



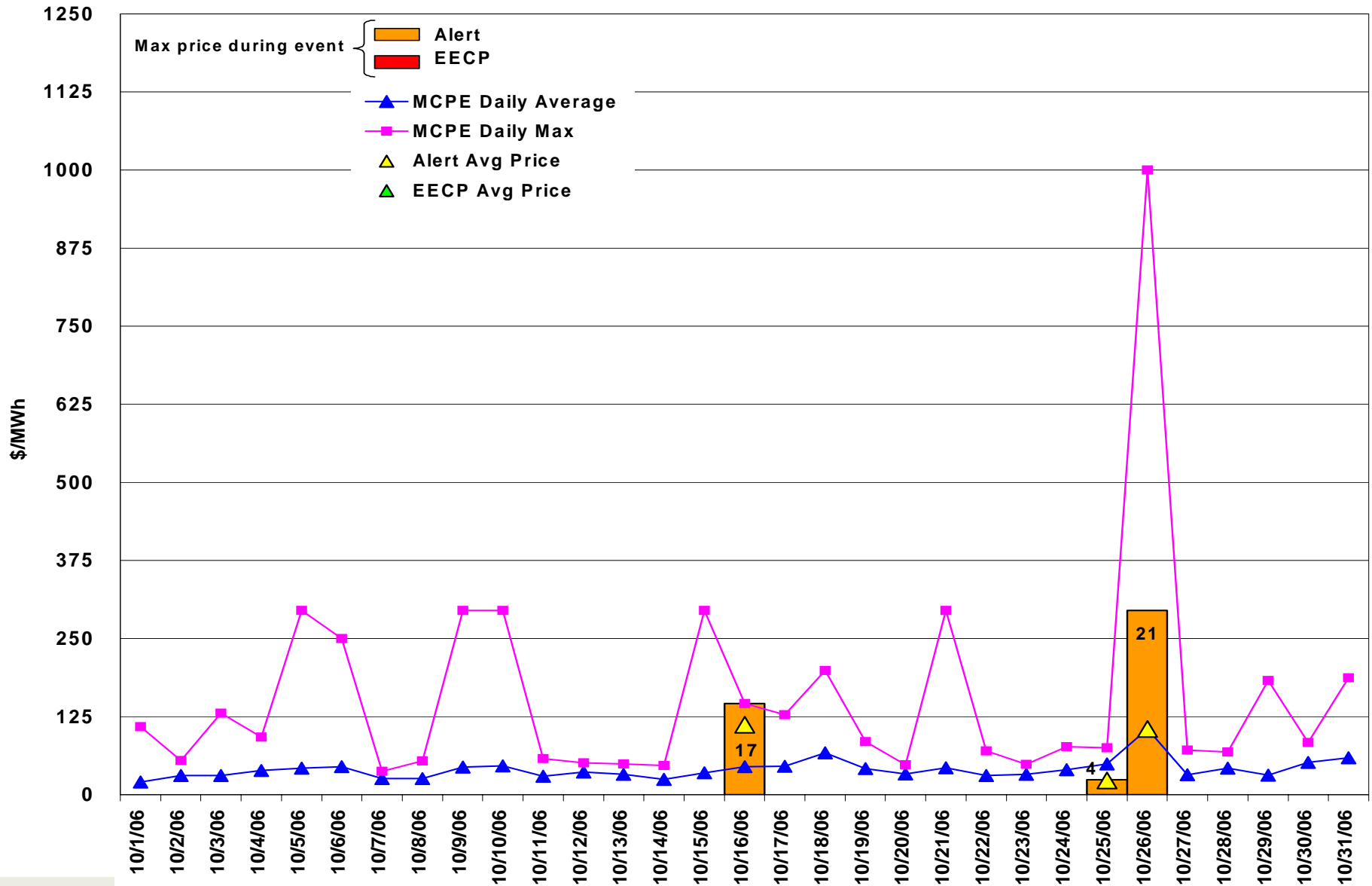
Pricing Overview
During ERCOT Events
Oct. 2006 thru July 2007

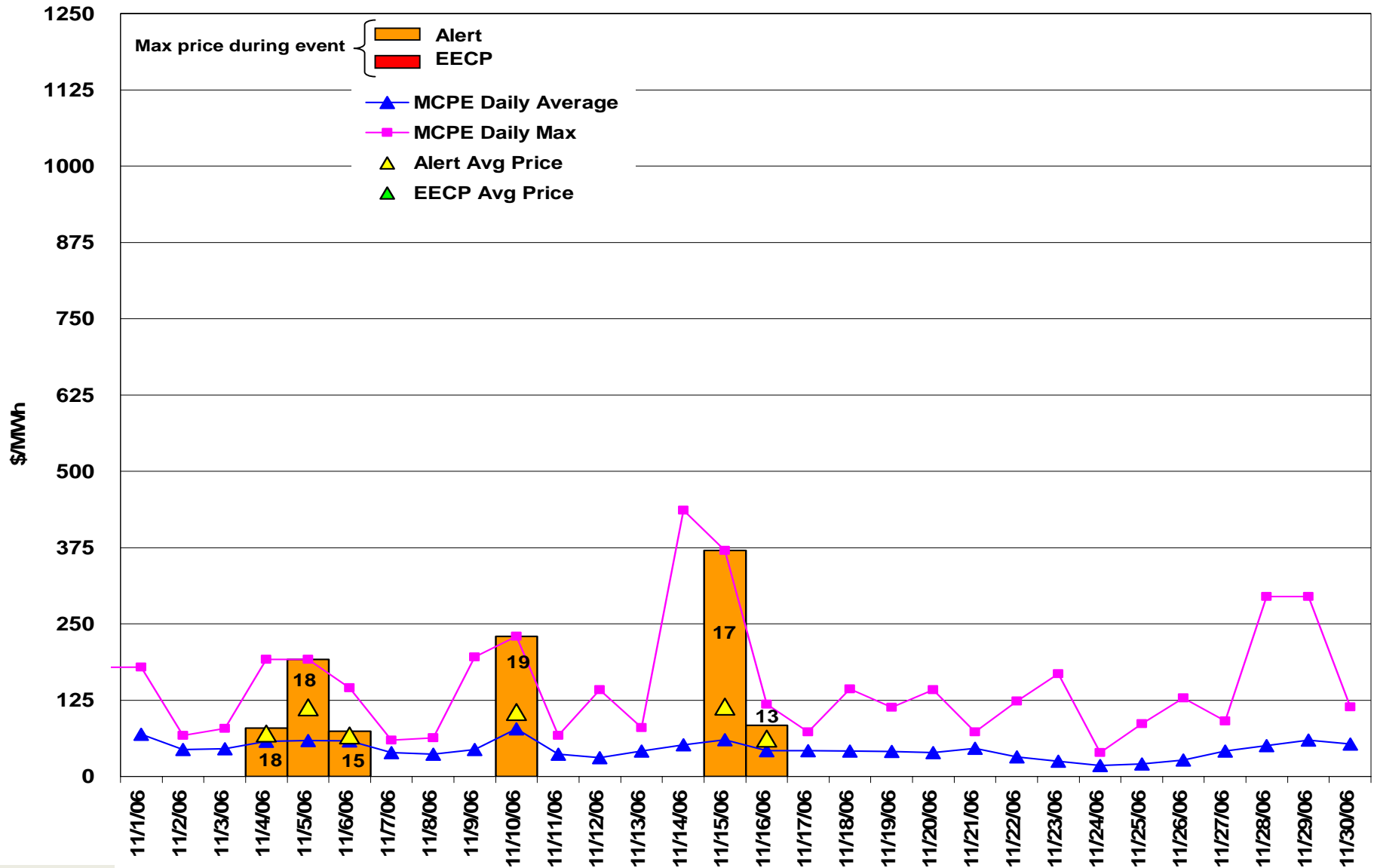
Long Term Solution Task Force
July 31, 2007

- **New rules governing the energy-only ERCOT market took effect Oct. 1, 2006**
 - PUC Subst. Rule §25.505
- **Market-wide offer cap increased from \$1,000/MWh to \$1,500/MWh on March 1, 2007**
- **‘Scarcity conditions’:** “Those times when the supply of resources is insufficient to simultaneously meet both energy and operating reserve requirements.” (ERCOT IMM)
- **ERCOT Operations trigger points for actions related to system-wide capacity insufficiency:**
 - Alert <2,500 MW of adjusted responsive reserves
 - EECP <2,300 MW of adjusted responsive reserves

