

---

# **Presentation: Perspectives on the Future Prices of Natural Gas & Whether Gas is a Viable Long-Term Economic Alternative to Coal**

---

**David Schlissel**

---

**Tuesday March 18, 2014**



**THE INSTITUTE FOR  
ENERGY ECONOMICS  
& FINANCIAL ANALYSIS**

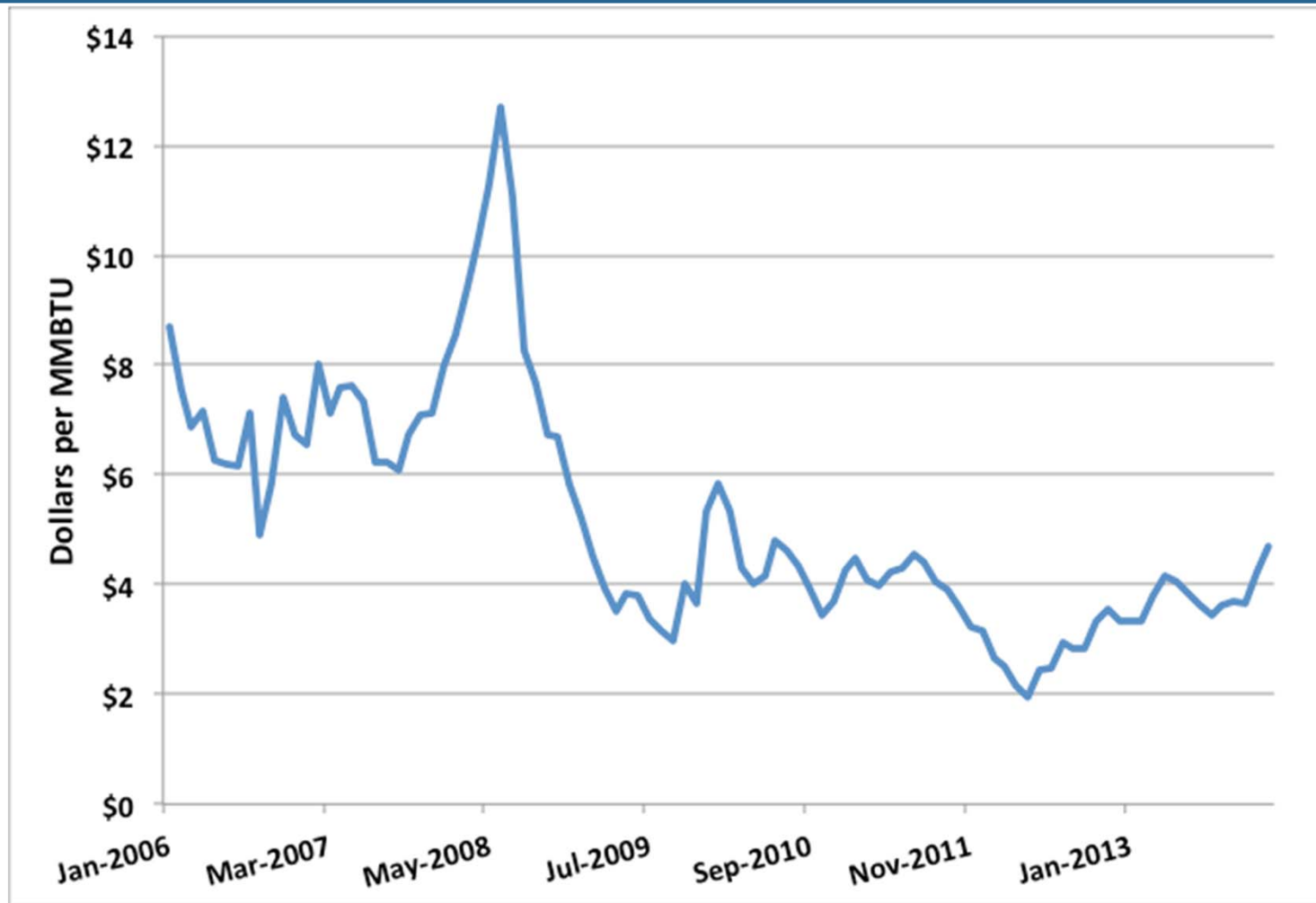
# Thoughts about Natural Gas

---

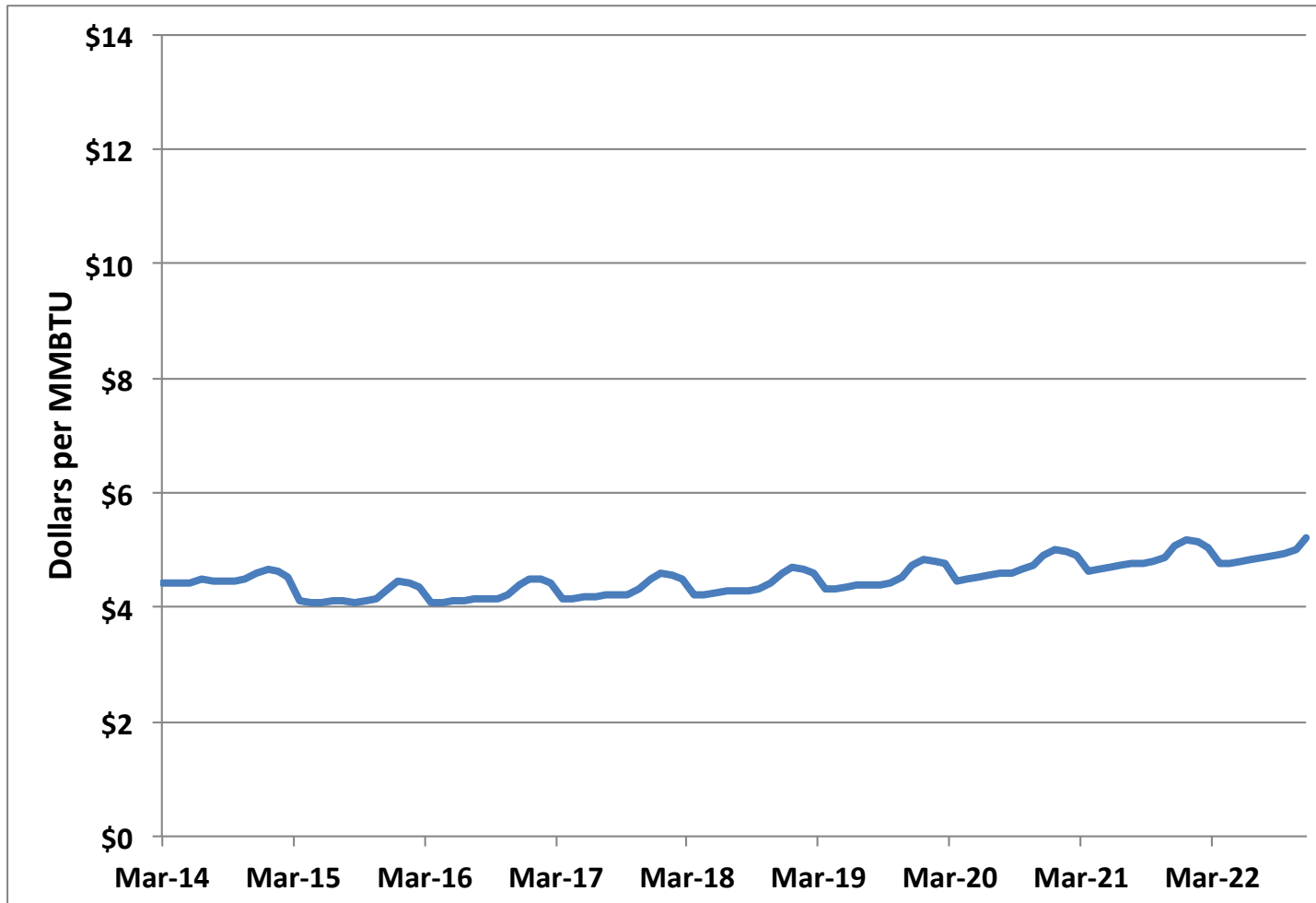
- **Concern about adverse environmental impacts of fracking and CO<sub>2</sub> emissions/methane leakage.**
- **Observation that low gas prices put financial pressure on coal.**
- **Expectation that natural gas prices will remain low for the foreseeable future except for peak periods.**
- **Availability of generation from gas-fired units offers near-term capability to displace dirty, inefficient coal-fired units.**
- **Worry about political viability of clean energy plans that don't include any new natural gas.**



