



J. Kevin Stitt  
Office of the Governor  
State of Oklahoma

March 13, 2021

The Honorable Joseph R. Biden Jr.  
President of the United States  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

Dear Mr. President,

On behalf of the State of Oklahoma, I am requesting support from the Federal Disaster Relief Fund or other federal programs to assist with providing eligibility and financial assistance to utility providers as a result of the recent historic winter storm in Oklahoma.

Specifically, I am requesting:

1. Direct financial assistance for utility commodity costs specific to utility providers in the private, government and non-profit sectors.
2. Expand eligibility for non-traditional applicants under the Stafford Act to include utility providers in the private, non-profit, and government sectors.

Last month, from February 8-20, 2021, Oklahoma experienced an extended period of severe winter storm impacts such as record setting cold temperatures, heavy snow, and freezing rain. Due to the extreme cold affecting not only Oklahoma, but the entire central United States, with the lowest temperatures forecast for February 14-16, 2021, the Southwest Power Pool (SPP) began publicly reporting energy deficiencies across the region beginning on February 15, 2021.

The SPP operated at a heightened Energy Emergency Alert Level from 7:22 a.m. on February 15, 2021, until 10 p.m. on February 20, 2021, as a result of the winter storm. On February 15, 2021, and again on February 16, 2021, SPP was forced to declare a Level 3 Energy Emergency Alert and required power supply companies to implement managed system outages in Oklahoma and across its multi-state region. SPP stated this is the first time they have ever had to call for controlled interruptions in service.

During one round of rotating service interruptions on February 16, 2021, more than 180,000 people were without power while temperatures were more than 10 degrees below zero across much of the state.

Gas outages also occurred in some locations including Pawnee and Tulsa counties.

Further, Oklahoma gas and electric utilities experienced increased commodity prices as a result of the winter storm along with problems related to commodity acquisition, line pressure, and supply shortages.

In order to mitigate the impacts of this situation, Oklahoma leaned forward and took the following innovative actions:

My staff, my Secretary of Energy and Environment, and others from my administration held regular meetings with our energy partners beginning on February 8, 2021, to maintain awareness, identify needs, and determine actions.

From February 14-17, 2021, I, along with many of my state agencies urged the public and business sector to conserve energy by turning down thermostats, not using large appliances, unplugging small appliances and turning off extra lights.

On February 15, 2021, the Oklahoma Corporation Commission approved an emergency order allowing full production on gas wells on which there were restrictions. This is not expected to make a huge difference overall, but it is hoped it will be of some help to small independent gas providers.

On February 16, 2021, the Oklahoma Corporation Commission approved an emergency order to help gas suppliers and power generators stabilize the electric grid and natural gas infrastructure in order to ensure essential service for public safety and welfare during the winter storm. The Order gave suppliers the ability to reduce gas service to certain large customers in order to maintain infrastructure and meet the demand for natural gas for such essential services as power generation and residential heating.

However, despite our best efforts, Oklahomans are now facing the reality of rising electric and gas bills due to increased usage during the nearly two-week event along with the threat of increased costs for up to 10 years as energy companies seek to recover their costs.

State economic analysts say the impacts of this disaster may be felt by Oklahomans for 10 to 20 years or more depending on how energy providers are able to recoup the estimated \$4.5 billion additional natural gas fuel costs incurred during the winter storm. Outcomes would be especially harmful for those who have already been economically impacted by COVID-19 (DR-4530), the October 2020 ice storm (DR-4575), or the 2019 floods (DR-4438, DR-4553).

The Oklahoma Department of Commerce estimates a one-year concentrated recoup of fuel costs would cause employment losses of 19,057 jobs in 2022, which would not return to normal until 2028. Additionally, it would cause a statewide population loss of 9,313 people and the Gross Domestic Product would be \$1.677 billion lower in 2022, returning to near normal in 2028.

Comparatively, a 10-year spread of recoup of fuel costs would cause employment losses of 3,030 jobs in 2022, which would not return to normal until 2034. Additionally, it would cause a statewide population loss of 1,452 people in 2022, further decreasing to 8,791 less people in 2031 and then beginning to recover. The GDP is anticipated to be \$268 million lower in 2022, further decreasing to \$563 million lower in 2031 and then beginning to recover.

See more information in the enclosure: “Economic Impacts of 2020 Winter Storm with Natural Gas Cost Recovery”

For Oklahoma, where the average number of persons below poverty level is nearly 3 percent above the national average and our median household income is more than \$11,600 lower than the national median, such economic impacts could be devastating to already suffering communities.

**Oklahoma Population Data**

Category	Average of Persons Below Poverty Level**	Median Household Income**	Percent of Elderly Citizens**	Percent of Disabled Citizens*	Percent of School-Age Population**	Percent of Pre-Disaster Un-Employment*
National Average	12.3%	\$61,372.00	24%	19%	N/A	N/A
Oklahoma Average	15.8%	\$49,767.00	15.3%	16.6%	17.7%	3.3%

*County-specific data available upon request.*

*\*Source: U.S. Census American Community Survey (2017)*

*\*\* U.S. Census Bureau*

*^United States Bureau of Labor Statistics (January 2020)*

Due to this severe weather event, I declared a state of emergency for all 77 Oklahoma counties on February 12, 2021. On February 17, 2021, I requested an Emergency Declaration, which was approved the same day. Five days later, on February 22, 2021, I requested a Major Declaration for Individual Assistance and Public Assistance. That request has been partially approved with Individual Assistance for 16 counties and Public Assistance Category B for all 77 counties. With more than \$11.5 million in damages to infrastructure and utilities, I hope to see additional assistance approved in the coming weeks.

I also look forward to implementing the U.S. Department of Health and Human Service’s Low-Income Home Energy Assistance Program (LIHEAP) when it opens later this month, which may be helpful for severely impoverished Oklahomans. However,

those programs do not address the overwhelming impacts of massive fuel cost increases on our state's energy system.

Therefore, due to the historic and unprecedented nature of this severe winter storm, I am asking you to approve this request to help Oklahoma's crucial energy partners, struggling communities and Oklahoma families impacted by this devastating winter storm.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin Stitt". The signature is fluid and cursive, with the first name "Kevin" written in a larger, more prominent script than the last name "Stitt".

J. Kevin Stitt  
Governor

Enclosures:

OCC Emergency Order 2/15/21

OCC Emergency Order 2/16/21

Economic Impacts of 2020 Winter Storm with Natural Gas Cost Recovery

(INSERT ANY OTHER SUPPORTING DOCUMENTATION)