New England Power and Natural Gas Outlook

for Northeast Public Power Association

August 18, 2025

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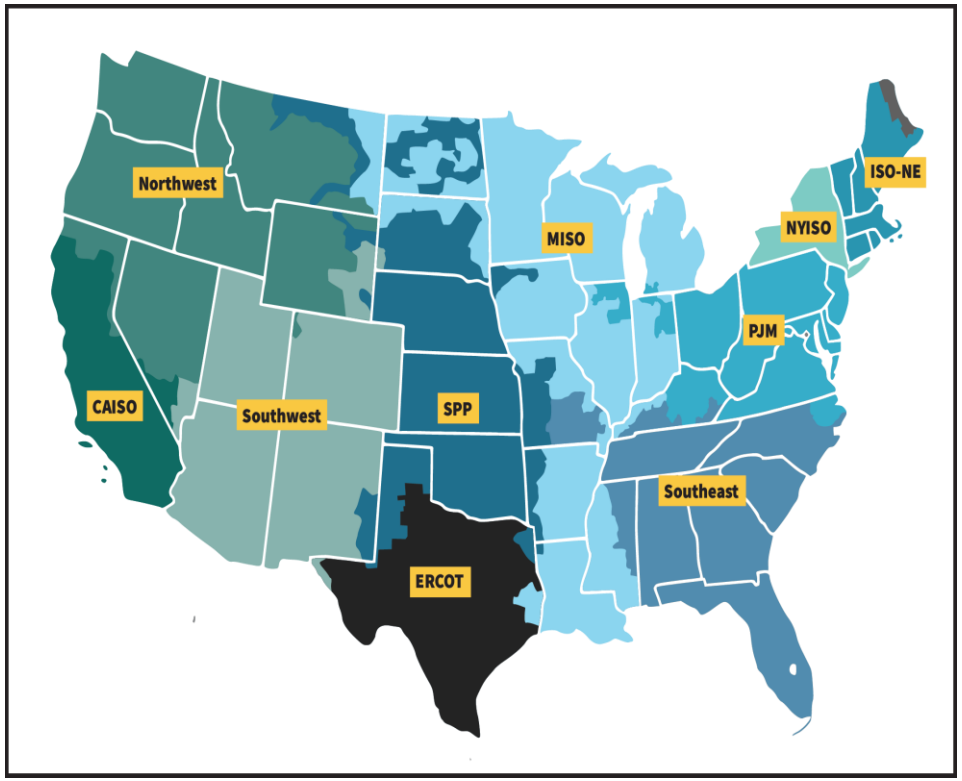
Market Analysis, NextEra Energy Resources

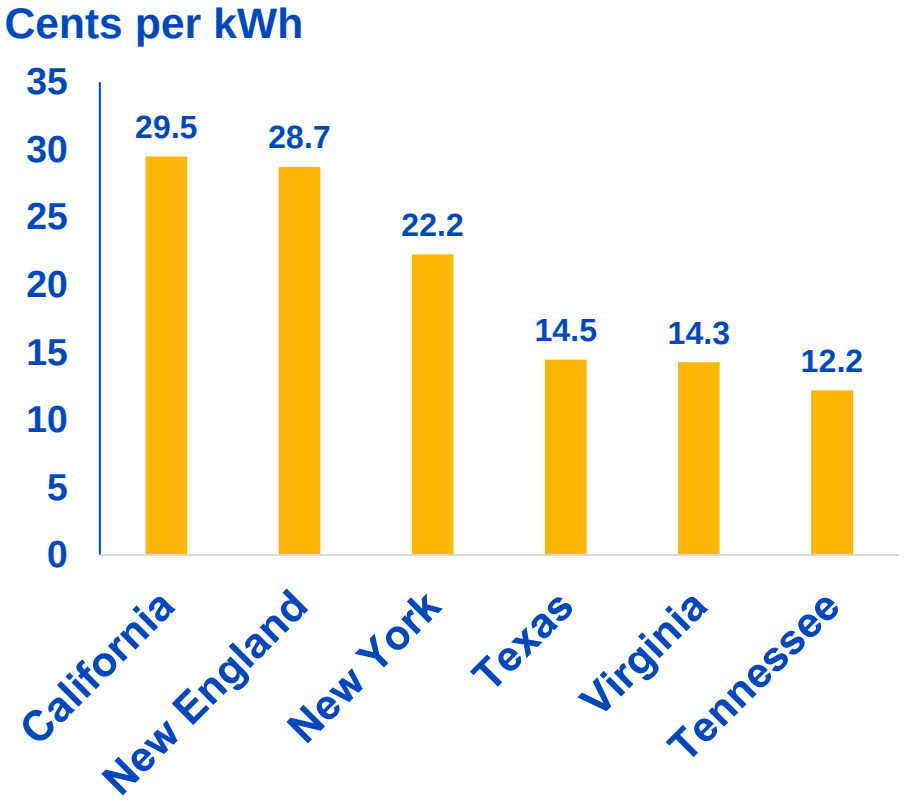
A lot has changed in ISONE since 2023

	2 Years Ago	Today
1	> 15 GW of offshore wind in forecast	~ 1 GW of offshore wind
2	Low load growth	Modest load growth from lower base
3	Inventoried energy program (oil)	Concluded Feb-2025
4	Modest oil burns	High oil burns
5	Climate goal	Climate goal
6	Everett LNG dampens winter peaks	Everett operating on a small scale
7	No active gas pipelines	3 active gas pipelines
8	NECE (from Canada) dormant	NECE back on the table
9	Renewable + rooftop solar incentives	Incentives ending 2030
10	Few non-renewable power plants proposed	Few non-renewable power plants proposed
11	Winter gas premiums	Winter gas premiums
12	New nuclear off the horizon	Renewed interest in nuclear

New England will have to work a little harder to beat CA

Average Regional Retail Electricity Prices





1) Source: EIA

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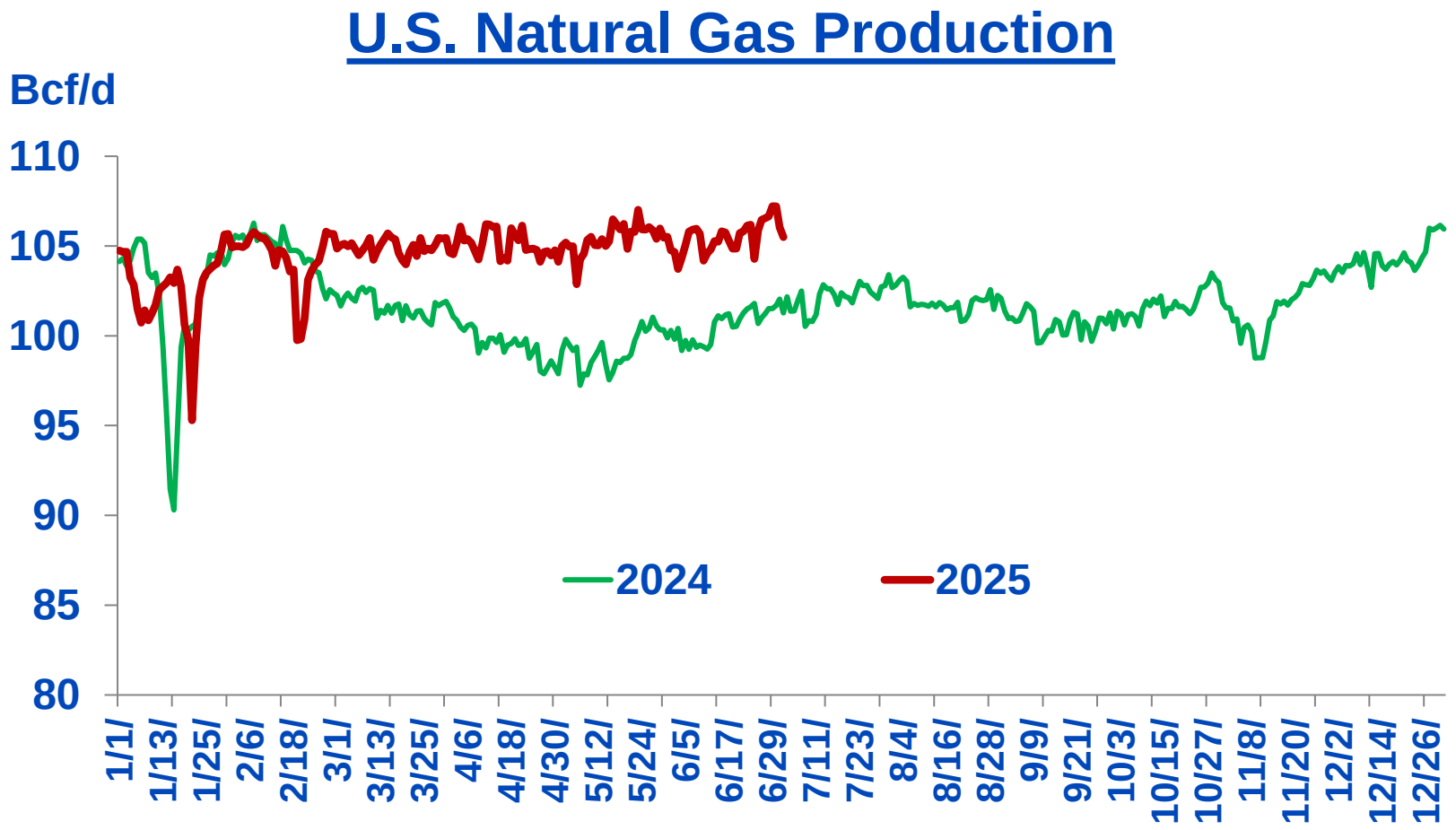
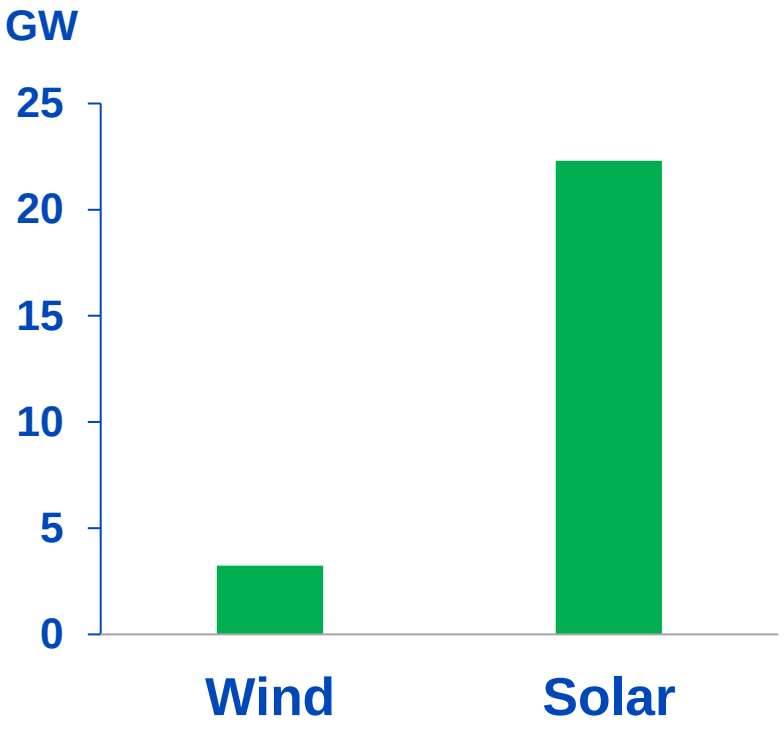
U.S. gas production has surprised the market (but not NextEra Energy Resources) to the upside



