

NEWS FOR RELEASE 9:30 AM ET, OCT. 5, 2023

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NGSA Winter Natural Gas Outlook Projects Record Demand and Production Combining to Put Slight Downward Market Pressure on Natural Gas This Winter

Washington, D.C. –Demand for natural gas is projected to set a new record this winter, but higher-than-average storage, record production, and a slowing economy will provide ample supply. Together these factors will place slight downward pressure on natural gas prices compared to last winter, the Natural Gas Supply Association (NGSA) said today in its 23rd annual *Winter Outlook* forecast of the wholesale winter natural gas market.

The NGSA 2023-2024 *Winter Outlook* compared the upcoming winter to the winter of 2022-2023, when natural gas averaged \$3.83 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 meeting strong winter demand for natural gas at home while continuing to meet the critical needs of an under-supplied global market,” said Freeman Shaheen, Chairman of NGSA and President for Global Gas at Chevron. **“We also continue to see growth in new gas-fired power generation along with 27 gigawatts of new renewable resource capacity expected to come into service and another 10 gigawatts of coal retirements. These changes in the fuel mix make additional pipeline capacity even more imperative so that quick-ramping natural gas can be available to the grid to complement renewables.”**

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

Supply – Production is expected to increase by less than 1 percent, still a record. *Flat pressure.*

Economy –Expected GDP growth of 1.3 percent. *Downward pressure.*

Weather –Anticipated 3 percent colder than last winter. *Upward pressure.*

Overall Demand – Customer demand projected to average 121.4 Bcf/day, a nearly 3 percent increase winter-over-winter, primarily in the **export sector** and **residential and commercial sector**. *Upward pressure.*

Storage – Expectation to enter winter 2 percent above the 5-year average with 3.7 Tcf of gas in storage, considerably more than last winter's 3.5 Tcf levels. *Downward pressure.*

NGSA said that utilities, merchant generators and industrial customers can use tools to build a diverse natural gas supply portfolio that mitigates exposure to daily spot market price changes and enables access to multiple suppliers and local storage to meet unexpected real-time needs. Spot market prices represent just one facet of the overall volumes of natural gas on the market, and if arrangements are made in advance, suppliers can also tailor more sophisticated natural gas packages to meet a customer's flexibility requirements. All of these actions can give customers more purchase options, especially during tight market conditions.

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 2023-24 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*