



EILS Update

Paul Wattles, ERCOT Staff

DSWG

December 18, 2009

- **Settlement on Nov. 11**
- **Overall availability factor of 96.5%**
- **Overall payout of \$6.142 million**
- **Payout reduced by ~\$219,700 due to availability factors <95%**
- **Some EILS Resources will be suspended**
 - Suspension notices will be sent by end of year

- **Revised schedule:**
 - RID due date pushed back to Dec. 28
 - Baseline assignments to QSEs by Dec. 30
 - Bid due date pushed back to Jan. 11

- **Substitution provisions were revised for Feb.-May 2010 Contract Period**
 - Pre-qualification requirement for substituting resources
 - 150% cap for Alt Baseline substitutions
 - Suspension issues for substituting resources that fall short of 95% availability
- **ERCOT Staff will revisit substitution provisions on an ongoing basis**

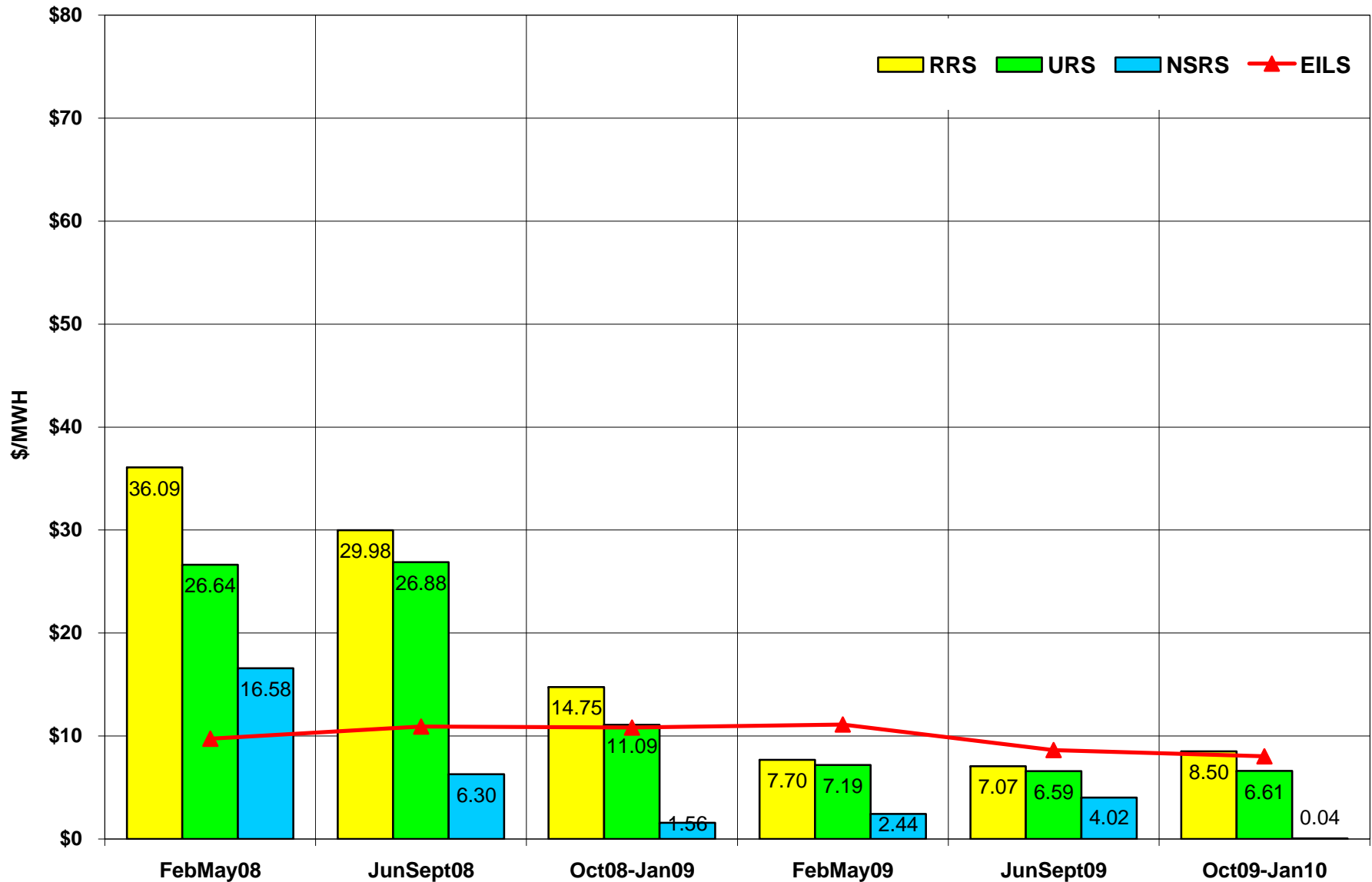
From the document detailing ERCOT's process for determining reasonableness of bids:

