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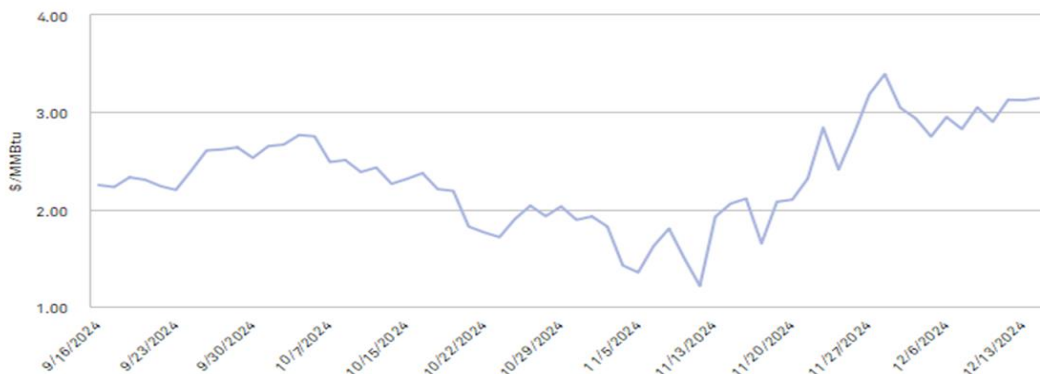
## Natural Gas

### Current Pricing Trends:

- Henry Hub spot price increased from under \$2.00/MMBtu in November to approximately \$2.50/MMBtu in early December, as colder weather conditions began to take hold.
- Price rose further to over \$3.00/MMBtu and is expected to continue to rise in January, aligning with typical winter demand.

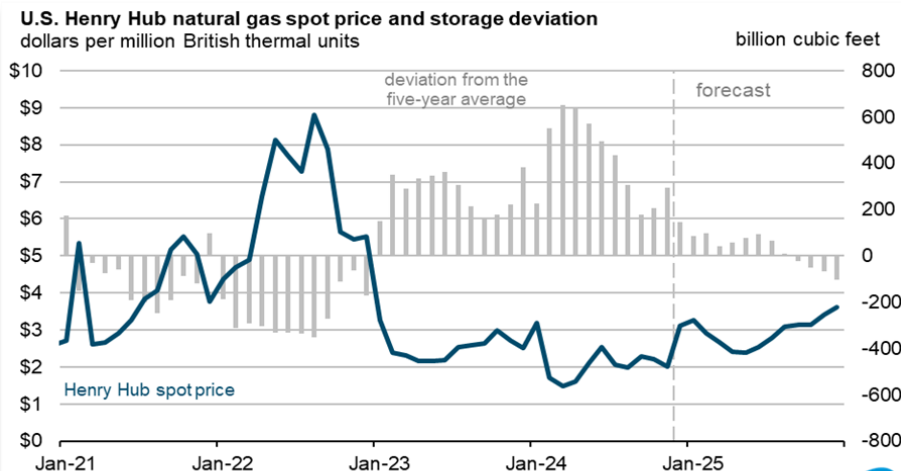
### Key Drivers:

- **Colder Weather Patterns:**  
Onset of a stronger-than-average winter (forecasted +4% heating degree days compared to the 10-year average).
- **Rising LNG Export Demand:**  
Global LNG markets remain robust, with European and Asian buyers increasing U.S. supply contracts due to geopolitical uncertainties.



### Strategic Insight:

- **Opportunistic Hedging:**  
With upward price pressure, businesses should secure mid-term contracts to lock in favorable pricing before the winter peaks.
- Watch for storage updates, as inventories currently remain within the 5-year average but may tighten post-holiday season.



