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Electricity Supply Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kirk A. Cullimore

House Sponsor:

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LONG TITLE**General Description:**

This bill enacts provisions related to alternative electrical service providers for large-scale electrical loads.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ authorizes alternative electrical service providers in the state to provide electrical energy to qualifying customers;
- ▶ establishes requirements for alternative electrical service providers;
- ▶ creates procedures for qualifying customers with large electrical loads to select and receive service from alternative electrical providers;
- ▶ establishes requirements for certain public electric utilities to provide transmission and other services; and
- ▶ creates provisions for flexible load tariffs and partial electrical services.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

54-2-1, as last amended by Laws of Utah 2022, Chapter 314

ENACTS:

54-26-101, Utah Code Annotated 1953

54-26-201, Utah Code Annotated 1953

54-26-202, Utah Code Annotated 1953

54-26-203, Utah Code Annotated 1953

54-26-301, Utah Code Annotated 1953

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31 **54-26-401**, Utah Code Annotated 1953

32 **54-26-402**, Utah Code Annotated 1953

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

35 Section 1. Section **54-2-1** is amended to read:

36 **54-2-1 . Definitions.**

37 As used in this title:

38 (1) "Avoided costs" means the incremental costs to an electrical corporation of electric
39 energy or capacity or both that, due to the purchase of electric energy or capacity or both
40 from small power production or cogeneration facilities, the electrical corporation would
41 not have to generate itself or purchase from another electrical corporation.

42 (2) "Clean coal technology" means a technology that may be researched, developed, or used
43 for reducing emissions or the rate of emissions from a thermal electric generation plant
44 that uses coal as a fuel source.

45 (3) "Cogeneration facility":

46 (a) means a facility that produces:

47 (i) electric energy; and

48 (ii) steam or forms of useful energy, including heat, that are used for industrial,
49 commercial, heating, or cooling purposes; and

50 (b) is a qualifying cogeneration facility under federal law.

51 (4) "Commission" means the Public Service Commission.

52 (5) "Commissioner" means a member of the commission.

53 (6)(a) "Corporation" includes an association and a joint stock company having any
54 powers or privileges not possessed by individuals or partnerships.

55 (b) "Corporation" does not include towns, cities, counties, conservancy districts,
56 improvement districts, or other governmental units created or organized under any
57 general or special law of this state.

58 (7) "Department" means the Department of Transportation created in Section 72-1-201.

59 (8) "Distribution electrical cooperative" includes an electrical corporation that:

60 (a) is a cooperative;

61 (b) conducts a business that includes the retail distribution of electricity the cooperative
62 purchases or generates for the cooperative's members; and

63 (c) is required to allocate or distribute savings in excess of additions to reserves and
64 surplus on the basis of patronage to the cooperative's:

65 (i) members; or

66 (ii) patrons.

67 (9)(a) "Electrical corporation" includes every corporation, cooperative association, and
68 person, their lessees, trustees, and receivers, owning, controlling, operating, or
69 managing any electric plant, or in any way furnishing electric power for public
70 service or to its consumers or members for domestic, commercial, or industrial use,
71 within this state.

72 (b) "Electrical corporation" does not include:

73 (i) an independent energy producer;

74 (ii) where electricity is generated on or distributed by the producer solely for the
75 producer's own use, or the use of the producer's tenants, or the use of members of
76 an association of unit owners formed under Title 57, Chapter 8, Condominium
77 Ownership Act, and not for sale to the public generally;

78 (iii) an eligible customer who provides electricity for the eligible customer's own use
79 or the use of the eligible customer's tenant or affiliate;~~[-or]~~

80 (iv) a nonutility energy supplier who sells or provides electricity to:

81 (A) an eligible customer who has transferred the eligible customer's service to the
82 nonutility energy supplier in accordance with Section 54-3-32; or

83 (B) the eligible customer's tenant or affiliate[-] ;

84 (v) a new large load customer; or

85 (vi) an alternative electrical service provider.

