

MAY 1 - 5, 2023 MARKET SUMMARY



SPOTLIGHT | New York Adopts Statewide Gas Ban

On May 3, New York's Governor Kathy Hochul signed a bill restricting natural gas and fossil fuel use in new construction. The policy will ban fossil fuel equipment in new construction with fewer than eight floors starting in 2026, with the requirement expanding to all new buildings by 2029....

On May 3rd, New York's Governor Kathy Hochul signed a bill restricting natural gas and fossil fuel use in new construction. The policy will ban fossil fuel equipment in new construction with fewer than eight floors starting in 2026, with the requirement expanding to all new buildings by 2029. These requirements will be implemented through state building codes and will not apply to renovations or existing buildings. There are exceptions made in the policy for back-up systems, critical infrastructure, and large commercial or industrial buildings. With expected implications for an expanded electricity grid, these exemptions extend to cases where the grid cannot reasonably accommodate added electricity demand, as determined by the Public Service Commission. While New York is the first state to implement such a state-level ban, it builds on numerous other municipal-level bans, such as New York City's ban adopted in 2021. The law is a major step in the push to replace fossil fuels, though it will likely face legal challenges in coming months.

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: 100
36 MONTH: 100

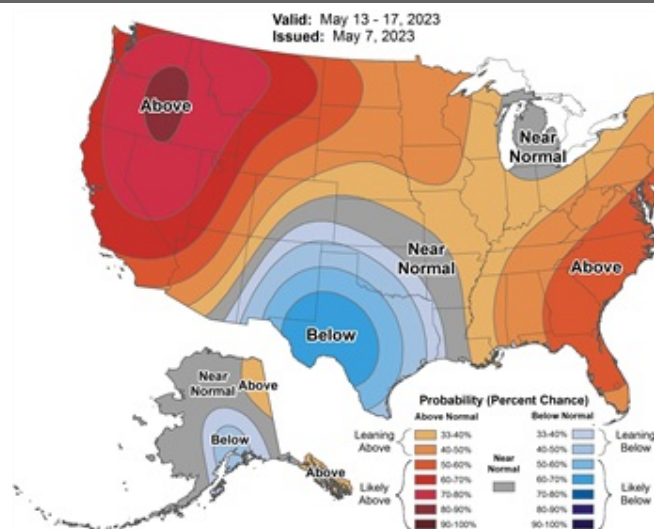
NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 91
18 MONTH: 97
24 MONTH: 89
36 MONTH: 84

CRUDE OIL TERMS

12 MONTH: 88
18 MONTH: 87
24 MONTH: 86
36 MONTH: 84

WEATHER | 6-10 Day Forecast



Above average temperatures are forecasted for much the United States, with cooler than average temperatures concentrated in and around Texas.

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.

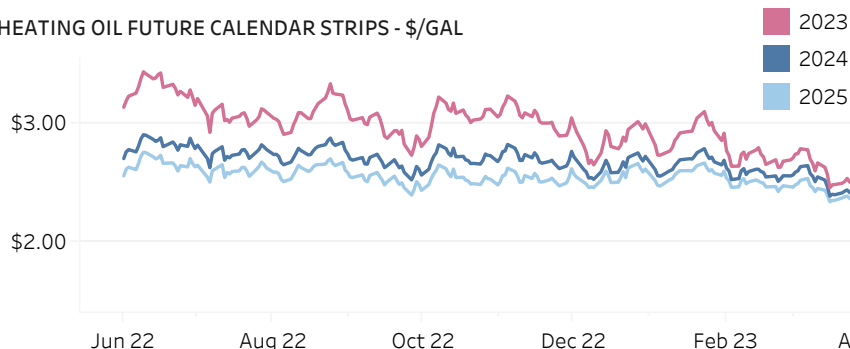
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OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

