

Representative Christine F. Watkins proposes the following substitute bill:

SAN RAFAEL STATE ENERGY LAB

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Christine F. Watkins

Senate Sponsor: David P. Hinkins

LONG TITLE

General Description:

This bill establishes the San Rafael State Energy Lab and creates the San Rafael State Energy Board.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ creates the San Rafael State Energy Lab Fund;
- ▶ establishes the San Rafael State Energy Lab Board (board);
- ▶ establishes the membership and duties of the board;
- ▶ outlines the purpose and duties of the board; and
- ▶ establishes a project proposal solicitation and approval process.

Money Appropriated in this Bill:

This bill appropriates in fiscal year 2025:

▶ to Governor's Office of Energy Development - San Rafael State Energy Lab Fund as a one-time appropriation:

- from the General Fund, One-time, \$2,000,000

▶ to Governor's Office of Energy Development - San Rafael State Energy Lab Fund as an ongoing appropriation:



26 • from the General Fund, \$1,000,000

27 **Other Special Clauses:**

28 None

29 **Utah Code Sections Affected:**

30 ENACTS:

31 [79-6-1001](#), Utah Code Annotated 1953

32 [79-6-1002](#), Utah Code Annotated 1953

33 [79-6-1003](#), Utah Code Annotated 1953

34 [79-6-1004](#), Utah Code Annotated 1953

35 [79-6-1005](#), Utah Code Annotated 1953



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

38 Section 1. Section **79-6-1001** is enacted to read:

39 **79-6-1001. Definitions.**

40 As used in this part:

41 (1) "Board" means the San Rafael State Energy Board established in Section

42 [79-6-1003](#).

43 (2) "Director" means the director of the Office of Energy Development as defined in

44 Section [79-6-401](#).

45 (3) "Fund" means the San Rafael State Energy Lab Fund established in Section

46 [79-6-1002](#).

47 (4) "Lab" means the San Rafael State Energy Lab established in Section [79-6-1004](#).

48 (5) "Lab director" means the director appointed under Section [79-6-1004](#) to oversee the

49 lab.

50 (6) "Project proposal" means a formal written submission to the board applying for

51 approval and funding of a specific research initiative conducted at the lab.

52 (7) "Office" means the Office of Energy Development as defined in Section [79-6-401](#).

53 Section 2. Section **79-6-1002** is enacted to read:

54 **79-6-1002. San Rafael State Energy Lab Fund.**

55 (1) (a) There is created an enterprise fund known as the San Rafael State Energy Lab

56 Fund, administered by the director or the director's designee.

57 (b) The office is the administrator of the fund.

58 (2) There shall be deposited into the fund:

59 (a) grants, entitlements, and other money received by the office from the federal
60 government;

61 (b) transfers, grants, bequests, and money made available from any source to
62 implement this part; and

63 (c) money appropriated to the fund by the Legislature.

64 (3) The money in the fund shall be invested by the state treasurer according to the
65 procedures and requirements of Title 51, Chapter 7, State Money Management Act, except that
66 all interest or other earnings derived from money in the fund shall be deposited in the fund.

67 Section 3. Section **79-6-1003** is enacted to read:

68 **79-6-1003. San Rafael State Energy Lab Board -- Duties -- Expenses.**

69 (1) There is established in the office the San Rafael State Energy Lab Board that is
70 composed of the following nine voting board members:

71 (a) the director, or the director's designee, who shall serve as the chair of the board;

72 (b) three members appointed by the Utah Board of Higher Education, as described in
73 Section [53B-1-402](#);

74 (c) two members appointed by the speaker of the House of Representatives, including:

75 (i) one with experience in the non-regulated energy industry; and

76 (ii) one with experience in energy commercialization;

77 (d) two members appointed by the president of the Senate, including:

78 (i) one with experience in the non-regulated energy industry; and

79 (ii) one with experience in energy commercialization; and

80 (e) one member appointed by the governor who resides in a county of the third, fourth,
81 fifth, or sixth class as described in Section [17-50-501](#).

82 (2) (a) The term of an appointed board member is four years.

83 (b) Notwithstanding Subsection (2)(a), the person making an appointment shall, at the
84 time of appointment or reappointment, adjust the length of board member terms to ensure the
85 terms of board members are staggered so that approximately half of the board is constituted of
86 new members every two years.

87 (c) The person appoints a member under Subsection (1) may remove an appointee who

88 was appointed by the person for cause.

89 (d) The person appoints a member under Subsection (1) shall fill a vacancy on the
90 board in the same manner as provided in Subsection (1).

91 (e) An individual appointed to fill a vacancy shall serve the remaining unexpired term.

92 (f) Unless removed for cause under Subsection (2)(c) a board member shall serve until
93 a successor is appointed.

