2020 Energy Market Outlook

What is driving costs in your region, and how can you adjust your energy strategy?

**CANADA**
- Global Adjustment charges to remain > CAS 500k/MW
- Expect Alberta prices to stay volatile and 10% above 2018 levels
- Current Ontario forward strips within $5 of all-time lows
- Continued federal/provincial conflicts on carbon pricing schemes

**CALIFORNIA**
- Resource Adequacy charges to jump 15–50% across regions
- Extreme price volatility expected to continue amidst increased renewable integration
- Direct Access and Community Aggregation changing the role of California’s IOUs

**MID-WEST**
- Illinois likely to consider leaving PJM capacity market
- Demand charges reach $400,000/MW in Michigan
- First Energy Ohio aiming to significantly alter pricing structures

**NEW YORK**
- Climate policy reshaping NY energy markets
- Capacity prices to reach five-year highs in NYC
- Carbon pricing expectations driving price premiums across the state

**NEW ENGLAND**
- State-sponsored renewable projects creating new risks for ratepayers
- Winter gas constraints expected throughout the decade

**MID-ATLANTIC**
- FERC ruling on PJM capacity market creates budgetary risks
- System Peak charges eclipse $230,000/MW in New Jersey
- Competitive power markets heating up in Virginia

**TEXAS**
- Long-term contracts trading 10% below short-term deals
- Wind power directly impacting summer scarcity pricing

**MEXICO**
- Retail market currently offers 10–25% savings vs. utility tariff
- 300+ of Mexico’s biggest power users advancing retail market
- 60+ retail suppliers competing in a quickly maturing market

**Energy is not an expense that should be passively managed in the 2020s**

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