



UTAH CITIZENS ADVOCATING RENEWABLE ENERGY
WWW.UCARE.US.ORG

UTAH PUBLIC
SERVICE COMMISSION

2015 OCT -8 P 3:55

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

**In the Matter of the Investigation of
the Costs and Benefits of PacifiCorp's
Net Metering Program**

Docket No. 14-035-114

Addendum to

UCARE Technical Conferences Proposal for the Commission's Net Metering Investigation

Utah Citizens Advocating Renewable Energy (UCARE) respectfully submits this Addendum to our document entitled "Technical Conferences Proposal for the Commission's Net Metering Investigation" that was entered into the record for Docket 14-035-114 on Feb. 6, 2015 in response to the Commission's Nov. 21, 2014 request for "comments by interested parties on whether the traditional costs and benefits test equations...and metrics...used to evaluate utility-sponsored demand side management programs can and should be applied to examining the costs and benefits of PacifiCorp's net metering program."

Our Feb. 6, 2015 document assessed the five traditional cost-test models, found them wanting, and suggested other econometric models that might be applied to the analytical framework the Commission is now developing to complete its mission as authorized by Senate Bill 208 of the Utah Legislature's 2014 general session.

One model we suggested using was an upgraded revision of the Regional Economic Models, Inc. (REMI) Hybrid model. A version of REMI is specifically advocated in "Energy Initiatives & Imperatives: Utah's 10-Year Strategic Energy Plan" that was issued by Governor Herbert in 2011. The Governor's Energy Plan, on page 4, recommended that because "REMI has thousands of input variables, the change in energy prices resulting from various policies will be central."

UCARE still feels that a REMI model might help inform the Commission's analysis of environmental, economic, and health benefits to ratepayers and the general public that result when NEM solar-generated energy replaces fossil fuel-generated energy.

We were surprised, then, to learn later that the Utah Office of Energy Development in 2014 authorized a statewide study of energy-related economic impacts that did not use the Governor's preferred REMI model, but instead used a different model whose lack of input variables proved inadequate for measuring

the full range of solar contributions to Utah's economy.

This study and report, "Energy and Energy-Related Mining in Utah", released in May 2015, was to have been a "comprehensive analysis of the contributions of energy exploration, development, production, infrastructure, transportation, processing, distribution, and use to the Utah economy." The final product was not comprehensive. The report acknowledges that the study's use of NAICS coding limited solar input variables that could be considered, and that the report's process for valuing solar was less rigorous and complete than the process used for the fossil fuel sectors.

In June, UCARE requested information from the Office of Energy Development (OED) regarding the IMPLAN model used in its study. We hoped to gather from OED and its research firm, Applied Analysis, a set of data and recommendations that might be useful to the Commission's construction of the analytical framework sought through Docket 14-035-114.

On June 4, 2015, UCARE submitted a Data Request to OED through the Commission's solar NEM docket; but that avenue was determined to be inappropriate, since OED was not then an intervening party to the docket. We proceeded to request the same information under provisions of Utah's Government Records Access and Management Act (GRAMA). That process is ongoing.

The Addendum materials attached to this cover letter include all hard-copy correspondence between UCARE and Utah state government agencies related to UCARE's GRAMA requests, OED responses, and UCARE's appeals to date. All emails between UCARE and state agencies are available upon the Commission's request. We hope that the information we have been able to obtain, and share here, will prove useful to the Commission's consideration and development of a thorough analytical framework that will best serve the public's interests in the current docket and in future energy dockets.

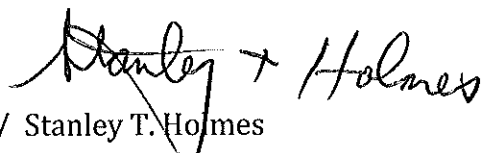
Since the rejection of UCARE's Data Request to the Commission in June, we have learned that the OED is in fact working with the Commission on issues relevant to Docket 14-035-114, though not as an officially intervening party. According to minutes of the July 15, 2015 meeting of the Utah Legislature's Natural Resources, Agriculture, and Environment Interim Committee, OED Director Laura Nelson told legislators that her office is working with the Commission on "how some energysaving resources, such as solar panels on homes, disrupt existing energy distribution, infrastructure, and fixed costs."

UCARE hopes that the Commission will engage the OED to access and carefully review information we have as yet been unable to obtain and, along with information contained in this Addendum, work with the OED to craft an analytical framework for comprehensively and accurately valuing NEM solar --and all energy generation resources-- for the current as well as future energy dockets.

UCARE shares the Utah public's trust that the Commission will thoroughly analyze all relevant data and, after thoughtful deliberation, craft a costs-benefits model that best serves Utahns now and into the future.

Thank you for graciously considering UCARE's docket inputs since last year. And, thank you for the critically important service you provide to us all.

Respectfully,



/s/ Stanley T. Holmes
UCARE Outreach Coordinator
846 N. East Capitol Blvd.
Salt Lake City, UT 84103
sthomes3@xmission.com

October 8, 2015

R A (Reviewed/Approved)

☐ ☐ Thad LeVar _____

☐ ☐ David R. Clark _____

☐ ☐ Jordan A. White _____



June 15, 2015

GRAMA REQUEST
sent via email

Re: Application of "Energy and Energy-Related
Mining in Utah" report econometrics and other
information to proceedings of the Utah Public
Service Commission in docket #14-035-114.

Cody Stewart,
Utah Governor's Energy Advisor
codystewart@utah.gov

Dr. Laura Nelson, Director
Utah Office of Energy Development
lnelson@utah.gov

Dear Mr. Stewart and Dr. Nelson,

Under provisions of the Government Records Access and Management Act, Utah Citizens Advocating Renewable Energy (UCARE) requests all data initially sought in our correspondence dated June 4, 2015, which is attached to this letter. That correspondence includes a cover letter explaining that the recently released "Energy and Energy-Related Mining in Utah" report is relevant to the Public Service Commission's current solar cost-benefit docket, and it includes a two-page attachment listing specific questions related to the report. We will appreciate detailed responses to those questions.

UCARE is an all-volunteer, nonprofit citizens organization formed in 2014 to educate the public on issues related to renewable energy and to promote renewable energy policies in the public interest. The information sought in this request will be used exclusively for the benefit of the public.

Please notify us of any fees that may be required, and please consider granting a waiver of those fees per UCA 63G-2-203(4). Thank you.

Respectfully,

/s/ Stanley T. Holmes
UCARE Outreach Coordinator
846 N. East Capitol Blvd.
Salt Lake City, UT 84103
stholmes3@xmission.com

Michael Rossetti
UCARE Founder and Director
solar@trymike.com

cc: Jeremy Aguero, Applied Analysis jaguero@appliedanalysis.com
Val Hale, Office of Economic Development vhale@utah.gov



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 Halè, 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?

Data Request Attachment:

UCARE correspondence ... June 4, 2015

- 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?

--- end ---

STATE OF UTAH
OFFICE OF THE ATTORNEY GENERAL



SEAN D. REYES
ATTORNEY GENERAL

SPENCER E. AUSTIN
Chief Criminal Deputy

PARKER DOUGLAS
Chief of Staff & Federal Solicitor

BRIDGET K. ROMANO
Solicitor General

BRIAN L. TARBET
Chief Civil Deputy

June 19, 2015

Stanley T. Holmes
UCARE Outreach Coordinator
846 N. East Capitol Blvd.
Salt Lake City, UT 84103

RE: GRAMA Request Dated June 15th, 2015

I am in receipt of your letter dated June 15, 2015 titled GRAMA REQUEST. Presently, your letter requests information outside of the scope of GRAMA (Utah Code 63G-2-101 et. seq) and is denied in its current form.

Your letter contains a list of interrogatories, and does in no way request any records held by the Office of Energy Development. GRAMA specifically applies to records, and more specifically requires release of public records.

A record is defined under Utah Code 63G-2-101(22):

(22)(a) "Record" means a book, letter, document, paper, map, plan, photograph, film, card, tape, recording, electronic data, or other documentary material regardless of physical form or characteristics: (i) that is prepared, owned, received, or retained by a governmental entity or political subdivision; and (ii) where all of the information in the original is reproducible by photocopy or other mechanical or electronic means.

None of your interrogatories ask for any records, you letter asks my client to answer specific questions unrelated to the production of any documents, papers, correspondence, etc... Therefore my client does not have a duty to respond to the interrogatories, and your request is denied.

Moreover, under Utah Code 63G-2-201 OED does not have a duty to manipulate or compile or tailor information.

(8)(a) In response to a request, a governmental entity is not required to (i) create a record;

(ii) compile, format, manipulate, package, summarize, or tailor information

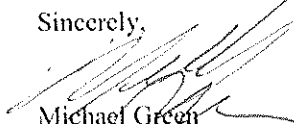
Stanley T. Holmes

June 19, 2015

Page 2

My client is willing to comply with and provide any records in accordance with Utah Code 63G-2-101 et. seq. If you have any questions or concerns please contact me at mkgreen@utah.gov or (801) 366-0354.

Sincerely,



Michael Green
Assistant Attorney General



Michael Green
Assistant Attorney General
P. O. Box 140857
Salt Lake City, Utah 84114-0857

RE: GRAMA Request Denial Dated June 19, 2015

I am in receipt of your letter dated June 19, 2015 responding to UCARE's GRAMA request dated June 15, 2015. Your letter denied UCARE's request contending that our request "does in no way request any records held by the Office of Energy Development." You stated that "GRAMA specifically applies to records, and more specifically requires release of public records."

UCARE disagrees with your contention that our GRAMA request fails to request records.

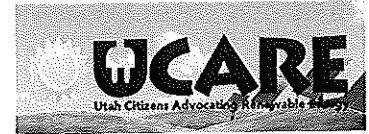
Please reread UCARE's GRAMA request to see, under item #2, that we are requesting a specific document --the Request for Proposal-- that the Office of Energy Development (OED) should have on file. See also item #3 which asks for contract information. Presumably, OED has on file a copy of its contract with Applied Analysis for that company's role in the project to prepare the May 2015 report "Energy and Energy-Related Mining in Utah: An Economic and Fiscal Impact Assessment."

UCARE's GRAMA request includes specific questions that OED should be able to answer with documents related to the project referenced above. Perhaps it would be easier for you and OED to provide UCARE with all documents (records) related to the planning and production of "Energy and Energy-Related Mining in Utah: An Economic and Fiscal Impact Assessment." We would be agreeable to that.

Please inform me at your earliest convenience of the Office of Energy Development's decision to either honor UCARE's GRAMA request in its original form or to provide all records related to the planning and production of "Energy and Energy-Related Mining in Utah: An Economic and Fiscal Impact Assessment."

Sincerely,

Stanley T. Holmes
UCARE Outreach Coordinator



June 25, 2015

GRAMA REQUEST
sent via email
and hand delivered

Re: Records pertinent to planning and production of
the May 2015 report "Energy and Energy-Related
Mining in Utah".

