



# Market Operations Presentation

ERCOT Board of Directors

April 22, 2009

**Betty Day**

# Summary

## Retail Activity

- **Overall Activity** – Retail switching activity continues to be strong.
- **Migration From Native AREPs** – All customer groups show higher migration away from the native ASEP in 2009.
- **Transaction Performance Measures** – Transaction performance exceeded the 98% target in March for Switches and Move-Ins (Priority and Standard).

## Wholesale Activity

- **Settlements & Billing Performance Measures** – An XML formatting issue caused errors in opening some statements. The formatting issue was corrected and statements reposted but not in time to meet the performance target. As a result, February performance dropped to 99%
- **Energy Services** – Total market volume continues down in February. Down Balancing continues at much higher levels than 2008 – primarily due to wind.
- **Summary Balancing Energy Price Data** – Prices in February were at the lowest level in years.
- **REPs and QSEs Added/Terminated**
  - 2 new REPs
  - 0 terminated REPs
  - 1 new QSE
  - 0 terminated QSEs

***New slides have been added to illustrate the number of REPs and QSEs registered in ERCOT.***

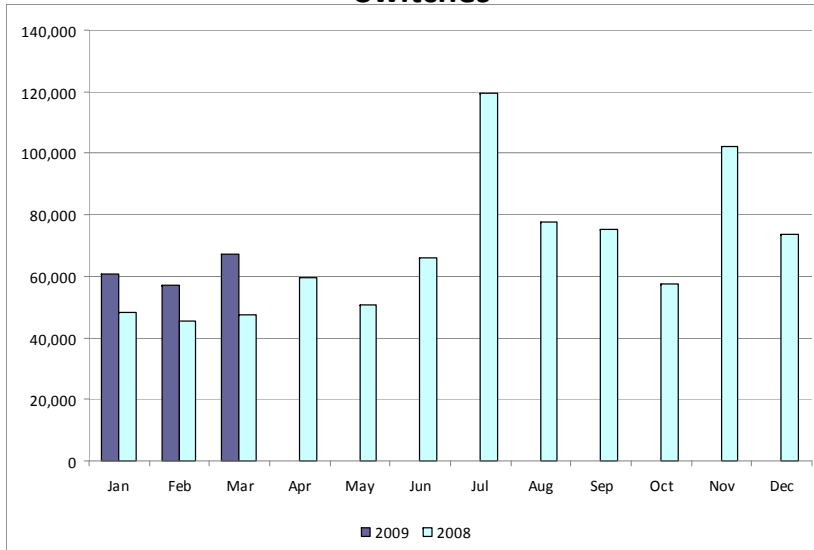
# Overall Activity

## Retail Transactions Summary

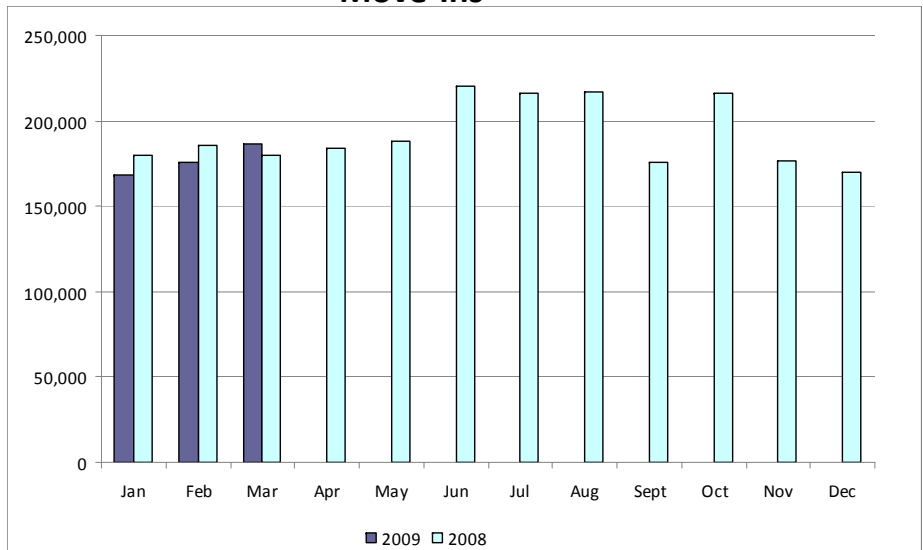
Transaction Type	YTD		March	
	<u>03/31/2009</u>	<u>03/31/2008</u>	<u>2009</u>	<u>2008</u>
Switches	185,100	141,329	67,261	47,375
Move - Ins	529,800	544,928	186,097	179,936
Move Out	291,172	292,516	99,773	97,075
CSA (Continuous Service Agreement)	89,092	88,373	25,652	29,449
Mass Transition	0	0	0	0
Total	1,095,164	1,067,146	378,783	353,835
Since June 1, 2001	32,134,032			

