Markets in Transition

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Three Significant Trends
Change in power sector coal demand 2007-15

U.S. gas-fired capacity additions by state (GW), 2016-18

Source: U.S. Energy Information Administration Electric Power Monthly, Table 6.5.
Note: Gas-fired capacity additions include plants completed and under construction in 2015-18.

Monthly average on-peak electricity prices at key trading hubs (2014-15)
dollars per megawatt-hour

Mass Hub
NYC Zone J
PJM Western Hub
Into Southern
ERCOT Houston
Nlc-Columbia
SP-15
Palo Verde
Renewable Portfolio Standard Policies

www.dsireusa.org / October 2015

Value of “d”

Storage

RECs

NEM

29 States + Washington DC + 3 territories have a Renewable Portfolio Standard (6 states and 1 territory have renewable portfolio goals)

Net load - March 31

Ramp need
~13,000 MW in three hours

Potential over-generation
Little to no Load Growth

- Slower economic growth in some States
- Energy Efficiency and Behind-the-Meter Resources
What does it all mean?
Energy production in transition

Grid in transition

- Energy Markets
  - Price Formation
  - ZECs?
  - Carbon Pricing?

- Capacity Markets
  - More important
  - Performance Incentives
  - ZEC Impact