

# WEEKLY MARKET SUMMARY

May 31 - June 4, 2021



## SPOTLIGHT | ISO New England Expects Sufficient Electricity Supplies for Summer.

**This summer, ISO-NE expects more than 31,000 megawatts of electricity generating capacity will be available to meet consumer demand.**

ISO New England recently announced expectations for sufficient electricity generation as we head into warm, summer months, when electricity demand in the region reaches its annual peak, due primarily to the use of air conditioning. Before each summer and winter, ISO-NE conducts a forecasting exercise to identify any areas for seasonal reliability concerns. This summer, ISO-NE expects more than 31,000 megawatts of electricity generating capacity will be available to meet consumer demand. Last summer's peak demand was 25,121 megawatts and New England's all-time record for peak demand was 28,130 megawatts in early August of 2006. ISO-NE's forecasts expect the actual peak electricity demand will be reduced by over 800 megawatts from the many behind-the-meter solar PV installations generating electricity across the region. Recent increases in solar generation have shifted ISO-NE's peak hour later into the day towards early evening hours, as the sun begins to set.

## 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: 26 |
| 18 MONTH: 33 |
| 24 MONTH: 32 |
| 36 MONTH: 33 |

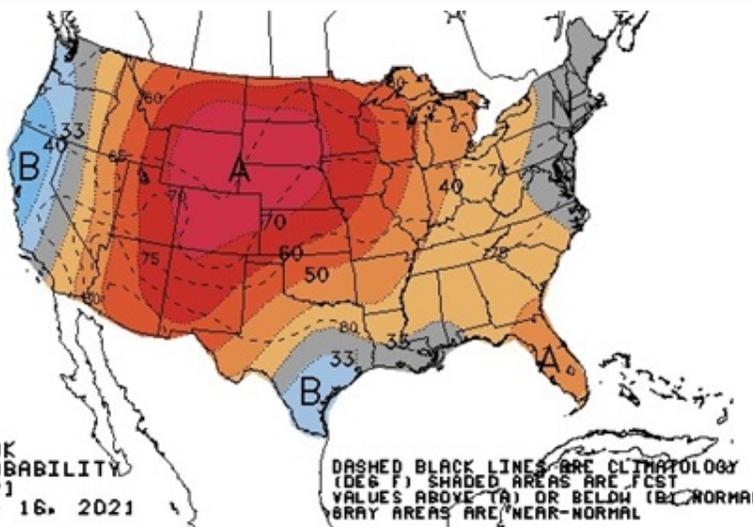
### NEW ENGLAND ELECTRICITY TERMS

|              |
|--------------|
| 12 MONTH: 56 |
| 18 MONTH: 60 |
| 24 MONTH: 59 |
| 36 MONTH: 61 |

### CRUDE OIL TERMS

|             |
|-------------|
| 12 MONTH: 0 |
| 18 MONTH: 0 |
| 24 MONTH: 0 |
| 36 MONTH: 0 |

## WEATHER | 6-10 Day Forecast



### Above average temperatures dominate Central US!

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, grey 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.



6-10 DAY OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 6 JUN 2021  
VALID JUN 12 - 16, 2021

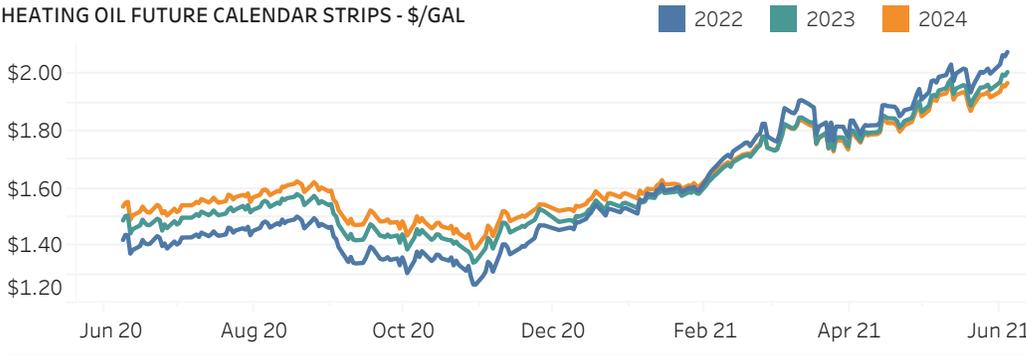
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### OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL



PROMPT MONTH PRICE FOR JUL 21

|                |                |
|----------------|----------------|
| This Week:     | \$69.62/Barrel |
| Prior Week:    | \$66.32/Barrel |
| <b>CHANGE:</b> | <b>\$3.30▲</b> |

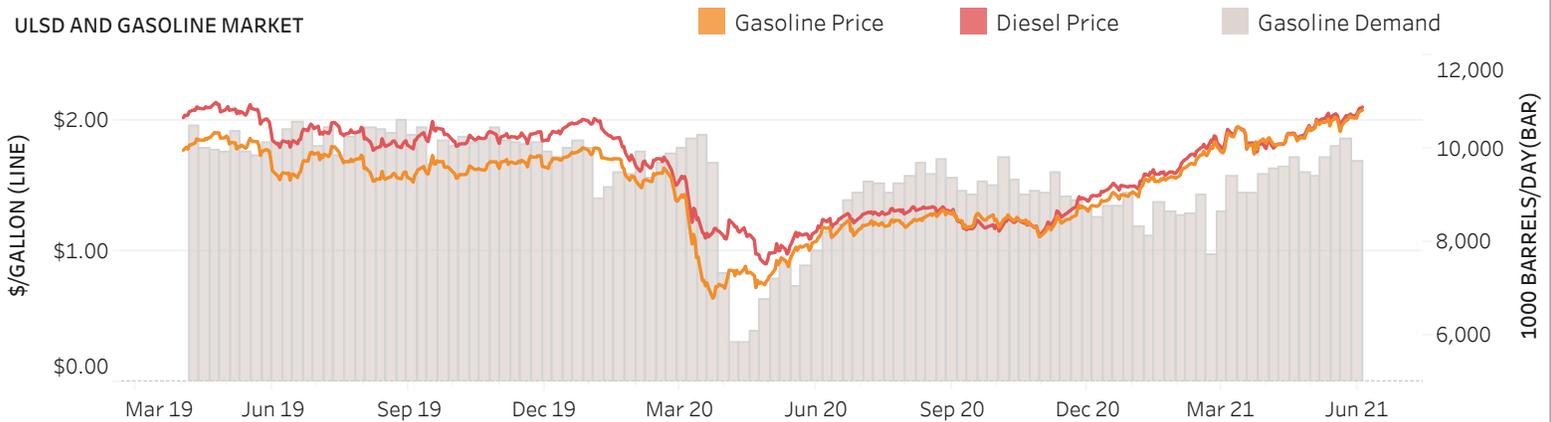
Crude oil prices ended Friday at \$69.62/barrel, a 5.0% increase from the week prior. Prices reached a high since October 2018 on Friday due to a better-than-expected May jobs report, the beginning of the US driving season and a short-term oil supply deficit. However, the most recent government data shows an upward trend in gasoline supplied for the third consecutive week. In addition, hopes to bring back Iranian oil to the market as well as a potential increase in crude production among OPEC+ countries after their July meeting could put downward pressure on prices moving forward.

