Market Update
January 2025

RISE ENERGY SERVICES

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Biggest Energy Stories of 2024

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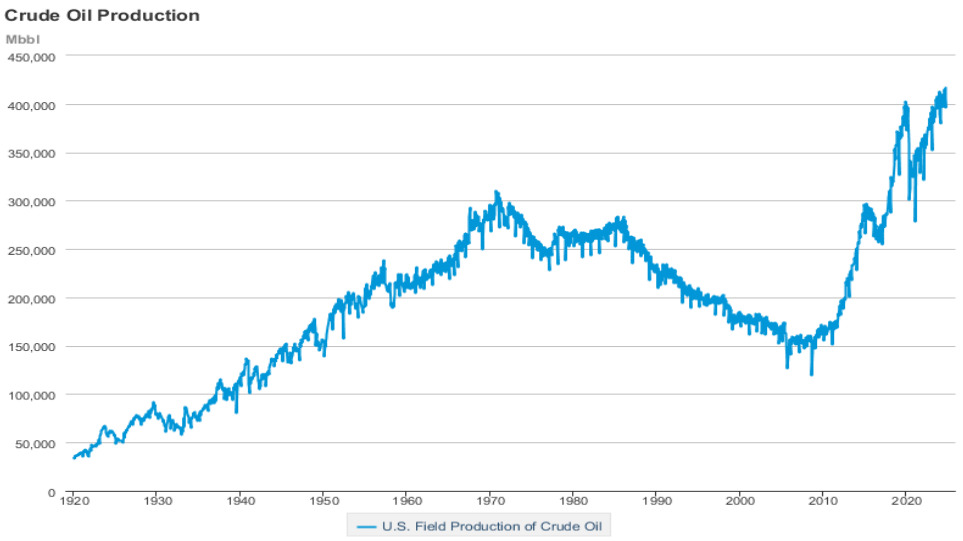
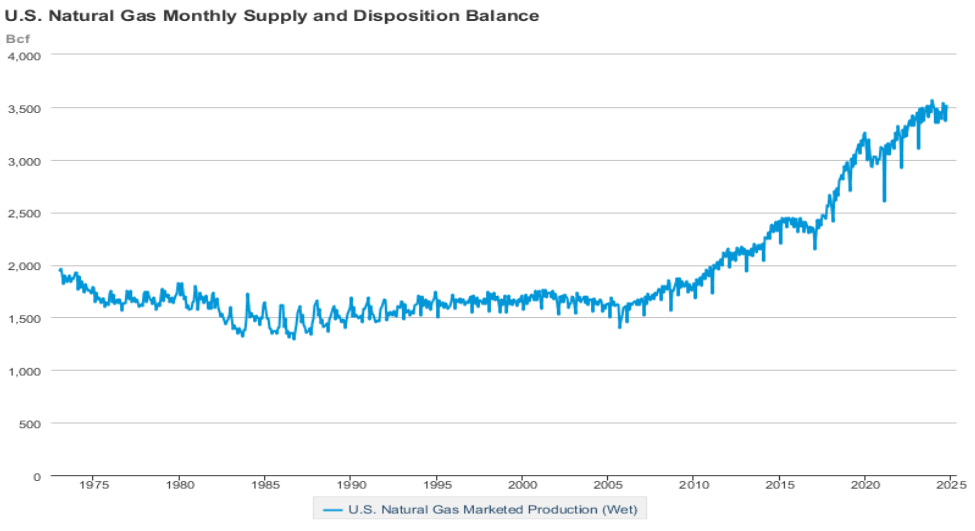
Record Oil and Natural Gas Production



eia Data source: U.S. Energy Information Administration

Natural gas production surged past 100 billion cubic feet per day, driven by strong demand in domestic markets and growing export opportunities. This growth highlights the resilience and adaptability of the industry amid shifting market dynamics and a focus on energy security.

