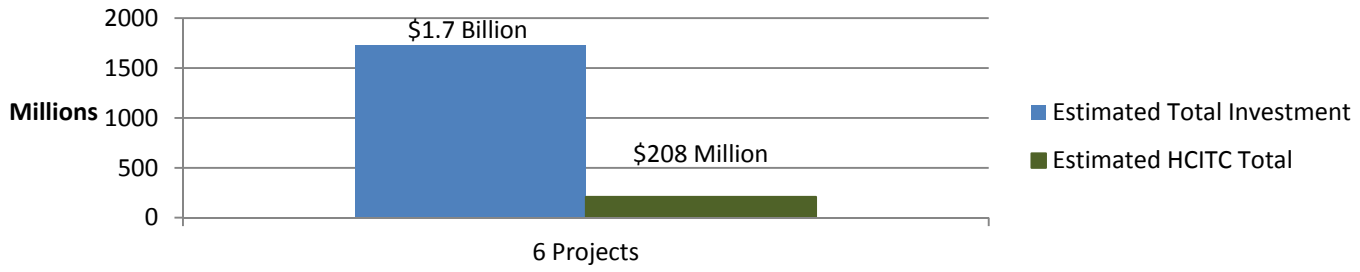
INVESTMENT LEVERAGED FROM OED PROGRAMS

The Governor's Office of Energy Development's (OED) mission is to advance Utah's energy and minerals economy through effective implementation of State Energy Policy and other statutory obligations found generally in Utah Code Title 63M, Chapter 4. As part of these obligations, OED administers a number of state energy tax incentive programs, including the High Cost Infrastructure Tax Credit (HCITC), the Advanced Energy Development Incentive (AEDI), and the Renewable Energy Systems Tax Credit (RESTC), which includes a Production Tax Credit (PTC) for utility-scale renewable electricity production.

Based on market-based principles, incentives can be a useful tool in driving investment in innovation and infrastructure that support the overall economy. It is always appropriate to discuss the value of incentives in driving desired outcomes. For example, the HCITC allows for direct investment and incentives for infrastructure that can support the cost-effective delivery of Utah oil, gas, coal and other commodities to domestic and global markets. And, the AEDI tax incentive supports the development of nuclear, oil shale, oil sands and advanced coal energy generation, as well as renewable energy technologies. In the charts below, private investments leveraged from incentives administered by OED are represented in blue, the corresponding state investments in those incentives are represented in green.

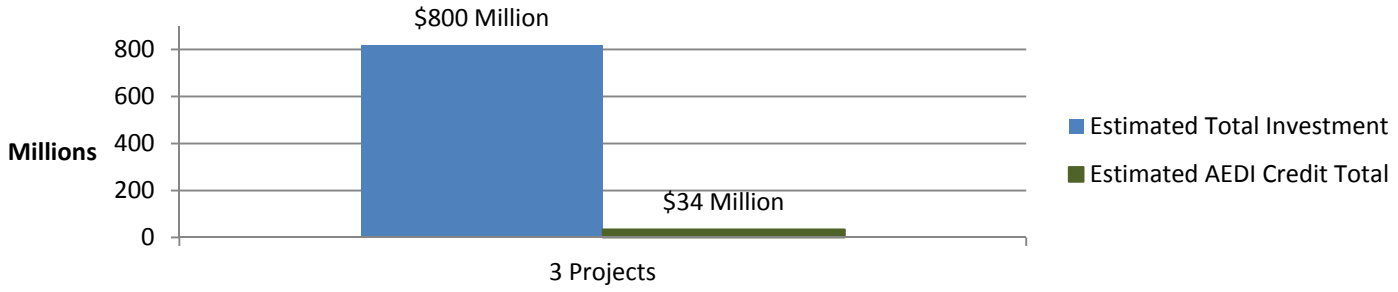
HIGH COST INFRASTRUCTURE TAX CREDIT

A non-refundable tax credit of 30 percent of qualifying infrastructure-related state revenue generated during a qualifying tax period for up to 20 years. The total tax credit authorized for a project will be 50 percent of the cost of the infrastructure investment.



