

# January 9 - 13, 2023 MARKET SUMMARY



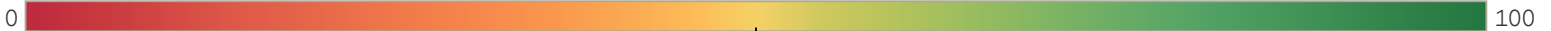
## SPOTLIGHT | ISO-NE to Assess Power Generators \$39 Million in Penalties Tied to Winter Storms

**ISO New England will assess about \$39 million in penalties to power generators that failed to perform during an extreme cold event over the Christmas holiday weekend, marking the second time the grid operator has imposed penalties under its Pay-For-Performance program....**

ISO New England will assess about \$39 million in penalties to power generators that failed to perform during an extreme cold event over the Christmas holiday weekend, marking the second time the grid operator has imposed penalties under its Pay-For-Performance program. Approximately 2,150 MW of power generation resources in New England failed to perform as expected in the early evening hours of Dec. 24, prompting ISO-NE to declare a capacity deficiency at 4:30 PM ET. Generator outages and derates in the region coincided with net power imports of approximately 100 MW less than expected on Christmas Eve, the grid operator said in a Jan. 4 news release. ISO-NE is one of the three eastern wholesale power market operators that use a Forward Capacity Market to ensure adequate generation is available to serve load. Under the program, a generation resource is paid the clearing price for each megawatt-hour that clears a capacity auction and is obligated to physically perform. If a resource fails to deliver its share, it must pay for other resources to make up the difference.

## CES SCORE | Is it Time for Action?

The **CES SCORE** shows how current wholesale commodity prices compare to their 52-week range. A score close to 0 indicates that current prices are close to their 52-week **HIGH**; a score close to 100 indicates that current prices are close to their 52-week **LOW**. Many factors influence how wholesale prices are translated into retail prices paid by consumers and when it is time to consider a price lock. Please contact your CES Energy Services Advisor for customized strategic procurement advice.



### NATURAL GAS NYMEX TERMS

12 MONTH: 100
18 MONTH: 100
24 MONTH: 94
36 MONTH: 83

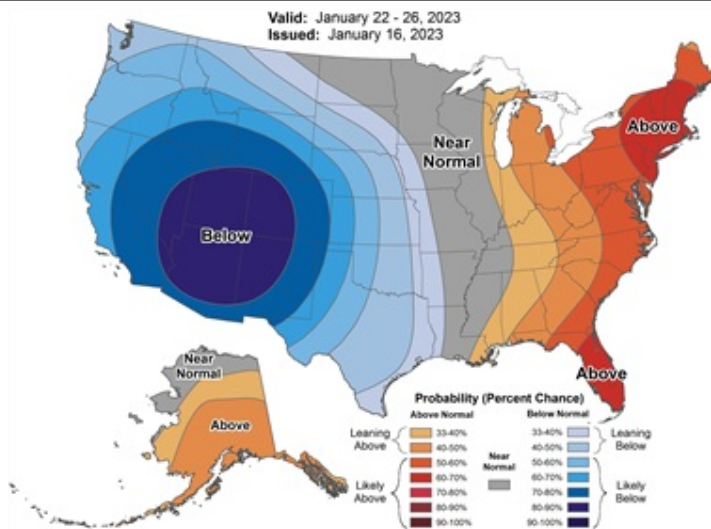
### NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 72
18 MONTH: 70
24 MONTH: 66
36 MONTH: 63

### CRUDE OIL TERMS

12 MONTH: 58
18 MONTH: 55
24 MONTH: 53
36 MONTH: 49

## WEATHER | 6-10 Day Forecast

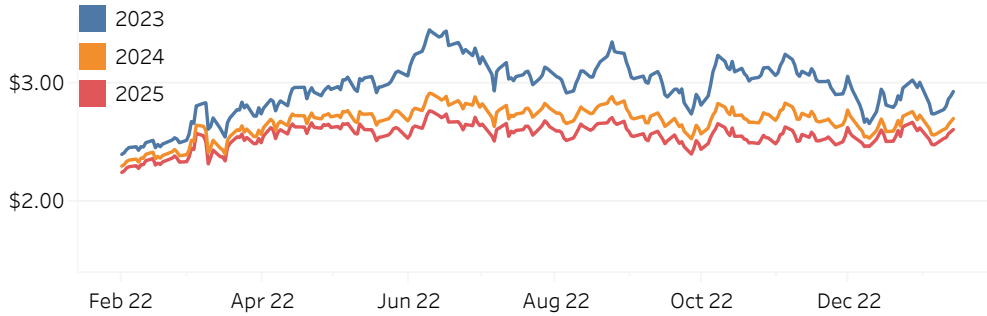


**Below average temperatures are expected for much of the Western U.S., originating in the rockies. Above average temperatures are expected for the East Coast.**

This map depicts forecasted temperatures for next week compared to the long-term average. The **blue/purple** areas are forecast to be colder than normal, gray areas are normal, and **yellow/orange/red** areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase the price for natural gas, oil, and electricity.

### OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

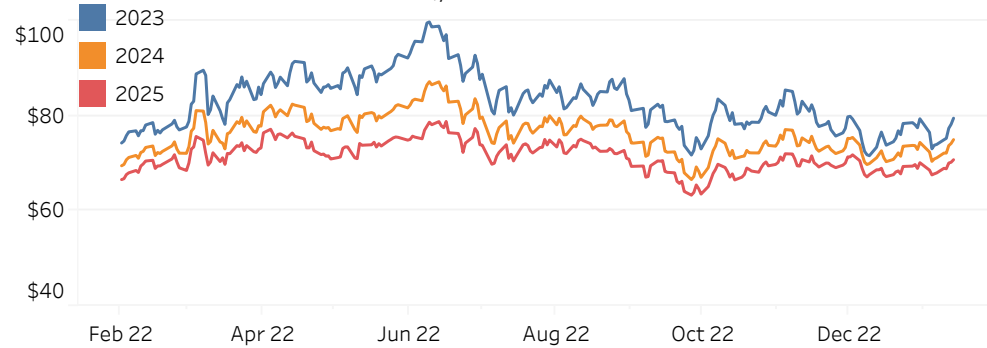


Prompt Month Price For Feb 23

This Week:	\$79.86/Bbl
Prior Week:	\$73.67/Bbl
<b>CHANGE:</b>	<b>\$6.19/Bbl</b>

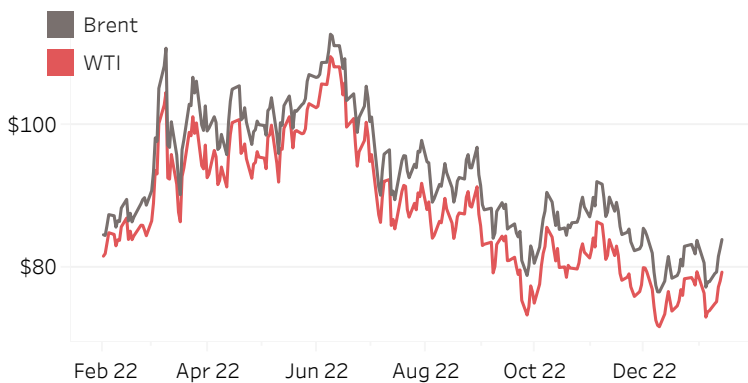
WTI closed at \$73.77/Barrel on Friday, down nearly \$7/Barrel from the week prior. Crude futures pricing saw steep losses this week, fueled by concerns around weakening global demand and oversupply, as well as central bank rate hikes. The U.S. Department of Labor reported fewer job openings than expected, which has led analysts to predict the federal reserve may keep rates higher for longer than initially anticipated. Additionally, the Chinese government has increased export quotas for refined oil products in the start of 2023, which sends signals of weakened domestic demand. On the supply side, OPEC oil output increased to finish out the year, averaging 29 million barrels per day.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