The U.S. energy sector marked a significant milestone in 2024, achieving record levels of oil and natural gas production. Crude oil output reached a high of 13.5 million barrels per day, fueled by advancements in drilling technologies and robust investment in the Permian Basin.



eia Data source: U.S. Energy Information Administration

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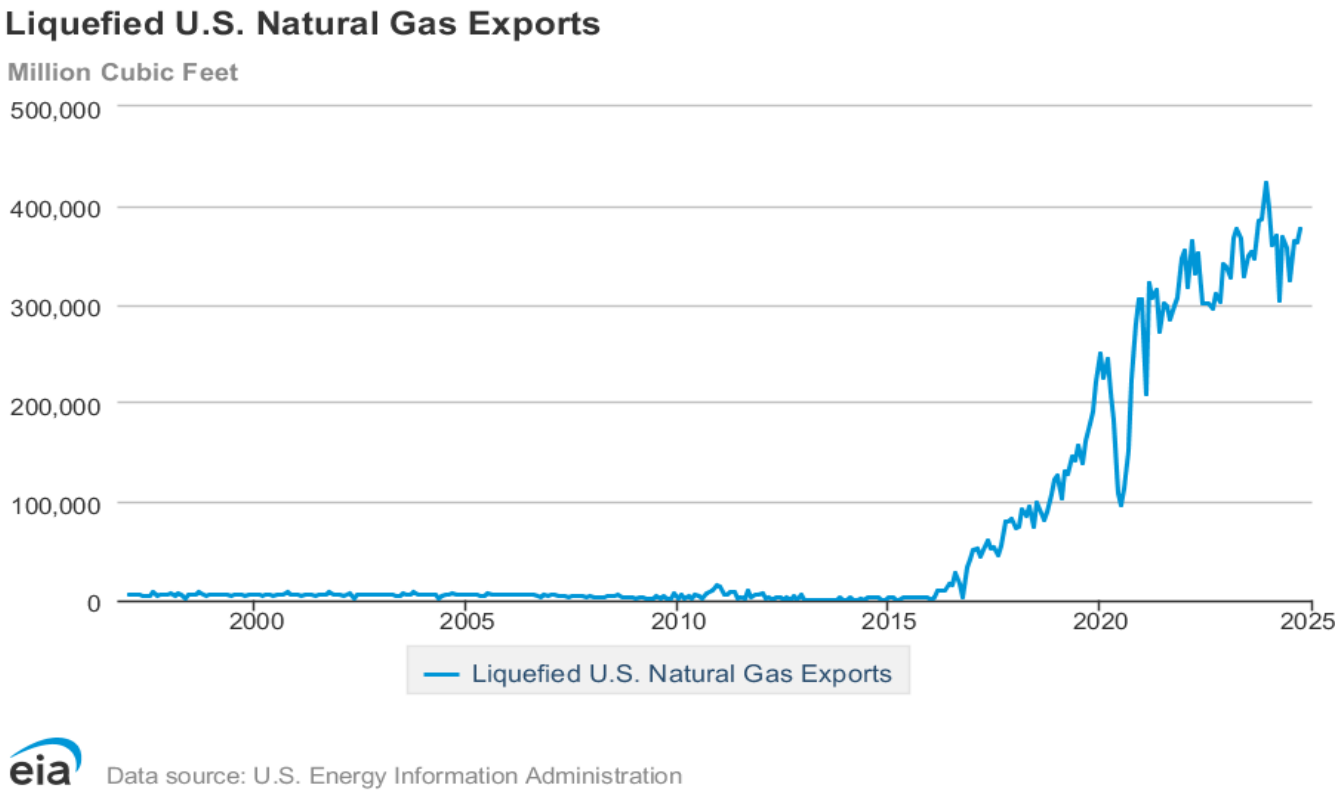
U.S. LNG Exports Reach New Heights

2024 was a landmark year for U.S. liquefied natural gas (LNG) exports, with volumes exceeding 15 billion cubic feet per day for the first time. The expansion of export facilities along the Gulf Coast and increasing demand from Europe and Asia propelled the U.S. to solidify its position as the world's top LNG exporter. Key drivers included geopolitical tensions in Europe, heightened competition for cleaner energy sources, and long-term supply agreements with Asian economies. These developments highlight the strategic importance of LNG in global energy transitions and the pivotal role of U.S. producers in meeting international energy demands.



