

5 Conclusions and Looking Ahead

The following market drivers influenced the 2023 New York State energy landscape:

- **Global market influences on New York State supply chain and prices**
 - Conflicts, including the Russo-Ukraine War as well as the Israel– Hamas Conflict in the Middle East, kept markets volatile as potential supply chain disruptions mounted.
 - Energy demand in China was anticipated to grow rapidly with the lifting of COVID-19 pandemic restrictions, further influencing global energy markets.
- **Warm winter weather in the Northeast U.S. and Europe**
 - Despite supply chain changes from 2022, the warm winter weather in 2023 for the Northeast and Europe kept demand lower and helped establish prices below those observed in 2022.
 - Severe weather events were localized and did not significantly impact the regional Northeast supply chain.

The combination of these global and regional factors shaped demand for energy products in addition to the supply chain and market dynamics that defined the 2023 prices for these energy products. This translated to an approximate decline of 1 percent in primary consumption for New York State in 2023, including the following highlights:

- **Motor gasoline and aviation fuel consumption**
 - Motor gasoline consumption increased by approximately 2%, and aviation fuel consumption increased by approximately 12% in 2023 compared to 2022.
- **Residential and electric generation sector fuel consumption**
 - Residential sector distillate fuel oil consumption decreased by approximately 2%, and natural gas consumption decreased by approximately 8% compared to 2022.
 - Electric generation sector distillate fuel oil consumption decreased by approximately 85% in 2023 compared to 2022.
 - These decreases reflect the warmer winter season during 2023.
- **Energy prices and expenditures**
 - With few exceptions by sector and fuel, energy prices during 2023 generally declined compared to 2022.
 - Given that 2022 energy prices were among the highest in the past decade, the lower 2023 prices resulted in corresponding declines in energy expenditures.

With few exceptions based on sector and fuel, energy prices during 2023 generally declined compared to 2022. Considering that 2022 energy prices were among the highest in the past decade, the lower 2023 prices led to corresponding declines in energy expenditures.