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STATE ENERGY POLICY AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Colin W. Jack

Senate Sponsor: Evan J. Vickers

LONG TITLE

General Description:

This bill modifies the state energy policy.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ provides that the state energy policy:
 - is focused on human well-being and quality of life;
 - encourages the use of dispatchable energy resources;
 - fosters innovation and development to meet future energy demand; and
 - allows for market-based solutions; and
- ▶ requires the Office of Energy Development to report annually to the Public Utilities, Energy, and Technology Interim Committee regarding:
 - development and implementation of the state energy plan; and
 - the state energy plan's compliance with the state energy policy; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:



28 AMENDS:

29 [79-6-102](#), as renumbered and amended by Laws of Utah 2021, Chapter 280

30 [79-6-301](#), as last amended by Laws of Utah 2023, Chapters 186, 195

31 [79-6-401](#), as last amended by Laws of Utah 2023, Chapter 196



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

34 Section 1. Section [79-6-102](#) is amended to read:

35 **[79-6-102](#). Definitions.**

36 As used in this chapter:

37 (1) "Appointing authority" means:

38 (a) on and before June 30, 2029, the governor; and

39 (b) on and after July 1, 2029, the executive director.

40 (2) "Clean" means minimizing adverse environmental impact and able to meet state
41 standards for environmental quality.

42 (3) "Dispatchable" means available for use on demand and generally available to be
43 delivered at a time and quantity of the operator's choosing.

44 (4) "Electrical corporation" means the same as that term is defined in Section [54-2-1](#).

45 ~~[(2)]~~ (5) (a) On and before June 30, 2029, "energy advisor" means the governor's
46 energy advisor appointed under Section [79-6-401](#).

47 (b) On and after July 1, 2029, "energy advisor" means the energy advisor appointed by
48 the executive director under Section [79-6-401](#).

49 (6) "Gas corporation" means the same as that term is defined in Section [54-2-1](#).

50 (7) "Intermittent" means available for use on a variable basis that is dependent on
51 elements outside of the control of the operator.

52 ~~[(3)]~~ (8) "Office" means the Office of Energy Development created in Section
53 [79-6-401](#).

54 (9) "Reliable" means supporting a system generally able to provide a continuous supply
55 of electricity at the proper voltage and frequency and the resiliency to withstand sudden or
56 unexpected disturbances.

57 (10) "Secure" means protected against disruption, tampering, and external interference.

58 ~~[(4)] "State agency" means an executive branch.]~~

59 ~~[(a) department;]~~

60 ~~[(b) agency;]~~

61 ~~[(c) board;]~~

62 ~~[(d) commission;]~~

63 ~~[(e) division; or]~~

64 ~~[(f) state educational institution.]~~

65 (11) "Sustainable" means domestically sourced and able to provide affordable, reliable

66 energy in adequate quantities for current and future generations without compromising

67 economic prosperity or environmental health.

68 (12) "Governmental entity" means:

69 (a) any department, agency, board, commission, or other instrumentality of the state; or

70 (b) a political subdivision of the state.

71 Section 2. Section **79-6-301** is amended to read:

72 **79-6-301. State energy policy.**

73 ~~[(1) It is the policy of the state that:]~~

74 ~~[(a) Utah shall have adequate, reliable, affordable, sustainable, and clean energy~~
75 ~~resources;]~~

76 ~~[(b) Utah shall promote the development of:]~~

77 ~~[(i) nonrenewable energy resources, including natural gas, coal, oil, oil shale, and oil~~
78 ~~sands;]~~

79 ~~[(ii) renewable energy resources, including geothermal, solar, wind, biomass, biofuel,~~
80 ~~and hydroelectric;]~~

81 ~~[(iii) nuclear power generation technologies certified for use by the United States~~
82 ~~Nuclear Regulatory Commission including molten salt reactors producing medical isotopes;]~~