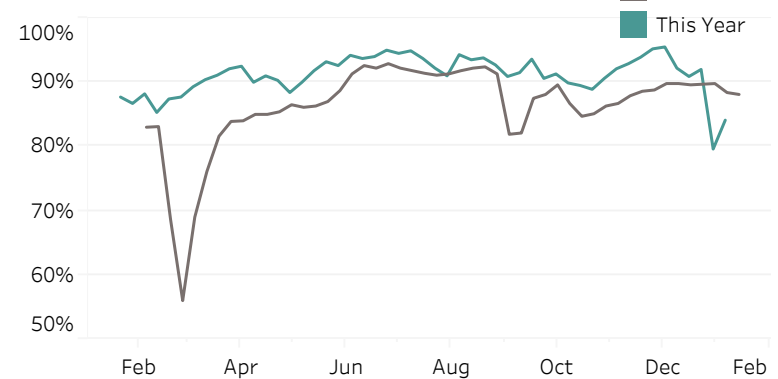


### FUNDAMENTALS

CRUDE OIL 12-MONTH ROLLING STRIP - \$/BARREL

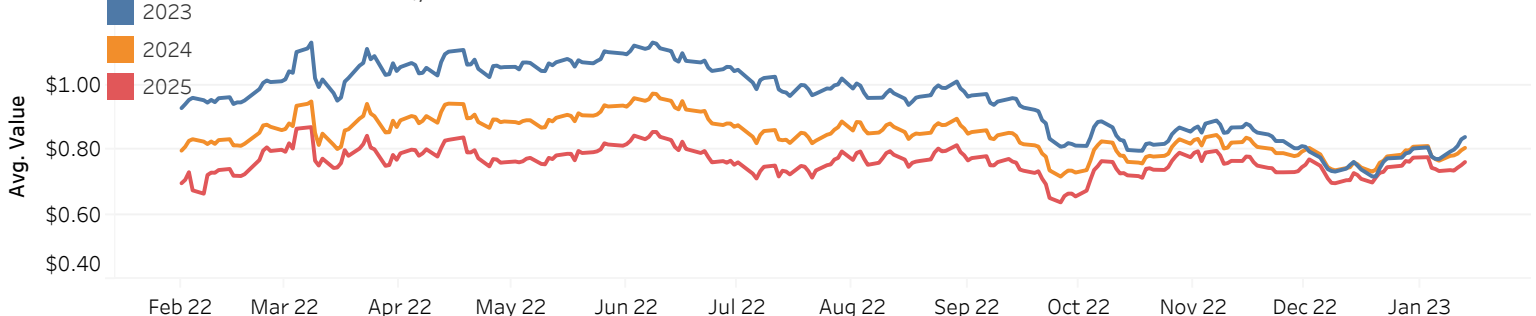


U.S. REFINERY RATES



### PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL



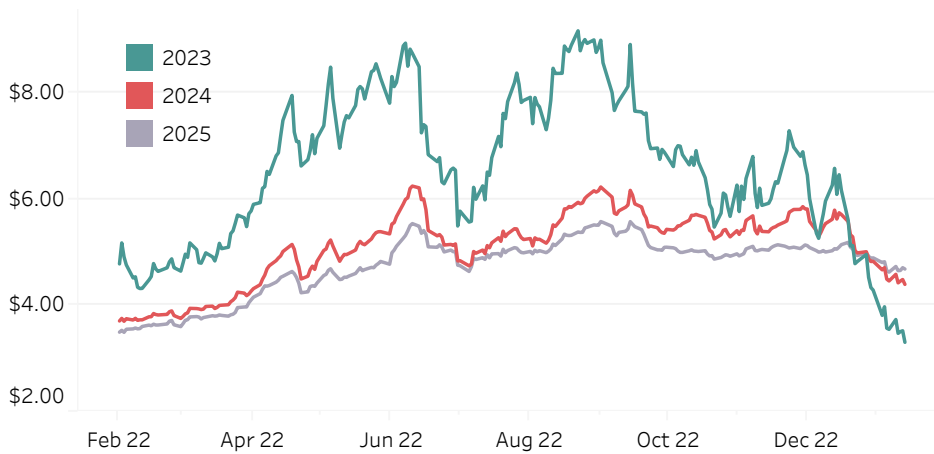
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## NATURAL GAS OVERVIEW

