

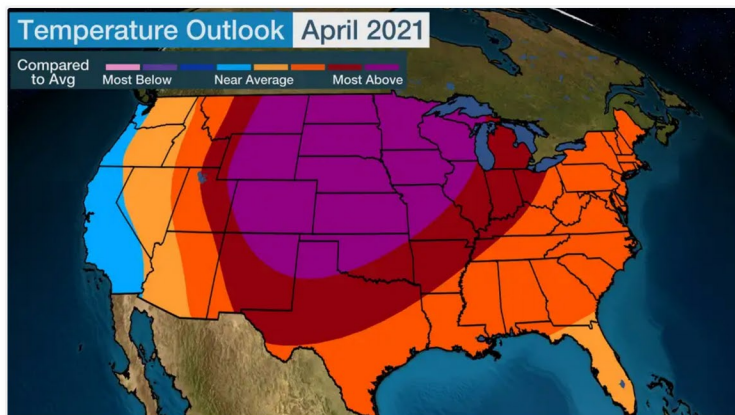
MARKET SUMMARY

BIGGEST FACTOR: PRODUCTION & STORAGE

As the U.S enters the natural gas injection season, short-term (12-month) contracts continue to carry a premium thanks to lackluster production and less than ideal storage.

WEATHER (NEUTRAL)

TAKEAWAY - The midwest will see the most above average temperatures while the western region will see near average.



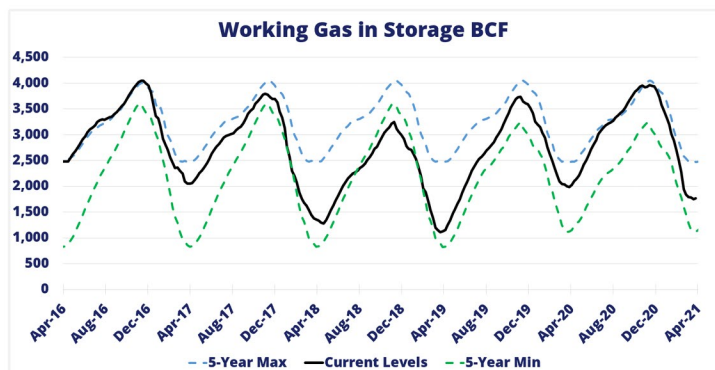
Source: The Weather Company

A notable drop in weather-driven demand expectations over the Easter holiday weekend helped send natural gas futures tumbling on April 5.

At least 30 lawsuits potentially worth billions of dollars have been filed in four states disputing responsibility for the massive electricity bills many Texans were hit with amid the freezing February weather that caused power outages and a natural gas shortage.

STORAGE (BULLISH)

TAKEAWAY - The first storage injection of the year came one week earlier than normal due to mild weather across much of the U.S.



Source: EIA

Summer-long pipeline maintenance will keep upward pressure on Southern California natural gas prices as capacity is limited.

PROCUREMENT TAKEAWAY

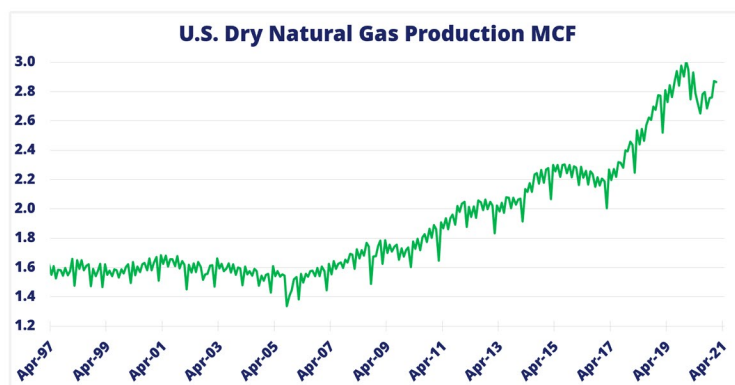
Last summer's heatwaves and this winter's severe storms have highlighted the need for regional expertise. Ecom-Energy can help assess the unique risk factors your facility should consider.

STORAGE (BULLISH)

Total working gas in storage as of March 26 stood at 1,764 Bcf, which is 225 Bcf below year-ago levels and 36 Bcf below the five-year average.

PRODUCTION (BULLISH)

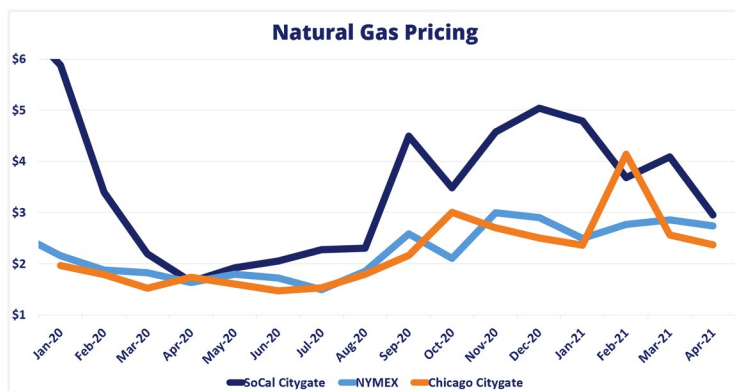
TAKEAWAY - U.S. gas production surged to a nearly 12-month high near the end of March as rising optimism in the oil and gas industry continues to fuel an expansion in drilling activity and upstream investment.



Source: EIA

Exports of liquefied natural gas (LNG) to China, Japan, and South Korea, the biggest importers of the fuel, have surged to record highs in recent months as the heavily industrialized region recovers from COVID-19.

PRICING



Source: EIA

IN THE NEWS

The Administration's \$2.25 trillion American Jobs Plan has generated mixed reactions from the fossil energy industry, as Biden is asking Congress to raise corporate taxes in order to accelerate the clean energy transition. "Placing a high tax burden on the oil and gas industry, including pipelines, hinders Texas producers' ability to deliver the energy the country needs."

Southern California Gas (SoCalGas), the largest gas utility in the country, has announced that it is aiming to ensure its operations and energy deliveries reach net-zero greenhouse gas emissions by 2045, the same year California is looking to entirely decarbonize its electricity.

U.S. coal-fired electricity generation in 2020 fell below both natural gas and nuclear powered generation for the first time since at least 1949. According to the EIA, low natural gas prices spurred lower utilization of remaining coal capacity. However, with natural gas prices expected to recover this year, EIA anticipates that coal generation will rebound for a time before beginning a slow decline through 2050.