



### SPOTLIGHT | Reduced Hydropower Capacity Impacting Energy Markets

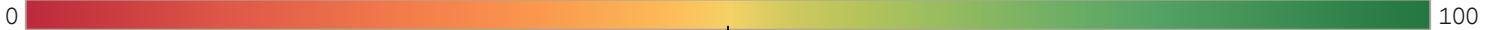


**Persistent drought conditions across the West have caused a reduction in total U.S. hydropower capacity.**

Persistent drought conditions across the West have caused a reduction in total U.S. hydropower capacity. In California, total hydropower is down 40% compared to last June, while the Hoover Dam's power capacity has fallen 25% year-over-year. The drop in hydropower production poses significant challenges for electric grids in the West confronted with unseasonably high electricity demand following an early summer heatwave. Grid operators have relied on increased natural gas generation to meet power needs, conflicting with the ambitious goals of several western states to transition towards grids powered by renewable resources. Additionally, increasing natural gas demand in the West adds pressure to national natural gas prices already elevated by high LNG and dry gas exports. With forecasts for the West to see continued high temperatures and below-average hydropower production, injections into natural gas storage inventories could remain below-average for most of the summer.

### 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: 23
18 MONTH: 28
24 MONTH: 28
36 MONTH: 31

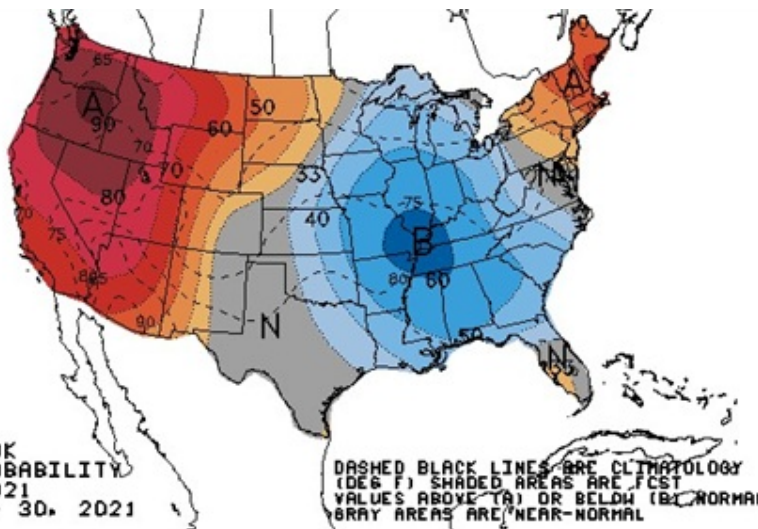
#### NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 52
18 MONTH: 57
24 MONTH: 57
36 MONTH: 59

#### CRUDE OIL TERMS

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

### WEATHER | 6-10 Day Forecast



#### Above average temperatures dominate the West & Northeast!

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 20 JUN 2021  
VALID JUN 26 - 30, 2021

