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**Hidden Cost of Gas Infrastructure Adds 30% in Extra Fees for Customers**
*Regulators approve new gas plants with only a fraction of total cost*

Berkeley, CA — As utilities across the country rush to build new gas power plants to meet surging electricity demand from data centers, a new report from Current Energy Group (CEG) and GridLab reveals that the price tags regulators are approving systematically understate what customers will actually pay. “Beyond the Power Plant: The Hidden Costs of Gas-Fired Generation” finds that mandatory gas infrastructure costs for transportation, processing, and storage routinely add 30% or more to the true cost of a new gas plant, yet are almost never included in the regulatory proceedings where generation decisions are made.

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“States are exposing electricity customers to serious sticker shock by approving new gas plants without a full cost assessment,” said GridLab Executive Director Ric O’Connell. “There could be cheaper alternatives to meet rising demand if the regulatory process captured the true cost of not just building a new gas plant, but actually operating it.”

**Key Findings:**

- Power generation needs are an increasingly large fraction of interstate gas pipeline demand
- New gas-fired power plants are now being proposed in tandem with corresponding gas infrastructure projects.
- New gas transmission projects are a major component of utilities’ overall fixed costs (e.g., capital investment or long-term contract) supporting new power delivery.
- Assumptions for gas transmission costs used in electric system modeling are relatively simplistic and may be underestimated.
- Electric utilities directly pass through the costs and risks of gas transmission projects to their retail customers.
- It is unclear how the costs of the new gas transmission projects driven by new large loads will ultimately be shared between new large loads and existing customers.

“In the rush to power new data centers, gas generation is often assumed to be a cheap and fast option. However, comparing just the power plant costs alone provides an incomplete picture,” said Current Energy Group Partner Edward Burgess. “To ensure large customers truly pay their fair share of costs, we must consider not only the impacts on the power system but also any ‘hidden costs’ to the gas system required for fuel security.”

The report examines seven utility case studies from Colorado, Georgia, Kentucky, North Carolina, South Carolina, Virginia, Wisconsin, each representing a utility with planned new gas generation and associated fuel delivery investments. These studies reveal an urgent need for transparent documentation of the costs and risks of new gas projects for power sector analysts. The next phase of the Hidden Cost of Gas analysis will build upon the initial set of case studies with a comprehensive public database quantifying the costs and technical parameters of gas transmission infrastructure associated with new gas-fired power plants.

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