

# Natural Gas Markets: Why Prices Continue to Trend Lower?

**Meera Bagati**

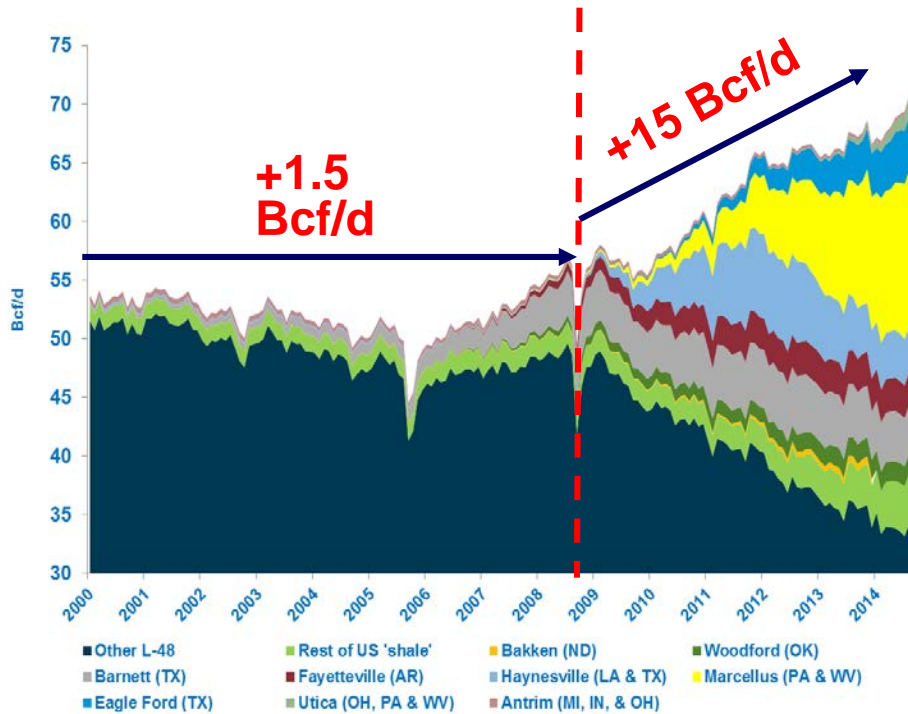
**Sr. Economist, Nextera Energy**

# Natural Gas Prices \$/MMBtu



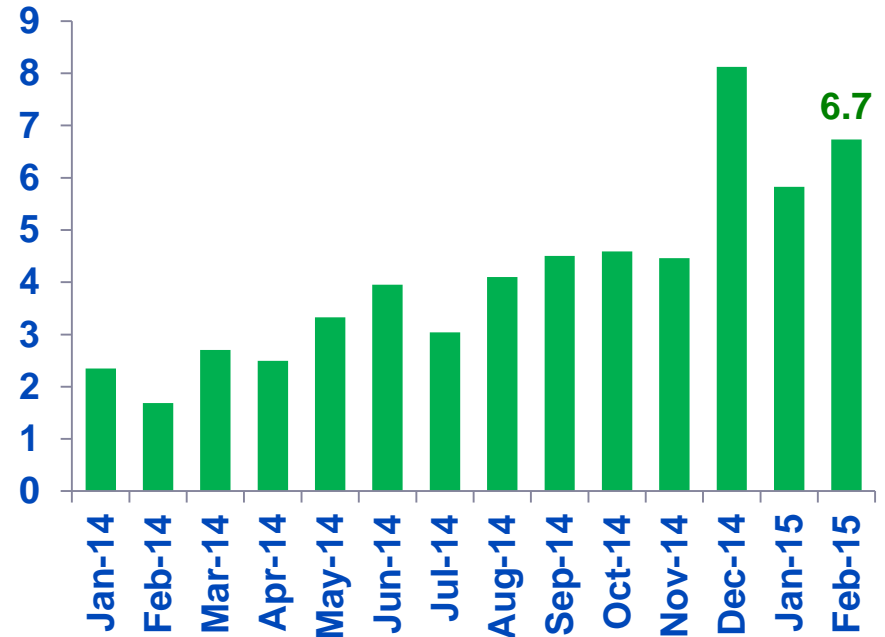
