



American Planning Association – Vernal | May 12, 2023

The Benefits of Oil and Gas in Your Community





How Does Utah Rank?



7th nationally for non-fuel mineral production

10th nationally for coal production

9th nationally for oil production

11th nationally for gas production

How Does Utah Rank?



Crude Oil Production ?

Texas

1.7M Mbbl

New Mexico

459.8K Mbbl

North Dakota

393.8K Mbbl

Alaska

159.6K Mbbl

Colorado

144.6K Mbbl

Oklahoma

143.1K Mbbl

California

130.6K Mbbl

Wyoming

84.8K Mbbl

Utah

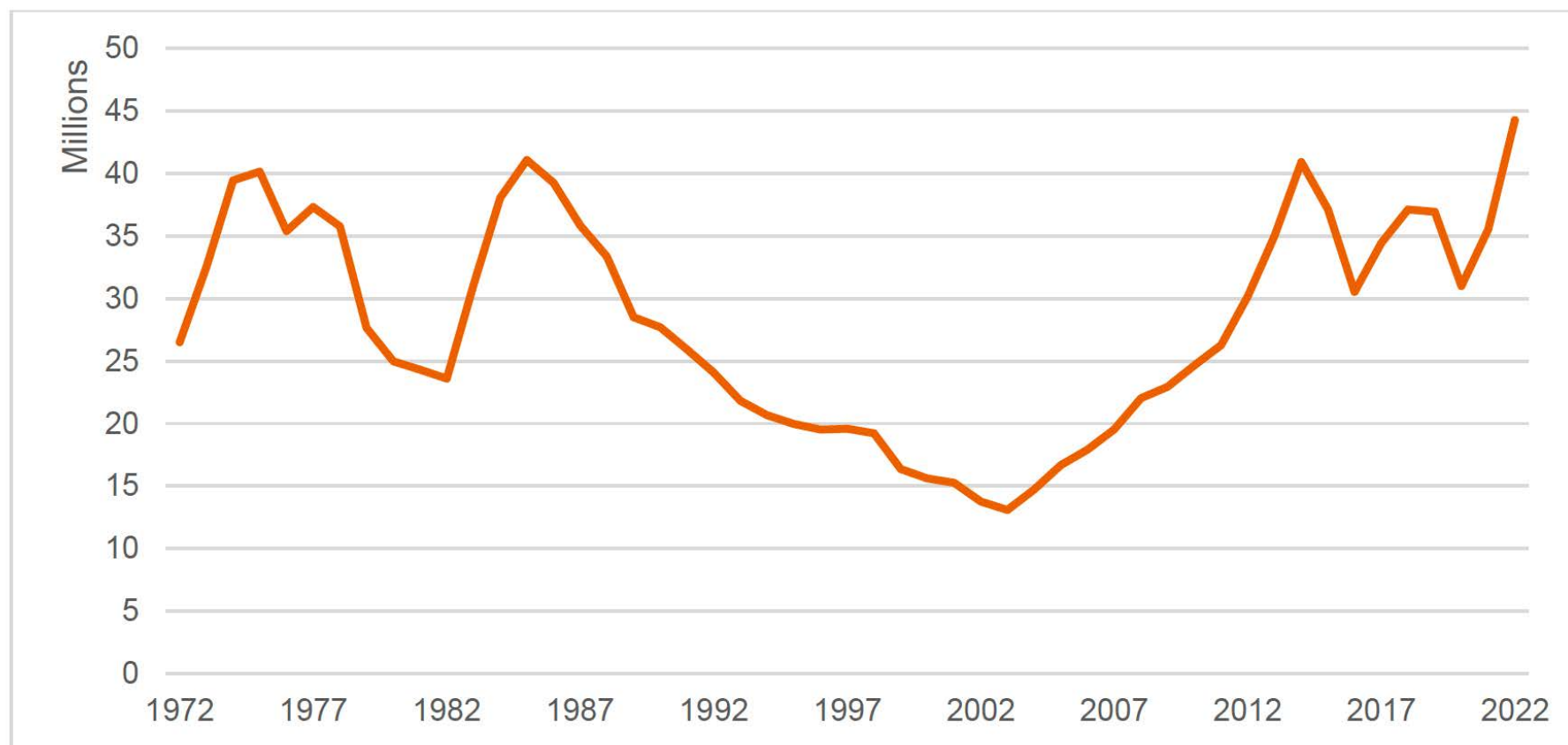
36.3K Mbbl

Louisiana

32.8K Mbbl

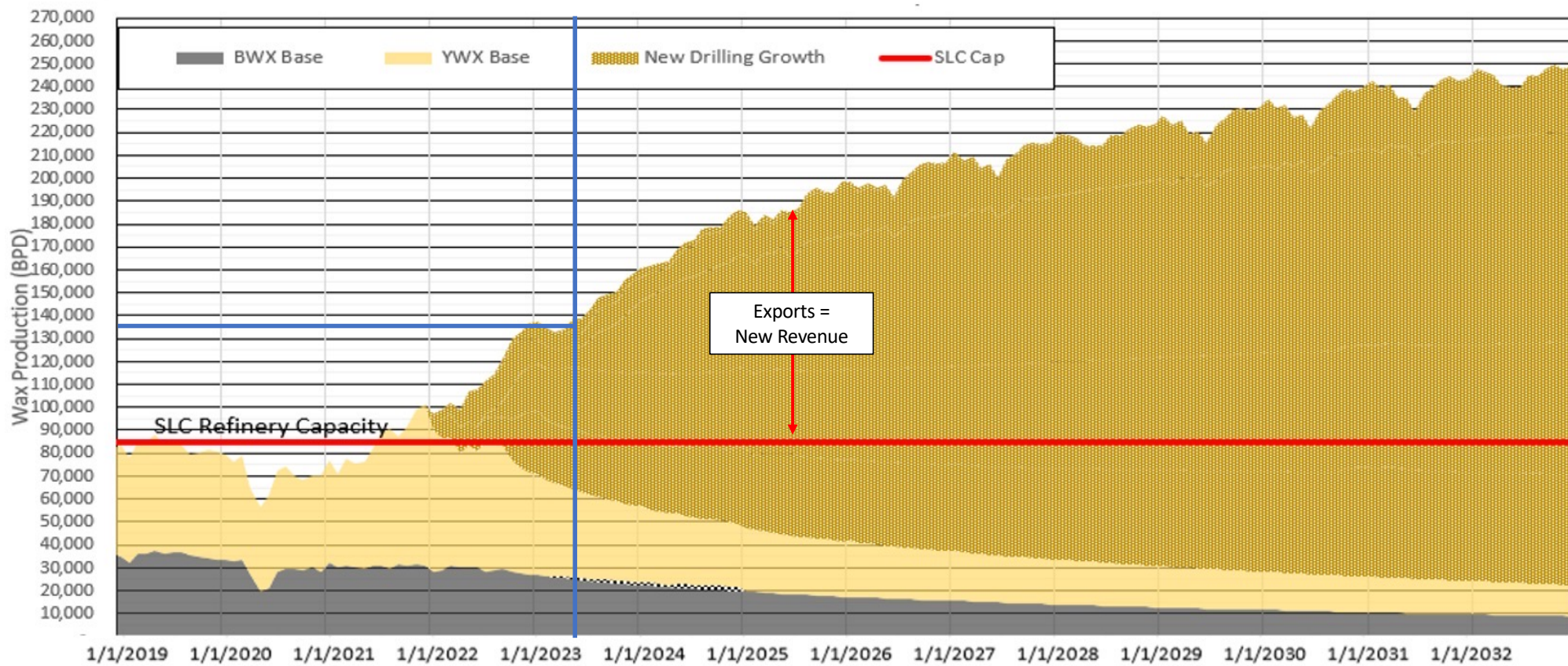


2022 Record Breaking Oil Production (M bbls)

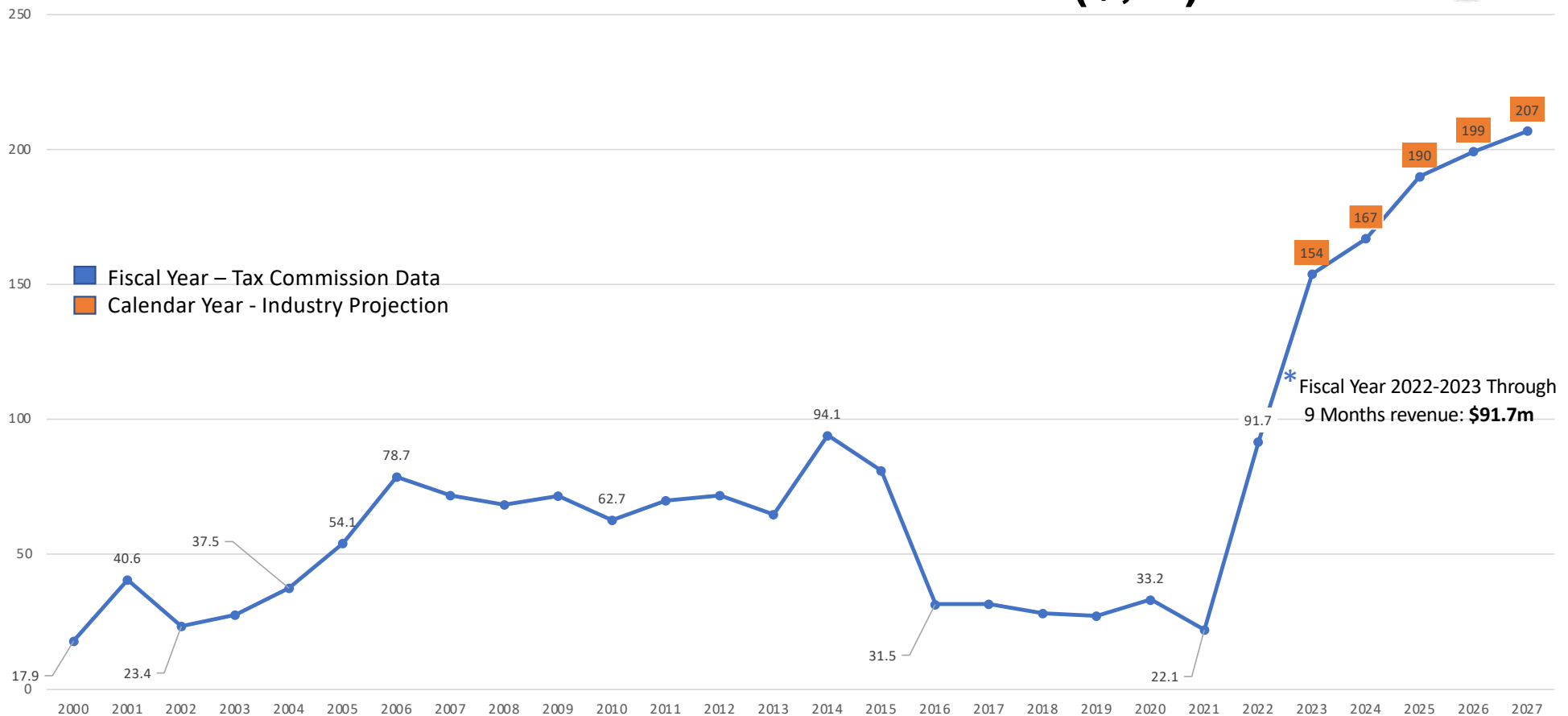


Source: Utah Department of Natural Resources.

Uintah Basin Growth Projection



Why Production Growth is Good - Oil and Gas Severance Tax (\$,m)



THE OIL & GAS SECTOR IN UTAH

HOW THE OIL & GAS INDUSTRY BENEFIT AND SUPPORT THE STATE, 2018-2022