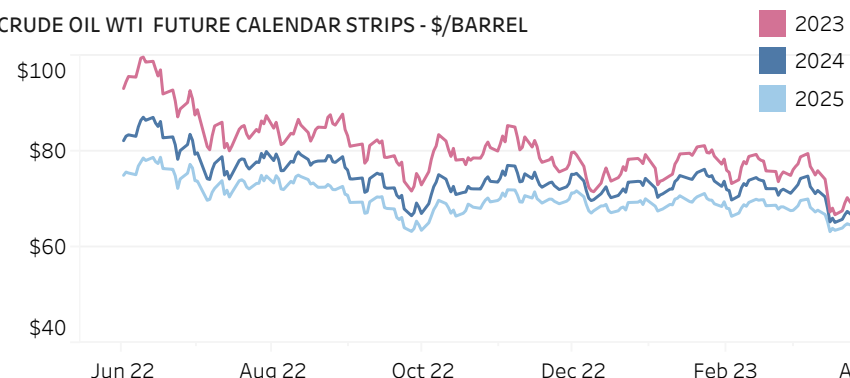


Prompt Month Price For Jun 23

This Week:	\$75.30/Bbl
Prior Week:	\$76.78/Bbl
CHANGE:	(\$1.48)/Bbl

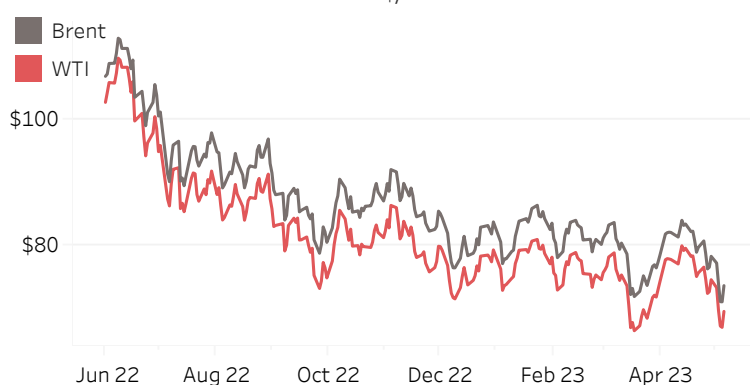
The WTI 12-month rolling strip settled at \$69.66/Barrel on Friday, down 6.5% week-over-week. This decline is largely driven by further interest rate hikes coming out of the Federal Reserve meeting last week. The Federal Reserve raised rates by a quarter of a percentage point on Wednesday, which created concern over weak demand. However, crude inventories continue to fall week-over-week. U.S. stockpiles peaked at 481 million barrels in mid-March, and since then have come down to just under 460 million barrels. This decline results from increased refinery activity which has steadily climbed since the Beaumont refinery expansion came online on March 16th. The Beaumont expansion represents the first major addition to U.S. refinery distillation capacity year-over-year since the COVID-19 pandemic, contributing an additional 250,000 barrels per day of capacity.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

