



Market Operations Presentation

ERCOT Board of Directors

April 20, 2010

Betty Day

Summary

Retail Activity

- **Overall Activity** – Overall retail activity was up in March. YTD numbers are comparable between 2009 and 2010.
- **Migration From Native AREPs** – No changes from prior month. More than half the load in all customer classes has migrated away from the Affiliate REP.
- **Transaction Performance Measures** – System issues on March 7 resulted in some metrics falling below the 98% target for the month of March.

Wholesale Activity

- **Settlements & Billing Performance Measures** – Perfect performance in February.
- **Energy Services** – Monthly and YTD energy volumes are up significantly in 2010 compared to 2009 due to colder weather.
- **Capacity Services** – Capacity service costs are up from a year ago – MCPCs are higher. Procured a higher volume of Non-Spin due to changes in A/S procurement methodology late last year.
- **Summary Balancing Energy Price Data** – Price by zone is up from same period last year.
- **Congestion Management** – Local congestion (volumes and costs) are down from the same period last year.
- **REPs and QSEs Added/Terminated**
 - 1 new REPs
 - 3 terminated REPs
 - 6 new QSEs
 - 1 terminated QSEs

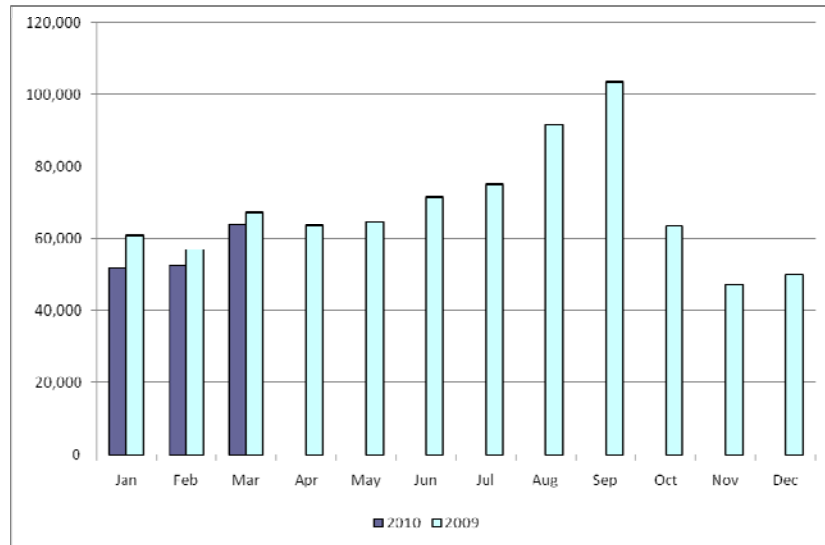
Overall Activity

Retail Transactions Summary

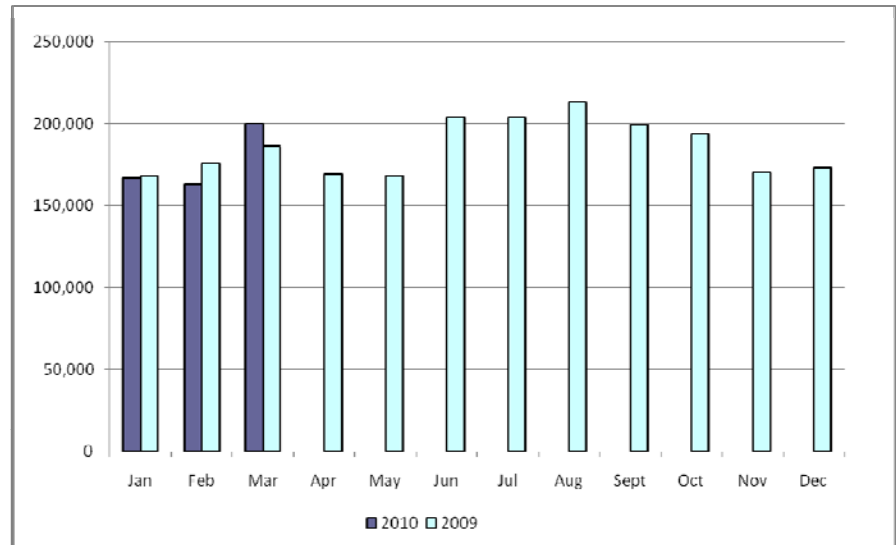
Transaction Type	YTD		March	
	<u>03/31/2010</u>	<u>03/31/2009</u>	<u>2010</u>	<u>2009</u>
Switches	168,330	185,100	63,863	67,261
Move - Ins	529,756	529,800	199,862	186,097
Move Out	282,736	291,172	104,010	99,773
CSA (Continuous Service Agreement)	106,302	89,092	36,460	25,652
Mass Transition	0	0	0	0
Total	1,087,124	1,095,164	404,195	378,783
Since June 1, 2001	36,833,510			