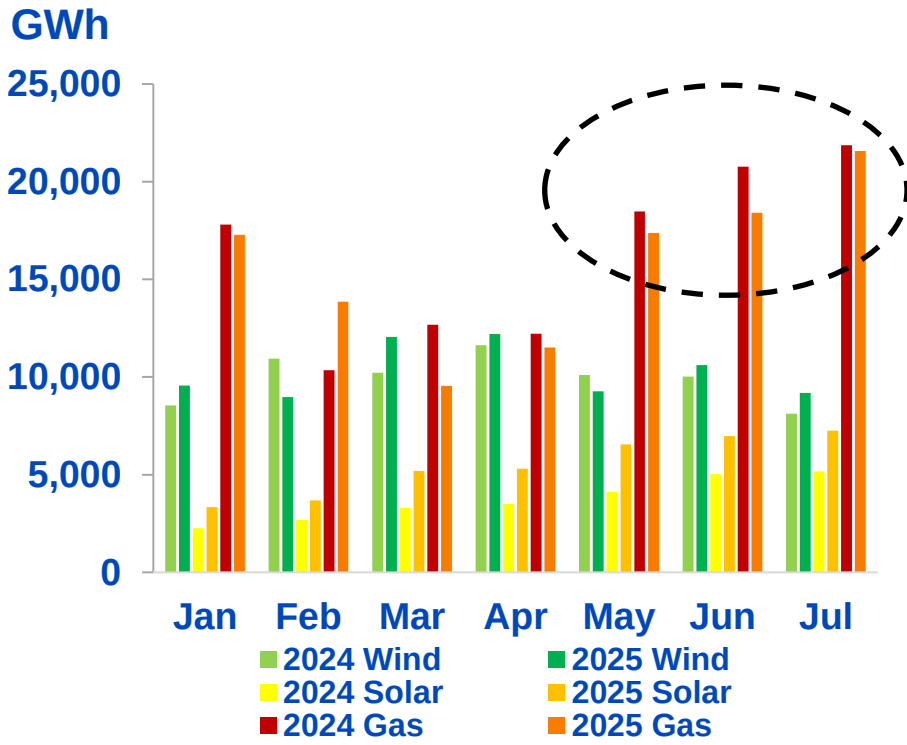
Source : WoodMac

Almost 26 GW of renewable generation capacity has been added to the grid since Oct-2024

Renewable Capacity Additions



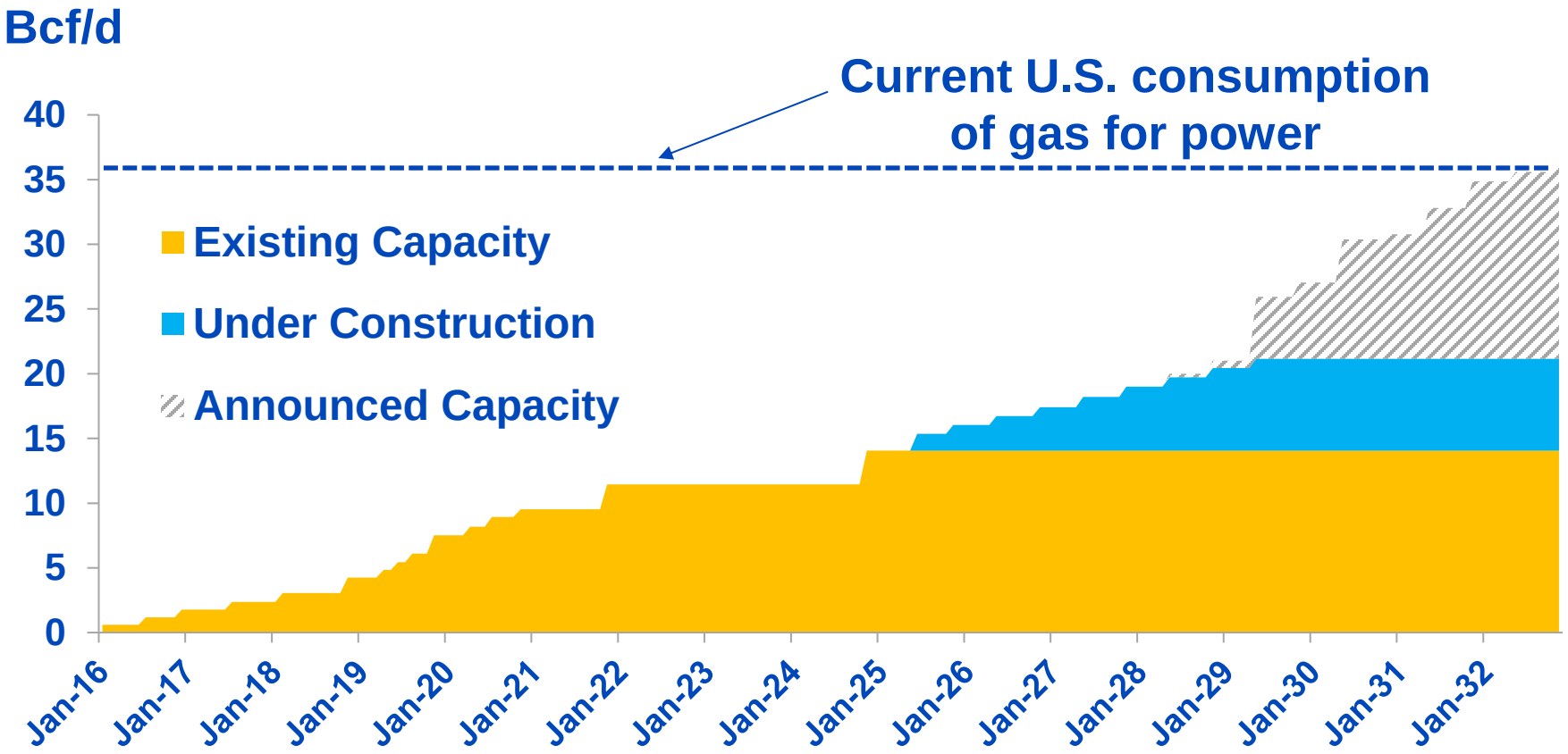
Texas Generation By Fuel Type



Wind + solar generation was up almost 50% in Texas, dampening gas demand for power

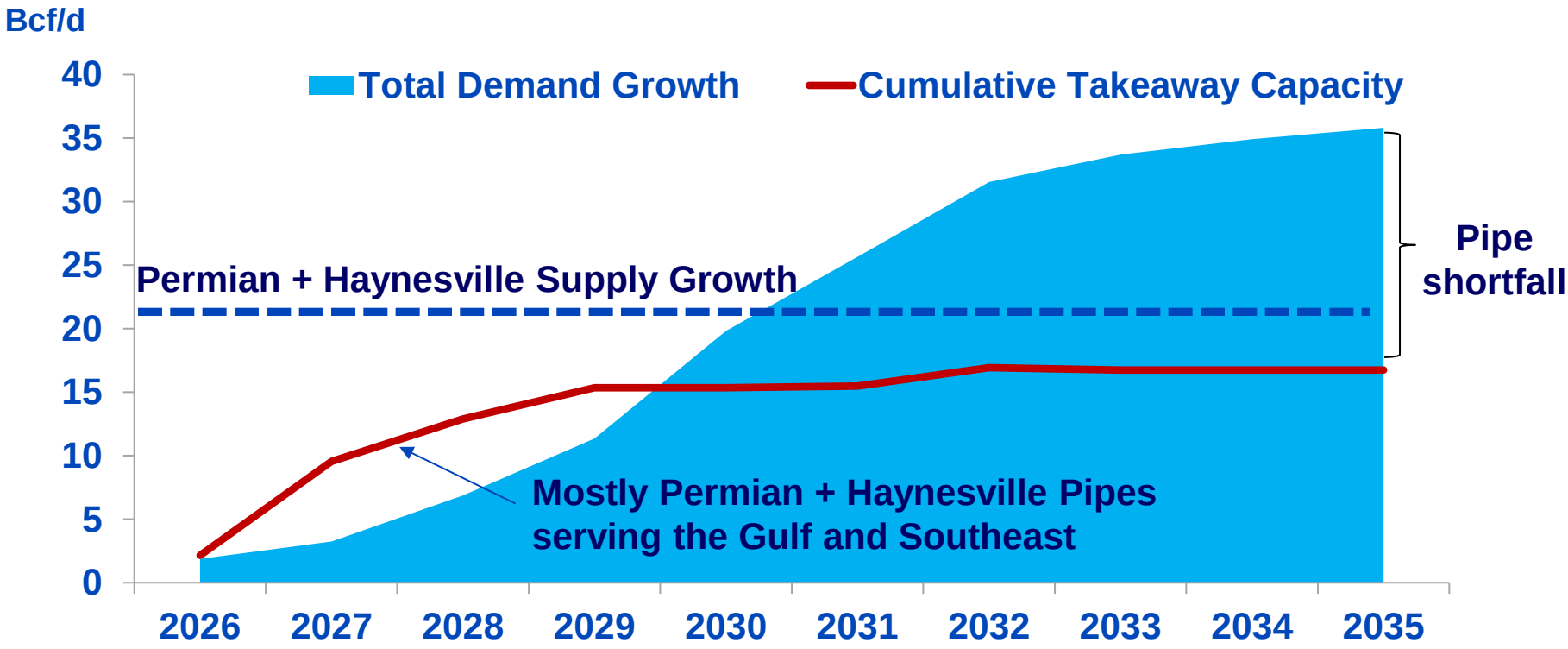
We are at the start of the second wave of U.S. liquefied natural gas (LNG) export projects coming on line; U.S. capacity is expected to grow to 35 Bcf/d by the end of 2032