PURPOSE

- Review the direct tax collections from the Oil & Gas Industry to state and local governments.
- Detail the funds that benefit from activity.
- Highlight the impact across the state.

HIGHLIGHTS

- Cumulative severance tax, income tax, corporate tax, property tax, and sales tax totaled \$1.03 billion from FY 2018 to 2022.
- Adding SILTA royalties, mineral lease, and other revenue, the total sums to \$2.15 billion.



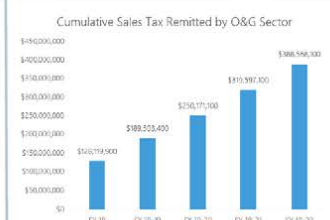
Sources: Tax Commission, FY 22 is preliminary.



Sources: Tax Commission, BLS, FY 22 is preliminary, estimated using industry statistics.



Sources: Tax Commission, FY 22 is preliminary and estimated using industry trends.



Sources: Tax Commission, FY 22 is preliminary and estimated using 1/4 quarters of reporting.

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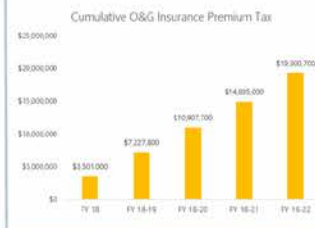
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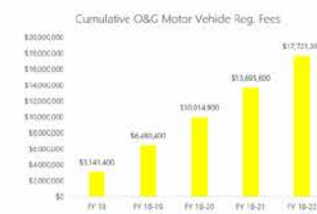
Sources: CIB, CIB Annual Report, FY 22 is estimated using adopted revenue forecasts.



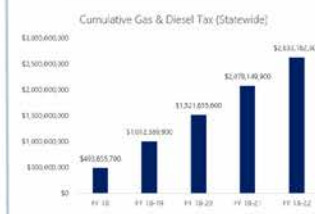
Source: Dept. of the Interior



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THE OIL & GAS SECTOR IN UTAH

HOW THE OIL & GAS INDUSTRY BENEFIT AND SUPPORT THE STATE, 2018-2022

FUNDS IMPACTED BY THE OIL & GAS SECTOR (NON-EXHAUSTIVE), TOTAL, 18-22

General Fund: \$760 million

Income Tax Fund: \$186 million

Transportation Fund: \$63 million

Transportation Investment Fund: \$11 million

CIB: \$173 million

SILTA: \$151 million

Permanent State Trust Fund: \$32 million

Revitalization Funds: \$33 million

Off Highway Vehicle Account: \$1 million

Schools and other local governments through direct property tax: \$268 million



Sources: DWS, BLS

AROUND THE STATE



Sources: DWS, BLS

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Sources: Tax Commission, FY 22 is preliminary and estimated using 3/4 quarters of reporting.

