***Effective 7/1/2021***

## Part 3
## State Energy Policy

### 79-6-301 State energy policy.

(1) It is the policy of the state that:

(a)

(i) Utah will develop its energy resources and plan its energy future with a focus on human well-being and quality of life, recognizing that reliable access to energy is vital for human health, adaptation, economic growth, and prosperity;

(ii) Utah shall have energy resources that have the following attributes, listed in order of priority:

(A) adequate;

(B) reliable;

(C) dispatchable;

(D) affordable;

(E) sustainable;

(F) secure; and

(G) clean; and

(iii) Utah shall encourage the construction and use of energy systems that balance the criteria described in Subsection (1)(a)(ii) while giving priority to the criteria in the order they are listed in Subsection (1)(a)(ii);

(b)

(i) Utah shall foster market-based solutions to:

(A) meet current and future energy demands;

(B) protect proven technologies; and

(C) minimize political uncertainties in pursuing energy development and strategy;

(ii) Utah shall promote the development of a diverse energy portfolio, including:

(A) dispatchable energy resources, including natural gas, coal, oil, and hydroelectric;

(B) nuclear power generation technologies certified for use by the United States Nuclear Regulatory Commission including molten salt reactors producing medical isotopes;

(C) intermittent energy resources, including solar and wind;

(D) clean energy sources by considering the environmental impact, including emissions, of an energy resource throughout the entire life cycle of the energy resource; and

(E) increased refinery capacity; and

(iii) Utah shall encourage innovation in the development of energy resources, including:

(A) emerging energy resources, including geothermal, biomass, biofuel, oil shale, and oil sands;

(B) alternative transportation fuels and technologies; and

(C) energy storage, pumped storage, and other developing energy systems, including hydrogen from all sources;

(c)

(i) Utah shall streamline state regulatory processes to balance economic costs with the level of review necessary to ensure protection of the state's interests; and

(ii) Utah shall encourage expedited federal action and will collaborate with federal agencies to expedite review;

(d)

(i) Utah shall maintain an environment that provides for stable consumer prices that are as low as possible while providing producers and suppliers a fair return on investment, recognizing that:
(A) economic prosperity is linked to the availability, reliability, and affordability of consumer energy supplies; and
(B) investment will occur only when adequate financial returns can be realized;
(ii) Utah shall assess the utility value of each prospective energy resource to meet the state's increasing demands including:
(A) a market analysis with and without government subsidies; and
(B) the total system impact of an energy resource;
(iii) Utah shall provide support for the innovation, research, and development of new energy resources and promote the development of resources and infrastructure sufficient to meet the state's growing demand and to contribute to the regional and national energy supply, thus reducing dependence on international energy materials; and
(iv) Utah shall allow market forces to drive prudent use of energy resources, although incentives and other methods may be used to ensure the state's optimal development and use of energy resources in the short- and long-term;
(e) Utah shall promote the development of resources, tools, and infrastructure to enhance the state's ability to:
(i) maintain adequate supply, including reserves of proven and cost-effective resources to meet demand;
(ii) ensure the state's energy independence by promoting and prioritizing the use of energy resources generated within the state; and
(iii) respond effectively to significant disruptions to the state's energy generation, energy delivery systems, or fuel supplies;
(f)
(i) Utah shall research and develop in consideration of the complete life cycle of an energy resource including mining, transportation, consumption, disposal, and reclamation;
(ii) Utah shall promote the development of a secure supply chain from resource extraction to energy production and consumption; and
(iii) Utah shall, in accordance with the policy principles described in this section, support the construction of infrastructure to encourage:
(A) energy development;
(B) diversified modes of energy transportation;
(C) greater access to domestic and international markets for Utah's resources; and
(D) advanced transmission systems;
(g) Utah shall pursue energy conservation, energy efficiency, and environmental quality; and
(h) Utah shall promote training and education programs developed by the office, focused on developing a comprehensive understanding of energy, including:
(i) programs addressing:
(A) supply and demand;
(B) energy related workforce development;
(C) energy efficiency; and
(D) energy conservation; and
(ii) energy education programs in grades kindergarten through grade 12.
(2) Governmental entities, the Public Service Commission, electric corporations, and gas corporations shall conduct activities consistent with Subsection (1).

(3) A person may not file suit to challenge a state agency's action that is inconsistent with Subsection (1).

Amended by Chapter 493, 2024 General Session

**79-6-302 Legislative committee review.**

The Public Utilities, Energy, and Technology Interim Committee shall review the state energy policy annually and propose any changes to the Legislature.

Amended by Chapter 68, 2022 General Session

**79-6-303 Legislative findings -- Forced retirement of electrical generation facilities.**

(1) As used in this section:

(a) "Commission" means the Public Service Commission established in Section 54-1-1.

