

## **Renewables, natural gas to dominate near-term power industry growth**

### **Black & Veatch year-end Energy Market Perspective identifies emerging trends**

REDHILL, SURREY. (15 December 2011) – Renewable energy capacity will more than triple, while [doubling its overall percentage of the U.S. energy mix](#), by 2036. In addition, natural gas could overtake coal as the primary fuel for U.S. power generation. These conclusions and many more are among key findings from Black & Veatch’s year-end [Energy Market Perspective](#) (EMP).

“Organizations will continue building out renewable energy projects at a furious pace to take advantage of tax credit incentives as well as to meet state renewable portfolio standards,” said Robert Patrylak, Managing Director of Black & Veatch’s EMP service. “Additionally, the presumed abundance of a reliable, cost-effective domestic natural gas supply supports continued construction of natural gas-fueled power generation.”

This continued growth of renewable and natural gas-fueled generation will off-set anticipated declines from coal-fired generation due to increasing regulations.

“As part of our year-end forecast, we completed a detailed study of potential economic coal plant retirements resulting from the compliance cost of EPA requirements on air emissions,” said Patrylak. “Our analysis suggests up to 61,500 megawatts (MW) – approximately 20 percent of today’s coal fleet – could be retired by 2020.”

The Black & Veatch EMP is updated semi-annually and provides a holistic view of how the energy industry is likely to evolve. The subscription-based service provides Black & Veatch electric, natural gas, oil and financial clients with a base case of how key issues, such as regulation, legislation, technology, fuel supply, fuel prices and economic growth, will impact energy markets.

“Understanding the impact of such significant changes in the capacity resource mix and developing utility strategies to replace this capacity is the largest challenge that our clients face today,” said Patrylak. “Black & Veatch’s EMP service helps our clients understand potential changes and provides them a platform to analyze the impact of regulation on their assets or portfolios.”

#### **Editor’s Notes:**

- Black & Veatch’s proprietary Energy Market Perspective service is a leading information and planning source for the energy industry and is growing quickly. Subscriptions to the service have increased by 67 percent since 2010, becoming a key resource for executive decision making in an uncertain business environment.

- Pending regulations are forcing energy industry leaders to make multi-million, if not billion, dollar decisions regarding their current and future power generation assets. Decisions made today will affect utility operations and customers for decades.
- EMP features analytical neutrality. The perspective is neither "conservative" nor "aggressive" to advocate certain technologies or agendas.
- The EMP is anchored by Black & Veatch's Integrated Market Modeling process to prepare an integrated long-term view of the energy markets. Black & Veatch uses a number of commercial data sources and internally developed models to arrive at its proprietary market perspective.
- The semiannual forecasts are conducted to provide a base line or "expected value" forecast around which clients can build their own scenarios.
- Clearly documented assumptions and results provide high transparency, so clients can readily compare input and results to their own world views – "no black box".
- More information on the EMP service is available at:  
[www.bv.com/energymarketperspective](http://www.bv.com/energymarketperspective)

### **About Black & Veatch**

Black & Veatch ([www.bv.com](http://www.bv.com)) is a global leader in the consulting, engineering, construction and operation of what the world needs now and in the future in the crucial areas of energy, water and telecommunications and in providing up-to-the-minute services in the fast changing federal and environmental markets. Founded in 1915, the employee-owned, \$2.3 billion company operates out of over 110 offices worldwide and has completed projects in more than 100 countries.

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