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Electric Utility Amendments
2025 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Scott D. Sandall
House Sponsor: Colin W. Jack

LONG TITLE

General Description:

This bill creates requirements for providing electrical service to large-scale electrical loads.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ establishes alternative processes for providing electric service to customers with large electrical loads;
- ▶ exempts service provided under this chapter from certain rate regulation requirements while maintaining safety and reliability standards;
- ▶ creates procedures for submitting, evaluating, and contracting for large-scale electrical service requests;
- ▶ establishes requirements for qualified electric utilities and large-scale generation providers serving large load customers;
- ▶ creates accounting and operational transparency requirements to protect retail customers;
- ▶ establishes a framework for closed private generation systems and connected generation systems;
- ▶ requires the Public Service Commission (commission) to investigate the feasibility of a large load flexible tariff; and
- ▶ requires the commission to conduct periodic reviews of the program and report to the Legislature.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

28 **Utah Code Sections Affected:**

29 AMENDS:

30 **63G-6a-107.6**, as last amended by Laws of Utah 2024, Chapters 291, 522

31 ENACTS:

- 32 **54-26-101**, Utah Code Annotated 1953
- 33 **54-26-102**, Utah Code Annotated 1953
- 34 **54-26-201**, Utah Code Annotated 1953
- 35 **54-26-202**, Utah Code Annotated 1953
- 36 **54-26-301**, Utah Code Annotated 1953
- 37 **54-26-301.5**, Utah Code Annotated 1953
- 38 **54-26-302**, Utah Code Annotated 1953
- 39 **54-26-401**, Utah Code Annotated 1953
- 40 **54-26-402**, Utah Code Annotated 1953
- 41 **54-26-501**, Utah Code Annotated 1953
- 42 **54-26-502**, Utah Code Annotated 1953
- 43 **54-26-503**, Utah Code Annotated 1953
- 44 **54-26-504**, Utah Code Annotated 1953
- 45 **54-26-505**, Utah Code Annotated 1953
- 46 **54-26-601**, Utah Code Annotated 1953
- 47 **54-26-602**, Utah Code Annotated 1953
- 48 **54-26-701**, Utah Code Annotated 1953
- 49 **54-26-801**, Utah Code Annotated 1953
- 50 **54-26-802**, Utah Code Annotated 1953
- 51 **54-26-901**, Utah Code Annotated 1953

52

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

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

55 **CHAPTER 26. LARGE-SCALE ELECTRIC SERVICE REQUIREMENTS**

56 **Part 1. General Provisions**

57 **54-26-101 . Definitions.**

58 As used in this chapter:

- 59 (1) "Closed private generation system" means electric generating facilities and associated
- 60 transmission infrastructure that:

- 61 (a) is not connected to and operates independently from the transmission system of a
62 qualified electric utility, cooperative utility, municipal utility, or other utility;
- 63 (b) serves one or more customers with a minimum cumulative electrical demand of 100
64 megawatts; and
- 65 (c) serves one or more large load customers through direct connection.
- 66 (2) "Connected generation system" means electric generating facilities and associated
67 transmission infrastructure that:
- 68 (a) is connected to and operates in conjunction with the transmission system of a
69 qualified electric utility;
- 70 (b) serves one or more large load customers through connection to the transmission
71 system of a qualified electric utility; and
- 72 (c) except as provided in a large load contract, operates independent of the generation
73 resources of any qualified electric utility, cooperative utility, municipal utility, or
74 other utility.
- 75 (3) "Evaluation" means an assessment that:
- 76 (a) evaluates the impact of a large-scale service request on a qualified electric utility's
77 systems;
- 78 (b) identifies any necessary:
- 79 (i) system modifications or upgrades to the qualified electric utility's system to
80 provide service as requested in a large-scale service request;
- 81 (ii) generation capacity; or
- 82 (iii) transmission service requests;
- 83 (c) provides cost estimates for any required improvements; and
- 84 (d) establishes an estimated timeline for implementing any necessary system changes.
- 85 (4) "Large load contract" means a large load construction contract or a large load service
86 contract.
- 87 (5) "Large load construction contract" means a contract for the construction of large load
88 facilities between:
- 89 (a) a qualified electric utility or a large-scale generation provider; and
- 90 (b) a large load customer.
- 91 (6) "Large load customer" means a current or potential customer in the service territory of a
92 qualified electric utility that:
- 93 (a) requests electric service under a large-scale service request; or
- 94 (b) enters into a private generation contract with a large-scale generation provider.

