

# The Advisor

DATA-DRIVEN, HOLISTIC ENERGY CONSULTING



*In This Issue*

**MARKET MOMENT**

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

**SOLUTIONS CENTER**

Timely updates on new advances in sustainable energy and technologies.

**WHAT'S NEW?**

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**CLIENT CORNER**

Client spotlights, feedback, milestones, and more!

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**MARKET MOMENT**

Energy markets respond well to mild weather. Unfortunately, forecasts suggest we won't be seeing much mild weather in the next 9 months. Although underground NG storage levels in the U.S. remain at 5-year highs, there are multiple factors in addition to weather that are creating significant upside risk in the marketplace:

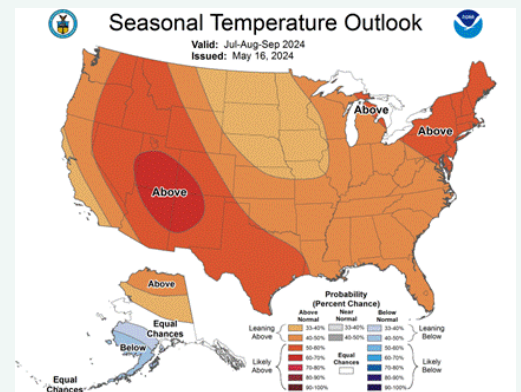
- Natural Gas Production cuts for 2024
- Projected power demand increases driven by growth in data centers and EV charging stations.
- Multiple liquified natural gas (LNG) terminals are under construction and expected to come online in the next 24-months - potential 60% increase in U.S. natural gas exports.

Markets are still in a relatively good spot, consider locking up any near-term open position to avoid exposure to potential increases.

**DRIVING PRICES HIGHER**

**Anticipation of record high temperatures** this summer has caused significant upward pressure in the near-term energy markets. The recent mild winter weather experienced throughout much of the U.S. was in part due to the presence of the El Nino phenomenon (*figure 1*). The sister phenomenon, La Nina, generally brings colder winter weather to the northern half of the country. NOAA forecasts from May 20th, 2024, suggest a 69% chance of a La Nina developing by September 2024.

*figure 1*



## DRIVING PRICES HIGHER CONTINUED...

**Futures pricing for both 2026 and 2027** has also been experiencing increases. There is significant fear being priced into the outer year markets as there's uncertainty about the future supply/demand balance (figure 2). Material increases in exports of natural gas, paired with a rise in domestic power demand could cause significant supply issues down the line.

## DRIVING PRICES LOWER

**Natural Gas Storage levels** remain at 5-year highs and we're well into injection season (figure 3). It's likely we will enter withdrawal season at or above the 5-year average, unless there's a perfect storm of extreme summer weather paired with the present production cuts. Spring has been relatively mild, and the summer heat is not expected to ramp up until July and August, which could potentially delay significant price increases by a month or so.

**The growth in electricity supply** from renewable sources has the potential to make up for the NG supply lost from shipping out more LNG. Advancement and implementation of battery storage on the grid would help make renewables more effective.

