
Natural gas outlook from the September Short-Term Energy Outlook and Annual Energy Outlook 2021



For

CIBO Virtual Meeting

September 15, 2021

By

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U.S. Energy Information Administration

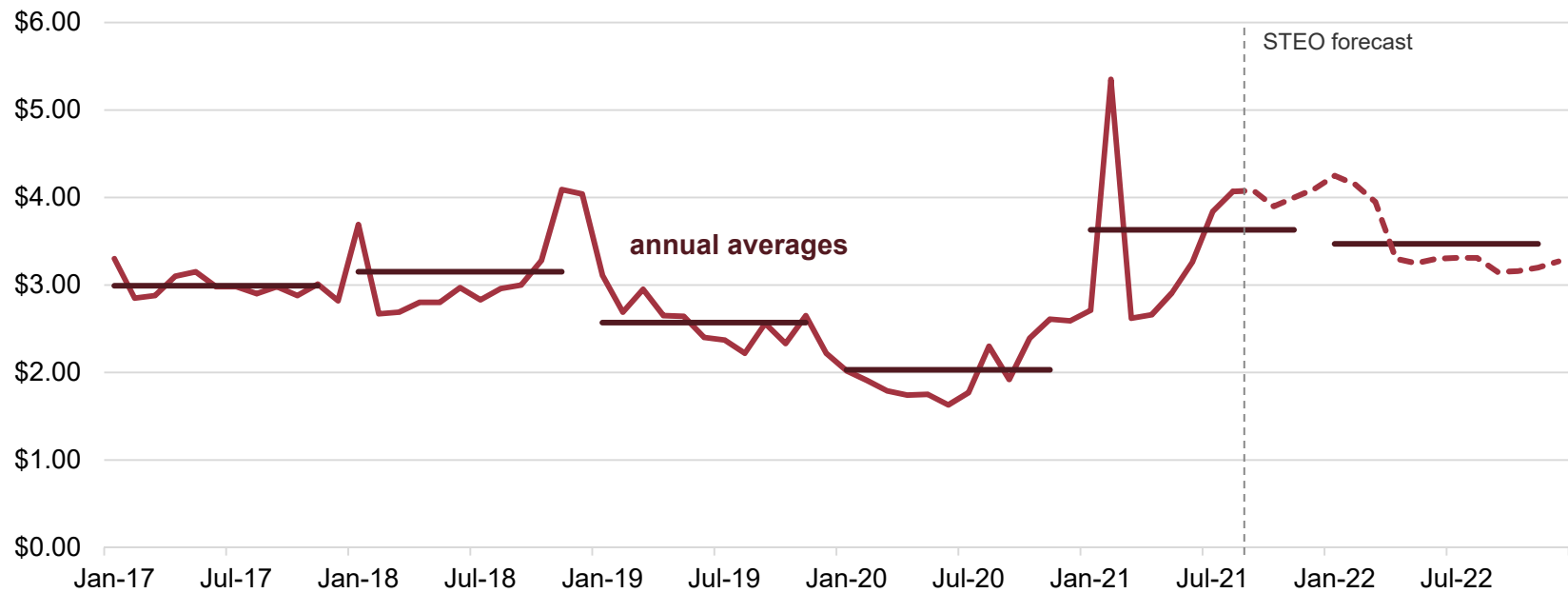
Independent Statistics & Analysis | www.eia.gov

Key takeaways from our current forecast

- Higher Henry Hub natural gas and WTI oil prices will prompt an increase in U.S. natural gas production in 2022
- Appalachia, Haynesville, and Permian regions will contribute to growth in 2021 and 2022
- U.S. consumption of natural gas is expected to decrease in 2021 and 2022 compared with 2020
- Exports of natural gas, especially LNG, are expected to increase
- Storage level of natural gas expected to begin winter heating season below the five-year average

Henry Hub spot prices will average over \$3/MMBtu in 2021 and 2022

dollars per million British thermal units (\$/MMBtu)



Source: U.S. Energy Information Administration, September 2021 Short-Term Energy Outlook

