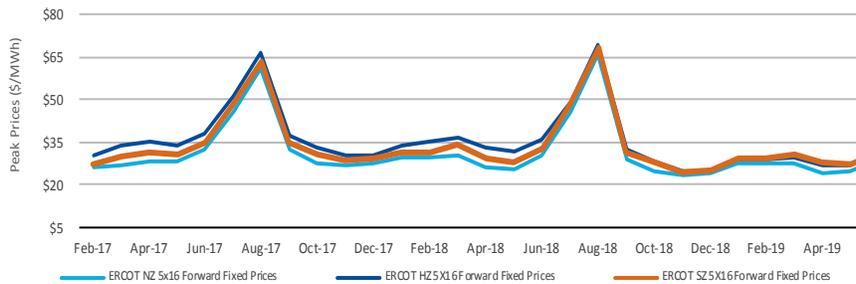


WEEKLY UPDATE

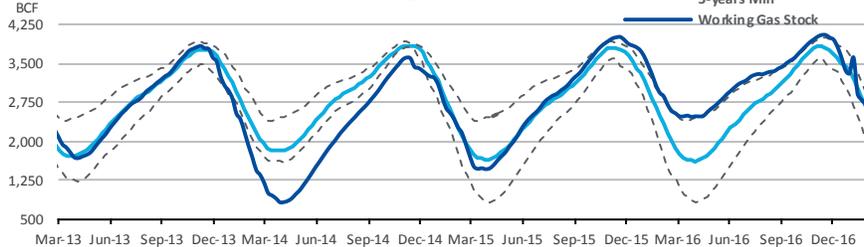
02/10/2017 - Current	ERCOT NZ		ERCOT HZ		ERCOT SZ	
	Close	Changes	Close	Changes	Close	Changes
Balance 2017	\$33.59	\$0.18	\$38.97	\$0.78	\$36.25	\$0.31
Calendar 2018	\$32.42	(\$0.06)	\$36.66	\$1.05	\$34.79	\$0.16
Calendar 2019	\$31.83	\$0.19	\$34.36	\$0.39	\$34.44	\$0.21
Summer 2017	\$53.44	\$0.19	\$58.68	\$0.44	\$57.02	(\$0.98)
Summer 2018	\$55.83	(\$1.01)	\$59.34	(\$0.49)	\$58.48	(\$1.61)
Summer 2019	\$59.18	\$0.34	\$62.98	\$0.20	\$61.98	(\$0.04)

ERCOT Forward Peak Prices as of close business day 2/10/2017



TradeDate 02/10/2017 - Current	Balance Yr'17	Calendar Yr '18	Calendar Yr '19
NYMEX NG Current Fixed Price	\$3.278	\$3.113	\$2.890
Min (Occurred 2/25/2016)	\$2.469	\$2.549	\$2.598
Max (Occurred 6/30/2008)	\$11.850	\$8.264	\$8.358

Working Gas in Underground Storage (as of 2/3/2017 Compared with 5-Year Range)



Trade Date 02/10/2017 - Current	Close	Changes
Balance 17	\$3.278	\$0.044
Calendar 18	\$3.113	\$0.021
Calendar 19	\$2.890	\$0.015
Winter '18	\$3.636	\$0.055
Winter '19	\$3.199	\$0.013
Winter '20	\$3.094	\$0.013

MARKET INTELLIGENCE

- Dynegy announced completion of its multi-billion dollar acquisition of Engie's U.S. generation fleet.
- Calpine reported adjusted EBITDA in 2016 of \$1,815 million and adjusted free cash flow of \$736 million.
- NRG announced changes within its Board of Director with the appointment of Barry Smitherman, former PUC-T Chairman, and C. John Wilder, former TXU Energy Chairman to the NRG Board.
- Direct Energy announced the resignation of its North American President and the realignment of its global business units along consumer segments.
- ERCOT January 2016 prices for the Houston, North and West hubs averaged about 10% lower month over month due to load decreases caused by ongoing above-normal winter temperatures in the region. ERCOT North Hub January on-peak prices averaged \$28.46/MWh, falling 11.9% from the December average of \$32.29/MWh, as the bearish near-term weather forecast pushed forward prices lower. At the Houston Ship Channel, natural gas averaged \$3.223/MMBtu this January, compared with \$3.474/MMBtu in December and \$2.211/MMBtu in January 2016.
- Increasing natural gas-fired electric generation capacity coupled with growing domestic natural gas consumption helped contribute to a recent EIA forecast for Henry Hub natural gas spot prices rising from an average of \$3.43/MMBtu in 2017 to \$3.70/MMBtu in 2018. Regulatory support is also driving natural gas industry changes. In particular, coal-to-gas switching should continue even if President Donald Trump relaxes regulations to make coal more attractive, because gas is expected to remain in the \$2-\$4/MMBtu range over the near- to medium-term, said Michael Webber, deputy director of the UT Energy Institute.
- High wind output and regional transmission outages at both Singleton-Zenith and Jewett-Limestone have caused low real-time prices month to date in the northern section of Texas.

