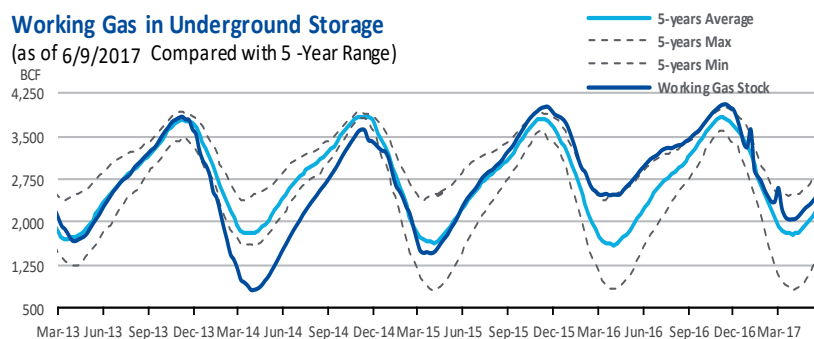


# WEEKLY UPDATE

Trade Date 06/16/2017	Balance Yr'17	Calendar Yr '18	Calendar Yr '19
NYMEX NG Current Fixed Price	\$3.104	\$2.985	\$2.868
Min (Occurred 2/25/2016)	\$2.455	\$2.549	\$2.598
Max (Occurred 6/30/2008)	\$11.733	\$8.264	\$8.358

**Working Gas in Underground Storage**  
(as of 6/9/2017 Compared with 5-Year Range)



Trade Date 06/09/2017 -06/16/2017	Close	Changes
Balance 17	\$3.104	(\$0.012)
Calendar 18	\$2.985	(\$0.041)
Calendar 19	\$2.868	\$0.003
Winter '18	\$3.256	(\$0.089)
Winter '19	\$3.155	(\$0.033)
Winter '20	\$3.091	\$0.010

## MARKET INTELLIGENCE

- Recent government actions show promise for ailing nuclear power generators. The House Ways and Means Committee extended the deadline for a nuclear energy tax credit which will apply to nuclear reactors that come online before 2021. The Department of Energy announced \$67 million funding for nuclear energy research to be used on up to 85 projects and infrastructure awards in 28 states. A statement released by the DOE says the funding, “sows the seeds for safer, more efficient, clean baseload energy.”
- PUC-T Project 47199-- Priorities for the Evolution of a Energy-Only Electricity Market Design in ERCOT is studying this issue to recommend possible changes to tweak Texas’ energy only market design. Stakeholders have asked the Commission for a workshop to more fully understand the consultant’s market design change recommendations. The Commission has extended the time for comments until after the workshop.
- The Wall Street Journal reports that GenOn Energy, currently owned by NRG, has filed for Chapter 11 bankruptcy protection. GenOn has proposed cutting \$1.8 billion in debt. NRG would be released from any liability following a cash payment of more than \$240 million and GenOn would be handed over to creditors.
- Increased efficiency, low prices for natural gas, and renewable energy subsidies have continued to drive lower power prices. This has caused plans for future generation plants to be postponed and may lead to more plants being retired ahead of schedule which would result in a drop in power supply and a market correction with prices moving upward again.

## CONTACT US



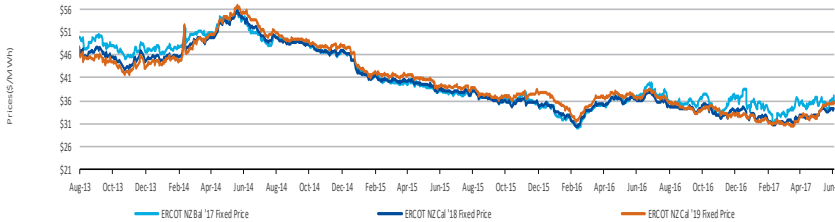
TEXAS STATE POWER PROGRAM  
4545 Post Oak Place, Suite 342  
Houston, TX 77027  
Phone: 713.640.5355  
info@cavallotspp.com  
www.TexasStatePowerProgram.com

