

State of Utah
Administrative Rule Analysis
Revised May 2025

NOTICE OF SUBSTANTIVE CHANGE

TYPE OF FILING: New

Rule or section number:

R746-318

Filing ID: OFFICE USE ONLY

Date of previous publication (only for CPRs):

Click or tap to enter a date.

Agency Information

1. Title catchline:	Administration, Public Service Commission	
Building:	Heber M. Wells Building	
Street address:	160 E 300 S, 4th Floor	
City, state:	Salt Lake City, UT	
Mailing address:	PO Box 144558	
City, state and zip:	Salt Lake City, UT 84114-4558	
Contact persons:		
Name:	Phone:	Email:
Michael Hammer	801-530-6729	michaelhammer@utah.gov

Please address questions regarding information on this notice to the persons listed above.

General Information

2. Rule or section catchline:	
R746-318. Large Scale Electric Requirements.	
3. Are any changes in this filing because of state legislative action?	Changes are because of legislative action.
If yes, any bill number and session:	SB 132 (2025 General Session)
4. Purpose of the new rule or reason for the change:	
On March 25, 2025, S.B. 132, Electric Utility Amendments (the "Act") was signed into law, codified at Title 54, Chapter 26, Large-Scale Electric Service Requirements. The Act establishes alternatives for providing electric service to customers with large electrical loads, establishes requirements for contracts between large-scale generation providers and large load customers to submit contracts to the Public Service Commission (PSC) for review, requires certain large-scale generation providers to register with the PSC, and requires the PSC to review certain contracts contemplated under the Act. The Act also requires the PSC to issue certain rules by January 1, 2026, and authorizes it to implement other rules. See, e.g., Subsection 54-26-901(1). This new rule is proposed to comply with the Act's requirements.	
5. Summary of the new rule or change:	
The rule establishes rules regarding transmission cost allocation required to be issued by January 1, 2026, establishes processes and filing requirements for the PSC's review of contracts as the Act requires, establishes a process for large-scale generation providers to register with the PSC as the Act requires, and establishes additional processes for preserving the confidentiality of information large-scale generation providers submit to the Commission in connection with seeking approval of a contract or registration.	

Fiscal Information

6. Provide an estimate and written explanation of the aggregate anticipated cost or savings to:
A. State budget:
The rule is not anticipated to affect the state budget. The Division of Public Utilities (DPU) and Office of Consumer Services (OCS) will have an opportunity to participate in certain dockets arising out of the PSC's review of contracts under the Act, but the costs of such participation are expected to be nominal and subsumed within the costs these agencies incur in their frequent and ordinary participation in PSC dockets. While the Act requires the PSC and allows DPU and OCS to retain an independent consultant to be funded through a fee on applications for approval of contracts, the PSC is in the process of evaluating a fee structure and this rule does not establish any such fee. The PSC, however, expects any costs associated with retaining independent consultants under the Act will be funded through such a fee under the Act.

B. Local governments:

The rule does not pertain to local governments and is not anticipated to affect local governments' budgets.

C. Small businesses ("small business" means a business employing 1-49 persons):

The rule does not pertain to small businesses and is not anticipated to affect small businesses except to the extent the small business seeks to become party to a large load contract as a large-scale generation provider or large load customer. Entities that enter such contracts, involving very large amounts of electricity, are not likely to be small businesses. Regardless, the rule imposes no costs aside from those attendant to registration with the PSC and filing contracts with the PSC for review as the Act requires. The rule imposes no such costs beyond those already imposed by the Act.

D. Non-small businesses ("non-small business" means a business employing 50 or more persons):

The rule may affect any non-small business that seeks to become party to a large load contract as a large-scale generation provider or large load customer. These non-small businesses may incur administrative costs to file contracts for the PSC's review or to register with the PSC as the Act requires. However, the rule imposes no such costs beyond those already imposed by the Act.

