



GOVERNOR'S OFFICE OF  
**ENERGY** DEVELOPMENT

# Governor's Office of Energy Development NRAEQ Base Budget Presentation

*January 26, 2016*

Dr. Laura Nelson, Executive Director

# Role of the Governor's Office of Energy Development

---



- ▶ *The Governor's Office of Energy Development (OED) serves as the “primary resource for advancing energy and mineral development in the state” through a variety of means including the provision incentives and other forms of industry assistance, implementation of the state’s energy policy and the Governor’s energy sector goals and objectives, and engagement in energy and mineral education and outreach to K-12 and the broader public, including workforce development and research initiatives. (63M-4-401)*
    - ▶ Development & Planning
    - ▶ State & Federal Energy Policy
    - ▶ Infrastructure Development
    - ▶ Outreach & Education
- 
- 

# OED's Successes in FY15

---



## Development & Planning

- ▶ Launched C-PACE program
- ▶ Fueled 850 MW solar expansion with incentives (AEDI & PTC)
- ▶ Formed Energy and Agriculture team with UDAF
- ▶ Energy Sector Fiscal Impact Study: Assessed energy sector direct value of \$15.5 billion to Utah's economy

## State & Federal Policy

- ▶ Led State of Utah's efforts in responding to Clean Power Plan (III(d) & (B)) Potential savings to the State of Utah: \$32,950,000
- ▶ Provided industry/economic outlook on various proposed federal actions including Moab MLP, Tribal NSR, Sage Grouse, etc.



# OED's Successes in FY15

---

## Infrastructure Development

- ▶ High Cost Infrastructure Tax Credit program
- ▶ EV charging station installations valued at \$151,000 in partnership with UVU, USU, SLC, SLC<sub>o</sub>.
- ▶ “U-Save” loan to Canyons School District for \$750,000 in major EE upgrades

## Outreach & Education

- ▶ In addition to Governor's Energy Summit, launched the Utah Air & Energy Symposium and hosted the International Oil Shale Symposium
- ▶ Launched “Utah Drives Electric” website: [utahdriveselectric.org](http://utahdriveselectric.org)
- ▶ Secured \$200,000 Utah Cluster Acceleration Program grant to facilitate launch of K-12 and beyond Utah Energy & Minerals Education Initiative





# OED's Value-Add: *Select Programs*

<b>FY15 OED Activity</b>	<b>Investment Leveraged or Cost Saved**</b>
Administration of Renewable Energy Systems Tax Credit	\$53,325,249.00
Administration of Alternative Energy Development Tax Credit	\$820,154,761.00
Launch of Commercial Property Assessed Clean Energy Program	\$500,000.00
Administration of the U-Save Revolving Loan Fund	\$1,200,000.00
Installation of EV charging stations in partnership with UVU	\$21,000.00
Procurement of Electric Vehicles for UVU administration	\$32,500.00
Installation of EV charging stations in partnership with USU	\$5,000.00
Installation of EV charging stations in partnership with Salt Lake City	\$55,000.00
Installation of EV charging stations in partnership with Salt Lake County	\$37,500.00
Governor's Utah Energy Development Summit	\$250,000.00
Creation of the Utah Energy & Minerals Education Initiative	\$220,000.00
Other forums and symposia	\$125,000.00
Administering State Energy Program on behalf of the US Dept. of Energy	\$350,000.00
Clean Power Plan comments and correction of EPA's errors	\$32,950,000.00
Growing the University of Utah's Nuclear Engineering Department	\$1,000,000.00
	<b>\$910,226,010.00</b>



# Compendium of Budgetary Information (COBI) Metrics



- ▶ Private spending leveraged nearly met the 25:1 target; Note: FY15 investment is 6 times >FY14
- ▶ Educational outreach is low, perhaps reflecting that our COBI target may be artificially high following years of major ARRA education investments
- ▶ Growth in energy production lags behind that of the nation as a whole
  - ▶ Growth despite current low commodity prices (note this is EIA & DOGM data from the 2014 calendar year)

