

OE ENERGY MARKET SNAPSHOT

Southeast States Version – August 2008 Data

- **Special Report**
- **Market Fundamentals**
- **Prices and Market Analysis**

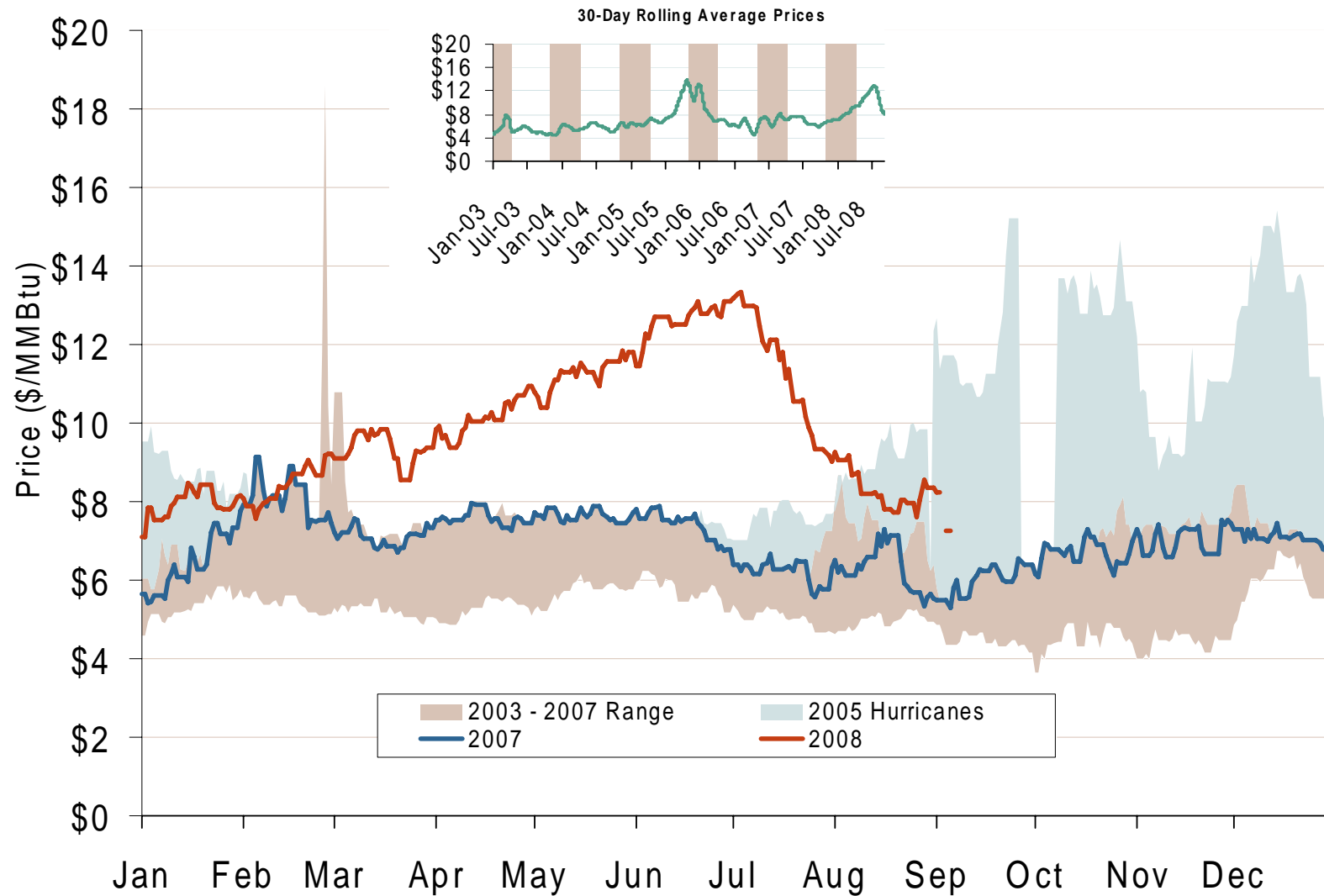
Office of Enforcement
Federal Energy Regulatory Commission
September 2008



Special Report:

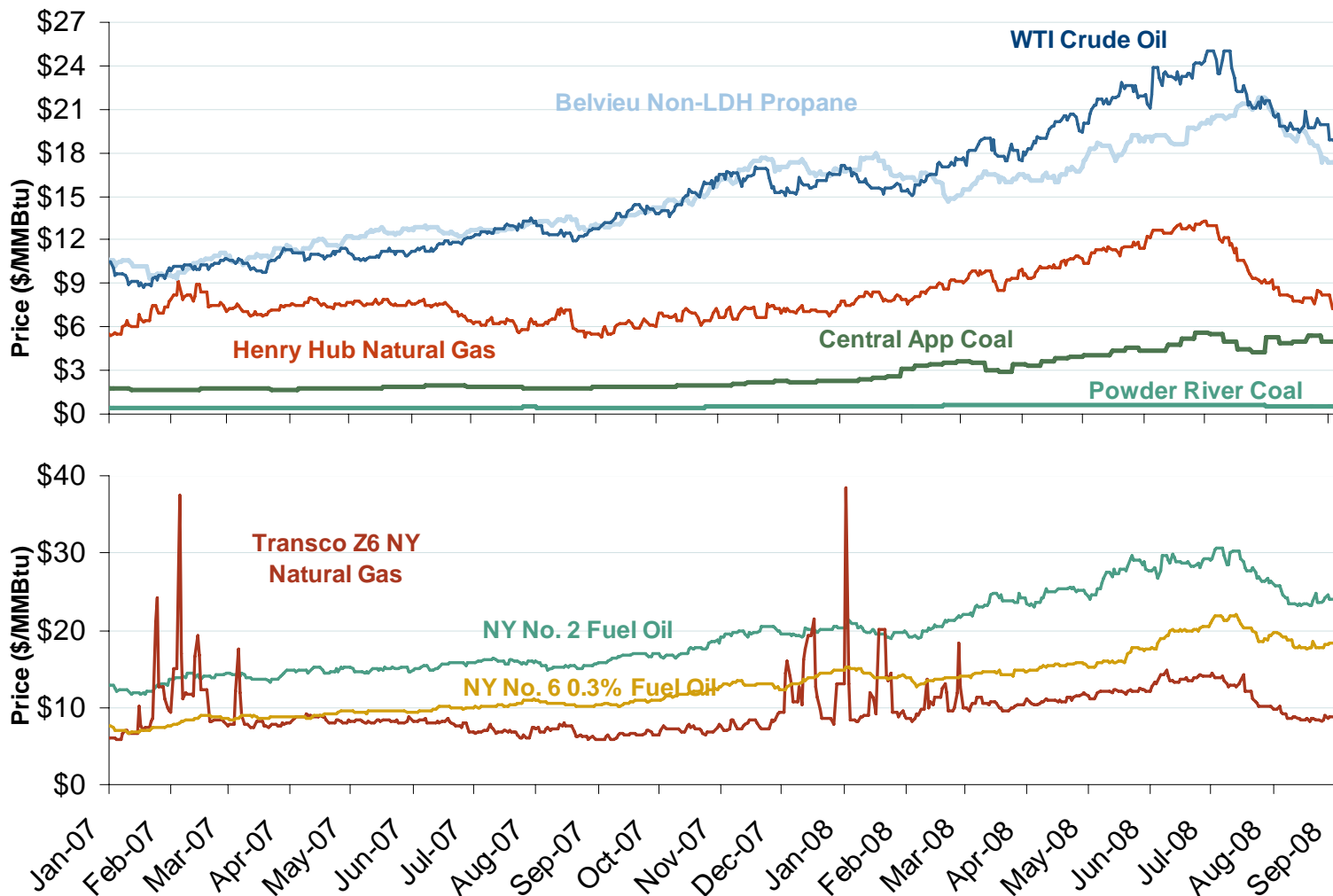
Natural Gas Price Decline II

Henry Hub Natural Gas Daily Spot Prices 2007, 2008 and 2003-2007 Year Range



Source: Derived from *Platts* data.
September 2008 Southeast Snapshot Report

Oil, Coal, Natural Gas and Propane Daily Spot Prices

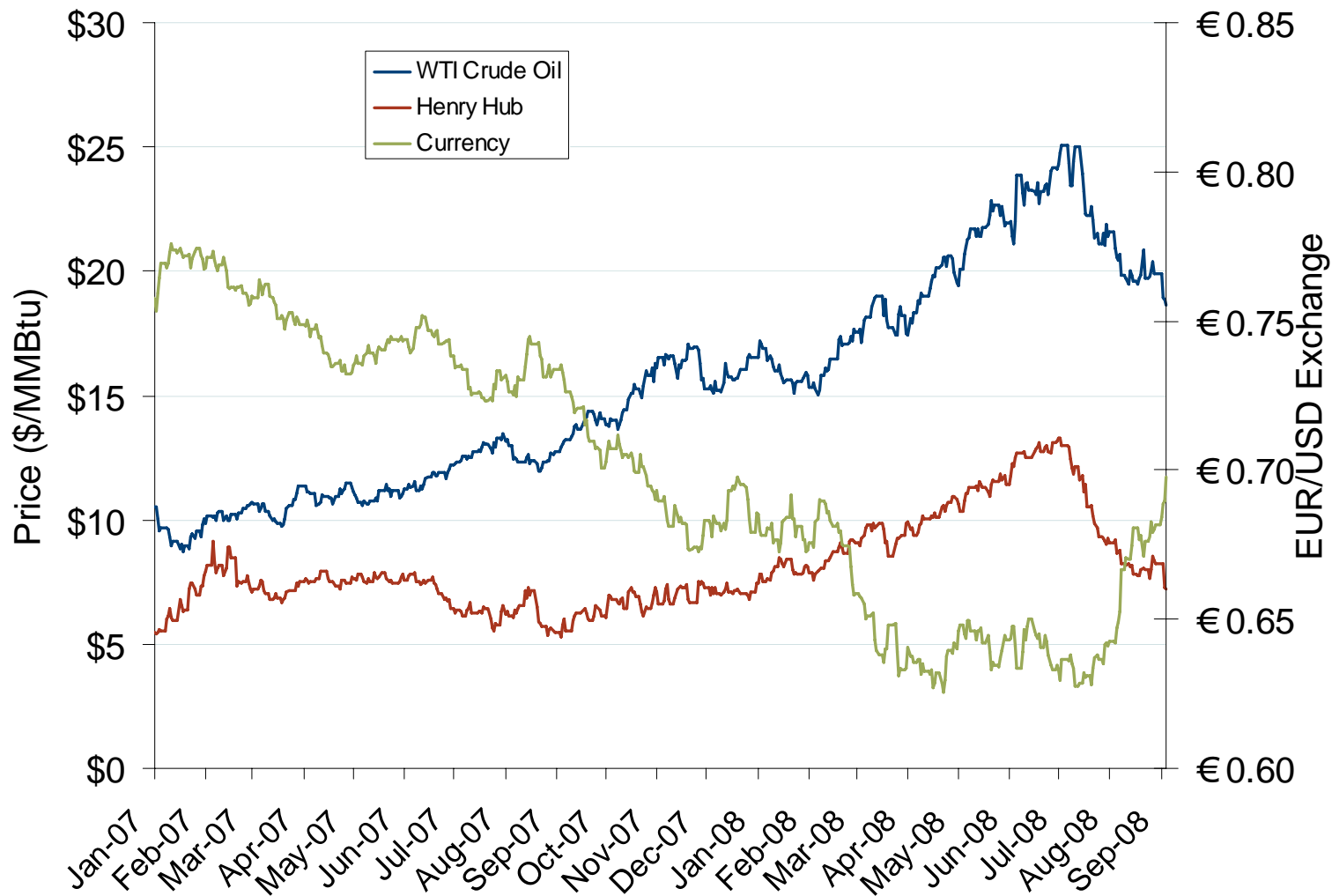


Source: Derived from ICE and Bloomberg data.

Note: Coal prices are quoted in \$/ton. Conversion factors to \$/MMBtu are based on contract specifications of 12,000 btus/pound for Central Appalachian coal and 8800 btus/pound for Powder River Basin coal.

