

March 21 - 25, 2022 MARKET SUMMARY



SPOTLIGHT | U.S. Commits Additional LNG Exports in Support of Complete EU Phase Out of Russian Gas by 2027

President Biden claims this partnership between the U.S. and EU will not only assist in ending Europe's dependence on Russian energy, but also reinforce clean energy targets.



On March 25th, the United States pledged to supply an additional 15 billion cubic meters of liquefied natural gas (LNG) to the European Union by year-end. This commitment comes as the EU aims to decrease their current annual Russian gas supply of 155 Bcm by two-thirds before 2023, and completely eliminate reliance on Russian gas by 2027. In support of this phase out, the U.S. intends to provide an additional 50 Bcm of LNG by 2030. President Biden claims this partnership between the U.S. and EU will not only assist in ending Europe's dependence on Russian energy, but also reinforce clean energy targets. This partnership includes a commitment to decrease overall gas demand and reduce carbon emissions associated with development of LNG infrastructure through an increased use of clean energy. While concerns over the capacity of LNG import terminals were initially expressed, European think tanks recently claimed this phase out of Russian gas can be executed without the construction of new European import terminals through an accelerated adoption of efficiency measures and renewable energy.

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

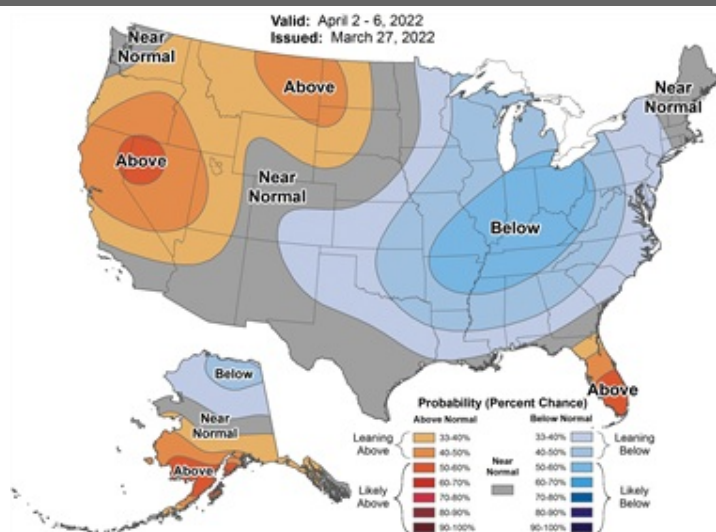
NEW ENGLAND ELECTRICITY TERMS

12 MONTH:0
18 MONTH:23
24 MONTH: 0
36 MONTH:0

CRUDE OIL TERMS

12 MONTH:9
18 MONTH:8
24 MONTH: 7
36 MONTH:7

WEATHER | 6-10 Day Forecast



Above average temperatures expected for the West and below average temperatures expected for the East and Midwest

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

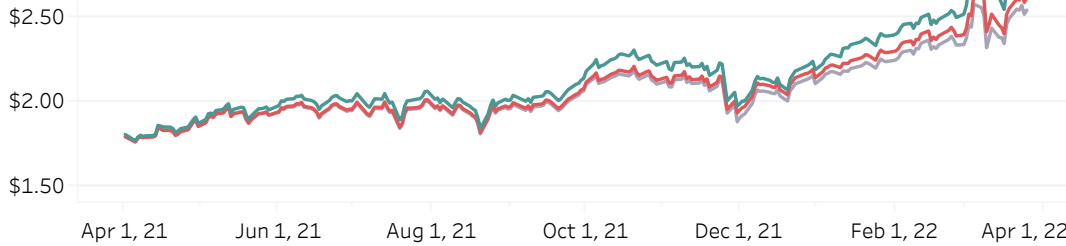
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OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