Cody Stewart,
Utah Governor's Energy Advisor
codystewart@utah.gov

Dr. Laura Nelson, Director
Utah Office of Energy Development
lnelson@utah.gov

Dear Mr. Stewart and Dr. Nelson,

Under provisions of the Government Records Access and Management Act (GRAMA), Utah Citizens Advocating Renewable Energy (UCARE) requests that the Utah Office of Energy Development (OED) furnish for our inspection records pertaining to planning and production of the May 2015 "Energy and Energy-Related Mining in Utah: An Economic and Fiscal Impact Assessment" report. Specifically, UCARE wants to inspect the following records:

- ~ the request for proposals (RFP) that OED issued to solicit and engage a business that could provide services needed to produce the abovementioned report;
- ~ all proposals that OED received in response to the RFP;
- ~ the contract signed with Applied Analysis to provide services related to production of the abovementioned report;
- ~ correspondence between OED and Applied Analysis regarding implementation of the abovementioned contract;
- ~ reference materials including, but not limited to, studies, journal articles, and other documents exchanged between OED and Applied Analysis for the purpose of directing implementation of the abovementioned contract;
- ~ the document or documents describing the IMPLAN model and its use in production of the abovementioned report;
- ~ documents submitted to OED from other government entities providing data and/or advisory inputs contributing to production of the abovementioned report; and,
- ~ documents acknowledging satisfactory completion of Applied Analysis' contractual obligation to OED with regard to the abovementioned report.

UCARE is an all-volunteer, nonprofit citizens organization formed in 2014 to educate the public on issues related to renewable energy and to promote renewable energy policies in the public interest. We believe that the information requested herein may have useful applications in proceedings before the Utah Public Service Commission and in other policy making forums. The information sought in this request will be used exclusively for the benefit of the public and not to benefit any particular individual.

Please notify us of any fees that may be required, and please consider granting a waiver of those fees per UCA 63G-2-203(4). Please be aware that UCARE wishes to inspect all requested documents before we decide which materials we would like photocopied. Thank you.

Respectfully,

/s/ Stanley T. Holmes
UCARE Outreach Coordinator
846 N. East Capitol Blvd.
Salt Lake City, UT 84103
stholmes3@xmission.com
801-712-5886

Michael Rossetti
UCARE Founder and Director
solar@trymike.com

cc: Jeremy Aguero, Applied Analysis jaguero@appliedanalysis.com
Val Hale, Office of Economic Development vhale@utah.gov

STATE OF UTAH

OFFICE OF THE ATTORNEY GENERAL



SEAN D. REYES
ATTORNEY GENERAL

SPENCER E. AUSTIN
Chief Criminal Deputy

PARKER DOUGLAS
Chief of Staff & Federal Solicitor

BRIDGET K. ROMANO
Solicitor General

BRIAN L. TARBET
Chief Civil Deputy

July 23, 2015

Stanley T. Holmes
UCARE Outreach Coordinator
846 N. East Capitol Blvd.
Salt Lake City, UT 84103

RE: GRAMA Request Dated June 25th, 2015

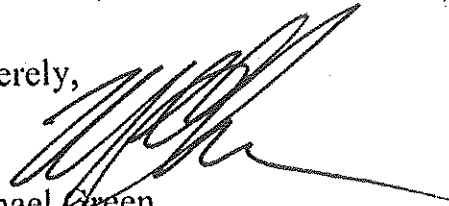
I am in receipt of your letter dated June 25, 2015 titled GRAMA REQUEST. Presently, your letter requesting inspection of certain documents shall be accommodated by the Office of Energy Development (OED). OED is neither approving nor denying access to any records at this time. OED is notifying you in accordance with Utah Code 63G-2-204, that due to extraordinary circumstances it cannot immediately provide the records. The extraordinary circumstances fall under Utah Code 63G-2-204 (g) segregating information that the requester is entitled to inspect from information that the requester is not entitled to inspect requires extensive editing; OED anticipates having the approved records ready for your inspection within 30 days of this letter, or on or about August 17th, 2015, along with the justification for any denials therein.

Your request for a fee waiver is denied. UCARE does not meet the requirements in accordance with Utah Code 63G-2-203, as the release of the requested records will not benefit the public.

Under Utah Code 63G-2-203(8), a governmental entity may require the payment of future fees before beginning the process if the request shall exceed \$50.00. In this case, due to the complexity of the request and the necessary skill and training to perform the request, four skilled professionals must work 23.8 hours, totaling \$1,881.17. OED will not begin the process of compiling the records until you have agreed with the costs associated with this request. Please notify me if you are willing to accept this cost.

If you have any questions or concerns please contact me at mkgreen@utah.gov or (801) 366-0354.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Green', with a long horizontal flourish extending to the right.

Michael Green
Assistant Attorney General

STATE OF UTAH
OFFICE OF THE ATTORNEY GENERAL



SEAN D. REYES
ATTORNEY GENERAL

SPENCER E. AUSTIN
Chief Criminal Deputy

PARKER DOUGLAS
Chief of Staff & Federal Solicitor

BRIDGET K. ROMANO
Solicitor General

BRIAN L. TARBET
Chief Civil Deputy

August 19, 2015

Stanley T. Holmes
UCARE Outreach Coordinator
846 N. East Capitol Blvd.
Salt Lake City, UT 84103

RE: GRAMA Request Dated June 25th, 2015

In response to UCARE's GRAMA Request, the Office of Energy Development (OED), responds as follows:

1. The request for proposals (RFP) that OED issued to solicit and engage a business that could provide services needed to produce the above mentioned report;
 - a. OED RESPONSE: Attached
2. All proposals that OED received in response to the RFP;
 - a. OED RESPONSE: Attached
3. The contract signed with Applied Analysis to provide services related to production of the above mentioned report;
 - a. OED RESPONSE: Attached
4. Correspondence between OED and Applied Analysis regarding implementation of the above mentioned contract
 - a. OED RESPONSE: There are voluminous email records that contain both public and protected records. This will take 12 hours of a high level employee to retrieve and then review to redact the non-public information. This will not be started until a fee deposit is made for this request.
5. Reference materials including, but not limited to, studies, journal articles, and other documents exchanged between OED and Applied Analysis for the purpose of directing implementation of the abovementioned contract;
 - a. OED RESPONSE: There are voluminous records that contain both public and protected records. This will take 3 hours of a high level employee to retrieve and then review to redact the non-public information. This will not be started until a fee deposit is made for this request.

6. The document or documents describing the IM PLAN model and its use in production of the abovementioned report
 - a. OED RESPONSE: No such document was generated by OED, or exchanged with Applied Analysis in connection with the report.
7. Documents submitted to OED from other government entities providing data and/or advisory inputs contributing to production of the abovementioned report;
 - a. OED RESPONSE: All such documents are either protected (e.g., Quarterly Census of Employment and Wages), or publicly available (e.g., from the Utah Geological Survey).
 - b. The Office of Energy Development (OED) has historically tracked employment, economic value, and fiscal revenue directly related to Utah's energy sector. Applied Analysis was contracted to extend existing economic measures to comprehensively include indirect and induced impacts. OED provided the following inputs to the economic modeling:
 - Employment and wages for specific NAICS categories of employers
 - Approximate market value of oil, gas, coal, electricity, and other energy resources
 - Fiscal revenue, including sales tax, property tax, royalties, and severance taxes.

With the exception of the employment and wages data, the other modeling inputs are already public information, (for example, through the Utah Geological Survey, or the federal Energy Information Administration). Applied Analysis chose to use the IMPLAN model for this impact analysis, consistent with the known input data. Although OED provided input data, OED neither directed specific and detailed modeling choices, nor was informed of them after the fact.

Because there is no NAICS category that entirely and exclusively captures economic activity related to renewable energy, (e.g., distributed photovoltaic solar installation), the methodology for estimating that portion of the economy was different than the methodology used for the rest of the energy sector. Applied Analysis estimated the contribution of this portion of the energy sector to Utah's economy on the basis of employment and wage data for several Utah companies known to install residential photovoltaic systems.

8. Documents acknowledging satisfactory completion of Applied Analysis' contractual obligation to OED with regard to the abovementioned report.
 - a. OED RESPONSE: Attached.

YOUR REQUEST FOR A FEE WAIVER

You have asked the Office to grant you a waiver of fees pursuant to Utah Code Ann. Section 63G-2-203(4)(a). That provision encourages, but does not require, a governmental entity to fulfill a record request without charge when the governmental entity determines that releasing the record primarily benefits the public rather than a person. Your request for a fee waiver is

respectfully denied, because you have not demonstrated that releasing the record to you will primarily benefit the public rather than a person.

Based on the time required to search for and retrieve potentially responsive records (not counting the first quarter hour), I estimate that the Office will incur an expense of at least \$686.58 in costs that are properly chargeable to you. Since that amount exceeds \$50.00, the Office will require you to pay a fees deposit of \$686.58 before further work will be done by the Office in processing your request. See Utah Code Ann. Section 63G-2-203(8). If you want us to proceed to complete our response to your request, please send the requested deposit and we will move forward with the processing of the request.

Please do not send cash. The payment of the deposit should be in the form of check or money order payable to "Office of Energy Development" and should be sent to:

Michele Pasker
Office of Energy Development
60 E South Temple
Salt Lake City, UT 84111

On the check, please make reference to "Fees Deposit-GRAMA Request" .

The amount of the requested deposit is a preliminary estimate of the fees that will be due. Any prepaid amount in excess of the actual fees due will be returned to you. Similarly, if it appears that the actual fees will exceed the amount prepaid, we will require you to pay an additional prepayment to cover those additional amounts.

If you believe there has been an unreasonable denial of your fee waiver request, you have the right to appeal that denial to the chief administrative officer of the Office. See Utah Code Ann. Sections 63G-2-203(6) and 63G-2-401(1)(a) (Effective 5-12-15). The notice of appeal would need to be sent to Dr. Laura Nelson, Executive Director at the following address:

GRAMA Appeal
ATTN: Dr. Laura Nelson
Office of Energy Development
60 E South Temple
Salt Lake City, UT 84111

To do so, you must file a Notice of Appeal with that officer within 30 days of the date of this denial. Your Notice of Appeal must contain your name, your mailing address, your daytime telephone number, and a statement of the relief you seek. With your Notice of Appeal, you may also file a short statement of facts, reasons and legal authority in support of your appeal. Please note that Utah Code Ann. Section 63G-2-401(9) (Effective 5-12-15) provides that the duties of the chief administrative officer for handling such appeals may be delegated.

Stanley T. Holmes
UCARE Outreach Coordinator
August 19, 2015
Page 4

YOUR APPEAL RIGHTS FOR DENIAL OF DOCUMENT PRODUCTIONS

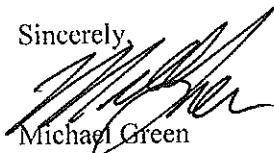
You have the right to appeal the denial of any records requests to the chief administrative officer of the Office of Energy Development, as provided in Utah Code Ann. Section 63G-2-401(1)(a) (Effective 5-12-15). The notice of appeal would need to be sent to Dr. Laura Nelson at the following address:

GRAMA Appeal
ATTN: Dr. Laura Nelson
Office of Energy Development
60 E South Temple
Salt Lake City, UT 84111

To do so, you must file a Notice of Appeal with that officer within 30 days after the date of this response. Your Notice of Appeal must contain your name, your mailing address, your daytime telephone number, and a statement of the relief you seek. With your Notice of Appeal, you may also file a short statement of facts, reasons and legal authority in support of your appeal. Please note that Utah Code Ann. Section 63G-2-401(9) (Effective 5-12-15) provides that the duties of the chief administrative officer for handling such appeals may be delegated.

If you have any questions or concerns please contact me at mkgreen@utah.gov or (801) 366-0354.

