

February 21 - 25, 2022

MARKET SUMMARY



SPOTLIGHT | Clean Energy Supply Chain Concerns

A halt to Russian energy exports would have a seismic impact on the global energy market, given Europe's reliance on Russian natural gas.



As the Russian invasion of Ukraine continues, and the U.S. and other countries have applied severe sanctions on the Russian economy, they have yet to target energy transactions, a massive portion of Russian state revenues. A halt to Russian energy exports would have a seismic impact on the global energy market, given Europe's reliance on Russian natural gas (38% of 2021 EU gas demand). Russian mining interests are another industry that complicates the U.S. reaction to the Ukrainian invasion. Russia is a leading producer of copper, nickel, and other metals important for renewable energy technologies and specifically EVs. The price of nickel is currently trading at an 11-year high on concerns of major supply disruptions due to sanctions. Norilsk Nickel, a large Russian mining company, produces ~7% of the world's nickel, a critical element in the production of lithium-ion batteries. This Western reliance on Russian metals and minerals in the clean energy supply chain complicates the calls to move toward beneficial electrification in response to dependence on Russian fossil fuels.

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: 23
18 MONTH: 23
24 MONTH: 18
36 MONTH: 14

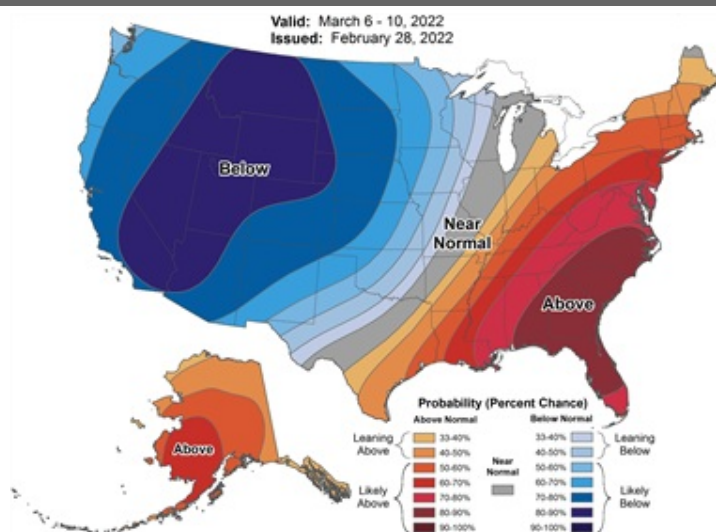
NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 27
18 MONTH: 35
24 MONTH: 18
36 MONTH: 14

CRUDE OIL TERMS

12 MONTH: 10
18 MONTH: 9
24 MONTH: 9
36 MONTH: 9

WEATHER | 6-10 Day Forecast



Below average temperatures expected for the West and above average temperatures expected for the North and Southeast

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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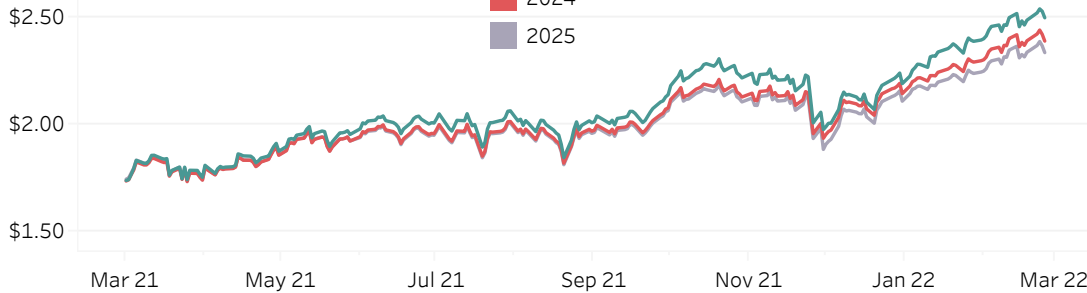
February 21 - 25, 2022



OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

2023
2024
2025



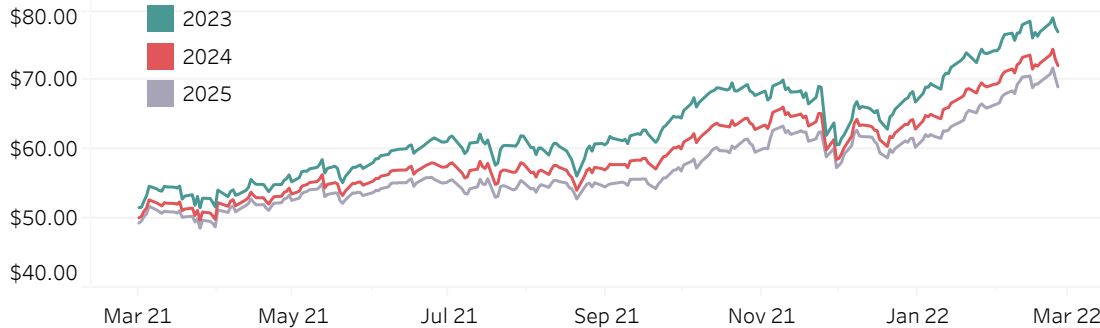
Prompt Month Price For Apr 22

This Week:	\$91.59/MMBTU
Prior Week:	\$91.07/MMBTU
CHANGE:	\$0.52

WTI prices closed at \$91.59 per barrel on Friday, representing a 0.57% increase from last week. Brent prices topped \$100 per barrel for the first time since 2014 as Russia invaded Ukraine early in the week. There is concern for supply as the U.S. and other Western nations impose sanctions on the Russian government, as Russia produces 12% of the global economy's oil. However, an outstanding nuclear deal with Iran is progressing and may ease global supply tensions. Last week the EIA reported that U.S. crude oil inventories sit 9% below the five-year average for this time of year.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

