

# July 18 - 22, 2022 MARKET SUMMARY



## SPOTLIGHT | U.S. House Passes Spending Bill to Strengthen DOE Clean Energy Investment

**The U.S. House of Representatives passed a six-bill appropriations package on July 20 that would further increase the Department of Energy's budget for clean technology research, development, and deployment. The spending bill now heads to the Senate....**

The U.S. House of Representatives passed a six-bill appropriations package on July 20 that would further increase the Department of Energy's budget for clean technology research, development, and deployment. The spending bill now heads to the Senate, which has yet to release its own appropriations bills for fiscal year 2023. The House minibus bill proposed \$48.2 billion for the DOE in fiscal year 2023, up more than 7% from the 2022 enacted total. Included in the bill were substantial increases for the offices of Energy Efficiency and Renewable Energy, Nuclear Energy, and Fossil Energy and Carbon Management. In addition, DOE's electricity office would get a 26% bump to \$350 million. The funding includes money for the agency's newly formed Grid Deployment Office, which is tasked with developing new and upgraded high-capacity power lines and deploying transmission and distribution technologies that bolster grid resilience.

## 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: 24
18 MONTH: 26
24 MONTH: 28
36 MONTH: 27

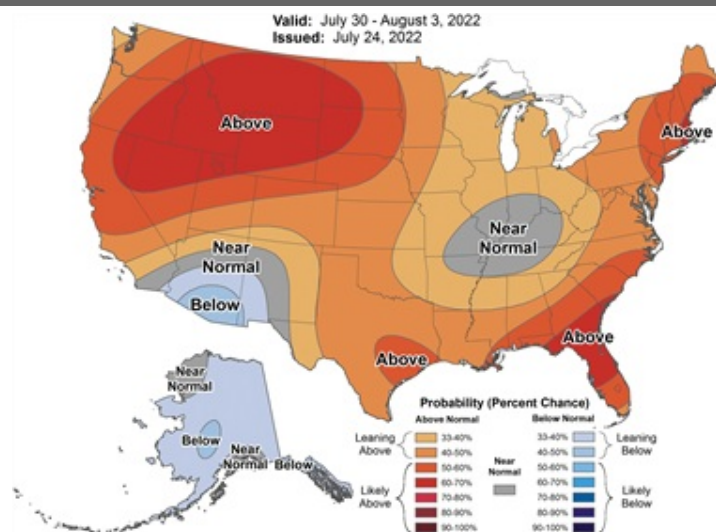
### NEW ENGLAND ELECTRICITY TERMS

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

### CRUDE OIL TERMS

12 MONTH: 38
18 MONTH: 36
24 MONTH: 35
36 MONTH: 32

## WEATHER | 6-10 Day Forecast



**Above average temperatures for New England and most of the Rocky Mountains, with just slightly above average temperatures for most other regions.**

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.

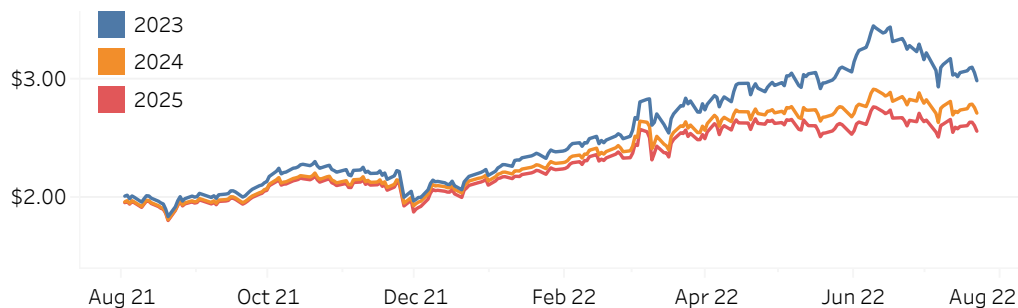
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## OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

