

Overall Risk: **Mixed**

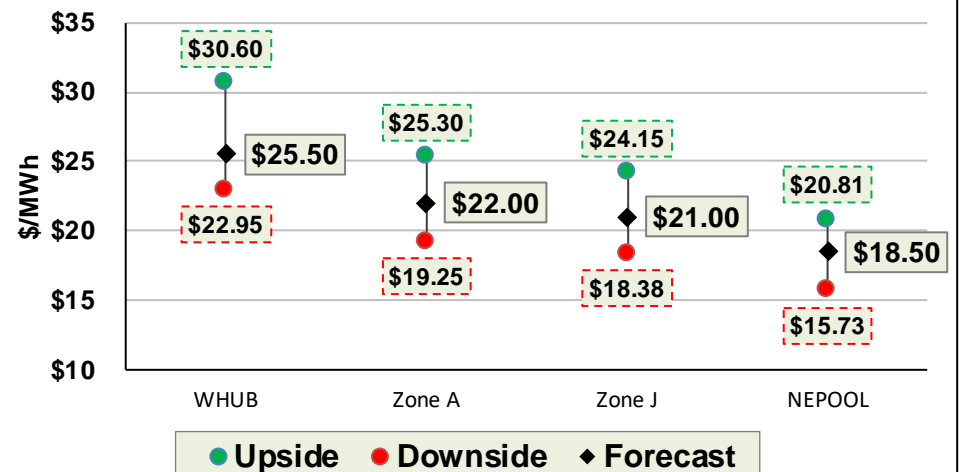
Analyst Commentary: High temperatures in the middle of the week are expected to drive elevated demand that will lead to stronger energy pricing in PJM and NYISO week/week. Compounding congestion risk in BGE presents break-out potential for WHUB, while congestion risk is more moderate though leaning bullish in Zone J. Despite recent volatility in Zone A, congestion is expected to decline this week and will shift bearish with new 345kV line work.

- **Demand** risk is **mixed**. High temperatures are expected to break into the 90s in DC and into the mid-80s in Philly and NYC, elevating cooling load along I-95. Overall New York loads are moderated by milder weather in western NY, while New England expects much lower heat-potential.
- **Supply** risk is **bearish** with a healthy supply stack in place to meet increased load this week. Strong temperatures in the middle of the week will test dispatch in PJM on Wednesday, though high generator availability will help contain risk during peak demand hours. The Millstone 2 nuclear reactor in ISO-NE remains offline, though it may return during the week.
- **Congestion** risk is **bullish** with ongoing Bagley-Graceton 230kV line work in BGE presenting risk to WHUB throughout the week. In Zone A, Niagara risk is reduced by the Erie East-South Ripley 230kV outage, while Rochester-Pannell 345kV line work introduces separate bearish risk on the Dysinger-East interface. Slight Zone J upside risk persists amid several outages tied to Farragut 345kV in place, while a one-day outage at Dunwoodie 345kV presents risk on the Dunwoodie-South Interface.

Bal-Week 4x16 Price (\$/MWh)

| | ESAI Forecast | Forward Curve | Risk | Key Driver |
|---------------------|----------------|---------------|------|--|
| PJM WHUB | \$25.50 | \$23.75 | ↑ | Strong demand and BGE congestion risk |
| NYISO Zone A | \$22.00 | \$27.70 | ↓ | Dysinger-East congestion |
| NYISO Zone J | \$21.00 | \$20.40 | ↑ | Elevated demand and mild congestion risk |
| NEPOOL | \$18.50 | \$20.50 | ↓ | Low demand potential |

