

Scott D. Sandall proposes the following substitute bill:

**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

- 29 **54-26-401**, Utah Code Annotated 1953  
30 **54-26-402**, Utah Code Annotated 1953  
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 a qualified electric utility'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)(a) "Intermittent" means available for use on a variable basis that is dependent on

51 elements outside of the control of the operator.

52 (b) "Intermittent" does not include resources that are made reliable and dispatchable.

53 (3) "Large load contract" means a large load construction contract or a large load service  
54 contract.

55 (4) "Large load construction contract" means a contract for the construction of large load  
56 facilities between:

57 (a) a qualified electric utility or a large-scale generation provider; and

58 (b) a large load customer.

59 (5) "Large load customer" means a customer or potential customer that requests electric  
60 service under a large-scale service request.

61 (6) "Large load facilities" means facilities and resources reasonably necessary to provide  
62 safe and reliable electric service for a large-scale service request, including facilities or

- 63 upgrades necessary to facilitate a transmission request from a large-scale generation  
64 provider for a large-scale service request.
- 65 (7) "Large load incremental costs" means all costs reasonably necessary for the design,  
66 engineering, procurement, construction, and completion of:  
67 (a) large load facilities; and  
68 (b) any activities required to provide electric service under a large-scale service request.
- 69 (8) "Large load service contract" means a contract for the provision of electric service for a  
70 large-scale service request between:  
71 (a) a qualified utility or a large-scale generation provider; and  
72 (b) a large load customer.
- 73 (9) "Large-scale generation provider" means an entity that:  
74 (a) is not a qualified electric utility;  
75 (b) is registered with the commission in accordance with Section 54-26-501;  
76 (c) owns and operates one or more qualifying generation resources; and  
77 (d) is capable of generating electricity sufficient to fulfill a large-scale service request  
78 using exclusively qualifying generation resources.
- 79 (10) "Large-scale service request" means a request from a large load customer who:  
80 (a) intends to contract for new electric service with a total capacity of 50 megawatts or  
81 greater, which may be implemented in phases; or  
82 (b) intends to contract to increase the customer's total contracted capacity by 50  
83 megawatts or greater, which may be implemented in phases.
- 84 (11) "Qualified electric utility" means a large-scale electric utility.
- 85 (12) "Qualifying generation resource" means an electric generating facility that:  
86 (a) is capable of continuous operation at a minimum of 85% of rated capacity for not  
87 less than 325 days per calendar year;  
88 (b) maintains at the facility's own cost:  
89 (i) spinning reserves of at least 15% of the facility's capacity; and  
90 (ii) the total planning reserve margin required by the Western Electricity  
91 Coordinating Council;  
92 (c) is not dependent upon intermittent energy sources; and  
93 (d) meets any other reliability standards established by the commission.
- 94 (13) "Spinning reserve" means spinning reserve as defined by the Western Electricity  
95 Coordinating Council.
- 96 (14) "Transmission provider" means a qualified electric utility that:

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

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

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

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

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

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

108 **54-26-201 . Large-scale service request requirements.**

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

131 (b) promptly notify the qualified electric utility of any material changes to information  
132 submitted under this section.

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

134 **54-26-202 . Service request procedures -- Notice.**

135 (1) A qualified electric utility that receives a large-scale service request shall:

136 (a) acknowledge receipt of the request;

137 (b) notify the customer of any missing information within 15 business days after  
138 beginning to process the request under Subsection (2); and

139 (c) complete a feasibility study as soon as reasonably practicable after beginning the  
140 study under Subsection (2), but in no case more than 6 months after beginning the  
141 study.

142 (2) A qualified electric utility shall begin processing large-scale service requests, including  
143 conducting feasibility studies, only:

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

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

148 (3) During the feasibility study process, the qualified electric utility shall:

149 (a) provide the customer with regular updates; and

150 (b) notify the customer when the study is completed.

151 (4) Within 15 business days after completing a feasibility study, the qualified electric utility  
152 shall provide a written response that includes:

153 (a) whether the qualified electric utility can provide the requested service within the time  
154 frame required by the customer;

155 (b) the estimated large load incremental costs that will be allocated to the customer,  
156 based on the information provided by the customer;

157 (c) any required:

158 (i) system upgrades;

159 (ii) improvements; or

160 (iii) transmission service requests;

161 (d) the estimated timeline for commencing electric service; and

162 (e) the proposed terms and conditions of service.

