

# JUNE 24 - 28, 2024 MARKET SUMMARY



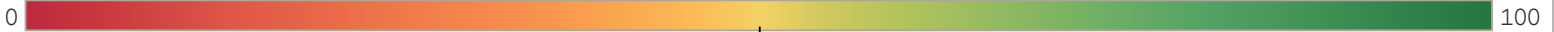
## SPOTLIGHT | Levelized Cost of Energy Stable Year-Over-Year Following Significant Increases for Renewables

**Last month, Lazard released their June 2024 Levelized Cost of Energy (LCOE) report. LCOE is often used as a point of comparison between different generation technologies, estimating the cost for a system to generate electricity over its lifetime. Costs have stabilized between 2023 and 2024 after wind and solar LCOE increased significantly since 2021. The LCOE for onshore wind....**

Last month, Lazard released their June 2024 Levelized Cost of Energy (LCOE) report. LCOE is often used as a point of comparison between different generation technologies, estimating the cost for a system to generate electricity over its lifetime. Costs have stabilized between 2023 and 2024 after wind and solar LCOE increased significantly since 2021. The LCOE for onshore wind was \$38/MWh in 2021 and jumped to \$50/MWh in 2023 and 2024. Utility scale solar was \$36/MWh in 2021 and reached \$60/MWh in 2023 and \$61/MWh in 2024. The LCOE for combined cycle gas turbines remains higher at \$76/MWh in 2024. Energy plus storage LCOE is still higher than standalone generation, in part due to the present volatility of energy storage costs. While battery cell costs and improved economies of scale have helped drive costs down, increasing demand, labor shortages and prevailing wage requirements are pushing the overall LCOE upwards. However, Lazard notes the Inflation Reduction Act tax credit has led to a trend of oversizing storage systems which can boost the lifetime of a system and improve project returns.

## 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: 43
18 MONTH: 39
24 MONTH: 45
36 MONTH: 49

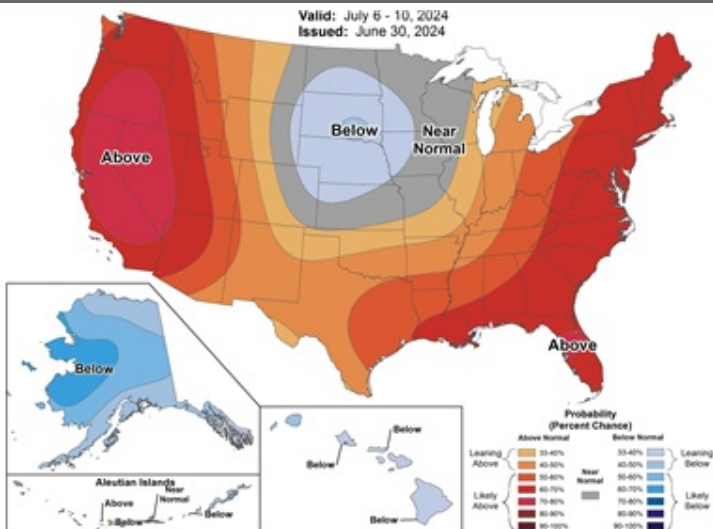
### NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 54
18 MONTH: 49
24 MONTH: 46
36 MONTH: 42

### CRUDE OIL TERMS

12 MONTH: 40
18 MONTH: 40
24 MONTH: 39
36 MONTH: 37

## WEATHER | 6-10 Day Forecast



**While the Midwest is slated to experience near-normal temperatures, much of the rest of the country will feel above-average temperatures heading into the holiday weekend and beyond.**

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.

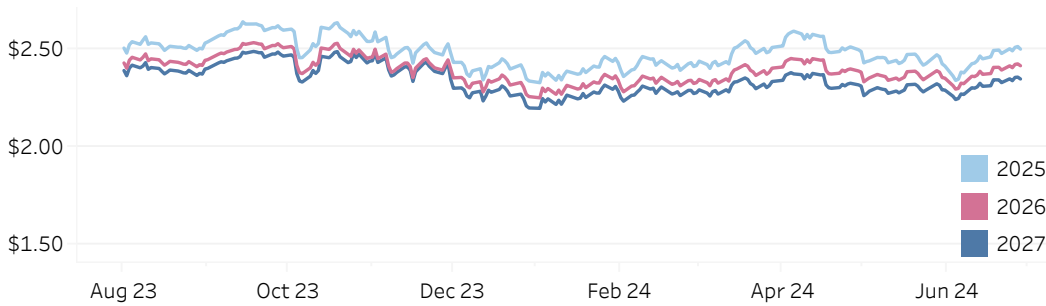
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## OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

