



# MARKET SUMMARY REPORT

*April 2024*

# 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.

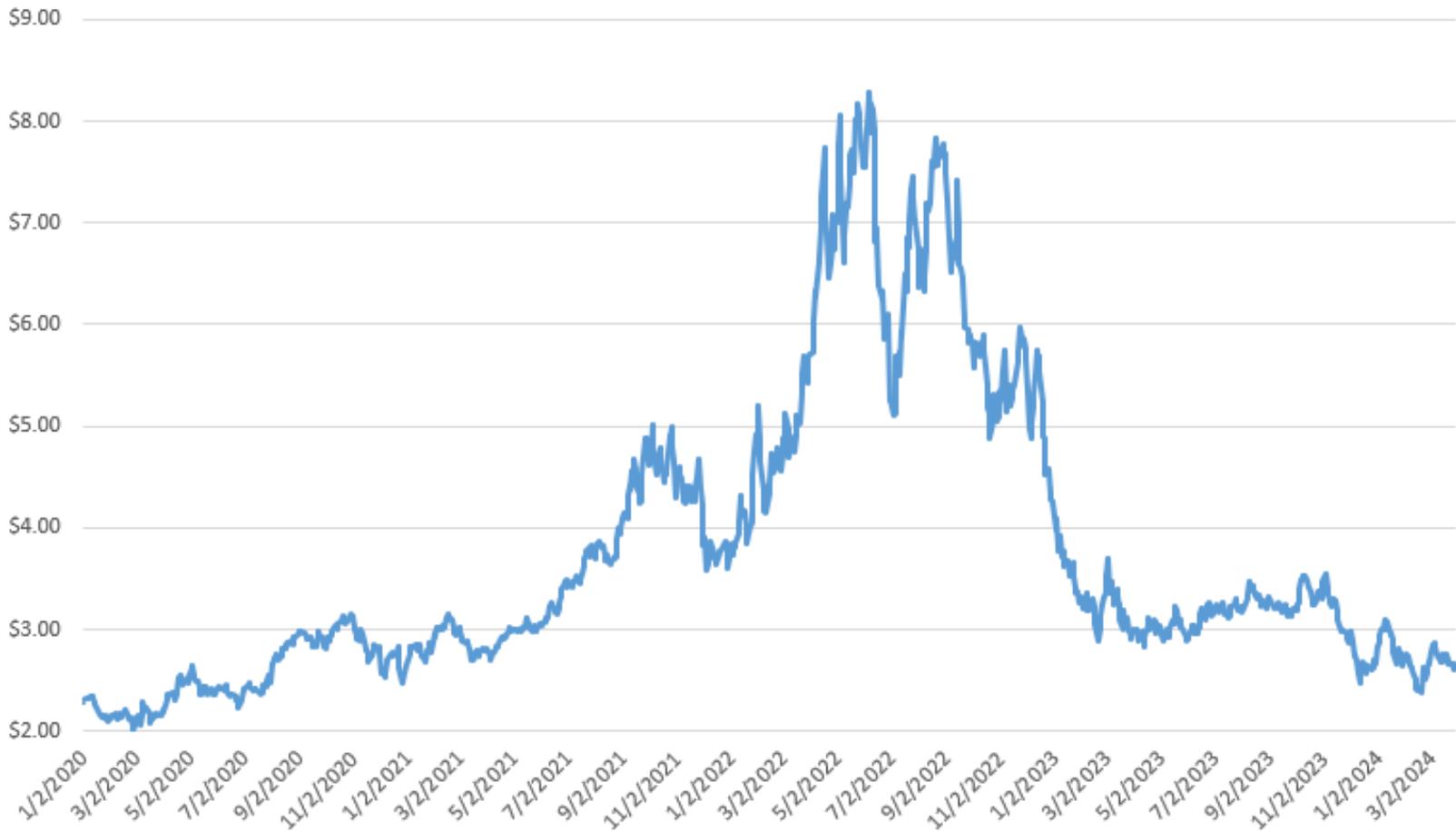
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# NYMEX NATURAL GAS 12 MONTH PRICES

- The NYMEX Natural Gas 12-month strip finished the March 28<sup>th</sup> trading day at \$2.66/MMBtu.
- The 2024 average for the 12-month strip has been \$2.73/MMBtu.

