

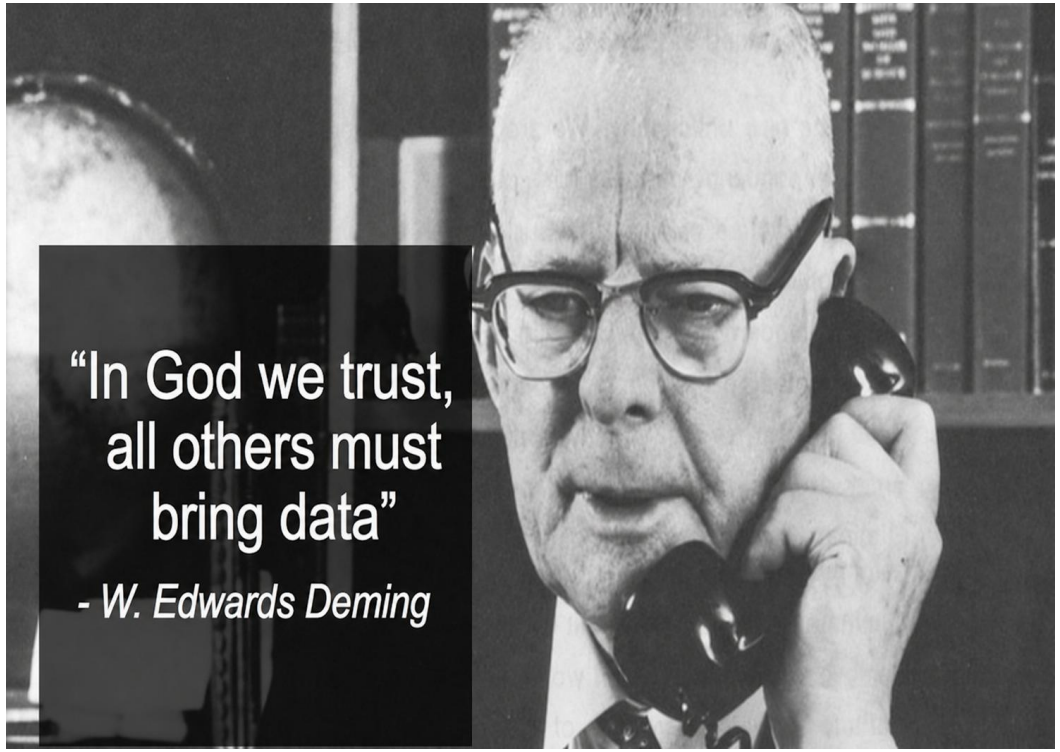
Energy and Inflation: Oklahoma Study Committee

Isaac Orr
Always On Energy Research
October 12, 2026

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About Always On Energy Research

- Always On Energy Research (Always On) is a non-profit energy modeling firm founded by a group of leading energy modelers and policy analysts.
- We assess the reliability and financial implications of federal and state policies and work with decision-makers to enact common-sense energy reforms.
- We have modeled the impact of proposed federal regulations and energy policies in more than 20 states and five Regional Transmission Organizations (RTOs).
- Our clients include state agencies, industry stakeholders, and public policy organizations throughout the United States.

