



# Commercial Market Operations Report

**Dale Goodman**

**ERCOT Board of Directors**  
**July 19, 2011**

# Summary

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## Retail Activity

- **Overall Activity** – Continue to see increased switching activity compared to last year. There was no Mass Transition activity in June.
- **Transaction Performance Measures** – All measures exceeded the performance goals for June.
- **Advanced Metering** – Currently settling 3.2M Advanced Meters. We continue to settle more than 70% of the load in ERCOT with 15-min data (AMS and IDR). AMS Load Volume went from 17.3% in May to 20.7% in June.

## Wholesale Activity

- **Settlements & Billing Performance** – Perfect Performance in June.
- **Settlement Dollars** – Daily average settlement dollars were \$15.5M in June compared to \$10.18M in May. The increase was due to higher prices and warmer weather.
- **Reliability Services** – Increased RUC payments compared to May.
- **Capacity Services** – Ancillary Service costs were slightly up overall compared to May. The drivers for the increase were Responsive Reserve and Non-Spin.
- **Congestion Management** – CRRs were fully funded for June.
- **Revenue Neutrality** – Load received a Revenue Neutrality charge of \$1.06M compared to a credit of \$1.38M in May.
- **Verifiable Costs** – No new Verifiable Costs.
- **Disputes** – The volume of disputes continues to be low. A total of 362 disputes have been filed since Nodal go-live of December 1, 2010. To compare, from December 2009 through June 2010 in the Zonal system, we received 595 disputes.
- **REPs and QSEs Added/Terminated**
  - 0 new REPs
  - 7 new QSEs
  - 2 terminated REP
  - 1 terminated QSEs
  - Please note four of the seven added QSEs are Level 3 QSEs, however they are representative of a legal entity change and not new participants in the market.

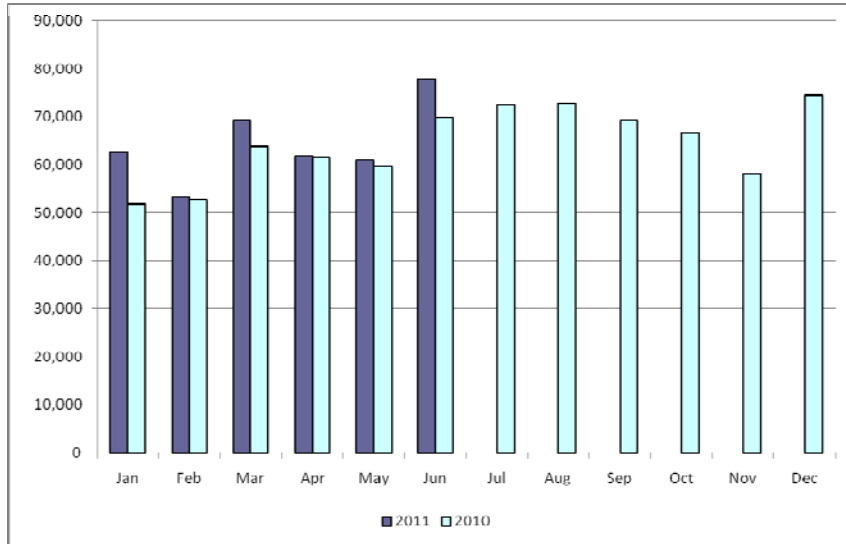
# Overall Activity

## Retail Transactions Summary

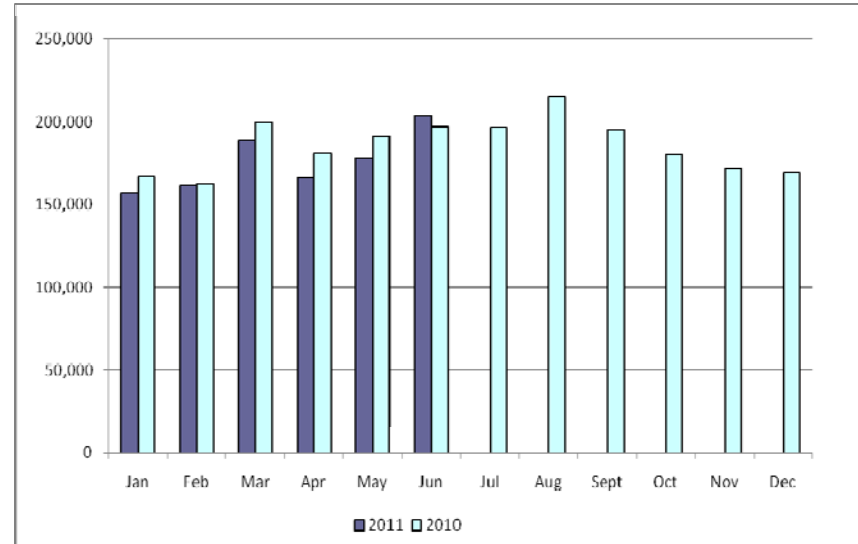
Transaction Type	YTD		June	
	<u>06/30/2011</u>	<u>06/30/2010</u>	<u>2011</u>	<u>2010</u>
Switches	385,533	359,306	77,780	69,871
Move - Ins	1,055,980	1,099,573	204,247	196,968
Move Out	543,333	606,917	107,084	113,207
CSA (Continuous Service Agreement)	167,106	216,573	35,194	39,655
Mass Transition	22,056	0	0	0
<b>Total</b>	<b>2,174,008</b>	<b>2,282,369</b>	<b>424,305</b>	<b>419,701</b>
Since June 1, 2001	42,555,600			

