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.)

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

Section 2. [General description.]
This Act includes provisions relating to renewable energy facilities; authorizes an electric corporation to enter into a contract to supply electric service from a renewable energy facility, under certain circumstances; and requires Public Service Commission approval of contracts for electric service from renewable energy facilities.

Section 3. [Appropriations clause.] Insert appropriations clause.

Section 4. [Definitions.] As used in this Act.

(1) "Contract customer" means a person who executes or will execute a renewable energy contract with a qualified utility.
(2) "Qualified utility" means an electric corporation that serves more than 200,000 retail customers in the state.
(3) "Renewable energy contract" means a contract under this section for the delivery of electricity from a renewable energy facility to a contract customer's single metered location requiring the use of a qualified utility's transmission or distribution system to deliver the electricity from the renewable energy facility to the contract customer.
(4) "Renewable energy facility":
(a) except as provided in Subsection (4)(b), has the same meaning as renewable energy source defined [insert citation]; and
(b) does not include an electric generating facility whose costs have been included in a qualified utility's rates as a facility providing electric service to the qualified utility's system.

Section 5. [Contracts for the purchase of electricity from a renewable energy facility.] [Insert citation] Contracts for the purchase of electricity from a renewable energy facility.
(1) Within a reasonable time after receiving a request from one or more contract customers and subject to reasonable credit requirements, a qualified utility shall enter into a renewable energy contract with the requesting contract customer or customers to supply some or all of the electric service of the contract customer or customers from a renewable energy facility selected by the contract customer or customers.
(2) A renewable energy contract may not provide for electricity to be delivered to more than a single metered delivery location of a contract customer

(3) Subject to [Insert citation]:
   (a) a single contract customer may receive electricity at multiple metered delivery locations from the same renewable energy facility; and
   (b) multiple contract customers may receive electricity from the same renewable energy facility.

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

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

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

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

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

Section 6. [Ownership of a renewable energy facility.]

Ownership of environmental attributes.

(1) A renewable energy facility may be owned:
   (a) by a person who will be a contract customer receiving electricity from the renewable energy facility;
   (b) by a qualified utility;
   (c) by a person other than a contract customer or qualified utility; or
   (d) jointly by any combination of Subsections (1)(a), (b), and (c), whether in equal shares or otherwise.

(2) A qualified utility may be a joint owner of a renewable energy facility only if:
   (a) the qualified utility consents to being a joint owner; and
   (b) the joint ownership arrangement ensures that the qualified utility will recover all of its costs associated with its ownership of the renewable energy facility.

(3) To the extent that any electricity from a renewable energy facility to be delivered to a contract customer is owned by a person other than the contract customer:
   (a) the qualified utility shall, by contract with the owner of the renewable energy facility, purchase all of that electricity;
   (b) the qualified utility shall sell all of that electricity to the contract customer or customers under renewable energy contracts with the same duration and pricing as the contract between the qualified utility and the owner of the renewable energy facility; and
   (c) the qualified utility's contract with the owner of the renewable energy facility shall provide that the qualified utility's obligation to purchase electricity under that contract ceases if the contract customer defaults in its obligation to purchase and pay for the electricity under the contract with the qualified utility.

(4) The right to any environmental attribute associated with a renewable energy facility shall remain the property of the renewable energy facility's owner, except to the extent that a contract to which the owner is a party provides otherwise.
Section 7. [Exemption from Public Service Commission certificate of convenience and necessity requirements.]

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

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

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

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

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

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

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

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

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

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

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

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