WEEKLY MARKET UPDATE

Natural Gas Storage vs Natural Gas Price



POWER MARKETS

West Amid some of the highest temperatures of the year so far in the region this week, Day Ahead prices have jumped in California but fallen slightly in the Pacific Northwest. The indices now average \$40.33/MWh at Mid-C, \$24.29/MWh at NP15, and \$14.98/MWh at SP15 for the month to date, but the balmier conditions should melt the heavy snowpack and boost hydro generation for the rest of May. In the forward market, Bal-Year 2024 has declined since last week while CY2025 and CY2026 have stayed mostly flat.

ERCOT SAs near-term natural gas prices continue to climb out of the cellar, term power prices continue their ascent out the curve, rising by nearly \$3.00/MWh through 2025 and by \$1.50/MWh into 2026. Real-time prices remain higher than they were both last month and last year at this time; the average for the month to date is nearly \$50/MWh, thanks to a series of quadruple-digit hourly prints on day 8. That pricing anomaly also left its mark in the ORDC adder for scarcity pricing, now close to \$2.50/MWh for the month. Spot prices are expected to turn quite volatile this Friday and Saturday, when demand is projected to be moderate but nonetheless undercut by intermittent wind supply.

East Seasonally typical yet unsettled weather has inspired a small increase in Day Ahead prices, which are averaging \$33.79/MWh in PJM, \$27.59/MWh in NYISO, and \$28.07/MWh in ISO-NE's WCMASS this week. Meanwhile, the Real Time average is much higher than last week's in PJM at \$40.52/MWh but lower in NYISO and WCMASS at \$24.96/MWh and \$25.92/MWh, respectively. The notable DART spread of approximately \$7/MWh in PJM is the product of lethargic wind turbines and suppressed BTM solar generation. Early next week, warmer weather should increase cooling load and raise prices briefly before a cold front moves in toward the end of the week.

Week Ending May 10, 2024

CALPINE[®]

NATURAL GAS

- The EIA reported Thursday morning that, for the week ending May 10,
 U.S. inventories increased by 70 Bcf, perfectly realizing market projections.
 Total stockpiles now stand at 2,633
 Bcf, up by 19% from a year ago and
 30.8% above the five-year average for the same week.
- The robustness in the front of the NYMEX Henry Hub curve endures, as shown in the price for the prompt month of June, which, as of this writing, neared \$2.50/MMBtu, a far cry from the \$2.25/MMBtu observed at this time last week. An anticipated increase in temperatures across the country is expected to raise consumer demand and increase power burns. Out west, spot prices are also up this week amid the relatively torrid local weather.



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