

# DECEMBER 11 - 15, 2023 MARKET SUMMARY



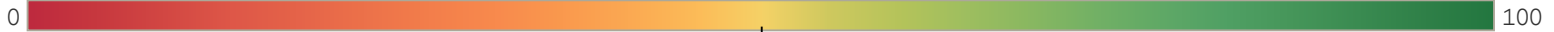
## SPOTLIGHT | Calgary-Based Arc Resources Reaches Gas Supply Agreement with Cheniere

In late November, Calgary-based Arc Resources reached a Gas Supply Agreement (GSA) with Cheniere to send 140,000 MMBtu/day of liquified natural gas (LNG) to the Sabine Pass Liquefaction Stage 5 project in Louisiana for 15 years. The deal sets the price of those volumes indexed to the Dutch TTF benchmark....

In late November, Calgary-based Arc Resources reached a Gas Supply Agreement (GSA) with Cheniere to send 140,000 MMBtu/day of liquified natural gas (LNG) to the Sabine Pass Liquefaction Stage 5 project in Louisiana for 15 years. The deal sets the price of those volumes indexed to the Dutch TTF benchmark, the first time a Canadian producer has signed a long-term agreement tied to the benchmark. This project piggybacks off another GSA between Arc and Cheniere last year that is set to provide 140,000 MMBtu/day to the Corpus Christi Stage 3 LNG export project that is currently under construction in South Texas. The Sabine Pass expansion would add up to 20 million metric tons/year of capacity to what is already the largest US LNG export facility. Paired with existing capacity and the Corpus Christi terminal, the Sabine Pass expansion will boost the company's overall LNG output to nearly 80 million metric tons/year, which is roughly ~20% of all global LNG traded last year.

## 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: 100
18 MONTH: 100
24 MONTH: 100
36 MONTH: 99

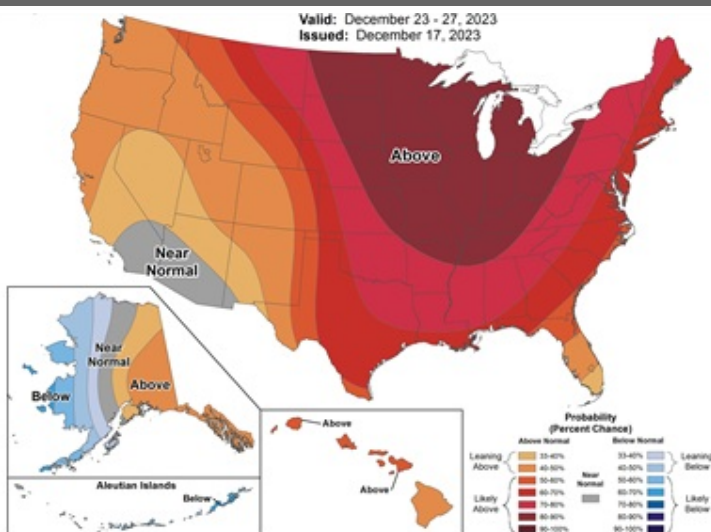
### NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 100
18 MONTH: 100
24 MONTH: 100
36 MONTH: 96

### CRUDE OIL TERMS

12 MONTH: 82
18 MONTH: 80
24 MONTH: 78
36 MONTH: 75

## WEATHER | 6-10 Day Forecast

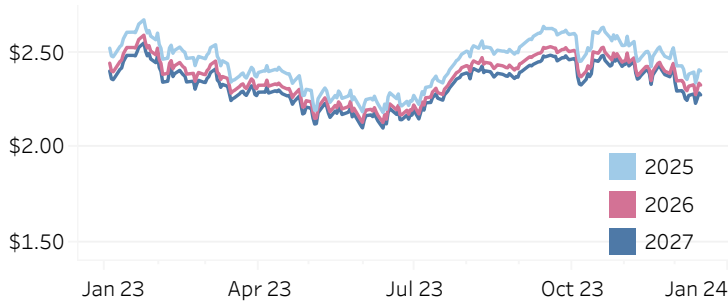


**Warmer-than-average temperatures continue to materialize across much of the country, with warm temperatures forecasted for the remainder of the year.**

