

January 2023 Market Report

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Including market research provided by BUE's analyst team

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NYMEX Natural Gas Pricing

The February 2023 contract settled at \$3.109/MMBtu.

The March 2023 contract was trading around \$2.45/MMBtu (as of publish date).

Natural Gas Storage Report

Current BCF in Storage (2022 vs 2021):

Week Ending	Total BCF	Week Ending	Total BCF
06-Jan-23	2,902	07-Jan-22	3,016
13-Jan-23	2,820	14-Jan-22	2,810
20-Jan-23	2,734	21-Jan-22	2,591
27-Jan-23	2,583	28-Jan-22	2,323

There is about 11% more in underground storage now than there was at this same time last year.

Weather (as of publish date)

6-10 Day: Fluctuating above-average temperatures next week support a prolonged stretch of much lower than normal GWHDDs.

Much warmer than average temperatures are expected across the eastern half of the US. The western half is more likely to be near or slightly colder than average.

11-15 Day: A returning -PNA pattern will drive even more warm air into the southern and eastern US, while the West trends colder.

Warmer-than-average temperatures are expected to persist across the East, while colder-than-average conditions are expected to persist in the West

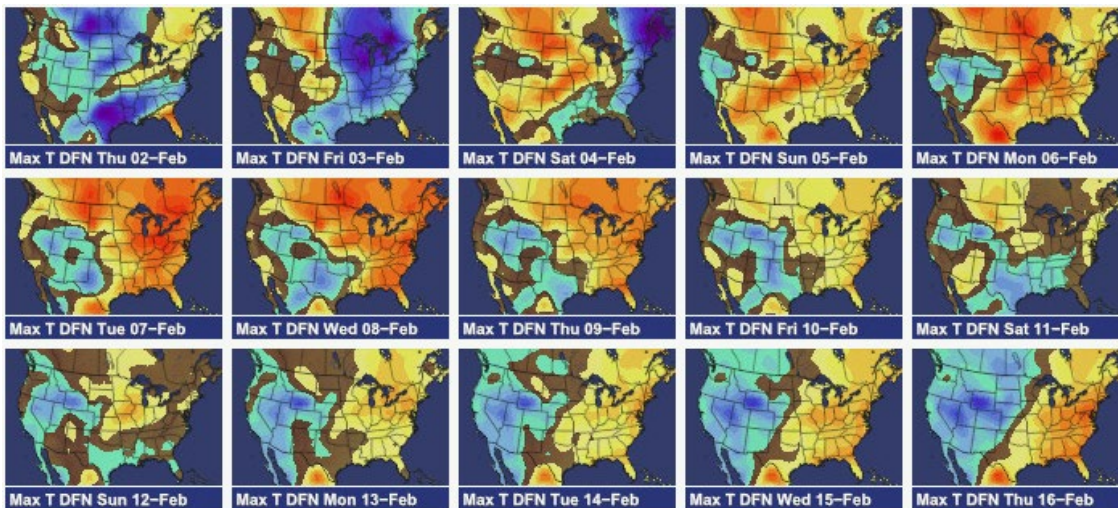


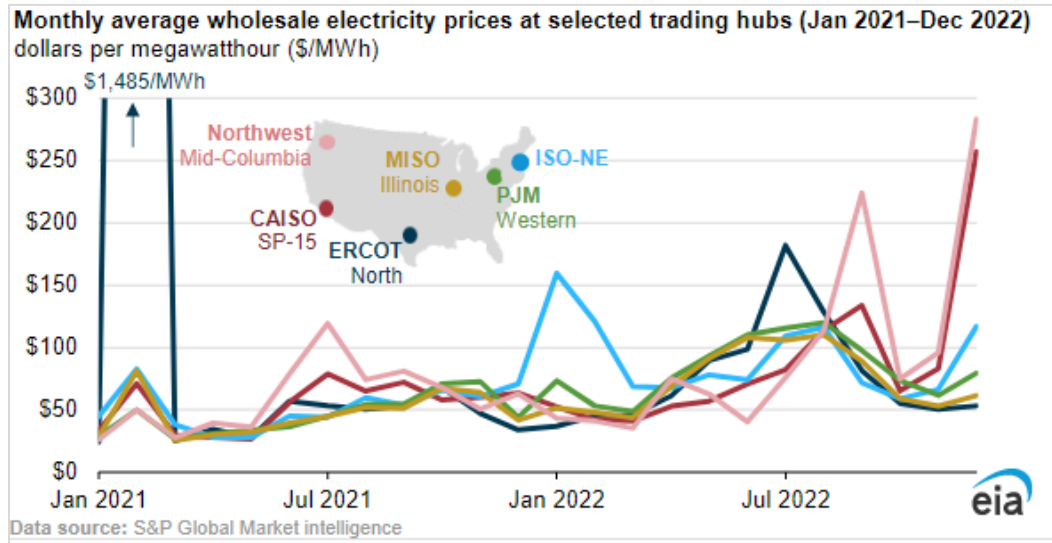
Photo and forecast courtesy of WSI Trader.

