

EXHIBIT 2

UAE Draft Proposal (Aug. 27, 2025)

Proposed Initial Draft Rules Effectuating SB 132

UAE presents this Initial Draft of Rules Effectuating SB 132 for the convenience and review of parties.

| <u>Requirement</u> | <u>Proposed rule section(s)</u> |
|---|---------------------------------|
| 54-26-901: Transmission cost allocation. “shall establish” | R746-XX2 et seq. |
| 54-26-302: Expedited review of applications. “may establish”. list of issues). | R746-XX1-5 |
| 54-26-503: Transmission service requests (implementation of Section 503). “may establish”. | R746-XX2 et seq. |
| 54-26-504(4): The Commission “may establish rules requiring appropriate notices and warnings regarding separation from the utility system” for Closed Private Generation Systems. | R746-XX5-3 |
| 54-26-501(1)(a) requires a Large-Scale Generation Provider to register with the Commission, maintain reasonable technical and financial qualifications “required by the commission”, and provide service only through “qualifying generation resources” to qualify to provide service to a Large Load Customer. | R746-XX3 et seq. |
| 54-26-602(4)(d): Accounting Requirements: a utility “shall provide... any other information the commission requires to ensure that the costs associated with service to a Large Load Customer are excluded from the rates paid for by retail customers.” | R746-XX1-4(6) |

R746-XX1 GENERAL COMMISSION REQUIREMENTS

R746-XX1-1. Authority

This rule is adopted under Utah Code Sections 54-1-1, 54-26-302, 54-26-503, 54-26-504, 54-26-602, and 54-26-901.

R746-XX1-2. Definitions

- (1) “Applicant” means a party who files an Application for Commission approval of a Large Load Contract as those terms are defined in Utah Code § 54-26-101.
- (2) “Application” means an Application for Commission approval of a Large Load Contract.
- (3) “Commission” is defined in Utah Code § 54-2-1(4).
- (4) Capitalized terms not defined in this Section have the meaning provided in Utah Code Ann. § 54-26-101.
- (5) Definitions in this Section apply to each Section of R746-XXX et seq.
- (6) “Person” is defined in Utah Code § 54-2-2.

R746-XX1-3. Applicability

- (1) This rule applies to Applications for Commission approval of Large Load Contracts.
- (2) This rule governs the process by which the Commission shall review Applications for approval of all Large Load Contracts.

R746-XX1-4. General Requirements for Filing an Application for Approval of a Large Load Contract

- (1) An Application for Commission approval of a Large Load Contract must be filed within fifteen business days of execution of the contract.
- (2) An Application for Commission approval of a Large Load Contract may be filed by any party to the contract.
- (3) Non-confidential portions of an Application for Commission approval of a Large Load Contract to which the Qualified Electric Utility is not a party shall be served upon the Qualified Electric Utility on the same day it is filed with the Commission.
- (4) An Application to the Commission for approval of a Large-Load Contract shall be accompanied by:

- (a) Evidence that the Large Load Customer meets all requirements of Utah Code Title 54 Chapter 26, including that the project is expected to reach a cumulative demand of 100 megawatts or greater within five years;
 - (b) A copy of the fully executed Large Load Contract at issue;
 - (c) Evidence that the Large Load Contract meets all requirements of Utah Code Title 54 Chapter 26;
 - (d) A description of how the addition of the Large Load Customer's use will impact the Qualified Electric Utility's system, including the projected increase in electricity demand from the Qualified Electric Utility, if any, to serve the Large Load Customer;
 - (e) Evidence sufficient to allow the Commission to determine the just and reasonable Large Load Incremental Costs necessary for the Large Load Customer to receive electric service, as set forth in Utah Code § 54-26-601.
- (5) For Large Load Contracts with a Large-Scale Generation Provider, the Applicant must provide evidence to demonstrate that the requirements of Utah Code Section 54-26-402(1) have been met.
- (6) For Large Load Contracts with the Qualified Electric Utility, the Application must include a methodology for how the Qualified Electric Utility will maintain separate accounting records demonstrating that costs will be directly assigned to the Large Load Customer. This methodology will be provided by the Qualified Electric Utility.
- (7) Spreadsheets provided in support of an Application should have all formulae intact.