# Monthly Gas Production By Shale

Bcf/d



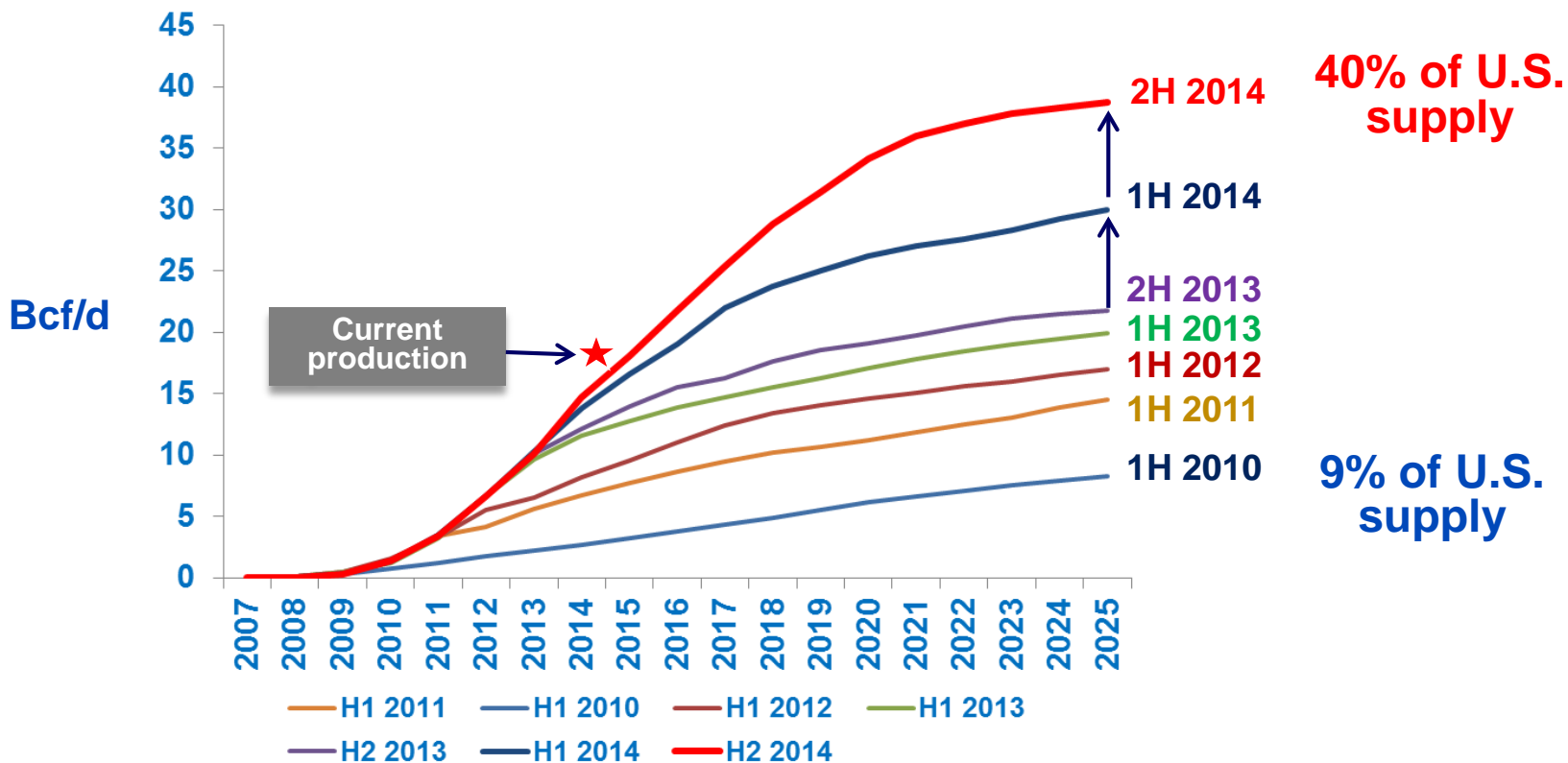
# Y-o-Y Change in Lower-48 Gas Production

Bcf/d



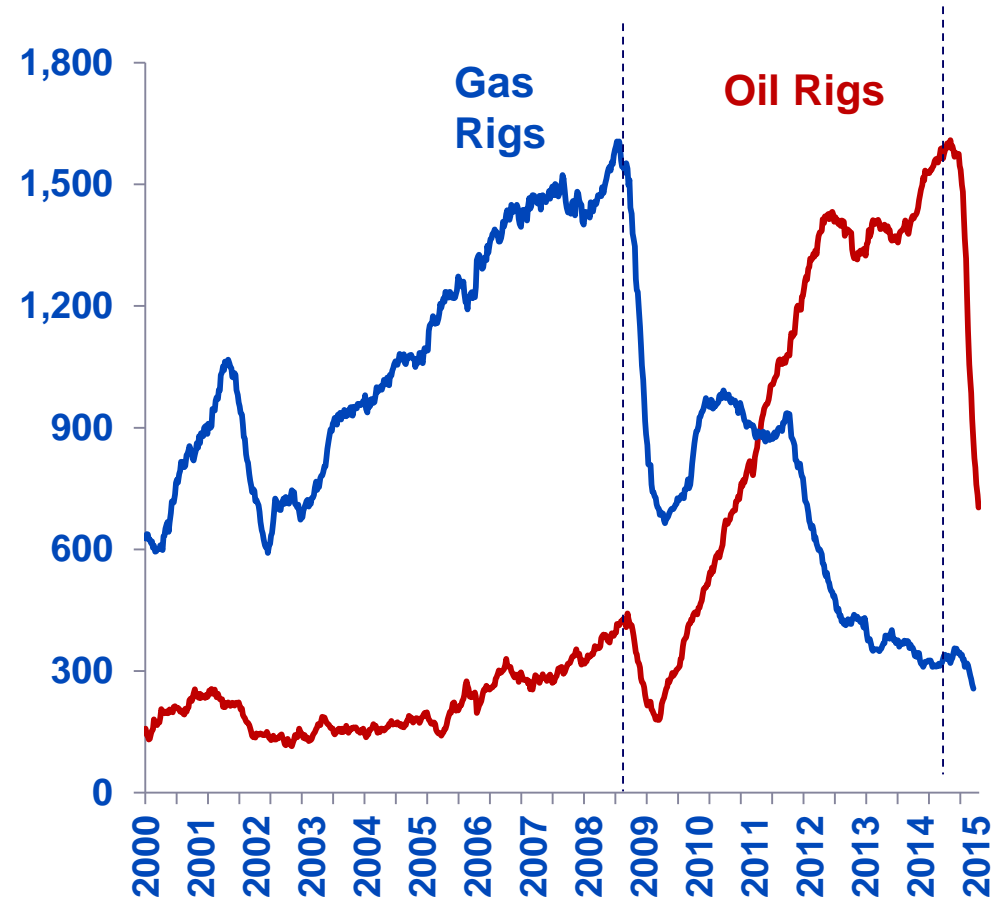
# Marcellus & Utica Production Forecast Trends