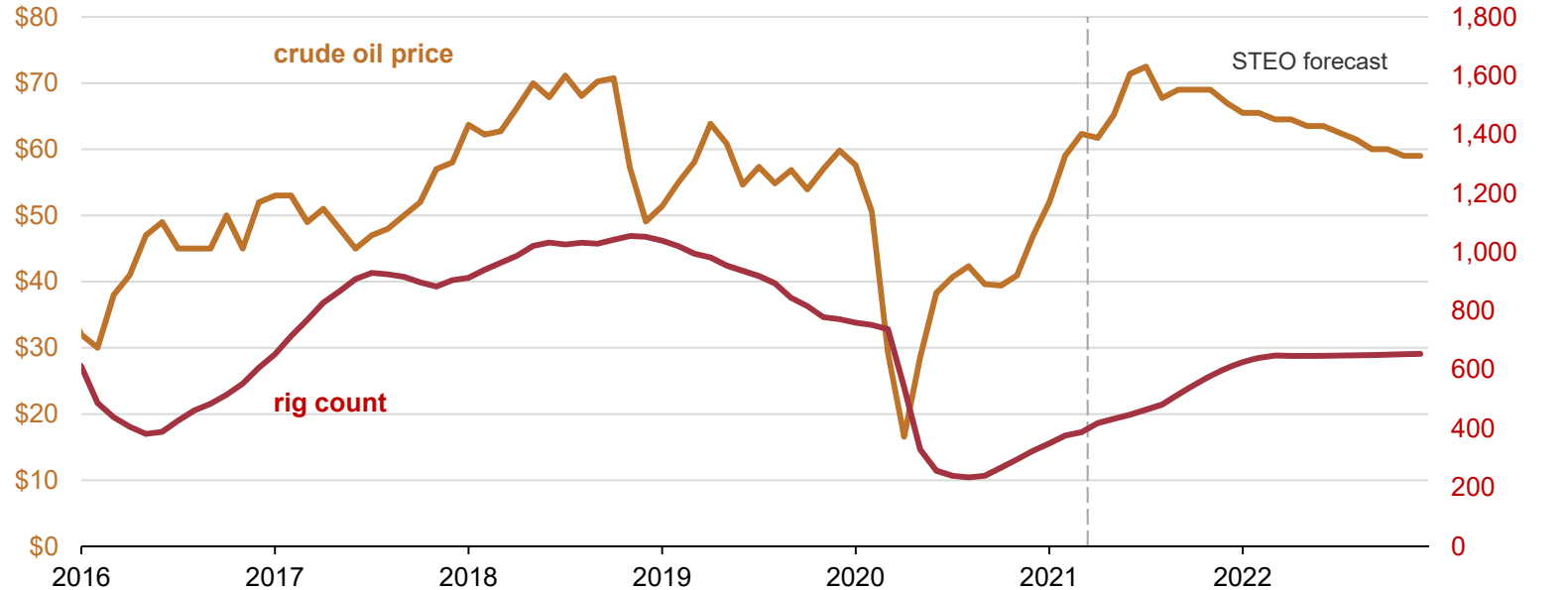


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Rig count remains muted even as WTI prices rise above \$60

West Texas Intermediate crude oil price and rig count (2015-2022)

