

## News Tracker:


-Natural gas spot prices rose at most locations for the period Wednesday, December 13 to Wednesday, December 20 (the Report Week). The Henry Hub spot price rose from \$2.67 per million British thermal units (MMBtu) to \$2.70/MMBtu from open to close of the Report Week.

-At the New York Mercantile Exchange (Nymex), the January 2018 natural gas futures contract price fell 8¢ from \$2.715/MMBtu to \$2.637/MMBtu from beginning to end of the Report Week.

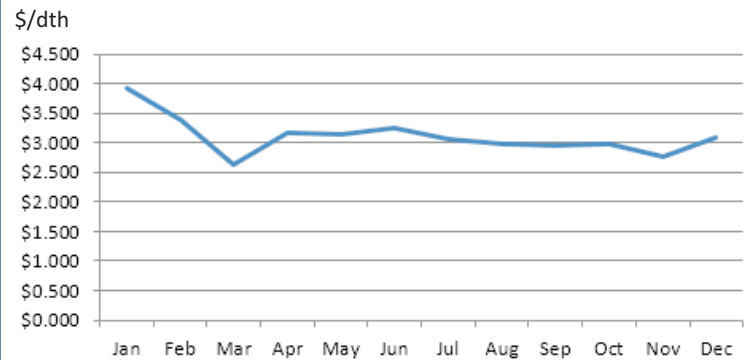
- Total U.S. consumption of natural gas fell by 8% compared with the previous report week, according to data from PointLogic Energy. Natural gas consumed for power generation declined by 8% week over week, while industrial sector consumption decreased by 3%. In the residential and commercial sectors, consumption declined by 10% with warmer-than-normal-temperatures for most of the country and temperatures close to normal for most of the eastern seaboard. Natural gas exports to Mexico increased 2%.

-Net withdrawals from working gas totaled 182 billion cubic feet (Bcf) for the week ending December 15. Working natural gas stocks are 3,444 Bcf, which is 5% lower than the year-ago level and 2% lower than the five-year (2012-16) average for this week. Colder weather throughout the Lower 48 states during the storage week resulted in increased consumption of natural gas. Substantial increases in natural gas consumption in the power and residential/commercial sectors during this storage week resulted in withdrawals from storage in every region of the Lower 48 states, with an especially strong one in the South Central region. Temperatures fell substantially this storage week compared to last week, though cumulative heating degree days (HDDs) this heating season are still well below normal. Temperatures in the Lower 48 states averaged 37°F this storage week, 1°F lower than the normal and 1°F higher than last year at this time.

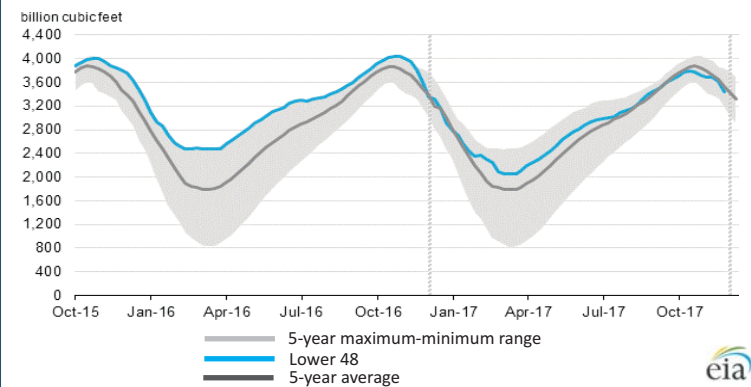
-According to Baker Hughes, for the week ending Tuesday, December 12, the natural gas rig count increased by 3 to 183. The number of oil-directed rigs fell by 4 to 747. The total rig count decreased by 1, and it now stands at 930.

Excerpted from 

## Monthly NYMEX Natural Gas Settle Price: Jan 2017 - Dec 2017:



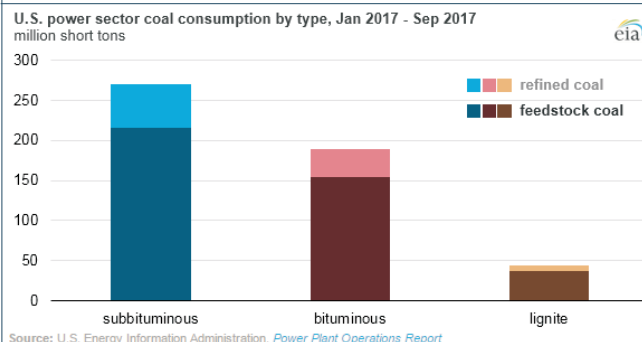
## Working nat. gas in underground storage as of December 15, 2017



## Forward 12-month NYMEX natural gas strip price - Jan18-Dec18:

Process Load-weighted \$2.646/dth - w/o/w = ▼\$0.076  
 Typical Heat Load-weighted \$2.663/dth - w/o/w = ▼\$0.080

## Refined coal has made up nearly one-fifth of coal-fired power generation so far in 2017:



Source: U.S. Energy Information Administration, Power Plant Operations Report

The US power sector consumption of coal is increasingly shifting to refined coal, even as coal-fired electricity generation decreases. Use of refined coal has increased from 17% of power sector coal consumption in 2016 to 19% so far in 2017, based on data through September. Refined coal has been processed to remove certain pollutants from raw, or feedstock, coal. Electricity generators fueled by refined coal can produce fewer emissions than those fueled by feedstock coal alone. Refined coal is most commonly made by mixing proprietary additives to feedstock coal. These additives contain a mixture of halogens (for example, bromine or chlorine) and metals to increase the production of mercury oxides. Oxidized mercury can be captured by using mercury emission reduction technologies such as flue gas desulfurization scrubbers and particulate matter control systems. Oxidized mercury can also be adsorbed by powder activated carbon injection (ACI) and captured by particulate matter control systems. The use of refined coal was encouraged by the American Jobs Creation Act of 2004, which created a tax credit for the

production of refined coal as long as the coal is refined by facilities unassociated with the consuming power plant. To qualify for the refined coal tax credit, producers must have a qualified professional engineer demonstrate that burning the refined coal results in a 20% emissions reduction of nitrogen oxide and a 40% emissions reduction of either sulfur dioxide or mercury compared with the emissions that would result from burning feedstock coal. The producer must demonstrate the achievable emissions reductions every six months to continue using the tax credit, and they can only qualify for the tax for the first 10 years the processing facility is in service. Any facilities currently claiming the refined coal tax credit must have been in service by December 2011.

Excerpted from 

“Be at war with your vices, at peace with your neighbors, and let every new year find you a better man.” -Benjamin Franklin<sup>1</sup>