



## Office of Energy Development

### Vision

To serve as the primary resource for advancing energy development in Utah.

### Mission

To provide leadership in the balanced development of Utah's abundant energy resources through public and private partnerships for economic prosperity, energy independence and a reliable, affordable energy supply.

### Strategic Objectives

#### Create and Implement Policy

**Goal** Promote the goals and strategic recommendations outlined in Utah's 10-Year Strategic Energy Plan, legislative initiatives and state policies and directives.

#### Provide Industry Assistance

**Goal** Guide energy development projects through the regulatory, permitting and economic development processes, and support job creation for Utah.

#### Build Relationships

**Goal** Be a central hub within Utah through the establishment of a network of energy stakeholders.

#### Seek Funding Opportunities

**Goal** Identify diverse funding sources to carry out and support the implementation of energy projects and programs.

#### Support Energy Education

**Goal** Raise the level of energy awareness through educational programs, public outreach campaigns and technical assistance services.

## Utah Energy Accolades

### #1 Oil Sands Resource in US

- Bureau of Land Management

### #3 CNG Infrastructure in US

- US Department of Energy

### #4 Best Energy Rates in US

- Moody's Economy

## Utah is FOUR CORNERSTONES Strong

#### EDUCATION:

An educated workforce is critical for a prosperous economy.

**GOAL:** Sixty-six percent of adult Utahns will have a post-secondary degree or professional certification by 2020.

#### ENERGY:

Innovation plus initiative equals energy independence.

**GOAL:** Ensure access to affordable, reliable, and sustainable energy by producing 25 percent more electrical energy than we consume by 2020.

#### ECONOMIC

#### DEVELOPMENT:

Promote public policies that lead to private sector job growth.

**GOAL:** Accelerate private sector job creation of 100,000 jobs in 1,000 days.

#### SELF-DETERMINATION:

Continue to find Utah solutions to Utah problems.

**GOAL:** Cultivate Utah solutions for health care, public lands, and immigration.



# 2013 GOVERNOR'S ENERGY DEVELOPMENT SUMMIT

*Advancing Our Energy Future*

Join Governor Gary R. Herbert for the Governor's Energy Development Summit, "Advancing our Energy Future."  
The event's objective is to facilitate a discussion of Utah's unique energy resources and related development.

## FOR MORE DETAILS AND TO REGISTER VISIT

[www.energy.utah.gov](http://www.energy.utah.gov)

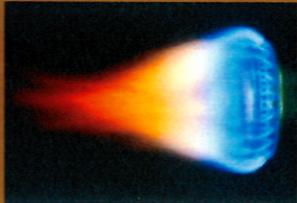
Main Conference Day – Thursday, January 10, 8:00 a.m. – 4:30 p.m.

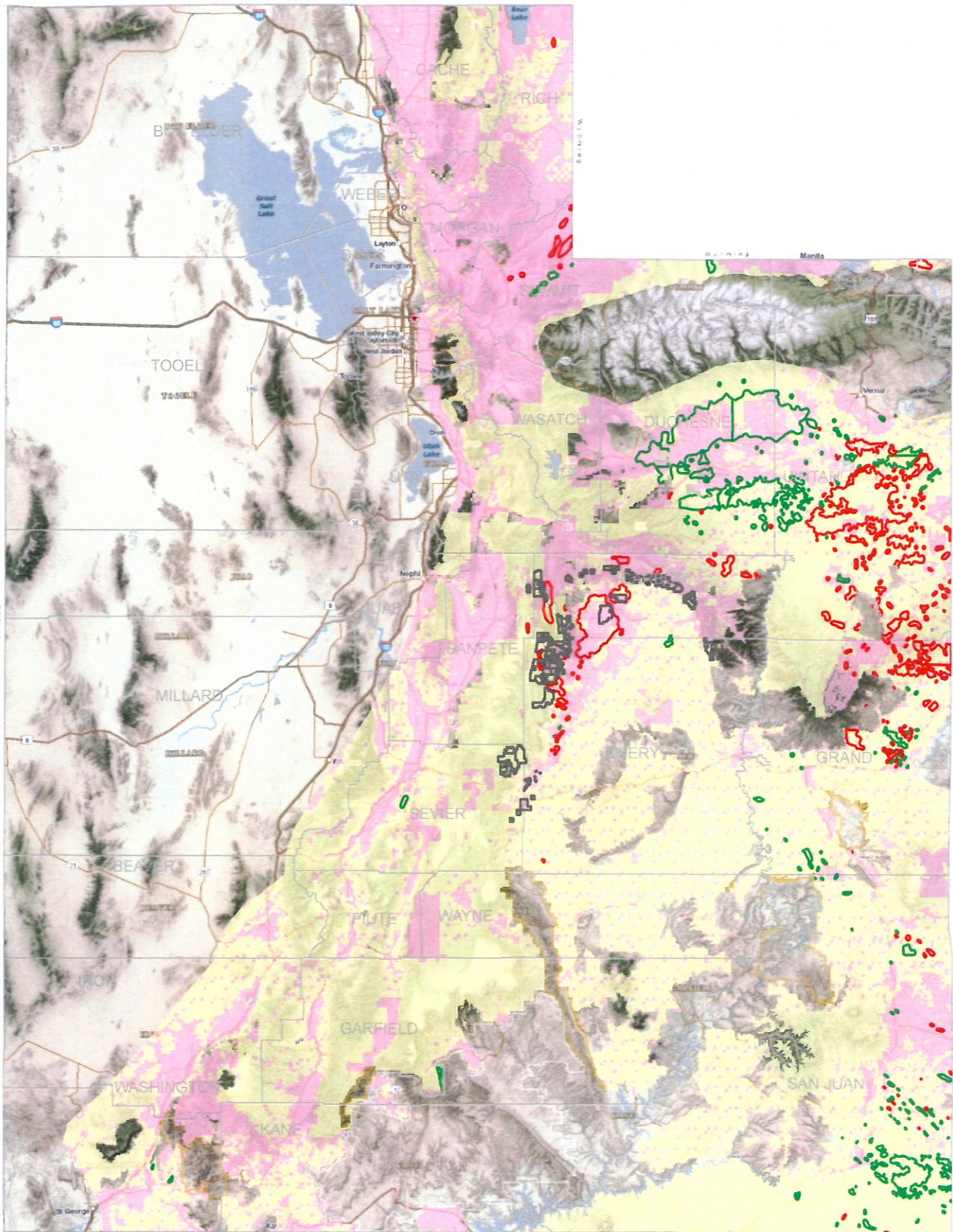
Technical Day – Friday, January 11, 8:00 a.m. – 1:00 p.m.