NYMEX 12 Month Strip - Daily Settles

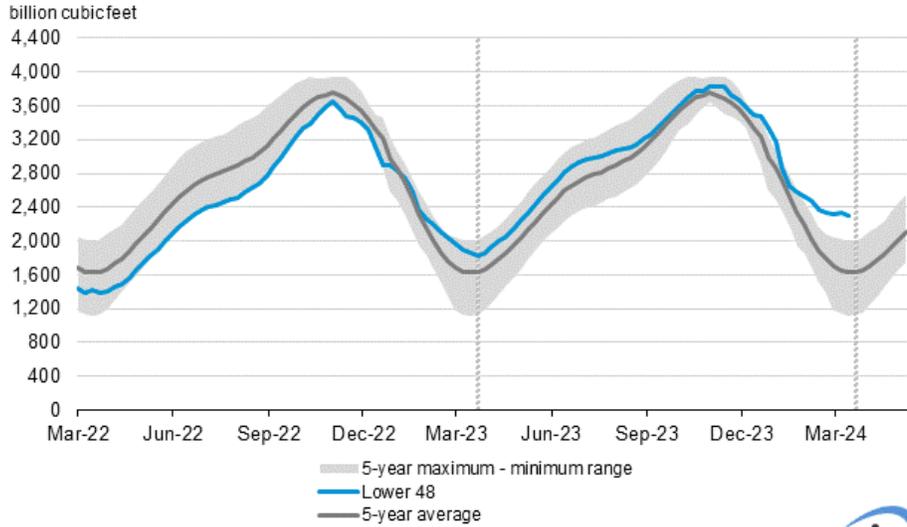


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# EIA NATURAL GAS STORAGE

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

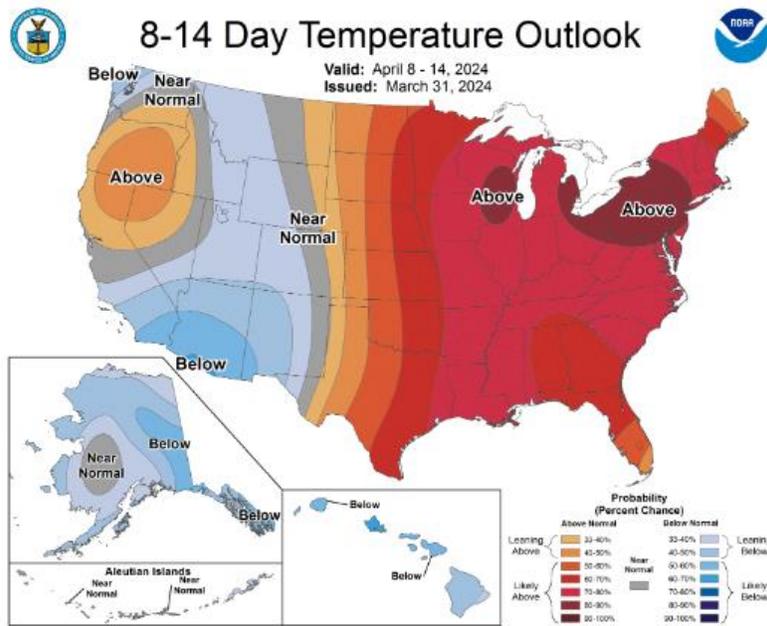


Data source: U.S. Energy Information Administration



- Working gas in storage was 2,296 Bcf as of Friday, March 22nd
- This represents a net decrease of 36 bcf from the previous week
- Stocks were 23% higher than last year at this time and 41% above the five-year average

