

January 31 -  
February 4, 2022

# MARKET SUMMARY



## SPOTLIGHT | New England Forward Capacity Auction Kicks Off with Uncertainty

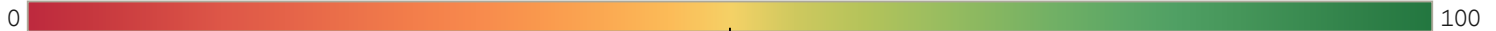
**The ISO New England Forward Capacity Auction, which ensures adequate generation capacity to meet peak electricity demand three years in the future, takes place today.**



The ISO New England Forward Capacity Auction, which ensures adequate generation capacity to meet peak electricity demand three years in the future, takes place on Monday, however the uncertain future of the region's only proposed fossil generator complicates the process. The 650 MW Killingly Energy Center in Connecticut has participated in the annual forward capacity auction for the last three years and is obligated to begin providing generation capacity this June, despite that its currently expected to begin operation in 2024. ISO-NE filed in November to terminate the plant's capacity contracts, with approval from the federal regulator FERC coming in January. On Friday, the DC Circuit Court issued a stay order, pending a rehearing by FERC. While ISO-NE had planned to conduct the auction without Killingly, the stay forces ISO-NE to calculate results in two scenarios, one with and one without Killingly, as well as delay the public release of results and awarding of contracts, until the plant's fate is confirmed.

## 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: 21
18 MONTH: 20
24 MONTH: 17
36 MONTH: 13

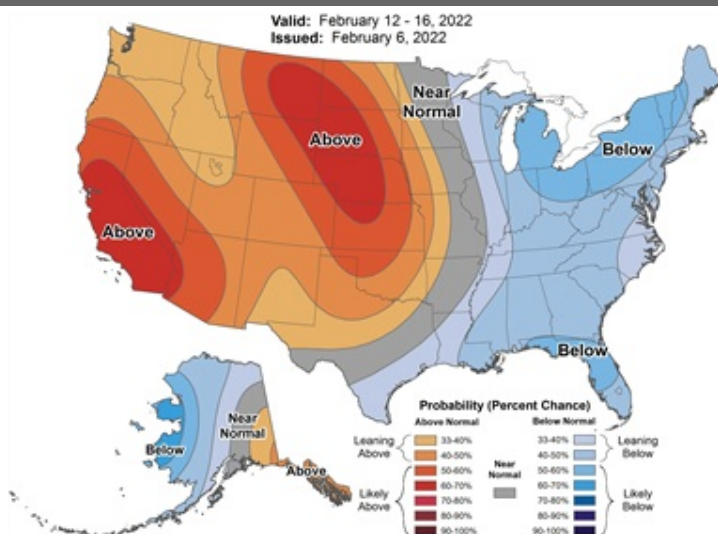
### NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 17
18 MONTH: 31
24 MONTH: 16
36 MONTH: 14

### CRUDE OIL TERMS

12 MONTH: 0
18 MONTH: 0
24 MONTH: 0
36 MONTH: 0

## WEATHER | 6-10 Day Forecast



**Below average temperatures expected for the Eastern U.S. and above average temperatures expected in the West and Great Plains regions**

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.

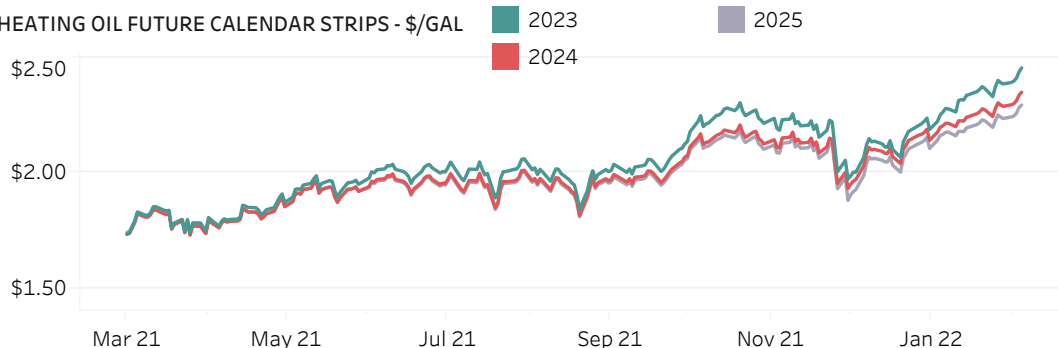
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## OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL



