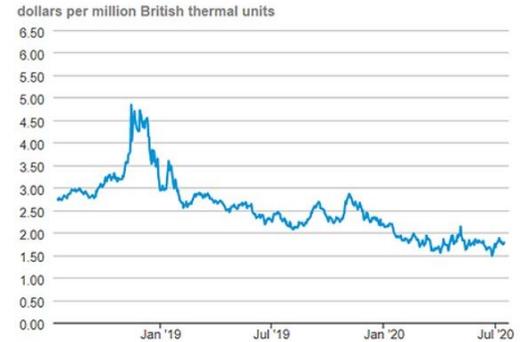


## GENERAL UPDATE

- The August 2020 NYMEX Henry Hub traded down to \$1.778/MMBtu, a \$0.05 (-2.5%) decrease from the previous Wednesday. The price of the 12-month strip averaging August 2020 through July 2021 futures contract fell \$0.02 (-0.8%) to \$2.421/MMBtu.
- Boston's Algonquin Citygate price went down \$0.24 (-14.0%) to \$1.48/MMBtu last Wednesday. Transco Zone 6 NYC price decreased \$0.12 (-6.8%) to \$1.65/MMBtu.
- Pennsylvania's Dominion South fell \$0.06 (-4.4%) to \$1.29/MMBtu. Tennessee Zone 4 Marcellus spot price decreased \$0.15 (-10.7%) to \$1.25/MMBtu.
- California prices trended down since last week. SoCal Citygate price decreased \$0.10 (-5.0%) to \$1.91/MMBtu last Wednesday. The price at Northern California PG&E Citygate went down \$0.24 (-9.1%) to \$2.41/MMBtu week over week.

Near-month natural gas futures prices (Nymex)



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

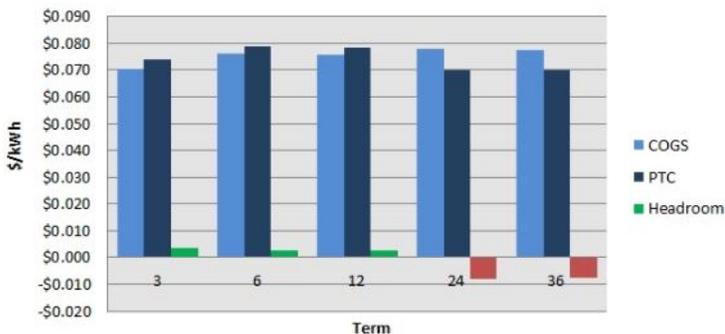
## POWER

- Power markets moved higher early last week in anticipation of heat wave conditions in majority of eastern load serving ISOs. Majority of the heat occurred over the weekend and ended yesterday so markets responding accordingly by moving lower to start the week. Hourly clearing prices in the ISO markets were held in check other than spikes in the BGE/PEPCO and southern PJM zones.
- Northeast pricing is lower to start the week, Mass Hub down \$0.25 for most terms with 12 Month peak at \$36.21 and 24 Month peak at \$37.47. NYC Zone (J) 12 Month peak down to \$35.11 with August peak pricing at \$28.78. PJM was the one market with strong congestion pricing over the weekend as southern load zones reacted to heat alerts issued by PJM. West Hub 12 Month peak pricing is steady at \$31.33 but did see winter pricing moving higher at \$38.57.
- ERCOT experienced heat wave conditions through the weekend but strong wind production kept real-time price volatility in check. Houston zone 12 Month peak strip down over \$3.00 at \$39.97 and the 24 Month peak strip down similar levels at \$40.15.

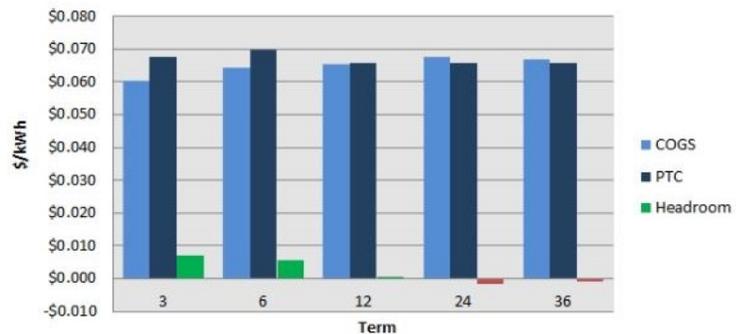
## UTILITY HIGHLIGHT

PEPCO > RMNS    PEPCO > MDND

PEPCO - RMNS



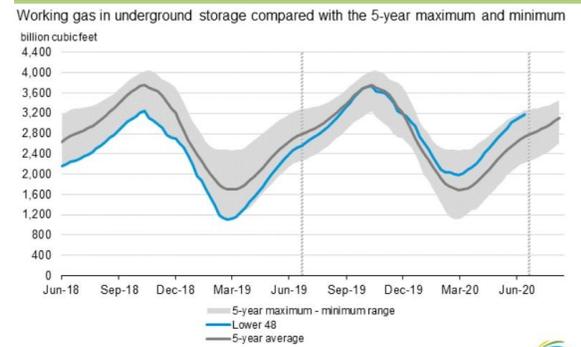
PEPCO - MDND



- The upcoming Price to Compare for Potomac Electric Power Company in Maryland (PEPCO - RMNS), Residential Non-Space Hearing rate class (RMNS) is \$0.07394/kWh, in effect from Aug 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 \$0.00340/kWh and \$0.00259/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 \$0.06767/kWh, in effect from Aug 1, 2020 to Sept 30, 2020.
- Headroom is available in the PEPCO - MDND market for shorter terms, 3 and 6 month terms, with \$0.00732/kWh and \$0.00560/kWh of headroom respectively.

