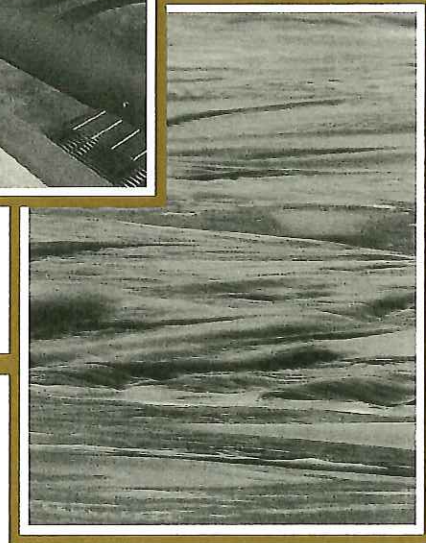
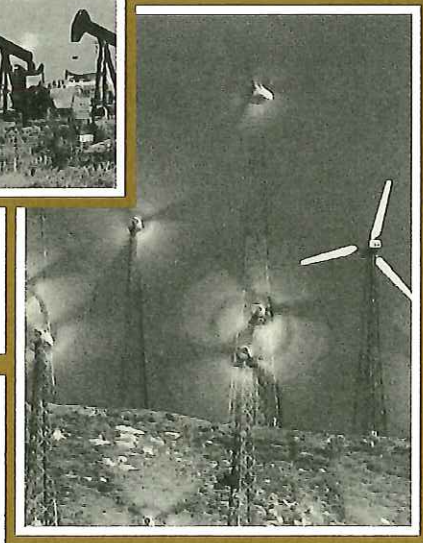
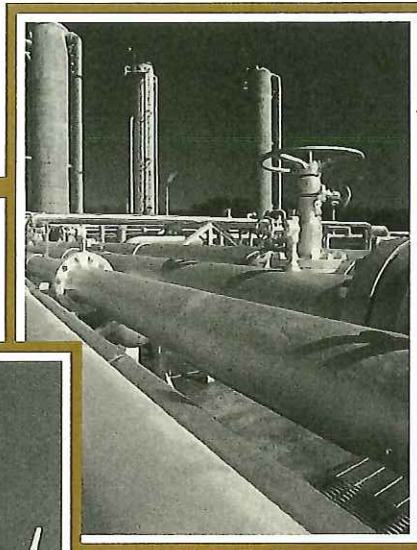
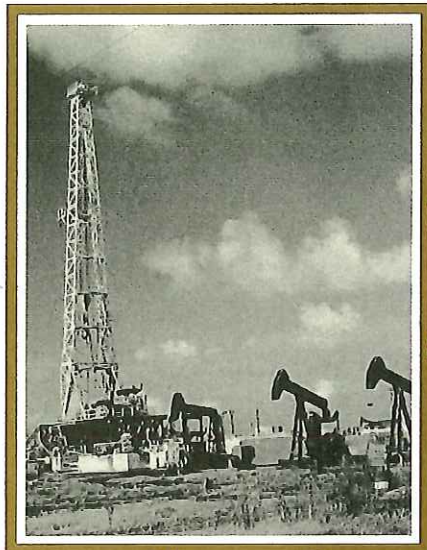


# OKLAHOMA RESOURCES: ENERGY & WATER

NOVEMBER 12-15, 2003  
QUARTZ MOUNTAIN RESORT



ANNUAL TOWN HALL  
LEADING RECOMMENDATIONS

*As a part of our mission, every year the Oklahoma Academy for State Goals organizes a Town Hall conference, allowing the citizens of Oklahoma to come together for the discussion of a pre-determined issue critical to the development and progression of the state. The 2003 Town Hall, Oklahoma Resources: Water and Energy, was held at the Quartz Mountain Resort in Altus, November 12 through November 15, 2003.*

### *Town Hall Background*

The Town Hall experience is a unique opportunity for the citizens of Oklahoma. Through careful consideration, invitations are sent out across the state, participants are selected from the responses and attendance is limited to 120. The group selected to attend the Town Hall is an accurate representation of the socio-demographic composition of Oklahoma, lending the opportunity for everyone in the state to be heard. The group of 120 is split into five smaller groups of approximately 24.

