

September 19 - 23, 2022

MARKET SUMMARY



SPOTLIGHT | DOE Offers up to Seven Billion Dollars for Highly Anticipated Hydrogen Hub Program

The U.S. Department of Energy will start soliciting proposals for regional hydrogen hub projects, with up to \$7 billion in federal funding on the table, White House officials said Sept. 22. Hydrogen is an energy carrier, and a potential substitute to natural gas, with applications in energy storage, electricity generation, transportation, and heavy industry....

The U.S. Department of Energy will start soliciting proposals for regional hydrogen hub projects, with up to \$7 billion in federal funding on the table, White House officials said Sept. 22. Hydrogen is an energy carrier, and a potential substitute to natural gas, with applications in energy storage, electricity generation, transportation, and heavy industry. The fuel emits only oxygen and water when combusted, and thus is carbon-free. When produced cheaply, however, hydrogen production is carbon intensive. The program was funded by the bipartisan infrastructure law in 2021, part of a Biden administration push to spur a national hydrogen economy and offers grants to develop clean hydrogen infrastructure in up to 10 regions. The recently passed Inflation Reduction Act also prioritizes lowering the cost of clean hydrogen, authorizing production tax credits of up to \$3 per kilogram. Seven U.S. Midwest states were the latest to join forces to bid for the federal funding, following similar state collaborations coming out of the Northeast, Gulf Coast, Rocky Mountains, and Pacific Northwest regions.

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: 47
18 MONTH: 42
24 MONTH: 44
36 MONTH: 39

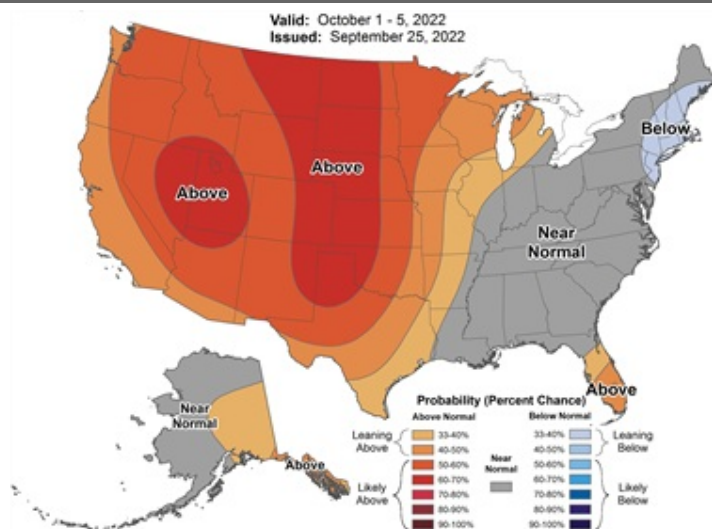
NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 37
18 MONTH: 22
24 MONTH: 27
36 MONTH: 22

CRUDE OIL TERMS

12 MONTH: 66
18 MONTH: 65
24 MONTH: 64
36 MONTH: 62

WEATHER | 6-10 Day Forecast



Above average temperatures are expected for the Midwest and Rocky Mountain Regions, while below average temperatures are expected for Southern New England.

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.

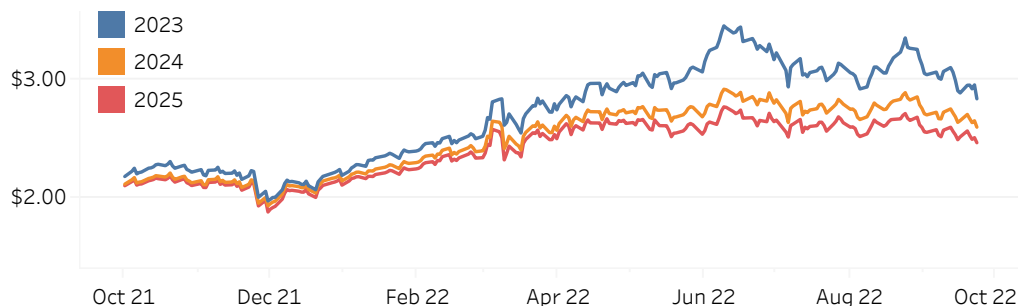
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OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

