

# June 20 - 24, 2022 MARKET SUMMARY

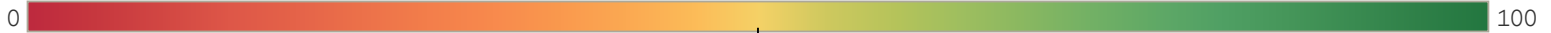


## SPOTLIGHT | Rhode Island Commits to 100% Renewable Energy by 2033

On June 14 Rhode Island lawmakers passed a bill requiring that all electricity consumed in the state be produced or offset by renewable energy by 2033. This bill, which is a significant change from the prior legislation requiring 38.5% renewable by 2035, is the most ambitious renewable legislation goal currently in place at the state level in the United States. Because of the state's connection to the ISO-NE grid, they will still consume electricity produced by non-renewable resources like oil and gas. To meet their goal, they will use RECs (renewable energy credits) to offset all electricity produced by non-renewable resources. Rhode Island, which was the first state to see an offshore wind project in 2016, will lean heavily on similar projects to meet their goal. Rhode Island's general assembly will be requiring Rhode Island Energy, the state's primary utility company, to procure at least 600 megawatts of new offshore wind capacity. They will need to issue the procurement by mid-October 2022.

## 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: 48
18 MONTH: 46
24 MONTH: 44
36 MONTH: 39

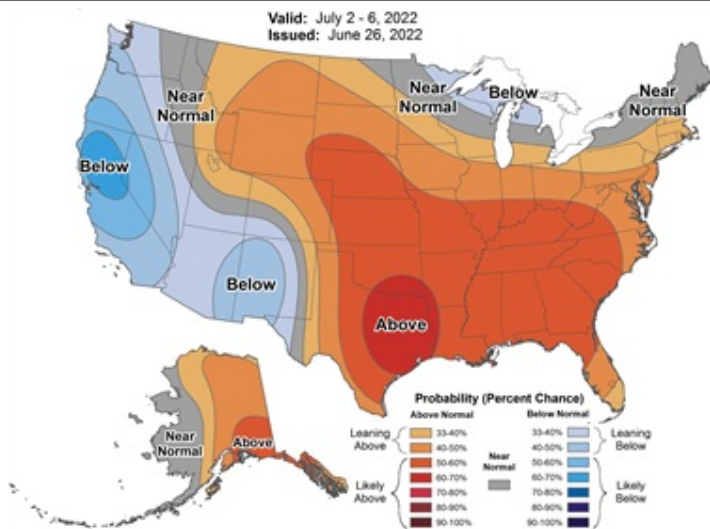
### NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 13
18 MONTH: 11
24 MONTH: 10
36 MONTH: 9

### CRUDE OIL TERMS

12 MONTH: 22
18 MONTH: 22
24 MONTH: 21
36 MONTH: 20

## WEATHER | 6-10 Day Forecast

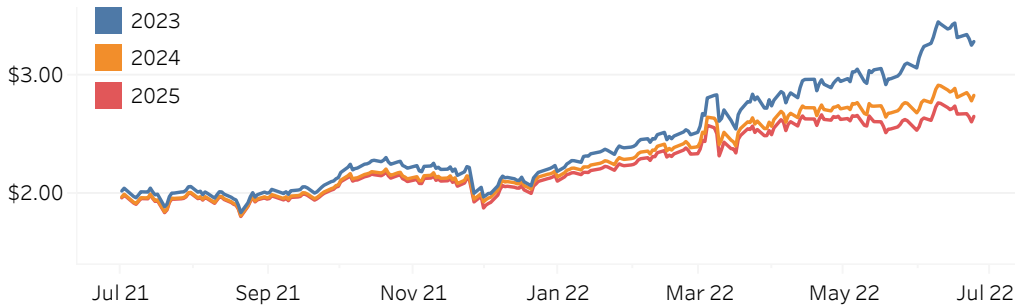


### Below average temperatures expected for California and the South West, with above average temperatures for Texas and the Southeast

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.

### OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

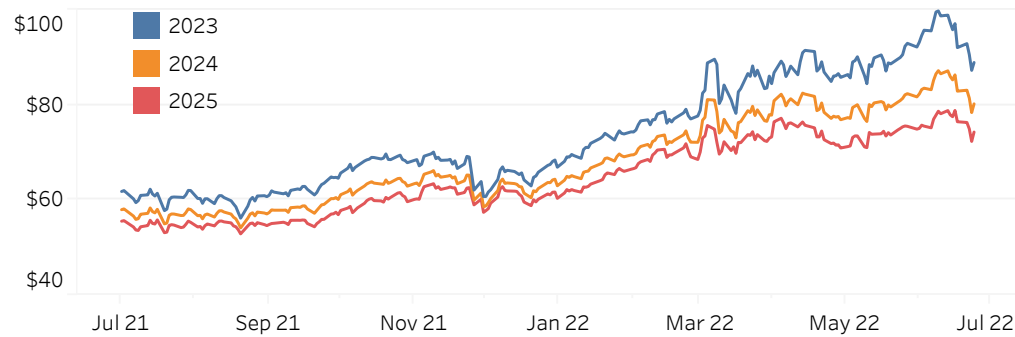


Prompt Month Price For Jul 22

This Week:	\$107.62/Bbl
Prior Week:	\$109.56/Bbl
<b>CHANGE:</b>	<b>(\$1.94)/Bbl</b>

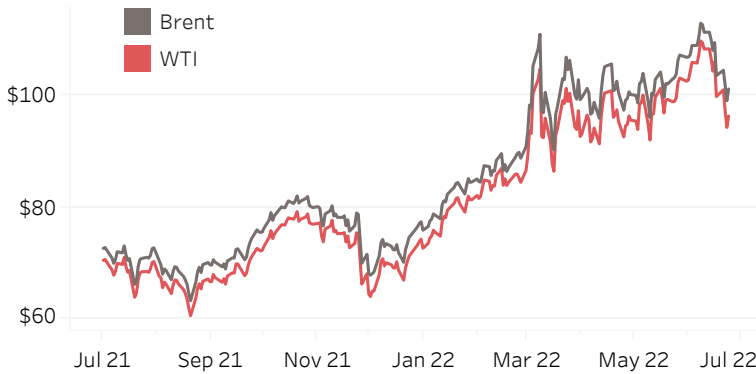
WTI closed at \$107.62 on Friday, down 1.8% from the week prior. Major central banks, including the Federal Reserve of the U.S., continued to tighten monetary policies and signal further increases to interest rates to reduce ongoing inflation. Interest rate hikes have created concerns around a slowing global economy and ensuing cuts in demand for energy. Despite record highs at the gas pump, futures for U.S. gasoline and diesel also declined week over week. G-7 countries are meeting to discuss a potential to put a price cap on Russian oil imports, which could have major effects on global markets. Meanwhile, OPEC+ could increase its oil production and will meet later this week to decide oil output levels.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

