



Current gas market conditions & impacts of gas prices on electricity markets

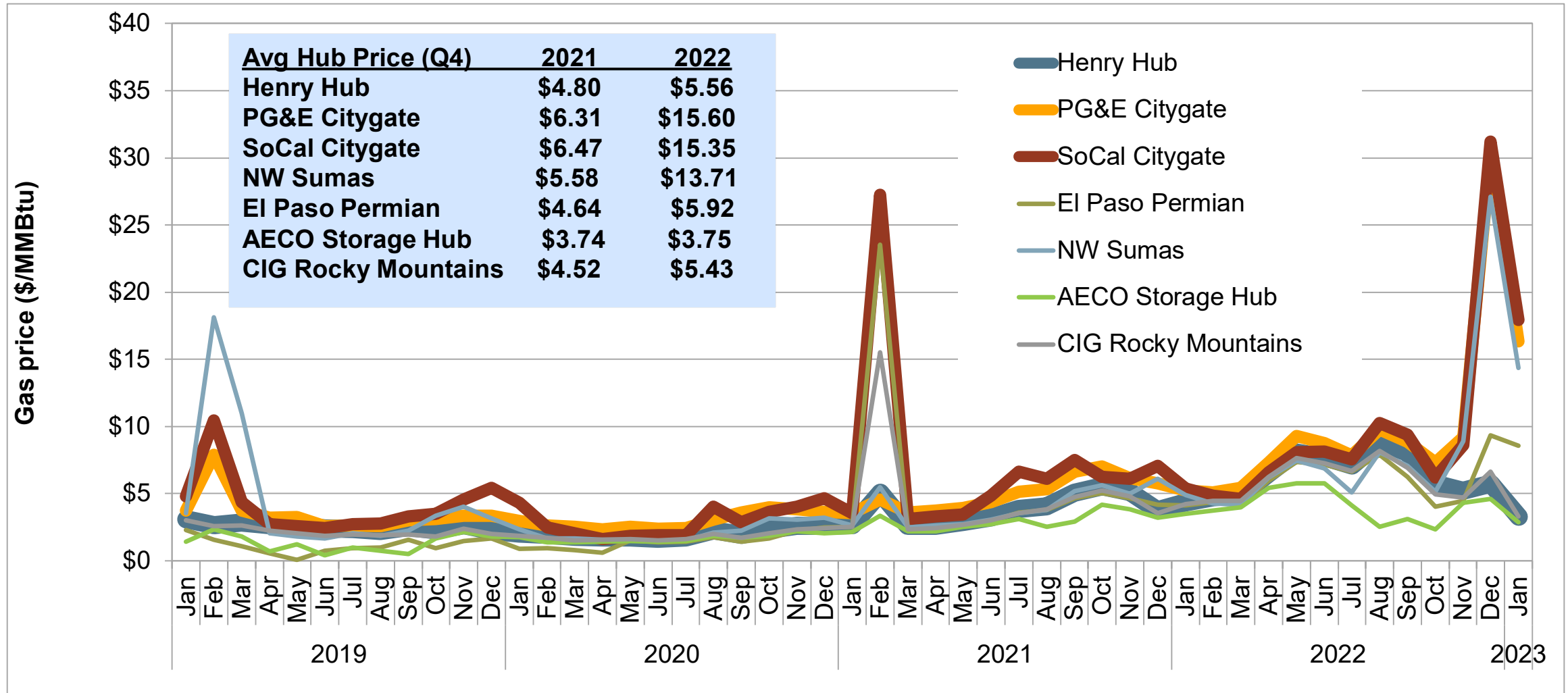
California Public Utilities Commission, En Banc Proceeding
February 7, 2023

Revised February 17, 2023 to correct January to January generation change (slide 8)