# Retail Transactions Summary

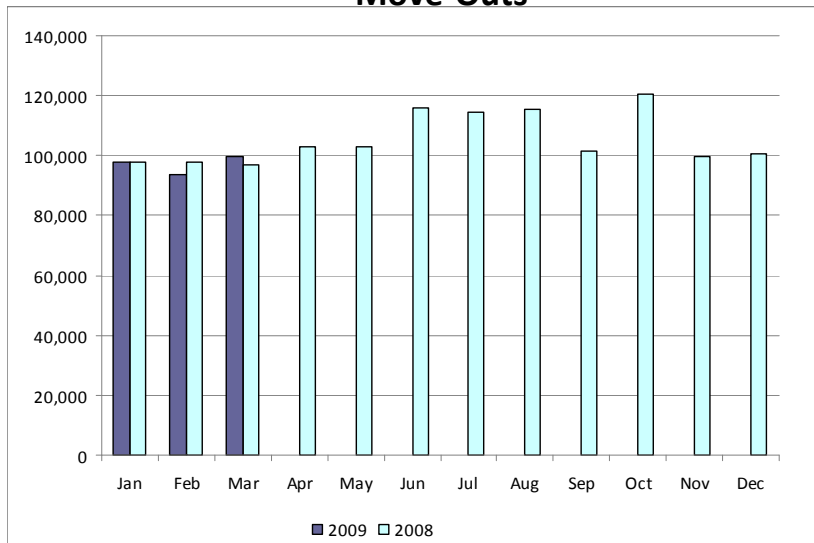
## Switches



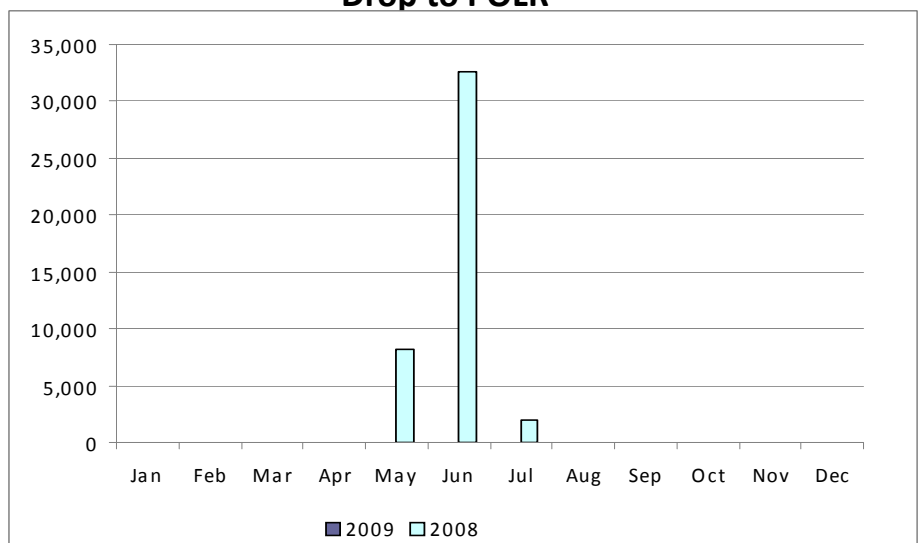
## Move-Ins



## Move-Outs



## Drop to POLR

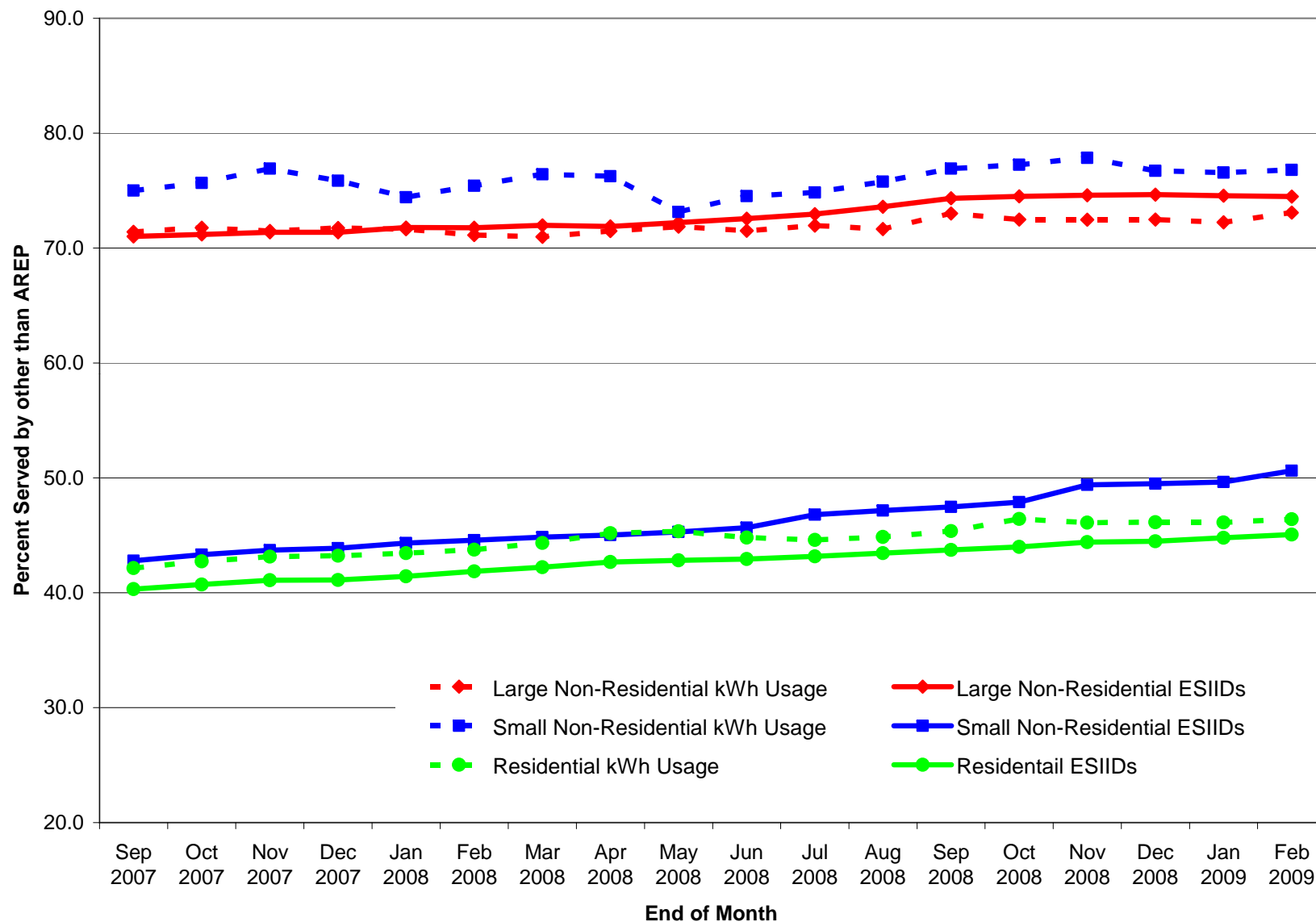


# Migration from Native Affiliate REP

	% of Load <sup>1</sup>	% of ESI IDs	
	at <u>02/28/09</u>	at <u>02/28/09</u>	at <u>02/28/08</u>
<b>Residential</b>	46%	45%	42%
<b>Small Non-Residential</b>	77%	51%	45%
<b>Large Non-Residential</b>	73%	75%	72%

