

MunEnergy 2026 Spring Webinar

Agenda

Welcome & Introduction – Katie McCue, Deputy Executive Director, MMA

Energy Market Update – The War in Iran Impacts/Summer Preview – Brandon Fong, Principal, Commodities Management Group, Constellation

Meet Your Business Development Managers – Charlotte Diogo & Aiste Dacys, Business Development, Constellation

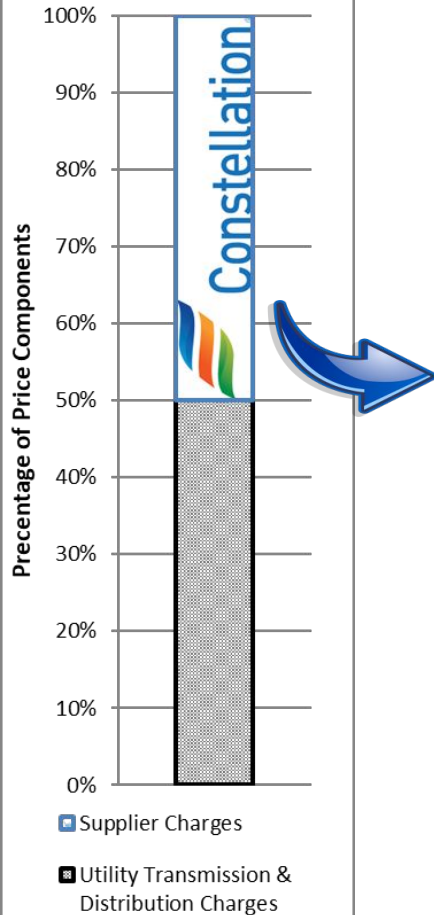
Questions and Closing



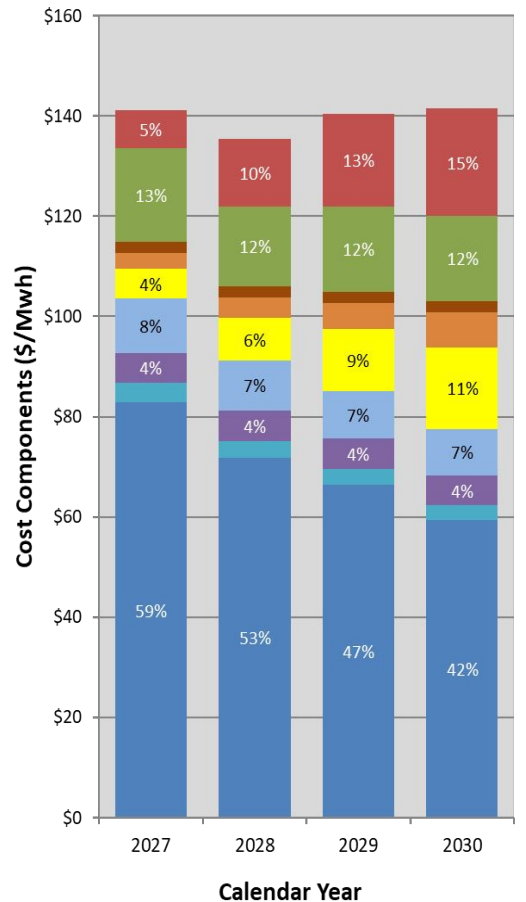
Massachusetts
Municipal
Association

What's In Your Electric Supplier's Price?

Estimated Electricity Bill Components



Estimated Supplier Price Breakdown in MA (Current)

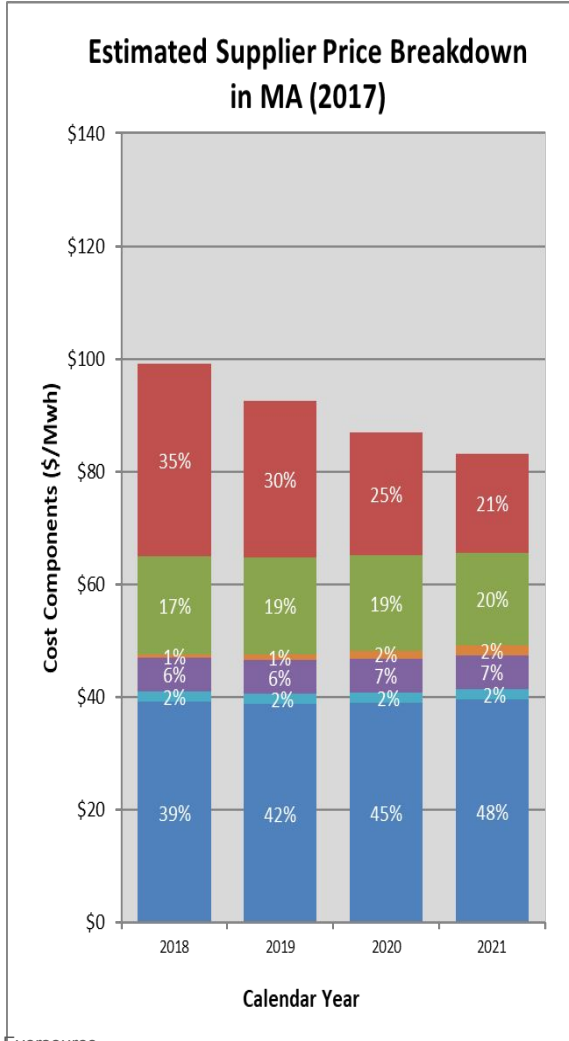


- Capacity** – Determined by prices set from independent system operator (ISO)-run auctions and customer capacity tag (peak usage). Designed to provide grid reliability and ensure enough generation available to the region.
- Renewable Portfolio Standards (RPS)** – Mandates set by individual states for load-serving entities (LSE's/Constellation) to purchase a certain amount of renewable energy. Determined by state regulated compliance percentages and the financial market for renewable energy certificates (RECs).
- Clean Energy Standard – Expansion** – MA state mandate for existing zero emission generation
- Clean Energy Standard (CES)** – Similar to RPS but a Massachusetts mechanism to incent new zero emission generation (ex. hydro & nuclear)
- Clean Peak Standard** – Mandate set by state of MA to incentivize renewable and storage power supply during peak periods.
- Day-Ahead Ancillary Services (DASI)** – An ISO-run ancillary service to optimize energy and reserves in the Day-Ahead market, designed to “materially improve operating reserve resource readiness, efficiency, and day-ahead price formation”
- Ancillaries** – Small administrative charges billed to load-serving entities by the ISO to operate grid safely and reliably.
- Line Losses** – Included to make up for the energy lost over transmission and distribution (T&D) lines due to heating
- Energy** – The cost of procuring the actual electrons transmitted through the T&D lines. Largely determined by cost of natural gas for New England.

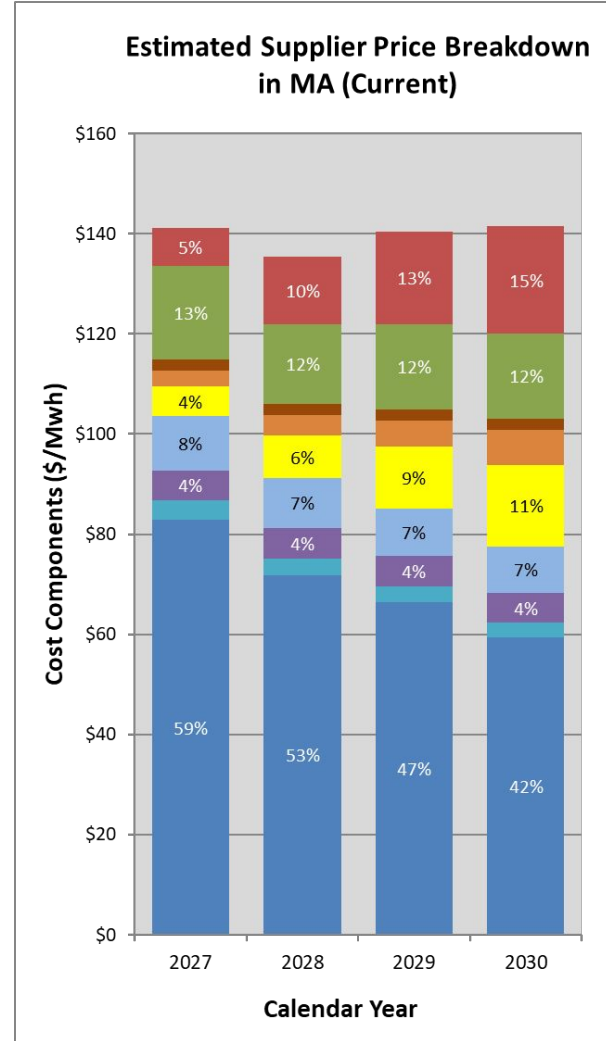
* Source: Proprietary Data, Eversource

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Supplier Stack 2017 vs. Today



Vs.



* Source: Proprietary Data, Eversource

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ISO New England Monthly Market Performance Report

Office of the Governor
Kelly Ayotte

Contact



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Press Release

For Immediate Release

Date: March 17, 2026

Contact

| Ayotte.Press@governor.nh.gov

Governor Calls for Millions in Savings at ISO New England

CONCORD, N.H. – Today, Governor Kelly Ayotte called for reforms to a regional electricity market rule that has driven up energy costs by hundreds of millions of dollars, urging ISO New England to act quickly to lower Granite Staters' electric bills.

Data from the region's Internal Market Monitor shows the Day-Ahead Ancillary Services (DA A/S) program has cost an additional \$921 million across New England since March 2025 — far more than the originally expected \$140 million.

Governor Ayotte is calling on ISO-NE to quickly implement recommended fixes to bring down electricity costs and protect ratepayers.

