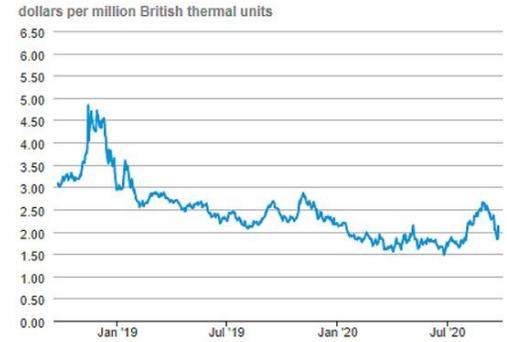


## GENERAL UPDATE

- The October 2020 NYMEX Henry Hub traded down to \$2.125/MMBtu, a \$0.14 (-3.3%) decrease from the previous Wednesday. The price of the 12-month strip averaging October 2020 through September 2021 futures contract was up \$0.03 (+1.1%) to \$2.911/MMBtu.
- Boston's Algonquin Citygate price went up \$0.21 (+16.8%) to \$1.46/MMBtu last Wednesday. Transco Zone 6 NYC price increased \$0.32 (+33.3%) to \$1.28/MMBtu.
- Pennsylvania's Dominion South rose \$0.36 (+40.0%) to \$1.26/MMBtu. Tennessee Zone 4 Marcellus spot price increased \$0.51 (+63.0%) to \$1.32/MMBtu.
- California prices rose last week. SoCal Citygate price increased \$0.05 (+1.8%) to \$2.86/MMBtu last Wednesday. The price at Northern California PG&E Citygate rose \$0.34 (+9.9%) to \$3.77/MMBtu week over week.

Near-month natural gas futures prices (Nymex)



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

## POWER

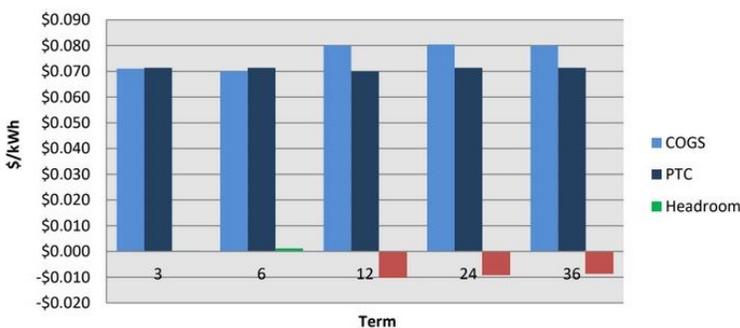
- Power market pricing finally moved lower week over week after staying stubbornly high for most of the late summer and early September periods. Lower energy demand and natural gas storage levels didn't justify the move higher during the late summer but highlights how the market is looking for any reason to move higher as we head into Q4 and the winter demand season outlook.
- Power pricing did move lower in all the eastern markets. Up in New England the MassHub 12 Month peak strip moved down to \$40.73 and 24 Month peak at \$41.27. In NYISO NYC Zone (J) the 12 Month peak was lower at \$38.21 and winter 21 holding steady at \$58.97.
- In the PJM markets we had similar pattern as most zonal prices moved lower. The West Hub 12 Month peak moved down at \$33.21 and 24 Month peak was down slightly to \$33.37. The PJM market clearing prices stayed low as suppressed energy demand and strong renewable generation contributed to the lower clearing prices. Only area with higher congestion pricing consistently were in the usual spots as power flowing into the BGE and Pepco zonal locations continued to spike during the peak hours.

## UTILITY HIGHLIGHT

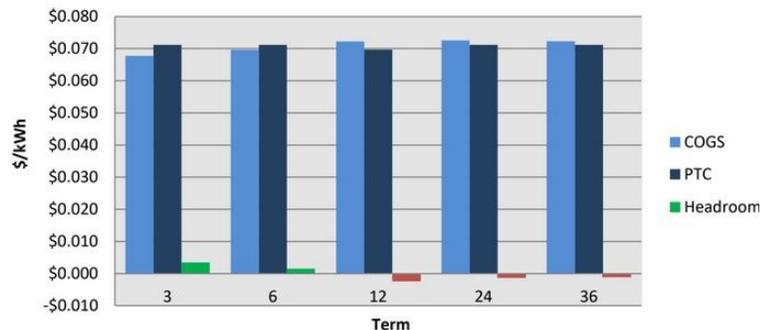
COMED > Rate C25

COMED > Rate C27

ComEd - Rate C25



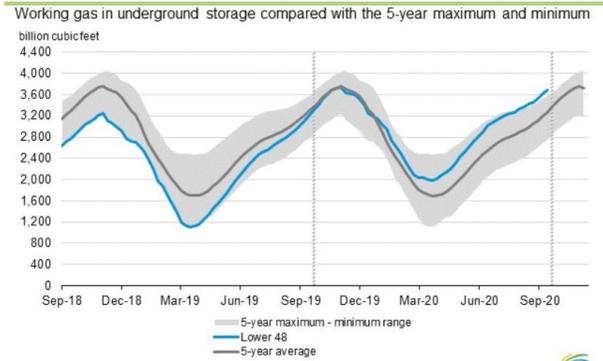
ComEd - Rate C27



- The upcoming Price to Compare for Commonwealth Edison Company (ComEd) in Illinois (COMED – Rate C25), Residential Single Family With Electric Space Heat Delivery Class (RateC25) is \$0.07133/kWh, in effect from Oct 1, 2020 to May 31, 2021.
- Headroom in the COMED – Rate C25 territory is now available in the shorter periods for contracts with 3 and 6 month terms. Headroom of \$0.00029/kWh and \$0.00125/kWh is likely for these periods, respectively.
- The current Price to Compare data for Commonwealth Edison Company (ComEd) in Illinois (COMED – Rate C27), Watt Hour Delivery Class (Rate C27) is \$0.07119/kWh, in effect from Oct 1, 2020 to May 31, 2021.
- Headroom is available in the COMED – Rate C27 market for shorter terms, 3 and 6 month terms, with \$0.00342/kWh and \$0.00154/kWh of headroom respectively.