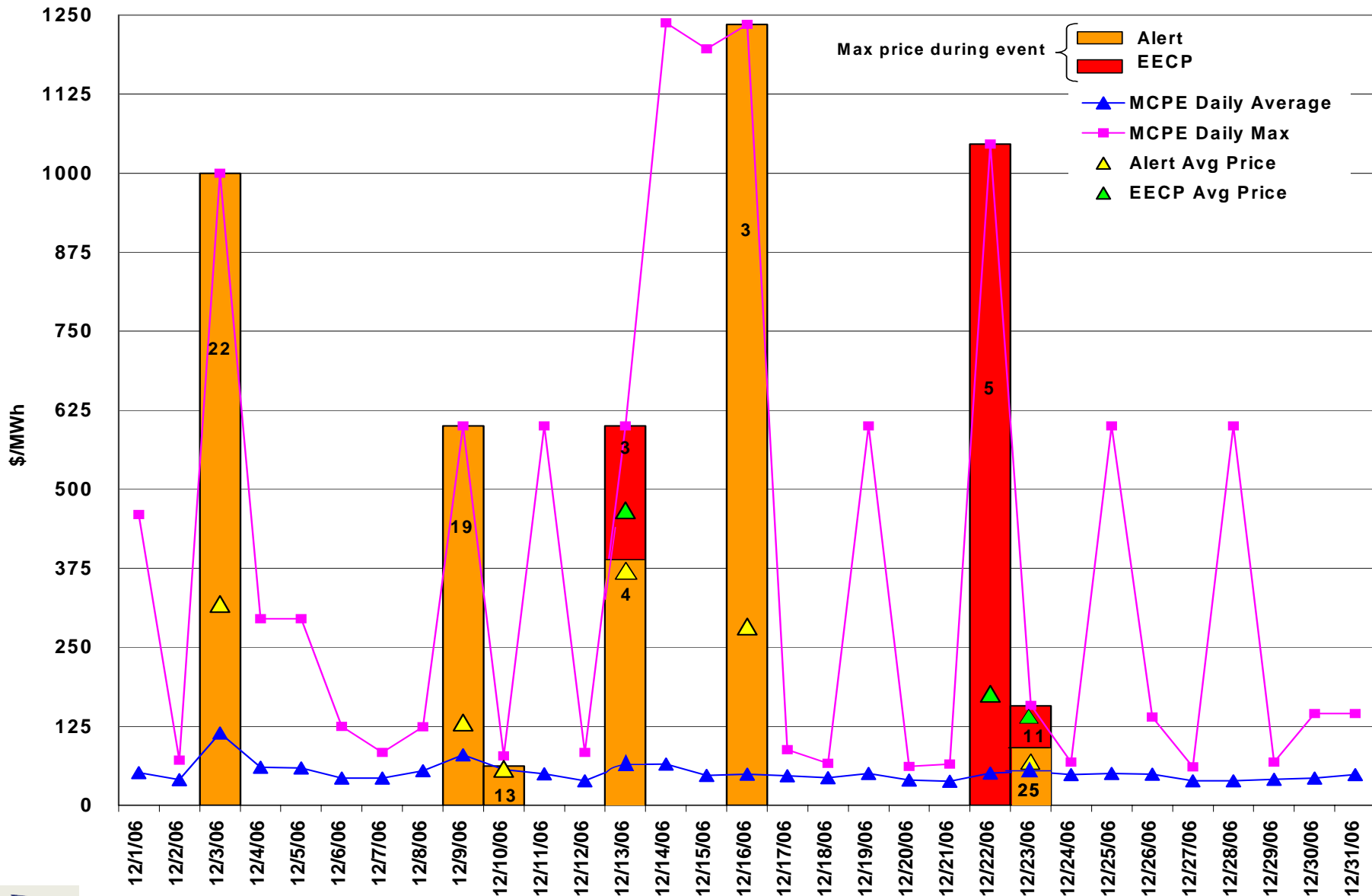
- **ARR = Physical Responsive Capability (PRC), defined in Sec. 1.6 of the ERCOT Operating Guides as follows:**
 - A representation of the total amount of system wide online capability that has a high probability of being able to quickly respond to system disturbances. The PRC shall be calculated by (i) determining each Resource meeting the requirements of Section 2.5.2.3, Types of Responsive Reserve of these Guides, (ii) determining for each Resource the lesser quantity of the latest Net Dependable Capability, the Resource Plan HOL, or the telemetered real time capability, (iii) multiplying the lesser quantity of each Resource by the RDF, (iv) using that result to determine the amount of Responsive Reserve capability then available on each Resource, and (v) the sum, for all Resources, of the Responsive Reserve capability as determined for each Resource. The PRC shall be used by ERCOT to determine the appropriate Emergency Notification and EECF Steps.

