

May 9 - 13, 2022 MARKET SUMMARY



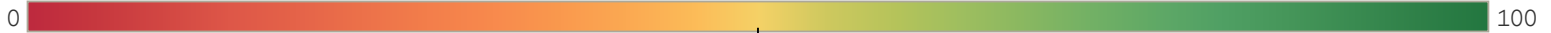
SPOTLIGHT | FERC Approves Overhaul of New York's Forward Capacity Market

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Last week the Federal Energy Regulatory Commission (FERC) approved major changes to NYISO's forward capacity market. The approved changes remove auction floor prices for most state sponsored renewables. For other regions with capacity markets, including New England, auction floor prices or minimum offer price rules (MOPR), have been the focus of intense debate. Originally implemented to keep state programs from distorting market outcomes, they are increasingly an obstacle for renewable energy development as new renewable projects struggle to enter the market. Under their 2019 Climate Leadership and Consumer Protection Act (CLCPA), New York is required to use 70% renewable energy by 2030 and 100% carbon free power by 2040. Under the new rules, clean energy generators, including wind, solar and battery storage needed to comply with the CLCPA, will be exempt from these floor prices. This change is estimated to save consumers \$400 and \$900 million annually. NYISO also changed its methodology for assessing a power resource's reliability contribution, a key modeling metric as the number of variable power resources increases.

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: 12
36 MONTH: 11

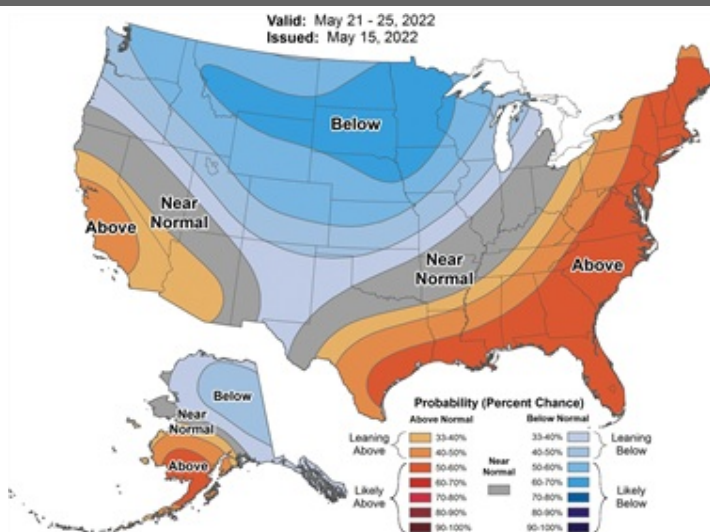
NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 6
18 MONTH: 4
24 MONTH: 10
36 MONTH: 11

CRUDE OIL TERMS

12 MONTH: 11
18 MONTH: 9
24 MONTH: 7
36 MONTH: 7

WEATHER | 6-10 Day Forecast



Above average temperatures expected for the East Coast, with below average temperatures expected for 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.

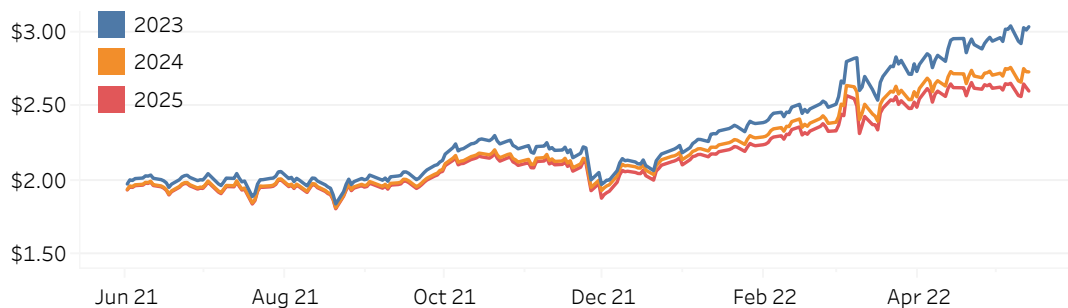
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OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