\$2.15B
2018-2022 Fiscal
Impact of the Oil and
Gas Industry

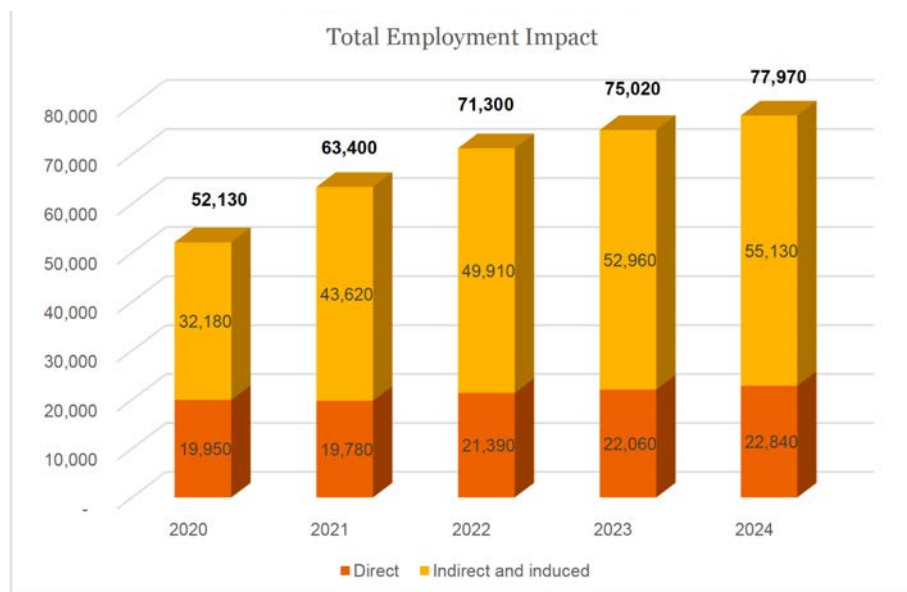




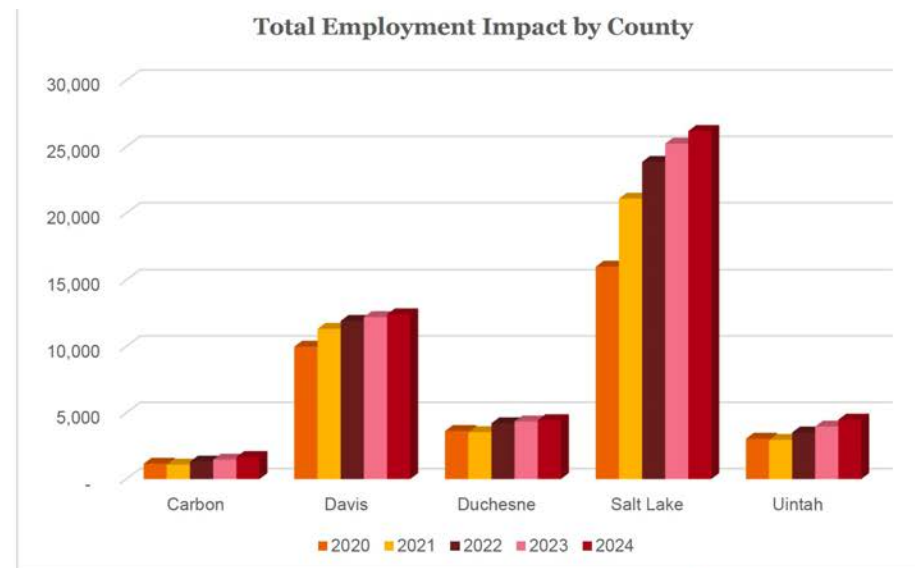
Total Employment Growth and Labor Income

- Statewide Job Growth: 23% - 14,570+ jobs (2021-2024)
- Statewide Cumulative Labor Income: \$24.1B (2020-2024)

- Uintah County:
 - 52% job growth – 1,500+ jobs (2021-2024)
 - Cumulative Labor Income: \$1.2B (2020-2024)
- Duchesne County:
 - 26% job growth – 900+ jobs (2021-2024)
 - Cumulative Labor Income: \$1.3B (2020-2024)