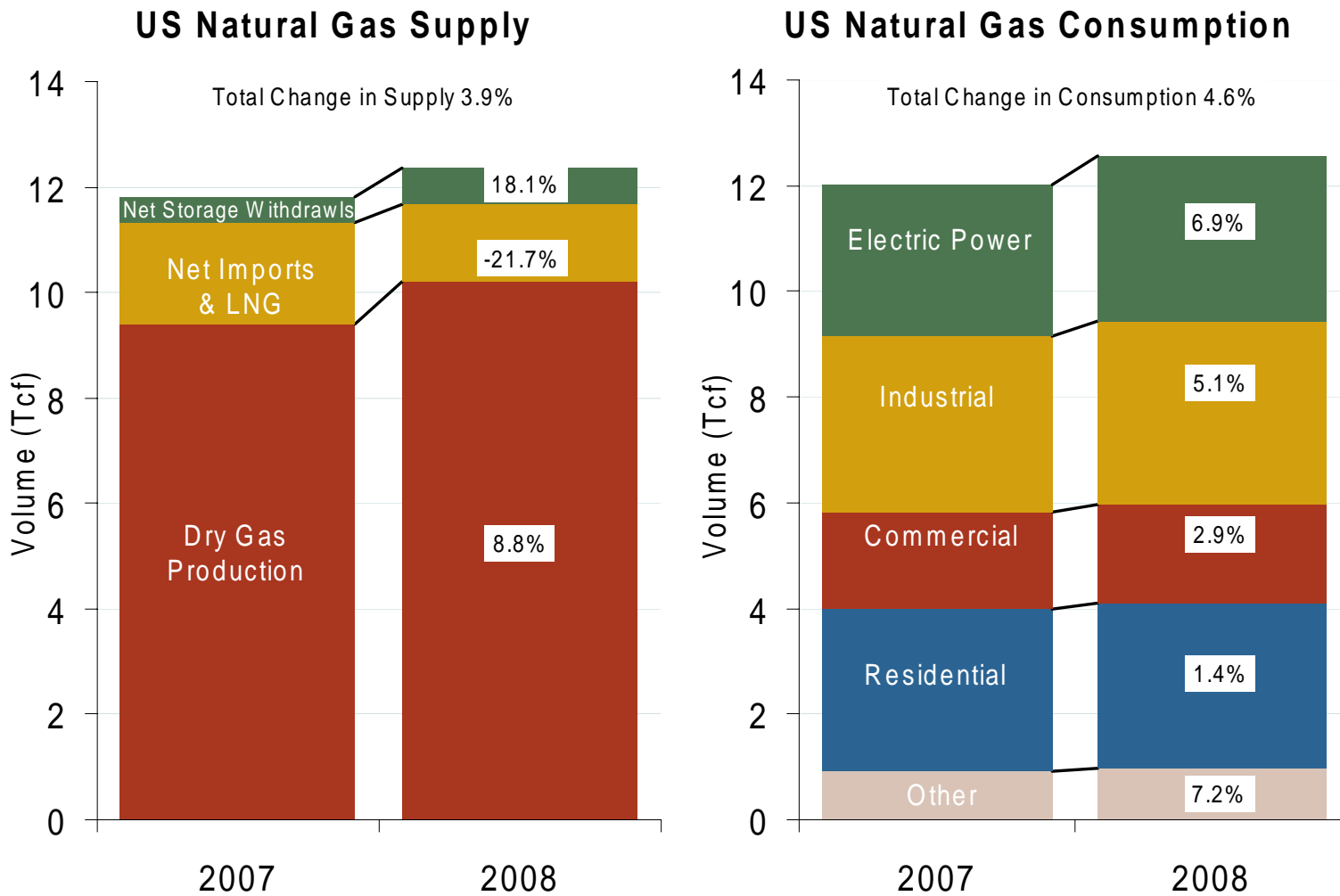
Updated September 5, 2008

Oil, Natural Gas and Currency Spot Prices



Source: Derived from *Bloomberg* data.
September 2008 Southeast Snapshot Report

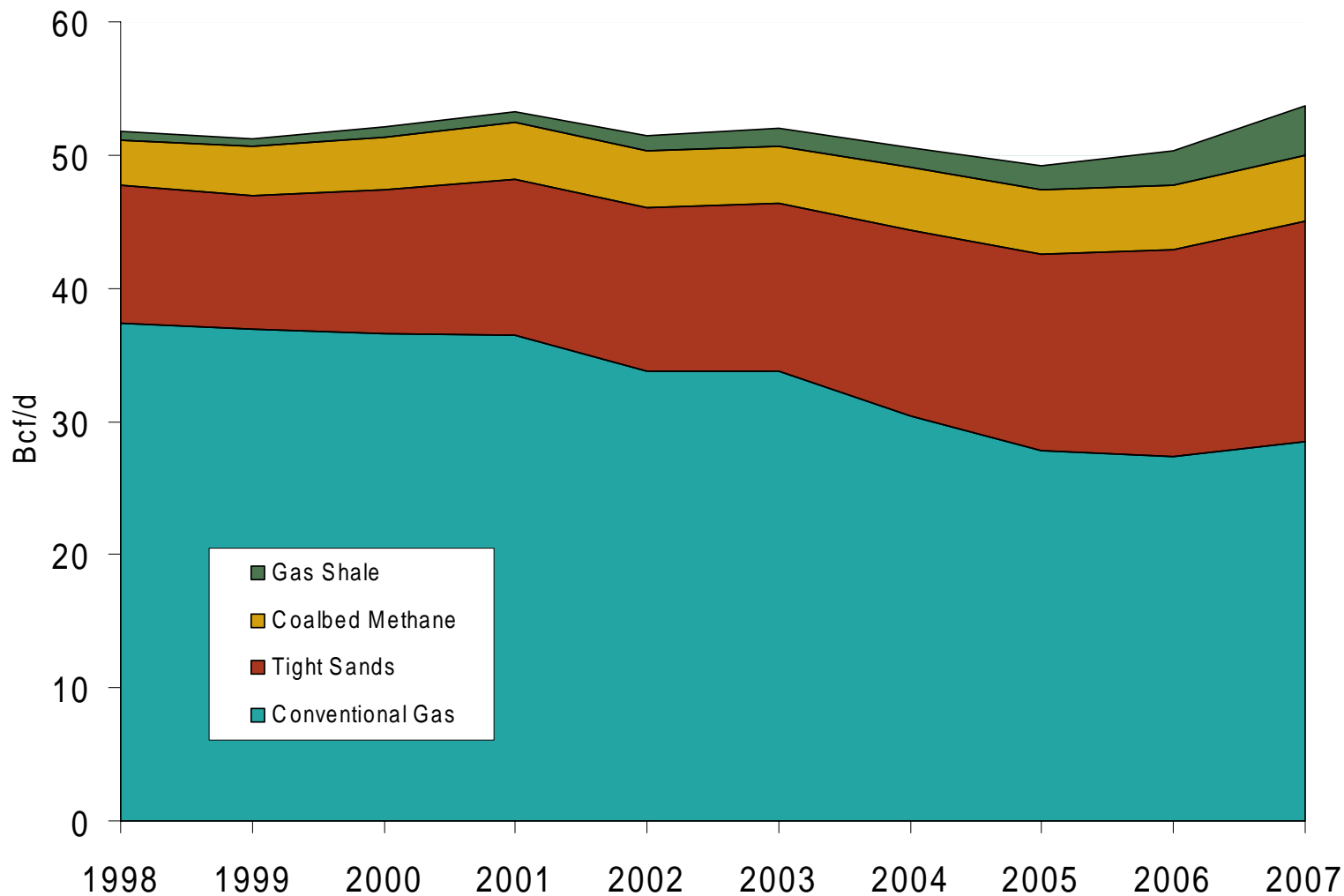
U.S. Natural Gas Supply and Consumption Jan-Jun



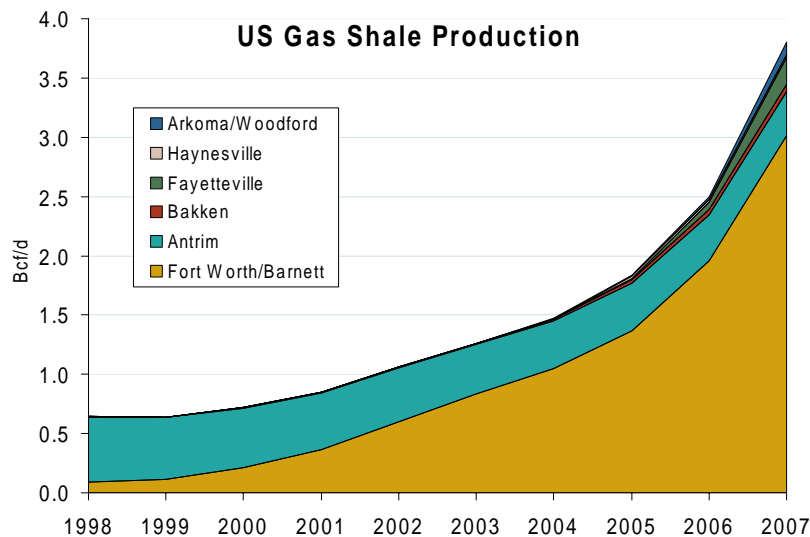
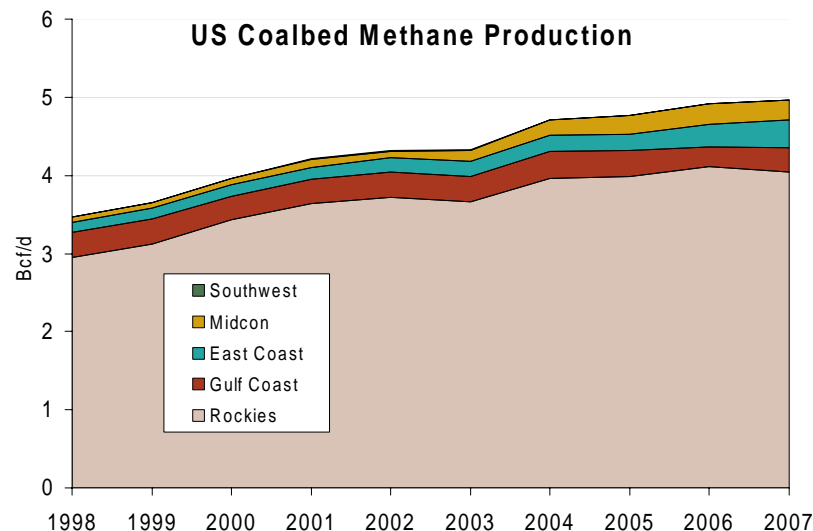
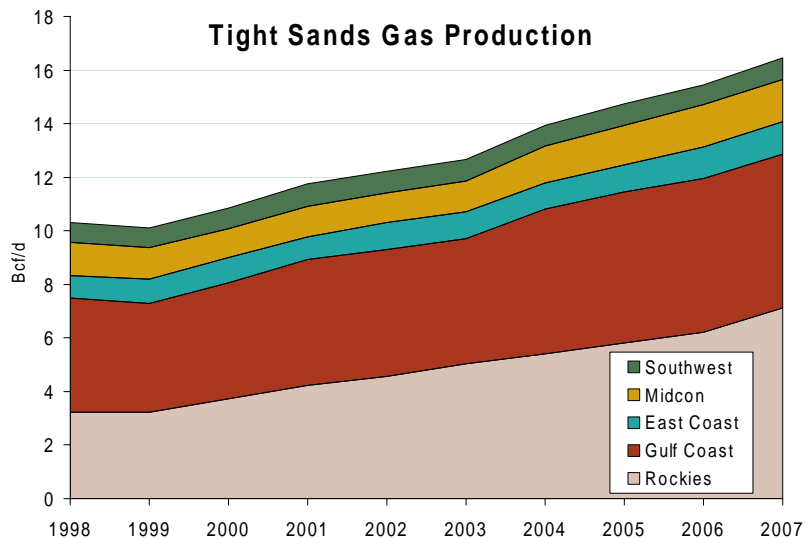
Major US Shale Basins



