

DEC 30, 2024 - JAN 3, 2025

MARKET SUMMARY



SPOTLIGHT | U.S. Issues Final Guidance on Hydrogen Production Tax Credits

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After over a year of deliberations and receiving about 30,000 comments on initial draft rules, the US Treasury department has issued final guidance on production credits for clean hydrogen first included in the Inflation Reduction Act (IRA). On Friday, January 3, the Biden administration unveiled revisions to the original stipulations on clean hydrogen published in December 2023. The guidance aims to balance industry interests with clean energy targets. In its original outline, which provides for up to \$3 per kilogram of hydrogen produced in credits, the Treasury department had included requirements around additionality, temporality, and deliverability. The new guidance includes exceptions to the additionality requirement to qualify for tax credits by allowing energy procurement from struggling nuclear plants and fossil fuel generators with newly installed carbon capture mechanisms and applies this exception to hydrogen projects in states with "robust" emissions standards. Another major revision extends temporality compliance for producers by two years to 2030.

CES SCORE | Is it Time for Action?

The CES SCORE shows how current wholesale commodity prices compare to their 52-week range. A score close to 0 indicates that current prices are close to their 52-week **HIGH**; a score close to 100 indicates that current prices are close to their 52-week **LOW**. Many factors influence how wholesale prices are translated into retail prices paid by consumers and when it is time to consider a price lock. Please contact your CES Energy Services Advisor for customized strategic procurement advice.



NATURAL GAS NYMEX TERMS

12 MONTH: 0
18 MONTH: 7
24 MONTH: 6
36 MONTH: 20

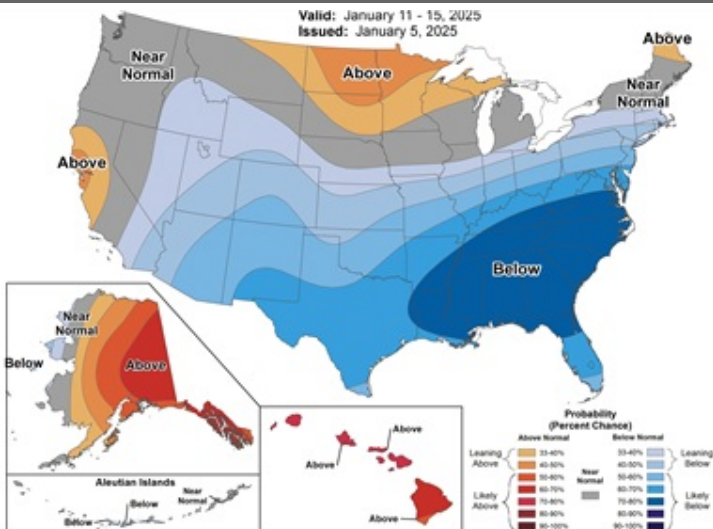
ELECTRICITY TERMS

12 MONTH: 7
18 MONTH: 16
24 MONTH: 7
36 MONTH: 10

CRUDE OIL TERMS

12 MONTH: 70
18 MONTH: 71
24 MONTH: 72
36 MONTH: 73

WEATHER | 6-10 Day Forecast

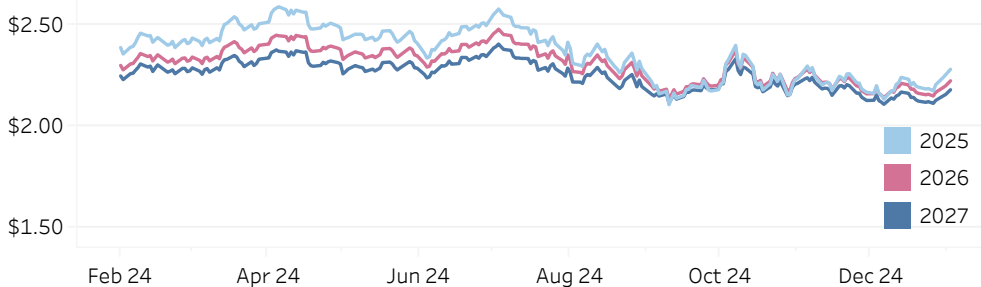


Cooler-than-average weather is forecast across the South and much of the East Coast, with some parts of the Midwest and California likely to see above-average temperatures.