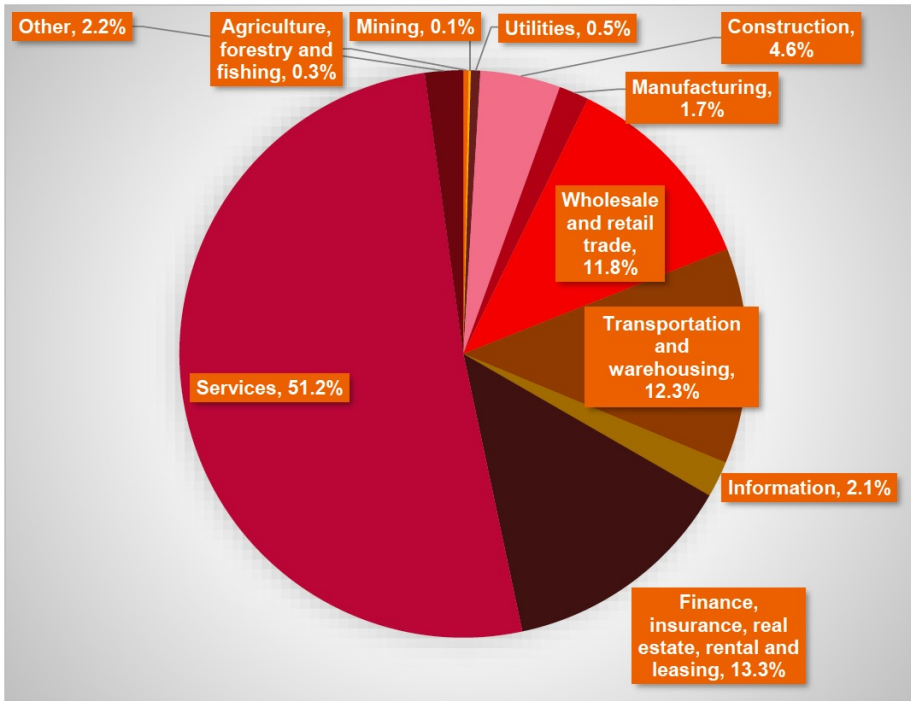


Source: PwC calculations using the IMPLAN modeling system, public data sources, and projections provided by UPA member companies.



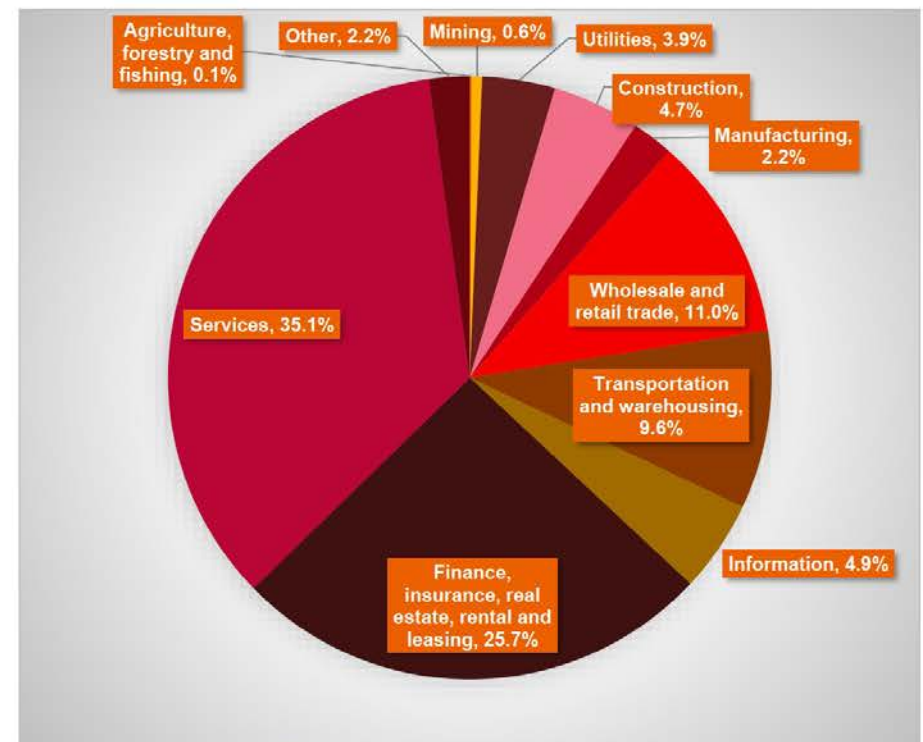
Source: PwC calculations using the IMPLAN modeling system, public data sources, and projections provided by UPA member companies.

Figure III-2a. – Distribution of Indirect and Induced Activity Generated by Utah's Petroleum Industry: *Employment, 2020-2024 Average*



Source: PwC calculations using the IMPLAN modeling system, public data sources, and projections provided by UPA member companies.

Figure III-2c. – Distribution of Indirect and Induced Activity Generated by Utah's Petroleum Industry: *Value Added, 2020-2024 Average*



Source: PwC calculations using the IMPLAN modeling system, public data sources, and projections provided by UPA member companies.



