

# April 11 - 15, 2022 MARKET SUMMARY



## SPOTLIGHT | New Report Finds PPA Prices Jumped Sharply Since 2021

**Since the beginning of 2021, PPA prices have increased by 28.5%; in the first quarter of 2022 alone, prices were up nearly 10%.**

According to a new analysis released this past week by renewable energy marketplace firm LevelTen Energy, the price for renewable power purchase agreements (PPAs) has jumped significantly in the past year. Since the beginning of 2021, PPA prices have increased by 28.5%; in the first quarter of 2022 alone, prices were up by nearly 10%. Overall, the market-averaged national PPA price index has increased to \$39.91 per megawatt hour, with competitive solar prices up by 6% and wind up by 13.5% in the first three months of the year. The report highlights several factors for the increase in PPA prices, including a shortage of new renewable energy projects available in the market due to heightened materials costs, interconnection delays, and other regulatory-associated risks. Additionally, the Russian invasion of Ukraine has placed upward pressure on overall energy prices globally, and the recent decision by the U.S. Department of Commerce to investigate if Chinese solar manufacturers have been circumventing American tariffs has led to further increases in project development costs. With demand remaining strong the report concludes that prices will likely remain high for years to come, barring any substantial new policies to bolster the industry and drive down costs.

## 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

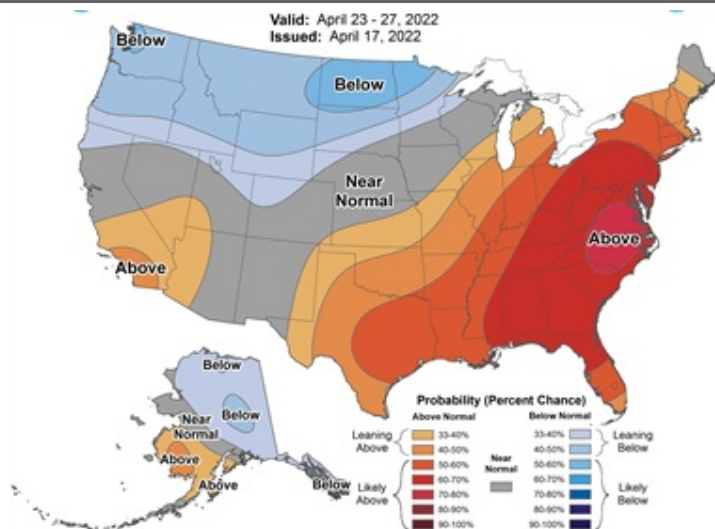
### NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 0
18 MONTH: 4
24 MONTH: 0
36 MONTH: 0

### CRUDE OIL TERMS

12 MONTH: 9
18 MONTH: 5
24 MONTH: 2
36 MONTH: 1

## WEATHER | 6-10 Day Forecast



**Above average temperatures expected for the Southeast and East and below average temperatures expected in the Northwest**

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.

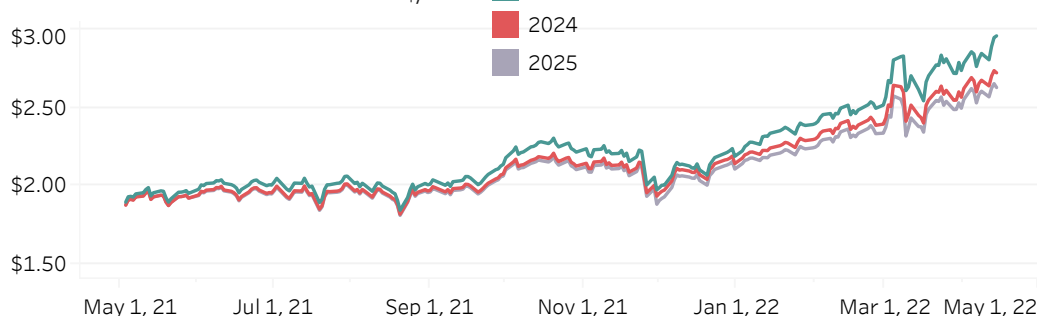
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## OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

