



**Institute for Energy Economics  
and Financial Analysis**

# The Misguided Gas Stampede

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Gas Push Poses Major Cost Risks for Consumers,  
Ignores Clean, Competitive Renewable Alternatives

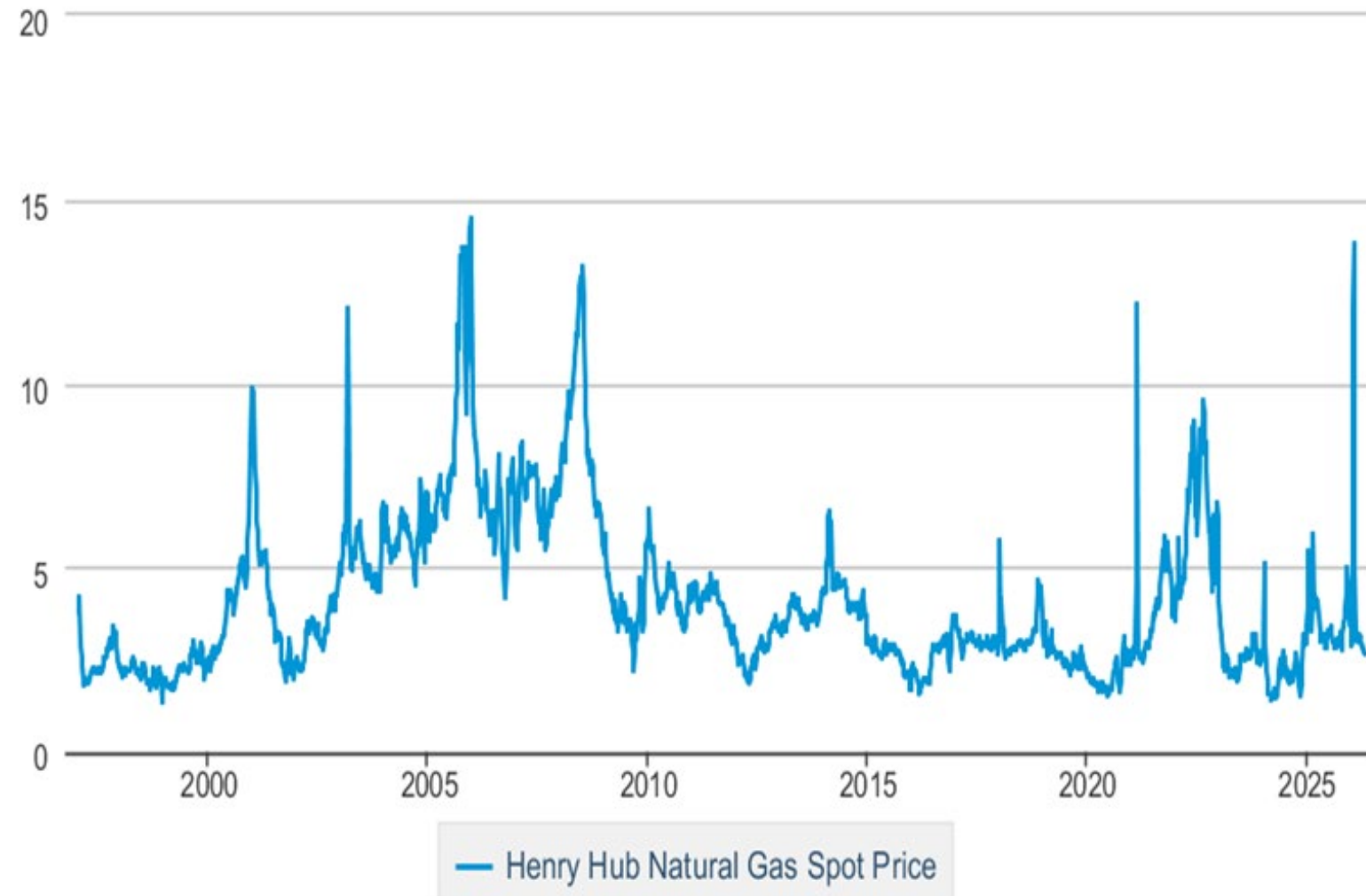
Dennis Wamsted, IEEFA Energy Analyst

May 14, 2026

# Fuel Price Risks

# Henry Hub Natural Gas Spot Price

Dollars per Million Btu



Henry Hub Natural Gas Spot Price

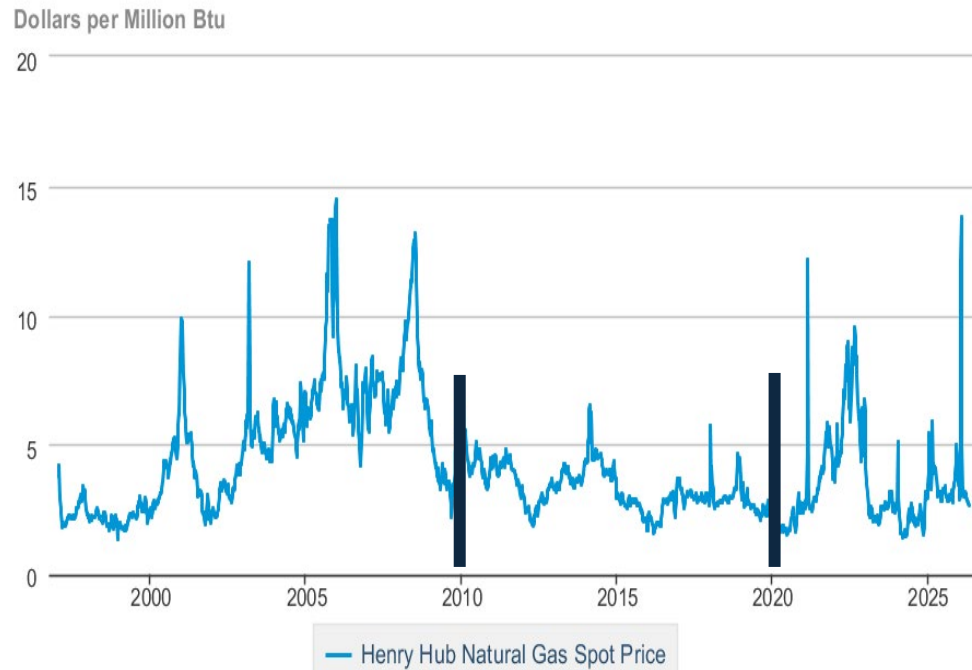
(Prices are weekly)

