

AUGUST 19 - 23, 2024 MARKET SUMMARY



SPOTLIGHT | Permian Production Forecast Growth Driven by Well Productivity, Pipeline Capacity

The U.S. Energy Information Administration's (EIA) latest Short Term Energy Outlook (STEO) expects U.S. crude oil production to reach 13.7 million barrels per day (b/d) and natural gas production to grow to an average of 114.3 billion cubic feet per day (Bcf/d) in 2025. The forecasted growth is a result of expected productivity gains in....

The U.S. Energy Information Administration's (EIA) latest Short Term Energy Outlook (STEO) expects U.S. crude oil production to reach 13.7 million barrels per day (b/d) and natural gas production to grow to an average of 114.3 billion cubic feet per day (Bcf/d) in 2025. The forecasted growth is a result of expected productivity gains in the Permian region of western Texas and eastern New Mexico, along with projected high prices for crude oil which will incentivize production. Despite a decrease in active rigs, production has been increasing since 2022. This is a result of more advanced drilling and completion techniques, including longer lateral lengths, optimized well spacing, and enhanced fracturing designs. In recent years, production was temporarily constrained by pipeline capacity, but several projects in the Permian region are expected to be completed soon. Enbridge is expanding its Gray Oak pipeline by 120,000 b/d before the end of 2025 and the 580-mile Matterhorn Express Pipeline, which is expected to enter service in 2024, has capacity for up to 2.5 Bcf/d of natural gas.

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: 56
18 MONTH: 51
24 MONTH: 67
36 MONTH: 73

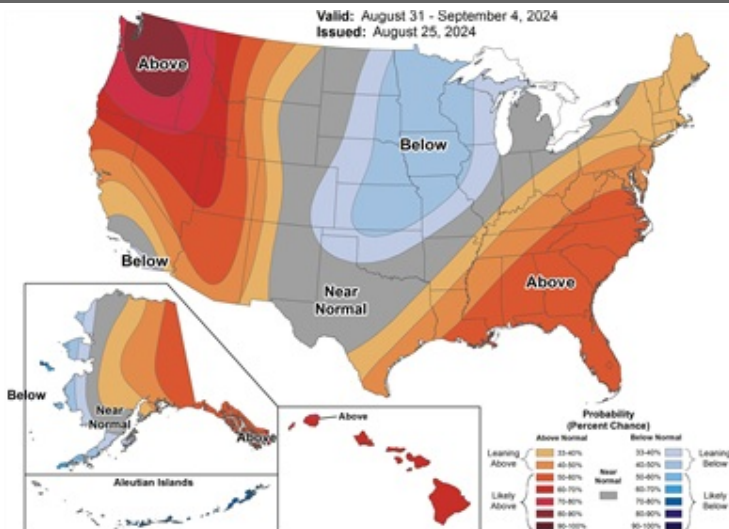
NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 64
18 MONTH: 38
24 MONTH: 59
36 MONTH: 55

CRUDE OIL TERMS

12 MONTH: 70
18 MONTH: 69
24 MONTH: 68
36 MONTH: 65

WEATHER | 6-10 Day Forecast



Mild temperatures are forecast for the Midwest, with hotter weather expected in the West and Southeast and warmer temperatures across the East Coast.

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.

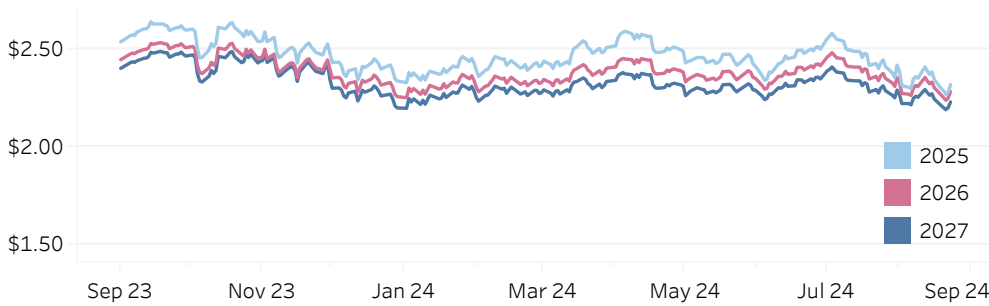
MARKET SUMMARY

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OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

