

January 3 - 7, 2022

MARKET SUMMARY



SPOTLIGHT | LNG Tankers Arrive in Boston Harbor Betting on Low Temperatures and High Prices

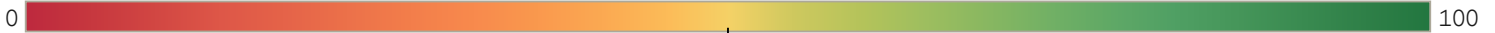
A cargo of liquefied natural gas (LNG) is on route from the Caribbean to Boston Harbor, anticipated to arrive Tuesday, January 11.



A cargo of liquefied natural gas (LNG) is on route from the Caribbean to Boston harbor, anticipated to arrive Tuesday, January 11 and join two tankers already anchored there. New England's natural gas pipeline infrastructure limits the amount of gas that can flow into the region, and during particularly cold periods, LNG cargos can be offloaded, as they were in 2019, to meet high heating and power generation demand. With a cold front advancing into the region and temperatures expected to drop to single digits on Tuesday, these cargos are positioned to alleviate a supply crunch by injecting their cargo into the network as demand and price spikes. In anticipation of this cold front, New England spot gas prices rose at the end of last week with Boston's Algonquin City Gate settling at \$21.96/Dth over the weekend. These tankers have bet that prices will continue to rise even higher on Tuesday; if not, they will set sail for foreign markets where higher prices await.

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: 50
18 MONTH: 47
24 MONTH: 42
36 MONTH: 37

NEW ENGLAND ELECTRICITY TERMS

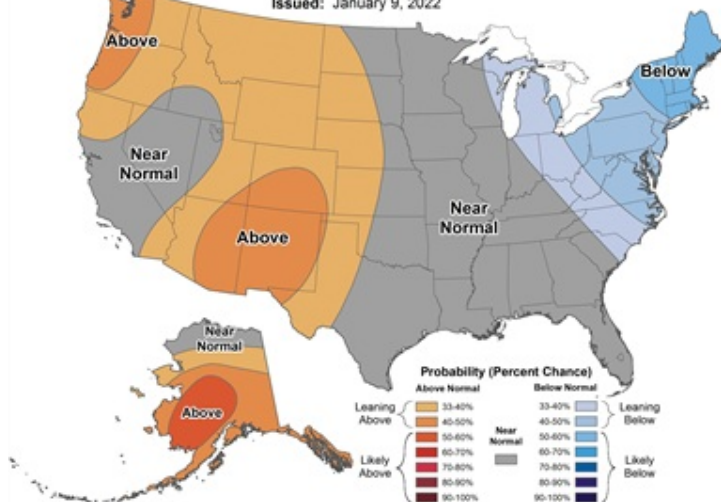
12 MONTH: 43
18 MONTH: 39
24 MONTH: 31
36 MONTH: 29

CRUDE OIL TERMS

12 MONTH: 13
18 MONTH: 12
24 MONTH: 11
36 MONTH: 8

WEATHER | 6-10 Day Forecast

Valid: January 15 - 19, 2022
Issued: January 9, 2022



Above average temperatures expected for the North and Southwest, with below average temperatures expected in the Mid-Atlantic and 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.

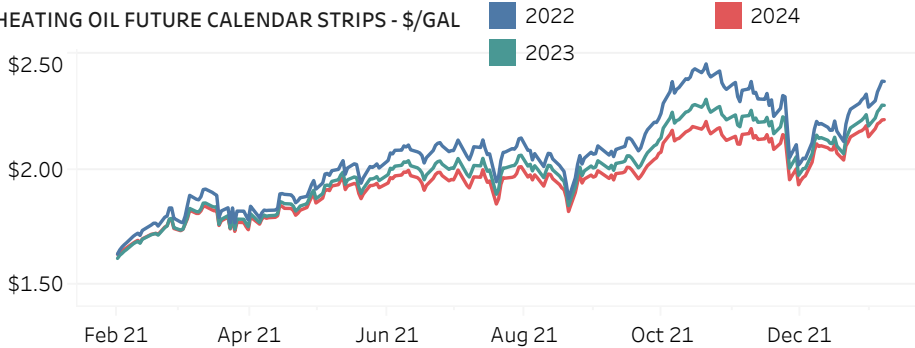
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OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