86 (c) "Electrical corporation" does not include an entity that sells electric vehicle battery
87 charging services:

88 (i) if the entity obtains the electricity for the electric vehicle battery charging service,
89 including any electricity from an electricity storage device:

90 (A) from an electrical corporation in whose service area the electric vehicle
91 battery charging service is located; and

92 (B) under an established tariff for rates, charges, and conditions of service; and

93 (ii) unless the entity conducts another activity in the state that subjects the entity to
94 the jurisdiction and regulation of the commission as an electrical corporation.

95 (10) "Electric plant" includes all real estate, fixtures, and personal property owned,
96 controlled, operated, or managed in connection with or to facilitate the production,
97 generation, transmission, delivery, or furnishing of electricity for light, heat, or power,
98 and all conduits, ducts, or other devices, materials, apparatus, or property for containing,

99 holding, or carrying conductors used or to be used for the transmission of electricity for
100 light, heat, or power.

101 (11) "Eligible customer" means a person who:

102 (a) on December 31, 2013:

103 (i) was a customer of a public utility that, on December 31, 2013, had more than
104 200,000 retail customers in this state; and

105 (ii) owned an electric plant that is an electric generation plant that, on December 31,
106 2013, had a generation name plate capacity of greater than 150 megawatts; and

107 (b) produces electricity:

108 (i) from a qualifying power production facility for sale to a public utility in this state;

109 (ii) primarily for the eligible customer's own use; or

110 (iii) for the use of the eligible customer's tenant or affiliate.

111 (12) "Eligible customer's tenant or affiliate" means one or more tenants or affiliates:

112 (a) of an eligible customer; and

113 (b) who are primarily engaged in an activity:

114 (i) related to the eligible customer's core mining or industrial businesses; and

115 (ii) performed on real property that is:

116 (A) within a 25-mile radius of the electric plant described in Subsection (11)

117 (a)(ii); and

118 (B) owned by, controlled by, or under common control with, the eligible customer.

119 (13) "Gas corporation" includes every corporation and person, their lessees, trustees, and
120 receivers, owning, controlling, operating, or managing any gas plant for public service
121 within this state or for the selling or furnishing of natural gas to any consumer or
122 consumers within the state for domestic, commercial, or industrial use, except in the
123 situation that:

124 (a) gas is made or produced on, and distributed by the maker or producer through,
125 private property:

126 (i) solely for the maker's or producer's own use or the use of the maker's or producer's
127 tenants; and

128 (ii) not for sale to others;

129 (b) gas is compressed on private property solely for the owner's own use or the use of
130 the owner's employees as a motor vehicle fuel; or

131 (c) gas is compressed by a retailer of motor vehicle fuel on the retailer's property solely
132 for sale as a motor vehicle fuel.

- 133 (14) "Gas plant" includes all real estate, fixtures, and personal property owned, controlled,
134 operated, or managed in connection with or to facilitate the production, generation,
135 transmission, delivery, or furnishing of gas, natural or manufactured, for light, heat, or
136 power.
- 137 (15) "Heat corporation" includes every corporation and person, their lessees, trustees, and
138 receivers, owning, controlling, operating, or managing any heating plant for public
139 service within this state.
- 140 (16)(a) "Heating plant" includes all real estate, fixtures, machinery, appliances, and
141 personal property controlled, operated, or managed in connection with or to facilitate
142 the production, generation, transmission, delivery, or furnishing of artificial heat.
- 143 (b) "Heating plant" does not include either small power production facilities or
144 cogeneration facilities.
- 145 (17) "Independent energy producer" means every electrical corporation, person,
146 corporation, or government entity, their lessees, trustees, or receivers, that own, operate,
147 control, or manage an independent power production or cogeneration facility.
- 148 (18) "Independent power production facility" means a facility that:
- 149 (a) produces electric energy solely by the use, as a primary energy source, of biomass,
150 waste, a renewable resource, a geothermal resource, or any combination of the
151 preceding sources; or
- 152 (b) is a qualifying power production facility.
- 153 (19) "Large-scale electric utility" means a public utility that provides retail electric service
154 to more than 200,000 retail customers in the state.
- 155 (20) "Large-scale natural gas utility" means a public utility that provides retail natural gas
156 service to more than 200,000 retail customers in the state.
- 157 (21) "Nonutility energy supplier" means a person that:
- 158 (a) has received market-based rate authority from the Federal Energy Regulatory
159 Commission in accordance with 16 U.S.C. Sec. 824d, 18 C.F.R. Part 35, Filing of
160 Rate Schedules and Tariffs, or applicable Federal Energy Regulatory Commission
161 orders; or
- 162 (b) owns, leases, operates, or manages an electric plant that is an electric generation
163 plant that:
- 164 (i) has a capacity of greater than 100 megawatts; and
165 (ii) is hosted on the site of an eligible customer that consumes the output of the
166 electric plant, in whole or in part, for the eligible customer's own use or the use of

