

**Representative Christine F. Watkins** proposes the following substitute bill:

**UTAH SAN RAFAEL STATE ENERGY LAB**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Christine F. Watkins**

Senate Sponsor: David P. Hinkins

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**LONG TITLE**

**General Description:**

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

**Highlighted Provisions:**

This bill:

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

**Money Appropriated in this Bill:**

This bill appropriates in fiscal year 2025:

▶ to Department of Natural Resources - Utah San Rafael Energy Lab Fund as a one-time appropriation:

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

▶ to Department of Natural Resources - Utah San Rafael Energy Lab Fund as an



26 ongoing appropriation:  
27 • from the General Fund, \$1,000,000

28 **Other Special Clauses:**

29 None

30 **Utah Code Sections Affected:**

31 ENACTS:

32 [79-6-1001](#), Utah Code Annotated 1953

33 [79-6-1002](#), Utah Code Annotated 1953

34 [79-6-1003](#), Utah Code Annotated 1953

35 [79-6-1004](#), Utah Code Annotated 1953

36 [79-6-1005](#), Utah Code Annotated 1953



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

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

40 **79-6-1001. Definitions.**

41 As used in this part:

42 (1) "Board" means the Utah San Rafael Energy Lab Board established in Section  
43 [79-6-1003](#).

44 (2) "Director" means the director of the Office of Energy Development as defined in  
45 Section [79-6-401](#).

46 (3) "Fund" means the Utah San Rafael Energy Lab Fund established in Section  
47 [79-6-1002](#).

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

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

51 (6) "Project proposal" means a formal written submission to the board applying for  
52 approval of a specific research initiative conducted at the lab.

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

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

55 **79-6-1002. Utah San Rafael Energy Lab Fund.**

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

57 Fund, administered by the director.

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

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

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

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

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

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

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

69 **79-6-1003. Utah San Rafael Energy Lab Board -- Duties -- Expenses.**

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

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

73 (b) three members who currently work for a public or private university in the state,  
74 appointed by the Utah Board of Higher Education, as described in Section [53B-1-402](#), provided  
75 that each member appointed under this subsection must be from a different university;

76 (c) one member, who is not a legislator, with experience in the non-regulated energy  
77 industry appointed by the speaker of the House of Representatives;

78 (d) one member, who is not a legislator, with experience in energy commercialization  
79 appointed by the president of the Senate;

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](#); and

82 (f) two members appointed by the office with relevant expertise in energy research and  
83 development.

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

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

88 new members every two years.

89 (c) The person appoints a member under Subsection (1) may remove an appointee who  
90 was appointed by the person for cause.

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

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

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

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

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

98 (4) The board shall:

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

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

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

107 (d) in consultation with the lab, identify and prioritize high-impact research projects  
108 for the lab aligned to the state's energy policy goals;

109 (e) develop evaluation criteria for approving project proposals, with input from the lab  
110 director, including:

111 (i) alignment with state energy policy priorities;

112 (ii) commercialization potential;

113 (iii) economic impact; and

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

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

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

118 (5) A member may not receive compensation or benefits for the members service, but

119 may receive per diem and travel expenses in accordance with:

120 (a) Section 63A-3-106;

121 (b) Section 63A-3-107; and

122 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and

123 63A-3-107.

124 (6) The board shall meet as needed to review a proposal.

125 Section 4. Section 79-6-1004 is enacted to read:

126 **79-6-1004. Utah San Rafael Energy Lab established -- Lab director.**

127 (1) There is established in the office the Utah San Rafael Energy Lab to facilitate  
128 innovative energy research and development projects.

129 (2) The lab shall:

130 (a) receive and evaluate project proposals;

131 (b) submit recommendations to the board for approval regarding specific project  
132 proposals based on the lab's evaluation;

133 (c) conduct innovative energy technology research and development projects that have  
134 commercialization potential and support the state's energy policy goals;

135 (d) enter into financial contracts with entities seeking to use the lab;

136 (e) assess the viability of emerging energy solutions for deployment within the state,  
137 considering:

138 (i) cost-effectiveness;

139 (ii) dispatchability;

140 (iii) sustainability;

141 (iv) reliability; and

142 (v) environmental impact;

143 (f) provide analysis and recommendations to policymakers regarding energy system  
144 planning, infrastructure needs, and the value of different energy initiatives being considered  
145 within the state; and

146 (g) collaborate with universities, industry partners, entrepreneurs, community  
147 representatives, and other research entities.

148 (3) (a) The director shall appoint a full-time lab director with the consent of the board  
149 to oversee the day-to-day operations of the lab.

150 (b) The lab director shall report to the director.

151 (c) The lab director, in consultation with the director, may hire staff within the lab as  
152 funding allows.

153 Section 5. Section **79-6-1005** is enacted to read:

154 **79-6-1005. Project proposal solicitation and approval process.**

155 (1) The lab shall have an open project proposal solicitation process to facilitate  
156 innovative energy research and development conducted at the lab that is aligned with the state  
157 energy policy.

158 (2) The lab shall receive project proposals from:

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

160 (b) private sector companies, including technology entrepreneurs and small businesses;

161 (c) government agencies and national laboratories;

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

163 (e) other qualified research teams.

164 (3) (a) The lab shall evaluate the feasibility, merit, and potential impact of project  
165 proposals received under Subsection (2).

166 (b) After evaluating the project proposals, the lab shall submit recommendations to the  
167 board for specific project proposals that the lab advises approving, based on the evaluation  
168 criteria.

169 (4) The board shall review the project proposals and recommendations submitted by  
170 the lab and make final decisions on approval of project proposals for funding and  
171 implementation, based on criteria developed by the board under Section [79-6-1003](#).

172 (5) The office may make rules, in accordance with Title 63G, Chapter 3, Utah  
173 Administrative Rulemaking Act, establishing detailed project proposal evaluation criteria and  
174 selection procedures.

175 Section 6. **FY 2025 Appropriation.**

176 The following sums of money are appropriated for the fiscal year beginning July 1,  
177 2024, and ending June 30, 2025. These are additions to amounts previously appropriated for  
178 fiscal year 2025.

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

180 The Legislature has reviewed the following proprietary funds. Under the terms and

181 conditions of Utah Code [63J-1-410](#), for any included Internal Service Fund, the Legislature  
 182 approves budgets, full-time permanent positions, and capital acquisition amounts as indicated,  
 183 and appropriates to the funds, as indicated, estimated revenue from rates, fees, and other  
 184 charges. The Legislature authorizes the State Division of Finance to transfer amounts between  
 185 funds and accounts as indicated.

186 ITEM 1            To Department of Natural Resources - Utah San Rafael Energy Lab Fund

187	From General Fund, One-time	\$2,000,000
188	From General Fund	\$1,000,000
189	Schedule of Programs:	
190	Utah San Rafael Energy Lab Fund	\$3,000,000

191 Section 7. **Effective date.**  
 192 This bill takes effect on May 1, 2024.