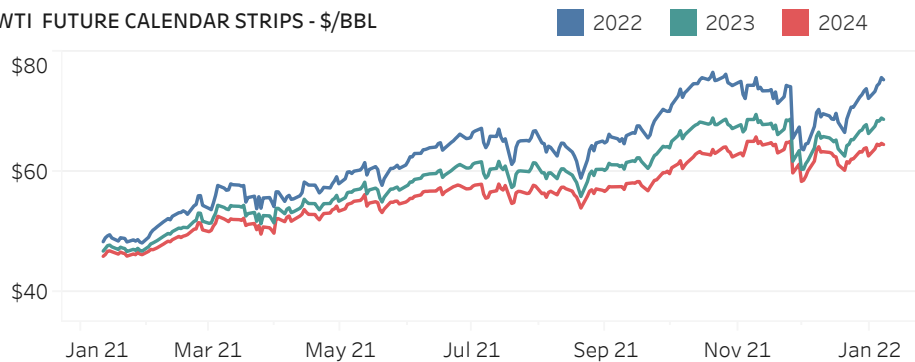


PROMPT MONTH PRICE FOR FEB 22

This Week:	\$78.90/Barrel
Prior Week:	\$75.21/Barrel
CHANGE:	\$3.69▲

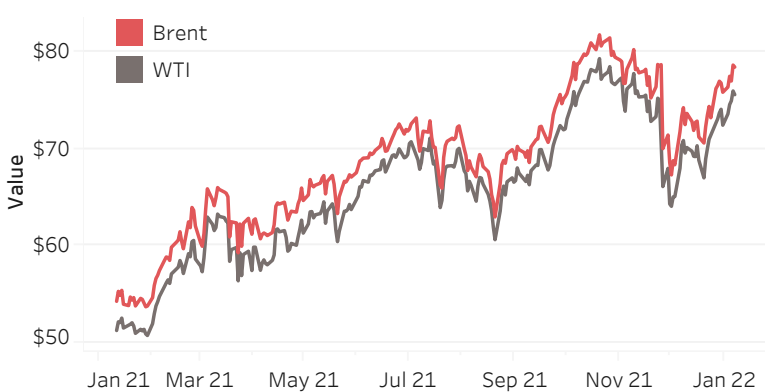
WTI prices closed at \$78.90 per barrel on Friday, up from the week prior. Oil is at a seven-week high due to sustained demand despite concerns over the spread of the Omicron variant as economic activity continues at a robust pace and high natural gas prices support the use of oil for power generation. At a meeting January 4, the OPEC+ group voted to increase crude oil production by a combined 400,000 barrels per day starting in February to help meet strong demand numbers, however industry analysts question whether this increase will have much impact. Cold temperatures prompting shutdowns in oil fields have stoked concerns that suppliers won't be able to meet contractual obligations this month. Geopolitical tensions in Iran, China and Russia have also created uncertainties about the futures of oil markets internationally.