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

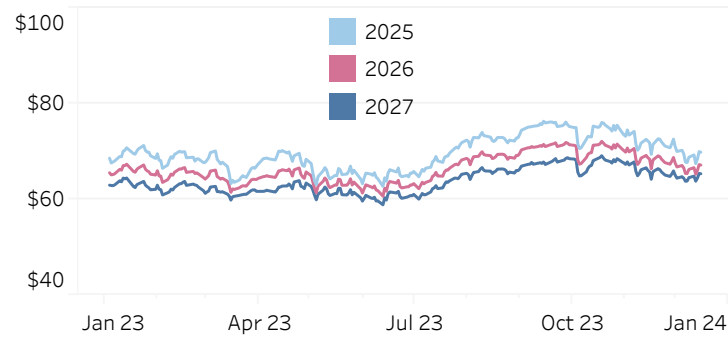


#### Prompt Month Price For Jan 24

This Week:	\$71.43/Bbl
Prior Week:	\$69.34/Bbl
CHANGE:	\$2.09/Bbl

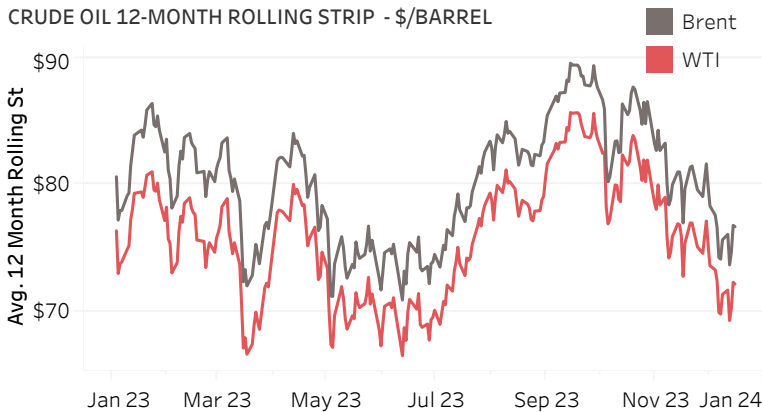
Oil prices rose this week after dropping to their lowest in six months in recent days. WTI rose by 1.15% week-over-week to \$72.16/barrel, and Brent was up by 1.37% week-over-week to \$76.69/barrel. Russia said on Sunday it would deepen oil export cuts in December by potentially 50,000 barrels per day. Recent IEA demand data estimated that world oil consumption will rise by 1.1 million barrels per day (bpd) in 2024, up 130,000 bpd from its previous forecast. Prices also got a boost as the dollar weakened after the U.S. Federal Reserve signaled lower borrowing costs for 2024. Stifling this rally in prices are the gnawing concerns around slowing economic growth, oversupply, and Middle Eastern and European conflicts. The European Central Bank reaffirmed last week that borrowing costs would remain at record highs, a Norwegian-owned oil tanker was attacked in the Red Sea, and data released by China's statistics bureau on Friday showed refinery runs in November dropped to their lowest level since the start of 2023.

#### CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

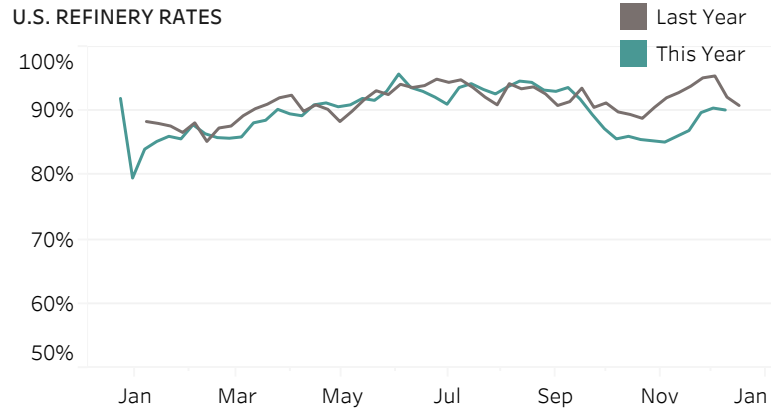


### FUNDAMENTALS

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

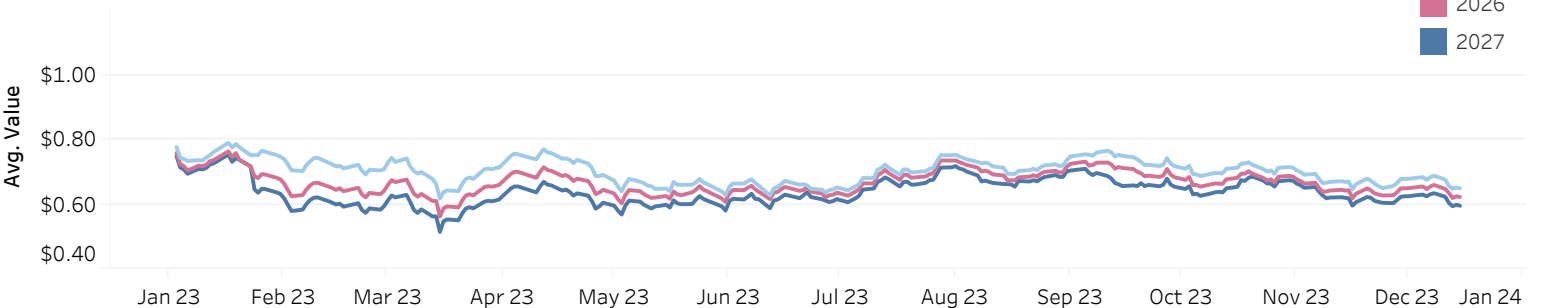


#### U.S. REFINERY RATES



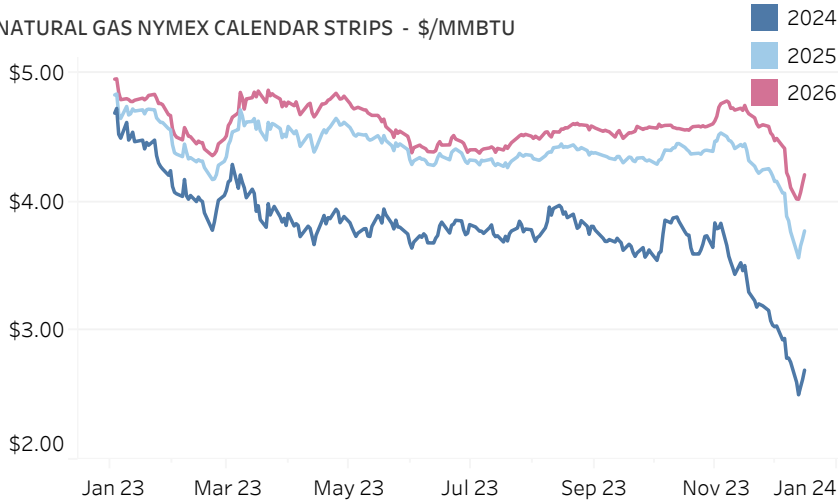
### PROPANE

#### MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL



### NATURAL GAS OVERVIEW

NATURAL GAS NYMEX CALENDAR STRIPS - \$/MMBTU



Prompt Month Price For Jan 24

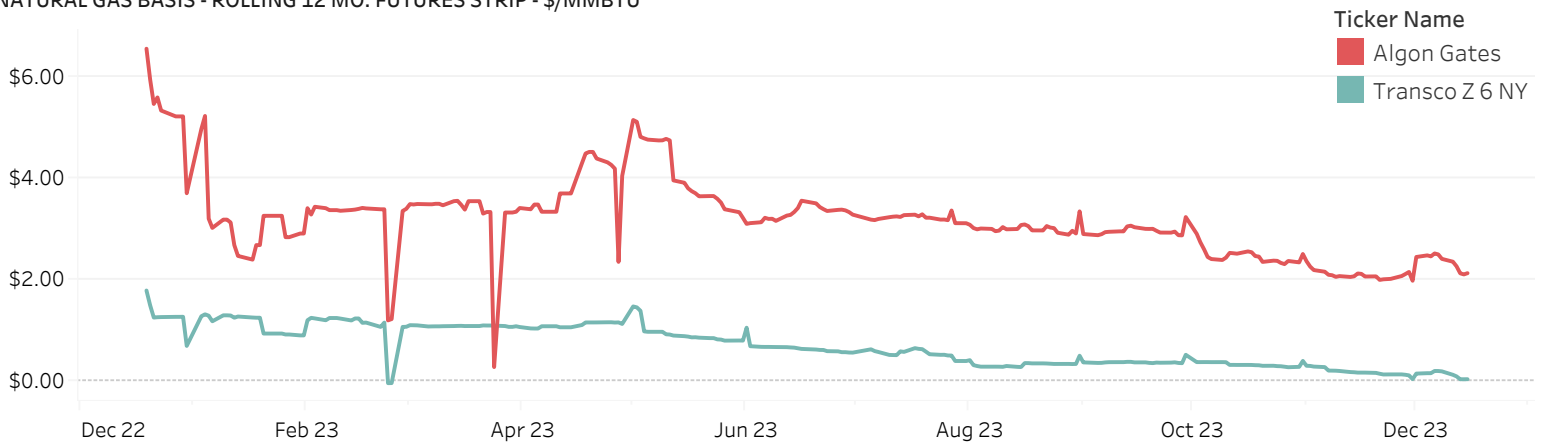
This Week:	\$2.49/MMBTU
Prior Week:	\$2.59/MMBTU
CHANGE:	(\$0.09)/MMBTU

Natural gas prompt month futures fell 3.8% week-over-week, landing at \$2.49/MMBtu. Current storage levels sit at 3,664 Bcf, 8% higher than this time last year. Dry natural gas production has averaged over 105 Bcf/day in December, a record