

April 18 - 22, 2022

MARKET SUMMARY



SPOTLIGHT | FERC Moves Transmission Planning Overhaul Forward

The Federal Energy Regulatory Commission issued a highly anticipated proposed rule to overhaul the process of regional electricity transmission planning and cost allocation.



On April 21, the Federal Energy Regulatory Commission issued a highly anticipated proposed rule to overhaul the process of regional electricity transmission planning and cost allocation to address the needs of the rapidly changing U.S. bulk power system more efficiently. Under the proposal, regional transmission providers would be required to conduct transmission planning processes on a minimum 20-year timeframe, identifying transmission needs and benefits based on forecasted changes to generation resource mix and demand, accounting for the growing likelihood of extreme weather events, and establishing transparent and fair criteria for the selection of projects to meet long-term needs cost-effectively. The proposal also adds state involvement, requiring transmission providers to coordinate with the states in each region on the methods of cost allocation for selected transmission projects and revise tariffs appropriately. The proposal further looks to integrate the regional and local transmission planning processes through greater transparency and coordination to better size planned projects. The proposed rule is seen as a step forward in long-term planning for the growth of renewable energy generation and coordinate with state decarbonization policies across the nation.

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: 27
18 MONTH: 28
24 MONTH: 28
36 MONTH: 28

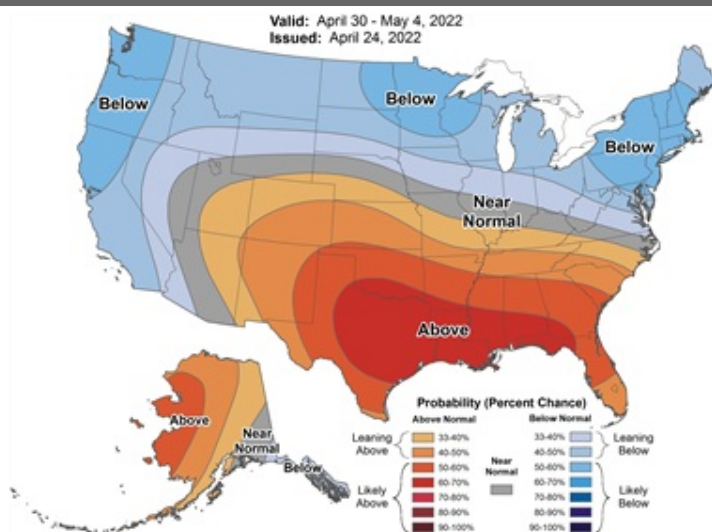
NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 12
18 MONTH: 13
24 MONTH: 12
36 MONTH: 12

CRUDE OIL TERMS

12 MONTH: 21
18 MONTH: 18
24 MONTH: 16
36 MONTH: 15

WEATHER | 6-10 Day Forecast



Above average temperatures expected for the Southeast and below average temperatures expected in the North and Western U.S.

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.

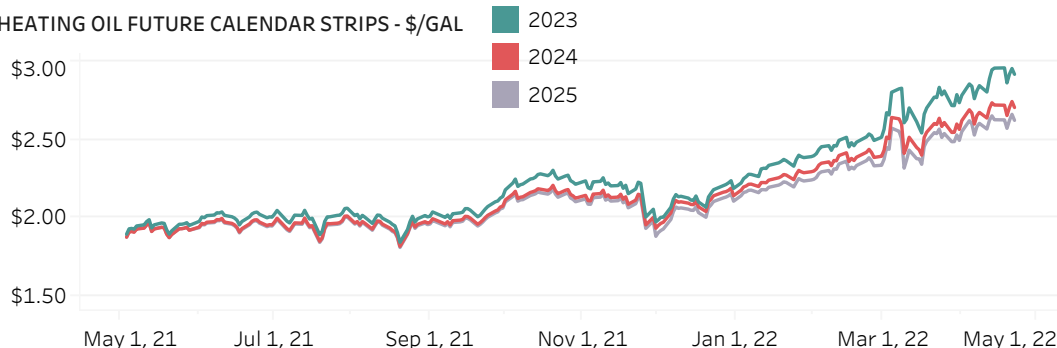
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OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

