

May 2 - 6, 2022 MARKET SUMMARY



SPOTLIGHT | DOE Secretary Warns Solar Tariff Investigation Poses Risks for U.S. Clean Energy Goals

Multiple senators expressed concerns over the solar supply chain constraints posed by the Department of Commerce's ongoing tariff investigation.

The Senate Energy and Natural Resources Committee met on Thursday, May 5 to examine President Biden's FY23 budget request for the Department of Energy. While present natural gas, electricity, and gasoline prices were the main topics of discussion, multiple senators expressed concerns over the solar supply chain constraints posed by the Department of Commerce's ongoing tariff investigation. Commerce announced the investigation in March citing claims that manufacturers in Cambodia, Malaysia, Thailand, and Vietnam used parts made in China, thus subjecting them to a tariff. A final decision may not be reached until April of 2023. DOE Secretary Granholm expressed that the investigation threatens the achievement of Biden's 2035 100% clean energy target, and entirely disrupts current projects and investment in the solar industry. Considering the investigation, Granholm noted the importance of promoting U.S. manufacturing and referenced a \$200 million budget request specifically for the advancement of the domestic solar supply chain.

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: 5
18 MONTH: 4
24 MONTH: 5
36 MONTH: 5

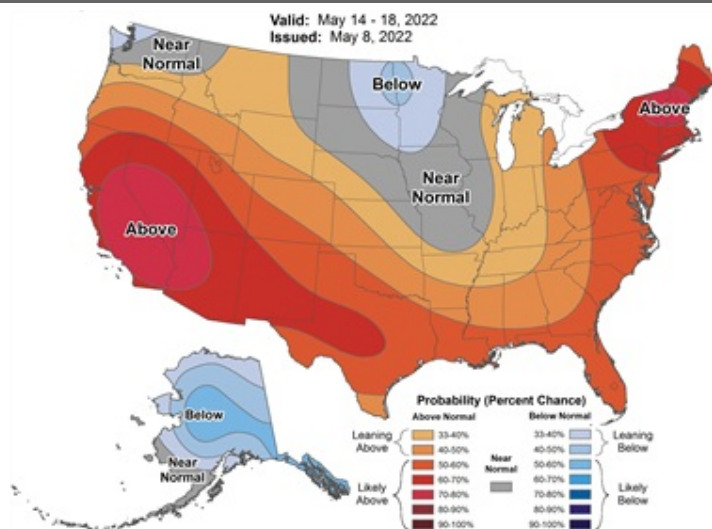
NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 0
18 MONTH: 0
24 MONTH: 2
36 MONTH: 3

CRUDE OIL TERMS

12 MONTH: 10
18 MONTH: 8
24 MONTH: 7
36 MONTH: 7

WEATHER | 6-10 Day Forecast



Above average temperatures expected for New England and California, with slightly cooler temperatures expected in the 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.

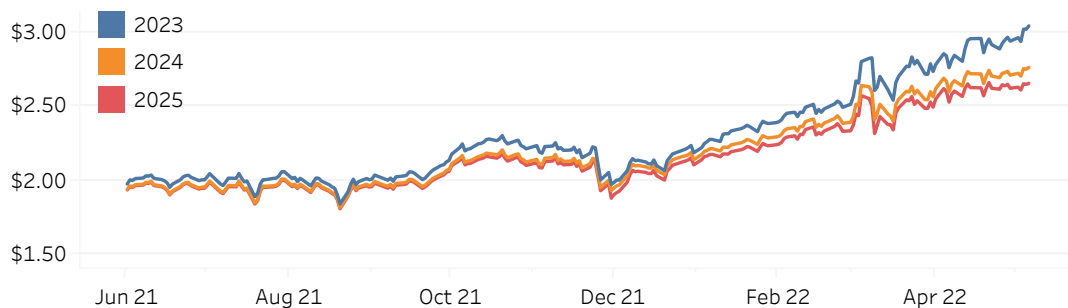
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OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL



Prompt Month Price For Jun 22

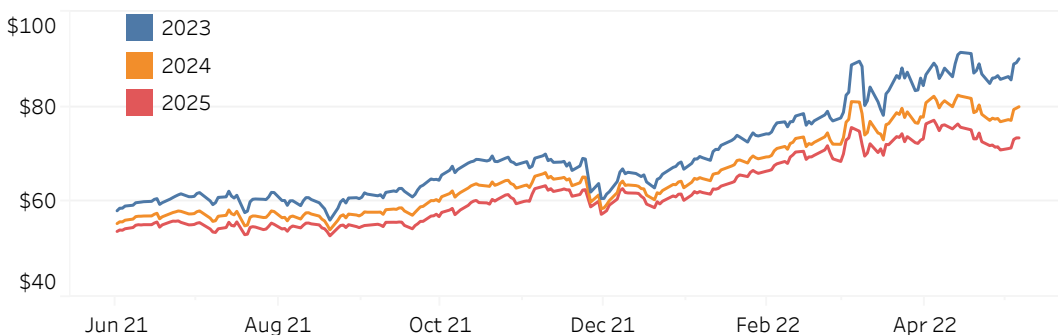
This Week: \$109.77/Bbl

Prior Week: \$105.36/Bbl

CHANGE: \$4.41▲

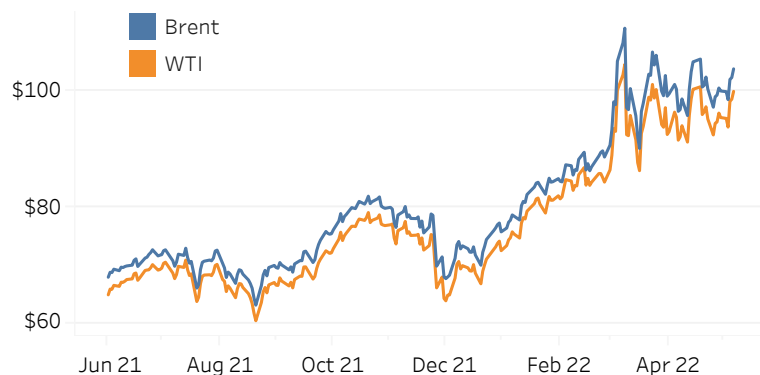
WTI closed at \$109.77 on Friday, up 4.85 % from the week prior. As the European Union announced its intent to ban imports of Russian crude over the next six months, other Western powers continue to rally allies to ban Russian oil from other markets. OPEC+ is still struggling to reach their increased production targets. The U.S. is continuing to release barrels of oil from the Strategic Petroleum Reserve, putting approximately 3.1 million barrels into the market to keep prices under control. Levels of the SPR are at their lowest since December 2001.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