Source: EIA

# Weather, Geopolitical Events Costly for Consumers

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## Henry Hub Natural Gas Spot Price



Source: EIA

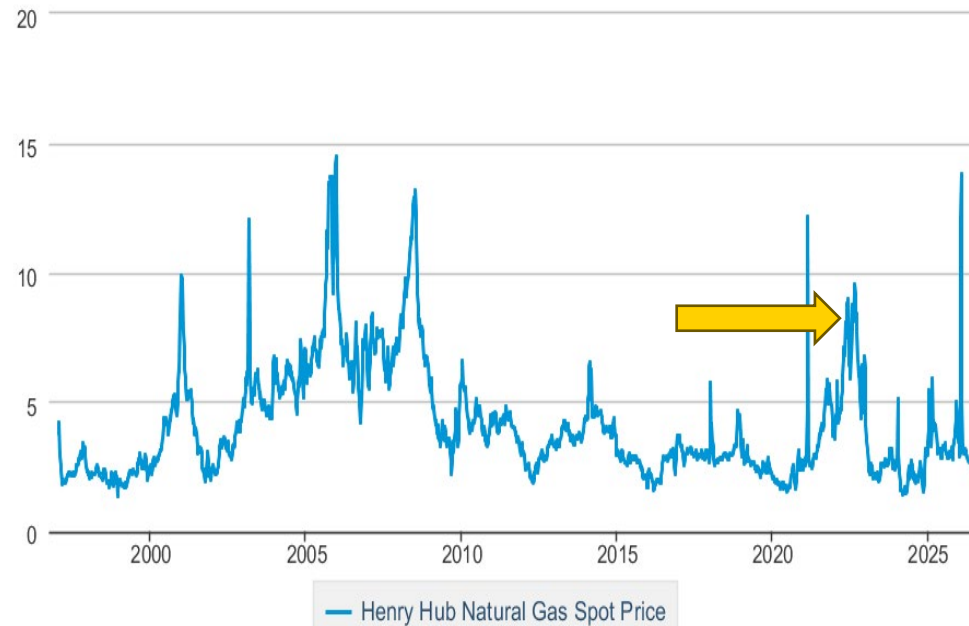
- Prices were relatively steady from 2010-20
- Since 2020, three major events have resulted in significant gas price spikes, costing consumers billions of dollars
  - Winter storm Uri – 2021
  - Russia’s invasion of Ukraine – 2022
  - Winter storm Fern – 2026

# Weather, Geopolitical Events Costly for Consumers

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## Henry Hub Natural Gas Spot Price

Dollars per Million Btu



Source: EIA

- Russia-Ukraine war pushed gas-fired power prices up across the U.S. in 2022
- For the year, Henry Hub spot prices averaged \$6.45 per million British thermal units – two-thirds higher than 2021
- That doesn't really tell the story



# Dominion Virginia Greenville County Power Station

Source: Fluor

# The Price of Gas Matters – A Lot

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- The Greensville facility is Dominion Energy's largest (1,588 MW), newest (2018 commercial operation), and most efficient (~6,500 British thermal units per kilowatt-hour) combined cycle gas plant

**IT USES A LOT OF GAS**

- In its first seven years of full operation, the plant consumed roughly 69 billion cubic feet of gas annually

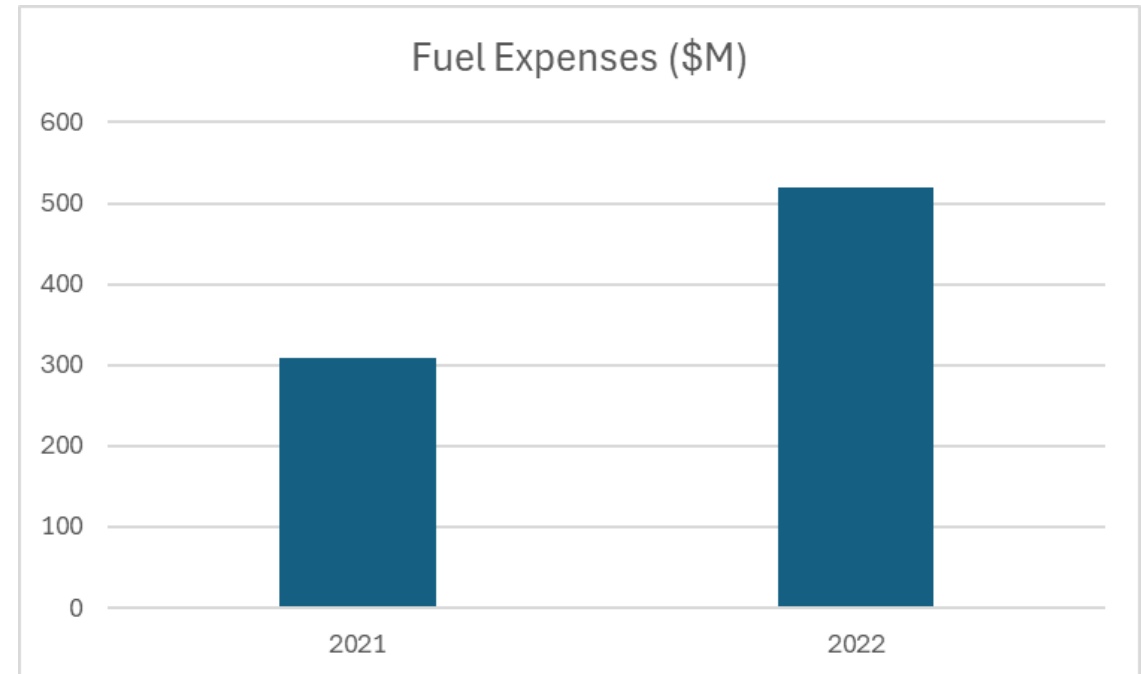
**THAT MEANS THE PRICE OF GAS MATTERS – A LOT**

