

Roth: Utility demand peaks lowered, overall Oklahoma energy industry impact yet to be seen

[Director Jim A. Roth](#) is quoted as a source for an article in [the Oklahoman newspaper by Jack Money](#), lending an update on the Oklahoma energy industry and consumer energy use due to COVID-19. This article was [originally published](#) on April 16, 2020.



Jim Roth is a Director and Chair of the firm's Clean Energy Practice.

Jim Roth, an attorney who is a past elected corporation commissioner, works on energy-related deals and also is dean of Oklahoma City University's school of law.

On Tuesday, Roth agreed it will take some time to truly see what impact the ongoing pandemic will have on Oklahoma's electrical energy industry.

Roth noted independent system operators like the Southwest Power Pool are indeed seeing some reduction in overall demands.

Plus, they are seeing fewer significant demand peaks because of changes in consumer behavior.

Many industrial facilities that used to create those demands are offline. Additionally, traditional spikes in residential demand at the end of each day have all but disappeared, as more and more people work remotely.

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Roth observed the SPP's operations are somewhat insulated compared to grids serving other parts of the nation where the illness' impact has been more severe.

"The number I saw for electricity demand in March was the lowest the nation had seen for that time period in 16 years," Roth said.

For customers, Roth said the slowdown in demand is a good thing, given that system operators are able to avoid having to use more-expensive power generators to meet demand spikes when they occur.

For utilities' bottom lines, Roth doesn't see much of an impact especially in Oklahoma, given utilities have relied significantly the past decade on purchases of cheaper electricity from renewable energy sources to meet their customers' needs.

Having that supply of energy available helped them avoid having to go out and build their own plants.

"That makes utilities' operational costs much more predictable, and should insulate our utilities from the kind of dramatic impact that a general economic slowdown might otherwise have on their bottom lines," Roth said.

As for the pandemic's impact on future energy projects in Oklahoma, Roth said he has not yet seen a reluctance from market players to back proposed renewable energy projects here.

He said future plans could be impacted by changes in federal incentives and tax law that might happen, but said developers would have to see what those are before evaluating whether to proceed.

"So far, I think Oklahoma is still a very attractive place to invest, given the value of its solar and wind resources and how those factor in" to a project's return on investment, Roth observed.

Still, he said unanswered questions about the future remain.

"We do not yet know what the permanent effects of this crisis will be to lives or the economy," he said. "If there is an economic shift underway that never fully reverses itself back to where we were, that will impact energy consumption in America.

"We just don't yet know what this crisis will do to change permanent trajectories to the energy industry, but things are going to change, and I don't think it will ever go back exactly to the way it was before."

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