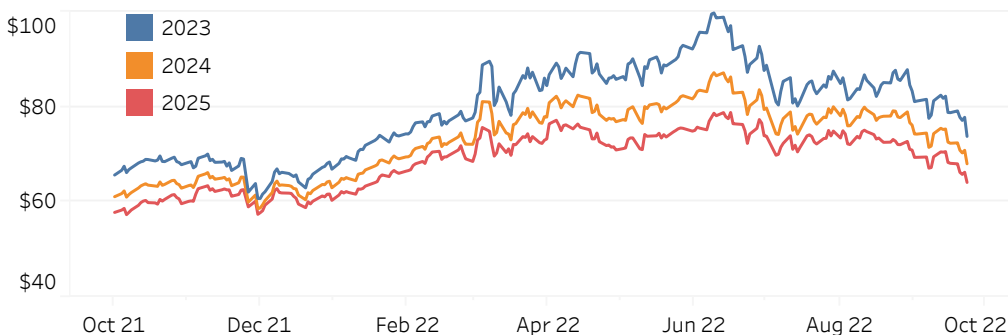


Prompt Month Price For Oct 22

This Week:	\$78.74/Bbl
Prior Week:	\$85.10/Bbl
CHANGE:	(\$6.36)/Bbl

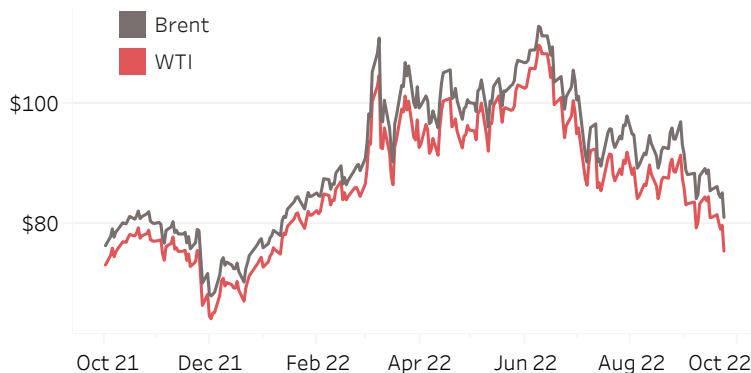
WTI closed at \$78.74 on Friday, down 8.1% from the week prior. Crude prices declined week over week for the fourth straight week, a streak not seen since last December. The Federal Reserve raised interest rates by another 75 basis points in an effort to tame inflation, which caused a decline to the outlook on demand and dropped prices further. The U.S. dollar hit a 20-year high, making crude more costly to buyers using other currencies and pushing future expectations of global demand even lower. OPEC+ will meet on October 5th and may decide on further supply cuts to boost crude prices; a cut to supply may only have a nominal impact, given that OPEC+ has been consistently producing below its stated output levels.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

