

**MINUTES OF THE  
PUBLIC UTILITIES AND TECHNOLOGY INTERIM COMMITTEE**

Wednesday, November 18, 2009 – 9:00 a.m. – Room 20 House Building

**Members Present:**

Sen. Stephen H. Urquhart, Senate Chair  
Rep. Michael E. Noel, House Chair  
Sen. Brent H. Goodfellow  
Sen. Mark B. Madsen  
Sen. Kevin T. Van Tassell  
Pres. Michael G. Waddoups  
Rep. Roger E. Barrus  
Rep. Melvin R. Brown  
Rep. Julie Fisher  
Rep. Lorie D. Fowlke  
Rep. James R. Gowans

Rep. Richard A. Greenwood  
Rep. Lynn N. Hemingway  
Rep. Christopher N. Herrod  
Rep. F. Jay Seegmiller  
Rep. Ryan D. Wilcox  
Rep. Bradley A. Winn

**Staff Present:**

Mr. Richard C. North, Policy Analyst  
Mr. Christopher R. Parker, Associate General Counsel  
Ms. Tracey Fredman, Legislative Secretary

**Note:** A list of others present, a copy of related materials, and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

**1. Committee Business**

Chair Noel called the meeting to order at 9:08 a.m.

**2. Compressed Air Energy Technology**

Mr. Craig Broussard, Managing Director, Magnum Energy, briefed committee members on the use of salt caverns in Delta, Utah, for the storage of natural gas. Mr. Broussard asked that consideration be given to compressed air energy technology as a renewable energy source.

Mr. Spencer Stokes, lobbyist representing Magnum Energy, said that the purpose of Mr. Broussard's presentation was to update committee members prior to the legislative session when Magnum Energy will be asking for compressed air energy storage technology to be considered as a renewable energy source.

**3. Internet Security: Draft Legislation**

Chair Urquhart introduced 2010 General Session draft legislation, "Utah E-Commerce Integrity Act," as distributed in the supplemental mailing packet.

Mr. Will Castleberry, National Director, State Public Policy, America On Line, reviewed provisions of the bill and responded to committee members' questions about phishing, spyware, keystroke logging, and other Internet security issues.

Mr. Richard R. Nelson, President and CEO, Utah Technology Council, distributed a written statement of support for the proposed legislation.

Mr. Jonathan W. Richards, Workman Nydegger, spoke in support of the legislation.

Mr. Jay Magure, 1-800 Contacts, spoke in favor of the legislation.

**MOTION:** Sen. Van Tassell moved that the Committee recommend 2010 General Session draft legislation, "Utah E-Commerce Integrity Act," with the understanding that it will go through a full committee hearing during the upcoming legislative session. The motion passed unanimously. Pres. Waddoups, Rep. Brown, and Rep. Fisher were absent for the vote.

#### **4. Renewable Energy Definition: Draft Legislation**

Rep. Christine F. Watkins introduced 2010 General Session draft legislation, "Renewable Energy - Methane Gas," which was distributed in the supplemental mailing packet.

Mr. Aaron Olson, DTE Energy, distributed and presented "Coal Mine Methane as a Renewable or Alternative Energy Source." Mr. Olson explained that the legislation will amend the definition of "renewable energy source" to include energy derived from methane gas found in coal mines, and responded to committee members' questions.

Ms. Dianne Nielson, Governor's Energy Advisor, State of Utah, said the objectives are beneficial, but there are other methane sources to be considered. Ms. Nielson said she thinks solutions that are workable can likely be found in time for the legislative session.

Rep. Seegmiller suggested that perhaps an alternative approach to the issue would be to create a new class of incentives for the collection of methane rather than classifying methane as a renewable energy source.

Mr. Jim Nafts, Sandy Senior Center, commented on additional sources of methane.

**MOTION:** Rep. Fisher moved that the Committee support the concept of 2010 General Session draft legislation, "Renewable Energy - Methane Gas," for methane production, with the understanding that it will go through a full committee hearing during the upcoming session for further discussion. The motion passed unanimously. Pres. Waddoups and Rep. Brown were absent for the vote.

#### **5. Renewable Energy Development on State School and Institutional Trust Lands: Draft Legislation**

Rep. Tim M. Cosgrove introduced 2010 General Session draft legislation, "Expenditures of School and Institutional Trust Land Money," which was distributed in the supplemental mailing packet. Rep. Cosgrove briefed committee members on provisions of the bill and responded to questions. He also distributed and presented "K-12 Renewable Energy Projects" and "Wind Farm Fans Green Hopes" from the Salt Lake Tribune, Wednesday, November 11, 2009.

Mr. Anthony Hall, Owner, Boulfruch Wind Farm, Scotland, spoke in support of the proposed legislation.

**MOTION:** Sen. Van Tassell moved to amend 2010 General Session draft legislation, "Expenditures on State School and Institutional Trust Land Money" as follows: on line 72, delete "shall" and insert "may".

**SUBSTITUTE MOTION:** Rep. Barrus moved to amend 2010 General Session draft legislation, "Expenditures on State School and Institutional Trust Land Money," as moved by Sen. Van Tassell with additional amendments as follows: on line 71, delete "a renewable" and insert "an"; and on line 74, delete "a renewable" and insert "an". The motion passed unanimously. Pres. Waddoups, Rep. Brown, Rep. Gowans, and Rep. Wilcox were absent for the vote.

**MOTION:** Rep. Seegmiller moved to recommend as amended 2010 General Session draft legislation, "Expenditures on State School and Institutional Trust Land Money," as a committee bill. The motion failed with Sen. Goodfellow, Rep. Barrus, and Rep. Hemingway voting in favor. Pres. Waddoups, Rep. Brown, Rep. Gowans, and Rep. Wilcox were absent for the vote.

#### **6. Electric Power: Industrial/Commercial**

Ms. Kelly Francone, Deputy Director, Utah Association of Energy Users, Energy Strategies, distributed and presented "Utility Regulation in Utah."

#### **7. Energy Efficiency Initiatives: Rocky Mountain Power**

Ms. Carol Hunter, Vice-President of Services, Rocky Mountain Power, described Demand-Side Management as a means of load control. Ms. Hunter presented differences in projected savings if more opt out programs were in service instead of the present opt in programs. She asked committee members to support the opt out programs as they would like to recommend the opt out programs to the Public Service Commission. Ms. Hunter responded to committee members' questions.

#### **8. Solar Energy Addition to Coal Electricity**

Sen. Dennis E. Stowell introduced the issue.

Mr. Ronald F. Kincaid, President, and Mr. Mark Skowronski, Chief Technology Officer, Markron Technologies, LLC, distributed and presented "Solar Energy Addition to Coal Electricity." Mr. Kincaid briefed committee members on the advantages of integrating large scale solar thermal energy with existing coal-fired power plants. He asked that language be inserted into the utility code that expressly includes solar thermal additions to existing coal plants as a renewable energy technology qualifying for renewable energy tax credits. Mr. Kincaid and Mr. Skowronski responded to committee members' questions.

#### **9. Annual Reports: Public Service Commission, Department of Technology Services, Governor's Energy Report**

Mr. North distributed and briefed committee members on "Utah Energy Advisor's Annual Report 2009," "Executive Summary of Activities of the Utah Public Service Commission in FY 2009," and "Department of Technology Services Annual Report for FY 2009."

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**10. Other Items / Adjourn**

**MOTION:** Rep. Seegmiller moved to adjourn the meeting. The motion passed unanimously. Rep. Brown, Rep. Gowans, Rep. Wilcox, and Rep. Winn were absent for the vote.

Chair Noel adjourned the meeting at 11:46 a.m.