Prompt Month Price For Apr 22

This Week:	\$92.31/MMBTU
Prior Week:	\$86.82/MMBTU
CHANGE:	\$5.49▲

WTI prices closed at \$92.31 per barrel on Friday, up 6.32% from the week prior. This past week-over-week increase represents a new seven-year high for crude prices, and many factors indicate the rally will continue. These factors include concerns over global suppliers' ability to meet demand considering recent freezing temperatures across the U.S., specifically in Texas, as well as growing tensions between Russia and Ukraine. As U.S. demand for diesel reaches close to its highest point for this time of year over the past 30 years, domestic distillate fuel oil inventories sit at their lowest seasonal level since 2014.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

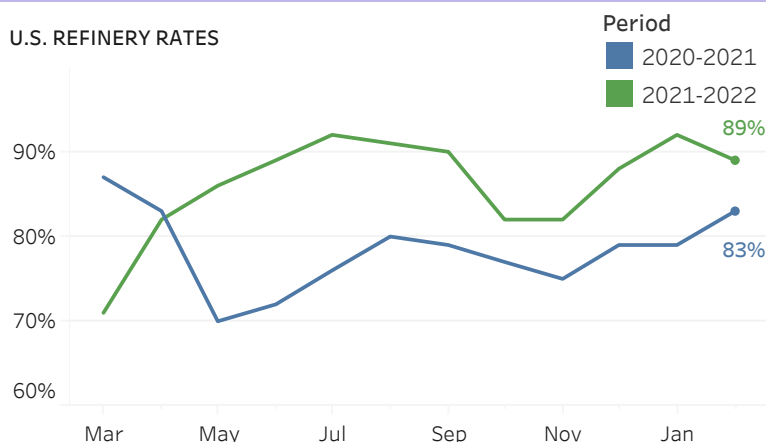


## FUNDAMENTALS

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

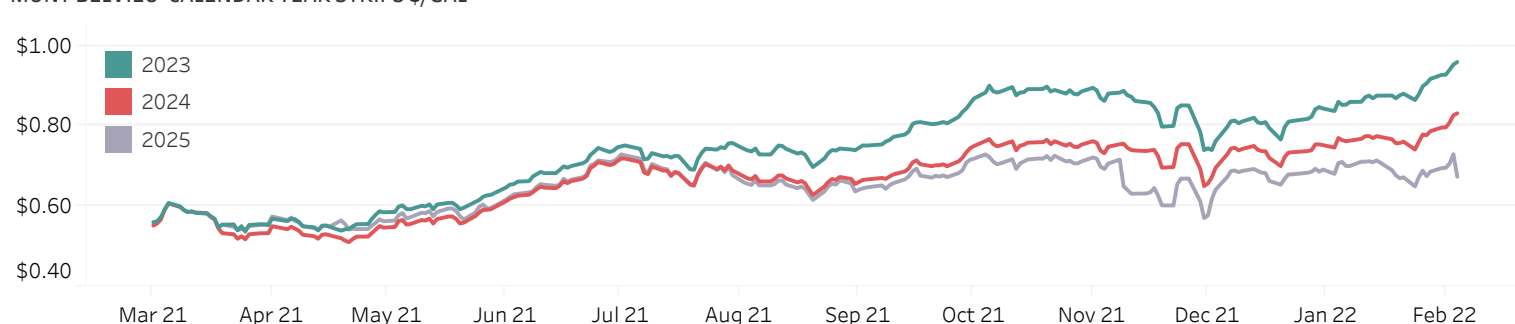


U.S. REFINERY RATES



## PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL



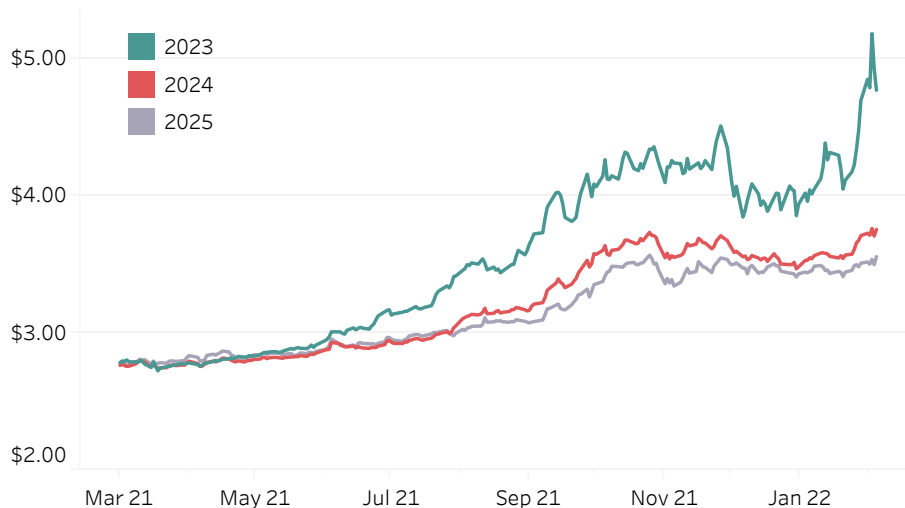
