

JANUARY 22 - 26, 2024 MARKET SUMMARY



SPOTLIGHT | Chicago Mayor Proposes Ban on Natural Gas Hookups for all New Construction and Major Additions

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On January 24th, Chicago Mayor Brandon Johnson proposed the Clean and Affordable Buildings Ordinance which would ban natural gas hookups for new construction and additions over 10,000 square feet. This would be the first significant decarbonization ordinance on buildings for the city. Other major U.S. cities like Seattle, New York City, and Los Angeles have enacted similar bans on new natural gas hookups that aim to reduce greenhouse gas emissions. Similar to the 2021 New York City law, Chicago's proposed ordinance would restrict gas hookups by banning the combustion of fossil fuels that emit 25 kilograms or more of carbon dioxide per million British thermal units of energy. The proposed ban would not apply to certain building types, like hospitals and commercial kitchens. Chicago's natural gas utility, Peoples Gas, criticized the proposal, citing reliability issues and increased cost to end users. The ordinance is expected to be introduced to the City Council this week and would need to be approved by a committee as well as the Council in order to pass. The ordinance would go into effect 12 months after passing.

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: 98

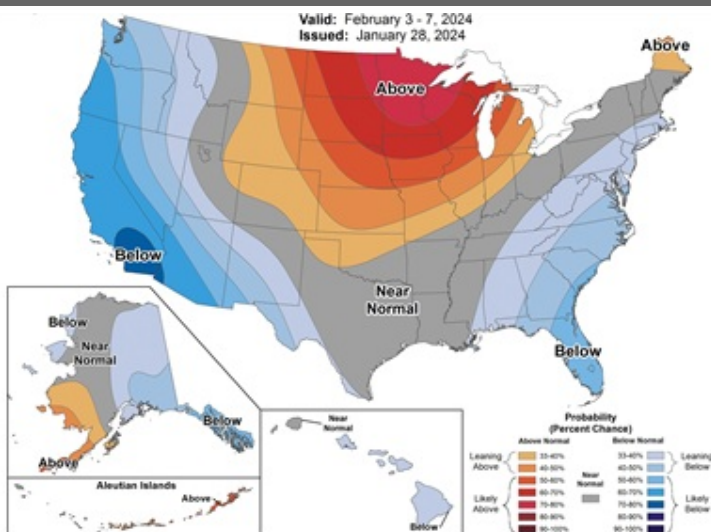
NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 100
18 MONTH: 100
24 MONTH: 100
36 MONTH: 97

CRUDE OIL TERMS

12 MONTH: 73
18 MONTH: 72
24 MONTH: 70
36 MONTH: 68

WEATHER | 6-10 Day Forecast



Mixed temperatures are expected for the country as we head into February. As the coasts are forecasted to experience below-average temperatures, temperatures in the middle of the country are predicted to fall above 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.