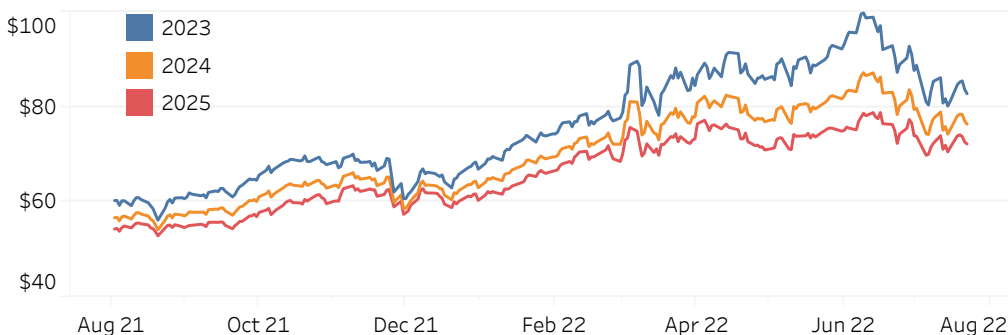


Prompt Month Price For Aug 22

This Week:	\$94.70/Bbl
Prior Week:	\$97.59/Bbl
CHANGE:	\$(2.89)/Bbl

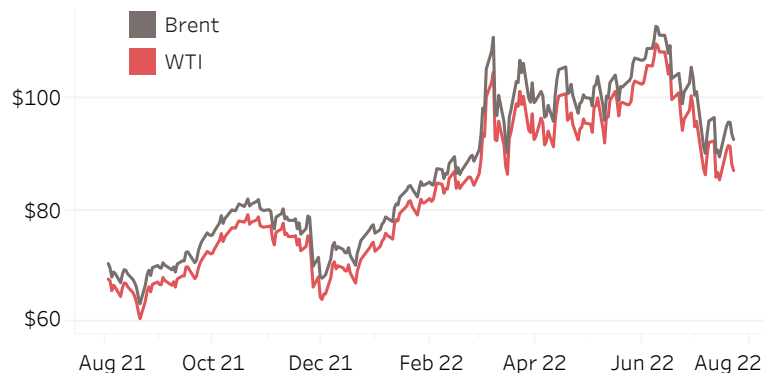
WTI closed at \$94.70 on Friday, down 2.9% from the week prior. Despite seeing a 22% decline since reaching a peak in early June, the global market for crude oil has been defined by volatility in recent weeks due to a continued tight supply contrasted with ongoing expectations of further interest rate hikes, an economic downturn, and a subsequent decline in demand for oil. As the Federal Reserve holds a meeting later this week, most now anticipate an interest rate hike of 75 basis points – equal to the previous increase but below initial predictions – which would likely place further downward pressure on demand. Supply is projected to remain tight, as plans for price caps on Russian oil are expected to also result in lowering overall supply as well.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