Forecast Sensitivities



Weather and Demand

Generation Outages

Temperature (High, Low) Forecast

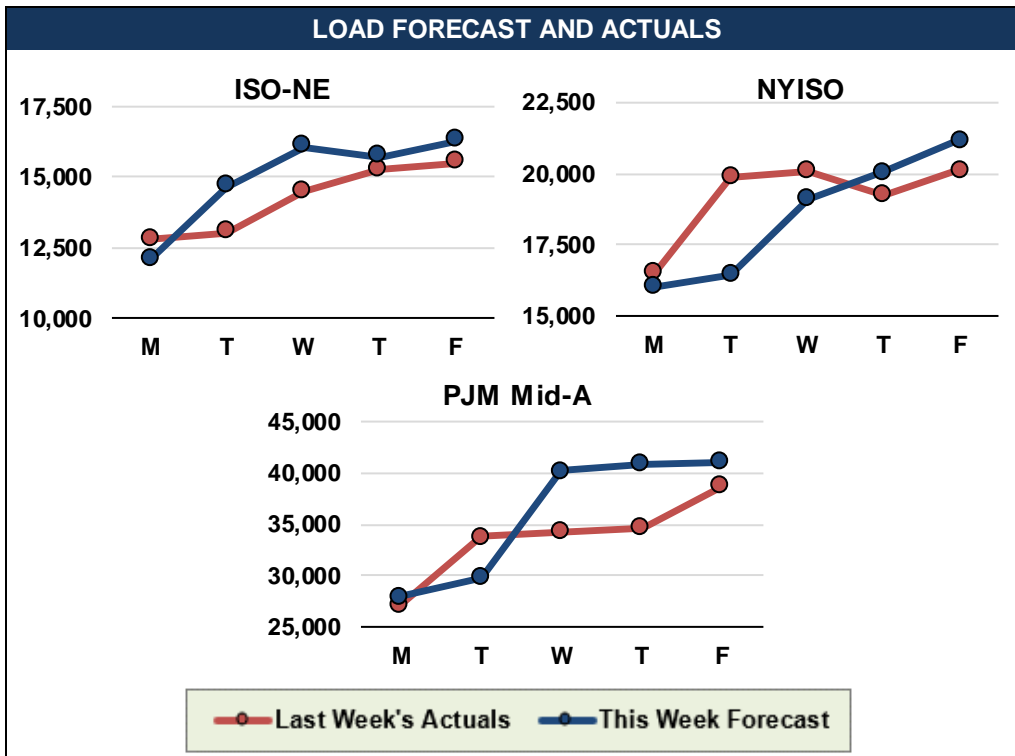
| | DC | | Philadelphia | | Buffalo | | NYC | | Boston | |
|-----|----|----|--------------|----|---------|----|-----|----|--------|----|
| 6/1 | 73 | 51 | 72 | 50 | 62 | 50 | 71 | 52 | 64 | 51 |
| 6/2 | 69 | 55 | 69 | 56 | 62 | 55 | 69 | 59 | 66 | 52 |
| 6/3 | 92 | 64 | 85 | 63 | 65 | 60 | 82 | 62 | 73 | 57 |
| 6/4 | 90 | 71 | 87 | 71 | 73 | 55 | 83 | 69 | 78 | 65 |
| 6/5 | 87 | 68 | 85 | 68 | 75 | 58 | 83 | 65 | 81 | 64 |
| 6/6 | 83 | 69 | 82 | 64 | 67 | 53 | 80 | 62 | 78 | 60 |
| 6/7 | 77 | 65 | 76 | 65 | 69 | 47 | 77 | 63 | 66 | 60 |
| 6/8 | 83 | 67 | 85 | 63 | 71 | 52 | 83 | 63 | 67 | 61 |
| 6/9 | 83 | 70 | 84 | 68 | 83 | 55 | 84 | 65 | 68 | 59 |

Nuclear Outages
MW Offline Week/Week Change

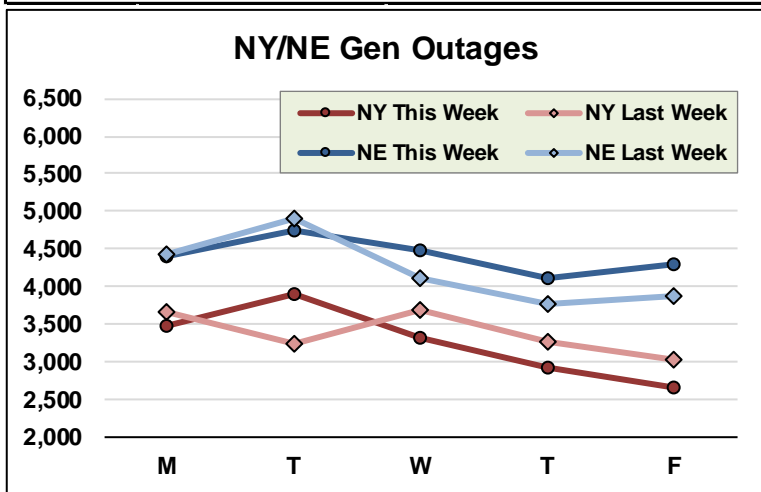
| | | |
|------------|-------|---|
| PJM | 1,177 | 0 |
| NY | 0 | 0 |
| NE | 1,771 | 0 |

