

ELECTRICITY CHART ANALYSIS: A SCENIC VIEW

(c) Leo Haviland, 646-295-8385

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These 12 electricity charts cover six hubs (PJM West, Mass Hub, Ercot North, SP 15, Palo Verde, and MidC) for winter 2013-14 (using January 2014 and February 2014 months) and the 2014-17 calendar strip (all four years, all months combined). The electricity chart commentary interrelates with viewpoints on NYMEX natural gas.

The assorted US electricity hubs do not always tell the same or even almost the same tale. In a particular electricity region, the perspective regarding seasons (including their supply/demand) are not always identical; summer may look much different than winter. The US electricity theater and its scenery of course is not exactly the same as that of natural gas. And the electricity and natural gas relationships for a given geographical region can vary, sometimes dramatically, from those elsewhere.

NYMEX natural gas started an important bear trend in spring 2013 (see, for example, the nearest futures continuation marketplace double top high of 4/18/13 at 4.429 and 5/1/13 at 4.444). It is a noteworthy story that price declines since late May 2013 in various electricity hubs for both winter 2013-14 and the calendar 2014-17 strip coincide with (actually, shortly preceded) the interim bear stage in NYMEX natural gas that commenced 5/28/13 (nearest futures 4.308). Since late May 2013, natural gas “in general” has not been tumbling lower on its own; the overall US electricity situation has closely intertwined with and encouraged it.

Note that according to the EIA, US total electricity consumption rises merely .7 percent in calendar 2013 versus calendar 2012. The EIA predicts American electricity demand in calendar 2014 climbs only about one percent relative to 2013 (Short-Term Energy Outlook, July 2013, Table 7a).

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