

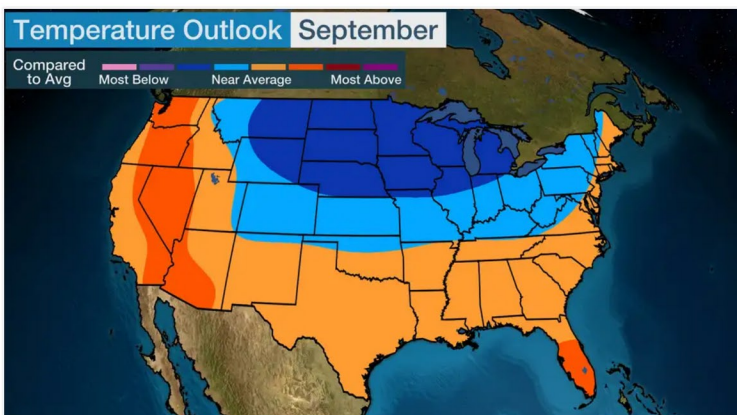
### MARKET SUMMARY

#### BIGGEST FACTORS: MULTIPLE

A confluence of extreme weather, low storage supplies, high U.S. demand, increased LNG exports, and flat production have led to sustained price rallies that are defying expectations.

### WEATHER (BULLISH)

**TAKEAWAY** - Coming off a strong run to close out the summer cooling season, the EIA predicts natural gas spot prices will average +\$4/MMBtu during Q4 2021 - a record high average.

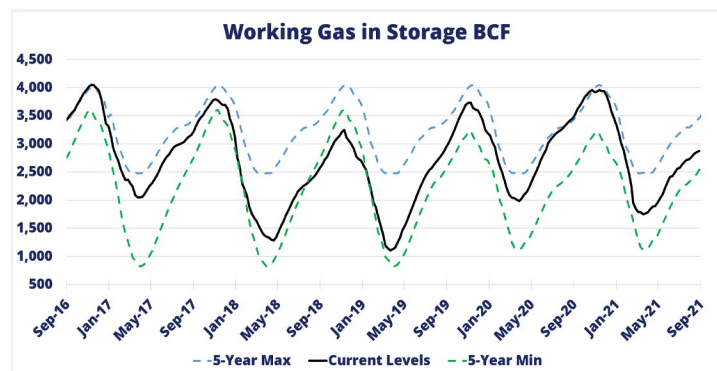


Source: The Weather Company

September will bring cooler temperatures to the northern part of the country, a notable change from recent conditions. Portions of the West from western Washington southward into western and southern Arizona, as well as much of the Florida Peninsula, can expect above average temperatures in September.

### STORAGE (BULLISH)

**TAKEAWAY** - Natural gas futures soared to a seven-year high amid escalating concerns about tight supplies heading into the winter heating season.



Source: EIA

The average rate of injections into storage is 15% lower than the five-year average so far in the refill season (April through October).

### PROCUREMENT TAKEAWAY

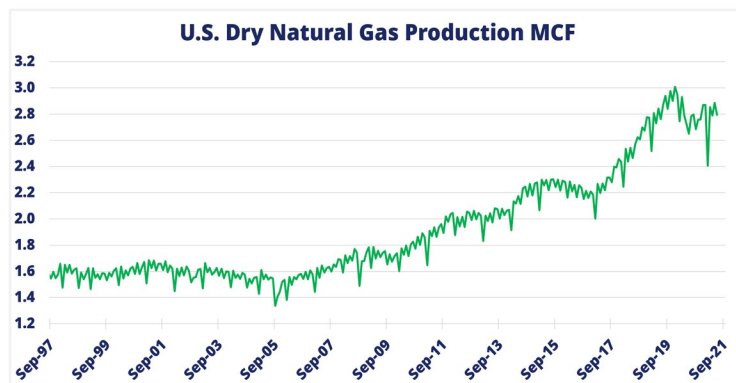
U.S. natural gas futures have advanced 94% this year, on track for the best annual performance since 2000. Rely on an objective consultant like Ecom-Energy to navigate the volatility.

