



HURRICANE CITY

UTAH

Mayor

Nanette Billings

City Manager

Kaden C. DeMille

Power Board

Mac J. Hall, Chair

Dave Imlay, Vice Chair

Joseph Prete

Tony Certonio

Colt Stratton

Kerry Prince

Power Board Meeting Agenda

5/1/2024

3:00 PM

Power Department Meeting Room – 526 W 600 N

Notice is hereby given that the Power Board will hold a Regular Meeting in the Power Department Meeting room located at 526 W 600 N, Hurricane, UT. A silent roll call will be taken, along with the Pledge of Allegiance and prayer by invitation.

AGENDA

1. Pledge of Allegiance
2. Prayer
3. Approval of minutes from April 2024

STAFF REPORTS

Scott Hughes/Power Director

Brian Anderson/Transmission & Distribution Superintendent

Mike Ramirez/Service Superintendent

Jared Ross/Substation & Generation Superintendent

OLD BUSINESS**NEW BUSINESS**

1. Southwest Utah Technical Task Force Update – Scott Hughes
2. Discussion about requirements for Pre-Qualified Contractors – Mike Ramirez
3. Discussion and possible recommendation about a line extension – Scott Hughes
4. UAMPS Updates – Scott Hughes
5. **Closed Meeting pursuant to Utah Code Section 52-4-205, upon request**

ADJOURNMENT

The above notice was posted to the Hurricane City website, the Utah State Public Notice Website, and at the following locations:

1. Hurricane City Office – 147 North 870 West, Hurricane, UT
2. US Post Office – 1075 West 100 North, Hurricane, UT
3. Washington County Library (Hurricane Branch) – 36 South 300 West, Hurricane, UT





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1 The Hurricane City Power Board met on April 3, 2024, at 3:00 p.m. at the Clifton Wilson Substation located at
2 526 W 600 N.

3
4 In attendance were Mac Hall, Dave Imlay, Joseph Prete, Tony Certonio, Colt Stratton, Kerry Prince, Scott
5 Hughes, Brian Anderson, Mike Ramirez, Jared Ross, Dayton Hall, Fred Resch, Mike Vercimak, Nanette Billings,
6 Harmony Vanderhorst, Patrick & Amy Jacolenne, Bruce & Linda Zimmerman, and Crystal Wright.

7
8 Mac Hall welcomed everyone to the meeting. Tony Certonio led the Pledge of Allegiance and Dave Imlay
9 offered the prayer. Dave Imlay motioned to approve minutes from the March 2024 meeting. Colt Stratton
10 seconded the motion. Motion passed unanimously.

11
12 **Scott Hughes:** Scott Hughes reported that Jordan Steglich received his Journey Lineman certificate at a
13 banquet this month. He invited the Power Board to the City Council meeting that will be held tomorrow
14 evening and a brief overview of what will be discussed by the UAMPS staff coming. He wanted to ask the new
15 Power Board whether the time of day still works for this meeting. Most board members stated the 3:00 p.m.
16 time works well for them. Mac Hall stated we would keep it the same for 6 months and then we can re-
17 evaluate.

18
19 **Brian Anderson:** Brian Anderson reported the crew has been working on 700 West. They have installed
20 switches, streetlights, and it is energized. Their work is complete. He reported on the installation of the
21 bollards at Chevron. The crew spent some time setting up and taking down power pedestals at the Easter Car
22 Show. They also worked on preparing the getaways from Three Falls Substation. There will be 3 circuits coming
23 into a switch basement at the substation. Colt Stratton asked about the setup at the Easter Car Show and if
24 there's a possibility to save some time on setup and takedown for events by having a more permanent vendor
25 setup in place. Scott Hughes stated we do have permanent pedestals there and we also use temporary
26 pedestals that extend that power to accommodate various event setups. The nature of events changes a lot
27 depending on the event, so it's been difficult to come up with a more permanent solution.

28
29 **Jared Ross:** Jared Ross reported on the Anticline fiber outage. The TDS fiber line had been knocked down. It
30 has been repaired and communication is back up to that substation. His crew has also done some battery
31 testing at all the substations. A typical battery bank life is approximately 20 years. We have one substation that
32 has a battery bank currently at 20 years and another substation battery bank currently at 18 years. We will
33 have some expense in replacing those coming up, but they have provided a long, useful life so he is pleased
34 with that.

35
36 **Mike Ramirez:** Mike Ramirez reported that we have a third-party contractor who clears trees out of our lines
37 as part of annual maintenance. Additionally, our crews are occasionally asked to completely remove a tree by a
38 homeowner. If it is a tree that we would have to trim annually to keep it out of the lines, we will assess the
39 request and accommodate it if it is financially in our best interest in the long term to do so. We had a couple of



40 trees that were assessed and removed this month for this reason. Dave Imlay wanted to mention that our
41 annual tree maintenance has been very successful in nearly eliminating outages in our area due to the wind
42 blowing trees into our lines.

43

44 **Discussion and possible recommendation concerning moving infrastructure at 952 W 325 S: Harmony**

45 Vanderhorst explained an issue with the utility placement of their electrical and communications boxes. She
46 stated utilities are standardly placed in the corner of the lot lines. The secondary box for this lot was placed in
47 the middle instead of a corner and is in front of where their front door will be located. Colt Stratton stated in
48 his development experience it is common for a secondary box to be placed across the street from the lots
49 needing power service even if that location is in the middle of a lot. The original approved construction plans
50 should show the location of that secondary box. Mac Hall and Dave Imlay agreed that is likely the reason why
51 that location was chosen. Mike Ramirez and Mac Hall presented some history regarding a floodway that
52 created an issue with some lots in that subdivision deemed unbuildable for a period. This restriction came
53 after the approved construction plan. The original construction plan was approved in 2006, then Mac Hall
54 stated in 2007 the floodway was put into place per federal regulations. When the original construction plans
55 were approved, the utilities were built accordingly. That secondary box exists in the original approved location.
56 Our normal business practice for a request to move infrastructure is to bill the person making the request. We
57 submitted an invoice to Vanderhorst's for the work to move that secondary box in line with that practice. Mac
58 Hall stated the developer would have signed off on the original plans and have been a part of deciding on the
59 design for those same plans. Colt Stratton stated from a developer's standpoint it is cheaper to install a
60 secondary box across the street to provide power than it is to install an additional transformer, which is the
61 other option that would have existed. It very well may have been a financial decision on the part of the
62 developer. Harmony Vanderhorst stated that she understands and is agreeing to pay for a portion of the costs,
63 but multiple entities are wanting to charge her for the full move. It feels inefficient and a duplication of work
64 and the responsibility should not fall on her alone. Tony Certonio stated there is a possibility of coordinating
65 the opening of the trench and leaving it open for the other entities to complete their relocations as well. The
66 bids could be revised from the communications companies to reflect that trench already being open. There
67 was a discussion about the difference between moving it 8 feet versus 80 feet and potentially putting it on the
68 west lot line, whether there was already a water meter, and whether it would be in a driveway between those
69 two homes at that location. Scott Hughes reminded the board that this is a request for a recommendation
70 from the Power Board to the City Council. The final decision on any potential cost borne by the Power
71 Department for this request would be decided ultimately by the City Council. Dayton Hall added the request is
72 asking us to deviate from our normal business practice. Joseph Prete stated he's trying to understand if
73 anything was done incorrectly by the City and would justify a contribution toward the expense. Mike Vercimak
74 provided additional history regarding the property's original name of Gould's Haven before it was named
75 Seville subdivision. It was originally platted as single family. A request for a zone change to multi-family was
76 presented and denied by the City Council prior to 2006. Construction drawings for the single-family subdivision
77 were then presented, approved, built as approved and the subdivision was accepted on June 6, 2007. There
78 was a lot of discussion about typical placement and what normal procedure is. Ultimately, Harmony
79 Vanderhorst is requesting assistance for a portion of the cost of the movement of those utilities. This would
80 include both the power invoice and the TDS invoice. Mac Hall asked for a recommendation from the Power
81 Board to the City Council. Tony Certonio asked if Harmony was okay paying the Power Department invoice for
82 us to get the work started and she stated that she was. He suggested looking into the estimates from
83 TDS/Lumen and have those estimates adjusted first. He's suggesting that the City supplies the trench to help
84 reduce the cost of the communications estimates. The Power Department will move forward with converting
85 the original estimate into an invoice so payment can be made to get the ball rolling with the City portion. Colt

86 Stratton made the motion to table this recommendation to the City Council while we work on the coordination
87 internally. Joseph Prete seconded the motion after a clarification. Motion passed unanimously.

88
89 **Budget:** Scott Hughes reported on the normal monthly graphs and numbers. Reviewed the budget graphs
90 showing cost of sales vs revenue and the operating margin from last month.

91
92 **Capacity Update:** Scott Hughes showed graphs of the city showing our distribution circuits shaded differently
93 by circuit. Everything on the southern end of town is on Clifton Wilson Circuit 101. The growth out south has
94 pushed that circuit to capacity. Our ordinance states you can't develop a property without adequate
95 infrastructure. Construction plans were coming in and could not be approved due to that requirement in the
96 ordinance. To help facilitate movement in that regard, we came up with a plan to upgrade our existing system
97 and use those upgrades to meet the infrastructure needs of the growing area. Developers would pay for the
98 upgrades needed to help them move forward. He showed the breakdowns of the upgrades and the
99 developments that were included for the various Capacity Projects that have been created. Dayton Hall helped
100 get contracts in place and those were approved by the City Council. The developers paid their money for their
101 portions of the project. Once all the requirements were met the developers were allowed to move forward
102 with their development plans. There are still developments coming in that need power in that area. We have
103 continued to work with those developers to create new Capacity Projects and work on various routes to get
104 more lines and capacity down to that area.

105
106 **Three Falls Substation Update:** Jared Ross provided the update on the progress of Three Falls Substation. By
107 the middle to the end of May we should be ready to energize the substation for it to be able to carry load. The
108 electrical testing is what the largest task remaining is and the task that will take the most time. Scott Hughes
109 introduced a program we have been using to track our active projects showing dollar amounts, task tracking
110 and percentages to completion of project. We will be utilizing this software for future projects.

111
112 **Discussion and possible recommendation for changes to Residential and Commercial Impact Fee Schedules:**
113 Mike Ramirez explained the history from previous meetings about why this item is being presented. He has
114 contacted other power departments in the area to find out how they handle requests from communications
115 providers for connections. Many offer a special impact fee for those but vary greatly in how they're handled.
116 Dave Imlay asked if we could keep the 125-amp rate that we already have for Residential and open that up to
117 creating a Commercial Rate for that as well. Mike Ramirez stated that the Building Department has requested
118 a removal of the 125-amp residential rate and explained why. Scott Hughes stated that he would like to
119 strongly recommend not going below 100 amps because that is the size of the standard electrical panel that
120 would be installed. Mac Hall restated that we are asking to remove the 125-amp Residential, so 200-amp
121 Residential is the smallest size, put in 100-amp Commercial with stipulations so it doesn't allow for living
122 quarters, and remove the odd numbered amperage sizes because they don't exist in the electrical world.
123 Dayton Hall stated that we are in the middle of an impact fee study right now and so we should contact the
124 engineers to make those changes before we present it to the City Council. Dave Imlay motioned to recommend
125 that the engineering firm adjust the impact fee study with these changes in mind. Joseph Prete seconded the
126 motion. Motion passed unanimously.

127
128 **Discussion about transformers:** Brian Anderson presented information describing an issue the industry is
129 experiencing with transformers. Lead times have continuously lengthened, and prices have increased as well.
130 He presented recent quote information regarding lead times and pricing from the three vendors that we can
131 receive transformers from. He had all vendors quote a 50kva, 75kva, 300kva, and 500kva transformer. Dave
132 Imlay described what the Department of Energy (DOE) efficiency specification is and that our standard is more

133 efficient than that. Mike Vercimak asked if we have a minimum inventory re-order quantity. Brian Anderson
134 replied that we do have minimum inventory numbers to keep on hand, but we probably need to increase
135 those minimum numbers due to the longer lead times and get an order put together to get some transformers
136 coming. He's presenting this information to show that the tighter this market becomes the more pressure we
137 will get to deviate from our transformer policies. Scott Hughes stated we would like to hold the line with our
138 current policies as long as possible and would like direction from the board about their feelings on it and would
139 like them to think about it. Our current policies do not allow refurbished transformers in our system and
140 require our transformers to meet specific loss evaluations. Dave Imlay offered an option could be to not accept
141 a new transformer by a developer, while deciding whether we want to use refurbished transformers as
142 replacements if it's necessary for our own purpose. Scott Hughes stated another option could be to accept a
143 refurbished transformer if a new transformer is paid for at the same time. The issue with that is the pricing of a
144 transformer is not solid until it ships. Those long lead times make that hard as well. No decisions must be made
145 right now, but the issue needs to be explained so some solutions can be brainstormed if this problem gets
146 worse.

147

148 **Discussion about line extension approval:** Scott Hughes showed a flow chart included in the packet showing
149 how a request for line extensions would work. Mike Vercimak stated there have been some issues with other
150 utilities not being included in the discussion regarding extensions and not having adequate infrastructure
151 themselves. Mac Hall stated we would need to clarify what a line extension means. Dave Imlay states he feels
152 like we should leave the ordinance as it is and get the line extension clarified within the ordinance. The Power
153 Board would like us to move in that direction.

154

155 **Discussion and possible recommendation of a Resolution Authorizing a Tax Certificate and Agreement for**
156 **UAMPS' Firm Power Supply Project; and Related Matters:** Scott Hughes explained this is like the Nebo natural
157 gas purchase we discussed previously. He showed a flow chart helping explain how this works. It's
158 complicated, but it provides a basic overview of the agreement. Dave Imlay stated it is very complicated, but
159 UAMPS is doing everything they can to help reduce the overall cost of power and he believes this is a good
160 agreement. Mac Hall asked when the signed agreement must be back to UAMPS. Scott Hughes answered it
161 must be back by the first week of May and still needs to be presented for approval to the City Council. Dave
162 Imlay made a recommendation to approve the resolution. Kerry Prince seconded the motion. Motion passed
163 unanimously.

164

165 **UAMPS Updates:** Scott Hughes reported a lot of information is included in the packet. Unless there are any
166 questions, we will not go over most of that information.

167

168 Dave Imlay wanted to make a comment about contractors. He feels we should be doing as much work as we
169 possibly can ourselves and choose when to contract any work out. The more complicated projects give our
170 linemen experience and they become better linemen. They're able to work quickly and efficiently, are more
171 versatile, and reduce the length of outages because of their experience. It is good to have a highly skilled crew,
172 which we have always had because of this philosophy.

173

174 Power Board adjourned at 5:45 p.m. The next Power Board Meeting is scheduled for May 1, 2024, at 3:00 p.m.

CONTRACTOR PRE-QUALIFICATION FORM

This form is to be completed by electrical contractor/contractor prior to being allowed to take Hurricane City Power's pre-qualification test to become approved to work on and install 15KV high voltage cable and subdivisions electrical systems. This information will be used by Hurricane Power to determine contractors experience and knowledge of working on 15KV high voltage cable and installing electrical systems in subdivisions. Hurricane City will use the information given on this form to decide eligibility of whether the contractor will be allowed to proceed to become a Hurricane City Power approved contractor.

Company Name:

Phone Number:

Permanent Address:

Owner of Company:

Phone Number:

Company's Years in Business:

Company Representative that will be taking test:

Title & Position of Representative:

Phone Number:

Number of Employees:

Utah State License #:

Date of Expiration:

Include photo copy of card and if not stated on card include what type of Card it is. (Required S-200)

List of Company's equipment that is used for pulling and installing high voltage electrical cables and equipment:

Contractor shall have a minimum of three years experience working on and installing 15 KV high voltage cables and subdivision electrical systems. Include on separate sheets, if needed, documentation of such experience. Include jobs completed, where they are located, developers name and phone numbers, size of the project, three phase or single phase system and any other information that may be deemed useful to determine eligibility on being qualified to work on Hurricane Power System.

Hurricane Power will provide a classroom instruction for the contractor's crew supervisors, foremen or other key personnel that may be running jobs after the contractor has been approved and successfully passed all pre-qualification requirements. This class will be to familiarize the contractor and contractor employees on what Hurricane Power expects to see as far as quality of work and standard practices. After taking this class the contractor employees will receive a different card, authorizing them to supervise jobs for the contractor. Hurricane Power will require that one qualified card holder be present on job site at all times. This includes all aspects of the electrical system. (Including trenching and piping) Please include a list of all names of key personnel that would be taking this class. Include names, title/position, number of years with the company and any other work history that may be deemed useful. Attach other sheets as necessary.

Person Completing This Form: _____ Title: _____

Signature: _____ Date: ____ / ____ / ____

Hurricane City Contractor Pre-qualification Requirements

1. Contractor must have a S-200 license in the State of Utah and have a minimum of three years documented experience of working on and installing 15KV high voltage cables and subdivision electrical systems.
2. The City of Hurricane Reserves the right to disqualify any contractor that does not fully comply with its codes and specifications, or due to poor workmanship.
3. All pre-qualified contractors shall provide a minimum of one pre-qualified employee on a job site at all times. This is for all aspects of installing any part of the electrical system in a subdivision or for primary equipment and/or wire. This includes all trenching and piping.
4. Pre-qualification testing will be held only at specific times of the year. It is the responsibility of the contractor to contact Hurricane Power to be added to the next test date. In time, the test date will be posted on Hurricane City's website at www.cityofhurricane.com.
5. All contractors that are successfully approved must complete an information form prior to starting any project in the City of Hurricane. The form is available at Hurricane's Power Department office.
6. All contractors will be required to re-submit pre-qualification forms every two years. This may include re-testing if there have been any problems with the contractor not following Hurricane Power Specifications or due to poor workmanship. Any contractors that have not worked on Hurricane City's Power system for two years will be required to go thru the full pre-qualification process again.
7. All contractors pulling wire into a hot piece of equipment are required to schedule with Hurricane Power. Contractor crews shall have equipment set up and ready to pull wire at the scheduled time. If contractor is not set up and ready to start at the scheduled time, Hurricane's Power crew may leave the job site and the contractor will have to re-schedule the wire pull. The contractor may get charged for a second time by Hurricane Power.
8. Hurricane City Power may periodically schedule mandatory training for all pre-qualified contractors and key personnel card holders. Failure to attend these classes may result in disqualification of the contractor's pre-qualified status from Hurricane City.

If our company is pre-qualified and approved, I agree to follow Hurricane Power Specifications. I certify that I meet all pre-qualification requirements and that the information is true and accurate to the best of my knowledge.