# Retail Transactions Summary

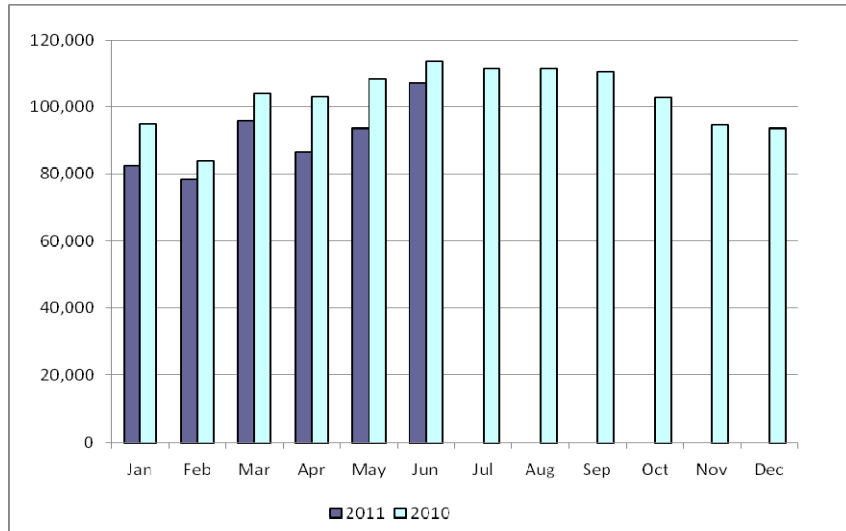
## Switches



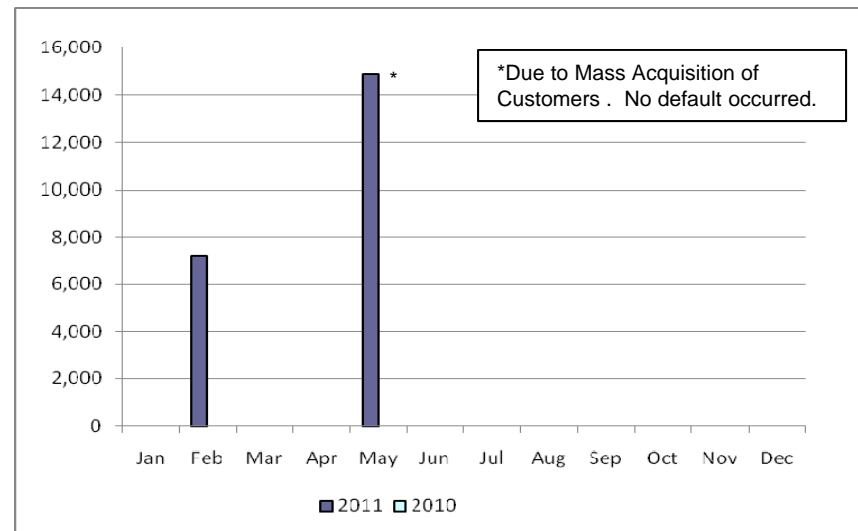
## Move-Ins



## Move-Outs

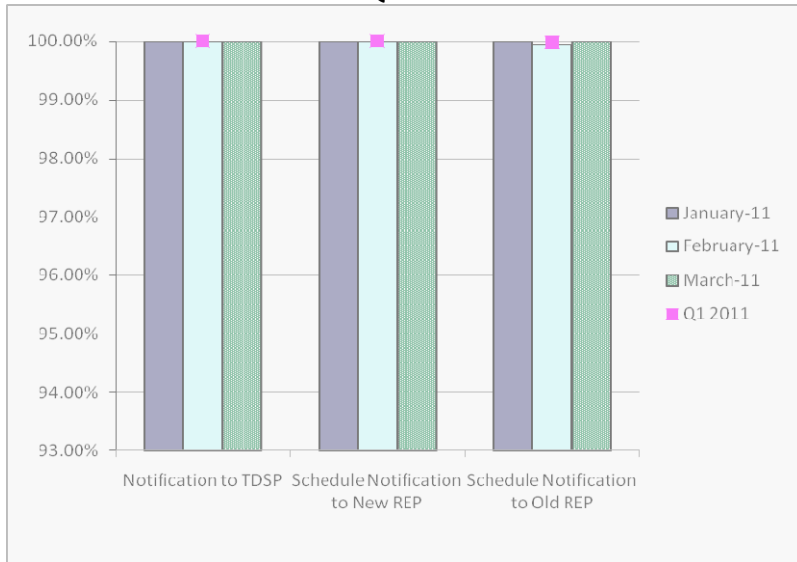


## Mass Transition

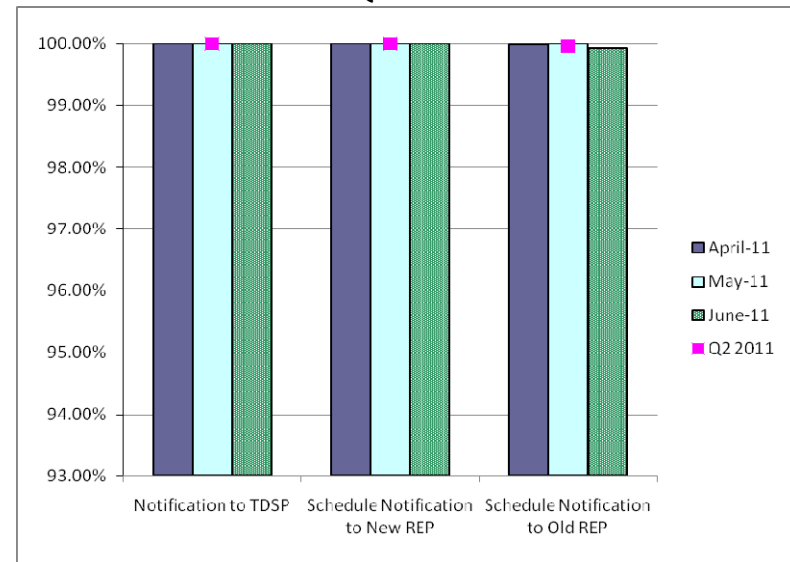


# Retail Performance Measures - 2011 Switch

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



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



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

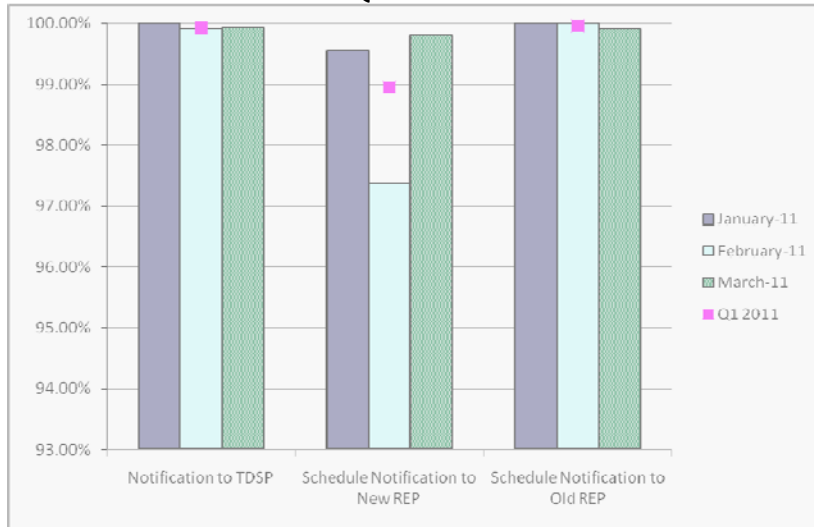


### 4<sup>th</sup> Quarter

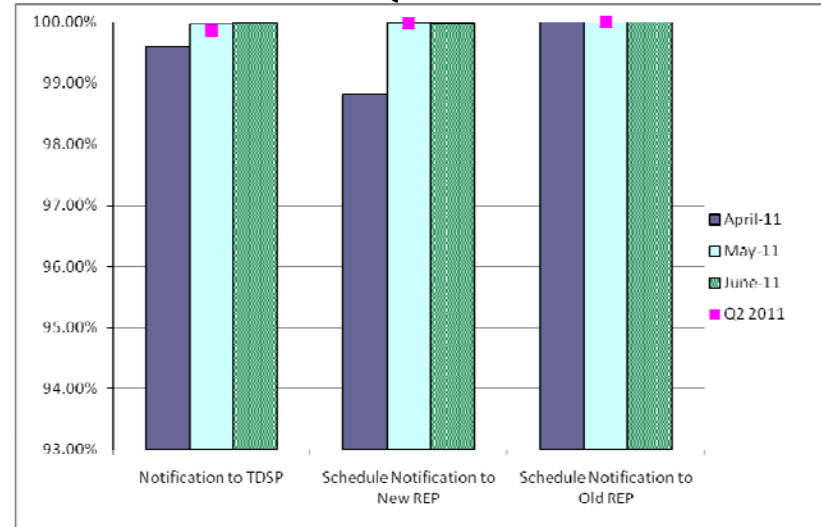


# Retail Performance Measures – 2011 Move-In / Priority

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



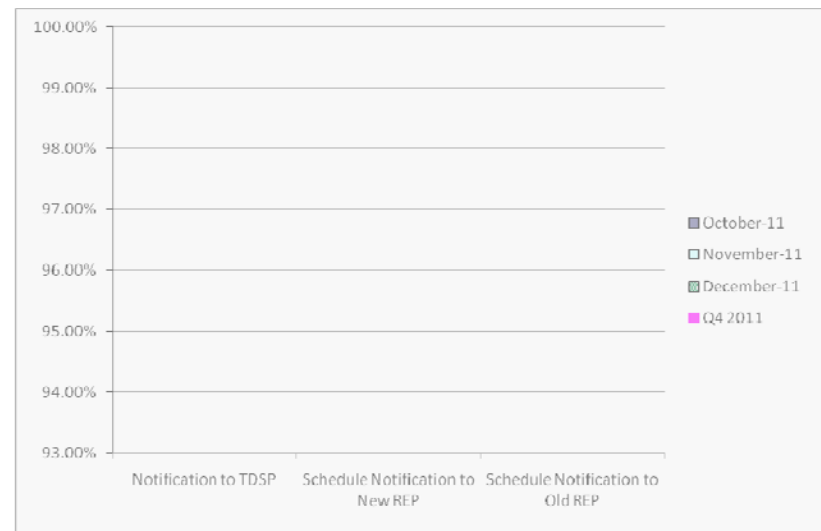
## 2<sup>nd</sup> Quarter



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