"Electric bills are through the roof, and New Hampshire families and businesses shouldn't bear these unnecessary additional costs," said Governor Ayotte. "New England's electric system needs to be reliable and affordable, and it must be reformed immediately to lower costs for Granite Staters."

Governor Ayotte continues to prioritize lowering electric bills. Earlier this month, her nominee to chair the Public Utilities Commission, Chris Ellms, was confirmed by the Executive Council with affordability as a "top priority". The Governor has also directed the New Hampshire Department of Energy to work with legislators, experts, and stakeholders to pave the pathway for next-generation nuclear power in the Granite State.

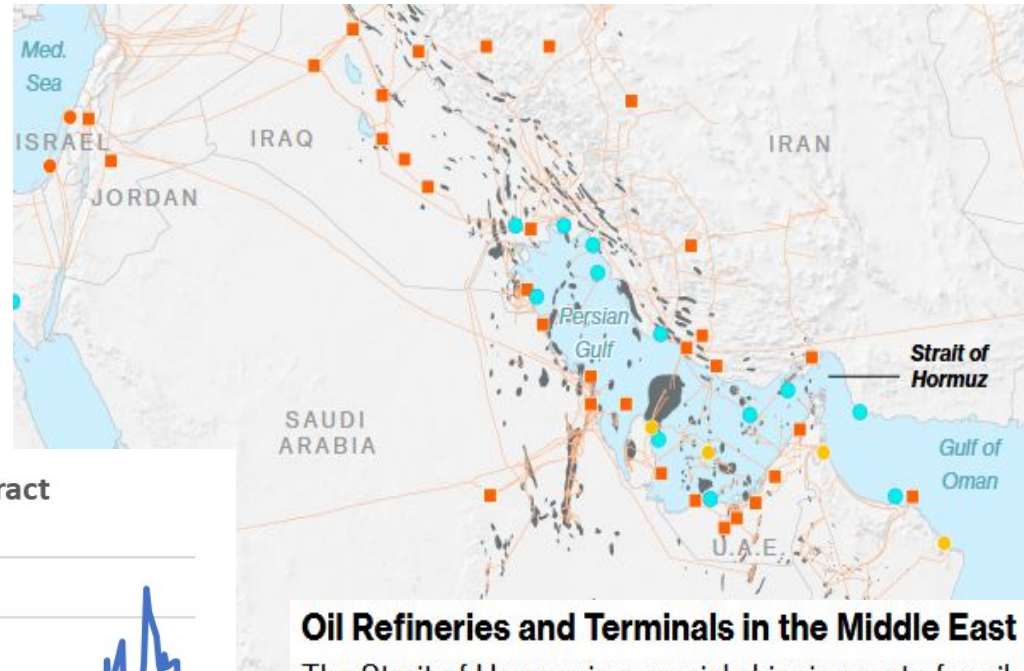
*** LSE billed costs from ISO-NE are based on hourly load so supplier actuals will deviate from reported system-wide reported costs**

Source: ISO New England



Global Natural Gas Prices Drop 20% on Ceasefire Deal

- The Strait of Hormuz cargo passage, in which ~20% of the world's crude oil and LNG exports pass-through, "possible" under 2-week ceasefire deal.
- While still early, we have yet to see any actual ships move through the Strait.
- Prices have responded favorably to the deal with the Dutch TTF now only about ~\$2 higher than pre-war levels.



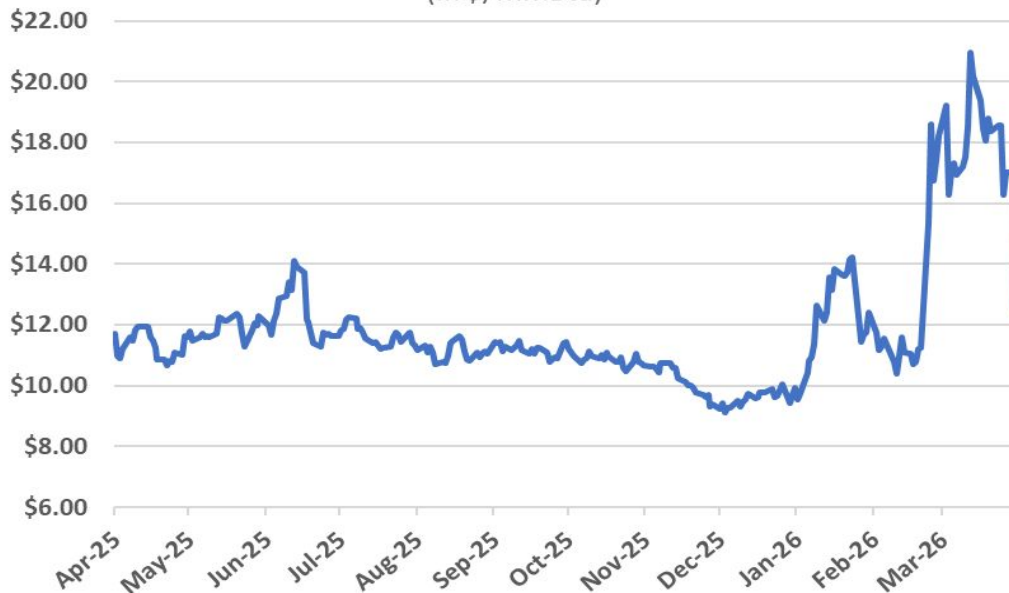
Oil Refineries and Terminals in the Middle East

The Strait of Hormuz is a crucial shipping route for oil

- Oil refinery, gas processing plant
- Oil terminal
- Oil, gas field
- LNG export terminal
- Oil, gas pipeline

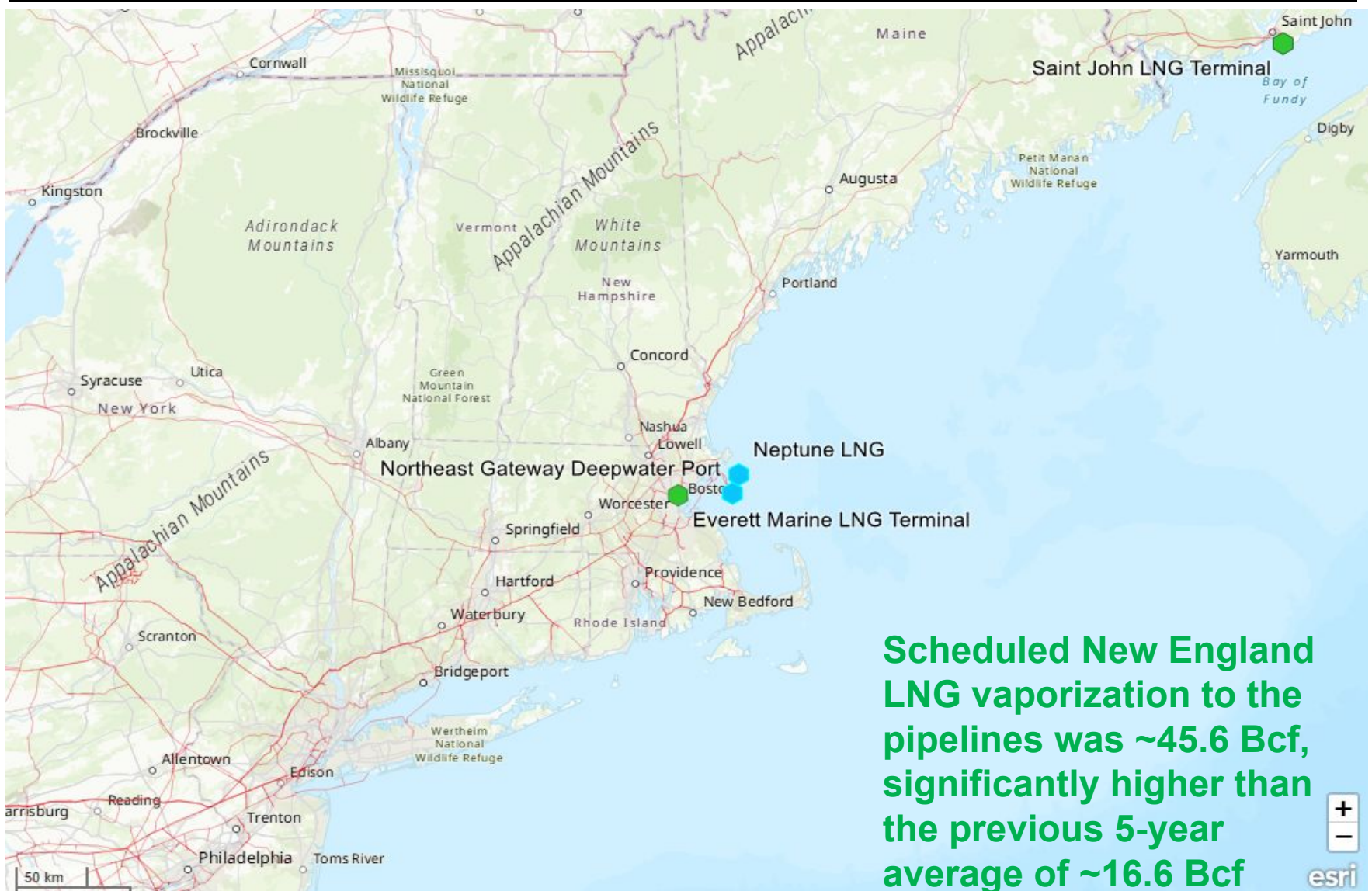
Customer Takeaway: The ceasefire deal will alleviate the immediate global energy supplies crunch but LNG demand in Europe will persist. Storage needs to be refilled and competition for cargoes with Asia could still bid up prices as we progress through the year

Dutch TTF Natural Gas Prompt-Month Contract
(in \$/MMBtu)



