

December 13 - 17, 2021

MARKET SUMMARY



SPOTLIGHT | New York City to Prohibit Natural Gas in New Buildings

New York's City Council approved a ban on natural gas in all newly constructed buildings last Wednesday.



Two years after Berkeley, California was the first municipality to ban natural gas in new buildings, the most populous city in the U.S. has now joined the club. New York's City Council approved a ban on natural gas in all newly constructed buildings last Wednesday, which now heads to the Mayor's desk for signature. New York City joins several other U.S. cities including San Francisco, Seattle, and Cambridge, as cities with bans on natural gas hook ups. The move is intended to push the City forward on beneficial electrification efforts, relying on heat pumps and electric stoves to cut carbon emissions and ultimately move away from fossil fuel-based energy sources. The city has a mandate to reduce greenhouse gas emissions by 80% from 2005 levels by 2050, and New York state has a goal to achieve zero-emission electricity generation by 2040 which has spurred recent commitments to new transmission projects and offshore wind developments.

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: 55
18 MONTH: 52
24 MONTH: 47
36 MONTH: 41

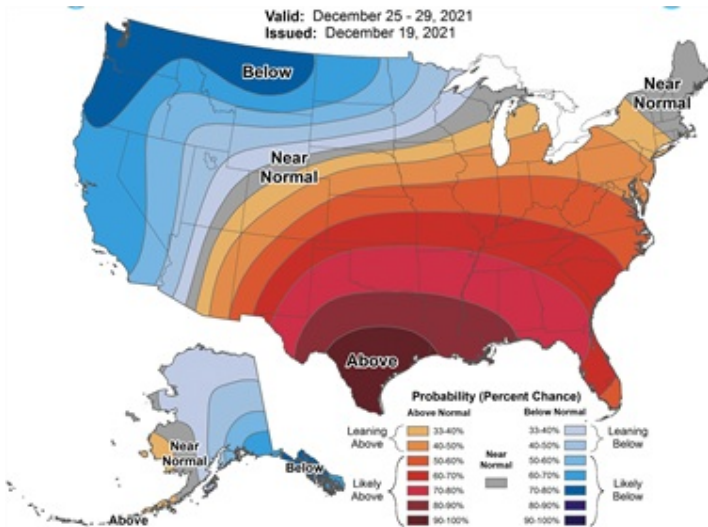
NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 31
18 MONTH: 23
24 MONTH: 16
36 MONTH: 18

CRUDE OIL TERMS

12 MONTH: 32
18 MONTH: 31
24 MONTH: 30
36 MONTH: 27

WEATHER | 6-10 Day Forecast



Above average temperatures expected for the Southeast and Mid-Atlantic region, with below average temperatures expected in the West

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.

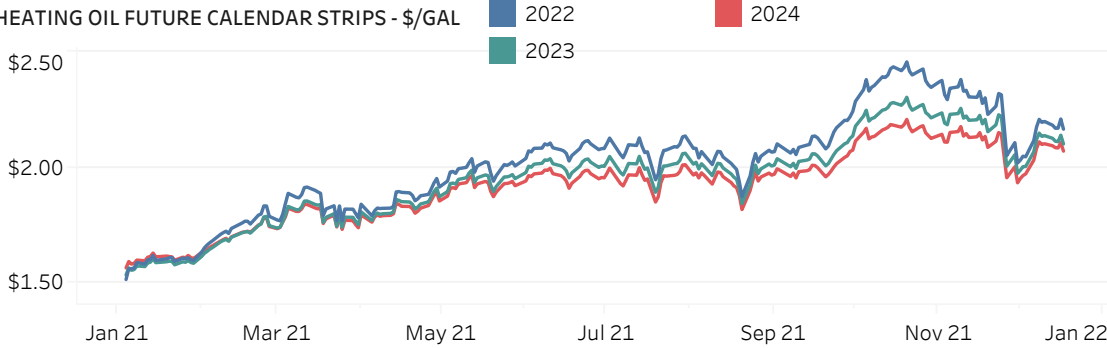
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OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

