

JULY 24 - 28, 2023 MARKET SUMMARY



SPOTLIGHT | Texas Grid Survives Heat Wave, but Concerns Remain

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Earlier this month, Texas experienced a massive heat wave, set to put them on track for the hottest summer to date. Over the last few weeks, much of Texas has been hotter than 99% of the earth, signaling that climate disasters have already arrived. Many will remember Winter Storm Uri in 2021, which spiked electricity prices, and left many Texans without power for weeks. The past month has far surpassed the previous peak demand from Uri of 69,000 MW, hitting nearly 81,000 MW. However, despite concerns regarding the reliability of the grid, ERCOT was able to avoid blackouts. Since Uri, Texas has added almost 3,000 MW of wind generation, and utility-scale solar has doubled every year since 2020, with nearly 10,000 MW of new solar added since that time. Texas also accounted for nearly 70% of grid-level battery storage additions in the first three months of 2023. These additions helped keep Texas afloat as coal and gas plants experienced nearly 10,000 MW of outages this past month due to extreme heat. While this new resource adoption is promising, Texas legislators and regulators still have major obstacles to confront as extreme weather events become more prevalent.

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: 93
18 MONTH: 90
24 MONTH: 91
36 MONTH: 87

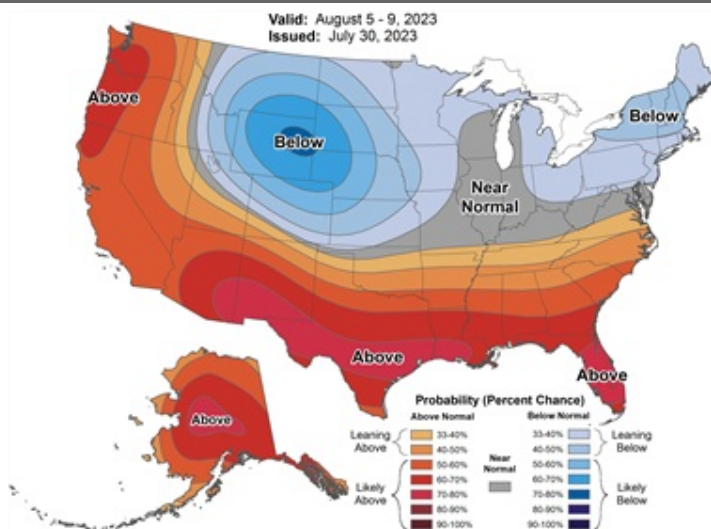
NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 96
18 MONTH: 91
24 MONTH: 89
36 MONTH: 82

CRUDE OIL TERMS

12 MONTH: 69
18 MONTH: 67
24 MONTH: 65
36 MONTH: 63

WEATHER | 6-10 Day Forecast



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

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.

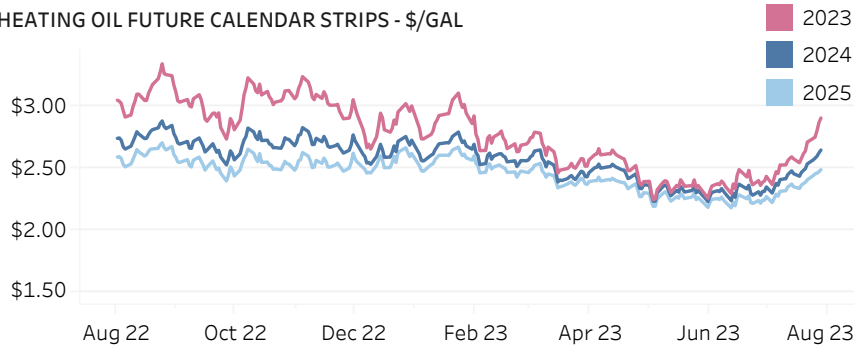
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OIL & DISTILLATES OVERVIEW

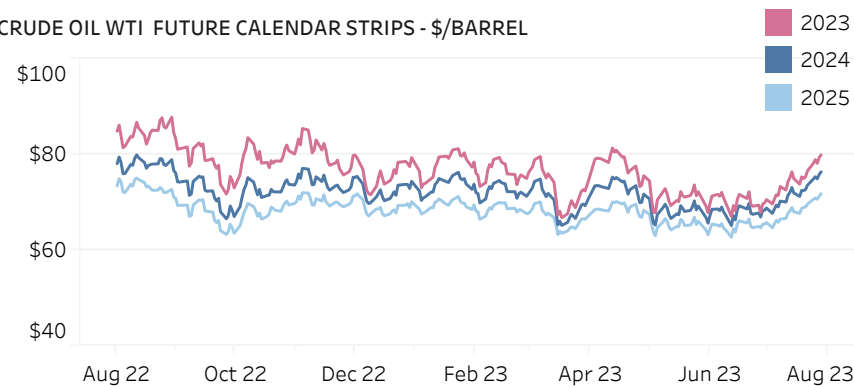
HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL



Prompt Month Price For Sep 23 ...