WINTER NATURAL GAS NYMEX STRIPS - \$/MMBTU



Prompt Month Price For Feb 23

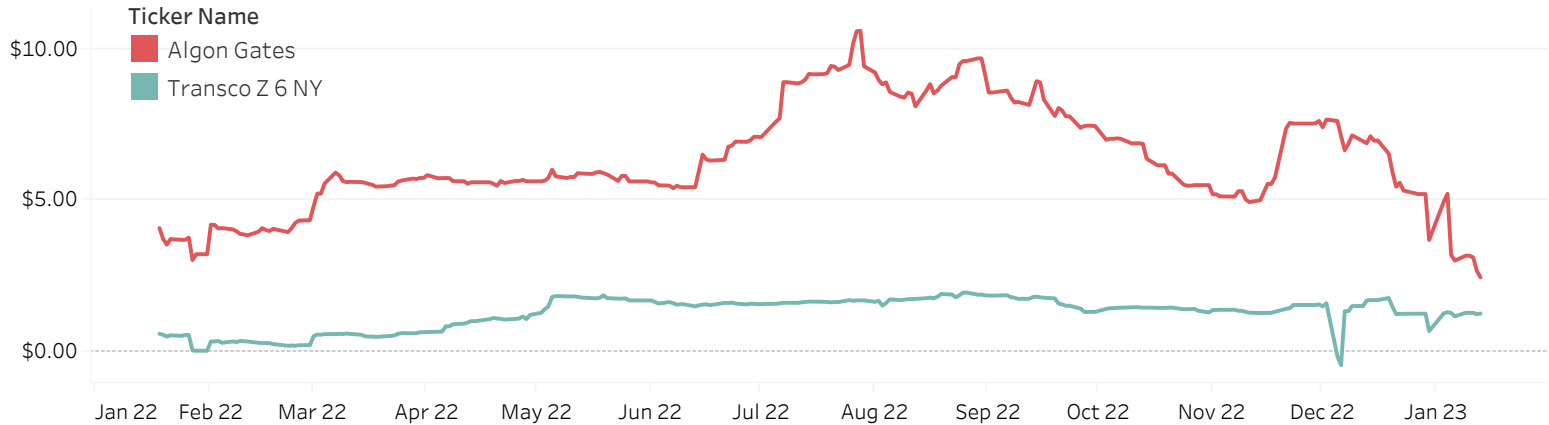
<b>This Week:</b>	\$3.42/MMBTU
<b>Prior Week:</b>	\$3.72/MMBTU
<b>CHANGE:</b>	(\$0.30)/MMBTU

Natural gas front-month futures settled at \$3.42 on Friday, down 7.82% from the week prior. Futures declined as predictions for warmer than normal weather conditions came to fruition. A small storage injection for the beginning of January was in line with the warm weather conditions lowering heating demand. From the EIA's report, an increase of 11 Bcf bumped inventory levels to 2,902 Bcf for week ending January 6, 40 Bcf below the 5-year average. The most recent long-term forecast model updates suggest a return to colder temperatures, and higher prices, by the end of the month.

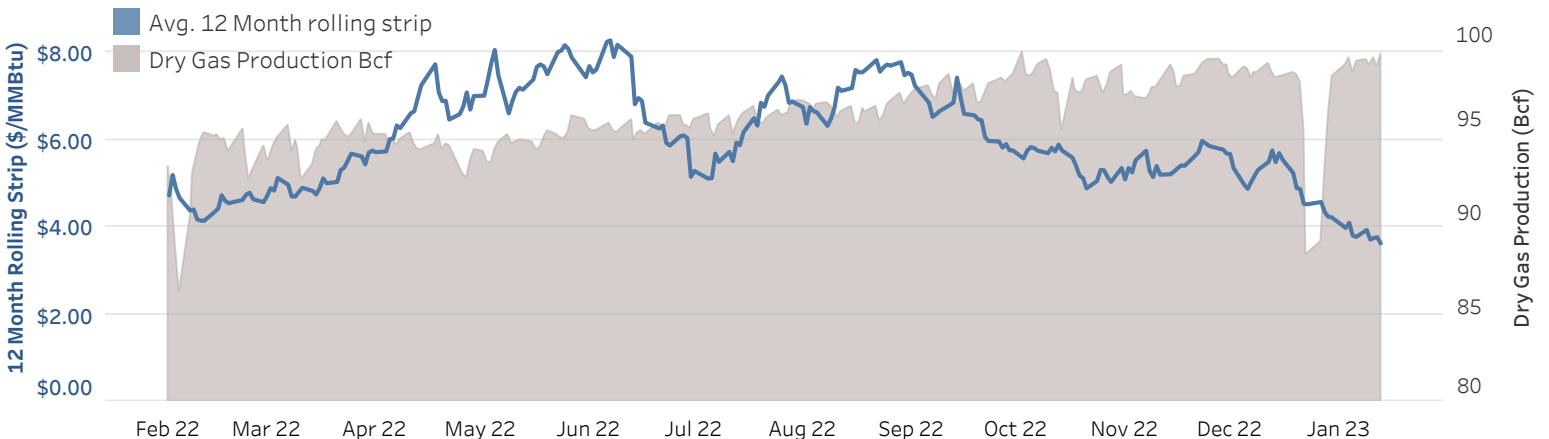
Winter natural gas NYMEX strips are an average of commodity prices for the months of December - March of each winter. Prices are presented in this format to highlight what consumers will pay during the typical heating season in the U.S.

