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Natural gas surpasses coal as power source for 1st time, BP report says

Posted by [David Hunn](#)

Date: June 17, 2016

U.S. power plants burned more natural gas than coal for the first time last year, one factor that kept global CO2 emissions the lowest in years, a key oil company economist said Thursday.

“You can go back as long as you want in history, coal had always been the dominant source of fuel in U.S. power, until last year,” Spencer Dale, chief economist for British oil giant BP, told Houston business and civic leaders at a presentation of [the company’s annual Statistical Review](#). Dale said the report, in its 65th year, is the longest-running review of world energy supply and demand.

Natural Gas Reserves by Country by Country

The annual estimated quantities of natural gas that analysis of geologic and engineering data demonstrates with reasonable certainty are recoverable under existing economic and operating conditions, in trillion cubic feet-<https://www.graphiq.com/wlp/7aNnanGSJi5>

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CO2 emissions grew by 0.1 percent in 2015, according to the report, the lowest growth rate outside of the 2009 recession since 1992. Dale attributed the decline in part to the U.S. boom in shale-drilled natural gas. A glut in production and low demand reduced prices, he said, and made natural gas more economical for power plants.

Dale acknowledged that a weak global economy also helped check emissions. The world’s energy consumption grew by 1 percent, half its annual average over the past five years, according to the report. Chinese demand crept up by just 1.5 percent in 2015, far less than in previous years.

And though global oil use ballooned by 1.9 million barrels per day, or 1.9 percent — nearly double the recent historical average — coal dipped 1.8 percent, the largest decline on record, the report said. In the U.S., [coal use dropped by almost 13 percent](#).

Globally, coal accounted for less than 30 percent of energy consumption, its lowest share since 2005.



22 June 2016



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The continued increase in renewable fuel use also helped curb CO2 emissions, Dale said. Wind, solar and biofuel consumption again grew by 15 percent, slightly below the 10-year annual average of 15.9 percent. Renewables make up almost 3 percent of global energy consumption, according to the report.

But Dale called shale gas pivotal for the world’s transition to low-carbon energy.

“This audience will know more than anybody,” he told the crowd assembled at the Houston branch of the Federal Reserve Bank of Dallas for lunch. “U.S. shale gas is enormously important for America. But it’s also enormously important for the world.”

Dale said energy production was riding a “technological wave” in 2015. And the trends that started last year, he said, would likely continue this year.

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