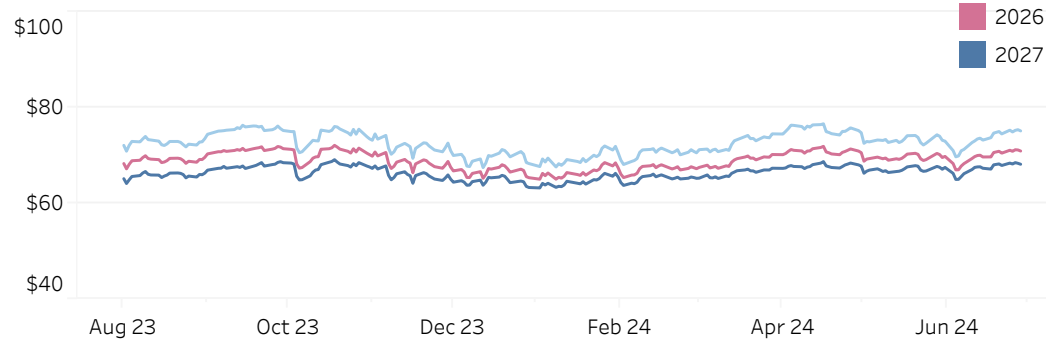


Prompt Month Price For Aug 24

This Week:	\$81.54/Bbl
Prior Week:	\$81.29/Bbl
<b>CHANGE:</b>	<b>\$0.25/Bbl</b>

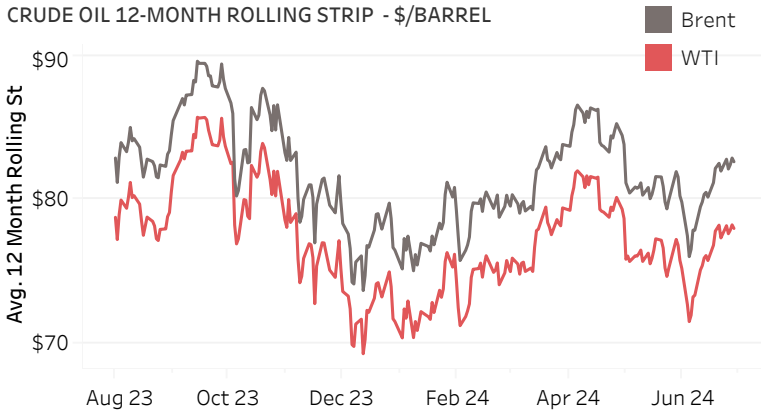
WTI and Brent prices increased in the past week. WTI was up 1.00% week-over-week to land at \$81.54/barrel, and Brent was up 1.35% week-over-week to \$86.39/barrel. The New York Harbor Heating Oil price registered a 1.2% increase to \$2.52/gallon. Escalating cross-border tensions between Israel and Hezbollah sparked fears that expanded conflict in the Middle East could draw in significant oil producers like Iran. Houthis off the coast of Yemen have continued staging attacks on ships. Meanwhile, Russia is considering downgrading relations with the United States and Western Europe due to their support for Ukraine. The EIA reported a jump in U.S. crude oil stocks this week.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

