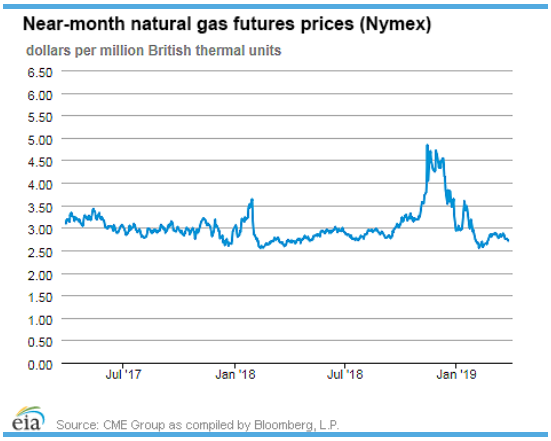
BROKER ONLINE EXCHANGE

Tuesday, April 2, 2019

GENERAL UPDATE



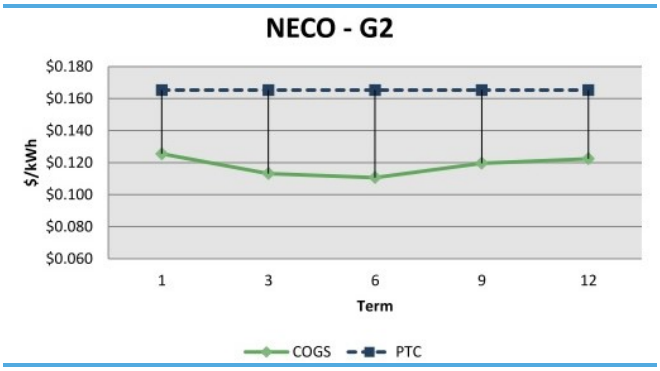
- The April 2019 NYMEX contract expired last Tuesday at $2.713/MMBtu, $0.11 (-3.8%) lower than the week prior. The 12-month strip price averaging May 2019 through April 2020 futures contracts declined $0.07/MMBtu (-2.4%) to $2.881/MMBtu.
- Northeast prices experienced decreases. Boston's Algonquin Citygate prices declined $0.23 (-7.8%) from $2.96/MMBtu the previous Wednesday to $2.73/MMBtu last Tuesday. Transco Zone 6 NYC prices decreased $0.25 (-9.1%) from $2.75/MMBtu to $2.50/MMBtu.
- Pennsylvania's Dominion South fell $0.19 (-7.3%) to $2.41/MMBtu. Tennessee Zone 4 Marcellus spot prices fell $0.24 (-9.2%) to $2.36/MMBtu.
- SoCal Citygate prices decreased $0.11 (-2.6%) to $4.09/MMBtu. Prices at Northern California PG&E Citygate decreased $0.14 (-3.7%) from a weekly high of $3.77/MMBtu the previous Wednesday to $3.63/MMBtu last Tuesday.

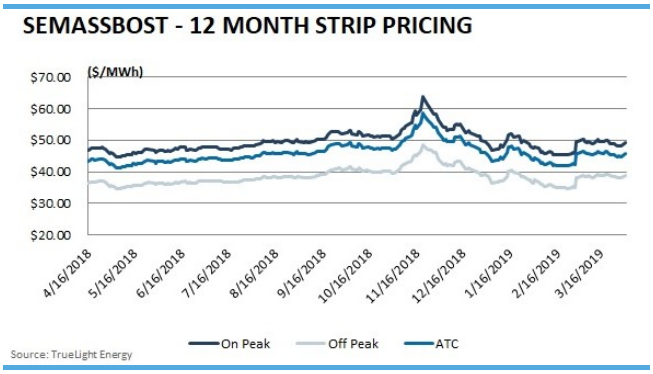
POWER

- For the NEMASSBOST zone in ISONE, the 12 Month ATC strip increased $0.21 (0.5%) to $45.88. The 24 Month ATC strip rose $0.06 (0.1%) to $45.50, and the Cal 2020 ATC strip decreased $0.23 (-0.5%) to $45.11/MWh today.
- For the NYC zone in NYISO, the 12 Month ATC strip increased $0.34 (0.8%) to $42.63. The 24 Month ATC strip increased $0.20 (0.5%) to $42.94 and the Cal 2020 ATC strip decreased $0.06 (0.1%) to $42.05/MWh today.
- For the PEPCO zone in PJM, the 12 Month ATC strip increased $0.14 (0.4%) to $38.62. The 24 Month ATC strip decreased $0.04 (-0.1%) to $37.93 and the Cal 2020 ATC strip dropped $0.12 (-0.3%) to $37.56/MWh today.
- For the Houston zone in ERCOT, the 12 Month ATC strip increased $0.16 (0.4%) to $43.26. The 24 Month ATC strip increased $0.14 (0.3%) to $41.14, and the Cal 2020 ATC strip increased $0.20 (0.5%) to $39.47/MWh today.

UTILITY HIGHLIGHT

ISONE › MA › NECO





- The current Price to Compare (PTC) for Massachusetts' Nantucket Electric Company, d/b/a National Grid, Medium General C&I - Fixed Price Option (G2) is $0.16525/kWh for the February 1, 2019 through April 30, 2019 price period, a 12% increase from the previous fixed price rate of $0.14761/kWh.
- Headroom is probable for all the 1, 3, 6, 9, and 12 month terms, with headroom of $0.04565/kWh likely for the 9 month term and $0.04287/kWh likely for the 12 month term.

