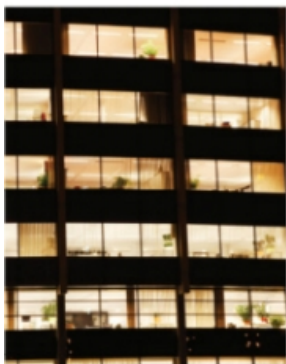


Ohio Energy Report

July 2021



Peak Loads for Summer 2021

Brakey Energy provides email alerts in advance of potential Capacity and Transmission Coincident Peaks (CPs) to those clients that elect to receive them. As of July 8, 2021, Brakey Energy has issued five Capacity CP alerts, four FirstEnergy-Ohio (FE) Transmission CP alerts, and three American Electric Power-Ohio (AEP) CP alerts for Summer 2021.

Capacity CPs occur during the five one-hour intervals when demand on the PJM Interconnection (PJM) grid is at its highest. Transmission CPs for FE customers occur during the five one-hour intervals when demand on FE's zonal grid is at its highest. The Transmission CP for AEP customers occurs during the one-hour interval when demand on AEP's zonal grid is at its highest.

The tables below list PJM's and FE's five highest loads and AEP's single highest load this year, as well as the day and time of each occurrence. This is based on preliminary data.

Table 1: Five Highest Loads for PJM through July 8, 2021

Date	Load (MW)	Hour Ending	Alert Issued	Assigned Probability
6/29/21	146,845	5:00 PM	Yes	65%
7/6/21	146,037	5:00 PM	Yes	75%
7/7/21	142,689	3:00 PM	Yes	50%
6/28/21	141,069	6:00 PM	Yes	40%
6/30/21	138,943	5:00 PM	Yes	50%

Table 2: Five Highest Loads for FE through July 8, 2021

Date	Load (MW)	Hour Ending	Alert Issued	Assigned Probability
6/29/21	12,603	3:00 PM	Yes	50%
6/28/21	12,216	2:00 PM	Yes	25%
7/6/21	12,161	5:00 PM	Yes	45%
7/7/21	11,829	2:00 PM	Yes	10%
7/5/21	11,534	6:00 PM	No	N/A

Table 3: Single Highest Load for AEP through July 8, 2021

Date	Load (MW)	Hour Ending	Alert Issued	Assigned Probability
6/29/21	21,394	3:00 PM	Yes	20%

Sustained heat over much of the eastern United States during the last week of June and first week of July resulted in the highest peak loads seen so far this summer. However, with the second half of July and all of August and September yet to come, it is possible that many of the loads shown in the tables above will be displaced.

Brakey Energy will continue to monitor weather and load forecasts and will issue alerts to participating clients when warranted.

If you are a Brakey Energy client that has not signed up for these alerts but would like to, please email [Catherine Nickoson](mailto:Catherine.Nickoson@brakeyenergy.com).

FE Files Interim Updates to NMB Rider

Rates

Nonmarket-Based Services (NMB) rider rates will be increasing for some commercial and industrial customers of FE's three Ohio operating companies: Ohio Edison (OE), The Illuminating Company (CEI), and Toledo Edison (TE). The NMB rider is used to recover FE's nonmarket-based costs for transmission and ancillary services. New rates will go into effect on September 1, 2021.

NMB rider rates are typically updated once a year, on March 1. During its review of FE's annual application to update the NMB rider on March 1, 2021, the Public Utilities Commission of Ohio (PUCO) Staff found that the new rates would result in cost increases of over 30% for some higher voltage customers. As a result, the PUCO ordered that the rates be modified for these customer classes and that FE file interim rates in six months to recover the revenue difference from these customers.

As a result of the interim update, NMB rider rates for OE and TE Transmission (GT) customers will be increasing on September 1. NMB rider rates for all other customer classes will be decreasing on September 1.