US Natural Gas Production

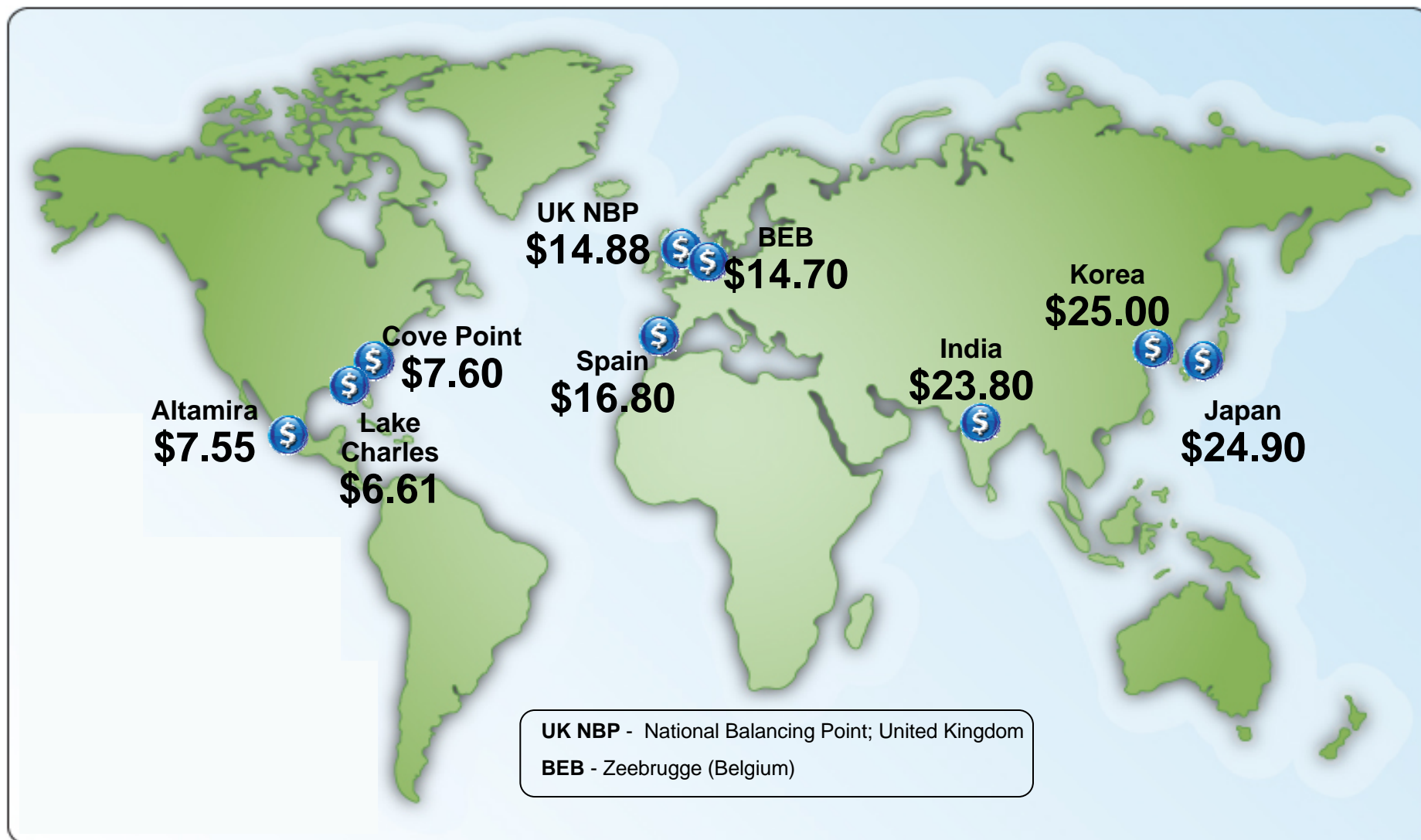


“Unconventional” Natural Gas Production



Source: Derived from EIA data.
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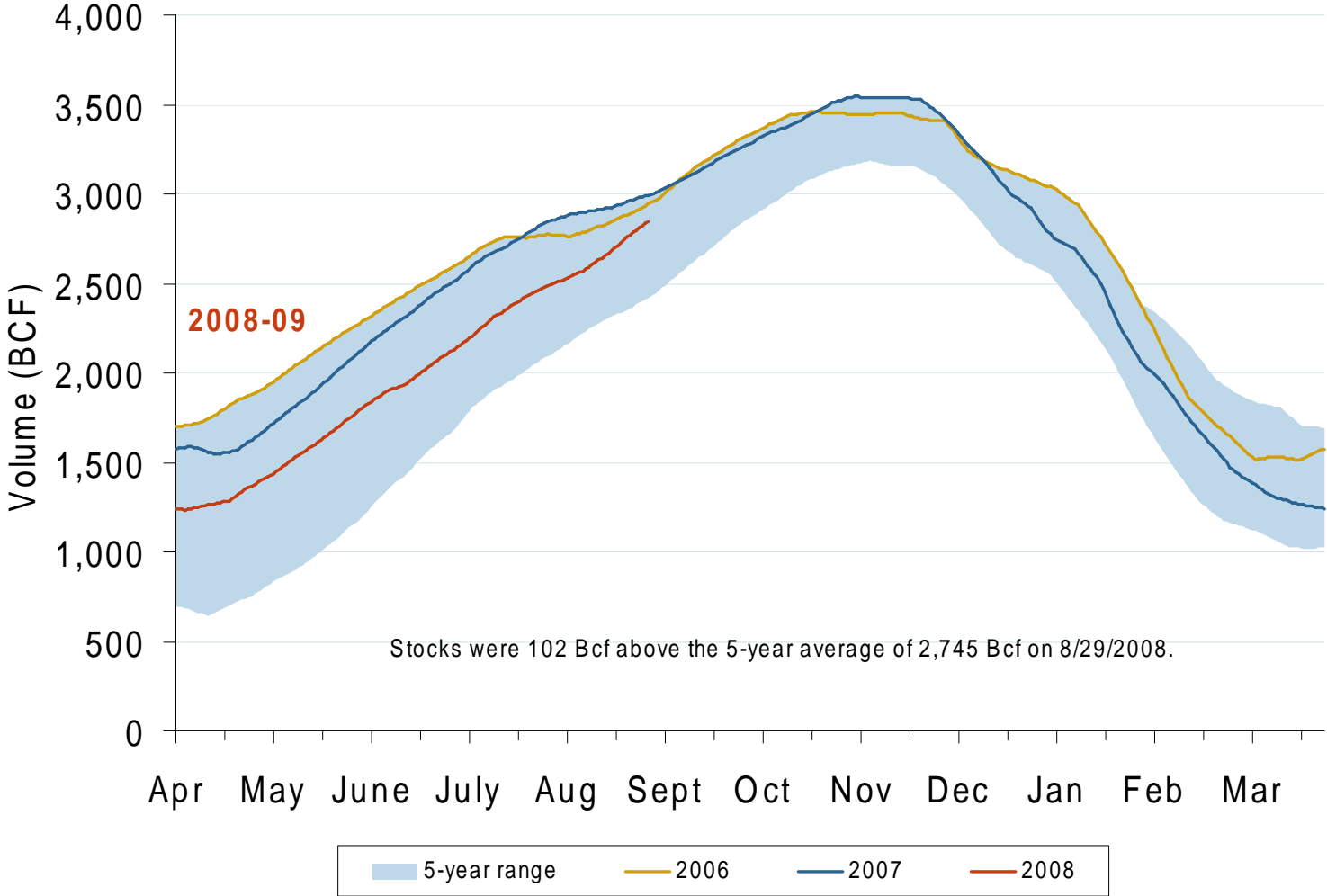
World LNG Landed Price Estimates for October 2008



Source: *Waterborne Energy, Inc.* data in \$US/MMBtu.

