

Are You Ready for the Super El Niño?

Energy Outlook with Constellation

Agenda

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

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

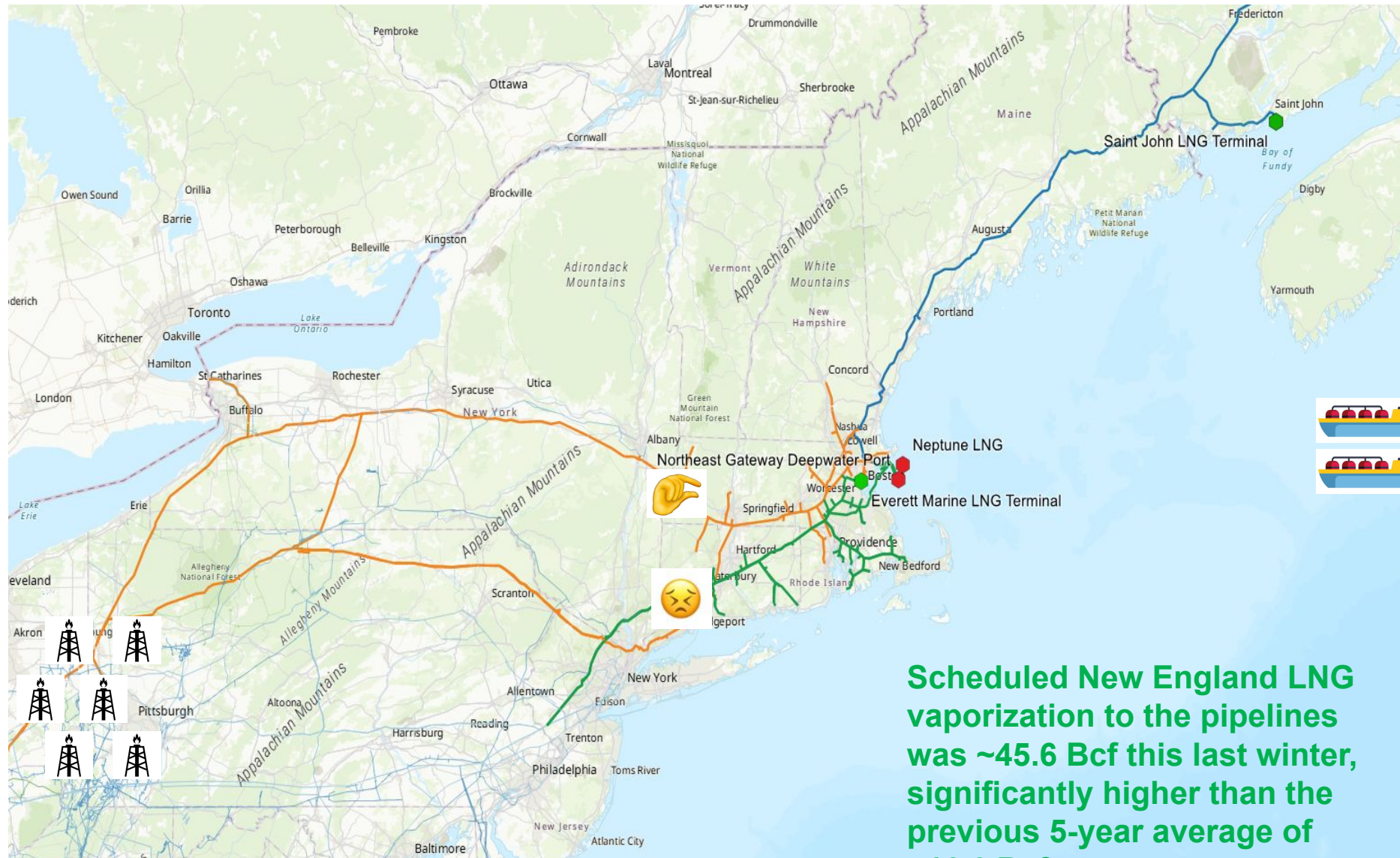
Meet Your Business Development Managers – Charlotte Diogo & Aiste Dacys, Business Development, Constellation

