

ENERGY SECURITY ADJUSTMENTS

2024 THIRD SPECIAL SESSION

STATE OF UTAH

Chief Sponsor: Carl R. Albrecht

Senate Sponsor: Derrin R. Owens

LONG TITLE

General Description:

This bill amends provisions related to the decommissioning or disposal of project entity assets and the associated permitting process.

Highlighted Provisions:

This bill:

▶ amends provisions related to the notice of decommissioning or disposal of project entity assets;

▶ removes the requirement for the Legislative Management Committee to make certain recommendations if a project entity does not provide notice of intent to file an application;

▶ requires the Decommissioned Asset Disposition Authority (authority) to submit a complete alternative air permit application to the Division of Air Quality (division) by December 31, 2024;

▶ requires the division to provide the results of an evaluation to the authority within 30 days of receipt of the application, unless additional time is needed;

▶ requires the study on the state implementation plan to focus on ensuring that the continued operation of the power plants under an alternative permit will not jeopardize the state's ability to meet federal air quality standards;

▶ repeals the project entity oversight committee; and

▶ makes technical changes.



28 **Money Appropriated in this Bill:**

29 None

30 **Other Special Clauses:**

31 This bill provides a special effective date.

32 **Utah Code Sections Affected:**

33 AMENDS:

34 **11-13-318**, as last amended by Laws of Utah 2024, Chapter 512

35 **11-13-320**, as enacted by Laws of Utah 2024, Chapter 512

36 **19-2-109.4**, as enacted by Laws of Utah 2024, Chapter 512

37 **63I-1-211**, as last amended by Laws of Utah 2024, Chapter 395

38 **63I-1-263**, as last amended by Laws of Utah 2024, Chapter 285

39 **63I-1-263 (Superseded 07/01/24)**, as last amended by Laws of Utah 2024, Chapters 36,
40 159, 245, 361, 362, 381, 395, 434, 506, 507, and 540

41 **79-6-401**, as last amended by Laws of Utah 2024, Chapters 33, 88 and 493

42 **79-6-407**, as enacted by Laws of Utah 2024, Chapter 512

43 **79-6-408**, as enacted by Laws of Utah 2024, Chapter 512

44 REPEALS:

45 **11-13-317**, as enacted by Laws of Utah 2022, Chapter 322

46 **63C-26-101**, as enacted by Laws of Utah 2022, Chapter 322

47 **63C-26-201**, as enacted by Laws of Utah 2022, Chapter 322

48 **63C-26-202**, as enacted by Laws of Utah 2022, Chapter 322



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

51 Section 1. Section **11-13-318** is amended to read:

52 **11-13-318. Notice of decommissioning or disposal of project entity assets.**

53 (1) As used in this section:

54 (a) "Alternative permit" means the same as that term is defined in Section **11-13-320**.

55 (b) "Decommissioning" means to remove an electrical generation facility from active
56 service.

57 (c) "Disposal" means the sale, transfer, dismantling, or other disposition of a project
58 entity's assets.

59 (d) "Division" means the Division of Air Quality created in Section 19-1-105.
60 (e) "Fair market value" means the same as that term is defined in Section 79-6-408.

61 (f) (i) "Project entity asset" means a project entity's:
62 (A) land;
63 (B) water;
64 ~~[(B)]~~ (C) buildings; or
65 ~~[(C)]~~ (D) essential equipment, including turbines, generators, transformers, and
66 transmission lines.

67 (ii) "Project entity asset" does not include an asset that is not essential for the
68 generation of electricity in the project entity's coal-powered electrical generation facility.

69 (2) A project entity shall provide a notice of decommissioning or disposal to the
70 Legislative Management Committee at least 180 days before:

71 (a) the disposal of any project entity assets; or
72 (b) the decommissioning of the project entity's coal-powered electrical generation
73 facility.

74 (3) The notice of decommissioning or disposal described in Subsection (2) shall
75 include:

76 (a) the date of the intended decommissioning or disposal;
77 (b) a description of the project entity's coal-powered electrical generation facility
78 intended for decommissioning or any project entity asset intended for disposal; and
79 (c) the reasons for the decommissioning or disposal.

80 (4) A project entity may not intentionally prevent the functionality of the project
81 entity's existing coal-powered electrical generation facility.

82 (5) Notwithstanding the requirements in Subsections (2) through (4), a project entity
83 may take any action necessary to transition to a new electrical generation facility powered by
84 natural gas, hydrogen, or a combination of natural gas and hydrogen, including any action that
85 has been approved by a permitting authority.