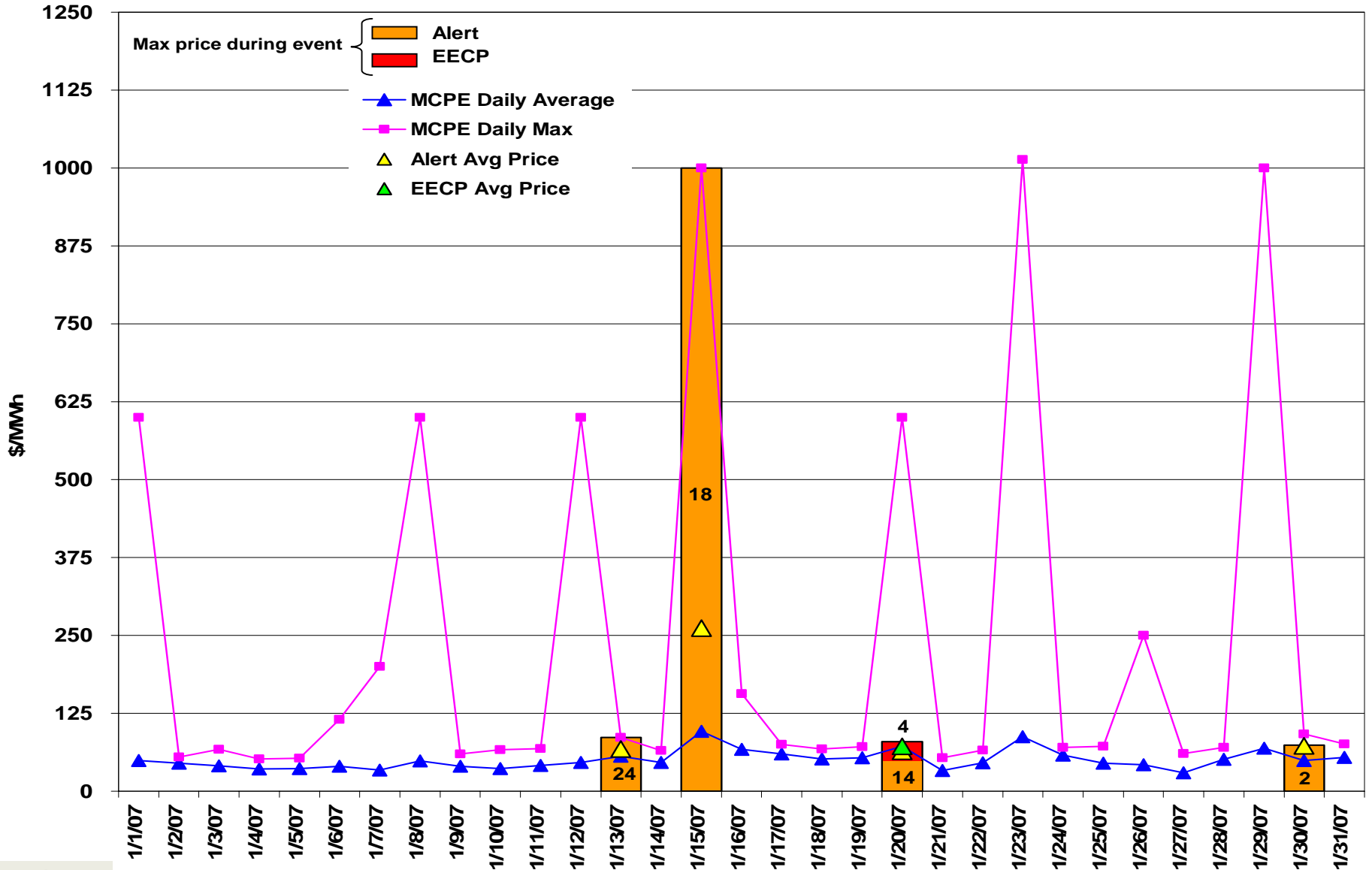
October 2006



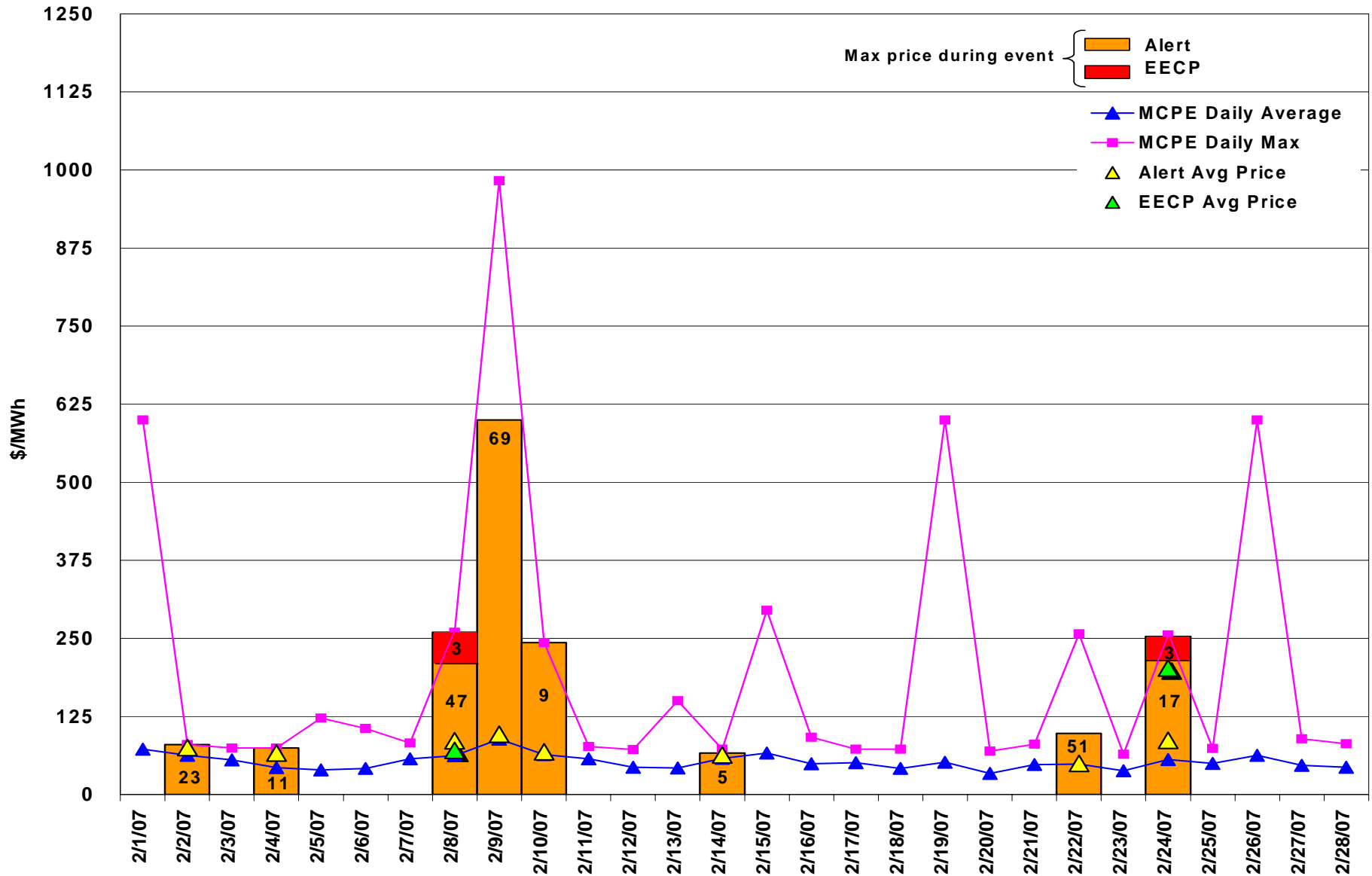


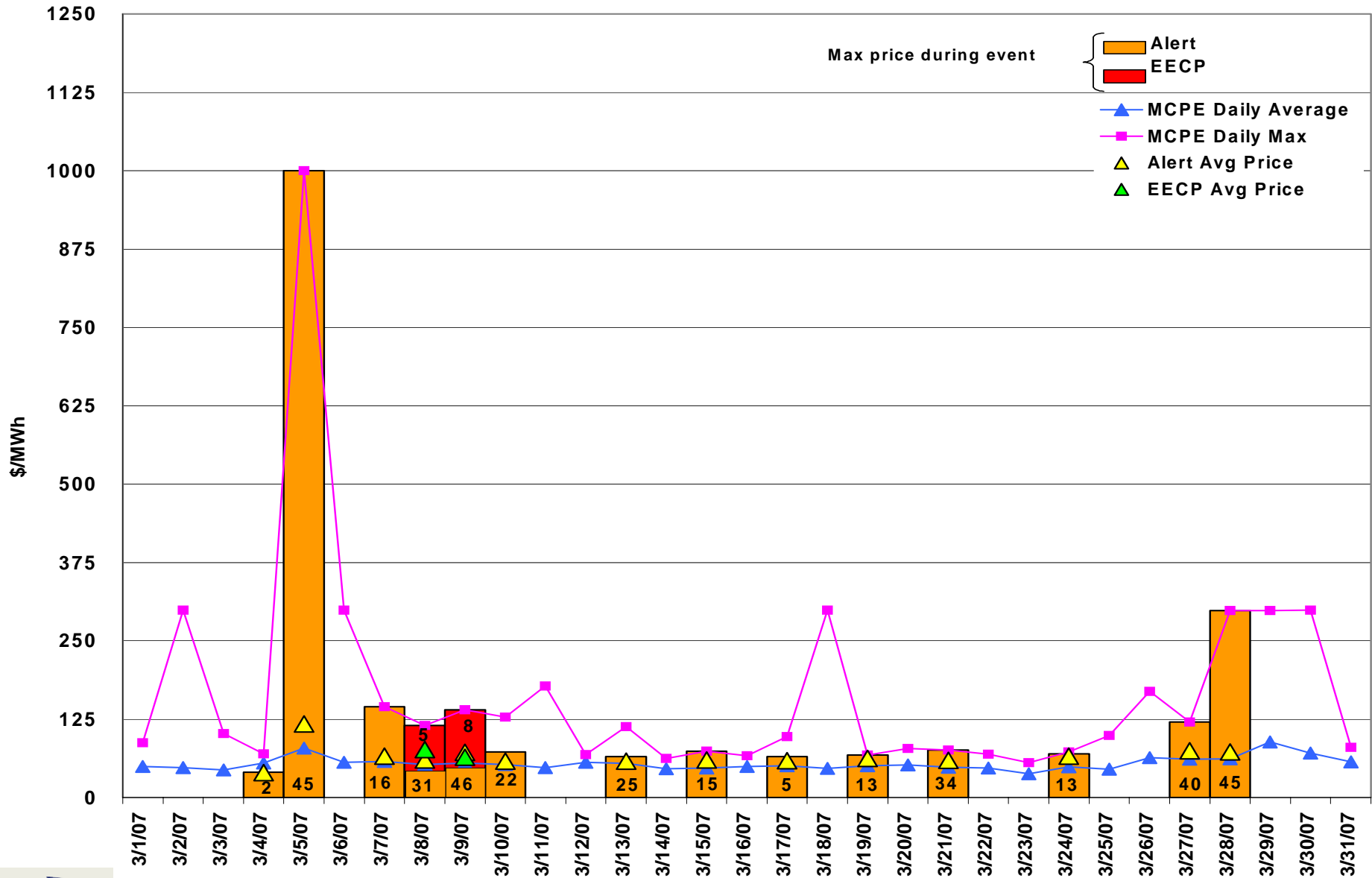
