

August 16 -
September 3, 2021

MARKET SUMMARY



SPOTLIGHT | PA Moves Closer to Joining RGGI

Last week, Pennsylvania moved a step closer to joining the Regional Greenhouse Gas Initiative (“RGGI”) cap and trade program.



Last week, Pennsylvania moved a step closer to joining the Regional Greenhouse Gas Initiative (“RGGI”) cap and trade program after a review board approved regulation to set emissions limits on electricity generators starting in 2022. PA would be the 12th state to join the initiative, and the last of its Northeast and Mid-Atlantic neighbors. The regulatory approval is likely to see yet another legislative attempt to preclude RGGI participation, in what has been a political fight since Democratic governor Tom Wolf initiated the process via executive order in 2019, as multiple bills passed by the Republican legislature to effectively halt the process have been vetoed, while nominations for energy regulatory positions have been unfilled in response. With yet another veto likely and only final review remaining from the Democratic Attorney General, RGGI will probably see its newest participant in 2022.

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: 5
18 MONTH: 4
24 MONTH: 8
36 MONTH: 12

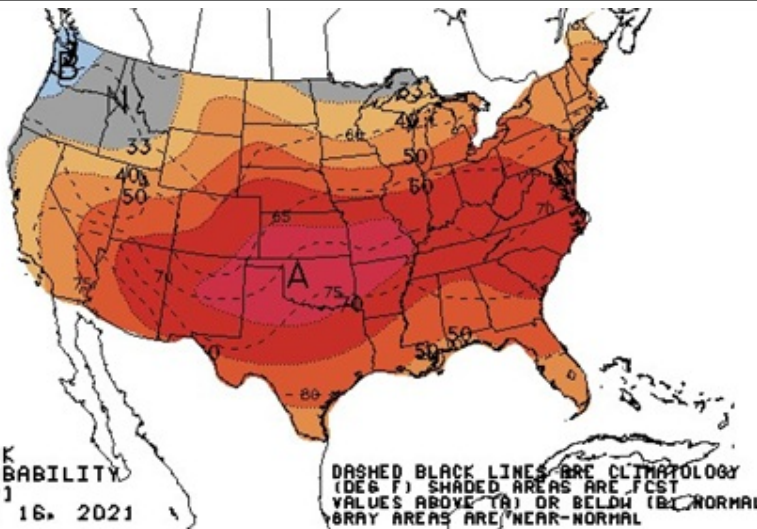
NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 46
18 MONTH: 41
24 MONTH: 52
36 MONTH: 55

CRUDE OIL TERMS

12 MONTH: 11
18 MONTH: 9
24 MONTH: 8
36 MONTH: 8

WEATHER | 6-10 Day Forecast



Above average temperatures in the West and Texas, with below average temperatures expected in the 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, 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.



6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 6 SEP 2021
VALID SEP 12 - 16, 2021

DASHED BLACK LINES ARE CLIMATOLOGY (DEG F). SHADED AREAS ARE FCST VALUES ABOVE (A) OR BELOW (B) NORMAL. GRAY AREAS ARE NEAR-NORMAL.