WTI FUTURE CALENDAR STRIPS - \$/BBL



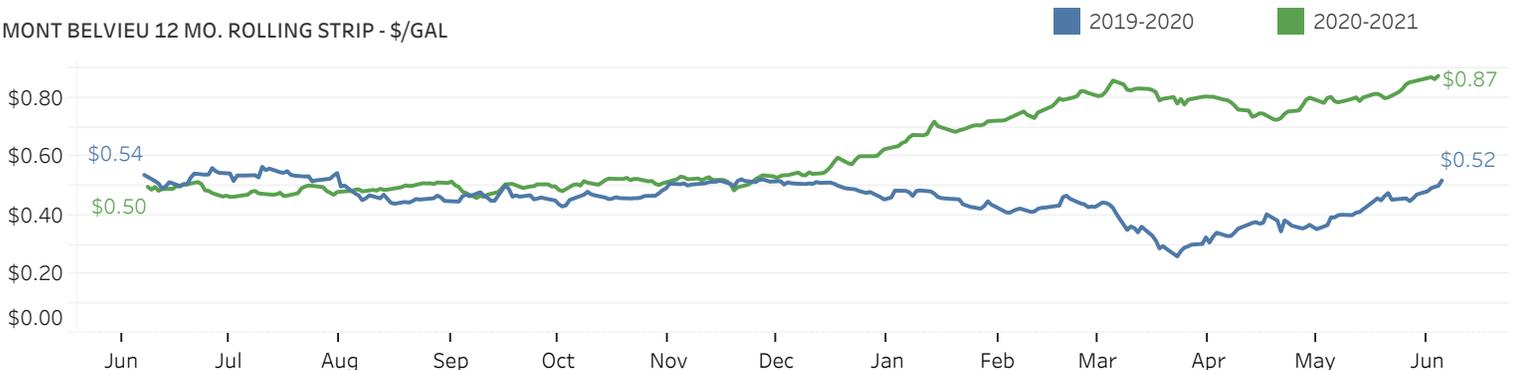
### FUNDAMENTALS

ULSD AND GASOLINE MARKET



### PROPANE

MONT BELVIEU 12 MO. ROLLING STRIP - \$/GAL



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### 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 US.

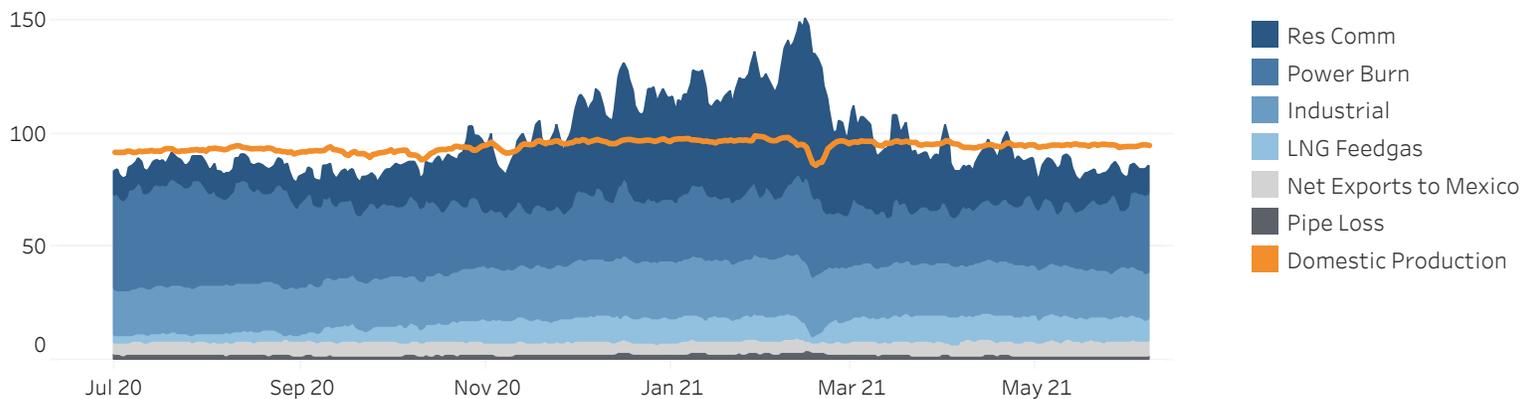
PROMPT MONTH PRICE FOR JUL 21

|                    |              |
|--------------------|--------------|
| <b>This Week:</b>  | \$3.10/MMBTU |
| <b>Prior Week:</b> | \$2.99/MMBTU |
| <b>CHANGE:</b>     | \$0.11 ▲     |

July front-month futures settled at \$3.097/MMBtu last Friday. Prices started strong, ending at \$3.104/MMBtu on Tuesday after news of strong LNG exports in May that surpassed Australian exports for the first time. Prices slightly dipped midweek after storage injections exceeded forecasts for the second week in a row and then rebounded on Friday with expectations for warmer than average temperatures in the coming weeks. Total US demand is expected to climb and average 87.5 Bcf/day over the next week, driven by increased power burn. Prices have risen eight of the last ten weeks and could continue upward with warmer summer weather.

