

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

SENATE FILE NO.

Direct electric utility service agreements.

Sponsored by: Joint Minerals, Business & Economic
Development Interim Committee

A BILL

for

1 AN ACT relating to public utilities; authorizing direct
2 electric utility service agreements; specifying conditions
3 and limitations for direct electric utility service
4 agreements; providing that agreements are not subject to
5 public service commission regulation as specified; making
6 conforming amendments; specifying applicability; and
7 providing for an effective date.

8

9 *Be It Enacted by the Legislature of the State of Wyoming:*

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11 **Section 1.** W.S. 37-3-119 is created to read:

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1 **37-3-119. Direct electric utility service agreements.**

2

3 (a) Any person may enter into a direct service
4 agreement with any electricity consumer in Wyoming for the
5 provision of electric service to the consumer, provided
6 that:

7

8 (i) The sale of electricity to the consumer
9 pursuant to the agreement:

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11 (A) Does not use any transmission
12 infrastructure that is regulated by the commission; or

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14 (B) Only uses existing transmission
15 infrastructure of the person selling the electricity, if
16 the person selling the electricity is an electric utility
17 regulated by the commission under this title, provided that
18 the use of the utility's existing transmission
19 infrastructure for an agreement under this section:

20

21 (I) Is accounted or charged separately
22 if the infrastructure was partially or entirely constructed
23 or reimbursed using ratepayer funds; and

1

2 (II) Does not result in any reduction
3 in performance, reliability or base load capacity for
4 electricity consumers of the electric utility.

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6 (ii) The terms and conditions of the agreement
7 shall not result in obligating other customers for any
8 utility investments or any direct, indirect or reasonably
9 assigned costs related to the person's service to the
10 electricity consumer under the agreement;

11

12 (iii) The person selling the electricity under an
13 agreement entered into under this section reports to the
14 commission not less than once every three (3) years as to
15 the impacts of the agreement on other ratepayers, if the
16 person is an electric utility regulated under this title;

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18 (iv) If the person selling the electricity under
19 the direct service agreement is an electric utility
20 regulated under this title that sells electricity in
21 Wyoming, the person seeks and receives approval for the
22 agreement from the commission. The commission shall grant
23 approval for any agreement under this section presented to

1 the commission if the agreement does not threaten the
2 reliability of electric service to other Wyoming
3 electricity consumers and complies with all other
4 requirements of this section.

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STAFF COMMENT

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10 For these direct agreements, the Committee may wish to
11 consider whether the agreements shall only be approved if,
12 in addition to reliability, the agreement: (1) doesn't
13 result in additional costs to ratepayers; (2) doesn't
14 result in overbuilding or other adverse impacts; (3)
15 doesn't adversely impact transmission infrastructure; and
16 (4) doesn't imperil the safety of other customers or the
17 public.

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22 (b) Except as otherwise provided in this section, any
23 electric service provided under an agreement entered into
24 pursuant to this section and approved as required by this
25 section shall not be subject to any provisions of this
26 title that:

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28 (i) Provide for electricity rate regulation;

29

1 (ii) Prohibit or otherwise limit the sale of
2 electricity outside of a specified service territory.

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6 STAFF COMMENT

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8 The language above is loosely based on W.S. 37-3-116 (which
9 provides for electric service agreements under certain
10 conditions). Below are other provisions from 37-3-116 that
11 the Committee may wish to consider including in this
12 section:

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14 (a) An electric utility may enter into a service
15 agreement as specified in subsection (d) of this section,
16 provided that the terms and conditions of the agreement:

17

18 (i) Are expected to result in revenue to the
19 utility in an amount that exceeds the expected cost to
20 serve the customer's projected electric usage; . . .

21

22 (iii) Provide benefits to other customers
23 without imposing additional current or future costs.

24

25 (b) An electric utility shall retain for its owners
26 any profits or losses that result from entering into an
27 agreement with a customer pursuant to this section.

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32 (c) Any person purchasing electric service under an
33 agreement entered into pursuant to this section may sell or
34 return excess electric capacity to the person initially
35 selling the electricity under the agreement or to another
36 public utility, provided that any sale or return of

1 capacity under this subsection shall be subject to all
2 provisions of this title that provide for electricity rate
3 regulation or that regulate the sale of electricity within
4 a specified service territory.

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6 **Section 2.** W.S. 37-1-101(a)(vi)(H) by creating a new
7 subdivision (X) is amended to read:

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9 **37-1-101. Definitions.**

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11 (a) As used in chapters 1, 2, 3, 12, 17 and 18 of
12 this title:

13

14 (vi) "Public utility" means and includes every
15 person that owns, operates, leases, controls or has power
16 to operate, lease or control:

17

18 (H) None of the provisions of this chapter
19 shall apply to:

20

21 (X) Any electric service provided
22 pursuant to an agreement entered into and approved in
23 accordance with W.S. 37-3-119, except that the provisions

1 of W.S. 37-3-119 shall apply to electric service provided
2 pursuant to an agreement entered into under that section.

3

4 **Section 3.** This act is effective July 1, 2023.

5

6 (END)