FOR IMMEDIATE RELEASE
January 10, 2025

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Meeting Unrealistic PJM Demand Forecasts with New Gas Generation Could Cause Utility Bills to Spike by 62%
LNG Export Expansions, Carbon Capture Retrofits Would Burden Ratepayers, Report Finds

JOHNSTOWN, Pa. — Feverish load growth forecasts from regional grid operator PJM have invited calls for new gas-fired power generation, a move that would cement regional dependency on a stagnant fracking economy and cause household electric bills to soar.

The new research brief from the Ohio River Valley Institute, "Load Growth Fever, LNG, and the Risk of Higher Electric Rates" describes the peril of inflating natural gas' share of the regional fuel mix. Federal plans to expand exports of liquified natural gas under the incoming Trump administration could raise domestic natural gas prices by up to 30%, research from the Department of Energy shows, and retrofitting gas-fired power plants with carbon capture technology could cause the cost of electricity in PJM to spike by 62%.

"Expanding natural gas infrastructure based on inflated forecasts not only threatens consumers with higher bills but also undermines our ability to transition to a clean and sustainable energy future," said **report author and Senior Researcher Sean O'Leary.**

Predictions of demand growth, which some utilities expect to triple in the next two decades, should be regarded skeptically, said O'Leary. While PJM predicts a need for more than 100 gigawatts of new generating capacity by 2039—requiring the equivalent of 70 or more new power plants—demand in the region sits at close to its lowest point in the last 15 years.

"In the 1970s, similarly exaggerated load growth forecasts in the Pacific Northwest were used to justify spending $24 billion on the construction of new nuclear power plants. However the demand failed to materialize and most of the plants were never completed, resulting in the largest municipal bond default in history," O'Leary explained. "Ceding to PJM's questionable demand forecasts could repeat this mistake in our region, resulting in lost investments, higher utility rates, and unnecessary financial burdens on ratepayers."

Instead, meeting demand growth projections with a portfolio of renewable resources, supported by increasingly efficient battery storage technology and some nuclear and gas, could provide

reliable power at little additional cost throughout PJM's grid. It's already happening in Texas, where renewable energy now accounts for more than 30% of the state's fuel mix and electric rates have fallen.

View and download the research brief at https://ohiorivervalleyinstitute.org/load-growth-fever-lng-and-the-risk-of-higher-electric-rates/.

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