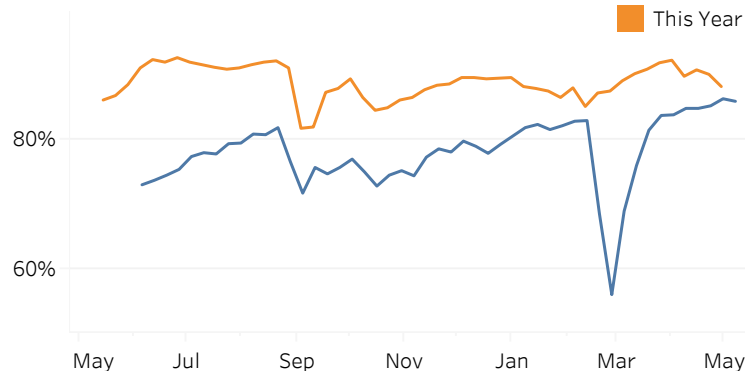


FUNDAMENTALS

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

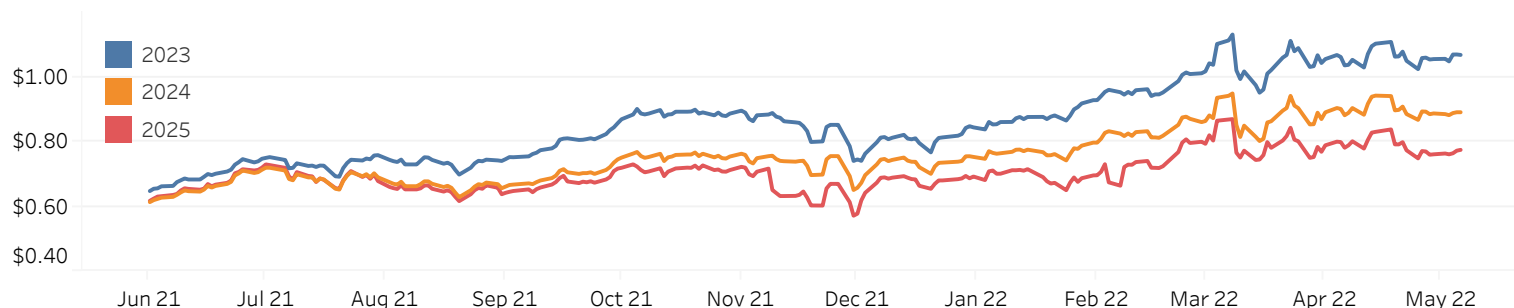


U.S. REFINERY RATES



PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL

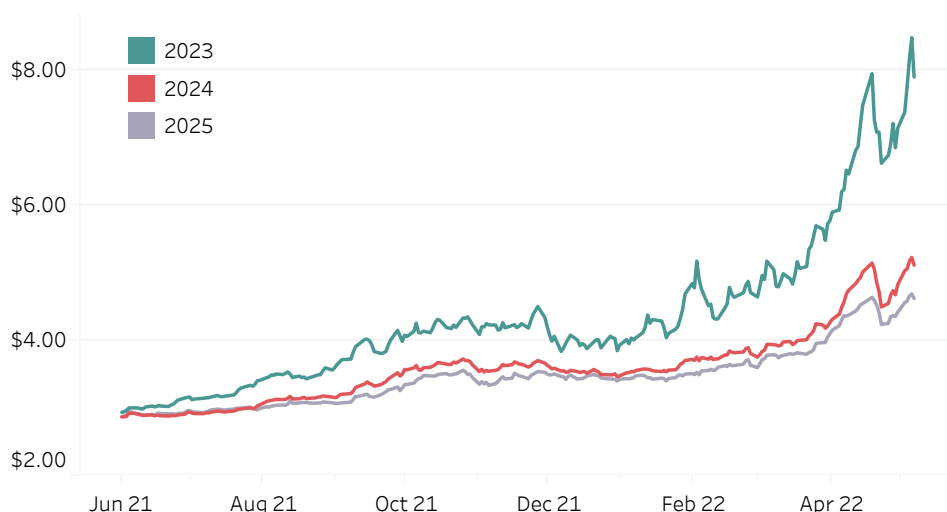


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NATURAL GAS OVERVIEW

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.

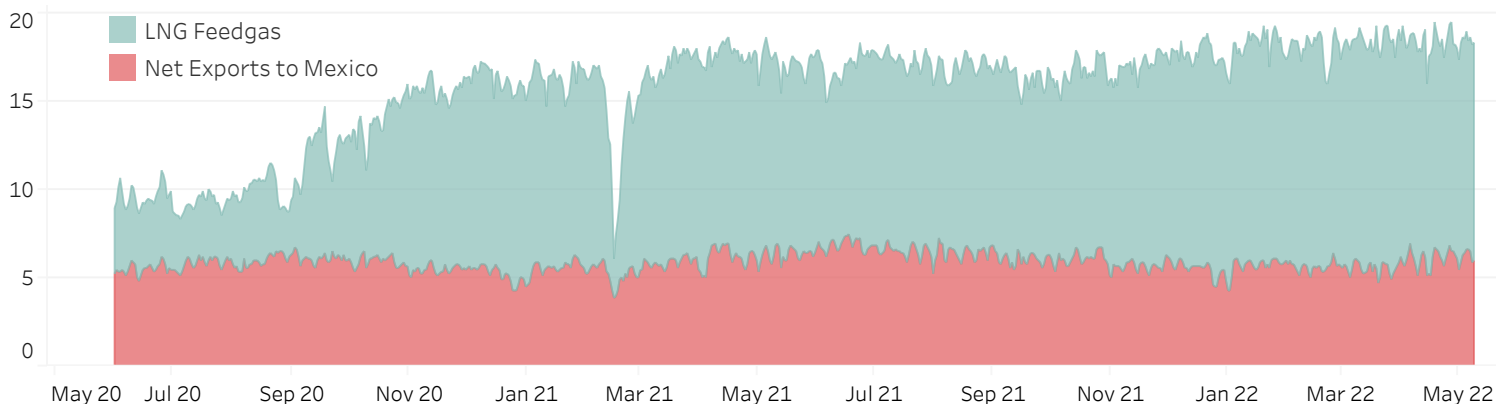
Prompt Month Price For Jun 22

This Week:	\$8.04/MMBTU
Prior Week:	\$6.89/MMBTU
CHANGE:	\$1.16▲

Front-month natural gas futures increased 11.1% from the previous week, settling at \$8.04/MMBtu on Friday. Prices increased with hot temperatures in Texas and the Southwest expected to significantly increase cooling demand. Dry gas exports to Mexico also increased to over 6 Bcf/d in May as power demand rises with hotter weather. This added cooling demand has occurred in a market with tight supply. U.S. storage inventories are currently 306 Bcf below the five-year average. High LNG exports at 12.1 Bcf/d and a slow supply response from dry gas production at 93.2 Bcf/d continue to worsen the current national storage deficit.