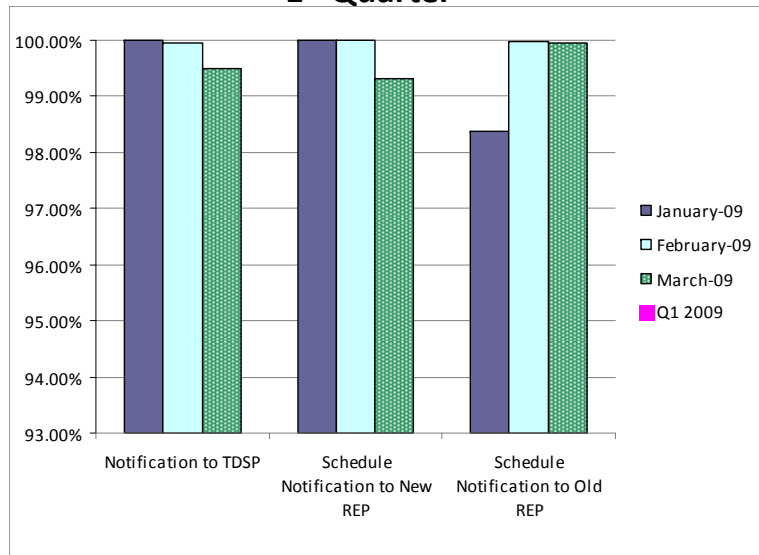
<sup>1</sup> - Percent of Deregulated (Non-NOIE) ESI IDs and Load. Usage based on monthly settlement results.