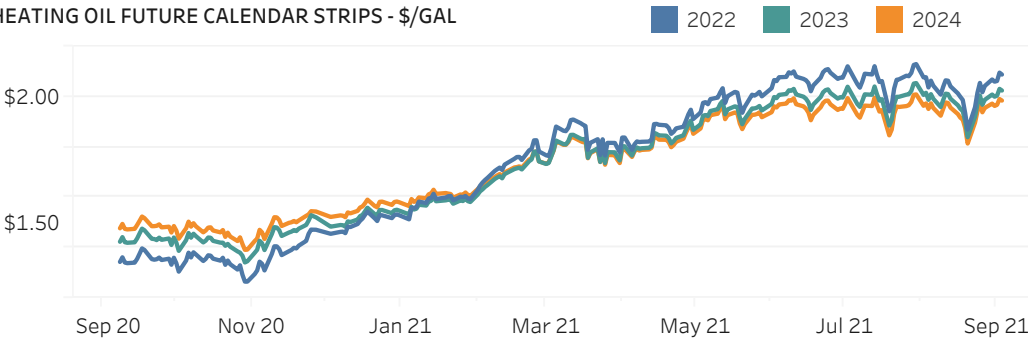
MARKET SUMMARY

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OIL & DISTILLATES OVERVIEW

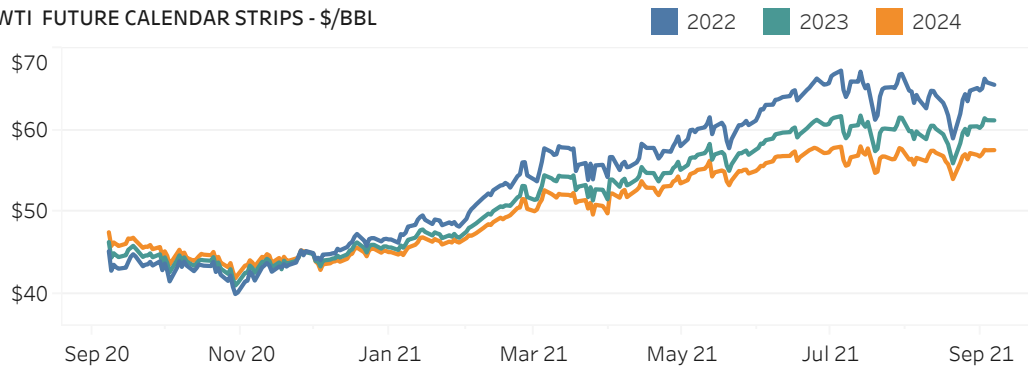
HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL



This Week:	\$69.29/Barrel
Prior Week:	\$68.74/Barrel
CHANGE:	\$0.55▲

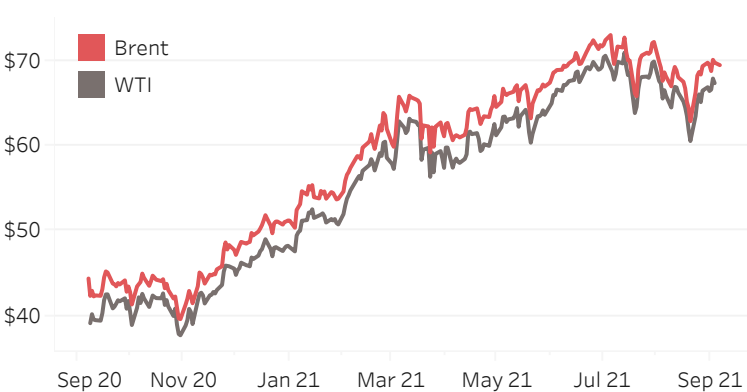
WTI crude prices closed at \$69.29/barrel on Friday, up just 0.8% from the week prior. West Texas prices were little changed after OPEC+ agreed to boost production by 400,000 barrels a day in October, predicting that the market can absorb the additional supply. The near-term market will likely remain volatile as hurricane season continues and restoration from Hurricane Ida goes on. Meanwhile, U.S. crude inventories dropped 7.2 million barrels, to the lowest level in almost two years. Inventories are running about 6% below the five-year average for this time of year.

