

AUGUST 21 - 25, 2023

# MARKET SUMMARY



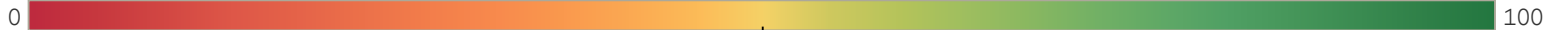
## SPOTLIGHT | California EV Market Share Hits 25% as Calls for Grid Planning Reform Grow

**Electric vehicles accounted for one in four new passenger car and truck sales in California in the second quarter. State lawmakers, regulators and utilities met that milestone with cautious celebration and calls to remove significant roadblocks to achieving a 100% EV market share mandate by 2035.....**

Electric vehicles accounted for one in four new passenger car and truck sales in California in the second quarter. State lawmakers, regulators and utilities met that milestone with cautious celebration and calls to remove significant roadblocks to achieving a 100% EV market share mandate by 2035. Two hearings held in California State Assembly on August 23 detailed several concerns around EV charging challenges in California, including: high failure rates at public chargers; lagging growth of new charging stations; delays in grid infrastructure funding and construction; an uncertain increase electricity demand; and looming costs. Through the second quarter, California drivers had put roughly 1.6 million battery and plug-in EVs on the road, according to California Energy Commission data. That fleet, which surpassed an interim state target of 1.5 million EVs two years early, is supported by 91,943 public and shared private chargers. Reaching a 2030 target of 5 million EVs would require 700,000 public chargers, and reaching 8 million EVs by that time, as proposed in legislation introduced this year, would necessitate 1.2 million chargers, according to a CEC analysis.

## 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: 88
24 MONTH: 90
36 MONTH: 87

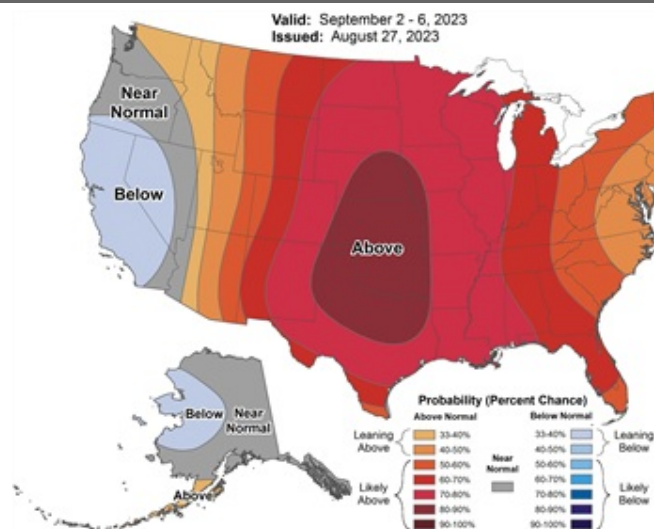
### NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 96
18 MONTH: 86
24 MONTH: 88
36 MONTH: 80

### CRUDE OIL TERMS

12 MONTH: 70
18 MONTH: 67
24 MONTH: 66
36 MONTH: 63

## WEATHER | 6-10 Day Forecast



**Warmer-than-average temperatures will engulf much of the country, with below average temperatures forecasted for the West 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.

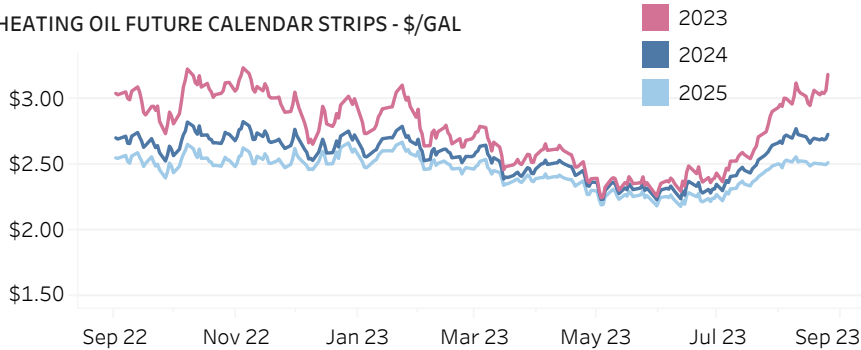
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## OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