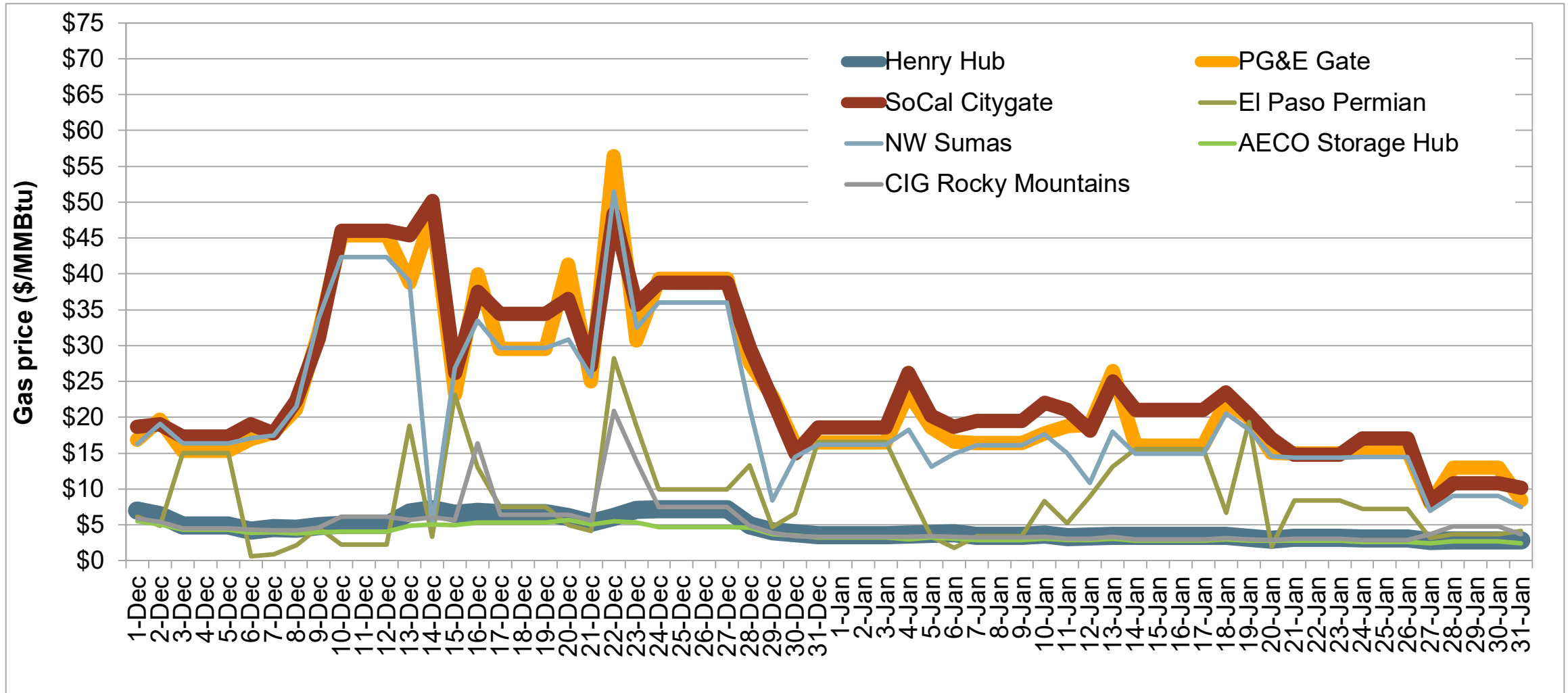
Amelia Blanke
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Department of Market Monitoring

