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Large Power Users

February 2026 - The City's Large Load Advisory Committee met for the first time. Subsequent meetings were held in March, April, May, July and August.

April 2026 - The Large Load Advisory Committee visited Bloom manufacturing facility and sites operating Bloom generation.

April 2026 - The Committee presented updates on work and Bloom visit in City Council Work Session.

July 2026 - The Development Review Committee recommended approval of a Zoning Text Amendment involving data centers and self-generation of power.

August 2026 - Planning Commission will hold a public hearing on proposed text amendment for data centers and self-generation of power.

Large Load Energy Users and Islanded Facilities Policy

- **Customer Protection:** Maintain city utility and fiscal stability.
- **UMPA Compliance:** Adhere to all bond covenants, S-1 agreements, FERC, NERC, and regional data center regulations.
- **Cost Recovery:** Ensure developers cover all infrastructure and operational impacts ("growth pays for growth").
- **Environmental Sustainability:** Align with the General Plan, prioritizing air/water quality, noise mitigation, and emission controls.
- **Economic Benefit:** Require high-value job creation, capital investment, tax revenue, or equivalent community contributions.

Facility / Project Type	Projected Power Load	Regulatory & Compliance Requirement
Commercial/Industrial Energy User	< 1.5 MW	Subject to City zoning and utility rate ordinances
Large Load Energy User	> 1.5 MW	Subject to this policy and UMPA oversight and a PacifiCorp System Impact Study (PAC SIS).
Grid-Connected Data Center	< 1 MW	Subject to this policy and UMPA oversight
Grid-Connected Data Center	1 – 50 MW	Subject to this policy and <u>UMPA Policy #1</u> .
Grid-Connected Data Center	> 50 MW	Subject to this policy and <u>UMPA Policy #2</u>
Islanded Data Center	>50 MW	Strictly subject to the specialized restrictions and caps detailed city policy.

Master Electrical Service Agreements (MESA)

- **Two Distinct Agreements**
 - **Construction Agreement:** Covers the fixed costs and timeline for building or upgrading infrastructure.
 - **Electric Service Agreement (ESA):** Governs the long-term supply of electricity, billing structures, and operational rules.

MESA Financial & Capital Protections

- **Upfront Guarantees & Security:** Spanish Fork is protected against stranded costs by requiring customers to secure construction/upgrade fees via impact fees, cash, or financial guarantees.
- **Upfront Limited Capacity:** Limit capacity to 500 kVA for shell buildings until customer is identified and load sheet is approved.
- **Reservation Charges (Take-or-Pay/Minimum Bills):** Ensures cost recovery during usage drops through demand reservation fees or minimum billing.
- **Demand Claw Back:** Allows the city to reclaim unused reserved capacity if customers fail to meet load ramp-up timelines.
- **Exceedance Penalties:** Applies higher rates if customers surpass contracted demand limits.

MESA Operational & Legal Protections

- **No Service Guarantee:** Infrastructure construction does not guarantee service; obligations depend on an executed Electric Service Agreement.
- **Operational Constraints:** Customers must maintain specific power quality parameters (e.g., demand, voltage, load factor, harmonics) to protect grid stability and equipment.
- **Defined Termination Rights:** Contracts clearly specify termination conditions, ensuring the city is protected in the event of default or project cancellation.