Bcf/d



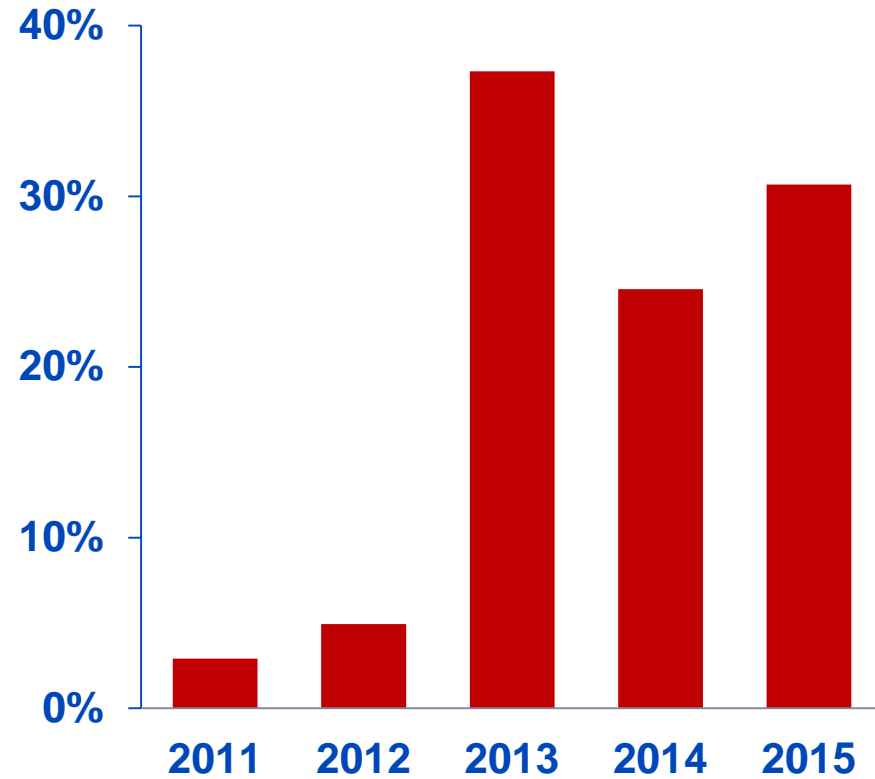
# U.S. Oil and Gas Drilling

Number of Rigs

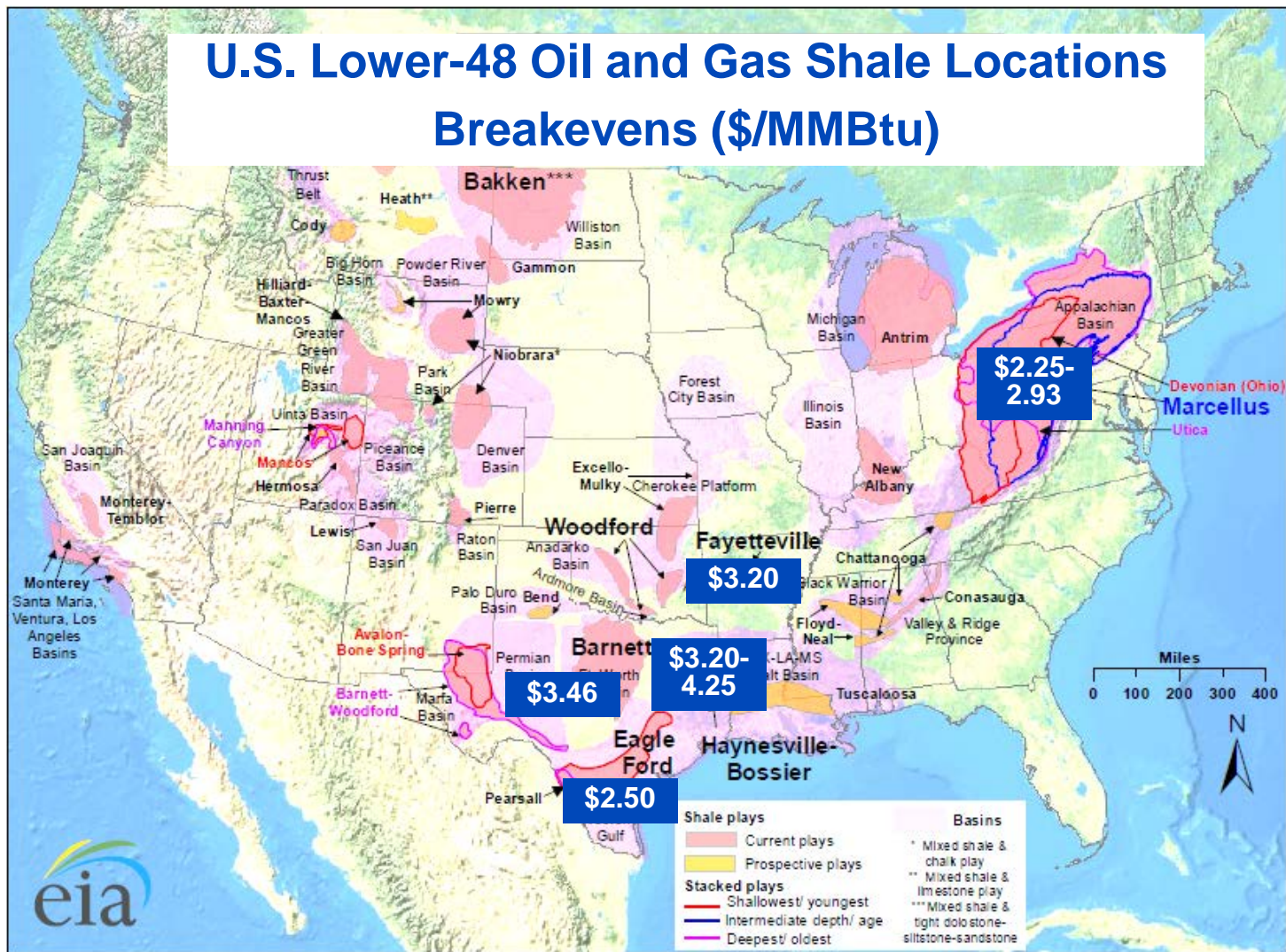


# Marcellus Drilling Efficiency

Y-o-Y % Change