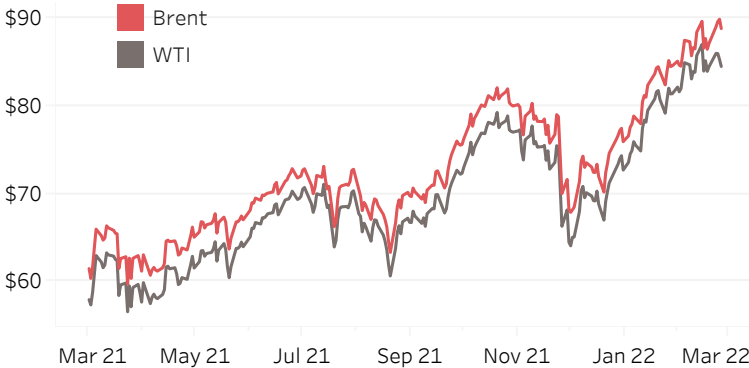
2023
2024
2025



FUNDAMENTALS

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

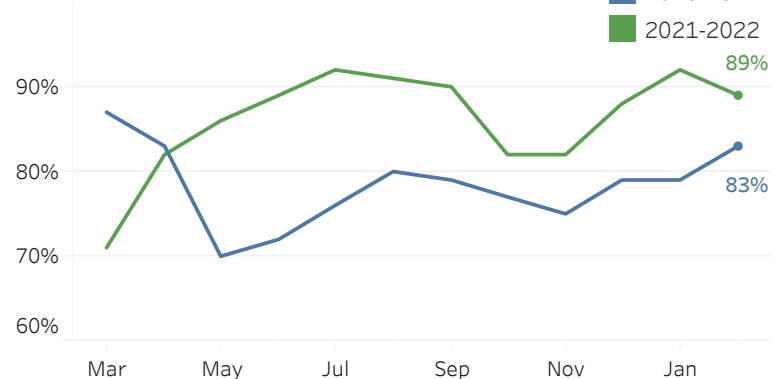
Brent
WTI



U.S. REFINERY RATES

Period

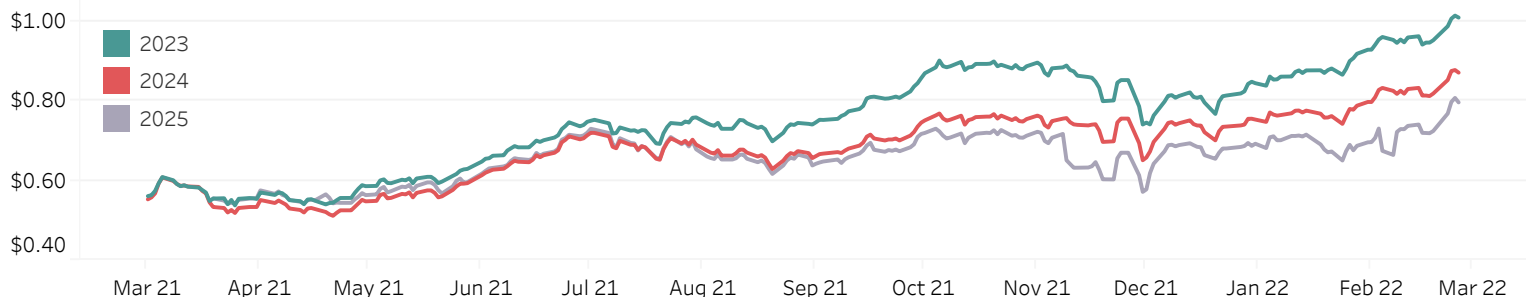
2020-2021
2021-2022



PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL

2023
2024
2025



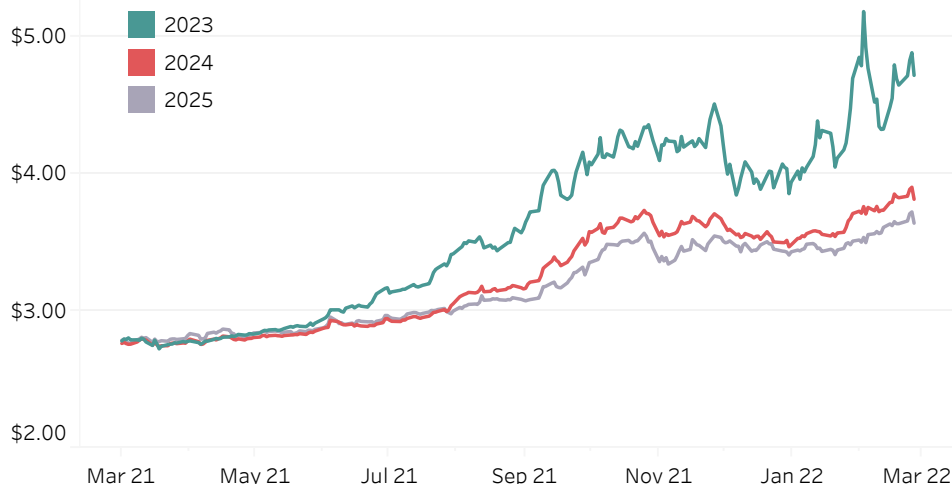
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NATURAL GAS OVERVIEW

