

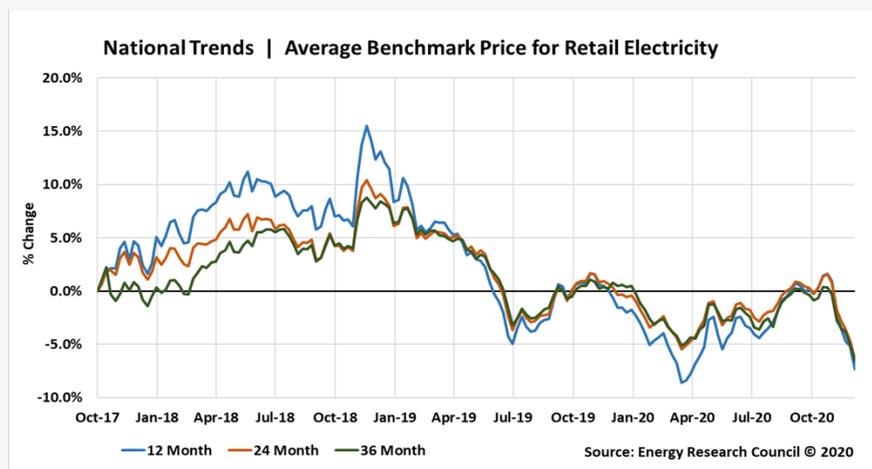
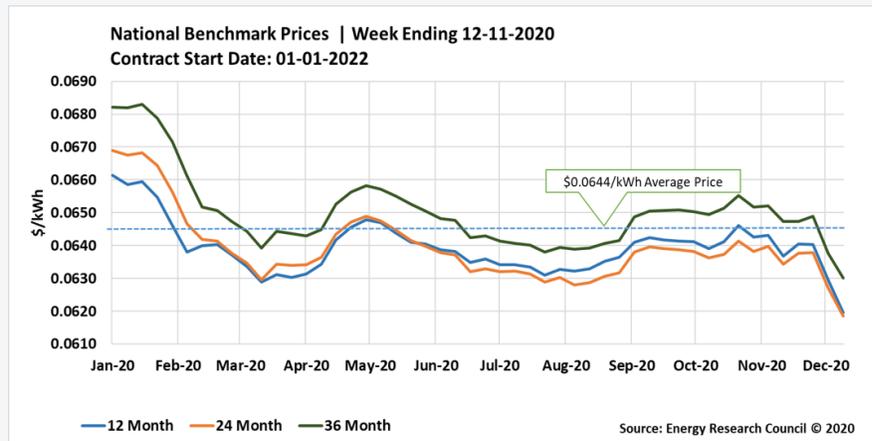
ELECTRICITY BENCHMARK PRICES & TRENDS

Power prices for commercial/ industrial customers resumed a declining trend that began in October, dropping last week by 1.82%, ending at \$0.0692/kWh. Power prices are now 3.1% lower than a month ago. Prices declined the most last week in Texas (-6.91%), Connecticut (-4.16%), and Maine (-4.55%).

The Energy Information Administration (EIA) forecasts that consumption of electricity in the United States will decrease by 3.9% in 2020. The EIA expects retail sales of electricity in the commercial sector to fall this year by 5.9%, with a decline of 8.8% in the industrial sector. January natural gas contracts ended last week at \$2.591 MMBtu. The prompt month climbed slightly

week-over-week, up about two cents. Henry Hub spot (cash) prices also trended upward last week to \$2.77/MMBtu. The EIA expects Henry Hub spot prices to reach a monthly average of \$3.10/MMBtu in January 2021, down from last month's January average of \$3.42/MMBtu. The lower projection is due to mild winter temperatures.

COMPETITIVE ELECTRICITY BENCHMARK TRENDS



MARKET DRIVERS

Last week domestic natural gas production declined slightly from 91.0 to 89.9 Bcf/d week-over-week. Natural gas production continues to be repressed by low prices and moderate demand, which is still being impacted by the pandemic. The EIA, however, expects production to begin rising in the second quarter of 2021 in response to higher natural gas and crude oil prices.

Working natural gas stocks edged up on mild weather last week, moving the year-over-year surplus to 9.0% and the surplus to the five-year average to 7.0%. The relatively high natural gas inventory for this time of year is due to warmer-than-normal November temperatures. The EIA forecasts that declines in U.S. natural gas production this winter (as compared to last winter) will more than offset the declines in natural gas consumption.

Total natural gas consumption increased by 11.5% last week, which was driven in part by a 9.4% increase in power generation (week-over-week). The EIA expects total U.S. natural gas consumption will average 79.4 Bcf/d in 2021, a 4.8% decline from 2020.

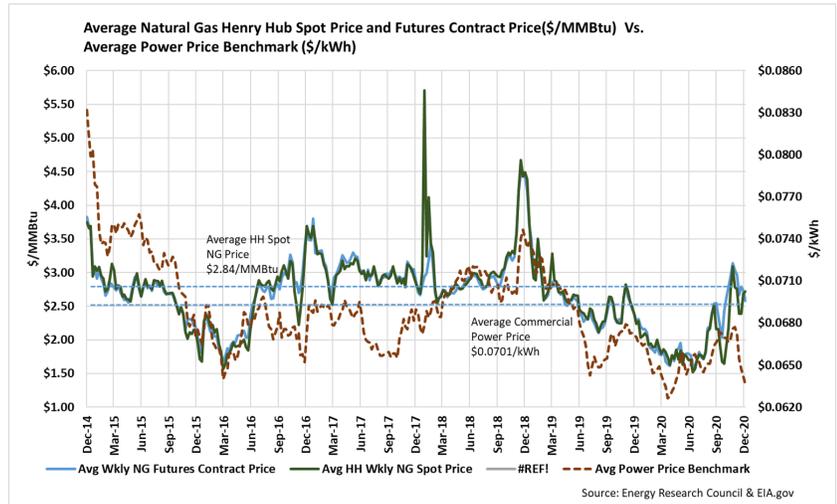
Liquefied natural gas (LNG) exports increased week-over-week. The EIA estimates that the United States exported 9.4 Bcf/d of LNG in November—the most for any month on record. The EIA forecasts that U.S. LNG exports will exceed 9.5 Bcf/d from December through February, and will average 8.5 Bcf/d in 2021, a 30% increase from 2020.

HH SPOT PRICE & NG FUTURES CONTRACTS

Week Ending 12-11-20		HH Spot Price		NG Futures Contract	
		\$/MMBtu	% Chg. WoW	\$/MMBtu	%Chg. WoW
6 months	7/29/20	\$ 1.77	-1.1%	\$ 1.85	2.8%
Last Quarter	9/25/20	\$ 1.90	-22.8%	\$ 2.14	-19.3%
Last Month	10/30/20	\$ 3.03	4.1%	\$ 3.35	12.8%
Prev. Week	11/25/20	\$ 2.47	11.3%	\$ 2.90	9.3%
Last Week	12/4/20	\$ 2.48	0.4%	\$ 2.58	-10.9%

NATURAL GAS STORAGE LEVELS

Week Ending 12/11/20	Storage	
	Bcf	%Chg.
12/11/2020	3,848	-2.3%
Last Week	3,939	0.0%
Last Year	3,539	-1.6%
5 year average	3,588	-1.7%



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