- 95 (7) "Large load facilities" means facilities and resources reasonably necessary, as
96 determined in an evaluation, to provide safe and reliable electric service as requested in
97 a large-scale service request, including the reasonably allocated share of facilities or
98 upgrades necessary to facilitate a transmission request from a qualified electric utility or
99 large-scale generation provider necessary to serve a large-scale service request.
- 100 (8) "Large load flexible tariff" means a tariff:
101 (a) pursuant to which a large load customer:
102 (i) will receive components of electric services from a large-scale service provider; or
103 (ii) will reduce demand at periods specified by a large-scale service provider; and
104 (b) under which a large load customer receives components of available electric services
105 from a qualified electric utility to the extent:
106 (i) the qualified electric utility's resources are reasonably expected to be available and
107 sufficient; and
108 (ii) as determined by:
109 (A) agreement with the qualified electric utility; or
110 (B) tariffs approved by the commission.
- 111 (9) "Large load incremental costs" means all costs reasonably necessary for:
112 (a) the design, engineering, procurement, construction, and completion of:
113 (i) large load facilities; and
114 (ii) any activities required to provide electric service under a large-scale service
115 request; and
116 (b) the long-term operation and maintenance of large load facilities for the duration of
117 any applicable service contract.
- 118 (10) "Large load service contract" means a contract for the provision of electric service for
119 a large-scale service request between:
120 (a) a qualified electric utility or a large-scale generation provider; and
121 (b) a large load customer.
- 122 (11) "Large-scale generation provider" means an entity that:
123 (a) is not a qualified electric utility;
124 (b) is registered with the commission in accordance with Section 54-26-501; and
125 (c) owns, operates, or contracts for the output of one or more qualifying generation
126 resources intended to be used to supply certain retail electric services to a large load
127 customer pursuant to a large load contract or a private generation contract.
- 128 (12) "Large-scale service request" means a request submitted to a qualified electric utility

- 129 for:
- 130 (a) new electric service that is expected to reach a cumulative demand of 100 megawatts
131 or greater within five years of the requested initial start date; or
- 132 (b) additional electric service that is expected to increase a customer's total service level
133 by 100 megawatts or greater within five years of the requested start date for the
134 additional service.
- 135 (13) "Private generation contract" means a contract for the provision of electric service
136 through a closed private generation system between:
- 137 (a) a large-scale generation provider; and
- 138 (b) a large load customer requesting new electric service that is expected to reach a
139 cumulative demand of 100 megawatts or greater within five years of the requested
140 initial start date.
- 141 (14) "Qualified electric utility" means a large-scale electric utility.
- 142 (15) "Qualifying generation resources" means one or more electric generating resources
143 that, in combination:
- 144 (a) if connected to the transmission system of a qualified electric utility:
- 145 (i) meets or exceeds the resource adequacy standards of the qualified electric utility;
146 (ii) includes sufficient resources and capacity to meet all requirements imposed by
147 the North American Electric Reliability Corporation and the Western Electricity
148 Coordinating Council; and
- 149 (iii) is capable of satisfying the load and electricity requirements of a large load
150 customer without drawing on any generation or generation services provided by a
151 qualified electric utility, any cooperative utility, municipal utility, or other utility
152 except to the extent such services are provided under a large load contract; or
- 153 (b) if not connected to the transmission system of a qualified electric utility:
- 154 (i) is capable of satisfying the load, transmission, and electricity requirements of a
155 large load customer without drawing on any generation or services provided by a
156 qualified electric utility, any cooperative utility, municipal utility, or other utility;
157 and
- 158 (ii) meets any other reliability standards established by the commission.
- 159 (16) "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 **54-26-102** is enacted to read:

166 **54-26-102 . Application.**

167 (1) The procedures and standards set forth in this chapter shall govern:

168 (a) large-scale service requests;

169 (b) services sought, provided, or received under either a large-scale service request or a
170 private generation service request;

171 (c) services provided through closed private generation systems under private generation
172 contracts; and

173 (d) the review and approval of large load contracts and private generation contracts.

174 (2) Electric service provided pursuant to a large-scale service request under this chapter is
175 exempt from:

176 (a) rate regulation under Section 54-3-1;

177 (b) the ratemaking provisions of Section 54-3-4;

178 (c) the tariff and schedule filing requirements under Section 54-3-2; and

179 (d) any other provision related to the regulation of rates, charges, or classifications of
180 service.

181 Section 3. Section **54-26-201** is enacted to read:

182 **Part 2. Service Request Process**

183 **54-26-201 . Large-scale service request requirements.**

184 (1) Except for large load customers seeking service under a private generation contract, a
185 large load customer seeking service under this chapter shall submit a large-scale service
186 request to the qualified electric utility serving the proposed location.