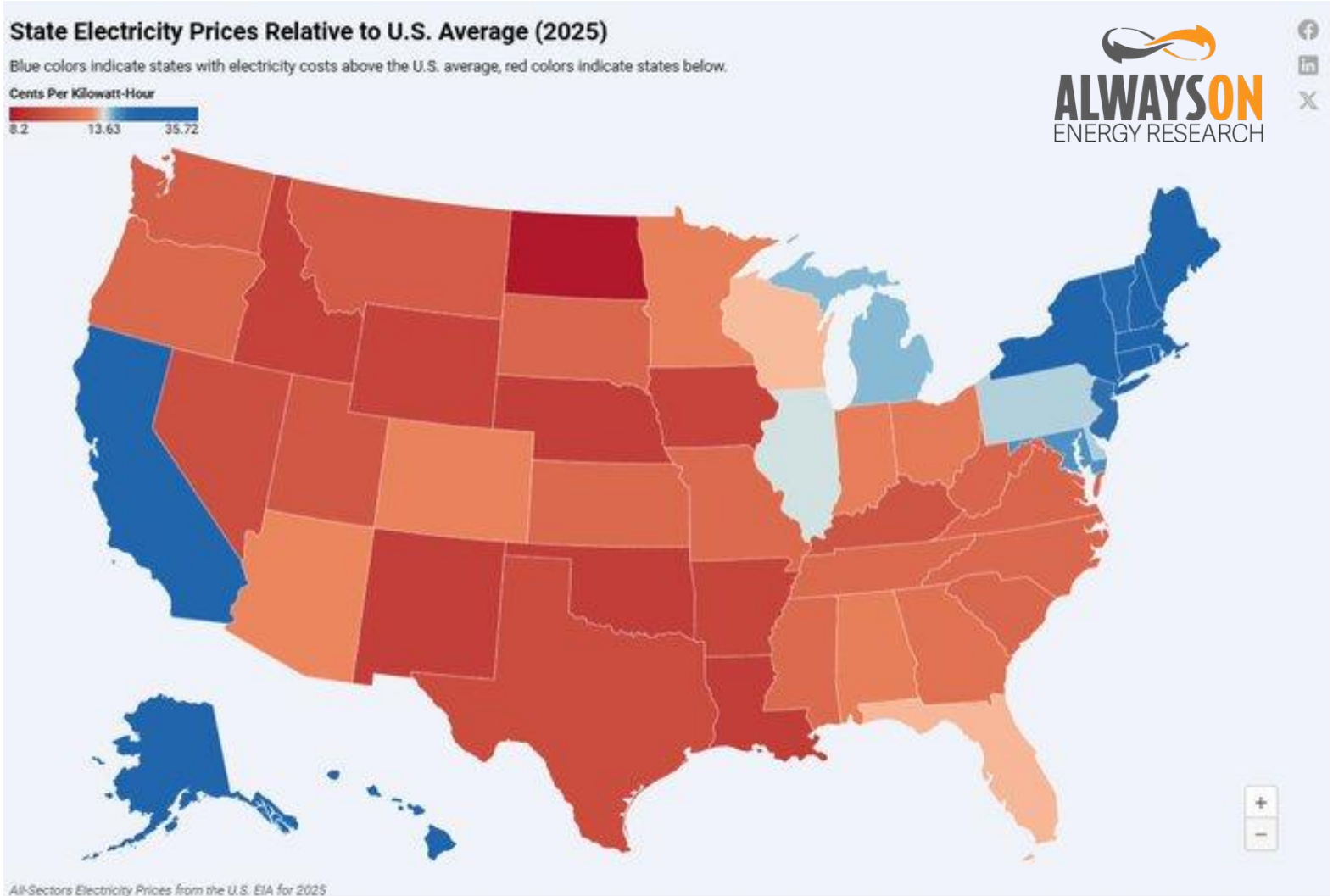


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Blue States, High Rates

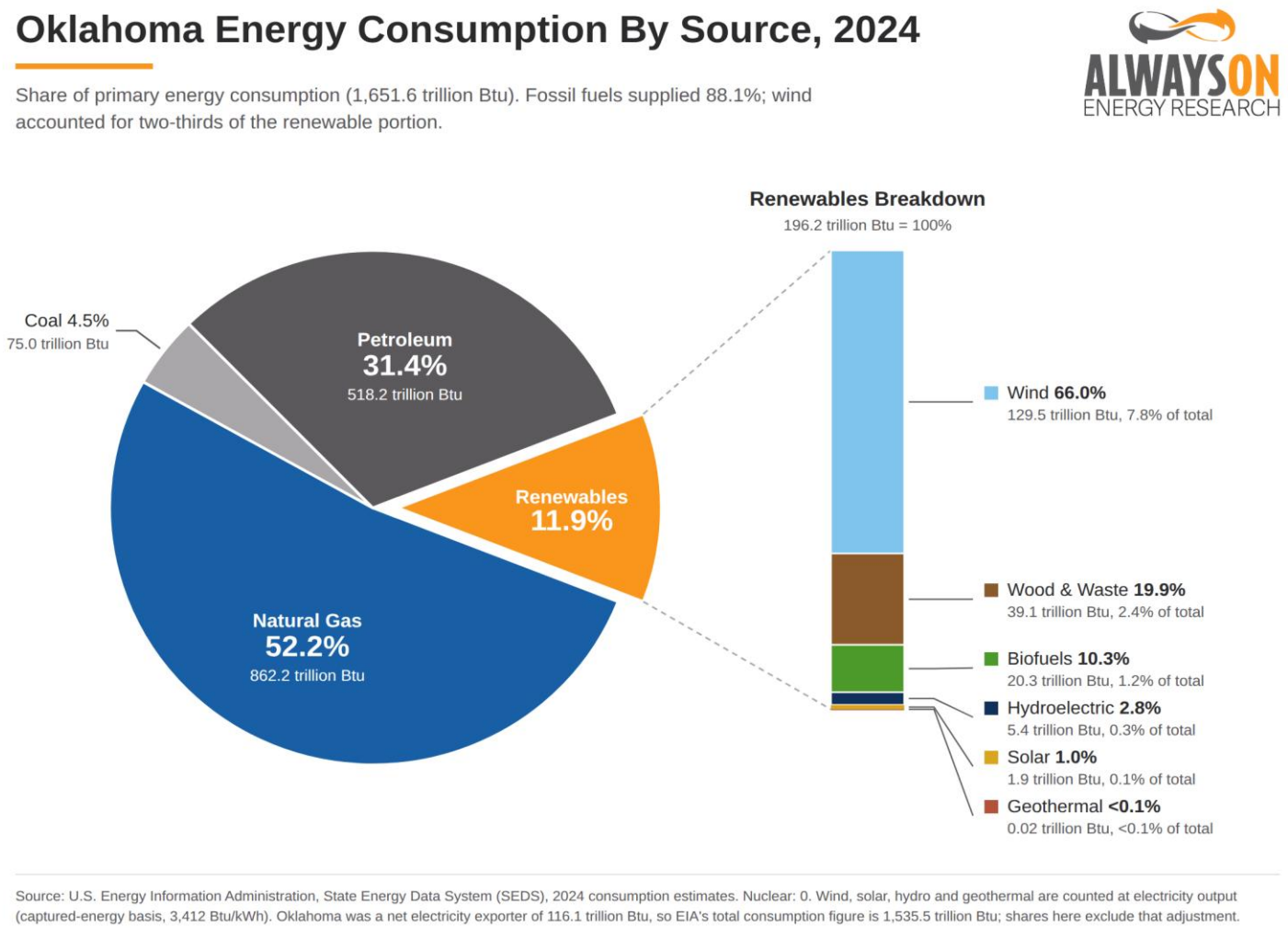
BlueStatesHighRates.com

- Always On Energy Research released the Blue States, High Rates energy policy index.
- The index tracks six factors that increase electricity prices:
- Renewable Portfolio Standards;
- Net-Metering;
- Carbon Taxes or Trading Schemes;
- Natural Gas Access;
- Utility Carbon-Free Pledges;
- Data Center Consumer Protections



