

**Representative Carl R. Albrecht** proposes the following substitute bill:

**ENERGY SECURITY ADJUSTMENTS**

2024 THIRD SPECIAL SESSION

STATE OF UTAH

**Chief Sponsor: Carl R. Albrecht**

Senate Sponsor: Derrin R. Owens

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**LONG TITLE**

**General Description:**

This bill amends provisions related to the decommissioning or disposal of project entity assets and the associated permitting process.

**Highlighted Provisions:**

This bill:

- ▶ amends provisions related to the notice of decommissioning or disposal of project entity assets;
- ▶ removes the requirement for the Legislative Management Committee to make certain recommendations if a project entity does not provide notice of intent to file an application;
- ▶ requires the Decommissioned Asset Disposition Authority (authority) to submit a complete alternative air permit application to the Division of Air Quality (division) by December 31, 2024;
- ▶ requires the division to provide the results of an evaluation to the authority within 30 days of receipt of the application, unless additional time is needed;
- ▶ requires the study on the state implementation plan to focus on ensuring that the continued operation of the power plants under an alternative permit will not jeopardize the state's ability to meet federal air quality standards;



- 26 ▶ repeals the project entity oversight committee; and
- 27 ▶ makes technical changes.

28 **Money Appropriated in this Bill:**

29 None

30 **Other Special Clauses:**

31 This bill provides a special effective date.

32 **Utah Code Sections Affected:**

33 AMENDS:

34 **11-13-318 (Effective upon governor's approval)**, as last amended by Laws of Utah  
35 2024, Chapter 512

36 **11-13-320 (Effective upon governor's approval)**, as enacted by Laws of Utah 2024,  
37 Chapter 512

38 **19-2-109.4 (Effective upon governor's approval)**, as enacted by Laws of Utah 2024,  
39 Chapter 512

40 **63I-1-211 (Effective upon governor's approval)**, as last amended by Laws of Utah  
41 2024, Chapter 395

42 **63I-1-263 (Effective 07/01/24)**, as last amended by Laws of Utah 2024, Chapter 285

43 **79-6-401 (Effective upon governor's approval)**, as last amended by Laws of Utah  
44 2024, Chapters 33, 88 and 493

45 **79-6-407 (Effective upon governor's approval)**, as enacted by Laws of Utah 2024,  
46 Chapter 512

47 **79-6-408 (Effective upon governor's approval)**, as enacted by Laws of Utah 2024,  
48 Chapter 512

49 REPEALS:

50 **11-13-317 (Effective upon governor's approval)**, as enacted by Laws of Utah 2022,  
51 Chapter 322

52 **63C-26-101 (Effective upon governor's approval)**, as enacted by Laws of Utah 2022,  
53 Chapter 322

54 **63C-26-201 (Effective upon governor's approval)**, as enacted by Laws of Utah 2022,  
55 Chapter 322

56 **63C-26-202 (Effective upon governor's approval)**, as enacted by Laws of Utah 2022,

57 Chapter 322

58

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

60 Section 1. Section **11-13-318 (Effective upon governor's approval)** is amended to  
61 read:

62 **11-13-318 (Effective upon governor's approval). Notice of decommissioning or**  
63 **disposal of project entity assets.**

64 (1) As used in this section:

65 (a) "Alternative permit" means the same as that term is defined in Section [11-13-320](#).

66 (b) "Decommissioning" means to remove an electrical generation facility from active  
67 service.

68 (c) "Disposal" means the sale, transfer, dismantling, or other disposition of a project  
69 entity's assets.

70 (d) "Division" means the Division of Air Quality created in Section [19-1-105](#).

71 (e) "Fair market value" means the same as that term is defined in Section [79-6-408](#).

72 (f) (i) "Project entity asset" means a project entity's:

73 (A) land;

74 (B) water;

75 [~~(B)~~] (C) buildings; or

76 [~~(C)~~] (D) essential equipment, including turbines, generators, transformers, and  
77 transmission lines.

78 (ii) "Project entity asset" does not include an asset that is not essential for the  
79 generation of electricity in the project entity's coal-powered electrical generation facility.

80 (2) A project entity shall provide a notice of decommissioning or disposal to the  
81 Legislative Management Committee at least 180 days before:

82 (a) the disposal of any project entity assets; or

83 (b) the decommissioning of the project entity's coal-powered electrical generation  
84 facility.