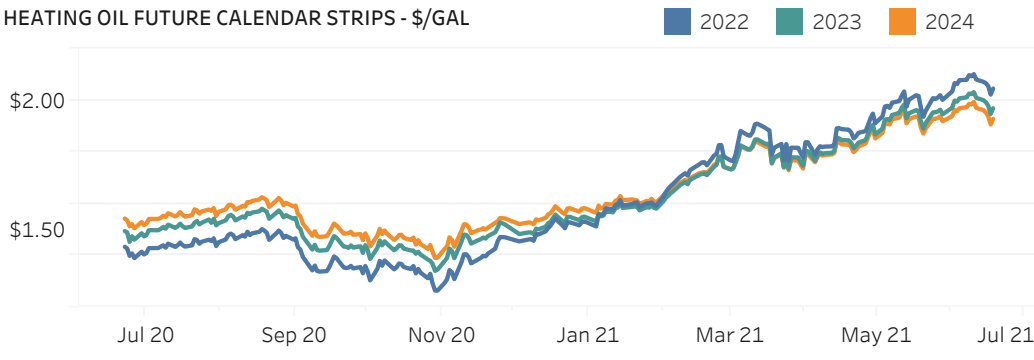
# WEEKLY MARKET SUMMARY

## June 14 - 18, 2021



### OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

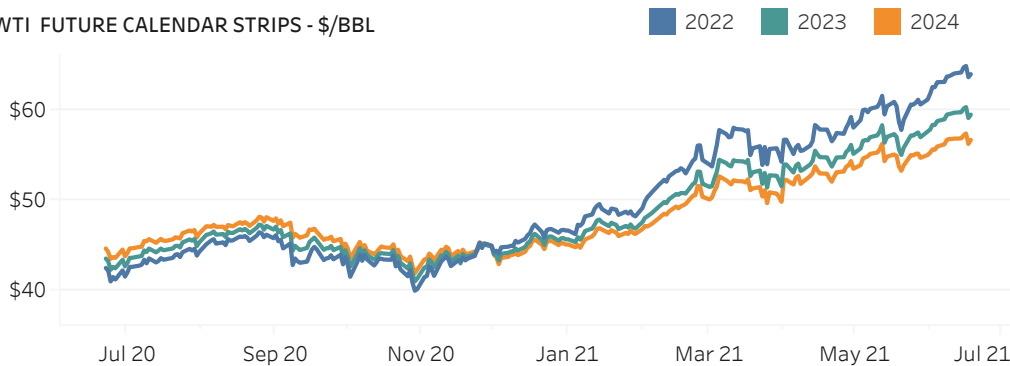


PROMPT MONTH PRICE FOR JUL 21

This Week:	\$71.64/Barrel
Prior Week:	\$70.91/Barrel
<b>CHANGE:</b>	<b>\$0.73▲</b>

Crude oil prices ended at \$71.64/barrel on Friday, a 1.0% increase from the week prior. Post-pandemic recovery in India and evidence of higher demand in China continues to push oil prices higher while global supply mostly remains stagnant. The latest talks to revive the Iran nuclear deal are putting downward pressure on the market but face new challenges as the newly elected Iranian president expects 2018 U.S. sanctions to be removed before boosting exports of crude. Conversely, OPEC+ members are waiting to see oil prices approach the \$80/barrel range before ramping up their crude oil supply.

