

## Northeastern Winter Energy Alert

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### **Moderating temperatures contribute to lower natural gas consumption and lower spot natural gas and electricity prices**

**Temperature:** Northeast temperatures on January 8 are about 8—12 degrees colder than normal, but a major warm-up is expected by the end of the week.

**Natural gas demand:** S&P Global estimates regional natural gas demand in New England and New York City will be about 8.3 billion cubic feet (Bcf) on January 8, down from 9.4 Bcf on January 6. On January 8, New York City's estimated natural gas consumption was down about 1.0 Bcf from January 6, but it still remains above normal levels according to S&P Global.

**Natural gas constraints and LNG:** Most of the major pipelines delivering natural gas into New England indicate average utilization above 95% on January 8. Falling loads in New York City have reduced natural gas deliveries on some pipelines, but Transco is still very constrained. Deliveries from LNG facilities in the Northeastern United States and Eastern Canada topped 1.3 Bcf on January 8, down from a seasonal high of 2.0 Bcf on January 6. The contribution of LNG to regional supply has averaged about 1.6 Bcf per day so far in 2018 compared to 0.7 Bcf per day for the same period in 2017. The Everett and Canaport terminals received cargoes on January 4 and January 3, respectively.

**Storage activity:** Last week, EIA reported that the [East Region](#) (including states from Maine to Florida) stocks of working natural gas were 740 Bcf as of December 29, the same level as one year ago at this time and about 5% lower than the five-year average. EIA's next weekly storage report will be published on January 11 and covers the week ending January 5.

**Natural gas prices:** New York City set its all-time high, spot natural gas price (\$140.25/million British thermal units (MMBtu) in non-inflation adjusted dollars) on January 5. Prices for January 8 settled at about \$20/MMBtu in Boston and about \$13/MMBtu in New York City, with both prices down sharply from January 5. The spot natural gas price at Henry Hub settled at \$2.882/MMBtu on January 8, down about 38% from January 5.

**Electricity prices:** SNL's on-peak electricity prices for January 8 are \$121/megawatthour (MWh) in New York City and \$151/MWh in New England, down 50% from on-peak prices for January 5. The Pilgrim Nuclear Generating Station in Massachusetts is currently offline.

**Pipeline notices:** Many natural gas pipelines have issued operational flow orders and critical notices advising their customers to carefully manage the amount of natural gas transportation capacity they use relative to what they requested or scheduled per contractual rights, or they will be subject to possible penalties. Interruptible transportation service is highly restricted throughout the region.

**Oil market:** Given high spot natural gas prices, oil-fired generation still accounted for more than 30% of the overall fuel mix in the New England Independent System Operator region on January 8. EIA's current estimate of distillate stocks in the Northeast (combined Petroleum Administration for Defense Districts 1A and 1B) totaled 38.7 million barrels on December 29, 2017, 1.5 million barrels (4%) above the five-year average but 14.4 million barrels below year-ago levels. EIA's next [weekly petroleum stock report](#) will be published on January 10 and covers the week ending January 5.

<b>Average temperature</b>	<b>Sat 1/6</b>	<b>Sun 1/7</b>	<b>Mon 1/8</b>
Boston	9°F	11°F	26°F
New York City	10°F	12°F	32°F
<b>Natural gas demand</b>	<b>Sat 1/6</b>	<b>Sun 1/7</b>	<b>Mon 1/8</b>
<b><i>Bcf per day</i></b>			
New England	4.0	3.9	3.8
New York City	5.4	5.3	4.5
<b>Spot natural gas price*</b>	<b>Sat 1/6</b>	<b>Sun 1/7</b>	<b>Mon 1/8</b>
<b><i>per MMBtu</i></b>			
New England	\$20.25	\$20.25	\$20.25
New York City	\$12.65	\$12.65	\$12.65
<b>On-peak electricity price*</b>	<b>Sat 1/6</b>	<b>Sun 1/7</b>	<b>Mon 1/8</b>
<b><i>per MWh</i></b>			
New England	NA	NA	\$150.75
New York City	NA	NA	\$120.75

\*Day-ahead market values set during trading from prior day

NA means no applicable

Forecasts shown in italics

Sources: NOAA, Bentek Energy, SNL Energy