high which, paired with lower-than-expected demand and falling international pricing, is putting downward pressure on prices in New England. The Millstone Nuclear Power Station in Connecticut, which had been operating at 40% capacity since October 20th, was operating at nearly full capacity by the end of last week and will bring additional relief to pricing in New England. The EIA lowered their Henry Hub spot price forecast for winter 2023-2024 by 60 cents to an average of \$2.80/MMBtu based on robust production and a warm start to the winter.

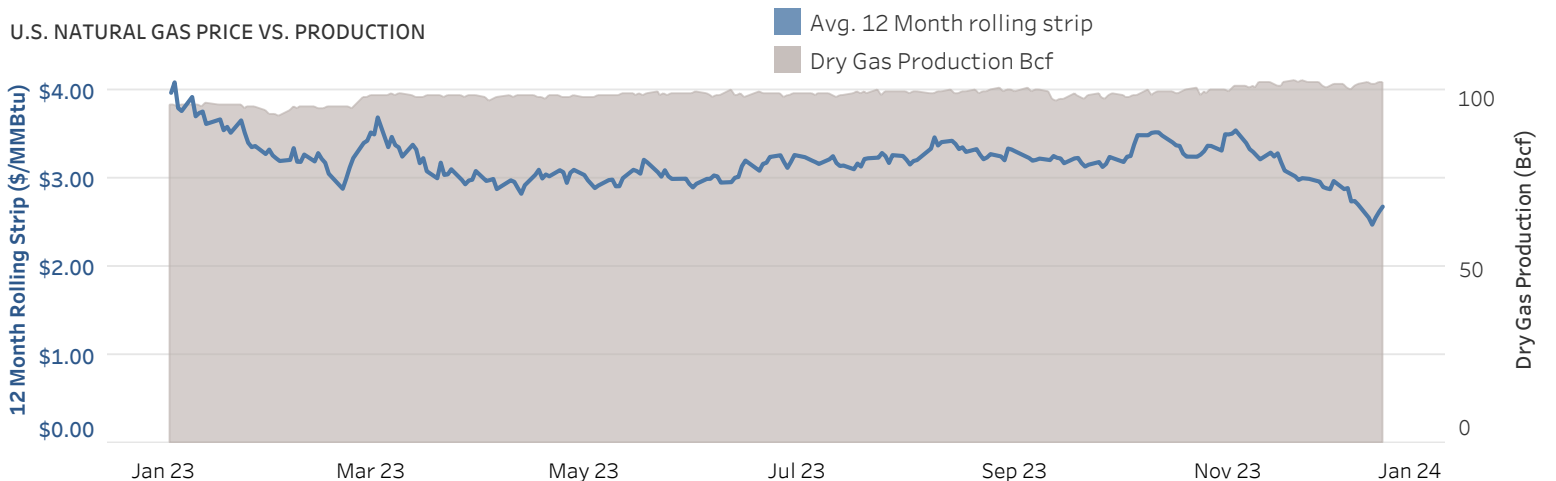
Winter natural gas NYMEX strips are an average of commodity prices for the months of December - March of each winter. Prices are presented in this format to highlight what consumers will pay during the typical heating season in the U.S.