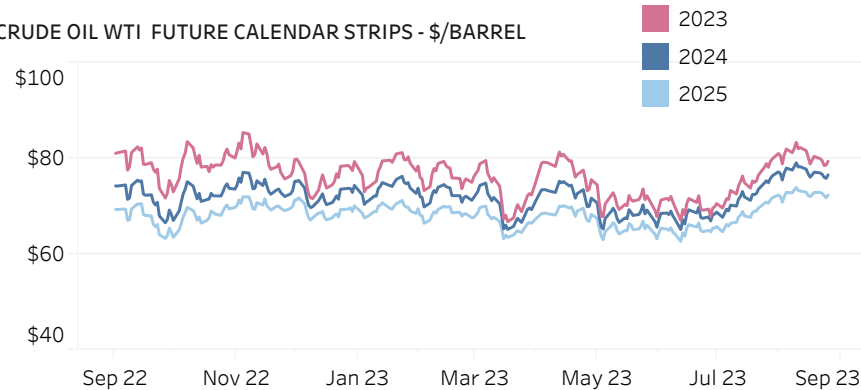


Prompt Month Price For Sep 23 ---

This Week:	\$79.83/Bbl
Prior Week:	\$81.25/Bbl
CHANGE:	\$1.42/Bbl

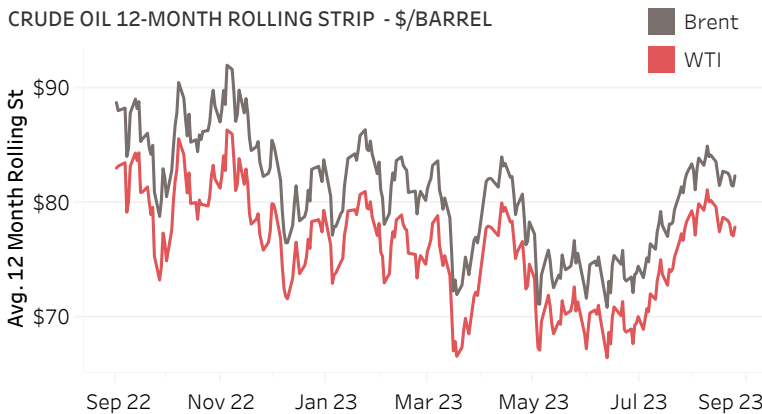
WTI closed at \$77.93/Barrel on Friday, down 1% from a week ago, and Brent closed at \$82.42/Barrel, down 0.4% week-over-week. The Federal Reserve Chair Jerome Powell addressed economists on Friday, indicating that the Fed has not concluded its inflation-targeting policies. With a potential interest rate hike in the future, global crude oil prices face downward pressure. However, analysts expect Saudi Arabia to extend its voluntary production cuts into October, which could create further supply constraints and drives crude oil prices up. In a major geopolitical development, Saudi Arabia, along with five other countries, officially joined BRICS on Thursday, with the BRICS membership now responsible for about 80% of the entire global crude oil production. The 4-week average of U.S. production increased by 1.2% week-over-week to 12.575 million bpd last week, and U.S. crude oil stocks fell by 1.4% last week to 433.5 million barrels as refinery activity climbed to 94.5%.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

