

The Advisor

DATA-DRIVEN, HOLISTIC ENERGY CONSULTING

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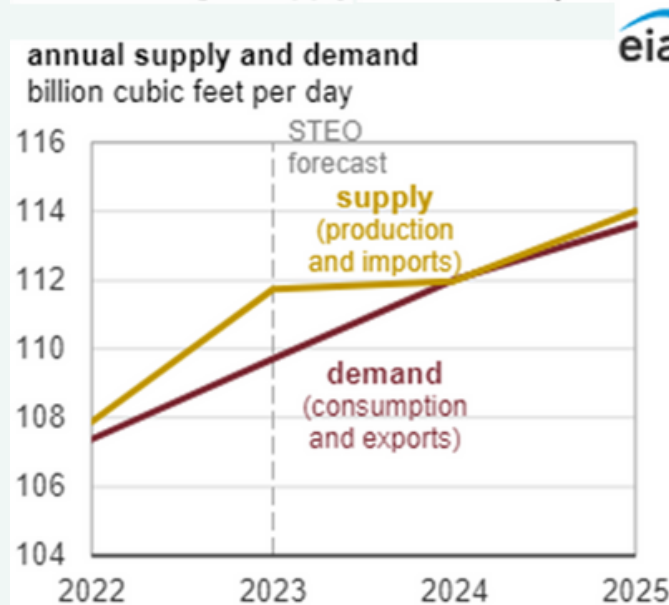


MARKET MOMENT

Demand growth in the US has been strong but has come on slower than expected. As a result, producers have over-built their production capabilities. And thus, despite extremely low spot prices, the US is currently producing the most natural gas we have ever produced. This robust supply has filled our storage (16% above 5-year average) and has driven down prompt prices to levels that challenge record lows.

figure 1

U.S. natural gas supply and demand (Jan 2022–Dec 2025)



DRIVING PRICES HIGHER

Even the January cold-snap, during which the U.S. set a record for single-day gas usage, has not been enough to bolster falling spot prices (*figure 2*). The supply glut is pushing down prompt prices, which in turn are pulling down future months. The rest of 2024 is trading at record lows. Further out into 2025 and 2026, there are demand increases on the horizon from both increased exports and power generation. There is also the question of how suppliers will respond to the cratering of spot prices; we may start to see cutbacks in production forecasts, which could push up future prices.

DRIVING PRICES LOWER

There is a lot of gas available right now. Storage withdrawals have been minimal as the cold weather in January transitioned into a milder February. We look to be tracking toward a strong storage position after the winter. The prompt contract (March) traded below \$1.60/Dth briefly on February 20th before rebounding toward the end of the trading day (*figure 3*). But while gas prices have trended downward, power prices in many regions have been slower to drop, buoyed by costs associated with electricity infrastructure maintenance.

figure 2

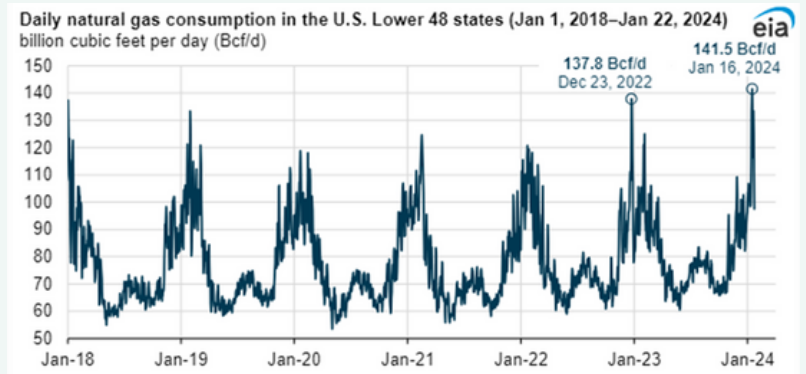
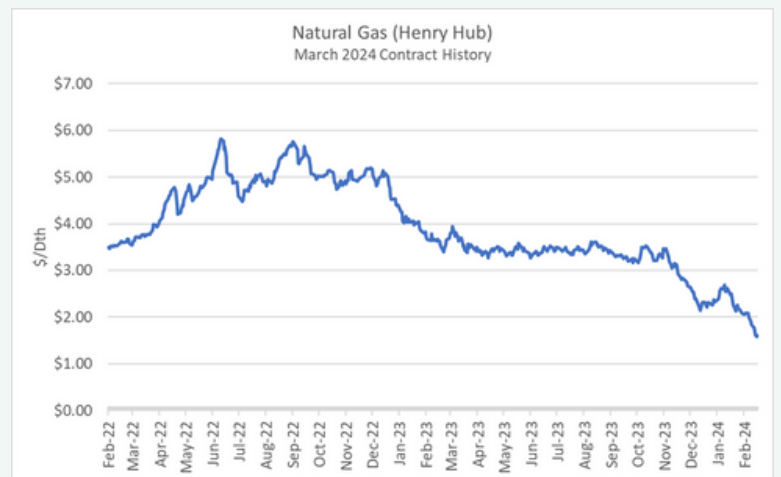


figure 3



DID YOU KNOW?

The Federal Energy Regulatory Commission, or FERC, is responsible for regulating energy markets around the U.S. They also are responsible for approving various projects, such as LNG export terminals. FERC has 5 senate-appointed seats, but only 3 of those seats are currently filled, the minimum needed to achieve quorum. Allison Clements has indicated she will not seek another term in June. Should she not be replaced, many infrastructure projects will be stuck in a regulatory purgatory, which could threaten both the long-term supply and demand of energy around various regions.





THE RISING NEED FOR ESG SKILLS AND TRAINING

The increasing demand for ESG skills and training stems from various factors, such as investor pressure for risk assessment and regulatory changes. For seasoned sustainability professionals it's exciting to see this shift, but what implications does it hold for organizations, and what potential benefits might arise from it?

Gwendolen White, Lead Trainer at ISOS Group, a division of Environ, delves into upcoming requirements and explores how training can assist in preparing organizations for this impending shift.

[Read More>>](#)

WHAT'S NEW?

APPI ENERGY ENHANCED CAPABILITIES WITH ENVIRON

Since 1996 APPI Energy has been providing data-driven procurement and integrated energy solutions to commercial and industrial clients across the U.S. As part of Environ, APPI now has enhanced capabilities to provide a wide variety of energy services, such as improving building energy efficiency, facilitating clean energy procurement, increasing resilience, complying with regulations, and meeting ESG commitments. Take a glimpse of the full range of offerings now available.

[Read More>>](#)



CLIENT CORNER



"APPI Energy was a breeze to work with. Our consultant was attentive to our energy needs and knowledgeable on the conditions and timing of the energy market. When the pricing was not favorable for us, he recommended that we wait until the next month to look at pricing. When the time was right, he gave us recommendations on the supplier and contract length that would offer us the best pricing and conditions. We truly felt like he listened and cared about our company. The service didn't stop with our consultant, the customer service team was just as accommodating. When we reached out with a billing issue, they immediately talked to our supplier and worked out the issue with ease. We didn't have to lift a finger."

Tracy Ritko

CFO, First Federal Savings Bank

**All market data above is at the national level, but regional and local energy market conditions can vary widely. For an in-depth review of current energy market conditions impacting your organization, please contact our team of dedicated, expert Energy Consultants: 800-520-6685 or info@appienergy.com.*