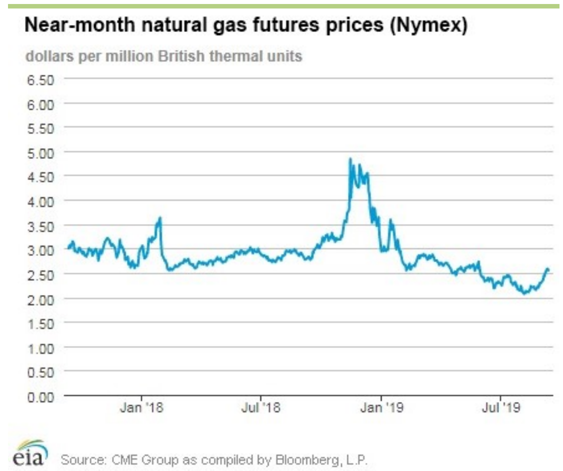
ADVANTAGE | ENERGY PARTNERS

Tuesday, September 17th, 2019

GENERAL UPDATE



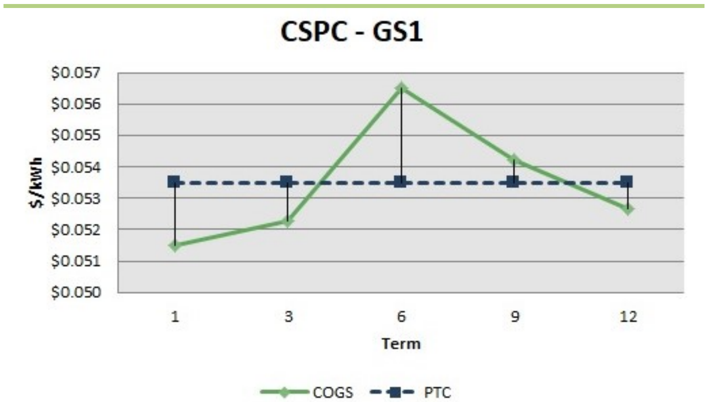
- The October 2019 NYMEX Henry Hub forward contract climbed to $2.552/MMBtu, a $0.11 (4.4%) increase from the previous Wednesday. The price of the 12-month strip averaging October 2019 through September 2020 futures contracts increased $0.09 (3.5%) to $2.561/MMBtu.
- Natural gas prices have increased in Northeast markets since last week. Boston's Algonquin Citygate prices increased $0.36 (17.8%) to $2.38/MMBtu last Wednesday, and Transco Zone 6 NYC prices increased, rising $0.40 (21.1%) from $1.90/MMBtu to $2.30/MMBtu.
- Pennsylvania's Dominion South increased $0.16 (8.7%) to $2.00/MMBtu. Tennessee Zone 4 Marcellus spot prices increased $0.23 (13.1%) to $1.99/MMBtu.
- California prices have been mixed since last week. With warm weather subsiding in Southern California, SoCal Citygate prices decreased -$1.19 (-26.4%) to $3.32/MMBtu last Wednesday. Prices at Northern California PG&E Citygate increased, rising $0.21 (7.0%) to $3.23/MMBtu.

