

December 5 - 9, 2022

MARKET SUMMARY



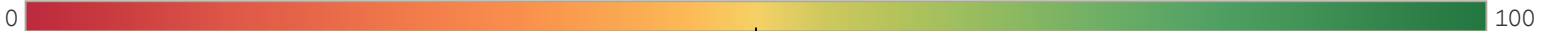
SPOTLIGHT | Massachusetts Study Recommends Clean Heat Standard

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At the beginning of December, the Massachusetts Clean Heat Commission released its final report after a year-long effort. Decarbonizing the building sector poses a challenge to meeting the Commonwealth's 2050 net zero goal, and the Commission was established by executive order in late 2021 to study and provide recommendations specific to reducing emissions in building heating systems. The report offers a preview of potential actions by the new Healey administration in 2023. The highlight of the recommendations was for the immediate development of a Clean Heat Standard, modeled after the existing Renewable Portfolio Standard, to be implemented by 2024 to meet interim 2025 and 2030 goals. The Standard would require retail heating providers to procure an increasing number of clean heat credits. The report outlines a focus on electrified solutions and envisions a scoring system to determine the issuance of credits for different qualifying clean heat activities. Other notable recommendations from the report include joint energy system planning led by the regulatory agencies in conjunction with electric and gas utilities, the creation of a Climate Bank to facilitate the financing of decarbonization efforts, and a re-thinking of the MassSave incentive program to more directly incentivize decarbonization projects.

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: 61
18 MONTH: 59
24 MONTH: 57
36 MONTH: 51

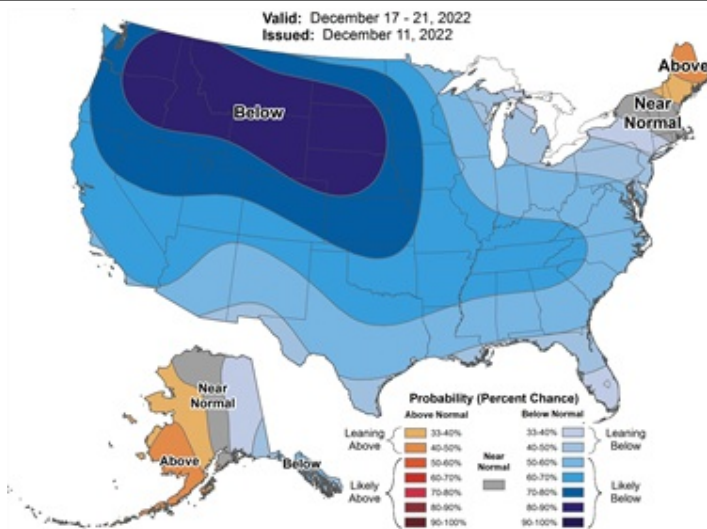
NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 44
18 MONTH: 38
24 MONTH: 37
36 MONTH: 37

CRUDE OIL TERMS

12 MONTH: 73
18 MONTH: 70
24 MONTH: 67
36 MONTH: 62

WEATHER | 6-10 Day Forecast

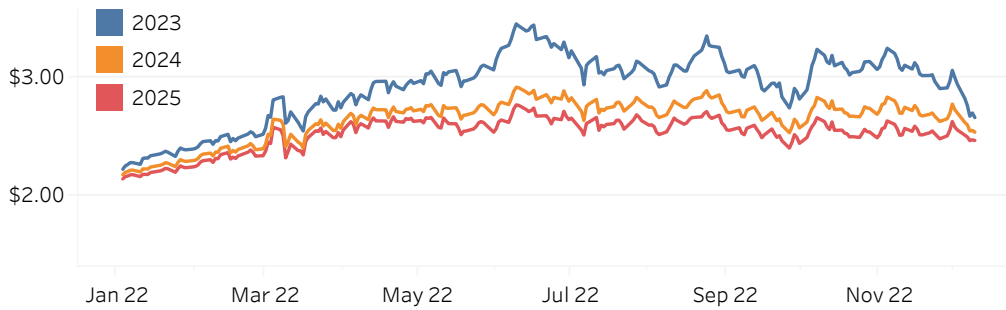


Below average temperatures expected for much of the lower 48 states, originating in the Northwest.

