

### MARKET SUMMARY

#### BIGGEST FACTOR: PRODUCTION & STORAGE

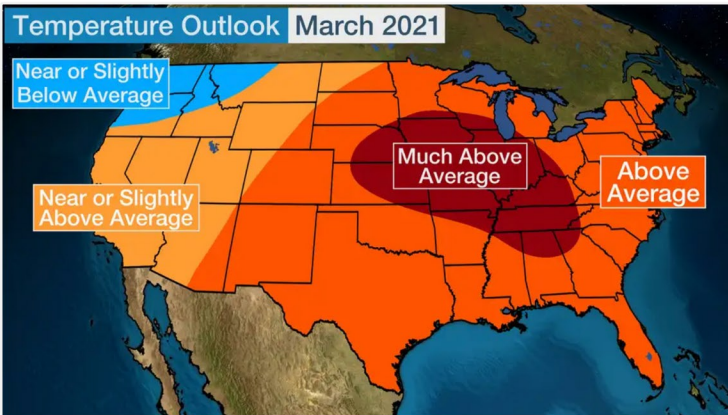
With production falling and storage near the five-year low, short-term gas deals are likely to carry a premium. Work with an objective expert like Ecom-Energy to get the most competitive prices available.

#### PROCUREMENT TAKEAWAY

February volatility proved the need to ensure your organization's risk tolerance is in line with its procurement strategy. Ecom-Energy can help quantify with expert risk assessments and analyses.

#### WEATHER (BEARISH)

**TAKEAWAY** - March temperatures are expected to be warmer than average over much of the Lower 48 states, a stark change from a record cold stretch in February.



Source: The Weather Company

Extreme weather mid-February caused a litany of issues with gas plants, reduced pipeline operations, outages, low operating pressures, and wellhead freeze offs. Combined with similar issues for wind and other generation sources, gas and power prices spiked up in key regions.

Spot prices for gas in Southern California hit up to \$195/Dth where prices in places like Oklahoma hit \$600/Dth.

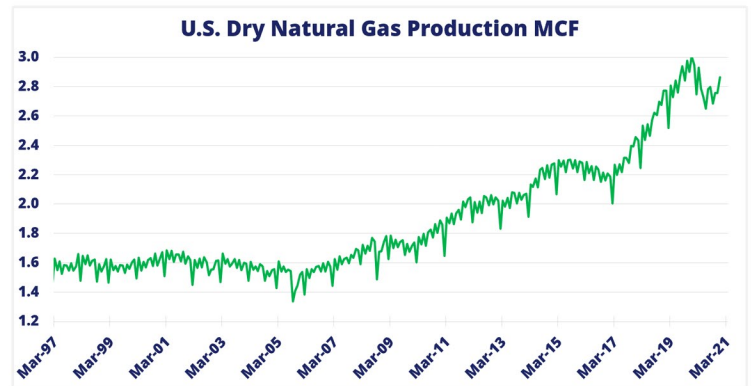
Early March saw prices drop 7 straight days as weather forecasts pointed to warm weather.

#### STORAGE (CONTINUED)

Working gas in storage was 1,793 Bcf as of March 5, 2021. This represents a net decrease of 52 Bcf from the previous week. Stocks were 257 Bcf less than last year at this time and 141 Bcf below the five-year average of 1,934 Bcf. At 1,793 Bcf, total working gas is within the five-year historical range.

#### PRODUCTION (BULLISH)

**TAKEAWAY** - Production from seven key U.S. regions is set to fall by 316 MMcf/d from March to April, extending a downward trajectory in projected output from the domestic plays that goes back to last year.



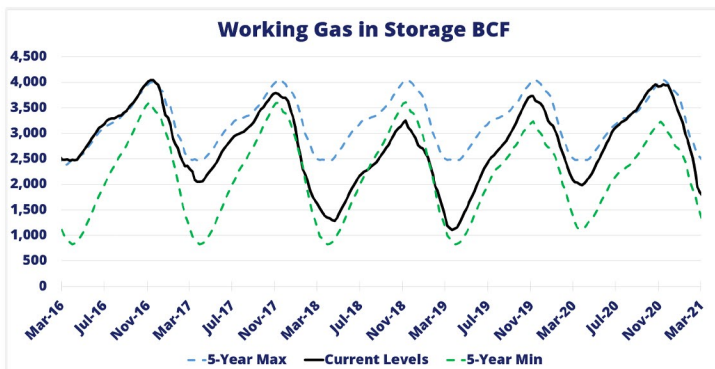
Source: EIA

After the extreme weather, Texas gas production fell by almost half.

Annual domestic gas production decreased by 1% in 2020.

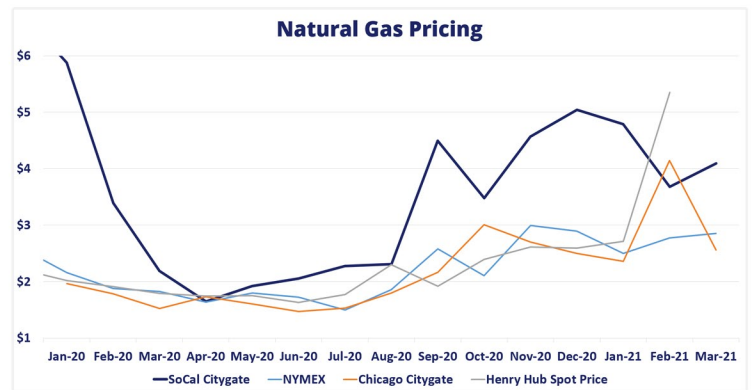
#### STORAGE (BULLISH)

**TAKEAWAY** - The winter weather phenomenon in mid-February saw 2 days of record-breaking gas delivery in the U.S.



Source: EIA

#### PRICING



Source: EIA

### IN THE NEWS

California's lottery process for Direct Access is coming soon. If you want to purchase your electricity away from the utility for better control, budget certainty, flexibility, and renewable energy options reach out to us.

The CA PUC has ordered the state's utilities to procure additional energy and capacity for the summer to avoid blackouts like last year. The costs associated with this will be paid for by all utility customers.