

February 7 - 11, 2022

MARKET SUMMARY



SPOTLIGHT | ISO-NE to Extend Minimum Offer Price Rule through 2024

The New England Power Pool (NEPOOL) Participant's Committee recently voted in favor of ISO New England's recommendation to delay the phasing out of Minimum Offer Price Rules (MOPR) until 2025.



In reversal to a pledge made last year, the New England Power Pool (NEPOOL) Participant's Committee recently voted in favor of ISO New England's recommendation to delay the phasing out of Minimum Offer Price Rules (MOPR) until 2025. Last May, ISO-NE stated its intention to eliminate MOPR by 2023. MOPR, historically supported by FERC, exist to prevent subsidized energy resources from artificially suppressing capacity prices, but many have argued that they make it more difficult for renewable energy options to successfully bid into capacity auctions relative to other energy resources. The sudden delay by ISO-NE comes while other independent systems operators, such as NYISO, have pushed ahead with intentions of eliminating similar rules. It also follows recent statements made by FERC Chairman Richard Glick arguing that ISO-NE's MOPR goes too far and acts as a "barrier to competition," appearing to be "unjust and unreasonable." ISO-NE has stated that an extended transition, including a 700 MW exemption for state-backed resources, will reduce risk and support grid reliability.

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: 42
18 MONTH: 38
24 MONTH: 33
36 MONTH: 26

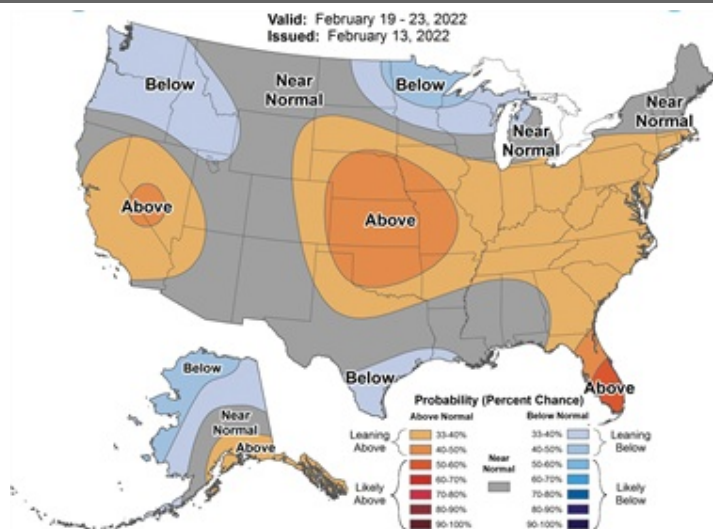
NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 33
18 MONTH: 42
24 MONTH: 28
36 MONTH: 25

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 Pacific Northwest and above average temperatures for the midwest and mid-atlantic 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.

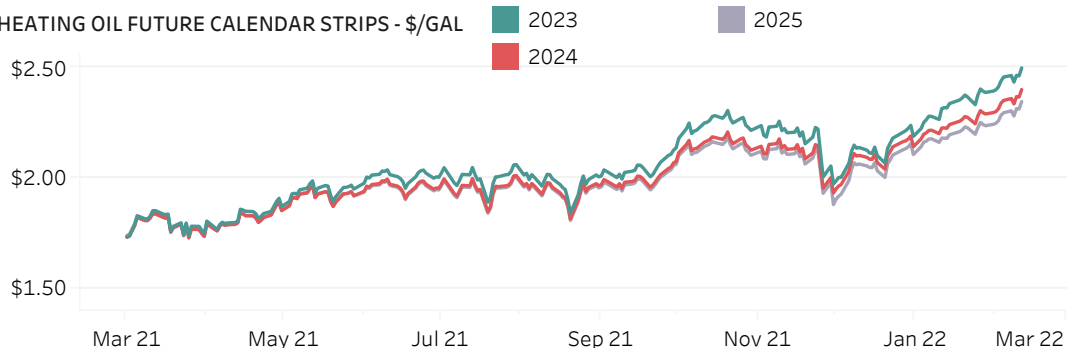
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OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