Salt Palace Convention Center, Salt Lake City, Utah



Office of Energy Development





# Legend

## Potential Energy Areas Surface Land Ownership

- Federal and Tribal
- Private and State

- Coal leases
- Gas fields
- Oil fields





Source Scott G. Winterton, Deseret Morning News

# UTAH'S BTU'S

Utah's Quarterly  
Conventional Energy  
Development  
Newsletter

3<sup>rd</sup> Quarter 2012

## Welcome from OED, Intro to new Energy Advisor

### Interview with Cody Stewart

Welcome to OED's Conventional Quarterly Newsletter, this 3<sup>rd</sup> Quarter Newsletter is the first issue of a newsletter concerning the main developments in Utah's conventional energy industry. This newsletter is created and edited by the Office of Energy Development as part of our strategic objective to 'Provide Energy Outreach and Education'.

OED's primary objective is to encourage and help advance energy development here in Utah, and to that end we have recently created an Oil & Gas Industry Survey, which you can access through the Links section below. We hope that by disseminating fact-based, timely updates we can help foster a coordinated, thriving and responsible conventional energy industry in our great State.

Each issue will include timely snippets on (*what we consider to be*) the main developments in the space. We will also include links to relevant press releases and a brief interview with a 'mover and shaker' in the conventional world. For the first of those interview we thought it would be appropriate to talk with Governor Herbert's new Energy Advisor, Cody Stewart.

Cody was appointed as Energy Advisor in May, replacing Amanda Smith, the Executive Director of DEQ. He has extensive energy and policy experience. Stewart has worked in a number of capacities focusing on both Utah and national energy and natural resource policy. Born and raised in Utah Cody, has extensive ties to Utah, including his alma mater, USU.

**How does Governor Herbert plan to increase oil and gas production in Utah?** Stewart: As laid out in Recommendations 2, 5, and 8 in his energy plan, Governor Herbert hopes to boost production through a balanced approach to resources that acknowledges the many values oil and gas add to Utah. The Energy Plan's first recommendation called for the creation of the Office of Energy Development (OED) to advance the development of all Utah's resources. So far, OED has helped by expanding incentives that were formerly just for renewable energy, like the new infrastructure bonding authority (UEIA). Prior to the recent legislative session the Authority was meant solely to facilitate renewables, now it can be used for any power lines or pipelines, and so it's a much better fit Utah's diverse energy portfolio.

### In this issue

- Welcome Interview with Cody Stewart, Governor Herbert's Energy Advisor
- 2nd Quarter Data Drilling in Utah
- Infrastructure Bonding Authority

### Page 1 Links for e-Newsletter

[Oil and Gas Industry Survey](#)

[Governor Herbert's Blog - Governor Names Stewart Energy Advisor](#)



Office of Energy Development

## Interview cont'd

**Cody Stewart, Governor's Energy Advisor**

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**How does Utah compare to other States in its approach to oil and gas production?** Stewart: Utah is unique because it actively supports the responsible development of conventional energy. The purpose of OED is to actively promote energy development in Utah. Similarly, Utah's Division of Oil Gas and Mining (DOGGM) is focused on customer service. DOGGM has its 5<sup>th</sup> annual customer satisfaction survey open on the web right now. (<http://www.surveymonkey.com/s/3VW8SJF>) DOGGM is so very focused on customer satisfaction that of the 463 permits it issued between April–June of 2012, 76% were issued within DOGGM's official 45 day goal.

