

Oct 31 - Nov 4, 2022 MARKET SUMMARY



SPOTLIGHT | Canada Rolls Out Clean Energy Tax Credits

On November 3, Canada's finance minister Chrystia Freeland introduced a set of clean energy tax incentives to their House of Commons. The proposed incentives would become available in 2023 to wind, solar and hydropower projects, along with battery storage systems and small modular reactors and cover up to 30% of project investment costs....

On November 3, Canada's finance minister Chrystia Freeland introduced a set of clean energy tax incentives to their House of Commons. The proposed incentives would become available in 2023 to wind, solar and hydropower projects, along with battery storage systems and small modular reactors and cover up to 30% of project investment costs. A 40% investment tax credit for low-carbon hydrogen projects was also proposed. Like the U.S.'s Inflation Reduction Act, companies must follow specific wage requirements to be eligible for credits. Canada has also proposed C\$1.28 billion in additional funding for Canada's energy regulatory agencies to accelerate development of large clean energy projects. While viewed as a clear step in the right direction and an attempt to align and stay competitive with the U.S., some stakeholders argue that Canada needs to go further. The incentives, with their 30% cap, are expected to provide C\$6.7 billion in spending over five years, a small percentage of the IRA's expected climate and renewable energy spending over the next decade.

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: 57
18 MONTH: 52
24 MONTH: 52
36 MONTH: 46

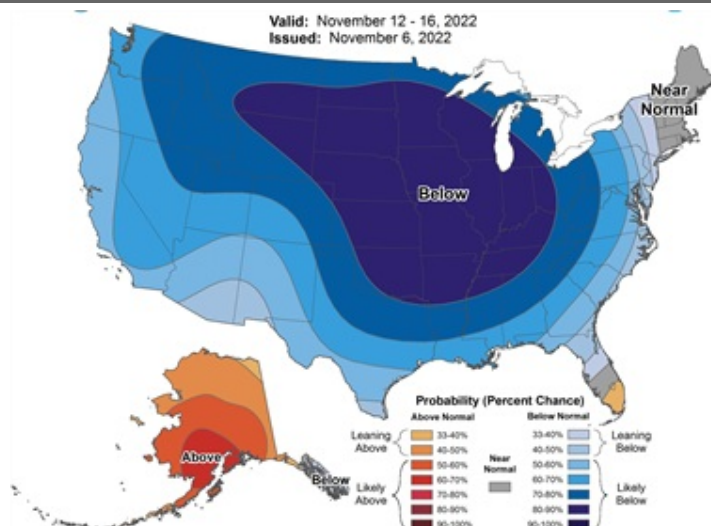
NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 54
18 MONTH: 42
24 MONTH: 45
36 MONTH: 42

CRUDE OIL TERMS

12 MONTH: 45
18 MONTH: 43
24 MONTH: 42
36 MONTH: 39

WEATHER | 6-10 Day Forecast



Below average temperatures are expected for much of the country, originating in the Midwest. Near normal temperatures are expected for 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.

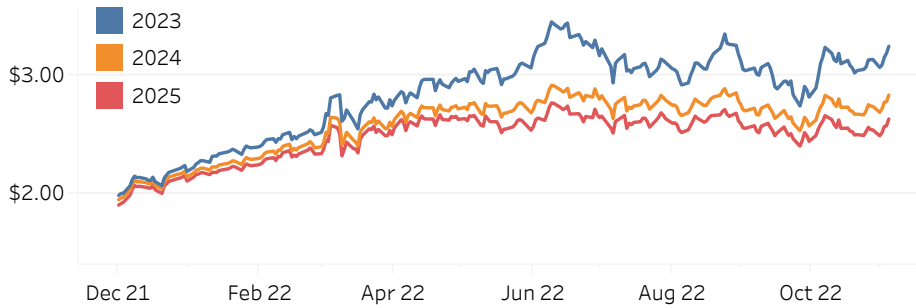
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OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