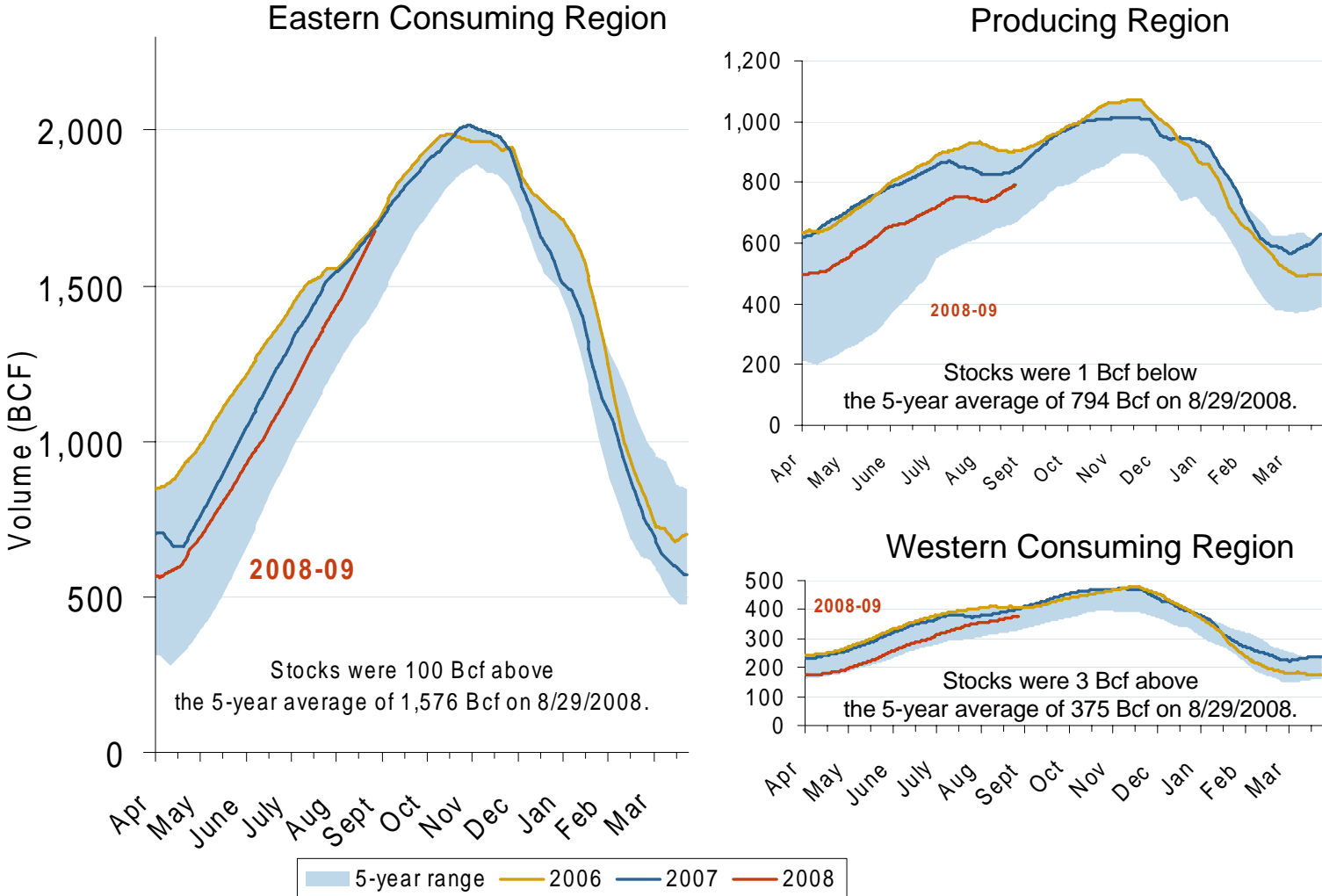
Updated September 5, 2008

Total U.S. Working Gas in Storage



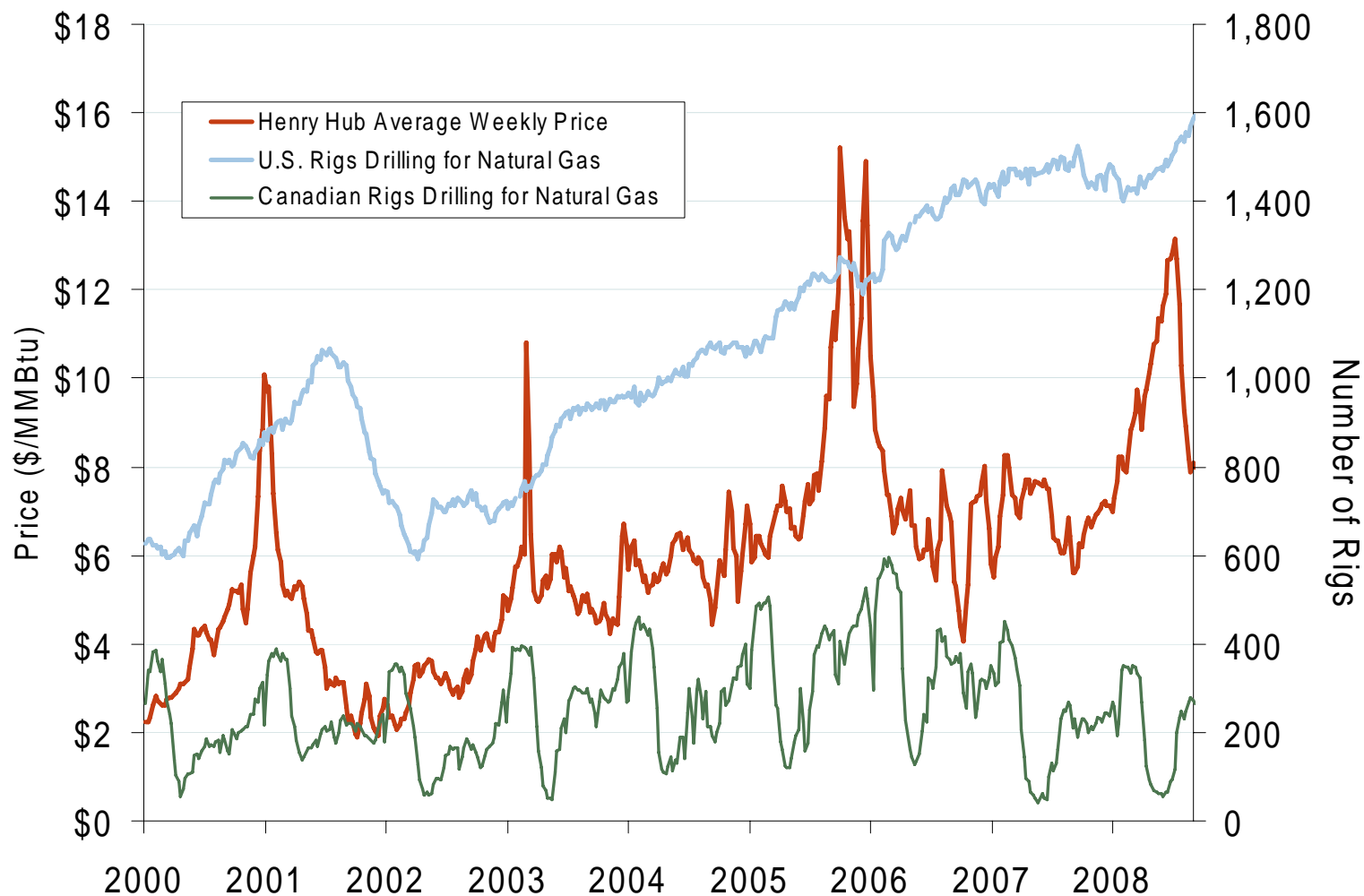
Source: Derived from EIA data.
September 2008 Southeast Snapshot Report

Regional Totals of Working Gas in Storage

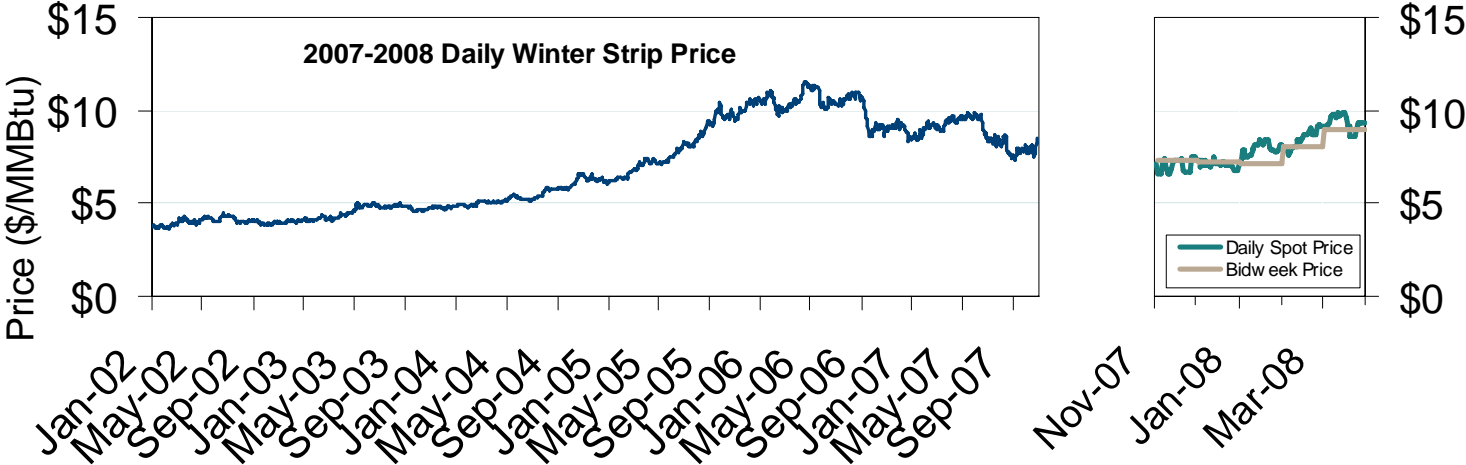
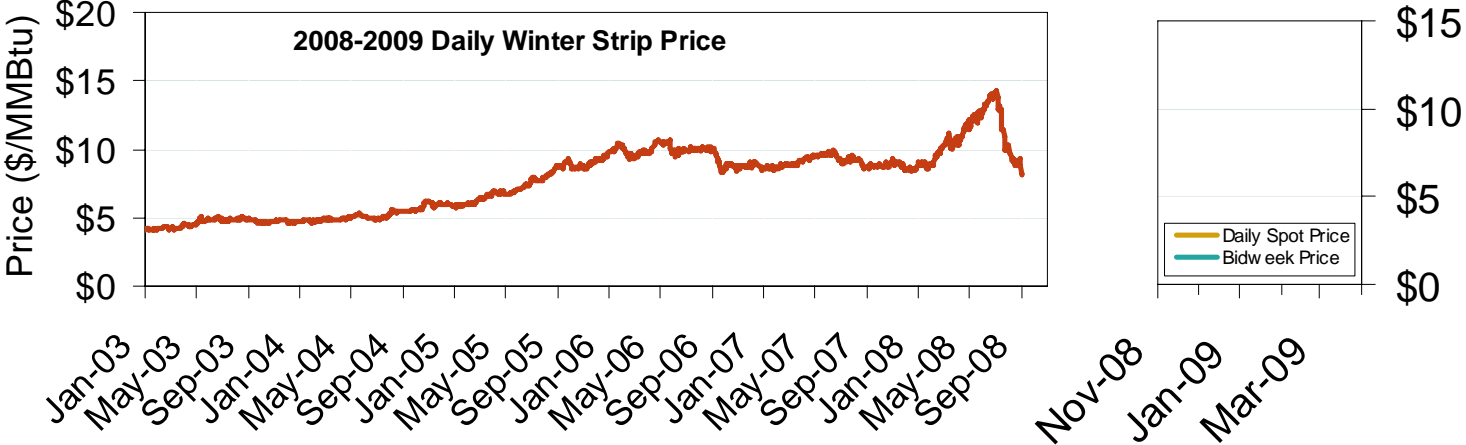