<http://www.caiso.com/market/Pages/MarketMonitoring/Default.aspx>

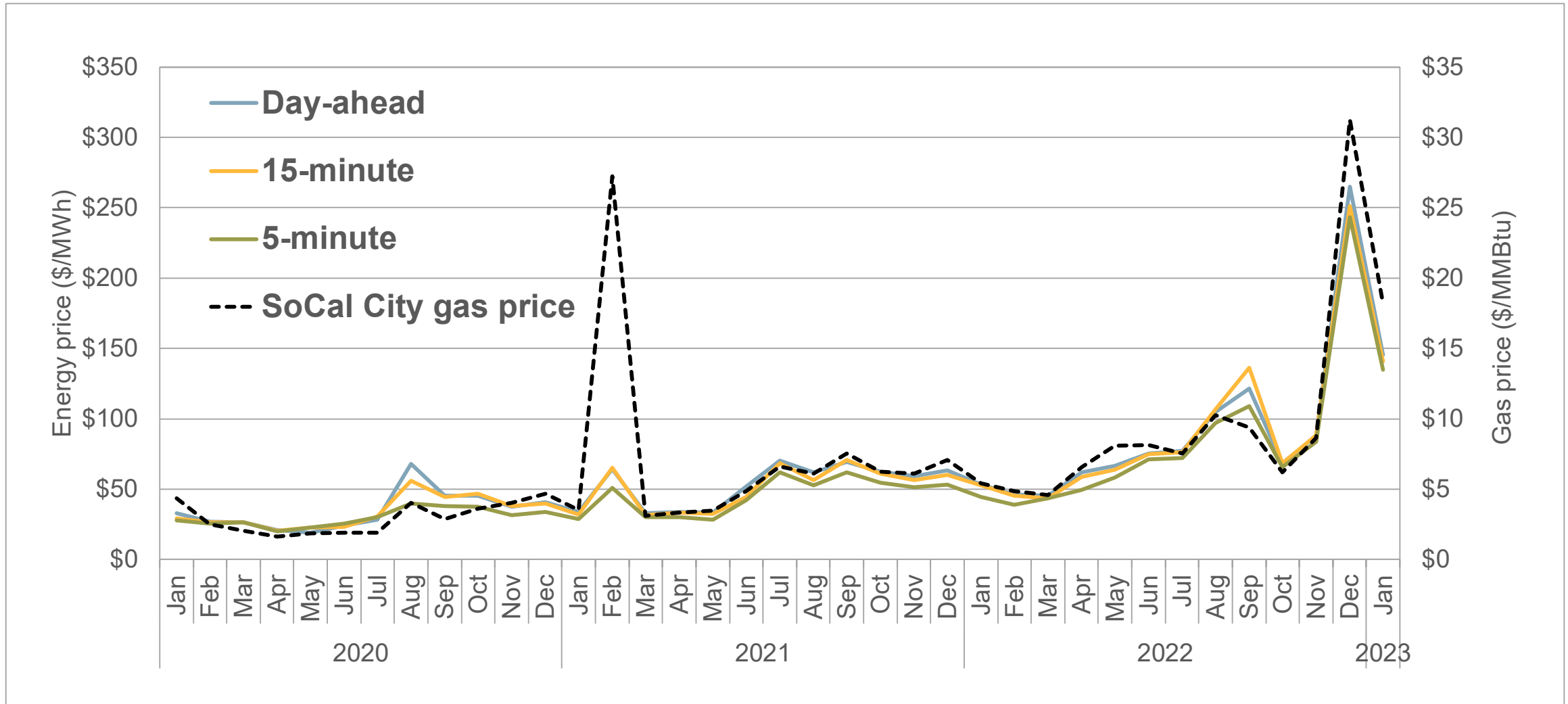
Higher natural gas prices are driving higher electricity prices



Gas prices in California rose in December and remain high relative to national indices