E. Persons other than small businesses, non-small businesses, state, or local government entities ("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an **agency**):

The rule may affect any person, entity, or organization that seeks to become party to a large load contract as a large-scale generation provider or large load customers. These persons may incur administrative costs to file contracts for the PSC's review or to register with the PSC as the Act requires. However, the rule imposes no such costs beyond those already imposed by the Act.

F. Compliance costs for affected persons:

The rule imposes no compliance costs on affected persons other than those that stem from obligations expressly created in the Act.

G. Regulatory Impact Summary Table (This table includes only fiscal impacts the agency was able to measure. If the agency could not estimate an impact, it is excluded from this table but described in boxes A through F.)

Regulatory Impact Summary Table					
Fiscal Cost	FY2026	FY2027	FY2028	FY2029	FY2030
State Budget	\$0	\$0	\$0	\$0	\$0
Local Governments	\$0	\$0	\$0	\$0	\$0
Small Businesses	\$0	\$0	\$0	\$0	\$0
Non-Small Businesses	\$0	\$0	\$0	\$0	\$0
Other Persons	\$0	\$0	\$0	\$0	\$0
Total Fiscal Cost	\$0	\$0	\$0	\$0	\$0
Fiscal Benefits	FY2026	FY2027	FY2028	FY2029	FY2030
State Budget	\$0	\$0	\$0	\$0	\$0
Local Governments	\$0	\$0	\$0	\$0	\$0
Small Businesses	\$0	\$0	\$0	\$0	\$0
Non-Small Businesses	\$0	\$0	\$0	\$0	\$0
Other Persons	\$0	\$0	\$0	\$0	\$0
Total Fiscal Benefits	\$0	\$0	\$0	\$0	\$0
Net Fiscal Benefits	\$0	\$0	\$0	\$0	\$0

H. Department head comments on fiscal impact and approval of regulatory impact analysis:

The Chair of the Public Service Commission, Jerry Fenn, has reviewed and approved this regulatory impact analysis.

Citation Information**7. Provide citations to the statutory authority for the rule. If there is also a federal requirement for the rule, provide a citation to that requirement:**

Section 54-26-302(5)	Section 54-26-503(3)	Section 54-26-504(4)
Section 54-26-901(1)(a)		

Incorporation by Reference Information

8. Incorporation by Reference (if this rule incorporates more than two items by reference, please include additional tables):

A. This rule adds or updates the following title of material incorporated by reference (a copy of the material incorporated by reference must be submitted to the Office of Administrative Rules. *If none, leave blank*):

Official Title of Materials Incorporated (from title page)	
Publisher	
Issue Date	
Issue or Version	

B. This rule adds or updates the following title of material incorporated by reference (a copy of the material incorporated by reference must be submitted to the Office of Administrative Rules. *If none, leave blank*):

Official Title of Materials Incorporated (from title page)	
Publisher	
Issue Date	
Issue or Version	

Public Notice Information

9. The public may submit written or oral comments to the agency identified in box 1.

A. Comments will be accepted until:	12/15/2025	
B. A public hearing (optional) will be held (The public may request a hearing by submitting a written request to the agency, as outlined in Section 63G-3-302 and Rule R15-1.):		
Date:	Time (hh:mm AM/PM):	Place (physical address or URL):
Click or tap to enter a date.		
To the agency: If more than one hearing is planned to take place, continue to add rows.		

10. This rule change MAY become effective on:	01/01/2026
NOTE: The date above is the date the agency anticipates making the rule or its changes effective. It is NOT the effective date.	

Agency Authorization Information

To the agency: Information requested on this form is required by Sections 63G-3-301, 63G-3-302, 63G-3-303, and 63G-3-402. The office may return incomplete forms to the agency, possibly delaying publication in the *Utah State Bulletin* and delaying the first possible effective date.

Agency head or designee and title:	Jerry D. Fenn, PSC Chair	Date:	10/31/2025
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R746. Public Service Commission, Administration.