WTI FUTURE CALENDAR STRIPS - \$/BBL

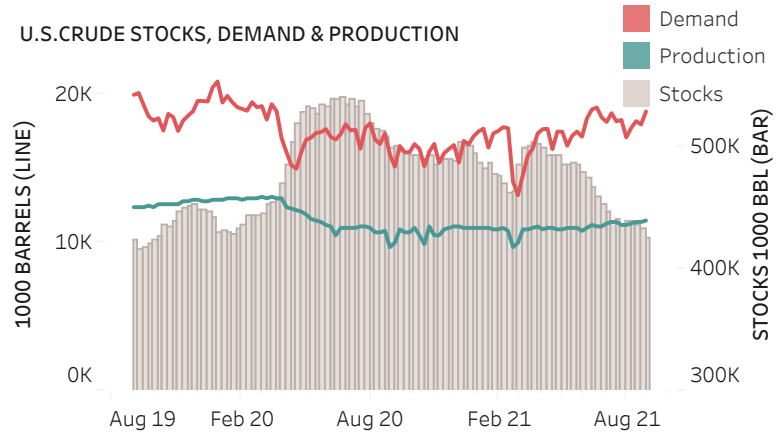


FUNDAMENTALS

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

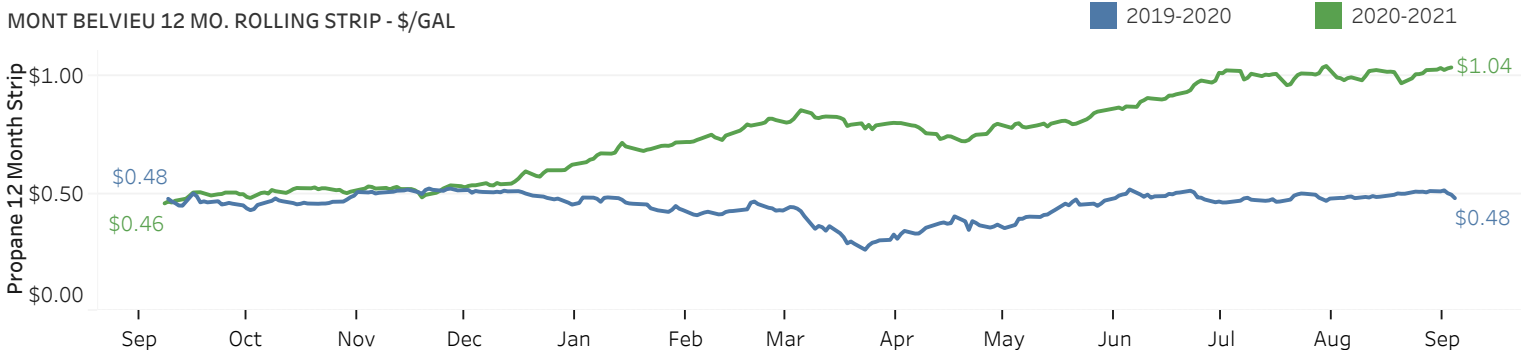


U.S. CRUDE STOCKS, DEMAND & PRODUCTION



PROPANE

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



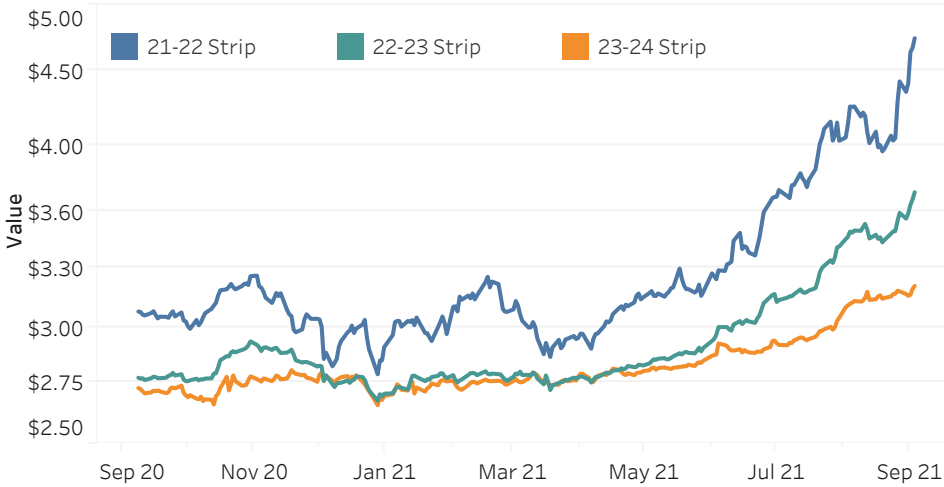
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NATURAL GAS OVERVIEW