Questions and Closing



Massachusetts
Municipal
Association

Northeast Fuel Constraints Tie Energy To Global Prices

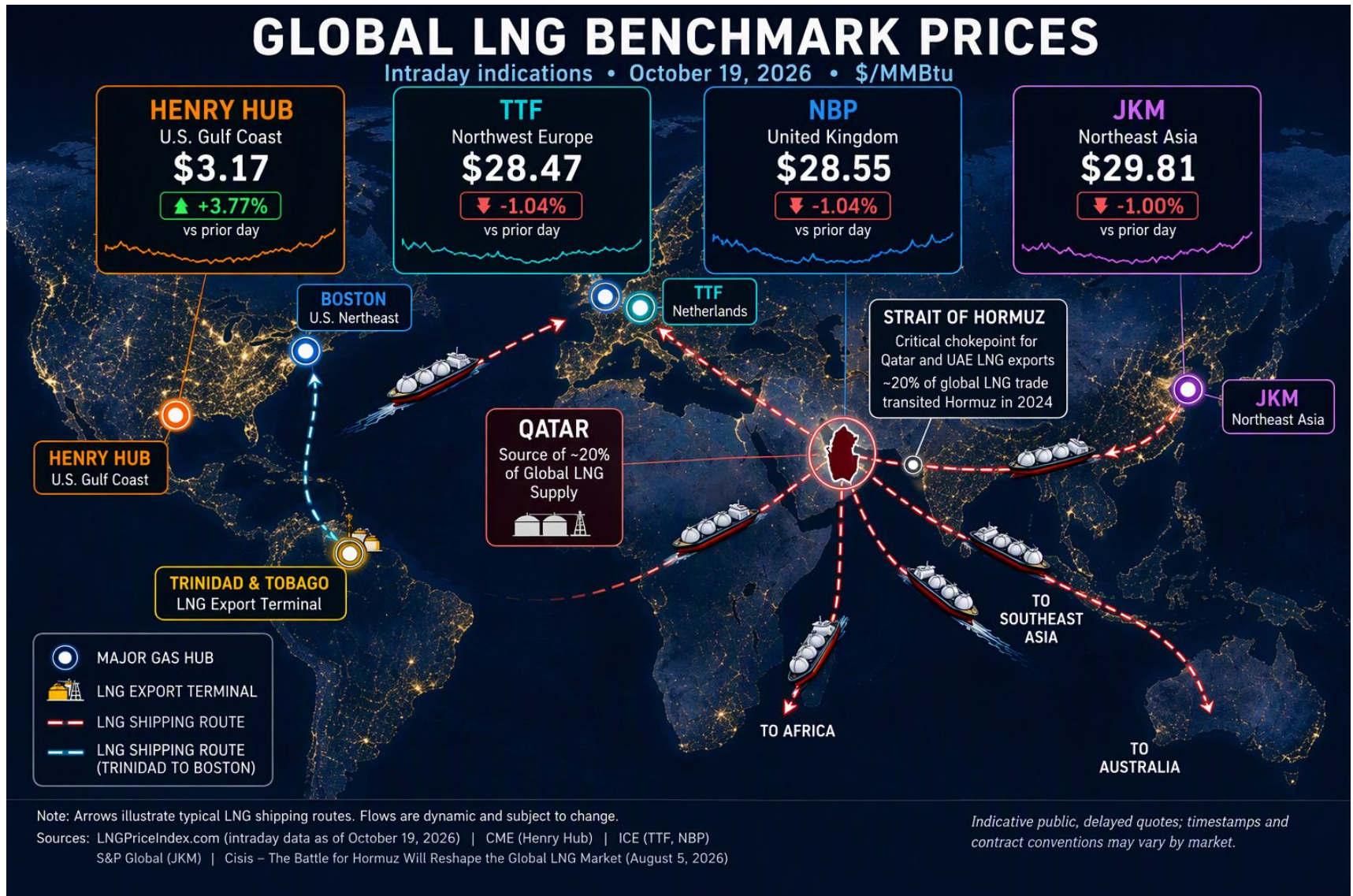


Sources: Constellation, S&P Global, ISO New England

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Geopolitical Risks Roil Global Energy Markets



Military Strikes Escalate; As Do Global Energy Prices

Persian Gulf Vessel Attacks (Oct 12)



- On October 2, the G7 announced its intention to release up to 100 million barrels of diesel and oil stocks over the next 4 months in coordination with the International Energy Agency.
- A 400-million-barrel reserve release was already coordinated by the IEA in March shortly after the start of the US war with Iran.

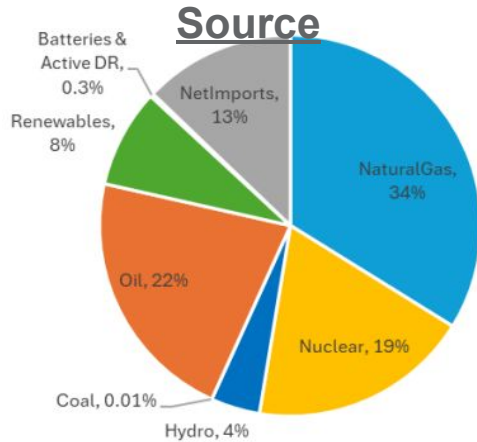
Brent Crude Oil Prompt Month (\$/bbl)



Customer Takeaway: Crude oil prices remain supportive above \$100/bbl despite crude supplies out of the Persian Gulf at 80% of pre-war levels. A recent escalation of military strikes is likely spurring buying speculation with the potential for deeper and broader attacks from both sides.

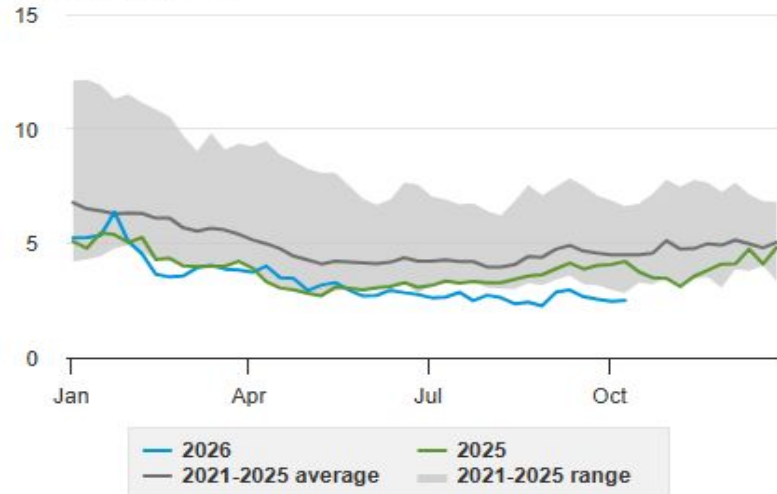
Record-High Diesel Prices Also A Challenge

Jan 23 – Feb 10 Energy By Source



Weekly distillate oil stocks in New England (PADD 1A)

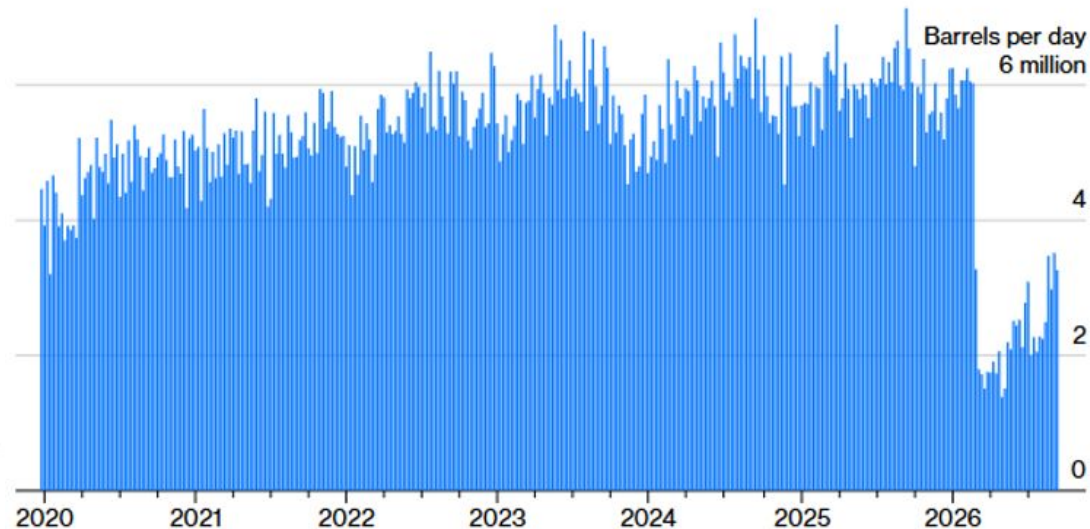
million barrels (MMb)



