

# WEEKLY MARKET SUMMARY

## May 24 - May 28, 2021



### SPOTLIGHT | Summer Grid Reliability Concerns Outlined.

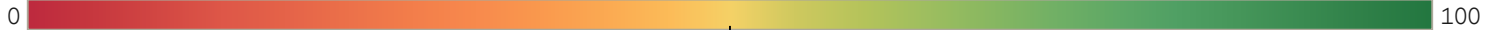
#### In its 2021 Summer Reliability Assessment, the North American Electric Reliability Corporation flagged reliability concerns in certain regions during summer grid demand events across the US.



In its 2021 Summer Reliability Assessment, the North American Electric Reliability Corporation flagged reliability concerns in certain regions during summer grid demand events across the US. The Assessment recommends the increased implementation of demand response programs and additional contingency planning. California is the most notable; following extreme heat in 2020 that caused blackouts, concern is focused on the early evenings when solar generation declines, though increased energy storage has improved the 2021 outlook. While noted for its cold-weather event in 2021, Texas also presents potential concerns. However, the addition of 8 GW of solar, wind, and storage in the last year has improved the outlook for available reserves. New England presents concern to a lesser extent, where a 1-in-10 grid demand scenario may result in the need for demand response dispatch, due to lower reserves than in prior years.

### 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: 35
18 MONTH: 43
24 MONTH: 42
36 MONTH: 42

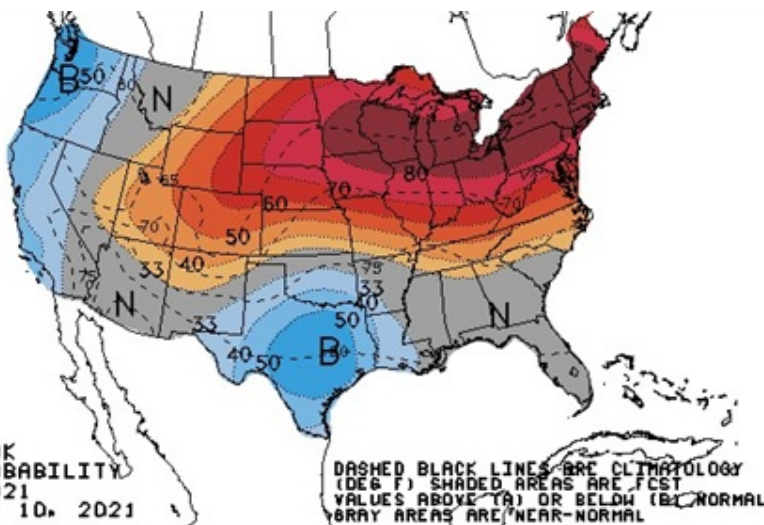
#### NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 54
18 MONTH: 64
24 MONTH: 58
36 MONTH: 60

#### CRUDE OIL TERMS

12 MONTH: 3
18 MONTH: 4
24 MONTH: 5
36 MONTH: 6

### WEATHER | 6-10 Day Forecast



#### Above average temperatures dominate Northeast and Midwest!

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, grey 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.



6-10 DAY OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 31 MAY 2021  
VALID JUN 06 - 10, 2021

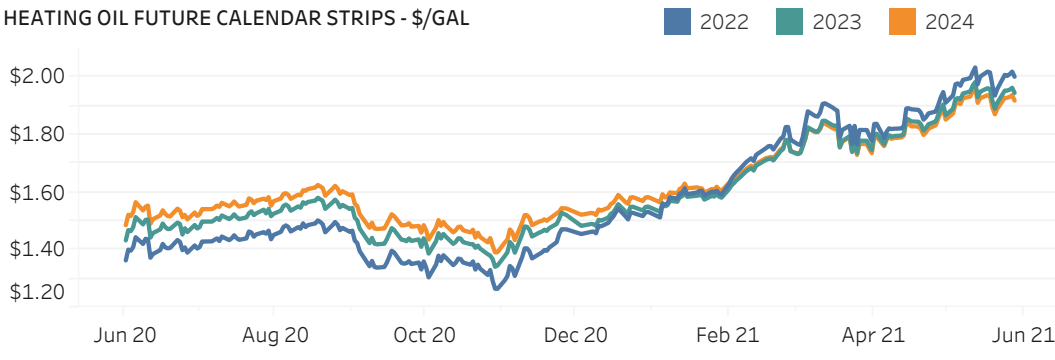
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### OIL & DISTILLATES OVERVIEW

