

Energy Market Update

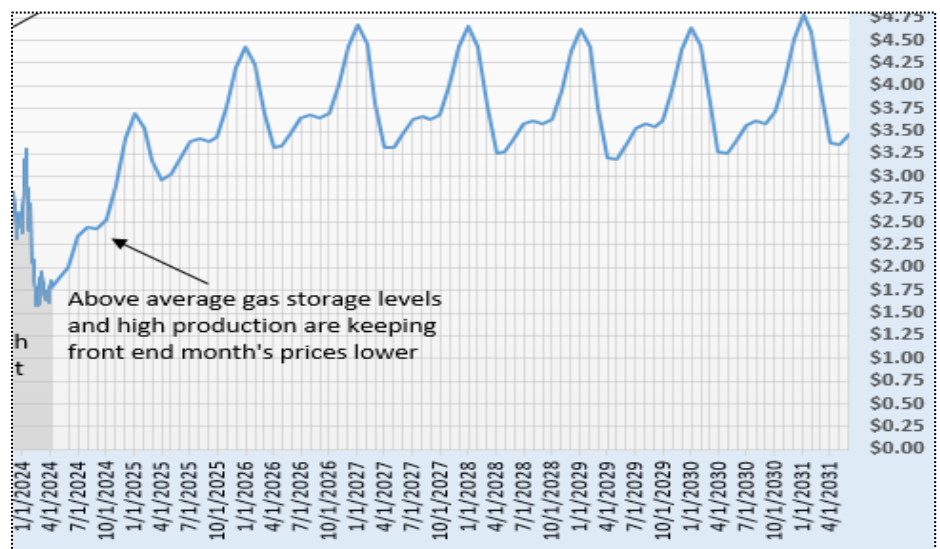
April 2024

Edge Insights energy experts are constantly monitoring energy market conditions to help ensure the best possible pricing and contract terms for our clients. The following report is a snapshot of current conditions intended to help our clients stay informed of market dynamics.

MARKET OVERVIEW:

Warm winter temperatures with high production and above expected storage have eroded natural gas market prices. Natural gas has been trading below \$2 for the near month on the New York Mercantile Exchange for a few weeks, but why are we not seeing very good term contract rates? During a similar market event in 2020, the prices trading out further on the market were considerably less. We are now seeing from late 2025 and beyond prices are much higher than in 2020. The average for 2025-2028 is \$3.69, substantially higher than the next 12 months. (The natural gas futures market chart below shows the monthly prices for years out through 2031)

Electric rates have also been affected in a similar manner due to the high amount of natural gas used to generate electricity. Another factor we must pay attention to is the fact that there has been an increased risk and cost to the electric grid due to climate related disasters such as extreme winter temperatures, floods, wildfires, tornados, etc. When you add political and geopolitical events, it demonstrates investors' expectations for higher prices in the future?



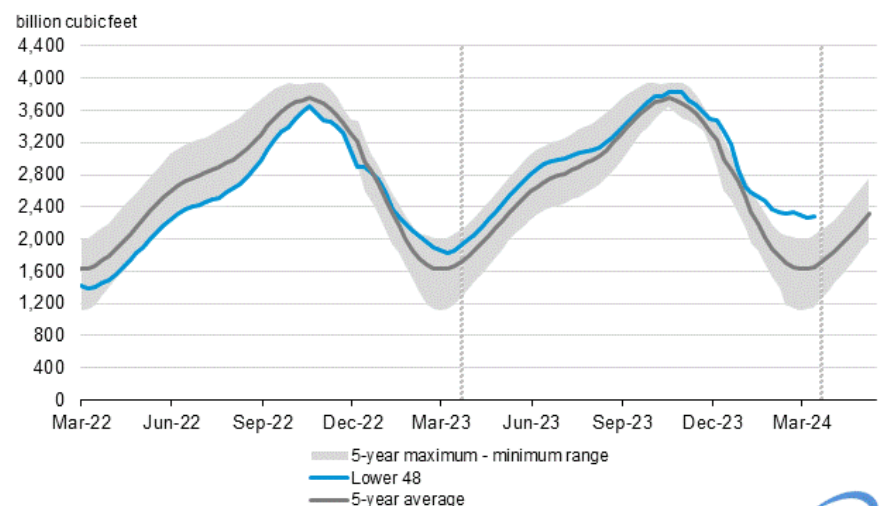
NATURAL GAS STORAGE UPDATE:

NOTE: Because of the low market we have been seeing a decline in natural gas wells. If a warm summer occurs, as forecasted, it may impact storage levels going into the next heating season along with market prices. We'll be watching this over the coming weeks.

