

Weekly Headlines

- EIA
- DOE Budget
- FERC Testimony

POWER PRICING (\$/MWh)

| Day-Ahead LMPs | | Mon 5/8 | Tue 5/9 | Wed 5/10 | Thu 5/11 | Fri 5/12 |
|----------------|-------------------------|----------|---------|----------|----------|----------|
| PJM | On-Peak WESTERN HUB | \$46.72 | \$41.88 | \$38.75 | \$43.18 | \$49.16 |
| | Off-Peak WESTERN HUB | \$27.15 | \$27.93 | \$28.04 | \$24.05 | \$27.46 |
| | On-Peak N ILLINOIS HUB | \$43.80 | \$36.65 | \$34.58 | \$37.14 | \$40.61 |
| | Off-Peak N ILLINOIS HUB | \$24.77 | \$22.30 | \$20.17 | \$14.89 | \$20.77 |
| | On-Peak PPL | \$27.52 | \$26.70 | \$25.44 | \$27.13 | \$30.59 |
| | Off-Peak PPL | \$16.85 | \$17.39 | \$18.99 | \$16.43 | \$19.04 |
| | On-Peak PENELEC | \$38.70 | \$36.03 | \$32.31 | \$36.44 | \$39.77 |
| | Off-Peak PENELEC | \$22.72 | \$23.32 | \$23.91 | \$20.68 | \$23.72 |
| | On-Peak COMED | \$43.86 | \$36.73 | \$34.83 | \$37.22 | \$40.71 |
| | Off-Peak COMED | \$24.79 | \$22.35 | \$20.24 | \$14.90 | \$20.80 |
| MISO | On-Peak INDIANA HUB | \$48.79 | \$45.72 | \$40.31 | \$42.44 | \$38.58 |
| | Off-Peak INDIANA HUB | \$26.87 | \$27.85 | \$25.28 | \$25.06 | \$23.76 |
| | On-Peak MICHIGAN HUB | \$44.69 | \$36.91 | \$34.71 | \$36.06 | \$37.33 |
| | Off-Peak MICHIGAN HUB | \$26.05 | \$26.99 | \$23.74 | \$22.80 | \$22.81 |
| | On-Peak MINN HUB | \$44.23 | \$34.69 | \$32.28 | \$28.93 | \$25.70 |
| | Off-Peak MINN HUB | \$24.48 | \$23.79 | \$11.28 | \$13.61 | \$16.13 |
| ERCOT | On-Peak NORTH | \$67.16 | \$18.58 | \$14.49 | \$23.81 | \$38.28 |
| | Off-Peak NORTH | \$10.16 | \$9.25 | \$4.35 | \$7.81 | \$10.42 |
| | On-Peak SOUTH | \$106.17 | \$33.02 | \$30.10 | \$51.71 | \$52.49 |
| | Off-Peak SOUTH | \$20.58 | \$18.89 | \$17.44 | \$18.82 | \$24.25 |

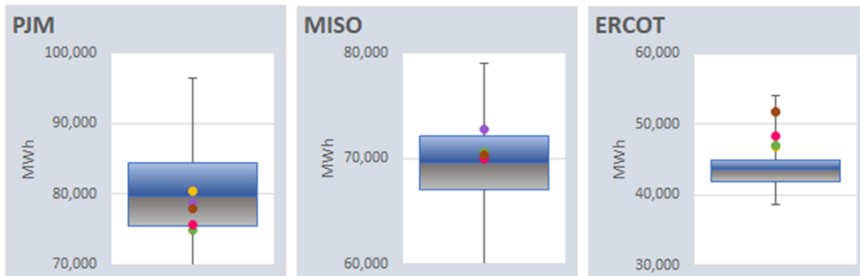
* Red signifies week over week price change down / Green signifies week over week price change up

| Futures | Western Hub | | Indiana Hub | | North Hub | |
|---------|-------------|----------|-------------|----------|-----------|----------|
| | On-Peak | Off-Peak | On-Peak | Off-Peak | On-Peak | Off-Peak |
| | \$50.80 | \$39.77 | \$52.01 | \$40.71 | \$49.43 | \$31.67 |