# The Price of Gas Matters – A Lot

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- Greenville generated 11,513,187 MWhs of electricity and consumed 72.6 bcf of gas in 2021
- The plant's fuel cost for the year was **\$308 million**
- Greenville generated 11,145,392 MWhs of electricity and consumed 70.2 bcf of gas in 2022
- The plant's fuel cost for the year was **\$519 million**
- Virginia consumers pay \$2.91/month for these costs – a charge that will remain on their bills through 2031

## Fuel Costs Jumped 68 Percent

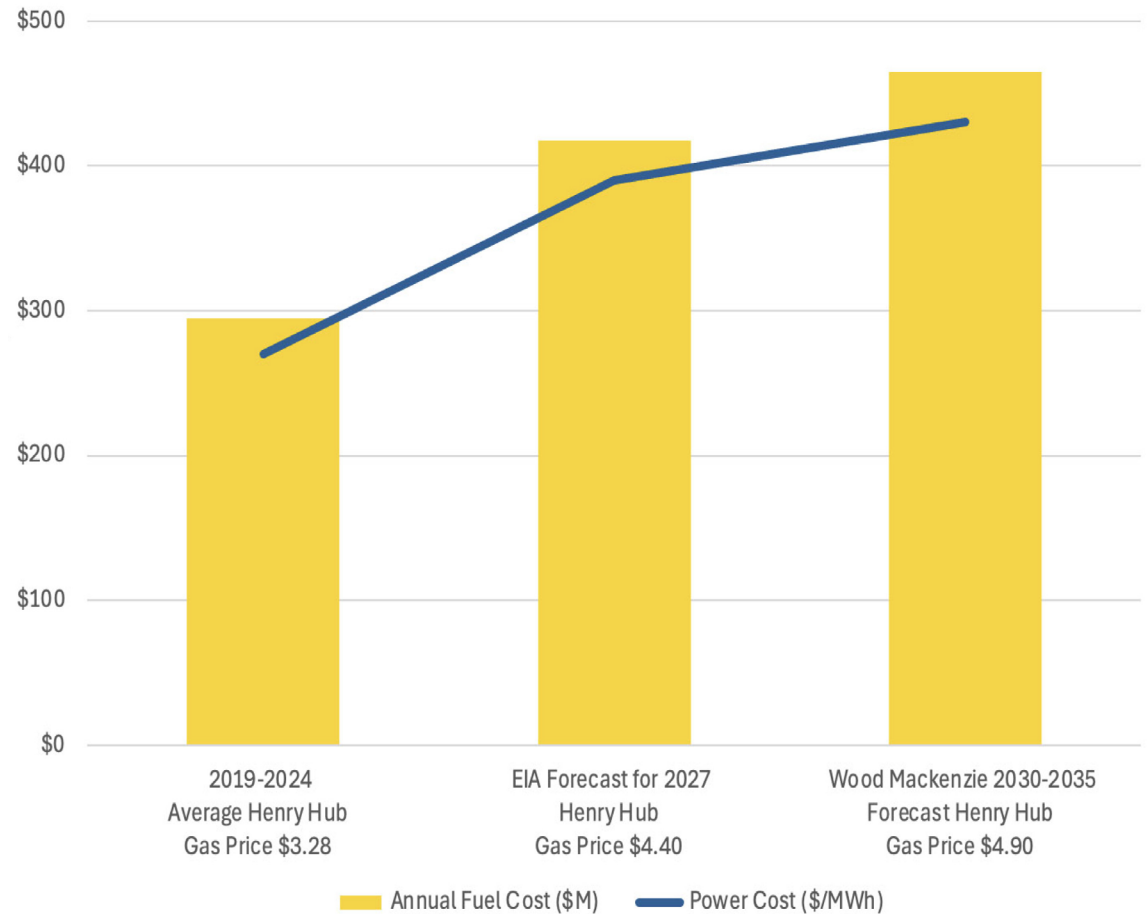


# Small Price Increases Also Matter – A Lot

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-- Even relatively small increases in gas prices have major cost implications for consumers