WTI FUTURE CALENDAR STRIPS - \$/BBL

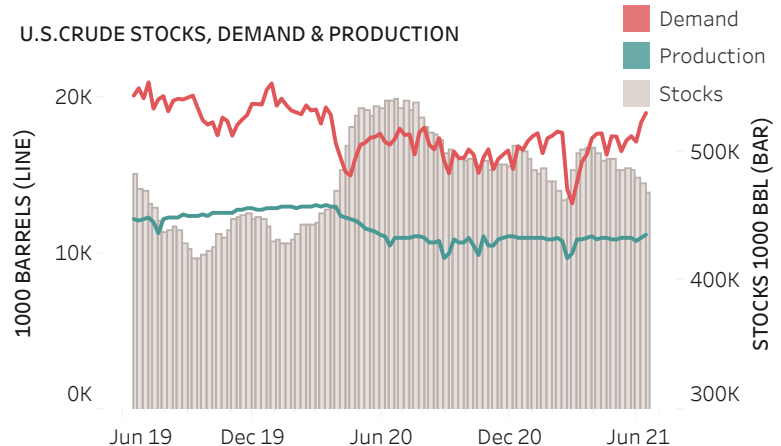


### FUNDAMENTALS

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

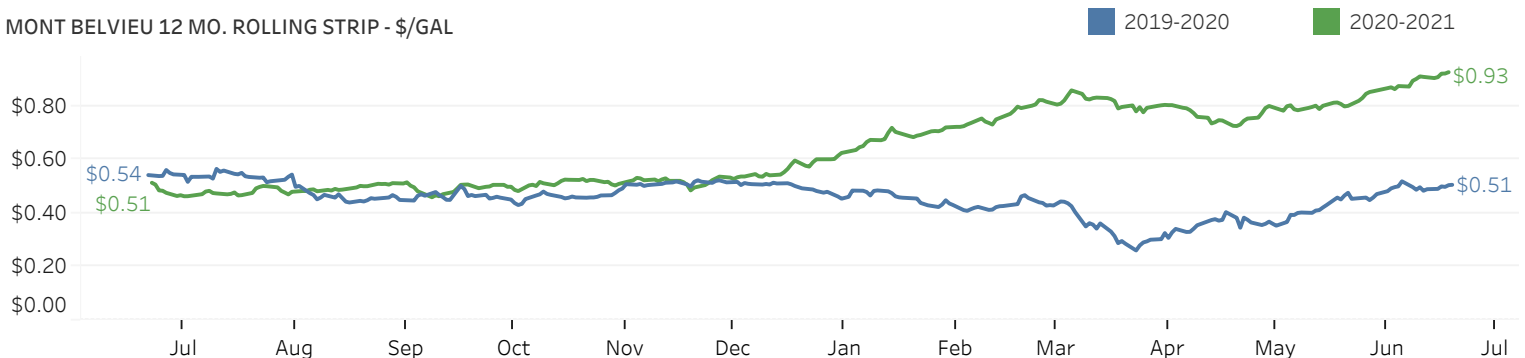


U.S. CRUDE STOCKS, DEMAND & PRODUCTION



### PROPANE

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



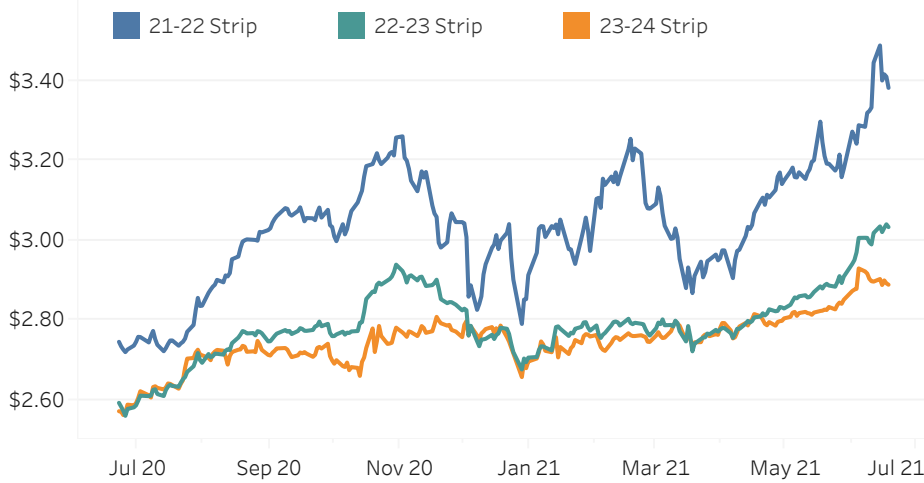
# WEEKLY MARKET SUMMARY

## June 14 - 18, 2021



### NATURAL GAS OVERVIEW

WINTER NATURAL GAS NYMEX 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 US.

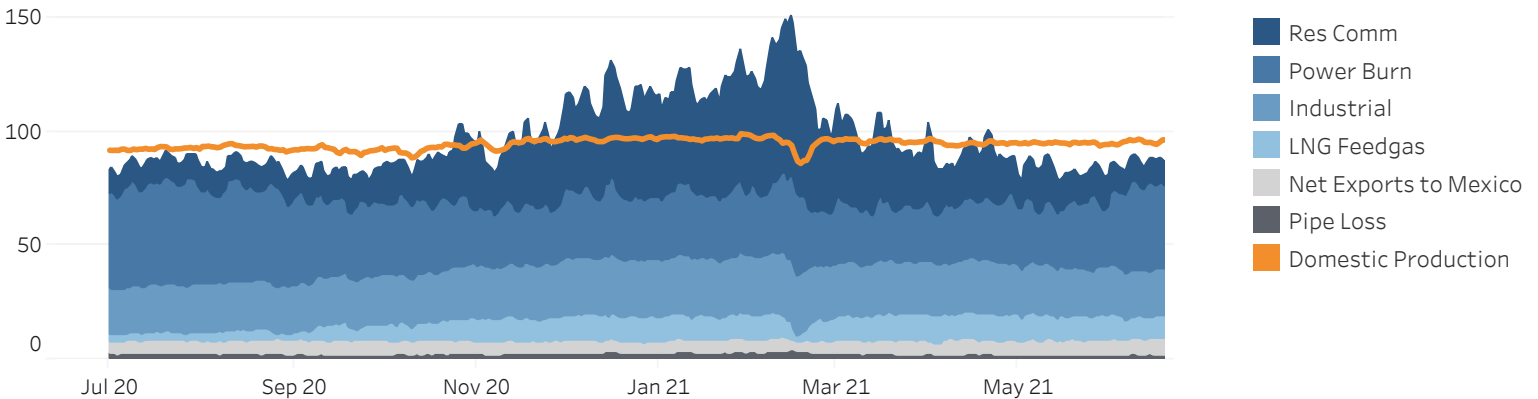
PROMPT MONTH PRICE FOR JUL 21

<b>This Week:</b>	\$3.22/MMBTU
<b>Prior Week:</b>	\$3.30/MMBTU
<b>CHANGE:</b>	(\$0.08) ▼

July front-month natural gas futures settled at \$3.215/MMBtu last Friday. Prices reached a seven-month high on Monday after forecasts for record seasonal temperatures in the West and South signaled increased demand for air conditioning. However, prices declined as the week progressed after weather reports for the eastern U.S. projected below-average temperatures. The EIA revealed an injection into storage inventories of just 16 Bcf for the week ending June 11, well below the 78 Bcf predicted by analysts. Continued low dry gas production levels and below-average weekly storage injections have led to growing supply concerns in the market.

