



Commercial Market Operations

ERCOT Board of Directors

January 18, 2011

Betty Day

Summary

Retail Activity

- **Overall Activity** – Higher switch activity in December 2010 is primarily due to a single REP transferring customers from one DUNS to another.
- **Migration From Native AREPs** – Continued migration away from the Affiliate REP. Overall strong switched load numbers.
- **Transaction Performance Measures** – Excellent performance in December.
- **Advanced Metering** – Currently settling around 2.185M ESIIDS using Advanced Meter data.

Wholesale Activity

- **Settlements & Billing Performance** – Strong performance in December.
- **Settlement Dollars** - On average, around \$7.29M dollars were transacted each operating day in December for the nodal market compared to an average zonal daily dollar amount of \$14.9M.
- **Reliability Services** – Total Net Reliability Unit Commitment charges for December 2010 were \$810,000.
- **Capacity Services** – Capacity service costs for December are comparable in 2010 and 2009.
- **Congestion Management** – CRR Settlement proceeds in December totaled nearly \$31M.
- **Verifiable Costs** – Approximately 10% of resources have approved verifiable costs.
- **Disputes** – The volume of nodal disputes is lower than expected since go-live. This could be attributed in part to the holidays.
- **REPs and QSEs Added/Terminated**
 - 8 new REPs
 - 0 terminated REPs
 - 7 new QSEs
 - 5 terminated QSEs

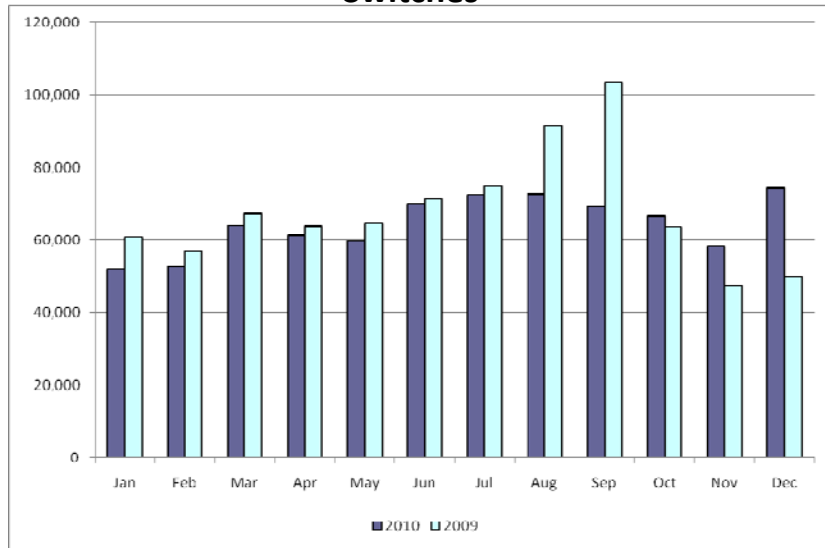
Overall Activity

Retail Transactions Summary

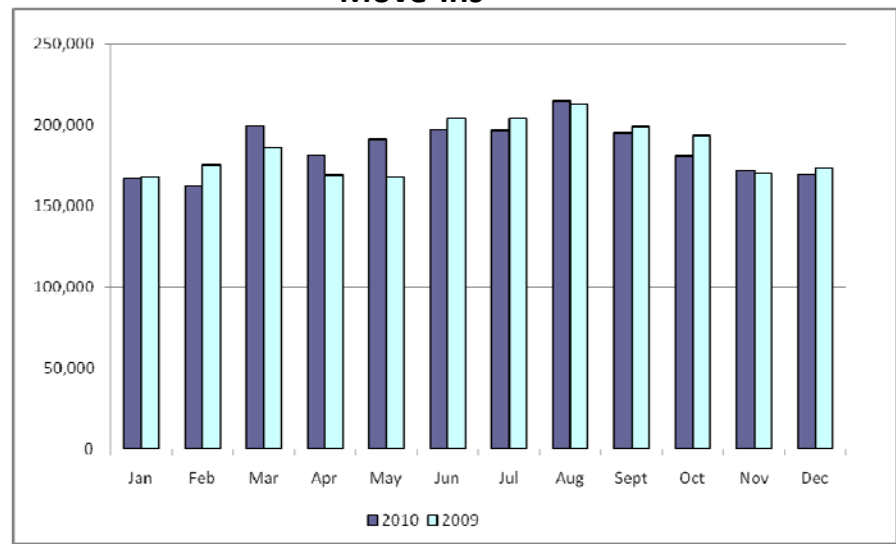
Transaction Type	YTD		December	
	<u>12/31/2010</u>	<u>12/31/2009</u>	<u>2010</u>	<u>2009</u>
Switches	773,171	815,708	74,446	49,828
Move - Ins	2,228,448	2,223,799	169,930	173,505
Move Out	1,230,254	1,291,870	93,413	102,986
CSA (Continuous Service Agreement)	403,333	376,141	43,414	40,920
Mass Transition	0	0	0	0
Total	4,635,206	4,707,518	381,203	367,239
Since June 1, 2001	40,381,592			