The storage report for the week ending 4/5/24 shows a injection to storage of 24 billion Cubic Feet (Bcf). This puts levels above the 5-year average by 38.4%, and 23.5% or 435 Bcf above the same week last year. The current percentage of total capacity is 53% at 2,283 Bcf.

The April natural gas Monthly Settlement Price (MSP) was determined on March 26th at **\$1.575/Dth, down 4¢** from the prior month.

Working gas in underground storage compared with the 5-year maximum and minimum



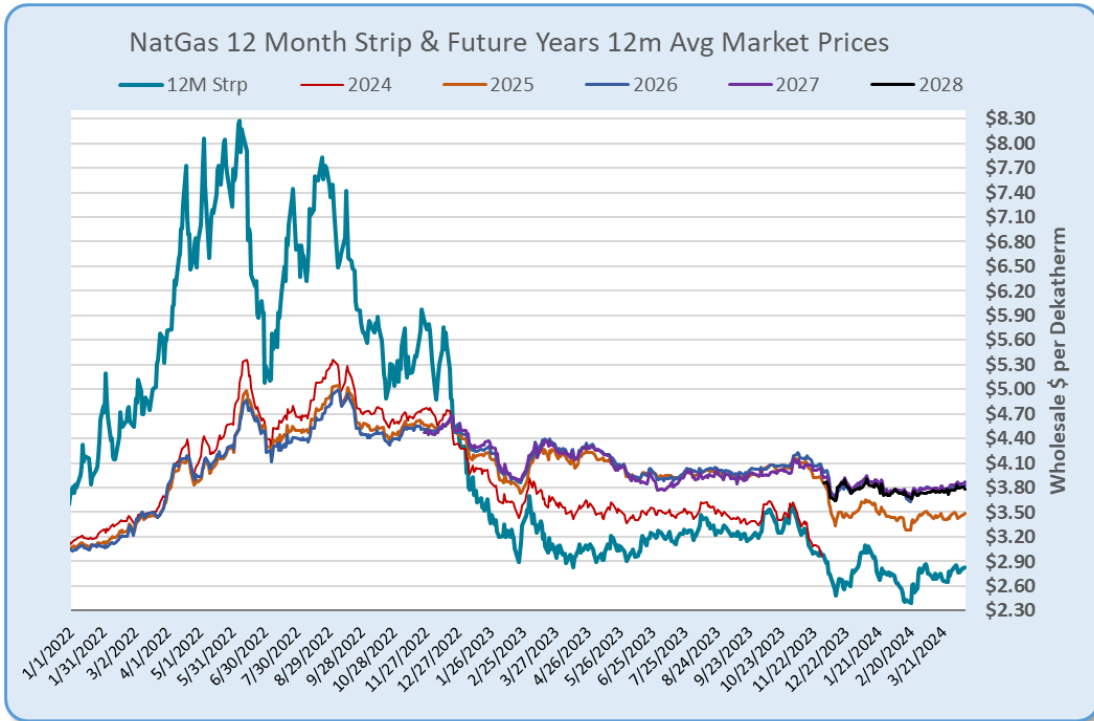
Data source: U.S. Energy Information Administration



