

Natural gas use may boom, expert says

He tells Chamber that shift in environmental policy, rising availability offer a bright future

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Mail Tribune

December 15, 2009 5:00 AM

The confluence of increased availability of natural gas and changes in environmental policy will spur its use in the coming years, a gas association official predicted Monday in Medford.

Electricity generated from wind power is inconsistent and regulatory requirements limit future coal and hydropower, Dan Kirschner, executive director of the Northwest Gas Association told the Chamber of Medford/Jackson County Forum. As a result, he said, there will be greater use of natural gas-generated electricity.

"Gas is going to be an important part of the future," Kirschner told the audience at Rogue Valley Country Club. "It's going to help this region achieve the environmental objectives such as gas emissions."

He said gas-fired electric generation was trendy at the turn of the century and new plants were developed in the early 2000s. When gas prices spiked in the middle of the decade, utilities changed their focus.

"Then public policy reared its head in the form of climate change and greenhouse gas reduction," Kirschner said. "Now we're building more and more renewable resources and the only other option available to (power) owners-operators in this region for new large-scale generation is gas."

Wind has advantages, but lacks consistency, he said.

"There are some issues with wind," Kirschner said. "Namely, it's pretty hard to predict when the wind is going to blow or how long. The physics of an electric transmission system are that you need to be transmitting as much electricity as the system is drawing or you're going to have problems."

According to Bonneville Power Administration data, in June, wind produced almost 1,000 megawatts of power at 5 p.m. one day and an hour later dropped to zero.

Hydropower can be adjusted to match the load variability, Kirschner said. "But we're starting to run out of flexibility in the hydro system."

BPA data also showed a 10-day period in January during a cold snap when output from wind sources virtually ceased.

"What happened to that wind?" he asked. "When we needed it most, it's not there for us. That's normal for us in this region. When it's very hot or very cold, the wind isn't blowing."

The majority of natural gas consumed by Southern Oregon customers is from Canada, although some of it comes from the Rockies. He said estimates predict a 16 percent increase in gas production in the Rockies by 2025.

Shale gas production also is on the rise. In early 2008, there were 60 years of known shale gas reserves. Now there are 120 years of known reserves. So much is available in Canada that it's being stored as soon as it's extracted.

"It's a ready resource being put back in the ground for reserve," Kirschner said.

He said a large amount of liquefied natural gas is going to be available in four or five years, meaning there will be more sources for companies such as Avista, the local provider, to obtain gas.

"The more choice, the better," he said. "LNG is good for our region; it's like finding gas in your back yard. We will have access to it."

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