Retail Transactions Summary

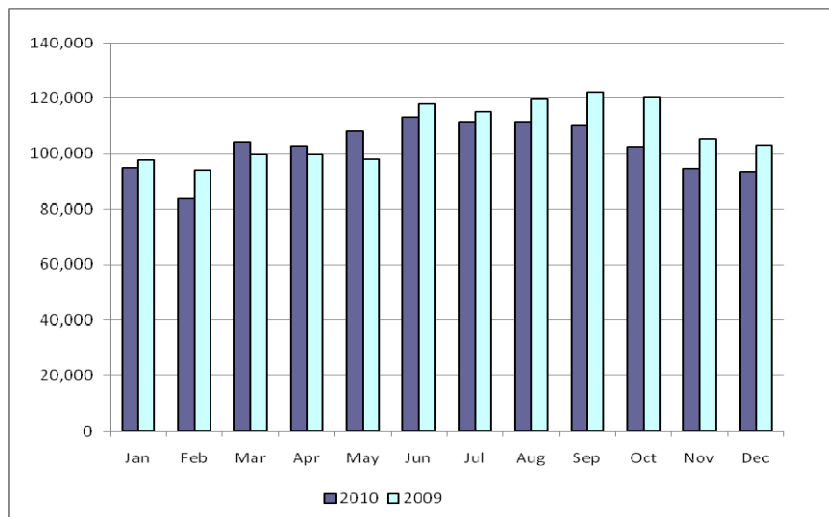
Switches



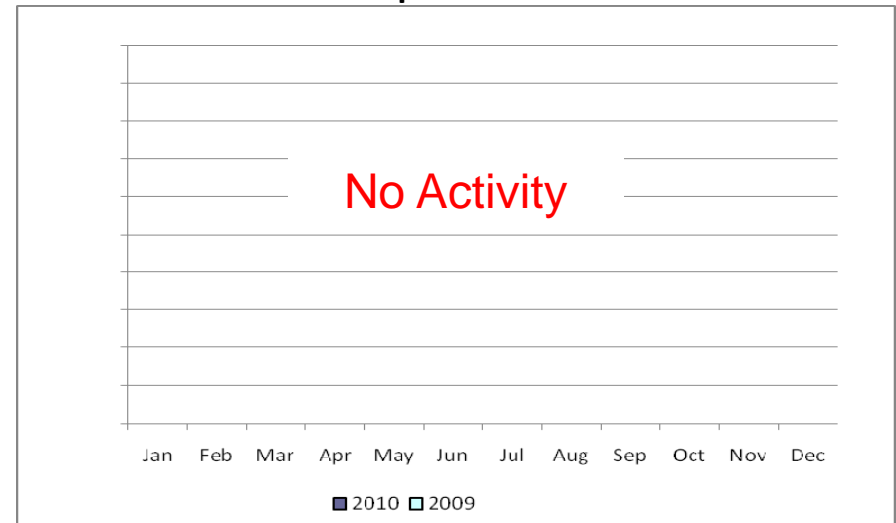
Move-Ins



Move-Outs



Drop to POLR



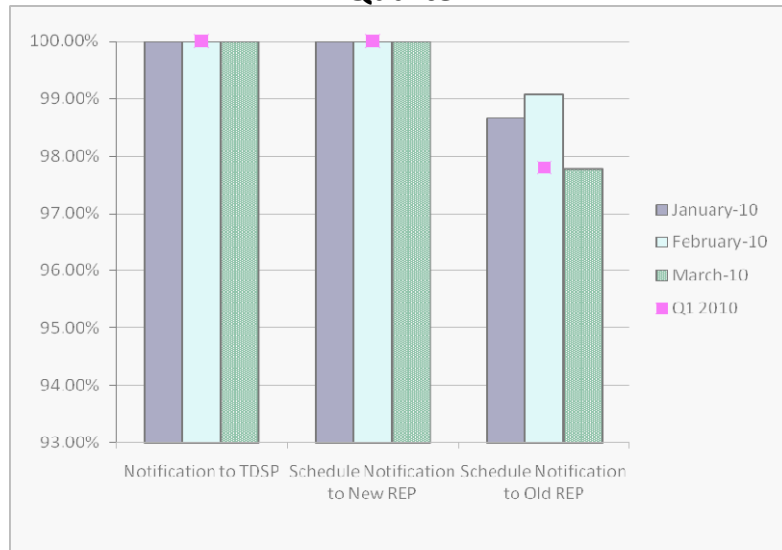
Migration from Native Affiliate REP

	% of Load ¹		% of ESI IDs	
	at <u>11/30/10</u>	at <u>11/30/09</u>	at <u>11/30/10</u>	at <u>11/30/09</u>
Residential	55%	50%	53%	49%
Small Non-Residential	81%	80%	60%	56%
Large Non-Residential	77%	76%	79%	77%