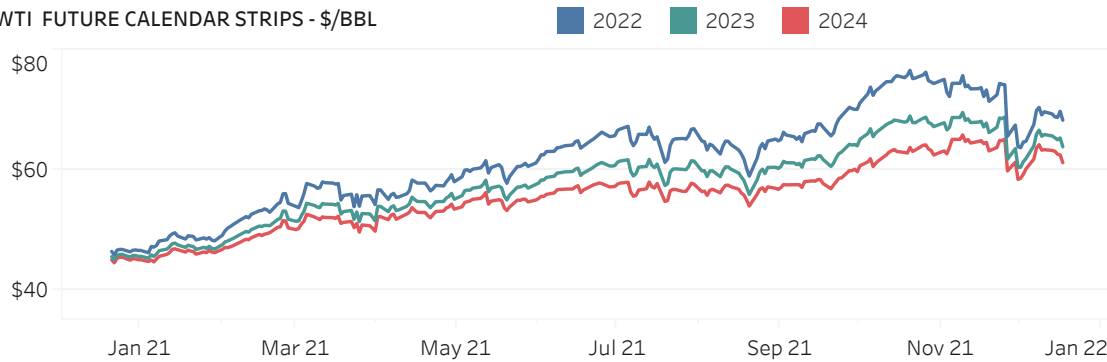


PROMPT MONTH PRICE FOR JAN 22

This Week:	\$70.86/Barrel
Prior Week:	\$71.67/Barrel
CHANGE:	(\$0.81)▼

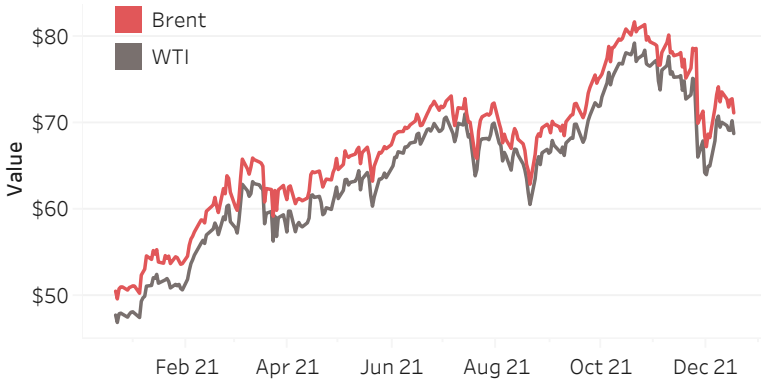
WTI prices closed at \$71.23 per barrel on Friday, up 8.2% from the week prior. At the end of last week, oil futures recorded their first weekly gain in seven weeks, and the largest since August. Due to mild reactions of the Omicron variant, OPEC increased its expected demand for the first quarter of 2022 by 1.1 million barrels a day. The U.S. EIA also revised their oil demand projection for Q1 2022, lowering their forecast and demonstrating the ability for a new variant to cause significant uncertainty in the market.