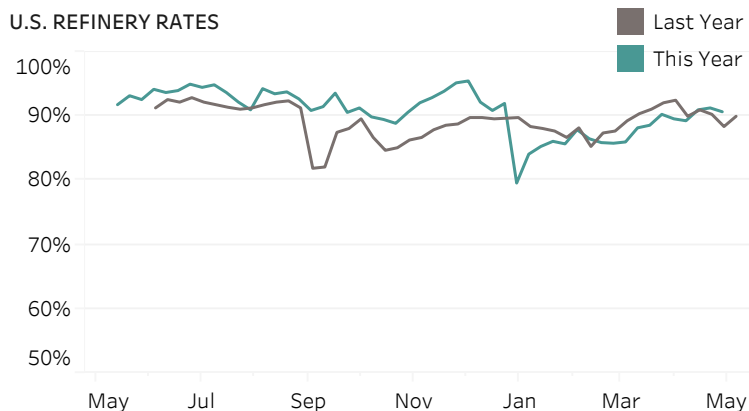


FUNDAMENTALS

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

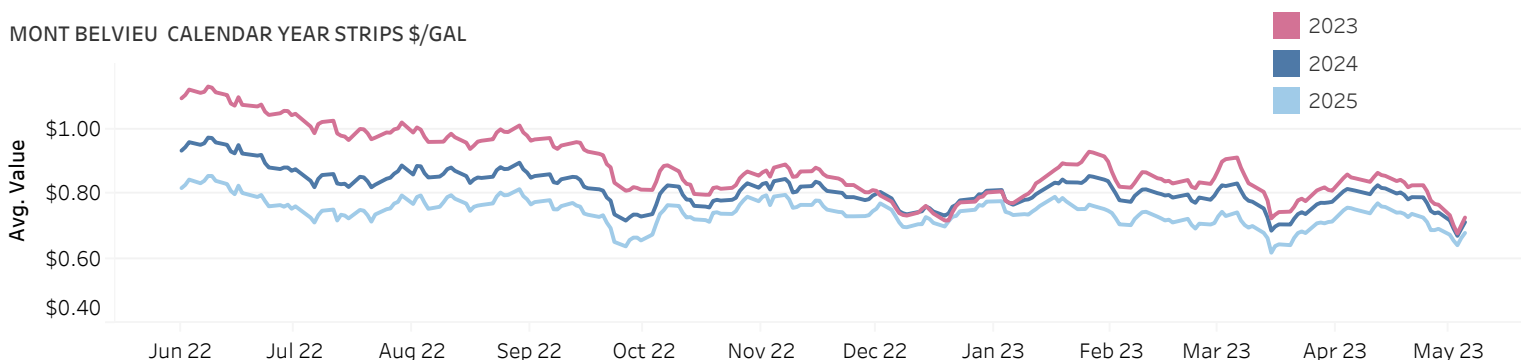


U.S. REFINERY RATES



PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL



MARKET SUMMARY

MAY 1 - 5, 2023



NATURAL GAS OVERVIEW

NATURAL GAS NYMEX CALENDAR STRIPS - \$/MMBTU



Prompt Month Price For Jun 23

This Week:	\$2.14/MMBTU
Prior Week:	\$2.36/MMBTU
CHANGE:	(\$0.22)/MMBTU

The natural gas prompt month futures decreased by 11.21% week over week to land at \$2.14 on Friday. Plentiful supplies and steady production continue to keep natural gas futures falling as we move through the shoulder season. A light storage injection, driven by an uptick in late April demand, compared modestly to the same time last year and narrowed the supply surplus to 341 bcf above the five-year average. Production, averaging 100.5 bcf/day in April, has provided downward pressure on futures. Looking ahead, many natural gas producers, specifically in the Haynesville Shale area, reported they are expecting to reduce output later in the year in response to weak natural gas prices.

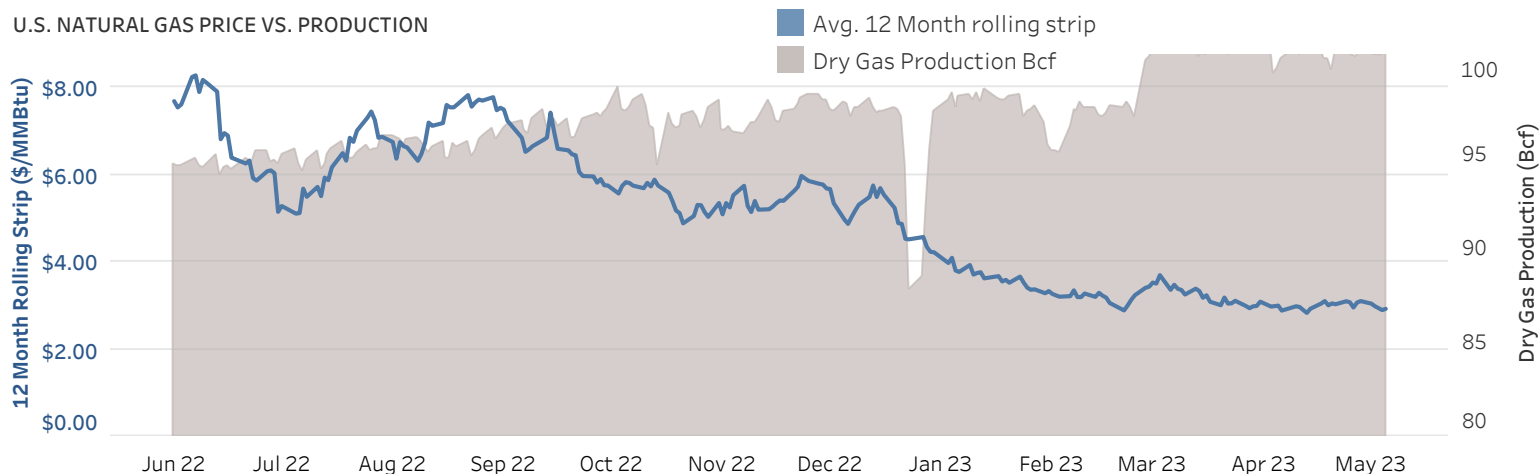
Winter natural gas NYMEX strips are an average of commodity prices for the months of December - March of each winter. Prices are presented in this format to highlight what consumers will pay during the typical heating season in the U.S.

