



ENERGY MARKETS CONSULTING SERVICES

BROCHURE

ESAI Power is uniquely qualified to provide **consulting services** to support asset acquisition or sales processes in the energy sector. We have deep expertise in forecasting prices, modeling assets, conducting valuations, and monitoring market and regulatory issues.

Energy Markets Consulting

Overview

ESAI supports asset acquisitions and sales processes in the energy sector. Our Energy Models are always kept up to date for our research market forecasts published to our Investor and Generation Owner client base. Our forecasts on capacity, power, gas, emissions & REC prices are constantly updated for PJM, NYISO & ISO-NE. We have conducted extensive valuation work with assets of all different fuel types across these pools. Additionally, ESAI regularly follows market and regulatory/policy issues.

Through detailed monitoring of and participation in stakeholder processes in the Northeast RTOs, as well as FERC proceedings, we maintain a view on the potential for key changes to market rules and the potential for regulatory risks to market prices and asset values. ESAI has been deeply involved in several recent transaction processes, which provide ESAI with additional insights about the details in each of the markets, along with perspectives on potential investment theses and risks therein.



We offer comprehensive consulting services to the energy sector, helping financial organizations calculate the return on investment for their wholesale power portfolio.

Scott Niemann
Managing Director & Principal

Deep Energy Experience

ESAI has well-established, finely calibrated models and databases as input to our detailed, asset-specific assessments. We also have historical databases and extensive expertise about the key factors that have shaped market outcomes, power and gas prices, and generation asset performance over the last 20+ years. The market intelligence, model calibration, and regular data collection and updates that support our base case market outlooks provide a solid basis for the analysis of specific generation facilities valuations. Starting from this modeling framework, ESAI analysts incorporate market assumptions and details related to an asset in order to provide a fully transparent, detailed, facility-level, hourly forecast.

Our experts will work closely with you to scope out your custom consulting project. We prepare detailed proposals at no cost for your upcoming strategic initiative or asset investment process.

Bankable M&A Asset Valuation Experience

Several factors distinguish ESAI's analyst team and allow us to provide key insights and forecasts to support your investment transaction:

- **Deep Expertise in Northeast Wholesale Power Markets** - For 20+ years, every month, every quarter, ESAI Power analysts have produced monthly and quarterly price forecasts and assessments in **PJM, NYISO and ISO-NE**. ESAI is unmatched in terms of depth and experience covering the Northeast wholesale power markets. ESAI experts work with investors, generation owners, developers and lenders on a wide range of asset valuations, due diligence, strategic planning and regulatory support.
- **Capacity, Transmission, Emissions, Congestion, and Renewables Specific Experience** - ESAI is deeply involved in supporting participants in PJM, NYISO, and ISO-NE in relation to the Capacity Markets and capacity policy issues, Transmission investment and development in the context of RTO planning, Emissions price forecasts, the RGGI Program, and Tier 1 REC Pricing, Congestion and zonal pricing dynamics. ESAI experts have a deep understanding of past market developments and the expected impact and key uncertainties associated with the regional Capacity and Energy markets.
- **Research Basis** - Our analysts leverage a solid base of data and knowledge related to key factors driving market fluctuations, such as generator additions and retirements; transmission projects and outages; Demand Response (DR); impact of compliance with environmental regulations on the generator stack; generator outages; demand patterns; fuel pricing; natural gas basis issues; and regulatory insights and risk.
- **Energy Analytics** - ESAI leverages multiple analytical tools for energy, capacity and congestion analysis, including the AURORAxmp nodal production cost model and the Power World optimal power flow simulation tool.
- **LMP Market Analysis** - The ESAI team's collective experience with modeling LMP markets and monitoring and forecasting long-term energy and capacity prices, including on a routine basis through **Energy Watch™** and **Capacity Watch™**.



About ESAI Power

ESAI Power is a market research and consulting firm focused on analyzing the wholesale power markets in ISO-NE, NYISO, and PJM. We publish market reports and conduct custom consulting market reports for direct equity investors, generation owners, utilities, regulatory entities, traders, lenders, and developers participating in the Wholesale Power Markets.