# ERCOT – ISO MARKET TRENDS

19 JUNE 2017

## ERCOT NZ 5x16 Fixed Prices

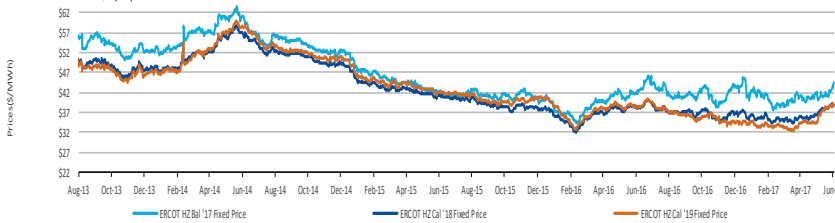
as of close business day 6/16/2017



Trade Date 03/10/2008 -06/16/2017	Balance Yr '17	Calendar Yr '18	Calendar Yr '19
ERCOT NZ Current Fixed Price	\$36.80	\$35.82	\$35.82
Min (Occurred 2/25/2016)	\$29.95	Min (Occurred 2/23/2016) \$30.26	Min (Occurred 3/31/2017) \$30.53
Max (Occurred 6/24/2008)	\$100.60	Max (Occurred 10/16/2009) \$78.43	Max (Occurred 5/12/2010) \$81.41

## ERCOT HZ 5x16 Fixed Prices

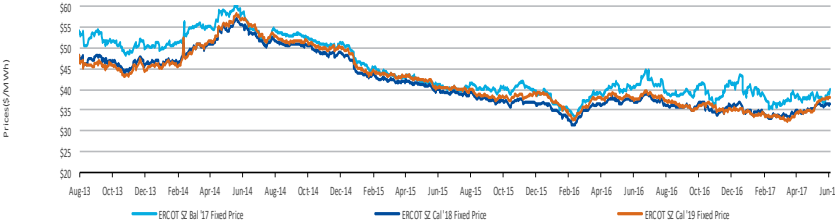
as of close business day 6/16/2017



Trade Date 03/10/2008 -06/16/2017	Balance Yr '17	Calendar Yr '18	Calendar Yr '19
ERCOT HZ Current Fixed Price	\$44.20	\$38.83	\$38.66
Min (Occurred 2/25/2016)	\$ 34.358	Min (Occurred 2/23/2016) \$ 32.122	Min (Occurred 3/29/2017) \$ 32.297
Max (Occurred 6/26/2008)	\$ 116.202	Max (Occurred 10/16/2009) \$ 86.639	Max (Occurred 12/7/2009) \$ 85.744

## ERCOT SZ 5x16 Fixed Prices

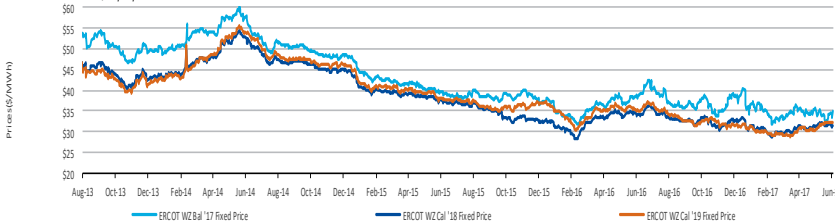
as of close business day 6/16/2017



Trade Date 03/10/2008 -06/16/2017	Balance Yr '17	Calendar Yr '18	Calendar Yr '19
ERCOT SZ Current Fixed Price	\$40.03	\$36.52	\$38.04
Min (Occurred 2/25/2016)	\$ 33.497	Min (Occurred 2/23/2016) \$ 31.340	Min (Occurred 3/29/2017) \$ 32.293
Max (Occurred 6/16/2008)	\$ 79.608	Max (Occurred 10/16/2009) \$ 78.567	Max (Occurred 5/12/2010) \$ 77.152

## ERCOT WZ 5x16 Fixed Prices

as of close business day 6/16/2017



Trade Date 03/31/2008 -06/16/2017	Balance Yr '17	Calendar Yr '18	Calendar Yr '19
ERCOT WZ Current Fixed Price	\$34.77	\$31.35	\$32.17
Min (Occurred 3/3/2017)	\$ 31.823	Min (Occurred 2/23/2016) \$ 28.301	Min (Occurred 3/29/2017) \$ 28.820
Max (Occurred 7/3/2008)	\$ 102.241	Max (Occurred 6/9/2009) \$ 75.691	Max (Occurred 12/7/2009) \$ 76.466