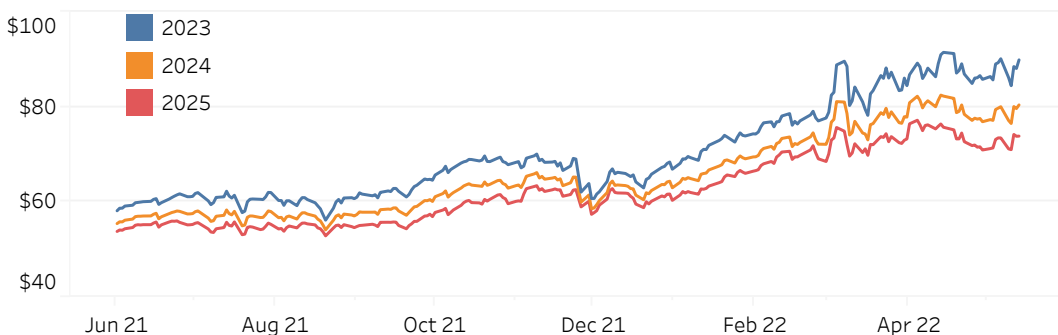


Prompt Month Price For Jun 22

This Week:	\$110.49/Bbl
Prior Week:	\$108.26/Bbl
CHANGE:	\$2.23▲

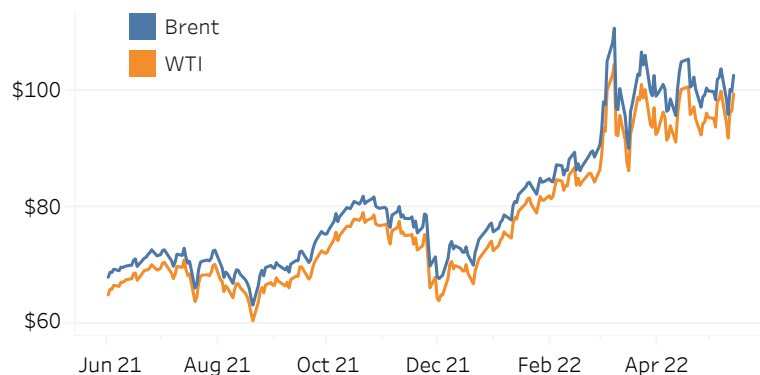
WTI closed at \$110.49 on Friday, up 0.66% from the week prior. Domestic petroleum stocks remain below their five-year ranges for both crude oil and distillate fuel oil as U.S. distillate exports have reached near-record highs, much of which is heading to Europe to offset former Russian supply. Crack spreads, which are the difference between the price of crude oil and refined end-products have also reached record highs. The EIA has signaled that this trend of growing crack spreads will drive elevated utilization rates of U.S. refineries through the summer months.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