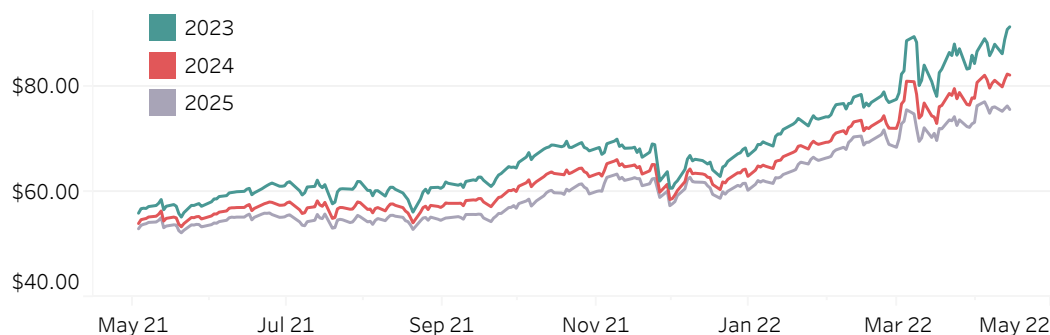


Prompt Month Price For May 22

This Week:	\$106.95/MMBTU
Prior Week:	\$98.26/MMBTU
CHANGE:	\$8.698

WTI prices closed at \$106.95 on Thursday, up 11.37% from the week prior. The International Energy Agency reported that the OPEC+ group's March production increase was only 10% of planned increases, as protests continue in Libya, further squeezing supply with Russian exports continuing to fall. Libya is home to Africa's largest crude reserve, and a decline in production there could have a large impact on global markets. The Biden administration announced that they would restart drilling leases on federal lands to increase supply. China is expected to ease lockdown restrictions, potentially increasing global demand.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

