



Natural Gas Supply Association

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# 2024-2025 WINTER OUTLOOK

## MARKETS MATTER

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[ngsa.org](https://ngsa.org)



Upward market pressure

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Flat market pressure

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Downward market pressure

## LOOKING AHEAD TO WINTER 2024-2025



### Market Pressure Points



Production/Supply



Weather



Economy



Demand



Storage



### Wild Card Factors



### Winter Expectations

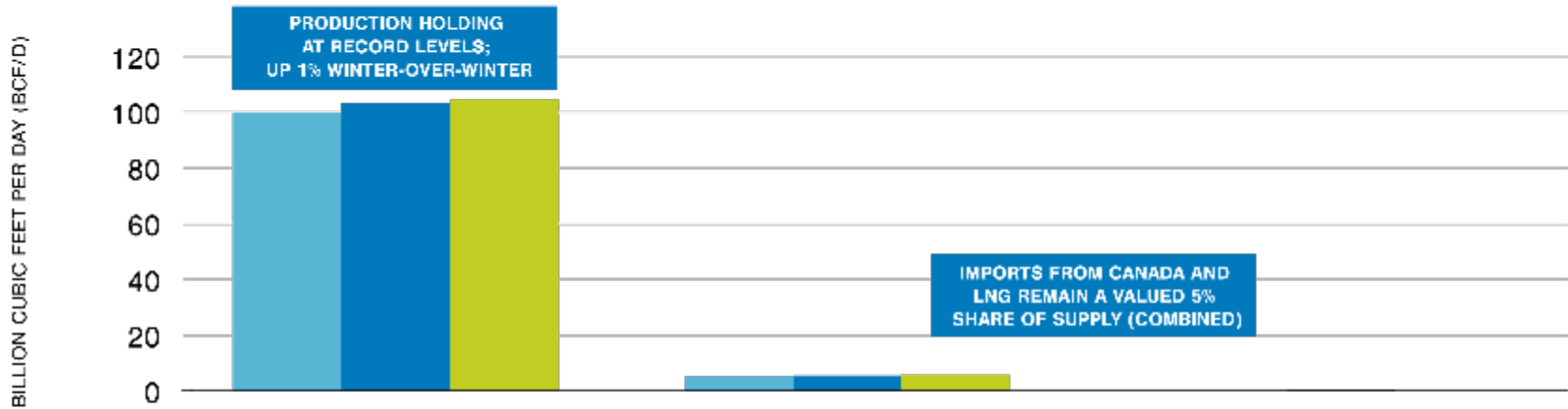