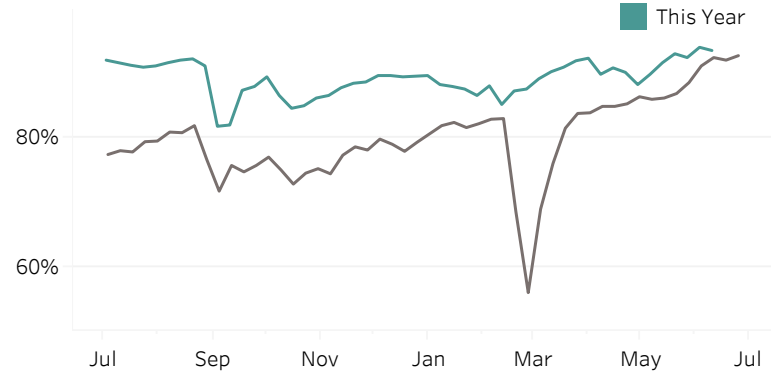


### FUNDAMENTALS

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

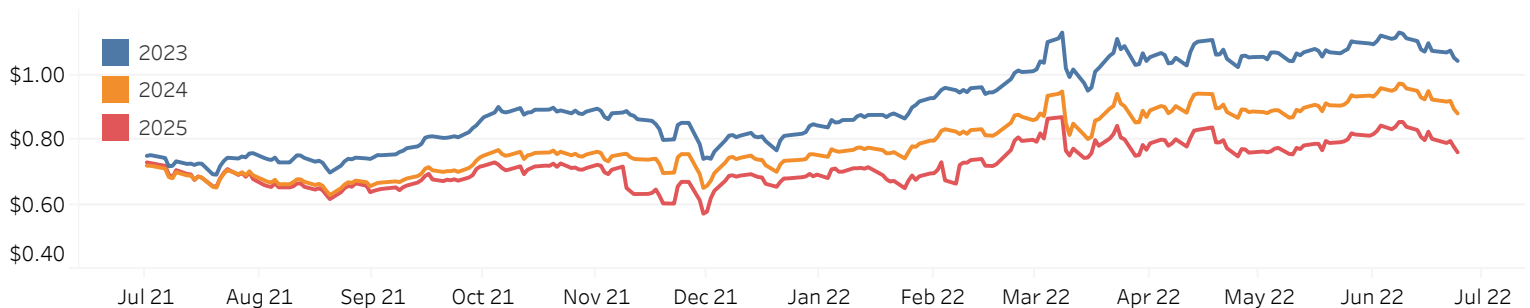


U.S. REFINERY RATES



### PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL



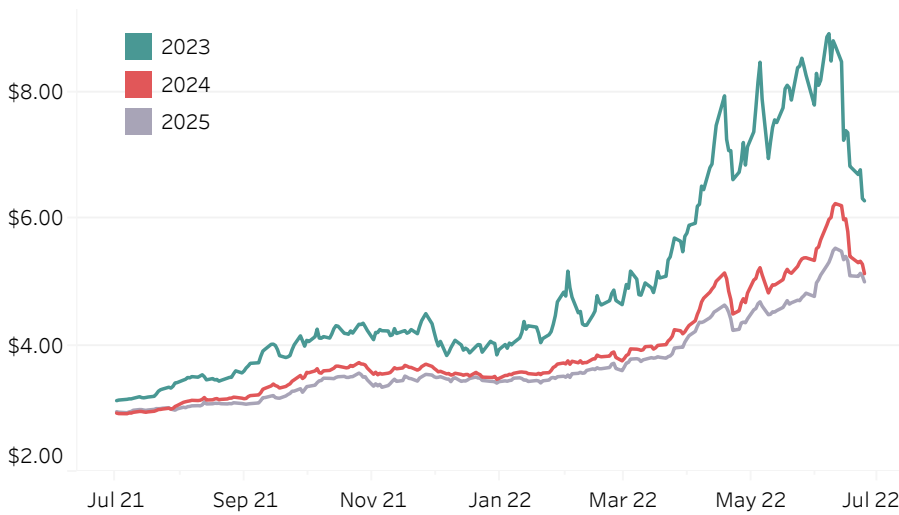
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## NATURAL GAS OVERVIEW

