



NEAR-TERM ENERGY PRICE FORECAST SERVICE



Near-Term Energy Price Forecast Service provides fundamental-based outlooks to support power generation operations & commercial teams, and energy traders to make better trading decisions.

Near-Term Energy Price Forecast Service

The Near-Term Energy Price Forecast Service provides fundamental-based outlooks for power generation operations & commercial teams and helps energy traders make more informed decisions.

Energy Monthly provides on-peak price forecasts based on expected demand, weather forecasts, transmission outages, and forward gas prices. Congestion Watch analyzes transmission congestion across PJM, NYISO & ISO-NE and assesses underlying transmission constraints in the RTOs Day-Ahead Markets. Our 3 weekly reports provide short-term forecasts for key hubs including PJM Western Hub, NY Zones A & J, and ISO-NE Internal Hub.

Near-Term Service Audience

ESAI Power helps investors, generation owners, lenders, developers, utilities, regulators, & energy buyers understand the short-term trends that impact power and natural gas prices.

- **Congestion Watch™** assesses congestion drivers & constraints to quantify the impact on congestion component of LMPs. Our market simulation models help assess changing demand and outages to predict congestion patterns for the following month. Reports are published prior to each month's FTR auction.
- **Energy Monthly** provides a 9-months zonal price forecast, look-back analysis of prior month's pricing dynamics to understand impacts of outages and to update demand conditions.
- **Bal-Week & Next-Week reports** provide weekly, near-term energy price forecasts for NE HUB, NY Zones J & A, and PJM Western Hub. Includes analyst commentary on how fundamental factors present risk to short-term power prices.
- **Natural Gas FundWatch™** is a one-week outlook and analysis of key near-term factors in the natural gas market. Includes a fundamental overview, technical trend analysis, & a view on commodity fund positions on the NYMEX exchange.

ESAI Power's Near-Term Service:

Medium-Term Reports

- **Congestion Watch™**
- **Energy Monthly**

Short-Term Reports

- **Natural Gas Fund Watch™**
- **Bal-Week & Next Week**

Monthly Medium-Term Forecasts



Congestion Watch™ analyzes transmission congestion across the Northeast power systems and analyzes the underlying transmission constraints in the RTOs' Day-Ahead Markets. Reports are issued prior to the first regional FTR auction closing date.

Congestion Watch™ Service

- Our market experts assess congestion drivers and historical transmission constraints to quantify impacts on the congestion component of locational marginal prices.
- Using market simulation models, ESAI Power analyzes changing demand expectations, generation and transmission outages, and transmission projects to predict congestion patterns for the following month.
- Ahead of each upcoming monthly Firm Transmission Rights (FTR) auction in the Northeast, our monthly congestion report provides month-ahead assessments of the congestion component of zonal LMPs for each Northeast RTO.
- Expert insights into key drivers for congestion pricing including transmission and generation outages, system load and changes to fuel prices.



Energy Monthly provides 9-month zonal pricing forecast and discussion of policy changes in PJM, NYISO & ISO-NE, as well as natural gas forecast and analysis of Henry Hub and regional basis dynamics. The energy forecast is based on both ESAI and forward fuel forecasts and then compared with forward market energy prices.

Energy Monthly Provides:

- Provides 9-month zonal on-peak price forecasts based on expectations for electricity demand, seasonal weather forecasts, transmission and generation outages, & delivered forward natural gas prices.
- Provides a look-back analysis of the previous month's pricing dynamics to understand the specific impacts of outages and changes to expected demand conditions.
- Provides details on activities in the RGGI carbon markets, including assessments of auction results and the current status of RGGI allowance supply and demand.
- Natural gas supply and demand fundamentals are provided including tracking of pipeline development in PJM, NYISO and ISO-NE.

Weekly Short-Term Reports

Forecasting Energy Outcomes

Our Short-Term Energy Price Forecasts **Bal-Week & Next Week and Natural Gas Fund Watch™** are each published once per week and provide key insights for the wholesale power markets in the PJM, NYISO and ISO-NE regions.

The **Bal-Week & Next Week** reports provide weekly forecasts in key Northeast power markets; the PJM Western Hub, New York Zones A and J, and the ISO-NE Internal Hub.

The reports provide analyst commentary on expectations for fundamental factors that present risk to short-term power prices, including demand, supply, and congestion.

For each fundamental factor, our analyst team assigns a bullish/bearish/neutral indicator and explains how forecast events, such as new transmission outages or a natural gas pipeline constraint, might affect power prices.



Natural Gas Fund Watch™ is a one-week outlook and analysis of key near-term factors in the natural gas market.

This includes a fundamental overview, a technical trend analysis, and a comprehensive look at the commodity fund (Wall Street traders) positions on the NYMEX exchange.

Each of these factors is weighted to provide the client with a near-term bullish/bearish forecast of market price direction.



About Us

Research Methodology

Energy Asset investment and power trading decisions should always be based upon fundamentally sound inputs and detailed project outlooks. While the demand side of the equation for energy asset valuations and energy pricing is relatively straightforward, getting the supply side data correct relies upon a detailed and accurate understanding of construction of generation projects, the likelihood of project completion, and energy asset retirements and those at-risk of retirement. Supply forecasts also require a broad understanding of how transmission, congestion, emissions, and renewable energy mandates impact capacity and energy price outcomes.

Independent, Unbiased Analysis

For 20 years, ESAI Power has provided investors & generation owners with objective analysis based on sound fundamental modeling. With a deep understanding of market rules and regulatory issues that impact market outcomes in PJM, NYISO and ISO-NE, ESAI's reports include price forecasts for capacity, energy, emissions, renewables, transmission & RECs. Our forecasts are published to our client base of generators, investors, regulators, and utilities - and must always remain unbiased. We're committed to covering these markets consistently in our price forecasts. ESAI is well known for publishing "the un-varnished truth" in our forward curve forecasts.



Contact Us

For more information about how we can make a difference for your business, please call Brian Doyle at **+1 (617) 678-7962** or email [**bdoyle@esai.com**](mailto:bdoyle@esai.com)



www.esaipower.com

About ESAI Power

ESAI Power is a market research and consulting firm that delivers focused analysis of the wholesale power markets of PJM, NYISO, ISO-NE, MISO & CAISO. Since 2001, ESAI has provided market-focused research product content and custom consulting services for Northeast power market participants, including investors (banks, private-equity, hedge funds) & developers, generation owners & operators, utilities, regulatory bodies, traders, and end-users & buyers. ESAI Power LLC, 401 Edgewater Place, Suite 640, Wakefield, MA 01880.

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