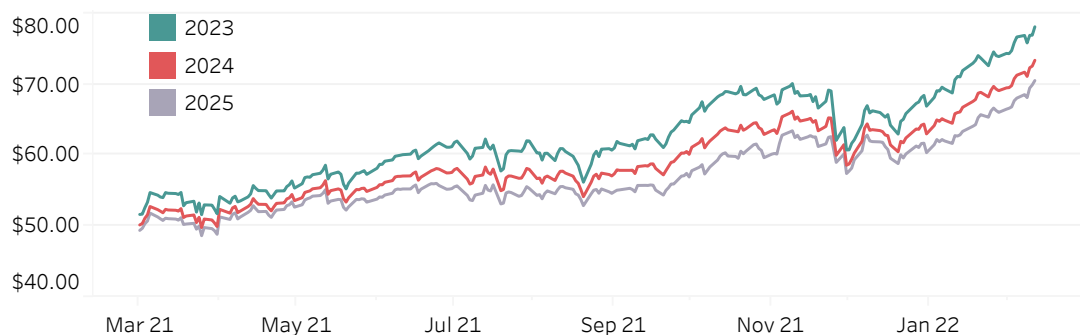


Prompt Month Price For Apr 22

This Week:	\$93.10/MMBTU
Prior Week:	\$92.31/MMBTU
CHANGE:	\$0.79▲

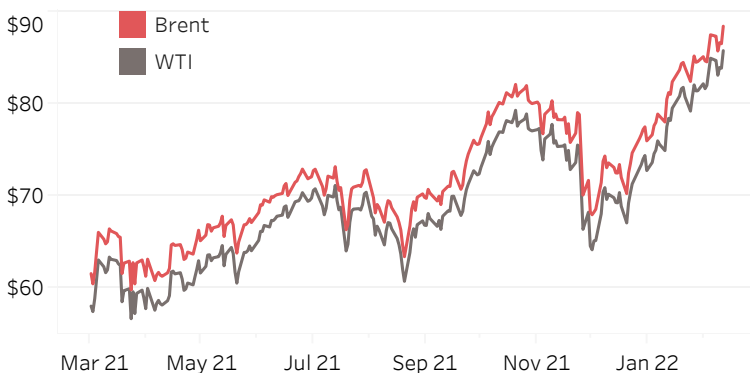
WTI prices closed at \$93.10 per barrel on Friday, representing a 0.9% increase from last week. This 8-week streak is the longest run of weekly oil gains since October, before the emergence of the Omicron variant. These gains are mostly due to international factors, especially mounting tensions between Russia and the US, with increased certainty that Russia plans to take military action in Ukraine within the next week. Amid rising prices oil traders in Vienna have been discussing brokering a revived nuclear deal which could allow more Iranian crude into the oil markets, potentially releasing some pressure on supply.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

