

Scott D. Sandall proposes the following substitute bill:

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 establish a large load flexible tariff;
- ▶ directs the commission to establish rules for allocating transmission costs between large load customers and retail customers; 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:

29 None

30 **Utah Code Sections Affected:**

31 AMENDS:

32 **63G-6a-107.6**, as last amended by Laws of Utah 2024, Chapters 291, 522

33 ENACTS:

34 **54-26-101**, Utah Code Annotated 1953

35 **54-26-102**, Utah Code Annotated 1953

36 **54-26-201**, Utah Code Annotated 1953

37 **54-26-202**, Utah Code Annotated 1953

38 **54-26-301**, Utah Code Annotated 1953

39 **54-26-302**, Utah Code Annotated 1953

40 **54-26-401**, Utah Code Annotated 1953

41 **54-26-402**, Utah Code Annotated 1953

42 **54-26-501**, Utah Code Annotated 1953

43 **54-26-502**, Utah Code Annotated 1953

44 **54-26-503**, Utah Code Annotated 1953

45 **54-26-504**, Utah Code Annotated 1953

46 **54-26-505**, Utah Code Annotated 1953

47 **54-26-601**, Utah Code Annotated 1953

48 **54-26-602**, Utah Code Annotated 1953

49 **54-26-701**, Utah Code Annotated 1953

50 **54-26-801**, Utah Code Annotated 1953

51 **54-26-802**, Utah Code Annotated 1953

52 **54-26-901**, Utah Code Annotated 1953

53

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

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

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

57 **Part 1. General Provisions**

58 **54-26-101 . Definitions.**

59 As used in this chapter:

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

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

96 large-scale generation provider necessary to serve a large-scale service request.

97 (8) "Large load flexible tariff" means a tariff:

98 (a) pursuant to which a large load customer:

99 (i) will receive components of electric services from a large-scale service provider; or

100 (ii) will reduce demand at periods specified by a large-scale service provider; and

101 (b) under which a large load customer receives components of available electric services

102 from a qualified electric utility to the extent:

103 (i) the qualified electric utility's resources are reasonably expected to be available and

104 sufficient; and

105 (ii) as determined by:

106 (A) agreement with the qualified electric utility; or

107 (B) tariffs approved by the commission.

108 (9) "Large load incremental costs" means all costs reasonably necessary for:

109 (a) the design, engineering, procurement, construction, and completion of:

110 (i) large load facilities; and

111 (ii) any activities required to provide electric service under a large-scale service

112 request; and

113 (b) the long-term operation and maintenance of large load facilities for the duration of

114 any applicable service contract.

115 (10) "Large load service contract" means a contract for the provision of electric service for

116 a large-scale service request between:

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

118 (b) a large load customer.

119 (11) "Large-scale generation provider" means an entity that:

120 (a) is not a qualified electric utility;

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

122 (c) owns, operates, or contracts for the output of one or more qualifying generation

123 resources intended to be used to supply certain retail electric services to a large load

124 customer pursuant to a large load contract.

125 (12) "Large-scale service request" means a request submitted to a qualified electric utility

126 for:

127 (a) new electric service that is expected to reach a cumulative demand of 100 megawatts

128 or greater within five years of the requested initial start date; or

129 (b) additional electric service that is expected to increase a customer's total service level

- 130 by 100 megawatts or greater within five years of the requested start date for the
131 additional service.
- 132 (13) "Qualified electric utility" means a large-scale electric utility.
- 133 (14) "Qualifying generation resources" means one or more electric generating resources
134 that, in combination:
- 135 (a) if connected to the transmission system of a qualified electric utility:
- 136 (i) meets or exceeds the resource adequacy standards of the qualified electric utility;
137 (ii) includes sufficient resources and capacity to meet all requirements imposed by
138 the North American Electric Reliability Corporation and the Western Electricity
139 Coordinating Council, and
- 140 (iii) is capable of satisfying the load and electricity requirements of a large load
141 customer without drawing on any generation or generation services provided by a
142 qualified electric utility, any cooperative utility, municipal utility, or other utility
143 except to the extent such services are provided under a large load contract; or
- 144 (b) if not connected to the transmission system of a qualified electric utility:
- 145 (i) is capable of satisfying the load, transmission, and electricity requirements of a
146 large load customer without drawing on any generation or services provided by a
147 qualified electric utility, any cooperative utility, municipal utility, or other utility;
148 and
- 149 (ii) meets any other reliability standards established by the commission.
- 150 (15) "Transmission provider" means an entity that:
- 151 (a) owns, operates, or controls facilities located in the state that are used for the
152 transmission of electric energy at voltages above 100 kilovolts; or
- 153 (b) provides transmission service under a Federal Energy Regulatory
154 Commission-approved open access transmission tariff.
- 155 Section 2. Section **54-26-102** is enacted to read:
- 156 **54-26-102 . Application.**
- 157 (1) The procedures and standards set forth in this chapter shall govern:
- 158 (a) large-scale service requests;
159 (b) services sought, provided, or received under a large-scale service request; and
160 (c) the review and approval of large load contracts.
- 161 (2) Electric service provided pursuant to a large-scale service request under this chapter is
162 exempt from:
- 163 (a) rate regulation under Section 54-3-1;

