

1 **Utah Energy Council Amendments**
 2026 GENERAL SESSION
 STATE OF UTAH
Chief Sponsor: R. Neil Walter
 Senate Sponsor:

2
 3 **LONG TITLE**

4 **General Description:**

5 This bill modifies provisions relating to the Utah Energy Council.

6 **Highlighted Provisions:**

7 This bill:

- 8 ▶ defines terms;
- 9 ▶ expands the Utah Energy Council membership from five to seven members;
- 10 ▶ establishes a co-chair structure for council leadership;
- 11 ▶ authorizes the council to issue bonds to finance electrical energy infrastructure projects
- 12 within designated energy development zones;
- 13 ▶ requires consultation with the State Bonding Commission and the state treasurer before
- 14 issuing bonds;
- 15 ▶ provides that bonds are payable solely from project revenues and are not state obligations;
- 16 and
- 17 ▶ authorizes the council to charge administrative fees for bond issuance.

18 **Money Appropriated in this Bill:**

19 None

20 **Other Special Clauses:**

21 None

22 **Utah Code Sections Affected:**

23 AMENDS:

24 **79-6-1101**, as enacted by Laws of Utah 2025, Chapter 120

25 **79-6-1102**, as enacted by Laws of Utah 2025, Chapter 120

26 ENACTS:

27 **79-6-1108**, Utah Code Annotated 1953

28
 29 *Be it enacted by the Legislature of the state of Utah:*

30 Section 1. Section **79-6-1101** is amended to read:

31 **79-6-1101 . Utah Energy Council -- Creation and purpose.**

32 (1) As used in this part:

33 (a) "Council" means the Utah Energy Council created in Section 79-6-1101.

34 (b) "Decommissioned asset" means a project entity asset that:

35 (i) has been removed from active service by a project entity;

36 (ii) has been transferred to the council, including:

37 (A) transfer of legal title; and

38 (B) transfer of operational responsibility; and

39 (iii) will be operated and managed under the direction of the council.

40 (c) "Operator" means an entity that:

41 (i) manages and maintains the daily operations of an electrical generation facility;

42 (ii) employs the workforce necessary to run the facility;

43 (iii) procures fuel and other necessary supplies;

44 (iv) ensures compliance with all applicable regulations; and

45 (v) maintains the reliability of power generation.

46 (d) "Project entity" means the same as that term is defined in Section 11-13-103.

47 (e) "Project entity asset" means the same as that term is defined in Section 11-13-318.

48 (f) "State energy financing institution" means the same as that term is defined in 10 C.F.

49 .R. 609.2.

50 (2) There is created within the office the Utah Energy Council.

51 (3) The purpose of the council is to facilitate the development of electrical energy
52 generation and transmission projects within the state, including:

53 (a) power plants;

54 (b) transmission lines;

55 (c) energy storage facilities; and

56 (d) related infrastructure.

57 (4) The council is a state energy financing institution for purposes of accessing federal
58 programs available to state energy financing institutions, including programs under 10

59 C.F.R. Part 609.

60 Section 2. Section **79-6-1102** is amended to read:

61 **79-6-1102 . Council composition -- Appointment -- Terms -- Staffing.**

62 (1) The council shall be composed of:

63 (a) the director or the director's designee~~[-, who shall serve as chair of the council];~~

64 (b) two individuals appointed by the governor;

- 65 (c) one individual appointed by the president of the Senate; [~~and~~]
66 (d) one individual appointed by the speaker of the House of Representatives[-] ;
67 (e) the executive director of the Governor's Office of Economic Opportunity or the
68 executive director's designee; and
69 (f) one individual jointly appointed by the co-chairs described in Subsection (4)(b) who
70 has experience in:
71 (i) public utilities, including utility operations, management, regulation, or policy;
72 (ii) bonding or public financing, including municipal bond issuance, project finance,
73 or public-private partnerships; or
74 (iii) relevant legal matters, including energy law, public finance law, utility
75 regulation, or securities law.
- 76 (2)(a) Except as provided in Subsection (2)(b), a council member appointed under
77 Subsection (1):
78 (i) shall serve a four-year term;
79 (ii) may be removed by the appointing authority;
80 (iii) may be reappointed; and
81 (iv) continues to serve until the member's successor is appointed and qualified.
- 82 (b) Initial terms for the appointed council members shall be staggered as follows:
83 (i) one member appointed by the governor under Subsection (1)(b) shall serve a
84 two-year term;
85 (ii) one member appointed by the governor under Subsection (1)(b) shall serve a
86 three-year term;
87 (iii) the member appointed by the president of the Senate under Subsection (1)(c)
88 shall serve a four-year term; and
89 (iv) the member appointed by the speaker of the House of Representatives under
90 Subsection (1)(d) shall serve a two-year term.
- 91 (c) A member appointed under Subsection (1)(f) may be removed by joint action of the
92 co-chairs.
- 93 (3) When a vacancy occurs in the membership for any reason, the replacement shall be
94 appointed by the relevant appointing authority for the unexpired term.
- 95 (4)(a) Until July 1, 2026, the director, or the director's designee, shall serve as chair of
96 the council.
97 (b) Beginning on July 1, 2026:
98 (i) the director, or the director's designee, shall serve as a co-chair of the council; and