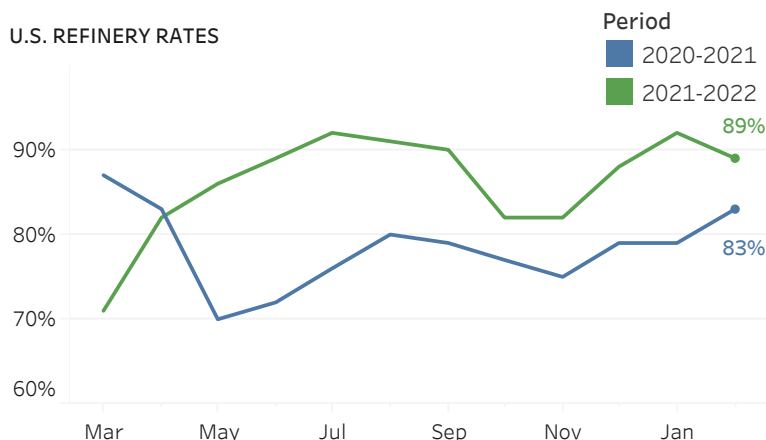


FUNDAMENTALS

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

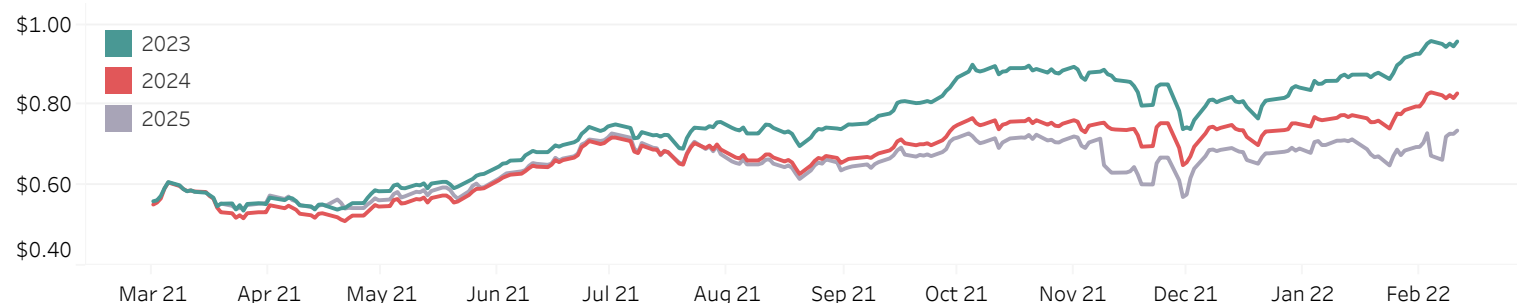


U.S. REFINERY RATES



PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL



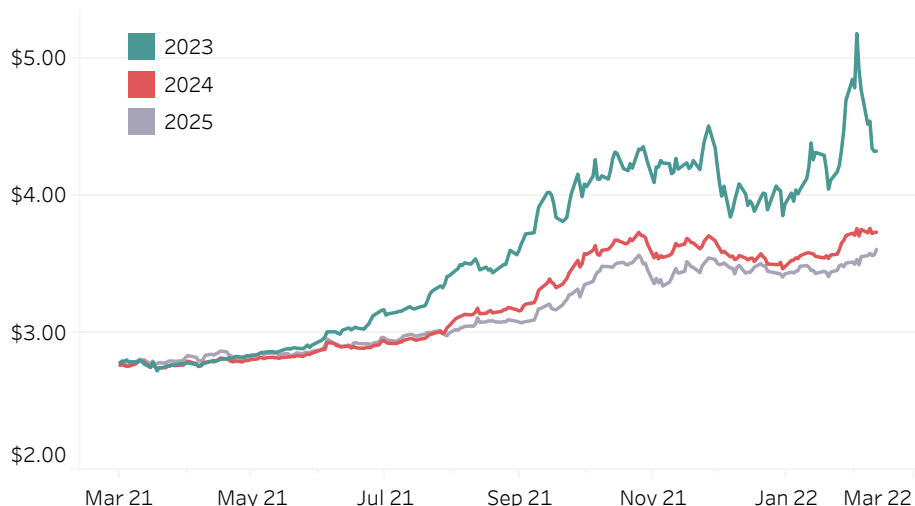
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NATURAL GAS OVERVIEW

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.

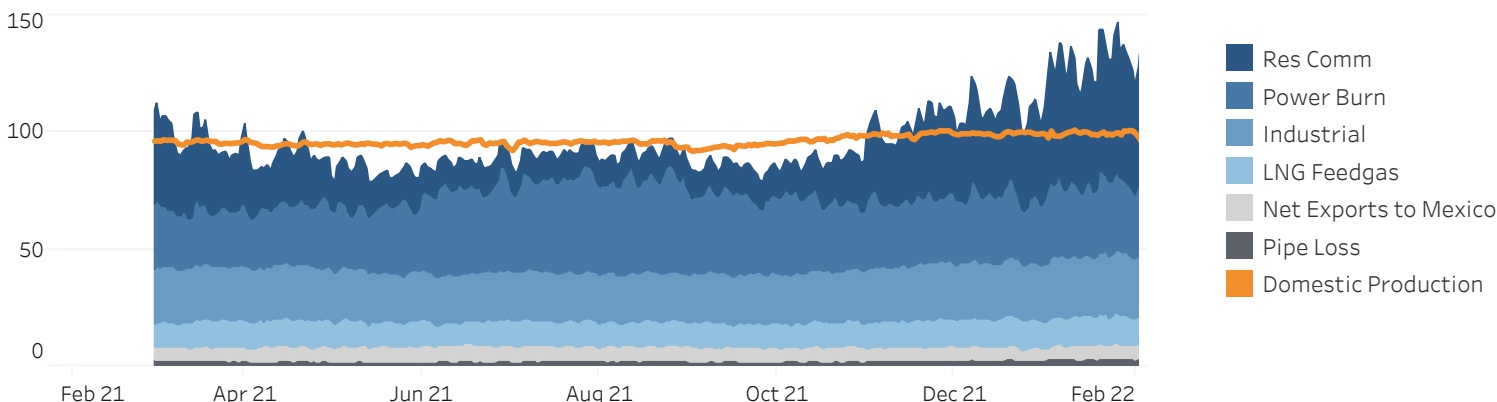
Prompt Month Price For Apr 22

This Week:	\$3.94/MMBTU
Prior Week:	\$4.57/MMBTU
CHANGE:	(\$0.63)▼

Natural gas futures fell 14% from the previous week, settling at \$3.94/MMBtu on Friday. A cold end to January lifted heating demand and reduced seasonal storage inventories, leading front-month prices to rise. However, a return to warmer temperatures alongside a shift in forecasts towards above-average temperatures for the remainder of February caused prices to decline last week. Increased dry gas production at 95.8 Bcf/d has helped reduce pressure on storage inventories, improving the national gas supply outlook. However, LNG exports to Asia and Europe remained high at 12.7 bcf/d on Friday, reducing the total amount of domestic supply available. Inventories as of February 4 were 215 Bcf below the five-year average at 2,101 Bcf.

