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**U.S. Energy Information
Administration**

Press Release

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EIA expects low natural gas prices to continue in 2024, slightly reducing production compared with 2023

The U.S. Energy Information Administration (EIA) expects the benchmark Henry Hub spot price to average about \$2.25 per million British thermal units (MMBtu) in 2024, a 10% decrease from 2023 and a 65% decrease from 2022. In its March [Short-Term Energy Outlook](#) (STEO), EIA forecasts that U.S. natural gas inventories will be more than 30% higher than average at the end of the winter season following relatively low winter demand.

According to EIA's forecast, low natural gas prices will slightly [decrease domestic natural gas production](#) in 2024 compared with record production last year.

"Some producers have announced curtailments in production or reductions in upstream spending on natural gas-directed activities this year," said EIA Administrator Joe DeCarolis. "But with so much domestic natural gas production tied to growing crude oil production, we expect natural gas production to decrease far more slowly than prices have."

EIA expects [U.S. crude oil production](#) to continue growing in 2024 and 2025, with both years exceeding the production record set in 2023. Growth in U.S. crude oil production should help offset the effects of continued voluntary OPEC+ oil production cuts announced this week, but EIA still expects a tight balance of global oil production and demand, which EIA forecasts will lead to higher [Brent crude oil prices](#) in 2024 than expected at the start of the year.

"Some significant sources of uncertainty remain in our crude oil forecasts, including how the Red Sea conflict could affect production and how strictly OPEC+ members will adhere to their voluntary production cuts," DeCarolis said.

Other highlights from the March STEO include:

- **Driving.** EIA expects driving activity in the United States will increase to all-time highs in 2024 and 2025. In 2023, the United States reached 8.9 billion vehicle miles traveled per day, slightly surpassing the pre-pandemic record high set in 2019. Despite increased driving, continued gains in

vehicle efficiency mean drivers consume less gasoline on average.

- **Gasoline prices.** EIA expects U.S. gasoline prices to average about \$3.50 per gallon in 2024, slightly lower than in 2023. EIA revised forecast gasoline prices upward from its February forecasts in response to higher forecast crude oil prices.
- **Solar.** EIA expects utility-scale solar generation to provide 6% of U.S. electricity generation in 2024, up from 4% in 2023. Expected growth in solar generation is supported by a 36-gigawatt increase in solar generating capacity.
- **Coal markets.** EIA forecasts that U.S. coal exports will increase 1% in 2024 and a further 5% in 2025, as coal consumption by the U.S. electric power sector continues to decrease.

The full March 2024 *Short-Term Energy Outlook* is available on the [EIA website](#).

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