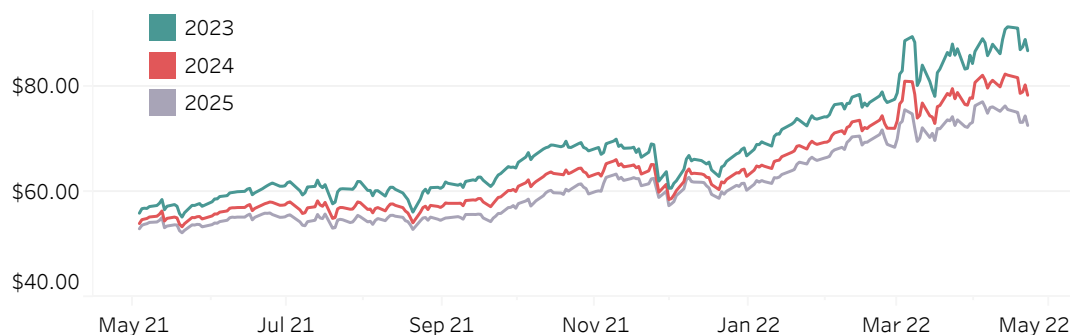


Prompt Month Price For May 22

This Week:	\$102.07/MMBTU
Prior Week:	\$106.95/MMBTU
CHANGE:	\$4.88

WTI closed at \$102.07 per barrel on Friday, down 4.5% from \$106.95 the previous week. Global events continue to impact prices, most notably the Russia-Ukraine conflict, oil fields closing in Libya and COVID-19 lockdowns being lifted in Shanghai. The International Monetary Fund announced lower global demand projections for 2022 and 2023 due to the war in Ukraine, dropping prices slightly. In April, Russia has exported 11.1 million barrels marked "destination unknown," up from nearly zero before the invasion of Ukraine. If Russian supply were to stop, analysts project prices could reach as high as \$150 per barrel.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