### NATURAL GAS FUNDAMENTALS

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



U.S. NATURAL GAS PRICE VS. PRODUCTION



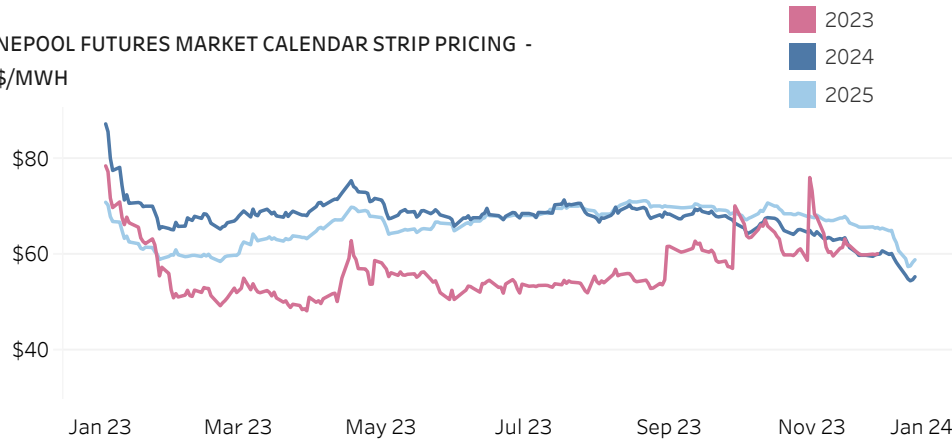
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## NEW ENGLAND ELECTRICITY OVERVIEW

