

PRODUCT ANNOUNCEMENT

# ABB's 25-year electricity and fuel price forecast

## The North American Power Reference Case, Fall 2017



The ABB Energy Portfolio Management Advisors are pleased to announce the latest release of the ERCOT, Midwest, Northeast, Southeast, WECC and Mexico Power Reference Cases. The Fall 2017 [North American Power Reference Case](#) is now available.

### About the North American Power Reference Case

Twice a year, ABB produces a fundamental analysis of the North American electricity market. This analysis, called the [North American Power Reference Case](#), considers current and projected new resources; resource retirements; fuel prices; transmission limits and losses; operations and seam issues in neighboring markets; and hourly loads. It includes a fundamental base forecast of market clearing prices, which are comprised of hourly, monthly and annual prices for the 25-year study period.

A market-based, fundamental model of North American power, gas, coal and environmental markets, the North American Power Reference Case accounts for the interdependency of these markets and provides forecasts based on consistent economic assumptions. Reference Cases and market databases are also available for [Europe and the Middle East](#) and [Asia-Pacific](#).



[Watch a brief video explaining the Power Reference Case and its methodology.](#)

### Mexico Reference Case

ABB produces an analysis of the CENACE electric market twice a year. It is developed using ABB's PROMOD electric market simulation tool, ABB Ability™ Velocity Suite data and ABB's e7 Capacity Expansion, a cost-based, optimal long-term resource planning tool that considers resource additions, retirement, refurbishment and changes in operations.

### ERCOT, Midwest, Northeast, Southeast & WECC Reference Cases

In addition to the base case, and high and low gas price scenarios, the Fall 2017 Power Reference Case includes a carbon tax scenario, which is described in the next section.

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## Carbon tax scenario

The Fall 2017 North American Reference Case includes a scenario with carbon pricing across all areas of Canada, Mexico and the US by the early 2020s. Although the likelihood of US federal policy placing a price on power sector CO<sub>2</sub> emissions in the near term is low, it is still possible in the longer term and should continue to be examined.

For simplicity purposes, and the fact that a variety of states are using it in their own power sector policies, the latest carbon tax scenario uses the US government's Social Cost of Carbon (August 2016 update) with a 3% discount rate. This results in a roughly \$45/metric ton price (2017\$) on CO<sub>2</sub> emissions, starting in 2021, placed across Canada, Mexico and the US. All regional carbon programs are also assumed to adopt this approach in 2021.

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## Preview

For a preview of the Power Reference Case report, [download the first chapter of the Fall 2016 report.](#)

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## Webinar

### **An Integrated view of the energy sector: Fall 2017 Power Reference Case overview**

Join us for a 1-hour presentation of the results from the Fall 2017 Power Reference Case. This presentation will be available on demand after the live presentation.

[Register for this presentation](#)

#### Event details

- Date: Wednesday, December 6, 2017
- Time: 1:00 PM EST and on demand
- Duration: 1 hour
- Format: GoToWebinar

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## Energy Market Intelligence blog site

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## Contact us

If you have questions about the reports, events or pricing, or to order the North American Power Reference Case, contact ABB at 1-800-868-0497 or by email at [info.pges@abb.com](mailto:info.pges@abb.com).