187 (2) A large-scale service request shall include:

188 (a) the customer's identifying information;

189 (b) the proposed location for electric service;

190 (c) the requested amount of electric demand in megawatts;

191 (d) a proposed service commencement date;

192 (e) load profile information, including:

193 (i) anticipated annual energy usage;

194 (ii) expected hours of operation;

195 (iii) seasonal variations;

196 (iv) peak demand requirements; and

- 197 (v) any special service requirements;
- 198 (f) information sufficient to demonstrate the financial capability to complete the large
- 199 load customer's project that is the subject of the large-scale service request; and
- 200 (g) confirmation that the customer will not use the electric service for resale.
- 201 (3) After submitting a large-scale service request and before entering into a large load
- 202 contract, a customer shall:
- 203 (a) ensure that all information submitted under this section remains current; and
- 204 (b) promptly notify the qualified electric utility of any material changes to information
- 205 submitted under this section.
- 206 (4) A large load customer satisfies the requirements of Subsection (1) of this section if the
- 207 large load customer submitted a large-scale service request consistent with the qualified
- 208 electric utility's then-existing requirements to the qualified electric utility prior to May 7,
- 209 2025.
- 210 Section 4. Section **54-26-202** is enacted to read:
- 211 **54-26-202 . Service request procedures -- Notice.**
- 212 (1) A qualified electric utility that receives a large-scale service request shall:
- 213 (a) acknowledge receipt of the request;
- 214 (b) notify the customer of any missing information within 15 business days after
- 215 beginning to process the request under Subsection (2); and
- 216 (c) complete an evaluation as soon as reasonably practicable after beginning the study
- 217 under Subsection (2), but in no case more than 6 months after beginning the
- 218 evaluation.
- 219 (2) A qualified electric utility shall begin processing large-scale service requests, including
- 220 conducting evaluations, no later than:
- 221 (a) April 1, for requests received after September 30 of the prior year and on or before
- 222 March 31; or
- 223 (b) October 1, for requests received after March 31 and on or before September 30.
- 224 (3) During the evaluation process, the qualified electric utility shall:
- 225 (a) provide the customer with regular updates; and
- 226 (b) notify the customer when the evaluation is completed.
- 227 (4) Within 15 business days after completing an evaluation, the qualified electric utility
- 228 shall provide to the customer a written service proposal that includes:
- 229 (a) whether the qualified electric utility can provide the requested service within the time
- 230 frame required by the customer;

- 231 (b) the estimated large load incremental costs that will be allocated to the customer,
 232 based on the information provided by the customer;
- 233 (c) any required:
- 234 (i) system upgrades;
 235 (ii) improvements; or
 236 (iii) transmission service requests;
- 237 (d) the estimated timeline for commencing the requested electric service; and
 238 (e) the proposed terms and conditions of service, including provisions for addressing
 239 long-term operation and maintenance costs for large load facilities.
- 240 (5) A qualified electric utility:
- 241 (a) may charge reasonable fees for costs incurred in:
- 242 (i) evaluating a large-scale service request; and
 243 (ii) necessary subsequent or related assessments; and
- 244 (b) is not required to begin work on an evaluation until the customer:
- 245 (i) pays applicable fees; and
 246 (ii) provides the information required to the qualified electric utility to conduct an
 247 evaluation.

248 Section 5. Section **54-26-301** is enacted to read:

249 **Part 3. Large Load and Private Generation Contracts**

250 **54-26-301 . Large load contract requirements.**

- 251 (1) Electric service for a large-scale service request shall be provided only under one or
 252 more large load contracts with:
- 253 (a) a qualified electric utility;
 254 (b) a large-scale generation provider; or
 255 (c) any combination of Subsections (1)(a) and (1)(b).
- 256 (2) A large load customer shall:
- 257 (a) contract for all of the customer's projected electrical requirements under the
 258 large-scale service request; and
- 259 (b) maintain contracts with resources or load shedding capabilities sufficient to meet the
 260 customer's actual electrical requirements at all times.
- 261 (3) A large load contract with a qualified electric utility shall:
- 262 (a) ensure that all large load incremental costs are allocated to and paid by the large load
 263 customer;
- 264 (b) comply with all system requirements;

