

AUGUST 7 - 11, 2023 MARKET SUMMARY



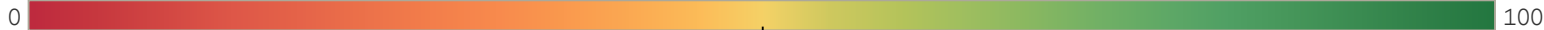
SPOTLIGHT | FERC Order Seeks to Reform Interconnection and Reduce Backlogs

On July 28, The Federal Energy Regulatory Commission (FERC) approved a set of reforms to streamline the regulations that determine how power projects connect to America's transmission grids. FERC Order 2023 is the first significant change to the agency's interconnection rules in decades....

On July 28, The Federal Energy Regulatory Commission (FERC) approved a set of reforms to streamline the regulations that determine how power projects connect to America's transmission grids. FERC Order 2023 is the first significant change to the agency's interconnection rules in decades, and it seeks to address barriers that have helped cause a backlog of wind, solar, and battery projects to be considered for interconnection. The order gives stricter deadlines for energy project developers to secure land and project financing rights and higher penalties if they fail to meet them. It also lays down more stringent penalties for grid operators and utilities that fail to determine quickly whether a project can connect and what upgrades might be necessary. By requiring increased financial commitments, FERC hopes to remove speculative projects with little chance of being built from interconnection queues. The order also requires grid operators to use a cluster process to study projects in groups rather than individually.

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: 90
18 MONTH: 86
24 MONTH: 88
36 MONTH: 85

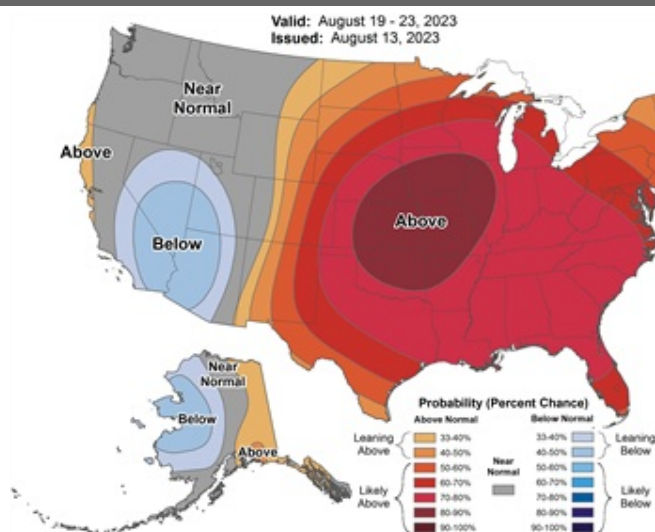
NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 94
18 MONTH: 85
24 MONTH: 87
36 MONTH: 79

CRUDE OIL TERMS

12 MONTH: 65
18 MONTH: 63
24 MONTH: 61
36 MONTH: 59

WEATHER | 6-10 Day Forecast



While the West Coast is likely to experience near normal temperatures in the coming week, temperatures are expected to fall above average from East Coast to 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.

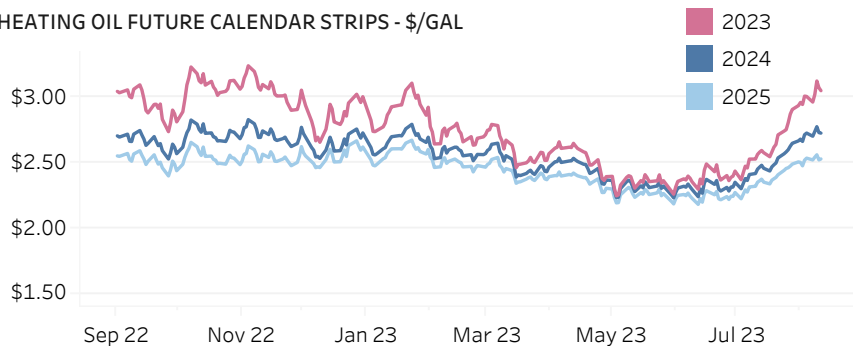
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OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