85 (3) The notice of decommissioning or disposal described in Subsection (2) shall  
86 include:

87 (a) the date of the intended decommissioning or disposal;

88 (b) a description of the project entity's coal-powered electrical generation facility  
89 intended for decommissioning or any project entity asset intended for disposal; and

90 (c) the reasons for the decommissioning or disposal.

91 (4) A project entity may not intentionally prevent the functionality of the project  
92 entity's existing coal-powered electrical generation facility.

93 (5) Notwithstanding the requirements in Subsections (2) through (4), a project entity  
94 may take any action necessary to transition to a new electrical generation facility powered by  
95 natural gas, hydrogen, or a combination of natural gas and hydrogen, including any action that  
96 has been approved by a permitting authority.

97 [~~(6) If a project entity intends to submit an application for an alternative permit to the~~  
98 ~~division as described in Section 11-13-320, the project entity shall notify the Legislative~~  
99 ~~Management Committee that the project entity intends to submit an application before July 1,~~  
100 ~~2024.]~~

101 [~~(7) If a project does not notify the Legislative Management Committee of an intent to~~  
102 ~~submit an application, the Legislative Management Committee shall make recommendations to~~  
103 ~~the governor regarding appropriate action, which may include calling a special session to enact~~  
104 ~~legislation reconstituting the board of the project entity.]~~

105 [~~(8)~~ (6) A project entity shall provide the state the option to purchase for fair market  
106 value a project entity asset intended for decommissioning, with the option remaining open for  
107 at least two years, beginning on July 2, 2025.

108 Section 2. Section 11-13-320 (Effective upon governor's approval) is amended to  
109 read:

110 **11-13-320 (Effective upon governor's approval). Air quality permitting transition**  
111 **process.**

112 (1) As used in this section:

113 (a) "Alternative permit" means an amendment to a transition permit that, for purposes  
114 of transitioning an electrical generation facility to a new facility, allows one or more existing  
115 generating units to continue operating while also providing for closure of one but not all  
116 existing generating units.

117 (b) "Authority" means the Decommissioned Asset Disposition Authority established in  
118 Section 79-6-407.

119 (c) "Division" means the Division of Air Quality created in Section 19-1-105.

120 (d) "Pre-existing permit" means the air quality permit held by the operator of an  
121 existing electrical generation facility prior to any amendments associated with transitioning to a  
122 new facility.

123 (e) "Transition permit" means an amendment to the pre-existing permit, issued to the  
124 operator of an existing electrical generation facility for the purpose of transitioning to a new  
125 electrical generation facility, which authorizes construction of the new facility but does not  
126 require closure of all existing generating units until after the new facility commences operation.

127 (2) A project entity that holds a pre-existing permit for an existing electrical generation  
128 facility with multiple generating units, and has been issued a transition permit for a new  
129 electrical generation facility, may submit an application to the division in accordance with  
130 Section 19-2-109.4 for issuance of an alternative permit.

131 ~~[(3) If a project entity intends to submit an application under Subsection (2), the project~~  
132 ~~entity shall provide a binding notice of intent to the Legislative Management Committee on or~~  
133 ~~before July 1, 2024.]~~

134 ~~[(4) If a project entity submits an application under Subsection (2), the project entity~~  
135 ~~shall submit the application on or before January 1, 2025.]~~

136 Section 3. Section 19-2-109.4 (Effective upon governor's approval) is amended to  
137 read:

138 **19-2-109.4 (Effective upon governor's approval). Project entity transition permit.**

139 (1) As used in this section:

140 (a) "Alternative permit" means an amendment to a transition permit that, for purposes  
141 of transitioning an electrical generation facility to a new facility, allows one or more existing  
142 generating units to continue operating while also providing for closure of one but not all  
143 existing generating units.

144 (b) "Authority" means the Decommissioned Asset Disposition Authority established in  
145 Section 79-6-407.

146 (c) "Division" means the Division of Air Quality created in Section 19-1-105.

147 (d) "Pre-existing permit" means the air quality permit held by the operator of an  
148 existing electrical generation facility prior to any amendments associated with transitioning to a  
149 new facility.

150 (e) "Project entity" means the same as that term is defined in Section 11-13-103.

151 (f) "Transition permit" means an amendment to the pre-existing permit, issued to the  
152 operator of an existing electrical generation facility for the purpose of transitioning to a new  
153 electrical generation facility, which authorizes construction of the new facility but does not  
154 require closure of all existing generating units until after the new facility commences operation.