167 the eligible customer's tenant or affiliate.

168 (22) "Private telecommunications system" includes all facilities for the transmission of
169 signs, signals, writing, images, sounds, messages, data, or other information of any
170 nature by wire, radio, lightwaves, or other electromagnetic means, excluding mobile
171 radio facilities, that are owned, controlled, operated, or managed by a corporation or
172 person, including their lessees, trustees, receivers, or trustees appointed by any court, for
173 the use of that corporation or person and not for the shared use with or resale to any
174 other corporation or person on a regular basis.

175 (23)(a) "Public utility" includes every railroad corporation, gas corporation, electrical
176 corporation, distribution electrical cooperative, wholesale electrical cooperative,
177 telephone corporation, telegraph corporation, water corporation, sewerage
178 corporation, heat corporation, and independent energy producer not described in
179 Section 54-2-201 where the service is performed for, or the commodity delivered to,
180 the public generally, or in the case of a gas corporation or electrical corporation
181 where the gas or electricity is sold or furnished to any member or consumers within
182 the state for domestic, commercial, or industrial use.

183 (b)(i) If any railroad corporation, gas corporation, electrical corporation, telephone
184 corporation, telegraph corporation, water corporation, sewerage corporation, heat
185 corporation, or independent energy producer not described in Section 54-2-201,
186 performs a service for or delivers a commodity to the public, it is considered to be
187 a public utility, subject to the jurisdiction and regulation of the commission and
188 this title.

189 (ii) If a gas corporation, independent energy producer not described in Section
190 54-2-201, or electrical corporation sells or furnishes gas or electricity to any
191 member or consumers within the state, for domestic, commercial, or industrial
192 use, for which any compensation or payment is received, it is considered to be a
193 public utility, subject to the jurisdiction and regulation of the commission and this
194 title.

195 (c) Any corporation or person not engaged in business exclusively as a public utility as
196 defined in this section is governed by this title in respect only to the public utility
197 owned, controlled, operated, or managed by the corporation or person, and not in
198 respect to any other business or pursuit.

199 (d) Any person or corporation defined as an electrical corporation or public utility under
200 this section may continue to serve its existing customers subject to any order or

- 201 future determination of the commission in reference to the right to serve those
202 customers.
- 203 (e)(i) "Public utility" does not include any person that is otherwise considered a
204 public utility under this Subsection (23) solely because of that person's ownership
205 of an interest in an electric plant, cogeneration facility, or small power production
206 facility in this state if all of the following conditions are met:
- 207 (A) the ownership interest in the electric plant, cogeneration facility, or small
208 power production facility is leased to:
 - 209 (I) a public utility, and that lease has been approved by the commission;
 - 210 (II) a person or government entity that is exempt from commission regulation
211 as a public utility; or
 - 212 (III) a combination of Subsections (23)(e)(i)(A)(I) and (II);
 - 213 (B) the lessor of the ownership interest identified in Subsection (23)(e)(i)(A) is:
 - 214 (I) primarily engaged in a business other than the business of a public utility; or
 - 215 (II) a person whose total equity or beneficial ownership is held directly or
216 indirectly by another person engaged in a business other than the business
217 of a public utility; and
 - 218 (C) the rent reserved under the lease does not include any amount based on or
219 determined by revenues or income of the lessee.
- 220 (ii) Any person that is exempt from classification as a public utility under Subsection
221 (23)(e)(i) shall continue to be so exempt from classification following termination
222 of the lessee's right to possession or use of the electric plant for so long as the
223 former lessor does not operate the electric plant or sell electricity from the electric
224 plant. If the former lessor operates the electric plant or sells electricity, the former
225 lessor shall continue to be so exempt for a period of 90 days following
226 termination, or for a longer period that is ordered by the commission. This period
227 may not exceed one year. A change in rates that would otherwise require
228 commission approval may not be effective during the 90-day or extended period
229 without commission approval.
- 230 (f) "Public utility" does not include any person that provides financing for, but has no
231 ownership interest in an electric plant, small power production facility, or
232 cogeneration facility. In the event of a foreclosure in which an ownership interest in
233 an electric plant, small power production facility, or cogeneration facility is
234 transferred to a third-party financier of an electric plant, small power production

