

JULY 3 - 7, 2023 MARKET SUMMARY



SPOTLIGHT | Northern Maine Power Line Project Receives Initial Approval

Electricity prices fell over the past week, with the NEPOOL 12-month strip down 1.35% week-over-week, settling at \$66.04/MWh. Summer temperatures are expected to increase cooling demand and subsequent prices....

LS Power Grid received approval from Maine's legislature to move forward on the Aroostook Renewable Gateway transmission project. The project plans to construct over 100 miles of new 345-kV transmission lines and multiple substations to deliver renewable energy from Aroostook County across Maine and the regional power grid. This approval is the first step in what will be a years-long permitting process. Siting for the transmission line will be considered through a robust stakeholder engagement process with community open houses beginning later this year. If constructed, the transmission line could create hundreds of jobs, provide tens of millions of dollars in new tax base to host communities, and enhance transmission grid reliability. This transmission project is developing in tandem with Boston based Longroad Energy's plan to build a 1,000-megawatt wind farm in Northern Maine capable of powering 450,000 typical homes. The Maine Public Utilities Commission estimates the two projects in tandem will cost ratepayers \$1 billion over the next ten years, the equivalent of adding \$1 a month to a typical residential electric bill over that period.

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: 95
18 MONTH: 91
24 MONTH: 93
36 MONTH: 90

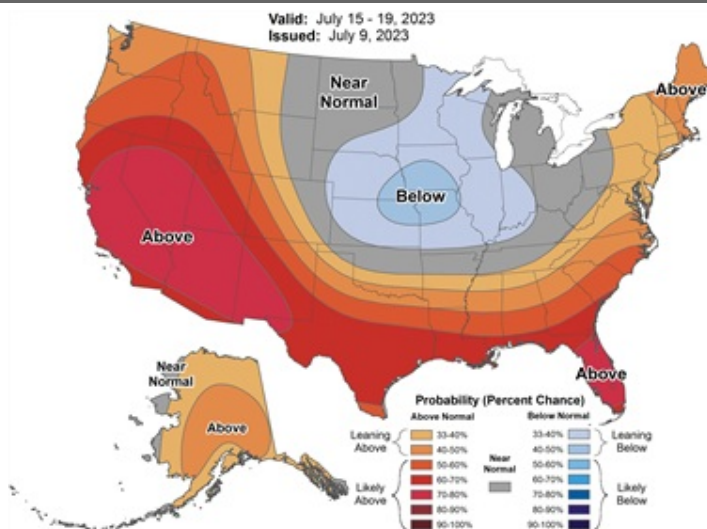
NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 94
18 MONTH: 90
24 MONTH: 89
36 MONTH: 82

CRUDE OIL TERMS

12 MONTH: 82
18 MONTH: 81
24 MONTH: 80
36 MONTH: 79

WEATHER | 6-10 Day Forecast



Warmer-than-average temperatures are projected for the West Coast and the South, with below average temperatures predicted for the middle of the country.

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.

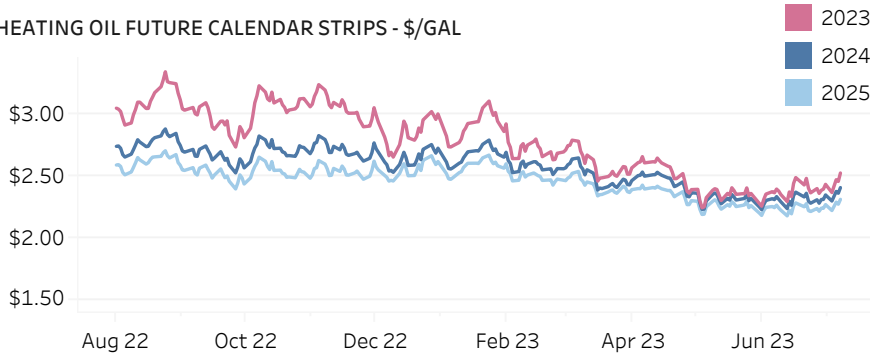
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OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