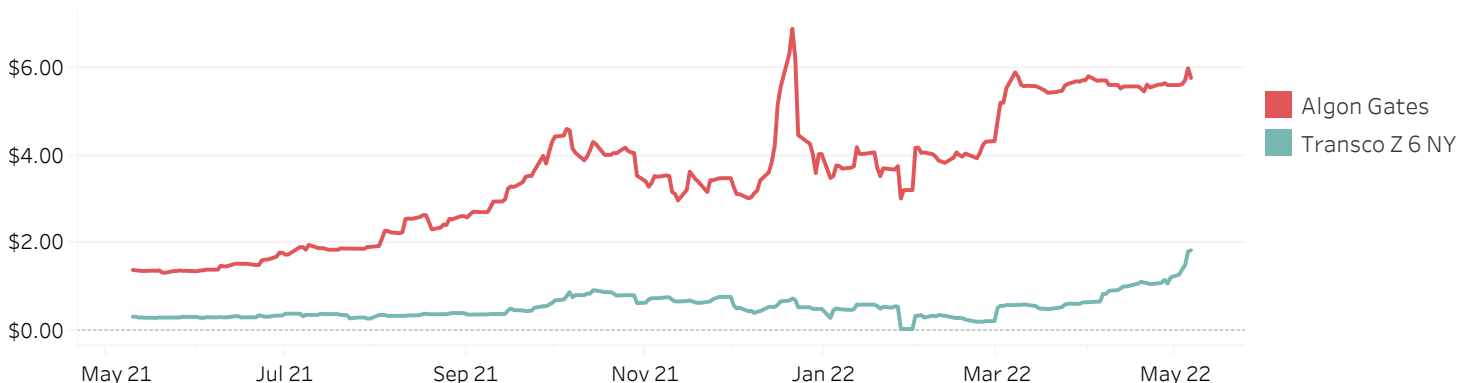
NATURAL GAS FUNDAMENTALS

U.S. NATURAL GAS TOTAL EXPORTS - BCF



NATURAL GAS BASIS

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



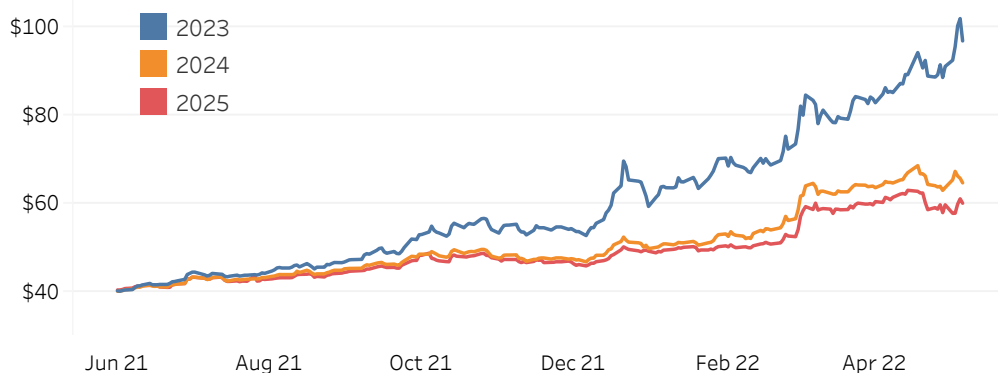
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NEW ENGLAND ELECTRICITY OVERVIEW