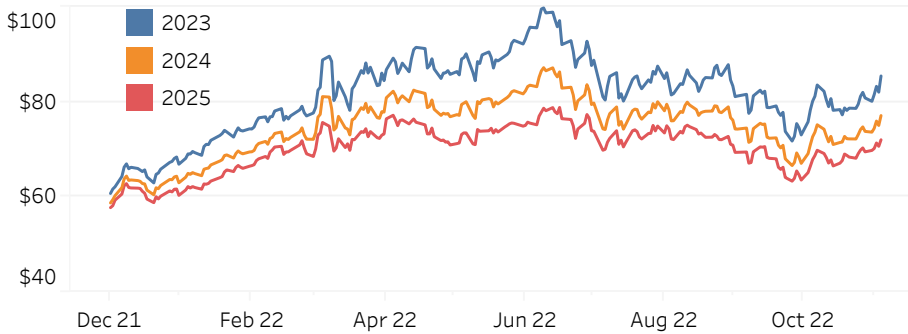


Prompt Month Price For Dec 22

This Week:	\$92.61/Bbl
Prior Week:	\$89.08/Bbl
CHANGE:	\$3.53/Bbl

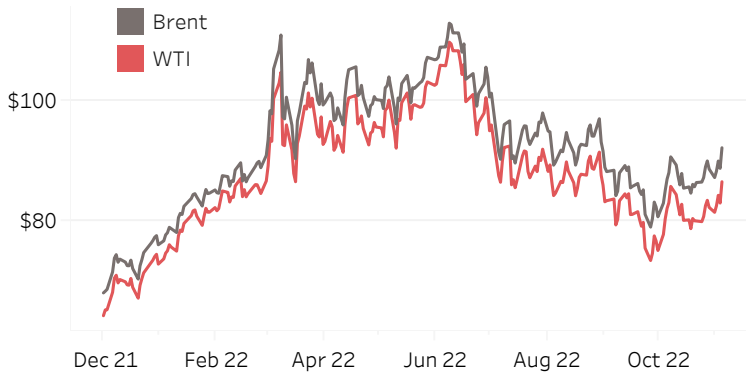
WTI closed at \$92.61 on Friday, up 3.8% from the week prior. Primary factors in this shift include the potential of COVID-19 restrictions in China relaxing and a continued tight global supply led to crude prices increasing week over week. Reports from China suggest that an end to the strict COVID-19 lockdowns may be coming soon, which would improve the demand outlook on crude and had already been pushing up the Chinese stock market as well this past week; however, no official change in policy has yet been announced. A tight global supply of crude oil will become even more restricted in a month, as the European Union remains set to ban Russian crude imports starting December 5. Comments from members of the Federal Reserve who suggested that it remains "premature" to consider slowing or stopping additional interest rate hikes are holding price increases in check for the time being.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

