



MARKET SUMMARY REPORT

*November
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

- NYMEX 12-month strip daily settles closed at \$3.34/MMBtu on 11/7
- The 2023 average for the 12-month strip has been \$3.23/MMBtu.

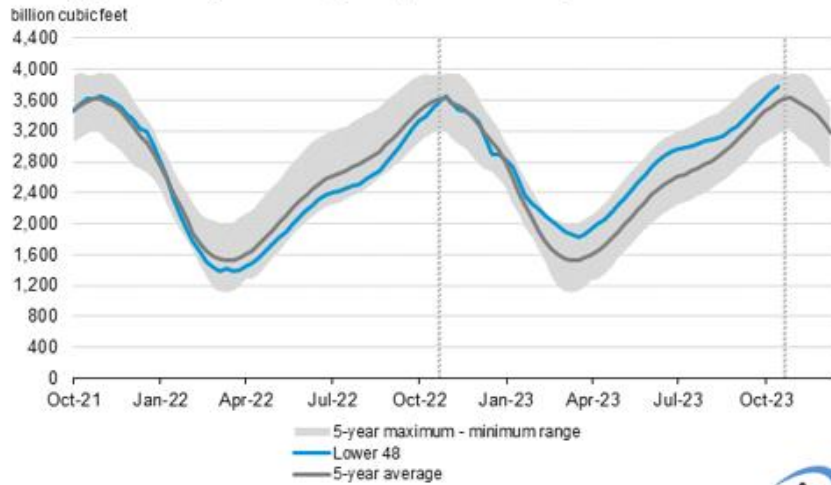


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NYMEX NATURAL GAS STORAGE

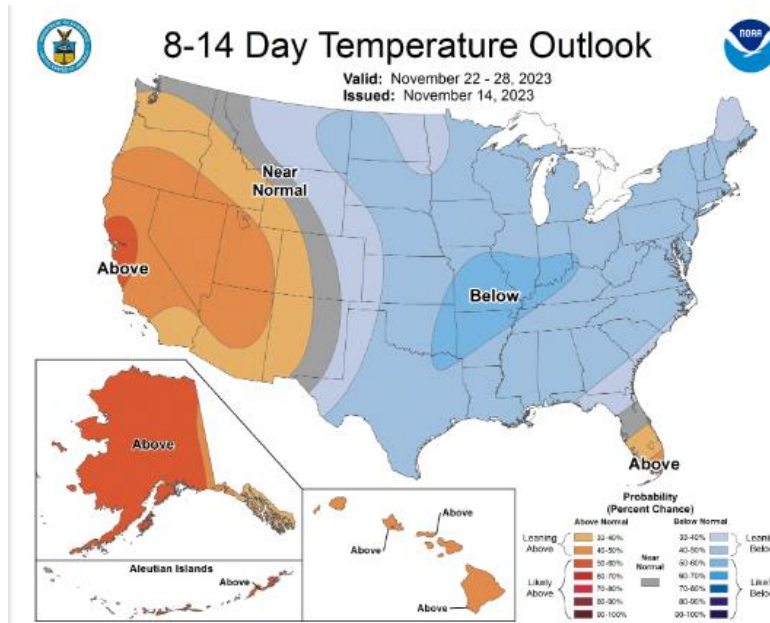
Working gas in underground storage compared with the 5-year maximum and minimum



Data source: U.S. Energy Information Administration



- Working gas in storage was 3,779 Bcf as of Friday, October 27th
- An injection of 79 Bcf was within analysts' expectations
- Stocks were 8.4% higher than last year at this time and 5.7% above the five-year average