Sincerely,



Michael Green
Assistant Attorney General

MKG/slc
Enclosure

Contract # 156253

STATE OF UTAH CONTRACT

1. CONTRACTING PARTIES: This contract is between the following agency of the State of Utah:
Department Name: Governor's Office Agency Code: 60 Division Name: Office of Energy Development, referred to as (STATE), and
the following CONTRACTOR:

Applied Analysis
Name
6385 S Rainbow Blvd Suite 105
Address
Las Vegas NV 89118
City State Zip

LEGAL STATUS OF CONTRACTOR

- ☐ Sole Proprietor
☐ Non-Profit Corporation
☒ For-Profit Corporation
☐ Partnership
☐ Government Agency

Contact Person Jeremy Aguero Phone #702-967-3333 Email jaguero@appliedanalysis.com
Vendor # VC0000189350 Commodity Code #95605

2. GENERAL PURPOSE OF CONTRACT: The general purpose of this contract is to provide:
Economic impact analysis of energy and mineral development in Utah.
3. PROCUREMENT: This contract is entered into as a result of the procurement process on RX# 060 54*2, FY2015,
Bid# N/A or a pre-approved sole source authorization (from the Division of Purchasing) # SSN/A. R33-4-108
MP16705
4. CONTRACT PERIOD: Effective Date: 12/15/2014 Termination Date: 3/31/2015 unless terminated early or extended in accordance
with the terms and conditions of this contract. Renewal options (if any): 0. All payments under this contract will be completed within 90
days after the Termination Date.
5. CONTRACT COSTS: CONTRACTOR will be paid a maximum of \$31,250.00 for costs authorized by this contract. Additional
information regarding costs: NONE
6. ATTACHMENT A: State of Utah ☐ Standard Terms and Conditions [for goods]; or ☒ Terms and Conditions for Professional Services
ATTACHMENT B: Scope of Work
ATTACHMENT C: N/A
ATTACHMENT D: N/A
Any conflicts between Attachment A and other Attachments will be resolved in favor of Attachment A.
7. DOCUMENTS INCORPORATED INTO THIS CONTRACT BY REFERENCE BUT NOT ATTACHED:
a. All other governmental laws, regulations, or actions applicable to the goods and/or services authorized by this contract.
b. Utah State Procurement Code, Procurement Rules, and CONTRACTOR'S response to Bid # _____ dated _____.

IN WITNESS WHEREOF, the parties sign and cause this contract to be executed.
CONTRACTOR

J. T. Z. 12/22/14
Contractor's signature Date

STATE
Lauren M. 12/22/14
Agency's signature Date

S. Aguero, Principal Analyst
Type or Print Name and Title

for Director, Division of Purchasing 12-29-2014
Date
DIRECTOR, DIVISION OF FINANCE
DEC 30 2014

Michele Pasker	801-538-8727		mpasker@utah.gov
Agency Contact Person	Telephone Number	Fax Number	Email

(Revision 10/29/13)

STATE PURCHASING/DEC 29 2014/14:47IN

ATTACHMENT A: STATE OF UTAH STANDARD TERMS AND CONDITIONS

1. **AUTHORITY:** Provisions of this contract are pursuant to the authority set forth in 63G-6a, Utah Code, as amended, Utah State Procurement Rules (Utah Administrative Code Section R33), and related statutes which permit the State to purchase certain specified services, and other approved purchases for the State.
2. **CHOICE OF LAW, CONTRACT JURISDICTION, AND VENUE:** The provisions of this contract shall be governed by the laws of the State of Utah. The parties will submit to the jurisdiction of the courts of the State of Utah for any dispute arising out of this Contract or the breach thereof. Venue shall be in Salt Lake City, in the Third Judicial District Court for Salt Lake County.
3. **LAWS AND REGULATIONS:** The Contractor and any and all supplies, services, equipment, and construction furnished under this contract will comply fully with all applicable Federal and State laws, rules, codes and regulations, including applicable licensure and certification requirements.
4. **RECORDS ADMINISTRATION:** The Contractor shall maintain or supervise the maintenance of all records necessary to properly account for the payments made to the Contractor for costs authorized by this contract. These records shall be retained by the Contractor for at least six (6) years after the contract terminates, or until all audits initiated within the six (6) years, have been completed, whichever is later. The Contractor agrees to allow State and Federal auditors, and State Agency Staff, access to all the records to this contract for audit and inspection, and monitoring of services. Such access will be during normal business hours, or by appointment.
5. **CERTIFY REGISTRATION AND USE OF EMPLOYMENT "STATUS VERIFICATION SYSTEM":** The Status Verification System, also referred to as "E-verify", only applies to contracts issued through a Request for Proposal process, and to sole sources that are included within a Request for Proposal. It does not apply to other types of procurement processes, including but not limited to Invitation for Bids or to Multiple Stage Bids.

5.1 Status Verification System

1. Contractor certifies as to its own entity, under penalty of perjury, that Contractor has registered and is participating in the Status Verification System to verify the work eligibility status of Contractor's new employees that are employed in the State of Utah in accordance with applicable immigration laws including Section 63G-12-302, Utah Code, as amended.
2. Contractor shall require that the following provision be placed in each subcontract at every tier: "The subcontractor shall certify to the main (prime or general) contractor by affidavit that the subcontractor has verified through the Status Verification System the employment status of each new employee of the respective subcontractor, all in accordance with applicable immigration laws including Section 63G-12-302, Utah Code, as amended, and to comply with all applicable employee status verification laws. Such affidavit must be provided prior to the notice to proceed for the subcontractor to perform the work."
3. The State will not consider a proposal for award, nor will it make any award where there has not been compliance with this Section. Contractor's failure to comply with this Section will be considered a material breach pursuant to Section 27 of this contract.
4. Manually or electronically signing the contract is deemed to be Contractor's certification of compliance with all provisions of this employment status verification certification required by all applicable status verification laws including Section 63G-12-302, Utah Code, as amended.

5.2 Indemnity Clause for Status Verification System

1. Contractor (includes, but is not limited to any Contractor, Design Professional, Designer or Consultant) shall protect, indemnify and hold harmless, the State and its officers, employees, agents, representatives and anyone that the State may be liable for, against any claim, damages or liability arising out of or resulting from violations of the above Status Verification System Section whether violated by employees, agents, or contractors of the following: (1) Contractor; (2) Subcontractor at any tier; and/or (3) any entity or person for whom the Contractor or Subcontractor may be liable.
 2. Notwithstanding Section 1. above, Design Professionals or Designers under direct contract with the State shall only be required to indemnify the State for a liability claim that arises out of the design professional's services, unless the liability claim arises from the Design Professional's negligent act, wrongful act, error or omission, or other liability imposed by law except that the design professional shall be required to indemnify the State in regard to subcontractors or subconsultants at any tier that are under the direct or indirect control or responsibility of the Design Professional, and includes all independent contractors, agents, employees or anyone else for whom the Design Professional may be liable at any tier.
6. **CONFLICT OF INTEREST:** Contractor represents that none of its officers or employees are officers or employees of the State of Utah, unless disclosure has been made in accordance with 67-16-7, Utah Code, as amended.
 7. **CONTRACTOR, AN INDEPENDENT CONTRACTOR:** Contractor shall be an independent contractor, and as such, shall have no authorization, express or implied, to bind the State to any agreements, settlements, liability, or understanding whatsoever, and agrees not to perform any acts as agent for the State, except as herein expressly set forth. Compensation stated herein shall be the total amount payable to Contractor by the State. Contractor shall be responsible for the payment of all income tax and social security amounts due as a result of payments received from the State. Persons employed by the State and acting under the direction of the State shall not be deemed to be employees or agents of Contractor.
 8. **INDEMNITY CLAUSE:** Contractor agrees to indemnify, save harmless, and release the State of Utah, and all its officers, agents, volunteers, and employees from and against any and all loss, damages, injury, liability, suits, and proceedings arising out of the performance of this contract which are caused in whole or in part by the acts or negligence of the Contractor's officers, agents, volunteers, employees, its subcontractors or its subconsultants, at any tier, but not for claims arising from the State's sole negligence, provided that such indemnity obligation is valid only to the extent (a) the State

gives the Contractor notice in writing of any such claims except that such notice is waived to the extent it does not affect the Contractor's ability to defend the claim, and the State hereby permits the Contractor, through counsel of its choice and at the Contractor's sole cost and expense, to answer the claims and defend any related suit with good faith cooperation between the State and Contractor, and (b) the State gives the Contractor, to the extent allowed by law and within the reasonable capabilities of State, all requested information, assistance and authority, at the Contractor's sole cost and expense, to reasonably enable the Contractor to defend such suit. This obligation shall survive termination of the contract. The parties agree that if there are any Limitations of the Contractor's Liability, including a limitation of liability for anyone for whom the Contractor is responsible, such Limitations of Liability will not apply to injuries to persons, including death, or to damages to property.

9. **EMPLOYMENT PRACTICES CLAUSE:** Contractor agrees to abide by the provisions of Title VI and VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e) which prohibits discrimination against any employee or applicant for employment or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age; and Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of disabilities. Also, Contractor agrees to abide by Utah's Executive Order, dated December 13, 2006, which prohibits sexual harassment in the work place.
10. **SEPARABILITY:** A declaration by any court, or any other binding legal source, that any provision of this contract is illegal and void shall not affect the legality and enforceability of any other provision of this contract, unless the provisions are mutually dependent.
11. **RENEGOTIATION OR MODIFICATIONS:** This contract may be amended, modified, or supplemented only by written amendment to the contract, executed by authorized persons of the parties hereto, and attached to the original signed copy of the contract. Automatic renewals will not apply to this contract.
12. **DEBARMENT:** Contractor certifies that neither it nor its principals are presently or have ever been debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract), by any governmental department or agency. If the Contractor cannot certify this statement, attach a written explanation for review by the State. The Contractor must notify the State Director of Purchasing within thirty (30) days if debarred by any governmental entity during the Contract period.
13. **TERMINATION:** Unless otherwise stated in this contract, this contract may be terminated, with cause by either party, in advance of the specified termination date, upon written notice being given by the other party. The party in violation will be given ten (10) days after notification to correct and cease the violations, after which the contract may be terminated for cause. This contract may be terminated without cause, in advance of the specified expiration date, by either party, upon sixty (60) days prior written notice being given the other party. On termination of this contract, all accounts and payments will be processed according to the financial arrangements set forth herein for approved services rendered to date of termination.
14. **NONAPPROPRIATION OF FUNDS, REDUCTION OF FUNDS, OR CHANGES IN LAW:**
 1. Upon thirty (30) days written notice delivered to the Contractor, this contract may be terminated in whole or in part at the sole discretion of the State, if the State reasonably determines that a change in Federal or State legislation or applicable laws materially affects the ability of either party to perform under the terms of the contract.
 2. Upon thirty (30) days written notice delivered to the Contractor, this contract may be terminated in whole or in part, or have the services and purchase obligations of the State proportionately reduced, at the sole discretion of the State, if the State reasonably determines that a change in available funds affects the State's ability to pay under the contract. A change of available funds as used in this paragraph, includes, but is not limited to, a change in Federal or State funding, whether as a result of a legislative act or by order of the President or the Governor.
 3. If a notice is delivered under paragraph 1 or 2 of this Section 14 "NONAPPROPRIATION OF FUNDS, REDUCTION OF FUNDS, OR CHANGES IN LAW," the State will reimburse the Contractor for products properly delivered or services properly performed up until the effective date of said notice. The State will not be liable for any performance, commitments, penalties, or liquidated damages that accrue after the effective date of said notice.
 4. Notwithstanding any other paragraph or provision of this Section 14 "NONAPPROPRIATION OF FUNDS, REDUCTION OF FUNDS, OR CHANGES IN LAW," if the State in said notice to the Contractor indicates that the Contractor is to immediately cease from placing any orders or commitments with suppliers, subcontractor or other third parties, the Contractor shall immediately cease such orders or commitments upon receipt of said notice and the State shall not be liable for any such orders or commitments made after the receipt of said notice.
15. **SALES TAX EXEMPTION:** The State's sales and use tax exemption number is 11736850-010-STC, located at <http://purchasing.utah.gov/contract/documents/salestaxexemptionformsigned.pdf>. The tangible personal property or services being purchased are being paid from State funds and used in the exercise of that entity's essential functions. If the items being purchased are construction materials, they will be converted into real property by employees of this government entity, unless otherwise stated in the contract.
16. **WARRANTY:** Contractor agrees to warrant and assume responsibility for all products that it licenses, contracts, or sells to the State under this contract for a period of one year, unless otherwise specified and mutually agreed upon elsewhere in this contract. Contractor (seller) acknowledges that all warranties granted to the State (buyer) by the Uniform Commercial Code of the State of Utah apply to this contract. Product liability disclaimers and/or warranty disclaimers from the seller are

not applicable to this contract unless otherwise specified and mutually agreed upon elsewhere in this contract. In general, the Contractor warrants that: (1) the product will do what the salesperson said it would do, (2) the product will live up to all specific claims that the manufacturer makes in their advertisements, (3) the product will be suitable for the ordinary purposes for which such product is used, (4) the product will be suitable for any special purposes that the State has relied on the Contractor's skill or judgment to consider when it advised the State about the product, (5) the product has been properly designed and manufactured, and (6) the product is free of significant defects or unusual problems about which the State has not been warned. Remedies available to the State include the following: Contractor will repair or replace (at no charge to the State) the product whose nonconformance is discovered and made known to Contractor in writing. If the repaired and/or replaced product proves to be inadequate, or fails of its essential purpose, Contractor will refund the full amount of any payments that have been made. Nothing in this warranty will be construed to limit any rights or remedies the State may otherwise have under this contract.