83 ~~[(iv) alternative transportation fuels and technologies;]~~

84 ~~[(v) infrastructure to facilitate energy development, diversified modes of~~
85 ~~transportation, greater access to domestic and international markets for Utah's resources, and~~
86 ~~advanced transmission systems;]~~

87 ~~[(vi) energy storage, pumped storage, and other advanced energy systems, including~~
88 ~~hydrogen from all sources;]~~

89 ~~[(vii) electricity systems that can be controlled at the request of grid operators to meet~~

90 system load demands, to ensure an adequate supply of dispatchable energy generation
91 resources;]

92 [~~(viii) electricity systems that are stable and capable of serving load without
93 accelerating damage to customer equipment; and]~~

94 [~~(ix) increased refinery capacity;~~]

95 [~~(c) Utah shall promote the development of resources and infrastructure sufficient to
96 meet the state's growing demand, while contributing to the regional and national energy supply,
97 thus reducing dependence on international energy sources;~~]

98 [~~(d) Utah shall promote the development of resources, tools, and infrastructure to
99 enhance the state's ability to:]~~

100 [~~(i) respond effectively to significant disruptions to the state's energy generation,
101 energy delivery systems, or fuel supplies;~~]

102 [~~(ii) maintain adequate supply, including reserves of proven and cost-effective
103 dispatchable electricity reserves to meet grid demand; and]~~

104 [~~(iii) ensure the state's energy independence by promoting the use of energy resources
105 generated within the state;]~~

106 [~~(e) Utah shall allow market forces to drive prudent use of energy resources, although
107 incentives and other methods may be used to ensure the state's optimal development and use of
108 energy resources in the short- and long-term;]~~

109 [~~(f) Utah shall pursue energy conservation, energy efficiency, and environmental
110 quality;]~~

111 [~~(g) Utah shall promote the development of a secure supply chain from resource
112 extraction to energy production and consumption;]~~

113 [~~(h) (i) state regulatory processes should be streamlined to balance economic costs with
114 the level of review necessary to ensure protection of the state's various interests; and]~~

115 [~~(ii) where federal action is required, Utah will encourage expedited federal action and
116 will collaborate with federal agencies to expedite review;]~~

117 [~~(i) Utah shall maintain an environment that provides for stable consumer prices that
118 are as low as possible while providing producers and suppliers a fair return on investment,
119 recognizing that:]~~

120 [~~(i) economic prosperity is linked to the availability, reliability, and affordability of~~

121 consumer energy supplies; and]

122 ~~[(ii) investment will occur only when adequate financial returns can be realized;]~~

123 ~~[(j) Utah shall promote training and education programs focused on developing a~~

124 ~~comprehensive understanding of energy, including:]~~

125 ~~[(i) programs addressing:]~~

126 ~~[(A) energy conservation;]~~

127 ~~[(B) energy efficiency;]~~

128 ~~[(C) supply and demand; and]~~

129 ~~[(D) energy related workforce development; and]~~

130 ~~[(ii) energy education programs in grades kindergarten through grade 12; and]~~

131 ~~[(k) Utah shall promote the use of clean energy sources by considering the emissions of~~

132 ~~an energy resource throughout the entire life cycle of the energy resource.]~~

133 ~~[(2) State agencies are encouraged to conduct agency activities consistent with~~

134 ~~Subsection (1):]~~

135 ~~[(3) A person may not file suit to challenge a state agency's action that is inconsistent~~

136 ~~with Subsection (1):]~~

137 (1) It is the policy of the state that:

138 (a) (i) Utah will develop its energy resources and plan its energy future with a focus on

139 human well-being and quality of life, recognizing that reliable access to energy is vital for

140 human health, adaptation, economic growth, and prosperity;

141 (ii) Utah shall have energy resources that have the following attributes, listed in order

142 of priority:

143 (A) adequate;

144 (B) reliable;

145 (C) dispatchable;

146 (D) affordable;

147 (E) sustainable;

148 (F) secure; and

149 (G) clean; and

150 (iii) Utah shall encourage the construction and use of electricity systems that balance