## Dominion's Greenville Plant Shows Big Impact of Small Gas Price Increases



# Other Gas-Related Cost Concerns

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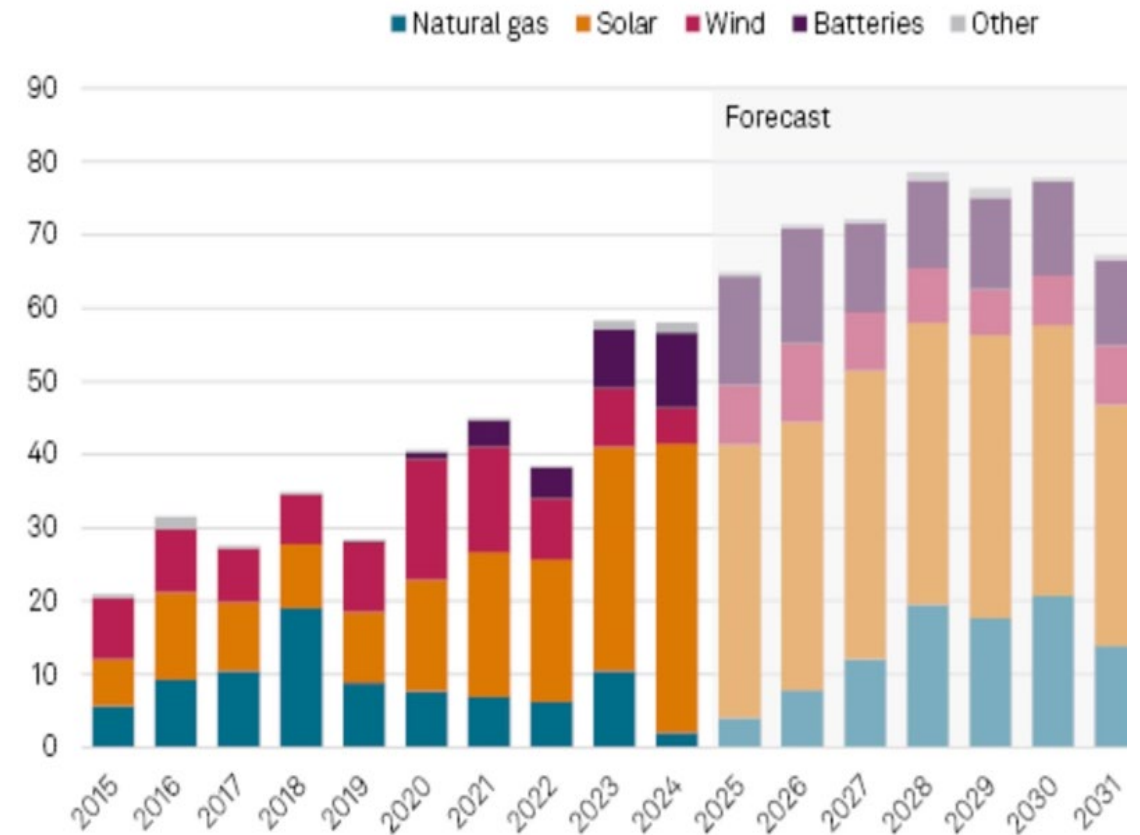
- Capital cost of new turbines has roughly tripled in the past three years, climbing to at least \$2,500 per kilowatt (kW)
- New orders unlikely to be online before 2030, with potential for continued cost escalation and delays
- Many new plants will require gas pipeline expansions or new builds, additional costs that will be passed on to consumers
- State decarbonization plans pose stranded cost risks
- Rising liquefied natural gas (LNG) exports are boosting price volatility

# Cost-Competitive Options

- Renewables and battery storage are proven, cost-competitive options
- System approach allows for reliable, dispatchable grids powered with wind, solar and storage

## Renewables, batteries and gas to fuel new US power supply: over next decade

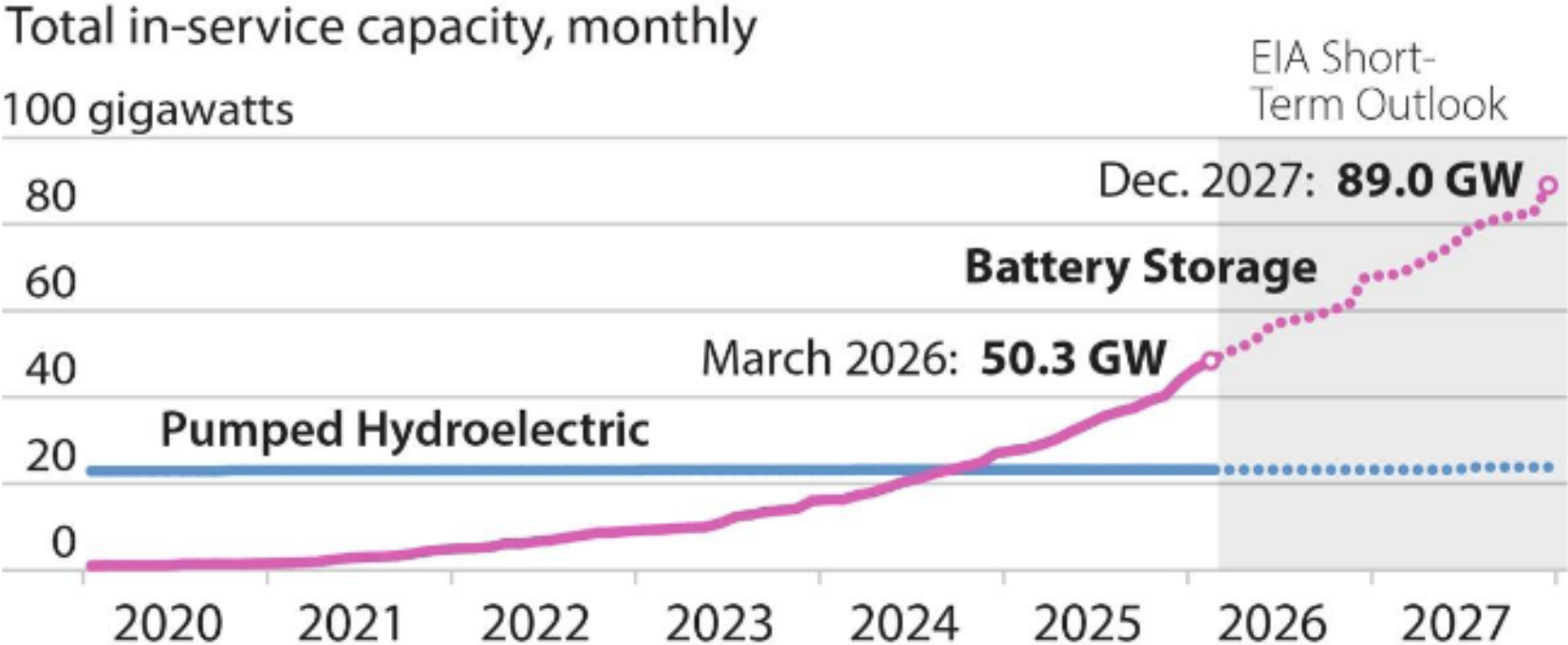
Annual capacity additions in Lower 48 (GW)