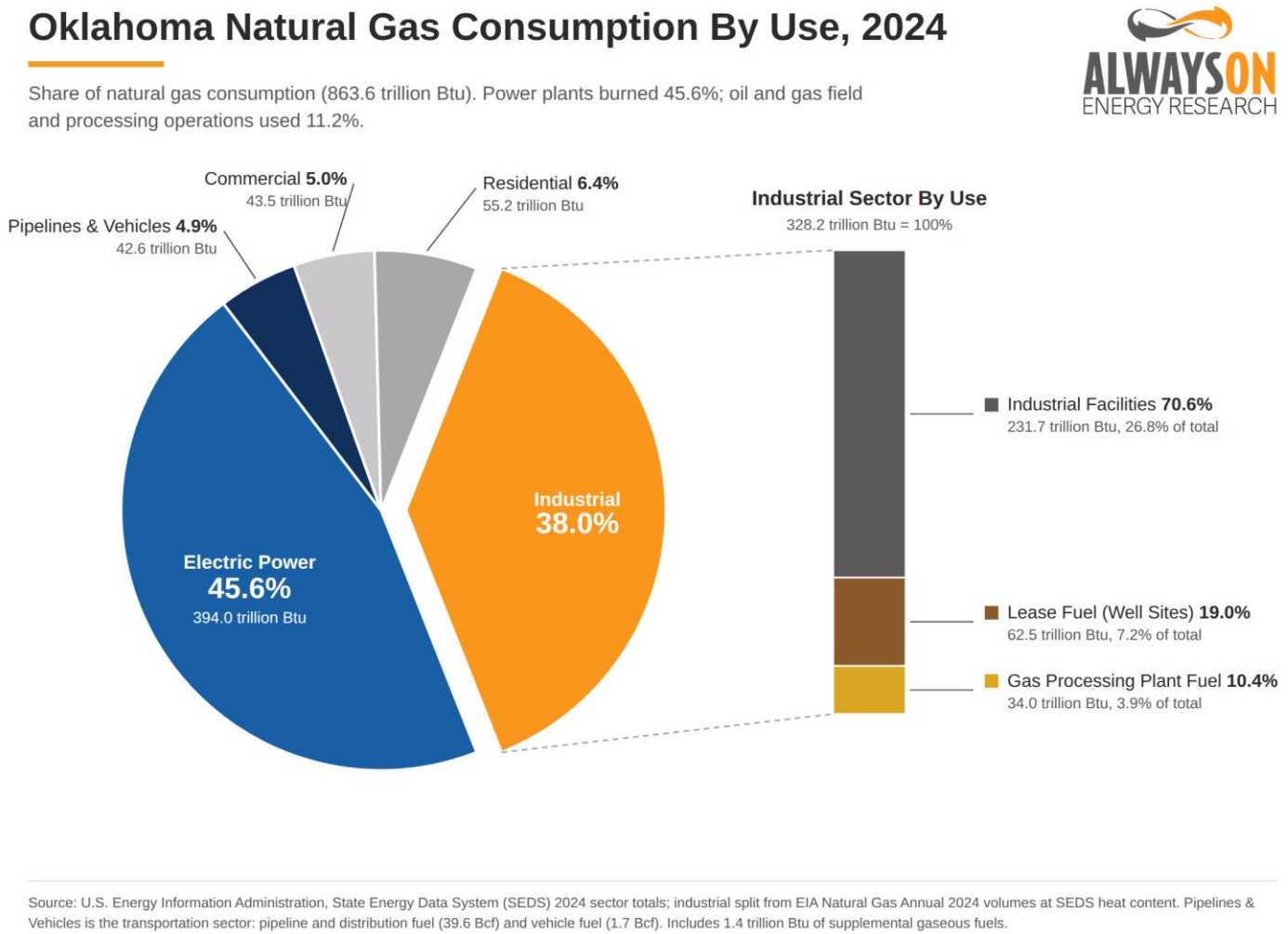
Energy: The Invisible Ingredient in Everything

- Energy is defined as the ability to do work.
- Without energy, no work gets done.
- If we make energy more expensive, everything becomes more expensive.
- Natural Gas: 52.2 percent;
- Oil: 31.4 percent;
- Wind: 7.8 percent;
- Coal: 4.5 percent;
- Wood: 2.4 percent;
- Biofuels: 1.2 percent;
- Solar: 1 percent.



Natural Gas: The Swiss Army Fuel

- Natural gas has many diverse uses:
- 45.6 percent is used to make electricity;
- 38 percent for industrial uses;
- 6.4 percent residential;
- 5 percent commercial;
- 4.9 percent pipelines and vehicles.