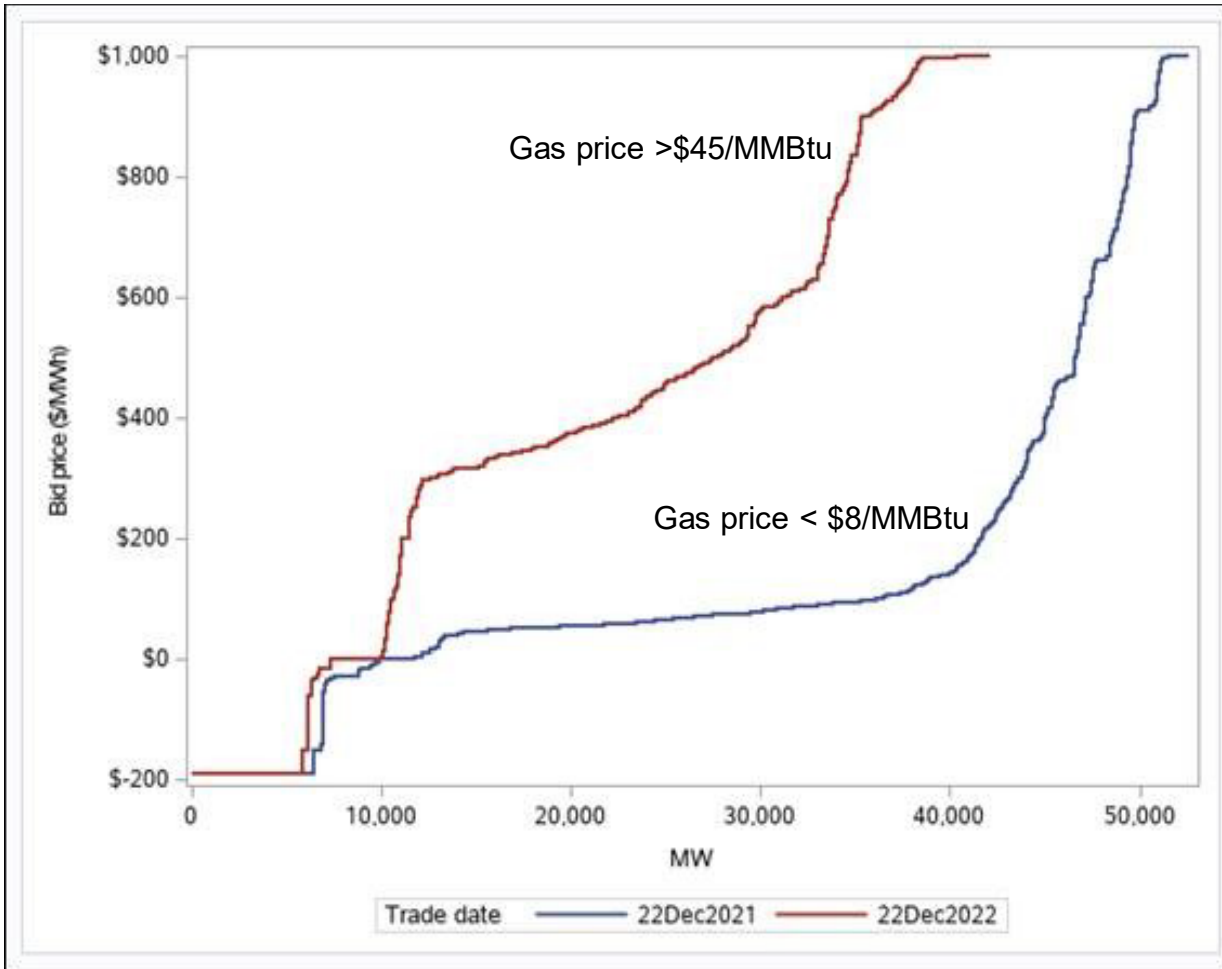


Natural gas price increases drive wholesale electricity costs up

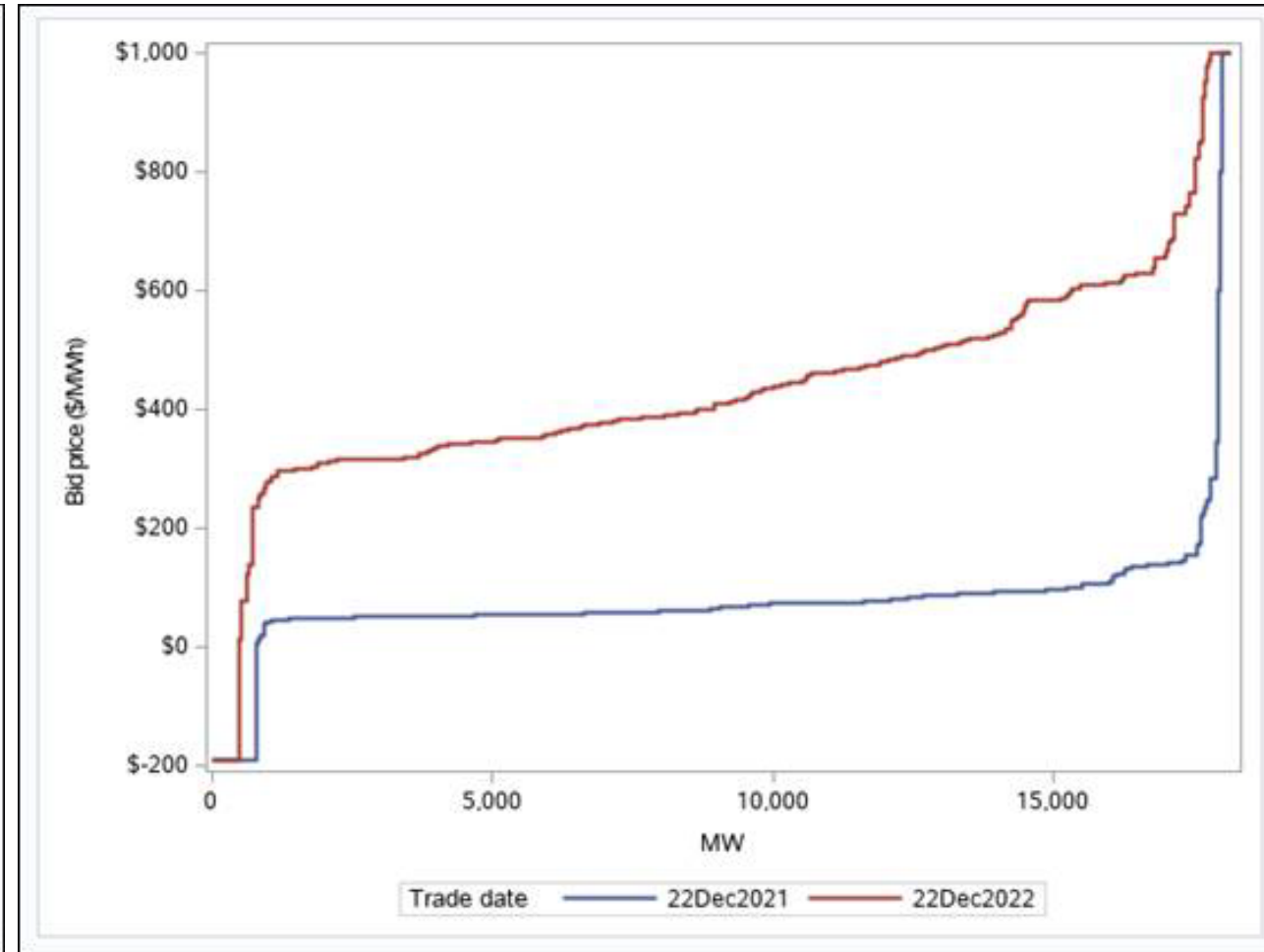