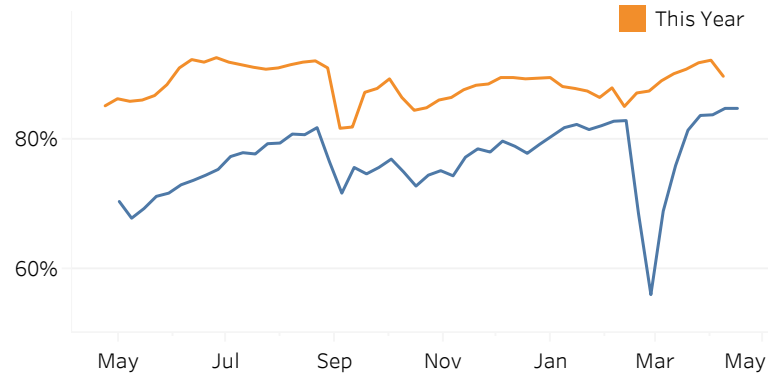


## FUNDAMENTALS

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

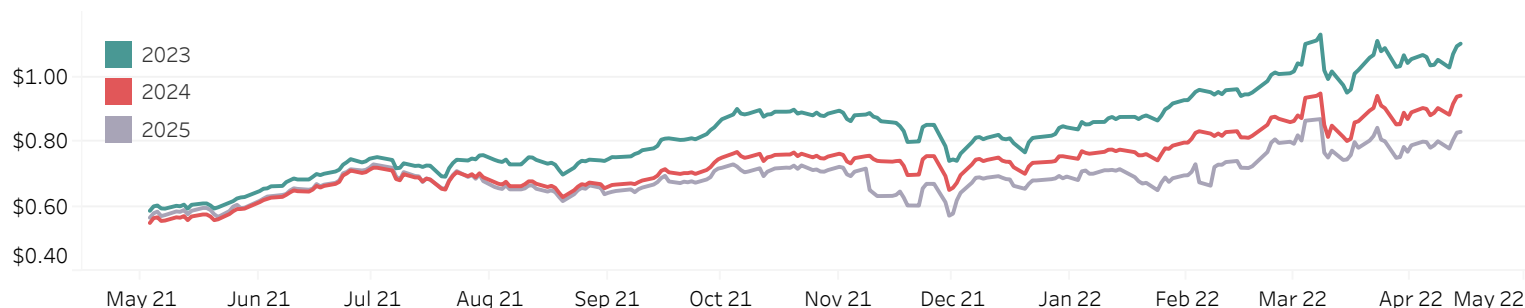


U.S. REFINERY RATES



## PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL

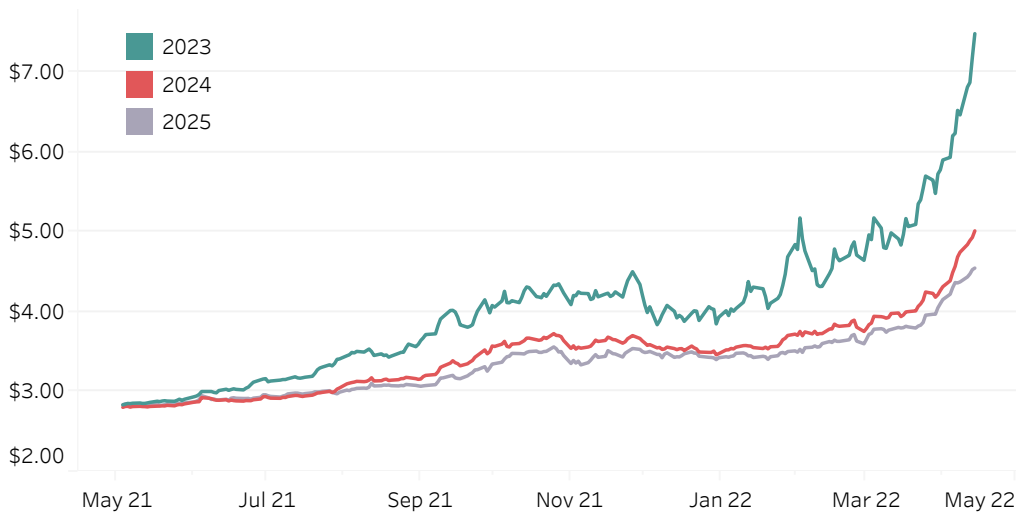


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## NATURAL GAS OVERVIEW

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.

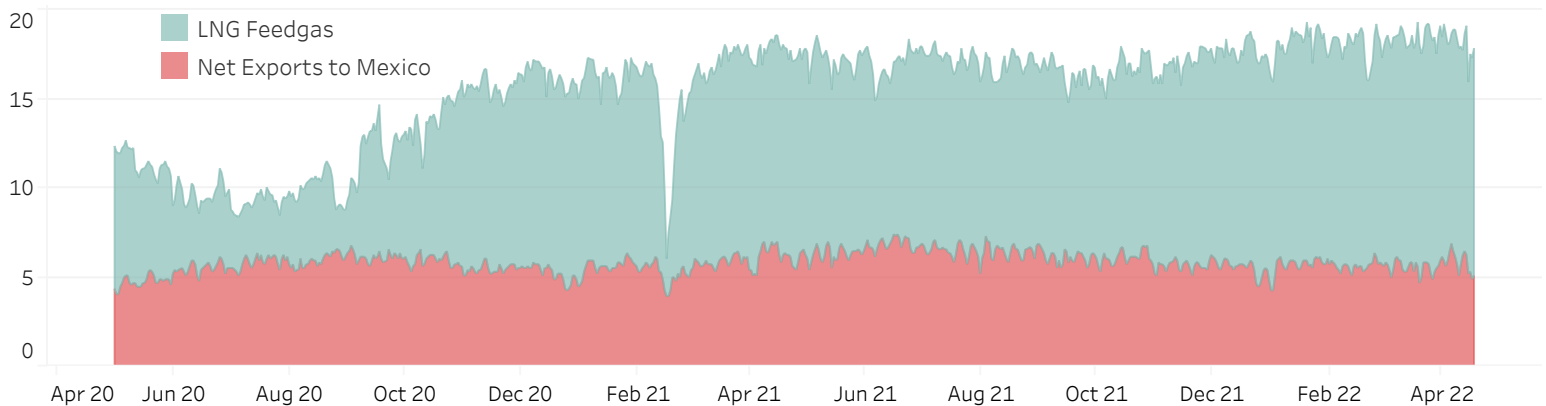
Prompt Month Price For May 22

This Week:	\$7.30/MMBTU
Prior Week:	\$6.28/MMBTU
CHANGE:	\$1.02

May front-month natural gas futures increased 16.2% from the previous week, settling at \$7.30/MMBTU on Friday. A stretch of cold early spring weather persisted across the U.S. last week, boosting total heating demand above seasonal averages. LNG feedgas volumes also remained strong at 12.2 Bcf/d, adding to the market's strong demand outlook. Production has yet to significantly increase in response to higher prices despite growth in the national rig count. Dry gas production dropped week-over-week to 93.4 Bcf/d. Storage inventories currently sit 303 Bcf below the five-year average at 1,397 Bcf.

