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<th><strong>Docket Number:</strong></th>
<th>19-IEPR-08</th>
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<tr>
<td><strong>Project Title:</strong></td>
<td>Natural Gas Assessment</td>
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<td><strong>TN #:</strong></td>
<td>227778</td>
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<tr>
<td><strong>Document Title:</strong></td>
<td>Proposed Scope 2019 Natural Gas Market Trends and Outlook Report</td>
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<tr>
<td><strong>Description:</strong></td>
<td>Presentation for April 22, 2019, IEPR workshop on Preliminary Natural Gas Price Forecast and Outlook</td>
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<td><strong>Filer:</strong></td>
<td>Stephanie Bailey</td>
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<td><strong>Organization:</strong></td>
<td>California Energy Commission</td>
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<td><strong>Submitter Role:</strong></td>
<td>Commission Staff</td>
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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:
  o Section 25302 of the California Public Resources Code requires that the IEPR contains an overview of major energy trends and issues facing the state.
  o 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
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
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
  o Production increasing/growing supply
  o Liquefied natural gas exports
  o Exports to Mexico

• Demand
  o Coal to natural gas for power generation
  o Other sectors

• Infrastructure changes
  o 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