WTI FUTURE CALENDAR STRIPS - \$/BBL

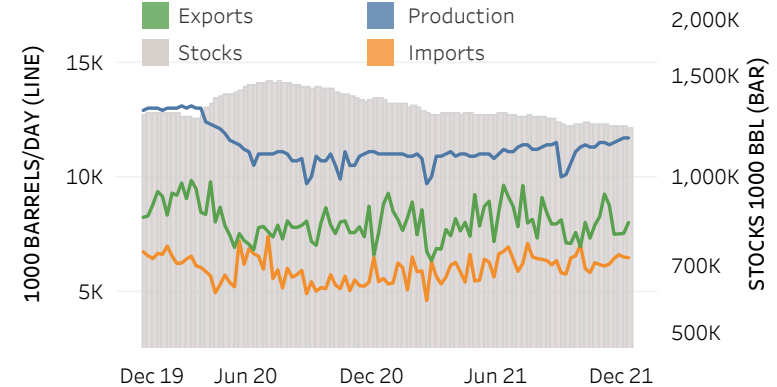


FUNDAMENTALS

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

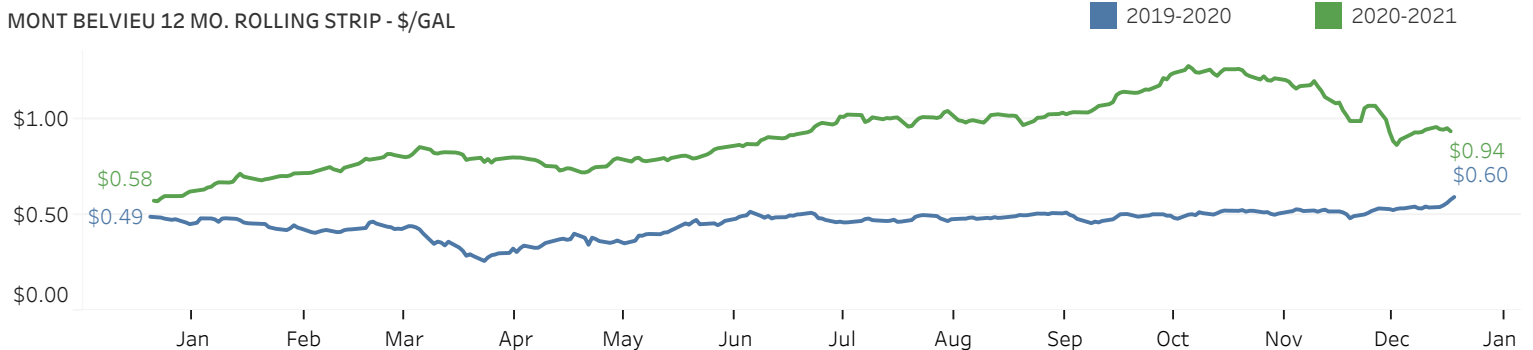


U.S WEEKLY CRUDE SUMMARY



PROPANE

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



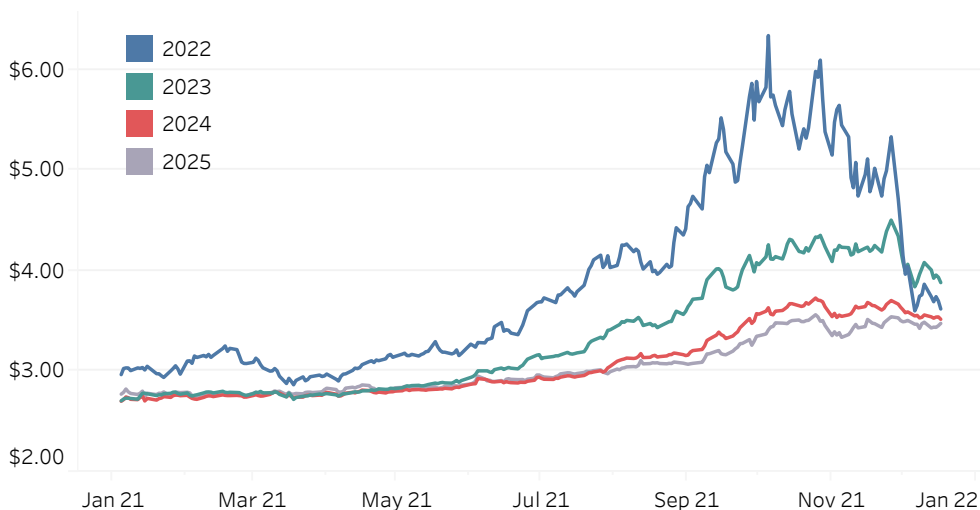
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NATURAL GAS OVERVIEW

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 U.S.

