

# NORTHEAST POWER MARKETS

# ENERGY WATCH

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## EXECUTIVE SUMMARY

As fall weather settles across the Northeast and the cooling season comes to an end, load reductions due to the Covid-19 pandemic (mostly in the commercial sector) resurface. Overall electricity demand in PJM and New York has begun to show greater deviations from pre-pandemic expectations than during the summer, when additional residential cooling demand propped up electric loads. Electric heating demand might offset the waning residential cooling demand in New England.

Higher natural gas prices are expected to support robust Northeast power prices this winter, resulting in healthy spark spreads in the gas-centric power pools of New England and New York. In PJM, competitive coal-fired generation is likely to dampen spark spreads during periods of high gas prices.

Over-the-counter (OTC) RGGI allowance prices held steady in September and were trading at \$6.84/ton as of October 12.

US dry gas production averaged 87.8 Bcf/d in September, down from with 88.8 Bcf/d in July and August. Gas inventories currently stand at 3.831 Tcf, 394 Bcf above the 5-year average.



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