

# March 7 - 11, 2022 MARKET SUMMARY



## SPOTLIGHT | ISO-NE Forward Capacity Auction Results Released

**The Forward Capacity Auction procures generation capacity to sufficiently meet projected peak electricity load three years ahead.**

On March 9, ISO new England released the results of Forward Capacity Auction 16, after a nearly month-long delay. The auction procures generation capacity to sufficiently meet projected peak electricity load three years ahead. The results of FCA 16, covering June 2025-May 2026, were delayed after the DC Circuit Court paused ISO's termination of the proposed Killingly natural gas plant just before the FCA's 2/7 start, requiring ISO to calculate two sets of outcomes, with and without Killingly's inclusion. After the final ruling terminated the plant's FCA participation on 3/3, the final auction results reflect a continued trend of lower forward capacity costs in the mid-2020s compared to recent years. Forward capacity market costs are assessed to New England ratepayers through a charge based on customer demand during the grid's annual peak hour, and the reduction in these costs over the coming years may help blunt increased commodity prices as customers begin to evaluate electricity supply agreements for future years.

## 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:12
18 MONTH:12
24 MONTH: 6
36 MONTH:5

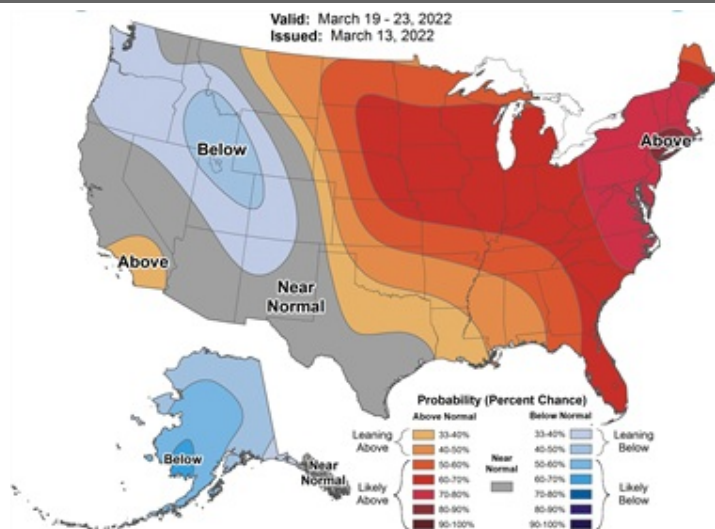
### NEW ENGLAND ELECTRICITY TERMS

12 MONTH:10
18 MONTH:30
24 MONTH: 8
36 MONTH:5

### CRUDE OIL TERMS

12 MONTH:18
18 MONTH:17
24 MONTH: 15
36 MONTH:15

## WEATHER | 6-10 Day Forecast



**Above average temperatures expected for the East and average and below average temperatures expected for the West Coast**

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.

