



## New natural gas generation coming online in Ohio

July 10, 2014

Two dynamics are creating a promising environment for investment in natural gas-fired generation in Ohio. While the majority of electricity in Ohio is generated from coal (approximately 70 percent in 2013), two significant drivers are quickly changing the landscape. First, new regulations on carbon emissions will place significant pressure on Ohio's coal-fired capacity. Second, Ohio's shale boom continues to provide inexpensive natural gas. In fact, the Ohio Department of Natural Resources recently reported that Ohio's natural gas production nearly doubled from 2012 to 2013 because of activity in the Utica Shale play. These dynamics of capacity constraints caused by coal plant retirements and the abundance of inexpensive natural gas has helped create a promising environment for investment in natural gas-fired generation in Ohio.

Any new natural gas-fired generation facilities with a capacity of 50 MW or greater must receive an issue of environmental compatibility and public need from the Ohio Power Siting Board (OPSB). Within the last year, three proposed natural gas-fired plants have received OPSB approval or are in the process of receiving approval from the OPSB. The projects are described below.

The project closest to completion is the Oregon Clean Energy Center, located in the City of Oregon in Lucas County. At its start, the proposed facility will be able to generate up to 800 MW. Additionally, the facility is designed to be expanded in 400 MW increments to an overall capacity of 1600 MW. The overall cost of the project is estimated to be \$800-\$850 million. The Oregon Clean Energy Center received its certification from the OPSB on May 1, 2013.

Another proposed natural gas-fired generation project that received approval from the OPSB is the Carroll County Energy Generation Facility in Carroll County. The project will have a capacity of 700 MW, at a cost of approximately \$800 million. The Carroll County Energy Generation Facility received its certification from the OPSB on March 6, 2014.

Most recently, an application was submitted to the OPSB proposing the Middletown Energy Center in Butler County. The application proposes a 500 MW facility, with an estimated cost of \$500 million. The project held its public information meeting — an important milestone at the beginning of the OPSB process — in Middletown, Ohio, in April 2014.

For more information about Ohio's natural gas play, the Ohio Power Siting Board process or opportunities for new natural gas-fired generation in Ohio, contact Dylan Borchers at [dborchers@bricker.com](mailto:dborchers@bricker.com) or 614.227.4914.

# Authors

---



**Dylan F. Borchers**

Partner

Columbus

614.227.4914

[dborchers@bricker.com](mailto:dborchers@bricker.com)