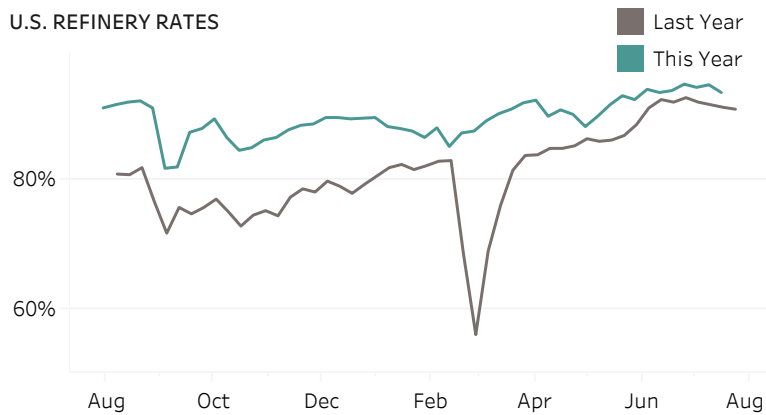


## FUNDAMENTALS

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

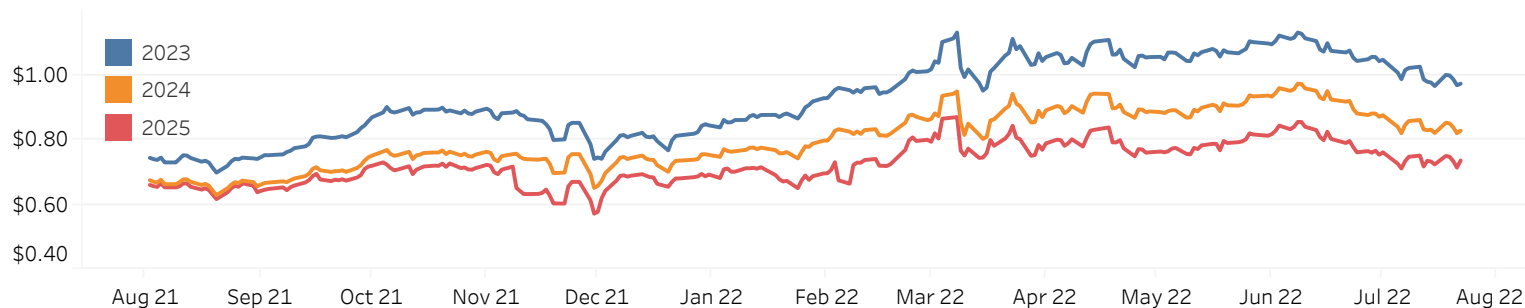


U.S. REFINERY RATES



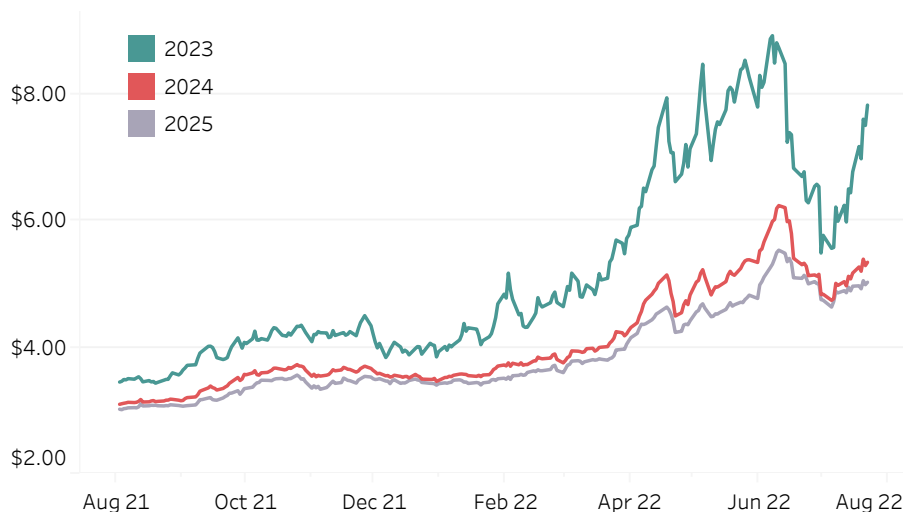
## PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL



### 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.

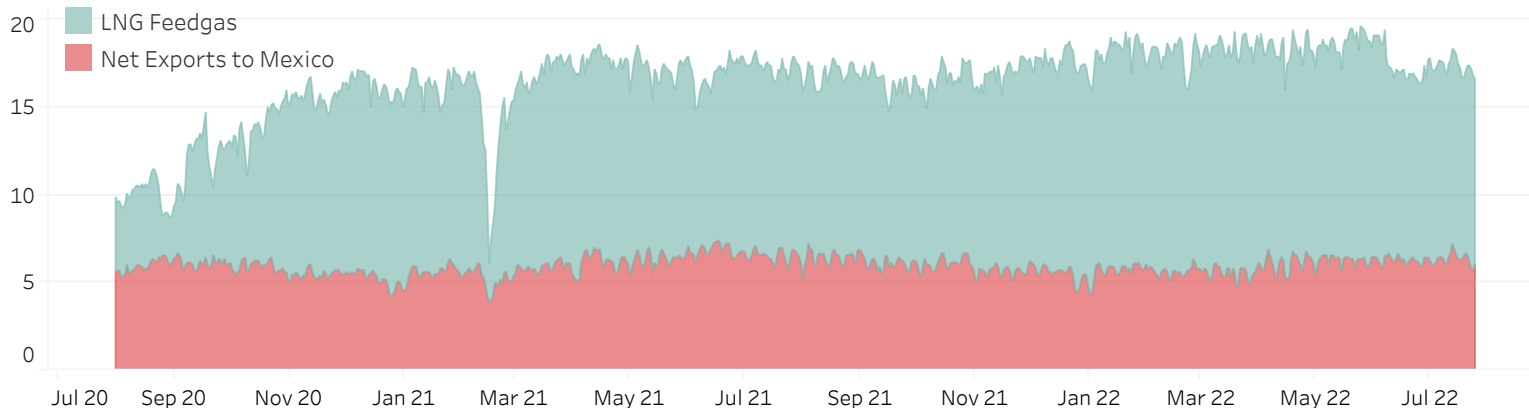
Prompt Month Price For Aug 22

This Week:	\$8.30/MMBTU
Prior Week:	\$6.60/MMBTU
CHANGE:	\$1.70/MMBTU

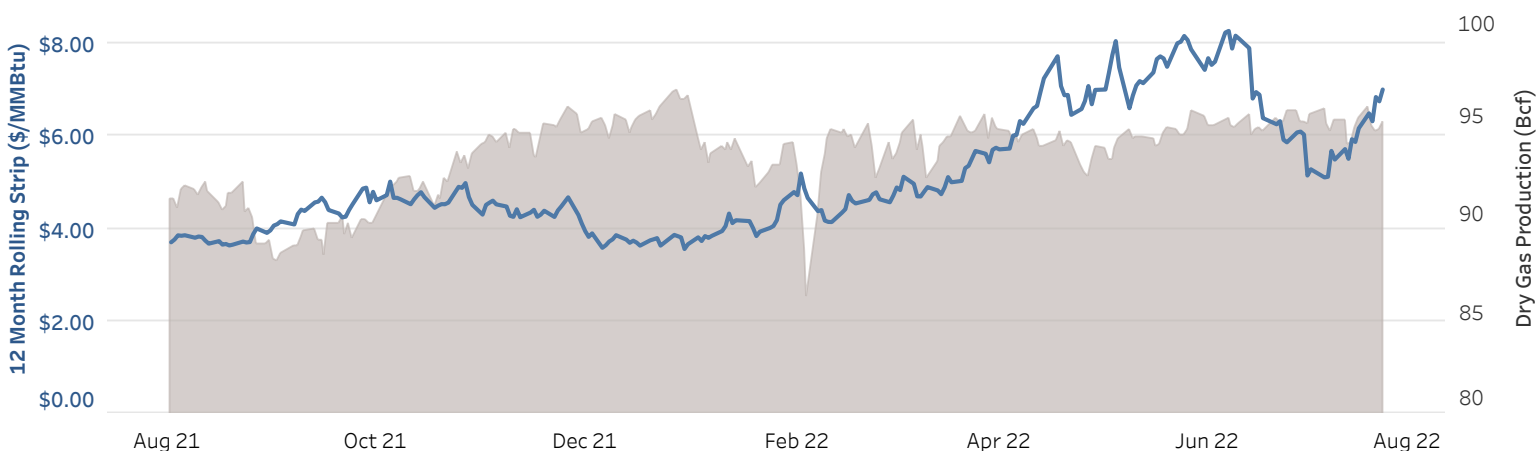
Front-month natural gas futures rose 18.4% from the previous week, settling at \$8.30/MMBtu on Friday. Intense heat across the country brought cooling demand up, with forecasts for the coming week offering little respite. Record-breaking heat in Europe and the UK, coupled with continued outages at major Norwegian production facilities, puts increased pressure on U.S. LNG. The EIA reported a 32 Bcf injection into national storage inventories last week, falling short of weekly projections and historical norms. Production is struggling to outpace high demand this summer, with the Freeport outage failing to ease national supply concerns as much as anticipated. Continued high temperatures could worsen the already tight supply outlook.