Current and September 1, 2021 NMB rider rates for OE, CEI, and TE Residential (RS), Secondary (GS), Primary (GP), Subtransmission (GSU), and GT rate schedules are shown in the table below. Rates are per kilowatt hour (kWh) for RS customers and per kilowatt (kW) or kilovolt-ampere (kVa) for GS, GP, GSU, and GT customers.

Table 4: OE NMB Rider Rates

RATE SCHEDULE	CURRENT RATE	SEP 1,2021 RATE	CHANGE
RS	2.29¢/kWh	2.16¢/kWh	-5.7%
GS	\$6.89/kW	\$6.54/kW	-5.0%
GP	\$7.31/kW	\$7.01/kW	-4.2%
GSU	\$6.17/kVa	\$6.00/kVa	-2.9%
GT	\$5.70/kVa	\$6.62/kVa	16.1%

Table 5: CEI NMB Rider Rates

RATE SCHEDULE	CURRENT RATE	SEP 1,2021 RATE	CHANGE
RS	2.43¢/kWh	2.26¢/kWh	-7.1%
GS	\$6.93/kW	\$6.24/kW	-10.0%
GP	\$8.35/kW	\$7.68/kW	-8.1%
GSU	\$7.51/kW	\$7.23/kW	-3.8%
GT	\$3.87/kVa	\$3.30/kVa	-14.7%

Table 6: TE NMB Rider Rates

RATE SCHEDULE	CURRENT RATE	SEP 1,2021 RATE	CHANGE
RS	2.48¢/kWh	2.40¢/kWh	-3.2%
GS	\$6.70/kW	\$6.50/kW	-3.0%
GP	\$6.26/kW	\$6.01/kW	-4.0%
GSU	\$6.07/kVa	\$6.00/kVa	-1.2%
GT	\$6.76/kVa	\$7.76/kVa	14.8%

Clients that are participating in FE's transmission pilot program are opted out of paying the NMB rider. If you have any questions about this pilot program or how the new NMB rates will impact your electric costs, please contact [Jennifer Lemley](#).

Residential Corner

With higher-priced summer months upon us, capacity prices having just increased notably last month, and power prices marching higher, many of the more attractive generation offers we have previously highlighted have disappeared. To the extent you are still enrolled in one of the offers, we strongly encourage you to stay in it until term's end.

Better Buy Energy [is offering a 12-month deal for 4.79¢/kWh](#). While this represents a notable increase compared to offers we have previously highlighted, it still offers very compelling value relative to current market conditions. And importantly, there is no monthly or early termination fees. So, in the event we highlight a more compelling offer prior to expiration, you can transition without penalty.

Actual rates and availability may vary based on service territory. Be sure to contract for a new offer upon term expiration to avoid extremely expensive post-term charges.

Brakey Energy has long and often found defaulting to distribution utilities' Standard Choice Offer (SCO) a [prudent strategy](#) for natural gas supply. We encourage our readers to employ this strategy if they're comfortable riding the volatility of the natural gas market.