- 265 (c) require the large load customer to maintain financial security sufficient to cover the
266 large load customer's obligations;
- 267 (d) specify:
- 268 (i) points of interconnection;
- 269 (ii) power delivery points;
- 270 (iii) the amount of electrical capacity contracted for;
- 271 (iv) the term of service; and
- 272 (v) any arrangements for backup power supply;
- 273 (e) provide curtailment provisions if the large load customer's demand exceeds the
274 amount of contractually supported demand;
- 275 (f) identify the incremental generation resources that the qualified electric utility will use
276 to serve the large load customer; and
- 277 (g) include provisions addressing the allocation and payment of long-term operation and
278 maintenance costs for large load facilities.
- 279 (4) A large load contract with a large-scale generation provider that provides service
280 through a connected electrical system shall:
- 281 (a) ensure that all large load incremental costs are allocated to and paid by the large load
282 customer;
- 283 (b) comply with all system requirements;
- 284 (c) specify:
- 285 (i) points of interconnection;
- 286 (ii) power delivery points;
- 287 (iii) the amount of electrical capacity contracted for;
- 288 (iv) the term of service; and
- 289 (v) any arrangements for backup power supply; and
- 290 (d) provide curtailment provisions if the large load customer's demand exceeds the
291 real-time dispatch of the large-scale generation provider's resources under the large
292 load contract, net of transmission losses.
- 293 (5) A qualified electric utility:
- 294 (a) has no duty to serve a large load customer except as explicitly provided in a large
295 load contract; and
- 296 (b) is not required to provide backup power to a large load customer except as explicitly
297 provided in a large load contract.
- 298 (6) A qualified electric utility may not be required to commence design and construction of

- 299 large load facilities until after:
 300 (a) executing a large load construction contract; and
 301 (b) obtaining commission approval in accordance with Section 54-26-302.
 302 (7) A qualified electric utility or large-scale generation provider shall:
 303 (a) obtain commission approval in accordance with Section 54-26-302 before providing
 304 electric service under a large load contract; and
 305 (b) negotiate the terms of a large load contract with a large load customer on a
 306 case-by-case basis.
 307 (8) Within 15 business days after executing a large load contract, a person executing the
 308 contract shall submit an application for approval to the commission for review under
 309 Section 54-26-302.

310 Section 6. Section **54-26-301.5** is enacted to read:

311 **54-26-301.5 . Private generation contracts.**

312 A customer seeking to receive electric service through a closed private generation
 313 system:

- 314 (1) may negotiate directly with a large-scale generation provider; and
 315 (2) is not required to submit a large-scale service request to a qualified electric utility.

316 Section 7. Section **54-26-302** is enacted to read:

317 **54-26-302 . Commission review -- Approval of contracts.**

- 318 (1) A qualified electric utility or a large-scale generation provider shall file an application
 319 with the commission for approval of a large load contract that includes:
 320 (a) a copy of the large load contract for which the applicant seeks review and approval;
 321 and
 322 (b) evidence sufficient to demonstrate compliance with Subsection (2)(b).
 323 (2) The commission shall approve a large load contract submitted under Subsection (1) if
 324 the commission finds by a preponderance of the evidence that:
 325 (a) the contract complies with the requirements of this chapter;
 326 (b) the large load customer bears all just and reasonable incremental costs attributable to
 327 receiving the requested electric service; and
 328 (c) existing ratepayers do not bear costs justly and reasonably attributable to providing
 329 electric service for the large load customer.
 330 (3) Commission review of a large load contract:
 331 (a) is limited to the requirements described in Subsection (2); and
 332 (b) does not include review of other contract terms.

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

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

337 Section 8. Section **54-26-401** is enacted to read:

338 **Part 4. Service Provider Obligations**

339 **54-26-401 . Qualified electric utility service obligations.**

340 (1) Subject to Subsection (2), a qualified electric utility has the sole right to provide electric
341 service to a large load customer in the qualified electric utility's service territory.

342 (2) A qualified electric utility:

343 (a) is not required to provide electric service:

344 (i) in response to a large-scale service request if:

345 (A) the large load customer has not complied with the requirements of this chapter;

346 (B) the qualified electric utility cannot provide the requested service within the
347 timeframe required by the large-scale service request;

348 (C) the large load customer and the qualified electric utility cannot agree upon
349 terms for a large load contract;

350 (D) the large load customer fails or refuses to comply with the requirements of a
351 large load contract; or

352 (E) the large load customer is receiving service from a large-scale generation
353 provider in accordance with Section 54-26-402; or

354 (ii) to a large load customer that receives service pursuant to a private generation
355 contract; and

356 (b) that does not agree to terms with a large load customer for a large load contract:

357 (i) has no right or duty to serve the large load customer;

358 (ii) is not required to provide ancillary or backup services to the large load customer;
359 and

360 (iii) is not required to provide any services to a large-scale generation provider.

