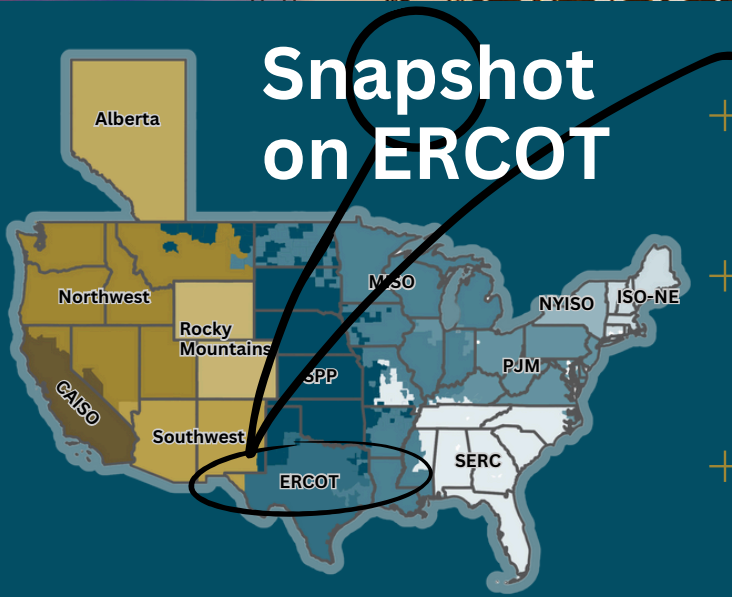


Electricity Market Price Forecasts

Snapshot on ERCOT

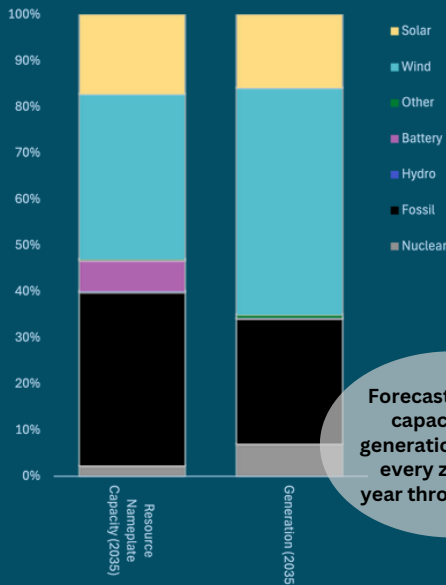
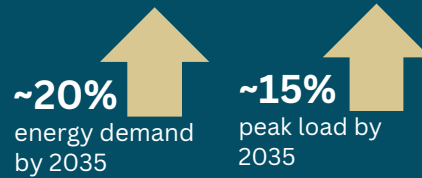


Key Trends

- + ERCOT remains a strong market for renewable energy with best in class resource potential, strong interconnections options, and favorable tariffs for generation. Wind, solar, and storage investments continue into the 2030s at a strong pace.
- + Load growth is expected to be large, led by industrial load additions in West Texas and other zones. Load growth comes from population and economic growth, electrification, oil and gas electrification, data centers and bitcoin mining, hydrogen production, and other industrial applications.
- + Introduction of the Performance Credit Mechanism, the Grant and Loan program for dispatchable generation, and the Renewable Firming Requirement has and will provide strong support for gas generation. ERCOT is expected to have almost 70% of energy from renewables, backed by storage and gas generation in the long run.

Resource Mix in 2035

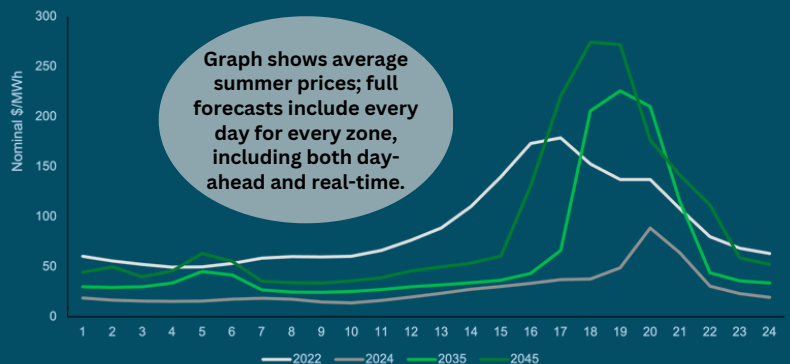
By 2035 almost 70% of energy is anticipated to come from renewable sources in ERCOT. This is due to the fast pace of entry of renewables and best in class wind and solar resources in the State. Retirement of coal plays a large role in the reduction of fossil generation. Incremental gas-fired generation investments are expected that provide reliability and flexibility to the system.



Forecasts include capacity and generation data for every zone and year through 2050.

Hourly Day-Ahead Energy Prices

Growing power demand versus the build out of wind, solar, storage, and new gas generation define power pricing in ERCOT. Tremendous growth in solar generation has shifted peak pricing from early to late evening. Storage is anticipated to moderate the scarcity in the evenings during the transition from solar generation falling off and wind generation picking up, smoothing the peak hours.



Graph shows average summer prices; full forecasts include every day for every zone, including both day-ahead and real-time.

