

The Advisor

DATA-DRIVEN, HOLISTIC ENERGY CONSULTING

In This Issue

MARKET MOMENT

A brief look at the current state of the energy industry.

SOLUTIONS CENTER

Timely updates on new advances in sustainable energy and technologies.

WHAT'S NEW?

The latest (and greatest) updates at APPI Energy.

CLIENT CORNER

Client spotlights, feedback, milestones, and more!

APPI ENERGY

p. 800.520.6685

e. info@appienergy.com

w. appienergy.com

a. 112 E. Market Street
Salisbury, MD 21811

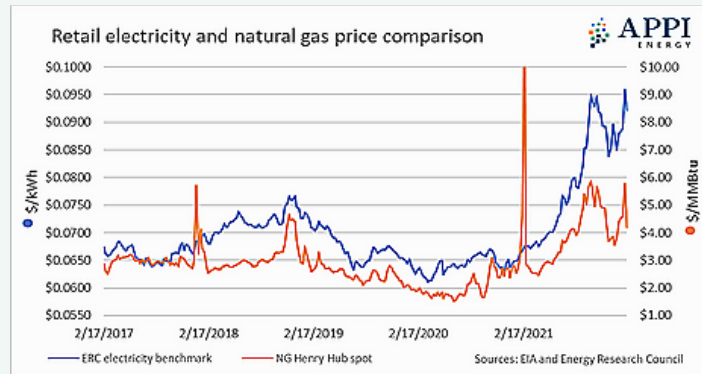


MARKET MOMENT

As we move closer to spring and warmer temperatures, natural gas spot prices at Henry Hub remain elevated but softened from January highs, falling nearly 12.5% since our last update. Benchmark electricity prices, however, moved nearly 4% higher during the same timeframe. Connecticut saw the smallest increase of the competitive electricity markets, up 1.5%, while forward pricing in the District of Columbia moved up nearly 7% (figure 1).

Retail Electricity & Natural Gas Comparison (2017-2022)

Figure 1



DRIVING PRICES HIGHER

Tensions in Ukraine – Potential Russian military action is elevating prices for natural gas and oil in Europe and increasing demand for relatively less expensive U.S. liquefied natural gas. Russia supplies about 33% of Europe’s natural gas and over 25% of its crude oil.

Cold January temperatures – Several rounds of cold Arctic air increased heating demand in large areas of the country while limiting natural gas production. Fortunately, Texas has not seen a repeat of last February’s extreme cold and widespread power outages.

Ongoing drought – Despite January’s heavy snow, drought conditions in the Southwest have made the last twenty-two years the region’s driest in nearly 1200 years, according to a study published in Nature Climate Change. Snowpack levels are now roughly 70% of historical averages and early indications for the summer do not offer many signs of relief.

DRIVING PRICES LOWER

End of winter in sight – Weather forecasts are turning warmer along with lower demand for heating. The increasingly longer days can reduce lighting load and increase solar production (figure 2).

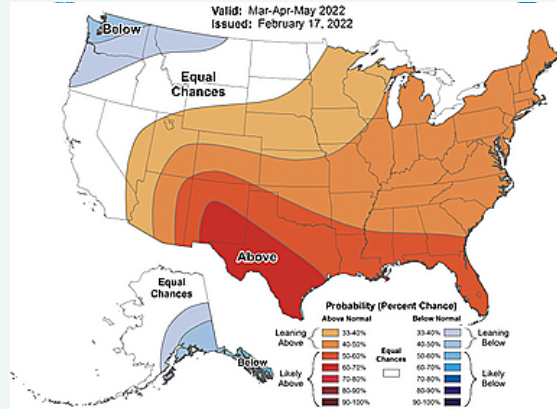
Increased natural gas production – Drilling activity is slowly increasing in response to higher prices for both crude oil and natural gas. EIA forecasts natural gas marketed production to increase to 104.4 Bcf/day this year (figure 3).

DID YOU KNOW?

Pennsylvania exports more electricity to neighboring states than any other state. Nearly **78 million megawatt hours (MWh)** of electricity generated in Pennsylvania was delivered to neighboring states in 2020, more than any other state. More than **230 million MWh** of electricity was generated in Pennsylvania, more than any state except Texas and Florida (figure 4).