ERCOT will consider the following hierarchy of factors in determining the reasonableness of a bid:

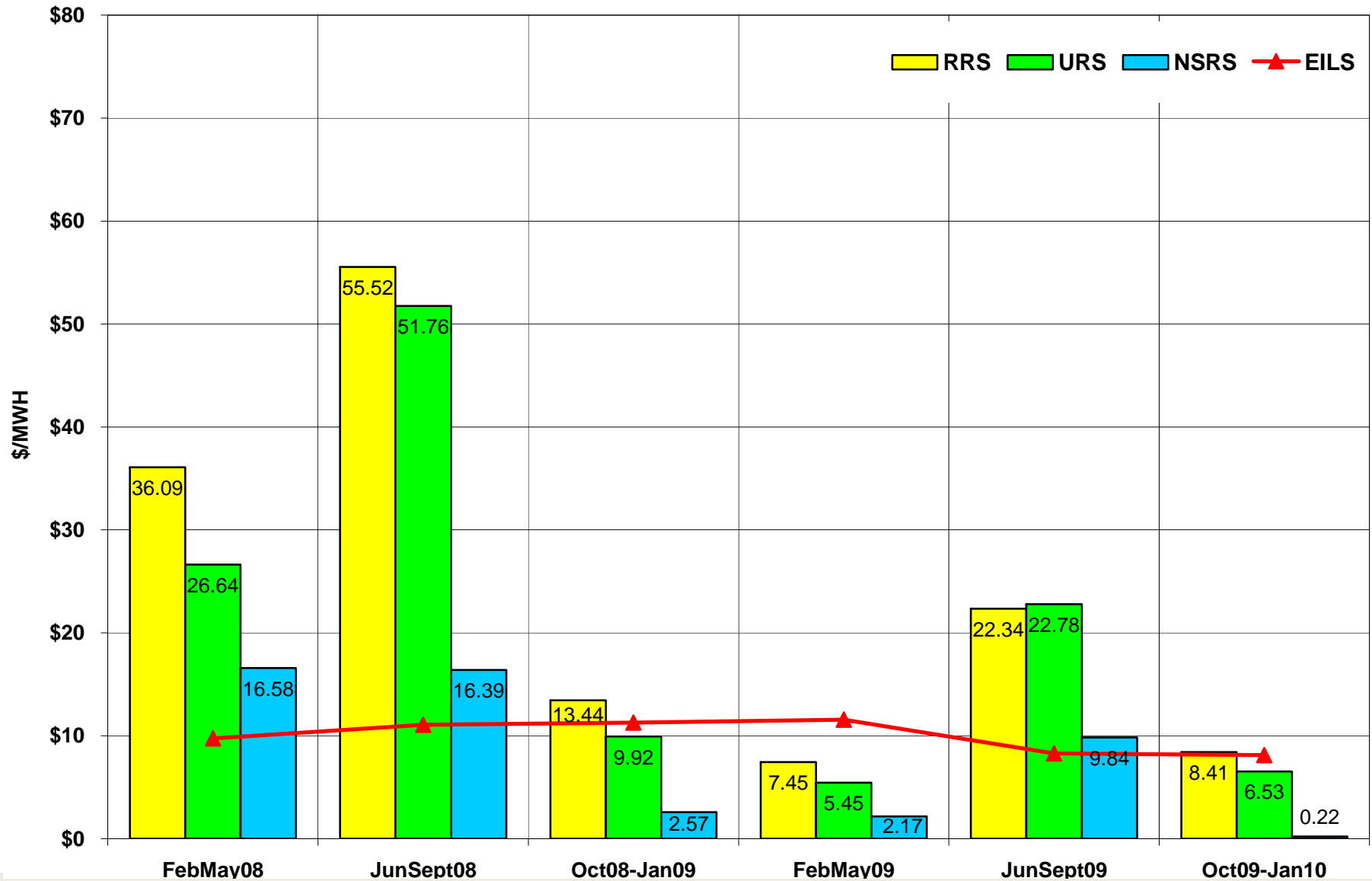
1. A comparison of the price of the next bid to the cost of Ancillary Services such as Responsive Reserve Service, Up-Regulation Service and Non-spin Reserve Service for comparable time periods, taking into account the relative value of EILS and each Ancillary Service to the reliability of the ERCOT System.

