

MAY 6 - 10, 2024 MARKET SUMMARY



SPOTLIGHT | FERC Expected to Issue Final Transmission Planning and Cost Allocation Rule Today, May 13th

The Federal Energy Regulatory Commission (FERC) is expected to release their final ruling today in a transmission planning and cost allocation proceeding that could have major implications for future grid development. The regional transmission planning rule, which was expected to be finalized in late 2023, will be extremely impactful as the clean energy transition necessitates....

The Federal Energy Regulatory Commission (FERC) is expected to release their final ruling today in a transmission planning and cost allocation proceeding that could have major implications for future grid development. The regional transmission planning rule, which was expected to be finalized in late 2023, will be extremely impactful as the clean energy transition necessitates the expansion of and investments in the power grid. This rulemaking, titled Building the Future through Electric Regional Transmission Planning and Cost Allocation, is expected to determine how costs associated with regional transmission projects are shared amongst states with differing clean energy policies. FERC is expected to define the benefits associated with large-scale, regional transmission projects and may require that grid operators consider the value of deferring higher cost generation and expanding access to lower cost generation. In most cases today, this would prioritize clean energy and batteries over fossil fuel power plants. Most transmission projects today exist at the utility level and address a specific reliability or cost problem, rather than long-term planning for projected growth in electricity demand.

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: 84
18 MONTH: 84
24 MONTH: 84
36 MONTH: 82

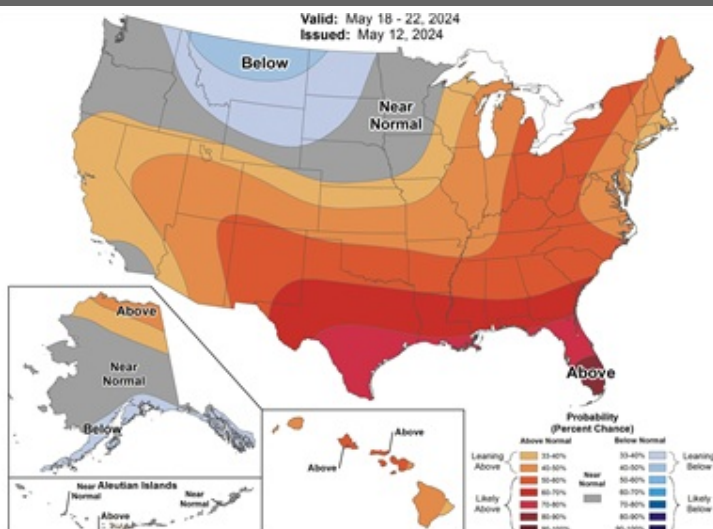
NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 89
18 MONTH: 91
24 MONTH: 86
36 MONTH: 84

CRUDE OIL TERMS

12 MONTH: 52
18 MONTH: 52
24 MONTH: 51
36 MONTH: 49

WEATHER | 6-10 Day Forecast



Warm temperatures are moving in across much of the United States, with significantly warm temperatures forecasted for the South.