## SUMMARY

# Supply: Winter Production to Surpass Previous Records But Growth Rate Slows

## WINTER 2024-2025 SUPPLY FORECAST: 111.6 BCF/D

PREVIOUS 3-YEARS AVERAGE: 105.6 BCF/D

LAST WINTER'S AVERAGE: 109.1 BCF/D

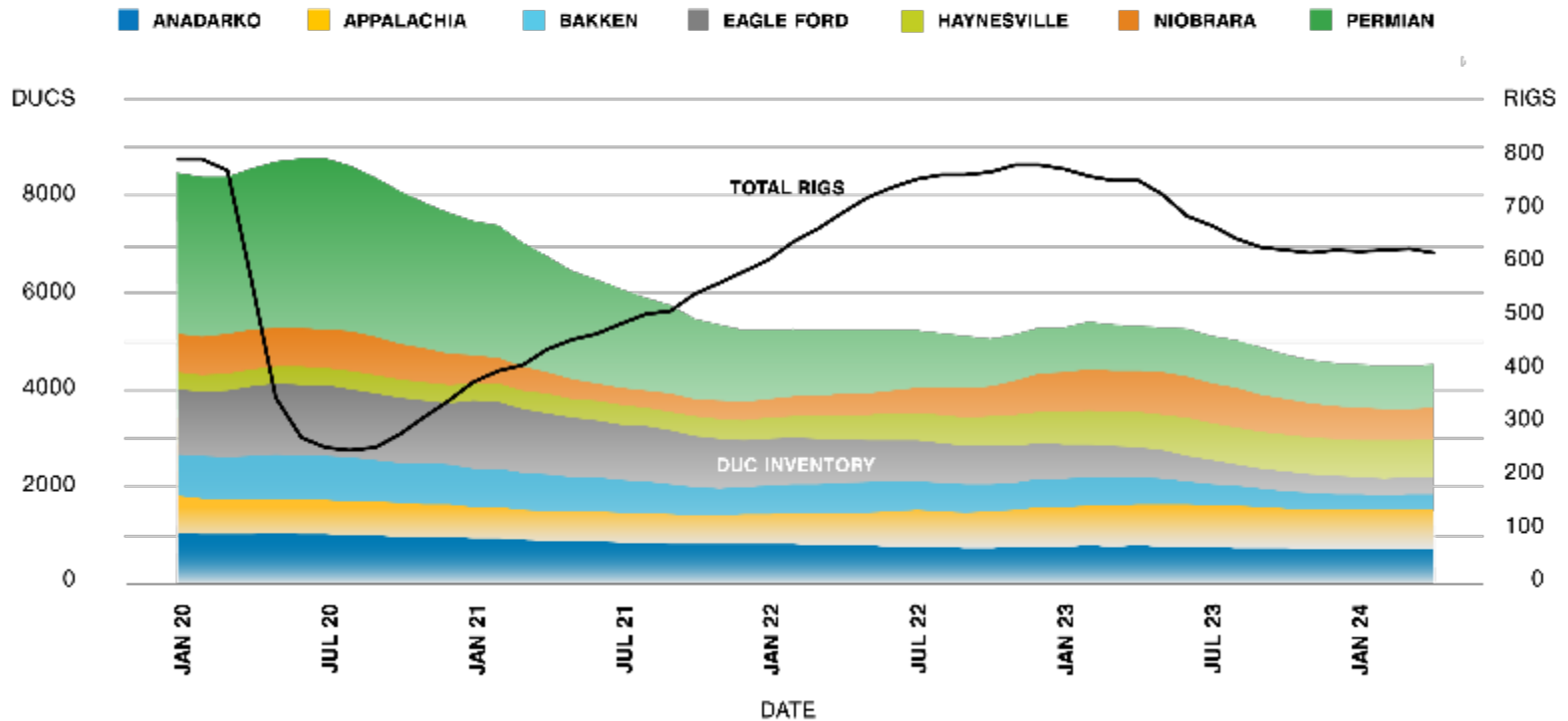


	DRY PRODUCTION	NET CANADIAN IMPORTS	LNG IMPORTS
3YR AVG	99.9	5.5	0.1
2023-2024 ACTUAL	103.2	5.6	0.3
2024-2025 PROJECTED	104.5	5.7	0.1

Source: Energy Ventures Analysis

## Winter-to-winter pressure on natural gas prices

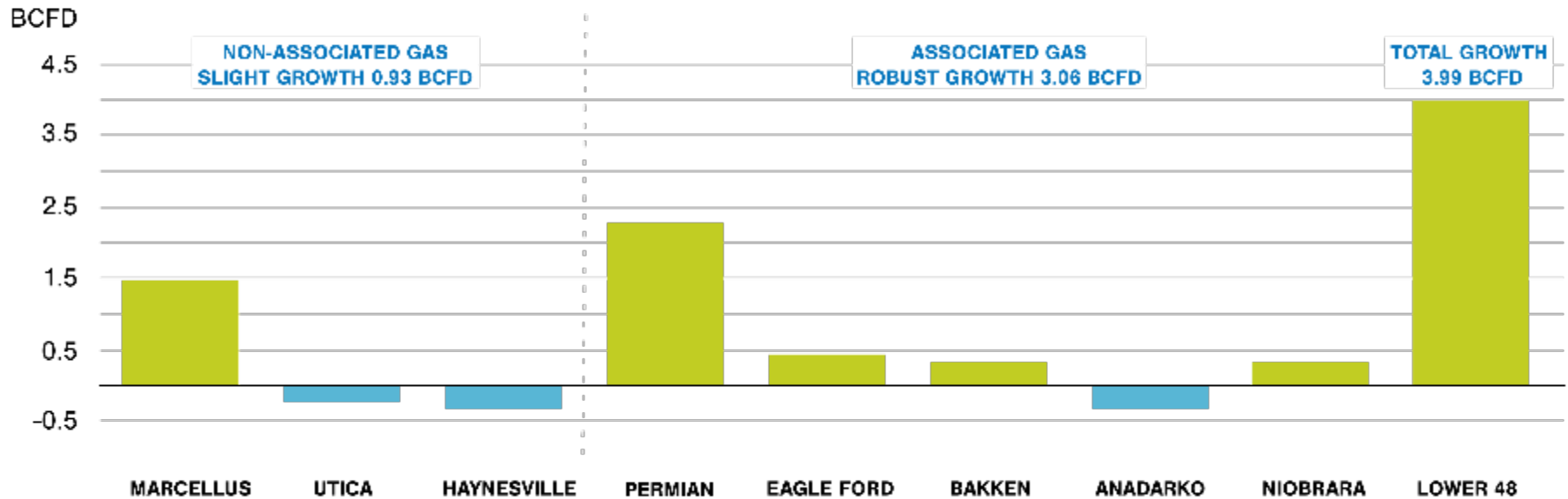
## RIGS AND DRILLED UNCOMPLETED WELLS (DUCs) DROPPING, BUT NATURAL GAS OUTPUT STRONG DUE TO PRODUCTION EFFICIENCIES