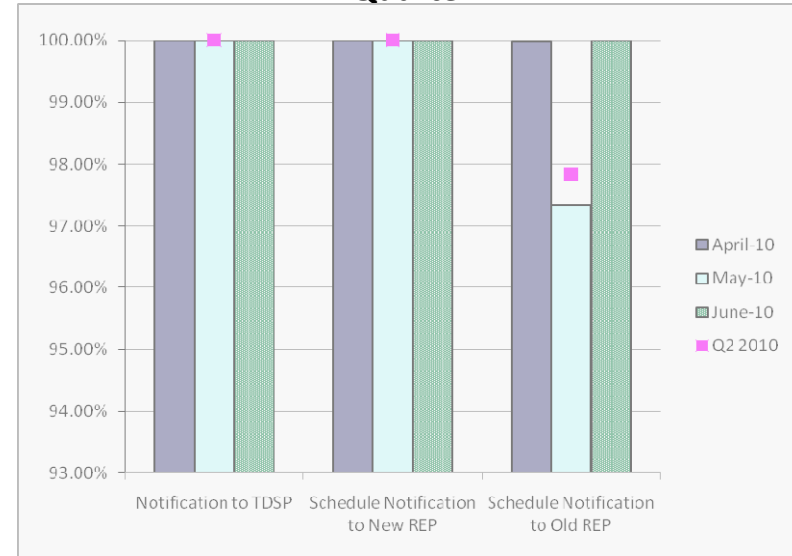
¹ - Percent of Deregulated (Non-NOIE) ESI IDs and Load. Usage based on monthly settlement results.