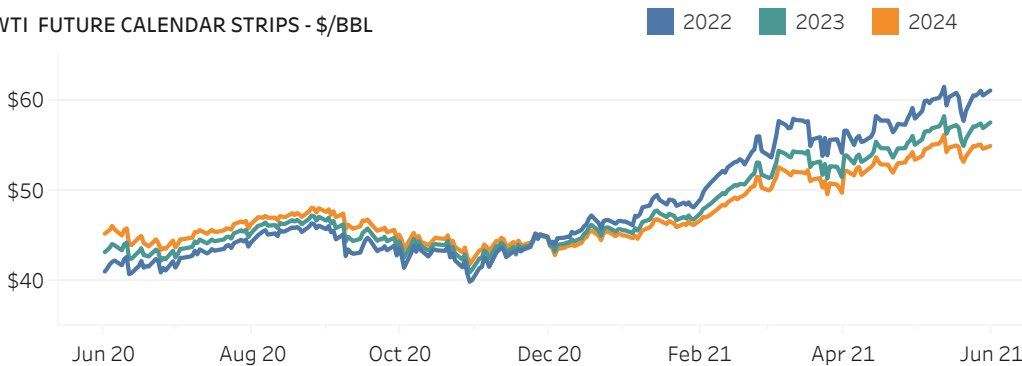
HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL



This Week:	\$66.32/Barrel
Prior Week:	\$63.58/Barrel
<b>CHANGE:</b>	<b>\$2.74▲</b>

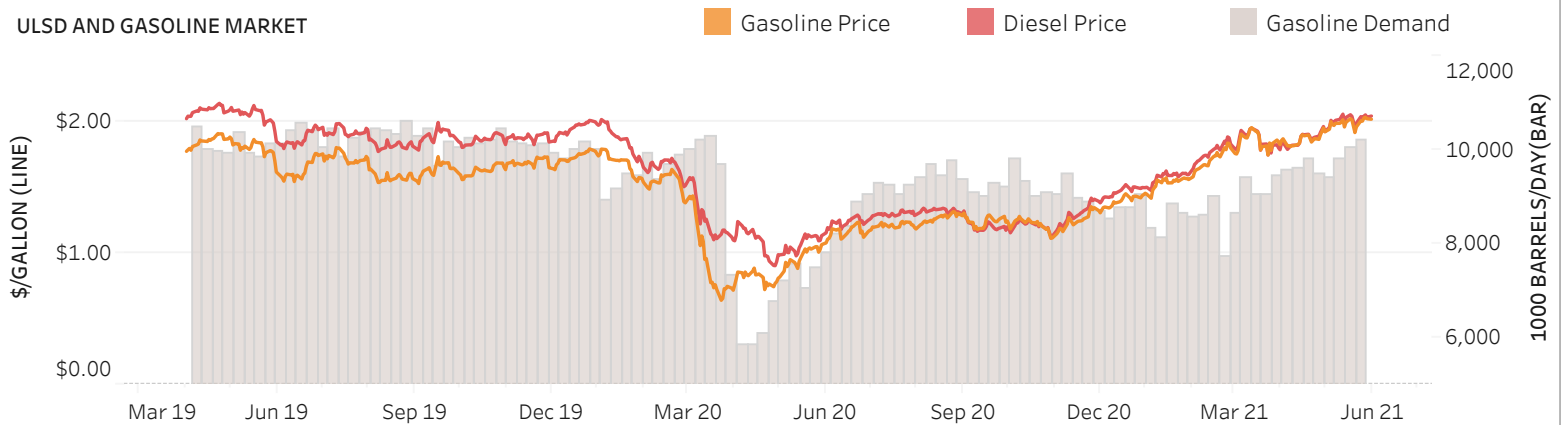
Crude oil prices ended Friday at \$66.32/barrel, a 4.3% increase from the week prior. On Thursday, prices closed at \$66.85/barrel, a two-year high. Memorial Day weekend marked the beginning of the US driving season, a time of high demand which is expected to reach near pre-pandemic levels this year. Stockpiles are currently at their lowest level in almost 30 years, and with a large amount of travel expected many are predicting a serious supply squeeze. Keeping prices in check is the potential for an influx of oil from Iran as renewed nuclear talks continue.