163 (5) A qualified electric utility:

164 (a) may charge reasonable fees to recover costs of conducting:

- 165 (i) a feasibility study; and  
166 (ii) any subsequent or related studies; and  
167 (b) is not required to begin work on a study until the customer:  
168 (i) pays applicable fees; and  
169 (ii) provides the information required to the qualified electric utility to conduct a  
170 feasibility study.

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

172 **54-26-301 . Large load contract requirements.**

- 173 (1) Electric service for a large-scale service request shall be provided only under a large  
174 load contract.
- 175 (2) A large load contract shall:
- 176 (a) ensure that all large load incremental costs are allocated to and paid by:  
177 (i) the large load customer; or  
178 (ii) in the case of service by a large-scale generation provider, the large-scale  
179 generation provider, by the large load customer;
- 180 (b) comply with all system requirements;
- 181 (c) require the large load customer to maintain financial security sufficient to cover the  
182 large load customer's obligations;
- 183 (d) specify:  
184 (i) points of interconnection; and  
185 (ii) power delivery points;
- 186 (e) specify the term of service; and
- 187 (f) provide curtailment provisions if the large load customer's demand exceeds:  
188 (i) for service provided by a qualified electric utility, the amount of contractually  
189 supported demand; or  
190 (ii) for service provided by a large-scale generation provider, the real-time output, net  
191 of transmission losses.
- 192 (3) A qualified electric utility or a large-scale generation provider shall:
- 193 (a) commence design and construction of large load facilities only after:  
194 (i) executing a large load construction contract; and  
195 (ii) obtaining commission approval in accordance with Section 54-26-302;
- 196 (b) commence providing electric service for a large-scale service request only after:  
197 (i) executing a large load service contract; and  
198 (ii) obtaining commission approval in accordance with Section 54-26-302; and

199 (c) negotiate the terms of a large load contract with a large load customer on a  
 200 case-by-case basis.

201 (4) Within 15 business days after executing a large load contract, a person executing the  
 202 contract shall submit an application for approval to the commission for review under  
 203 Section 54-26-302.

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

205 **54-26-302 . Commission review -- Approval of contracts.**

206 (1) A large-scale electric utility or a large-scale generation provider shall file an application  
 207 with the commission for approval of a large load contract that includes:

208 (a) a copy of the large load contract for which the applicant seeks review and approval;  
 209 and

210 (b) evidence sufficient to demonstrate compliance with Subsection (2)(b).

211 (2) The commission shall approve a large load contract submitted as under Subsection (1) if  
 212 the commission finds by a preponderance of the evidence that:

213 (a) the contract complies with the requirements of this chapter; and

214 (b) service to the large load customer under the contract will not adversely impact the  
 215 ratepayers served by the qualified utility or by any cooperative, municipal or other  
 216 utility;

217 (3) Commission review of a large load contract:

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

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

220 (4) The commission shall approve or disapprove an application submitted under this section  
 221 within 60 days after the day on which a person files the application.

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

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

225 **54-26-401 . Electric corporation service obligations.**

226 (1) Subject to Subsection (2), a qualified electric utility has the sole right to provide electric  
 227 service to a large load customer in the qualified utility's service territory.

228 (2) A qualified electric utility:

229 (a) is not required to provide electric service in response to a large-scale service request  
 230 if:

231 (i) the large load customer has not complied with the requirements of this chapter;

232 (ii) the qualified electric utility cannot provide the requested service within the

- 233 timeframe required by the large-scale service request;  
 234 (iii) the large load customer and the qualified electric utility cannot agree upon terms  
 235 for a large load contract;  
 236 (iv) the large load customer fails or refuses to comply with the requirements of a  
 237 large load contract; or  
 238 (v) the large load customer is receiving service from a large-scale generation provider  
 239 in accordance with Section 54-26-402; and  
 240 (b) that does not agree to terms with a large load customer for a large load contract:  
 241 (i) has no duty to serve the large load customer;  
 242 (ii) is not required to provide backup services to the large load customer; and  
 243 (iii) is not required to provide any services to a large-scale generation provider.

