



Commercial Market Operations Report

Dale Goodman
Director, Market Services

Board of Directors Meeting
September 20, 2011

Summary

Retail Activity

- **Overall Activity** – Increase in Switching and Move-In activity in August 2011 compared to August 2010.
- **Transaction Performance Measures** – All performance measures again exceeded target of 98% in August.
- **Advanced Metering** – August AMS Load Volume was 24.3% representing 3.5M settled in the Market.

Wholesale Activity (August 2011 numbers will be provided prior to Board meeting. Per request, the July slides are displayed in this report for a placeholder and comparison, instead of blank pages. The August wholesale activity analysis will be provided with the update prior to the Board meeting.)

- **Settlements & Billing Performance** –
- **Settlement Dollars** –
- **Reliability Services** –
- **Capacity Services** –
- **Congestion Management** –
- **Revenue Neutrality** –
- **Verifiable Costs** –
- **Disputes** – Disputes remain low in volume. Minor corrections to category total counts were made to adjust counts for inadvertent “test disputes” appearing in totals. No material changes required. Corrections actually caused reduction in total count.
- **REPs and QSEs Added/Terminated**
 - 1 new REPs
 - 2 new QSEs
 - 2 new QSEs are Level 3 additions.
 - 0 terminated REP
 - 0 terminated QSEs

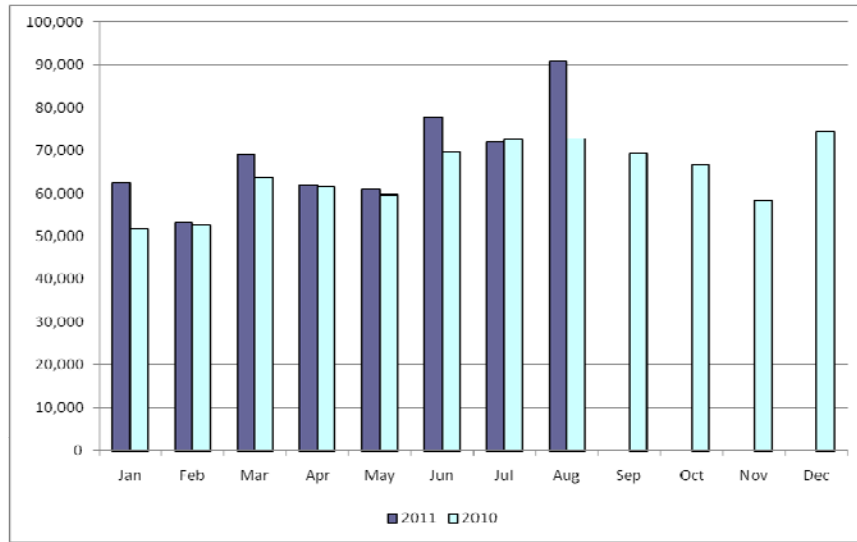
Overall Activity

Retail Transactions Summary

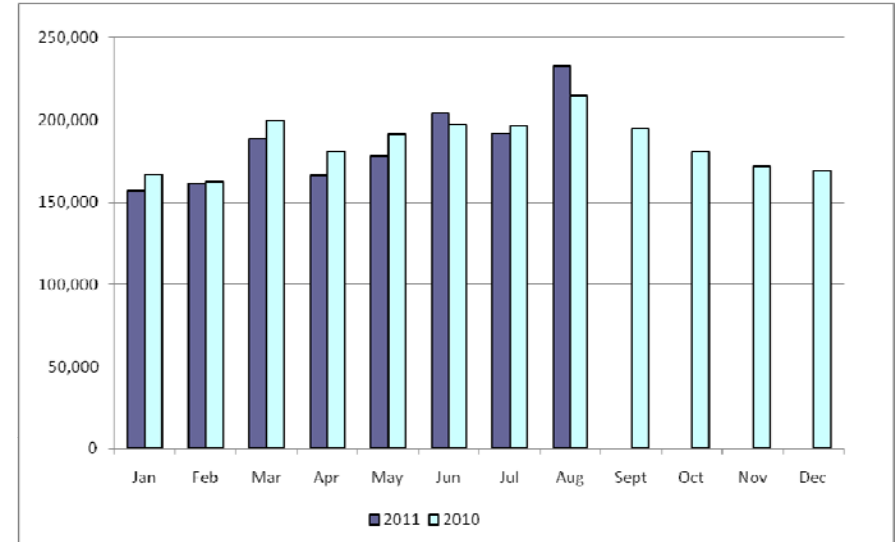
Transaction Type	YTD		August	
	<u>08/31/2011</u>	<u>08/31/2010</u>	<u>2011</u>	<u>2010</u>
Switches	548,504	504,514	90,927	72,770
Move - Ins	1,481,144	1,511,060	233,248	214,907
Move Out	752,732	829,563	108,570	111,305
CSA (Continuous Service Agreement)	249,338	280,088	32,589	28,158
Mass Transition	22,056	0	0	0
Total	3,053,744	3,125,225	465,334	427,140
Since June 1, 2001	43,435,366			

