

Spark Spread Today and Tomorrow

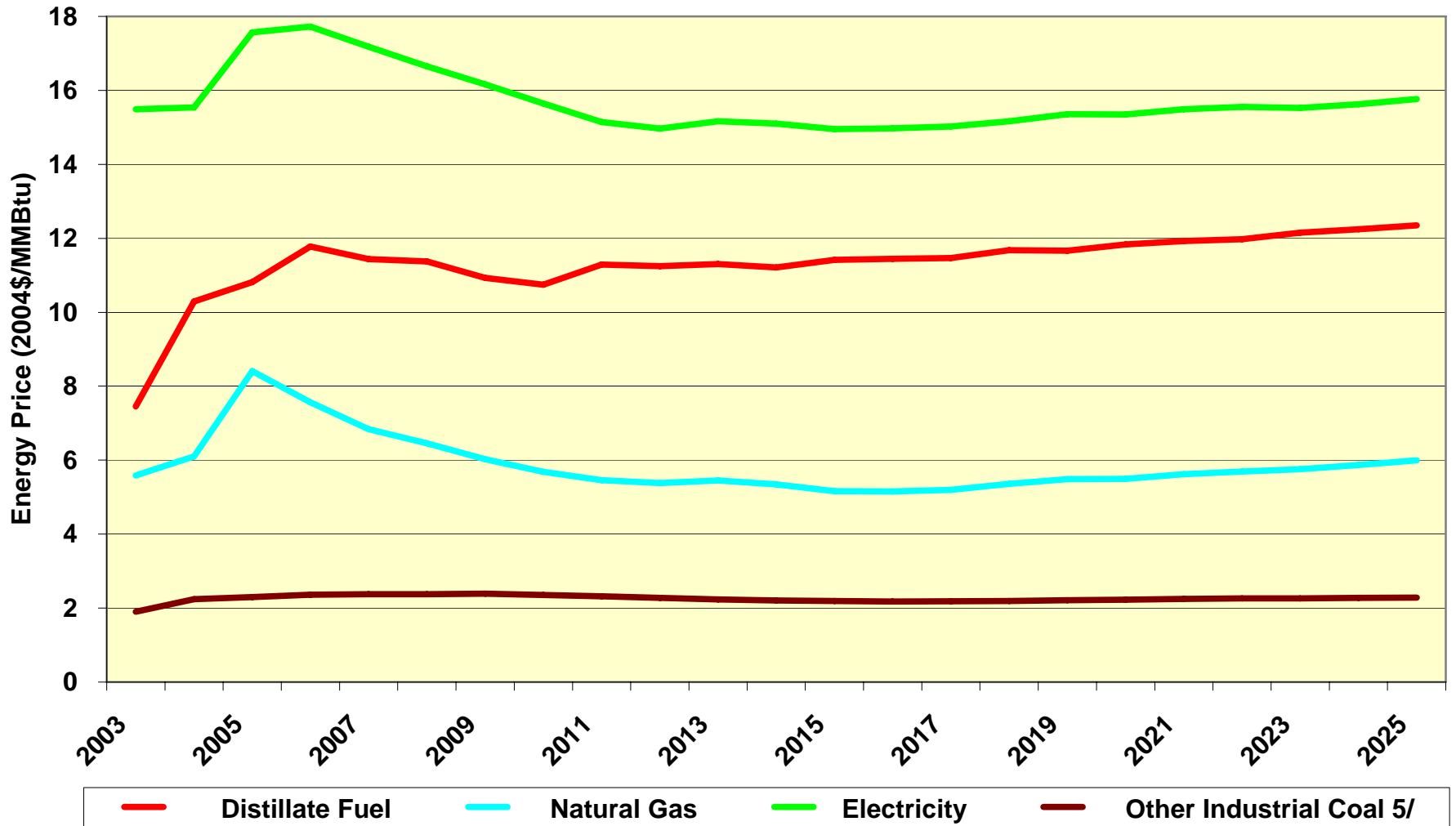
R. Neal Elliott

ACEEE

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2006 AEO Forecast for Industrial Energy Prices



Issues to Consider

- Need to look at future energy prices – not current prices
- Need to compare to marginal gas heat rate not full power heat rate – thermal will need to be satisfied
- Prices are very regionally specific
- Significant uncertainty in price forecasts

Power vs. CHP Heat Rate

Power-only = total-fuel / power out

CHP = (total-fuel – fuel for thermal)/power out



Spark Spread Based on Forecast Energy Prices and Heat Rate