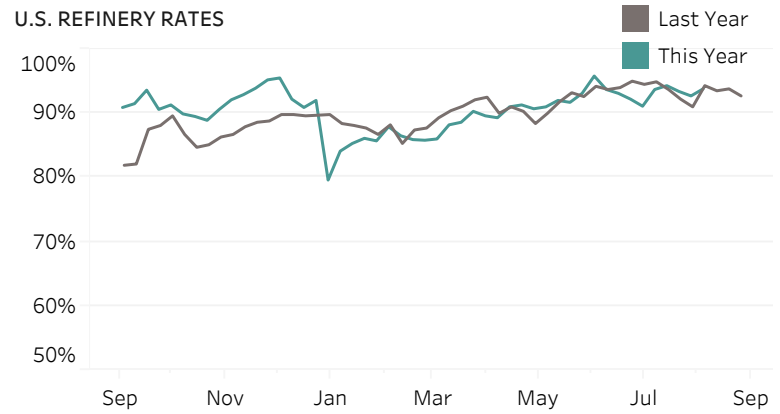


## FUNDAMENTALS

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

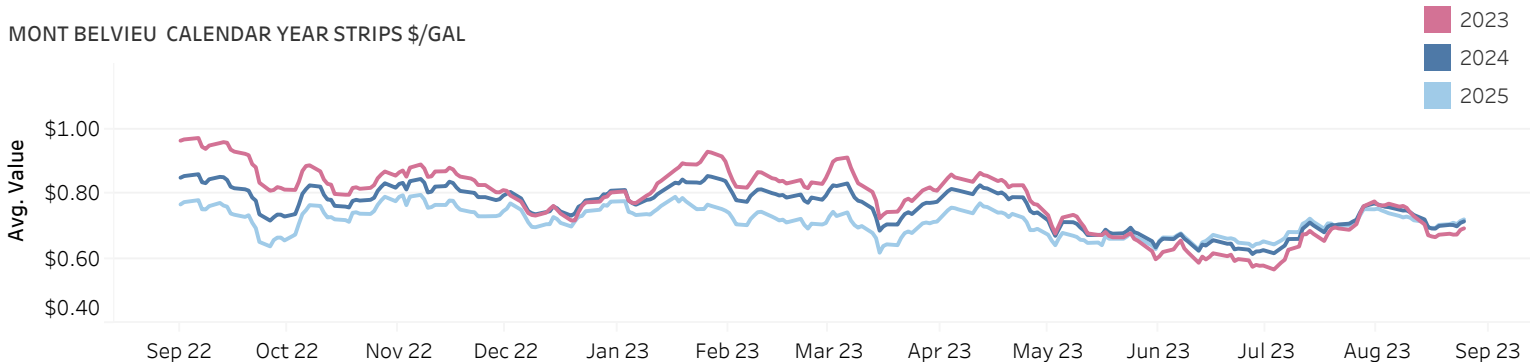


U.S. REFINERY RATES



## 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.

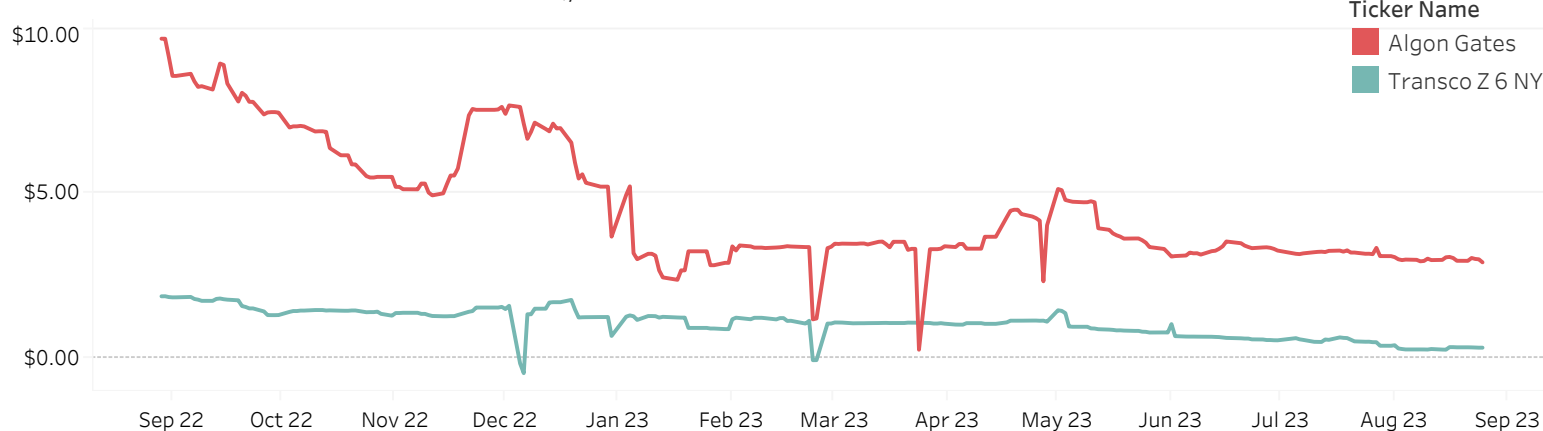
Prompt Month Price For Sep 23

This Week:	\$2.54/MMBTU
Prior Week:	\$2.62/MMBTU
CHANGE:	(\$0.08)/MMBTU

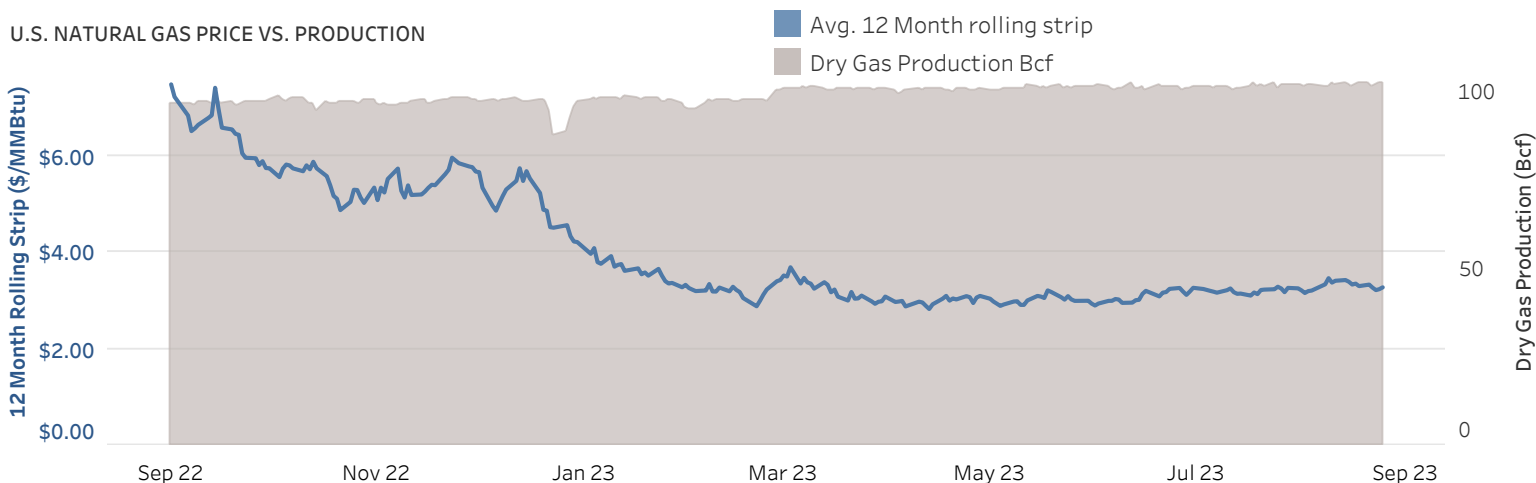
Natural gas prompt month futures saw a 0.4% decrease week-over-week to land at \$2.54/MMBTU. This week, we saw natural gas production remain above 100 Bcf/d and increase slightly to 102.5 Bcf/day, up from 102.0 Bcf/day the week prior. Last week's natural gas storage injections totaled 18 Bcf, which is lower than analysts predicted and diverts from the trend of increasing storage