Name of Company: _____

Name of Company Representative: _____

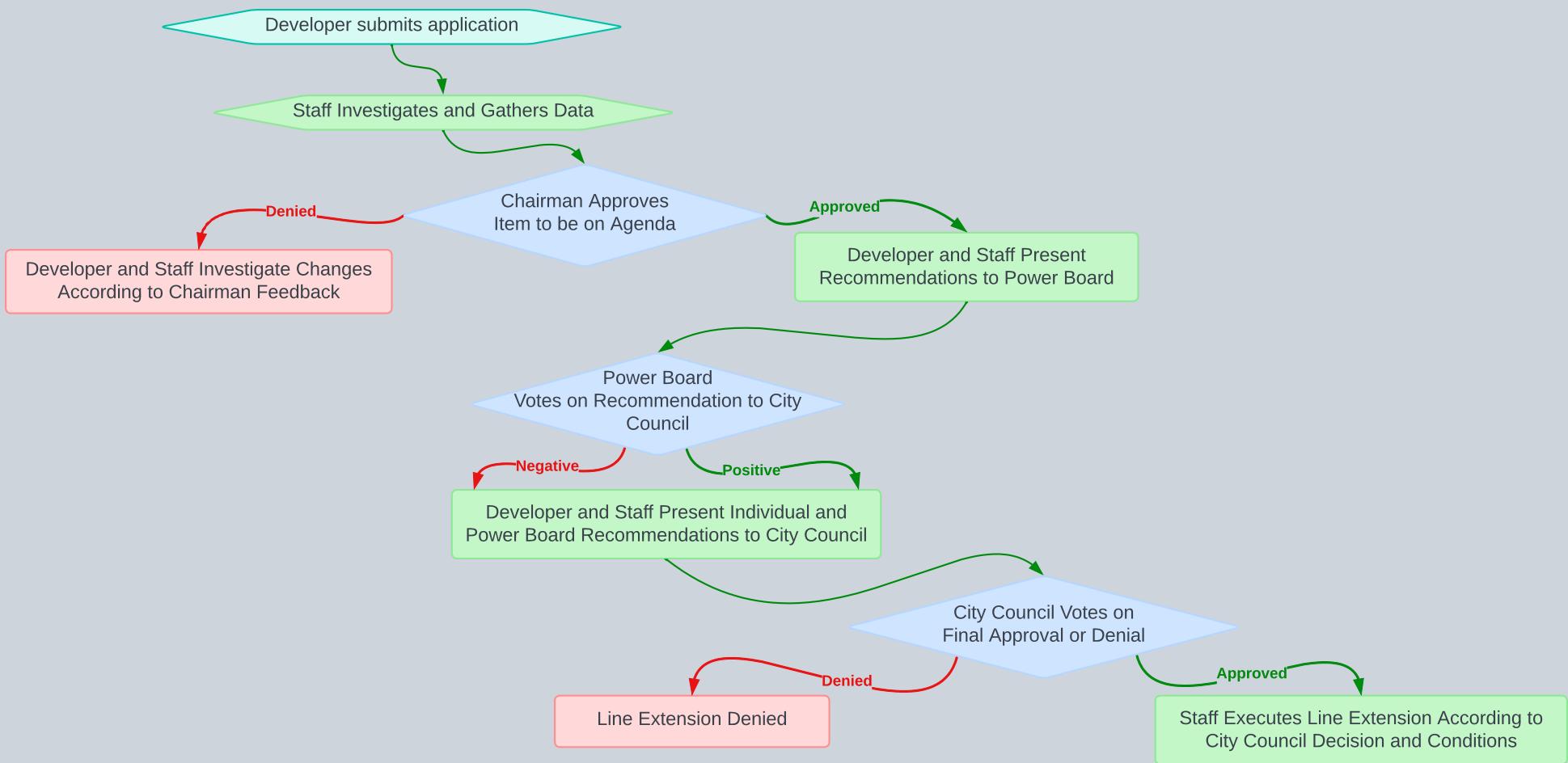
Signature of Company Representative: _____

Date: ____ / ____ / ____

CONTRACTOR LIST

<u>Solar Company</u>	<u>Project Manager</u>	<u>Completed Orientation</u>
Action Solar	Harrison Southwick	X
AV Contracting	Gordon Zitting	X
Bright Planet Solar	Marcus Matthews	X
Custom Electric Service	Clint Stevens	X
ES Solar	Brock Glasmann	X
Esolar	Shane Meyer	X
Far West Solar	Calvin Barlow	X
Fortius Energy	Jordan Kirby	X
Freedom Forever	Chris McMillen	X
Generation Solar	James Roundy	X
Hedgehog Electric	Kirk Navar	X
Intermountain Wind & Solar	Mike Allen	X
Lgcypower	Eddy Camacho	X
Raven Solar Services	Randy Ventura	X
Renewable Resources	Jordan Davis	X
Solarzing	Leif Olsen	X
Solcius	Camila Rodriguez	X
Stout Roofing	Donny Collins	X
TEL T Ventures/ 1 Solar	Rylee Potts	X
Tephra Solar	Kaulana Clark	X
Zion Electric and Solar	Sophia Daley	X

POWER INFRASTRUCTURE - DISTRIBUTION LINE EXTENSIONS



April 2024

Project Meeting Overview Report

CARBON FREE POWER PROJECT (CFPP)

1. Discussed in Executive Session:
 - a. Project wind down status, timeline and Department of Energy interactions.

CENTRAL-ST. GEORGE PROJECT

1. Discussed in Executive Session:
 - a. Current litigation updates and next steps.
2. **Discussed and approved the FY2025 System Usage Analysis including forward energy projection and load growth.**
3. Discussed Rights of Way (ROW):
 - a. Completed Dennett Development work including replacement of two poles.
 - b. Completed Sand Hollow Road work including multiple pole replacements.
4. Discussed BES Exception update including meeting with WECC.
5. Discussed the Operations Report including substation reports for the month of March.

COLORADO RIVER STORAGE PROJECT (CRSP)

1. Discussed CRSP and CREDA reports including CRSP hydrology, snowpack by region compared to previous years, along with current and future Lake Powell conditions.
2. Discussed the Glen Canyon Dam Long-Term Experimental and Management Plan (LTEMP) including a breakdown of the draft and the comments submitted by UAMPS.
3. Discussed Olmsted Contracts including the expiration of current contracts and the process to renew.

4. Discussed the Operations Report including output for each resource for the month of March.

FIRM POWER SUPPLY PROJECT

1. Discussed in Executive Session:
 - a. Steel 1A & 1B Project including Commercial Operation Dates (COD), status updates, potential ribbon cutting, battery energy storage system (BESS) and next steps.
 - b. Red Mesa Tapaha Project including the status of the project and next steps.
 - c. Prepay for Solar including next steps for approval and details regarding the prepay.
2. Discussed the Operations Report including output and scheduling from each resource for the month of March.

GOVERNMENT AND PUBLIC AFFAIRS PROJECT (GPA)

1. Discussed legislative updates with Representative Colin Jack including the analysis of various bills and Q&A.
2. Discussed congressional meetings during the 2024 APPA Legislative Rally.
3. Discussed Federal & State Legislation including Executive Branch and Congressional Updates:
 - a. 2024 election turnout and issues of debate.
 - b. Congressional update including FY24 appropriations completed and FY25 appropriations are underway.
 - c. IRA actions regarding APPA IRA Tax and IIJA including APPA's website resources: <https://www.publicpower.org/guidance-energy-tax-credits-utilities>
 - d. CRSP political updates including past and upcoming comments, work being done with CREDA and UMPA, and Plexos modeling.
 - e. 40101(d) Grant updates including strategy for the post-award stage and the next round will begin solicitation around July 2024.
 - f. State update including State special session and tracking of the upcoming bills.

4. Discussed the GPA Year in Review handout including the strategy and goals for the upcoming year.

HUNTER PROJECT

1. Discussed in Executive Session:
 - a. Long-term strategy including recent activities and next steps.
2. Discussed the Operations Report including plant scheduled output for the month of March.

NEBO (PAYSON) PROJECT

1. Discussed UAMPS Hedging Policy including contents of the policy, Hedging Horizon, lowest cost to serve load and next steps.
2. Discussed plant operation including March statistics, operational item highlights, plant maintenance/safety highlights and plant water discussion.
3. Discussed the upcoming 2024 Spring Outage (April 26th – May 5th) including the scheduled and preventative maintenance that will be completed.
4. Discussed the Operations Report for the month of March including Nebo energy breakdown and Nebo sales margins.

RESOURCE PROJECT

1. Discussed in Executive Session:
 - a. Fremont Solar including the status of the project and next steps.
 - b. Uinta Wind Project identified by the Resource Procurement Plan including project details and next steps.
 - c. Natural Gas Study including potential project sites, site characteristics and next steps.
2. **Approved a resolution to authorize and delegate authority to the Project Management Committee to approve scope and budget changes to the new natural gas study and related matters.**
3. Discussed scheduling for an Interim Meeting.

SAN JUAN PROJECT

1. Discussed Reclamation and Decommissioning updates including cost studies and related work, as well as current and future site work.

BOARD OF DIRECTORS MEETING

1. **Approved resolution authorizing and approving the extension of the Line of Credit Agreement between Wells Fargo and UAMPS, and related matters.**
2. Discussed the UAMPS Sponsorship Program and UAMPS Banners that are available for members to utilize.
3. Discussed FY25 Strategic Initiatives including increased organizational strength, scheduling improvements, resource adequacy, preparing for electric market transitions and enhancing member services.
4. Board Roundtable:
 - a. Guest Speaker - Congresswoman Maloy discussed the Hydro Act, Spending Bills, Natural Gas Committee and other related matters.
 - b. Guest Speaker - Elliot Mainzer from CAISO discussed California ISO facts, projected new capacity, load expectations, California's 20-year resource and transmission development plan, battery storage and the future of natural gas.
5. Approved all action items for the Project Meetings.



CENTRAL – ST. GEORGE TRANSMISSION PROJECT

HISTORY

April 2024

Why was the Project formed?

- Project was undertaken by Participants to provide electric transmission facility to serve the increasing loads in Washington County
- **Early 1986**, UAMPS requested UP&L to expand its transmission facilities to Washington County
- Upon failure of negotiations, UAMPS applied for a Certificate of Convenience and Necessity from the Utah Public Service Commission (the “PSC”) to permit UAMPS to build a 345 kV line to Washington County

***Washington County population increased 63% from 1980 to 1989
Population exceeded the capacity of UP&L transmission system***

Cont.....

- After two-year administrative proceedings, the **Utah PSC denied UAMPS' application**
- In a separate proceeding, the Commission granted UP&L a Certificate of Necessity to construct the 345 kV line through northern Washington County to enable UP&L to sell electric power to Nevada Power Company
 - The Certificate did not authorize UP&L to construct the 138 kV transmission facilities within the County but required UP&L negotiate with UAMPS and Deseret Generation & Transmission Cooperative for joint participation in the 345 kV transmission line to serve the customers in Washington County
- UAMPS and UP&L **reached an agreement** in principle for the acquisition by UAMPS for a portion of the available transmission capacity of the 345 kV system

September 1989

The Utah PSC granted UAMPS a Certificate of Public Convenience and Necessity to construct the 138 kV transmission facilities necessary to provide adequate and reliable service to its members in Washington County

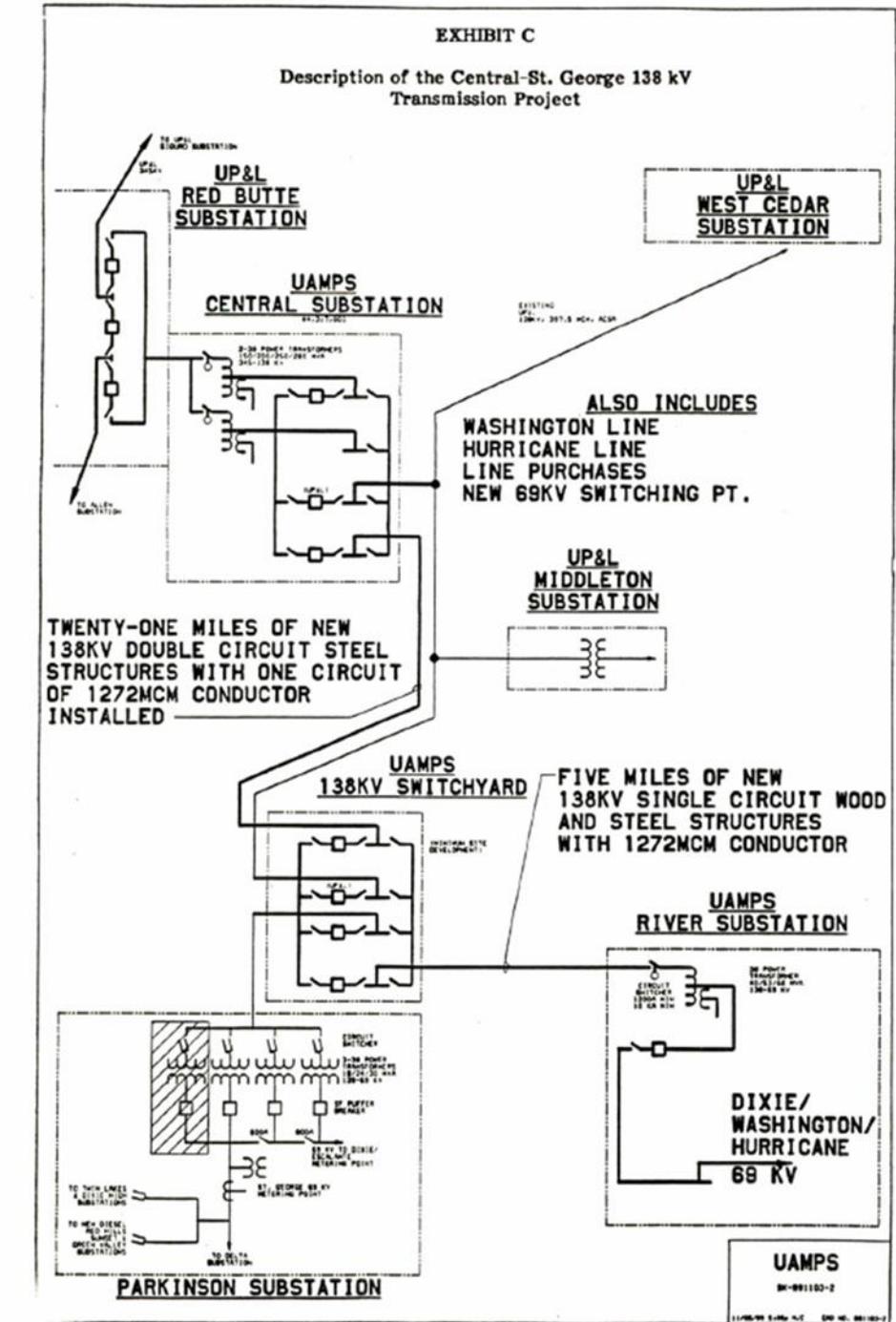


UAMPS formed the Project and approved the Central-St. George Transmission Service Agreements (TSA)

St. George	Dixie	Hurricane	Washington	Santa Clara	Enterprise
67.80%	19.98%	5.94%	5.28%	1.00%	0.00%

“Initial” Project Components

- Construction of the **Central 345 – 138 kV Substation**
- Construction of approximately **21 miles of single-circuit 138 kV transmission line** to connect the Central Substation and the St. George Switching Station
- Construction of the **St. George 138 kV Switching Station** north of St. George
- Construction of approximately 5 miles of 138 kV transmission line connecting the St. George Switching Station and the River 138-69 kV Substation
- Construction of the **River 138-69 kV Substation**
- Purchase and/or construction of additional 69 kV facilities to interconnect the transmission lines and substations with the Participants' electric systems



Project Delays



Desert Tortoise

Desert tortoise was not listed as endangered in Utah when the Project began

- Decided to act as if the desert tortoise had been listed
- Hired an environmental consulting firm that had done tortoise work in Nevada
- Went to great lengths to inventory the tortoise area and assess the habitat condition

Encouraged the Washington County Commission to work under the Endangered Species Act to put together a Habitat Conservation Plan

- Initially the commission was opposed
- Over time it became clear the tortoise was going to be listed as endangered
- Without a plan to preserve habitat much of Washington County could have been shut down to growth and construction

Reluctantly the Commission went along with the development of a Habitat Conservation Plan (the “Plan”)

Habitat Conservation Plan

The Plan was accepted by the Bureau of Land Management and other relevant federal agencies

Any acreage disturbed by construction had to be mitigated with acreage (decided to do a 10-1 disturbance-to-preservation ratio)

Successful obtained 200 acres of school trust lands with excellent habitat to preserve and protect in exchange for the 20 acres disturbed by the Project

Later, when the tortoise was listed, the required ratio ended up being only 1-1, so UAMPS was given extra credits that could be used for future projects

“In southern Utah, we faced rolling blackouts before UAMPS undertook these transmission projects. We simply didn’t have enough capacity during the hot summer months and the cold winter months. Our population was growing rapidly and our power capacity was not keeping up. We were nearly to the point of having to curtail growth and discourage business and industry expansion. Sometimes we were forced to shed load to keep the lights on.

The transmission projects were collaborative efforts among a number of UAMPS members, UP&L, the electric co-ops and state and local leaders. We had to deal with difficult environmental issues, including the transmission lines crossing desert tortoise habitat. But the effort all paid off. Our growth has been consistent, and in the future we will need additional transmission capacity, but our children and grandchildren will have reliable power supplies.”

***Long-time board member Jack Taylor
(now retired) from Santa Clara***

1992

Dixie defaulted on its payment obligation and pursuant to the TSA terms



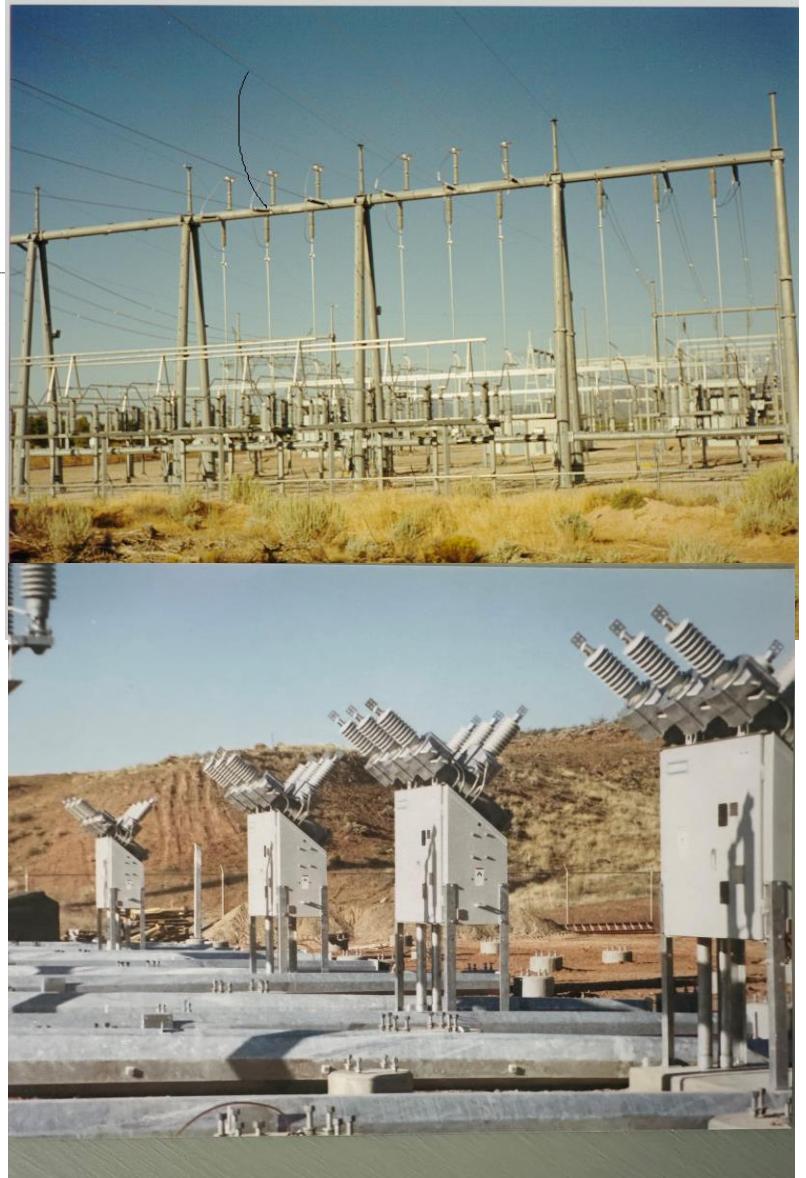
Entitlement shares of Dixie (19.98%) were automatically transferred to the other Participants pro rata

St. George 84.73%	Hurricane 7.42%	Washington 6.60%	Santa Clara 1.25%	Enterprise 0.00%
----------------------	--------------------	---------------------	----------------------	---------------------

1993 Project Facilities

- Completed facilities to date were Central Substation, Central-St. George Transmission Line, St. George Switchyard, and Washington 69 kV Transmission Line
- Facilities still needing to be completed
 - St. George Switchyard – River Substation Transmission Line
 - River Substation
- Additional facilities were also added
 - Mill Creek – Gateway 69 kV Transmission Line
 - Other Facilities
 - Construction of the 3.6 milelong Gateway to Quail Creek 69 kV transmission line
 - Construction of the 3.6 milelong Quail Creek to Hurricane 69 kV transmission line
 - Acquisition and installation of a SCADA system
 - Acquisition, construction, and installation of related equipment and facilities

Washington County population increased approximately 111% from 1980 to 1993



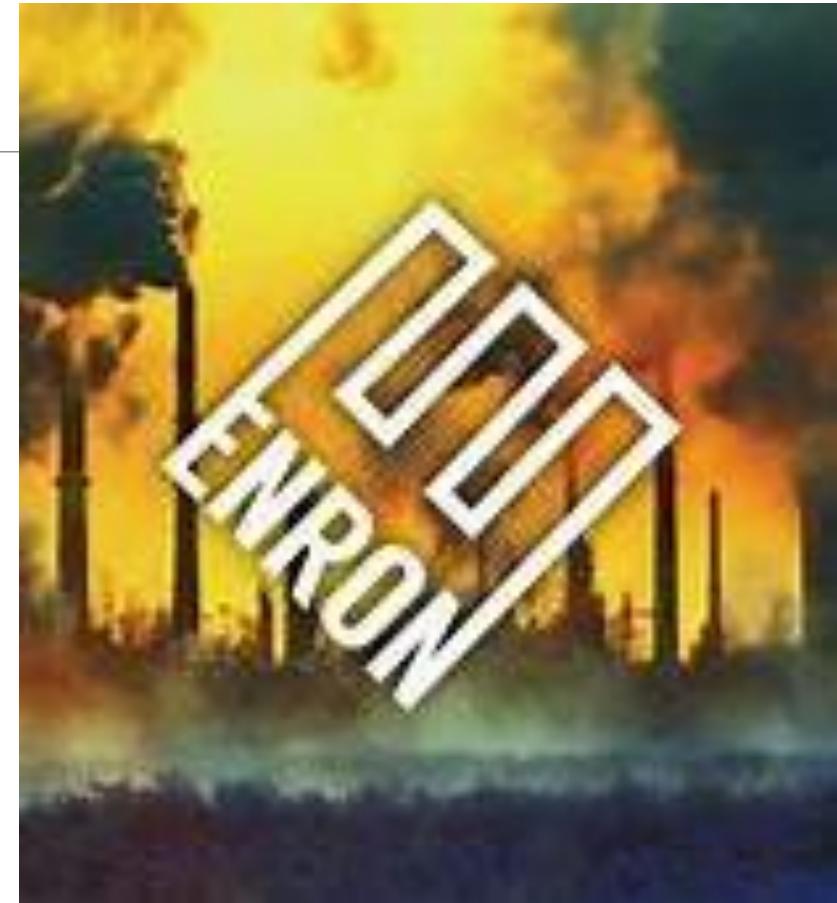
1997 Additional Project Facilities

- In order to provide voltage support, the Project installed seven electric generating units with an aggregate capacity of approximately 11 MW (the **“Bloomington Generators”**)
- Additional facilities were also added to the Project
 - Construction of a second circuit to the Central – St. George Transmission Line
 - Installation of two 345 kV breakers and three 138 kV breakers at Central Substation,
 - Installation of an additional 138 kV breaker at the St. George Switching Station, and
 - Acquisition of associated switching and control equipment

Washington County population increased approximately 180% from 1980 to 1997

2000 Energy Crisis

- During extremely high energy prices, the diesel generators were operated for long periods of time, allegedly violating the air permit
- Utah Department of Air Quality issued a fine for the violation
- A regulatory provision allowed UAMPS to divert most of cost of the fine to a clean energy project



UDAQ Settlement

- Paid a \$138,000 fine and within five years, UAMPS was required to purchase a long-term clean energy product
- In January 2004, UAMPS entered into a Power Purchase Agreement with PPM Energy for approximately 13 MW of energy from the Pleasant Valley Wind Facility
- The generators were sold to St. George

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**Your online source
for public notices in Utah**

Public Notice

County: Washington
Printed In: The Spectrum
Printed On: 2003/04/03

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[Return To Current Search Criteria](#)

Public Notice:

PUBLIC NOTICE

Public Notice is hereby given that the Utah Associated Municipal Power Systems (UAMPS) and the Utah Air Quality Board ("UAQB") have reached an agreement concerning alleged operational violations of an air permit for one of UAMPS' generation facilities in Washington County. The agreement, concluded after several years of negotiations, contains no admission as to any violations, wrongdoing or liability. UAMPS as part of a Supplemental Environmental Program ("SEP") agreed to pay \$138,000 of a set penalty and direct the remaining penalty towards the purchase of wind-generated electrical power within the next five years. SEPs authorized by the United States Environmental Protection Agency ("EPA") and the UAQB allow and encourage alternative disputes resolutions that protect and benefit the environment.

