

1                                   **STATEWIDE ENERGY POLICY AMENDMENTS**

2                                                           2023 GENERAL SESSION

3                                                           STATE OF UTAH

4                                                           **Chief Sponsor: Jefferson Moss**

5                                                           Senate Sponsor: Kirk A. Cullimore

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7 **LONG TITLE**

8 **General Description:**

9           This bill makes changes to the Utah Energy Act.

10 **Highlighted Provisions:**

11           This bill:

- 12           ▶ requires the Office of Energy Development to prepare a strategic energy plan; and
- 13           ▶ creates the Utah Energy Research Grant Program and gives the Office of Energy

14 Development the authority to administer the grant program.

15 **Money Appropriated in this Bill:**

16           This bill appropriates in fiscal year 2024:

- 17           ▶ to Department of Natural Resources -- Utah Energy Research Grant Program, as an
- 18 ongoing appropriation:
- 19           • from the General Fund, \$1,000,000.

20 **Other Special Clauses:**

21           This bill provides a special effective date.

22 **Utah Code Sections Affected:**

23 AMENDS:

24           **79-6-401**, as last amended by Laws of Utah 2022, Chapter 322

25 ENACTS:

26           **79-6-403**, Utah Code Annotated 1953

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

29           Section 1. Section **79-6-401** is amended to read:

30           **79-6-401. Office of Energy Development -- Creation -- Director -- Purpose --**  
31 **Rulemaking regarding confidential information -- Fees -- Transition for employees.**

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

34           (2) (a) The energy advisor shall serve as the director of the office or, on or before June  
35 30, 2029, appoint a director of the office.

36           (b) The director:

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

39           (ii) may appoint staff as funding within existing budgets allows.

40           (c) The office may consolidate energy staff and functions existing in the state energy  
41 program.

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

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

45           (b) implement:

46           (i) the state energy policy under Section 79-6-301; and

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

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

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

51           (e) support collaborative research initiatives targeted at Utah-specific energy and  
52 mineral development.

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

55           (a) seek federal grants or loans;

56           (b) seek to participate in federal programs; and

57           (c) in accordance with applicable federal program guidelines, administer federally

58 funded state energy programs.

59 (5) The office shall perform the duties required by Sections 11-42a-106, 59-5-102,  
60 59-7-614.7, 59-10-1029, 63C-26-202, Part 5, Alternative Energy Development Tax Credit Act,  
61 and Part 6, High Cost Infrastructure Development Tax Credit Act.

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

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

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

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

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

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

76 (i) technological and infrastructure innovation needed to meet future energy demand  
77 including:

78 (A) energy production technologies;

79 (B) battery and storage technologies;

80 (C) smart grid technologies;

81 (D) energy efficiency technologies; and

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

84 (ii) the state's efficient utilization and development of:

85 (A) nonrenewable energy resources, including natural gas, coal, clean coal, hydrogen,

86 oil, oil shale, and oil sands;

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

89 (C) nuclear power; and

90 (D) earth minerals;

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

92 (iv) specific areas of workforce development necessary for an evolving energy  
93 industry;

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

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

96 (b) In preparing the strategic energy plan, the office shall consult with stakeholders,  
97 including representatives from:

98 (i) energy companies in the state;

99 (ii) private and public institutions of higher education within the state conducting  
100 energy-related research; and

101 (iii) other state agencies.

102 (c) On or before the October 2023 interim meeting, the office shall report to the Public  
103 Utilities, Energy, and Technology Interim Committee and the Executive Appropriations

104 Interim Committee describing:

105 (i) progress towards creation of the strategic energy plan; and

106 (ii) a proposed budget for the office to continue development of the strategic energy  
107 plan.

108 Section 2. Section **79-6-403** is enacted to read:

109 **79-6-403. Utah Energy Research Grant Program.**

110 (1) (a) There is created within the office the Utah Energy Research Grant Program.

111 (b) The purpose of the program is to encourage energy-related research within the state  
112 by providing matching grants to applicants that have received federal or private grants for  
113 specific ongoing energy-related research projects.

- 114 (2) (a) An applicant that submits a proposal for a grant to the office shall include  
115 details in the proposal regarding:
- 116 (i) the specific ongoing energy-related research project;
  - 117 (ii) information about previously awarded federal and private grants for the specific  
118 ongoing energy-related research project, including:
    - 119 (A) the amount of the previously awarded federal or private grant; and
    - 120 (B) the requirements to qualify for the previously awarded federal or private grant; and
    - 121 (iii) other information the office determines necessary to evaluate the proposal.
  - 122 (b) When evaluating a proposal for a grant, the office shall consider:
    - 123 (i) the grant amount requested, which may not exceed the amount of federal or private  
124 grants the applicant has been awarded;
    - 125 (ii) the extent to which the proposal advances the goals of the state energy policy and  
126 strategic energy plan;
    - 127 (iii) the extent to which any additional funding sources or existing or planned  
128 partnerships may benefit the proposal; and
    - 129 (iv) the viability of the proposal.
  - 130 (3) Subject to this Subsection (3), the office may, in accordance with Title 63G,  
131 Chapter 3, Utah Administrative Rulemaking Act, make rules to establish:
    - 132 (a) eligibility criteria for a grant;
    - 133 (b) the form and process for submitting a proposal to the office for a grant;
    - 134 (c) the process and criteria for determining the priority of applications received;
    - 135 (d) the formula and method for determining a grant amount; and
    - 136 (e) reporting requirements for a grant recipient.
  - 137 (4) On or before October 31 of each year, the office shall provide a written report to the  
138 Public Utilities, Energy, and Technology Interim Committee regarding:
    - 139 (a) the number of grants and grant amounts awarded under the program;
    - 140 (b) data gathered under the program; and
    - 141 (c) the impact of the program on encouraging energy-related research within the state.

142           Section 3. **Appropriation.**

143           The following sums of money are appropriated for the fiscal year beginning July 1,  
144 2023, and ending June 30, 2024. These are additions to amounts previously appropriated for  
145 fiscal year 2024. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures  
146 Act, the Legislature appropriates the following sums of money from the funds or accounts  
147 indicated for the use and support of the government of the state of Utah.

148           ITEM 1

149           To Department of Natural Resources -- Utah Energy Research Grant Program

150           From General Fund 1,000,000

151           Schedule of Programs:

152                     Utah Energy Research Grant Program 1,000,000

153           Under [63J-1-603](#) the Legislature intends that the \$1,000,000 General Fund  
154 appropriation for the Utah Energy Research Grant Program shall not lapse at the close of fiscal  
155 year 2024.

156           Section 4. **Effective date.**

157           This bill takes effect on July 1, 2023.