- 164 (b) the ratemaking provisions of Section 54-3-4;
165 (c) the tariff and schedule filing requirements under Section 54-3-2; and
166 (d) any other provision related to the regulation of rates, charges, or classifications of
167 service.

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

169 **Part 2. Service Request Process**

170 **54-26-201 . Large-scale service request requirements.**

- 171 (1) A customer seeking service under this chapter shall submit a large-scale service request
172 to the qualified electric utility serving the proposed location.
173 (2) A large-scale service request shall include:
174 (a) the customer's identifying information;
175 (b) the proposed location for electric service;
176 (c) the requested amount of electric demand in megawatts;
177 (d) a proposed service commencement date;
178 (e) load profile information, including:
179 (i) anticipated annual energy usage;
180 (ii) expected hours of operation;
181 (iii) seasonal variations;
182 (iv) peak demand requirements; and
183 (v) any special service requirements;
184 (f) information sufficient to demonstrate the financial capability to complete the large
185 load customer's project that is the subject of the large-scale service request; and
186 (g) confirmation that the customer will not use the electric service for resale.
187 (3) After submitting a large-scale service request and before entering into a large load
188 contract, a customer shall:
189 (a) ensure that all information submitted under this section remains current; and
190 (b) promptly notify the qualified electric utility of any material changes to information
191 submitted under this section.
192 (4) A large load customer satisfies the requirements of Subsection (1) of this section if the
193 large load customer submitted a large-scale service request consistent with the qualified
194 electric utility's then-existing requirements to the qualified electric utility prior to May 7,
195 2025.

196 Section 4. Section **54-26-202** is enacted to read:

197 **54-26-202 . Service request procedures -- Notice.**

- 198 (1) A qualified electric utility that receives a large-scale service request shall:
199 (a) acknowledge receipt of the request;
200 (b) notify the customer of any missing information within 15 business days after
201 beginning to process the request under Subsection (2); and
202 (c) complete an evaluation as soon as reasonably practicable after beginning the study
203 under Subsection (2), but in no case more than 6 months after beginning the
204 evaluation.
- 205 (2) A qualified electric utility shall begin processing large-scale service requests, including
206 conducting evaluations, no later than:
207 (a) January 1, for requests received after June 30 and on or before December 31 of the
208 previous year; or
209 (b) July 1, for requests received after December 31 of the previous year and on or before
210 June 30 of the same year.
- 211 (3) During the evaluation process, the qualified electric utility shall:
212 (a) provide the customer with regular updates; and
213 (b) notify the customer when the evaluation is completed.
- 214 (4) Within 15 business days after completing an evaluation, the qualified electric utility
215 shall provide to the customer a written service proposal that includes:
216 (a) whether the qualified electric utility can provide the requested service within the time
217 frame required by the customer;
218 (b) the estimated large load incremental costs that will be allocated to the customer,
219 based on the information provided by the customer;
220 (c) any required:
221 (i) system upgrades;
222 (ii) improvements; or
223 (iii) transmission service requests;
224 (d) the estimated timeline for commencing the requested electric service; and
225 (e) the proposed terms and conditions of service, including provisions for addressing
226 long-term operation and maintenance costs for large load facilities..
- 227 (5) A qualified electric utility:
228 (a) may charge reasonable fees for costs incurred in:
229 (i) evaluating a large-scale service request; and
230 (ii) necessary subsequent or related assessments; and
231 (b) is not required to begin work on an evaluation until the customer:

- 232 (i) pays applicable fees; and
233 (ii) provides the information required to the qualified electric utility to conduct an
234 evaluation.