17. **INSURANCE:** To protect against liability, loss and/or expense in connection with Contractor's performance described under this contract, Contractor shall obtain and maintain in force during the entire period of this contract without interruption, at its own expense, Insurance from an insurance company authorized to do business in the State. Contractor must maintain General Liability Insurance and/or Comprehensive General Liability Insurance, including coverage for premises/operations, explosion, collapse and underground hazards, products/completed operations, contractual (including this contract), and personal injury, including employees with policy limits not less than one million dollars (\$1,000,000.00) each occurrence and three million dollars (\$3,000,000.00) in the aggregate during the term of this contract. Aggregate limit shall be designated as applying to this contract. If this insurance coverage is written on a "claims made" basis, the certificate of insurance required below shall so indicate and the policy shall contain an extended reporting period provision or similar "tail" provision such that claims reported up to three (3) years beyond the date of Substantial Completion of this contract are covered. The carrying of insurance required by this contract shall not be interpreted as relieving the Contractor of any other responsibility or liability under this contract or any applicable law, statute, rule, regulation, or order.

Contractor must provide proof of insurance to State and must add State as an additional insured with notice of cancellation. Contractor acknowledges that within thirty (30) days of contract award, Contractor and/or Contractor's subcontractors must submit proof of certificate of insurance that meets the above requirements.

It shall be the responsibility of Contractor to require any of their Subcontractor(s) to secure the same insurance coverage as prescribed herein for the Contractor.

18. **WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE:** Contractor shall maintain during the term of this contract, workers' compensation insurance for all its employees as well as any subcontractor employees related to this contract. Worker's compensation insurance shall cover full liability under the worker's compensation laws of the jurisdiction in which the service is performed at the statutory limits required by said jurisdiction.

Contractor must provide proof of insurance to State and must add State as an additional insured with notice of cancellation. Contractor acknowledges that within thirty (30) days of contract award, the Contractor and/or Contractor's subcontractors must submit proof of certificate of insurance that meets the above requirements.

19. **PUBLIC INFORMATION:** Contractor agrees that the contract, related Sales Orders, and Invoices will be public documents, and may be available for distribution. Contractor gives the State express permission to make copies of the contract, related Sales Orders, and Invoices in accordance with the State of Utah Government Records Access and Management Act (GRAMA). Except for sections identified in writing and expressly approved by the State Division of Purchasing, Contractor also agrees that the Contractor's response to the solicitation will be a public document, and copies may be given to the public under GRAMA laws. The permission to make copies as noted will take precedence over any statements of confidentiality, proprietary information, copyright information, or similar notation.

20. **DELIVERY:** Unless otherwise specified in this contract, all deliveries will be F.O.B. destination with all transportation and handling charges paid by the Contractor. Responsibility and liability for loss or damage will remain with Contractor until final inspection and acceptance when responsibility will pass to the State except as to latent defects, fraud and Contractor's warranty obligations.

21. **ORDERING AND INVOICING:** All orders will be shipped promptly in accordance with the delivery schedule. The Contractor will promptly submit Invoices (within thirty (30) days of shipment or delivery of services) to the State. The State contract number and/or the agency purchase order number shall be listed on all Invoices, freight tickets, and correspondence relating to the contract order. The prices paid by the State will be those prices listed in the contract. The State has the right to adjust or return any invoice reflecting incorrect pricing.

22. **PROMPT PAYMENT DISCOUNT:** Contractor may quote a prompt payment discount based upon early payment; however, discounts offered for less than 30 days will not be considered in making the award. Contractor shall list Payment Discount Terms on Invoices. The prompt payment discount will apply to payments made with purchasing cards and checks. The date from which discount time is calculated will be the date a correct invoice is received or receipt of shipment, whichever is later; except that if testing is performed, the date will be the date of acceptance of the merchandise.

23. **PAYMENT:**

1. Payments are normally made within thirty (30) days following the date the order is delivered or the date a correct invoice is received, whichever is later. After sixty (60) days from the date a correct invoice is received by the appropriate State official, the Contractor may assess interest on overdue, undisputed account charges up to a maximum of the interest rate paid by the IRS on taxpayer refund claims, plus two percent, computed similarly as the requirements of Section 15-6-3, Utah Code, as amended. The IRS rate is adjusted quarterly, and is applied on a per annual basis, on the invoice amount that is overdue. All payments to the Contractor will be remitted by mail, electronic funds transfer, or the State of Utah's Purchasing Card (major credit card).

2. The contract total may be changed only by written amendment executed by authorized personnel of the parties.
3. The acceptance by the Contractor of final payment without a written protest filed with the State within ten (10) working days of receipt of final payment shall release the State from all claims and all liability to the Contractor for fees and costs of the performance of the services pursuant to this Contract.
24. **INDEMNIFICATION -- INTELLECTUAL PROPERTY:** Contractor warrants that any products provided by Contractor to the State under this contract, if any, including their use by the State in unaltered form, will not, to Contractor's knowledge, infringe any third party copyrights, patents or trade secrets that exist on the effective date of this contract and that arise or are enforceable under the law of the United States of America during the duration of this contract.

Contractor will release, indemnify and hold the State, its officers, agents and employees harmless from liability of any kind or nature, including the Contractor's use of any copyrighted or un-copyrighted composition, secret process, patented or un-patented invention, article or appliance furnished or used in the performance of this contract. The parties agree that if there are any Limitations of the Contractor's Liability, including a limitation of liability for anyone for whom the Contractor is responsible, such Limitations of Liability will not apply to this section.
25. **OWNERSHIP IN INTELLECTUAL PROPERTY:** The State and Contractor each recognizes that it has no right, title or interest, proprietary or otherwise, in or to the name or any logo, or Intellectual Property owned or licensed by the other, unless otherwise agreed upon by the parties in writing. The State and Contractor each agree that, without prior written consent of the other or as described in this contract, it shall not use the name, any logo, or Intellectual Property owned or licensed by the other.
26. **ASSIGNMENT/SUBCONTRACT:** Contractor will not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this contract, in whole or in part, without the prior written approval of the State.
27. **DEFAULT AND REMEDIES:** Any of the following events will constitute cause for the State to declare Contractor in default of the contract: (1) Nonperformance of contractual requirements; (2) A material breach of any term or condition of this contract. The State will issue a written notice of default providing a ten (10) day period in which Contractor will have an opportunity to cure. Time allowed for cure will not diminish or eliminate Contractor's liability for damages. If the default remains, after Contractor has been provided the opportunity to cure, the State may do one or more of the following: (1) Exercise any remedy provided by law; (2) Terminate this contract and any related contracts or portions thereof; (3) Impose liquidated damages, if liquidated damages are listed in the contract; (4) Suspend Contractor from receiving future solicitations.
28. **FORCE MAJEURE:** Neither party to this contract will be held responsible for delay or default caused by fire, riot, acts of God and/or war which is beyond that party's reasonable control. The State may terminate this contract after determining such delay or default will reasonably prevent successful performance of the contract.
29. **CONFIDENTIALITY:** During the duration of this contract confidential non-public personal information and confidential information ("Confidential Information") may be disclosed to the Contractor.
 1. Confidential Information includes, but is not limited to, names, social security numbers, birth dates, addresses, credit card information, financial account numbers, protected internal Federal or State business processes, policies, procedures, or practices, and information that, by its nature, would be deemed as confidential. The State reserves the right to identify, during and after the term of this contract, additional reasonable types of categories of information that must be kept confidential under federal and state laws by the Contractor and anyone for whom the Contractor may be liable.
 2. If Confidential Information is disclosed to the Contractor, the Contractor will: (a) limit disclosure of any Confidential Information to its directors, officers, employees, agents or representatives (collectively "Representatives") who have a need to know such Confidential Information in connection with the current or contemplated business relationship between the parties to which this contract relates, and only for that purpose; (b) advise its Representatives of the proprietary nature of the Confidential Information and of the obligations set forth in this contract and require such Representatives to keep the Confidential Information confidential; (c) shall keep all Confidential Information strictly confidential by using a reasonable degree of care, but not less than the degree of care used by it in safeguarding its own confidential information; and (d) not disclose any Confidential Information received by it to any third parties except as otherwise agreed to in writing by the State. Contractor will promptly notify the State of any potential or actual misuse or misappropriation of Confidential Information that comes to Contractor's attention.
 3. Contractor shall be responsible for any breach of this duty of confidentiality contract by any of their officers, agents, subcontractors at any tier, and any of their respective representatives, including any required remedies and/or notifications under applicable law (Utah Code Section 13-44-101 thru 301 et al). Contractor shall indemnify, hold harmless and defend the State including anyone for whom the State is liable, from claims related to a breach of these confidentiality requirements by the Contractor or anyone for whom the Contractor is liable. This duty of confidentiality shall be ongoing and survive the term of this contract.
 4. Upon termination or expiration of this contract, Contractor will return all copies of Confidential Information to the State or certify, in writing, the destruction thereof.
 5. The State's disclosure of Confidential Information does not transfer ownership of Confidential Information or grant a license thereto to Contractor.

