

# JULY 15 - 19, 2024 MARKET SUMMARY



## SPOTLIGHT | U.S. Supreme Court Overturns Chevron Doctrine

In a landmark decision, the U.S. Supreme Court overturned the 40-year-old "Chevron doctrine" of judicial deference to federal agencies' scientific expertise in the event of ambiguous wording in laws passed in Congress. This decision opens the door to a broad range of legal challenges, including challenges towards regulations that limit greenhouse gas emissions....

In a landmark decision, the U.S. Supreme Court overturned the 40-year-old "Chevron doctrine" of judicial deference to federal agencies' scientific expertise in the event of ambiguous wording in laws passed in Congress. This decision opens the door to a broad range of legal challenges, including challenges towards regulations that limit greenhouse gas emissions. Lawmakers have been expecting this ruling. As part of the 2022 Inflation Reduction Act, Congress amended the 1970 Clean Air Act to specifically identify carbon dioxide produced by burning fossil fuels as an air pollutant, eliminating ambiguity. The Federal Energy Regulatory Commission's (FERC) 1920 order, which establishes requirements for how utilities and transmission system operators plan and allocate costs for grid expansions, is poised to face additional pressure because of this Supreme Court ruling. In a 2014 decision, the U.S. Court of Appeals in D.C. cited the Chevron doctrine in affirming a FERC regional transmission planning rule, and rejecting arguments from utility groups and state utility regulators that FERC lacked the authority to implement the rule. Under this new regime, such affirmation has less stable legal standing.

## 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: 59
18 MONTH: 51
24 MONTH: 63
36 MONTH: 67

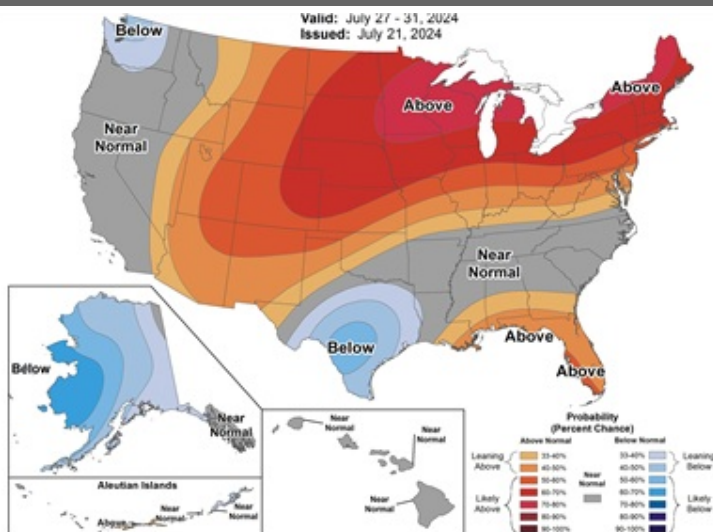
### NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 54
18 MONTH: 38
24 MONTH: 45
36 MONTH: 42

### CRUDE OIL TERMS

12 MONTH: 53
18 MONTH: 53
24 MONTH: 53
36 MONTH: 51

## WEATHER | 6-10 Day Forecast



**Above-average temperatures are expected for the Midwest and the Northeast, as much of the rest of the country is expected to feel seasonally-normal temperatures.**

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.

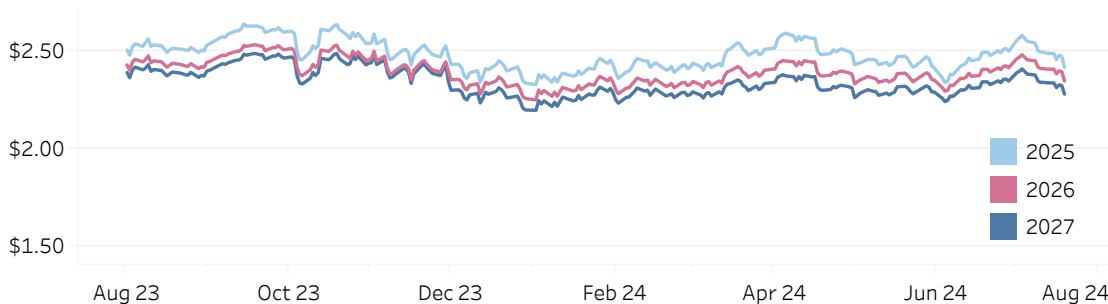
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## OIL & DISTILLATES OVERVIEW

### HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

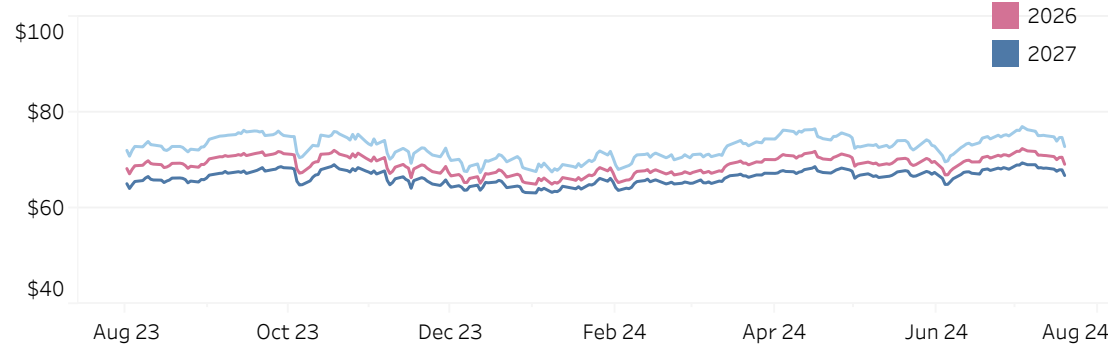


### Prompt Month Price For Aug 24

This Week:	\$80.13/Bbl
Prior Week:	\$82.62/Bbl
CHANGE:	(\$2.49)/Bbl

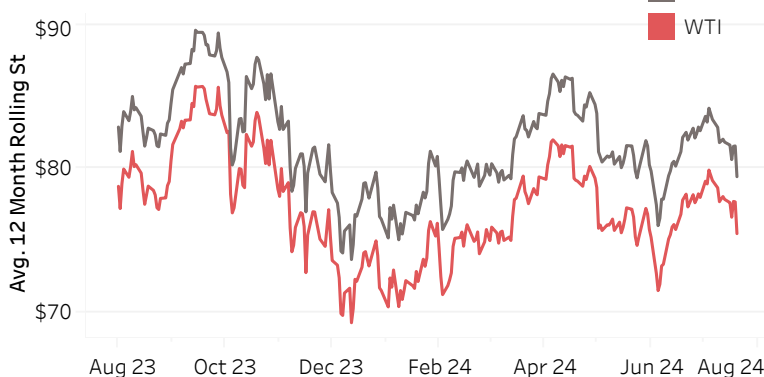
The WTI and Brent prompt months experienced minor changes this week. WTI fell 3% week-over-week to \$80.13/barrel, and Brent decreased 2.8% week-over-week to \$82.63/barrel. The U.S. dollar hit a 17-week low, which is predicted to boost demand for oil as commodities like oil will be cheaper for other currencies. Central banks will likely cut interest rates given inflation's improved trajectory and a more stable labor market, with cuts coming as early as September. OPEC+ ministers will meet online on August 1 and will likely reaffirm the extended cuts they agreed to in June.