### STORAGE (CONTINUED)

Net injections into storage totaled 20 Bcf for the week ending August 27, compared with the five-year average of 53 Bcf and last year's 36 Bcf. Working natural gas stocks totaled 2,871 Bcf, which is 222 Bcf lower than the five-year average and 579 Bcf lower than last year at this time.

### PRODUCTION (BEARISH / NEUTRAL)

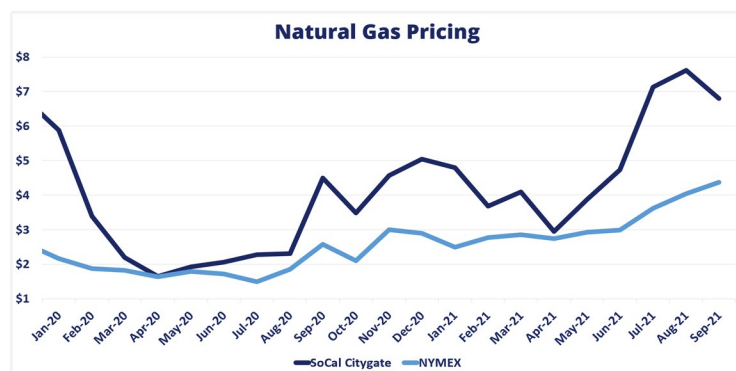
**TAKEAWAY** - Record dry natural gas production in the first half of 2021 was made possible by growth in pipeline takeaway capacity that allows gas produced in the Appalachian Basin to reach other demand markets.



Source: EIA

Hurricane Ida left almost 95% of total U.S. oil and natural gas production in the Gulf Coast region offline. According to the EIA, Ida affected natural gas production at a time that the U.S. was already experiencing higher natural gas prices due to growth in exports, strong domestic natural gas consumption, and relatively flat natural gas production.

### PRICING



Source: EIA

### IN THE NEWS

More than a week after Hurricane Ida knocked out power to almost 1 million Entergy customers across Louisiana and Mississippi, the utility said that as of 8:30 AM on September 8 it still could not deliver power to 302,000 customers due to widespread damage to its distribution network. Hardest hit areas could be without power until September 29. The utility is not facing a generation shortage, despite damage to multiple facilities. **More than 30,000 electric poles were damaged or destroyed by Ida - more than were impacted by hurricanes Katrina, Ike, Delta, and Zeta combined. Utility officials called the restoration effort "historic."**

The quest to make fusion power a reality recently took a massive step forward. The National Ignition Facility (NIF) at Lawrence Livermore National Laboratory announced the results of an experiment with an unprecedented high fusion yield. A single laser shot initiated reactions that released 1.3 megajoules of fusion yield energy with signatures of propagating nuclear burn. Reaching this milestone indicates just how close fusion actually is to achieving power production. The latest results demonstrate the rapid pace of progress — especially as lasers are evolving at breathtaking speed. The peak power attainable in a laser pulse has increased every decade by a factor of 1,000. **The ongoing optimization of the fusion process, which results in higher yields and lower costs, is rapidly developing but still many years from commercialization.**

Eliminating 95% of carbon emissions from the U.S. energy system will require deployment of 30 GW of new solar capacity each year from now to 2025 and 60 GW per year from 2025 to 2030, according to an analysis from the U.S. Department of Energy (DOE). Producing 95% carbon-free electricity is possible without raising electricity prices, according to the report, but removing the final 5% of emissions could increase energy costs by 25%. Industry experts agree with the study about the need to double and even quadruple solar deployment, but actually installing solar at that rate will be an incredible challenge. **Between supply-side constraints and growing demand, the industry is already struggling to keep pace at 15 GW per year. While financial incentives will help increase solar deployment, other federal and state policies will be necessary to accelerate the growth of solar and ensure the U.S. hits the targets outlined in the report.**