# Migration from Native Affiliate REP



# Retail Performance Measures – 2009 Switch

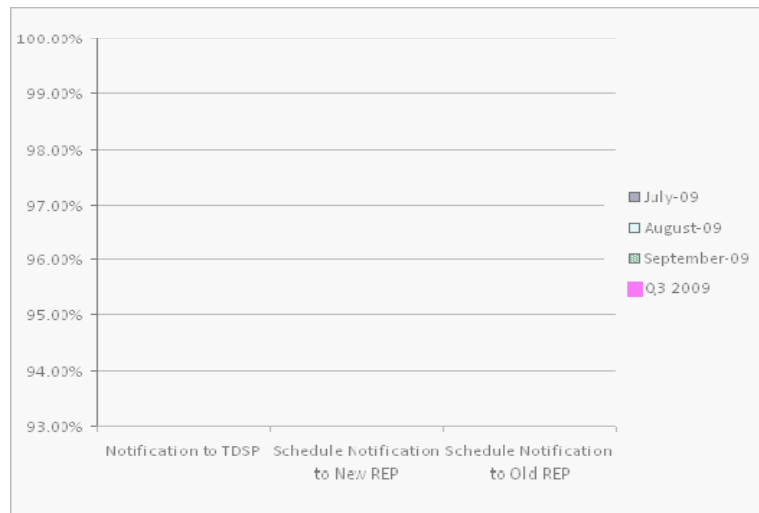
## 1<sup>st</sup> Quarter



## 2<sup>nd</sup> Quarter



## 3<sup>rd</sup> Quarter

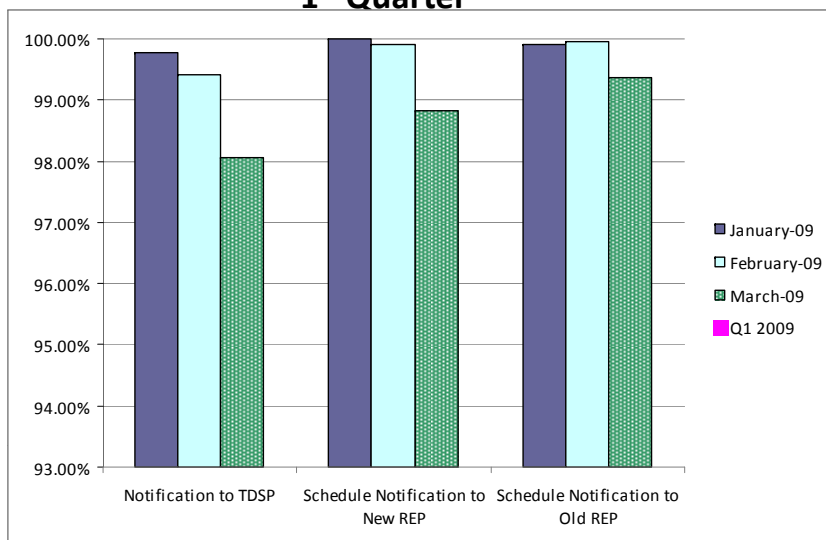


## 4<sup>th</sup> Quarter

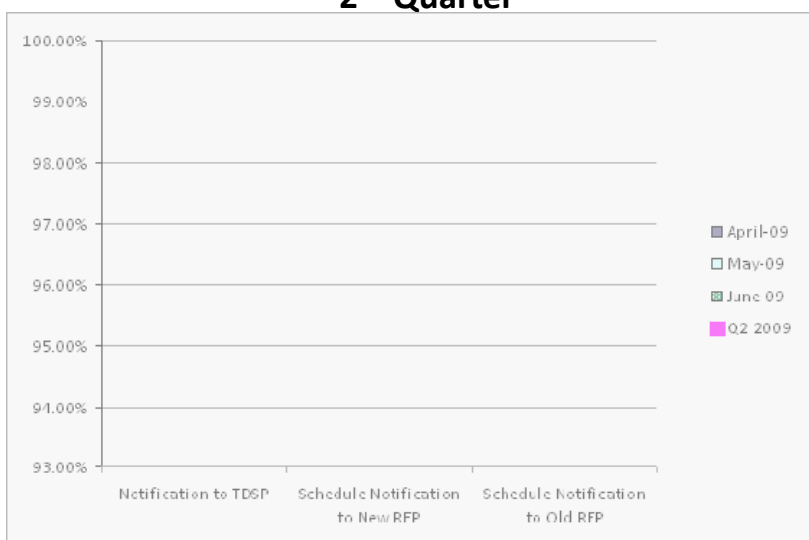


# Retail Performance Measures – 2009 Move-In / Priority

## 1<sup>st</sup> Quarter



## 2<sup>nd</sup> Quarter



## 3<sup>rd</sup> Quarter

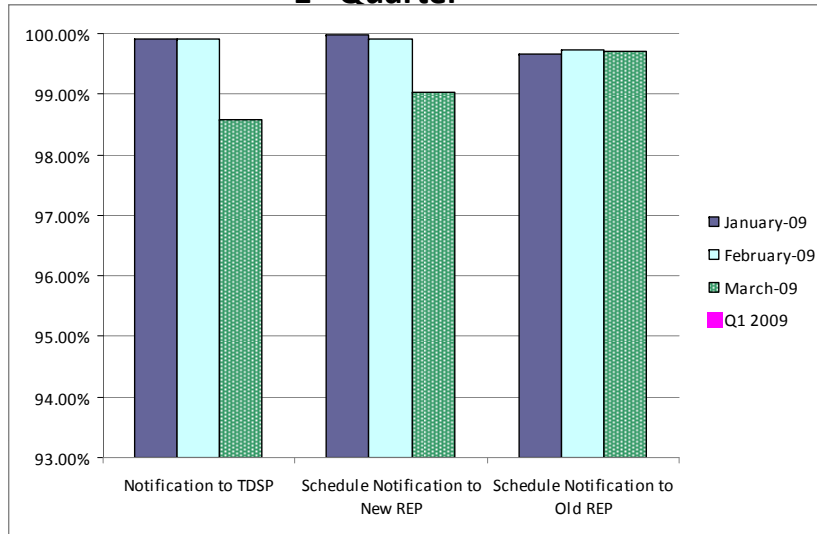


## 4<sup>th</sup> Quarter



# Retail Performance Measures – 2009 Move-In / Standard

## 1<sup>st</sup> Quarter



## 2<sup>nd</sup> Quarter



## 3<sup>rd</sup> Quarter



## 4<sup>th</sup> Quarter



# Settlements & Billing Performance Measures – February 2009

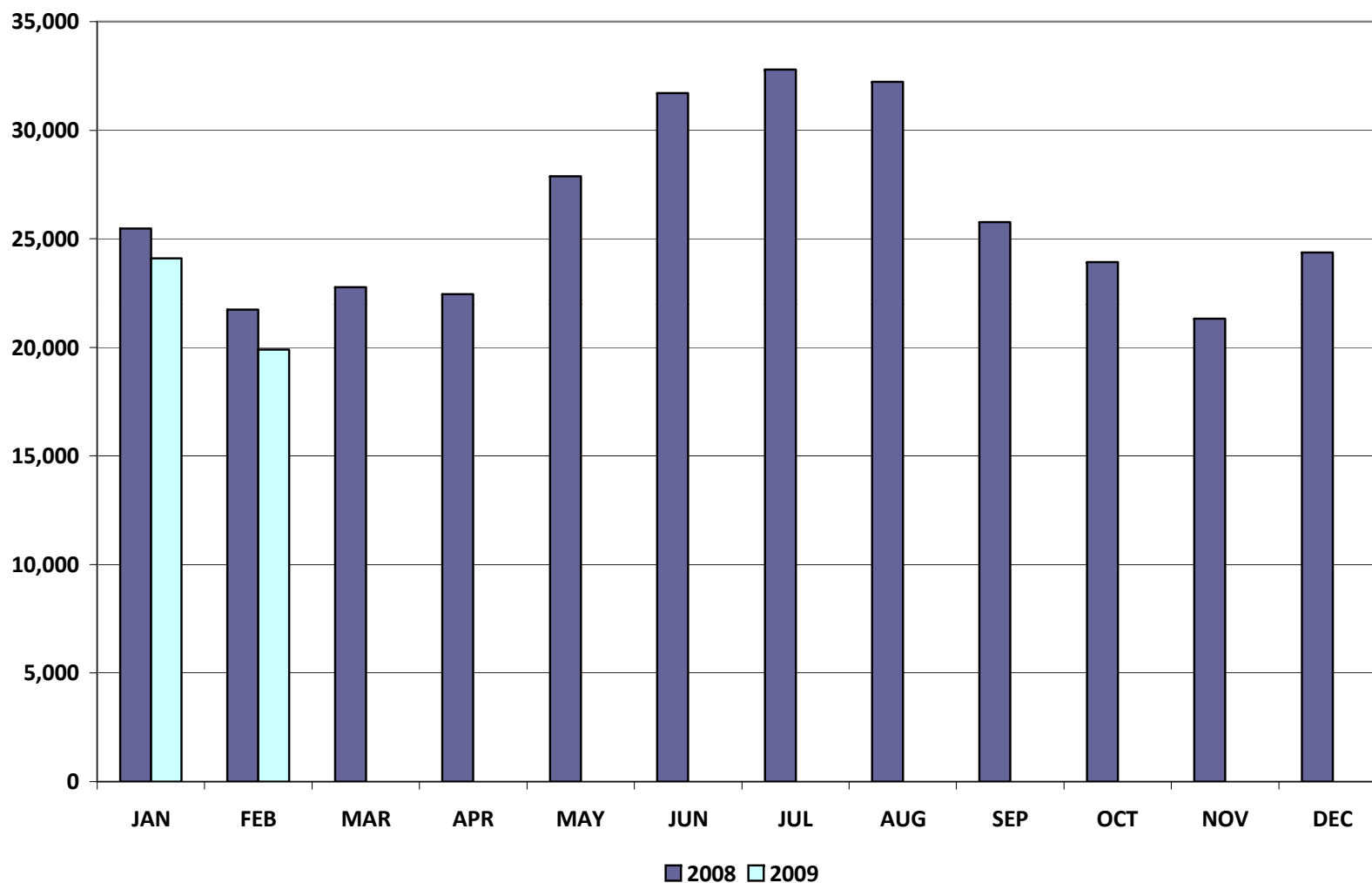
	YTD		February	
	<u>02/28/09</u>	<u>02/29/08</u>	<u>2009</u>	<u>2008</u>
<b>Settlement Statements:</b>				
Total	24,388	23,264	11,820	11,646
Late	109	0	109	0
– Less than 24 hours late	<b>109</b>	<b>0</b>	<b>109</b>	<b>0</b>
– Greater than 24 hours late	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Balance	24,279	23,264	11,711	11,646
% Within Protocol	<b>99.55%</b>	<b>100.00%</b>	<b>99.08%</b>	<b>100.00%</b>
<b>Invoices:</b>				
Total	1,628	1,332	713	616
Late	0	0	0	0
– Less than 24 hours late	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
– Greater than 24 hours late	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Balance	1,628	1,332	713	616
% Within Protocol	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

