

December 2021 Market Report

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Including market research provided by BUE's analyst team

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NYMEX Natural Gas Pricing

The January 2022 contract settled at \$4.024/MMBtu.

The February 2022 contract is trading around \$3.86/MMBtu (as of publish date).

Natural Gas Storage Report

Current BCF in Storage (2021 vs 2020):

Week Ending	BCF	Week Ending	BCF
03-Dec-21	3,505	04-Dec-20	3,848
10-Dec-21	3,417	11-Dec-20	3,726
17-Dec-21	3,362	18-Dec-20	3,574
24-Dec-21	3,226	25-Dec-20	3,460
31-Dec-21	3,195	01-Jan-21	3,330

There is about 4% less in underground storage now than there was at this same time last year.

Weather (as of publish date)

6-10 Day: An arctic cold blast across the eastern US will fade and give way to a warming trend.

Colder than average temperatures are expected across the East Coast, Northeast and eastern Canada. Above average temperatures are expected across most of the Central and Western US and Canada.

11-15 Day: Cold air may expand back into the eastern US early in the period and recharge over Canada.

Temperatures may end up colder than average across the northern states into Canada. Near to above normal temperatures are possible across the southern half of the nation.

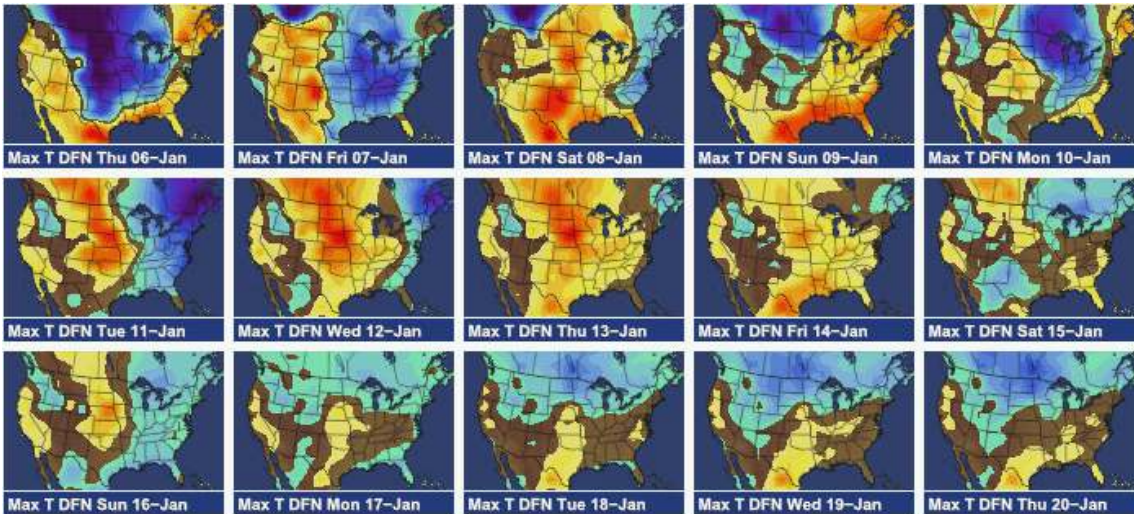


Photo and forecast courtesy of WSI Trader.

Market Updates

Electric Generation Fleet Ready for Winter Weather Following ERCOT On-site Winterization Inspections

<https://www.ercot.com/news/release?id=d9332668-e46b-5c82-3179-d386d4a5d378>

The Electric Reliability Council of TX's (ERCOT) inspection results show the electric generation fleet and electric utilities are better prepared for winter. They completed inspections at more than 300 generation units and 22 utilities. Those 300 generating units, represent 85% of the MWh lost during last February's winter storm.

Major US utilities plan nationwide charging network, anticipating 22M EVs by 2030

https://www.utilitydive.com/news/major-us-utilities-plan-nationwide-charging-network-anticipating-22m-evs-b/611150/?utm_source=Saillthru&utm_medium=email&utm_campaign=Issue:%202021-12-08%20Utility%20Dive%20Newsletter%20%5Bissue:38468%5D&utm_term=Utility%20Dive

In 2018, it was estimated that 18.7 million electric vehicles (EVs) were expected to be on the road by 2030. That estimate has now jumped 17.6% to 22 million EVs. Anticipating this, more than 50 of the largest investor-owned utilities have combined efforts to install over 100,000 fast-chargers and build EV-friendly infrastructure along US highways by the end of 2023.