- The SEMASSBOST ATC 12-month strip has remained relatively flat over the past week, with prices increasing 0.5% to $45.68/MWh yesterday.
- Since the beginning of the year, the ATC strip has reached a high of $48.24/MWh on January 17, 2019 and a low of $41.83/MWh on February 19, 2019. This time last year, the strip traded at $41.73/MWh, which is 9% lower than this year.

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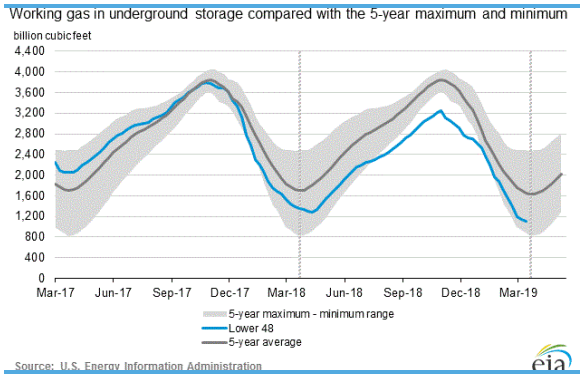
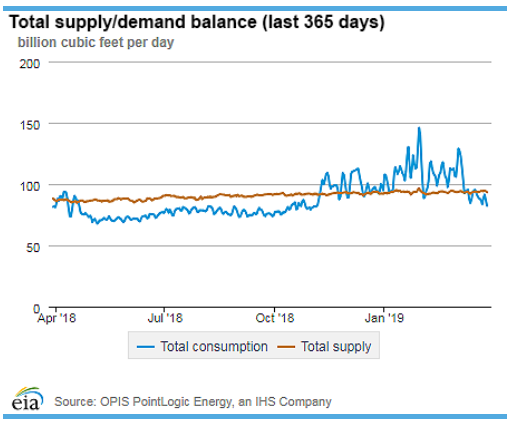
NATURAL GAS



- For the week ending March 22, the EIA reported net withdrawals from storage of 36 Bcf, which is lower than last year's net withdrawals of 63 Bcf for this week and the 5-year (2014–18) average net withdrawals of 41 Bcf.
- Working natural gas in storage totaled 1,107 Bcf, which is 285 Bcf (-20%) lower than last year's level and 551 Bcf (-33%) lower than the five-year average of 1,658 Bcf. Total working gas is within the five-year historical range.

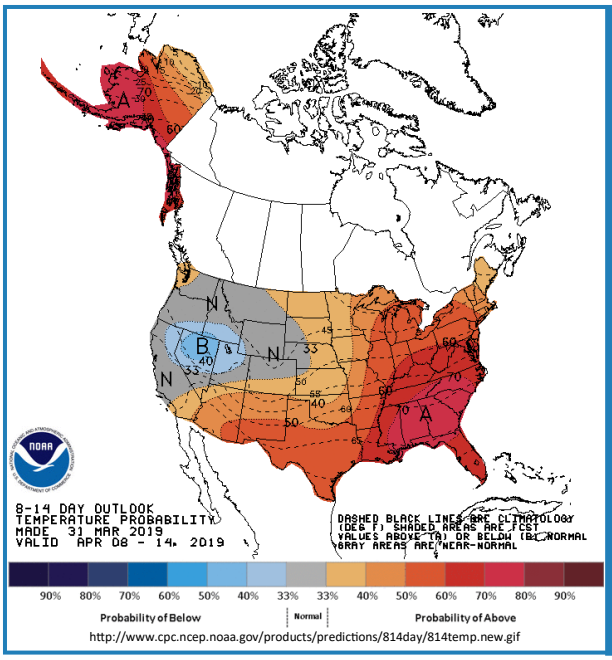
SUPPLY & DEMAND



- Average total supply of natural gas rose by 1% compared with the previous report week, averaging 94.4 Bcf/d. Dry natural gas production grew by 1% while net imports from Canada decreased by 7%.
- Total US consumption of natural gas fell by 3%. Consumption for power generation declined by 4%, industrial sector consumption dropped by 2%, residential-commercial consumption dropped by 2%, and exports to Mexico remained the same, averaging 4.6 Bcf/d.
- US LNG exports dropped week/week, with six vessels departing US ports for a combined 22.3 Bcf.

MARKET INTELLIGENCE

- According to a report from the Brattle Group released by the Texas Clean Energy Coalition (TCEC), distributed energy resources (DER) in ERCOT increased by 62% between 2015 and 2017, bringing the total DER in ERCOT to 1,300 MW by the end of 2018. The report states that DER less than 1 MW is not required to be reported, but "based on the small <1 MW DER that was reported to ERCOT, the category nearly doubled between mid-2016 and the end of 2018." Acknowledging the likelihood of future growth in small on-site solar PV and battery storage projects, the report asserts the need to investigate ways to compensate these DER installations and incentivize further installations.
- The report suggests a three-pronged approach to incorporate DERs and other new technologies into the grid: support a competitive market, consider non-wires alternatives (NWAs) like distributed generation or energy storage to solve problems like system reliability, and use regulated solutions if the market or NWAs fail to resolve system issues.



WEATHER

- While the weekend in the Pacific Northwest ended on a warm and dry note, the region will experience cooler, damp and cloudy weather during the upcoming week. After ending March with less than half of its normal precipitation for the month, showers are expected to move through the area each day through at least Saturday. There will be a threat for flooding on Friday as a stronger storm is expected to hit the west coast with heavier rains.
- Elsewhere, a strengthening coastal storm will advance along the Eastern Seaboard of the United States to unload heavy rain, strong winds and pounding seas in some communities Tuesday into Wednesday. The storm will pass close enough to bring a 12 hour period of very heavy rain to the Southeast on Tuesday before brushing past the Northeast into Wednesday. If the storm moves west, it could also impact Philadelphia and NYC.