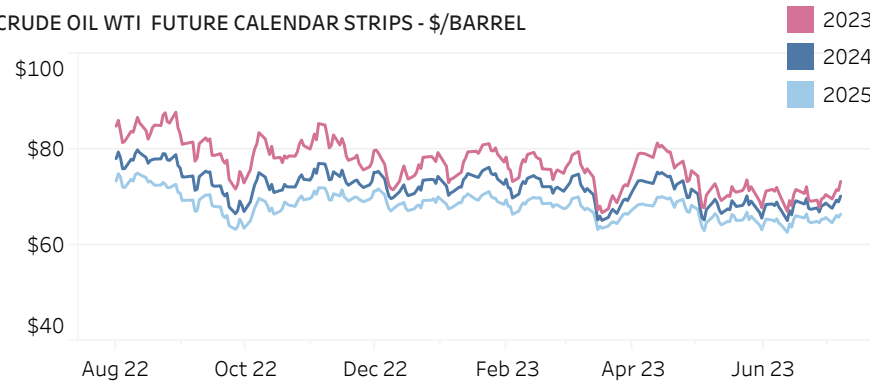


Prompt Month Price For Aug 23

This Week:	\$73.86/Bbl
Prior Week:	\$70.64/Bbl
CHANGE:	\$3.22/Bbl

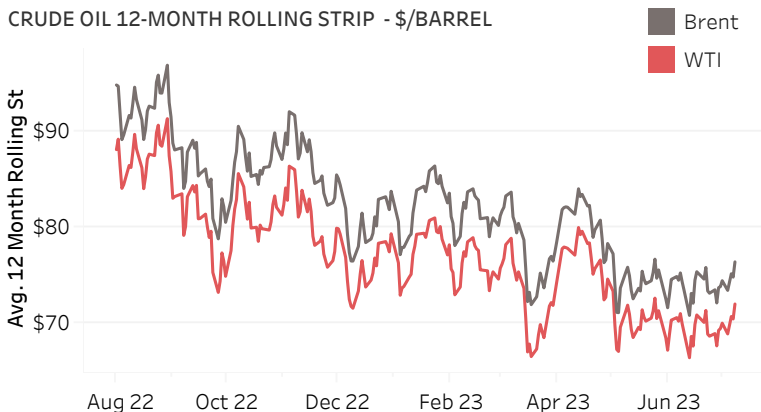
WTI closed at \$72.08/Barrel on Friday, up 2.8% from Friday last week, and Brent closed at \$76.47/Barrel, up 2.6% week-over-week. OPEC+ countries, particularly Saudi Arabia and Russia, remain firm in their planned production cuts which are now extending into August, a major factor pushing prices upward and putting pressure on US domestic crude inventories and production. Saudi Arabia will continue to cut 1 million barrels per day and Russia 500,000 barrels per day into August. On the other hand, manufacturing contractions in Europe and China continue to signal low global demand and are thus pulling crude prices downward. Crude oil stocks in the U.S. dropped since the last EIA weekly report to 452.2 million barrels, down by a 0.3% week over week, but up by 6.7% year over year from 423.8 million barrels. With high interest rates and the subsequent increase in storage costs, traders are incentivized to push crude oil out of inventory even at a discount.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