DOE announces technical assistance for 21 states on grid modernization, energy transition challenges

<https://www.utilitydive.com/news/doe-announces-technical-assistance-for-21-states-on-grid-modernization-ene/616525/>

The US Department of Energy's (DOE) Grid Modernization Initiative has announced it roll out of a state assistance program. The program aims to lead public utility commissions through the ever-changing energy sector. National laboratories will aid the following states: Arkansas, California, Hawaii, Iowa, Indiana, Kentucky, Massachusetts, Maryland, Maine, Michigan, Minnesota, Missouri, North Carolina, New Jersey, New Mexico, Oregon, Rhode Island, South Carolina, Utah, Washington and Wisconsin.

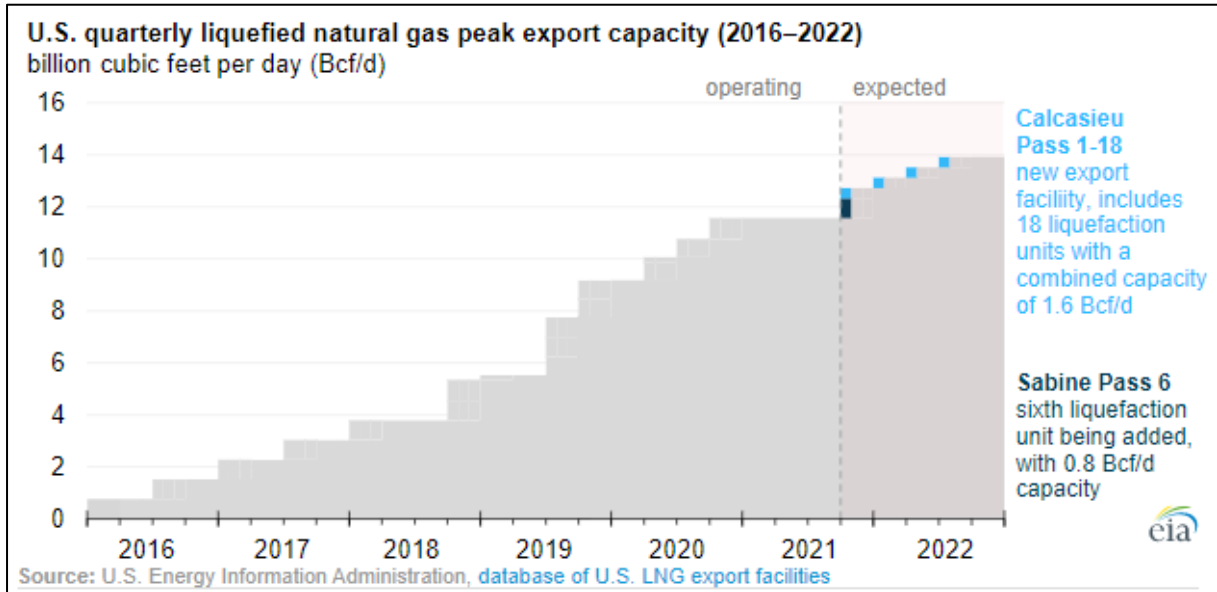
	AR	CA	HI	IA	IN	KY	MA	MD	ME	MI	MN	MO	NC	NJ	NM	OR	RI	SC	UT	WA	WI
DER Adoption & Integration	●					●	●			●		●	●	●		●	●		●		
Grid Planning			●	●	●			●		●	●				●			●			
Equity & Justice			●						●											●	●
Resilience		●												●		●					
Regulation							●														

Retrieved from [U.S. Department of Energy](https://www.energy.gov/).

U.S. liquefied natural gas export capacity will be world's largest by end of 2022

<https://www.eia.gov/todayinenergy/detail.php?id=50598&src=email>

With the expectation of two new export facilities that will provide an additional 2 BCF per day to the current export capacity, the US is expected to surpass the export capacities of Australia and Qatar. Australia currently has 11.4 BCF per day production capacity and Qatar has 10.4; the US is expected to jump to 13.9.



Of the operating U.S. coal-fired power plants, 28% plan to retire by 2035

<https://www.eia.gov/todayinenergy/detail.php?id=50658>

28% of coal-fired power plants retiring means a decrease in total capacity by about 59 GW by 2035. As of fall 2021, 212 GW of capacity from coal-fired plants that were operating were built in the 1970s-80s. The average operating coal-fire generating unit age is 45 years old, although age isn't the number one cause of retirements. If the cost of operating a plant exceeds its revenue or the value it holds in the power system, then retirements are planned. It should also be noted that coal-fired plants are a large producer of CO₂ emissions and because of that, the likelihood of increased retirement announcements is high as states try to keep up with their clean energy standards.