WINTER NATURAL GAS NYMEX STRIPS - \$/MMBTU



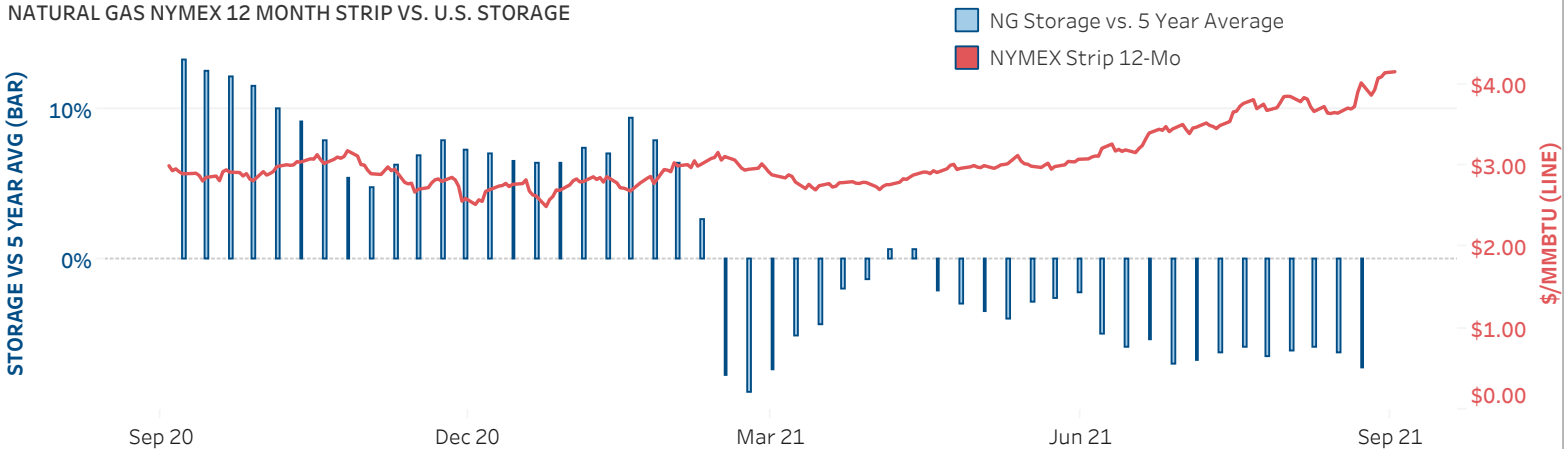
This Week:	\$4.71/MMBTU
Prior Week:	\$4.37/MMBTU
CHANGE:	\$0.34 ▲

October natural gas futures increased 7.8% from the previous week, settling at \$4.71/MMBTu on Friday. Hot forecasts in the West and the Midwest could help keep cooling demand high through the end of the summer. Additionally, a drop in supply with the shut-in of Gulf Coast dry gas production further elevated prices. On Friday, U.S. dry gas production reached its lowest level since July 2 at 89.7 Bcf/d. This production dip has increased concerns over whether the current storage supply will be adequate to meet gas demand this winter. As of September 2, the EIA revealed a below-average seasonal storage injection of 20 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.