Over the next two and half days these groups, facilitated by an experienced Academy board member, discuss and debate a standard discussion outline covering the issue. Each group is equipped with an attorney acting as a recorder who synthesizes the group's work and later, at the end of the day, meets with the other recorders to draft a consensus of all the groups' findings. These findings are then crafted into a final report of recommendations and are presented to the group the morning of the last day. A brief meeting of each group and their facilitator and recorder provides an opportunity for review and discussion of the final report. A half-day plenary session concludes the Town Hall and provides the participants with the occasion to debate and resolve differences between the groups.

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## *Oklahoma Resources: Water and Energy*

The Oklahoma Academy elected to focus on water, energy and tribal sovereignty for the 2003 Town Hall. A thorough research document was compiled by the Academy and distributed to the Town Hall participants in advance to allow them to read and help give them a comprehensive understanding of the issues at hand. Once the Town Hall had begun, participants were asked to limit their discussions to specific areas of each issue.

- Energy: the focus was (1) maximizing production of our existing resources and marginal reserves, (2) marketing our energy knowledge, and (3) alternative sources of energy
- Water: the discussion was limited to (1) quantity, (2) quality, and (3) ownership.
- No restrictions were placed on Sovereignty

In addition, experts in energy, water and sovereignty were invited to provide insight and factual information into the emotional issues.

The full report, drafted from the single consensus of all the groups, gives insight into the attitudes and thoughts of the participants. If you are interested in the full report, a copy may be obtained from the Oklahoma Academy office. From the full report the key recommendations and Town Hall findings were constructed. The Town Hall participants advanced 15 recommendations for energy, 14 for water and seven for sovereignty. The plenary session was an opportunity for the participants, as one group, to vote on the recommendations they felt were most important. The key recommendations for water, energy and sovereignty follow.



## KEY RECOMMENDATIONS

### *Energy*

Oklahoma should develop and adopt a comprehensive **Oklahoma Energy Plan**. This plan should encourage and incentivize the active development of Oklahoma's plentiful known and existing hydrocarbon resources encourage the application of new technologies to extend the life of these vast energy reserves, and provide ways for Oklahoma to capitalize on its energy expertise and international reputation. At the same time, the development of Oklahoma's extensive renewable energy resources should be incentivized to aggressive development.

*The Oklahoma Academy Town Hall makes the following recommendations regarding energy:*

- The Governor and Legislature should strongly incentivize the private sector to apply new technologies to enhance oil and unconventional gas recovery projects.
- The Governor should establish a high profile program for packaging and marketing on a worldwide basis, the extensive energy knowledge base that exists in Oklahoma's private sector, universities and government agencies.
- State leaders should actively encourage the expansion of federal tax credits for high cost gas exploration and non-traditional fuel development.
- State government leadership should encourage the development of Oklahoma's extensive renewable energy resources by assisting private sector developers in driving down costs. To more rapidly accelerate the development of alternative energy, particularly wind power, the legislature should enact a required portfolio standard of 1% capacity, to be achieved in ten years time. The utilities are allowed to charge a premium for the alternative generation, but would also be allowed to pass the difference between the cost of wind power through their rate base. To mitigate the pass through costs, the cost of development and operation of Oklahoma wind power generators should be subject to an aggressive set of tax incentives.
- Research funding through Oklahoma's higher education institutions should be aggressively sought and utilized to accelerate the development of Oklahoma's renewable energy resources base.

## KEY RECOMMENDATIONS

### *Water*

In conjunction with the **Oklahoma Water Plan** due to be updated in 2005, the Academy Town Hall acknowledges the importance of water as an economic driver for the future of our state, and believes there should be a sense of urgency in the development of a comprehensive plan to provide statewide access to the distribution system, providing adequate water resources throughout the state.

