

# OCTOBER 2 - 6, 2023

# MARKET SUMMARY

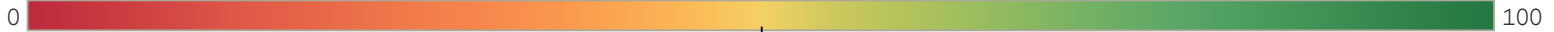


## SPOTLIGHT | Southern New England States Agree to Coordinate Offshore Wind Procurements

On October 3, Massachusetts, Connecticut, and Rhode Island officials signed a memorandum of understanding (MOU), laying the groundwork for a multi-state effort to procure electricity generation capacity from offshore wind projects. Each state has set aggressive climate and renewable energy goals, and offshore wind procurement targets play a key role in achieving those goals. The MOU outlines changes to the structure of current and future solicitations to request both single and multi-state project proposals, expanding the options for the three states to make progress towards their offshore wind procurement targets and leveraging project scale to improve pricing and reduce rate-payer cost impacts. The three states collectively plan to solicit up to 6,000 megawatts (MW) of offshore wind capacity in 2024, including an active solicitation in Massachusetts for up to 3,600 MW, with proposals due in January. The MOU comes as offshore wind projects contracted in past solicitations have recently sought to renegotiate or terminate contracts in the face of financing difficulties at previously contracted rates, delaying expected procurement timelines and endangering progress towards state goals.

## 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: 89
18 MONTH: 84
24 MONTH: 86
36 MONTH: 83

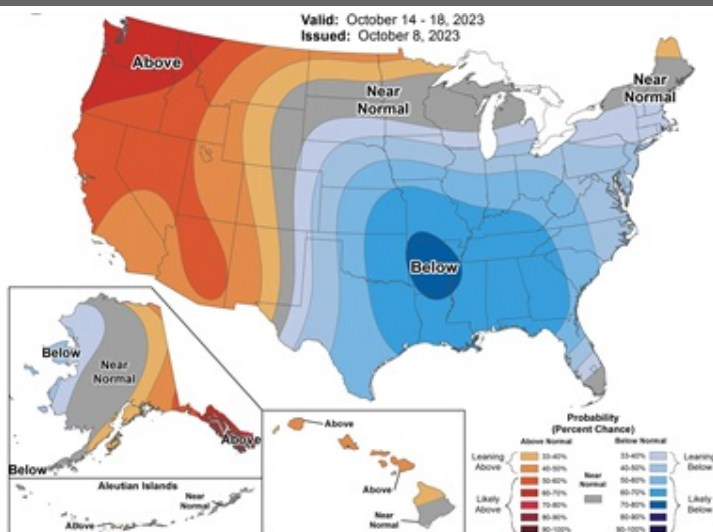
### NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 98
18 MONTH: 87
24 MONTH: 92
36 MONTH: 83

### CRUDE OIL TERMS

12 MONTH: 71
18 MONTH: 70
24 MONTH: 69
36 MONTH: 67

## WEATHER | 6-10 Day Forecast

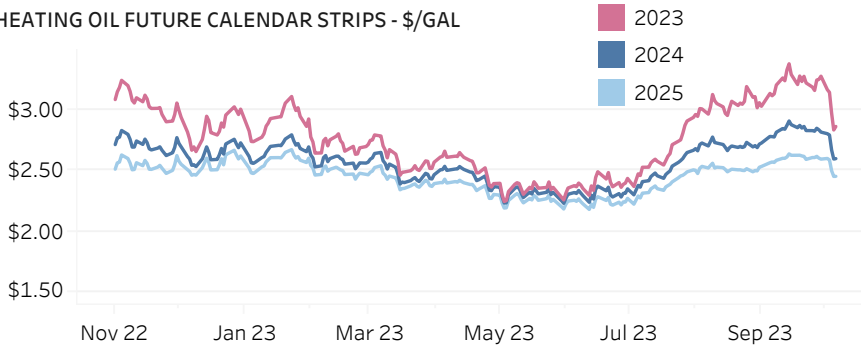


The western half of the country is likely to experience above-average temperatures into the middle of the month, while temperatures in the eastern half will fall below average.

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.

### OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

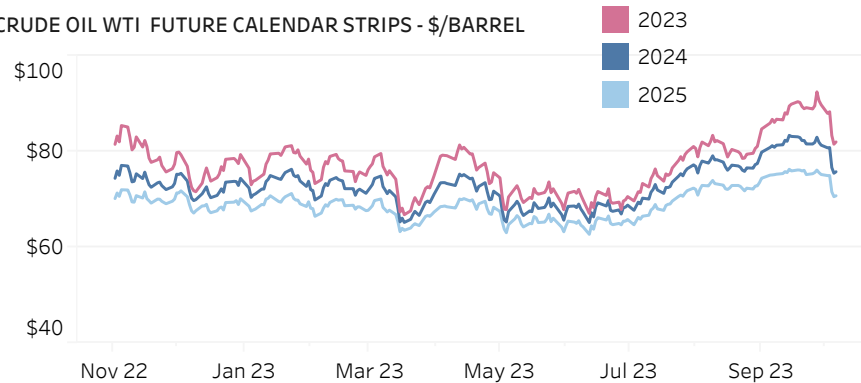


Prompt Month Price For Nov 23

This Week:	\$82.79/Bbl
Prior Week:	\$90.79/Bbl
<b>CHANGE:</b>	<b>(\$8.00)/Bbl</b>

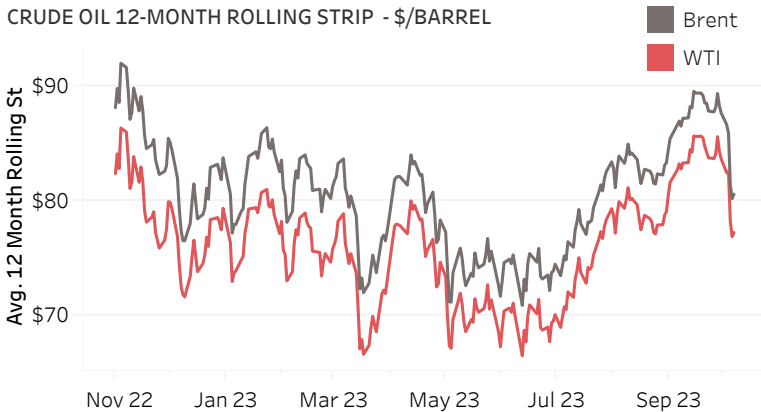
The WTI 12-month rolling strip closed at \$76.92/barrel last week, down 8.8% week-over-week, and the Brent 12-month rolling strip closed at \$80.25/Barrel, 9.2% lower week-over-week. New York Harbor heating oil also experienced a considerable decline in price, dropping by 7.1% week-over-week to settle at \$2.60/gallon. Although the US has reported weak crude oil demand due to a softening of summer driving activity, OPEC+ production cuts continue to constrain supply and push the market upward. In addition to a lower demand, the significant decline in oil prices observed last week can also be attributed to increased crude oil exports and decreased imports. Imports declined by about 2% week-over-week to land at 6.886 million barrels per day, while exports rose by 0.1% to land at 4.281 million barrels per day. Oil prices are expected to experience upward pressure this week following the Israel-Hamas conflict that erupted and intensified over the weekend.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