December 2006

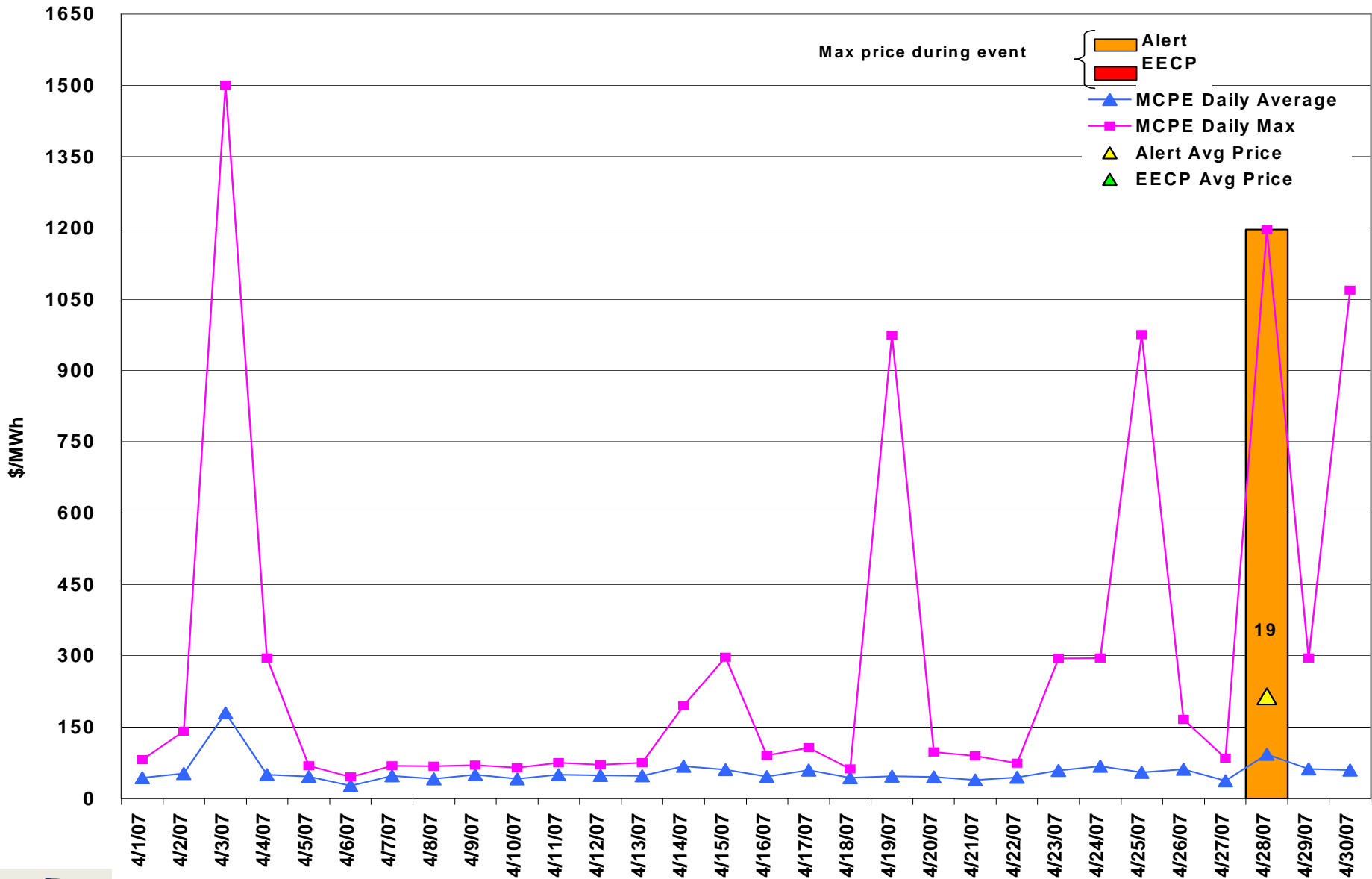


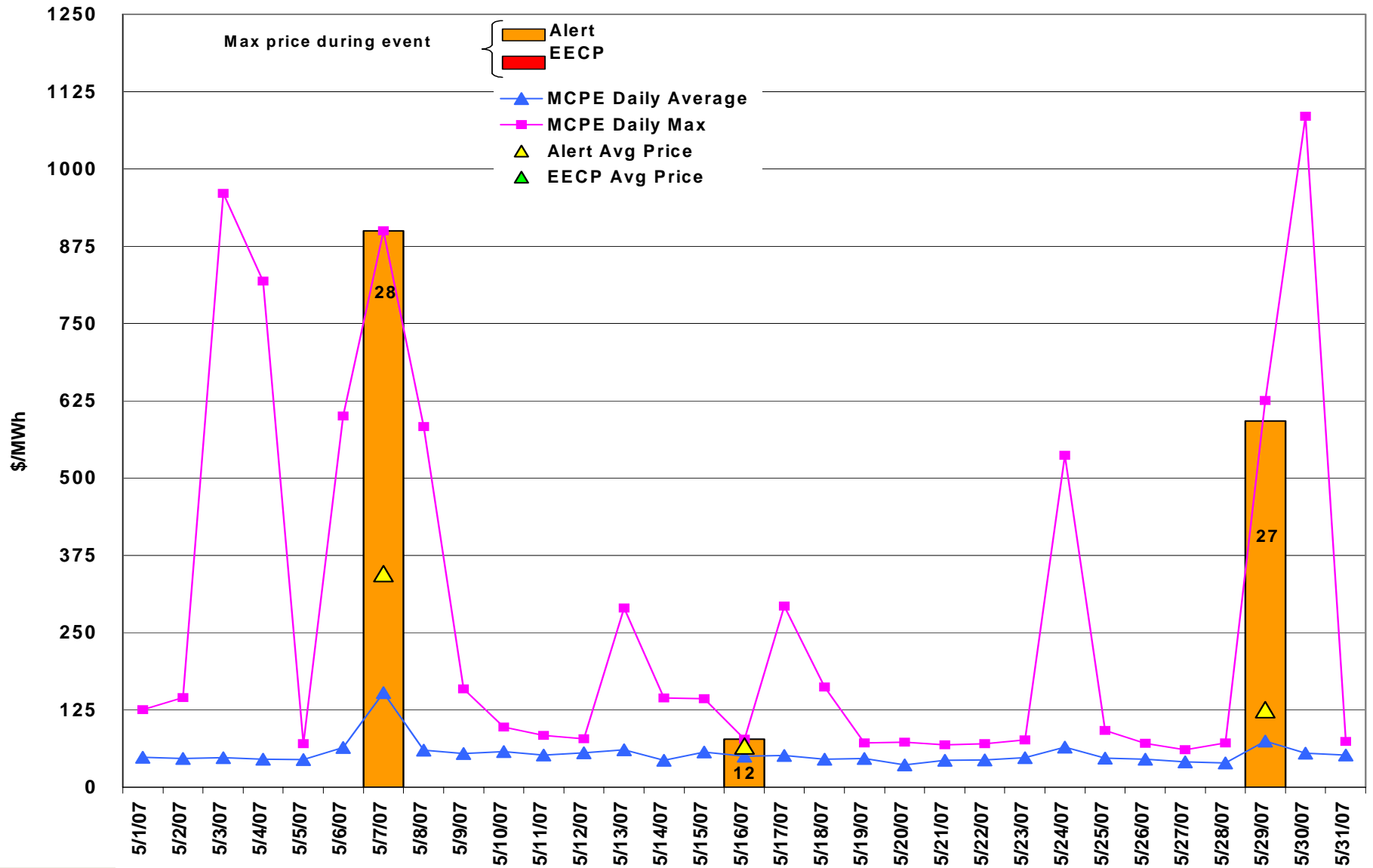


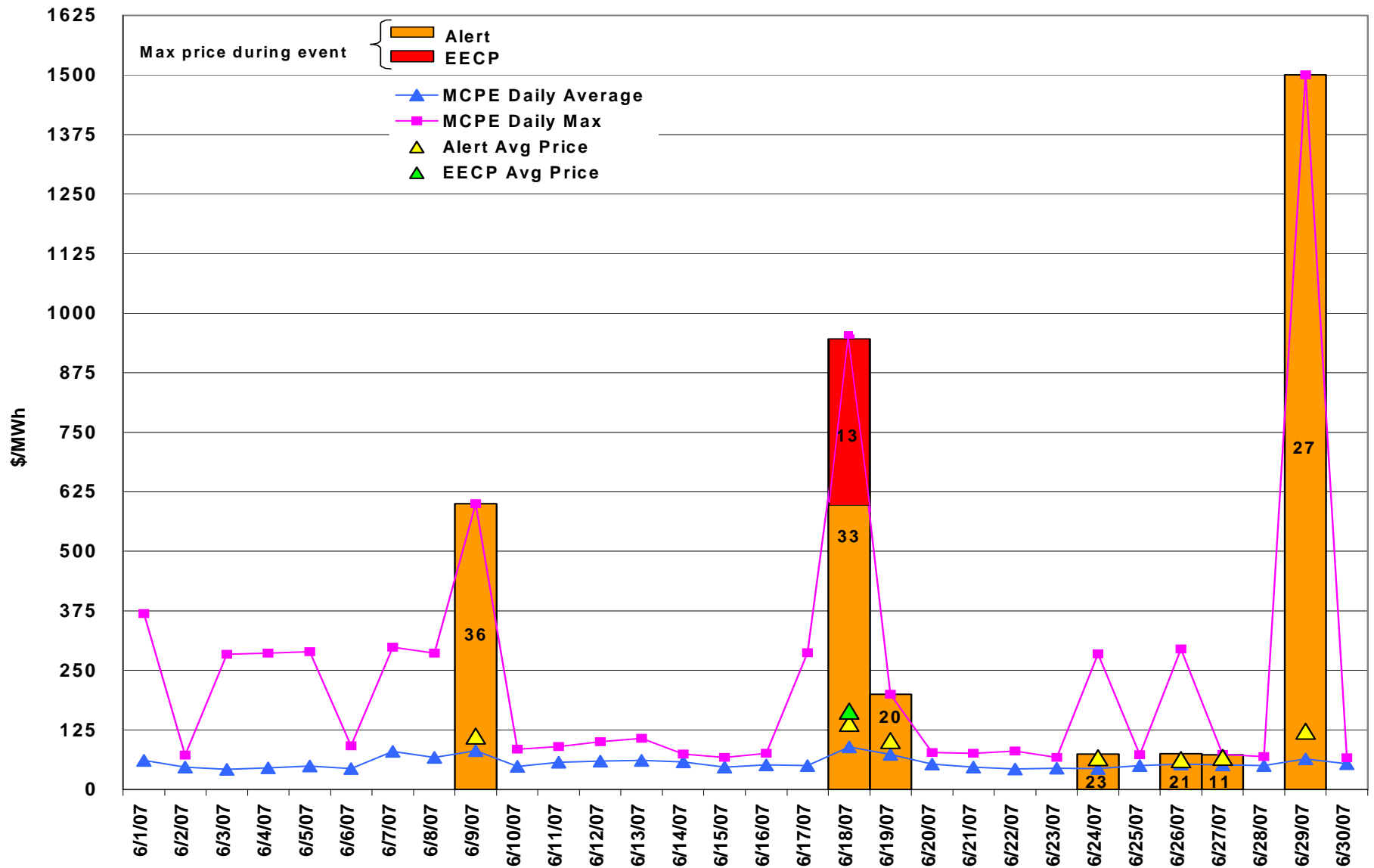
