

The Advisor

Data-Driven, Holistic Energy Consulting



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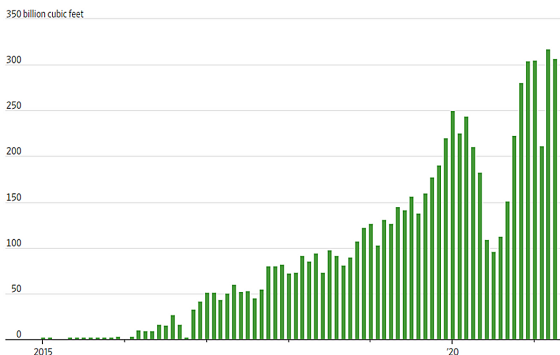
Market Moment

Above-average temperatures in much of the country and strong international demand continue to drive energy prices higher. Since our June update, Henry Hub natural gas spot prices have risen just over 10% while average forward benchmark prices for electricity are up 2.5%. Maine electricity prices led the way higher, up 5.8%, while New Jersey market conditions were essentially flat, up ½%, the smallest increase of the deregulated electricity markets.

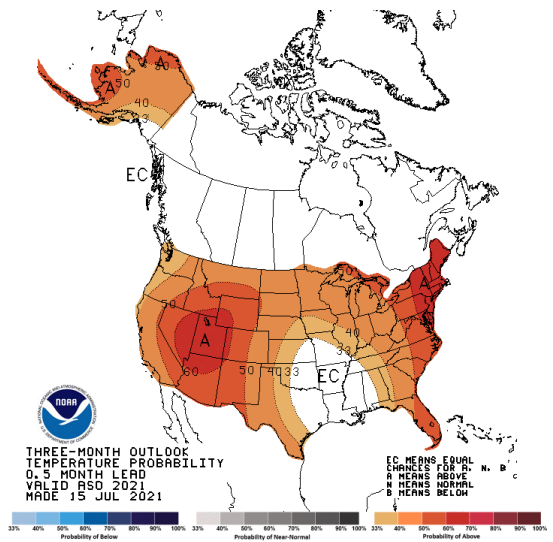
Driving Prices Higher:

Lower oil prices - OPEC+ countries agreed to raise production levels while the Delta variant is causing concerns about the economic rebound from COVID, both causing crude oil prices to fall. Lower oil prices can lead to less drilling for oil and ultimately less production of associated gases, such as natural gas and propane.

Monthly U.S. exports of liquefied natural gas



Source: Energy Information Administration



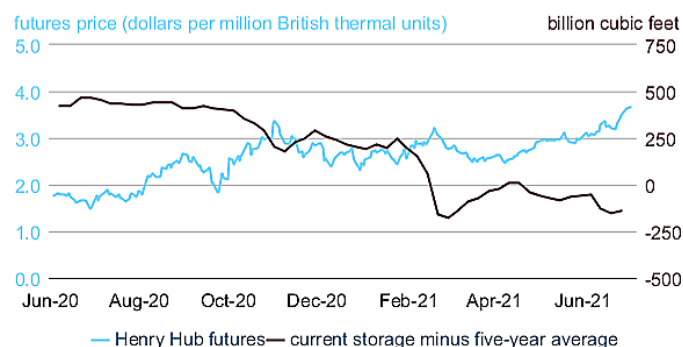
Record exports – Liquefied Natural Gas (LNG) terminals and natural gas pipelines to Mexico continue to operate near record levels at 10.5 Bcf/day and 6.5 Bcf/day, respectively.

Market Drivers

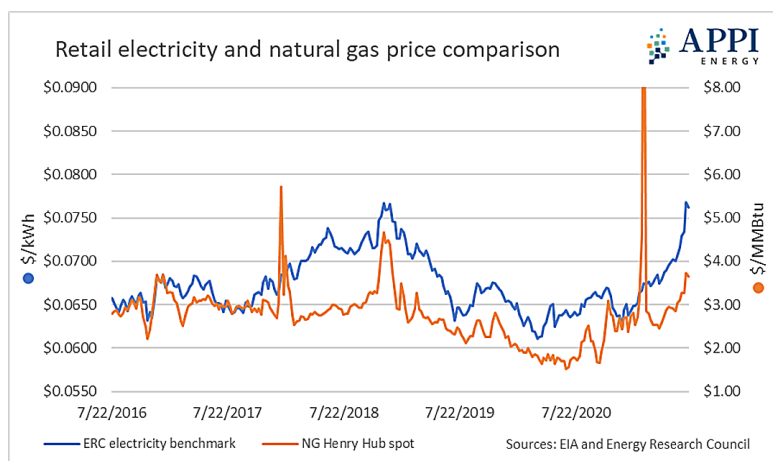
Driving Prices Higher Continued:

Natural gas storage – June was the hottest month on record for the U.S., increasing electricity demand and lowering weekly gas injections into storage. Storage levels are currently 17% lower than last year and 7% below the 5-year average.

U.S. natural gas front-month futures prices and storage deviation from five-year average



Source: Graph by EIA, based on data from CME Group, as compiled by Bloomberg L.P.



Driving Prices Lower:

Supply and demand projections for 2022 - Downward price pressure may appear in 2022 as U.S. natural gas production increases slightly and export growth slows. The U.S. Energy Information Agency predicts Henry Hub natural gas spot prices to average \$3.22/MMBtu this year and fall to \$3.00 for 2022.

Cost of renewables - Construction costs for utility-scale solar installations fell 3% while wind turbine costs were up less than 1% in 2019, based on the most current data available. In contrast, natural gas-fired generator costs rose 29% that same year.



Did You Know?

The U.S. produces approximately
90 Bcf/day
of natural gas, but roughly
20%
of it is exported to higher-priced
international markets.

All market data above is at the national level, but regional and local energy market conditions can vary widely. For an in-depth review of current energy market conditions impacting your organization, please contact our team of dedicated, expert Energy Consultants at 800-520-6685 or info@appienergy.com.

Solutions Center

What are Renewable Energy Credits (REC's)?

A REC is produced when a renewable energy source generates one megawatt-hour (MWh) of electricity and delivers it to the grid. REC's are certificates that transfer the environmental attributes of the renewable energy to the purchaser (you). In other words, paired with electricity from the grid, renewable energy is being generated on your behalf.

Renewable Energy Sources



WIND



SOLAR



GEOTHERMAL



SMALL HYDRO

REC's can provide numerous benefits to organizations, from reducing greenhouse gas emissions, to meeting renewable energy goals, to strengthening stakeholder relationships and differentiating your organization's brand and messaging.

For more information on the REC's process, check out our [video](#).

Interested in finding out how to purchase REC's for your organization? Contact an expert energy consultant at 800-520-6685 or info@appienergy.com



NEW!

Alternative Energy Management Case Study

Click [HERE](#) to view collateral

What's New?

[Click to read our latest article](#) providing insight on what exactly peak alerts are and how you can take advantage of their financial benefits.

Client Corner

“Before partnering with APPI Energy, we knew we needed a more favorable supply contract, specifically one that would help us meet our energy efficiency goals, but were unsure of the best path in getting there. By helping us to formulate what our future energy profile would look like, we were able to not only lock in a more cost-effective supply contract, but also to gain a better understanding from a budgetary perspective. Since day one, Oliver and the entire team at APPI Energy have been operating as an extension of our team, putting our best interests first and providing on-going energy solutions that align with our goals and needs. We look forward to where the future takes us with APPI Energy.”

William Valois
Vice President
Grow West MD, LLC

