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UTAH DEPARTMENT OF COMMERCE

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Comments

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

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Date: October 24, 2025

Re: **Docket No. 25-R318-01, Proposed Rulemaking Concerning Utah Code §§ 54-26-101 to -901, Large-Scale Electric Service Requirements**.

Summary

The Utah Division of Public Utilities (Division) submits these reply comments in Docket No. 25-R318-01 (Proposed Rulemaking Concerning Utah Code §§ 54-26-101 to -901, Large-Scale Electric Service Requirements).[1]

Issue

On August 28, 2025, Rocky Mountain Power (the Company) filed Rocky Mountain Power's Proposed Rules (the Aug. 28 Proposed Rules), which were a product of meetings the Company had with stakeholders. Stakeholders submitted comments on an earlier draft of the Proposed Rules (the early version is the "Straw Proposal").[2] On September 10, 2025, stakeholders filed reply comments regarding the Proposed Rules. On October 1, 2025, the Company filed a revised version of its proposed rules, which considered some of the stakeholder suggestions (the Oct. 1 Proposed Rules). On October 10, 2025, stakeholders provided further comments on the Oct. 1 Proposed Rules. On October 17, 2025, Charles River Associates (CRA) submitted some clarification and guidance (CRA Guidance) on

[1] Title 54, Chapter 26 of the Utah Code, titled "Large-Scale Electric Service Requirements" (the Act).
[2] The Aug. 28 Proposed Rules are an updated version of the Straw Proposal. The redline edits to the Straw Proposal are shown first in the Proposed Rules, followed by a clean version of the Proposed Rules.

behalf of the Public Service Commission of Utah (Commission) on selected topics. The Division submits these comments regarding certain issues in the CRA Guidance and comments from stakeholders submitted Oct. 10, 2025. The Division appreciates the Company's efforts in drafting proposed rules and the stakeholders' efforts in providing feedback under a compressed timeline.

Review of Closed Private Systems

The CRA Guidance states that:

> Scope of review will be focused on the three elements of a closed private system (i.e., 1. Not connected, 2. Serves one or more customers with at least 100MW, and 3. Serves the large load customer(s) through direct connection) and the supplier's technical and financial capacity to deliver on its contractual commitments.

As understood by the Division, CRA has indicated that the contract review will be limited to the requirements stated in the statute. Unless the Commission feels that emphasis or restatement of certain statutory provisions in the rules is required, it may be enough to simply state in the rules that the Commission's review of large load service contracts for closed private generation systems will be limited to reviewing compliance with the statute. If needed for clarity, the Commission could provide a non-exhaustive list of the statutory requirements that would be reviewed for compliance (e.g. sections 54-26-101(1); 54-26-501(1)(b); 54-26-505(4) and (5)).

Another issue regarding closed private generation systems relates to the Company's proposed sections R746-XX5-1(1)(d) and R746-XX6-2(1)(e) in the Oct. 1 Proposed Rules. These sections require declarations from the Company to be submitted along with the relevant contracts. Section R746-XX5-1(1)(d) requires that an application for approval of a Large Load Contract between a Large-Scale Generation Provider and a Large Load Customer, in the case where the generation is connected, include a declaration from the Company regarding certain issues.[3] The Division's understanding is that this section applies

[3] Oct. 1 Proposed Rules sec. R746-XX5-1(1)(d).

when a connected generator, that is not the Company, has a Large Load Contract with a Large Load Customer.[4]

Section R746-XX6-2(1)(e) of the Oct. 1 Proposed Rules applies to Closed Private Generation Systems and states that:

> Large-Scale Generation Providers shall submit to the Commission for approval, as required by Utah Code Ann. §§ 54-26-102(1)(d) and 54-26-501, a copy of the Private Generation Contract and […]
>
> (d) proof the Large-Scale Generation Provider will serve the Large Load Customer using only Qualifying Generation Resources, as that term is defined in Utah Code Ann. § 54-26-101(15).

The Utah Association of Energy Users Intervention Group (UAE) states in its Oct. 10 Reply Comments that these two requirements for Company declarations are improper: "These proposed requirements would, if adopted, constitute an improper delegation of authority to RMP, would be procedurally unworkable, and would impose a standard different from those set forth in the Act, and should be rejected."[5]

The Division's position is that these two declarations should not be taken together. The declaration in section R746-XX5-1(1)(d) applies to connected Large-Scale Generation Providers. Even though the Company may not be a party to the contract between the Large-Scale Generation Provider and a Large Load Customer, it still has an interest in the generation connected to its system and the associated implications. The Division is not convinced that this requirement for a declaration is an "improper delegation of authority" to the Company.

