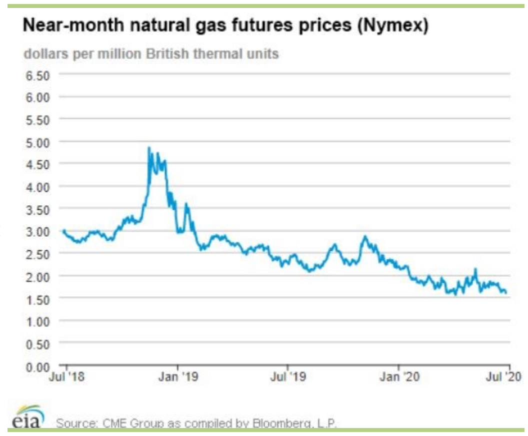
ADVANTAGE | ENERGY PARTNERS

Tuesday, July 7, 2020

GENERAL UPDATE



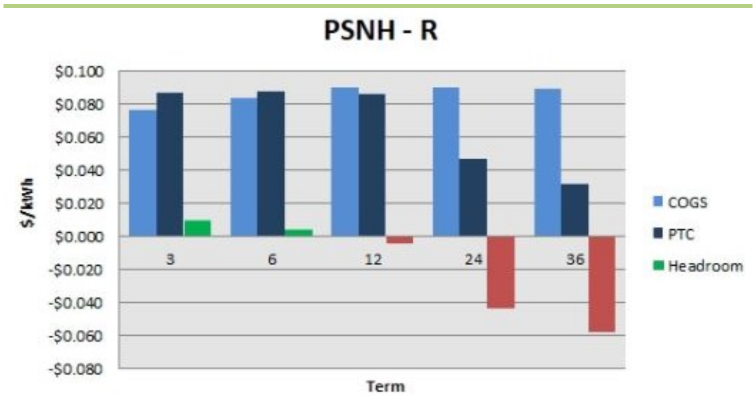
- The July 2020 NYMEX Henry Hub traded down to $1.597/MMBtu, a $0.04 (-2.5%) decrease from the previous Wednesday. The price of the 12-month strip averaging July 2020 through June 2021 futures contract fell $0.08 (-2.4%) to $2.286/MMBtu.
- Boston's Algonquin Citygate price went up $0.08 (+5.3%) to $1.59/MMBtu last Wednesday. Transco Zone 6 NYC price increased $0.07 (+4.9%) to $1.51/MMBtu.
- Pennsylvania's Dominion South rose $0.09 (+6.9%) to $1.40/MMBtu. Tennessee Zone 4 Marcellus spot price increased $0.07 (+5.4%) to $1.37/MMBtu.
- California prices trended up since last week. SoCal Citygate price increased $0.19 (+11.0%) to $1.91/MMBtu last Wednesday. The price at Northern California PG&E Citygate went up $0.08 (+3.5%) to $2.36/MMBtu week over week.

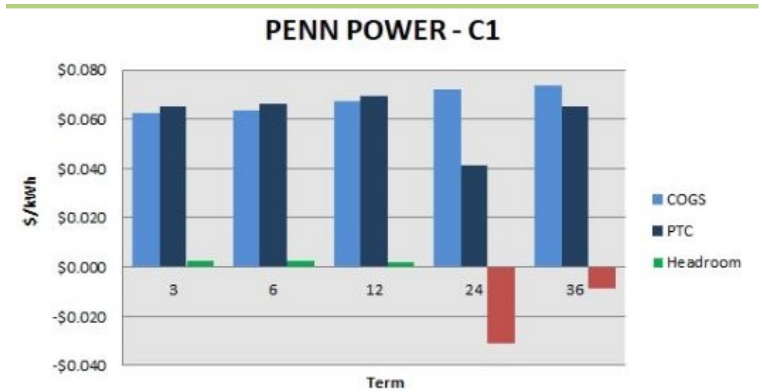
POWER

- Power markets were up at the end of last week as prices moved higher on light volume and positions being covered heading into the holiday weekend. Longer term pricing moved slightly higher over the past month after touching historical lows in the spring.
- Over the last month, MassHub 12 Month peak strip has moved up (2.7%) to $36.89 with 24 Month peak strip up $0.71 at $37.87. The NYISO NYC Zone (J) 12 Month peak strip increased (1.9%) to $35.75 with winter pricing up to $49.85 over the past month. In the PJM market summer pricing did move higher from strong real-time price volatility last week and over the holiday weekend. Longer term pricing moved up, with West Hub 12 Month peak strip up to $31.67 and the 24 Month peak strip up to similar levels at $31.79.
- In ERCOT, low hourly clearing prices combined with over forecasting of demand on most days continues to keep pricing in a tight range. The Houston zone 12 Month peak strip was up slightly to $46.1 and the 24 Month peak strip was also up slightly at $44.52.

