

February 28 - March 4, 2022 MARKET SUMMARY



SPOTLIGHT | Commodity Prices Reach New Highs

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Russia's ongoing invasion of Ukraine has driven oil prices well over \$100 per barrel and prices at the pump are above \$4 nationally, their highest levels since 2008. Natural gas prices in Europe have jumped to record highs, which is having ripple effects in surging demand for US LNG exports and rising domestic prices. Last week, the EIA published the average retail price for electricity from 2021, which was the highest price on record. The news on rising energy costs is difficult to avoid right now, and exacerbates the existing inflationary pressures already impacting consumers. This could drive consumer debt as individuals struggle to keep up with rising costs. According to a February 2022 report from the National Consumer Law Center, almost 800,000 Massachusetts residential customers were behind on electric or natural gas bills at the end of 2021, with over half of this group over 90 days behind. Navigating this new reality for energy costs will be a major challenge for consumers in the coming weeks and months.

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: 3
18 MONTH: 4
24 MONTH: 0
36 MONTH: 0

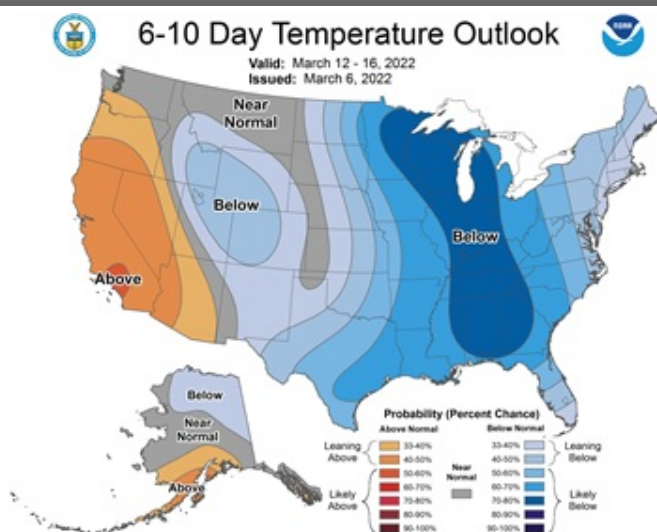
NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 19
18 MONTH: 23
24 MONTH: 0
36 MONTH: 0

CRUDE OIL TERMS

12 MONTH: 0
18 MONTH: 0
24 MONTH: 0
36 MONTH: 0

WEATHER | 6-10 Day Forecast



Below average temperatures expected for the East and above average temperatures expected for the West 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.

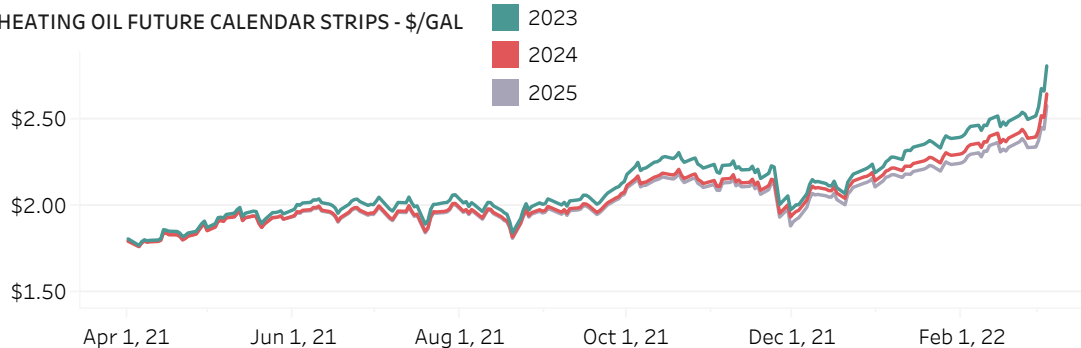
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OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL



Prompt Month Price For May 22

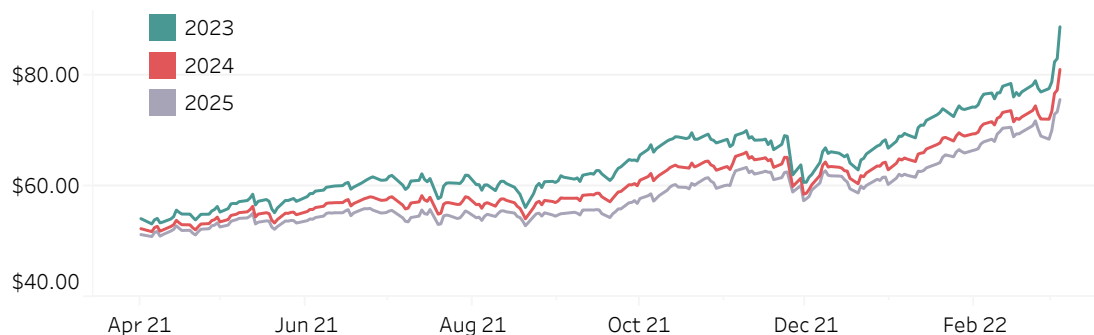
This Week: \$107.67/MMBTU

Prior Week: \$91.59/MMBTU

CHANGE: \$16.08▲

WTI prices closed at 107.67 per barrel on Friday, as the conflict between Russia and Ukraine continues to escalate. Lawmakers on both sides of the aisle are pressuring President Biden to ban imports of Russian oil. For Democrats, it's an opportunity to push increased reliance on renewables domestically, and for Republicans it's an opportunity to promote the expansion of domestic production capacity. While the President has said he does not plan to officially ban Russian oil, a "de facto" ban has emerged, where no Western buyers wish to purchase Russian oil.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