WTI FUTURE CALENDAR STRIPS - \$/BBL

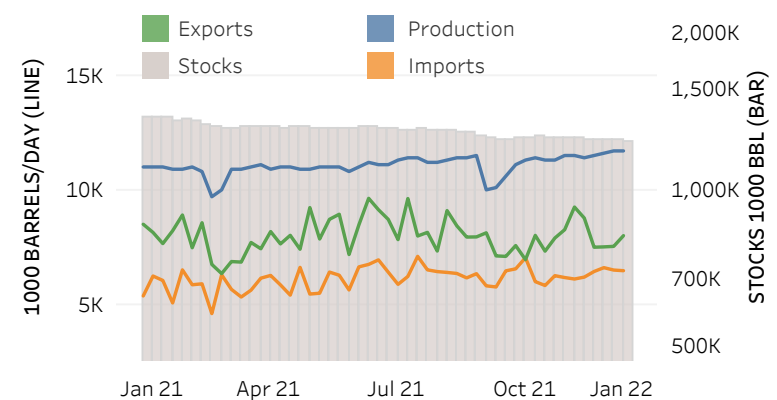


FUNDAMENTALS

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

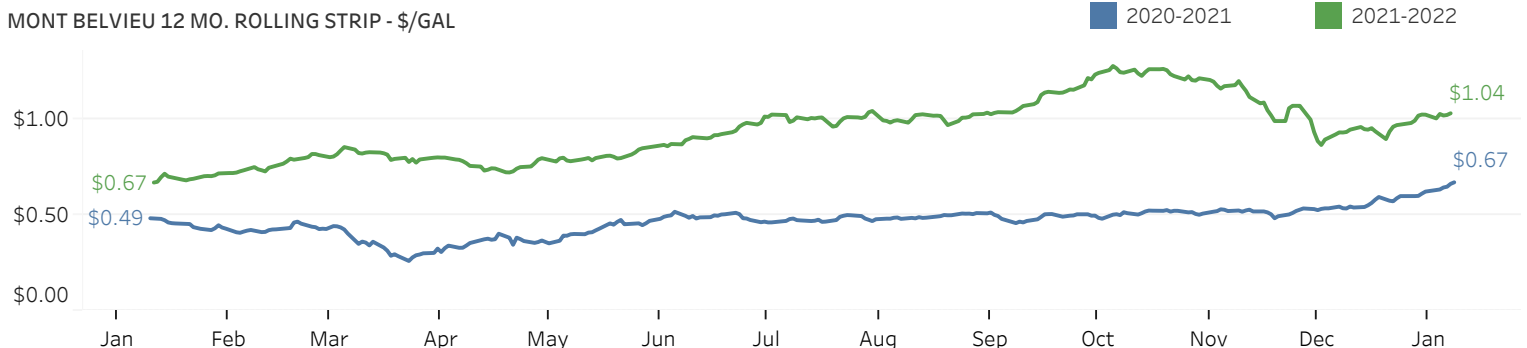


U.S WEEKLY CRUDE SUMMARY



PROPANE

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



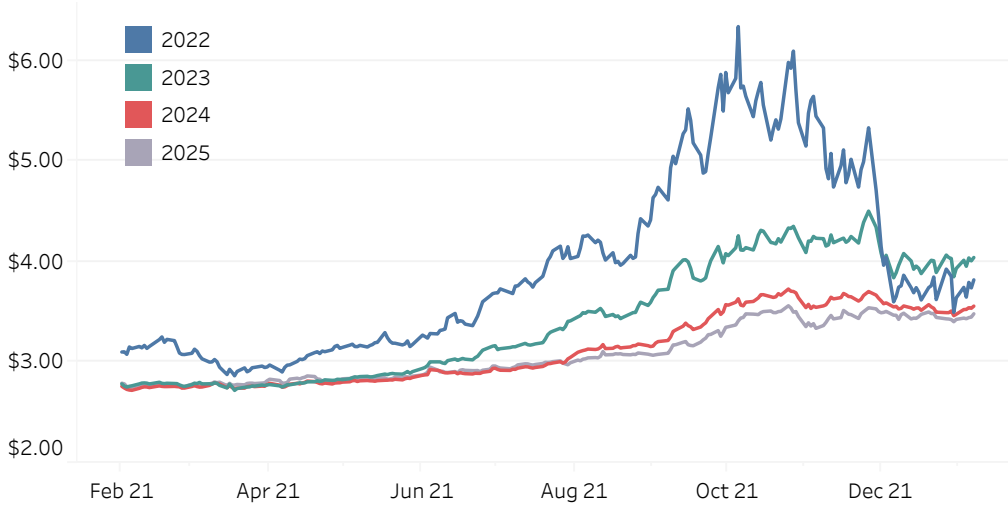
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NATURAL GAS OVERVIEW

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.