This map depicts forecasted temperatures for next week compared to the long-term average. The blue/purple areas are forecast to be colder than normal, gray areas are normal, and yellow/orange/red areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase the price for natural gas, oil, and electricity.

OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

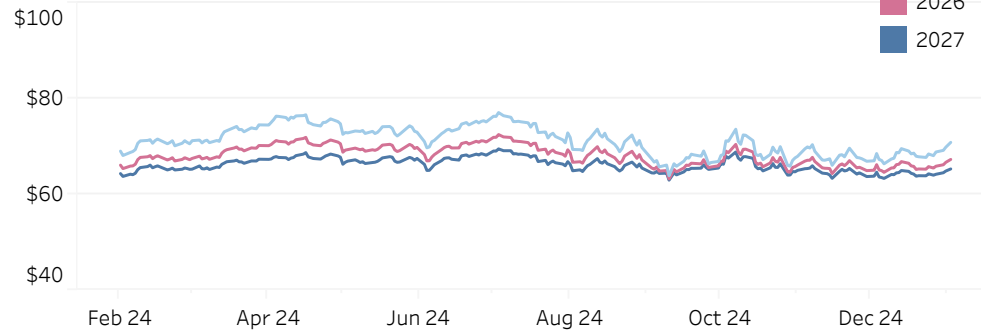


Prompt Month Price For Feb 25

This Week:	\$73.96/Bbl
Prior Week:	\$70.60/Bbl
CHANGE:	\$3.36/Bbl

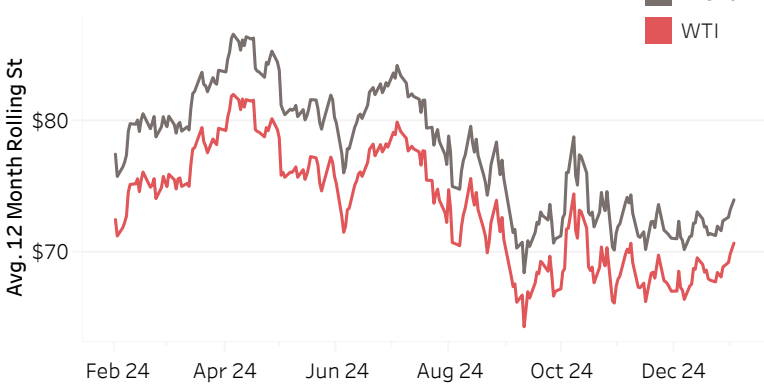
WTI, Brent, and New York Harbor Heating Oil all increased in price last week. WTI rose 4.8% week-over-week, closing at \$73.96 per barrel, while Brent increased 3.2% week-over-week to \$76.51 per barrel. New York Harbor Heating Oil closed at \$2.35 per gallon, a 4.6% increase from the previous week. China announced further strategies to promote economic growth last week, including raising wages for government workers. Colder weather forecasts across the U.S. and Europe added to the upward pressure on prices in anticipation of increased demand for heating oil. The U.S. dollar is still strong, and analysts expect interest rates to stay high, holding prices from rising further.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