February 2007



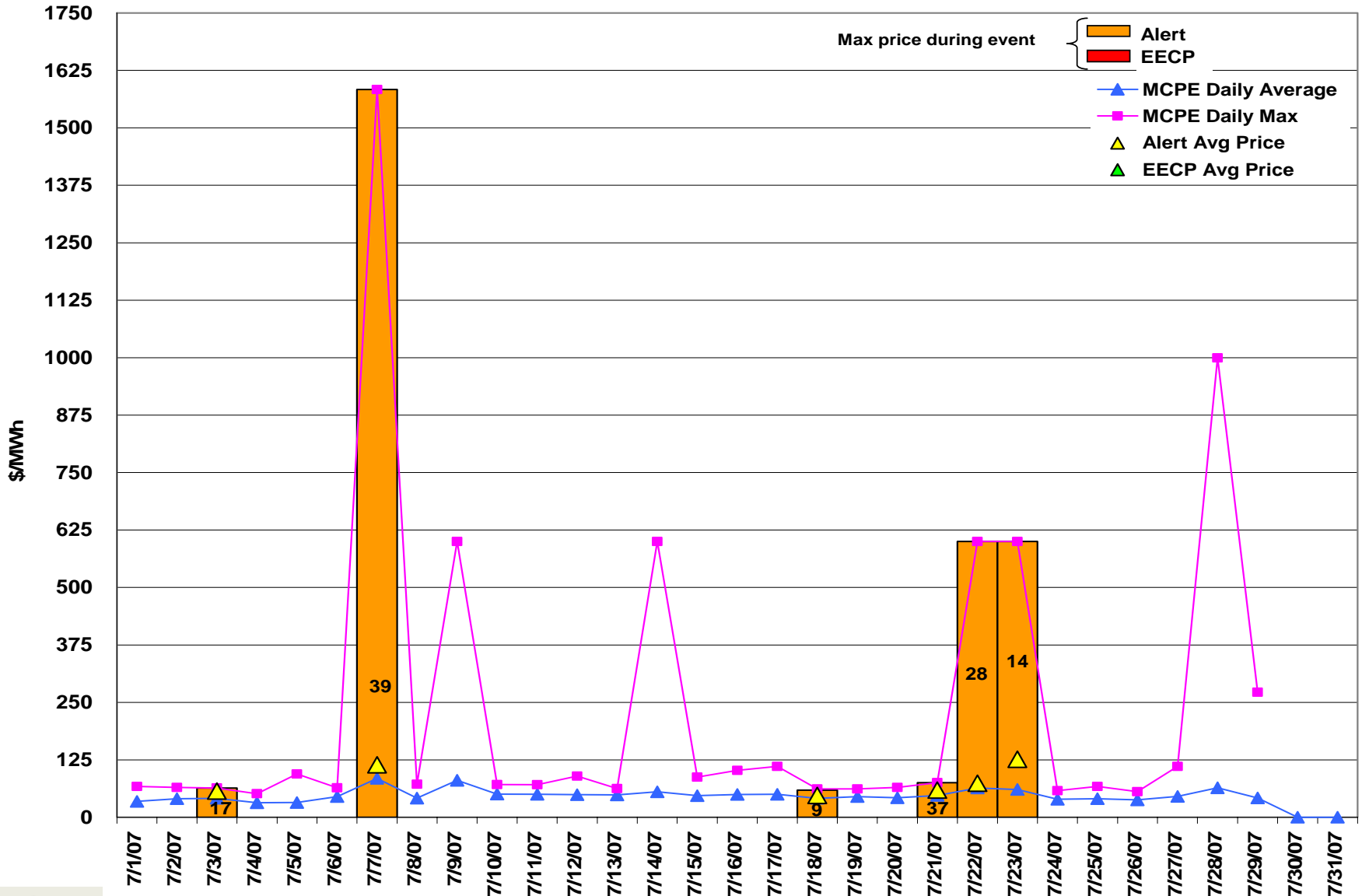








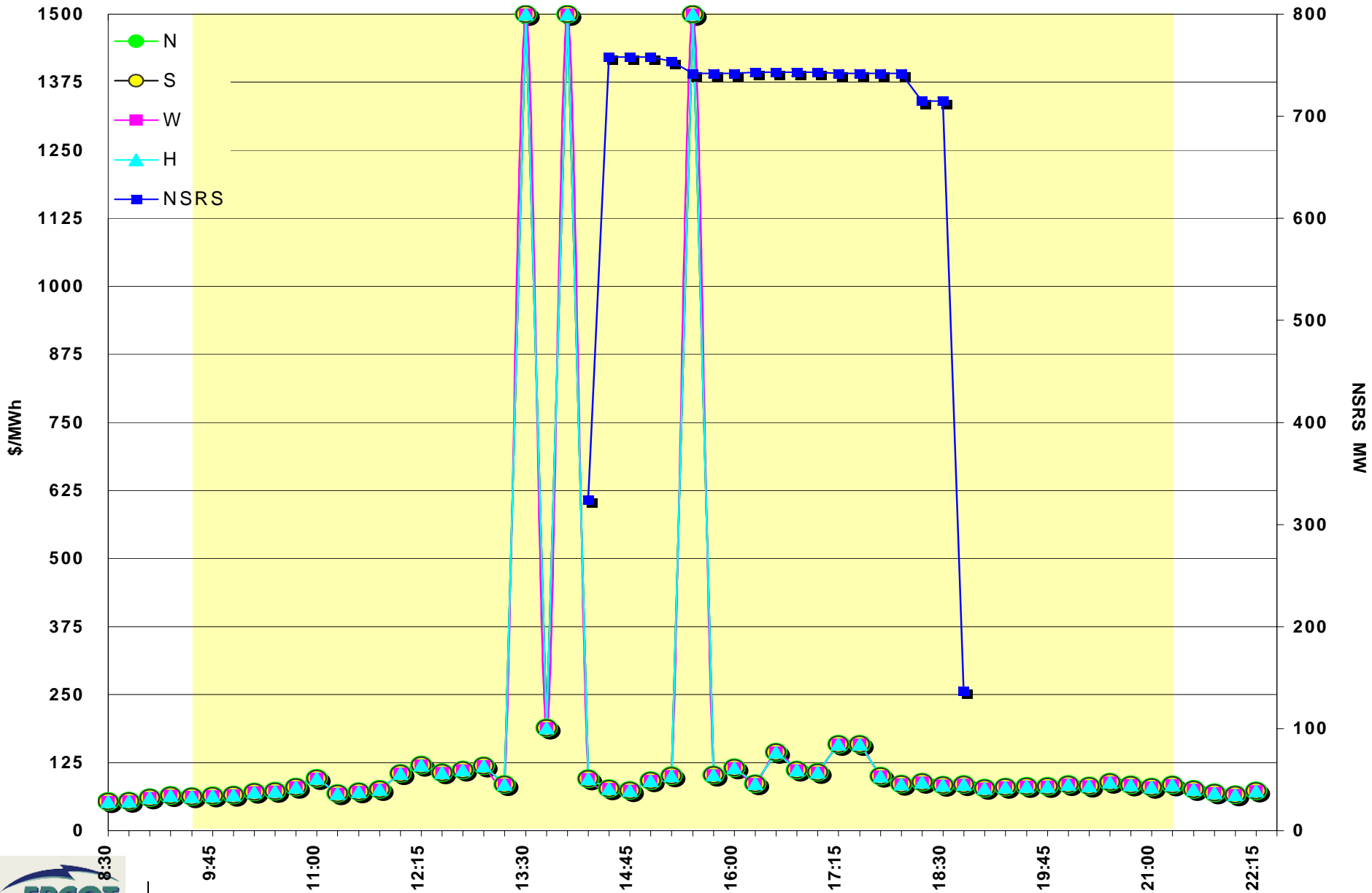
July 2007 (thru July 29th)