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| | 2021-2024 Growth, % (excluding COVID) | 5 Year Total (2020-2024) |
|--|---|-----------------------------|
| State-wide | | |
| Fiscal Impact (taxes, royalty, gov fees) | +34% | \$11.8 B |
| GDP | + 31% | \$55.4 B |
| County-level GDP | | |
| Duchesne County | +44% | \$4.05 B |
| Uintah County | +63% | \$2.2 B |
| Carbon County | 93% | \$2.0 B |
| Davis County | 18% | \$14.8 B |
| Salt Lake County | 31% | \$19.0 B |

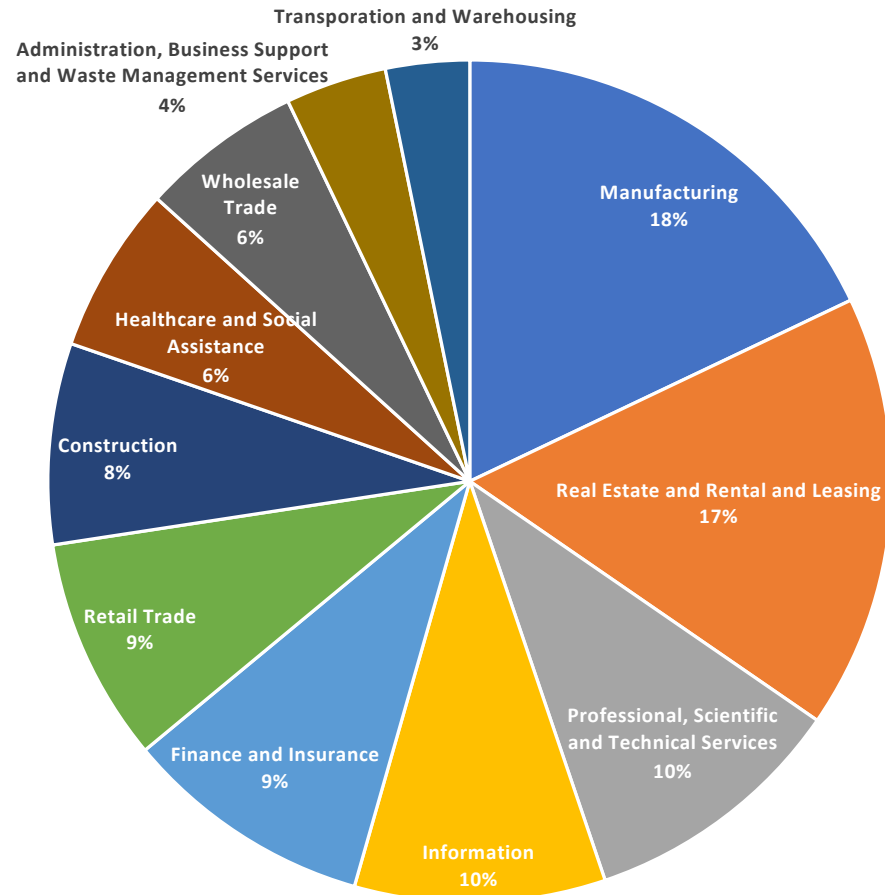


Utah GDP - Top Sectors



\$11.8 Billion
2022 State GDP Contribution

5 Percent
Share of Total State GDP



Source: <https://www.ibisworld.com/united-states/economic-profiles/utah/>

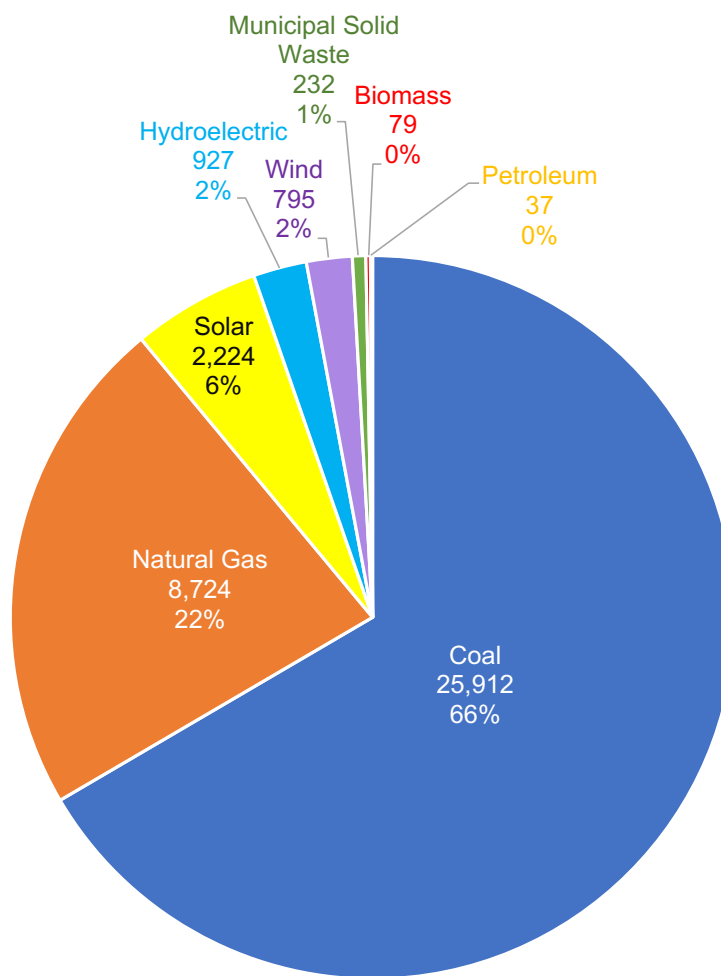


Can We Keep Our Low Power Costs and National Leading Economy?