NATURAL GAS FUNDAMENTALS

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



U.S. NATURAL GAS PRICE VS. PRODUCTION



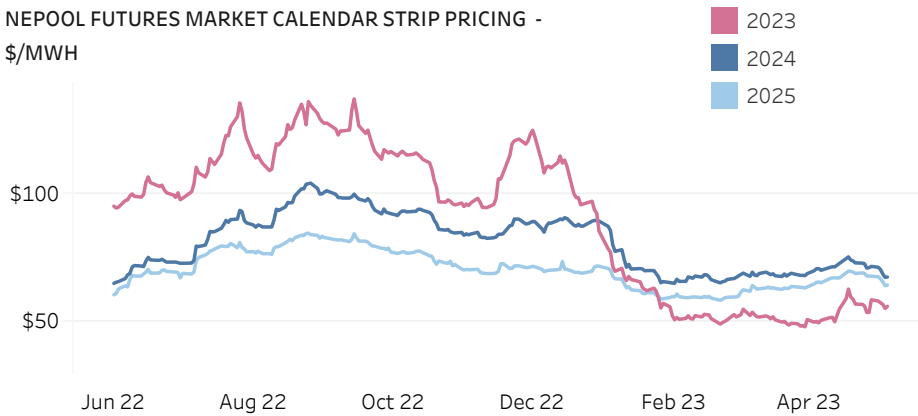
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NEW ENGLAND ELECTRICITY OVERVIEW

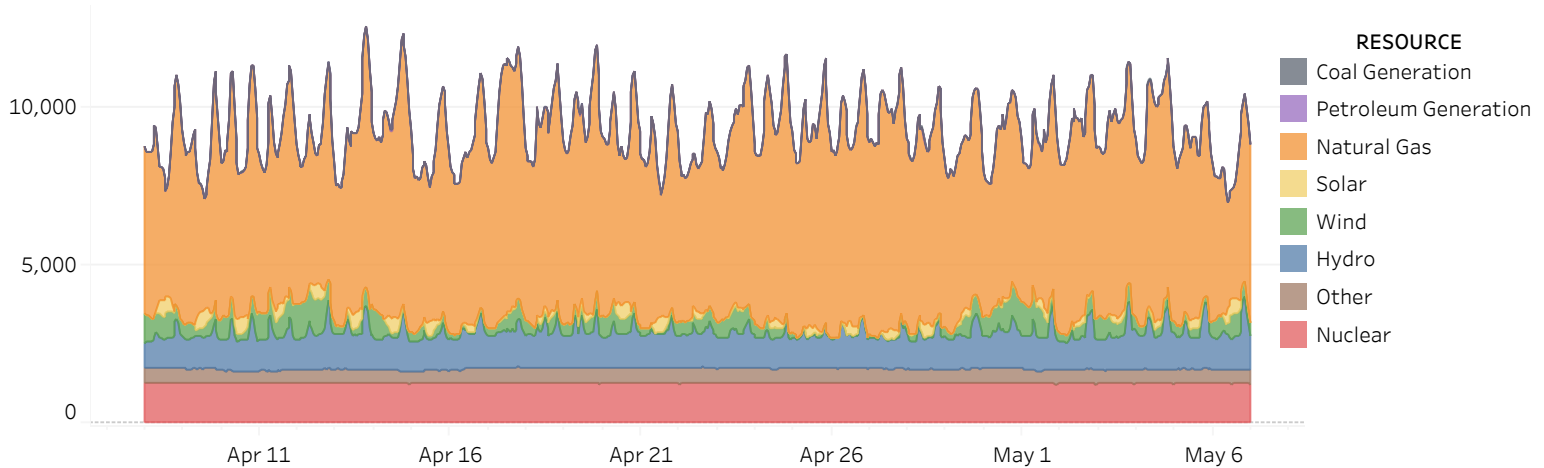
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING - \$/MWH