This Week:	\$80.58/Bbl
Prior Week:	\$77.07/Bbl
CHANGE:	\$3.51/Bbl

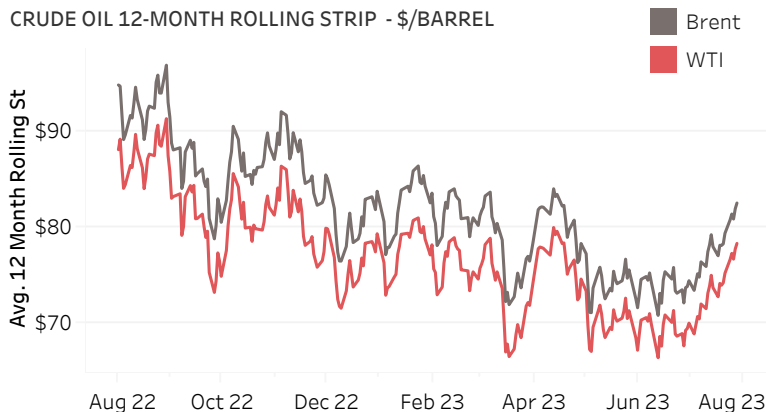
CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL



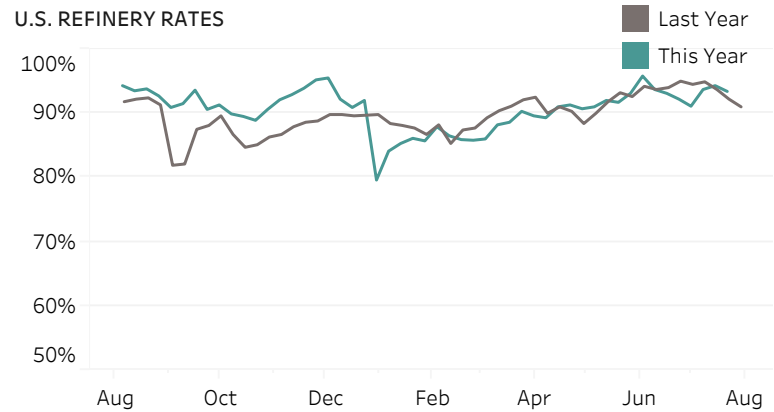
WTI closed at \$78.39/Barrel on Friday, up 4.1% from a week ago, and Brent closed at \$82.60/Barrel, up 3.8% week-over-week. While Europe's shrinking business activity is lowering demand and pushing prices downward, the global supply deficit owing to OPEC cuts continues to apply upward pressure on crude oil prices. On Wednesday, the Federal Reserve raised the Fed Funds Rate, which is the benchmark borrowing rate, by a quarter of a percentage point, bringing the interest rate to the 5.25% to 5.5% target range, the highest in 22 years. Crude oil prices responded to this rise in interest rates by falling about 1% just on Wednesday. The 4-week average of U.S. production remained unchanged at 12.3 million bpd last week. Compared to a year ago, the 4-week average of U.S. crude production is up 2.3%. Crude oil stocks fell 0.1% week-over-week to 456.8 million barrels, reflecting the recent decrease in net crude oil imports.

