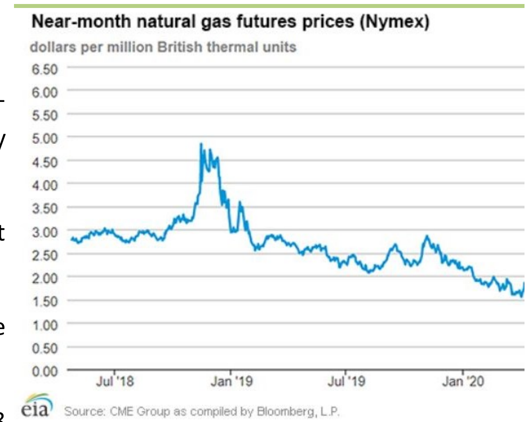
ADVANTAGE | ENERGY PARTNERS

Tuesday, April 28, 2020

GENERAL UPDATE



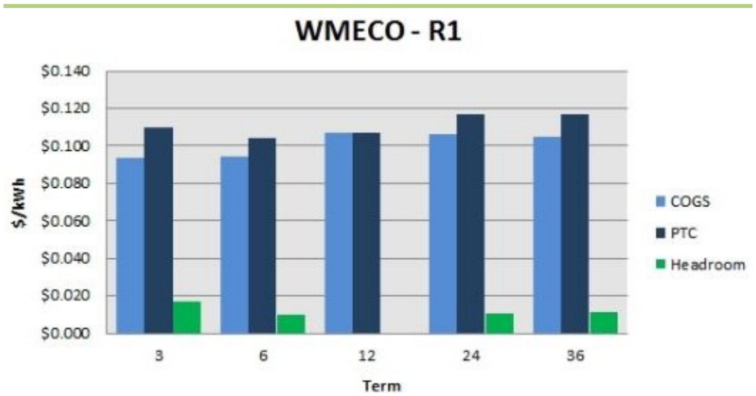
- The May 2020 NYMEX Henry Hub traded up to $1.939/MMBtu, a $0.34 (+21.3%) increase from the previous Wednesday. The price of the 12-month strip averaging May 2020 through April 2021 futures contract climbed $0.25 (+5.9%) to $2.549/MMBtu.
- Boston's Algonquin Citygate price went up $0.24 (+13.7%) to $1.99/MMBtu last Wednesday. Transco Zone 6 NYC price increased $0.26 (+16.8%) to $1.81/MMBtu.
- Pennsylvania's Dominion South rose $0.20 (+14.1%) to $1.62/MMBtu. Tennessee Zone 4 Marcellus spot price increased $0.22 (+15.8%) to $1.61/MMBtu.
- California prices trended up since last week. SoCal Citygate price increased $0.18 (+11.9%) to $1.69/MMBtu last Wednesday. The price at Northern California PG&E Citygate went down $0.06 (-2.5%) to $2.30/MMBtu week over week.

POWER

- Power markets continue to trade in tight range with fundamentals putting bearish pressure on all forward terms. Prices moved up early last week only to give gains back and finish the week flat to slightly up. ISO hourly clearing prices continue to clear very low and will lead to customer load serving costs being well below average for first half of 2020.
- New England MassHub 12 Month peak strip was up slightly to finish at $36.72 and 24 Month peak was up $0.30 week over week to end at $37.95. NYISO NYC Zone (J) 12 Month peak was flat at $35.12 with summer 2020 peak pricing at $29.17. In PJM, most load zones moved up slightly with West Hub 12 Month peak strip up to end at $31.70 and 24 Month peak strip up to settle at $33.25.
- Only market with larger price movements is down in ERCOT as fundamentals and low ISO clearing prices start to weight on summer pricing. Houston zone 12 Month peak strip down to $43.79 and the 24 Month peak strip was down slightly to finish at $44.11.

UTILITY HIGHLIGHT

WMECO › R 1 JCPL › GSCL

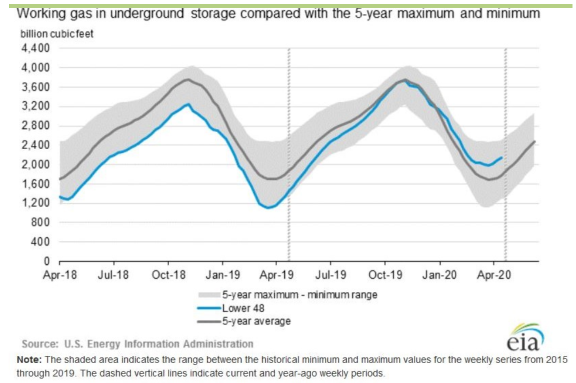


- The upcoming Price to Compare for Eversource Western Massachusetts Electric Company (WMECO), Residential rate class (R1) is $0.10995/kWh, in effect from May 1, 2020 to June 30, 2020.
- Headroom in the WMECO – R1 territory is now available in the shorter periods for contracts with 3 and 6 month terms. Headroom of $0.01660/kWh and $0.01001/kWh is likely for these periods, respectively.