**What are the biggest issues in oil and gas today?** Stewart: The potential impacts associated with environmental issues — including air and water quality and endangered species issues — are big issues facing oil and gas development in the Uinta Basin. I am also excited about how the marketplace has developed new technology — such as directional and horizontal drilling — and new best management practices — such as centralized gathering methods — allowing companies to produce more while reducing their impact on the environment.

[Utah's—Oil and Gas Permitting and Drilling](#)

[H.B. 137 Bonding Authority](#)

### OED Resource Contact

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## Permitting and Drilling are Up!

### 2nd Quarter Results

Permitting and drilling is on the rise in Utah. The 2012 numbers for months January through June are higher than the same period last year. Not only that, but the rig count is at its highest since 2008.

This means more oil and gas production, more investment, higher revenues to state government, and more jobs in Utah! Oil and Gas exploration and production continues to be an engine for growth in Utah. Keep up the great work!

January thru June	2011	2012	% Change
APDs Processed	579	842	+45%
Wells Spudded	434	598	+38%
Rigs (Baker Hughes)	28	38	+36%

## Infrastructure Authority

### H.B. 137 Broadens Bond Tool

In the spring of 2009, under the leadership of Senator Bramble and Representative Barrus, Senate Bill 76 established the Utah Generate Renewable Energy Electricity Network (UGREEN), that aim of which was to “provide funding mechanisms to develop transmission projects to bring renewable energy resources to market and thereby contribute to the economy of the State and the communities where the projects are located.” Given the lack of significant movement in the large scale renewables market in the state, UGREEN's tax free bonding capacity had yet to be used as of the 2012 General Session, and the Legislature, again through Representative Barrus' leadership, endeavored to broaden the tool's applicability and make it more useful to Utah's energy developers and communities.

The product of this year's effort is the newly renamed Utah Energy Infrastructure Authority (UEIA), through which the former UGREEN has been broadened to include all “energy delivery” infrastructure that supports the responsible development of Utah's energy resources. By eliminating any explicit tie to renewable energy development, and potentially allowing for the support of pipeline development and other delivery mechanisms, the new Authority better ties in with Governor Herbert's “all of the above” vision for Utah's energy future.

### UTAH Office of Energy Development

The Office of Energy Development's mission is to provide leadership in the balanced development of Utah's abundant energy resources through public and private partnerships for economic prosperity, energy independence, and a reliable, affordable energy supply.



## In This Issue

- Welcome back
- RedLeaf opts to temporarily postpone hearing
- BLM misses deadline to publish oil shale royalty / leasing regulations
- US House strips Energy Approps bill of \$25Million in oil shale R&D
- 3 quick questions with Enefit American Oil's CEO Rikki Hrenko

## Unconventional News Links

*MCW Energy signs oil sands supply agreement with Temple Mountain*

*TomCo Energy discusses its oil shale plans*

*Red Leaf responds to temporary delay*

## Welcome back

**Welcome to second issue of U3**, a periodic newsletter concerning the main developments in Utah's unconventional energy industry. This newsletter is created & edited by the Office of Energy Development as part of our strategic objective to 'Provide Energy Outreach and Education'.

If you no longer wish to receive this newsletter, please unsubscribe by emailing [rsimmons@utah.gov](mailto:rsimmons@utah.gov).

## Red Leaf opts to temporarily postpone hearing

**On July 3<sup>rd</sup>** Red Leaf Resources (RLR) volunteered to temporarily postpone the Division of Oil, Gas and Mining (DOGGM) hearing on their first large-scale mining permit. The decision was made as RLR, DWQ and Living Rivers agreed that water quality issues are best addressed through the Department of Water Quality. RLR will be completing the work and data analysis for its groundwater discharge permit application. The large-mine permit, which is conditioned on receipt of a DWQ decision, remains in effect. Despite this fact, the agreement was largely portrayed as a 'win' by groups opposing oil shale development.

What really happened was a timely example of "Responsible Development". Last week ([LINK](#)) Governor Gary R. Herbert opined on exactly what this term means. While there is no simple answer, a shining example is that of a developer listening to the concerns of stakeholders and opting to address them through the regulatory process. This is the course that RLR has chosen in sequencing permitting consistent with the appropriate regulatory reviews.

Since making this decision, RLR has invited and hosted representatives from the Department of Water Quality (DWQ), Tri-State Health, Utah Geologic Survey and others to its 'Southwest Mine' to better understand the process, answer questions and explain its groundwater and environmental protection efforts.

