

Roth: One-eyed vision?

By [Jim Roth](#), Director and Chair of the Firm's Clean Energy Practice Group. This column was [originally published in The Journal Record](#) on December 19, 2016.



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One-eyed vision?

Proverbs 29:18 KJV tells us: "Where there is no vision, the people perish: but he that keepeth the law, happy is he."

And while there is debate among theologians about certain meanings and interpretations over the centuries, the underlying notion of vision leadership and adherence to it leading to happiness rather than to perish is clear. Equally important to this idea, I believe, is that the vision must be clear, complete and visible with both eyes.

Such is possibly not the case for Oklahoma legislators responsible for creating the vision for Oklahoma's future. Our

2017 legislators will be asked to digest recent recommendations of public policy from the Oklahoma Incentive Evaluation Commission, yet the written word is but one-half of the story; one eye on some facts, with a blind one to the rest of the story, so-to-speak.

Here's what I mean. On Dec. 15 the IEC submitted its report on 11 state economic tax incentives, all reviews of which were performed by an out-of-state firm (PFM) and submitted in November. The report suggested six "retains," three "reconfigures," one "allow to sunset" and one "repeal."

Interestingly enough, the commission voted to accept all recommendations, except they specifically rejected the one "repeal," thereby telling the Legislature to somehow maintain, in some form, all 11 state economic tax incentives. This may be a tough sell for a Legislature that will be dealing with yet another declining revenue picture and shrinking state budget; early estimates are \$500 million less in the coming year.

Yet, our Legislature should take pause at this report, as their actions regarding it will either grow or diminish the state's vision for years to come. And while I have tremendous respect for the commission members tasked with this difficult analysis, especially considering the short crunch time they had, I have greater concern that our Legislature may rely upon it without their own two-eyed, deeper thinking to get these issues right for Oklahoma.

I work in energy law and I also work in wind energy issues. And from this vantage I know that a full economic analysis of the costs and benefits of any energy tax structure/incentive/treatment must analyze both the local and state impacts. Such is not the case with this firm's state-focused report to the IEC, and therefore such is not the case with the IEC's report to the Legislature.

And while PFM admitted it didn't analyze anything other than calculating costs to the state, some of the crucial failures of their one-eyed approach are:

- The analysis fails to take into account local impacts (schools, counties, cities, landowners), where the majority of the benefits of renewable energy exist.
- The \$3.3 billion in appraised value of installed equipment and increased local property tax values and revenue to schools and local governments.
- The \$1.2 billion in ad valorem taxes projected to be paid by wind developers between 2003 and 2043, money that wouldn't exist but for those investments.
- The more than \$10 billion invested in Oklahoma since 2003, in landowner payments, local jobs, taxes and investments.

It is right that we analyze annual costs to state government and the budget dilemma, hence costs to all of us, but it is dangerous to our state's future if legislators act upon one-eyed analysis, especially now when our state family's budget must plan for a future beyond just this next session. Let's resolve for 2017 that our Oklahoma vision includes a clear, two-eyed view of the benefits to an energy future that is truly all-the-above as renewables have helped us become.

Jim Roth, a former Oklahoma corporation commissioner, is an attorney with [Phillips Murrah P.C.](#) in Oklahoma City, where his practice focuses on clean, green energy for Oklahoma.