235 facility, or cogeneration facility, then that third-party financier is exempt from
236 classification as a public utility for 90 days following the foreclosure, or for a longer
237 period that is ordered by the commission. This period may not exceed one year.

238 (g)(i) The distribution or transportation of natural gas for use as a motor vehicle fuel
239 does not cause the distributor or transporter to be a "public utility," unless the
240 commission, after notice and a public hearing, determines by rule that it is in the
241 public interest to regulate the distributors or transporters, but the retail sale alone
242 of compressed natural gas as a motor vehicle fuel may not cause the seller to be a
243 "public utility."

244 (ii) In determining whether it is in the public interest to regulate the distributors or
245 transporters, the commission shall consider, among other things, the impact of the
246 regulation on the availability and price of natural gas for use as a motor fuel.

247 (h) "Public utility" does not include:

248 (i) an eligible customer who provides electricity for the eligible customer's own use
249 or the use of the eligible customer's tenant or affiliate; or

250 (ii) a nonutility energy supplier that sells or provides electricity to:

251 (A) an eligible customer who has transferred the eligible customer's service to the
252 nonutility energy supplier in accordance with Section 54-3-32; or

253 (B) the eligible customer's tenant or affiliate.

254 (i) "Public utility" does not include an entity that sells electric vehicle battery charging
255 services:

256 (i) if the entity obtains the electricity for the electric vehicle battery charging service,
257 including any electricity from an electricity storage device:

258 (A) from a large-scale electric utility or an electrical corporation in whose service
259 area the electric vehicle battery charging service is located; and

260 (B) under an established tariff for rates, charges, and conditions of service; and

261 (ii) unless the entity conducts another activity in the state that subjects the entity to
262 the jurisdiction and regulation of the commission as a public utility.

263 (j) "Public utility" does not include[-] :

264 (i) an independent energy producer that is not subject to regulation by the
265 commission as a public utility under Section 54-2-201[-] ;

266 (ii) a new large load customer who provides electric services for:

267 (A) the new large load customer's own use; or

268 (B) new tenant and affiliate loads; or

- 269 (iii) an alternative electrical service provider that produces or provides electric
270 services to:
- 271 (A) a new large load customer; or
272 (B) new tenant and affiliate loads.
- 273 (24) "Purchasing utility" means any electrical corporation that is required to purchase
274 electricity from small power production or cogeneration facilities pursuant to the Public
275 Utility Regulatory Policies Act, 16 U.S.C. Sec. 824a-3.
- 276 (25) "Qualifying power producer" means a corporation, cooperative association, or person,
277 or the lessee, trustee, and receiver of the corporation, cooperative association, or person,
278 who owns, controls, operates, or manages any qualifying power production facility or
279 cogeneration facility.
- 280 (26) "Qualifying power production facility" means a facility that:
- 281 (a) produces electrical energy solely by the use, as a primary energy source, of biomass,
282 waste, a renewable resource, a geothermal resource, or any combination of the
283 preceding sources;
- 284 (b) has a power production capacity that, together with any other facilities located at the
285 same site, is no greater than 80 megawatts; and
- 286 (c) is a qualifying small power production facility under federal law.
- 287 (27) "Railroad" includes every commercial, interurban, and other railway, other than a
288 street railway, and each branch or extension of a railway, by any power operated,
289 together with all tracks, bridges, trestles, rights-of-way, subways, tunnels, stations,
290 depots, union depots, yards, grounds, terminals, terminal facilities, structures, and
291 equipment, and all other real estate, fixtures, and personal property of every kind used in
292 connection with a railway owned, controlled, operated, or managed for public service in
293 the transportation of persons or property.
- 294 (28) "Railroad corporation" includes every corporation and person, their lessees, trustees,
295 and receivers, owning, controlling, operating, or managing any railroad for public
296 service within this state.
- 297 (29)(a) "Sewerage corporation" includes every corporation and person, their lessees,
298 trustees, and receivers, owning, controlling, operating, or managing any sewerage
299 system for public service within this state.
- 300 (b) "Sewerage corporation" does not include private sewerage companies engaged in
301 disposing of sewage only for their stockholders, or towns, cities, counties,
302 conservancy districts, improvement districts, or other governmental units created or