	Private Spending Leveraged		
Year	FY 2013	FY 2014	FY 2015
Target	17,296,407	73,739,200	983,348,450
Actual	17,020,562	136,393,286	873,480,010
% of Target	98.41%	184.97%	88.83%

	Participants Hosted at Educational Events		
Year	FY 2013	FY 2014	FY 2015
Target	3,000	3,000	3,000
Actual	2,266	5,097	1,612
% of Target	75.5%	169.9%	53.7%

	Energy Production Growth		
Year	FY 2013	FY 2014	FY 2015
Target	1.7%	2.1%	6.1%
Actual	-1.3%	0.9%	3.1%
% of Target	-76.5%	42.9%	50.8%





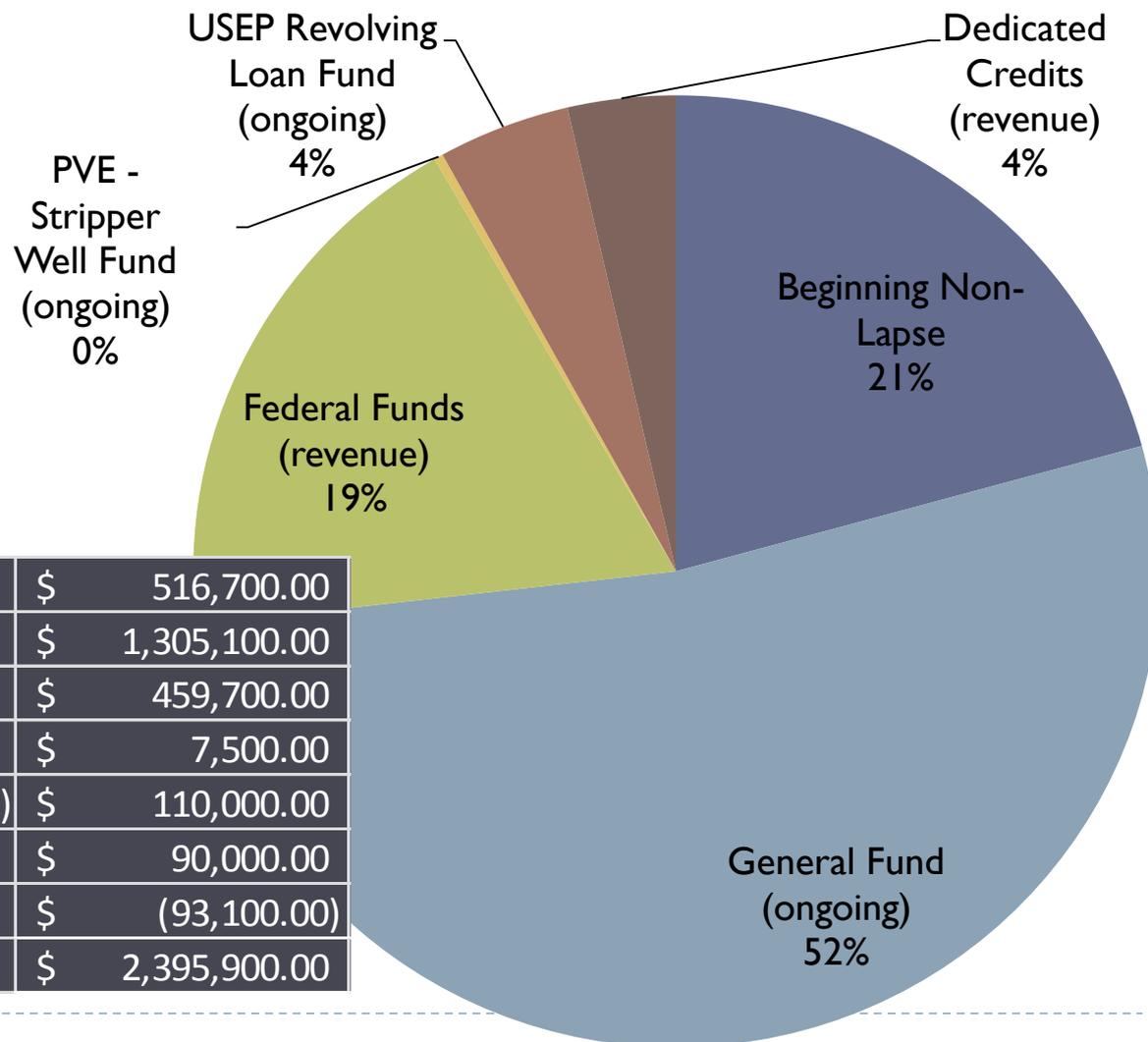
# OED Staffing

Name	Core Area	Title/Role	Funding Source	Year Funded	Statutory Guidance
Laura Nelson	Leadership	Executive Director	General Fund	2011 GS	63M-4-401 (2)(a) ; 63M-4-301
Jeffrey Barrett	Leadership	Deputy Director	General Fund	2013 GS	63M-4-401 (2)(b) ; 63M-4-301
Michele Pasker	Administration	Financial Manager	General Fund	2014 GS	63M-4-401 (2)(b) ; 63M-4-301
Meghan Stettler	Administration	Public Information Officer	General Fund	2014 GS	63M-4-401 (2)(b) ; 63M-4-301
Trena Sligting	Administration	Administrative Assistant	General Fund	2012 GS	63M-4-401 (2)(b) ; 63M-4-301
Alair Emory	Development & Planning	Advanced Energy Systems Manager	General Fund	2013 GS	63M-4-401 (2)(b) ; 63M-4-301(1)(b)(i)
