

Newstracker:

-Natural gas spot prices rose at all major locations from Wednesday, June 21, to Wednesday, June 28 (the Report Week), during which the Henry Hub spot price rose 47 cents to \$2.700/MMBtu.

-The July 2023 NYMEX natural gas futures contract expired on June 28 at \$2.603/MMBtu, up 1 cent from last Report Week. The August 2023 NYMEX contract price decreased 1 cent to \$2.668/MMBtu. The price of the 12-month strip averaging August 2023 through July 2024 futures contracts climbed 5 cents to \$3.185/MMBtu. International natural gas futures prices were mixed this Report Week, with LNG cargoes in East Asia rising 46 cents to a weekly average of \$11.96/MMBtu, and prices at TTF in the Netherlands decreasing \$1.45 to a weekly average of \$10.72/MMBtu. In the same week last year, prices were \$37.10/MMBtu in East Asia and \$40.74/MMBtu at TTF.

-Net natural gas injections into storage totaled 76 Bcf for the week ending June 23, compared with the five-year average net injections of 80 Bcf and last year's net injections of 81 Bcf during the same week. Working natural gas stocks totaled 2,805 Bcf, which is 358 Bcf (15%) more than the five-year average and 566 Bcf (25%) more than last year at this time.

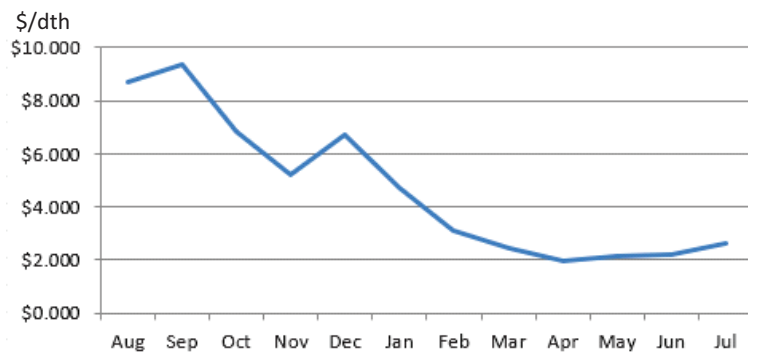
-Total US consumption of natural gas rose by 2.4% (1.6 Bcf/d), to 69.8 Bcf/d, compared with the previous Report Week. Natural gas consumed for power generation rose by 4.1% (1.6 Bcf/d), industrial sector consumption was unchanged, and residential and commercial sector consumption increased by 1.2% (0.1 Bcf/d) for the Report Week. Natural gas exports to Mexico decreased 1.6% (0.1 Bcf/d). Natural gas deliveries to US LNG export facilities averaged 11.5 Bcf/d, or 0.6 Bcf/d higher than last week.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 1 cent/MMBtu, averaging \$5.65/MMBtu for the week ending June 28. Propane prices fell 3%, following the Brent crude oil price, which fell 3%, decreasing the propane discount relative to crude oil by 3%.

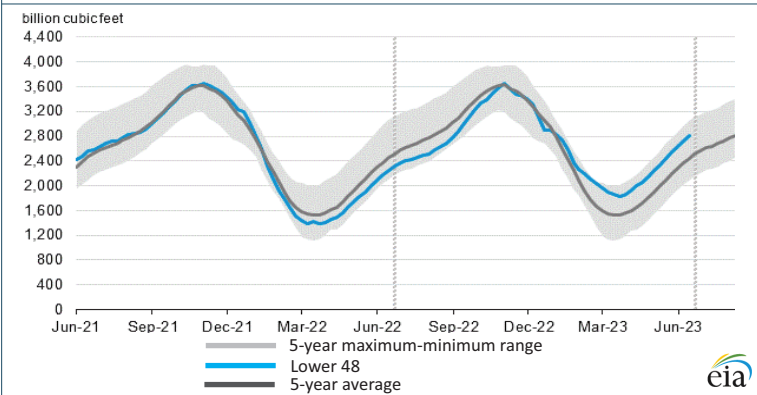
-For the week ending Tuesday, June 20, the natural gas rig count was unchanged from a week ago at 130 rigs. The number of oil-directed rigs decreased by 6 rigs from a week ago to 546 rigs. The total rig count, which includes 6 miscellaneous rigs, stands at 682, which is 71 fewer rigs than last year at this time.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Aug 2022 - Jul 2023:



Working natural gas in underground storage as of June 23, 2023

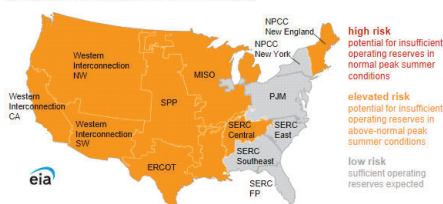


Forward 12-month NYMEX natural gas strip price - Aug23-Jul24:

Process Load-weighted \$3.185/dth - w/o/w = ▼\$0.050
 Typical Heat Load-weighted \$3.367/dth - w/o/w = ▼\$0.061

Two-thirds of North America is at risk of energy shortfalls in high summer heat, NERC says:

Risk of electricity supply shortfalls in summer 2023



If temperatures spike this summer, parts of the country could face electricity supply shortages as demand for cooling increases, according to analysis by the North American Electric Reliability Corporation (NERC). The latest summer reliability report from NERC warns that two-thirds of North America is at risk of energy shortfalls this summer during periods of extremely high electricity demand. All 20 NERC assessment areas have adequate power resources to meet normal peak summer demand this year, according to NERC. However, certain assessment areas are at elevated risk of electricity supply shortages if confronted with more extreme summer conditions. These areas include the US Western Interconnection, SPP, MISO, ERCOT, SERC-Central, and New England. US Western Interconnection - covers the western half of the country. Widespread heat waves could put the area at elevated risk of energy supply shortfall because it relies on regional electricity transfers to meet peak demand as well as in the evening hours when solar power drops off. Parts of the Western Interconnection, especially California, host a large and growing share of generation from solar power. SPP and MISO - covers most of the central US. Home to a significant amount of wind power. The intermittent nature of wind power presents operational challenges for grid operators. Wind output during periods of high electricity demand is a key factor in determining whether the system has sufficient electricity supply to maintain reliability in these areas. Low wind and high demand periods could result in energy emergencies. ERCOT - covers most of Texas. There is risk that dispatchable generation, such as generation from natural gas- or coal-fired power plants, in ERCOT may not be sufficient to meet electricity demand during an extreme heat wave with unusually low winds. Already in June ERCOT asked residents to voluntarily curb electricity use as a heatwave reached Texas. As in SPP and MISO, wind plays a significant role in ERCOT's generation mix. SERC-Central - covers all of TN and parts of GA, AL, MI, and KY. Utilities may deploy demand-side management in cases of above-normal peak summer demand or high generator-outage conditions. NPCC-New England - NPCC has less available capacity this summer than it had last summer. During more extreme demand or low resource conditions, operating procedures for obtaining emergency resources and electricity supplies from neighboring areas are likely to be needed.

"People watch TV and think a two-foot putt is the greatest thing in the world when a guy knocks it in. But nobody is rushing you. You don't have a center, you don't have a holder. You don't have 100,000 people screaming at you." - George Blanda¹

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¹https://www.brainyquote.com/quotes/george_blanda_1174553