

Representative Calvin R. Musselman proposes the following substitute bill:

ENERGY STORAGE AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Calvin R. Musselman

Senate Sponsor: Kirk A. Cullimore

LONG TITLE

General Description:

This bill requires the Office of Energy Development to conduct a study analyzing Utah's energy fuels infrastructure and supply chain.

Highlighted Provisions:

This bill:

- ▶ defines terms;
 - ▶ directs the Office of Energy Development to study the feasibility and benefits of establishing a transportation, heating, and electricity-generating fuel storage reserve in the state;
 - ▶ specifies study requirements and considerations;
 - ▶ allows the Office of Energy Development to contract with consultants for the study;
- and
- ▶ requires a status update on the progress toward the study results and recommendations.

Money Appropriated in this Bill:

None

Other Special Clauses:

None



26 **Utah Code Sections Affected:**

27 ENACTS:

28 **79-6-404**, Utah Code Annotated 1953

29

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

31 Section 1. Section **79-6-404** is enacted to read:

32 **79-6-404. Authority to study transportation, heating, and electricity-generating**
33 **fuel storage reserve.**

34 (1) As used in this section, "energy fuel" means transportation, heating, and
35 electricity-generating fuels used in the state.

36 (2) The office shall conduct a study analyzing the potential benefits, risks, feasibility,
37 and requirements of establishing a Utah transportation, heating, and electricity-generating fuel
38 storage reserve.

39 (3) A study conducted under this section shall evaluate:

40 (a) current and predicted energy fuel consumption patterns and needs for the state;

41 (b) existing energy fuel infrastructure in the state, including refineries, powerplants,
42 pipelines, railroads, transmission lines, and storage facilities;

43 (c) strengths and vulnerabilities in the state's regional and national energy fuel supply
44 chains;

45 (d) impacts on energy fuel availability from natural disasters, accidents, or other
46 causes;

47 (e) feasibility of storage options to mitigate supply risks, including:

48 (i) optimal locations, including salt caverns located in the state;

49 (ii) ownership structures;

50 (iii) inventory management;

51 (iv) strategies for prioritizing fuel supplies in emergency situations;

52 (v) accessibility protocols; and

53 (vi) funding mechanisms;

54 (f) opportunities to work with industry to serve strategic initiatives and critical needs;

55 and

56 (g) economic modeling to analyze required state energy fuel reserve sizes and costs.

57 (4) ~~Ĥ→~~ In conducting a study under this section, ~~←Ĥ Ĥ→~~ ~~[The]~~ the ~~←Ĥ~~ office may ~~Ĥ→~~
57a :

57b (a) ~~←Ĥ~~ contract with independent experts and consultants ~~Ĥ→~~ [to assist with the
58 study described in this section.] ; and

58a (b) coordinate with private industry and others with relevant expertise. ~~←Ĥ~~

59 (5) The office shall present a status update on the study in a report to the Public
60 Utilities, Energy, and Technology Interim Committee by November 30, 2024.

61 Section 2. **Effective date.**

62 This bill takes effect on May 1, 2024.