Retail Transactions Summary

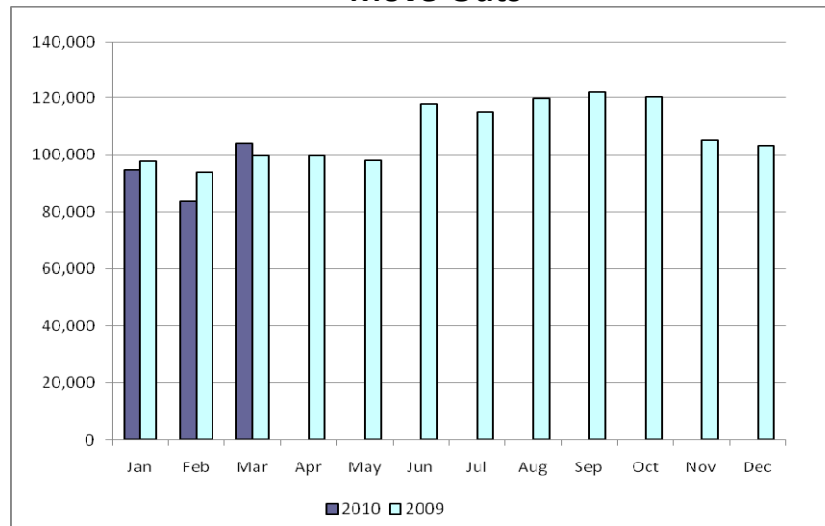
Switches



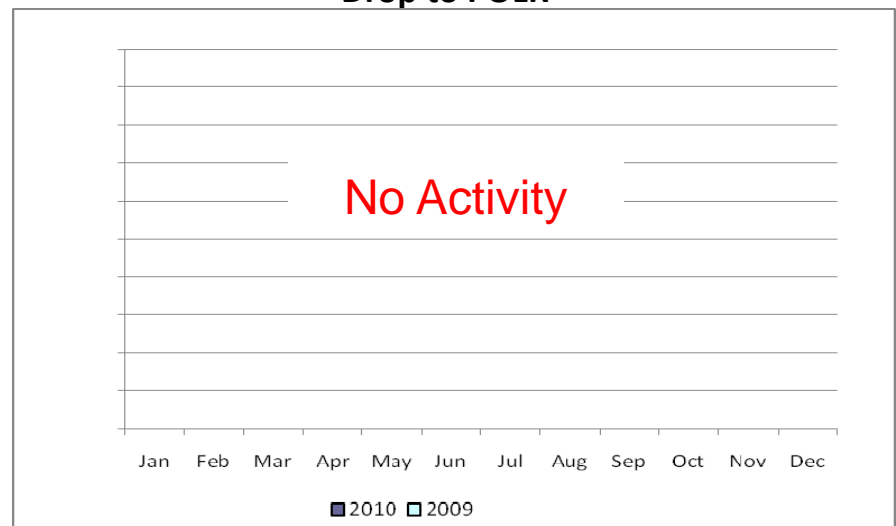
Move-Ins



Move-Outs



Drop to POLR



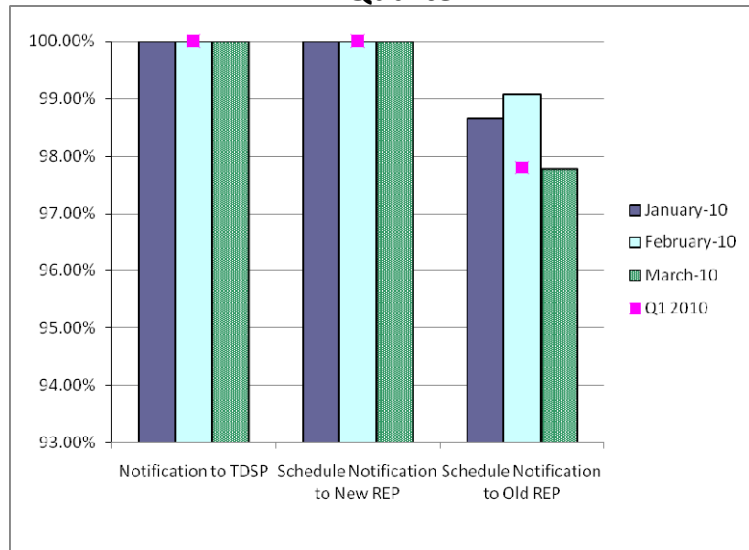
Migration from Native Affiliate REP

	% of Load ¹		% of ESI IDs	
	at <u>02/28/10</u>	at <u>02/28/09</u>	at <u>02/28/10</u>	at <u>02/28/09</u>
Residential	51%	46%	49%	45%
Small Non-Residential	79%	78%	56%	51%
Large Non-Residential	76%	74%	78%	75%

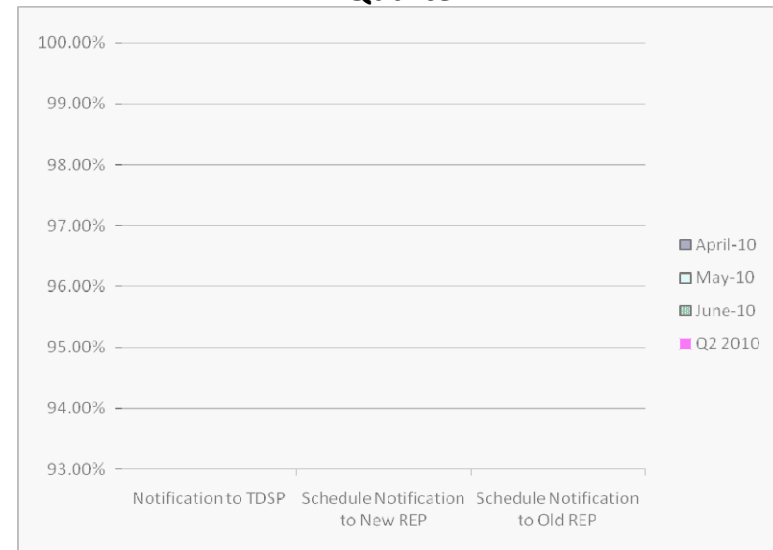
¹ - Percent of Deregulated (Non-NOIE) ESI IDs and Load. Usage based on monthly settlement results.