Retail Transactions Summary

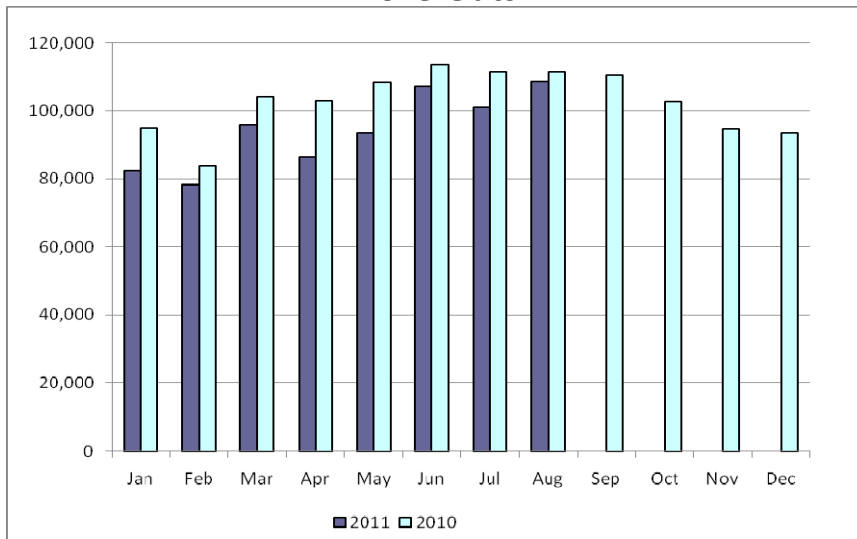
Switches



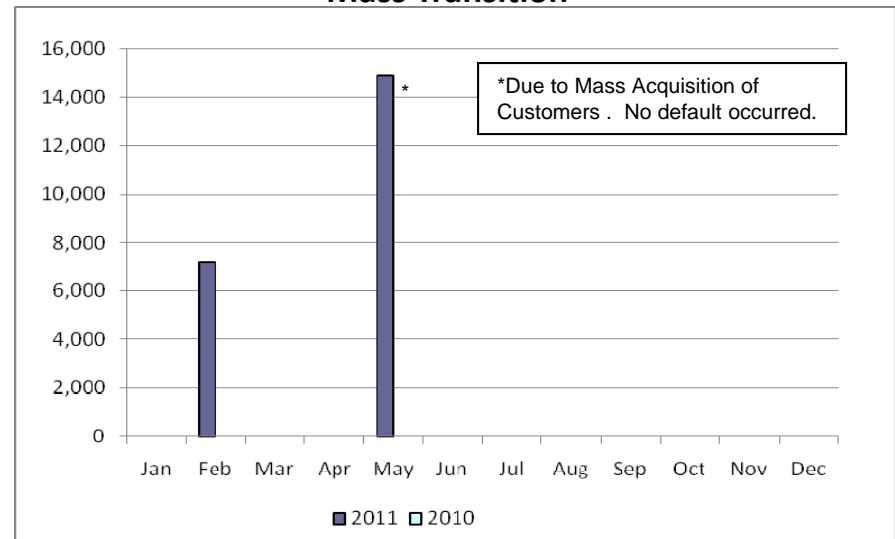
Move-Ins



Move-Outs

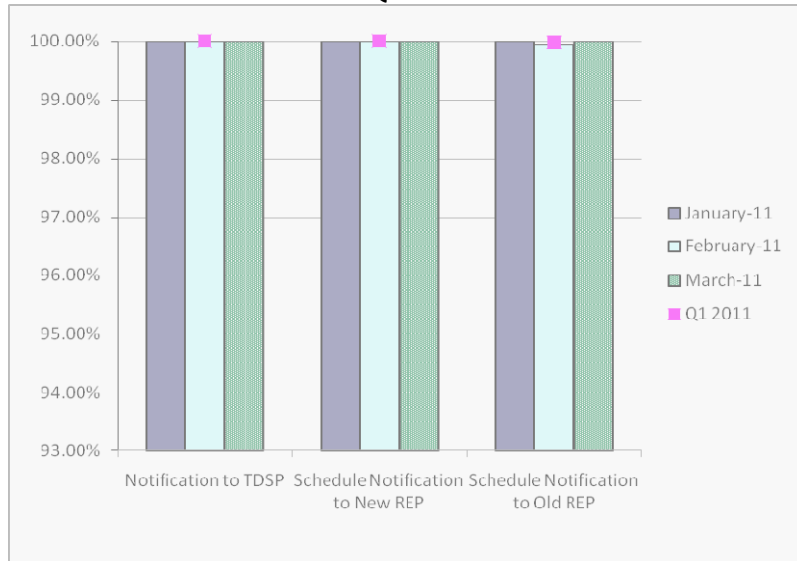


Mass Transition



Retail Performance Measures – 2011 Switch

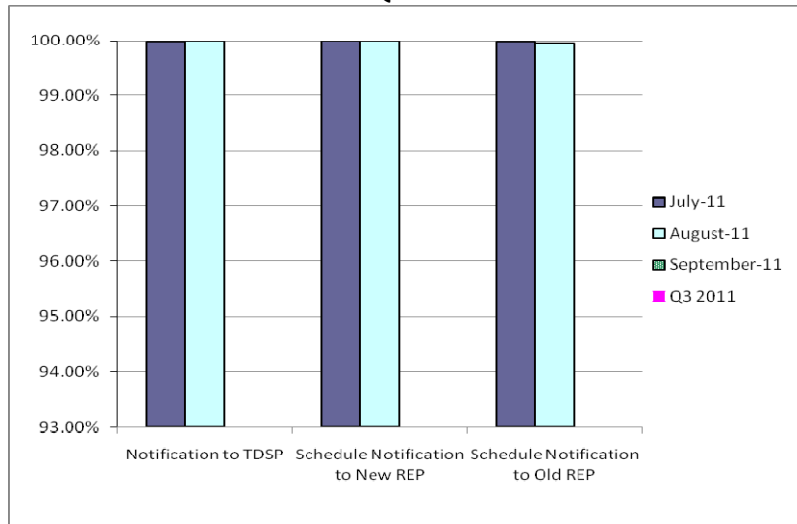
1st Quarter



2nd Quarter



3rd Quarter

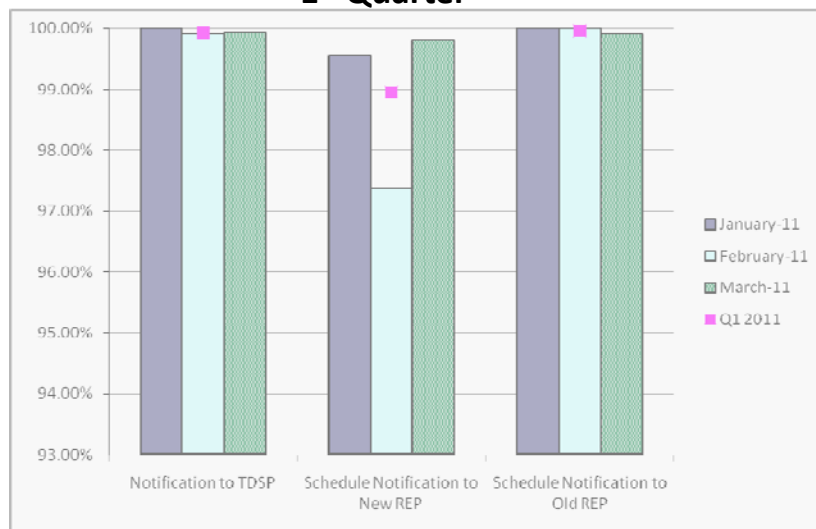