## NATURAL GAS FUNDAMENTALS

NATURAL GAS BASIS - ROLLING 12 MO. FUTURES STRIP - \$/MMBTU



U.S. NATURAL GAS PRICE VS. PRODUCTION



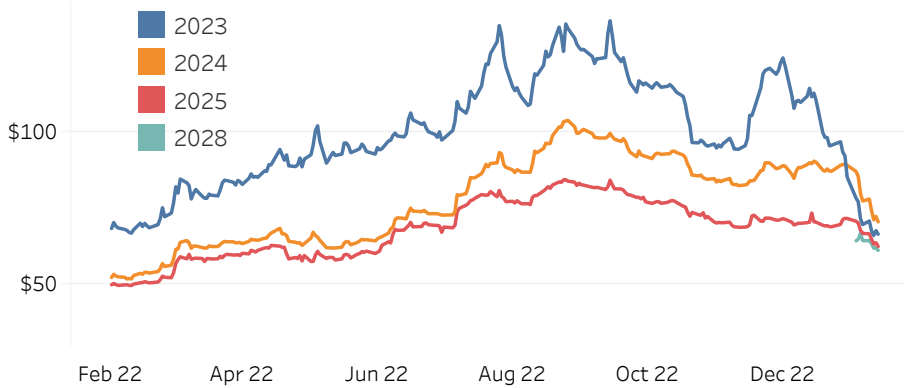
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## NEW ENGLAND ELECTRICITY OVERVIEW

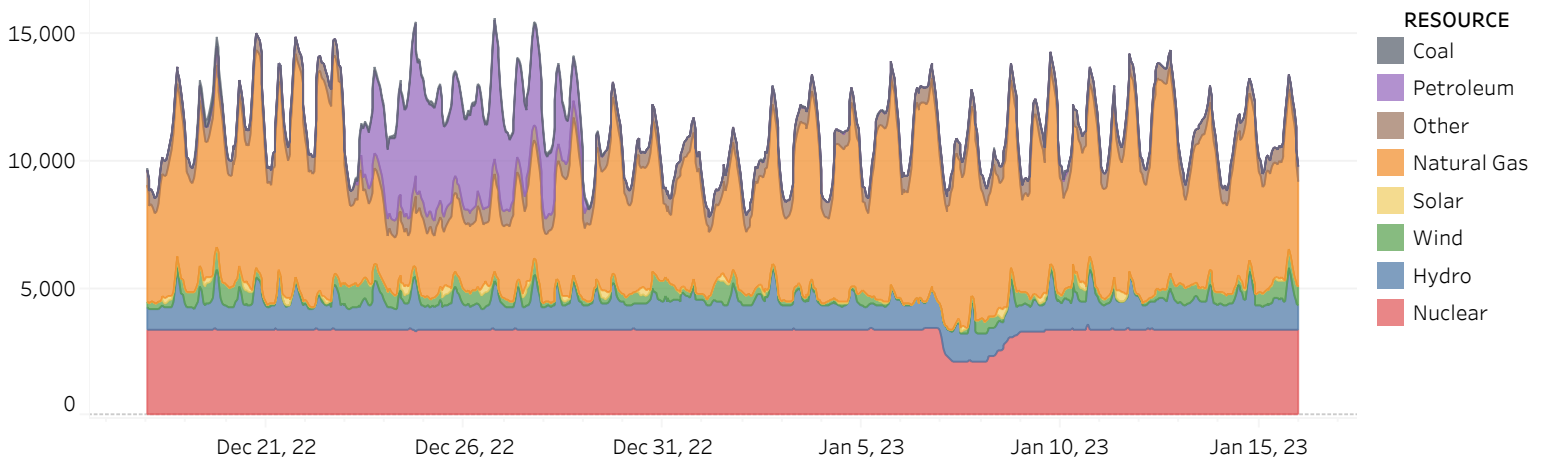
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING -\$/MWH



The NEPOOL 12-month strip decreased 7.10% week-over-week, to land over \$5 less than last week, at \$75.09/MWh. The 2023 strip settled at \$67.86/MWh, representing a week-over-week decrease of 5.51%. The 2024 strip decreased 9.48%, settling at \$72.51/MWh, and the 2025 strip dropped 5.98% to \$63.91/MWh. Mild temperatures continue to keep prices low. Lower prices are likely to continue as the temperature outlook for the rest of the month is expected to fall close to seasonal averages. Gas prices have also been trending downward, which is a significant indicator of where electricity prices will trend. There was also a small natural gas storage injection last week, however, it was negligible and should not put significant pressure on prices.

