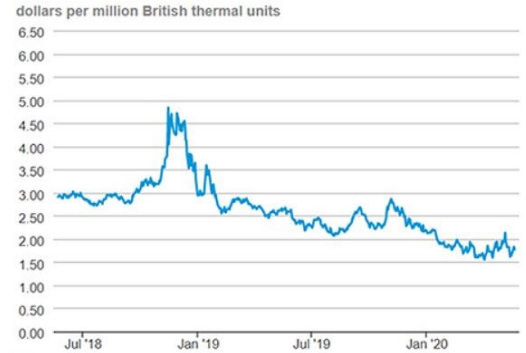


## GENERAL UPDATE

- The June 2020 NYMEX Henry Hub traded up to \$1.771/MMBtu, a \$0.16 (+9.6%) increase from the previous Wednesday. The price of the 12-month strip averaging June 2020 through May 2021 futures contract climbed \$0.04 (+1.7%) to \$2.399/MMBtu.
- Boston's Algonquin Citygate price went up \$0.20 (+16.3%) to \$1.43/MMBtu last Wednesday. Transco Zone 6 NYC price increased \$0.18 (+14.3%) to \$1.44/MMBtu.
- Pennsylvania's Dominion South rose \$0.19 (+16.1%) to \$1.37/MMBtu. Tennessee Zone 4 Marcellus spot price increased \$0.20 (+18.7%) to \$1.27/MMBtu.
- California prices trended up since last week. SoCal Citygate price increased \$0.13 (+7.6%) to \$1.83/MMBtu last Wednesday. The price at Northern California PG&E Citygate went up \$0.13 (+5.2%) to \$2.63/MMBtu week over week.

Near-month natural gas futures prices (Nymex)



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

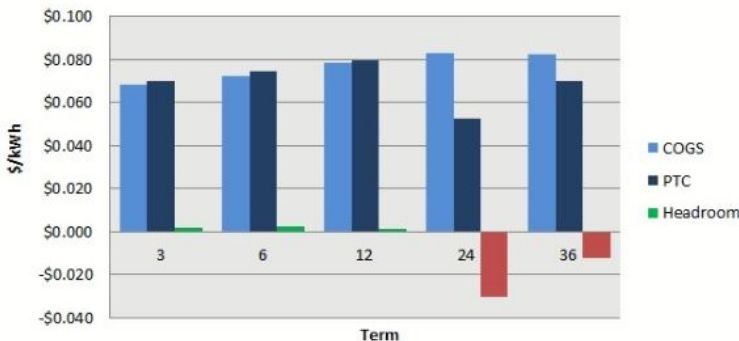
## POWER

- Last week power market pricing continued to move lower heading into the long holiday weekend. No early summer heat or above normal temperatures to move markets higher. Near term pricing still under pressure from over forecasting demand in majority of the ISO markets. Winter 2021 natural gas and power pricing did attempt to move higher early last week but gave back gains by Friday.
- New England MassHub 12 Month peak strip was down to \$34.89 and 24 Month peak down to \$36.92. NYISO NYC Zone (J) lower with 12 Month peak at \$34.23 and 24 month peak off slightly to finish at \$35.67. In the PJM markets we continue to see value in the longer dated pricing strips. West Hub 12 Month peak strip down to \$29.77 and 24 Month peak strip at \$30.97 in light trading last week.
- ERCOT summer pricing was down strong week over week. News of increased summer reserve margins from expected lower summer demand helped push down summer and longer term pricing. Houston 12 Month peak strip down \$2.53 at \$41.89 and 24 Month peak strip down to \$42.09