# Energy Services

	YTD (\$'s in millions)		February (\$'s in millions)	
	<u>02/28/09</u>	<u>02/29/08</u>	<u>2009</u>	<u>2008</u>
• <b>Market Perspective:</b>				
<b>Approximate Retail Market</b> (at \$.11/kWh)	<b>\$4,838.8</b>	<b>5,192.0</b>	<b>2,187.8</b>	<b>2,390.1</b>
Volume (GWh)	43,989	47,200	19,889	21,728
% Increase	-6.8%		-8.5%	
Natural Gas Price Index (\$/MMBTU)	4.3	7.9	4.0	8.1
% Increase	-45.6%		-50.6%	
• <b>Balancing Energy:</b>				
<b>Balancing Energy - Up</b>	<b>\$34.9</b>	<b>\$124.8</b>	<b>\$12.9</b>	<b>\$54.2</b>
% Increase	-72.0%		-76.2%	
Up (GWh)	761.7	1,578.2	312.9	642.5
% Increase	-51.7%		-51.3%	
% of Market	3.2%	6.2%	1.3%	2.5%
<b>Balancing Energy - Down</b>	<b>-\$51.4</b>	<b>-\$46.8</b>	<b>-\$24.8</b>	<b>-\$21.8</b>
% Increase	9.8%		13.8%	
Down (GWh)	-2,964.2	-1,285.3	-1,480.1	-614.2
% Increase	130.6%		141.0%	
% of Market	12.3%	5.0%	6.1%	2.4%

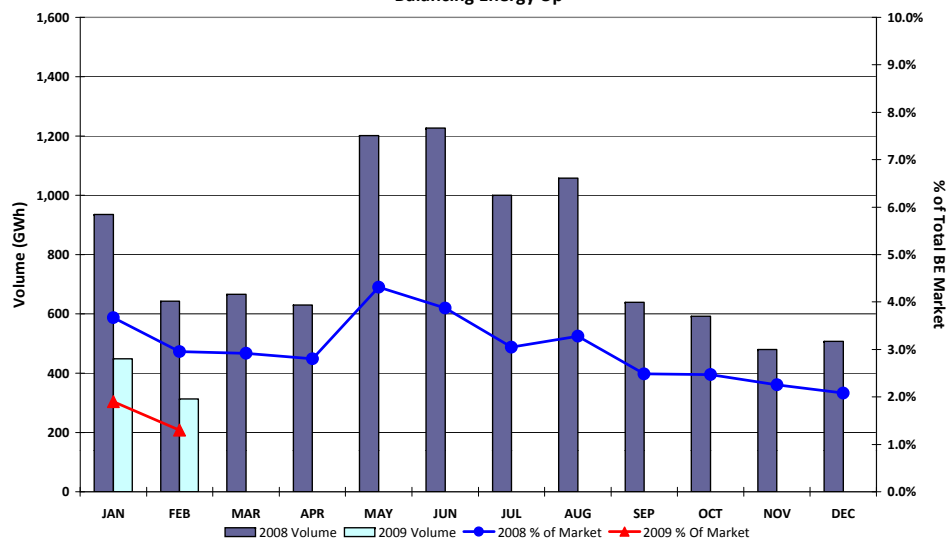
# Energy Services

Total Market Volume (GWh)