Bids reflect higher marginal costs for both gas and non-gas resources

All day-ahead supply

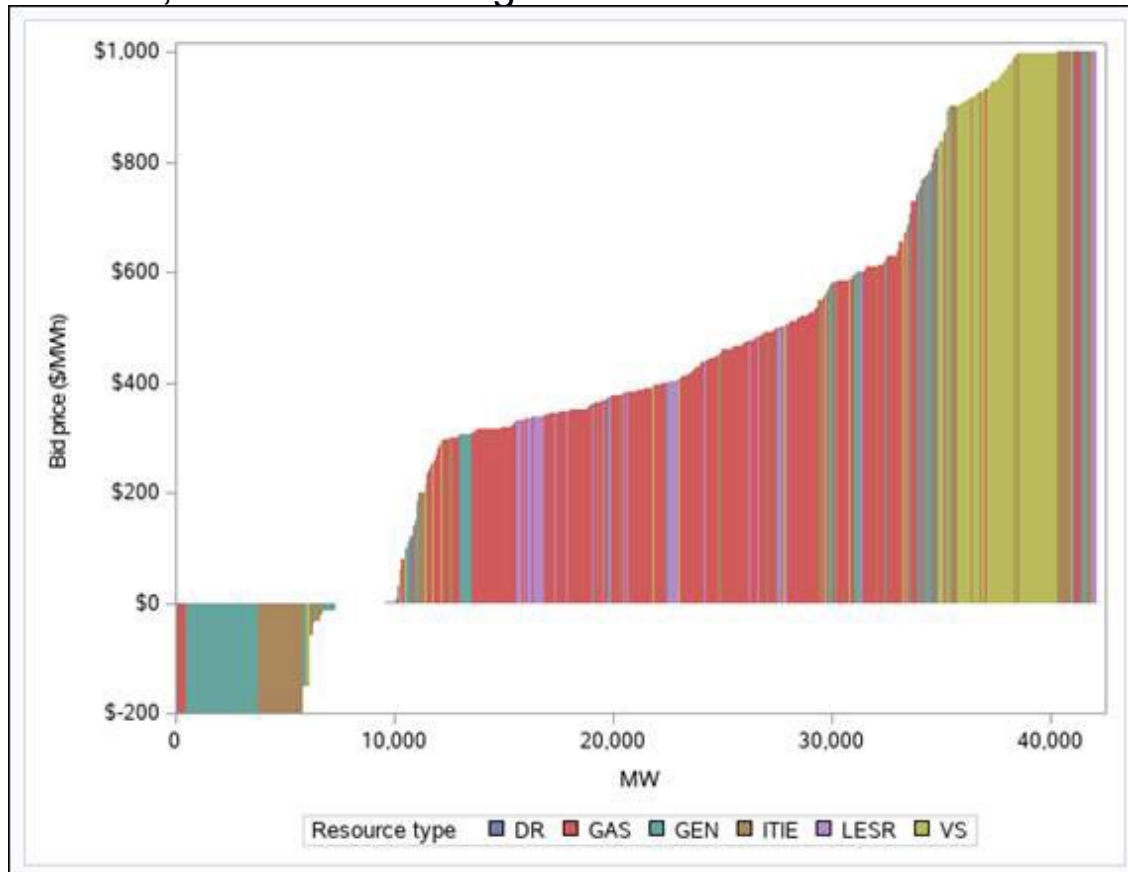


