

# MAY 13 - 17, 2024 MARKET SUMMARY



## SPOTLIGHT | U.S. Imposed Larger Tariffs on Chinese EV, Battery, and Solar Imports

The Biden administration proposed to drastically increase tariffs on electric vehicle, battery, and solar imports from China. China is "flooding global markets with artificially low-priced exports" assisted by forced technology transfers and intellectual property theft, the administration said in a fact sheet. The administration is increasing tariffs under Section 301 of the Trade Act of 1974, following a four-year review and report from the U.S. Trade Representative. The Biden administration proposed to increase tariffs on solar cells from 25% to 50% in 2024. While the U.S. has worked to onshore domestic solar manufacturing through incentives in the Inflation Reduction Act, China still controls upward of 80% to 90% of certain parts of the global solar supply chain. The proposal would also increase electric vehicle tariffs from 25% to 100% in 2024. The tariff rate on lithium-ion EV batteries would increase from 7.5% to 25% in 2024. For lithium-ion non-EV batteries, mostly used within the power sector, the tariff would increase from 7.5% to 25% in 2026, and the tariff on battery parts would increase from 7.5% to 25% in 2024.

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## 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: 78
18 MONTH: 77
24 MONTH: 77
36 MONTH: 74

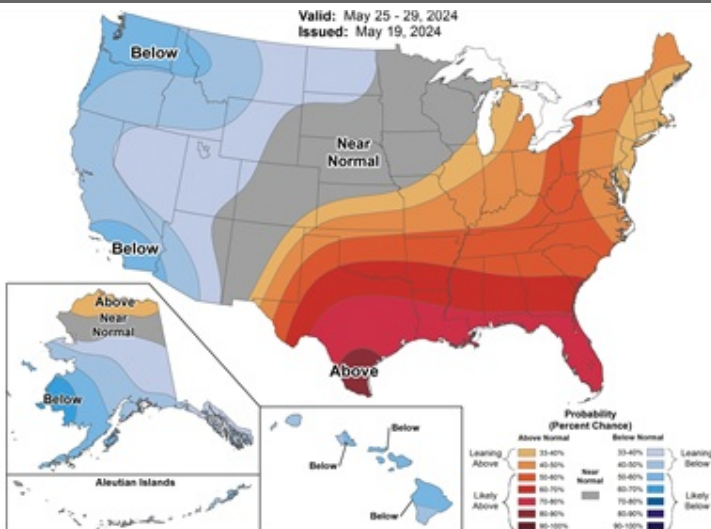
### NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 86
18 MONTH: 88
24 MONTH: 83
36 MONTH: 80

### CRUDE OIL TERMS

12 MONTH: 44
18 MONTH: 43
24 MONTH: 42
36 MONTH: 40

## WEATHER | 6-10 Day Forecast



**The eastern half of the country is slated to experience warmer-than-average temperatures as we move into the second half of May, with cooler temperatures projected for the western half.**

