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Day-Ahead Market for Delivery on June 5

California Market Summary

Trading for Thursday deliveries saw COB join the rest of the major California hubs in its pricing patterns, with all three delivery points experiencing declining peak prices and steady off-peak prices. At COB, heavy loads were bought and sold from 67 to 71.50\$/MWh, while light loads tracked from 24 to 29\$/MWh. NP-15 saw peak blocks going for between 81.50 and 86.25\$/MWh, while off-peak blocks traded from 47.30 to 52\$/MWh. At SP-15, heavy-load prices ranged from 80.75 to 86.50\$/MWh, and light loads sold in a band from 44.50 to 53.50\$/MWh. In terms of averages, COB showed up on the EMR's price index with a sell-side peak price of 67.571\$/MWh, and a sell-side off-peak price of 26.200\$/MWh. NP-15 made it onto the index with a sell-side peak price of 82.629\$/MWh, a buy-side off-peak price of 50.760\$/MWh, and a sell-side off-peak price of 50.721\$/MWh. Average heavy-load prices at SP-15 were 83.023\$/MWh on the buy side, and 83.191\$/MWh on the sell side, while light loads averaged 50.662\$/MWh on the buy side, and 50.460\$/MWh on the sell side. In the weather for Friday and Saturday, not much is expected to change. Highs in Fresno and Los Angeles should hit the upper 80s, while Sacramento sees daytime temperatures top off around 80 degrees, and San Francisco peaks in the mid-60s. Overnight lows for the state should range from the lower 50s in San Francisco to the upper 50s in Los Angeles. According to the latest six-to-ten day forecast, temperatures were predicted to be right around their historical averages from June 10 through 14. In unit news, La Paloma #4 (260 MW) tripped offline, and Mountainview units #3 and #4 (525 MW each) were taken down to 240 MW by SCE on Wednesday.

Western Market General Summary

Overall, Western bulk electricity prices fell rather hard in trading for Thursday deliveries, but there was one exception that stood out. Amidst moderate to heavy losses at basically all the other major Western electricity hubs, Mid-C prices were exceptionally strong, especially for the peak. Heavy loads at Mid-C gained about 8\$/MWh, which only took them into the upper teens, but it was still a big change from the past week at the hub. Elsewhere, trading volumes were heavy, and traders saw prices coming down for both load shapes, again, especially for the peak. For Friday and Saturday, look for temperatures to be getting hotter in the Southwest, as weather patterns hold steady in California and the Northwest. Prices, however, should be heading down for weekend load demand. Spot natural gas prices in the West were down during Wednesday trading, with most hubs reporting losses around 40 to 60 cents/mmBtu. On NYMEX, natural gas futures gained some ground. The July contract settled 15.8 cents higher at 12.379\$/mmBtu, and the August contract closed 14.0 cents up at 12.442\$/mmBtu.

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