R746-XX1-5. Process for Approval of a Large-Load Contract

- (1) The Commission shall approve or disapprove an Application for review of a Large Load Contract within 60 days of the Application being filed.
- (2) A party to an Application may seek expedited Commission approval.
- (3) An Applicant seeking expedited review of an Application must demonstrate why the statutory 60-day time frame is insufficient and good cause exists for expedited consideration of the Application.
- (4) Any Person may file initial comments regarding the Application within 20 days of the date the Application is filed. Any Person may file reply comments in response to the initial comments within 10 days of the filing of the initial comments.

R746-XX2 TRANSMISSION AND LARGE-SCALE GENERATOR REQUIREMENTS

R746-XX2-1. Authority

This rule is adopted under Utah Code Sections 54-1-1, 54-26-503, and 54-26-901.

R746-XX2-2. Applicability

- (1) This rule applies to the provision of service to a Large Load Customer that requires transmission service from the Transmission Provider, including Large Load Customer transmission service requests related to:
 - (a) Large Load Service Contracts between a Large Load Customer and the Qualified Electric Utility or a Large-Scale Generation Provider; or
 - (b) Large Load Construction Contracts between a Large Load Customer and the Qualified Electric Utility or a Large-Scale Generation Provider.
- (2) This rule provides methods by which the Commission shall review cost allocation of associated transmission requests, which methods are consistent with federal requirements.

R746-XX2-3. General Requirements for Cost Allocation of Transmission Service

- (1) From and after January 1, 2026, a Large Load Contract shall identify the reasonably allocated share of facilities or upgrades necessary to facilitate a transmission service request from a Qualified Electric Utility or Large-Scale Generation Provider necessary to serve a Large-Scale Service Request.
- (2) A reasonable allocation of facilities or upgrades referenced in Subsection (1) shall adhere to the following principles:
 - (a) the Large Load Customer shall bear all just and reasonable incremental costs attributable to receiving the requested electric service;
 - (b) the Large Load Customer shall not be charged for network upgrades that are not triggered by the system impact study conducted in response to the transmission service request related to the Large Load Customer's load request;
 - (c) the Large Load Customer shall not be charged for the capital costs of projects that a Qualified Electric Utility has already included in its long-term transmission plan

- at the time of submission of the transmission service request related to the Large Load Customer's load request;
- (d) the Large Load Customer shall not be charged for transmission facility capital costs of projects that have previously been assigned to an *active* load request, generator interconnection request, or transmission service request; and
 - (e) the Large Load Customer shall only be charged for a pro rata portion of the capacity made available by a new transmission facility based on the Large Load Customer's electrical contribution, or distribution factor.
- (3) From and after January 1, 2025, an Application for Commission approval of a Large Load Contract that provides a Large Load Customer transmission service by the Transmission Provider shall provide:
- (a) Evidence sufficient to allow the Commission to evaluate compliance with Subsections (1) and (2), above, including an evaluation or study report that identifies the impacts and all necessary mitigations to the Transmission Provider's transmission system caused by the provision of service to the Large Load Customer, including but not limited to the following information:
 - (i) Study assumptions including earlier queued load requests, generator interconnection requests, transmission service requests, and planned transmission projects that are part of the qualified electric utility's long-term plan or associated with earlier queued requests;
 - (ii) Base case Pre-Large Load Request loading levels on relevant transmission facilities prior to the addition of the Large Load Request, including pre-existing overloads;
 - (iii) Post-Large Load Request loading levels on relevant transmission facilities, including potential overloads, after the addition of the Large Load Request but before the addition of incremental transmission facilities identified to mitigate potential overloads;
 - (iv) New transmission facilities identified to mitigate overloads triggered by the addition of the Large Load Request, including a +/- 20% cost estimate of the cost for the identified transmission facilities ; and