R746-318. Large Scale Electric Requirements.

R746-318-101. Definitions.

As used in this rule:

- (1) “Applicant” means a person who files an application for Commission approval of a large load contract or private generation contract.
- (2) “Application” means an application for Commission approval of a large load contract or private generation contract.
- (3) “Closed private generation system” is defined as in Subsection 54-26-101(1).
- (4) “Commission” means the Public Service Commission.
- (5) “Connected generation system” is defined as in Subsection 54-26-101(2).
- (6) “Large load contract” is defined as in Subsection 54-26-101(4).
- (7) “Large load construction contract” is defined as in Subsection 54-26-101(5).
- (8) “Large load customer” is defined as in Subsection 54-26-101(6).
- (9) “Large load facilities” is defined as in Subsection 54-26-101(7).
- (10) “Large load incremental costs” is defined as in Subsection 54-26-101(9).

(11) “Large-scale generation provider” is defined as in Subsection 54-26-101(11).

(12) “Large-scale service request” is defined as in Subsection 54-26-101(12).

(13) “Private generation contract” is defined as in Subsection 54-26-101(13).

(14) “Qualified electric utility” is defined as in Subsection 54-26-101(14).

(15) “Qualifying generation resources” is defined as in Subsection 54-26-101(15).

R746-318-102. Authority and Scope.

(1) This rule is adopted under Section 54-1-1 and Title 54, Chapter 26, Large-Scale Electric Service Requirements.

(2) This rule governs:

(a) the allocation of transmission costs between large load customers and retail customers for large load contracts for all purposes contemplated under Title 54, Chapter 26, Large-Scale Electric Service Requirements;

(b) the Commission’s review of an application for approval of a large load contract; and

(c) a large-scale generation provider’s registration and registration status with the Commission.

R746-318-103. Confidentiality and Access to Information.

(1) An applicant may designate information it submits to the Commission as confidential or highly confidential pursuant to the procedures set forth in Section R746-1-601.

(2) To the extent an applicant believes it necessary to restrict access to sensitive information from persons otherwise entitled to review confidential or highly confidential information under Section R746-1-602, the applicant may designate information as regulator access only by:

(a) placing the information on a document with a pink background;

(b) highlighting the information with shading, text boxes, borders, asterisks, or other conspicuous formatting; and

(c) including the following designation on each page containing the commercially sensitive information: “Regulator Access Only – Highly Confidential – Subject to Utah Public Service Commission Rule 746-318-103.”

(3) An applicant that files a document containing information designated as regulator access only shall:

(a) file a redacted version for public access and

(b) ensure that the line numbering and formatting in the redacted version match, as closely as practicable, that appearing in the unredacted version.

(4) Information an applicant designates as regulatory access only shall be treated as confidential or highly confidential information for purposes of applying each provision of Rule R746-1 that refers to confidential or highly confidential information except the categories of persons entitled to receive or review the information enumerated in Section R746-1-602.

(5) Only the following persons are entitled to receive and review information the applicant designates as regulator access only:

(a) the Commission, including its counsel, staff, and the independent consultant retained as contemplated by Subsection 54-26-901(1)(b);

(b) the Division of Public Utilities, Utah Department of Commerce, including its counsel, staff, and any independent consultant it retains as contemplated under Subsection 54-26-901(5)(a); and

(c) the Office of Consumer Services, Utah Department of Commerce, including its counsel, staff, and any independent consultant it retains as contemplated under Subsection 54-26-901(5)(a).

(6)(a) A qualified electric utility or other intervenor may challenge an applicant’s designation of information as regulator access only consistent with Section R746-1-604 and may propose alternative protections it believes are adequate to protect the commercially sensitive information, including restricting access to persons who execute non-disclosure agreements, as contemplated under Section R746-1-602.

