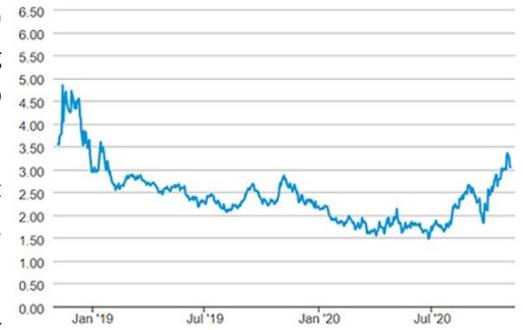


## GENERAL UPDATE

- December 2020 NYMEX Henry Hub traded down to \$3.046/MMBtu, a \$0.25 (-7.6%) decrease from the previous Wednesday. The price of the 12-month strip averaging December 2020 through November 2021 futures contract was down \$0.11 (-3.5%) to \$3.001/MMBtu.
- Boston's Algonquin Citygate price went down \$4.00 (-82.6%) to \$0.84/MMBtu last Wednesday. Transco Zone 6 NYC price decreased \$1.74 (-73.1%) to \$0.64/MMBtu. Pennsylvania's Dominion South fell \$0.35 (-31.8%) to \$0.75/MMBtu.
- Pennsylvania's Dominion South fell \$1.36 (-72.3%) to \$0.52/MMBtu. Tennessee Zone 4 Marcellus spot price decreased \$1.26 (-74.1%) to \$0.44/MMBtu.
- California prices were mixed. SoCal Citygate price increased \$2.13 (+58.7%) to \$5.76/MMBtu last Wednesday. The price at Northern California PG&E Citygate fell \$0.06 (-1.5%) to \$4.05/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

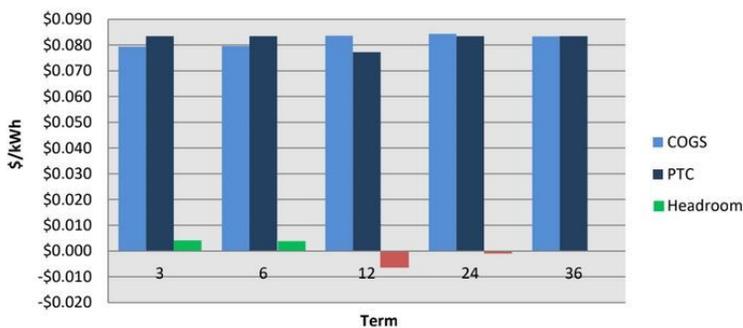
- Power prices moved higher the past few weeks given the well below normal temperatures to start the month and bullish gas storage numbers but pricing moved sharply lower to start the week from short term record warmth in most of the major load serving population centers. Winter gas pricing continues to test the \$3 price level and was briefly below this level to start the week. Good opportunity to take some risk off the table this week as still feel the current drop in pricing will be short lived and more upside to pricing given La Nina winter forecasts are already baked into forward curve values.
- The front of the curve continues to be the most volatile and moved lower while the back of the curve is holding steady. New England MassHub 12 month peak is down over \$1 to \$39.17 and 24 Month peak slightly lower at \$39.89. NYISO NYC Zone (J) 12 month peak down to \$37.15 with 24 month peak at good value levels at \$39.11. In PJM we see a similar story with the front of the curve down over \$2 week over week and West Hub 12 Month peak strip down to \$33.10 and 24 Month peak strip slightly higher at \$33.56.

## UTILITY HIGHLIGHT

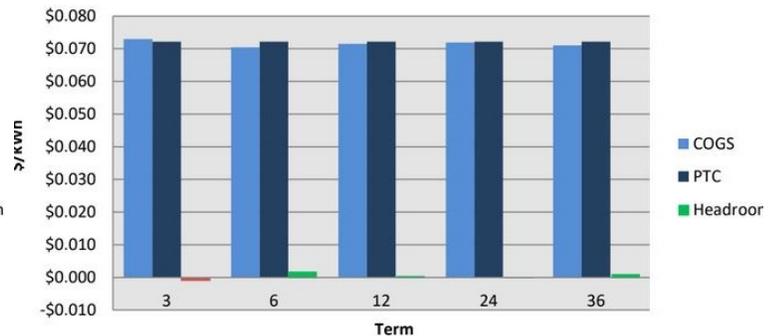
PEPCO > RMSH

PEPCO > MDND

PEPCO - RMSH



PEPCO - MDND



- The upcoming Price to Compare for Potomac Electric Power Company in Maryland (PEPCO -RMSH), Residential Space Hearing rate class (RMSH) is \$0.08347/kWh, in effect from Dec 1, 2020 to May 31, 2021
- Headroom in the PEPCO - RMSH territory is now available in the shorter periods for contracts with 3 and 6 month terms. Headroom of \$0.00411/kWh and \$0.00385/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 \$0.07059/kWh, in effect from Nov 1, 2020 to May 31, 2021.
- Headroom is available in the PEPCO - MDND market for the shorter 6 month term, with \$0.00175/kWh of headroom respectively.