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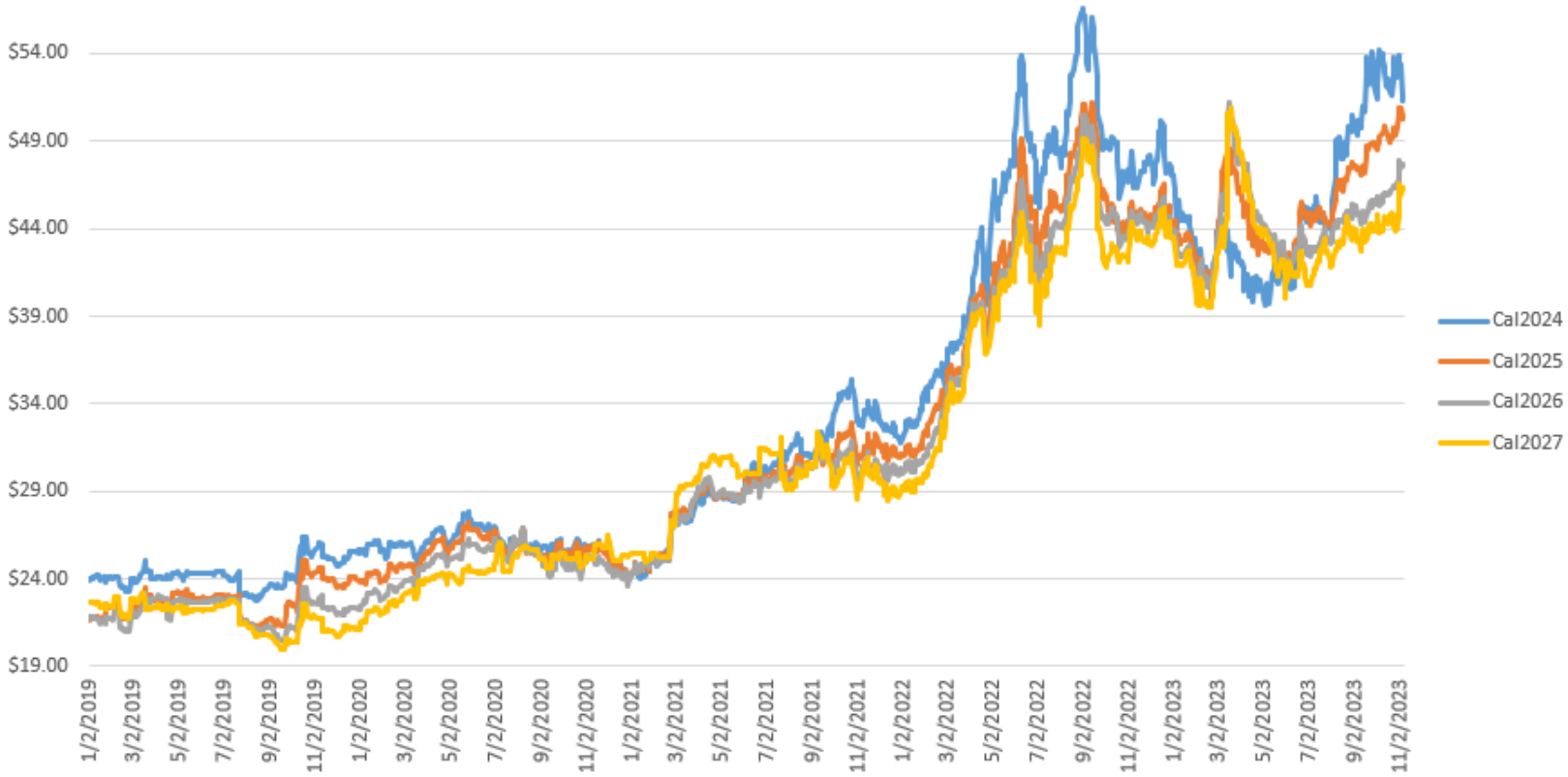
REAL-TIME PRICING

Date	Real-Time Settlement Point Price (Load Zone)				ERCOT Nodal Intrazonal Congestion			
	Monthly Averages				Monthly Averages			
	North	Houston	South	West	North	Houston	South	West
11/1/2023	\$27.57	\$28.14	\$26.28	\$26.21	\$0.17	\$0.20	(\$0.82)	\$2.73
10/1/2023	\$31.43	\$33.78	\$32.35	\$44.49	\$0.64	\$0.77	\$0.92	\$10.28
8/1/2023	\$199.45	\$200.53	\$162.77	\$200.84	\$1.52	(\$0.53)	(\$13.92)	\$2.74
7/1/2023	\$45.05	\$47.35	\$37.09	\$44.89	\$0.08	\$0.20	(\$2.15)	\$1.09
6/1/2023	\$62.24	\$63.29	\$59.94	\$64.47	\$0.05	(\$0.02)	(\$1.32)	\$2.42
5/1/2023	\$28.72	\$31.34	\$29.41	\$38.78	\$0.14	\$0.31	\$0.67	\$8.70
4/1/2023	\$20.14	\$21.63	\$21.70	\$38.91	\$0.49	\$0.44	\$1.42	\$20.53
3/1/2023	\$25.38	\$26.14	\$29.43	\$53.62	\$0.85	\$0.02	\$3.38	\$25.42
2/1/2023	\$18.35	\$19.40	\$19.31	\$27.31	\$0.10	\$0.31	\$1.64	\$9.54
1/1/2023	\$23.40	\$22.81	\$22.90	\$33.96	\$0.02	(\$0.15)	\$0.47	\$13.31
12/1/2022	\$59.18	\$57.01	\$56.23	\$71.57	\$2.87	\$0.20	\$2.28	\$16.57
11/1/2022	\$42.24	\$45.42	\$42.95	\$39.96	\$0.86	\$1.10	\$1.32	\$3.21
10/1/2022	\$48.29	\$51.25	\$50.22	\$48.34	\$0.06	\$1.16	\$1.17	\$3.53