361 Section 9. Section **54-26-402** is enacted to read:

362 **54-26-402 . Alternative service requirements.**

363 (1) A large load customer may enter into a large load contract with a large-scale generation
364 provider if:

365 (a) a qualified electric utility fails to complete an evaluation or provide a written
366 response within the time period specified in Section 54-26-202; or

367 (b) the qualified electric utility and large load customer cannot agree to a large load
 368 contract within 90 days after the day on which the large load customer receives the
 369 evaluation described in Section 54-26-202, unless the qualified electric utility and the
 370 large load customer mutually agree to a longer period of time.

371 (2) After submitting a large-scale service request, a large load customer:

372 (a) may negotiate a contract with one or more large-scale generation providers; and

373 (b) may not execute a contract with a large-scale generation provider unless the
 374 conditions described in Subsection (1) are met.

375 Section 10. Section **54-26-501** is enacted to read:

376 **Part 5. Large-Scale Generation Provider Requirements**

377 **54-26-501 . Large-scale generation provider requirements.**

378 (1) A large-scale generation provider shall:

379 (a) register with the commission before providing service to a large load customer;

380 (b) maintain any reasonable technical and financial qualifications required by the
 381 commission;

382 (c) provide service only through qualifying generation resources as required in this part;
 383 and

384 (d) post security:

385 (i) as reasonably negotiated with a large load customer;

386 (ii) as required by contract with a transmission provider; or

387 (iii) as required by the commission for services to be provided by a qualified electric
 388 utility.

389 (2) A large-scale generation provider shall submit to the commission:

390 (a) proof of compliance with Subsection (1);

391 (b) proof of financial capability as reasonably negotiated with the large load customer;

392 (c) the provider's operational history and experience;

393 (d) a description of the portfolio of qualifying generation resources the provider intends
 394 to use to serve the large load customer without reliance on any qualified electric
 395 utility, cooperative utility, municipal utility, or other utility except as provided under
 396 a large load contract; and

397 (e) documentation of:

398 (i) all required permits obtained for generating sources, including any environmental
 399 permits; and

400 (ii) the estimated impact of generating sources on the state implementation plan for

401 air quality.

402 Section 11. Section **54-26-502** is enacted to read:

403 **54-26-502 . Operating requirements -- Registration suspension.**

404 (1) A large-scale generation provider that fails to satisfy the requirements of this chapter:

405 (a) may not initiate new service to a large load customer;

406 (b) shall remedy any deficiencies within 90 days after the day on which the deficiency
407 arises; and

408 (c) may have reasonable conditions imposed by the commission on the provider's
409 registration status.

410 (2) If the commission suspends or revokes a large-scale generation provider's registration:

411 (a) the provider may not continue to provide service to a large load customer after the
412 large load customer has been given a reasonable opportunity to secure alternative
413 service arrangements; and

414 (b) the large load customer may not receive electric service from another large-scale
415 generation provider or a qualified electric utility except pursuant to agreement and
416 commission approval of the terms of a new large load contract consistent with this
417 chapter.

418 Section 12. Section **54-26-503** is enacted to read:

419 **54-26-503 . Transmission requirements.**

420 (1) If the provision of service to a large load customer requires transmission service:

421 (a) the qualified electric utility or the large-scale generation provider shall submit a
422 transmission service request to the transmission provider;

423 (b) to the fullest extent allowable under applicable federal law and regulations, the
424 large-scale generation provider or large load customer shall:

425 (i) pay for:

426 (A) any interconnection or transmission-related studies;

427 (B) any identified interconnection upgrades, transmission upgrades, network
428 upgrades, distribution system upgrades, or system upgrades; and

429 (C) the transmission service rates in the transmission provider's open access
430 transmission tariff; and

431 (ii) pay and provide for:

432 (A) ancillary services;

433 (B) balancing services; and

434 (C) backup services.

- 435 (2) Nothing in this section shall be construed to:
 436 (a) conflict with or supersede any applicable federal law, regulation, or order regarding
 437 transmission cost allocation; or
 438 (b) require cost allocation methods inconsistent with Federal Energy Regulatory
 439 Commission requirements or orders.
 440 (3) The commission shall review transmission cost allocation consistent with federal
 441 requirements and may establish rules for implementation of this section.