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

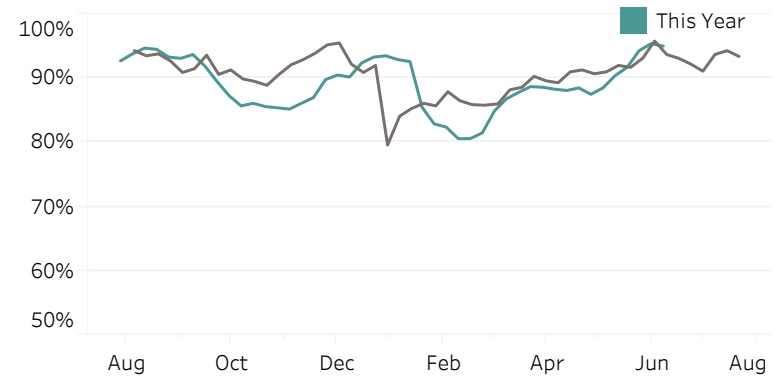


## FUNDAMENTALS

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

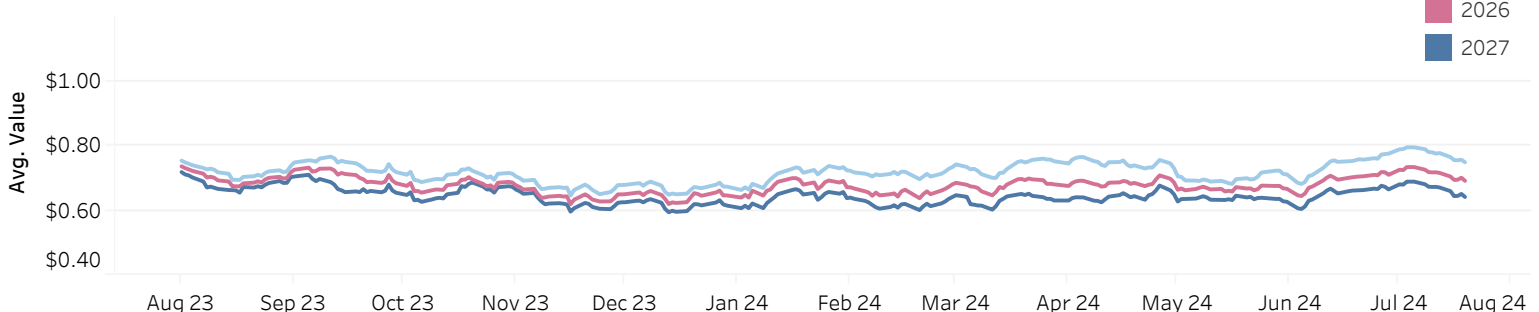


### U.S. REFINERY RATES



## PROPANE

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



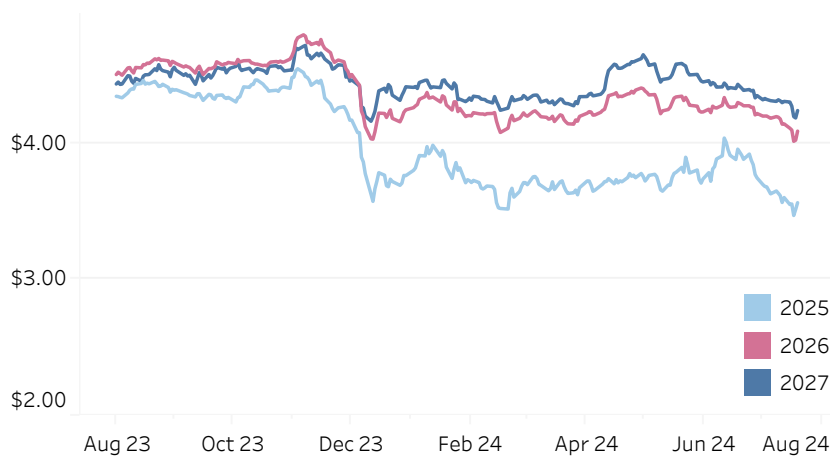
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## NATURAL GAS OVERVIEW