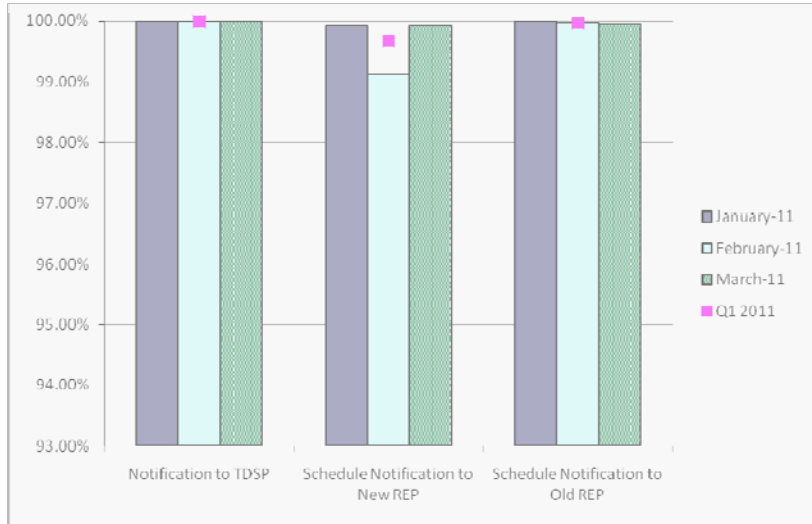


## 4<sup>th</sup> Quarter

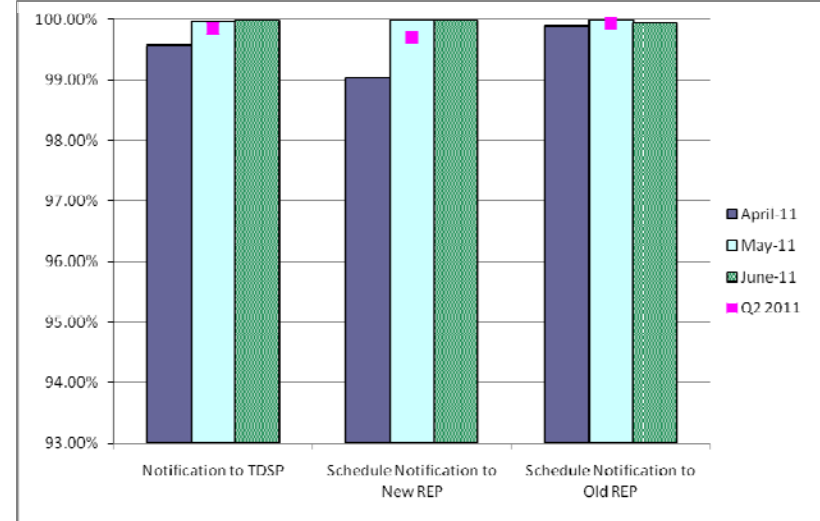


# Retail Performance Measures – 2011 Move-In / Standard

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



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



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



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



# Migration from Native Affiliate REP

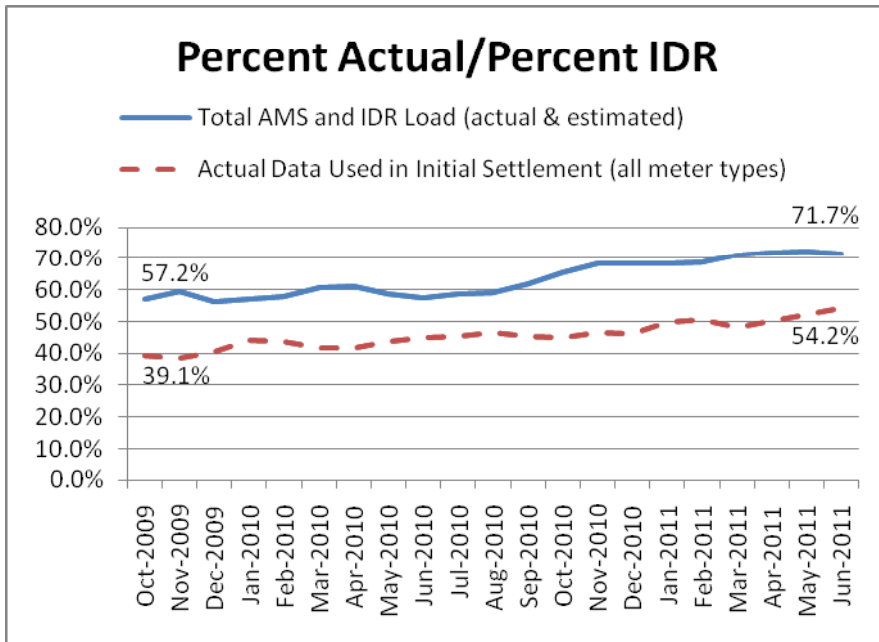
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	% of Load <sup>1</sup>		% of ESI IDs	
	at <u>5/31/11</u>	at <u>5/31/10</u>	at <u>5/31/11</u>	at <u>5/31/10</u>
<b>Residential</b>	57%	52%	55%	51%
<b>Small Non-Residential</b>	82%	81%	61%	57%
<b>Large Non-Residential</b>	79%	78%	80%	78%