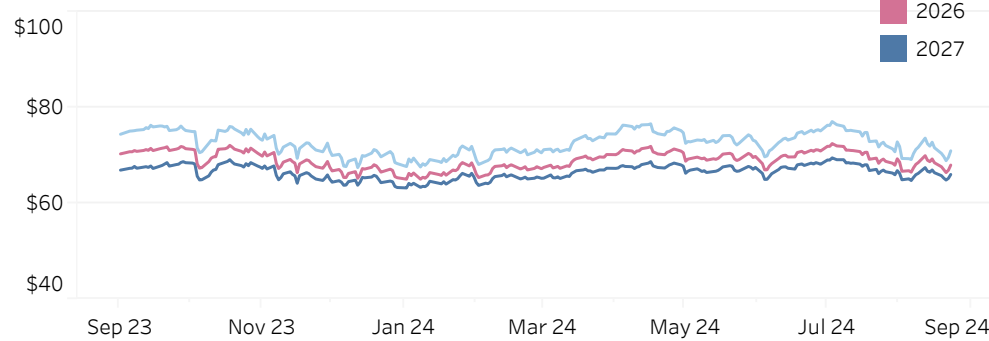


Prompt Month Price For Sep 24

This Week:	\$74.83/Bbl
Prior Week:	\$76.65/Bbl
CHANGE:	(\$1.82)/Bbl

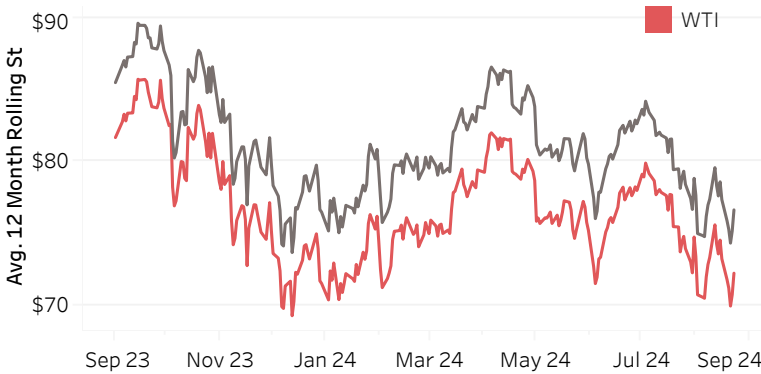
Crude futures pricing saw a week-over-week price drop amid mediation on a Gaza truce proposal and likely interest rate cuts. WTI and Brent prices both experienced decreases this week. WTI was down 2.37% to land at \$74.83/barrel week-over-week, and Brent was down 0.83% week-over-week to \$79.02/barrel. The New York Harbor Heating Oil decreased 1.29% week-over-week to \$2.30/gallon. Libya's unrecognized Benghazi-based government announced they would close all oilfields and stop exports. The U.S. government reported a cooling in the job market, and U.S. Federal Reserve Chair Jerome Powell endorsed the beginning of interest rate cuts. U.S. and Israeli delegations met in Cairo to discuss a truce proposal for the war in Gaza.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

