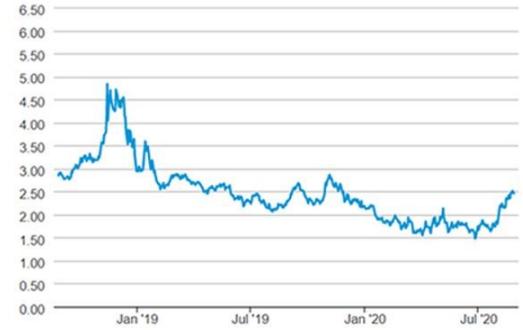


GENERAL UPDATE

- The September 2020 NYMEX Henry Hub traded up to \$2.461/MMBtu, a \$0.03 (+1.4%) increase from the previous Wednesday. The price of the 12-month strip averaging September 2020 through August 2021 futures contract was down \$0.01 (-0.5%) to \$2.851/MMBtu.
- Boston's Algonquin Citygate price went up \$0.21 (+16.0%) to \$1.52/MMBtu last Wednesday. Transco Zone 6 NYC price increased \$0.79 (+66.4%) to \$1.98/MMBtu.
- Pennsylvania's Dominion South rose \$0.22 (+19.3%) to \$1.36/MMBtu. Tennessee Zone 4 Marcellus spot price increased \$0.15 (+14.0%) to \$1.22/MMBtu.
- California prices were mixed from last week. SoCal Citygate price decreased \$1.54 (-25.5%) to \$4.61/MMBtu last Wednesday. The price at Northern California PG&E Citygate went up \$0.19 (+5.7%) to \$3.50/MMBtu week over week.

Near-month natural gas futures prices (Nymex)

dollars per million British thermal units



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

POWER

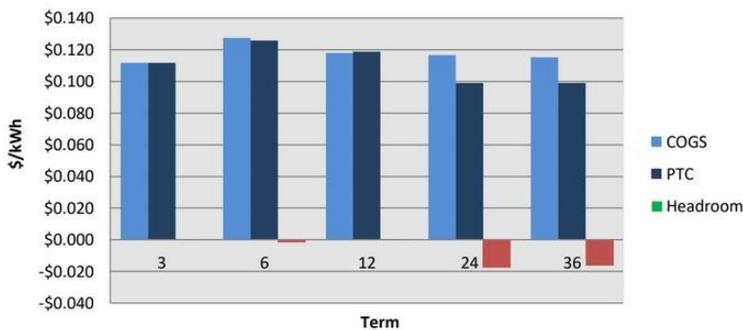
- Power markets continued to move higher over the past week as we move out of the peak summer demand season. Fundamentals don't support the recent run up levels but markets will hold these levels before getting a handle on economic activity and demand expectations heading into the winter.
- In the northeast, New England MassHub 12 Month peak strip moved up to \$39.79 and 24 Month peak up as well at \$40.24. The NYISO NYC Zone (J) 12 Month peak increased 5% to \$37.67 with winter at \$58.34. PJM hourly prices moved lower over the last week but forwards are up, West Hub 12 Month peak strip up to \$34.33 and 24 Month peak at \$33.56 as we head into a long holiday weekend.
- In ERCOT additional transmission and generation capacity were able to prevent a repeat of August 2019 clearing prices as hourly clearing pricing did remain low through the end of August. Houston zone 12 Month peak strip down to \$45.97 and the 24 Month peak strip at \$44.15.

UTILITY HIGHLIGHT

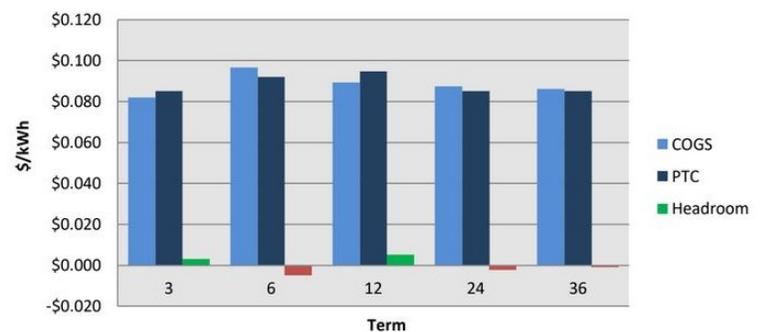
MEMCO > R1

UI > GS

MECO - R1



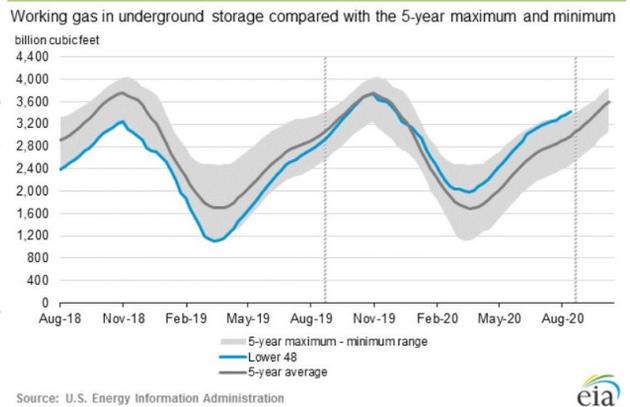
UI - GS



- The upcoming Price to Compare for Eversource's Massachusetts Electric Company (MECO-R1), Residential rate class (R1) is \$0.11802/kWh, in effect from Sept 1, 2020 to Oct 31, 2020.
- Headroom in the MECO - R1 territory is now available in the shorter period for contract with 12 month term. Headroom of \$0.00061/kWh is likely for this period, respectively.
- The current Price to Compare data for United Illuminating in Connecticut (UI-GS), Commercial Rate Class (GS) is \$0.08205/kWh, in effect from Sept 1, 2020 to Dec 31, 2020.
- Headroom is available in the UI - GS market for shorter terms, 3 and 12 month terms, with \$0.00317/kWh and \$0.08941/kWh of headroom respectively.

