

STATEWIDE ENERGY POLICY AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jefferson Moss

Senate Sponsor: _____

LONG TITLE

General Description:

This bill makes changes to the Utah Energy Act.

Highlighted Provisions:

This bill:

- ▶ requires the Office of Energy Development to prepare a strategic energy plan;
- ▶ creates the Utah Energy Research Grant Program and gives the Office of Energy Development the authority to administer the grant program; and
- ▶ creates the Utah Energy Research Fund.

Money Appropriated in this Bill:

This bill appropriates in fiscal year 2024:

- ▶ to Department of Natural Resources -- Office of Energy Development -- Utah Energy Resource Fund, as a one-time appropriation:
 - from the General Fund, \$1,000,000.

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

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

ENACTS:

79-6-403, Utah Code Annotated 1953



28 79-6-404, Utah Code Annotated 1953



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

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

32 **79-6-401. Office of Energy Development -- Creation -- Director -- Purpose --**
33 **Rulemaking regarding confidential information -- Fees -- Transition for employees.**

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

36 (2) (a) The energy advisor shall serve as the director of the office or, on or before June
37 30, 2029, appoint a director of the office.

38 (b) The director:

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

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

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

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

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

47 (b) implement:

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

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

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

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

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

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

57 (a) seek federal grants or loans;

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

59 (c) in accordance with applicable federal program guidelines, administer federally
60 funded state energy programs.

61 (5) The office shall perform the duties required by Sections 11-42a-106, 59-5-102,
62 59-7-614.7, 59-10-1029, 63C-26-202, Part 5, Alternative Energy Development Tax Credit Act,
63 and Part 6, High Cost Infrastructure Development Tax Credit Act.

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

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

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

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

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

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

78 (i) technological innovation needed to meet future energy demand including:

79 (A) energy production technologies;

80 (B) battery and storage technologies;

81 (C) smart grid technologies;

82 (D) energy efficiency technologies; and

83 (E) any other developing energy technology that will assist the state in meeting energy
84 demand;

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

86 (A) nonrenewable energy resources, including natural gas, coal, clean coal, oil, oil
87 shale, and oil sands;

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

90 (C) nuclear power; and
91 (D) earth minerals;
92 (iii) areas of energy-related academic research;
93 (iv) specific areas of workforce development necessary for an evolving energy
94 industry;
95 (v) the development of partnerships with national laboratories; and
96 (vi) a proposed state budget for economic development and investment.
97 (b) In preparing the strategic energy plan, the office shall consult with stakeholders,
98 including representatives from:
99 (i) energy companies in the state;
100 (ii) private and public institutions of higher education within the state conducting
101 energy-related research; and
102 (iii) other state agencies.
103 (c) On or before the October 2023 interim meeting, the office shall report to the Public
104 Utilities Energy and Technology Interim Committee and the Executive Appropriations Interim
105 Committee describing:
106 (i) progress towards creation of the strategic energy plan; and
107 (ii) a proposed budget for the office to continue development of the strategic energy
108 plan.
109 Section 2. Section **79-6-403** is enacted to read:
110 **79-6-403. Utah Energy Research Fund.**
111 (1) There is created within the General Fund a restricted account known as the "Utah
112 Energy Research Fund."
113 (2) The account shall consist of:
114 (a) appropriations from the Legislature; and
115 (b) interest and earnings from the account.
116 (3) Subject to appropriation from the Legislature, money from the account shall be
117 used by the office to provide grants described in Section [79-6-404](#).
118 Section 3. Section **79-6-404** is enacted to read:
119 **79-6-404. Utah Energy Research Grant Program.**
120 (1) (a) There is created within the office the Utah Energy Research Grant Program.

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

124 (2) (a) An applicant that submits a proposal for a grant to the office shall include
125 details in the proposal regarding:

126 (i) the specific ongoing energy-related research project;

127 (ii) information about previously awarded federal and private grants for the specific
128 ongoing energy-related research project, including:

129 (A) the amount of the previously awarded federal or private grant; and

130 (B) the requirements to qualify for the previously awarded federal or private grant; and

131 (iii) other information the office determines necessary to evaluate the proposal.

132 (b) When evaluating a proposal for a grant, the office shall consider:

133 (i) the grant amount requested, which may not exceed the amount of federal or private
134 grants the applicant has been awarded;

135 (ii) the extent to which the proposal advances the goals of the state energy policy and
136 strategic energy plan;

137 (iii) the extent to which any additional funding sources or existing or planned
138 partnerships may benefit the proposal; and

139 (iv) the viability of the proposal.

140 (3) Subject to this Subsection (3), the office may, in accordance with Title 63G,
141 Chapter 3, Utah Administrative Rulemaking Act, make rules to establish:

142 (a) eligibility criteria for a grant;

143 (b) the form and process for submitting a proposal to the office for a grant;

144 (c) the process and criteria for determining the priority of applications received;

145 (d) the formula and method for determining a grant amount; and

146 (e) reporting requirements for a grant recipient.

147 (4) On or before October 31 of each year, the office shall provide a written report to the
148 Public Utilities, Energy, and Technology Interim Committee regarding:

149 (a) the number of grants and grant amounts awarded under the program;

150 (b) data gathered under the program; and

151 (c) the impact of the program on encouraging energy-related research within the state.

152 Section 4. **Appropriation.**

153 The following sums of money are appropriated for the fiscal year beginning July 1,
154 2023, and ending June 30, 2024. These are additions to amounts previously appropriated for
155 fiscal year 2024. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures
156 Act, the Legislature appropriates the following sums of money from the funds or accounts
157 indicated for the use and support of the government of the state of Utah.

158 ITEM 1

159 To Department of Natural Resources -- Utah Energy Research Fund

160 From General Fund, One time 1,000,000

161 Schedule of Programs:

162 Utah Energy Research Fund 1,000,000

163 ITEM 2

164 To Department of Natural Resources -- Office of Energy Development

165 From General Fund Restricted -- Utah Energy Research Fund, One-time 1,000,000

166 Schedule of Programs:

167 Office of Energy Development 1,000,000

168 Section 5. **Effective date.**

169 This bill takes effect on July 1, 2023.