

November 2021 Market Report

By: Eva Kernan

Including market research provided by BUE's analyst team

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NYMEX Natural Gas Pricing

The December 2021 contract settled at \$5.447/MMBtu.

The January 2022 contract is trading around \$4.111/MMBtu (as of publish date).

Natural Gas Storage Report

Current BCF in Storage (2021 vs 2020):

Week Ending	BCF	Week Ending	BCF
05-Nov-21	3,618	06-Nov-20	3,927
12-Nov-21	3,644	13-Nov-20	3,958
19-Nov-21	3,623	20-Nov-20	3,940
26-Nov-21	3,564	27-Nov-20	3,939

There is about 10% less in underground storage now than there was at this same time last year.

Weather (as of publish date)

6-10 Day: An active storm track followed by the start of a pattern transition will result in changeable weather. Much of the US warmer than normal until later in the week when a cold front comes in through the north.

11-15 Day: A more typical -PNA and +AO driven pattern is expected, supporting above temperatures and below normal HDDs.

Above average temperatures are expected across most of the US.

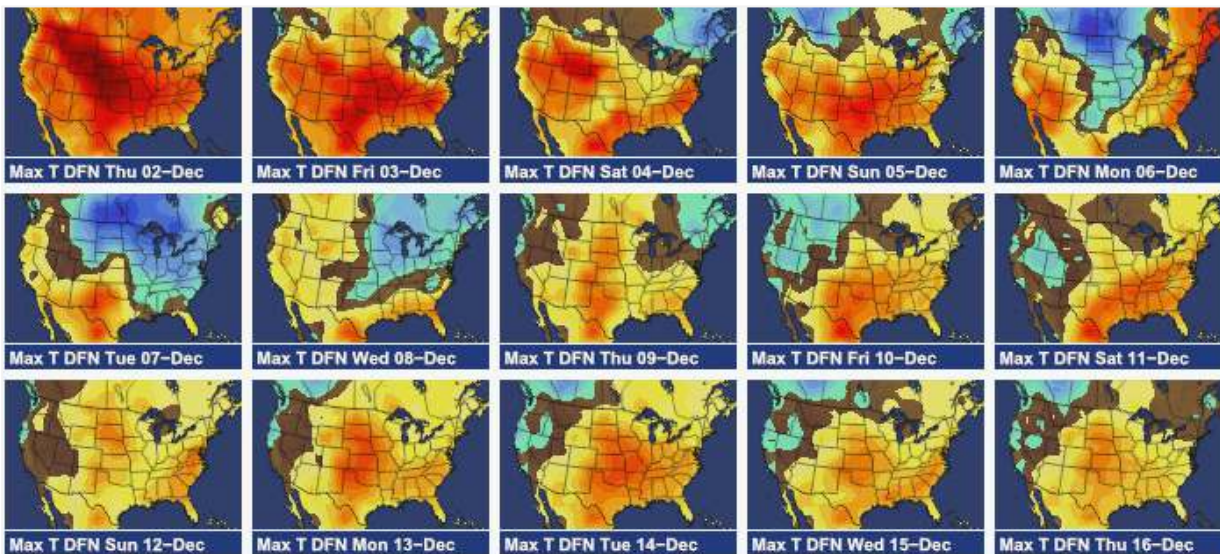


Photo and forecast courtesy of WSI Trader.

Market Updates

New natural gas pipeline capacity expands access to export and Northeast markets

<https://www.eia.gov/todayinenergy/detail.php?id=50376>

New pipelines have been partially or fully completed to expand natural gas service to the Northeast and export facilities. In the Gulf Coast, three projects added 3.6 BCF per day of additional pipeline capacity. In New England, two projects will provide an additional 100 MMCF per day. The Middlesex Expansion Project in NJ was completed to provide 264 MMCF per day to the Woodbridge Energy Center combined-cycle power plant.