UTILITY HIGHLIGHT

PSNH › R PENN POWER › C1

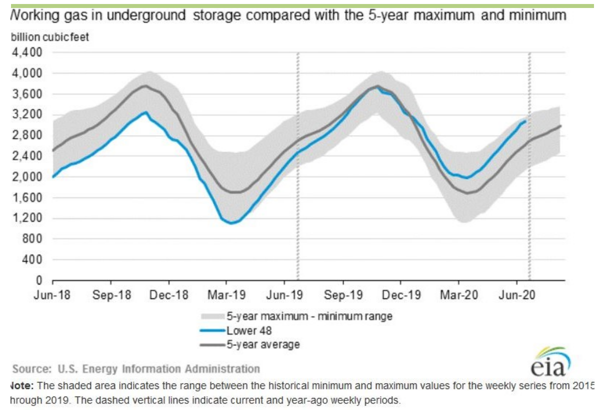




- The upcoming Price to Compare for Eversource Public Service New Hampshire (PSNH), Residential rate class (R) is $0.08634/kWh, in effect from July 1, 2020 to July 31, 2020.
- Headroom in the PSNH – R territory is now available in the shorter periods for contracts with 3 and 6 month terms. Headroom of $0.01009/kWh and $0.00394/kWh is likely for these periods, respectively.
- The current Price to Compare data for First Energy's Penn Power (PENN POWER), Commercial (C-1) is $0.06501/kWh, in effect for the period July 1, 2020 to Aug 31, 2020.
- Headroom is available in the PENN POWER – C1 market for shorter terms, 3 and 6 month terms, with $0.00254/kWh and $0.00250/kWh of headroom respectively.

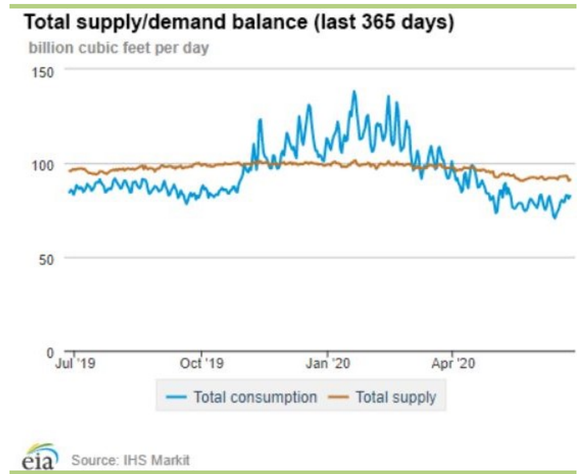
NATURAL GAS

- For the week ending June 26, 2020, the EIA reported net injection into storage of 65 Bcf, which is less than last year's net injection of 103 Bcf for this week and lower than the 5-year (2015–19) average net injection of 73 Bcf.
- Working natural gas in storage totaled 3,077 Bcf, which is 712 Bcf (30.1%) higher than last year's working gas totals of 2,365 Bcf at the same time and 466 Bcf (17.8%) higher than the 5-year (2015-2019) average of 2,611 Bcf. Total working gas is within the five-year historical range.



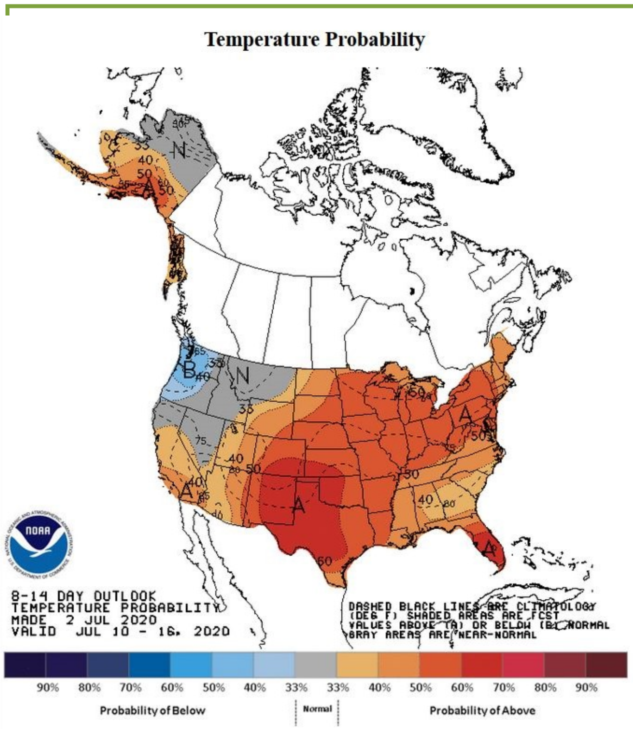
SUPPLY & DEMAND

- Average total supply of natural gas is up 0.6% week/week. Dry natural gas production decreased by 0.3% while net imports with Canada increased by 13.0% compared with the previous week.
- Total US consumption of natural gas rose by 9.8% since last week. Natural gas consumption for power generation increased 20.5%, industrial sector consumption decreased 1.0%, residential-commercial consumption was down 0.1%, and exports to Mexico increased 6.4% compared to last week.
- US LNG exports decreased week over week, with 7 vessels departing US ports for a combined 25Bcf.



MARKET INTELLIGENCE

- On June 29th PJM introduced the new 'State Policy Solutions Group'. This new, dedicated group will help each individual state in the PJM footprint advance their unique energy policy initiatives. Initially, the groups objective will primarily support five key areas of the State's energy policy objectives; offshore wind, resource adequacy, grid modernization, clean energy goals and grid security. Asim Haque, PJM Vice President of State Policy and Member Services is quoted: "As our states evolve, we have to evolve with them,"; "PJM has historically provided technical assistance to our states, but this is a more holistic, end-to-end approach where PJM will have a firm understanding of state law, regulation, cases and orders passed to be better equipped to assist our states".



WEATHER

- Above average temperatures are forecast for the entire United States, except the Northwestern States, in the 8-14 day window starting July 10th the highest probability for above average heat is in Texas, Florida and the Eastern PJM states. The only section of the United States forecasted to see cooler than normal weather is up in the pacific northwest and Washington and Oregon States.
- In the 8-14 day window, only the Great Lakes and Northeast States are forecast to see above normal precipitation. The Four Corners, Central Plains and Southern States have the highest probability of seeing below normal rainfall.