



# MARKET SUMMARY REPORT

*July 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 July 5<sup>th</sup> trading day at \$3.21/MMBtu.
- The 2023 average for the 12-month strip has been \$3.18/MMBtu.

NYMEX 12 Month Strip – Daily Settles

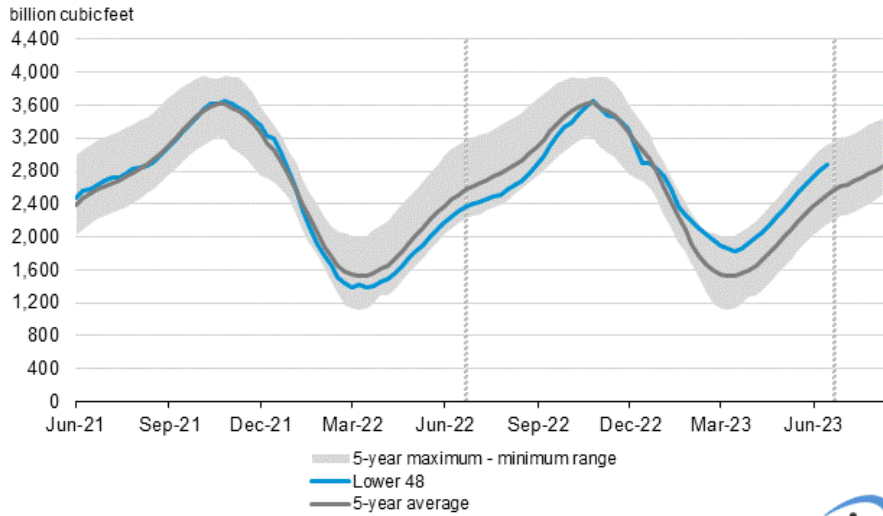


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# NATURAL GAS STORAGE

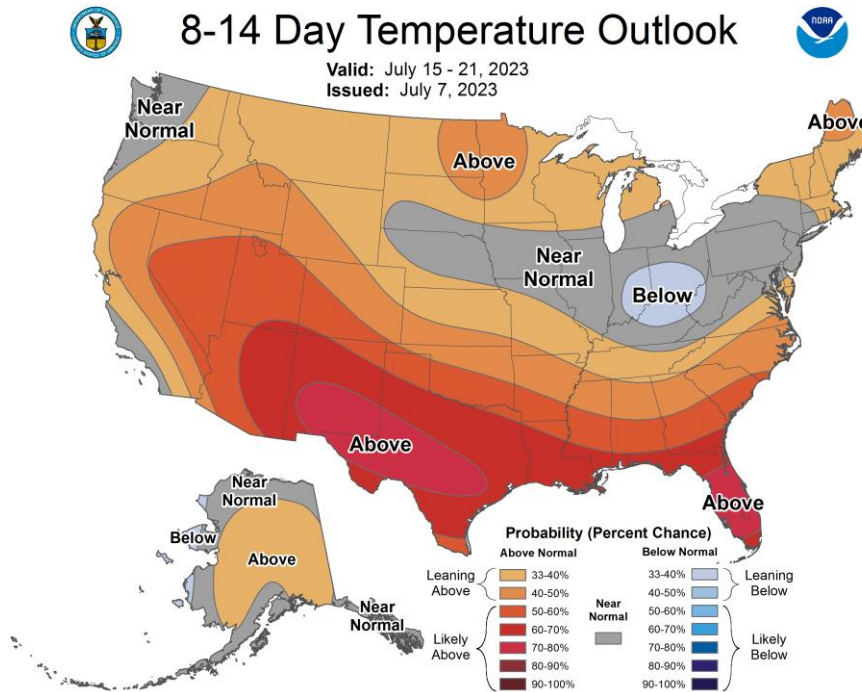
Working gas in underground storage compared with the 5-year maximum and minimum



Data source: U.S. Energy Information Administration



- Working gas in storage was 2877 Bcf as of Friday, June 30th, 2023.
- An injection of 72 Bcf was above analysts' expectations for an injection of 64 Bcf.
- Stocks are now 25% above this time last year and 14.6% above the 5-year average.



