

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

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- defines terms;
- establishes alternative processes for providing electric service to customers with large electrical loads;
- exempts service provided under this chapter from certain rate regulation requirements while maintaining safety and reliability standards;
- creates procedures for submitting, evaluating, and contracting for large-scale electrical service requests;
- establishes requirements for qualified electric utilities and large-scale generation providers serving large load customers;
- creates accounting and operational transparency requirements to protect retail customers;
- establishes a framework for closed private generation systems and connected generation systems;
- requires the Public Service Commission (commission) to establish a large load flexible tariff;
- directs the commission to establish rules for allocating transmission costs between large load customers and retail customers; and
- requires the commission to conduct periodic reviews of the program and report to the Legislature.

Money Appropriated in this Bill:

None

Other Special Clauses:

29 None

30 **Utah Code Sections Affected:**

31 AMENDS:

32 **63G-6a-107.6**, as last amended by Laws of Utah 2024, Chapters 291, 522

33 ENACTS:

34 **54-26-101**, Utah Code Annotated 1953

35 **54-26-102**, Utah Code Annotated 1953

36 **54-26-201**, Utah Code Annotated 1953

37 **54-26-202**, Utah Code Annotated 1953

38 **54-26-301**, Utah Code Annotated 1953

39 **54-26-302**, Utah Code Annotated 1953

40 **54-26-401**, Utah Code Annotated 1953

41 **54-26-402**, Utah Code Annotated 1953

42 **54-26-501**, Utah Code Annotated 1953

43 **54-26-502**, Utah Code Annotated 1953

44 **54-26-503**, Utah Code Annotated 1953

45 **54-26-504**, Utah Code Annotated 1953

46 **54-26-505**, Utah Code Annotated 1953

47 **54-26-601**, Utah Code Annotated 1953

48 **54-26-602**, Utah Code Annotated 1953

49 **54-26-701**, Utah Code Annotated 1953

50 **54-26-801**, Utah Code Annotated 1953

51 **54-26-802**, Utah Code Annotated 1953

52 **54-26-901**, Utah Code Annotated 1953

53

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

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

56 **CHAPTER 26. LARGE-SCALE ELECTRIC SERVICE REQUIREMENTS**

57 **Part 1. General Provisions**

58 **54-26-101 . Definitions.**

59 As used in this chapter:

60 (1) "Closed private generation system" means electric generating facilities and associated
61 transmission infrastructure that:

- 62 (a) is not connected to and operates independently from a transmission provider or a
63 qualified electric utility; and
- 64 (b) serves one or more large load customers through direct connection.
- 65 (2) "Connected generation system" means electric generating facilities and associated
66 transmission infrastructure that:
- 67 (a) is connected to and operates in conjunction with the transmission system of a
68 transmission provider or qualified electric utility;
- 69 (b) serves one or more large load customers through connection to the transmission
70 system of a qualified electric utility, and
- 71 (c) except as provided in a large load contract, operates independent of the generation
72 resources of any qualified electric utility, cooperative utility, municipal utility, or
73 other utility.
- 74 (3) "Evaluation" means an assessment that:
- 75 (a) evaluates the impact of a large-scale service request on a qualified electric utility's
76 systems;
- 77 (b) identifies any necessary:
- 78 (i) system modifications or upgrades to the qualified electric utility's system to
79 provide service as requested in a large-scale service request;
- 80 (ii) generation capacity; or
- 81 (iii) transmission service requests;
- 82 (c) provides cost estimates for any required improvements; and
- 83 (d) establishes an estimated timeline for implementing any necessary system changes.
- 84 (4) "Large load contract" means a large load construction contract or a large load service
85 contract.
- 86 (5) "Large load construction contract" means a contract for the construction of large load
87 facilities between:
- 88 (a) a qualified electric utility or a large-scale generation provider; and
- 89 (b) a large load customer.
- 90 (6) "Large load customer" means a current or potential customer in the service territory of a
91 qualified electric utility that requests electric service under a large-scale service request.
- 92 (7) "Large load facilities" means facilities and resources reasonably necessary, as
93 determined in an evaluation, to provide safe and reliable electric service as requested in
94 a large-scale service request, including the reasonably allocated share of facilities or
95 upgrades necessary to facilitate a transmission request from a qualified electric utility or

96 large-scale generation provider necessary to serve a large-scale service request.