WINTER NATURAL GAS NYMEX STRIPS - \$/MMBTU



Prompt Month Price For Apr 22

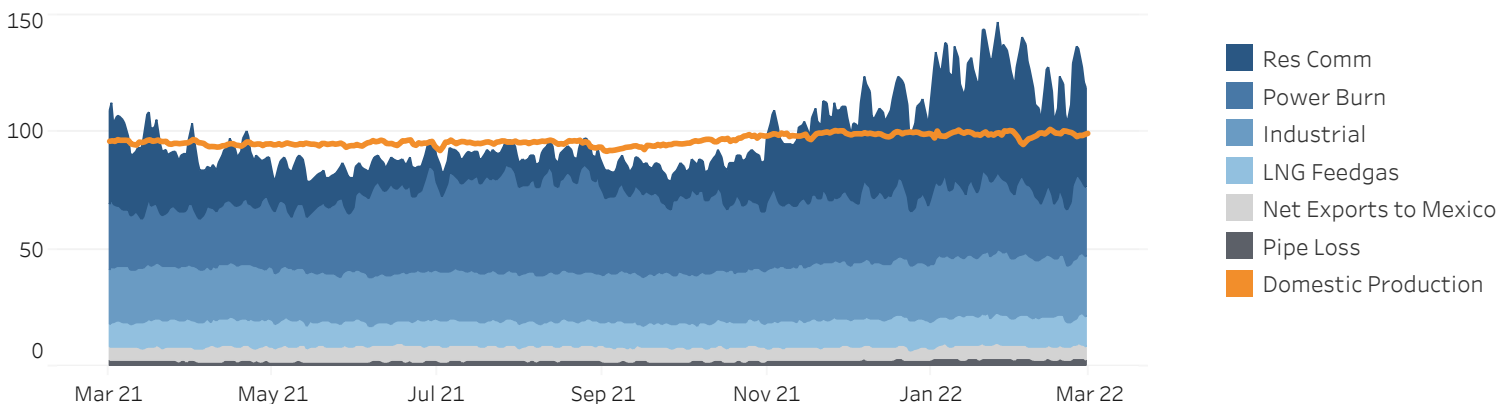
This Week:	\$4.57/MMBTU
Prior Week:	\$4.43/MMBTU
CHANGE:	\$0.14▲

Natural gas futures increased 1% last week, as cold temperatures persisted through the end of February and raised domestic heating demand. U.S. natural gas demand is currently up 26% year-over-year. As of February 18, national inventories were 214 Bcf below the five-year average at 1,782 Bcf. With storage levels already below the seasonal average, the supply outlook tightened further with the possibility that tighter sanctions on Russia could disrupt European gas flows and increase demand for U.S. LNG, reducing domestic storage injections. However, a warmer start to March across the Midwest and East could help ease the pressure on storage inventories.

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.

