



Cody Stewart,
Governor's Energy Advisor
Utah Office of Energy Development
P. O. Box 144845
Salt Lake City, Utah 84114

Re: Application of "Energy and Energy-Related Mining
in Utah" report econometrics and other information
requested herein to PSC docket #14-035-114

June 4, 2015

Dear Mr. Stewart,

On behalf of Utah Citizens Advocating Renewable Energy (UCARE), I would like to thank Governor Herbert and his Office of Energy Development for drawing public attention to the economic impacts of energy policy decisions in Utah. While research parameters of the just-released "Energy and Energy-Related Mining in Utah: An Economic and Fiscal Impact Assessment" report appear to have been quite limited in scope, and while the data set is already out-of-date, the report may serve as a launch point for the comprehensive examination of economic factors that should inform smart energy policy decisions now and for Utah's future.

The Governor's release of this Utah energy economics report is especially timely since the Public Service Commission (PSC) is now crafting an analytical framework to assess the value of solar net meter electricity generation. This valuation framework will not only influence future energy rate cases, but also policy decisions that determine what energy options Utah citizens will have available and at what costs. Among several cost-test models being considered by parties to the PSC process is the IMPLAN community impact analysis model used by Applied Analysis to prepare "Energy and Energy-Related Mining in Utah".

UCARE is pleased to use the Utah energy economics report as the basis for asking questions and identifying factors that the PSC should consider in developing the "just and reasonable" rate structure mandated by the Utah legislature in its call for a cost-benefit study of PacifiCorp's net metering program. This letter, its attachment, and a digital copy of "Energy and Energy-Related Mining in Utah" will be submitted as a data request document to PSC docket #14-035-114.

Your reply to this data request should also be sent to <psc@utah.gov> with subject: Docket #14-035-114. A reply by Monday, June 22 will give parties to the PSC docket time to consider your information in advance of the June 25 PSC tech meeting at which IMPLAN and other econometric models will be discussed. Of course, representatives from the Governor's Office of Energy Development and from Applied Analysis are welcome to participate in that meeting.

Thanks in advance for your reply, and for your interest in promoting sustainable energy choices.

Sincerely,

/s/ _____ Stanley T. Holmes
Utah Citizens Advocating Renewable Energy (UCARE)

cc: Dr. Laura Nelson, Office of Energy Development
Jeremy Aguero, Applied Analysis
Val Hale, Office of Economic Development
Utah Public Service Commission...Docket #14-035-114



Data Request Attachment:

UCARE correspondence ... June 4, 2015

Data Request to Utah Governor's Office of Energy Development,
reference "Energy and Energy-Related Mining in Utah: An Economic and Fiscal Impact
Assessment", May 2015, Applied Analysis

Specific and complete answers to the following questions will be greatly appreciated:

- 1) When was the "Energy and Energy-Related Mining in Utah" report commissioned?
- 2) How was Applied Analysis (AA) selected to conduct this research?
...Please attach the Request for Proposals.
- 3) What was AA contracted to examine?
...Please include the specific goal(s) and objectives of the study.
- 4) What was the itemized total cost to produce "Energy and Energy-Related Mining in Utah"?
- 5) Who were the principal researchers for AA?
- 6) When, how, and by whom was the data gathered?
- 7) What government agencies and/or non-government entities were used as data sources?
...Please identify what data each 3rd party provided.
- 8) Which economic impact models were considered in addition to IMPLAN?
...Please identify the econometric models considered, such as REMI, JEDI, RIMS II and others.
...For each model, please identify one example of a prior study comparable to the study AA ultimately conducted for Utah.
- 9) To what extent were Synapse's 2010 "Co-Benefits of Energy Efficiency and Renewable Energy in Utah" and E3's 2014 "Nevada Net Energy Metering Impacts Evaluation" used by the Office of Energy Development and/or Applied Analysis to determine what would be the scope of "Energy and Energy-Related Mining in Utah"?
- 10) What criteria were used to select the best energy economic impacts model for this study?
- 11) What were the specific reasons for choosing IMPLAN and rejecting the other models?
...And, inasmuch as a stated purpose of the study was to show "how changes in one sector of the economy can affect other sectors" [page 6], why was use of IMPLAN deemed the best means for achieving this?
- 12) Where is a full description of the actual model used for this study, including parameters and equations, available for public inspection?
- 13) Is an addendum, or supplement, with more current energy sector data now in progress?
...And, since AA claims to have neither audited data nor performed thorough review and assurance procedures for the original report [page 5], will those quality assurance measures be conducted and reported in a supplementary report?

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- 14) Why is there no reference to solar or other renewable energy sources in the Methodology section on page 5 even though they are mentioned later in the report?
...And, since updated renewable energy sector data would yield numbers sufficient to be measured, will an updated report (or supplement) look at job creation and other economic impacts of comparable public and private investments in solar and wind energy as opposed to equal amounts invested in oil, gas, and coal?
- 15) Why did the study not address state and federal regulatory compliance costs that may significantly increase coal, oil, and gas prices and thereby shift employment away from each of those fossil fuel economic sectors?
- 16) Why were indirect and induced economic costs of air, land, water, and infrastructure degradation associated with fossil fuel extraction, transportation, combustion, and byproducts disposal not addressed in the study?
- 17) Why didn't AA's IMPLAN model also utilize negative inputs such as fossil fuel-related health care and environmental clean-up costs to identify causal linkages across Utah's economy generally and differentially on specific communities and socio-economic groups?
- 18) Why wasn't AA's IMPLAN model used to assess the employment and other economic impacts of current Utah energy trends such as the growth of renewable energy and energy efficiency?
...For example, to what extent could IMPLAN have been used to assess economic impacts of each megawatt shift from fossil fuel electricity production to solar electricity production?
- 19) Why were short- and long-term energy sector trends that might be used to predict, and hopefully mitigate, negative economic impacts such as stranded energy assets not addressed?
...Was this a limitation of the IMPLAN model or of study goal(s) and objectives?
- 20) Which, if any, other Utah government agencies such as the Office of Economic Development are engaged in research that will yield information addressing energy-related economic issues raised in items 14) through 19) above?
- 21) Why was no renewable energy data collected for 2014?
...And, was Applied Analysis aware that in 2014 there were over 2,000 Utah residential and business net metering (mostly solar) energy generators on the PacifiCorp grid plus others on smaller Utah grids?
- 22) Were coal fields inside Bryce Canyon National Park and Grand Staircase-Escalante National Monument identified as "prospective resources" (page 10) with intent to someday access those resources?
...And, if so, has the Governor's Office of Energy Development conducted an economic cost-benefit assessment of putting those carbon assets into production?

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