Pub#L9900 published on
April 3, 2003.
The Spectrum

2000 Additional Project Facilities

- Construction of the 138 kV Snow Canyon Transmission Line
- Construction of upgrades to the Snow Canyon Substation to a 138/69/13.2 kV configuration and necessary interconnections to the 138 kV and 69 kV Snow Canyon Transmission Lines
- Acquisition of the existing 69 kV single circuit transmission line running from River Substation and Mill Creek Transmission Line
- Acquisition of existing 138 kV Skyline Transmission Line and necessary interconnection to St. George Switchyard to The 138 kV Snow Canyon Transmission line
- Acquisition of the existing 69 kV Snow Canyon Transmission Line
- Acquisition, construction and improvements of various other transmission and substation facilities

Washington County population increased approximately 228% from 1980 to 2000

2005 **Joint Operating Agreement**

After more than 20 years of planning separately, UAMPS and PacifiCorp integrated their systems by jointly planning, constructing and operating an “Integrated Transmission System” consisting of certain of the parties’ existing transmission facilities, together with various additions and improvements



Purpose Joint Operating Agreement

- Promote and enhance the reliability of the PacifiCorp and UAMPS Existing Facilities in accordance with prudent reliability standards
- Better accommodate emergency operating conditions, temporary outages and the Parties' respective peaks demands
- Effectuate delivery of electricity by the Parties to their respective loads
- Provide for such other transmission service needs of the Parties as the Parties may mutually agree upon

Each Party is responsible to coordinate any planning and construction of additional transmission facilities with the other party

Phase 1 Joint Operating Agreement

- Installation of a breaker on the existing interconnection between the St. George Substation and the Middleton Substation
- Installation of breaker and capacitor bank in the St. George Substation.
- Costs were funded by PacifiCorp
- Work was completed in 2005

Phase 2 Joint Operating Agreement

- Enlargement of the St. George Substation to provide space for future installation of three 345/138 kV power transformers
- Installation of additional breakers and associated equipment in order to terminate all 138 kV lines into the St. George Substation for the purpose of operating the Central/Red Butte Substation 138 kV system in parallel
- Costs were funded by PacifiCorp
- Work was completed in 2006

Phase 3 Joint Operating Agr

- Reconstruction of PacifiCorp's Red Butte – St. George Substation Transmission Line
 - Removal of existing transmission line
 - Construction of 20 miles of new double circuit 345 kV line using weathering steel structures from the Red Butte Substation to St. George Substation



Available Transmission Capacity which includes 400 MW from existing capacity and 134 MW attributable to Phase 3

Phase 4

Joint Operating Agreement

- Installation of capacitor bank at the St. George Substation
- Originally contemplated to be completed in 2012 but work was completed in 2009
- Funded as part of Phase 3

A couple of “Firsts”

- Establishment of “Project Management Committee”
 - Provide every Participant a vote in all matters of the Project (Dixie was not a UAMPS member)
 - Later the Joint Action Agreement was amended to establish a Project Management Committee for each UAMPS Project
- Default and Step-up Provision
 - Dixie has been the only Participant in UAMPS’ history to default on its payment obligations

On-Going Project Activities

- UAMPS continues to plan together with the Participants, PacifiCorp and Dixie Escalante through the established Technical Committee to plan for the continued growth in Washington County
 - Evaluating looping the system
 - Evaluating a separate feed into Washington County
- UAMPS is currently conducting an asset audit to determine a comprehensive list of all Project components

CRSP / CREDA Report
April 2024

Colorado River Storage Project



Kelton Andersen

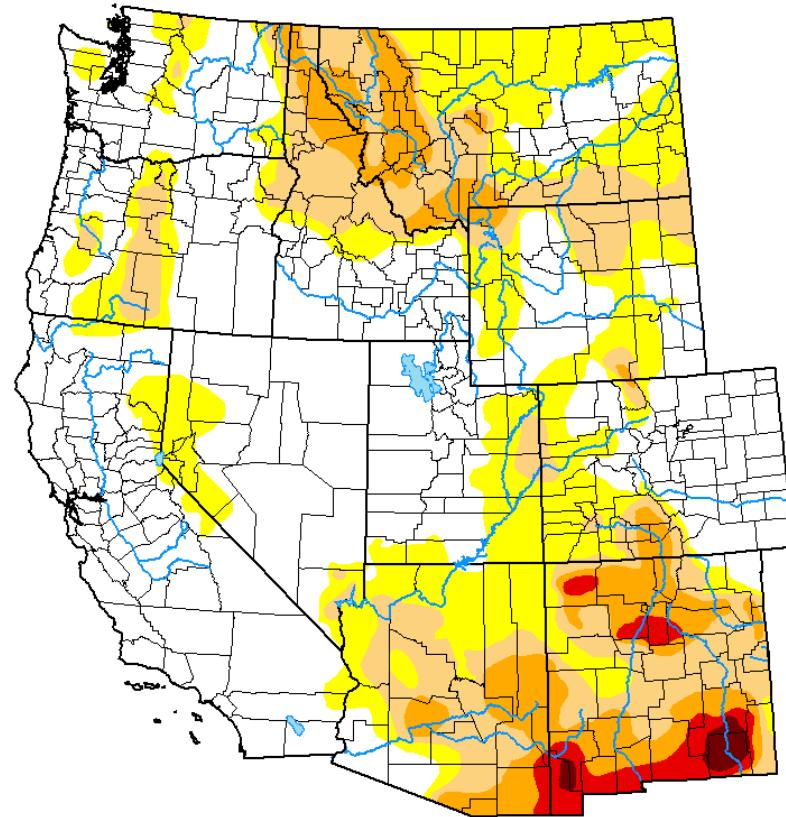


Topic Discussions

- CRSP Hydrology
- BOR LTEMP ROD SEIS
- Olmsted Contract Renewal

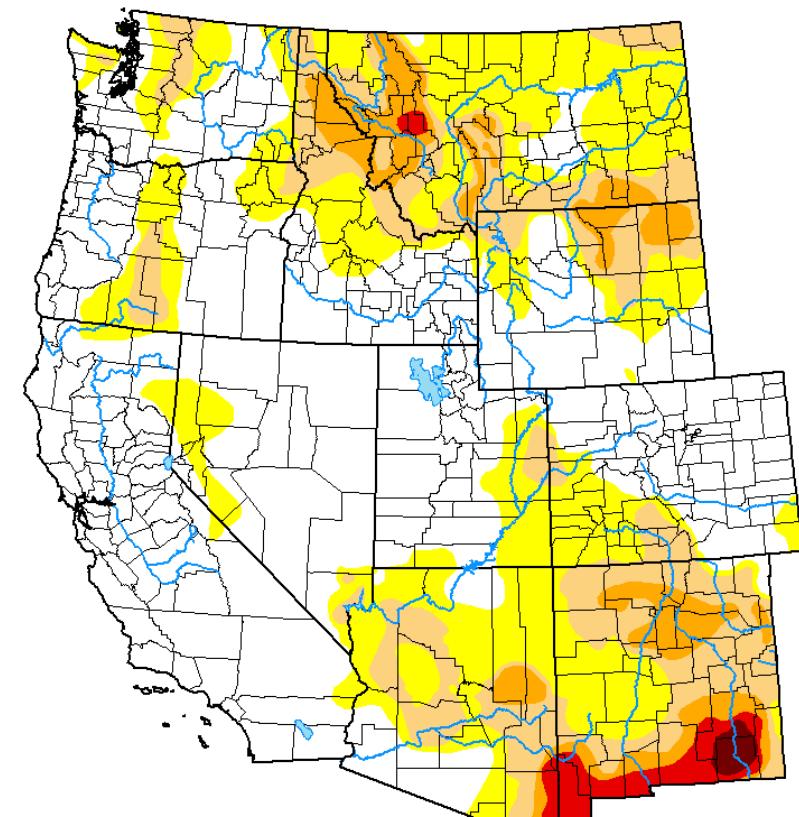
Drought Monitor

February 2024

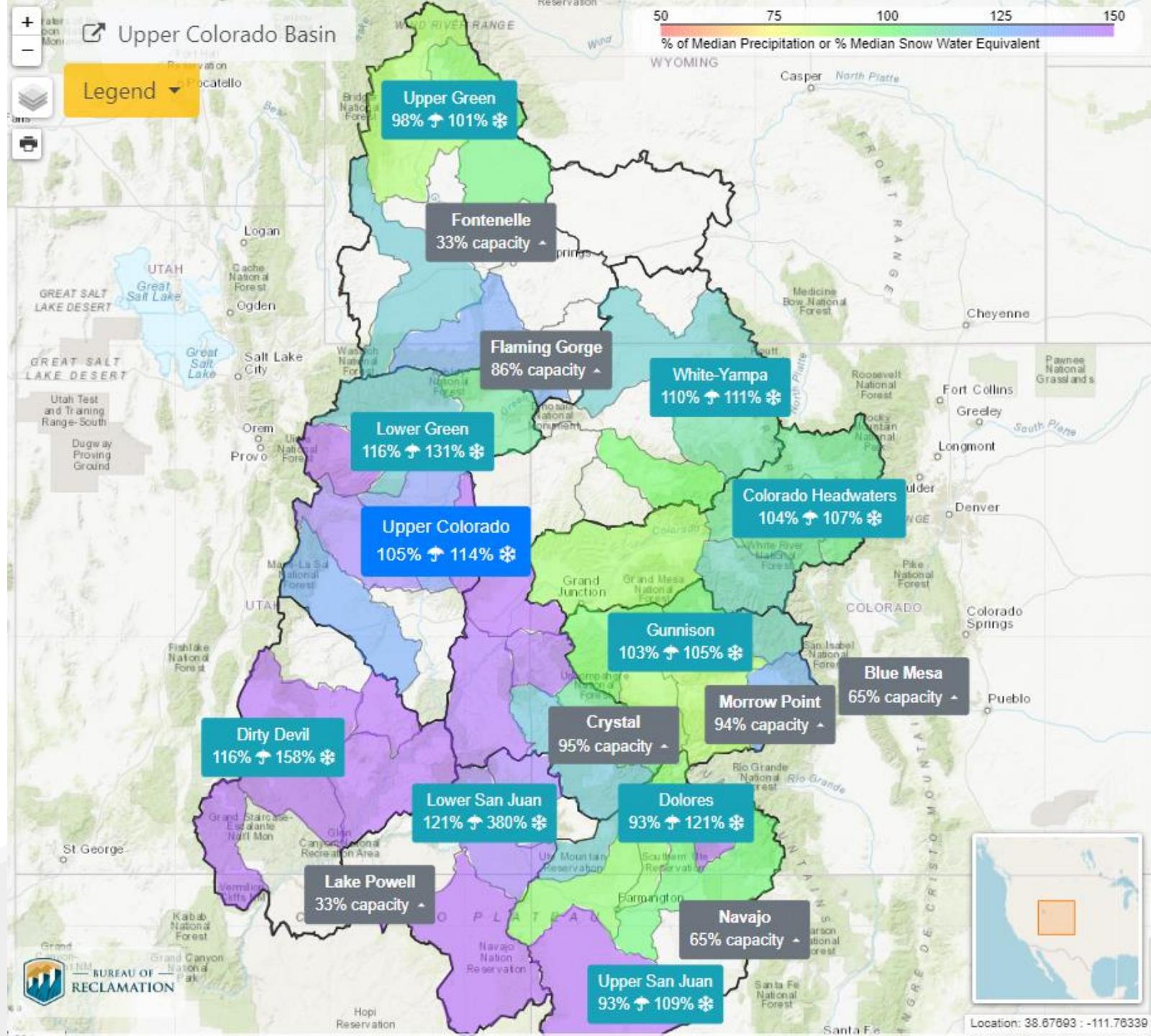


2/13/2024

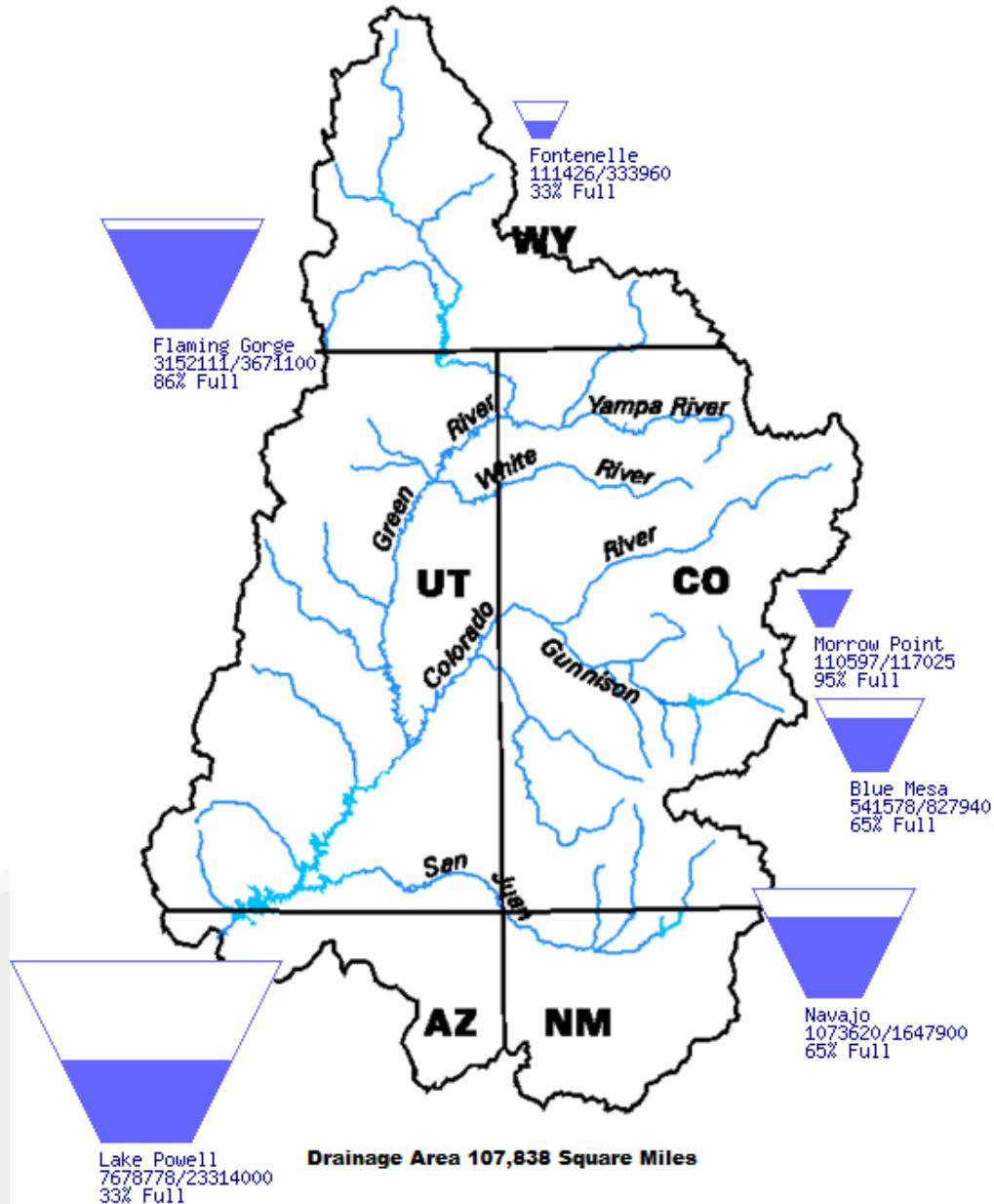
April 2024

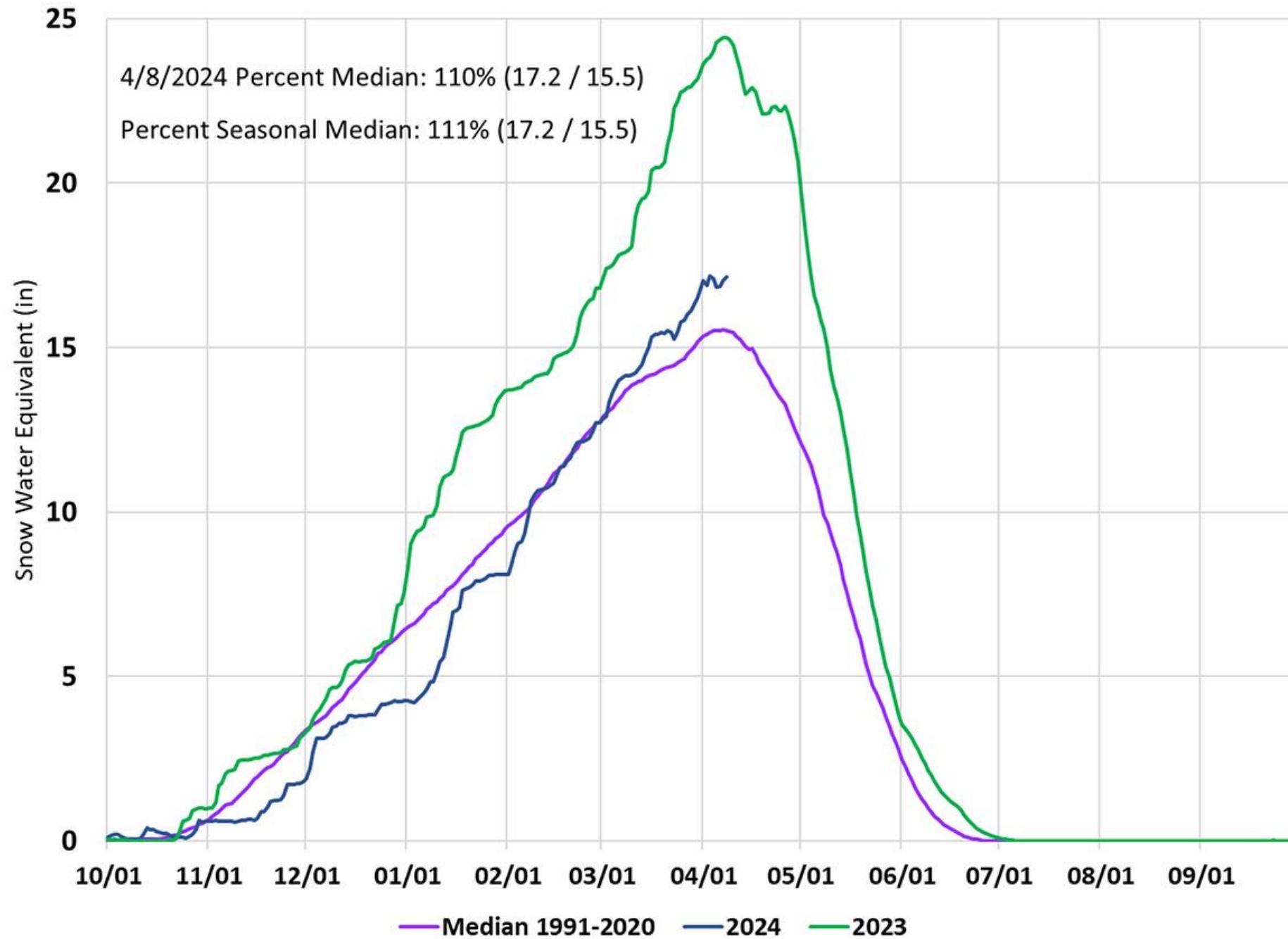


4/4/2024



Upper Colorado River Drainage Basin





Lake Powell Conditions

- Status of Lake Powell
 - Current lake elevation = 3,558 feet
 - = 142 feet below the spillway
 - = 68 feet above penstock intake level
 - Current storage is 7.7 million acre-feet
 - = 33% of reservoir capacity