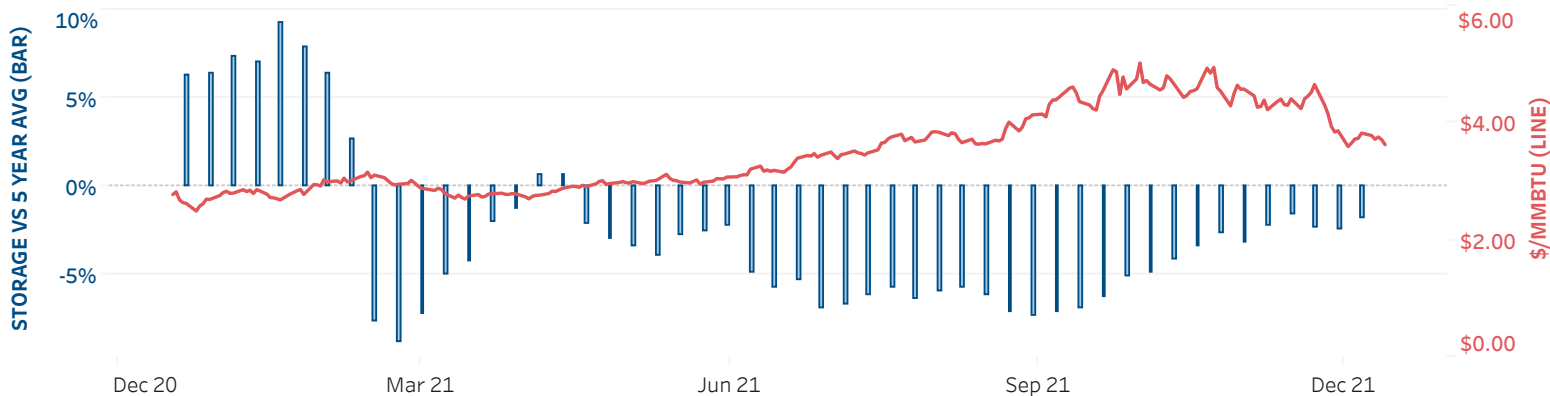
PROMPT MONTH PRICE FOR JAN 22

This Week:	\$3.69/MMBTU
Prior Week:	\$3.93/MMBTU
CHANGE:	(\$0.24) ▼

January natural gas futures declined by 6.6% from the previous week, settling at \$3.69/MMBTU on Friday. U.S. natural gas futures fell for a third straight week, resulting in the largest December decline in gas prices in the past three years. Prices fell last week with mild winter weather continuing to constrain heating demand. Dry gas production increased by 0.5%, and the EIA reported a net withdrawal of 88 Bcf from storage last week. Gas exports remain high, with dry gas exports to Mexico up 0.8% week-over-week at 6.3 Bcf/d and gas flows to LNG export terminals up 6.7% week-over-week at 12.6 Bcf/d in response to elevated prices around the world.

