

**Senator Lincoln Fillmore** proposes the following substitute bill:

**ENERGY STORAGE INNOVATION, RESEARCH, AND  
GRANT PROGRAM ACT**

2019 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Lincoln Fillmore**

House Sponsor: Mike Winder

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**LONG TITLE**

**General Description:**

This bill creates the Energy Storage Innovation, Research, and Grant Program.

**Highlighted Provisions:**

This bill:

- ▶ creates the Energy Storage Innovation, Research, and Grant Program to provide grants to accomplish the goals of the program;
- ▶ defines terms;
- ▶ requires the Office of Energy Development to administer the program and issue grants according to the terms of the program; and
- ▶ grants rulemaking authority to the Office of Energy Development.

**Money Appropriated in this Bill:**

This bill appropriates in fiscal year 2020:

- ▶ to the Governor's Office of Energy Development - Office of Energy Development - as a one-time appropriation:
  - from the General Fund, One-time, \$6,500,000.

**Other Special Clauses:**

None



26 **Utah Code Sections Affected:**

27 ENACTS:

28 [63M-4-801](#), Utah Code Annotated 1953

29 [63M-4-802](#), Utah Code Annotated 1953

30 [63M-4-803](#), Utah Code Annotated 1953

31 [63M-4-804](#), Utah Code Annotated 1953



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

34 Section 1. Section [63M-4-801](#) is enacted to read:

35 **Part 8. Energy Storage Innovation, Research, and Grant Program Act**

36 **63M-4-801. Title.**

37 This part is known as the "Energy Storage Innovation, Research, and Grant Program  
38 Act."

39 Section 2. Section [63M-4-802](#) is enacted to read:

40 **63M-4-802. Definitions.**

41 As used in this part:

42 (1) "Agreement" means a contract entered into between the office and the grantee  
43 stating the terms and conditions for use of funds approved by the Office of Energy  
44 Development.

45 (2) "Energy storage" means being able to store energy that is generated by mechanical,  
46 chemical, thermal, or photovoltaic means at one time for use at a later time.

47 (3) "Grantee" means a person, company, research organization, or other qualifying  
48 entity that has been approved to receive state funding provided under this part.

49 (4) "Office" means the Office of Energy Development created in Section [63M-4-401](#).

50 Section 3. Section [63M-4-803](#) is enacted to read:

51 **63M-4-803. Office duties.**

52 (1) The office shall establish a grant program that:

53 (a) is designed to:

54 (i) advance the development and deployment of energy storage in the state;

55 (ii) facilitate the transition of energy storage into the marketplace;

56 (iii) improve emergency preparedness and resiliency; or

- 57 (iv) enhance job creation in Utah's energy sector; and  
58 (b) offers one or more grants to a person, company, research organization, or other  
59 qualifying entity that:  
60 (i) submits a grant proposal to the office; and  
61 (ii) meets the qualifying criteria described in this section.  
62 (2) The office shall award grants for nonresidential projects based on the following  
63 considerations:  
64 (a) the technical merit of the energy storage proposal and any commercialization plan;  
65 (b) the level of matching funds from private and federal sources;  
66 (c) the potential for job creation and economic development in the state;  
67 (d) the benefit to electric customers; and  
68 (e) the potential for the development of innovative technology that may benefit electric  
69 customers.  
70 (3) To support the rapid deployment and commercialization of energy storage  
71 technologies throughout the state, the office shall award grants for residential energy storage  
72 projects:  
73 (a) on a first-come, first-served basis;  
74 (b) proposed by residential grantees, including individual residents, to cover the costs  
75 of purchasing and installing energy storage equipment at their home that uses any feasible  
76 technology; and  
77 (c) that will provide an ability for all parties to review available, aggregated data  
78 obtained from this grant program to promote improvements and efficiencies in the delivery of  
79 electric service.  
80 (4) The office shall award grants of no more than 50% of the amount appropriated for  
81 residential deployment of energy storage.  
82 (5) Except as provided in Subsection (6), no grant may exceed the smaller of 20% of  
83 the amount required for any proposal or \$7,500 for a residential proposal or \$100,000 for a  
84 nonresidential proposal.  
85 (6) A one-time allocation of \$1,500,000 dollars is available for the office to award one  
86 or more grants annually, up to \$250,000 per grantee, after the review and approval of the  
87 governor, to the grantee that makes the most innovative proposal based on the potential

88 benefits to the public and to the electrical system.

89 (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
90 office may make rules to implement the grant program.

91 Section 4. Section **63M-4-804** is enacted to read:

92 **63M-4-804. Grant administration.**

93 (1) The office shall administer the grants issued under this part.

94 (2) (a) The office shall enter into an agreement with a grantee for disbursement of  
95 funds, including the terms, conditions, and responsibilities that the grantee will be subject to in  
96 receiving and spending the grant funds.

97 (b) Subject to the agreement, the office may require a grantee to return funds if:

98 (i) the grantee fails to comply with any terms, conditions, and responsibilities of the  
99 agreement; or

100 (ii) the grantee substantially changes the plans to develop and deploy the energy  
101 storage proposal approved for funding by the office.

102 (3) The office shall review the activities and progress of grant recipients on a regular  
103 basis and grantees shall provide an annual report on achievement of goals and timelines  
104 included in the application and agreement.

105 (4) The office may impose an application fee to offset the costs of administering the  
106 grants awarded under this part.

107 (5) The office shall provide an annual report to the Public Utilities, Energy, and  
108 Technology Interim Committee on the grants awarded from the Energy Storage Innovation and  
109 Research Program under this part.

110 Section 5. **Appropriation.**

111 The following sums of money are appropriated for the fiscal year beginning July 1,  
112 2019, and ending June 30, 2020. These are additions to amounts previously appropriated for  
113 fiscal year 2020. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures  
114 Act, the Legislature appropriates the following sums of money from the funds or accounts  
115 indicated for the use and support of the government of the state of Utah.

116 **ITEM 1**

117 To the Governor's Office of Energy Development - Office of Energy Development

118 From General Fund, One-time \$6,500,000

119 Schedule of Programs:

120 Energy Storage Innovation, Research, and Grant Program

121 \$6,500,000

122 Under Section [63J-1-603](#), the Legislature intends that these funds not lapse at the close  
123 of fiscal year 2020. The use of any nonlapsing balances is limited to the awarding of grants  
124 under the Energy Storage Innovation, Research, and Grant Program.