*The Oklahoma Academy Town Hall makes the following recommendations regarding water:*

- The Oklahoma Water Resources Board (OWRB) plan should integrate a comprehensive water conservation program that includes the following components: (1) the encouragement of progressive pricing mechanisms, (2) funding of innovative approaches to conserve water quantity and preserve quality, (3) incentives for decreasing water use in all areas, (4) mandatory conservation in government facilities, and (5) the harnessing of market forces to preserve and protect water resources. The OWRB should facilitate drafting a completely new state water plan to include all stakeholders in the drafting process.
- The OWRB should coordinate the planning process for ongoing state water plan updates. A regional planning structure should be adopted. Each regional group should include reps from all water stakeholders. The Oklahoma Water Plan should be open to ongoing review with amendments as needed.
- The Oklahoma Legislature should amend current law to establish the creation of regional water planning groups (RPG) which could be geographically and administratively organized around the existing Council of Government (COGs). Membership of the RPGs must include broad representation from all stakeholders including tribes, environmental, agricultural, farming, industrial, and municipal representatives. University and state agency staff should be utilized as planning resources. It may be appropriate for the RPGs to have trust authority for the purpose of being an eligible entity for financial assistance for implementation of water/waste water infrastructure projects and activities.
- Governor Henry should take the leadership to secure adequate funding from any and all state and federal sources for development and implementation of a statewide water plan.
- The regional water plans should be submitted to the OWRB to ensure that such plans meet criteria established by the legislature, and that water and waste water funding is provided only for projects included in regional water plans.



## *Financing*

To catapult Oklahoma's energy and water resource development into the forefront, the Academy recommends the establishment of a **Critical Infrastructure Finance Authority (CIFA)** to finance specific large scale water and energy infrastructure projects by bundling such projects for bond financing.

- The Authority will focus on **Water** infrastructure projects to facilitate intrastate water transfers infrastructure projects. Water projects funded through CIFA would be consistent with the state water plan and should include projects generated through regional planning districts.
- **Energy** projects funded through CIFA would include regional and statewide grid systems, new pipeline projects, etc.

## *Sovereignty*

The Town Hall looked carefully at the historic, legal, and constitutional condition of American Indian sovereignty and rights of sovereignty. This is a critical component in resolving issues of natural ownership and use and for ensuring Oklahoma's most inclusive use of its human and financial assets. The Oklahoma Academy recommends that the Governor place a premium priority in creating an ongoing communication process with tribal governments that would serve current and future tribal and state administrations. An Annual Governor's Listening Conference between the Governor, the Cabinet and tribal leadership could be an effective means of accomplishing this.

- The Academy urges the governor personally to initiate discussions, as soon as possible, with tribal governments and stakeholders to achieve statewide regulatory processes that are consistent and predictable, while honoring the tribes' full sovereign rights.

*Indirectly related to energy and water issues and issue resolution, the following recommendation reflects the Town Hall belief that it is important that the State of Oklahoma become more actively involved in assisting Indian communities along a broader range of tribal concerns:*

- State government should coordinate a collaborative effort with tribes and the state's federal congressional delegation to appropriately address a number of issues that would benefit federal funding issues related to tribal support such as Indian health services funding, BIA transportation funds, and other funding matters which are currently disproportionately distributed.

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## *Conclusion*

Now that the 2003 Town Hall recommendations have been published and distributed, work begins on implementing them. An implementation committee, made up of participants and Academy board members, has met to discuss the implementation process and the necessary steps in seeing that these recommendations become policy. State senators and representatives who attended the Town Hall have drafted shell bills to include the specific recommendations for this legislative session. An Oklahoma Summit was held at the Governor's invitation on January 13<sup>th</sup>, 2004 to formally introduce the Findings and Key Recommendations to State officials, Congressional delegates, The Legislative leadership and industry leaders. The Academy will be an advocate for these recommendations throughout the 2004 year.

If you are interested in the full report  
contact the Oklahoma Academy office at (405) 232-5828 or [okacademy@okacademy.org](mailto:okacademy@okacademy.org)

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