The Diesel Problem

While crude flows via the Strait of Hormuz and bypass routes surge, shipments of refined products, including diesel, remain well below pre-war level

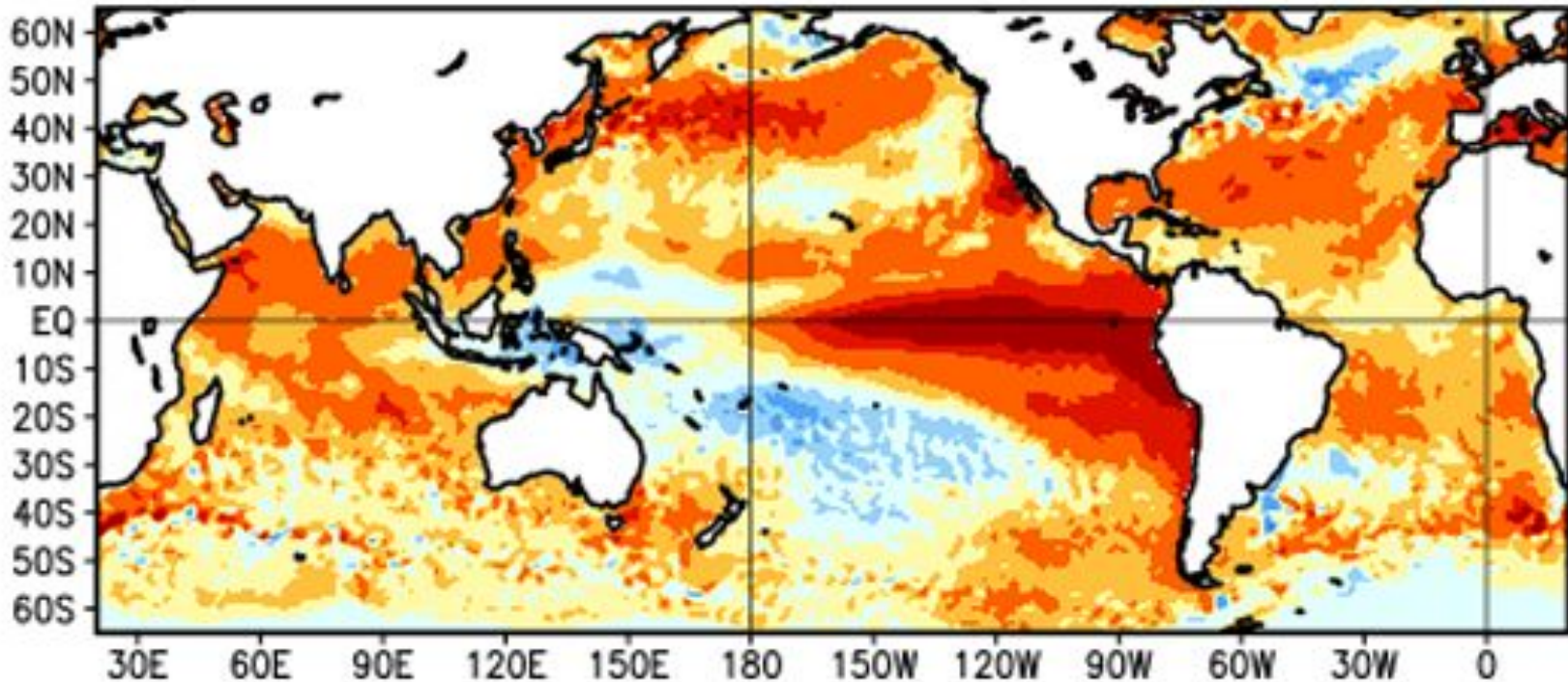
■ Clean refined products (Gasoline, diesel, jet-fuel and others)



Customer Takeaway: The diesel/distillate oil supply crunch could play a key role in Northeast oil-fired generation this winter. If cold periods deplete on-site inventory, the ability for those generators to replenish storage tanks could be challenged with the overall limited supply picture.

Super El Nino Water Expected to Warm Further

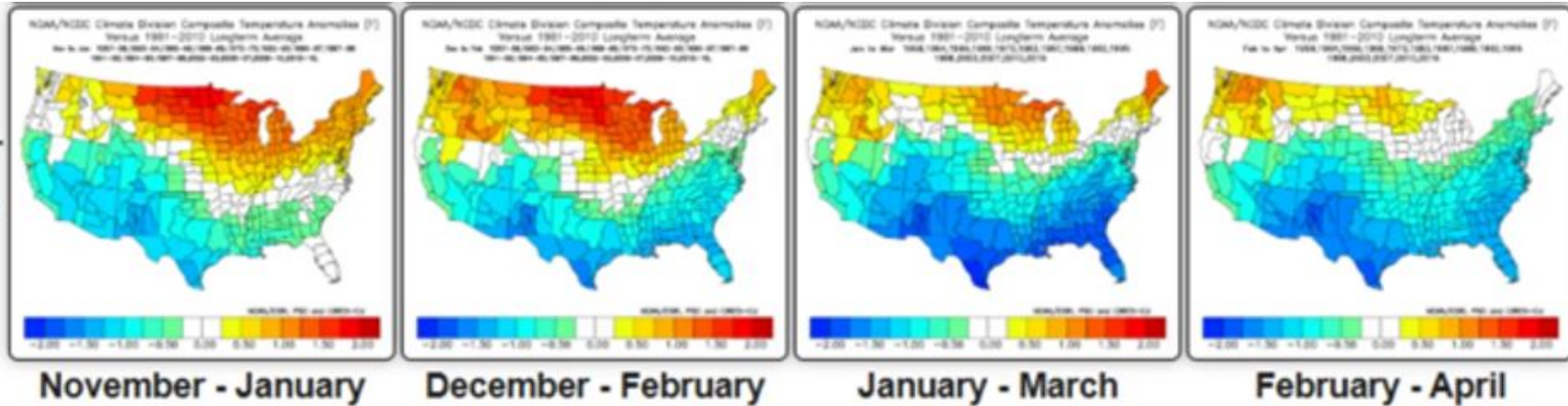
Average SST Anomalies
20 SEP 2026 – 17 OCT 2026



