

## Table of contents

<b>1</b>	<b>MARKET OVERVIEW AND RECENT DEVELOPMENTS</b> .....	<b>4</b>
1.1	MARKET OVERVIEW .....	4
1.2	RECENT DEVELOPMENTS .....	6
1.2.1	<i>Coal and oil-fired retirements</i> .....	6
1.2.2	<i>Renewables developments</i> .....	8
1.2.3	<i>Nuclear developments</i> .....	12
<b>2</b>	<b>MODELING ASSUMPTIONS</b> .....	<b>16</b>
2.1	MARKET TOPOLOGY .....	16
2.2	FUEL PRICE PROJECTIONS .....	17
2.3	EMISSIONS COSTS .....	19
2.3.1	<i>SO<sub>2</sub> and NO<sub>x</sub> emissions</i> .....	19
2.3.2	<i>CO<sub>2</sub> Emissions</i> .....	20
2.4	IMPORT AND EXPORT FLOWS .....	22
2.5	GENERIC NEW ENTRY .....	23
2.6	RENEWABLES .....	23
2.7	SUPPLY AND NEW ENTRY .....	25
2.8	RETIREMENTS .....	27
2.9	DEMAND .....	29
2.10	SUPPLY-DEMAND BALANCE .....	29
2.11	INDICATIVE SUPPLY CURVE .....	32
<b>3</b>	<b>10-YEAR PRICE FORECAST</b> .....	<b>33</b>
3.1	ENERGY MARKET PRICES .....	33
3.2	IMPLIED MARKET HEAT RATE .....	33
<b>4</b>	<b>APPENDIX A: OVERVIEW OF FORECASTING METHODOLOGY</b> .....	<b>35</b>
<b>5</b>	<b>APPENDIX B: INTRODUCTION TO LEI AND ITS WORK IN THE SOUTHEASTERN US</b> .....	<b>36</b>

## List of figures

FIGURE 1. INSTALLED CAPACITY AND GENERATION BY FUEL TYPE .....	5
FIGURE 2. INSTALLED CAPACITY AND GENERATION BY MARKET PLAYER .....	6
FIGURE 3. SUMMARY OF RECENT DEVELOPMENTS AND POTENTIAL PRICE IMPACTS .....	6
FIGURE 4. INTRA-REGIONAL TRANSMISSION INTERFACE LIMITS .....	16
FIGURE 5. FOSSIL FUEL PRICE PROJECTIONS .....	17
FIGURE 6. FORECASTED NATURAL GAS PRICES .....	18
FIGURE 7. FORECASTED OIL PRICES (REGIONAL AVERAGE) .....	19
FIGURE 8. FORECASTED COAL PRICES (REGIONAL AVERAGE) .....	19
FIGURE 9. EMISSIONS COST PROJECTIONS (NOMINAL \$/ST) .....	21
FIGURE 10. NET IMPORT AND EXPORT TARGETS FOR SOUTHEAST US STATES (GWH PER YEAR) .....	22
FIGURE 11. ANNOUNCED RENEWABLE GENERATION ADDITIONS FROM 2017 TO 2019 IN SOUTHEASTERN US STATES (MW OF CAPACITY) .....	23
FIGURE 12. RPS PROGRAMS IN THE SOUTHEAST US STATES .....	24
FIGURE 13. PLANNED THERMAL GENERATION ADDITIONS IN SOUTHEASTERN US STATES .....	26
FIGURE 14. PLANNED GENERATION RETIREMENT IN SOUTHEASTERN US STATES .....	27

FIGURE 15. PLANNED GENERATION RETIREMENT IN SOUTHEASTERN US STATES (CONT.) .....28

FIGURE 16: SOUTHEASTERN US STATES PROJECTED NET ENERGY FOR LOAD AND GROSS PEAK DEMAND, 2017 TO 2016.....29

FIGURE 17. DEMAND-SUPPLY BALANCE.....30

FIGURE 18: RESULTING RESERVE MARGINS .....31

FIGURE 19. INTERNAL SUPPLY CURVE FOR MODELED SOUTHEASTERN US STATES (2021) .....32

FIGURE 20. FORECAST ENERGY MARKET PRICES, 2017 - 2026 (NOMINAL \$/MWH) (AVERAGE "ALL-HOURS").....33

FIGURE 21. ESTIMATED IMPLIED MARKET HEAT RATES, 2017 - 2026 (AVERAGE "ALL-HOURS") .....34

FIGURE 22. POOLMOD'S TWO-STAGE PROCESS.....35