

August 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 September 2021 contract settled at \$4.370/MMBtu.

This is the highest settlement since Dec 2018's settlement of \$4.715/MMBtu.

The October 2021 contract is trading around \$4.635/MMBtu (as of 9/2/2021).

Natural Gas Storage Report

Current BCF in Storage (2021 vs 2020):

Week Ending	BCF	Week Ending	BCF
06-Aug-21	2,776	07-Aug-20	3,332
13-Aug-21	2,822	14-Aug-20	3,375
20-Aug-21	2,851	21-Aug-20	3,420
27-Aug-21	2,871	28-Aug-20	3,455

There is about 17% less in underground storage now than there was at this same time last year.

Weather (as of 9/2/2021)

6-10 Day: Rounds of early autumn air will overspread the eastern US as late summer warmth weather shifts across the West into the north-central US.

Slightly cooler than average conditions are expected across most of the East and Northwest.

Above average warmth is expected across a large portion of the West and north-central region of the US.

11-15 Day: A potential pattern change and zonal flow supports a warm up across the central and eastern US.

Above average temperatures are possible across much of the central and eastern US.

Temperatures across the western US could end up either side of average.

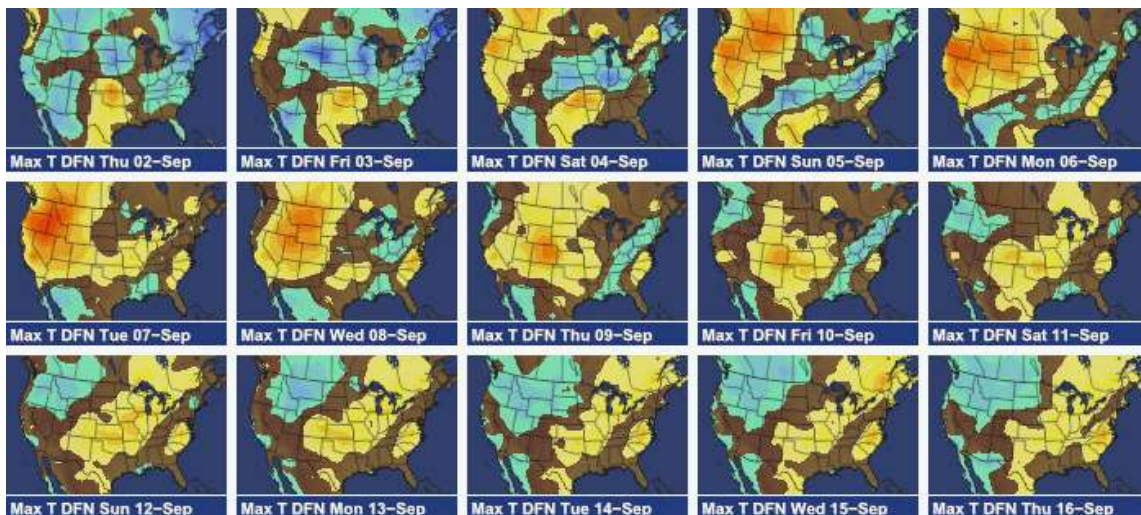


Photo and forecast courtesy of WSI Trader.

Market Updates

EIA expects below-average U.S. natural gas inventories entering the winter heating season

https://www.eia.gov/naturalgas/weekly/archivenew_ngwu/2021/08_12/

EIA forecasted the expected inventories of natural gas will reach 3,592 BCF by the beginning of the winter heating season. That is 159 BCF lower than the previous five-year average. Meanwhile, US production of dry natural gas has remained relatively flat; 2021 average so far is about 91.5 BCF per day.

PSEG unloads fossil fuel plants for \$1.9B in push toward decarbonization

<https://www.utilitydive.com/news/pseg-unloads-fossil-fuel-plants-for-19b-in-push-toward-decarbonization/604946/>

PSEG agreed to sell its 6,750 MW fossil-fuel plant portfolio for \$1.92 billion after a review of their non-nuclear power plants. The deal is expected to close between Q4 2021-Q1 2022. PSEG says the transaction will "continue their evolution toward a clean energy infrastructure".

Generators, labor groups urge New York to develop incentives for nonrenewable generation

https://www.utilitydive.com/news/generators-labor-groups-urge-new-york-to-develop-incentives-for-nonrenewab/605424/?utm_source=Sailthru&utm_medium=email&utm_campaign=Issue:%202021-08-24%20Utility%20Dive%20Newsletter%20%5Bissue:36284%5D&utm_term=Utility%20Dive

With plans to decarbonize the electric sector by 2040, independent power producers in NY are petitioning the state to support the development of "non-emitting generating resources" that are not currently classified as renewable. These are carbon captures, green hydrogen, nuclear and renewable natural gas. However, even clean energy advocates say the state's focus should be to build more wind and solar generation and invest in storage options since the goal of 70% renewable energy by 2030 is not close to being met yet.

International report confirms 2020 was among three warmest years on record

<https://www.ncei.noaa.gov/news/reporting-state-climate-2020>

The *State of the Climate* report confirmed one of the three warmest years was 2020. These records date back to the mid-1800s! New high temperature records were set across the globe and the report finds the major indicators of climate change continue to reflect the same trends as a warming planet.

Regional transmission investments continue to bolster reliability; summer 2021 update now available

<https://isonewswire.com/2021/08/16/regional-transmission-investments-continue-to-bolster-reliability-summer-2021-update-now-available/>

ISO-NE estimates \$1.1 billion in reliability improvements will hit the power grid through 2026. The 47 projects encompass all 6 states, including a dozen already underway. Not only do the improvements ensure reliability, but these upgrades should also help lower the cost of wholesale electricity!