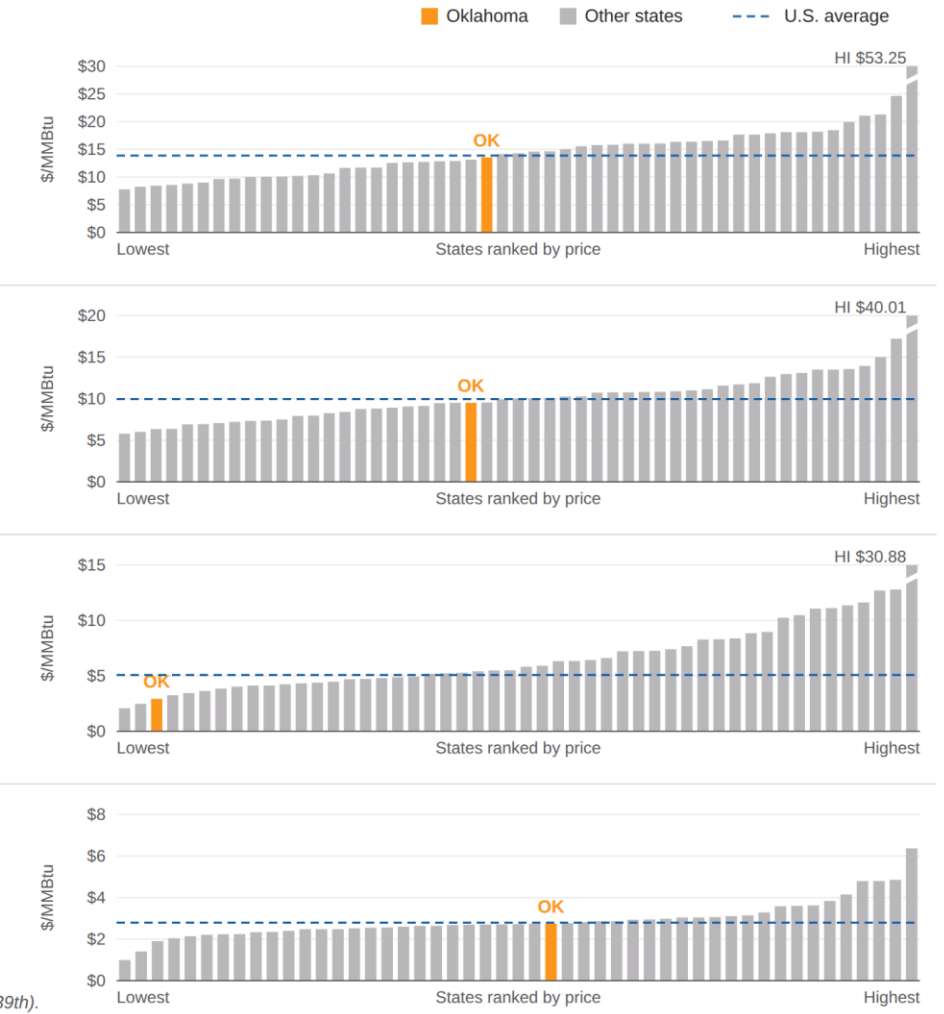
Natural Gas Prices

- Oklahoma is a major producer of natural gas, helping to keep prices below the national average in every category.
- Middle of the pack for residential and commercial prices, because milder winters mean less gas per customer to spread fixed delivery costs over.
- 3rd lowest for industrial due to relatively greater demand.
- Delivered cost of gas to power plants is below the national average of $2.79 per MMBtu, which ranks 27th nationally.

What Oklahoma Pays For Natural Gas, 2024

Average delivered natural gas price by sector and Oklahoma's rank among states, where 1st is the lowest price.

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Corrected for a reporting error at PSO's Comanche plant; EIA lists $3.23 (39th).

Source: U.S. Energy Information Administration, State Energy Data System (SEDS) 2024 price estimates; EIA-923 fuel receipts. Industrial price covers gas sold by local utilities, a small share of industrial use. Hawaii bars are clipped. *Electric power excludes Hawaii and D.C., which have no reporting gas plants; Oklahoma's value recalculates EIA-923 receipts with Comanche's misreported costs divided by 10; other states use SEDS estimates.

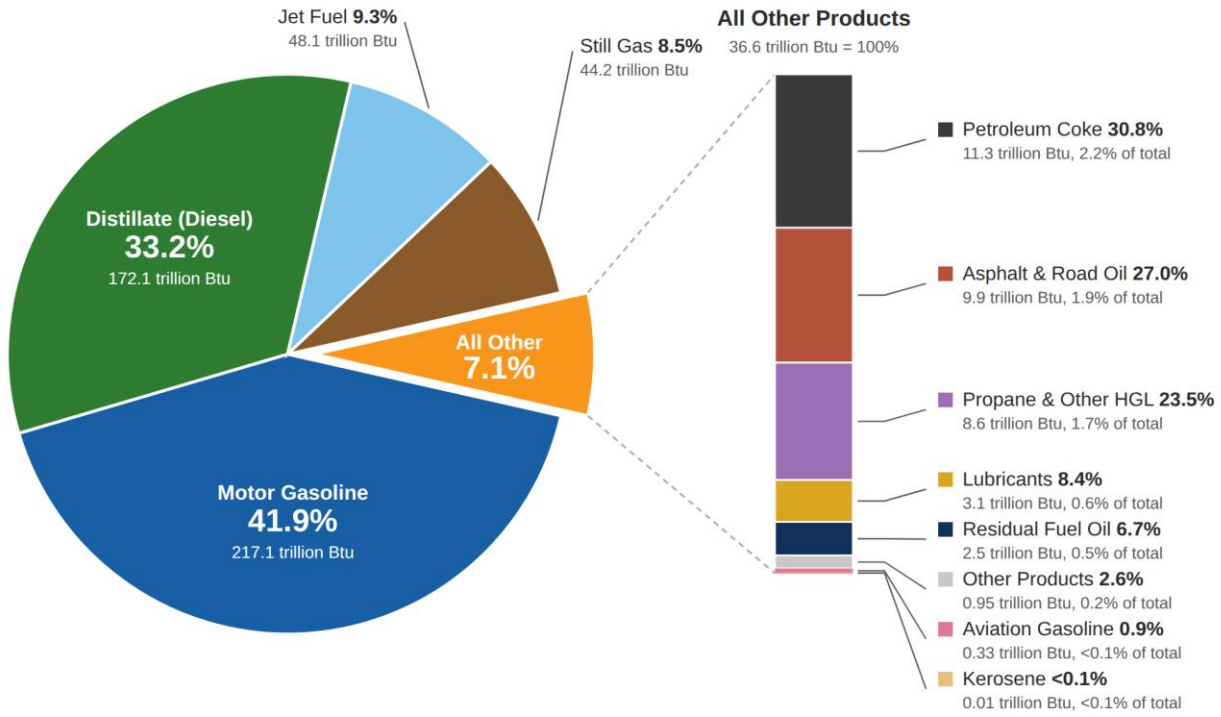
Oil: From A to B

- Oil is primarily used for transportation.
- 41.9 percent is gasoline;
- 33.2 percent is diesel;
- 8.5 percent still gas (used in refining);
- 7.1 percent “other” uses.
- Higher gas and diesel prices make everything more expensive by increasing shipping costs.

