Chart of the Week:
High-Level Analysis of the Contribution of US Shale Gas to European Gas Prices and Savings

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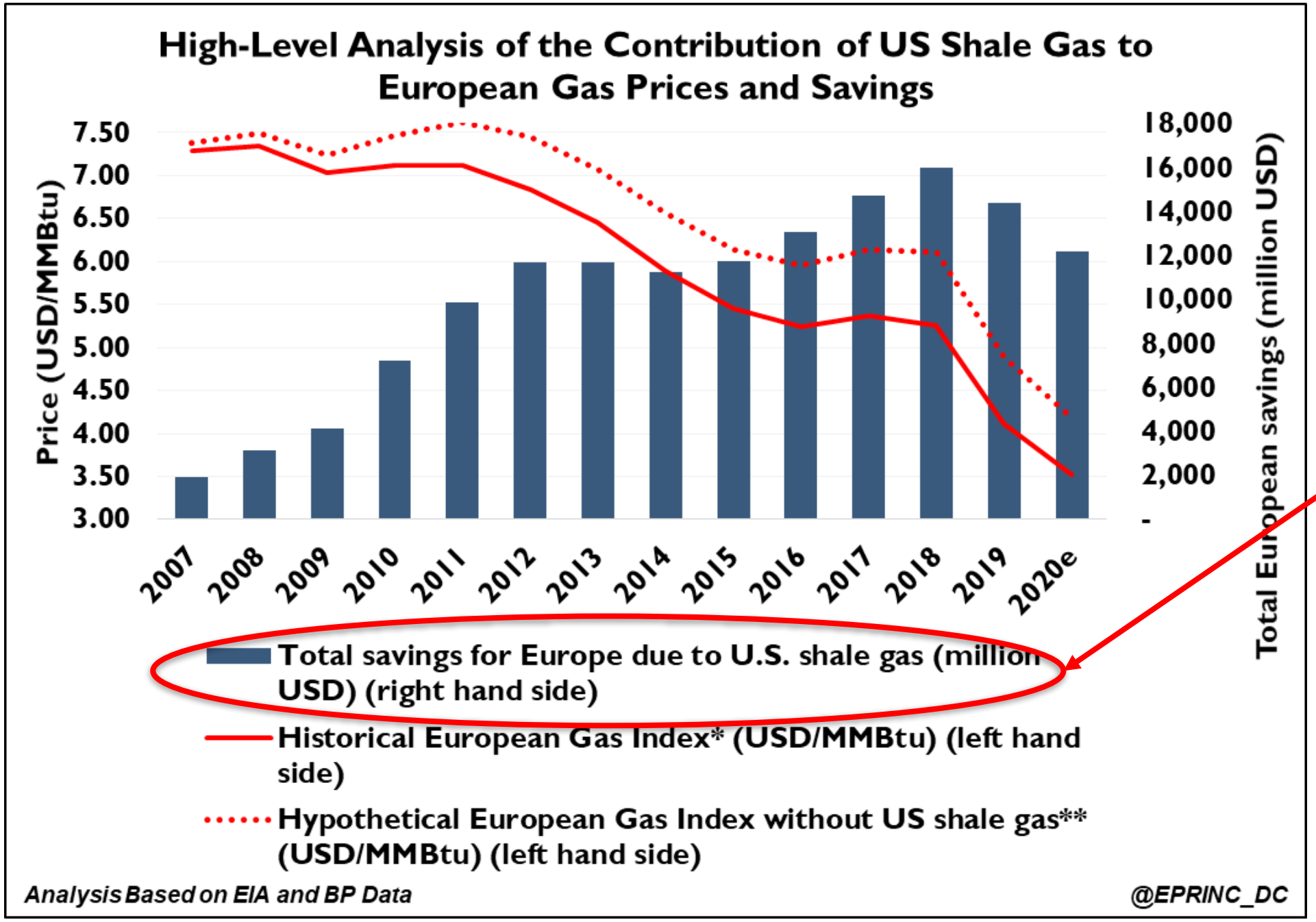

EPRINC estimates that this difference has contributed to a total savings for European natural gas consumers of $143.2 billion.

High-Level Analysis of the Contribution of US Shale Gas to European Gas Prices and Savings

- In the period from 2007 to 2020, global natural gas consumption grew from 284 billion cubic feet per day (BCF/d) to 370 BCF/d.
- In this same period, U.S. natural gas production from shale formations grew from 1.3 to 25.3 BCF/d. In 2007, this production fulfilled 1.2% of global natural gas demand; in 2020, it met 18.8%.
- Using a weighted basket of European natural gas prices, European natural gas prices declined from $7.30/MMBtu in 2007 to $3.50 in 2020. Without U.S. shale production, EPRINC estimates that European natural gas prices would have been considerably higher.
- EPRINC estimates that this difference has contributed to a total savings for European natural gas consumers of $143.2 billion.
- Key assumptions:
  - * EPRINC's Index is the mean of the annual average German import prices, UK's Helen NBP Index, and Netherlands TTF.
  - ** The Index treats natural gas as a "global commodity" and calculated price impacts based on global supply demand balances.
  - The "global commodity" assumption ignores the regionalized nature of pipeline natural gas trading.
- The expanded version of this slide deck is available at: https://eprinc.org/chart-of-the-week/
- For more information on this chart, please contact Batt Odgerel (batto@eprinc.org) or Max Pyziur (maxp@eprinc.org).

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