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## NATURAL GAS OVERVIEW

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.

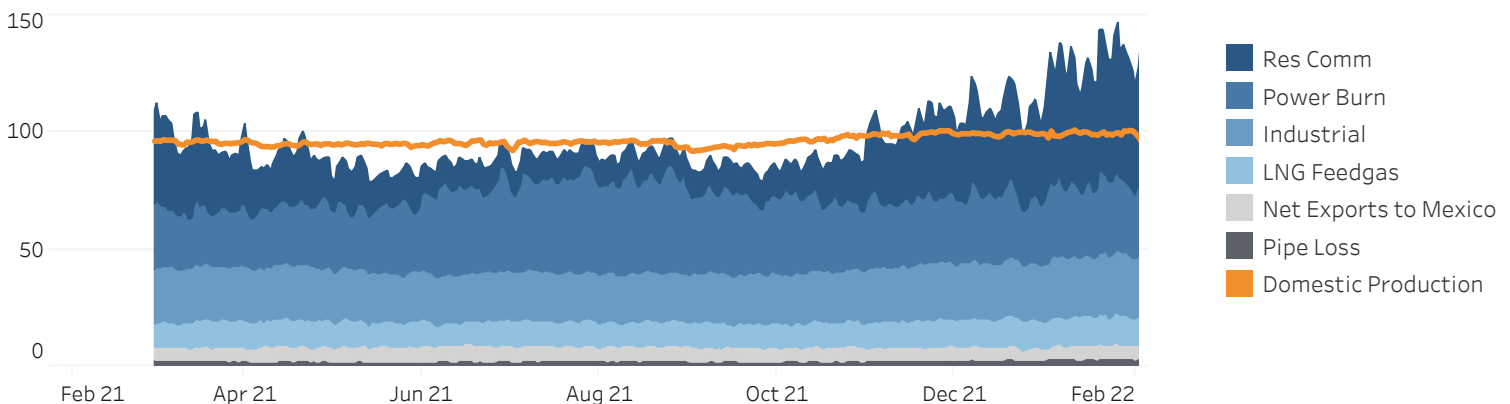
Prompt Month Price For Apr 22

<b>This Week:</b>	\$4.57/MMBTU
<b>Prior Week:</b>	\$4.64/MMBTU
<b>CHANGE:</b>	(\$0.07)▼

Natural gas futures fell 1.5% from the previous week, settling at \$4.57/MMBtu on Friday. Freezing temperatures in Texas had prices swinging wildly throughout the week as many feared a collapse of ERCOT's grid as occurred last winter. Dry gas production was down slightly in the region, though prices declined when the winter storm was not as destructive as some had feared. Despite persistent winter storms in the Northeast elevating heating over the weekend, temperatures are expected to shift much warmer in the coming weeks. These higher temperatures signal reduced overall heating demand. The EIA reported a net withdrawal from storage of 9 Bcf as of February 3. Inventories remain below the 5-year average by 143 Bcf.