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

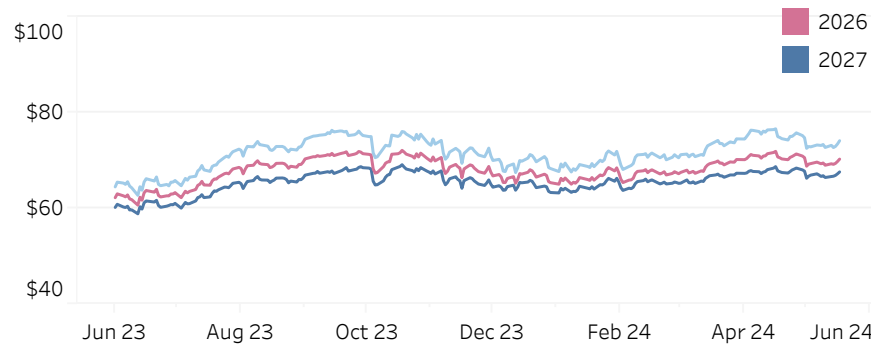


Prompt Month Price For Jun 24

This Week:	\$80.06/Bbl
Prior Week:	\$79.26/Bbl
<b>CHANGE:</b>	<b>\$0.80/Bbl</b>

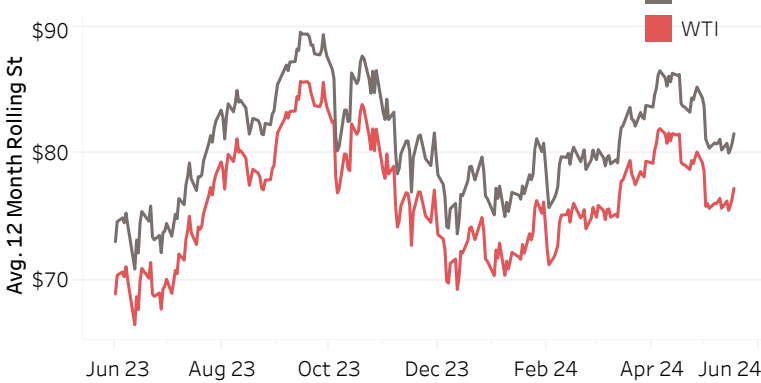
WTI and Brent prices have dropped by around 6.9% per barrel since the mid-April mark but experienced minimal movement this week. WTI was down 0.44% to \$75.91/barrel week-over-week, and Brent was down 0.62% week-over-week to \$80.37/barrel. Meanwhile, the New York Harbor Heating Oil price registered a 1.52% decrease over the last week to \$2.45/gallon. Tensions are escalating in the Middle East. Israel's tanks are pushing into Jabalia in Northern Gaza while in the south, and it is sending more troops to Rafah. Ceasefire talks mediated by Egypt and Qatar are at a stalemate, and Iran's president and foreign minister were killed in a helicopter crash over the weekend. Domestically, a U.S. Department of Labor report shows the number of Americans filing new unemployment claims fell last week by 10,000 to a seasonally adjusted 222,000, pointing to both an underlying strength and a steadying of the labor market heading into the summer.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