2023
2024
2025



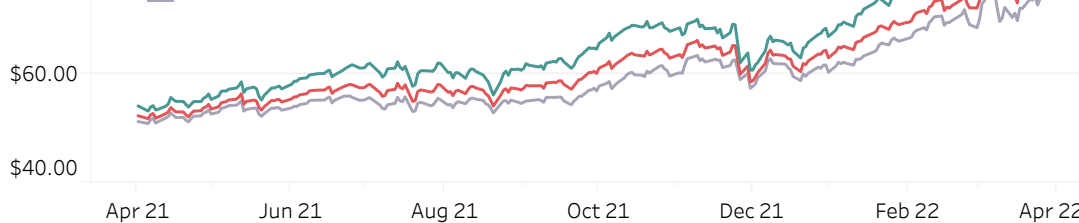
Prompt Month Price For May 22

This Week:	\$113.9/MMBTU
Prior Week:	\$104.70/MMBTU
CHANGE:	\$9.200

WTI prices closed at \$113.90 per barrel on Friday, up 8.7% from the week prior. Prices steadied slightly as EU talks on banning Russian imports slowed, yet prices still hit the highest level in two weeks. The U.S. and their allies have discussed a coordinated release from reserves to ease supply. The futures market is in backwardation in a sign for lower prices in the current market. On the supply side U.S. crude oil unexpectedly dropped by 2.5 million barrels last week, while economics expected inventory to climb slightly. This drop places last week's supply at 13% below its five-year average.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

2023
2024
2025



FUNDAMENTALS

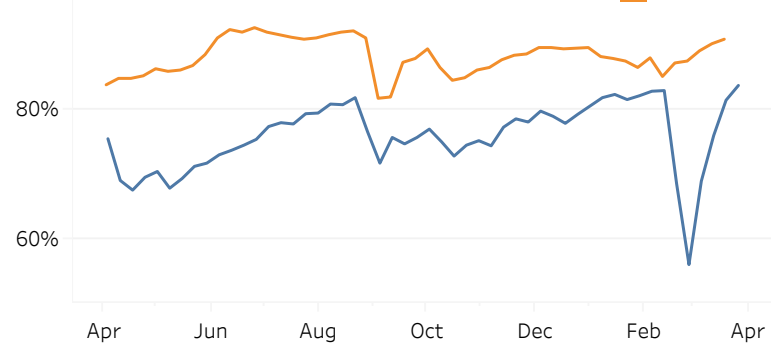
CRUDE OIL 12-MONTH ROLLING STRIP - \$/BARREL