West Texas Intermediate crude oil price
dollars per barrel



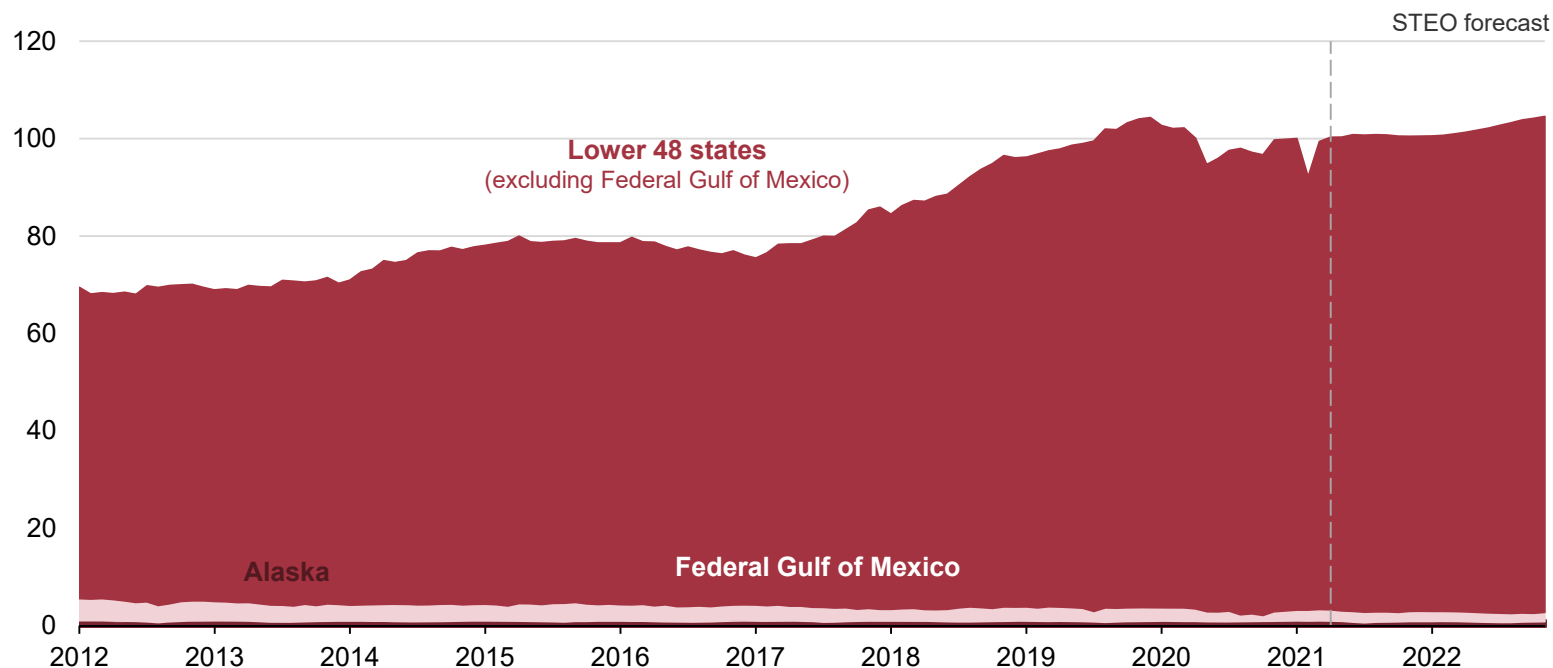
Source: U.S. Energy Information Administration, September 2021 Short-Term Energy Outlook



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U.S. Lower 48 gas production relatively flat for 2021, but expected to increase faster in 2022

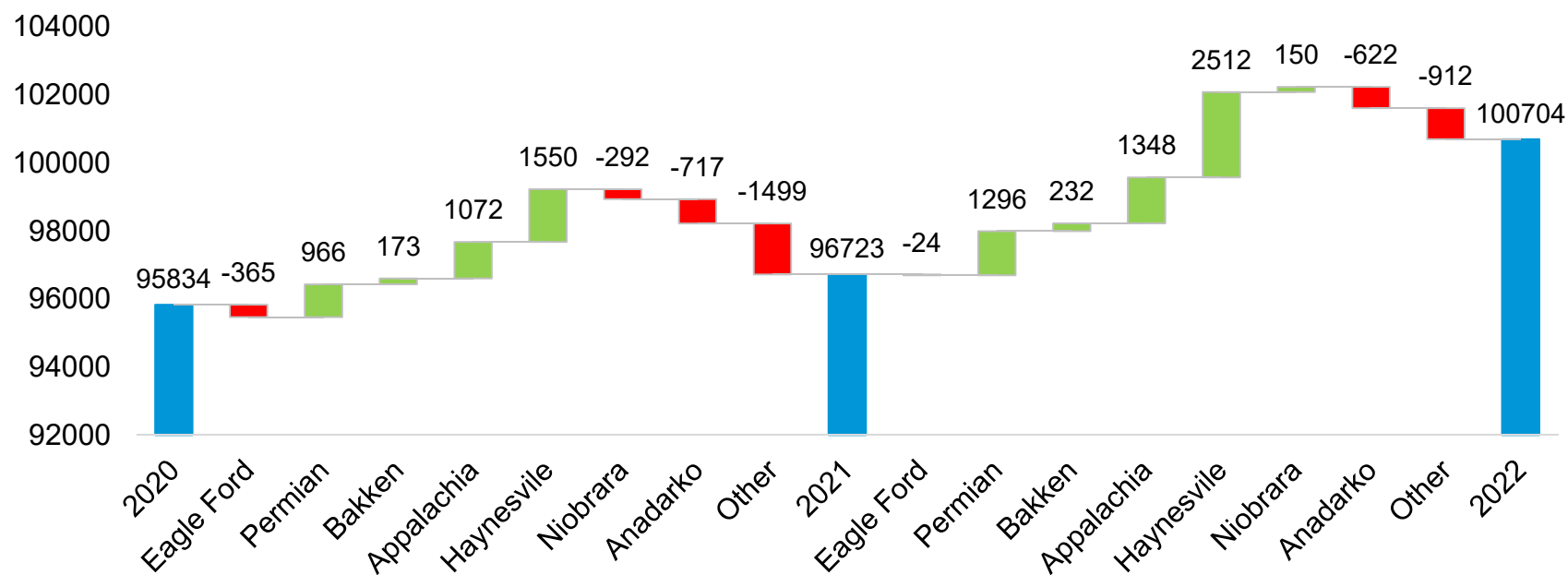
U.S. monthly marketed natural gas production (2012-2022)
million barrels per day