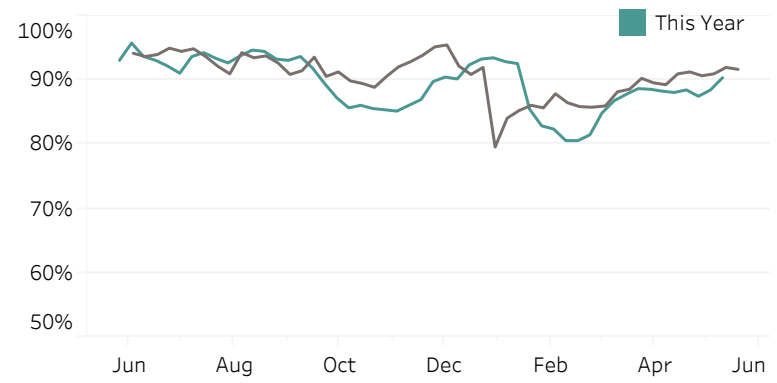


### FUNDAMENTALS

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

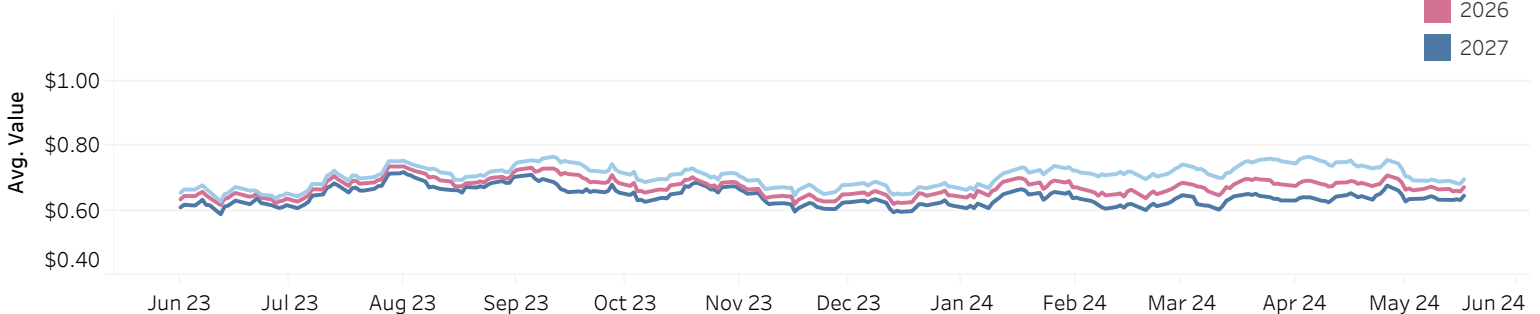


U.S. REFINERY RATES



### PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL



### NATURAL GAS OVERVIEW

NATURAL GAS NYMEX CALENDAR STRIPS - \$/MMBTU



Prompt Month Price For Jun 24

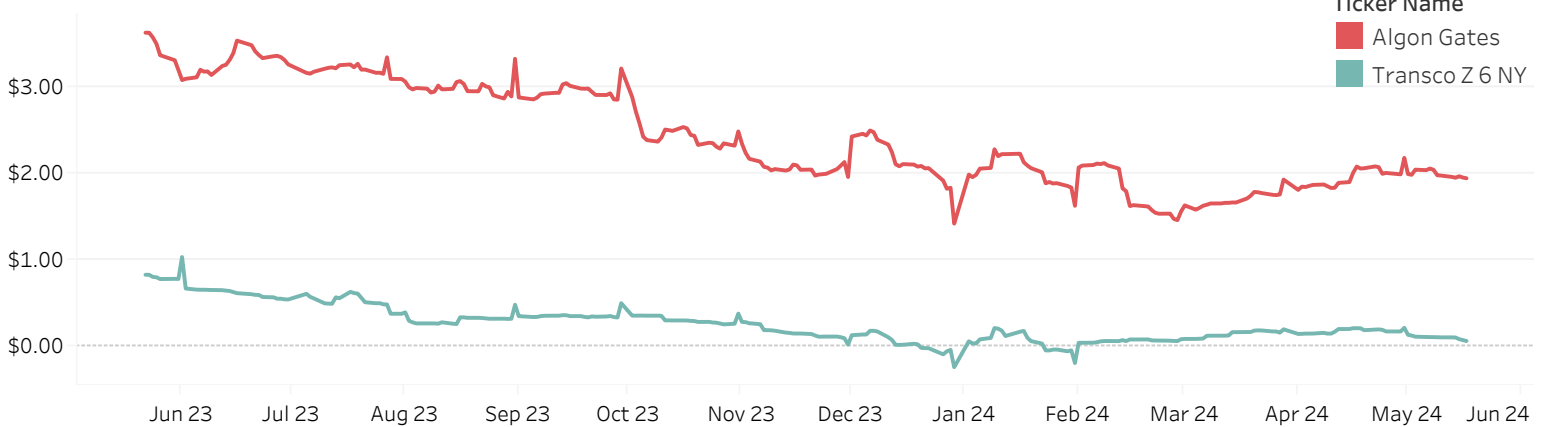
<b>This Week:</b>	\$2.63/MMBTU
<b>Prior Week:</b>	\$2.30/MMBTU
<b>CHANGE:</b>	\$0.33MMBTU

The natural gas prompt month continued its sharp upward movement, rising by 33 cents or 14% week-over-week to \$2.63/MMBtu. U.S. production is down week-over-week to 99.4 Bcf/d, and another smaller-than-expected storage injection of 70 Bcf contributed to increased prompt month prices, along with falling production. Warmer weather has reduced U.S. power demand as well as demand from the residential and commercial sectors in mid-May compared to the beginning of the month. However, May power demand is up from the 3-year average and average power burn has remained higher during April and early May than last year, with the power market responding to lower gas prices. LNG feedgas demand has increased since April with the return of the Freeport LNG terminal to full operations but has not rebounded fully as other LNG terminals conduct maintenance of their own.

