

Weekly Headlines

- Silly Season
- Load Growth
- Offshore Wind—Again

POWER PRICING (\$/MWh)

Day-Ahead LMPs		Mon 10/30	Tue 10/31	Wed 11/1	Thu 11/2	Fri 11/3
PJM	On-Peak WESTERN HUB	\$41.36	\$45.89	\$57.21	\$46.17	\$40.75
	Off-Peak WESTERN HUB	\$24.28	\$31.55	\$46.53	\$48.54	\$44.17
	On-Peak N ILLINOIS HUB	\$40.44	\$34.18	\$36.37	\$27.88	\$25.79
	Off-Peak N ILLINOIS HUB	\$19.57	\$21.92	\$24.46	\$18.31	\$9.35
	On-Peak PPL	\$37.59	\$40.14	\$45.85	\$38.48	\$34.62
	Off-Peak PPL	\$22.49	\$25.62	\$35.62	\$37.96	\$35.12
	On-Peak PENELEC	\$39.33	\$41.57	\$51.54	\$42.09	\$39.88
	Off-Peak PENELEC	\$23.28	\$28.12	\$42.75	\$44.96	\$40.40
	On-Peak COMED	\$40.51	\$34.21	\$36.72	\$27.94	\$25.89
	Off-Peak COMED	\$19.59	\$21.94	\$24.47	\$18.24	\$9.33
MISO	On-Peak INDIANA HUB	\$47.26	\$49.26	\$48.76	\$44.53	\$35.11
	Off-Peak INDIANA HUB	\$27.42	\$35.49	\$37.10	\$36.49	\$30.33
	On-Peak MICHIGAN HUB	\$45.46	\$41.97	\$48.46	\$41.76	\$32.65
	Off-Peak MICHIGAN HUB	\$27.07	\$34.34	\$36.40	\$35.12	\$28.43
	On-Peak MINN HUB	\$41.59	\$46.88	\$49.36	\$60.37	\$48.16
	Off-Peak MINN HUB	\$22.99	\$25.39	\$39.28	\$44.72	\$26.51
ERCOT	On-Peak LOUISIANA HUB	\$35.99	\$34.56	\$40.01	\$33.88	\$28.92
	Off-Peak LOUISIANA HUB	\$23.69	\$25.52	\$31.69	\$30.27	\$24.92
	On-Peak NORTH	\$72.24	\$61.18	\$17.04	\$24.88	\$20.93
	Off-Peak NORTH	\$16.78	\$36.52	\$15.42	\$1.44	\$4.67
On-Peak SOUTH	\$72.55	\$63.25	\$36.02	\$28.17	\$24.01	
Off-Peak SOUTH	\$25.75	\$36.73	\$25.75	\$21.20	\$17.52	

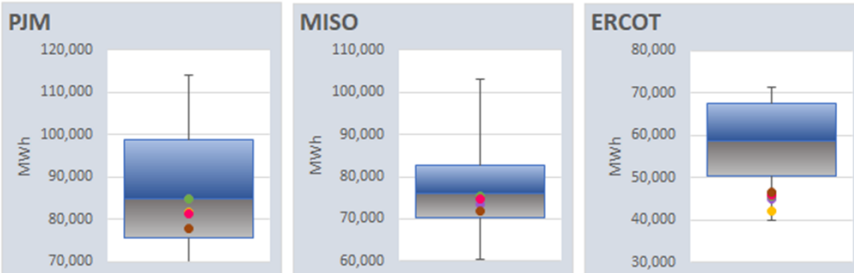
* Red signifies week over week price change down / Green signifies week over week price change up

Futures	Western Hub		Indiana Hub		North Hub	
	On-Peak	Off-Peak	On-Peak	Off-Peak	On-Peak	Off-Peak
	\$54.22	\$40.60	\$54.97	\$41.27	\$64.86	\$39.12

* Forward 12 month strip

DAILY RTO LOAD PROFILE (MWh)

● -10/30 ● -10/31 ● -11/1 ● -11/2 ● -11/3



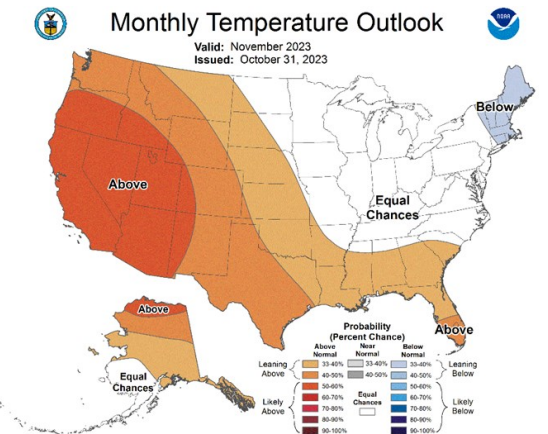
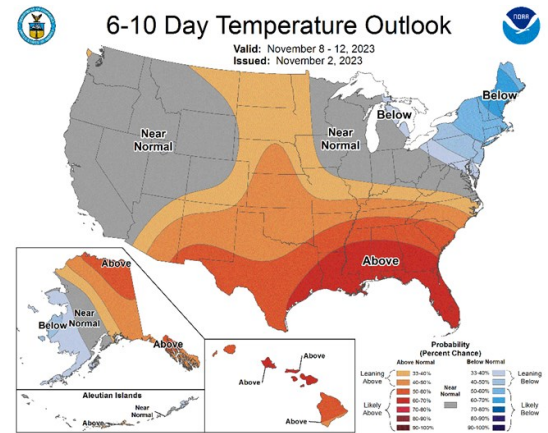
* Current week daily load plotted with past 3 months daily load

COMMENTARY

Four times a year public companies report their quarterly earnings which Wall Street affectionately or with dread, dubs silly season. Volatility traders (options) usually welcome the days. A "long-term" fundamental portfolio manager with a client base that grades "long-term" performance with monthly statements may not enjoy. And finally, if you're a compliance officer, you sit on the edge of your chair hoping the CEO and CFO don't color outside the lines of what's acceptable to report. Even if we must read between the lines, we get a great look at the landscape that might confirm or change our thinking on various topics.

When it comes to load growth, we've been skeptical of electrifying everything, mostly because it doesn't make sense given the grid make up. Also, it's becoming more obvious that EVs aren't going to have the load footprint originally forecast—at least not yet. But, the calculus behind datacenter is growing and it's real thanks to AI. While crypto mining has helped drive growth in datacenters, it was somewhat manageable by utilities as capacity allowed. It's fair to assume that utilities will not have that option with AI as consumers will demand it. It might be time to expect capex to be even more of the conversation in these utility earnings calls going forward. Good luck to the management teams in the new cost of capital environment.

Orsted shares fell to an all-time low after releasing numbers earlier this week. "The current market situation with supply chain challenges, project delays, and rising interest rates has challenged our offshore projects in the US, and in particular our offshore project Ocean Wind 1, which has led to significant impairments in Q3 2023." The write down is being reported at \$5.6 billion by Reuters. BP shares also traded lower on earnings as they had some issues across the board, which included a \$540 million write down on US offshore wind. The head of renewables said the US offshore wind industry is "fundamentally broken". Finally, Shell confirmed this week that it is cancelling a PPA for the SouthCoast wind project off the coast of Massachusetts. Because of the rising costs of the project, they are choosing to pay the penalty rather than build the project.



COMMODITIES PRICING (\$/MMBtu)

Henry HUB Nat Gas	11/3/2023	\$3.51
WTI Crude Oil	11/3/2023	\$81.17