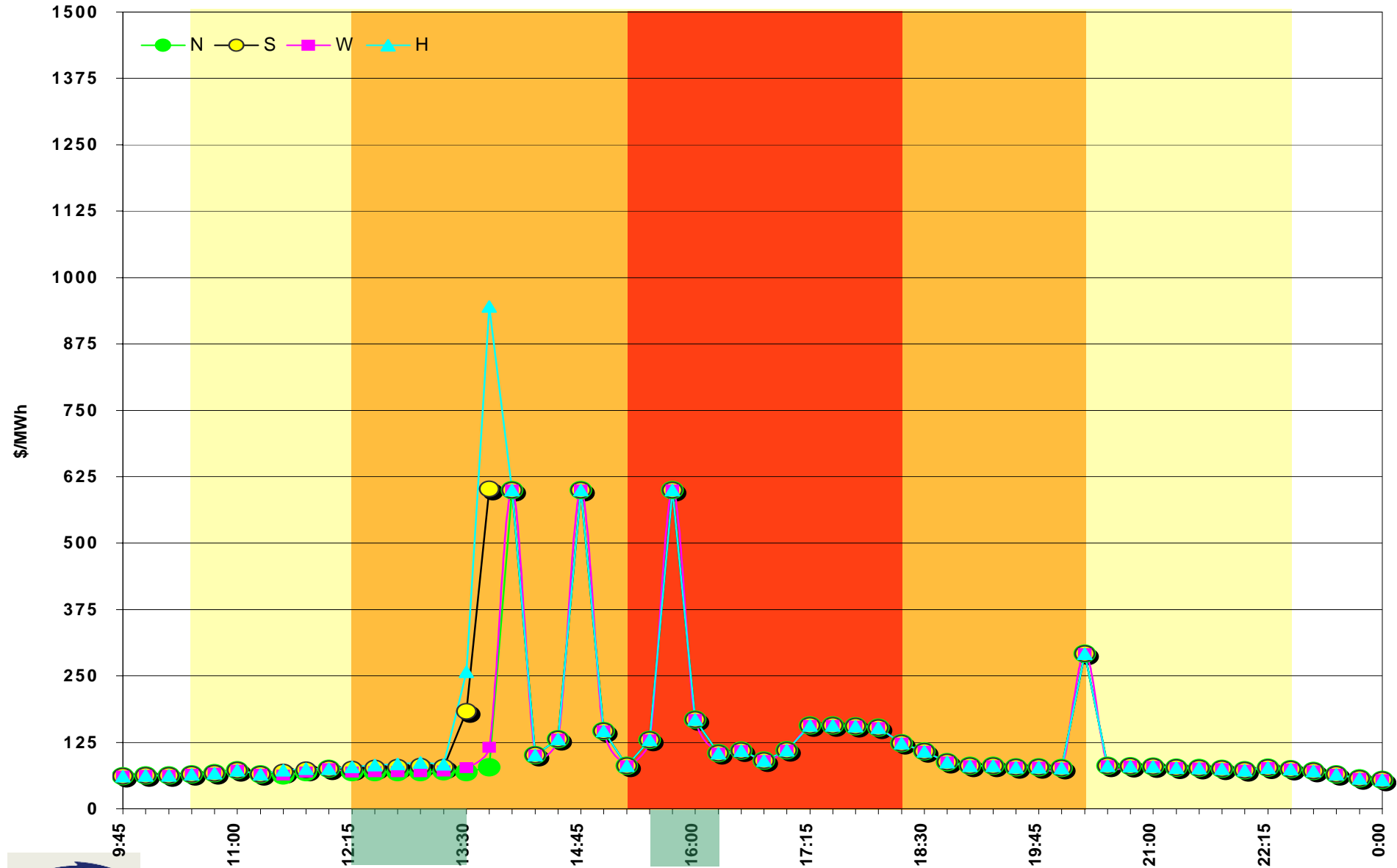


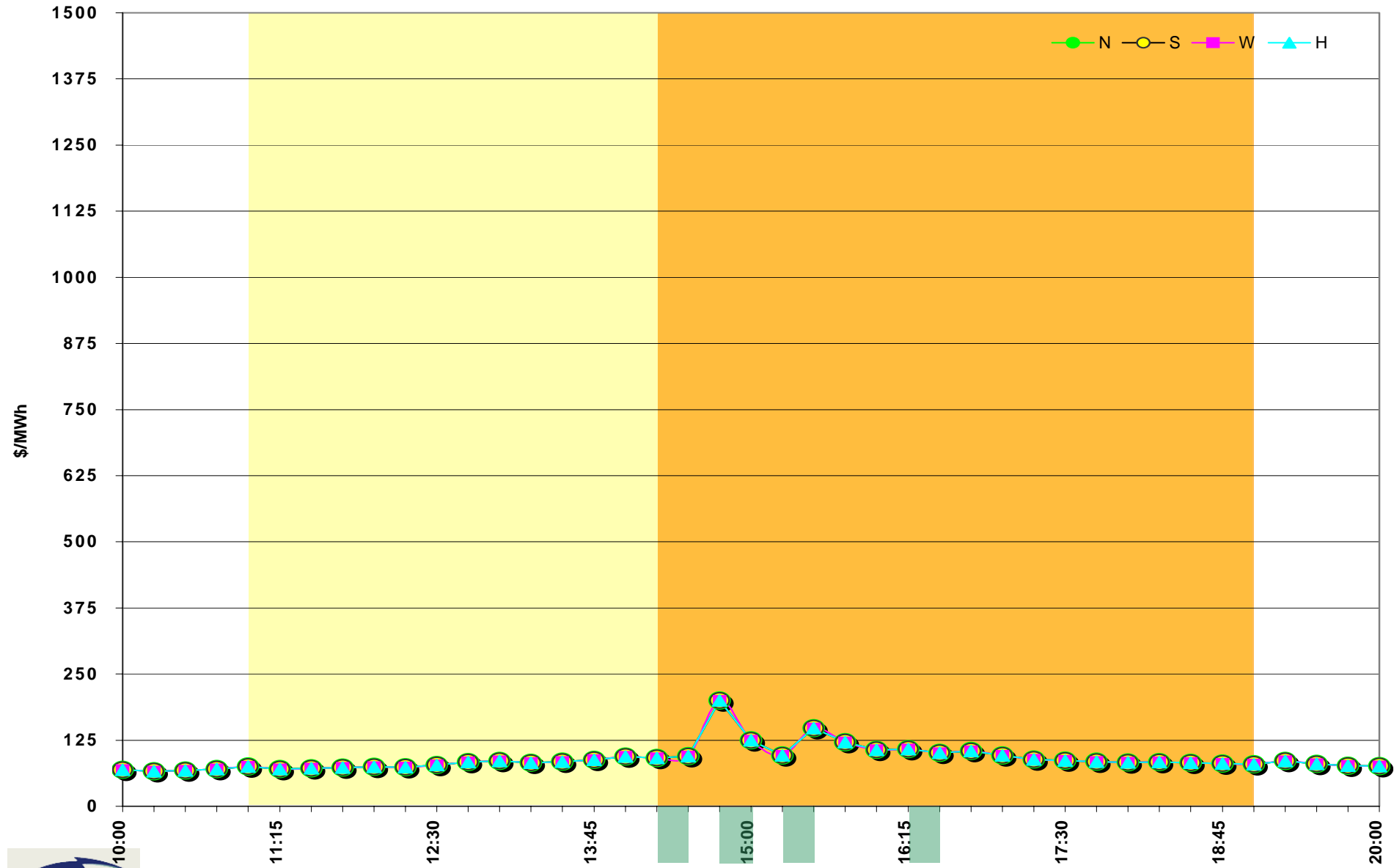
Daily Pricing Analyses

April 3, 2007 (Nonspin)

