

November 2022 Market Report

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Including market research provided by BUE's analyst team

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NYMEX Natural Gas Pricing

The December 2022 contract settled at \$6.712/MMBtu.

The January 2023 contract was trading around \$6.86/MMBtu (as of end of day on the publish date).

Natural Gas Storage Report

Current BCF in Storage (2022 vs 2021):

Week Ending	Total BCF	Week Ending	Total BCF
04-Nov-22	3,580	05-Nov-21	3,618
11-Nov-22	3,644	12-Nov-21	3,644
18-Nov-22	3,564	19-Nov-21	3,623
25-Nov-22	3,483	26-Nov-21	3,564

There is about 2% less in underground storage now than there was at this same time last year.

Weather (as of publish date)

6-10 Day: A strong -NAO block will attempt to drive arctic air out of Canada into the northern US, but it will struggle to expand into the southern tier.

Colder-than-average temperatures are expected across the West, the northern tier, and southern Canada. Much warmer-than-normal conditions are expected across the southern US.

11-15 Day: A persistent -NAO supports the expansion of cold weather and higher-than-average HDDs.

Near or colder-than-average temperatures are possible across a large portion of the Lower 48, except for northern New England.

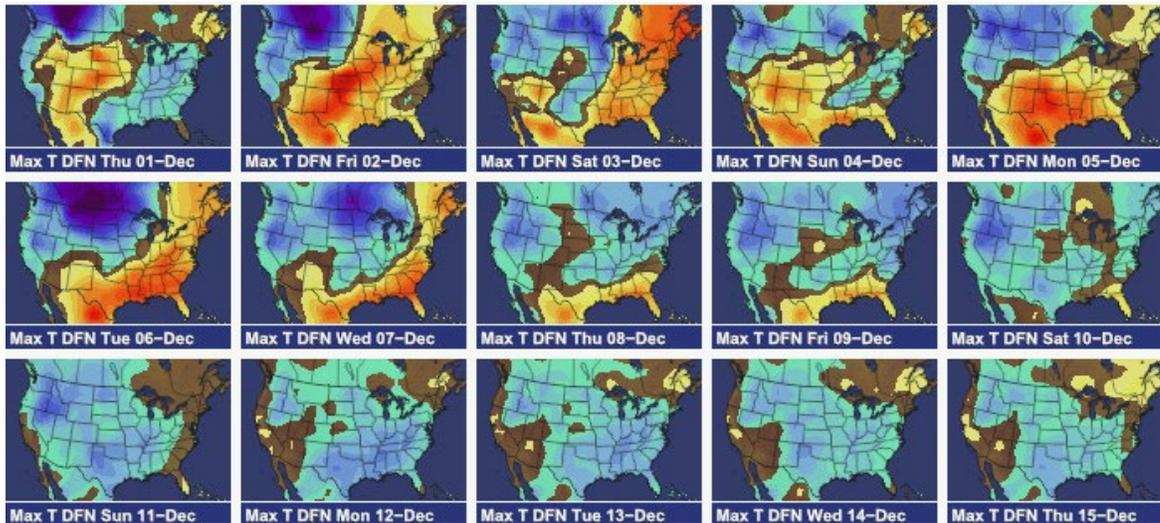


Photo and forecast courtesy of WSI Trader.

Market Updates

High natural gas production and storage injections in September drove U.S. prices down

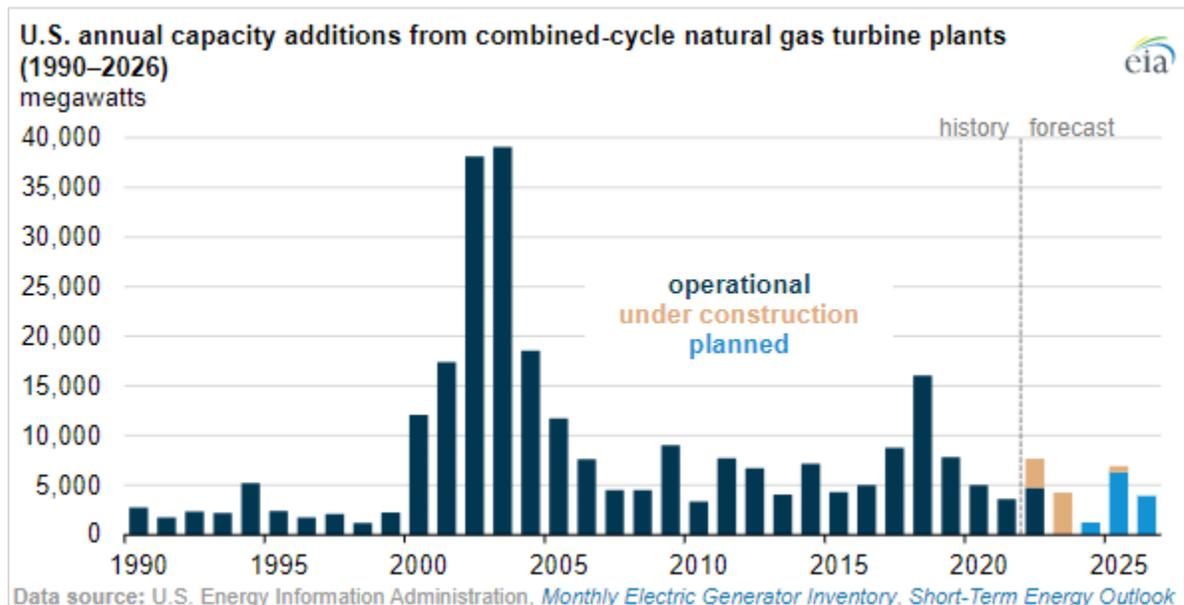
<https://www.eia.gov/todayinenergy/detail.php?id=54499>

Storage levels have increased over the summer, bringing the US back near historical averages. The overall increase in storage was driven primarily by five consecutive weekly triple-digit increases in September and early October.