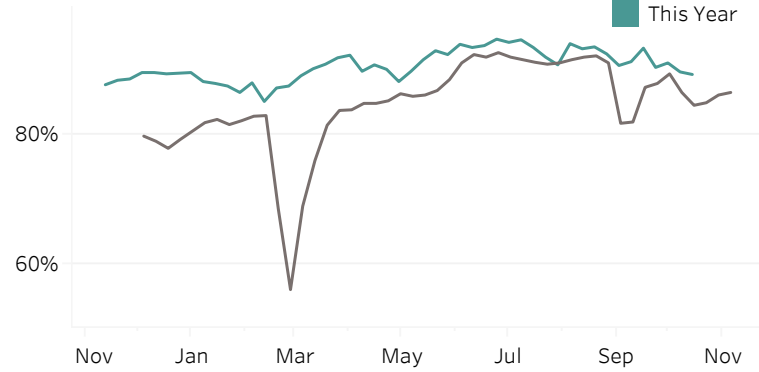


FUNDAMENTALS

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

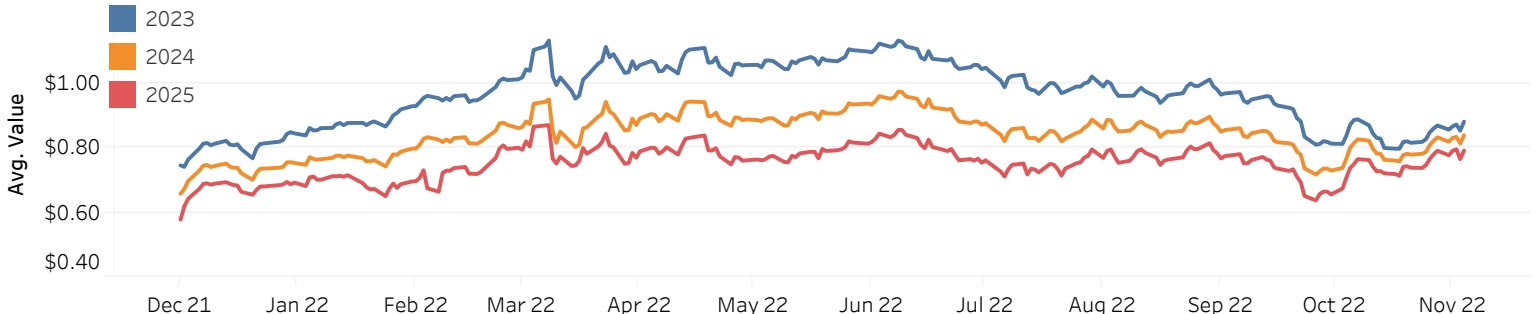


U.S. REFINERY RATES



PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL



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NATURAL GAS OVERVIEW

WINTER NATURAL GAS NYMEX STRIPS - \$/MMBTU



Prompt Month Price For Dec 22

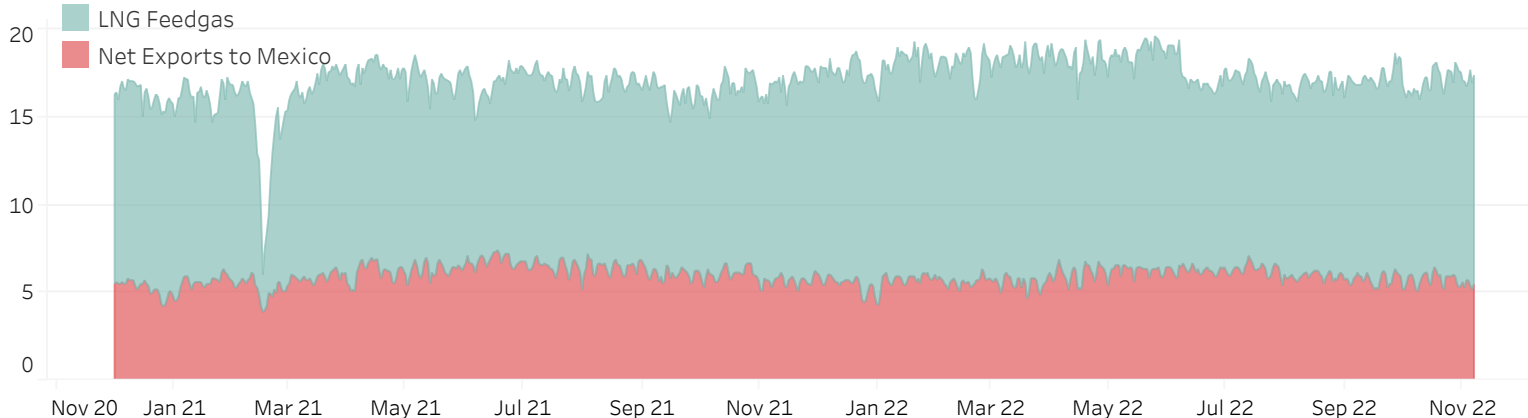
This Week:	\$6.40/MMBTU
Prior Week:	\$5.88/MMBTU
CHANGE:	\$0.53/MMBTU

Natural gas front-month futures settled at \$6.40 on Friday, representing a 12.5% increase week over week. Last week saw five straight days of double-digit swings, coupled with the sixth triple digit storage injection in seven weeks. The injection pushed the U.S. closer to the 5-year average storage level than it has been this year. Mild temperatures in New England sent basis prices tumbling, though increased demand overseas slowed the fall somewhat. The Freeport LNG terminal is scheduled to return online this month; however, the exact restart date and impact on markets remain unclear.