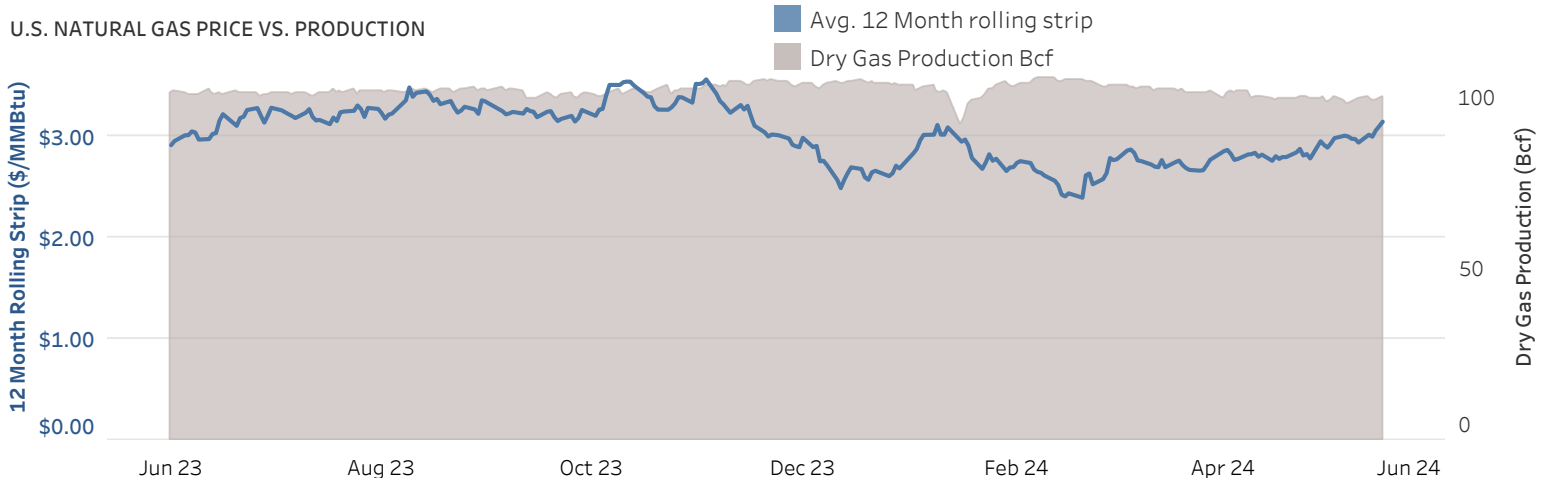
Winter natural gas NYMEX strips are an average of commodity prices for the months of December - March of each winter. Prices are presented in this format to highlight what consumers will pay during the typical heating season in the U.S.