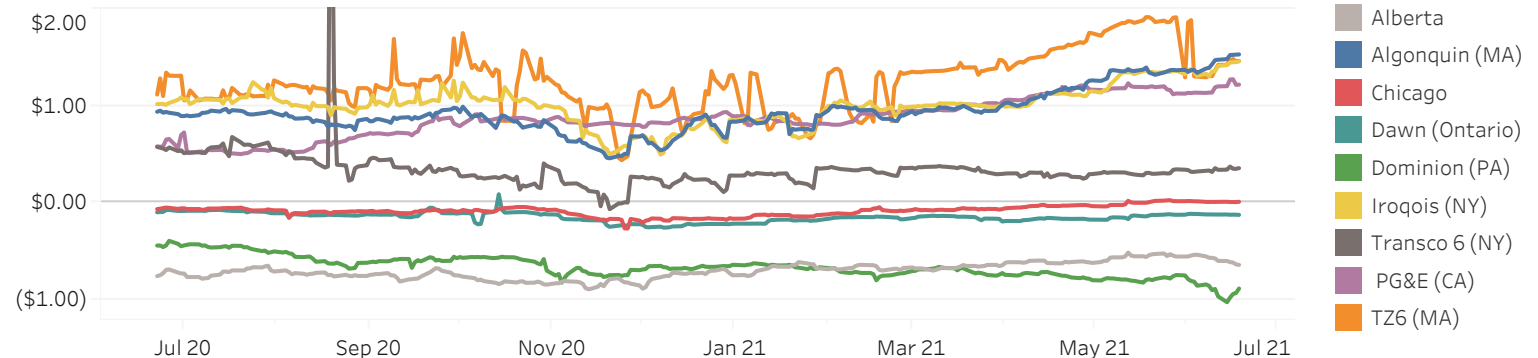
### NATURAL GAS FUNDAMENTALS

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



### NATURAL GAS BASIS

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



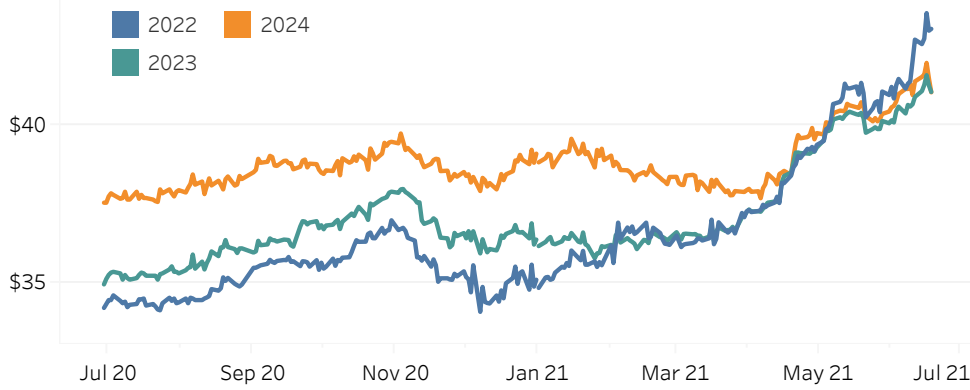
# WEEKLY MARKET SUMMARY

## June 14 - 18, 2021



### NEW ENGLAND ELECTRICITY OVERVIEW

NEPOOL FUTURES MARKET CALENDAR STRIP PRICING -\$/MWH



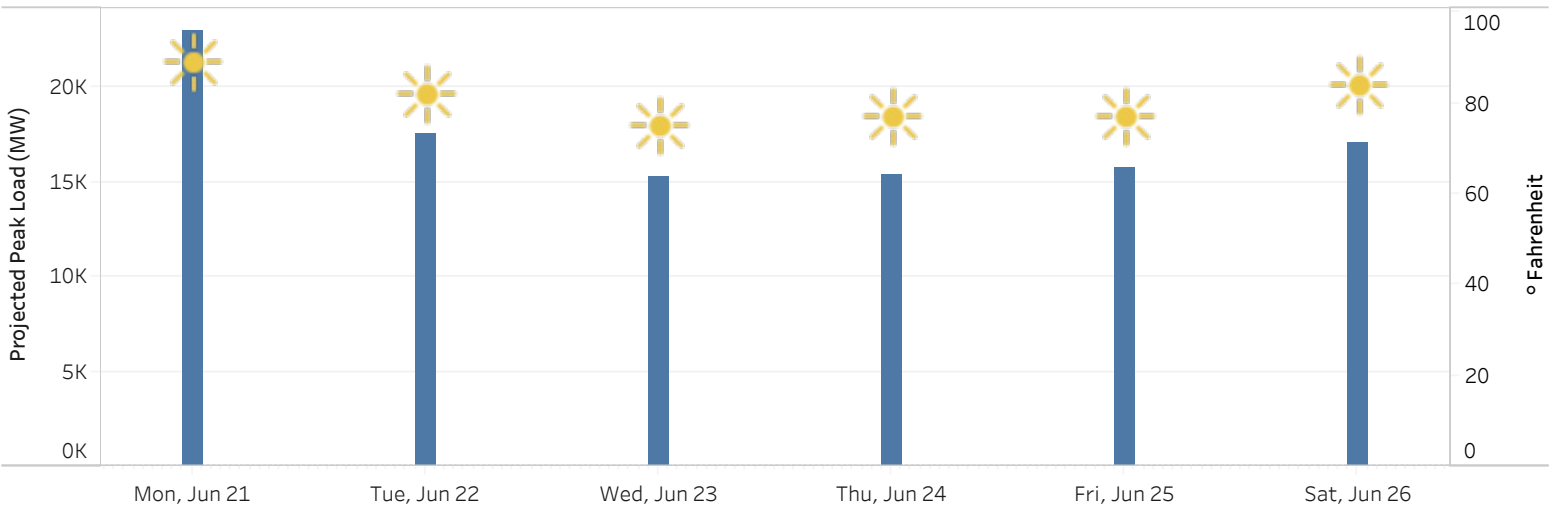
The NEPOOL 12-mo. strip rose 0.8% week-over-week to \$42.69/MWh on Friday. Prices spiked mid-week exceeding \$43/MWh. New England nuclear generation fell more than 1,200 MW for the duration of last week as Connecticut's Millstone Unit 