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

236 **Part 3. Large Load Contracts**

237 **54-26-301 . Large load contract requirements.**

- 238 (1) Electric service for a large-scale service request shall be provided only under one or
239 more large load contracts with:
240 (a) a qualified electric utility;
241 (b) a large-scale generation provider; or
242 (c) any combination of Subsections (1)(a) and (1)(b).
- 243 (2) A large load customer shall:
244 (a) contract for all of the customer's projected electrical requirements under the
245 large-scale service request; and
246 (b) maintain contracts with resources or load shedding capabilities sufficient to meet the
247 customer's actual electrical requirements at all times.
- 248 (3) A large load contract with a qualified electric utility shall:
249 (a) ensure that all large load incremental costs are allocated to and paid by the large load
250 customer;
251 (b) comply with all system requirements;
252 (c) require the large load customer to maintain financial security sufficient to cover the
253 large load customer's obligations;
254 (d) specify:
255 (i) points of interconnection;
256 (ii) power delivery points;
257 (iii) the amount of electrical capacity contracted for;
258 (iv) the term of service; and
259 (v) any arrangements for backup power supply;
260 (e) provide curtailment provisions if the large load customer's demand exceeds the
261 amount of contractually supported demand;
262 (f) identify the incremental generation resources that the qualified electric utility will use
263 to serve the large load customer; and
264 (g) include provisions addressing the allocation and payment of long-term operation and
265 maintenance costs for large load facilities.

- 266 (4) A large load contract with a large-scale generation provider that provides service
267 through a connected electrical system shall:
- 268 (a) ensure that all large load incremental costs are allocated to and paid by the large load
269 customer;
- 270 (b) comply with all system requirements;
- 271 (c) specify:
- 272 (i) points of interconnection;
- 273 (ii) power delivery points;
- 274 (iii) the amount of electrical capacity contracted for;
- 275 (iv) the term of service; and
- 276 (v) any arrangements for backup power supply; and
- 277 (d) provide curtailment provisions if the large load customer's demand exceeds the
278 real-time out put, net of transmission losses.
- 279 (5) A large load contract with a large-scale generation provider that provides service
280 through a closed private generation system shall ensure that all large load incremental
281 costs are allocated to and paid by the large load customer or the large-scale generation
282 provider.
- 283 (6) A qualified electric utility:
- 284 (a) has no duty to serve a large load customer except as explicitly provided in a large
285 load contract; and
- 286 (b) is not required to provide backup power to a large load customer except as explicitly
287 provided in a large load contract.
- 288 (7) A qualified electric utility may not be required to commence design and construction of
289 large load facilities until after:
- 290 (a) executing a large load construction contract; and
- 291 (b) obtaining commission approval in accordance with Section 54-26-302.
- 292 (8) A qualified electric utility or large-scale generation provider shall:
- 293 (a) obtain commission approval in accordance with Section 54-26-302 before providing
294 electric service under a large load contract; and
- 295 (b) negotiate the terms of a large load contract with a large load customer on a
296 case-by-case basis.
- 297 (9) Within 15 business days after executing a large load contract, a person executing the
298 contract shall submit an application for approval to the commission for review under
299 Section 54-26-302.

300 Section 6. Section **54-26-302** is enacted to read:

301 **54-26-302 . Commission review -- Approval of contracts.**

- 302 (1) A qualified electric utility or a large-scale generation provider shall file an application
303 with the commission for approval of a large load contract that includes:
304 (a) a copy of the large load contract for which the applicant seeks review and approval;
305 and
306 (b) evidence sufficient to demonstrate compliance with Subsection (2)(b).
307 (2) The commission shall approve a large load contract submitted under Subsection (1) if
308 the commission finds by a preponderance of the evidence that:
309 (a) the contract complies with the requirements of this chapter;
310 (b) the large load customer bears all just and reasonable incremental costs attributable to
311 receiving the requested electric service; and
312 (c) existing ratepayers do not bear costs justly and reasonably attributable to providing
313 electric service for the large load customer.
314 (3) Commission review of a large load contract:
315 (a) is limited to the requirements described in Subsection (2); and
316 (b) does not include review of other contract terms.
317 (4) The commission shall approve or disapprove an application submitted under this section
318 within 60 days after the day on which a person files the application.
319 (5) The commission may establish rules to expedite the review of applications for approval
320 of a large load contract under this chapter.