Retail Performance Measures – 2010 Switch

1st Quarter



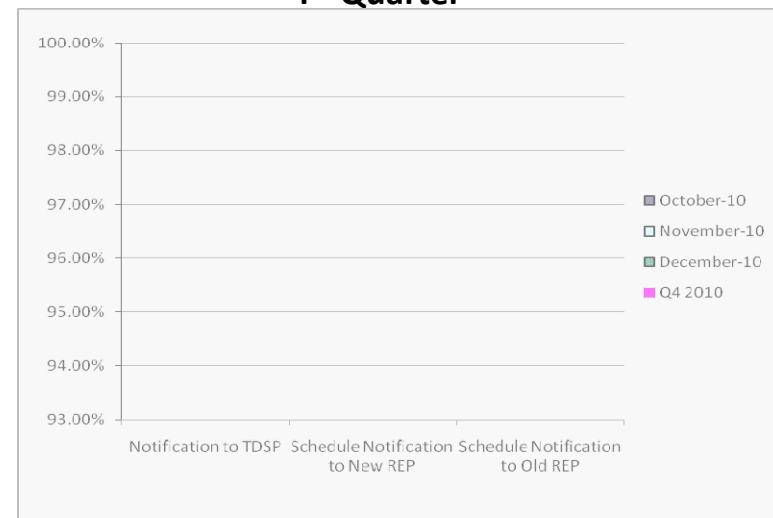
2nd Quarter



3rd Quarter

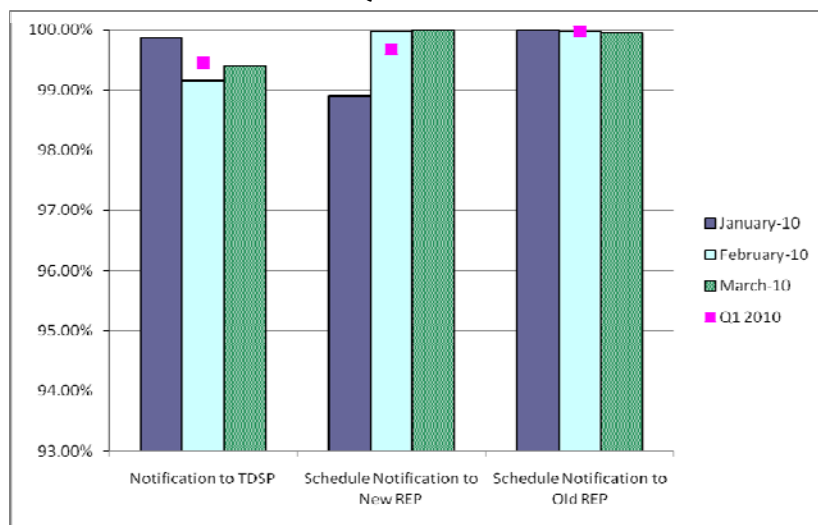


4th Quarter



Retail Performance Measures – 2010 Move-In / Priority

1st Quarter



2nd Quarter



3rd Quarter

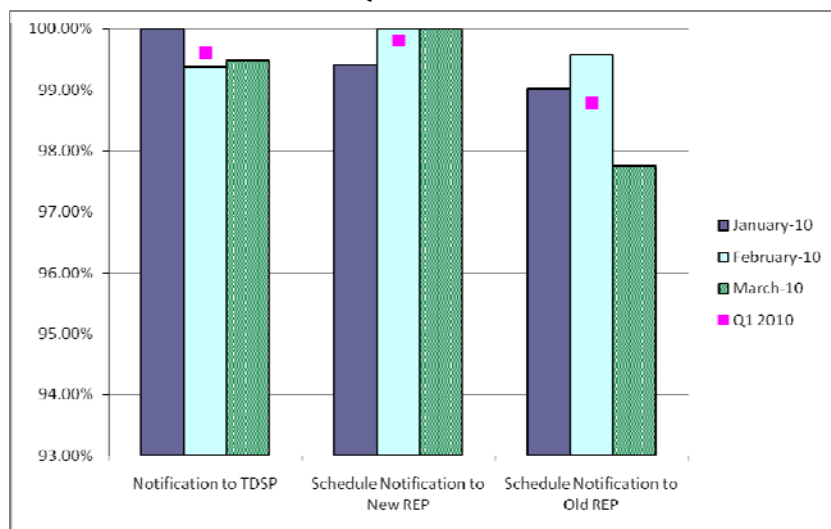


4th Quarter

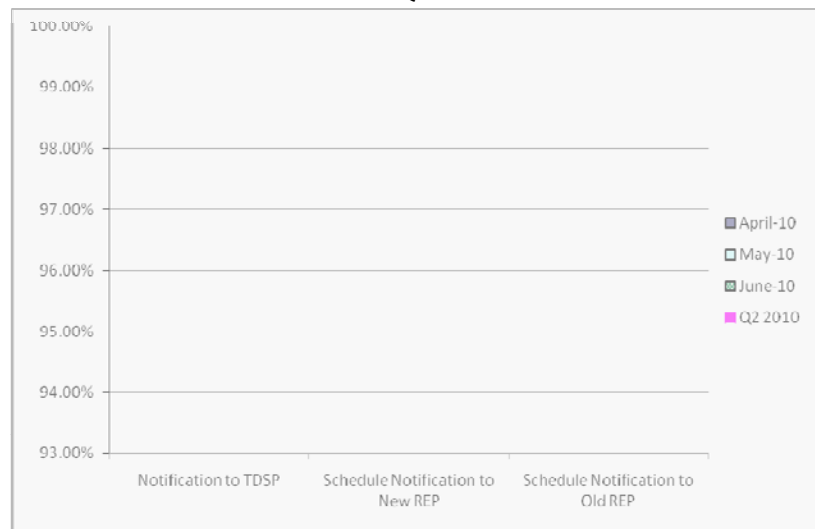


Retail Performance Measures – 2010 Move-In / Standard