442 Section 13. Section **54-26-504** is enacted to read:

443 **54-26-504 . Closed private generation systems.**

- 444 (1)
 445 A large load customer may enter into a private generation contract for all needed electric
 446 services from a large-scale generation provider through a closed private generation
 447 system under terms and conditions acceptable to the large load customer and the
 448 large-scale generation provider.
 449 (2) A closed private generation system and a large-scale generation provider that provides
 450 service on or through a closed private generation system in accordance with this chapter:
 451 (a) are exempt from commission oversight or regulation as a public utility under this
 452 title;
 453 (b) shall ensure all generation, transmission, and related facilities remain wholly
 454 separate from facilities owned or operated by any qualified electric utility,
 455 cooperative utility, municipal utility, or other utility except to the extent authorized
 456 by this part; and
 457 (c) may connect to or receive services from a qualified electric utility only pursuant to a
 458 contract approved by the commission and consistent with Section 54-26-505.
 459 (3) The provision of service to a large load customer on or through a closed private
 460 generation system shall utilize qualified generation resources.
 461 (4) The commission may establish rules requiring appropriate notices and warnings
 462 regarding separation from the utility system.

463 Section 14. Section **54-26-505** is enacted to read:

464 **54-26-505 . Connected generation systems.**

- 465 (1) A large load customer may obtain all needed electric services from a large-scale
 466 generation provider through a connected generation system consistent with this chapter.
 467 (2) A large-scale generation provider may provide service on or through a connected
 468 generation system if the provider:

- 469 (a) registers with the commission in accordance with Section 54-26-501;
470 (b) uses only qualifying generation resources;
471 (c) maintains sufficient generation capacity to serve all contracted load;
472 (d) provides the commission with:
473 (i) system design and operational information;
474 (ii) emergency response procedures; and
475 (iii) notification of any changes in system configuration or operation; and
476 (e) maintains commercial liability insurance as required under Section 54-26-602.
477 (3) A large-scale generation provider that provides service on or through a connected
478 generation system consistent with the requirements of this chapter is exempt from
479 commission regulation as a public utility under this title.
480 (4) A closed private generation system or a large-scale generation provider that provides
481 service through a closed private generation system may connect to the interstate
482 transmission system of a transmission provider only if:
483 (a) the closed private generation system is interconnected to the interstate transmission
484 system pursuant to the transmission provider's Federal Energy Regulatory
485 Commission approved open access transmission tariff; and
486 (b) the commission determines that the closed private generation system or large-scale
487 generation provider has satisfied the requirements of this chapter for the provision of
488 service on or through a connected generation system.
489 (5) A closed private generation system or a large-scale generation provider that provides
490 service through a closed private generation system may receive services from a qualified
491 electric utility only if:
492 (a) the requirements of Subsection (4) are met; and
493 (b) the system or provider has an agreement with the qualified electric utility as
494 approved by the commission.
495 (6) A qualified electric utility:
496 (a) is not required to purchase or accept any power from a connected generation system;
497 and
498 (b) shall accept power from a connected generation system only as explicitly provided in
499 an agreement that has been approved by the commission.

500 Section 15. Section **54-26-601** is enacted to read:

501 **Part 6. Customer Requirements and Accounting**

502 **54-26-601 . Large load customer requirements -- Cost allocation.**

503 A large load customer shall pay all just and reasonable large load incremental costs
504 necessary to receive electric service, including the costs of:

505 (1) generation resources;

506 (2) distribution system upgrades;

507 (3) to the extent permitted by federal law, and, as applicable, approved by the Federal
508 Energy Regulatory Commission:

509 (a) transmission system improvements, including network upgrades; and

510 (b) interconnection facilities;

511 (4) transmission service; and

512 (5) other necessary infrastructure.

513 Section 16. Section **54-26-602** is enacted to read:

514 **54-26-602 . Accounting requirements -- Service standards.**

515 (1) A large-scale generation provider shall:

516 (a) maintain separate accounting records for all investments, revenues, and expenses
517 associated with large-scale service requests using generally accepted accounting
518 principles;

519 (b) take reasonable measures to ensure costs are properly allocated between large load
520 service and other customers;

521 (c) provide all contracted energy services without reliance on any qualified electric
522 utility, cooperative utility, municipal utility, or other utility except as provided under
523 a large load contract;

524 (d) meet all applicable North American Electric Reliability Corporation standards; and

525 (e) maintain reasonable commercial liability insurance as determined by contract or the
526 commission.

527 (2) A qualified electric utility shall:

528 (a) maintain separate accounting records for all investments, revenues, and expenses
529 associated with large-scale service requests using generally accepted accounting
530 principles; and

531 (b) take reasonable measures to ensure costs are properly allocated between large load
532 service and other operations.

