Roth: The energy baseline

By <u>Jim Roth</u>, Director and Chair of the Firm's Clean Energy Practice Group. This column was <u>originally published in The</u> <u>Journal Record</u> on January 16, 2017.



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The energy baseline

The following information is proven by independent, empirical data provided from the nonpartisan Energy Information Administration within the U.S. Department of Energy and is not "fake news," although it may not jibe with the conventional wisdom created by political theater: American oil production has experienced the biggest increase in history under President Obama's tenure, up 87 percent.

Don't believe it? Check out the actual data between 1920 and 2016:

www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=MCRFPUS1&f=
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Now to be fair, not all the credit or blame for America's energy picture can be attributed to any incumbent president, although most observers would say that more often they get the blame than any credit.

The combination of advances in technology like deep horizontal drilling and hydraulic well stimulation has unlocked massive amounts of previously unreachable reserves. Also, high energy prices had attracted a good deal of investment in this industry, which also helped drive exploration and production. And it might even surprise you to learn that production is also up on federal lands, which did require the approval of the Obama administration.

The same real-life data also proves that "clean energy" production, in the form of renewables and even energy efficiencies, have increased at historic rates, almost tripling during the past two terms. Thanks to hydraulic fracturing, cleaner-burning, abundant, American natural gas has replaced old, dirtier coal plants and transformed the power generation sector.

Yet, if you tuned into the divisive rhetoric of the 2016 campaign for president, you may have left disillusioned about America's energy picture in spite of the facts. Signs reading "Trump digs Coal" may have helped persuade West Virginia, Pennsylvania and Ohio voters, but the winning economics of cheaper natural gas today may trump any federal effort to prop up yesterday's coal over the next four or eight years. Also, America now employs more people in solar energy alone versus coal, let alone the many other forms of renewable energy like wind, hydro and biomass.

The state of our country's energy production reality is strong, and growing. And the gains and direction achieved over the last two terms have all benefited our native Oklahoma as well, with historic growth in the forms of energy with which we are blessed. As America undergoes a change in presidential administrations, it will be interesting to see what detours from these advances are pushed and what change may occur to the current trajectories. And as it relates to the unique combination of national security and economic prosperity achievable by greater domestic oil production and less imported foreign oil, please follow the facts to see what it may mean for you, your family, your business, your state and your country.

It will be important to recall the energy benchmark of predecessors to measure whether the new guy outperforms the previous guys, as it relates to energy independence. When President Richard Nixon, in his second term, famously declared the need for "energy independence within 10 years," America was importing 35 percent of its petroleum. Nearing the end of oil-friendly Texan George W. Bush, America was importing nearly 60 percent of its total petroleum consumption from foreign sources and now with President Barack Obama it's down to 24 percent.

Jim Roth, a former Oklahoma corporation commissioner, is an attorney with <u>Phillips Murrah P.C.</u> in Oklahoma City, where his practice focuses on clean, green energy for Oklahoma.