FUNDAMENTALS

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

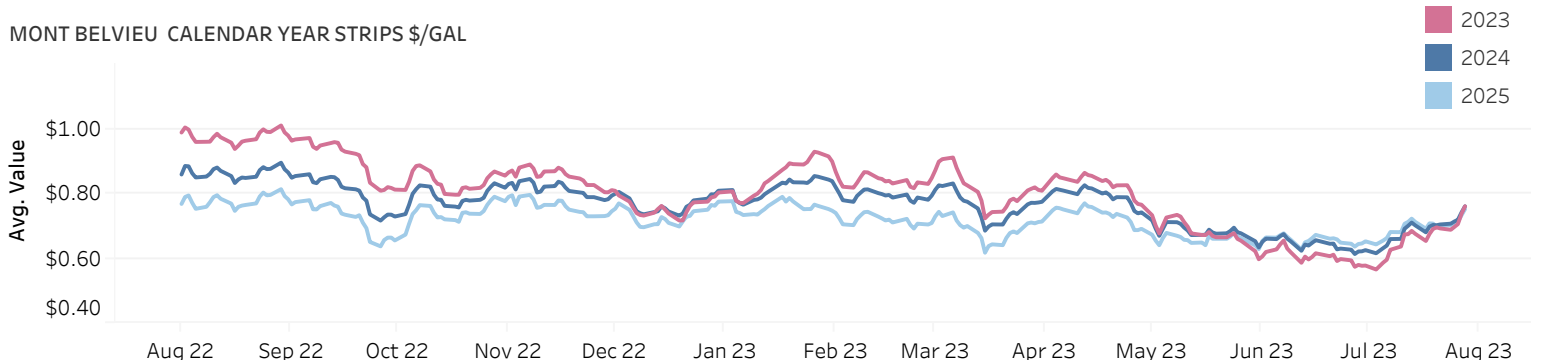


U.S. REFINERY RATES



PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL



MARKET SUMMARY

JULY 24 - 28, 2023



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.