Brent
WTI



U.S. REFINERY RATES

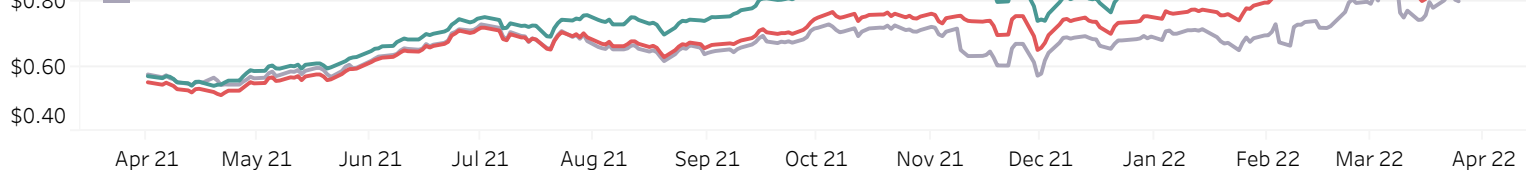
Last Year
This Year



PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL

2023
2024
2025

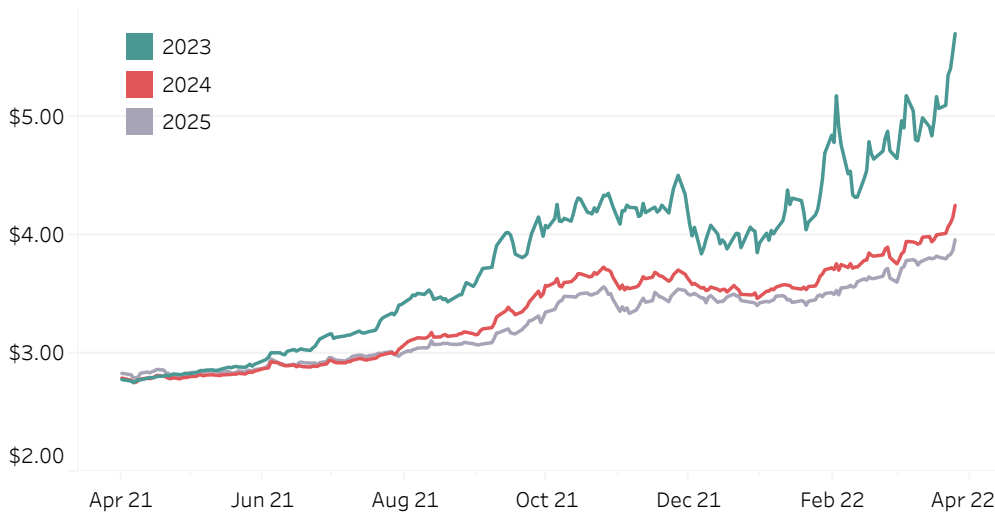


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NATURAL GAS OVERVIEW

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.

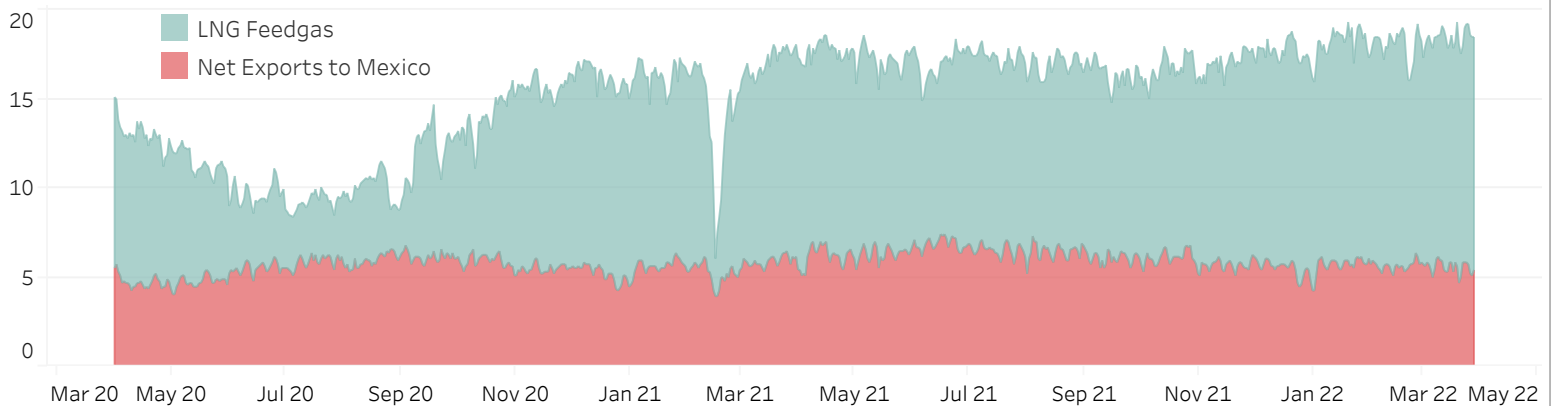
Prompt Month Price For May 22

This Week:	\$5.57/MMBTU
Prior Week:	\$4.86/MMBTU
CHANGE:	\$0.71▲

U.S. front-month natural gas futures increased 14.5% from the previous week, settling at \$5.57/MMBtu on Friday. Below-average seasonal temperatures are expected across the Midwest and the Northeast over the next week. These temperatures will induce a significant jump in heating demand that could delay the onset of the gas storage injection season. U.S. gas inventories sit 293 Bcf below the five-year seasonal average. This storage deficit has worsened with elevated LNG feed gas levels of above 13 bcf/d during the ongoing war in Ukraine and a decline in dry gas production to under 94 Bcf/d in March.