(b) "Dispatchable" means available for use on demand and generally available to be delivered at a time and quantity of the operator's choosing.

(c) "Early retirement" means the closure of an electrical generation facility before reaching the end of a normal operational lifespan when significant upgrades and renovations to prolong the electrical generation facility's service are still financially reasonable investments.

(d) "Electrical generation facility" means a facility that generates electricity for provision to customers.

(e) "Forced retirement" means the closure of an electrical generation facility as a result of a federal regulation that either directly mandates the closure of an electrical generation facility or where the costs of compliance are so high as to effectively force the closure of an electrical generation facility.

(f) "Nameplate capacity" means the sum of the maximum rated outputs of all electrical generating equipment within a facility under specific conditions designated by the manufacturer, as indicated on individual nameplates physically attached to the equipment.

(g) "Plant factor" means the ratio of the actual annual electrical energy output of an electrical generation facility compared to the potential annual electrical energy output if the electrical generation facility operated at full capacity continuously for the entire year.

(h) "Qualified utility" means the same as that term is defined in Section 54-17-801.

(i) "Reliable" means supporting a system generally able to provide a continuous supply of electricity at the proper voltage and frequency and the resiliency to withstand sudden or unexpected disturbances.

(j) "Replacement plan" means a plan by a qualified utility to replace the energy supply of an existing electrical generation facility.

(k) "Secure" means protected against disruption, tampering, and external interference.

(2) The Legislature finds that:

(a) affordable, reliable, dispatchable, and secure energy resources are important to the health, safety, and welfare of the state's citizens;

(b) the state has invested substantial resources in the development of affordable, reliable, dispatchable, and secure energy resources within the state;

(c) the early retirement of an electrical generation facility that provides affordable, reliable, dispatchable, and secure energy is a threat to the health, safety, and welfare of the state's citizens;

(d) the state's police powers, reserved to the state by the United States Constitution, provide the state with sovereign authority to make and enforce laws for the protection of the health, safety, and welfare of the state's citizens;
(e) the state has a duty to defend the production and supply of affordable, reliable, dispatchable, and secure energy from external regulatory interference; and
(f) the state's sovereign authority with respect to the retirement of an electrical generation facility for the protection of the health, safety, and welfare of the state's citizens is primary and takes precedence over any attempt from an external regulatory body to mandate, restrict, or influence the early retirement of an electrical generation facility in the state.

(3) A qualified utility that receives notice of any federal regulation that may result in the forced retirement of the qualified utility's electrical generation facility shall inform the Office of the Attorney General of the regulation within 30 days after the receipt of notice.

(4) After being informed as described in Subsection (3), the Office of the Attorney General may take any action necessary to defend the interest of the state with respect to electricity generation by the qualified utility, including filing an action in court or participating in administrative proceedings.

(5) Before authorizing or approving a rate case, integrated resource plan, or other submission that proposes the early retirement of an electrical generation facility, the commission shall:
(a) consider the Legislature's findings in Subsection (2);
(b) determine, based on clear and convincing evidence, that the early retirement of an electrical generation facility will not:
(i) create a material adverse effect on the provision of affordable, reliable, dispatchable, and secure electricity to customers in the state;
(ii) create or exacerbate an existing shortage of available electricity to customers in the state;
(iii) harm the qualified utility's ratepayers by causing the qualified utility to incur any net incremental costs to be recovered from ratepayers that could be avoided by continuing to operate the electric generating unit proposed for retirement in compliance with applicable law; and
(iv) be undertaken as a result of any financial incentives or benefits for closure related costs offered by any federal agency;
(c) determine whether the utility has proven a commitment and capability to have a replacement plan operational before retiring the existing facility; and
(d) in making the determination under Subsection (b), consider the following characteristics:
(i) plant factor;
(ii) nameplate capacity;
(iii) reliability;
(iv) dispatchability;
(v) affordability; and
(vi) the minimum reserve capacity requirement established by the utility's reliability coordinator.

(6) The commission shall prepare and submit an annual report to the Public Utilities, Energy, and Technology Interim Committee before November 30 of each year detailing:
(a) the number of received requests to retire electric generating units in the state, including:
(i) the nameplate capacity of each of those units; and
(ii) whether the request was approved or denied by the commission;
(b) the impact of any commission-approved retirement of an electric generating unit on the:
(i) state's generation fuel mix;
(ii) required capacity reserve margins for the qualified utility;

(iii) need for capacity additions or expansions at new or existing facilities as a result of the retirement; and

(iv) need for additional purchase power or capacity reserve arrangements; and

(c) whether a retirement resulted in stranded costs for the ratepayer that will be recovered by the utility through a surcharge or some other separate charge on the customer bill.

Amended by Chapter 47, 2024 General Session