Source: Derived from EIA data. September 2008 Southeast Snapshot Report

U.S. and Canadian Natural Gas Drilling Rig Count and Daily Spot Prices



Natural Gas Winter Futures Strip and Daily Henry Hub Spot and Bidweek Prices

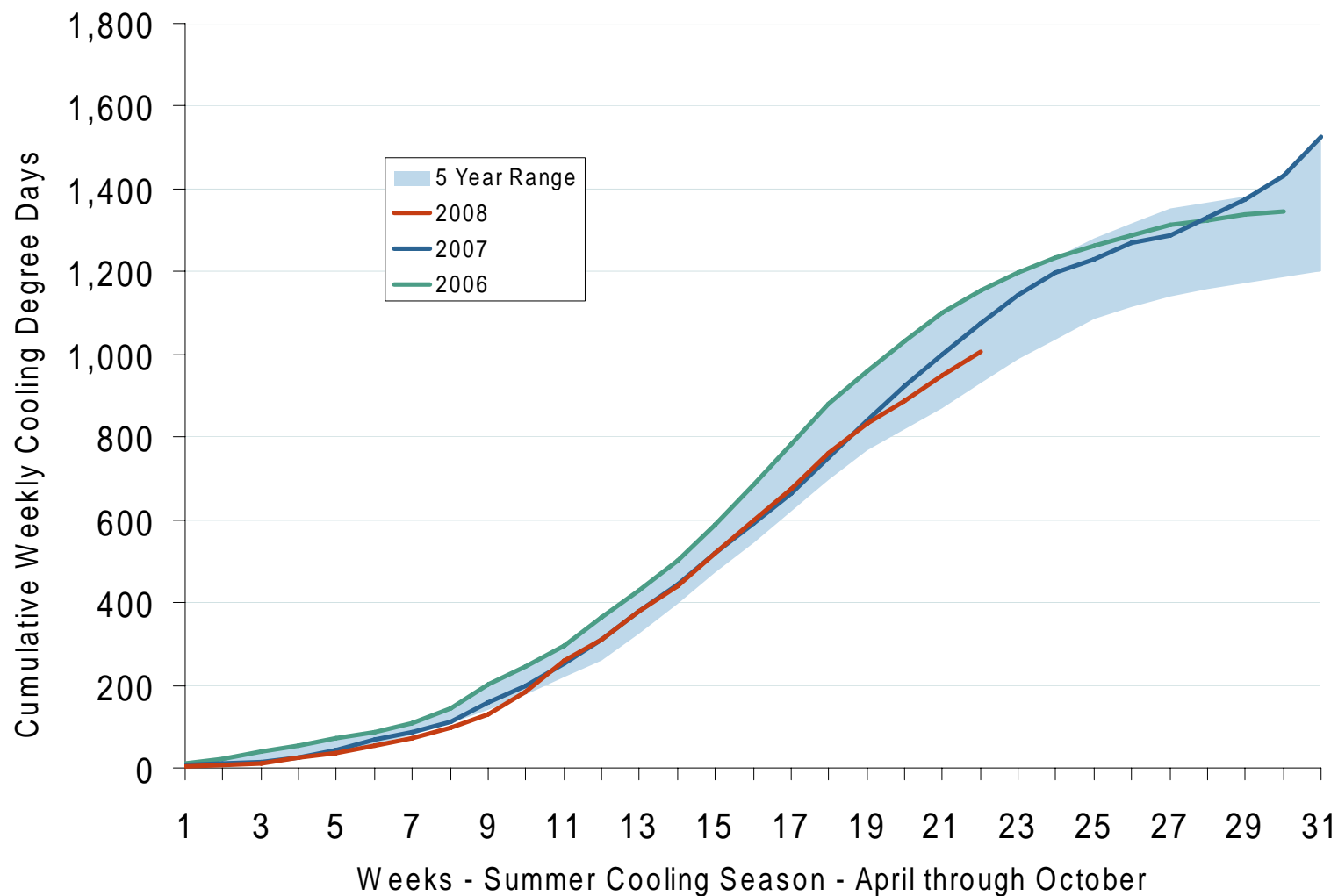


Source: Derived from *Platts* and *Nymex* data.
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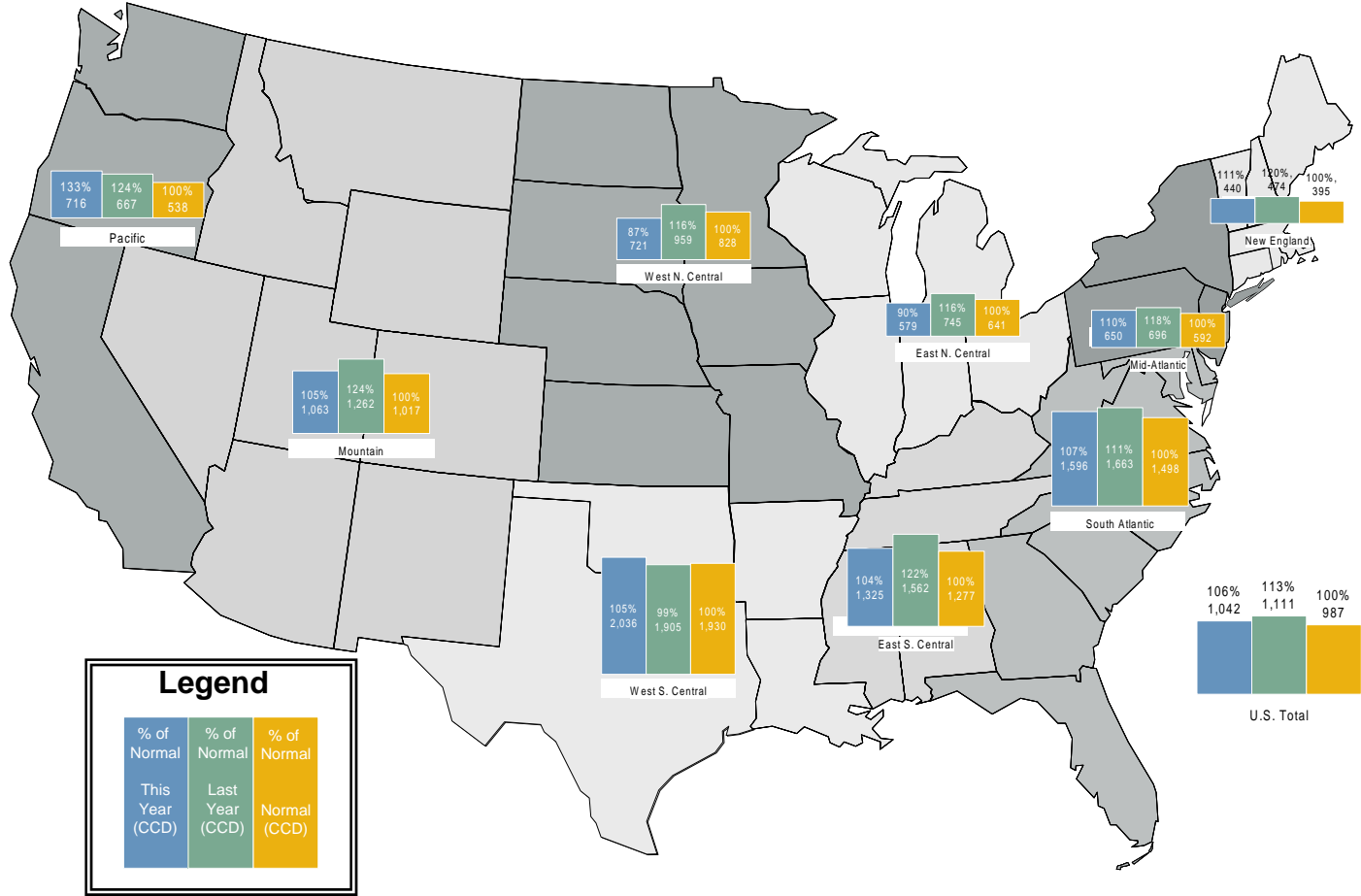
Market Fundamentals

U. S. Summer Cumulative Cooling Degree Days



Source: Derived from NOAA data.

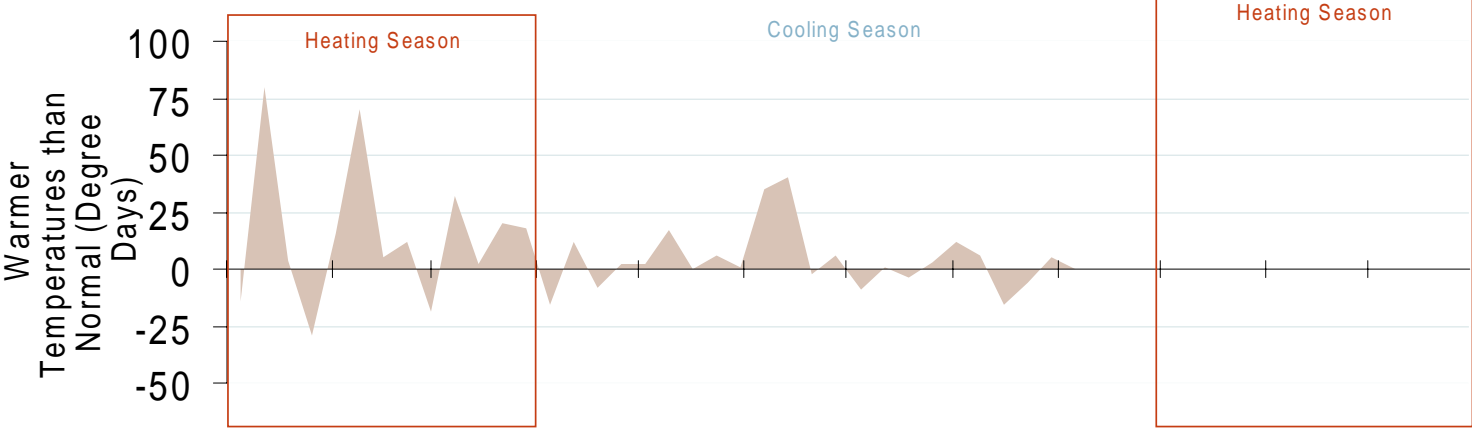
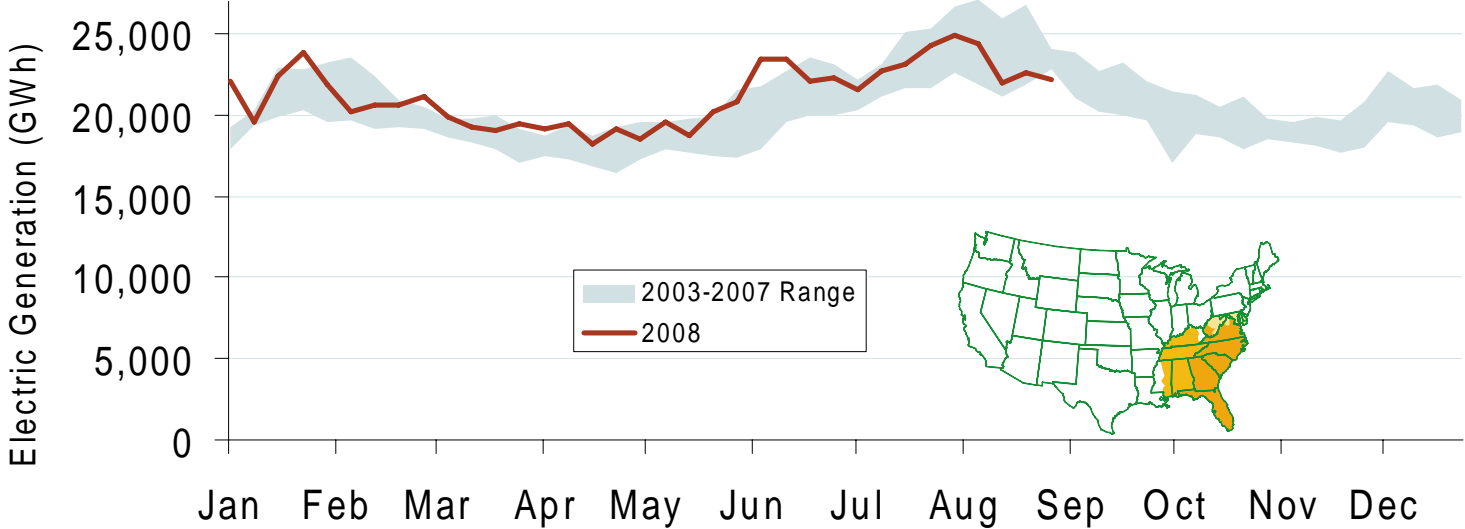
Regional Cooling Degree Days 2008 Through August



Source: Derived from NOAA data. Normal is based on a 30-year average of cooling degree days. September 2008 Southeast Snapshot Report

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Weekly Electric Generation Output and Temperatures Southeast Region



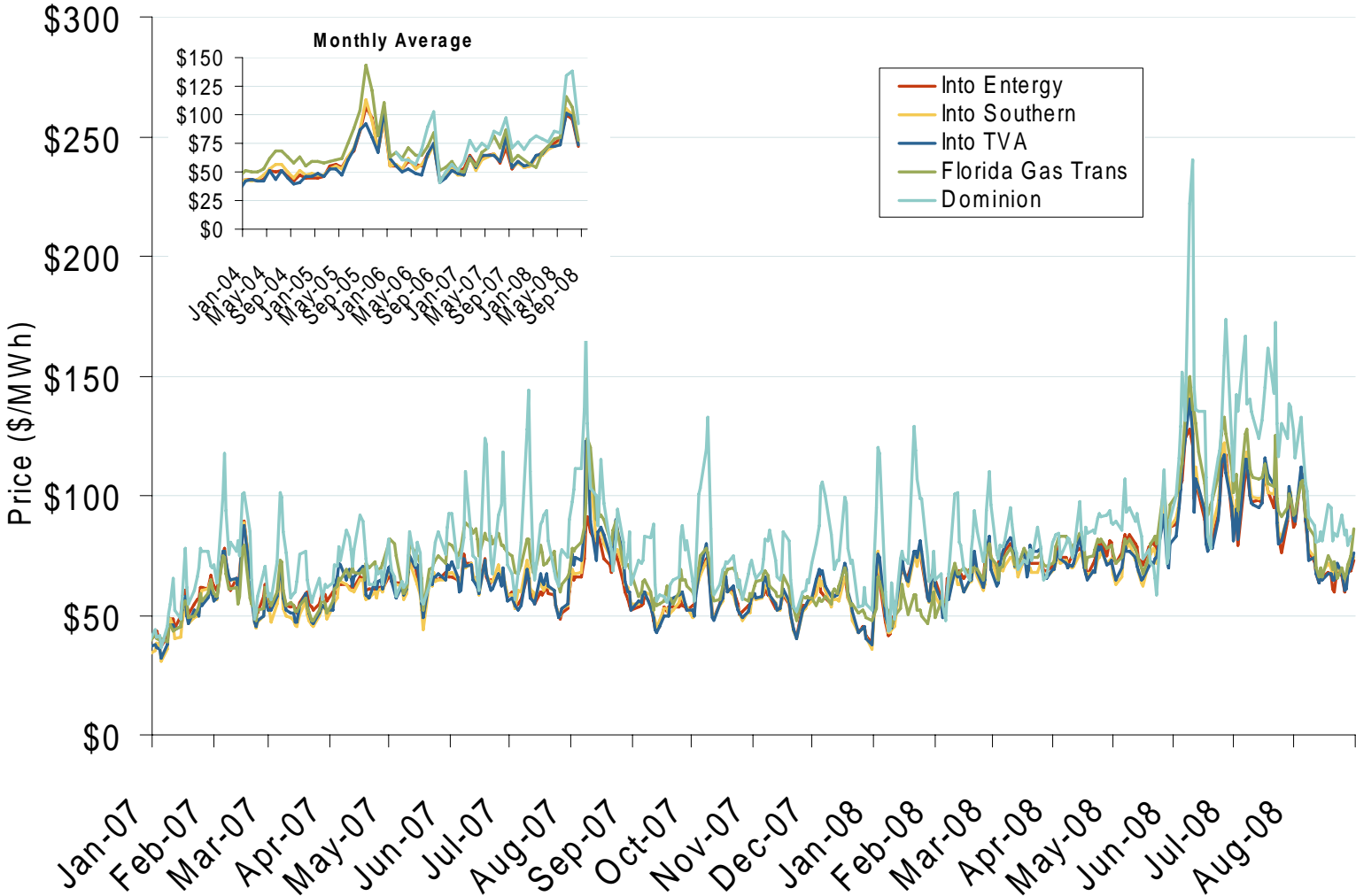
Source: Derived from EEI and NOAA data.
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Prices and Market Analysis