CONTACT US



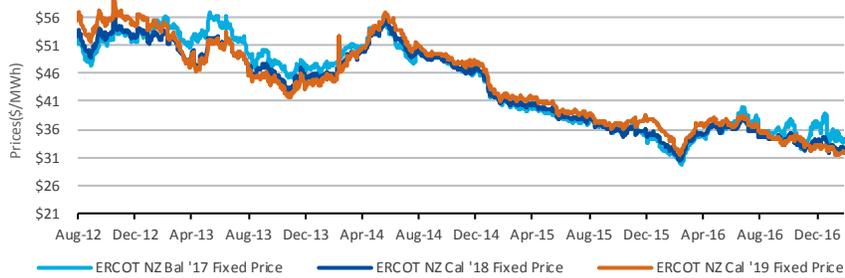
TEXAS STATE POWER PROGRAM
4545 Post Oak Place, Suite 342
Houston, TX 77027
Phone: 713.640.5355
nsutton@cavallotspp.com
www.TexasStatePowerProgram.com

ERCOT – ISO MARKET TRENDS

13 FEBRUARY 2017

ERCOT NZ 5x16 Fixed Prices

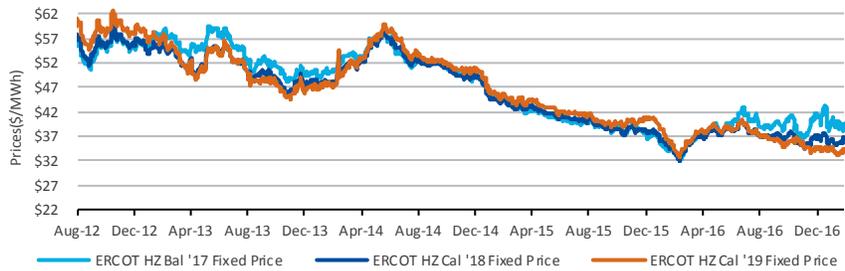
as of close business day 2/10/2017



02/10/2017 - Current	Balance Yr '17	Calendar Yr '18	Calendar Yr '19
ERCOT NZ Current Fixed Price	\$33.59	\$33.42	\$33.42
Min (Occurred 2/25/2016)	\$29.67	\$30.26	\$31.40
Max (Occurred 6/24/2008)	\$100.33	\$78.43	\$81.41

ERCOT HZ 5x16 Fixed Prices

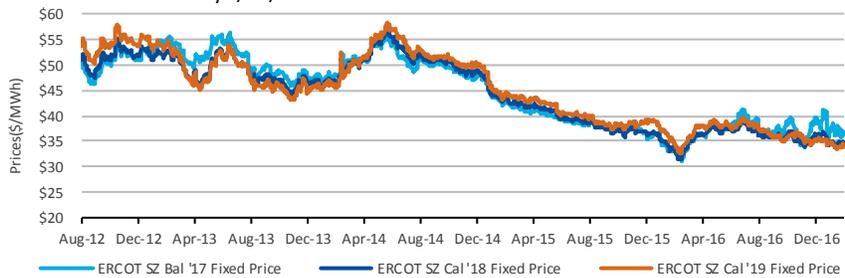
as of close business day 2/10/2017



02/10/2017 - Current	Balance Yr '17	Calendar Yr '18	Calendar Yr '19
ERCOT HZ Current Fixed Price	\$38.97	\$36.66	\$34.36
Min (Occurred 2/25/2016)	\$ 32.052	\$ 32.122	\$ 32.748
Max (Occurred 6/26/2008)	\$ 112.866	\$ 86.639	\$ 85.744

ERCOT SZ 5x16 Fixed Prices

as of close business day 2/10/2017



02/10/2017 - Current	Balance Yr '17	Calendar Yr '18	Calendar Yr '19
ERCOT SZ Current Fixed Price	\$36.25	\$34.79	\$34.44
Min (Occurred 2/25/2016)	\$ 31.240	\$ 31.340	\$ 32.545
Max (Occurred 6/16/2008)	\$ 77.704	\$ 78.567	\$ 77.152

