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FOR IMMEDIATE RELEASE

Utah's Oil and Gas Industry Welcomes the Vice Presidential Debate to Salt Lake City

SALT LAKE CITY, UTAH (October 7, 2020) — On behalf of energy workers and companies across the state, the Utah Petroleum Association extended a warm welcome to Vice President Mike Pence and Democrat Vice President Nominee Kamala Harris ahead of Wednesday's nationally-televised Vice Presidential Debate in Salt Lake City.

"This evening's debate is a welcome spotlight on the role energy independence plays in shaping our everyday lives, creating valuable jobs, and growing our economy," said UPA President Rikki Hrenko-Browning. "On behalf of Utah's energy workers, I would like to welcome Vice President Mike Pence and United States Senator and Democrat Vice President Nominee Kamala Harris to our great state.

Energy independence is crucial to our nation's economic recovery and eventual balancing of the budget. Limiting U.S. energy development will only shift U.S. dollars to Saudi Arabia and Russia — and only further challenge our deficit.

Our industry is proud to deliver affordable, reliable, and safe energy — but we also celebrate our role as leaders and partners in addressing climate change and improving air quality across Utah."

Several key points to consider ahead of tonight's debate:

- **The oil and gas industry is a major economic driver in Utah...** The state's oil and gas companies paid roughly \$30 million in annual *severance taxes* in 2018 and 2019. That's approaching 75% of the total severances tax collections from all industries. *Severance tax* dollars collected from the industry go into Utah's general fund to pay for things like social services, public safety, higher education, Medicaid and transportation infrastructure. Utah's oil and gas industry is assessed for *property tax* at 100% while homeowners are assessed at 55%. Oil and gas is a capital intensive industry that pays a lot of tax. This means that in areas that have oil and gas production, property taxes are typically lower for homeowners than in other areas of the state. Approximately half of the oil and gas *royalties* paid on Utah's federally owned acreage comes back to the state with funds distributed by the Community Impact Board (CIB). Between 2014-2018 revenues from federal leases in Utah totaled \$529 million, nearly half of those revenues went to CIB.
 - In 2019 CIB funded 83 projects in Utah, with contributions totaling more than \$112 million, including: 21.14 million for transportation, \$12.49 million for sewer, \$6.33 million for buildings, and \$26.11 million for health and public safety. Other projects in 2018 include \$10.70 million for water, \$3.44 million for recreation, \$1.70 million in combined projects, \$29.75 million for planning, and \$526,000 for equipment.
 - Royalties paid on state acreage goes to the School and Institutional Trust Lands Administration (SITLA) to support the state's public education system. In 2018, SITLA

revenue from oil and gas totaled more than \$33 million. Oil and gas is consistently the largest single contributor to SITLA, in 2018 making up 54% of their contributions.

- **Industry is leading the way on climate change and air quality in Utah...** The oil and gas industry is committed to air quality improvements and addressing our role in the ozone challenge along the Wasatch Front and the Uintah Basin. The air chemistry and formation of ozone in the Uintah Basin is complicated and unique and we are partnering with DAQ, USU and other researchers at the leading edge to get a better understanding of how we can change operating practices and focus our efforts on investments that will yield the most significant emission reductions.
 - Ozone is formed by precursor emissions, such as NO_x and VOCs. In recent years, the oil and gas industry has reduced Wasatch Front NO_x and VOCs by 37%, and yet there is no discernable downward trend in ozone. Why? There is also only a small portion of the precursor emissions (9-20% according to EPA's own modelling) that are man-made and come from within the state. There are extremely limited options to reduce emissions through regulation, but industry continues to innovate solutions.
 - Moves by Utah refineries to voluntarily invest and produce Tier 3 gasoline drives air quality benefits locally (rather than at out of state facilities) to meet the U.S. Environmental Protection Agency's low-sulfur standards — and responds to Governor Gary Herbert's and our legislature's leadership on air quality and ozone issues. Pairing T3 gasoline with T3 vehicles is the equivalent of taking three out of four vehicles off the road. More evidence exists showing industry is stepping up to proactively partner with policymakers, regulators and consumers to improve the environment and everyone's quality of life.
- **Utah's energy independence is closely tied to jobs and quality of life...** Utah is one of the more integrated energy states in the nation. This supports the state's energy independence, decision making, and keeps key policy decisions in state lawmakers' hands, including influence over our low energy prices. Low energy prices and a commitment to collaboration and forward planning will also help our rural economies diversify and thrive. It also allows Utah and industry to make smart business decisions — whether that be in terms of economic development or air quality, thanks to our ability to control our destiny and maintain affordable and reliable local energy.
- **Despite COVID-19, energy workers are hard at work delivering energy, partnering with public safety and frontline health workers...** The impacts of the COVID-19 virus have been felt in nearly every facet of daily life across America. Here at home, the impact on our regional economy has resulted in shuttered projects, lost revenue, and placing valuable family wage jobs at risk. Despite the stress placed on refiners and producers alike, the oil and gas industry in Utah is continuing to meet energy demands while mobilizing crisis management teams and installing enhanced safety measures that protect the health of industry workers and neighbors.
- **Industry remains focused on community and workplace safety...** Even in the middle of a global pandemic, the safety of our workers and neighbors continues to be job number one. We are proud of the vital role industry plays throughout Utah and remain committed to ensuring safety and security in the communities where we operate.

About the Utah Petroleum Association

The Utah Petroleum Association (UPA) is comprised of companies from every segment of the petroleum industry who work cooperatively to resolve mutual problems and provide a unified voice for the advancement and improvement of the oil and gas industry in Utah. UPA was founded in 1958 and continues today as the voice of Utah's oil and natural gas industries. We seek to promote the responsible development of Utah's vast natural resources and the manufacture of fuels that keep Utah families and businesses moving.