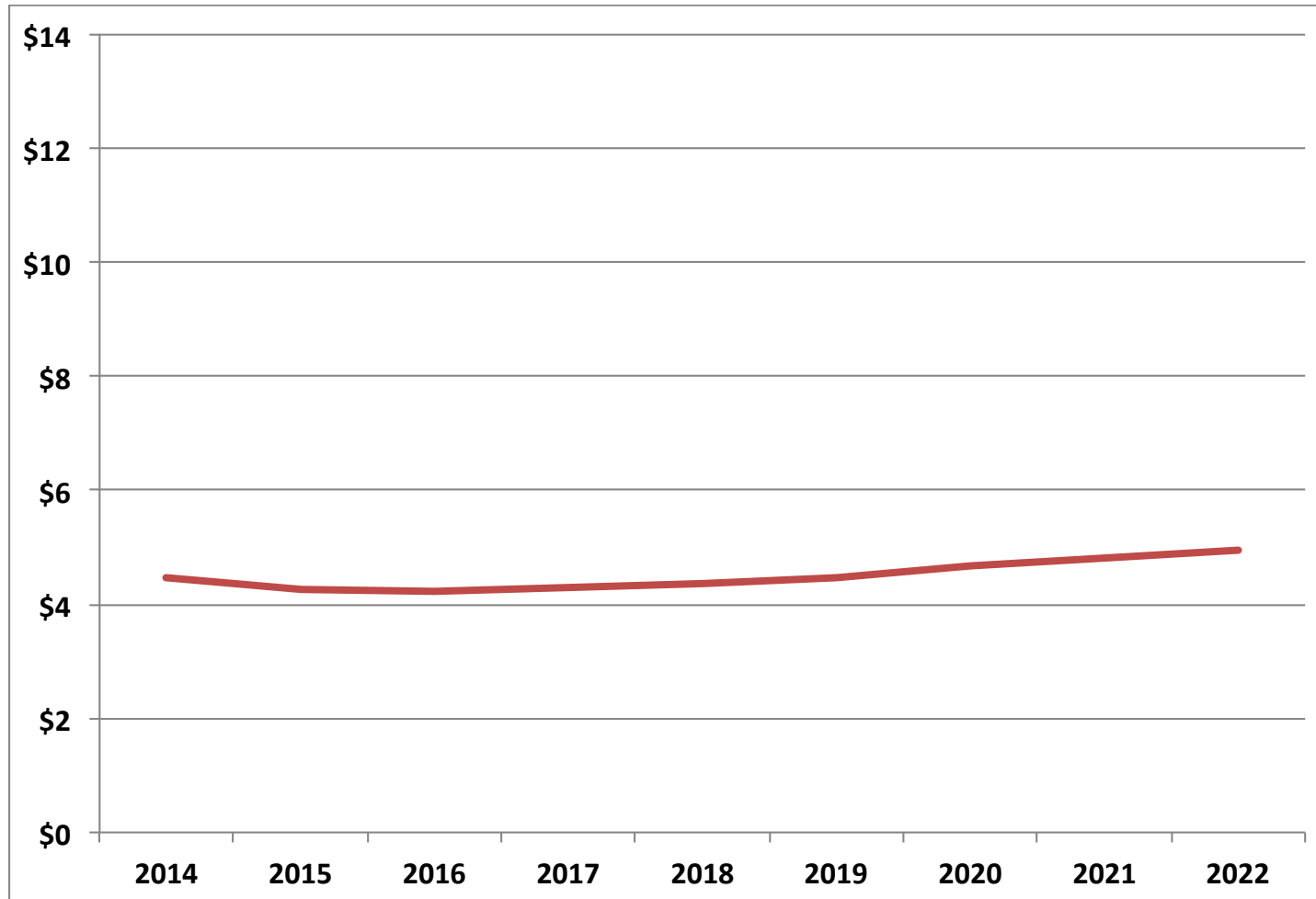
# Natural Gas Prices Collapsed in 2008/09