86 ~~[(6) If a project entity intends to submit an application for an alternative permit to the
87 division as described in Section 11-13-320, the project entity shall notify the Legislative
88 Management Committee that the project entity intends to submit an application before July 1,
89 2024.]~~

90 ~~[(7) If a project does not notify the Legislative Management Committee of an intent to~~
91 ~~submit an application, the Legislative Management Committee shall make recommendations to~~
92 ~~the governor regarding appropriate action, which may include calling a special session to enact~~
93 ~~legislation reconstituting the board of the project entity.]~~

94 ~~[(8)]~~ (6) A project entity shall provide the state the option to purchase for fair market
95 value a project entity asset intended for decommissioning, with the option remaining open for
96 at least two years, beginning on July 2, 2025.

97 Section 2. Section **11-13-320** is amended to read:

98 **11-13-320. Air quality permitting transition process.**

99 (1) As used in this section:

100 (a) "Alternative permit" means an amendment to a transition permit that, for purposes
101 of transitioning an electrical generation facility to a new facility, allows one or more existing
102 generating units to continue operating while also providing for closure of one but not all
103 existing generating units.

104 (b) "Authority" means the Decommissioned Asset Disposition Authority established in
105 Section [79-6-407](#).

106 (c) "Division" means the Division of Air Quality created in Section [19-1-105](#).

107 (d) "Pre-existing permit" means the air quality permit held by the operator of an
108 existing electrical generation facility prior to any amendments associated with transitioning to a
109 new facility.

110 (e) "Transition permit" means an amendment to the pre-existing permit, issued to the
111 operator of an existing electrical generation facility for the purpose of transitioning to a new
112 electrical generation facility, which authorizes construction of the new facility but does not
113 require closure of all existing generating units until after the new facility commences operation.

114 (2) A project entity that holds a pre-existing permit for an existing electrical generation
115 facility with multiple generating units, and has been issued a transition permit for a new
116 electrical generation facility, may submit an application to the division in accordance with
117 Section [19-2-109.4](#) for issuance of an alternative permit.

118 ~~[(3) If a project entity intends to submit an application under Subsection (2), the project~~
119 ~~entity shall provide a binding notice of intent to the Legislative Management Committee on or~~
120 ~~before July 1, 2024.]~~

121 ~~[(4) If a project entity submits an application under Subsection (2), the project entity~~
122 ~~shall submit the application on or before January 1, 2025.]~~

123 Section 3. Section **19-2-109.4** is amended to read:

124 **19-2-109.4. Project entity transition permit.**

125 (1) As used in this section:

126 (a) "Alternative permit" means an amendment to a transition permit that, for purposes
127 of transitioning an electrical generation facility to a new facility, allows one or more existing
128 generating units to continue operating while also providing for closure of one but not all
129 existing generating units.

130 (b) "Authority" means the Decommissioned Asset Disposition Authority established in
131 Section [79-6-407](#).

132 (c) "Division" means the Division of Air Quality created in Section [19-1-105](#).

133 (d) "Pre-existing permit" means the air quality permit held by the operator of an
134 existing electrical generation facility prior to any amendments associated with transitioning to a
135 new facility.

136 (e) "Project entity" means the same as that term is defined in Section [11-13-103](#).

137 (f) "Transition permit" means an amendment to the pre-existing permit, issued to the
138 operator of an existing electrical generation facility for the purpose of transitioning to a new
139 electrical generation facility, which authorizes construction of the new facility but does not
140 require closure of all existing generating units until after the new facility commences operation.

141 (2) The division shall accept an application for an alternative permit from a project
142 entity that has previously obtained a transition permit to authorize the same new electrical
143 generating capacity contemplated by the transition permit.

144 (3) If the application for an alternative permit meets the requirements established by
145 the board:

146 (a) the division shall issue an approval order for the alternative permit to the project
147 entity;

148 (b) the conditions of the transition permit shall cease to apply, including requirements
149 to reduce the capacity of existing generating units at the electrical generation facility; and

150 (c) the project entity shall submit all documentation required to modify any federal
151 operating permit required to be maintained by the project entity, consistent with deadlines

152 established by the division.

153 (4) If an alternative permit is not approved under Subsection (3), the conditions of the
154 transition permit shall remain effective.

155 (5) (a) Upon receipt of an alternative air permit application prepared and submitted by
156 the authority in accordance with Subsection 79-6-407(4)(c), the division shall conduct a full
157 evaluation as if the application had been prepared and submitted by a project entity to
158 determine whether the alternative air permit would be issued if applied for by the project entity.

159 (b) The division shall provide the results of any evaluation conducted under Subsection
160 (5)(a) to the authority [~~no later than January 30, 2025.~~] within 30 days after the date that the
161 division receives the application described in Subsection (5)(a), unless the division provides
162 written notice to the authority that additional time is needed to complete the evaluation.