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

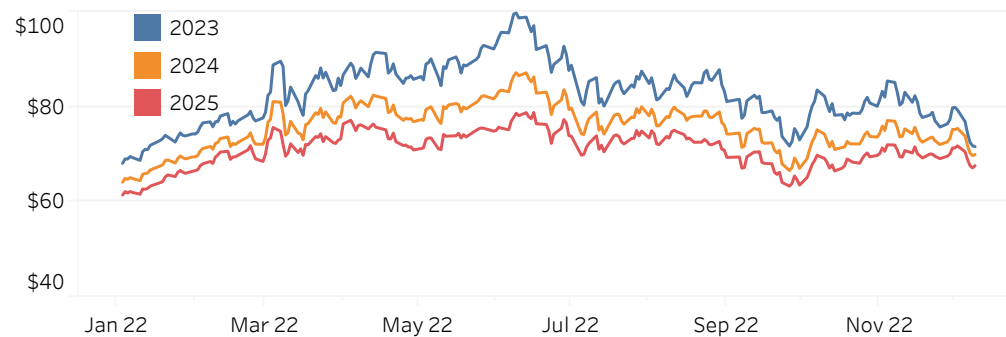


Prompt Month Price For Jan 23

This Week:	\$71.02/Bbl
Prior Week:	\$81.22/Bbl
CHANGE:	(\$10.20)/Bbl

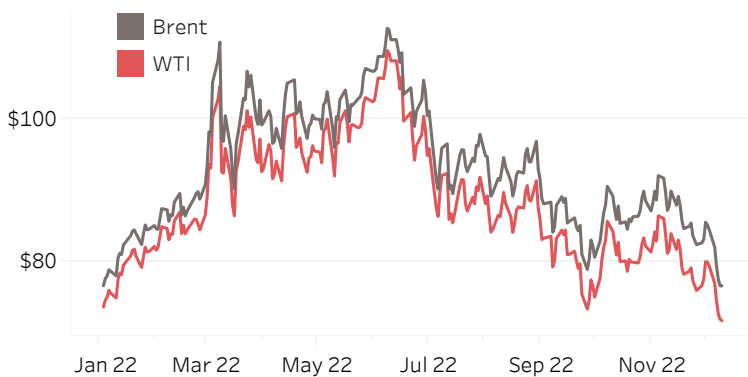
WTI closed at \$71.02/Barrel on Friday, down 11.2% from the week prior. Friday's prices established a new low for 2022. Both WTI and Brent posted the largest week-over-week declines seen in months, driven by growing recession concerns. Economists predict that the US will experience a short and shallow recession in 2023. Following WTI's steep week-over-week decline, US crude contracts are now cheaper in the near term than they are one year later, which suggests weakened demand and may lead to increased barrels in storage. Meanwhile, sustained high COVID cases in China continue to stoke concerns over diminished demand for the world's largest crude importer.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