151 the criteria described in Subsection (1)(a)(ii) while giving priority to the criteria in the order

152 they are listed in Subsection (1)(a)(ii);
153 (b) (i) Utah shall foster market-based solutions to:
154 (A) meet current and future energy demands;
155 (B) protect proven technologies; and
156 (C) minimize political uncertainties in pursuing energy development and strategy;
157 (ii) Utah shall promote the development of a diverse energy portfolio, including:
158 (A) dispatchable energy resources, including natural gas, coal, oil, and hydroelectric;
159 (B) nuclear power generation technologies certified for use by the United States
160 Nuclear Regulatory Commission including molten salt reactors producing medical isotopes;
161 (C) intermittent energy resources, including solar and wind;
162 (D) clean energy sources by considering the emissions of an energy resource
163 throughout the entire life cycle of the energy resource; and
164 (E) increased refinery capacity;
165 (iii) Utah shall encourage innovation in the development of energy resources,
166 including:
167 (A) emerging energy resources, including geothermal, biomass, biofuel, oil shale, and
168 oil sands;
169 (B) alternative transportation fuels and technologies; and
170 (C) energy storage, pumped storage, and other developing energy systems, including
171 hydrogen from all sources.
172 (c) (i) Utah shall streamline state regulatory processes to balance economic costs with
173 the level of review necessary to ensure protection of the state's interests;
174 (ii) Utah shall encourage expedited federal action and will collaborate with federal
175 agencies to expedite review; and
176 (d) (i) Utah shall maintain an environment that provides for stable consumer prices that
177 are as low as possible while providing producers and suppliers a fair return on investment,
178 recognizing that:
179 (A) economic prosperity is linked to the availability, reliability, and affordability of
180 consumer energy supplies; and
181 (B) investment will occur only when adequate financial returns can be realized.
182 (ii) Utah shall assess the utility value of each prospective energy resource to meet the

183 state's increasing demands for energy and shall:

184 (A) provide support for the innovation, research and development of new energy
185 resources; and

186 (B) Utah shall promote the development of resources and infrastructure sufficient to
187 meet the state's growing demand, while contributing to the regional and national energy supply,
188 thus reducing dependence on international energy materials;

189 (iii) Utah shall allow market forces to drive prudent use of energy resources, although
190 incentives and other methods may be used to ensure the state's optimal development and use of
191 energy resources in the short- and long-term;

192 (e) (i) Utah shall promote the development of resources, tools, and infrastructure to
193 enhance the state's ability to:

194 (A) maintain adequate supply, including reserves of proven and cost-effective
195 dispatchable electricity reserves to meet grid demand;

196 (B) ensure the state's energy independence by promoting and prioritizing the use of
197 energy resources generated within the state; and

198 (C) respond effectively to significant disruptions to the state's energy generation,
199 energy delivery systems, or fuel supplies; and

200 (f) (i) Utah shall research and develop in consideration of the complete life cycle of an
201 energy resource including mining, transportation, consumption, disposal, and reclamation;

202 (ii) Utah shall promote the development of a secure supply chain from resource
203 extraction to energy production and consumption;

204 (iii) Utah shall, in accordance with the policy principles described in this section,
205 support the construction of infrastructure to encourage:

206 (A) energy development;

207 (B) diversified modes of energy transportation;

208 (C) greater access to domestic and international markets for Utah's resources; and

209 (D) advanced transmission systems;

210 (g) Utah shall pursue energy conservation, energy efficiency, and environmental
211 quality; and

212 (h) Utah shall promote training and education programs developed by the office,
213 focused on developing a comprehensive understanding of energy, including:

- 214 (i) programs addressing:
- 215 (A) supply and demand;
- 216 (B) energy related workforce development;
- 217 (C) energy efficiency; and
- 218 (D) energy conservation; and
- 219 (ii) energy education programs in grades kindergarten through grade 12.
- 220 (2) Governmental entities, the Public Service Commission, electric corporations, and
- 221 gas corporations shall conduct activities consistent with Subsection (1).