163 (c) If the division concludes after evaluation that an alternative permit would likely be
164 issued to a project entity, the authority shall, within 30 days after the authority receives the
165 results of the evaluation, submit recommendations to the Legislative Management Committee
166 regarding options for the state to continue to authorize construction of the project entity's new
167 electrical generation facility that do not require the closure of all of the project entity's existing
168 electrical generating facilities.

169 (6) The division shall evaluate an application for an alternative permit independently
170 from any pre-existing permit or transition permit based on updated assumptions, modeling, and
171 requirements established in rule by the division and may rely upon the reduction of capacity of
172 the existing electrical generation facility only as necessary to ensure that emissions of the new
173 generating facility do not exceed thresholds established by federal law which would necessitate
174 new source review as a major modification.

175 Section 4. Section 63I-1-211 is amended to read:

176 **63I-1-211. Repeal dates: Title 11.**

177 [~~(1) Section 11-13-317, related to the Project Entity Oversight Committee, is repealed~~
178 ~~July 1, 2027.~~]

179 [~~(2)~~] Title 11, Chapter 59, Point of the Mountain State Land Authority Act, is repealed
180 January 1, 2029.

181 Section 5. Section 63I-1-263 is amended to read:

182 **63I-1-263. Repeal dates: Titles 63A to 63N.**

- 183 (1) Subsection [63A-5b-405](#)(5), relating to prioritizing and allocating capital
184 improvement funding, is repealed July 1, 2024.
- 185 (2) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed July
186 1, 2028.
- 187 (3) Title 63C, Chapter 6, Utah Seismic Safety Commission, is repealed January 1,
188 2025.
- 189 (4) Title 63C, Chapter 18, Behavioral Health Crisis Response Committee, is repealed
190 December 31, 2026.
- 191 (5) Title 63C, Chapter 23, Education and Mental Health Coordinating Committee, is
192 repealed December 31, 2024.
- 193 (6) Title 63C, Chapter 25, State Finance Review Commission, is repealed July 1, 2027.
194 ~~[(7) Title 63C, Chapter 26, Project Entity Oversight Committee, is repealed July 1,~~
195 ~~2027.]~~
- 196 ~~[(8)]~~ (7) Title 63C, Chapter 27, Cybersecurity Commission, is repealed July 1, 2032.
- 197 ~~[(9)]~~ (8) Title 63C, Chapter 28, Ethnic Studies Commission, is repealed July 1, 2026.
- 198 ~~[(10)]~~ (9) Title 63C, Chapter 31, State Employee Benefits Advisory Commission, is
199 repealed on July 1, 2028.
- 200 ~~[(11)]~~ (10) Section [63G-6a-805](#), which creates the Purchasing from Persons with
201 Disabilities Advisory Board, is repealed July 1, 2026.
- 202 ~~[(12)]~~ (11) Title 63G, Chapter 21, Agreements to Provide State Services, is repealed
203 July 1, 2028.
- 204 ~~[(13)]~~ (12) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed
205 July 1, 2029.
- 206 ~~[(14)]~~ (13) Title 63H, Chapter 8, Utah Housing Corporation Act, is repealed July 1,
207 2026.
- 208 ~~[(15)]~~ (14) Subsection [63J-1-602.2](#)(16), related to the Communication Habits to reduce
209 Adolescent Threats (CHAT) Pilot Program, is repealed July 1, 2029.
- 210 ~~[(16)]~~ (15) Subsection [63J-1-602.2](#)(26), related to the Utah Seismic Safety
211 Commission, is repealed January 1, 2025.
- 212 ~~[(17)]~~ (16) Section [63L-11-204](#), creating a canyon resource management plan to Provo
213 Canyon, is repealed July 1, 2025.

214 [~~(18)~~] (17) Title 63L, Chapter 11, Part 4, Resource Development Coordinating
215 Committee, is repealed July 1, 2027.

216 [~~(19)~~] (18) Title 63M, Chapter 7, Part 7, Domestic Violence Offender Treatment
217 Board, is repealed July 1, 2027.

218 [~~(20)~~] (19) Section [63M-7-902](#), Creation -- Membership -- Terms -- Vacancies --
219 Expenses, is repealed July 1, 2029.

220 [~~(21)~~] (20) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1,
221 2026.

222 [~~(22)~~] (21) Title 63N, Chapter 1b, Part 4, Women in the Economy Subcommittee, is
223 repealed January 1, 2030.

224 [~~(23)~~] (22) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed July 1, 2028.

225 [~~(24)~~] (23) Section [63N-2-512](#), related to the Hotel Impact Mitigation Fund, is repealed
226 July 1, 2028.

227 [~~(25)~~] (24) Title 63N, Chapter 3, Part 9, Strategic Innovation Grant Pilot Program, is
228 repealed July 1, 2027.