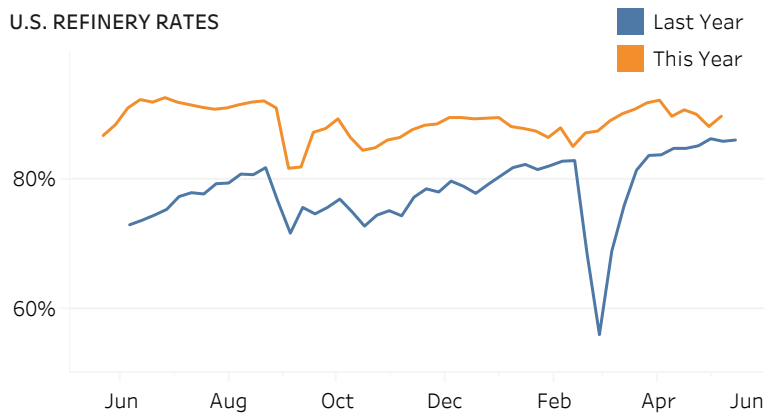


FUNDAMENTALS

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

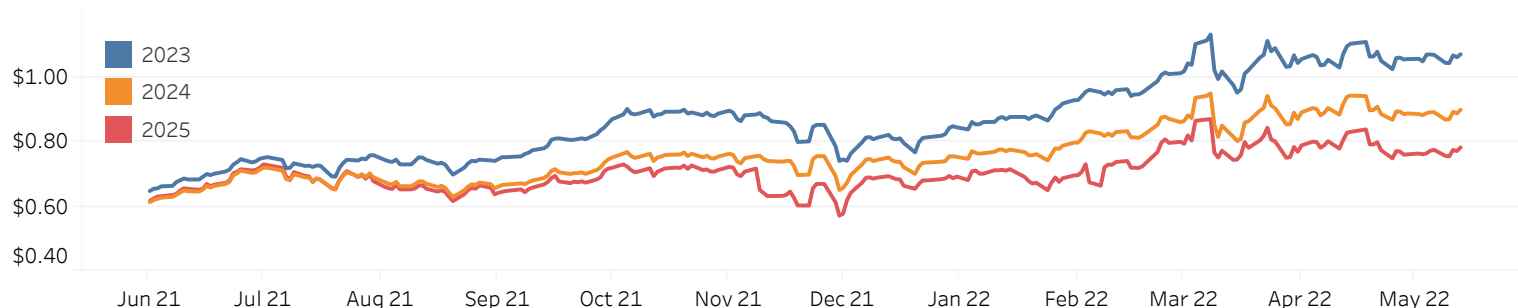


U.S. REFINERY RATES



PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL



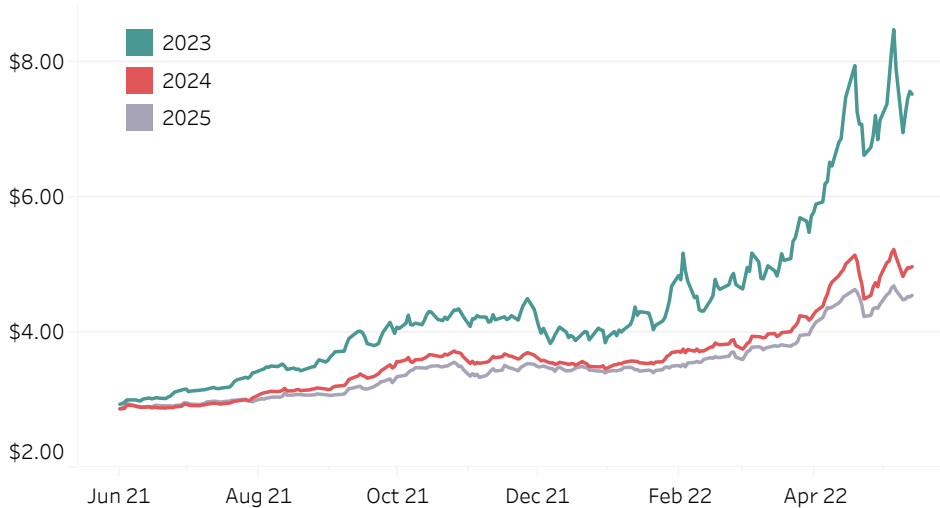
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NATURAL GAS OVERVIEW

WINTER NATURAL GAS NYMEX STRIPS - \$/MMBTU



Prompt Month Price For Jun 22

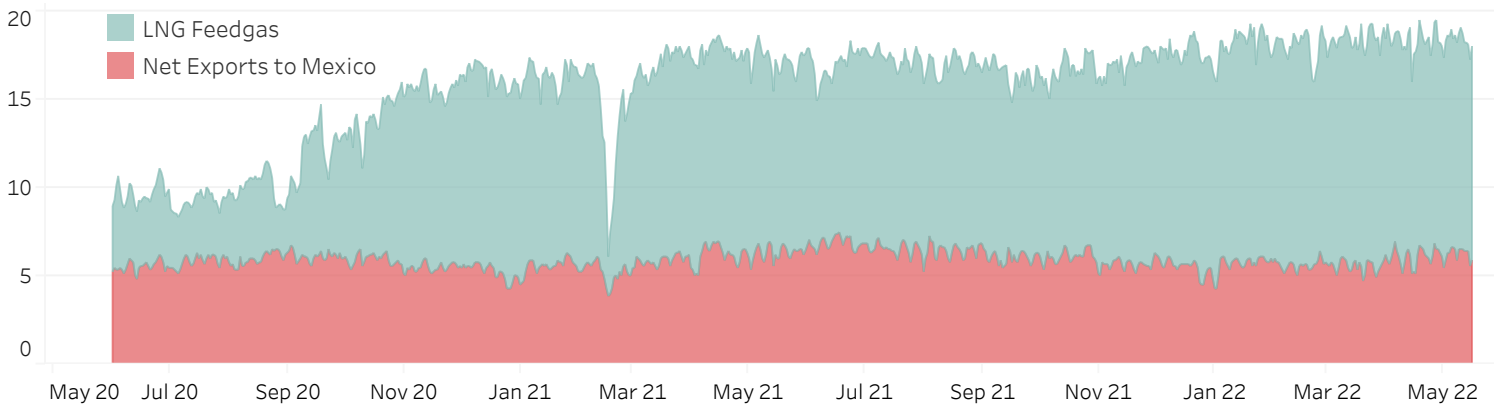
This Week:	\$7.66/MMBTU
Prior Week:	\$8.78/MMBTU
CHANGE:	(\$1.12)▼

Front-month natural gas futures decreased 4.7% from the previous week, settling at \$7.66/MMBtu on Friday. Despite high cooling demand in the Southwest providing added price support, an increase in U.S. dry gas production with warmer spring temperatures drove prices down week-over-week. Dry gas exports to Mexico also remained elevated at around 6 Bcf/d due to increased cooling demand, and LNG exports remained strong at 11.7 Bcf/d. However, an increase in dry gas production to over 94.0 Bcf/d improved the overall supply and demand outlook relative to the previous week.