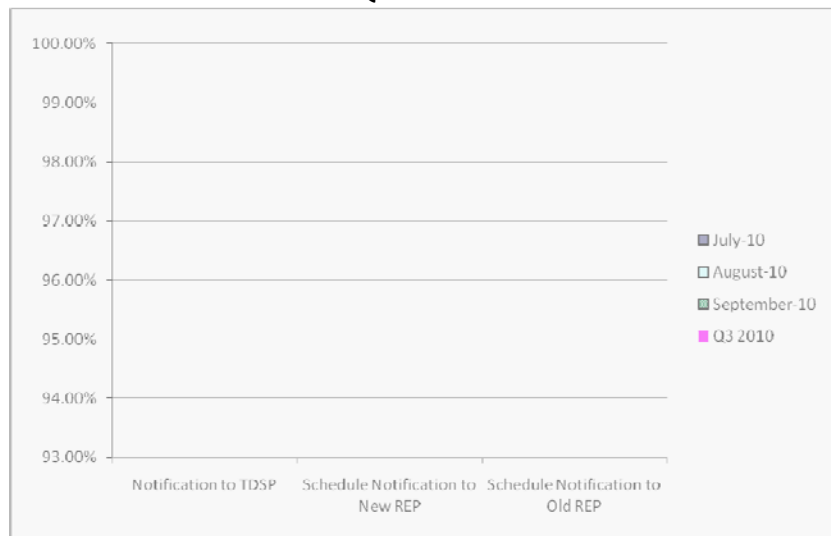
1st Quarter



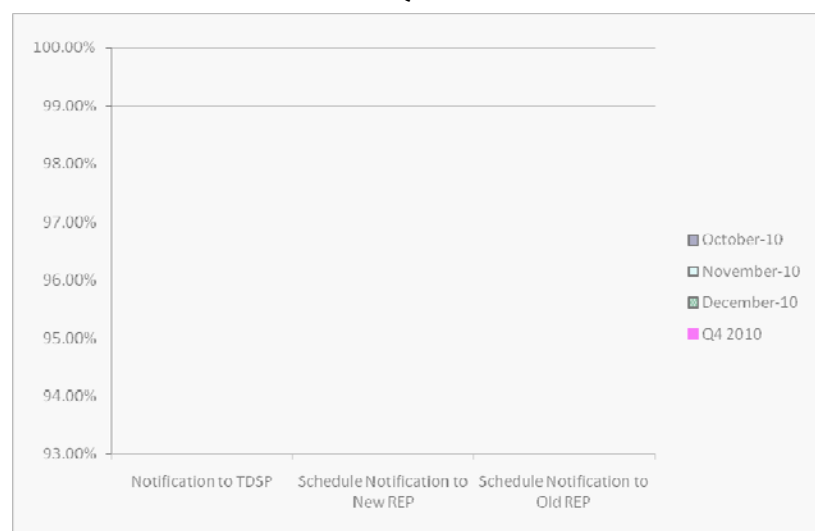
2nd Quarter



3rd Quarter



4th Quarter



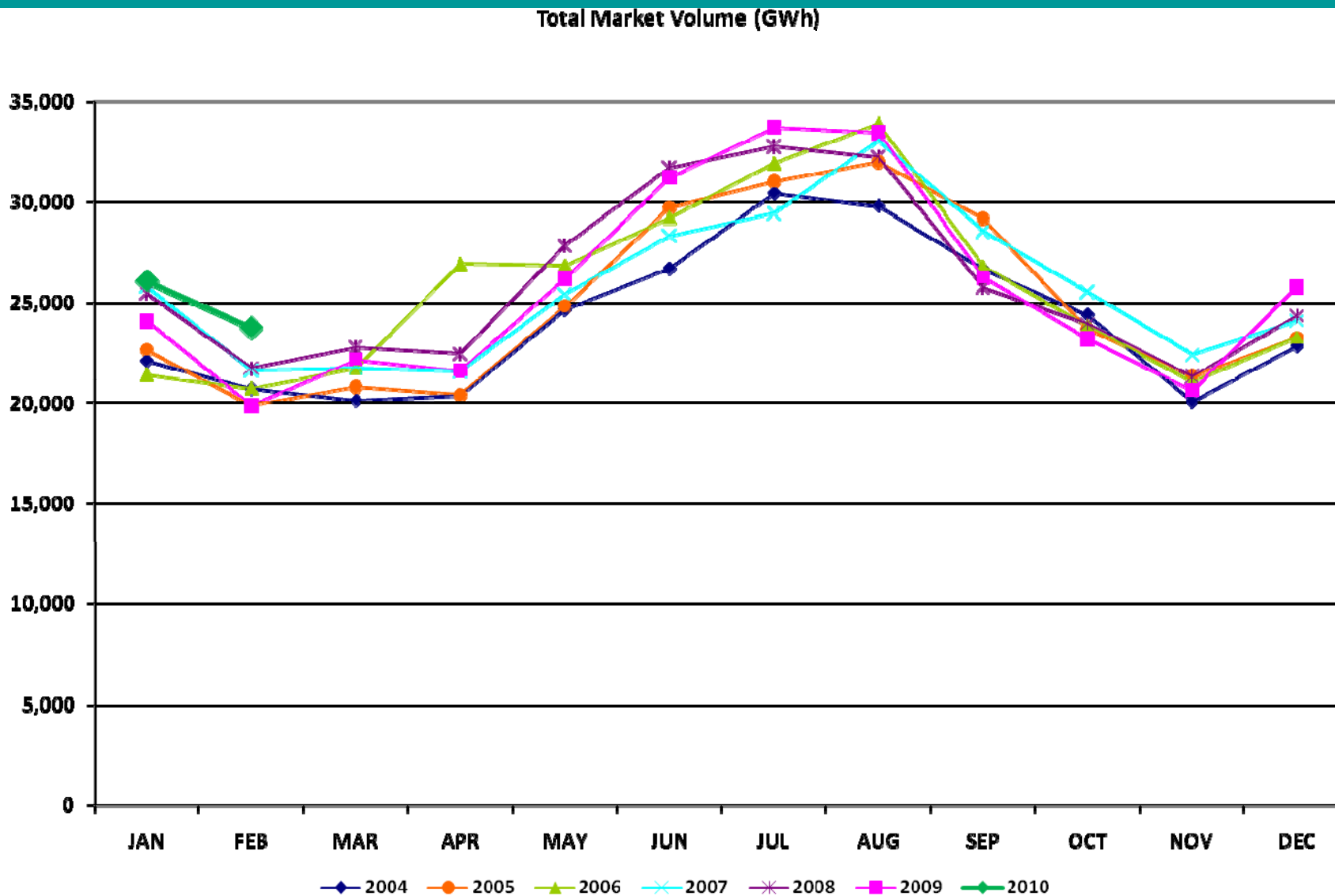
Settlements and Billing Performance Measures – February 2010

	YTD		February	
	<u>02/28/10</u>	<u>02/28/09</u>	<u>2010</u>	<u>2009</u>
Settlement Statements:				
Total	27,475	24,388	13,663	11,820
– Less than 24 hours late	0	109	0	109
– Greater than 24 hours late	0	0	0	0