U.S. LNG Capacity Growth



There is not enough pipe capacity coming to match U.S. demand growth

U.S. Demand Growth Vs Takeaway Capacity



This pipe shortfall implies unmet gas demand, or a relocation of demand (data centers) to locations with available pipeline capacity (Texas, Gulf or Southeast)

Source : WoodMac

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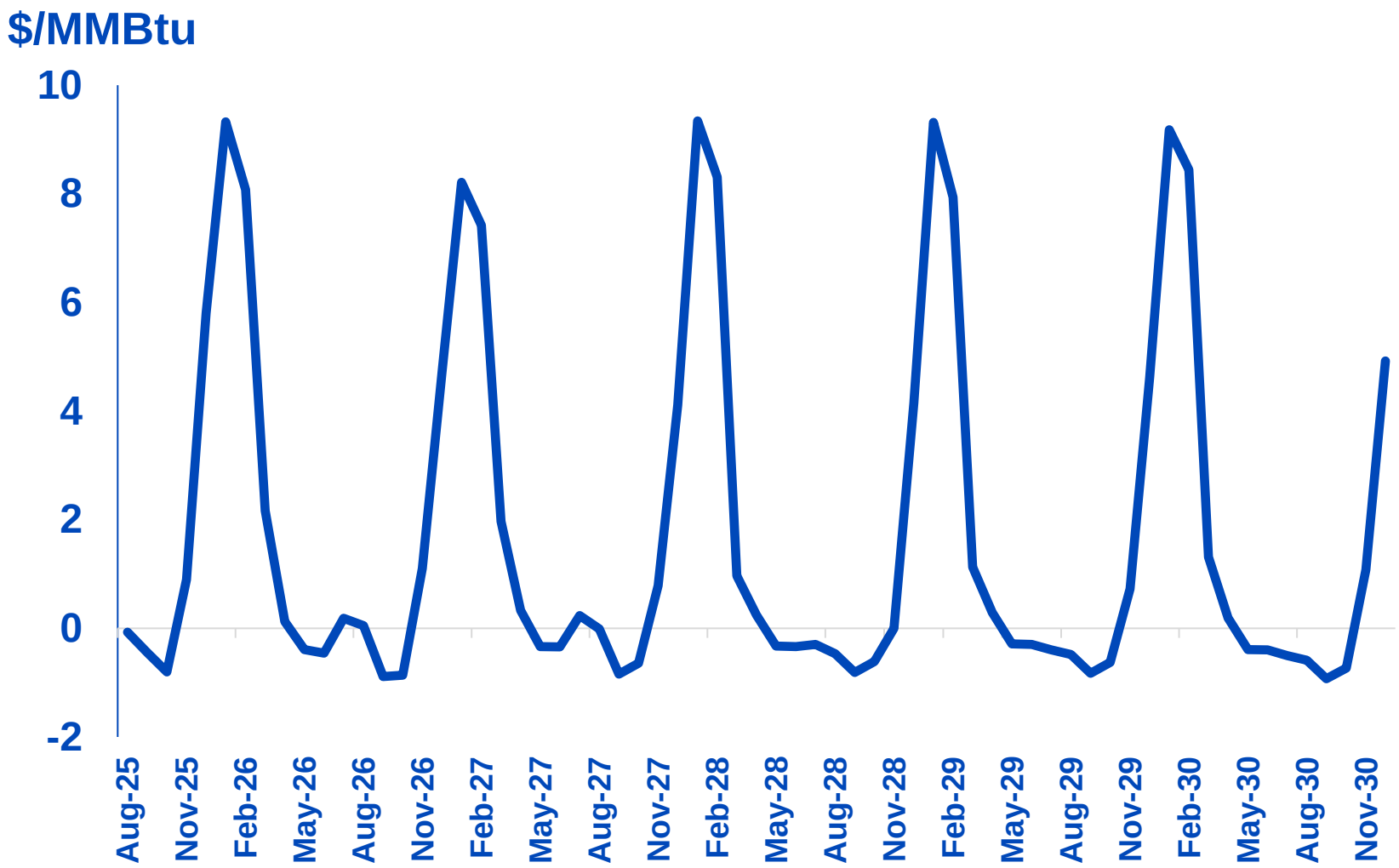
New England (Boston) gas prices continue to show winter premiums—these are also reflected in forward power prices

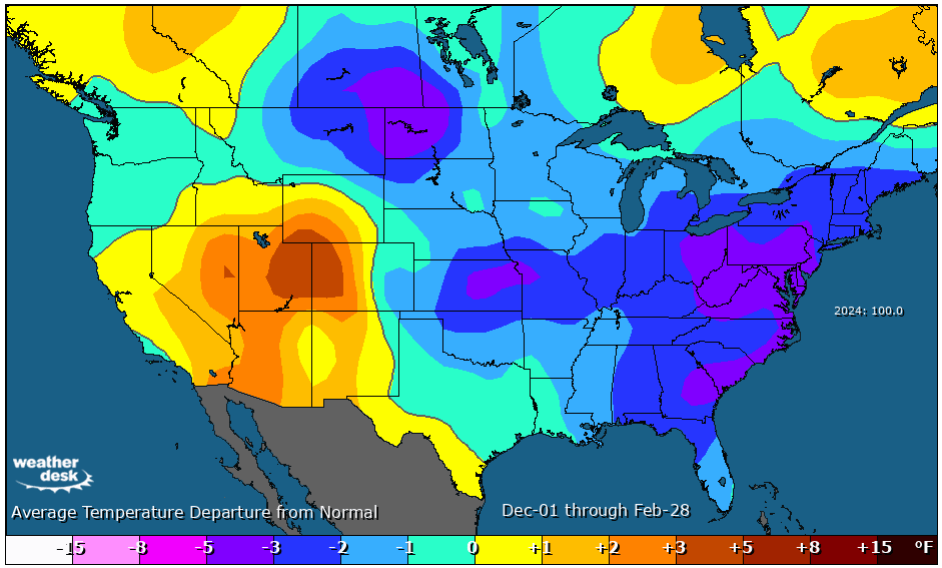
Boston (Algonquin) Gas Price Premium to Henry Hub



Source: Platts

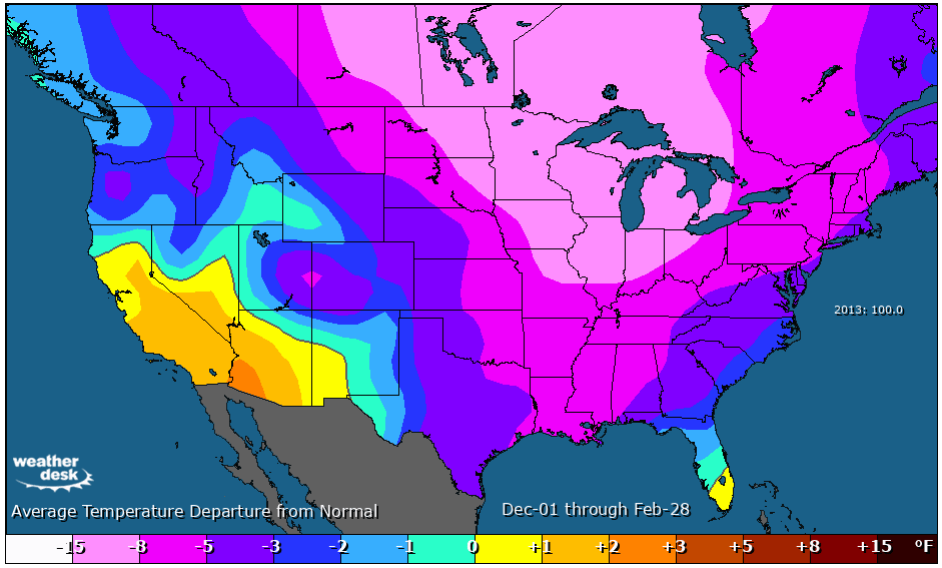
This past winter was mild in comparison to the Polar Vortex winter (2013/2014)

