



OFFICE OF ENERGY DEVELOPMENT

STAFF: ANGELA J. OH, IVAN DJAMBOV, AND ZACKERY KING

ISSUE BRIEF

SUMMARY

On the final day of the 2011 General Session, the Legislature passed H.B. 475, “State Energy Amendments,” which created a new Office of Energy Development (OED). The bill intended to centralize energy-related functions and budgets from other areas of state government. The bill’s fiscal note outlined the transfer of funds that would be necessary. However, the bill passed after passage of the Bill of Bills (S.B. 3, “Appropriation Adjustments”) and therefore too late to transfer the funds.

The following table shows the transfers that should be made according to the latest figures provided by the agencies:

	FY 2012			FY 2013		
	Natural Resources	Governor's Office	Total	Natural Resources	Governor's Office	Total
General Fund			\$0	\$61,500	\$200,000	\$261,500
General Fund 1-time	\$61,500	\$400,000	\$461,500			\$0
ARRA Federal Funds	\$29,000,000		\$29,000,000			\$0
Federal Funds	\$237,500		\$237,500	\$237,500		\$237,500
Dedicated Credits	\$89,700		\$89,700	\$89,700		\$89,700
Nonlapsing Balances		\$244,900	\$244,900			\$0
Total	\$29,388,700	\$644,900	\$30,033,600	\$388,700	\$200,000	\$588,700

The three agencies have worked together to operate the functions of the new office under existing appropriations until the transfers are completed during the 2012 General Session. The new office is physically housed at the Department of Environmental Quality and is receiving administrative support from that department. OED’s goals are aligned with the Governor’s “Utah Energy Initiative,” a ten-year strategic energy plan (see <http://www.utah.gov/governor/docs/10year-strategic-energy.pdf>).

OED’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. The office focuses on:

1. Conventional energy,
2. Unconventional energy,
3. Energy efficiency, and
4. Renewable energy.

RECOMMENDATIONS

In order to implement the provisions of H.B. 475, the Analyst recommends the Legislature:

1. Authorize creation of a new line item titled, "Office of Energy Development" under the purview of the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee, and
2. Authorize transfer of funds from the Governor's Office – Energy Advisor and from the Department of Natural Resources – Utah Geological Survey – Utah State Energy Program to the new Office of Energy Development as outlined above (as a transfer, this will not increase or decrease overall appropriations statewide).