97 (8) "Large load flexible tariff" means a tariff:

98 (a) pursuant to which a large load customer:

99 (i) will receive components of electric services from a large-scale service provider; or

100 (ii) will reduce demand at periods specified by a large-scale service provider; and

101 (b) under which a large load customer receives components of available electric services

102 from a qualified electric utility to the extent:

103 (i) the qualified electric utility's resources are reasonably expected to be available and

104 sufficient; and

105 (ii) as determined by:

106 (A) agreement with the qualified electric utility; or

107 (B) tariffs approved by the commission.

108 (9) "Large load incremental costs" means all costs reasonably necessary for:

109 (a) the design, engineering, procurement, construction, and completion of:

110 (i) large load facilities; and

111 (ii) any activities required to provide electric service under a large-scale service

112 request; and

113 (b) the long-term operation and maintenance of large load facilities for the duration of

114 any applicable service contract.

115 (10) "Large load service contract" means a contract for the provision of electric service for

116 a large-scale service request between:

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

118 (b) a large load customer.

119 (11) "Large-scale generation provider" means an entity that:

120 (a) is not a qualified electric utility;

121 (b) is registered with the commission in accordance with Section 54-26-501; and

122 (c) owns, operates, or contracts for the output of one or more qualifying generation

123 resources intended to be used to supply certain retail electric services to a large load

124 customer pursuant to a large load contract.

125 (12) "Large-scale service request" means a request submitted to a qualified electric utility

126 for:

127 (a) new electric service that is expected to reach a cumulative demand of 50 megawatts

128 or greater within five years of the requested initial start date; or

129 (b) additional electric service that is expected to increase a customer's total service level

- 130 by 50 megawatts or greater within five years of the requested start date for the
131 additional service.
- 132 (13) "Qualified electric utility" means a large-scale electric utility.
- 133 (14) "Qualifying generation resources" means one or more electric generating resources
134 that, in combination:
- 135 (a) if connected to the transmission system of a qualified electric utility:
- 136 (i) meets or exceeds the resource adequacy standards of the qualified electric utility;
137 (ii) includes sufficient resources and capacity to meet all requirements imposed by
138 the North American Electric Reliability Corporation and the Western Electricity
139 Coordinating Council, and
- 140 (iii) is capable of satisfying the load and electricity requirements of a large load
141 customer without drawing on any generation or generation services provided by a
142 qualified electric utility, any cooperative utility, municipal utility, or other utility
143 except to the extent such services are provided under a large load contract; or
- 144 (b) if not connected to the transmission system of a qualified electric utility:
- 145 (i) is capable of satisfying the load, transmission, and electricity requirements of a
146 large load customer without drawing on any generation or services provided by a
147 qualified electric utility, any cooperative utility, municipal utility, or other utility;
148 and
- 149 (ii) meets any other reliability standards established by the commission.
- 150 (15) "Transmission provider" means an entity that:
- 151 (a) serves customers of a qualified electric utility; and
- 152 (b)(i) owns, operates, or controls facilities located in the state that are used for the
153 transmission of electric energy at voltages above 100 kilovolts; or
- 154 (ii) provides transmission service under a Federal Energy Regulatory
155 Commission-approved open access transmission tariff.
- 156 Section 2. Section **54-26-102** is enacted to read:
- 157 **54-26-102 . Application.**
- 158 (1) The procedures and standards set forth in this chapter shall govern:
- 159 (a) large-scale service requests;
160 (b) services sought, provided, or received under a large-scale service request; and
161 (c) the review and approval of large load contracts.
- 162 (2) Electric service provided pursuant to a large-scale service request under this chapter is
163 exempt from:

- 164 (a) rate regulation under Section 54-3-1;
165 (b) the ratemaking provisions of Section 54-3-4;
166 (c) the tariff and schedule filing requirements under Section 54-3-2; and
167 (d) any other provision related to the regulation of rates, charges, or classifications of
168 service.
- 169 (3) Notwithstanding any other provision of this chapter:
- 170 (a) this chapter does not:
- 171 (i) require a customer to obtain electric service through the procedures established in
172 this chapter; or
- 173 (ii) prohibit a customer from obtaining electric service from a qualified electric utility
174 through the processes established under Title 54, Chapter 3, Duties of Public
175 Utilities; and
- 176 (b) a qualified electric utility shall fulfill the utility's duties and obligations to serve a
177 large load customer that existed as of January 1, 2025.