* Forward 12 month strip

DAILY RTO LOAD PROFILE (MWh)

● -5/8 ● -5/9 ● -5/10 ● -5/11 ● -5/12



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

COMMENTARY

Because natural gas is the main driver in US electricity prices, we usually mention the weekly EIA storage report which gives insight into the build of natural gas as we head into summer and winter. While not the only factor, the level of storage, thus supply, does tend to be a leading indicator of prices. The US was below trend with its own supply as it was simultaneously being counted on to help supply Europe with LNG. The precarious position that Europe was facing as they were well below trend as Russia was cut last spring. This combination drove natural gas pricing well above \$6-7/MMBtu and electricity followed with On-peak Calendar strips in most ISOs well above \$100.

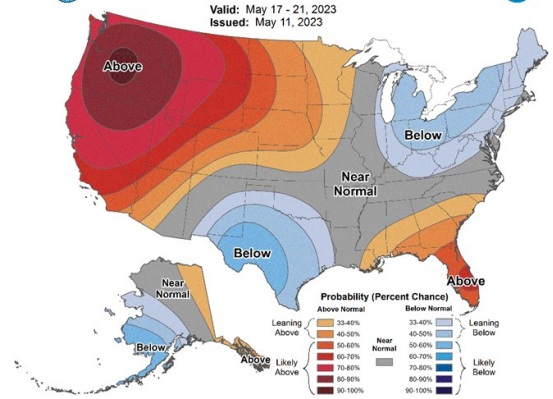
As we head into this summer, the picture is a mirror image of last year. Again, instead of storage levels well below trend, both Europe and the US are currently well above trend and looking to set 5-year highs. A historically warm winter in Europe and a Berlin airlift-like effort to get LNG to Europe in the second half of last year has contributed to the current market levels.

This week Energy Secretary Jennifer Granholm testified before the House Committee on Energy and Commerce. Presented was the \$52 billion budget request for the Department of Energy. \$52 billion represents an increase of \$6B from last year.

Those that have followed our readings for a while may remember when we were on a weekly roll with folks from NERC, FERC, and ISOs warning for coming reliability issues facing the grid. Last week, FERC was in front of the Senate Energy and Natural Resources committee delivering this message again. The conversation was pretty much the same with concern for grid reliability with baseload generation being retired at a faster pace than replacement is being built. What caught our eye was the descriptive language used by some of the commissioners. Comments like "looming reliability crisis", "catastrophic situation in terms of reliability", and "unprecedented challenges". These comments may seem extreme, but we might be at the point where extreme language is needed.

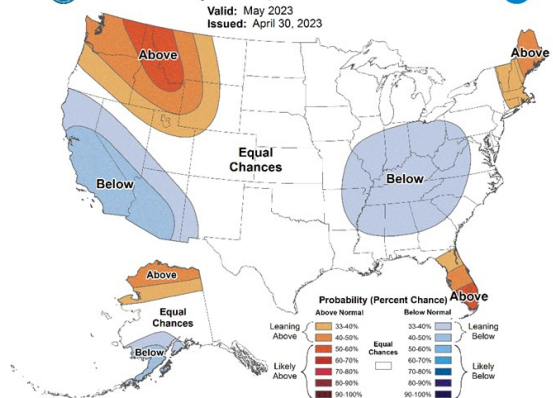
6-10 Day Temperature Outlook

Valid: May 17 - 21, 2023
Issued: May 11, 2023



Monthly Temperature Outlook

Valid: May 2023
Issued: April 30, 2023



COMMODITIES PRICING (\$/MMBtu)

| | | |
|-------------------|-----------|---------|
| Henry HUB Nat Gas | 5/12/2023 | \$2.21 |
| WTI Crude Oil | 5/12/2023 | \$71.13 |