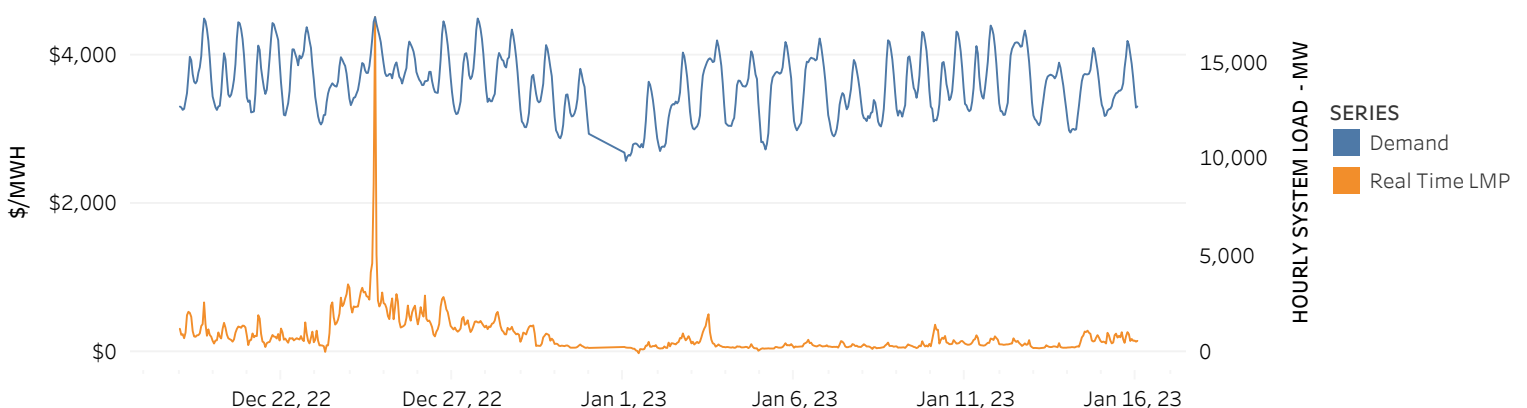
## NEW ENGLAND REGIONAL ELECTRICITY GRID GENERATION MIX

ISO-NE GRID ELECTRICITY GENERATION MIX - EXCLUDES IMPORTS - MW



## NEW ENGLAND GRID FUNDAMENTALS

ISO NE HOURLY GRID DEMAND & REAL TIME LMP RATE



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**KEITH SAMPSON**

*Senior VP Energy Services*  
(617) 633-9320

ksampson@competitive-energy.com  
ISO-NE; Massachusetts, Connecticut,  
Rhode Island; NYISO



**ZAC BLOOM**

*VP, Head of Sustainability & Renewables*  
(617) 237-6497

zbloom@competitive-energy.com  
ISO-NE; CAISO; ERCOT; NYISO, SPP



**CHARLIE AGNEW**

*Managing Director of Energy Services*  
(207) 576-3490

cagnew@competitive-energy.com  
ISO-NE; Maine, New Hampshire,  
Massachusetts



**CHRIS BROOK**

*Director of Natural Gas & Energy Services*  
(207) 949-0312

cbrook@competitive-energy.com  
ISO-NE; Maine, Massachusetts;  
ERCOT; CAISO



**LARRY PIGNATARO**

*Director of Strategic Partnerships  
& Sr. Energy Services Advisor*  
(603) 767-5321

lpignataro@competitive-energy.com  
ISO-NE: New Hampshire, Maine,  
Massachusetts



**SANDY BEAUREGARD**

*Director of Sustainability Services*  
(207) 616-6340

sbeauregard@competitive-energy.com  
ISO-NE; CAISO; ERCOT; NYISO; SPP



**ZACK HALLOCK**

*Senior Energy Services Advisor*  
(603) 558-4872

zhallock@competitive-energy.com  
ISO-NE; Massachusetts, Connecticut,  
New Hampshire; NYISO



**LAUREN GREY**

*Energy Services Advisor*  
(207) 712-9703

lgrey@competitive-energy.com  
ISO-NE; Maine



**EDWARD (TEDDY) STORRS**

*Energy Services Advisor*  
(978) 505-3080

tstorrs@competitive-energy.com  
ISO-NE; Massachusetts

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Competitive Energy Services!**

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contact your Energy Services Advisor today.**

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