WINTER NATURAL GAS NYMEX STRIPS - \$/MMBTU



Prompt Month Price For Jul 22

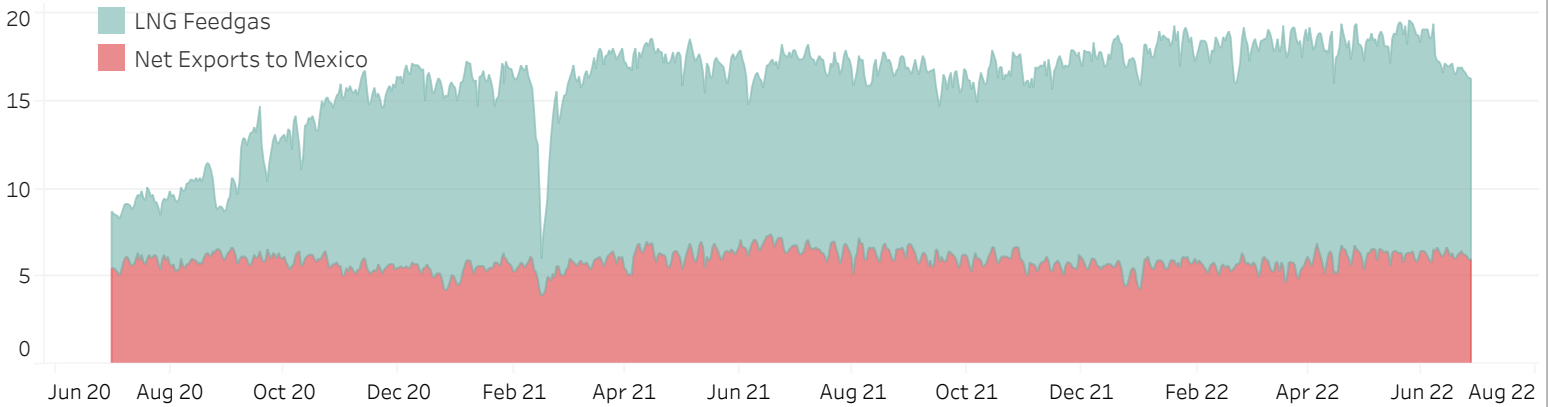
<b>This Week:</b>	\$6.22/MMBTU
<b>Prior Week:</b>	\$7.46/MMBTU
<b>CHANGE:</b>	(\$1.24)/MMBTU

Front-month natural gas futures decreased 10.4% from the previous week, settling at \$6.22/MMBTU on Friday. Below-average temperatures brought down cooling demand across much of the country last week, and this trend is predicted to hold the next couple of weeks, with early July temperatures now expected to be more moderate than originally predicted. The EIA reported a 74 Bcf injection into national storage inventories last week, higher than analyst projections of low 60s and 50% higher than this time last year. This increased injection could be due to the U.S.'s current surplus from the Freeport LNG explosion, providing a slight cushion in supply. Also due to the Freeport outage, sustained lower export demand may continue to chip away at the national storage deficit.

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.

