

August 28, 2025

VIA ELECTRONIC MAIL TO [PSC@UTAH.GOV](mailto:PSC@UTAH.GOV)

Utah Public Service Commission  
Herber M. Wells Building, 4<sup>th</sup> Floor  
160 East 300 South  
Salt Lake City, UT 84111

Re: Docket No. 25-R318-01  
Initial Comments on Proposed Rules Implementing S.B. 132

## Introduction

Enchanted Rock, LLC (“Enchanted Rock”) is a leading developer, owner, and operator of co-located natural gas microgrids that provide highly reliable, low-emission backup and resiliency power to large electrical loads across the United States.

With more than 1,000 megawatts commissioned or contracted across 370+ locations throughout the country, Enchanted Rock has extensive experience in delivering resiliency solutions to large commercial and industrial customers and critical facilities, including hospitals, water infrastructure, and other essential services.

Our generation technology meets the most stringent emissions standards in the nation for reciprocating engines. When fueled by renewable natural gas, our systems operate as a net-zero or even net-negative carbon resource. These capabilities enable the assets to provide resilience to customers and support grid reliability while protecting local air quality.

Enchanted Rock is actively engaged in regulatory processes across multiple states, including California, Texas, and Virginia, to ensure that market and regulatory frameworks allow innovative providers to deliver cost-effective and environmentally responsible solutions to large load customers. We submit these comments in Utah because the proposed rules implementing S.B. 132 (Utah Code Title 54, Chapter 26) will directly impact the ability of companies like Enchanted Rock, designated under statute as Large-Scale Generation Providers (§ 54-26-101(11)), to bring reliable, clean, and customer-focused solutions to Utah’s growing large-load market.

## **Draft Implementation Rules Are a Helpful Starting Point**

Enchanted Rock appreciates the Commission's efforts to implement SB 132 and establish a workable framework for serving large load customers. However, several provisions of the proposed rules create unduly burdensome requirements for co-located generation providers, irrespective of whether facilities are grid-interconnected or closed private systems. These requirements risk undermining the statutory intent to encourage alternative service pathways for large load customers (Utah Code § 54-26-504).

### **Specific Recommendations**

**Recommendation: Registration and approval requirements should be fit for purpose when applied to closed private generation systems.** Utah Code §54-26-504(2) exempts closed private systems from regulation as public utilities, yet the draft rules extend registration obligations to all Large-Scale Generation Providers (R746-XX3-3). This creates a set of requirements that are not suitable for projects that operate separately from the utility system. Therefore, Enchanted Rock recommends that the Commission develop a set of registration and approval requirements for grid-interconnected and independent providers separately. We also suggest that any such process must be fair, transparent, and timely. Registration reviews should be comparable to those applied to Qualified Electric Utilities (QEU), and denials must be based solely on clearly articulated statutory or reliability grounds.

**Recommendation: Private generation contracts under closed private systems should not require Commission approval.** The Legislature exempted private generation contracts from Commission oversight (§54-26-504(2)), yet the proposed rules mandate filing within fifteen business days of execution and subjects them to Commission approval (R746-XX1-4). This approach appears to conflict with the statutory exemption and introduces unnecessary regulatory delays into private commercial arrangements. If, however, the Commission elects to retain a filing requirement for closed private generation facilities, Enchanted Rock proposes that the filing be for informational purposes only.

**Recommendation: Transmission impact and cost allocation requirements should be limited to grid-interconnected projects.** The draft rules require extensive transmission impact studies and cost descriptions in all applications, including those for closed private systems (R746-XX2-3). These requirements seem unnecessary when no utility transmission interconnection is involved. Mandating these studies increases costs and project delays, even for operations that have no impact on, and are structurally independent from, the utility system. By limiting transmission requirements specifically to grid-connected facilities, the Commission can maintain system reliability while preventing unnecessary burdens on exempt projects (§54-26-503).

**Recommendation: Clarify criteria for review of registrations to ensure regulatory certainty.** The draft rules authorize the Commission to require “any other information” and revoke registrations on broad grounds (R746-XX1-4(6); R746-XX3-3). Such open-ended discretion introduces significant uncertainty for project developers and financiers, raising investment risk and undermining the intent of S.B. 132 to create a predictable pathway for large load service (§54-26-302(2)). Enchanted Rock recommends that any review criteria align with the clear statutory criteria, thereby balancing Commission oversight with the need for regulatory certainty.

**Recommendation: Extend contract filing deadlines and provide mandatory expedited review.** The draft rules require applications to be filed within fifteen business days of execution (R746-XX1-4) and leave expedited review solely at the Commission’s discretion (R746-XX1-5). These requirements are accelerated without clear rationale given the complexity of large-load contracts and create unnecessary uncertainty for customers and providers. Enchanted Rock recommends extending the filing period to 30 days and undertaking rulemaking permitted under §54-26-302(5) for expedited review of applications. This would preserve the statutory requirement for Commission approval within sixty days (§54-26-302(4)) while aligning the rules with the practical realities of contract negotiations.

## **Conclusion**

Enchanted Rock respectfully encourages the Commission to refine its rules to avoid unnecessary regulatory burdens on co-located generation providers, particularly for closed private generation systems. Aligning the rules more closely with the statutory intent of SB 132 (Utah Code § 54-26-504, §54-26-505) will encourage investment, enhance reliability for large load customers, and support Utah’s broader economic development goals. We believe that these changes will help create a more effective and efficient regulatory framework for large load customers in Utah.

Respectfully submitted,

/s

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CERTIFICATE OF SERVICE

I certify that on August 28, 2025, a true and correct copy of the foregoing was served upon the following as indicated below:

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