Source: Energy Ventures Analysis, BakerHughes

## Slight Growth in Non-Associated Gas Adding to Continued Growth of Associated Gas

### PRODUCTION GROWTH BY BASIN: COMPARISON OF TWO RECENT WINTERS (2022-2023 WINTER VS. 2023-2024 WINTER)



Source: Energy Ventures Analysis, EIA

## LAST WINTER | 2023-2024 ACTUAL

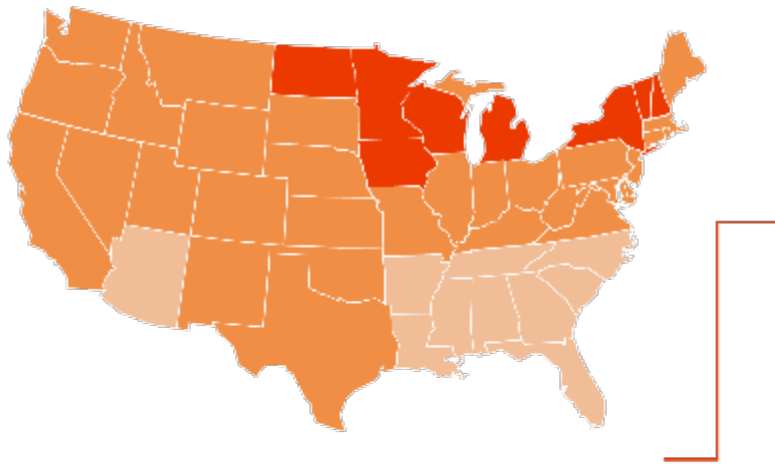
ACTUAL: 3,219 HEATING DEGREE DAYS

## THIS WINTER | 2024-2025 FORECAST

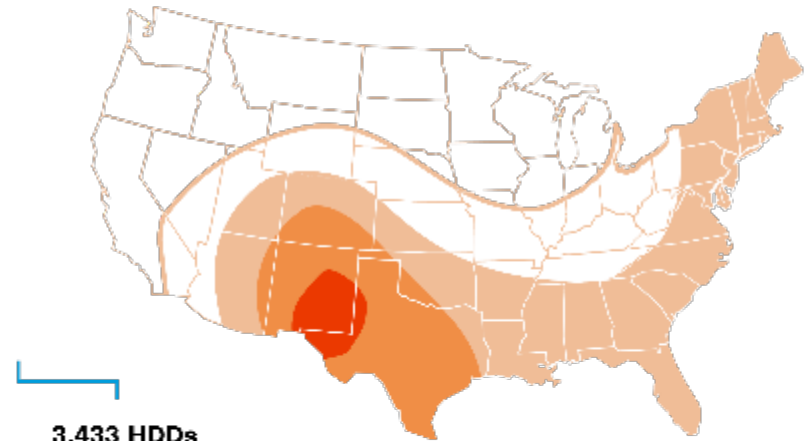
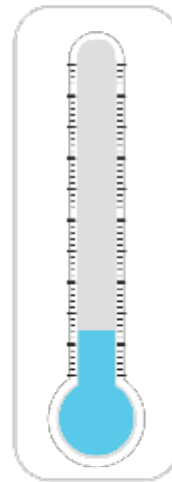
3,433 HEATING DEGREE DAYS

7% cooler than last winter  
4% cooler than last three winters

AVERAGE    
  ABOVE AVERAGE    
  MUCH ABOVE AVERAGE    
  NEAR-RECORD WARMTH



3,359 HDDs  
Actual Winter  
2023-2024



3,433 HDDs  
Forecast Winter  
2024-2025

Source: Energy Ventures Analysis; NOAA

Winter Season Period-to-period change	Last Winter 2023-2024 ACTUAL	This Winter 2024-2025 FORECAST
GDP Growth	4%	4%
Manufacturing (actual July 23 v. July 24)	79%	78%
Unemployment rate (actual Aug 23 v Aug 24)	3.8%	4.2%
CPI (annual)	3.4%	2.6%
Consumer Confidence (actual Aug 23 v Aug 24)	69%	67%

### Winter-to-winter pressure on natural gas prices

Data Sources: Moody's Analytics, Bureau of Labor Statistics, Bureau of Economic Analysis, University of Michigan, Energy Ventures Analysis