30. **PROCUREMENT ETHICS:** Contractor understands that a person who is interested in any way in the sale of any supplies, services, construction, or insurance to the State of Utah is violating the law if the person gives or offers to give any compensation, gratuity, contribution, loan or reward, or any promise thereof to any person acting as a procurement officer on behalf of the State, or who in any official capacity participates in the procurement of such supplies, services, construction, or insurance, whether it is given for their own use or for the use or benefit of any other person or organization (Section 63G-6a-2404, Utah Code, as amended).
31. **CONFLICT OF TERMS:** Contractor Terms and Conditions that apply must be in writing and attached to the contract. No other Terms and Conditions will apply to this contract including terms listed or referenced on a Contractor's website, terms listed in a Contractor quotation/sales order, etc. In the event of any conflict in the contract terms and conditions, the order of precedence shall be: (1) Attachment A: State of Utah Standard Terms and Conditions; (2) State of Utah Contract Signature Page(s); (3) State Additional Terms and Conditions, if any; (4) Contractor Terms and Conditions, if any. The terms and conditions contained in Attachment A: State Of Utah Standard Terms and Conditions will be given precedence over any provisions including, but not limited to, limitation of liability, indemnification, standard of care, insurance, or warranty, and will not be nullified by an exception created by a more specific terms elsewhere in the contract.
32. **CONTRACT INFORMATION:** Contractor understands that pursuant to Section 63G-6a-402(6), Utah Code, as amended, requires the issuing procurement unit, as described in Section 63G-6a-103(26), for the duration of any contract, to make available contact information of the winning contractor to the Department of Workforce Services in accordance with Section 35A-2-203, Utah Code, as amended. This requirement does not preclude Contractor from advertising job openings in other forums throughout the State.
33. **WAIVER:** No waiver by the State or Contractor of any default shall constitute a waiver of the same default at a later time or of a different default.
34. **ENTIRE AGREEMENT:** This contract, including all Attachments, and documents Incorporated hereunder, and the related State Solicitation constitutes the entire agreement between the parties with respect to the subject matter, and supersedes any and all other prior and contemporaneous agreements and understandings between the parties, whether oral or written. The terms of this contract shall supersede any additional or conflicting terms or provisions that may be set forth or printed on the Contractor's work plans, cost estimate forms, receiving tickets, invoices, or any other related standard forms or documents of the Contractor that may subsequently be used to implement, record, or invoice services hereunder from time to time, even if such standard forms or documents have been signed or initialed by a representative of the State. The parties agree that the terms of this contract shall prevail in any dispute between the terms of this contract and the terms printed on any such standard forms or documents, and such standard forms or documents shall not be considered written amendments of this Agreement.

If services are applicable to this contract, the following additional terms and conditions apply:

35. **TIME:** Contractor shall complete the scope of services work in a manner to achieve any milestones identified in the procurement documents related to this contract and the attachments to this contract. The full scope of services work shall be completed by any applicable deadline stated in the solicitation.
36. **TIME IS OF THE ESSENCE:** For all work and services under this contract, time is of the essence and Contractor shall be liable for all damages to the State and anyone for whom the State may be liable, as a result of the failure to timely complete the scope of work required under this contract.
37. **CHANGES IN SCOPE:** Any changes in the scope of the services to be performed under this contract shall be in the form of a written amendment to this contract, mutually agreed to and signed by duly authorized representatives of both parties, specifying any such changes, fee adjustments, any adjustment in time of performance, or any other significant factors arising from the changes in the scope of services.
38. **OWNERSHIP IN DELIVERABLES:** Contractor agrees that any deliverables that result from the services it performs for State under the contract, to the extent to which it is eligible under copyright law in any country, shall be deemed a work made for hire, such that all right, title and interest in the work and deliverables reside with the State. To the extent any deliverables are deemed not to be, for any reason whatsoever, work made for hire, Contractor agrees to assign and hereby assigns all right, title, and interest, including but not limited to, copyright, patent, trademark, and trade secret, to such deliverables, and all extensions and renewals thereof, to the State. Contractor further agrees to provide all assistance reasonably requested by State in the establishment, preservation and enforcement of its rights in such deliverables, or subsequent amendments or modifications to such work and deliverables, without any additional compensation to Contractor. Contractor agrees to waive, and hereby, to the extent permissible, waives, all rights relating to such deliverables, or subsequent amendments or modifications to such work and deliverables, including without limitation any and all rights of identification of authorship and any and all rights of approval, restriction or limitation on use.
39. **PERFORMANCE EVALUATION:** The State may conduct a performance evaluation of the Contractor's services, including specific personnel of the Contractor. References in the contract to Contractor shall include Contractor, Contractor's subcontractors, or subconsultants at any tier, if any. Results of any evaluation will be made available to the Contractor.
40. **ADDITIONAL INSURANCE:** In addition to the insurance requirements described in Sections 17 and 18 of this contract, and to protect against liability, loss and/or expense in connection with Contractor's performance of services described under this contract, the Contractor shall obtain and maintain in force during the entire period of this contract without interruption, at its own expense, additional insurance as listed below from insurance companies authorized to do business in the State.

1. The following are minimum coverages that may be in addition to the required insurance requirements of this contract:
 - (1) Professional liability insurance in the amount as described in the solicitation for this Contract, if applicable.

- (2) Any other insurance, including Comprehensive Automobile Insurance, described in the solicitation for this Contract, if applicable.
- (3) Any type of insurance or any increase of limits of liability not described in this contract which the Contractor requires for its own protection or on account of any statute, rule, or regulation shall be its own responsibility, and shall be provided at Contractor's own expense.
2. The carrying of insurance required by this contract shall not be interpreted as relieving the Contractor of any other responsibility or liability under this contract or any applicable law, statute, rule, regulation, or order.
3. Within thirty (30) days of contract award, the Contractor and/or Contractor's subcontractors must submit proof of certificate of insurance that meets the above requirements.
41. **STANDARD OF CARE:** The services of Contractor and its subcontractors and subconsultants at any tier, if any, shall be performed in accordance with the standard of care exercised by licensed members of their respective professions having substantial experience providing similar services which similarities include the type, magnitude and complexity of the services that are the subject of this contract. The Contractor shall be liable to the State for claims, liabilities, additional burdens, penalties, damages or third party claims (i.e. another Contractor's claim against the State), to the extent caused by wrongful acts, errors or omissions that do not meet this standard of care.
42. **STATE REVIEWS:** The right of the State to perform plan checks, plan reviews, other reviews and/or comment upon the services of the Contractor, as well as any approval by the State, shall not be construed as relieving the Contractor from its professional and legal responsibility for services required under this contract. No review by the State or any entity/user, approval or acceptance, or payment for any of the services required under this contract shall be construed to operate as a waiver by the State of any right under this contract or of any cause of action arising out of the performance or nonperformance of this contract, and the Contractor shall be and remain liable to the State in accordance with applicable law for all damages to the State caused by the wrongful acts, errors and/or omissions of the Contractor or its subcontractors or subconsultants at any tier, if any.

(Revision date: 15 September 2014)

Economic Impacts of Utah Energy and Mineral Development

Scope of Work

A comprehensive analysis of the contributions of energy exploration, development, production, infrastructure, transportation, processing, distribution, and use to the Utah economy will be completed by Applied Analysis Corp, hereafter referred to as contractor. In addition to being accurate, the analysis must be authoritative and credible, using an analytical framework similar to that used in Utah for other sectors. Recognizing parallels between energy and mineral development, an analysis of the impact of mineral development in the State will also be completed.

Because the economic impacts of the energy sector are so diverse and pervasive, this initial analysis will provide a broad overview as a foundation and prelude to subsequent and more geographically or resource-specific studies. The breadth of the overview analysis must span oil, gas, coal, renewable electricity, uranium, and all other primary energy sources, as well as secondary energy production.

The analysis will include elements that are directly measurable, as well as indirect and induced elements inferred through economic modeling. OED will provide directly measurable statistics, (employment, wages, market value of resources, royalties, state and local revenue), that might facilitate more extensive (indirect and induced) analysis, as requested by the contractor. OED will also provide direct employment, wages and property tax revenue statistics at the county level, as requested by the contractor

The energy portion of the report will include the following aspects of economic impact.

- **Energy-related employment and wages.** In addition to direct energy employment that is explicitly captured by energy-related NAICS industry codes, indirect and induced employment will also be analyzed.
- **State and local revenue** in the form of severance taxes, royalties, property taxes and income taxes.
- **Market value** of energy produced and purchased. Including primary energy production (such as oil and gas), as well as secondary energy production (such refined petroleum products or electricity produced from coal).
- Contribution of energy exploration, development, production, infrastructure, transportation, processing, distribution and use to the **Utah Gross State Product**.
- Although the primary focus of this analysis is statewide, **county-level analysis** identifying particular rural or county-specific impacts will also be provided.
- **Comparison of the economic impacts of energy production on private, Federal, tribal, and State land**, as well as the unique impacts of the SITLA program and others driven by energy revenue.

The mineral development analysis will parallel the energy development analysis, as appropriate.

Timetable

A final report will be provided to OED by January 30, 2015.

FINAL REPORT will be the property of the Office of Energy Development.

Budget

Costs associated with producing the Report as described above in the Scope of Work will not exceed \$31,500

Payment Schedule

First payment of \$5,000.00 will be payable upon execution of the contract and receipt of invoice. Monthly payments will be made upon receipt of invoice. Final payment of \$3,000.00 will be made upon receipt and acceptance of FINAL REPORT and invoice.

November 2, 2014

Peter Ashcroft, PhD
Resource and Policy Analyst
Utah Office of Energy Development
World Trade Center Utah
60 East South Temple Street, Suite 300
Salt Lake City, Utah 84111

Sent via email (pashcroft@utah.gov)

RE: Proposal to Provide Professional Services | Utah Energy and Mining Industries Economic and Fiscal Impact Assessment

Dear Dr. Ashcroft:

Pursuant to our recent discussions and your request, Applied Analysis ("AA") is pleased to submit this proposal to provide professional economic and fiscal research and analysis services to Utah's Office of Energy Development ("the OED"). This letter represents our understanding of your objectives, our approach to the engagement and the general conditions of our retention.

OUR UNDERSTANDING OF YOUR OBJECTIVES AND OUR APPROACH TO THE ENGAGEMENT

We understand the OED is dedicated to advancing all forms of responsible energy development in the state of Utah. We further understand that the state has a long history of advancing sound, stable and economically responsible energy policy. The OED can trace its roots to the development of Utah's Energy Conservation and Development Council ("the Council") established in 1977 as a result of the impact of the 1973 Arab oil embargo. We further understand the Utah Energy Office was subsequently created by Executive Order to provide an operational staff to the Council enabling it to fulfill its statutory duties. In 1983, a second Executive Order established the Energy Office as part of the Department of Natural Resources. Then, in 2011, the OED was created by the Utah State Legislature in response to Governor Herbert's 10-Year Strategic Energy Plan. The OED is now the primary resource for advancing energy development in Utah, and we understand that OED's role has been recently expanded to include consideration of mining interests throughout the state.

One of the key responsibilities of OED is to educate the public regarding the impacts of Utah's energy infrastructure. To this end, we understand the OED is seeking to obtain a comprehensive analysis of the contributions of energy exploration, development, production, infrastructure, transportation, processing, distribution and use to the Utah economy. Respecting a high degree of overlap between the two sectors, the OED is also looking for a similar analysis of the state's mining interests and activities.

Because the economic impacts of the energy sector are so diverse, an initial analysis will provide a broad overview, as a foundation and prelude to subsequent and more specific studies. This preliminary analysis will include consideration of oil, gas, coal, renewable electricity, uranium, and other primary energy sources, as well as secondary energy production. The analysis will also include elements that are directly measurable, as well as indirect (i.e., supplier) and induced (i.e., employee spending "ripple" effect) elements for both one-time capital outlays as well as recurring operational activities inferred through the use of the Minnesota IMPLAN Group's input-output model (commonly referred to as "IMPLAN").

The OED will provide, where readily available, directly measurable statistics, including, without limitation, employment, wages and salaries paid, market value of resources, property values and assessments, royalties, state and local tax and fee revenue, minerals and mining production volumes, and data related to the calculation of tax liability (e.g., expense deductions for mining

operations). Where data are not readily available, AA and OED will work jointly to develop the additional data required for the analysis.

The OED has requested that the report include, at a minimum, the following elements. To the extent data are readily available, they will be included, respecting that some sub-state data (e.g., tribal productivity and operating metrics) may have some limitations. Where appropriate, mining will be included as an element of the energy economy analysis but will also be analyzed as a standalone sector.