The NEPOOL 12-month strip decreased 1.12% week-over-week to land at \$69.61/MWh. The 2024 strip settled at \$68.80/MWh, representing a week-over-week decrease of 3.19%. The 2025 strip decreased 3.30%, settling at \$65.78/MWh, and the 2026 decreased 3.18%, settling at \$60.92/MWh. Prices are still stabilizing in the wake of a jury's decision that will allow Avangrid to continue construction on their New England Clean Energy Connect transmission project. Stable NYMEX prices are contributing to electricity prices' decline, although wavering Algonquin Citygate basis prices threaten to add upward pressure. Warm temperatures from late spring to early summer may also contribute upward pressure as cooling demand initiates and increases this year.

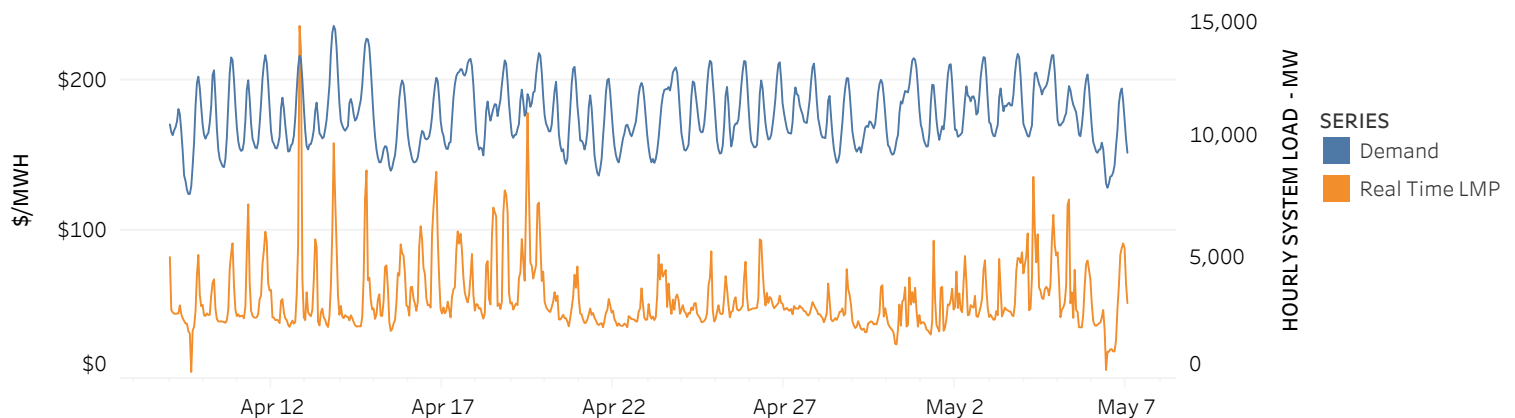
NEW ENGLAND REGIONAL ELECTRICITY GRID GENERATION MIX

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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