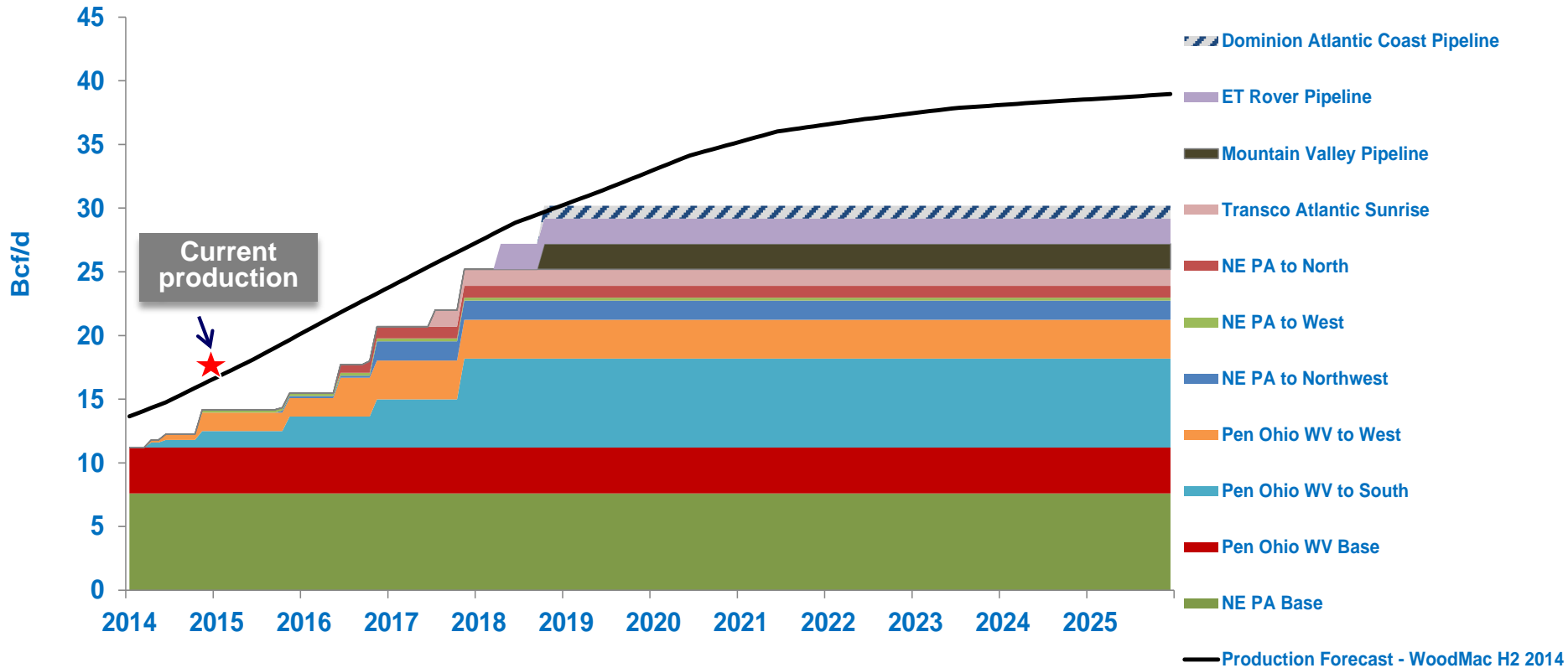


# Breakeven Costs range from \$2/MMBtu up to \$4.25/MMBtu

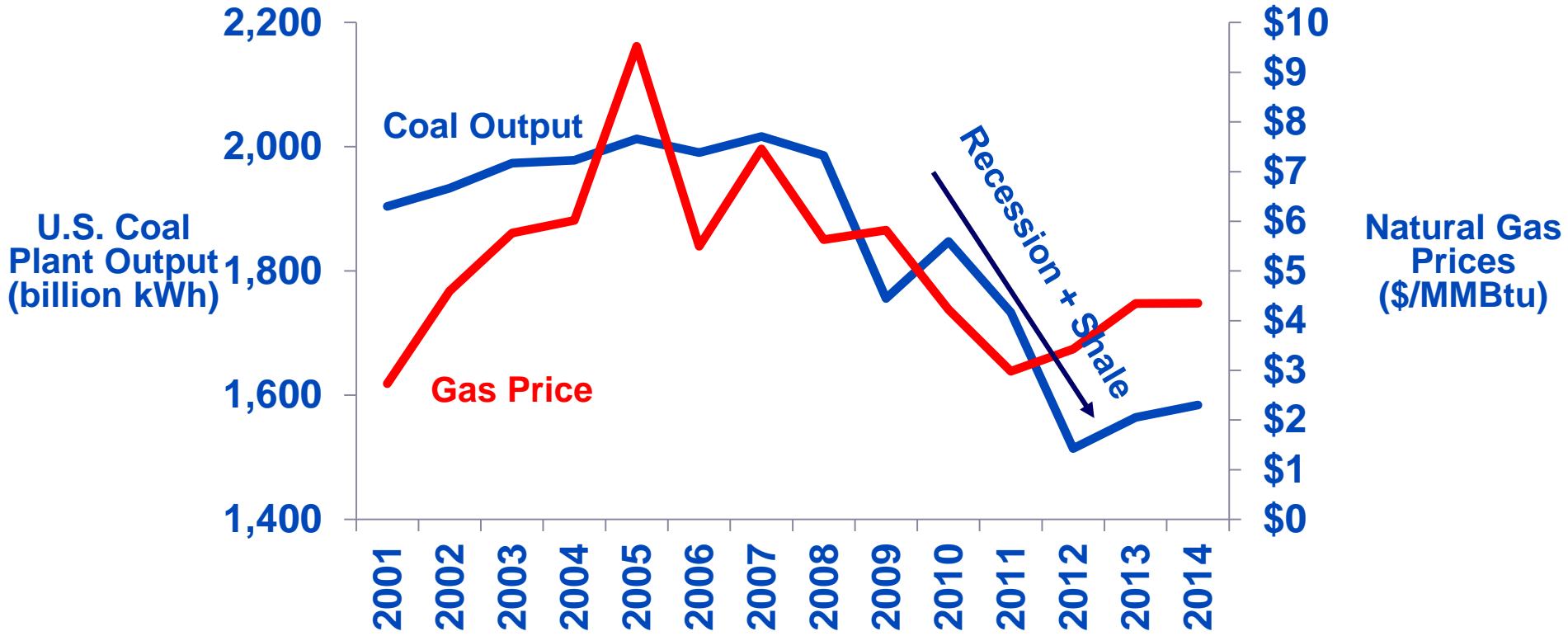