533 (3) All revenues and large load incremental costs associated with a large-scale service
534 request shall be excluded from any rate determinations by the commission.

535 (4) In connection with any rate case or other appropriate proceeding before the commission,
536 a qualified electric utility shall provide:

- 537 (a) operational data identifying when and to what extent the incremental generation
538 resources identified in a large load contract pursuant to Subsection 54-26-301(3)(f)
539 were dispatched to serve large load customers;
- 540 (b) an identification of the timing, magnitude, and duration of:
- 541 (i) the qualified electric utility's dispatch of the resources described in Subsection
542 (4)(a);
- 543 (ii) any periods in which large load customers' loads exceeded the dispatch of
544 resources described in Subsection (4)(a); and
- 545 (iii) any periods in which the dispatch of resources described in Subsection (4)(a)
546 exceeded the large load customers' loads;
- 547 (c) the method by which costs for the provision of electric service from a qualified
548 electric utility to a large load customer will be excluded from rates paid by retail
549 customers; and
- 550 (d) any other information the commission requires to ensure that the costs associated
551 with service to a large load customer are excluded from the rates paid for by retail
552 customers.
- 553 (5) A qualified electric utility may not be required to publicly disclose specific revenue
554 information from individual large load customers in any proceeding described in
555 Subsection (4).

556 Section 17. Section **54-26-701** is enacted to read:

557 **Part 7. Large Load Flexible Tariffs**

558 **54-26-701 . Large load flexible tariffs.**

- 559 (1) The commission shall:
- 560 (a) investigate a large load flexible tariff for a qualified electric utility; and
- 561 (b) adopt a large load flexible tariff if the commission determines that the tariff is:
- 562 (i) just and reasonable; and
- 563 (ii) in the public interest.
- 564 (2) In conducting an investigation for a large load flexible tariff, the commission shall
565 consider:
- 566 (a) the conditions and times for the tariff;
- 567 (b) the means of determining the rates, terms, and conditions pursuant to which a
568 qualified electric utility may provide electric services to a large load customer; and
- 569 (c) the conditions under which a qualified electric utility may require a large load
570 customer to reduce or eliminate electric usage under the large flexible load tariff.

571 Section 18. Section **54-26-801** is enacted to read:

572 **Part 8. Application and Review**

573 **54-26-801 . Program duration.**

574 The provisions of this chapter apply only to:

- 575 (1) large load customers, large-scale generation providers or qualified electric utilities
 576 which enter into a large load service contract which provides for service to commence
 577 on or before December 31, 2034; and
 578 (2) large load customers and large-scale generation providers which enter into a private
 579 generation contract which provides for service to commence on or before December 31,
 580 2034.

581 Section 19. Section **54-26-802** is enacted to read:

582 **54-26-802 . Commission review.**

583 The commission shall:

- 584 (1) conduct a review of this chapter before October 31, 2027, and every three years
 585 thereafter;
 586 (2) conduct an investigation with stakeholder input and public comment and prepare a
 587 report that includes:
 588 (a) data on program participation;
 589 (b) analysis of impacts on electrical rates;
 590 (c) assessment of transmission system reliability; and
 591 (d) recommendations regarding whether to:
 592 (i) extend the program;
 593 (ii) modify program requirements; or
 594 (iii) allow the program to close to new participants; and
 595 (3) provide the report described in Subsection (2) and any recommendations to the Public
 596 Utilities, Energy, and Technology Interim Committee.

597 Section 20. Section **54-26-901** is enacted to read:

598 **Part 9. Transmission Cost Allocation**

599 **54-26-901 . Transmission cost allocation.**

- 600 (1) The commission shall:
 601 (a) conduct a proceeding to establish rules for the allocation of transmission costs
 602 between large load customers and retail customers for large load contracts executed
 603 on or after January 1, 2026;