Source: U.S. Energy Information Administration, September 2021 Short-Term Energy Outlook

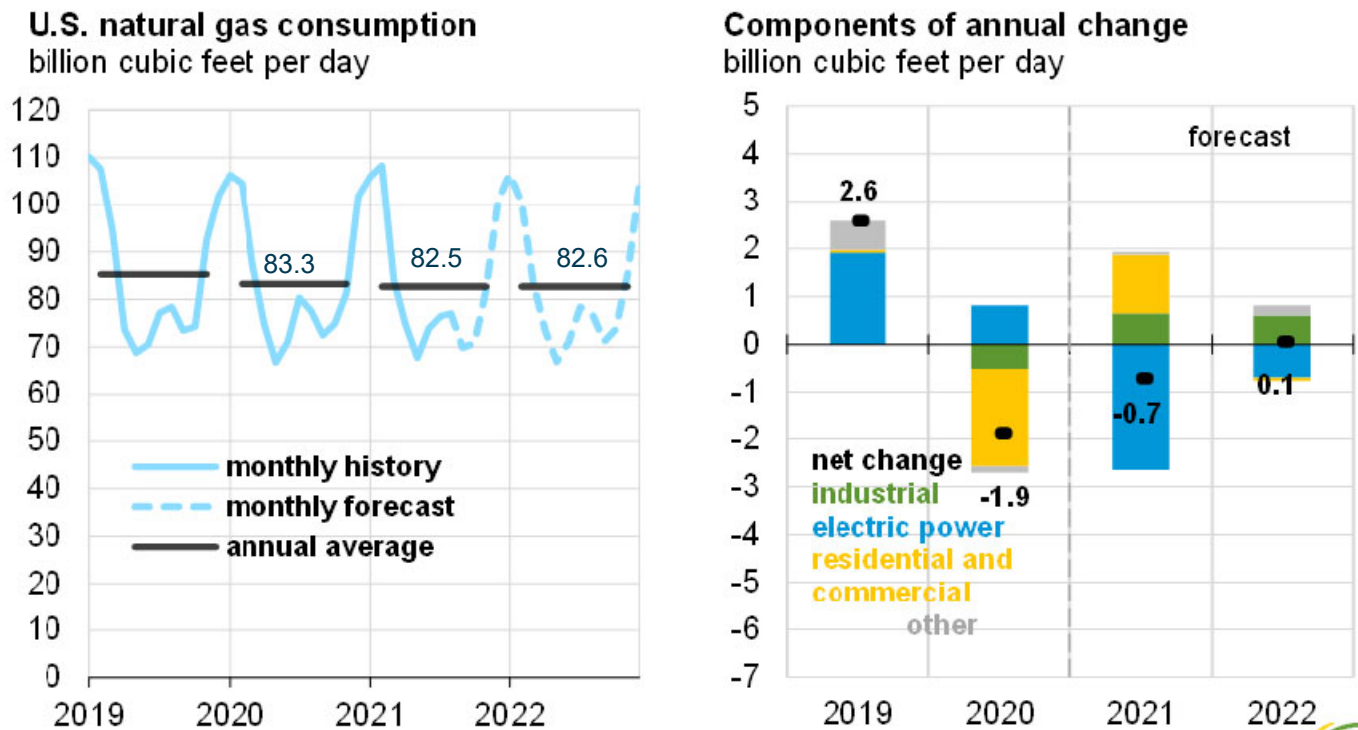
Haynesville, Permian and Appalachia continue to be growth regions in 2021 and 2022

Marketed natural gas production, million cubic feet per day



Source: U.S. Energy Information Administration, September 2021 Short-Term Energy Outlook

U.S. consumption of natural gas expected to decrease in 2021 and 2022 compared with 2020