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

179 **Part 2. Service Request Process**

180 **54-26-201 . Large-scale service request requirements.**

- 181 (1) A customer seeking service under this chapter shall submit a large-scale service request
182 to the qualified electric utility serving the proposed location.
- 183 (2) A large-scale service request shall include:
- 184 (a) the customer's identifying information;
185 (b) the proposed location for electric service;
186 (c) the requested amount of electric demand in megawatts;
187 (d) a proposed service commencement date;
188 (e) load profile information, including:
189 (i) anticipated annual energy usage;
190 (ii) expected hours of operation;
191 (iii) seasonal variations;
192 (iv) peak demand requirements; and
193 (v) any special service requirements;
- 194 (f) information sufficient to demonstrate the financial capability to complete the large
195 load customer's project that is the subject of the large-scale service request; and
196 (g) confirmation that the customer will not use the electric service for resale.
- 197 (3) After submitting a large-scale service request and before entering into a large load

- 198 contract, a customer shall:
- 199 (a) ensure that all information submitted under this section remains current; and
- 200 (b) promptly notify the qualified electric utility of any material changes to information
- 201 submitted under this section.
- 202 (4) A large load customer satisfies the requirements of Subsection (1) of this section if the
- 203 large load customer submitted a large-scale service request consistent with the qualified
- 204 electric utility's then-existing requirements to the qualified electric utility prior to May 7,
- 205 2025.

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

207 **54-26-202 . Service request procedures -- Notice.**

- 208 (1) A qualified electric utility that receives a large-scale service request shall:
- 209 (a) acknowledge receipt of the request;
- 210 (b) notify the customer of any missing information within 15 business days after
- 211 beginning to process the request under Subsection (2); and
- 212 (c) complete an evaluation as soon as reasonably practicable after beginning the study
- 213 under Subsection (2), but in no case more than 6 months after beginning the
- 214 evaluation.
- 215 (2) A qualified electric utility shall begin processing large-scale service requests, including
- 216 conducting evaluations, no later than:
- 217 (a) January 1, for requests received after June 30 and on or before December 31 of the
- 218 previous year; or
- 219 (b) July 1, for requests received after December 31 of the previous year and on or before
- 220 June 30 of the same year.
- 221 (3) During the evaluation process, the qualified electric utility shall:
- 222 (a) provide the customer with regular updates; and
- 223 (b) notify the customer when the evaluation is completed.
- 224 (4) Within 15 business days after completing an evaluation, the qualified electric utility
- 225 shall provide to the customer a written service proposal that includes:
- 226 (a) whether the qualified electric utility can provide the requested service within the time
- 227 frame required by the customer;
- 228 (b) the estimated large load incremental costs that will be allocated to the customer,
- 229 based on the information provided by the customer;
- 230 (c) any required:
- 231 (i) system upgrades;

- 266 (ii) power delivery points;
267 (iii) the amount of electrical capacity contracted for;
268 (iv) the term of service; and
269 (v) any arrangements for backup power supply;
270 (e) provide curtailment provisions if the large load customer's demand exceeds the
271 amount of contractually supported demand;
272 (f) identify the incremental generation resources that the qualified electric utility will use
273 to serve the large load customer; and
274 (g) include provisions addressing the allocation and payment of long-term operation and
275 maintenance costs for large load facilities.
- 276 (4) A large load contract with a large-scale generation provider that provides service
277 through a connected electrical system shall:
278 (a) ensure that all large load incremental costs are allocated to and paid by the large load
279 customer;
280 (b) comply with all system requirements;
281 (c) specify:
282 (i) points of interconnection;
283 (ii) power delivery points;
284 (iii) the amount of electrical capacity contracted for;
285 (iv) the term of service; and
286 (v) any arrangements for backup power supply; and
287 (d) provide curtailment provisions if the large load customer's demand exceeds the
288 real-time dispatch of the large-scale generation provider's resources under the large
289 load contract, net of transmission losses.
- 290 (5) A large load contract with a large-scale generation provider that provides service
291 through a closed private generation system shall ensure that all large load incremental
292 costs are allocated to and paid by the large load customer or the large-scale generation
293 provider.
- 294 (6) A qualified electric utility:
295 (a) has no duty to serve a large load customer except as explicitly provided in a large
296 load contract; and
297 (b) is not required to provide backup power to a large load customer except as explicitly
298 provided in a large load contract.
- 299 (7) A qualified electric utility may not be required to commence design and construction of