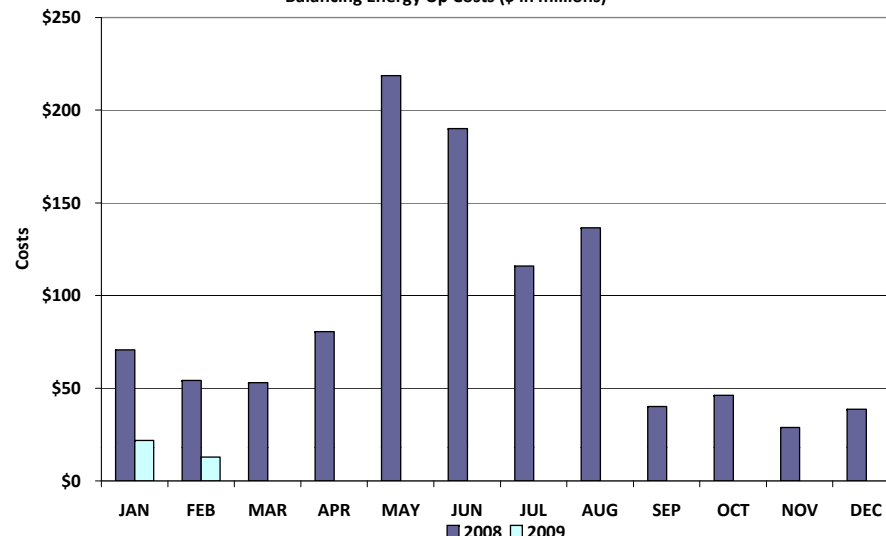


# Balancing Energy Services – Volume and Cost

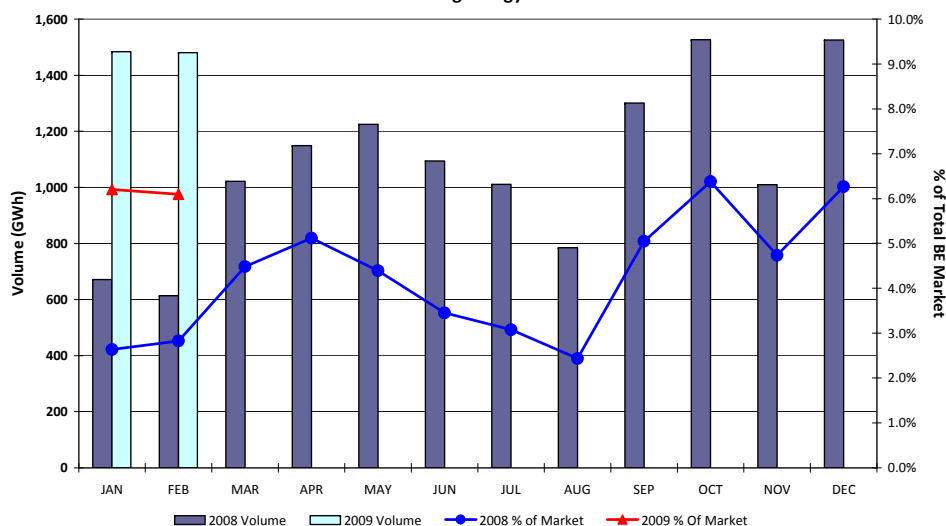
**Balancing Energy Up**



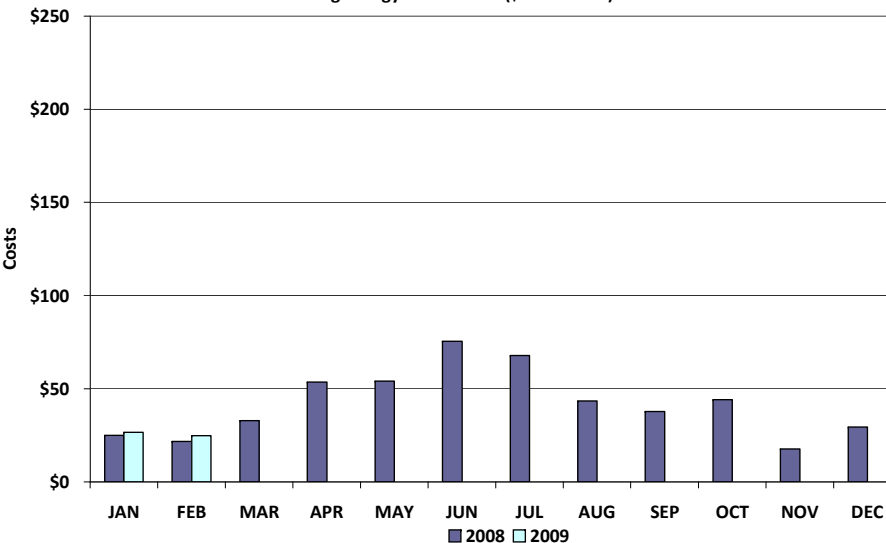
**Balancing Energy Up Costs (\$ in millions)**



