

**Senator Lincoln Fillmore** proposes the following substitute bill:

**ENERGY STORAGE INNOVATION, RESEARCH, AND**

**GRANT PROGRAM ACT**

2019 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Lincoln Fillmore**

House Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

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

**Highlighted Provisions:**

This bill:

- ▶ creates the Energy Storage Innovation, Research, and Grant Program to provide grants to accomplish the goals of the program;
- ▶ defines terms;
- ▶ 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 2020:

- ▶ to the Governor's Office of Energy Development - Office of Energy Development - as a one-time appropriation:
  - from the General Fund, One-time, \$6,500,000.

**Other Special Clauses:**

None



**Utah Code Sections Affected:**

ENACTS:

**63M-4-801**, Utah Code Annotated 1953**63M-4-802**, Utah Code Annotated 1953**63M-4-803**, Utah Code Annotated 1953**63M-4-804**, Utah Code Annotated 1953

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*Be it enacted by the Legislature of the state of Utah:*Section 1. Section **63M-4-801** is enacted to read:**Part 8. Energy Storage Innovation, Research, and Grant Program Act****63M-4-801. Title.**

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

Section 2. Section **63M-4-802** is enacted to read:**63M-4-802. Definitions.**As used in this part:

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

(2) "Energy storage" means being able to store energy that is generated by mechanical, chemical, thermal, or photovoltaic means at one time for use at a later time.

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

(4) "Office" means the Office of Energy Development created in Section **63M-4-401**.

Section 3. Section **63M-4-803** is enacted to read:**63M-4-803. Office duties.**(1) The office shall establish a grant program that:(a) is designed to:(i) advance the development and deployment of energy storage in the state;(ii) facilitate the transition of energy storage into the marketplace;(iii) improve emergency preparedness and resiliency; or

(iv) enhance job creation in Utah's energy sector; and

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

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

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

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

(a) the technical merit of the energy storage proposal and any commercialization plan;

(b) the level of matching funds from private and federal sources;

(c) the potential for job creation and economic development in the state;

(d) the benefit to electric customers; and

(e) the potential for the development of innovative technology that may benefit electric  
customers.

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

(a) on a first-come, first-served basis;

(b) proposed by residential grantees, including individual residents, to cover the costs  
of purchasing and installing energy storage equipment at their home that uses any feasible  
technology; and

(c) that will provide an ability for all parties to review available, aggregated data  
obtained from this grant program to promote improvements and efficiencies in the delivery of  
electric service.

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

(5) Except as provided in Subsection (6), no grant may exceed the smaller of 20% of  
the amount required for any proposal or \$7,500 for a residential proposal or \$100,000 for a  
nonresidential proposal.

(6) A one-time allocation of \$1,500,000 dollars is available for the office to award one  
or more grants annually, up to \$250,000 per grantee, after the review and approval of the  
governor, to the grantee that makes the most innovative proposal based on the potential

benefits to the public and to the electrical system.

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

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

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

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

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

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

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

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

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

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

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

**Section 5. Appropriation.**

The following sums of money are appropriated for the fiscal year beginning July 1, 2019, and ending June 30, 2020. These are additions to amounts previously appropriated for fiscal year 2020. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the Legislature appropriates the following sums of money from the funds or accounts indicated for the use and support of the government of the state of Utah.

**ITEM 1**

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

From General Fund, One-time

\$6,500,000

119                    Schedule of Programs:

120                                Energy Storage Innovation, Research, and Grant Program

121    \$6,500,000

122                    Under Section [63J-1-603](#), the Legislature intends that these funds not lapse at the close  
123 of fiscal year 2020. The use of any nonlapsing balances is limited to the awarding of grants  
124 under the Energy Storage Innovation, Research, and Grant Program.