### NATURAL GAS FUNDAMENTALS

U.S. NATURAL GAS TOTAL EXPORTS - BCF



U.S. NATURAL GAS PRICE VS. PRODUCTION



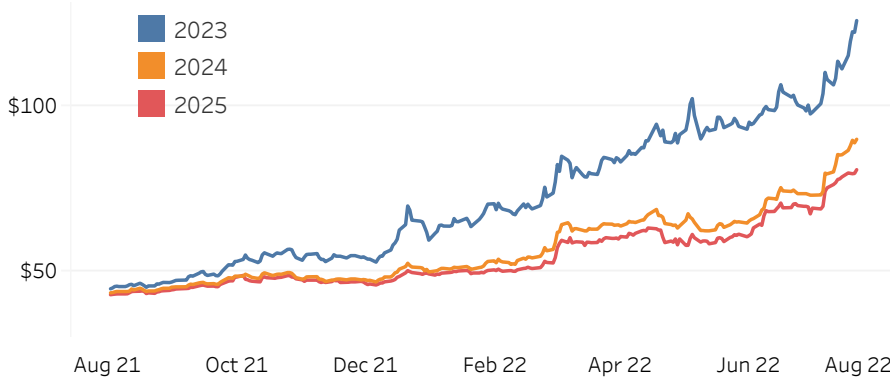
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## NEW ENGLAND ELECTRICITY OVERVIEW

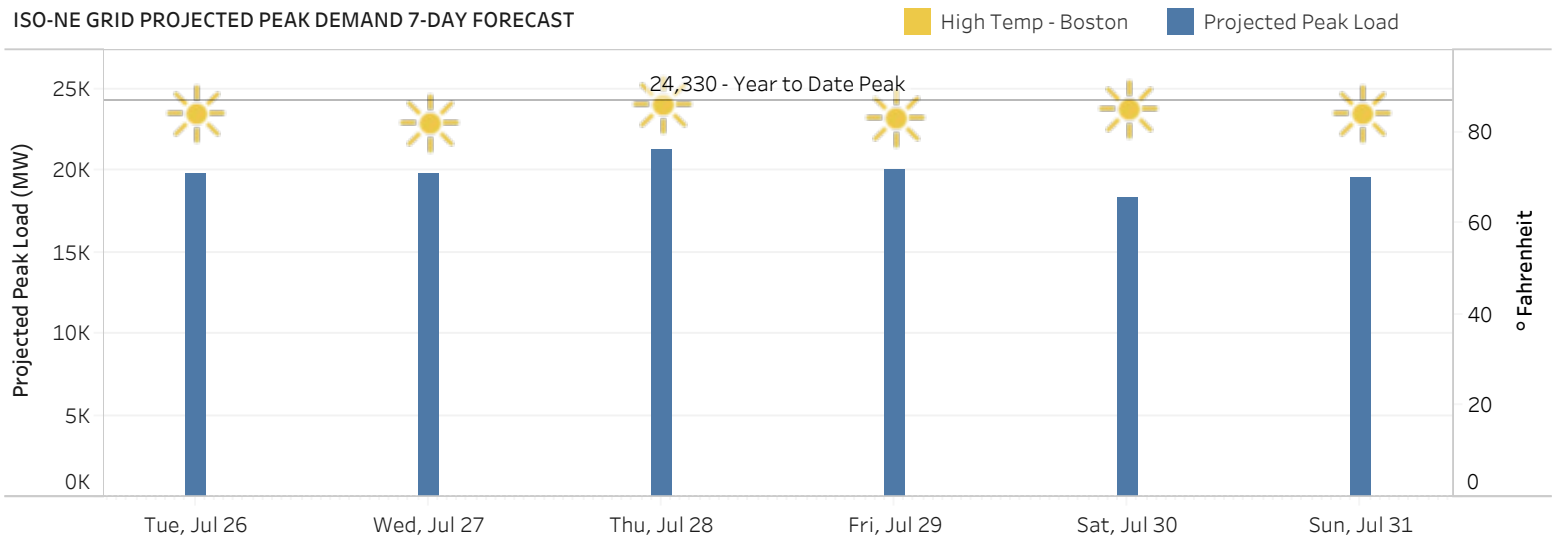
### NEPOOL FUTURES MARKET CALENDAR STRIP PRICING -\$/MWH