ESAI routinely serves as the market expert in support of power asset transactions. We have extensive experience working for buyers, sellers, and lenders in support of asset sales, equity raises, and debt financing for all types of power plants, including gas-fired CCGTs, peaking facilities, coal-fired plants, hydro, nuclear, wind, solar and battery storage assets. Over the past 20+ years, ESAI experts supported hundreds of transactions in PJM, NYISO, & ISO-NE and provided detailed asset valuations for most major assets in these regions.

In addition to our M&A asset valuation consulting work, ESAI provides Capacity, Energy, Renewables and Emissions outlooks available to companies on a subscription basis. We follow all major market and regulatory developments in PJM, NYISO, and ISO-NE and maintain a current, detailed market outlook for each location within these regions. This ongoing research and analysis allow us to leverage our proprietary market forecasting models and market intelligence in custom consulting work, including analytical support of companies buying or selling assets. This unique combination of market forecasts and consulting business lines provides ESAI with several advantages to support M&A valuation market studies. These include:



- Viewed as independent, third-party experts - ESAI works for a wide range of market participants with differing objectives and interests. Clients frequently note that our forecasts are balanced and credible and that our market reports objectively highlight the uncertainties and ongoing developments in the relevant market, along with the associated upside potential and risks.
- Our ongoing research in support of both published research and consulting market studies provides a reliable starting point and rich toolset for each project, allowing efficient delivery and deep, well-vetted market views and insights.
- ESAI's views are well-informed by routine feedback from clients who are actively participating as asset buyers, sellers, or lenders. We understand and help shape how participants view different investment theses and key investment considerations, what issues they perceive as significant risks, and where they see valuable opportunities.

Benchmark Energy Research Reports

We provide benchmark energy reports on **Capacity, Energy (Power & NatGas), Carbon Emissions, Renewables (RECs) & Transmission.**

Subscriber benefits include:

- Make critical investment decisions.
- Conduct effective energy asset revenue & margin analysis.
- Stay up to date with unbiased near-term and long-term price forecasting.
- Validate Asset Valuation Models and Projections.
- Understand and manage market and regulatory risks.
- Test analytical models compared to industry-standard Capacity, Carbon, RECs, Energy & NatGas price forecast benchmarks.



Capacity Watch™ provides an in-depth analysis of the capacity market and policy issues that impact capacity price outcomes. The publication includes a 10-year outlook for capacity prices and a detailed evaluation of generator projects under development and in construction.

Energy Watch™ looks at market and policy issues that influence energy pricing dynamics over the next 10-years for Power & Natural Gas. This publication includes 10-year outlooks for Northeast Hub and Zonal power prices as well as forecasts for delivered regional gas prices.



Emissions Watch™ covers the regional emissions allowance markets and other environmental regulations and programs at the federal, regional, and state-specific levels. Price forecasts are provided for emissions allowances under market-based trading programs for SO₂, NO_x (annual and seasonal), and CO₂ (under the regional RGGI auctions and state-specific programs).

Benchmark Energy Research Reports

WholeView Service provides access to our Quarterly Power Reports in Capacity, Energy (Power & NatGas), Carbon Emissions, Renewables (RECs) & Transmission.



Renewables Watch™ covers renewable energy issues, markets and trends in PJM, NYISO, and ISO-NE. Coverage includes solar, onshore and offshore wind, hydroelectric, and storage. ESI Power details the regulatory and market factors that impact the supply and demand balance for Class I Renewable Energy Credits (RECs) and projects the supply and demand balance of Class I RECs through 2034.

Transmission Watch™ provides insights into the regulatory and market issues that can drive investment in transmission infrastructure. The analysis includes insights into public policy initiatives and regulatory rulings that shape transmission development. This publication provides updates on transmission project development and construction as well as best practices related to transmission planning processes undertaken at ISO-NE, NYISO and PJM.



Generation Asset Monitor provides an evaluation of the outlook for the construction of generation projects and plant retirements in ISO-NE, NYISO & PJM plus MISO upon request. Each project is assigned a "probability of completion factor in % terms" that is then applied to develop a forward assessment of likely capacity additions and retirements in each pool.

About Our Methodology

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 are 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

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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. 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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