

Newstracker:

-US natural gas spot prices rose at most locations from Wednesday, September 25, to Wednesday, October 2 (the Report Week), during which the Henry Hub spot price climbed 14 cents to \$2.76/MMBtu.


-The October 2024 NYMEX natural gas futures contract expired on Thursday, September 26 at \$2.585/MMBtu. The November 2024 NYMEX contract price rose 7 cents to \$2.886/MMBtu for the Report Week. The price of the 12-month strip averaging November 2024 through October 2025 futures contracts was up 5 cents to \$3.246/MMBtu. International natural gas futures prices increased this Report Week, with LNG cargoes in East Asia up 13 cents at a weekly average of \$13.16/MMBtu, and prices at TTF in the Netherlands up \$1.04 to a weekly average of \$12.58/MMBtu. In the same week last year, prices were \$14.44/MMBtu in East Asia and \$12.11/MMBtu at TTF.

-Total US consumption of natural gas fell by 3.1% (2.3 Bcf/d) compared with the previous Report Week. Natural gas consumed for power generation declined by 6.8% (2.8 Bcf/d) week over week. Consumption in the industrial sector increased by 1.3% (0.3 Bcf/d), and consumption in the residential and commercial sector increased by 2.9% (0.3 Bcf/d) week over week. Natural gas exports to Mexico decreased 3.5% (0.2 Bcf/d). Deliveries to US LNG export facilities averaged 12.4 Bcf/d, or 0.2 Bcf/d lower than last week.

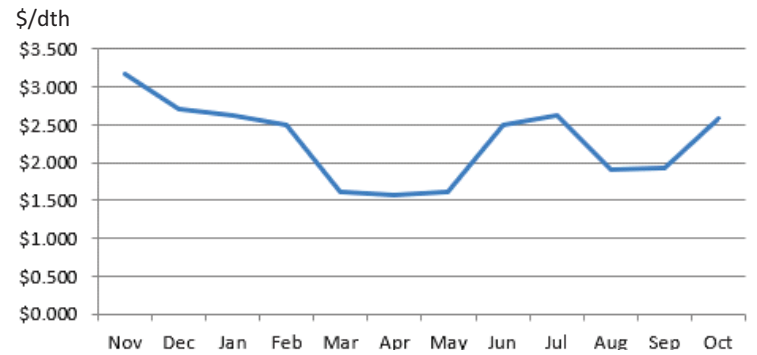
-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 20 cents/MMBtu, averaging \$6.86/MMBtu for the week ending October 2. Propane prices increased 5%, while Brent crude oil prices decreased 2% week over week, narrowing the propane discount to crude oil by 13%.

-For the week ending Tuesday, September 24, the natural gas rig count increased by 3 rigs from a week ago to 99. The number of oil-directed rigs was down 4 rigs from a week ago to 484 rigs. The total rig count, which includes 4 miscellaneous rigs, now stands at 587 rigs, 36 fewer rigs than a year ago.

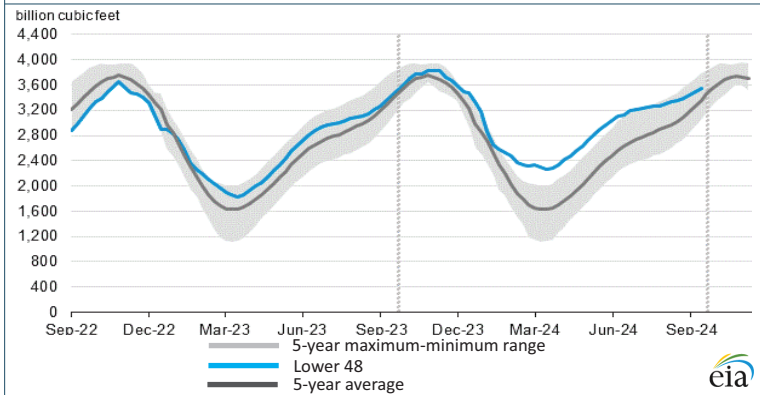
-Net natural gas injections into storage totaled 55 Bcf for the week ending September 27, compared with the five-year average net injections of 98 Bcf and last year's net injections of 87 Bcf during the same week. Working natural gas stocks totaled 3,547 Bcf, which is 190 Bcf (6%) more than the five-year average and 127 Bcf (4%) more than last year at this time.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Nov 2023 - Oct 2024:



Working natural gas in underground storage as of Sept. 27, 2024



Forward 12-month NYMEX natural gas strip price - Nov24-Oct25:

Process Load-weighted \$3.246/dth - w/o/w = ▲\$0.052
 Typical Heat Load-weighted \$3.263/dth - w/o/w = ▲\$0.050

Data center owners turn to nuclear as potential electricity source:

Last month, Constellation Energy announced a 20-year power purchase agreement (PPA) to provide electricity to Microsoft data centers in the mid-Atlantic region from the Unit 1 reactor at the Three Mile Island nuclear power plant in Pennsylvania. Unit 1 was retired in 2019 because then-operator Exelon said it was no longer profitable. According to Constellation, restarting will require significant investment at the plant, including upgrades to multiple systems and equipment. In the agreement announced on September 20, Constellation said it is aiming to reopen Three Mile Island Unit 1 sometime in 2028. The U.S. Nuclear Regulatory Commission (NRC) and state and local authorities will need to approve permits for the restart. Constellation plans to pursue a license renewal from the NRC that will extend plant operations to 2054. This arrangement is the second this year in which a nuclear power plant owner has agreed to supply a data center with dedicated power as data center owners look for large and reliable sources of electricity supply for planned increases in demand. In March, Amazon Web Services (AWS) signed a contract for 960 megawatts (MW) of capacity from Talen Energy's Susquehanna nuclear power plant in Pennsylvania. Although historically costly to build, nuclear power plants typically generate power at relatively low operating costs, with a single reactor generally having a capacity of 800 MW or more. Data center electricity demand doesn't fluctuate during the day in the same way as demand from residences or many other businesses. Instead, data center operators typically require a consistent and steady supply of electricity at all hours. Likewise, nuclear power plants operate continuously, and they have difficulty ramping up and down to match variable demand. Although the two agreements underscore that data center operators are in search of large sources of emissions-free electricity, future electricity demand from data centers is subject to several uncertainties, including how much data center capacity will be built, how long it will take each data center to reach its peak demand capacity, and how energy efficiency will improve as data center technology and design evolve. The PPA between Talen and AWS partly reflects this uncertainty. Rather than immediately taking on the fully contracted 960 MW from the Susquehanna plant, AWS will increase its share of capacity in 120-MW increments over multiple years. The company also has a one-time option to cap its commitment at 480 MW.

Nuclear power plants that have signed agreements to power data centers (as of Sep 2024)



“Somebody's gotta win and somebody's gotta lose and I believe in letting the other guy lose.” -Pete Rose¹