

## News : Atlantic hurricane season still to be abnormally active: National Hurricane Center

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- Landfalls could disrupt **US** energy markets
- Saharan dust flow usually peaks in September

The **US National Hurricane Center** on Aug. 4 continued to forecast the 2022 hurricane season as more active than normal, albeit with somewhat diminished chances. If hurricanes do make landfall, they may disrupt both power demand and supply, most likely along the **Gulf Coast** and southeastern **Atlantic** Seaboard.

“**We** ’re just getting into the peak months of August through October for hurricane development, and **we** anticipate that more storms are on the way,” Rick Spinrad, head of the **National Oceanic and Atmospheric Administration** , said in a statement. The **National Hurricane Center** is a division of NOAA.

The current **Atlantic** hurricane forecast differs from the one issued May 24 in the following ways:

- Probability of above-normal hurricane season: 60% versus May’s 65%
- Probability of normal hurricane season: 30% versus May’s 25%
- Range of number of named storms: 14-20 versus May’s 14-21
- Range of number of major hurricanes: three-five versus May’s three-six

The 10% probability of a below-normal hurricane season remained unchanged, as did the range of total hurricanes likely to occur, six-10.

The **Atlantic** so far has had three named storms and no hurricanes: Alex, Bonnie and Colin. An average hurricane season has 14 named storms and seven hurricanes, including three major hurricanes.

Hurricane season forecasts do not address the probability of landfall, which is only predictable within about a week of a storm reaching a coastline.

If a cyclone reaches the **US Gulf of Mexico** or **Atlantic** coast, it can have big impacts on power demand, power burn, and energy prices, but the net effects, in terms of the power and **natural gas** market, has been mixed.

### Landfall market impacts

The largest energy market impact among six storms that made landfall in 2020 and 2021 was felt by Hurricane Ida, which landed on the **Louisiana** coast as a major Category 4 hurricane in August 2021.

Compared with the previous week, peakload in the **Midcontinent Independent System Operator** dropped 18.2%, and power burn dropped by 25.6%, but prices fell just 3.7%.

The biggest price impact was felt by Tropical Storm Claudette, which made landfall in the northern **Gulf Coast** between **Louisiana** and the **Florida** Panhandle in June 2021, causing a 14% decrease in **MISO** peakload, a 26.2% decrease in power burn, and a 55.7% decrease in wholesale power prices,

compared with the previous week.

In contrast, Hurricane **Delta** made landfall in **Louisiana** in October 2020, but its arrival coincided with 6.9% increase in peakload in **MISO**, a 6.1% increase in power burn and a 30.5% increase in wholesale power prices. It should be noted that the novel coronavirus pandemic's economic effects caused severe weakness in wholesale power prices.

## Cyclone-inducing factors

Weather conditions that continue to favor an active hurricane season include La Nina conditions, plus weaker tropical **Atlantic** trade winds, an active West **African** monsoon season and "likely above-normal **Atlantic** sea-surface temperatures," the **National Hurricane Center** said.

Meteorologist have said a heavy flow cross-**Atlantic** flow of Saharan dust has diminished the development of tropical storms, but hurricane center officials said that flow typically peaks in September

"Although it has been a relatively slow start to hurricane season, with no major storms developing in the **Atlantic**, this is not unusual and **we** therefore cannot afford to let our guard down," said Deanne Criswell, Federal Emergency Management Agency administrator. "This is especially important as **we** enter peak hurricane season—the next **Ida** or **Sandy** could still be lying in wait."

Cyclone effects on power peakload, power burn in affected ISOs												
Name	Year	Landfall	Dissipated	Landfall ISO	Load change (GW)*	% change*	Power change (Bcf/d)*	burn % change*	Price (\$/MWh)	Prices before (\$/MWh)	Price change*	% change*
Hanna	2020	25-Jul	27-Jul	<b>ERCOT</b>	(6.5)	-10.9%	0.287	4.8%	21.51	24.76	(3.25)	-15.1%
Laura	2020	27-Aug	29-Aug	<b>MISO</b>	(6.3)	-6.5%	0.060	1.5%	27.75	27.33	0.42	1.5%
<b>Delta</b>	2020	9-Oct	12-Oct	<b>MISO</b>	5.1	6.9%	0.220	6.1%	28.1	19.53	8.57	30.5%
Claudette	2021	19-Jun	23-Jun	<b>MISO</b>	(12.7)	-14.0%	(0.826)	-26.2%	31.09	48.42	(17.33)	-55.7%
Ida	2021	29-Aug	5-Sep	<b>MISO</b>	(16.2)	-18.2%	(0.803)	-25.6%	41.51	43.03	(1.52)	-3.7%
Nicholas	2021	13-Sep	20-Sep	<b>ERCOT</b>	(7.4)	-11.7%	(1.093)	-26.5%	59.1	63.31	(4.21)	-7.1%
*From same days of previous week												
Sources: National Weather Service, S&P Global Commodity Insights												

Cyclone effects on power peakload, power burn in affected ISOsNameHannaLaura **Delta** ClaudetteIdaNicholas\*From same days of previous weekSources: National Weather Service, S&P Global Commodity Insights

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