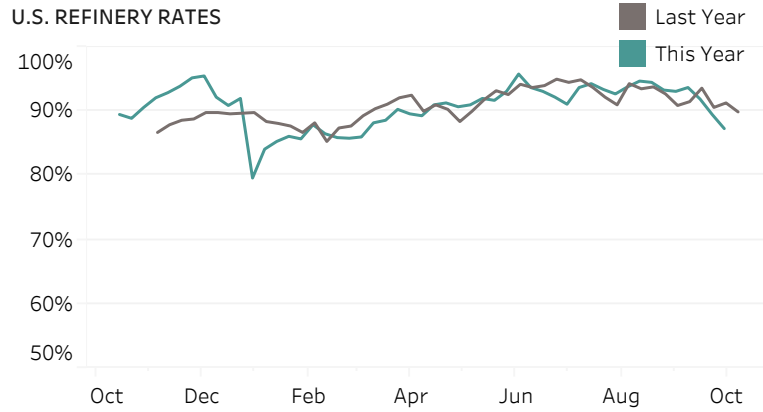


### FUNDAMENTALS

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



U.S. REFINERY RATES



### PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL



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## NATURAL GAS OVERVIEW

NATURAL GAS NYMEX CALENDAR STRIPS - \$/MMBTU



Prompt Month Price For Nov 23

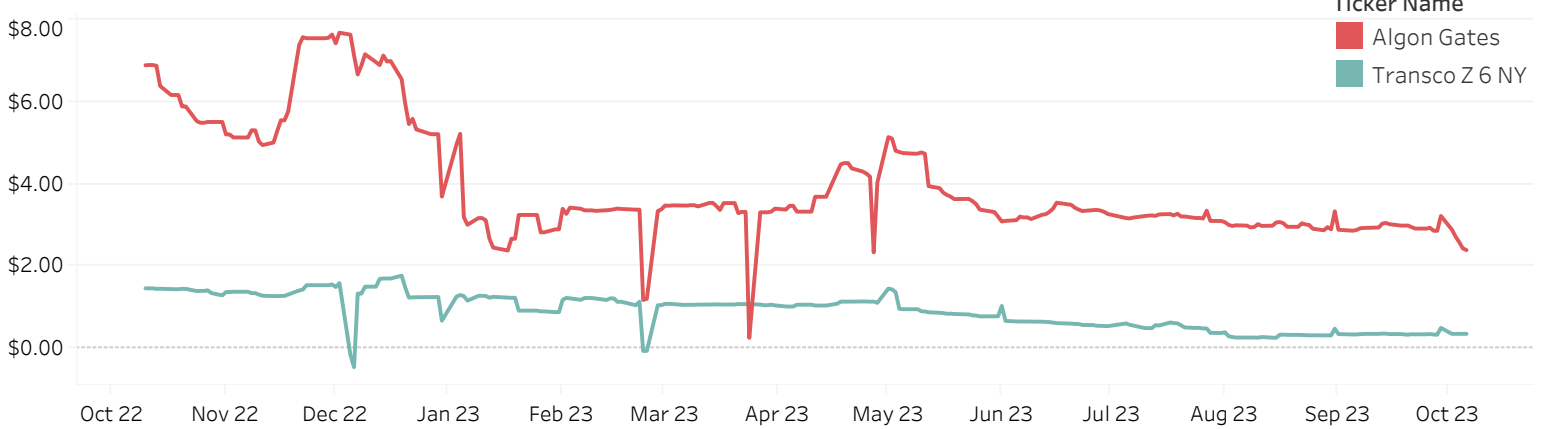
<b>This Week:</b>	\$3.17/MMBTU
<b>Prior Week:</b>	\$2.76/MMBTU
<b>CHANGE:</b>	\$0.41/MMBTU

Natural gas storage injections remained elevated last week, with a net-injection of 86 Bcf. This represents a slight decline from the 90 Bcf injection the week before. Inventories remain 172 Bcf above the 5-year average for this time of year and will be left in a comfortable position as the refill season comes to a close. Another notable move over the past week is the Algonquin Citygate 2024 calendar year strip which was down 13.5% week-over-week to land at \$2.56/MMBTU. This price has been relatively stable since June, hovering slightly above \$3, making the movement especially notable.

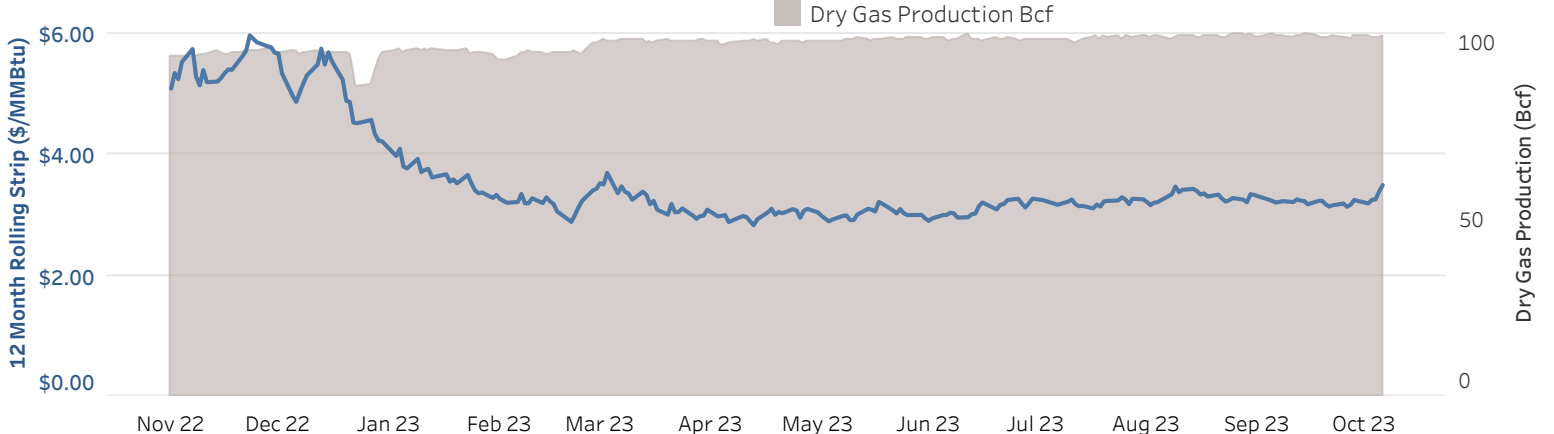
Winter natural gas NYMEX strips are an average of commodity prices for the months of December - March of each winter. Prices are presented in this format to highlight what consumers will pay during the typical heating season in the U.S.

