

Surplus Interconnection Service Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Christine F. Watkins

Senate Sponsor:

LONG TITLE**General Description:**

This bill makes changes to the Energy Resource Procurement Act.

Highlighted Provisions:

This bill:

- defines terms;
- requires an affected electrical utility to analyze surplus interconnection service opportunities in integrated resource plan filings;
- allows an affected electrical utility to solicit information from non-utility owned facilities regarding surplus interconnection service;
- requires an affected electrical utility to consider surplus interconnection service in the action plan;
- requires the commission to encourage inclusion of surplus interconnection service in integrated resource plans; and
- provides that an affected electrical utility may recover approved costs for surplus interconnection service projects.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:**ENACTS:**

54-17-1201, Utah Code Annotated 1953

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

Section 1. Section **54-17-1201** is enacted to read:

Part 12. Surplus Interconnection Service

54-17-1201 . Surplus interconnection service -- Analysis and plan -- Cost

31 **recovery.**

32 (1) As used in this section:

33 (a) "Generator" means a facility that holds a large generator interconnection agreement.

34 (b) "Interconnection service" means the service provided by a transmission provider
35 associated with interconnecting a generator to the transmission system and enabling
36 the transmission system to receive electric energy and capacity from the generator at
37 the point of interconnection.

38 (c) "Large generator interconnection agreement" means an agreement that establishes
39 the terms and conditions under which a generator with a capacity greater than 20
40 megawatts interconnects with the transmission system.

41 (d) "Point of interconnection" means the location where a generator connects to the
42 transmission system.

43 (e) "Surplus interconnection service" means any unneeded portion of interconnection
44 service established in a large generator interconnection agreement, such that if
45 surplus interconnection service is utilized, the interconnection service limit at the
46 point of interconnection would remain the same.

47 (2) In any integrated resource plan filing, an affected electrical utility shall:

48 (a) analyze generators owned by the affected electrical utility for potential surplus
49 interconnection service opportunities, including:

50 (i) the total amount of unused capacity at the generator; and

51 (ii) whether the generator has any physical site characteristics that make surplus
52 interconnection service prudent, or that may render surplus interconnection
53 service unworkable;

54 (b) consider surplus interconnection service in the action plan as described in Section
55 54-17-301; and

56 (c) include the analysis described in Subsection (2)(a) in the filing to the commission.

57 (3) An affected electrical utility may solicit information from non-utility owned facilities to
58 determine the potential for surplus interconnection service.

59 (4) The commission shall encourage an affected electrical utility to include surplus
60 interconnection service in an integrated resource plan.

61 (5) If the commission determines, based on the analysis and action plan provided by an
62 affected electrical utility under Subsections (2)(a) and (2)(b), that the deployment of
63 surplus interconnection service is cost-effective, the commission shall approve the
64 affected electrical utility's recovery of the prudently incurred costs of surplus

65 interconnection service projects.

66 Section 2. **Effective Date.**

67 This bill takes effect on May 6, 2026.