- ❖ Energy-related employment and wages. In addition to direct energy employment that is explicitly captured by energy-related NAICS industry codes, this portion of the analysis will include indirect and induced employment.
- ❖ State and local revenue in the form of severance taxes, royalties, property taxes and income taxes.
- ❖ Market value of energy produced and purchased. This analysis will include primary energy production (such as oil and gas), as well as secondary energy production (such as refined petroleum products or electricity produced from coal).
- ❖ Contribution of energy exploration, development, production, infrastructure, transportation, processing distribution and use to the Utah Gross State Product.
- ❖ Although the primary focus of this analysis is statewide, AA will present the data at the sub-state (e.g., county) level to the extent required operating metrics are available at that level.
- ❖ To the extent possible, the comparison of the economic impacts of energy production on federal, tribal, and state land, as well as the unique impacts of the School and Institutional Trust Lands Administration (SITLA) program and others driven by energy revenue.

STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

AA's principals and staff are economic, fiscal and policy research professionals. We are not attorneys or registered lobbyists in Utah or in any other state; and as such, our efforts will be in the capacity of "analyst" as opposed to "advocate." We understand that we may be required to deliver information to third parties. In doing so, we will provide the required information or testimony as an objective third party.

AA's efforts will be in the capacity of independent contractor. Payment for services rendered is not dependent upon our findings, or on the outcome of any legal or legislative action, mediation, arbitration or the amount or terms of any settlement of the underlying legal cause, nor on any contractual arrangement between the OED and any other person or party.

Market, economic, fiscal or other information furnished to us and contained in any submission or report or utilized in the formation of the findings will be obtained from sources considered reliable and believed to be true and correct, including the OED. However, we will not perform any audit or other assurance procedures on the data; and as such, no representation, liability or warranty for the accuracy of such items is assumed by or imposed on AA, and all submissions will be subject to corrections, errors, omissions, and withdrawal without notice.

AA will design procedures and undertake analyses in response to your request. However, we make no representations as to the adequacy of these procedures for all purposes. The OED agrees to indemnify AA, its partners, principals and employees, and hold them harmless from and against any and all liabilities or obligations including, but not limited to, attorney's fees that arise directly or indirectly from the services that are the subject of this engagement letter, except to the extent that it is determined by an appellate court of competent jurisdiction that AA's conduct in connection with the services that are the subject of this engagement letter were grossly negligent or fraudulent, and that such conduct was the proximate cause of any injury for which AA is sought to be held liable.

CONFIDENTIALITY AND RECORDS RETENTION

Our personnel understand that they are subject to and will abide by any reasonable confidentiality restrictions and protective orders. We will take appropriate steps to segregate all materials related to our work in this engagement from other files in our office. Any records obtained and/or generated during the course of this assignment will be retained by AA for a period of up to three (3) years or the minimum required under Nevada law.

TIMEFRAME, DELIVERABLES AND BUDGET

The primary deliverable for this project shall be a summary report ("the Report"). The Report will include an overview of our approach and methodology; a summary of the salient findings of our review and analysis; and supporting chart, graphs, maps and exhibits (as appropriate). We anticipate having a draft of this analysis to the OED on or before December 31, 2014, respecting that this timeline will be affected by the timing of our authorization to proceed as well as the time it takes to obtain the underlying data from the OED and other third parties. We expect to work closely with the OED throughout this process, and we will brief Dr. Ashcroft at least weekly as to our progress ensuring all parties remain clear regarding timelines, deliverables, process and process challenges.

This project shall be billed on a time and materials basis using the standard hourly rate schedule provided below. Fees for professional services pursuant to this agreement shall not exceed \$31,250. Out-of-pocket expenses for items such as travel, printing and reproduction, and data purchases shall be billed separately at cost and shall not exceed \$1,500. AA will not incur any charges in excess of the provided estimate without the express consent of the OED. Additionally, in the event that the time required is less than the provided estimate, AA will only bill the OED for hours actually incurred.

Applied Analysis Hourly Rate Schedule

Staff	Standard Hourly Rate
Jeremy Aguero, Principal	\$400
Brian Gordon, CPA, Principal	\$375
Directors	\$275
Senior Economic Analysts	\$175
Senior Market Analysts	\$175
Senior Financial Analysts	\$175
Financial and Research Analysts	\$85-\$150
Administrative Staff	\$40

#####

AA will require a retainer in the amount of \$5,000 to commence our work effort. This retainer will be applied to our final invoice on this project. We will provide the OED with monthly progress billings that will be due upon receipt; final deliverables will not be released until all outstanding invoices are paid in full.

We welcome the opportunity to discuss this proposal with you at any time. Should you have any questions or require additional information, please contact Jeremy Aguero or Brian Gordon at (702) 967-3333. If the foregoing is in accordance with your understanding, please sign one copy of this agreement in the space provided below and forward a second copy to us.

Sincerely,


Applied Analysis

By: Jeremy A. Aguero, Principal

AGREED TO AND ACCEPTED BY THE UTAH OFFICE OF ENERGY DEVELOPMENT:

Authorized Signature

Date

Printed Name and Title

EXHIBIT: STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

The standard assumptions and limiting conditions pertaining to the tasks that are the subject of this contract are summarized below. If applicable, "special assumptions" will be cited elsewhere in the provided deliverables.

1. Market and economic information furnished to us and contained in any submission or report or utilized in the formation of the findings will be obtained from sources considered reliable and believed to be true and correct, including the OED. However, no representation, liability, or warranty for the accuracy of such items is assumed by or imposed on AA.
2. No change of any item in any of the reports or submissions shall be made by anyone other than AA and we shall have no responsibility for any such unauthorized change.
3. The working papers for this engagement will be retained in AA's files and will be made available for your reference upon request. Compiling, copying and providing these data will be done at additional expense.
4. Neither all nor any part of the contents of any report or submission shall be disseminated or referred to the public through advertising, public relations, news, or sales media, or any other public means of communication or referenced in any publication, including any private or public offerings including but not limited to those filed with the Securities and Exchange Commission or other governmental agency, without the prior written consent and approval of and review by AA.
5. All maps, graphs, building diagrams, or photographs submitted are for illustrative purposes only; they are not guaranteed to be exact. Dimensions and descriptions are based on public records and/or information furnished by the OED or others and are not meant to be used as a reference in legal matters.
6. We take no responsibility for any events, conditions, or circumstances affecting the local or national economy, or its financial and real estate markets. We assume no liability for an unforeseen change in the economy.
7. We have not performed an audit, review, or examination or any other attest function regarding any of the historical or prospective third-party economic, fiscal and community market information used or included in any report or submission, including that provided by the OED. Therefore, AA will not express any opinion or any other form of assurance with regard to the same, in the context of any report or submission.
8. It is assumed that the OED will be managed in a competent manner and will abide by all local, state, and federal laws. We assume no liability for the OED's failure to meet these requirements, and additional fees and charges may apply if additional hours are incurred.
9. It is assumed that in the event a conflict of interest arises for AA, its partners, principals or employees with regard to the subject of this engagement, AA has the authority to withdraw from such engagement and fully refund any fees and/or out-of-pocket expenses incurred through the date of such determination. In addition, in the event of such withdrawal, the OED agrees to release AA of all obligations outlined in this engagement letter, excluding the obligation of confidentiality. As of the date hereof, AA is not aware of any potential or actual conflicts of interest.
10. The OED agrees not to solicit and/or hire employees of Applied Analysis for a period of two years from the date of completion of the project scope contained in this proposal.
11. It is assumed the OED authorizes AA to use the OED's name and general description of this engagement (excluding information on professional services or other compensation contract details) in AA's collateral and marketing materials, including its website and AA affiliates.
12. This proposal will remain valid for 14 days from the date of this letter. Failure to manifest agreement to its terms and act as required, including providing the necessary retainer in full, constitutes a rejection of this proposal and renders it null and void. AA assumes no responsibility for any occurrence, including but not limited to reporting delays, resulting from any act or omission by the OED.



STATE OF UTAH - DEPARTMENT OF ADMINISTRATIVE SERVICES
Division of Purchasing & General Services
3150 State Office Building, Capitol Hill, Salt Lake City Utah 84114-1061
Phone: 801-538-3026 Fax: 801-538-3882 www.purchasing.utah.gov

SOLE SOURCE REQUEST

Requests missing information will be rejected and returned to requestor for completion.

Complete each section and provide as much information as needed to fully respond. Please click on the grey fields to insert your information. Use your tab key to advance to the next field. Please complete all fields below.

Sole Source Procurement is appropriate only if a purchase requirement is reasonably available from a single supplier and if it otherwise qualifies under the attached Utah Administrative Code R33-3-401.

ALL SOLE SOURCE REQUESTS OVER \$1,000 MUST BE PRE-APPROVED BY STATE PURCHASING.

It is anticipated the procurement will result in a:

(Check one and fill in the appropriate fields for an agency contract or the RQS number for a purchase order)

	RESULT	ACTION
<input checked="" type="checkbox"/>	Agency Contract	<ol style="list-style-type: none">1. An RQM in Finet is NOT required.2. Insert requested initial term of contract: <u>6 months (and renewal options): 0</u>3. Approximate Start Date: <u>11/17/2014</u> (cannot be prior to the date the sole source form is signed)4. A Quote from the supplier is required.5. Email this completed form along with a copy of the quotation from the supplier to purchasingsolesource@utah.gov prior to contract negotiations.
<input type="checkbox"/>	Purchase Order	<ol style="list-style-type: none">1. An RQS in Finet is required.2. Insert the RQS Number: _____3. A Quote from the supplier is required.4. Email this completed form along with a copy of the quotation from the supplier to the appropriate State Purchasing Agent.

Department Requesting Authorization:	Governor's Office
Division:	ENERGY DEVELOPMENT
Contact Person and Title:	Michele Pasker
E-mail Address:	mpasker@utah.gov
Telephone Number:	8015388727
DTS Contact (required for Technology SS)	
Description of Product / Service to be Purchased:	Economic and fiscal impact assessment
Total Estimated Cost (including all renewal periods):	not to exceed \$31,250
Freight Cost (F.O.B. Destination, Freight Prepaid):	\$0.00
Supplier Name:	Applied Analysis
Contact Person:	Jeremy Aguero
E-mail Address:	jaguero@appliedanalysis.com
Telephone Number:	7029673333
Fax Number:	7023141439
Ordering Address including Zip Code:	6385 S Rainbow Blvd Ste 105 Las Vegas, NV 89118
Remittance Address:	same
FINET Vendor Number (if available):	
All items in the above section are required with the exception of Freight Cost	

Complete the following if no Finet number exists.

Federal Tax ID# (TIN): (9 Digits)		86-0875666	
Type of Supplier (check one):	<input type="checkbox"/> Sole proprietorship/ individual	<input type="checkbox"/> Non-Profit Corporation	<input checked="" type="checkbox"/> For-Profit Corporation
	<input type="checkbox"/> Partnership	<input type="checkbox"/> Government Agency	<input type="checkbox"/> Other (Please, explain)

Explain in detail why the service or product is only available from a single supplier.

The Office of Energy Development is requesting a contract with Applied Analysis to conduct an economic impact analysis of energy and mineral development in Utah. (Economic impact analysis is a rigorous method of estimating all the economic impacts of an industry or business in a particular geographical region, generally relying on software specifically developed for that purpose.) Although economic impact analysis is widely used by policy-makers, entities capable of such analysis are not common, and those with experience in the energy sector are rarer still.