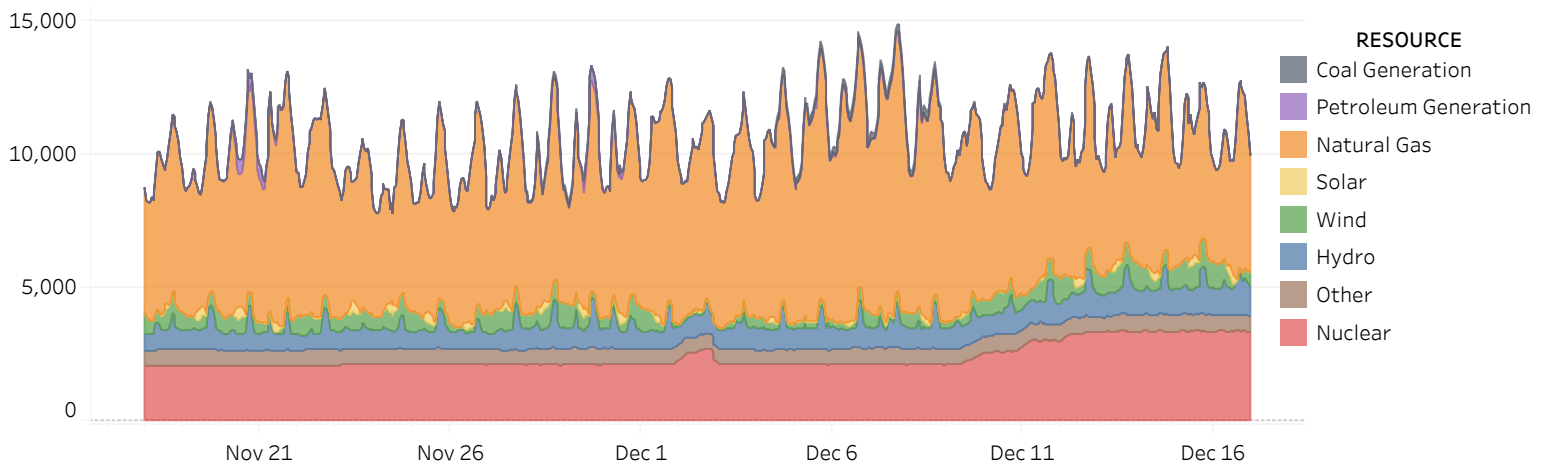
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING - \$/MWH



The NEPOOL 12-month strip fell by 7.9% week-over-week, settling at \$54.63/MWh. Calendar strips saw decreases this past week, with the 2025 strip falling 9.1% to \$57.72/MWh. The 2026 strip dropped 10.4% to settle at \$56.39/MWh, and the 2027 strip fell 4.6% to land at \$56.62/MWh. Recent record highs in natural gas production, along with storage levels above the five-year average, contributed to downward pressure on natural gas pricing and subsequent electricity pricing this week. With continued warmer-than-average temperatures forecast for the coming weeks, lower prices are likely to continue.

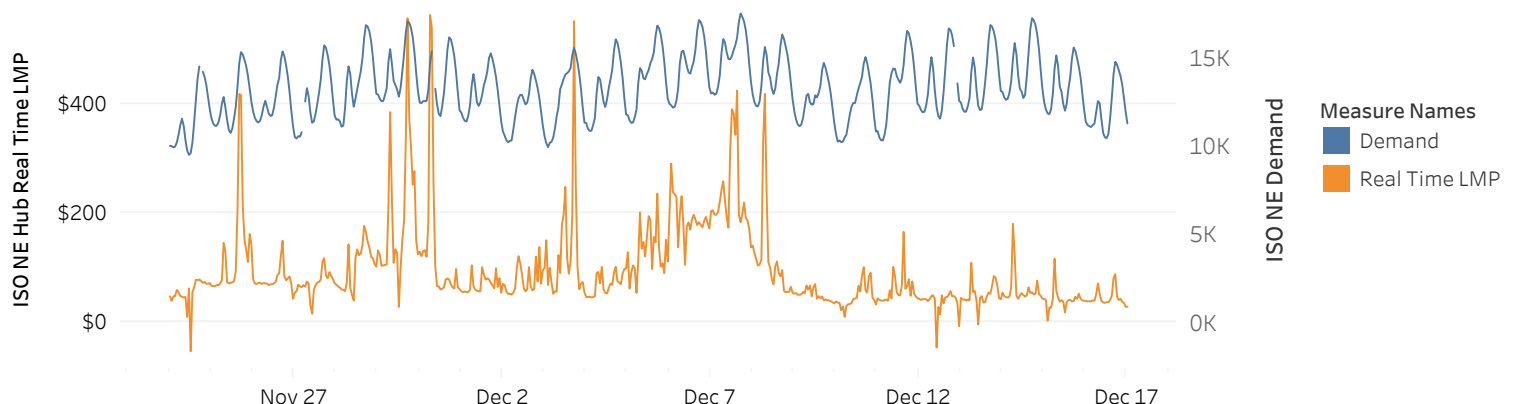
## NEW ENGLAND REGIONAL ELECTRICITY GRID GENERATION MIX

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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