# NATURAL GAS

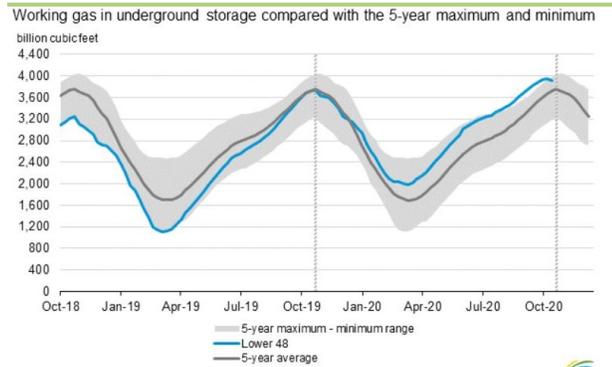
- For the week ending October 30<sup>th</sup>, 2020, the EIA reported net withdrawals from storage of 36 Bcf, which is less than last year's net injection of 49 Bcf for this week and less than the 5-year (2015–19) average net injection of 52 Bcf.
- Working natural gas in storage totaled 3,919 Bcf, which is 200 Bcf (5.4%) higher than last year's working gas totals of 3,719 Bcf at the same time and 201 Bcf (5.4%) higher than the 5-year (2015-2019) average of 3,718 Bcf. Total working gas is within the five-year historical range.

# SUPPLY & DEMAND

- Average total supply of natural gas is up 1.9% week/week. Dry natural gas production increased by 1.5% while net imports with Canada increased by 8.0% compared with the previous week.
- Total US consumption of natural gas rose by 1.4% since last week. Natural gas consumption for power generation decreased 12.2%, industrial sector consumption increased 1.4%, residential-commercial consumption increased 20.4%, and exports to Mexico decreased 6.9% compared to last week.
- US LNG exports increased week over week, with 22 vessels departing US ports for a combined 82 Bcf.

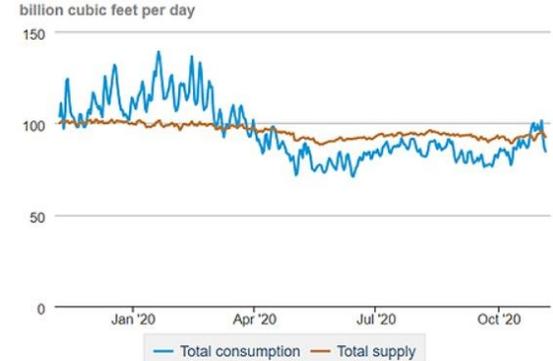
# MARKET INTELLIGENCE

November 3rd, FERC issued an order upholding the decision to approve PJM new scarcity pricing rule by dismissing rehearing requests. The commission found that PJM's existing reserve market design is unjust and unreasonable. FERC previously approved a designed proposal as the just and reasonable replacement rate for reserve market scarcity. In justifying their decision, FERC is quoted: "Determining the value of the reserve penalty factors requires a balancing of the price of reserves and the quantity of reserves procured. Setting too low a price could perpetuate the very problems that the commission found to have rendered the existing reserve market unjust and unreasonable." Under the new rules there are specific situations with multiple reserve penalty factors, reserve prices could climb to \$12,000 per MWh and energy prices could rise to \$14,000. Commissioner Glick dissented to FERC's rehearing rejection and quoted, "The idea that PJM, with its 'generous' capacity market prices, should have energy and ancillary service price caps higher than those in ERCOT is farcical."



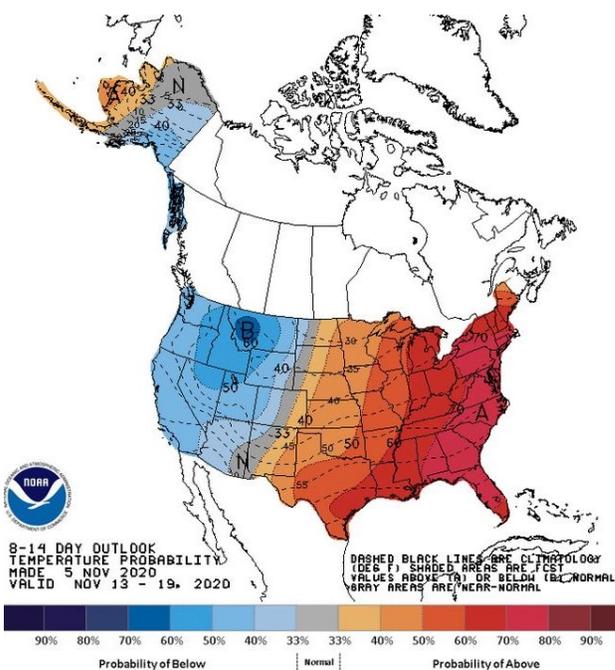
Source: U.S. Energy Information Administration  
 Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2015 through 2019. The dashed vertical lines indicate current and year-ago weekly periods.

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



Source: IHS Markit

## Temperature Probability



## WEATHER

- The Pacific Coast States, and Rocky Mountain States are forecast to receive below normal temperatures in the 8-14 window starting Nov 13<sup>th</sup>, as the West Coast will experience below normal temperatures for the first time since early this summer. The Midwestern States, Great Lakes States, Middle Atlantic States, New England States and Texas are forecast for above normal temperatures. The Coastal Southern States have the highest probability for above normal temperatures.
- In the 8-14 day window, The Pacific Northeast and States east of the Mississippi River are forecast to see above normal precipitation. The Mid-Continent and Southern California are forecast to receive normal to below normal rainfall. Washington State is forecast for much above normal precipitation.

The information contained herein, including any pricing, is for informational purposes only, and is subject to change at any time without notice. This information is provided by Advantage Energy Partners, LLC ("Advantage"), and while Advantage believes the information to be reliable as of the date and time of publication, energy markets are dynamic and specific outcomes can vary widely based on a variety of factors. Therefore, neither Advantage nor any of its members or affiliates is responsible for errors, omissions or misstatements of any kind, nor makes any warranty or representation, whether express or implied, including without limitation the implied warranties of merchantability and fitness for a particular purpose. Advantage accepts no liability