



Oklahoma Energy Sector's Transformation Continues

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This edition of the Oklahoma Economist investigates recent trends and the longer-term evolution of the state's energy sector.

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OKLAHOMA CITY - The Oklahoma City Branch of the Federal Reserve of Kansas City released its latest issue of the quarterly publication the *Oklahoma Economist*, titled "Oklahoma's Evolving Energy Landscape."

Oil prices fell sharply in early 2020 with the onset of COVID-19, which led to less oil and gas drilling, production, and jobs, and tighter fiscal discipline among exploration and production (E&P) firms, according to Chad Wilkerson, branch executive, vice president and economist at the Oklahoma City Branch of the Federal Reserve Bank of Kansas City.

"While the sector rebounded considerably in 2021, employment has lagged as firms have continued to become more efficient," he said. "Mining employment, which consists almost completely of oil and gas in Oklahoma, remains nearly 25% below early 2020 levels, much more than any other sector of the state's economy."

Wilkerson said renewable energy in the state has steadily grown and will continue to make up a larger portion of Oklahoma's energy landscape.

"According to the U.S. Energy Information Administration (EIA), Oklahoma ranked third in the nation in net electricity generation from wind in August 2021," he said. "Overall, Oklahoma produces more power than it consumes, and remains a net power exporter to other states. Moving forward, Oklahoma's renewable capacity is expected to grow more than 25% between 2021-25."

The complete issue is available at www.kansascityfed.org/oklahomacity/oklahoma-economist.

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