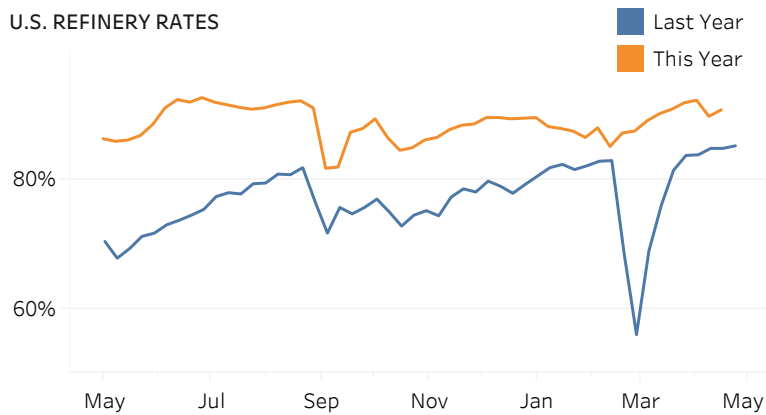


FUNDAMENTALS

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

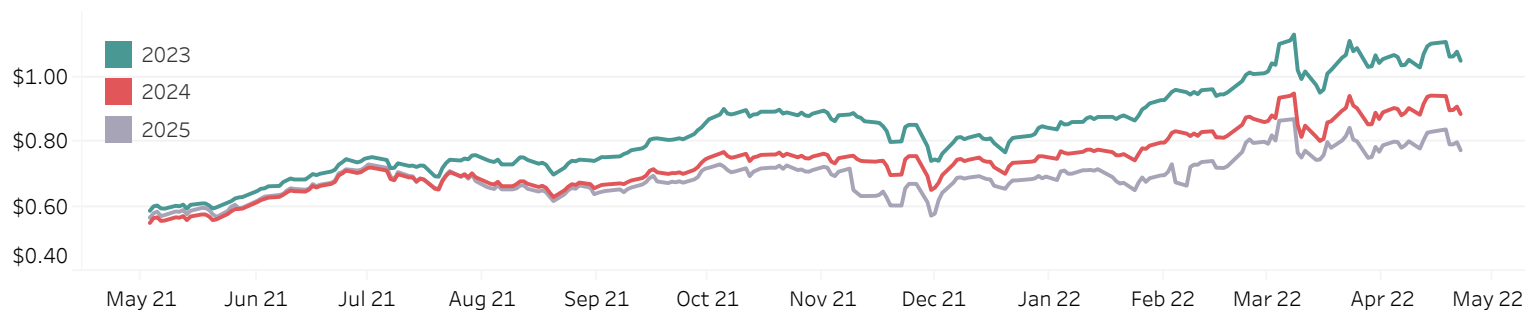


U.S. REFINERY RATES



PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL



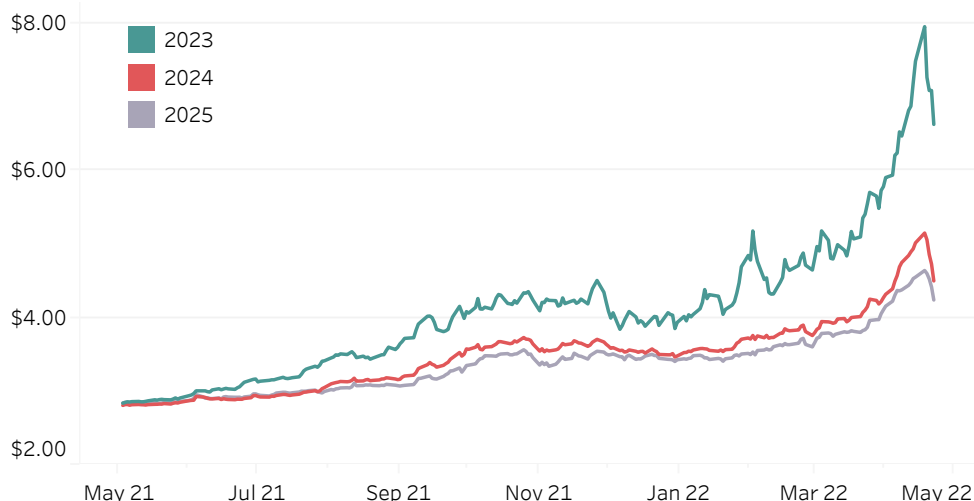
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NATURAL GAS OVERVIEW

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.

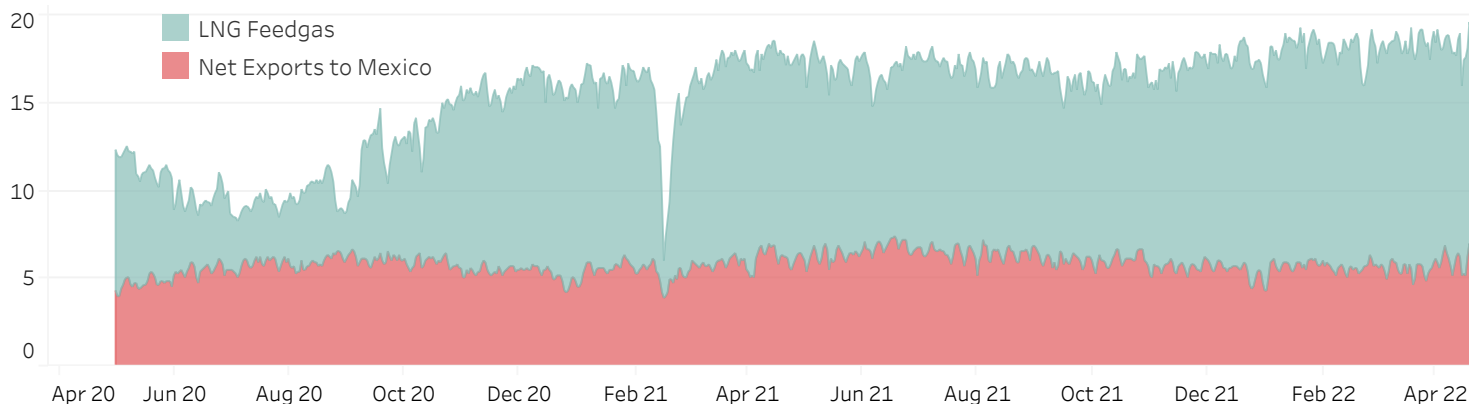
Prompt Month Price For May 22

This Week:	\$6.53/MMBTU
Prior Week:	\$7.30/MMBTU
CHANGE:	(\$0.77)▼

Front-month natural gas futures decreased 10.6% from the previous week, settling at \$6.53/MMBtu on Friday. Although a storage deficit and exports to Europe continue to pressure gas markets, warmer weather has helped reduce shoulder season heating demand. The EIA last week announced an unexpectedly high storage injection of 53 Bcf, which brought inventories to just 292 Bcf below the five-year average. Additionally, the U.S. gas rig count has increased 10% from the previous month to 144 total rigs. The increasing rig count could incite a rise in dry gas production and offset increased demand for U.S. LNG feedgas, easing pressure on national inventories.