## NATURAL GAS FUNDAMENTALS

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



U.S. NATURAL GAS PRICE VS. PRODUCTION



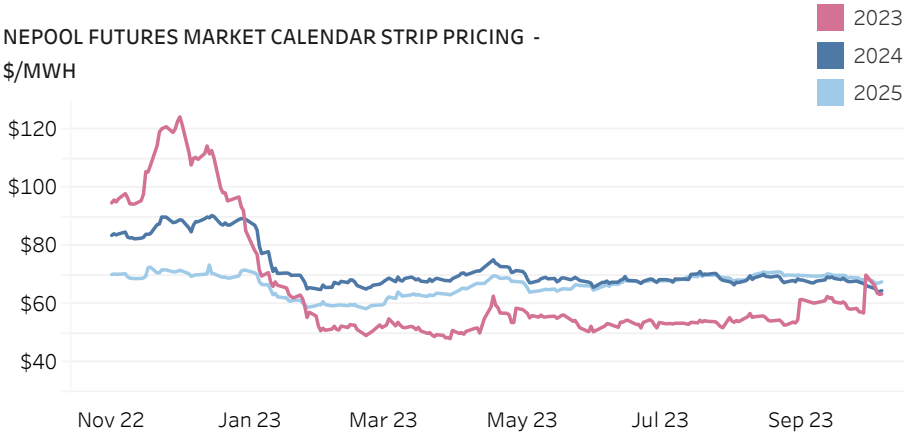
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## NEW ENGLAND ELECTRICITY OVERVIEW