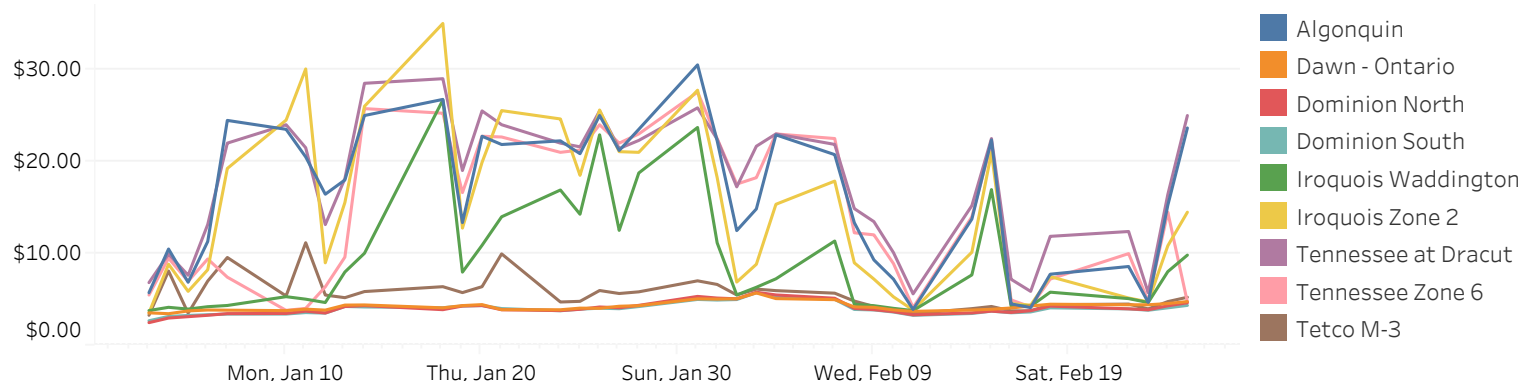
NATURAL GAS FUNDAMENTALS

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



NATURAL GAS SETTLEMENT

SPOT PRICE - \$/MMBTU



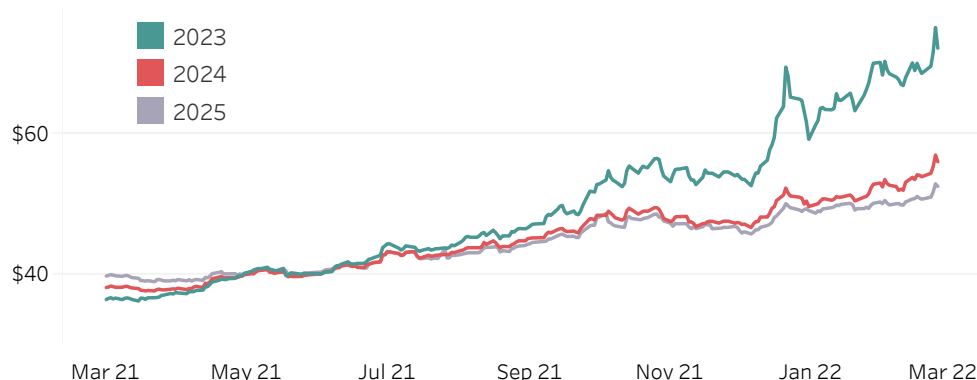
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NEW ENGLAND ELECTRICITY OVERVIEW

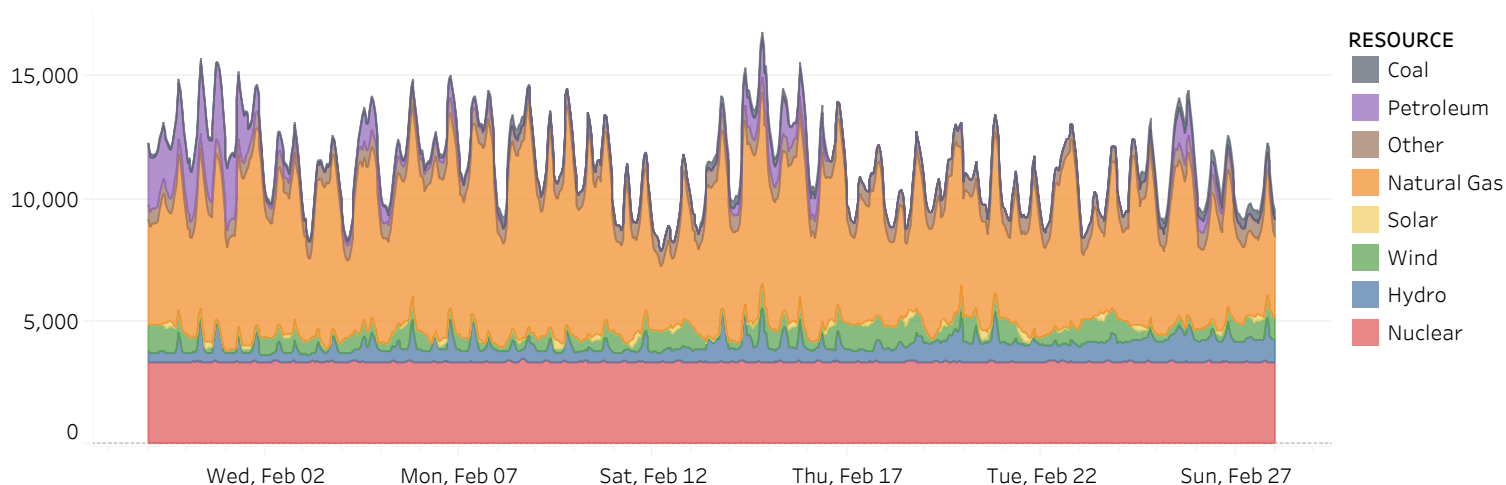
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING -\$/MWH



The NEPOOL 12-mo. strip rose 5.7% week-over-week, ending at \$81.16/MWh on Friday. Calendar strips were also up this week across the board, with the 2023 strip up 5.3%, the 2024 strip up 3.9%, and the 2025 strip up 3.6%. Mild temperatures toward the beginning of the week did little to bring prices down while the return of winter weather on Thursday and Friday caused a spike and the highest price peak for all of February. New England has another cold week ahead, with temperatures barely getting above freezing at any point. This could potentially result in another week-over-week increase in prices.

