

Weekly Headlines

- Welcome Summer
- LNG
- Nvidia

POWER PRICING (\$/MWh)

Day-Ahead LMPs		Mon 5/22	Tue 5/23	Wed 5/24	Thu 5/25	Fri 5/26
PJM	On-Peak WESTERN HUB	\$36.99	\$39.26	\$34.39	\$26.63	\$24.46
	Off-Peak WESTERN HUB	\$17.92	\$21.06	\$20.80	\$18.31	\$18.49
	On-Peak N ILLINOIS HUB	\$34.51	\$38.87	\$21.20	\$20.44	\$21.17
	Off-Peak N ILLINOIS HUB	\$15.10	\$16.98	\$16.42	\$8.94	\$13.73
	On-Peak PPL	\$29.77	\$29.05	\$25.56	\$22.05	\$21.08
	Off-Peak PPL	\$16.68	\$18.34	\$17.82	\$16.54	\$16.89
	On-Peak PENELEC	\$31.63	\$33.59	\$28.79	\$23.93	\$22.86
	Off-Peak PENELEC	\$17.40	\$19.90	\$19.39	\$17.52	\$17.80
	On-Peak COMED	\$34.49	\$38.93	\$21.28	\$20.49	\$21.21
	Off-Peak COMED	\$15.13	\$17.02	\$16.46	\$8.96	\$13.75
MISO	On-Peak INDIANA HUB	\$45.51	\$50.23	\$51.64	\$32.10	\$34.20
	Off-Peak INDIANA HUB	\$20.18	\$20.41	\$22.19	\$21.02	\$18.11
	On-Peak MICHIGAN HUB	\$34.66	\$40.16	\$27.95	\$27.57	\$26.04
	Off-Peak MICHIGAN HUB	\$19.86	\$19.39	\$19.98	\$18.62	\$17.07
	On-Peak MINN HUB	\$34.60	\$41.54	\$23.65	\$17.33	\$18.80
	Off-Peak MINN HUB	\$13.38	\$9.94	\$15.21	\$1.64	\$3.01
	On-Peak LOUISIANA HUB	\$36.91	\$40.60	\$34.43	\$35.54	\$27.96
	Off-Peak LOUISIANA HUB	\$18.62	\$19.15	\$18.68	\$17.48	\$15.89
ERCOT	On-Peak NORTH	\$31.77	\$31.52	\$33.74	\$31.90	\$31.46
	Off-Peak NORTH	\$20.25	\$18.20	\$21.58	\$21.87	\$19.82
	On-Peak SOUTH	\$32.72	\$33.16	\$35.29	\$33.44	\$34.57
	Off-Peak SOUTH	\$20.59	\$18.33	\$21.86	\$22.15	\$20.11

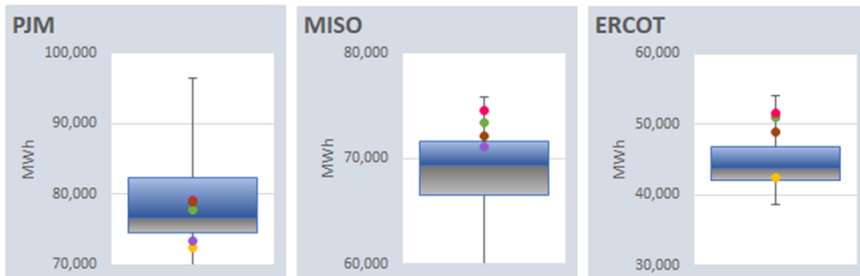
* Red signifies week over week price change down / Green signifies week over week price change up

Futures	Western Hub		Indiana Hub		North Hub	
	On-Peak	Off-Peak	On-Peak	Off-Peak	On-Peak	Off-Peak
	\$54.30	\$41.98	\$55.84	\$43.02	\$50.80	\$32.00

* Forward 12 month strip

DAILY RTO LOAD PROFILE (MWh)

● -5/22 ● -5/23 ● -5/24 ● -5/25 ● -5/26



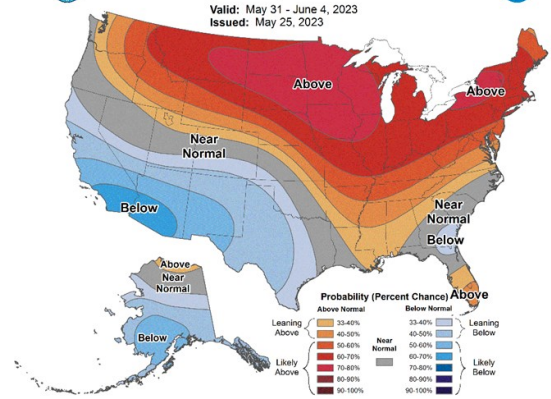
* Current week daily load plotted with past 3 months daily load

COMMENTARY

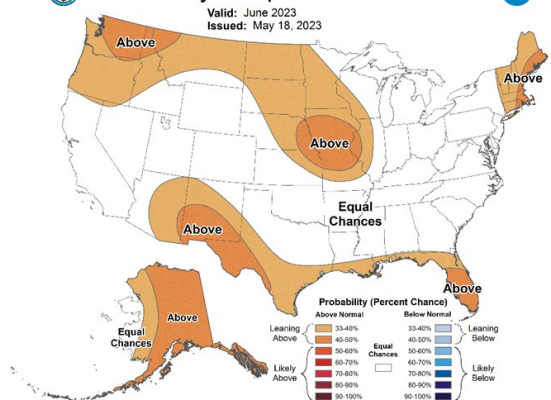
This week's EIA storage can be summed up with good build, lower demand, and strong production. The June contract rolls off the board so when we return from the long weekend, July will be our benchmark. EIA released a [report](#) on the effects of LNG pricing on US natural gas. This report grabbed our attention as we have argued that LNG could make natural gas a fungible commodity like oil, this subjecting the US pricing to a world market. The report lays out a few scenarios from lowest case to highest case with gas prices settling somewhere between \$2.50 and \$6.40/MMBtu in 20 years (although there seems to be some contradiction within the report). Using the same metrics, the report lays out scenarios where the US could export between 10-50 Bcf/day. Today we export roughly 12 Bcf/day. As the old saying goes, you could drive a truck through the spread in those estimates. Our interest in the report is that natural gas is trading today as if the lowest scenario will play out. We admit there are other factors into pricing, but we like the LNG angle a lot in our long term thesis.

Wednesday evening computer chip maker Nvidia announced earnings with a massive uptick of forward guidance on revenues. We aren't the WSJ, so we aren't going to comment on financials or stock price, but there was some very informative conversation in the earnings [conference call](#). What we find fascinating in the discussion is the potential similarity to crypto mining. A lot of utilities, coops, and municipalities had to deal with disruption of load as crypto was moved from China to the US. In some cases, it was banned because it was too disruptive and a financial and physical strain. It's not hard to imagine, given the conversation, that the very same problems associated with crypto will be included in AI computing. One of the promises of Nvidia chips is the ongoing development of lower power consumption. Hopefully the decline in power draw can be correlated with the increased demand, or the crypto problem may be back in the form of AI where a simple ban won't be an acceptable answer. If not already, this needs to be on the radar of those that need to forecast load.

6-10 Day Temperature Outlook



Monthly Temperature Outlook



COMMODITIES PRICING (\$/MMBtu)

Henry HUB Nat Gas	5/26/2023	\$2.40
WTI Crude Oil	5/26/2023	\$72.58