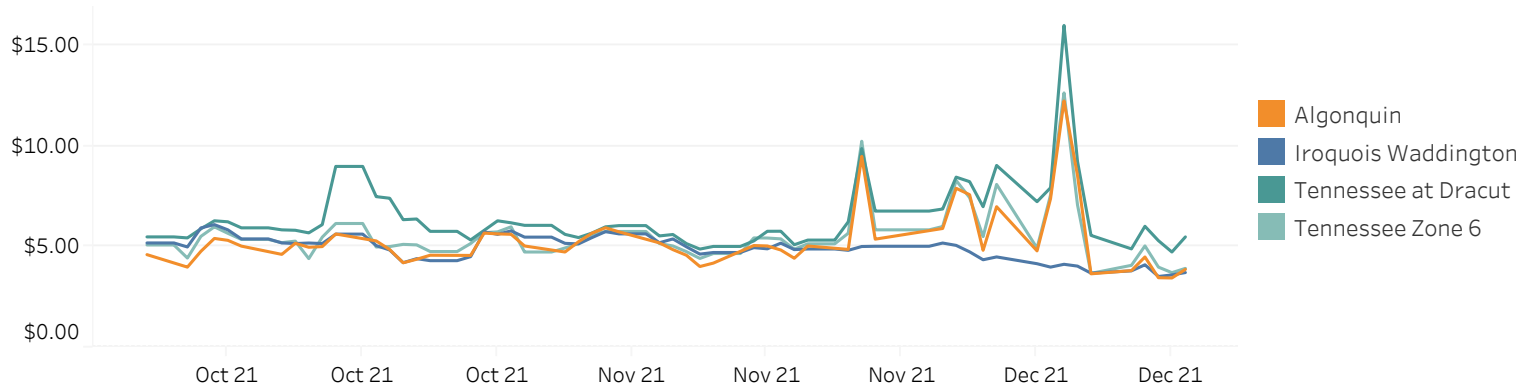
NATURAL GAS FUNDAMENTALS

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



NATURAL GAS BASIS

SPOT PRICE - \$/MMBTU



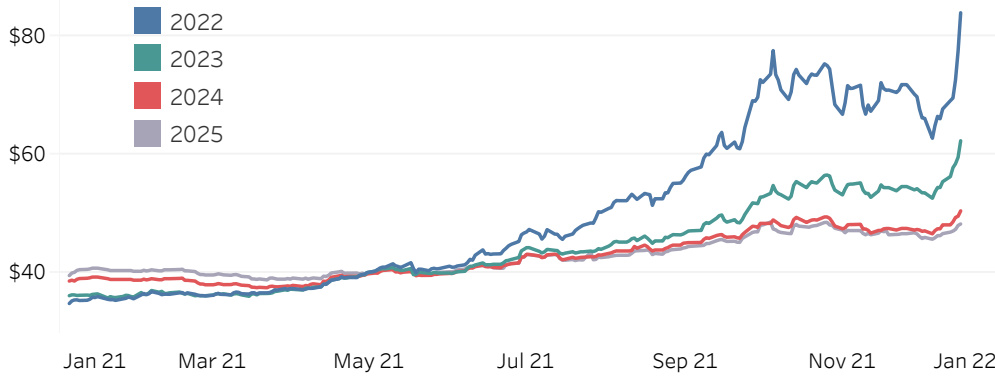
MARKET SUMMARY

December 13 - 17, 2021



NEW ENGLAND ELECTRICITY OVERVIEW

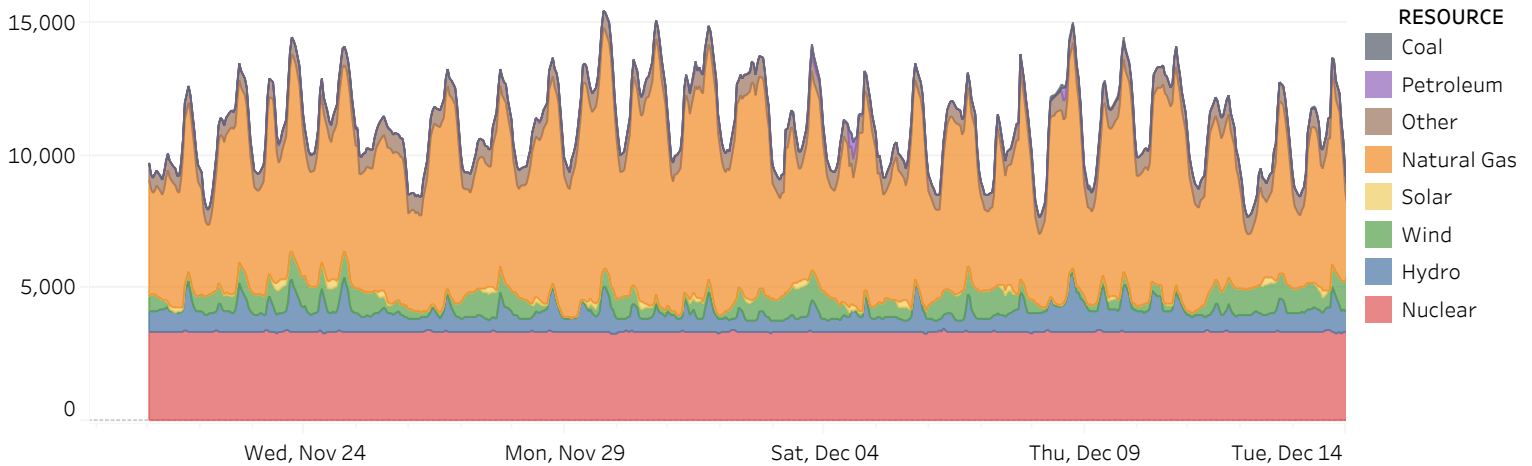
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING -\$/MWH