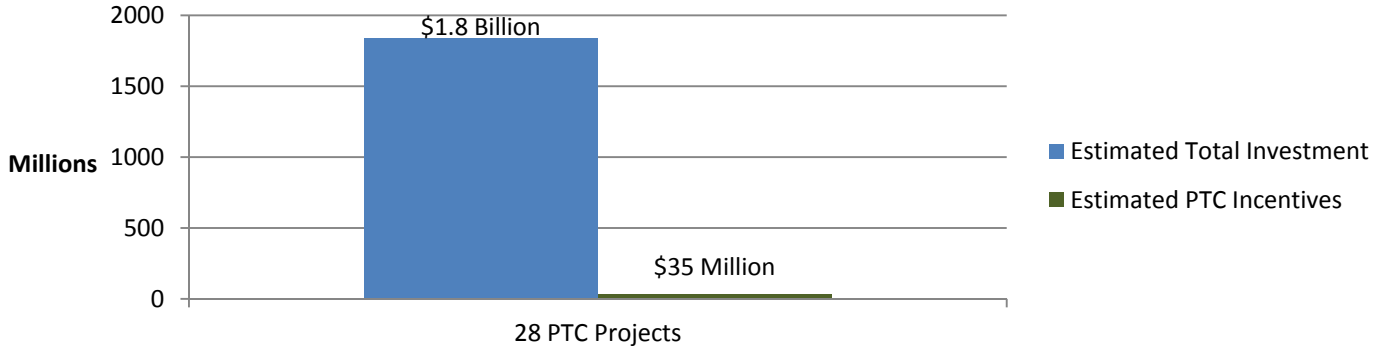
ALTERNATIVE ENERGY DEVELOPMENT INCENTIVE

A fixed post-performance credit of 75 percent of all newly generated state revenues for 20 years. Eligible projects include the construction of electricity generation facilities of 2 megawatts or greater.



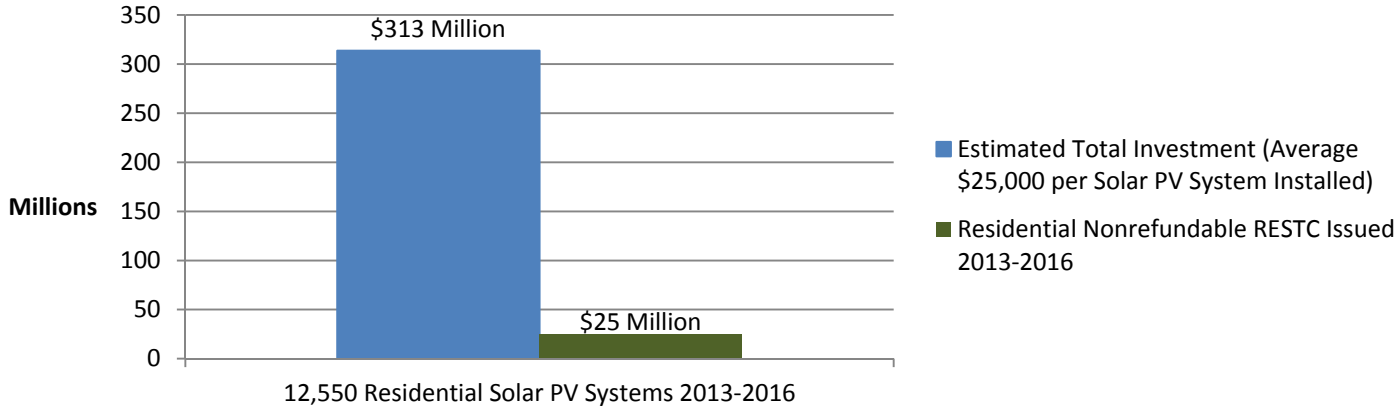
PRODUCTION TAX CREDIT

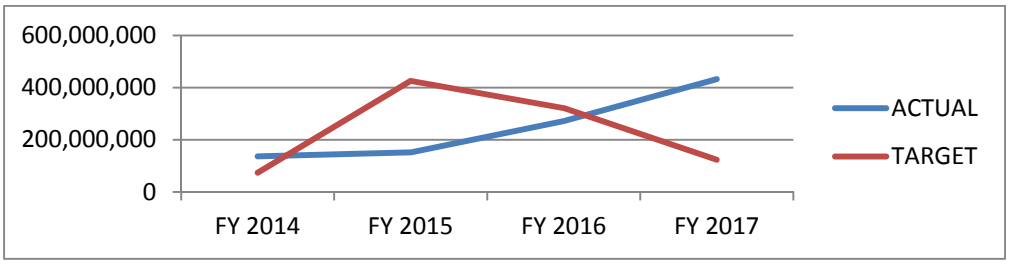
For large scale projects that are 660 kilowatts or greater. The PTC is calculated as $.0035 (.35¢) per kilowatt hour of produced electricity during the project's first 48 months.



RENEWABLE ENERGY SYSTEMS TAX CREDIT

The Renewable Energy Systems Investment Tax Credit (RESTC) can be applied to both residential and commercial installations utilizing solar photovoltaic, solar thermal, wind, geothermal, hydro, and biomass technologies. The Residential Tax Credit is non-refundable and is calculated as 25% of the eligible system cost or $2,000, whichever is less. The Commercial Tax Credit is refundable and is calculated as 10% of the eligible system cost or $50,000, whichever is less.



OED COBI METRIC – PRIVATE INVESTMENT LEVERAGED

PRIVATE INVESTMENT LEVERAGED				
YEAR	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**
ACTUAL	136,393,286	151,613,249	272,157,461	432,489,466
TARGET	73,739,200	426,010,253	321,338,264	123,377,935