## Temperature Probability



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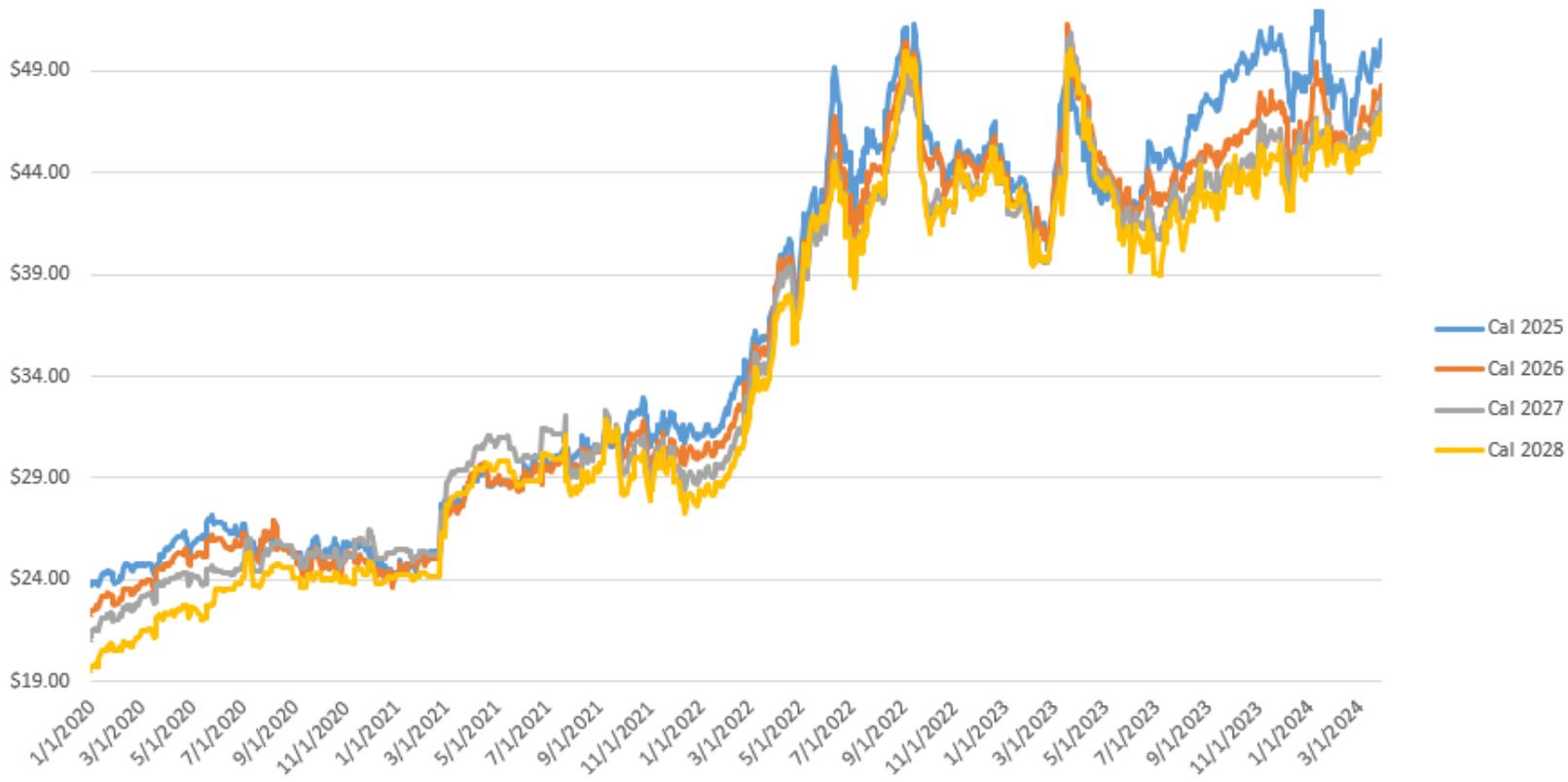
# REAL-TIME PRICING

	Real-Time Settlement Point Price (Load Zone)				ERCOT Nol Intrazonal Congestion			
	Monthly Averages				Monthly Averages			
Date	North	Houston	South	West	North	Houston	South	West
3/1/2024	\$16.80	\$21.39	\$23.36	\$42.35	\$0.01	\$1.29	\$2.43	\$15.80
2/1/2024	\$13.99	\$14.57	\$13.25	\$20.40	-\$0.04	\$0.03	-\$0.27	\$4.71
1/1/2024	\$35.21	\$32.26	\$36.17	\$40.27	\$1.38	\$0.29	\$4.20	\$5.97
12/1/2023	\$19.69	\$20.50	\$20.51	\$39.49	\$0.04	\$0.33	-\$0.25	\$13.89
11/1/2023	\$28.42	\$29.66	\$29.05	\$40.16	\$0.08	\$0.19	-\$0.71	\$8.78
10/1/2023	\$31.43	\$33.78	\$32.35	\$44.49	\$0.64	\$0.77	\$0.92	\$10.28
8/1/2023	\$91.18	\$89.59	\$83.85	\$96.52	\$0.89	\$0.33	-\$2.13	\$4.77
7/1/2023	\$199.45	\$200.53	\$162.77	\$200.84	\$1.52	-\$0.53	-\$13.92	\$2.74
6/1/2023	\$45.05	\$47.35	\$37.09	\$44.89	\$0.08	\$0.20	-\$2.15	\$1.09
5/1/2023	\$62.24	\$63.29	\$59.94	\$64.47	\$0.05	-\$0.02	-\$1.32	\$2.42
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