Applied Analysis is the only vendor capable of providing a comprehensive analysis of the economic impacts of Utah energy and mineral development within our timeframe, (prior to the end of 2014). The Bureau of Economic and Business Research at the University of Utah would be capable of such analysis, but the relevant researchers are completely occupied with another project. The Office of Energy Development previously advertised for an intern to conduct this analysis, but that search yielded only one qualified candidate, who was unavailable on our timeframe. Applied Analysis was recommended by an economist with the Governor's Office of Management and Budget on the basis of energy-related analysis conducted in the past. Subsequent discussions with Applied Analysis has confirmed that they possess the capability and the availability to provide the necessary analysis.

NOTE: The explanation above is required for ALL SOLE SOURCES UNDER THE RULE. Also, check all that apply below:

<input type="checkbox"/>	Compatibility of equipment, accessories, replacement parts, or service, including professional services, is the paramount consideration (please complete sections A and B)
<input type="checkbox"/>	A sole supplier's item is needed for trial use or testing (please complete section C)
<input type="checkbox"/>	Procurement of items for resale (please complete section A)
<input type="checkbox"/>	Procurement of public utility services (please complete section A)
<input checked="" type="checkbox"/>	Any other justification under Rule R33-3-401 (please complete section A)
<input type="checkbox"/>	Lease (please refer to section D)

Section A. GENERAL INFORMATION

1.	What is unique about this product/service to justify a sole source? Refer to attached Utah Administrative Code R33-3-401. Economic research requiring a specialized skillset in utilizing economic modeling computer software.
2.	Could the product/service be reasonably modified to allow for competition? No
3.	Explain the market research performed to make the sole source recommendation? outreach to other state agencies, job posting on state of utah website, and contact with university faculty, and commercial firms
4.	List the names of suppliers contacted, contact person and a summary of their response. University of Utah, Bureau of Economic and Business Research - insufficient capacity. Attempts to hire an intern yielded similar results.
5.	Complete disclosure must be included with this request if the requestor has any personal, financial or fiduciary relationship with the recommended supplier. (Please Attach)

Section B. COMPATIBILITY OF EQUIPMENT/SERVICE

1.	Describe the existing equipment that this purchase must be compatible with; original purchase price and date of purchase. n/a
----	--

Complete the following if no Finet number exists.

Federal Tax ID# (TIN): (9 Digits)		86-0875666				
Type of Supplier (check one):	<input type="checkbox"/>	Sole proprietorship/ individual	<input type="checkbox"/>	Non-Profit Corporation	<input checked="" type="checkbox"/>	For-Profit Corporation
	<input type="checkbox"/>	Partnership	<input type="checkbox"/>	Government Agency	<input type="checkbox"/>	Other (Please, explain)

Explain in detail why the service or product is only available from a single supplier.

The Office of Energy Development is requesting a contract with Applied Analysis to conduct an economic impact analysis of energy and mineral development in Utah. (Economic impact analysis is a rigorous method of estimating all the economic impacts of an industry or business in a particular geographical region, generally relying on software specifically developed for that purpose.) Although economic impact analysis is widely used by policy-makers, entities capable of such analysis are not common, and those with experience in the energy sector are rarer still.

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NOTE: The explanation above is required for ALL SOLE SOURCES UNDER THE RULE. Also, check all that apply below:

<input type="checkbox"/>	Compatibility of equipment, accessories, replacement parts, or service, including professional services, is the paramount consideration (please complete sections A and B)
<input type="checkbox"/>	A sole supplier's item is needed for trial use or testing (please complete section C)
<input type="checkbox"/>	Procurement of items for resale (please complete section A)
<input type="checkbox"/>	Procurement of public utility services (please complete section A)
<input checked="" type="checkbox"/>	Any other justification under Rule R33-3-401 (please complete section A)
<input type="checkbox"/>	Lease (please refer to section D)

Section A. GENERAL INFORMATION

1.	What is unique about this product/service to justify a sole source? Refer to attached Utah Administrative Code R33-3-401. Economic research requiring a specialized skillset in utilizing economic modeling computer software.
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3.	Explain the market research performed to make the sole source recommendation? outreach to other state agencies, job posting on state of utah website, and contact with university faculty, and commercial firms
4.	List the names of suppliers contacted, contact person and a summary of their response. University of Utah, Bureau of Economic and Business Research - insufficient capacity. Attempts to hire an intern yielded similar results.
5.	Complete disclosure must be included with this request if the requestor has any personal, financial or fiduciary relationship with the recommended supplier. (Please Attach)

Section B. COMPATIBILITY OF EQUIPMENT/SERVICE

1.	Describe the existing equipment that this purchase must be compatible with; original purchase price and date of purchase. n/a
----	--

Additional Research:	
Summary of Comments Received & Determination:	
Recommendation:	
Terms & Conditions*:	<input type="checkbox"/> Standard <input type="checkbox"/> Professional Svs <input type="checkbox"/> IT for DTS only <input type="checkbox"/> Att. B IT-Non DTS
* Must be filled in	

Utah Administrative Code R33-3-401 Conditions for Use of Sole Source Procurement.

Sole source procurement shall be used only if a requirement is reasonably available from a single supplier. A requirement for a particular proprietary item does not justify a sole source procurement if there is more than one potential bidder or offeror for that item.

Examples of circumstances which could necessitate sole source procurement are:

- (1) where the compatibility of equipment, accessories, replacement parts, or service is the paramount consideration;
- (2) where a sole supplier's item is needed for trial use or testing;
- (3) procurement of items for resale;
- (4) procurement of public utility services.

The determination as to whether a procurement shall be made as a sole source shall be made by the procurement officer. Each request shall be submitted in writing by the using agency. The officer may specify the application of the determination and its duration. In cases of reasonable doubt, competition should be solicited. Any request by a using agency that a procurement be restricted to one potential contractor shall be accompanied by an explanation as to why no other will be suitable or acceptable to meet the need.

R33-3-402 Negotiation in Sole Source Procurement.

The procurement officer shall conduct negotiations, as appropriate, as to price, delivery, and terms.

STATE OF UTAH

OFFICE OF THE ATTORNEY GENERAL



SEAN D. REYES
ATTORNEY GENERAL

Spencer E. Austin
Chief Criminal Deputy

Parker Douglas
Chief of Staff & General Counsel

Bridget K. Romano
Solicitor General

Brian L. Tarbet
Chief Civil Deputy

December 19, 2014

Rob Simmons
Office of Energy Development (OED)
60 East South Temple Suite 300
Salt Lake City, UT 84111

RE: Review of Economic Impacts of Utah Energy and Mineral Development

Dear Rob,

I have completed the legal review of the scope of work for the Economic Impacts of Utah Energy and Mineral Development. The scope of work contains reasonable terms that outline what the State of Utah is contracting for and contains specific deadlines, budgets and criteria for performance. The State of Utah Cover sheet and Standard Terms and Conditions must also be attached with this agreement.

Sincerely,

/S/
Michael Green
Assistant Attorney General



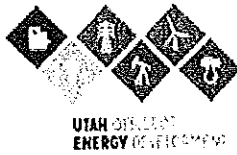
Michele Pasker <mpasker@utah.gov>

FW: ASSIGNED ss15275_Applied Analysis

Michele Pasker <mpasker@utah.gov>
To: Peter Ashcroft <pashcroft@utah.gov>

Mon, Nov 17, 2014 at 12:54 PM

Peter, can you elaborate on some of the commercial firms you spoke with in attempting to find someone who could do this economic analysis? Thanks!



Michele Pasker
Finance Manager
Governor's Office of Energy Development
Energy.Utah.Gov

mpasker@utah.gov | phone: 801-538-8727

From: Mark Parry [mailto:mparry@utah.gov]
Sent: Monday, November 17, 2014 12:03 PM
To: Michele Pasker
Subject: Re: ASSIGNED ss15275_Applied Analysis

Michele-

In reviewing this Sole Source it states that there was outreach to commercial firms which indicated it could not be modified for competition. However, I was unable to find any info in the explanation about this commercial outreach. Would you mind providing me the information in regards to this commercial outreach?

On Thu, Nov 13, 2014 at 4:15 PM, PurchasingSoleSource DAS <purchasingsolesource@utah.gov> wrote:

Your sole source request for Applied Analysis has been assigned the number SS15275 in the Purchasing Tracking System. Mark Parry will be the agent responsible for this sole source request.

Thank you,

Patty Yacks

State of Utah, Division of Purchasing
Phone: 801-538-3151
Interoffice Mailbox: 141061

8/6/2015

Mail - FW: ASSIGNED ss15275_Applied Analysis

----- Forwarded message -----

From: **Michele Pasker** <mpasker@utah.gov>
Date: Thu, Nov 13, 2014 at 3:28 PM
Subject: Economic impact study SSR
To: purchasingsolesource@utah.gov
Cc: Peter Ashcroft <pashcroft@utah.gov>

Purchasing, please process the attached Sole Source Request and contact me if you have questions or need additional information. Thank you, Michele Pasker.



Michele Pasker
Finance Manager
Governor's Office of Energy Development
Energy.Utah.Gov

mpasker@utah.gov | phone: 801-538-8727

Mark Parry
State of Utah
State Purchasing Agent
Division of Purchasing
3150 State Office Bldg., Capitol Hill
Salt Lake City UT 84114
email: mparry@utah.gov
Phone: (801) 537-9243
Fax: (801) 538-3882

8/6/2015

Mail - FW: ASSIGNED ss15275_Applied Analysis



Michele Pasker <mpasker@utah.gov>

FW: ASSIGNED ss15275_Applied Analysis

Thu, Dec 4, 2014 at 10:38 AM

Michele Pasker <mpasker@utah.gov>
To: Mark Parry <mparry@utah.gov>

Mark, sorry to be slow in responding. Peter Ashcroft provided the following in response to your question:

The Office of energy Development attempted to contact two additional economic analysis companies as potential contractors for this project. The first (Decision Analyst – based in Houston), did not respond to our inquiry. The second, (Economic Development Research Group – based in Boston), initiated a phone and email discussion, through which it was determined that the company did not have deep Utah or energy-specific experience. (They are fine economists, but not particularly expert in the specifics of our analysis.)

Please let me know if you need additional information for our sole source request. Thanks, Michele.

[Quoted text hidden]



STATE OF UTAH

Standard Requisition

REQUISITION NUMBER: RQS 060 54000000002

Ship To: DE1

Office of Energy Development

60 E South Temple 3rd Fl

Salt Lake City UT
84114

Bill To: DE1

Office of Energy Development

60 E South Temple 3rd Fl

Salt Lake City UT
84114

Record Date: 12-19-2014

Procurement Type ID: Unclassified

Buyer: Mark Parry

Issuer: Michele Pasker

Phone: 801-538-8727

Email: mpasker@utah.gov

Requestor: Michele Pasker

Phone: 8015388727

Email: mpasker@utah.gov

Line	Commodity	Quantity	Unit	Description	Unit Price	Amount
1	95605	0.0		Business research services	\$0.00	\$31,250.00

Authorized Signature

6385 S. RAINBOW BLVD., SUITE 105
LAS VEGAS, NEVADA 89118

T: 702.987.3333
F: 702.314.1439
APPLIEDANALYSIS.COM

PRC 060 54-50
5/28/15 WP

APPLIED
ANALYSIS 

Invoice

BILL TO
Utah Office of Energy Development Attn: Michele Pasker 60 East South Temple, Suite 300 Salt Lake City, UT 84111

DATE	INVOICE #
3/31/2015	UTA033115

DESCRIPTION	AMOUNT
Professional Consulting Services: Economic Impacts of Utah Energy and Mineral Development (Contract No. 156253 // RX# 060 54*2) - Interim Progress Billing	3,975.00
<div>Office of Energy Development Approved for Payment Date <u>4/24/2015</u> Coding <u>9110 OEPAD</u> Proj. Mgr. <u>P. Pasker</u> SSC <u>W. Pasker</u> <u>4/24/15</u> Director <u>Paul P</u> Contract # <u>156253</u> <div>FINAL PMT</div></div>	
Invoice Total	<div>\$3,975.00</div>



NOTICE OF APPEAL: DENIAL OF REQUESTED DOCUMENTS

sent via email
and hand delivered

Re: GRAMA request for records pertinent to planning and production of the May 2015 report "Energy and Energy-Related Mining in Utah".