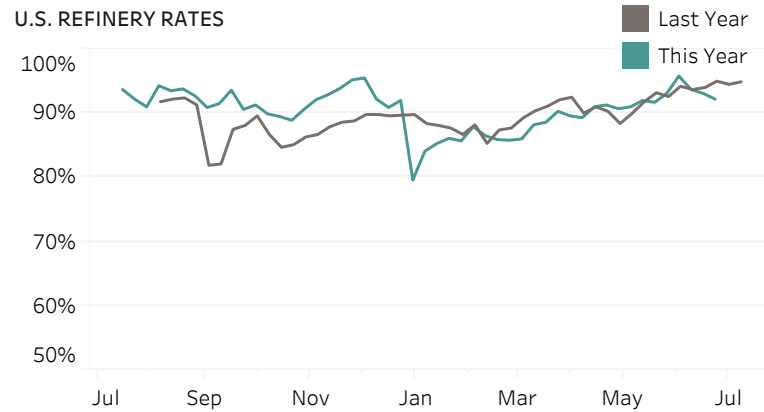


FUNDAMENTALS

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

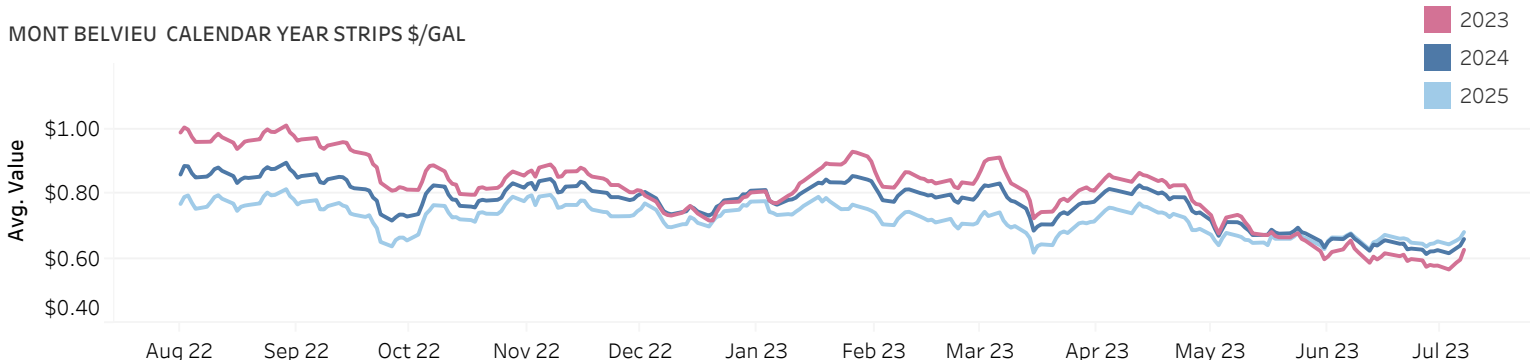


U.S. REFINERY RATES



PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL



NATURAL GAS OVERVIEW

NATURAL GAS NYMEX CALENDAR STRIPS - \$/MMBTU



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.

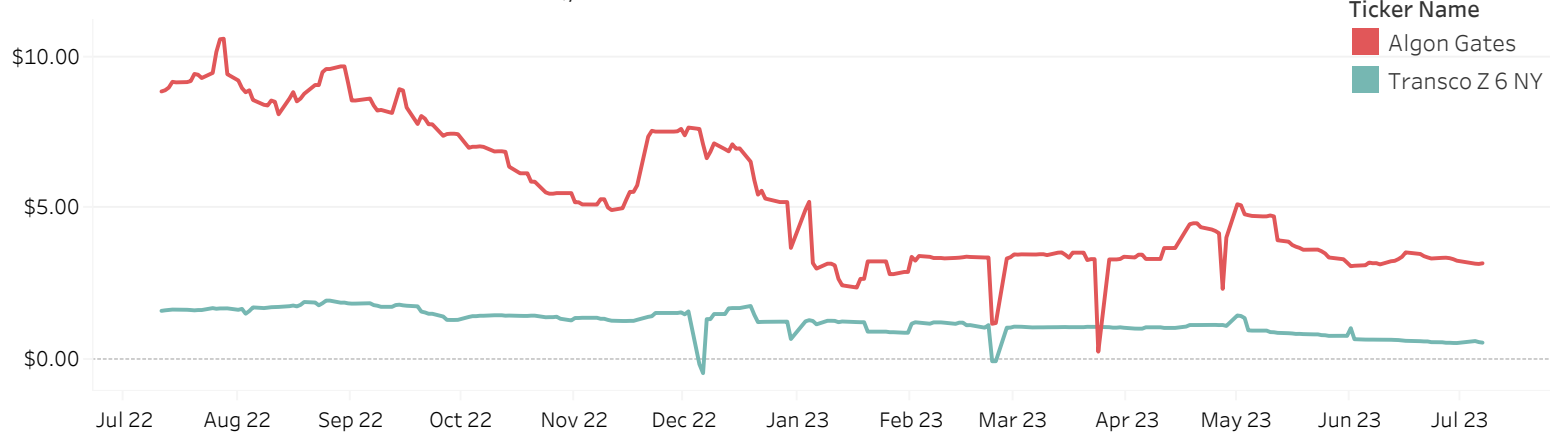
Prompt Month Price For Aug 23 ...