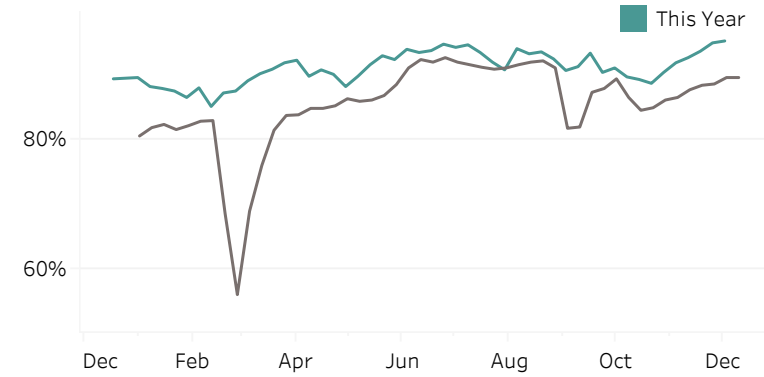


FUNDAMENTALS

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

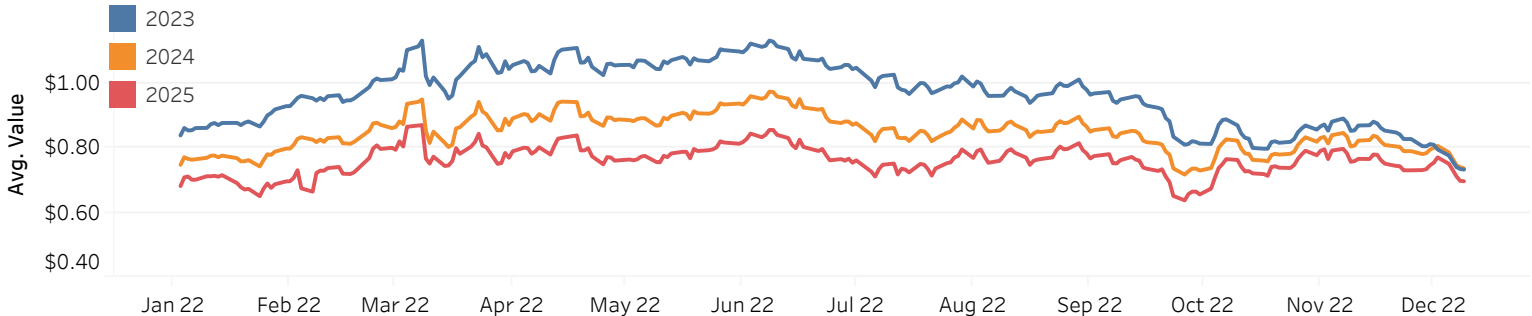


U.S. REFINERY RATES



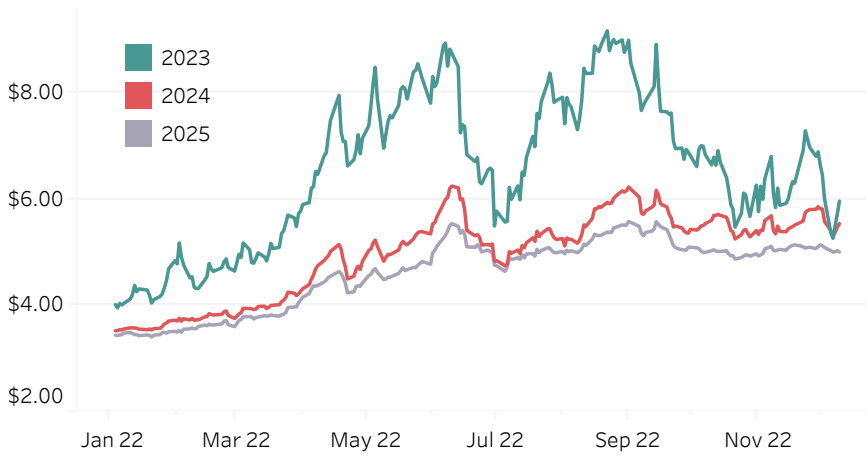
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MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL



NATURAL GAS OVERVIEW

WINTER NATURAL GAS NYMEX STRIPS - \$/MMBTU



Prompt Month Price For Jan 23

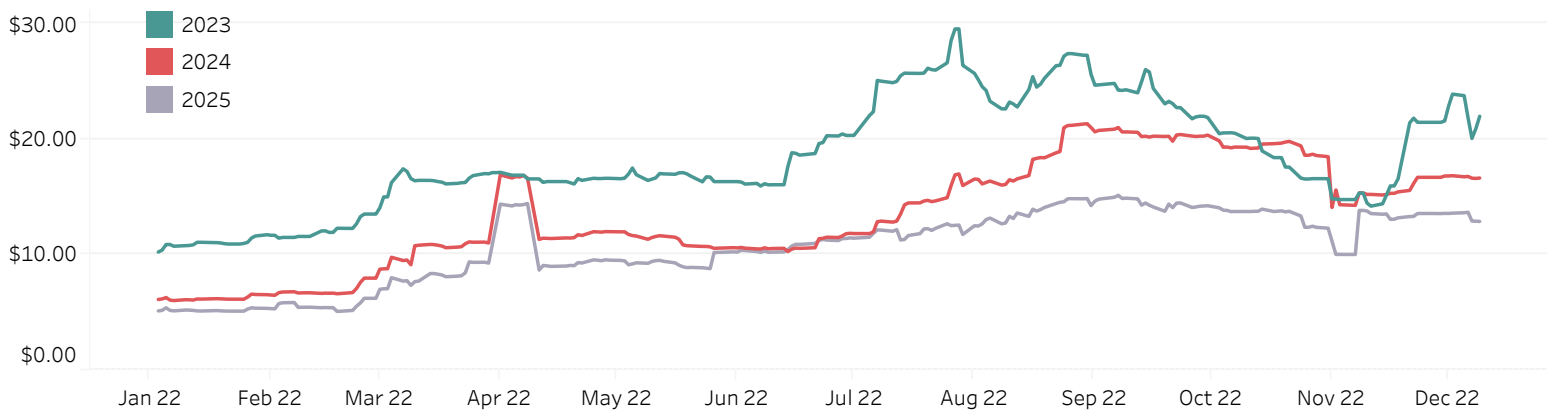
This Week:	\$6.25/MMBTU
Prior Week:	\$6.74/MMBTU
CHANGE:	(\$0.49)/MMBtu

Natural gas front-month futures settled at \$6.25 on Friday, up 12% from the week prior. Cold temperatures on the West Coast combined with widespread cold forecast drove up NYMEX prices. Europe is facing cold weather forecasts and worries about storage levels, after much of the continent enjoyed an unseasonably warm fall. With low wind generation and nuclear maintenance issues increasing concerns. President Biden announced a partnership with the U.K., in which the U.S. pledged to export at least 9-10 Bcf of LNG to Europe via U.K. terminals over the next year. This effort will more than double the amount of U.S. LNG exported to the U.K. from 2021 numbers. The EIA reported a withdrawal of 21 Bcf for the week ending December 2, compared to 59 Bcf for the same week last year.

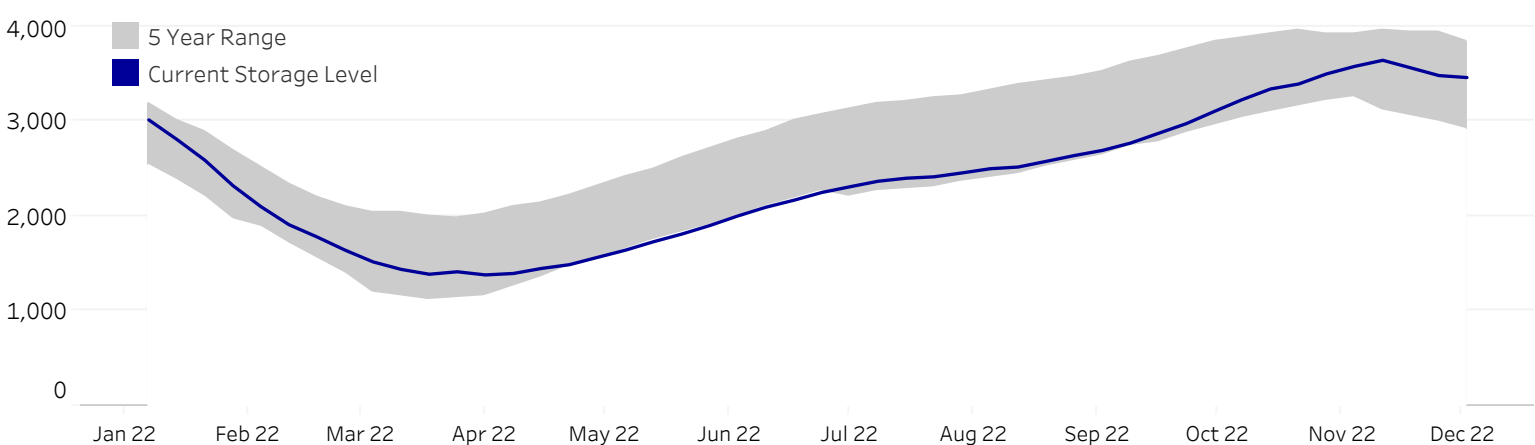
Winter natural gas NYMEX strips are an average of commodity prices for the months of December - March of each winter. Prices are presented in this format to highlight what consumers will pay during the typical heating season in the U.S.

