

Utah's Electric Utility System

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Issue Primer

This primer explains how Utah's electric utility system is organized: who provides power, who regulates them, and where decisions actually get made.

Utah's Electric Utility Model

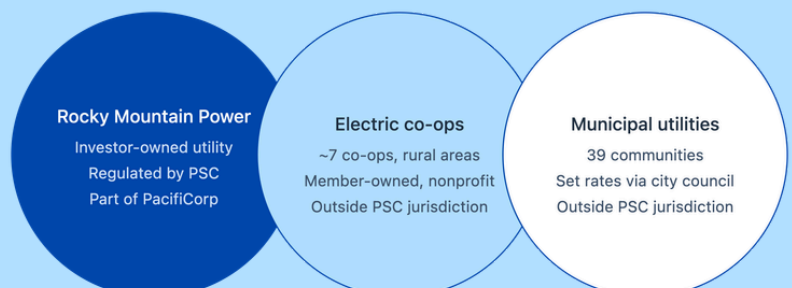
Electricity in Utah moves through a small number of large organizations rather than a competitive marketplace, structured into three distinct types, each with a different relationship to state regulation. Electricity is treated as a **natural monopoly**: building competing sets of power lines to every home is impractical, so governments grant a single provider exclusive rights to a service area in exchange for price regulation.

In Utah, that regulation is carried out by the Public Service Commission (PSC), the state agency that sets utility rates and approves major infrastructure decisions. This is the regulatory compact: the utility serves all customers reliably; in return it recovers costs and earns a fair profit (American Economic Liberties Project, 2025). Under the standard cost-of-service model, day-to-day expenses are passed through to customers with no markup. The utility earns its profit on its rate base, which is the total value of capital investment in infrastructure, instead of sales volume.

Power Distribution

Rocky Mountain Power is Utah's only regulated investor-owned utility, but it is a trade name: the legal entity is PacifiCorp, which serves six western states and is now owned by Berkshire Hathaway Energy. PacifiCorp's costs and liabilities in other states flow directly into Utah rate cases, most visibly through wildfire liability in Oregon and California, which informed the PSC's decision to cut Rocky Mountain Power's 2025 rate request substantially (Cabrera, 2025a). Utah, Wyoming, and Idaho are now exploring whether to separate Rocky Mountain Power from PacifiCorp through an interstate compact (H.C.R. 9, 2025 Session).

The remainder of the state is served by electric cooperatives and municipal utilities. Utah has approximately seven co-ops serving primarily rural areas; unlike Rocky Mountain Power, they are member-owned and non-profit, governed by their customer-members rather than the PSC. Municipal utilities operate in 39 communities, with rates set by city councils. Both fall outside PSC jurisdiction (Utah Code § 54-2-1, 2024).



All three coexist across Utah, each with its own governance and rate-setting process

Key Debates & Perspectives

All-of-the-Above

Proponents of an “all-of-the-above” strategy argue that Utah should expand every available source to ensure reliable and affordable power, emphasizing grid reliability and preserving existing assets (Utah Senate, 2025)

A central tension in the current rate case is who should bear costs. **The PSC reduced Rocky Mountain Power’s requested increase substantially, reasoning that Utah ratepayers should not pay for costs tied to other states** (Cabrera, 2025a). The utility counters that full cost recovery is necessary for financial stability and continued investment (Romboy, 2025).

A common question is why Utah is investing heavily in nuclear given cost and timeline uncertainties. A key answer is transmission: **Utah’s high-voltage lines are near capacity, constraining imports**; nuclear and geothermal can provide firm, in-state baseload that reduces that dependence.

Clean Energy Advocates

Clean energy advocates contend that renewables are the most cost-effective path and caution against policies that disadvantage wind and solar (Utah Clean Energy, 2025).

In-State Geothermal Initiatives

Cape Station

Fervo Energy, Beaver County
Phase I, ~100 MW
online late 2026
(no state funding)

Rodatherm Pilot

Rodatherm Energy, Millard County
closed-loop approach
(non-conventional)
raised \$38 M in 2025
(no state funding)

Utah FORGE

Federally funded research hub, Milford
developed to drive down costs for enhanced geothermal

Policy Implications

Utah's regulated-monopoly structure gives the Legislature several distinct levers, each with tradeoffs:

- **Regulatory frameworks:** Amending PSC jurisdiction, ratemaking standards, or large-load procurement rules (as with SB 132) shapes who pays and how energy resources are chosen.
- **Funding and appropriations:** Direct investment in nuclear and geothermal can accelerate new generation, but it commits state dollars to technologies with unresolved cost questions.
- **New administrative structures:** Bodies like the Utah Energy Council centralize coordination, though questions of transparency and spending authority accompany them.
- **Federal and multi-state coordination:** Federal land and regional grid decisions heavily affect Utah, making coordination with neighboring states and federal permitting processes essential.

What to Watch

- **The Utah Supreme Court appeal** of the 2025 Rocky Mountain Power rate decision, which could clarify how multi-state utility costs are allocated to Utah ratepayers (Romboy, 2025).
- **Rocky Mountain Power's subsequent rate requests**, including a further increase filed in late 2025, signaling continued upward pressure on rates (Cabrera, 2025b).
- **The Utah-Wyoming-Idaho interstate compact discussion**: whether the three states move toward formally separating Rocky Mountain from PacifiCorp, and what that would mean for rate and grid operations.
- **The state's evolving role at the Intermountain Power Plant**, as Utah weighs the future of coal generation historically exported to California (Pugmire, 2025).
- **Implementation of the Utah Energy Council and Nuclear Energy Consortium** under H.B. 249, including their first rounds of recommendations (Utah Senate, 2025).
- **SB 132 implementation**: how the PSC structures behind-the-meter and third-party pathways, and whether existing ratepayers are protected from cost-shifting.

Sources & Further Readings

Recommended for further reading:

- Vanden Berg, M. D. (annual). *Utah Energy and Mineral Production / Energy Sector research briefs* (Kem C. Gardner Policy Institute & Utah Geological Survey) — the authoritative annual data source on Utah's generation mix, production, and prices.
- Utah Public Service Commission docket records (psc.utah.gov) — the primary public record of rate cases, including the contested 2024–25 Rocky Mountain Power proceeding.
- The Pew Charitable Trusts. (2025). *Utah takes steps to diversify its energy mix* — a concise external overview of Utah's transition efforts and electrification policy.
- Utah FORGE project updates (utahforge.com). — current research on enhanced geothermal systems and cost reduction milestones.

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Utah Code § 54-2-1. (2024). *Definitions*. Utah State Legislature. <https://le.utah.gov/xcode/Title54/Chapter2/54-2-S1.html>

Utah Division of Public Utilities. (n.d.). *About the Division of Public Utilities*. <https://dpu.utah.gov/about/>

Utah H.C.R. 9. (2025). *Concurrent Resolution Concerning Energy Compact with Idaho and Wyoming*. Utah State Legislature. <https://le.utah.gov/>

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Utah SB 132. (2025). *Electric Utility Amendments*. Utah State Legislature. <https://le.utah.gov/>

Utah Senate. (2025, April 28). *Utah leaders celebrate landmark energy legislation to power Utah's future*. <https://senate.utah.gov/utah-leaders-celebrate-landmark-energy-legislation-to-power-utahs-future/>

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