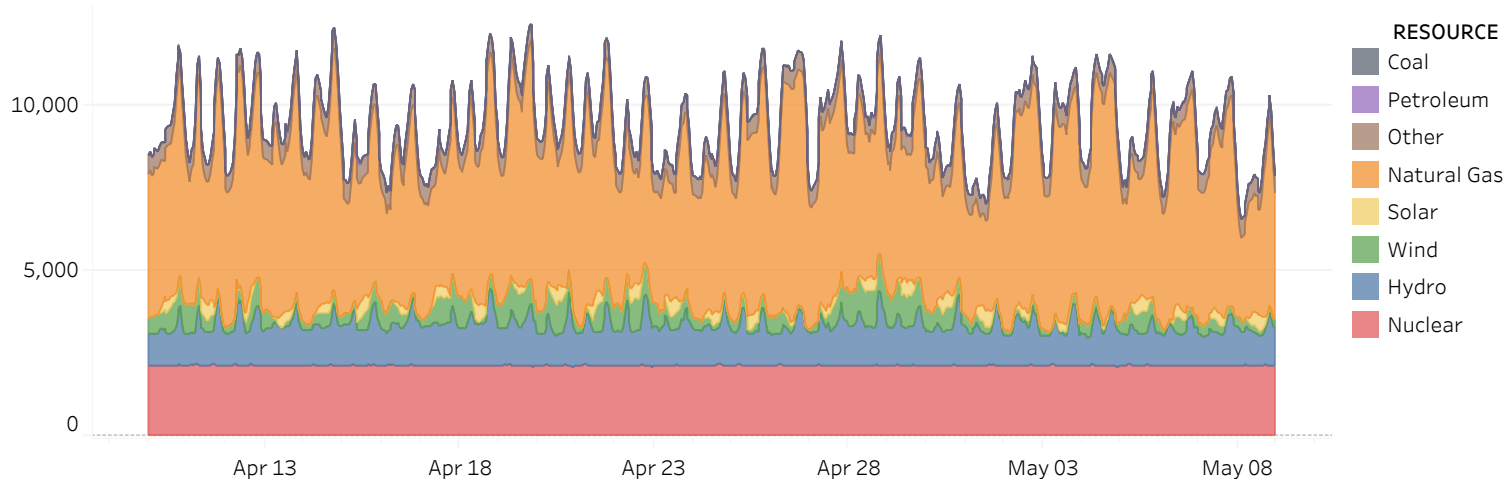
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING - \$/MWH



The NEPOOL 12-mo. strip rose 1.9% week-over-week, ending at \$121.97/MWh. This is down just barely from a record-breaking midweek peak of \$128.56/MWh. Calendar strips saw a similar pattern, with a late week dip not substantial enough to balance out a midweek peak. The 2023 strip is up 6.4%, the 2024 strip is up 1.7%, and the 2025 strip up is 0.6%. A forecast of sustained warmer regional temperatures may bring prices down slightly in the upcoming week, but New England electricity markets remain closely tied to a volatile natural gas market that has continued to climb.

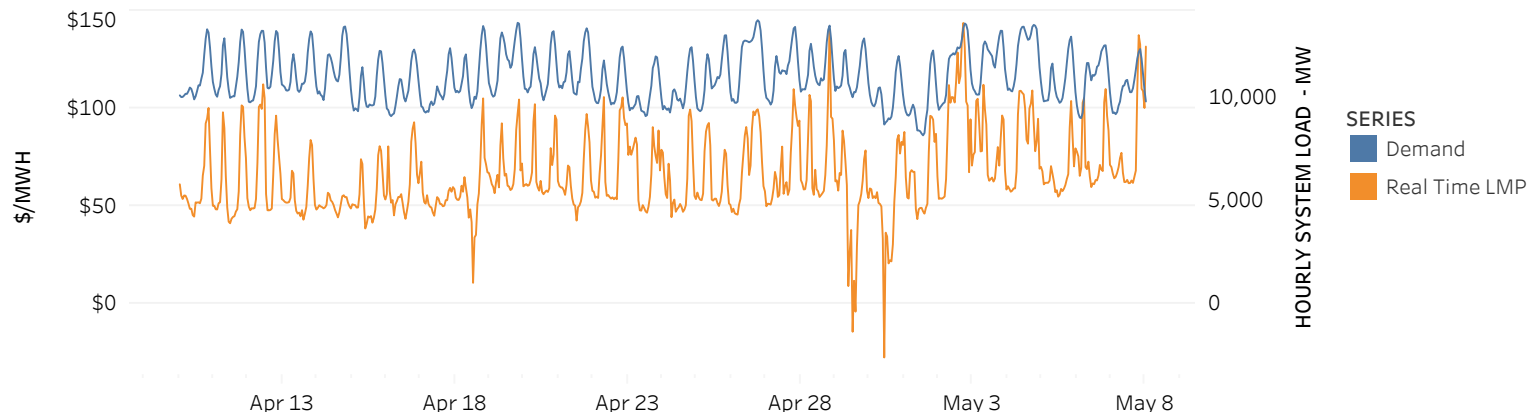
NEW ENGLAND ELECTRICITY SUPPLY

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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