injections from the past couple weeks. While our storage inventories remain above the 5-year average, the average rate of injections is 2% lower than the five-year average this refill season. The fear over a strike in Australia that would impact global LNG prices has partially diminished. Global LNG prices fell at the end of last week as workers for one of Australia's LNG exporters reached an agreement. However, workers at the other major LNG exporter in Australia, Chevron, have voted to allow the union to call for a strike. This introduces a bit of uncertainty, over supply which we will likely see play out over the coming weeks.

### 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

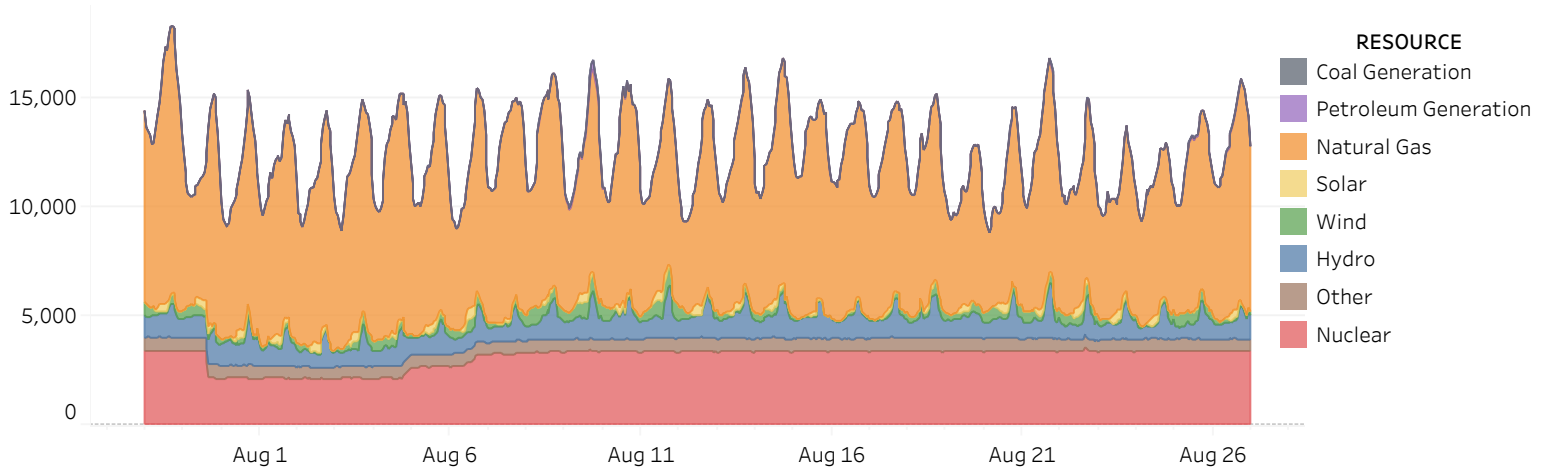
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING - \$/MWH



