



How Oil and Natural Gas Have Energized Oklahoma

Oklahoma's identity is strongly tied to oil and natural gas development, and the Sooner State's families and small businesses have benefited to the tune of more than \$18.6 billion in energy savings from 2008 to 2018.

Energy has been a bedrock of the state's economy; it has ensured that the lights turn on and homes are warmed in winter, all at an affordable price. Almost 40% of the natural gas delivered to consumers within the state is used for electricity generation, and about half of the homes in Oklahoma rely on natural gas for heat.¹

As Oklahoma recovers from the economic damage of the COVID-19 pandemic, it is more important than ever that our state's elected officials embrace the benefits and growth potential that energy production brings to families, schools, and factories across the state.



\$18.6
BILLION

The amount Oklahoma consumers saved between 2008 and 2018 because of natural gas.

Energy keeps Oklahoma's thriving trucking industry on the move, and also supports new developments in biotechnology and advancements in the state's growing aerospace industry. It also ensures that farmers will be able to affordably treat, fertilize and harvest the state's wheat crops every summer.

Consumer Energy Alliance (CEA) advocates for continued sensible and environmentally responsible development of natural gas and other traditional and renewable energy sources, and the building of infrastructure like pipelines and transmission lines that move energy throughout Oklahoma.

As Oklahoma recovers from the economic damage of the COVID-19 pandemic, it is more important than ever that our state's elected officials embrace the benefits and growth potential that energy production brings to families, schools, and factories across the state. Responsible energy policy has and can continue to provide affordable, reliable and environmentally responsible energy, as well as bill savings, jobs and new economic opportunities for Oklahomans.

The Importance of Affordable Energy

On average, each Oklahoma resident spent \$4,331 for their energy needs in 2018.² For those living at or below the poverty line, this translates to almost a third of their income going toward energy expenses.³ Unfortunately, 15.6% of Oklahoma's people were living in poverty in 2019, one of the highest rates in the country.⁴ That is roughly 597,000 men, women and children - enough people to fill up the Sooners Owen Field almost 8 times.

With these types of statistics, it should come as no surprise that many American families struggle daily to pay for rising energy costs. A 2015 survey by the U.S. Energy Information Administration revealed that nearly one-third of American households struggle to pay their energy bills to light, heat and cool their homes. At least 14% reported receiving a disconnection notice for their energy service. Households also used less energy than they would prefer to - 11% of households surveyed reported keeping their home at an unhealthy or unsafe temperature.⁵ Energy is not a Republican issue or Democrat issue - it's a human issue.

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Across the nation, more and more families are living paycheck to paycheck - with little to no savings. A survey by Bankrate found only 39% of Americans had \$1,000 saved to cover a financial emergency.⁶ CNBC also reported that "69 percent of Americans had less than \$1,000 in total savings and 34% had no savings

at all."⁷ Policies that allow for expanded production of natural gas, oil, wind and other diverse, affordable and environmentally responsible energy sources in Oklahoma are an important solution that can help to alleviate the economic stress of so many Oklahomans.

Oklahoma Energy Resources Power the Nation

Oklahoma is the nation's fourth-largest petroleum-producing state. Oklahoma refineries account for almost 3% of the nation's total refining capacity, and take more than 511,000 barrels a day of crude from the state's oilfields. In 2018, with more than 7% of the nation's proved shale gas reserves, Oklahoma was ranked as the seventh-largest shale gas producer in the country.⁸

As consumers, we all rely on - and sometimes take for granted - affordable energy sources to power so many aspects of our daily lives. And with increased production of natural gas across Oklahoma, consumers have benefited - saving just over \$18.6 billion from 2008 to 2018, with residential users alone saving over \$1.8 billion. Based upon current population estimates, this equals more than \$467 per citizen.⁹ Similarly, commercial and industrial users saved more than \$16.7 billion combined.¹⁰ These energy savings bring relief to Oklahoma families and help keep our state's industries competitive.