- 303 organized under any general or special law of this state.
- 304 (30) "Telegraph corporation" includes every corporation and person, their lessees, trustees,
305 and receivers, owning, controlling, operating, or managing any telegraph line for public
306 service within this state.
- 307 (31) "Telegraph line" includes all conduits, ducts, poles, wires, cables, instruments, and
308 appliances, and all other real estate, fixtures, and personal property owned, controlled,
309 operated, or managed in connection with or to facilitate communication by telegraph,
310 whether that communication be had with or without the use of transmission wires.
- 311 (32) "Telephone cooperative" means a telephone corporation that:
- 312 (a) is a cooperative; and
- 313 (b) is organized for the purpose of providing telecommunications service to the
314 telephone corporation's members and the public at cost plus a reasonable rate of
315 return.
- 316 (33)(a) "Telephone corporation" means any corporation or person, and their lessees,
317 trustee, receivers, or trustees appointed by any court, who owns, controls, operates,
318 manages, or resells a public telecommunications service as defined in Section 54-8b-2.
- 319 (b) "Telephone corporation" does not mean a corporation, partnership, or firm providing:
- 320 (i) intrastate telephone service offered by a provider of cellular, personal
321 communication systems (PCS), or other commercial mobile radio service as
322 defined in 47 U.S.C. Sec. 332 that has been issued a covering license by the
323 Federal Communications Commission;
- 324 (ii) Internet service; or
- 325 (iii) resold intrastate toll service.
- 326 (34) "Telephone line" includes all conduits, ducts, poles, wires, cables, instruments, and
327 appliances, and all other real estate, fixtures, and personal property owned, controlled,
328 operated, or managed in connection with or to facilitate communication by telephone
329 whether that communication is had with or without the use of transmission wires.
- 330 (35) "Transportation of persons" includes every service in connection with or incidental to
331 the safety, comfort, or convenience of the person transported, and the receipt, carriage,
332 and delivery of that person and that person's baggage.
- 333 (36) "Transportation of property" includes every service in connection with or incidental to
334 the transportation of property, including in particular its receipt, delivery, elevation,
335 transfer, switching, carriage, ventilation, refrigeration, icing, dunnage, storage, and
336 hauling, and the transmission of credit by express companies.

- 337 (37) "Utility-owned vehicle charging infrastructure" means all facilities, equipment, and
338 electrical systems owned and installed by a large-scale electric utility:
339 (a) on the customer's side or the large-scale electric utility's side of the electricity
340 metering equipment; and
341 (b) to facilitate utility vehicle charging service or other electric vehicle battery charging
342 service.
- 343 (38) "Utility vehicle charging service" means the furnishing of electricity:
344 (a) to an electric vehicle battery charging station;
345 (b) by a public utility in whose service area the charging station is located; and
346 (c) pursuant to a duly established tariff for rates, charges, and conditions of service for
347 the electricity.
- 348 (39) "Water corporation" includes every corporation and person, their lessees, trustees, and
349 receivers, owning, controlling, operating, or managing any water system for public
350 service within this state. It does not include private irrigation companies engaged in
351 distributing water only to their stockholders, or towns, cities, counties, water
352 conservancy districts, improvement districts, or other governmental units created or
353 organized under any general or special law of this state.
- 354 (40)(a) "Water system" includes all reservoirs, tunnels, shafts, dams, dikes, headgates,
355 pipes, flumes, canals, structures, and appliances, and all other real estate, fixtures,
356 and personal property owned, controlled, operated, or managed in connection with or
357 to facilitate the diversion, development, storage, supply, distribution, sale, furnishing,
358 carriage, appointment, apportionment, or measurement of water for power, fire
359 protection, irrigation, reclamation, or manufacturing, or for municipal, domestic, or
360 other beneficial use.
- 361 (b) "Water system" does not include private irrigation companies engaged in distributing
362 water only to their stockholders.
- 363 (41) "Wholesale electrical cooperative" includes every electrical corporation that is:
364 (a) in the business of the wholesale distribution of electricity it has purchased or
365 generated to its members and the public; and
366 (b) required to distribute or allocate savings in excess of additions to reserves and
367 surplus to members or patrons on the basis of patronage.