Jordan Clark	Development & Planning	Conventional Energy Manager	General Fund	2013 GS	63M-4-401 (2)(b) ; 63M-4-301(1)(b)(i)
Blake Thomas	Development & Planning	Renewable Energy Coordinator	Fed 0.8, RLF 0.2	N/A	63M-4-401 (2)(c),(4)(a), (4)(c) ; 63M-4-301(1)(b)(ii)
Shawna Cuan	Development & Planning	Building Energy Efficiency Coordinator	Fed 0.9, PVE 0.1	N/A	63M-4-401 (2)(c),(4)(a), (4)(c) ; 63M-4-301(1)(h)
Robert Simmons	State & Federal Policy	Energy Policy & Law Manager	General Fund	Unfunded	63M-4-401 (3)(a), (3)(b) ; 63M-4-301(1)(f)(i), (ii)
Peter Ashcroft	State & Federal Policy	Resource & Policy Analyst	General Fund	2013 GS	63M-4-401 (2)(b); 63M-4-301(1)(f)(i), (ii)
Bartly Mathews	Outreach & Education	Programs & Planning Manager	Fed 0.9, PVE 0.1	N/A	63M-4-401 (2)(c),(4)(a),(4)(c) ; 63M-4-301(1)(h)
Richard Bell	Outreach & Education	Transportation & Incentives Coordinator	Fed 0.5, PVE 0.5	N/A	63M-4-401 (2)(c),(4)(a),(4)(c) ; 63M-4-301(1)(b)(iv),(v)
Brooke Kimball	Outreach & Education	Efficiency & Environmental Coordinator	Fed 0.4, PVE 0.6	N/A	63M-4-401 (2)(c),(4)(a),(4)(c) ; 63M-4-301(1)(h)
Alan Blanch	Outreach & Education	Grants & Education Coordinator	General Fund	2013 GS	63M-4-401 (2)(b) ; 63M-4-301(1)(h)