Lake Powell Inflow

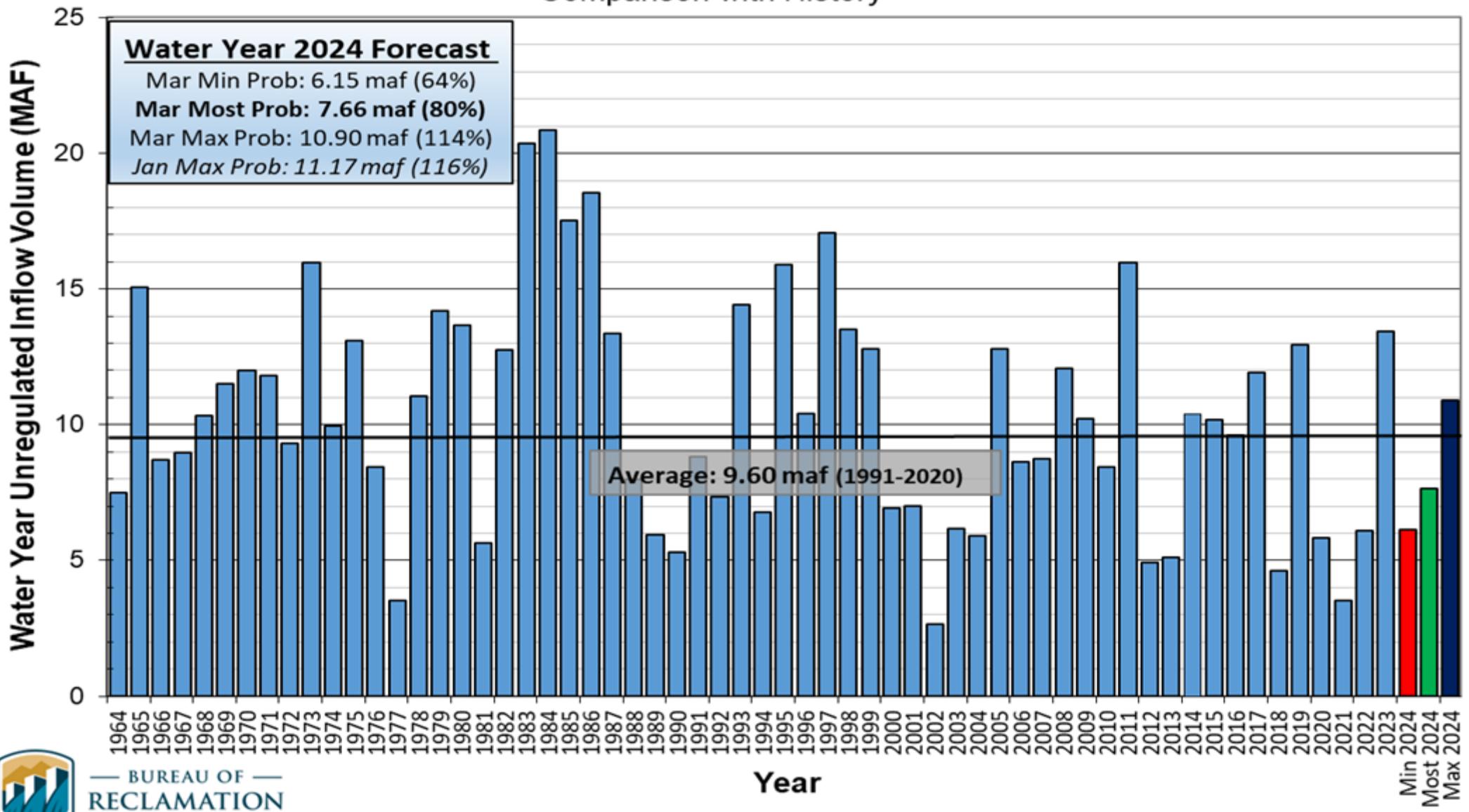


- Unregulated inflow by water-year
 - 2015 = 94% of average
 - 2016 = 89%
 - 2017 = 110%
 - 2018 = 43%
 - 2019 = 120%
 - 2020 = 54%
 - 2021 = 32%
 - 2022 = 63%
 - 2023 = 140% of avg.
 - 2024 = 80% of avg. forecasted (probable range of 64% to 114%)
- 2024 inflow:
 - Actual
 - Jan = 84%
 - Feb = 95%
 - Mar = 76%
 - Forecast
 - Apr = 78%
 - May = 87%
 - Jun = 102%

Lake Powell Unregulated Inflow

Water Year 2024 Forecast *(issued March 5)*

Comparison with History

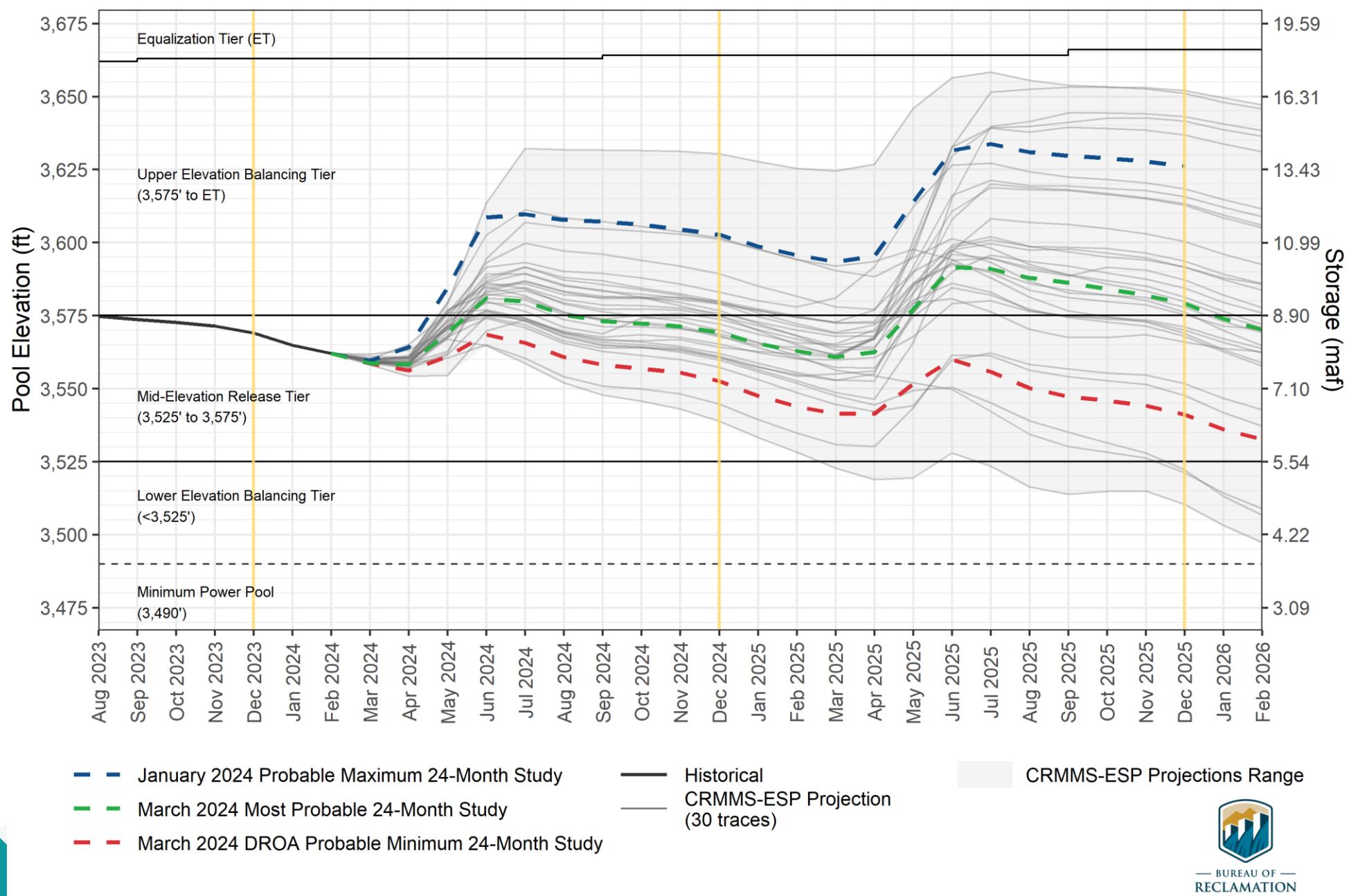


BUREAU OF
RECLAMATION

RGY

Lake Powell End-of-Month Elevations

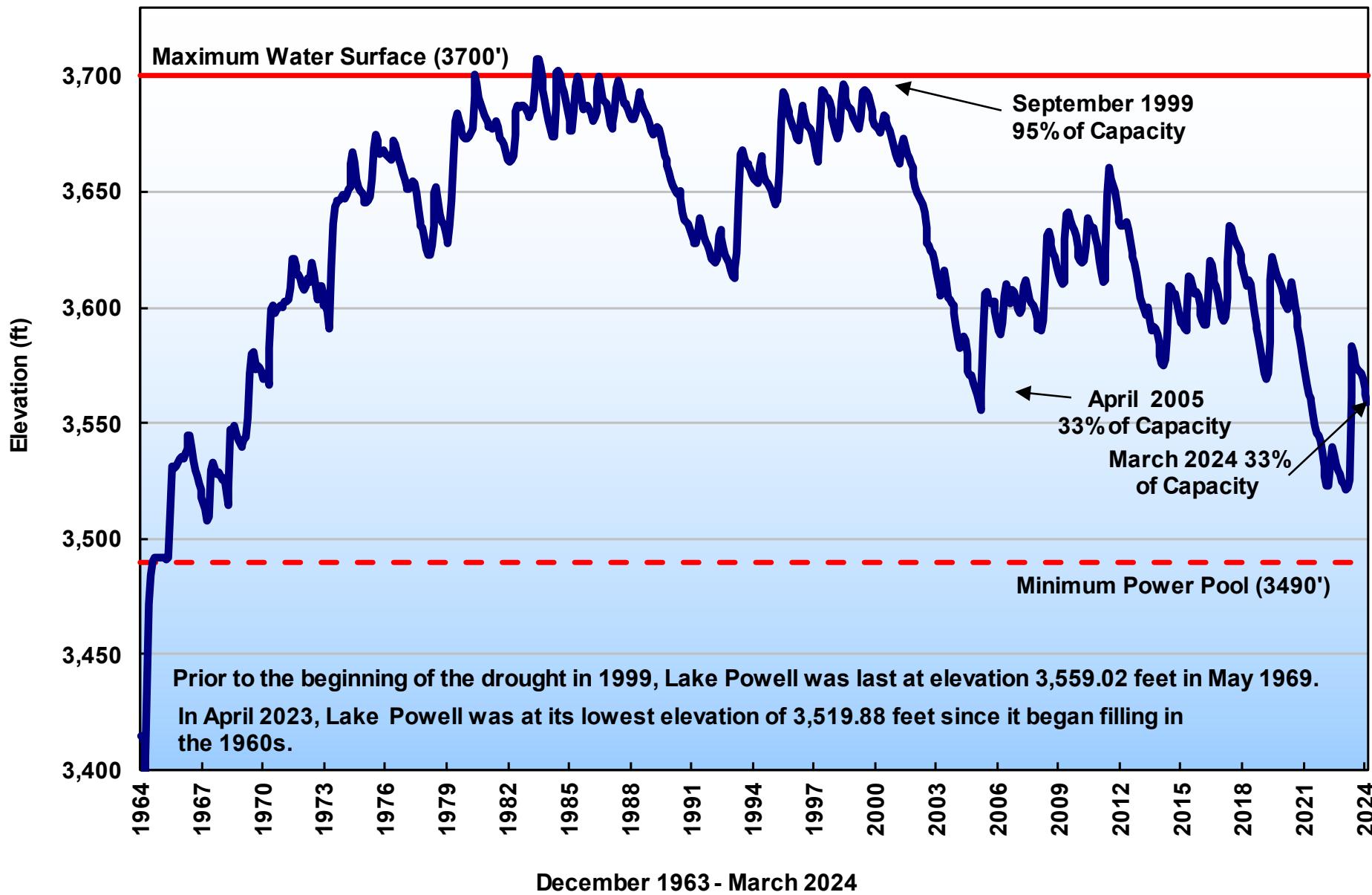
CRMMS Projections from January and March 2024



BUREAU OF
RECLAMATION



Lake Powell End of Month Elevation





— BUREAU OF —
RECLAMATION

Glen Canyon Dam Long-Term Experimental and Management Plan

Draft

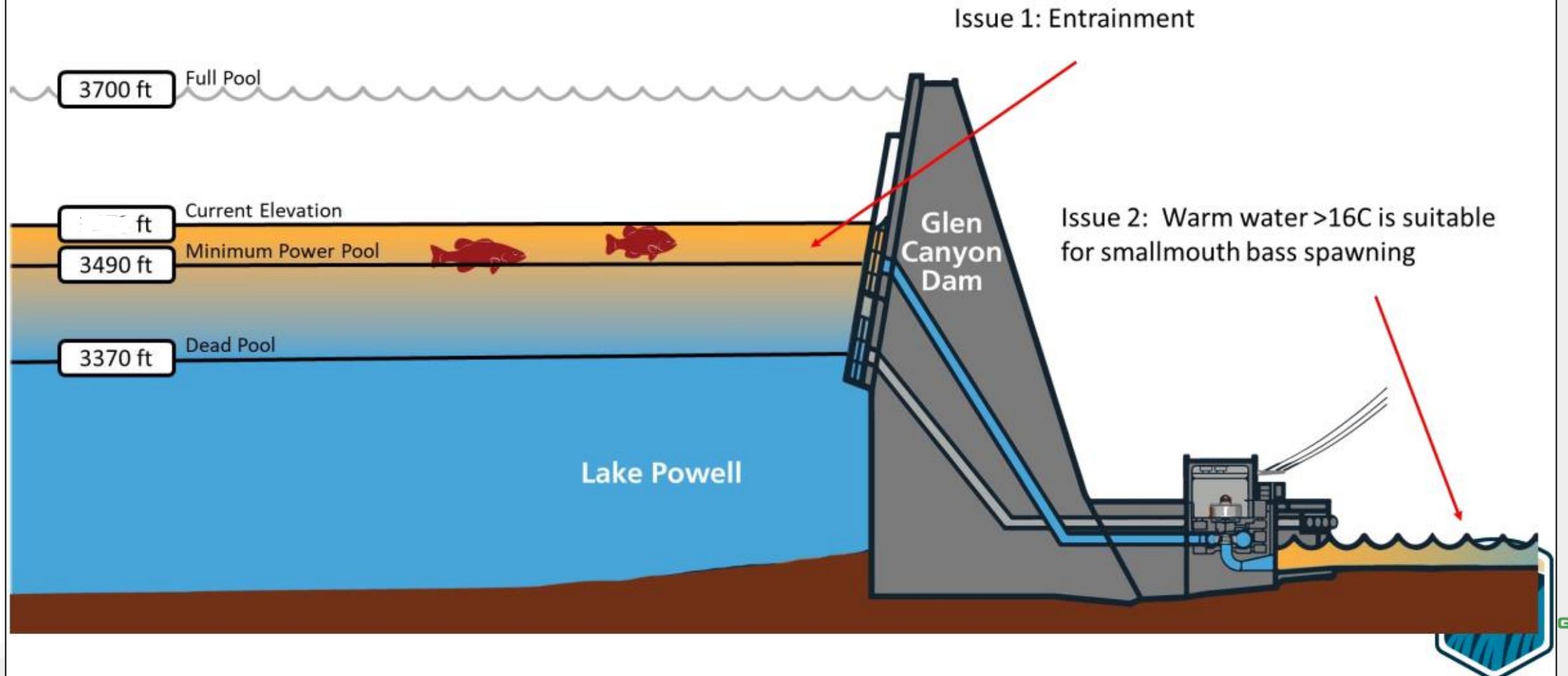
Supplemental Environmental Impact Statement

February 2024
U.S. Department of the Interior
Bureau of Reclamation
Upper Colorado Basins
Interior Region 7



LTEMP ROD SEIS

Invasive Threat to Native Fish



LTEMP SEIS – UAMPS comments submitted



March 25, 2024

Bureau of Reclamation
Attn: LTEMP SEIS Project Manager
125 South State Street, Suite 800
Salt Lake City, UT 84138

Via Email only – LTEMPSEIS@usbr.gov

RE: GLEN CANYON DAM LONG-TERM EXPERIMENTAL AND MANAGEMENT PLAN
(LTEMP) DRAFT SUPPLEMENTAL ENVIRONMENTAL IMPACT STATEMENT (DSEIS) –
89 FR 28, February 9, 2024

Summary:

On behalf of Utah Associated Municipal Power Systems (“UAMPS”) and the 50 municipally and community owned electric utilities that we represent, we thank the U.S. Bureau of Reclamation (“BOR”) for the opportunity to serve as a cooperating agency for the Glen Canyon Dam Long-term Experimental and Management Plan Draft Supplemental Environmental

LTEMP SEIS



- 50 to 60 comment letters received
- Question of what will be done with them
- CREDA feels analysis is incomplete
 - Didn't have WAPA hydropower analysis
 - Could we file to stop due to incompleteness?

LTEMP SEIS



- Lake elevation has improved
- BOR still showing expected temperatures warmer than what is needed to deter Bass
 - could implement bypasses this summer
- If bypass water around generators, WAPA would replace energy since it is experiment
- Basin Fund cannot cover cost for very long

LTEMP SEIS



- This was Draft SEIS
- Final SEIS coming in mid-May
- Record Of Decision published in June

Olmsted Contracts

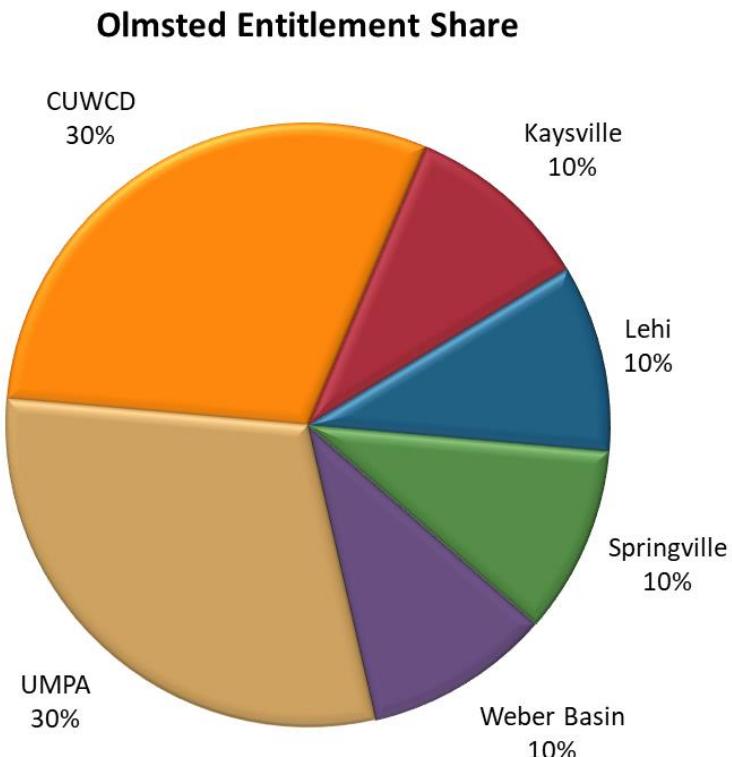


- Existing contracts expire Sept 30, 2024
- New contracts for existing customers
- New contracts for Oct-2024 to Sep-2054 (30 years)
- Setting aside pool of 3% for new customers
 - June Sucker fish restoration efforts will be met by CRSP project use power
 - New allocations will not take place until Oct-2034
 - Up to 3% reduction

Olmsted Contracts



- WAPA emailed draft contracts to existing customers
 - Agreement between WAPA and each customer
 - Agreement to assign to UAMPS
- Virtual meeting to discuss on April 29th, 11am
 - WAPA host
 - for All Olmsted customers



H.B. 191 Electrical Energy Amendments

Bill Text	Status	Hearings/Debate
Enrolled	H.B. 191	Bill Sponsor:  Rep. Jack, Colin W.
1		Floor Sp  Sen. Winterton
ELECTRICAL ENERGY AMENDMENTS		
2024 GENERAL SESSION		
STATE OF UTAH		
Chief Sponsor: Colin W. Jack		Substitute Sponsor: Rep. Jack, (
Senate Sponsor: Ronald M. Winterton		Drafting Attorney: Scott Elder
		Fiscal Analyst: Lacey K. Moore
<hr/>		
2		Bill Tracking
LONG TITLE		Tracking Page
General Description:		
This bill modifies provisions related to the regulation of energy.		
Highlighted Provisions:		
This Bill:		Bill Text
8 defines term;		Introduced 
9 requires the Public Service Commission (commission) to act in accordance with the state energy policy;		Enrolled 
11 requires the commission to make certain determinations before authorizing the early retirement of an electrical generation facility; and		
13 requires the commission to submit an annual report related to requests to retire electric generating units.		
Money Appropriated in this Bill:		
None		
Other Special Clauses:		
None		
Utah Code Sections Affected:		
AMENDS:		Other Versions
29-6-303 , enacted by Laws of Utah 2023, Chapter 195		H.B. 191
ENACTS:		H.B. 191 1st Substitute
54-1-2.1 , Utah Code Annotated 1953		
<hr/>		
24		Related Documents
<i>Be it enacted by the Legislature of the state of Utah:</i>		Fiscal Note 
Section 1. Section 54-1-2.1 is enacted to read:		HB0191S01 comparison
54-1-2.1. Alignment with state energy policy.		
When exercising the powers granted in this title, the commission shall act in accordance with the state energy policy provided in Title 79, Chapter 6, Part 3, State Energy Policy, unless the state energy policy is inconsistent with specific provisions of this title.		
<hr/>		
		Information
		Last Action: 12 Mar 2024, Gov
		Last Location: Lieutenant Gov for filing
		Similar Bills
		Electricity
		Energy
		Public Utilities
		Public Service Commission
		Sections Affected
		79-6-303

Section 2. Section **79-6-303** is amended to read:

79-6-303. Legislative findings -- Forced retirement of electrical generation facilities.

