

Representative Calvin R. Musselman proposes the following substitute bill:

ENERGY STORAGE AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Calvin R. Musselman

Senate Sponsor: Kirk A. Cullimore

LONG TITLE

General Description:

This bill requires the Office of Energy Development to conduct a study analyzing Utah's energy fuels infrastructure and supply chain.

Highlighted Provisions:

This bill:

- ▶ defines terms;
 - ▶ directs the Office of Energy Development to study the feasibility and benefits of establishing a transportation, heating, and electricity-generating fuel storage reserve in the state;
 - ▶ specifies study requirements and considerations;
 - ▶ allows the Office of Energy Development to contract with consultants for the study;
- and
- ▶ requires a status update on the progress toward the study results and recommendations.

Money Appropriated in this Bill:

None

Other Special Clauses:

None



26 **Utah Code Sections Affected:**

27 ENACTS:

28 **79-6-404**, Utah Code Annotated 1953

29

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

31 Section 1. Section **79-6-404** is enacted to read:

32 **79-6-404. Authority to study transportation, heating, and electricity-generating**
33 **fuel storage reserve.**

34 (1) As used in this section, "energy fuel" means transportation, heating, and
35 electricity-generating fuels used in the state.

36 (2) The office shall conduct a study analyzing the potential benefits, risks, feasibility,
37 and requirements of establishing a Utah transportation, heating, and electricity-generating fuel
38 storage reserve.

39 (3) A study conducted under this section shall evaluate:

40 (a) current and predicted energy fuel consumption patterns and needs for the state;

41 (b) existing energy fuel infrastructure in the state, including refineries, powerplants,
42 pipelines, railroads, transmission lines, and storage facilities;

43 (c) strengths and vulnerabilities in the state's regional and national energy fuel supply
44 chains;

45 (d) impacts on energy fuel availability from natural disasters, accidents, or other
46 causes;

47 (e) feasibility of storage options to mitigate supply risks, including:

48 (i) optimal locations, including salt caverns located in the state;

49 (ii) ownership structures;

50 (iii) inventory management;

51 (iv) strategies for prioritizing fuel supplies in emergency situations;

52 (v) accessibility protocols; and

53 (vi) funding mechanisms;

54 (f) opportunities to work with industry to serve strategic initiatives and critical needs;

55 and

56 (g) economic modeling to analyze required state energy fuel reserve sizes and costs.

57 (4) The office may contract with independent experts and consultants to assist with the
58 study described in this section.

59 (5) The office shall present a status update on the study in a report to the Public
60 Utilities, Energy, and Technology Interim Committee by November 30, 2024.

61 Section 2. **Effective date.**

62 This bill takes effect on May 1, 2024.