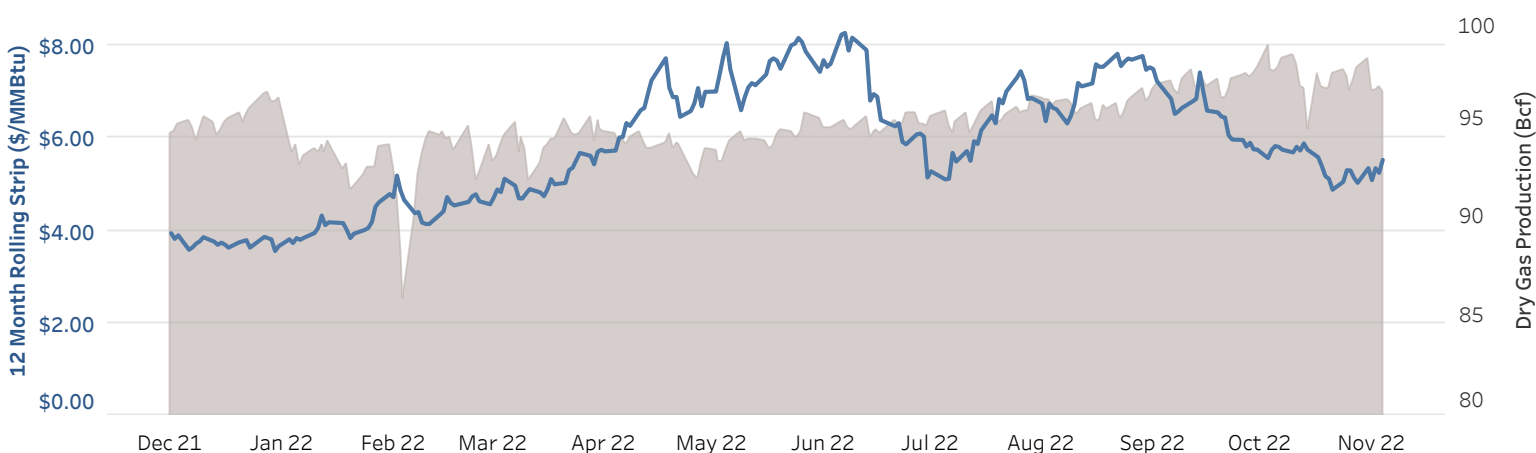
Winter natural gas NYMEX strips are an average of commodity prices for the months of December - March of each winter. Prices are presented in this format to highlight what consumers will pay during the typical heating season in the U.S.

NATURAL GAS FUNDAMENTALS

U.S. NATURAL GAS TOTAL EXPORTS - BCF



U.S. NATURAL GAS PRICE VS. PRODUCTION



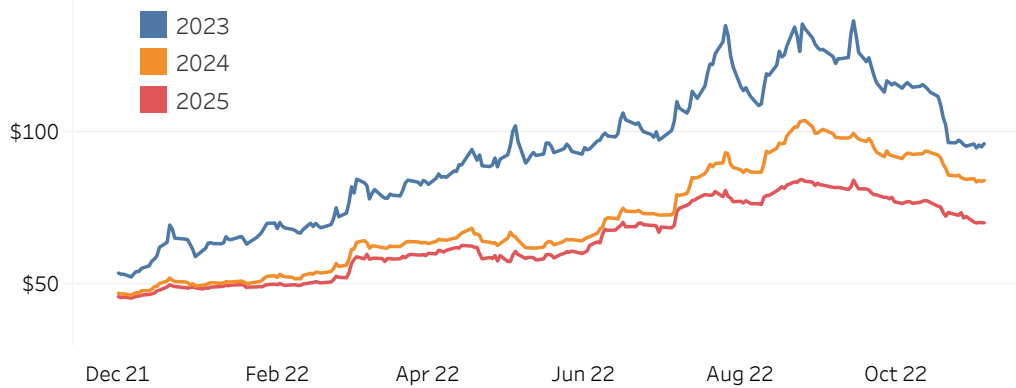
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NEW ENGLAND ELECTRICITY OVERVIEW