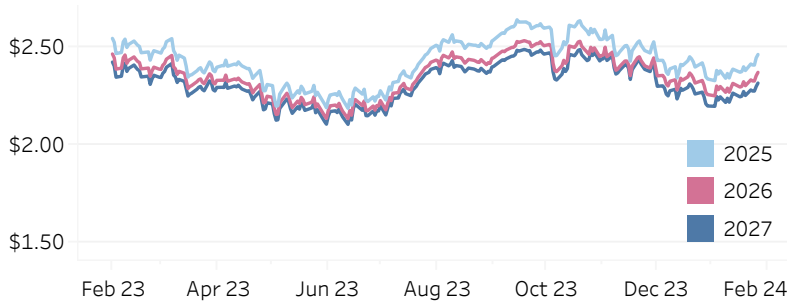
MARKET SUMMARY

JANUARY 22 - 26, 2024



OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL



Prompt Month Price For Feb 24

This Week:	\$78.01/Bbl
Prior Week:	\$73.41/Bbl
CHANGE:	\$4.60/Bbl

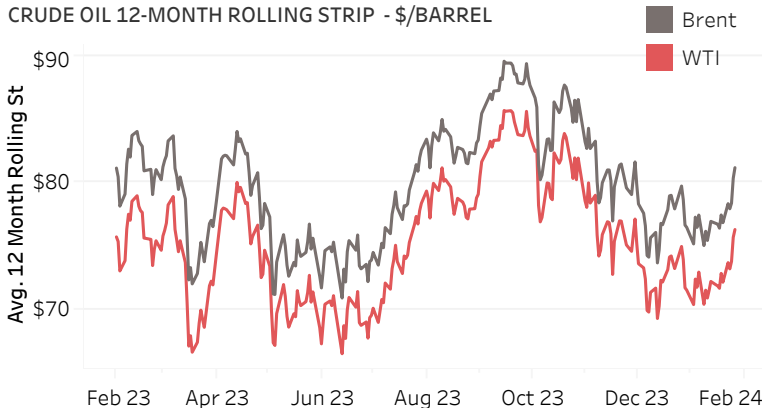
Prices for crude oil increased this past week. WTI rose by 2.95% week-over-week to \$73.78/barrel, and Brent was up by 2.59% week-over-week to \$78.40 barrel. U.S. crude stockpiles fell more than expected last week and increasing conflict between U.S. forces and Iranian backed militia in the Middle East underscored the peril facing trade in a key global transit route. China's central bank announced a deep cut in bank reserves on Wednesday, in a move that will inject about \$140 billion of cash into the banking system and send a strong signal of support for a fragile economy and plunging stock markets. However, elsewhere, the prospect of sustained high interest rates loomed large. Data from last Thursday showed the U.S. economy grew at a faster pace than expected in the fourth quarter, suggesting the Federal Reserve might be in no rush to cut interest rates. Meanwhile, the European Central Bank retained its record-high benchmark rate of 4%, giving no hint that policymakers are even contemplating policy easing.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

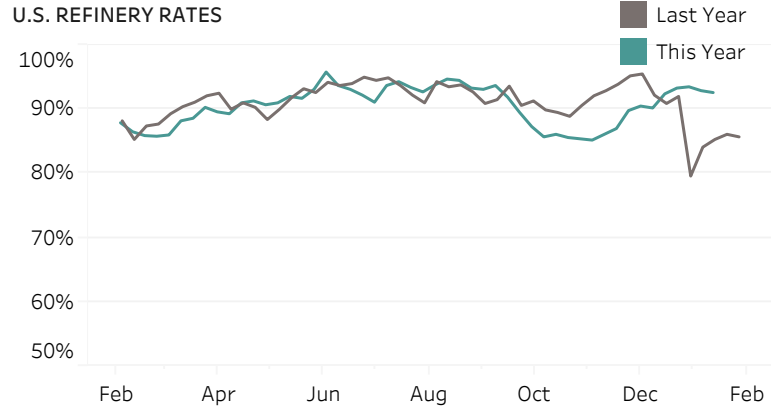


FUNDAMENTALS

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

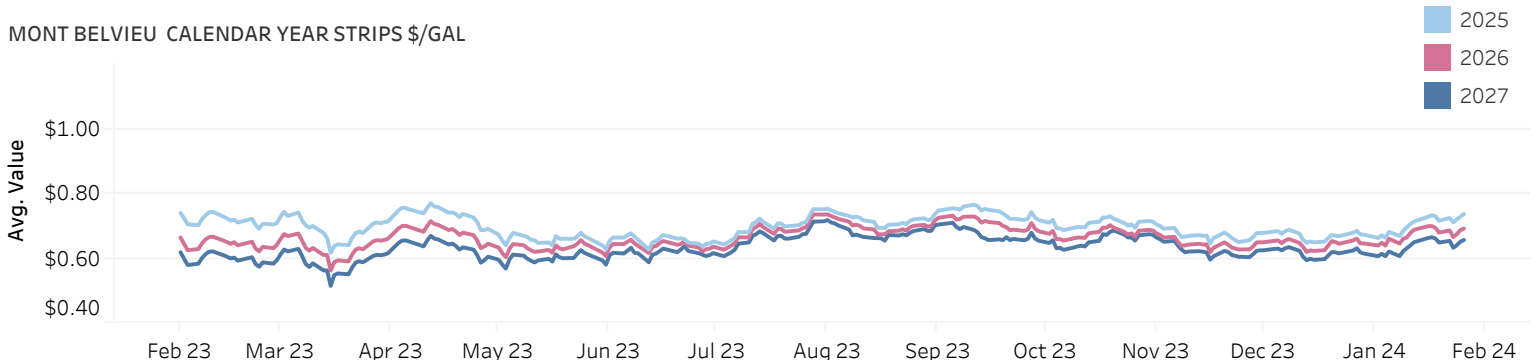


U.S. REFINERY RATES



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.

