Increasing renewable penetration

Global Wind & Solar annual installations (GW's)

The cost of wind power is on par with fossil fuels in many projects. Solar power will follow.

Source: Navigant Consulting & Greentech media

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Unconventional gas

U.S. shale gas production

More domestic supply

US outlook: Bcf per day

Canadian Shale

Lower prices

Competitive gas plant

Economics

US energy policy rethink

15

20

25 Bcf per day

Fayetteville

Barnett

Michigan

Surplus reserves margins

Shale gas, tight sands, coal bed methane (CBM)

Sources: GE Energy Feb. ’11 outlook

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Game changer for the US energy industry
Wind & gas … more economic than ever

Levelized cost of electricity ($/MWh) U.S. unsubsidized

- Wind: $99
- Gas CCGT: $94
- Coal: $50
- Nuclear: $81

Variable cost

- '08 Wind: $3
- '08 Gas CCGT: $3
- '08 Coal: $3
- '08 Nuclear: $3

Capex Cost

- Wind: 12%
- Gas CCGT: 26%
- Coal: 12%
- Nuclear: 12%

Perfanc

- Wind: 57.5%
- Gas CCGT: 60%
- Coal: 60%
- Nuclear: 60%

Fuel cost

- Wind: $9/MM BTU
- Gas CCGT: $6/MM BTU
- Coal: $6/MM BTU
- Nuclear: $6/MM BTU

Source: GE Marketing LCOE model assumptions
Debt rate: 7%

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GE portfolio positioned to capture next electricity demand cycle.
Accommodate to embrace expanding synergies between gas and renewables.

Technology
- Grid-friendly wind plant with high availability
- Understanding impacts of variable generation
- Development of flexible gas-fired generation
- Storage projects
- IT and communication in infrastructure
- Power market and interconnection for infrastructure

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Image: Turbine and engine with wind farm background.
Reliable plant solutions configured for high efficiency and low operating costs

- Flexibility to respond to intermittency of renewables

- World record for flexible efficiency
- 510 MW, 50 Hz baseline efficiency
- Start-up to full load in 28 minutes
- Ramp-rate > 50 MW/minute

A new standard of efficiency and flexibility enabling integration of more renewable resources onto the power grid.

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