-3 -2 -1 -0.5 0 0.5 1 2 3

Sources: NWS



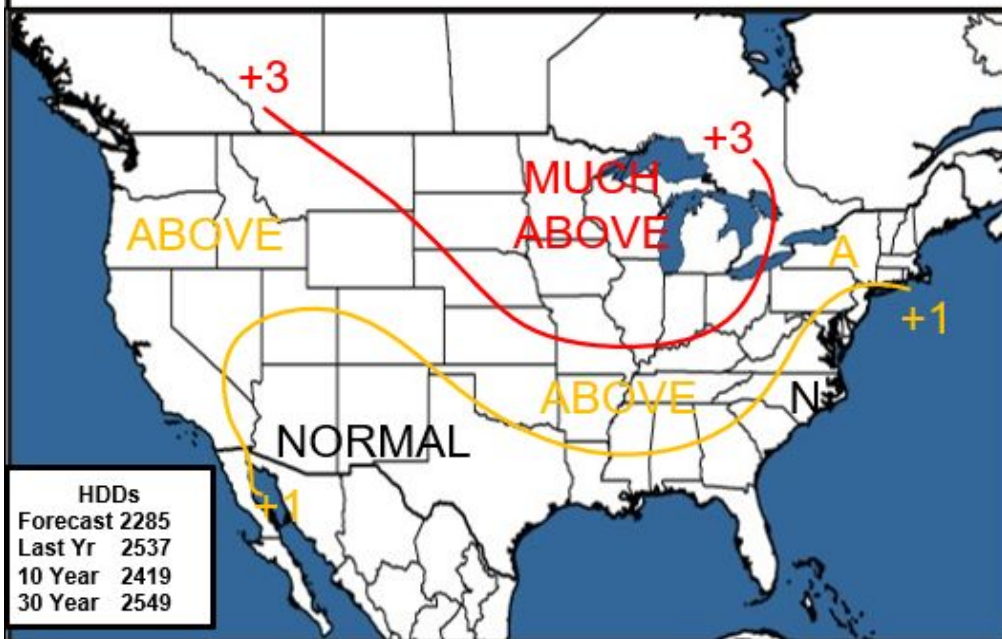


Sources: AccuWeather, NWS



Constellation Winter '26/27 Outlook

Constellation Winter 2026-27 Forecast



Forecast Summary Dec26 - Feb27

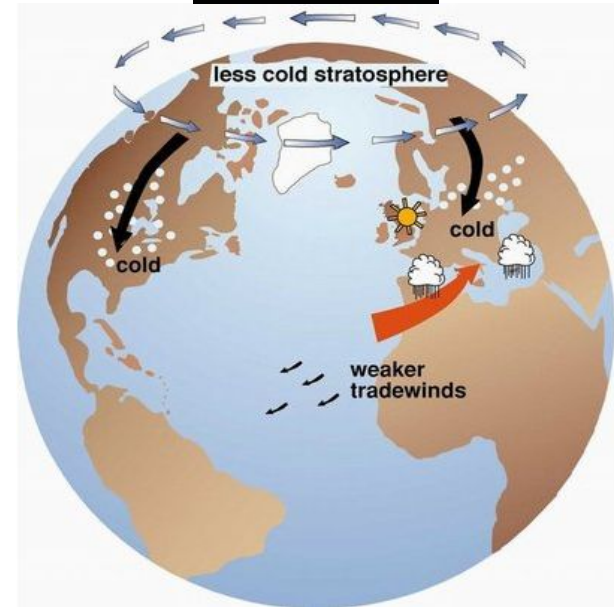
	<u>PWHDD</u>	<u>Rank</u>
Constellation	2,285 th	warmest
Vendor 1	2,305	6 th warmest
Vendor 2	2,163	Warmest
National Weather Service	2,350	9 th warmest
30 Year	2,549	26 th warmest
10 Year	2,419	12 th warmest
Last Year	2,537	24 th warmest
Coldest (1978-79)	3,076	75 th coldest
Warmest (2023-24)	2,178	Warmest

Customer Takeaway: All of the major vendor forecasts are calling for a warmer-than-average winter with the primary basis being super El Nino correlations. A winter outcome would certainly be opportunistic for energy buyers as natural gas heating demand would be tempered across the country.

Sources: Constellation

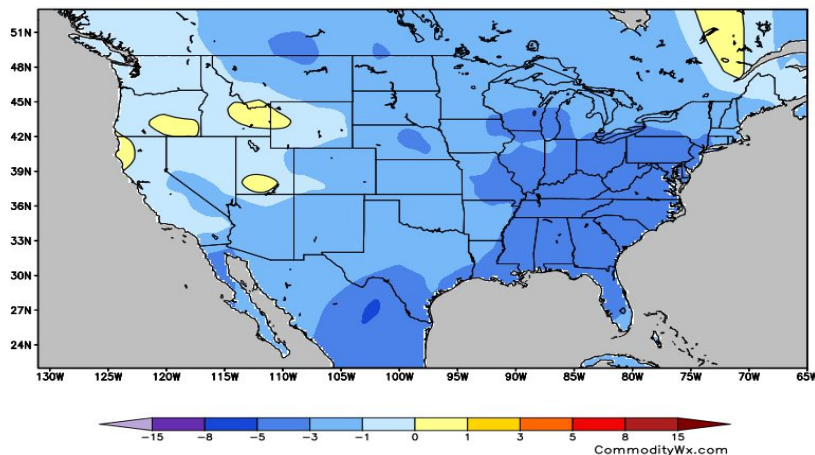
Colder Risks: Blocking and the Polar Vortex

Negative Arctic Oscillation



All El Niño's Plus Blocking

U.S. Station Surface Temperature (°F) anomaly
(1991–2020 Climatology) Gas HDD: 2765 Pop CDD: 12 Elec CDD: 15



Customer Takeaway: Despite the consensus forecasts for a much warmer-than-average winter on the whole, it does not preclude conditions to arise where cold shots occur and can create grid and price volatility. Buyers beware, this winter is by no means a “slam dunk” for expected milder temps throughout.

