

News : US POWER TRACKER: ISO-NE forward price outlook lower, prices higher on year

By Jared Anderson
Published on - Mon, 12 Dec 2022 16:18:30 EST

- Forward **gas** prices expected around \$23/MMBtu
- Winter forward **power prices** around \$250/MWh

ISO New England wholesale **power prices** in November rose about 16% on month and 9%-12% on year, and while forward **power prices** moderated a bit on softer natural **gas** prices, power forwards remained above \$300/MWh in some cases.

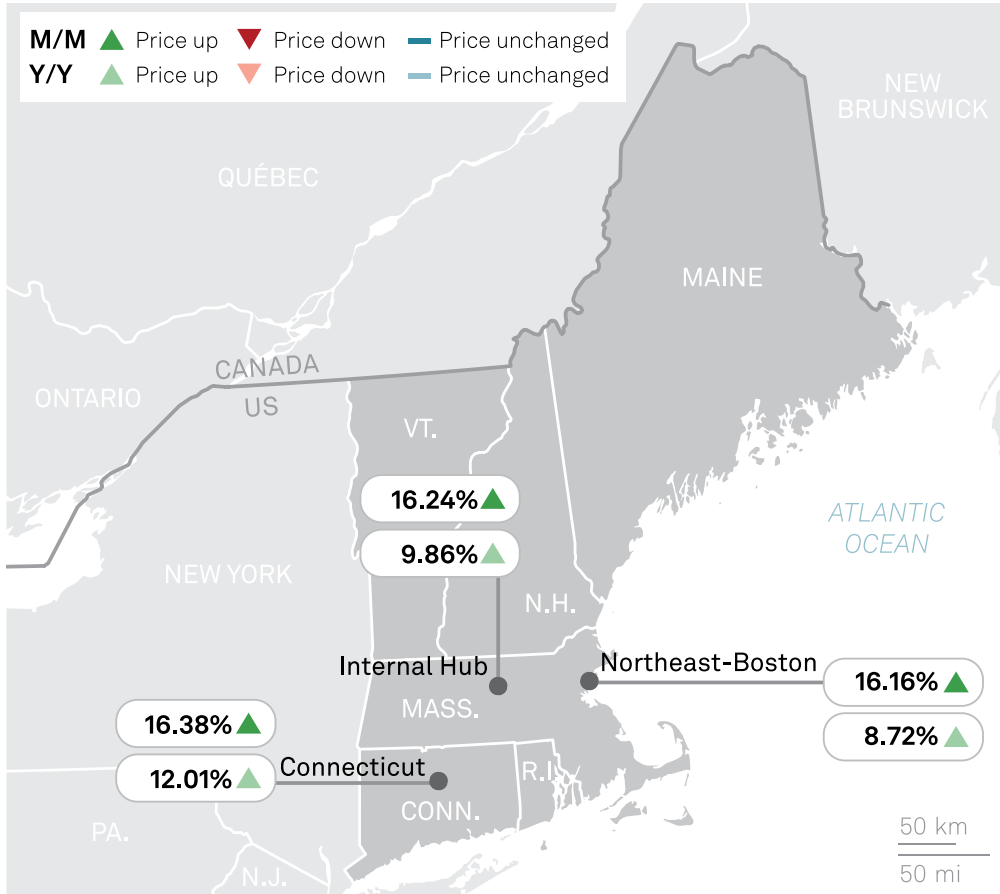
"Wholesale **power prices** slipped relative to our previous projection as natural **gas** prices moderated significantly," S&P Global Commodity Insights power market analysts said in a recent research note.

"In our October release, **we** had been projecting on-peak **power prices** to average north of \$90/MWh for November supported by average **gas** prices above \$9/MMBtu, but strong production growth and ample supply amid mild weather over the first half of the month ultimately drove average **gas** prices down closer to \$5/MMBtu at Algonquin," the analysts said.

"Consequently, on-peak **power prices** averaged closer to \$76/MWh for the month of November," the research note said.

ISO-NE Internal Hub on-peak day-ahead **power prices** averaged \$65.20/MWh in November, which was almost 10% higher on year and about 16% higher on month, according to ISO data. Real-time on-peak **power prices** at the hub averaged \$72.07/MWh, nearly 19% higher on year and 29% higher on month.

ISO New England Day-ahead on-peak power price changes



Day-ahead on-peak average price comparison (\$/MWh)

Location	Nov-22	Oct-22	Nov-21	M/M	Y/Y
Connecticut	64.11	55.09	57.24	9.02	6.87
ISO-NE Internal Hub	65.20	56.09	59.35	9.11	5.85
Northeast Mass-Boston	65.64	56.51	60.38	9.13	5.27

Source: S&P Global Commodity Insights

The **Boston** Hub's on-peak day-ahead **power prices** averaged \$65.64/MWh in November, almost 9% higher on year and about 16% higher on month. Real-time on-peak **power prices** at the hub averaged 72.66/MWh, about 19% higher on year and almost 29% higher on month.

Connecticut Hub on-peak day-ahead **power prices** averaged \$64.11/MWh in November, about 12% higher on year and 16% higher on month.

Algonquin city-gates gas prices averaged \$5.71/MMBtu in November, roughly 1% higher on year and about 15% higher on month, according to S&P Global data.

Power demand increased on month in November as temperatures fell heading into winter. November peakload averaged 14,795 MW, which was 8.4% higher than the October average of 13,654 MW, according to **ISO-NE** data. Averaged peakload was down about 1.6% on the year.

"**We** are projecting total **electricity** consumption in the region will rise by about 0.8% in 2022 and for growth to accelerate in 2023, although risk of an economic slowdown persists," S&P Global analysts said.