- 99 (ii) the president of the Senate and the speaker of the House of Representatives shall
100 jointly designate one member of the council described in Subsections (1)(b)
101 through (f) to serve as a co-chair of the council.
- 102 (c) The co-chair designated under Subsection (4)(b)(ii):
- 103 (i) shall serve as co-chair for a term determined by the president of the Senate and the
104 speaker of the House of Representatives; and
- 105 (ii) may be removed as co-chair and replaced by joint designation of the president of
106 the Senate and the speaker of the House of Representatives.
- 107 ~~[(4)]~~ (5)(a) A majority of council members constitutes a quorum for conducting council
108 business.
- 109 (b) A majority vote of the quorum present is required for any action taken by the council.
- 110 ~~[(5)]~~ (6) The council shall meet:
- 111 (a) at least quarterly; and
- 112 (b) at the call of ~~[the chair]~~ a co-chair or a majority of the council members.
- 113 ~~[(6)]~~ (7)(a) A council member who is not a legislator may not receive compensation or
114 benefits for the member's service but may receive per diem and travel expenses in
115 accordance with:
- 116 (i) Section 63A-3-106;
- 117 (ii) Section 63A-3-107; and
- 118 (iii) rules made by the Division of Finance under Sections 63A-3-106 and 63A-3-107.
- 119 (b) Compensation and expenses of a council member who is a legislator are governed by
120 Section 36-2-2 and Legislative Joint Rules, Title 5, Legislative Compensation and
121 Expenses.
- 122 ~~[(7)]~~ (8) The office shall provide staff support to the council.
- 123 Section 3. Section **79-6-1108** is enacted to read:
- 124 **79-6-1108 . Bond authority -- Energy development zone bonds.**
- 125 (1) As used in this section:
- 126 (a) "Bond" means any evidence or contract of indebtedness that is issued or authorized
127 by a public body, including, without limitation, bonds, refunding bonds, advance
128 refunding bonds, bond anticipation notes, tax anticipation notes, notes, certificates of
129 indebtedness, warrants, commercial paper, contracts, and leases, whether they are
130 general obligations of the issuing public body or are payable solely from a specified
131 source, including annual appropriations by the public body.
- 132 (b) "Bond proceeds" means the proceeds from the sale of bonds, including any premium,

- 133 but excluding accrued interest.
- 134 (c) "Project" means electrical energy infrastructure within a designated energy
135 development zone, including transmission lines, distribution facilities, pipeline
136 infrastructure, energy storage facilities, generation facilities, substations,
137 interconnection facilities, and related infrastructure.
- 138 (2) The council may issue bonds to finance the cost of a project if:
- 139 (a) the project is located within an electrical energy development zone designated under
140 Section 79-6-1104;
- 141 (b) the council determines the project will:
- 142 (i) facilitate electrical energy development within the zone;
- 143 (ii) provide a public benefit; and
- 144 (iii) align with state energy policy under Section 79-6-301; and
- 145 (c) the project will be operated by an entity with sufficient creditworthiness to support
146 the bond issuance based solely on project revenues.
- 147 (3) Before issuing bonds under this section, the council shall:
- 148 (a) adopt a resolution authorizing the issuance of bonds that specifies:
- 149 (i) the purpose for which the bonds are issued;
- 150 (ii) the principal amount of the bonds;
- 151 (iii) the maximum interest rate or rates;
- 152 (iv) the maturity date or dates;
- 153 (v) the sources of payment and security for the bonds; and
- 154 (vi) any other terms and conditions the council determines necessary or appropriate;
155 and
- 156 (b) consult with the State Bonding Commission created in Section 63B-1-201 and the
157 state treasurer.
- 158 (4) The council may secure bonds issued under this section only by pledging revenues
159 generated by the project for which the bonds are issued.
- 160 (5) Bonds issued under this section:
- 161 (a) shall mature not more than 30 years from the date of issuance;
- 162 (b) may be sold at public or private sale;
- 163 (c) may be issued in one or more series; and
- 164 (d) shall contain terms the council determines necessary or appropriate.
- 165 (6) Bonds issued under this section are:
- 166 (a) not general obligations of the state or any political subdivision;

- 167 (b) not a debt or liability of the state or any political subdivision; and
- 168 (c) payable solely from the revenues pledged for bond payment.
- 169 (7) Each bond shall include a statement that the bond:
- 170 (a) is not a general obligation of the state or any political subdivision; and
- 171 (b) is payable solely from pledged revenues.
- 172 (8) Notwithstanding any other provision of law:
- 173 (a) a bond holder has no recourse against the state or any political subdivision for
- 174 payment of the bond; and
- 175 (b) the council may not pledge or encumber any state revenue source other than
- 176 revenues generated by the specific project for which the bonds are issued.
- 177 (9) The council may charge an administrative fee for issuing bonds under this section and
- 178 may use revenue from the administrative fee for:
- 179 (a) operational expenses of the council; or
- 180 (b) deposit into the Electrical Energy Development Investment Fund created in Section
- 181 79-6-1105.

Section 4. **Effective Date.**

This bill takes effect on May 6, 2026.