- (v) Post-Large Load Request loading levels on relevant transmission facilities, after the addition of the Large Load Request, and after the addition of incremental transmission facilities identified to mitigate overloads.
- (b) A description of transmission costs the Qualified Electric Utility or the Large-Scale Generation Provider will incur or pay to provide service to a Large Load Customer;
- (c) A description of how the addition of the Applicant's use will impact the Qualified Electric Utility's transmission system, including:
 - (i) The projected increase in electricity demand from the Large Load Customer,
 - (ii) The just and reasonable incremental transmission costs required to serve the Large Load Customer,
 - (iii) Any transmission capacity created by network upgrades in excess of those reserved for the Large Load Customer, and the time when that capacity is projected to become used and useful for the Qualified Electric Utility;
 - (iv) An explanation of if the Qualified Electric Utility proposes to recover from ratepayers any transmission costs that are excess to, and should not be directly assigned to, the Large Load Customer.

R746-XX3 GENERAL COMMISSION REQUIREMENTS FOR LARGE-SCALE GENERATION PROVIDERS

R746-XX3-1. Authority

This rule is adopted under Utah Code Sections 54-1-1 and 54-26-501 and 54-26-502.

R746-XX3-2. Applicability

This provision applies to any Large-Scale Generation Provider seeking to provide service to a Large Load Customer.

R746-XX3-3. Large-Scale Generation Provider Registration

- (1) A Large-Scale Generation Provider that seeks to provide service to a Large Load Customer must file an application to register and receive Commission approval before providing service to the Large Load Customer; non-confidential portions of the application to register and receive Commission approval to provide service to a

Large Load Customer shall be served upon the Qualified Electric Utility on the same day it is filed with the Commission.

- (2) The Large-Scale Generation Provider's application to register shall provide all information identified in Utah Code Section 54-26-501.
- (3) Upon the Commission's review of an application to register, the Commission shall open a docket and establish a schedule to evaluate compliance with Utah Code Section 54-26-501.
- (4) Upon conclusion of the investigation, the Commission shall, within 60 days of the date the application to register is filed, either:
 - (a) approve the application to register;
 - (b) impose reasonable conditions on the applicant's status; or
 - (c) notify the applicant of deficiencies in its application to register and allow the applicant 60 days to remedy any such deficiencies.
- (5) If an applicant is permitted to remedy deficiencies within 60 days, the Commission shall review the revised application to register and,
 - (a) If the Commission, in its discretion, determines that the revised application to register failed to remedy the deficiencies previously identified, the Commission may deny registration and the applicant shall be prohibited from providing service to a Large Load Customer.
 - (b) If the Commission, in its discretion, determines that a revised application to register successfully remedied the deficiencies the Commission previously identified, the Commission shall grant the application to register and the applicant shall be permitted to provide service to the Large Load Customer as if the application had been granted in the first instance, subject to reasonable conditions imposed by the Commission.
- (6) If at any time, upon a complaint filed by a Large Load Customer or the Qualified Electric Utility or in its own discretion, the Commission determines that the Large-Scale Generation Provider has failed to comply with obligations imposed by agreement or the Commission pursuant to this rule, the Commission may suspend or revoke the Large-Scale Generation Provider's registration.

R746-XX3-3. Large-Scale Generation Provider Registration Notice to Large Load Customers

- (1) A registered Large-Scale Generation Provider must provide notice to any potential Large Load Customer of any conditions imposed on its registration by the Commission.
- (2) A registered Large-Scale Generation Provider must include in every Large Load Contract or Private Generation Contract notice to the Large Load Customer that
 - (a) If the Large-Scale Generation Provider fails to comply with its legal requirements under Utah Code Title 54, Chapter 26, the Commission can suspend or revoke the Large-Scale Generation Provider's registration and prohibit it from continuing to provide service after the Large Load Customer is given reasonable opportunity to secure alternative service;
 - (b) The Large Load Customer's load is subject to curtailment if the Large Load Customer's demand exceeds the real-time dispatch of the Large-Scale Generation Provider's resources under the Large Load Contract, net of transmission losses;
 - (c) Except as explicitly provided in a Large Load Contract, the Qualified Electric Utility has no duty to serve a Large Load Customer that has entered into a Large Load Contract with a Large-Scale Generation Provider ; and
 - (d) Except as explicitly provided in a Large Load Contract, the Qualified Electric Utility is not required to provide backup power to a Large Load Customer that has entered a Large Load Contract with a Large-Scale Generation Provider.