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.

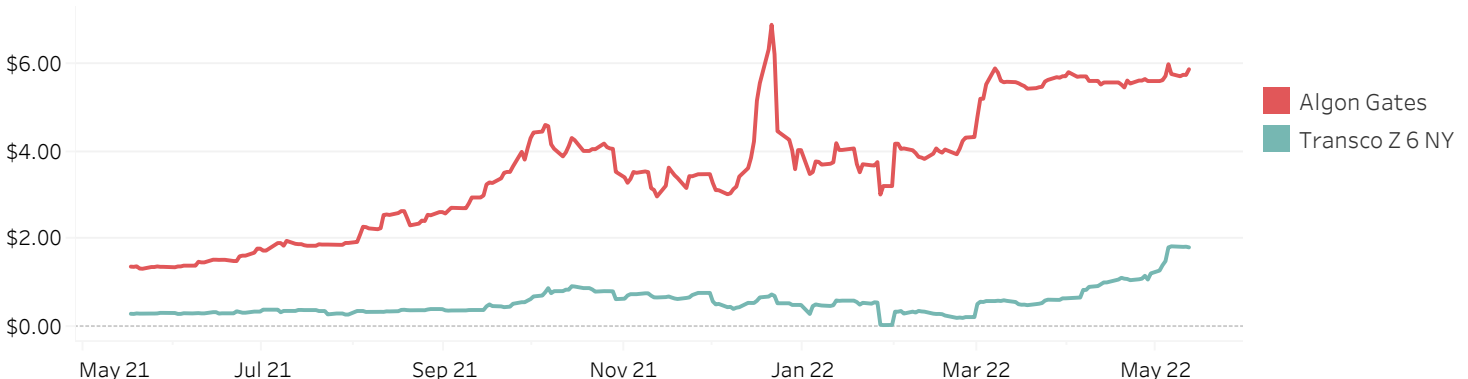
NATURAL GAS FUNDAMENTALS

U.S. NATURAL GAS TOTAL EXPORTS - BCF



NATURAL GAS BASIS

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



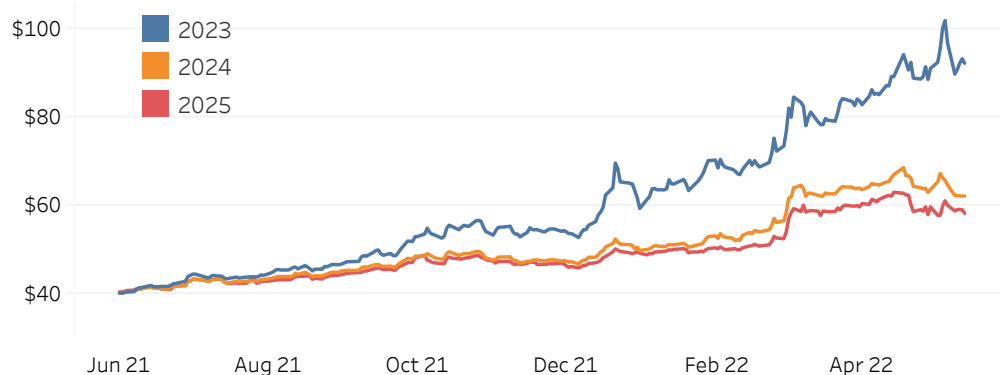
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NEW ENGLAND ELECTRICITY OVERVIEW