This Week:	\$2.58/MMBTU
Prior Week:	\$2.70/MMBTU
CHANGE:	(\$0.12)/MMBTU

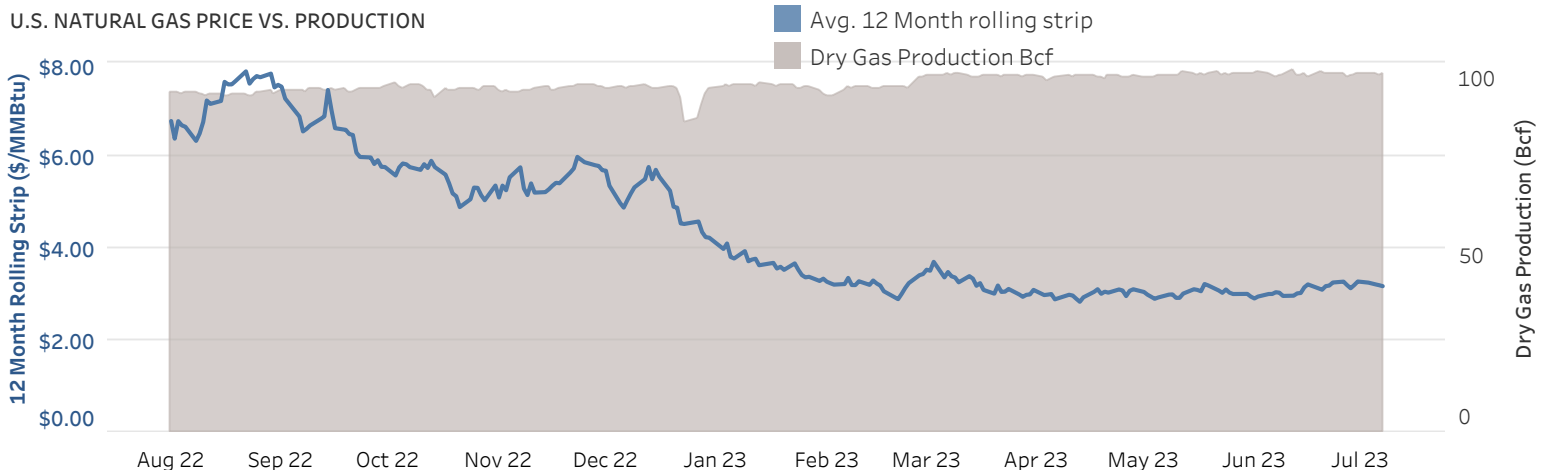
Natural gas prompt month futures saw a slight 2.1% increase week-over-week to land at \$2.66/MMBTU. This week, natural gas production jumped back above 100 Bcf/d after slumping below that benchmark for a few weeks. Production averaged 101.4 Bcf/d. Due to rising temperature and increased cooling demand, we also saw an 11.7% increase in natural gas consumption for power generation over the past week. While the size of natural gas storage injections has been decreasing since their peak in late-May, the differential over the 5-year average has continued to increase. This week, net-storage injections totaled 72 Bcf, down from last week, while the surplus widened to 366 Bcf above the 5-year average.

NATURAL GAS FUNDAMENTALS

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



U.S. NATURAL GAS PRICE VS. PRODUCTION



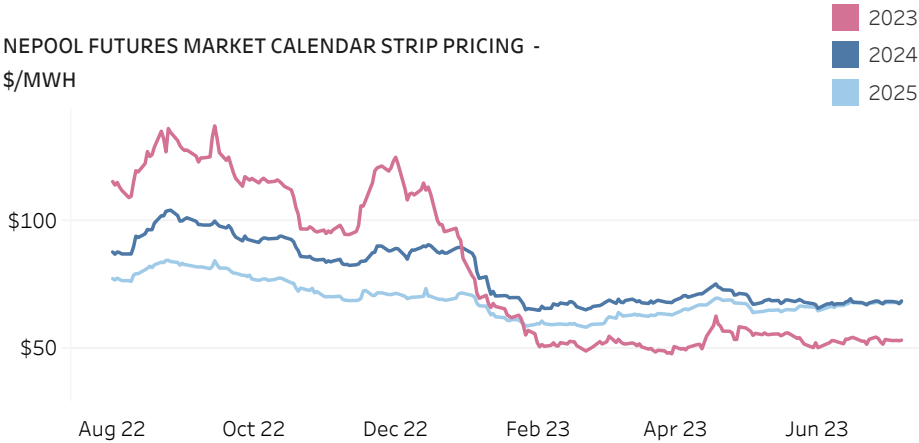
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NEW ENGLAND ELECTRICITY OVERVIEW

