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# **Decommissioned Asset Disposition Amendments**

## 2025 GENERAL SESSION

## STATE OF UTAH

# **Chief Sponsor:**

| LONG TITLE   |
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| General Description:   |
| This bill makes changes to the requirements related to the decommissioning and disposal of |
| electrical generation facilities and equipment by a project entity.                        |
| Highlighted Provisions:  |
| This bill:   |
| <ul> <li>defines terms;</li> </ul>   |
| <ul> <li>prohibits a project entity from:</li> </ul>                                       |
| • altering facilities that provide power to station service;                               |
| • disconnecting from or modifying existing interconnections and critical switchyard        |
| equipment; and   |
| • taking actions that would require a new plant owner to make an interconnection           |
| request; and   |
| <ul> <li>makes technical changes.</li> </ul>   |
| Money Appropriated in this Bill:   |
| None   |
| Other Special Clauses:   |
| This bill provides a special effective date.   |
| Utah Code Sections Affected:   |
| AMENDS:  |
| <b>11-13-318</b> , as last amended by Laws of Utah 2024, Third Special Session, Chapter 4  |
| Be it enacted by the Legislature of the state of Utah:                                     |
| Section 1. Section <b>11-13-318</b> is amended to read:                                    |
| 11-13-318 . Notice of decommissioning or disposal of project entity assets.                |
| (1) As used in this section:   |
| (a) "Alternative permit" means the same as that term is defined in Section 11-13-320.      |
| (b) "Critical switchyard equipment" means equipment located in a switchyard that is        |
| necessary for the delivery of electricity to the transmission or distribution system,      |

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| 32 | including transformers, circuit breakers, disconnect switches, and other essential            |
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| 33 | interconnection equipment.  |
| 34 | [(b)] (c) "Decommissioning" means to remove an electrical generation facility from            |
| 35 | active service.   |
| 36 | [(c)] (d) "Disposal" means the sale, transfer, dismantling, or other disposition of a project |
| 37 | entity's assets.  |
| 38 | [(d)] (e) "Division" means the Division of Air Quality created in Section 19-1-105.           |
| 39 | [(e)] (f) "Fair market value" means the same as that term is defined in Section 79-6-408.     |
| 40 | (g) "Interconnection" means the physical system that connects an electrical generation        |
| 41 | facility to the transmission or distribution system, including all switching stations,        |
| 42 | transformers, and other equipment necessary to deliver electricity to customers.              |
| 43 | [(f)] (h)(i) "Project entity asset" means a project entity's:                                 |
| 44 | (A) land;   |
| 45 | (B) water;  |
| 46 | (C) buildings; or   |
| 47 | (D) essential equipment, including turbines, generators, transformers, and                    |
| 48 | transmission lines.   |
| 49 | (ii) "Project entity asset" does not include an asset that is not essential for the           |
| 50 | generation of electricity in the project entity's coal-powered electrical generation          |
| 51 | facility.   |
| 52 | (i) "Station service" means the electric supply required for the operation of an electrical   |
| 53 | generation facility and associated facilities, essential auxiliary equipment, and all         |
| 54 | facilities necessary to maintain electrical output.   |
| 55 | (2) A project entity shall provide a notice of decommissioning or disposal to the Legislative |
| 56 | Management Committee at least 180 days before:  |
| 57 | (a) the disposal of any project entity assets; or   |
| 58 | (b) the decommissioning of the project entity's coal-powered electrical generation            |
| 59 | facility.   |
| 60 | (3) The notice of decommissioning or disposal described in Subsection (2) shall include:      |
| 61 | (a) the date of the intended decommissioning or disposal;                                     |
| 62 | (b) a description of the project entity's coal-powered electrical generation facility         |
| 63 | intended for decommissioning or any project entity asset intended for disposal; and           |
| 64 | (c) the reasons for the decommissioning or disposal.  |
| 65 | (4) A project entity may not:   |

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| 66 | (a) intentionally prevent the functionality of the project entity's existing coal-powered   |
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| 67 | electrical generation facility[-] :   |
| 68 | (b) alter, remove, disable, or otherwise modify any facilities that provide power to        |
| 69 | station service;  |
| 70 | (c) disconnect, remove, disable, or otherwise modify any existing interconnection or        |
| 71 | critical switchyard equipment; or   |
| 72 | (d) take any action that would require a new interconnection request to deliver electricity |
| 73 | from the facility.  |
| 74 | (5) Notwithstanding the requirements in Subsections (2) through (4), a project entity may   |
| 75 | take any action necessary to transition to a new electrical generation facility powered by  |
| 76 | natural gas, hydrogen, or a combination of natural gas and hydrogen, including any          |
| 77 | action that has been approved by a permitting authority[-], provided that such actions:     |
| 78 | (a) do not violate the prohibitions in Subsection (4); or                                   |
| 79 | (b) are specifically required by a permitting authority as an essential component of the    |
| 80 | transition, with no feasible alternative that would avoid violating Subsection (4).         |
| 81 | (6) A project entity shall provide the state the option to purchase for fair market value a |
| 82 | project entity asset intended for decommissioning, with the option remaining open for at    |
| 83 | least two years, beginning on July 2, 2025.   |
| 84 | Section 2. Effective Date.  |
| 85 | If approved by two-thirds of all the members elected to each house, this bill takes         |
| 86 | effect upon approval by the governor, or the day following the constitutional time limit    |
| 87 | of Utah Constitution, Article VII, Section 8, without the governor's signature, or in the   |
| 88 | case of a veto, the date of veto override.  |