**Balancing Energy Down**

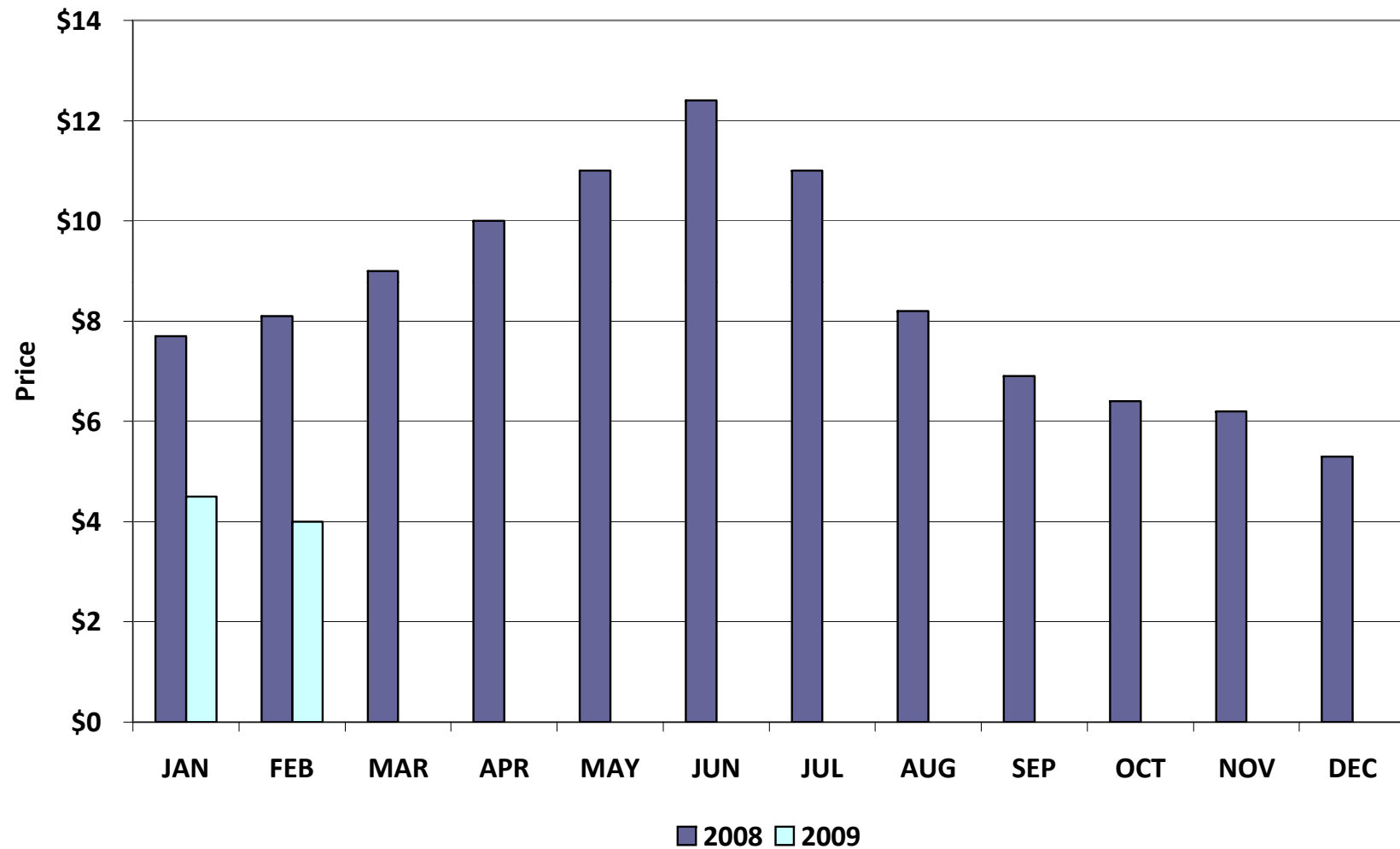


**Balancing Energy Down Costs (\$ in millions)**



# Natural Gas Price Index

Natural Gas Price Index (\$/MMBTU)



# Load Zone Price Data

## Total Load Weighted Average Price (\$/MWH)\*

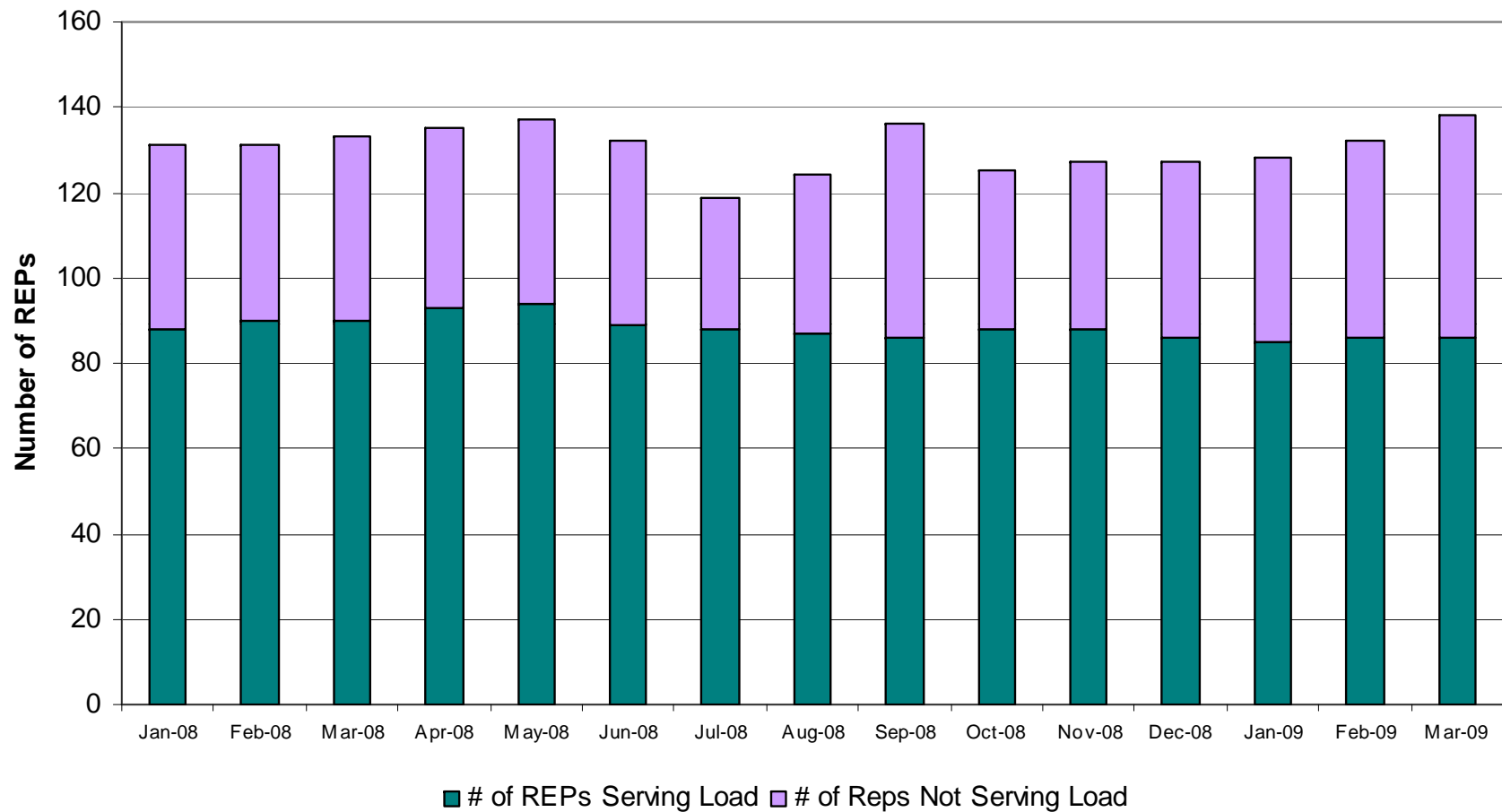
[MCPE weighted by Total Zonal Load]