Sources: Constellation, Bloomberg

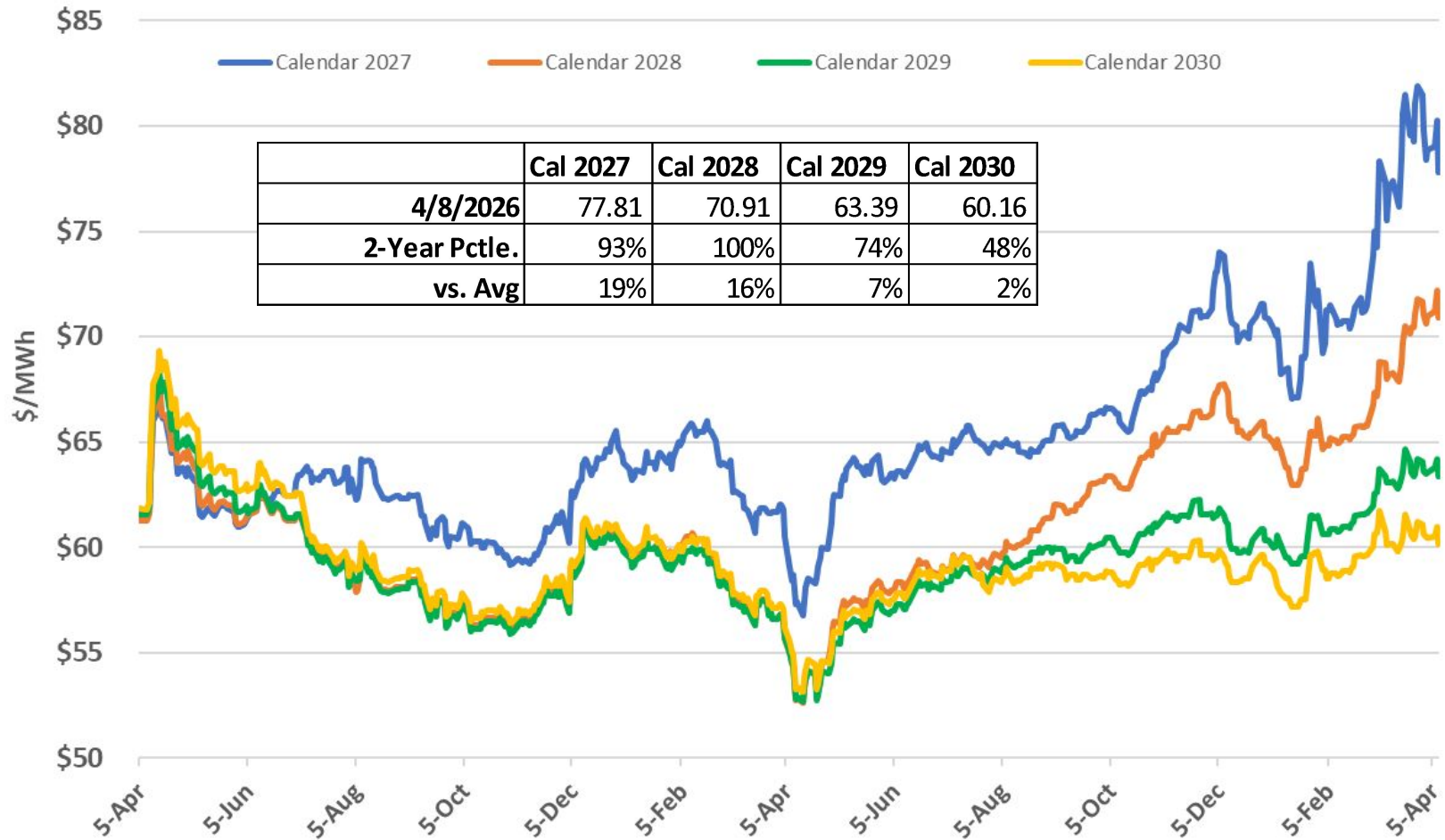
Northeast Fuel Constraints Tie Energy To Global Prices



Sources: Constellation, S&P Global, ISO New England

New England Historical Power Pricing – 2 Year Lookback

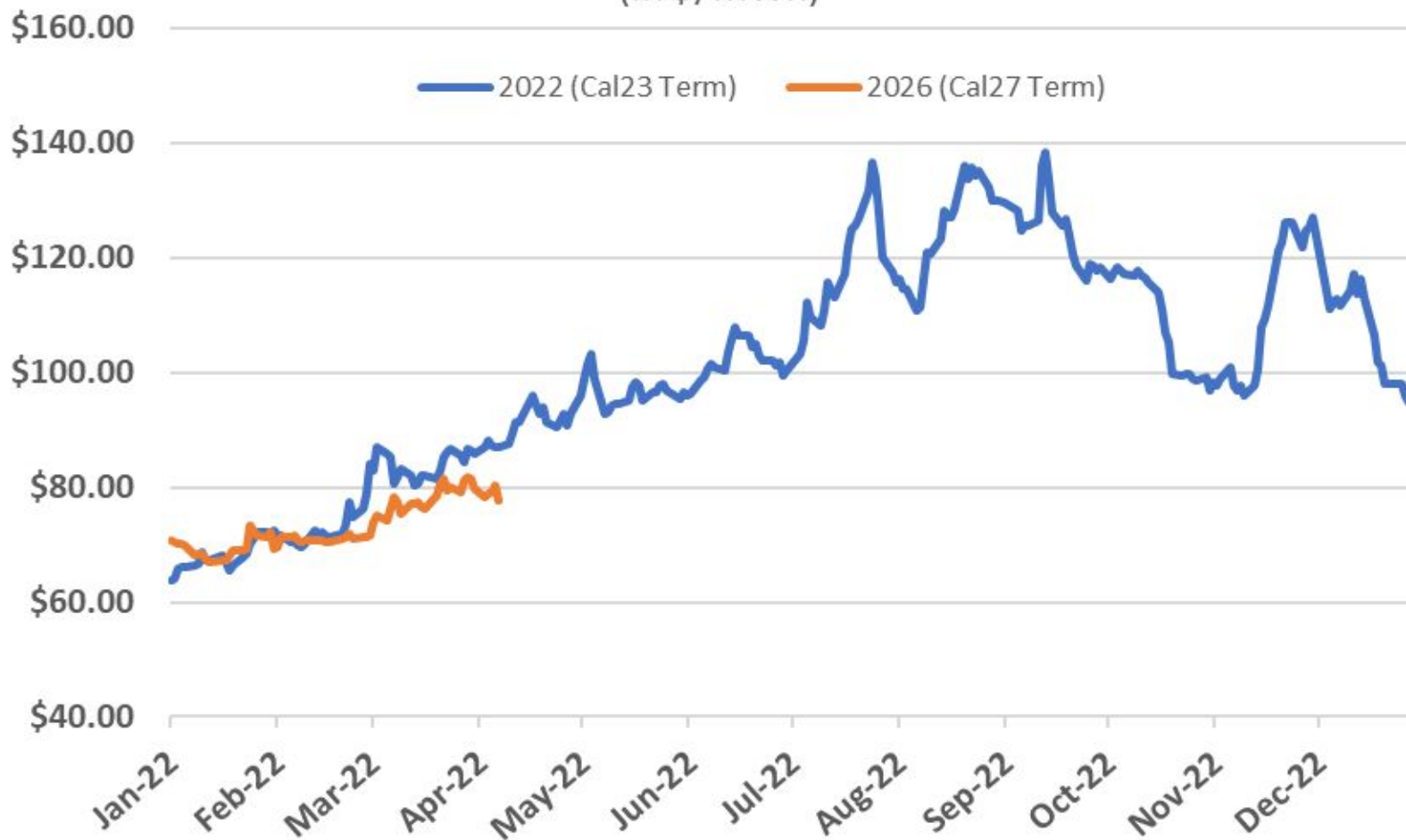
ISONE Mass Hub Historic Calendar Strips



Source: Constellation

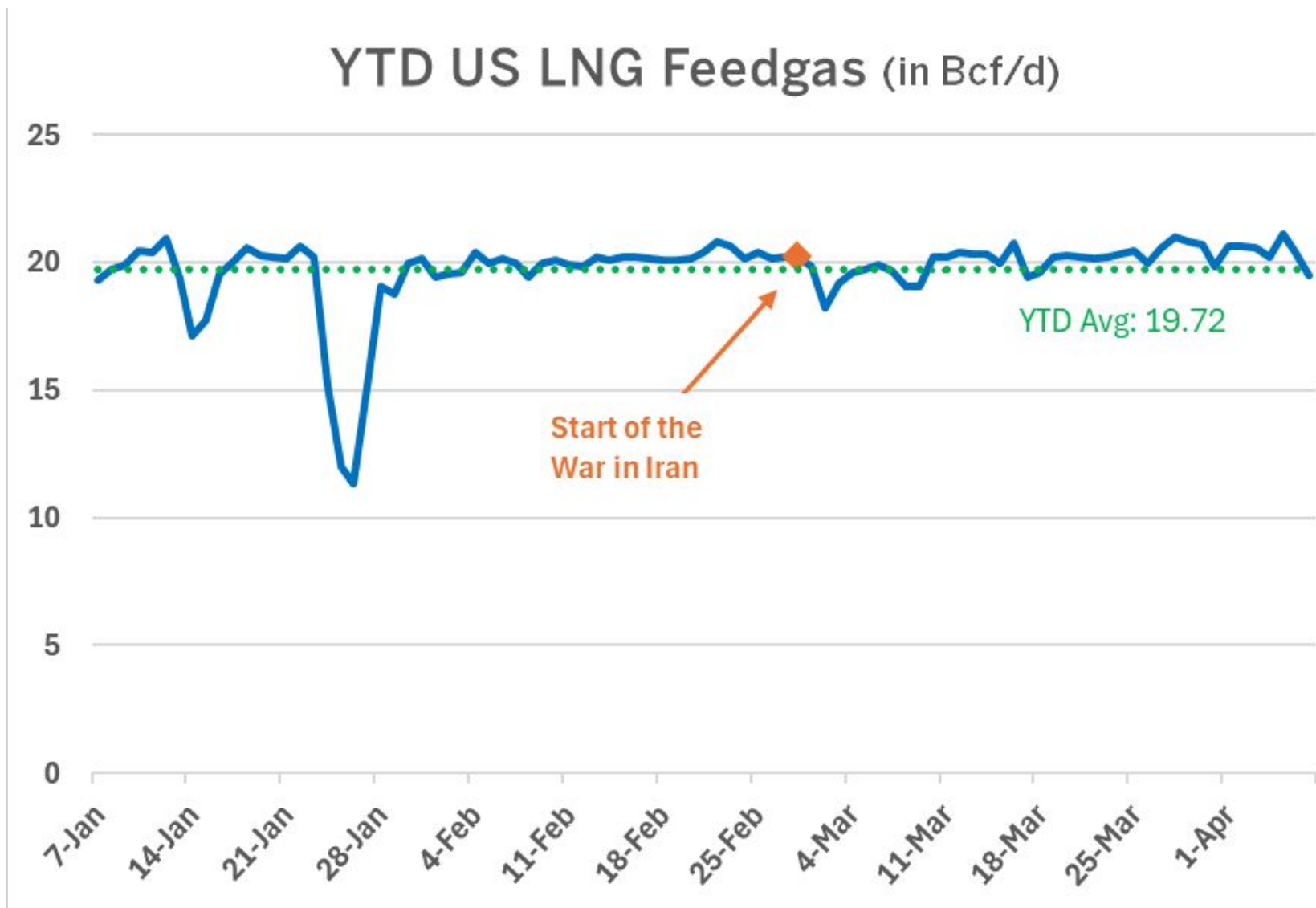
Déjà... '22?