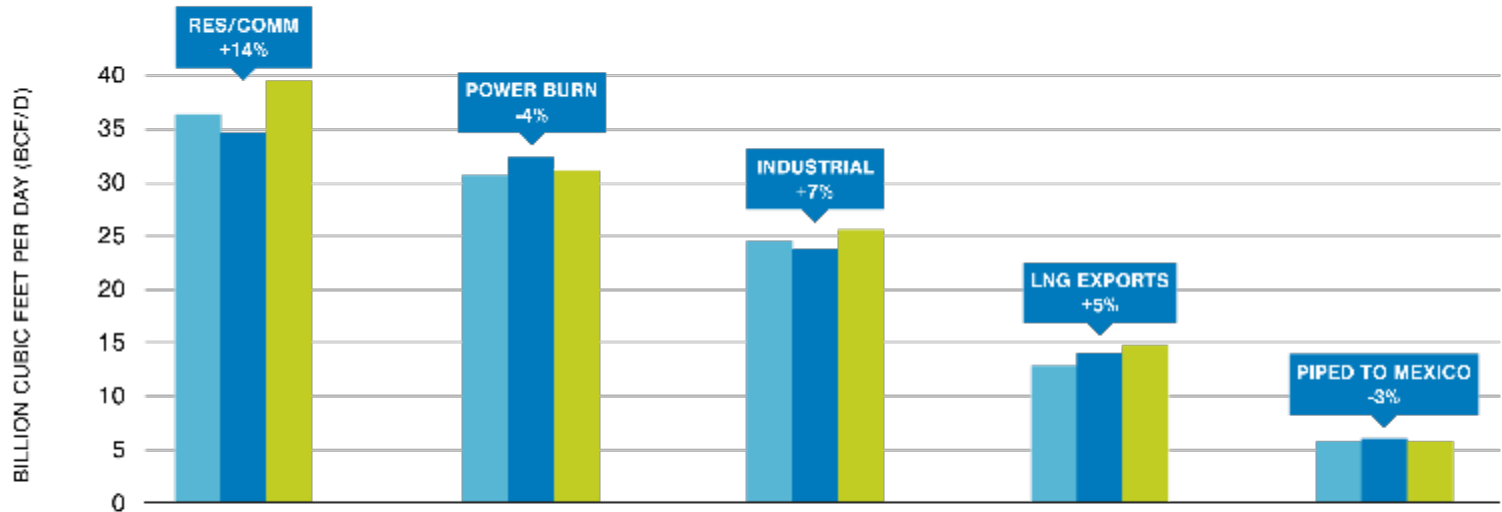


# Demand: Demand Projected 5% Higher Than Last Winter

## WINTER 2024-2025 FORECAST: 125.6 BCF/D

PREVIOUS 3-YEARS AVERAGE: 117.8 BCF/D

LAST WINTER'S AVERAGE: 118.9 BCF/D



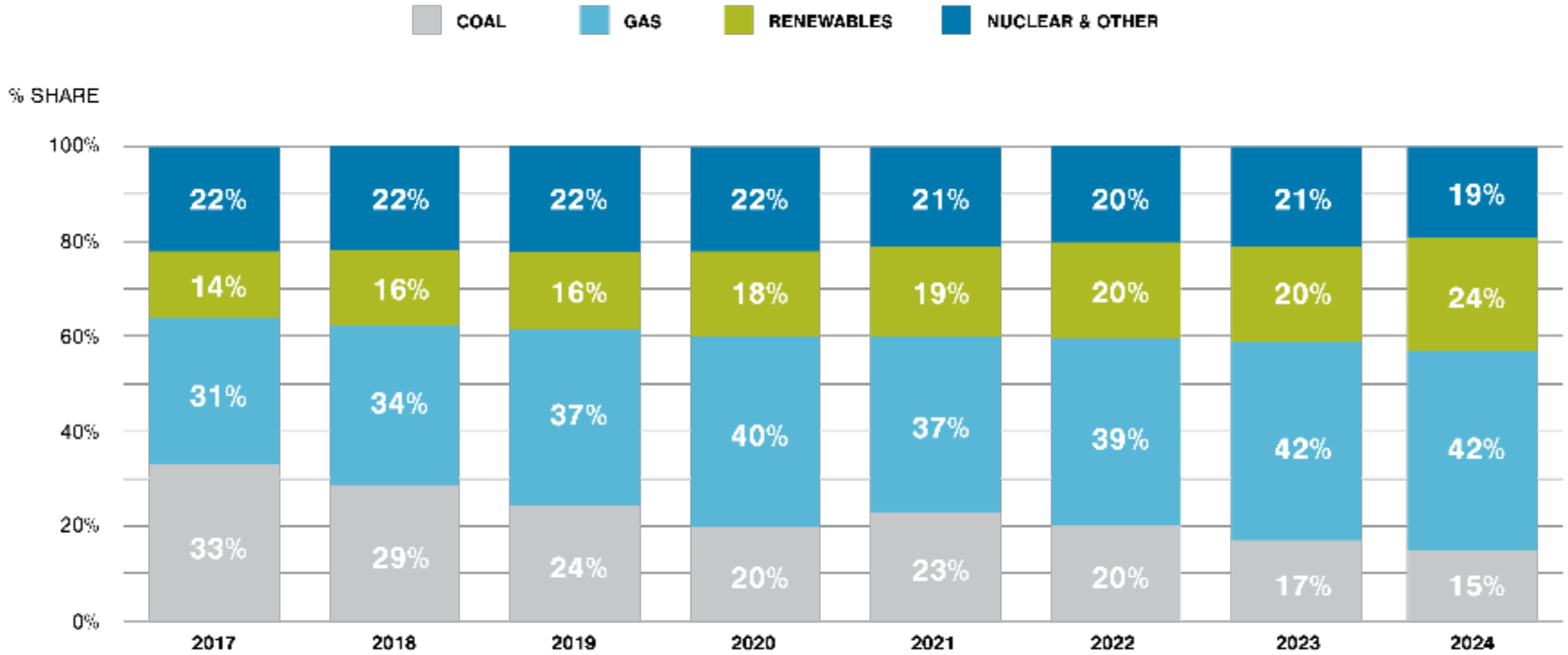
	RES/COMM	POWER SECTOR	INDUSTRIAL	LNG IMPORTS	PIPED TO MEXICO
3YR AVG	36.4	30.6	24.4	12.7	5.6
WINTER 2023-2024 ACTUAL	34.6	32.3	23.7	13.9	5.9
WINTER 2024-2025 FORECAST	39.5	31.1	25.5	14.6	5.7