- 300 large load facilities until after:
 301 (a) executing a large load construction contract; and
 302 (b) obtaining commission approval in accordance with Section 54-26-302.
 303 (8) A qualified electric utility or large-scale generation provider shall:
 304 (a) obtain commission approval in accordance with Section 54-26-302 before providing
 305 electric service under a large load contract; and
 306 (b) negotiate the terms of a large load contract with a large load customer on a
 307 case-by-case basis.
 308 (9) Within 15 business days after executing a large load contract, a person executing the
 309 contract shall submit an application for approval to the commission for review under
 310 Section 54-26-302.

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

312 **54-26-302 . Commission review -- Approval of contracts.**

- 313 (1) A qualified electric utility or a large-scale generation provider shall file an application
 314 with the commission for approval of a large load contract that includes:
 315 (a) a copy of the large load contract for which the applicant seeks review and approval;
 316 and
 317 (b) evidence sufficient to demonstrate compliance with Subsection (2)(b).
 318 (2) The commission shall approve a large load contract submitted under Subsection (1) if
 319 the commission finds by a preponderance of the evidence that:
 320 (a) the contract complies with the requirements of this chapter;
 321 (b) the large load customer bears all just and reasonable incremental costs attributable to
 322 receiving the requested electric service; and
 323 (c) existing ratepayers do not bear costs justly and reasonably attributable to providing
 324 electric service for the large load customer.
 325 (3) Commission review of a large load contract:
 326 (a) is limited to the requirements described in Subsection (2); and
 327 (b) does not include review of other contract terms.
 328 (4) The commission shall approve or disapprove an application submitted under this section
 329 within 60 days after the day on which a person files the application.
 330 (5) The commission may establish rules to expedite the review of applications for approval
 331 of a large load contract under this chapter.

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

333 **Part 4. Service Provider Obligations**

334 **54-26-401 . Qualified electric utility service obligations.**

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

337 (2) A qualified electric utility:

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

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

341 (ii) the qualified electric utility cannot provide the requested service within the
342 timeframe required by the large-scale service request;

343 (iii) the large load customer and the qualified electric utility cannot agree upon terms
344 for a large load contract;

345 (iv) the large load customer fails or refuses to comply with the requirements of a
346 large load contract; or

347 (v) the large load customer is receiving service from a large-scale generation provider
348 in accordance with Section 54-26-402; and

349 (b) that does not agree to terms with a large load customer for a large load contract
350 under this chapter:

351 (i) has no right or duty to serve the large load customer under this chapter;

352 (ii) is not required to provide ancillary or backup services to the large load customer
353 under this chapter; and

354 (iii) is not required to provide any services to a large-scale generation provider.

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

356 **54-26-402 . Alternative service requirements.**

357 (1) A large load customer may enter into a large load contract with a large-scale generation
358 provider if:

359 (a) a qualified electric utility fails to complete an evaluation or provide a written
360 response within the time period specified in Section 54-26-202; or

361 (b) the qualified electric utility and large load customer cannot agree to a large load
362 contract within 90 days after the day on which the large load customer receives the
363 evaluation described in Section 54-26-202, unless the qualified electric utility and the
364 large load customer mutually agree to a longer period of time.

365 (2) After submitting a large-scale service request, a large load customer:

366 (a) may negotiate a contract with one or more large-scale generation providers; and

367 (b) may not execute a contract with a large-scale generation provider unless the

368 conditions described in Subsection (1) are met.

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

370 **Part 5. Large-Scale Generation Provider Requirements**

371 **54-26-501 . Large-scale generation provider requirements.**

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

373 (a) register with the commission before providing service to a large load customer;

374 (b) maintain any reasonable technical and financial qualifications required by the
375 commission;

376 (c) provide service only through qualifying generation resources as required in this part;
377 and

378 (d) post security:

379 (i) as reasonably negotiated with a large load customer;

380 (ii) as required by contract with a transmission provider; or

381 (iii) as required by the commission for services to be provided by a qualified electric
382 utility.