* As of Jun 1

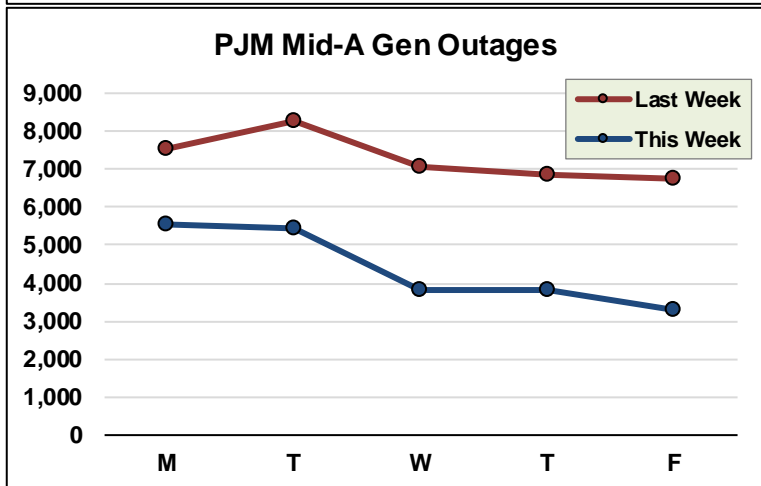
LOAD FORECAST AND ACTUALS



NY/NE Gen Outages



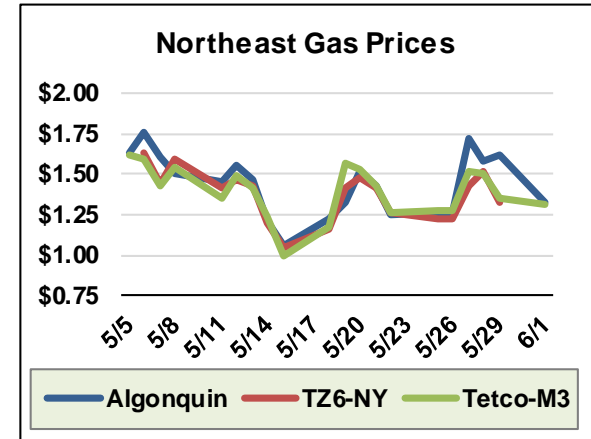
PJM Mid-A Gen Outages



Supply – Fuel Prices

| | OTC Power (\$/MWh) | Gas Price (\$/MMBtu) | CCGT Spark Spread @ 7,000 Btu/kWh | ST Spark Spread @ 10,500 Btu/kWh | GT Spark Spread @ 12,500 Btu/kWh |
|---------------|--------------------|----------------------|-----------------------------------|----------------------------------|----------------------------------|
| <i>PJM</i> | \$23.75 | 1.310 | \$14.58 | \$10.00 | \$7.38 |
| <i>NE</i> | \$20.50 | 1.330 | \$11.19 | \$6.54 | \$3.88 |
| <i>Zone J</i> | \$20.40 | 1.270 | \$11.51 | \$7.06 | \$4.52 |
| <i>Zone G</i> | \$17.75 | 1.330 | \$8.44 | \$3.79 | \$1.13 |
| <i>Zone A</i> | \$27.70 | 1.260 | \$18.88 | \$14.47 | \$11.95 |

Gas Hub Prices: PJM=Tetco M-3. NE and Zone G =Algonquin. Zone J=TZ6 NY. Zones A=TZ6 Non-NY



Transmission

| Transmission Constraints | | | | |
|--------------------------|----------------|----------------------------------|-------------------------------------|------------|
| | Impact | Constraint | Driver | Duration |
| <i>PJM West Hub</i> | Bullish | Bagley-Graceton 230kV (parallel) | Bagley-Graceton 230kV outage | 4/17 - 6/6 |
| <i>Zone J</i> | Bullish | Greenwood load pocket | Farragut-Gowanus 345kV outage | 6/3 - 6/16 |
| | Bullish | Dunwoodie-South Interface | Dunwoodie 345kV outage | 6/5 - 6/6 |
| <i>Zone A</i> | Bearish | Mitigates Niagara 230kV | Erie East-South Ripley 230kV outage | 6/1 - 6/5 |
| | Bearish | Dysinger-East Interface | Rochester-Pannell 345kV outage | 6/3 - 6/5 |

ESAI Forecast Performance (5/12 - 5/15)

| Bal-Week 4 x 16 Price Forecast Look-Back | | | |
|--|---------------|---------------|--------------|
| (\$/MWh) | Forward Curve | ESAI Forecast | Settle Price |
| <i>PJM WH</i> | \$19.15 | \$17.00 | 18.85 |
| <i>MassHub</i> | \$16.40 | \$18.00 | 15.20 |
| <i>ZONE J</i> | \$16.41 | \$15.50 | 15.86 |
| <i>ZONE A</i> | \$19.57 | \$16.00 | 19.08 |

Comments:

- West-East flows from Ontario through Buffalo kept Niagara congestion in play, leading to stronger Zone A pricing
- Ongoing Bagley-Graceton line work drove congestion on the parallel line throughout the week, driving higher PJM prices
- Low demand coupled with declining gas prices drove low prices at MassHub
- Zone J prices in line with expectations