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

MAY 6 - 10, 2024



OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

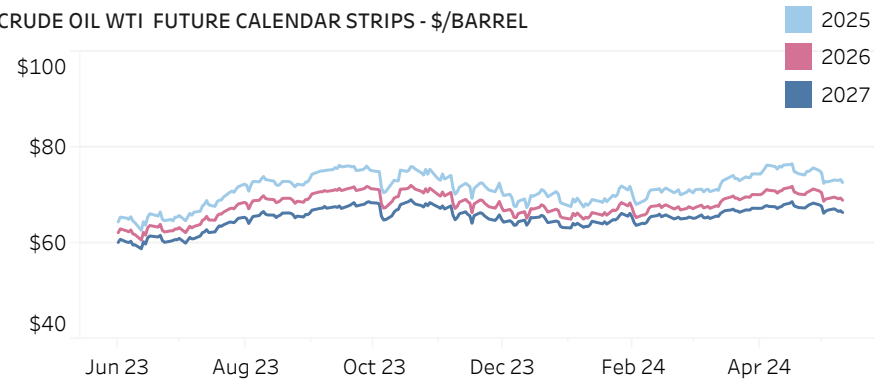


Prompt Month Price For Jun 24

This Week:	\$78.26/Bbl
Prior Week:	\$78.95/Bbl
CHANGE:	(\$0.69)/Bbl

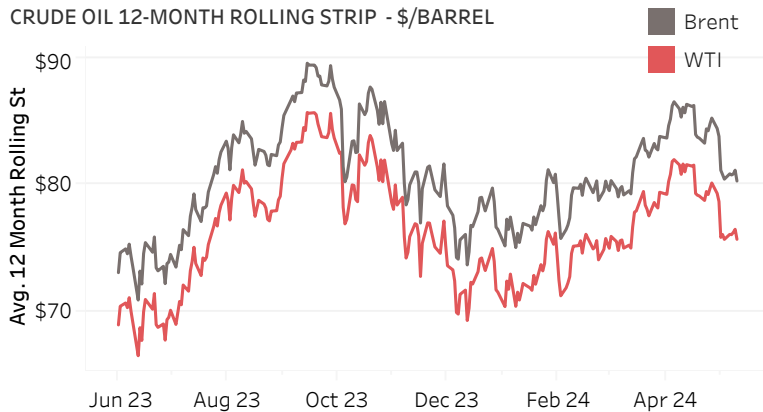
WTI and Brent prices have dropped by around 6 dollars per barrel since the mid-April mark but experienced minimal movement this week. WTI was up one cent to \$75.70/barrel week-over-week, and Brent was down 0.18% week-over-week to \$80.31/barrel. Meanwhile, the New York Harbor Heating Oil price registered a 0.32% decrease over the last week to \$2.46/gallon. A lack of progress in negotiations to halt the war in Gaza applied upward pressure to prices this week but the main factors driving the markets continue to be based on fundamentals. The U.S. Federal Reserve will examine interest rates this week and is expected to keep its policy rate on hold for longer. Chinese demand continues to show shaky signs as consumer pricing in China increased for the third straight month. It is also expected that the Organization of the Petroleum Exporting Countries (OPEC) and its allies, known collectively as OPEC+, will extend supply cuts into the second half of the year.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

