Committee on Gas
Committee on Gas and Subcommittee on Clean Coal & Carbon Management

Challenges and Opportunities Facing Natural Gas and Coal Generators
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National Association of Regulatory Utility Commissioners

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Two-Thirds of the Coal Fleet is Projected to Remain in 2030 (GW)

Why the U.S. Needs a Coal Fleet

• Important source of baseload (24/7) electricity
• Supports grid reliability and resilience (on-site fuel)
• Contributes to fuel diversity
• Helps maintain affordable electricity prices
• Serves as hedge against unforeseen events
Public Opinion — April and June Surveys

• The majority of people are focused on electricity price (first) and reliability (second).

• The country prefers a balanced mix of energy sources which includes coal.

• The majority of voters support the continued generation of electricity from coal.

• A large majority of Americans agree that coal is a necessary part of the fuel mix.
For time being, pause on coal retirements until federal policies are clarified.
1) Inexpensive Natural Gas

Shale Gas Dominating Supply/Pricing.

Henry Hub Spot Price ($/Mmbtu)

Marginal Cost of Gas Production sustainable?
2) Low Demand/ Flat Load Growth

Higher End Use Efficiencies & Lower Commercial Industrial
Demand Flattening Load Growth
3) Increasing Non-dispatchable Renewables

U.S. non-hydropower renewable electricity generation in eight cases (2005-2040)

High growth rates for very low variable cost generation

4) Age of Baseload Units

Coal Plant Life Cycle - Maintenance Demand and Costs

Cost and reliability increase with age
So What? - New Base Technology Load Potential

PJM Dispatch Curve (Marginal Cost of Dispatch by Unit)

- New HELE Coal
- New CCGT Gas

Longview data based on consolidated marginal cost of production of Longview and Mepco (Utility Plant data from SNL). Longview marginal cost close to the cost of non-dispatchable, subsidized renewables.

New Baseload - Reliability, Lower Cost, Clean, More Flexible
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