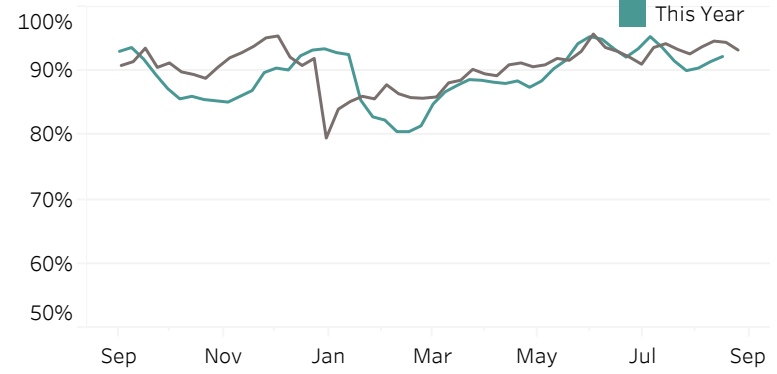


FUNDAMENTALS

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

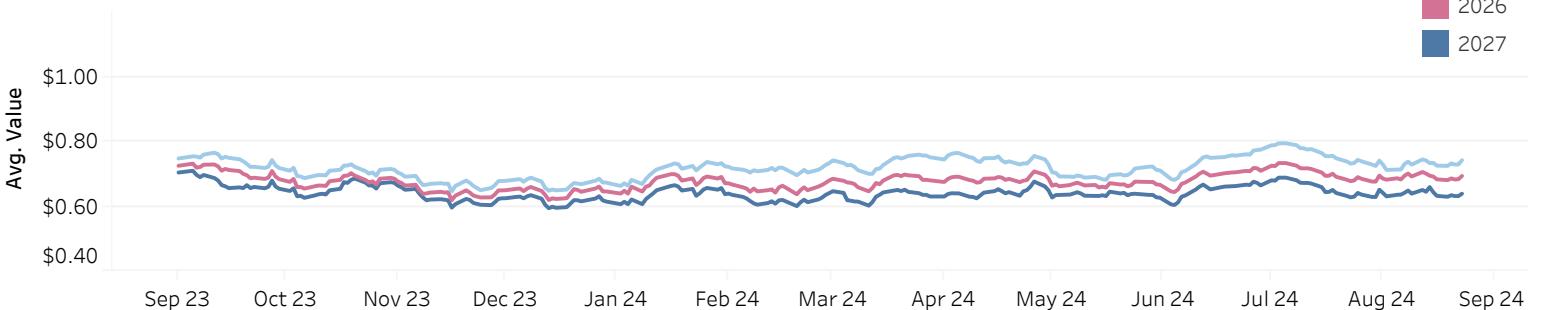


U.S. REFINERY RATES



PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL



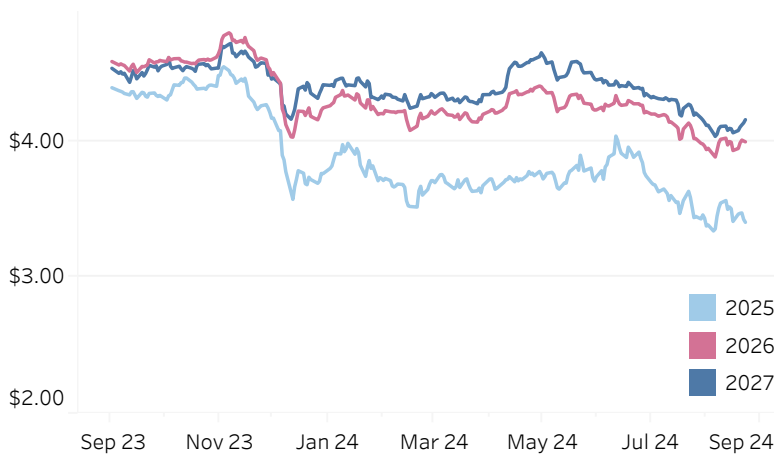
MARKET SUMMARY

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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.

