

Weekly Headlines

- EIA STEO
- More EIA
- Old Chart Support...

POWER PRICING (\$/MWh)

Day-Ahead LMPs		Mon 6/5	Tue 6/6	Wed 6/7	Thu 6/8	Fri 6/9
PJM	On-Peak WESTERN HUB	\$33.56	\$38.30	\$28.95	\$28.84	\$27.64
	Off-Peak WESTERN HUB	\$15.92	\$18.01	\$17.58	\$16.39	\$16.53
	On-Peak N ILLINOIS HUB	\$31.76	\$35.55	\$25.99	\$26.50	\$27.20
	Off-Peak N ILLINOIS HUB	\$15.42	\$17.39	\$16.15	\$12.95	\$15.02
	On-Peak PPL	\$22.31	\$25.97	\$22.45	\$22.53	\$22.36
	Off-Peak PPL	\$12.74	\$15.05	\$15.15	\$13.92	\$14.54
	On-Peak PENELEC	\$27.81	\$31.21	\$25.25	\$25.53	\$24.78
	Off-Peak PENELEC	\$14.60	\$17.05	\$16.61	\$15.37	\$15.82
	On-Peak COMED	\$32.01	\$35.82	\$26.08	\$26.59	\$27.33
	Off-Peak COMED	\$15.54	\$17.45	\$16.20	\$12.94	\$15.05
MISO	On-Peak INDIANA HUB	\$37.81	\$43.70	\$34.18	\$38.58	\$34.06
	Off-Peak INDIANA HUB	\$19.42	\$18.09	\$18.51	\$22.67	\$19.31
	On-Peak MICHIGAN HUB	\$37.27	\$29.92	\$29.24	\$29.40	\$29.68
	Off-Peak MICHIGAN HUB	\$19.46	\$17.60	\$18.30	\$16.36	\$19.04
	On-Peak MINN HUB	\$39.80	\$44.69	\$35.24	\$34.14	\$37.89
	Off-Peak MINN HUB	\$18.18	\$22.21	\$20.51	\$17.38	\$18.92
	On-Peak LOUISIANA HUB	\$29.71	\$26.30	\$27.58	\$29.50	\$40.88
	Off-Peak LOUISIANA HUB	\$15.64	\$15.93	\$16.73	\$16.80	\$17.61
ERCOT	On-Peak NORTH	\$28.89	\$31.60	\$43.86	\$44.78	\$36.41
	Off-Peak NORTH	\$18.57	\$19.60	\$20.10	\$17.80	\$14.68
	On-Peak SOUTH	\$29.29	\$31.79	\$45.01	\$45.40	\$37.22
	Off-Peak SOUTH	\$18.85	\$19.78	\$20.26	\$18.15	\$14.81

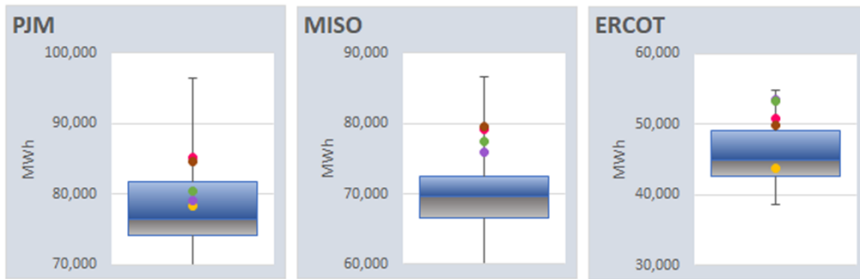
* Red signifies week over week price change down / Green signifies week over week price change up

Futures	Western Hub		Indiana Hub		North Hub	
	On-Peak	Off-Peak	On-Peak	Off-Peak	On-Peak	Off-Peak
	\$47.24	\$35.88	\$49.55	\$37.58	\$50.75	\$32.60

* Forward 12 month strip

DAILY RTO LOAD PROFILE (MWh)

● -6/5 ● -6/6 ● -6/7 ● -6/8 ● -6/9



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

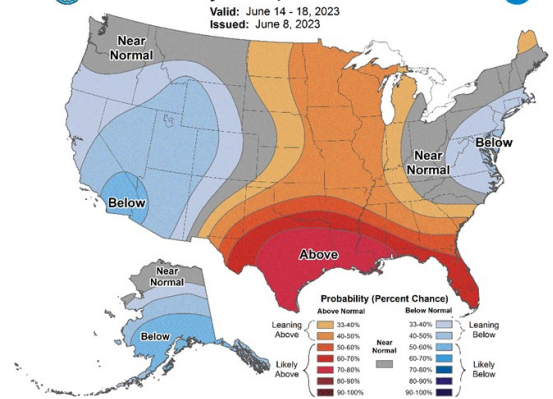
COMMENTARY

This week the US Energy Information Administration (EIA) released their monthly [Short-Term Energy Outlook \(STEO\)](#). Of interest to us is the electric forecast for summer. They expect consumption to be down slightly over last summer citing a reduction in manufacturing activity by roughly 2%. Coal generation will continue its slide as part of the generation stack with a robust 15% decrease. Most of that will be picked up by natural gas, with EIA forecasting a 3% rise in gas generation. Solar capacity has grown 24% from last summer with additional wind, and even new nuclear coming online, is expected to fill the coal gap.

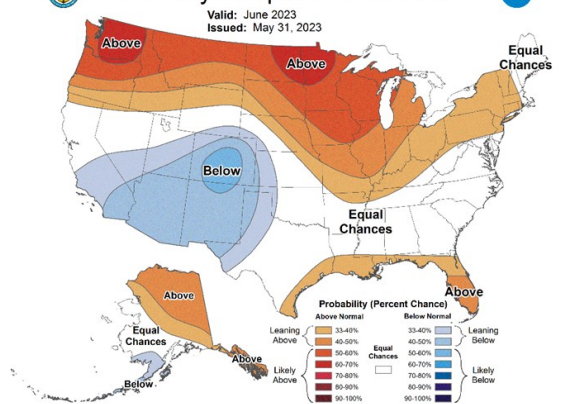
More gas less coal. Along with the STEO, EIA released [Today in Energy](#) this week stating that this winter period (November 1-March 31) the US reached a record for electricity generation with gas. The record is for winter period as natural gas burn for electric peaks in the summer. According to the study, 38% of electricity produced this winter in the US was with natural gas which is up from 35% the previous winter. Coal fell from 21% to 18% winter over winter. A side note here, this study may seem counterintuitive, as we report on EIA gas storage build in the summer and drawdown in the winter. Again, the report is specific to electricity generation only. During the winter natural gas is used to heat homes as well as electric generation, while in the summer, cooling is electric driven.

We tend not to be technical analysts, but instead follow fundamentals for pricing. That said, we have made comments in the past about the electric on peak calendar strips of PJM West, MISO IN Hub, and ERCOT North Hub. As seen above, both PJM West and IN Hub have both broken what looked like pretty solid support levels. These strips have been trading below \$50-\$60/MW going back to mid-February testing the \$50 level a few times. As we head into summer, it appears lower summer gas prices have removed some risk premium. There's a saying in the technical analyst world, "old support is new resistance". We will continue to watch monitor.

6-10 Day Temperature Outlook



Monthly Temperature Outlook



COMMODITIES PRICING (\$/MMBtu)

Henry HUB Nat Gas	6/9/2023	\$2.28
WTI Crude Oil	6/9/2023	\$71.30