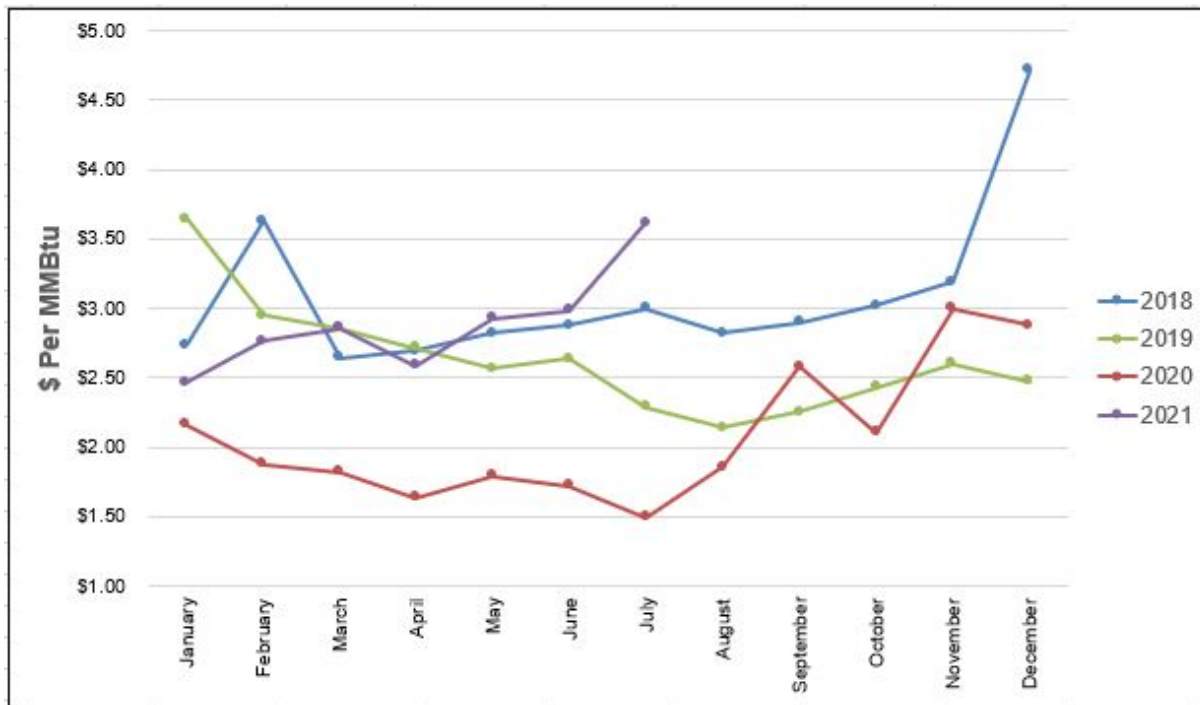
Natural Gas Market Update

The NYMEX settlement price for July is \$3.617 per million British Thermal Units (MMBtu), up 21.2% from May's price of \$2.984 per MMBtu. This settlement price is used to calculate July gas supply costs for customers that contract for a NYMEX-based index gas product.

The graph below shows the year-over-year monthly NYMEX settlement prices for 2018, 2019, 2020, and 2021 to-date. Prices shown are in dollars per MMBTU of natural gas. Driven by continuing record natural gas exports and rising demand, July gas prices are markedly higher

than previous years.

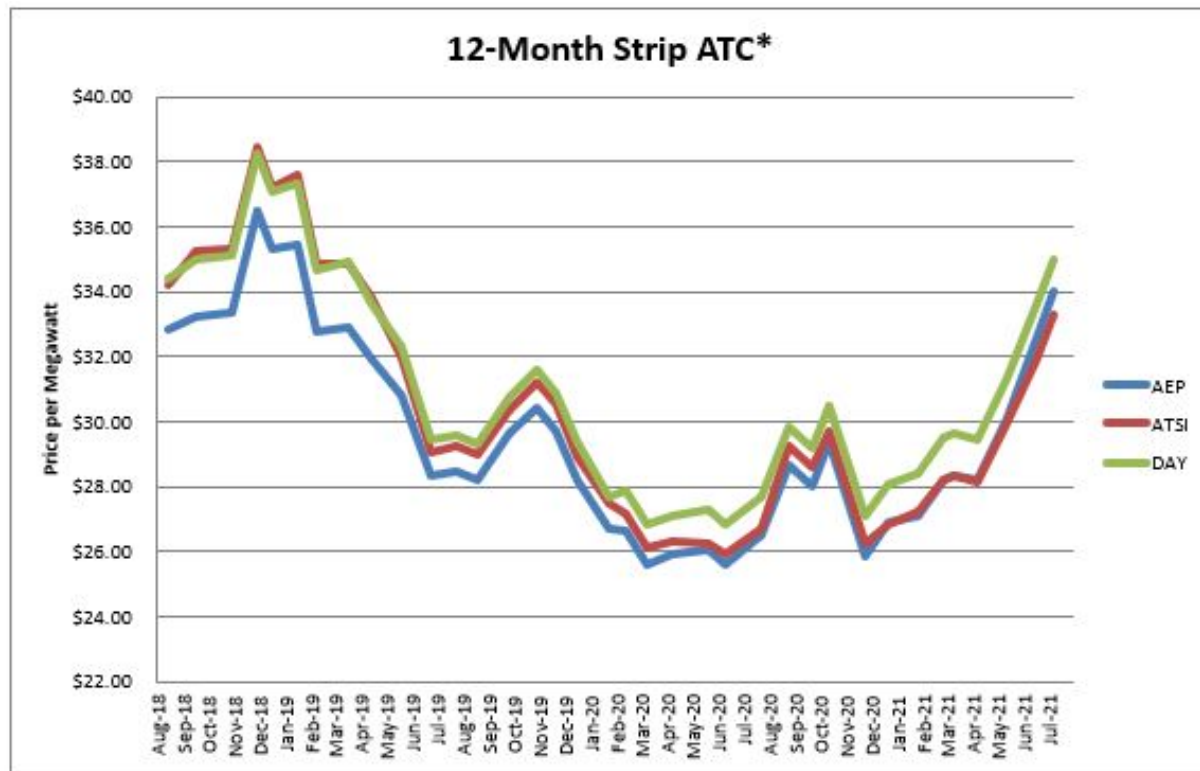
Figure 1: NYMEX Monthly Natural Gas Settlement Prices