Retail Performance Measures – 2010 Switch

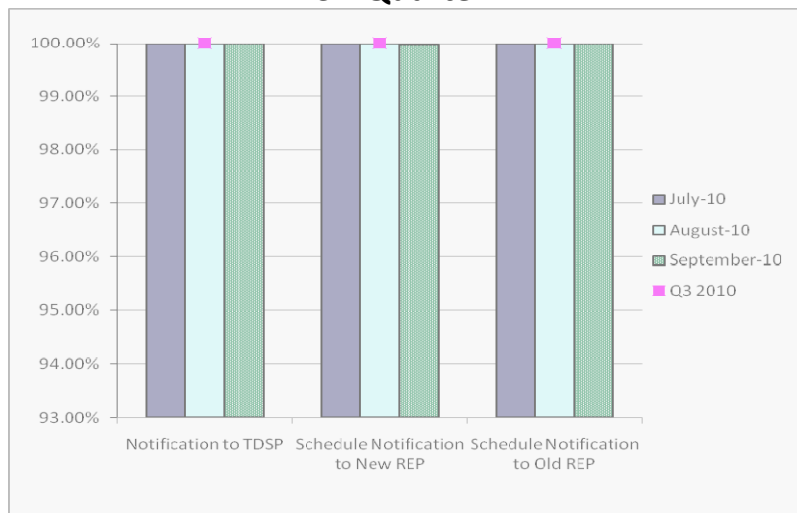
1st Quarter



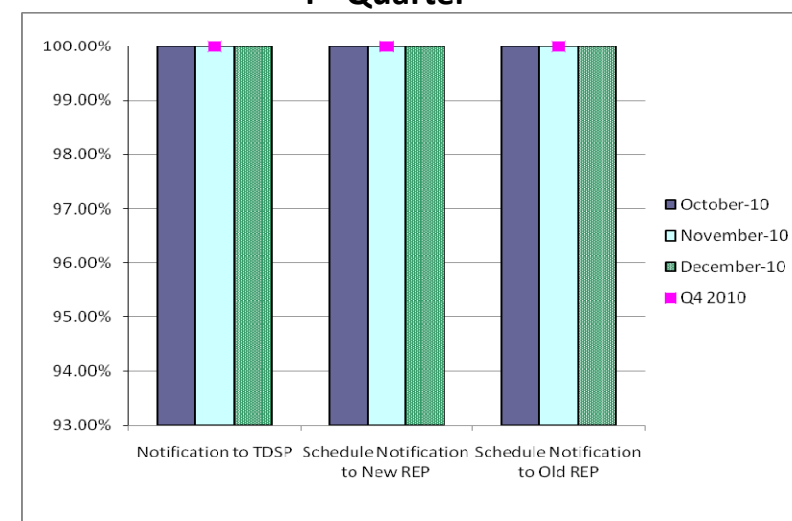
2nd Quarter



3rd Quarter



4th Quarter

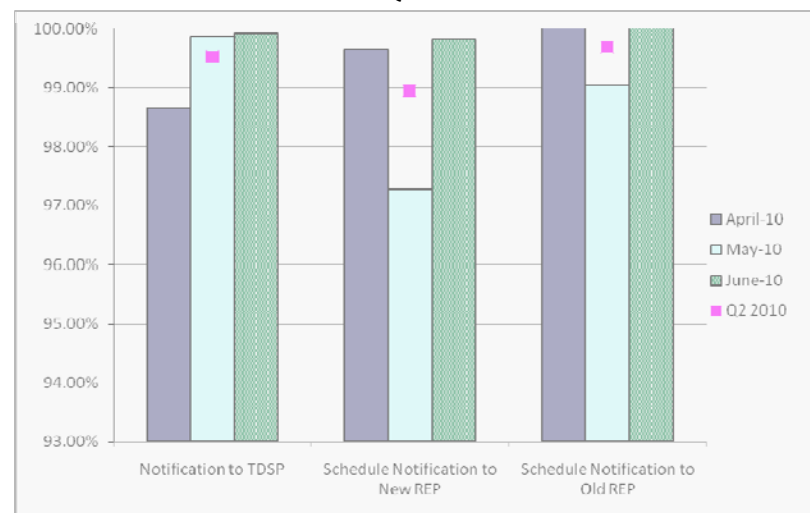


Retail Performance Measures – 2010 Move-In / Priority

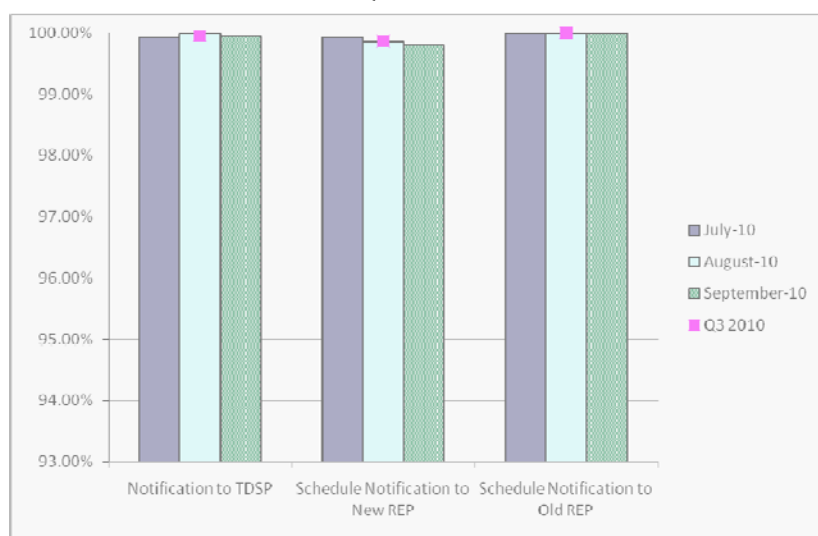
1st Quarter



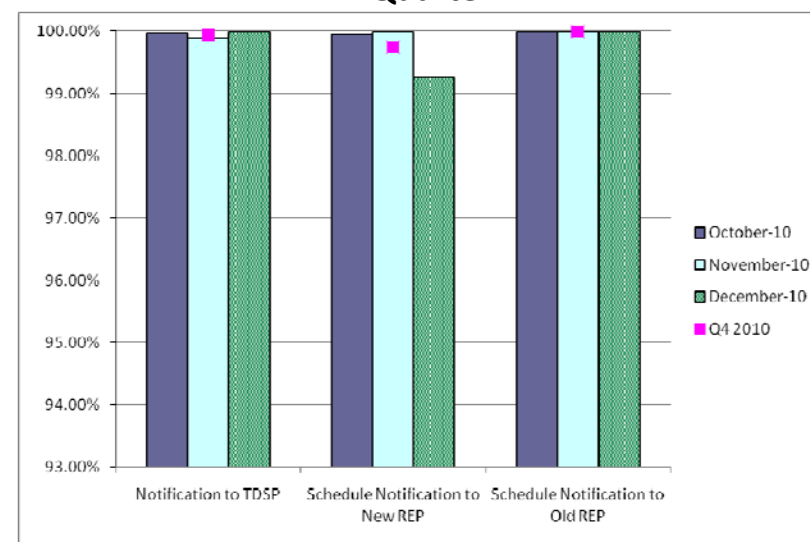
2nd Quarter



3rd Quarter

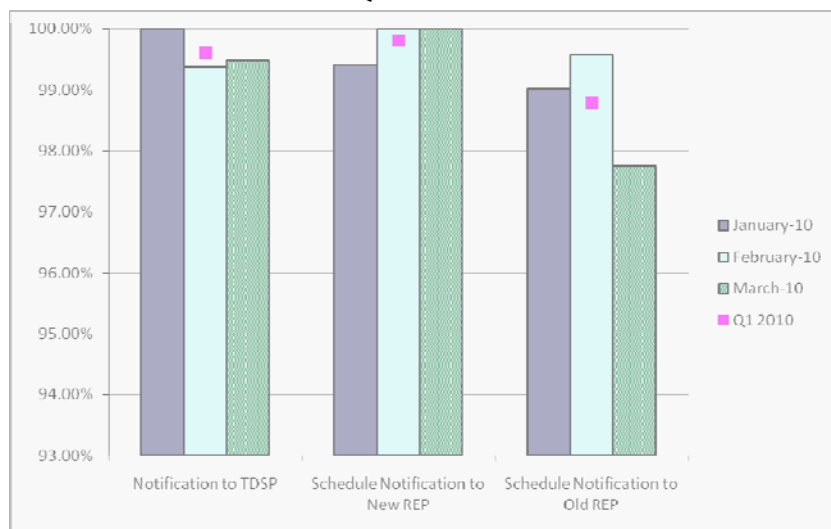


4th Quarter

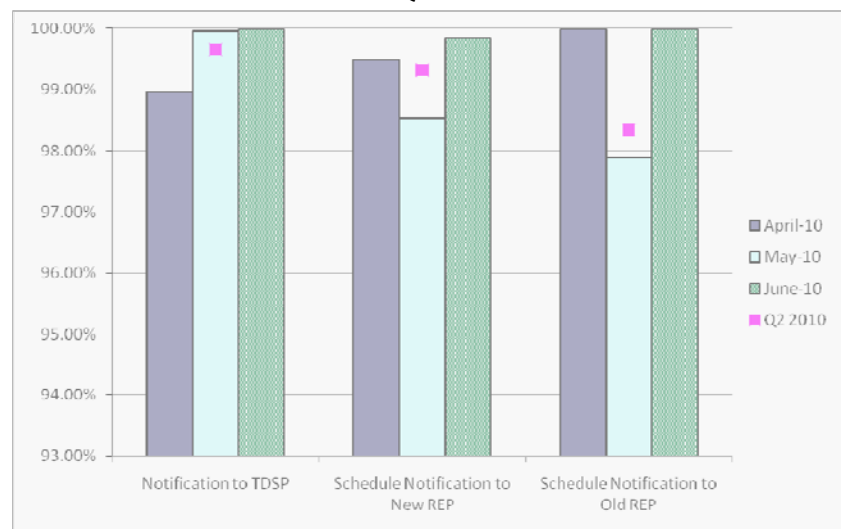