Source: Energy Ventures Analysis

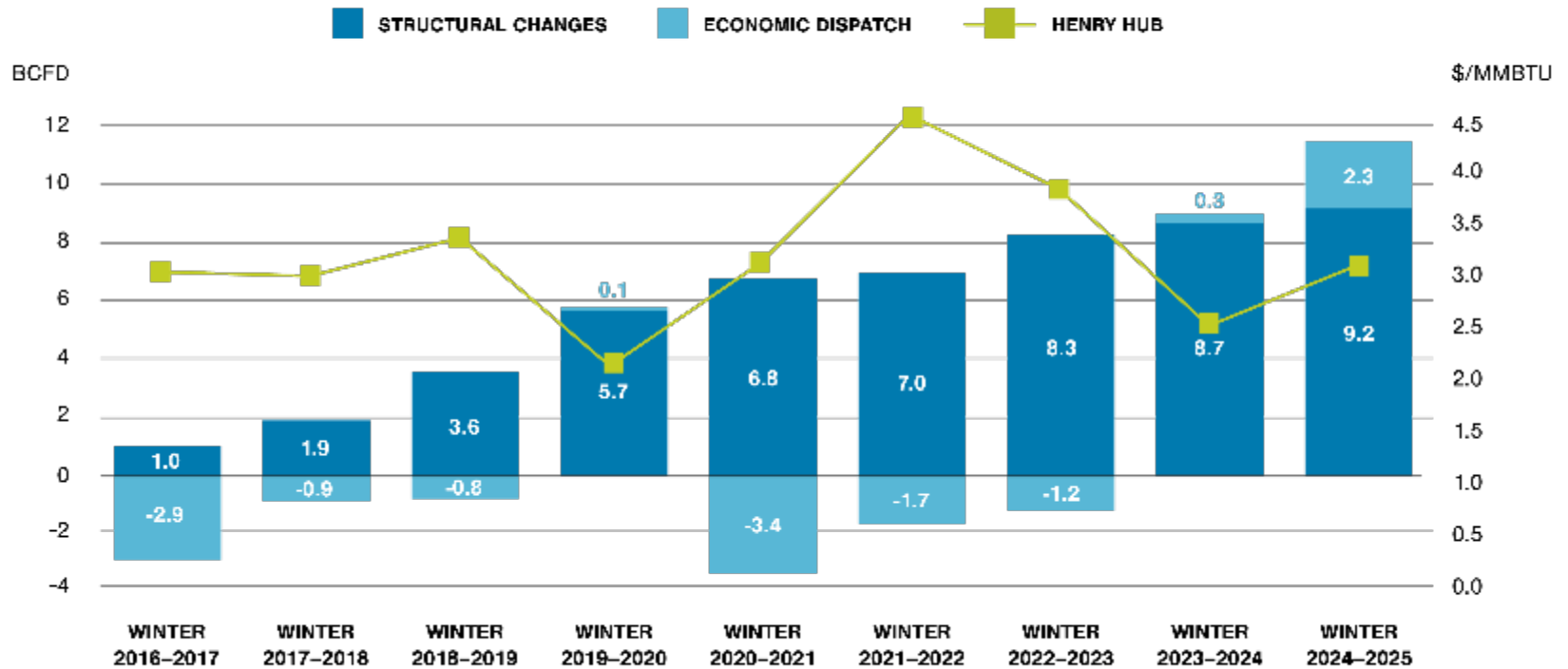
## Winter-to-winter pressure on natural gas prices