Dr. Laura Nelson from RLR is "very comfortable with the agreement" and explained that the delay was not a comment on Red Leaf's operations and instead an example of the commitment and lengths RLR is willing to go in order to assure environmental protection.

## BLM misses court-imposed deadline to publish royalties & leasing regulations for oil shale

**Hot on the heels** of closing the comment period of the 2012 Draft Programmatic Environmental Impact Statement (DPEIS) for oil shale and oil sands, BLM was due to publish a notice of rulemaking where it would propose amendments to the Oil Shale Final Rule to address the royalty rate and environmental protection requirements

**US Congress strips  
Energy  
Appropriations bill of  
\$25Million in oil shale  
R&D**

**Link to voting  
outcome on oil shale  
amendment**

### Contact Us

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applicable to oil shale commercial leasing.

The May 15<sup>th</sup> deadline was imposed pursuant to the settlement agreement filed 2/15/2011 in the US District Court in Colorado, where the court gave BLM 15 months to prepare and file the proposed rulemaking.

The friendly settlement agreement was a result of a civil action brought by environmental groups in 2009 and agreed to by then-newly-appointed Department of the Interior Secretary Ken Salazar.

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## US House of Representatives strips energy appropriations bill of \$25 million in oil shale R&D

**On June 6<sup>th</sup>** Republicans and Democrats in the US House of Representatives passed an amendment to strip \$25Million of R&D funding for oil shale from a larger energy appropriations bill.

The larger bill –HR 5325– was unlikely to become law due to several contentious sections (nuclear waste storage among others). HR5325 initially included the \$25Million but an amendment led by Reps. Gerry Connolly (D-VA) and Jared Polis (D-CO) singled out the \$25Million and passed by one vote, 208-207 with 60 Republicans voting for the Democrat sponsored amendment.

Rumors swirled that the voting outcome was due to confusion about oil shale with shale oil and 'fracking' as well as the timing of the vote due to a technicality (the amendment actually failed earlier in the evening but was re-voted).

The issue will likely be revisited by Congress in the near future. A link to the voting record is [HERE](#) and also found immediately to the left of this article.

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### 3 Quick questions with Enefit American Oil CEO Rikki Hrenko

*We keep hearing about oil shale 'not being commercially proven anywhere'. Reactions?*

**Hrenko: I can assure you that oil shale is commercially proven! Estonia has a thriving commercial oil shale industry. Enefit- based in Estonia and the owner of Enefit American Oil - is the largest company in Estonia, is not government subsidized and is very profitable... all as an oil shale company. To the skeptics I would say to check their annual report. The production figures and economics are all public info. Brazil and China are also producing on a commercial scale utilizing a variety of technologies.**

*Why did Enefit American Oil come to Utah instead of other oil shale bearing States?*

**Hrenko: We were able to acquire an excellent property position, including a large private holding in Utah, which is a big advantage. Utah also offers us a level playing field to develop the industry. We were confident we would be treated fairly and regulated just as any other industrial development. There is a reason why Utah has been ranked as the best state for business.**

*What are the biggest issues in unconventional energy today?*

**Hrenko: A common issue around many unconventional energy sources today is permitting. There is a perception of uncertainty as to what the permitting and regulatory regime will be and the ability for projects to move through that process in a timely manner. For the oil shale industry, I believe the needed regulatory framework is already in place based on similar industries currently operating in the US, like mining, mineral processing and refining. New and evolving regulation is always a challenging issue for industry, but new or early stage unconventional energy is impacted more strongly by the complex and changing regulatory environment.**



*Welcome to the first issue of the Office of Energy Development's quarterly Energy Efficiency Development newsletter. This publication will showcase new developments in energy efficiency statewide.*

### **OED and DFCM partner on efficiency upgrades**

The Utah Office of Energy Development (OED) recently partnered with the Utah State Division of Facilities and Construction Management (DFCM) to complete a significant energy efficiency retrofit at the Utah Schools for the Deaf and the Blind (USDB) Ogden campus.

DFCM energy program director, John Harrington, noted that his office was "proud to team with OED in developing and implementing this lighting and mechanical energy efficiency project. The project substantially improved the lighting quality and comfort at the school while saving USDB thousands of



*Images courtesy Utah Schools for the Deaf and the Blind*

dollars each year in utility cost savings." John noted further that the project has been rewarding for DFCM in other ways beyond

the technical & savings benefits. The learning environment has been improved; better lighting will be helpful for vision impaired children; and, the new mechanical equipment will ensure that comfort levels are maintained for children and staff in the future.

A recent U.S. Department of Education study reports that schools spend more than eight billion dollars annually on energy costs making energy the second highest operating expenditure for schools after personnel costs. An energy audit performed by Honeywell International showed that the USDB campus was no exception.