Balance	27,475	24,279	13,663	11,711
% Within Protocol	100.00%	99.55%	100.00%	99.08%
Invoices:				
Total	1,470	1,628	743	713
– Less than 24 hours late	0	0	0	0
– Greater than 24 hours late	0	0	0	0
Balance	1,470	1,628	743	713
% Within Protocol	100.00%	100.00%	100.00%	100.00%

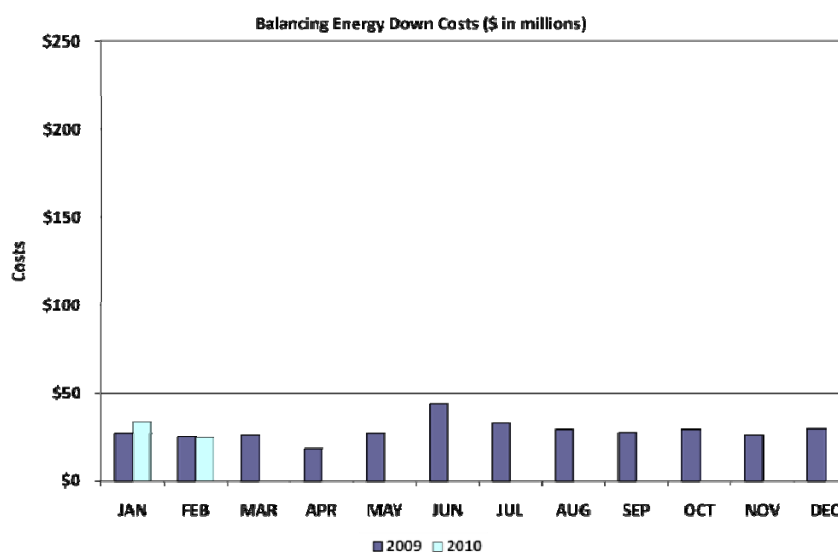
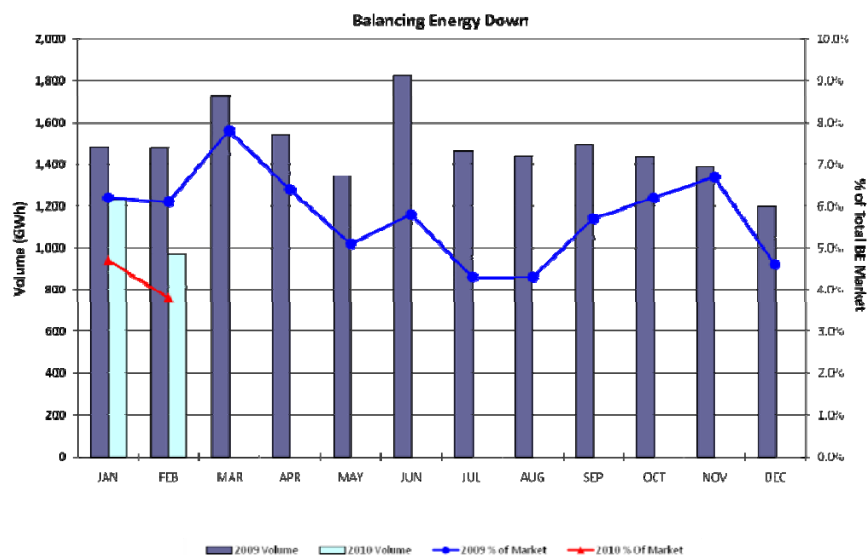
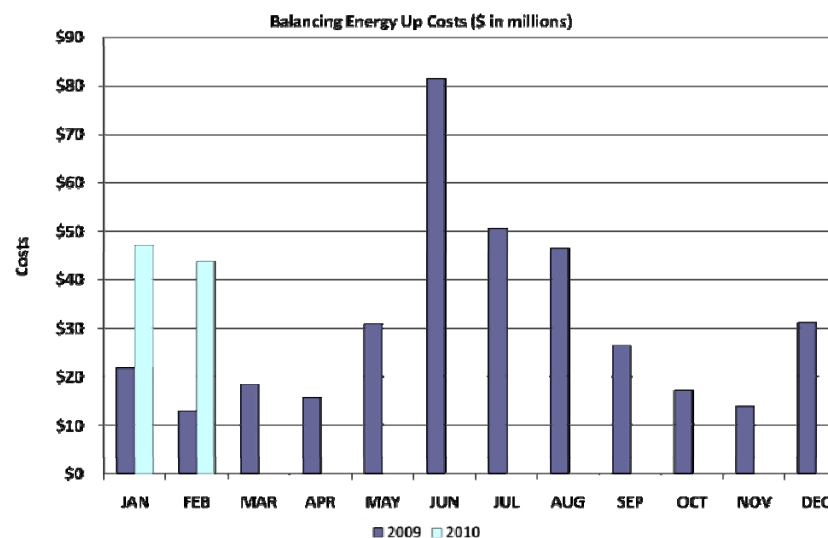
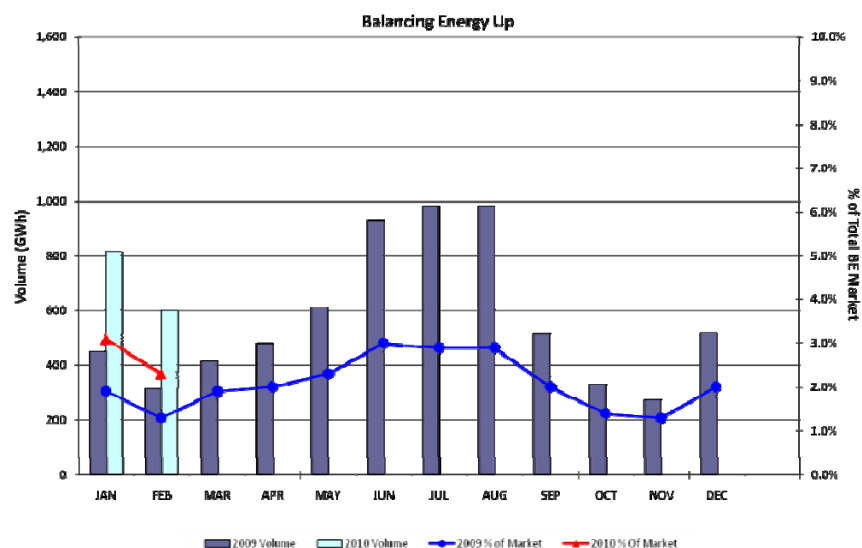
Energy Services