Source: S&P Global, January 2026

# Battery Storage Capacity Has Soared

**Figure 3: U.S. Battery Storage Installations Hit 50GW and Are Growing Quickly**



Source: EIA Short-Term Energy Outlook, March 2026

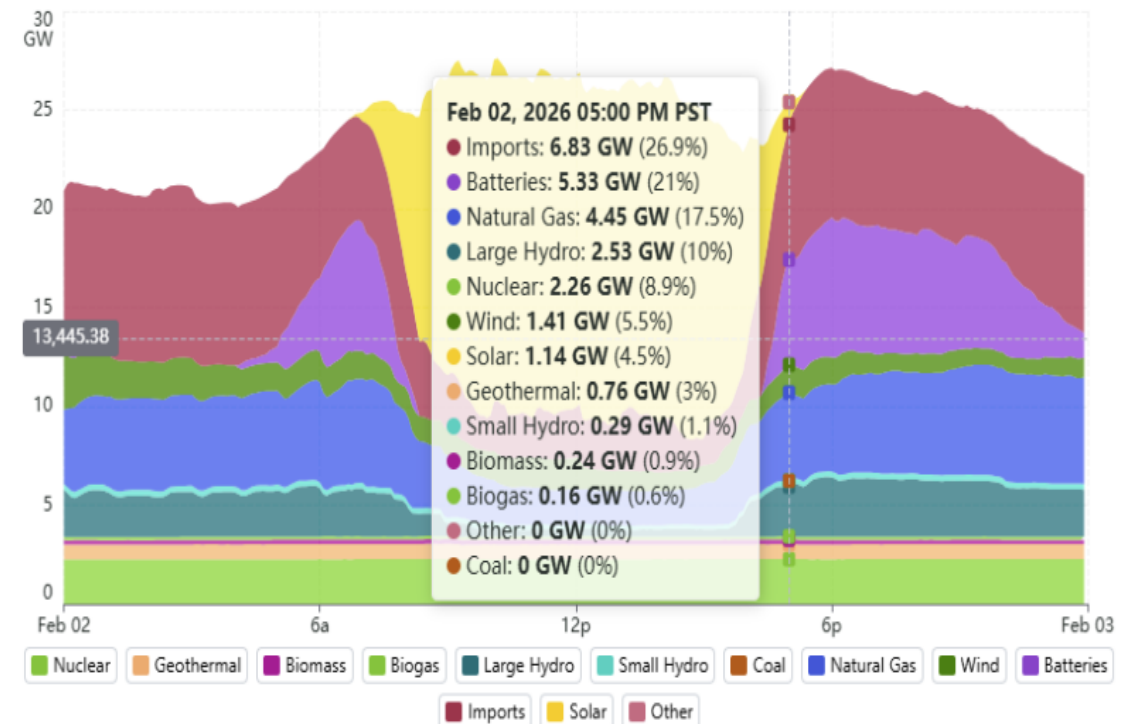
# Changing Grid Operations

- Use of batteries has risen quickly in California and Texas
- Batteries now commonly account for 20% of CAISO demand in the evening – shifting solar production from the daytime to after sunset
- Usage is also a key instrument in cutting gas generation and reducing wholesale costs

## California a Leader in Battery Storage Implementation

Figure 4: Battery Storage Is Significantly Reducing California Gas Generation

Power delivered from batteries (purple areas) in both morning and evening periods would have been gas generation just 3 or 4 years ago.



Source: GridStatus.io

# Utility Transitions Good, Unfinished and Bad



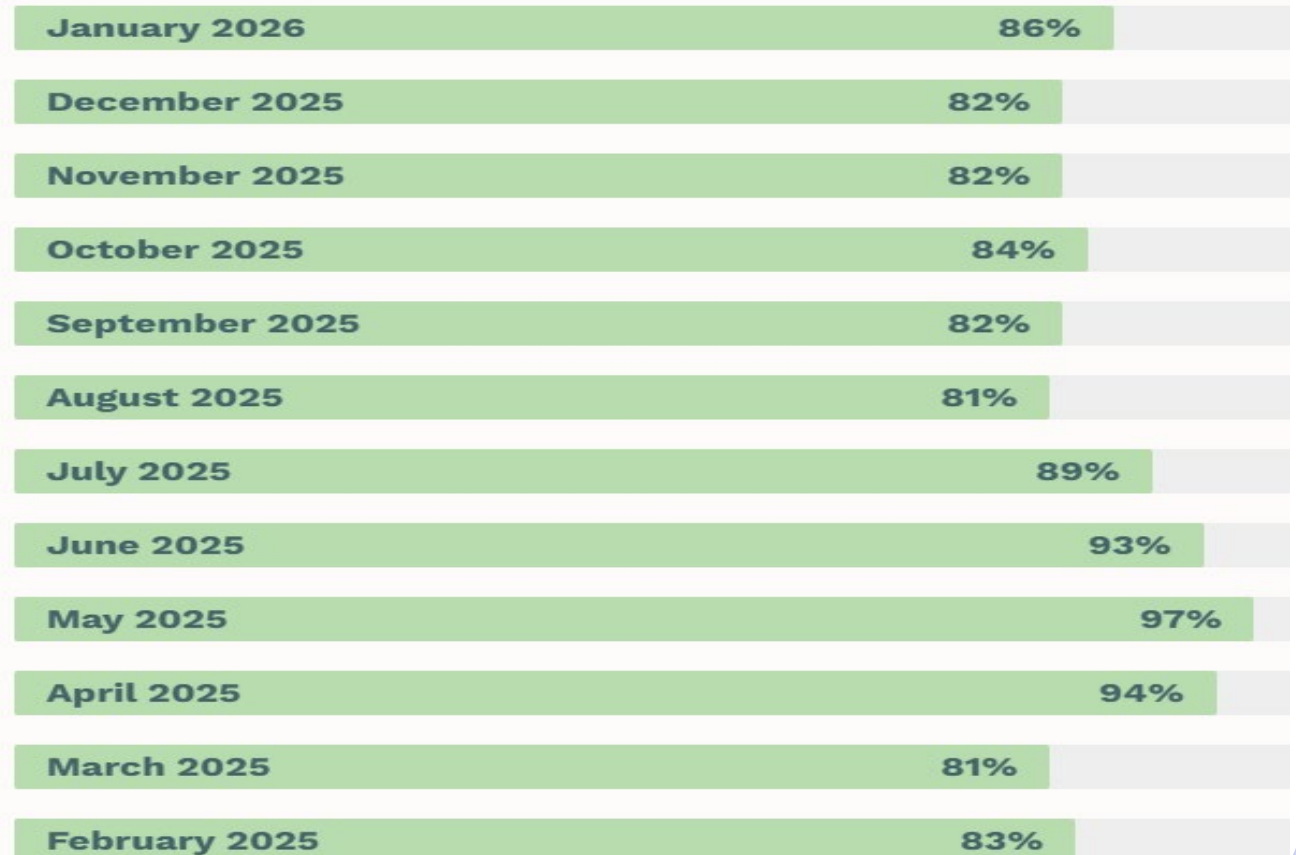
## Success at Holy Cross Energy

- Colorado co-op hit 85% clean energy in 2025, double the level in 2018 when it launched its fossil-free transition effort
- Co-op has looked outside the box at all options – including customer-sited, demand-side reduction, and distributed resources

