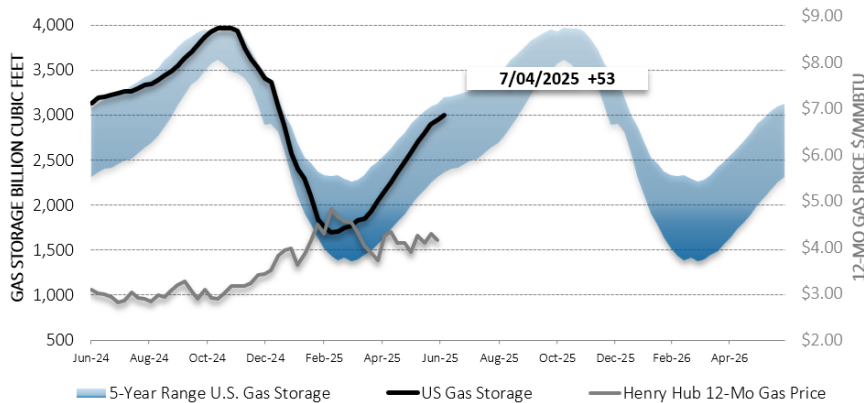


WEEKLY MARKET UPDATE



Week Ending July 4, 2025

Natural Gas Storage vs Natural Gas Price



POWER MARKETS

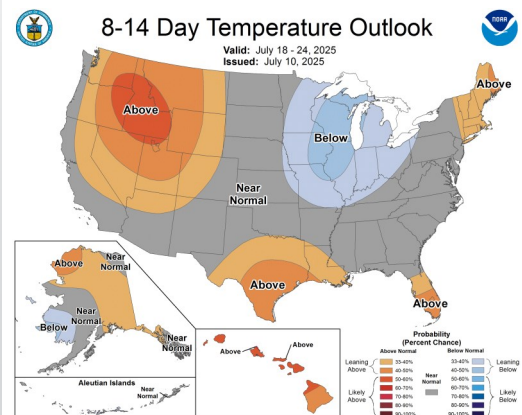
WEST Persistent heat in California and the Desert Southwest has magnified both demand and prices, especially during evening-ramp hours, when gas-fired generators have covered the incremental load. Over the first third of the month, Day Ahead prices have averaged \$47.20/MWh in Mid-C, \$38.17/MWh in NP15, and \$38.76/MWh in SP15. California's demand fortunately is expected to moderate next week, but rising temperatures in the Pacific Northwest could add to the pressure on prices in Mid-C.

ERCOT Averaging around \$37/MWh since the start of July, summer real-time prices have been rather forgiving but should start to climb next week as the weather should turn warmer and drier and wind output may diminish. In the forward-term market, prices for CY strips have retreated since last week with the soft cash-market prices and lower forward natural gas prices. Down the curve, CY 7x24 prices have retreated by approximately \$1/MWh in the past week; all of the annual strips for CY26-CY28 now sit between \$55/MWh and \$56/MWh.

EAST This week, hot weather has forced Real Time prices higher to post averages of \$60.73/MWh in PJM, \$67.08/MWh in NYISO, and \$73.50/MWh in ISO-NE's WCMass. The Real Time market has been gentler, averaging \$56.57/MWh, \$62.09/MWh, and \$60.54/MWh, respectively. A sharp increase in both temperature and dew point forecasts is fueling strong peak-demand expectations in PJM for next week, particularly on Tuesday and Wednesday, when RTO load may surpass 146 GW. Such conditions would likely prompt Hot Weather Alerts and may even warrant Maximum Generation Alerts as PJM toils to maintain reliability. In the Northeast, the heat and humidity should persist through next Thursday and keep demand and LMPs firm.

NATURAL GAS

- The EIA reported Thursday morning that, for the week ending July 4, U.S. inventories amassed 53 Bcf, falling short of the projected gain of 56 Bcf. Total stockpiles now stand at 3,006 Bcf, down by 5.8% from a year ago but 6.1% above the five-year average for the same week.
- As of this writing, the NYMEX Henry Hub prompt month of August lost \$0.16/MMBtu since last week's snapshot and was priced at \$3.29/MMBtu. In general, prices have eased with the mild weather nationwide, strong storage injections, and less intensive power burns outside the West. Inside the West, however, SoCal Citygate spot prices remain elevated because of ongoing heat, maintenance, and storage refills. Reflecting these tense regional conditions, the Gas Daily averages for July have increased to \$3.30/MMBtu at PG&E Citygate and \$3.92/MMBtu at SoCal Citygate.



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