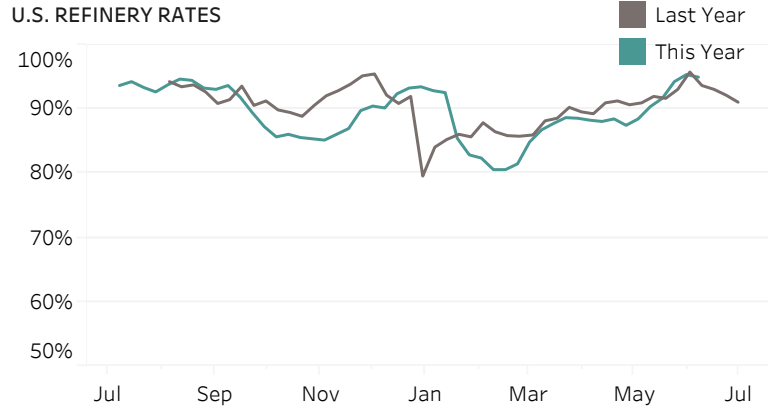


## FUNDAMENTALS

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

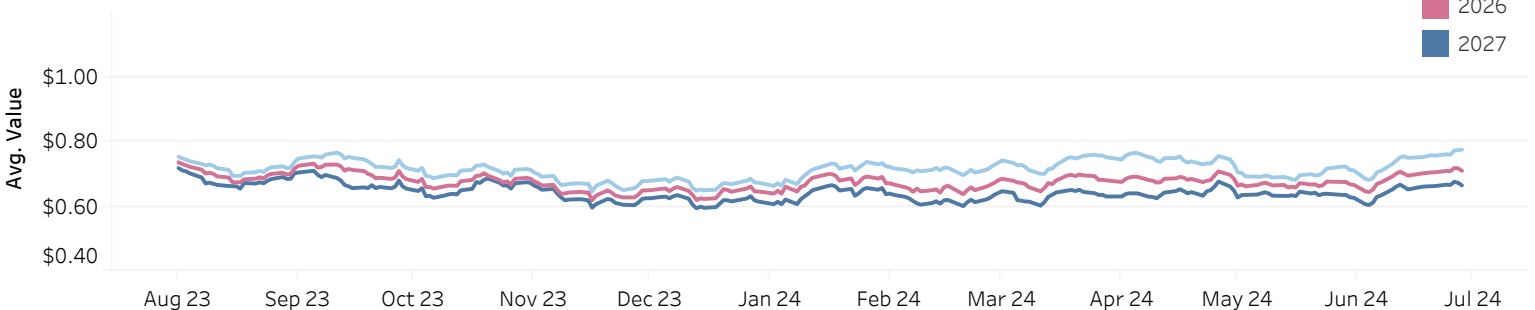


U.S. REFINERY RATES



## PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL



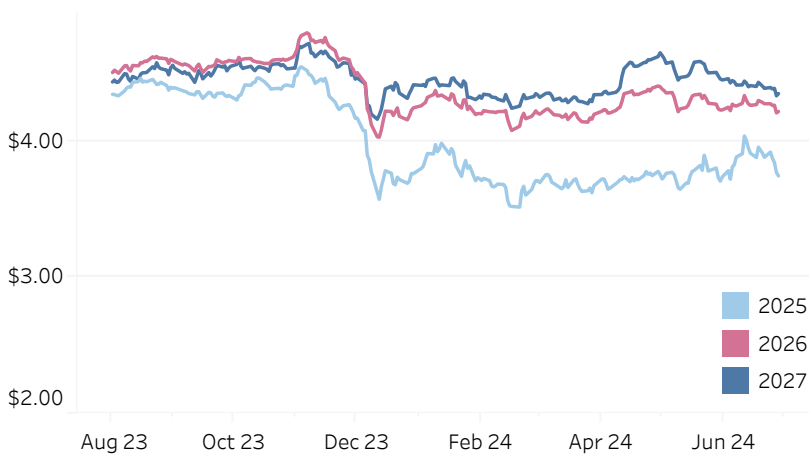
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## NATURAL GAS OVERVIEW

