicable reliability standards required by the commission; and

261 (f) post security deemed sufficient by the commission to cover potential damages from
262 service interruptions.

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

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

265 (b) proof of financial capability to provide service as required by the large-scale service
266 request;

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

268 (d) an explanation of the qualifying generation resources the provider intends to use;

- 269 (e) the provider's maintenance schedules for the qualifying generation resource; and
 270 (f) the provider's emergency response procedures.

271 Section 10. Section **54-26-502** is enacted to read:

272 **54-26-502 . Operating requirements -- Registration suspension.**

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

- 274 (a) may not initiate new service to a large load customer;
 275 (b) shall remedy any deficiencies within 90 days after the day on which the deficiency
 276 arises; and
 277 (c) may have its registration suspended or revoked by the commission.

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

- 279 (a) the provider may not provide service to a large load customer; and
 280 (b) the large load customer may not receive electric service from an electrical
 281 corporation until the customer agrees upon the terms of a large load contract with the
 282 electrical corporation.

283 Section 11. Section **54-26-503** is enacted to read:

284 **54-26-503 . Transmission requirements.**

285 (1) If a large-scale service request requires transmission service:

- 286 (a) the large-scale generation provider shall submit a transmission service request to the
 287 transmission provider;
 288 (b) the large-scale generation provider or large load customer shall:
 289 (i) pay for:
 290 (A) any interconnection or transmission-related studies;
 291 (B) any identified interconnection upgrades, transmission upgrades, network
 292 upgrades, or system upgrades; and
 293 (C) the transmission service rates in the transmission provider's open access
 294 transmission tariff; and
 295 (ii) pay and provide for:
 296 (A) ancillary services;
 297 (B) balancing services; and
 298 (C) backup services.

299 (2) A customer of an electrical corporation may not be required to pay for any cost
 300 described in Subsection (1).

301 Section 12. Section **54-26-601** is enacted to read:

302 **54-26-601 . Large load customer requirements -- Cost allocation.**

303 A large load customer shall pay all reasonably allocated large load incremental costs,
304 including the costs of:

- 305 (1) generation resources;
306 (2) transmission system improvements, including network upgrades;
307 (3) distribution system upgrades;
308 (4) interconnection facilities;
309 (5) electrical and transmission service; and
310 (6) other necessary infrastructure.

311 Section 13. Section **54-26-602** is enacted to read:

312 **54-26-602 . Accounting requirements -- Service standards.**

313 (1) A large-scale generation provider shall:

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

317 (b) demonstrate that customers other than a large load customer are not paying large
318 load incremental costs;

319 (c) provide all:

320 (i) energy;

321 (ii) capacity;

322 (iii) reserves;

323 (iv) balancing services; and

324 (v) ancillary services necessary to ensure reliable service to the large load customer
325 without reliance on an electrical corporation;

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

327 (e) maintain commercial liability insurance for the benefit of the electrical corporation
328 and the electrical corporation's customers of at least \$100,000,000 per occurrence.

329 (2) An electrical corporation shall:

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

333 (b) provide information sufficient to demonstrate that customers other than a large load
334 customer are not paying large load incremental costs.

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

337 Section 14. **Effective Date.**

338 This bill takes effect on May 7, 2025.