# NATURAL GAS

- For the week ending July 10th, 2020, the EIA reported net injection into storage of 45 Bcf, which is less than last year's net injection of 67 Bcf for this week and lower than the 5-year (2015–19) average net injection of 63 Bcf.
- Working natural gas in storage totaled 3,178 Bcf, which is 633 Bcf (24.9%) higher than last year's working gas totals of 2,515 Bcf at the same time and 436 Bcf (15.9%) higher than the 5-year (2015-2019) average of 2,742 Bcf. Total working gas is within the five-year historical range.

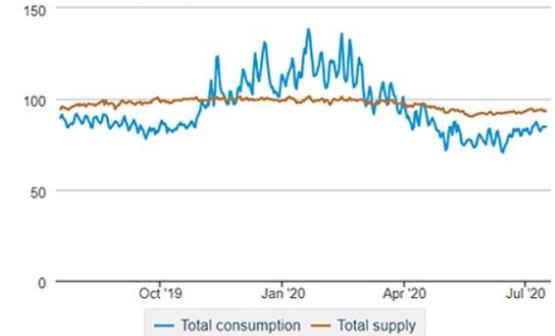


Source: U.S. Energy Information Administration  
 Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2015 through 2019. The dashed vertical lines indicate current and year-ago weekly periods.

# SUPPLY & DEMAND

- Average total supply of natural gas is down 0.1% week/week. Dry natural gas production decreased by 0.7% while net imports with Canada increased by 11.3% 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 1.2%, industrial sector consumption increased 1.3%, residential-commercial consumption was down 1.3%, and exports to Mexico increased 5.9% compared to last week.
- US LNG exports decreased week over week, with 4 vessels departing US ports for a combined 15Bcf.

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

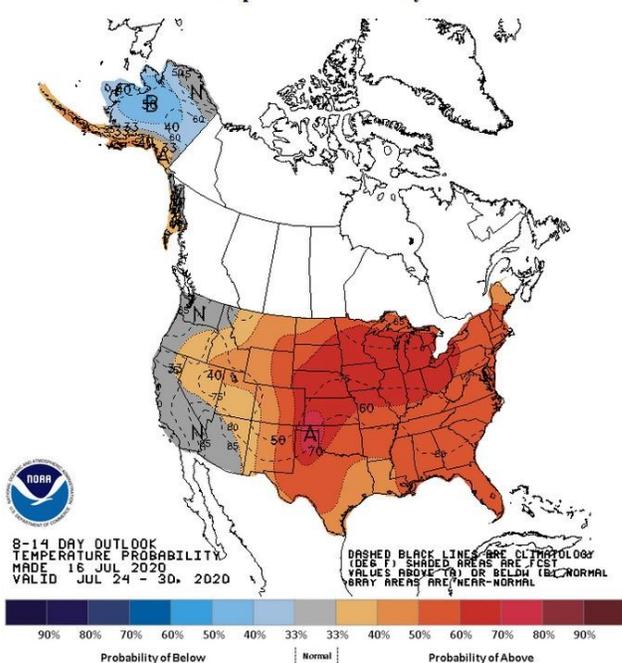


Source: IHS Markit

# MARKET INTELLIGENCE

- Maine's Public Utilities Commission (PUC) approved a commitment from Hydro-Quebec (HQ) to sell discounted hydroelectric power directly to buyers in Maine. The power is to be delivered to Maine by the New England Clean Energy Connect (NECEC) which is a transmission system project that will transport power from HQ to Massachusetts through Maine, but will be paid for by ratepayers in Massachusetts. This commitment assures electricity consumers in Maine will benefit from the NECEC project and receive a lower cost of electricity. The deal stipulates that HQ will sell 500,000 MWH/year of hydroelectric power to Maine at \$4/MWH. The actual implementation will either occur with 20-year power purchase agreements, or HQ will pay up to \$40 million in installments over 20 years.

Temperature Probability



# WEATHER

- As summer temperatures set in, above average temperatures are forecast for the entire United States, except the Pacific Coast States, in the 8-14 day window starting July 24th. The highest probability for well above average heat is in the Midwestern and Great Lakes States. The only section of the United States forecasted for normal temperature weather is the Pacific Coast States.
- In the 8-14 day window, the Great Lakes and Southern States are forecast to see above normal precipitation. The Rocky Mountain States, Kansas, Oklahoma and Northern Texas have the highest probability of seeing below normal rainfall.

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