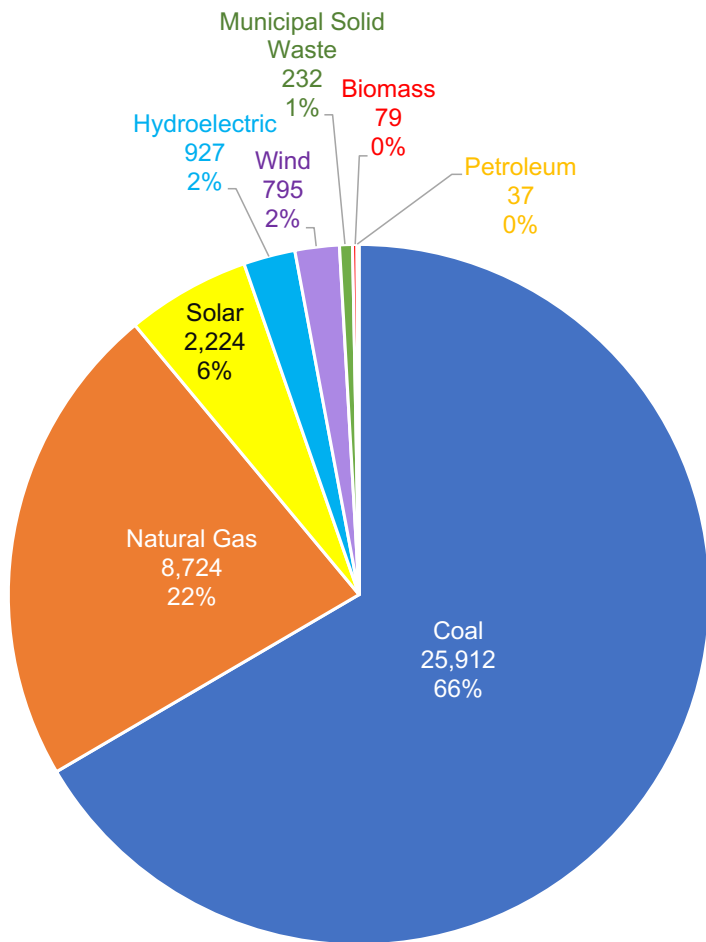
| State | Residential - Average Price (cents/kWh) | Commercial - Average Price (cents/kWh) | Industrial - Average Price (cents/kWh) |
|----------------|---|--|--|
| Washington | 10.11 | 9.14 | 5.81 |
| Idaho | 10.16 | 7.89 | 6.39 |
| Utah | 10.43 | 8.13 | 6.19 |
| Nebraska | 10.75 | 8.81 | 7.26 |
| North Dakota | 10.85 | 9.17 | 7.37 |
| Oklahoma | 11.00 | 8.70 | 5.50 |
| Louisiana | 11.02 | 10.23 | 6.21 |
| Tennessee | 11.07 | 10.87 | 5.51 |
| Wyoming | 11.17 | 9.68 | 6.83 |
| Montana | 11.22 | 10.54 | 6.24 |
| Arkansas | 11.27 | 9.56 | 6.57 |
| North Carolina | 11.32 | 8.50 | 6.14 |
| Oregon | 11.37 | 9.10 | 5.97 |
| Missouri | 11.41 | 9.17 | 7.11 |
| Nevada | 11.49 | 7.77 | 6.02 |
| Kentucky | 11.50 | 10.75 | 5.95 |
| Mississippi | 11.56 | 10.81 | 5.95 |