222 (3) A person may not file suit to challenge a state agency's action that is inconsistent
223 with Subsection (1).

224 Section 3. Section **79-6-401** is amended to read:

225 **79-6-401. Office of Energy Development -- Creation -- Director -- Purpose --**
226 **Rulemaking regarding confidential information -- Fees -- Transition for employees.**

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

229 (2) (a) The energy advisor shall serve as the director of the office or, on or before June
230 30, 2029, appoint a director of the office.

231 (b) The director:

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

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

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

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

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

240 (b) implement:

241 (i) the state energy policy under Section [79-6-301](#); and

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

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

- 245 (d) promote energy and mineral development workforce initiatives; and
246 (e) support collaborative research initiatives targeted at Utah-specific energy and
247 mineral development.
- 248 (4) By following the procedures and requirements of Title 63J, Chapter 5, Federal
249 Funds Procedures Act, the office may:
- 250 (a) seek federal grants or loans;
251 (b) seek to participate in federal programs; and
252 (c) in accordance with applicable federal program guidelines, administer federally
253 funded state energy programs.
- 254 (5) The office shall perform the duties required by Sections [11-42a-106](#), [59-5-102](#),
255 [59-7-614.7](#), [59-10-1029](#), [63C-26-202](#), Part 5, Alternative Energy Development Tax Credit Act,
256 and Part 6, High Cost Infrastructure Development Tax Credit Act.
- 257 (6) (a) For purposes of administering this section, the office may make rules, by
258 following Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to maintain as
259 confidential, and not as a public record, information that the office receives from any source.
- 260 (b) The office shall maintain information the office receives from any source at the
261 level of confidentiality assigned by the source.
- 262 (7) The office may charge application, filing, and processing fees in amounts
263 determined by the office in accordance with Section [63J-1-504](#) as dedicated credits for
264 performing office duties described in this part.
- 265 (8) (a) An employee of the office is an at-will employee.
- 266 (b) For an employee of the office on July 1, 2021, the employee shall have the same
267 salary and benefit options the employee had when the office was part of the office of the
268 governor.
- 269 (9) (a) The office shall prepare a strategic energy plan to achieve the state's energy
270 policy, including:
- 271 (i) technological and infrastructure innovation needed to meet future energy demand
272 including:
- 273 (A) energy production technologies;
274 (B) battery and storage technologies;
275 (C) smart grid technologies;

276 (D) energy efficiency technologies; and
277 (E) any other developing energy technology, energy infrastructure planning, or
278 investments that will assist the state in meeting energy demand;
279 (ii) the state's efficient utilization and development of:
280 (A) nonrenewable energy resources, including natural gas, coal, clean coal, hydrogen,
281 oil, oil shale, and oil sands;
282 (B) renewable energy resources, including geothermal, solar, hydrogen, wind, biomass,
283 biofuel, and hydroelectric;
284 (C) nuclear power; and
285 (D) earth minerals;
286 (iii) areas of energy-related academic research;
287 (iv) specific areas of workforce development necessary for an evolving energy
288 industry;
289 (v) the development of partnerships with national laboratories; and
290 (vi) a proposed state budget for economic development and investment.
291 (b) In preparing the strategic energy plan, the office shall consult with stakeholders,
292 including representatives from:
293 (i) energy companies in the state;
294 (ii) private and public institutions of higher education within the state conducting
295 energy-related research; and
296 (iii) other state agencies.
297 (c) ~~[On or before the October 2023 interim meeting, the]~~ The office shall report
298 annually to the Public Utilities, Energy, and Technology Interim Committee on or before the
299 October interim meeting ~~[and the Executive Appropriations Interim Committee]~~ describing:
300 (i) progress towards creation and implementation of the strategic energy plan;
301 (ii) the plan's compliance with the state energy policy; and
302 ~~[(ii)]~~ (iii) a proposed budget for the office to continue development of the strategic
303 energy plan.
304 Section 4. **Effective date.**
305 This bill takes effect on May 1, 2024.