Background

H.B. 426, passed in the 2023 General Legislative Session, requires the development of a strategic plan to achieve the state’s energy policy of adequate, reliable, affordable, sustainable, and clean energy resources. The Utah Energy Strike Team prepared this Utah Strategic Energy Framework under the leadership and direction of the Utah Office of Energy Development (OED) and the Utah Department of Natural Resources. The Strike Team, which consists of representatives from the Legislature, state agencies, energy companies, research universities, and other partners, met throughout summer and early fall 2023 to provide input and technical information to OED. This Strategic Energy Framework provides a summary of the Strike Team’s work. A compendium also presents valuable supporting data.

Strategic Energy Framework and Process

The Strike Team recommends a human-centric energy plan that supports the well-being of all Utahns. The keystones of the human-centric approach are adequate, reliable, affordable, sustainable, and clean energy. Any disruption to supply diminishes living standards and puts human lives at risk.

The Strike Team reviewed data and analysis, listened to industry experts and researchers, and consulted with policymakers. Consumer preferences were represented indirectly through customer survey responses. The framework includes five major findings and nine recommendations for the 2024 General Legislative Session.

FINDINGS

Opportunity – Utah’s diverse energy and mineral portfolio sets Utah apart from other states. We face an exciting opportunity to harness Utah’s energy strengths in fossil fuels, nuclear, geothermal, wind, solar, salt/hydrogen storage, critical minerals, and other assets to support Utah’s long-term prosperity. Utah also continues to benefit from relatively low-cost energy to support an expanding economy.

Challenge – Utah faces serious energy challenges related to 1) federal government command and control and inconsistent policies, 2) external policies and market forces outside state control, 3) geopolitical uncertainty, and 4) increased energy demand for Utah’s rapidly growing economy and population.

Imperative for active state role – To capitalize on the opportunities and address challenges, state government must take a more active role in supporting and safeguarding Utah’s energy future.

Investment – Significant investment in energy planning, legal protections, research, workforce development, and public policy expertise will pay large dividends to Utahns.

Holistic energy approach – Too often, policymakers define energy as electricity. It’s critical state leaders recognize all facets of energy, including but not limited to, energy used for transport, heating, and other vital needs.

RECOMMENDATIONS

We recommend a suite of energy bills and appropriations for the 2024 General Legislative Session. These recommendations include input from the Unified Economic Opportunity Commission:

1. State code – Recodify state energy policy to recognize current technologies, global conditions, and supply and demand realities. Include in state code decision-making principles to inform the implementation of energy policy.

2. Legal support – Continue to aggressively coordinate and fund the state’s legal strategy in combating federal environmental and energy overreach and permitting delays.

3. San Rafael Research Center – Provide state support to and leadership over the San Rafael Energy Research Center, leveraging Utah’s abundant resources in concert with the Utah Innovation Lab.

4. Long-term supply and demand – Support strategic energy planning by funding the development of rigorous projections of Utah’s long-term energy supply and demand future. Include a baseline projection and likely alternative scenarios.

5. Research – Provide state matching grants for research initiatives at Utah colleges and universities in the areas of grid modernization, critical minerals, energy transport, hydrogen, carbon capture, storage, nuclear energy, clean energy sources, and coal innovation (including clean coal, alternative uses, advanced manufacturing, and system engineering).
6. **Workforce** – Enlist the Utah System of Higher Education’s *Talent Ready Utah* team to meet growth in the energy workforce by means of certificate programs and apprenticeships. Continue to support science, engineering, math, data science, geoscience, and other high-demand degrees that support Utah’s energy sector.

7. **Incentives** – Continue to fund post-performance incentives in Utah mining, processing, and refining.

8. **Energy and minerals coordination** – Form an energy and minerals coordinating council to gather issues and ensure coordination among state agencies, legislators, and industry.

9. **Infrastructure** – Develop state strategy for transportation, transmission line, pipeline, and other infrastructure needs.

---

**REVIEW DRAFT ONLY/WORK IN PROGRESS**

**Conceptual Budget: Utah Strategic Energy Framework**

The Strike Team offers this conceptual budget as a starting point for legislative deliberations.

<table>
<thead>
<tr>
<th>Item</th>
<th>One-Time</th>
<th>Ongoing</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Rafael Research Center</td>
<td>$2 million</td>
<td>$1-2 million</td>
<td>Discuss Emery County investment vis-à-vis state support.</td>
</tr>
<tr>
<td>Legal</td>
<td>$1.5-2 million</td>
<td>$1-2 million</td>
<td>Critical need for PLPCO, AG, and OED coordination</td>
</tr>
<tr>
<td>Long-term supply and demand projections</td>
<td></td>
<td>$250 thousand</td>
<td>Estimated cost. To be administered by OED.</td>
</tr>
<tr>
<td>Research grants</td>
<td>$1 million</td>
<td></td>
<td>Uncertainty about whether additional funds for FY24 are needed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Consider ongoing support. Tie into deep tech grants.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Work with USHE and institutions of higher learning to formalize this request.</td>
</tr>
<tr>
<td>Government relations (federal)</td>
<td></td>
<td>$500 thousand</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$4.5 - $5.5 million</strong></td>
<td><strong>$2.75-4.75 million</strong></td>
<td><strong>CONCEPTUAL ONLY</strong></td>
</tr>
</tbody>
</table>