

I strongly urge that the forecasts recognize the high oil prices and gas prices experienced in 2008 and not treat them as an unusual occurrence in the next 20 years. In the long term with cap and trade for CO<sub>2</sub> and the development of carbon capture and storage applied to new coal fired generating stations, gas prices will only go up. Gas from the Rockies will move east as quickly as transport is available.

To the extent that biofuels are made from food crops, the discussion is correct that fertilizer demands will drive gas prices up. When second generation biofuels made from cellulose wastes enter the market, the fertilizer demand and related gas demand will decline so that it will not relate to biofuels so much. This issue is likely small relative to the power plant demand.

Overall, the gas price forecasts seem much too low. They should increase more year to year in 2006 dollars and consideration should be given to increasing the base to a 2008 level. The 2008 level used should not be the peak experienced this year, but neither should it be the low. The long term drop in gas prices from the 2008 peak shown in Figure 7 is unrealistic.

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