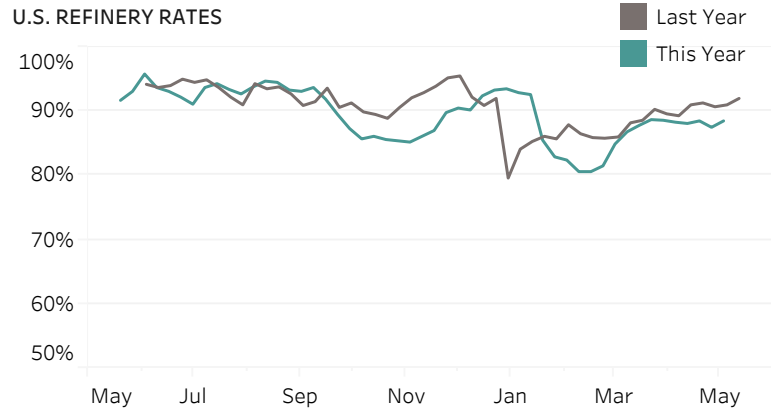


FUNDAMENTALS

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

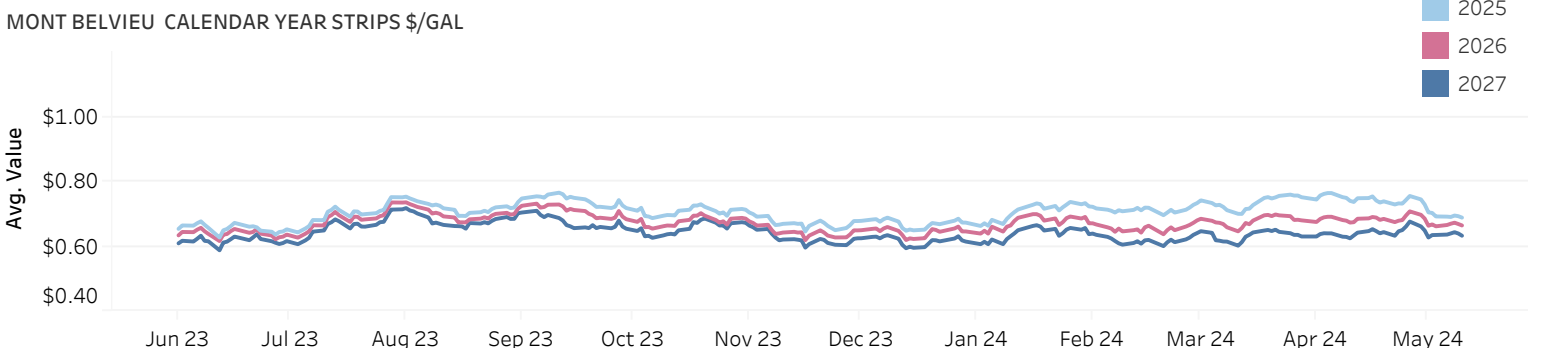


U.S. REFINERY RATES



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 Jun 24

This Week:	\$2.25/MMBTU
Prior Week:	\$2.04/MMBTU
CHANGE:	\$0.22MMBTU

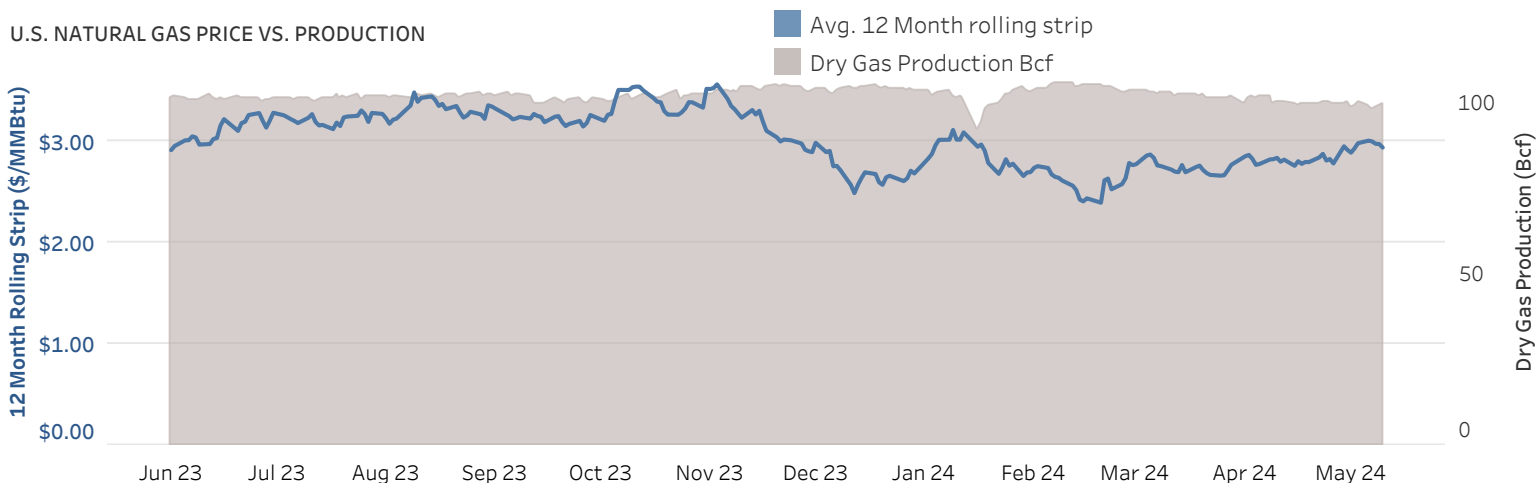
The prompt month has continued to rise dramatically, up 10% week-over-week to \$2.25/MMBtu. Gas consumption in New England fell 12% week-over-week as temperatures in Boston averaged 55 degrees Fahrenheit. Storage saw an injection of 77 Bcf, bringing working gas in storage to a total of 2,563 Bcf, which is 33% above average. This smaller-than-expected injection saw NYMEX prompt-month futures hit their highest price since late January as production has also fallen to its lowest level in about two years. Looking to the summer, the Natural Gas Supply Association explained strong storage levels will exert downward pressure, while a hot temperature forecast is projected to exert upward pressure.