Oklahoma is also at the crossroads for the nation's pipeline network, with tens of thousands of miles of pipelines transporting crude oil and natural gas across the state. Cushing, Oklahoma, is regarded as the "most



significant trading hub for crude oil in North America” and is internationally known as the delivery and pricing point for West Texas Intermediate, a benchmark in oil pricing around the world.¹¹ The Cushing hub provides a connection point between energy producers and refiners across the country and also serves as a major crude oil storage point for the U.S., with several critical pipeline systems terminating there.

Natural Gas Powers Oklahoma’s Economy

Oklahoma’s oil and natural gas industry is a big driver of the state’s economy. In 2018, the Oklahoma oil and gas industry’s total economic impact was 135,300 jobs with total household earnings of \$19.2 billion, and \$37 billion in gross domestic product.¹²

For fiscal year 2019, Oklahoma’s gross production taxes totaled nearly \$1.13 billion. This revenue plays a critical role in stabilizing the state’s budget through the Rainy Day Fund. Taxes from oil and gas production are also apportioned to local communities. Fiscal 2019 saw \$103.8 million sent to counties for roadways and another \$103.8 million allocated for local school districts. Additionally, \$245 million was dedicated to education-related funds, including higher education and student aid.¹³

The Future of Oklahoma Energy

The future of Oklahoma’s energy resources and its pipeline network is currently threatened by heavily-funded, out-of-state activists who continue working to eliminate the production and transportation of safe, affordable sources of energy without offering any viable solutions that would help our country meet consumer demand and environmental goals.



135,300
JOBS

The amount of jobs the oil and gas industry supplied in addition to \$19.2 billion in household earnings and \$37 billion in GDP.

Rigorous environmental standards and energy production can and do exist. In 2019, the U.S. recorded the largest CO₂ emissions reductions of any country – a decline of 2.9 percent.¹⁴ These globe-leading environmental improvements are occurring at a time when our country has catapulted forward to become the world’s leading producer of oil and natural gas.¹⁵

With the savings that have occurred over the last decade and energy’s critical role in the state economy, Oklahoma’s policymakers, regulators, and leaders must continue to come together in support of local energy production and infrastructure that will continue to help our state’s economy and environment thrive. Oklahoma has proven to be a leader in environmental stewardship and energy development. Let’s continue to show the nation and the world how it’s done.



\$245
MILLION

The amount dedicated to education-related funds, higher education and student aid from energy development.



¹ <https://www.eia.gov/state/analysis.php?sid=OK>

² https://www.eia.gov/state/seds/sep_sum/html/pdf/rank_pr.pdf

³ <https://aspe.hhs.gov/poverty-guidelines>

⁴ <https://talkpoverty.org/state-year-report/oklahoma-2019-report/>

⁵ <https://www.eia.gov/consumption/residential/reports/2015/energybills/>

⁶ <https://www.bankrate.com/banking/savings/financial-security-0118/>

⁷ <https://www.cnbc.com/2018/01/18/few-americans-have-enough-savings-to-cover-a-1000-emergency.html>

⁸ <https://www.eia.gov/state/analysis.php?sid=OK>

⁹ <https://www.census.gov/quickfacts/OK>

¹⁰ Calculations developed by Orion Strategies. \$15.027 billion saved by industrial users, \$1.848 billion saved by residential users, and \$1.745 billion saved by commercial users. This number was calculated by using the annual average price per thousand cubic feet of natural gas for residential, commercial, and industrial consumers. This EIA price was then applied to the total MMcfs consumed in Oklahoma, also sourced by EIA. The Consumer Price Index utilized by the Bureau of Labor and Statistics was applied to each year's price in order to adjust each price to 2018 dollars. 2018 was used as a cutoff date as it was the last year with complete data.

¹¹ <https://www.eia.gov/state/analysis.php?sid=OK>

¹² Oklahoma's Oil and Gas Economy – January 2020, Prepared for the Oklahoma Energy Resource Board by RegionTrack

¹³ Ibid.

¹⁴ <https://www.iea.org/articles/global-co2-emissions-in-2019>

¹⁵ <https://www.eia.gov/todayinenergy/detail.php?id=40973#>