Seasonal Temperature Outlook (Mar-May 2022)

Figure 2

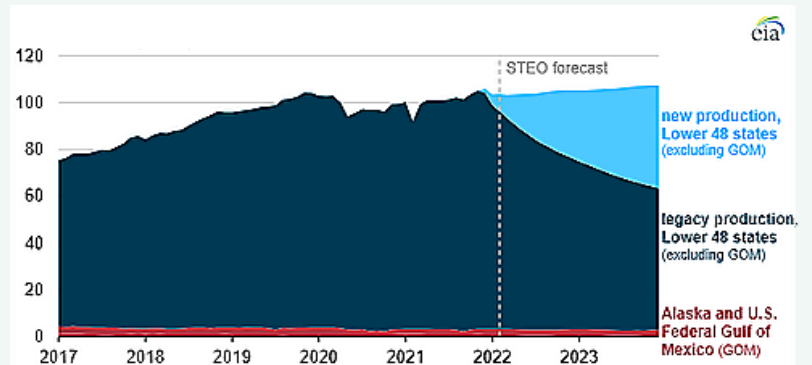


Source: National Oceanic and Atmospheric Administration

US Monthly Marketed Natural Gas Production

Figure 3

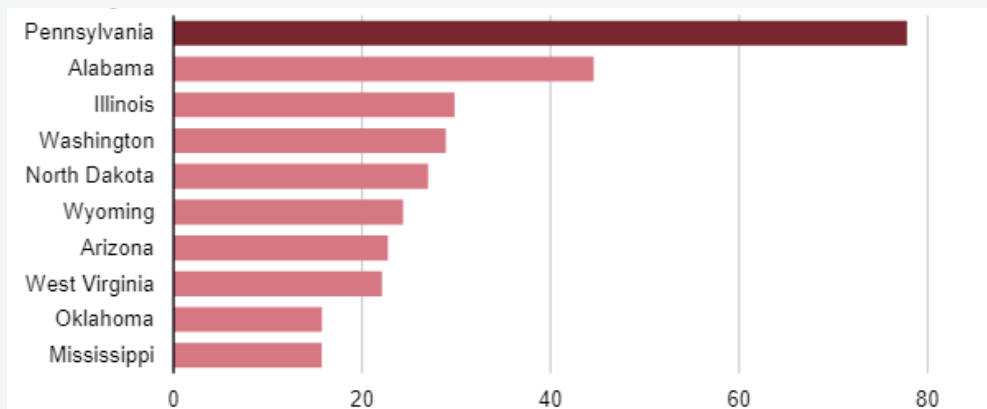
Jan. 2017 - Dec. 2023
billion cubic feet per day



Source: U.S. Energy Information Administration

Annual Electricity Exports From Selected States (2020)
million megawatthours

Figure 4



Source: U.S. Energy Information Administration



ENERGY INTELLIGENCE SUITE

Enterprise Energy & Utility Management for Multi-Facility Customers

An energy management system that automatically collects actionable data so you can measure, manage, and respond all in one program.

Key Benefits:

- ▶ Automated Utility Data
- ▶ Actionable Analytics
- ▶ Benchmarking
- ▶ Real-Time/Interval Data

[Read more on implementing the Energy Intelligence Suite for your organization >>](#)

WHAT'S NEW?

SERIES: Energy Usage in Manufacturing: The Current State of Energy

In this three-part blog series with Acuity Insurance, Michael Lewis, Senior Client Advisor for APPI Energy, highlights how the usage of energy in manufacturing is shifting and how manufacturers can make proactive changes.

[View Part One of the Series Here>>](#)



CLIENT CORNER



"We were referred to APPI Energy through the Illinois Bankers Association (IBA) and have been working with them since 2015. We've gone through multiple renewal processes with them. They reach out with ample time and recommendations, so the process is simple and stress free. Our consultant is always knowledgeable on the energy market and never pressures us to sign a contract unless the pricing is beneficial on our end. They've even recommended not signing and waiting until the market was in our favor. As we've expanded, adding accounts to our contracts has been easy and if there are ever any billing issues our customer service representative is on the case almost immediately. We are extremely happy IBA recommended APPI Energy and would recommend their services to any banks looking for energy solutions."

DANIEL KENNEDY
Senior Vice President, Operations
First National Bank of Waterloo

**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: 800-520-6685 or info@appienergy.com.*