

HB0410S05 compared with HB0410S04

~~{deleted text}~~ shows text that was in HB0410S04 but was deleted in HB0410S05.

inserted text shows text that was not in HB0410S04 but was inserted into HB0410S05.

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~~{Representative Christine F. Watkins}~~Senator David P. Hinkins 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

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 Energy Research ~~{Account}~~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

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- ▶ 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 - Office of Energy Development ~~{-Utah San Rafael Energy Research Lab}~~ as a one-time appropriation:
 - from the General Fund, One-time, \$2,000,000

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

79-6-1001, Utah Code Annotated 1953

79-6-1002, Utah Code Annotated 1953

79-6-1003, Utah Code Annotated 1953

79-6-1004, Utah Code Annotated 1953

79-6-1005, Utah Code Annotated 1953

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

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

79-6-1001. Definitions.

As used in this part:

~~{~~ (1) "Account" means the Utah Energy Research Account established in Section 79-6-1002.

~~}~~ (~~{2}~~1) "Board" means the Utah San Rafael Energy Lab Board established in Section 79-6-1003.

(~~{3}~~2) "Director" means the director of the Office of Energy Development as defined in Section 79-6-401.

(3) "Fund" means the Utah Energy Research Fund established in Section 79-6-1002.

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

(5) "Lab director" means the director appointed under Section 79-6-1004 to oversee the lab.

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

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approval of a specific research initiative conducted at the lab.

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

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

79-6-1002. Utah Energy Research ~~{Account}~~Fund.

(1) There is created ~~in the General Fund a restricted account~~ an enterprise fund known as the "Utah Energy Research ~~{Account}~~Fund."

(2) The ~~{account}~~ fund consists of:

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

(b) revenues from users of the Utah San Rafael Energy ~~{Research }~~Lab, deposited into the ~~{account}~~ fund under Subsection 79-6-1004(2)(d);

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

(d) money appropriated to the fund by the Legislature.

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

(4) ~~{Upon appropriation}~~ As funding allows, the office may use money in the ~~{account}~~ fund for:

(a) administering the Utah Energy Research Grant Program created in Section 79-6-403; and

(b) funding the ongoing operation of the Utah San Rafael Energy Lab, including compensation for lab staff.

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

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

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

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

(b) the president of the University of Utah or the president's designee;

(c) the president of Utah State University or the president's designee;

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(d) the commissioner of higher education, as described in Section 53B-1-408, or the commissioner's designee;

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

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

(g) one member appointed by the governor who resides in a county of the third, fourth, fifth, or sixth class as described in Section 17-50-501; and

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

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

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

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

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

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

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

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

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

(4) The board shall:

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

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

(c) seek potential investors and partners from the technology, finance, and business

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sectors to support innovative research and early-stage ventures focused on developing commercially viable energy technologies in the state;

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

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

(i) alignment with state energy policy priorities;

(ii) commercialization potential;

(iii) economic impact; and

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

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

(g) approve providing matching grants to applicants under the Utah Energy Research Grant Program created in Section 79-6-403; and

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

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

(a) Section 63A-3-106;

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

(c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 63A-3-107.

(6) The board shall meet at least quarterly and may hold additional meetings as necessary to review project proposals.

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

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

(1) There is established within the office a program and facility known as the Utah San Rafael Energy ~~Research~~ Lab to facilitate innovative energy research and development projects.

(2) The lab shall:

(a) receive and evaluate project proposals;

(b) submit recommendations to the board for approval regarding specific project

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proposals based on the lab's evaluation;

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

(d) enter into financial contracts with entities seeking to use the lab, with revenues deposited into the Utah Energy Research ~~Account~~ Fund created in Section 79-6-1002;

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

(i) cost-effectiveness;

(ii) dispatchability;

(iii) sustainability;

(iv) reliability; and

(v) environmental impact;

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

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

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

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

(c) ~~Subject to appropriations~~ As funding allows, the office may employ staff to support the lab's operations.

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

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

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

(2) The lab shall receive project proposals from:

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

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

(c) government agencies and national laboratories;

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

(e) other qualified research teams.

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

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

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

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

Section 6. **FY 2025 Appropriation.**

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

Subsection 6(a). ~~{Operating and Capital Budgets:~~

~~— }Business-like Activities.~~

The Legislature has reviewed the following proprietary funds. Under the terms and conditions of ~~{Title 63J}~~ Utah Code 63J-1-410, ~~{Chapter 1, Budgetary Procedures Act}~~ for any included Internal Service Fund, the Legislature ~~{appropriates the following sums of money from the funds or accounts indicated for the use and support of the government of the state of Utah}~~ approves budgets, full-time permanent positions, and capital acquisition amounts as indicated, and appropriates to the funds, as indicated, estimated revenue from rates, fees, and other charges. The Legislature authorizes the State Division of Finance to transfer amounts between funds and accounts as indicated.

ITEM 1 To Department of Natural Resources - Office of Energy Development

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

Schedule of Programs:

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Utah San Rafael Energy ~~{Research~~ \$2,000,000
~~}~~Lab

~~{The Legislature intends that the \$2 million one-time General Fund appropriation provided by this item be used by the Office of Energy Development to purchase the Utah San Rafael Energy Lab.}~~

Section 7. **Effective date.**

This bill takes effect on May 1, 2024.