	YTD (\$'s in millions)		February (\$'s in millions)	
	<u>02/28/10</u>	<u>02/28/09</u>	<u>2010</u>	<u>2009</u>
• Market Perspective:				
Approximate Retail Market (at \$.11/kWh)	\$5,479.2	\$4,838.8	\$2,611.2	\$2,187.8
Volume (GWh)	49,811	43,989	23,738	19,889
% Increase	13.2%		19.4%	
Natural Gas Price Index (\$/MMBTU)	5.5	4.3	5.2	4.0
% Increase	27.9%		30.0%	
• Balancing Energy:				
Balancing Energy - Up	\$90.8	\$34.9	\$43.7	\$12.9
% Increase	160.2%		238.8%	
Up (GWh)	1,414.1	761.7	599.3	312.9
% Increase	85.7%		91.5%	
% of Market	2.8%	1.7%	2.5%	1.6%
Balancing Energy - Down	-\$58.1	-\$51.4	-\$24.5	-\$24.8
% Increase	13.0%		-1.2%	
Down (GWh)	-2,200.7	-2,964.2	-967.4	-1,480.1
% Increase	-25.8%		-34.6%	
% of Market	4.4%	6.7%	4.1%	7.4%

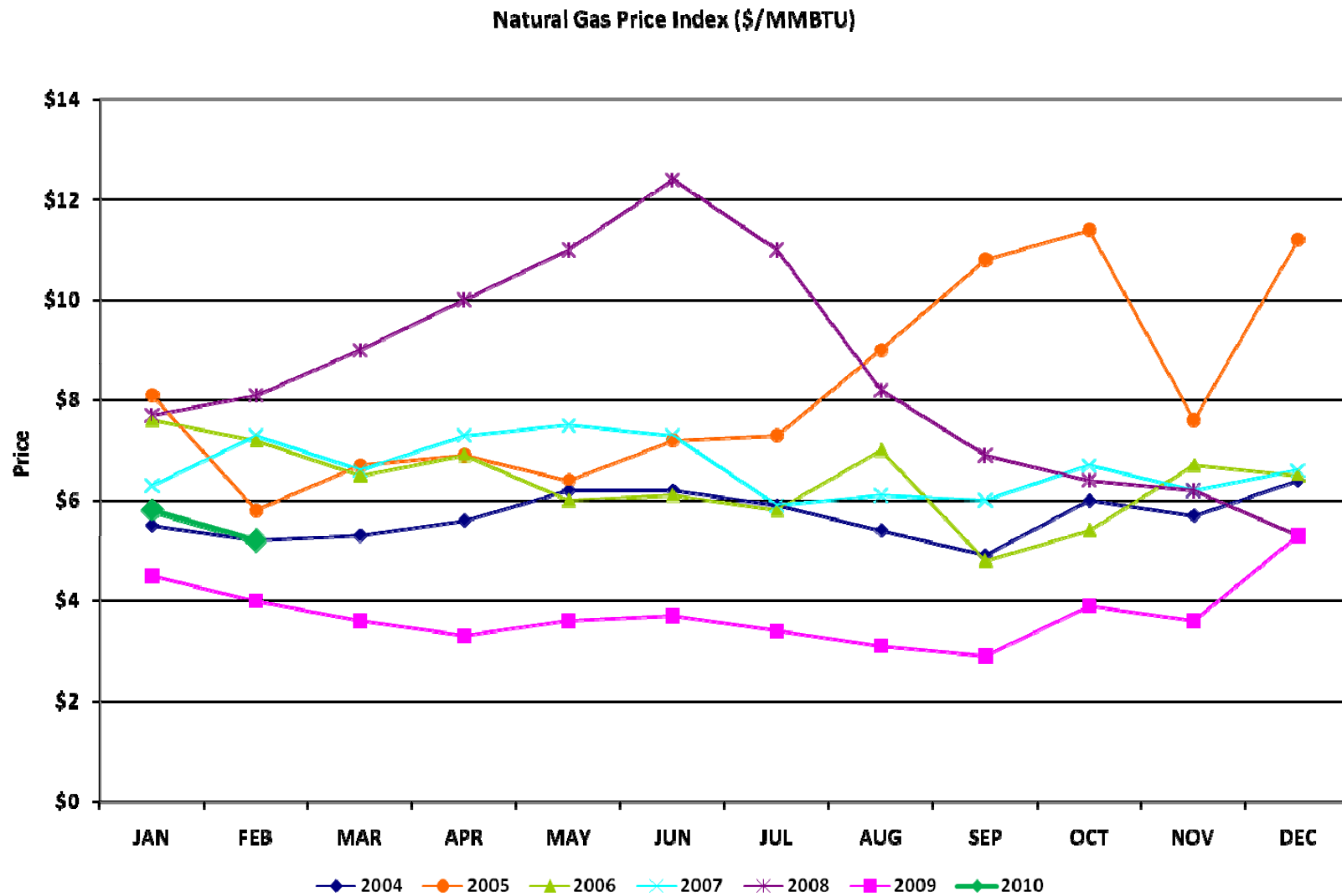
Energy Services



Balancing Energy Services – Volume and Cost



Natural Gas



Capacity Services

	YTD		February	
	<u>02/28/10</u>	<u>02/28/09</u>	<u>2010</u>	<u>2009</u>
Reg Up:				
Required (MW)	1,173,596	1,150,541	557,712	547,756
Self Arranged (MW)	230,620	244,690	108,424	118,830
Procured (MW)	946,666	908,580	450,876	430,250
Mismatch Schedules (MW)	(3,690)	(2,729)	(1,588)	(1,324)
% Procured	81%	79%	81%	79%
Weighted Avg MCPC (\$/MW)	14.5	11.4	11.8	10.6
Reg Down:				
Required (MW)	1,239,955	1,145,055	621,291	558,180
Self Arranged (MW)	257,830	345,296	128,575	173,692
Procured (MW)	985,445	802,330	494,285	385,748
Mismatch Schedules (MW)	(3,320)	(2,571)	(1,569)	(1,260)
% Procured	79%	70%	80%	69%
Weighted Avg MCPC (\$/MW)	15.5	15.2	14.1	12.1
Responsive Reserve:				
Required (MW)	3,253,043	3,252,480	1,543,517	1,543,674
Self Arranged (MW)	1,194,077	1,315,772	575,224	645,792
Procured (MW)	2,063,280	1,940,783	970,376	899,803
Mismatch Schedules (MW)	(4,314)	(4,075)	(2,083)	(1,921)
% Procured	63%	60%	63%	58%
Weighted Avg MCPC (\$/MW)	11.8	11.3	9.9	8.4
Non-Spinning Reserve:*				
Required (MW)	2,694,147	1,959,836	1,232,447	902,273
Self Arranged (MW)	350,334	297,497	154,358	134,535
Procured (MW)	2,347,318	1,666,071	1,080,218	769,081
Mismatch Schedules (MW)	(3,505)	(3,732)	(2,129)	(1,343)
% Procured	87%	85%	88%	85%
Weighted Avg MCPC (\$/MW)	7.2	1.1	4.0	1.0
Local Replacement Reserve:				
Procured (MW)	15,393	41,132	10,841	26,261
Zonal Replacement Reserve:				
Procured (MW)	40,884	32,024	19,009	14,830
OOMC:				
Procured (MW)	1,105,515	1,598,170	368,120	649,399

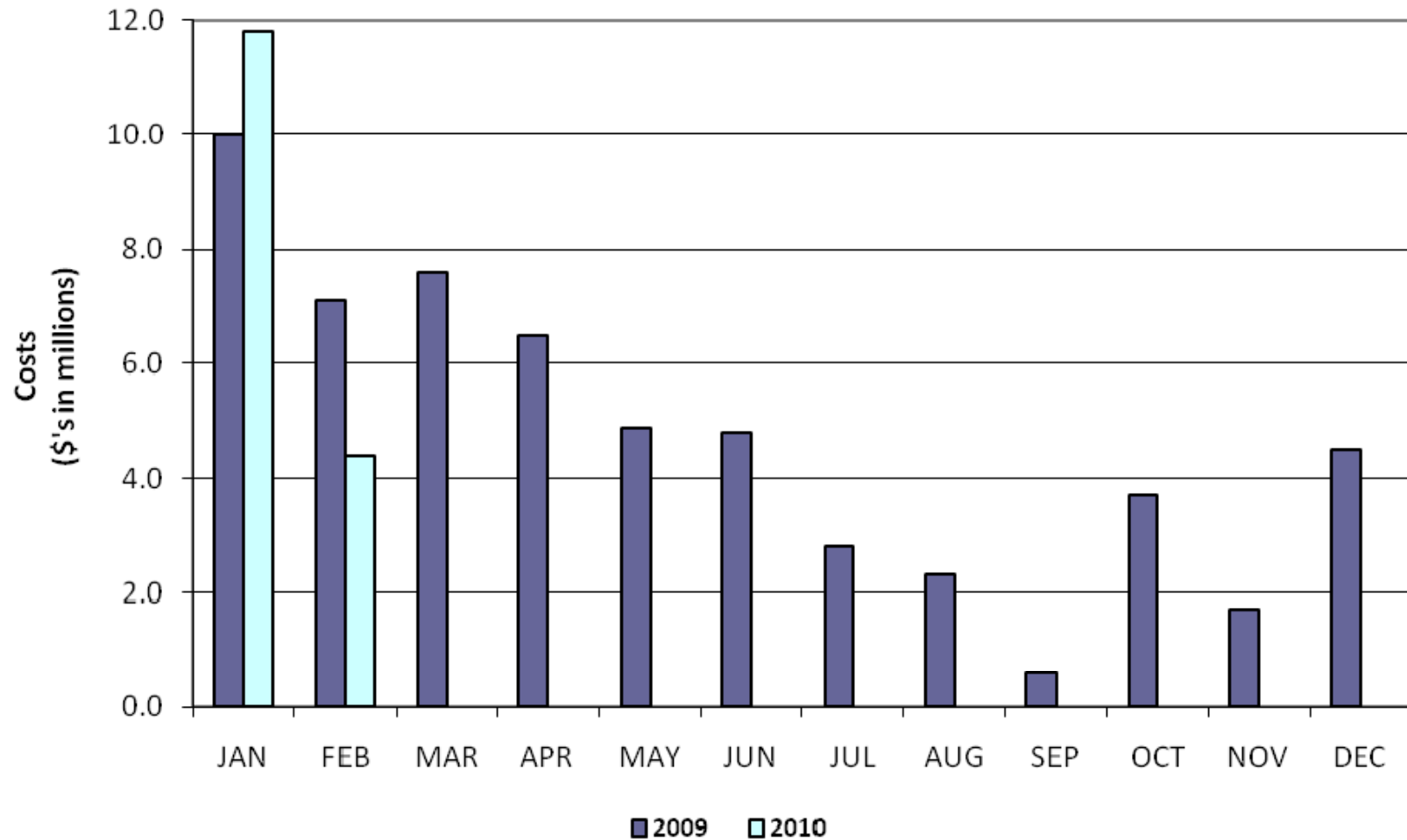
*A/S procurement methodology changed in December 2009



Capacity Services – Cost

	YTD (\$'s in millions)		February (\$'s in millions)	
	<u>02/28/10</u>	<u>02/28/09</u>	<u>2010</u>	<u>2009</u>
• Capacity Services:				
Reg Up	13.7	10.4	5.3	4.6
Reg Down	15.3	12.2	7.0	4.7
Responsive Reserve	24.3	22.0	9.6	7.6
Non-Spinning Reserve*	16.9	1.9	4.3	0.8
Local Replacement Reserve	0.3	0.4	0.2	0.3
Zonal Replacement Reserve	1.7	1.0	0.7	0.2
Black Start	0.9	0.9	0.4	0.4
OOMC	16.6	17.1	4.4	7.1
RMR Capacity and Start Up	<u>\$1.1</u>	<u>\$0.0</u>	<u>\$0.5</u>	<u>\$0.0</u>
TOTAL CAPACITY SERVICES	\$90.8	\$65.9	\$32.4	\$25.7