- The current Price to Compare data for Jersey Central Power and Light (JCPL), General Service Commercial Large (GSCL) is $0.08994/kWh, in effect for the period May 1, 2020 to June 30, 2020.
- Headroom is available in the JCPL - GSCL market for shorter terms, 3 and 6 month terms, with $0.00923/kWh and $0.00593/kWh of headroom respectively.

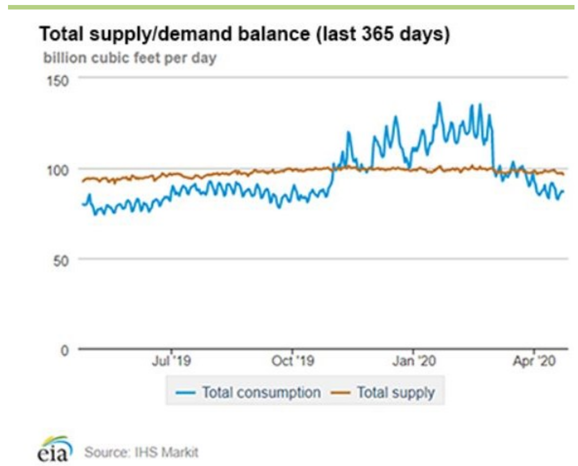
NATURAL GAS

- For the week ending April 17, 2020, the EIA reported net injection into storage of 43 Bcf, which is less than last year's net injection of 92 Bcf for this week and lower than the 5-year (2015–19) average net injection of 49 Bcf.
- Working natural gas in storage totaled 2,140 Bcf, which is 827 Bcf (63.0%) higher than last year's working gas totals of 1,313 Bcf at the same time and 364 Bcf (20.5%) higher than the 5-year (2015-2019) average of 1,776 Bcf. Total working gas is within the five-year historical range.



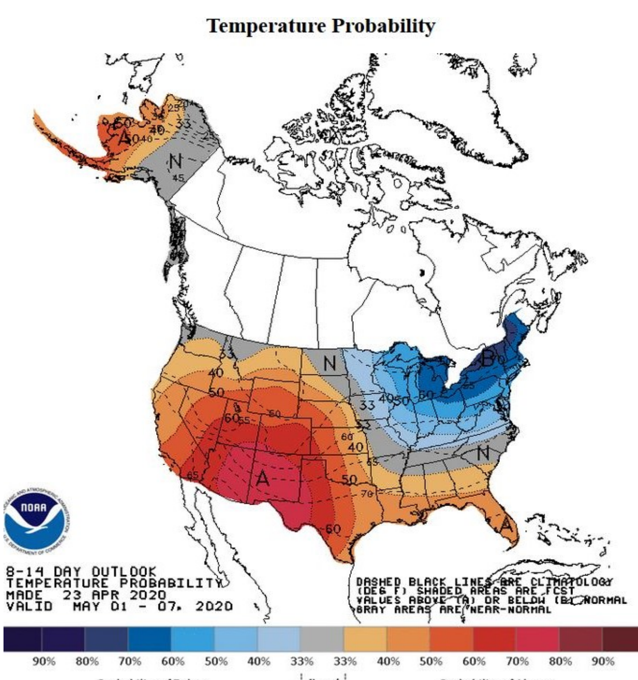
SUPPLY & DEMAND

- Average total supply of natural gas is down 1% week/week. Dry natural gas production remained unchanged while net imports with Canada decreased 6% compared with the previous week.
- Total US consumption of natural gas fell by 3% since last week. Natural gas consumption for power generation declined 6%, industrial sector consumption decreased 3%, residential-commercial consumption was flat, and exports to Mexico increased 3% compared to last week.
- US LNG exports decreased week over week, with 13 vessels departing US ports for a combined 48 Bcf.



MARKET INTELLIGENCE

- On April 20th the May future contract on the key U.S. oil benchmark, West Texas Intermediate, settled at negative $37.63. That means roles were reversed as sellers had to pay buyers to accept delivery of oil. This was the first time the U.S oil benchmark fell below zero. The worldwide, colossal collapse of demand for oil caused by COVID-19 created the situation that lead to this record occurrence. The lack of demand, as well as the failure of oil producers to curb oil production fast enough, has created an oil glut and lead to a lack of physical storage to hold oil.



WEATHER

- Above average temperatures are forecast for the western continental U.S., along with the southern states in the 8-14 day window starting May 1st. The highest probability for cool anomalies are among the Great Lakes, Northeast and Mid-Atlantic states. The 4-corners states and west Texas are the highest chances for warmth.
- Cooler temperatures and additional precipitation to continue in the northeast during this period with not much relief expected for drought conditions in southern Texas and the Northern California/Oregon border regions.