

**DOCKETED**

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<b>Document Title:</b>	Proposed Scope 2019 Natural Gas Market Trends and Outlook Report
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**PROPOSED SCOPE**  
***2019 NATURAL GAS MARKET TRENDS***  
***AND OUTLOOK REPORT***

**California Energy Commission**  
**IEPR Commissioner Workshop**

**April 22, 2019**



**Jennifer Campagna**  
**April 22, 2019**  
**California Energy Commission**



# Background

## About the Natural Gas Outlook Report:

- Produced every two years as part of the California Energy Commission's Integrated Energy Policy Report (IEPR)
- Energy Commission statutory requirements:
  - Section 25302 of the California Public Resources Code requires that the IEPR contains an overview of major energy trends and issues facing the state.
  - Section 25303 of the California Public Resources Code requires the Energy Commission to conduct natural gas (and electricity) forecasting and assessment activities in support of the IEPR.



# Topics (Overview)

- Natural gas price projections (annual)
- Production cost modeling results
- U.S. update and trends
- California-specific update and trends
- Assembly Bill 1257 update



# Natural Gas Price Projections

## **NAMGas (North American Market Gas-trade model)**

- Prices
  - United States
  - California
- 2019 IEPR Common Case results
  - High demand/low price case
  - Mid demand case
  - Low demand/high price case
  - Sensitivity case



# Production Cost Modeling Results

## PLEXOS Model

- Natural Gas demand - Power generation in the WECC and impacts to California
- 2019 IEPR Common Cases (high, mid, low)
  - Annual natural gas use for California's power gen sector
  - Annual natural gas use for Western Electricity Coordinating Council (WECC) region
  - Natural gas generation – CA and WECC-wide
- Inputs and assumptions (e.g. SB 100, RPS, retirements)
- GHG emissions projections



# United States

- Supply
  - Production increasing/growing supply
  - Liquefied natural gas exports
  - Exports to Mexico
- Demand
  - Coal to natural gas for power generation
  - Other sectors
- Infrastructure changes
  - New pipeline additions or changes



# California

- Effects from U.S.-wide trends
- Clean energy policies/impact on natural gas
- Natural gas demand – power generation
- NG in-state production vs. imports
- Infrastructure (Northern and Southern CA)
- Natural gas storage update
- Assembly Bill 1257





# Next Steps

- Conduct revised runs of natural gas price projections
- Hold workshop in September/October 2019 timeframe
  - Present revised NAMGas results
  - Present revised production cost modeling results (PLEXOS)
  - *Draft Natural Gas Market Trends and Outlook Report*

**Thank you!**

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**Written comments due on May 6, 2019**

