

**ENERGY STORAGE INNOVATION, RESEARCH, AND
GRANT PROGRAM ACT**

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: _____

LONG TITLE

General Description:

This bill enacts the Energy Storage Innovation, Research, and Grant Program Act.

Highlighted Provisions:

This bill:

- ▶ creates a grant program to advance energy storage technology and use;
- ▶ requires the Office of Energy Development to administer the program and issue grants according to the terms of the program; and
- ▶ grants rulemaking authority to the Office of Energy Development.

Money Appropriated in this Bill:

This bill appropriates in fiscal year 2021:

- ▶ to the Governor's Office of Energy Development - Office of Energy Development - as a one-time appropriation:
 - from the General Fund, One-time, \$5,000,000.

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

63M-4-801, Utah Code Annotated 1953

63M-4-802, Utah Code Annotated 1953



28 63M-4-803, Utah Code Annotated 1953

29 63M-4-804, Utah Code Annotated 1953



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

32 Section 1. Section **63M-4-801** is enacted to read:

33 **Part 8. Energy Storage Innovation, Research, and Grant Program Act**

34 **63M-4-801. Title.**

35 This part is known as the "Energy Storage Innovation, Research, and Grant Program
36 Act."

37 Section 2. Section **63M-4-802** is enacted to read:

38 **63M-4-802. Definitions.**

39 As used in this part:

40 (1) "Agreement" means a contract entered into between the office and the grantee
41 stating the terms and conditions for use of funds approved by the office.

42 (2) "Energy storage" means the storage of energy that is generated by mechanical,
43 chemical, thermal, or photovoltaic means for use at a later time.

44 (3) "Grantee" means a person, company, research organization, or other qualifying
45 entity that has been approved to receive state funding provided under this part.

46 Section 3. Section **63M-4-803** is enacted to read:

47 **63M-4-803. Office duties.**

48 (1) The office shall establish a grant program that:

49 (a) is designed to:

50 (i) advance the development and deployment of energy storage in the state;

51 (ii) facilitate the transition of energy storage into the marketplace;

52 (iii) improve emergency preparedness and resiliency; or

53 (iv) enhance job creation in the state's energy sector; and

54 (b) offers one or more grants to a person, company, research organization, or other
55 qualifying entity that:

56 (i) submits a grant proposal to the office; and

57 (ii) meets the qualifying criteria described in this section.

58 (2) The office shall award grants for nonresidential projects based on the following

59 considerations:

- 60 (a) the technical merit of the energy storage proposal and any commercialization plan;
- 61 (b) the level of matching funds from private and federal sources;
- 62 (c) the potential for job creation and economic development in the state;
- 63 (d) the benefit to electric customers; and
- 64 (e) the potential for the development of innovative technology that may benefit electric
- 65 customers.

66 (3) To support the rapid deployment and commercialization of energy storage
67 technologies throughout the state, the office shall award grants for residential energy storage
68 projects:

- 69 (a) on a first-come, first-served basis;
- 70 (b) proposed by residential grantees, including individual residents, to cover the cost of
71 purchasing and installing, at the home of a residential grantee, energy storage equipment that
72 uses any feasible technology; and
- 73 (c) that will provide an ability for all parties to review available, aggregated data
74 obtained from this grant program to promote improvements and efficiencies in the delivery of
75 electric service.

76 (4) The office shall award grants of no more than 50% of the amount appropriated for
77 residential deployment of energy storage.

78 (5) A grant may not exceed the lesser of:

- 79 (a) 20% of the amount required for a proposal; and
- 80 (b) (i) \$7,500 for a residential proposal; or
- 81 (ii) \$100,000 for a nonresidential proposal.

82 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
83 office may make rules to implement the grant program.

84 Section 4. Section **63M-4-804** is enacted to read:

85 **63M-4-804. Grant administration.**

86 (1) The office shall administer the grants issued under this part.

87 (2) (a) The office shall enter into an agreement with a grantee for disbursement of
88 funds, including the terms, conditions, and responsibilities that the grantee will be subject to in
89 receiving and spending the grant funds.

90 (b) Subject to the agreement, the office may require a grantee to return funds if:

91 (i) the grantee fails to comply with any terms, conditions, and responsibilities of the
92 agreement; or

93 (ii) the grantee substantially changes the plans to develop and deploy the energy
94 storage proposal approved for funding by the office.

95 (3) The office shall review the activities and progress of grant recipients on a regular
96 basis and grantees shall provide an annual report on achievement of goals and timelines
97 included in the application and agreement.

98 (4) The office may impose an application fee to offset the costs of administering the
99 grants awarded under this part.

100 (5) The office shall provide an annual report to the Public Utilities, Energy, and
101 Technology Interim Committee on the grants awarded from the Energy Storage Innovation and
102 Research Program under this part.

103 **Section 5. Appropriation.**

104 The following sums of money are appropriated for the fiscal year beginning July 1,
105 2020, and ending June 30, 2021. These are additions to amounts previously appropriated for
106 fiscal year 2021. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures
107 Act, the Legislature appropriates the following sums of money from the funds or accounts
108 indicated for the use and support of the government of the state of Utah.

109 ITEM 1

110 To the Governor's Office of Energy Development - Office of Energy Development

111 From General Fund, One-time \$5,000,000

112 Schedule of Programs:

113 Energy Storage Innovation, Research, and Grant Program

114 \$5,000,000

115 Under Section 63J-1-603, the Legislature intends that these funds not lapse at the close
116 of fiscal year 2021. The use of any nonlapsing balances is limited to the awarding of grants
117 under the Energy Storage Innovation, Research, and Grant Program.