



XpenseSolutions

Energy Advisory Services

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Energy Market Update

September 2024

Natural Gas Market Update

Natural Update

July's heat across much of the United States drove natural gas prices higher. August is expected to bring cooler temperatures that will reduce power generation demand for natural gas.

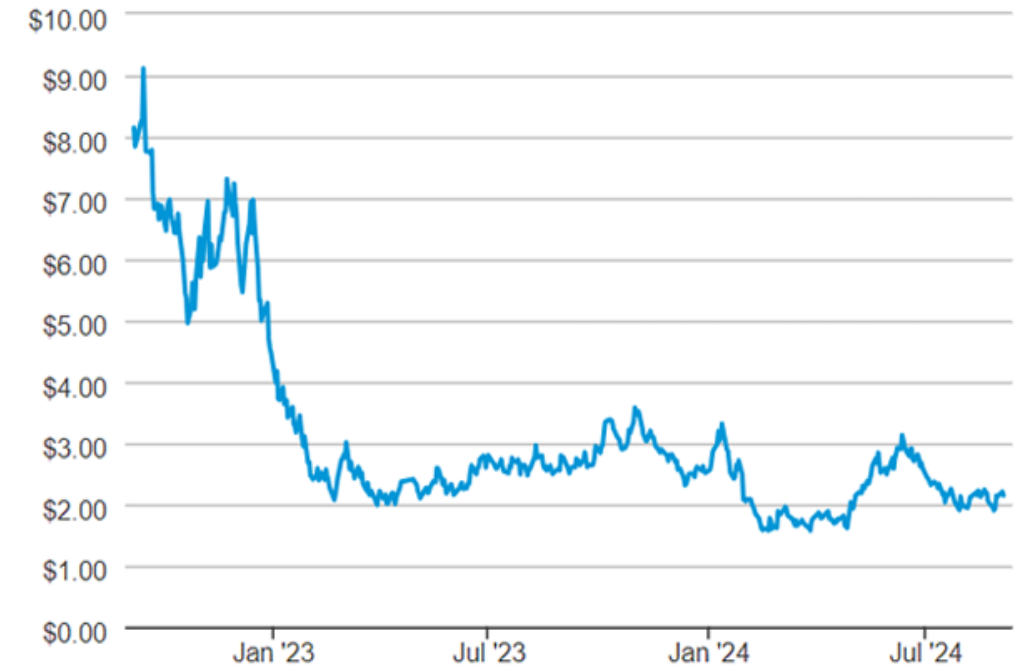
Due to falling consumption and flat production, it is expected that the Henry Hub price will [stay relatively low](#), remaining below \$2.50/MMBtu through October. However seasonal increases in consumption for space heating, along with a ramp up in liquefied natural gas (LNG) exports from new facilities in Texas and Louisiana, will push the Henry Hub price to average about \$3.10/MMBtu from November through March.

Information supplied from EIA

Near-month natural gas futures prices (NYMEX)



dollars per million British thermal units



Data source: CME Group as compiled by Bloomberg, L.P.

Electric Power Market Update

Electric Power Update

Electricity generation prices are increasing slowly because of lower natural gas prices. It is expected electric generation prices will rise by about 1% for the remainder of 2024 for commercial industrial customers, which would be the lowest percentage growth since 2020. Natural gas prices started falling in 2023, and the resulting lower costs of producing electricity are now being reflected in retail electricity prices as regulatory authorities approve new rates.



Recent Events

The recent PJM Capacity Auction will impact your budget starting June 2025.

- The current paying a PJM Capacity Charge of \$28.92 per MW-day
- Starting on June 1, 2025, this charge will increase to \$269.92 per WM-day
- This is a 933% increase
- While this charge is unavoidable, it is manageable.

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