

PROJECT ENTITY OVERSIGHT COMMITTEE

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Carl R. Albrecht

Senate Sponsor: David P. Hinkins

LONG TITLE

General Description:

This bill creates the Project Entity Oversight Committee.

Highlighted Provisions:

This bill:

- ▶ creates the Project Entity Oversight Committee;
- ▶ requires a project entity to submit to the Project Entity Oversight Committee certain financial and operating information;
- ▶ requires the committee to receive information from:
 - community stakeholders; and
 - a project entity;
- ▶ establishes a reporting requirement for the committee; and
- ▶ requires the Office of Energy Development to perform duties related to the administration and support of the committee.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

[79-6-401](#), as renumbered and amended by Laws of Utah 2021, Chapter 280

ENACTS:

[11-13-317](#), Utah Code Annotated 1953

- 30 [63C-25-101](#), Utah Code Annotated 1953
- 31 [63C-25-201](#), Utah Code Annotated 1953
- 32 [63C-25-202](#), Utah Code Annotated 1953

33

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

35 Section 1. Section **11-13-317** is enacted to read:

36 **11-13-317. Submitting to the Project Entity Oversight Committee.**

37 Within a reasonable time of the information being available, a project entity shall
38 submit to the Project Entity Oversight Committee, created in Section [63C-25-201](#), publicly
39 available financial and operating information relating to the project entity, including:

40 (1) a copy of the project entity's audited financial statements for each fiscal year;

41 (2) a list of the project entity's financing sources, including:

42 (a) outstanding bond issuances; and

43 (b) future planned bond issuances; and

44 (3) a statement describing the project entity's net charges to its power purchasers for
45 each fiscal year, including:

46 (a) a description of how those charges vary from the project entity's previous fiscal year
47 charges; and

48 (b) a statement describing the project entity's annual power sales of the previous fiscal
49 year broken down by entity, including the amount of power sold.

50 Section 2. Section **63C-25-101** is enacted to read:

51 **CHAPTER 25. PROJECT ENTITY OVERSIGHT COMMITTEE**

52 **Part 1. General Provisions**

53 **63C-25-101. Definitions.**

54 As used in this part:

55 (1) "Board" means the governing board of the project entity.

56 (2) "Committee" means the Project Entity Oversight Committee created in Section
57 [63C-25-201](#).

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

59 Section 3. Section **63C-25-201** is enacted to read:

60 **Part 2. Project Entity Oversight Committee**

61 **63C-25-201. Project Entity Oversight Committee created.**

62 (1) There is created the Project Entity Oversight Committee.

63 (2) The committee shall be composed of the following 9 members:

64 (a) the speaker of the House of Representatives shall appoint one member who is a
65 member of the House of Representatives;

66 (b) the president of the Senate shall appoint one member who is a member of the
67 Senate;

68 (c) the governor shall appoint one member;

69 (d) the Millard County Commission shall appoint one member to represent the Millard
70 County Commission;

71 (e) the board shall appoint one member to represent the board;

72 (f) the Millard County School District shall appoint one member to represent the
73 Millard County School District;

74 (g) the School and Institutional Trust Lands Board of Trustees shall nominate one
75 member to represent the School and Institutional Trust Lands;

76 (h) the Utah League of Cities and Towns shall nominate one member to represent the
77 Utah League of Cities and Towns; and

78 (i) the Millard County Department of Economic Development shall nominate one
79 member to represent commerce in the Delta area.

80 (3) (a) Except as provided in Subsections (3)(b) and (3)(c), a member is appointed for a
81 term of four years.

82 (b) The initial appointments of the members described in Subsections (2)(f) through (i)
83 shall be for two-year terms.

84 (c) When the term of a current member expires, a member shall be reappointed or a
85 new member shall be appointed in accordance with Subsection (2).

86 (4) A member may serve multiple terms.

87 (5) (a) When a vacancy occurs in the membership for any reason, a replacement shall
88 be appointed in accordance with Subsection (2) for the unexpired term.

89 (b) A member whose term has expired may continue to serve until a replacement is
90 appointed.

91 (6) The committee shall select a chair from among the committee's members.

92 (7) (a) A majority of the members of the committee is a quorum.

93 (b) The action of a majority of a quorum constitutes an action of the committee.

94 (8) (a) The committee shall meet no fewer than six times per year to accomplish the
95 duties described in Section [63C-25-202](#).

96 (b) A majority of the committee may vote to meet less frequently than the number of
97 times described in Subsection (8)(a).

98 Section 4. Section **63C-25-202** is enacted to read:

99 **63C-25-202. Committee duties -- Office of Energy Development duties.**

100 (1) The committee shall:

101 (a) review the information that a project entity submits in accordance with Section
102 [11-13-317](#);

103 (b) make available to the public the information that a project entity submits in
104 accordance with Section [11-13-317](#);

105 (c) receive input from the local community and stakeholders with respect to concerns
106 about a project entity and the project entity's planned projects;

107 (d) communicate concerns the committee receives to the project entity;

108 (e) compile a report describing the information, input, and communications described
109 in Subsections (1)(a) through (d); and

110 (f) submit the report described in Subsection (1)(e) annually to the Public Utilities,
111 Energy, and Technology Interim Committee on or before October 30.

112 (2) The Office of Energy Development, created in Section [79-6-401](#), shall:

113 (a) provide staff and support to the committee;

- 114 (b) ensure the committee is fulfilling the duties described in Subsection (1)(a); and
- 115 (c) ensure the committee is functioning as a sufficient liaison for the state, the
- 116 Legislature, the local community, and the project entity.

117 Section 5. Section **79-6-401** is amended to read:

118 **79-6-401. Office of Energy Development -- Creation -- Director -- Purpose --**
119 **Rulemaking regarding confidential information -- Fees -- Transition for employees.**

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

122 (2) (a) The energy advisor shall serve as the director of the office or, on or before June
123 30, 2029, appoint a director of the office.

124 (b) The director:

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

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

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

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

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

133 (b) implement:

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

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

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

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

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

141 (4) By following the procedures and requirements of Title 63J, Chapter 5, Federal

142 Funds Procedures Act, the office may:

143 (a) seek federal grants or loans;

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

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

147 (5) The office shall perform the duties required by Sections [11-42a-106](#), [59-5-102](#),
148 [59-7-614.7](#), [59-10-1029](#), [63C-25-202](#), Part 5, Alternative Energy Development Tax Credit Act,
149 and Part 6, High Cost Infrastructure Development Tax Credit Act.

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

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

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

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

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