Gulf Coast natural gas pipelines and related infrastructure (October 2021)



Source: U.S. Energy Information Administration, [Natural Gas Pipeline Projects Tracker](#)

Northeast natural gas pipelines and related infrastructure (October 2021)



Source: U.S. Energy Information Administration, [Natural Gas Pipeline Projects Tracker](#)

Texas blackouts prompt New York ISO to consider 'once in a century' winter events

https://www.utilitydive.com/news/texas-blackouts-prompt-new-york-iso-to-consider-once-in-a-century-winter/609798/?utm_source=Social&utm_medium=email&utm_campaign=Issue:%202021-11-10%20Utility%20Dive%20Newsletter%20%5Bissue:37919%5D&utm_term=Utility%20Dive

New York expects to have a capacity margin of 9,080 MW in scenarios where all firm and non-firm generators are available. On the other hand, if an unexpected cold front comes in — and gas constraints limit generator ability to procure emergency supplies — capacity margins could decrease to 526 MW. According to NYISO, 97% generators said winter preparations include freeze protection.

Major U.S. utilities spending more on electricity delivery, less on power production

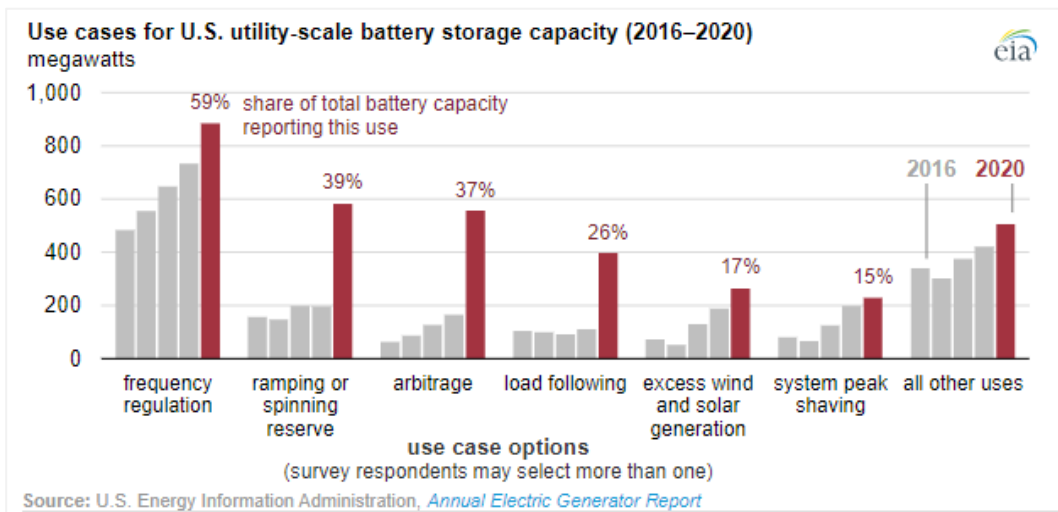
<https://www.eia.gov/todayinenergy/detail.php?id=50456>

After adjusting for inflation and speaking in terms of 2020 dollars, utilities spent an average of 2.6 cents per kWh on electricity delivery in 2010. Compare that to 2020's average of 4.3 cents per kWh – 65% increase! Conversely, spending on power production decreased from 6.8 cents per kWh in 2010 to 4.6 cents per kWh in 2020. So far, in 2021, demand for energy has been outpacing supply and that is said to contribute to higher prices for fuels used by electric generators, especially natural gas. The increased cost for fuel increases the cost of power production.

Battery storage applications have shifted as more batteries are added to the U.S. grid

<https://www.eia.gov/todayinenergy/detail.php?id=50176>

Frequency regulation is still the most common use for batteries, but other uses (see below) are becoming more common as more batteries are added to the electric grid.



Prices set to fall, battery storage to be less prominent, in ISO-NE's next capacity auction, analysts say

https://www.utilitydive.com/news/prices-set-to-fall-battery-storage-be-less-prominent-in-iso-nes-next-capacity/609951/?utm_source=Social&utm_medium=email&utm_campaign=Issue:%202021-11-12%20Utility%20Dive%20Newsletter%20%5Bissue:37988%5D&utm_term=Utility%20Dive

Analysts estimate ISO New England's next capacity auction in February will likely present lower prices than in last year's auction, given the region's ample supply and a dip in demand.