

## Newstracker:

-US natural gas spot prices were mixed from Wednesday, December 14, to Wednesday, December 21 (the Report Week), during which the Henry Hub spot price fell 46 cents to \$6.14/MMBtu. Spt prices rose in the West and Midwest, but were lower in the East.


-The price of the January 2023 NYMEX natural gas futures contract decreased \$1.098 for the Report Week. The price of the 12-month strip averaging January 2023 through December 2023 futures contracts declined 61.8 cents to \$4.872/MMBtu. International natural gas futures price movements were mixed this report week, with LNG cargoes in East Asia increasing 96 cents to a weekly average of \$34.42/MMBtu and prices at TTF in the Netherlands decreasing \$7.47 to a weekly average of \$34.99/MMBtu.

-Net natural gas withdrawals from storage totaled 87 Bcf for the week ending December 16, compared with the five-year average net withdrawals of 124 Bcf and last year's net withdrawals of 60 Bcf during the same week. Working natural gas stocks totaled 3,325 Bcf, which is 22 Bcf (1%) more than the five-year average and 45 Bcf (1%) lower than last year at this time.

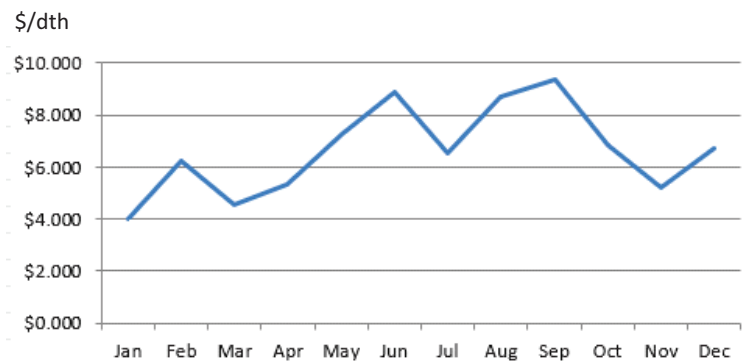
-Total US natural gas consumption rose by 15.5% (14.5 Bcf/d) compared with the previous Report Week: power generation burn increased by 8.2% (2.6 Bcf/d), industrial sector use increased by 4.9% (1.2 Bcf/d), and residential/commercial consumption increased by 28.6% (10.7 Bcf/d). Below-normal temperatures throughout much of the US this Report Week led to increased heating demand. Natural gas exports to Mexico increased 4.4% (0.2 Bcf/d), and natural gas deliveries to US LNG export facilities averaged 12.7 Bcf/d, which was 0.4 Bcf/d higher than last week.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, remained relatively unchanged at \$7.59/MMBtu for the week ending December 21. Propane prices fell 3%, while the weekly average price of Brent crude oil rose 2%, resulting in a 9% increase in the propane discount relative to crude oil.

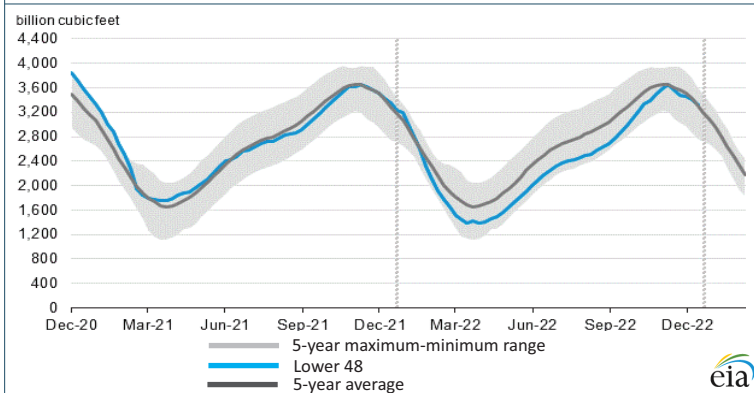
-For the week ending Tuesday, December 13, the natural gas rig count increased by 1 rig from a week ago to 154 rigs. The number of oil-directed rigs decreased by 5 rigs from a week ago to 620 rigs. The total rig count, which includes 2 miscellaneous rigs, is now 776 rigs.

Excerpted from 

## Monthly NYMEX Natural Gas Settle Price: Jan 2022 - Dec 2022:



## Working natural gas in underground storage as of Dec. 16, 2022

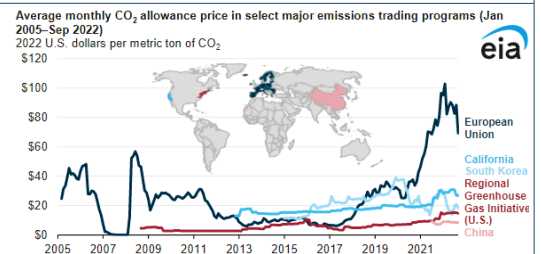


## Forward 12-month NYMEX natural gas strip price - Jan22-Dec23:

Process Load-weighted \$4.872/dth - w/o/w = ▼\$0.618  
 Typical Heat Load-weighted \$5.017/dth - w/o/w = ▼\$0.707

## Global allowance prices for Co2 emissions increased by over 40% in 2021:

Average allowance prices for CO2 emissions increased by over 40% in four of the world's five largest carbon emissions trading systems between January 2021 and January 2022. Emissions trading systems are government programs that regulate CO2 emissions. Regulated entities—such as power generators and industrial firms—can buy and sell CO2 emissions allowances, which permit them to release a specified amount of a greenhouse gas. Five of the largest emissions trading systems (by trading volume) are: EU's Emissions Trading System (EU-ETS); Korea Emissions Trading System (KETS); California Cap and Trade Program; Regional Greenhouse Gas Initiative (RGGI); and China's National Emission Trading System (China-ETS). Excepting China-ETS, allowance prices in each of these emissions trading systems significantly increased through 2021. The most significant increase in allowance prices occurred in the EU-ETS, where between January 2021 and January 2022, the monthly average allowance price for the EU-ETS more than doubled, increasing from \$46 per ton to \$95 per ton. Prices in the California Cap and Trade Program increased at a slightly slower rate of 46%, rising from \$19 per ton to \$28 per ton. Similarly, allowance prices increased in the KETS by 43%, from \$21 per ton to \$29 per ton. Prices in RGGI increased by 54%, from \$9 per ton to \$14 per ton. The rising allowance prices in each of these emissions trading systems are affected by local economies. Many countries experienced economic growth following the initial economic downturn caused by the pandemic. As economies grow, demand for energy increases, much of which is powered by fossil fuels. This increase in fossil fuel consumption raises the value of emissions allowances, as reflected in increased prices. Between January and September 2022, trends in average monthly allowance prices varied widely across emissions trading systems, during which average allowance prices decreased by \$26 per ton (27%) in the EU-ETS, \$11 per ton (37%) in the KETS, \$1 per ton (4%) in the California Cap and Trade Program, and by \$1 per ton (6%) in the China-ETS. Average allowance prices in RGGI remained relatively unchanged.



“Those who know don’t talk. Those who talk don’t know. Close your mouth, block off your senses, blunt your sharpness, untie your knots, soften your glare, settle your dust. This is the primal identity.” -Tao Te Ching<sup>1</sup>

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<sup>1</sup><https://www.goodreads.com/quotes/943476-those-who-know-don-t-talk-those-who-talk-don-t-know>