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NGSA Winter Natural Gas Outlook: Weather, Storage and Thriving Exports to Place Upward Pressure on Natural Gas Despite Record Production

Washington, D.C. –Natural gas production is projected to increase a resounding 4 percent this winter, but lower-than-average storage along with an estimated 2 percent increase in demand will combine to place upward pressure on natural gas prices compared to last winter, the Natural Gas Supply Association (NGSA) said today in its 22nd annual *Winter Outlook* forecast of the wholesale winter natural gas market.

Despite the major increase in natural gas production, the NGSA *2022-2023 Winter Outlook* predicts upward pressure on the market compared to last winter, when natural gas averaged \$4.51 per MMBtu at the Henry Hub. Winter is defined as November through March, the industry’s traditional heating season.

“The Outlook shows producers are rising to the challenge of strong winter demand for natural gas at home while meeting the critical needs of an under-supplied global market,” said David Attwood, Chairman of NGSA and Vice President of the Americas, Global Gas Optimization & Trading at ExxonMobil. **“It’s also a banner year for changes in the power generation mix, with 55 gigawatts of new natural gas and renewable resource capacity expected to come into service. These changes make additional natural gas pipeline takeaway capacity even more imperative so that quick-ramping natural gas can be available to provide balance and reliability to the grid.”**

In brief, NGSA’s analysis of individual supply and demand factors showed:

Supply – Production is expected to increase by 4 percent. *Downward pressure.*

Economy –Expected GDP growth of -.05 percent. *Downward pressure.*

Weather –Anticipated 3.3 percent colder than last winter. *Upward pressure.*

Overall Demand – Customer demand projected to average 118.1 Bcf/day, a 2 percent increase winter-over-winter, primarily in the **export sector and industrial sector.** *Upward pressure.*

Storage – Expectation to enter winter 9 percent below the 5-year average with 3.45 Tcf of gas in storage, considerably less than last winter’s 3.64 Bcf levels. *Upward pressure.*

NGSA said that utilities and industrial customers can use tools and strategies to help build a diverse and stable natural gas supply portfolio that balances daily spot market, short-term and longer-term contracts to help mitigate exposure to daily spot market price changes. Spot market prices are just one part of the overall volumes of natural gas being bought and/or sold, NGSA said.

NGSA used data from Energy Ventures Analysis, Moody’s Analytics and publicly available sources including the Energy Information Administration for its demand and supply projections. **The NGSA analysis does not project actual price figures for wholesale or retail markets.** For more information, please see [NGSA’s 2022-23 Winter Outlook PowerPoint presentation](#) and the [EVA Executive Summary](#) at www.ngsa.org.

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The Natural Gas Supply Association (NGSA) represents integrated and independent companies that supply natural gas. Founded in 1965, NGSA is the only national trade association that solely focuses on producer-marketer issues related to the downstream natural gas industry. NGSA advocates for well-functioning markets that foster a growing, competitive market for natural gas. NGSA is dedicated to achieving a cleaner future through strong partnerships with renewables and supporting innovative technologies and market solutions that reduce emissions. For more information, please visit www.ngsa.org.

Markets Matter: *Representing America’s Major Producers and Suppliers of Natural Gas Since 1965*