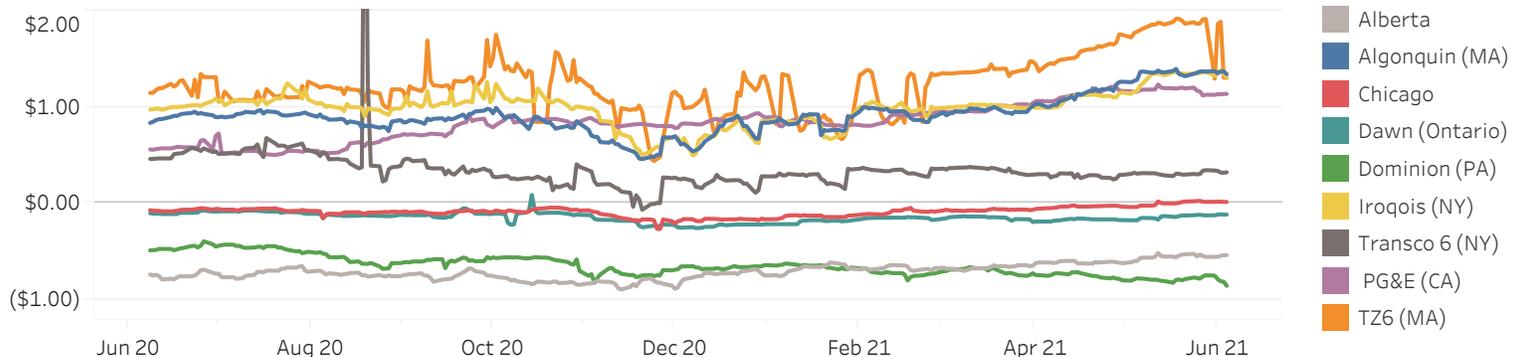
### NATURAL GAS FUNDAMENTALS

US NATURAL GAS TOTAL SUPPLY AND DEMAND - BCF



### NATURAL GAS BASIS

NATURAL GAS BASIS - ROLLING 12 MO. FUTURES STRIP - \$/MMBTU



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### NEW ENGLAND ELECTRICITY OVERVIEW

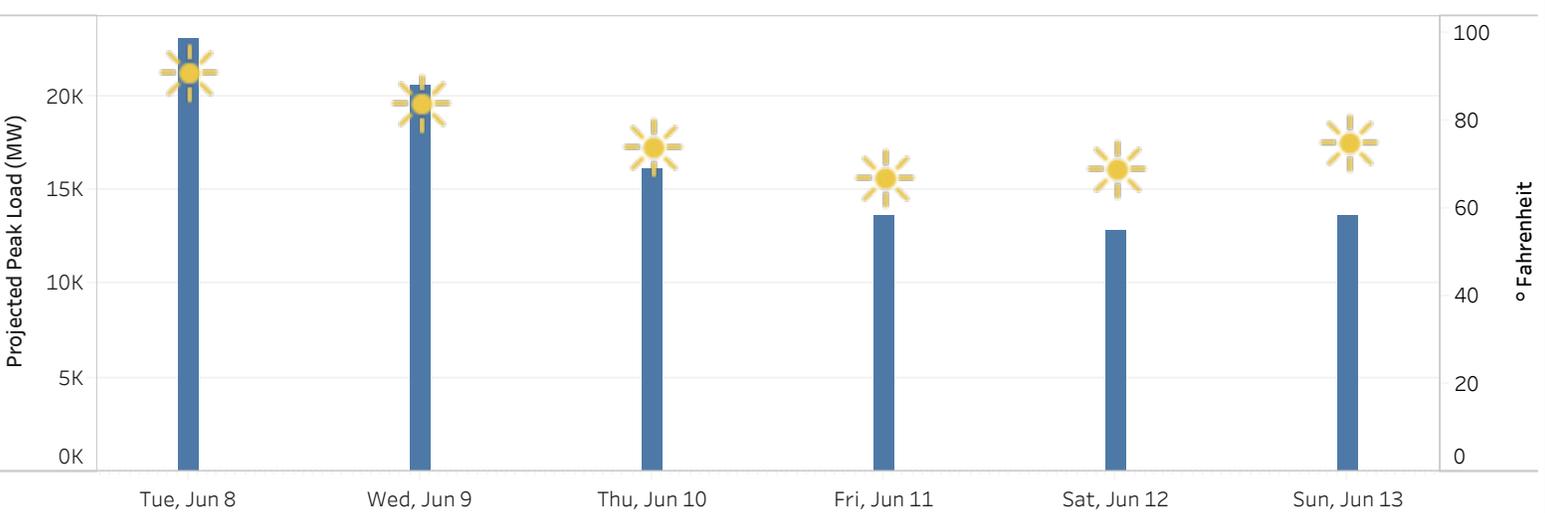
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING -\$/MWH