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

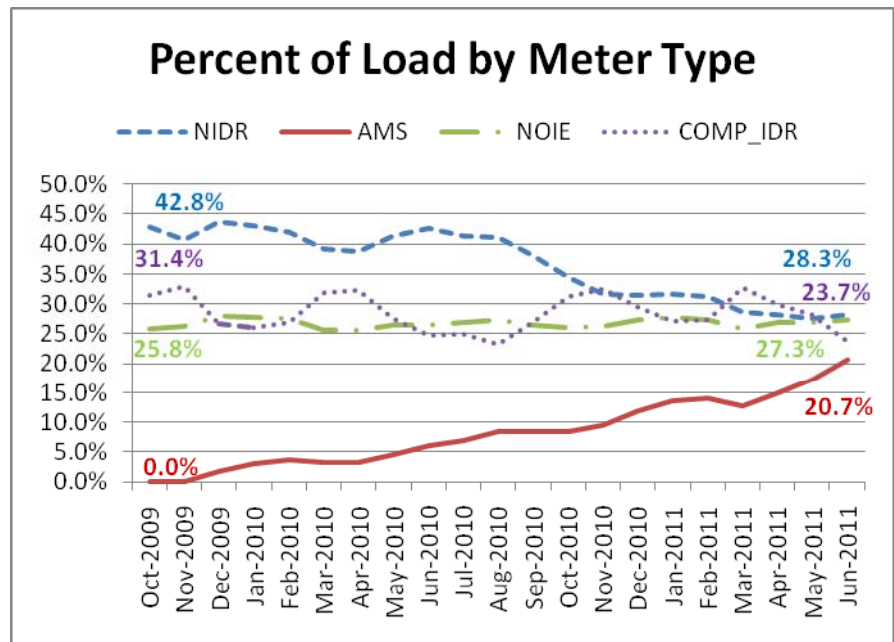


# Advanced Meter Settlement Impacts

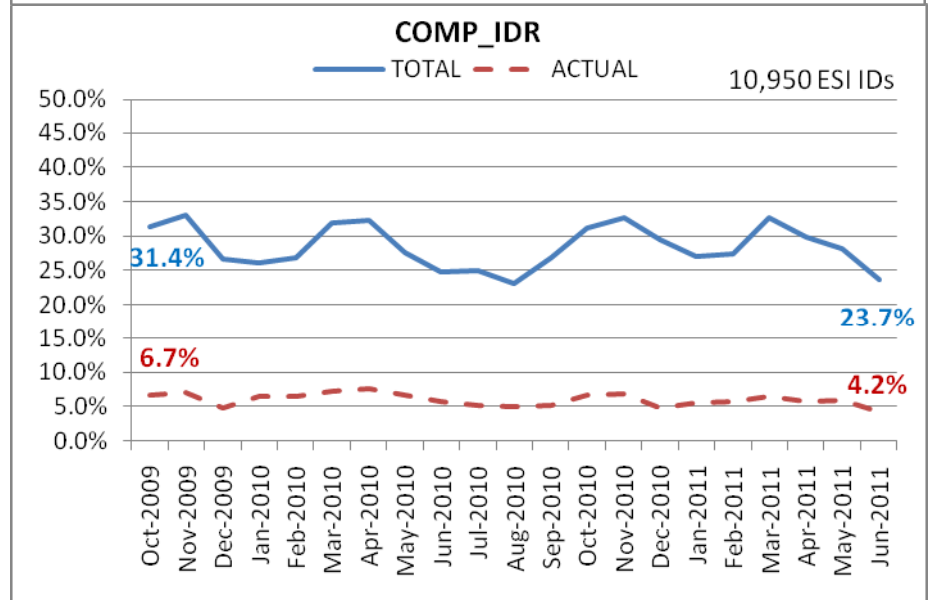
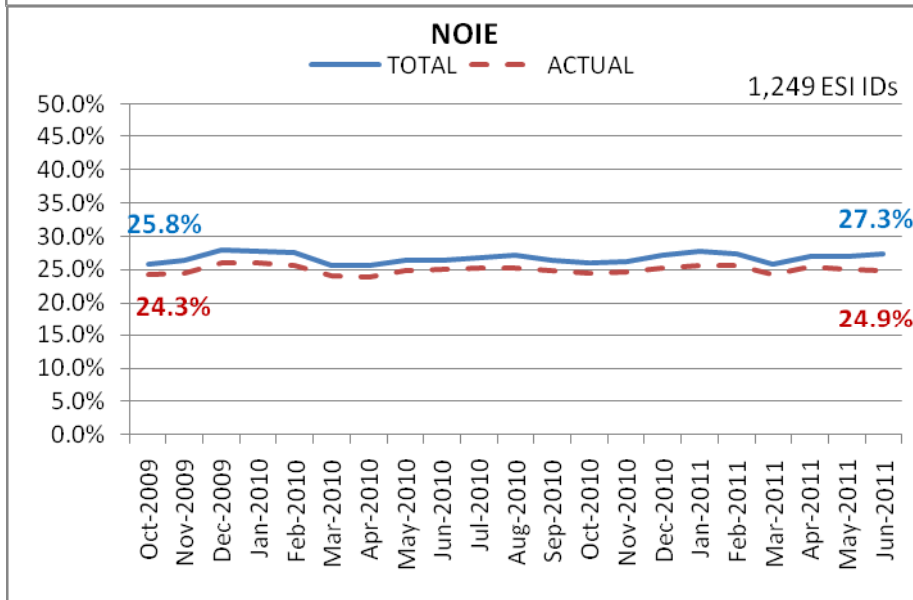
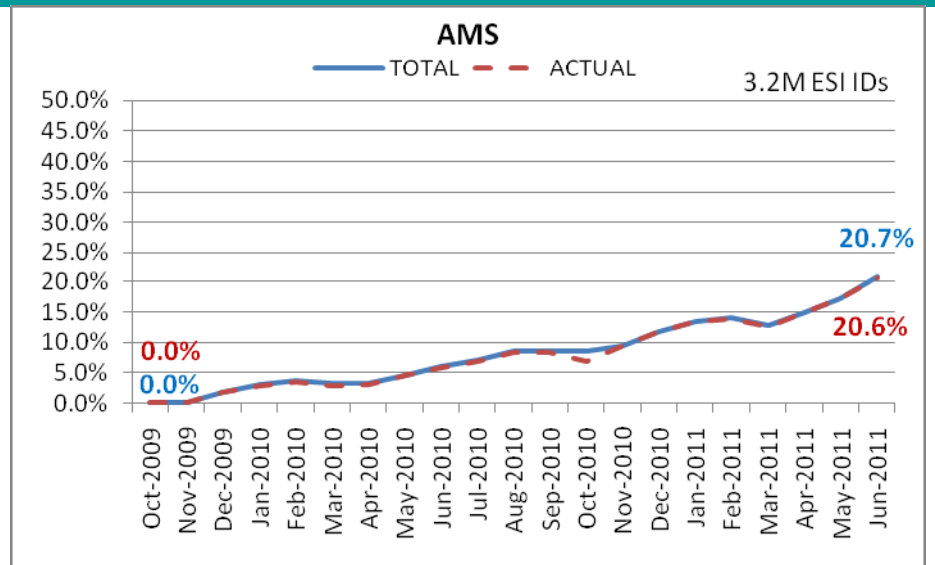
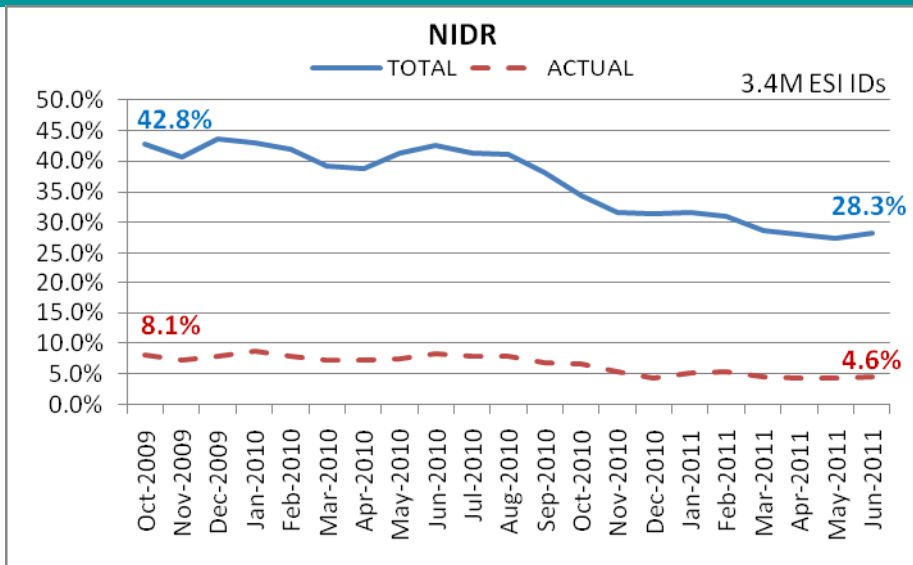


*Settling 3.2M ESIIDs using Advanced Meter data.*

*More than 70% of the load in ERCOT is settled with 15-min interval data (AMS and IDR).*



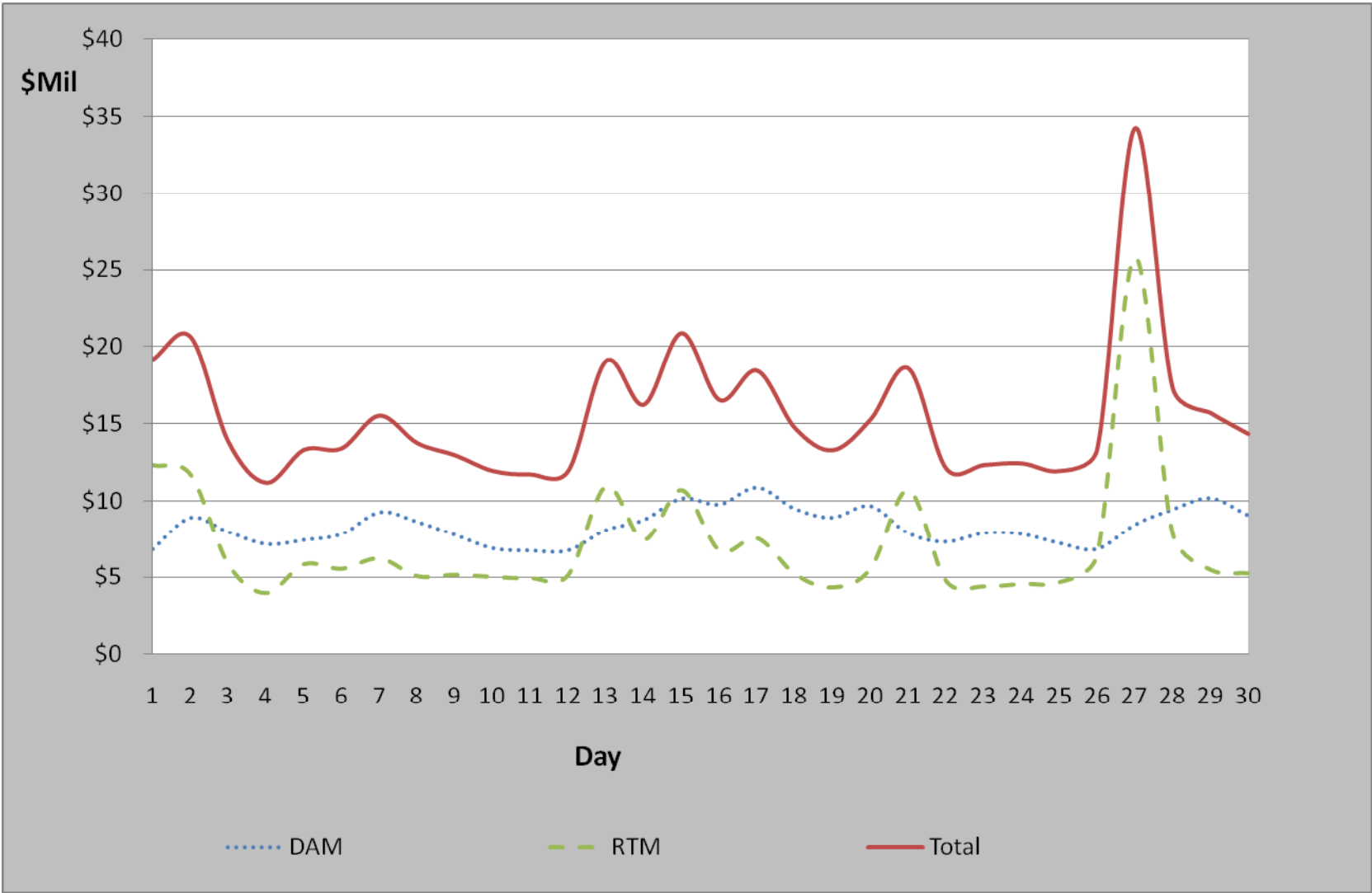
# ERCOT Wide Load Volumes by Meter Type - INITIAL Settlement