NEPOOL FUTURES MARKET CALENDAR STRIP PRICING - \$/MWH

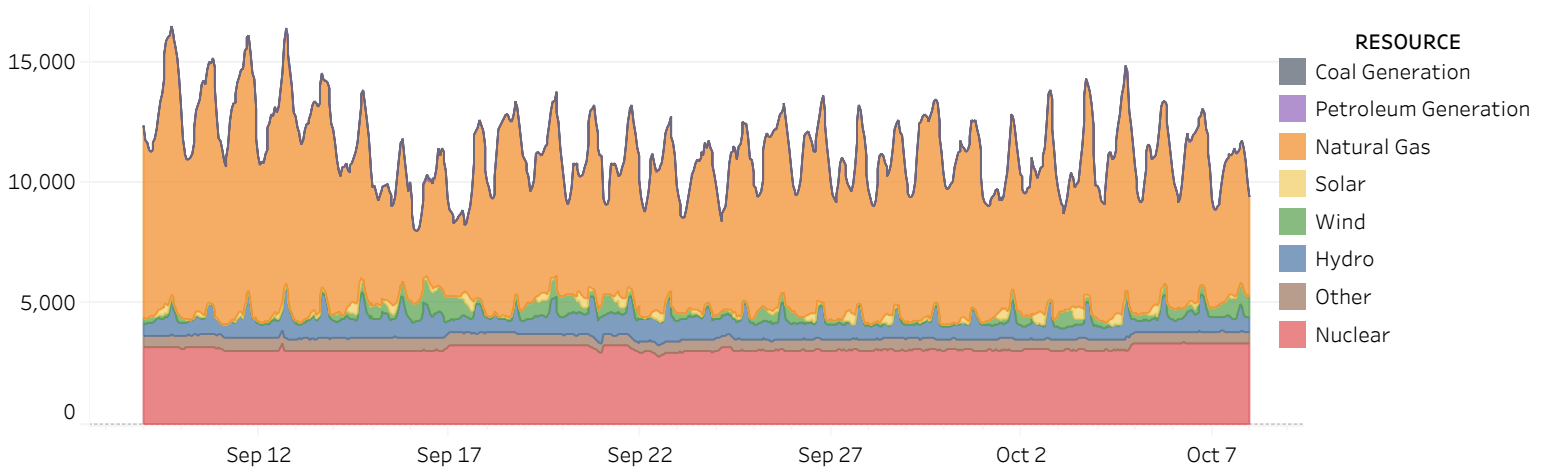


2023  
2024  
2025

The NEPOOL 12-month strip continued to fall this past week, settling at \$60.79/MWh, a 4% decrease week-over-week. The 2024 calendar year strip decreased 4% week-over-week to settle at \$64.57/MWh, and the 2025 strip decreased 1.5% to settle at \$67.64/MWh, while the 2026 strip fell just three cents to land at \$64.41/MWh, a 0.05% decrease from the week prior. Cooling demand is diminishing as we head into the fall, with cool temperatures expected into the middle of October. As the Basis 12-month rolling strip continues to fall, and inventories sit at comfortable levels, downward pressure persists on electricity prices in New England and they are unlikely to see significant gains until heating demand takes hold.

## NEW ENGLAND REGIONAL ELECTRICITY GRID GENERATION MIX

ISO-NE GRID ELECTRICITY GENERATION MIX - EXCLUDES IMPORTS - MW

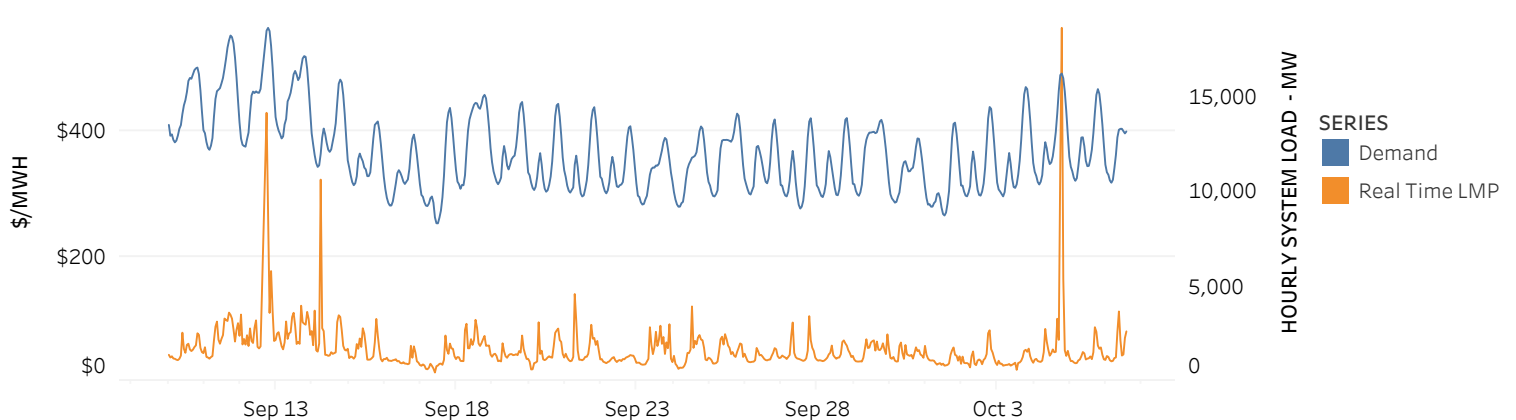


RESOURCE

- Coal Generation
- Petroleum Generation
- Natural Gas
- Solar
- Wind
- Hydro
- Other
- Nuclear

## NEW ENGLAND GRID FUNDAMENTALS

ISO NE HOURLY GRID DEMAND & REAL TIME LMP RATE



SERIES  
Demand  
Real Time LMP

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