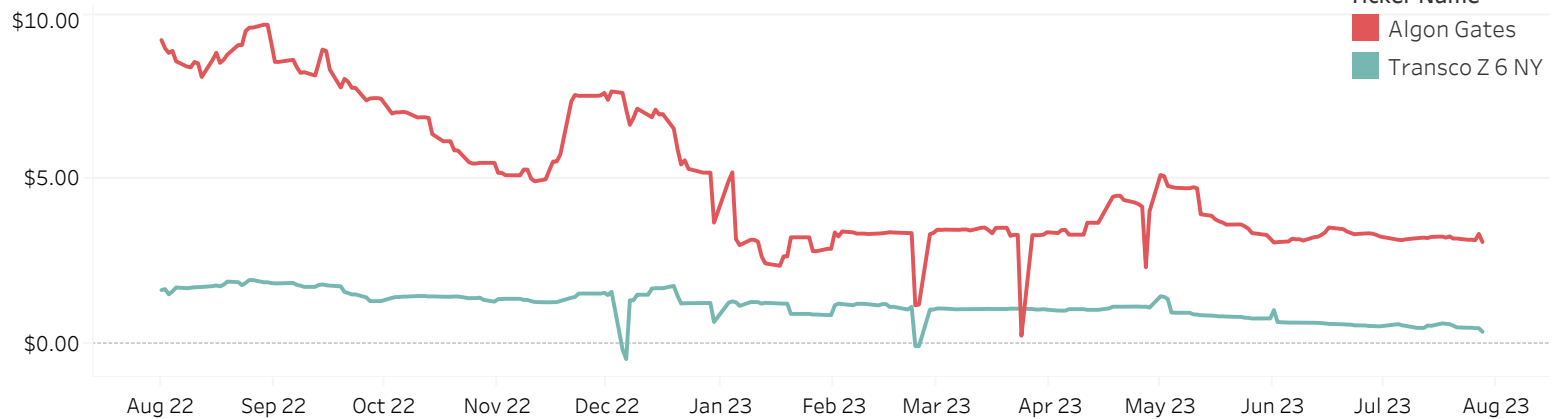
Prompt Month Price For Sep 23 ---

This Week:	\$1.81/MMBTU
Prior Week:	\$2.76/MMBTU
CHANGE:	\$0.95/MMBTU

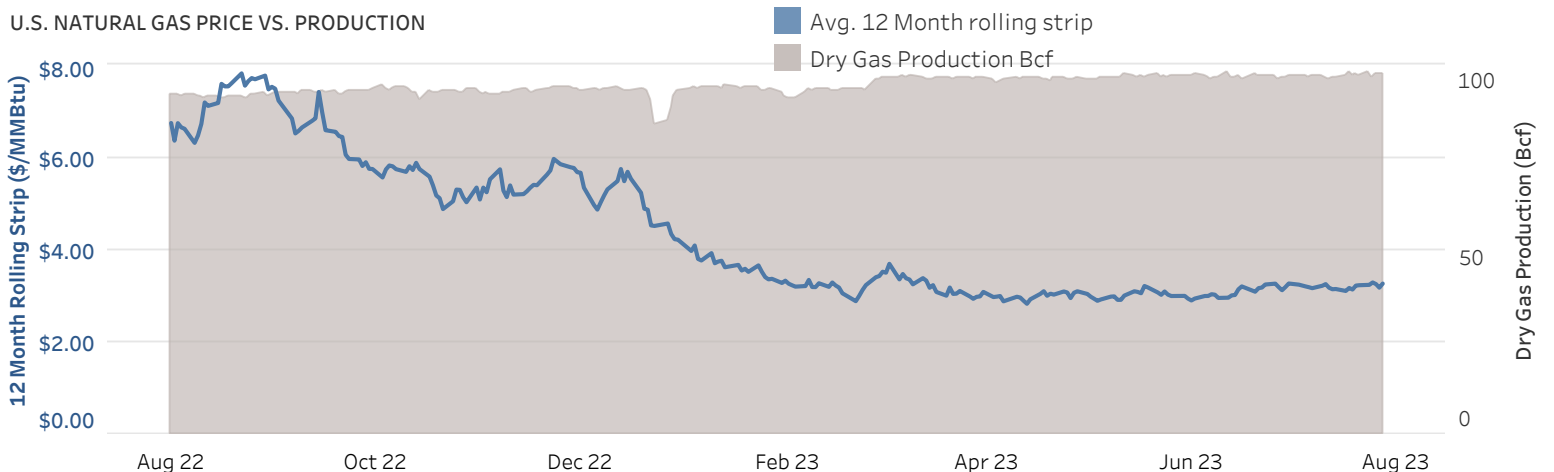
The natural gas August prompt-month expired Thursday the 27th after a 9.6% decrease to \$2.49 week-over-week. The September prompt month currently sits at \$2.64, representing a week-over-week decline of 2.6%. Natural gas storage injections have continued to decline as demand has increased due to high temperatures and high exports over recent weeks. Storage injections totaled 16 Bcf/day for the week ending 7/21, which is lower than we've seen so far this refill season, but to be expected for this time of year. The surplus over the five-year storage average for the week ending 7/21, however, dropped from 360 Bcf to 345 Bcf. Natural gas production remains high, up slightly from last week to 101.3 Bcf/day.