Based on the recommendations provided in the detailed audit, older and less-efficient equipment was replaced with new energy-efficient boilers, chillers, controls and lamps. Support for the project was provided through DFCM and by a grant and loan combination made available through OED's energy efficiency program and funded by the U.S. Department of Energy and the Recovery Act.



*Cody B. Stewart (Image courtesy Utah Lieutenant Governor's Office)*

### **A note on energy efficiency from Governor Herbert's Energy Advisor, Cody B. Stewart**

Energy Efficiency is a unique energy resource. It has a variety of applications from insulation for your attic to efficient lighting to variable speed drives for motors. It is a resource that is difficult to understand as efficiency is "produced"

through evaluation, design, engineering and installation of measures. Utah is rich with resources that allow us to produce and deliver electricity and natural gas at some of the cheapest rates in the nation. Efficiency is a resource which compliments this low cost generation by providing Utah with the ability to gain the most benefit from the energy we produce.

Governor Herbert has a balanced vision for energy development in Utah. Through the vision he provided in the Strategic 10 Year Energy Plan to leadership he is providing as chairman of the Western Governor's Association, Governor Herbert continues to advocate for developing Utah's energy resources responsibly. A crucial component of this vision for responsible development is energy efficiency, which also provides Utah with a winning formula for economic development. Energy Efficiency provides good paying jobs that will remain in Utah. Energy Efficiency provides Utah residents with a resource that creates more comfortable homes that cost less to operate. Energy Efficiency provides Utah businesses with a resource that allows them to reduce their operations costs, freeing up capital to reinvest and grow.

Energy is the foundation upon which Utah will continue to grow its economy. As Energy Advisor to Governor Herbert, I look forward to discovering new ways in which we can work to advance utilization of Energy Efficiency in Utah.

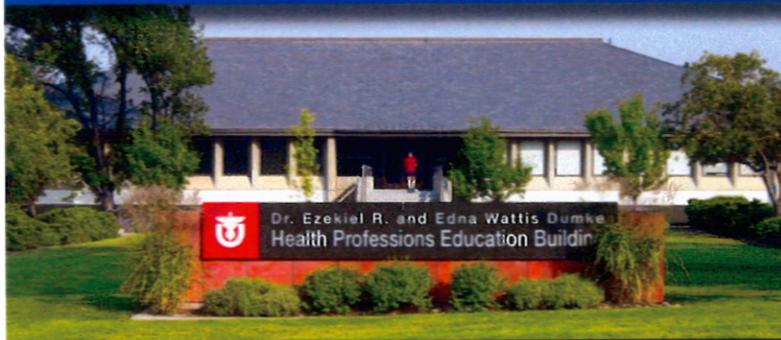


Image courtesy Utah Office of Energy Development

### University of Utah Dumke Health Professions Education Building receives critical HVAC upgrade

In an effort to reduce escalating energy costs, the University of Utah identified several buildings in need of energy retrofits.

The Dumke Health Professions Education Building, which houses the Physical Therapy, Occupational Therapy, and Division of Anatomy and Body Donation programs, was ranked internally as the facility with the worst HVAC (heating, ventilation, and air conditioning) system on campus. The building recently underwent an upgrade that improved the cooling system while replacing antiquated and faulty controls, two boilers and related equipment.

Three goals guided the project: 1) increase the energy efficiency of the building to reduce operating costs; 2) improve the environmental control in the building and, as a result, increase occupant satisfaction and comfort; and 3) increase reliability of the building and decrease maintenance costs.

Employees and patients of the Physical Therapy and Occupational Therapy programs have already noticed welcomed improvements to the comfort of their indoor air temperature during therapy sessions. Occupants have also greatly benefitted from reduced noise pollution with the new boilers. Additionally, having an effective HVAC system at the second floor Human Anatomy and Body Donation programs is critical for the safe and successful functioning of this unique and sensitive facility space. Teams on the second floor have benefitted greatly from the peace of mind of having consistent and reliable cooling and air exchange systems.

Budgeted at just over \$1 million the energy savings for this seventies era 52,000 square-foot building is expected to reduce electricity use by approximately 20,000 kWh per month and natural gas use by 400 decatherms per month (winter only). Funding for the project was provided by the State of Utah and by a generous grant from the U.S. Department of Energy through the American Recovery and Reinvestment Act (ARRA). Our compliments to the many people involved in this successful and important project.

### Energy Codes Training

The Office of Energy Development offers building energy codes training on a regular basis. This free training provides resource information on the currently adopted state-wide building energy codes. The program, which has been ongoing since 2007, is made possible through a wide-range of support. Sponsors include Rocky Mountain Power, Questar, the American Institute of Architects, the U.S. Department of Energy, and the State of Utah. Please visit our website at [www.energy.utah.gov](http://www.energy.utah.gov) to learn more about the energy codes training program and to view a schedule of upcoming training events.



