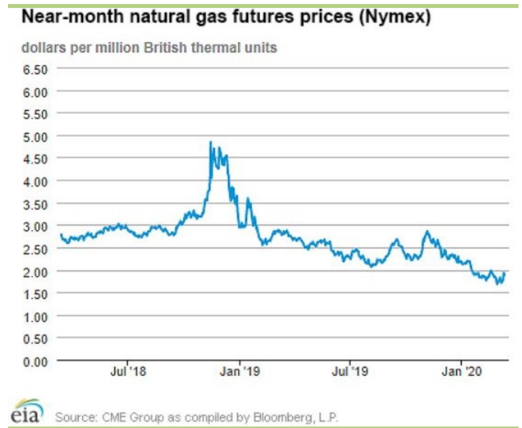
ADVANTAGE | ENERGY PARTNERS

Tuesday, March 17, 2020

GENERAL UPDATE



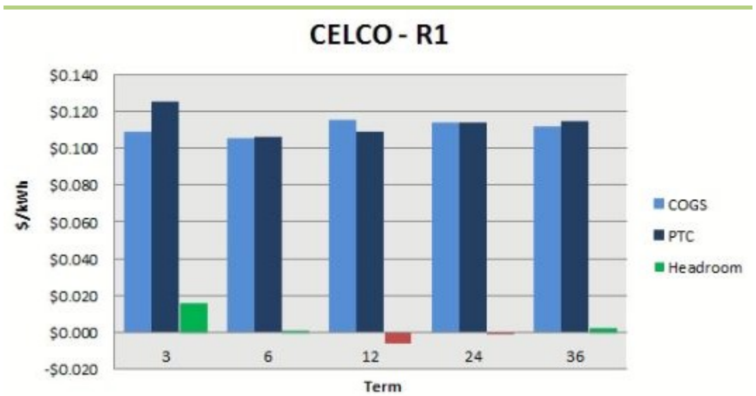
- The April 2020 NYMEX Henry Hub traded up to $1.87/MMBtu, a $0.05 (+2.8%) increase from the previous Wednesday. The price of the 12-month strip averaging April 2020 through March 2021 futures contracts climbed $0.08 (+3.8%) to $2.24/MMBtu.
- Boston's Algonquin Citygate price went up $0.06 (+3.6%) to $1.75/MMBtu last Wednesday. Transco Zone 6 NYC price increased $0.03 (+1.8%) to $1.69/MMBtu.
- Pennsylvania's Dominion South rose $0.01 (+0.7%) to $1.51/MMBtu. Tennessee Zone 4 Marcellus spot price increased $0.07 (+4.8%) to $1.52/MMBtu.
- California prices trended up since last week. SoCal Citygate price increased $0.38 (+18.8%) to $2.40/MMBtu last Wednesday. The price at Northern California PG&E Citygate rose $0.16 (+6.0%) to $2.84/MMBtu week over week.

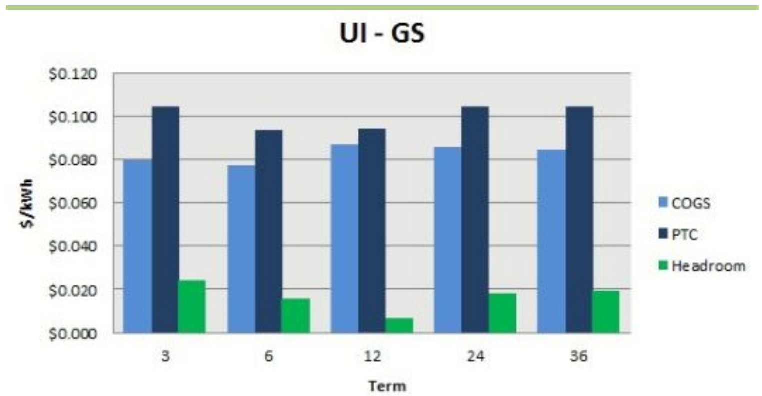
POWER

- Power markets continue to trade lower and moved down slightly overall. NYC zone (J) in NYISO, 12 Month peak strip decreased over $1.00 (-3.5%) and the summer 2020 strip moved down further and traded down over (-5.0%) week over week.
- At the MassHub location in ISONE, 12 Month peak strip moved down (-2.7%) to $33.75. The 24 Month peak strip decreased again and down another $0.50 (-1.5%) week over week.
- Trend continues in PJM, West Hub 12 Month peak strip down $0.44 (-1.5%) to dip below $29 level. The 24 Month peak strip decreased as well, down (-0.5%) to stay below $30 price level week over week.
- Larger movements in ERCOT. For the Houston zone the 12 Month peak strip was down over (-12.0%) with 24 Month peak strip down (-8.3%). Summer 2020 had a large pull back and now below $90 on summer reserve margin updates.

UTILITY HIGHLIGHT

CELCO › R1 UI › GS





- The upcoming Price to Compare for Massachusetts utility market CELCO, (Eversource), Residential rate class (R1) is $0.12517/kWh, in effect from April 1, 2020 to June 30, 2020.
- Headroom in the CELCO territory is now available in the shorter periods for contracts with 3 and 6 month terms. Headroom of $0.01597/kWh and $0.00129/kWh is likely for these periods, respectively.

