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Electrical Grid Amendments
2026 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Nate Blouin
House Sponsor:

LONG TITLE

General Description:

This bill amends provisions related to large-scale electric service requirements.

Highlighted Provisions:

This bill:

- defines terms;
- requires large load contracts to demonstrate net positive or neutral impacts on electric system reliability and retail customer costs;
- requires large load contracts to include reciprocal benefit provisions under which large load customers provide measurable benefits to the electric grid or retail customers;
- requires large load customers to provide financial security before construction commences;
- requires large load customers to submit annual resource use reports;
- modifies commission review requirements for large load contracts; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

- 54-26-101**, as enacted by Laws of Utah 2025, Chapter 318
- 54-26-301**, as enacted by Laws of Utah 2025, Chapter 318
- 54-26-302**, as enacted by Laws of Utah 2025, Chapter 318

ENACTS:

- 54-26-603**, Utah Code Annotated 1953

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

31 Section 1. Section **54-26-101** is amended to read:

32 **54-26-101 . Definitions.**

33 As used in this chapter:

- 34 (1) "Closed private generation system" means electric generating facilities and associated
35 transmission infrastructure that:
- 36 (a) is not connected to and operates independently from the transmission system of a
37 qualified electric utility, cooperative utility, municipal utility, or other utility;
 - 38 (b) serves one or more customers with a minimum cumulative electrical demand of 100
39 megawatts; and
 - 40 (c) serves one or more large load customers through direct connection.
- 41 (2) "Connected generation system" means electric generating facilities and associated
42 transmission infrastructure that:
- 43 (a) is connected to and operates in conjunction with the transmission system of a
44 qualified electric utility;
 - 45 (b) serves one or more large load customers through connection to the transmission
46 system of a qualified electric utility; and
 - 47 (c) except as provided in a large load contract, operates independent of the generation
48 resources of any qualified electric utility, cooperative utility, municipal utility, or
49 other utility.
- 50 (3) "Evaluation" means an assessment that:
- 51 (a) evaluates the impact of a large-scale service request on a qualified electric utility's
52 systems;
 - 53 (b) identifies any necessary:
 - 54 (i) system modifications or upgrades to the qualified electric utility's system to
55 provide service as requested in a large-scale service request;
 - 56 (ii) generation capacity; or
 - 57 (iii) transmission service requests;
 - 58 (c) provides cost estimates for any required improvements; and
 - 59 (d) establishes an estimated timeline for implementing any necessary system changes.
- 60 (4) "Large load contract" means a large load construction contract or a large load service
61 contract.
- 62 (5) "Large load construction contract" means a contract for the construction of large load
63 facilities between:
- 64 (a) a qualified electric utility or a large-scale generation provider; and

- 65 (b) a large load customer.
- 66 (6) "Large load customer" means a current or potential customer in the service territory of a
67 qualified electric utility that:
- 68 (a) requests electric service under a large-scale service request; or
69 (b) enters into a private generation contract with a large-scale generation provider.
- 70 (7) "Large load customer financial security" means a financial guarantee, bond, letter of
71 credit, or other security instrument approved by the commission that is sufficient to
72 cover all large load incremental costs reasonably expected to be incurred in designing,
73 engineering, procuring, constructing, and completing large load facilities necessary to
74 serve the large load customer.
- 75 [(7)] (8) "Large load facilities" means facilities and resources reasonably necessary, as
76 determined in an evaluation, to provide safe and reliable electric service as requested in
77 a large-scale service request, including the reasonably allocated share of facilities or
78 upgrades necessary to facilitate a transmission request from a qualified electric utility or
79 large-scale generation provider necessary to serve a large-scale service request.
- 80 [(8)] (9) "Large load flexible tariff" means a tariff:
- 81 (a) [~~pursuant to~~] in accordance with which a large load customer:
- 82 (i) will receive components of electric services from a large-scale service provider; or
83 (ii) will reduce demand at periods specified by a large-scale service provider; and
- 84 (b) under which a large load customer receives components of available electric services
85 from a qualified electric utility to the extent:
- 86 (i) the qualified electric utility's resources are reasonably expected to be available and
87 sufficient; and
88 (ii) as determined by:
- 89 (A) agreement with the qualified electric utility; or
90 (B) tariffs approved by the commission.
- 91 [(9)] (10) "Large load incremental costs" means all costs reasonably necessary for:
- 92 (a) the design, engineering, procurement, construction, and completion of:
- 93 (i) large load facilities; and
94 (ii) any activities required to provide electric service under a large-scale service
95 request; and
- 96 (b) the long-term operation and maintenance of large load facilities for the duration of
97 any applicable service contract.
- 98 (11) "Large load resource use report" means an annual report submitted by a large load

99 customer to the Department of Natural Resources and to the municipality or county in
100 which the large load customer's facilities are located that includes:

101 (a) estimated annual electricity consumption and water use submitted before
102 commencing operations; and

103 (b) actual annual electricity consumption and water use for each year of operations.