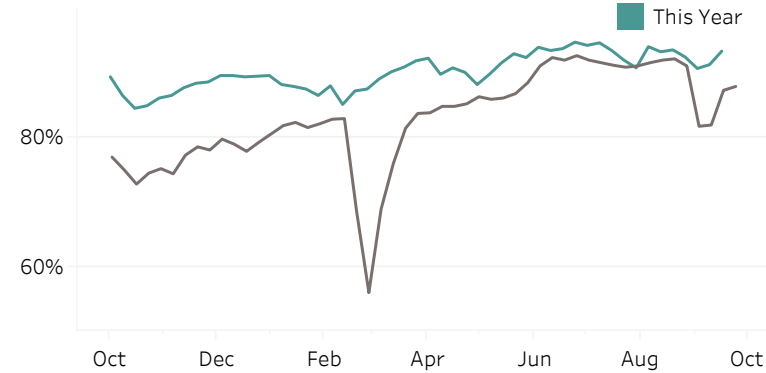


FUNDAMENTALS

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

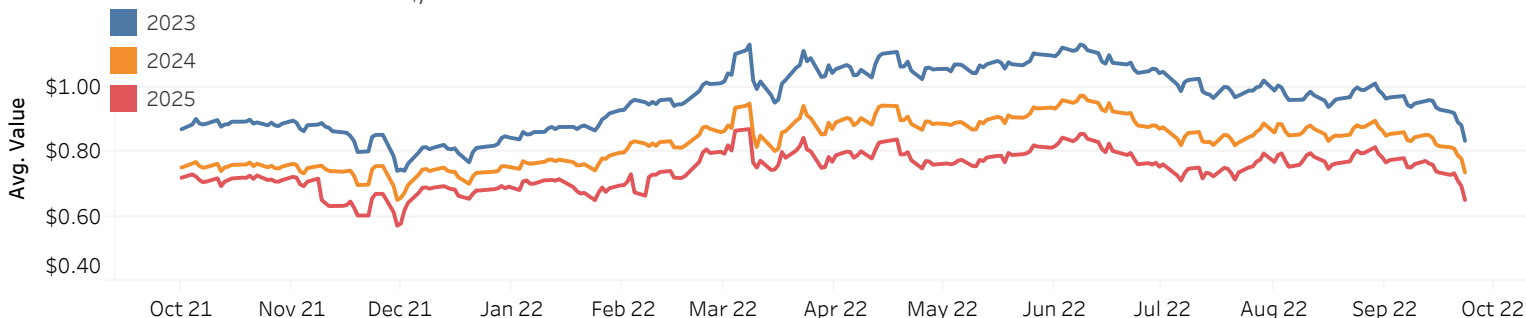


U.S. REFINERY RATES



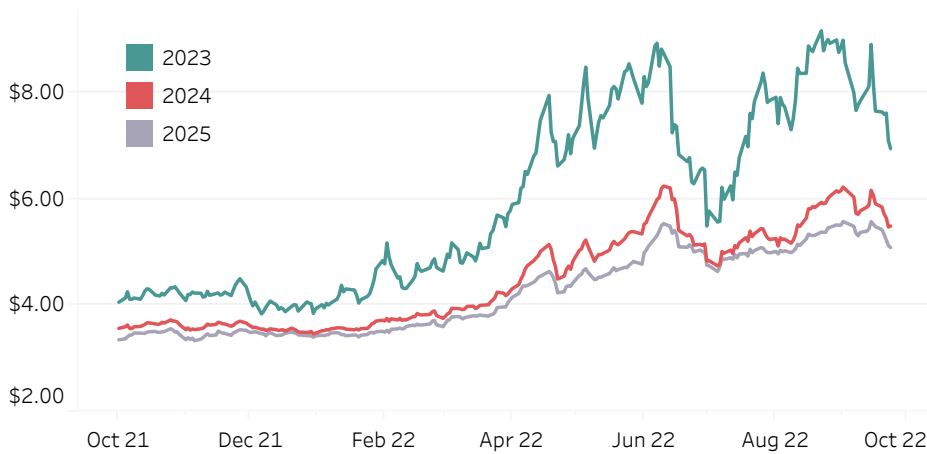
PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL



NATURAL GAS OVERVIEW

WINTER NATURAL GAS NYMEX STRIPS - \$/MMBTU



Prompt Month Price For Oct 22

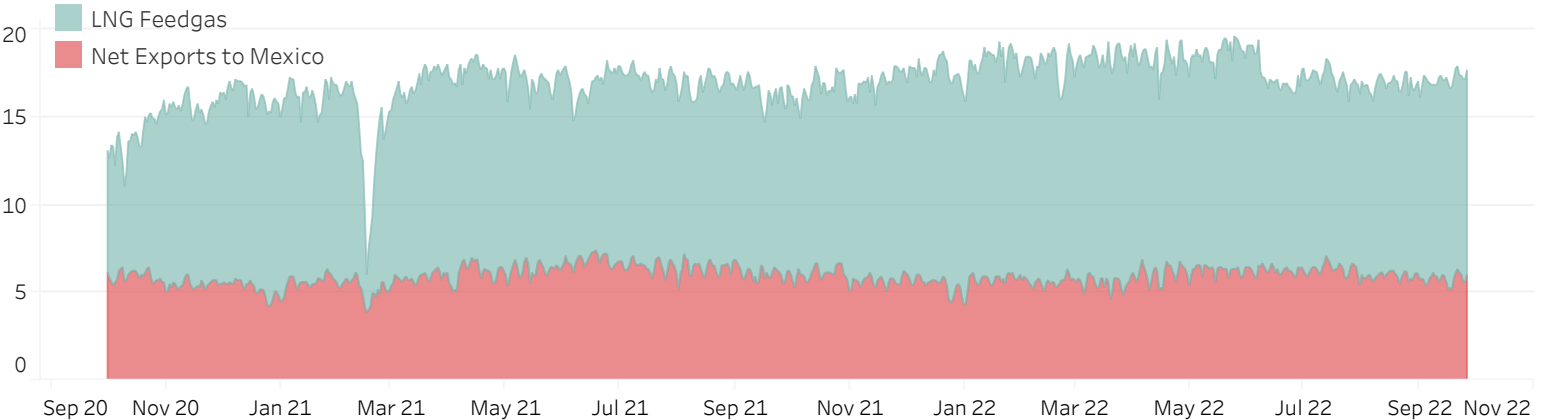
This Week:	\$6.83/MMBTU
Prior Week:	\$8.32/MMBTU
CHANGE:	(\$1.50)/MMBTU

September natural gas futures settled at \$6.83/MMBTU on Friday, down 12.1% from last week to fall to the lowest closing price in nearly three months. Mild weather is forecasted through much of the Midwest and Eastern regions of the U.S. through this week, with long-range outlooks showing moderate temperatures for October. The drop in prices this week was driven further by the report of a 103 Bcf storage injection, the largest build of the year. While storage is still 10% below the five-year average, it marked the lowest disparity between current and historical inventory levels since February. With demand for U.S. LNG expected to reach record highs this Winter, these shoulder-season injection weeks remain critical.

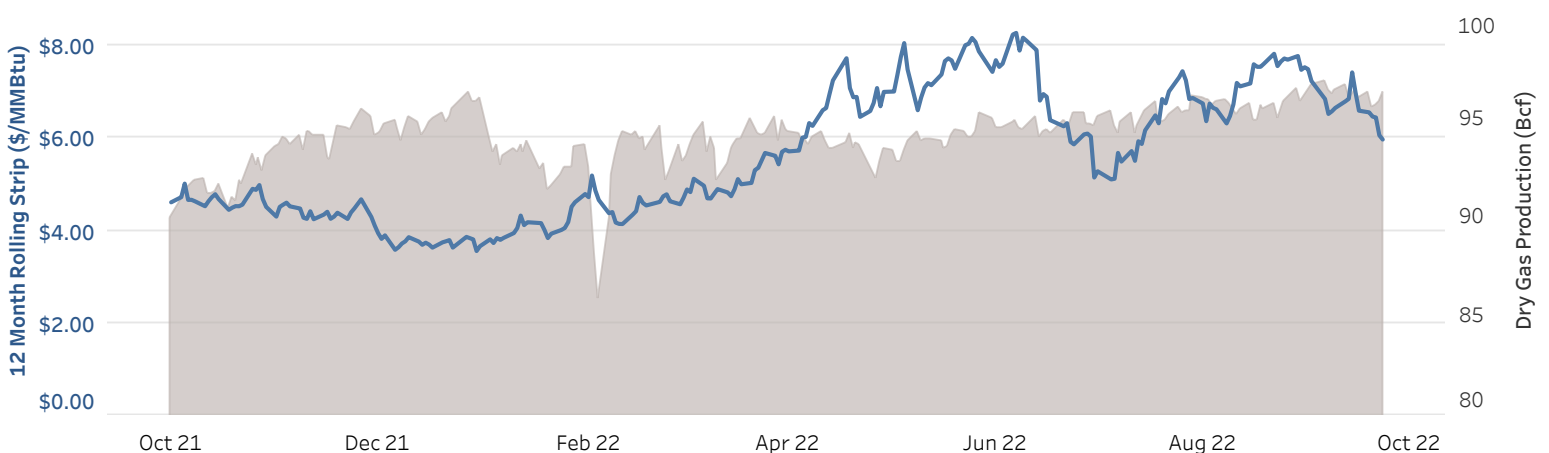
Winter natural gas NYMEX strips are an average of commodity prices for the months of December - March of each winter. Prices are presented in this format to highlight what consumers will pay during the typical heating season in the U.S.

