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Energy Market Report

Report Date: September 29, 2023

Report Week: September 20, 2023 to September 27, 2023

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Newstracker:

-Natural gas spot prices were mixed at most major locations from Wednesday, September 20, to Wednesday, September 27 (the Report Week), during which the Henry Hub spot price fell 6 cents to $2.71/MMBtu.

-The October 2023 NYMEX natural gas futures contract expired Wednesday, September 27 at $2.764/MMBtu, up 3 cents from the previous Report Week. The November 2023 NYMEX contract price decreased 2 cents for the Report Week to $2.899/MMBtu. The price of the 12-month strip averaging November 2023 through October 2024 futures contracts fell 1 cent to $3.220/MMBtu. International natural gas futures prices increased this Report Week, with LNG cargoes in East Asia rising 80 cents to a weekly average of $14.63/MMBtu, and prices at TTF in the Netherlands increasing $1.32 to a weekly average of $12.61/MMBtu. In the same week last year, prices were $39.77/MMBtu in East Asia and $53.45/MMBtu at TTF.

-Total US consumption of natural gas rose by 1.3% (0.9 Bcf/d) compared with the previous Report Week. Natural gas consumed for power generation rose by 1.2% (0.4 Bcf/d) week over week. Industrial sector consumption decreased by 1.0% (0.2 Bcf/d), and residential and commercial sector consumption increased by 7.4% (0.6 Bcf/d). Natural gas exports to Mexico increased by 1.5% (0.1 Bcf/d). Natural gas deliveries to US LNG export facilities averaged 11.8 Bcf/d, or 1.2 Bcf/d lower than last week.

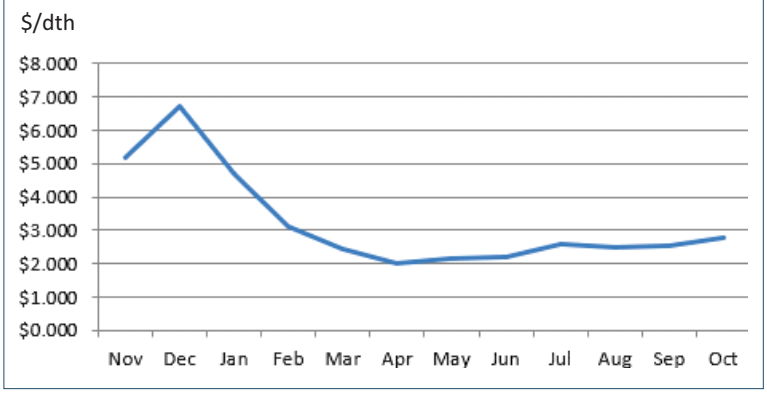
-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 47 cents/MMBtu, averaging $7.41/MMBtu for the week ending September 27. The average weekly propane price fell 6%, while the Brent crude oil price fell 1%. The propane discount relative to crude oil rose 4%.

-For the week ending Tuesday, September 19, the natural gas rig count decreased by 3 from a week ago to 118 rigs. The number of oil-directed rigs decreased by 8 from a week ago to 507 rigs. The total rig count, including 5 miscellaneous rigs, stands at 630 rigs, 134 fewer than last year at this time.

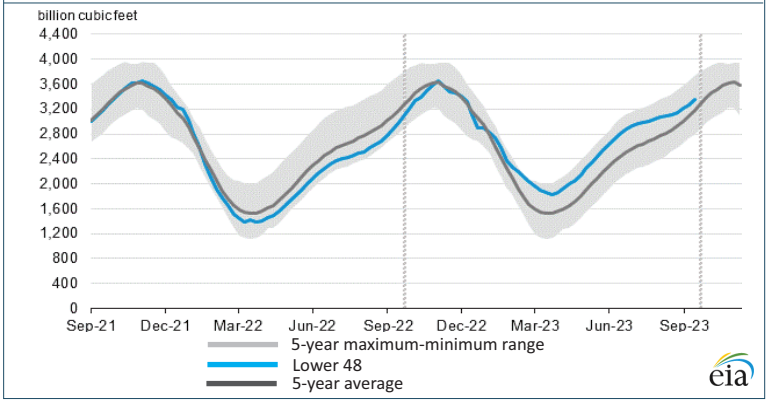
-Net natural gas injections into storage totaled 90 Bcf for the week ending September 22, compared with the five-year average net injections of 84 Bcf and last year's net injections of 103 Bcf during the same week. Working natural gas stocks totaled 3,359 Bcf, which is 189 Bcf (6%) more than the five-year average and 397 Bcf (13%) more than last year at this time.

Excerpted from eia

Monthly NYMEX Natural Gas Settle Price: Nov 2022 - Oct 2023:



Working natural gas in underground storage as of Sep. 22, 2023

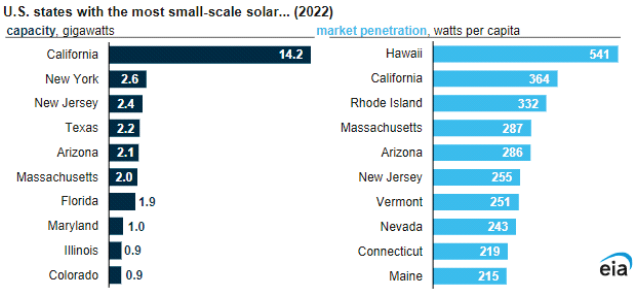


Forward 12-month NYMEX natural gas strip price - Nov23-Oct24:

Process Load-weighted $3.180/dth - w/o/w =▼$0.060

Typical Heat Load-weighted $3.248/dth - w/o/w =▼$0.083

Record US small-scale solar capacity was added in 2022:



The US Energy Information Administration estimates that the US added 6.4 gigawatts (GW) of small-scale solar capacity in 2022, the most ever in a single year. Small-scale solar—also called distributed solar or rooftop solar—refers to solar-power systems with 1 megawatt (MW) of capacity or less. Rooftop solar panels installed on homes make up the majority of small-scale solar capacity in the US. Small-scale solar power systems are also used in the commercial and industrial sectors. US small-scale solar capacity grew from 7.3 GW in 2014 to 39.5 GW in 2022. Small-scale solar makes up about one-third of the total solar capacity in the US. Tax credits and incentives, public policy, and higher retail electricity prices have encouraged the growth of small-scale solar capacity over the past decade. Falling solar panel costs have also played a significant role. California has, by far, the largest share of the country's small-scale solar capacity, at 36%. Ample sunshine, favorable incentives, and relatively high retail electricity prices have encouraged rooftop solar adoption in California. California's Net Energy Metering Program allows rooftop solar panels to be connected to the power grid and provides credits for any surplus electricity produced by the panels and sent to the grid. Starting in 2020, California requires newly built single-family homes and multifamily buildings up to three stories high to have solar panels installed. New York and New Jersey—mid-Atlantic states with less year-round sunshine—have the second- and third-most small-scale solar capacity, respectively, although in recent years, sunny Texas and Arizona have been closing the gap. Long-standing state policies in New York and New Jersey offer generous solar incentives and have encouraged small-scale solar growth. Many of the states with the most small-scale solar capacity also have large populations. Accounting for population size provides insight into how prevalent small-scale solar capacity really is in a state. Although California has the most small-scale solar capacity, Hawaii has the highest small-scale solar penetration, at 541 watts per capita.

Excerpted from eia

"It took me seventeen years to get three thousand hits in baseball. I did it in one afternoon on the golf course." -Hank Aaron[1]

[1]https://www.brainyquote.com/quotes/hank_aaron_387632