155 (2) The division shall accept an application for an alternative permit from a project  
156 entity that has previously obtained a transition permit to authorize the same new electrical  
157 generating capacity contemplated by the transition permit.

158 (3) If the application for an alternative permit meets the requirements established by  
159 the board:

160 (a) the division shall issue an approval order for the alternative permit to the project  
161 entity;

162 (b) the conditions of the transition permit shall cease to apply, including requirements  
163 to reduce the capacity of existing generating units at the electrical generation facility; and

164 (c) the project entity shall submit all documentation required to modify any federal  
165 operating permit required to be maintained by the project entity, consistent with deadlines  
166 established by the division.

167 (4) If an alternative permit is not approved under Subsection (3), the conditions of the  
168 transition permit shall remain effective.

169 (5) (a) Upon receipt of an alternative air permit application prepared and submitted by  
170 the authority in accordance with Subsection 79-6-407(4)(c), the division shall conduct a full  
171 evaluation as if the application had been prepared and submitted by a project entity to  
172 determine whether the alternative air permit would be issued if applied for by the project entity.

173 (b) The division shall provide the results of any evaluation conducted under Subsection  
174 (5)(a) to the authority [~~no later than January 30, 2025.~~] within 30 days after the date that the  
175 division receives the application described in Subsection (5)(a), unless the division provides  
176 written notice to the authority that additional time is needed to complete the evaluation.

177 (c) If the division concludes after evaluation that an alternative permit would likely be  
178 issued to a project entity, the authority shall, within 30 days after the authority receives the  
179 results of the evaluation, submit recommendations to the Legislative Management Committee  
180 regarding options for the state to continue to authorize construction of the project entity's new

181 electrical generation facility that do not require the closure of all of the project entity's existing  
182 electrical generating facilities.

183 (6) The division shall evaluate an application for an alternative permit independently  
184 from any pre-existing permit or transition permit based on updated assumptions, modeling, and  
185 requirements established in rule by the division and may rely upon the reduction of capacity of  
186 the existing electrical generation facility only as necessary to ensure that emissions of the new  
187 generating facility do not exceed thresholds established by federal law which would necessitate  
188 new source review as a major modification.

189 Section 4. Section **63I-1-211 (Effective upon governor's approval)** is amended to  
190 read:

191 **63I-1-211 (Effective upon governor's approval). Repeal dates: Title 11.**

192 [~~(1) Section **11-13-317**, related to the Project Entity Oversight Committee, is repealed~~  
193 ~~July 1, 2027.~~]

194 [~~(2) Title 11, Chapter 59, Point of the Mountain State Land Authority Act, is repealed~~  
195 ~~January 1, 2029.~~]

196 Section 5. Section **63I-1-263 (Effective 07/01/24)** is amended to read:

197 **63I-1-263 (Effective 07/01/24). Repeal dates: Titles 63A to 63N.**

198 (1) Subsection **63A-5b-405(5)**, relating to prioritizing and allocating capital  
199 improvement funding, is repealed July 1, 2024.

200 (2) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed July  
201 1, 2028.

202 (3) Title 63C, Chapter 6, Utah Seismic Safety Commission, is repealed January 1,  
203 2025.

204 (4) Title 63C, Chapter 18, Behavioral Health Crisis Response Committee, is repealed  
205 December 31, 2026.

206 (5) Title 63C, Chapter 23, Education and Mental Health Coordinating Committee, is  
207 repealed December 31, 2024.

208 (6) Title 63C, Chapter 25, State Finance Review Commission, is repealed July 1, 2027.

209 [~~(7) Title 63C, Chapter 26, Project Entity Oversight Committee, is repealed July 1,~~  
210 ~~2027.~~]

211 [~~(8)~~ (7)] Title 63C, Chapter 27, Cybersecurity Commission, is repealed July 1, 2032.

212 [~~(9)~~] (8) Title 63C, Chapter 28, Ethnic Studies Commission, is repealed July 1, 2026.

213 [~~(10)~~] (9) Title 63C, Chapter 31, State Employee Benefits Advisory Commission, is  
214 repealed on July 1, 2028.

215 [~~(11)~~] (10) Section 63G-6a-805, which creates the Purchasing from Persons with  
216 Disabilities Advisory Board, is repealed July 1, 2026.

217 [~~(12)~~] (11) Title 63G, Chapter 21, Agreements to Provide State Services, is repealed  
218 July 1, 2028.