NATURAL GAS FUNDAMENTALS

U.S. NATURAL GAS TOTAL EXPORTS - BCF

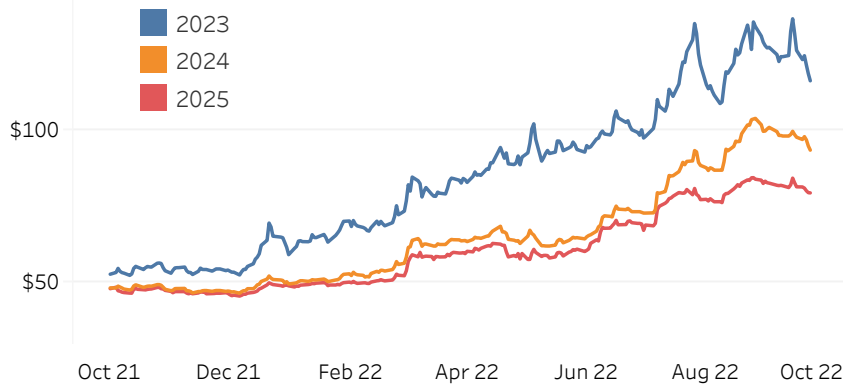


U.S. NATURAL GAS PRICE VS. PRODUCTION



NEW ENGLAND ELECTRICITY OVERVIEW

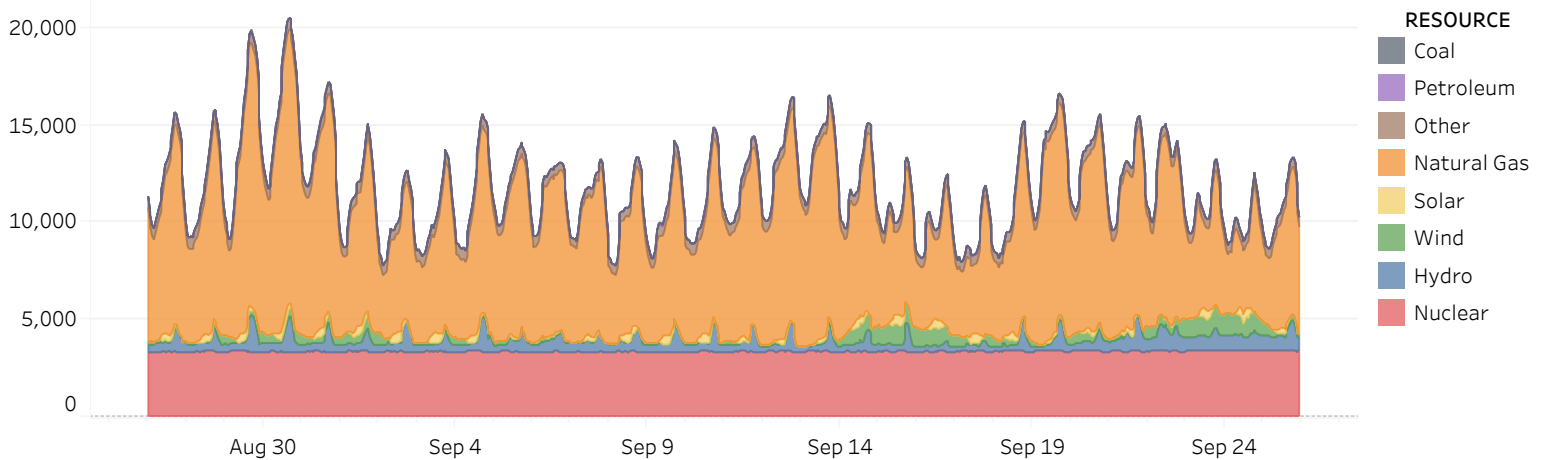
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING -\$/MWH