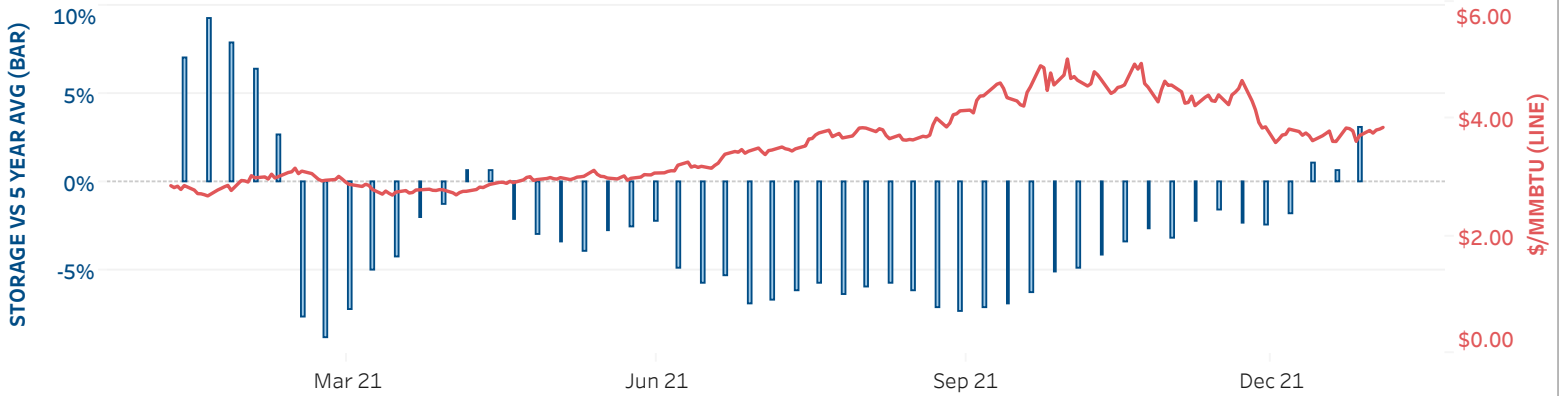
PROMPT MONTH PRICE FOR FEB 22

This Week:	\$3.92/MMBTU
Prior Week:	\$3.73/MMBTU
CHANGE:	\$0.19 ▲

Natural gas futures increased by 5.1% from the previous week, settling at \$3.92/MMBTU on Friday. Prices rose as colder winter weather caused U.S. commercial and residential heating demand to increase. Dry gas production decreased by 2.7% from the previous week, and the EIA reported a net withdrawal of 31 Bcf from storage last week. The increase in demand was met with imports from Canada increasing to 19% above the three-year average. Dry gas exports to Mexico were up 2.3% week-over-week at 4.3 Bcf/d, while gas flows to LNG export terminals fell week-over-week to 11.9 Bcf/d.

