U.S. Natural Gas Prices Among World’s Lowest, Despite Record Exports

New study highlights America’s ability to meeting growing global demand while maintaining a well-supplied domestic market.

KEY FINDINGS

U.S. residential natural gas prices remain among the lowest in the world even as domestic and export demand continue to set records. In fact, during the first six months of 2023 when the U.S. was exporting LNG at record levels, U.S. natural gas prices at Henry Hub were at their lowest level in more than 35 years (outside of COVID-19).

Over the last 15 years, any substantial increase in natural gas demand from the industrial, electric power or export sectors has been accompanied by an increase in production, helping maintain affordability for U.S. consumers and businesses.

Looking ahead, policymakers concerned about affordability should focus on removing hurdles to increasing natural gas production and developing critical infrastructure.

Natural Gas Prices at Henry Hub

(Dollars per MMBtu) Source: Energy Information Administration

Over the last decade, average natural gas prices at Henry Hub were 54 percent lower than in the preceding decade. The brief uptick in 2022 was mainly the result of unique post-COVID-19 pandemic circumstances, not increased U.S. LNG exports.

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