New England Energy Only - Prompt Calendar Year (in \$/MWh)



Sources: Constellation

LNG Exports Already Maxed Out



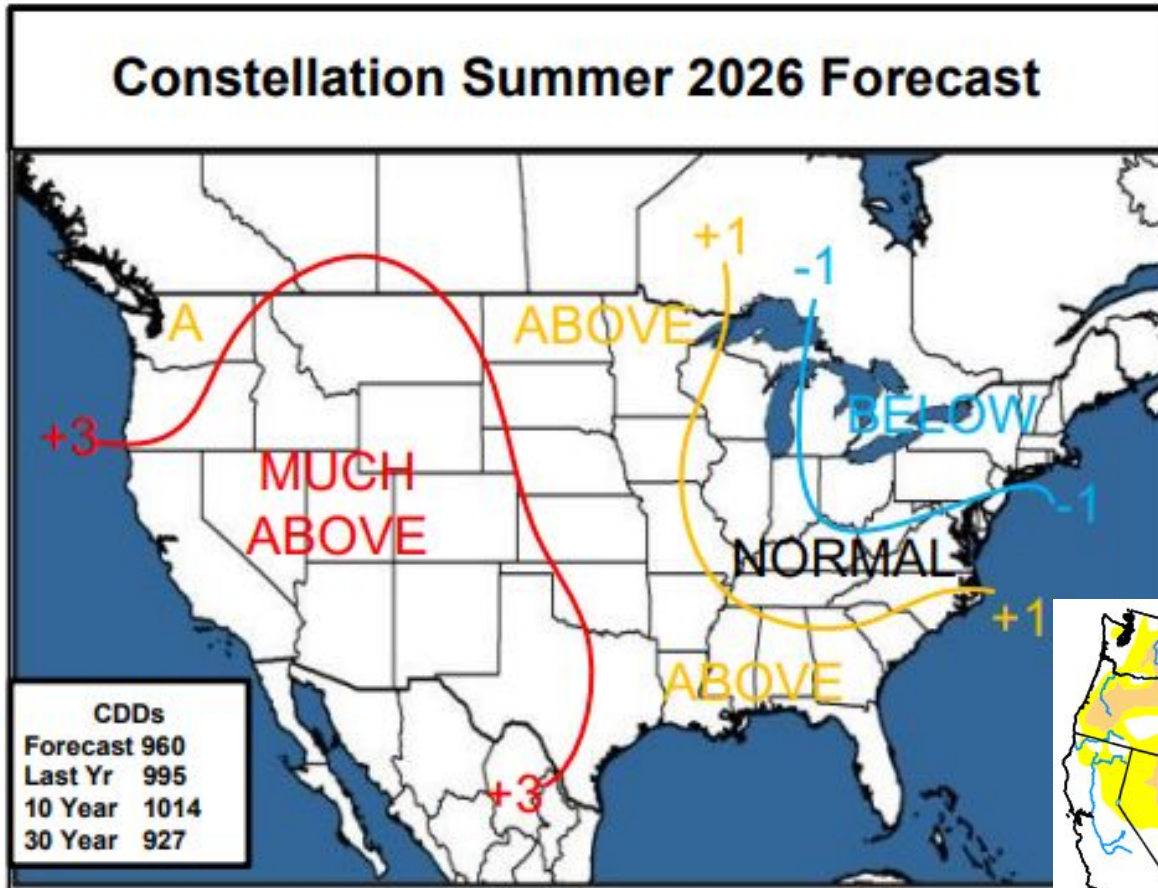
Sources: S&P Global, Constellation

NYMEX Natural Gas: Prices Sink Further After Deal Made

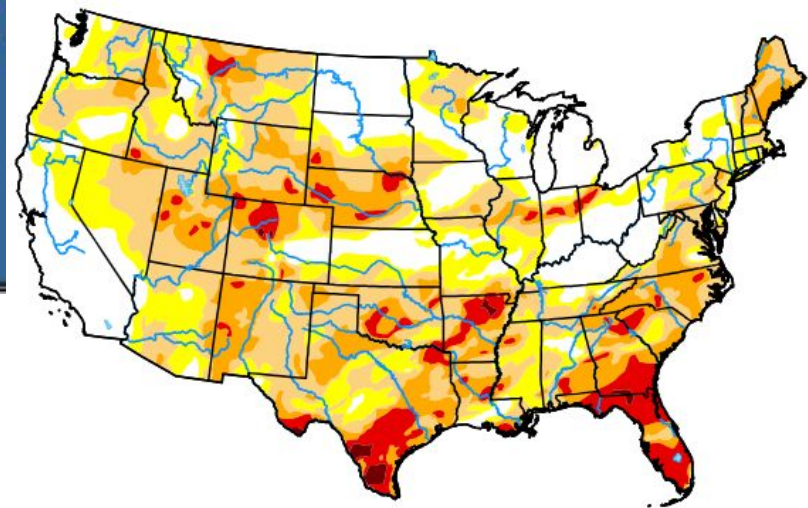


Source: Trading View

Transitioning El Nino and Drought Shape Forecast



- Overall forecast confidence is lower than usual this summer, stemming from a combination of a transitioning ENSO signal, higher than normal drought levels and average matching analog years.
- The lowest confidence is in the East where some drier signals are present.



