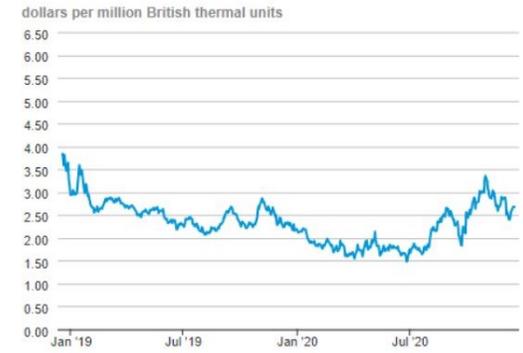


## GENERAL UPDATE

- The January 2020 NYMEX Henry Hub traded up to a high of \$2.677/MMBtu, a \$0.24 (+9.6%) increase from the previous Wednesday. The price of the 12-month strip averaging January 2021 through December 2021 futures contract was up \$0.20 (+7.9%) to \$2.780/MMBtu.
- Boston's Algonquin Citygate price went up \$6.74 (+249.6%) to \$9.44/MMBtu last Wednesday. Transco Zone 6 NYC price increased \$3.18 (+135.3%) to \$5.53/MMBtu.
- Pennsylvania's Dominion South rose \$0.20 (+10.8%) to \$2.06/MMBtu. Tennessee Zone 4 Marcellus spot price increased \$0.10 (+10.8%) to \$1.95/MMBtu. California prices fell last week.
- California prices rose last week. SoCal Citygate price increased \$0.05 (+1.1%) to \$4.79/MMBtu last Wednesday. The price at Northern California PG&E Citygate rose \$0.24 (+7.0%) to \$3.69/MMBtu week over week.

Near-month natural gas futures prices (Nymex)



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

## POWER

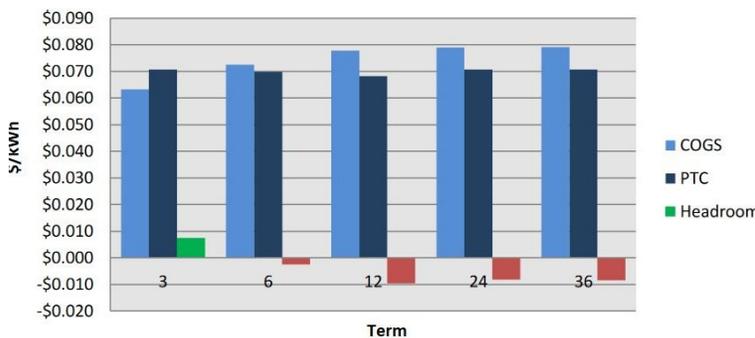
- Power pricing is off to start the week as warmer January forecasts continue to materialize and has put downward pressure on pricing this week. There is strong value in the short and long term power curves as we finally say good bye to 2020 this week. Winter 2021 power pricing, (especially January), have dropped over \$2 to start the week. This has pushed shorter term pricing close to lows for the year as we start the final week of 2020.
- The front of the curve and the winter months have moved lower to start the week and have given us another opportunity to put on hedges short term and then look at longer term contracts that demonstrate great value prior to year end. Up in New England, MasHub 12 month peak is down to \$36.56 with winter pricing down to \$48.10. The NYISO NYC Zone (J) 12 month peak is also down to \$35.12 with winter coming in at \$41.77. In PJM we have all load zones lower to start the week, with the West Hub 12 Month peak strip down to \$30.98 and winter down to \$31.67.

## UTILITY HIGHLIGHT

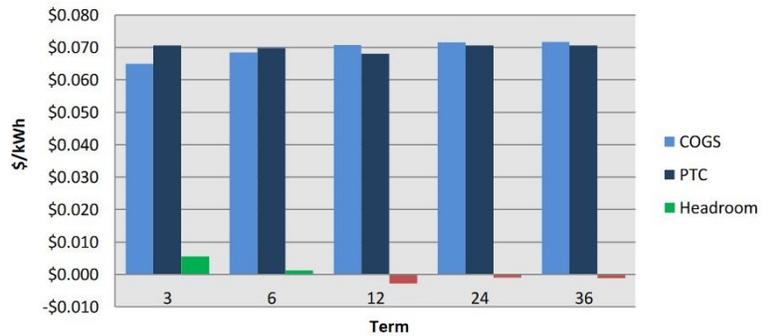
COMED > Rate C25

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 (Rate C25) is \$0.07067/kWh, in effect from Jan 1, 2020 to May 31, 2021.
- Headroom in the COMED – Rate C25 territory is now available in the shorter period for contract with 3 month term. Headroom of \$0.00740/kWh is likely for this period.
- 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 Jan 1, 2020 to May 31, 2021.
- Headroom available in COMED – Rate C27 market for shorter periods for contracts with 3 and 6 month terms. Headroom of \$0.00562/kWh and \$0.00131/kWh is likely for these periods.