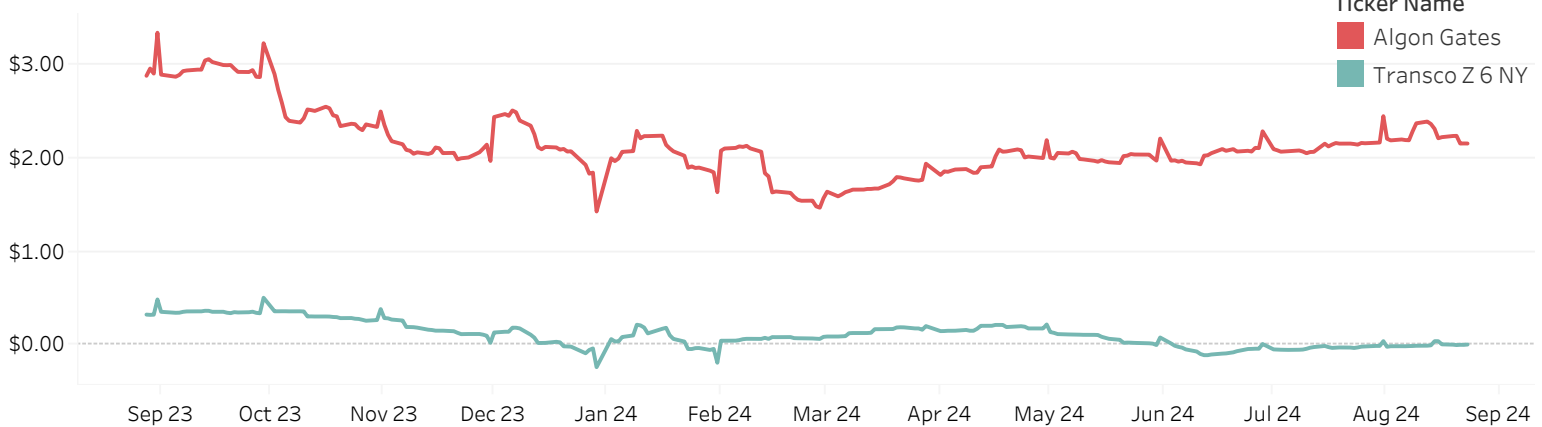
Prompt Month Price For Sep 24

This Week:	\$2.02/MMBTU
Prior Week:	\$2.12/MMBTU
CHANGE:	(\$0.10)/MMBTU

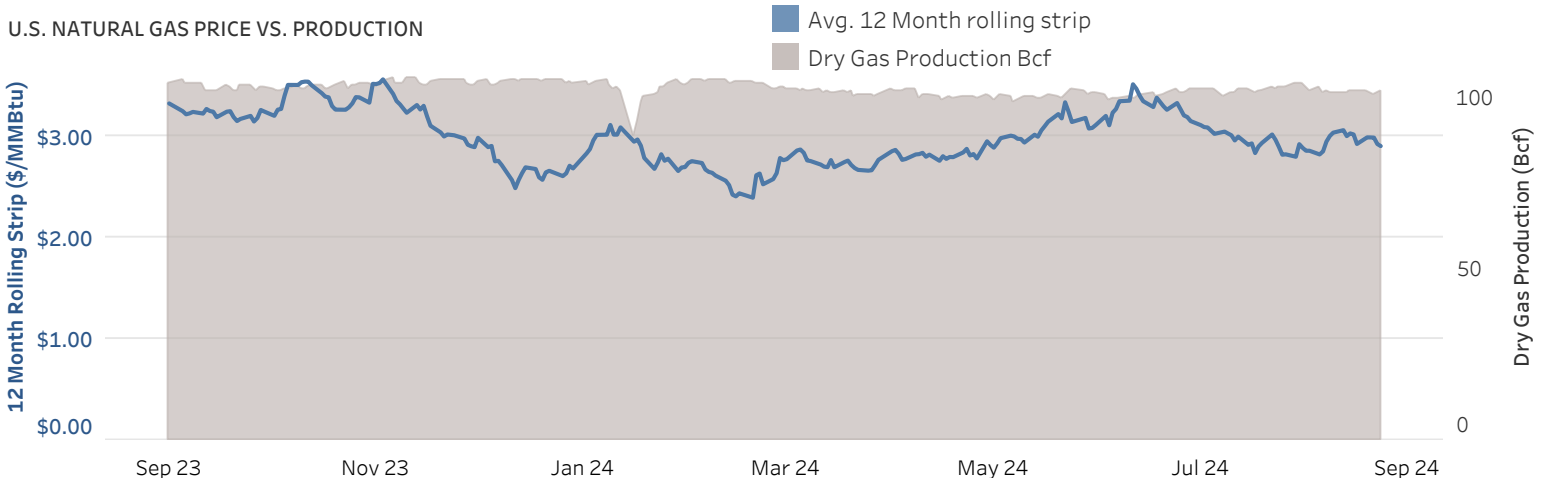
NYMEX prompt month futures prices fell by 4.8% week-over-week to \$2.02/MMBtu, and the rolling 12-month strip decreased slightly by 0.7% week-over-week to \$2.90/MMBtu. A higher-than-expected natural gas storage increase for the week ended August 16 contributed to price drops, despite a net decrease in the difference above the five-year average storage level for that week. Total U.S. storage sits at 3,299 Bcf, 369 Bcf above the five-year average. Total U.S. gas demand has decreased over the month of August, as the week ended August 26 averaged 99.6 Bcf/d, an 8% drop from the week ended August 5, which averaged 108.6 Bcf/d. These overall demand trends continue to reflect trends in LNG export volumes, with exports dropping 10% from the week ended August 5 to last week.

