

Weekly Headlines

- Natural Gas Rally
- LNG
- Offshore Wind

POWER PRICING (\$/MWh)

Day-Ahead LMPs		Mon 1/1	Tue 1/2	Wed 1/3	Thu 1/4	Fri 1/5
PJM	On-Peak WESTERN HUB		\$32.86	\$36.32	\$43.68	\$42.32
	Off-Peak WESTERN HUB	\$26.27	\$26.60	\$30.83	\$29.89	\$43.75
	On-Peak N ILLINOIS HUB		\$29.53	\$33.10	\$39.95	\$36.82
	Off-Peak N ILLINOIS HUB	\$24.20	\$23.52	\$27.78	\$27.88	\$39.76
	On-Peak PPL		\$28.53	\$32.23	\$39.21	\$35.72
	Off-Peak PPL	\$22.37	\$23.79	\$25.92	\$26.97	\$38.95
	On-Peak PENELEC		\$31.84	\$35.72	\$44.76	\$44.29
	Off-Peak PENELEC	\$25.18	\$26.53	\$28.45	\$28.67	\$44.54
	On-Peak COMED		\$29.61	\$33.18	\$40.07	\$36.92
	Off-Peak COMED	\$24.25	\$23.57	\$27.83	\$27.94	\$38.50
MISO	On-Peak INDIANA HUB		\$27.96	\$34.21	\$37.94	\$38.24
	Off-Peak INDIANA HUB	\$24.42	\$21.82	\$27.54	\$29.90	\$30.86
	On-Peak MICHIGAN HUB		\$28.24	\$34.75	\$38.62	\$38.46
	Off-Peak MICHIGAN HUB	\$24.86	\$21.76	\$27.88	\$30.21	\$30.63
	On-Peak MINN HUB		\$27.68	\$37.89	\$44.99	\$43.38
	Off-Peak MINN HUB	\$21.60	\$12.74	\$29.88	\$36.67	\$27.09
	On-Peak LOUISIANA HUB		\$28.51	\$26.99	\$31.13	\$30.14
	Off-Peak LOUISIANA HUB	\$23.66	\$24.02	\$24.23	\$26.81	\$26.45
ERCOT	On-Peak NORTH	\$19.18	\$28.36	\$25.10	\$17.15	\$21.38
	Off-Peak NORTH	\$12.80	\$16.82	\$22.34	\$17.87	\$18.52
	On-Peak SOUTH	\$21.44	\$27.55	\$25.82	\$19.17	\$21.65
	Off-Peak SOUTH	\$17.26	\$20.89	\$20.37	\$18.28	\$18.49

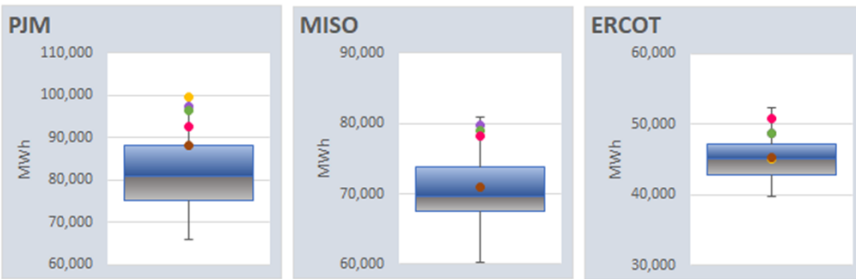
* Red signifies week over week price change down / Green signifies week over week price change up

Futures	Western Hub		Indiana Hub		North Hub	
	On-Peak	Off-Peak	On-Peak	Off-Peak	On-Peak	Off-Peak
	\$47.52	\$36.65	\$47.45	\$36.82	\$50.68	\$31.09

* Forward 12 month strip

DAILY RTO LOAD PROFILE (MWh)

● -1/1 ● -1/2 ● -1/3 ● -1/4 ● -1/5



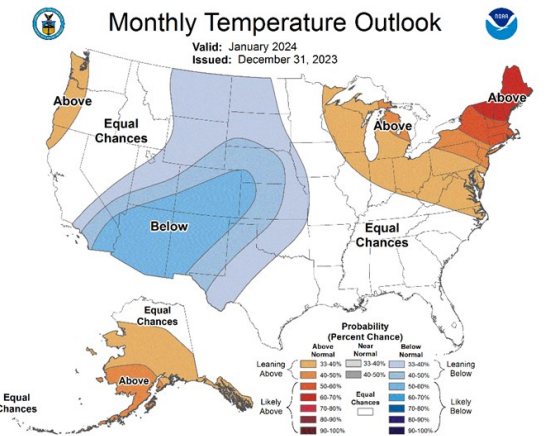
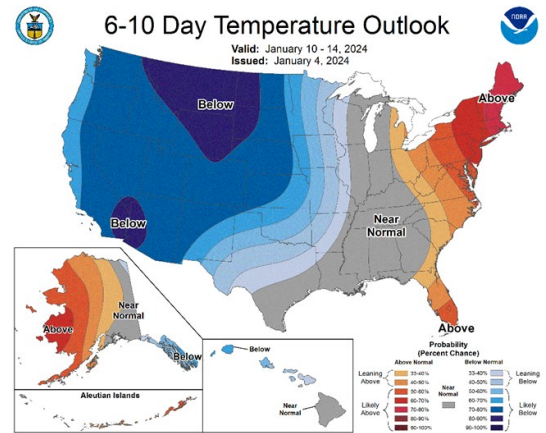
* Current week daily load plotted with past 3 months daily load

COMMENTARY

Natural gas has started the year with a nice rally with February contracts rallying over 10%. The weather models for the US are slightly more blue with potential for colder weather to be pushing down from Canada while some winter storms make their way up from the US Southwest. Coincidentally, Northwest Europe has been getting slammed with some of the coldest air it's seen in a long time and there doesn't seem to be a break in the forecast. Infact, according to a Reuters story, Finland grid operator Fingrid has called for curbing of electricity consumption as morning and evening peaks are reaching eight-year highs. The operator states, "there is sufficient power capacity, but today and for the rest of the week it is very important that all electricity users participate in consumption flexibility". Fingrid's peak load is 15,000 MW which would be roughly the size of ISO-NE on an average winter day.

Along with some colder weather, estimates for US production for the first week of 2024 are projected to be off roughly 3-4% from the highs of November which is still well above year ago levels. This news might be helping offset the EIA storage data that showed a draw of 14 Bcf for the week ending December 29 vs. and estimated withdrawal of 50 Bcf. Normally, that would be a rally killing number, but garnered almost no attention Thursday morning. The growth in LNG capacity will create some parity between the European and US natural gas markets somewhat mirroring what the supertanker has done with oil prices around the world. As a reminder, EIA's projections have capacity moving to 25 Bcf/d by 2027, which is almost a double from today.

Wednesday, Equinor and BP announced that they reached an agreement with the New York State Energy Research and Development Authority (NYSERDA) to scrap a 1200 MW project called Empire 2 to be located southeast of Long Island. Empire 1 (800MW) and 2 had just cleared federal permitting. Equinor stated the economic circumstances, given interest rates, inflation costs, and supply chain issues, were going to make the project unviable as it stands. This isn't an outright pulling the plug, but given the current economics, it's hard to see an offtake agreement that would make this viable.



COMMODITIES PRICING (\$/MMBtu)

Henry HUB Nat Gas	1/5/2024	\$2.75
WTI Crude Oil	1/5/2024	\$72.93