(1) ~~36~~ used in this section:

~~36~~ "Commission" means the Public Service Commission established in Section 54-1-1.

~~36~~ "Dispatchable" means available for use on demand and generally available to be delivered at a time and quantity of the operator's choosing.

~~38~~ "Early retirement" means the closure of an electrical generation facility before ~~39~~ching the end of a normal operational lifespan when significant upgrades and ~~40~~novations to prolong the electrical generation facility's service are still financially ~~41~~sonable investments.

~~42~~ (d) "Electrical generation facility" means a facility that generates electricity for provision to customers.

~~44~~ (e) "Forced retirement" means the closure of an electrical generation facility as a ~~45~~result of a federal regulation that either directly mandates the closure of an electrical ~~46~~generation facility or where the costs of compliance are so high as to effectively force the closure of an electrical generation facility.

~~48~~ "Nameplate capacity" means the sum of the maximum rated outputs of all electrical ~~49~~enerating equipment within a facility under specific conditions designated by the ~~50~~manufacturer, as indicated on individual nameplates physically attached to the ~~51~~quipment.

~~52~~ "Plant factor" means the ratio of the actual annual electrical energy output of an ~~53~~electrical generation facility compared to the potential annual electrical energy output ~~54~~the electrical generation facility operated at full capacity continuously for the entire ~~55~~ar.

~~56~~ (h) "Qualified utility" means the same as that term is defined in Section 54-17-801.

~~57~~ (i) "Reliable" means supporting a system generally able to provide a continuous ~~58~~upply of electricity at the proper voltage and frequency and the resiliency to ~~59~~hstand sudden or unexpected disturbances.

~~60~~ "Replacement plan" means a plan by a qualified utility to replace the energy supply ~~61~~an existing electrical generation facility.

~~62~~ (k) "Secure" means protected against disruption, tampering, and external ~~63~~ference.

(2) The Legislature finds that:

~~65~~ affordable, reliable, dispatchable, and secure energy resources are important to the ~~66~~health, safety, and welfare of the state's citizens;

~~67~~ the state has invested substantial resources in the development of affordable, reliable, ~~68~~dispatchable, and secure energy resources within the state;

~~69~~ the early retirement of an electrical generation facility that provides affordable, ~~70~~able, dispatchable, and secure energy is a threat to the health, safety, and welfare ~~71~~the state's citizens;

~~72~~ the state's police powers, reserved to the state by the United States Constitution, ~~73~~vide the state with sovereign authority to make and enforce laws for the protection ~~74~~the health, safety, and welfare of the state's citizens;

~~75~~ the state has a duty to defend the production and supply of affordable, reliable, ~~76~~dispatchable, and secure energy from external regulatory interference; and

~~77~~ the state's sovereign authority with respect to the retirement of an electrical ~~78~~eneration facility for the protection of the health, safety, and welfare of the state's ~~79~~izens is primary and takes precedence over any attempt from an external regulatory ~~80~~dy to mandate, restrict, or influence the early retirement of an electrical generation ~~81~~ility in the state.

(3) ~~82~~qualified utility that receives notice of any federal regulation that may result in the ~~83~~forced retirement of the qualified utility's electrical generation facility shall inform the ~~84~~Office of the Attorney General of the regulation within 30 days after the receipt of ~~85~~note.

(4) ~~86~~fter being informed as described in Subsection (3), the Office of the Attorney General ~~87~~ake any action necessary to defend the interest of the state with respect to ~~88~~lectricity generation by the qualified utility, including filing an action in court or ~~89~~participating in administrative proceedings.

~~90~~before authorizing or approving a rate case, integrated resource plan, or other ~~91~~ission that proposes the early retirement of an electrical generation facility, the ~~92~~ission shall:

~~93~~ consider the Legislature's findings in Subsection (2);

~~94~~ determine, based on clear and convincing evidence, that the early retirement of an ~~95~~electrical generation facility will not:

~~96~~ (i) ~~9~~reate a material adverse effect on the provision of affordable, reliable,

~~97~~ dispatchable, and secure electricity to customers in the state;

~~98~~ (ii) ~~9~~reate or exacerbate an existing shortage of available electricity to customers in

99 the state;
100 (iii) harm the qualified utility's ratepayers by causing the qualified utility to incur any
101 net incremental costs to be recovered from ratepayers that could be avoided by
102 continuing to operate the electric generating unit proposed for retirement in
103 compliance with applicable law; and
104 (iv) be undertaken as a result of any financial incentives or benefits for closure
105 related costs offered by any federal agency;
106 determine whether the utility has proven a commitment and capability to have a
107 placement plan operational before retiring the existing facility; and
108 in making the determination under Subsection (b), consider the following
109 characteristics:
110 (i) plant factor;
111 (ii) nameplate capacity;
112 (iii) reliability;
113 (iv) dispatchability;
114 (v) affordability; and
115 (vi) the minimum reserve capacity requirement established by the utility's reliability
116 coordinator.
(6) the commission shall prepare and submit an annual report to the Public Utilities,
117 Energy, and Technology Interim Committee before November 30 of each year detailing;
118 the number of received requests to retire electric generating units in the state,
119 including:
120 (i) the nameplate capacity of each of those units; and
121 (ii) whether the request was approved or denied by the commission;
122 (iii) the impact of any commission-approved retirement of an electric generating unit on
123 the state's generation fuel mix;
124 (iv) required capacity reserve margins for the qualified utility;
125 (v) need for capacity additions or expansions at new or existing facilities as a result
126 of the retirement; and
127 (vi) need for additional purchase power or capacity reserve arrangements; and
128 (vii) whether a retirement resulted in stranded costs for the ratepayer that will be
129 covered by the utility through a surcharge or some other separate charge on the
130 customer bill.

Section 3. Effective date:
This bill takes effect on May 1, 2024.

STATE
SENATE

HOUSE OF

350 North State, Suite 320
PO Box 145115
Salt Lake City, Utah 84114
Telephone: (801) 538-1408
<https://senate.utah.gov>

Contact a Senator

H.B. 215 Home Solar Energy Amendments

Bill Text	Status	Hearings/Debate	
Enrolled	H.B. 215	Bill Sponsor:	Floor S
1			
	HOME SOLAR ENERGY AMENDMENTS	Rep. Jack, Colin W.	Sen. Sandall
	2024 GENERAL SESSION		
	STATE OF UTAH		
	Chief Sponsor: Colin W. Jack	Substitute Sponsor: Rep. Jack, (
	Senate Sponsor: Scott D. Sandall	Drafting Attorney: Scott Elder	
2		Fiscal Analyst: Noah Matthew Ha	
LONG TITLE			
General Description:			
This bill modifies provisions related to the Residential Solar Energy Disclosure Act.			
Highlighted Provisions:			
This Bill:			
8 requires a solar retailer to provide a copy of the signed agreement in electronic form, and offer the customer a paper form;			
10 prohibits beginning installation until four business days after providing the signed copy of the solar agreement to the customer;			
12 provides the customer with a four business day cancellation period after receiving the agreement;			
14 adds enforcement authority for the Division of Consumer Protection, including court action; and			
16 makes technical changes.			
Money Appropriated in this Bill:			
None			
Other Special Clauses:			
None			
Utah Code Sections Affected:			
AMENDS:			
23-52-201 , enacted by Laws of Utah 2018, Chapter 290			
23-52-202 , enacted by Laws of Utah 2018, Chapter 290			
23-52-301 , enacted by Laws of Utah 2018, Chapter 290			
ENACTS:			
23-52-207 , Utah Code Annotated 1953			
28			
<i>Be it enacted by the Legislature of the state of Utah:</i>			

Similar Bills

- Business
- Commerce and Trade
- Consumer Protection
- Renewable and Clean Energy

Information

- Last Action:** 13 Mar 2024, Gov
- Last Location:** Lieutenant Gov for filing

Section 1. Section **13-52-201** is amended to read:

13-52-201. Disclosure statement required.

(1) ~~(a)~~ Before At the time of entering a solar agreement, a solar retailer shall provide to a potential customer a separate, written disclosure statement as provided in this section and, as applicable, Sections 13-52-202, 13-52-203, 13-52-204, and 13-52-205.

~~(b) (3)(a)~~ The requirement under Subsection (1)(a) may be satisfied by the electronic delivery of a disclosure statement to the potential customer.

~~(ii) (3)(b)~~ An electronic document under Subsection (1)(a) satisfies the font size standard under Subsection (2)(a) if the required disclosures are displayed in a clear and conspicuous manner.

(2) ~~(1)~~ A disclosure statement under Subsection (1) shall:

~~(1)~~ be in paper form;

~~(2)~~ be in at least 12-point font;

~~(3)~~ (c) contain:

44 (i) the name, address, telephone number, and any email address of the potential
45 customer;

46 (ii) the name, address, telephone number, and email address of the solar retailer; and
47 (iii) (A) the name, address, telephone number, email address, and state contractor

48 license number of the person who is expected to install the system that is the
49 subject of the solar agreement; and

50 (B) if the solar retailer selected the person who is expected to provide operations
51 or maintenance support to the potential customer or introduced that person to
52 the potential customer, the name, address, telephone number, email address,
53 and state contractor license of the operations or maintenance support person;
54 and

55 (d) include applicable information and disclosures as provided in Sections 13-52-202,
13-52-203, 13-52-204, and 13-52-205.

Sections Affected

13-52-201

13-52-202

13-52-301

Section 2. Section **13-52-202** is amended to read:

13-52-202. Contents of disclosure statement for any solar agreement.

If a solar retailer is proposing to enter any solar agreement with a potential customer, the disclosure statement required in Subsection 13-52-201(1) shall include:

(1) a statement indicating that operations or maintenance services are not included as part of the solar agreement, if those services are not included as part of the solar agreement;

(2) the solar retailer provides any written estimate of the savings the potential customer is projected to realize from the system;

(5) (i) the estimated projected savings over the life of the solar agreement; and
(6) (ii) at the discretion of the solar retailer, the estimated projected savings over any
longer period not to exceed the anticipated useful life of the system;
(7) any material assumptions used to calculate estimated projected savings and the
source of those assumptions, including:
(8) (i) if an annual electricity rate increase is assumed, the rate of the increase and the
solar retailer's basis for the assumption of the rate increase;
(9) (ii) the potential customer's eligibility for or receipt of tax credits or other
governmental or utility incentives;
(10) (iii) system production data, including production degradation;
(11) (iv) the system's eligibility for interconnection under any net metering or similar
program;
(12) (v) electrical usage and the system's designed offset of the electrical usage;
(13) (vi) historical utility costs paid by the potential customer;
(14) (vii) any rate escalation affecting a payment between the potential customer and the
solar retailer; and
(15) (viii) the costs associated with replacing equipment making up part of the system or,
if those costs are not assumed, a statement indicating that those costs are not
assumed; and
(16) two separate statements in capital letters in close proximity to any written estimate of
projected savings, with substantially the following form and content:

86 (i) "THIS IS AN ESTIMATE. UTILITY RATES MAY GO UP OR DOWN AND
87 ACTUAL SAVINGS, IF ANY, MAY VARY. HISTORICAL DATA ARE NOT
88 NECESSARILY REPRESENTATIVE OF FUTURE RESULTS. FOR
89 FURTHER INFORMATION REGARDING RATES, CONTACT YOUR
90 LOCAL UTILITY OR THE STATE PUBLIC SERVICE COMMISSION."; and
91 (ii) "TAX AND OTHER FEDERAL, STATE, AND LOCAL INCENTIVES VARY
92 AS TO REFUNDABILITY AND ARE SUBJECT TO CHANGE OR
93 TERMINATION BY LEGISLATIVE OR REGULATORY ACTION, WHICH
94 MAY IMPACT SAVINGS ESTIMATES. CONSULT A TAX PROFESSIONAL
95 FOR MORE INFORMATION.";

(3) a notice with substantially the following form and content: "Legislative or regulatory
action may affect or eliminate your ability to sell or get credit for any excess power
generated by the system, and may affect the price or value of that power.";
(4) a notice describing any right a customer has under Section 13-52-207, and any other
applicable law to cancel or rescind a solar agreement;
(5) a statement describing the system and indicating the system design assumptions,
including the make and model of the solar panels and inverters, system size, positioning
of the panels on the customer's property, estimated first-year energy production, and
estimated annual energy production degradation, including the overall percentage
degradation over the term of the solar agreement or, at the solar retailer's option, over
the estimated useful life of the system;
(6) a description of any warranty, representation, or guarantee of energy production of the
system;

(7) approximate start and completion dates for the installation of the system;
(8) a statement that the solar retailer may not begin installation of the system until at least
four business days after the day on which the solar retailer and customer enter into a
contract.

(9) a statement indicating whether any warranty or maintenance obligations related to
the system may be transferred by the solar retailer to a third party and, if so, a statement
with
substantially the following form and content: "The maintenance and repair
obligations under your contract may be assigned or transferred without your consent to a
third party who will be bound to all the terms of the contract. If a transfer occurs, you
will be notified of any change to the address, email address, or phone number to use for
questions or payments or to request system maintenance or repair.";
(10) if the solar retailer will not obtain customer approval to connect the system to the
customer's utility, a statement to that effect and a description of what the customer must
do to interconnect the system to the utility;
(11) a description of any roof penetration warranty or other warranty that the solar
retailer provides the customer or a statement, in bold capital letters, that the solar retailer

does not provide any warranty;

(112612) a statement indicating whether the solar retailer will make a fixture filing or other notice in the county real property records covering the system, including a Notice of ~~128~~ Independently Owned Solar Energy System, and any fees or other costs associated with the filing that may be charged to the customer;

(112713) a statement in capital letters with substantially the following form and content:

"NO EMPLOYEE OR REPRESENTATIVE OF [name of solar retailer] IS AUTHORIZED TO MAKE ANY PROMISE TO YOU THAT IS NOT CONTAINED IN THIS DISCLOSURE STATEMENT CONCERNING COST SAVINGS, TAX BENEFITS, OR GOVERNMENT OR UTILITY INCENTIVES. YOU SHOULD NOT RELY UPON ANY PROMISE OR ESTIMATE THAT IS NOT INCLUDED IN THIS DISCLOSURE STATEMENT.";

(112814) a statement in capital letters with substantially the following form and content:

"[name of solar retailer] IS NOT AFFILIATED WITH ANY UTILITY COMPANY OR GOVERNMENT AGENCY. NO EMPLOYEE OR REPRESENTATIVE OF [name of solar retailer] IS AUTHORIZED TO CLAIM AFFILIATION WITH A UTILITY COMPANY OR GOVERNMENT AGENCY."; and

(112915) any additional information, statement, or disclosure the solar retailer considers appropriate, as long as the additional information, statement, or disclosure does not have the purpose or effect of obscuring the disclosures required under this part.

Section 3. Section **13-52-207** is enacted to read:

13-52-207. Customer ability to cancel solar agreement.

(1147) a solar retailer shall provide to the customer a copy of the signed solar agreement, including any disclosures required under this chapter:

149 in electronic and in paper form, unless the customer declines the paper copy in writing; and

150 if the solar retailer marketed services for residential solar energy systems to the customer in a language other than English, in that language.

(2153) a solar agreement is not enforceable against the customer unless the requirements in Subsection (1) are met.

(3155) a solar retailer may not begin installation of any solar equipment until four business days after the day on which the solar retailer provides the customer the solar agreement described in Subsection (1).

(4158) a customer cancels a solar agreement under Subsection 13-11-4(2)(m) or Subsection 13-19-5(2)(a), the solar retailer shall within 10 days:

160 return any check signed by the customer as payment under the terms of the solar agreement; and

161 refund any money provided by the customer under the terms of the solar agreement.

(5163) a solar agreement described in Subsection (1) shall clearly:

164 state the customer's right to cancel the solar agreement under this section; and

165 provide an email address and a mailing address where the customer can send the solar retailer a notice of cancellation of the solar agreement.

(6167) subsection (1)(a) only applies to sales where the customer has a right to cancel the purchase as described in Subsection 13-11-4(2)(m) or Subsection 13-26-5(2)(a).

Section 4. Section **13-52-301** is amended to read:

13-52-301. Division enforcement authority -- Administrative fine.

(1) Subject to Subsection (2), the division may enforce the provisions of this chapter by:

- 172 conducting an investigation into an alleged violation of this chapter;
- 173 issuing a cease and desist order against a further violation of this chapter; and
- 174 imposing an administrative fine of up to \$2,500 for each violation of this chapter; and
- 175 the division may bring an action in a court of competent jurisdiction to enforce a
- 176 violation of this chapter.

177 (c) imposing an administrative fine of no more than \$2,500 per solar agreement on a
 178 solar retailer that:

- 179 (i) materially fails to comply with the disclosure requirements of this chapter; or
- 180 (ii) violates any other provision of this chapter, if the division finds that the violation is
a 181 willful or intentional attempt to mislead or deceive a customer.

182 (2) the division may not commence any enforcement action under this section more than
 183 four years after the date of execution of the solar agreement with respect to which a
 184 violation is alleged to have occurred. In a court action by the division to enforce a
 185 provision of this chapter, the court may:

- 186 declare that an act or practice violates a provision of this chapter;
- 187 issue an injunction for a violation of this chapter;
- 188 order disgorgement of any money received in violation of this chapter;
- 189 order payment of disgorged money to an injured purchaser or consumer;
- 190 impose a fine of up to \$2,500 for each violation of this chapter; or
- 191 award any other relief that the court deems reasonable and necessary.

192 (3) the division shall, in its discretion:

- 193 deposit an administrative fine collected under Subsection (1)(c) in the Consumer
194 Protection Education and Training Fund created in Section 13-2-8; or
- 195 distribute an administrative fine collected under Subsection (1)(c) to a customer
196 adversely affected by the solar retailer's failure or violation resulting in a fine under
197 section (1)(c), if the division has conducted an administrative proceeding
198 resulting in a determination of the appropriateness and amount of any distribution to
199 customer.

199 (4) nothing in this chapter may be construed to affect:

- 200 a remedy a customer has independent of this chapter; or
- 201 the division's ability or authority to enforce any other law or regulation.

Section 5. **Effective date:**

This bill takes effect on May 1, 2024.

STATE
SENATE

HO

350 North State, Suite 320
 PO Box 145115
 Salt Lake City, Utah 84114
 Telephone: (801) 538-1408
<https://senate.utah.gov>

Contact a Senator

H.B. 374 State Energy Policy Amendments

Bill Text	Status	Hearings/Debate	
Enrolled	H.B. 374	Bill Sponsor:	Floor S
1	STATE ENERGY POLICY AMENDMENTS		
	2024 GENERAL SESSION	Rep. Jack, Colin W.	Sen. Vickie
	STATE OF UTAH		
	Chief Sponsor: Colin W. Jack		
	Senate Sponsor: Evan J. Vickers	Substitute Sponsor: Sen. Vickie	
2		Drafting Attorney: Scott Elder	
LONG TITLE		Fiscal Analyst: Lacey K. Moore	
General Description:			
This bill modifies the state energy policy.			
Highlighted Provisions:			
This Bill:		Bill Tracking	
8 defines terms;		Tracking Page	
9 provides that the state energy policy:			
10 • is focused on human well-being and quality of life;		Bill Text	
11 • encourages the use of dispatchable energy resources;		Introduced 	
12 • fosters innovation and development to meet future energy demand; and		Enrolled 	
13 • allows for market-based solutions; and			
14 requires the Office of Energy Development to report annually to the Public Utilities, Energy, and Technology Interim Committee regarding:		Other Versions	
15 development and implementation of the state energy plan; and		H.B. 374	
16 the state energy plan's compliance with the state energy policy; and			
17 makes technical changes.			
Money Appropriated in this Bill:		Related Documents	
None		Fiscal Note 	
Other Special Clauses:		HB0374 comparison	
None			
Utah Code Sections Affected:		Information	
AMENDS:		Last Action: 21 Mar 2024, Gov	
79-6-102 , as renumbered and amended by Laws of Utah 2021, Chapter 280		Last Location: Lieutenant Gov for filing	
79-6-301 , as last amended by Laws of Utah 2023, Chapters 186, 195			
79-6-401 , as last amended by Laws of Utah 2023, Chapter 196			

28

Be it enacted by the Legislature of the state of Utah:

Similar Bills

- Energy
- Public Utilities
- Renewable and Clean Energy
- Office of Energy Development

Sections Affected

- 79-6-102
- 79-6-301
- 79-6-401

Section 1. Section **79-6-102** is amended to read:

79-6-102. Definitions.