229 [~~(26)~~] (25) Title 63N, Chapter 3, Part 11, Manufacturing Modernization Grant
230 Program, is repealed July 1, 2025.

231 [~~(27)~~] (26) In relation to the Rural Employment Expansion Program, on July 1, 2028:
232 (a) Title 63N, Chapter 4, Part 4, Rural Employment Expansion Program, is repealed;
233 and

234 (b) Subsection [63N-4-805](#)(5)(b), referring to the Rural Employment Expansion
235 Program, is repealed.

236 [~~(28)~~] (27) Section [63N-4-804](#), which creates the Rural Opportunity Advisory
237 Committee, is repealed July 1, 2027.

238 [~~(29)~~] (28) In relation to the Board of Tourism Development, on July 1, 2025:
239 (a) Subsection [63N-2-511](#)(1)(b), which defines "tourism board," is repealed;
240 (b) Subsections [63N-2-511](#)(3)(a) and (5), the language that states "tourism board" is
241 repealed and replaced with "Utah Office of Tourism";

242 (c) Subsection [63N-7-101](#)(1), which defines "board," is repealed;
243 (d) Subsection [63N-7-102](#)(3)(c), which requires the Utah Office of Tourism to receive
244 approval from the Board of Tourism Development, is repealed; and

- 245 (e) Title 63N, Chapter 7, Part 2, Board of Tourism Development, is repealed.
246 Section 6. Section **63I-1-263 (Superseded 07/01/24)** is amended to read:
247 **63I-1-263 (Superseded 07/01/24). Repeal dates: Titles 63A through 63N.**
- 248 (1) Subsection **63A-5b-405(5)**, relating to prioritizing and allocating capital
249 improvement funding, is repealed July 1, 2024.
- 250 (2) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed July
251 1, 2028.
- 252 (3) Title 63C, Chapter 6, Utah Seismic Safety Commission, is repealed January 1,
253 2025.
- 254 (4) Title 63C, Chapter 18, Behavioral Health Crisis Response Committee, is repealed
255 December 31, 2026.
- 256 (5) Title 63C, Chapter 23, Education and Mental Health Coordinating Committee, is
257 repealed December 31, 2024.
- 258 (6) Title 63C, Chapter 25, State Finance Review Commission, is repealed July 1, 2027.
259 ~~[(7) Title 63C, Chapter 26, Project Entity Oversight Committee, is repealed July 1,~~
260 ~~2027.]~~
- 261 ~~[(8)] (7)~~ Title 63C, Chapter 27, Cybersecurity Commission, is repealed July 1, 2032.
262 ~~[(9)] (8)~~ Title 63C, Chapter 28, Ethnic Studies Commission, is repealed July 1, 2026.
263 ~~[(10)] (9)~~ Title 63C, Chapter 31, State Employee Benefits Advisory Commission, is
264 repealed on July 1, 2028.
- 265 ~~[(11)] (10)~~ Section **63G-6a-805**, which creates the Purchasing from Persons with
266 Disabilities Advisory Board, is repealed July 1, 2026.
- 267 ~~[(12)] (11)~~ Title 63G, Chapter 21, Agreements to Provide State Services, is repealed
268 July 1, 2028.
- 269 ~~[(13)] (12)~~ Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed
270 July 1, 2029.
- 271 ~~[(14)] (13)~~ Title 63H, Chapter 8, Utah Housing Corporation Act, is repealed July 1,
272 2026.
- 273 ~~[(15)] (14)~~ Subsection **63J-1-602.2(25)**, related to the Utah Seismic Safety
274 Commission, is repealed January 1, 2025.
- 275 ~~[(16)] (15)~~ Section **63L-11-204**, creating a canyon resource management plan to Provo

276 Canyon, is repealed July 1, 2025.

277 [~~(17)~~] (16) Title 63L, Chapter 11, Part 4, Resource Development Coordinating
278 Committee, is repealed July 1, 2027.

279 [~~(18)~~] (17) Title 63M, Chapter 7, Part 7, Domestic Violence Offender Treatment
280 Board, is repealed July 1, 2027.

281 [~~(19)~~] (18) Section 63M-7-902, Creation -- Membership -- Terms -- Vacancies --
282 Expenses, is repealed July 1, 2029.

283 [~~(20)~~] (19) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1,
284 2026.

285 [~~(21)~~] (20) Title 63N, Chapter 1b, Part 4, Women in the Economy Subcommittee, is
286 repealed January 1, 2030.

287 [~~(22)~~] (21) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed July 1, 2028.

288 [~~(23)~~] (22) Section 63N-2-512, related to the Hotel Impact Mitigation Fund, is repealed
289 July 1, 2028.

