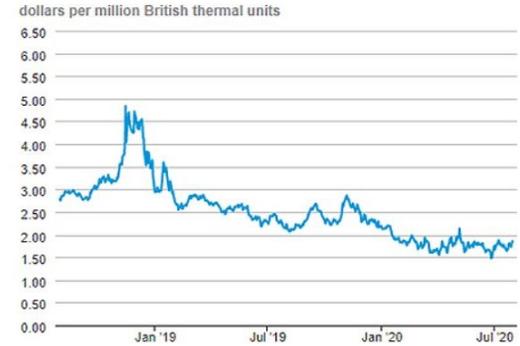


GENERAL UPDATE

- The September 2020 NYMEX Henry Hub traded up to \$1.930/MMBtu, a \$0.21 (+12.2%) increase from the previous Wednesday. The price of the 12-month strip averaging September 2020 through August 2021 futures contract rose \$0.18 (+7.4%) to \$2.62/MMBtu.
- Boston's Algonquin Citygate price went up \$0.15 (+9.4%) to \$1.74/MMBtu last Wednesday. Transco Zone 6 NYC price increased \$0.04 (+2.3%) to \$1.80/MMBtu.
- Pennsylvania's Dominion South rose \$0.06 (+4.8%) to \$1.30/MMBtu. Tennessee Zone 4 Marcellus spot price increased \$0.05 (+4.3%) to \$1.20/MMBtu.
- California prices trended up since last week. SoCal Citygate price increased \$0.84(+47.7%) to \$2.60/MMBtu last Wednesday. The price at Northern California Citygate went up \$0.21 (+8.8%) to \$2.59/MMBtu week over week.

Near-month natural gas futures prices (Nymex)



Source: CME Group as compiled by Bloomberg, L.P.

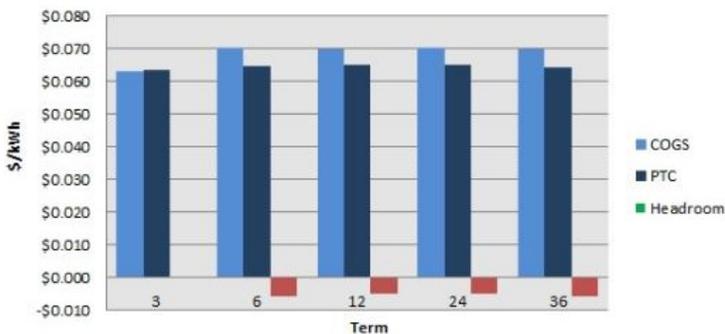
POWER

- Power markets moving higher to start the week as natural gas testing the \$3 price level for the winter months again. All balance of the year and winter months are higher week over week against the backdrop of Tropical storm Isaias making landfall today in the Mid-Atlantic region with the track taking it over the Delmarva peninsula and then towards New York city this afternoon.
- In New England the MassHub 12 Month peak moving up close to \$1 at \$38.57 and NYISO NYC Zone (J) 12 Month peak strip with a similar jump to \$37.11. In the PJM markets there has been strong congestion pricing west to east the past week and have the West Hub 12 Month peak up \$0.72 to end at \$33.07 and 24 Month peak up \$0.55 to settle at \$32.95.
- In ERCOT we continue to experience low hourly clearing prices and good reserve margins on most days as we enter the heart of the summer. We would expect to see demand start to pick back up soon if schools start on time. The Houston zone 12 Month peak strip is up over \$2.00 at \$43.27 and the 24 Month peak is up to \$1.59 week over week to finish at \$42.79.

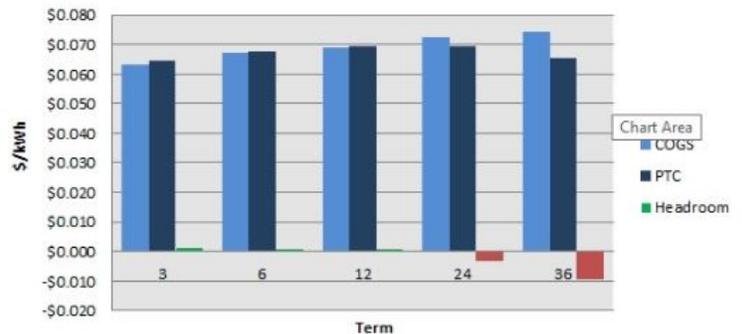
UTILITY HIGHLIGHT

PECO > R112 PENN POWER > C1

PECO - R 112



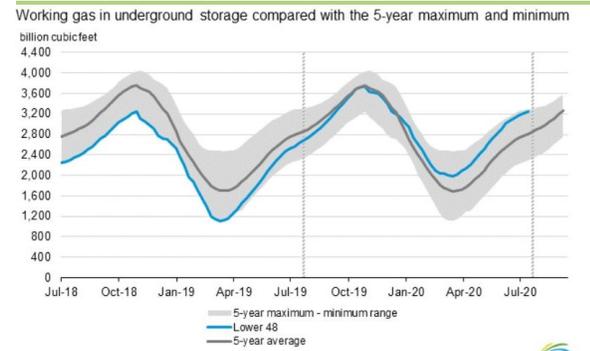
PENN POWER - C1



- The upcoming Price to Compare for Philadelphia Electric Company (PECO) in Southeastern Pennsylvania, Residential rate class (R 112) is \$0.06282/kWh, in effect from Aug 1, 2020 to Aug 31, 2020.
- The upcoming Price to Compare for Philadelphia Electric Company (PECO) in Southeastern Pennsylvania, Residential rate class (R 112) is \$0.06282/kWh, in effect from Aug 1, 2020 to Aug 31, 2020.
- The current Price to Compare data for First Energy's PennPower (PENN POWER), Commercial (C-1) is \$0.06343/kWh, in effect from Aug 1, 2020 to Aug 31, 2020.
- Headroom is available in the PENN POWER – C1 market for shorter terms, 3 and 6 month terms, with \$0.00124/kWh and \$0.00063/kWh of headroom respectively.

