

Prolonged periods of negative pricing in Q1 set new record

REsurety's REmap Q1 State of the Renewables Market report presents generation-weighted value, shape value, and capacity factor for major U.S. hubs



BOSTON, MASSACHUSETTS, USA, May 10, 2022 /EINPresswire.com/ -- The U.S.

power grid saw record lows in the first quarter of 2022, REsurety's REmap Q1 2022 [State of the Renewables Market Report](#) finds, with prolonged negative pricing in Texas expected to ease this summer.



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Blair Allen, Director, Software Customer Success, REsurety

Unlike the soaring prices of last year during the Texas energy crisis of February 2021, this year the ERCOT power grid saw record lows in Q1. It was another turn in a developing plotline REsurety commented on last quarter.

One example: In February 2021, ERCOT West Hub (among others) settled at the market price cap of \$9,000/MWh for three days; in February 2022 ERCOT West Hub saw a two day period where prices never rose above \$0/MWh. Mild demand coupled with sustained periods of high wind and solar generation created the conditions for this negative pricing event, though these conditions weren't isolated to

only those few days. In fact, by the end of the quarter, West Hub more than doubled the number of negative-priced hours than were seen in Q1 the year prior.

REsurety creates the REmap-powered State of the Renewables Market report every quarter to provide readers with data-driven insight into the value and latest emerging trends of renewables in U.S. markets. The team uses its knowledge in power markets, atmospheric science, and renewable offtake to analyze thousands of locations, and summarize a few key findings, using the data that is available via its interactive software tool, REmap.

Key components in the report to be used to analyze trends in a given ISO, sub-regions of an ISO, or hub, are:

- The generation weighted value, or the realized value of the wind and solar projects
- The shape value, or the relationship between the generation value and the simple-average market price
- The net capacity factor for operating wind and solar projects

“Using the modeled energy in REmap, which tells us how projects could have performed based on underlying wind/solar resource availability, last quarter West Texas solar projects saw anywhere from 20 to 30% of their potential hourly production for a given month happen in negatively priced hours. However, in reality, these projects weren’t operating at their potential capacity in these intervals, and either shut down or significantly ramped down production,” reports Blair Allen, Director, Software Customer Success, RESurety.



Blair Allen, Director of Software Customer Success

Over the next quarter as the weather starts to transition to summer conditions negative pricing is expected to decline. With an increase and shift in demand, Q2 will likely be a transitional period, with the frequency of negative pricing hours remaining high to start before subsiding more materially by the end of the summer in mid Q3.

The power of REmap lies in the historical and predictive modeling for renewable energy projects across the United States, as well as the ability to analyze hypothetical installations. Learn more by [reading the Q1 report](#).

About RESurety

RESurety is the leading analytics company empowering the clean energy economy. Operating at the intersection of weather, power markets, and financial modeling, we enable the industry’s decision-makers to thrive through best-in-class value and risk intelligence, and the tools to act on it. For more information, visit www.resurety.com or follow RESurety on [LinkedIn](#).

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