Winter (Dec-Feb) 2024/2025



New England: 2 degrees colder than normal

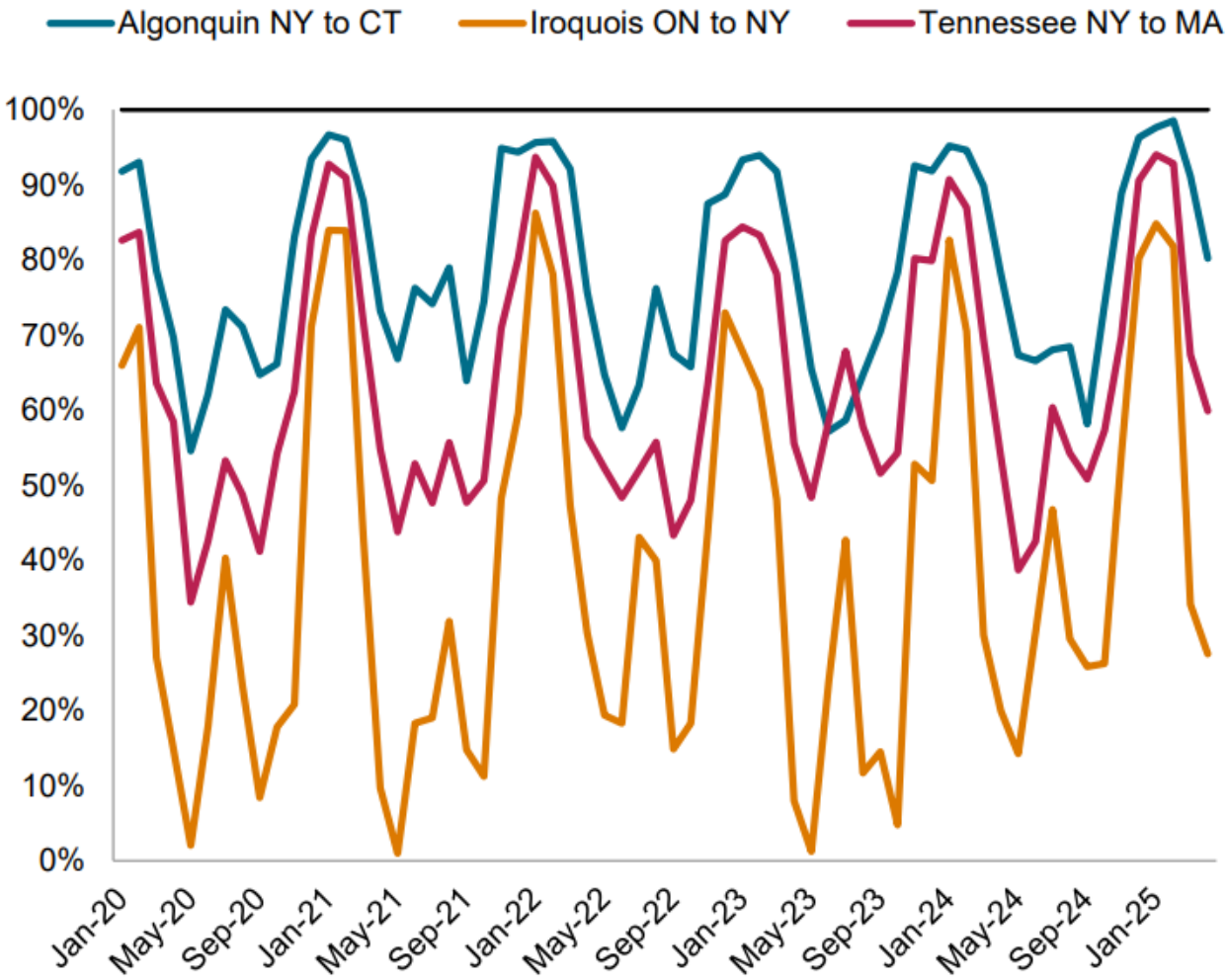
Polar Vortex Winter (Dec 2013-Feb 2014)



New England: 8 degrees colder than normal

Pipelines serving New England run near capacity during peak winter months, contributing to winter gas premiums

Percent Pipeline Utilization at Key Northeast Points



1) Source: Platts

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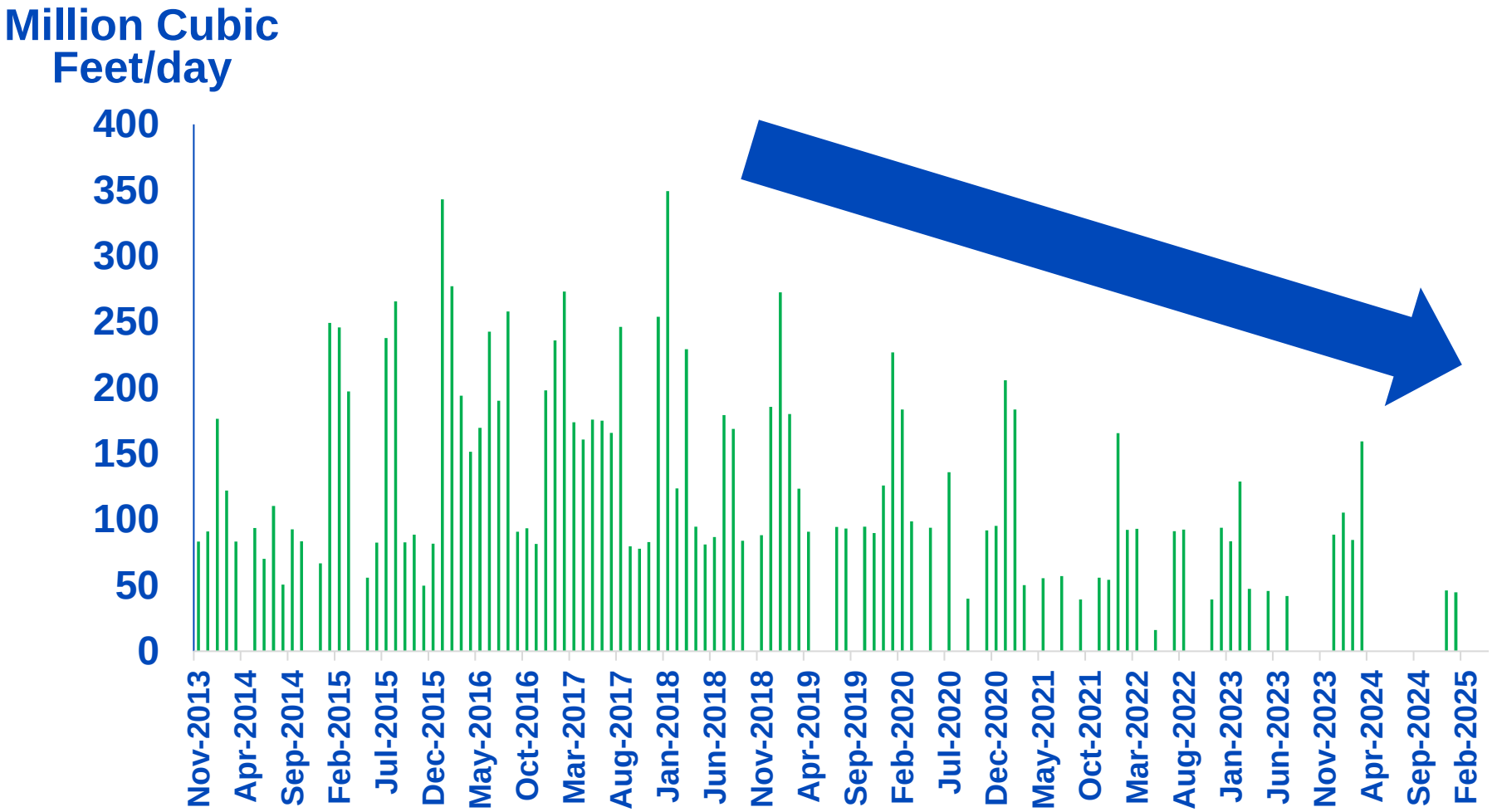
Everett is no longer an important source of gas supply for the broader New England market

Monthly Everett LNG Imports



Source: EIA

Enough pipeline capacity has been proposed (26 GW equivalent) to serve the entire New England power market

Active New England Gas Pipelines

Project Maple-Algonquin (720 MMcf/d)

Constitution Pipeline (650 MMcf/d)

Millenium Pipeline (>2,000 MMcf/d)

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Look at the bright side…New England was assessed at less risk than many other markets in North America

NERC Summer Assessment

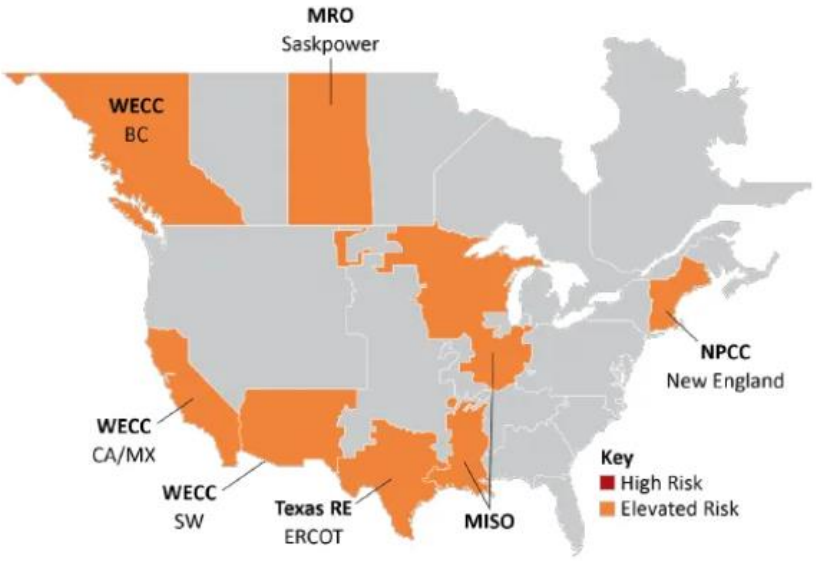

Figure 1: Summer Reliability Risk Area Summary

NERC Long-Term Reliability Assessment

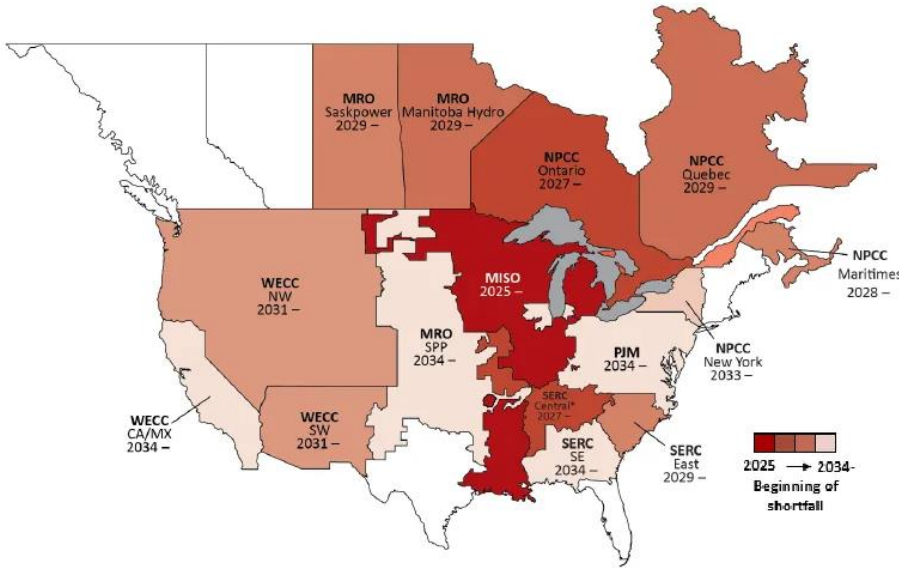

Figure 2: Projected Reserve Margin Shortfall Areas

https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_SRA_2025.pdf, published May 2025
https://www.nerc.com/pa/RAPA/ra/Pages/default.aspx, published Dec 2024