U.S. electric-generating capacity for combined-cycle natural gas turbines is growing

<https://www.eia.gov/todayinenergy/detail.php?id=54539>

Eight new natural gas-fired combined-cycle gas turbine (CCGT) power plants have come online or plan to come online in the United States this year, adding 7,775 MW of electric-generating capacity to the grid. CCGT plants use natural gas and steam turbines and account for one of four major sources of natural gas-fired power generation. They are also known to be the single largest source of both electric-generating capacity and electricity generation.



One of the largest wind farms in the United States was completed in Oklahoma last spring

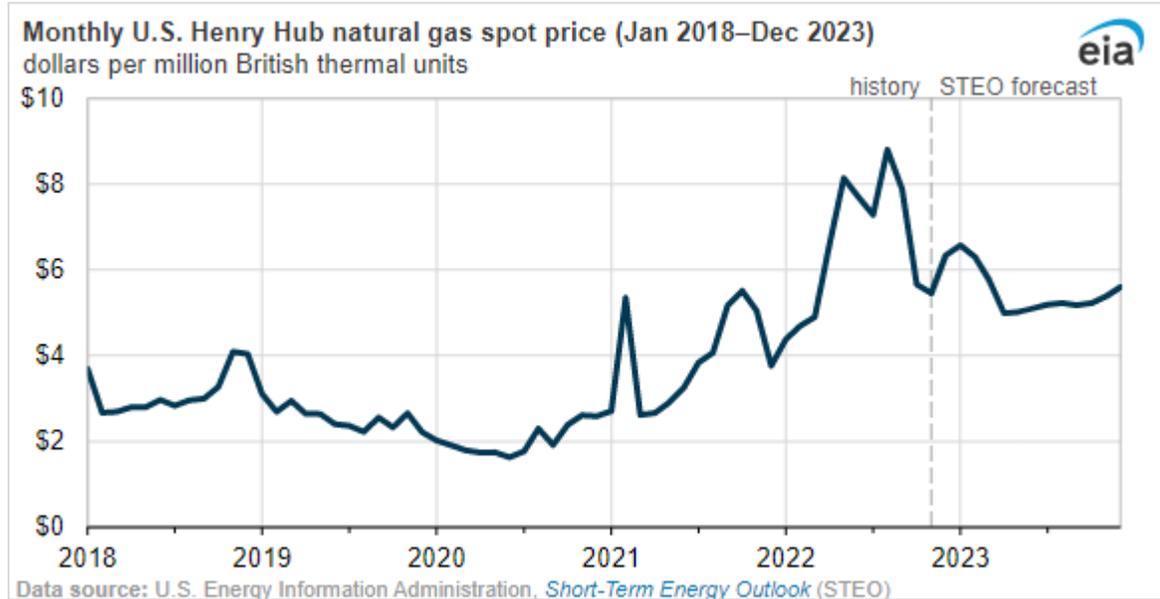
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In April 2022, the Traverse Wind Energy Center in Oklahoma was completed adding an additional 999 megawatts (MW) of capacity. The Traverse facility is one of the largest wind farms in the United States and was the largest wind farm built in one phase in North America. Project developers expect that it will generate enough electricity to power around 300,000 homes each year.

EIA now expects U.S. natural gas prices to average above \$6.00/MMBtu this winter

<https://www.eia.gov/todayinenergy/detail.php?id=54599>

Natural gas spot prices at the Henry Hub are expected to average \$6.09 per MMBtu this winter. This is the highest real price since winter 2009–10. EIA’s forecast reflected natural gas storage levels that are 4% below average heading into winter withdrawal season and more demand for liquefied natural gas (LNG) as the Freeport LNG facility comes back online. After the winter, it is expected that the Henry Hub price should decline as production growth outpaces both domestic consumption and LNG exports.



NYISO warns of high electricity prices as it forecasts sufficient supply to meet peak demand this winter

<https://www.utilitydive.com/news/nyiso-warns-of-high-electricity-prices-as-it-forecasts-sufficient-supply-to/637363/>

NYISO expects electricity supplies will be sufficient to meet peak demand this winter of 23,893 MW based on expected winter temperatures. In their extreme winter weather scenario, they showed that peak demand could increase to as much as 26,086 MW. Even so, electricity supplies should be sufficient to meet demand with a projected surplus of 1,650 MW. NYISO is still expecting a sharp rise in wholesale electricity prices this winter due to lingering impacts of the pandemic and Russia’s invasion of Ukraine.