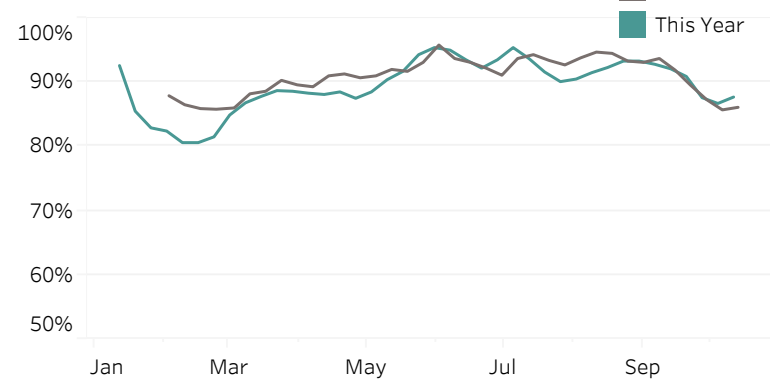


FUNDAMENTALS

CRUDE OIL 12-MONTH ROLLING STRIP - \$/BARREL

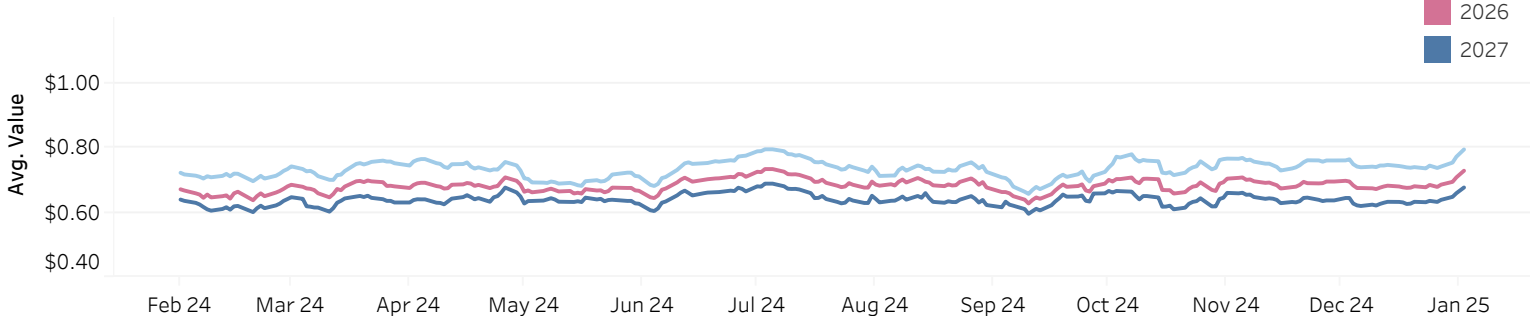


U.S. REFINERY RATES



PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL



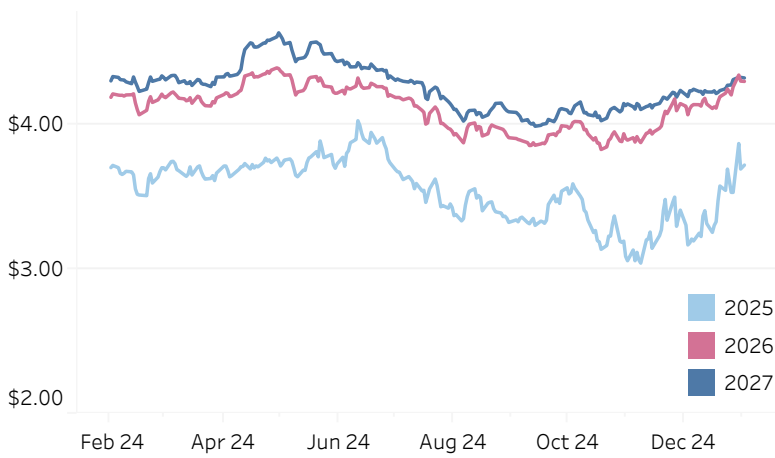
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NATURAL GAS OVERVIEW

