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California's Share of Gas-Fired Generation Continues to Drop

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California's climate change policies are resulting in proportionally less natural gas use to produce electricity in the nation's most populous state.

Both state and federal energy statistical sources confirmed on Tuesday that California burned 20% less gas this summer (June, July and August) to generate power than it did for the same three summer months last year. Nevertheless, overall, more than half of the state grid operator's electricity (56%) comes from gas-fired generators.

Opponents of reopening the closed Aliso Canyon underground gas storage facility and environmentalists shunning fossil fuels can use the declining gas-fired percentages to support their arguments for less reliance on natural gas in the state, which historically has had some of the highest saturation of natural gas use in the nation (see *Daily GPI*, [Aug. 29](#)).

California's mix of sources for generating power this summer changed from the previous summer, according to a report on Tuesday by the U.S. Energy Information Administration (EIA). Renewables and imported power supplies more than offset lower natural gas use, EIA said.

"During the summer of 2016, thermal generation (almost all from natural gas) in the area serviced by the California Independent System Operator (CAISO) was down 20% from the previous summer, while generation from hydroelectricity, other renewables and electricity imports was higher than the same period last year," EIA said.

The federal energy statistics-keeping agency added that electricity consumption overall this summer was 2% higher as temperatures were slightly warmer than the previous summer.

A CAISO official confirmed the 20% drop in gas-fired generation over the past three-month summer period, noting that as the grid operator "continues to add renewable generation to meet California's renewable portfolio standard [RPS], we anticipate that natural gas and other fuel types would be displaced at all times of the year."

Renewables, particularly hydro and utility-scale solar photovoltaic (PV), sources of electricity are what has displaced the gas-fired generation. As the drought in the northern half of California subsided this year, hydroelectric power was up throughout the region, EIA said.

Even though 59% of California still experienced a severe, extreme or exceptional drought during July this

year, the percentage was 95% last year. "These improved water conditions have also helped increase hydroelectric generation in the Pacific Northwest, some of which is imported into CAISO," EIA said.

CAISO data for June this year showed that non-hydroelectric renewables -- solar and wind mostly -- represented 26% of capacity for the month of June, adding that large-scale solar PV has grown the most (1.4 GWh, or 27%, between June 2015 and June this year.

Overall, in June gas still provided 56% of the power with hydro (14%), solar (13%) and wind (9%) collectively representing 36% of the CAISO generation capacity. Geothermal (2%), biomass/biogas (2%), nuclear (3%) and other thermal (1%) made up the rest of the state's portfolio.



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Richard Nemeč began writing for NGI in 1995 and has 30 years experience in the energy industry. He holds BA from the University of Southern California, Los Angeles; and a MA in journalism from Northwestern University, Evanston, IL; and completed MBA courses at Northwestern's Evening Graduate School of Management.

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