NATURAL GAS NYMEX CALENDAR STRIPS - \$/MMBTU



Prompt Month Price For Aug 24

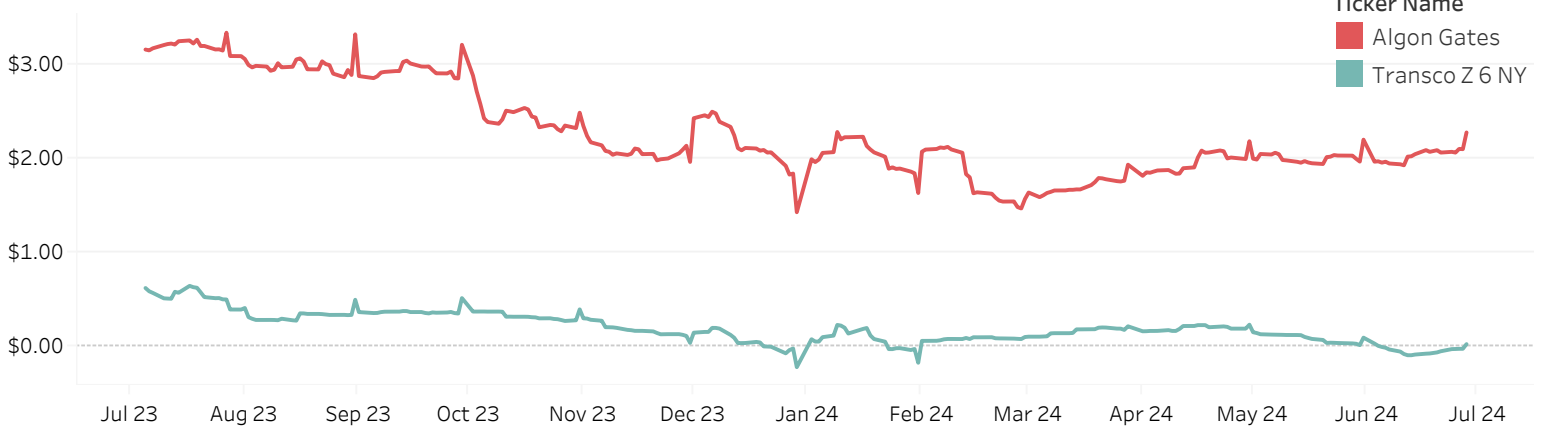
<b>This Week:</b>	\$2.60/MMBTU
<b>Prior Week:</b>	\$2.85/MMBTU
<b>CHANGE:</b>	(\$0.25)/MMBTU

The natural gas prompt month, which rolled over to August last Thursday, decreased by 25¢ or 8.8% week-over-week to land at \$2.60/MMBtu. The 12-month rolling strip dropped by 3.5% to \$3.14/MMBtu, while spot prices saw a steep decline after the recent heat wave, falling 47.3% to \$2.03/MMBtu. In recent weeks, up to 45% of U.S. gas production has been used for electric generation, as power burn continues to be a major driver of the gas market. Maintenance at the Algonquin pipeline contributed to upward pressure on New England spot prices, easing last week as the work was completed. The 2025 NYMEX calendar strip continues to trend below outer strips, and near-term prices show limited reactivity to market drivers, with a narrowing but ample storage surplus softening upward pressure from record summer forecasts and anticipated increases in LNG exports.

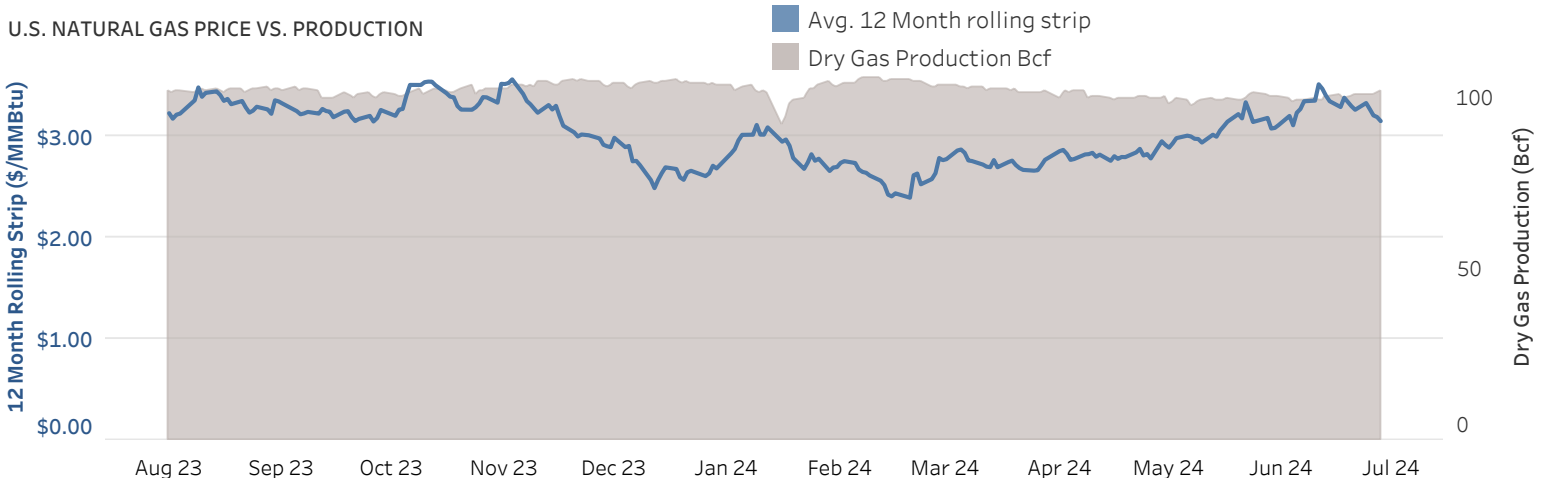
Winter natural gas NYMEX strips are an average of commodity prices for the months of December - March of each winter. Prices are presented in this format to highlight what consumers will pay during the typical heating season in the U.S.