NATURAL GAS FUNDAMENTALS

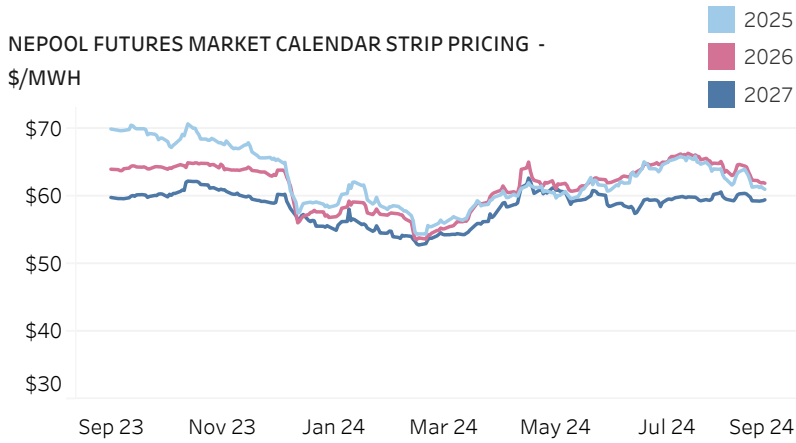
NATURAL GAS BASIS - ROLLING 12 MO. FUTURES STRIP - \$/MMBTU