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# ENERGY-ONLY POWER PRICES

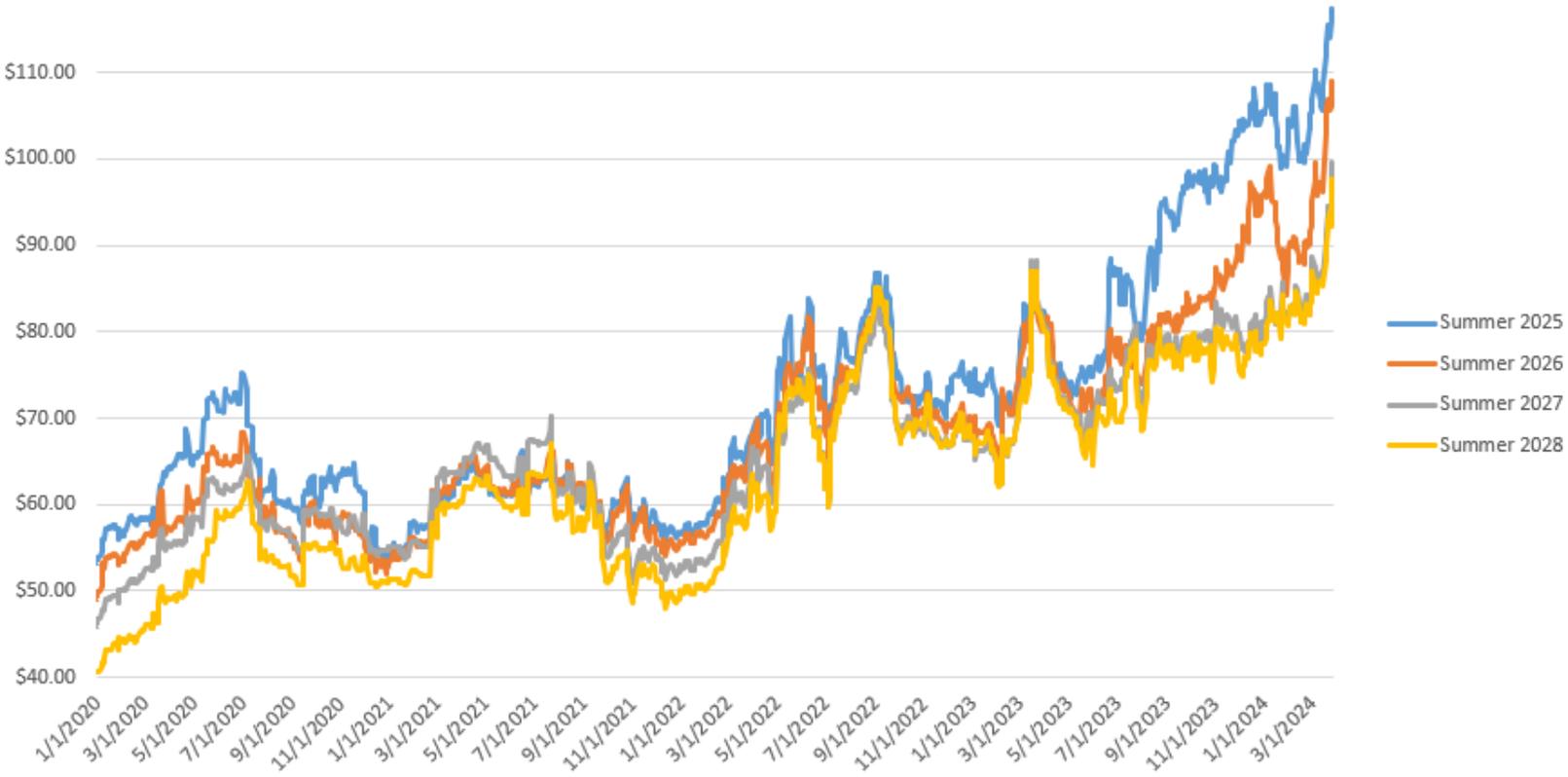
NZ 7 x 24 Energy-Only Power Price: Cal2025-2028



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# ENERGY-ONLY POWER PRICES

## NZ 5 x 16 Energy-Only Power Price: Summer2025-2028



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## ADDITIONAL MARKET INSIGHTS

- CPS Energy informed ERCOT last week it plans to retire three natural gas-fired units at the V.H. Braunig facility by March 2025. These units total 859 MW of capacity.
  - Also announced that they will acquire Talen Energy's 1,710 MW generation portfolio
  - The company's target is to retire 2,249 MW of dispatchable capacity by 2030
- The acceleration of the Braunig facility's retirement may have contributed to power fundamental reasons for a trend up in energy only power prices week of 3/25, having a particularly significant upward influence on summer prices for 2025 and 2026

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