NATURAL GAS FUNDAMENTALS

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

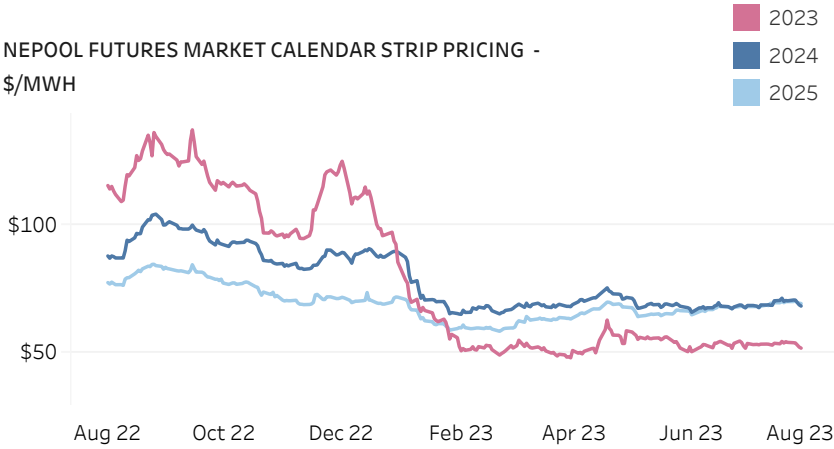


U.S. NATURAL GAS PRICE VS. PRODUCTION



NEW ENGLAND ELECTRICITY OVERVIEW

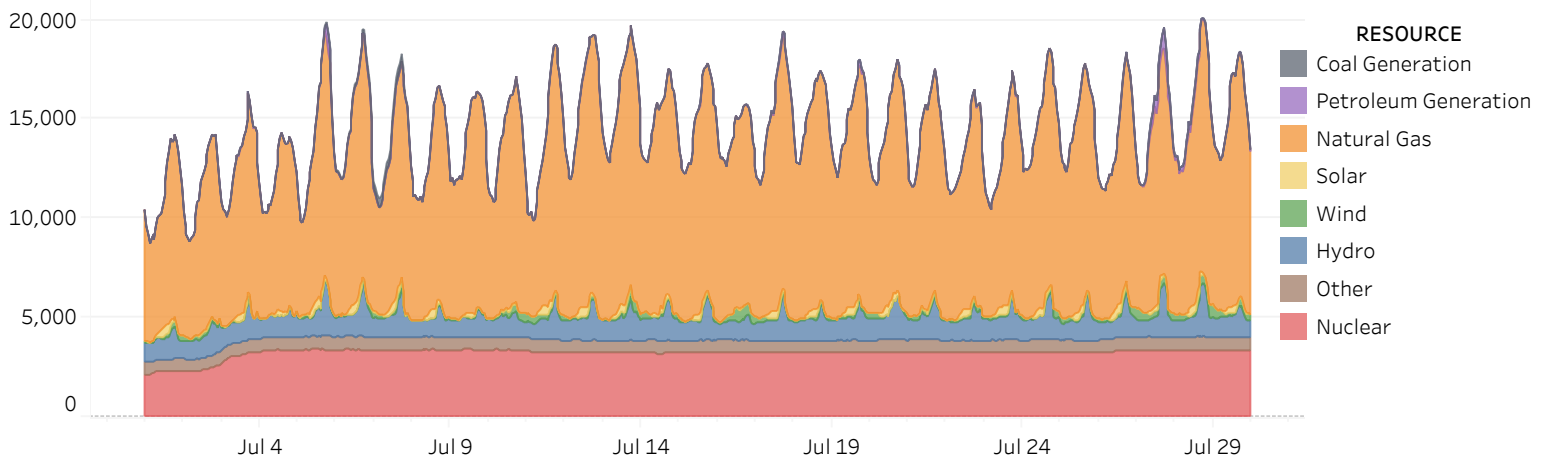
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING - \$/MWH



The NEPOOL 12-month strip decreased 3% week-over-week, settling at \$65.25/MWh. The calendar year strips saw small changes week-over-week. The 2024 strip settled at \$68.87/MWh, a 2.4% decrease week-over-week. The 2025 strip saw a decrease of 0.86%, landing at \$69.53/MWh. The 2026 strip saw an increase of 1.7% to \$63.07/MWh. Natural gas storage continues to sit 345 bcf above the 5-year average, although injections have slowed in recent weeks. Both the NYMEX 12-month rolling strip and Basis 12-month rolling strip saw decreases week-over-week, adding downward pressure to prices. On Friday, July 28th, summer temperatures threatened to push demand to 24,000 MW, but it peaked at just 22,226 MW in the hour ending 19.

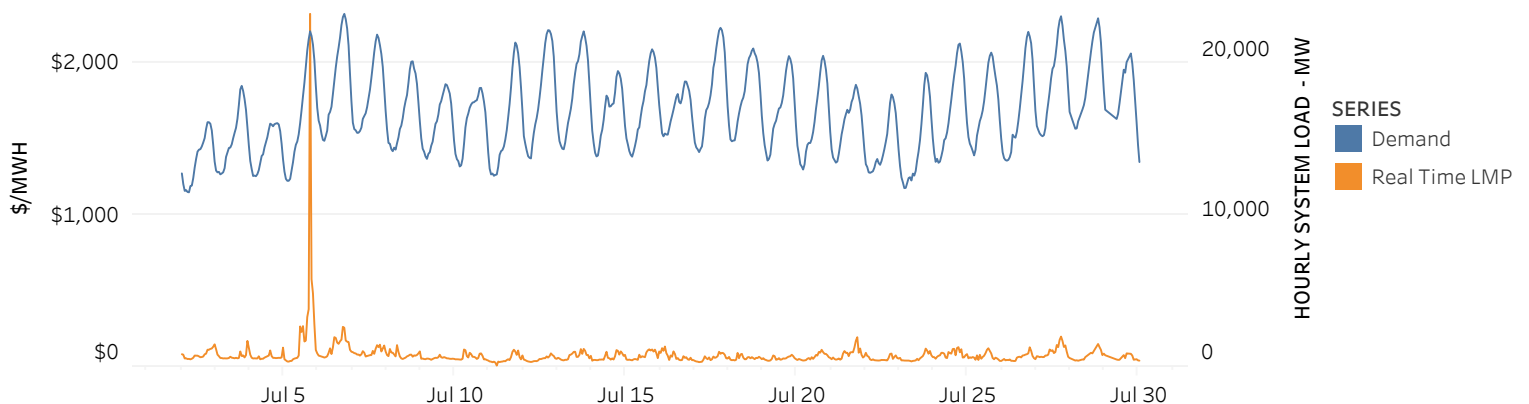
NEW ENGLAND REGIONAL ELECTRICITY GRID GENERATION MIX

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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ENERGY SERVICES KEY CONTACTS



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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