### OED launches U-Save Energy Fund

Newly launched through OED, the U-Save Energy Fund finances energy-related cost-reduction retrofits for publicly owned buildings including state, tribal, municipal (city and county), public school district, charter school, public college, and public university facilities. The program's revolving loan mechanism allows applicants to repay loans through the stream of energy cost savings realized from the projects.

Energy conservation measures financed through the program include, but are not limited to:

- energy efficient street lighting,
- energy efficient lighting systems,
- high efficiency heating, ventilation and air conditioning systems,
- energy management systems and
- building shell improvements.

*Applicants repay loans through the stream of energy cost savings realized from the projects*

The fund's current size is \$4 million and applications for \$1.5 million of available funds were due on August 10, 2012. Please visit [www.energy.utah.gov/usave](http://www.energy.utah.gov/usave) to learn more about the fund and how to identify potential projects in your organization and community.



# Renew Utah

Utah's Quarterly  
Renewable Energy  
Newsletter

September 2012

## Welcome from OED, Intro to New Energy Advisor

Welcome to the Office of Energy Development's first Quarterly Renewable Energy Newsletter. Our hope is that through this regular update, OED can share relevant information about developments in Utah's renewables sector in a balanced way that reflects the challenges and opportunities that renewable energy faces in our state. Through this effort OED hopes to live up to one of its key strategic objectives, which is to provide energy outreach and education that advances a productive dialogue on energy here in Utah.

OED's vision is to serve as the primary resource for advancing energy development in Utah, and we hope that by regularly presenting fact-based updates and insights we can help to foster a nascent, but promising, renewable energy industry in the great State of Utah.

To begin the conversation we touched base with **Cody Stewart, the Governor's newly appointed Energy Advisor**, to hear his thoughts on renewable energy.

**OED:** *What is the Governor's policy on renewable energy in the State of Utah?*

**Stewart:** *In his Energy Plan the Governor clearly outlines an all-of-the-above policy with regard to both conventional and alternative resources, so clearly the state of Utah and the Governor support renewables. That support is backed by an impressive incentives package. Many question the Governor's true commitment to non-fossil resources, and that's not fair. He simply recognizes the natural assets we have here in Utah, and is hesitant to eschew those assets in the favor of newer, more expensive alternatives. That said, he sees the economic opportunity and the low risk profile associated with renewables as holding great promise for Utah.*

**OED:** *How do you see your role with regard to the advancement of renewables in the state?*

**Stewart:** *My job is to be an educator and a facilitator of economic development opportunities in each energy sector. In the area of renewables, I want to push the discussion beyond incentives,*

### In this issue

- Intro to Governor's Energy Advisor
- Proposed Expansion of Solar Program
- Cove Fort Geothermal
- Pictured above: Enel Geothermal plant in Nevada

### Page 1 Links

- [10-Year Strategic Energy Plan](#)
- [Governor's Press Release on Stewart](#)

### Announcements

- 2013 Utah Gov's Energy Development Summit dates announced: 1/10 & 1/11
- Rules governing new Alt. Energy Development Incentive in effect 9/22
- Office of Energy Development hires Rob Simmons (formerly USTAR) as new Mgr. of Unconventional Energy

Contd. from page 1

Page 2 Links

and encourage folks to understand the unique values renewables offer, so they're willing either to pay the premium, or get creative about driving costs down through technology advances or creative financing.

**OED:** What renewable resources offer Utah the most value in the near term?

**Stewart:** Any resources able to add value to the grid, as opposed to stress, will be more exciting for me, and offer more immediate value to system operators. So I'm interested in base load resources, energy storage, and generation that's integrated with storage, offering some flexibility around peak hours. For that reason, I'm excited that we're seeing some movement again in the geothermal realm down in Cove Fort, because we're one of a handful of states with a resource, and it's critical that we learn how to capitalize on it in the coming years.

- [RMP's Customer Generation Site](#)
- [Enel Green NA — Cove Fort](#)
- [GEA Report on Geothermal Developments in US](#)

## Utility's Solar Rebate Under Review by Commissioners

### Rocky Mtn. Power moves to expand program

Following months of working group meetings held at the bequest of the Public Service Commission (PSC), on September 12th Rocky Mountain Power (RMP) officially proposed a significant expansion of its Solar Incentive Program, to become effective in 2013, assuming PSC approval.

As proposed, the incentive would be \$1.25/watt for residential, \$1/watt for small commercial, and \$0.8/watt for large commercial. Residential and small commercial incentives would be paid up-front, and large commercial incentives would be paid over a period of five years.

RMP has shown willingness to expand the program due to a study showing that such a program passed the utility cost test. Excitement is building in the solar contractor community in anticipation of the first lottery to be held early in 2013.

Under this program, and combined with State and Federal tax credits, a hypothetical 3.4 kW system costing ~\$20,400 would effectively cost homeowners just over \$8,000. Given the prospect of this significant addition to the incentive landscape, OED anticipates remarkable growth in the realm of distributed solar generation.