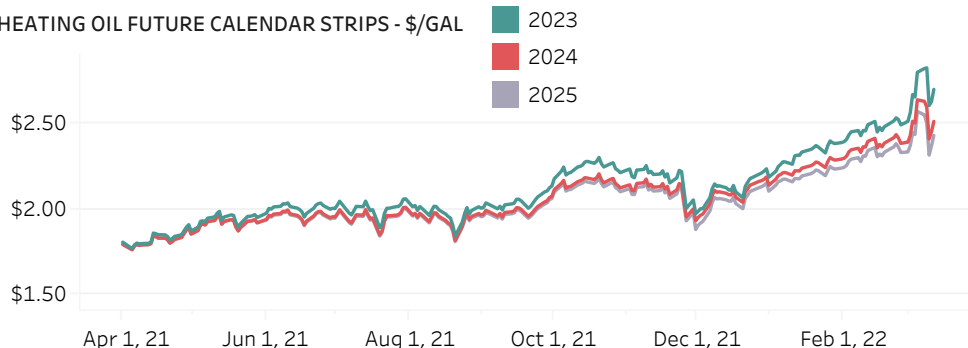
# MARKET SUMMARY

March 7 - 11, 2022



## OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

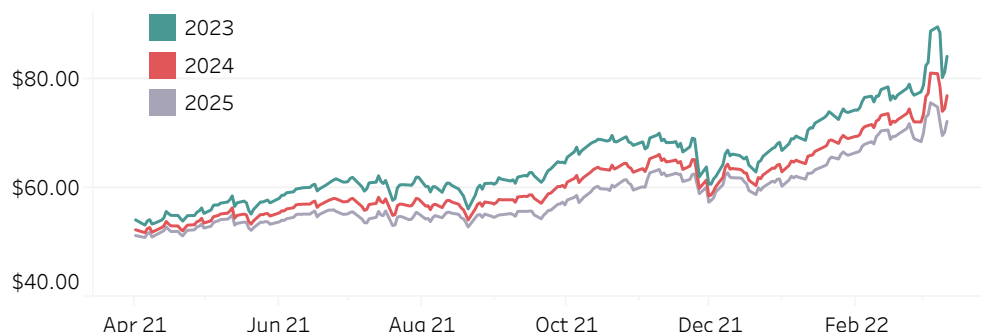


Prompt Month Price For May 22

This Week:	\$109.33/MMBTU
Prior Week:	\$115.68/MMBTU
CHANGE:	(\$6.35)▼

WTI prices closed at \$109.33 per barrel on Friday, after hitting the highest recorded prices since 2014 on Tuesday. The EIA released their updated short-term energy outlook and forecasted crude oil prices are estimated to average more than \$100 a barrel throughout 2022. As retail gas prices continue to rise, there are talks of increasing oil supply from the UAE, yet representatives from OPEC have not made a formal decision yet. In reaction to Russia's invasion of Ukraine, the U.S. and the U.K. decided to ban Russian oil, which will increase global anxiety around supply shortages. These geopolitical factors, low refinery production, and increased consumption of distillate fuel have led to the highest nominal heating oil and diesel prices since 2014.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

