

# FERC Sees Higher US Wholesale Electricity Prices This Summer

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U.S. wholesale electricity prices are likely to be "considerably higher" this summer than a year ago, the Federal Energy Regulatory Commission said on Thursday. The higher prices reflect rising costs for natural gas, the fuel that is most frequently used to meet additional electricity demand, the agency said. Natural gas prices are rising, based on markets in which buyers bet on future prices, with prices some 50% to 90% higher than last year, FERC said.

Demand is expected to be 1.3% higher across the nation, led by demand in the Midwest. Prices paid by consumers don't necessarily reflect wholesale prices. The relationship varies depending on whether power providers have bought power under long-term contracts or rely on short-term purchases.