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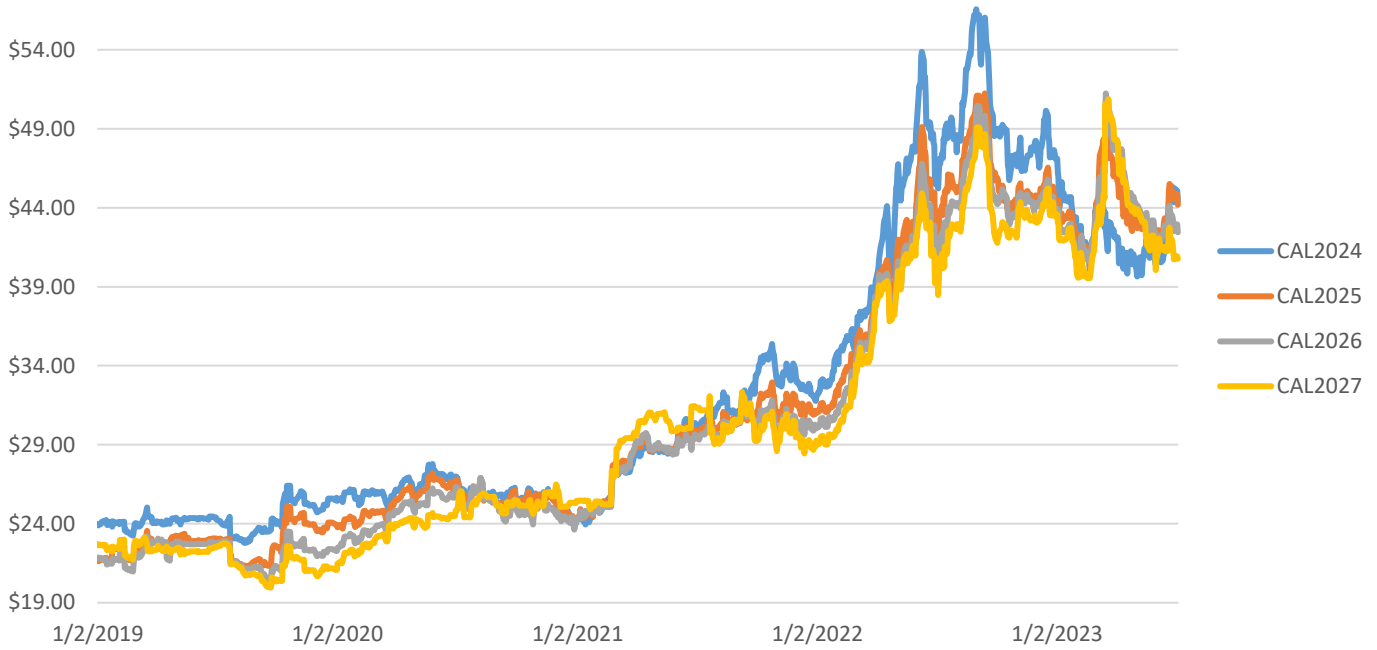
# REAL-TIME PRICING

Date	Real-Time Settlement Point Price (Load Zone)				ERCOT Nodal Intrazonal Congestion			
	Monthly Averages				Monthly Averages			
	North	Houston	South	West	North	Houston	South	West
7/1/2023	\$29.13	\$30.84	\$28.38	\$30.69	\$0.17	\$0.96	(\$0.63)	\$0.86
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
9/1/2022	\$64.25	\$65.47	\$66.25	\$65.23	\$0.13	\$0.13	\$1.29	\$1.68
8/1/2022	\$90.40	\$89.59	\$83.55	\$90.27	\$0.31	(\$0.03)	(\$3.19)	\$1.26
7/1/2022	\$148.08	\$143.06	\$119.92	\$148.64	\$0.17	\$0.21	(\$12.63)	\$2.26