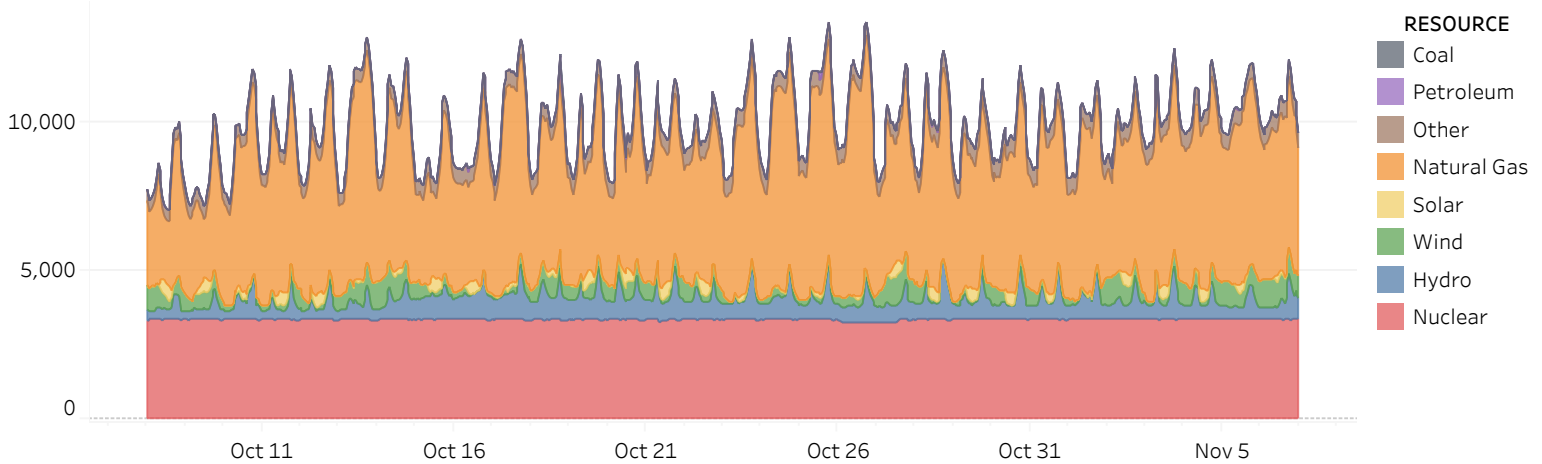
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING -\$/MWH



The NEPOOL 12-month strip rose by 3.1% last week to settle at \$96.55/MWh, driven by impending increased heating demand. The NEPOOL futures market 2023 calendar strip rose 0.4%, settling at \$95.90/MWh. The 2024 strip fell by 0.4%, settling at \$84.34/MWh, and the 2025 strip fell by 2.7%, settling at \$70.54/MWh. While New England electricity prices have seen some reprieve due to strong natural gas storage injections and recent mild temperatures, increased heating demand will bring price elevation over the coming months.

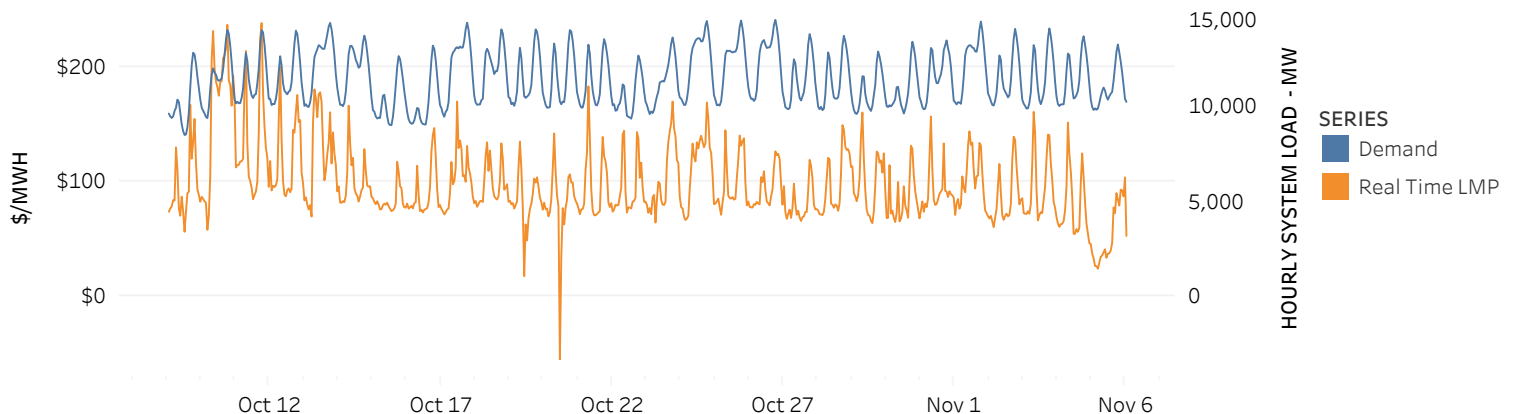
NEW ENGLAND REGIONAL ELECTRICITY GRID GENERATION MIX

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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