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

369 **CHAPTER 26. ALTERNATIVE ELECTRICAL SERVICE PROVIDERS**

370

Part 1. General Provisions

371 54-26-101 . Definitions.

372 As used in this chapter:

373 (1) "Alternative energy source" means electric services that:

374 (a) are generated by or delivered to a new large load customer; and

375 (b) are made available from:

376 (i) an electric plant, cogeneration facility, or qualifying power production facility that:

377 (A) is not owned by a large-scale electric utility;

378 (B) is not subject to contractual commitments to a large-scale electric utility that
379 make the electric services unavailable for purchase; and

380 (C) is developed and sized to supply projected electric services required by
381 interrelated facilities of new large load customers;

382 (ii) purchases through a provider of a source described in Subsection (1)(b)(i); or

383 (iii) market resources.

384 (2) "Alternative electrical service provider" means a person that:

385 (a) has received market-based rate authority from the Federal Energy Regulatory
386 Commission; or

387 (b) owns, has ownership or contractual interest in, leases, operates, finances, or manages
388 one or more alternative energy sources.

389 (3) "Ancillary service" means a service that supports the reliability, availability, and
390 transmission of electric services from an electric plant to the customer while maintaining
391 reliable operation of transmission systems.

392 (4) "Electric services" means:

393 (a) energy services;

394 (b) capacity services;

395 (c) transmission services;

396 (d) metering services;

397 (e) ancillary services; and

398 (f) other electrical services.

399 (5) "Flexible load tariff" means a tariff:

400 (a) pursuant to which a new large load customer:

401 (i) receives components of electric services from:

402 (A) an alternative energy source;

- 403 (B) an alternative electrical service provider; or
404 (C) both an alternative energy source and an alternative electrical service provider;
405 or
406 (ii) reduces demand at specified peak load periods; and
407 (b) under which the new large load customer receives components of available electric
408 services from a large-scale electric utility to the extent:
409 (i) the large-scale electric utility's resources are reasonably expected to be available
410 and sufficient; and
411 (ii) as determined by:
412 (A) agreement with the large-scale electric utility; or
413 (B) tariffs approved by the commission.
414 (6) "Interrelated facilities" means one or more plant, equipment, or facilities constructed,
415 acquired, or operated in support of development or operation of a new individual or
416 collaborative development area, project, or enterprise in the state.
417 (7) "New large load" means a new or additional total expected peak load of a facility or
418 interrelated facilities that:
419 (a) are located within the certificated service territory of a large-scale electric utility;
420 (b) collectively are expected to equal or exceed 50 megawatts within five years of the
421 date of commercial operation of the new large load; and
422 (c) may be served through:
423 (i) one or more new points of delivery; or
424 (ii) a combination of:
425 (A) new points of delivery; and
426 (B) existing points of delivery, provided that all points of delivery are separately
427 metered.
428 (8) "New large load customer" means a current or prospective consumer of electric services
429 that:
430 (a) will receive electric services provided pursuant to this chapter at 46 kV or above;
431 (b) has a new large load; and
432 (c) may include a customer with facilities that have previously received electric service
433 from a large-scale electric utility, but only with respect to a new large load.
434 (9) "New tenant and affiliate loads" means new electrical loads that:
435 (a) have not previously been served by a large-scale electric utility;
436 (b) are consumed by a person that is primarily engaged in an activity that is:

- 437 (i) the same as the new large load customer's core business;
438 (ii) related to the new large load customer's core business; or
439 (iii) supporting the new large load customer's core business; and
440 (c) are served through the new large load customer's electric facilities.