4th Quarter



Retail Performance Measures – 2011 Move-In / Priority

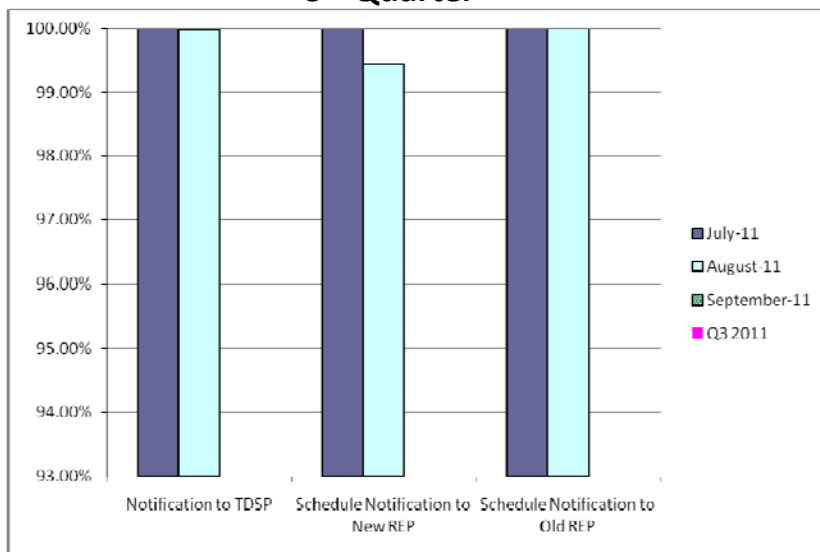
1st Quarter



2nd Quarter



3rd Quarter

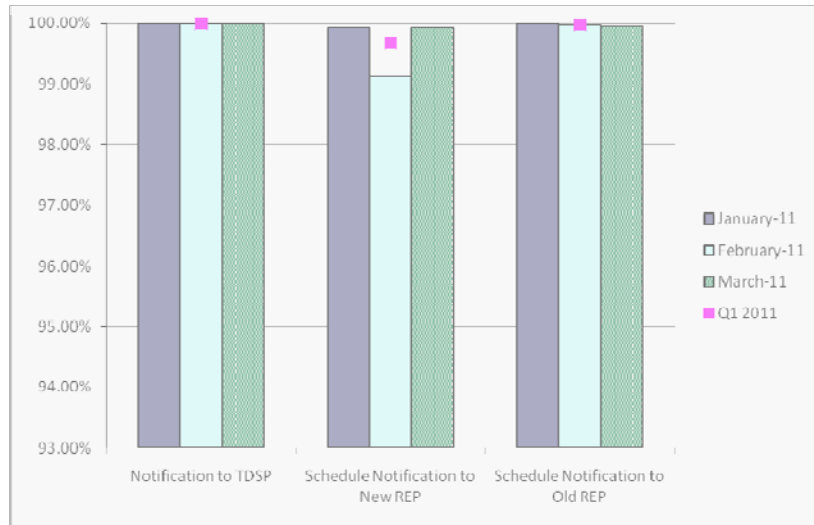


4th Quarter

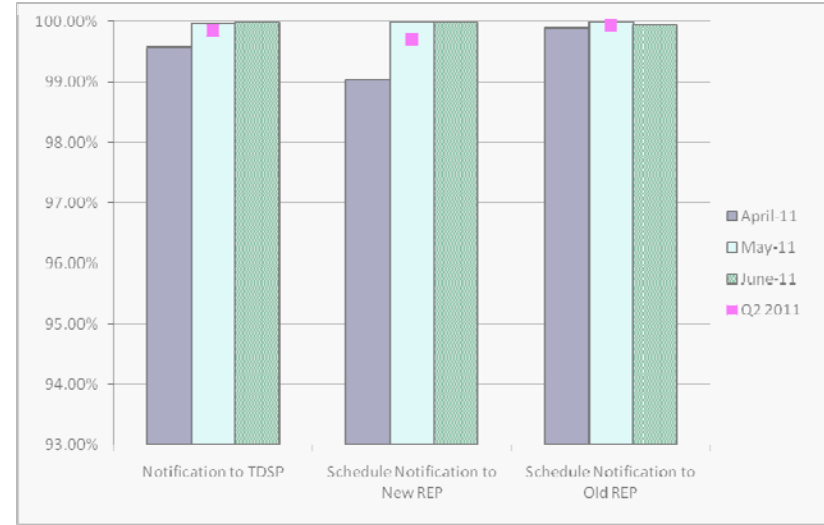


Retail Performance Measures – 2011 Move-In / Standard

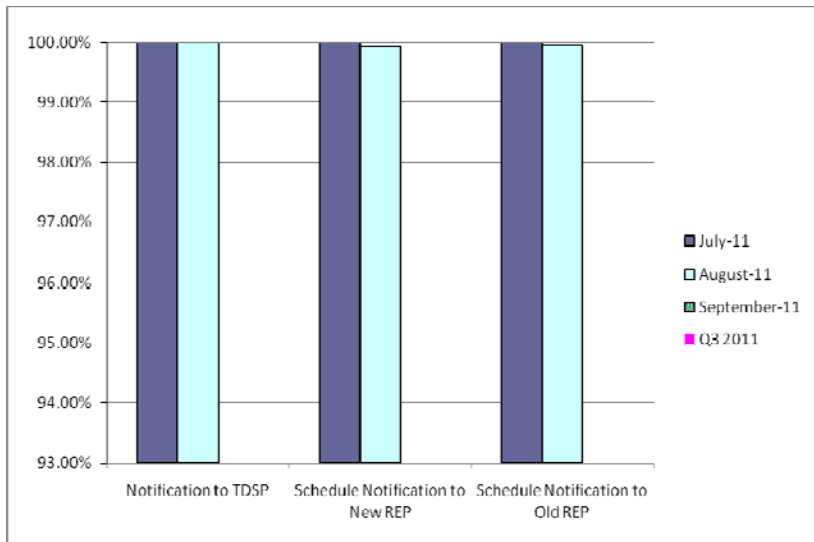
1st Quarter