- Despite the drought, a cooler outcome is possible for the Plains and East

Source: Constellation, NOAA

National Weather Service Summer Forecast

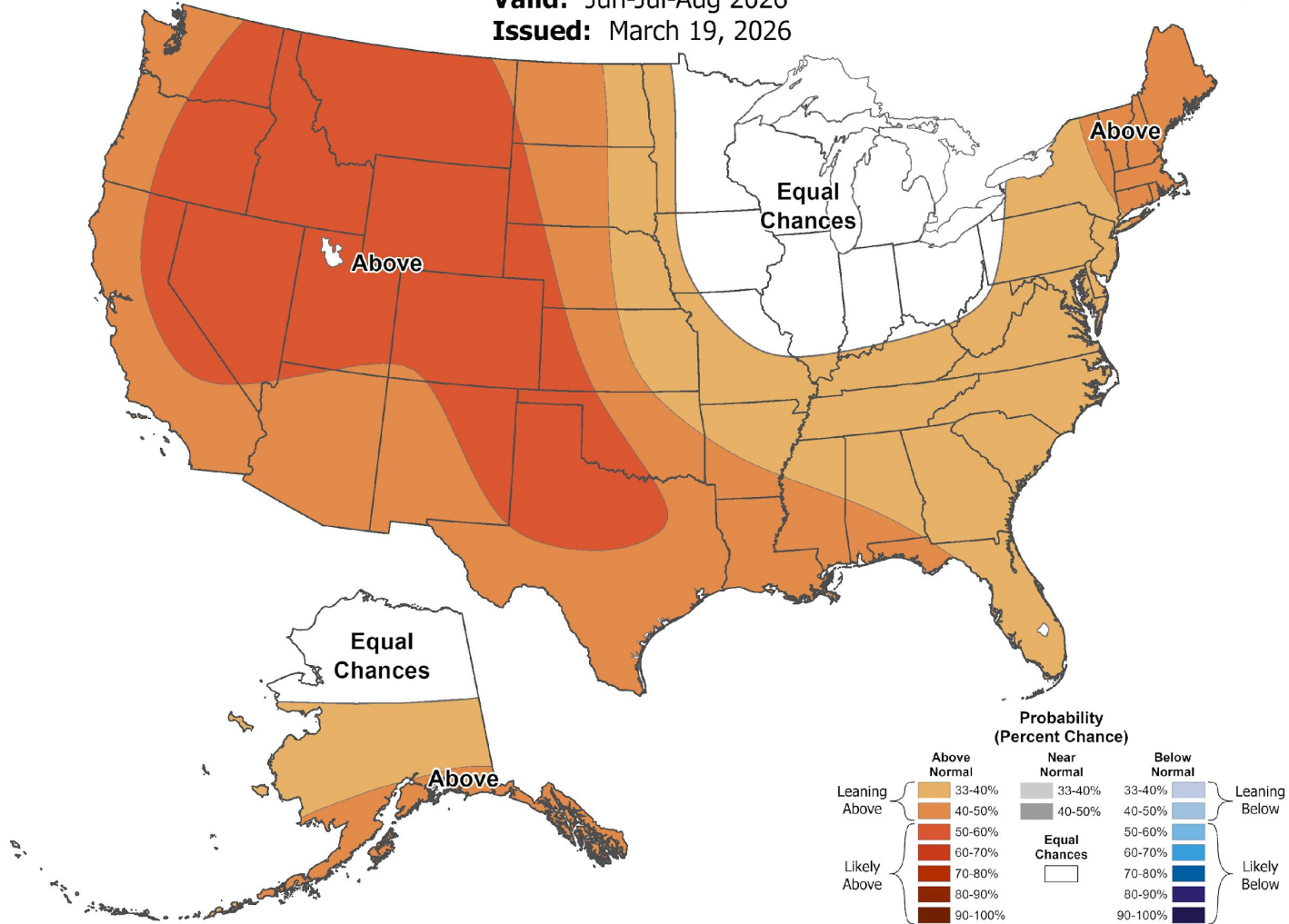


Seasonal Temperature Outlook



Valid: Jun-Jul-Aug 2026

Issued: March 19, 2026



Source: Constellation, Vaisala X Weather

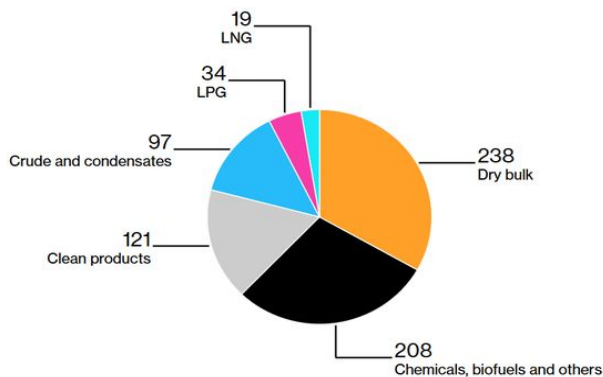
Oil Prices Also Drop After 2-Week Deal Cut

Brent Crude Oil Prompt Month (\$/bbl)



Most Trapped Vessels Are Carrying Oil, Fuels and Gas

With ships unable to leave the Persian Gulf, energy prices have surged



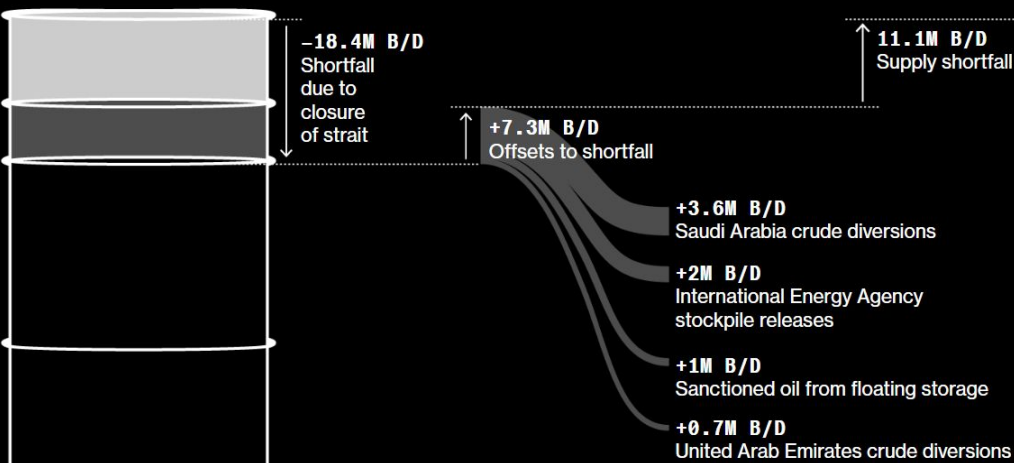
Note: Data as of April 7. "Others" refer to tankers carrying dirty petroleum products, chemicals and biofuels. Data here does not include containerships, general cargo ships, barges and other utility vessels. Source: Kpler

Sources: Bloomberg

Disruptions in Oil Flow Since Strait of Hormuz Closure

106.9M BARRELS A DAY

Avg. global supply in Jan. and Feb.



- On April 5, OPEC+ announced further production hikes, of 206 thousand bbl/d, from the original 1.65 million it agreed to beginning in May that was announced back in April 2023.
- Still several questions need to be answered during and after the 2-week ceasefire deal.

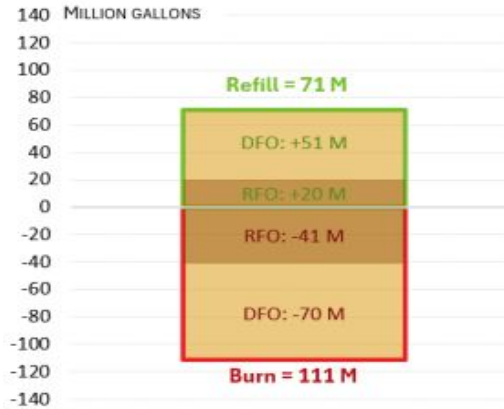
- Will mitigation measures be pulled back?

Customer Takeaway: The looming question following the ceasefire deal is what is the long-term prospect for oil prices now. Will/can it return to pre-war deals or does lasting infrastructure damage tighten the market in the long-term?

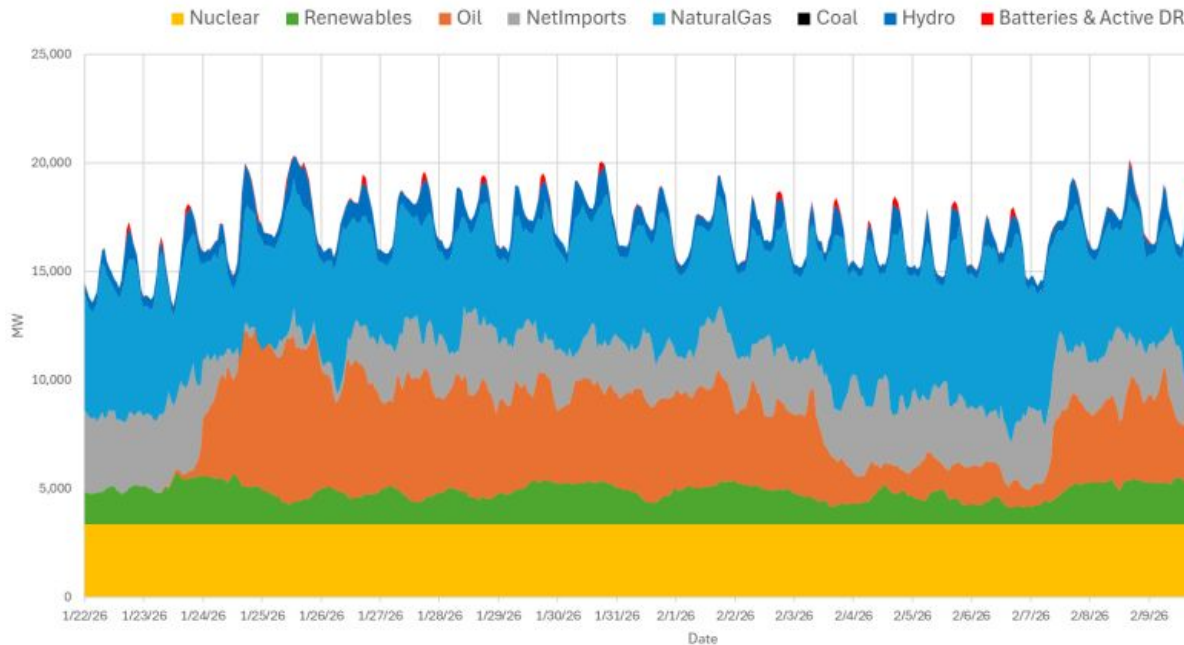
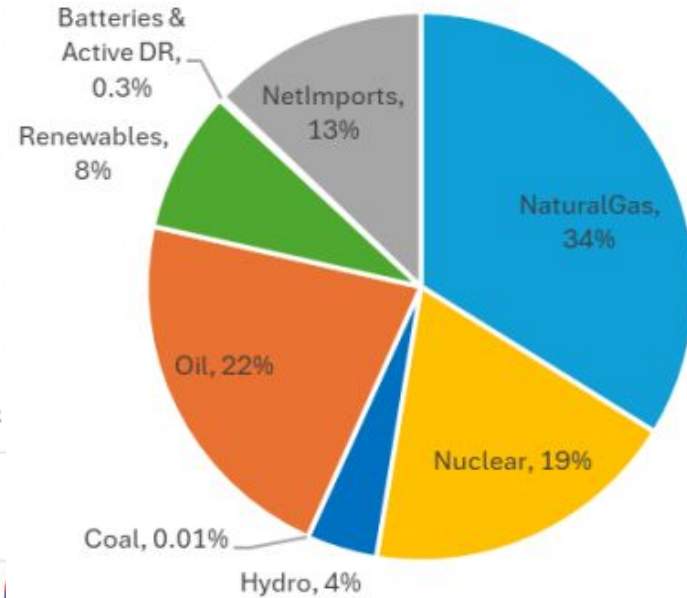
Oil Burn/Generation Key During Cold Period

- Total ISO New England oil burn for Jan 23 – Feb 10: 111M gallons, 71M refilled
- Jan 23 – Feb 10 Grid Mix: 22% Oil, 34% NG

