

Newstracker:

-US natural gas spot prices were mixed at most locations from Wednesday, June 19, to Wednesday, June 26 (the Report Week), during which the Henry Hub spot price rose 6 cents to \$2.45/MMBtu.

-The July 2024 NYMEX natural gas futures contract expired on Wednesday, June 26 at 2.628/MMBtu. The August 2024 NYMEX contract price fell 11.3 cents to \$2.745/MMBtu for the Report Week. The price of the 12-month strip averaging August 2024 through July 2025 futures contracts fell 15.8 cents to \$3.268/MMBtu. International natural gas futures prices were mixed this Report Week, with LNG cargoes in East Asia rising 25 cents to a weekly average of \$12.61/MMBtu, and prices at TTF in the Netherlands falling 27 cents to a weekly average of \$10.75/MMBtu. In the same week last year, prices were \$11.96/MMBtu in East Asia and \$10.72/MMBtu at TTF.

-Total US consumption of natural gas rose by 5.7% (4.1 Bcf/d) compared with the previous Report Week, driven by an increase in the electric power sector. Natural gas consumed for power generation climbed by 10.7% (4.4 Bcf/d), as extreme heat spread across the eastern US. Industrial sector consumption decreased by 0.6% (0.1 Bcf/d), and residential and commercial sector consumption declined by 1.8% (0.2 Bcf/d). Natural gas exports to Mexico decreased 3.5% (0.2 Bcf/d). Natural gas deliveries to US LNG export facilities averaged 12.2 Bcf/d, or 0.4 Bcf/d lower than last week.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 11 cents/MMBtu, averaging \$7.08/MMBtu for the week ending June 26.

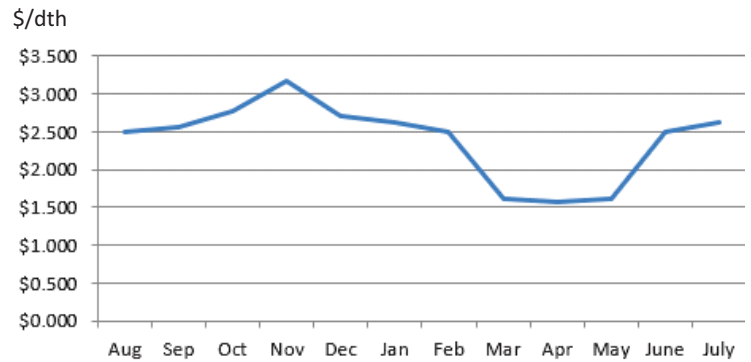
Propane prices increased 1%, while Brent crude oil prices increased 2% week over week. The propane discount to crude oil increased 3% for the week.

-For the week ending Tuesday, June 18, the natural gas rig count remained unchanged from a week ago at 98 rigs. The number of oil-directed rigs decreased by 3 rigs from a week ago to 485 rigs. The total rig count, which includes 5 miscellaneous rigs, now stands at 588 rigs, 94 fewer rigs than last year at this time.

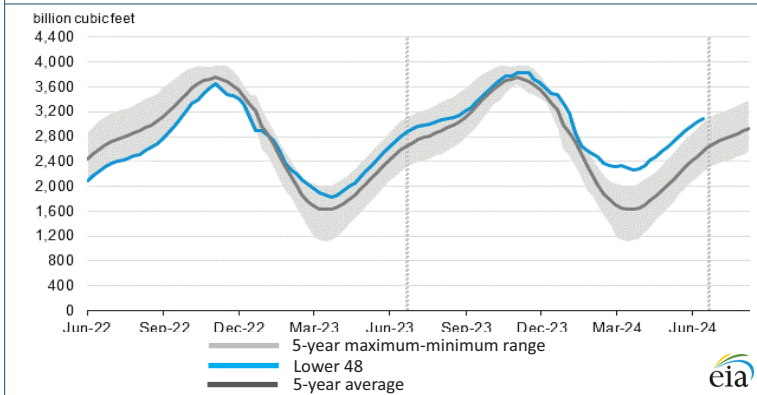
-Net natural gas injections into storage totaled 52 Bcf for the week ending June 21, compared with the five-year average net injections of 85 Bcf and last year's net injections of 81 Bcf during the same week. Working natural gas stocks totaled 3,097 Bcf, which is 528 Bcf (21%) more than the five-year average and 314 Bcf (11%) more than last year at this time.

Excerpted from eia

Monthly NYMEX Natural Gas Settle Price: Aug 2023 - Jul 2024:



Working natural gas in underground storage as of June 21, 2024

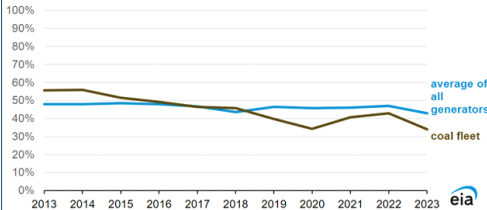


Forward 12-month NYMEX natural gas strip price - Aug24-Jul25:

Process Load-weighted \$3.268/dth - w/o/w = ▼\$0.158
 Typical Heat Load-weighted \$3.457/dth - w/o/w = ▼\$0.152

PJM has been dispatching coal-fired generators less than other generators:

Annual PJM electricity capacity factor (2013-2023)
 percentage of electricity produced compared with net summer capacity



Use of the coal fleet in PJM, the country's largest wholesale electricity market, has fallen over the last decade, driven largely by higher relative fuel costs. Much of the competitive pressure has come from the significant build out of efficient natural gas combined-cycle plants, the capacity of which has doubled in PJM since 2013. In 2023, the use of coal-fired generation in PJM dropped to 34% of capacity. In 2023, coal-fired generation contributed 14% of PJM's generation, while it made up 18% of its generating capacity. By comparison, in 2013, the capacity factor of coal-fired power plants in the market was 56%, when coal-fired power made up 44% of the market's generation and 38% of its capacity. PJM is the largest wholesale electricity market in the US, covering all or parts of DE, IL, IN, KY, MD, MI, NJ, NC, OH, PA, TN, VA, WV, DC. Operating costs of competing resources are significant factors for PJM to determine which plants will run.

How much the plant is called on affects operator decisions to keep coal-fired plants open. Other factors influencing dispatch and retirement decisions include local demand, wholesale prices, fuel supply contracts, maintenance costs, and debt service.

For coal, competitive pressure from other energy sources, particularly natural gas, has significantly reduced generation from PJM's coal fleet, increasing retirements. Since 2013, operators have retired about 34 gigawatts (GW) of coal capacity in PJM and switched about 2 GW of coal capacity to other energy sources, mostly natural gas. Although PJM still has the most independent power producer (IPP) coal capacity in the US, 17.6 GW, IPP coal plants accounted for most of the retired coal capacity in PJM since 2013, about 24 GW. As a result, the generation from IPP coal in PJM has fallen more than the generation from regulated facilities, which unlike IPPs, operate with cost recovery that tends to lower financial risk. Coal is currently the third-largest energy source in PJM behind natural gas and nuclear, and its participation remains significant. However, the effects of increasing competitive pressures from both natural gas and renewables are evident as operators plan to retire nearly 20% of current coal capacity in PJM by 2028. The output from the rest of the coal-fired capacity in PJM will likely continue to reflect a diversity of run times.

Excerpted from eia

"I played with the Birmingham Black Barons. I was making \$500 at 14. That was a lot of money in those days." - Willie Mays