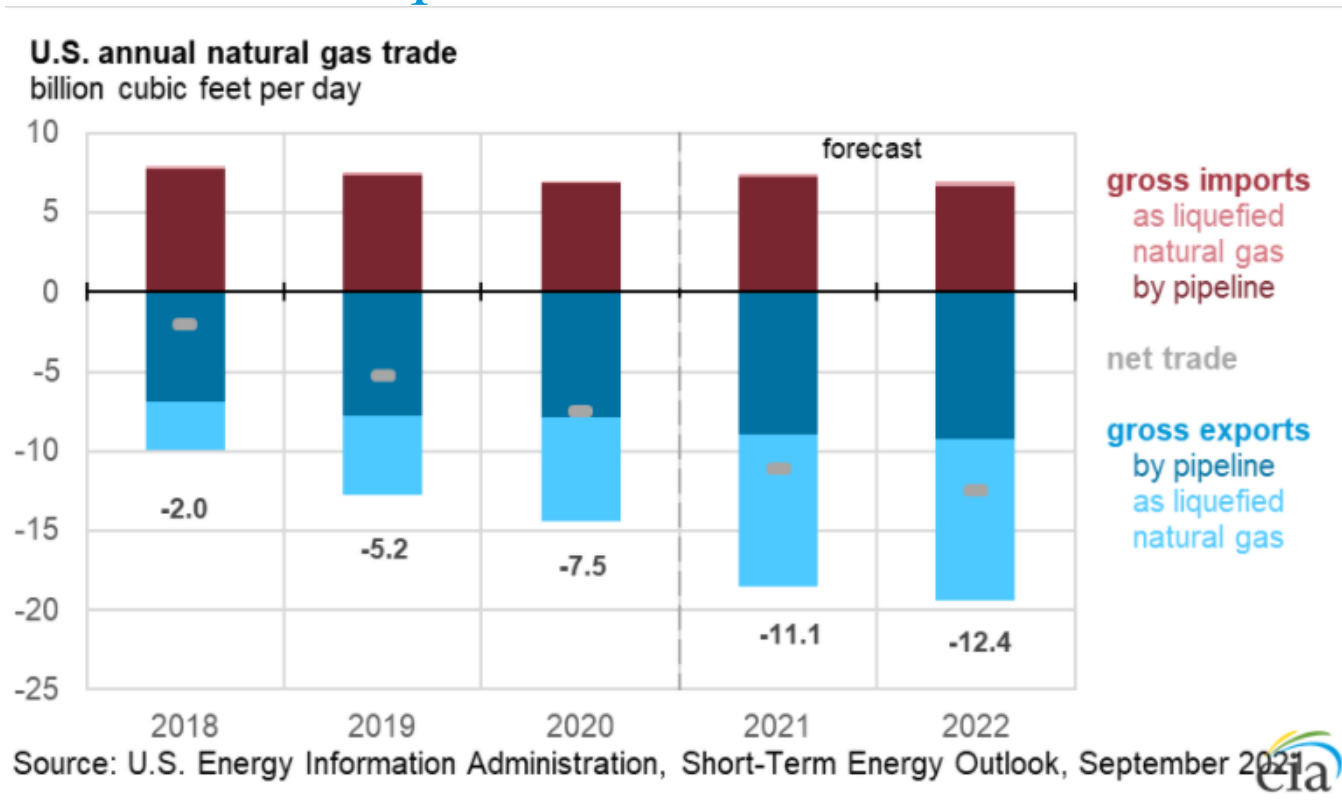


Source: U.S. Energy Information Administration, Short-Term Energy Outlook, September 2021