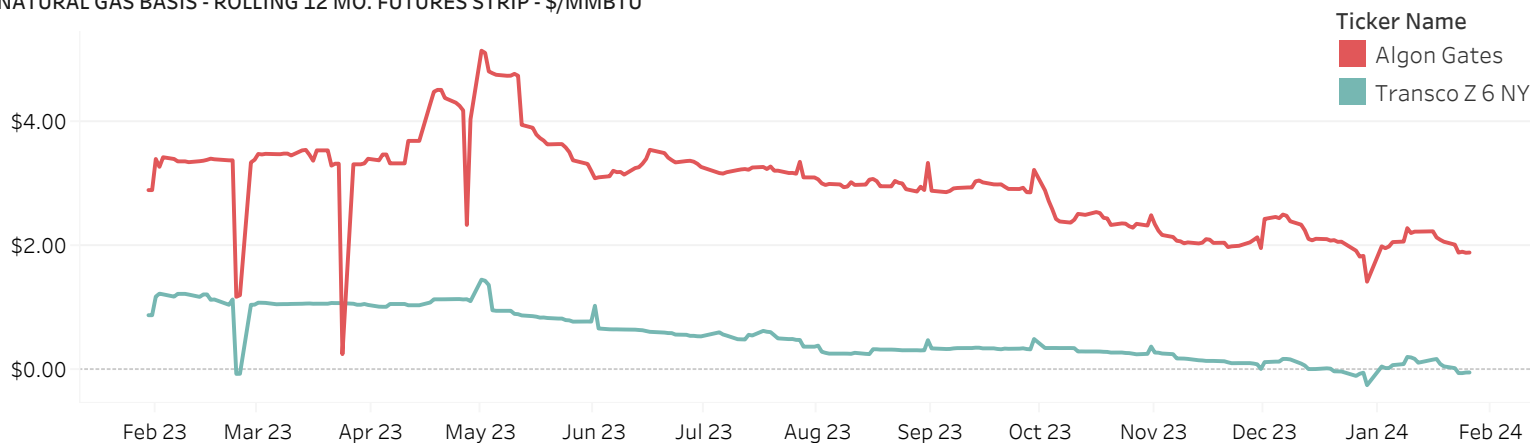
Prompt Month Price For Feb 24

This Week:	\$2.71/MMBTU
Prior Week:	\$2.70/MMBTU
CHANGE:	\$0.02/MMBTU

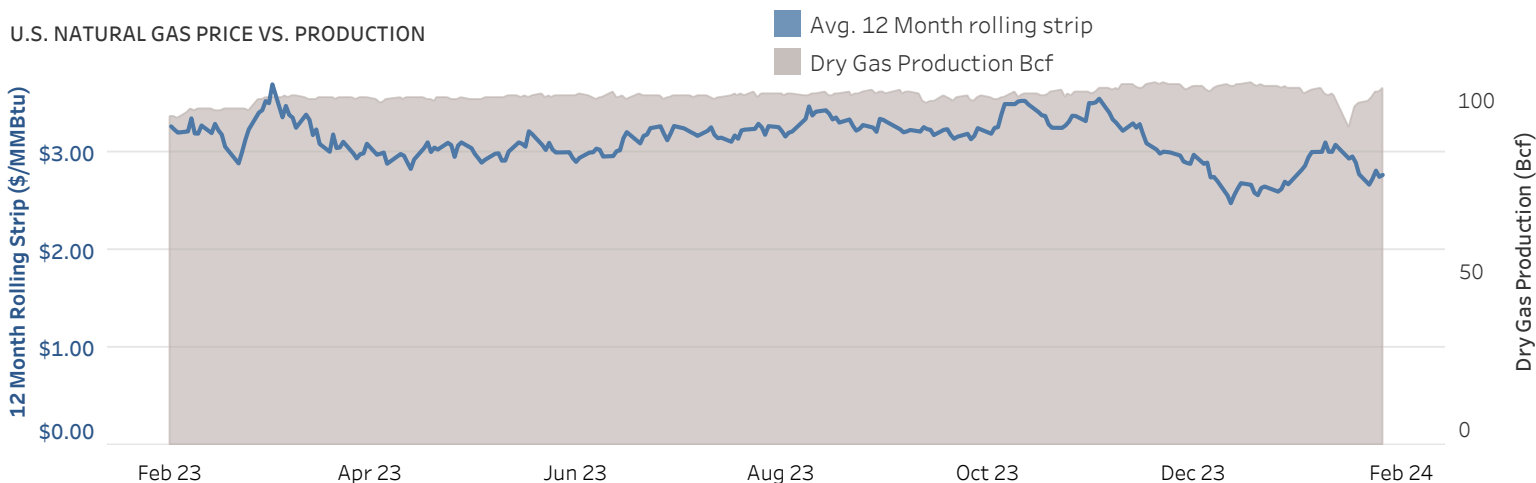
Natural gas prompt month futures rose just one cent week-over-week, settling at \$2.71/MMBtu. Storage withdrawals have escalated over the past two weeks, and the withdrawal for last week totaled 326 Bcf, more than double the five-year average withdrawal of 148 Bcf for the same week. A reported total of five LNG cargoes were cancelled two weeks ago as cold temperatures and subsequent soaring spot gas prices incentivized the selling back of gas. Imports were reported to the Cove Point terminal in Maryland and Elba Island in Georgia, with flows increasing by 1.1 Bcf/day and 300 Mcf/day respectively on January 19th and 20th. Imports to the Everett and St. John terminals totaled 2.4 Bcf/day from January 15th – 21st, accounting for 65% of New England gas demand. The risk of closure of the Everett terminal is increasing, despite clear evidence that imports of LNG in New England help to maintain reliability during winter weather events and stabilize prices.