New England electricity markets hovered just above the \$40/MWh range last week. The NEPOOL 12-mo. strip rose 1.2% week-over-week to \$41.21/MWh on Friday. Long-term electricity prices edged up between 1% and 1.5% week over week. Electricity prices for 2022 remain higher than those for 2024, indicating some market certainty. As temperatures soar across the Northeast this week, ISO-NE's projected peak load is expected to surpass 20,000 MW Monday through Wednesday. Loads are forecasted to peak at 23,100 MW on Tuesday, edging close to last year's system peak of 24,727 MW.

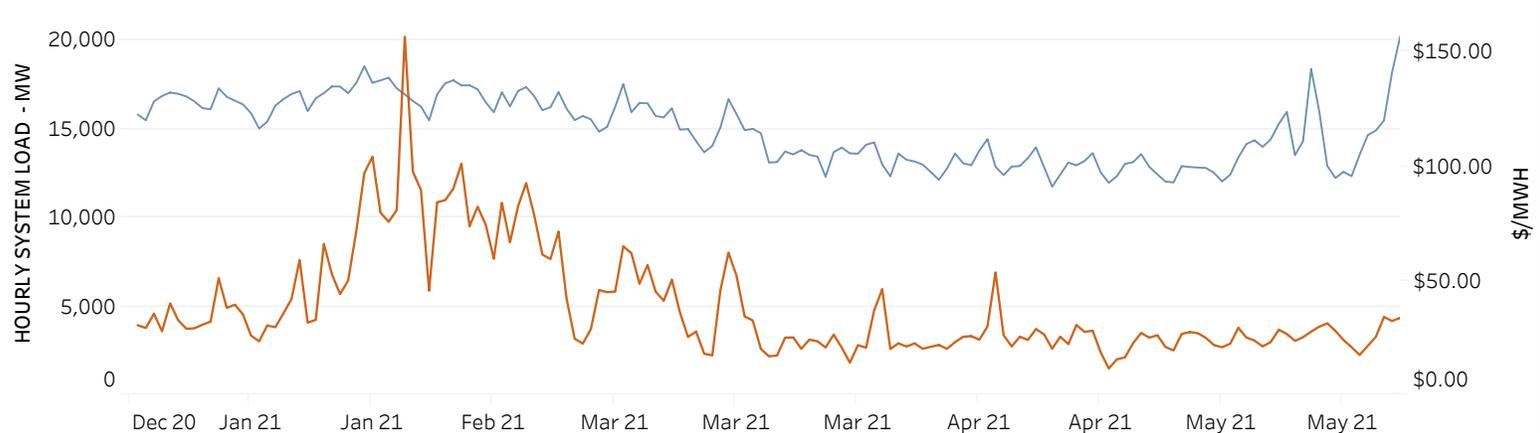
### NEW ENGLAND 7 DAY DEMAND FORECAST

ISO NE GRID PROJECTED PEAK DEMAND 7 DAY FORECAST



### NEW ENGLAND GRID

ISO NE PEAK DAILY GRID DEMAND & AVERAGE REAL TIME LMP RATE



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