

NEWS FOR RELEASE AT 4 AM ET, MAY 9, 2024

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NGSA Summer Outlook: Consumers to Benefit from Strong Storage and Production During Summer of Record Demand

Washington, D.C. – Natural gas demand is projected to remain at record levels this summer, driven primarily by power market consumption and exports, but a small increase in production, combined with higher-than-average storage levels, is expected to place downward pressure on natural gas prices compared to last summer, the Natural Gas Supply Association (NGSA) said today in its annual *Summer Outlook* forecast of the wholesale summer natural gas market.

Despite the expectation for customer demand to increase by 1 percent summer-over-summer, the NGSA 2024 *Summer Outlook* predicts downward pressure compared to last summer, when natural gas averaged \$2.44 per MMBtu at the Henry Hub. Summer is defined as April through October, the industry's traditional cooling season.

"The Outlook shows producers are meeting record summer demand for natural gas at home while also providing for the global market," said Freeman Shaheen, Chairman of NGSA and President of Global Gas at Chevron. "NGSA's forecast predicts a record amount of temporary switching to lower-carbon natural gas-fired generation this summer because of the highly-competitive price of natural gas."

"The power generation mix of our country is rapidly changing. Since 2018, almost 200 gigawatts of new natural gas, renewable resources, and energy storage capacity has already been or will soon be integrated into the grid," Shaheen added. "These changes make additional natural gas pipeline takeaway capacity imperative so that quick-ramping natural gas can be available to provide balance and reliability to the grid while reducing emissions."

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

Supply – Production is expected less than 1 percent higher than last summer. *Flat pressure.*

Economy – Expected GDP growth of 4 percent is strong but less than last summer. *Flat pressure.*

Weather – Anticipated 3 percent more cooling degrees than last summer. *Upward pressure.*

Overall Demand – Customer demand projected to average record 99.2 Bcf/day, a 1 percent increase summer-over-summer, primarily in the **power burn and export sectors**. *Flat pressure.*

Storage – Expectation to enter summer with 2.26 Tcf of gas in storage, considerably higher than last summer's 1.8 Tcf. *Downward pressure.*

NGSA said that utilities and industrial customers can use tools to help build a diverse and stable natural gas supply portfolio that balances daily spot market, short-term and longer-term contracts.

NGSA used data from Energy Ventures Analysis, Moody's Analytics, the Conference Board 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 the attached [NGSA 2024 Summer Outlook PowerPoint presentation](#) and the [EVA Executive Summary](#).

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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