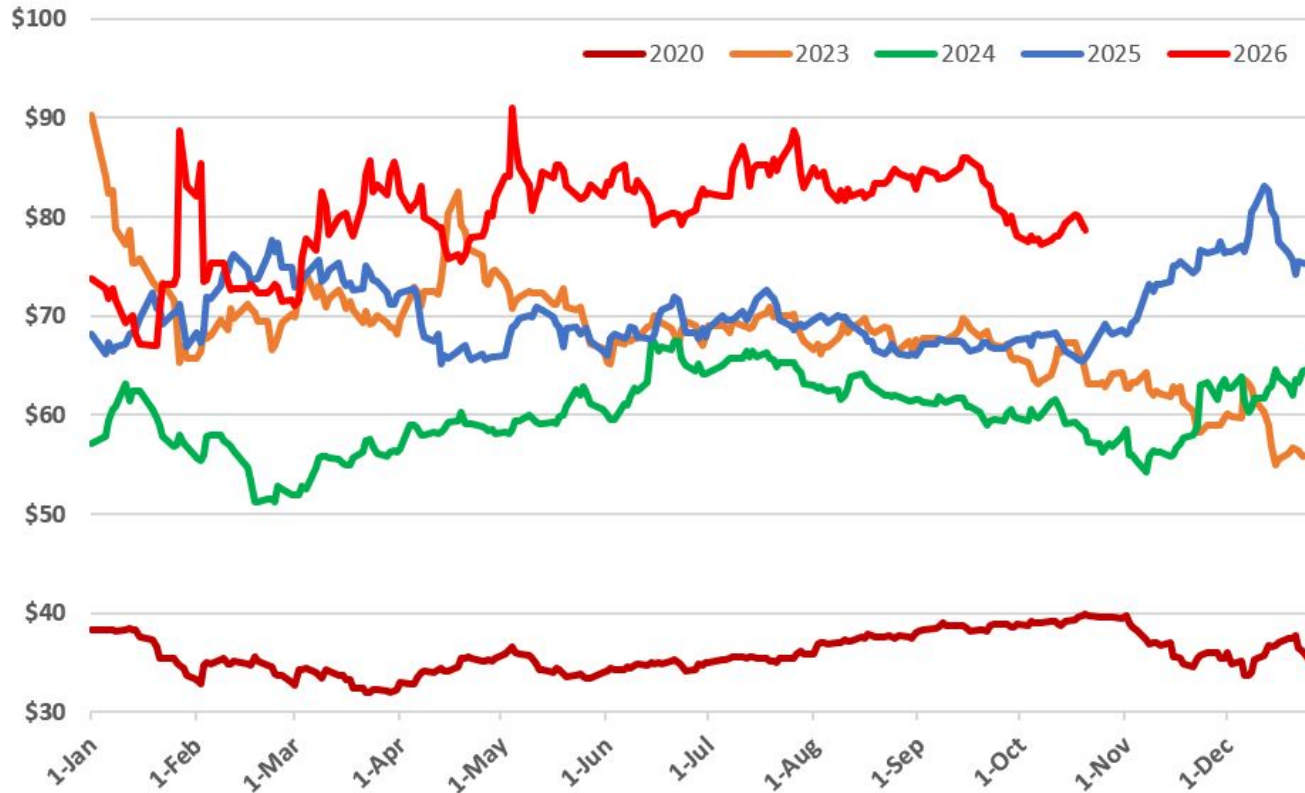
Sources: The Weather Channel, NWS, Viasala



