

# Roth: Energy independence closer to reality

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## Energy independence closer to reality

As American oil production surpasses 10 million barrels per day, the latest World Energy Outlook report from the International Energy Agency indicates the U.S. is poised to continue its record-breaking oil and gas production.

The report also predicts that by 2025, the U.S. could become the world's largest exporter of LNG (we already export more natural gas than we import), and will begin to export more oil

than we import, once thought unimaginable. The U.S. has not been a net exporter of oil since the 1950s, and following the 1973 oil crisis, was prohibited from exporting crude. The ban was intended to counteract future crises, and was lifted by the Obama administration in 2015.

Flashback to a previous World Energy Outlook report from 2012 when the IEA indicated the United States would overtake Saudi Arabia as the world's largest oil exporter by 2020 and become energy-independent 10 years later. That report also predicted that the U.S. would become a net exporter of crude oil around 2030. As recently as 2014, the U.S. was third behind Saudi Arabia and Russia in crude oil production.

We Oklahomans are familiar with the rest of the story, how technological advancement in drilling and fracking, or the shale renaissance, unlocked huge reserves of oil and gas and altered the energy landscape of Oklahoma and the world.

By 2016, the U.S. was exporting crude oil to nearly 30 countries. Last year, monthly exports exceeded 1 million barrels per day, but the U.S. still imports around 8 million BPD of crude oil, which is why the forecast of net exportation is really something.

The U.S. isn't the only country reshaping its energy landscape. Saudi Arabia, through its Vision 2030 initiative to reduce its economy's dependence on oil, is planning multifaceted changes to its energy industry this year. For now, Saudi has tentatively planned a 2018 initial public offering of its government-owned oil company Saudi Aramco. If projections are accurate, offering 5 percent of the company could raise up to \$100 billion and would place the company's valuation at or above \$1.5 trillion. Saudi is also considering investments in U.S. shale interests, and as I discussed [last week](#), is investing heavily in renewables. These possibly transformative steps within the Kingdom are occurring as American energy production and strength grows and Saudis grow

nervous for their economy.

This month a supertanker full of American crude left the Louisiana Offshore Oil Port, or LOOP, for the People's Republic of China. This was the first time for an export of this size that did not require smaller ships to shuttle their multiple cargoes out to supertankers waiting in deeper waters. LOOP, the only deep-water port in the U.S., has been instrumental in offloading imported oil, and now its ability to handle these massive tankers will both lower the costs and simplify the logistics of oil exports.

IEA reported this month that America's net crude oil imports fell by 1.6 million barrels per day to just under 5 million bpd, the lowest level since the IEA began keeping this data in 2001. And the export of American crude jumped to just above 2 million bpd, close to a record high of 2.1 million hit in October, and those numbers have pushed our country's net imports to a new low level. The promise of energy independence, at least on a domestic production and domestic consumption comparison, is growing closer to reality than ever.

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