NATURAL GAS NYMEX CALENDAR STRIPS - \$/MMBTU



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 Aug 24

This Week:	\$2.13/MMBTU
Prior Week:	\$2.27/MMBTU
CHANGE:	(\$0.14)/MMBTU

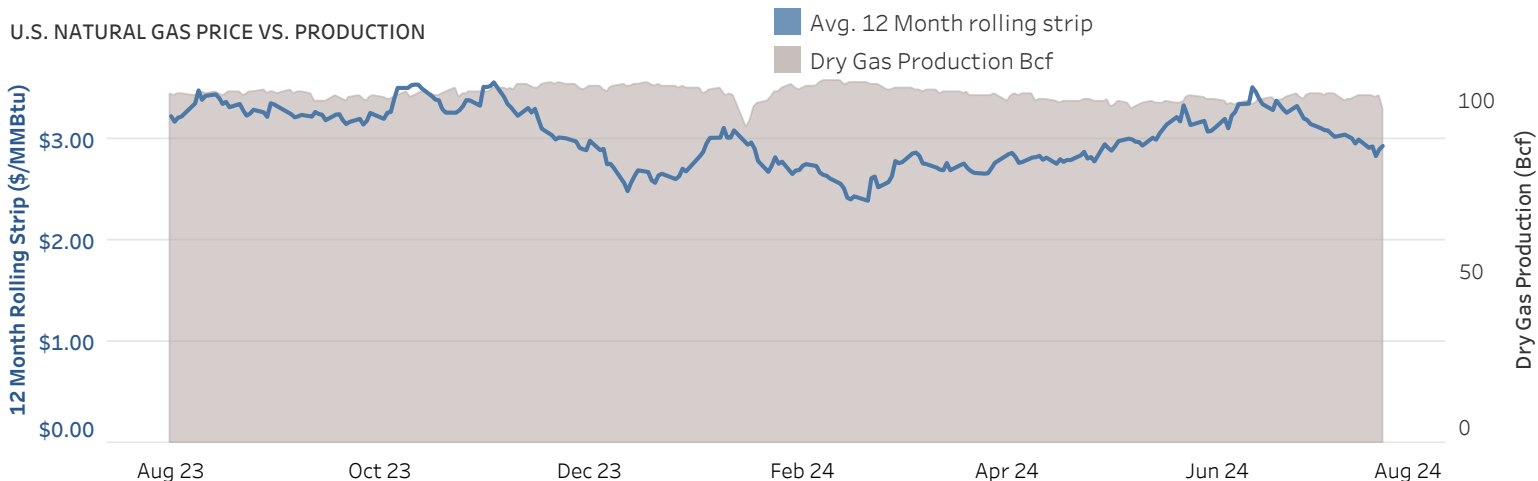
Natural gas prompt month future prices decreased by 8.6% week-over-week to land at \$2.13/MMBTU. The rolling 12-month strip decreased by 2% to \$2.93/MMBTU. During the month of July, U.S. natural gas demand for power generation has averaged 49.2 Bcf/d, compared to 46.3 Bcf/d for the same period last year. Production has averaged 101.6 Bcf/d month-to-date, slightly lower than in 2023. The storage surplus continues to tighten, with a net injection of just 10 Bcf in the week ended July 12th falling beneath analyst predictions. Spot prices spiked on the 16th, a day before capacity-limiting maintenance on the Algonquin pipeline began. Damage from Hurricane Beryl has led to a pause in LNG exports at the Freeport terminal, with the temporary increase in domestic gas supply offering some price relief in a tighter market.

## 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

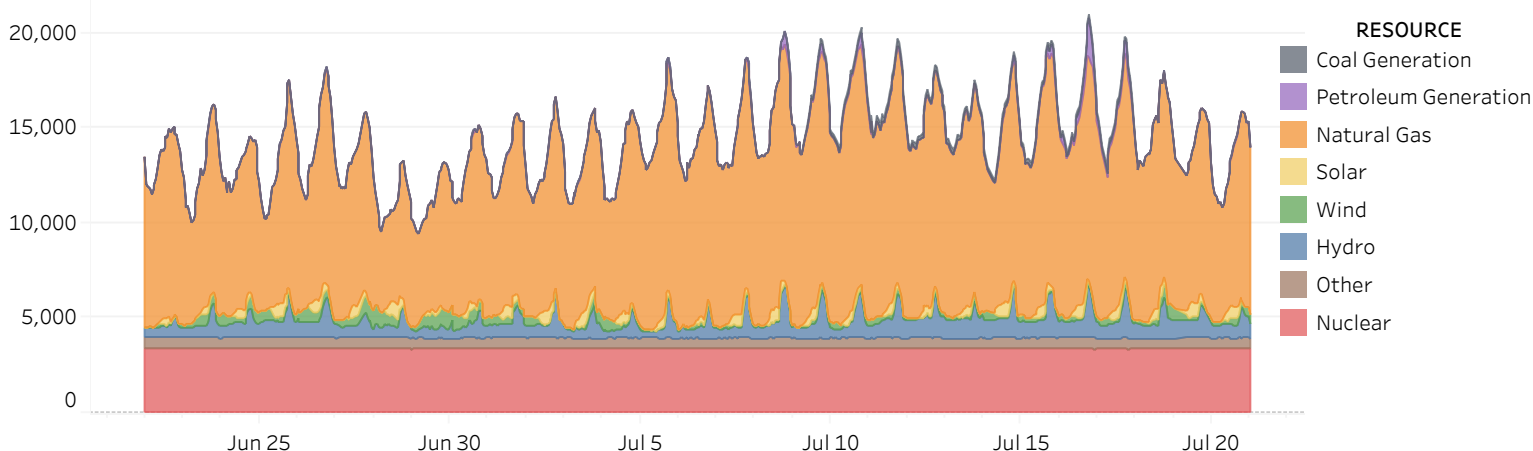
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING - \$/MWH