# FY2017 Funding Structure



Beginning Non-Lapse	\$ 516,700.00
General Fund (ongoing)	\$ 1,305,100.00
Federal Funds (revenue)	\$ 459,700.00
PVE - Stripper Well Fund (ongoing)	\$ 7,500.00
USEP Revolving Loan Fund (ongoing)	\$ 110,000.00
Dedicated Credits (revenue)	\$ 90,000.00
Lapsing	\$ (93,100.00)
<b>TOTAL FY17 BASE</b>	<b>\$ 2,395,900.00</b>



# FY2017 Carry-Forward

---

Beginning Non-lapsing FY2017	Amount	Purpose
PVE Stripper Well	\$381,700.00	DOE-approved programs in conjunction with State Energy Program
Energy Research Triangle	\$135,000.00	Final disbursements on awards. Program year ends 8/31/16
<b>TOTAL</b>	<b>\$516,700.00</b>	

## ▶ **Legislative Intent**

- ▶ PVE - STRIPPER WELL - *Expenditures of these funds are limited to commercial and industrial energy efficiency and renewable energy programs involving building improvements, infrastructure, transportation and agriculture.*
- 
- ▶



# FY2017 Expenses & Trends

	FY14		FY15		FY16 est		FY17 budget	
	Actual	% of Total	Actual	% of Total	Estimated	% of Total	Estimated	% of Total
Personnel	\$ 1,168,900.00	57.31%	\$ 1,474,900.00	68.85%	\$ 1,574,400.00	70.03%	\$ 1,571,200.00	65.58%
Travel	\$ 22,800.00	1.12%	\$ 60,000.00	2.80%	\$ 66,100.00	2.94%	\$ 66,100.00	2.76%
Current Expense	\$ 387,700.00	19.01%	\$ 269,200.00	12.57%	\$ 233,700.00	10.39%	\$ 121,300.00	5.06%
<b>LEASE*</b>	<b>\$ 70,023.00</b>	<b>18.06%</b>	<b>\$ 73,019.00</b>	<b>27.12%</b>	<b>\$ 111,389.00</b>	<b>47.66%</b>	<b>\$ 114,131.00</b>	<b>94.09%</b>
DP Current Expense	\$ 41,600.00	2.04%	\$ 52,900.00	2.47%	\$ 52,900.00	2.35%	\$ 52,900.00	2.21%
DP Capital	\$ 7,200.00	0.35%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Pass Through	\$ 411,500.00	20.17%	\$ 252,500.00	11.79%	\$ 290,200.00	12.91%	\$ 553,500.00	23.10%
Cost Accounts	\$ -	0.00%	\$ 32,600.00	1.52%	\$ 30,900.00	1.37%	\$ 30,900.00	1.29%
<b>TOTAL</b>	<b>\$ 2,039,700.00</b>		<b>\$ 2,142,100.00</b>		<b>\$ 2,248,200.00</b>		<b>\$ 2,395,900.00</b>	

**\*LEASE % of TOTAL reflects % of total CURRENT EXPENSE category**

- ▶ Personnel – FY17 reductions attributed to attrition
- ▶ Lease – increasing cost but no additional space



# Administrative Issues & Challenges in Coming Months, Years

---



- ▶ **Growth in tax credit programs may threaten capacity**
  - ▶ Alternative Energy Development Tax Credit; Renewable Energy Systems Tax Credit (ITC/PTC); High Cost Infrastructure Tax Credit
- ▶ **Turnover is a significant and growing challenge**
- ▶ **Current lease set to expire; does not provide sufficient space for current staff, and certainly not for any additional staff**
- ▶ **Adaptation to meet industry needs:**
  - ▶ Depressed commodity prices seem to have staying power
  - ▶ Rapidly changing utility business may challenge reliability & affordability
  - ▶ Rapid price declines, growth in deployment of distributed resources
  - ▶ Growing need for additional linear energy infrastructure
  - ▶ Growing opportunities for rural economic development
  - ▶ Growing importance of energy efficiency & conservation



# Questions?

Governor's Office of Energy Development  
NRAEQ Base Budget Presentation  
*January 26, 2016*

Dr. Laura Nelson, Executive Director