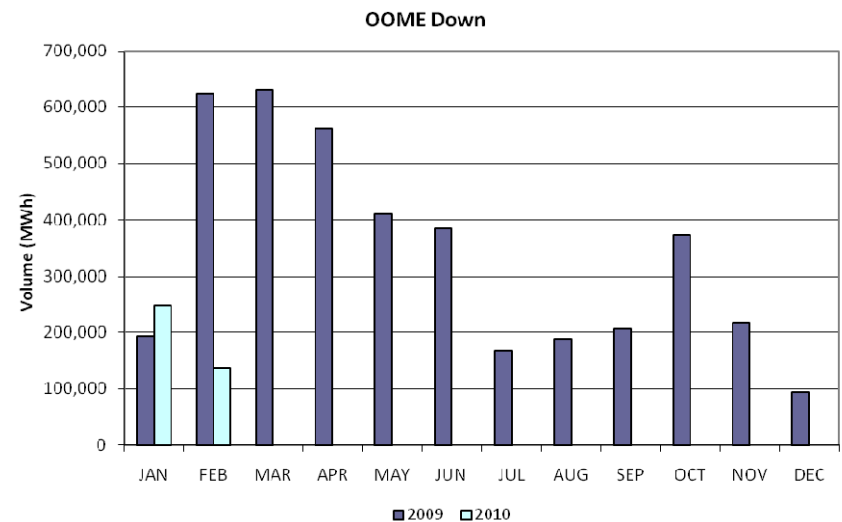
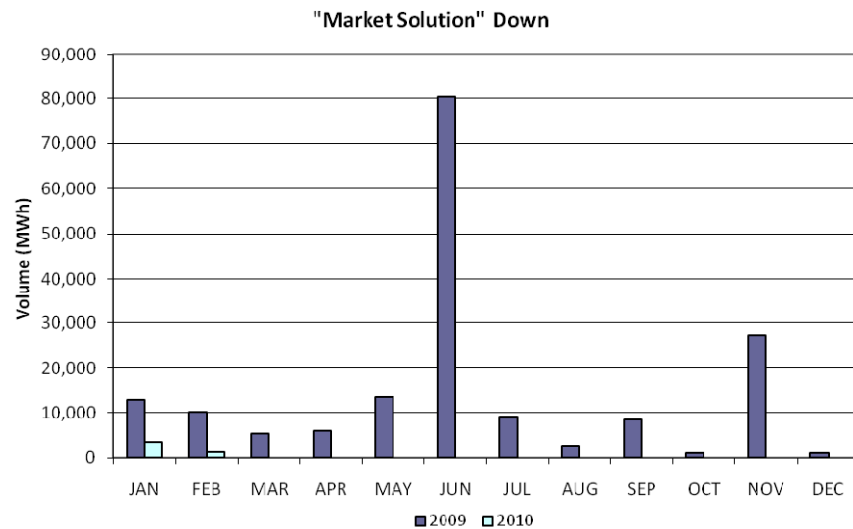
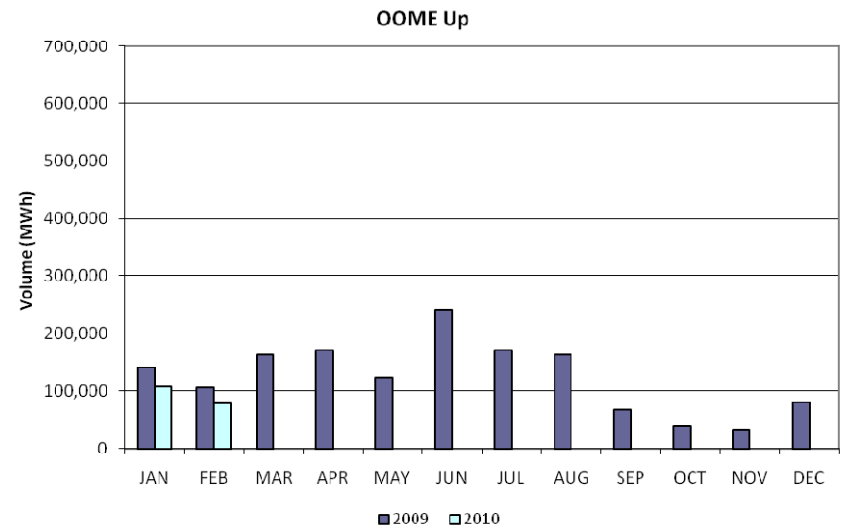
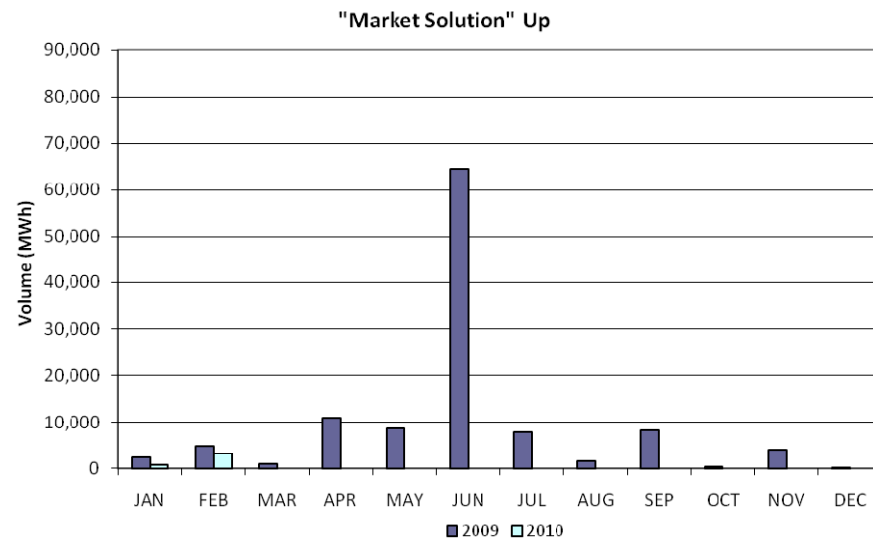
Capacity Cost – OOMC



