

## News : US POWER TRACKER: PJM Gas-fired power output up on year, power forwards decline

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- Gas-fired power generation up 11% on year
- Forward power prices for October averaged \$37.18/MWh

Natural gas-fired generation continues to surge in PJM Interconnection, rising more than 8% and reaching record levels in July, while forward power prices declined 64% on year and forward gas prices declined 77%.

"Year-to-date, gas-fired generation has climbed 11% over the same period in 2022," S&P Global power market analysts said in their latest North American Electricity Short-Term Outlook.

"Most of the natural gas gains have come at the expense of coal in PJM. Year-to-date, coal-fired generation was down about 34% after another 14% decline in July," the analysts said.

Texas Eastern spot gas prices averaged \$1.59/MMBtu in July, down almost 76% from the July 2022 average of \$6.59/MMBtu, according to S&P Global data.

However, spot gas prices increased by around 17% in July on month due largely to warmer summer weather and higher peakloads.

Platts Transco Zone 6 Non-New York on-peak forward gas prices for August, September and October were down about 77% compared with the same period last year. Forward gas prices for August averaged \$1.58/MMBtu in July trading, down 76% on year and about 9% on month.

Forward gas for September averaged \$1.27/MMBtu, down about 78% on year and down less than 1% on month, and forward gas for October averaged \$1.24/MMBtu, down about 78% on year and down almost 2% on month.

PJM West on-peak forward power prices for July averaged \$47.18/MWh compared with actual on-peak day-ahead July power prices of \$46.81/MMBtu.

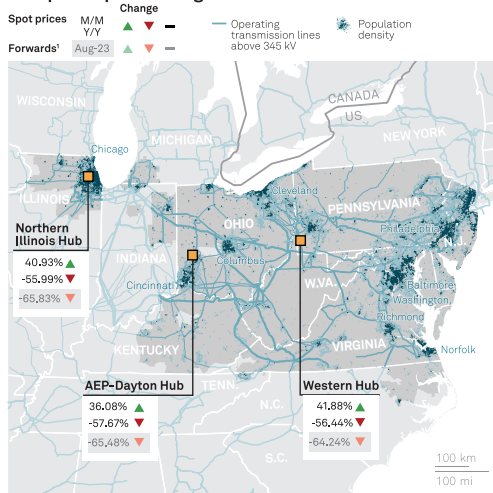
PJM West power forwards for August averaged \$48.58/MWh in July trading, while forward power for September averaged \$40.67/MWh and forward power for October averaged \$37.18/MWh.

For full-year 2023, Public Service Enterprise Group is forecasting nuclear power generation output of 30 TWh to 32 TWh and has [hedged approximately 95% of this production](#) at an average price of \$31/MWh, executives said during the investor-owned utility's second quarter earnings call.

# PJM power forwards soften heading into shoulder season

Natural gas-fired generation continues to surge in PJM, rising more than 8% and reaching record levels in July, while forward power prices decline 64% on year and forward gas prices decline 77%.

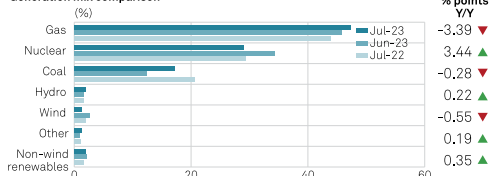
## PJM power price changes



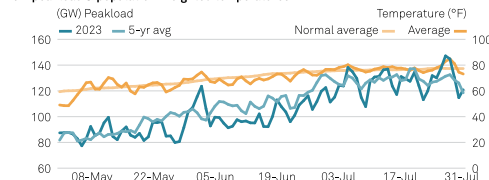
## Day-ahead on-peak average price comparison (\$/MWh)

Location	Jul-23	Jun-23	Jul-22	M/M	Y/Y
PJM AEP-Dayton Hub	43.82	32.20	103.54	11.62	-59.71
PJM Northern Illinois Hub	43.27	30.71	98.33	12.57	-55.06
PJM Western Hub	46.81	32.99	107.44	13.82	-60.64