Oklahoma Petroleum Consumption By Product, 2024

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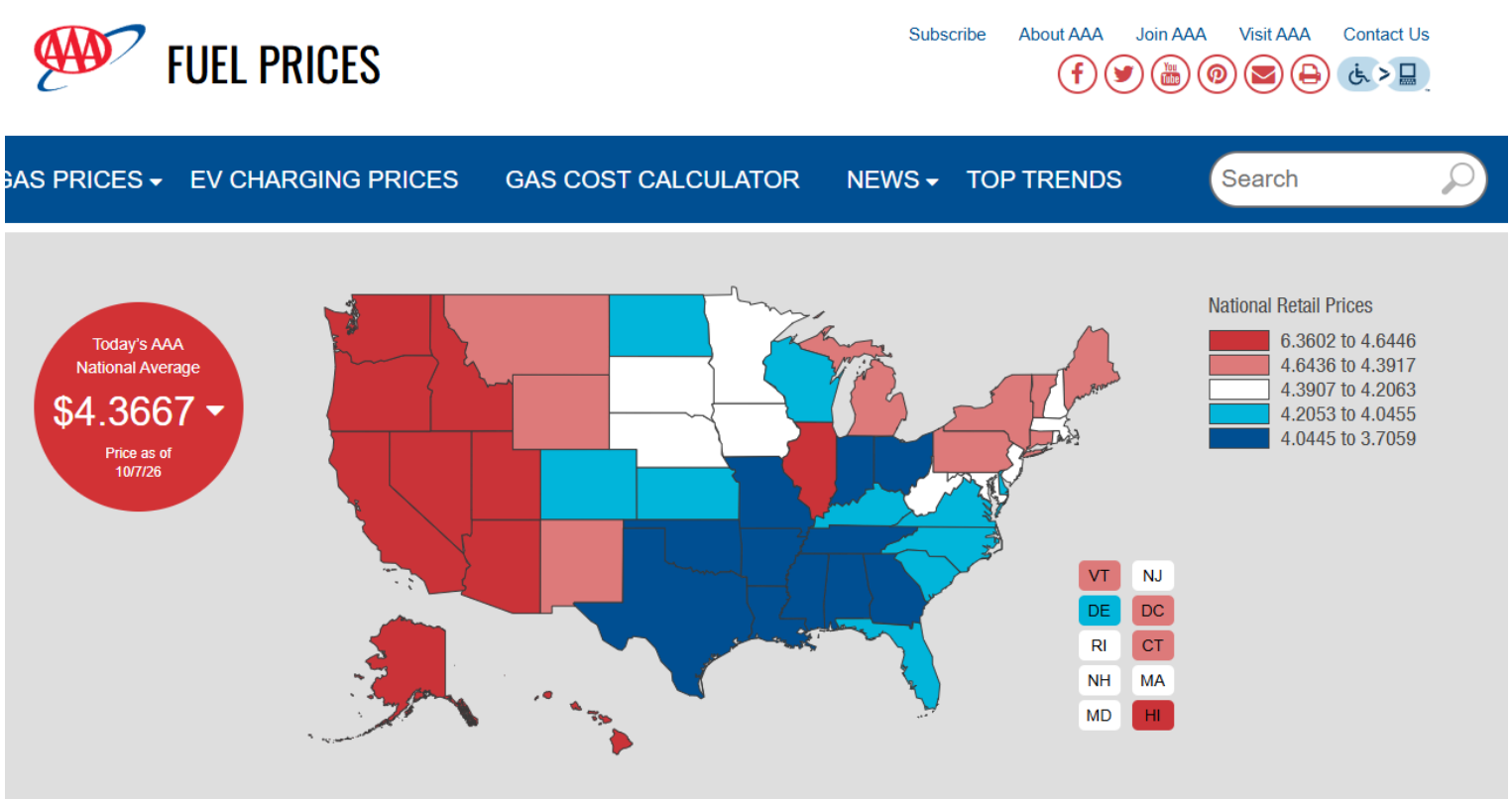
Share of petroleum consumption (518.2 trillion Btu). Gasoline and diesel made up 75.1%; kerosene was 0.01 trillion Btu.



Source: U.S. Energy Information Administration, State Energy Data System (SEDS), 2024 consumption estimates. Excludes fuel ethanol and biodiesel blended into gasoline and diesel (20.2 trillion Btu), which EIA counts as renewables. Still gas is refinery fuel gas burned at refineries. Other Products includes special naphthas, waxes, and miscellaneous products.

Fuel Prices By State

- As of October 7, 2026, Oklahoma had the 10th-lowest gas prices in the nation.
- Oklahoma has the second-lowest diesel prices, behind Texas.
- However, prices are substantially higher than before the U.S. military conflict with Iran.
- Gas and diesel prices are driven by global supply and demand factors, including attacks on Russian refineries and the fallout from the closure of the Strait of Hormuz.



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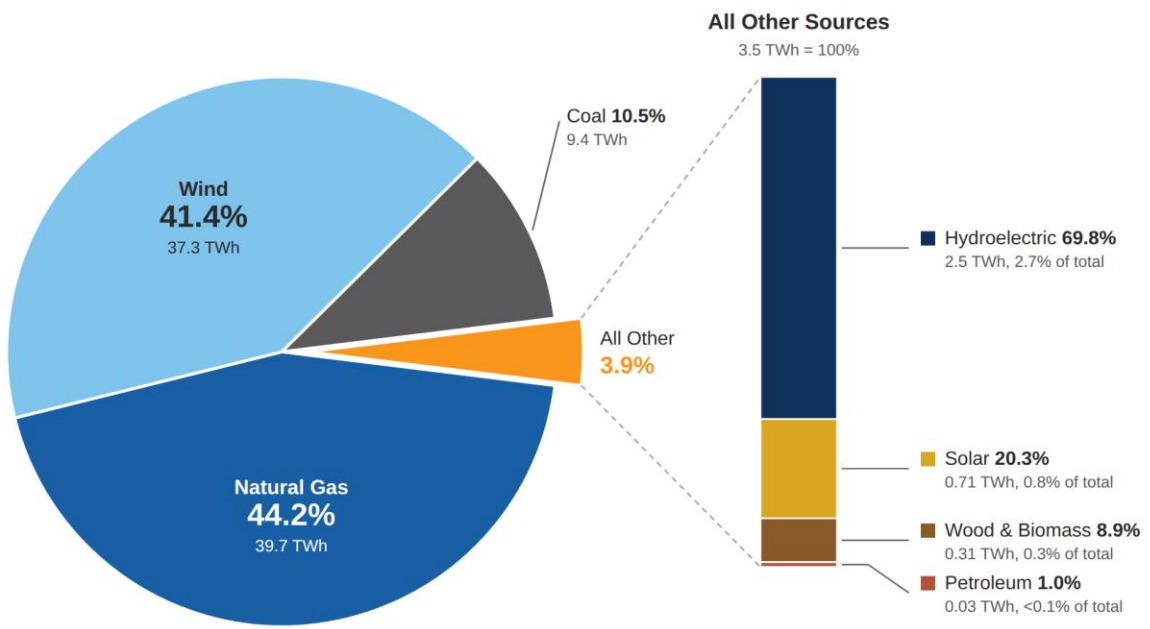
Electricity