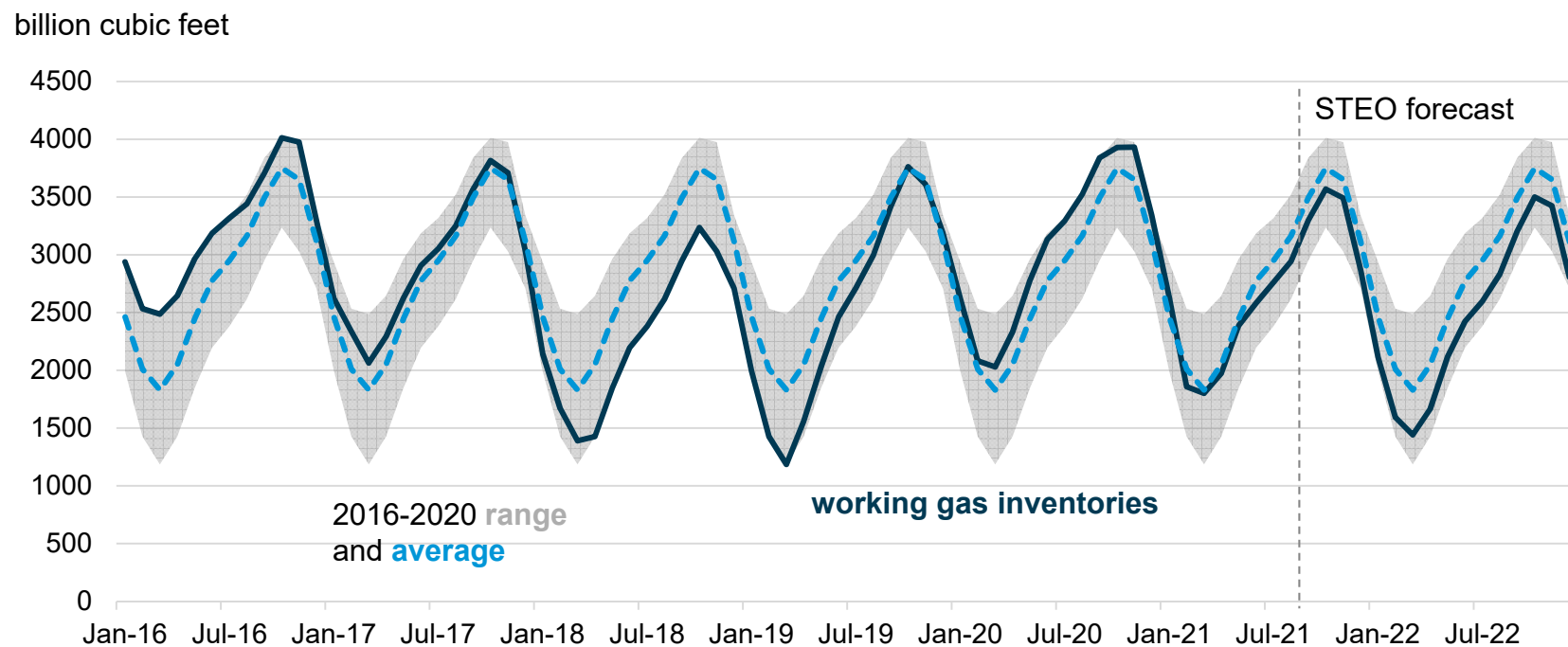


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Exports of natural gas are expected to grow, driven by increases in LNG exports



U.S. natural gas inventories are expected to start the winter heating season below the 5-year average



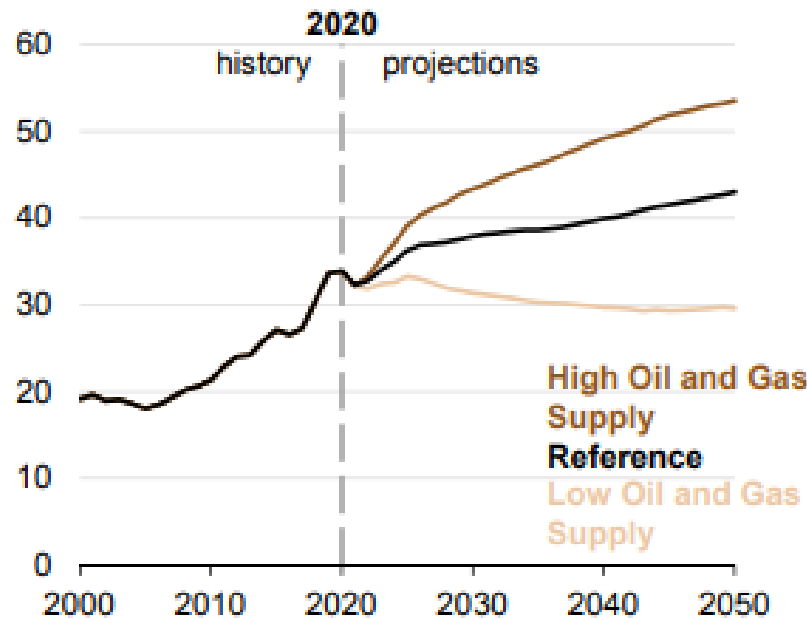
Source: U.S. Energy Information Administration, September 2021 Short-Term Energy Outlook