321 Section 7. Section **54-26-401** is enacted to read:

322 **Part 4. Service Provider Obligations**

323 **54-26-401 . Qualified electric utility service obligations.**

- 324 (1) Subject to Subsection (2), a qualified electric utility has the sole right to provide electric
325 service to a large load customer in the qualified electric utility's service territory.
326 (2) A qualified electric utility:
327 (a) is not required to provide electric service in response to a large-scale service request
328 if:
329 (i) the large load customer has not complied with the requirements of this chapter;
330 (ii) the qualified electric utility cannot provide the requested service within the
331 timeframe required by the large-scale service request;
332 (iii) the large load customer and the qualified electric utility cannot agree upon terms
333 for a large load contract;

- 334 (iv) the large load customer fails or refuses to comply with the requirements of a
 335 large load contract; or
 336 (v) the large load customer is receiving service from a large-scale generation provider
 337 in accordance with Section 54-26-402; and
 338 (b) that does not agree to terms with a large load customer for a large load contract:
 339 (i) has no right or duty to serve the large load customer;
 340 (ii) is not required to provide ancillary or backup services to the large load customer;
 341 and
 342 (iii) is not required to provide any services to a large-scale generation provider.

343 Section 8. Section **54-26-402** is enacted to read:

344 **54-26-402 . Alternative service requirements.**

- 345 (1) A large load customer may enter into a large load contract with a large-scale generation
 346 provider if:
 347 (a) a qualified electric utility fails to complete an evaluation or provide a written
 348 response within the time period specified in Section 54-26-202; or
 349 (b) the qualified electric utility and large load customer cannot agree to a large load
 350 contract within 90 days after the day on which the large load customer receives the
 351 evaluation described in Section 54-26-202, unless the qualified electric utility and the
 352 large load customer mutually agree to a longer period of time.
 353 (2) After submitting a large-scale service request, a large load customer:
 354 (a) may negotiate a contract with one or more large-scale generation providers; and
 355 (b) may not execute a contract with a large-scale generation provider unless the
 356 conditions described in Subsection (1) are met.

357 Section 9. Section **54-26-501** is enacted to read:

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

359 **54-26-501 . Large-scale generation provider requirements.**

- 360 (1) A large-scale generation provider shall:
 361 (a) register with the commission before providing service to a large load customer;
 362 (b) maintain any reasonable technical and financial qualifications required by the
 363 commission;
 364 (c) provide service only through qualifying generation resources as required in this part;
 365 and
 366 (d) post security:
 367 (i) as reasonably negotiated with a large load customer;

368 (ii) as required by contract with a transmission provider; or
369 (iii) as required by the commission for services to be provided by a qualified electric
370 utility.

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

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

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

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

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

379 (e) documentation of

380 (i) all required permits, including any environmental permits, obtained for qualifying
381 generation resources; and

382 (ii) any estimated impact of qualifying generation resources on the state
383 implementation plan for air quality.

384 Section 10. Section **54-26-502** is enacted to read:

385 **54-26-502 . Operating requirements -- Registration suspension.**

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

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

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

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

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

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

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

400 Section 11. Section **54-26-503** is enacted to read:

401 **54-26-503 . Transmission requirements.**

- 402 (1) If the provision of service to a large load customer requires transmission service:
403 (a) the qualified electric utility or the large-scale generation provider shall submit a
404 transmission service request to the transmission provider;
405 (b) to the fullest extent allowable under applicable federal law and regulations, the
406 large-scale generation provider or large load customer shall:
407 (i) pay for:
408 (A) any interconnection or transmission-related studies;
409 (B) any identified interconnection upgrades, transmission upgrades, network
410 upgrades, distribution system upgrades, or system upgrades; and
411 (C) the transmission service rates in the transmission provider's open access
412 transmission tariff; and
413 (ii) pay and provide for:
414 (A) ancillary services;
415 (B) balancing services; and
416 (C) backup services.
- 417 (2) Nothing in this section shall be construed to:
418 (a) conflict with or supersede any applicable federal law or regulation regarding
419 transmission cost allocation; or
420 (b) require cost allocation methods inconsistent with Federal Energy Regulatory
421 Commission requirements or orders.
- 422 (3) The commission shall review transmission cost allocation consistent with federal
423 requirements and may establish rules for implementation of this section.
- 424 Section 12. Section **54-26-504** is enacted to read:
425 **54-26-504 . Closed private generation systems.**
- 426 (1)
427 A large load customer may establish and operate or contract for all needed electric
428 services from a large-scale generation provider through a closed private generation
429 system under terms and conditions acceptable to the large load customer and the
430 large-scale generation provider if the large load customer meets the conditions described
431 in Section 54-26-402.
- 432 (2) A closed private generation system and a large-scale generation provider that provides
433 service on or through a closed private generation system in accordance with this chapter:
434 (a) are exempt from commission oversight or regulation as a public utility under this
435 title;