Total oil burn & refill, 1/23 – 2/10/26



Jan 23 – Feb 10 Energy By Source

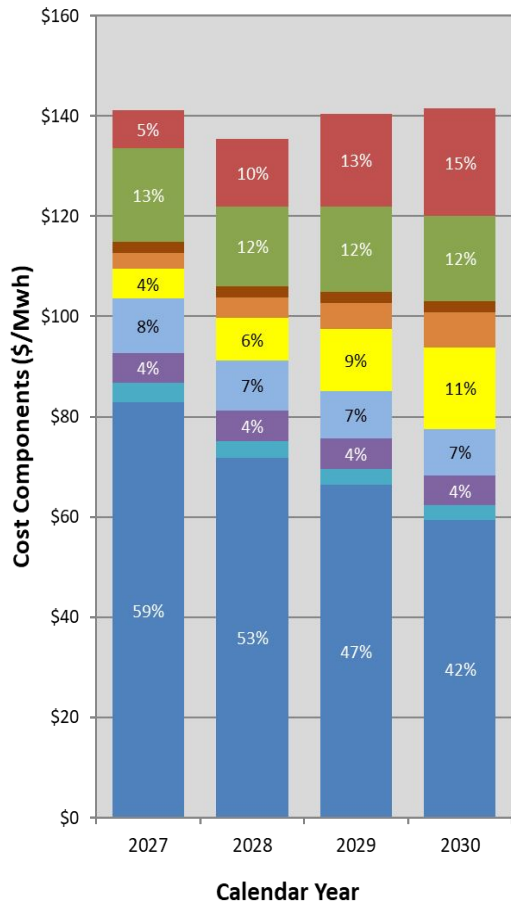


Source: ISO New England



Layering Strategy

Estimated Supplier Price Breakdown in MA (Current)



Initial lock-in of non-energy components

Layer energy over time

Capacity – Determined by prices set from independent system operator (ISO)-run auctions and customer capacity tag (peak usage). Designed to provide grid reliability and ensure enough generation available to the region.

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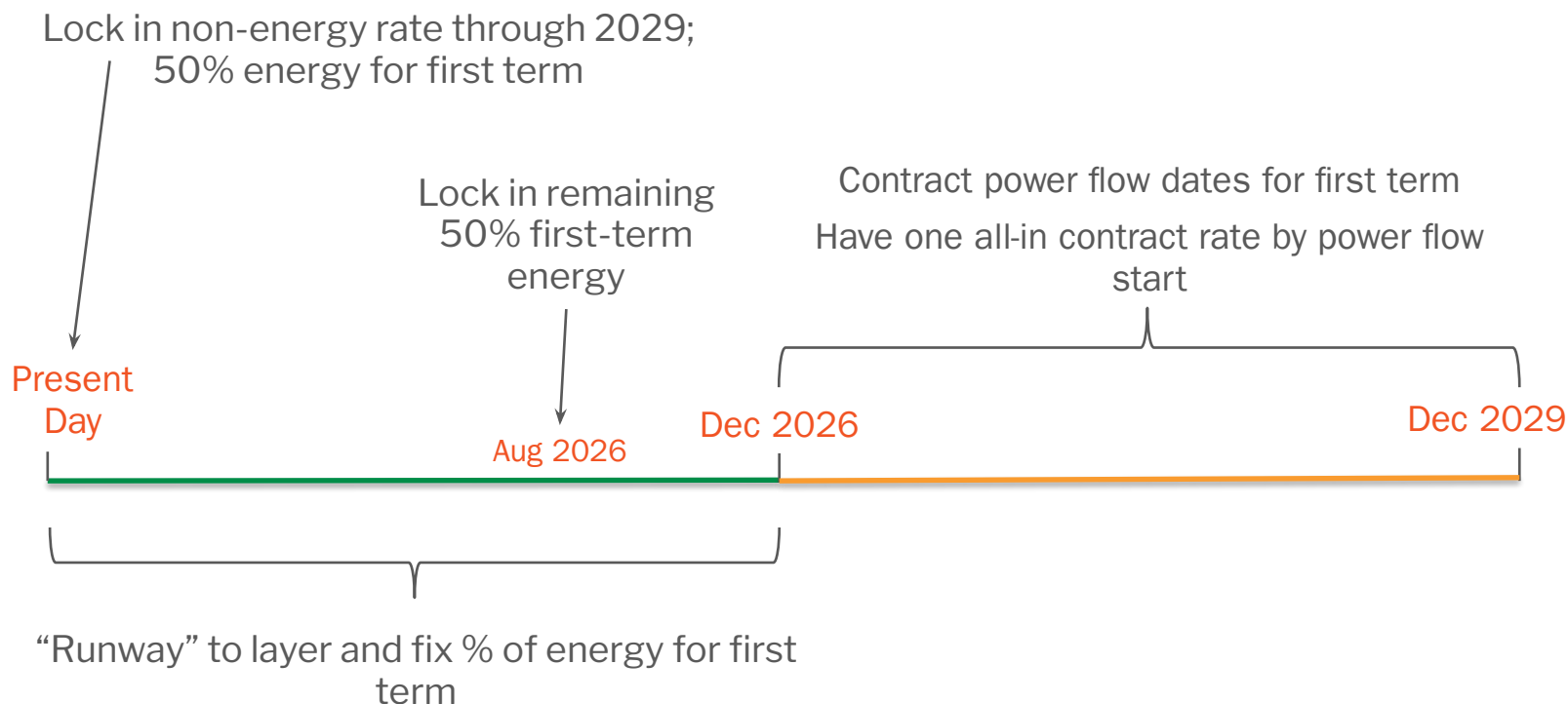
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* **Source:** Proprietary Data, Central Maine Power

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How To Time Your Layering Strategy



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MMA MunEnergy Program Benefits

Price is only one criteria when reviewing and comparing quotes for energy procurement

- The MMA contract has been **negotiated and carefully vetted by the MMA's municipal energy attorney** who specializes in municipal energy issues, and is available for questions about the benefits of their fully-vetted energy contract **at no cost**.
- Chapter 30b
- Ability to **add or delete accounts without penalty** (add 15% usage at same contract price during the term of the contract) without penalty during the term of the contract as long as one account remains active.
- Ability to **add solar, wind and other co-generation** during the contract term **without penalty**.
- **No bandwidth/penalty for variations in usage** over the contract term.
- **55-day payment terms**
- Utility billing for Fixed price contracts.
- **Dedicated Business Development Manager** (BDM) to help cities and towns manage their energy costs and develop an energy strategy to minimize risk for electricity procurement.
- Constellation and MMA review all Changes In Law in Massachusetts to mitigate the cost to municipalities under contract at the time.
- Invitations to all MMA MunEnergy sponsored **educational energy seminars and webinars** as well as having energy specialists available to speak at Energy Advisory committee meetings and other board meetings.
- Constellations' team can assist with **solar projects, EV charging stations, energy efficiency upgrades, Utility Bill Management and Carbon Accounting**. We can help with our long-standing partnerships as well as help you finance them, if needed.

Source: Constellation

Thank you

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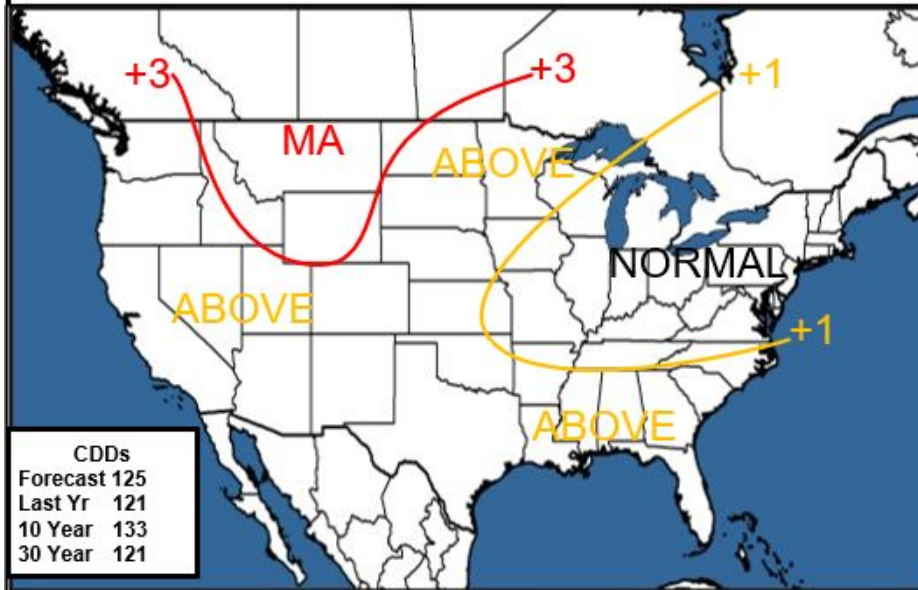
Q & A

Disclaimer

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More West Warmth and Variability in the East

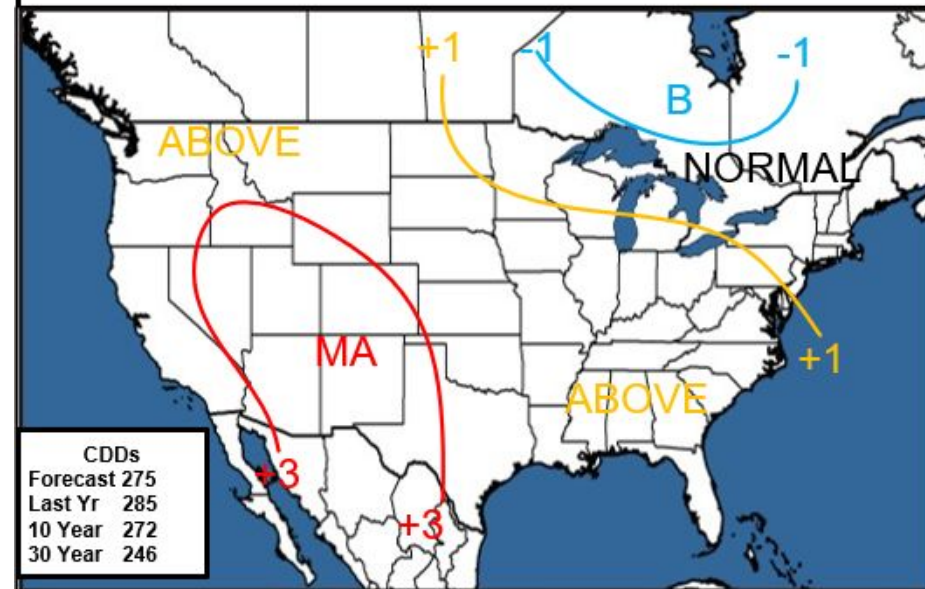
Constellation May 2026 Forecast



- Our initial June forecast is based on our summer analog years of 2025, '18, '17, and '14.
- This setup brings the strongest heat to the West, with a more variable pattern downstream with temperatures averaging near normal across the upper Great Lakes and Northeast.