# The Growth of Natural Gas in the Fuel Mix 2017-2024



## POWER BURN GROWTH: STRUCTURAL GROWTH VS. ECONOMIC SWITCHING

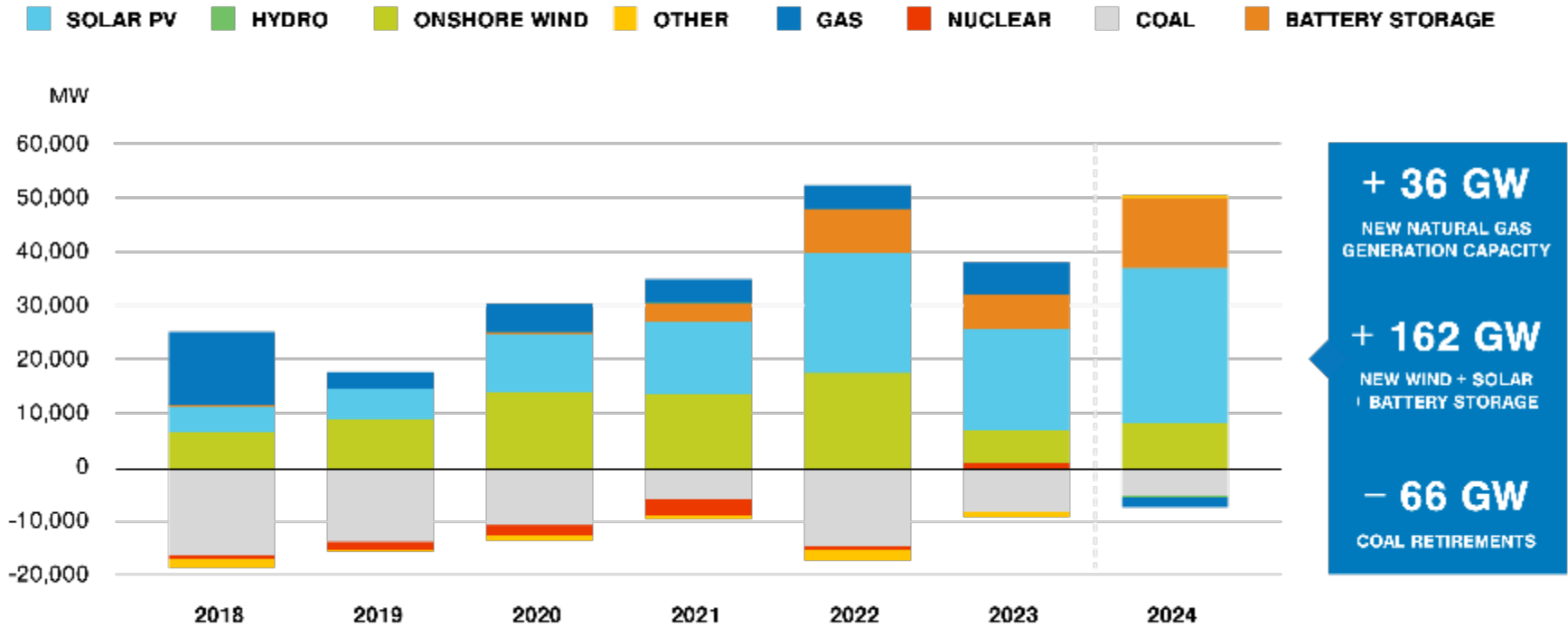


Source: Energy Ventures Analysis

Source: Energy Ventures Analysis  
Henry Hub prices are NYMEX settlements as of 8/12/2024

