The Value of US Power Supply Diversity

• The IHS special report “The Value of US Power Supply Diversity” was posted on IHS Connect and made available publicly in July 2014.

• The value of fuel diversity is taken for granted and is a key missing piece in current strategic discussions and policy formulation.

• Current trends indicate a loss of one-third of the value of fuel diversity by 2030, and this pace may accelerate due to unresolved power market flaws and environmental market interventions.

• The current value of fuel diversity in the US power sector is around $93 billion per year – compared to annual revenues of $370 billion.
US power generation: Net generation, 1950-2013

Source: IHS, US Energy Information Administration

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Monthly spot oil, natural gas and coal prices, 2000-14 YTD

Oil (West Texas Intermediate)
Natural Gas (Henry Hub)
Coal (Central Appalachia)
Coal (Powder River Basin)
Coal (Illinois Basin)

Source: IHS, Energy Information Administration, Platt's and Natural Gas Intelligence, Platts Coal Outlook, SNL Energy Coal Report © 2014 IHS
Coal and natural gas generation, 2007-2013

Source: IHS
ISO New England generation, January 2014

Source: IHS, ISO-NE