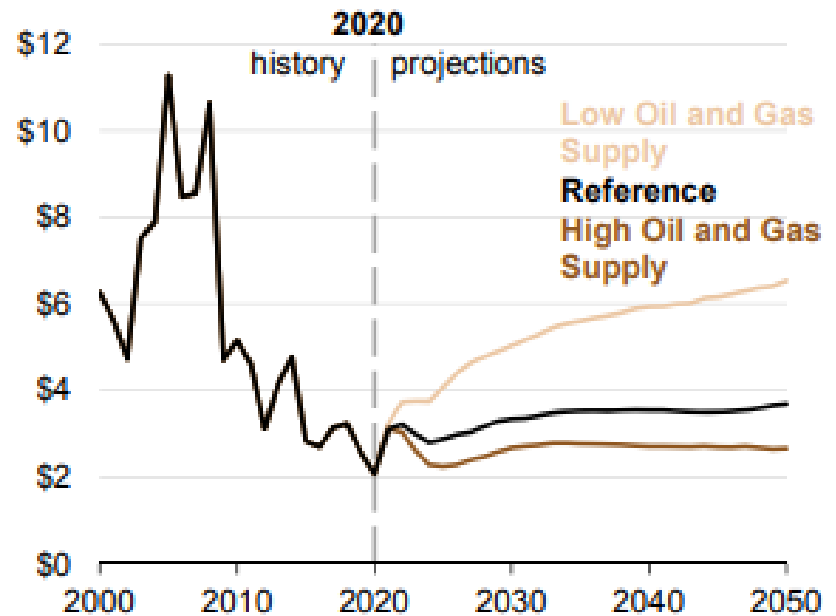
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Natural gas production and prices

U.S. dry natural gas production
AEO2021 oil and gas supply cases
 trillion cubic feet



Natural gas spot price at Henry Hub
AEO2021 oil and gas supply cases
 2020 dollars per million British thermal units



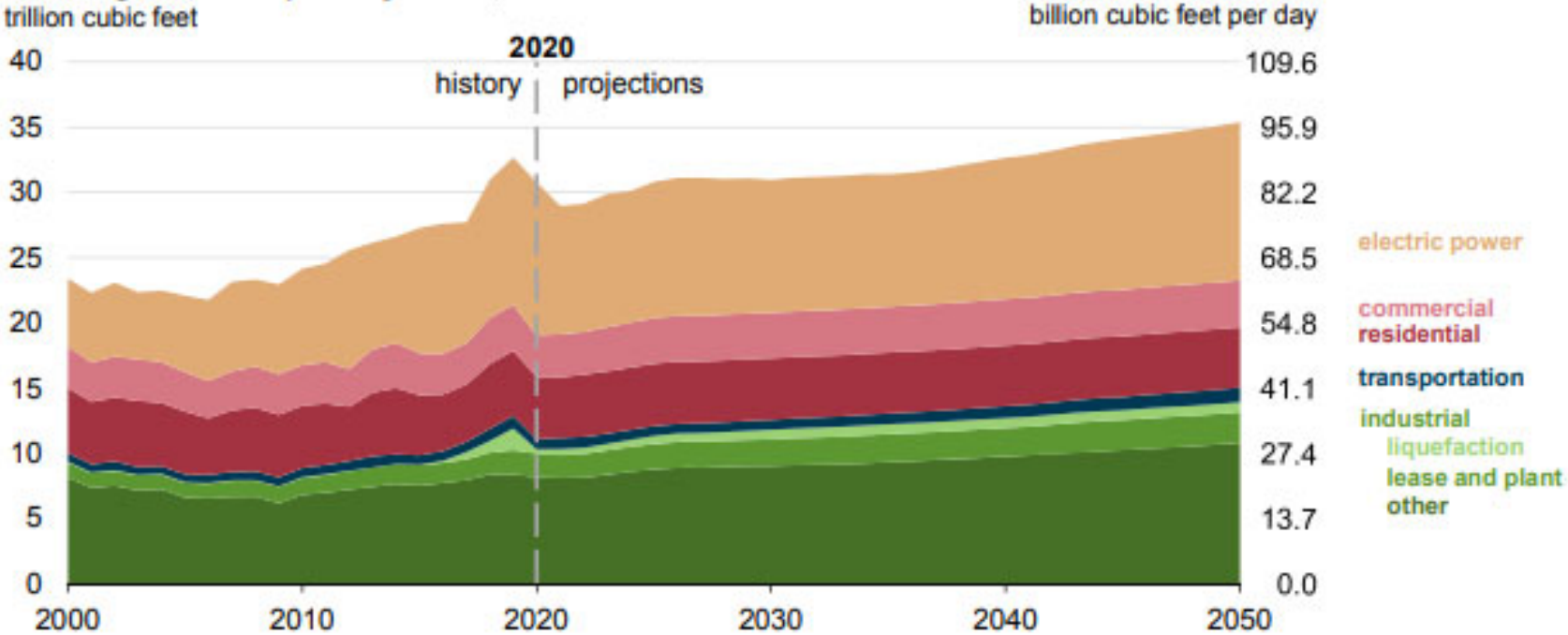
Source: U.S. Energy Information Administration, Annual Energy Outlook 2021



