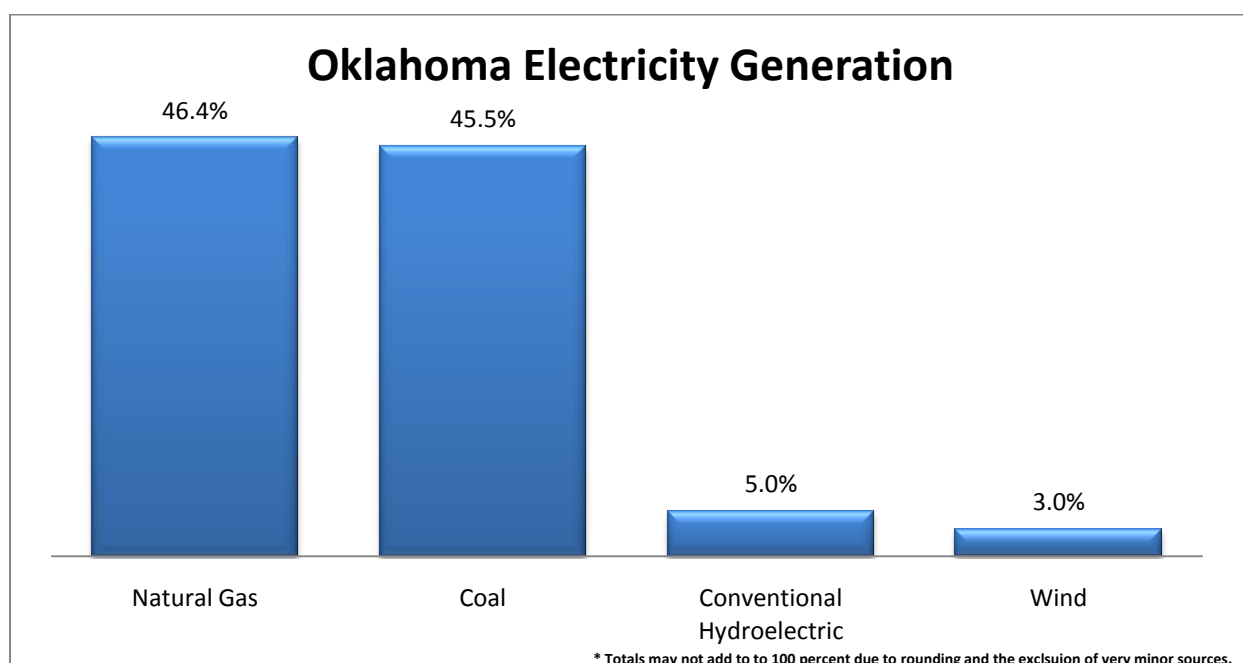




Oklahoma Energy Facts

Oklahoma – Select Economic and Energy Data [†]		State Rank
Real Gross Domestic Product, per capita	\$29,359	6th lowest
Unemployment	6.7%	6th lowest
Gasoline Price, per gallon	\$2.68	8th lowest
Electricity Price, per kWh	7.08¢	8th lowest

Oklahoma enjoys affordable energy prices, in part because it has significant fossil fuel resources. Oklahoma produces most of its electricity from coal and natural gas, in nearly equal amounts. The rest of its electricity comes from renewables, primarily hydroelectricity and wind, which together make up 8 percent of its generation.



Although Oklahoma has small coal reserves, it imports most of its coal from Wyoming. Oklahoma is home to large oil and natural gas reserves. Oklahoma produces more than three percent of the nation's oil and ten percent of the domestic natural gas supply. Oklahoma's proven reserves of natural gas have been increasing in recent years, as technology has improved and more discoveries have been made. It has large reserves of coalbed methane, an unconventional form of natural gas.

Regulatory Impediments to Affordable Energy

Although affordable energy is a vital component of a healthy economy, regulations frequently increase energy costs. Regulations imposed in the name of reducing carbon dioxide and greenhouse gas emissions are especially costly. Carbon dioxide is a natural byproduct of the combustion of all carbon-containing fuels, such as natural gas, petroleum, coal, wood, and other organic materials. Today, there is no cost-effective way to capture the carbon dioxide output of the combustion of these fuels, so any regulations that limit carbon dioxide emissions will either limit the use of natural gas, petroleum, and coal, or dramatically increase their prices.

Below are some facts about Oklahoma's regulatory environment that are likely to affect the cost of energy or the cost of using energy. Oklahoma has thus far avoided many of the costly energy policies other states are implementing.

Oklahoma:

- **Oklahoma does not cap** greenhouse gas emissions.
- **Oklahoma is not a member** of a regional agreement to cap greenhouse gas emissions.
- **Oklahoma does not require** utilities to generate from renewable sources a certain percentage of the electricity that they sell.
- **Oklahoma does not require** gasoline to be mixed with renewable fuels.
- **Oklahoma does not impose** automobile fuel economy standards similar to California's, which include attempts to regulate greenhouse gas emissions from new vehicles.
- **Oklahoma requires** new residential and commercial buildings to meet energy efficiency standards. Residential and commercial buildings must meet the 2003 International Energy Conservation Code, if located in local jurisdictions that do not have their own energy efficiency codes.¹ State-owned and leased facilities must also meet the 2003 IECC. The IECC, developed by the International Code Council, is a model code that mandates certain energy efficiency standards. State construction or renovations of buildings larger than 10,000 square feet must meet a LEED standard or an equivalent standard.² Several levels of LEED standards comprise the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) rating system.
- **Oklahoma does not impose** state-based appliance efficiency standards.
- **Oklahoma does not allow** utilities to "decouple" revenue from the sale of electricity and natural gas. Some states decouple revenue from actual sales, allowing utilities to increase their revenue by selling less electricity or natural gas.

[†] Data Sources: Real GDP per capita 2008: Bureau of Economic Analysis, *News Release: GDP by State* (June 2, 2009), http://www.bea.gov/newsreleases/regional/gdp_state/gsp_newsrelease.htm; Unemployment: Bureau of Labor Statistics, *Regional and State Employment and Unemployment—February 2010* (Mar. 10, 2010); Gasoline Prices: American Automobile Association, *AAA Daily Fuel Gauge Report* (Mar. 30, 2010); Electricity Prices: Energy Information Administration, *Electric Power Monthly*, Table 5.6.B., Average Retail Price of Electricity, (March 15, 2010), http://www.eia.doe.gov/cneaf/electricity/epm/table5_6_b.html; Electricity Generation Data: Energy

Information Administration, Electricity Generation 2009,

http://www.eia.doe.gov/cneaf/electricity/epa/generation_state_mon.xls.

¹ Building Codes Assistance Project, Code Status: Oklahoma, <http://bcap-energy.org/node/89>.

² H.B. 3394 (Okla. 2008), http://webserver1.lsb.state.ok.us/2007-08bills/HB/hb3394_enr.rtf.