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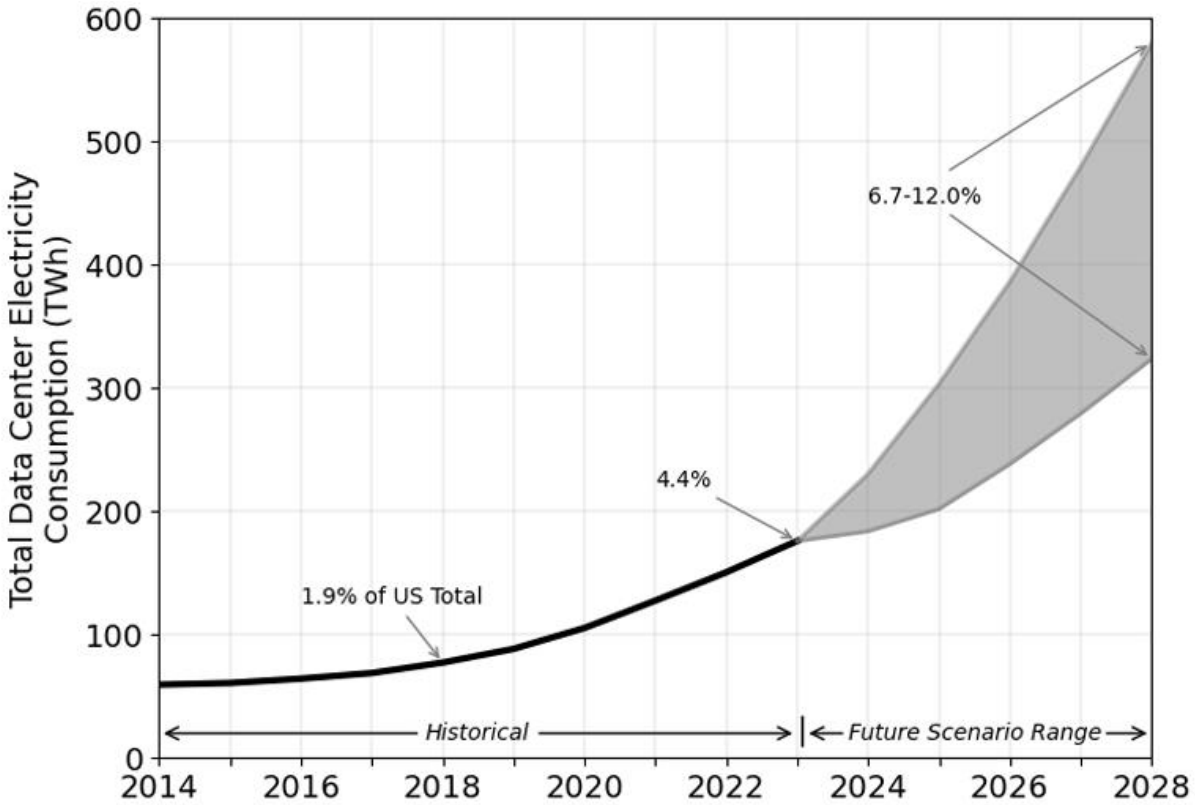
AI Drives Demand for Power

Artificial intelligence (AI) emerged as a significant driver of electricity demand in 2024, with power consumption in data centers increasing by approximately 12% compared to the previous year. The rapid growth of data centers resulted in a measurable increase in power consumption, particularly in states with tech hubs like Texas, California, and Virginia. The integration of AI across industries—from healthcare to finance—requires immense computational power, leading to new challenges for utilities. While this surge presents opportunities for growth, it also underscores the need for investment in grid reliability and renewable integration.



Source: 2024 United States Data Center Energy Usage Report

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PJM Auction Prices Hit All-Time Highs

The PJM Interconnection's Base Residual Auction (BRA) for the 2024/2025 delivery year shattered previous records, with capacity prices reaching unprecedented levels. This spike reflects tightening reserve margins, higher-than-anticipated load growth, and increased retirements of coal and nuclear facilities. Additionally, regulatory uncertainty and rising costs for new generation capacity contributed to the price surge. These developments signal a shifting landscape for power markets, emphasizing the need for innovative solutions to address reliability and affordability challenges.