- Oklahoma is a large producer and exporter of electricity.
- Natural gas is the largest source of power at 44.2 percent;
- Wind generated 41.4 percent;
- Coal generated 10.5 percent,
- And Other was 3.9 percent.

Oklahoma Electricity Generation By Source, 2025

Share of utility-scale net generation (89.9 TWh). Natural gas and wind together produced 85.6%.

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Source: U.S. Energy Information Administration, EIA-923 monthly generation by state, 2025 final data, all producers. Utility-scale plants only (1 MW and larger); excludes rooftop solar. Excludes net consumption by pumped storage and other sources (35 GWh). Wood & Biomass includes wood, landfill gas, and other biomass.

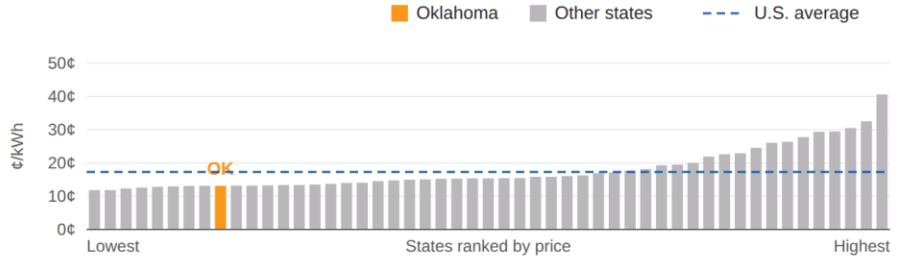
Electricity Prices

- Oklahoma has some of the lowest electricity prices in America.
- Residential prices are the 9th lowest.
- Commercial are the 4th lowest.
- Industrial prices are the second lowest.
- The overall average cost is the second lowest.

What Oklahoma Pays For Electricity, 2025

Average retail electricity price by sector and Oklahoma's rank among states, where 1st is the lowest price.

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Residential

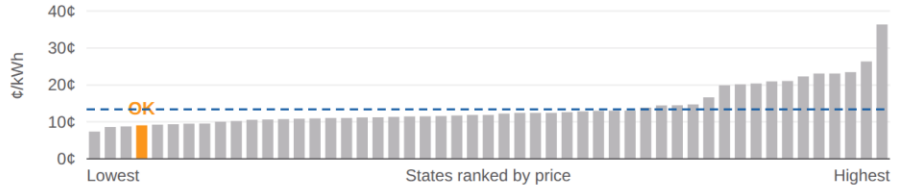
13.12¢
per kWh
U.S. average 17.30¢

9th
Lowest price
of 50 states + D.C.

Commercial

9.08¢
per kWh
U.S. average 13.41¢

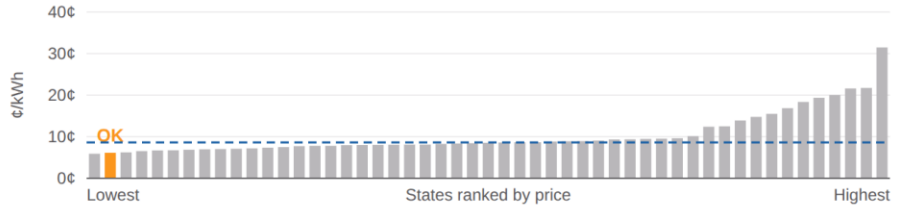
4th
Lowest price
of 50 states + D.C.



Industrial

6.15¢
per kWh
U.S. average 8.62¢

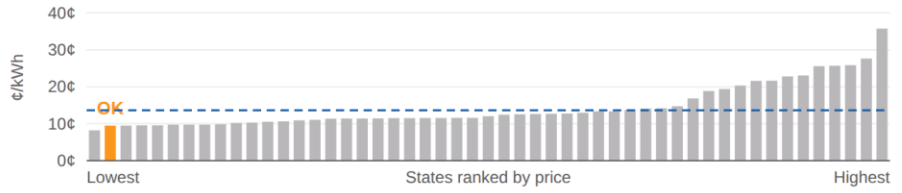
2nd
Lowest price
of 50 states + D.C.



All Sectors

9.50¢
per kWh
U.S. average 13.63¢

2nd
Lowest price
of 50 states + D.C.



Ahead of 3rd-place Louisiana by less than 0.01¢/kWh.

Source: U.S. Energy Information Administration, Form EIA-861M monthly sales and revenue by state, 2025 (preliminary); annual price = total revenue divided by total sales. U.S. average is weighted by sales.