NATURAL GAS

- For the week ending July 24 th, 2020, the EIA reported net injection into storage of 26 Bcf, which is less than last year’s net injection of 56 Bcf for this week and lower than the 5-year (2015–19) average net injection of 33 Bcf.
- Working natural gas in storage totaled 3,241 Bcf, which is 626 Bcf (23.9%) higher than last year’s working gas totals of 2,615 Bcf at the same time and 429 Bcf (15.3%) higher than the 5-year (2015-2019) average of 2,812 Bcf. Total working gas is within the five-year historical range.

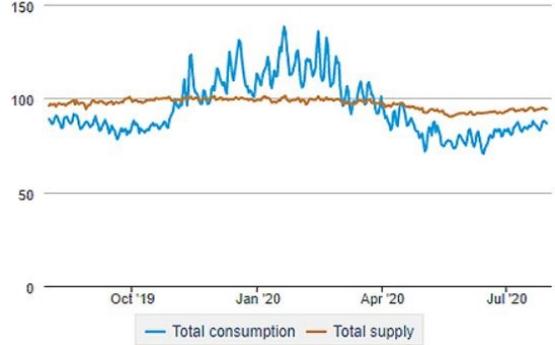


Source: U.S. Energy Information Administration
 Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2015 through 2019. The dashed vertical lines indicate current and year-ago weekly periods.

SUPPLY & DEMAND

- Average total supply of natural gas is up 0.1% week/week. Dry natural gas production increased by 0.2% while net imports with Canada decreased by 2.1% compared with the previous week.
- Total US consumption of natural gas rose by 0.9% since last week. Natural gas consumption for power generation increased 0.7%, industrial sector consumption increased 1.3%, residential-commercial consumption was up 0.6%, and exports to Mexico decreased 0.9% compared to last week.
- US LNG exports were flat week over week, with 7 vessels departing US ports for a combined 25 Bcf.

Total supply/demand balance (last 365 days)
 billion cubic feet per day

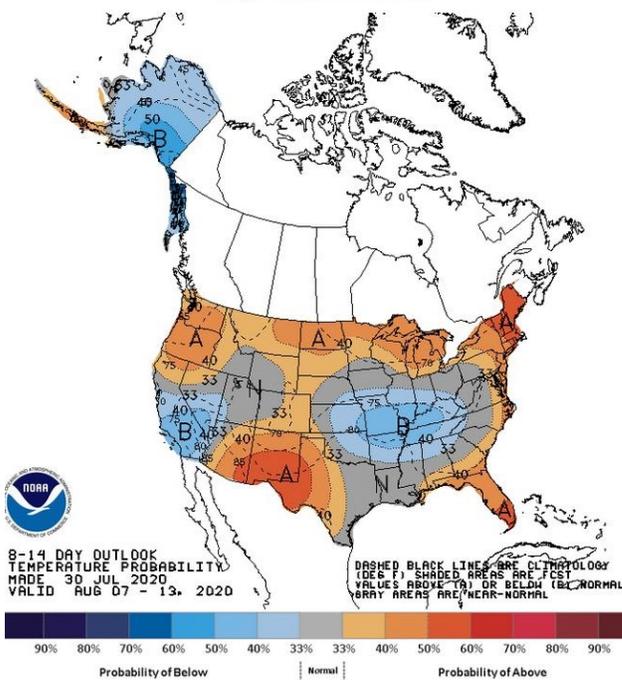


Source: IHS Markit

MARKET INTELLIGENCE

- ISO New England (ISO-NE) stated Mystic Generating Station will retire on June 1, 2024. In order to address system reliability needs from Mystic’s retirement, ISO-NE made their first Order 1000 transmission request for proposals (RFP) selection. Order 1000 requires the ISO’s to issue a competitive-bidding process for certain transmission upgrades. Not without market controversy, a joint venture between National Grid/Eversource, Ready Path, was chosen from 36 proposals. It is intended to solve the reliability needs at the lowest cost and be completed before the retirement of Mystic. ISO-NE’s Vice President of System Planning, Robert Ethier, is quoted, “The selection of the Ready Path project marks an important milestone in New England’s first competitive transmission solution process.”

Temperature Probability



WEATHER

- Most of the Non-Coastal Southern States, Midwestern States and California are forecast to be below normal and receive a reprieve from the above normal summer July temperatures in the 8-14 day window starting August 7 th . The highest probability for above average heat is in the New England States, Florida and Western Texas. California and the Central Midwest has the highest probability for below normal temperatures.
- In the 8-14 day window, the Great Lakes and Midwestern States are forecast to see above normal precipitation. The Rocky Mountain States, Southwestern States and Northern Texas have the highest probability of seeing below normal rainfall.

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