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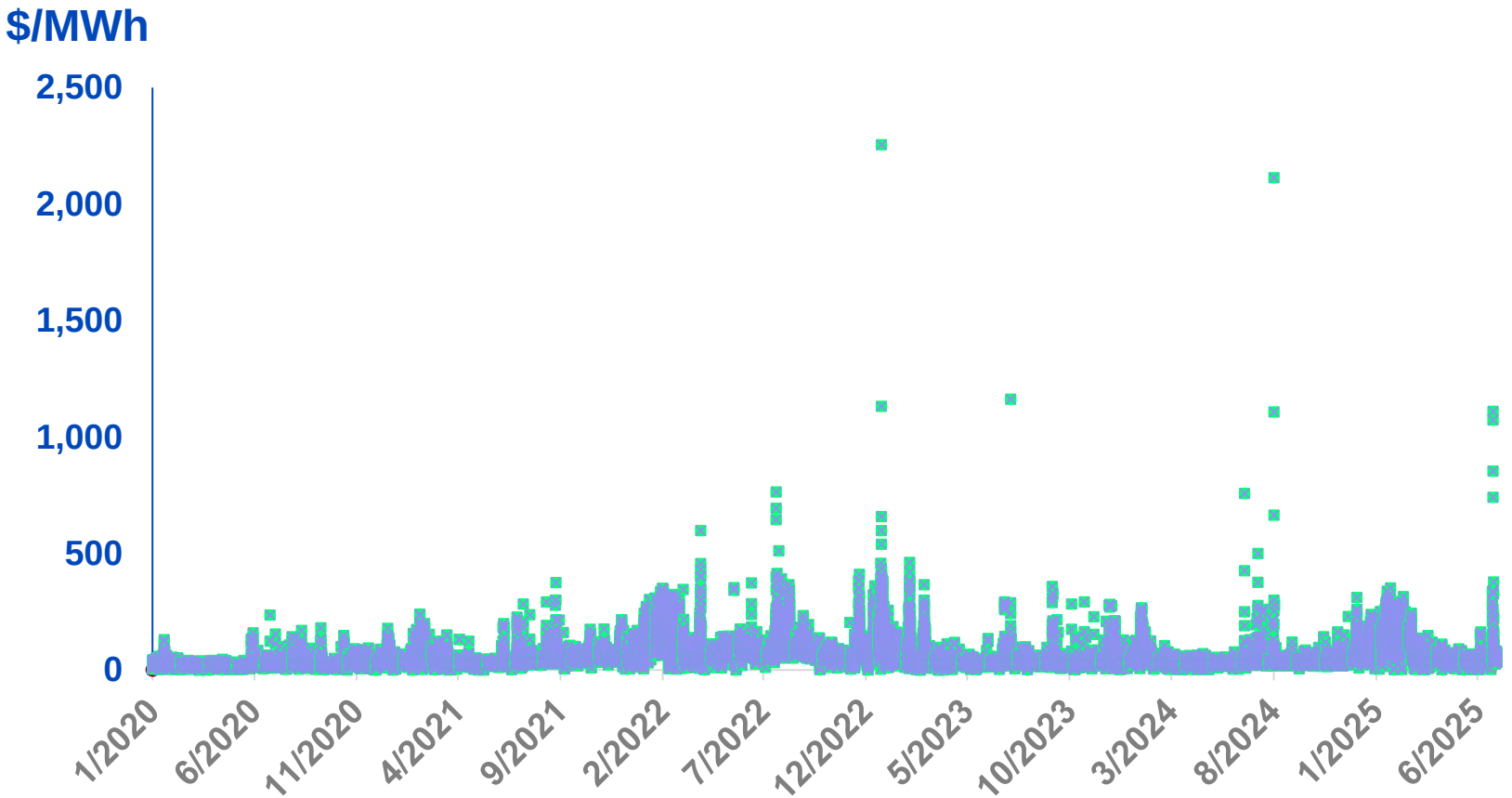
New England is experiencing more peak price days