- Our May forecast continues the pattern observed this past winter, combined with our new summer analog years.
- This supports near-normal conditions in the Midwest and East, with warmer weather expected across the South and West.

Constellation June 2026 Forecast

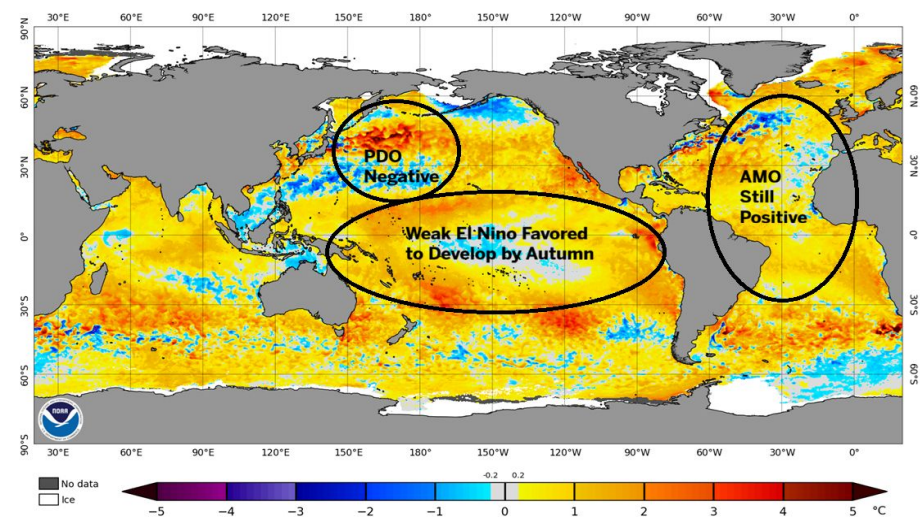
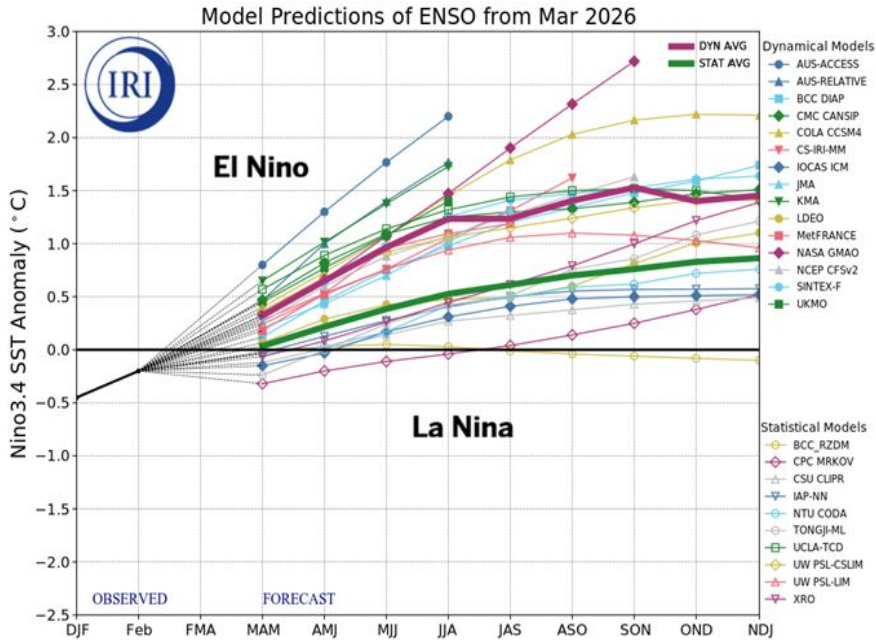


Source: Constellation

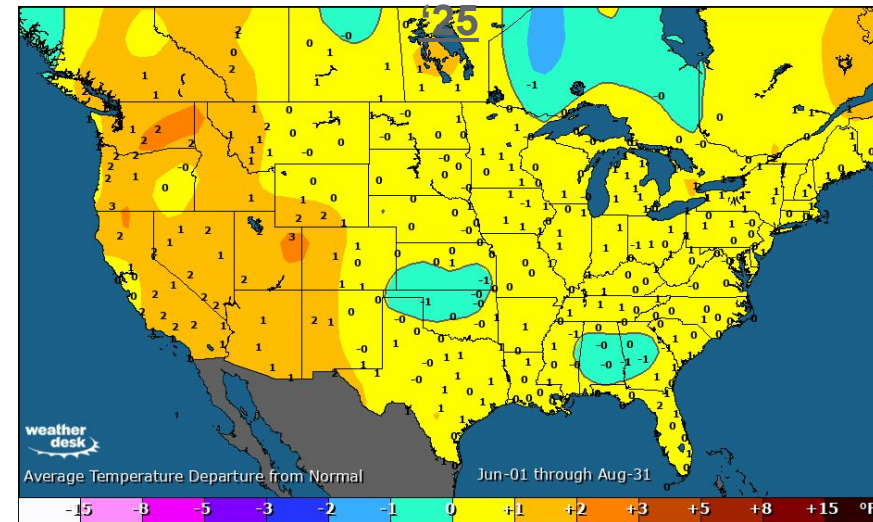


Constellation®

El Nino Trend Could Be Hard to Peg Down



Analog Years: 2014, '17, '18,

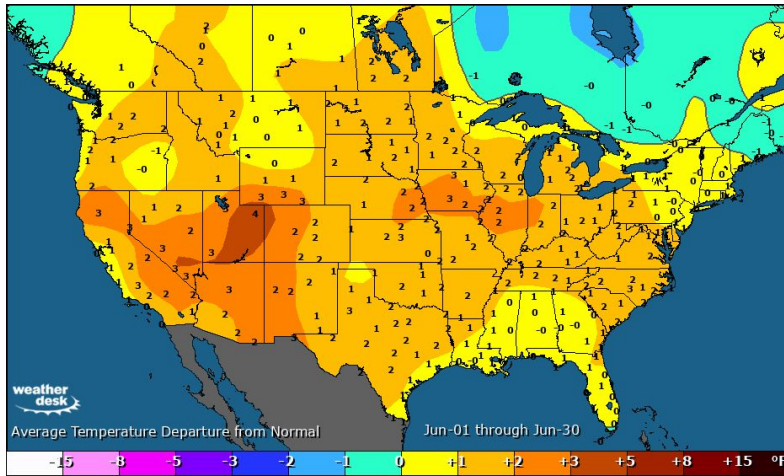


- ENSO forecasts made in Spring tend to be uncertain, as the waters in the Pacific and Atlantic are changing rapidly due to seasonal influences.
- The forecasts tend to be too strong, so it is unclear how rapid the transit into an El Nino will be, and how strong the El Nino will become heading into next Winter.
- A quicker transition to a strong El Nino increases the risk of a warmer East coast.
- The chance of an Autumn El Nino stands at 82%.