The NEPOOL 12-month electricity strip decreased 1.16% week-over-week to land at \$61.92/MWh. The calendar year strips followed suit, with all three years decreasing just slightly week-over-week. The 2025 strip decreased 1.70% week-over-week to settle at \$64.84/MWh, the 2026 strip decreased 1.48% week-over-week to land at \$65.48/MWh, and the 2027 strip decreased just 0.97% week-over-week to settle at \$59.41/MWh. Last week the MA Department of Energy Resources (DOER) filed an emergency rulemaking impacting the Clean Peak Energy Standard (CPS) effective immediately. The MA DOER decreased the Minimum Standard of required renewable energy procurement for MA Suppliers to account for a projected increase in Clean Peak Energy Credits. In addition to the decrease in the Minimum Standard, the DER created a Near-Term Resource Multiplier for new standalone energy that would come online before January 2027.

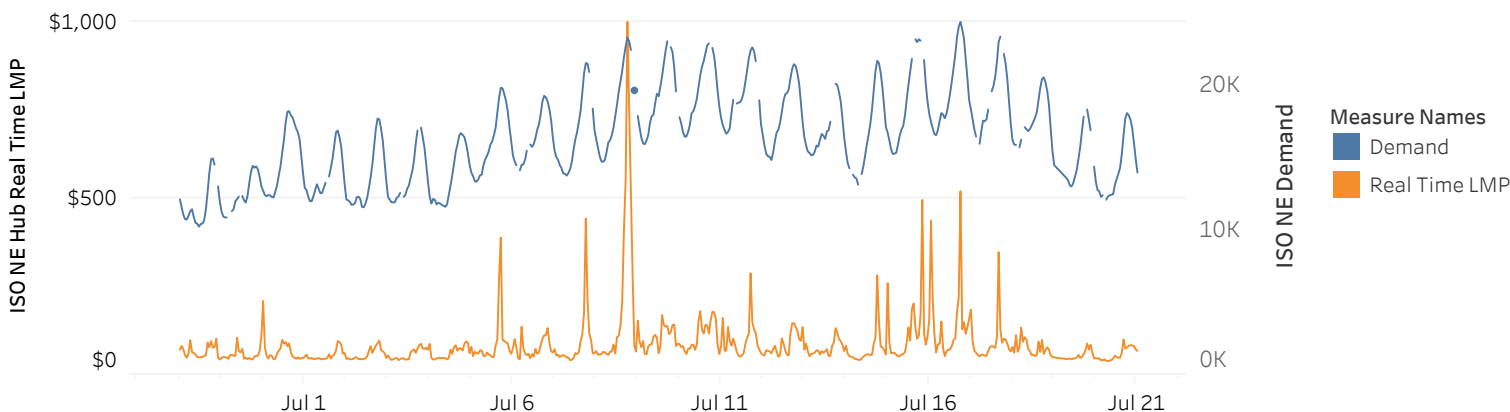
## NEW ENGLAND REGIONAL ELECTRICITY GRID GENERATION MIX

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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