PRICE TRENDS

- Working gas in storage was 2,599 Bcf as of Friday, February 3, 2017, according to EIA estimates. This represents a net decline of 152 Bcf from the previous week. Stocks were 325 Bcf less than last year at this time and 45 Bcf below the five-year average.
- The Henry Hub spot price fell from \$3.12/MMBtu last Wednesday February 1st to \$3.05/MMBtu February 8th. The March 2017 contract price fell 4c from \$3.168/MMBtu to \$3.126/MMBtu week over week. The March 17 NYMEX NG contract traded this morning to a new low of \$2.952, a level it hasn't hit in almost three months.
- ERCOT day-ahead on-peak power prices rose Friday, as a weak cold front was expected to move through the state early this week after a very warm weekend.
- ERCOT North Hub day-ahead on-peak prices rose about \$2.75 to the mid-\$20s/MWh Friday morning; weekend on-peak fell around \$4.25 to the low \$20s/MWh.
- Forwards prices at ERCOT were slightly weaker Friday, with North Hub on-peak June 2017 falling 75 cents to the low \$30s/MWh and July-August down 25 cents in the mid-\$50s/MWh.
- ERCOT released their updated Demand & Energy Report last week. Based on the report January 2017 peak demand set a new monthly high which beat 2016 by 21.1%. However, overall energy usage in Jan17 was down 0.8% from 2016.
- The day-ahead/real-time peak spread for Houston Hub to North Hub last week (2/6-2/10) averaged \$4.76/MWh. Heavy congestion was also seen this past Sunday with high wind causing the North/West spread to average \$7.49 in the day-ahead market and \$11.99 in real-time.

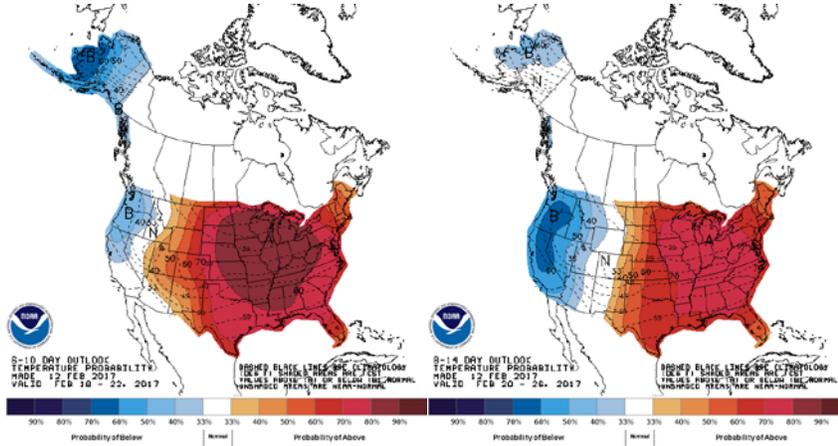
CONTACT US



TEXAS STATE POWER PROGRAM
 4545 Post Oak Place, Suite 342
 Houston, TX 77027
 Phone: 713.640.5355
 nsutton@cavallotspp.com
 www.TexasStatePowerProgram.com

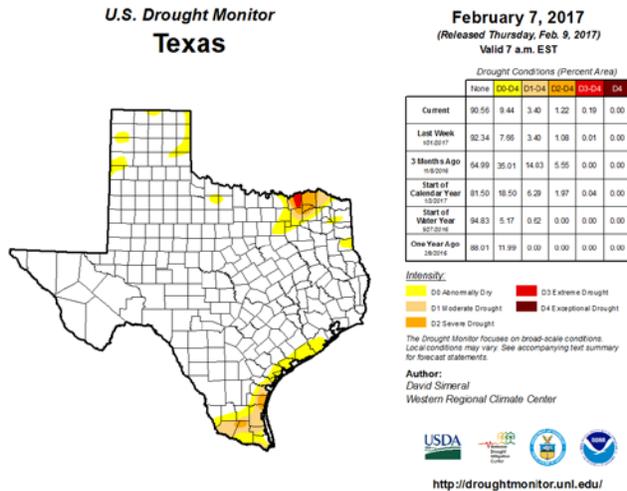
ERCOT WEATHER OUTLOOK

WET THIS WEEK AND THEN GOING BACK TO THE WARMER SIDE OF THE RANGE WITH A STORMY PERIOD.



- Ridging remains the main feature across the Eastern US as we move into mid and late February
- A strong southern jet stream will keep an active/wet pattern in place but it is going to remain warm on average
- Not much change expected as we move into March.

DROUGHT MONITOR



- Drought is clinging to the Lower Texas Coast/Rio Grande and Red River Valley
- Heavy rains this week and again next will likely pull those drier areas back toward normal

The 6-10 and 8-14 day forecasts courtesy of the [National Weather Service/CPC](#)

The U.S. Drought Monitor is jointly produced by the National Drought Mitigation Center at the University of Nebraska-Lincoln, the United States Department of Agriculture, and the National Oceanic and Atmospheric Administration. Map courtesy of [NDMC-UNL](#).

CONTACT US



TEXAS STATE POWER PROGRAM
 4545 Post Oak Place, Suite 342
 Houston, TX 77027
 Phone: 713.640.5355
 nsutton@cavallotspp.com
 www.TexasStatePowerProgram.com