The average high temperature across the **ISO-NE** footprint in November was 54.4 degrees Fahrenheit, down from the October high of 62 F, according to CustomWeather data.

The average November low temperature was 39.9 F compared with an average October low of 47.9 F.

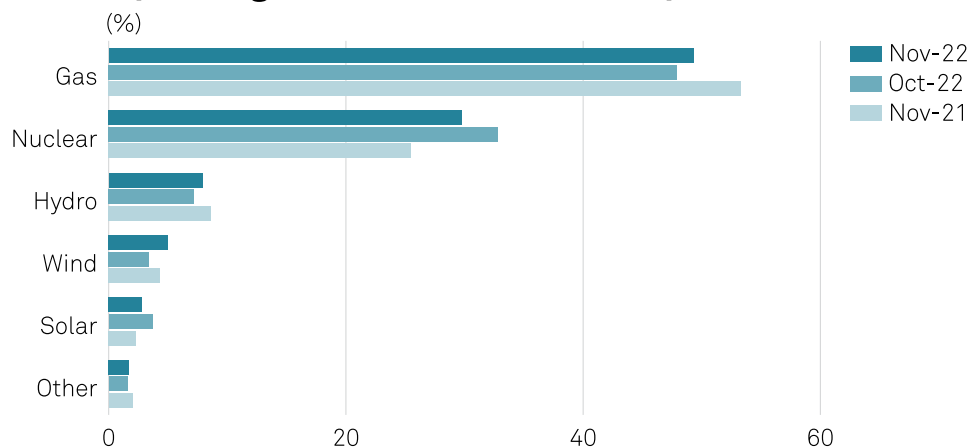
Average heating degree days increased as the weather cooled, rising from an October average of 9.6 HDD to an average of 17.5 in November.

Power generation fuel mix

Gas -fired power generation accounted for 49.3% of the **ISO-NE** fuel mix in November, up from 47.9% in October and down from 53.3% in November 2021, according to ISO data.

Nuclear power accounted for 29.8% of the November generation mix, down from 32.85% in October and up from 25.5% in November 2021.

ISO-NE power generation fuel mix comparison



Source: ISO-NE

Hydropower supplied 7.9% of the November fuel mix, up from 7.2% in October and down from 8.6% in November 2021.

Solar power accounted for 2.8% of the November generation fuel mix, down from 3.7% in October and up from 2.3% in November 2021.

Wind power accounted for 5% of the November fuel mix, up from 3.4% in October and 4.3% in November 2021.

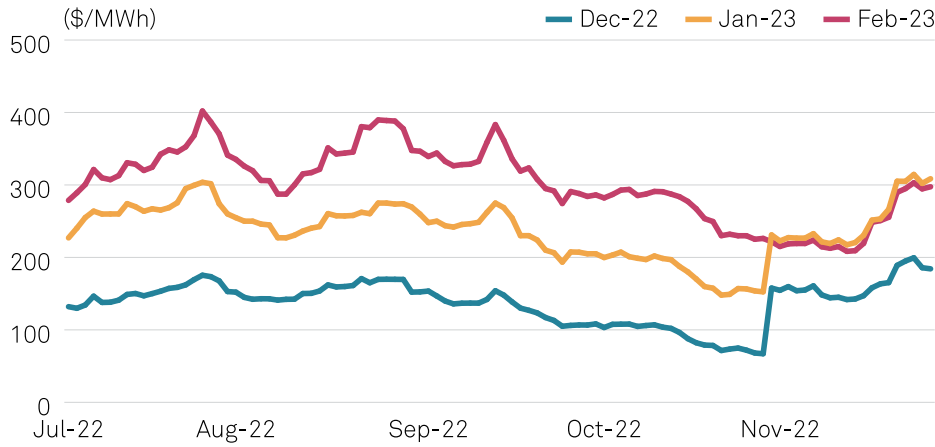
Forward power, gas prices

Mass Hub on-peak forward **power prices** for December averaged \$162.81/MWh in November, down 16% decrease on month and about 47% higher on year, according to Platts M2MS data.

Forward **power prices** at the hub for January 2023 averaged \$254.37/MWh during November trading, which was about 9% lower on month and about 52% higher on year. Forward power for February 2023 averaged \$245.59/MWh, down about 1.5% on month and up nearly 62% on year.

Multiple dates in January and February 2023 traded above \$300/MWh.

ISO-NE forward power prices



Source: Platts M2MS

Forward on-peak **Algonquin city-gates gas** prices for December averaged \$18.73/MMBtu in November trading, a monthly decrease of almost 12% and about 48% higher on year. Forward **gas** for January 2023 averaged \$30.07/MMBtu in November trading, down about 2% on month and up nearly 56% on year. Forward **gas** for February averaged \$29.71/MWh, which was down nearly 2% on month and up by about 57% on year.

"The outlook through winter 2022/23 has been revised downward on softer natural **gas** prices," the S&P Global analysts said.

"**We** now expect **gas** prices to average around \$23/MMBtu in December through March versus \$27/MMBtu in our October outlook," the analysts said, adding that as a result, "on-peak **power price** projections have been downwardly revised from \$192/MWh over this period to \$177/MWh."

For internal use only. Not for reproduction or further distribution. Platts' standard terms and conditions apply to all use of this article/excerpt. Read Platts' Terms & Conditions at <https://pmc.platts.com/Public/TermsConditions.aspx>. © 2022 by S&P Global Inc. All rights reserved.

Please contact us to learn more about Platts products and services at +1-800-PLATTS-8 / 1-800-752-8878 (Toll-free in U.S. and Canada) or by email at support@platts.com