

## Updated Electric Industry Generation, Capacity, and Market Outlook Report Released

### What has changed?

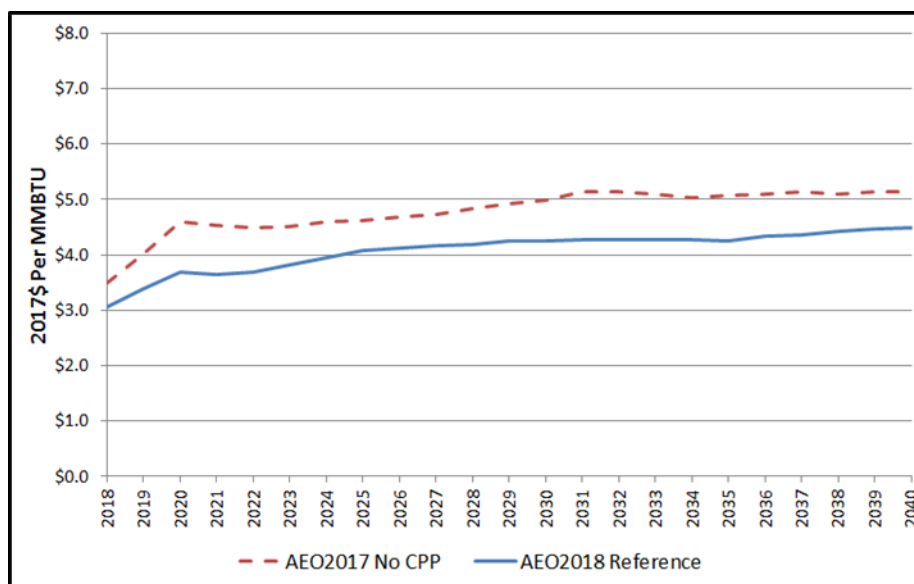
The electricity industry in the United States has changed dramatically in just the last few years. Ongoing trends of historically low natural gas prices and the increasing market share of intermittent renewable resources are expected to continue. These trends are putting increased pressure on coal and nuclear resources that have traditionally provided baseload power, as well as on existing infrastructure to provide additional flexibility in dealing with this altered landscape.

This updated report presents high-level analyses and projections of electricity generation, capacity, transmission, and markets to provide a summary of the current state of the industry and where it may be headed, from both a national view and from the perspective of electric cooperatives.

### What is the impact on cooperatives?

These nationwide trends affect America's Electric Cooperatives as they seek to plan for and meet their resource adequacy needs, both through their own generating resources and their wholesale purchases through bilateral agreements and organized markets. For example, due to low fuel prices natural gas generation exceeded coal generation for the second year in a row in 2017, and is projected to remain the largest source of generation, accounting for 30-32% of output annually through 2040. The share of co-op owned generation from natural gas has also increased significantly, from 18% in 2014 to 26% in 2016, with a corresponding decrease in coal generation. As can be seen in the figure below, the long-term natural gas price forecast in the Energy Information Administration's 2018 Annual Energy Outlook is lower than the forecast from the previous year, which will continue to put pressure on incumbent coal and nuclear generators.

*Projected Natural Gas Spot Price at Henry Hub, 2018-2040*



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

This report is designed to be a resource to help cooperatives as they plan for the future, and includes extensive footnotes to help readers find other resources for additional information. With more information, cooperatives can be better positioned to confront the challenges posed by shifting market fundamentals and future uncertainty.

The full report can be found here: <https://www.cooperative.com/programs-services/bts/resource-adequacy-markets/Pages/Electric-Industry-Generation-Capacity-Markets-Outlook.aspx>

## Additional Resources

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## Contact for Questions:

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