

## Weekly Headlines

- Hot Hot Hot!
- FOMC
- Nat Gas Production

### POWER PRICING (\$/MWh)

Day-Ahead LMPs		Mon 7/24	Tue 7/25	Wed 7/26	Thu 7/27	Fri 7/28
PJM	On-Peak WESTERN HUB	\$48.31	\$45.63	\$51.50	\$142.61	\$131.32
	Off-Peak WESTERN HUB	\$19.00	\$18.58	\$18.89	\$24.85	\$24.89
	On-Peak N ILLINOIS HUB	\$50.13	\$49.04	\$51.84	\$129.53	\$125.65
	Off-Peak N ILLINOIS HUB	\$20.19	\$19.37	\$20.55	\$26.01	\$24.69
	On-Peak PPL	\$35.93	\$31.15	\$36.77	\$111.78	\$117.88
	Off-Peak PPL	\$15.37	\$14.61	\$16.15	\$19.93	\$20.82
	On-Peak PENELEC	\$46.11	\$41.60	\$48.44	\$133.30	\$126.68
	Off-Peak PENELEC	\$20.30	\$19.15	\$21.56	\$26.12	\$25.31
	On-Peak COMED	\$49.03	\$47.42	\$50.43	\$129.15	\$121.42
	Off-Peak COMED	\$20.28	\$19.46	\$20.64	\$26.10	\$24.79
MISO	On-Peak INDIANA HUB	\$45.45	\$56.12	\$61.89	\$91.43	\$95.94
	Off-Peak INDIANA HUB	\$20.90	\$25.32	\$26.21	\$26.61	\$28.36
	On-Peak MICHIGAN HUB	\$46.16	\$57.89	\$63.36	\$94.29	\$95.58
	Off-Peak MICHIGAN HUB	\$21.03	\$25.56	\$26.46	\$26.86	\$28.14
	On-Peak MINN HUB	\$44.38	\$50.69	\$78.06	\$81.99	\$84.36
	Off-Peak MINN HUB	\$19.14	\$21.09	\$24.59	\$24.55	\$23.02
ERCOT	On-Peak LOUISIANA HUB	\$39.44	\$40.40	\$40.68	\$43.32	\$45.85
	Off-Peak LOUISIANA HUB	\$19.82	\$21.13	\$21.46	\$21.62	\$21.61
	On-Peak NORTH	\$66.95	\$28.61	\$40.60	\$47.16	\$51.29
	Off-Peak NORTH	\$11.26	\$7.67	\$8.86	\$15.75	\$13.43
ERCOT	On-Peak SOUTH	\$69.76	\$39.76	\$48.71	\$51.40	\$53.43
	Off-Peak SOUTH	\$19.49	\$18.94	\$20.64	\$24.04	\$21.88

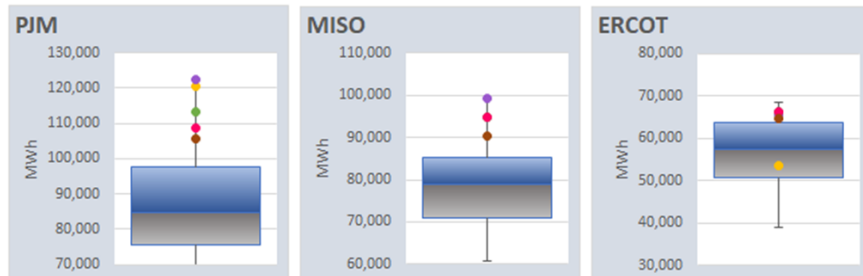
\* Red signifies week over week price change down / Green signifies week over week price change up

Futures	Western Hub		Indiana Hub		North Hub	
	On-Peak	Off-Peak	On-Peak	Off-Peak	On-Peak	Off-Peak
	\$51.10	\$37.74	\$53.82	\$39.47	\$61.43	\$36.03

\* Forward 12 month strip

### DAILY RTO LOAD PROFILE (MWh)

● -7/24 ● -7/25 ● -7/26 ● -7/27 ● -7/28



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

### COMMENTARY

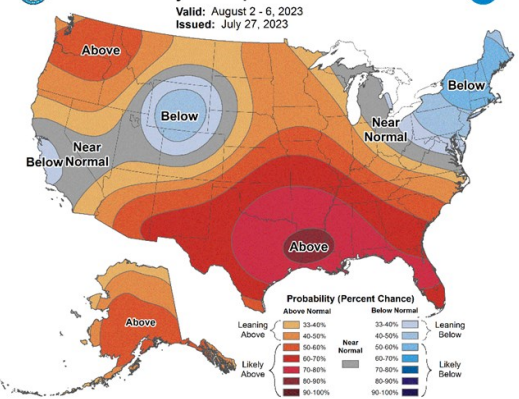
Hot, Hot, Hot! Extreme heat means extreme load. This week ISO emergency messages were popping like a slot machine in a casino. PJM and MISO have issued multiple hot weather and max generation alerts, which basically tells generators to plan on being up and running or called upon per capacity payment agreements. SPP and CAISO had multiple messages ranging from generator alerts to emergency conservation actions watch. So far it looks like the ISOs have made it through the heat, but today could turn into next week's news. PJM is predicting around 156 GW of peak load today which far exceeds last year's peak of 148 GW.

This week the FOMC raised the federal funds rate to 5 1/4-1/2. This is now the highest level in 22 years. What does this have to do with electricity? Last week Rhode Island Energy backed out of an offshore wind project that was slated to come online with 400 MW in 2025. Rhode Island Energy indicated that supply chain costs and uncertainty about tax credits were an issue. They also said that higher interest rates have raised the cost of capital and all these concerns have made the project unattractive to the state's ratepayers. From our seat, the first two issues aren't new, but the cost of capital has certainly moved higher over the last 6-9 months with the Fed raising rates. It's hard to imagine this is a standalone problem for just this project.

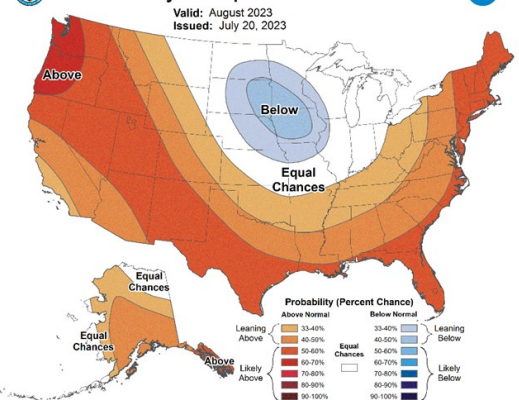
Very rarely will we comment on the oil markets. This week we found the EIA's report on weekly petroleum interesting and poses a question, is this relevant for natural gas? The report looks into the numbers of 40 publicly traded oil companies for capex and cash flow to determine that production could slow.

One of the variables the market has been watching closely on natural gas is the production numbers. In fact, we would argue that storage has taken a backseat, for now, to production when traders and analysts sharpen their pencils for price predictions. There have been some signs of production waning, but the market seems to be agnostic to it for now. Should the call for cash distributions from shareholders and cost of capital increase, this could become a bigger story right quick.

### 6-10 Day Temperature Outlook



### Monthly Temperature Outlook



### COMMODITIES PRICING (\$/MMBtu)

Henry HUB Nat Gas	7/28/2023	\$2.62
WTI Crude Oil	7/28/2023	\$79.23