NATURAL GAS FUNDAMENTALS

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

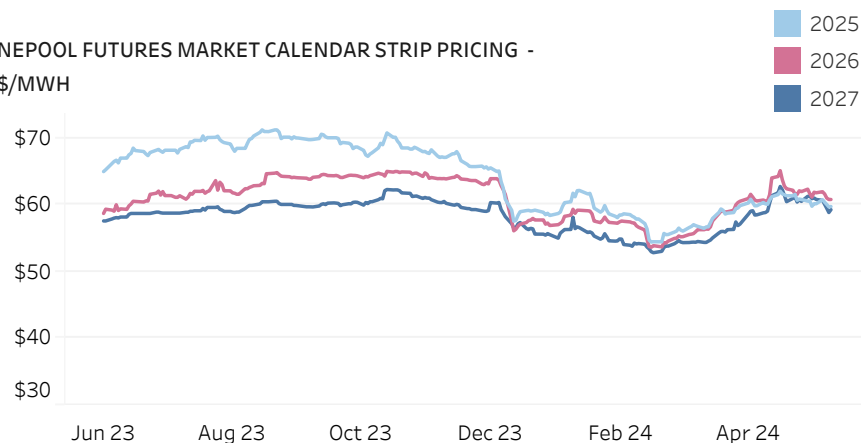


U.S. NATURAL GAS PRICE VS. PRODUCTION



NEW ENGLAND ELECTRICITY OVERVIEW

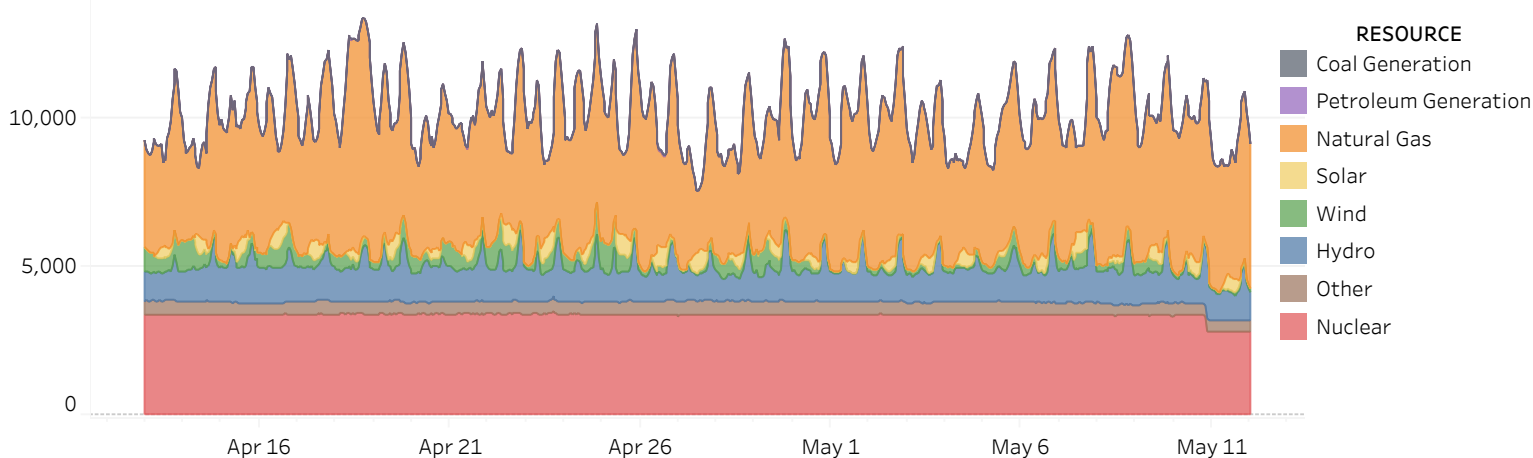
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING - \$/MWH



The NEPOOL 12-month strip rose by 4 cents or 0.1% week-over-week to land at \$56.33/MWh. All calendar strips showed decreases week-over-week, with the 2025 strip dropping by 0.8% to \$59.74/MWh. The 2026 strip is down by 1.8% to \$60.84/MWh, and the 2027 calendar strip fell by 3.6% week-over-week to settle at \$58.89/MWh. Overall natural gas demand fell last week and is projected to stay low for the next two weeks, with electricity prices following downward trends in gas prices. Mild temperatures are forecast for mid-May, contributing to this downward pressure. Power market consumption of natural gas is expected to grow this summer compared to summer 2023, but high storage and production forecasts will likely protect against associated upward pressure.

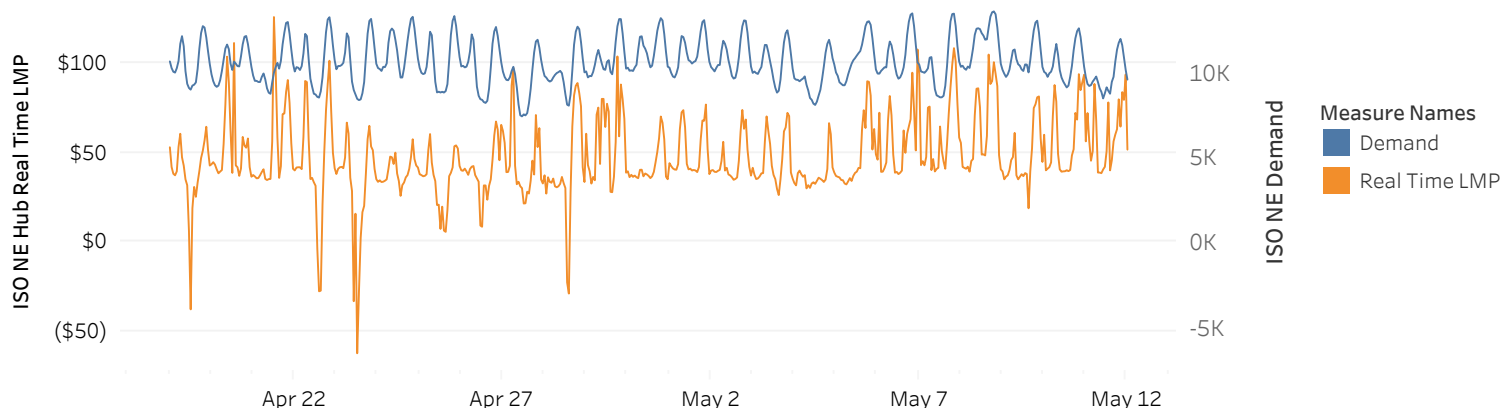
NEW ENGLAND REGIONAL ELECTRICITY GRID GENERATION MIX

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

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