The NEPOOL 12-month strip fell 5.0% week-over-week, to land at the lowest rolling strip price since early August, at \$126.39/MWh. NEPOOL futures market calendar strips also declined to the lowest prices seen in over a month. The 2023 strip settled at \$121.40/MWh, representing a week-over-week decrease of 3.8%. The 2024 strip fell 1.0%, settling at \$96.91/MWh, and the 2025 strip fell 1.5%, settling at \$80.25/MWh. Mild temperatures and declining cooling demand, as well as strong natural gas production, were some of the main factors contributing to this price drop. While forward electricity pricing has declined from the record highs of this past summer, New England power is forecasted to remain elevated throughout the upcoming winter season due to the volatile natural gas market.

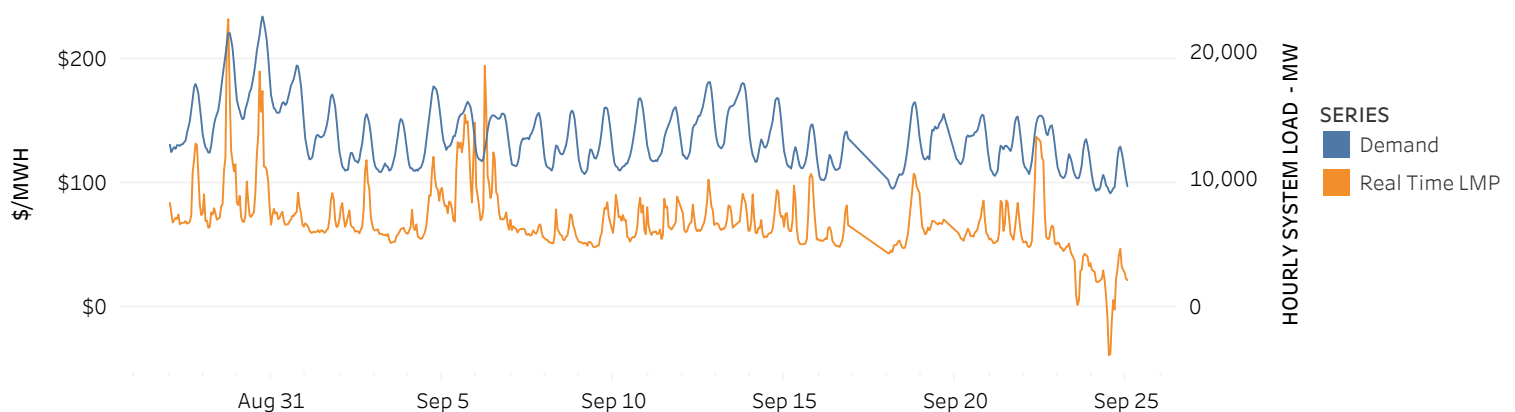
NEW ENGLAND 7-DAY DEMAND FORECAST

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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