104 [(10)] (12) "Large load service contract" means a contract for the provision of electric
105 service for a large-scale service request between:

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

107 (b) a large load customer.

108 [(11)] (13) "Large-scale generation provider" means an entity that:

109 (a) is not a qualified electric utility;

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

111 (c) owns, operates, or contracts for the output of one or more qualifying generation
112 resources intended to be used to supply certain retail electric services to a large load
113 customer [~~pursuant to~~] in accordance with a large load contract or a private generation
114 contract.

115 [(12)] (14) "Large-scale service request" means a request submitted to a qualified electric
116 utility for:

117 (a) new electric service that is expected to reach a cumulative demand of 100 megawatts
118 or greater within five years of the requested initial start date; or

119 (b) additional electric service that is expected to increase a customer's total service level
120 by 100 megawatts or greater within five years of the requested start date for the
121 additional service.

122 [(13)] (15) "Private generation contract" means a contract for the provision of electric
123 service through a closed private generation system between:

124 (a) a large-scale generation provider; and

125 (b) a large load customer requesting new electric service that is expected to reach a
126 cumulative demand of 100 megawatts or greater within five years of the requested
127 initial start date.

128 [(14)] (16) "Qualified electric utility" means a large-scale electric utility.

129 [(15)] (17) "Qualifying generation resources" means one or more electric generating
130 resources that, in combination:

131 (a) if connected to the transmission system of a qualified electric utility:

132 (i) meets or exceeds the resource adequacy standards of the qualified electric utility;

- 133 (ii) includes sufficient resources and capacity to meet all requirements imposed by
 134 the North American Electric Reliability Corporation and the Western Electricity
 135 Coordinating Council; and
- 136 (iii) is capable of satisfying the load and electricity requirements of a large load
 137 customer without drawing on any generation or generation services provided by a
 138 qualified electric utility, any cooperative utility, municipal utility, or other utility
 139 except to the extent such services are provided under a large load contract; or
- 140 (b) if not connected to the transmission system of a qualified electric utility:
- 141 (i) is capable of satisfying the load, transmission, and electricity requirements of a
 142 large load customer without drawing on any generation or services provided by a
 143 qualified electric utility, any cooperative utility, municipal utility, or other utility;
 144 and
- 145 (ii) meets any other reliability standards established by the commission.

146 (18) "Reciprocal benefits" means services, resources, or arrangements provided by a large
 147 load customer that provide measurable benefits to the electric grid or retail customers,
 148 including:

- 149 (a) load flexibility or demand response capabilities;
 150 (b) ancillary services;
 151 (c) energy storage available for grid support;
 152 (d) generation capable of providing power to the grid during emergencies;
 153 (e) environmental benefits including operation as a non-emitting facility, emissions
 154 reductions, or compliance with environmental standards that exceed regulatory
 155 requirements;
 156 (f) discounted sale of excess electricity to utilities;
 157 (g) financial contributions toward infrastructure improvements; or
 158 (h) other arrangements approved by the commission.

159 [(16)] (19) "Transmission provider" means an entity that:

- 160 (a) is an affiliate of a qualified electric utility; and
- 161 (b)(i) owns, operates, or controls facilities located in the state that are used for the
 162 transmission of electric energy at voltages above 100 kilovolts; or
- 163 (ii) provides transmission service under a Federal Energy Regulatory
 164 Commission-approved open access transmission tariff.