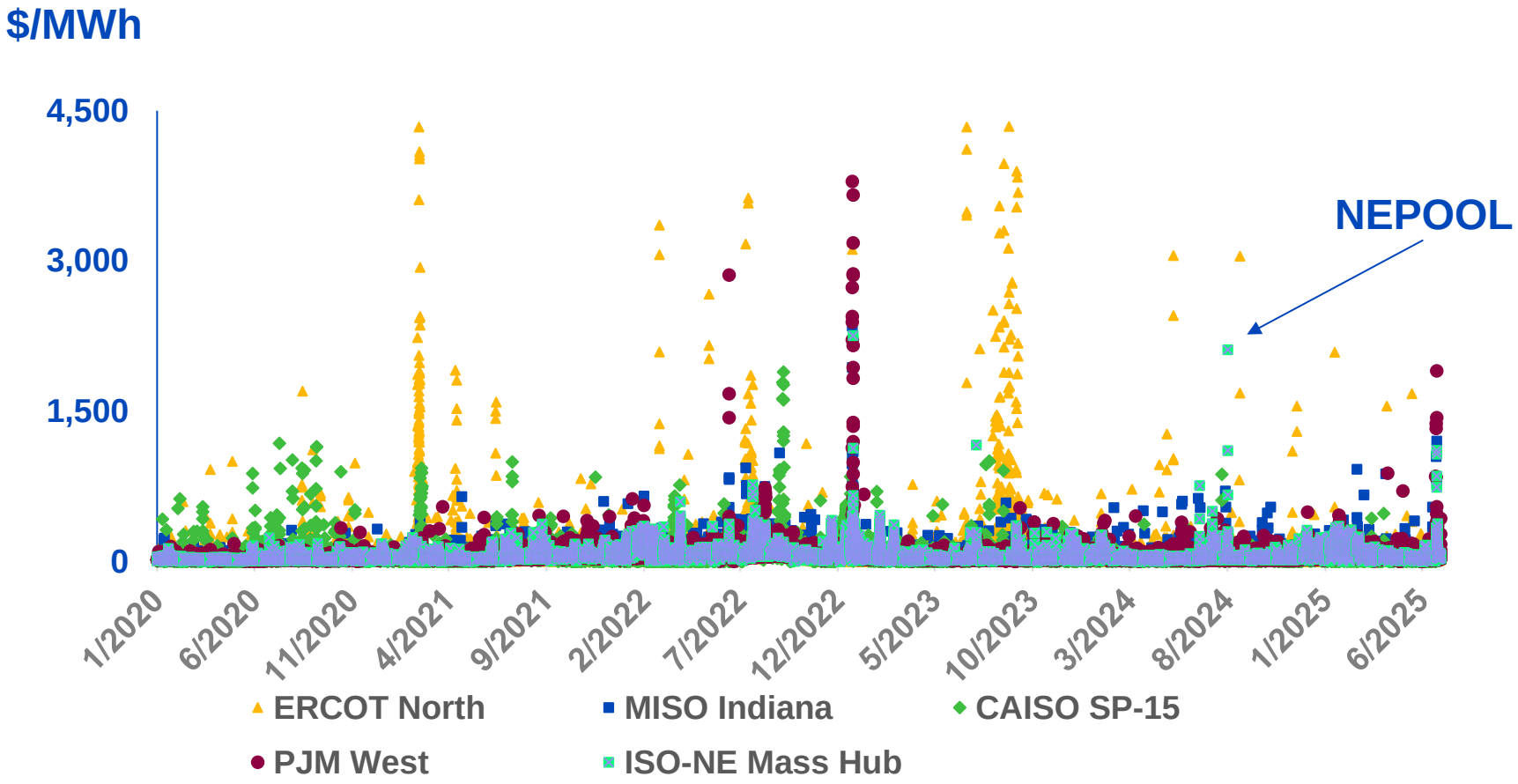
ISONE Real -Time Power Prices



Source: Platts

Other power markets are showing more signs of stress than New England

Real -Time Power Prices in Select Markets



Source: Platts

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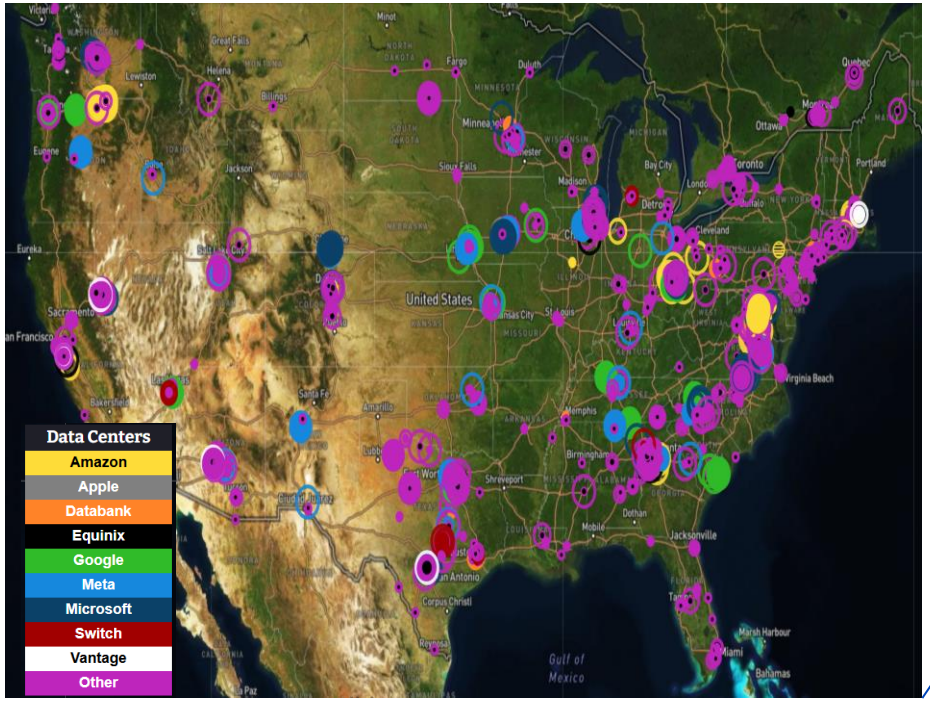
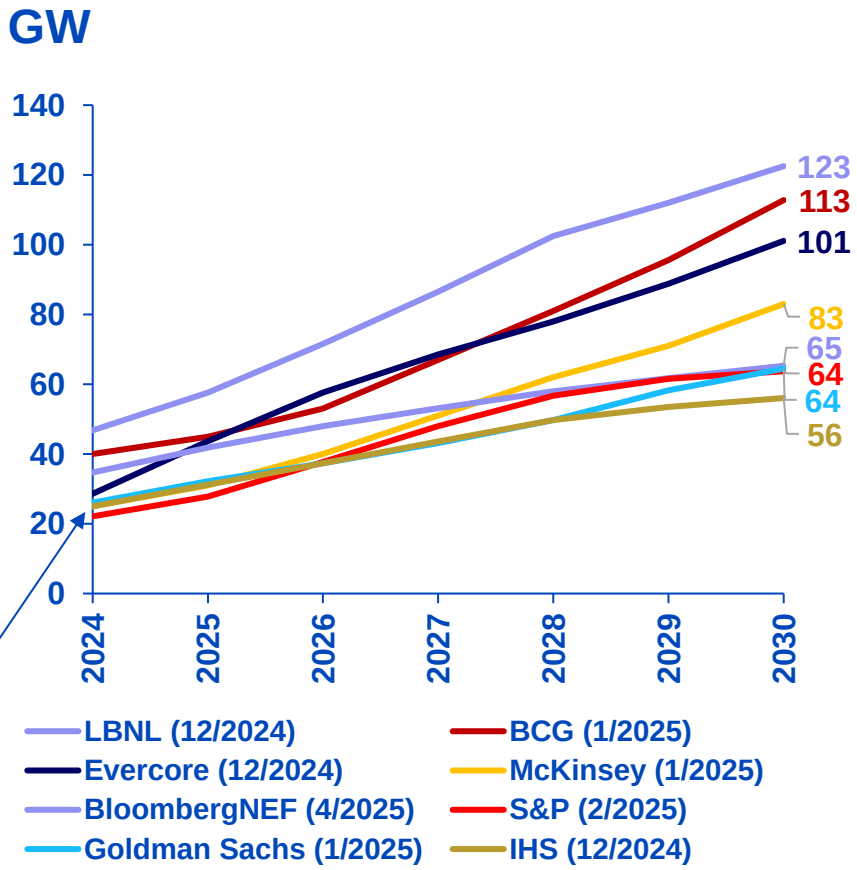
ISONE, like the rest of the country, is a target for proposed data centers

Existing and Announced Data Centers



Data Center U.S. Demand Forecasts



Most recent ISONE winter peak demand

Sources: DC Hawk, various consultant and bank data center reports

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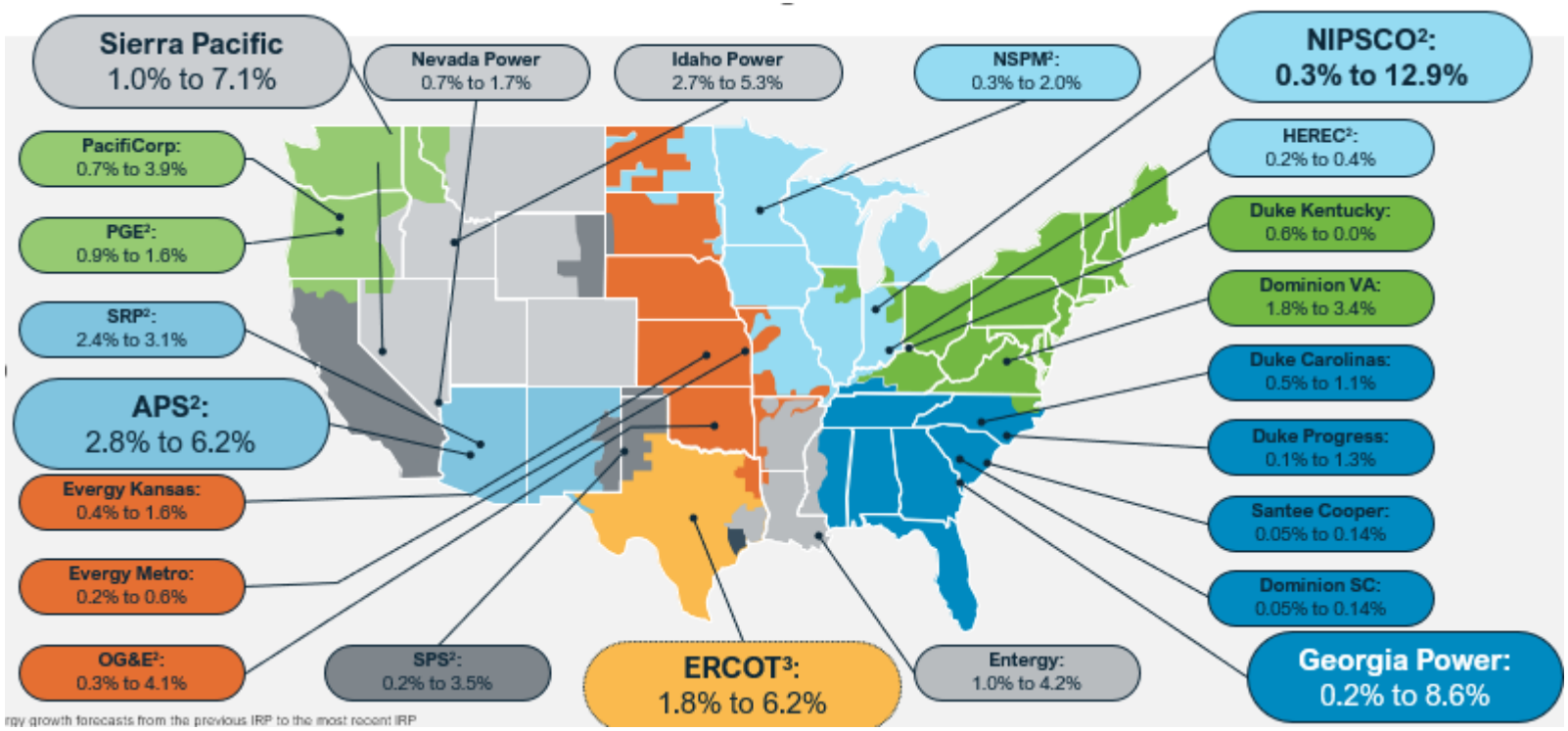
Utility Integrated Resource Plans (IRPs) offer hints at where future data center load will be located

Evolving Demand Growth Projections



1. Percentages are the 5-year energy growth forecasts from the previous IRP to the most recent IRP
2. NSPM: Northern States Power Company Minnesota; PGE: Portland General Electric; SRP: Salt River Project; APS: Arizona Power Service; SPS: Southwestern Public Service Company; OG&E: Oklahoma Gas & Electric; NIPSCO: Northern Indiana Public Service Company; HEREC: Hoosier Energy Rural Electric Cooperative
3. Inclusive of contracted loads in ERCOT's May 2024 CDR

