

HB0238S01 compared with HB0238S03

18 None

19 **Other Special Clauses:**

20 None

21 **Utah Code Sections Affected:**

22 AMENDS:

22 ~~{10-19-201, as last amended by Laws of Utah 2024, Chapter 53}~~

23 ~~{10-19-202, as last amended by Laws of Utah 2024, Chapter 53}~~

23 **54-17-905, as last amended by Laws of Utah 2024, Chapter 53**

24 ENACTS:

25 **54-27-101**, Utah Code Annotated 1953

26 **54-27-102**, Utah Code Annotated 1953

27 **54-27-103**, Utah Code Annotated 1953

28 **54-27-104**, Utah Code Annotated 1953

29 **54-27-105**, Utah Code Annotated 1953

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

32 ~~{Section 1. Section 10-19-201 is amended to read: }~~

33 **10-19-201. Target amount of qualifying electricity -- Renewable energy certificate -- Cost-effectiveness.**

35 (1)

[~~(a) To the extent that it is cost-effective to do so, beginning in 2025 the~~] The portion of annual retail electric sales in this state of each municipal electric utility [shall consist of qualifying electricity or renewable energy certificates in an amount equal to at least 20% of adjusted retail electric sales.] consisting of renewable energy shall be determined by the municipal electric utility in accordance with the state energy policy established in Section 79-6-31.

41 [~~(b) The amount under Subsection (1)(a) is computed based upon adjusted retail sales for the calendar year commencing 36 months before the first day of the year for which the target calculated under Subsection (1)(a) applies.~~]

44 [~~(e) Notwithstanding Subsections (1)(a) and (b) an increase in the annual target from one year to the next is limited to the greater of:~~]

46 [~~(i) 17,500 megawatt-hours; or~~]

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- 47 [~~(ii) 20% of the prior year's amount under Subsections (1)(a) and (b).]~~
- 48 [~~(2) Cost-effectiveness under Subsection (1) is determined using any criteria applicable to the municipal~~
electric utility's acquisition of a significant energy resource established by the municipality's
legislative body.]
- 51 [~~(3)~~ (2) This section does not require a municipal electric utility to:
- 52 (a) substitute qualifying electricity for electricity from a generation source owned or contractually
committed, or from a contractual commitment for a power purchase;
- 54 (b) enter into any additional electric sales commitment or any other arrangement for the sale or other
disposition of electricity that is not already, or would not be, entered into by the municipal electric
utility; or
- 57 (c) acquire qualifying electricity in excess of its adjusted retail electric sales.
- 58 [~~(4) A municipal electrical corporation may combine the following to meet Subsection (1):]~~
- 59 [~~(a) qualifying electricity from a clean energy source owned by the municipal electric utility;]~~
- 61 [~~(b) qualifying electricity acquired by the municipal electric utility through trade, power purchase, or
other transfer; and]~~
- 63 [~~(c) a bundled or unbundled renewable energy certificate, including a banked renewable energy
certificate.]~~
- 65 [~~(5) To meet Subsection (1), a municipal electric utility may also count:]~~
- 66 [~~(a) qualifying electricity generated or acquired or renewable energy certificates acquired for a program
permitting the municipal electric utility's customers to voluntarily contribute to a renewable energy
source; and]~~
- 69 [~~(b) electricity allocated to this state that is produced by a hydroelectric facility becoming operational
after December 31, 2007, if the hydroelectric facility is located in any state in which the municipal
electric utility, or the interlocal entity with which the municipal electric utility has a contract,
provides electric service.]~~
- 73 {Section 2. ~~Section 10-19-202 is amended to read: }~~
- 74 **10-19-202. Renewable energy certificate -- Use to satisfy other requirements.**
- 75 (1) A municipal electric utility may buy, sell, trade, or otherwise transfer a renewable energy certificate
issued or recognized under Section 54-17-603.
- 77 (2) For [~~the purpose of satisfying Subsection 10-19-201(1) and]~~the issuance of a renewable energy
certificate under Section 54-17-603:

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- 79 (a) a clean energy source located in this state that derives its energy from solar photovoltaic and
solar thermal energy shall be credited for 2.4 kilowatt-hours of qualifying electricity for each 1.0
kilowatt-hour generated; and
- 82 (b) if two or more municipal electric utilities jointly own a renewable energy resource, each municipal
electric utility shall be credited with 1.0 kilowatt-hour of qualifying electricity for 1.0 kilowatt-hour
of the renewable energy resource allocated to the municipal electric utility by contract, unless the
contract otherwise provides.
- 86 (3) A renewable energy certificate:
- 87 [~~(a) may be used only once to satisfy Subsection 10-19-201(1);~~]
- 88 [~~(b)~~] (a) [may be used to satisfy Subsection 10-19-201(1) and] together with the qualifying electricity
on which the renewable energy certificate is based, may be used to satisfy any federal renewable
energy requirement; and
- 91 [~~(e)~~] (b) may not be used if it has been used to satisfy any other state's renewable energy requirement.