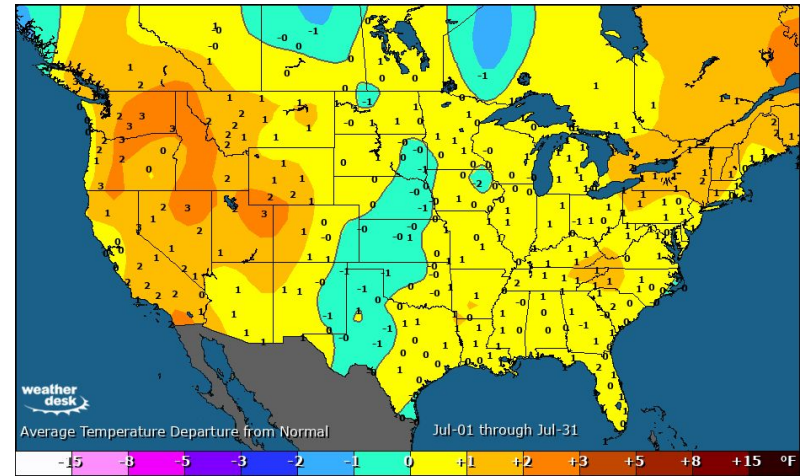
Sources: NOAA, Storm Vista, Vaisala

Month-By-Month Based on Analog Years

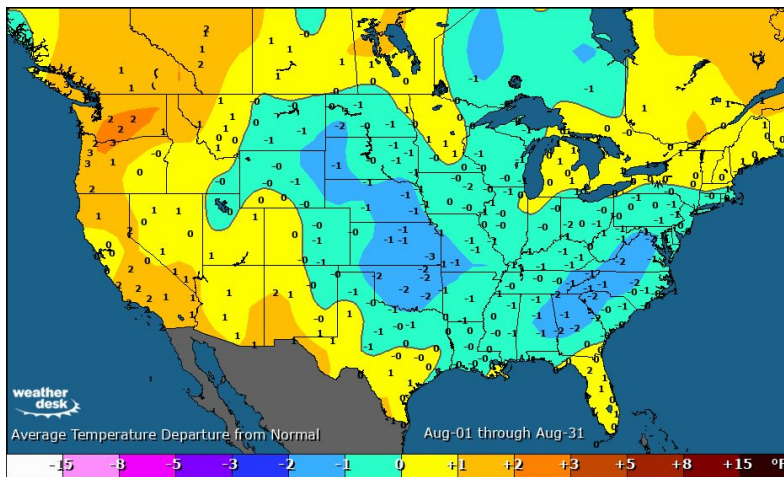
June



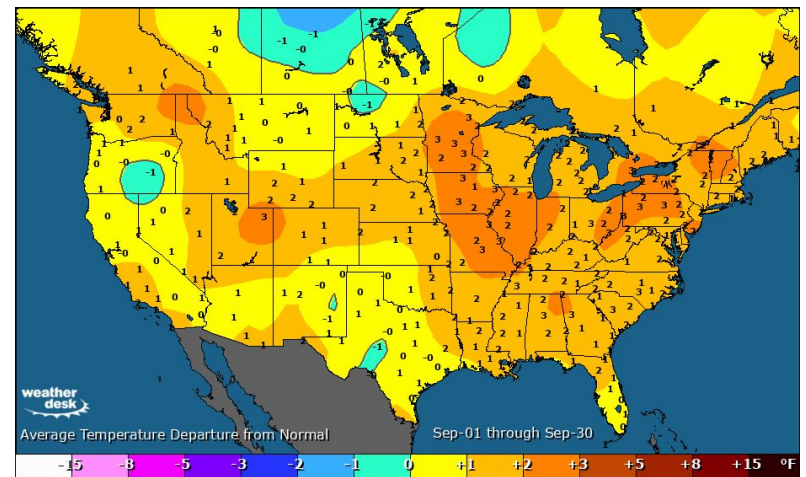
July



August

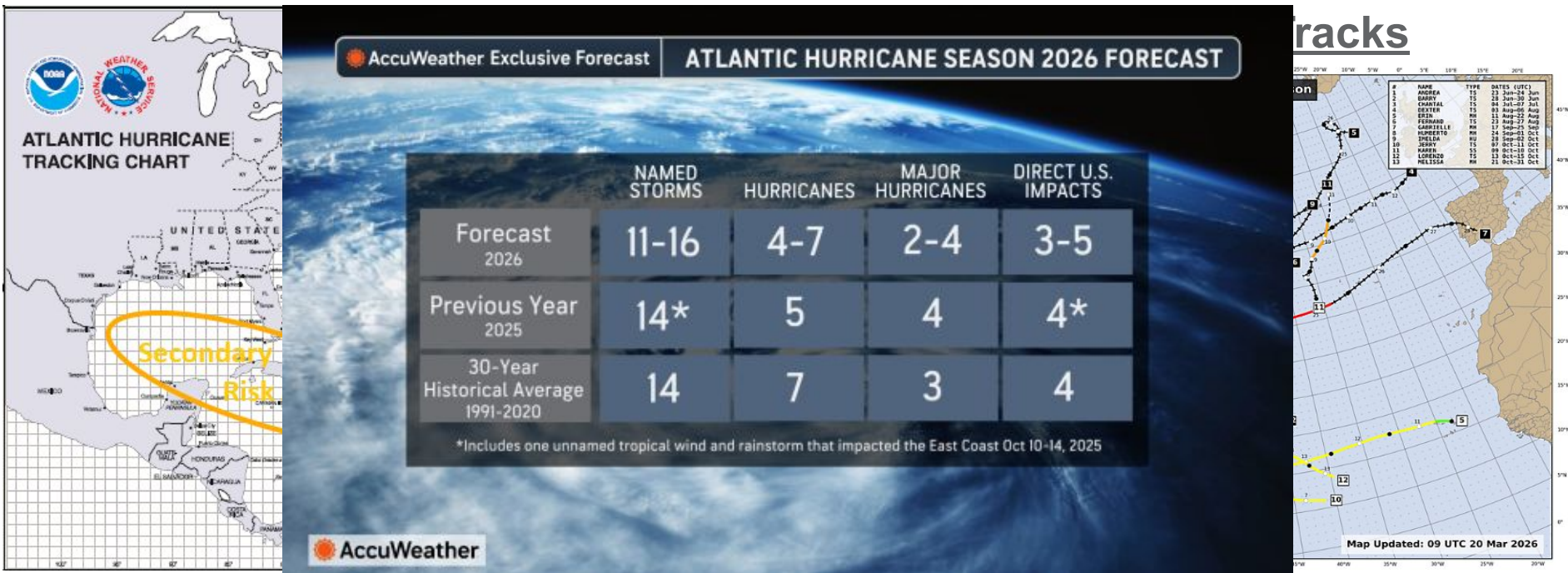


September



Sources: NOAA, Storm Vista, Vaisala

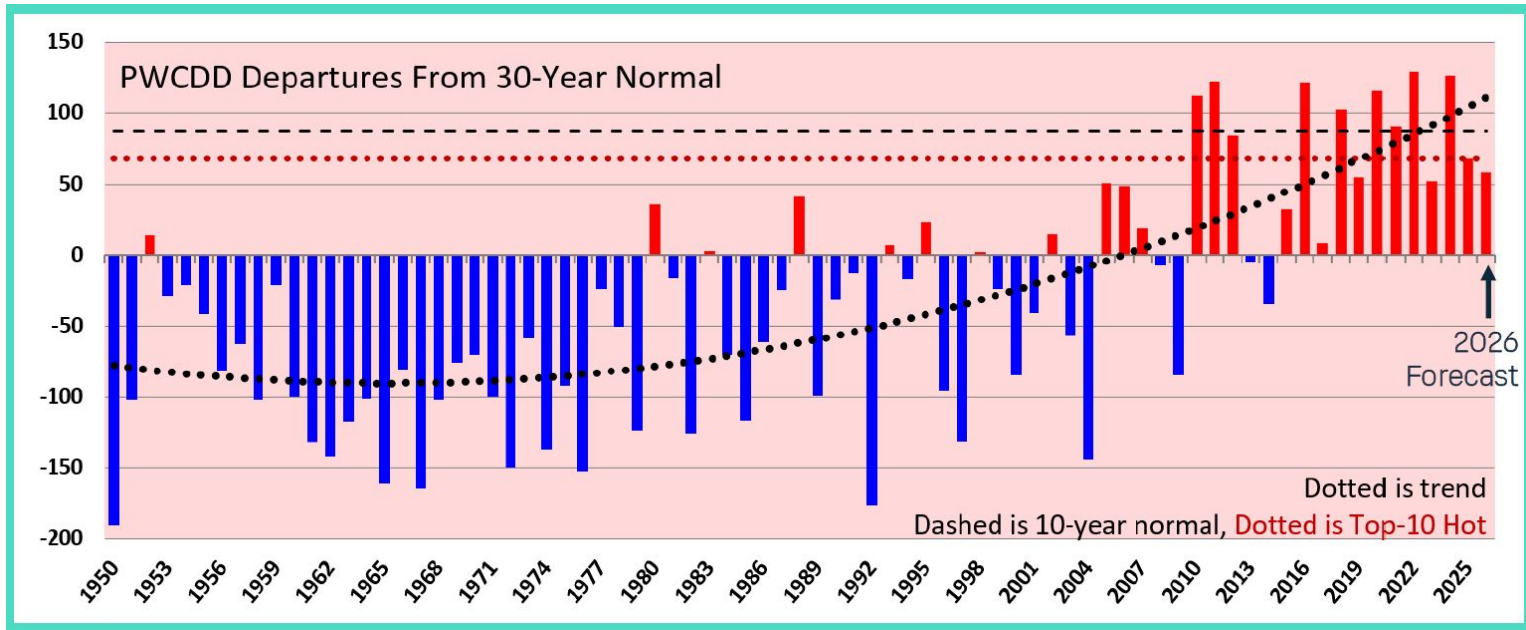
Normal Storm Activity Expected



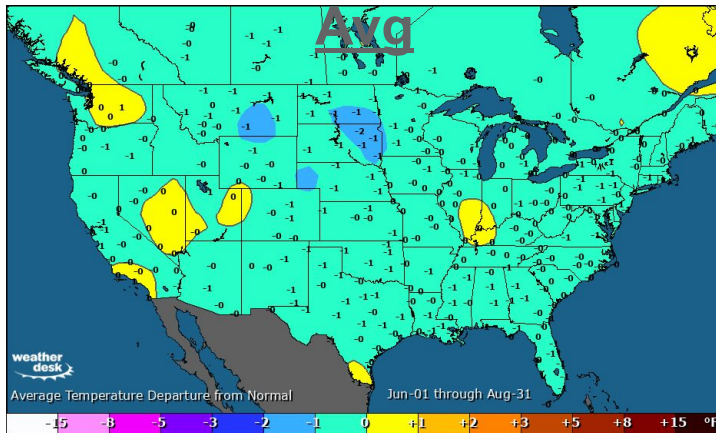
- Our current summer forecast features a trough near the East Coast and the main heat ridge out West. This could act to keep many storms away from the East Coast; a majority of storms recurve into the open Atlantic waters.
- There will be a secondary risk area into the Gulf from storms developing closer to home.
- Neutral ENSO conditions and weakly positive SST anomalies are favorable for at least a normal number of storms (12).
- A quicker onset of El Nino could reduce storm activity as wind shear may increase across the main development regions during Autumn.

Sources: NOAA, AccuWeather, Constellation

Summer Trends – Warming...Duh!?!



Analog Years vs. the 10-Yr



National Summer Ranks	
Year	Warm Ranking
2025	10
2024	2
2023	11
2022	1
2021	8
2020	5
2019	10
2018	7
2017	21
2016	4

Source: Constellation, Vaisala X Weather