

## House Public Utilities and Energy Committee

Date: 1/27/2025

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### **Bill: 1<sup>st</sup> substitute HB 249 – Nuclear Power Amendments**

Sponsor: Representative Carl R. Albrecht

Floor Sponsor: Senator Ann Millner

**UASD Position: TBD**

This Bill creates the Nuclear Energy Consortium and the Utah Energy Council, establishes a process for designating energy development zones, and creates the Energy Development Investment Fund.

Discussion: The sponsor presented 1<sup>st</sup> substitute HB 249, which was adopted by the Committee. The Bill covers more than just nuclear energy. 1<sup>st</sup> substitute HB 249 is intended to help initiate nuclear energy production in Utah. Working groups made up of both Representatives and Senators were frequently held in the development of this legislation. These groups met with the Idaho National Laboratory to learn more about nuclear energy. According to the sponsor, 1<sup>st</sup> substitute HB 249 has many moving parts that will need to be adjusted over time in order to address any future issues as it is implemented. Experts have been consulted in the formation of this Bill. The sponsor believes that 1<sup>st</sup> substitute HB 249 will have a positive influence on all forms of energy production, storage, and transmission lines in the state. Unless federal regulations are loosened, no large-scale production of this form of energy will be available for up to 12 years. This Bill will allow Small Module Reactors (“SMRs”) to be made available much sooner. Some data centers are interested in coming to Utah, including the Los Angeles Department of Water and Power. This Bill creates the Utah Energy Council (“UEC”) and the Electrical Energy Development Fund (“fund”). The UEC will be the decision makers for the state’s investments made using the fund, be tasked with identifying energy zones within the state, oversee project development, research recommendations, and administer the Energy Investment Fund. The Council will be made up of representatives from the Governor’s Office, the House, the Senate, and the Director of the Office of Energy Development. Electric energy development zones will be designated, and a process will be established for counties to apply for electrical energy development zones. Energy projects will never be mandated by the UEC. In an effort to prevent conflicts between counties, incentives will not be allowed unless the project is within a designated energy development zone. 1<sup>st</sup> substitute HB 249 requires the UEC to consult with counties to create an increment sharing plan. Grants will also be made available to the development of these zones. The UEC will be advised by stakeholders and experts. The advisory board will be run by two bodies. One specializing in nuclear energy and the other specializing in energy research. The Nuclear Energy Consortium will also provide expertise, coming from individuals from legislature, the Department of Environment Equality, the public service commission, the Department of Natural Resources, and other appointed nuclear experts. The

Director of the Office of Energy Development will serve as the chair. The Utah Center for Advanced Energy Research and Development will be established by an agreement between the state, INL and Utah Institutions of Higher Education.

Representative Peck asked how this Bill positions Utah to be a leader in clean and renewable energy, especially regarding nuclear. The sponsor said that the United Kingdom has displayed interest in developing nuclear energy, and that other states have also begun to develop nuclear energy. Representative Albrecht believes that although Utah has other reliable energy resources, it needs to be a leading within the United States. Representative Peck also asked how this Bill compliments other energy initiatives. The sponsor said that the first unit of nuclear energy will be the most expensive, but as the state invests more into the nuclear program, the cost to develop nuclear energy will slowly decrease. Wind and solar may not be as reliable and consistent of an energy source as nuclear power. The sponsor noted that there are even limitation with coal due to needing to shut down productions and plants for maintenance. Representative Shelly asked about the safety of nuclear energy and the state's energy needs. The sponsor said that Utah is currently in a slight shortage due to the federal government's recent focus on renewable energy. Utah is trying to find ways to serve the data centers that are looking to move their operations to Utah. He said that huge technological advancements have been made to make nuclear energy more safe. Representative Dominguez asked about how nuclear energy could impact Utah's water resources. The sponsor said that the use of water in nuclear energy production has decreased as with the development of air to air reactors. It was asked how the new committee formed in the Bill differs from the current Public Service Commission. The Commission hears the rates of current energy producers The UEC would deal with new forms of energy production. Representative Dominguez asked if updating current transmission lines would be prioritized by the UEC. The Bill includes a requirement to update older forms of energy transmitters. It was asked how 1<sup>st</sup> substitute HB 249 would affect municipalities who are already in charge of their own energy production and how it would impact those municipalities rate-payers. The sponsor said that there will have to be a set a base-line for customers, potentially under a contract, to help pay for the infrastructure.

Joel Ferry, representing the Department of Natural Resources spoke in support of the Bill due to the incentivization of energy production, especially nuclear power. exposure when the companies and politicians believed they were safe representing Representative from Energy Solutions, the Utah Associates of Municipal Power Systems, the Utah Mining Association, and High Tech Solutions spoke in support of the Bill. Katelynn Balliker from The Healthy Environment Alliance of Utah asked that the Bill be held to allow more time to address concerns. A few citizens spoke in opposition to the Bill due to their concerns about the health and safety of nuclear power. Representative Dominguez expressed a desire for the sponsor to work with stakeholders as the Bill moves through the process. Representative Peck expressed cautious supportive of the Bill. The sponsor attempted to address the concerns of the public by stating that

“down-winders” who became sick in the past from nuclear poisoning were affected by above-ground weapon testing, not nuclear power.

Yeas: 10

Nays: 0

N/V: 3

**Outcome: 1<sup>st</sup> Substitute HB 249 passed out of the Committee with a favorable recommendation.**

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