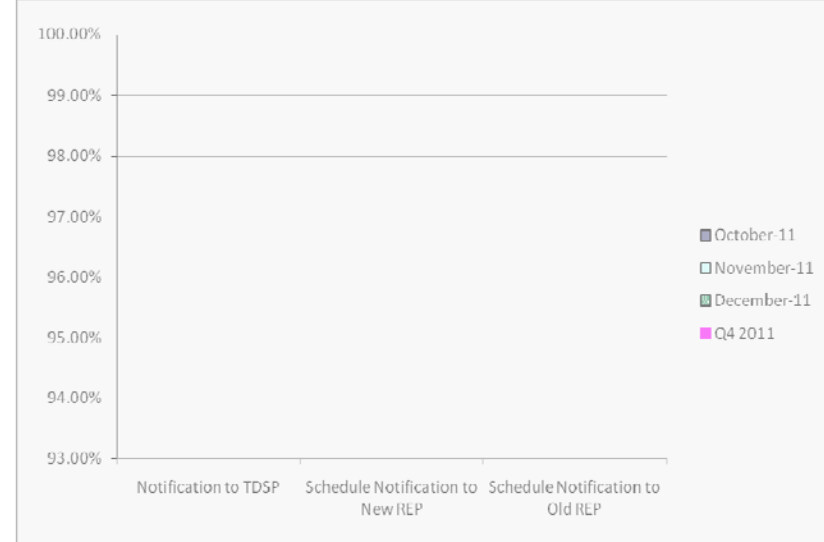
2nd Quarter



3rd Quarter



4th Quarter

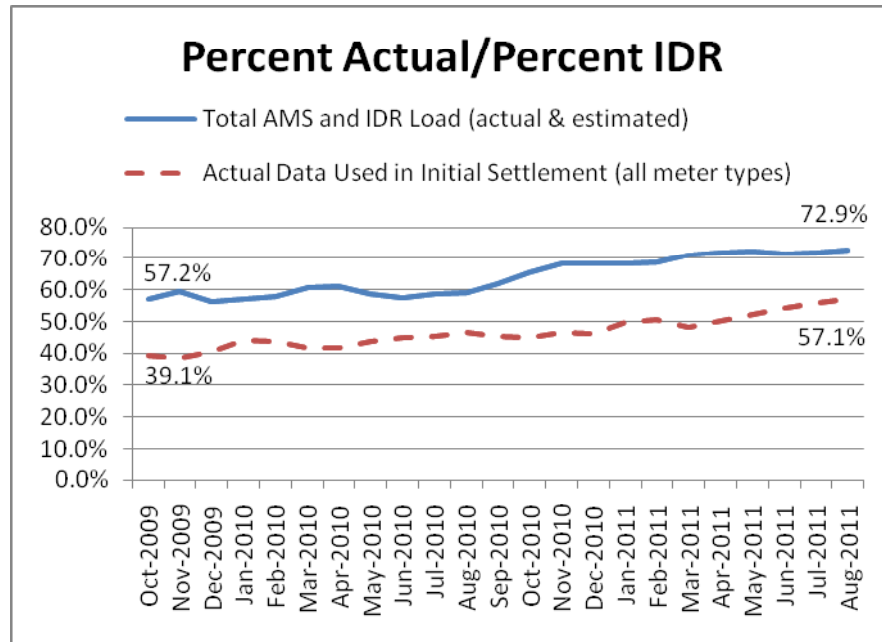


Migration from Native Affiliate REP

	% of Load ¹		% of ESI IDs	
	at <u>7/31/11</u>	at <u>7/31/10</u>	at <u>7/31/11</u>	at <u>7/31/10</u>
Residential	56%	52%	55%	51%
Small Non-Residential	82%	81%	62%	58%
Large Non-Residential	79%	78%	80%	78%