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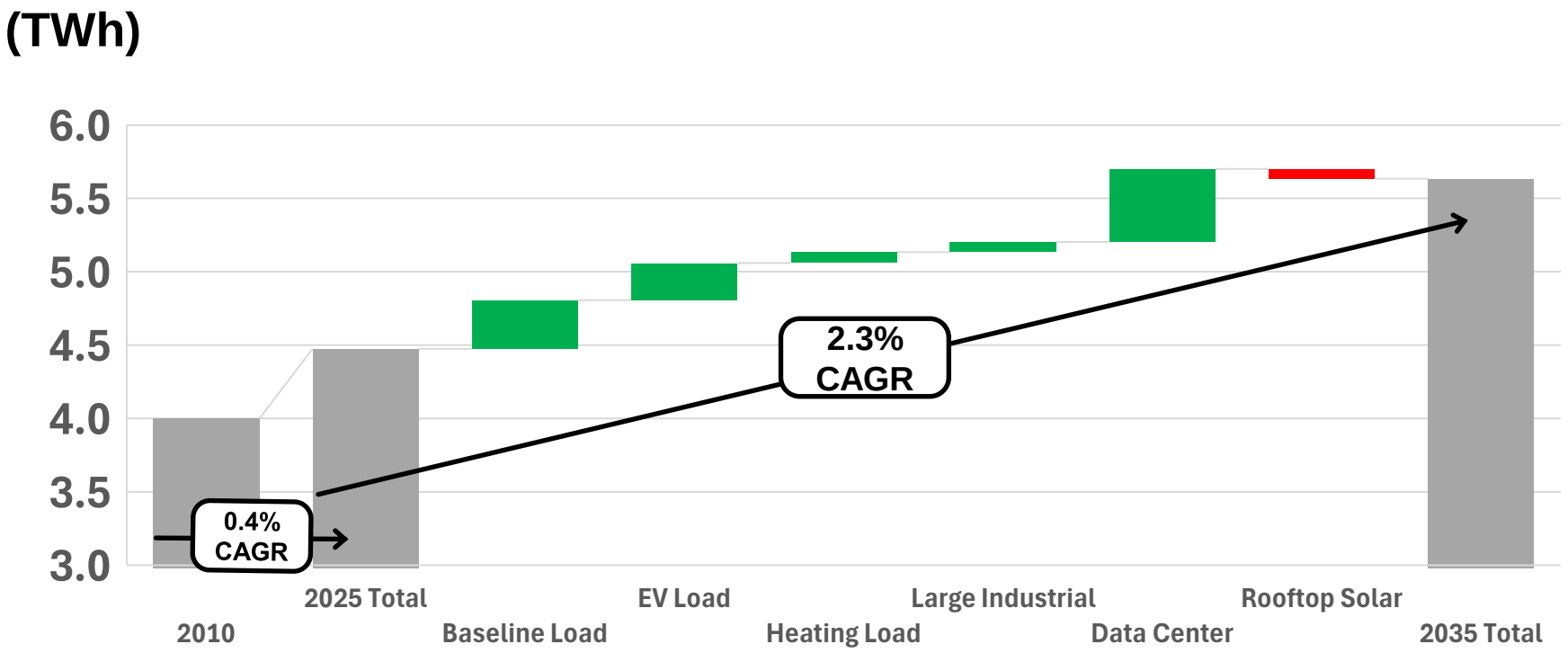
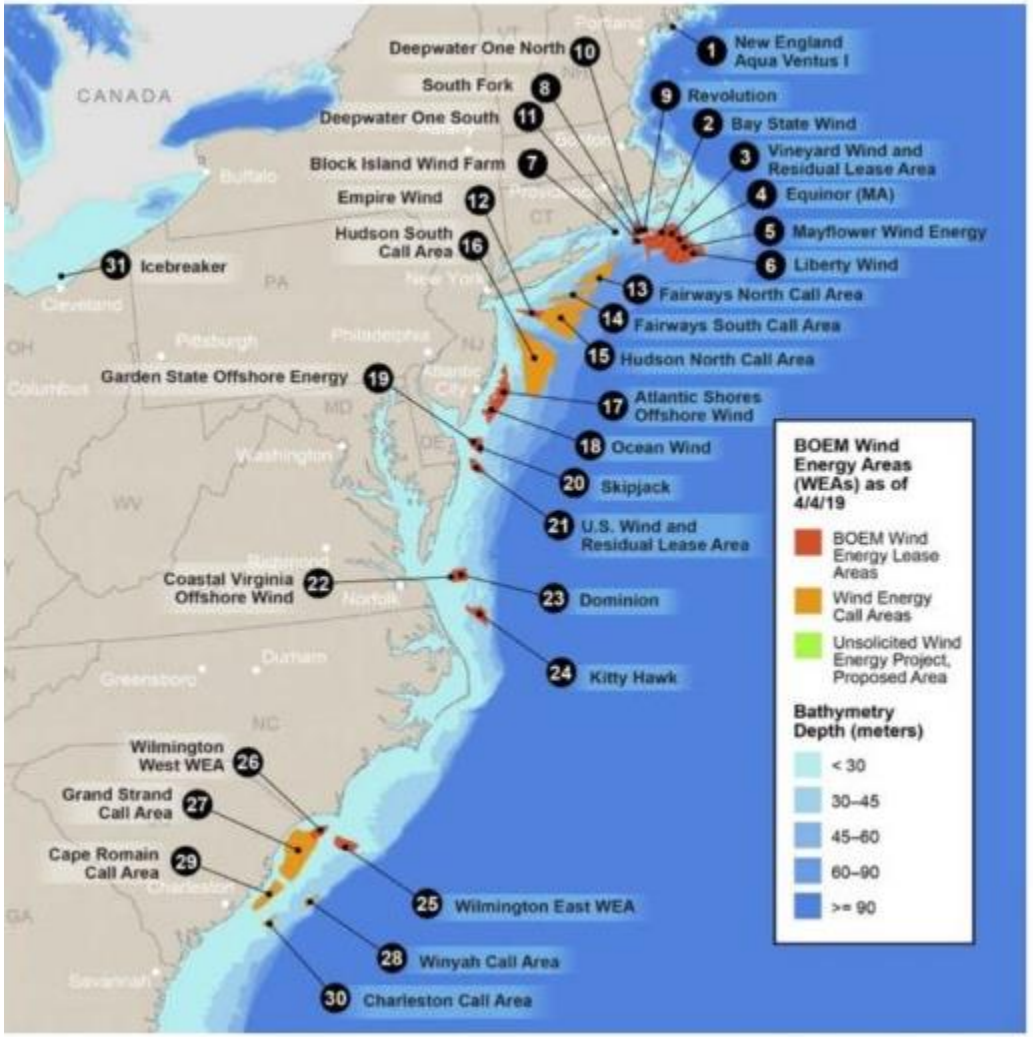
Data centers are not the only source of projected demand growth

Forecast U.S. Electricity Demand Growth (2025-2035)



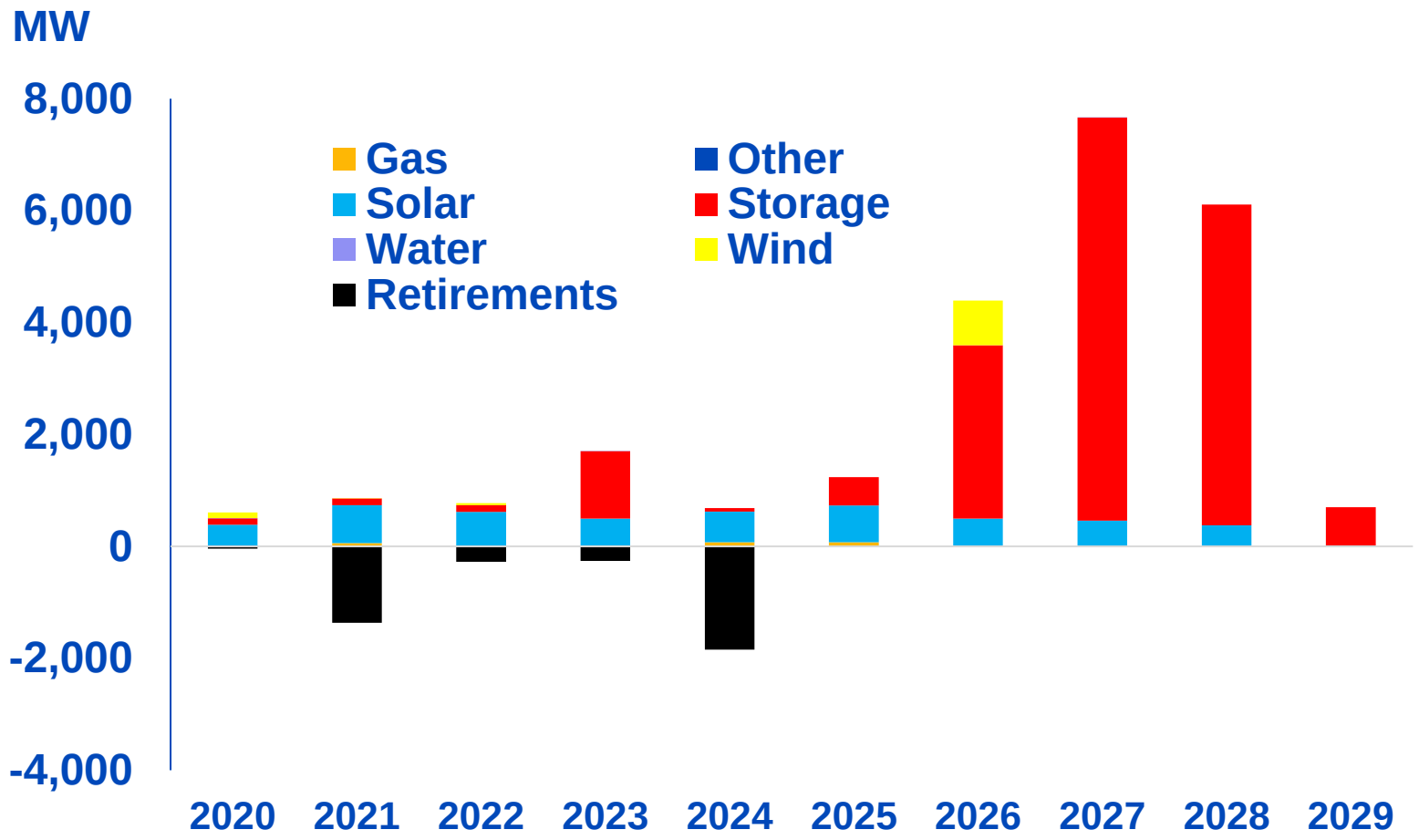
The outlook for New England offshore wind has been greatly scaled back

Outlook for Offshore Wind in 2019



ISONE has a huge (for the size of the market) amount of battery capacity in the transmission interconnection queue

ISONE Interconnection Queue Composition



Sources: Active Interconnection Queue Positions in the United States, Interconnection.

