

# OCTOBER 7 - 11, 2024

# MARKET SUMMARY



## SPOTLIGHT | PJM Seeking Capacity Auction Delay

**PJM has requested a 6-month delay to their 2026/27 capacity auction from the Federal Energy Regulatory Commission (FERC) in the wake of record-setting clearing prices last year, in which customers saw their capacity costs increased by almost an order of magnitude. In their request...**

PJM has requested a 6-month delay to their 2026/27 capacity auction from the Federal Energy Regulatory Commission (FERC) in the wake of record-setting clearing prices last year, in which customers saw their capacity costs increased by almost an order of magnitude. In their request, PJM notes that FERC has requested that PJM respond to a complaint about PJM's handling of the reliability must-run (RMR) model, but that this wouldn't give adequate context to the rest of their complex capacity market design. The aspect of PJM's approach to the RMR model that came under the most scrutiny is the limitation on generators under RMR agreements to participate in the capacity auction. PJM argues that by allowing these generators to participate, new generators would not receive adequate incentive to construct new resources. PJM believes that delaying the capacity auction this year will both allow FERC to consider its complex capacity market structure and allow PJM to consider additional capacity market reforms internally. The auction will continue in December 2024 as originally scheduled if FERC denies the delay.

## 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: 41
18 MONTH: 41
24 MONTH: 56
36 MONTH: 67

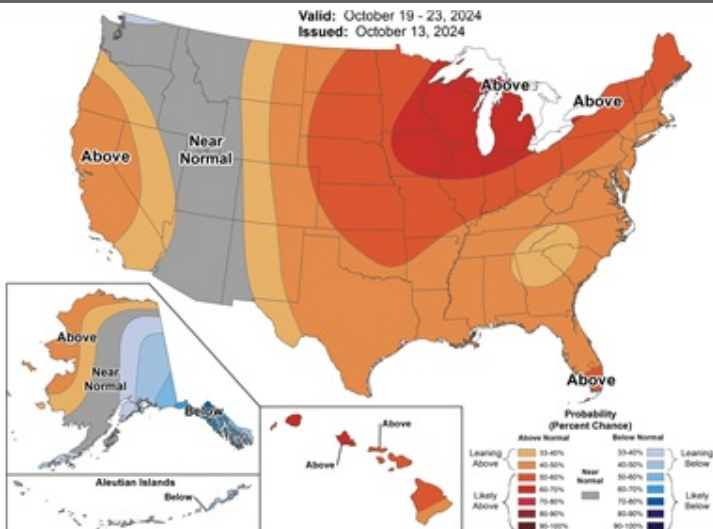
### ELECTRICITY TERMS

12 MONTH: 47
18 MONTH: 41
24 MONTH: 51
36 MONTH: 55

### CRUDE OIL TERMS

12 MONTH: 59
18 MONTH: 58
24 MONTH: 58
36 MONTH: 55

## WEATHER | 6-10 Day Forecast



**Most of the U.S. is forecast to experience above-average temperatures, particularly around the Great Lakes, while parts of the West will likely see temperatures near normal.**

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.

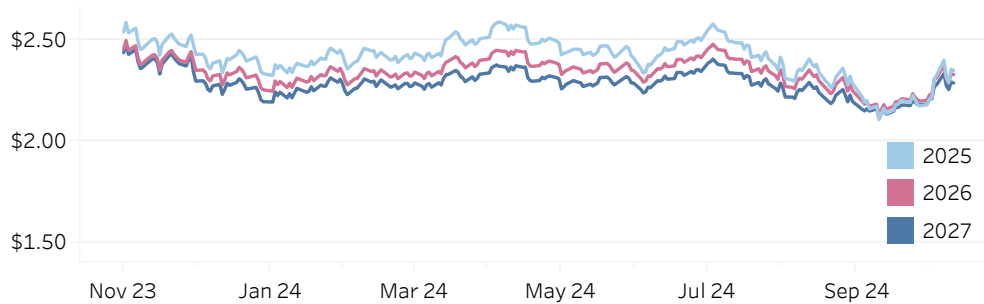
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## OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