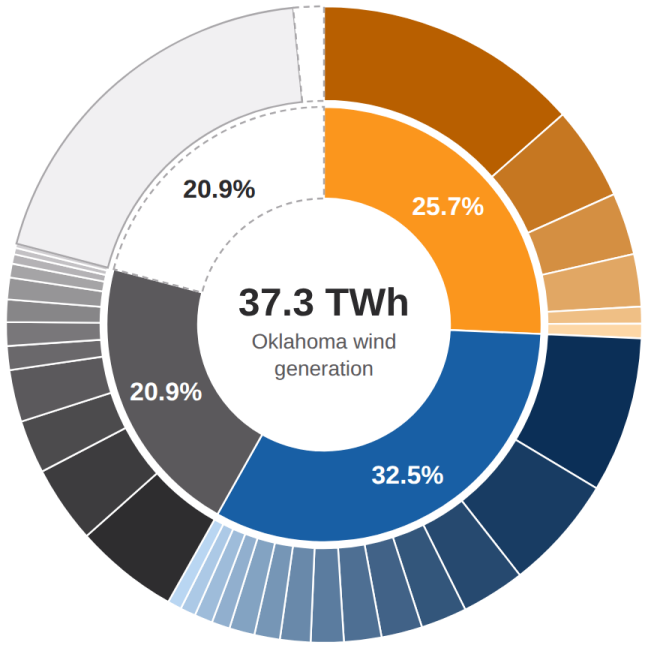
Where Does the Wind Go?

- Oklahoma exported 18 percent of its total power generation in 2024.
- According to EIA and S&P Global Data, 53 percent of the wind is paid for by out-of-state entities.
- 21 percent had no contract details.
- Only 25.7 percent is owned or contracted for by OK electric companies serving 93 percent of OK's total demand.

Who Buys Oklahoma's Wind Power, 2025

Oklahoma wind generation by owner or contracted buyer. Oklahoma utilities and public power take 25.7%; out-of-state utilities, corporations and uncontracted sales account for the rest.

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	TWh	Share
Oklahoma utilities	**9.58**	**25.7%**
Public Service Co. of Oklahoma	5.04	13.5%
Western Farmers Electric Coop.	1.77	4.8%
Oklahoma Gas & Electric	1.18	3.2%
Grand River Dam Authority	0.99	2.7%
People's Electric Coop.	0.32	0.9%
Oklahoma Municipal Power Auth.	0.28	0.7%
Corporate buyers	**7.81**	**20.9%**
Google	1.97	5.3%
Amazon	1.47	3.9%
Meta	1.01	2.7%
Hormel, McDonald's & Oshkosh	0.98	2.6%
Equinix	0.45	1.2%
Owens Corning	0.45	1.2%
Walmart	0.42	1.1%
Anheuser-Busch InBev	0.41	1.1%
Allianz (financial hedge)	0.26	0.7%
Smithfield Foods	0.18	0.5%
Starbucks	0.12	0.3%
Steelcase	0.08	0.2%

	TWh	Share
Out-of-state utilities	**12.10**	**32.5%**
SWEPCO (AR, LA, TX)	2.95	7.9%
Evergy (KS, MO)	2.17	5.8%
Arkansas Electric Coop. Corp.	1.21	3.2%
Gulf Power (FL)	0.87	2.3%
Georgia Power (GA)	0.78	2.1%
Golden Spread Electric Coop.	0.71	1.9%
Southwestern Public Service	0.62	1.7%
Alabama Power (AL)	0.58	1.5%
City Utilities of Springfield (MO)	0.48	1.3%
Associated Electric Coop. (MO)	0.48	1.3%
East Texas Electric Coop.	0.34	0.9%
Northeast Texas Electric Coop.	0.34	0.9%
Lincoln Electric System (NE)	0.29	0.8%
West Texas Municipal Power Agency	0.26	0.7%
No contract identified	**7.79**	**20.9%**
No contract on record	7.22	19.4%
Undisclosed buyer	0.58	1.5%

Sources: U.S. Energy Information Administration, EIA-923 (2025 generation) and EIA-860 (ownership); S&P Global Market Intelligence power purchase agreement data. Utility-owned plants are assigned to their owners (AEP's North Central wind farms split about 45% PSO, 55% SWEPCO). Contracted plants are allocated by each buyer's share of contracted MW. Corporate contracts are typically financial: the power is sold into the Southwest Power Pool market while the buyer takes the price hedge and renewable credits. "No contract on record" may include contracts missing from the S&P data.

Data Centers

- No energy presentation is complete without a discussion of data centers.
- Do data centers increase or decrease electricity costs?
- It depends.

Oklahoma's Data Center Pipeline, 2026

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Operating and planned data center capacity in Oklahoma. Planned projects would add 13.5 times today's capacity, led by three 800 MW campuses.