Constellation

Post-Warm Winter Buy Opportunities – Not a Guarantee

Yearly Comparison of ISONE 12-Month Rolling Power Strip



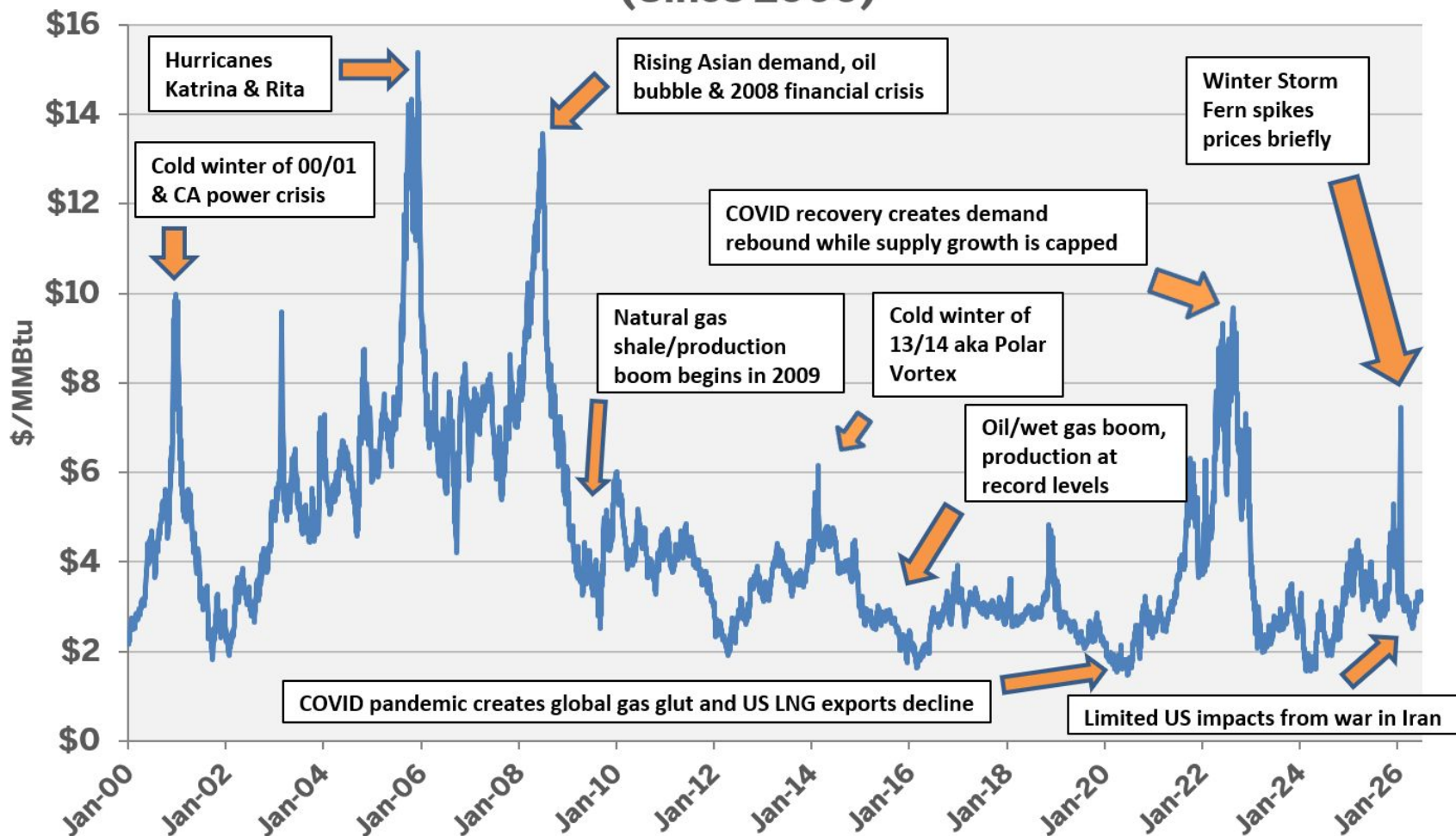
New England Winter Ranks

Year	Warm Ranking
2025-26	60 (16th coldest)
2024-25	34
2023-24	5
2022-23	4
2021-22	22
2020-21	23
2019-20	6
2018-19	27
2017-18	30



Putting Things In Perspective – US Natural Gas

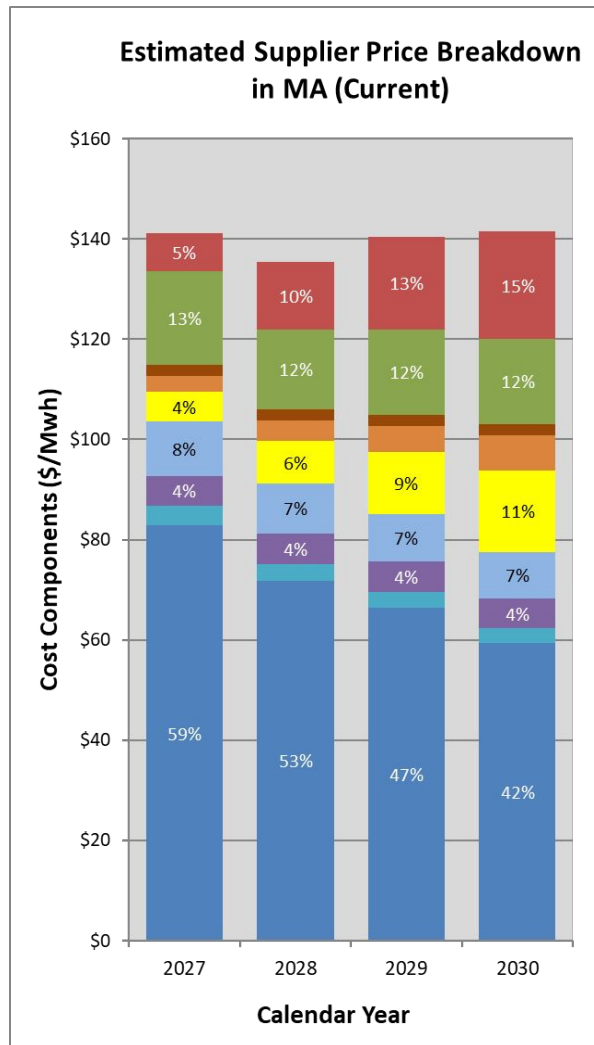
NYMEX Henry Hub Prompt Month Natural Gas (Since 2000)



Sources: Constellation

Updated 10.19.26

What's In Your Electric Supplier's Price?



- Capacity
- Renewable Portfolio Standards (RPS)
- Clean Energy Standard – Expansion
- Clean Energy Standard
- Clean Peak Standard
- Day-Ahead Ancillary Services (DASI)
- Ancillaries
- Line Losses
- Energy

* Source: Proprietary Data, Eversource

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What This Program Does for Your Municipality

- **MMA-Endorsed Energy Program** with Constellation serving Massachusetts municipalities for 25 years.
- **Municipal-Specific Electricity Contract** designed specifically for your town.
- **Flexible Contract Terms**, including 15% add/delete language.
- **No Separate Broker Fees**, helping municipalities avoid intermediary compensation built into electricity prices.
- **Ongoing Constellation Support** with market education, pricing guidance, procurement assistance, and account management.
- **Streamlined Procurement Pathway** that may allow municipalities to procure energy without a traditional competitive bid under applicable Chapter 30B requirements.