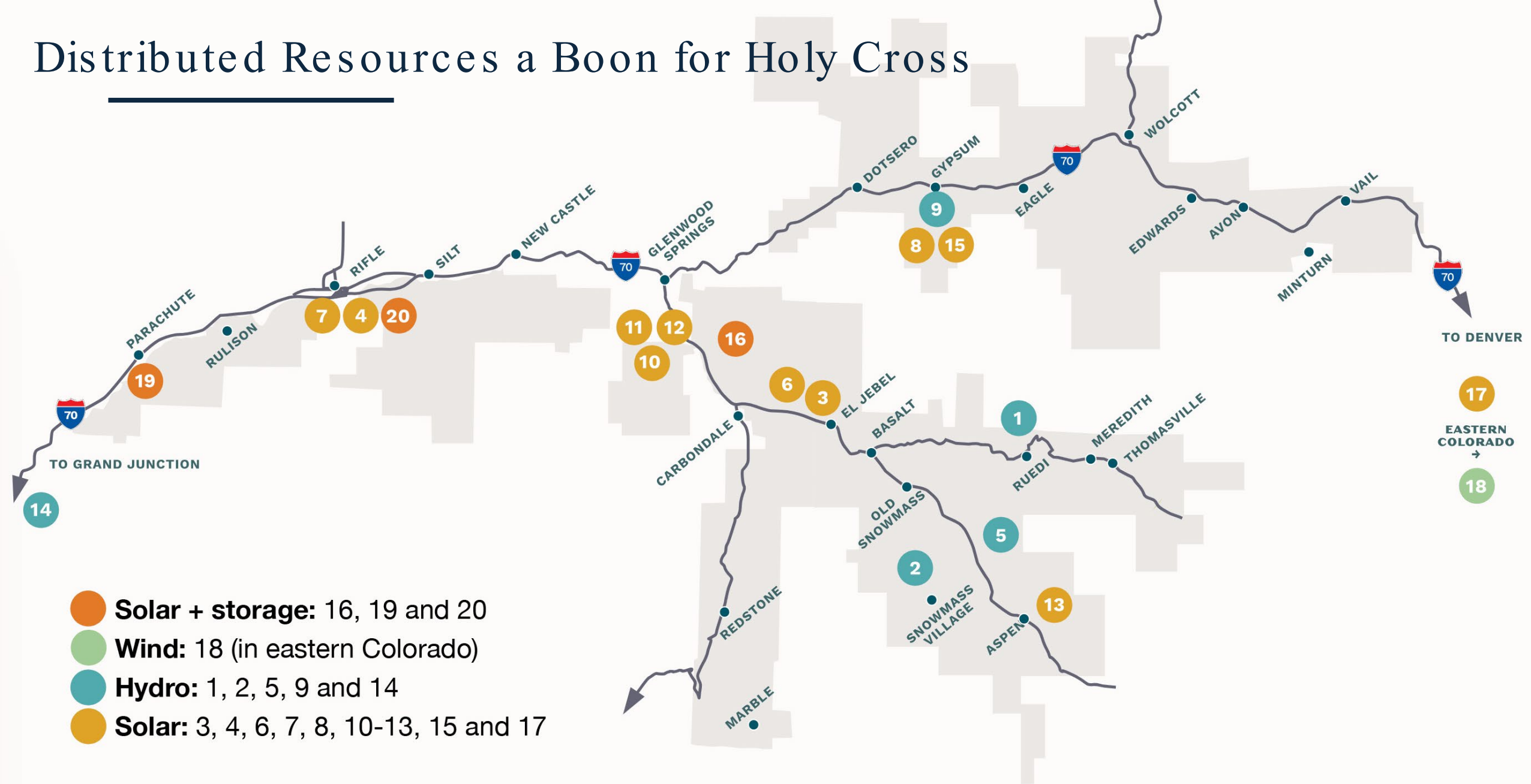


**85%**  
CLEAN ENERGY IN 2025

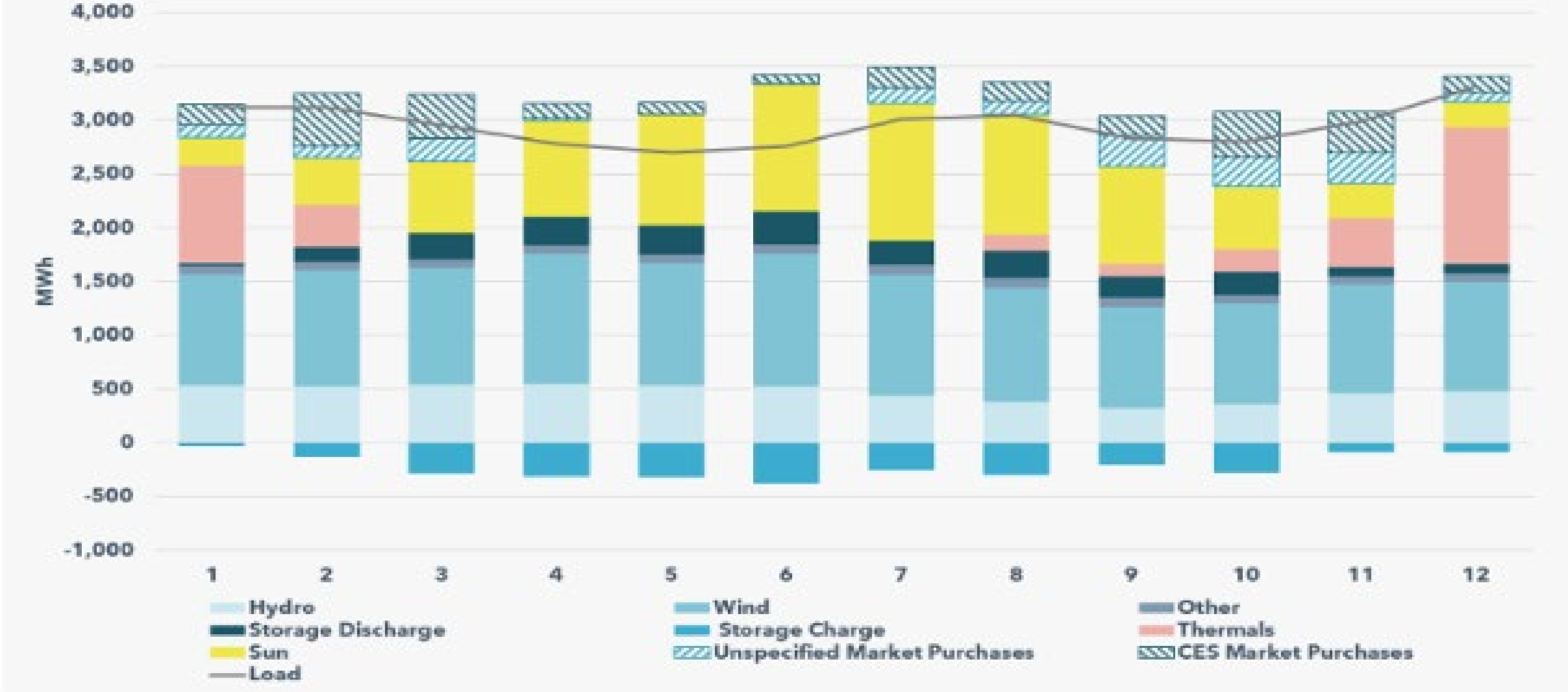
PERCENTAGE OF CLEAN ENERGY PROVIDED TO MEMBERS BY MONTH