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

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

385 (b) proof of financial capability as reasonably negotiated with the large load customer;

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

387 (d) a description of the portfolio of qualifying generation resources the provider intends
388 to use to serve the large load customer without reliance on any qualified electric
389 utility, cooperative utility, municipal utility, or other utility except as provided under
390 a large load contract; and

391 (e) documentation of

392 (i) all required permits, including any environmental permits, obtained for qualifying
393 generation resources; and

394 (ii) any estimated impact of qualifying generation resources on the state
395 implementation plan for air quality.

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

397 **54-26-502 . Operating requirements -- Registration suspension.**

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

399 (a) may not initiate new service to a large load customer;

400 (b) shall remedy any deficiencies within 90 days after the day on which the deficiency
401 arises; and

- 402 (c) may have reasonable conditions imposed by the commission on the provider's
403 registration status.
- 404 (2) If the commission suspends or revokes a large-scale generation provider's registration:
405 (a) the provider may not continue to provide service to a large load customer after the
406 large load customer has been given a reasonable opportunity to secure alternative
407 service arrangements; and
- 408 (b) the large load customer may not receive electric service from another large-scale
409 generation provider or a qualified electric utility except pursuant to agreement and
410 commission approval of the terms of a new large load contract consistent with this
411 chapter.

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

413 **54-26-503 . Transmission requirements.**

- 414 (1) If the provision of service to a large load customer requires transmission service:
415 (a) the qualified electric utility or the large-scale generation provider shall submit a
416 transmission service request to the transmission provider;
417 (b) to the fullest extent allowable under applicable federal law and regulations, the
418 large-scale generation provider or large load customer shall:
419 (i) pay for:
420 (A) any interconnection or transmission-related studies;
421 (B) any identified interconnection upgrades, transmission upgrades, network
422 upgrades, distribution system upgrades, or system upgrades; and
423 (C) the transmission service rates in the transmission provider's open access
424 transmission tariff; and
425 (ii) pay and provide for:
426 (A) ancillary services;
427 (B) balancing services; and
428 (C) backup services.
- 429 (2) Nothing in this section shall be construed to:
430 (a) conflict with or supersede any applicable federal law, regulation, or order regarding
431 transmission cost allocation; or
432 (b) require cost allocation methods inconsistent with Federal Energy Regulatory
433 Commission requirements or orders.
- 434 (3) The commission shall review transmission cost allocation consistent with federal
435 requirements and may establish rules for implementation of this section.

436 Section 12. Section **54-26-504** is enacted to read:

437 **54-26-504 . Closed private generation systems.**

438 (1)

439 A large load customer may establish and operate or contract for all needed electric
440 services from a large-scale generation provider through a closed private generation
441 system under terms and conditions acceptable to the large load customer and the
442 large-scale generation provider if the large load customer meets the conditions described
443 in Section 54-26-402.

444 (2) A closed private generation system and a large-scale generation provider that provides
445 service on or through a closed private generation system in accordance with this chapter:

446 (a) are exempt from commission oversight or regulation as a public utility under this
447 title;

448 (b) shall ensure all generation, transmission, and related facilities remain wholly
449 separate from facilities owned or operated by any qualified electric utility,
450 cooperative utility, municipal utility, or other utility except to the extent authorized
451 by this part; and

452 (c) may connect to or receive services from a qualified electric utility only pursuant to a
453 contract approved by the commission and consistent with Section 54-26-505.

454 (3) The provision of service to a large load customer on or through a closed private
455 generation system shall utilize qualified generation resources.

456 (4) The commission may establish rules requiring appropriate notices and warnings
457 regarding separation from the utility system.

458 Section 13. Section **54-26-505** is enacted to read:

459 **54-26-505 . Connected generation systems.**

460 (1) A large load customer may obtain all needed electric services from a large-scale
461 generation provider through a connected generation system consistent with this chapter.