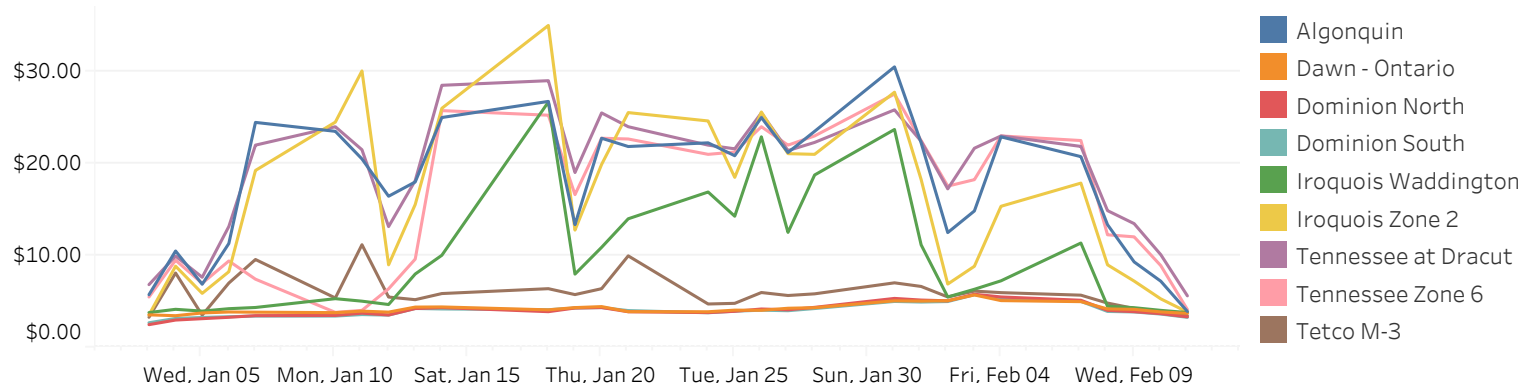
NATURAL GAS FUNDAMENTALS

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



NATURAL GAS SETTLEMENT

SPOT PRICE - \$/MMBTU



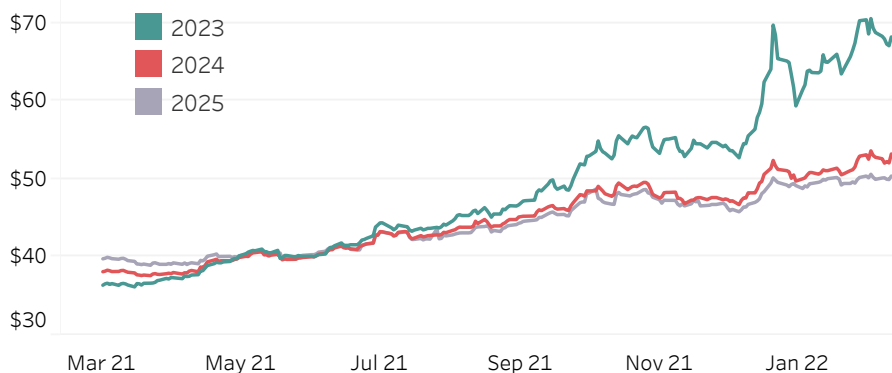
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NEW ENGLAND ELECTRICITY OVERVIEW