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U.S. natural gas consumption by sector

Natural gas consumption by sector, AEO2021 Reference case



Source: U.S. Energy Information Administration, Annual Energy Outlook 2021



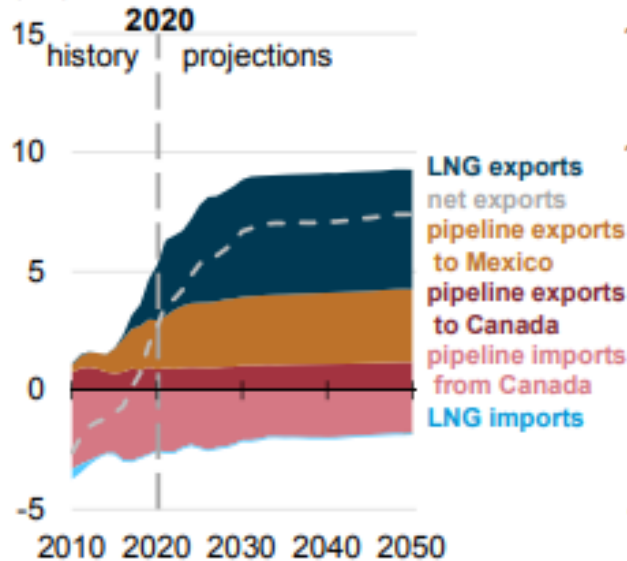
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U.S. natural gas and liquefied natural gas (LNG) trade

U.S. natural gas and LNG trade, AEO2021 oil and gas supply cases

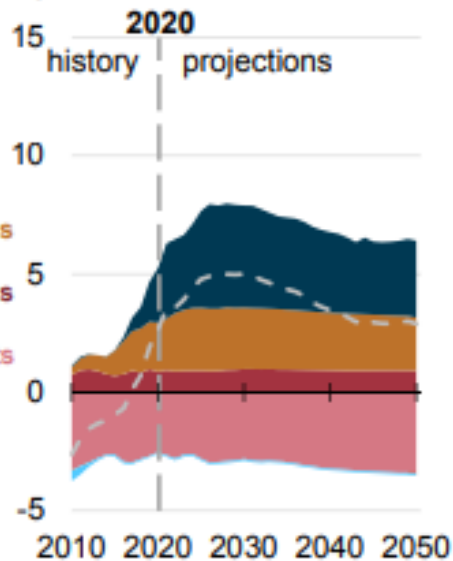
Reference case

trillion cubic feet
(Tcf)



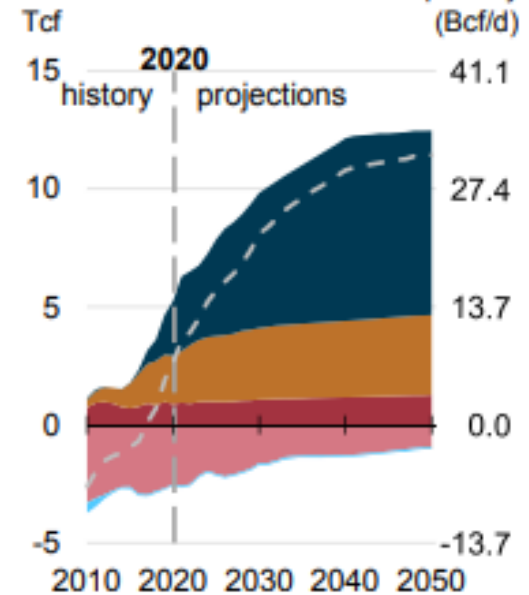
Low Oil and Gas Supply case

Tcf



High Oil and Gas Supply case

billion cubic feet per day
(Bcf/d)



Source: U.S. Energy Information Administration, Annual Energy Outlook 2021



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Sources, upcoming product releases, and contact information

- September 2021 Short-Term Energy Outlook | www.eia.gov/outlooks/steo/report/natgas.php
- Annual Energy Outlook 2021 | www.eia.gov/outlooks/aeo/
- October 2021 Short-Term Energy Outlook | October 13, 2021
- Annual Energy Outlook 2022 | January 2022
- Corrina Ricker | Corrina.ricker@eia.gov