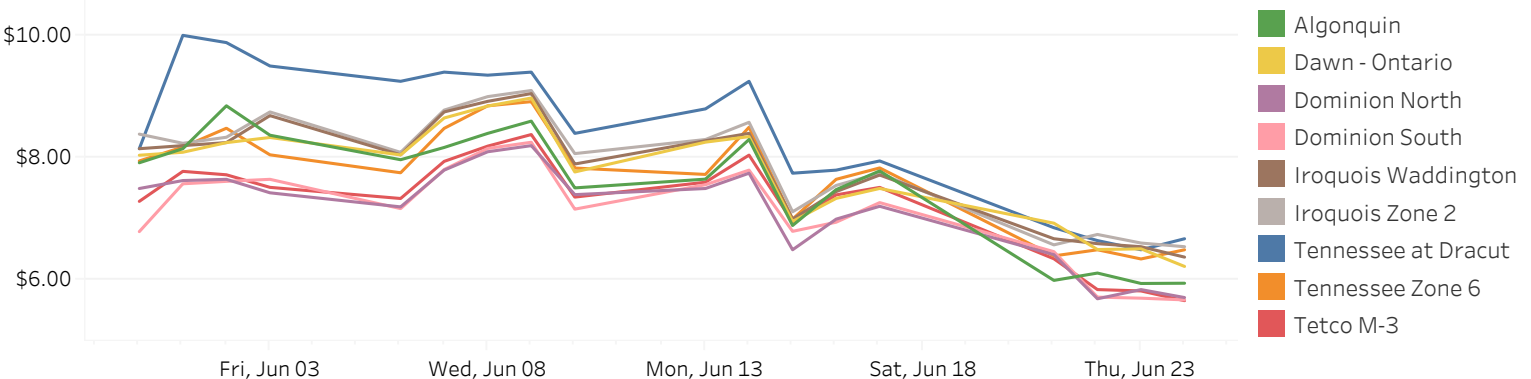
## NATURAL GAS FUNDAMENTALS

U.S. NATURAL GAS TOTAL EXPORTS - BCF



## NATURAL GAS SPOT MARKET

SPOT PRICE - \$/MMBTU



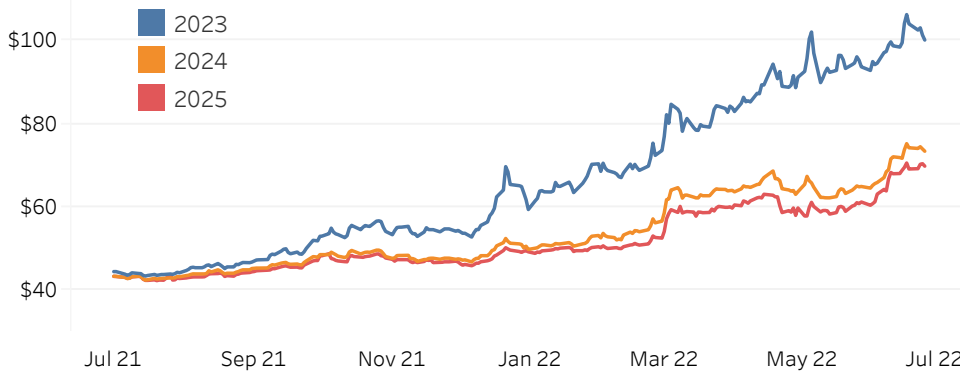
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## NEW ENGLAND ELECTRICITY OVERVIEW

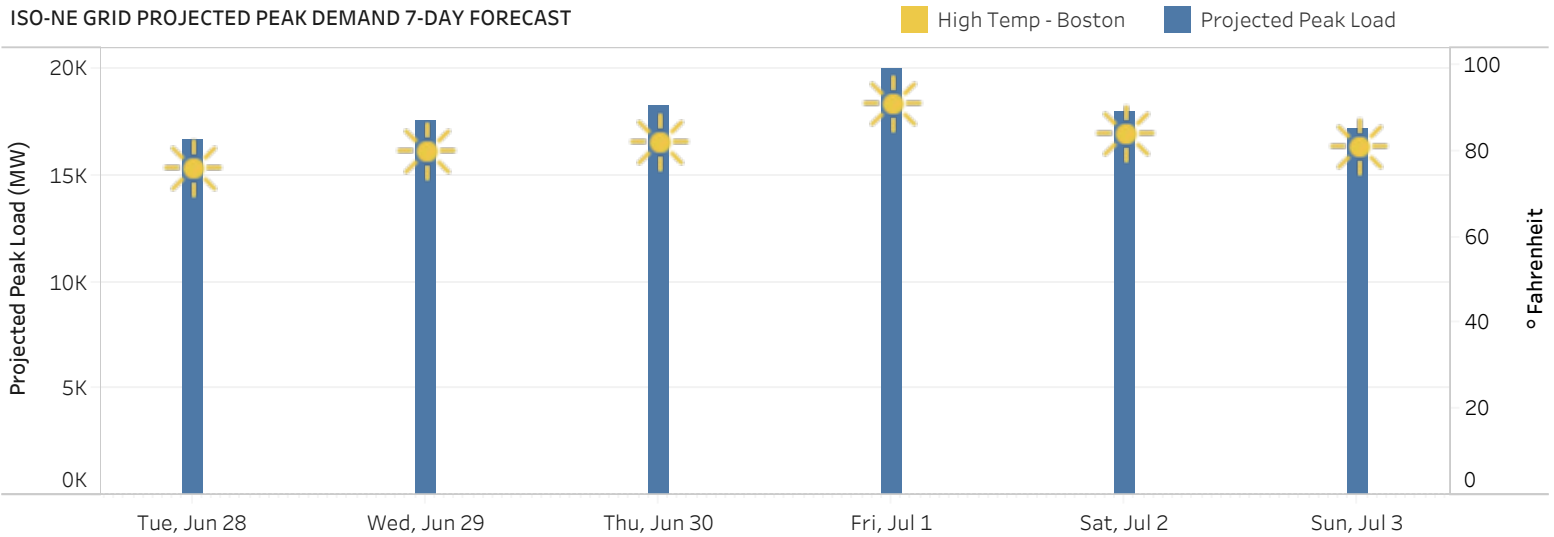
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING -\$/MWH



