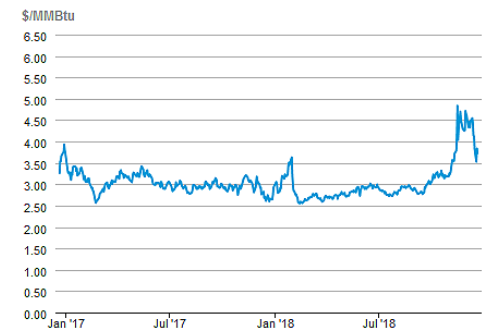




## GENERAL UPDATE

- Financial gas markets trended slightly lower, with the February 2019 NYMEX contract price decreasing approximately 11% to finish the week at \$2.95/MMBtu.
- Physical gas spot prices also trended lower. New England prices, including Boston's Algonquin Citygate, fell approximately \$0.52 (-13.5%) to \$3.33/MMBtu. Transco Zone 6 NYC decreased \$0.55 (-15.2%) to \$3.08/MMBtu.
- Mid-Atlantic region spot prices, including Pennsylvania's Dominion South, decreased approximately \$0.18 (-6%) to \$3.04 /MMBtu. In the Midwest prices, including Tennessee Zone 4 Marcellus, decreased \$0.20 (-6.1%) to \$3.08/MMBtu.
- SoCal Citygate prices experienced a notable drop of about \$2.50 (-41%), to \$3.59/MMBtu. Prices at Northern California PG&E Citygate also decreased \$0.25 (-6%) to \$3.93/MMBtu.

Near-month natural gas futures prices (Nymex)



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

## POWER

- Northeast curves traded notably lower. For the NEMASSBOST zone in ISONE, the 12 Month ATC strip decreased \$2.41 (-5.0%) to \$45.34. The 24 Month ATC strip dropped \$1.77 (-3.7%) to \$45.64, and the Cal 2020 ATC strip dropped to \$45.94/MWh.
- For the NYC zone in NYISO, the 12 Month ATC strip decreased \$2.94 (-6.7%) to \$41.18. The 24 Month ATC strip dropped \$1.97 (-4.6%) to \$41.07 and the Cal 2020 strip dropped to \$40.95/MWh.
- PJM curves dropped overall across the COMED and Eastern Zone strips. For the PEPCO zone, the 12 Month ATC strip decreased \$2.33 (-5.6%) to \$39.58. The 24 Month ATC strip dropped \$1.59 (-3.9%) and the Cal 2020 ATC strip dropped to \$38.29/MWh.
- ERCOT power curves also experienced price decreases. For the Houston zone, the 12 Month ATC strip dropped \$1.56 (-3.4%) to \$44.06. The 24 Month ATC strip dropped \$0.91 (-2.1%) to \$41.64, and the Cal 2020 ATC strip dropped to \$39.21/MWh.