Section 1. Section 54-17-905 is amended to read:

54-17-905. Customer participation -- Election not to participate.

- 34 (1)
- (a) After commission approval of a community clean energy program and adoption of the ordinance by
the participating community as required in Section 54-17-903, a qualified utility shall provide notice
to each of its customers within the participating community that includes:
- 38 (i) the projected rates and terms of participation in the community clean energy program approved
by the commission;
- 40 (ii) an estimated comparison to otherwise applicable existing rates;
- 41 (iii) an explanation that the customer may elect to not participate in the community clean energy
program by notifying the qualified utility;
- 43 (iv) a simple method, such as checking a box or signing a statement, for the customer to indicate on
the notice the customer's election to not participate in the community clean energy program;
- 46 (v) instructions for submitting the notice to the qualified utility to opt out of the community clean
energy program; and
- 48 [~~(iv)~~] (vi) any other information required by the commission.
- 49 (b) The notice required under Subsection (1)(a) shall prominently display the information described in
Subsections (1)(a)(iv) and (v).

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- 51 ~~[(b)]~~ (c) The qualified utility shall provide the notice required under Subsection (1)(a) to each customer:
- 53 (i) no less than twice within the period of 60 days immediately preceding the date required to opt out of
the community clean energy program; and
- 55 (ii) separately from the customer's monthly billing.
- 56 ~~[(e)]~~ (d) The qualified utility shall provide the information required under Subsection (1)(a) in person to
each customer with an electric load of one megawatt or greater measured at a single meter.
- 59 (2)
- (a) An existing customer of the qualified utility may elect to not participate in the community clean
energy program and continue to pay applicable existing rates by:
- 61 (i) submitting the notice described in Subsection (1)(a) to the qualified utility; or
- 62 (ii) giving notice to the qualified utility in the manner and within the time period determined by the
commission.
- 64 (b) After implementation of the community clean energy program:
- 65 (i) a customer that previously elected not to participate in the program may become a participating
customer as allowed by commission rules and by giving notice to the qualified utility in the manner
required by the commission; and
- 68 (ii) a customer of the qualified utility that begins taking electric service within a participating
community after the date of implementation of the community clean energy program shall:
- 71 (A) be given notice as determined by the commission; and
- 72 (B) shall become a participating customer unless the person elects not to participate by giving notice to
the qualified utility in the manner and within the time period determined by the commission.
- 75 (3)
- (a) A customer that does not opt out of the community clean energy program under Subsection (2)
may later discontinue participation in the community clean energy program as allowed by the
commission as described in Subsection (3)(b) or (c).
- 78 (b)
- (i) During the initial opt-out period, a participating customer may elect to leave the program by giving
notice to the qualified utility in the manner determined by the commission.
- 81 (ii) A participating customer that opts out as described in Subsection (3)(b)(i) is not subject to a
termination charge.

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(c) After the community clean energy program's initial opt-out period, a participating customer may elect to leave the program by:

85 (i) giving notice to the qualified utility in the manner determined by the commission; and

87 (ii) paying a termination charge as determined by the commission that may include the cost of clean energy resources acquired or constructed for the community clean energy program that are not being utilized by participating customers as necessary to prevent shifting costs to other customers of the qualified utility.

91 (4)

(a) A customer of a qualified utility that is annexed into the boundaries of a participating community after the effective date of the community clean energy program shall be given notice as provided in Subsection (1) advising the customer of the option to opt out of the program.

95 (b) A participating customer located in a portion of a county that is annexed into a municipality that is not a participating community shall continue to be included in the clean energy program if the customer remains a customer of the qualified utility.

98 (c) If a participating customer is annexed into a municipality that provides electric service to the municipality's residents:

100 (i) the customer may continue to be served by the qualified utility under the community clean energy program if the qualified utility enters into an agreement with the municipality under Section 54-3-30; or

103 (ii) the municipality shall pay the termination charge for each participating customer that is no longer served by the qualified utility.