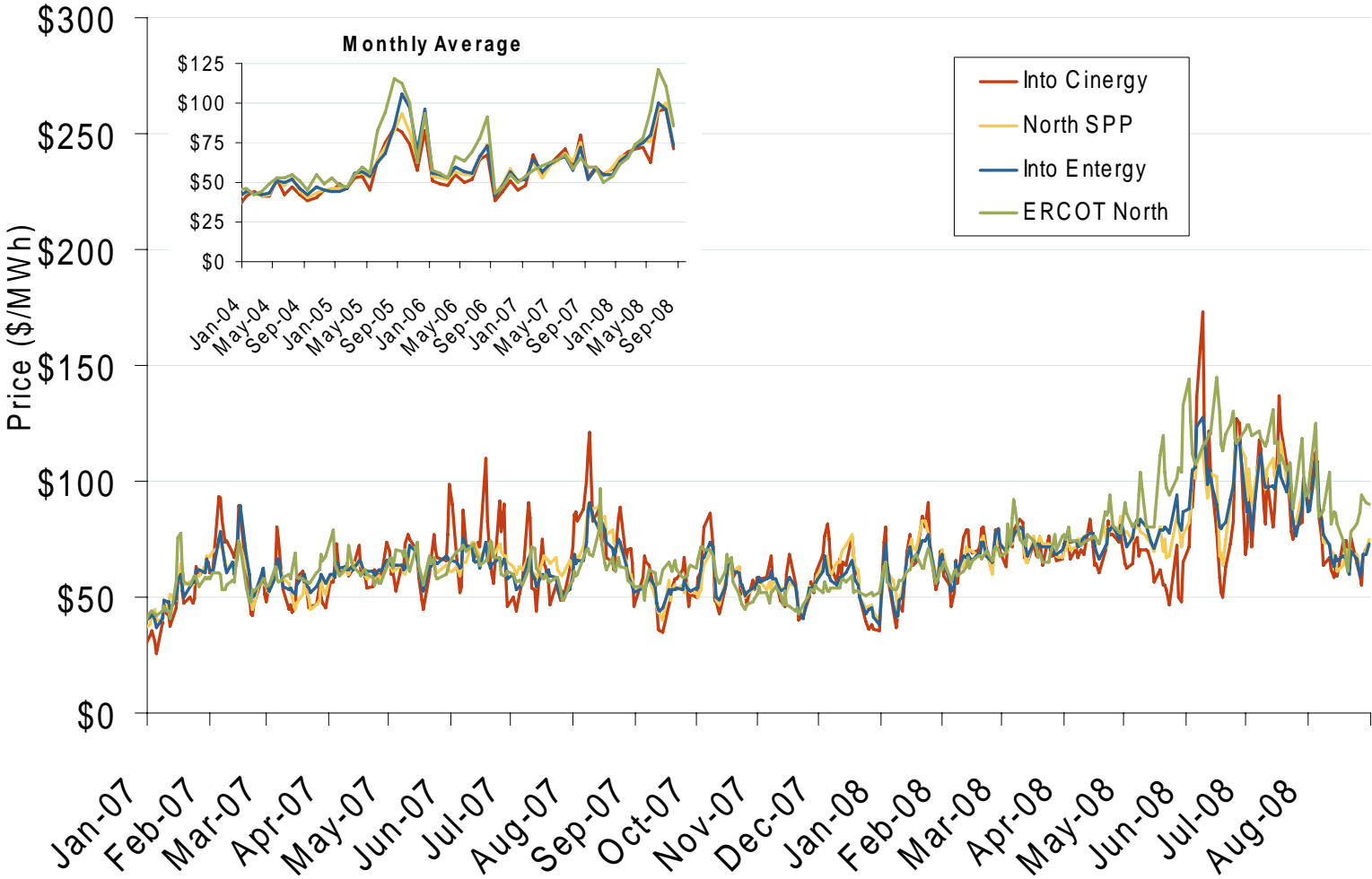
- **Electric**
- **Natural Gas**
- **Other Markets**

Southeastern Daily Bilateral Day-Ahead On-Peak Prices



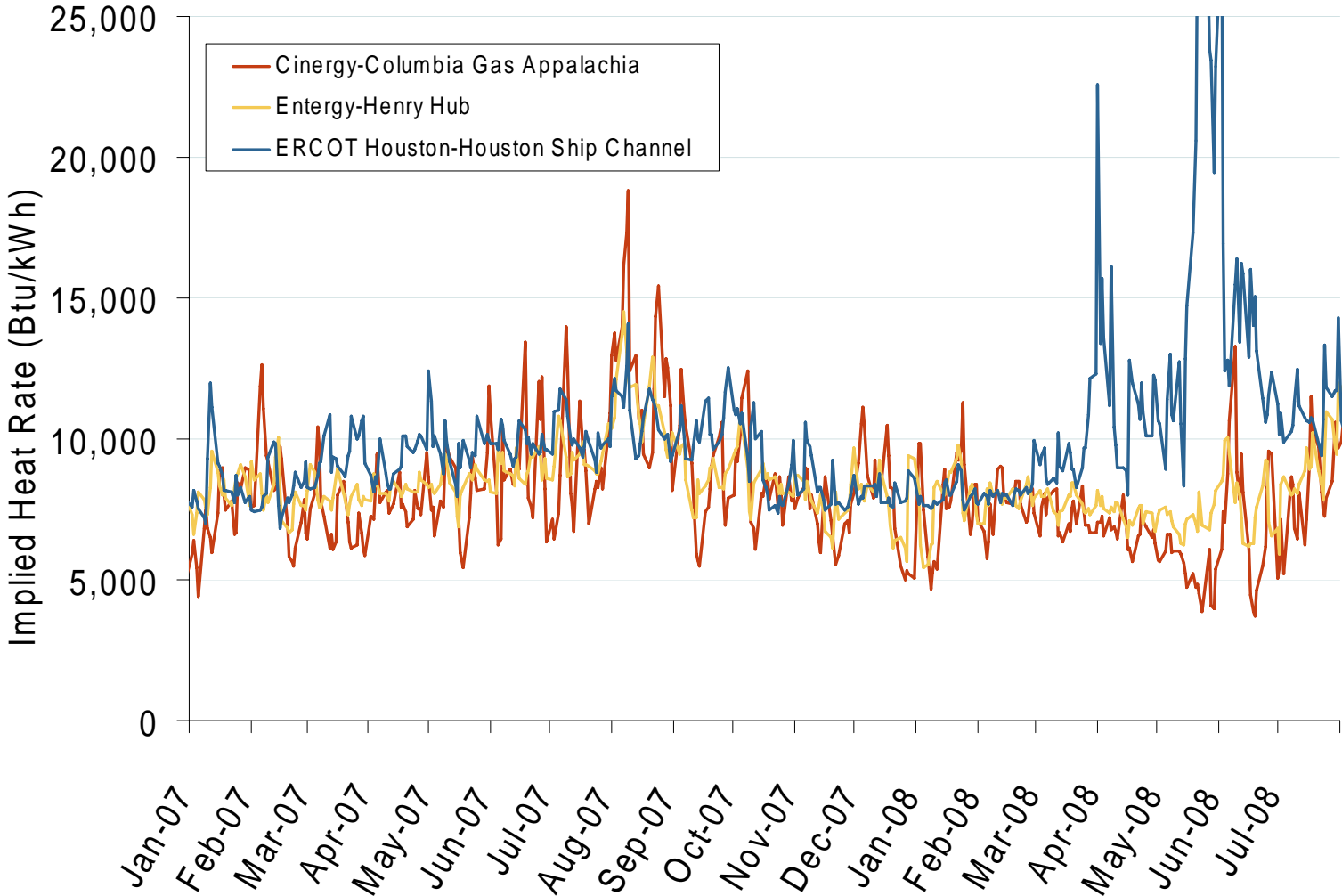
Source: Derived from *Platts* data.
September 2008 Southeast Snapshot Report

Midwestern Daily Bilateral Day-Ahead On-Peak Prices



Source: Derived from *Platts* data.
September 2008 Southeast Snapshot Report

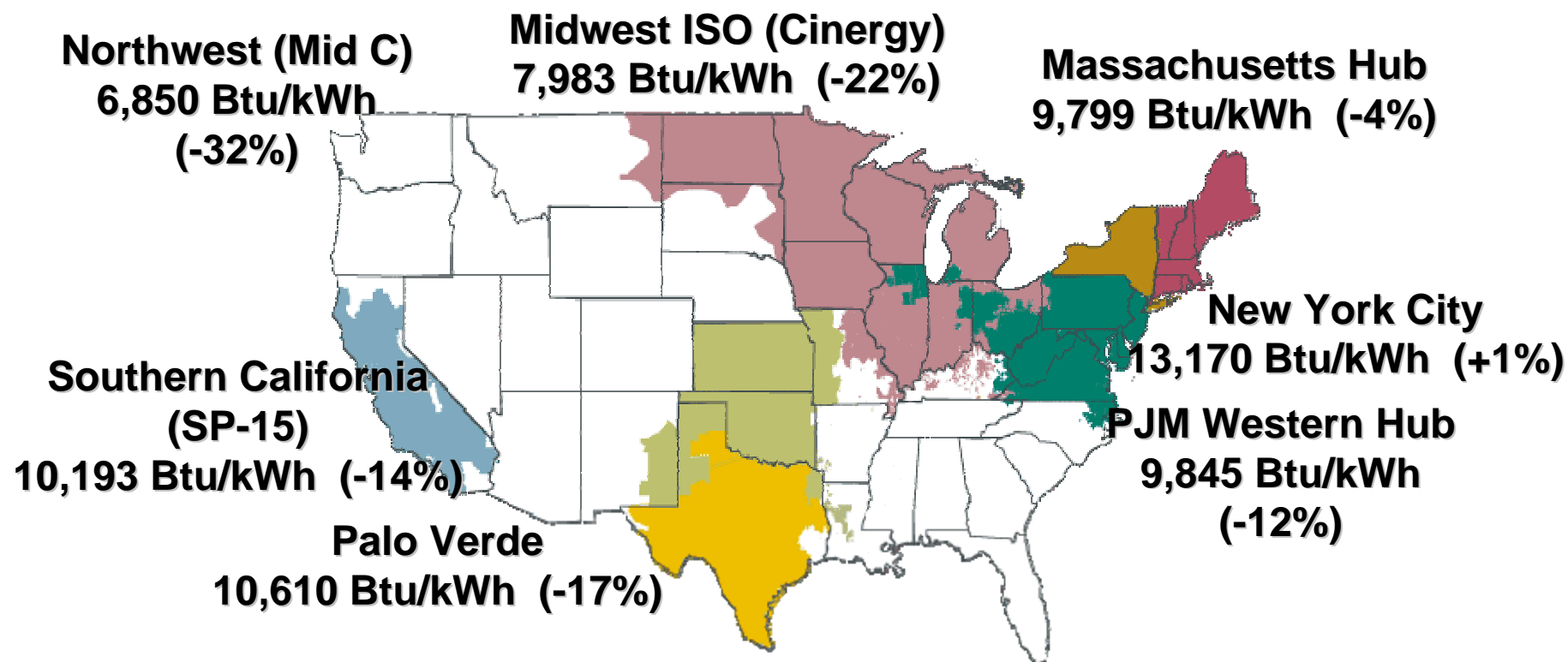
Implied Heat Rates at South Central Trading Points