- 436 (b) shall ensure all generation, transmission, and related facilities remain wholly
437 separate from facilities owned or operated by any qualified electric utility,
438 cooperative utility, municipal utility, or other utility except to the extent authorized
439 by this part; and
- 440 (c) may connect to or receive services from a qualified electric utility, cooperative
441 utility, municipal utility, or other utility only pursuant to a contract approved by the
442 commission and consistent with Section 54-26-505.

443 (3) The provision of service to a large load customer on or through a closed private
444 generation system shall utilize qualified generation resources.

445 (4) The commission may establish rules requiring appropriate notices and warnings
446 regarding separation from the utility system.

447 Section 13. Section **54-26-505** is enacted to read:

448 **54-26-505 . Connected generation systems.**

449 (1) A large load customer may obtain all needed electric services from a large-scale
450 generation provider through a connected generation system consistent with this chapter.

451 (2) A large-scale generation provider may provide service on or through a connected
452 generation system if the provider:

453 (a) registers with the commission in accordance with Section 54-26-501;

454 (b) uses only qualifying generation resources;

455 (c) maintains sufficient generation capacity to serve all contracted load;

456 (d) provides the commission with:

457 (i) system design and operational information;

458 (ii) emergency response procedures; and

459 (iii) notification of any changes in system configuration or operation; and

460 (e) maintains commercial liability insurance as required under Section 54-26-602.

461 (3) A large-scale generation provider that provides service on or through a connected
462 generation system consistent with the requirements of this chapter is exempt from
463 commission regulation as a public utility under this title.

464 (4) A closed private generation system or a large-scale generation provider that provides
465 service through a closed private generation system may connect to the interstate
466 transmission system of a transmission provider only if:

467 (a) the closed private generation system is interconnected to the interstate transmission
468 system pursuant to the transmission provider's Federal Energy Regulatory
469 Commission approved open access transmission tariff; and

470 (b) the commission determines that the closed private generation system or large-scale
 471 generation provider has satisfied the requirements of this chapter for the provision of
 472 service on or through a connected generation system.

473 (5) A closed private generation system or a large-scale generation provider that provides
 474 service through a closed private generation system may receive services from a qualified
 475 electric utility only if:

476 (a) the requirements of Subsection (4) are met; and

477 (b) the system or provider has an agreement with the qualified electric utility as
 478 approved by the commission.

479 (6) A qualified electric utility:

480 (a) is not required to purchase or accept any power from a connected generation system;
 481 and

482 (b) shall accept power from a connected generation system only as explicitly provided in
 483 an agreement that has been approved by the commission.

484 Section 14. Section **54-26-601** is enacted to read:

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

486 **54-26-601 . Large load customer requirements -- Cost allocation.**

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

489 (1) generation resources;

490 (2) distribution system upgrades;

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

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

494 (b) interconnection facilities;

495 (4) transmission service; and

496 (5) other necessary infrastructure.

497 Section 15. Section **54-26-602** is enacted to read:

498 **54-26-602 . Accounting requirements -- Service standards.**

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

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

503 (b) take reasonable measures to ensure costs are properly allocated between large load