# Settlements and Billing Performance Measures – June 2011

	<u>To Date</u> <u>06/30/11</u>	<u>June</u> <u>2011</u>
<b>Settlement Statements:</b>		
Zonal	44,436	0
Day Ahead Market	42,323	7,153
Real Time Market	79,477	18,719
Total	166,236	25,872
Untimely	199	0
Balance	166,037	25,872
% Within Protocol	<b>99.88%</b>	<b>100.00%</b>
<b>Invoices:</b>		
Zonal	5,148	356
Day Ahead Market	42,323	7,153
Real Time Market	6,299	1,184
CRR Auction	690	186
Balancing Account	1,072	182
CRR Auction Revenue Disbursement (CARD)	1,092	296
Total	56,624	9,357
Untimely	-	-
Balance	56,624	9,357
% Within Protocol	<b>100%</b>	<b>100%</b>

# June 2011 Market Total Settlement Dollars



# Reliability Services

June 2011  
(\$'s in millions)

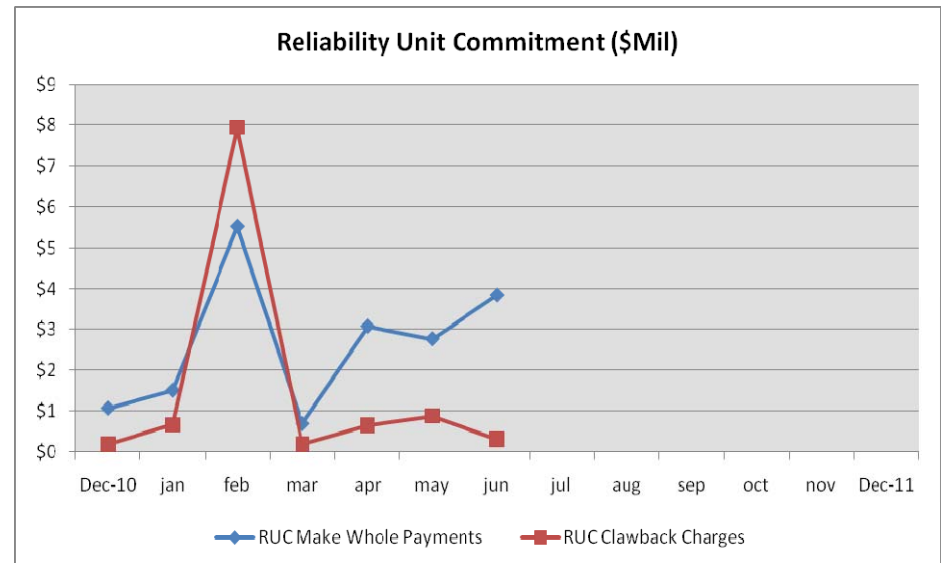
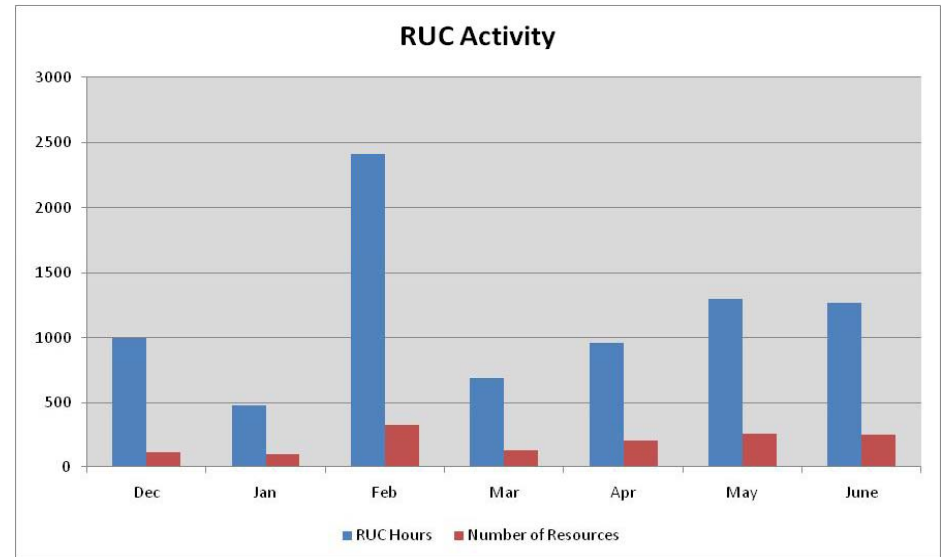
## Reliability Unit Commitment

• Make Whole Payments	(\$3.84)
• Claw Back Charges	\$0.31
<b>Total Reliability Unit Commitment</b>	<b>(\$3.53)</b>

• Capacity Short Charges	\$3.84
• Make Whole Uplift	\$0.00

• RUC Decommitment Payments	\$0.00
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Note:  
Positive amounts are a charge to the Market Participant  
Negative amounts are a payment to the Market Participant



# Capacity Services - Cost

	June (\$'s in millions) <u>2010</u>	June (\$'s in millions) <u>2011</u>
<b>Capacity Services**:</b>		
<b>Reg Up</b>	<b>\$4.9</b>	<b>\$4.4</b>
<b>Reg Down</b>	<b>\$4.0</b>	<b>\$2.5</b>
<b>Responsive Reserve</b>	<b>\$9.1</b>	<b>\$15.1</b>
<b>Non-Spinning Reserve</b>	<b>\$4.8</b>	<b>\$12.6</b>
<b>Black Start</b>	<b>\$0.5</b>	<b>\$0.4</b>
<b>RMR Capacity*</b>	<b>\$1.6</b>	<b>\$0.0</b>
<b>Voltage Services - Reactive Power</b>	<b>n/a</b>	<b>\$0.0</b>
<b>Voltage Services - Lost Opportunity</b>	<b>n/a</b>	<b>\$0.0</b>
<b>TOTAL CAPACITY SERVICES</b>	<b>\$24.9</b>	<b>\$35.0</b>