Thank you

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Q & A

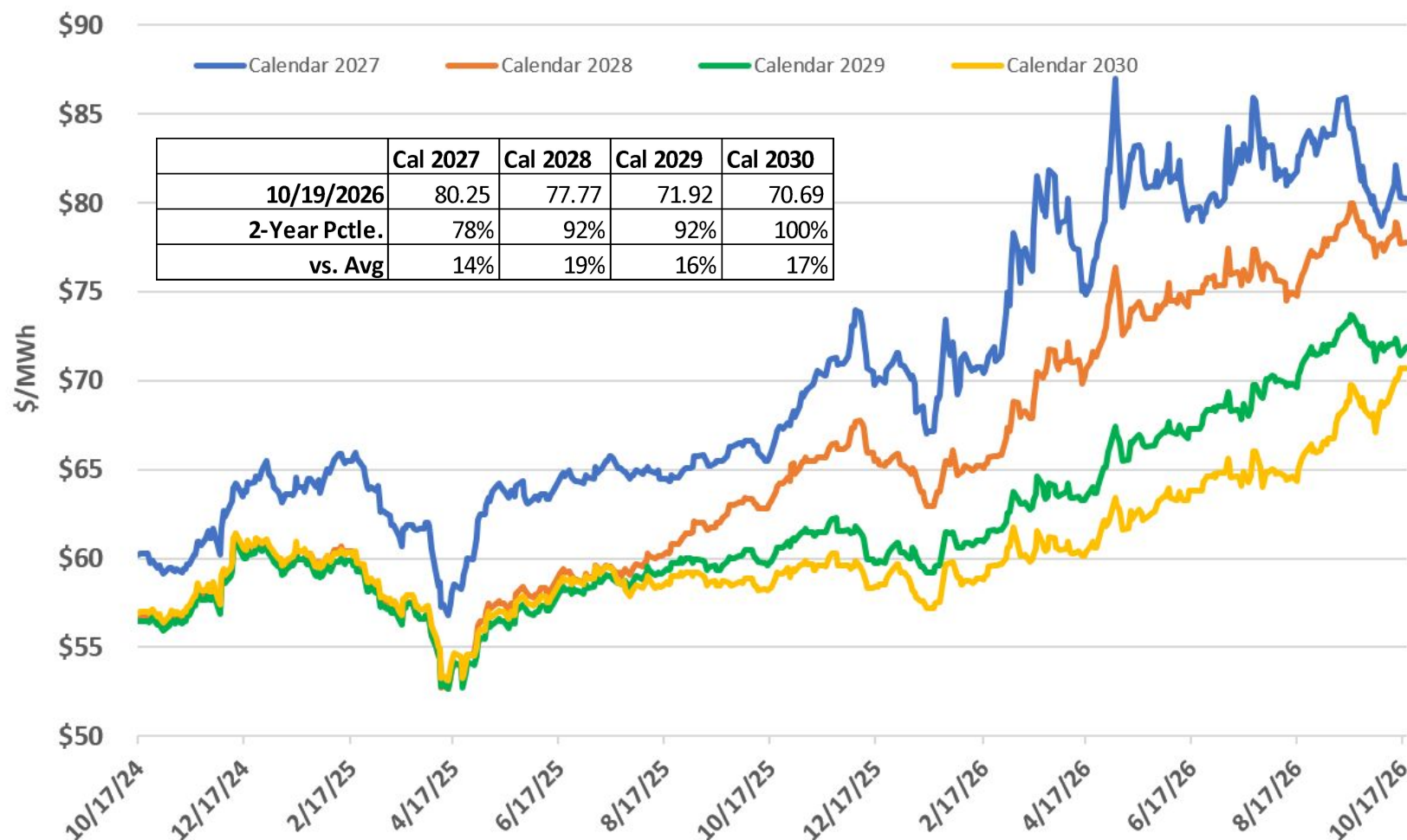
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Appendix