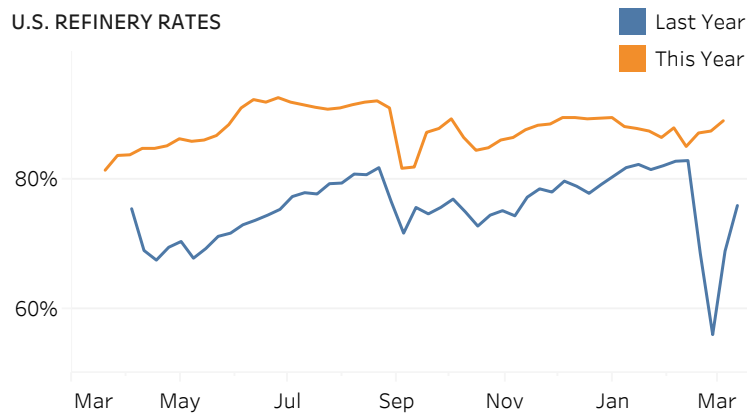


## FUNDAMENTALS

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

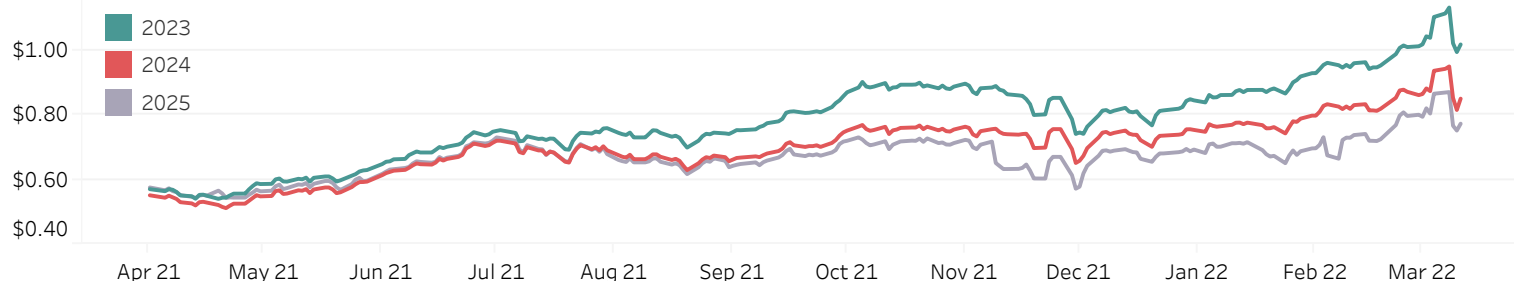


U.S. REFINERY RATES



## PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL



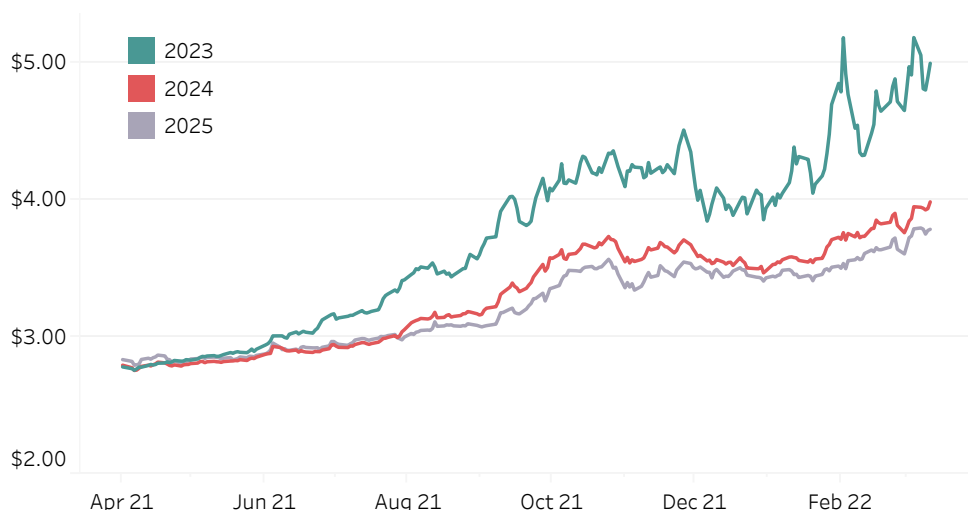
# MARKET SUMMARY

March 7 - 11, 2022



## 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.

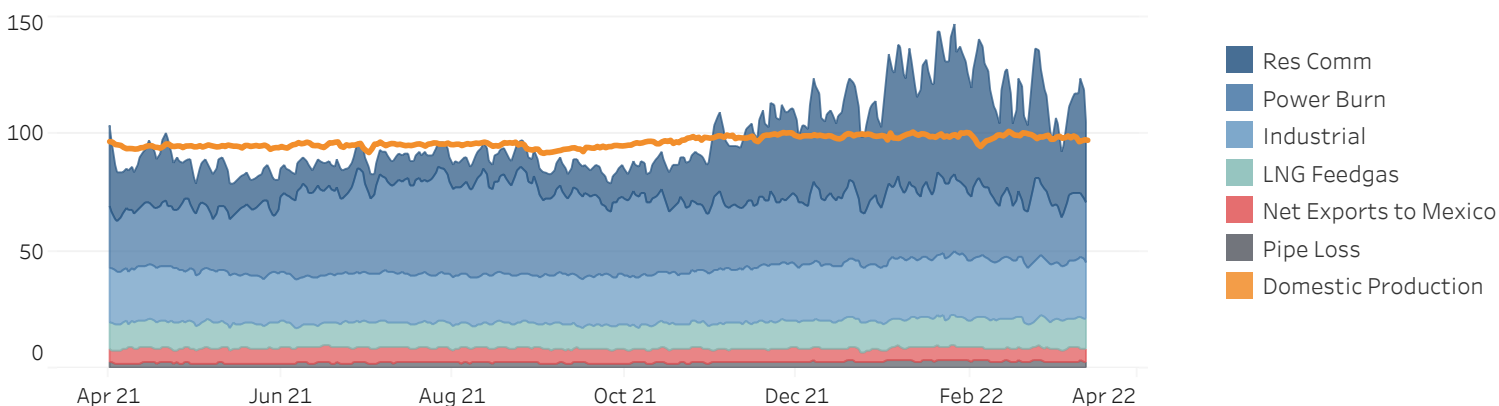
Prompt Month Price For May 22

This Week:	\$4.73/MMBTU
Prior Week:	\$5.02/MMBTU
CHANGE:	(\$0.29)▼

Natural gas futures declined 6% from the previous week, settling at \$4.73/MMBtu on Friday. Above-average temperatures are forecasted for the remainder of March in the eastern U.S., resulting in a warmer-than-normal start to the spring that could reduce domestic demand for heating fuels. This shift in weather patterns led prices to drop despite a week-over-week decline in dry gas production, continued near-record LNG exports, and a larger than expected storage withdrawal of 124 Bcf. As of March 4, storage inventories heading into the spring remain 290 Bcf below the five-year average at 1,519 Bcf.