- 604 (b) retain a qualified independent consultant with expertise in transmission cost
605 allocation methodologies to:
- 606 (i) analyze potential methodologies for transmission cost allocation, taking into
607 account the factors listed in Subsection (2); and
- 608 (ii) make recommendations to the commission; and
- 609 (c) issue a rule no later than January 1, 2026.
- 610 (2) In developing rules under Subsection (1), the commission shall consider:
- 611 (a) Federal Energy Regulatory Commission policies and precedents regarding
612 transmission cost allocation;
- 613 (b) the projected increase in electricity demand from large load customers;
- 614 (c) the incremental transmission costs required to serve large load customers;
- 615 (d) the economic development benefits associated with serving large load customers;
- 616 (e) the need to maintain just and reasonable rates for retail customers;
- 617 (f) the extent to which new large load facilities are required specifically to serve large
618 load customers;
- 619 (g) the extent to which large load customers utilize existing transmission infrastructure;
- 620 (h) methods to apportion costs based on cost causation and system benefits; and
- 621 (i) any other factors the commission determines are relevant to establishing a fair and
622 reasonable allocation of transmission costs.
- 623 (3) The commission may establish different cost allocation methodologies based on:
- 624 (a) the timing of large load customer interconnection;
- 625 (b) the size of the load being served;
- 626 (c) the cost causation attributable to various customer classes;
- 627 (d) the benefits accruing to various customer classes; or
- 628 (e) other relevant distinctions.
- 629 (4) Nothing in this section limits the commission's existing authority to determine just and
630 reasonable rates.
- 631 (5)(a) The commission shall impose and collect a fee from each large load customer that
632 submits a large-scale service request to cover the cost of:
- 633 (i) retaining qualified independent consultants and experts by the commission, the
634 Division of Public Utilities, and the Office of Consumer Services to evaluate
635 large-scale service requests and large load contracts; and
- 636 (ii) any other reasonable costs incurred in conducting proceedings and evaluations
637 under this chapter.

- 638 (b) The fee shall be:
- 639 (i) assessed on a semi-annual basis corresponding to the study periods established in
- 640 Section 54-26-202;
- 641 (ii) determined based on the anticipated needs given the number and complexity of
- 642 requests received in each study period; and
- 643 (iii) proportionately allocated among large load customers with pending requests.
- 644 (c) All fees collected under this subsection shall be:
- 645 (i) remitted to the state treasurer;
- 646 (ii) credited to the Public Utility Regulation Fee Account created in Section 54-5-1.5;
- 647 and
- 648 (iii) used exclusively for the purposes described in Subsection (5)(a).
- 649 Section 21. Section **63G-6a-107.6** is amended to read:
- 650 **63G-6a-107.6 . Exemptions from chapter.**
- 651 (1) Except for this Subsection (1), the provisions of this chapter do not apply to:
- 652 (a) a public entity's acquisition of a procurement item from another public entity;~~[or]~~
- 653 (b) a public entity that is not a procurement unit, including the Colorado River Authority
- 654 of Utah as provided in Section 63M-14-210~~[.]~~ ; or
- 655 (c) the retention of experts by:
- 656 (i) the Public Service Commission under Subsection 54-1-6(1)(a)(iii);
- 657 (ii) the Division of Public Utilities under Subsection 54-4a-3(2)(b); and
- 658 (iii) the Office of Consumer Services under Title 54, Chapter 10a, Office of
- 659 Consumer Services Act.
- 660 (2) Unless otherwise provided by statute and except for this Subsection (2), the provisions
- 661 of this chapter do not apply to the acquisition or disposal of real property or an interest
- 662 in real property.
- 663 (3) Except for this Subsection (3) and Part 24, Unlawful Conduct and Penalties, the
- 664 provisions of this chapter do not apply to:
- 665 (a) funds administered under the Percent-for-Art Program of the Utah Percent-for-Art
- 666 Act;
- 667 (b) a grant;
- 668 (c) medical supplies or medical equipment, including service agreements for medical
- 669 equipment, obtained by the University of Utah Hospital or the Department of Health
- 670 and Human Services through a purchasing consortium if:
- 671 (i) the consortium uses a competitive procurement process; and

- 672 (ii) the chief administrative officer of the hospital or the executive director of the
673 Department of Health and Human Services, as the case may be, makes a written
674 finding that the prices for purchasing medical supplies and medical equipment
675 through the consortium are competitive with market prices;
- 676 (d) the purchase of firefighting supplies or equipment by the Division of Forestry, Fire,
677 and State Lands, created in Section 65A-1-4, through the federal General Services
678 Administration or the National Fire Cache system;
- 679 (e) supplies purchased for resale to the public;
- 680 (f) activities related to the management of investments by a public entity granted
681 investment authority by law; or
- 682 (g) activities of the Utah water agent appointed under Section 73-10g-702.
- 683 (4) This chapter does not supersede the requirements for retention or withholding of
684 construction proceeds and release of construction proceeds as provided in Section 13-8-5.
- 685 (5) Except for this Subsection (5), the provisions of this chapter do not apply to a
686 procurement unit's hiring a mediator, arbitrator, or arbitration panel member to
687 participate in the procurement unit's dispute resolution efforts.

688 Section 22. **Effective Date.**

689 This bill takes effect on May 7, 2025.