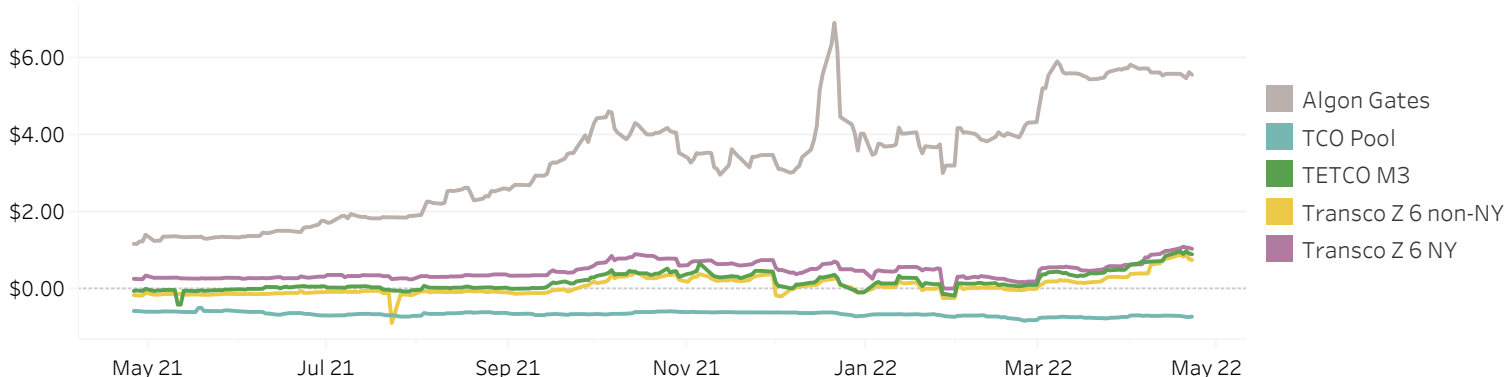
NATURAL GAS FUNDAMENTALS

U.S. NATURAL GAS TOTAL EXPORTS - BCF



NATURAL GAS BASIS

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



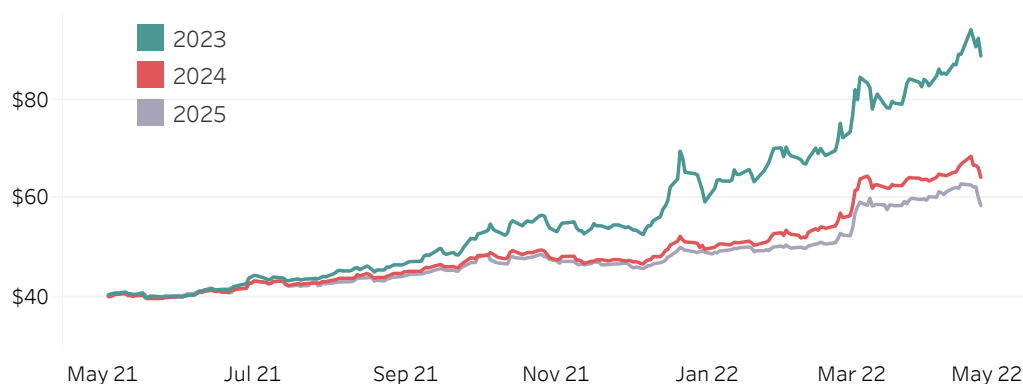
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NEW ENGLAND ELECTRICITY OVERVIEW