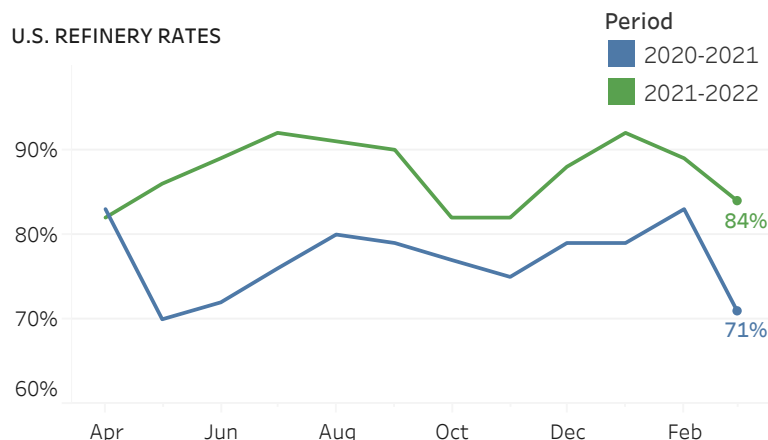


FUNDAMENTALS

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

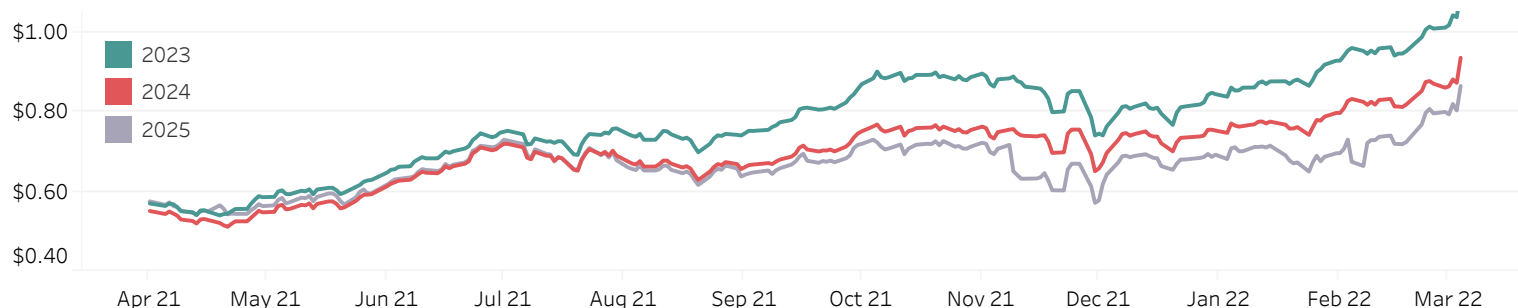


U.S. REFINERY RATES



PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL



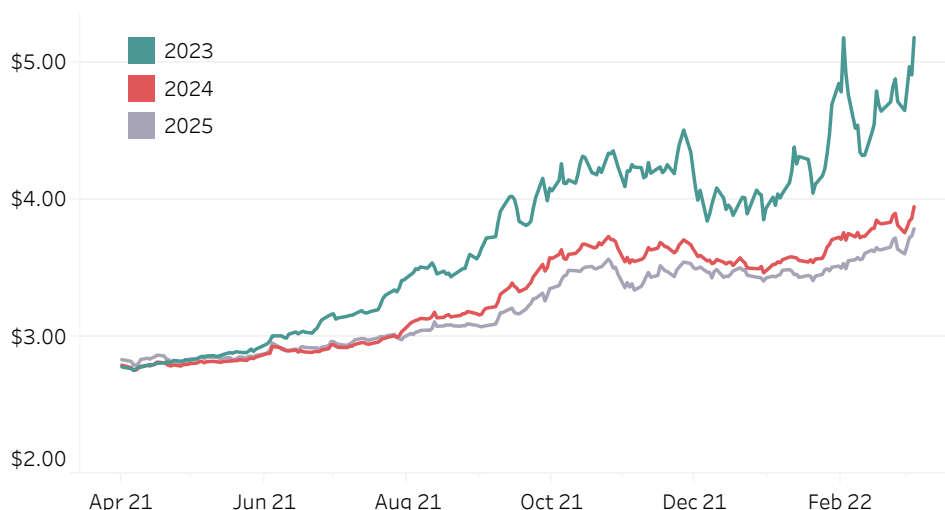
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NATURAL GAS OVERVIEW

WINTER NATURAL GAS NYMEX STRIPS - \$/MMBTU



Prompt Month Price For May 22

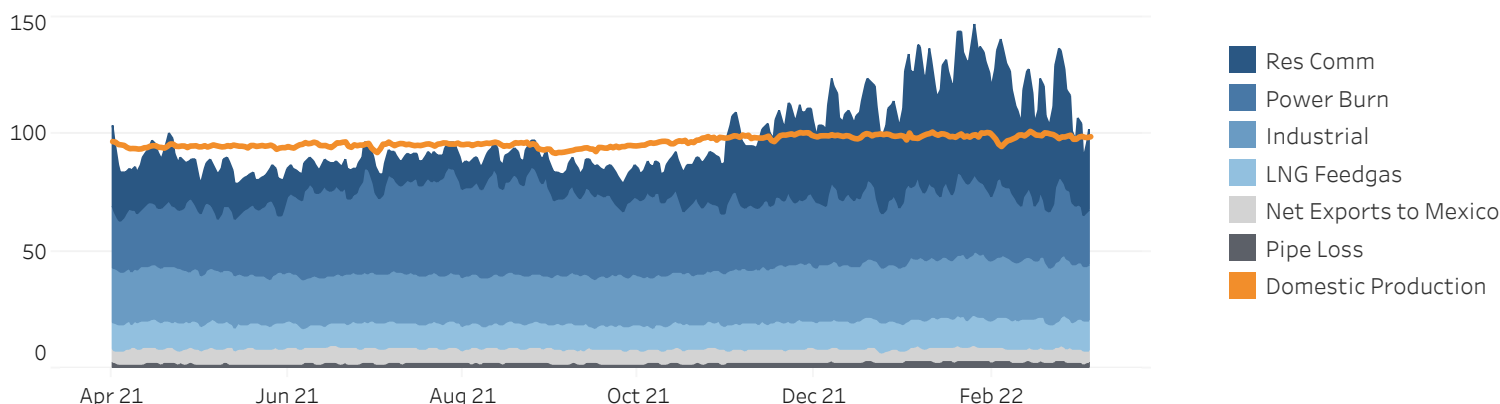
This Week:	\$4.72/MMBTU
Prior Week:	\$4.47/MMBTU
CHANGE:	\$0.25▲