(b) To the extent the applicant wishes to restrict the challenging party’s access to the information, notwithstanding its proposed alternative protections, the applicant bears the burden of demonstrating that access could be used to the competitive disadvantage of the applicant.

(7) A rebuttable presumption exists that the following categories of information are commercially sensitive and appropriately designated regulator access only: credit terms, pricing terms, and other commercial

terms related to implementing pricing and credit terms.

(8) A rebuttable presumption exists that a qualified electric utility may receive and review the following categories of information: the specific locations of both the load and generation; size of the load; size of the generation; the resource type of the generation; the contract duration; the parties' present or future intent to interconnect the load or generation to the grid; and the existence of utility service at the site.

R746-318-201. General Requirements for Filing an Application for Approval of a Large Load Contract.

(1) Within 15 days of executing a large load contract, a qualified electric utility or large-scale generation provider shall file with the Commission an application for approval of the large load contract, including a full and unredacted copy of the large load contract and shall include any additional appropriately redacted version to the extent the applicant has designated information confidential, highly confidential, or regulator access only.

(2) An application for Commission approval of a large load contract may be filed by a qualified electric utility or large-scale generation provider.

(3) An appropriately redacted version of the 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 an unredacted, complete version 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 demonstrates the large load customer meets the requirements of Title 54, Chapter 26, Large-Scale Electric Service Requirements;

(b) a copy of the fully executed large load contract at issue;

(c) a description of how the addition of the applicant's use will impact the qualified electric utility's system, including the increase in electricity demand the qualified electric utility is projected to experience, if any, to serve the large load customer;

(d) information describing the large load incremental costs necessary for the large load customer to receive electric service, including distribution costs, transmission costs, generation costs, contractual costs for providing electrical service, reasonable contribution to long-term operation and maintenance costs for large load facilities, and as applicable, any of the following as allowed by the Federal Energy Regulatory Commission:

(i) transmission system improvements, including network upgrades;

(ii) interconnection facilities;

(iii) transmission service; and

(iv) other necessary infrastructure.

(5) For large load contracts with a large-scale generation provider, the applicant shall provide:

(a) certification from the large load customer that the requirements of Subsection 54-26-402(1) are met; and

(b) sufficient information for the Commission to find that the requirements of Title 54, Chapter 26, Large-Scale Electric Service Requirements, have been satisfied.

(6) For large load contracts with the qualified electric utility, the application shall include a methodology for how the qualified electric utility will maintain separate accounting records with sufficient detail to demonstrate that costs will be directly assigned to the large load customer. This methodology will be provided by the qualified electric utility. Costs to be directly assigned to large load customers include those identified in Subsection R746-318-201(4)(d).

(7) The qualified electric utility will provide any information identified in Subsection 54-26-602(4) that is available when filing.

(8) Spreadsheets provided in support of an application should have each formula intact.

R746-318-202. The Commission's Review of Large-Load Contracts.

(1) The Commission shall approve or disapprove an application for approval of a large load contract within 60 days of the application being filed.

(2) The Commission shall approve an application for a large load contract if the Commission finds:

(a) the contract complies with Title 54, Chapter 26, Large-Scale Electric Service Requirements;

(b) the large load customer bears each just and reasonable incremental cost attributable to receiving the

requested electric service; and

(c) existing ratepayers do not bear costs justly and reasonably attributable to providing electric service for the large load customer.

R746-318-301. Allocation of Transmission Costs.

(1) To the fullest extent allowable under applicable federal law and regulations, each interconnection and transmission-related study and any identified interconnection upgrades, transmission upgrades, network upgrades, distribution system upgrades, and system upgrades a qualified electric utility or large-scale generation provider will incur or pay to provide service to a large load customer shall be directly assigned to the large load customer.

(2) If a large load customer will be provided transmission service using a project that was previously identified as a part of the qualified electric utility's long-term transmission plan, the large load customer's share of project costs will be assigned to the large load customer giving consideration to the size of the project, project scope, the proportion of the project's transmission capacity the large load customer will use, and any impact on the transmission plan.