<b><u>LOAD ZONE</u></b>	<b><u>Feb 2009</u></b>	<b><u>Jan 2009</u></b>
South	\$27.27	\$34.69
North	\$27.89	\$32.31
Houston	\$27.19	\$32.78
West	\$19.93	\$24.04

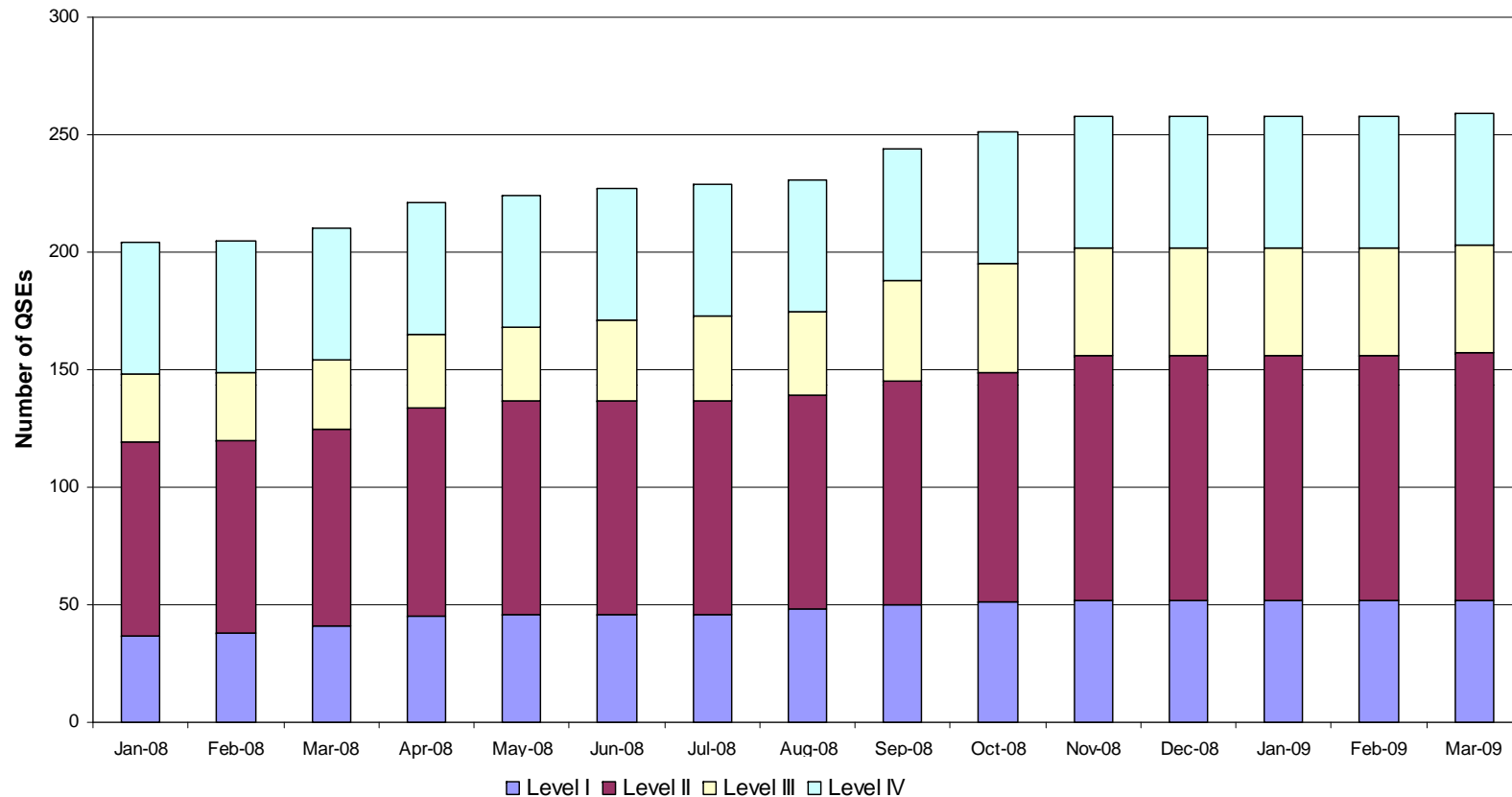
<b><u>LOAD ZONE</u></b>	<b><u>Feb 2008</u></b>	<b><u>Jan 2008</u></b>
South	\$63.26	\$60.24
North	\$59.05	\$62.31
Houston	\$60.06	\$60.16
West	\$56.84	\$52.04

*\*Represents the average price for loads within the zone*

# Certified REPs



# QSE Registrations



For administrative purposes ERCOT classifies QSEs in four (4) service levels. This is to ensure qualification commensurate with the types of services each QSE expects to perform in the market.

**Level I:** Qualified to perform Inter-QSE trades only; does not have direct representation of Load Serving Entities or Resource Entities.

**Level II:** Qualified to represent Load serving Entities; does not have direct representation of Resource Entities; may also perform level 1 activity.

**Level III:** Qualified to represent Load Serving Entities and/or Resource Entities without providing Ancillary Services; may also perform level 1 and 2 activities.

**Level IV:** Qualified to represent Load Serving Entities and/or Resource Entities and provide Ancillary Services; may also perform level 1, 2 and 3 activities.

## REPs and QSEs Added/Terminated – as of March 31, 2009

- **Added Reps**

- ✓ True Electric, LLC
- ✓ Energy Services Providers of Texas, Inc.

- **Added QSEs**

- ✓ New Century Power, LLC

- **Terminated Reps**

- ✓ None

- **Terminated QSEs**

- ✓ None

Questions ?