# Distributed Resources a Boon for Holy Cross

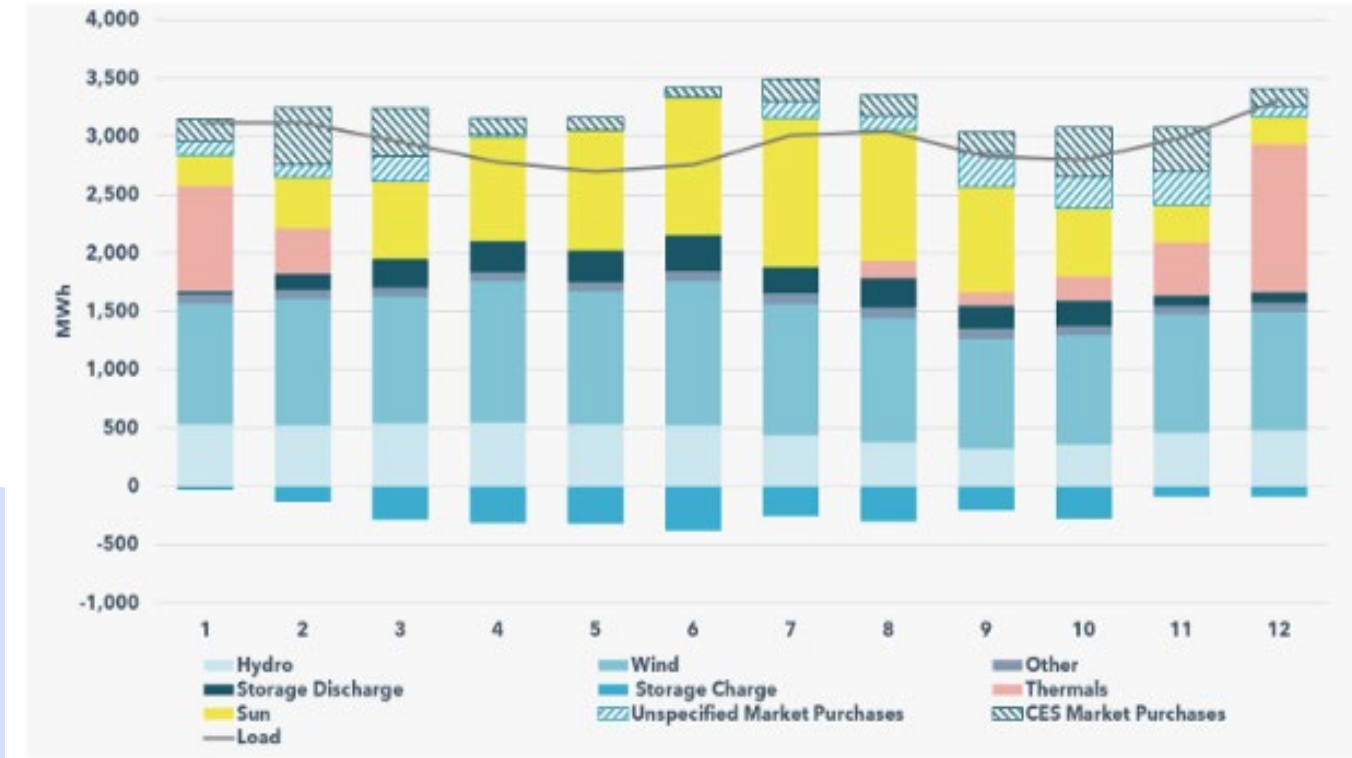


# Portland General Sees Major Progress



Source: PGE IRP modeling

# Portland General Sees Major Progress

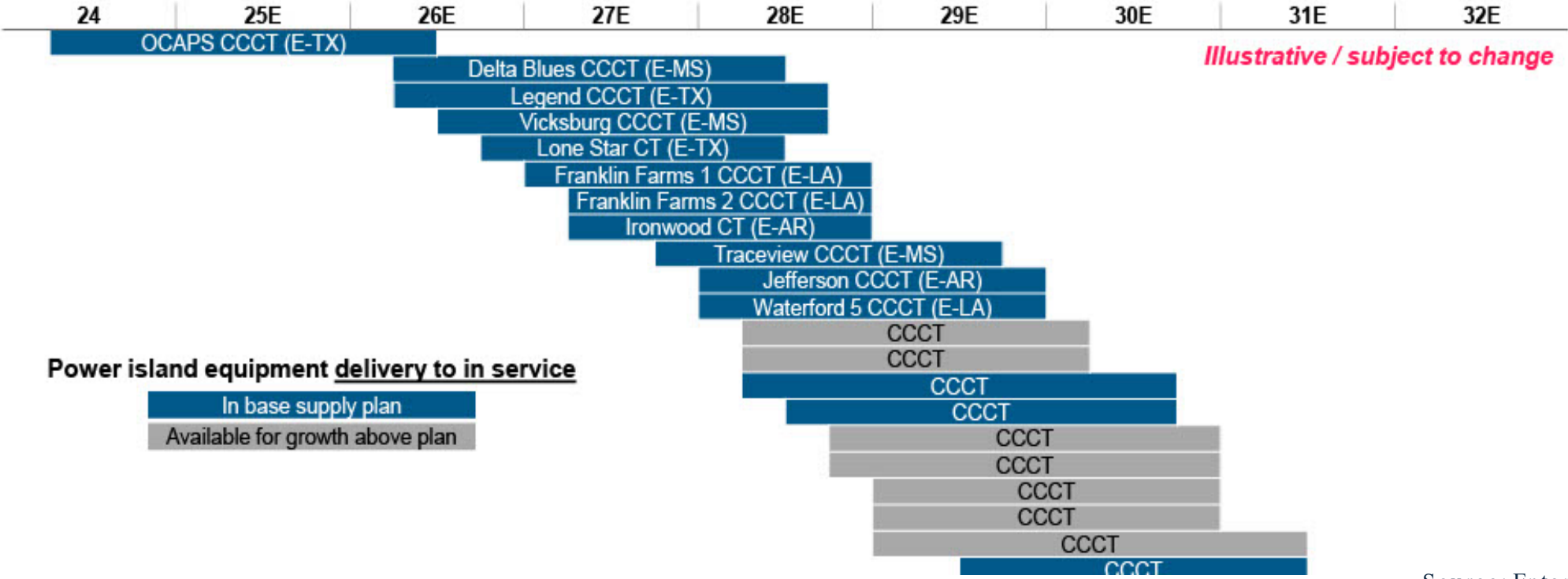


- Wind, solar, battery storage and consumer programs to cut fossil fuel generation significantly
- By 2030, utility projects no fossil fuel will be needed in five months

# Entergy Adopts a Gas-First Approach

## Secured ~19.5 GW dispatchable generation

Includes resources above base plan to support additional growth