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ENERGY-ONLY POWER PRICES

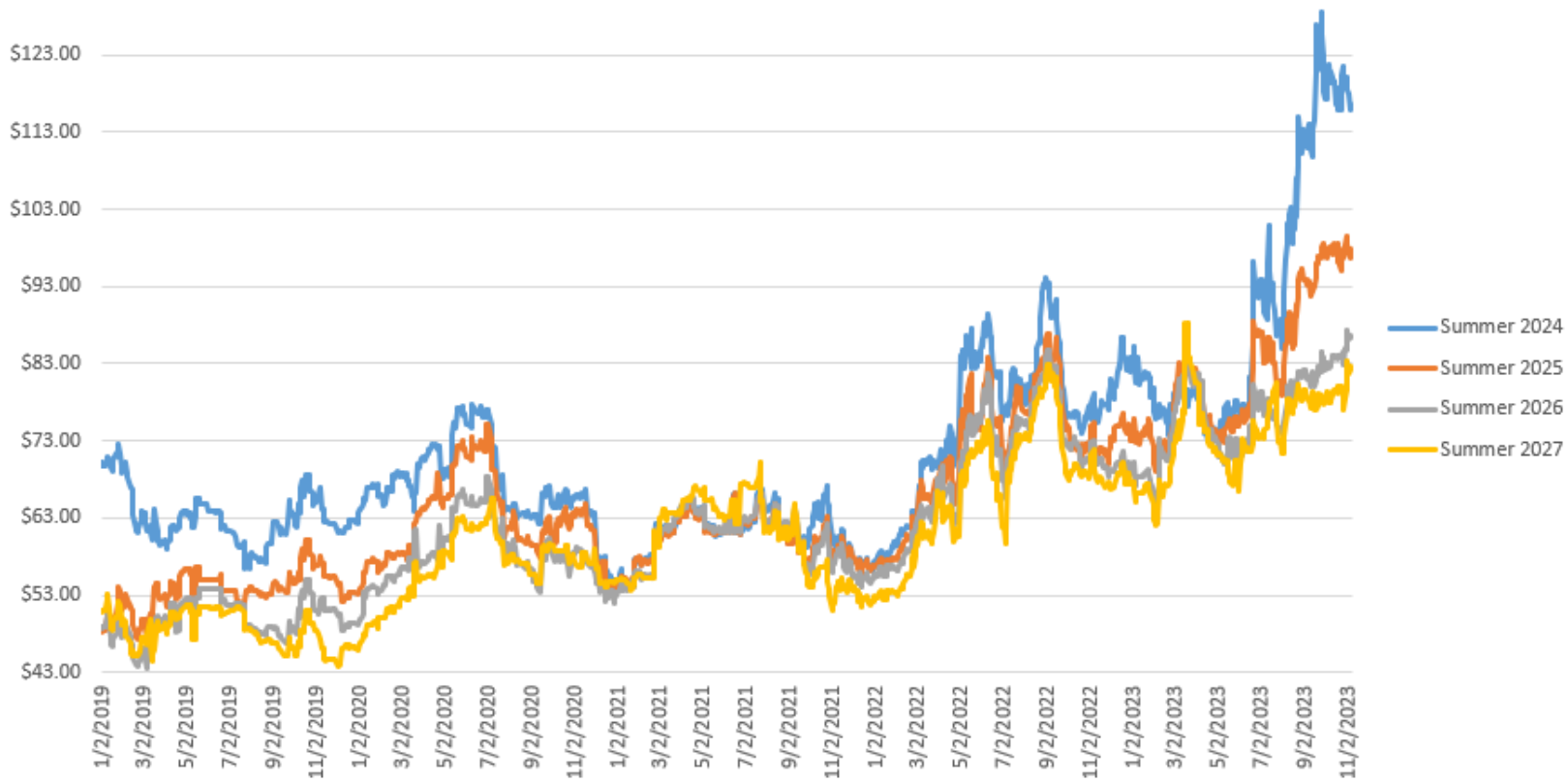
NZ 7x24 Energy-Only Power Price: CAL2024- CAL2027



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ENERGY-ONLY POWER PRICES

NZ 5x16 Energy-Only Power Price: Summer 2023 - Summer 2026



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ADDITIONAL MARKET INSIGHTS

- Power
 - 2024 still the focus of trading
 - El Nino weather pattern suggests mild winter and another hot summer in 2024
 - Concerns about future potential scarcity pricing given load growth and lack of new thermal generation
 - 2025 and 2026 pricing trending higher
- Gas
 - Bearish fundamentals for natural gas in the near term
 - High levels of storage
 - Weather currently projected for mild winter, but potential for volatility remains

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