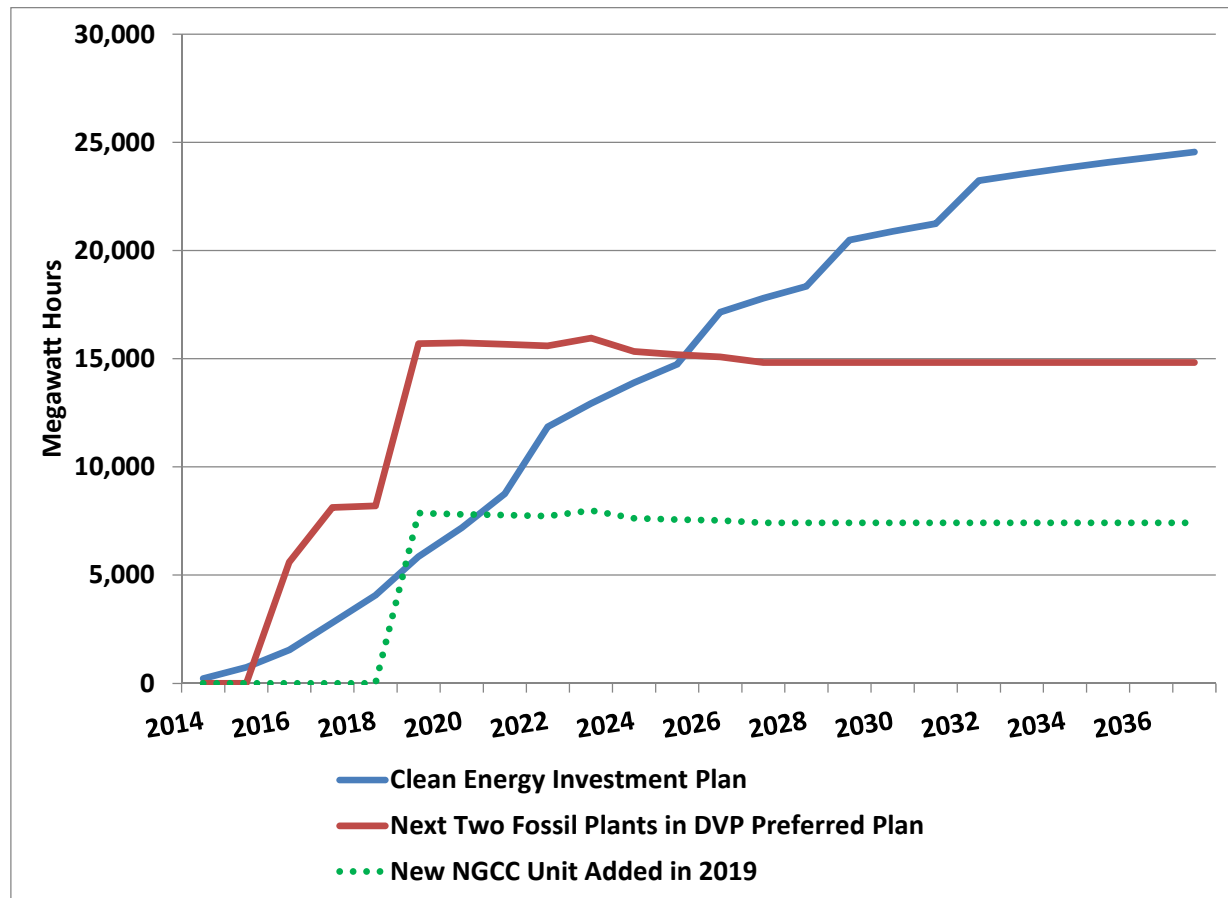
# Henry Hub Natural Gas Price Futures Forwards as of Mid March 2014 (Monthly)



