



MARKET SUMMARY REPORT

June 2023

UNDERSTANDING THIS MARKET SNAPSHOT

Use the information in this email to identify trends and movements affecting electricity in the ERCOT market to make informed energy decisions. Here are a few quick tips:

- **Power prices** are determined from forward Heat Rate and natural gas strips for a specific timeframe. $Power Price = Heat Rate \times Natural Gas Price$. Power prices can change based on electricity supply and demand, which is driven by factors such as weather, the economy, available generation and grid conditions.
- **Natural Gas** prices are a key driver of power prices because natural gas fuels the power plants that are brought online primarily to satisfy peak demand.

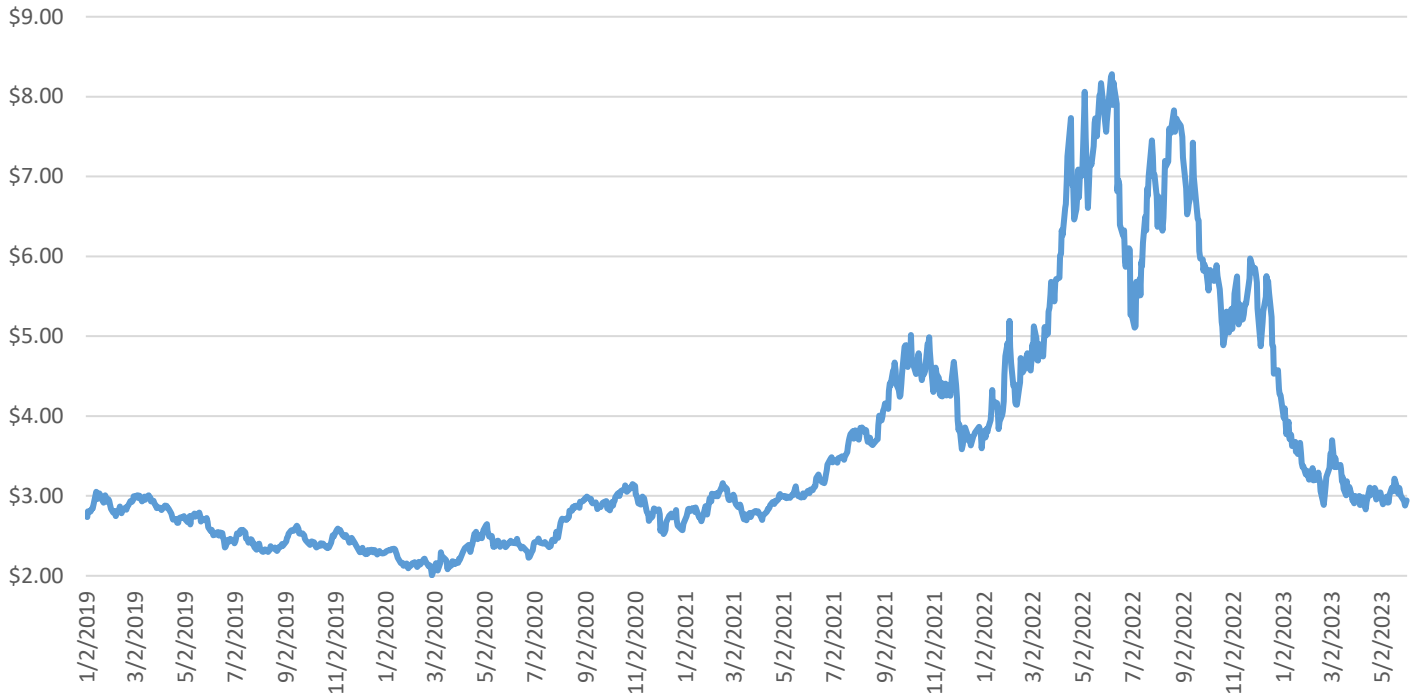
Heat Rates are the common measure of power plant efficiency and are derived from power and natural gas prices: $Heat Rate = Power Price \div Natural Gas Price$. Heat rates are typically higher when gas prices are lower. Heat rates are impacted by weather, regulatory changes, consumer demand and power plant retirements.

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NYMEX NATURAL GAS 12 MONTH PRICES

- The NYMEX Natural Gas 12-month strip finished the June 2nd trading day at \$2.94/MMBtu.
- The 2023 average for the 12-month strip has been \$3.20/MMBtu.