## NATURAL GAS FUNDAMENTALS

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



U.S. NATURAL GAS PRICE VS. PRODUCTION

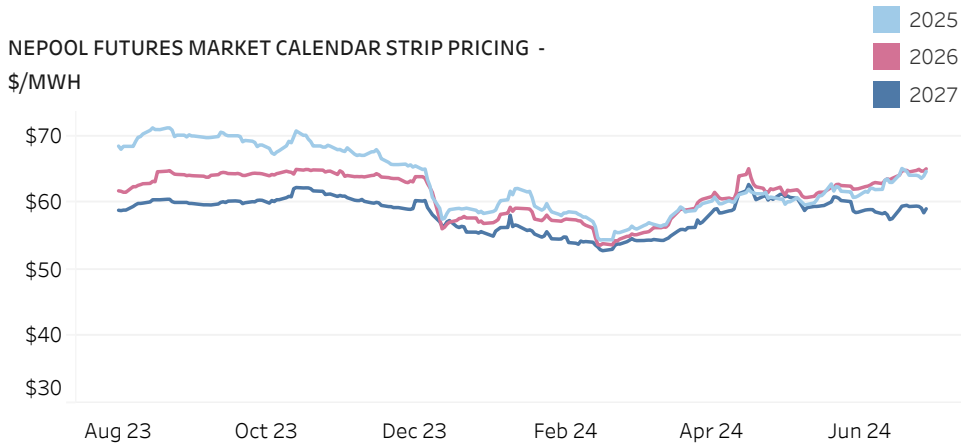


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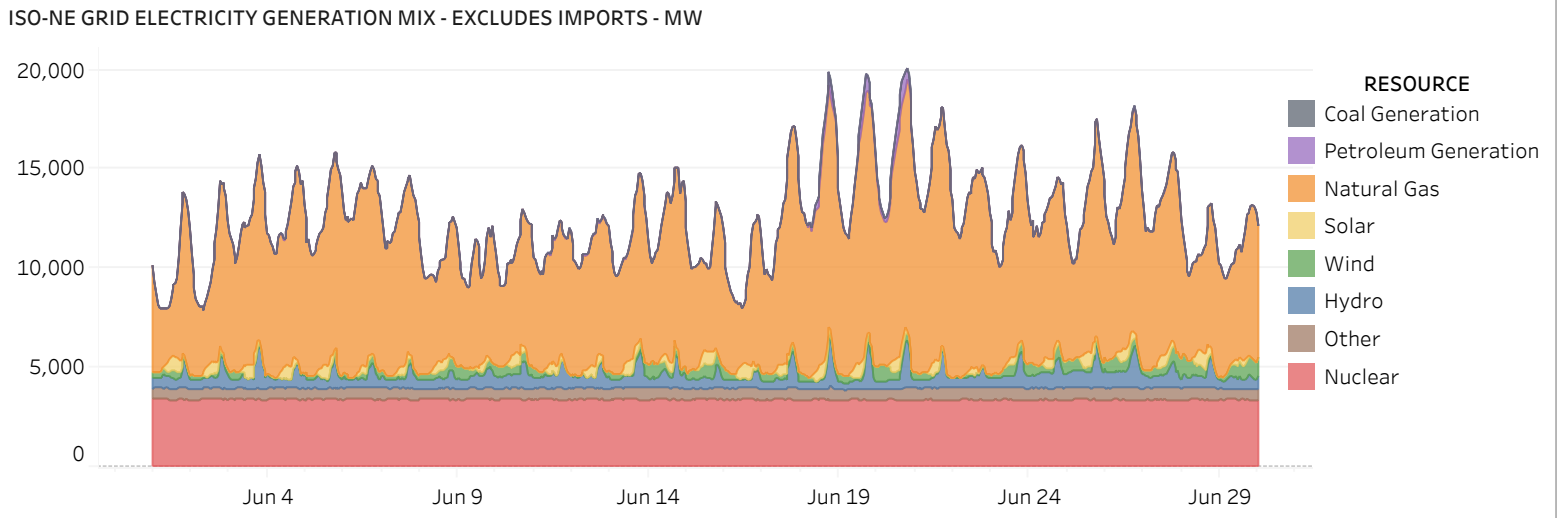