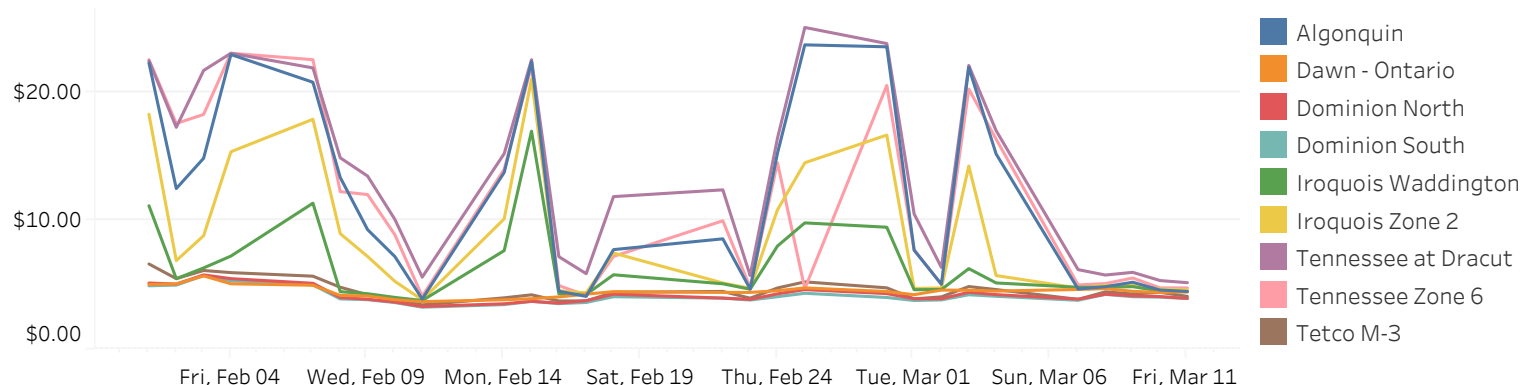
## NATURAL GAS FUNDAMENTALS

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



## NATURAL GAS SETTLEMENT

SPOT PRICE - \$/MMBTU



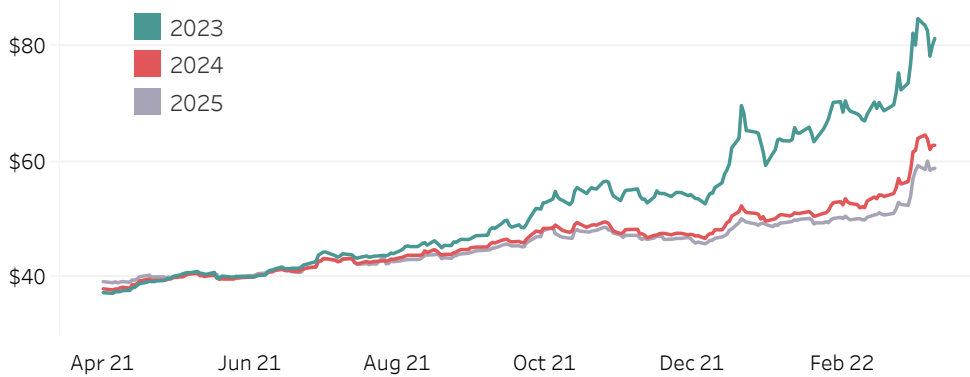
# MARKET SUMMARY

March 7 - 11, 2022



## NEW ENGLAND ELECTRICITY OVERVIEW

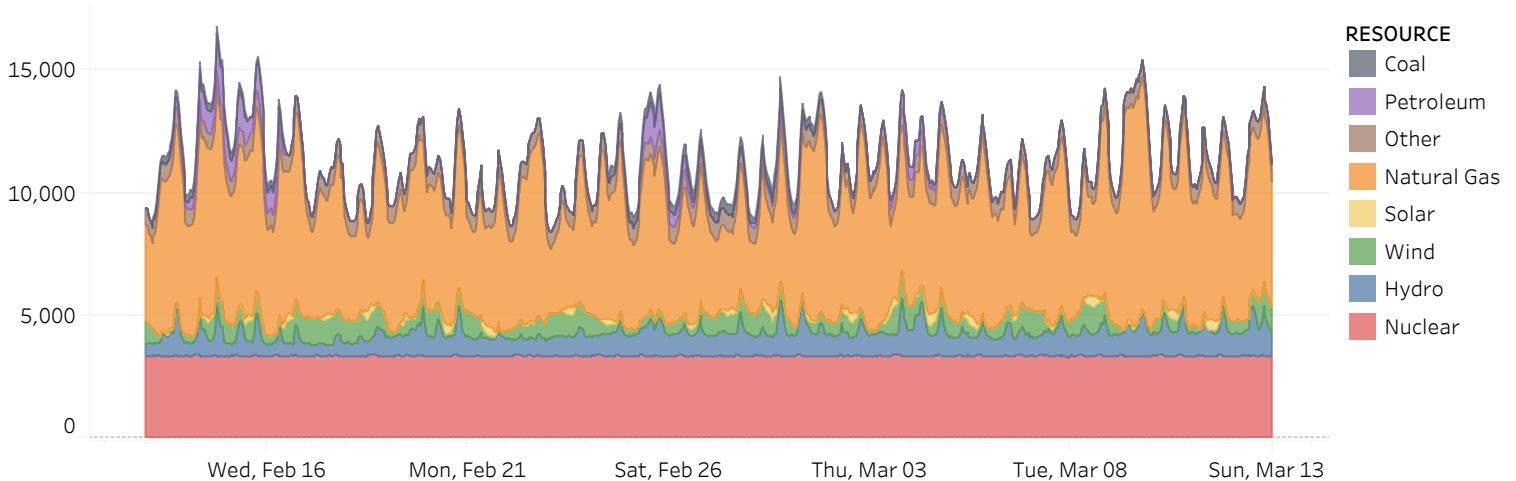
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING -\$/MWH



The NEPOOL 12-mo. strip rose 0.3% week-over-week, ending the week at \$92.33/MWh. Calendar strips experienced some marginal declines, with the 2023 strip down 4.0%, the 2024 strip down 1.9%, and the 2025 strip down 0.8%. Milder temperatures, and subsequent reduced heating demand, over the past week have seemingly provided a balance to the current geopolitical turmoil's effect on commodity prices, as a similar trend was also seen in natural gas prices. These temperatures are expected to continue into the coming week and may continue to provide some stabilization to fluctuating prices.