- 504 service and other customers;
- 505 (c) provide all contracted energy services without reliance on any qualified electric
- 506 utility, cooperative utility, municipal utility, or other utility except as provided under
- 507 a large load contract;
- 508 (d) meet all applicable North American Electric Reliability Corporation standards; and
- 509 (e) maintain reasonable commercial liability insurance as determined by contract or the
- 510 commission.
- 511 (2) A qualified electric utility shall:
- 512 (a) maintain separate accounting records for all investments, revenues, and expenses
- 513 associated with large-scale service requests using generally accepted accounting
- 514 principles; and
- 515 (b) take reasonable measures to ensure costs are properly allocated between large load
- 516 service and other operations.
- 517 (3) All revenues and large load incremental costs associated with a large-scale service
- 518 request shall be excluded from any rate determinations by the commission.
- 519 (4) In connection with any rate case or other appropriate proceeding before the commission,
- 520 a qualified electric utility shall provide:
- 521 (a) operational data identifying when and to what extent the incremental generation
- 522 resources identified in a large load contract pursuant to Subsection 54-26-301(3)(f)
- 523 were used to serve large load customers;
- 524 (b) an identification of the timing, magnitude, and duration of:
- 525 (i) the qualified electric utility's dispatch of the resources described in Subsection
- 526 (4)(a);
- 527 (ii) any periods in which utilization by large load customers exceeded the resources
- 528 described in Subsection (4)(a); and
- 529 (iii) any periods in which the resources described in Subsection (4)(a) exceeded the
- 530 utilization by large load customers;
- 531 (c) the method by which costs for the provision of electric service from a qualified
- 532 electric utility to a large load customer will be excluded from rates paid by retail
- 533 customers; and
- 534 (d) any other information the commission requires to ensure that the costs associated
- 535 with service to a large load customer are excluded from the rates paid for by retail
- 536 customers.
- 537 (5) A qualified electric utility may not be required to publicly disclose specific revenue

538 information from individual large load customers in any proceeding described in
539 Subsection (4).

540 Section 16. Section **54-26-701** is enacted to read:

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

542 **54-26-701 . Large load flexible tariffs.**

543 (1) The commission shall:

544 (a) investigate a large load flexible tariff for a qualified electric utility; and

545 (b) adopt a large load flexible tariff if the commission determines that the tariff is:

546 (i) just and reasonable; and

547 (ii) in the public interest.

548 (2) In conducting an investigation for a large load flexible tariff, the commission shall
549 consider:

550 (a) the conditions and times for the tariff;

551 (b) the means of determining the rates, terms, and conditions pursuant to which a
552 qualified electric utility may provide electric services to a large load customer; and

553 (c) the conditions under which a qualified electric utility may require a large load
554 customer to reduce or eliminate electric usage under the large flexible load tariff.

555 Section 17. Section **54-26-801** is enacted to read:

556 **Part 8. Application and Review**

557 **54-26-801 . Application.**

558 The provisions of this chapter apply only to large load customers, large-scale generation
559 providers, or qualified electric utilities which enter into a large load service contract which
560 provides for service to commence on or before December 31, 2034.

561 Section 18. Section **54-26-802** is enacted to read:

562 **54-26-802 . Commission review.**

563 The commission shall:

564 (1) conduct a review of this chapter before October 31, 2027, and every three years
565 thereafter;

566 (2) conduct an investigation with stakeholder input and public comment and prepare a
567 report that includes:

568 (a) data on program participation;

569 (b) analysis of impacts on electrical rates;

570 (c) assessment of transmission system reliability; and

- 571 (d) recommendations regarding whether to:
572 (i) extend the program;
573 (ii) modify program requirements; or
574 (iii) allow the program to close to new participants; and
575 (e) provide the report described in this Subsection (2) and any recommendations to the
576 Public Utilities, Energy, and Technology Interim Committee.

577 Section 19. Section **54-26-901** is enacted to read:

578 **Part 9. Transmission Cost Allocation**

579 **54-26-901 . Transmission cost allocation.**

- 580 (1) The commission shall:
581 (a) conduct a proceeding to establish rules for the allocation of transmission costs
582 between large load customers and retail customers;
583 (b) retain a qualified independent consultant with expertise in transmission cost
584 allocation methodologies to:
585 (i) analyze potential methodologies for transmission cost allocation;
586 (ii) consider the impact of projected large load growth on the transmission system;
587 (iii) evaluate the economic impacts of various cost allocation approaches; and
588 (iv) make recommendations to the commission; and
589 (c) issue a rule no later than January 1, 2026.
- 590 (2) In developing rules under Subsection (1), the commission shall consider:
591 (a) Federal Energy Regulatory Commission policies and precedents regarding
592 transmission cost allocation;
593 (b) the projected increase in electricity demand from large load customers;
594 (c) the economic development benefits associated with serving large load customers;
595 (d) the need to maintain just and reasonable rates for retail customers;
596 (e) the extent to which new transmission infrastructure is required specifically to serve
597 large load customers;
598 (f) the extent to which large load customers utilize existing transmission infrastructure;
599 (g) methods to apportion costs based on causation and system benefits; and
600 (h) any other factors the commission determines are relevant to establishing a fair and
601 reasonable allocation of transmission costs.
- 602 (3) The commission may:
603 (a) establish different cost allocation methodologies based on:
604 (i) the timing of large load customer interconnection;