# Debottlenecking Northeast Production Through New Pipeline Capacity Additions

Bcf/d



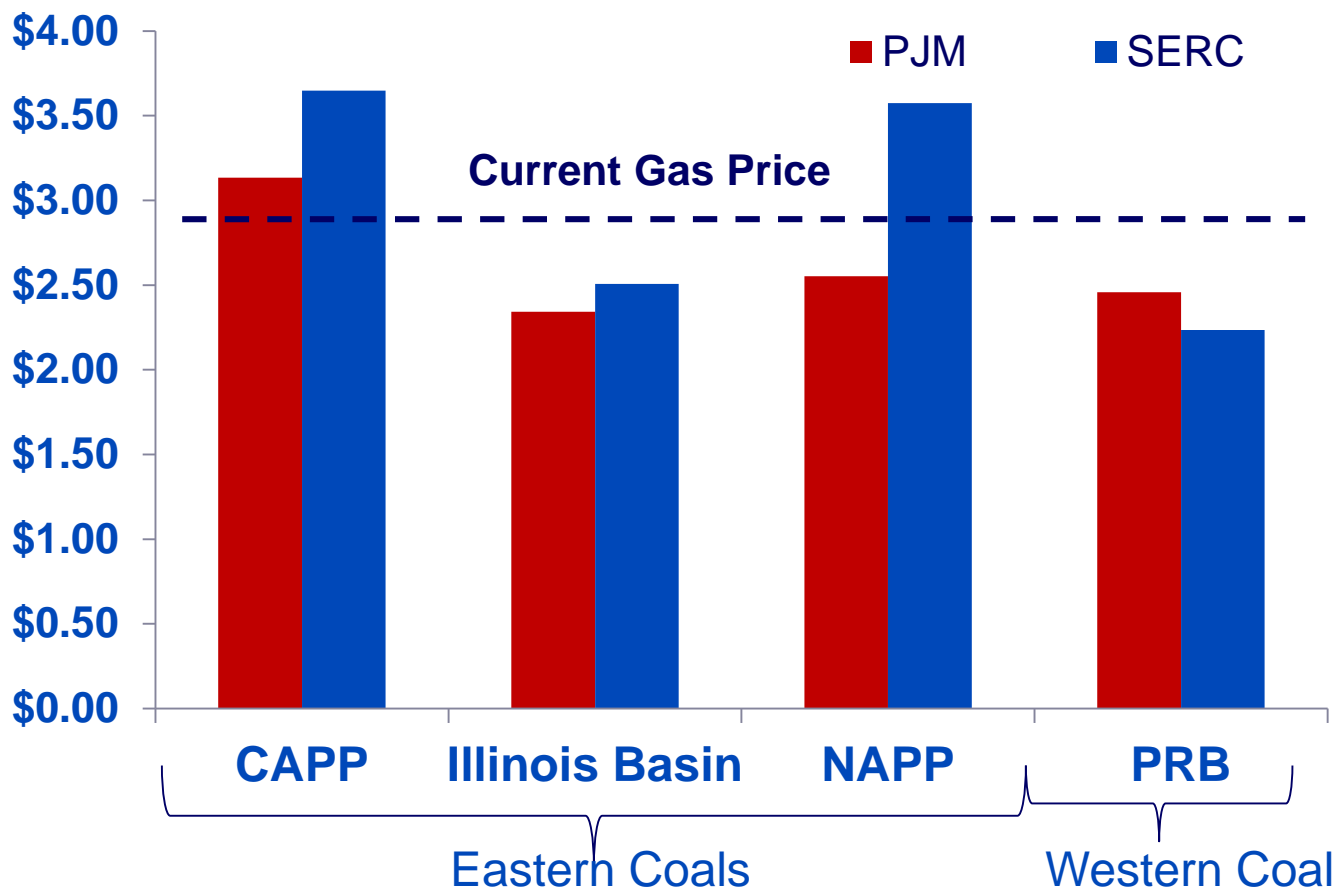
# Coal Steadily Loses Market Share Whenever Gas is Below \$4/MMBtu



