

Weekly Headlines

- Cheniere Energy Sabine Expansion & Restart of Freeport
- BASF
- Transmission Right of First Refusal (ROFR) Laws

POWER PRICING (\$/MWh)

Day-Ahead LMPs		Mon 2/20	Tue 2/21	Wed 2/22	Thu 2/23	Fri 2/24
PJM	On-Peak WESTERN HUB	\$29.38	\$28.37	\$28.30	\$26.33	\$32.33
	Off-Peak WESTERN HUB	\$20.42	\$19.68	\$21.29	\$20.13	\$22.18
	On-Peak N ILLINOIS HUB	\$25.61	\$26.88	\$22.91	\$23.94	\$31.45
	Off-Peak N ILLINOIS HUB	\$18.16	\$15.95	\$14.40	\$16.77	\$21.75
	On-Peak PPL	\$23.30	\$24.18	\$25.63	\$19.36	\$26.79
	Off-Peak PPL	\$17.04	\$17.37	\$19.62	\$17.98	\$19.55
	On-Peak PENELEC	\$26.27	\$26.25	\$27.04	\$24.63	\$30.81
	Off-Peak PENELEC	\$18.65	\$18.55	\$20.52	\$19.48	\$21.73
	On-Peak COMED	\$25.67	\$26.96	\$23.05	\$24.00	\$31.57
	Off-Peak COMED	\$18.19	\$15.95	\$14.52	\$16.83	\$21.81
MISO	On-Peak INDIANA HUB	\$29.27	\$33.07	\$28.55	\$25.85	\$42.89
	Off-Peak INDIANA HUB	\$23.06	\$24.54	\$24.74	\$19.94	\$31.16
	On-Peak MICHIGAN HUB	\$28.58	\$29.42	\$27.69	\$25.55	\$41.89
	Off-Peak MICHIGAN HUB	\$22.73	\$20.85	\$23.06	\$19.19	\$28.45
	On-Peak MINN HUB	\$17.21	\$26.67	\$21.29	\$26.71	\$50.65
	Off-Peak MINN HUB	\$18.49	\$22.20	\$14.01	\$16.96	\$33.29
ERCOT	On-Peak LOUISIANA HUB	\$26.77	\$26.65	\$24.61	\$24.31	\$24.75
	Off-Peak LOUISIANA HUB	\$17.74	\$16.07	\$15.96	\$15.59	\$16.68
	On-Peak NORTH	-\$3.70	-\$7.69	-\$9.78	\$10.94	\$22.54
	Off-Peak NORTH	-\$9.42	-\$2.98	-\$9.89	\$4.11	\$14.46
On-Peak SOUTH	\$18.11	\$18.41	\$24.15	\$20.44	\$23.04	
Off-Peak SOUTH	\$8.86	\$11.33	\$8.90	\$13.14	\$15.69	

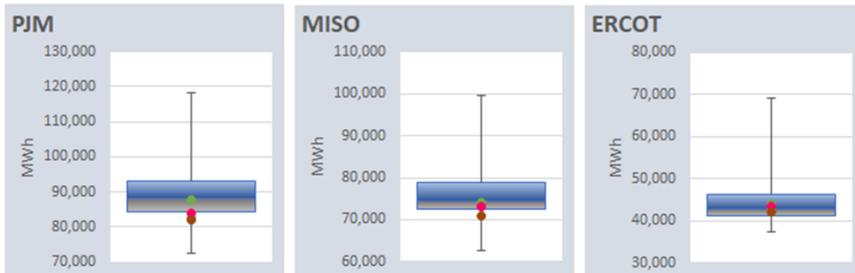
* Red signifies week over week price change down / Green signifies week over week price change up

Futures	Western Hub		Indiana Hub		North Hub	
	On-Peak	Off-Peak	On-Peak	Off-Peak	On-Peak	Off-Peak
	\$49.89	\$39.13	\$50.85	\$39.94	\$48.20	\$31.99

* Forward 12 month strip

DAILY RTO LOAD PROFILE (MWh)

● -2/20 ● -2/21 ● -2/22 ● -2/23 ● -2/24



* Current week daily load plotted with past 3 months daily load

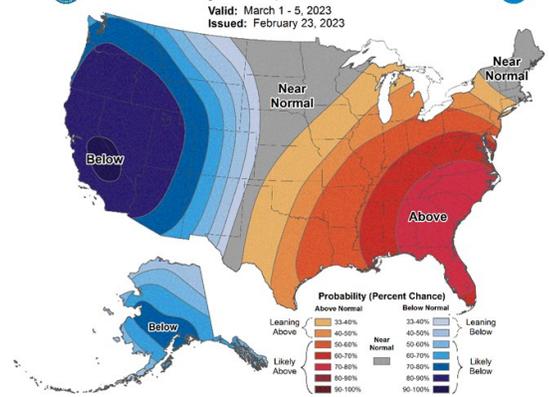
COMMENTARY

Yesterday we published a blog post discussing some trends that may add to volatility in the world of electricity pricing now and in the future. Given the emergence of natural gas in the generation stack around the US, the price of electricity and natural gas have become highly correlated. Increased LNG export capacity is making the prices more world indexed, much like oil. In almost perfect timing, Cheniere Energy, along with its quarterly earnings release, announced LNG expansion at its Sabine terminal and the resumption of Freeport. The more export capacity the US has, the more our domestic prices will reflect world pricing which tends to be higher.

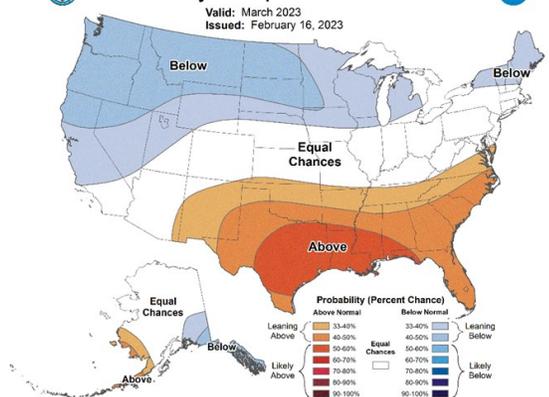
One danger of developing a thesis is not constantly revisiting and making sure the logic still adds up. One thing that could temper LNG exports is reduced demand in Europe. We've already seen that this winter with moderate temperatures. Again, perfect timing, this morning German industrial conglomerate BASF announced the closing of two natural gas intensive plants that make synthetics citing high input cost. Plants in Belgium and the US will increase production as an offset. If industrial demand starts moving to natural gas instead of natural gas being moved, the pace of prices being set by a world market could slow. A single data point doesn't change our world pricing thesis, but it's on our radar.

Another issue in volatility has been inadequate transmission to deal with new generation, especially renewables that are far from population centers. We have discussed some of the issues around permitting and land use. One issue that seems to be making headlines more and more are state laws that give incumbent utilities the right of first refusal (ROFR) on new projects. This [article](#) from Utility Drive does an excellent job of summarizing some of the issues. Regardless of argument, this is another potential delay in an already arduous process.

6-10 Day Temperature Outlook



Monthly Temperature Outlook



COMMODITIES PRICING (\$/MMBtu)

Henry HUB Nat Gas	2/24/2023	\$2.38
WTI Crude Oil	2/24/2023	\$76.10