Data source: U.S. Energy Information Administration, *Short-Term Energy Outlook*, December 2024



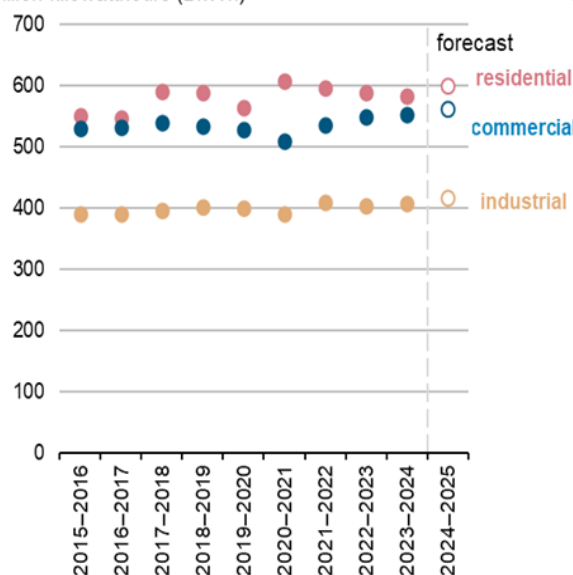
## Power

### Weather-Driven Consumption Trends:

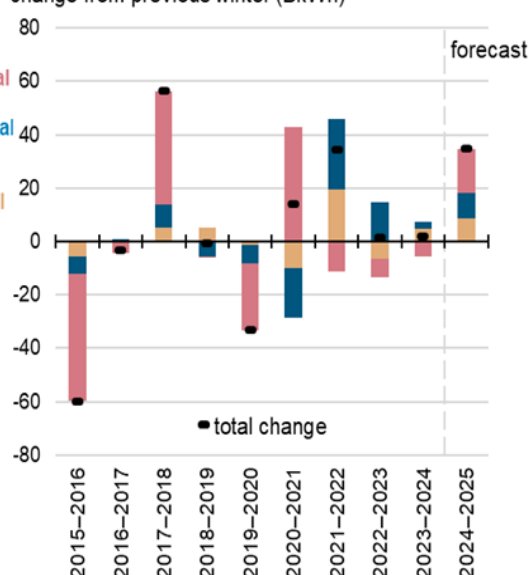
Weather remains a pivotal driver of YoY electricity consumption changes. For the upcoming winter (November–March), U.S. electricity sales to all end users are projected to reach 1,580 billion kWh (BkWh), a 2% increase compared to the previous winter. This rise is driven by an expected 4% increase in winter heating degree days (HDDs).

U.S. winter (Nov–Mar) electricity sales to end-use customers by sector

billion kilowatthours (BkWh)



change from previous winter (BkWh)



Data source: U.S. Energy Information Administration, *Short-Term Energy Outlook*, December 2024

### Commercial and Industrial Sector Impact:

Electricity sales in the U.S. commercial sector are forecast to grow by 2% (10 BkWh). This growth is fueled by colder weather and sustained demand from data centers. Similarly, industrial electricity sales are projected to rise by 2% (9 BkWh).

### December 2024 RTP (On-Peak) Overview:

Marginal increases noted across major markets due to natural gas price trends and higher seasonal demand:

- **PJM:** ~\$55/MWh
- **ISO-NE:** ~\$65/MWh
- **ERCOT:** ~\$50/MWh
- **MISO:** ~\$48/MWh
- **NYISO:** ~\$60/MWh
- **CAISO/West:** ~\$52/MWh

### Hedging and Procurement Strategies:

- **Blended Products:**  
Businesses should consider combining fixed and indexed products to navigate price volatility effectively.
- **Regional Focus:**  
ISO-NE customers may face sharper increases and should prepare for potential capacity-driven spikes. In contrast, PJM and MISO regions are expected to see steadier pricing trends.

## Power: ISO Real-Time Prices (Around the Clock)

These charts highlight ATC electricity prices across major ISOs from September to December 2024, showing an upward trend driven by colder weather, higher heating demand, and natural gas price increases. While price trajectories vary by region, the overall trend underscores the seasonal pressures and market dynamics impacting electricity costs as winter begins.