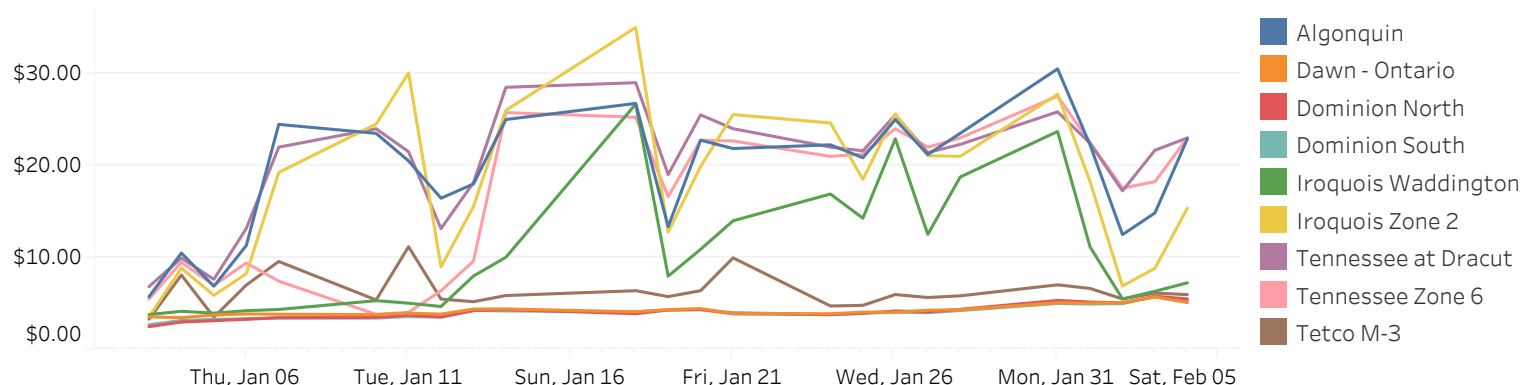
## NATURAL GAS FUNDAMENTALS

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



## NATURAL GAS SETTLEMENT

SPOT PRICE - \$/MMBTU



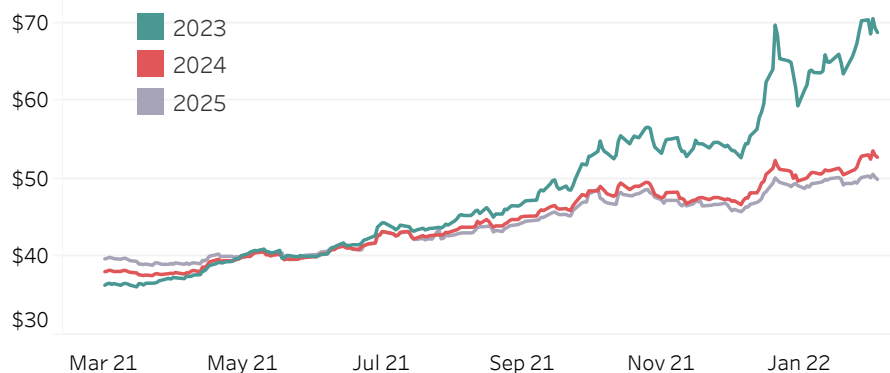
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## NEW ENGLAND ELECTRICITY OVERVIEW

