

Universal Energy News

January– March 2011 Volume 3, Issue 1

Power Industry Forecast

by Bob McIlvain

The IEA recently reported that worldwide electricity demand is expected to grow 2.2% per year from 2011-2035¹, which represents about 160 GW of new generation per year, to cover retirement of obsolete plants, and to keep pace with increasing demand. Most of that increasing demand, of course, will occur in aggressively developing areas like China and India.

The electricity demand in China is expected to triple from 2008-2035. As a point of reference, this means that "... over the next 15 years alone, China is expected to add generating capacity equivalent to the current total installed capacity of the U.S."² (total installed capacity in the US is approx. 1.025TW³).

Similarly, the growth in generation in India will be impressive in the immediate future. One developer alone, Reliance Power, plans to add "... more than 20,000 MW of coal-fired generating capacity in India by 2015"².

Relative to this, growth in the US will likely be pretty modest. Reports tell us that capacity in 2011 should remain about flat, with new plants mostly covering old plant retirements. The EIA and NERC are both predicting an annual growth rate of about 1-1.5% in the next few years⁵. Based on the above capacity, that should related to about 10,000-15,000 MW/year. It looks like natural gas projects will be the winner in the near future, with over 44GW currently in the construction or proposed stages⁵. Along with gas plants, we're looking forward to some continued coal projects (about 3GW)⁵, and groundbreaking of some of the proposed IGCC projects. Currently there are at least seven IGCC plants (11GW)⁶ in the planning to construction phases.

¹ International Energy Agency's "World Energy Outlook 2010", November 2010

² ENR Sourcebook, "Growing Demand Fuels Worldwide Boom", December 20, 2010

³ US Energy Information Administration "Electric Power Industry 2009: Year in Review"

⁴ NETL "Tracking New Coal-Fired Plants" January 11, 2011

⁵ "The U.S. Power Industry 2011: The Sequel" Power Magazine, January 2011

⁶ NETL 2010 Worldwide Gasification Database, <http://www.netl.doe.gov/technologies/coalpower/gasification/worlddatabase/GasificationDB2010.xlsx>



UEI Headquarters
Houston, TX

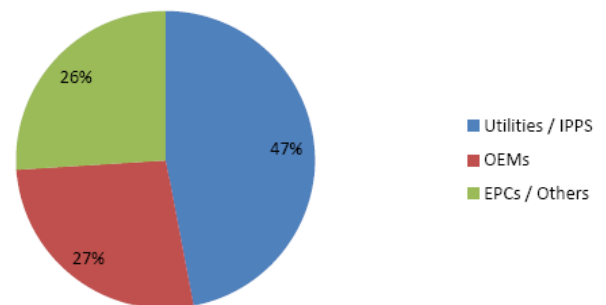
UEI 2010 Summary

Last year was another good year for UEI, with several project completions, new projects initiated and continued support for several baseline clients.

- Major projects included the completion of our long-term commissioning and startup support for the KCPL 950MW Iatan II coal project, which followed immediately after the Iatan I, 650MW coal plant stack conversion.
- Also, we completed the successful startup and turnover of one of our specialty projects, the Yale University SPP CHP plant.
- Additionally, we continued long-term support for several OEMs and IPPs, and maintain that support in 2011.

Here's a quick summary of UEI activity for 2010 (values are approximate):

Clients



Projects