## NEW ENGLAND ELECTRICITY OVERVIEW

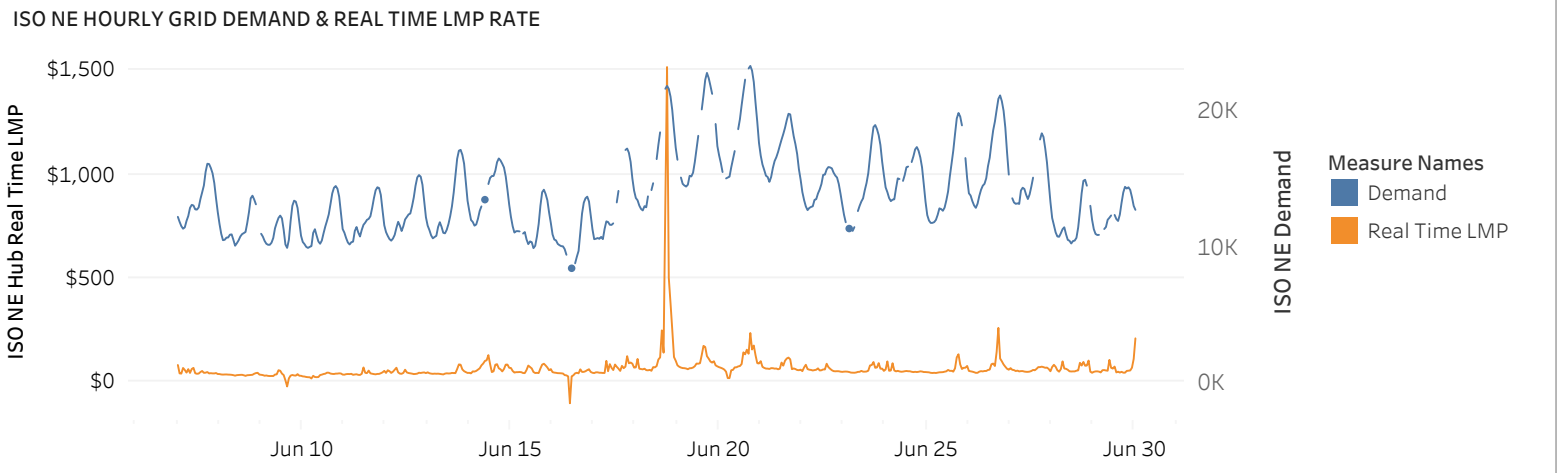


The NEPOOL 12-month electricity strip slightly bumped up 1.88% last week to settle at \$62.62/MWh. The calendar year strips followed suit, with all three years increasing slightly week over week. The 2025 strip increased 1.55% week-over-week to settle at \$65/MWh, the 2026 strip remained flat week-over-week at \$65/MWh, and the 2027 strip remained flat week over week at \$59/MWh. ISO-NE published their May 2024 electricity prices recap, which displayed increases in the day ahead and real time LMP monthly averages year-over-year. These increases are mostly driven by increased electricity demand in the region and a slight increase in Massachusetts natural gas prices.

## NEW ENGLAND REGIONAL ELECTRICITY GRID GENERATION MIX



## NEW ENGLAND GRID FUNDAMENTALS



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