

# Energy Resources Procurement Act

The Act gives non-utility electricity consumers the ability to buy power directly from renewable energy generators, and it requires the Public Service Commission to approve contracts for electric service from renewable energy facilities.

Submitted as:

Utah

[SB 12](#)

Status: Became law in March 2012.

## Suggested State Legislation

(Title, enacting clause, etc.)

1           Section 1. [*Short title.*] This Act shall be cited as the “Energy Resource Procurement Act.”

2  
3           Section 2. [General description.]

4 This Act includes provisions relating to renewable energy facilities; authorizes an electric  
5 corporation to enter into a contract to supply electric service from a renewable energy facility, under  
6 certain circumstances; and requires Public Service Commission approval of contracts for electric  
7 service from renewable energy facilities.

8  
9           Section 3. [*Appropriations clause.*] Insert appropriations clause.

10  
11          Section 4. [*Definitions.*] As used in this Act.

12  
13 (1) "Contract customer" means a person who executes or will execute a renewable energy contract  
14 with a qualified utility.

15 (2) "Qualified utility" means an electric corporation that serves more than 200,000 retail customers  
16 in the state.

17 (3) "Renewable energy contract" means a contract under this section for the delivery of  
18 electricity from a renewable energy facility to a contract customer's single metered location requiring  
19 the use of a qualified utility's transmission or distribution system to deliver the electricity from the  
20 renewable energy facility to the contract customer.

21 (4) "Renewable energy facility":

22           (a) except as provided in Subsection (4)(b), has the same meaning as renewable energy  
23 source defined [insert citation] ; and

24           (b) does not include an electric generating facility whose costs have been included in a  
25 qualified utility's rates as a facility providing electric service to the qualified utility's system.

26  
27          Section 5. [*Contracts for the purchase of electricity from a renewable energy facility.*]

28 [Insert citation] Contracts for the purchase of electricity from a renewable energy facility.

29 (1) Within a reasonable time after receiving a request from one or more contract customers and  
30 subject to reasonable credit requirements, a qualified utility shall enter into a renewable energy  
31 contract with the requesting contract customer or customers to supply some or all of the electric  
32 service of the contract customer or customers from a renewable energy facility selected by the  
33 contract customer or customers.

1 (2) A renewable energy contract may not provide for electricity to be delivered to more than a single  
2 metered delivery location of a contract customer

3 (3) Subject to [Insert citation]:

4 (a) a single contract customer may receive electricity at multiple metered delivery locations  
5 from the same renewable energy facility; and

6 (b) multiple contract customers may receive electricity from the same renewable energy  
7 facility.

8 (4) The amount of electricity provided to any contract customer under all renewable energy contracts  
9 with that contract customer may not be less than 2.5 megawatts.

10 (5) The amount of electricity provided to any metered delivery location of a contract customer may  
11 not exceed the contract customer's metered kilowatt-hour load in any hour at that location.

12 (6) A renewable energy contract that meets the requirements of [Insert citation] may provide for one  
13 or more increases in the amount of electricity to be provided under the contract even though the  
14 amount of electricity to be provided by the increase is less than the minimum amount required under  
15 [Insert citation].

16 (7) The total amount of electricity to be provided by a qualified utility at any one time under all  
17 renewable energy contracts may not exceed 300 megawatts, unless the commission approves in  
18 advance a higher amount.

19 (8) Electricity generated by a renewable energy facility and delivered to a contract customer under a  
20 renewable energy contract may not be included in a net metering program under [Insert citation].

21  
22 Section 6. [*Ownership of a renewable energy facility.*]

23 Ownership of environmental attributes.

24 (1) A renewable energy facility may be owned:

25 (a) by a person who will be a contract customer receiving electricity from the  
26 renewable energy facility;

27 (b) by a qualified utility;

28 (c) by a person other than a contract customer or qualified utility; or

29 (d) jointly by any combination of Subsections (1)(a), (b), and (c), whether in equal  
30 shares or otherwise.

31 (2) A qualified utility may be a joint owner of a renewable energy facility only if:

32 (a) the qualified utility consents to being a joint owner; and

33 (b) the joint ownership arrangement ensures that the qualified utility will recover all  
34 of its costs associated with its ownership of the renewable energy facility.

35 (3) To the extent that any electricity from a renewable energy facility to be delivered to  
36 a contract customer is owned by a person other than the contract customer:

37 (a) the qualified utility shall, by contract with the owner of the renewable energy  
38 facility, purchase all of that electricity;

39 (b) the qualified utility shall sell all of that electricity to the contract customer or  
40 customers under renewable energy contracts with the same duration and pricing as the  
41 contract between the qualified utility and the owner of the renewable energy facility;  
42 and

43 (c) the qualified utility's contract with the owner of the renewable energy facility shall  
44 provide that the qualified utility's obligation to purchase electricity under that contract  
45 ceases if the contract customer defaults in its obligation to purchase and pay for the  
46 electricity under the contract with the qualified utility.

47 (4) The right to any environmental attribute associated with a renewable energy facility  
48 shall remain the property of the renewable energy facility's owner, except to the extent that a  
49 contract to which the owner is a party provides otherwise.

1           Section 7. [*Exemption from Public Service Commission certificate of convenience and*  
2 *necessity requirements.*]

3       (1) A qualified utility is not required to comply with [Insert citation] with respect to a renewable  
4 energy facility that is the subject of a renewable energy contract if:

5           (a) each contract necessary for the commission to determine compliance with this part is filed  
6 with the commission; and

7           (b) the commission determines that each contract relating to the renewable energy facility  
8 complies with this part.

9       (2) In making its determination under [Insert citation], the commission may process and consider  
10 together multiple renewable energy contracts between the same contract customer and the qualified  
11 utility providing for the delivery of electricity from a renewable energy facility to the contract  
12 customer's multiple metered delivery locations.

13  
14           Section 8. [*Costs associated with delivering electricity from renewable energy to a*  
15 *customer.*]

16       (1) To the extent that a renewable energy contract provides for the delivery of electricity from a  
17 renewable energy facility owned by the contract customer, the renewable energy contract shall  
18 require the contract customer to pay for the use of the qualified utility's transmission or distribution  
19 facilities at the qualified utility's applicable rates, which may include transmission costs at the  
20 qualified utility's applicable rate approved by the Federal Energy Regulatory Commission.

21       (2) To the extent that a renewable energy contract provides for the delivery of electricity from a  
22 renewable energy facility owned by a person other than the qualified utility or the contract customer,  
23 the renewable energy contract shall require the contract customer to bear all reasonably identifiable  
24 costs that the qualified utility incurs in delivering the electricity from the renewable energy facility  
25 to the contract customer, including all costs to procure and deliver electricity and for billing,  
26 administrative, and related activities, as determined by the commission.

27       (3) A qualified utility that enters a renewable energy contract shall charge a contract customer for all  
28 metered electric service delivered to the contract customer, including generation, transmission, and  
29 distribution service, at the qualified utility's applicable tariff rates, excluding:

30           (a) any kilowatt hours of electricity delivered from the renewable energy facility, based  
31 on the time of delivery, adjusted for transmission losses;

32           (b) any kilowatt hours of electricity delivered from the renewable energy facility that  
33 coincide with the contract customer's monthly metered kilowatt demand measurement,  
34 adjusted for transmission losses;

35           (c) any transmission and distribution service that the contract customer pays for under  
36 [Insert citation]; and

37           (d) any transmission service that the contract customer provides under [Insert citation] to  
38 deliver generation from the renewable energy facility.