NATURAL GAS FUNDAMENTALS

WINTER BASIS STRIPS - \$/MMBTU



LOWER 48 NATURAL GAS STORAGE - BCF



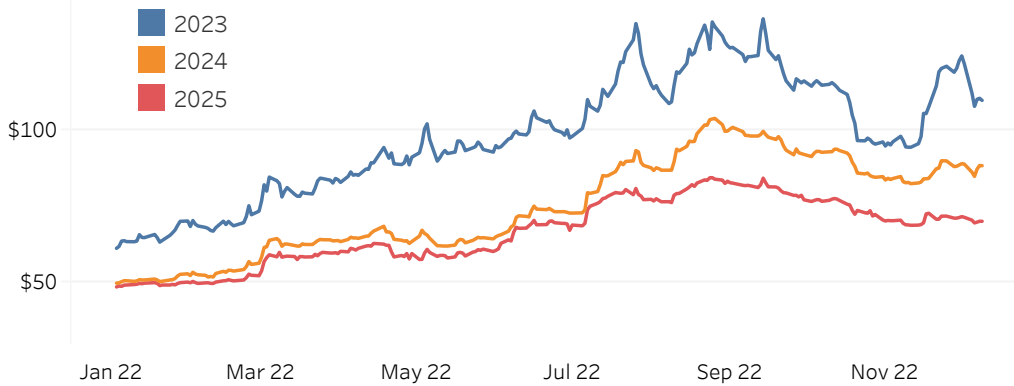
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NEW ENGLAND ELECTRICITY OVERVIEW

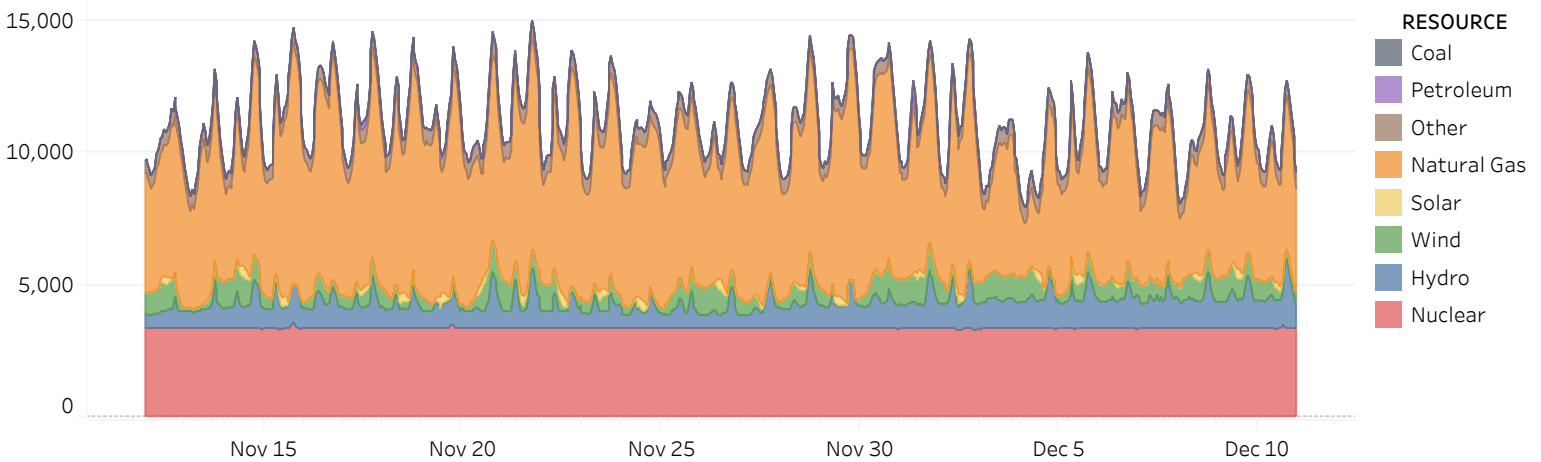
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING -\$/MWH