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

442 **Part 2. Alternative Electrical Service Provider and Customer Requirements**

443 **54-26-201 . Alternative electrical service provider requirements.**

- 444 (1) An alternative electrical service provider may:
- 445 (a) own, have ownership or contractual interest in, purchase the output of, lease,
446 manage, or finance an alternative energy source;
- 447 (b) produce, transmit, and distribute electric services from an alternative energy source;
- 448 (c) sell electric services to new large load customers and the large load customers'
449 interrelated facilities;
- 450 (d) provide electric services that will be used to serve new tenant and affiliate loads;
- 451 (e) participate in organized wholesale electricity markets, energy trading markets, or
452 capacity markets regulated by the Federal Energy Regulatory Commission; and
- 453 (f) subject to any applicable state or federal laws and regulations, build, own, and
454 operate transmission and distribution lines to transmit electric services from an
455 alternative energy source to a new large load customer.
- 456 (2) Before providing service to a new large load customer, an alternative electrical service
457 provider shall submit to the commission documentation demonstrating ownership or
458 contractual control of generation capacity that:
- 459 (a) is sufficient to reliably serve the expected demand of the contracted new large load
460 customer; and
- 461 (b) can be delivered when required by the alternative electrical service provider's
462 contracted new large load customers.
- 463 (3) An alternative electrical service provider that sells electric services to a new large load
464 customer or for new tenant and affiliate loads:
- 465 (a) is not a public utility as defined in this title;
- 466 (b) may not be deemed to be a public utility as defined in this title solely because of such
467 transactions; and
- 468 (c) does not otherwise become subject to the jurisdiction of the commission.
- 469 (4) An alternative electrical service provider shall provide written notice to the commission
470 and the large-scale electric utility of:

- 471 (a) an intention to interconnect with the large-scale electric utility's system; or
 472 (b) a request to receive electric services from the large-scale electric utility.

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

474 **54-26-202 . New large load customer -- Authority -- Requirements -- Notice.**

475 (1) A new large load customer may:

- 476 (a) produce, transmit, distribute, receive, and consume electric services from an
 477 alternative energy source;
 478 (b) purchase electric services from an alternative electrical service provider;
 479 (c) purchase components of electric services from any authorized seller;
 480 (d) obtain components of electric services from any combination of Subsections (1)(a),
 481 (b), and (c);
 482 (e) sell or provide electric services for new tenant and affiliate loads; and
 483 (f) sell unanticipated excess electric services to another large load customer or a utility.

484 (2) A new large load customer that requires any components of electric services from a
 485 large-scale electric utility shall:

- 486 (a) file a written request with the large-scale electric utility detailing:
 487 (i) the types and amounts of electric services needed;
 488 (ii) proposed timing of electric services requirements; and
 489 (iii) expected duration of electric services needs; and
 490 (b) enter into a service agreement with the large-scale electric utility before receiving
 491 any electric services.

492 (3) A new large load customer shall provide written notice to the commission and the
 493 large-scale electric utility of:

- 494 (a) an intention to interconnect with the large-scale electric utility's system; or
 495 (b) a request to receive electric services from the large-scale electric utility.

496 Section 5. Section **54-26-203** is enacted to read:

497 **54-26-203 . Large-scale electric utility requirements.**

498 (1) A large-scale electric utility or a transmission provider that operates in the state shall:

- 499 (a) offer available services on a non-discriminatory basis to:
 500 (i) a new large load customer and for new tenant and affiliate loads; or
 501 (ii) an alternative electrical service provider on behalf of, or to serve, a new large
 502 load customer and new tenant and affiliate loads; and
 503 (b) provide the service described in Subsection (1)(a) under any applicable tariff.