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

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

# Capacity Services - Volumes

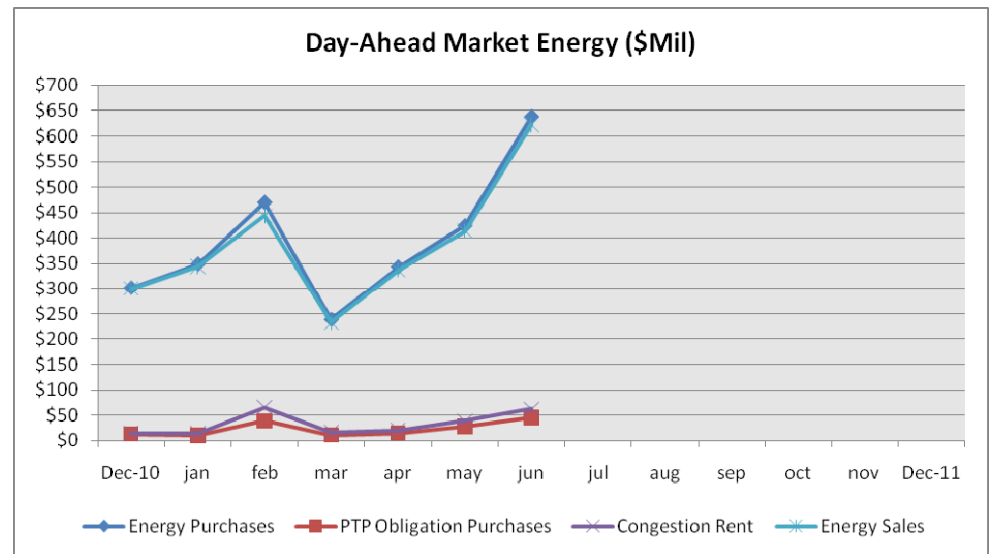
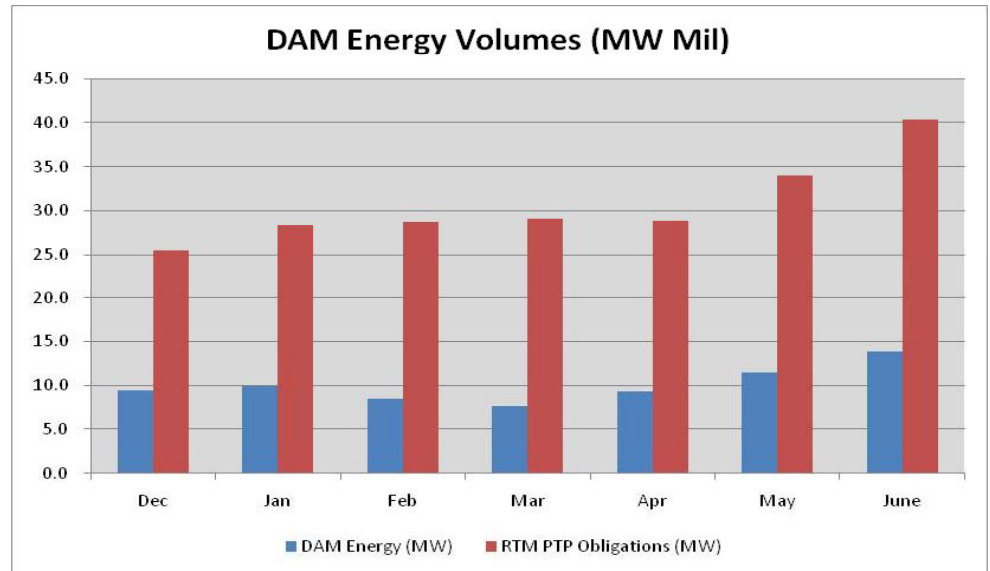
Reg Up:*	June 2010	June 2011
Required (MW)	653,570	422,767
Self Arranged (MW)	123,667	19,800
Procured DAM (MW)		402,966
Procured RTM (MW)		152
Failure to Provide (MW)		542
Total Procured	531,683	403,119
% Procured	81.4%	95.4%
Reg Down:*		
Required (MW)	665,830	370,083
Self Arranged (MW)	137,052	26,101
Procured DAM (MW)		343,983
Procured RTM (MW)		103
Failure to Provide (MW)		103
Total Procured	530,748	344,085
% Procured	79.7%	93.0%
Responsive Reserve:		
Required (MW)	1,653,742	1,656,073
Self Arranged (MW)	633,628	382,850
Procured DAM (MW)		1,273,224
Procured RTM (MW)		3,588
Failure to Provide (MW)		4,169
Total Procured	1,022,369	1,276,812
% Procured	61.8%	77.1%
Non-Spinning Reserve:		
Required (MW)	1,201,090	1,370,521
Self Arranged (MW)	360,591	124,153
Procured DAM (MW)		1,246,368
Procured RTM (MW)		153
Failure to Provide (MW)		153
Total Procured	842,984	1,246,521
% Procured	70.2%	91.0%

\*A/S Methodology changed in Dec 2010

# Energy Settlement

	June 2011 (\$'s in millions)
<b>• Day Ahead Market Energy Settlement</b>	
Energy Purchases	<b>\$638.65</b>
Point to Point Obligations Purchases	<b>\$45.74</b>
RMR Day Ahead Revenue	<b>\$0.00</b>
Energy Sales	<b>(\$622.15)</b>
Day Ahead Congestion Rent	<b>\$62.23</b>
Day Ahead Make Whole Payments	<b>(\$0.22)</b>
<b>• Real Time Market Energy Settlement</b>	
Real Time Energy Imbalance	
~Resource Node Settlement Points	<b>(\$881.31)</b>
~Load Zone Settlement Points	<b>\$1,293.82</b>
~ Hub Settlement Points	<b>(\$322.63)</b>
Real Time Congestion from Self Schedules	<b>\$0.77</b>
Block Load Transfers and DC Ties	<b>(\$13.79)</b>
Energy Settlements Impact to Revenue Neutrality	<b>\$76.87</b>
Emergency Energy Payments	<b>(\$0.20)</b>
Base Point Deviation	<b>\$0.64</b>
	(MWh in millions)
Real Time Metered Generation	<b>33.22</b>

Note:  
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Negative amounts are a payment to the Market Participant





# Congestion Management

June 2011  
 (\$'s in millions)

• Auction Disbursements	
Annual Auction	\$0.00
Monthly Auction	(\$31.69)
<b>Total Disbursements</b>	<b>(\$31.69)</b>
• CRR Settlement	
Day Ahead CRR Settlement	(\$47.70)
Day Ahead CRR Short Charges	\$0.06
Day Ahead CRR Short Charges Refunded	(\$0.06)
Real Time CRR Settlement	(\$11.48)
Real Time CRR Short Charges	\$0.01
Real Time CRR Short Charges Refunded	(\$0.01)
<b>Total Proceeds</b>	<b>(\$59.18)</b>
• PTP Obligations Acquired in DAM	
Day Ahead Point to Point Obligation Settlement	\$45.74
Real Time Point To Point Obligation Settlement	(\$66.45)
<b>Net Settlement</b>	<b>(\$20.71)</b>

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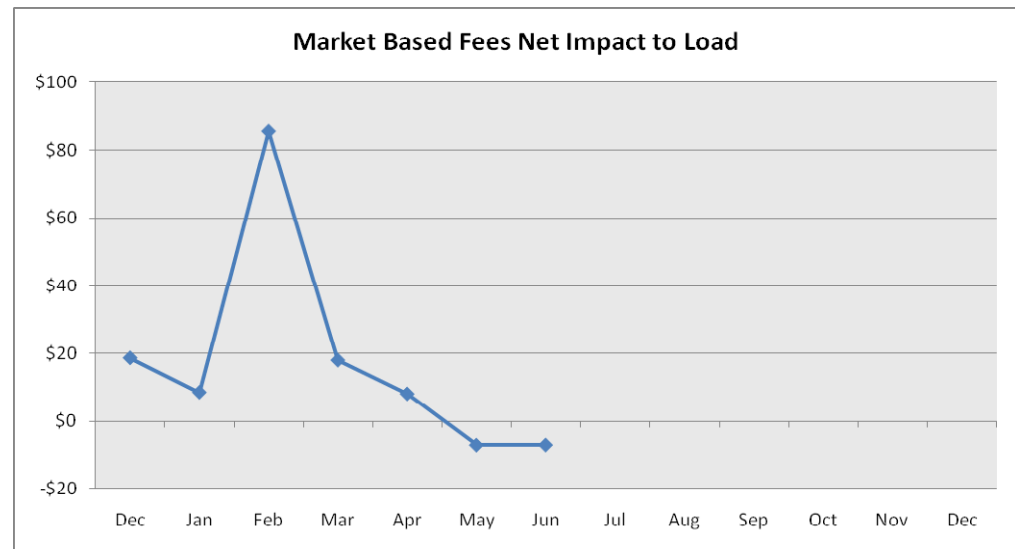
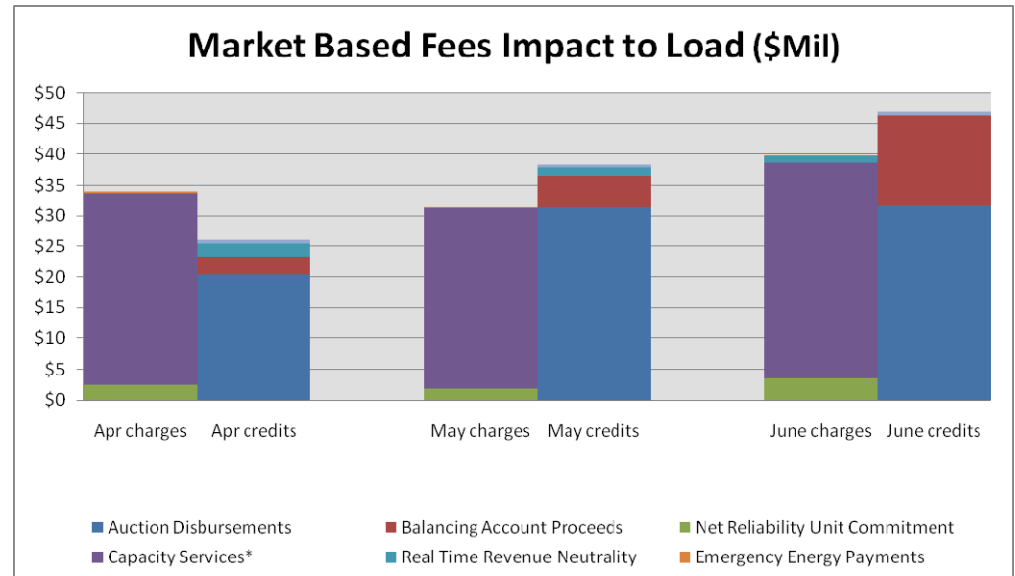
# Net Impact to Load