R746-XX4 CONNECTED GENERATION

R746-XX4-1. Authority

This rule is adopted under Utah Code Sections 54-1-1, 54-26-505.

R746-XX4-2. Additional Requirements for Connected Generation with Large-Scale Generation Providers

In addition to meeting the requirements of R746-XX1-4:

- (1) An Application for approval of a Large Load Contract between a Large-Scale Generation Provider and a Large Load Customer must include:

- (a) Proof that the Large-Scale Generation Provider satisfies all requirements of Utah Code Section 54-26-505(2) and
 - (i) The Large-Scale Generation Provider is registered with the Commission in accordance with Utah Code Section 54-26-501,
 - (ii) The Large Load Customer has complied with Utah Code Section 54-26-402(1), and
 - (iii) The Large-Scale Generation Provider will serve the Large Load Customer using only Qualifying Generation Resources, as that term is defined in Utah Code Section 54-26-101(15);
- (b) Proof that the Large-Scale Generation Provider has delivered the required notices in R746-XX3-3,
- (c) A declaration from the Large-Scale Generation Provider either that:
 - (i) No costs associated with Large Load Facilities will be incurred by the Qualified Electric Utility in conjunction with the Large Load Contract, or
 - (ii) The Large-Scale Generation Provider or Large Load Customer has entered a Large Load Construction Contract to reimburse the costs of any necessary Large Load Facilities;
- (d) The Large-Scale Generation Provider has established curtailment provisions with the Large Load Customer in the Large Load Contract in the event the Large Load Customer's demand exceeds the real-time dispatch of the Large-Scale Generation Provider's resources under the Large Load Contract, net of transmission losses.

R746-XX5 CLOSED PRIVATE GENERATION

R746-XX5-1. Authority

This rule is adopted under Utah Code Sections 54-1-1 and 54-26-504.

R746-XX5-2 Applicability

This Section applies to all Closed Private Generation Systems.

R746-XX5-3. Additional Requirements for Closed Private Generation Systems with Large-Scale Generation Providers

In addition to meeting the requirements of R746-XX1-4:

(1) Prior to provision of service pursuant to a Private Generation Contract between a Large-Scale Generation Provider and a Large Load Customer, the Large-Scale Generation Provider must demonstrate that it satisfies all requirements of Utah Code Section 54-26-505(2) and

(a) The Large-Scale Generation Provider has delivered the required notices in R746-XX3-3 as well as the following additional notices:

- (i) the Closed Private Generation System is not connected to and operates independently from the transmission system of the Qualified Electric Utility, cooperative utility, municipal utility, or any other utility;
- (ii) the Qualified Electric Utility has no duty to provide electric service;
- (iii) there is no backup power available in the event of an outage except as provided under the terms of the Private Generation Contract; and
- (iv) the Large Load Customer may connect to or receive services from a Qualified Electric Utility only pursuant to a contract approved by the commission and consistent with Utah Code § 54-26-505.

R746-XX6 INFORMATION TO BE SUBMITTED IN RATE CASES AND OTHER APPROPRIATE PROCEEDINGS

R746-XX6-1. Authority

This rule is adopted under Utah Code Sections 54-1-1 and 54-26-602(4).

R746-XX6-2 Applicability

This Section applies to all Qualified Electric Utilities in any filings for general rate case and alternative cost recovery for major plant addition applications as well as any energy balancing account annual filing pursuant to Electric Service Schedule No. 94.

R746-XX6-3. Additional Filing Requirements

In addition to the requirements set forth in R746-700, a complete filing for general rate case and alternative cost recovery for major plant addition applications shall include the information identified in this rule. In addition to the requirements of Electric Service Schedule No. 94, Rocky Mountain Power's Annual EBA Filing application shall include the information identified in this rule.

R746-XX6-4. Large Load Additional Filing Requirements

- (1) An applicant shall file all information:
 - (a) identified in Utah Code Section 54-26-602(4); and
 - (b) provided in response to the requirements in R746-XX2-3. General Requirements for Cost Allocation of Transmission Service; and
 - (c) ____.