# NATURAL GAS

- For the week ending September 18th, 2020, the EIA reported net injection into storage of 66 Bcf, which is less than last year's net injection of 97 Bcf for this week and less than the 5-year (2015–19) average net injection of 80 Bcf.
- Working natural gas in storage totaled 3,680 Bcf, which is 504 Bcf (15.9%) higher than last year's working gas totals of 3,176 Bcf at the same time and 407 Bcf (12.4%) higher than the 5-year (2015-2019) average of 3,273 Bcf. Total working gas is above the five-year historical range.

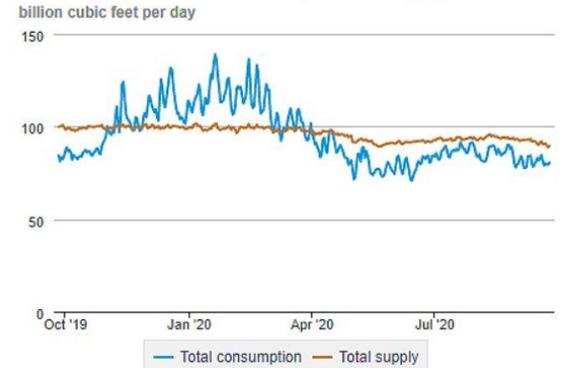


Source: U.S. Energy Information Administration  
 Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2015 through 2019. The dashed vertical lines indicate current and year-ago weekly periods.

# SUPPLY & DEMAND

- Average total supply of natural gas is down 1.2% week/week. Dry natural gas production decreased by 0.9% while net imports with Canada decreased by 10.0% compared with the previous week.
- Total US consumption of natural gas rose by 1.0% since last week. Natural gas consumption for power generation decreased 6.7%, industrial sector consumption increased 2.3%, residential-commercial consumption increased 27.9%, and exports to Mexico increased 3.9% 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)

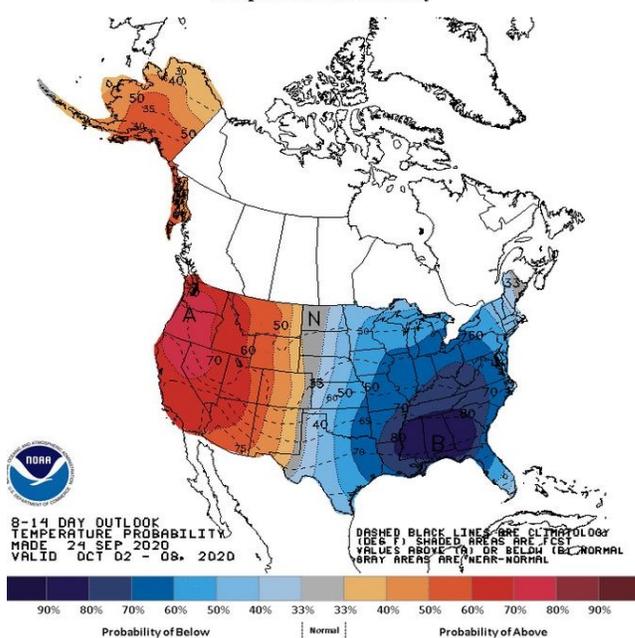


Source: IHS Markit

# MARKET INTELLIGENCE

In the backdrop of extreme heat, wildfires and volatile gas prices, the Federal Energy Regulatory Commission (FERC) approved order 831 relating to power price caps in the California Independent System Operator (CAISO) region. Current pricing cap is set at \$1000 per megawatt-hour (MWH), but the approval of order 831, which must take effect March 21 2021, raises the pricing cap to \$2000 MWH. Under the new, upcoming rules, generators have a soft cap of \$1000 MWH which can be offered for any reason, but to offer up to the hard cap of \$2000 MWH, generation costs must be justified. Power imports to CAISO can be up to \$2000 MWH cap without cost verification, but internal generation resources must be cost verified. This increased cap is designed to facilitate more efficient resource schedules and adequately compensate supply resources to reflect natural gas price volatility during periods of high demand.

## Temperature Probability



## WEATHER

- The Pacific Coast, including California, Southwestern states, and Rocky Mountain states are forecast to receive more above normal temperatures in the 8-14 window starting October 2nd, as the west coast continues to see above normal temperatures. The highest probability for below normal temperatures are the Southern states, Great Lake states, Middle Atlantic states and New England states. The Southern states have the highest probability for much below normal temperatures.
- In the 8-14 day window, Southern Florida is forecast to see above normal precipitation. California and the New England states are forecast to see normal rainfall. The rest of the United States is forecast for below normal rainfall in early October.

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