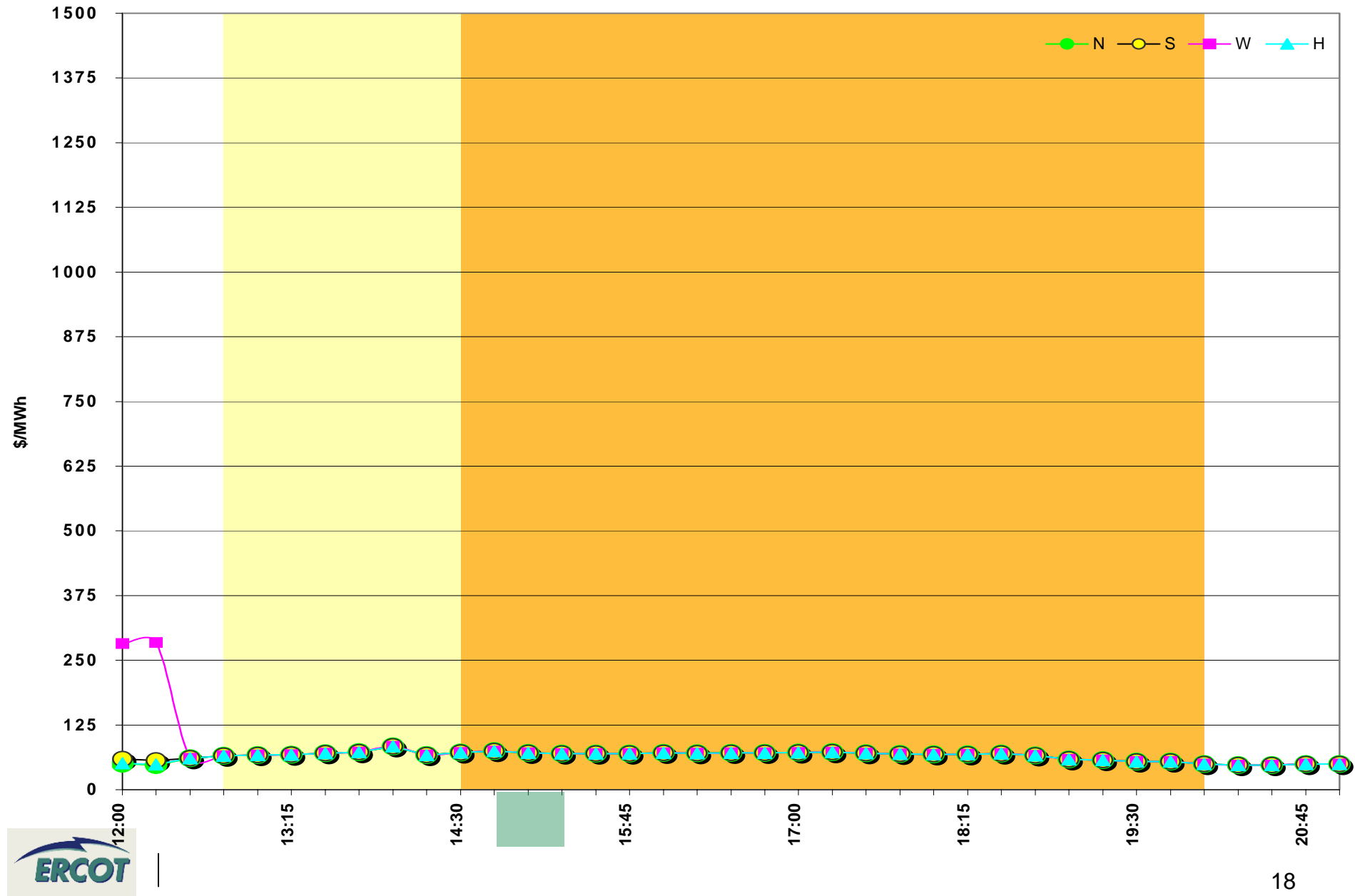


June 18, 2007 (OOM)