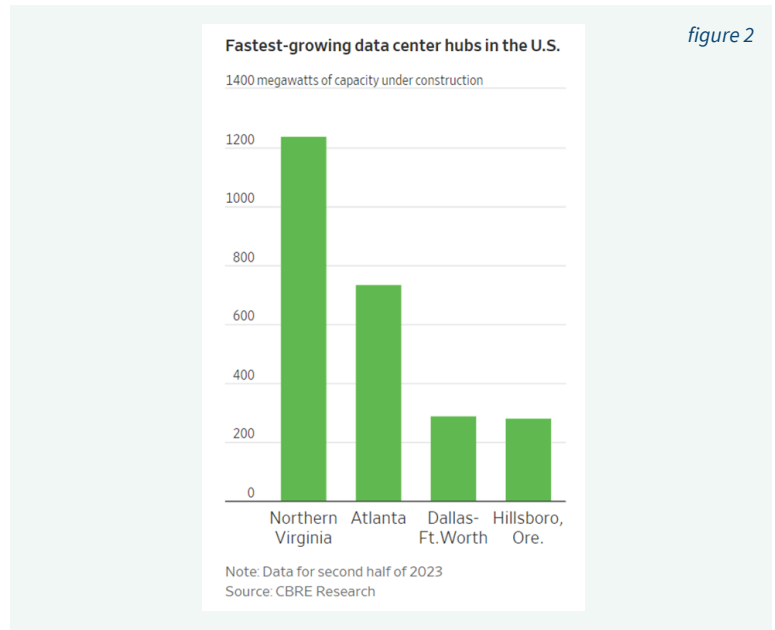


figure 2

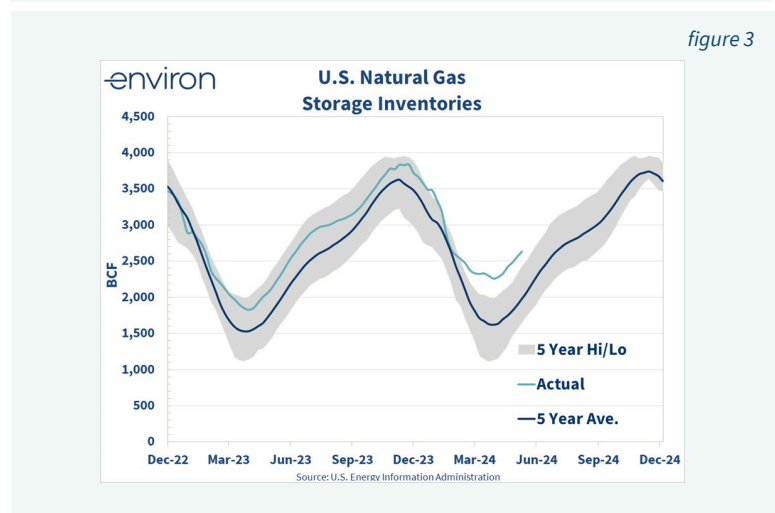


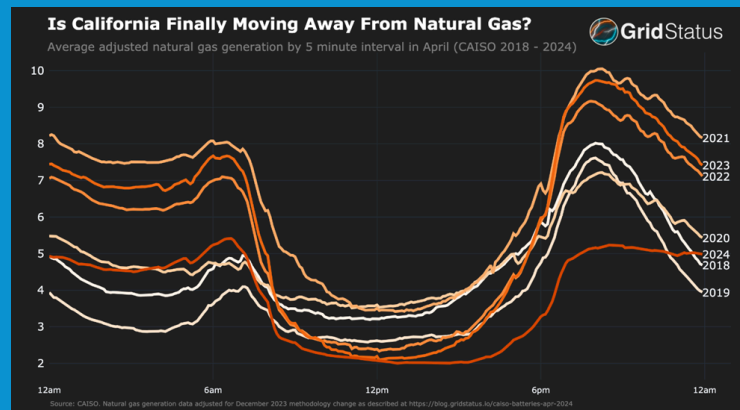
figure 3

## DID YOU KNOW?

We've talked about the issues caused by the limitations of solar generation, more specifically the "Duck Curve". As a refresher, the issue is that demand on the power grid spikes as the sun's power begins to dwindle into the afternoon. In response, Natural Gas Powerplants are forced to quickly ramp up production to ensure the demand on the grid is met.

One of the solutions we covered was the implementation of battery storage on the grid. Taking surplus energy from solar during peak hours, storing it in batteries, and releasing it out to consumers to ease the afternoon strain on the NG Powerplants.

California has installed enough battery infrastructure to where this solution came to life this spring. Observe the line below labeled 2024, the afternoon ramp up is noticeably smoothed out compared to years past. This marks a big step in the transition towards more renewable energy sources.





## CASE STUDY:

### Hackensack Meridian Health Hospitals Lead the Nation in Achieving Sustainable Healthcare Certification with Environ

Hackensack Meridian Health (HMH), New Jersey's largest nonprofit healthcare network, includes 18 hospitals and over 500 care sites. Committed to comprehensive medical services, research, and compassionate care, HMH boasts top-ranked adult and children's hospitals in the state. Beyond healthcare excellence, HMH is dedicated to environmental stewardship and community well-being.

Through collaboration with Environ, Hackensack Meridian Health successfully pursued The Joint Commission Sustainable Healthcare Certificate. By implementing Environ's recommendations and guidance, HMH not only demonstrated its commitment to environmental stewardship but also enhanced its strategic approach to sustainability, benefiting both the organization and the communities it serves. Environ's expertise in energy consulting proved instrumental in HMH's journey towards a greener, healthier future.

[Read More>>](#)

## WHAT'S NEW?

### GUIDING MANUFACTURERS THROUGH THE LATEST ENERGY MARKET TRENDS

Amidst swift environmental changes and regulatory shifts, manufacturers face the dual challenge of maintaining competitiveness and embracing sustainability. In a shifting energy landscape, industry leaders must optimize operations, mitigate risks, and seize opportunities. In our latest article, published in Production Machining magazine, we explore key strategies that help manufacturers navigate the latest energy market trends.

[Read More>>](#)



## CLIENT CORNER



"APPI Energy is very reliable when it comes to assessing electricity procurement for your facilities. They are honest about the energy markets and whether the timing is favorable for your needs. They specifically told us to wait to sign a new contract as the market conditions would not have provided the best pricing or terms. Additionally, the APPI team was able to help our bank reach our goal of procuring 100% green power, which was important to us internally as an organization as well as to our customers. This is the type of service you want from a provider, a team that truly cares what your vision is as a company and one that will recommend the best option for your future. Thank you APPI!"

**Tom Lunney**

Senior Vice President  
FNCB Bank

*\*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](mailto:info@appienergy.com).*