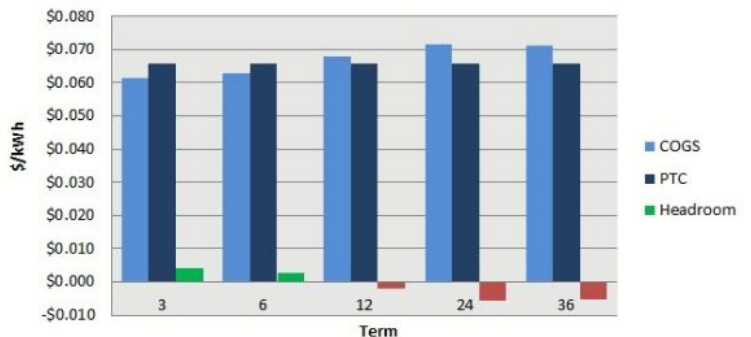
## UTILITY HIGHLIGHT

PEPCO > RMNS PEPCO > MDND

PEPCO - RMNS



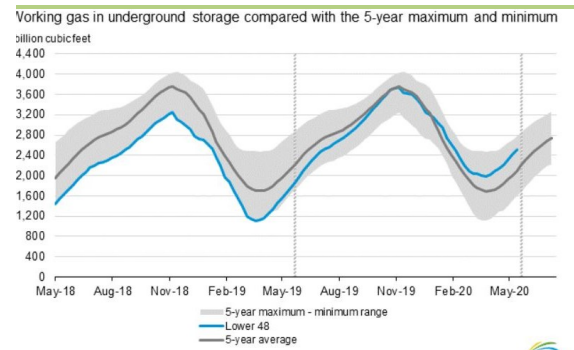
PEPCO - MDND



- The upcoming Price to Compare for Potomac Electric Power Company in Maryland (PEPCO - RMNS), Residential Non-Space Hearing rate class (RMNS) is \$0.07011/kWh, in effect from June 1, 2020 to Sept 30, 2020.
- Headroom in the PEPCO - RMNS territory is now available in the shorter periods for contracts with 3 and 6 month terms. Headroom of \$0.00209/kWh and \$0.00221/kWh is likely for these periods, respectively.
- The current Price to Compare data for Potomac Electric Power Company in Maryland (PEPCO), General Service (MDND) is \$0.06586/kWh, in effect for the period June 1, 2020 to Sept 30, 2020.
- Headroom is available in the PEPCO - MDND market for shorter terms, 3 and 6 month terms, with \$0.00433/kWh and \$0.00288/kWh of headroom respectively.

# NATURAL GAS

- For the week ending May 15, 2020, the EIA reported net injection into storage of 81 Bcf, which is less than last year's net injection of 101 Bcf for this week and lower than the 5-year (2015–19) average net injection of 87 Bcf.
- Working natural gas in storage totaled 2,503 Bcf, which is 779 Bcf (45.2%) higher than last year's working gas totals of 1,724 Bcf at the same time and 407 Bcf (19.4%) higher than the 5-year (2015-2019) average of 2,096 Bcf. Total working gas is within the five-year historical range.

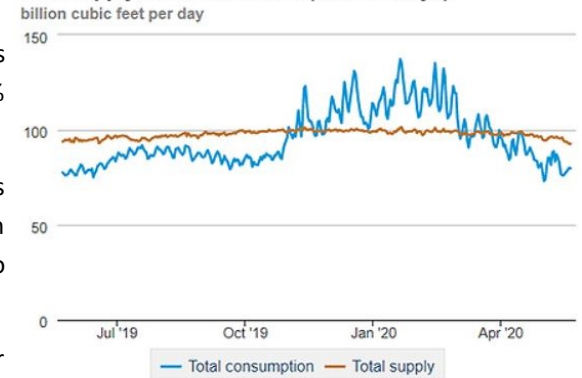


Source: U.S. Energy Information Administration  
 Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2015 through 2019. The dashed vertical lines indicate current and year-ago weekly periods.

# SUPPLY & DEMAND

- Average total supply of natural gas is down 1.9% week/week. Dry natural gas production decreased by 2.1% while net imports with Canada increased by 1.0% compared with the previous week.
- Total US consumption of natural gas fell by 10.0% since last week. Natural gas consumption for power generation increased 11.3%, industrial sector consumption decreased 3.8%, residential-commercial consumption fell 40.8%, and exports to Mexico increased 2.5% compared to last week.
- US LNG exports decreased week over week, with 10 vessels departing US ports for a combined 37 Bcf.

## Total supply/demand balance (last 365 days)

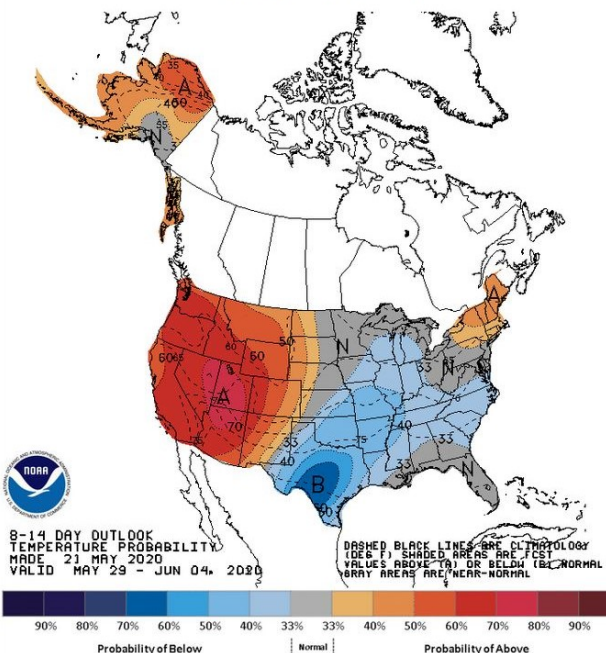


Source: IHS Markit

# MARKET INTELLIGENCE

- PJM interconnection, which includes 13 states and the District of Columbia, is the nation's largest electricity grid operator. PJM stated last week, that it has the resources to meet the summer demand. The forecasted summer peak demand for this summer 2020 is 148,000 MW. This would be lower than last year's July 19th, 2019 peak load of 151,000 MW and lower than the all-time peak load of 165,563 MW in the summer of 2006. The 148,000 MW peak load forecast for this summer 2020 is conservative and does not reflect the current decrease in demand being experienced as a result of COVID-19. PJM has 187,000 MW of generating capacity available to meet that peak demand. This leaves enough resources in reserve to make up for any unplanned generation unit outages.

## Temperature Probability



## WEATHER

- Above average temperatures are forecast for the Western portion of the United States in the 8-14 day window starting May 29<sup>th</sup>. The highest probability for cool anomalies is Texas.
- In the 8-14 day window, the Southern and Western United States are expected to see wetter than normal weather. The Mid-Continent, Great Lakes and Mountain states are expected to experience drier than normal weather.

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