## U.S. POWER GENERATION FUEL MIX

NET CHANGE IN THE U.S. GENERATING CAPACITY



Source: Energy Ventures Analysis, EIA

## NATURAL GAS SPURRING 76 MAJOR INDUSTRIAL PROJECTS 2017–2028

**\$135 Billion  
Investment to Build**

**Increase of 2.75 BCFD  
by 2028**



### NEW PROJECTS

- 7 Petrochemical
- 5 Fertilizer
- 1 Steel
- 1 Gas-to-Liquids



### EXPANSIONS

- 4 Fertilizer
- 1 Petrochem



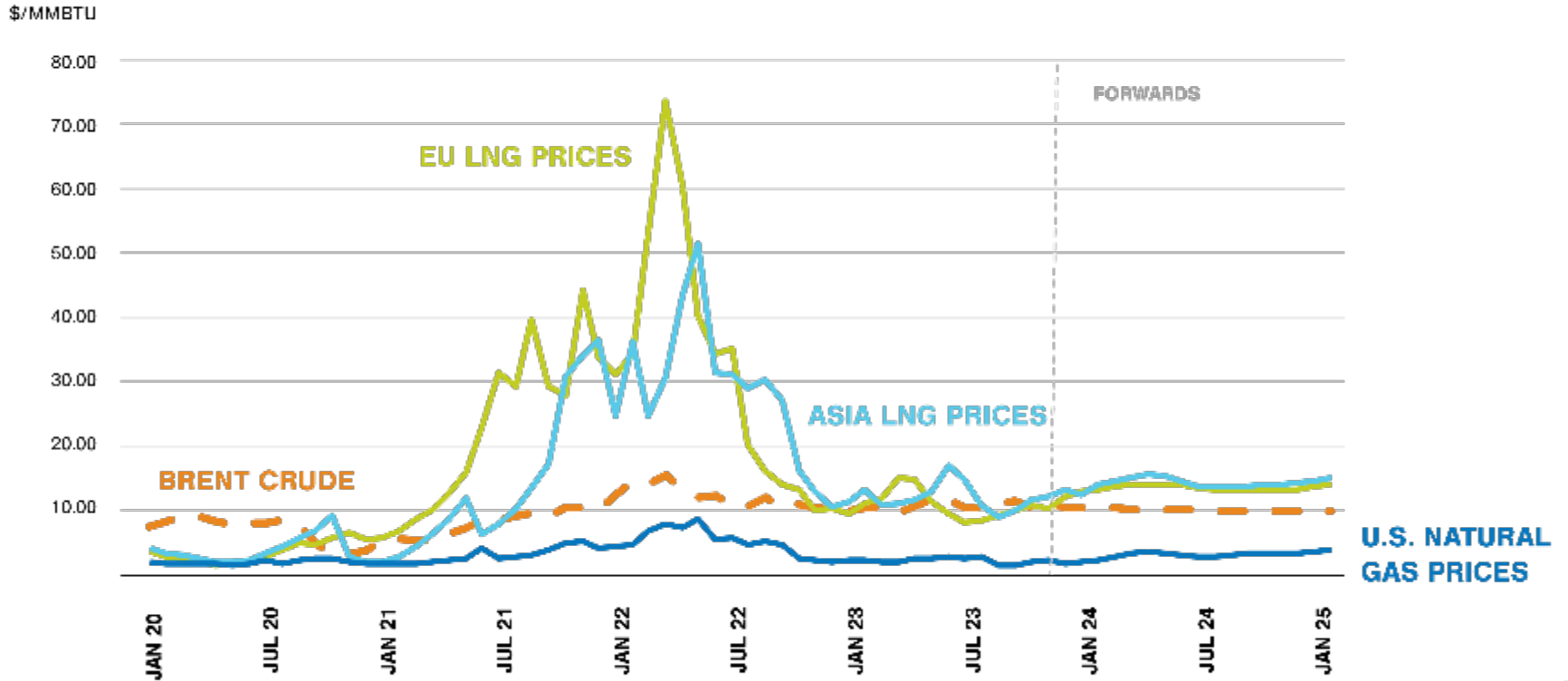
### COMPLETED PROJECTS

representing \$88 billion and 1.7 BCFD from 2017–2023

Source: Energy Ventures Analysis, September 2021

# U.S. Natural Gas Prices Exponentially Lower Than EU, Asia

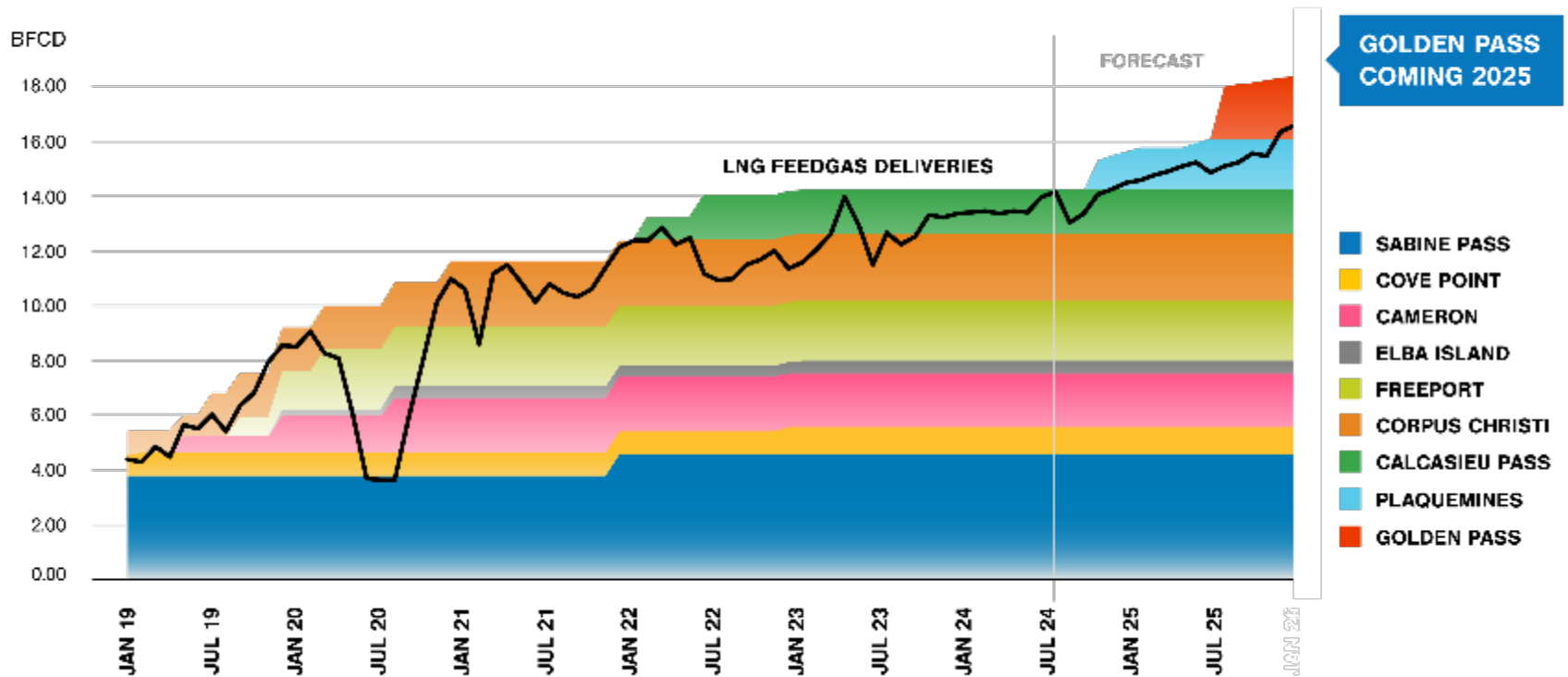
## GLOBAL LNG PRICE



Source: ICE, Future curves are based on August 2024 settlements

# U.S. LNG Exports Meet Demand; Help Fill EU Storage for Winter

## U.S. LNG EXPORT CAPACITY VS. FEEDGAS DELIVERIES



Source: EIA, Energy Ventures Analysis

## Supply: Winter Storage

Winter Season Period-to-period change	Last Winter 2023-2024 ACTUAL	This Winter 2024-2025 FORECAST
Start-of-winter inventory	3,761 Bcf	3,947 Bcf
Compared to 5-year average	5% higher	6% higher
Average daily withdrawal from storage	9.8 Bcf	14 Bcf
New storage capacity	No material change	No material change

