

April 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 May 2022 contract settled at \$7.267/MMBtu.

The June 2022 contract was trading around \$8.38/MMBtu (as of publish date).

Natural Gas Storage Report

Current BCF in Storage (2022 vs 2021):

Week Ending	Total BCF	Week Ending	Total BCF
01-Apr-22	1,382	02-Apr-21	1,784
08-Apr-22	1,397	09-Apr-21	1,845
15-Apr-22	1,450	16-Apr-21	1,883
22-Apr-22	1,490	23-Apr-21	1,898
29-Apr-22	1,567	30-Apr-21	1,958

There is about 20% less in underground storage now than there was at this same time last year.

Weather (as of publish date)

6-10 Day: Early summer-like conditions will persist across the middle of the US while much of the West and East Coast remain cool and unsettled.

The central and eastern US should expect above-average warmth apart from the East Coast. The West will experience cooler than average temperatures.

11-15 Day: Above-average warmth across the eastern half of the US will slowly ease and then build over the western half.

Above average warmth is expected across much of the US, except for parts of the Northwest and the north-central US.

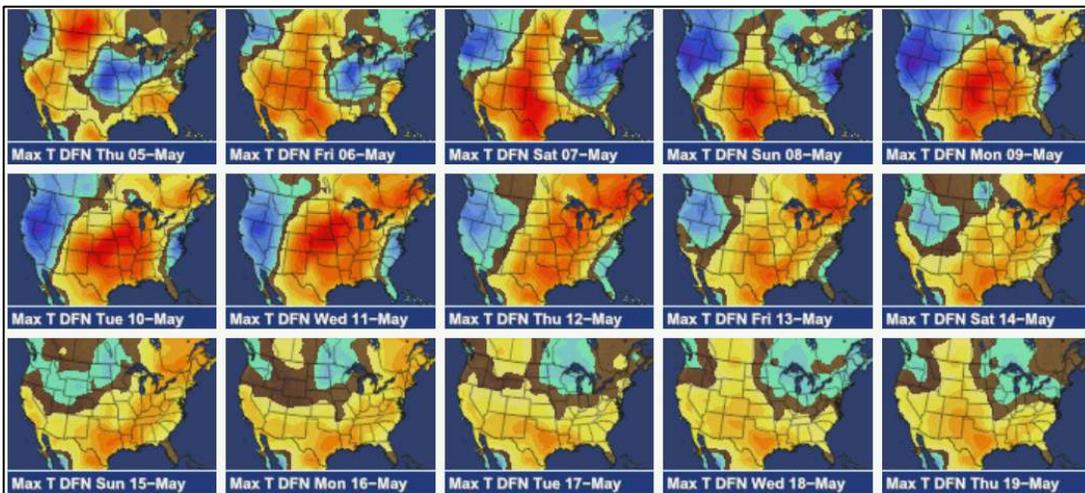


Photo and forecast courtesy of WSI Trader.

Market Updates

Nearly all new U.S. crude oil and natural gas wells are horizontal or directional

<https://www.eia.gov/todayinenergy/detail.php?id=52138>

In 2021, horizontal and directional wells covered 81% of the total U.S. well completions; the other 19% of wells are vertical. The act of drilling a vertical well then bending the path of the drilling create horizontal and directional wells. Horizontal and directional wells are longer and that allows access to more geologic formations that contain crude oil and natural gas, which increases those wells' productivity.