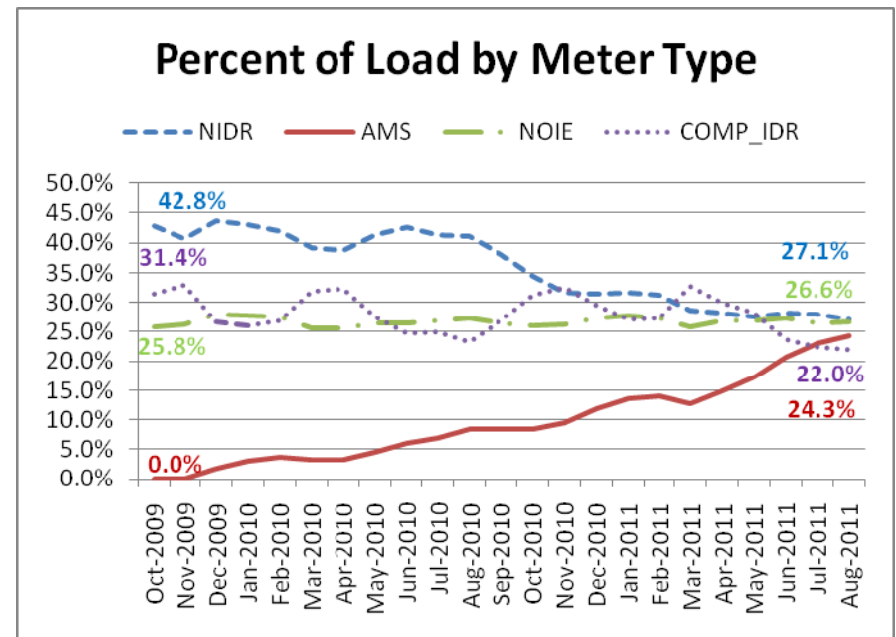
¹ - Percent of Deregulated (Non-NOIE) ESI IDs and Load. Usage based on monthly settlement results.

Advanced Meter Settlement Impacts

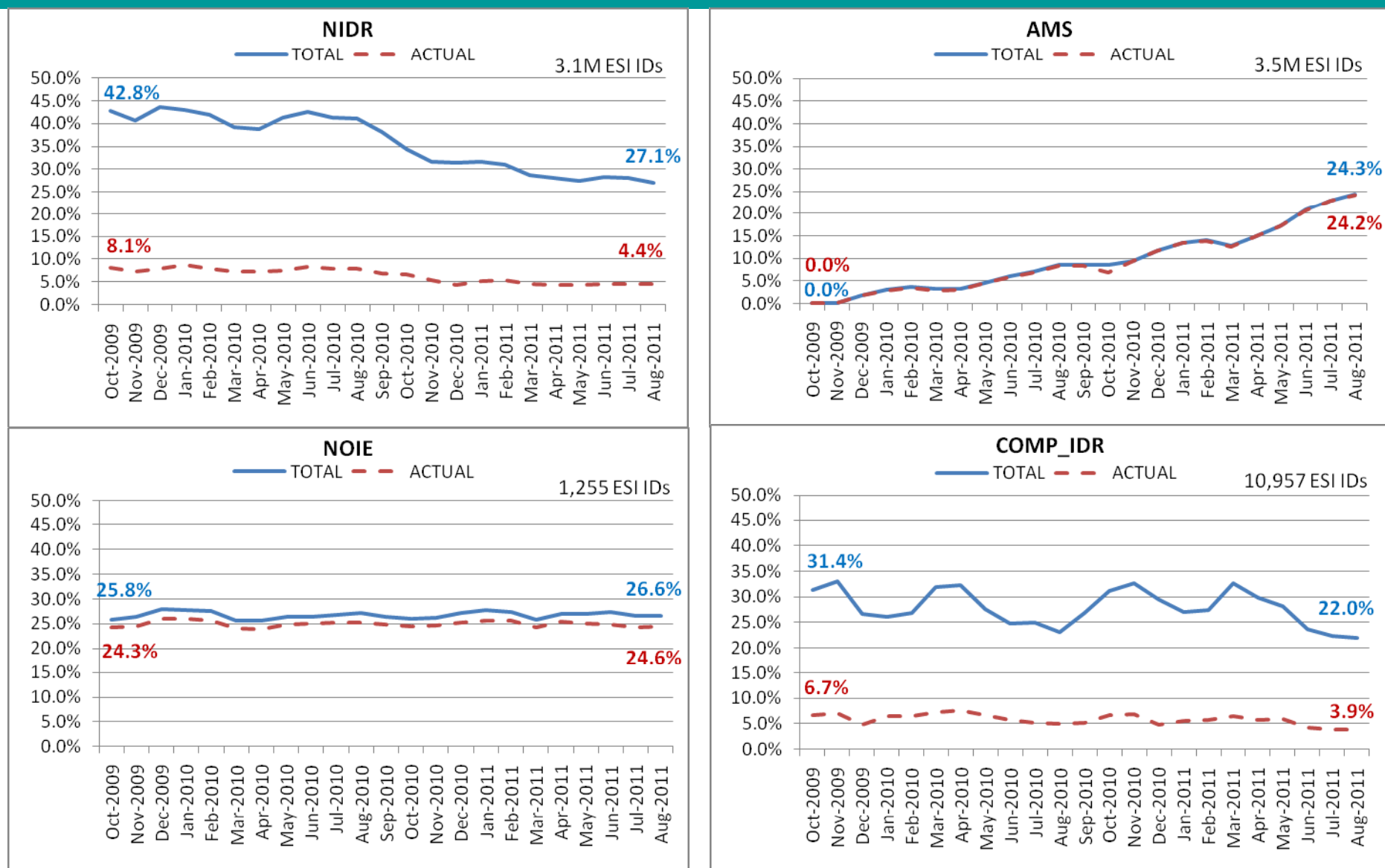


72.9% of the load in ERCOT is settled with 15-min interval data (AMS and IDR).