290 [~~(24)~~] (23) Title 63N, Chapter 3, Part 9, Strategic Innovation Grant Pilot Program, is
291 repealed July 1, 2027.

292 [~~(25)~~] (24) Title 63N, Chapter 3, Part 11, Manufacturing Modernization Grant
293 Program, is repealed July 1, 2025.

294 [~~(26)~~] (25) In relation to the Rural Employment Expansion Program, on July 1, 2028:

295 (a) Title 63N, Chapter 4, Part 4, Rural Employment Expansion Program, is repealed;
296 and

297 (b) Subsection 63N-4-805(5)(b), referring to the Rural Employment Expansion
298 Program, is repealed.

299 [~~(27)~~] (26) Section 63N-4-804, which creates the Rural Opportunity Advisory
300 Committee, is repealed July 1, 2027.

301 [~~(28)~~] (27) In relation to the Board of Tourism Development, on July 1, 2025:

302 (a) Subsection 63N-2-511(1)(b), which defines "tourism board," is repealed;

303 (b) Subsections 63N-2-511(3)(a) and (5), the language that states "tourism board" is
304 repealed and replaced with "Utah Office of Tourism";

305 (c) Subsection 63N-7-101(1), which defines "board," is repealed;

306 (d) Subsection 63N-7-102(3)(c), which requires the Utah Office of Tourism to receive

307 approval from the Board of Tourism Development, is repealed; and

308 (e) Title 63N, Chapter 7, Part 2, Board of Tourism Development, is repealed.

309 Section 7. Section **79-6-401** is amended to read:

310 **79-6-401. Office of Energy Development -- Creation -- Director -- Purpose --**
311 **Rulemaking regarding confidential information -- Fees -- Transition for employees.**

312 (1) There is created an Office of Energy Development within the Department of
313 Natural Resources to be administered by a director.

314 (2) (a) The executive director shall appoint the director and the director shall serve at
315 the pleasure of the executive director.

316 (b) The director shall have demonstrated the necessary administrative and professional
317 ability through education and experience to efficiently and effectively manage the office's
318 affairs.

319 (3) The purposes of the office are to:

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

322 (b) implement:

323 (i) the state energy policy under Section [79-6-301](#); and

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

325 (c) advance energy education, outreach, and research, including the creation of
326 elementary, higher education, and technical college energy education programs;

327 (d) promote energy and mineral development workforce initiatives;

328 (e) support collaborative research initiatives targeted at Utah-specific energy and
329 mineral development;

330 (f) in coordination with the Department of Environmental Quality and other relevant
331 state agencies:

332 (i) develop effective policy strategies to advocate for and protect the state's interests
333 relating to federal energy and environmental entities, programs, and regulations;

334 (ii) participate in the federal environmental rulemaking process by:

335 (A) advocating for positive reform of federal energy and environmental regulations and
336 permitting;

337 (B) coordinating with other states to develop joint advocacy strategies; and

338 (C) conducting other government relations efforts; and
339 (iii) direct the funding of legal efforts to combat federal overreach and unreasonable
340 delays regarding energy and environmental permitting; and
341 (g) fund the development of detailed and accurate forecasts of the state's long-term
342 energy supply and demand, including a baseline projection of expected supply and demand and
343 analysis of potential alternative scenarios.

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

346 (a) seek federal grants or loans;
347 (b) seek to participate in federal programs; and
348 (c) in accordance with applicable federal program guidelines, administer federally
349 funded state energy programs.

350 (5) The office shall perform the duties required by Sections [11-42a-106](#), [59-5-102](#),
351 [59-7-614.7](#), [59-10-1029](#), [~~[63C-26-202](#)~~], Part 5, Alternative Energy Development Tax Credit
352 Act, and Part 6, High Cost Infrastructure Development Tax Credit Act.

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

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

358 (7) The office may charge application, filing, and processing fees in amounts
359 determined by the office in accordance with Section [63J-1-504](#) as dedicated credits for
360 performing office duties described in this part.

361 (8) (a) An employee of the office on April 30, 2024, is an at-will employee.
362 (b) For an employee described in Subsection (8)(a) who was employed by the office on
363 April 30, 2024, the employee shall have the same salary and benefit options an employee had
364 when the office was part of the office of the governor.

365 (c) An employee of the office hired on or after May 1, 2024, shall receive
366 compensation as provided in Title 63A, Chapter 17, Utah State Personnel Management Act.