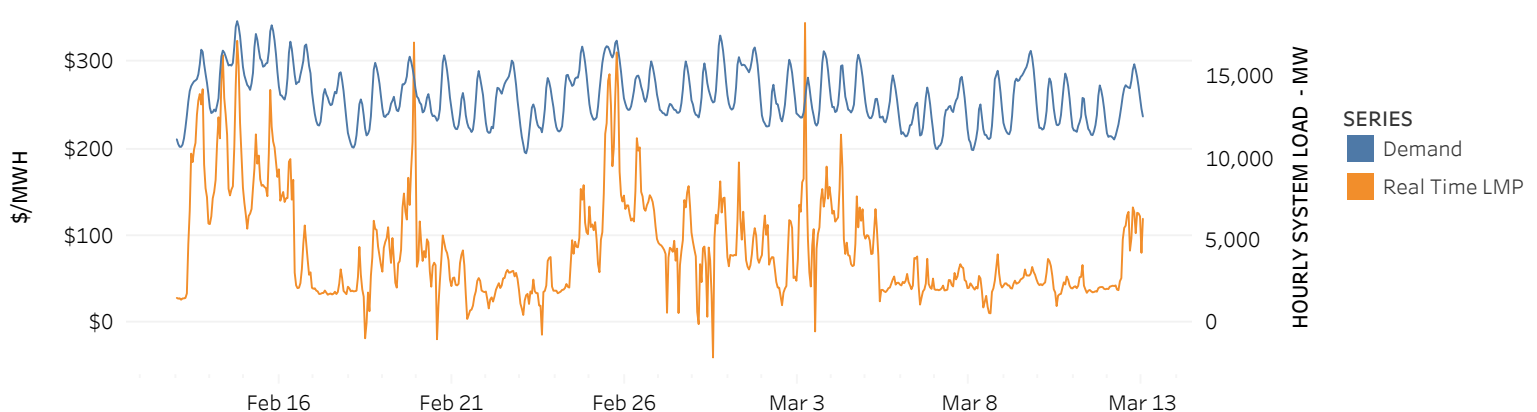
## NEW ENGLAND ELECTRICITY SUPPLY

ISO-NE GRID ELECTRICITY GENERATION MIX - EXCLUDES IMPORTS - MW



## NEW ENGLAND GRID FUNDAMENTALS

ISO NE HOURLY GRID DEMAND & REAL TIME LMP RATE



**DISCLAIMER:** The information set forth herein is a compilation of public and internal information and is presented solely for the convenience of CES customers. CES does not make any representation or warranties, express or implied, with respect to the accuracy or completeness of the information contained herein. CES shall not have any liability to any person or entity resulting from the use of this information in any way.





## ENERGY SERVICES

### KEY CONTACTS

**KEITH SAMPSON**

*Senior VP Energy Services*

(617) 633-9320

[ksampson@competitive-energy.com](mailto: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](mailto:zbloom@competitive-energy.com)

ISO-NE; CAISO; ERCOT; NYISO, SPP

**CHARLIE AGNEW**

*Managing Director of Energy Services*

(207) 576-3490

[cagnew@competitive-energy.com](mailto: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](mailto: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](mailto:lpignataro@competitive-energy.com)

ISO-NE; New Hampshire, Maine,  
Massachusetts

**SANDY BEAUREGARD**

*Director of Sustainability Services*

(207) 616-6340

[sbeauregard@competitive-energy.com](mailto:sbeauregard@competitive-energy.com)

ISO-NE; CAISO; ERCOT; NYISO; SPP

**ZACK HALLOCK**

*Senior Energy Services Advisor*

(603) 558-4872

[zhallock@competitive-energy.com](mailto:zhallock@competitive-energy.com)

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

**MAGGIE PAUL**

*Energy Services Advisor*

(508) 648-9554

[mpaul@competitive-energy.com](mailto:mpaul@competitive-energy.com)

ISO-NE; Connecticut

**THANK YOU**  
for choosing



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

**(866) 401-4591 | [competitive-energy.com](http://competitive-energy.com)**