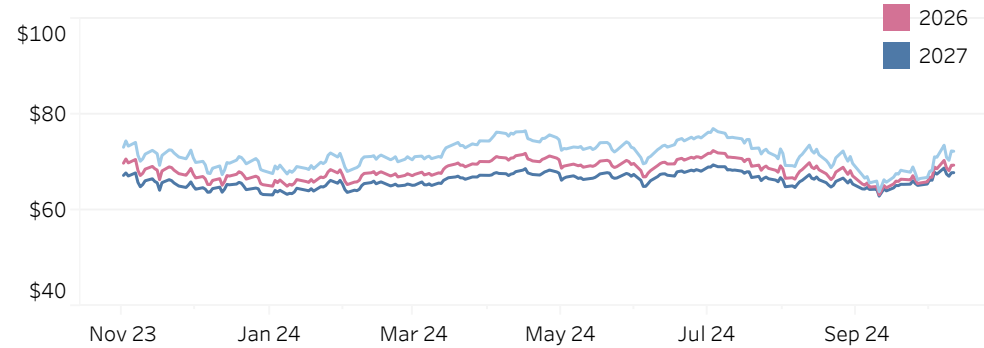


Prompt Month Price For Nov 24

This Week:	\$75.56/Bbl
Prior Week:	\$74.38/Bbl
<b>CHANGE:</b>	<b>\$1.18/Bbl</b>

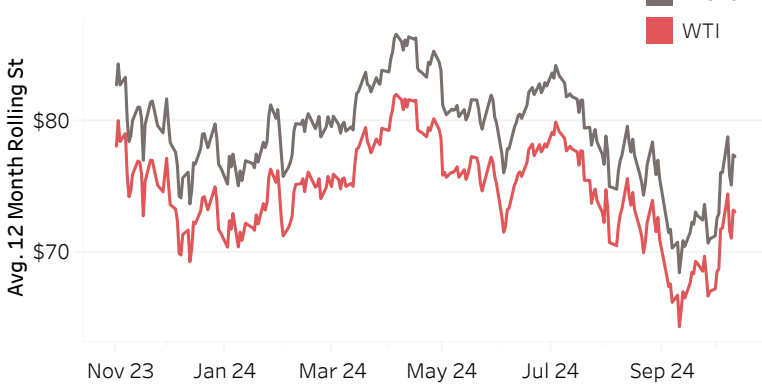
WTI and Brent prices both experienced increases this week. WTI was up 1.6% to land at \$75.56/barrel week-over-week, and Brent rose 1.3% week-over-week to \$79.04/barrel. New York Harbor Heating Oil prices increased 1.3% week-over-week to \$2.34/gallon. Hurricane Milton hit Florida last week, causing delayed deliveries, disrupted pipeline movement, and product terminal closures. Supply impacts will continue into this week. Concerns over Israel targeting Iranian oil infrastructure in retaliation for missile strikes put upward pressure on prices. OPEC cut its oil demand growth forecast for 2024 and 2025, with Chinese oil demand responsible for most of the decrease.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL



## FUNDAMENTALS

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

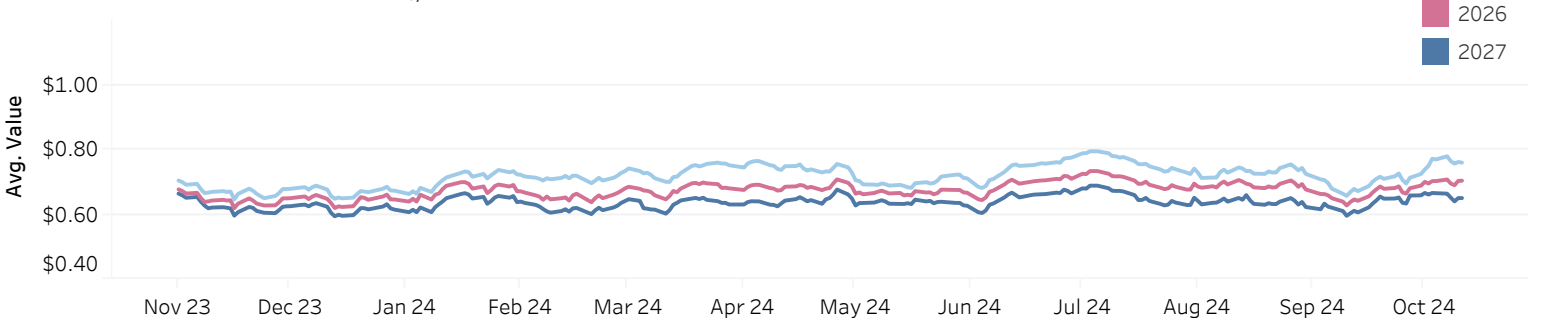


U.S. REFINERY RATES



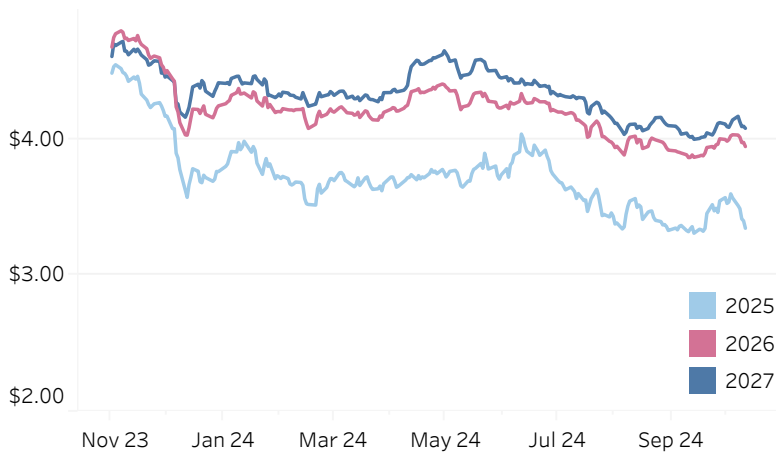
## PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL



### NATURAL GAS OVERVIEW

NATURAL GAS NYMEX CALENDAR STRIPS - \$/MMBTU



Prompt Month Price For Nov 24

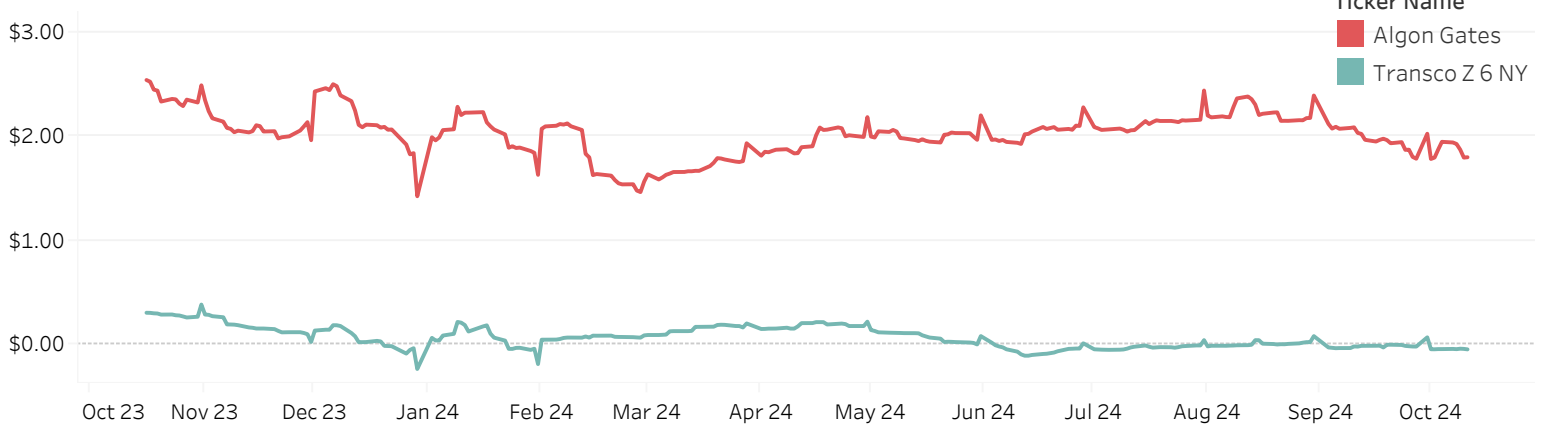
<b>This Week:</b>	\$2.63/MMBtu
<b>Prior Week:</b>	\$2.85/MMBtu
<b>CHANGE:</b>	(\$0.22)/MMBtu

NYMEX prompt month futures are down week-over-week by 22 cents or 7.8% to \$2.63/MMBtu. The rolling 12-month strip is down by 6% to \$3.07/MMBtu. U.S. gas production is up slightly by 1.8% week-over-week to 102.1 Bcf/day. A weekly net natural gas storage addition of 82 Bcf brought national storage up to 3,629 Bcf, which is 176 Bcf above the five-year average. The increase fell above analyst expectations, which predicted an addition of 72 Bcf. The anticipated impact of Hurricane Milton contributed to a weakening of NYMEX prices that week, which continued through last week as power outages and flooding led to a drop in gas and electric demand. With millions of customers in Florida offline at the end of this past week, Southeast gas demand for power generation was estimated at under 4.9 Bcf on October 11, down 33% week-over-week.