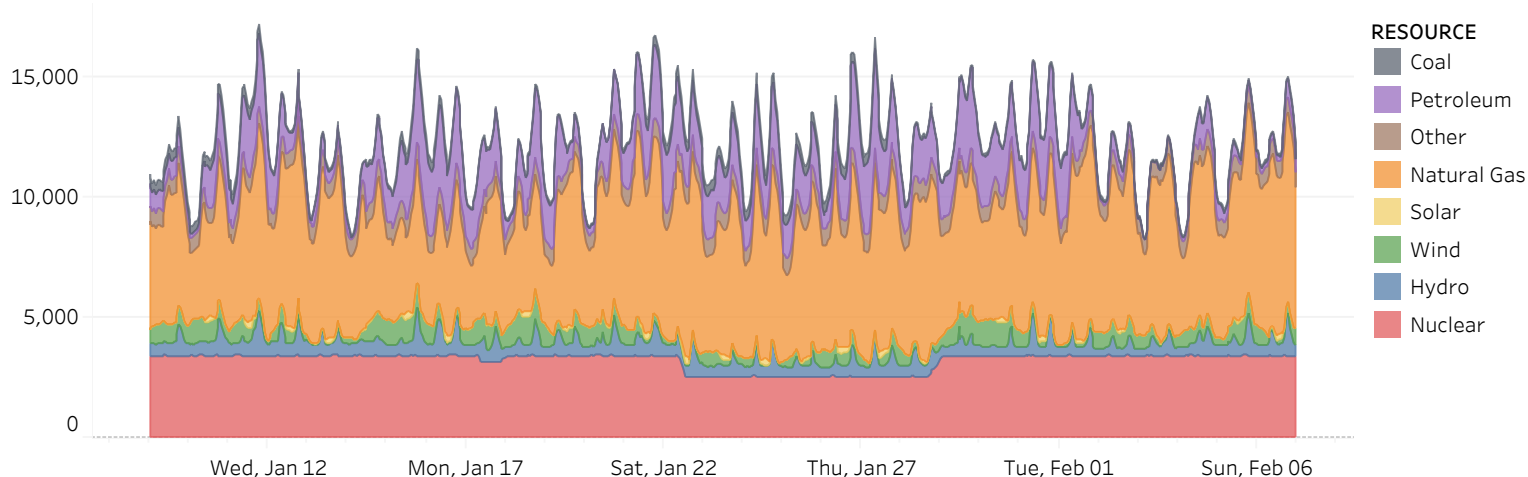
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING -\$/MWH



The NEPOOL 12-mo. strip fell 0.8% week-over-week, ending at \$79.00/MWh on Friday. Calendar strips were also down this week, to varying degrees, with the 2023 strip down 2.1%, and the 2024 strip down 0.2%. Prices spiked mid-week following trends in natural gas due to fears over a deep freeze in Texas but later calmed as it became clearer that this event would not mirror last year's grid collapse. Additionally, anticipation throughout the week for a Friday winter storm in the Northeast was balanced out by mild weather forecasts for the beginning of the next week, expected to bring heating demand down longer term. Temperatures this week are expected to be mild throughout, with some believing that the worst of winter weather and heating concerns are behind us.

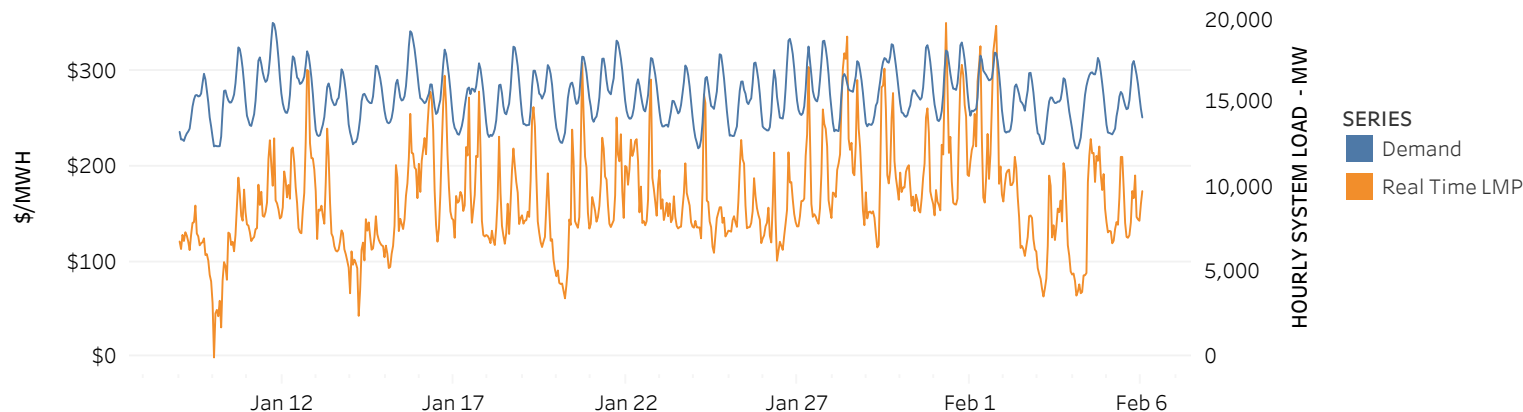
## NEW ENGLAND ELECTRICITY SUPPLY

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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**THANK YOU**  
for choosing



For all your energy market questions, please contact your Energy Services Advisors today.

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