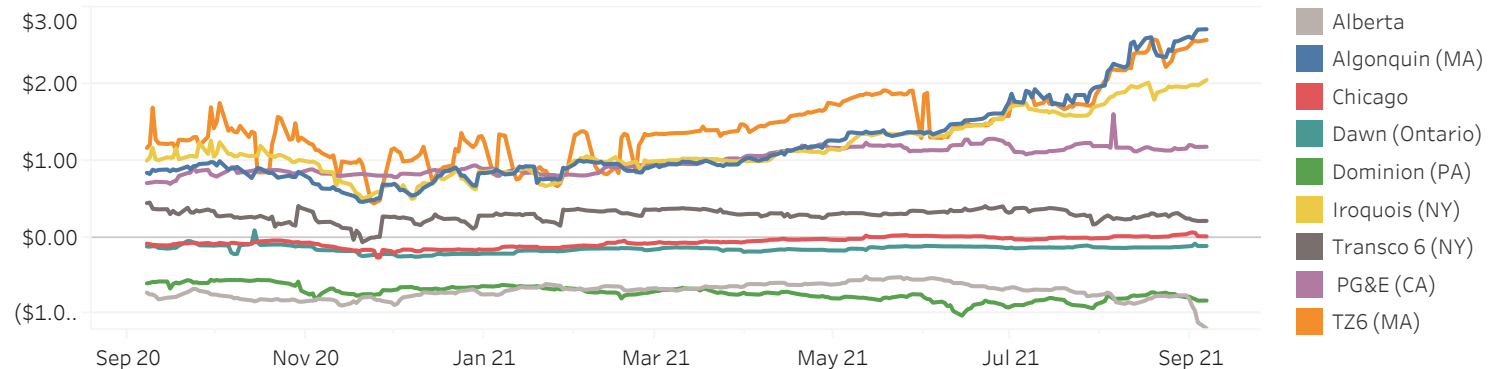
NATURAL GAS FUNDAMENTALS

NATURAL GAS NYMEX 12 MONTH STRIP VS. U.S. STORAGE



NATURAL GAS BASIS

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



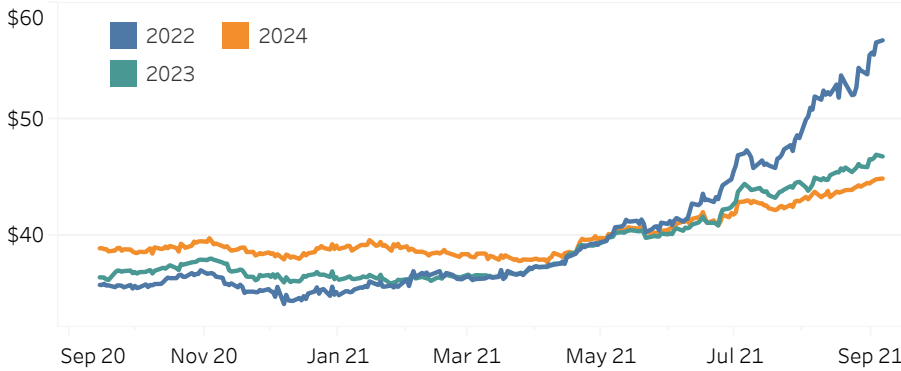
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NEW ENGLAND ELECTRICITY OVERVIEW

NEPOOL FUTURES MARKET CALENDAR STRIP PRICING -\$/MWH



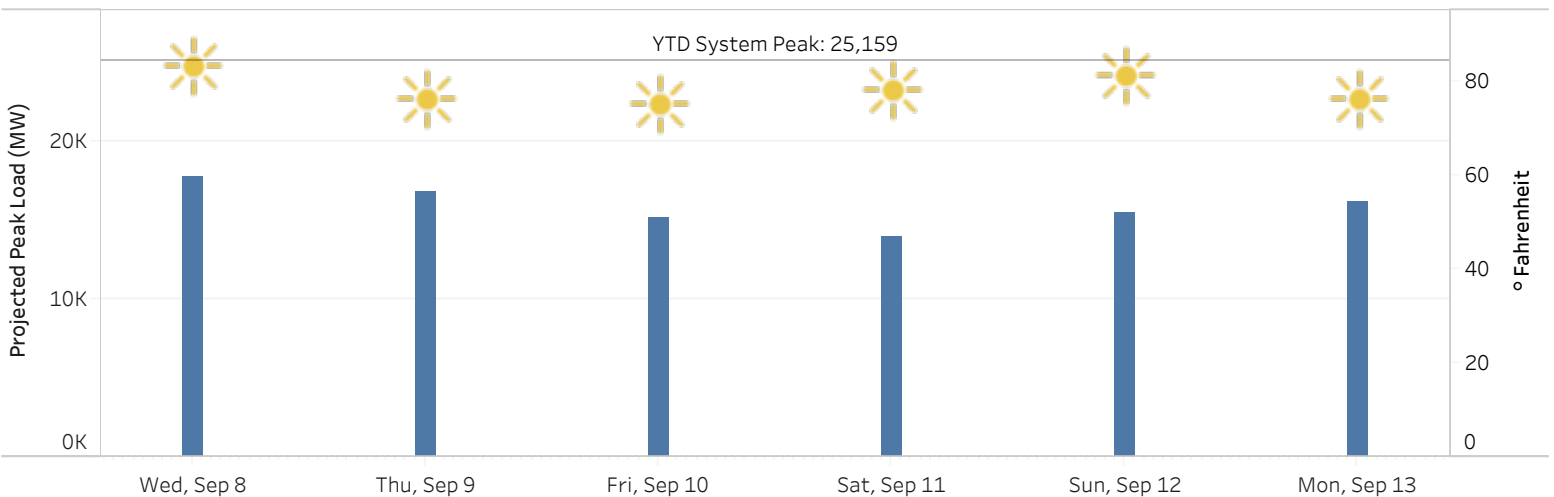
The NEPOOL 12-mo. strip rose 4.8% week-over-week to \$56.17/MWh on Friday. Calendar strips rose between 1.2% longer-term and 5.4% nearer term. Soaring near-term natural gas prices continue to drive price increases in electricity markets. High temperatures across the region increased air conditioning load early in the week. System demand peaked at 21,055 MW around 6pm on Monday. This is well below the year-to-date peak set in June. Given that the current temperature outlook for the coming weeks is mild and autumn is rapidly approaching, it is becoming increasingly likely that the 2021 peak will remain at 25,159 MW set on June 29th.

