

Newstracker:

-Natural gas spot price movements were mixed this Report Week - Wednesday, February 13 to Wednesday, February 20. Henry Hub spot prices rose from \$2.61 per million British thermal units (MMBtu) to \$2.71/MMBtu from open to close of the Report Week.

-At the New York Mercantile Exchange (Nymex), the price of the March 2019 natural gas futures contract increased 6¢, from \$2.575/MMBtu to \$2.636/MMBtu from start to finish of the Report Week. The price of the 12-month strip averaging March 2019 through February 2020 futures contracts climbed 3¢/MMBtu to \$2.826/MMBtu.

- Net withdrawals from storage totaled 177 Bcf for the week ending February 15, compared with the five-year (2014-18) average net withdrawals of 148 Bcf and last year's net withdrawals of 134 Bcf during the same week.

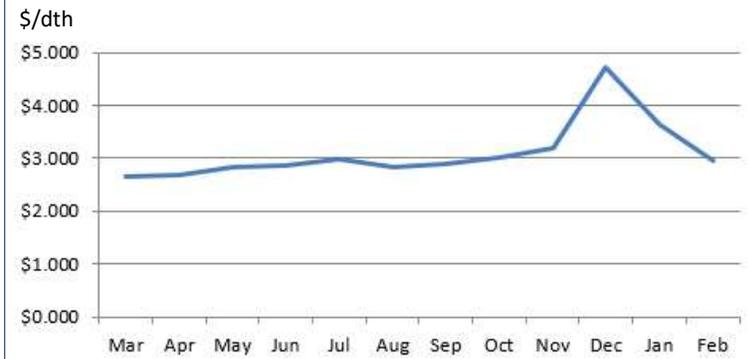
Working gas stocks totaled 1,705 Bcf, which is 362 Bcf (18%) lower than the five-year average and 73 Bcf (4%) lower than last year at this time. The average rate of net withdrawals from storage is 15% lower than the five-year average so far in the withdrawal season (November through March). If the rate of withdrawals from storage matched the five-year average of 9.8 Bcf/d for the remainder of the withdrawal season, total inventories would be 1,274 Bcf on March 31, which is 362 Bcf lower than the five-year average of 1,636 Bcf for that time of year.

- Total U.S. consumption of natural gas fell by 2% compared with the previous report week, according to data from PointLogic Energy. Natural gas consumed for power generation declined by 4% week over week. Industrial sector consumption decreased by 1% week over week. In the residential and commercial sectors, consumption declined by 2% as temperatures across the country generally increased across the eastern and central United States. Natural gas exports to Mexico decreased 3%.

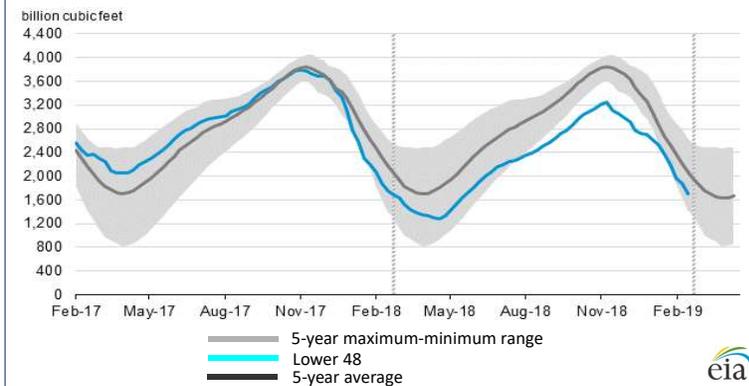
-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 38¢/MMBtu, averaging \$6.75/MMBtu for the week ending February 20. The price of ethane fell by 3%. The price of natural gasoline, propane, butane, and isobutane rose by 8%, 9%, 9%, and 13%, respectively.

-According to Baker Hughes, for the week ending Tuesday, February 12, the natural gas rig count decreased by 1 to 194. The number of oil-directed rigs rose by 3 to 857. The total rig count increased by 2, and it now at 1,051.

Monthly NYMEX Natural Gas Settle Price: Mar 2018 - Feb 2019:



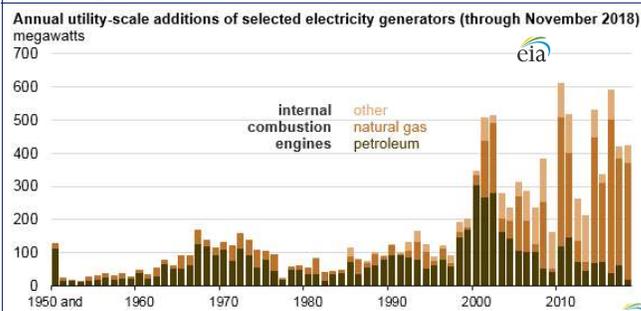
Working natural gas in underground storage as of Feb. 15, 2019



Forward 12-month NYMEX natural gas strip price - Mar19-Feb20:

Process Load-weighted \$2.826/dth - w/o/w = ▲\$0.030
 Typical Heat Load-weighted \$2.874/dth - w/o/w = ▲\$0.026

Natural gas-fired reciprocating engines are being deployed more to balance renewables:



Reciprocating internal combustion engines, which are typically used for backup, standby, or emergency power, are becoming increasingly popular for larger utility-scale power generation applications, especially in areas with high levels of electricity generation from intermittent sources such as wind and solar. The recent increase in natural gas or dual-fuel capable reciprocating internal combustion engine units has been driven in part by advancements in engine technology that increase operational flexibility and by changes in natural gas markets that have generally provided ample supply and relatively stable fuel prices. Reciprocating engines tend to be smaller than other types of natural gas-fired electricity generators and account for a relatively small share of power plants fueled by natural gas. Before 2010, reciprocating engines typically had no more than 9 MW in capacity, but in recent years, larger units that range from 16 MW to 19 MW have been installed throughout the US. Several of these engines are typically installed at one generation facility. One of the main advantages of reciprocating engines is their ability to provide incremental electricity quickly. Because these units can start and stop quickly and operate at partial loads, they have become increasingly important in areas with high shares of renewable electricity generation from wind and solar. Reciprocating engines can start up even when the grid has no power, which helps electric transmission grid operators match fluctuating power requirements and restore power after major storms. Engine manufacturers have also made advances in efficiency and emission reductions, particularly emissions of nitrogen oxides (NOx). In addition, power plants using internal combustion engines tend to require significantly less water than similarly sized combined-cycle or simple-cycle natural gas turbine plants.

Excerpted from  eia

“It suddenly struck me that that tiny pea, pretty and blue, was the Earth. I put up my thumb and shut one eye, and my thumb blotted out the planet Earth. I didn't feel like a giant. I felt very, very small.” -Neil Armstrong¹

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¹https://www.brainyquote.com/quotes/neil_armstrong_101138