219 [~~(13)~~] (12) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed  
220 July 1, 2029.

221 [~~(14)~~] (13) Title 63H, Chapter 8, Utah Housing Corporation Act, is repealed July 1,  
222 2026.

223 [~~(15)~~] (14) Subsection 63J-1-602.2(16), related to the Communication Habits to reduce  
224 Adolescent Threats (CHAT) Pilot Program, is repealed July 1, 2029.

225 [~~(16)~~] (15) Subsection 63J-1-602.2(26), related to the Utah Seismic Safety  
226 Commission, is repealed January 1, 2025.

227 [~~(17)~~] (16) Section 63L-11-204, creating a canyon resource management plan to Provo  
228 Canyon, is repealed July 1, 2025.

229 [~~(18)~~] (17) Title 63L, Chapter 11, Part 4, Resource Development Coordinating  
230 Committee, is repealed July 1, 2027.

231 [~~(19)~~] (18) Title 63M, Chapter 7, Part 7, Domestic Violence Offender Treatment  
232 Board, is repealed July 1, 2027.

233 [~~(20)~~] (19) Section 63M-7-902, Creation -- Membership -- Terms -- Vacancies --  
234 Expenses, is repealed July 1, 2029.

235 [~~(21)~~] (20) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1,  
236 2026.

237 [~~(22)~~] (21) Title 63N, Chapter 1b, Part 4, Women in the Economy Subcommittee, is  
238 repealed January 1, 2030.

239 [~~(23)~~] (22) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed July 1, 2028.

240 [~~(24)~~] (23) Section 63N-2-512, related to the Hotel Impact Mitigation Fund, is repealed  
241 July 1, 2028.

242 [~~(25)~~] (24) Title 63N, Chapter 3, Part 9, Strategic Innovation Grant Pilot Program, is



243 repealed July 1, 2027.

244 [~~(26)~~] (25) Title 63N, Chapter 3, Part 11, Manufacturing Modernization Grant  
245 Program, is repealed July 1, 2025.

246 [~~(27)~~] (26) In relation to the Rural Employment Expansion Program, on July 1, 2028:

247 (a) Title 63N, Chapter 4, Part 4, Rural Employment Expansion Program, is repealed;  
248 and

249 (b) Subsection 63N-4-805(5)(b), referring to the Rural Employment Expansion  
250 Program, is repealed.

251 [~~(28)~~] (27) Section 63N-4-804, which creates the Rural Opportunity Advisory  
252 Committee, is repealed July 1, 2027.

253 [~~(29)~~] (28) In relation to the Board of Tourism Development, on July 1, 2025:

254 (a) Subsection 63N-2-511(1)(b), which defines "tourism board," is repealed;

255 (b) Subsections 63N-2-511(3)(a) and (5), the language that states "tourism board" is  
256 repealed and replaced with "Utah Office of Tourism";

257 (c) Subsection 63N-7-101(1), which defines "board," is repealed;

258 (d) Subsection 63N-7-102(3)(c), which requires the Utah Office of Tourism to receive  
259 approval from the Board of Tourism Development, is repealed; and

260 (e) Title 63N, Chapter 7, Part 2, Board of Tourism Development, is repealed.

261 Section 6. Section 79-6-401 (Effective upon governor's approval) is amended to  
262 read:

263 **79-6-401 (Effective upon governor's approval). Office of Energy Development --**  
264 **Creation -- Director -- Purpose -- Rulemaking regarding confidential information -- Fees**  
265 **-- Transition for employees.**

266 (1) There is created an Office of Energy Development within the Department of  
267 Natural Resources to be administered by a director.

268 (2) (a) The executive director shall appoint the director and the director shall serve at  
269 the pleasure of the executive director.

270 (b) The director shall have demonstrated the necessary administrative and professional  
271 ability through education and experience to efficiently and effectively manage the office's  
272 affairs.

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

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

276 (b) implement:

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

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

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

281 (d) promote energy and mineral development workforce initiatives;

282 (e) support collaborative research initiatives targeted at Utah-specific energy and  
283 mineral development;

284 (f) in coordination with the Department of Environmental Quality and other relevant  
285 state agencies:

286 (i) develop effective policy strategies to advocate for and protect the state's interests  
287 relating to federal energy and environmental entities, programs, and regulations;

288 (ii) participate in the federal environmental rulemaking process by:

289 (A) advocating for positive reform of federal energy and environmental regulations and  
290 permitting;

291 (B) coordinating with other states to develop joint advocacy strategies; and

292 (C) conducting other government relations efforts; and

293 (iii) direct the funding of legal efforts to combat federal overreach and unreasonable  
294 delays regarding energy and environmental permitting; and

295 (g) fund the development of detailed and accurate forecasts of the state's long-term  
296 energy supply and demand, including a baseline projection of expected supply and demand and  
297 analysis of potential alternative scenarios.