Source: EIA, 2021

Utah Power Generation



Utah Power Generation



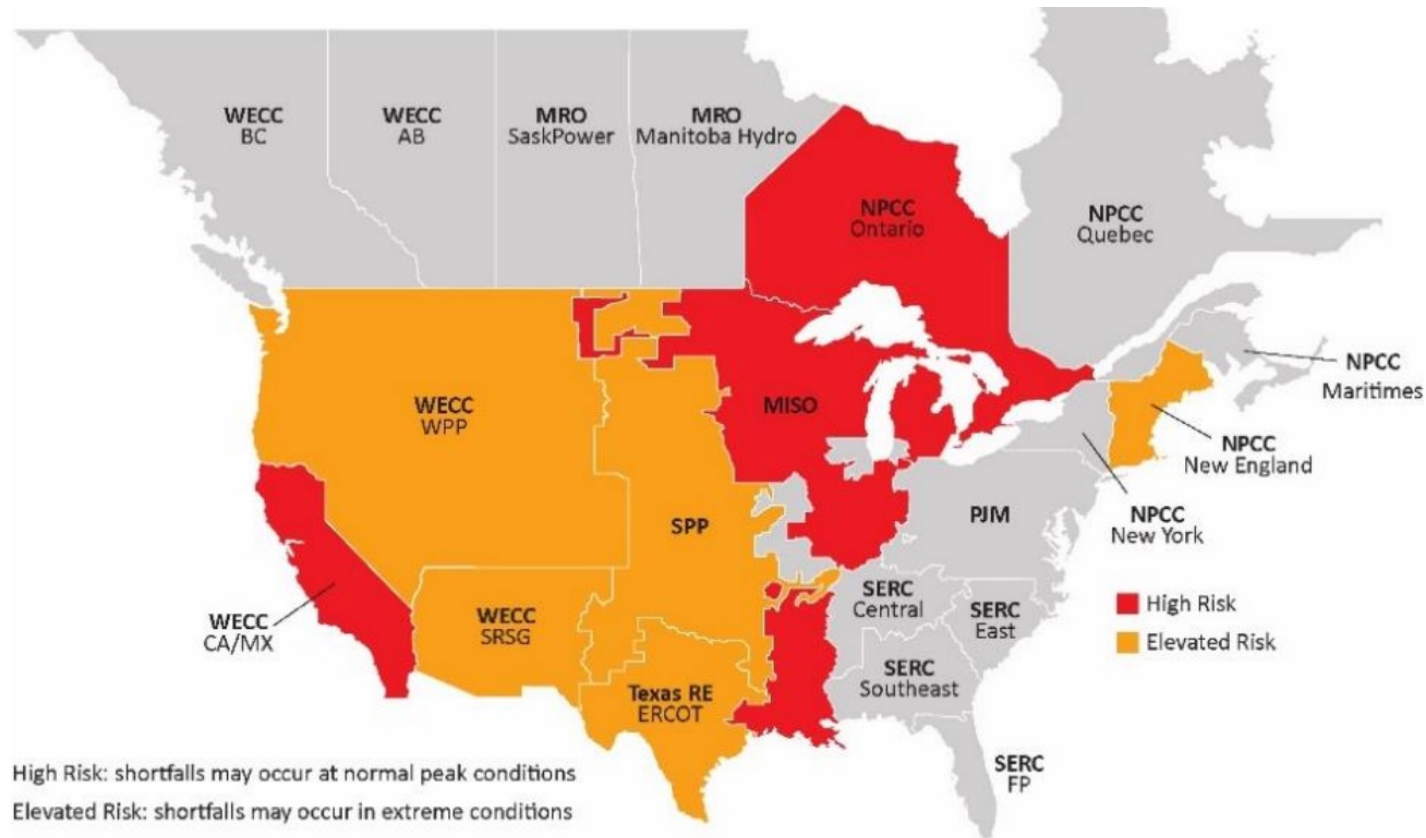
AFFORDABLE

RELIABLE

SUSTAINABLE

SECURE

Grid Reliability



https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_LTRA_2022.pdf

Federal Oil & Gas Production Funds CIB Disbursements - \$405M (2018-2022)

Funding Flowchart



¹A percentage of the revenue generated by resources developed on federal land

²Annual mineral lease payments

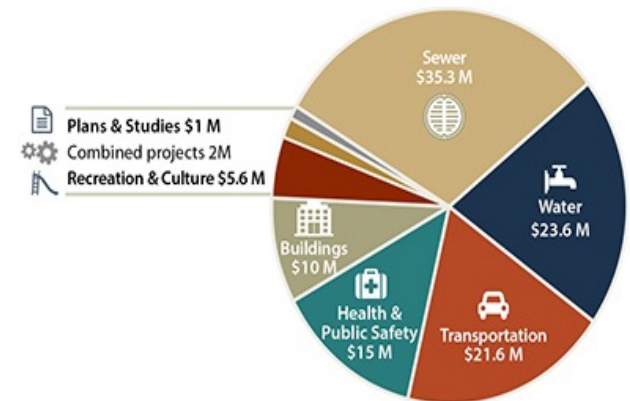
³Other political subdivisions include school districts, special service districts, water conservancy districts, county service areas, etc.

Community Impact Fund Distribution FY2022

67
rural projects
funded
\$115.8
million total funding

Grants **43%**

Loans **57%**





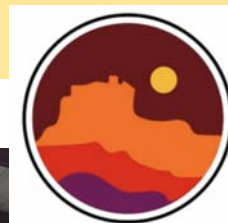
MBA Emergency Medical Services Facility

**Grand County
Moab, Utah**





San Rafael Energy Research Center



**Emery County
Orangeville, UT**





Gunnison City Hall and Library

**Sanpete County
Gunnison, UT**





San Juan Wellness Center

**San Juan County
Blanding, UT**





Carbon County Senior Citizens Center

**Carbon County
Price, UT**





Uintah County Library



Uintah County Vernal, UT





Sevier County Administration Building

**Sevier County
Richfield, UT**





Oakley Rodeo Arena

**Sevier County
Oakley, UT**





Providence Water Tank

**Cache County
Providence, UT**





Beaver Fire District #1 Brush Truck

Beaver County
Beaver, UT



Thank you

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