Now settling 3.5M ESIIDs using Advanced Meter data.



ERCOT Wide Load Volumes by Meter Type - INITIAL Settlement



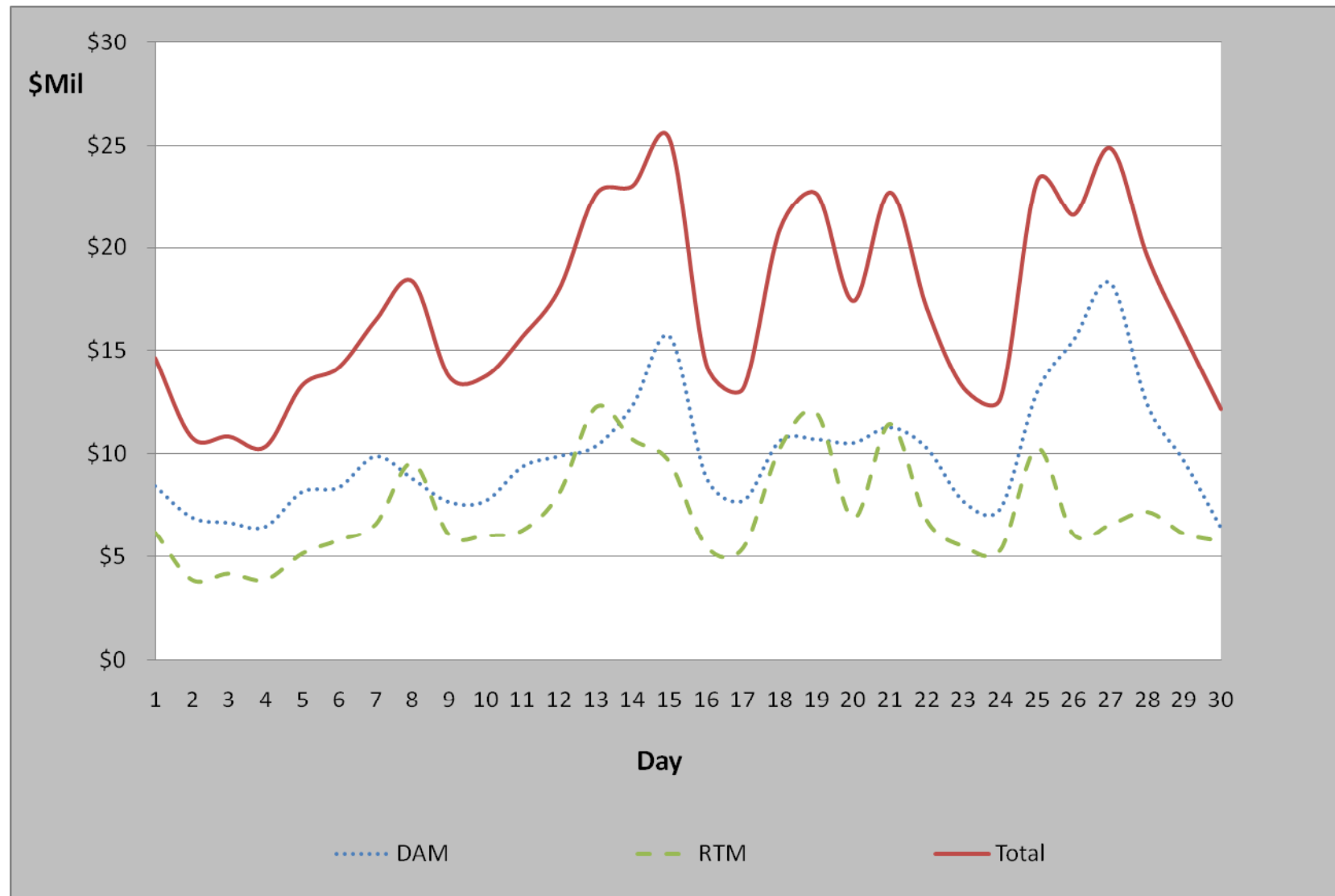
Settlements and Billing Performance Measures – July 2011

August 2011 numbers will be provided prior to Board meeting

	<u>To Date</u> <u>07/31/11</u>	<u>July</u> <u>2011</u>
Settlement Statements:		
Zonal	44,436	0
Day Ahead Market	49,012	6,689
Real Time Market	97,570	18,093
Total	191,018	24,782
Untimely	199	0
Balance	190,819	24,782
% Within Protocol	99.90%	100.00%
Invoices:		
Zonal	5,148	0
Day Ahead Market	49,012	6,689
Real Time Market	7,261	962
CRR Auction*	782	92
Balancing Account*	1,256	184
CRR Auction Revenue Disbursement (CARD)	1,188	96
Total	64,647	8,023
Untimely	-	-
Balance	64,647	8,023
% Within Protocol	100%	100%