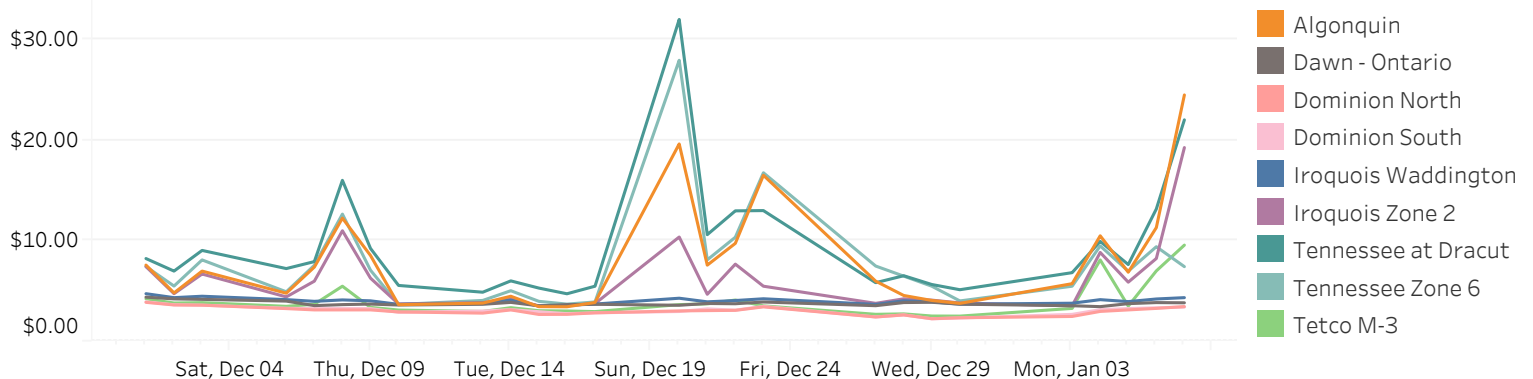
NATURAL GAS FUNDAMENTALS

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



NATURAL GAS BASIS

SPOT PRICE - \$/MMBTU



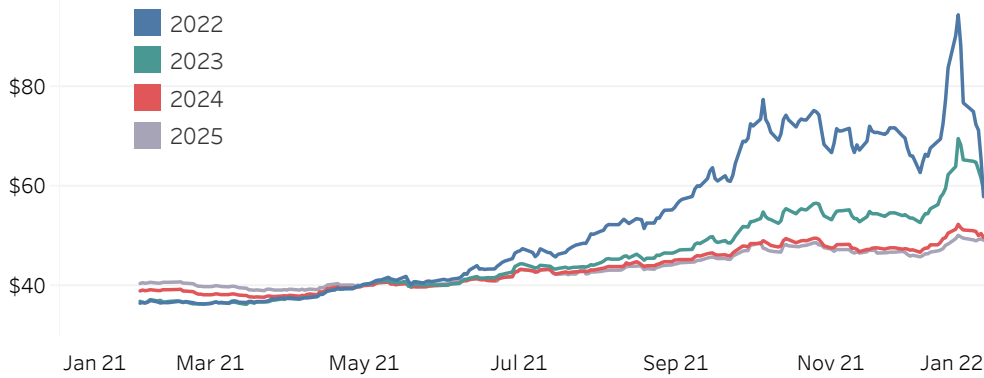
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NEW ENGLAND ELECTRICITY OVERVIEW

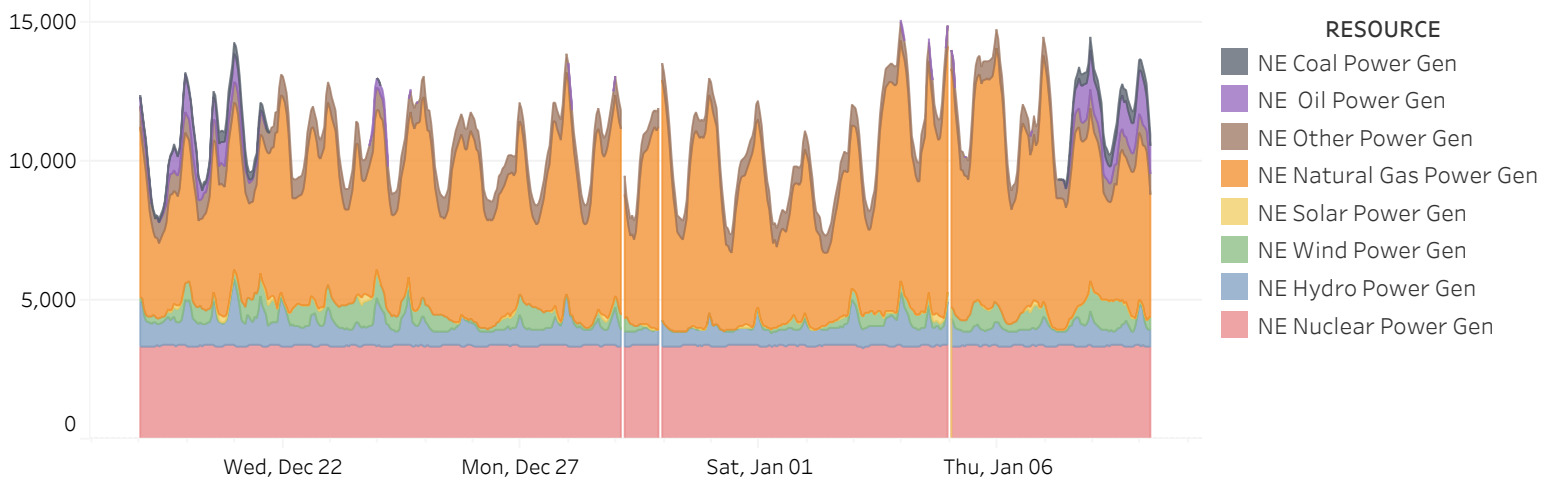
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING -\$/MWH