Gas resource bids

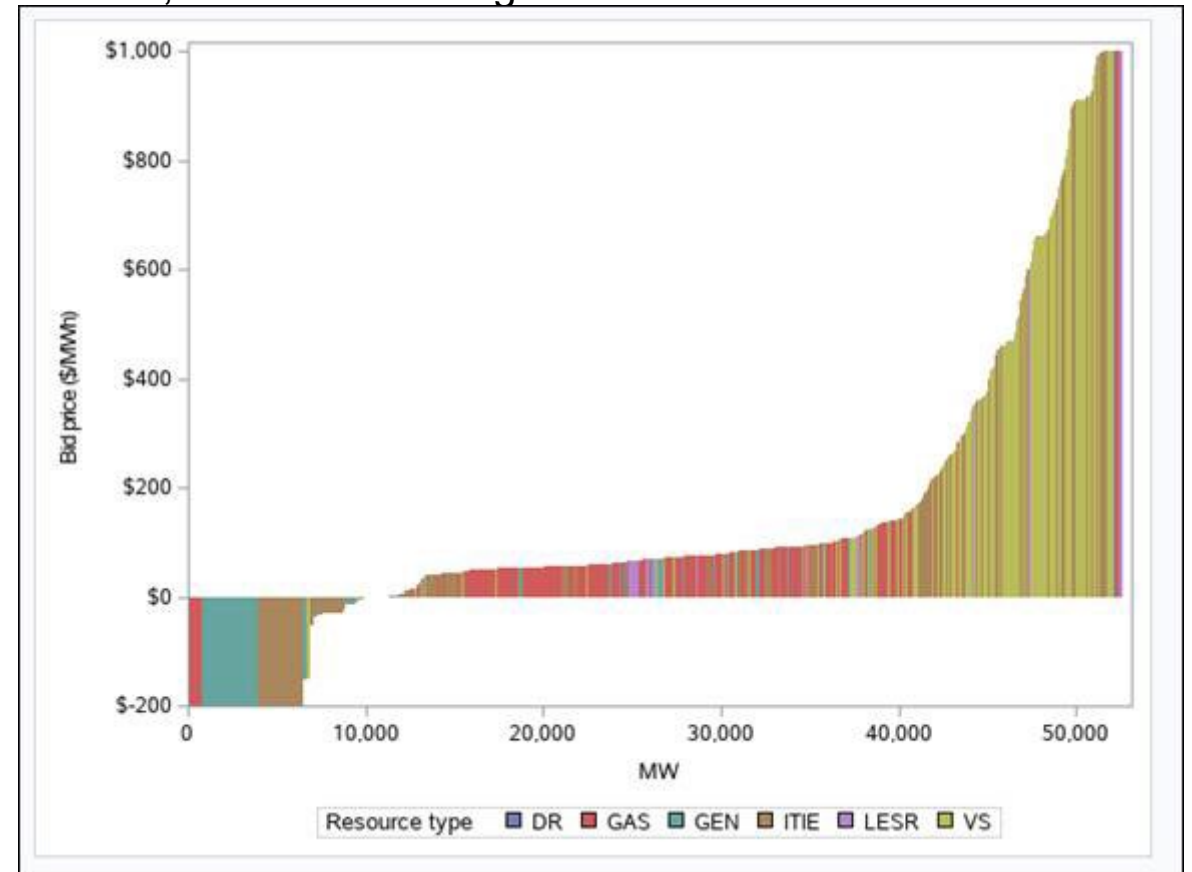


Higher natural gas prices also raise bids and opportunity costs of non-gas resources