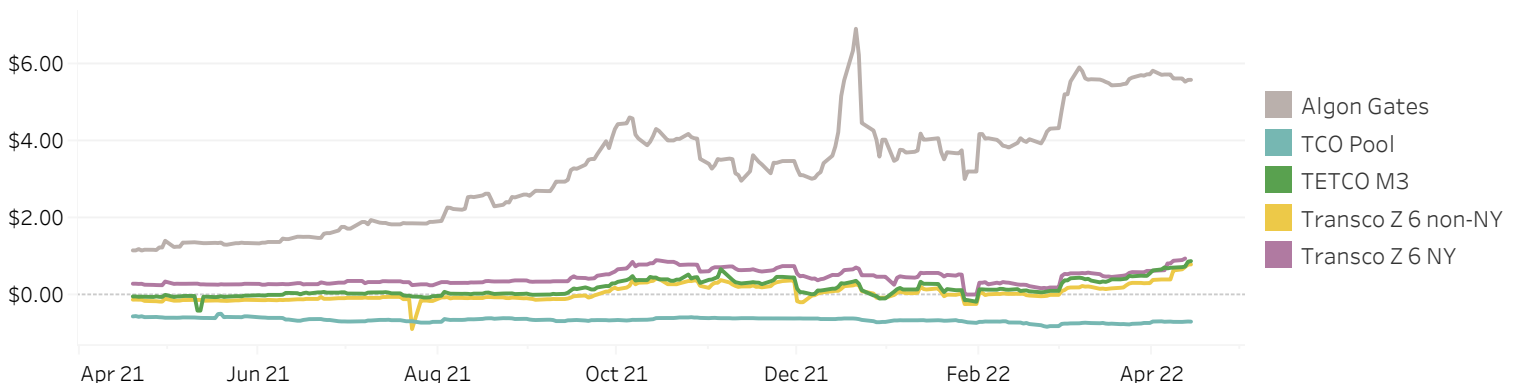
## NATURAL GAS FUNDAMENTALS

U.S. NATURAL GAS TOTAL EXPORTS - BCF



## NATURAL GAS BASIS

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



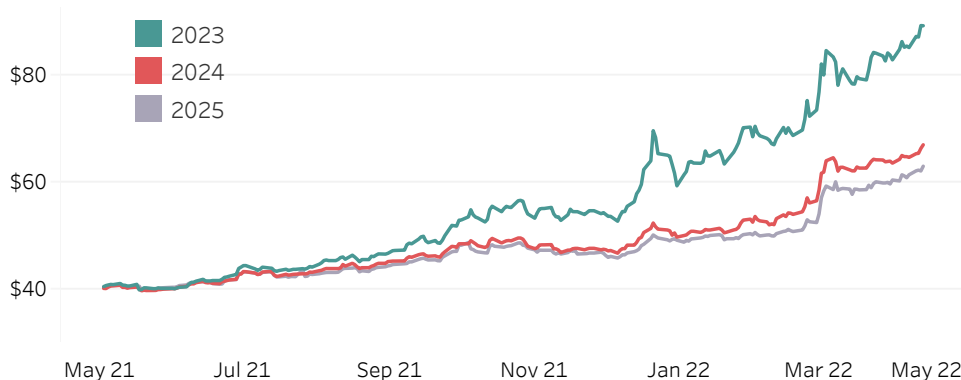
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### NEW ENGLAND ELECTRICITY OVERVIEW

