



News Tracker:

-Natural gas spot prices rose substantially at most market locations this Report Week (Wednesday, May 25, to Wednesday, June 1). The Henry Hub spot price rose by 49¢, from \$1.77 per million British thermal unit (MMBtu) on Wednesday, May 25 to \$2.26/MMBtu on Wednesday, June 1.

-At the New York Mercantile Exchange (Nymex), the June 2016 natural gas futures contract expired on Thursday, May 26, at \$1.963/MMBtu. The price of the July contract rose from \$2.181/MMBtu on Wednesday, May 25 to \$2.381/MMBtu on Wednesday, June 1.

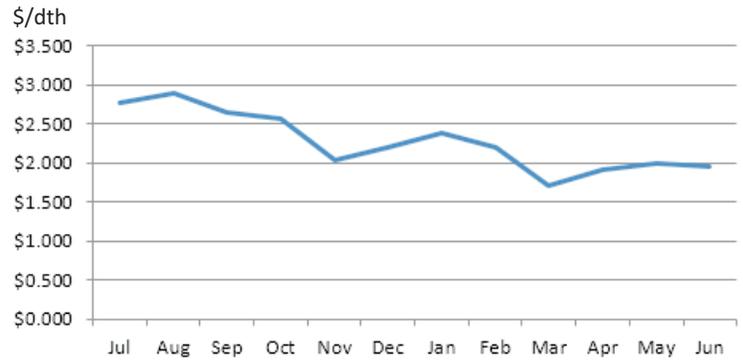
- Working gas in the Lower 48 states posted its seventh straight week of net injections. Net injections into storage totaled 82 Bcf during the storage report week, compared with the five-year (2011-15) average of 98 Bcf and last year's net injection of 126 Bcf during the same week. As a result, the surplus in storage compared with the five-year average declined from the previous week to 753 Bcf, and the surplus compared with year-ago levels decreased to 712 Bcf. The year-over-year storage surplus fell for the seventh consecutive week. Despite a slow start to the refill season, working gas stocks remain near record-highs for this time of year. Working gas stocks as of last Friday were 74 Bcf above the previous five-year (2011-15) maximum, which occurred in 2012, of 2,833 Bcf for this time of year. Cumulative net injections into working gas total 427 Bcf thus far in the 2016 refill season, compared with the five-year average of 548 Bcf and last year's tally of 723 Bcf during the same period. Cumulative net injections totaled 359 Bcf at this point in the 2012 refill season.

-According to Baker Hughes, for the week ending May 27, the natural gas rig count increased by 2 to 87 and oil-directed rigs fell by 2 to 316. The total rig count remained flat week over week at 404.

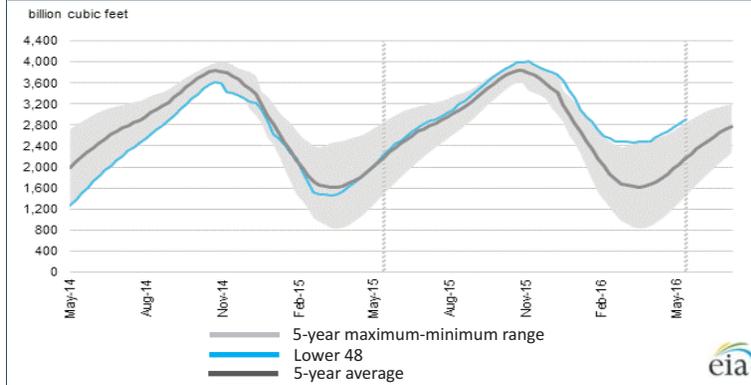
- Climbing temperatures result in falling heating and rising cooling demand for natural gas. Temperatures in the Lower 48 states averaged 65°F during the storage report week, 1% above normal and equal to last year at this time. The Lower 48 states totaled 27 heating-degree days (HDD) for the report weekits lowest level since the beginning of the refill season on April 1. Conversely, cooling degree-days (CDD) in the Lower 48 hit its highest level since the beginning of 2016, totaling 27 CDD.

Excerpted from eia

Monthly NYMEX Natural Gas Settle Price: Jul 2015 - Jun 2016:



Working nat. gas in underground storage as of May 27, 2016

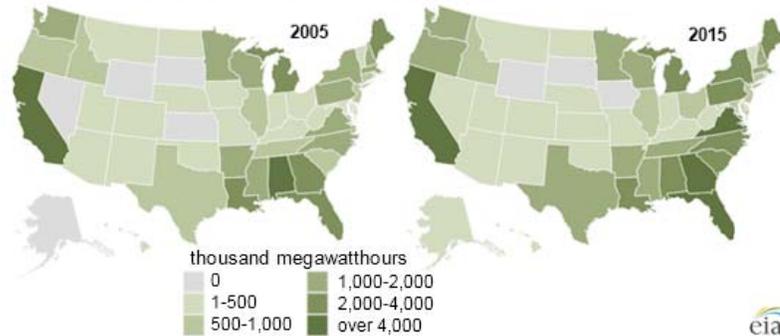


Forward 12-month NYMEX natural gas strip price - Jul16-Jun17:

Process Load-weighted \$2.800/dth (w/w = +\$0.086)
 Typical Heat Load-weighted \$2.945/dth (w/w = +\$0.061)

Southern states lead growth in US biomass electricity generation:

Biomass electricity generation in the United States (2005 and 2015)



Source: U.S. Energy Information Administration, Electric Data Browser, Net Generation for Biomass

Over the past five years, US electricity generation from biomass grew from 56 terawatthours (TWh) in 2010 to 64 TWh in 2015. Much of this growth occurred in southern states such as Virginia, Florida, and Georgia. In 2015, electricity generation from biomass accounted for 11.3% of renewable electricity generation and 1.6% of total electricity generation in the US. Nearly half of the electricity generated from biomass in 2015 was at industrial facilities outside of the electric power sector, such as pulp and paper mills. Within the electric power sector, biomass accounted for 6.3% of renewable electricity and 0.8% of total US electricity generation. Electricity generation from biomass uses several types of fuel, including forest wastes from clearing and thinning, sawmill residues, and urban landscape trimmings. These fuels can have widely varying physical properties and moisture contents, meaning biomass electricity generation plants often face unique fuel-handling challenges.

Many power plants that burn biomass are co-firing plants, meaning that they use biomass as a partial substitute fuel. Several states, especially those in the south, have increased their electricity generation from biomass. These states have ample forest resources, generally poor wind resources, and relatively unfavorable solar resources (compared to the Southwest), making biomass among the more readily available renewable energy resources in the region.

“So I have said that I think I think harder, think more than other people do, than other scientists do. That is, for years, almost all of my thinking was about science and scientific problems that I was interested in.” -Linus Pauling¹

This newsletter is provided to you for informational purposes only. The Legacy Energy Group, LLC makes no representations or warranties concerning the accuracy of the information contained herein and assumes no liability for any errors or omissions in the content herein. It is not intended to provide advice or recommendation. The Legacy Energy Group, LLC is a Kentucky limited liability company with offices in Virginia and Michigan, and serves clients throughout the United States and Canada.

©1999-2016 The Legacy Energy Group, LLC

¹ Linus Pauling Interview - Academy of Achievement (February 29, 2008), retrieved June 3, 2016, from <http://www.achievement.org/autodoc/page/pau0int-3>