# NATURAL GAS

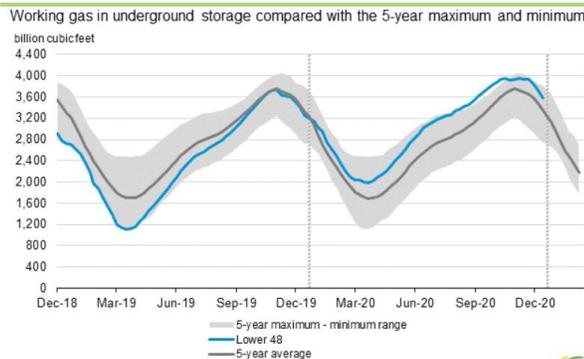
- For the week ending December 18<sup>th</sup>, 2020, the EIA reported net withdrawals from storage of 152 Bcf.
- Working natural gas in storage totaled 3,574 Bcf, which is 278 Bcf (+8.4%) higher than last year's working gas totals of 3,296 Bcf at the same time and 218 Bcf (+6.5%) higher than the 5-year (2015-2019) average of 3,356 Bcf. Total working gas is within the five-year historical range.

# SUPPLY & DEMAND

- Average total supply of natural gas fell 0.1% week/week. Dry natural gas production increased by 0.5% while net imports with Canada decreased by 8.4% compared with the previous week.
- Total US consumption of natural gas rose by 0.4% since last week. Natural gas consumption for power generation declined 4.4%, industrial sector consumption increased 0.9%, residential-commercial consumption increased 3.9%, and exports to Mexico decreased 0.1% compared to last week.
- US LNG exports were flat week over week, with 22 vessels departing US ports for a combined 78 Bcf.

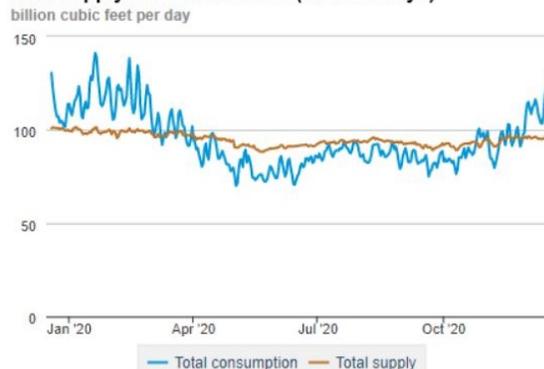
# MARKET INTELLIGENCE

PJM released an article titled "2020 in Review: Grid Operations Reliable Amid Pandemic" recently. PJM highlights the unprecedented challenges faced under COVID-19 and the successful operations of the PJM power grid by achieving the priority of maintaining a reliable grid. Since March 13<sup>th</sup>, 90% of PJM staff have worked remotely. The 10% of staff that reported to the PJM campus was mainly control room operators, security, facility and information technology personal. New policies that implemented social-distancing, cleaning and minimized touchpoints will remain in effect until at least May 2021. Only remote stakeholder meetings will remain until at least July 2021. Also, an unprecedented challenge was member utility crews required to deal with altered policies and conditions due to pandemic protocols. PJM also had to contend with the pandemic impact on load. Pandemic related social distancing behavior, resulting in many businesses and schools shifting to a from home environment, resulted in commercial load dropping and residential demand increasing. PJM was forced to be flexible and innovative as the disruptions from the COVID-19 situation arose, evolved and brought unforeseen challenges. PJM equipped a third control room in response to the pandemic. PJM contended with the challenges of 2020 successfully, as the system maintained the reliable flow of electricity across the entire PJM footprint as we look to put 2020 behind us.

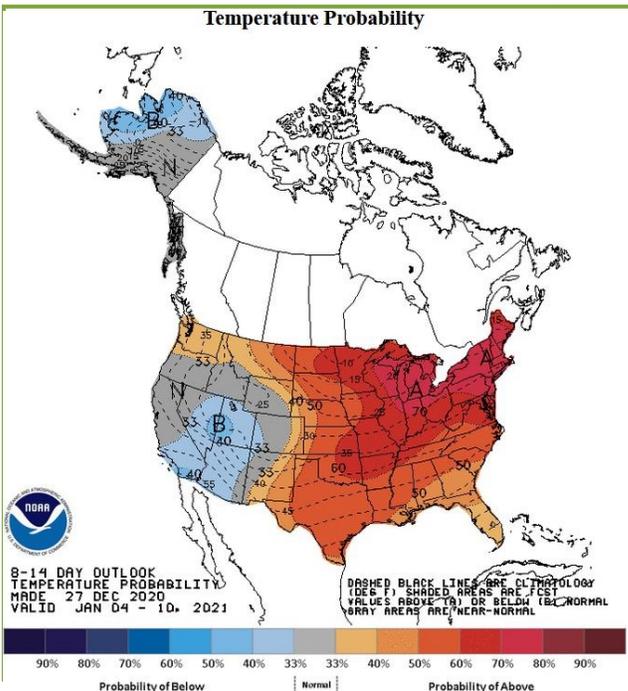


Source: U.S. Energy Information Administration  
 Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2015 through 2019. The dashed vertical lines indicate current and year-ago weekly periods.

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



Source: IHS Markit



# WEATHER

- The United States is forecasted to receive a very bearish weather pattern with the bulk of the United States forecast to receive above, to much above normal temperatures in the 8-14 window starting January 4<sup>th</sup>. The Pacific Coast States, and Four Corners States are forecast for normal to below normal temperatures. The Great Lakes States, Middle Atlantic States and New England States have the highest probability for much above normal temperatures.
- In the 8-14 day window, the Pacific Coast States, Rocky Mountain States, Midwestern States, Middle Atlantic States and New England States are predicted to see above normal precipitation. Both Florida and Texas are forecast to receive below normal precipitation. The Pacific Coast States, Rocky Mountain States and Great Lakes States have the highest probability for above normal precipitation.

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