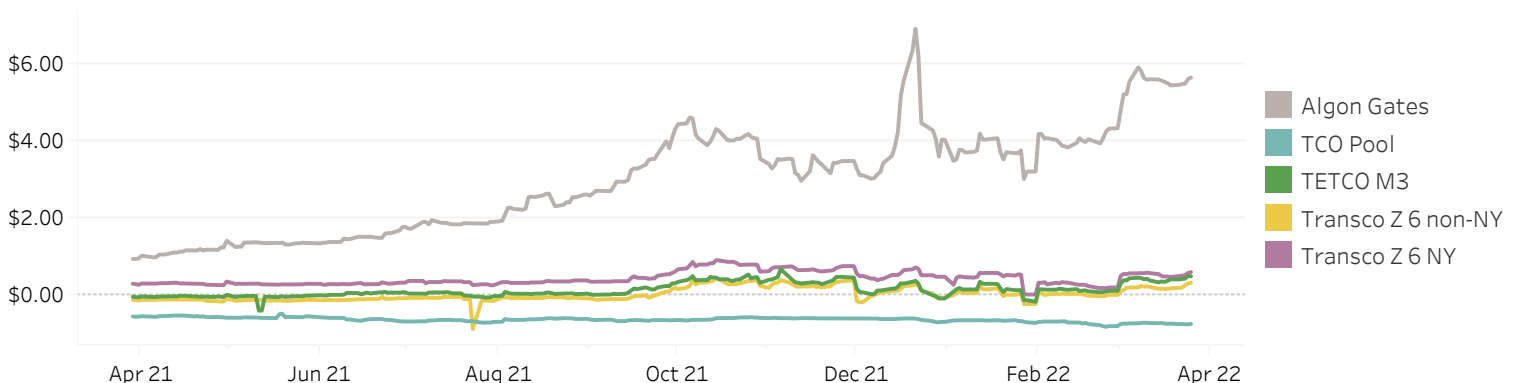
NATURAL GAS FUNDAMENTALS

U.S. NATURAL GAS TOTAL EXPORTS - BCF



NATURAL GAS BASIS

NATURAL GAS BASIS - ROLLING 12 MO. FUTURES STRIP - \$/MMBTU



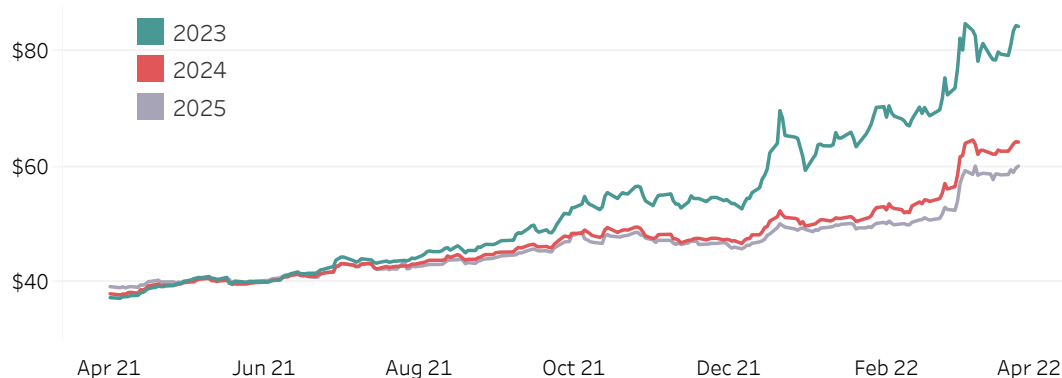
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NEW ENGLAND ELECTRICITY OVERVIEW