The NEPOOL 12-month strip rose by 11.36% week-over-week, settling at \$144.48/MWh. This closing price came just hours before the ISO-NE YTD system peak hour. The near-term calendar strip was impacted similarly. The 2023 strip settled at \$122.38/MWh, representing a week-over-week increase of 10.3%. The outer strips remain elevated due to rising natural gas basis prices but are not as heavily influenced by the present temperature and grid demand. The 2024 strip rose 5.1% to settle at \$89.55/MWh and the 2025 strip rose 1.2%, to settle at \$79.44/MWh. As temperatures are expected to drop slightly over the coming week, the 12-month and near-term strips may see some relief, but prolonged price drops are unlikely given the volatility of the natural gas market.

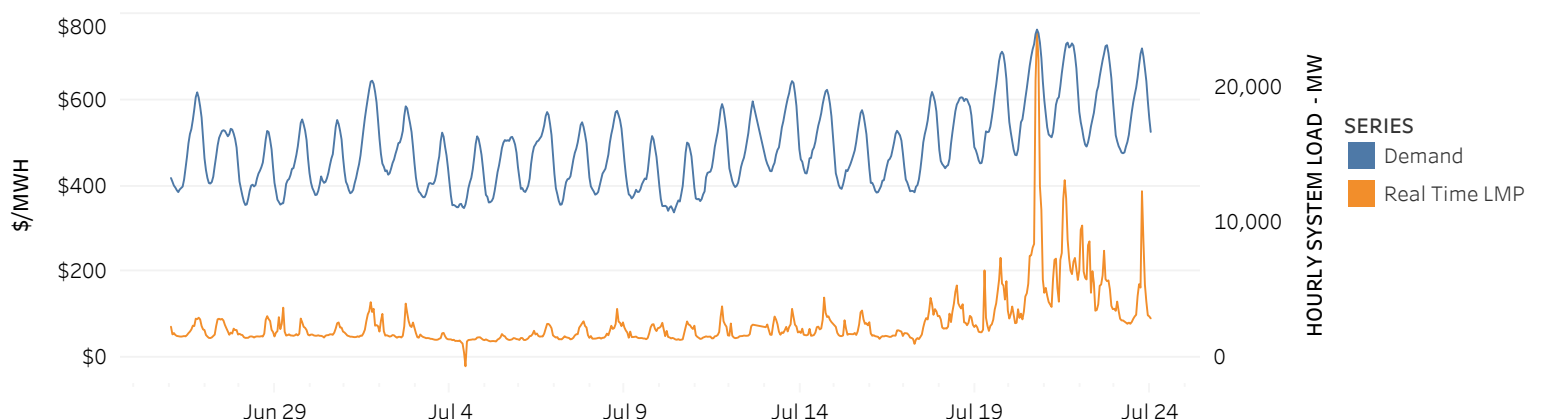
## NEW ENGLAND 7-DAY DEMAND FORECAST

### 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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