

Bay Area Energy, Environmental Groups, Lawmakers Take On California Natural Gas Monopoly

New coalitions led by Bay Area Energy, Environmental Groups and lawmakers are taking on special interests protecting the California Natural Gas Monopoly

SAN FRANCISCO, CALIFORNIA, UNITED STATES, November 30, 2017 /EINPresswire.com/ -- The natural gas industry is feeling the heat in California. Not only is it coming under threat from smaller utility companies such as Bay Area Energy, they're also coming under threat from policy decisions of government regulatory bodies. New construction of natural gas plants has been put on hold while the need for such plants is placed under greater scrutiny. California is one of the most progressive jurisdictions in the transition towards renewable energy and support for this process seems to be gaining momentum. Natural gas may still have a role to play soon, but its long-term future is in doubt.

An Uncertain Future

Existing natural gas plants in California are starting to show their age. With some plants now more than 50 years old, major utility companies such as Pacific Gas and Electric want to refurbish or replace them. The state of California and the environmental lobby have other ideas. Alternative forms of clean energy are being favored and that's allowed smaller innovative companies such as Bay Area Energy to gain a foothold through deregulation. That was just the start of the move towards clean energy though.

Recently, a proposal for a new 262-megawatt natural gas power plant was put on hold while the government takes a closer look at whether such projects are necessary. Other projects involving natural gas are facing similar scrutiny. There isn't any dispute about the need to eventually replace all fossil fuel energy with renewable energy – the dispute is over the timetable. The government is also taking a closer look at the financial implications of building new natural gas power plants.

Costs to the Consumer

There's a growing belief that an excess of capacity is driving up energy costs for the average consumer in California and the state is trying to reverse this trend. California produces far more energy than it needs and it's been a net exporter for years. In some cases, it has to halt production at its solar facilities and reduce capacity at its natural gas plants to prevent any system overloads. The production costs could be reduced with a reduction of overall capacity and many believe stopping any new natural gas plants from being built is the solution.

Big Utilities Lobbying Hard

California's major utility companies, of which Southern California Edison and Pacific Gas and Electric are the largest, aren't ready to walk away from natural gas production. They argue that the full transition to renewable energy is still decades away and new natural gas plants need to be built to bridge the gap. With many natural gas plants running at less than a quarter of their capacity already there doesn't seem to be much evidence to support their claims. At the very least, the opponents of natural gas energy seem to have a lot more ammunition than they did in the past.

Environmental organizations such as the Sierra Club have been lobbying against natural gas production in California and other states for years. They believe we already have the technology to more towards 100% renewable energy and while that may be a bit of an exaggeration, their movement is gaining momentum. They believe countless disasters can be blamed on the energy industry, such as the recent leak at Aliso Canyon and the rampant wildfires just this past summer. There seems to be plenty of evidence to back their claims.

Moving the Timetable Up

Environmental hazards and overcapacity are strong arguments against our continued reliance on fossil fuels. In California the great strides being made in the renewable energy sector are also raising real question marks. The state set a target of 33% of energy coming from renewables by 2020 and the major utility companies have already met that goal. In fact, they're forecasted to achieve the 2030 target of 50% by 2020.

Solar panel technology has seen major improvements in the last few years reducing the cost of this technology and similar improvements are happening with wind power as well. California also has the advantage of access to geothermal energy that other states don't have. All of these factors make it easy to understand why many want to see the reliance on natural gas come to an end sooner rather than later.

A Clear Way Forward

With steady progress in the renewable energy sector and the growth of healthy competition from small companies such as Bay Area Energy the major utility companies are facing serious questions about the viability of their natural gas projects. Projects like the Puente power plant proposal cost millions of dollars. With all of the excess capacity in California, their usefulness is questionable. Renewable energy technology will only get better in the next couple of years and that may be enough to finally put an end to this debate.

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