GRAMA Appeal
ATTN: Dr. Laura Nelson
Office of Energy Development
60 E. South Temple
Salt Lake City, UT 84111 lnelson@utah.gov

September 16, 2015

Dear Dr. Nelson,

Thank you for your August 19, 2015 response, via the Attorney General's office, to UCARE's GRAMA request dated June 25, 2015. Materials you have provided afford useful insights into the Office of Energy Development's approach to valuing renewable energy generally and solar energy specifically.

We feel that the Public Service Commission should be presented with this, and additional, energy valuation information that you can provide as it prepares the net-metering cost-benefit analysis mandated by the Utah Legislature. It is our aim to include the proceeds of our GRAMA requests with testimony presented before the PSC in October.

Unfortunately, several of the records to which UCARE has requested access under GRAMA have not been made available for our inspection. We therefore file this Notice of Appeal of your August 19, 2015 denial of access to selected records cited in our June 25, 2015 GRAMA request. This appeal is filed under provisions of Utah Code Ann. Section 63G-2-401(1)(a). Please be aware that UCARE is filing separately an appeal of your August 19, 2015 denial of our fee waiver request.

We offer to facilitate your satisfactory response to, and conclusion of, our GRAMA request in areas that remain outstanding by narrowing the focus to those documents concerning OED-Applied Analysis correspondence, reference items used for the project, and inputs from contributing state agencies that will shed light on the following:

~ Why Applied Analysis did not use the REMI econometric model advocated in Governor Herbert's 2011 "10-Year Strategic Energy Plan", but instead chose to use an IMPLAN model that required estimating the value of solar. Why REMI is no longer the OED's preferred model.

~ Why Applied Analysis did not use the same methodology to assess all energy sectors, but chose to use the NAICS framework for fossil fuels and a less robust method for assessing solar. What alternative approaches were considered, and why they were rejected.

~ How OED and Applied Analysis dealt with questions about the accuracy of data inputs from other state agencies given the econometric coding problems that persist to the present day.

UCARE believes that the Public Service Commission and other state policy-making and regulatory bodies need access to sound, comprehensive, and unbiased information on which to base energy sector choices. The "Energy and Energy-Related Mining in Utah" report, while useful in some ways, exposes some of the challenges that remain in generating accurate data that may be objectively applied in the public's best interests.

Please be reminded that UCARE is an all-volunteer, nonprofit citizens organization formed in 2014 to educate the public on issues related to renewable energy and to promote renewable energy policies that best serve the public. The information sought through our GRAMA request and this appeal will be used primarily for the benefit of the public.

Thank you for your kind attention, and timely response, to this Notice of Appeal.

Respectfully,

/s/ Stanley T. Holmes
UCARE Outreach Coordinator
846 N. East Capitol Blvd.
Salt Lake City, UT 84103
801-366-4853
stholmes3@xmission.com

cc: Cody Stewart, Governor's Energy Advisor, codystewart@utah.gov
Jeremy Aguero, Applied Analysis, jaguero@appliedanalysis.com
Michael Green, Assistant Attorney General, mkgreen@utah.gov
Val Hale, Office of Economic Development, vhale@utah.gov



NOTICE OF APPEAL: DENIAL OF FEE WAIVER

sent via email
and hand delivered

Re: GRAMA request for records pertinent to planning and
production of the May 2015 report "Energy and
Energy-Related Mining in Utah".

GRAMA Appeal
ATTN: Dr. Laura Nelson
Office of Energy Development
60 E. South Temple
Salt Lake City, UT 84111 lnelson@utah.gov

September 16, 2015

Dear Dr. Nelson,

Thank you for your August 19, 2015 response, via the Attorney General's office, to UCARE's GRAMA request dated June 25, 2015. While we appreciate your provision of some of the document information requested, we are today filing separate appeals of your decisions to deny UCARE's access to selected records and to deny UCARE's fee waiver request.

This Notice of Appeal of your denying UCARE a fee waiver is filed in accordance with provisions of Utah Code Ann. Sections 63G-2-203(6) and 63G-2-401(1)(a).

We contend that your denial of a fee waiver for UCARE in the context of our June 25, 2015 GRAMA request is unreasonable. We respectfully dispute the charge in your August 19, 2015 letter that we have not demonstrated how release of records we have requested for inspection "primarily benefits the public rather than a person."

Our first request [later GRAMA request] for data, to Cody Stewart on June 4, 2015, was filed with the Public Service Commission (PSC) and explained how the May 2015 release of the Governor's "Energy and Energy-Related Mining in Utah" report was especially timely since the PSC is now crafting an analytical framework to assess the value of solar electricity generation. This valuation framework will not only influence future energy rate cases, but also policy decisions that determine what energy options the Utah public will have available and at what costs.

UCARE sought --and still seeks-- to present the PSC with detailed information about the report's methodology and data inputs. Among several cost-test models considered by parties to the ongoing PSC solar docket process is the IMPLAN community impact analysis model that was used by Applied Analysis to prepare "Energy and Energy-Related Mining in Utah".

What became UCARE's GRAMA requests are clearly aimed at helping better inform the decision-making process of a Utah public regulatory agency whose actions will have significant economic and other impacts on utility ratepayers and the general public.

UCARE had already made numerous contributions in the public interest, and to the public's benefit, as an intervening party to PSC dockets #13-035-184 and #14-035-114. A review of the two dockets yields 16 UCARE entries dating back to March 20, 2014. We have submitted legal

documents and hearing testimony, presented cost-benefit analysis data and perspectives in PSC technical conferences, and facilitated informed public engagement in PSC processes by sharing our research in public forums that have included presentations to 18 community and neighborhood councils.

Granting UCARE access to documents we have requested will yield information that will be used primarily to benefit the public rather than a person. We feel that the energy valuation-related information sought through our GRAMA request should be shared with the Public Service Commission as it prepares the net-metering cost-benefit analysis mandated by the Utah Legislature. It is our aim to include the proceeds of our GRAMA request with testimony presented before the PSC in October.

Please be reminded that UCARE is an all-volunteer, nonprofit citizens organization formed in 2014 to educate the public on issues related to renewable energy and to promote renewable energy policies that best serve the public.

The information sought through our GRAMA request will be used primarily for the benefit of the public. We therefore ask that you acknowledge as "reasonable" our intended use of the GRAMA-requested records, and that you grant the fee waiver permitted under Utah Code Ann. Section 63G-2-203(4)

Thank you for your kind attention, and timely response, to this Notice of Appeal.

Respectfully,

/s/ Stanley T. Holmes
UCARE Outreach Coordinator
846 N. East Capitol Blvd.
Salt Lake City, UT 84103
801-366-4853
stholmes3@xmission.com

cc: Cody Stewart, Governor's Energy Advisor, codystewart@utah.gov
Jeremy Aguero, Applied Analysis, jaguero@appliedanalysis.com
Michael Green, Assistant Attorney General, mkgreen@utah.gov
Val Hale, Office of Economic Development, vhale@utah.gov



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

Office of the Governor

CODY B. STEWART
Energy Advisor

DR. LAURA S. NELSON, Ph.D.
Executive Director, Office of Energy Development

September 29, 2015

Stanley T. Holmes
UCARE Outreach Coordinator
846 N. East Capitol Blvd.
Salt Lake City, UT 84103

RE: GRAMA APPEAL Dated September 16, 2015

I am in receipt of your letters dated September 16, 2015; the first, a notice of appeal for denial of requested documents, and the second, an appeal for denial of a fee waiver. I will address both appeals in this letter. In responding to your request, the Office of Energy Development has spent significant amounts of time, energy and resources to meet the intent and letter of the Government Records Access and Management Act (GRAMA U.C.A. 63G-2-101 et. seq).

DENIAL OF REQUESTED DOCUMENTS

OED has complied with your request for records. All records, with the exception of request #4 and #5, were provided in accordance with GRAMA and without a fee. Your appeal letter contains three more interrogatories, which do not provide legal justification for overturning OED's original response. Moreover, these interrogatories are not required to be answered by OED. Requests #4 and #5 will be answered once a deposit of fees is made.

Request #7, ("documents submitted to OED from other government entities ... contributing to ... the above mentioned report"), is redundant with request #5. Nevertheless, any data meeting that description would either have been publicly available energy data from a State or federal agency such as the Utah Geological Survey or the U. S. Energy Information Administration, or would have been confidential employment information provided by the Utah Department of Workforce Services (DWS). Employer-specific employment and wage records are provided by DWS to OED for limited use under a Memorandum of Understanding (MOU) that specifically forbids public disclosure under Utah Code § 35A-4-312(7).

OED will comply with request #4 and #5 upon deposit of the fee. Request #6 is denied because no such records exist. Request #7 is denied because the relevant records are already either publicly available without charge, or because OED is not authorized to disclose such records. All other records were provided, and provided without charge.

I hereby affirm the decision of OED in the letter dated August 19th from our Counsel for the inspection of records.

Under Utah Code Ann. § 63G-2-402 (West Supp. 2015), you have the right to appeal this decision by appealing to the State Records Committee pursuant to Utah Code Ann. § 63G-2-403 (West Supp. 2015), or by filing a petition for judicial review in district court pursuant to Utah Code Ann. § 63G-2-404 (West Supp. 2015). Any appeal must be brought within 30 days after the date of this decision. An appeal to the State Records Committee should be addressed to:

Nova Dubovik
Executive Secretary of the State Records Committee
346 S. Rio Grande
Salt Lake City, UT 84101-1106
Phone: 801-531-3834
E-mail: ndubovik@utah.gov.

DENIAL OF FEE WAIVER

GRAMA does not require a fee waiver. A fee waiver may be granted at the discretion of the agency when a clear public purpose exists. For a public purpose to exist the action must purport to benefit the populace a whole. The stated purpose of your request does not serve the state as a whole and is not intended for any broadly published document. The request serves UCARE's interest before the Public Service Commission. The purpose behind this request has been to use the records in a proceeding where you are involved as a party, an intervenor, before the Public Service Commission. Lastly UCARE is not an established entity with the Division of Corporations. Several searches reveal no registration of UCARE. This request has been handled as if Stanley T. Holmes has personally requested these records. OED is small office with a limited budget and providing these records without cost would substantially detract from its ability to meet its primary mission.

I hereby affirm the decision of OED in the letter dated August 19th from our Counsel for the denial of the fee waiver.

Under Utah Code Ann. § 63G-2-402 (West Supp. 2015), you have the right to appeal this decision by appealing to the State Records Committee pursuant to Utah Code Ann. § 63G-2-403 (West Supp. 2015), or by filing a petition for judicial review in district court pursuant to Utah Code Ann. § 63G-2-404 (West Supp. 2015). Any appeal must be brought within 30 days after the date of this decision. An appeal to the State Records Committee should be addressed to:

Nova Dubovik
Executive Secretary of the State Records Committee
346 S. Rio Grande
Salt Lake City, UT 84101-1106
Phone: 801-531-3834
E-mail: ndubovik@utah.gov.

Sincerely,



Dr. Laura Nelson