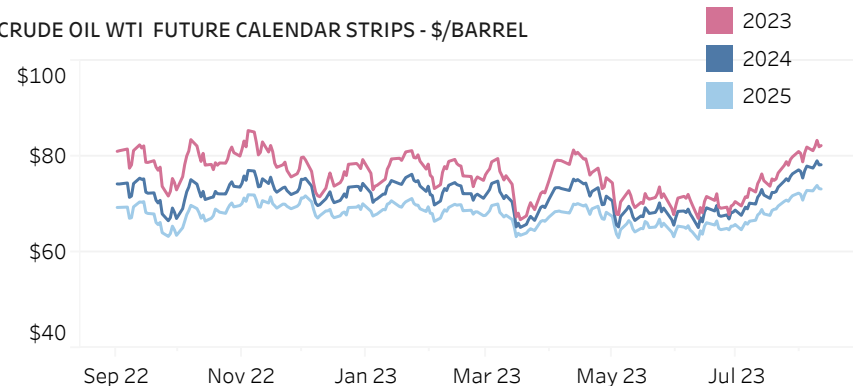


Prompt Month Price For Sep 23 ...

This Week:	\$83.19/Bbl
Prior Week:	\$82.82/Bbl
CHANGE:	\$0.37/Bbl

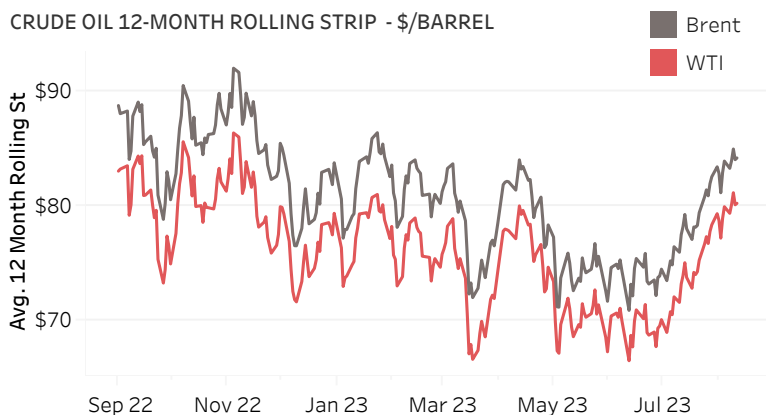
WTI closed at \$80.14/Barrel last week, up 1.5% from a week ago, and Brent closed at \$84.10/Barrel, up 1.4% week-over-week. Crude oil markets experienced upward price pressure this week due to record global demand forecasts by the International Energy Agency (IEA) combined with continuing production cuts by OPEC+ countries. While the IEA estimated the global crude oil demand for June 2023 at a record 103 million barrels per day, OPEC+ forecasts global oil demand to rise by 2.44 million bpd in the second half of 2023. The 4-week average of U.S. production increased by 0.6% week-over-week to 12.325 million bpd last week and is expected to cross the 12.9 million bpd toward the end of this year. U.S. gasoline stocks also fell last week by 2.7 million barrels. Combined with high fuel demands in the peak summer driving season, the decline in gasoline stocks continues to drive national gas prices upward.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