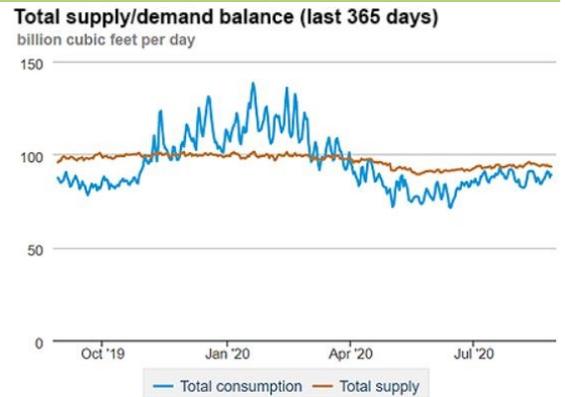
NATURAL GAS

- For the week ending August 21st, 2020, the EIA reported net injection into storage of 45 Bcf, which is less than last year's net injection of 60 Bcf for this week and less than the 5-year (2015–19) average net injection of 49 Bcf.
- Working natural gas in storage totaled 3,420 Bcf, which is 580 Bcf (20.4%) higher than last year's working gas totals of 2,840 Bcf at the same time and 438 Bcf (14.7%) higher than the 5-year (2015-2019) average of 2,982 Bcf. Total working gas is above the five-year historical range.



SUPPLY & DEMAND

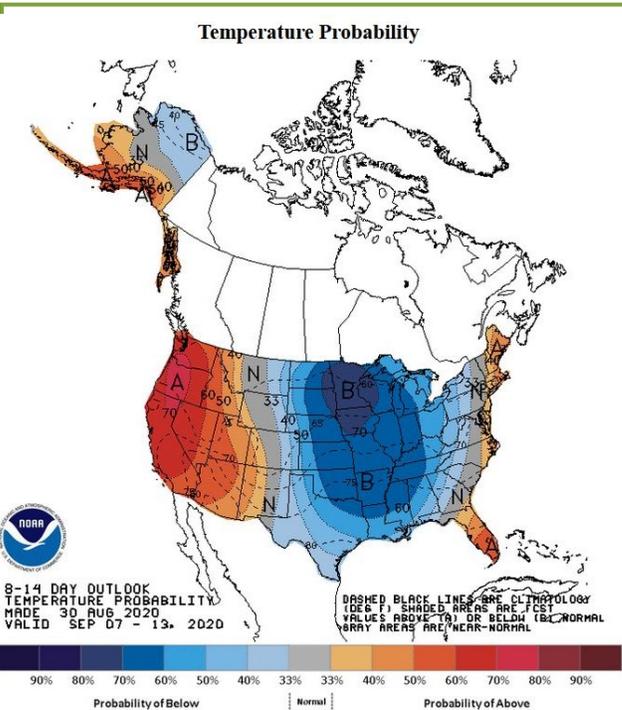
- Average total supply of natural gas is down 0.5% week/week. Dry natural gas production decreased by 1.0% while net imports with Canada increased by 10.3% compared with the previous week.
- Total US consumption of natural gas rose by 0.8% since last week. Natural gas consumption for power generation increased 1.3%, industrial sector consumption decreased 0.2%, residential-commercial consumption was up 0.8%, and exports to Mexico increased 8.0% compared to last week.
- US LNG exports decreased week over week, with 7 vessels departing US ports for a combined 26 Bcf.



MARKET INTELLIGENCE

- During an August 10th Derecho, wind speeds of 70mph, with gusts up to 126mph caused extensive damage to Duane Arnold's nuclear unit cooling towers. Due to infrastructure damage caused by the derecho, 95% of residents in the Linn County, Iowa (where Duane Arnold is located), lost power. NextEra Energy Resources, which owns Duane Arnold Energy Center, stated it is not feasible to replace the damaged cooling towers ahead of the nuclear generators planned-scheduled decommissioning on October 30th 2020. The accelerated decommissioning caused by the derecho resulted the 615-megawatt nuclear unit to be retired early.

Source: IHS Markit



WEATHER

- The Pacific Coast, including California, is forecast to receive more above normal temperatures in the 8-14 window starting September 7th, no reprieve from the extreme heat Californian experienced late this summer in August. The highest probability for below normal temperatures are the Midwestern, Southern, and Great Lake States. The Pacific Coast States, Florida and New England have the highest probability for above normal temperatures.
- In the 8-14 day window, the Great Lakes, Mid Atlantic and Southern States are forecast to see above normal precipitation. The Rocky Mountain States, Southwestern States and North Texas have the highest probability of seeing below normal rainfall.

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