~~A2~~ used in this chapter:

(1) ~~33~~ **Adequate**" means an amount of energy sufficient to continuously meet demand from ~~24~~ normal conditions, not including planned outages and temporary service ~~disruptions~~.

(2) ~~36~~ **Affordable**" means priced to be accessible to the population without causing financial ~~stra~~ or compromising basic needs, quality of life, or well-being.

(3) ~~38~~ **Appointing authority**" means:

(~~39~~) on and before June 30, 2029, the governor; and

(~~40~~) on and after July 1, 2029, the executive director.

(4) ~~41~~ **Clean**" means minimizing adverse environmental impact and able to meet state ~~stan~~ standards for environmental quality.

(5) ~~43~~ **Dispatchable**" means available for use on demand and generally available to be ~~deli~~vered at a time and quantity of the operator's choosing.

(6) ~~45~~ **Electrical corporation**" means the same as that term is defined in Section 54-2-1.

(~~7~~) ~~46~~ (a) On and before June 30, 2029, "energy advisor" means the governor's energy ~~advi~~isor appointed under Section 79-6-401.

(~~8~~) On and after July 1, 2029, "energy advisor" means the energy advisor appointed by ~~the~~ executive director under Section 79-6-401.

(8) ~~50~~ **Gas corporation**" means the same as that term is defined in Section 54-2-1.

(9) ~~51~~ **Intermittent**" means available for use on a variable basis that is dependent on elements ~~out~~of the control of the operator.

(~~10~~) ~~53~~ (b) "Office" means the Office of Energy Development created in Section 79-6-401.

(~~11~~) ~~54~~ (a) **Reliable**" means supporting a system generally able to provide a continuous ~~sup~~ply and the resiliency to withstand sudden or unexpected disturbances.

(~~12~~) ~~56~~ "Reliable" includes, for systems delivering electricity, the ability to provide ~~57~~ electricity at the proper voltage and frequency.

(~~13~~) ~~58~~ **Secure**" means protected against disruption, tampering, and external interference.

(~~14~~) ~~59~~ **State agency**" means an executive branch:

(~~a~~) ~~60~~ department;

(~~b~~) ~~61~~ agency;

(~~c~~) ~~62~~ board;

(~~d~~) ~~63~~ commission;

(~~e~~) ~~64~~ division; or

(~~f~~) ~~65~~ state educational institution.

(~~15~~) ~~66~~ **Sustainable**" means domestically sourced and able to provide affordable, reliable ~~ene~~rgy in adequate quantities for current and future generations without compromising ~~eco~~mic prosperity or environmental health.

(~~16~~) ~~69~~ **Governmental entity**" means:

(~~70~~) any department, agency, board, commission, or other instrumentality of the state; or

(~~71~~) a political subdivision of the state.

Section 2. Section **79-6-301** is amended to read:

79-6-301. State energy policy.

(1) ~~71~~ is the policy of the state that:

- (a) ~~70~~ Utah shall have adequate, reliable, affordable, sustainable, and clean energy resources;
- (b) ~~70~~ Utah shall promote the development of:

 - (i) ~~70~~ renewable energy resources, including natural gas, coal, oil, oil shale, and oil sands;
 - (ii) ~~70~~ renewable energy resources, including geothermal, solar, wind, biomass, biofuel, and hydroelectric;
 - (iii) ~~80~~ nuclear power generation technologies certified for use by the United States Nuclear Regulatory Commission including molten salt reactors producing medical isotopes;
 - (iv) ~~82~~ alternative transportation fuels and technologies;
 - (v) ~~83~~ infrastructure to facilitate energy development, diversified modes of transportation, greater access to domestic and international markets for Utah's resources, and advanced transmission systems;
 - (vi) ~~86~~ energy storage, pumped storage, and other advanced energy systems, including hydrogen from all sources;
 - (vii) ~~88~~ electricity systems that can be controlled at the request of grid operators to meet system load demands, to ensure an adequate supply of dispatchable energy generation resources;
 - (viii) ~~91~~ electricity systems that are stable and capable of serving load without accelerating damage to customer equipment; and
 - (ix) ~~93~~ increased refinery capacity;

- (c) ~~94~~ Utah shall promote the development of resources and infrastructure sufficient to meet the state's growing demand, while contributing to the regional and national energy supply, thus reducing dependence on international energy sources;
- (d) ~~97~~ Utah shall promote the development of resources, tools, and infrastructure to enhance the state's ability to:

 - (i) ~~99~~ respond effectively to significant disruptions to the state's energy generation, energy delivery systems, or fuel supplies;
 - (ii) ~~101~~ maintain adequate supply, including reserves of proven and cost effective dispatchable electricity reserves to meet grid demand; and
 - (iii) ~~103~~ ensure the state's energy independence by promoting the use of energy resources generated within the state;

- (e) ~~105~~ Utah shall allow market forces to drive prudent use of energy resources, although incentives and other methods may be used to ensure the state's optimal development and use of energy resources in the short- and long-term;
- (f) ~~108~~ Utah shall pursue energy conservation, energy efficiency, and environmental quality;
- (g) ~~109~~ Utah shall promote the development of a secure supply chain from resource extraction to energy production and consumption;
- (h) ~~110~~ state regulatory processes should be streamlined to balance economic costs with the review necessary to ensure protection of the state's various interests; and
- (i) ~~112~~ where federal action is required, Utah will encourage expedited federal action and will collaborate with federal agencies to expedite review;
- (j) ~~115~~ Utah shall maintain an environment that provides for stable consumer prices that are as low as possible while providing producers and suppliers a fair return on investment, recognizing that:

 - (i) ~~118~~ economic prosperity is linked to the availability, reliability, and affordability of commercial energy supplies; and
 - (ii) ~~120~~ investment will occur only when adequate financial returns can be realized;
 - (j) ~~121~~ Utah shall promote training and education programs focused on developing a comprehensive understanding of energy, including:

 - (i) ~~123~~ programs addressing:

 - (A) ~~124~~ energy conservation;
 - (B) ~~125~~ energy efficiency;
 - (C) ~~126~~ supply and demand; and
 - (D) ~~127~~ energy related workforce development; and

 - (ii) ~~128~~ energy education programs in grades kindergarten through grade 12; and

 - (k) ~~129~~ Utah shall promote the use of clean energy sources by considering the emissions of an energy resource throughout the entire life cycle of the energy resource;
 - (l) ~~131~~ state agencies are encouraged to conduct agency activities consistent with Subsection 132;
 - (m) ~~133~~ a person may not file suit to challenge a state agency's action that is inconsistent with Subsection (1);

(1) **135 is the policy of the state that:**

 - (i) **136 (i) Utah will develop its energy resources and plan its energy future with a focus**
~~137~~ **137 human well-being and quality of life, recognizing that reliable access to energy**
~~138~~ **138 is vital for human health, adaptation, economic growth, and prosperity;**
 - (ii) **139 (ii) Utah shall have energy resources that have the following attributes, listed in order**

140 of priority:

141 (A) adequate;
142 (B) reliable;
143 (C) dispatchable;
144 (D) affordable;
145 (E) sustainable;
146 (F) secure; and
147 (G) clean; and

148 (iii) Utah shall encourage the construction and use of energy systems that balance the
149 criteria described in Subsection (1)(a)(ii) while giving priority to the criteria in the
150 order they are listed in Subsection (1)(a)(ii);

151 (i) Utah shall foster market-based solutions to:
152 (A) meet current and future energy demands;
153 (B) protect proven technologies; and
154 (C) minimize political uncertainties in pursuing energy development and strategy;
155 (ii) Utah shall promote the development of a diverse energy portfolio, including:
156 (A) dispatchable energy resources, including natural gas, coal, oil, and
157 hydroelectric;
158 (B) nuclear power generation technologies certified for use by the United States
159 Nuclear Regulatory Commission including molten salt reactors producing
160 medical isotopes;
161 (C) intermittent energy resources, including solar and wind;
162 (D) clean energy sources by considering the environmental impact, including
163 emissions, of an energy resource throughout the entire life cycle of the energy
164 resource; and
165 (E) increased refinery capacity; and

166 (iii) Utah shall encourage innovation in the development of energy resources,
167 including:

168 (A) emerging energy resources, including geothermal, biomass, biofuel, oil shale,
169 and oil sands;
170 (B) alternative transportation fuels and technologies; and
171 (C) energy storage, pumped storage, and other developing energy systems,
172 including hydrogen from all sources;
173 (i) Utah shall streamline state regulatory processes to balance economic costs with
174 the level of review necessary to ensure protection of the state's interests; and
175 (ii) Utah shall encourage expedited federal action and will collaborate with federal
176 agencies to expedite review;

177 (i) Utah shall maintain an environment that provides for stable consumer prices
178 that are as low as possible while providing producers and suppliers a fair return on
179 investment, recognizing that:

180 (A) economic prosperity is linked to the availability, reliability, and affordability
181 of consumer energy supplies; and
182 (B) investment will occur only when adequate financial returns can be realized;
183 (ii) Utah shall assess the utility value of each prospective energy resource to meet the
184 state's increasing demands including:

185 (A) a market analysis with and without government subsidies; and
186 (B) the total system impact of an energy resource;

187 (iii) Utah shall provide support for the innovation, research, and development of new
188 energy resources and promote the development of resources and infrastructure
189 sufficient to meet the state's growing demand and to contribute to the regional and
190 national energy supply, thus reducing dependence on international energy
191 materials; and

192 (iv) Utah shall allow market forces to drive prudent use of energy resources, although
193 incentives and other methods may be used to ensure the state's optimal
194 development and use of energy resources in the short- and long-term;
195 Utah shall promote the development of resources, tools, and infrastructure to enhance
196 the state's ability to:

197 (i) maintain adequate supply, including reserves of proven and cost-effective
198 resources to meet demand;

199 (ii) ensure the state's energy independence by promoting and prioritizing the use of
200 energy resources generated within the state; and

201 (iii) respond effectively to significant disruptions to the state's energy generation,
202 energy delivery systems, or fuel supplies;

203 (i) Utah shall research and develop in consideration of the complete life cycle of
204 energy resource including mining, transportation, consumption, disposal, and
205 elimination;

206 (ii) Utah shall promote the development of a secure supply chain from resource
207 extraction to energy production and consumption; and

208 (iii). Utah shall, in accordance with the policy principles described in this section,
209 support the construction of infrastructure to encourage:
210 (A) energy development;
211 (B) diversified modes of energy transportation;
212 (C) greater access to domestic and international markets for Utah's resources; and
213 (D) advanced transmission systems;
214 Utah shall pursue energy conservation, energy efficiency, and environmental quality;
215d
216 Utah shall promote training and education programs developed by the office, focused
217 developing a comprehensive understanding of energy, including:
218 (i) programs addressing:
219 (A) supply and demand;
220 (B) energy related workforce development;
221 (C) energy efficiency; and
222 (D) energy conservation; and
223 (ii) energy education programs in grades kindergarten through grade 12.
(224 Governmental entities, the Public Service Commission, electric corporations, and gas
co225 corporations shall conduct activities consistent with Subsection (1).
(326 person may not file suit to challenge a state agency's action that is inconsistent with
Sub227 Subsection (1).

Se236 3. Section **79-6-401** is amended to read:

79-6-401. Office of Energy Development -- Creation -- Director -- Purpose -- Rulemaking regarding confidential information -- Fees -- Transition for employees.

(1) There is created an Office of Energy Development in the Department of Natural Resources.

(2) (a) The energy advisor shall serve as the director of the office or, on or before June 30, 2029, appoint a director of the office.

(3) (b) The director:

(i) shall, if the energy advisor appoints a director under Subsection (2)(a), report to the energy advisor; and

(ii) may appoint staff as funding within existing budgets allows.

(4) The office may consolidate energy staff and functions existing in the state energy program.

(5) The purposes of the office are to:

(6) serve as the primary resource for advancing energy and mineral development in the state;

(7) implement:

(8) (i) the state energy policy under Section 79-6-301; and

(9) (ii) the governor's energy and mineral development goals and objectives;

(10) (iii) advance energy education, outreach, and research, including the creation of elementary, higher education, and technical college energy education programs;

(11) (iv) promote energy and mineral development workforce initiatives; and

(12) (v) support collaborative research initiatives targeted at Utah-specific energy and mineral development.

(13) following the procedures and requirements of Title 63J, Chapter 5, Federal Funds Procedures Act, the office may:

(14) seek federal grants or loans;

(15) seek to participate in federal programs; and

(16) in accordance with applicable federal program guidelines, administer federally funded state energy programs.

(17) The office shall perform the duties required by Sections 11-42a-106, 59-5-102, 59-279-14.7, 59-10-1029, 63C-26-202, Part 5, Alternative Energy Development Tax Credit Act, and Part 6, High Cost Infrastructure Development Tax Credit Act.

(18) (a) For purposes of administering this section, the office may make rules, by following Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to maintain as confidential, and not as a public record, information that the office receives from any source.

(19) (b) The office shall maintain information the office receives from any source at the level of confidentiality assigned by the source.

(20) (c) The office may charge application, filing, and processing fees in amounts determined by the office in accordance with Section 63J-1-504 as dedicated credits for performing the duties described in this part.

(21) (d) An employee of the office is an at-will employee.

(22) (e) For an employee of the office on July 1, 2021, the employee shall have the same salary and benefit options the employee had when the office was part of the office of the governor.

(23) (f) The office shall prepare a strategic energy plan to achieve the state's energy goals, including:

(24) (i) technological and infrastructure innovation needed to meet future energy demand including:

(25) (A) energy production technologies;

(26) (B) battery and storage technologies;

(27) (C) smart grid technologies;

(28) (D) energy efficiency technologies; and

(29) (E) any other developing energy technology, energy infrastructure planning, or

(30) investments that will assist the state in meeting energy demand;

(31) (ii) the state's efficient utilization and development of:

(32) (A) nonrenewable energy resources, including natural gas, coal, clean coal, hydrogen, oil, oil shale, and oil sands;

(33) (B) renewable energy resources, including geothermal, solar, hydrogen, wind,

(34) biomass, biofuel, and hydroelectric;

(35) (C) nuclear power; and

(36) (D) earth minerals;

(37) (iii) areas of energy-related academic research;

(38) (iv) specific areas of workforce development necessary for an evolving energy industry;

(39) (v) the development of partnerships with national laboratories; and

(40) (vi) proposed state budget for economic development and investment.

296 In preparing the strategic energy plan, the office shall consult with stakeholders,
297 including representatives from:
298 (i) energy companies in the state;
299 (ii) private and public institutions of higher education within the state conducting
300 energy-related research; and
301 (iii) other state agencies.
302 ~~On or before the October 2023 interim meeting, the~~ The office shall report annually
303 the Public Utilities, Energy, and Technology Interim Committee ~~and the~~
304 ~~Executive Appropriations Interim Committee~~ on or before the October interim
305 ~~meeting~~ describing:
306 (i) progress towards creation and implementation of the strategic energy plan;
307 ~~(ii)~~ (ii) ~~the plan's compliance with the state energy policy~~; and
308 ~~(iii)~~ (iii) a proposed budget for the office to continue development of the strategic
309 energy plan.

Section 4. Effective date:

~~31~~ This bill takes effect on May 1, 2024.

San Juan Project



April 16, 2024

San Juan Decommissioning and Reclamation Update



Topic Discussions

- Reclamation and Decommissioning have both completed updated studies projecting the related costs to complete each scope of work
- Progress for both Reclamation and Decommissioning are consistent with expectations/plans
- Review of the Decommissioning and Reclamation budgets and the trust and reserve funds available, show **available funds in excess of Decommissioning and Reclamation budgets by ~\$1.5M**

SAN JUAN DECOMMISSIONING UPDATE

- Progress Update – **South Evaporative Pond (SEP) Closure**
 - Pond Closure Plans: Bohannon Huston (BHI) has developed an alternative option to closing the ponds and reducing the height of the embankment material.
 - Based upon bids received in the second half of 2023, significant (~\$14.7 million) savings are anticipated if the plans submitted to NMED at the end of September 2023 and Office of State Engineer (OSE) in November 2023 are approved (no indication it will not be approved).
 - Plans have yet to be approved by regulators, but dewatering continues.
 - PNM is holding monthly meetings with NMED and OSE.
 - Approval to proceed is now anticipated in late April or early May 2024, with construction to begin possibly as late as the third quarter of 2024. Fill deliveries may commence before that date.
 - A contractor has been selected for the work, and contract negotiations are underway.

SAN JUAN DECOMMISSIONING UPDATE

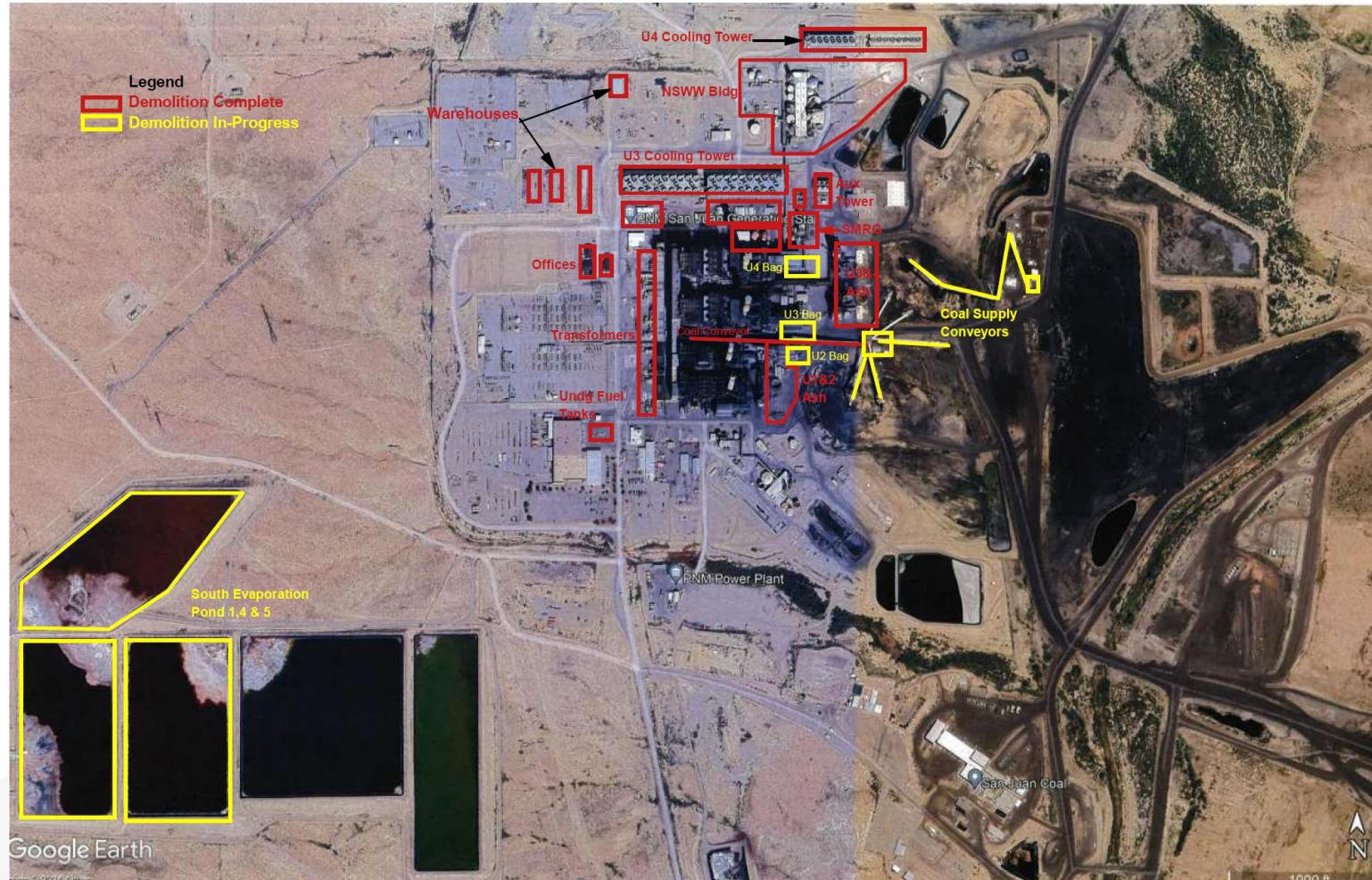
- Progress Update – **Shumway and Memorial systems closure**
 - Construction for closure of Process Ponds 3A, 3B, and 3C is expected to begin in September 2024
 - Construction for closure of Process Ponds 1A, 1B, 2A, and 2B is now anticipated in January 2030 (brought forward from January 2035).
 - Earlier closure should result in lower total bond payments