NATURAL GAS NYMEX CALENDAR STRIPS - \$/MMBTU



Prompt Month Price For Feb 25

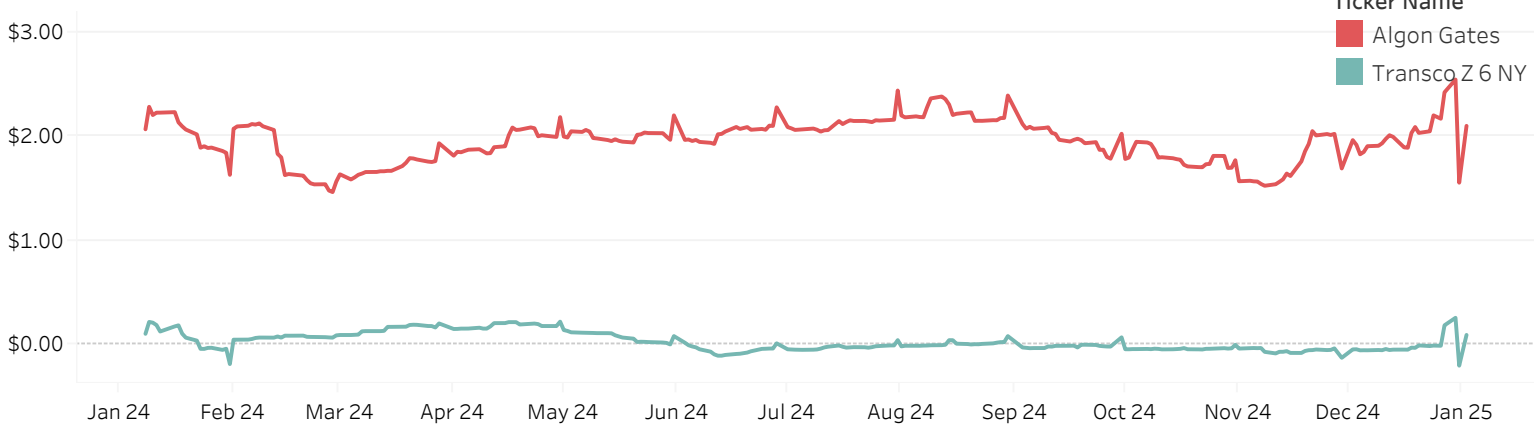
This Week:	\$3.35/MMBtu
Prior Week:	\$3.51/MMBtu
CHANGE:	(\$0.16)/MMBtu

The NYMEX prompt month fell by \$0.16 week-over-week to \$3.35/MMBtu, a 4.6% decrease. The rolling 12-month strip increased \$0.07 week-over-week to \$3.51/MMBtu, a 2.1% rise. A weekly net natural gas storage withdrawal of 116 Bcf for the week ending December 27 brought national storage down to 3,413 Bcf, 154 Bcf or 4.7% above the five-year average. The level of withdrawal was below analysts' expectations. Total U.S. natural gas consumption declined over the past week, driven by decreasing demand from the electricity generation sector. U.S. natural gas supply decreased slightly week-over-week, driven by a decline in net imports from Canada. Cold weather across the United States in the coming week will likely boost natural gas demand from the residential and commercial sectors.

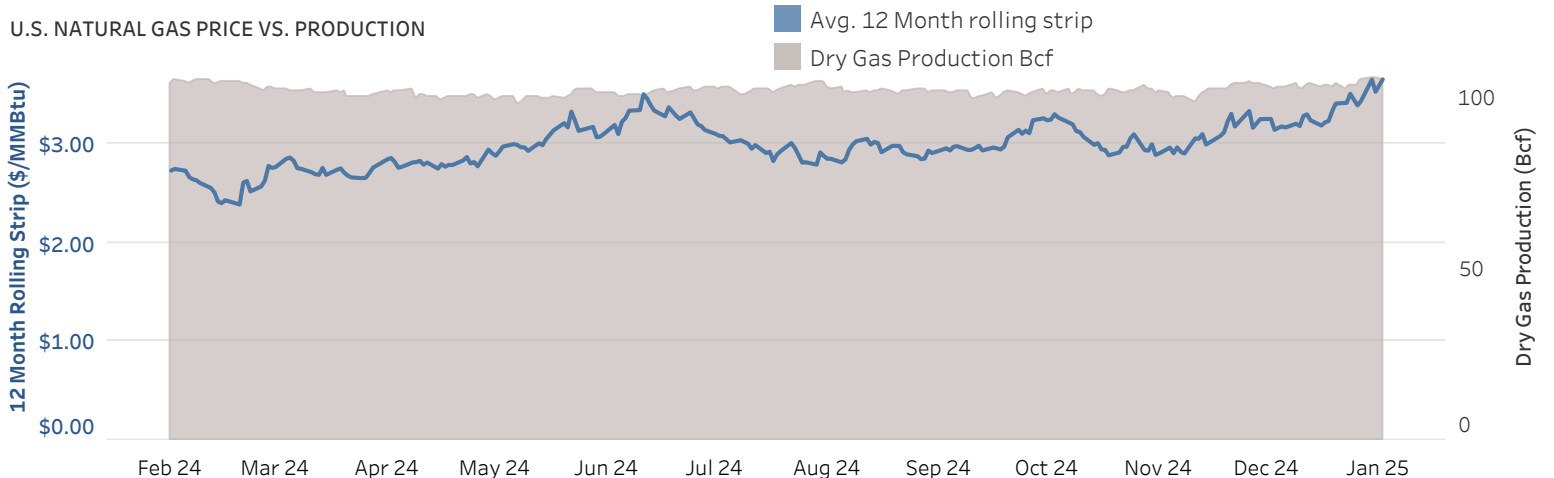
Winter natural gas NYMEX strips are an average of commodity prices for the months of December - March of each winter. Prices are presented in this format to highlight what consumers will pay during the typical heating season in the U.S.