NEW ENGLAND 7-DAY DEMAND FORECAST

ISO-NE GRID PROJECTED PEAK DEMAND 7-DAY FORECAST

High Temp - Boston

Projected Peak Load

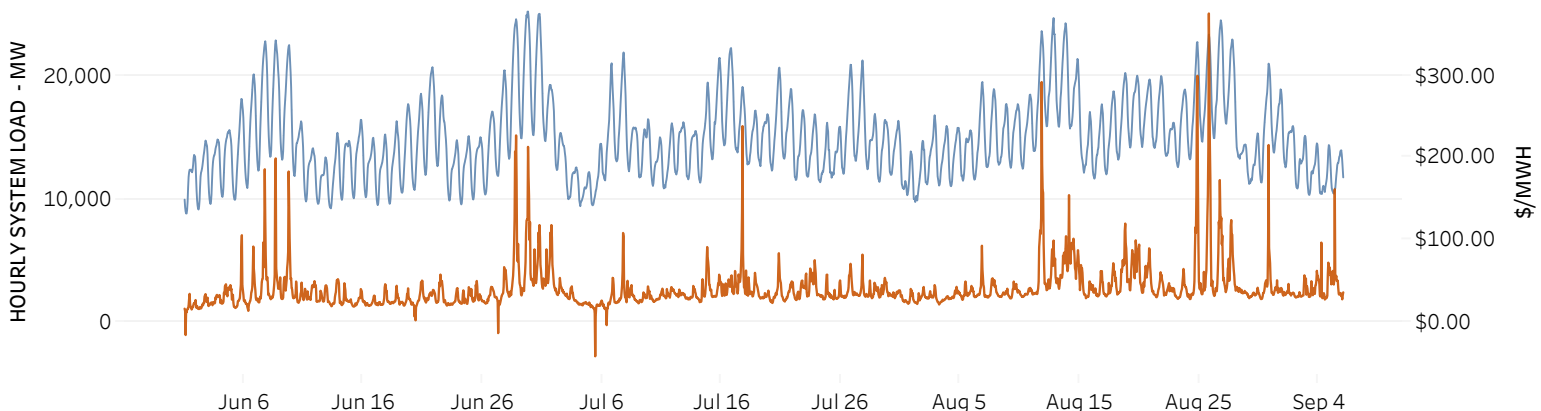


NEW ENGLAND GRID FUNDAMENTALS

ISO NE HOURLY GRID DEMAND & REAL TIME LMP RATE

Demand

LMP



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