367 (9) (a) The office shall prepare a strategic energy plan to achieve the state's energy
368 policy, including:

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

371 (A) energy production technologies;

372 (B) battery and storage technologies;

373 (C) smart grid technologies;

374 (D) energy efficiency technologies; and

375 (E) any other developing energy technology, energy infrastructure planning, or
376 investments that will assist the state in meeting energy demand;

377 (ii) the state's efficient use and development of:

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

380 (B) renewable energy resources, including geothermal, solar, hydrogen, wind, biomass,
381 biofuel, and hydroelectric;

382 (C) nuclear power; and

383 (D) earth minerals;

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

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

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

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

389 (b) In preparing the strategic energy plan, the office shall:

390 (i) consult with stakeholders, including representatives from:

391 (A) energy companies in the state;

392 (B) private and public institutions of higher education within the state conducting
393 energy-related research; and

394 (C) other state agencies; and

395 (ii) use modeling and industry standard data to:

396 (A) define the energy services required by a growing economy;

397 (B) calculate energy needs;

398 (C) develop state strategy for energy transportation, including transmission lines,
399 pipelines, and other infrastructure needs;

- 400 (D) optimize investments to meet energy needs at the least cost and least risk while
- 401 meeting the policy outlined in this section;
- 402 (E) address state needs and investments through a prospective 30-year period, divided
- 403 into five-year working plans; and
- 404 (F) update the plan at least every two years.
- 405 (c) The office shall report annually to the Public Utilities, Energy, and Technology
- 406 Interim Committee on or before the October interim meeting describing:
 - 407 (i) progress towards creation and implementation of the strategic energy plan;
 - 408 (ii) the plan's compliance with the state energy policy; and
 - 409 (iii) a proposed budget for the office to continue development of the strategic energy
 - 410 plan.
- 411 (10) The director shall:
 - 412 (a) annually review and propose updates to the state's energy policy, as contained in
 - 413 Section [79-6-301](#);
 - 414 (b) promote as the governor considers necessary:
 - 415 (i) the development of cost-effective energy resources both renewable and
 - 416 nonrenewable; and
 - 417 (ii) educational programs, including programs supporting conservation and energy
 - 418 efficiency measures;
 - 419 (c) coordinate across state agencies to assure consistency with state energy policy,
 - 420 including:
 - 421 (i) working with the State Energy Program to promote access to federal assistance for
 - 422 energy-related projects for state agencies and members of the public;
 - 423 (ii) working with the Division of Emergency Management to assist the governor in
 - 424 carrying out the governor's energy emergency powers under Title 53, Chapter 2a, Part 10,
 - 425 Energy Emergency Powers of the Governor Act;
 - 426 (iii) participating in the annual review of the energy emergency plan and the
 - 427 maintenance of the energy emergency plan and a current list of contact persons required by
 - 428 Section [53-2a-902](#); and
 - 429 (iv) identifying and proposing measures necessary to facilitate low-income consumers'
 - 430 access to energy services;

431 (d) coordinate with the Division of Emergency Management ongoing activities
432 designed to test an energy emergency plan to ensure coordination and information sharing
433 among state agencies and political subdivisions in the state, public utilities and other energy
434 suppliers, and other relevant public sector persons as required by Sections [53-2a-902](#),
435 [53-2a-1004](#), [53-2a-1008](#), and [53-2a-1010](#);

436 (e) coordinate with requisite state agencies to study:

437 (i) the creation of a centralized state repository for energy-related information;

438 (ii) methods for streamlining state review and approval processes for energy-related
439 projects; and

440 (iii) the development of multistate energy transmission and transportation
441 infrastructure;

442 (f) coordinate energy-related regulatory processes within the state;

443 (g) compile, and make available to the public, information about federal, state, and
444 local approval requirements for energy-related projects;

445 (h) act as the state's advocate before federal and local authorities for energy-related
446 infrastructure projects or coordinate with the appropriate state agency; and

447 (i) help promote the Division of Facilities Construction and Management's measures to
448 improve energy efficiency in state buildings.

449 (11) The director has standing to testify on behalf of the governor at the Public Service
450 Commission created in Section [54-1-1](#).

451 (12) The office shall include best practices in developing actionable goals and
452 recommendations as part of preparing and updating every two years the strategic energy plan
453 required under Subsection (9).

454 (13) The office shall maintain and regularly update a public website that provides an
455 accessible dashboard of relevant metrics and reports and makes available the data used to
456 create the strategic energy plan.

457 Section 8. Section **79-6-407** is amended to read:

458 **79-6-407. Decommissioned Asset Disposition Authority.**

459 (1) As used in this section:

460 (a) "Asset intended for decommissioning" means an electrical generation facility
461 owned by a project entity that is intended to be removed from active service.

462 (b) "Authority" means the Decommissioned Asset Disposition Authority created in this
463 section.

464 (c) "Fair market value" means the value of an electrical generation facility considering
465 both the assets and liabilities of the facility, including the value of water rights necessary to
466 operate the existing electrical generation facility at full capacity.