## Cove Fort Geothermal

### Enel Green NA to partner with Ormat

Enel Green Power, through its subsidiary Enel Green Power North America Inc., has begun construction work of the geothermal plant located in Cove Fort in southern Utah (USA).

The new plant will have a gross installed capacity of 25 MW, and will be able to generate around 160 GWh of electricity per year. The project, which should be operational by the end of 2013, will bring a total investment of approximately 126 million dollars to Utah, and will create

"We are pleased to begin another major geothermal project in the US, an industry in which EGP is already a strong player in that country, with two innovative systems using binary technology in Nevada, one of which, Stillwater, is also paired with a photovoltaic system, the first of its kind in the world," said Francesco Starace, CEO of Enel Green Power.

Ormat Technologies recently signed a \$61.4 million EPC deal with Enel, and will apply the world's best technologies and expertise to make the project a success.

Utah is excited to welcome such experienced and competent developers to the state, and looks forward to continued partnerships that boost economic opportunities in rural communities.



### Office of Energy Development

Mission: To provide leadership in the balanced development of Utah's abundant energy resources through public and private partnerships for economic prosperity, energy independence, and a reliable, affordable energy supply.

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# Utah Office of Energy Development

## Year One Update (FY 11/12)

"OED's role is to serve as the primary resource for advancing energy development in Utah. Its mission is to provide leadership in the balanced development of Utah's abundant energy resources through public and private partnerships for economic prosperity, energy independence and a reliable, affordable energy supply."

### **The Office of Energy Development in its First Year**

It is rare that a new office is formed within state government, and such an action by a Governor is a serious expression of priority and focus. It is also one that requires a concerted and months-long effort that weighs heavily on multiple state offices, from Human Resources to the Attorney General's office. Creating the Office of Energy Development was particularly demanding in that it had to incorporate the State Energy Program, and synchronizing often-distinct sets of goals presented both philosophical and logistical conundrums.

Despite all these impediments, under Samantha Mary Julian's leadership the new office has demonstrated truly remarkable progress in the areas of policy making, industry assistance, technology deployment, and energy education. Further, while busy making progress in those mission-critical areas, it made time to host over 1,000 attendees at the widely-applauded First Annual Utah Governor's Energy Development Summit. OED's future, and by extension the future of energy development in our great state, looks very promising.

### **Strategic Objective No.1 - Create and Implement Policy**

- **The Alternative Energy Development Incentive:** Senate Bill 65 (Sen. Adams, Rep. Noel)
  - The Incentive is a 75%, 20 year tax credit for any large scale alternative energy projects. For oil shale and oil sands projects, large scale is defined as 1,000 barrels per day, and for nuclear and renewable projects large scale is defined as  $\geq 2$ MW.
- **The Utah Energy Infrastructure Authority (UEIA):** House Bill 137 (Rep. Barrus, Sen. Okerlund)
  - The Infrastructure Authority can help facilitate "energy delivery projects" with below-market financing realized through tax free bonds. The Authority's Board is composed of energy industry leaders and chaired by the Governor's Energy Advisor.

### **OED Moves Utah Toward a True "All of the Above" Approach to Energy**

In the 2012 General Session, the Office of Energy Development helped to craft and support two statutes that together represent a positive shift in how energy incentives are handled in Utah. Whereas previously the incentives were tailored exclusively to assist renewable energy project developers, in the 2012 Session OED helped to revitalize and broaden those tools to apply to far more types of resources and project activities.

The new **Alternative Energy Development Incentive** offers tax credits not only to renewable energy developers, but also to oil shale, oil sands, and nuclear projects.

The new **Utah Energy Infrastructure Authority** is likewise no longer limited in its application, and may now offer financing for transmission lines and pipelines that facilitate any type of responsible energy development here in Utah.

### **Strategic Objective No.2 - Assist Industry**

- Incentives provided for residential and commercial generation: **\$6.2million, leveraging \$47.3 million**
- Projects supported through permitting assistance, letters of support, etc: **23**
- Meetings with industry to build relationships in 1<sup>st</sup> year: **135**



## Utah Office of Energy Development

### Strategic Objective No.3 - *Build Relationships*

- Presentations to the public on Energy in Utah: **47**
- Meetings with stakeholder organizations and institutions: **298**
- Partnerships formed through MOU's, MOA's etc: **42**
- Letters responding to constituents with Energy questions and concerns: **84**

### *OED Delivers Millions of Dollars to Rural Utah for Energy Efficiency and Distributed Generation of Renewable Energy*