298 (4) By following the procedures and requirements of Title 63J, Chapter 5, Federal  
299 Funds Procedures Act, the office may:

300 (a) seek federal grants or loans;

301 (b) seek to participate in federal programs; and

302 (c) in accordance with applicable federal program guidelines, administer federally  
303 funded state energy programs.

304 (5) The office shall perform the duties required by Sections [11-42a-106](#), [59-5-102](#),

305 59-7-614.7, 59-10-1029, [~~63C-26-202~~], Part 5, Alternative Energy Development Tax Credit  
306 Act, and Part 6, High Cost Infrastructure Development Tax Credit Act.

307 (6) (a) For purposes of administering this section, the office may make rules, by  
308 following Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to maintain as  
309 confidential, and not as a public record, information that the office receives from any source.

310 (b) The office shall maintain information the office receives from any source at the  
311 level of confidentiality assigned by the source.

312 (7) The office may charge application, filing, and processing fees in amounts  
313 determined by the office in accordance with Section 63J-1-504 as dedicated credits for  
314 performing office duties described in this part.

315 (8) (a) An employee of the office on April 30, 2024, is an at-will employee.

316 (b) For an employee described in Subsection (8)(a) who was employed by the office on  
317 April 30, 2024, the employee shall have the same salary and benefit options an employee had  
318 when the office was part of the office of the governor.

319 (c) An employee of the office hired on or after May 1, 2024, shall receive  
320 compensation as provided in Title 63A, Chapter 17, Utah State Personnel Management Act.

321 (9) (a) The office shall prepare a strategic energy plan to achieve the state's energy  
322 policy, including:

323 (i) technological and infrastructure innovation needed to meet future energy demand  
324 including:

325 (A) energy production technologies;

326 (B) battery and storage technologies;

327 (C) smart grid technologies;

328 (D) energy efficiency technologies; and

329 (E) any other developing energy technology, energy infrastructure planning, or  
330 investments that will assist the state in meeting energy demand;

331 (ii) the state's efficient use and development of:

332 (A) energy resources, including natural gas, coal, clean coal, hydrogen, oil, oil shale,  
333 and oil sands;

334 (B) renewable energy resources, including geothermal, solar, hydrogen, wind, biomass,  
335 biofuel, and hydroelectric;

- 336 (C) nuclear power; and
- 337 (D) earth minerals;
- 338 (iii) areas of energy-related academic research;
- 339 (iv) specific areas of workforce development necessary for an evolving energy
- 340 industry;
- 341 (v) the development of partnerships with national laboratories; and
- 342 (vi) a proposed state budget for economic development and investment.
- 343 (b) In preparing the strategic energy plan, the office shall:
- 344 (i) consult with stakeholders, including representatives from:
- 345 (A) energy companies in the state;
- 346 (B) private and public institutions of higher education within the state conducting
- 347 energy-related research; and
- 348 (C) other state agencies; and
- 349 (ii) use modeling and industry standard data to:
- 350 (A) define the energy services required by a growing economy;
- 351 (B) calculate energy needs;
- 352 (C) develop state strategy for energy transportation, including transmission lines,
- 353 pipelines, and other infrastructure needs;
- 354 (D) optimize investments to meet energy needs at the least cost and least risk while
- 355 meeting the policy outlined in this section;
- 356 (E) address state needs and investments through a prospective 30-year period, divided
- 357 into five-year working plans; and
- 358 (F) update the plan at least every two years.
- 359 (c) The office shall report annually to the Public Utilities, Energy, and Technology
- 360 Interim Committee on or before the October interim meeting describing:
- 361 (i) progress towards creation and implementation of the strategic energy plan;
- 362 (ii) the plan's compliance with the state energy policy; and
- 363 (iii) a proposed budget for the office to continue development of the strategic energy
- 364 plan.
- 365 (10) The director shall:
- 366 (a) annually review and propose updates to the state's energy policy, as contained in

367 Section [79-6-301](#);

368 (b) promote as the governor considers necessary:

369 (i) the development of cost-effective energy resources both renewable and

370 nonrenewable; and

371 (ii) educational programs, including programs supporting conservation and energy

372 efficiency measures;

373 (c) coordinate across state agencies to assure consistency with state energy policy,

374 including:

375 (i) working with the State Energy Program to promote access to federal assistance for

376 energy-related projects for state agencies and members of the public;

377 (ii) working with the Division of Emergency Management to assist the governor in

378 carrying out the governor's energy emergency powers under Title 53, Chapter 2a, Part 10,

379 Energy Emergency Powers of the Governor Act;

380 (iii) participating in the annual review of the energy emergency plan and the

381 maintenance of the energy emergency plan and a current list of contact persons required by

382 Section [53-2a-902](#); and

383 (iv) identifying and proposing measures necessary to facilitate low-income consumers'

384 access to energy services;

385 (d) coordinate with the Division of Emergency Management ongoing activities

386 designed to test an energy emergency plan to ensure coordination and information sharing

387 among state agencies and political subdivisions in the state, public utilities and other energy

388 suppliers, and other relevant public sector persons as required by Sections [53-2a-902](#),

389 [53-2a-1004](#), [53-2a-1008](#), and [53-2a-1010](#);

390 (e) coordinate with requisite state agencies to study:

391 (i) the creation of a centralized state repository for energy-related information;

392 (ii) methods for streamlining state review and approval processes for energy-related

393 projects; and

394 (iii) the development of multistate energy transmission and transportation

395 infrastructure;

396 (f) coordinate energy-related regulatory processes within the state;

397 (g) compile, and make available to the public, information about federal, state, and

398 local approval requirements for energy-related projects;

399 (h) act as the state's advocate before federal and local authorities for energy-related  
400 infrastructure projects or coordinate with the appropriate state agency; and

401 (i) help promote the Division of Facilities Construction and Management's measures to  
402 improve energy efficiency in state buildings.

403 (11) The director has standing to testify on behalf of the governor at the Public Service  
404 Commission created in Section 54-1-1.

405 (12) The office shall include best practices in developing actionable goals and  
406 recommendations as part of preparing and updating every two years the strategic energy plan  
407 required under Subsection (9).

408 (13) The office shall maintain and regularly update a public website that provides an  
409 accessible dashboard of relevant metrics and reports and makes available the data used to  
410 create the strategic energy plan.

411 Section 7. Section 79-6-407 (Effective upon governor's approval) is amended to  
412 read:

413 **79-6-407 (Effective upon governor's approval). Decommissioned Asset**

414 **Disposition Authority.**

415 (1) As used in this section:

416 (a) "Asset intended for decommissioning" means an electrical generation facility  
417 owned by a project entity that is intended to be removed from active service.

418 (b) "Authority" means the Decommissioned Asset Disposition Authority created in this  
419 section.

420 (c) "Fair market value" means the value of an electrical generation facility considering  
421 both the assets and liabilities of the facility, including the value of water rights necessary to  
422 operate the existing electrical generation facility at full capacity.

423 (d) "Highest and best purchase offer" means the purchase offer for the asset intended  
424 for decommissioning that the authority determines to be in the overall best interest of the state,  
425 considering:

426 (i) the purchase price offer amount;

427 (ii) the potential purchaser's:

428 (A) commitment to utilize the best available control technology;

- 429 (B) intent to use state resources to the maximum extent feasible;
- 430 (C) commitment to provide jobs and other economic benefits to the state;
- 431 (D) intent to promote the interests of state residents and ratepayers; and
- 432 (E) financial capability; and
- 433 (iii) any other factors the authority considers relevant.
- 434 (e) "Project entity" means the same as that term is defined in Section 11-13-103.
- 435 (2) There is established within the office the Decommissioned Asset Disposition
- 436 Authority.
- 437 (3) (a) The authority shall be composed of:
- 438 (i) the executive director of the office;
- 439 (ii) two members appointed by the governor;
- 440 (iii) two members appointed by the president of the Senate; and
- 441 (iv) two members appointed by the speaker of the House of Representatives.
- 442 (b) The office shall provide staff and support to the authority.
- 443 (4) The authority shall:
- 444 (a) provide recommendations to the governor and Legislature regarding the state
- 445 exercising an option to purchase an asset intended for decommissioning;
- 446 (b) if the state exercises an option to purchase the asset intended for decommissioning
- 447 under Section 11-13-318:
- 448 (i) enter into contracts and agreements related to the decommissioned asset;
- 449 (ii) govern the disposition of assets intended for decommissioning as outlined in
- 450 Subsection ~~[(5);~~ (6); and
- 451 (iii) take any other action necessary for governance of a decommissioned asset
- 452 purchased by the state; ~~[and]~~
- 453 (c) contract with independent professionals that have expertise in emissions modeling,
- 454 air quality impact assessments, regulatory compliance, and any other discipline necessary for
- 455 the preparation and submission of a complete alternative air permit application, including:
- 456 (i) conducting emissions modeling, air quality impact assessments, and gathering any
- 457 other information necessary for inclusion in a complete alternative air permit application;
- 458 (ii) preparing the full application with all necessary information included, as would be
- 459 required for an application submitted by the owner of the electrical generation facility; and