WTI FUTURE CALENDAR STRIPS - \$/BBL



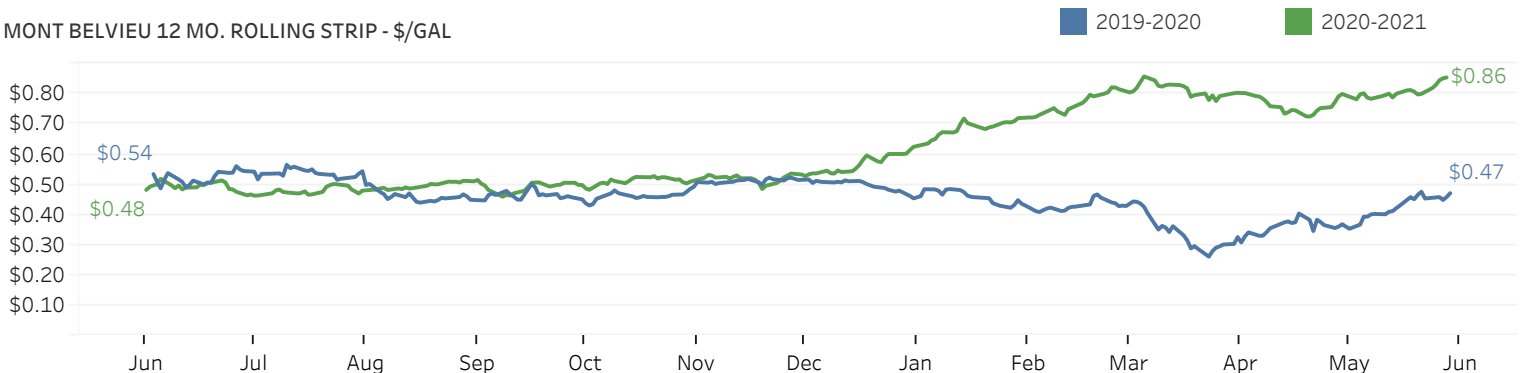
### FUNDAMENTALS

ULSD AND GASOLINE MARKET



### PROPANE

MONT BELVIEU 12 MO. ROLLING STRIP - \$/GAL



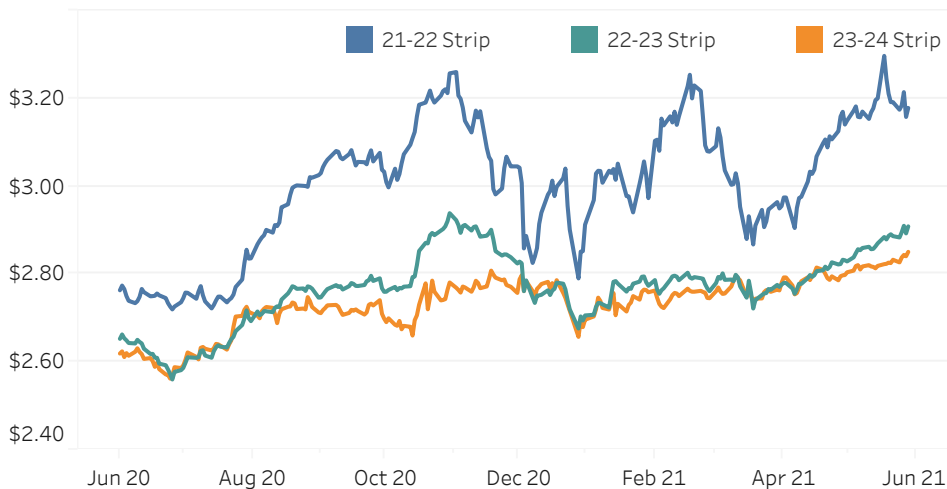
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### NATURAL GAS OVERVIEW

WINTER NATURAL GAS NYMEX STRIPS - \$/MMBTU



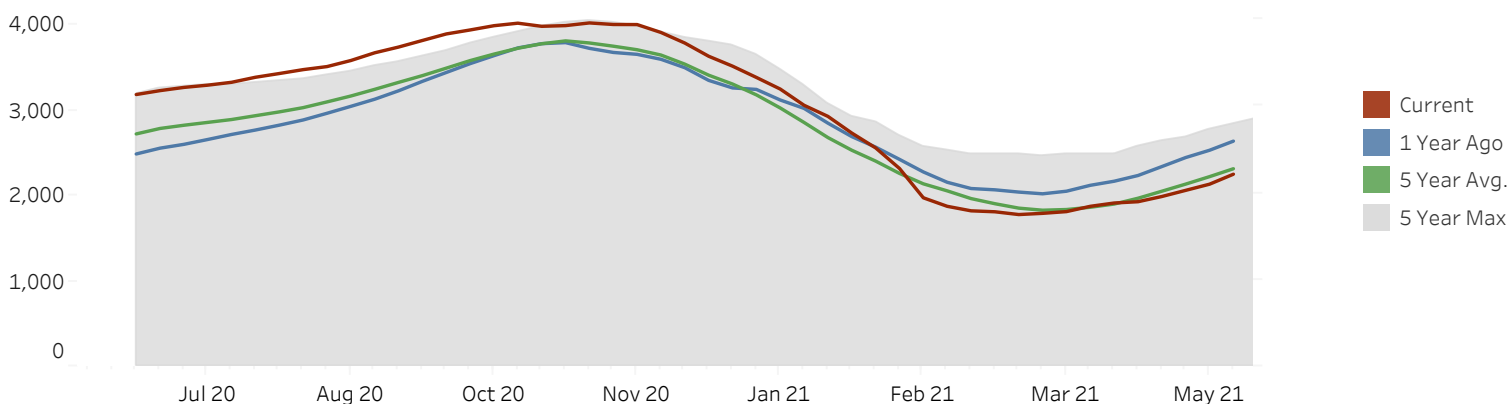
<b>This Week:</b>	\$2.99/MMBTU
<b>Prior Week:</b>	\$2.91/MMBTU
<b>CHANGE:</b>	\$0.08 ▲

July front-month futures settled at \$2.99/MMbtu last Friday. Prices fluctuated during the week but fell on Thursday following a larger than anticipated storage injection. For the week ending May 21 inventories rose 115 Bcf, which was well above the 5-year average of 91 Bcf and marked the first time in a month that an injection exceeded analysts' projections. Cooler temperature forecasts and reduced associated demand also applied downward market pressure. US dry gas production was up 5% year-over-year on Friday at 90.6 Bcf/d. On Wednesday, June commodity futures expired settling at \$2.98/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 US.