Retail Performance Measures – 2010 Move-In / Standard

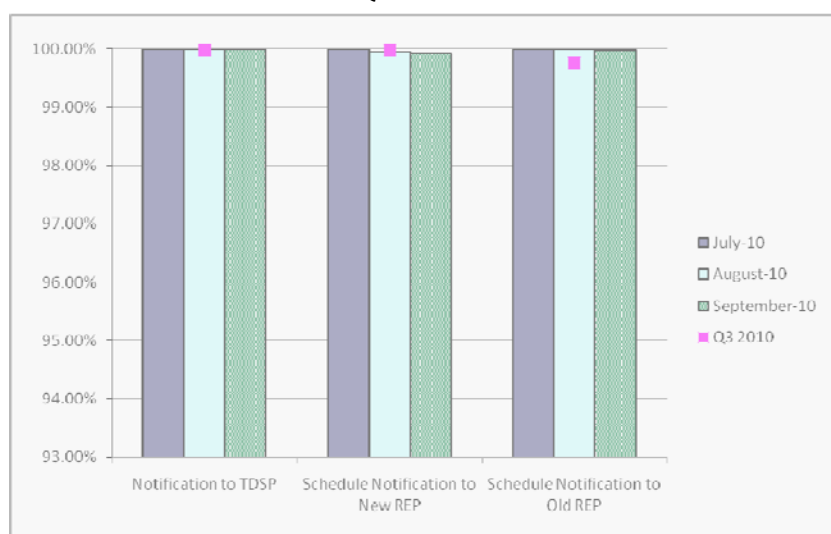
1st Quarter



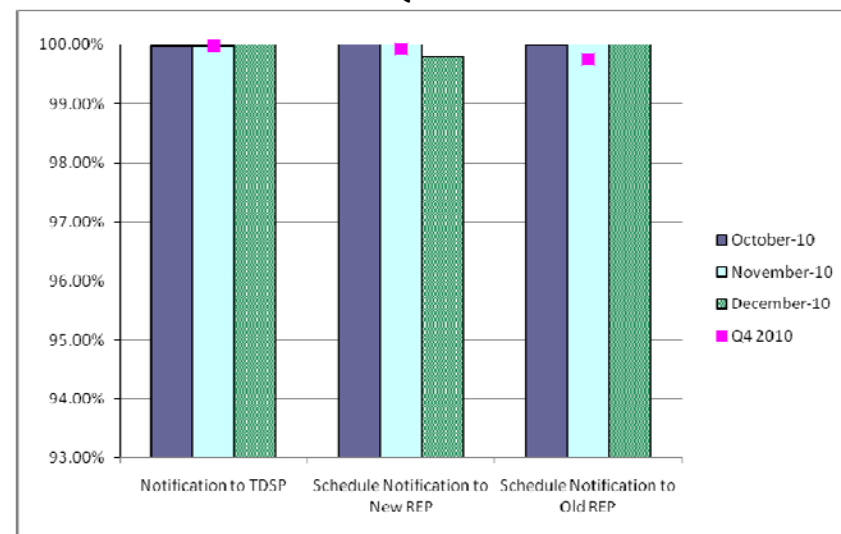
2nd Quarter



3rd Quarter



4th Quarter



Settlements and Billing Performance Measures – December 2010

Settlement Statements:	YTD		December	
	12/31/10	12/31/09	2010	2009
Zonal	180,804	164,683	12,218	14,828
Day Ahead Market (DAM)	5,320	n/a	5,320	n/a
Real Time Market (RTM)*	4,158	n/a	4,158	n/a
Total	190,282	164,683	21,696	14,828