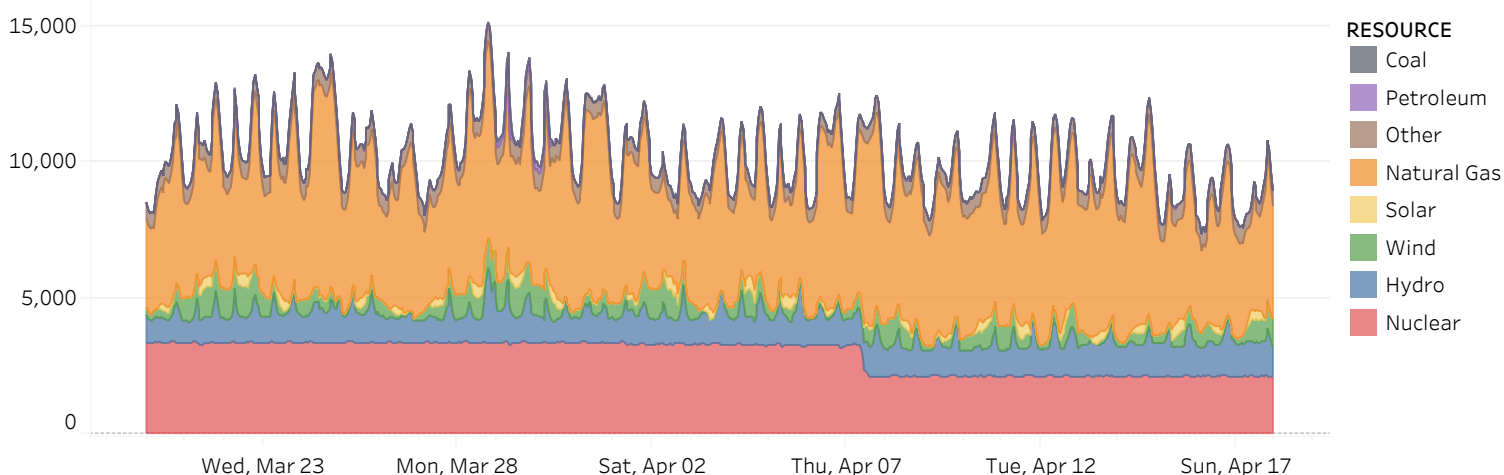
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING -\$/MWH



The NEPOOL 12-mo. strip rose 7.9% week-over-week, ending at \$109.58/MWh. Calendar strip prices also began to breakaway this week, with the 2023 strip up 4.5%, the 2024 strip up 3.4%, and the 2025 strip up 3.6%. NEPOOL 12-mo. strip prices have remained above \$100/MWh for the majority of the month of April and a week of mild weather seems to have done little to slow it down. Steady increases in calendar strip prices also bode poorly for long term electricity prospects. With Natural Gas production yet to increase, tightened inventories are driving prices up with electricity prices following close behind.

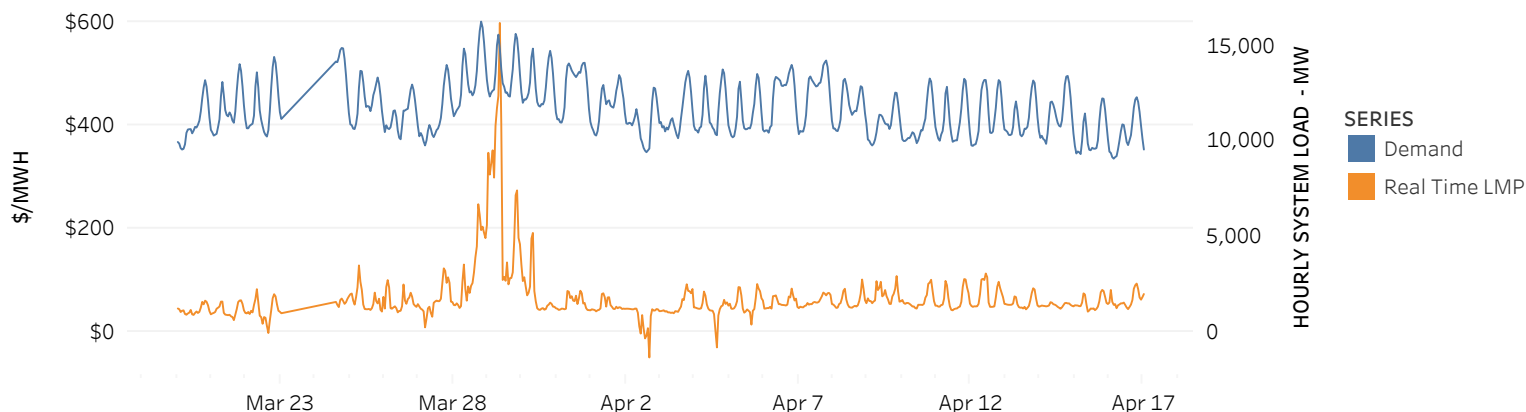
### NEW ENGLAND ELECTRICITY SUPPLY

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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