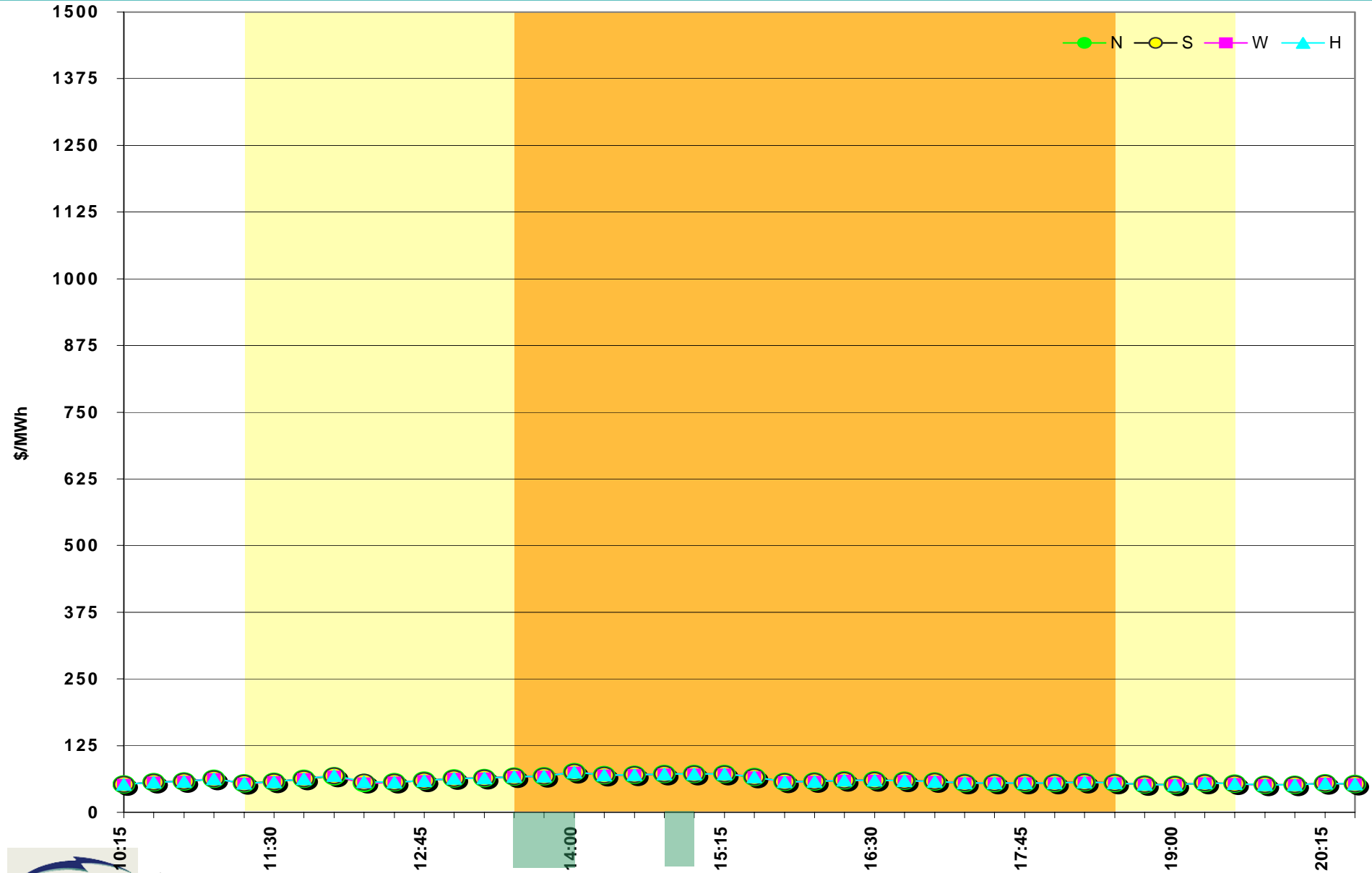




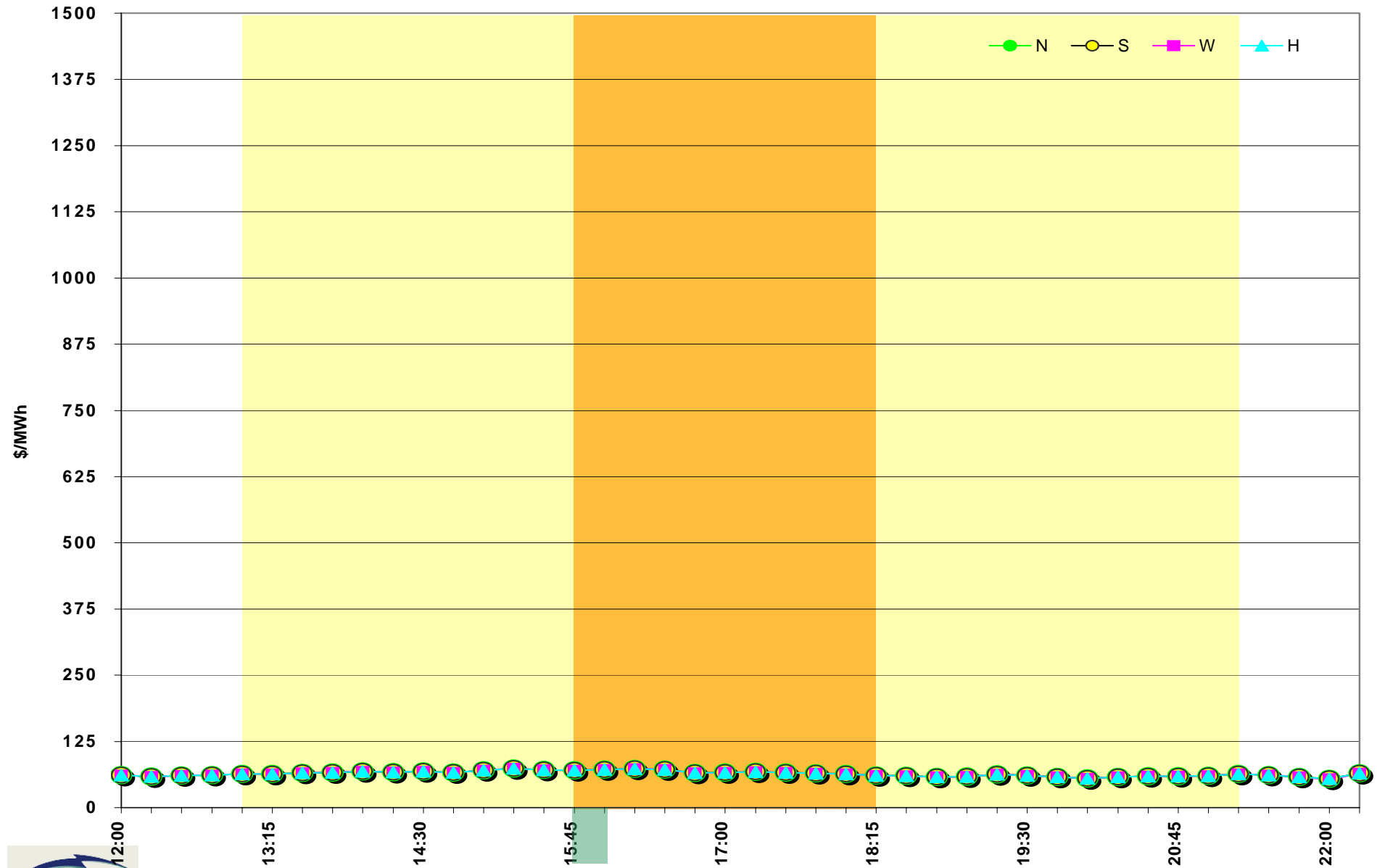
June 24, 2007 (OOM)



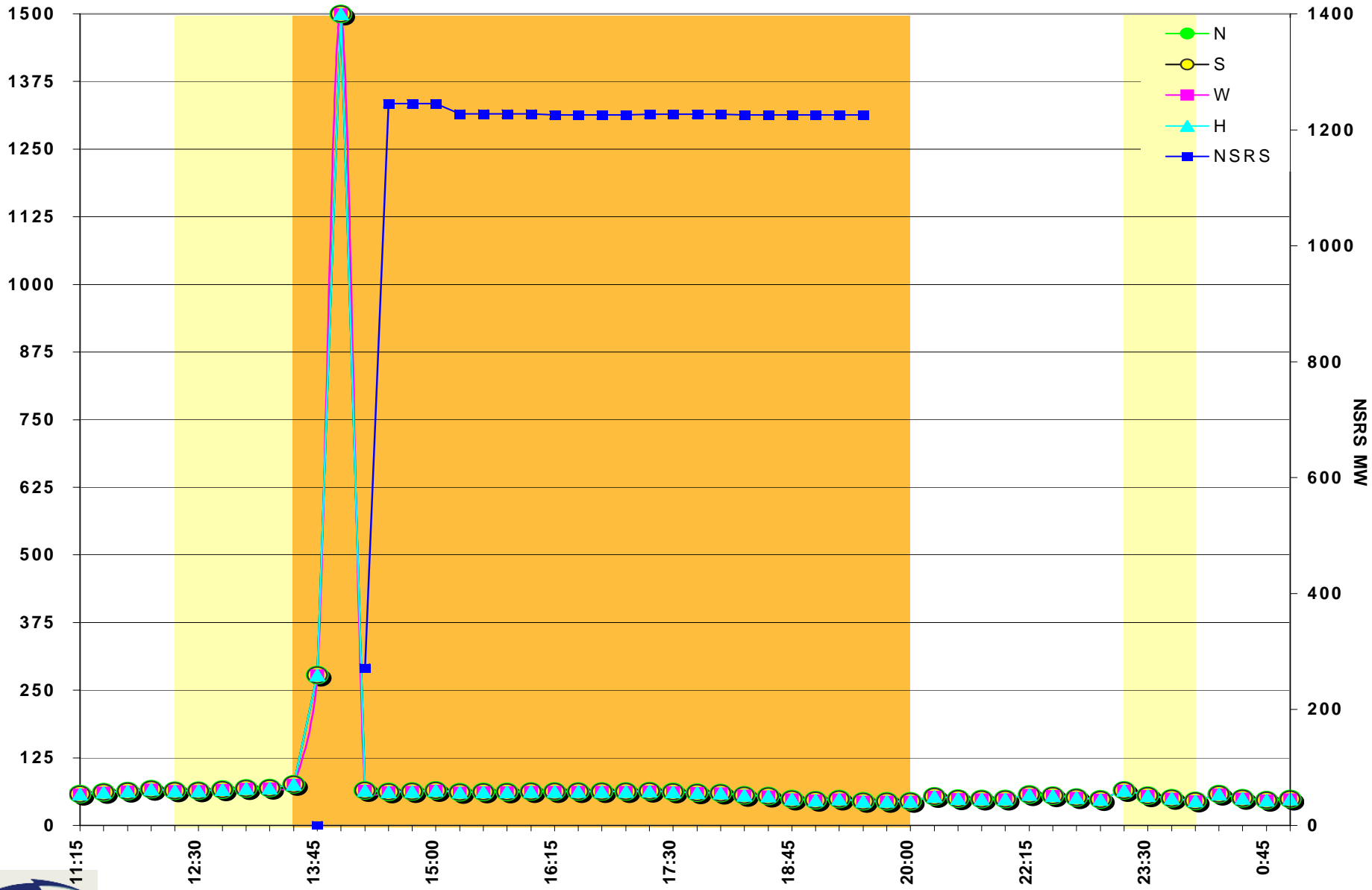
June 26, 2007 (OOM)



June 27, 2007 (OOM)



June 29, 2007 (Nonspin)



July 7, 2007 (Nonspin & OOM)