Late	446	109	0	0
Balance	189,836	164,574	21,696	14,828
% Within Protocol	99.77%	99.93%	100.00%	100.00%

Invoices:

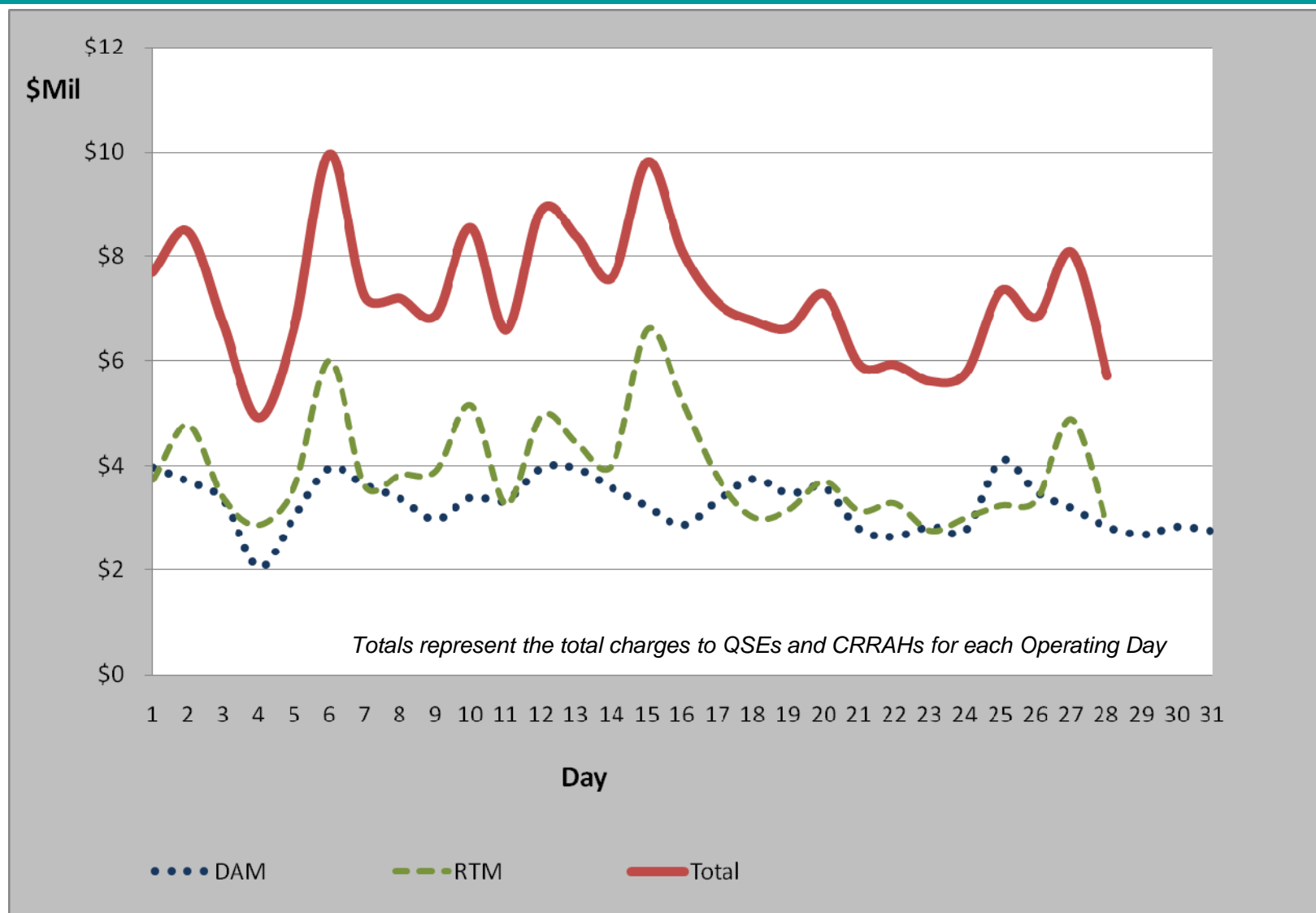
Zonal	10,011	9,545	967	920
Day Ahead Market (DAM)	5,320	n/a	5,320	n/a
Real Time Market (RTM)*	634	n/a	634	n/a
CRR Auction**	-	n/a	-	n/a
Balancing Account**	-	n/a	-	n/a
CRR Auction Revenue Disbursement (CARD)	-	n/a	-	n/a
Total	15,965	9,545	6,921	920
Late	-	0	-	0
Balance	15,965	9,545	15,965	920
% Within Protocol	100%	100%	100%	100%