NYMEX 12 Month Strip – Daily Settles

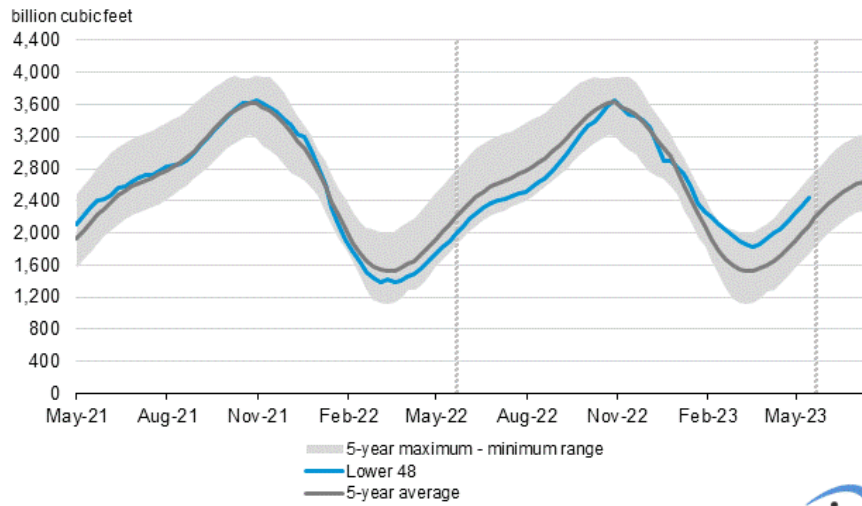


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NATURAL GAS STORAGE

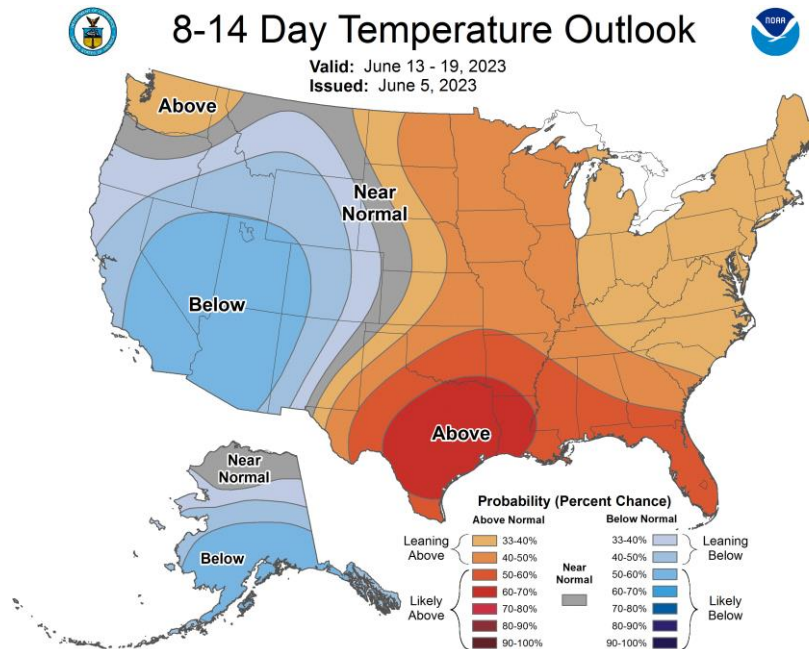
Working gas in underground storage compared with the 5-year maximum and minimum



Data source: U.S. Energy Information Administration



- Working gas in storage was 2446 Bcf as of Friday, May 26th, 2023.
- An injection of 110 Bcf was below analysts' expectations for an injection of ~113 Bcf
- Stocks are now 29.5% above this time last year and 16.6% above the 5-year average.