467 (d) "Highest and best purchase offer" means the purchase offer for the asset intended
468 for decommissioning that the authority determines to be in the overall best interest of the state,
469 considering:

470 (i) the purchase price offer amount;

471 (ii) the potential purchaser's:

472 (A) commitment to utilize the best available control technology;

473 (B) intent to use state resources to the maximum extent feasible;

474 (C) commitment to provide jobs and other economic benefits to the state;

475 (D) intent to promote the interests of state residents and ratepayers; and

476 (E) financial capability; and

477 (iii) any other factors the authority considers relevant.

478 (e) "Project entity" means the same as that term is defined in Section [11-13-103](#).

479 (2) There is established within the office the Decommissioned Asset Disposition
480 Authority.

481 (3) (a) The authority shall be composed of:

482 (i) the executive director of the office;

483 (ii) two members appointed by the governor;

484 (iii) two members appointed by the president of the Senate; and

485 (iv) two members appointed by the speaker of the House of Representatives.

486 (b) The office shall provide staff and support to the authority.

487 (4) The authority shall:

488 (a) provide recommendations to the governor and Legislature regarding the state
489 exercising an option to purchase an asset intended for decommissioning;

490 (b) if the state exercises an option to purchase the asset intended for decommissioning
491 under Section [11-13-318](#):

492 (i) enter into contracts and agreements related to the decommissioned asset;

493 (ii) govern the disposition of assets intended for decommissioning as outlined in
494 Subsection ~~[(5);]~~ (6); and

495 (iii) take any other action necessary for governance of a decommissioned asset
496 purchased by the state; ~~[and]~~

497 (c) contract with independent professionals that have expertise in emissions modeling,
498 air quality impact assessments, regulatory compliance, and any other discipline necessary for
499 the preparation and submission of a complete alternative air permit application, including:

500 (i) conducting emissions modeling, air quality impact assessments, and gathering any
501 other information necessary for inclusion in a complete alternative air permit application;

502 (ii) preparing the full application with all necessary information included, as would be
503 required for an application submitted by the owner of the electrical generation facility; and

504 (iii) submitting the full permit application to the Division of Air Quality~~[-];~~ and

505 (d) submit a complete alternative air permit application to the division on or before
506 December 31, 2024, unless the authority determines that it is not feasible to submit a complete
507 application on or before that date.

508 (5) If the authority determines under Subsection (4)(d) that it is not feasible to submit a
509 complete application on or before December 31, 2024, the authority shall:

510 (a) submit a written report to the Legislative Management Committee on or before
511 December 15, 2024, explaining the reasons for the delay and providing an estimated time line
512 for submitting the complete application; and

513 (b) submit the complete application to the division as soon as practicable after
514 December 31, 2024.

515 ~~[(5)]~~ (6) If the state exercises an option to purchase or otherwise take control of the
516 asset intended for decommissioning under Section 11-13-318, the authority may, no sooner
517 than July 2, 2025:

518 (a) hold a public hearing to receive comment and evidence regarding:

519 (i) the fair market value of the asset, including the valuation study conducted by the
520 authority under Section 79-6-408; and

521 (ii) the proposed disposition of the decommissioned asset;

522 (b) establish procedures and timelines for potential purchasers to submit binding
523 purchase offers;

- 524 (c) evaluate all purchase offers to determine the highest and best purchase offer;
- 525 (d) approve the sale of the decommissioned asset to the purchaser that has submitted
- 526 the highest and best purchase offer; and
- 527 (e) take any other action necessary to govern the disposition of the decommissioned
- 528 asset in accordance with this section.

529 ~~[(6)]~~ (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
530 Act, the authority shall make rules that establish:

- 531 (a) procedures and associated timelines for potential purchasers to submit binding
- 532 purchase offers for a decommissioned asset;
- 533 (b) objective criteria and a process to evaluate all purchase offers submitted for a
- 534 decommissioned asset and determine which purchase offer is the highest and best offer; and
- 535 (c) a process for the authority to approve the sale of a decommissioned asset to the
- 536 purchaser that has submitted the highest and best purchase offer.

537 Section 9. Section **79-6-408** is amended to read:

538 **79-6-408. Study of project entity asset intended for decommissioning.**

539 (1) As used in this section:

540 (a) "Authority" means the Decommissioned Asset Disposition Authority, created in
541 Section [79-6-407](#).

542 (b) "Fair market value" means the same as that term is defined in Section [79-6-407](#).

543 (2) The authority, in consultation with the office, shall conduct a study to:

544 (a) evaluate issues in regards to a state implementation plan as a result of issuing an
545 alternative permit under Section [19-2-109.4](#);

546 (b) establish the fair market value of an electrical generation facility that a project
547 entity intends to decommission; and

548 (c) evaluate the potential sale of the facility to new owners.