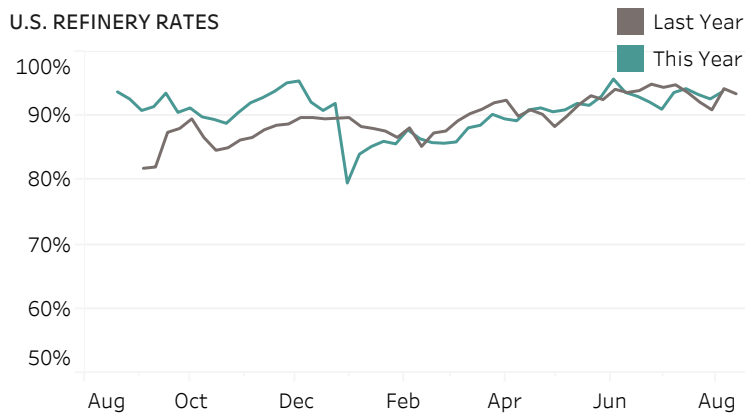


FUNDAMENTALS

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

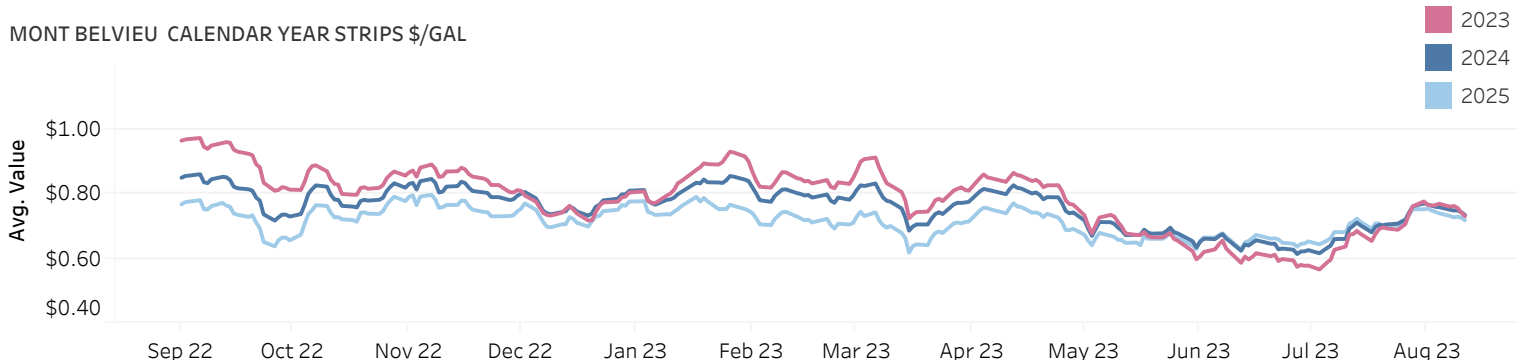


U.S. REFINERY RATES



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.