- 605 (ii) the size of the load being served;
606 (iii) the benefits accruing to various customer classes; or
607 (iv) other relevant distinctions; and
- 608 (b) consider phased-in approaches that balance economic development with consumer
609 protection.
- 610 (4) Nothing in this section limits the commission's existing authority to determine just and
611 reasonable rates.
- 612 (5)(a) The commission shall impose and collect a fee from each large load customer that
613 submits a large-scale service request to cover the cost of:
- 614 (i) retaining qualified independent consultants and experts by the commission, the
615 Division of Public Utilities, and the Office of Consumer Services to evaluate
616 large-scale service requests and large load contracts; and
- 617 (ii) any other reasonable costs incurred in conducting proceedings and evaluations
618 under this chapter.
- 619 (b) The fee shall be:
- 620 (i) assessed on a semi-annual basis corresponding to the study periods established in
621 Section 54-26-202;
- 622 (ii) determined based on the anticipated needs given the number and complexity of
623 requests received in each study period; and
- 624 (iii) proportionately allocated among large load customers with pending requests.
- 625 (c) All fees collected under this subsection shall be:
- 626 (i) remitted to the state treasurer;
- 627 (ii) credited to the Public Utility Regulation Fee Account created in Section 54-5-1.5;
628 and
- 629 (iii) used exclusively for the purposes described in Subsection (5)(a).
- 630 Section 20. Section **63G-6a-107.6** is amended to read:
- 631 **63G-6a-107.6 . Exemptions from chapter.**
- 632 (1) Except for this Subsection (1), the provisions of this chapter do not apply to:
- 633 (a) a public entity's acquisition of a procurement item from another public entity; [øf]
- 634 (b) a public entity that is not a procurement unit, including the Colorado River Authority
635 of Utah as provided in Section 63M-14-210[-] ; or
- 636 (c) the retention of experts by:
- 637 (i) the Public Service Commission under Subsection 54-1-6(1)(a)(iii);
- 638 (ii) the Division of Public Utilities under Subsection 54-4a-3(2)(b); and

- 639 (iii) the Office of Consumer Services under Title 54, Chapter 10a, Office of
640 Consumer Services Act.
- 641 (2) Unless otherwise provided by statute and except for this Subsection (2), the provisions
642 of this chapter do not apply to the acquisition or disposal of real property or an interest
643 in real property.
- 644 (3) Except for this Subsection (3) and Part 24, Unlawful Conduct and Penalties, the
645 provisions of this chapter do not apply to:
- 646 (a) funds administered under the Percent-for-Art Program of the Utah Percent-for-Art
647 Act;
- 648 (b) a grant;
- 649 (c) medical supplies or medical equipment, including service agreements for medical
650 equipment, obtained by the University of Utah Hospital or the Department of Health
651 and Human Services through a purchasing consortium if:
- 652 (i) the consortium uses a competitive procurement process; and
- 653 (ii) the chief administrative officer of the hospital or the executive director of the
654 Department of Health and Human Services, as the case may be, makes a written
655 finding that the prices for purchasing medical supplies and medical equipment
656 through the consortium are competitive with market prices;
- 657 (d) the purchase of firefighting supplies or equipment by the Division of Forestry, Fire,
658 and State Lands, created in Section 65A-1-4, through the federal General Services
659 Administration or the National Fire Cache system;
- 660 (e) supplies purchased for resale to the public;
- 661 (f) activities related to the management of investments by a public entity granted
662 investment authority by law; or
- 663 (g) activities of the Utah water agent appointed under Section 73-10g-702.
- 664 (4) This chapter does not supersede the requirements for retention or withholding of
665 construction proceeds and release of construction proceeds as provided in Section 13-8-5.
- 666 (5) Except for this Subsection (5), the provisions of this chapter do not apply to a
667 procurement unit's hiring a mediator, arbitrator, or arbitration panel member to
668 participate in the procurement unit's dispute resolution efforts.

669 Section 21. **Effective Date.**

670 This bill takes effect on May 7, 2025.