The NEPOOL 12-mo. strip fell 17.3% week-over-week, ending at \$62.43/MWh on Friday. Calendar strips were also down across the board this week, with the 2023 strip down 5.3%, the 2024 strip down 3.3% and the 2025 strip down 1.6% week over week. These trends closely follow trends in Natural Gas basis prices, which spiked at the end of last month and later settled down in the new year. As we move out of the relatively mild weather of early winter and into a stretch of cold weather, we could see prices back on the rise into next week as heating demand and electricity generation compete for natural gas.

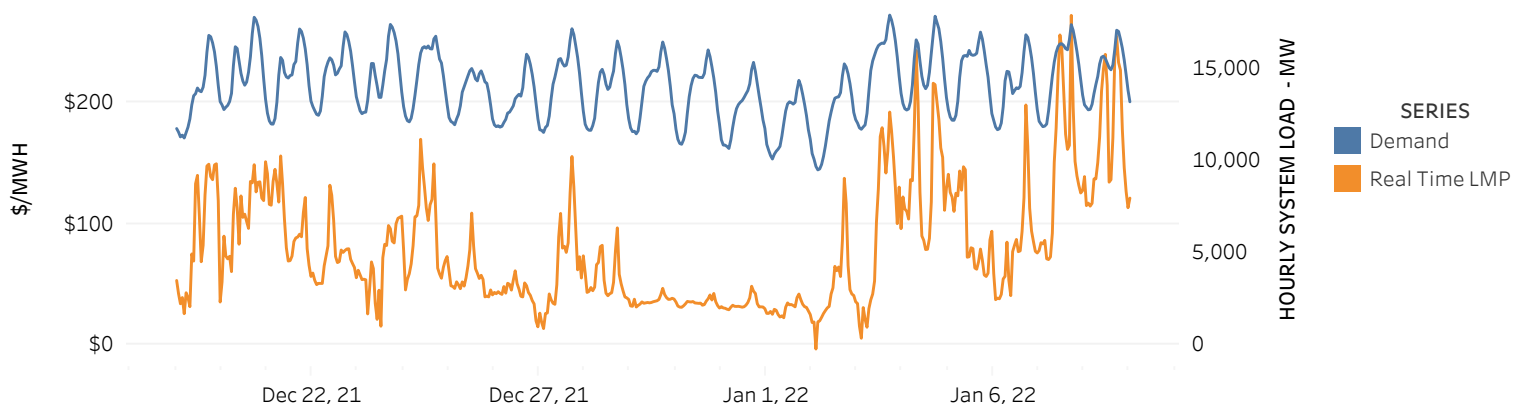
NEW ENGLAND ELECTRICITY SUPPLY

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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