

**Representative Stephen G. Handy** proposes the following substitute bill:

**ENERGY STORAGE AMENDMENTS**

2022 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Stephen G. Handy**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill creates a pilot grant program related to the purchase of energy storage equipment.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ creates a pilot grant program for the purchase of energy storage assets; and
- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

This bill appropriates to the Office of Energy Development - Energy Storage Asset Pilot Grant Program, as a one-time appropriation:

- ▶ from the General Fund, One-time, \$500,000.

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**63I-1-279**, as last amended by Laws of Utah 2021, Chapter 280

**79-6-401**, as renumbered and amended by Laws of Utah 2021, Chapter 280



26 ENACTS:

27 [79-6-403](#), Utah Code Annotated 1953



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

30 Section 1. Section **63I-1-279** is amended to read:

31 **63I-1-279. Repeal dates, Title 79.**

32 (1) Subsection [79-2-201\(2\)\(r\)](#), related to the Heritage Trees Advisory Committee, is  
33 repealed July 1, 2026.

34 (2) Subsection [79-2-201\(2\)\(s\)](#), related to the Recreational Trails Advisory Council, is  
35 repealed July 1, 2027.

36 (3) Subsection [79-2-201\(2\)\(t\)](#), related to the Boating Advisory Council, is repealed July  
37 1, 2024.

38 (4) Subsection [79-2-201\(2\)\(u\)](#), related to the Wildlife Board Nominating Committee, is  
39 repealed July 1, 2023.

40 (5) Subsection [79-2-201\(2\)\(v\)](#), related to regional advisory councils for the Wildlife  
41 Board, is repealed July 1, 2023.

42 (6) Title 79, Chapter 5, Part 2, Advisory Council, which creates the Recreational Trails  
43 Advisory Council, is repealed July 1, 2027.

44 (7) In relation to the Energy Storage Asset Pilot Grant Program, on July 1, 2025:

45 (a) in Subsection [79-6-401\(5\)](#), the language that states "[79-6-403](#)," is repealed; and

46 (b) Section [79-6-403](#) is repealed.

47 Section 2. Section **79-6-401** is amended to read:

48 **79-6-401. Office of Energy Development -- Creation -- Director -- Purpose --**

49 **Rulemaking regarding confidential information -- Fees -- Transition for employees.**

50 (1) There is created an Office of Energy Development in the Department of Natural  
51 Resources.

52 (2) (a) The energy advisor shall serve as the director of the office or, on or before June  
53 30, 2029, appoint a director of the office.

54 (b) The director:

55 (i) shall, if the energy advisor appoints a director under Subsection (2)(a), report to the  
56 energy advisor; and

- 57 (ii) may appoint staff as funding within existing budgets allows.
- 58 (c) The office may consolidate energy staff and functions existing in the state energy  
59 program.
- 60 (3) The purposes of the office are to:
- 61 (a) serve as the primary resource for advancing energy and mineral development in the  
62 state;
- 63 (b) implement:
- 64 (i) the state energy policy under Section [79-6-301](#); and
- 65 (ii) the governor's energy and mineral development goals and objectives;
- 66 (c) advance energy education, outreach, and research, including the creation of  
67 elementary, higher education, and technical college energy education programs;
- 68 (d) promote energy and mineral development workforce initiatives; and
- 69 (e) support collaborative research initiatives targeted at Utah-specific energy and  
70 mineral development.
- 71 (4) By following the procedures and requirements of Title 63J, Chapter 5, Federal  
72 Funds Procedures Act, the office may:
- 73 (a) seek federal grants or loans;
- 74 (b) seek to participate in federal programs; and
- 75 (c) in accordance with applicable federal program guidelines, administer federally  
76 funded state energy programs.
- 77 (5) The office shall perform the duties required by Sections [11-42a-106](#), [59-5-102](#),  
78 [59-7-614.7](#), [59-10-1029](#), [79-6-403](#), Part 5, Alternative Energy Development Tax Credit Act,  
79 and Part 6, High Cost Infrastructure Development Tax Credit Act.
- 80 (6) (a) For purposes of administering this section, the office may make rules, by  
81 following Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to maintain as  
82 confidential, and not as a public record, information that the office receives from any source.
- 83 (b) The office shall maintain information the office receives from any source at the  
84 level of confidentiality assigned by the source.
- 85 (7) The office may charge application, filing, and processing fees in amounts  
86 determined by the office in accordance with Section [63J-1-504](#) as dedicated credits for  
87 performing office duties described in this part.

88 (8) (a) An employee of the office is an at-will employee.

89 (b) For an employee of the office on July 1, 2021, the employee shall have the same  
90 salary and benefit options the employee had when the office was part of the office of the  
91 governor.

92 Section 3. Section **79-6-403** is enacted to read:

93 **79-6-403. Energy storage assets -- Pilot grant program.**

94 (1) As used in this section:

95 (a) "Energy storage asset" means property that stores energy generated by mechanical,  
96 thermal, or photovoltaic means for use at a later time.

97 (b) "Office" means the Office of Energy Development created in Section [79-6-401](#).

98 (c) "Pilot program" means the Energy Storage Asset Pilot Grant Program created in  
99 Subsection (2).

100 (2) There is created the "Energy Storage Asset Pilot Grant Program" administered by  
101 the office.

102 (3) Subject to legislative appropriations, the office may award a grant to an applicant to  
103 be used for the purchase of an energy storage asset.

104 (4) The pilot program shall operate for three years, beginning on the first day of fiscal  
105 year 2023.

106 (5) The office may not award a grant to an eligible applicant unless the applicant  
107 provides matching funds equal to the amount of the grant.

108 (6) Consistent with this section and in accordance with Title 63G, Chapter 3, Utah  
109 Administrative Rulemaking Act, the office shall make rules establishing the eligibility and  
110 reporting criteria for an applicant to receive a grant under this part, including:

111 (a) the form and process of submitting a grant application to the office;

112 (b) who is eligible to apply for a grant;

113 (c) specific categories of energy storage assets that are eligible for a grant;

114 (d) the method and formula for determining grant amounts; and

115 (e) reporting requirements for grant recipients.

116 (7) Receipt of a grant through the pilot program does not preclude a grant recipient  
117 from claiming a renewable energy system tax credit.

118 (8) The office shall provide a report on the pilot program to the Natural Resources,

119 Agriculture, and Environment Interim Committee and the Public Utilities, Energy, and  
120 Technology Interim Committee at or before the September interim meeting in 2024.

121 Section 4. **Appropriation.**

122 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, for  
123 the fiscal year beginning July 1, 2022, and ending June 30, 2023, the following sums of money  
124 are appropriated from resources not otherwise appropriated, or reduced from amounts  
125 previously appropriated, out of the funds or accounts indicated. These sums of money are in  
126 addition to any amounts previously appropriated for fiscal year 2023.

127 ITEM 1

128 To Office of Energy Development - Energy Storage Asset Pilot Grant Program

129 From General Fund, One-time \$500,000

130 Schedule of Programs:

131 Energy Storage Asset Pilot Grant Program \$500,000

132 The Legislature intends that:

133 (1) the Office of Energy Development expend appropriations under this section for the  
134 Energy Storage Asset Pilot Grant Program described in Section [79-6-403](#) in fiscal years 2023,  
135 2024, and 2025;

136 (2) under Section [63J-1-603](#), the appropriations provided under this section not lapse at  
137 the close of fiscal years 2023 and 2024; and

138 (3) the use of any nonlapsing funds is limited to the Energy Storage Asset Pilot Grant  
139 Program described in Section [79-6-403](#).