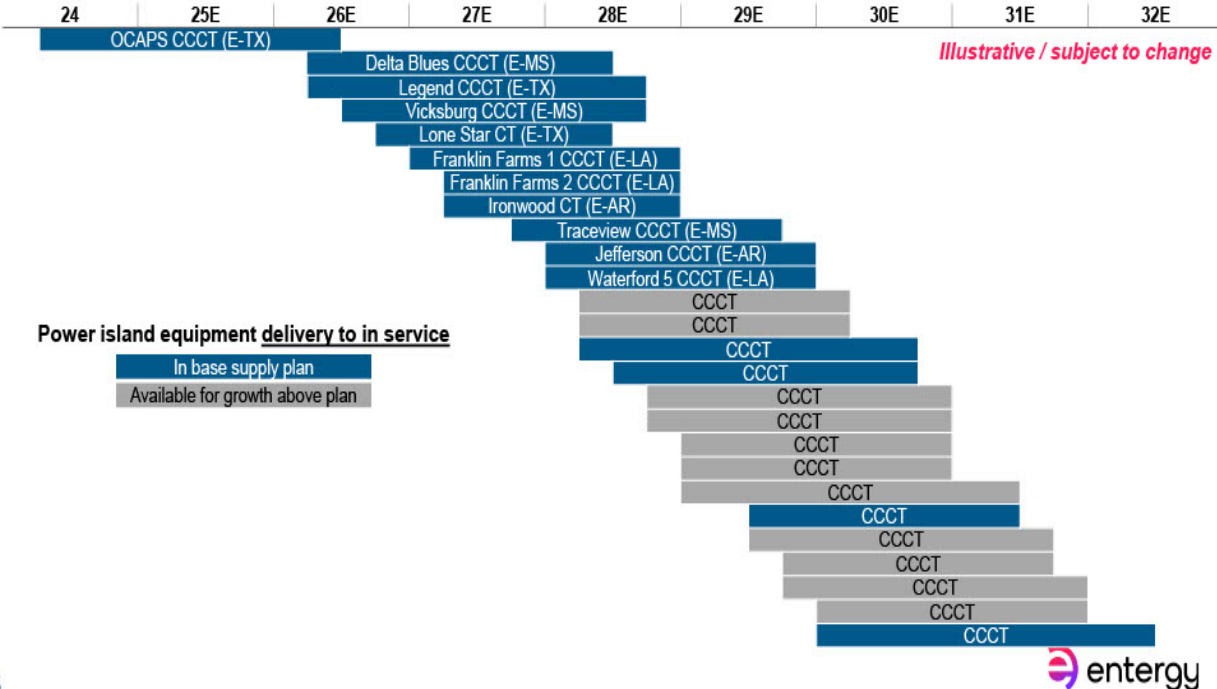
Source: Entergy

# Entergy Adopts a Gas First Approach

- Utility has largely turned its back on earlier promises to build out significant amounts of renewable capacity
- Utility has 11 gas-fired power projects in progress – up from just one a couple years ago
- More are on the horizon

## Secured ~19.5 GW dispatchable generation

Includes resources above base plan to support additional growth





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