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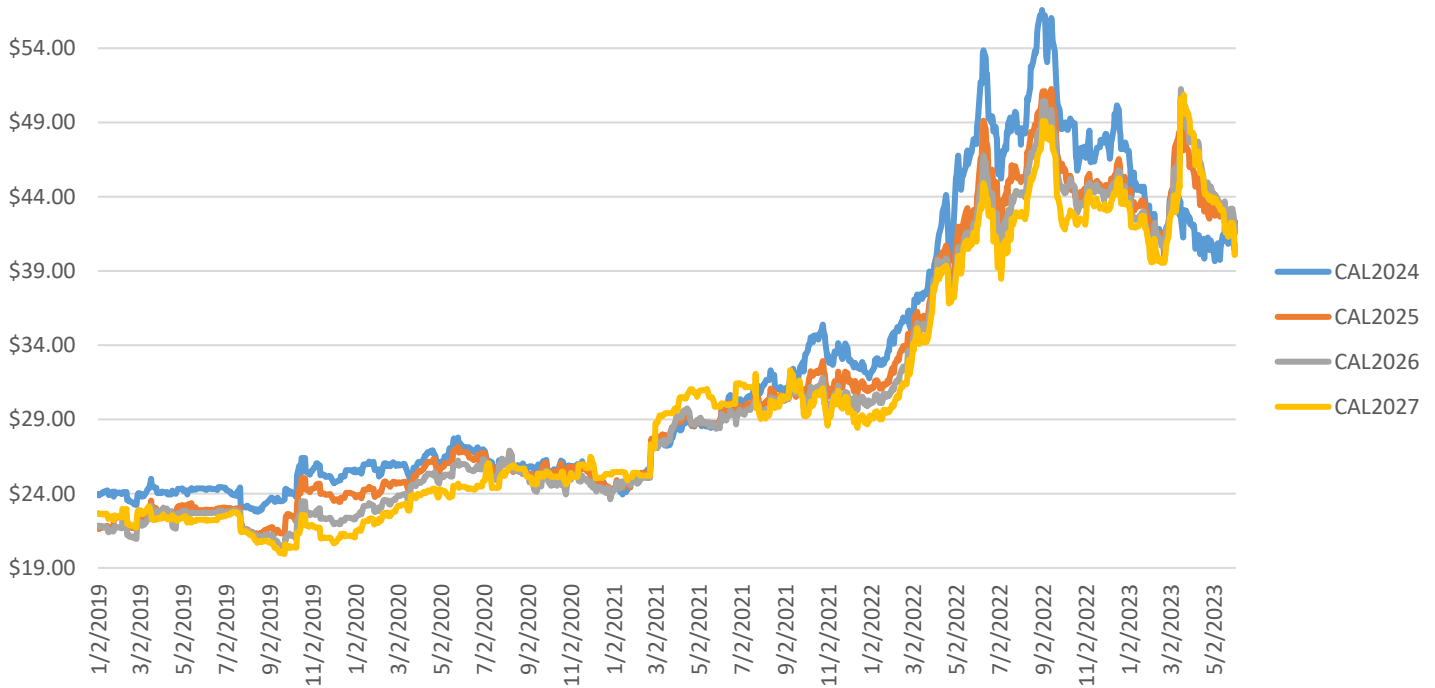
REAL-TIME PRICING

Date	Real-Time Settlement Point Price (Load Zone)				ERCOT Nodal Intrazonal Congestion			
	Monthly Averages				Monthly Averages			
	North	Houston	South	West	North	Houston	South	West
5/1/2023	\$26.78	\$26.90	\$26.86	\$26.28	(\$0.00)	\$0.02	\$0.15	\$0.35
4/1/2023	\$28.72	\$31.34	\$29.41	\$38.78	\$0.14	\$0.31	\$0.67	\$8.70
3/1/2023	\$20.14	\$21.63	\$21.70	\$38.91	\$0.49	\$0.44	\$1.42	\$20.53
2/1/2023	\$25.38	\$26.14	\$29.43	\$53.62	\$0.85	\$0.02	\$3.38	\$25.42
1/1/2023	\$18.35	\$19.40	\$19.31	\$27.31	\$0.10	\$0.31	\$1.64	\$9.54
12/1/2022	\$23.40	\$22.81	\$22.90	\$33.96	\$0.02	(\$0.15)	\$0.47	\$13.31
11/1/2022	\$59.18	\$57.01	\$56.23	\$71.57	\$2.87	\$0.20	\$2.28	\$16.57
10/1/2022	\$42.24	\$45.42	\$42.95	\$39.96	\$0.86	\$1.10	\$1.32	\$3.21
9/1/2022	\$48.29	\$51.25	\$50.22	\$48.34	\$0.06	\$1.16	\$1.17	\$3.53
8/1/2022	\$64.25	\$65.47	\$66.25	\$65.23	\$0.13	\$0.13	\$1.29	\$1.68
7/1/2022	\$90.40	\$89.59	\$83.55	\$90.27	\$0.31	(\$0.03)	(\$3.19)	\$1.26
6/1/2022	\$148.08	\$143.06	\$119.92	\$148.64	\$0.17	\$0.21	(\$12.63)	\$2.26
5/1/2022	\$64.33	\$79.43	\$61.96	\$58.95	\$0.36	\$2.93	(\$0.01)	\$1.38