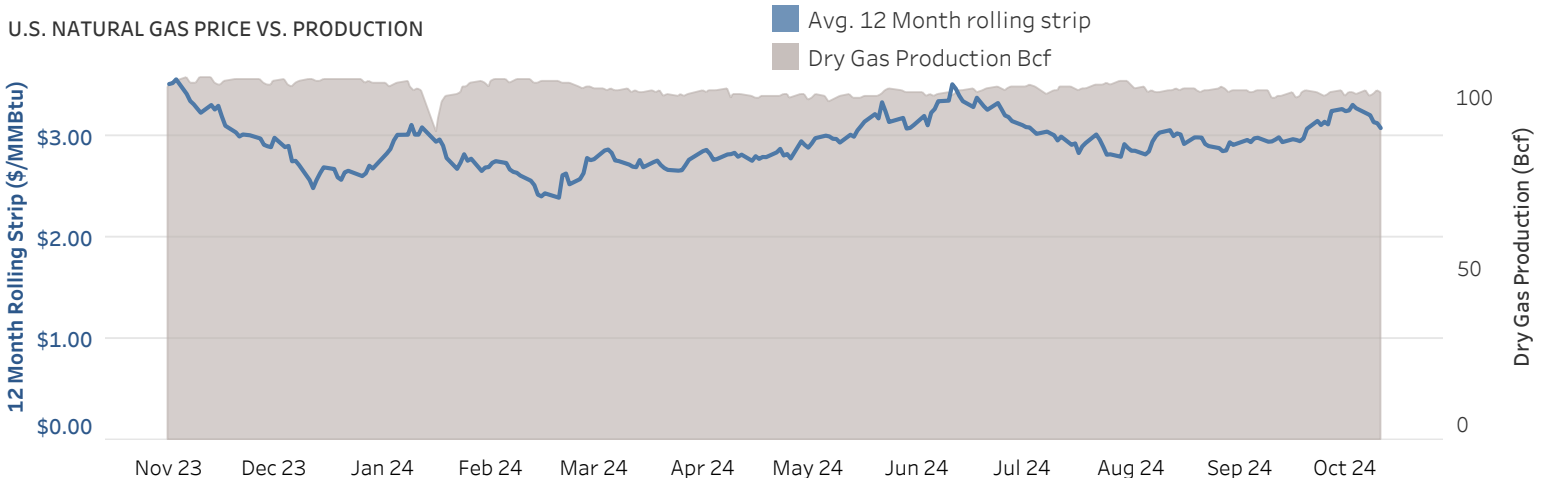
Winter natural gas NYMEX strips are an average of commodity prices for the months of December - March of each winter. Prices are presented in this format to highlight what consumers will pay during the typical heating season in the U.S.