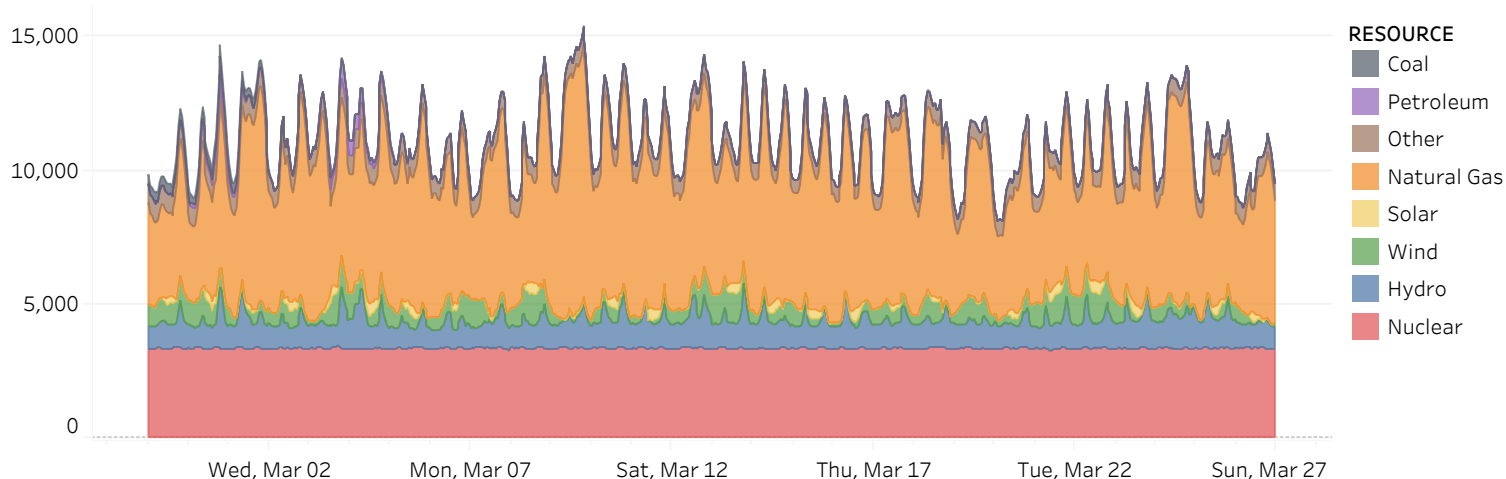
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING -\$/MWH



The NEPOOL 12-mo. strip rose 7.6% week-over-week, ending the week at \$97.08/MWh. Calendar strip prices also reversed the previous week's marginal decline, with the 2023 strip up 6.0%, the 2024 strip up 2.5%, and the 2025 strip up 2.6%. Colder temperatures across the Northeast caused a spike in heating demand for natural gas and consequently prices to rise. Unrest in Ukraine continues to impact commodity prices across the globe and a colder forecast could sustain elevated prices throughout this week.

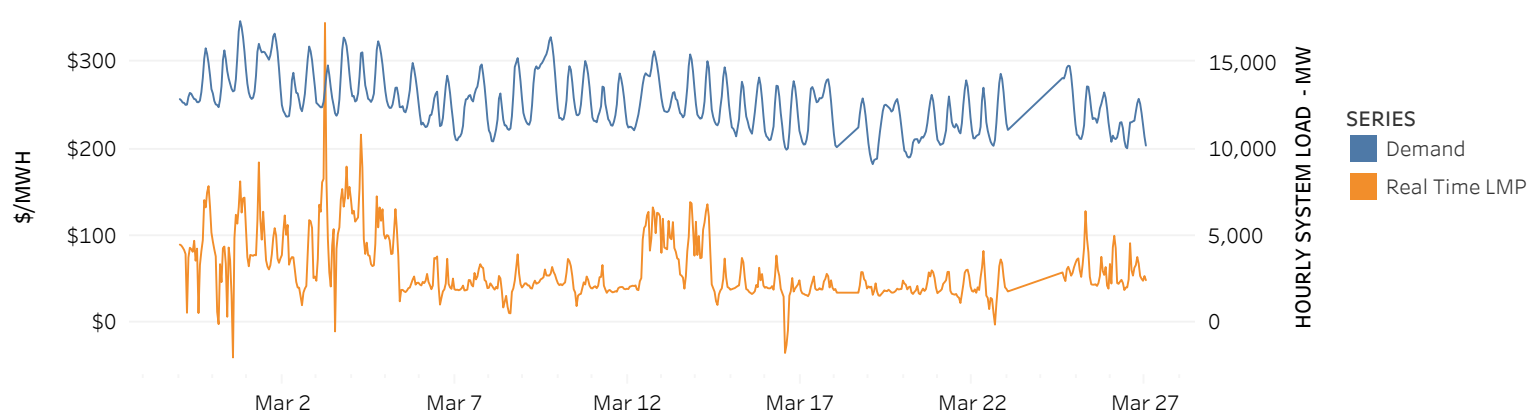
NEW ENGLAND ELECTRICITY SUPPLY

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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for choosing



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

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