NATURAL GAS FUNDAMENTALS

NATURAL GAS BASIS - ROLLING 12 MO. FUTURES STRIP - \$/MMBTU



U.S. NATURAL GAS PRICE VS. PRODUCTION



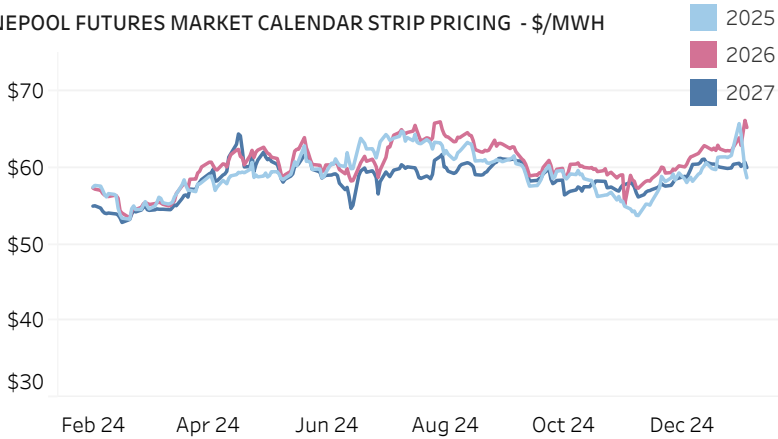
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NEW ENGLAND ELECTRICITY OVERVIEW

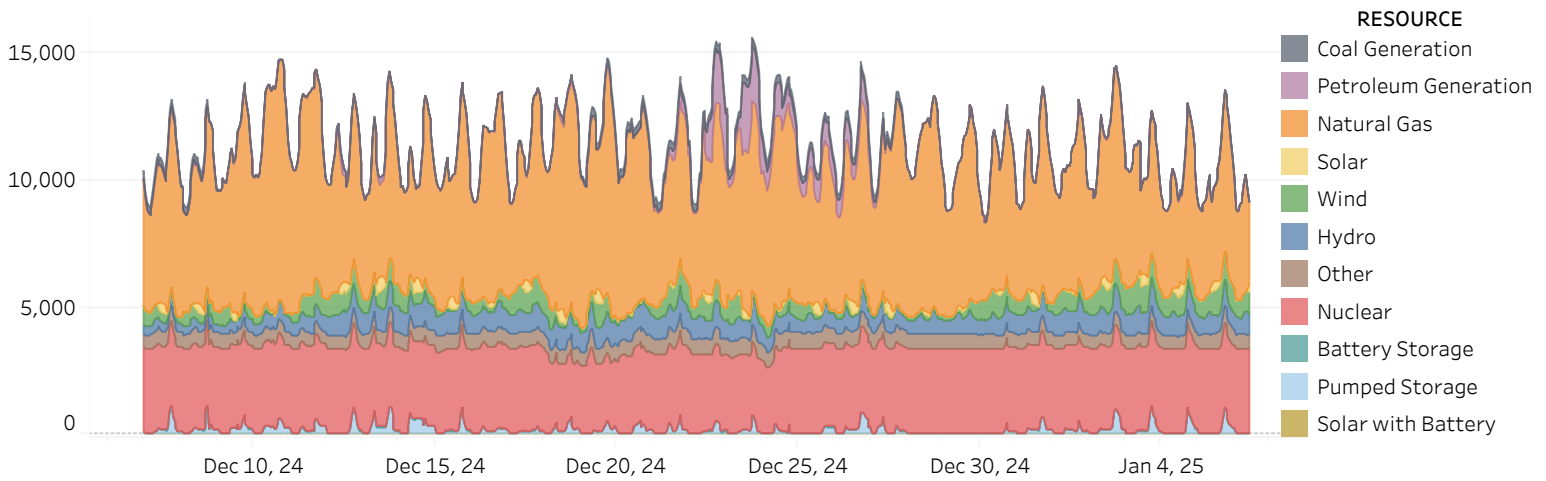
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING - \$/MWH