U.S. NATURAL GAS PRICE VS. PRODUCTION



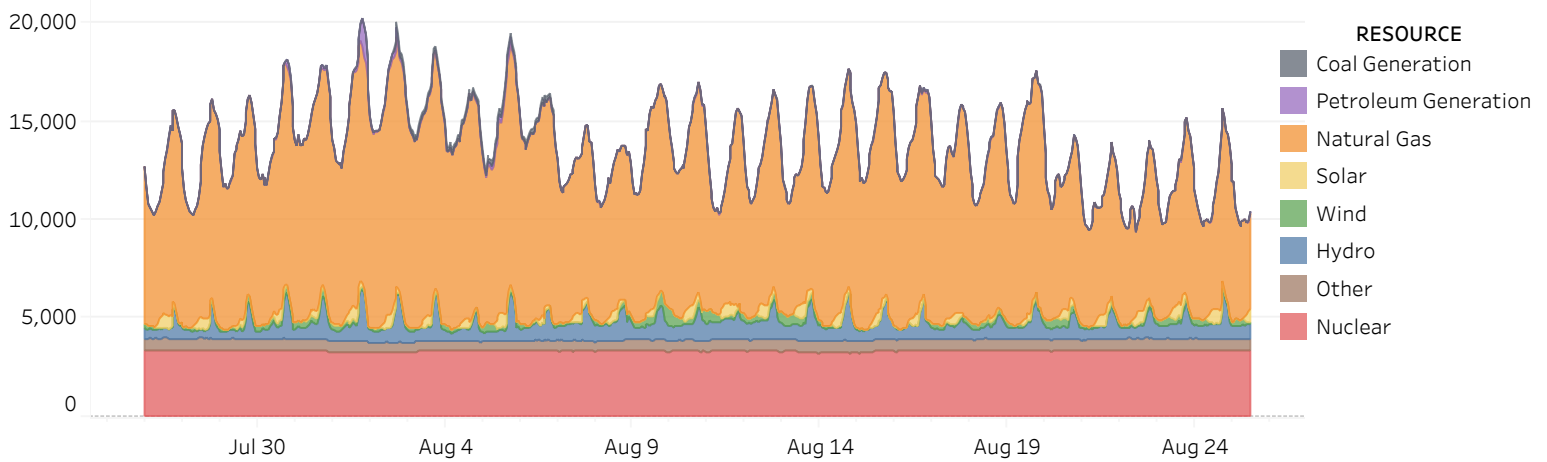
NEW ENGLAND ELECTRICITY OVERVIEW



The NEPOOL 12-month electricity strip was down by 2.34% week-over-week to \$60.69/MWh after a decrease in natural gas spot and prompt month prices at the Henry Hub as well as at the Algonquin Citygate. Calendar year strips for electricity were also down this past week. The 2025 strip was down week-over-week by 2.54% to \$61.51/MWh, the 2026 strip declined in price by 2.6% to \$62.07/MWh, and the 2027 strip was down 1.28% week-over-week, ending at \$59.41/MWh. The EIA reported last Monday that the United States power grid added 20.2 GW of utility-scale capacity in the first half of 2024 and is expected to add another 42.6 GW of utility-scale capacity in the second half of the year.

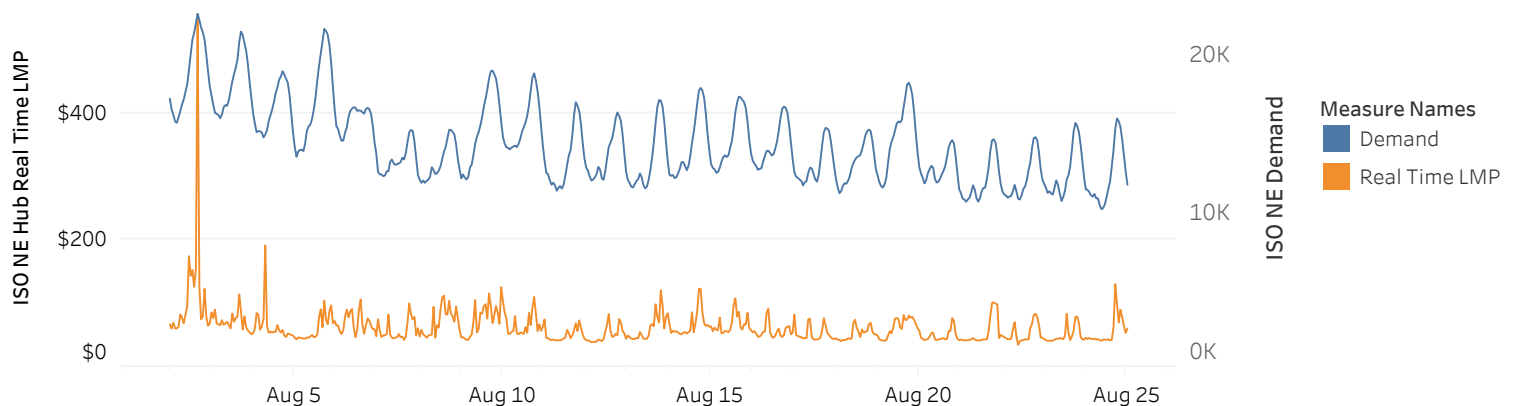
NEW ENGLAND REGIONAL ELECTRICITY GRID GENERATION MIX

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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