New England Historical Power Pricing – 2 Year Lookback

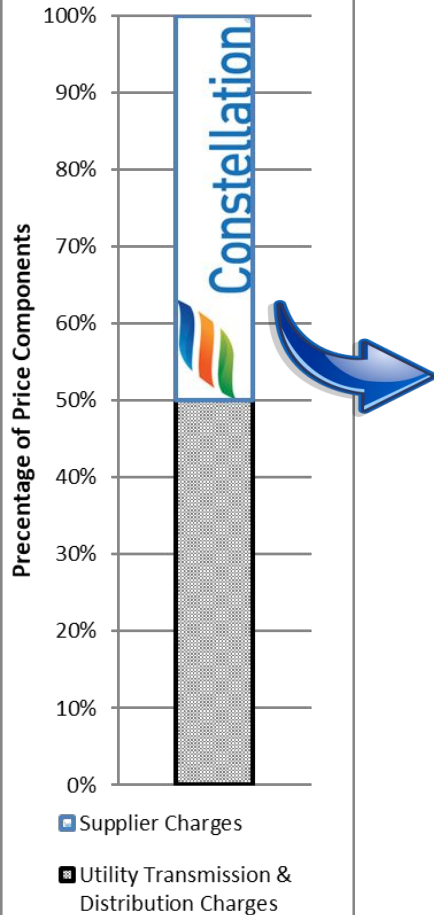
ISONE Mass Hub Historic Calendar Strips



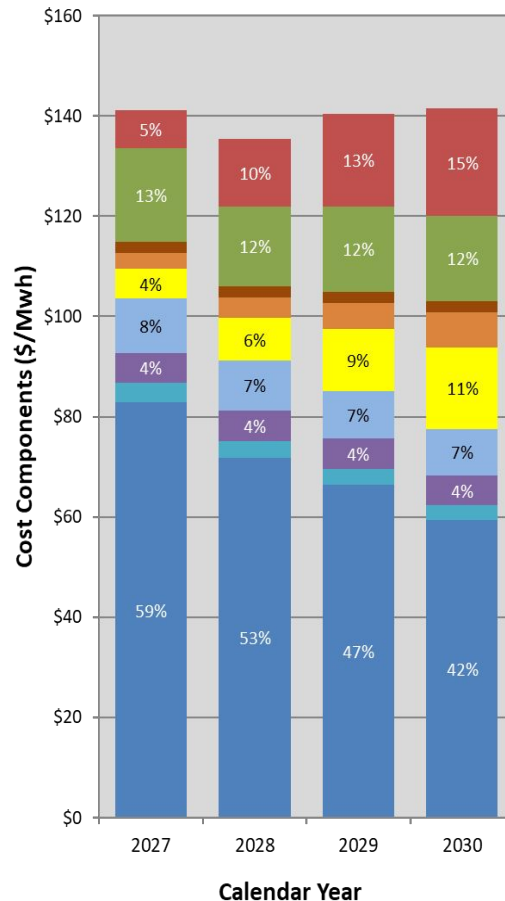
Source: Constellation

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

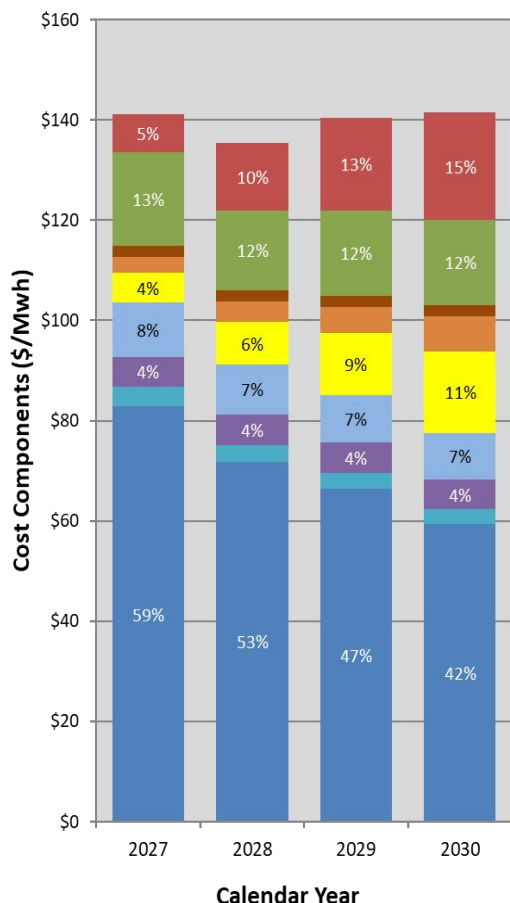
Energy – The cost of procuring the actual electrons transmitted through the T&D lines. Largely determined by the cost of natural gas for New England.

* Source: Proprietary Data, Eversource

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Layering Strategy

Estimated Supplier Price Breakdown in MA (Current)



Initial lock-in of non-energy components

Layer energy over time

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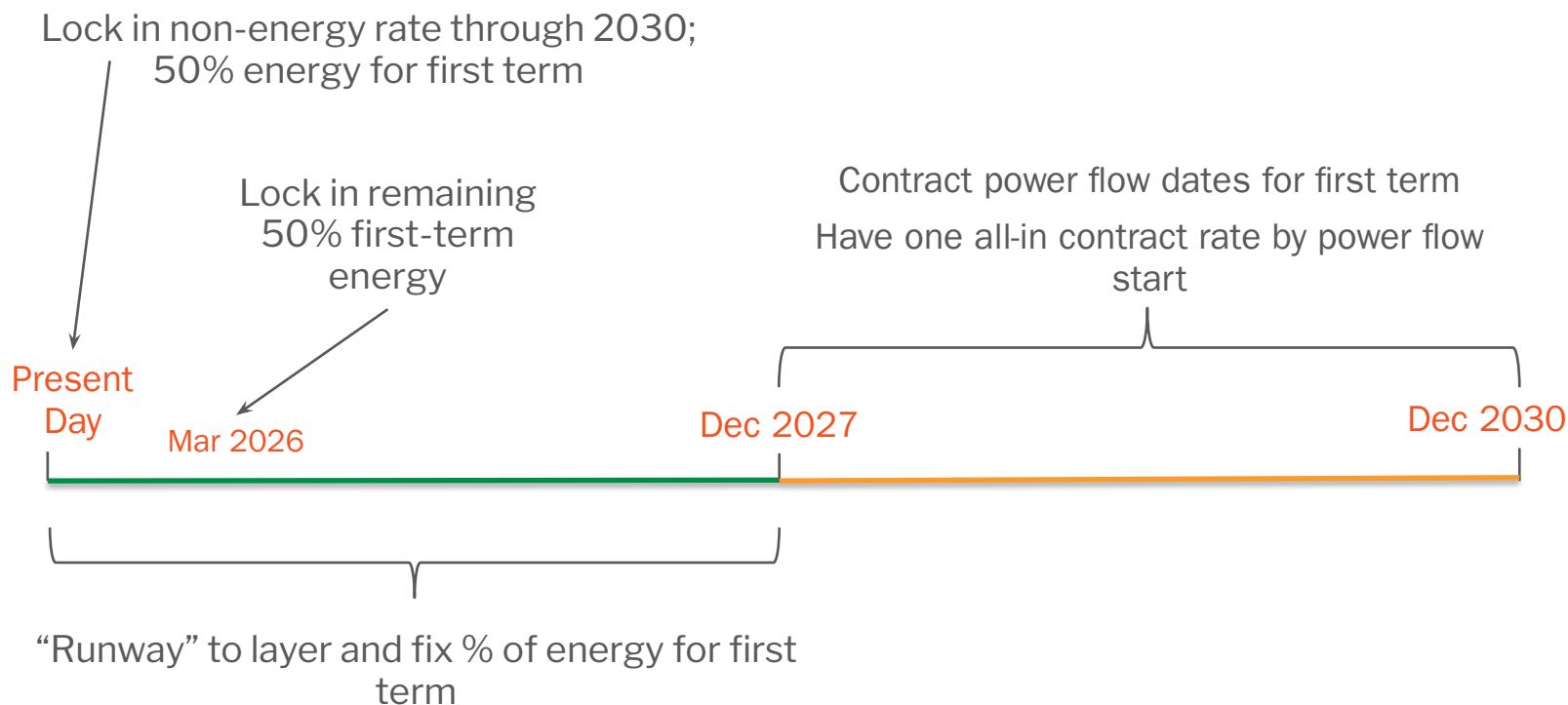
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How To Time Your Layering Strategy



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