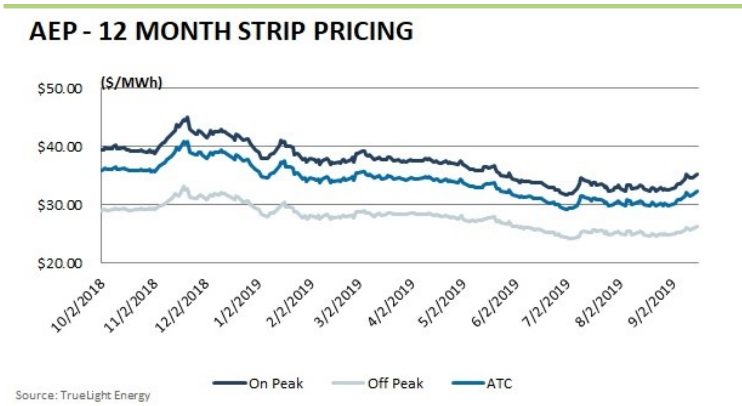
POWER

- For the NYC zone (J) in NYISO, the 12 Month ATC strip increased $0.04 (0.1%) to $38.54.The 24 Month ATC strip decreased -$0.14 (-0.4%) to $38.72 and the Cal 2020 ATC strip increased $0.02 (0.1%) to $39.13.
- For the NEMASSBOST zone in ISONE, the 12 Month ATC strip increased $0.39 (0.9%) to $41.98. The 24 Month ATC strip increased $0.29 (0.7%) to $42.06 and the Cal 2020 ATC strip increased $0.18 (0.4%) to $42.42.
- For the PEPCO zone in PJM, the 12 Month ATC strip increased $0.79 (2.3%) to $35.27. The 24 Month ATC strip increased $0.53 (1.6%) to $34.36 and the Cal 2020 ATC strip increased $0.52 (1.5%) to $34.46.
- For the Houston zone in ERCOT, the 12 Month ATC strip decreased -$3.61 (-7.7%) to $43.03.The 24 Month ATC strip decreased -$2.13 (-5.1%) to $39.78 and the Cal 2020 ATC strip decreased -$0.78 (-1.8%) to $42.17.

UTILITY HIGHLIGHT

PJM > OH > CSPC





- The upcoming Price to Compare for Ohio's Columbus Southern General Service Small >1000 kW Commercial rate class (GS1) is $0.05348/kWh, in effect for the period October 1, 2019 through December 31, 2019. This rate is a 5.7% increase from the current rate of $0.05062/kWh for the July 1, 2019 through September 30, 2019 price period.
- Headroom is now available for the 1, 3, and 12 month terms, with $0.00119/kWh and $0.00082/kWh of likely headroom for the 3 and 12 month terms, respectively.
- Over the last week, the AEP ATC 12-month strip increased, climbing 2.1% to finish at $32.23/MWh yesterday. This time last year, the strip was trading at $35.08/MWh, which is 8.9% higher than this year.
- Since the beginning of the year, the ATC strip has reached a high of $37.44/MWh on January 17, 2019 and a low of $29.24/MWh on July 1, 2019.

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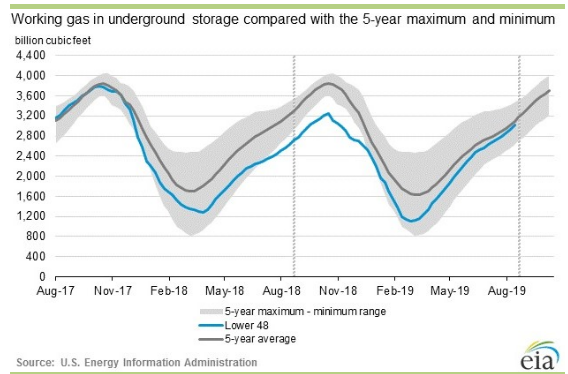
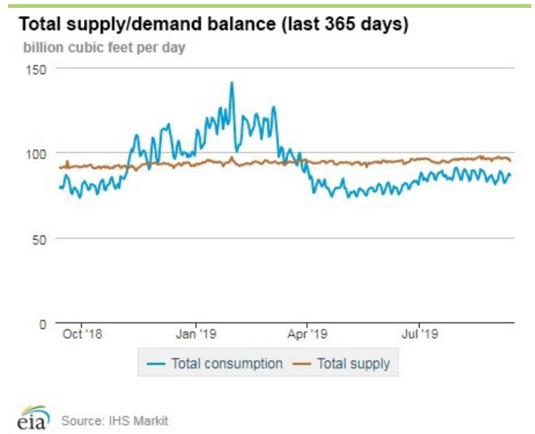
NATURAL GAS



- For the week ending September 6, the EIA reported net injections from storage of 78 Bcf, which is higher than last year's net injections of 68 Bcf for this week and higher than the 5-year (2014–18) average net injections of 73 Bcf.
- Working natural gas in storage totaled 3,019 Bcf, which is 393 Bcf (15.0%) more than last year's working gas totals of 2,626 Bcf at the same time and 77 Bcf (-2.5%) lower than the 5-year (2014-2018) average of 3,096 Bcf. Total working gas is within the five-year historical range.