### Winter-to-winter pressure on natural gas prices





# This Season's Winter Outlook

Winter Season  
Period-to-period change

This Winter  
2024-2025 FORECAST

Winter production + imports



Weather



Economy



Overall demand



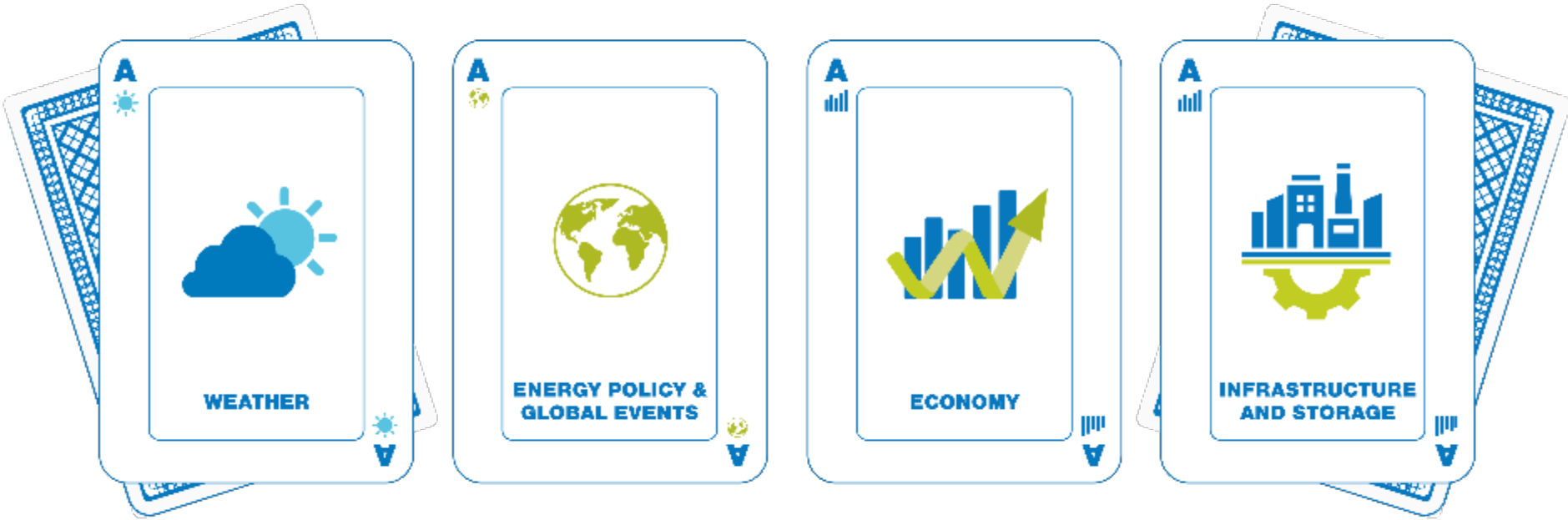
Storage



**Winter-to-winter pressure  
on natural gas prices**



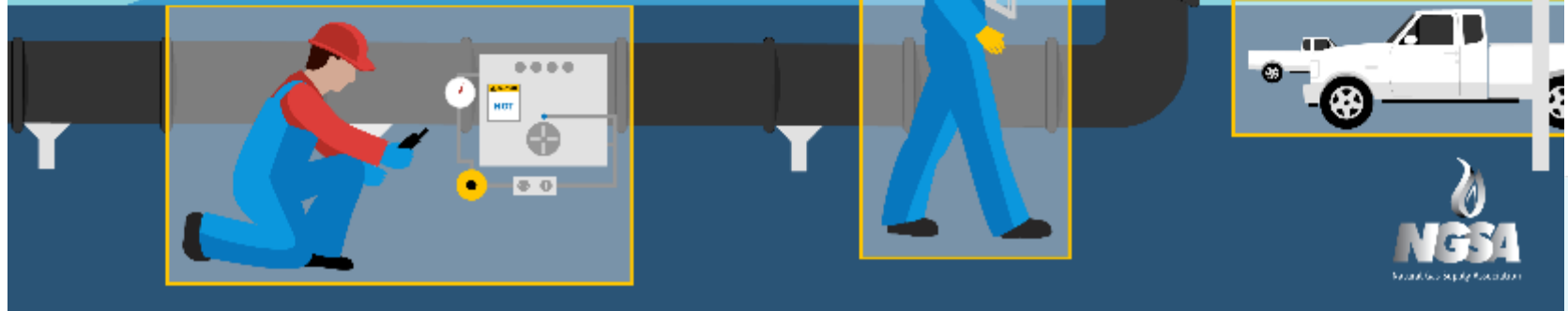
## WINTER OUTLOOK: WILD CARDS



## WINTER PREPAREDNESS SNAPSHOT: INVESTING IN FACILITIES AND EQUIPMENT

Members invest in many types of actions for winter preparedness at our facilities, helping them to better withstand extreme winter conditions. There are a wide range of actions that producers use to protect upstream facilities including:

- Pre-staging of existing and additional personnel across production areas to speed up actions
- Use of catalytic heaters, methanol injection, wrapped insulation, and/or application of heat trace
- Burial of natural gas or fluid lines where suitable
- Implementing backup power systems
- Increasing electrification
- Centralizing field facilities to concentrate on protection measures on one location instead of multiple sites



- Represents major producers and suppliers of domestic natural gas
  - Integrated and independent companies: 9 members
  - Founded in 1965
- Only national natural gas association representing producers and suppliers with a dedicated focus on downstream issues
- Promotes benefits of competitive natural gas markets, resulting in reliable and efficient transportation and delivery, increased supply and demand
- Includes the Center for LNG
- Tagline: “Markets Matter”



Natural Gas Supply Association

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