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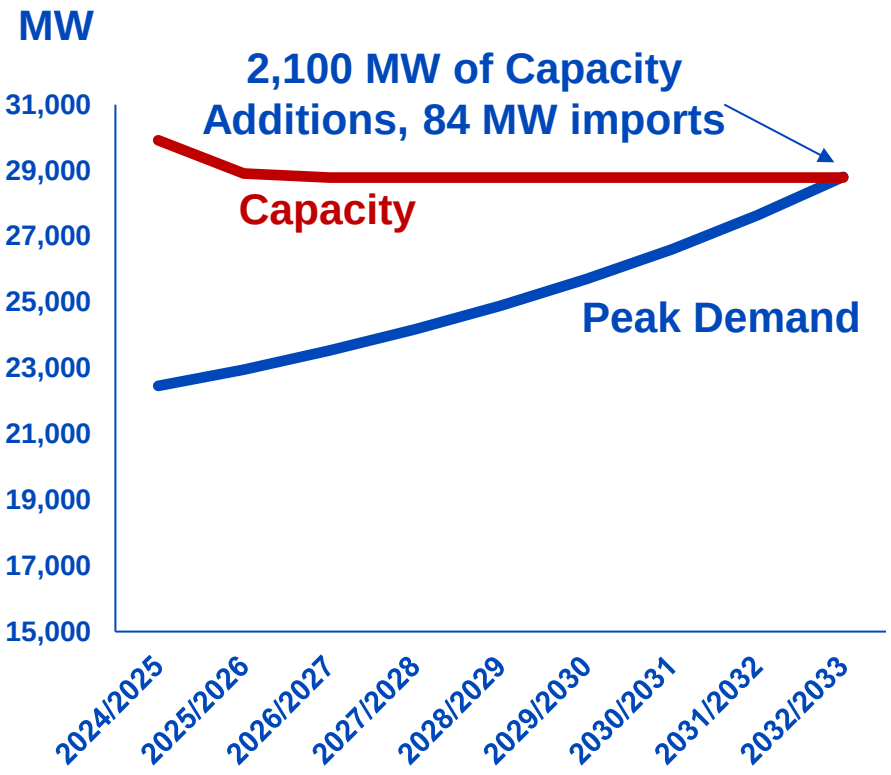
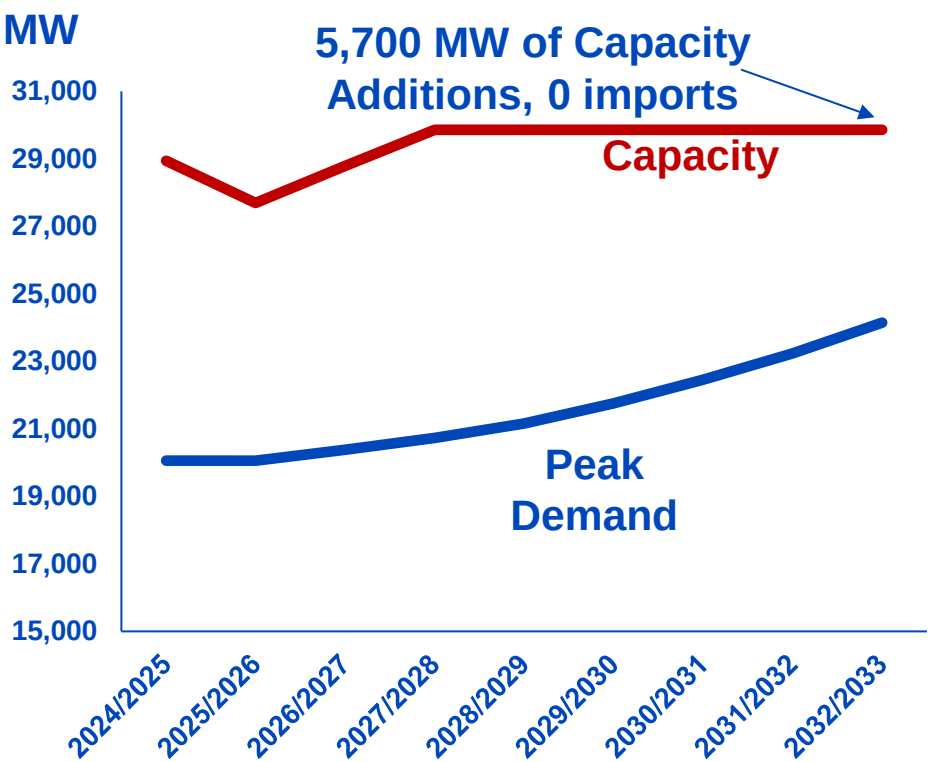
A reduced demand forecast and proposed new capacity (storage) results in wide forecast reserve margins for ISONE

2023 CELT



2025 CELT



Sources: 2023 and 2025 CELT reports. Capacity = CELT Capacity + Active Demand Response. Peak Demand = CELT peak winter load forecast w/o behind the meter solar

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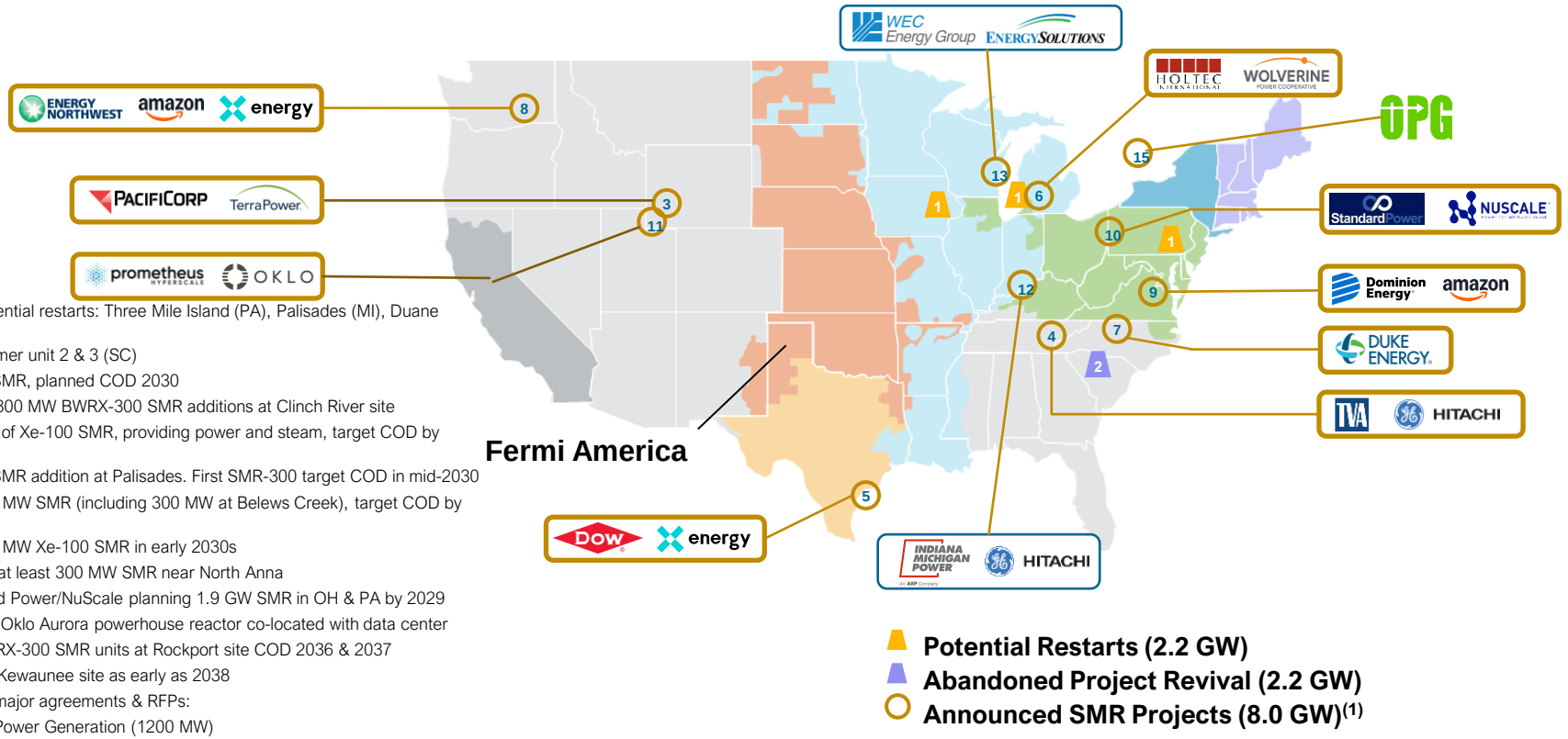
More utilities are investigating nuclear restarts or developing new small, modular reactors (SMRs)

Nuclear Development and Restart Activity



1.Three potential restarts: Three Mile Island (PA), Palisades (MI), Duane Arnold (IA)

2.V.C. Summer unit 2 & 3 (SC)

3.345 MW SMR, planned COD 2030

4.Up to 4 * 300 MW BWRX-300 SMR additions at Clinch River site

5.Four units of Xe-100 SMR, providing power and steam, target COD by 2030

6.600 MW SMR addition at Palisades. First SMR-300 target COD in mid-2030

7.Up to 600 MW SMR (including 300 MW at Belews Creek), target COD by 2035

8.Up to 960 MW Xe-100 SMR in early 2030s

9.Exploring at least 300 MW SMR near North Anna

10. Standard Power/NuScale planning 1.9 GW SMR in OH & PA by 2029

11.100 MW Oklo Aurora powerhouse reactor co-located with data center

12.Two BWRX-300 SMR units at Rockport site COD 2036 & 2037

13. SMR at Kewaunee site as early as 2038

14. Others major agreements & RFPs:

15.Ontario Power Generation (1200 MW)

Google/Kairos Power planning first Kairos SMR by 2030 and 500 MW by 2035;

Oklo planning 750 MW SMR with two major data center provider across the US; up to 500 MW with Equinix; and 12 GW with Switch over next 20 years across the US;

Meta issued RFP for 1-4 GW SMR or large reactors across the US in the early 2030s;

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Oklo Aurora 75 MW Fast Reactor

GE Vernova Hitachi BWR-X 300 MW

NuScale 77 MW Power Module

Technology	Liquid Metal Cooled Fast Fission Reactor	Light Water Cooled Boiling Water Reactor	Light Water Cooled Pressurized Water Reactor
Status of Technology	New design based on previous fast reactors	Smaller scale version of previous reactors	New design based on previous reactors
Fuel availability	Needs fuel fabrication facility	Standard/available	Standard/available
Portability	Truck/Rail	Build on site	Truck/Rail
Cost ($/MWh)	???	???	???

1) Source: Company websites

SMRs are going mainstream

1) Source: Oklo

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Sources

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