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# NATURAL GAS PHYSICAL & FINANCIAL MARKETS

May 13, 2020

Hyatt Place Jacksonville/St Johns Town Center

Jacksonville, FL

“

*This class gave me a great fundamental basis of the physical and financial markets. I feel more educated and better about having thoughtful conversations with colleagues around these topics.”*

Fuel Supply & Trading Rep, Entergy

### RELATED EVENT:

## INTRODUCTION TO THE NATURAL GAS INDUSTRY, INFRASTRUCTURE AND REGULATIONS

May 12, 2020 | Jacksonville, FL



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EUCI is authorized by IACET to offer 0.7 CEUs for this course.



EUCI is authorized by CPE to offer 8.0 credits for this course.

# OVERVIEW

This course will present an overview of physical and financial natural gas markets. Attendees will review natural gas market basics, including terminology, concepts, and the mechanics of physical natural gas trading. They will discuss the role of NYMEX Natural Gas Futures Contract in determining the value of physical natural gas. Our expert instructor will provide an in-depth understanding of gas indices, fixed price, and physical basis deals. He will address major trends on how sellers and purchasers price physical natural gas. Attendees will gain an understanding of where to find price information, what affects prices, and the role of the natural gas index publishers. They will leave the course with the ability to assess the importance of liquidity in physical natural gas markets and review considerations used to determine whether or not to hedge. The course will discuss the role of FERC, the Commodity Futures Trading Commission (CFTC), states, and other participants in regulating natural gas markets. The course will conclude with a discussion regarding where natural gas markets are headed.

The intent is that participants will be able to apply the information learned the first day they return to their jobs. Hands-on activities will be included throughout the day.

# LEARNING OUTCOMES

- Discuss an overview of physical and financial natural gas markets and their key differences
- Explain the role of NYMEX Natural Gas Futures Contract in determining the value of physical natural gas
- Review natural gas market basics, including terminology, concepts, and the mechanics of physical natural gas trading
- Express where physical natural gas can be bought and sold
- Discuss gas indices, fixed price, and physical basis deals
- Address major trends on how sellers and purchasers price physical natural gas
- Describe where to find price information and what affects prices
- Explain the role of the natural gas index publishers
- Assess the importance of liquidity in physical natural gas markets
- List the major players of physical natural gas markets
- Review considerations used to determine whether or not to hedge
- Describe the role of FERC, the Commodity Futures Trading Commission (CFTC), states, and other participants in regulating natural gas markets
- Discuss where natural gas markets are headed



*“Fantastic course!”*

Analyst, DoD

# AGENDA

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WEDNESDAY, MAY 13, 2020

**8:00 – 8:30 am**      **Registration and Continental Breakfast**

**8:30 am – 4:30 pm**      **Course Timing**

**12:00 – 1:00 pm**      **Group Luncheon**

## **Introduction**

- Geopolitics and Social Media
- Where are natural gas prices headed?
- Crude oil, NGL, and gas production effects
- Gas processing and pipeline constraints
- U.S. exports to Mexico and global markets by LNG companies

## **Other Drivers of Natural Gas Prices**

- Weather
- Storage
- Infrastructure constraints

## **Physical & Financial Natural Gas Markets**

- Regional Gas Markets
- NYMEX at the Henry Hub

## **Kinds of Transactions**

- Forwards
- Futures

## **Physical Natural Gas: Buying and Selling**

- Where can physical natural gas be bought and sold
- Bidweek (next month gas)
- Daily gas (next day gas)
- Intraday
- Weekend gas
- Firm and interruptible pipeline transportation nominations

## **Physical Natural Gas Pricing and Indexes**

- Fixed price deals
- Kinds of Indexes
- Index Developers
- How indexes are calculated
- How indexes are used

## **Financial Markets: NYMEX Natural Gas Futures Contract and ICE Look-Alike Futures Contract**

- Contract specifications
- Key differences
- Role of NYMEX Natural gas futures settlement during bid week in setting gas prices
- How Settlement of the NYMEX affects physical daily and monthly gas indices

# AGENDA

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WEDNESDAY, MAY 13, 2020 (CONTINUED)

## **Natural Gas Basis**

- What is basis?
- What causes basis
- Using basis when buying and selling gas

## **Natural Gas Market Basics & Terms**

- Bulls and Bears
- Going Long and Shorting the Market
- Mechanics of physical natural gas trading
- Role of: Intercontinental Exchange and CME ClearPort
- Voice brokers

## **Hedging with Physicals and Futures**

- What is hedging
- Hedging and Risk Management
- Why do financial hedges
- To hedge or not to hedge- and how much?
- Long Hedgers and Short Hedgers
- Hedging for natural gas producers and purchasers with examples

## **Natural Gas Options**

- Definition
- Buying and selling options
- Anatomy of an option
- Call options vs Put Options
- Speculating and hedging with gas options
- Examples of how to hedge with options

## **Natural Gas Swaps and Hedging Basis**

- Defining Swaps
- Basis Swap
- Index Swap
- Swap dealers
- Key differences between futures and swaps and related costs

## **Natural Gas Markets: Regulatory Perspectives**

- Who's watching the natural gas markets for manipulation?
- FERC, CFTC, states
- What gets FERC's attention in the natural gas markets?
- How FERC performs oversight and surveillance of the natural gas markets
- FERC's hotline and its role in preventing market manipulation
- Fines and penalties

## **Natural Gas Markets and Decarbonization**

- Climate Change
- Presidential Election and Ban on Fracking
- Environmental regulation
- Keep it in the Ground and the New Green Deal
- Carbon Capture, Use and Storage
- Blue and Green Hydrogen

# INSTRUCTOR

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## Tom Russo

### Principal, Russo on Energy LLC

Tom Russo is an Energy and Environmental expert with unique FERC regulatory skills in siting hydropower, natural gas and liquefied natural gas infrastructure, NEPA environmental impact assessment and in how energy markets, prices and physical/cybersecurity affect infrastructure investments.