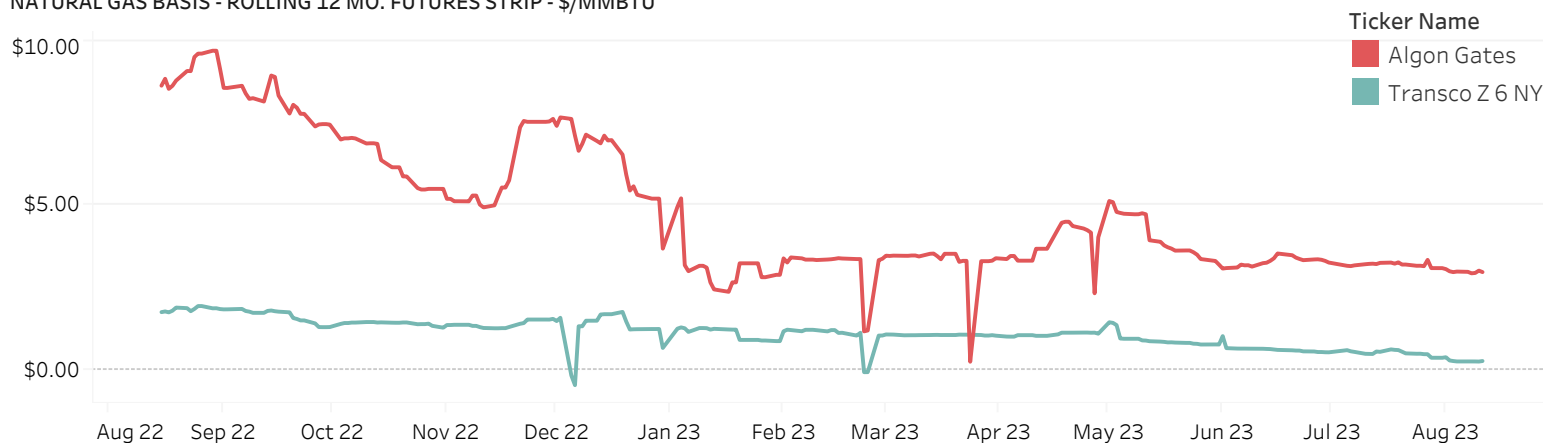
Prompt Month Price For Sep 23 ---

This Week:	\$2.77/MMBTU
Prior Week:	\$2.57/MMBTU
CHANGE:	\$0.21/MMBTU

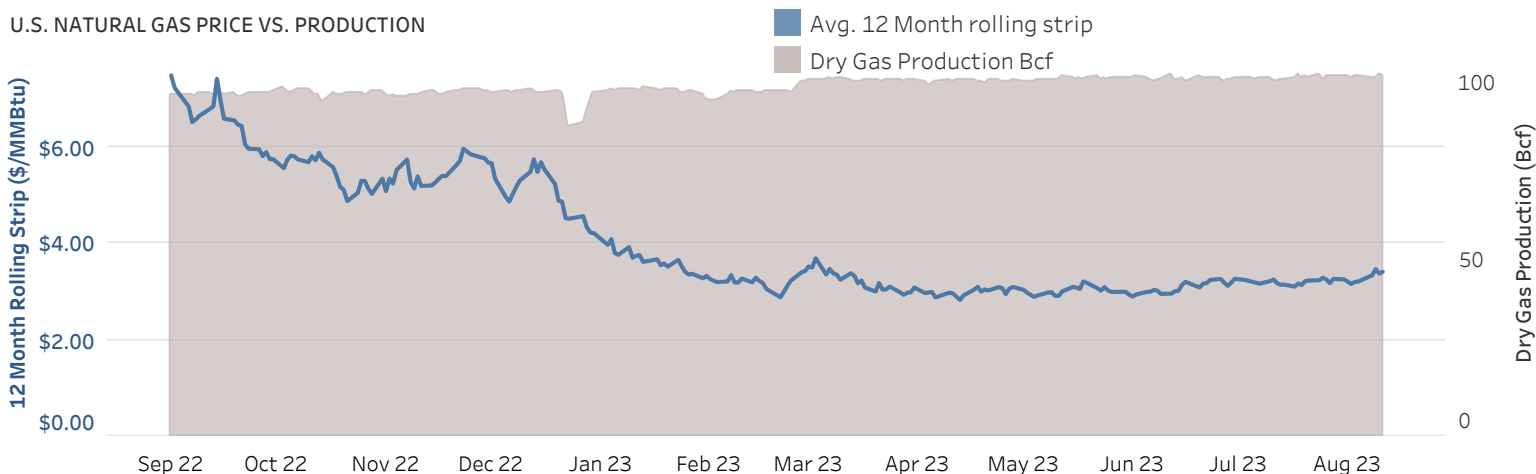
Natural gas prompt month futures saw a 7.4% increase week-over-week to land at \$2.77/MMBTU. This week, we saw natural gas production remain above 100 Bcf/d but decline slightly week over week to land at 102.2 Bcf/day, down from 102.5 Bcf/day. Natural gas storage injections increased week-over-week, deviating from the trend of smaller injections we've seen so far this summer. Storage injections totaled 29 Bcf for the week ending 8/4, over double the prior week's total injections. Northeast natural gas spot prices also saw relief this week with 5 fewer cooling degree days in the region. Algonquin Citygate was down to \$1.38 on Friday, representing a week-over-week relief of 8%.

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

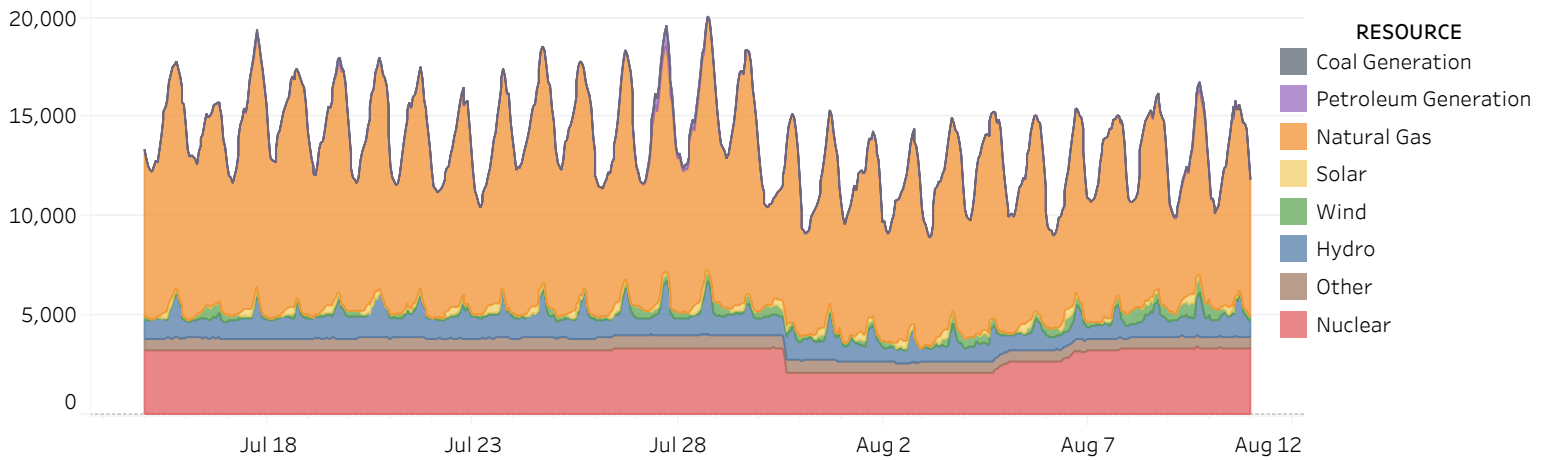
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING - \$/MWH



