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EIA expects increased demand and higher prices for natural gas this winter

The U.S. Energy Information Administration expects global demand for natural gas to remain high for the rest of 2022, driving prices higher around the world and reducing inventories.

In its September *Short-Term Energy Outlook*, EIA forecasts that monthly average natural gas prices will continue increasing in the United States through January 2023, remaining higher than inflation-adjusted prices since 2008. Prices will continue to be high in Europe and Asia as well—natural gas futures prices reached record levels in both regions in August.

Global demand for natural gas remains high despite high prices because of a current lack of alternative options. EIA expects that some electricity producers, particularly in Europe, will even switch to generating electricity from oil-based fuels this winter in response to the high prices and low supplies of natural gas.

EIA expects that the United States will enter the winter with domestic natural gas inventories about 7% below their five-year averages. The agency will release more estimates for residential heating prices, consumption, and expected bills in its *Winter Fuels Outlook* in October.

This is Meg Freeburn, with EIA in Washington