Power Market Transition

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Challenges Over the Next Few Years

- Electricity Demand Trends
- World’s Largest Fuel Switch
- Narrowing Operating Reserve Margins
- Power Market / Natural Gas Interoperability
Generation Retirements, Additions and Net Generation Supply Change Over the Next Three Years

- 2014/2015:
  - Additions: 750 MW
  - Retirements: -1,140 MW
  - Cumulative Change: -390 MW

- 2015/2016:
  - Additions: 3,800 MW
  - Retirements: -11,769 MW
  - Cumulative Change: -8,359 MW

- 2016/2017:
  - Additions: 4,950 MW
  - Retirements: -76 MW
  - Cumulative Change: -3,485 MW
Trend in Forward Energy Prices

NYMEX Forward Curves for PJM Western Hub Monthly Peak Contract

- As of March 28, 2013
- As of June 28, 2013
- As of September 12, 2013
- As of November 11, 2013
- As of January 24, 2014

Forward Price ($/MWh)

Contract Month:
- Mar-14
- Jun-14
- Sep-14
- Dec-14
- Mar-15
- Jun-15
- Sep-15
- Dec-15
- Mar-16
- Jun-16
- Sep-16
- Dec-16
- Mar-17
- Jun-17
- Sep-17
- Dec-17