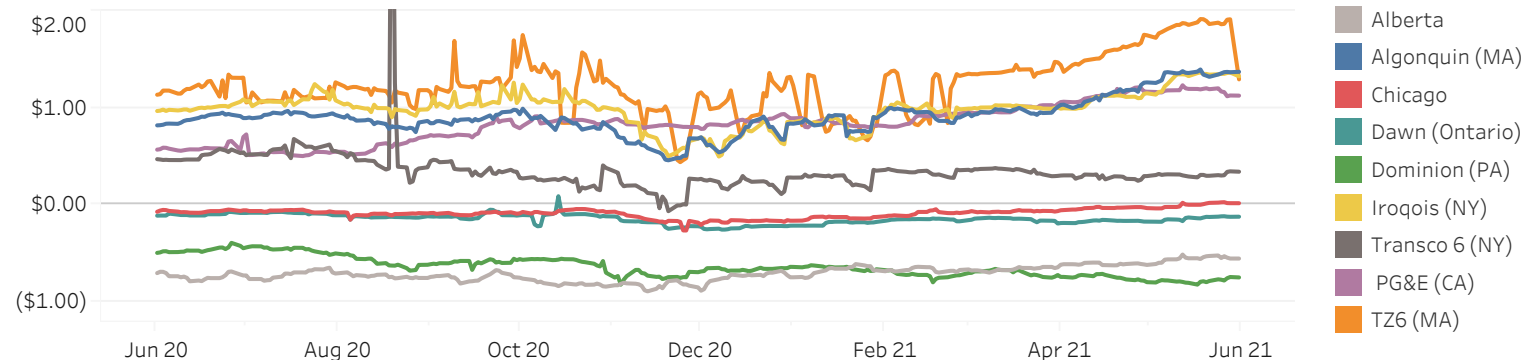
### NATURAL GAS FUNDAMENTALS

WORKING NATURAL GAS IN UNDERGROUND STORAGE - BCF



### NATURAL GAS BASIS

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



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### NEW ENGLAND ELECTRICITY OVERVIEW

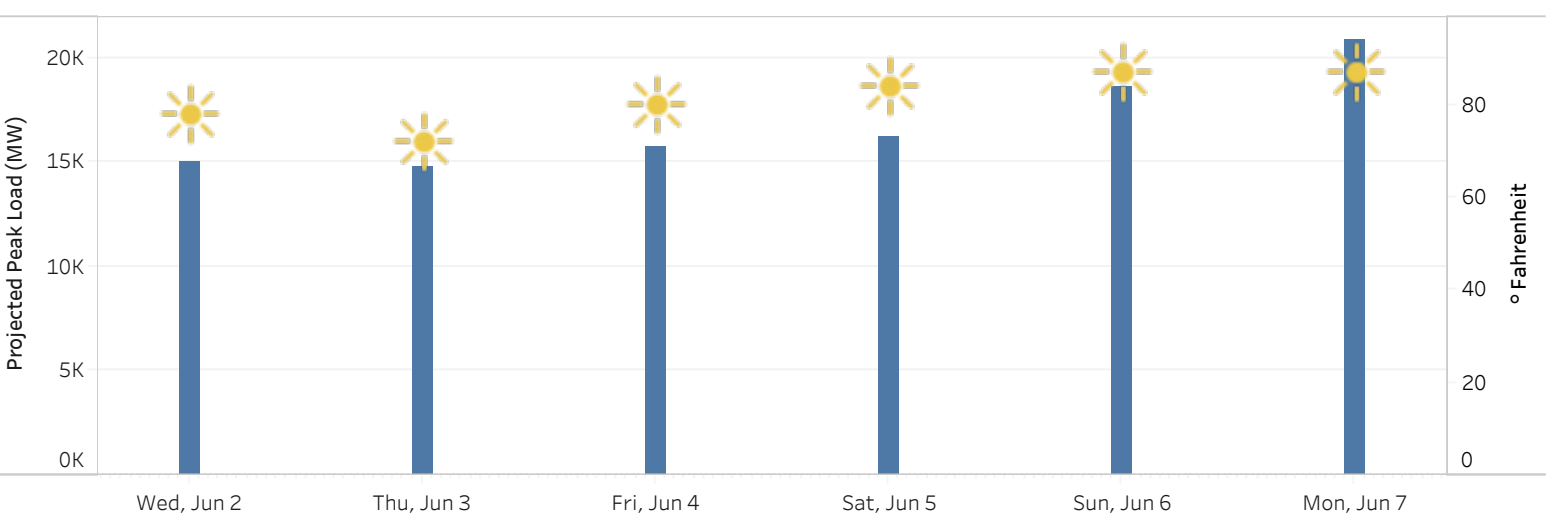
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING -\$/MWH