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# ENERGY-ONLY POWER PRICES

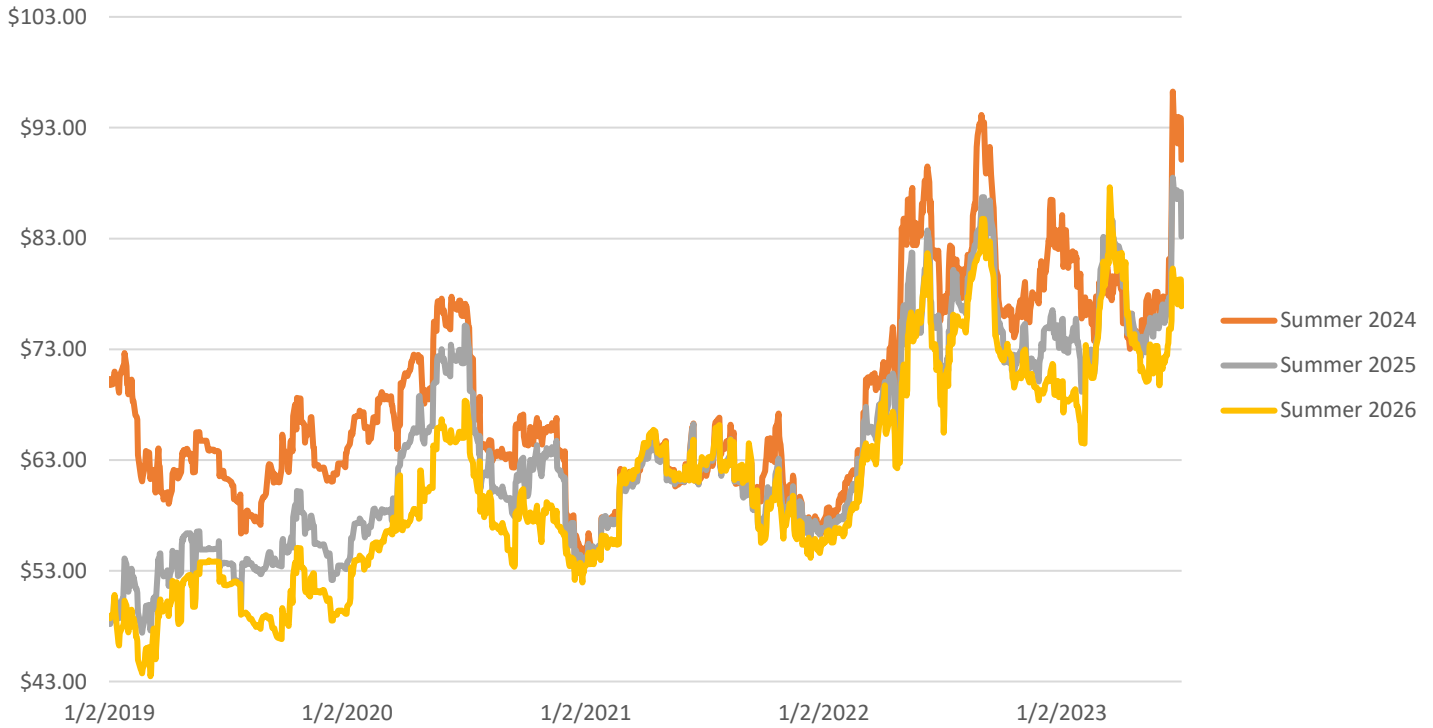
NZ 7x24 Energy-Only Power Price: CAL2024- CAL2027  
North Zone



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# ENERGY-ONLY POWER PRICES

## 5x16 Energy-Only Power Price: Summer 2024 - Summer 2026 North Zone



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