ERCOT will pay close attention to clearing-price trends in the Ancillary Services markets to ensure that EILS costs remain relatively consistent in comparison to the costs of higher quality services such as Responsive Reserves or Up-Regulation. ERCOT will assess such trends by evaluating clearing prices over periods including, but not limited to, the following: preceding 12 months; months from the prior year corresponding to the upcoming Contract Period; and last 30 days.

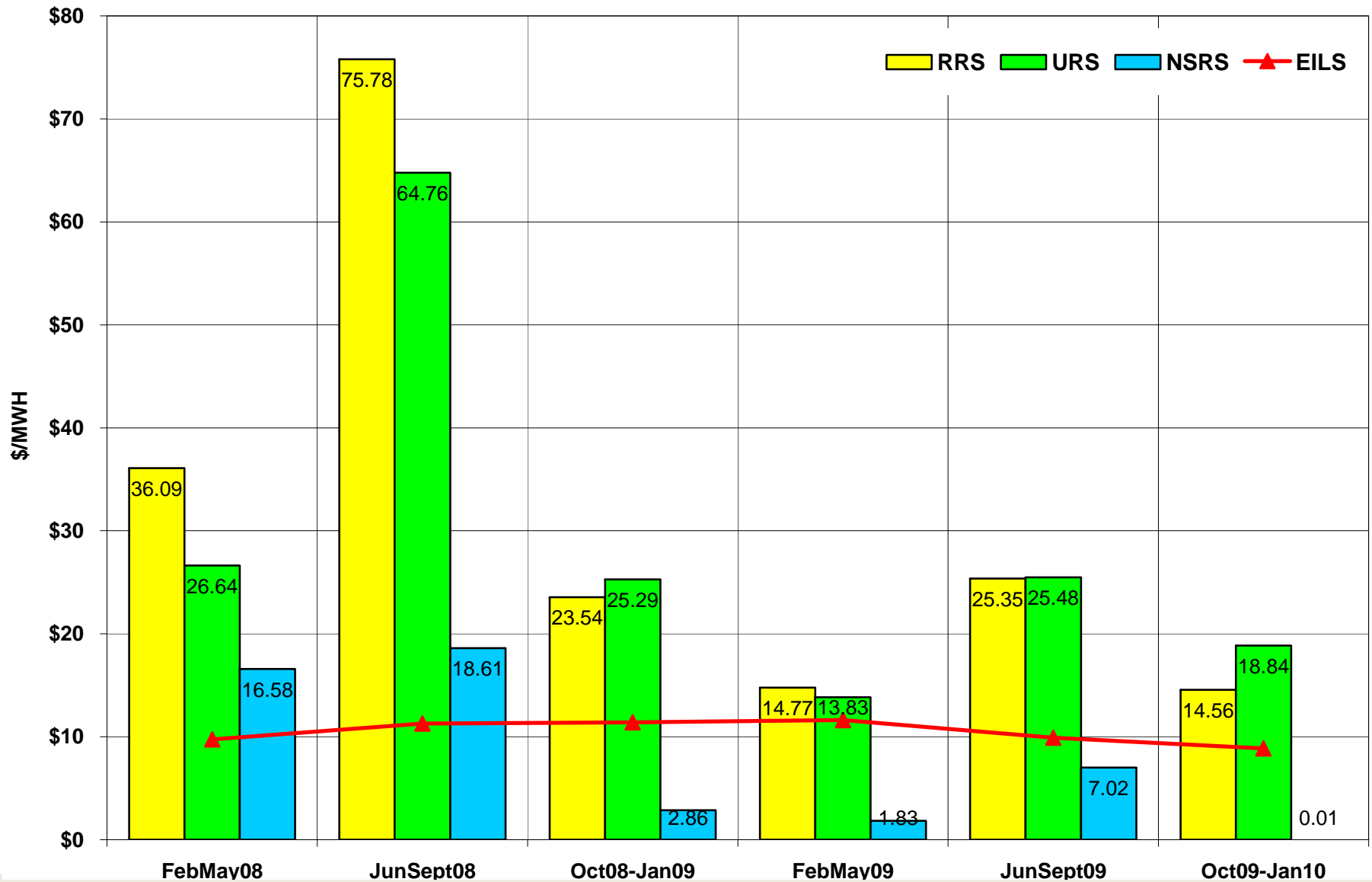
A/S Price Comparison: Business Hours 1



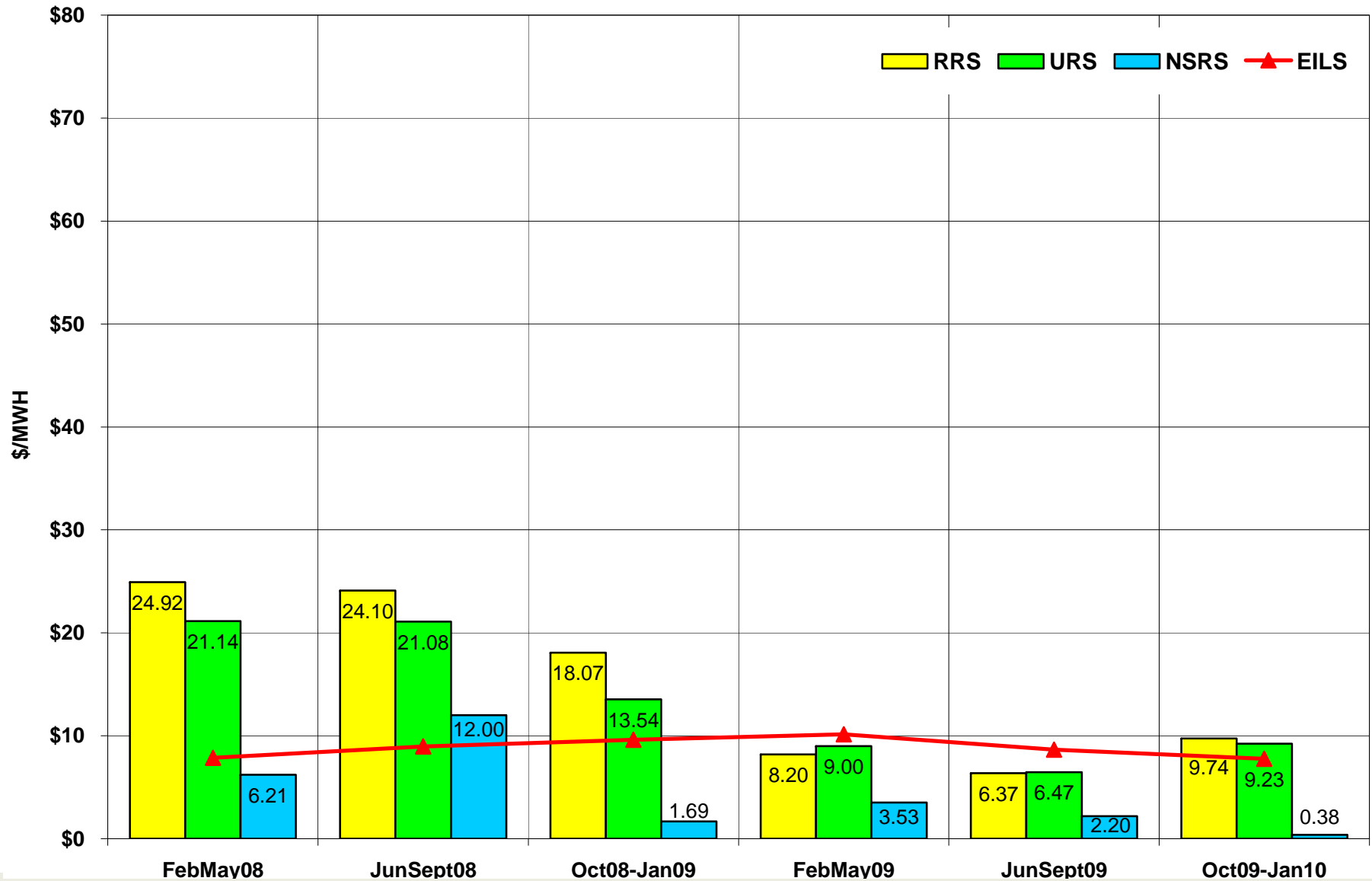
A/S Price Comparison: Business Hours 2



A/S Price Comparison: Business Hours 3



A/S Price Comparison: Non-Business Hours



Questions?

