

HB0261S01 compared with HB0261

~~{deleted text}~~ shows text that was in HB0261 but was deleted in HB0261S01.

Inserted text shows text that was not in HB0261 but was inserted into HB0261S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Representative John Knotwell proposes the following substitute bill:

RENEWABLE ENERGY AMENDMENTS

2018 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: John Knotwell

Senate Sponsor: _____

LONG TITLE

General Description:

This bill addresses the basis of setting rates for solar photovoltaic or thermal solar energy facilities.

Highlighted Provisions:

This bill:

- ▶ permits a qualified utility to apply to the commission ~~{for approval of a rate adjustment clause to acquire or construct a photovoltaic or thermal solar energy resource using a rate based on the prevailing market for}~~ regarding solar energy projects under certain circumstances;
- ▶ addresses exemptions from certain provisions;
- ▶ prescribes requirements for the application;
- ▶ ~~{allows for}~~ imposes process requirements;

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- ▶ requires public hearing and comments; and
- ▶ provides for rulemaking authority.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

~~{57-17-807}~~54-17-807, Utah Code Annotated 1953

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

Section 1. Section ~~{57-17-807}~~54-17-807 is enacted to read:

~~{57-17-807}~~54-17-807. **Solar photovoltaic or thermal solar energy facilities.**

(1) ~~{A}~~As used in this section, "acquire" means to purchase, construct, or purchase the output from a photovoltaic or thermal solar energy resource.

(2) In accordance with this section, a qualified utility may file an application with the commission for approval ~~{of a rate adjustment clause}~~ to acquire ~~{or construct}~~ a photovoltaic or thermal solar energy resource using ~~{a}~~ rate recovery based on ~~{the prevailing market for solar energy project resources in lieu of a cost of service model}~~.

~~—— (2)~~a competitive market price.

(3) The energy resource acquired ~~{or constructed}~~ pursuant to this section may be owned solely or jointly by a qualified utility or another entity:

(a) to provide renewable energy to a contract customer as provided in Section 54-17-803;

(b) ~~{used}~~ to serve energy to a qualified utility customer as provided in Section 54-17-806;

(c) ~~{used}~~ to serve energy to any ~~{other customer}~~ customers of the qualified utility if the proposed energy ~~{resource is not a significant}~~ resource's nameplate capacity does not exceed 300 megawatts or, if applicable, the quantity of capacity that is the subject of a contract for the purchase of electricity does not exceed 300 megawatts, so long as the qualified utility proceeds under and complies with Part 4, Voluntary Request for Resource Decision Review; or

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(d) to serve energy to any customers of the qualified utility if the proposed energy resource as defined in Section 54-17-102; or
~~— (d) including a significant energy resource as defined in Section 54-17-102, subject to Chapter 17, Energy Resource Procurement Act.~~
~~— (3) resource's nameplate capacity exceeds 300 megawatts or, if applicable, the quantity of capacity that is the subject of a contract for the purchase of electricity exceeds 300 megawatts, so long as the qualified utility complies with this chapter.~~

(4) Except as provided in Subsections (2)(c) and (d), the following do not apply to an application submitted under Subsection (1)(2):

- (a) Part 1, General Provisions;
- (b) Part 2, Solicitation Process;
- (c) Part 3, Resource Plans and Significant Energy Resource Approval;
- (d) Part 4, Voluntary Request for Resource Decision Review; and
- (e) Section 54-17-502.

~~(4)(5) To establish the prevailing market for solar energy project resources, the~~ The application described in Subsection (1)(2) shall include:

- (a) a proposed solicitation process for the energy resource; and
- (b) the criteria proposed to be used for to evaluate the responses to the solicitation:
 - (i) as determined:

~~(i) } by the customer, if the energy resource is sought to serve a customer pursuant to Subsections (2)(a) and (b); or~~

(ii) as proposed by the qualified utility, if the energy resource is sought to serve the customers of the qualified utility pursuant to Subsection (3)(c) or (d); and

(c) any other information the commission may require.

(5)(6) (a) Before approving the a solicitation process under this section for an energy resource to serve customers of the qualified utility pursuant to Subsection (3)(c) or (d), the commission may shall:

- (a) hold a public hearing; and
- (b) provide an opportunity for public comment.

(6)(b) The commission may approve a solicitation process under this section only if the commission determines that the solicitation and evaluation processes to be used will create

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a level playing field in which the qualified utility and other bidders can compete fairly, including with respect to interconnection and transmission requirements imposed on bidders by the solicitation within the control of the commission and the qualified utility, excluding its federally regulated transmission function, and will otherwise serve the public interest.

(7) (a) Upon completion of the solicitation process approved under Subsection (~~(4)~~6), the qualified utility may ~~submit to~~ seek approval from the commission ~~for approval and~~ to acquire the energy resource:

~~— (a) (i) identified through the solicitation process; or~~

~~— (ii) identified as the winning bid.~~

(b) Before approving acquisition of an energy resource acquired pursuant to this section, the commission shall:

(i) hold a public hearing;

(ii) provide an opportunity for public comment;

(iii) determine whether the solicitation and evaluation processes complied with this section, commission rules, and the commission's order approving the solicitation process; and

(iv) determine whether the acquisition of the energy resource is just and reasonable, and in the public interest.

(c) The commission may approve a qualified utility's ownership of an energy resource or a power purchase agreement containing a purchase option under Subsection (3)(c) or (d) with rate recovery based on a competitive market price only if the commission determines that the qualified utility's bid is the lowest cost ownership option for the qualified utility.

(d) If the commission approves a qualified utility's acquisition of an energy resource under Subsection (3), including entering into a power purchase agreement containing a purchase option, using rate recovery based on a competitive market price:

(i) the prices approved by the commission shall constitute competitive market prices for purposes of this section; and

(ii) assets owned by the qualified utility ~~and~~ and

~~— (b) that meets the requirements provided in Subsection (4).~~

~~— (7) A qualified utility may enter into a short-term or long-term power purchase contract for the energy derived from the energy resource used to provide service as approved under this section ~~before purchasing~~ are not public utility property.~~

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(8) If upon completion of a solicitation process approved under Subsection (6) the qualified utility proposes not to acquire an energy resource, the qualified utility shall file with the commission a report explaining its reasons for not acquiring the lowest cost resource bid into the solicitation, along with any other information the commission requires.

(9) Within six months after a competitive market price for a solar energy resource acquired under Subsection (3)(c) or (d) has been identified pursuant to this section, or for such longer period as the commission may determine to be in the public interest, a qualified utility may file an application with the commission seeking approval to acquire another energy resource similar to the energy resource for which a competitive market price was established without going through a new solicitation process. The commission may approve the application if the qualified utility demonstrates a need to acquire the energy resource, that the competitive market price remains reasonable, and that the acquisition is in the public interest.

(10) No later than 180 days before the end of the term approved by the commission for an energy resource acquired under this section and owned by the qualifying utility, the qualified utility shall file with the commission a request for determination of an appropriate disposition of the energy resource asset, except that the qualified utility is permitted to retain the benefits or proceeds and shall be required to assume the costs and risks of ownership of the energy resource.

(~~8~~11) The commission shall adopt rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act:

- (a) addressing the content and filing of an application under this section; ~~and~~
- (b) to establish the ~~criteria used to determine the prevailing market.~~

Legislative Review Note

Office of Legislative Research and General Counsel; ~~solicitation process and criteria to be used to identify the competitive market price and select an energy resource; and~~

(c) addressing other factors determined by the commission to be relevant to protect the public interest and to implement this section.

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