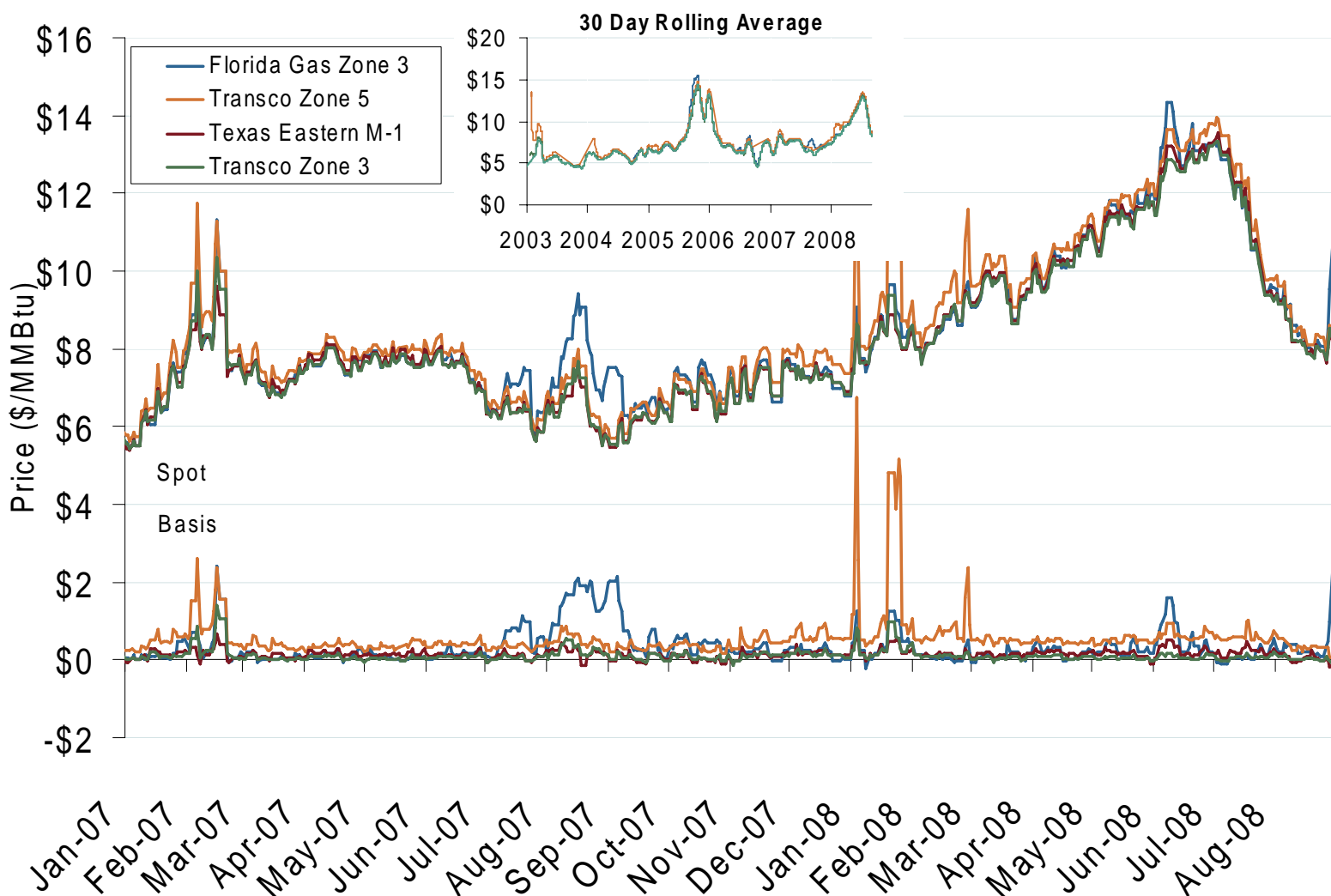
Source: Derived from *Platts* data
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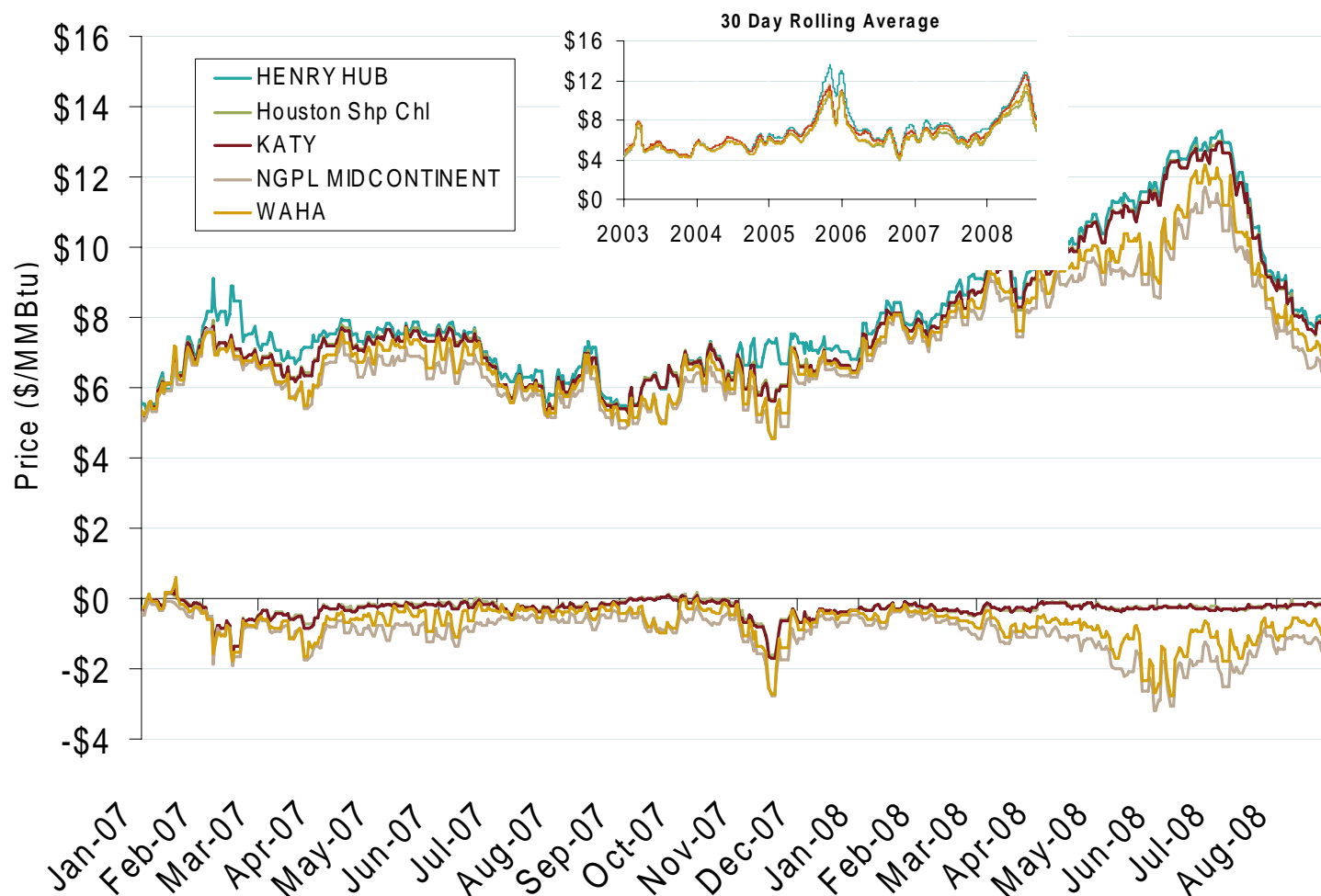
June-August Implied Heat Rates, 2008 vs. 2007



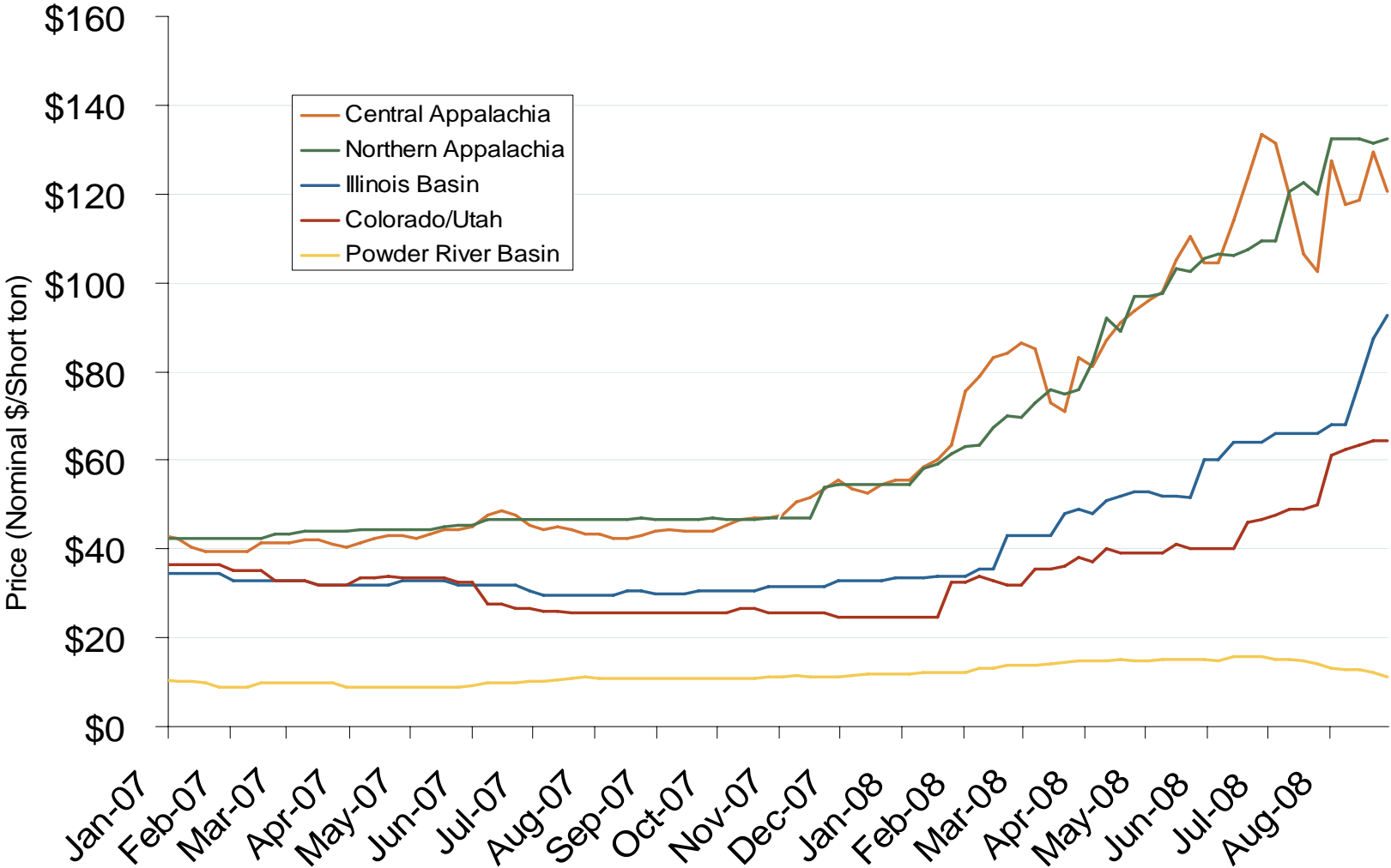
Southeastern Day-Ahead Hub Spot Prices and Basis