*The Utah Office of Energy Development inherited all of the State Energy Program's activities and funding, and with that came over \$40 million of American Recovery & Reinvestment Act stimulus funds. OED's team expedited the processes to get the dollars out the door and into communities along the Wasatch Front and throughout rural Utah. This activity supported the deployment of solar panels on dozens of school rooftops statewide, newer and more efficient heating and cooling equipment in municipal buildings and schools, and efficient streetlights to replace failing infrastructure. Additionally, through a variety of efficiency and renewables rebate programs OED helped to lower monthly utility costs for households and businesses. Altogether this activity leveraged tens of millions of private dollars in support of valuable infrastructure, and created or support hundreds of jobs throughout the state.*

### Strategic Objective No.4 - *Pursue Funding Opportunities*

- Grant funds awarded to advance energy education and technology deployment in Utah: **\$5.1 million**
- Private funds leveraged through the application of grant funds: **\$36 million**
- Private projects or research supported through grant assistance or letters of support: **48**

### *OED's Strong Leadership: Director & Energy Advisor with the Right Backgrounds, the Right Vision for Utah*

*Good leadership in OED's first year has been critical to its early successes. Hiring new staff and reorganizing the roles of an existing staff is not work for the lighthearted, nor is moving that staff to two new offices in the space of 12 months. Samantha Mary Julian led her team through those trials, and all the while kept them focused on executing the recommendations of the Governor's 10 Year Strategic Energy Plan.*

*After a year of Amanda Smith's productive stewardship, the Energy Advisor role was, in May, passed on to Cody Stewart, who was serving as Chief of Staff to Lieutenant Governor Greg Bell. Cody's extensive experience in energy and natural resources issues, acquired during his many years of policy work in Washington, D.C., provides him with just the right skill-set to advise Governor Herbert and OED on a breadth of energy issues relevant to Utah and the broader region.*

### Strategic Objective No.5 - *Foster Energy Education*

- Media pieces either by or about OED: **40**
- Energy seminars or trainings hosted by OED: **112**
- Attendees at seminars and trainings: **4,562**
- Energy conferences hosted or supported by OED: **43**
- Attendance at conferences hosted or supported by OED: **35,500**
- Regional and national energy conferences attended by OED staff: **42**

**STRATEGIC OBJECTIVE ONE****Create & Implement Policy****TOTALS**

Policies - Drafted & Run	2
Policies - Drafted & Run - Passed	2
Policies - Actively Supported	1
Policies - Actively Supported - Passed	1
Policies - Implemented	2
Policy Comments/Advisory Actions	4
National & Regional Policies Supported	0
Meetings, Policy Makers, Stakeholders - Loc.	43
Meetings, Policy Makers, Stakeholders - St.	20
Meetings, Policy Makers, Stakeholders - Fed	16

**STRATEGIC OBJECTIVE FOUR****Funding Opportunities****TOTALS**

Letters of Support - Grants/Research	24
Funding - Requested/Applied For	\$6,376,000
Funding - Awarded (ARRA, Other Programs)	\$5,608,000
Funding - Leveraged	\$36,068,046
Grants - Applications Supported	24
Energy Development Financing Program	\$1,500,000
Programs Initiated or Acquired	5
Staff Added	4
Research Triangle - Funding - Requested	0
Research Triangle - Funding - Awarded	\$45,000

**STRATEGIC OBJECTIVE TWO****Industry Assistance****TOTALS**

Energy Production in MMBTUs	476,346,518,465
Energy Revenue	\$4,500,000,000
Job Creation	1,042
Capital Investment	\$3,785,961,857
Meetings w/Industry	135
Pre-Permitting Meetings Convened by OED	1
Projects Permitted w/OED Support	4
Letters of Support - Projects	18
Incentives - Large Scale Dev. - Number	0
Incentives - Large Scale Dev. - Dollars	0
Incentives - Large Scale Dev. - Leveraged	0
Incentives - Dist. Deployment - Number	699
Incentives - Dist. Deployment - Dollars	\$6,154,019
Incentives - Dist. Deployment - Leveraged	\$47,264,973
Companies Spun out of Res. Triangle U's	0
Revenues to Res. Triangle U's	0

**STRATEGIC OBJECTIVE FIVE****Energy Education****TOTALS**

Media Stories About OED	22
Media Stories, Blogs, Press Rel. by OED	18
Seminars/Trainings - Hosted	112
Seminars/Trainings - Hosted - Attendees	4562
Conferences - Hosted	35
Conferences - Hosted - Attendees	1962
Conferences - Hosted - Dollars Raised	\$219,235
Conferences - Supported	8
Conferences - Supported - Attendees	33598
Conferences - Attended	42
Website - OED - Visits	31135
Website - Summit - Visits	2
Res. Triangle - Conf./Symposia - Hosted	7
Res. Triangle - Conf./Symposia - Attended	0

**STRATEGIC OBJECTIVE THREE****Relationship Building****TOTALS**

Presentations Given	47
Meetings w/Organizations & Institutions	298
Constituent Letters	84
Partnerships Formed (MOU, MOA, etc.)	39
Res. Triangle - Partnerships Formed	3