### NATURAL GAS FUNDAMENTALS

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



U.S. NATURAL GAS PRICE VS. PRODUCTION

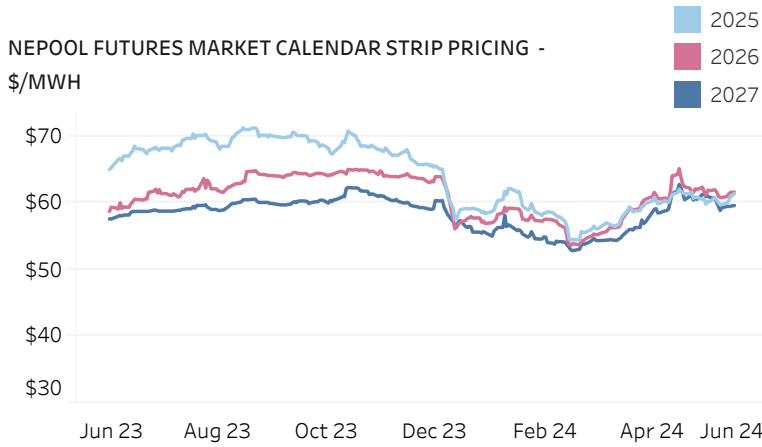


# MARKET SUMMARY

MAY 13 - 17, 2024



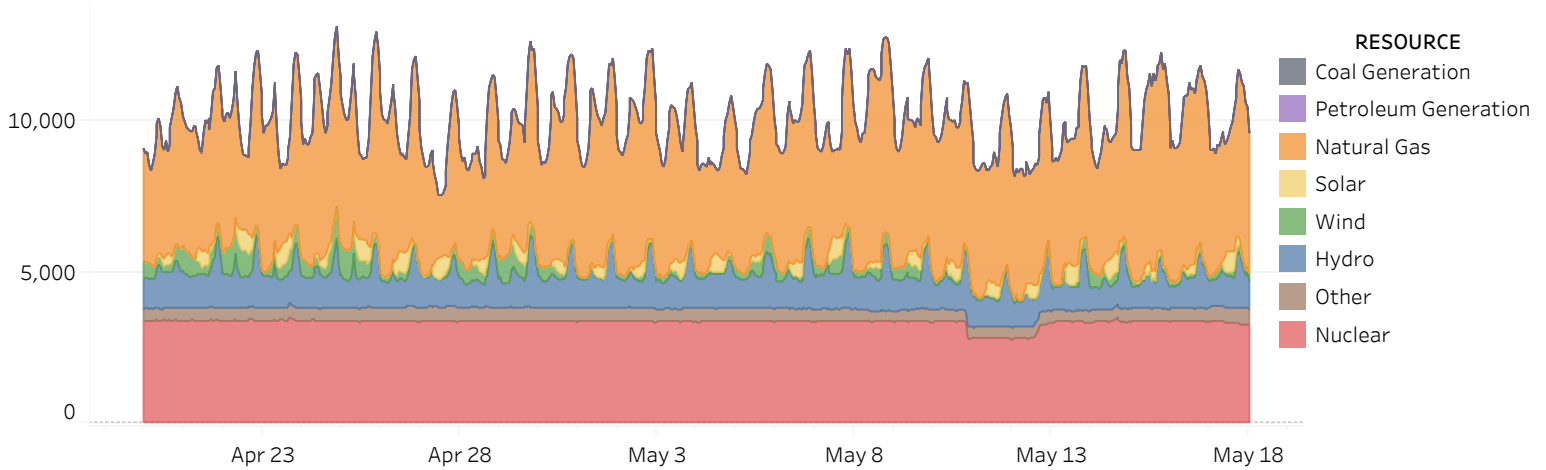
## NEW ENGLAND ELECTRICITY OVERVIEW



The NEPOOL 12-month electricity strip rose by 2.2% week-over-week to \$57.72/MWh, matching the trend in calendar year strips for electricity. The calendar year pricing strip for 2025 experienced a weekly gain of 1.67% to rise to \$61.10, the 2026 strip climbed to \$61.63, almost a 1% gain compared to the week before, and the 2027 strip inched up slightly to \$59.54, exhibiting a 0.05% increase week-over-week. While an increase in Henry Hub natural gas prices last week helps explain the week-over-week price increase in the NEPOOL power market, natural gas storage in the US is significantly higher than a year ago and is applying downward pressure on prices. As of today, ISO New England reports 17,982 MW of available capacity in the region, 1,947 MW of which is marked as surplus capacity. In national power markets news, Texas electricity rates have begun experiencing dramatic surges due to power plant outages and forecasts of heat waves this month.

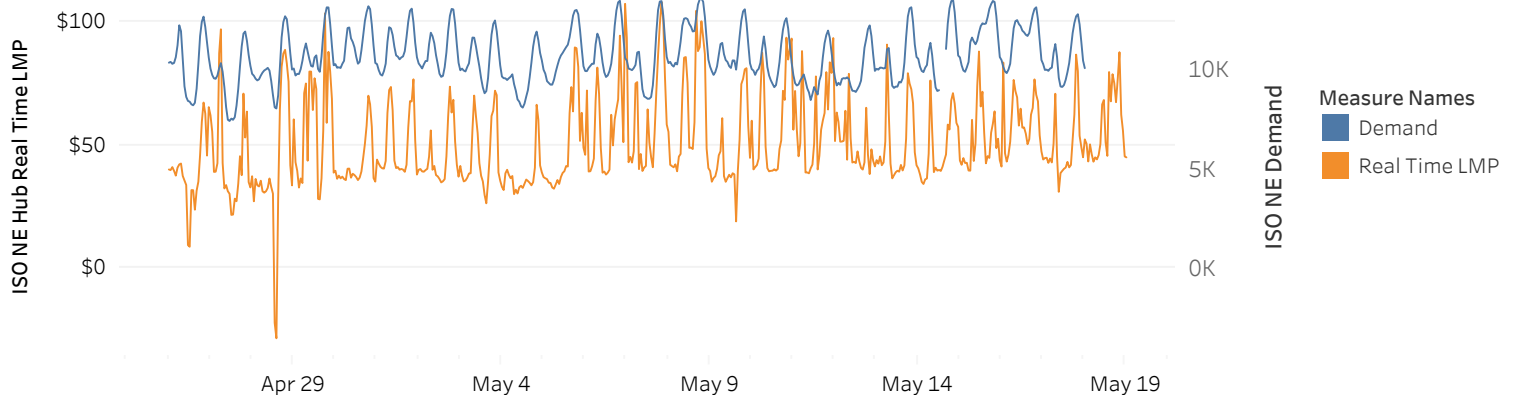
## NEW ENGLAND REGIONAL ELECTRICITY GRID GENERATION MIX

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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Competitive Energy Services  
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