105 (5) A residential customer that is participating in the net metering program under Title 54, Chapter 15, Net Metering of Electricity, may not be a participating customer under this part.

108 (6)

(a) The cost of providing notice under Subsection (1) shall be paid by the participating communities.

110 (b) All other notices required under this section shall be paid for as program costs and recovered through participating customers' rates.

112 Section 2. Section 2 is enacted to read:

115 **54-27-101. Definitions.**

27. Regional Transmission Organizations and Independent System Operators

As used in this chapter:

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98 (1) "Commission" means the same as that term is defined in Section 54-2-1.

99 (2) "Electrical corporation" means the same as that term is defined in Section 54-2-1.

100 (3) "Independent system operator" means a regional transmission organization recognized by the
Federal Energy Regulatory Commission that administers electric transmission and markets.

103 (4) "Regional transmission organization" means an entity approved by the Federal Energy Regulatory
Commission that coordinates, controls, or monitors electricity transmission on a regional basis.

106 (5) "Transmission provider" means the same as that term is defined in Section 54-26-101.

126 Section 3. Section 3 is enacted to read:

127 **54-27-102. Commission participation in a regional transmission organization or independent
system operator.**

110 (1) The commission shall actively participate in a regional transmission organization or independent
system operator in which a transmission provider or electrical corporation serving Utah customers is
a member or market participant.

113 (2) Participation under Subsection (1) includes engagement in:

114 (a) stakeholder processes;

115 (b) governance committees;

116 (c) technical forums; or

117 (d) market-related proceedings.

137 Section 4. Section 4 is enacted to read:

138 **54-27-103. Commission data access and analysis.**

120 (1) The commission shall obtain operational, market, and reliability data from a regional transmission
organization or independent system operator.

122 (2) The commission may enter into a data-sharing agreement or confidentiality agreement to obtain the
data described in Subsection (1).

124 (3) Data obtained under this section may include:

125 (a) resource sufficiency and adequacy results;

126 (b) transmission constraint modeling;

127 (c) congestion revenue rights, congestion offsets, and related settlement data;

128 (d) unit commitment or dispatch information;

129 (e) outage coordination data;

130 (f) tariff test results;

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- 131 (g) monthly master file data;
132 (h) Western Energy Imbalance Market neutrality charges;
133 (i) out-of-market payments, including reliability run cost data;
134 (j) resource adequacy data; or
135 (k) deliverability, adequacy, or system impact studies.
136 (4) The commission may contract with an independent expert or market monitor to review and verify modeling, analyses, or cost allocations affecting a Utah generation facility or transmission facility.

158 Section 5. Section **5** is enacted to read:

159 **54-27-104. Transparency, accountability, and reporting.**

- 141 (1) On or before November 30 of each year, the commission shall report to the Public Utilities, Energy, and Technology Interim Committee regarding:
- 143 (a) whether Utah customers are paying congestion costs associated with constraints primarily outside Utah;
- 145 (b) whether a regional transmission organization or independent system operator test or sufficiency measure imposes disproportionate burdens on electrical corporations or transmission providers serving Utah customers;
- 148 (c) the extent to which another state or region relies on a Utah generation facility or transmission facility to satisfy a regional transmission organization or independent system operator sufficiency requirement, adequacy requirement, or deliverability requirement;
- 152 (d) whether the commission is afforded parity of access and participation with other state regulators in regional transmission organization or independent system operator governance, processes, and data availability; and
- 155 (e) a recommended statutory change or regulatory change necessary to maintain parity of access and participation and ensure continued protection of Utah customers.
- 157 (2) The commission shall include in the report described in Subsection (1) a finding on how Utah's participation in a regional transmission organization or independent system operator may have a positive impact or negative impact on Utah customers.

179 Section 6. Section **6** is enacted to read:

180 **54-27-105. Notification of lack of access or participation.**

- 162 (1) If the commission is denied access to data, a process, or participation available to another state regulatory body, or is otherwise unable to obtain information necessary to fulfill the commission's

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duties under this chapter, the commission shall, within 30 days after the day on which the commission is denied access or is unable to obtain the information, notify:

- 167 (a) the Legislative Management Committee; and
168 (b) the Public Utilities, Energy, and Technology Interim Committee.
169 (2) The commission's notice described in Subsection (1) shall identify the data, process, or participation
that was denied or unavailable and may include a recommendation for remedying the deficiency.

191 Section 7. **Effective date.**

Effective Date.

This bill takes effect on May 6, 2026.

2-12-26 2:03 PM