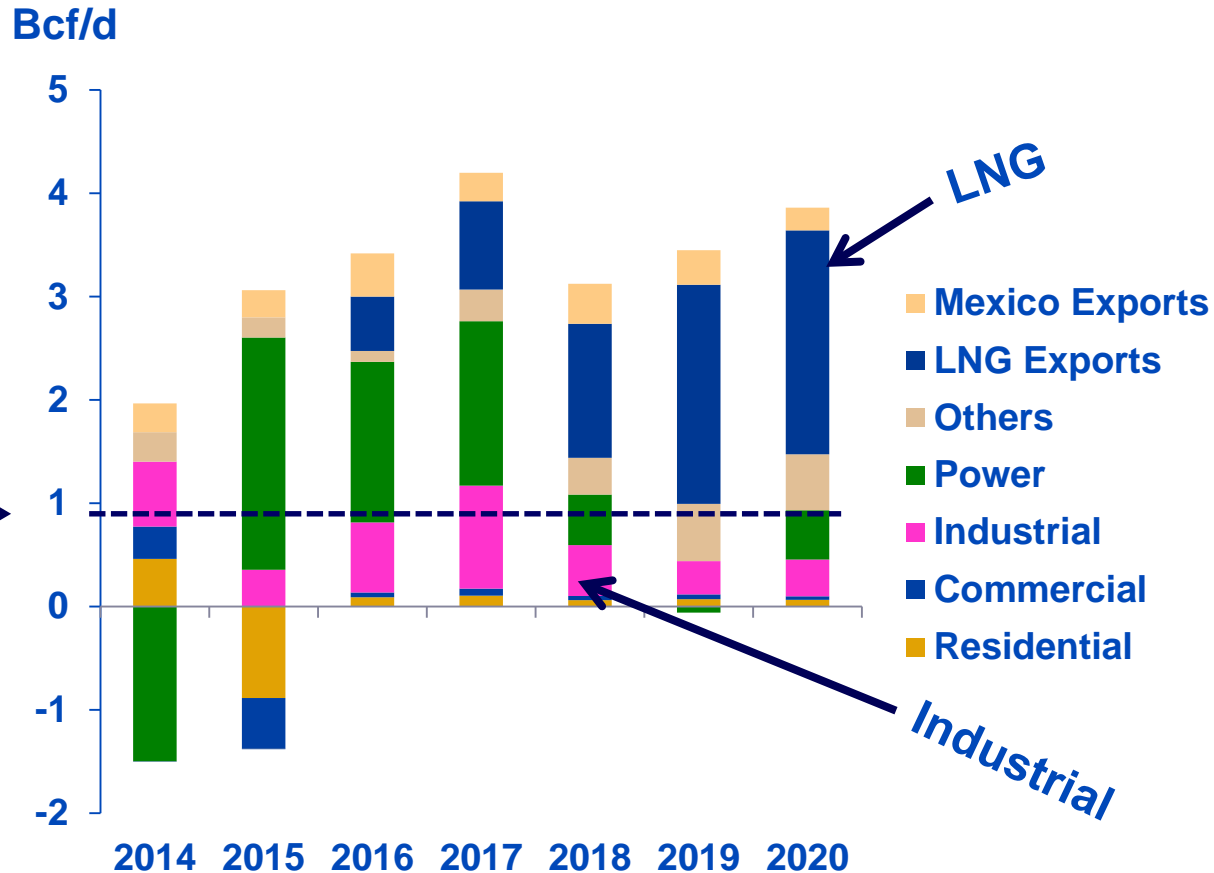


# Gas Price Needed to Displace Coal

\$/MMBtu

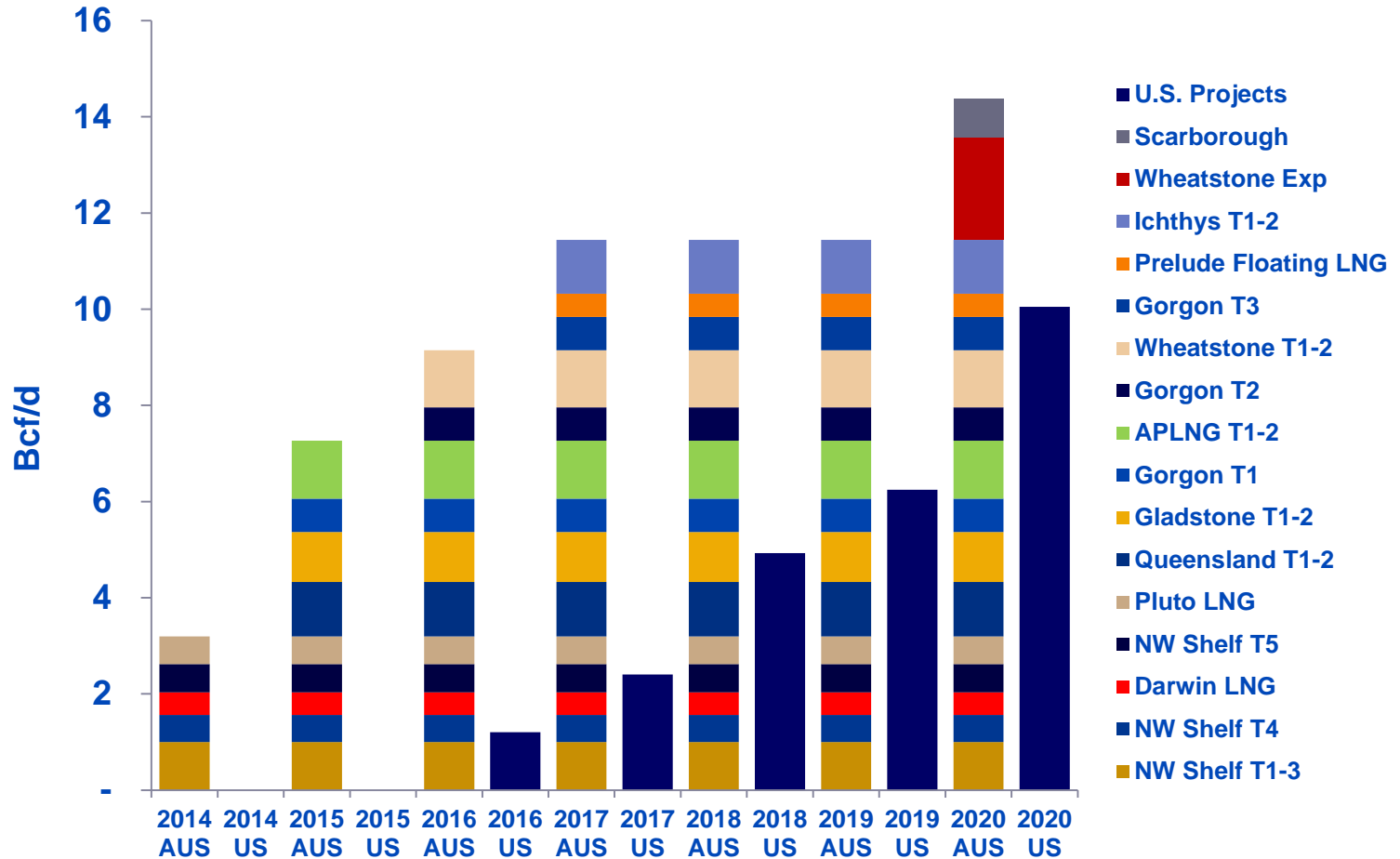