July 2011 Market Total Settlement Dollars

August 2011 numbers will be provided prior to Board meeting



Reliability Services

August 2011 numbers will be provided prior to Board meeting

July 2011
(\$'s in millions)

Reliability Unit Commitment

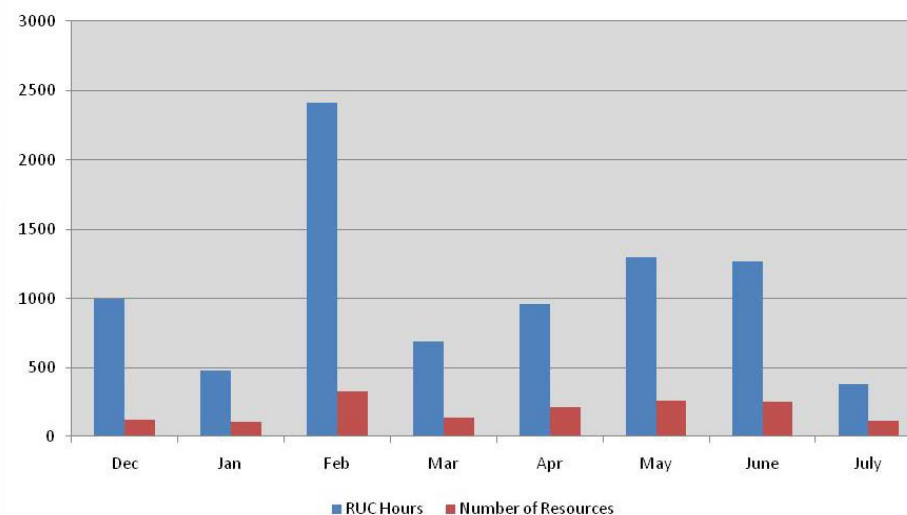
• Make Whole Payments	(\$1.03)
• Claw Back Charges	\$0.14
Total Reliability Unit Commitment	(\$0.88)

• Capacity Short Charges	\$1.03
• Make Whole Uplift	\$0.00

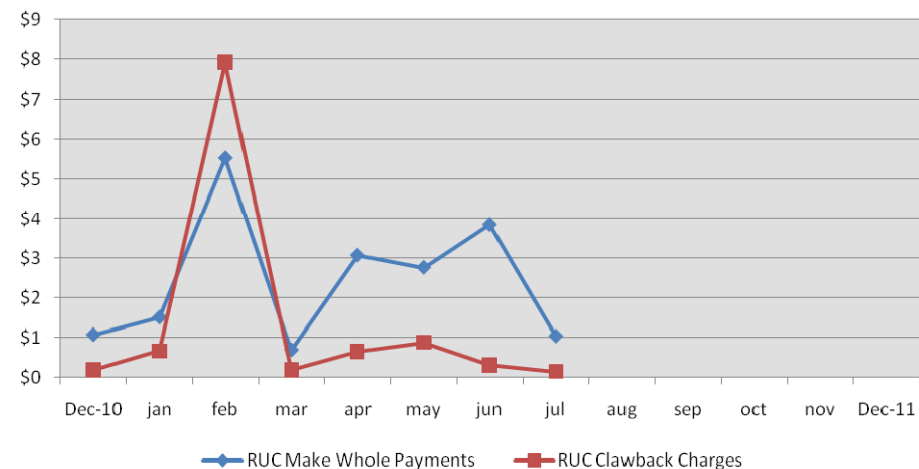
• RUC Decommitment Payments	\$0.00
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Note:
Positive amounts are a charge to the Market Participant
Negative amounts are a payment to the Market Participant

RUC Activity



Reliability Unit Commitment (\$Mil)



Capacity Services - Cost

August 2011 numbers will be provided prior to Board meeting

	July (\$'s in millions) <u>2010</u>	July (\$'s in millions) <u>2011</u>
Capacity Services**:		
Reg Up	\$4.2	\$6.8
Reg Down	\$3.0	\$2.1
Responsive Reserve	\$9.1	\$22.3
Non-Spinning Reserve	\$3.8	\$18.2
Black Start	\$0.5	\$0.5
RMR Capacity*	\$1.3	\$0.0
Voltage Services - Reactive Power	n/a	\$0.0
Voltage Services - Lost Opportunity	n/a	\$0.0
TOTAL CAPACITY SERVICES	\$21.9	\$49.8

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

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

Capacity Services - Volumes

August 2011 numbers will be provided prior to Board meeting

Reg Up:*	<u>July 2010</u>	<u>July 2011</u>
Required (MW)	619,889	435,521
Self Arranged (MW)	114,824	20,537
Procured DAM (MW)		414,985
Procured RTM (MW)		323
Failure to Provide (MW)		473
Total Procured	507,346	415,308
% Procured	81.8%	95.4%
Reg Down:*		
Required (MW)	678,482	399,439
Self Arranged (MW)	143,803	27,777
Procured DAM (MW)		371,662
Procured RTM (MW)		-
Failure to Provide (MW)		-
Total Procured	536,802	371,662
% Procured	79.1%	93.0%
Responsive Reserve:		
Required (MW)	1,709,848	1,711,258
Self Arranged (MW)	647,495	391,250
Procured DAM (MW)		1,320,007
Procured RTM (MW)		1,342
Failure to Provide (MW)		1,751
Total Procured	1,063,358	1,321,350
% Procured	62.2%	77.2%
Non-Spinning Reserve:		
Required (MW)	1,195,347	1,350,863
Self Arranged (MW)	364,192	124,133
Procured DAM (MW)		1,226,729
Procured RTM (MW)		-
Failure to Provide (MW)		-
Total Procured	832,780	1,226,729
% Procured	69.7%	90.8%