**Numbers not yet available

*Real Time Settlement data reported through 12/28/10



December 2010 Market Total Settlement Dollars



Real Time Settlement Data reported through 12/28/10

Reliability Services

December
2010
(\$'s in millions)

Reliability Unit Commitment

• Make Whole Payments	(\$0.99)
• Claw Back Charges	\$0.18
Total Reliability Unit Commitment	(\$0.81)

• Capacity Short Charges	\$0.99
• Make Whole Uplift	\$0.00

• RUC Decommitment Payments	\$0.00
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Real Time Settlement Data reported through 12/28/10



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Capacity Services - Cost

	December (\$'s in millions)	December (\$'s in millions)
	<u>2009</u>	<u>2010</u>
Capacity Services**:		
Reg Up	\$5.7	\$3.38
Reg Down	\$5.4	\$1.45
Responsive Reserve	\$12.7	\$12.34
Non-Spinning Reserve	\$0.1	\$4.47
Black Start	\$0.5	\$0.44
RMR Capacity*	\$0.8	\$0.00
Voltage Services - Reactive Power	n/a	\$0.00
Voltage Services - Lost Opportunity	n/a	\$0.00
TOTAL CAPACITY SERVICES	\$25.2	\$22.1

* Includes Stand-by, Energy, and Non-Performance

**Includes Day-Ahead Market and Supplementary Ancillary Service Markets

Real Time Settlement Data reported through 12/28/10



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Capacity Services - Volumes

Reg Up:	December 2009	December 2010
Required (MW)	603,257	220,168
Self Arranged (MW)	120,614	3,339
Procured DAM (MW)		216,512
Procured RTM (MW)		317
Failure to Provide (MW)		200
Total Procured	483,731	216,829
% Procured	80%	98%
Reg Down:		
Required (MW)	599,126	218,604
Self Arranged (MW)	125,845	11,884
Procured DAM (MW)		206,518
Procured RTM (MW)		202
Failure to Provide (MW)		102
Total Procured	474,470	206,720
% Procured	79%	95%
Responsive Reserve:		
Required (MW)	1,709,320	1,160,027
Self Arranged (MW)	711,413	228,829
Procured DAM (MW)		930,443
Procured RTM (MW)		755
Failure to Provide (MW)		268
Total Procured	999,787	931,198
% Procured	58%	80%
Non-Spinning Reserve:		
Required (MW)	367,702	951,180
Self Arranged (MW)	53,085	83,511
Procured DAM (MW)		861,910
Procured RTM (MW)		5,759
Failure to Provide (MW)		1,687
Total Procured	315,815	867,669
% Procured	86%	91%

Real Time Settlement Data reported through 12/28/10



Energy Settlement

December
2010
(\$'s in millions)

- **Day Ahead Market Energy Settlement**

Energy Purchases	\$301.85
Point to Point Obligations Purchases	\$12.80
RMR Day Ahead Revenue	\$0.00
Energy Sales	<u>(\$300.46)</u>
Day Ahead Congestion Rent	\$14.18
Day Ahead Make Whole Payments	(\$0.12)

- **Real Time Market Energy Settlement**

Real Time Energy Imbalance	
~Resource Node Settlement Points	(\$435.99)
~Load Zone Settlement Points	(\$79.96)
~ Hub Settlement Points	\$532.52
Real Time Congestion from Self Schedules	\$0.22
Block Load Transfers and DC Ties	<u>(\$3.65)</u>
Real Time Congestion Impact	\$13.15
Emergency Energy Payments	(\$0.34)
Base Point Deviation	\$0.13