Market Updates

Wholesale U.S. electricity prices were volatile in 2022

<https://www.eia.gov/todayinenergy/detail.php?id=55139>

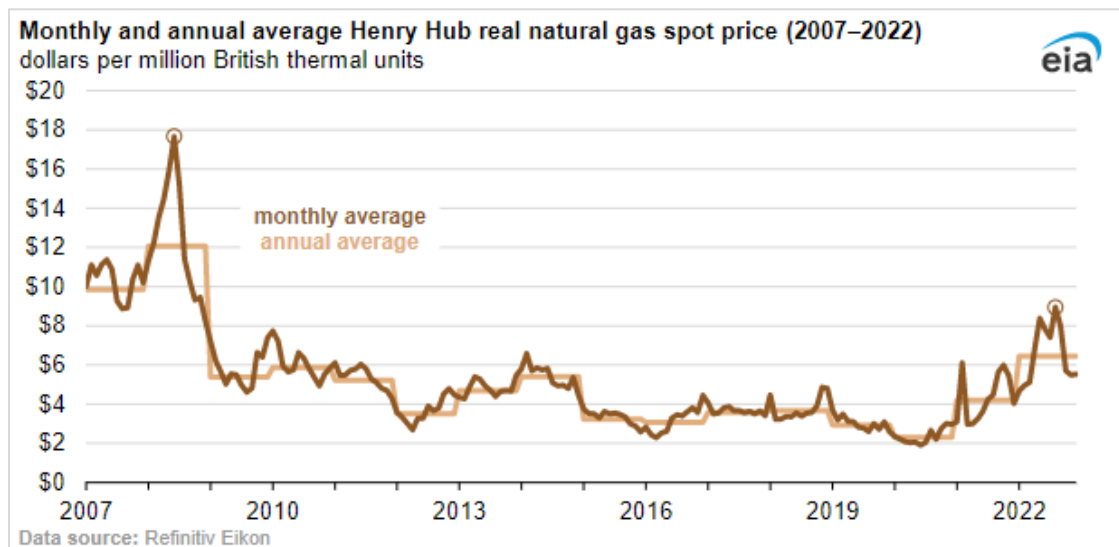
With extreme weather events, the average wholesale electricity prices at major trading hubs in the United States rose and were volatile throughout much of 2022. The limited availability of coal to substitute for higher-priced natural gas also contributed to the high prices.



Average cost of wholesale U.S. natural gas in 2022 highest since 2008

<https://www.eia.gov/todayinenergy/detail.php?id=55119>

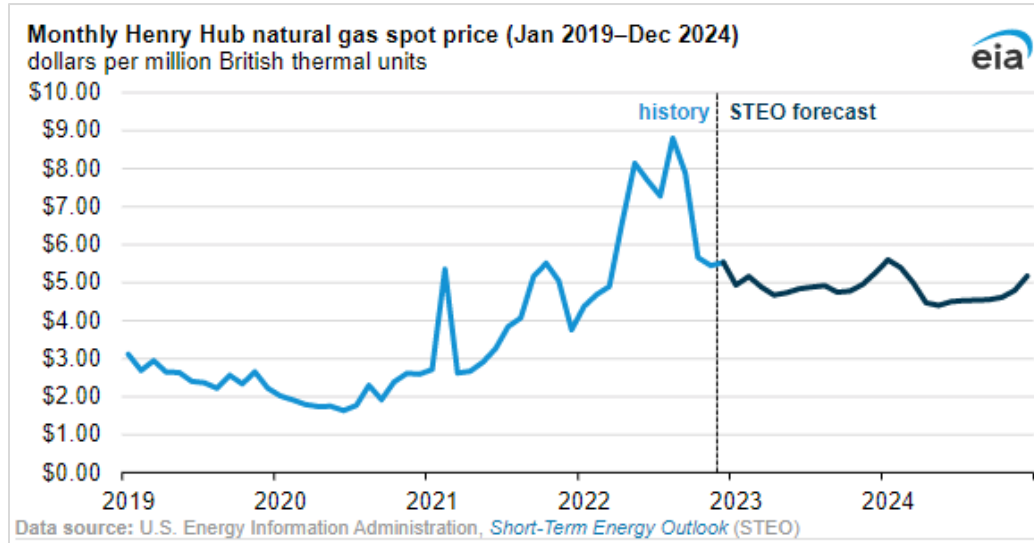
In 2022, the natural gas spot price at the Henry Hub averaged \$6.45 per MMBtu, the highest annual average since 2008! Check out the article for specific price fluctuations per quarter!



EIA forecasts lower wholesale U.S. natural gas prices in 2023 and 2024

Hyperlink

The EIA forecasted that the natural gas spot price at the Henry Hub will average \$4.90 per MMBtu in 2023 which is more than \$1.50 per MMBtu lower than the 2022 average. The EIA also expects prices to stay nearly the same in 2024 as dry natural gas production continues to grow in the US and outpaces domestic natural gas demand and exports for most of the year.



Constellation, NRG and other generators urge FERC to reject PJM’s mid-capacity auction rule change

<https://www.utilitydive.com/news/constellation-nrg-ferc-pjm-capacity-auction-proposal/640926/>

Major generators and clean energy trade groups are urging federal regulators to reject PJM’s proposal to change capacity market rules during an auction stating it would undermine certainty in wholesale power markets. On the other hand, PJM’s market monitor and state regulators generally support the proposal, as it would address a flaw in rules that PJM said would lead to a 400% increase over what they’d have expected for capacity prices in the Delmarva Power South area.

2023 Outlook: US power sector trends to watch

<https://www.utilitydive.com/news/2023-us-power-sector-trends-renewables-reliability-FERC-cybersecurity-hydrogen-nuclear-storage-EVs/640307/>

Utility Dive identified 9 trends to watch in 2023: FERC; Congress; cybersecurity; reliability; renewable energy; Hydrogen; energy storage; nuclear power and EVs. Check out the article to see a summary of each trend!