- The current Price to Compare data for United Illuminating in Connecticut, UI - GS, Commercial rate class (UI-GS) is $0.10443/kWh, in effect for the period April 1, 2020 to June 30, 2020.
- Headroom is available in the UI-GS market for shorter terms, 3 and 6 month terms, with $0.02492/kWh and $0.01603/kWh of headroom respectively.

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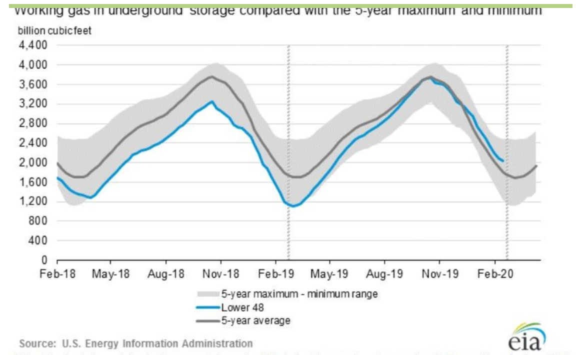
NATURAL GAS

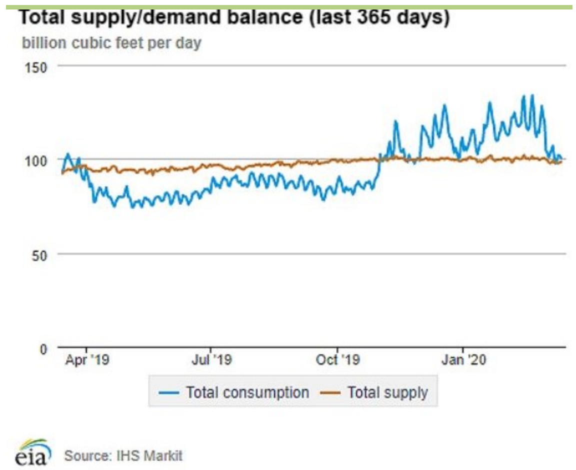
- For the week ending March 6, 2020, the EIA reported net withdrawals from storage of 48 Bcf, which is lower than last year's net withdrawals of 164 Bcf for this week and lower than the 5-year (2015–19) average net withdrawals of 99 Bcf.
- Working natural gas in storage totaled 2,043 Bcf, which is 796 Bcf (63.8%) higher than last year's working gas totals of 1,247 Bcf at the same time and 227 Bcf (12.5%) higher than the 5-year (2015-2019) average of 2,043 Bcf. Total working gas is within the five-year historical range.



Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2015 through 2019. The dashed vertical lines indicate current and year-ago weekly periods.

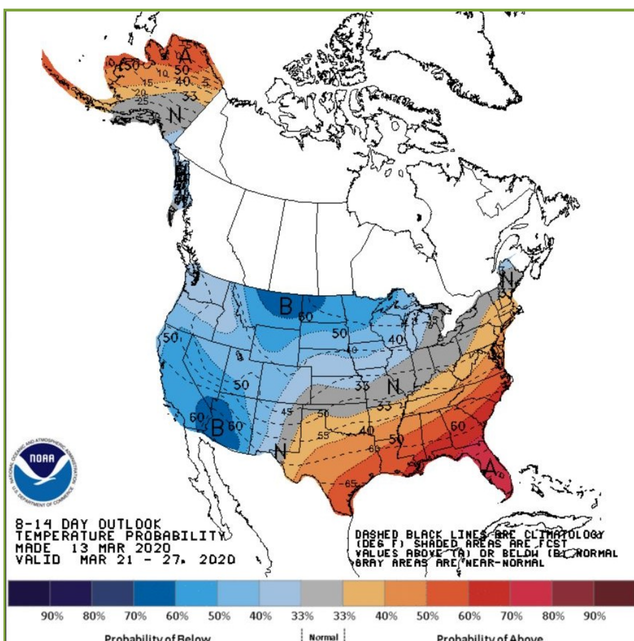
SUPPLY & DEMAND

- Average total supply of natural gas fell by 1% week/week. Dry natural gas production remained unchanged while net imports with Canada decreased 20% compared with the previous week due.
- Total US consumption of natural gas fell by 10% since last week. Natural gas consumption for power generation decreased 6%, industrial sector consumption decreased 2%, residential-commercial consumption declined 20%, and exports to Mexico were the same as last week.
- US LNG exports decreased week over week, with 14 vessels departing US ports for a combined 51 Bcf.



MARKET INTELLIGENCE

- PJM issued updated guidance and precautions on March 12 as it monitors the COVID-19 situation. The reliable operation of the electricity grid remains PJM's top priority. PJM can run all it's market applications remotely if necessary. PJM continues to closely monitor the guidance provided by the Centers for Disease Control (CDC), the World Health Organization, the U.S. State Department and the local health department in Montgomery County, Pennsylvania, while following its policy as outlined in PJM's Communicable Disease and Pandemic Preparedness Plan. The other Independent Systems Operators (ISO's) in the USA implemented similar actions and precautions.



http://www.cpc.ncep.noaa.gov/products/predictions/814day/814temp.new.gif

WEATHER

- Below average temperatures are forecast for the western continental U.S. in the 8-14 day window starting March 21st. The highest probability for cool anomalies are along the West Coast and in the northern Rockies. Conversely, the East Coast and Texas are expected to see above average temperatures, with the highest chances for warmth South Eastern states and Florida.
- In the 8-14 day window, most the USA is expected to have above average precipitation. Florida and Washington state are the only portions of the US forecast to see drier than normal weather.