462 (2) A large-scale generation provider may provide service on or through a connected
463 generation system if the provider:

464 (a) registers with the commission in accordance with Section 54-26-501;

465 (b) uses only qualifying generation resources;

466 (c) maintains sufficient generation capacity to serve all contracted load;

467 (d) provides the commission with:

468 (i) system design and operational information;

469 (ii) emergency response procedures; and

- 504 (a) transmission system improvements, including network upgrades; and
505 (b) interconnection facilities;
506 (4) transmission service; and
507 (5) other necessary infrastructure.

508 Section 15. Section **54-26-602** is enacted to read:

509 **54-26-602 . Accounting requirements -- Service standards.**

- 510 (1) A large-scale generation provider shall:
- 511 (a) maintain separate accounting records for all investments, revenues, and expenses
512 associated with large-scale service requests using generally accepted accounting
513 principles;
 - 514 (b) take reasonable measures to ensure costs are properly allocated between large load
515 service and other customers;
 - 516 (c) provide all contracted energy services without reliance on any qualified electric
517 utility, cooperative utility, municipal utility, or other utility except as provided under
518 a large load contract;
 - 519 (d) meet all applicable North American Electric Reliability Corporation standards; and
 - 520 (e) maintain reasonable commercial liability insurance as determined by contract or the
521 commission.
- 522 (2) A qualified electric utility shall:
- 523 (a) maintain separate accounting records for all investments, revenues, and expenses
524 associated with large-scale service requests using generally accepted accounting
525 principles; and
 - 526 (b) take reasonable measures to ensure costs are properly allocated between large load
527 service and other operations.
- 528 (3) All revenues and large load incremental costs associated with a large-scale service
529 request shall be excluded from any rate determinations by the commission.
- 530 (4) In connection with any rate case or other appropriate proceeding before the commission,
531 a qualified electric utility shall provide:
- 532 (a) operational data identifying when and to what extent the incremental generation
533 resources identified in a large load contract pursuant to Subsection 54-26-301(3)(f)
534 were dispatched to serve large load customers;
 - 535 (b) an identification of the timing, magnitude, and duration of:
536 (i) the qualified electric utility's dispatch of the resources described in Subsection
537 (4)(a);

571 provides for service to commence on or before December 31, 2034.

572 Section 18. Section **54-26-802** is enacted to read:

573 **54-26-802 . Commission review.**

574 The commission shall:

- 575 (1) conduct a review of this chapter before October 31, 2027, and every three years
576 thereafter;
- 577 (2) conduct an investigation with stakeholder input and public comment and prepare a
578 report that includes:
- 579 (a) data on program participation;
- 580 (b) analysis of impacts on electrical rates;
- 581 (c) assessment of transmission system reliability; and
- 582 (d) recommendations regarding whether to:
- 583 (i) extend the program;
- 584 (ii) modify program requirements; or
- 585 (iii) allow the program to close to new participants; and
- 586 (e) provide the report described in this Subsection (2) and any recommendations to the
587 Public Utilities, Energy, and Technology Interim Committee.

588 Section 19. Section **54-26-901** is enacted to read:

589 **Part 9. Transmission Cost Allocation**

590 **54-26-901 . Transmission cost allocation.**

- 591 (1) The commission shall:
- 592 (a) conduct a proceeding to establish rules for the allocation of transmission costs
593 between large load customers and retail customers;
- 594 (b) retain a qualified independent consultant with expertise in transmission cost
595 allocation methodologies to:
- 596 (i) analyze potential methodologies for transmission cost allocation;
- 597 (ii) consider the impact of projected large load growth on the transmission system;
- 598 (iii) evaluate the economic impacts of various cost allocation approaches; and
- 599 (iv) make recommendations to the commission; and
- 600 (c) issue a rule no later than January 1, 2026.
- 601 (2) In developing rules under Subsection (1), the commission shall consider:
- 602 (a) Federal Energy Regulatory Commission policies and precedents regarding
603 transmission cost allocation;
- 604 (b) the projected increase in electricity demand from large load customers;