## PRICE TRENDS

- The EIA reported Thursday morning that, for the week ending June 9, U.S. natural gas inventories increased by 78 bcf, less than the market expectation of approximately 83 bcf. This marks the first time in the past few weeks that the injection was lower than the market projection. The storage injection for the same week last year was 68 bcf, and the five-year average injection for the same week is 87 bcf. Total stockpiles now stand at 2,709 bcf, down by 10.6% from a year ago but 9.2% above the five-year average for the same week.
- Futures for July delivery traded at \$2.955/MMBtu before the storage data report and afterward jumped to close at \$3.056/MMBtu, 12.3¢ higher than Wednesday's settlement. This short lived rally provided some relief from the recent skid in prices, which culminated Wednesday in a 16% drop from the last month's high on May 12. Monday trading opened with a significant downward reversal of pricing. Prices still face downward pressure from forecasts of moderating heat. Moreover, U.S. shale production is expected to increase natural gas output and depress prices further.
- Despite more summerlike temperatures this week, baseload spot prices cleared only in the mid-\$20s/MWh (in the North Zone) to low-\$30s/MWh (in the Houston Zone), as robust wind generation increased supply considerably. Texas temperatures should continue to rise over the next five days before falling back and wind levels are expected to decrease, so spot prices could tick up somewhat. Down the curve, forward term prices were up by \$0.25-\$0.50/MWh on Thursday, as natural gas prices rebounded from their recent low, thanks to the bullish inventory report.
- According to data from PointLogic, the average total supply of natural gas remained the same as the previous report week. Dry natural gas production remained constant week over week. Average net imports from Canada increased by 1% from last week.
- Total U.S. consumption of natural gas rose by 3% compared with the previous report week, according to data from PointLogic. Power burn climbed by 11% week over week because of warm temperatures in the East. Industrial sector consumption decreased by 1% week over week. In the residential and commercial sectors, consumption declined by 13%. Natural gas exports to Mexico increased 13%.

## CONTACT US



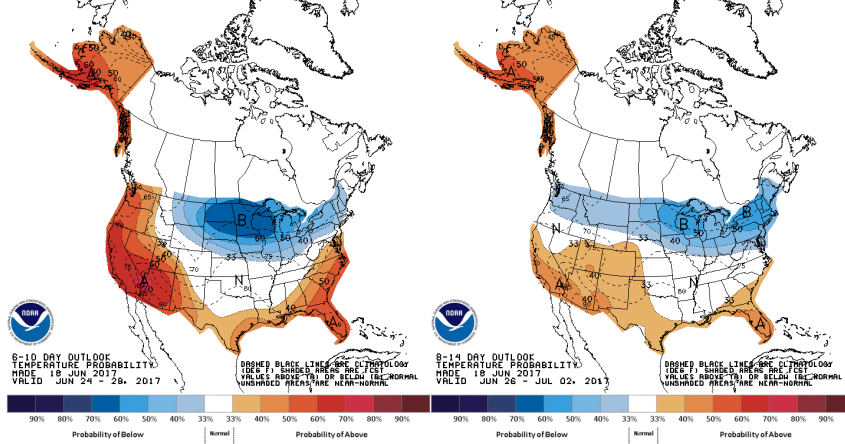
TEXAS STATE POWER PROGRAM  
 4545 Post Oak Place, Suite 342  
 Houston, TX 77027  
 Phone: 713.640.5355  
 info@cavallotspp.com  
 www.TexasStatePowerProgram.com

# ERCOT – ISO MARKET TRENDS

19 JUNE 2017

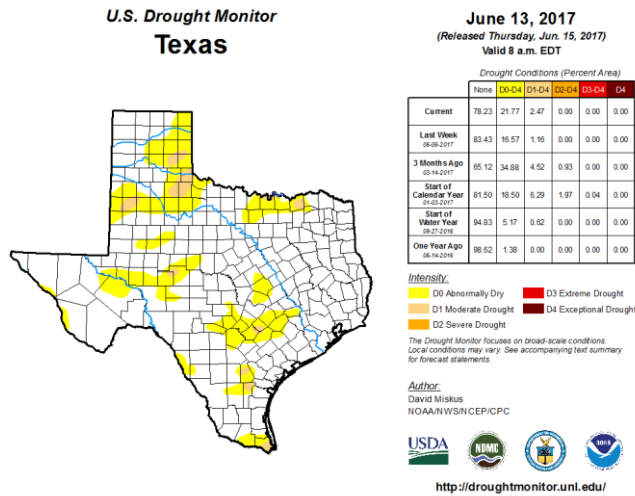
## ERCOT WEATHER OUTLOOK

VARIABLE PATTERN OVER THE COMING WEEKS; WEAK WARMTH BUT NOTHING EXCITING.



- Chance for a weak tropical system to make landfall in Central/South Texas later this week
- Most of the moisture may go northward into the Southeastern US leaving just a swirl of low clouds to contend with.
- No real heat to note in the pattern; just weak warmth overall.

## DROUGHT MONITOR



- Drought has shown up here and there across the state
- Modest rains in the Rio Grande and Coastal/East Texas are expected thru late June
- If the Panhandle drought can expand thru the Brazos River Valley stronger warmth could be expected
- Wind generation for the most part look to be slightly below normal for the time of year

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  
info@cavallotspp.com  
www.TexasStatePowerProgram.com