# Projected Natural Gas Demand Growth (Y-o-Y)



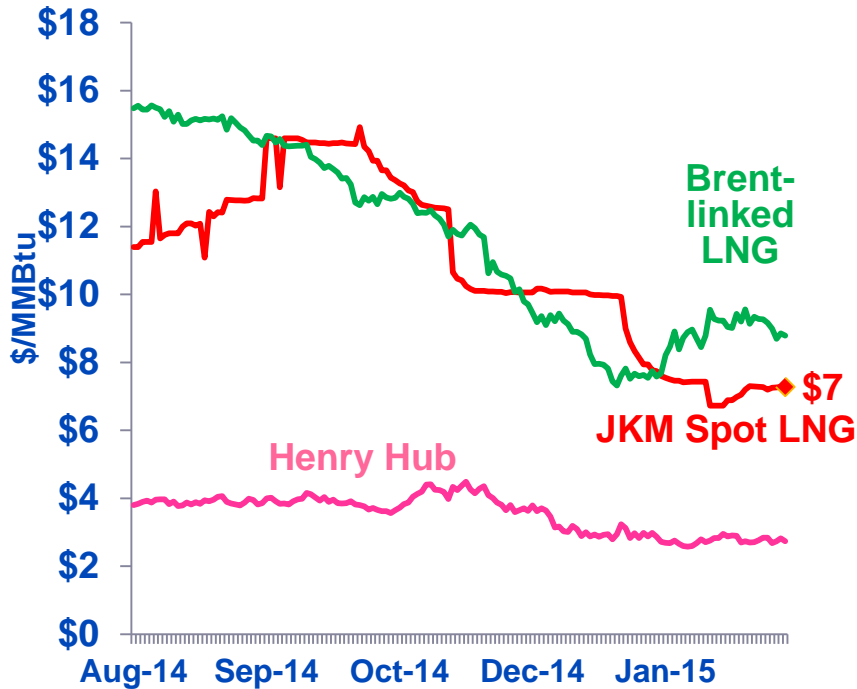
# Australia and U.S. LNG Export Project Timing

