



Brent Kisling

Executive Director ▸ Oklahoma Department of Commerce

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While most equate Oklahoma with oil and gas, the state is actually a leader within the renewable energy sector in the U.S., with nearly 40 percent of the state’s total electricity generated from renewable resources. Oklahoma also produces 68 percent more energy than it consumes. *Wind Systems* recently talked with Brent Kisling, executive director of the Oklahoma Department of Commerce, about Oklahoma’s renewable energy sector and how its growth has allowed the state to become a national leader in energy production and emissions reduction.

▸ How has Oklahoma’s approach to developing renewable energy differed from other states?

The biggest difference for us is the fact that we have historically been a hydrocarbon mining state. The fact that we have embraced all types of energy the way that we did is a little unique. The other thing that’s a little unique is, Oklahoma does best on recruiting businesses and industries to the state whenever we have a specific focus, and I’ll give you a couple examples: We did this with the aerospace industry probably 10 to 15 years ago, and we created some new incentives. We hired a bunch of staff to focus on it, and now aerospace is our second largest employer — behind energy — in our state.

But we did the same thing with wind energy about 12 years ago — around 2010 or 2011. We created a bunch of amazing incentives, hired a bunch of staff that went to every trade show, and met with every CEO. We went from basically zero kilowatts of production to now, depending on how you count it, second or third in the nation in installed wind-energy capacity. We do well whenever we focus on it, and we were definitely focused on wind energy.

▸ Nearly 40 percent of Oklahoma electricity comes from renewables. What steps did the state take in order to become a leader in the renewables sector?

It started with the incentives where we identified the production of electricity from wind generation to manufacturing in our state. We were able to do some specific exemptions on property taxes within the state. That helped us be very competitive early on, but the cool part of the story, and again, maybe something that’s unique about Oklahoma, is that we did create all of those 10 or 12 years ago, but none of those incentives exists anymore in Oklahoma. We used to have a whole hallway of staff focused on renewables. We don’t have to have them anymore because now we have an established, mature industry that is just building on itself. We put the infrastructure in first, and now the industry’s following.

▸ How do you think other states can emulate Oklahoma’s examples?

Oklahoma wants to electrify the nation. We produce 68 percent more electricity than we use here, so we already export a lot of that electricity. And with the way it looks like automobile propulsion is heading, the fact that everything in your house nowadays seems to be running off of electricity, I think the two most important things to produce in the country over the next several decades are going to be electricity and food. And we do both of those very, very well.

I want to make sure we continue to be competitive, but also, I know this is about wind energy and about renewables, but we want to maintain our leadership in the mining of hydrocarbons as well. We’re top five in natural gas and top five in crude oil production. We want to maintain that as well. We truly are an all-of-the-above state.

▸ Was it difficult to convince Oklahomans of the advantages of the renewable energy?

I would say early on it was difficult, but that changed fairly rapidly as well. The message that works for Oklahomans on renewables is not necessarily the discussion about climate

change or even emission reductions, even though we're one of the leaders in the nation on that. What folks in Oklahoma really understand is that early on, most of these wind farms were built with power purchase agreements. And so you had some of these major corporations that were coming in and doing 15- and 20-year power purchase agreements to take the flexibility of electric pricing out of their proforma. And when you can get a fixed-rate contract or close to a fixed-rate contract for 20 years on your electricity, then you're going to want to move your data center to Oklahoma. You're going to want to move your heavy manufacturing facility to Oklahoma. That was where the convincing really happened.

► What effects has your energy growth had on the local environment and the economy?

It's huge for rural Oklahoma and, specifically, for education. In our state, which is true in a lot of states, but for sure in Oklahoma, we fund education through local property taxes. We supplement that in some cases around the state with state-allocated dollars, but for the most part, most of our funding comes from ad valorem taxes. Wind energy, that's their thing, and if you're a school district and you can get a wind farm located in your school district, then you're probably going to get a new gymnasium. You're probably going to get some additional classrooms with better audio/visual capabilities. You're going to have higher paid teachers in that district. So on the taxes side, it was huge for local economies.

But the other part is the landowner payments. Every time one of those turbines is spinning, it's driving more revenue down into that dirt that's going to that local landowner. And the beauty of wind energy is that you can continue to farm that field; you can continue to raise cattle. You continue to have a net income off of that quarter section of land, and you can supplement it with those landowner payments. Those dollars end up going to the local convenience store. They go to the local retail shops. So, for the areas of Oklahoma where wind energy landed, it was revolutionary for them.

► Since you don't have the incentives in place anymore, how do you continue to advance that part of renewables in the state?

By being supportive of transmission coming to the state. We are very supportive, and that goes through our Oklahoma corporation commission. They have been very open to allowing for additional transmission to come here, so that we can generate those electrons and then move them to other population centers throughout this part of the United States.

I think one of the biggest things that's going on right now that will benefit Oklahoma's economy are some of these interchange agreements that are happening between the southwest power pool, for sure to the east and the west. We haven't seen a lot of that with ERCOT to Texas, but we have to the east and the west, and that way we can pump

an electron into the grid in Oklahoma and get it to St. Louis, get it to the Tennessee Valley Authority, and maybe you can get that out to the Atlantic and the East Coast. If we can get more of that to the west, as well, and get over the mountains, that really opens up a lot of opportunity for us in the state. I know we have agreements with Alabama Power, so there are some specific states we do, but most of those early power purchase agreements were with Anheuser-Busch and Ford Motor Company and, of course, Facebook and Google and some of those.

► Have the net zero goals set by the Biden administration accelerated Oklahoma's push for renewables, or is the state already ahead of the game in comparison?

We feel like we're already ahead of the game, and the fact that Oklahoma never did it with a mandate. We did it with a carrot rather than a whip, and that was very successful for us.

► Anything else you'd like to mention that we didn't talk about?

I think two points could be made that relate specifically to wind energy in Oklahoma. You asked about what was unique about our state, and we did a great job of attracting wind-energy generation of electricity. We haven't had a lot of the supply chain that has come in yet. We have the infrastructure in place, the offload facilities. We have an inland port here. We have all of the infrastructure in place to support that supply chain, but we haven't seen a lot of that come to the state yet. That's maybe an important point that we try to make all the time. It's one of our big pushes. The other part of wind energy that relates to the rest of our economy is that there are a lot of companies now that are wanting to reduce their carbon footprint. They want to be able to be secure that they're going to be using renewables for their operations, and unlike other states with that much production, like we do here, we can make that kind of a promise.

And that's why you see some of these battery manufacturers and automobile manufacturers moving here to the state. You see green hydrogen production. We had a huge announcement a couple weeks ago in the southern part of our state, an Australian company named Woodside that's looking to produce green hydrogen, which is going to be renewables, electrolyzing water in order to pull hydrogen.

We're getting a lot of attention for those, and who would've known 10 years ago, when we put together this focus on wind, that that would be one of the unintended consequences, but it certainly has been. And that's why Oklahoma's the 11th fastest growing state in the nation right now. That's why we have a top-10 unemployment rate. We have a lot of those jobs pouring in here, and it's because we focused on the right things 10 years ago. ✨

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