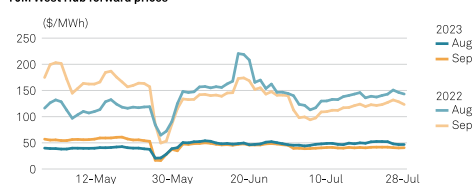
## Generation mix comparison



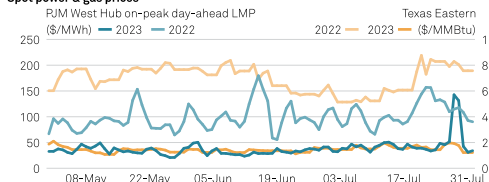
## PJM peakload & population-weighted temperatures



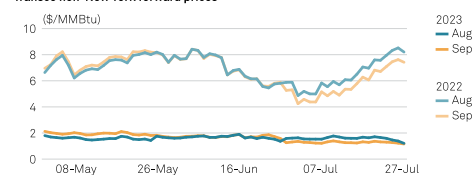
## PJM West Hub forward prices



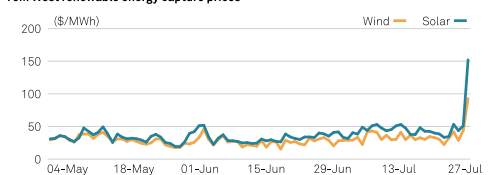
## Spot power & gas prices



## Transco non-New York forward prices



## PJM West renewable energy capture prices



S&P Global  
Commodity Insights

Notes: (1) Forward prices reflect percentage changes from year-ago packages  
Source: PJM, CustomWeather, NASA Socioeconomic Data and Applications Center (SEDAC), S&P Global Commodity Insights, Platts Analytics  
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On-peak power prices at the PJM Western Hub ticked higher in July 2023 supported by stronger electricity demand and higher natural gas prices, the power market analysts said.

“Expectations for annual average power prices in 2023 remain relatively lower as the market continues to appear well-supplied throughout the year,” the analysts said, adding that “on-peak power prices at PJM Western Hub are projected to average around \$41/MWh in 2023.”

## Power generation fuel mix

Gas-fired power accounted for 47.3% of the PJM fuel mix in July, up from 45.8% in June and 43.9% in July 2022 when prices were about 76% higher, according to PJM data.

Coal-fired power accounted for 17.2% of the PJM fuel mix in July, down from 20.6% in July 2022.

Nuclear power accounted for 29.1% of the July fuel mix, down from 34.3% in June and 29.4% in July 2022.

Hydropower accounted for 1.9% of the fuel mix, up from 1.7% in June and 1.7% in July 2022. Wind power output declined in July, accounting for 1.3% of the generation mix compared with 2.6% in June and 1.9% in July 2022.

## Spot power, gas price dynamics

PJM East on-peak day-ahead power prices increased the most of the major trading hubs in July, due largely to a brief heatwave at the end of the month that pulled up the daily averages. On-peak day-ahead power prices at the hub averaged \$153.62/MWh on July 27 when the average high temperature across the PJM footprint was almost 92 degrees Fahrenheit, according to CustomWeather data.

On-peak day-ahead power prices at the hub averaged \$189.09/MWh on July 28 when high temperatures across PJM averaged about 94 degrees F.

The monthly average day-ahead power price at the hub was \$58.04/MWh which was 171% higher on month and down about 47% on year.

Spot Texas Eastern gas prices increased around the heatwave, averaging \$1.97/MMBtu on July 26 and \$1.93/MMBtu July 27 compared to the monthly average of \$1.59/MMBtu.

Power demand was 23% higher in July on month with peakload averaging 127,120 MW, compared with 103,397 MW in June. Peakload during the heatwave on July 27 and 28 averaged 145,979 MW.

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