The NEPOOL 12-mo. strip rose 10.3% week-over-week, ending at \$71.73/MWh on Friday. Calendar strips were up across the board this week, with the 2022 strip rising 9.2%, the 2023 strip rising 5.8% and the 2024 strip rising 1.1% week over week. Most of this increase was seen at the end of the week, with especially high prices on Thursday and Friday. This was consistent with a rise in New England natural gas basis prices at the tail end of last week. This, combined with a forecasted cold weather snap to end the year, could cause electricity prices to remain high through year end.

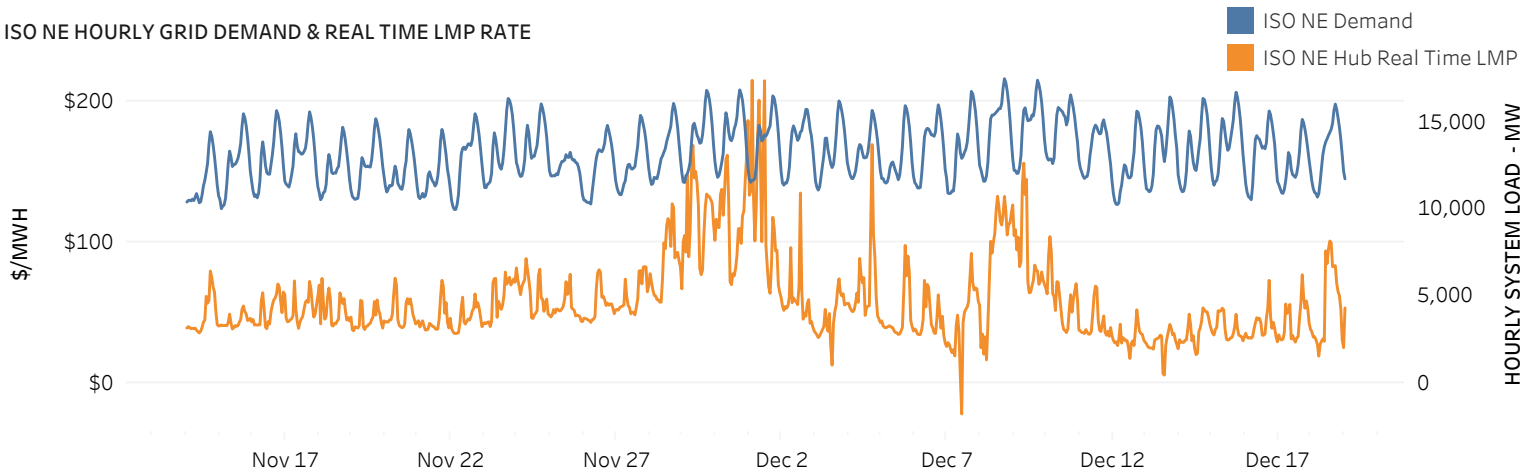
NEW ENGLAND ELECTRICITY SUPPLY

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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