94 (3) (a) A majority of the board constitutes a quorum.

95 (b) A majority vote of the quorum is required for an action to be taken by the board.

96 (4) The board shall:

97 (a) foster innovation and support technological development in the energy sector by
98 collaborating with industry leaders, researchers, entrepreneurs, investors, and other
99 stakeholders;

100 (b) identify areas of economic growth and workforce development opportunities
101 related to emerging energy technologies and solutions;

102 (c) seek potential investors and partners from the technology, finance, and business
103 sectors to support innovative research and early-stage ventures focused on developing
104 commercially viable energy technologies in the state;

105 (d) identify and prioritize high-impact research projects for the lab aligned to the state's
106 energy policy goals;

107 (e) develop evaluation criteria for project proposals received under Section [79-6-1004](#),
108 including:

109 (i) alignment with state energy policy priorities;

110 (ii) commercialization potential;

111 (iii) economic impact; and

112 (iv) other relevant factors as determined by the board;

113 (f) recommend allocation of lab resources and funding for project proposals;

114 (g) enter into financial contracts with entities seeking to use the lab; and

115 (h) consult with relevant stakeholders for input on energy research priorities and
116 potential collaborations.

117 (5) A member may not receive compensation or benefits for the members service, but
118 may receive per diem and travel expenses in accordance with:

- 119 (a) Section 63A-3-106;
120 (b) Section 63A-3-107; and
121 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
122 63A-3-107.
123 (6) The board shall meet as needed to review a proposal.
124 Section 4. Section **79-6-1004** is enacted to read:
125 **79-6-1004. San Rafael State Energy Research Lab Board established -- Lab**
126 **director.**
127 (1) There is established in the office the San Rafael State Energy Research Lab Board
128 to facilitate innovative energy research and development projects.
129 (2) The purpose of the board is to:
130 (a) conduct innovative energy technology research and development projects that have
131 commercialization potential and support the state's energy policy goals;
132 (b) assess the viability of emerging energy solutions for deployment within the state,
133 considering:
134 (i) cost-effectiveness;
135 (ii) dispatchability;
136 (iii) sustainability;
137 (iv) reliability; and
138 (v) environmental impact;
139 (c) provide analysis and recommendations to policymakers regarding energy system
140 planning, infrastructure needs, and the value of different energy initiatives being considered
141 within the state; and
142 (d) collaborate with universities, industry partners, entrepreneurs, community
143 representatives, and other research entities.
144 (3) (a) The board shall appoint a full-time lab director to oversee the day-to-day
145 operations of the lab.
146 (b) The lab director shall report to the director.
147 (c) The director or the director's designee, in consultation with the lab director, may
148 hire staff within the lab as funding allows.
149 Section 5. Section **79-6-1005** is enacted to read:

150 **79-6-1005. Project proposal solicitation and approval process.**

151 (1) The board shall have an open project proposal solicitation process to facilitate
152 innovative energy research and development aligned with state energy policy conducted at the
153 lab.

154 (2) The board shall receive and accept project proposals from:

155 (a) academics and research faculty from universities and research institutions;

156 (b) private sector companies operating in the state, including technology entrepreneurs
157 and small businesses;

158 (c) government agencies and national laboratories;

159 (d) nonprofit organizations and foundations engaged in energy research; and

160 (e) other qualified research teams.

161 (3) The board shall evaluate project proposals received under Subsection (2) through a
162 competitive process in order to select proposals for approval.

163 (4) The office may make rules, in accordance with Title 63G, Chapter 3, Utah
164 Administrative Rulemaking Act, establishing detailed project proposal evaluation criteria and
165 selection procedures.

166 **Section 6. FY 2025 Appropriation.**

167 The following sums of money are appropriated for the fiscal year beginning July 1,
168 2024, and ending June 30, 2025. These are additions to amounts previously appropriated for
169 fiscal year 2025.

170 Subsection 6(a). **Business-like Activities.**

171 The Legislature has reviewed the following proprietary funds. Under the terms and
172 conditions of Utah Code [63J-1-410](#), for any included Internal Service Fund, the Legislature
173 approves budgets, full-time permanent positions, and capital acquisition amounts as indicated,
174 and appropriates to the funds, as indicated, estimated revenue from rates, fees, and other
175 charges. The Legislature authorizes the State Division of Finance to transfer amounts between
176 funds and accounts as indicated.

177 ITEM 1 To Governor's Office of Energy Development - San Rafael State Energy Lab
178 Fund

179 From General Fund, One-time \$2,000,000

180 From General Fund \$1,000,000

181	Schedule of Programs:	
182	San Rafael State Energy Lab Fund	\$3,000,000
183	Section 7. Effective date.	
184	<u>This bill takes effect on May 1, 2024.</u>	