Dec 22, 2022 hour ending 18

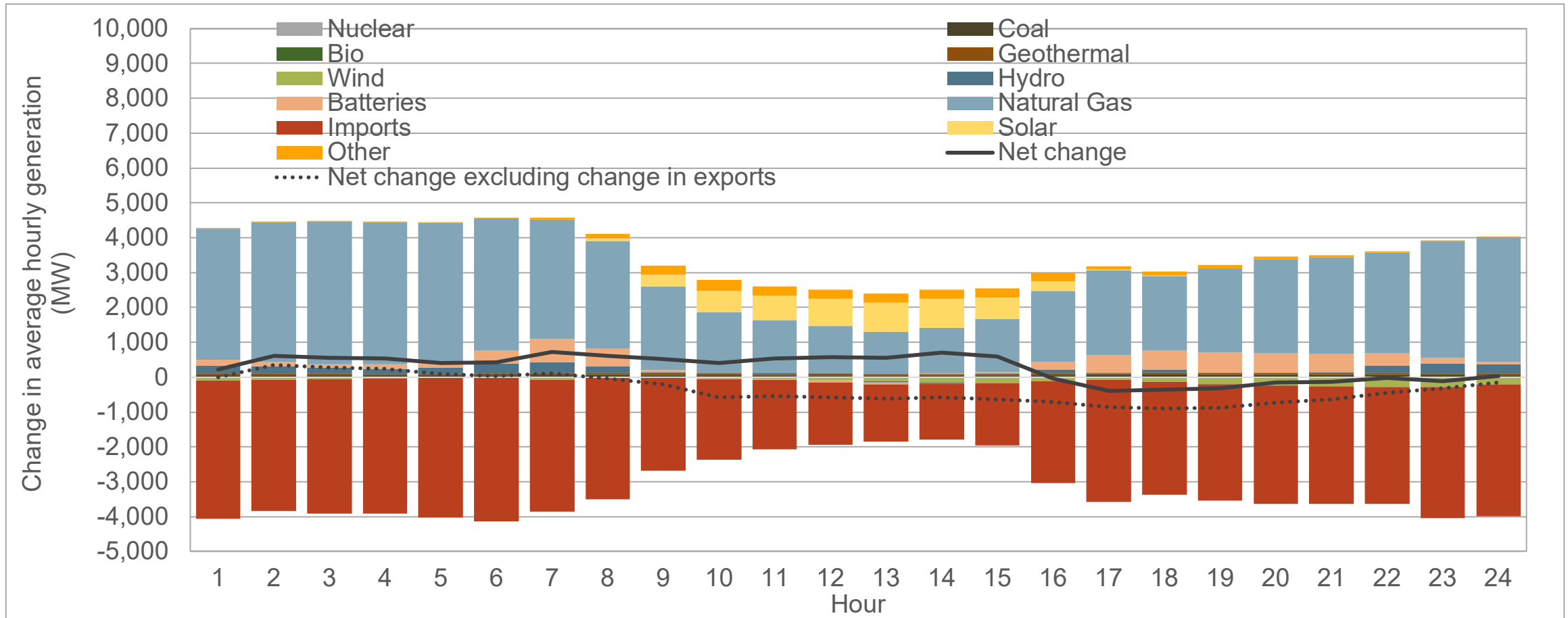


Dec 22, 2021 hour ending 18



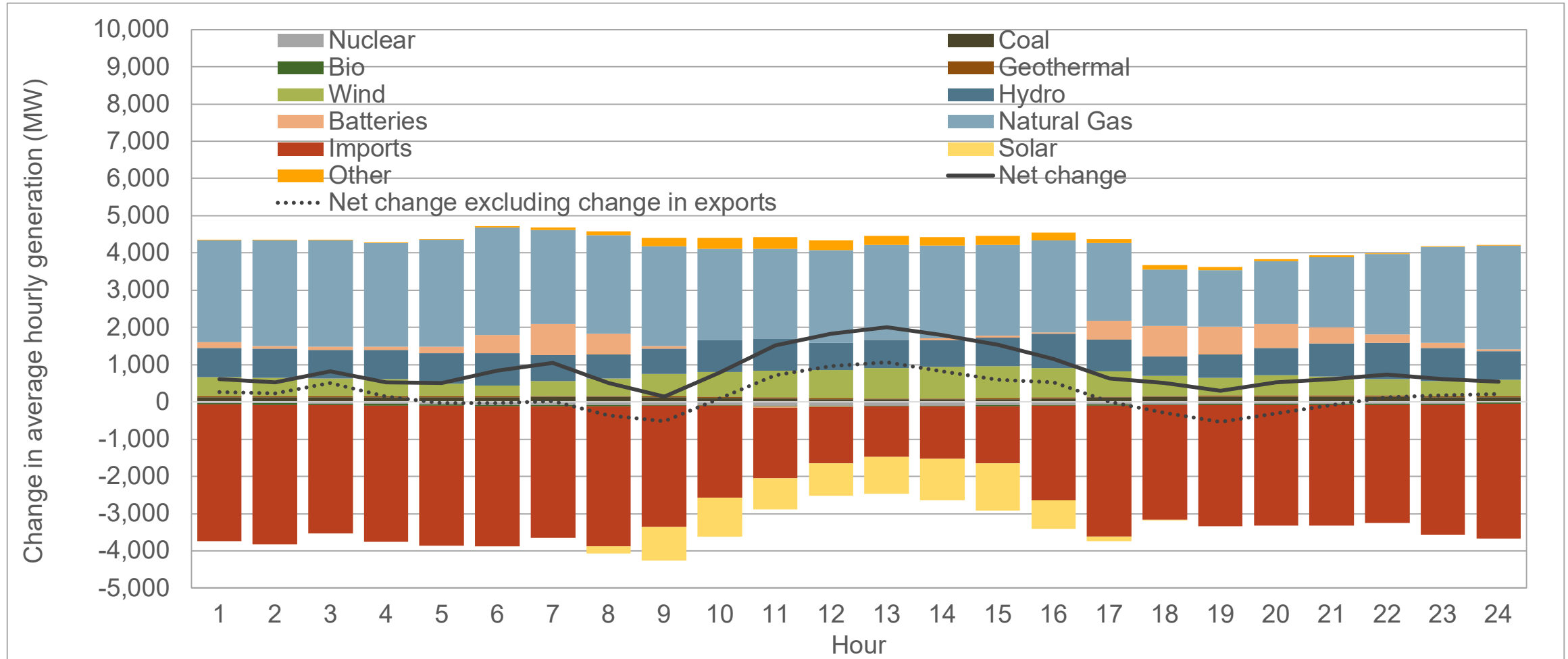
Changes in generation dispatch reflect bidding behavior and demand ---, in the California ISO and regionally

Change in generation dispatch (December 2022 – December 2021)



In January, unusual weather contributed to generation changes

Change in generation dispatch (January 2023 – January 2022)



In January, lower demand and unusual weather led to lower generation

Change in generation dispatch (January 2023 – January 2022)

This slide, presented in the Feb 7 en banc, is replaced by the previous slide.