Natural gas futures increased 5.5% from the previous week, settling at \$4.72/MMBTU on Friday. Below-average temperatures across the eastern and central U.S. lifted domestic heating demand, with the cooler forecast continuing in March. With an unexpectedly cold winter putting pressure on gas supply, there is high concern that a continuation of near-record U.S. LNG exports in response to the rising energy prices in Europe following the invasion of Ukraine will prevent adequate U.S. storage gains. As of February 25, total U.S. gas in storage sat 255 Bcf below the five-year average at 1,643 Bcf.

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.

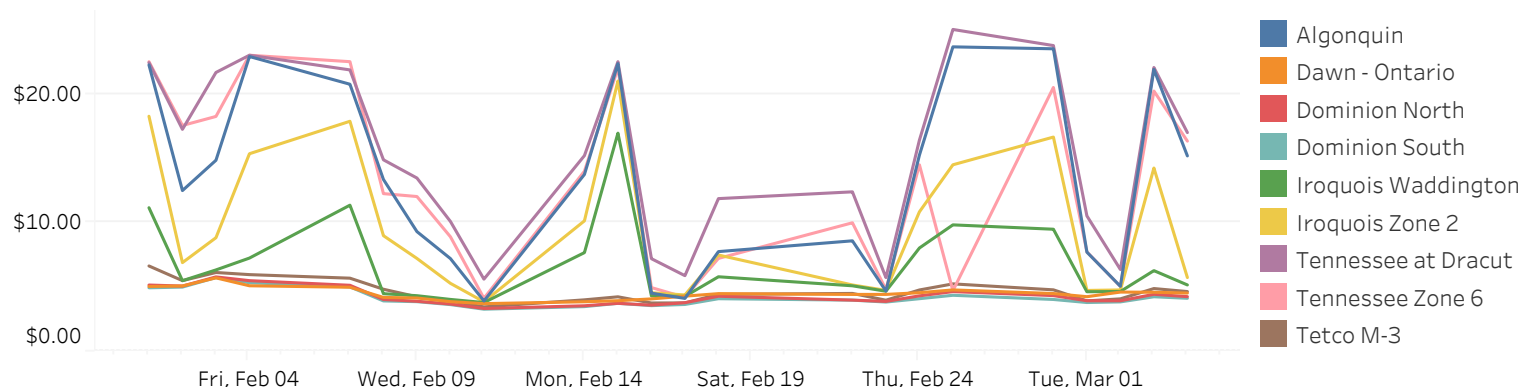
NATURAL GAS FUNDAMENTALS

U.S. NATURAL GAS TOTAL SUPPLY AND DEMAND - BCF



NATURAL GAS SETTLEMENT

SPOT PRICE - \$/MMBTU



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NEW ENGLAND ELECTRICITY OVERVIEW