Prior to founding Russo on Energy LLC in May 2015, Mr. Russo worked for over 30 years as a Manager and Sr. Energy Industry Analyst at the Federal Energy Regulatory Commission (FERC). During that time, he amassed experience in hydropower licensing, NEPA environmental impact assessment of energy projects, business process reengineering, and natural gas and crude oil market oversight. Mr. Russo thoroughly understands the Natural Gas Act, Natural Gas Policy Act, Federal Power Act and Energy Policy Act as they apply to natural gas and hydroelectric projects.

He is very active in hydropower and natural gas matters and writes an Energy and Environmental column for the Natural Gas and Electricity Journal. He also co-authored for the R Street Institute entitled "Ebbing the flow of hydropower red tape."

Mr. Russo is a native of Brooklyn, New York. He earned a credential as a Certified Information Systems Security Professional (CISSP) in 2010. He also graduated with a MBA in Finance from the George Washington University and a MS in Biology from the University of Alabama.

## IACET CREDITS

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EUCI has been accredited as an Authorized Provider by the International Association for Continuing Education and Training (IACET). In obtaining this accreditation, EUCI has demonstrated that it complies with the ANSI/IACET Standard which is recognized internationally as a standard of good practice. As a result of their Authorized Provider status, EUCI is authorized to offer IACET CEUs for its programs that qualify under the ANSI/IACET Standard.

**EUCI is authorized by IACET to offer 0.7 CEUs for the course.**

## CPE CREDITS

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EUCI is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website: [www.learningmarket.org](http://www.learningmarket.org).

Upon successful completion of this event, program participants interested in receiving CPE credits will receive a certificate of completion. EUCI is authorized by CPE to offer 12 credits for the course. There is no prerequisite for this course. **Program Level:** Beginner, **Delivery Method:** Group-Live, **Advanced Preparation:** None

**EUCI is authorized by CPE to offer 8.0 credits**

## INSTRUCTIONAL METHODS

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Case studies, PowerPoint presentations, classroom exercises will be used in this course.

## REQUIREMENTS FOR SUCCESSFUL COMPLETION

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Participants must sign in/out each day and be in attendance for the entirety of the course to be eligible for continuing education credit.

## EVENT LOCATION

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A room block has been reserved at the **Hyatt Place Jacksonville/St Johns Town Center**, 4742 Town Center Pkwy, Jacksonville, FL 32246 for the nights of May 11-14, 2020. Room rate is \$159 plus applicable tax. Call **1-904-641-7200** for reservations and mention the EUCI event to get the group rate. The cutoff date to receive the group rate is April 10, 2020 but as there are a limited number of rooms available at this rate, the room block may close sooner. **Please make your reservations early.**

To Register Click Here, or

**Mail Directly To:**

PMA Conference Management  
PO Box 2303  
Falls Church VA 22042  
201 871 0474  
Fax 253 663 7224  
register@pmaconference.com

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## PLEASE SELECT

**BOTH INTRODUCTION TO THE NATURAL GAS INDUSTRY, INFRASTRUCTURE AND REGULATIONS AND NATURAL GAS PHYSICAL & FINANCIAL MARKETS COURSES**  
MAY 12-13, 2020 : US \$1895  
Early bird on or before April 24, 2020: US \$1695

**NATURAL GAS PHYSICAL & FINANCIAL MARKETS COURSE ONLY**  
MAY 13, 2020: US \$995  
Early bird on or before April 24, 2020: US \$895

## ENERGIZE WEEKLY

Energize Weekly is EUCL's free weekly newsletter, delivered to your inbox every Wednesday. We provide you with the latest industry news as well as in-depth analysis from our own team of experts. Subscribers also receive free downloadable presentations from our past events.

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What name do you prefer on your name badge?

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List any dietary or accessibility needs here

### CREDIT CARD INFORMATION

Name on Card

Billing Address

Account Number

Billing City

Billing State

Exp. Date

Security Code (last 3 digits on the back of Visa and MC or 4 digits on front of AmEx)

Billing Zip Code/Postal Code

**OR** Enclosed is a check for \$ \_\_\_\_\_ to cover \_\_\_\_\_ registrations.

### Substitutions & Cancellations

Your registration may be transferred to a member of your organization up to 24 hours in advance of the event. Cancellations must be received on or before April 10, 2020 in order to be refunded and will be subject to a US \$195.00 processing fee per registrant. No refunds will be made after this date. Cancellations received after this date will create a credit of the tuition (less processing fee) good toward any other EUCL event. This credit will be good for six months from the cancellation date. In the event of non-attendance, all registration fees will be forfeited. In case of course cancellation, EUCL's liability is limited to refund of the event registration fee only. For more information regarding administrative policies, such as complaints and refunds, please contact our offices. EUCL reserves the right to alter this program without prior notice.