The NEPOOL 12-month strip fell 7.15% week-over-week, to land at the lowest rolling strip price since mid-November, at \$110.18/MWh. The 2023 strip settled at \$110.18/MWh, representing a week-over-week decrease of 10.32%. The 2024 strip fell 1.55%, settling at \$87.32/MWh, and the 2025 strip fell 2.12% to \$70.00/MWh. Most of this relief is the result of warmer than average temperatures in Boston, which have been 5° F above the seasonal average. Natural gas prices have also been trending downward recently, which is often an impetus for electricity price relief.

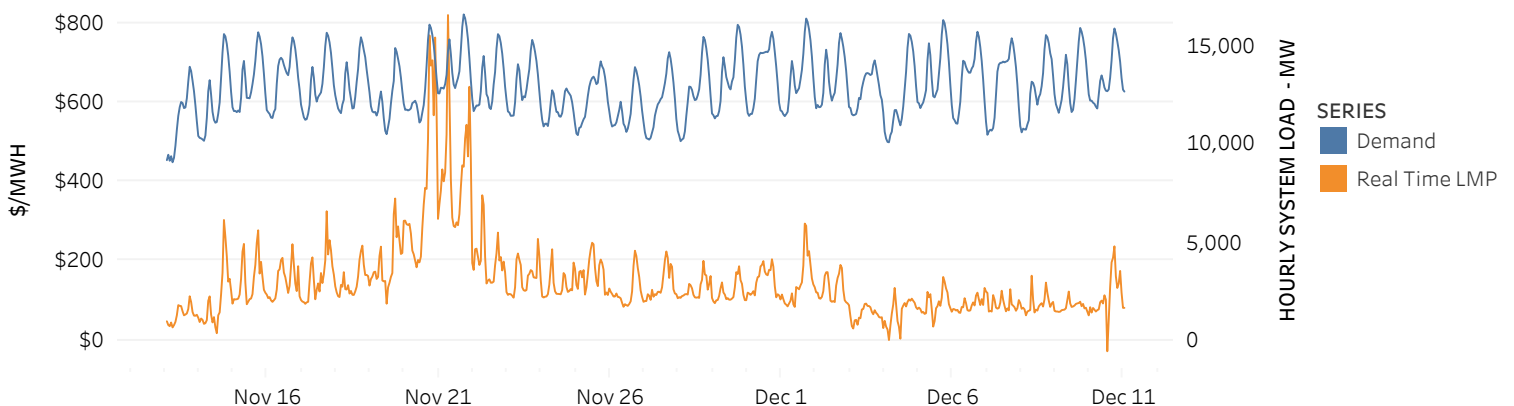
NEW ENGLAND REGIONAL ELECTRICITY GRID GENERATION MIX

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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