The NEPOOL 12-month electricity strip increased by 3.54% week-over-week to \$64.98/MWh. Calendar year strips for electricity experienced mixed movement week-over-week. The 2026 calendar strip increased by \$0.70/MWh or 1.11% to \$63.44/MWh, the 2027 strip dropped by 0.72% to \$60.09/MWh, while the 2028 strip decreased by 1.59% to \$57.35/MWh. ISO-New England plans to create an RFP to support the New England States Committee on Electricity's (NESCOE) regional longer-term transmission planning (LTTP) effort. The major objectives of the effort are to improve transmission infrastructure connectivity between northern and southern New England and to deploy increased clean energy resources in Maine. Proposals for the RFP are likely to be due later in 2025.

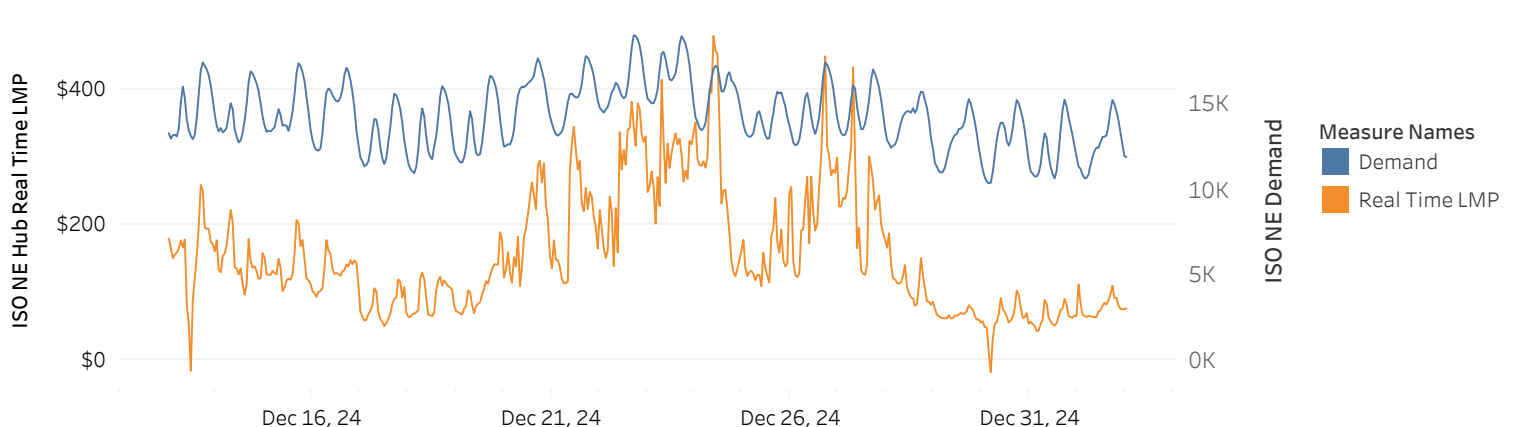
NEW ENGLAND REGIONAL ELECTRICITY GRID GENERATION MIX

ISO-NE GRID ELECTRICITY GENERATION MIX - EXCLUDES IMPORTS - MW



NEW ENGLAND GRID FUNDAMENTALS

ISO NE HOURLY GRID DEMAND & REAL TIME LMP RATE



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