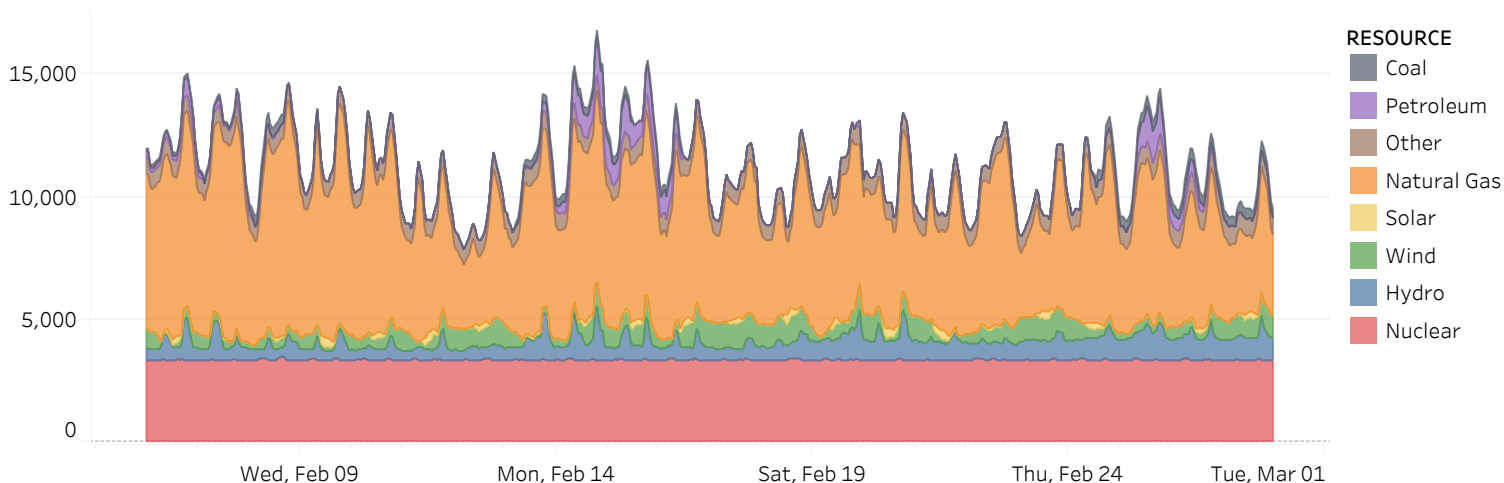
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING - \$/MWH



The NEPOOL 12-mo. strip rose 13.5% week-over-week, ending the week at \$92.09/MWh. Calendar strips saw equally significant increases, with the 2023 strip up 17%, the 2024 strip up 14.1%, and the 2025 strip up 12.7%. Wednesday marked the highest NEPOOL 12-mos strip prices of 2022 while calendar strips all peaked on Friday. The Russian invasion of Ukraine has had ricocheting impacts across all commodities, and it is unclear how long this volatility will be felt in prices. Warmer temperatures this week have the potential to provide a balance to the runaway prices, though there is still a great deal of uncertainty.

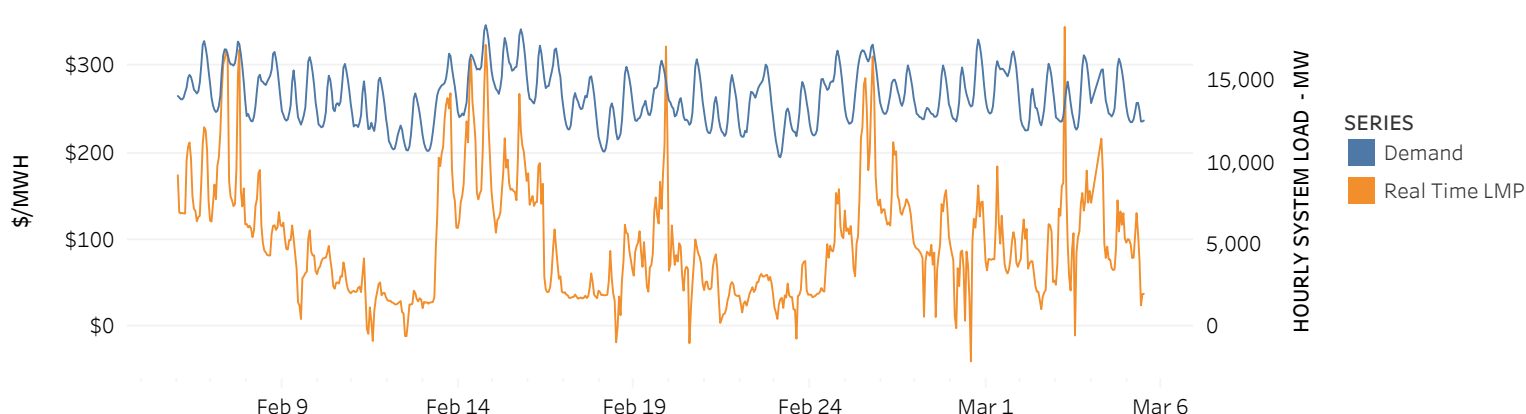
NEW ENGLAND ELECTRICITY SUPPLY

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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for choosing



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