Operating today

460 MW

12 facilities; 97% is Google's Pryor campus

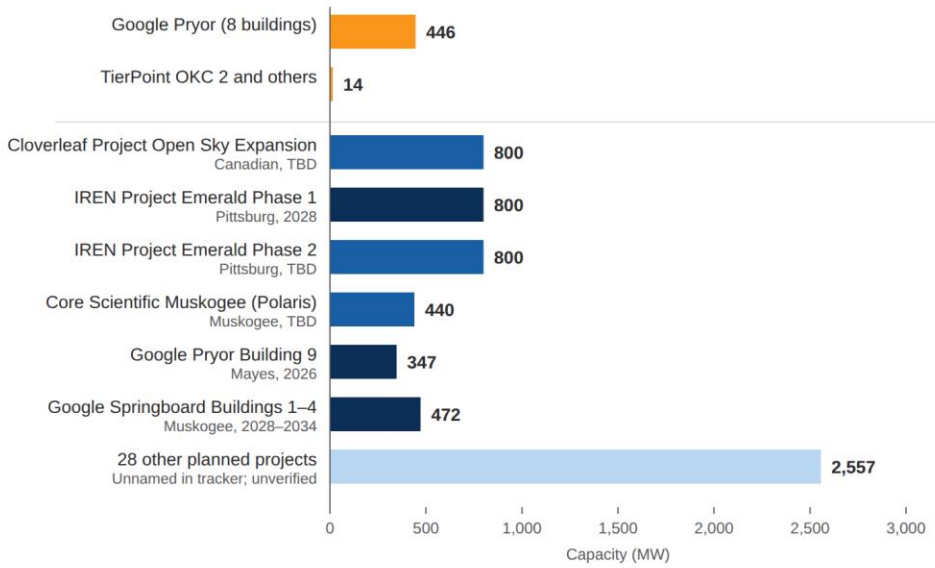
Planned

6,216 MW

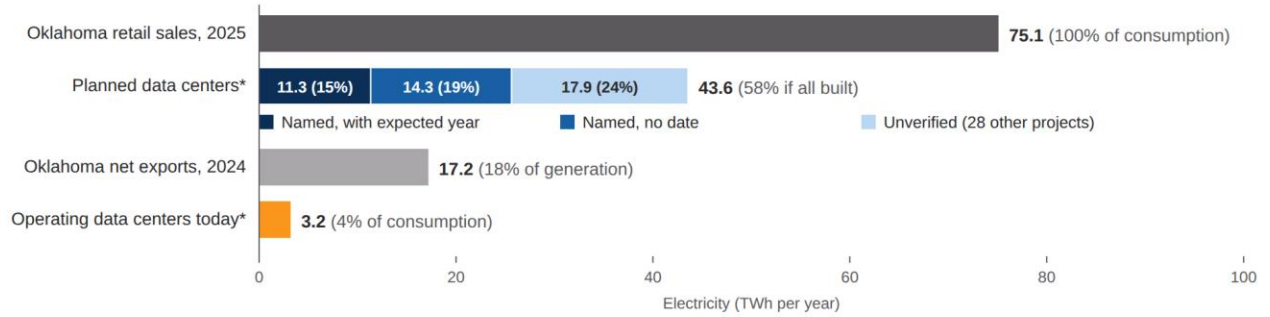
37 projects, 13.5 times today's capacity

Only 1,619 MW has an expected online year

Operating And Planned Data Centers (MW)

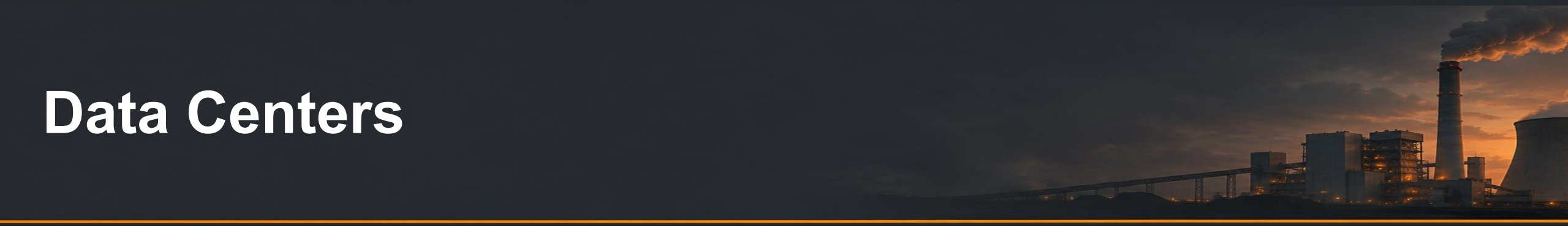


Planned Data Centers Compared With Oklahoma's Consumption And Exports (TWh per Year)



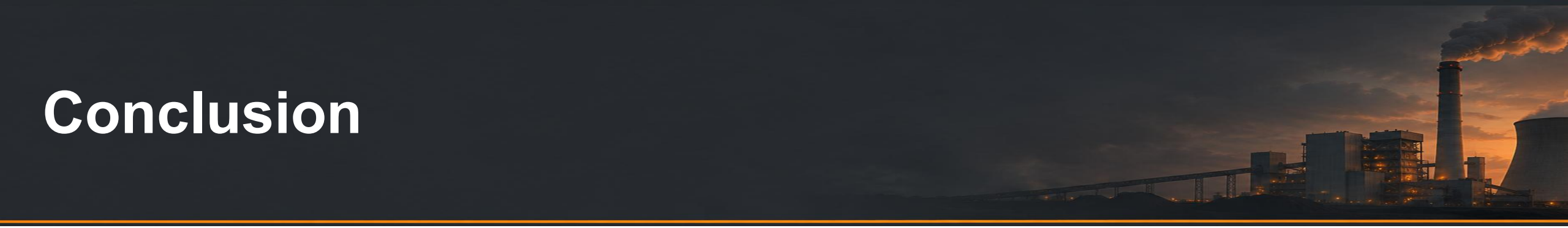
Sources: Cleanview data center tracker (October 2026); U.S. Energy Information Administration, EIA-861M (2025 retail sales) and State Electricity Profile (2024 net interstate exports). Capacities are as reported by the tracker and may reflect IT load or total facility load; the tracker names only its nine largest planned projects; the remaining 28 (2,557 MW) are unverified, and other trackers list as little as 2,723 MW planned in total. *Annual energy assumes an 80% load factor. Percentages are shares of Oklahoma's 2025 retail electricity sales (75.1 TWh), except net exports, shown as a share of 2024 in-state generation (94.1 TWh).

Data Centers



- Not all states have passed laws like the Data Center Consumer Ratepayer Protection Act of 2026.
- In these states, it is very possible that all customers would pay the costs of connecting data centers.
- Some states limit overbuilding risks by forcing data center owners to pay for assets even if the data center isn’t built.
- Some states have pursued Consumer Regulated Electricity, which allows customers to build and operate their own power-generating networks that are not connected to the broader grid.
- Data centers in some areas are willing to pay for the gas needed to run the facility, but they want ratepayers to foot the bill for wind and solar for renewable energy certificates.
- The fix: Any renewable resource procured to meet a large-load customer's clean energy goals must be charged entirely to that customer through a voluntary clean energy tariff, with the renewable credits retired on its behalf.
- Any wind or solar bought for climate credits wouldn't count toward the firm capacity requirement except at their accredited value.

Conclusion



- Oklahoma currently measures up very well compared to the rest of the nation on energy costs.
- Gasoline and diesel costs will be dictated by global forces outside the control of state government.
- Natural gas prices are low, and higher residential costs are due to the pipes connecting families to the gas network, not the fuel cost itself.
- Electricity prices are low relative to the rest of the nation.

Questions, Comments, Scathing Rebuttal

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