The NEPOOL 12-month strip fell by 1.4%, settling at \$123.53/MWh. After an increase of over \$5/MWh last week, the 2023 calendar strip fell by about 1%, settling at \$103.17/MWh. Alternatively, the outer calendar strips continued to climb week-over-week. The 2024 strip rose 0.3%, settling at \$74.20/MWh, and the 2025 strip rose 1.6%, settling at \$70.27/MWh. While the 12-month and near-term strips have seen a slight decline week-over-week, June is on track to have the highest average regional electricity prices of the calendar year. However, temperatures over the next two weeks are expected to be more moderate than originally predicted, which could provide a brief respite for electricity prices.

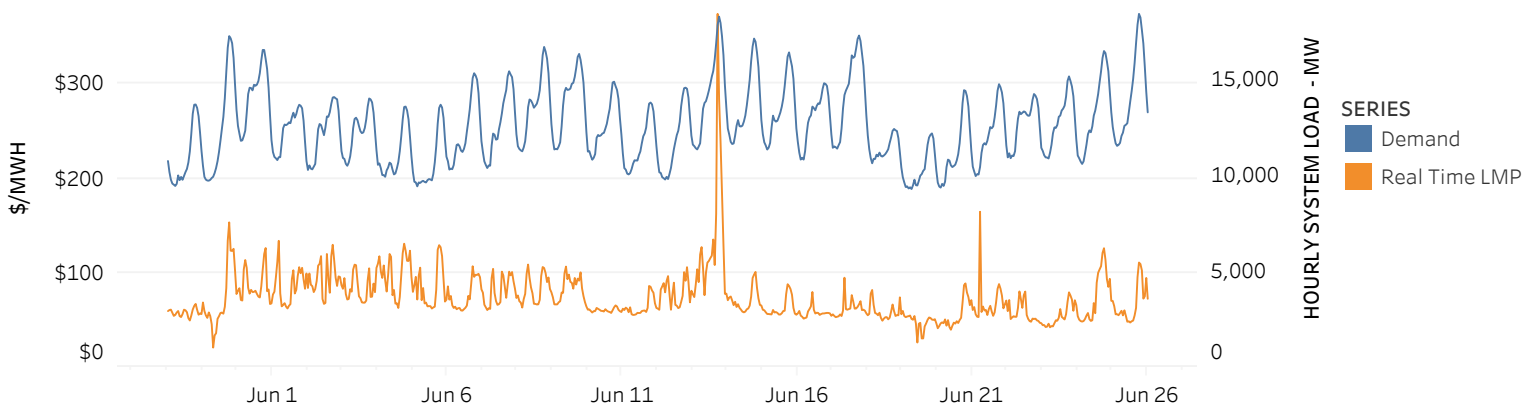
## NEW ENGLAND 7-DAY DEMAND FORECAST

ISO-NE GRID PROJECTED PEAK DEMAND 7-DAY FORECAST



## NEW ENGLAND GRID FUNDAMENTALS

ISO NE HOURLY GRID DEMAND & REAL TIME LMP RATE



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