Real Time Settlement Data reported through 12/28/10



Congestion Management

December
2010
(\$'s in millions)

- **Auction Disbursements**

Annual Auction*	\$0.00
Monthly Auction*	\$0.00
Total Disbursements*	\$0.00

- **CRR Settlement**

Day Ahead CRR Settlement	(\$10.47)
Real Time CRR Settlement	(\$2.56)
Real Time Point To Point Obligation Settlement	(\$17.88)
Total Proceeds	(\$30.91)

**Amounts not yet available*

Real Time Settlement Data reported through 12/28/10



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ERCOT Public

Net Impact to Load

December
2010
(\$'s in millions)

Auction Disbursements **	\$0.00
Balancing Account Proceeds **	\$0.00
Net Reliability Unit Commitment	\$0.81
Capacity Services*	\$22.08
Real Time Revenue Neutrality	\$7.30
Emergency Energy Payments	\$0.34
Base Point Deviation Charge	(\$0.13)
ERCOT Administrative Fee	<u>\$9.12</u>
Net Impact to Load	\$39.53

**RMR included in Capacity Services*

***Amounts not yet available*



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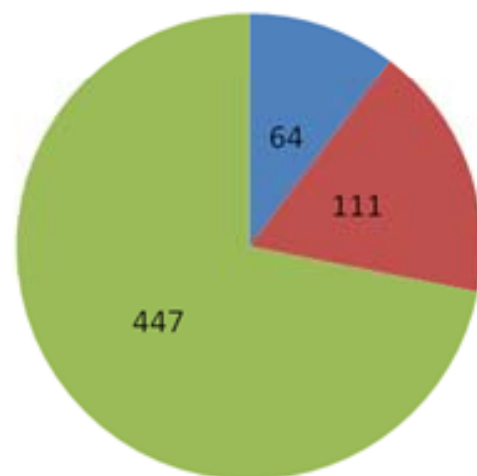
Real Time Settlement Data reported through 12/28/10

16

ERCOT Public

Verifiable Costs

Total Resources Approved for Verifiable Cost



- Resources Using Standard Costs
- Resources Using 100% Verifiable Costs
- Total Resources Using Generic Costs

Total Resources in ERCOT = 622

ERCOT Wholesale Market Settlement Dispute Report

December 2010

	CRR Market		DAM		RTM	
	Current Month	YTD	Current Month	YTD	Current Month	YTD
Received	0	1	5	5	14	14
Granted	0	0	0	0	0	0
Granted w/Exception	0	0	0	0	0	0
Denied	0	1	0	0	3	3

Nodal Market Total

	CRR Market	DAM	RTM
Received	1	17	16
Granted	0	0	0
Granted w/Exception	0	0	0
Denied	1	4	3

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

• Added REPs

- ✓ Abacus Resources Energy, LLC d/b/a Abacus Resources Energy
- ✓ AEP Texas Commercial Industrial Retail LP d/b/a AEP Retail Energy
- ✓ Consolidated Edison Solutions Inc. d/b/a ConEd Solutions, ConEd Solutions 1, ConEd Solutions 2, and ConEdison Solutions
- ✓ Green Mountain Energy Company CSA
- ✓ Infinite Electric, LLC

• Terminated REPs

- ✓ None

• Added QSEs

- ✓ Twin Eagle Resource Management LLC (QSE – L1)
- ✓ Twin Eagle Resource Management LLC (SQ1 – L1)
- ✓ Twin Eagle Resource Management LLC (SQ2 – L1)
- ✓ Cargill Power Markets LLC (QSE – L1)
- ✓ Cargill Power Markets LLC (SQ1 – L1)
- ✓ CBK Group Ltd. (QSE – L1)
- ✓ Saracen Energy West LP (QSE – L1)

• Terminated QSEs

- ✓ South Texas Electric Cooperative Inc. Wind (SQ2 – L3)
- ✓ Integrys Energy Services Inc. (QSE – L2)
- ✓ Integrys Energy Services Inc. (SQ1 – L1)
- ✓ Integrys Energy Services Inc. (SQ3 – L1)
- ✓ Integrys Energy Services Inc. (SQ4 – L1)

Levels of QSE Qualification

QSE without Resources:

Level 1: Qualified to perform Inter-QSE trades only; does not have direct representation of Load Serving Entities or Resource Entities.

Level 2: Qualified to represent Load serving Entities; does not have direct representation of Resource Entities.

QSE with Resources

Level 3: Qualified to represent Load Serving Entities and/or Resource Entities without providing Ancillary Services; may also perform QSE without Resources activities.

QSE with Resources-AS Qualified

Level 4: Qualified to represent Load Serving Entities and/or Resource Entities and provide Ancillary Services; may also perform level QSE without Resources activities.



Questions?