



UTAH OFFICE OF
ENERGY DEVELOPMENT

NRAEQ Appropriations Subcommittee

August 2022

Office of Energy Development





UTAH OFFICE OF
ENERGY DEVELOPMENT

Oil and Gas Market Outlook



UTAH OFFICE OF
ENERGY DEVELOPMENT

Implementation of Past Funding

- 
- 
- HB 235: Home Energy Labeling
 - Isotopes Research Funding
 - Transmission study
 - Coal to Carbon





UTAH OFFICE OF
ENERGY DEVELOPMENT

Staff Changes





UTAH OFFICE OF
ENERGY DEVELOPMENT

2016-2021 Tax Credit Participation

Renewable Energy Systems Tax Credit (RESTC)

- Credits for home and business owners who install renewable energy systems (mostly solar PV) on their property.
- Residential nonrefundable credit is calculated as 25% of system cost or the installation year limit, whichever is less.
 - Installation Year Limit:
 - Before 2018 = \$2,000
 - 2018-2020 = \$1,600
 - 2021 = \$1,200
 - 2022 = \$800
 - 2023 = \$400
 - Gone in 2024
- Commercial refundable credit is calculated as 10% of the system cost or \$50,000, whichever is less.

RESTC Amounts*

Number of Credits Approved	21,454
Amount in Credits Approved	\$42,699,697
Avg Credit Amount	\$1,990

RESTC Annual

Year	Number of Applications
2017	4,890
2018	3,775
2019	4,911
2020	2,224
2021	5,654
Yearly Avg	4,291

*Numbers are approximate due to changes in reporting and programs over the past few years.



Production Tax Credit (PTC)

- Refundable credit for utility-scale (>660 kW) renewable energy projects.
 - Mostly solar PV, but can be for wind, geothermal, and biomass projects.
- Calculated as \$0.0035 per kWh produced.
- Credit lasts for the first 48 months of operation.

PTC Amounts*

Number of Projects Approved	37
Amount in Credits Approved	\$82,307,299
Avg Credit Amount	\$2,224,522

*Numbers are approximate due to changes in reporting and programs over the past few years.



High-Cost Infrastructure Tax Credit (HCITC)

- Nonrefundable credit for large scale infrastructure improvements. Infrastructure must benefit local community and/or the state.
- Credit is calculated as 30% of infrastructure related revenue annually until 50% of the infrastructure cost is met (30% for tier III fuel compliance projects).

HCITC Amounts*

Number of Projects Approved	15
Estimated Amount in Credits Approved**	\$311,118,683
Avg Credit Amount	\$20,741,246

*Numbers are approximate due to changes in reporting and programs over the past few years.

**Amount is an estimate due to no credits being claimed yet.



Alternative Energy Development Incentive (AEDI)

- Nonrefundable credit for qualifying projects that produce at least 2 MW of electricity, 1,000 daily oil barrel equivalence, or 50 daily barrels biomass fuel.
 - Qualifying projects range from renewable resources (e.g. solar, wind, etc.) to unconventional fossil fuel resources (e.g. oil shale, coal-to-liquids, etc.)
- Credit is calculated as a fixed post-performance credit of 75% of new eligible state revenues for 20 years.

AEDI Amounts*

Number of Projects Approved**	7 (3 active)
Estimated Amount in Credits Approved***	TBD

*Numbers are approximate due to changes in reporting and programs over the past few years.

**Of the total 7 pre-approved projects, only 3 followed-through with the second application process and are thus considered "active".

***Estimated amount is yet to be determined due to the credit being post-performance and based on new state revenues.



Well Workover and Recompletion Severance Credit (WWR)

- Nonrefundable severance tax credit for oil and gas operators who perform well workovers or recompletions.
- Credit is processed by the Utah Division of Oil, Gas, and Mining.

WWR Amounts*

Number of Credits Approved**	158
Amount in Credits	\$2,719,080
Avg Credit Amount	\$17,209

*Numbers are approximate due to changes in reporting and programs over the past few years.

**Only from Oct. 2020 - Dec. 2021



Thank you!



—— UTAH OFFICE OF ——
ENERGY DEVELOPMENT