SAN JUAN DECOMMISSIONING UPDATE

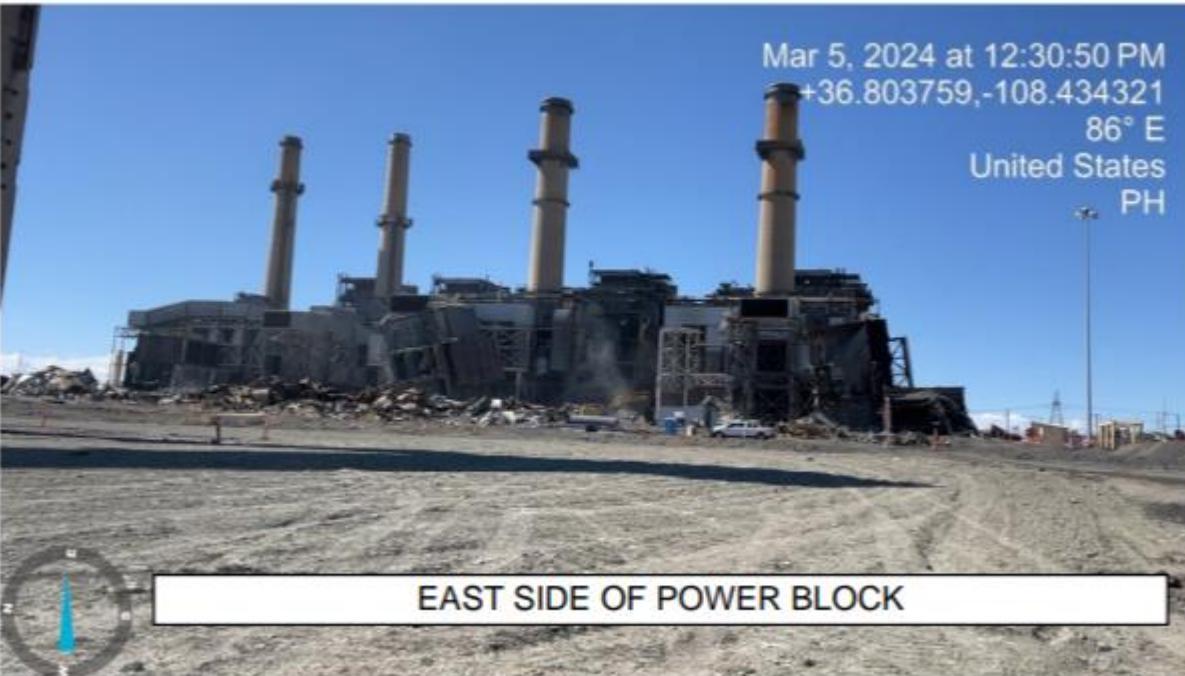
- Progress Update – **Plant Decommissioning**
 - Decommissioning & Demolition Contract was issued to **INTEGRATED DEMOLITION AND REMEDIATION INC (IDR)**
 - Third Party Air Monitor and **Asbestos Survey Contracts** were awarded to **Terracon**
 - No previously detected asbestos in boiler survey, but **asbestos was found** in eight building roofs, resulting in a \$500,000 change order
 - As of the end of March 2024, **demolition work** had been **initiated or completed** in several areas including:
 - Ash unloading and dewatering areas for all four units, lower 30 feet of Units 2,3, and 4 baghouses (implosion of the remaining facilities is scheduled for late April 2024), and absorbers, auxiliary cooling towers, northside wastewater area, maintenance shop and warehouse
 - **All four stack implosions** are now anticipated to occur on **June 22, 2024**

SAN JUAN DECOMMISSIONING UPDATE

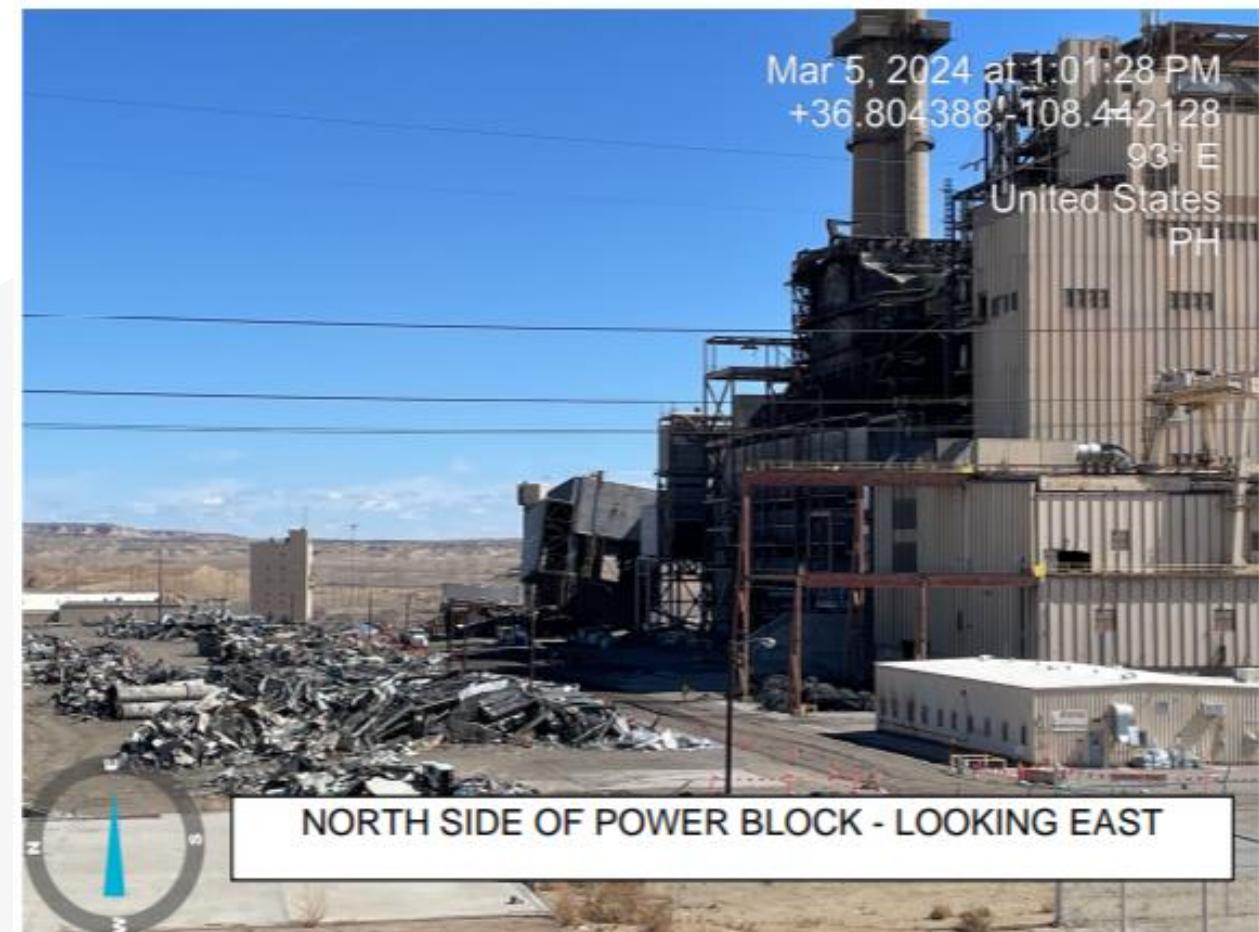
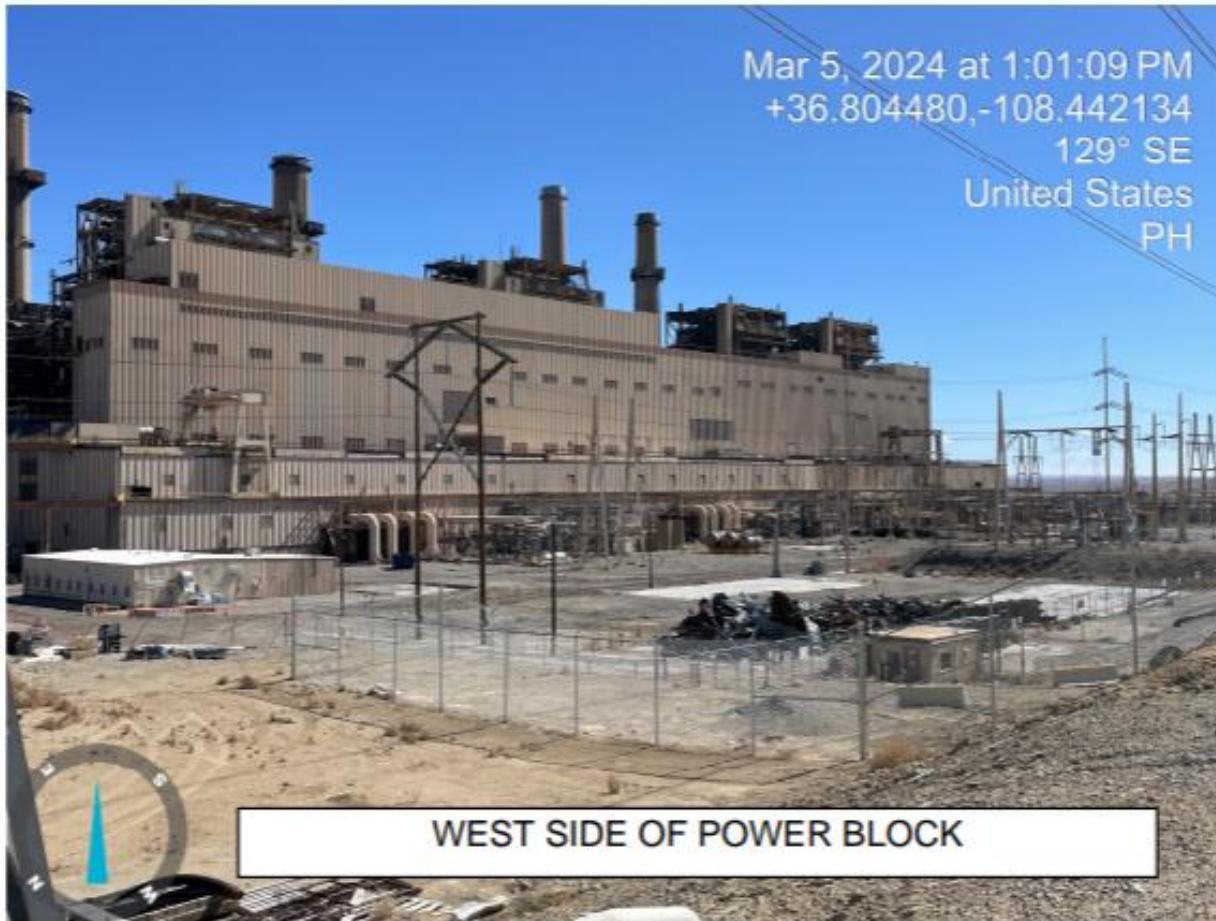
SJGS Demolition Completion
February 29, 2024



SAN JUAN DECOMMISSIONING UPDATE



SAN JUAN DECOMMISSIONING UPDATE



Cost Update - DECOMMISSIONING (11/20/23)

- Projected costs decreased by \$15.5 million since previous update in early 2023. Additional savings are anticipated, but not included below.

PROJECT	Category	Funding Project	2023	2024	2025	2026	2027	2028	2029 - 2040	Current Forecast	2022 Forecast	Variance
1 Mob/Demob & Gen Conditions	Demolition	78918023	\$ 1,667,669	\$ 910,000	\$ 1,090,000	\$ -	\$ -	\$ -	\$ 3,667,669	\$ 7,433,600	\$ (3,765,931)	
2 Site Preparation/Cleaning	Demolition	78918023	\$ 151,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 151,500	\$ 1,275,833	\$ (1,124,333)	
3 Unit 1-4 Environmental	Demolition	78918023	\$ 1,567,500	\$ 1,400,000	\$ -	\$ -	\$ -	\$ -	\$ 2,967,500	\$ 4,889,120	\$ (1,921,620)	
4 Plant Common Environmental	Demolition	78918023	\$ 738,500	\$ 195,000	\$ -	\$ -	\$ -	\$ -	\$ 933,500	\$ 4,072,200	\$ (3,138,700)	
5 CCR Removal	Demolition	78918023	\$ 1,228,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,228,400	\$ 752,220	\$ 476,180	
6 Plant Common Demolition	Demolition	78918023	\$ 1,200,000	\$ 1,222,000	\$ -	\$ -	\$ -	\$ -	\$ 2,422,000	\$ 2,433,670	\$ (11,670)	
7 Units 1-4 Demolition	Demolition	78918023	\$ 36,000	\$ 9,500,000	\$ 9,300,000	\$ -	\$ -	\$ -	\$ 18,836,000	\$ 21,637,160	\$ (2,801,160)	
8 Circ Water Lines Abandonment	Demolition	78918023	\$ -	\$ -	\$ 4,000,000	\$ -	\$ -	\$ -	\$ 4,000,000	\$ 7,272,410	\$ (3,272,410)	
9 Site Restoration	Demolition	78918023	\$ -	\$ -	\$ 1,040,000	\$ -	\$ -	\$ -	\$ 1,040,000	\$ 2,193,490	\$ (1,153,490)	
10 Contingency	Demolition	78918023	\$ 476,275	\$ -	\$ 323,957	\$ -	\$ -	\$ -	\$ 800,231	\$ -	\$ 800,231	
11 Scrap Metal Credit		78918023	\$ (3,839,800)	\$ (11,502,000)	\$ (13,983,200)	\$ -	\$ -	\$ -	\$ (29,325,000)	\$ (28,127,950)	\$ (1,197,050)	
12									\$ -	\$ -	\$ -	
13 Lake & Dam	Demolition	78918123	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 239,530	\$ -	\$ 239,530	
14 River Station	Demolition	78918123	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
15 Shumway Arroyo and Memorial Groundwater Recovery Systems	Demolition	78918123	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,323,530	\$ -	\$ 1,323,530	
16 Process Ponds 3A, 3B, & 3C and Solid Waste Pit	Demolition	78918123	\$ -	\$ 900,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,900,000	\$ 1,899,570	\$ 430	
17 Process Ponds 1A, 1B, 2A, 2B	Demolition	78918123	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,438,500	\$ -	\$ 2,438,500	
18 RO 24-01 Decommissioning Backfill Material Purchase	Demolition	78918123	\$ -	\$ 566,532	\$ 193,770	\$ -	\$ -	\$ -	\$ 760,302	\$ -	\$ 760,302	
19 RO 24-02 2024 South Evaporation Pond Fill Material Supply	Demolition	78918123	\$ -	\$ 5,049,194	\$ 3,786,795	\$ -	\$ -	\$ -	\$ 8,835,988	\$ -	\$ 8,835,988	
20 RO 24-03 South Evaporation Pond Cap Installation	Demolition	78918123	\$ -	\$ 6,540,862	\$ 6,739,070	\$ -	\$ -	\$ -	\$ 13,279,933	\$ 14,821,730	\$ (1,541,797)	
21 RO 24-04 2024 SJGS Ongoing Annual Expenses	Demolition	78916324		\$ 2,295,205						\$ 2,295,205		
22 Indirect Costs/Contingency	Indirect	78918023	\$ -	\$ 800,000	\$ 3,306,249	\$ 930,378	\$ 485,068	\$ 284,060	\$ 3,683,000	\$ 5,805,755	\$ 21,733,000	
23 RO 23-01 Ongoing Annual Expenses	Indirect	78916123	\$ 3,790,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,790,500	\$ -	\$ 3,790,500	
24 RO 23-02 SJGS Decommissioning Retirement Engineering Service	Indirect	78916223	\$ 927,724	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 927,724	\$ -	\$ 927,724	
25 RO 23-03 Demolition-Residual Coal Cleanup	Demolition	78918023	\$ 923,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 923,000	\$ -	\$ 923,000	
26 RO 23-04 SJGS South Evaporation Pond Closure Permit Engineering	Indirect	78916223	\$ 106,625	\$ 614,160	\$ 527,501	\$ -	\$ -	\$ -	\$ 1,248,286	\$ -	\$ 1,248,286	
27 RO 23-05 SJGS Project Management Demolition and Pond Closure	Indirect	78916123	\$ 412,700	\$ 202,512	\$ 183,576	\$ 78,240	\$ -	\$ -	\$ 877,028	\$ -	\$ 877,028	
28 RO 23-07 SJGS Residual Ash Transport	Demolition	78918023	\$ 6,913	\$ 50,447	\$ 9,545	\$ -	\$ -	\$ -	\$ 66,904	\$ -	\$ 66,904	
29 Demolition-RO Future presentation			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
30 Future RO-Final Site Grading	Demolition	78918023	\$ -	\$ -	\$ -	\$ 225,000	\$ 275,000	\$ -	\$ 500,000	\$ 500,000	\$ -	
31 Investment Recovery		78916021/78918023	\$ (3,678,890)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,678,890)	\$ -	\$ (3,678,890)	
32 Abatement and Demolition Total ex(A&G and Escalation)			\$ 5,714,616	\$ 18,743,912	\$ 17,517,262	\$ 1,233,618	\$ 760,068	\$ 284,060	\$ 7,684,560	\$ 51,938,095	\$ 66,787,613	
33 A&G Loads *			\$ 376,027	\$ 487,342	\$ 455,449	\$ 30,382	\$ 18,071	\$ 6,371	\$ 199,799	\$ 1,573,441	\$ 2,320,066	
34 Total with A&G Loads			\$ 6,090,643	\$ 19,231,253	\$ 17,972,711	\$ 1,264,000	\$ 778,139	\$ 290,431	\$ 7,884,359	\$ 53,511,536	\$ 69,107,679	
35 A&G Rate			4.0%	2.6%	2.6%	2.5%	2.4%	2.2%	2.6%			
36												
37 789 - SAN JUAN DECOMMISSIONING TOTAL			\$ 6,090,643	\$ 19,231,253	\$ 17,972,711	\$ 1,264,000	\$ 778,139	\$ 290,431	\$ 7,884,359	\$ 53,511,536	\$ 69,107,679	\$ (15,596,144)
38												
39 PNM			48.90%		\$ 2,978,325	\$ 9,404,083	\$ 8,788,656	\$ 618,096	\$ 380,510	\$ 142,021	\$ 3,855,451	\$ 26,167,141
40 TEP			20.20%		\$ 1,230,310	\$ 3,884,713	\$ 3,630,488	\$ 255,328	\$ 157,184	\$ 58,667	\$ 1,592,640	\$ 10,809,330
41 COF			2.90%		\$ 176,629	\$ 557,706	\$ 521,209	\$ 36,656	\$ 22,566	\$ 8,422	\$ 228,646	\$ 1,551,835
42 MSR			7.60%		\$ 462,889	\$ 1,461,575	\$ 1,365,926	\$ 96,064	\$ 59,139	\$ 22,073	\$ 599,211	\$ 2,004,123
43 TRI			2.10%		\$ 127,904	\$ 403,856	\$ 377,427	\$ 26,544	\$ 16,341	\$ 6,099	\$ 165,572	\$ 1,123,742
44 LAC			2.40%		\$ 146,175	\$ 461,550	\$ 431,345	\$ 30,336	\$ 18,675	\$ 6,970	\$ 189,225	\$ 1,284,277
45 ANA			2.70%		\$ 164,447	\$ 519,244	\$ 485,263	\$ 34,128	\$ 21,010	\$ 7,842	\$ 212,878	\$ 1,444,811
46 SCPPA			10.80%		\$ 657,789	\$ 2,076,975	\$ 1,941,053	\$ 136,512	\$ 84,039	\$ 31,367	\$ 851,511	\$ 5,779,246
47 UAMPS			2.40%		\$ 146,175	\$ 461,550	\$ 431,345	\$ 30,336	\$ 18,675	\$ 6,970	\$ 189,225	\$ 1,284,277

SAN JUAN RECLAMATION UPDATE

- Progress Update – General
 - Westmoreland has sent PNM a letter indicating that they may want to seek recovery for unanticipated San Juan Mine items such as inflation and road gravel disposal. Final costs could potentially increase by \$11-15 million.
- La Plata Mine Reclamation
 - La Plata Mine haul road work has been completed, but Phase III bond release has been subject to regulatory delays
 - Only monitoring activities anticipated for 2024 and beyond at La Plata