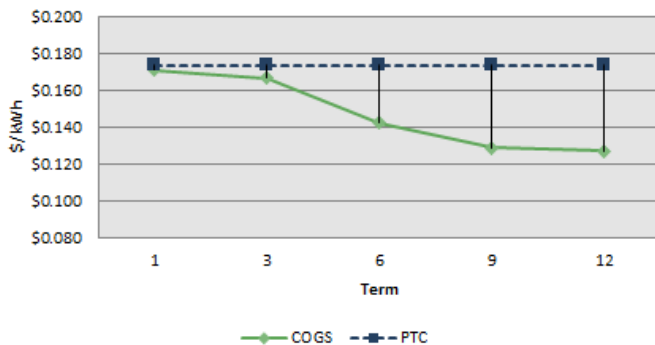
## UTILITY HIGHLIGHT

ISONE

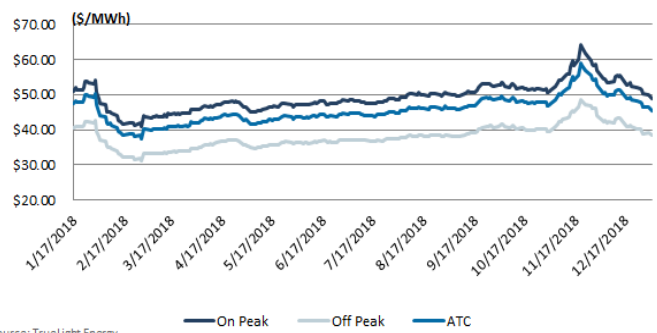
MA

NEMASSBOST

CELCO - G2



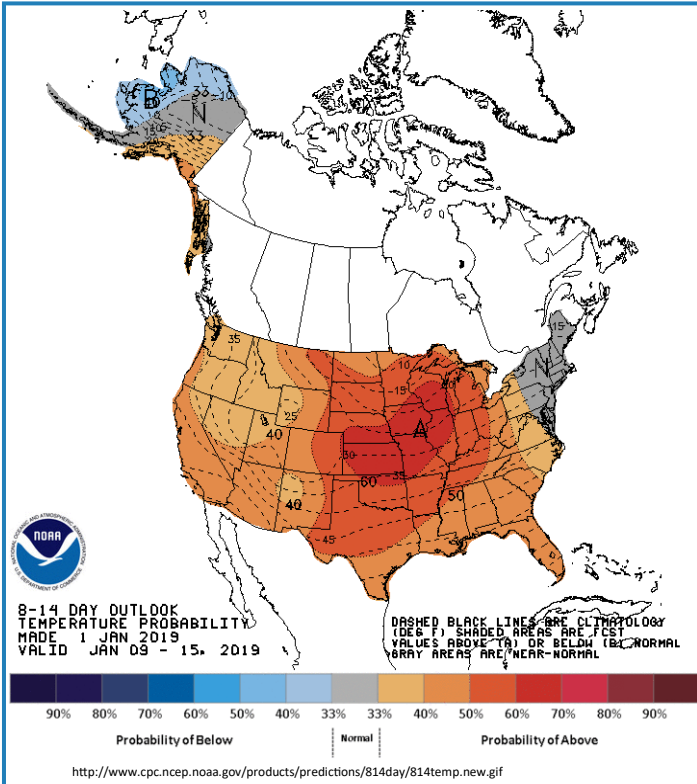
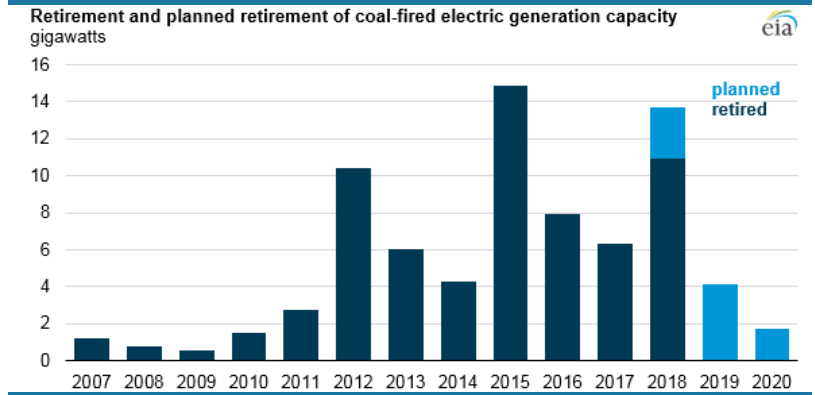
NEMASSBOST - 12 MONTH STRIP PRICING



- The current Price to Compare (PTC) for Eversource Eastern MA, previously Cambridge Electric Co (CELCO), General Service Large Commercial NEMA rate class (G2) increased 31.6% to \$0.17381/kWh for the January 1, 2019 to March 31, 2019 price period.
- Headroom is likely for all the 1, 3, 6, 9, and 12 month terms, with headroom for the 1 and 3 month terms at \$0.00252/kWh to \$0.00691/kWh, respectively.
- Over the last week, the CELCO ATC 12-month strip fell 5% to finish at \$45.34/MWh today, January 2, 2019.
- In the past 3 months, the ATC strip has reached a high of \$58.95/MWh on November 20, 2018 and a low of \$45.34/MWh that was reached today.

# MARKET INTELLIGENCE

- Natural gas prices ended the year slightly lower than where they started at the beginning of 2018. After the record-breaking cold temperatures and low natural gas storage that led to substantial price spikes back in November, prices have fallen back down to lower level trends much like the rest of 2018. Lower natural gas prices this past year have been mainly driven by continued growth in natural gas production.
- The Massachusetts Department of Energy Resources (DOER) has established a baseline minimum percentage of kilowatt-hours sales to end-use customers to be met with clean peak certificates effective January 1, 2019. This baseline was established based on existing clean peak resources in the Commonwealth during peak load hours as of December 31, 2018, which was 0 MWh served. As a result, the Minimum Standard percentage requirement for retail electricity suppliers in the 2019 compliance year has been set at 0%.
- According to EIA, US coal consumption for 2018 is forecasted to have declined 4% from 2017 to the lowest level since 1979. Since its peak in 2007, coal consumption has dropped nearly 437 million short tons (MMst). This is largely due to declining usage in the electric power sector, which is the nation's largest consumer of coal – accounting for 93% of coal consumption from 2007 to 2018. Widespread coal-fired power plant retirements as well as decreasing capacity factors have contributed to coal's shrinking market share. The main driver behind all the retirements? Natural gas. Low natural gas prices are beating out coal, especially as generators age and electricity demand changes with the growth of renewables. Environmental awareness and legislation have also outmoded coal as an unsustainable energy source.
- CPS Energy is retiring its first coal-fired power plant, Calavera Lake power station's J.T. Deely plant, also known as 'Dirty Deely,' which has served CPS customers in ERCOT for over 40 years.



## WEATHER

- Above normal warmth is expected across most of the US for the 8-14 day window, with colder arctic air locked out of the lower 48. New England and the northeast portions of the Mid-Atlantic make up the lone section of the country that is likely to see more normal temperatures.
- Precipitation is setting up generally above normal for most of the country, with lone pockets of drier air in Florida and the upper Rockies.

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 Broker Online Exchange, LLC ("BOX"), and while BOX 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 BOX 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. BOX accepts no liability for any direct, indirect or other consequential loss arising out of any use of the information contained herein or any inaccuracy, error or omission in any of its content. This content is made possible by TrueLight Energy, LLC.