

## Only Minor Shifts in the 2017 Cooperative Retail Fuel Mix

### Key Findings

- There were only small changes in the co-op retail fuel mix from 2016 to 2017.
- Coal remains the largest source of co-op electricity, but its share has declined.
- Natural gas provides a quarter of co-op electricity, supported by sustained low fuel prices.
- Non-hydro renewables continue to increase their share of the co-op fuel mix.

### What has changed?

NRECA's analysis of the 2017 electric cooperative retail fuel mix, a blended estimate of co-op owned generation and power purchases, shows that there were only minor shifts from 2016 to 2017. Slight declines in fossil generation and increases in nuclear and renewable generation are consistent with national trends. At nearly 437 million MWh, overall co-op<sup>1</sup> retail sales were 2.5 million MWh lower in 2017 than in 2016.

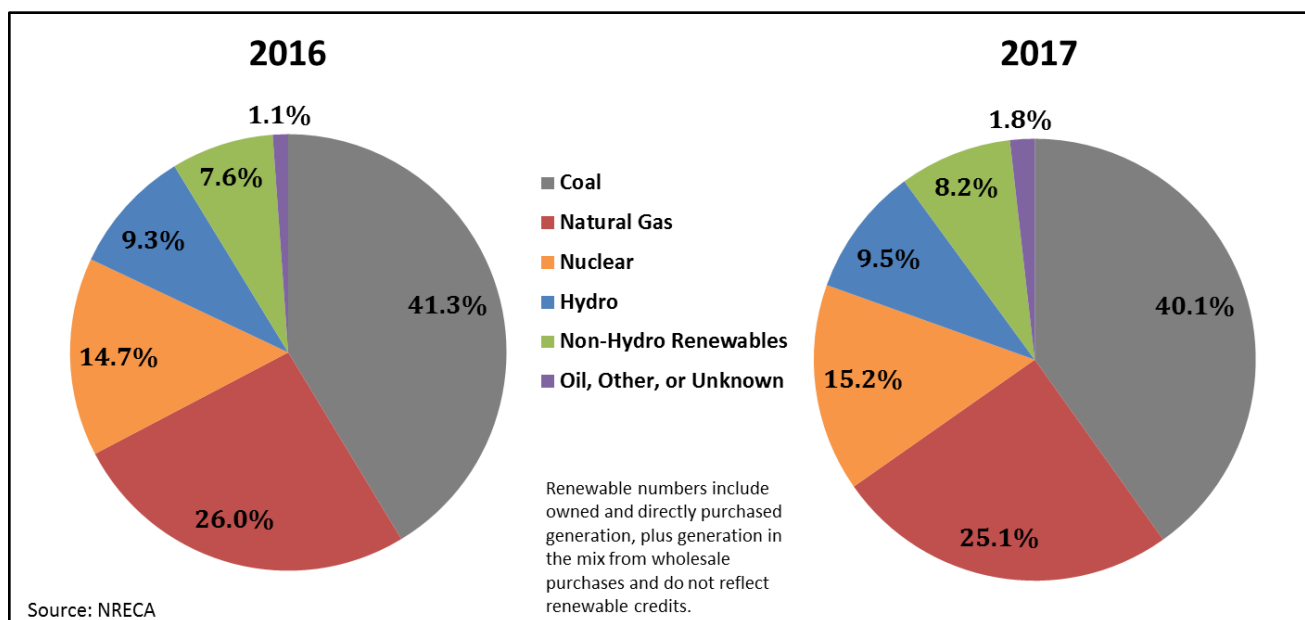


Figure 1: Cooperative Retail Electric Fuel Mix, 2016 and 2017

<sup>1</sup> Including public power districts and other distribution utilities that are members of NRECA.

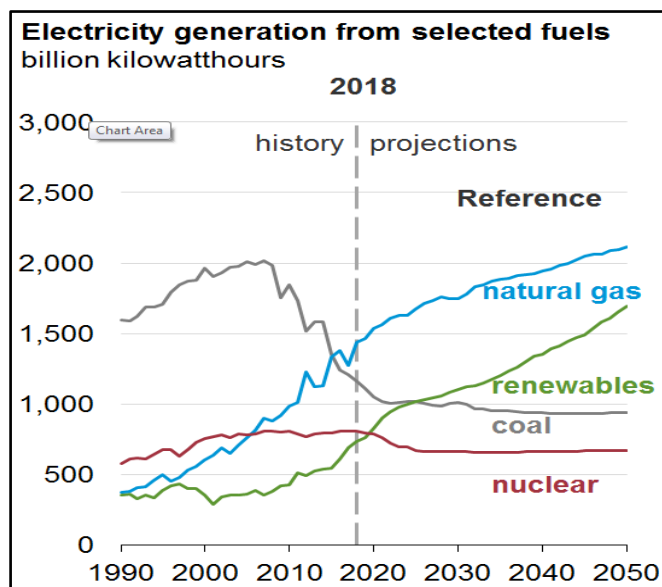
## What is the impact on cooperatives?

As in previous years, coal remains the largest source of co-op electricity, but its role has been diminishing since 2014, when it made up more than half (54%) of the co-op fuel mix. Natural gas has cemented its role as the second largest source, providing a quarter of co-op electricity, a share that will further increase as new co-op owned natural gas generation comes online. Non-hydro renewables, primarily wind and solar, are also expected to continue steady growth as new renewable resources are developed by co-ops (either through direct ownership or power purchase agreements), and as their share of co-op purchases from bilateral and organized markets increases.

## What do cooperatives need to know or do about it?

Two major market trends, low natural gas prices and growth in renewable generation, have driven the shift away from coal both nationwide and within the co-op sector. According to EIA's just-released Annual Energy Outlook 2019, these trends are expected to endure. EIA projects that natural gas and renewables will steadily increase their role in the national fuel mix, putting pressure on existing coal and nuclear generators to remain cost-competitive. This will impact both co-op owned and purchased generation.

**Figure 2: EIA Annual Energy Outlook 2019 Reference Case  
Generation Projections by Fuel Type**



## Additional Resources:

- [EIA Projections: 'Notable Shift' in Fuel Mix Toward Natural Gas, Renewables \(Feb 2019\)](#)
- [EIA Annual Energy Outlook 2019 \(Jan 2019\)](#)
- [Advisory: The Evolving Electric Cooperative Fuel Mix \(April 2018\)](#)
- [Electric Industry Generation, Capacity, and Market Outlook Report \(June 2018\)](#)

## Contact for Questions:

### Michael Leitman

Senior Analyst, Economics & Business

[michael.leitman@nreca.coop](mailto:michael.leitman@nreca.coop)

(703) 907-5864