New England electricity markets rebounded last week after a slight dip. The NEPOOL 12-mo. strip rose to \$40.72/MWh on Friday, up 2% week-over-week. Long-term electricity prices rose 1% to 2% as well, though 2024 prices rose less than 0.5%. Prices rose with expectations of rising natural gas demand for power generation with the start of the summer cooling season. On Thursday, the PJM LMP hit \$48/MWh, a three-month high. Regional LMPs have otherwise been stable for the past month, hovering below \$35/MWh since May 1st. In the next week, demand is forecasted to peak at 20,900 MW next Monday (6/7).

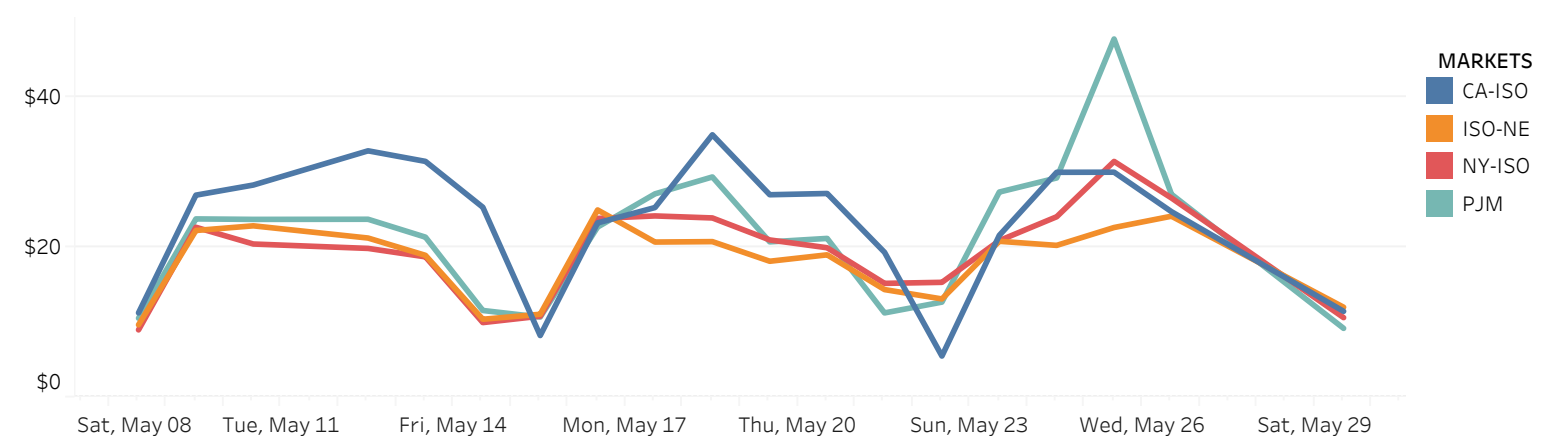
### NEW ENGLAND 7 DAY DEMAND FORECAST

ISO NE GRID PROJECTED PEAK DEMAND 7 DAY FORECAST



### REGIONAL ELECTRICITY SPOT PRICES

REGIONAL REAL TIME LMP PRICE - \$/MWH



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