460 (iii) submitting the full permit application to the Division of Air Quality[-]; and  
461 (d) submit a complete alternative air permit application to the division on or before  
462 December 31, 2024, unless the authority determines that it is not feasible to submit a complete  
463 application on or before that date.

464 (5) If the authority determines under Subsection (4)(d) that it is not feasible to submit a  
465 complete application on or before December 31, 2024, the authority shall:

466 (a) submit a written report to the Legislative Management Committee on or before  
467 December 15, 2024, explaining the reasons for the delay and providing an estimated time line  
468 for submitting the complete application; and

469 (b) submit the complete application to the division as soon as practicable after  
470 December 31, 2024.

471 [~~5~~] (6) If the state exercises an option to purchase or otherwise take control of the  
472 asset intended for decommissioning under Section 11-13-318, the authority may, no sooner  
473 than July 2, 2025:

474 (a) hold a public hearing to receive comment and evidence regarding:

475 (i) the fair market value of the asset, including the valuation study conducted by the  
476 authority under Section 79-6-408; and

477 (ii) the proposed disposition of the decommissioned asset;

478 (b) establish procedures and timelines for potential purchasers to submit binding  
479 purchase offers;

480 (c) evaluate all purchase offers to determine the highest and best purchase offer;

481 (d) approve the sale of the decommissioned asset to the purchaser that has submitted  
482 the highest and best purchase offer; and

483 (e) take any other action necessary to govern the disposition of the decommissioned  
484 asset in accordance with this section.

485 [~~6~~] (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking  
486 Act, the authority shall make rules that establish:

487 (a) procedures and associated timelines for potential purchasers to submit binding  
488 purchase offers for a decommissioned asset;

489 (b) objective criteria and a process to evaluate all purchase offers submitted for a  
490 decommissioned asset and determine which purchase offer is the highest and best offer; and



491 (c) a process for the authority to approve the sale of a decommissioned asset to the  
492 purchaser that has submitted the highest and best purchase offer.

493 Section 8. Section **79-6-408 (Effective upon governor's approval)** is amended to  
494 read:

495 **79-6-408 (Effective upon governor's approval). Study of project entity asset**  
496 **intended for decommissioning.**

497 (1) As used in this section:

498 (a) "Authority" means the Decommissioned Asset Disposition Authority, created in  
499 Section [79-6-407](#).

500 (b) "Fair market value" means the same as that term is defined in Section [79-6-407](#).

501 (2) The authority, in consultation with the office, shall conduct a study to:

502 (a) evaluate issues in regards to a state implementation plan as a result of issuing an  
503 alternative permit under Section [19-2-109.4](#);

504 (b) establish the fair market value of an electrical generation facility that a project  
505 entity intends to decommission; and

506 (c) evaluate the potential sale of the facility to new owners.

507 (3) In conducting the study described in this section, the authority shall contract or  
508 consult with independent professionals with expertise in:

509 (a) areas relevant to environmental regulatory compliance and clean air act state  
510 implementation plan development, including:

511 (i) related electric generation capacity;

512 (ii) resource adequacy; and

513 (iii) economic development considerations; and

514 (b) areas relevant to the valuation and disposition of electrical generation facilities,  
515 including:

516 (i) engineering;

517 (ii) environmental assessments;

518 (iii) energy economics;

519 (iv) water rights;

520 (v) mineral rights;

521 (vi) regulatory analysis;