The NEPOOL 12-month strip fell 2.3% week-over-week, settling at \$64.57/MWh. Calendar strips saw a mix of increases and decreases week-over-week. The 2024 strip decreased 2% week-over-week, settling at \$68.30/MWh, 2025 decreased just 0.1% to \$70.94/MWh, and 2026 increased 2.2% to \$64.57/MWh. Natural gas storage continues to sit above the 5-year average, with storage increasing 18 Bcf to 268 Bcf above the 5-year average, and both NYMEX and Basis fell week-over-week. Cooler temperatures in New England this past week have continued to put downward pressure on prices, but with warmer-than-average temperatures projected for the beginning of September, prices might see some volatility. These cool summer temperatures have kept electric day-ahead prices low in August, averaging just \$28/MWh compared to \$100/MWh in August of 2022.

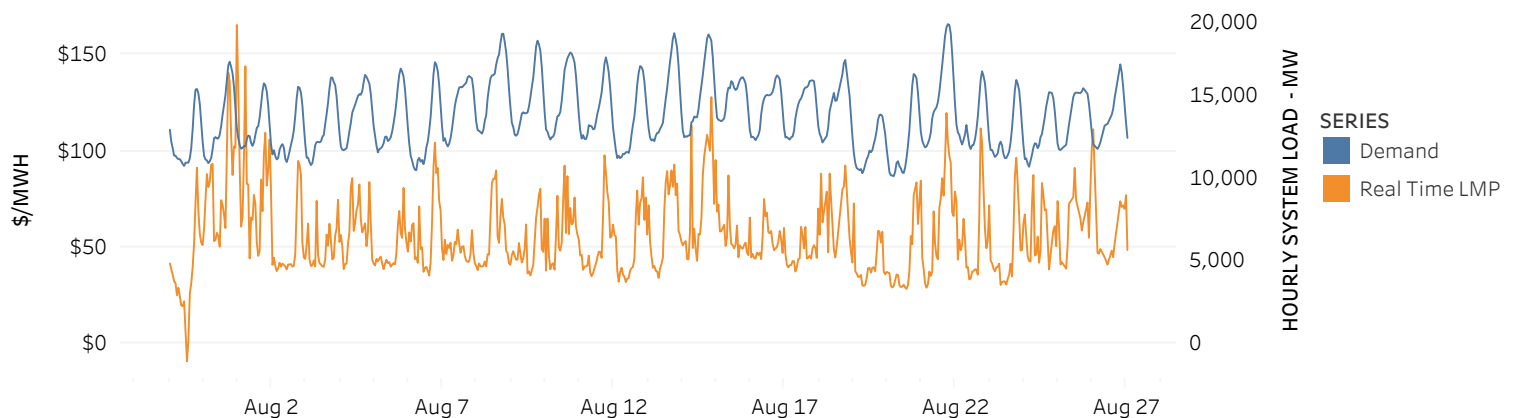
## NEW ENGLAND REGIONAL ELECTRICITY GRID GENERATION MIX

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](mailto: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](mailto:zbloom@competitive-energy.com)

ISO-NE; CAISO; ERCOT; NYISO, SPP



### CHARLIE AGNEW

*Managing Director of Energy Services*

(207) 576-3490

[cagnew@competitive-energy.com](mailto: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](mailto: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](mailto:lpignataro@competitive-energy.com)

ISO-NE; New Hampshire, Maine,  
Massachusetts



### SANDY BEAUREGARD

*Director of Sustainability Services*

(207) 616-6340

[sbeauregard@competitive-energy.com](mailto:sbeauregard@competitive-energy.com)

ISO-NE; CAISO; ERCOT; NYISO; SPP



### ZACK HALLOCK

*Senior Energy Services Advisor*

(603) 558-4872

[zhallock@competitive-energy.com](mailto:zhallock@competitive-energy.com)

ISO-NE; Massachusetts, Connecticut,  
New Hampshire; NYISO



### LAUREN GREY

*Energy Services Advisor*

(207) 712-9703

[lgrey@competitive-energy.com](mailto:lgrey@competitive-energy.com)

ISO-NE; Maine



### EDWARD (TEDDY) STORRS

*Energy Services Advisor*

(978) 505-3080

[tstorrs@competitive-energy.com](mailto:tstorrs@competitive-energy.com)

ISO-NE; Massachusetts

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