NATURAL GAS FUNDAMENTALS

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

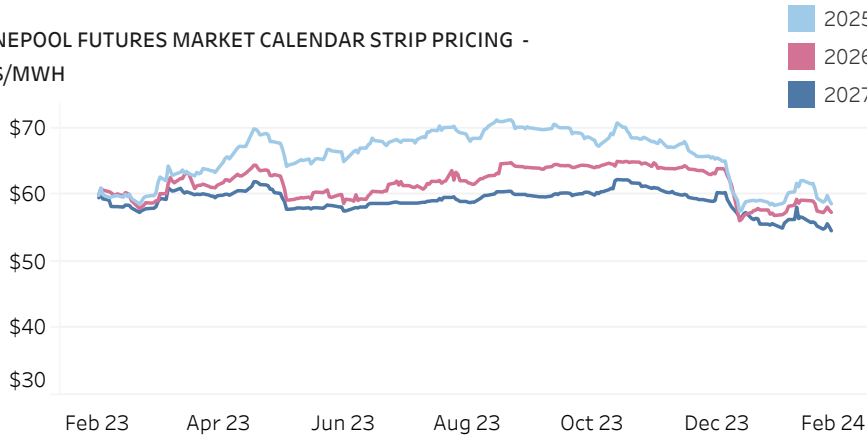


U.S. NATURAL GAS PRICE VS. PRODUCTION



NEW ENGLAND ELECTRICITY OVERVIEW

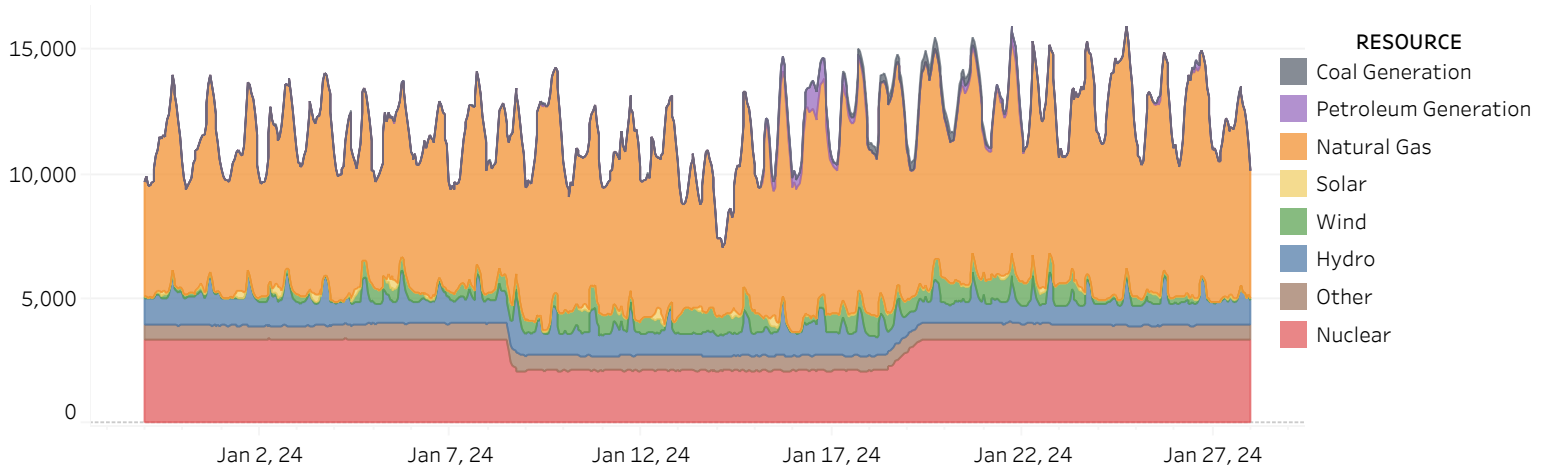
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING - \$/MWH



The NEPOOL 12-month strip fell by 3.7% week-over-week, landing at \$54.78/MWh. All calendar strips fell week-over-week, with the 2025 calendar strip dropping 3% to settle at \$59.93/MWh, representing a \$1.82 decrease. The 2026 strip fell by 1.5% week-over-week to \$58.20/MWh, and the 2027 strip decreased by 0.5% week-over-week