### NATURAL GAS FUNDAMENTALS

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



U.S. NATURAL GAS PRICE VS. PRODUCTION



### NEW ENGLAND ELECTRICITY OVERVIEW

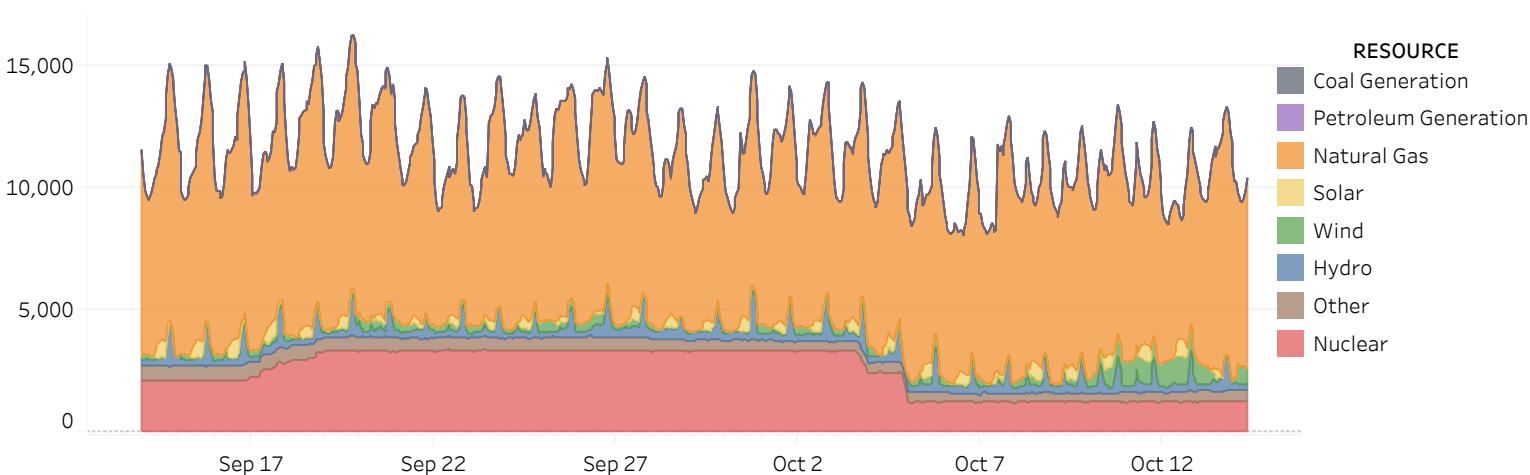
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING - \$/MWH



The NEPOOL 12-month electricity strip dropped to \$56.51/MWh last week, which is a 2.11% decrease week-over-week. The calendar year strips for electricity exhibited mixed movements. The 2025 strip was down by 1.06% to reach \$58.64/MWh, the 2026 strip was down by 0.66% to reach \$60.12/MWh, and the 2027 strip climbed 1.04% to \$57.58. Although Algonquin Citygate spot gas prices rose last week, NYMEX spot prices fell by 34 cents per MMBTU week-over-week, driving down electricity generation costs. According to a recent study by the Sierra Club, the 50 largest utility companies invested heavily in fossil fuels will only replace 52% of their power generation with clean energy sources by 2035, with a total of 93 GW of gas-fired generation planned in this period.

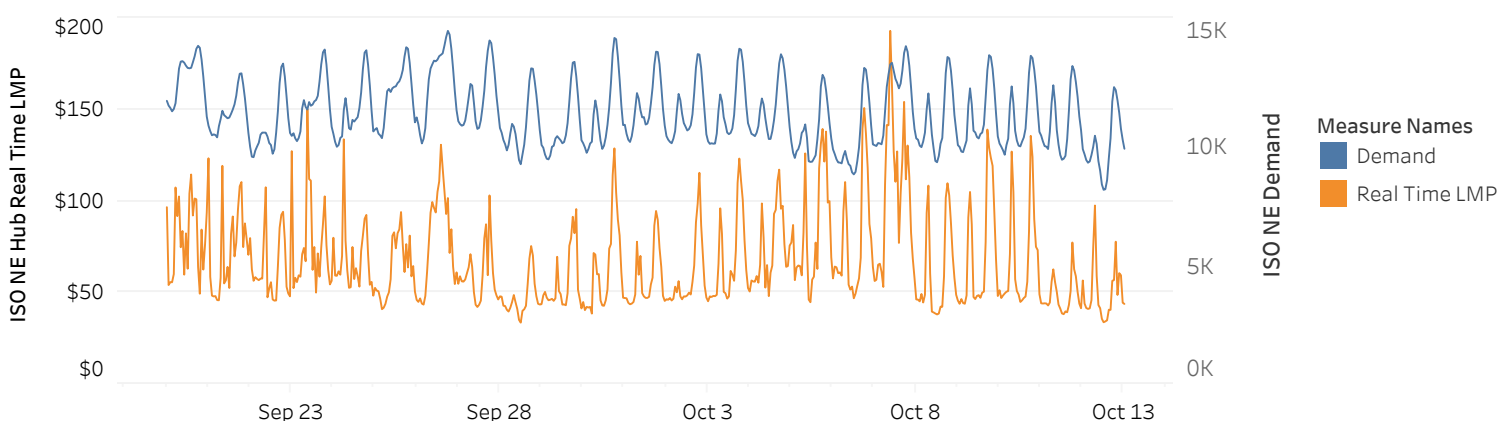
### NEW ENGLAND REGIONAL ELECTRICITY GRID GENERATION MIX

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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