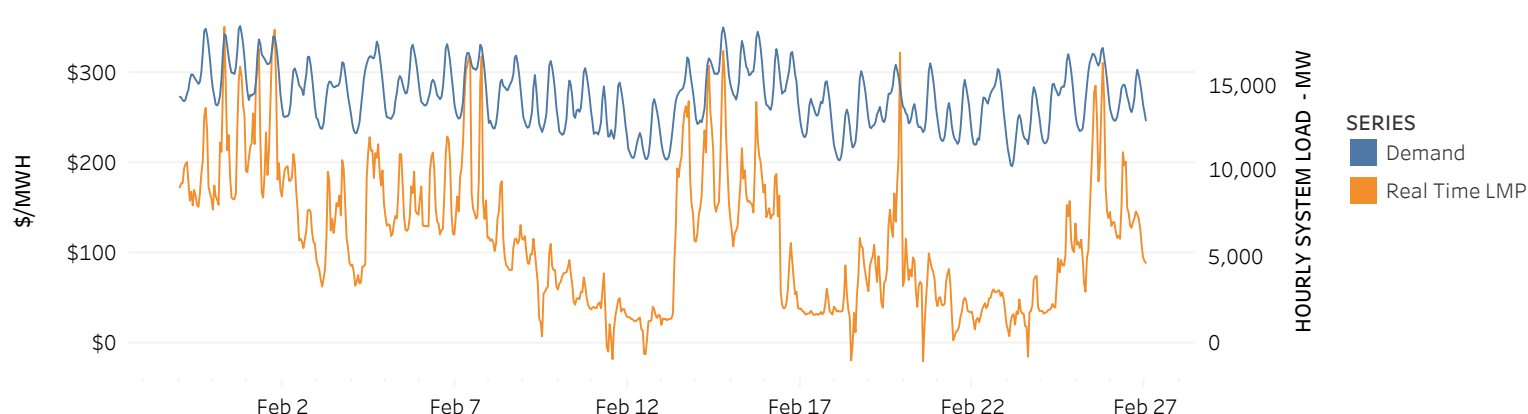
NEW ENGLAND ELECTRICITY SUPPLY

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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ENERGY SERVICES

KEY CONTACTS



KEITH SAMPSON

Senior VP Energy Services

(617) 633-9320

ksampson@competitive-energy.com

ISO-NE; Massachusetts, Connecticut,
Rhode Island; NYISO



ZAC BLOOM

VP, Head of Sustainability & Renewables

(617) 237-6497

zbloom@competitive-energy.com

ISO-NE; CAISO; ERCOT; NYISO, SPP



CHARLIE AGNEW

Managing Director of Energy Services

(207) 576-3490

cagnew@competitive-energy.com

ISO-NE; Maine, New Hampshire,
Massachusetts



CHRIS BROOK

Director of Natural Gas & Energy Services

(207) 949-0312

cbrook@competitive-energy.com

ISO-NE; Maine, Massachusetts;
ERCOT; CAISO



LARRY PIGNATARO

*Director of Strategic Partnerships
& Sr. Energy Services Advisor*

(603) 767-5321

lpignataro@competitive-energy.com

ISO-NE; New Hampshire, Maine,
Massachusetts



SANDY BEAUREGARD

Director of Sustainability Services

(207) 616-6340

sbeauregard@competitive-energy.com

ISO-NE; CAISO; ERCOT; NYISO; SPP



ZACK HALLOCK

Senior Energy Services Advisor

(603) 558-4872

zhallock@competitive-energy.com

ISO-NE; Massachusetts, Connecticut,
New Hampshire; NYISO



MAGGIE PAUL

Energy Services Advisor

(508) 648-9554

mpaul@competitive-energy.com

ISO-NE; Connecticut

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

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