504 (2) At the request of a new large load customer or an alternative electrical service provider,

- 505 a large-scale electric utility or a transmission provider that operates in the state shall:
- 506 (a) timely study a request for interconnection, transmission, metering, and other
- 507 components of electric services from an alternative electrical service provider or a
- 508 new large load; and
- 509 (b) provide components of electric service pursuant to non-discriminatory and just and
- 510 reasonable tariffs or contracts filed with and approved by the commission.
- 511 (3) A large-scale electric utility shall not include a new large load customer's new large load
- 512 in the large scale electric utility's integrated resource plan except to the extent the
- 513 large-scale electric utility will provide electric services to the new large load customer or
- 514 for new tenant or affiliate loads during the planning period of the integrated resource
- 515 plan.
- 516 (4) A large-scale electric utility has no obligation to furnish or provide electric services to a
- 517 new large load customer or new tenant and affiliate loads to the extent such components
- 518 of electric services are provided by an alternative electrical service provider or the new
- 519 large load customer.

520 Section 6. Section **54-26-301** is enacted to read:

521 **Part 3. Flexible Load Tariffs**

522 **54-26-301 . Flexible load tariffs.**

- 523 (1) By January 1, 2026, and periodically thereafter when determined to be in the public
- 524 interest, the commission shall approve a flexible load tariff for a large-scale electric
- 525 utility.
- 526 (2) A flexible load tariff:
- 527 (a) shall:
- 528 (i) specify the conditions and times or the means of determining the specific times
- 529 during which a large-scale electric utility shall provide electric services to a new
- 530 large load customer that will:
- 531 (A) receive electric services from an alternative energy source or an alternative
- 532 electrical service provider; or
- 533 (B) otherwise reduce or eliminate demand;
- 534 (ii) include just, reasonable, and non-discriminatory rates, terms, and conditions for
- 535 any requested electric service provided by a large-scale electric utility to a new
- 536 large load customer; and
- 537 (iii) include just, reasonable, and cost-based rates, terms, and provisions pursuant to
- 538 which a large-scale electric utility may provide requested electric services from a

- 539 new large load customer that also receives electric services from an alternative
 540 electrical service provider; and
- 541 (b) may not require a new large load customer to self-supply electric services or reduce
 542 or eliminate electric services supplied by a large-scale electric utility for more than
 543 those times reasonably necessary to avoid expected peak constraints of the
 544 large-scale electric utility.
- 545 (3) A flexible load tariff may include an option for a large-scale electric utility to purchase
 546 and operate facilities used to provide electric service to a new large load or for new
 547 tenant or affiliate loads:
- 548 (a) upon reasonable negotiated terms, conditions, and cost; and
 549 (b) after a reasonable period, consistent with financing, tax, investor, and other
 550 reasonable expectations and requirements of the owners or financiers of such facilities.

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

552 **Part 4. Application and Review**

553 **54-26-401 . Application.**

554 The provisions of this chapter apply only to:

- 555 (1) alternative electrical service providers that begin providing service before December 31,
 556 2034;
- 557 (2) new large load customers that begin receiving service before December 31, 2034;
- 558 (3) electrical generation, transmission, or distribution facilities constructed or contractually
 559 committed for construction before December 31, 2034, by:
- 560 (a) an alternative electrical service provider; or
 561 (b) a new large load customer; and
- 562 (4) power purchase agreements, interconnection agreements, and transmission service
 563 agreements executed before December 31, 2034, between:
- 564 (a) an alternative electrical service provider and a new large load customer;
 565 (b) an alternative electrical service provider and a large-scale electric utility; or
 566 (c) a new large load customer and a large-scale electric utility.

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

568 **54-26-402 . Commission sunset review.**

569 The commission shall:

- 570 (1) conduct a review of this chapter before October 31, 2034;
- 571 (2) prepare a report that includes:
- 572 (a) data on program participation;

- 573 (b) analysis of impacts on electrical rates;
- 574 (c) assessment of transmission system reliability; and
- 575 (d) recommendations regarding whether to:
 - 576 (i) extend the application dates described in Section 54-26-401;
 - 577 (ii) modify program requirements; or
 - 578 (iii) allow the program to close to new participants; and
- 579 (3) provide the report described in Subsection (2) and any recommendations to the Public
- 580 Utilities, Energy, and Technology Interim Committee.

581 Section 9. **Effective Date.**

582 This bill takes effect on May 7, 2025.