However, the declaration required in section R746-XX6-2(1)(e) of the Oct. 1 Proposed Rules is different. It applies to Closed Private Generation Systems and the associated contracts. The Division agrees with UAE that such a requirement may be problematic with

[4] The title of the section is "R746-XX5-1. Additional Requirements for Connected Generation with Large-Scale Generation Providers." *Id.*

[5] UAE Oct. 10 Reply Comments at 10.

respect to closed private generation systems, at least without more parameters in the rules. UAE states that:

> By failing or refusing to provide the contemplated declaration, RMP could effectively veto any application for approval of a Private Generation Contract or a Large Load Contract in which it is not the service provider. RMP could also unreasonably delay its review of a request to provide a declaration. Parties requesting a declaration from RMP would have no readily-available mechanism to force RMP to timely review the request, to evaluate it in good faith, or to provide the declaration in a timely manner (or at all).[6]

The Division largely agrees with the point that the Company should not be able to delay or effectively veto a Closed Private Generation Contract by delaying a declaration.

Nevertheless, the Company has an interest in ensuring that a closed generation system is actually closed and will have no impact on the Company's system. The Division does not have the technical expertise to make such a determination, and the Division's understanding is that the Commission does not have such expertise either. The Division is not aware of what the Company's particular concerns are in this area—what are the circumstances where a closed private generation system could have an impact on the Company's grid, even when there is no connection? It would be helpful if the Company articulated the possible scenarios. As large unconnected closed systems are relatively new and/or a rare issue, there may be technical issues of which the Company and other stakeholders are not yet aware.

Therefore, the Division's position is that the declaration contemplated by the Oct. 1 Proposed Rules in section R746-XX5-1(1)(d) be allowed, as the Company has an interest in how the connected Large-Scale Generation Provider affects or does not affect the system. There could be appropriate timelines in the rules so that the Company does not unreasonably delay the project.

However, for the declaration contemplated in section R746-XX6-2(1)(e) of the Oct. 1 Proposed Rules, the primary issue is whether the proposed closed system will have no impact on the Company's system. If the Commission determines that the declaration

[6] UAE Oct. 10 Reply Comments at 11.

requirement in section R746-XX6-2(1)(e) should stay in the final version of the rules, the Division recommends that the Company identify what information it would need to make this declaration, and that the rules have mechanisms put into place so that the Company does not unduly delay the project by delaying the declaration.

Allocation of Capital and Operating Costs

The Division notes that the Commission is receiving recommendations regarding transmission cost allocation from CRA under section 54-26-901(1)(b). In the CRA Guidelines, CRA states:

> The PSC does not intend to address any specific matters regarding cost allocation in the initial rule promulgation.[…] Participants have opportunities to review RMP's cost allocation and rate design in the normal course of rate cases, during which all the concerns raised could be addressed."[7]

The Division agrees that ultimate allocation of costs for purposes of rate cases need not be addressed in the rules. However, the Division assumes that: (1) the rules may still address the cost allocation mentioned in section 54-26-601 of the statute (regarding "reasonable large load incremental costs"); and (2) some guidance about transmission cost categories (and how they would be allocated) is still an appropriate topic for rules under section 54-26-901.

Confidentiality

CRA states that "RMP should identify the information from supply agreements that it requires to conduct its review."[8] In accordance with the Division's discussion above, it would be helpful for the Company to identify what information it believes is required to determine whether it will issue a declaration under its Oct. 1 Proposed Rules section R746-XX6-2(1)(e). It is likely that none of the required information would be commercially sensitive, but the Division is not certain.

[7] CRA Guidance at 2.
[8] *Id.*

Registration of Large-Scale Generation Providers

CRA states that: “The PSC believes that registrants are obligated to demonstrate credit worthiness and technical capability during the registration exercise.”[9] The Division agrees, as this is contemplated by sections 54-26-201(2)(f) and 54-26-501(1)(b) of the statute. This information should be required of both initial registration applicants and of large-scale generation providers who have already registered, but who are contemplating an additional large load contract or a change to an existing large load contract. Therefore, the Division believes that the Commission is correct to “direct large-scale generation providers to provide information on any material changes in credit worthiness and technical capability since registration” even if the entity in question has registered previously.[10]

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[9] CRA Guidance at 3.
[10] *Id.*