SAN JUAN MINE



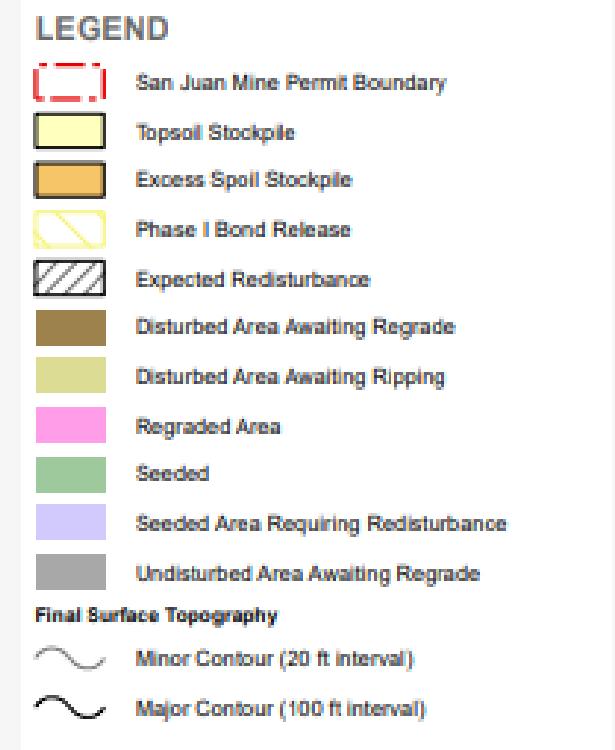
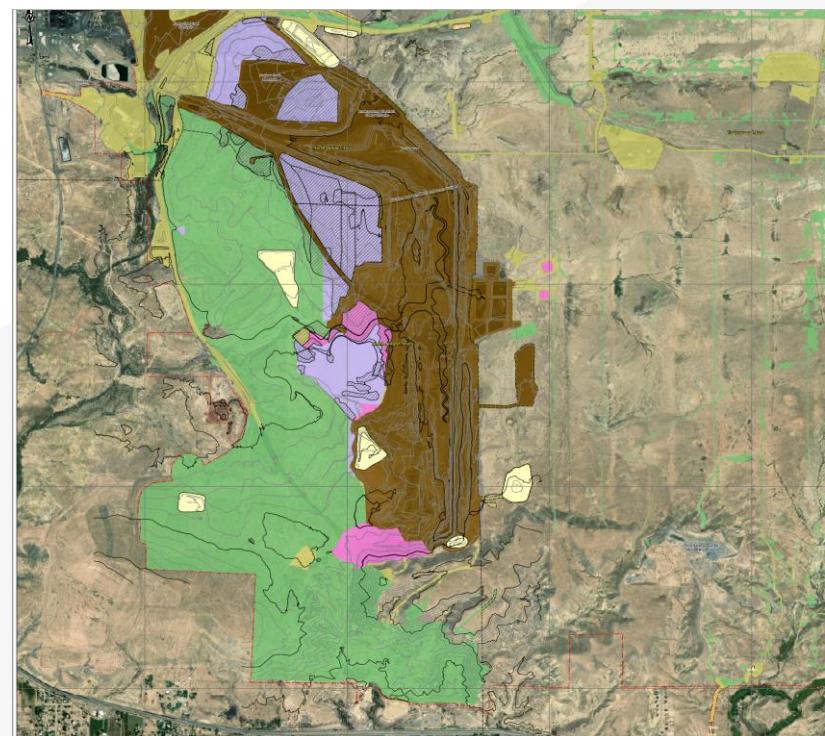
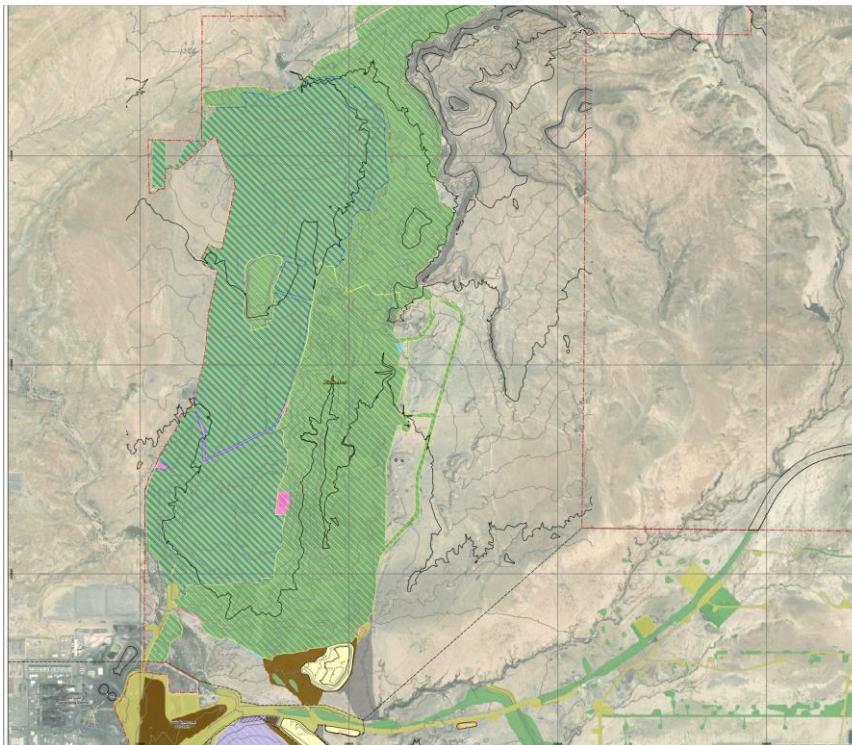
Figure 4.5: Juniper Pit

SAN JUAN RECLAMATION UPDATE

- **Demolition and removal of the mine facilities and infrastructure is in progress**
- Juniper Pit Reclamation
 - **Intensive regrade** (filling) of the Juniper Pit continues concurrently and is expected to be completed in the 2028 – 2029 timeframe
 - **Final seeding** of the Juniper Pit is projected to take place in 2029 – 2030
 - **Once final seeding is complete**, the mine will enter a **10-year monitoring** phase during which annual costs will be reduced
- **Final reclamation expenditures** are expected to occur **in 2039 – 2040** but could continue past that point if bond releases of reclaimed areas are not obtained in a timely manner

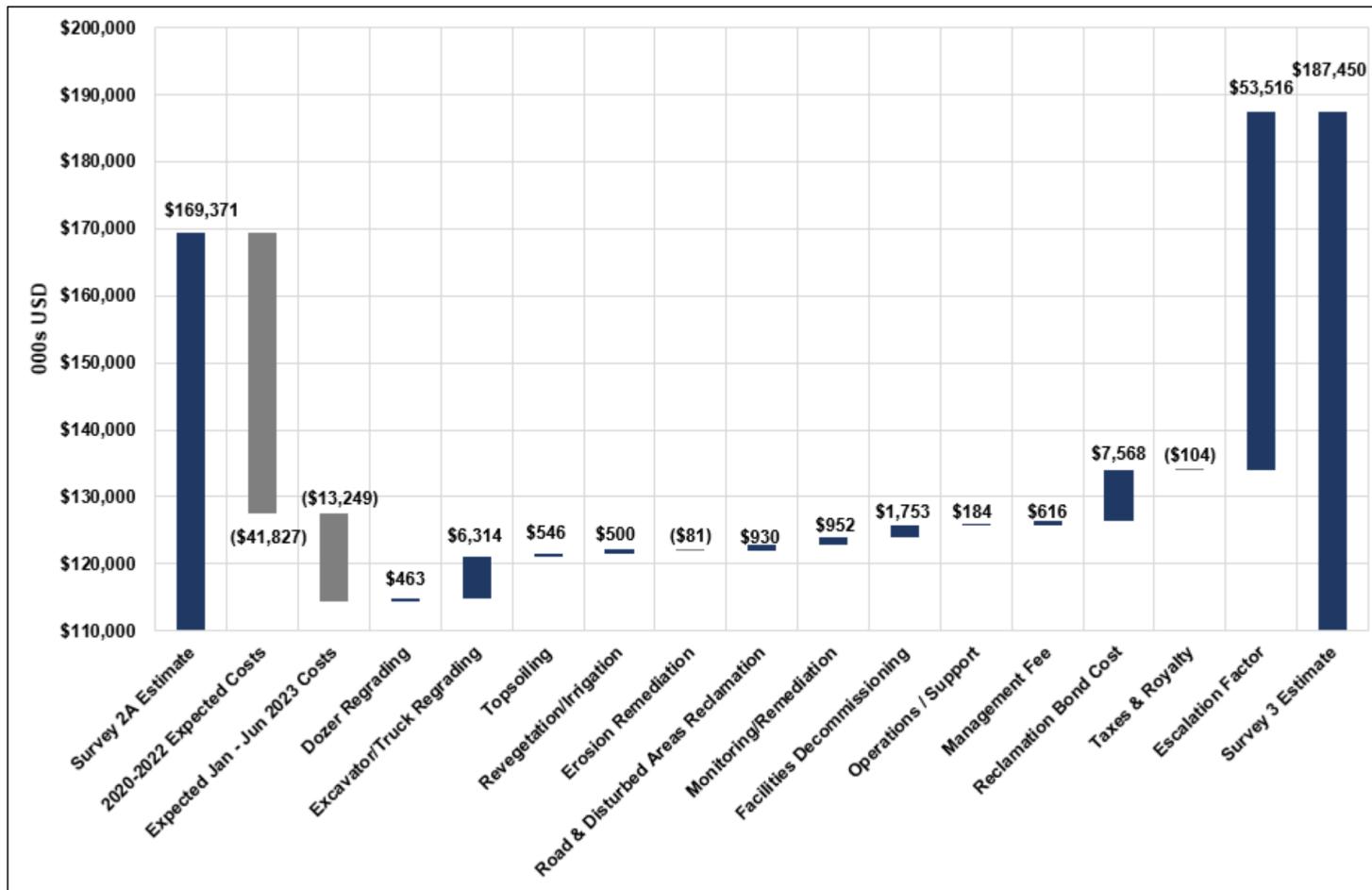
SAN JUAN RECLAMATION UPDATE

- San Juan Mine Reclamation Disturbance Survey 3 (WSP)
 - Coal Combustion Residue (CCR) Placement and reclamation efforts in the Pinon and South Juniper pits is complete
 - No change in disturbance area in the San Juan mine since the previous survey.
 - Bond release status shown below (plant in lower and upper left corners, respectively)



SAN JUAN RECLAMATION UPDATE

- 2023 WSP Golder Reclamation Cost Estimate (no change)



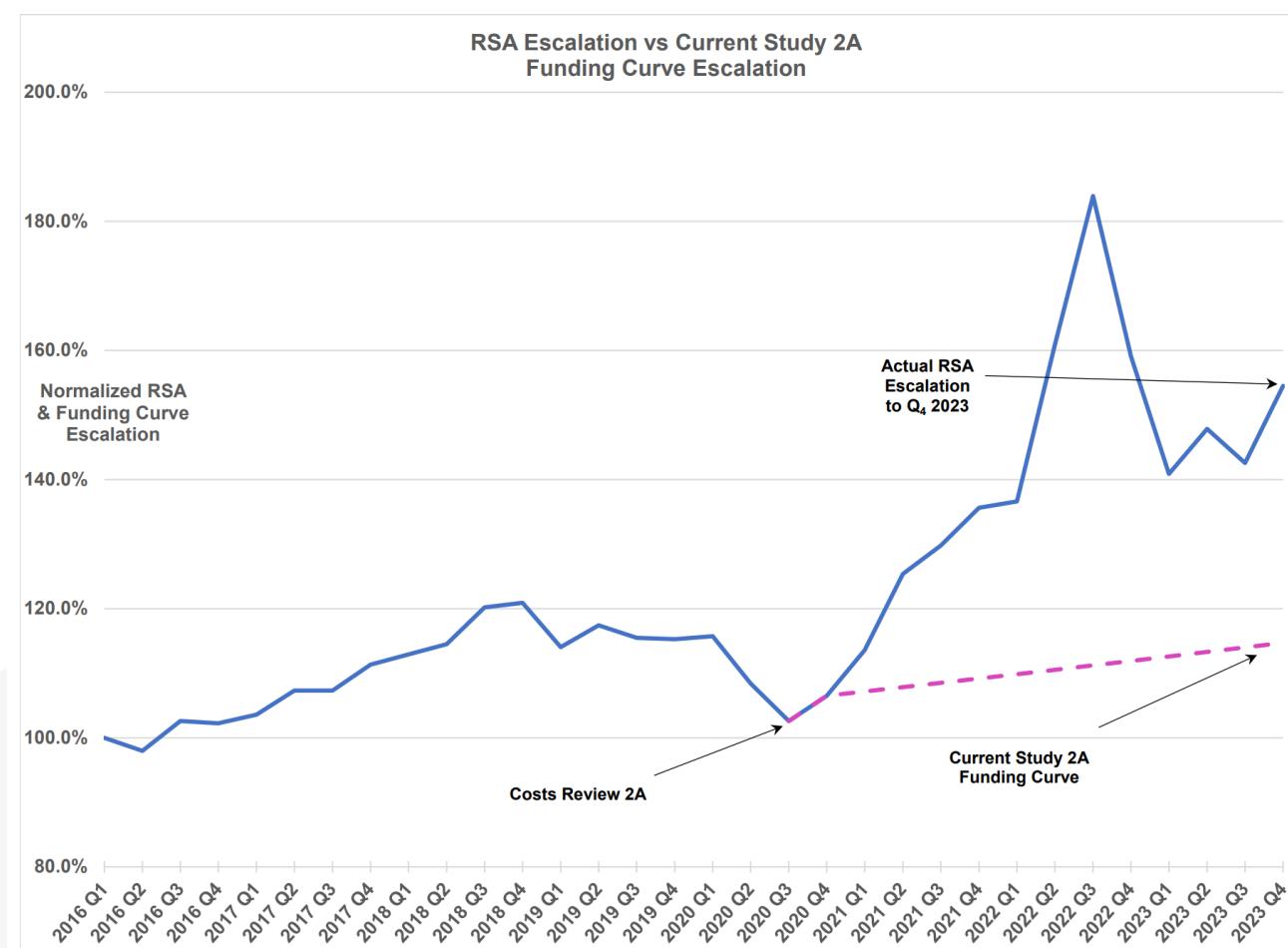
Primary Changes

- 3 years of work effort between Survey 2A and Survey 3
- Shortfall in actual work effort accomplished compared to planned work effort for 2020 through June 2023.
- Bond premium increase from 1.8% to 2.35%.
- Delays in receiving bond release approvals from regulators.
- Escalation Factor increased from 0.913 to 1.269, primarily due to a 140% increase in the Fuel Index component.

SAN JUAN RECLAMATION UPDATE

- Inflation Impact on Cost Curves

- Despite the unanticipated (in 2020) inflation noted below, UAMPS has sufficiently funded Reclamation set-asides (not trust) to cover 2024 EOY Reclamation Trust funding.



SAN JUAN RECLAMATION UPDATE

Westmoreland San Juan Mining						Total 2025	2026	2027	2028	2029	2030
		Q1 2025	Q2 2025	Q3 2025	Q4 2025						
Direct Costs											
Direct Cost La Plata		\$ 85,811	\$ 86,374	\$ 106,936	\$ 87,436	\$ 366,557	\$ 375,244	\$ 384,244	\$ 393,244	\$ 402,494	\$ 411,994
Direct Cost San Juan		\$ 5,820,635	\$ 6,925,052	\$ 6,090,312	\$ 3,753,413	\$ 22,589,412	\$ 23,900,131	\$ 21,710,684	\$ 14,573,863	\$ 5,536,885	\$ 482,034
Direct Cost La Plata Railroad		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Direct Costs		\$ 5,906,447	\$ 7,011,426	\$ 6,197,249	\$ 3,840,849	\$ 22,955,969	\$ 24,275,375	\$ 22,094,929	\$ 14,967,107	\$ 5,939,379	\$ 894,027
Indirect Costs Westmoreland San Juan											
Administration/Engineering/Legal	7.50%	\$ 99,350	\$ 100,002	\$ 100,653	\$ 101,232	\$ 401,236	\$ 411,294	\$ 421,714	\$ 432,134	\$ 442,843	\$ 453,842
Management Fee		\$ 450,435	\$ 533,357	\$ 472,343	\$ 295,656	\$ 1,751,790	\$ 1,851,500	\$ 1,688,748	\$ 1,154,943	\$ 478,667	\$ 101,090
Capital Recovery		\$ 312,500	\$ 312,500	\$ 312,500	\$ 312,500	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000
Bond Premiums		\$ 574,406	\$ 574,406	\$ 574,406	\$ 574,406	\$ 2,297,622	\$ 2,282,906	\$ 2,259,430	\$ 1,533,664	\$ 1,533,664	\$ 1,533,664
Bond Reduction Incentive		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,472	\$ 2,348	\$ 72,577	\$ -	\$ -
Subtotal Indirect Costs		\$ 1,436,691	\$ 1,520,264	\$ 1,459,901	\$ 1,283,793	\$ 5,700,649	\$ 5,797,172	\$ 5,622,240	\$ 4,443,318	\$ 3,705,174	\$ 3,338,596
Pre Tax & Royalty Subtotal		\$ 7,343,137	\$ 8,531,690	\$ 7,657,149	\$ 5,124,642	\$ 28,656,618	\$ 30,072,548	\$ 27,717,168	\$ 19,410,425	\$ 9,644,553	\$ 4,232,624
Taxes, Royalties, Other Costs											
NM Resource Excise Tax		\$ 55,074	\$ 63,988	\$ 57,429	\$ 38,435	\$ 214,925	\$ 225,544	\$ 207,879	\$ 145,578	\$ 72,334	\$ 31,745
NM Conservation Tax		\$ 13,952	\$ 16,210	\$ 14,549	\$ 9,737	\$ 54,448	\$ 57,138	\$ 52,663	\$ 36,880	\$ 18,325	\$ 8,042
Sub. Resource & Excise Taxes		\$ 69,025	\$ 80,198	\$ 71,977	\$ 48,172	\$ 269,372	\$ 282,682	\$ 260,541	\$ 182,458	\$ 90,659	\$ 39,787
Pre Royalty & GRT Subtotal		\$ 7,412,163	\$ 8,611,888	\$ 7,729,127	\$ 5,172,814	\$ 28,925,990	\$ 30,355,229	\$ 27,977,710	\$ 19,592,883	\$ 9,735,212	\$ 4,272,410
Coal Royalties		\$ 574,650	\$ 667,692	\$ 599,191	\$ 400,976	\$ 2,242,510	\$ 2,353,357	\$ 2,168,988	\$ 1,518,695	\$ 754,149	\$ 330,170
Pre GRT Subtotal		\$ 7,986,813	\$ 9,279,580	\$ 8,328,318	\$ 5,573,790	\$ 31,168,500	\$ 32,708,587	\$ 30,146,698	\$ 21,111,578	\$ 10,489,361	\$ 4,602,581
New Mexico Gross Receipts Tax		\$ 529,126	\$ 614,772	\$ 551,751	\$ 369,264	\$ 2,064,913	\$ 2,166,944	\$ 1,997,219	\$ 1,398,642	\$ 694,920	\$ 304,921
Grand Total Westmoreland San Juan		\$ 8,515,939	\$ 9,894,352	\$ 8,880,069	\$ 5,943,053	\$ 33,233,413	\$ 34,875,530	\$ 32,143,917	\$ 22,510,220	\$ 11,184,281	\$ 4,907,502

SAN JUAN RECLAMATION UPDATE

- Future Considerations
 - Westmoreland's request for increased compensation:
 - RSA contract language allows an annual review of costs and pricing.
 - Costs could go up by ~\$11M~\$15M cumulatively, from CY 2024 – CY 2030
(UAMPS = up to \$360K)
 - roughly \$300K - \$500K annually thereafter during monitoring (**UAMPS = up to \$12K**)
 - There is no adjustment in the modeled funding curves for this contingency.
 - Delays in Achieving Bond Release:
 - The mining industry is widely experiencing delays in the processing of bond release applications by the regulating authorities, extending the timeline for monitoring and other fixed costs.
 - Weather events or patterns that negatively affect vegetation growth in reclaimed areas could lead to longer monitoring periods (with extended cost streams) before bond release is achieved.

UAMPS Portion of the Updated Reclamation & Decommissioning Budgets

RECLAMATION		DECOMMISSIONING	
2024	32,600,870	2024	19,231,253
2025	33,233,413	2025	17,972,711
2026	34,875,530	2026	1,264,000
2027	32,143,917	2027	778,139
2028	22,510,220	2028	290,431
2029	11,184,281	2029 - 2040	7,884,359
2030	<u>4,907,502</u>		
Total Reclamation Budget	171,455,733	Total Decommissioning Budget	47,420,893
UAMPS Entitlement	<u>2.169%</u>	UAMPS Entitlement	<u>2.400%</u>
UAMPS Reclamation Budget	<u>4,090,762</u>	UAMPS Decommissioning Budget	<u>1,138,101</u>

Trust Funding Sufficiency

Sufficient Funding Comparison

UAMPS Trust & Reserve Funds:

Reclamation Trust @ 12/31/2023	3,205,404
Decommissioning Trust @ 12/31/2023	795,251
Reserve Balance @ 12/31/2023	<u>2,731,050</u>
	6,731,705

UAMPS Budgets:

Reclamation Budget	4,090,762
Decommissioning Budget	<u>1,138,101</u>
	5,228,864

Funds in Excess / (Shortage) of Budget

\$ 1,502,841