165 Section 2. Section **54-26-301** is amended to read:

166 **54-26-301 . Large load contract requirements.**

- 167 (1) Electric service for a large-scale service request shall be provided only under one or
168 more large load contracts with:
- 169 (a) a qualified electric utility;
- 170 (b) a large-scale generation provider; or
- 171 (c) any combination of Subsections (1)(a) and (1)(b).
- 172 (2) A large load customer shall:
- 173 (a) contract for all of the customer's projected electrical requirements under the
174 large-scale service request; and
- 175 (b) maintain contracts with resources or load shedding capabilities sufficient to meet the
176 customer's actual electrical requirements at all times.
- 177 (3) A large load contract with a qualified electric utility shall:
- 178 (a) ensure that all large load incremental costs are allocated to and paid by the large load
179 customer;
- 180 (b) comply with all system requirements;
- 181 (c) require the large load customer to maintain financial security sufficient to cover the
182 large load customer's obligations;
- 183 (d) specify:
- 184 (i) points of interconnection;
- 185 (ii) power delivery points;
- 186 (iii) the amount of electrical capacity contracted for;
- 187 (iv) the term of service; and
- 188 (v) any arrangements for backup power supply;
- 189 (e) provide curtailment provisions if the large load customer's demand exceeds the
190 amount of contractually supported demand;
- 191 (f) identify the incremental generation resources that the qualified electric utility will use
192 to serve the large load customer; [~~and~~]
- 193 (g) include provisions addressing the allocation and payment of long-term operation and
194 maintenance costs for large load facilities[-];
- 195 (h) demonstrate that serving the large load customer will have a net positive or neutral
196 impact on:
- 197 (i) electric system reliability;
- 198 (ii) costs to retail customers; and
- 199 (iii) the environment;
- 200 (i) include reciprocal benefit provisions under which the large load customer provides

- 201 reciprocal benefits proportionate to:
202 (i) the customer's use of transmission or distribution infrastructure;
203 (ii) infrastructure investments required to serve the customer; and
204 (iii) reliability risks or costs imposed on retail customers; and
205 (j) require the large load customer to provide large load customer financial security
206 before the qualified electric utility commences design and construction of large load
207 facilities.
- 208 (4) A large load contract with a large-scale generation provider that provides service
209 through a connected electrical system shall:
- 210 (a) ensure that all large load incremental costs are allocated to and paid by the large load
211 customer;
- 212 (b) comply with all system requirements;
- 213 (c) specify:
- 214 (i) points of interconnection;
- 215 (ii) power delivery points;
- 216 (iii) the amount of electrical capacity contracted for;
- 217 (iv) the term of service; and
- 218 (v) any arrangements for backup power supply; and
- 219 (d) provide curtailment provisions if the large load customer's demand exceeds the
220 real-time dispatch of the large-scale generation provider's resources under the large
221 load contract, net of transmission losses.
- 222 (5) A qualified electric utility:
- 223 (a) has no duty to serve a large load customer except as explicitly provided in a large
224 load contract; and
- 225 (b) is not required to provide backup power to a large load customer except as explicitly
226 provided in a large load contract.
- 227 (6) A qualified electric utility may not be required to commence design and construction of
228 large load facilities until after:
- 229 (a) executing a large load construction contract; and
- 230 (b) obtaining commission approval in accordance with Section 54-26-302.
- 231 (7) A qualified electric utility or large-scale generation provider shall:
- 232 (a) obtain commission approval in accordance with Section 54-26-302 before providing
233 electric service under a large load contract; and
- 234 (b) negotiate the terms of a large load contract with a large load customer on a

235 case-by-case basis.

236 (8) Within 15 business days after executing a large load contract, a person executing the
237 contract shall submit an application for approval to the commission for review under
238 Section 54-26-302.

239 Section 3. Section **54-26-302** is amended to read:

240 **54-26-302 . Commission review -- Approval of contracts.**

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

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

245 (b) evidence sufficient to demonstrate compliance with [~~Subsection (2)(b)~~] Subsections
246 (2)(b), (d), and (e).

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

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

250 (b) the large load customer bears all just and reasonable incremental costs attributable to
251 receiving the requested electric service; [~~and~~]

252 (c) existing ratepayers do not bear costs justly and reasonably attributable to providing
253 electric service for the large load customer[-] ;

254 (d) the large load customer will provide reciprocal benefits that will have a net positive
255 or neutral impact on electric system reliability and costs to retail customers; and

256 (e) the large load contract demonstrates that serving the large load customer will have a
257 net positive or neutral impact on the environment.

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

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

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

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

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

265 Section 4. Section **54-26-603** is enacted to read:

266 **54-26-603 . Large load customer reporting requirements.**

267 (1) A large load customer shall submit a large load resource use report:

268 (a) annually to the Department of Natural Resources; and

269 (b) annually to the municipality or county in which the large load customer's facilities
270 are located.

271 (2) A large load customer shall submit the initial large load resource use report:

272 (a) before commencing operations; and

273 (b) including estimates of annual electricity consumption and water use.

274 (3) After commencing operations, a large load customer shall submit a large load resource
275 use report annually that includes actual electricity consumption and water use for the
276 preceding year.

277 **Section 5. Effective Date.**

278 This bill takes effect on May 6, 2026.