

# The Advisor

DATA-DRIVEN, HOLISTIC ENERGY CONSULTING

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A brief look at the current state of the energy industry.

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Timely updates on new advances in sustainable energy and technologies.

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The latest (and greatest) updates at APPI Energy.

### CLIENT CORNER

Client spotlights, feedback, milestones, and more!

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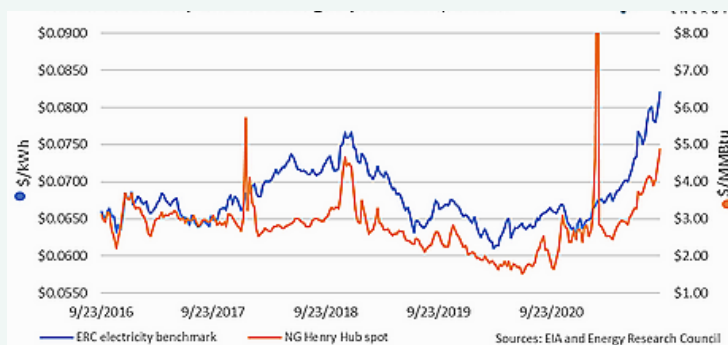


## MARKET MOMENT

The energy markets continue to climb, despite entering what is traditionally known as the “shoulder season”, when cooling load declines but homes and businesses do not yet require much heating. Henry Hub spot prices for natural gas continue to rise at a blistering pace, up over 35% since our last update. Forward electricity prices typically follow suit and are up 7.5% for the same timeframe (see figure 1). Maine power prices increased over 10% to lead the competitive power markets higher, while New York saw the lowest increase, rising nearly 4%.

Retail Electricity & Natural Gas Comparison (2016-2021)

Figure 1



## DRIVING PRICES HIGHER

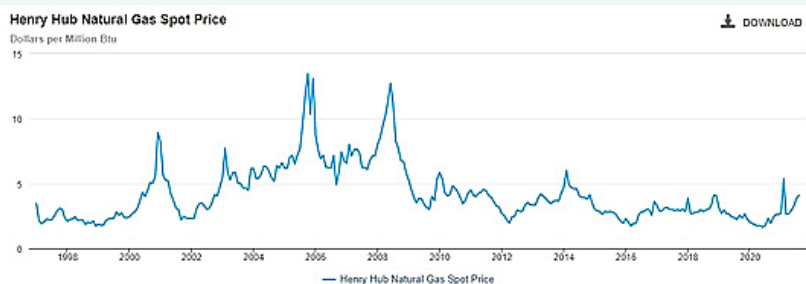
*Natural Gas prices at 7-year high* - U.S. spot pricing has doubled in the last 6 months, hitting levels not seen since 2014 (see figure 2).

**Hourly index prices** – Increased volatility and rising index prices for power may suggest taking another look at fixed price alternatives as a hedge against rising variable costs and budget instability.

**International Demand** - Liquefied natural gas exports show little sign of slowing as natural gas prices in Europe have roughly tripled due to low natural gas storage levels, decreased wind power and a recovering economy.

Henry Hub Natural Gas Spot Price (1998 - 2022)

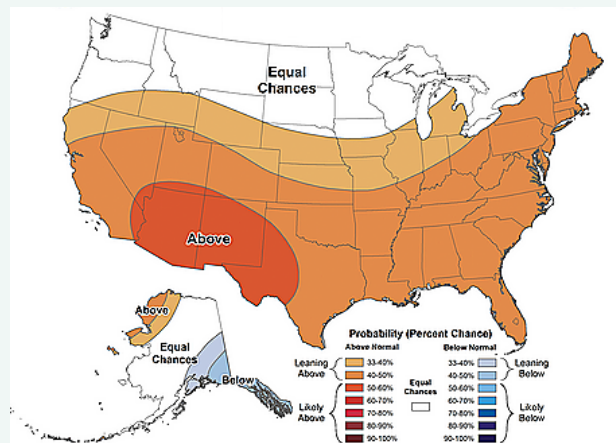
Figure 2



Seasonal Temperature Outlook

Valid: Nov-Dec-Jan 2021-2022

Figure 3



## DRIVING PRICES LOWER

**Revised 3-month weather forecast** – Early winter forecasts call for average to slightly above average temperatures this winter for much of the country (see figure 3).

**Expected 2022 natural gas production** – The U.S. Energy Information Administration projects natural gas production to rise in 2022 as a result of higher prices. However, it takes about 6 months for a significant rise in drilling activity to affect the market, beyond the upcoming winter (see figure 4).

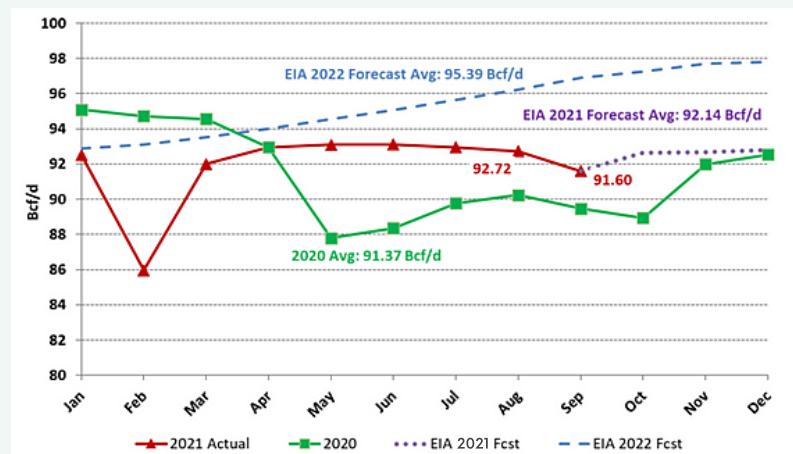
## DID YOU KNOW?

In 2020, the United States exported more energy products – petroleum, natural gas, coal, and electricity – than were imported into the country, a surplus of **\$27 billion**.

This marks the first time energy exports exceeded imports since record keeping began in 1974.

US Dry Gas Production (Bcf/day)

Figure 4





Did you know your organization may be able to avoid or reduce your current tax burden, or in many cases even recoup taxes paid in error? Manufacturers, non-profits and government entities are generally exempt from paying sales tax on at least a portion of their electricity bill.

[See if you qualify for tax exemption status here >>](#)



Upcoming Energy Solutions Webinars with:

PA Chamber of Business and Industry:  
October 21, 11am EST

Pennsylvania Association of Nonprofit Organizations:  
November 10, 11am EST

WHAT'S NEW?

Check out our latest article on key areas to take note of in your energy contract.

[View Here >>](#)



CLIENT CORNER

"We were referred to APPI Energy and have been working with them since 2017. They have helped us on both our electricity and natural gas procurement. Our consultant at APPI has been very proactive and identifies the best possible time in the market to extend our contracts, which keeps our energy costs super low. They have been so easy to work with and are always able to answer any of our requests. When we saw an unexplained charge in one of our electricity bills, we immediately asked our consultant for assistance. He was not only able to handle the matter for us, but he even noticed that we were being charged full sales tax when we qualify for 96% tax exempt. He was able to get us a credit reimbursement for the sales tax we had been paying since the start of our contract date. That's above and beyond!"

Maggie Bova, Vice President

Allen Organ Company LLC, Macungie, PA

*\*All market data above is at the national level, but regional and local energy market conditions can vary widely. For an in-depth review of current energy market conditions impacting your organization, please contact our team of dedicated, expert Energy Consultants: 800-520-6685 or info@appienergy.com.*