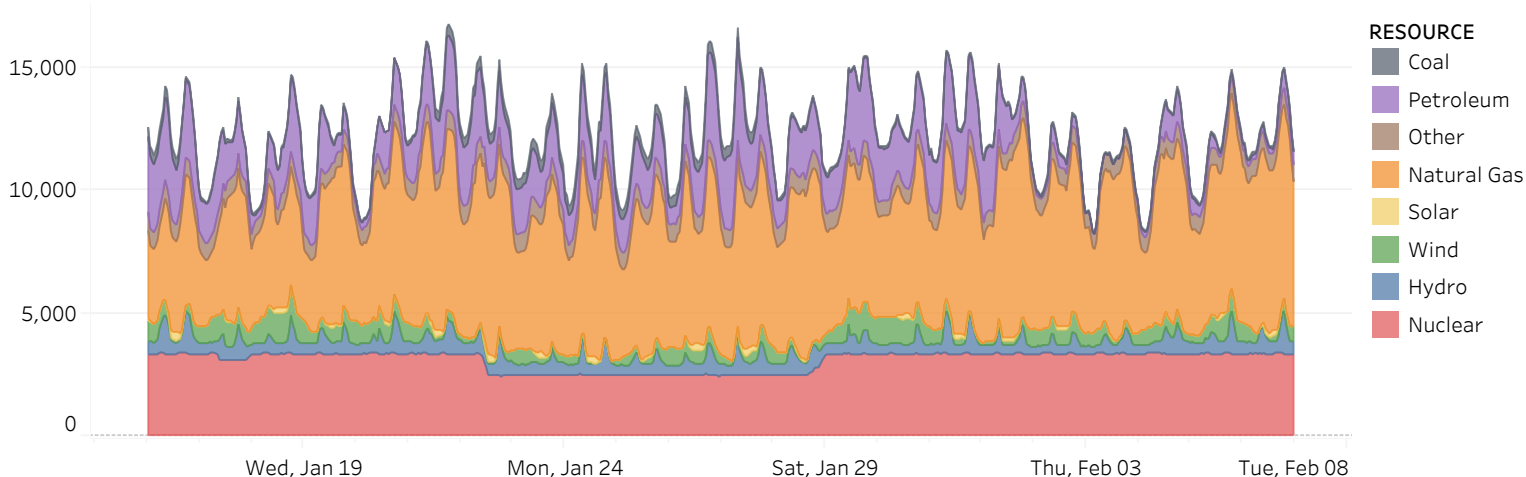
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING -\$/MWH



The NEPOOL 12-mo. strip fell 5.9% week-over-week, ending at \$74.38/MWh on Friday. Calendar strips saw very little change this week, with the 2023 strip down 0.8%, the 2024 strip up 0.8%, and the 2025 strip up 0.9%. Prices fell steadily throughout the week, largely attributed to increasingly mild weather towards the latter half of the week. This drove heating demand down and eased pressure on natural gas pricing with electricity prices following suit. A similar trend is expected this week, with below freezing temperatures at the beginning of the week being followed by a stretch of warm weather peaking at 60 degrees Fahrenheit on Thursday and Friday in much of New England. If that forecast holds true, another week of price declines could be expected.

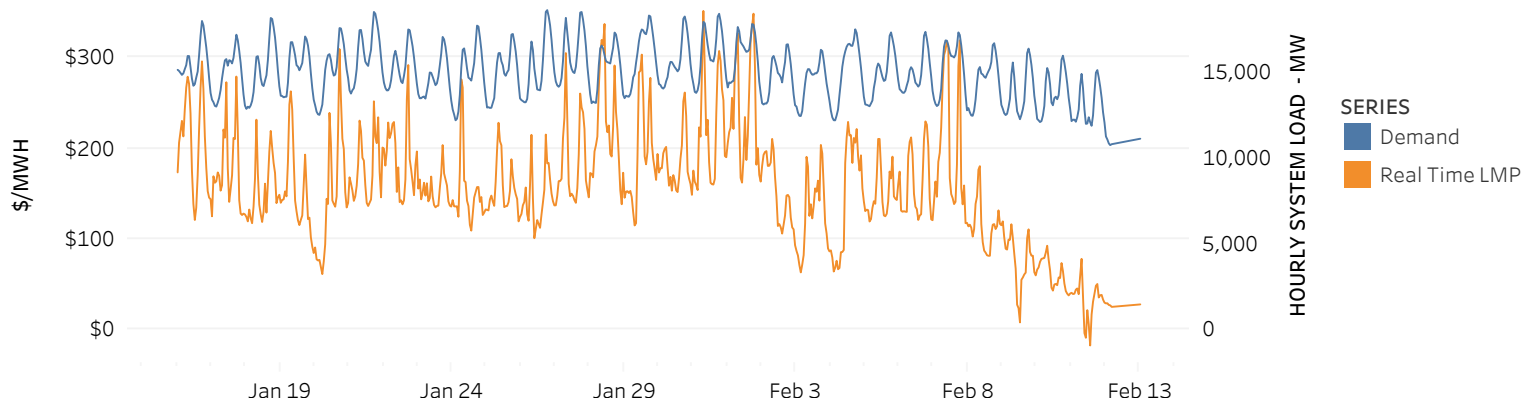
NEW ENGLAND ELECTRICITY SUPPLY

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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