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Natural Gas Under Assault in Some States After Brief Reign at the Top

Nowhere is gas under fire more than in California, where regulators are saying no to new plants and looking to get rid of older facilities



Natural gas as a fuel source for power plants has been under pressure in many states, as regulators and environmental advocates push for new plants fueled by renewables. An NRG Energy generating station in Joliet, Ill., recently converted to gas from coal.

By Erin Ailworth

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Natural gas overtook coal as [the top fuel for making electricity](#) in the U.S. two years ago. But its brief reign is under assault in some parts of the country.

State regulators, renewable-energy advocates and environmental groups are arguing that some existing and proposed gas plants aren't needed or should be replaced by renewable energy.

In states including Arizona, Michigan and Massachusetts, the future of gas plants is being questioned. But nowhere is gas under more fire than in California, where regulators are saying no to new gas plants and looking to get rid of older ones.

Earlier this year, the California Public Utilities Commission directed the state's largest utility, [Pacific Gas & Electric Co. PCG -1.24%](#), to solicit bids for renewable energy and storage projects to replace three costly gas plants.

[PG&E Corp.](#), parent of Pacific Gas & Electric, said it currently has no plans to build new gas-fired generation. Power companies in California also recently abandoned plans to build two gas plants, a result of the state's preference for batteries, wind farms and solar panels.

Gas on Top Natural gas has recently overtaken coal as the top fuel for power generation. Percentage of U.S. electricity generated, by fuel type Source: Energy Information Administration Note: Totals may not equal 100% as smaller types aren't included.
%Coal Nat. Gas Nuclear Hydro Wind Solar 2008'10'12'14'16 01020304050

California's move away from natural gas is driven by aggressive environmental goals, including getting 50% of its power from renewables by 2030. Currently, 30% of California's power comes from renewables, according to the state.

"You're not going to get anywhere if you are just adding more and more gas," said Robert B. Weisenmiller, chairman of the California Energy Commission. "At some point soon we'll be permitting the last gas plant in California."

Pedro Pizarro, chief executive of [Edison International](#), parent of Southern California Edison, said in an interview earlier this month that the existing gas plants are still needed. But, he added, "It is fair to say it will be very challenging to see new natural gas resources being built in California."

Gas is under pressure in other areas, including Arizona, where regulators last week voted for a nine-month pause on any new large gas-powered plants. The Arizona Corporation Commission told the state's largest investor-owned utilities that their future plans relied too heavily on natural gas and should include more renewables, electricity storage and energy efficiency.

Natural gas [accounted for nearly 32% of U.S. power generation in 2017](#), up from about 22% a decade earlier, according to federal data. Coal is now 30%, after falling from 49% over the same time span. Nuclear accounted for 20% in 2017, and wind and solar combined totaled 8%, rising from less than 1% a decade ago.

Gas is projected to remain the top electricity-maker in the U.S. over the long term, according to federal forecasts, but its growth could be limited by increased use of renewable energy.

In Michigan, [CMS Energy Corp.](#) backed off from plans to expand a gas-fired plant in Dearborn, just west of Detroit, after residents and environmentalists worried it would worsen air quality. Little had been done, they said, to assess the viability of cleaner options. The state has called for utilities to get 15% of their electricity from renewables by 2021, compared with some 10% at the end of 2016.

Regulators, meanwhile, are considering a proposal by [DTE Energy](#) Co. to build a 1.1-gigawatt gas plant about 50 miles northeast of Detroit, which solar advocates oppose. They contend DTE could fill local power needs with solar, other renewables and energy-efficient efforts at a considerably lower cost. A decision by regulators is expected by late April.

Elsewhere, environmental advocates say the only way to meet state mandates for reducing pollution and carbon emissions is to build more renewable-energy operations.

“In New England, like California, we are past the point where more gas can help us,” said David Ismay, a senior attorney at the Conservation Law Foundation, which is fighting new gas plants in Massachusetts and Rhode Island.

Massachusetts, the region’s most populous state, wants 40% of its power from clean- energy resources by 2030.

[NRG Energy](#) Inc. spokesman David Gaier said the company is building a new gas plant in Massachusetts that can be at full power in 10 minutes—a fast start time that will help firm up the power grid when intermittent renewable resources aren’t producing.

“Unlike a nuclear plant or even a coal plant, if more renewables are integrated, [a gas plant] can be ramped up or down to accommodate them,” he said. Construction of the plant has started, according to NRG.

Of course, some states are still welcoming new gas development. [New plants are being built](#) in the gas-producing states of Pennsylvania and Ohio, which are seeking ways to move the gas to market either by pipeline or as electrons by transmission line.

In Louisiana, the New Orleans City Council earlier this month approved a plan by an [Entergy](#) Corp. subsidiary to build a gas-fired plant in eastern New Orleans, despite concerns the project would add to pollution, wouldn’t fix outage issues in the area and could stall the development of renewable resources.

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