to land at \$55.71/MWh. Forecasted temperatures are above average for the region in the next few weeks, reducing anticipated heating demand and contributing to downward pressure on natural gas pricing and subsequent electricity pricing. Slight upward pressure from a dip in natural gas storage levels has so far been mitigated by built-up storage security over this past fall and winter, as well as the anticipated milder weather.

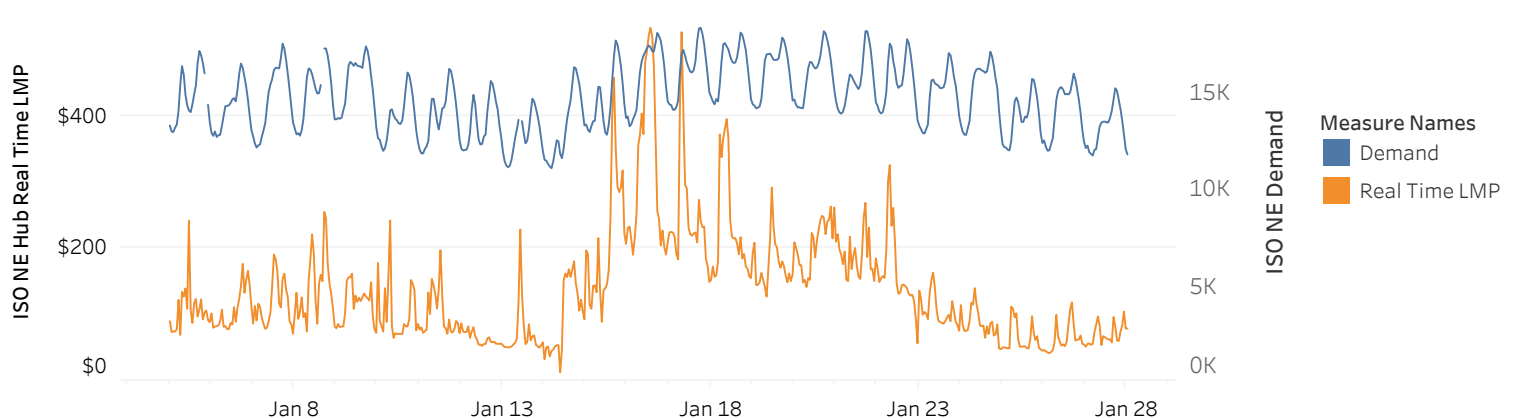
NEW ENGLAND REGIONAL ELECTRICITY GRID GENERATION MIX

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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