Electricity Market Update

The graph below shows the around-the-clock (ATC) 12-month price strip for electric generation and how it has changed over the past 36 months for three Ohio utility service territories: AEP, FE (the ATSI zone), and AES-Ohio (formerly Dayton Power & Light (the DAY zone)). Buoyed by higher gas prices and improving economic conditions, prices have continued to climb since April.

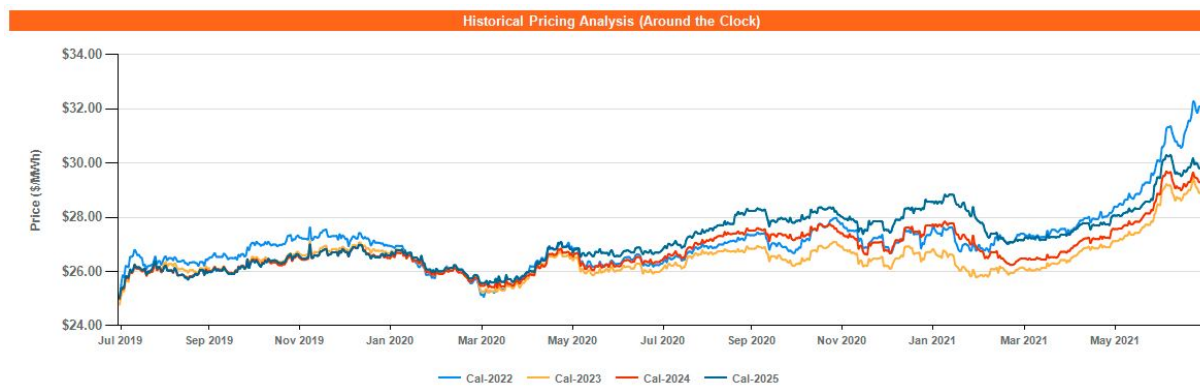
Figure 2: 12-Month Energy Price Strip



*ATC pricing as of July 8, 2021. Data provided by Direct Energy Business.

The graph below provided by Direct Energy Business shows the July 8, 2019 through July 8, 2021 ATC forward prices for calendar years 2022, 2023, 2024, and 2025 for the AEP-Dayton (AD) hub. Forward calendar year strip prices for all years are at two-year highs. Calendar year 2022 is trading a notable outsized premium to all other years.

Figure 3: AD Hub Calendar Year Strip Prices



*ATC pricing as of July 8, 2021.

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