

# 2017 State of the Market Report: Federal Energy Regulatory Commission Office of Enforcement Division of Energy Market Oversight



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The Office of Enforcement's Division of Energy Market Oversight ("Division") of the Federal Energy Regulatory Commission ("FERC") undertook a presentation to the Chairman and Commissioners titled:

*2017 State of the Markets ("Presentation")*

See Docket No. AD06-3 Item No. A-3, April 19, 2018.

The *Presentation* constitutes the Division staff's assessment of natural gas, electric, and other energy markets development during 2017. Examples of highlights for the report include:

## Natural Gas

- Prices rose in 2017 relative to 2016 but remained comparatively low.
- Nearly 12 Bcfd in 776 miles of pipeline entered service in 2017.
- United States natural gas production rose 1% in 2017.
- Natural gas demand fell slightly from 2016.
- The U.S. became a net exporter for the first time since 1958.
- Pipeline outages, storage limitations, and cold weather led to higher natural gas prices in Southern California.
- U.S. natural gas storage inventories fell to their lowest levels since 2014.
- U.S. storage saw the largest withdrawal in history in early 2018.

## Electric

- Oil-fired generation temporarily became more cost competitive than natural gas-fired generation in NYISO and ISO New England during winter "cold snap."
- Day-ahead power prices generally increased in 2017 relative to 2016 but remained comparatively low.
- Power prices in Southern California were modestly higher in the second half of 2017 than in the first half.
- Several FERC-jurisdictional ISOs and RTOs revised offer caps in compliance with Order No. 831
- Electric storage continued to grow and regulatory initiatives for opening markets to storage began under Order No. 841.
- MISO and NYISO accepted transmission projects that use the bidding process under Order No. 1000.
- Portland General Electric joined the western UIM, with additional entities joining in 2018.

The complete report is stated to be available FERC's website which is found at [www.ferc.gov](http://www.ferc.gov).

[A copy of the slides from the Presentation can be downloaded here.](#)