549 (3) In conducting the study described in this section, the authority shall contract or
550 consult with independent professionals with expertise in:

551 (a) areas relevant to environmental regulatory compliance and clean air act state
552 implementation plan development, including:

553 (i) related electric generation capacity;

554 (ii) resource adequacy; and

- 555 (iii) economic development considerations; and
- 556 (b) areas relevant to the valuation and disposition of electrical generation facilities,
- 557 including:
- 558 (i) engineering;
- 559 (ii) environmental assessments;
- 560 (iii) energy economics;
- 561 (iv) water rights;
- 562 (v) mineral rights;
- 563 (vi) regulatory analysis;
- 564 (vii) financial analysis;
- 565 (viii) real estate valuation; and
- 566 (ix) legal analysis.
- 567 (4) The study described in Subsection (2) shall:
- 568 (a) for the evaluation of issues in regards to a state implementation plan as a result of
- 569 issuing an alternative permit under Section 19-2-109.4, based on input from the Division of Air
- 570 Quality and independent modeling, legal analysis, and economic analysis, evaluate:
- 571 (i) any technical deficiencies that could occur in a state implementation plan as a result
- 572 of issuing an alternative permit; and
- 573 (ii) options for revising the state implementation plan to ~~maximize flexibility for the~~
- 574 ~~state to utilize an alternative permit and preserve electric generating capacity sufficient to~~
- 575 ~~support economic growth in the state while ensuring the state implementation plan meets~~
- 576 ~~federal air quality standards;] ensure that the continued operation of the power plants under an~~
- 577 alternative permit will not jeopardize the state's ability to meet federal air quality standards;
- 578 (b) for the valuation of the project entity asset that a project entity intends to
- 579 decommission, include:
- 580 (i) an assessment of all assets associated with the electrical generation facility,
- 581 including real property, equipment, water rights, mineral rights, and any other associated
- 582 assets;
- 583 (ii) an assessment of all financial assets and potential financial liabilities or risks
- 584 related to the electrical generation facility intended for decommissioning;
- 585 (iii) an analysis of any encumbrances on the electrical generation facility;

586 (iv) the impact on valuation of an electrical generation facility related to the issuance of
587 an alternative air quality permit under Section 19-2-109.4;

588 (v) a review of any potential effect a sale of the electrical generation facility would
589 have on liabilities related to the electrical generation facility;

590 (vi) incorporation of any relevant local, regional, or national economic and market
591 factors that may impact the fair market value; and

592 (vii) any other factors the authority considers relevant in establishing a fair market
593 value for the electrical generation facility; and

594 (c) to evaluate the issues surrounding a potential sale of the facility, include:

595 (i) potential purchase and sale agreement terms;

596 (ii) the necessary financial capability of a potential purchaser, including experience
597 raising capital, access to capital, financial stability, and ability to provide security for
598 obligations related to decommissioning, remediation, and other liabilities;

599 (iii) operational experience and capability of a potential purchaser, including
600 experience operating electrical generation facilities, contracting history, and historical
601 operating metrics;

602 (iv) permitting, regulatory compliance, and construction issues for continued operation
603 of the facility;

604 (v) the likelihood that continued operation of the facility would impact other electrical
605 generation facilities in the state;

606 (vi) the potential for continued operation of the facility to infringe on existing utility
607 service territories;

608 (vii) the viability of alternative business models for continued operation of the facility;

609 (viii) potential community and regional impacts resulting from continued operation or
610 the retirement of the facility; and

611 (ix) the potential for continued operation of the facility to interfere with the rights and
612 interests of the project entity, the project entity's members, power purchasers, bondholders,
613 creditors, or other entities.

614 (5) In conducting the study described in Subsection (2), the project entity shall timely
615 provide to the authority information related to the assets and potential liabilities of the
616 electrical generation facility intended for decommissioning.

617 (6) The authority shall report the progress and results of the study to the Public
618 Utilities, Energy, and Technology Interim Committee on or before November 30, 2024.

619 Section 10. **Repealer.**

620 This bill repeals:

621 Section **11-13-317, Submitting to the Project Entity Oversight Committee.**

622 Section **63C-26-101, Definitions.**

623 Section **63C-26-201, Project Entity Oversight Committee created.**

624 Section **63C-26-202, Committee duties -- Office of Energy Development duties.**

625 Section 11. **Effective date.**

626 (1) Except as provided in Subsection (2), if approved by two-thirds of all the members
627 elected to each house, this bill takes effect upon approval by the governor, or the day following
628 the constitutional time limit of Utah Constitution, Article VII, Section 8, without the governor's
629 signature, or in the case of a veto, the date of veto override.

630 (2) If this bill is not approved by two-thirds of all members elected to each house, this
631 bill takes effect on August 19, 2024.