

Representative Jefferson Moss proposes the following substitute bill:

STATEWIDE ENERGY POLICY AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jefferson Moss

Senate Sponsor: Kirk A. Cullimore

LONG TITLE

General Description:

This bill makes changes to the Utah Energy Act.

Highlighted Provisions:

This bill:

- ▶ requires the Office of Energy Development to prepare a strategic energy plan; and
- ▶ creates the Utah Energy Research Grant Program and gives the Office of Energy

Development the authority to administer the grant program.

Money Appropriated in this Bill:

This bill appropriates in fiscal year 2024:

▶ to Department of Natural Resources -- Utah Energy Research Grant Program, as an ongoing appropriation:

- from the General Fund, \$1,000,000.

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

79-6-401, as last amended by Laws of Utah 2022, Chapter 322

ENACTS:



26 79-6-403, Utah Code Annotated 1953



27
28 *Be it enacted by the Legislature of the state of Utah:*

29 Section 1. Section 79-6-401 is amended to read:

30 **79-6-401. Office of Energy Development -- Creation -- Director -- Purpose --**
31 **Rulemaking regarding confidential information -- Fees -- Transition for employees.**

32 (1) There is created an Office of Energy Development in the Department of Natural
33 Resources.

34 (2) (a) The energy advisor shall serve as the director of the office or, on or before June
35 30, 2029, appoint a director of the office.

36 (b) The director:

37 (i) shall, if the energy advisor appoints a director under Subsection (2)(a), report to the
38 energy advisor; and

39 (ii) may appoint staff as funding within existing budgets allows.

40 (c) The office may consolidate energy staff and functions existing in the state energy
41 program.

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

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

45 (b) implement:

46 (i) the state energy policy under Section 79-6-301; and

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

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

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

51 (e) support collaborative research initiatives targeted at Utah-specific energy and
52 mineral development.

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

55 (a) seek federal grants or loans;

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

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

59 (5) The office shall perform the duties required by Sections 11-42a-106, 59-5-102,
60 59-7-614.7, 59-10-1029, 63C-26-202, Part 5, Alternative Energy Development Tax Credit Act,
61 and Part 6, High Cost Infrastructure Development Tax Credit Act.

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

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

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

70 (8) (a) An employee of the office is an at-will employee.

71 (b) For an employee of the office on July 1, 2021, the employee shall have the same
72 salary and benefit options the employee had when the office was part of the office of the
73 governor.

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

76 (i) technological ~~and infrastructure~~ innovation needed to meet future energy
76a demand including:

77 (A) energy production technologies;

78 (B) battery and storage technologies;

79 (C) smart grid technologies;

80 (D) energy efficiency technologies; and

81 (E) any other developing energy technology ~~and infrastructure planning, or~~
81a investments ~~that will assist the state in meeting energy~~

82 demand;

83 (ii) the state's efficient utilization and development of:

84 (A) nonrenewable energy resources, including natural gas, coal, clean coal,

84a ~~hydrogen,~~ oil, oil

85 shale, and oil sands;

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

- 88 (C) nuclear power; and
- 89 (D) earth minerals;
- 90 (iii) areas of energy-related academic research;
- 91 (iv) specific areas of workforce development necessary for an evolving energy
- 92 industry;
- 93 (v) the development of partnerships with national laboratories; and
- 94 (vi) a proposed state budget for economic development and investment.
- 95 (b) In preparing the strategic energy plan, the office shall consult with stakeholders,
- 96 including representatives from:
- 97 (i) energy companies in the state;
- 98 (ii) private and public institutions of higher education within the state conducting
- 99 energy-related research; and
- 100 (iii) other state agencies.
- 101 (c) On or before the October 2023 interim meeting, the office shall report to the Public
- 102 Utilities Energy and Technology Interim Committee and the Executive Appropriations Interim
- 103 Committee describing:
- 104 (i) progress towards creation of the strategic energy plan; and
- 105 (ii) a proposed budget for the office to continue development of the strategic energy
- 106 plan.
- 107 Section 2. Section **79-6-403** is enacted to read:
- 108 **79-6-403. Utah Energy Research Grant Program.**
- 109 (1) (a) There is created within the office the Utah Energy Research Grant Program.
- 110 (b) The purpose of the program is to encourage energy-related research within the state
- 111 by providing matching grants to applicants that have received federal or private grants for
- 112 specific ongoing energy-related research projects.
- 113 (2) (a) An applicant that submits a proposal for a grant to the office shall include
- 114 details in the proposal regarding:
- 115 (i) the specific ongoing energy-related research project;
- 116 (ii) information about previously awarded federal and private grants for the specific
- 117 ongoing energy-related research project, including:
- 118 (A) the amount of the previously awarded federal or private grant; and

119 (B) the requirements to qualify for the previously awarded federal or private grant; and
120 (iii) other information the office determines necessary to evaluate the proposal.

121 (b) When evaluating a proposal for a grant, the office shall consider:

122 (i) the grant amount requested, which may not exceed the amount of federal or private
123 grants the applicant has been awarded;

124 (ii) the extent to which the proposal advances the goals of the state energy policy and
125 strategic energy plan;

126 (iii) the extent to which any additional funding sources or existing or planned
127 partnerships may benefit the proposal; and

128 (iv) the viability of the proposal.

129 (3) Subject to this Subsection (3), the office may, in accordance with Title 63G,
130 Chapter 3, Utah Administrative Rulemaking Act, make rules to establish:

131 (a) eligibility criteria for a grant;

132 (b) the form and process for submitting a proposal to the office for a grant;

133 (c) the process and criteria for determining the priority of applications received;

134 (d) the formula and method for determining a grant amount; and

135 (e) reporting requirements for a grant recipient.

136 (4) On or before October 31 of each year, the office shall provide a written report to the
137 Public Utilities, Energy, and Technology Interim Committee regarding:

138 (a) the number of grants and grant amounts awarded under the program;

139 (b) data gathered under the program; and

140 (c) the impact of the program on encouraging energy-related research within the state.

141 **Section 3. Appropriation.**

142 The following sums of money are appropriated for the fiscal year beginning July 1,
143 2023, and ending June 30, 2024. These are additions to amounts previously appropriated for
144 fiscal year 2024. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures
145 Act, the Legislature appropriates the following sums of money from the funds or accounts
146 indicated for the use and support of the government of the state of Utah.

147 ITEM 1

148 To Department of Natural Resources -- Utah Energy Research Grant Program

149 From General Fund

1,000,000

150 Schedule of Programs:

151 Utah Energy Research Grant Program 1,000,000

152 Under [63J-1-603](#) the Legislature intends that the \$1,000,000 General Fund
153 appropriation for the Utah Energy Research Grant Program shall not lapse at the close of fiscal
154 year 2024.

155 **Section 4. Effective date.**

156 This bill takes effect on July 1, 2023.