(3) To carry out this policy, an application for Commission approval of a large load contract that includes large load customer transmission costs shall provide:

(a) evidence sufficient to allow the Commission to determine whether each incremental transmission cost is allocated to the large load customer, including:

(i) a description of costs for transmission upgrades associated with providing service to a large load customer;

(ii) a description of how the addition of the applicant's use will impact the qualified electric utility's transmission system, including:

(A) the projected increase in electricity demand from the large load customer,

(B) the transmission upgrades needed to meet the large load customer's transmission service needs;

(iii) an explanation of if and how the qualified electric utility proposes to recover from ratepayers any transmission costs that are in excess to, and should not be directly assigned to, the large load customer; and

(iv) a description of how each incremental cost allocated to the large load customer can reasonably be expected to be recovered from the large load customer given the duration of the large load contract and any contractually required security or guarantees.

(4) To determine whether the large load customer bears each incremental cost attributable to receiving the requested electric service, the Commission may consider the following non-exclusive list of factors:

(a) the timing and extent of the relevant generation resources, distribution system upgrades, and any other costs that would not occur absent the large load contract;

(b) the extent to which the large load contract will change the costs, timing, and efficacy of any project that was already planned; and

(c) how each of these factors might affect rate base and customer rates.

R746-318-401. Registration Requirements for Large-Scale Generation Providers.

(1) To register with the Commission, a large-scale generation provider shall submit to the Commission notice of its registration, including the information and documentation that Subsection 54-26-501(2) requires.

(2) When submitting a notice of registration, the large-scale generation provider will be considered an applicant under Section R746-318-103 and may designate information as confidential, highly confidential, or regulator access only.

(3) The Commission will assign each notice of registration a unique docket number, post the filing to the Commission's website under that docket number, and distribute electronic copies to stakeholders consistent with its standard practice.

(4) To the extent the large-scale generation provider elects to designate any information contained in its notice of registration as confidential, highly confidential, or regulator access only, it shall include an additional, redacted version of the information for inclusion in the publicly accessible docket.

(5) Any person may submit notice to the Commission, at any time, that a registered large-scale generation provider has failed or is failing to comply with the requirements of Title 54, Chapter 26, Large-Scale

Electric Service Requirements, after which the Commission may initiate an investigation or issue a notice of deficiency.

(6) If, at any time, the Commission determines that a registered large-scale generation provider has failed or is failing to comply with any requirement of Title 54, Chapter 26, Large-Scale Electric Service Requirements, the Commission will provide notice of the deficiency to the registered large-scale generation provider.

(7) A notice of deficiency will allow the large-scale generation provider 90 days to remedy the deficiency and may impose reasonable conditions on the large-scale generation provider's registration status during that 90-day period.

(8) If the large-scale generation provider fails to remedy any deficiency within the 90 days allowed after a notice of deficiency, the Commission may suspend or revoke the large-scale generation provider's registration status.

(9) To protect system reliability and Utah ratepayers in accordance with the law, the Commission may direct a large-scale generation provider to provide information regarding any material changes to its credit worthiness or technical capabilities, since the time of its registration, when reviewing any large load contract or private generation contract.

R746-318-402. Notice to Large Load Customers.

(1) A registered large-scale generation provider shall 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 shall include in each large load contract or private generation contract notice to the large load customer of the following:

(a) If the large-scale generation provider fails to comply with its legal requirements under Title 54, Chapter 26, Large-Scale Electric Service Requirements, the Commission may 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 into a large load contract with a large-scale generation provider.

R746-318-501. Additional Filing Requirements for Large-Scale Generation Providers with a Connected Generation System.

(1) This section applies to electric service a large-scale generation provider provides to a large load customer through a connected generation system.