3 was offline. New England demand is projected to peak on Monday at 23,000 MW as temperatures climb into the high eighties. System operators asked customers in Texas and California to conserve energy during regional heatwaves as their grids were strained by high air conditioning loads. Texas was also faced with 12,000 MW of generation outages.

### NEW ENGLAND 7-DAY DEMAND FORECAST

ISO-NE GRID PROJECTED PEAK DEMAND 7-DAY FORECAST

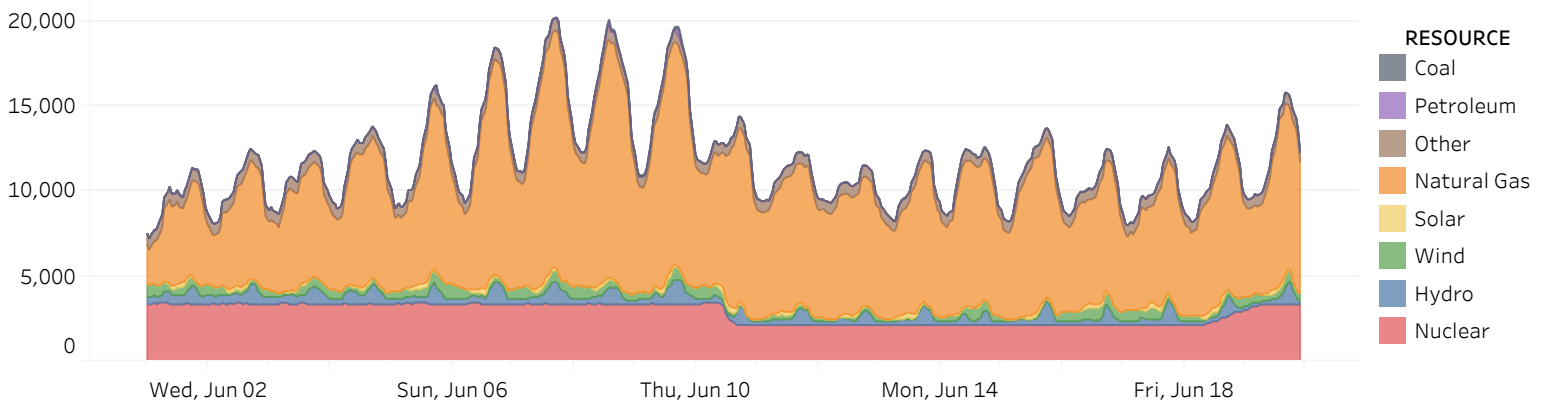
High Temp - Boston

Projected Peak Load



### NEW ENGLAND GENERATION MIX

ISO-NE GRID ELECTRICITY GENERATION MIX - EXCLUDES IMPORTS - MW



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