June 2011  
(\$'s in millions)

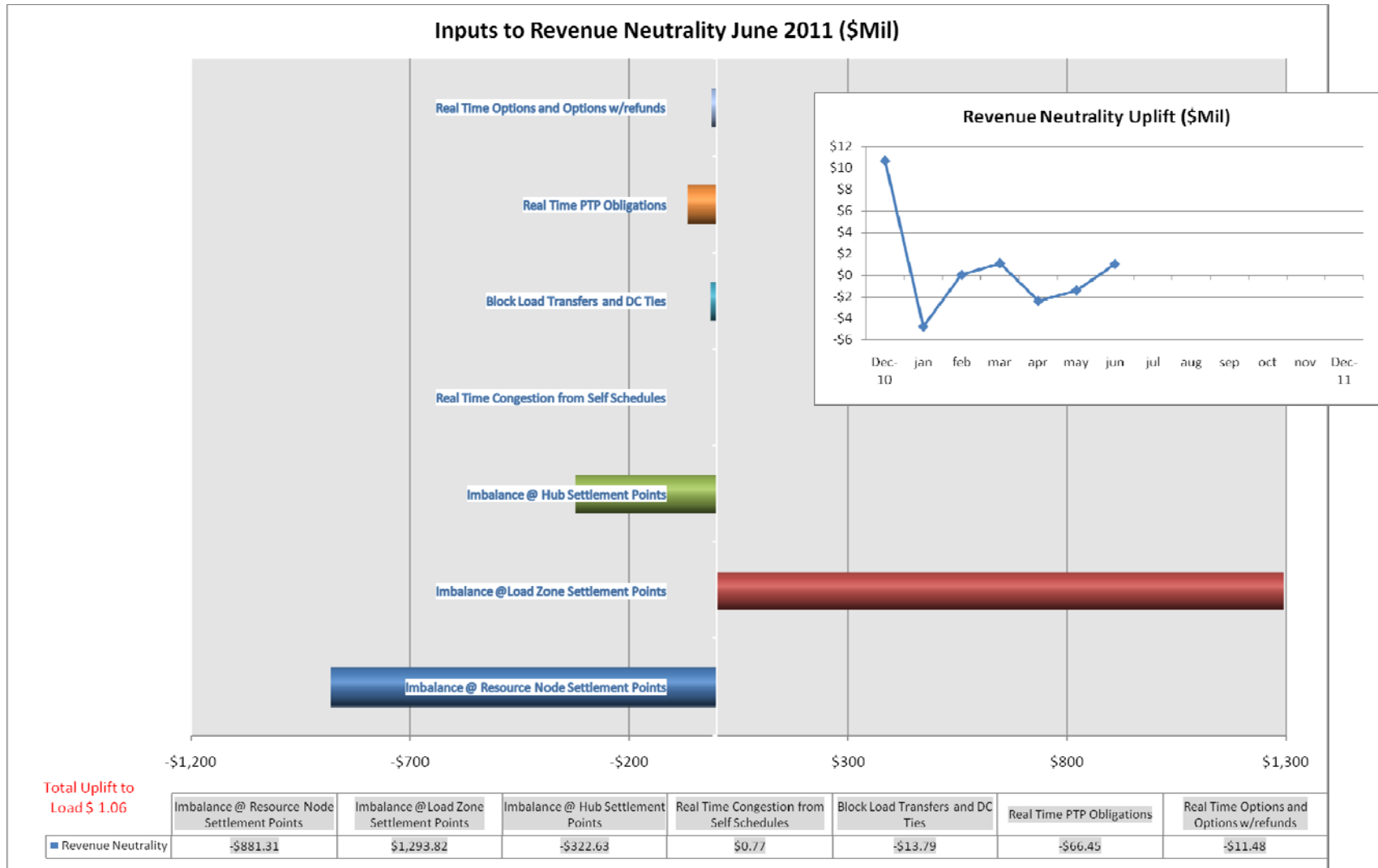
<b>Market-Based Fees</b>	
Auction Disbursements	<b>(\$31.69)</b>
Balancing Account Proceeds	<b>(\$14.54)</b>
Net Reliability Unit Commitment	<b>\$3.53</b>
Capacity Services*	<b>\$35.03</b>
Real Time Revenue Neutrality	<b>\$1.06</b>
Emergency Energy Payments	<b>\$0.20</b>
Base Point Deviation Charge	<b>(\$0.64)</b>
	<b>(\$7.04)</b>
<b>ERCOT Fees</b>	
ERCOT Administrative Fee	<b>\$13.97</b>
<b>Net Impact to Load</b>	<b>\$6.93</b>