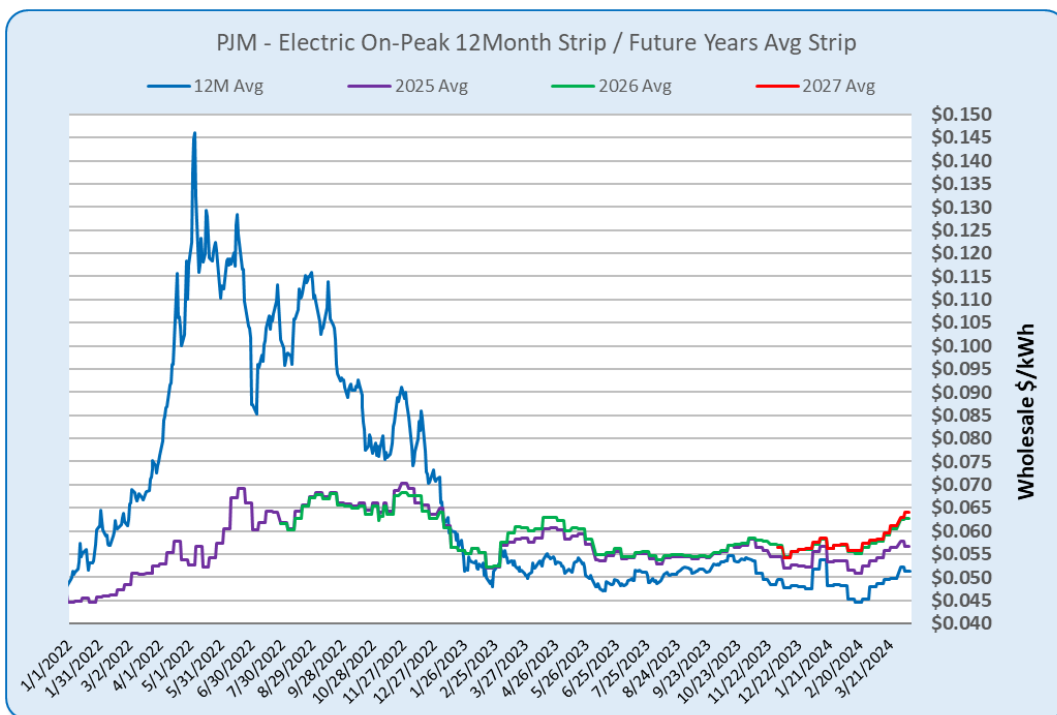
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The chart below shows the natural gas NYMEX Futures historic to current market average strip prices.



Electric Market 12-month average prices for current and future years shown in the chart below.



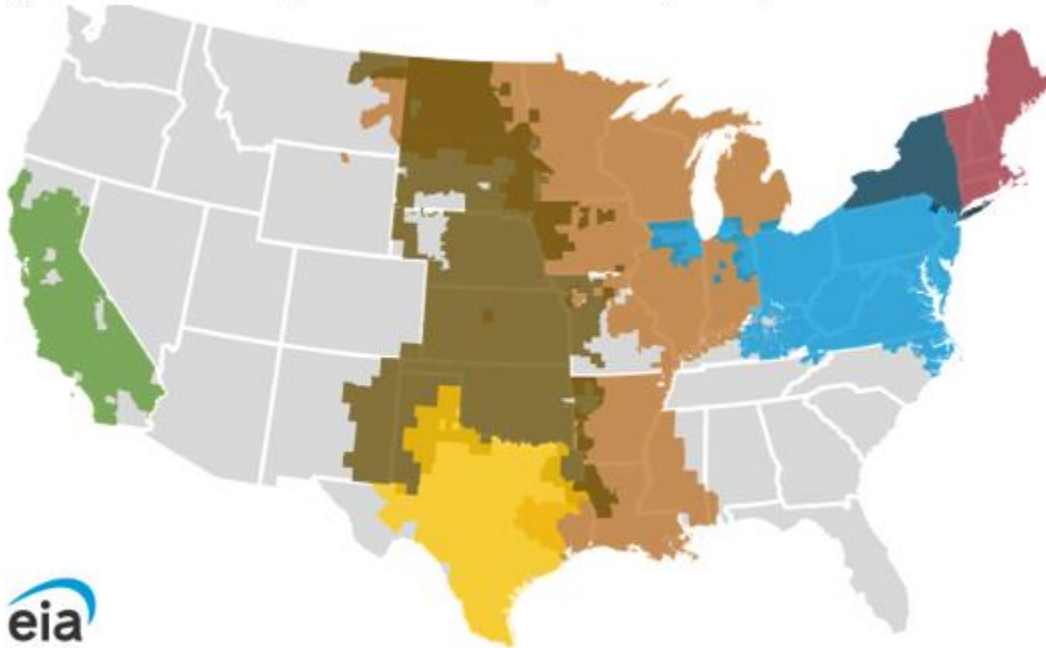
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ENERGY NEWS: APRIL 10TH, 2024, EIA.GOV INTRODUCED THE WHOLESALE ELECTRICITY MARKET PORTAL

The EIA.gov publicly released the new [Wholesale Electricity Market Portal](#) to help users examine and access electricity markets data in the seven Regional Transmission Organizations and Independent System Operators.

Regional Transmission Organizations and Independent System Operators in the United States



MARKET OPPORTUNITY:

The buying opportunity for energy is currently good. Short term pricing is less however longer terms will offer extended protection with high energy price uncertainty.

*The market opportunity is a ranking of how we perceive the timing of contract purchases for natural gas or electricity.
Information provided by the Energy Division of Edge Insights, Inc.*