- 605 (c) the economic development benefits associated with serving large load customers;
606 (d) the need to maintain just and reasonable rates for retail customers;
607 (e) the extent to which new transmission infrastructure is required specifically to serve
608 large load customers;
609 (f) the extent to which large load customers utilize existing transmission infrastructure;
610 (g) methods to apportion costs based on causation and system benefits; and
611 (h) any other factors the commission determines are relevant to establishing a fair and
612 reasonable allocation of transmission costs.
- 613 (3) The commission may:
- 614 (a) establish different cost allocation methodologies based on:
- 615 (i) the timing of large load customer interconnection;
616 (ii) the size of the load being served;
617 (iii) the benefits accruing to various customer classes; or
618 (iv) other relevant distinctions; and
- 619 (b) consider phased-in approaches that balance economic development with consumer
620 protection.
- 621 (4) Nothing in this section limits the commission's existing authority to determine just and
622 reasonable rates.
- 623 (5)(a) The commission shall impose and collect a fee from each large load customer that
624 submits a large-scale service request to cover the cost of:
- 625 (i) retaining qualified independent consultants and experts by the commission, the
626 Division of Public Utilities, and the Office of Consumer Services to evaluate
627 large-scale service requests and large load contracts; and
628 (ii) any other reasonable costs incurred in conducting proceedings and evaluations
629 under this chapter.
- 630 (b) The fee shall be:
- 631 (i) assessed on a semi-annual basis corresponding to the study periods established in
632 Section 54-26-202;
633 (ii) determined based on the anticipated needs given the number and complexity of
634 requests received in each study period; and
635 (iii) proportionately allocated among large load customers with pending requests.
- 636 (c) All fees collected under this subsection shall be:
- 637 (i) remitted to the state treasurer;
638 (ii) credited to the Public Utility Regulation Fee Account created in Section 54-5-1.5;

639 and
640 (iii) used exclusively for the purposes described in Subsection (5)(a).

641 Section 20. Section **63G-6a-107.6** is amended to read:

642 **63G-6a-107.6 . Exemptions from chapter.**

- 643 (1) Except for this Subsection (1), the provisions of this chapter do not apply to:
- 644 (a) a public entity's acquisition of a procurement item from another public entity; [or]
- 645 (b) a public entity that is not a procurement unit, including the Colorado River Authority
- 646 of Utah as provided in Section 63M-14-210[-] ; or
- 647 (c) the retention of experts by:
- 648 (i) the Public Service Commission under Subsection 54-1-6(1)(a)(iii);
- 649 (ii) the Division of Public Utilities under Subsection 54-4a-3(2)(b); and
- 650 (iii) the Office of Consumer Services under Title 54, Chapter 10a, Office of
- 651 Consumer Services Act.
- 652 (2) Unless otherwise provided by statute and except for this Subsection (2), the provisions
- 653 of this chapter do not apply to the acquisition or disposal of real property or an interest
- 654 in real property.
- 655 (3) Except for this Subsection (3) and Part 24, Unlawful Conduct and Penalties, the
- 656 provisions of this chapter do not apply to:
- 657 (a) funds administered under the Percent-for-Art Program of the Utah Percent-for-Art
- 658 Act;
- 659 (b) a grant;
- 660 (c) medical supplies or medical equipment, including service agreements for medical
- 661 equipment, obtained by the University of Utah Hospital or the Department of Health
- 662 and Human Services through a purchasing consortium if:
- 663 (i) the consortium uses a competitive procurement process; and
- 664 (ii) the chief administrative officer of the hospital or the executive director of the
- 665 Department of Health and Human Services, as the case may be, makes a written
- 666 finding that the prices for purchasing medical supplies and medical equipment
- 667 through the consortium are competitive with market prices;
- 668 (d) the purchase of firefighting supplies or equipment by the Division of Forestry, Fire,
- 669 and State Lands, created in Section 65A-1-4, through the federal General Services
- 670 Administration or the National Fire Cache system;
- 671 (e) supplies purchased for resale to the public;
- 672 (f) activities related to the management of investments by a public entity granted

- 673 investment authority by law; or
- 674 (g) activities of the Utah water agent appointed under Section 73-10g-702.
- 675 (4) This chapter does not supersede the requirements for retention or withholding of
- 676 construction proceeds and release of construction proceeds as provided in Section 13-8-5.
- 677 (5) Except for this Subsection (5), the provisions of this chapter do not apply to a
- 678 procurement unit's hiring a mediator, arbitrator, or arbitration panel member to
- 679 participate in the procurement unit's dispute resolution efforts.

680 Section 21. **Effective Date.**

681 This bill takes effect on May 7, 2025.