

NRG BUSINESS WEBINAR

FUNDAMENTALS TO FORECASTS:

YOUR GUIDE TO SMARTER ENERGY PLANNING IN MISO

LEARN MORE AT:

nrg.com/business

PREVIOS MISO WEBINAR:

Power Down, Save Up: MISO Strategies for Rising Energy Prices | NRG Energy

CONNECT WITH OUR PRESENTERS

John Mehling
John.Mehling@nrg.com
or LinkedIn

Samuel Birgin
Samuel.Birgin@nrg.com
or LinkedIn

Courtney Cousins
Courtney.Cousins@nrg.com
or LinkedIn

KEY TAKEAWAYS

1

NAVIGATING UNCERTAINTY IN A VOLATILE ENERGY MARKET

The energy landscape in MISO is rapidly evolving, with global events, unpredictable weather, and new regulations creating significant uncertainty. Staying informed and adaptable is essential for businesses to make confident, forward-looking decisions about their energy strategies. NRG's goal is to empower you with timely insights so you can plan with confidence and resilience.

2

RISING DEMAND AND CAPACITY COSTS REQUIRE PROACTIVE STRATEGIES

The growth of data centers, AI, and new manufacturing in the Midwest is driving up electricity demand, putting pressure on both availability and costs. This year's MISO capacity auction saw a dramatic increase in rates — up nearly 10x year-over-year — due to tighter supply-demand balance, generator retirements, and new auction methodologies. Businesses need proactive strategies to manage these rising costs, including monitoring their Peak Load Contribution (PLC) and exploring ways to reduce capacity tags.

3

LAYERED AND DIVERSIFIED PROCUREMENT REDUCES RISK

Locking in all your energy needs at once can be risky. Instead, consider spreading out your purchases over time. This approach helps you manage costs, take advantage of price dips, and avoid being caught off guard by sudden spikes.

4

LOAD MANAGEMENT AND DEMAND RESPONSE TURN FLEXIBILITY INTO SAVINGS

Programs like demand response (DR) and strategic load management not only help offset rising capacity costs but also reward operational flexibility. By curtailing usage during peak hours, businesses can lower their PLC and earn payments through DR programs — without penalties for underperformance. NRG provides personalized support, real-time notifications, and actionable reports to help you maximize these opportunities and protect your budget.

Q1. In the previous webinar, you talked about demand response. If we participate, but can't curtail for the full amount that we are enrolled in, will we be subject to charges or penalties?

No, customers who are enrolled with NRG for Demand Response are not responsible for out-of-pocket expenses or penalties. You will be paid for the average of your entire season's performance.

Q2. What is the outlook for the next MISO capacity auction?

The outlook for the next MISO capacity auction remains uncertain, but factors like continued supply-demand tightness, generator retirements, interconnection delays, and the new reliability-based demand curve methodology are likely to keep upward pressure on prices. In general, capacity rates are expected to stay elevated compared to historical norms unless there's a significant change in market fundamentals or policy.

Q3. Has the MISO capacity market always been on a seasonal structure?

No, the MISO capacity market has not always been on a seasonal market structure. Prior to June 2023, MISO was on an annual capacity structure in which there was one capacity rate and one PLC for the delivery year starting June 1st , going through the following May. However, starting June 1st of 2023, MISO moved to the seasonal construct to better align grid reliability to the various seasonal risks.

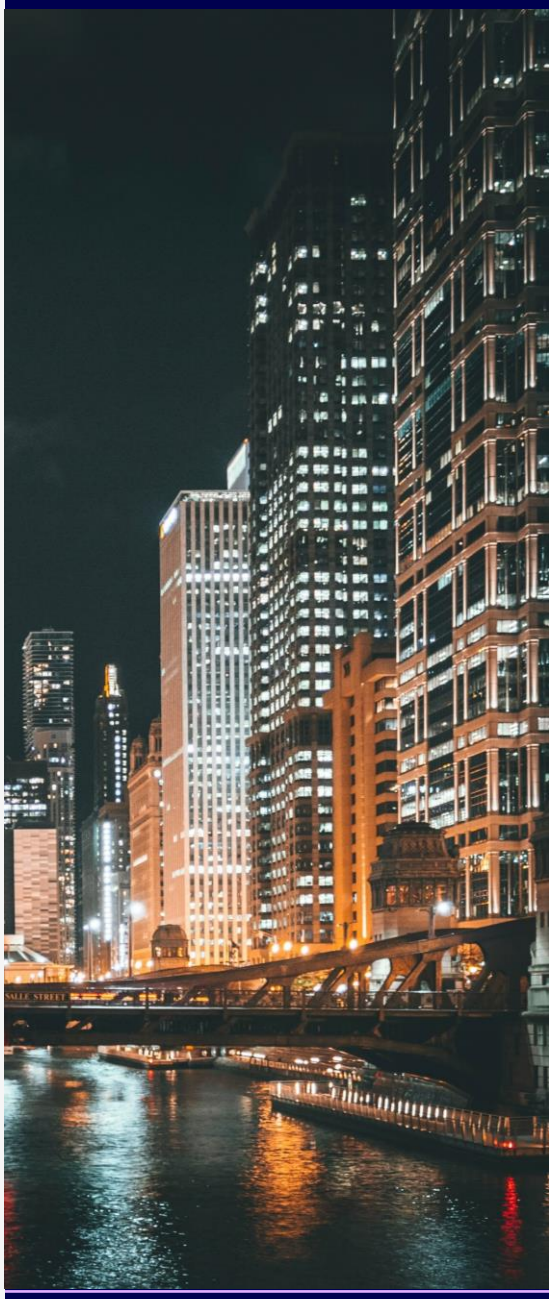


Q4. Can I reduce my capacity tag and participate in DR?

Yes! Because the MISO Demand Response program uses the CBL to measure your DR performance, we recommend customers strive to reduce their Capacity Tag and participate in Demand Response.

Q5. Advice on setting and adjusting monthly price targets for locking in fixed price blocks.

NRG representatives are not licensed to give advice, but we can provide opinions and guidance based on market trends and data. Everyone's target price will differ based on their company's specific budgetary targets, risk tolerance, and goals. However, if we know what your target budget is, then we can calculate what price targets would achieve that goal. Term and hedging timelines are also very important factors to consider, as budget certainty may be of more importance for closer start dates. However, targets for the outer years may be more aggressive as there is more time for lower-bound targets to be achieved. Even without budgetary numbers, a high-level option is to choose a percentage such as 5%, 10% or 15% below current rates. As there is no obligation to hedge, customers will be notified if the target price has been hit and can then evaluate whether to contract or revise this target lower.



WANT TO LEARN MORE?

Connect with your NRG Account Executive or energy broker.

© 2025 NRG Curtailment Solutions, Inc. All rights reserved. NRG and the plus signs are registered service marks of NRG Energy, Inc. Products and services vary depending on region or market.