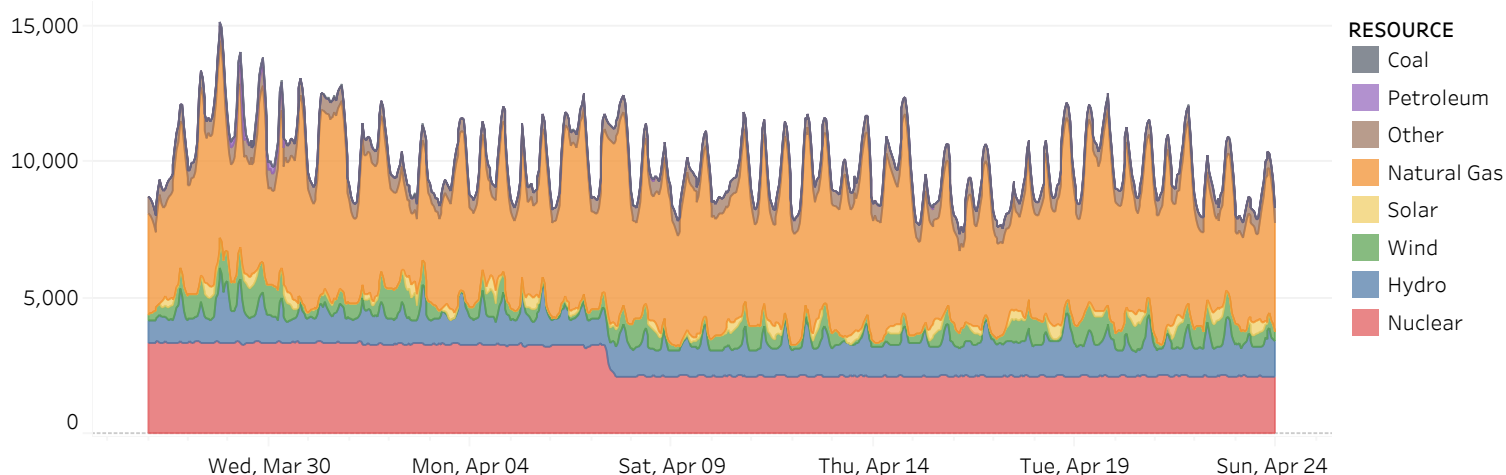
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING -\$/MWH



The NEPOOL 12-mo. strip rose 0.9% week-over-week, ending at \$110.52/MWh. This came just after a midweek spike to over \$120/MWh, the highest prices seen in over a decade. Calendar strip prices began to fall this week, with the 2023 strip down 0.4%, the 2024 strip down 4.0%, and the 2025 strip down 7.0%. While natural gas prices remain on the rise due to tightened inventories and limited production, the late week drop off in electricity prices could be indicative that prices will continue to fall as moderating and may begin to stabilize soon.

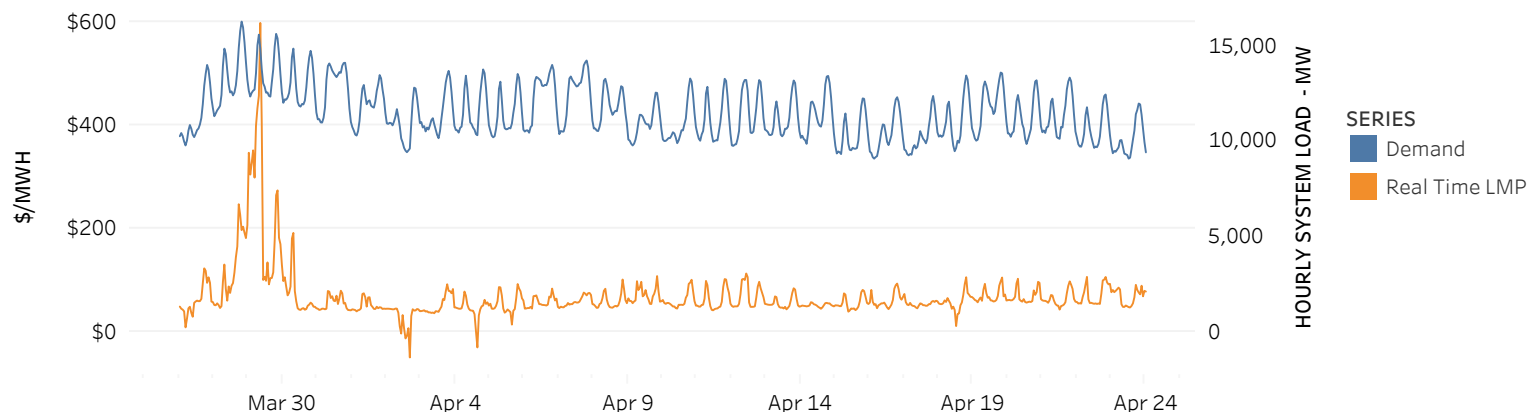
NEW ENGLAND ELECTRICITY SUPPLY

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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