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

245 **54-26-402 . Alternative service requirements.**

- 246 (1) A large load customer may enter into a large load contract with a large-scale generation  
 247 provider if:  
 248 (a) 90 days have elapsed after the day on which the large load customer receives the  
 249 feasibility study described in Section 54-26-202, unless the qualified electric utility  
 250 and the large load customer mutually agree to a longer period of time;  
 251 (b) the qualified electric utility and large load customer cannot agree to a large load  
 252 contract; and  
 253 (c) the qualified electric utility has not exercised its right to provide service under this  
 254 chapter.  
 255 (2) After submitting a large-scale service request, a large load customer:  
 256 (a) may negotiate a contract with a large-scale generation provider; and  
 257 (b) may not execute a contract with a large-scale generation provider unless the  
 258 conditions described in Subsection (1) are met.

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

260 **54-26-501 . Large-scale generation provider requirements.**

- 261 (1) A large-scale generation provider shall:  
 262 (a) register with the commission before providing service;  
 263 (b) maintain technical and financial qualifications established by the commission;  
 264 (c) provide service only through qualifying generation resources;  
 265 (d) maintain spinning reserve capacity of at least 15% above contracted power delivery  
 266 obligations;



- 267 (e) comply with all applicable reliability standards required by the commission; and  
 268 (f) post security deemed sufficient by the commission to cover potential damages from  
 269 service interruptions.

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

- 271 (a) proof of compliance with Subsection (1);  
 272 (b) proof of financial capability to provide service as required by the large-scale service  
 273 request;  
 274 (c) the provider's operational history and experience;  
 275 (d) an explanation of the qualifying generation resources the provider intends to use;  
 276 (e) the provider's maintenance schedules for the qualifying generation resource; and  
 277 (f) the provider's emergency response procedures.

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

279 **54-26-502 . Operating requirements -- Registration suspension.**

- 280 (1) A large-scale generation provider that fails to satisfy the requirements of this chapter:  
 281 (a) may not initiate new service to a large load customer;  
 282 (b) shall remedy any deficiencies within 90 days after the day on which the deficiency  
 283 arises; and  
 284 (c) may have its registration suspended or revoked by the commission.

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

- 286 (a) the provider may not provide service to a large load customer; and  
 287 (b) the large load customer may not receive electric service from a qualified electric  
 288 utility until the customer agrees upon the terms of a large load contract with the  
 289 qualified electric utility.

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

291 **54-26-503 . Transmission requirements.**

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

- 293 (a) the large-scale generation provider shall submit a transmission service request to the  
 294 transmission provider;  
 295 (b) the large-scale generation provider or large load customer shall:  
 296 (i) pay for:  
 297 (A) any interconnection or transmission-related studies;  
 298 (B) any identified interconnection upgrades, transmission upgrades, network  
 299 upgrades, or system upgrades; and  
 300 (C) the transmission service rates in the transmission provider's open access

301 transmission tariff; and

302 (ii) pay and provide for:

303 (A) ancillary services;

304 (B) balancing services; and

305 (C) backup services.

306 (2) A customer of a qualified electric utility may not be required to pay for any cost

307 described in Subsection (1).

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

309 **54-26-601 . Large load customer requirements -- Cost allocation.**

310 A large load customer shall pay all reasonably allocated large load incremental costs,

311 including the costs of:

312 (1) generation resources;

313 (2) transmission system improvements, including network upgrades;

314 (3) distribution system upgrades;

315 (4) interconnection facilities;

316 (5) electrical and transmission service; and

317 (6) other necessary infrastructure.

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

319 **54-26-602 . Accounting requirements -- Service standards.**

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

321 (a) maintain separate accounting records for all investments, revenues, and expenses

322 associated with large-scale service requests using generally accepted accounting

323 principles;

324 (b) demonstrate that customers other than a large load customer are not paying large

325 load incremental costs;

326 (c) provide all:

327 (i) energy;

328 (ii) capacity;

329 (iii) reserves;

330 (iv) balancing services; and

331 (v) ancillary services necessary to ensure reliable service to the large load customer

332 without reliance on a qualified electric utility;

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

334 (e) maintain commercial liability insurance for the benefit of the qualified electric utility

335 and the qualified electric utility's customers of at least \$100,000,000 per occurrence.

336 (2) A qualified electric utility shall:

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

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

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

344 **Section 14. Effective Date.**

345 This bill takes effect on May 7, 2025.