South Central Day-Ahead Hub Spot Prices and Basis



Regional Coal Spot Prices

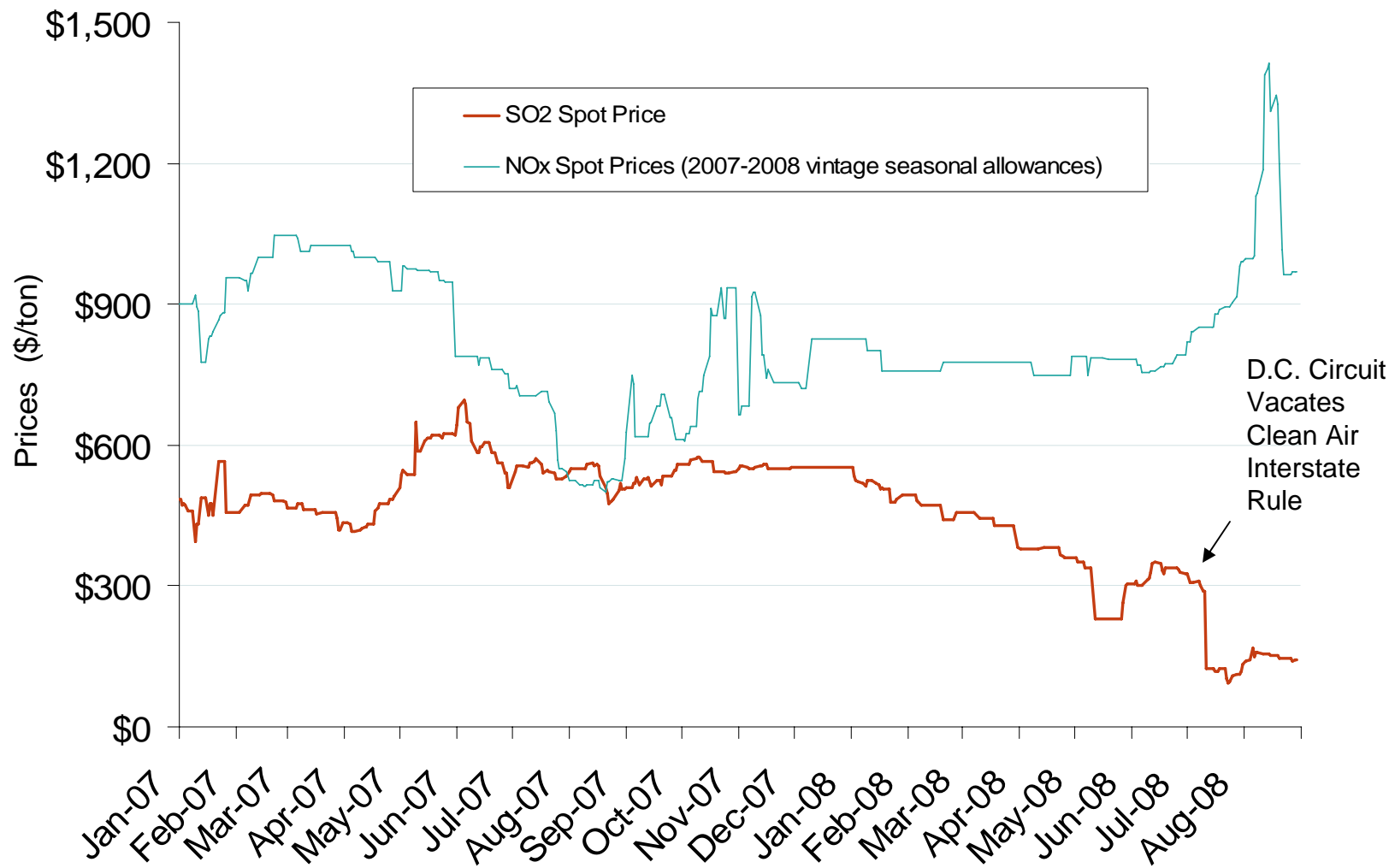


Note: Does not reflect the delivered price of coal; excludes incremental cost of emissions allowances.

Source: Derived from *Bloomberg* data.
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SO₂ Allowance Spot Prices and NOx Seasonal Allowance Spot Prices



Source: Derived from *Cantor Fitzgerald* data.

See notes on following pages.
September 2008 Southeast Snapshot Report

Updated August 14, 2008

Renewable Energy Portfolio Standards (RPS)

WA: 15% by 2020
OR: 25% by 2025; small utilities 5-10%
CA: 20% by 2010; goal of 33% by 2020; 50% goal on Nov ballot
NV: 20% by 2015; solar 5% per year
UT: 20% by 2025
CO: 20% by 2020; co-ops & munis 10%; includes 4% solar
AZ: 15% by 2025; includes 30% DG
NM: 20% by 2020 co-ops 10%
TX: 5,880 MW by 2015; goal of 10,000 MW by 2025
HI: 20% by 2020, and goal of 70% RE by 2030

MT: 15% by 2015
ND: 10% by 2015
KS: 20% wind by 2020
OK: studying RPS, RE transmission, cost-recovery

MN: 25% by 2025 Xcel 30% by 2020
IA: 1,105 MW by 2011*

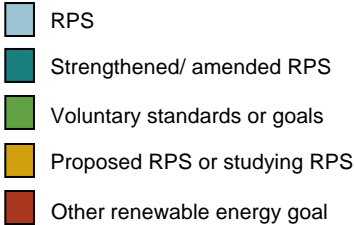
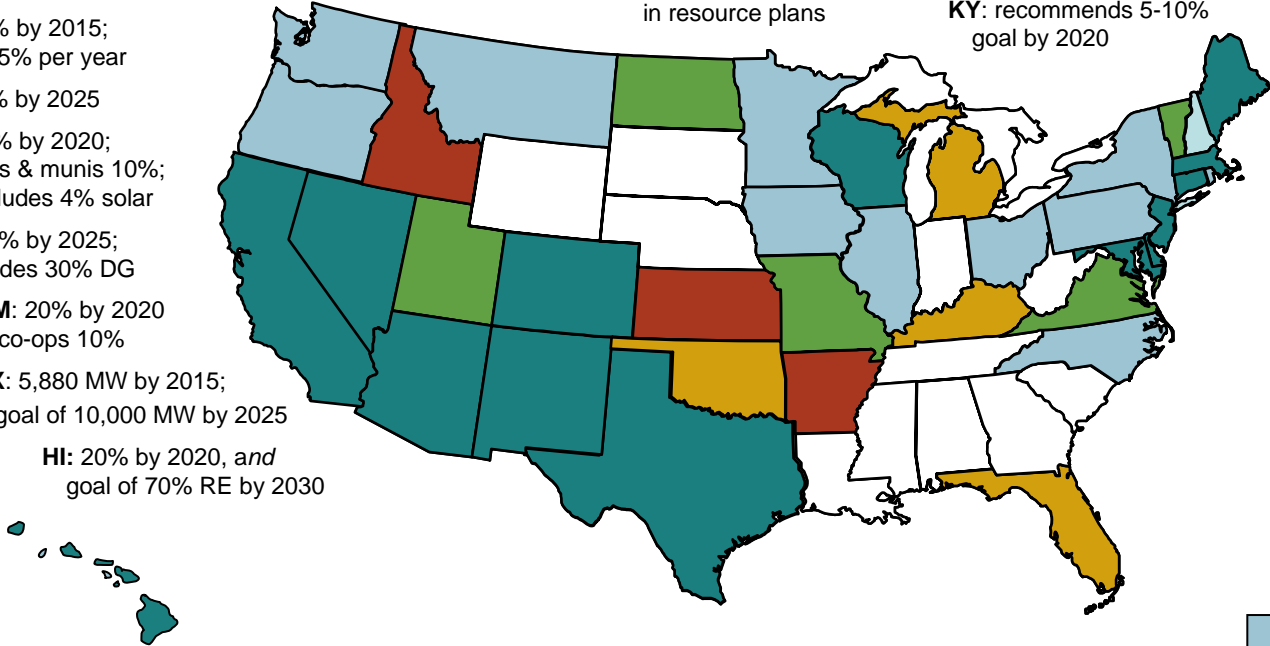
MO: 11% by 2020; ballot initiative for mandate
AR: utilities to include RE in resource plans

WI: 10% by 2015
IL: 25% by 2025

MI: different bills passed by House and Senate
OH: 12.5% by 2025, with 0.5% solar

KY: recommends 5-10% goal by 2020

ME: 40% by 2017
NH: 23.8% BY 2025
VT: 25% by 2025
MA: doubles RPS - 15% by 2020; goal of 250 MW solar by 2017
RI: 16% by 2019
CT: 23% Class I/II by 2020 4% Class III by 2010
NY: 24% by 2013
PA: 8% Tier I, 10% Tier II by 2020; solar set-aside
NJ: 22.5% by 2020, with 2% solar
DE: 20% by 2019, with 2% solar
DC: doubles RPS - 20% by 2020; no less than 0.4% solar
MD: 20% by 2022, with 2% solar
VA: 12% by 2022
NC: 12.5% by 2021 co-ops & munis: 10% by 2018
FL: law directs PSC to write RPS regulations

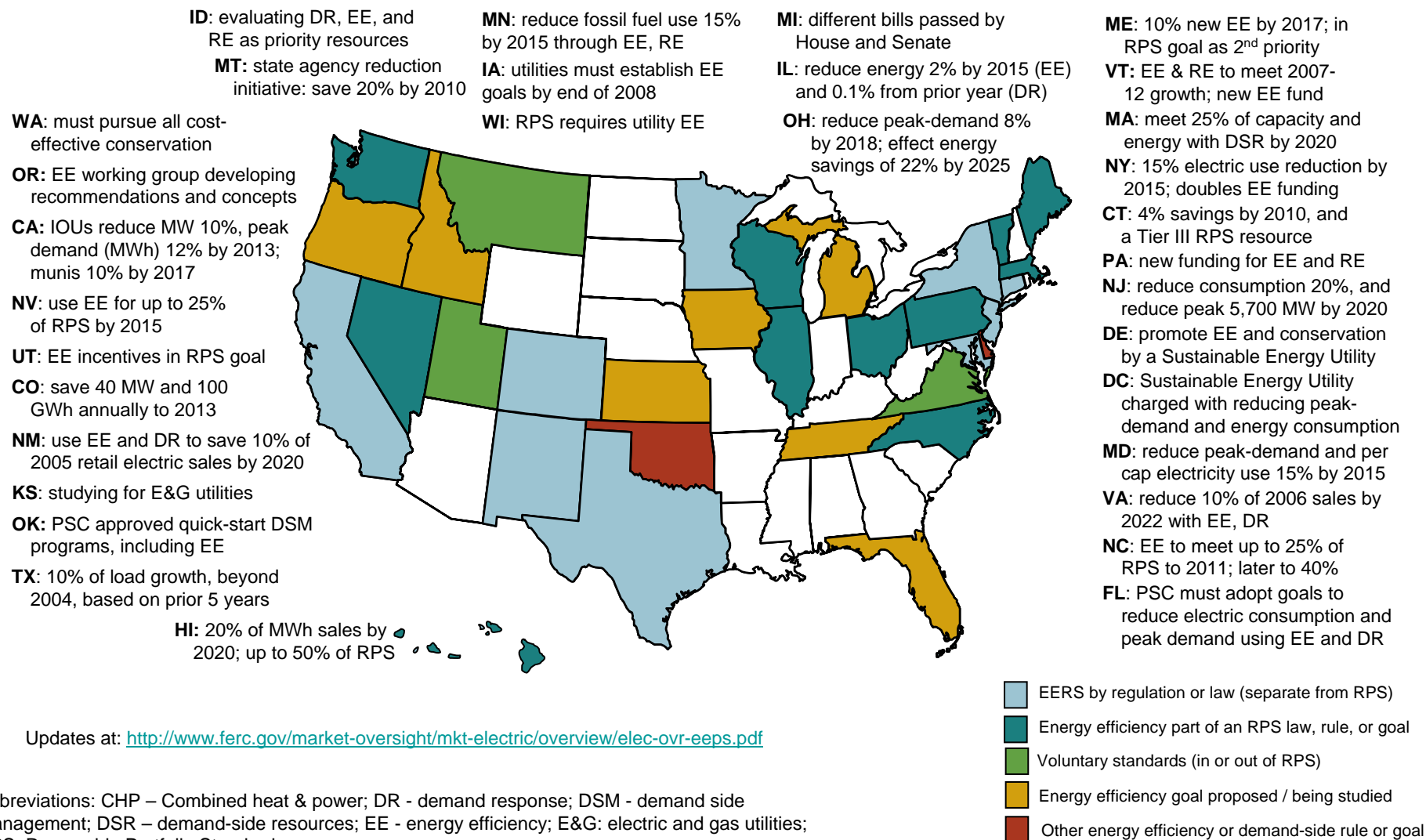


Updates at: <http://www.ferc.gov/market-oversight/mkt-electric/overview/elec-ovr-rps.pdf>

Notes: Alaska has no RPS; DG is distributed generation; * Iowa has a goal of 1,000 MW of wind by 2010
Sources: Derived from data in: EEI, EIA, LBNL, PUCs, State legislative tracking services, Database of State Incentives for Renewables and Efficiency, and the Union of Concerned Scientists.

Updated July 17, 2008

Energy Efficiency Resource Standards (EERS)



Abbreviations: CHP – Combined heat & power; DR - demand response; DSM - demand side management; DSR – demand-side resources; EE - energy efficiency; E&G: electric and gas utilities; RPS: Renewable Portfolio Standard

Sources: ACEEE, EPA, Regulatory Assistance Project, Union of Concerned Scientists, State regulatory and legislative sites, trade press