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ENERGY-ONLY POWER PRICES

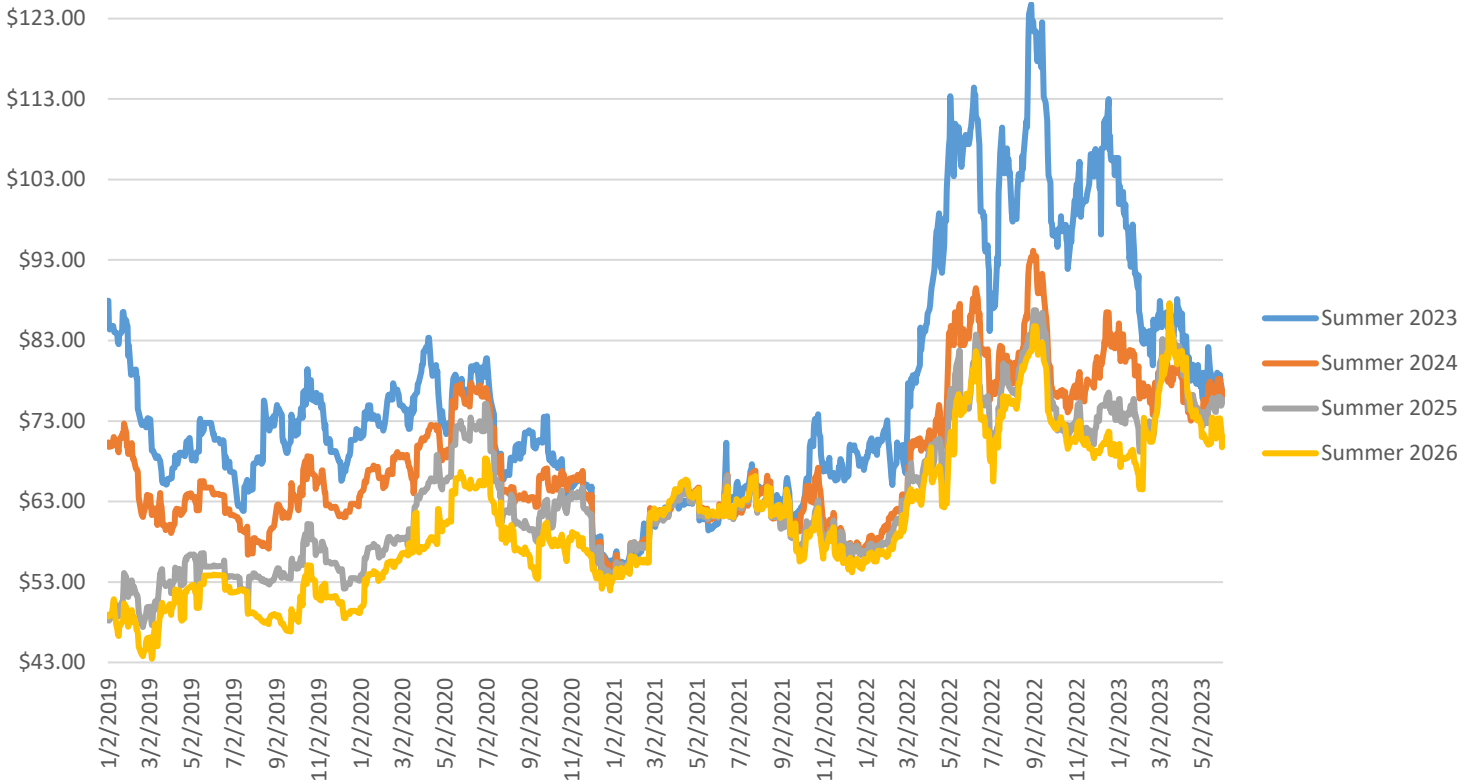
NZ 7x24 Energy-Only Power Price: CAL2024- CAL2027
North Zone



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ENERGY-ONLY POWER PRICES

5x16 Energy-Only Power Price: Summer 2023 - Summer 2026
North Zone



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