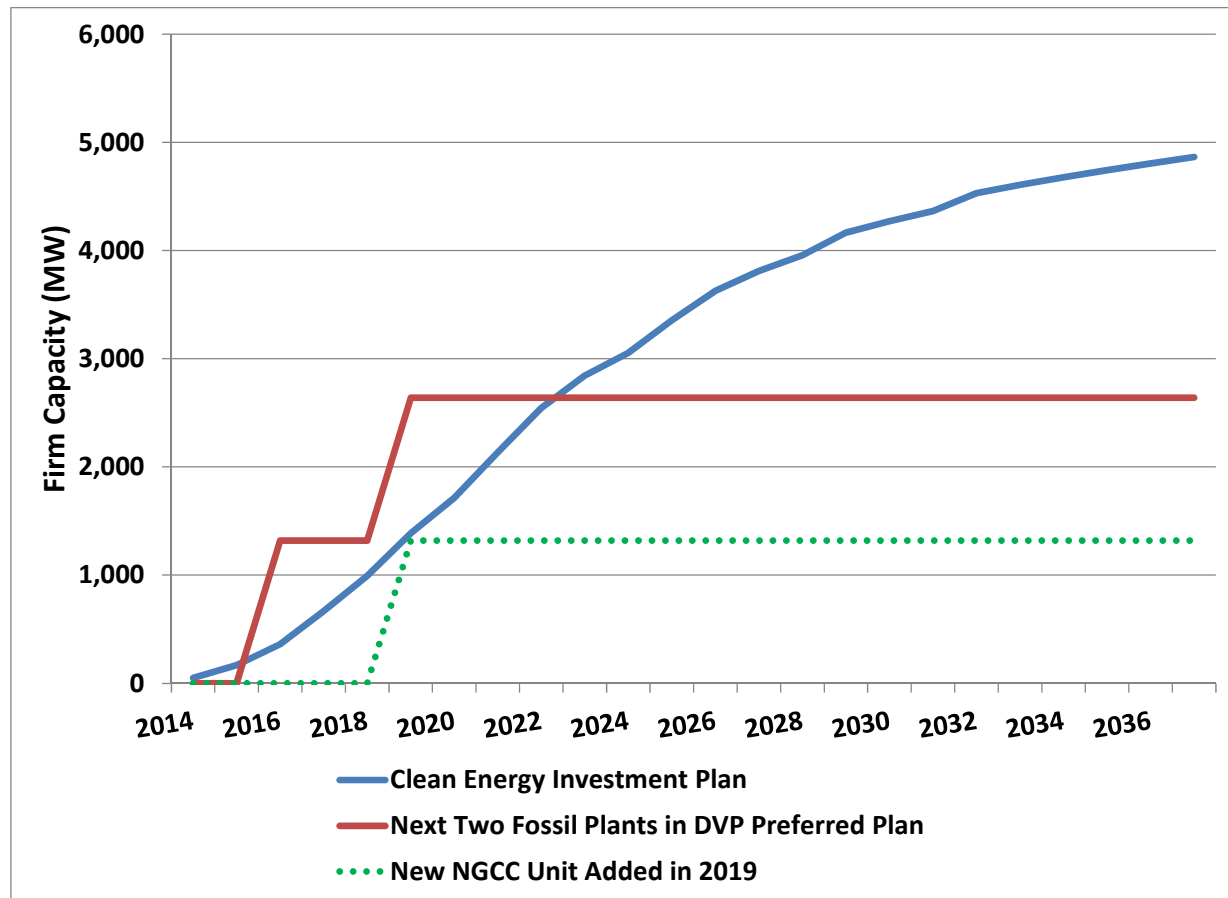
# Henry Hub Natural Gas Price Futures Forwards as of Mid March 2014 (Annual)



# Annual Energy from Clean Energy Investment Plan vs. Dominion's Planned NGCC Units



# Capacity from Clean Energy Investment Plan vs. Dominion's Planned NGCC Units



# Dominion Fuel Mix

	DVP Preferred Resource Plan	Clean Energy Investment Plan Replacing 2 NGCC Units + PJM Purchases	Clean Energy Investment Plan Replacing 1 NGCC Unit + PJM Purchases
Nuclear	34%	34%	34%
Coal	18%	18%	18%
Natural Gas	27%	14%	20%
NUG Purchases	0%	0%	0%
PJM Purchases	14%	12%	5%
Fuel Oil	0%	0%	0%
Renewables	3%	10%	10%
DSM	3%	12%	12%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