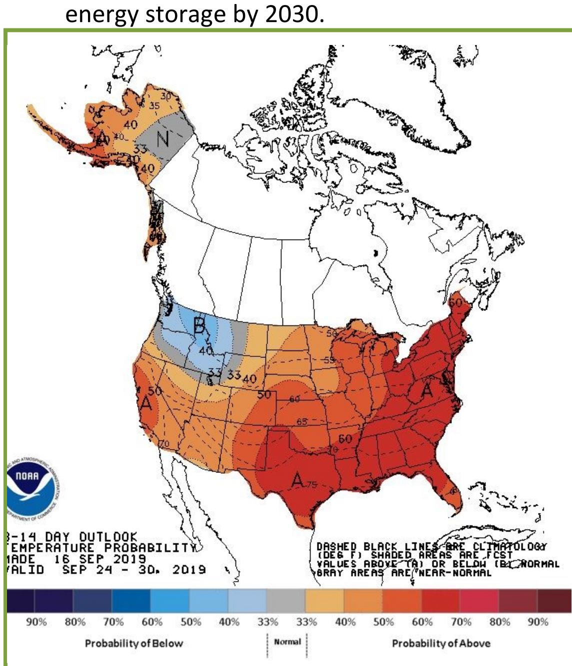
SUPPLY & DEMAND



- Average total supply of natural gas remained constant week/week. Dry natural gas production remained the same while net imports with Canada increased 7% compared with the previous week.
- Total US consumption of natural gas increased by 2% since last week. Consumption for power generation increased 3% week/week, industrial sector consumption was constant, residential-commercial consumption was constant, and exports to Mexico decreased 1%.
- US LNG exports decreased week/week, with ten vessels departing US ports for a combined 37 Bcf.

MARKET INTELLIGENCE

- FERC's decision on PJM capacity market proceedings regarding the minimum offer price rule and designation of state-subsidized resources for capacity auctions may be further delayed. Due to a reinterpretation of a FERC ethics rule, Commissioner Richard Glick will extend his recusal from cases involving Avangrid, which is part of the PJM capacity market proceedings, until November 29, 2019. With the recent departure of Commissioner Cheryl LaFleur, FERC will be one commissioner short of quorum and will be unable to approve decisions until Glick returns or another Commissioner is appointed.
- The New York State Public Service Commission (PSC) has scheduled a hearing to discuss a 316 MW battery energy storage project at the Ravenswood Generating Station in Long Island City, Queens, NYC. The largest energy storage project in New York so far, the battery storage would replace 16 units of gas peaker capacity at Ravenswood. This proposal follows the completion of the Key Capture Energy 20 MW/16.5 MWh storage project last week in Saratoga County, NY, and it will help New York achieve its goal of 3,000 MW of energy storage by 2030.



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

WEATHER

- Similar to recent weeks, the 8-14 day forecasts call for above average temperatures in the majority of the continental U.S. The greatest chances for elevated temperatures extend from Texas east, all the way through Maine. On the West Coast, California expects to see warmer than normal temperatures, while the Northwest is the lone portion of the country predicted to experience below average temperatures.
- Much of the country will see above average levels of precipitation, with the Northwest and the Midwest to see the greatest chances for anomalously high precipitation. The Southwest and almost the entire East Coast expect to see average levels of precipitation. Florida is the only region predicted to experience below average precipitation in the 8-14 day window.