- 522 (vii) financial analysis;
- 523 (viii) real estate valuation; and
- 524 (ix) legal analysis.
- 525 (4) The study described in Subsection (2) shall:
- 526 (a) for the evaluation of issues in regards to a state implementation plan as a result of
- 527 issuing an alternative permit under Section 19-2-109.4, based on input from the Division of Air
- 528 Quality and independent modeling, legal analysis, and economic analysis, evaluate:
- 529 (i) any technical deficiencies that could occur in a state implementation plan as a result
- 530 of issuing an alternative permit; and
- 531 (ii) options for revising the state implementation plan to ~~[maximize flexibility for the~~
- 532 ~~state to utilize an alternative permit and preserve electric generating capacity sufficient to~~
- 533 ~~support economic growth in the state while ensuring the state implementation plan meets~~
- 534 ~~federal air quality standards;]~~ ensure that the continued operation of the power plants under an
- 535 alternative permit will not jeopardize the state's ability to meet federal air quality standards;
- 536 (b) for the valuation of the project entity asset that a project entity intends to
- 537 decommission, include:
- 538 (i) an assessment of all assets associated with the electrical generation facility,
- 539 including real property, equipment, water rights, mineral rights, and any other associated
- 540 assets;
- 541 (ii) an assessment of all financial assets and potential financial liabilities or risks
- 542 related to the electrical generation facility intended for decommissioning;
- 543 (iii) an analysis of any encumbrances on the electrical generation facility;
- 544 (iv) the impact on valuation of an electrical generation facility related to the issuance of
- 545 an alternative air quality permit under Section 19-2-109.4;
- 546 (v) a review of any potential effect a sale of the electrical generation facility would
- 547 have on liabilities related to the electrical generation facility;
- 548 (vi) incorporation of any relevant local, regional, or national economic and market
- 549 factors that may impact the fair market value; and
- 550 (vii) any other factors the authority considers relevant in establishing a fair market
- 551 value for the electrical generation facility; and
- 552 (c) to evaluate the issues surrounding a potential sale of the facility, include:

- 553 (i) potential purchase and sale agreement terms;
- 554 (ii) the necessary financial capability of a potential purchaser, including experience  
555 raising capital, access to capital, financial stability, and ability to provide security for  
556 obligations related to decommissioning, remediation, and other liabilities;
- 557 (iii) operational experience and capability of a potential purchaser, including  
558 experience operating electrical generation facilities, contracting history, and historical  
559 operating metrics;
- 560 (iv) permitting, regulatory compliance, and construction issues for continued operation  
561 of the facility;
- 562 (v) the likelihood that continued operation of the facility would impact other electrical  
563 generation facilities in the state;
- 564 (vi) the potential for continued operation of the facility to infringe on existing utility  
565 service territories;
- 566 (vii) the viability of alternative business models for continued operation of the facility;
- 567 (viii) potential community and regional impacts resulting from continued operation or  
568 the retirement of the facility; and
- 569 (ix) the potential for continued operation of the facility to interfere with the rights and  
570 interests of the project entity, the project entity's members, power purchasers, bondholders,  
571 creditors, or other entities.

572 (5) In conducting the study described in Subsection (2), the project entity shall timely  
573 provide to the authority information related to the assets and potential liabilities of the  
574 electrical generation facility intended for decommissioning.

575 (6) The authority shall report the progress and results of the study to the Public  
576 Utilities, Energy, and Technology Interim Committee on or before November 30, 2024.

577 **Section 9. Repealer.**

578 This bill repeals:

579 Section **11-13-317 (Effective upon governor's approval), Submitting to the Project**  
580 **Entity Oversight Committee.**

581 Section **63C-26-101 (Effective upon governor's approval), Definitions.**

582 Section **63C-26-201 (Effective upon governor's approval), Project Entity Oversight**  
583 **Committee created.**

584 Section [63C-26-202](#) (Effective upon governor's approval), Committee duties --  
585 **Office of Energy Development duties.**

586 Section 10. **Effective date.**

587 (1) Except as provided in Subsections (2) and (3), if approved by two-thirds of all the  
588 members elected to each house, this bill takes effect upon approval by the governor, or the day  
589 following the constitutional time limit of Utah Constitution, Article VII, Section 8, without the  
590 governor's signature, or in the case of a veto, the date of veto override.

591 (2) If this bill is not approved by two-thirds of all members elected to each house, this  
592 bill takes effect on August 19, 2024.

593 (3) The actions affecting Section [63I-1-263](#) (Effective 07/01/2024) take effect on July  
594 1, 2024.