The NEPOOL 12-month strip rose 1.5% week-over-week, settling at \$65.34/MWh. All calendar strips also saw increases week-over-week. The 2024 strip increased 1.4% week-over-week, settling at \$68.68/MWh, 2025 rose 2.1% to \$69.97/MWh, and 2026 settled at \$62.76/MWh, a 1.8% increase from the week prior. Natural gas storage continues to sit above the 5-year average, and injections this past week doubled injections from the week prior, with storage increasing 29 Bcf to 305 Bcf above the 5-year average. The NYMEX 12-month strip saw a 5.6% increase week-over-week, while Basis saw a smaller increase of 1.7%, adding upward pressure to electricity prices. Cooler temperatures in New England this past week have put downward pressure on prices, and a near normal temperature forecast for the next two weeks is likely to stymie any significant price fluctuations.

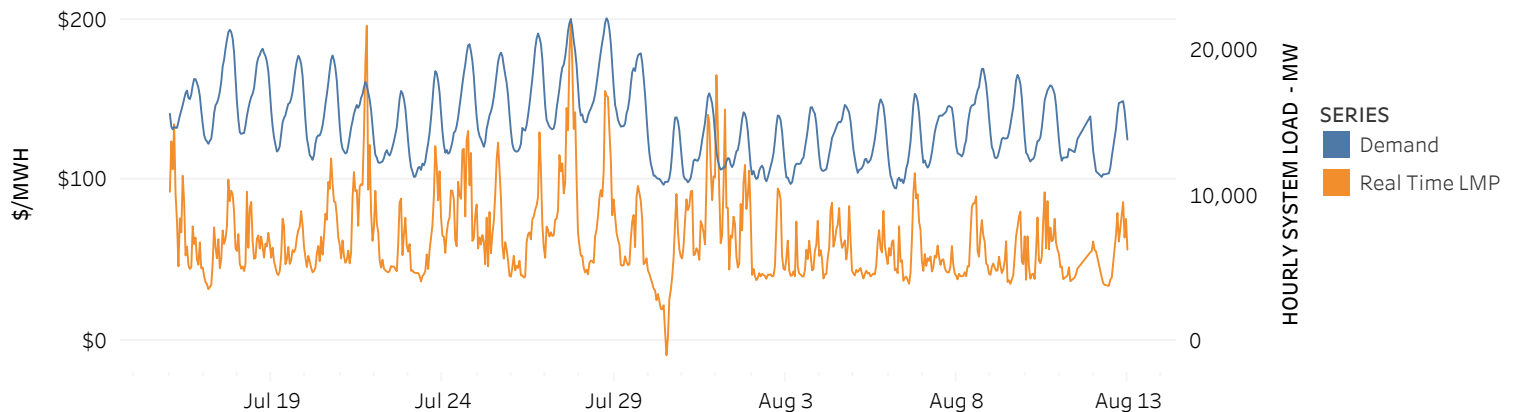
NEW ENGLAND REGIONAL ELECTRICITY GRID GENERATION MIX

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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