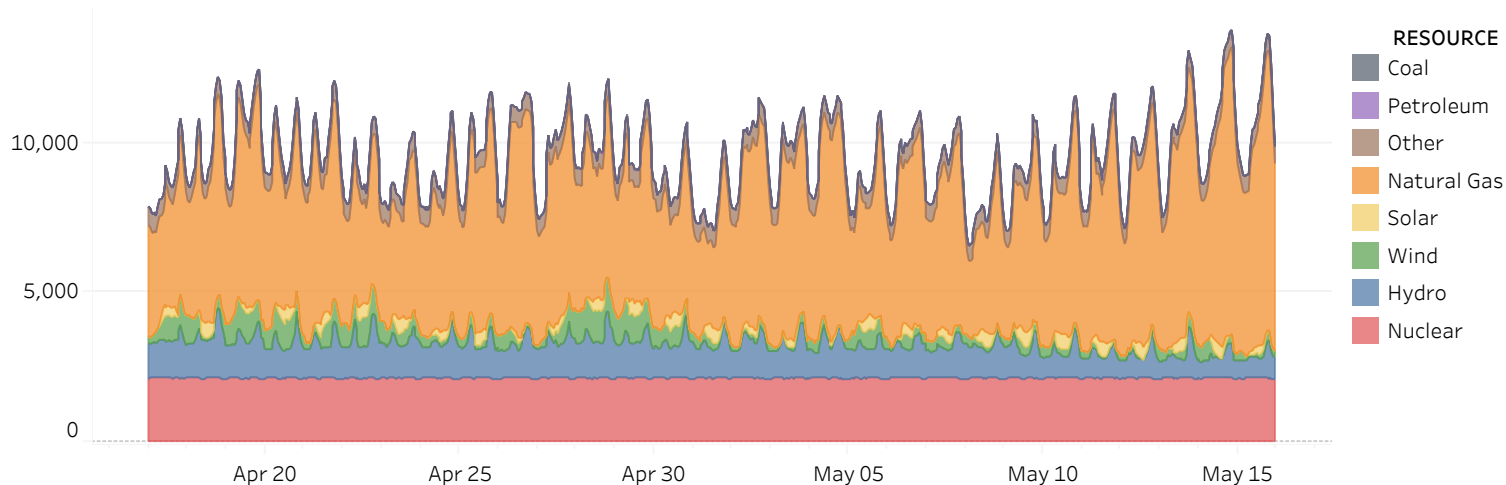
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING -\$/MWH



The NEPOOL 12-mo. strip fell 5.3% week-over-week, ending at \$115.56/MWh. Prices rebounded slightly after a mid-week drop. Calendar strips trended similarly, each falling from the previous week's prices. The 2023 strip fell 4.8%, the 2024 strip fell 4.0%, and the 2025 strip fell 3.0%. Prices may continue to see a slight reprieve with mild regional temperatures in the coming weeks, but the current volatile natural gas market will continue to have a considerable influence on electricity.

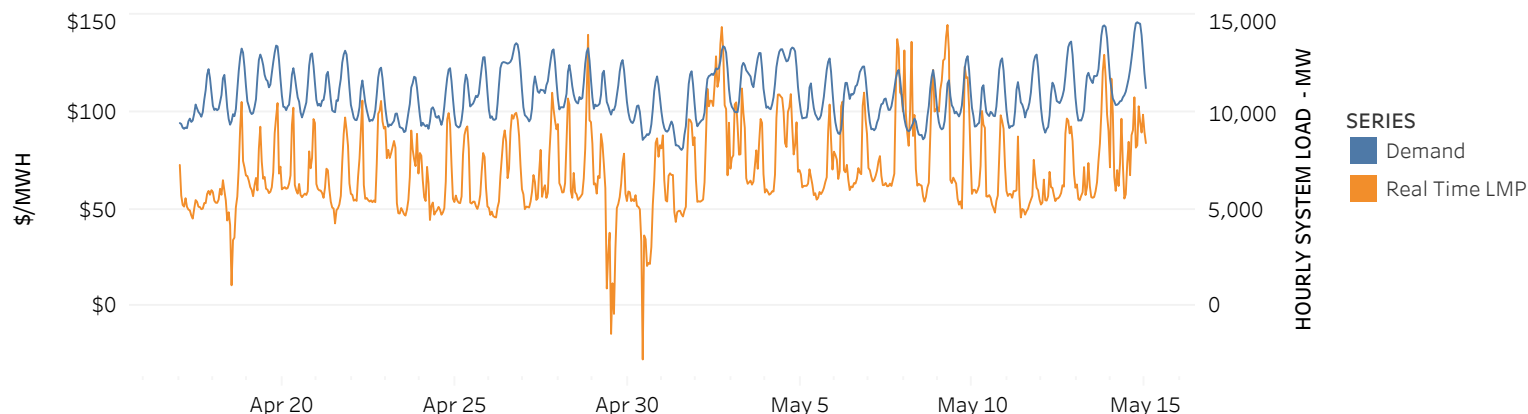
NEW ENGLAND ELECTRICITY SUPPLY

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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