\* RMR included in Capacity Services

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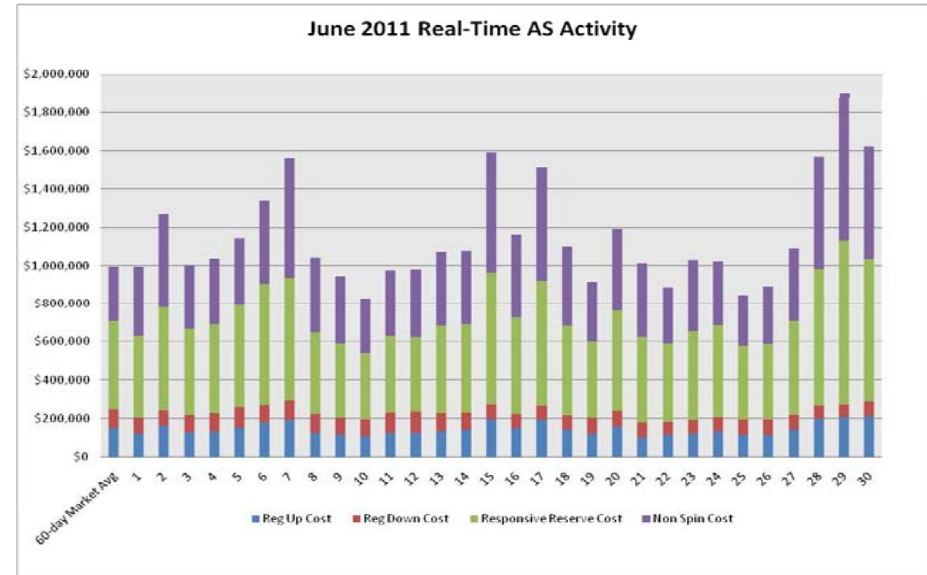
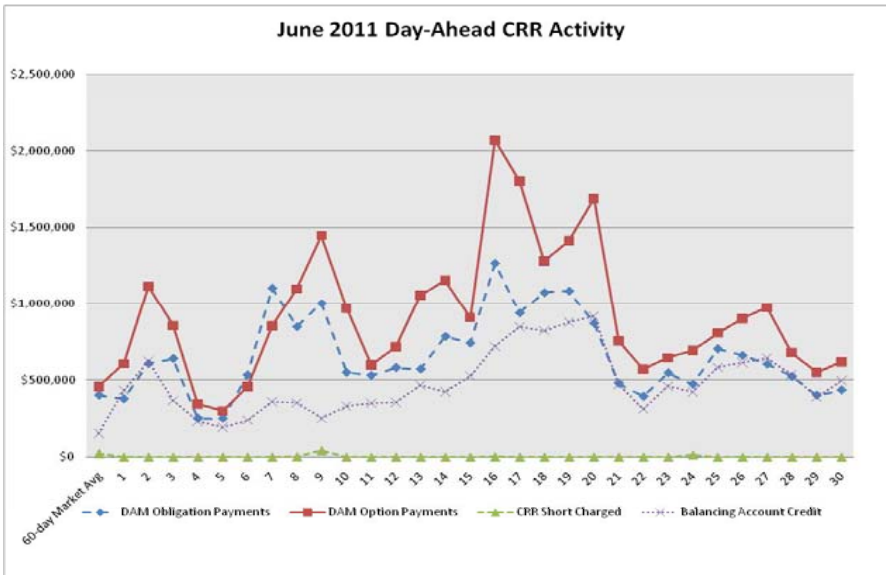
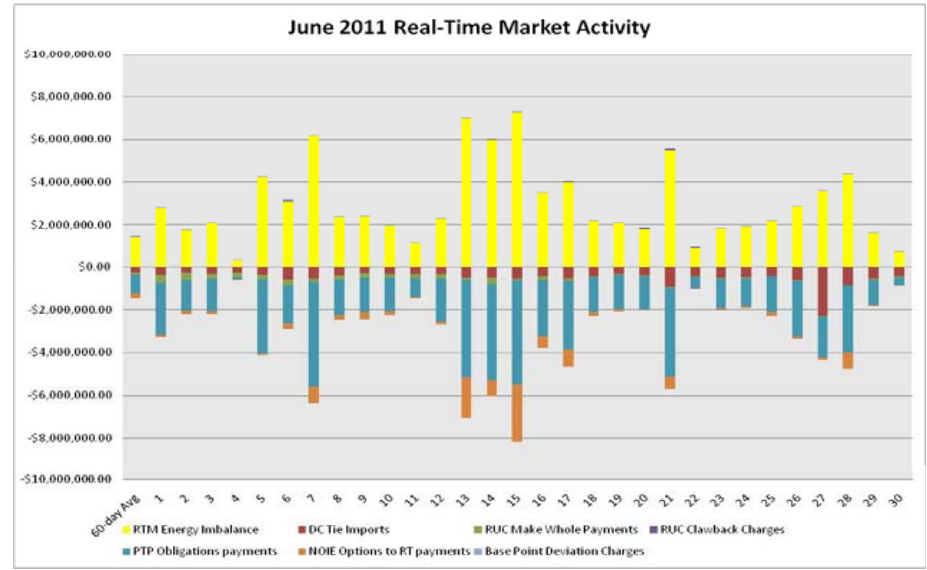
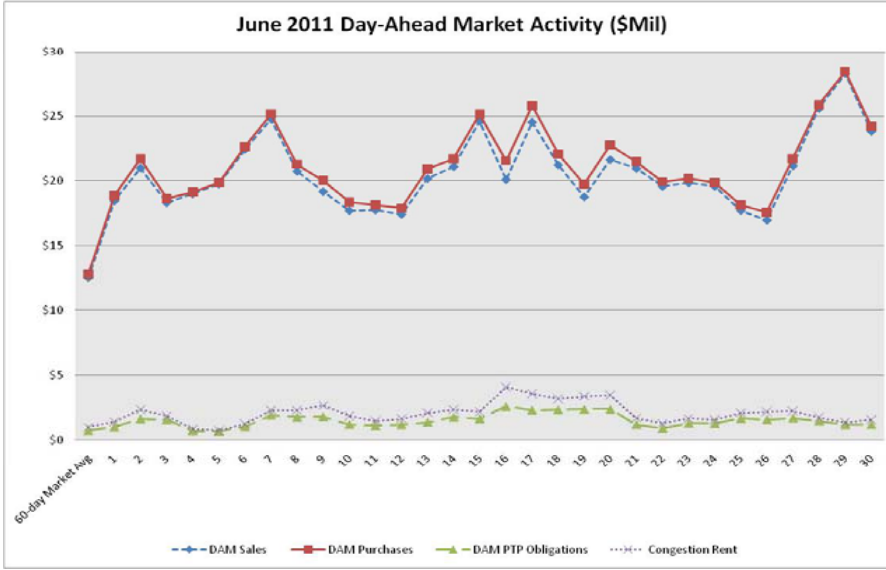


# Revenue Neutrality



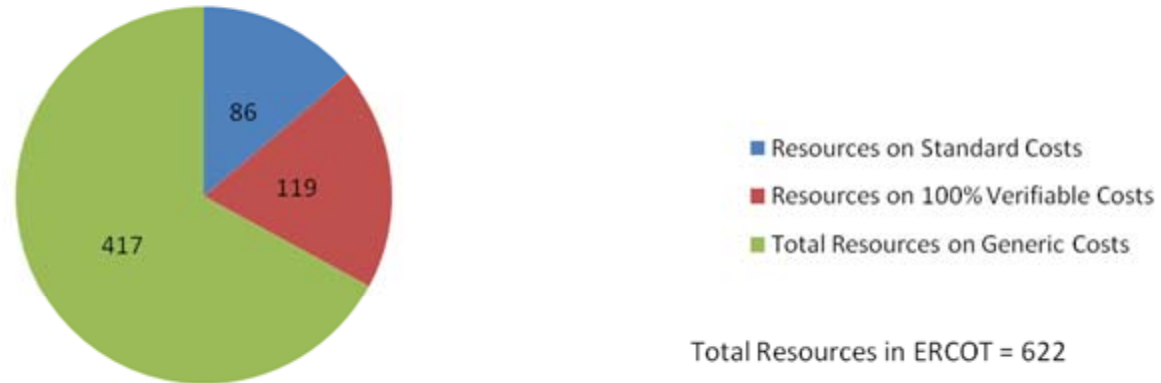
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# Daily DAM and RTM Activity



# Verifiable Costs

## Total Resources Under Different Cost Types



## Total MWs Under Different Cost types



# ERCOT Wholesale Market Settlement Dispute Report

## June 2011

	CRR Market		Day-Ahead Mkt		Real Time Mkt	
	Current Month*	Since Dec 1, 2010	Current Month*	Since Dec 1, 2010	Current Month*	Since Dec 1, 2010
Received	0	17	1	66	18	279
Granted	0	1	0	1	17	95
Granted w/Exception	0	0	0	2	0	6
Denied	0	15	6	53	4	108
In Process	0	1	0	10	0	70

\*Some current month activity is on disputes that were received in prior months.

# REPs and QSEs Added/Terminated – as of June 30, 2011

- **Added REPs**

- ✓ N/A

- **Terminated REPs**

- ✓ Infinite Energy Inc. (LSE)
- ✓ TEXREP5 LLC dba Allstar Energy LLC (LSE)

- **Added QSEs**

- ✓ NRG Texas Dent (SQ3 – L3)
- ✓ Turkey Track Wind Energy LLC (QSE – L3)
- ✓ McAdoo Wind Energy LLC (QSE – L3)
- ✓ Stanton Wind Energy LLC (QSE – L3)
- ✓ Scurry County Wind II LLC (QSE – L3)
- ✓ Hunt Electric Power Marketing LLC (QSE – L1)
- ✓ Great Bay Energy II LLC (QSE – L1)

- **Terminated QSEs**

- ✓ TEXREP5 LLC dba Allstar Energy LLC (QSE – L2)

QSE Count	Level	Qualification Description
85	1	<i>Performs Inter-QSE trades only; no direct representation of Load Serving Entity or Resource Entity</i>
129	2	<i>Represents Load Serving Entity ; no direct representation of Resource Entity</i>
65	3	<i>Represents Load Serving Entity and/or Resource Entity without providing Ancillary Services</i>
52	4	<i>Represents Load Serving Entity and/or Resource Entity and provides Ancillary Services</i>
<b>331 total (includes Sub-QSEs)</b>		

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Questions?