Congestion Management

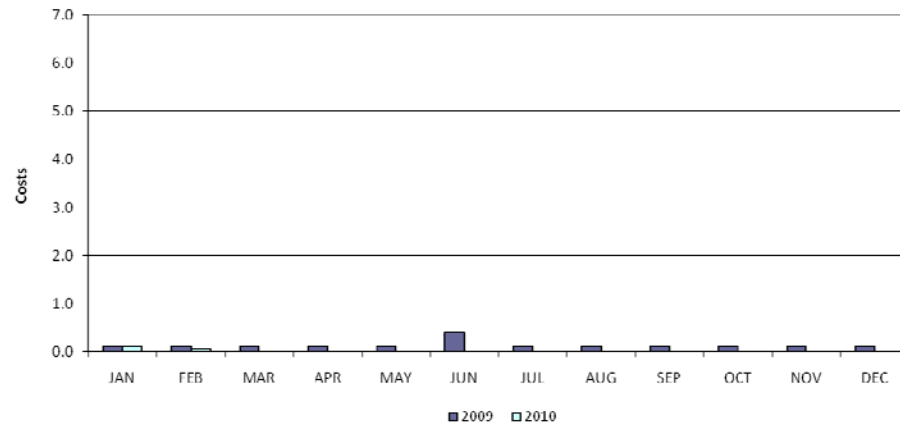
	YTD (\$'s in millions)		February (\$'s in millions)	
	<u>02/28/10</u>	<u>02/28/09</u>	<u>2010</u>	<u>2009</u>
• Local Congestion:				
"Market Solution" Down	0.4	0.6	0.03	0.1
"Market Solution" Up	0.1	0.2	0.05	0.1
OOME - Down	9.3	16.7	2.4	12.8
OOME - Up	<u>4.9</u>	<u>3.9</u>	<u>1.5</u>	<u>1.4</u>
Total Local Congestion Costs	\$14.7	\$21.4	\$4.0	\$14.4
• Local Congestion Volume: (units in MWh)				
"Market Solution" Down	4,929	23,209	1,291	10,251
"Market Solution" Up	4,063	7,421	3,298	4,952
OOME - Down	384,332	817,276	136,833	624,180
OOME - Up	<u>186,706</u>	<u>245,677</u>	<u>79,605</u>	<u>105,256</u>
Total Local Congestion Volume	580,030	1,093,584	221,028	744,639
• Zonal Congestion and TCR / PCR:				
TCR / PCR Annual Auction Proceeds received from Holders	(\$7.7)	(\$15.4)	(\$3.7)	(\$7.4)
TCR Monthly Auction Proceeds received from TCR Holders	(\$7.6)	(\$11.6)	(\$3.3)	(\$6.0)
Direct Assignment Proceeds received from QSEs based on schedules	(\$0.3)	(\$3.3)	\$0.3	(\$0.1)
Proceeds Paid to TCR / PCR Holders including Auction Refunds	<u>\$18.5</u>	<u>\$25.2</u>	<u>\$10.4</u>	<u>\$10.2</u>
Total Zonal Congestion and TCR / PCR Costs Uplift	\$2.9	(\$5.0)	\$3.8	(\$3.2)

Local Congestion Volume

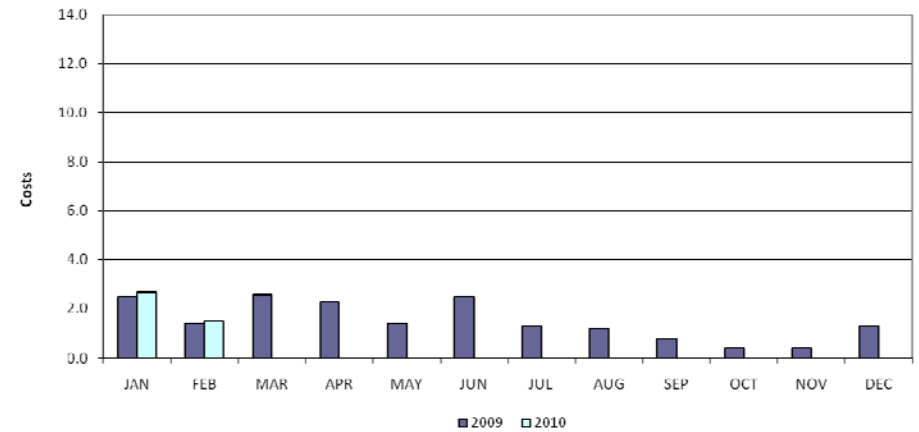


Local Congestion Costs

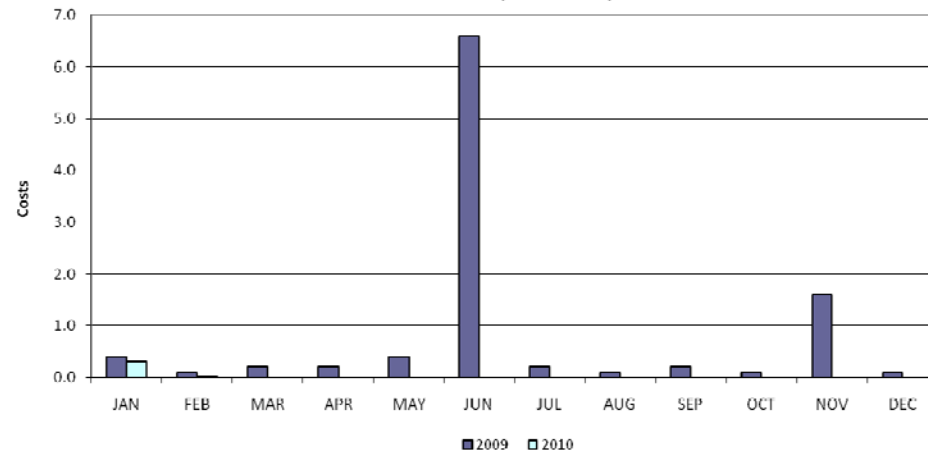
"Market Solution" Up Costs (\$ in millions)



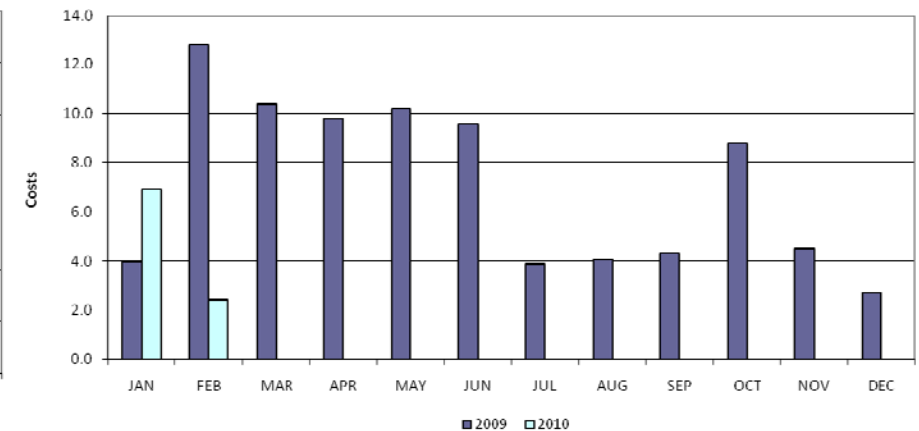
OOME Up Costs (\$ in millions)



"Market Solution" Down Costs (\$ in millions)



OOME Down Costs (\$ in millions)



Load Zone Price Data

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

[MCPE weighted by Total Zonal Load]

<u>LOAD ZONE</u>	<u>Feb 2010</u>	<u>Jan 2010</u>
South	\$47.56	\$44.43
North	\$47.57	\$42.96
Houston	\$46.65	\$42.75
West	\$40.28	\$39.19

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

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

REPs and QSEs Added/Terminated – as of March 31, 2010

- **Added REPs**

- ✓ Green Mountain Energy Company Res 2

- **Added QSEs**

- ✓ Intelligen Resources, LP
- ✓ Pattern Gulf Wind, LLC
- ✓ MP2 Energy, LLC
- ✓ Our Energy, LLC
- ✓ DC Energy Texas, LLC
- ✓ Macquarie Energy, LLC

- **Terminated REPs**

- ✓ Fulcrum Power Services, LP
- ✓ Himalaya Power, Inc.
- ✓ Sitara Energy, Inc.

- **Terminated QSEs**

- ✓ Green Mountain Energy Company

Questions?