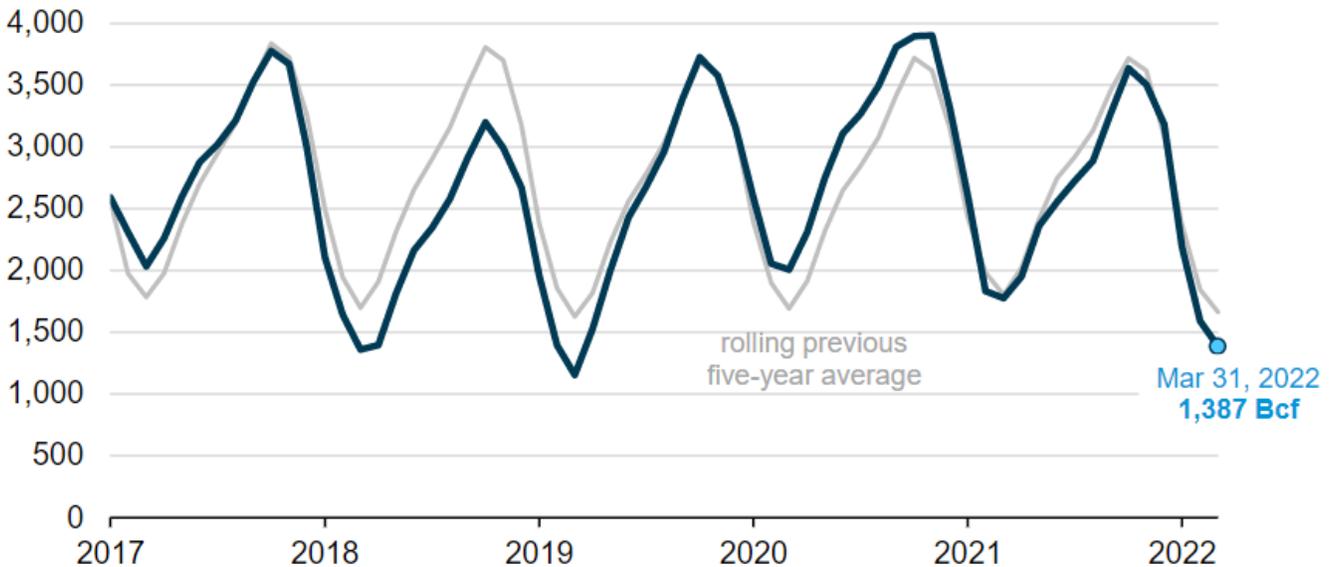
The United States ended the winter with the least natural gas in storage in three years

<https://www.eia.gov/todayinenergy/detail.php?id=52058&src=email>

Working natural gas in underground storage facilities in the Lower 48 states totaled 1,387 billion cubic feet (Bcf) at the end of the winter season (March 31, 2022). This is 17% lower than the previous five-year average. In January 2022, heating degree days (a measure of how cold weather is) were 9% higher than the previous 10-year average. This led to the excess withdrawals.

Lower 48 states natural gas inventories (Jan 2017–Mar 2022)

billion cubic feet (Bcf)



Source: U.S. Energy Information Administration, *Natural Gas Monthly* and *Weekly Natural Gas Storage Report*

Note: We estimated end-of-month values for February and March from the *Weekly Natural Gas Storage Report*.

U.S. Department of Commerce Investigation of Solar Panel Imports Puts Solar Projects at Risk

<https://www.mcguirewoods.com/client-resources/Alerts/2022/4/us-department-commerce-investigation-solar-panel-imports-puts-solar-projects-risk>

On March 28, 2022, the U.S. Department of Commerce (DOC) announced an investigation of imported solar panels from Cambodia, Malaysia, Thailand, and Vietnam in response to possible violations of anti-dumping rules. This announcement has already impacted current and future solar developments using crystalline silicon photovoltaic cells (CSPV). At this time, the DOC will consider supplementary tariffs on the solar industry based on the results of its investigation. Additional tariffs (which could apply retroactively, to as early as Nov. 4, 2021) could disrupt supply and manufacturing. Preliminary results of the investigation are expected in August 2022, with the anticipation of a final decision by Jan. 26, 2023.

MISO prepares for ‘worst-case scenarios,’ heads into summer with insufficient firm generation

<https://www.utilitydive.com/news/miso-prepares-for-worst-case-scenarios-heads-into-summer-with-insufficie/622932/>

In anticipation of a warmer than usual summer, MISO is predicting the system’s capacity will fall short of demand in both the north and central regions. The grid operator forecasts a peak July load at 124 GW and 118.5 GW of generation; a shortfall of 5.5 GW. This has caused capacity prices to increase almost 50 times from \$5/MW to \$236.66/MW. MISO expects that temporary, controlled outages may be necessary if worst-case demand conditions occur. June and August models also indicate capacity shortages, and training exercises are underway to prepare.