(2) In addition to the requirements of Section R746-318-201, an application for approval of a large load contract between a large-scale generation provider and a large load customer shall include:

(a) evidence showing the large-scale generation provider satisfies the requirements of Subsection 54-26-505(2);

(b) evidence showing the large load customer has met the requirements of Subsection 54-26-402(1);

(c) evidence showing the large-scale generation provider will serve the large load customer using only qualifying generation resources;

(d) evidence showing the large-scale generation provider has delivered the notices Section R746-318-402 requires;

(e) a declaration from the large-scale generation provider, including a summary of supporting evidence, attesting that either:

(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 agreement to reimburse the costs of any necessary large load facilities;

(f) a declaration from the qualified electric utility, including a summary of supporting evidence that either:

(i) no electric service is requested at this time to be provided 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 service agreement for the provision of any necessary electric services from the qualified electric utility in conjunction with the large load contract, and

(iii) the qualified electric utility has had an opportunity to review an appropriately redacted version of the large load contract and the qualified electric utility concurs with the applicant that the conditions contemplated in Subsections R746-318-501(2)(b) through (c) are satisfied.

(g) evidence the large-scale generation provider has established curtailment processes with the large load customer in the large load contract 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.

(3) If an applicant cannot get the declaration required by Subsection R746-318-501(2)(f), after making a reasonable and good faith effort to do so, the applicant may submit a petition to the Commission to require the qualified electric utility to show cause as to the basis for withholding the required declaration, and the Commission may waive the filing requirement under Subsection R746-318-501(2)(f) if the qualified electric utility fails to demonstrate a reasonable basis for the withholding.

R746-318-601. Additional Filing Requirements for Large-Scale Generation Providers with a Closed Private Generation System.

(1) This section applies to electric service a large-scale generation provider provides to a large load customer through a closed private generation system.

(2) In addition to the requirements of Section R746-318-201, a large-scale generation provider shall submit a copy of the private generation contract for the Commission's approval and the following:

(a) evidence the large-scale generation provider is registered consistent with Section 54-26-501 and Section R746-318-401;

(b) evidence the large-scale generation provider satisfies the requirements of Subsection 54-26-505(2);

(c) evidence the large-scale generation provider will serve the large load customer using only qualifying generation resources;

(d) a declaration from the qualified electric utility, including a summary of supporting evidence, that the closed private generation system will operate with complete separation from the qualified electric utility's system; and

(e) evidence the large-scale generation provider has delivered the notices Section R746-318-402 requires and has provided the large load customer additional notice of the following:

(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 including any ancillary services;

(iii) no backup power is available in the event of an outage; and

(iv) any request for interconnection to the qualified electric utility, for any level of service, requires the large load customer to submit a large-scale service request to the qualified electric utility and adhere to the process, cost allocations, and timelines set forth in Title 54, Chapter 26, Large-Scale Electric Service Requirements.

(3) If an applicant cannot get the declaration required by Subsection R746-318-601(2)(d), after making a reasonable and good faith effort to do so, the applicant may submit a petition to the Commission to require the qualified electric utility to show cause as to the basis for withholding the required declaration, and the Commission may waive the filing requirement under Subsection R746-318-601(2)(d) if the qualified electric utility fails to demonstrate a reasonable basis for the withholding.

(4) The Commission shall conduct a limited and expedited review and shall approve a private

generation contract if the Commission finds:

- (a) the large-scale generation provider is registered with the Commission;
- (b) the large load customer is requesting service that is expected to reach a cumulative demand of 100 megawatts or greater within five years of the requested initial start date; and
- (c) the generation, transmission, and related facilities remain wholly separate from facilities owned or operated by any qualified electric utility, cooperative utility, municipal utility, or other utility.

KEY: public utilities, large-scale electric service requirements

Date of Enactment or Last Substantive Amendment: January 1, 2026

Authorizing, and Implemented or Interpreted Law: Subsections 54-26-302(5), 54-26-503(3), 54-26-504(4), and 54-26-901(1)(a)