cumulative Bcf/d



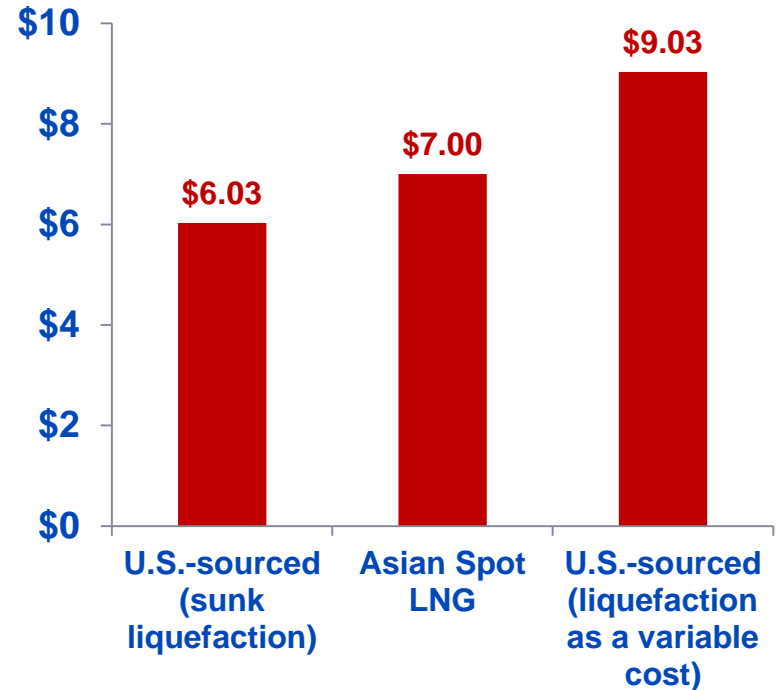
# Spot Prices of Competing Fuels

\$/MMBtu



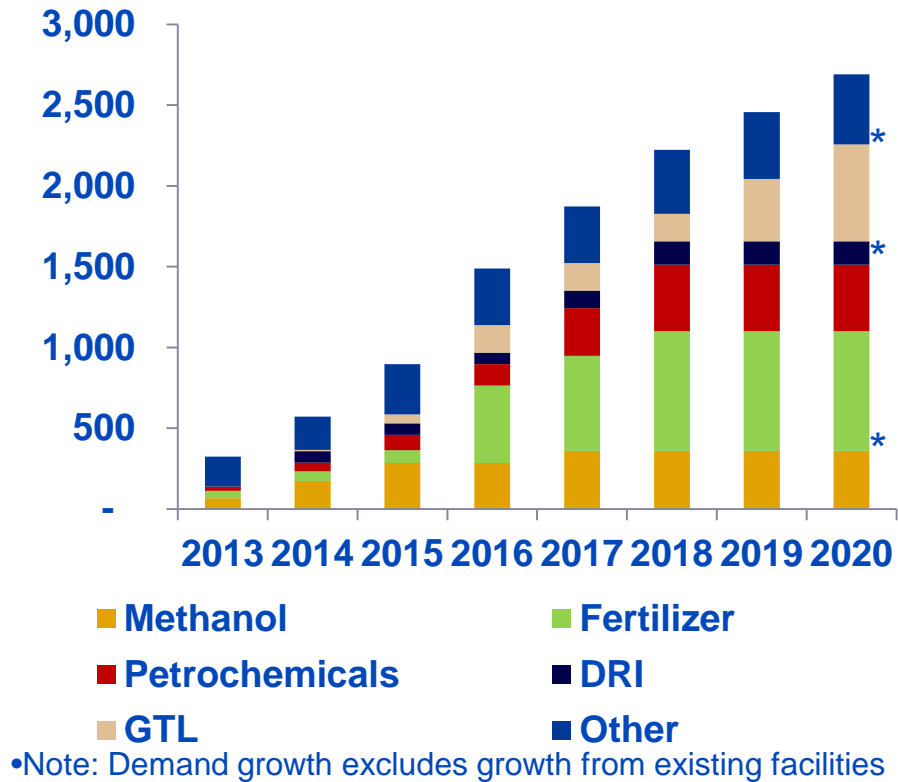
# U.S.-sourced LNG vs Spot LNG Delivered to Asia

\$/MMBtu



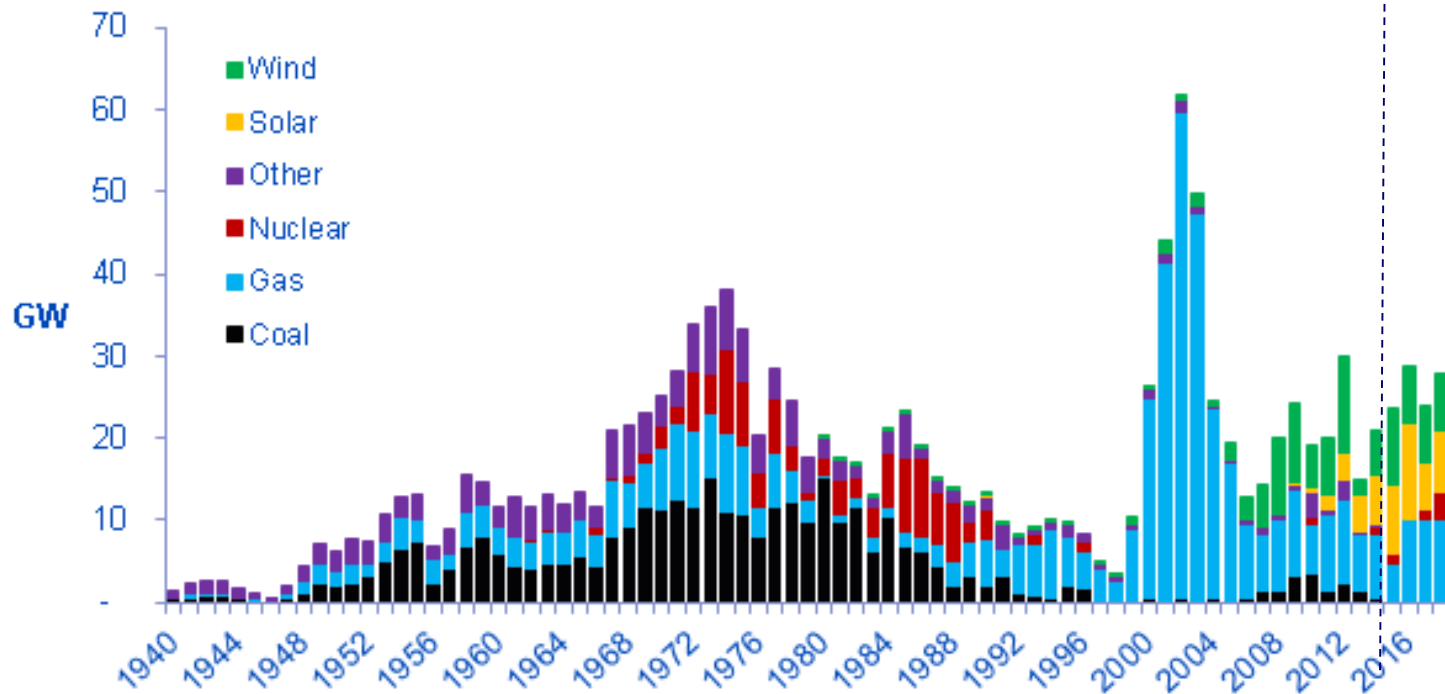
# Gas-Intensive Industrial Projects

MMcf/d of new demand growth since 2012



\* Growth will be affected by oil price recovery

# U.S. Power Plant Additions by Year and Type (nameplate, GW)



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