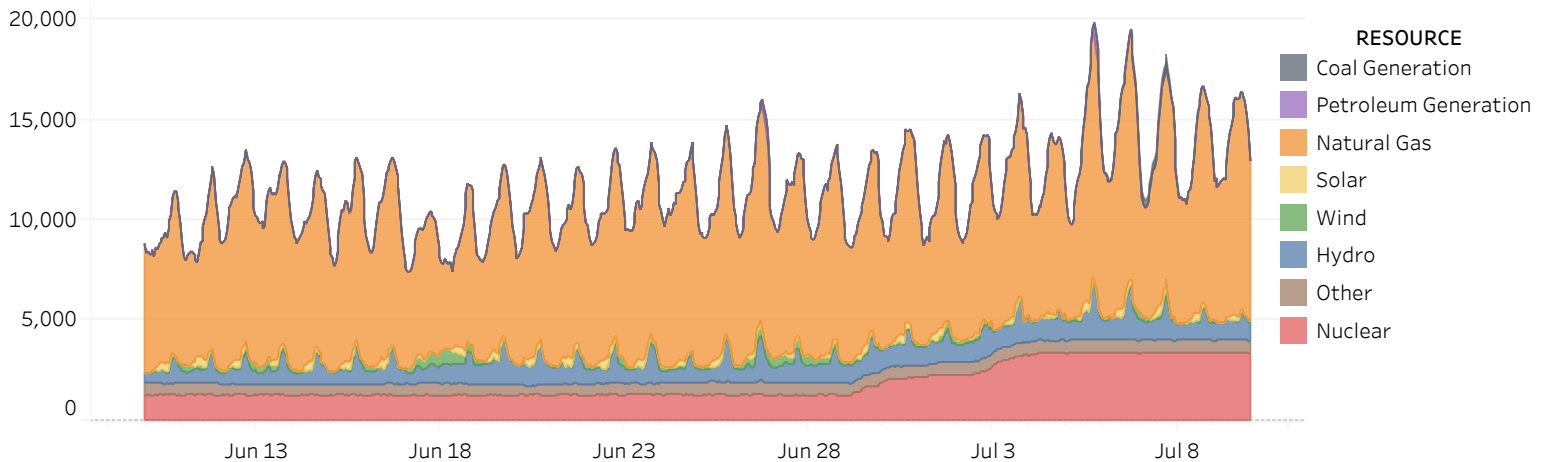
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING - \$/MWH



The NEPOOL 12-month strip decreased 1.35% week-over-week, settling at \$66.04/MWh. The calendar year strips saw small changes week-over-week. The 2024 strip settled at \$68.84/MWh, a 0.3% increase week-over-week. The 2025 strip saw a slight increase of 0.2%, landing at \$68.35/MWh. The 2026 strip remained stable, falling just 0.03% week-over-week to \$61.40/MWh. Basis and NYMEX both saw small changes this past week, with the NYMEX futures falling to \$3.17/MMBtu and 2024 Basis strip rising to \$3.29/MMBtu. As we enter the second half of the summer, temperatures are expected to fall just above the seasonal average, which will increase cooling demand and subsequent prices.

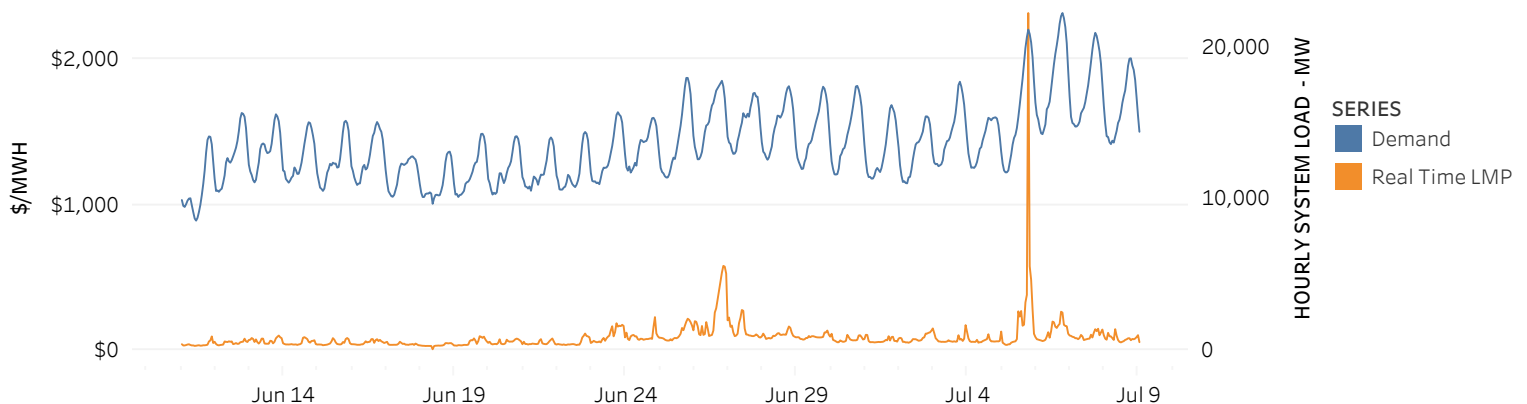
NEW ENGLAND REGIONAL ELECTRICITY GRID GENERATION MIX

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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