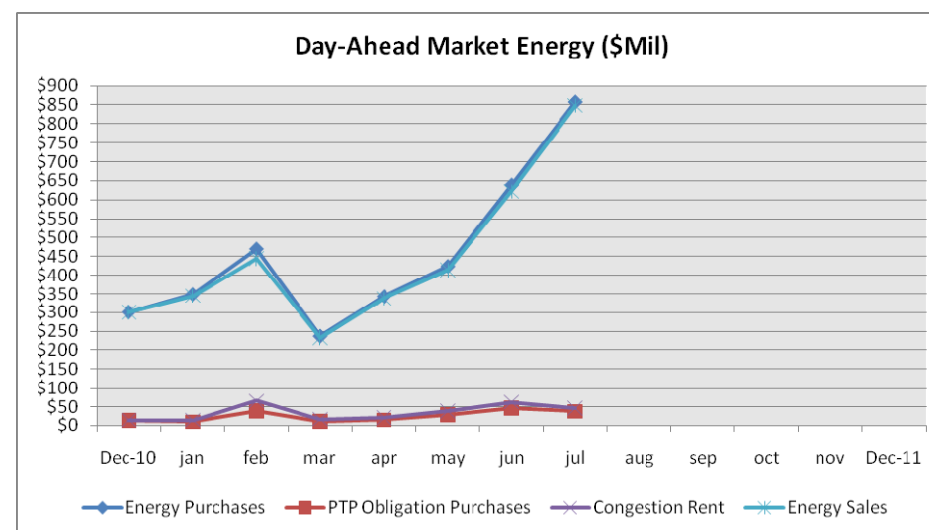
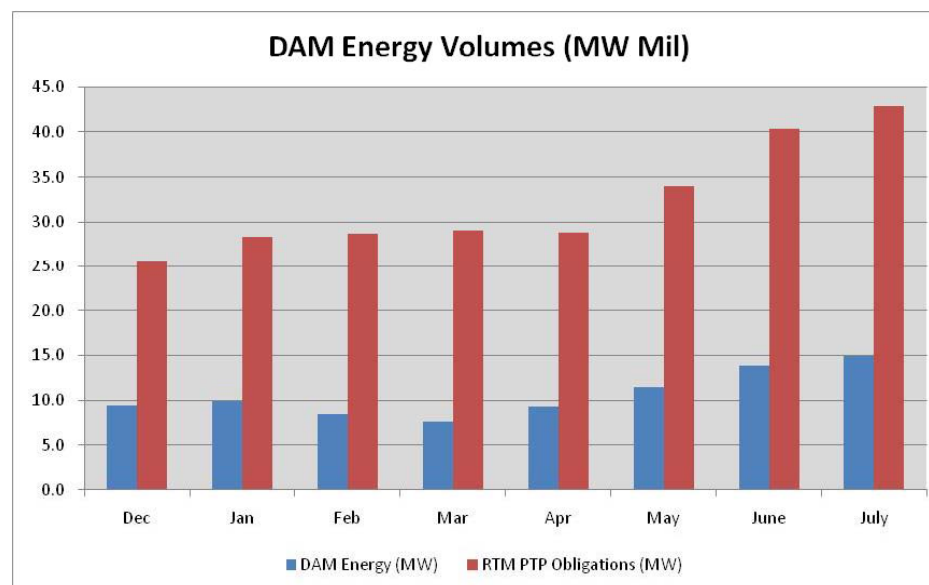
*A/S Methodology changed in Dec 2010

Energy Settlement

August 2011 numbers will be provided prior to Board meeting

July 2011 (\$'s in millions)	
Day Ahead Market Energy Settlement	
Energy Purchases	\$856.98
Point to Point Obligations Purchases	\$37.58
RMR Day Ahead Revenue	\$0.00
Energy Sales	(\$848.24)
Day Ahead Congestion Rent	\$46.31
Day Ahead Make Whole Payments	(\$0.04)
Real Time Market Energy Settlement	
Real Time Energy Imbalance	
~Resource Node Settlement Points	(\$1,058.50)
~Load Zone Settlement Points	\$1,500.70
~ Hub Settlement Points	(\$370.06)
Real Time Congestion from Self Schedules	(\$0.74)
Block Load Transfers and DC Ties	(\$15.78)
Energy Settlements Impact to Revenue Neutrality	\$55.62
Emergency Energy Payments	(\$0.07)
Base Point Deviation	\$0.65
(MWh in millions)	
Real Time Metered Generation	35.96

Note:
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September 20, 2011

Congestion Management

August 2011 numbers will be provided prior to Board meeting

July 2011
(\$'s in millions)

- **Auction Disbursements**

Annual Auction	(\$37.77)
Monthly Auction	(\$22.24)
Total Disbursements	(\$60.01)

- **CRR Settlement**

Day Ahead CRR Settlement	(\$31.37)
Day Ahead CRR Short Charges	\$0.01
Day Ahead CRR Short Charges Refunded	(\$0.01)
Real Time CRR Settlement	(\$4.37)
Real Time CRR Short Charges	\$0.00
Real Time CRR Short Charges Refunded	(\$0.00)
Total Proceeds	(\$35.75)

- **PTP Obligations Acquired in DAM**

Day Ahead Point to Point Obligation Settlement	\$37.58
Real Time Point To Point Obligation Settlement	(\$54.27)
Net Settlement	(\$16.69)

Note:
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Net Impact to Load

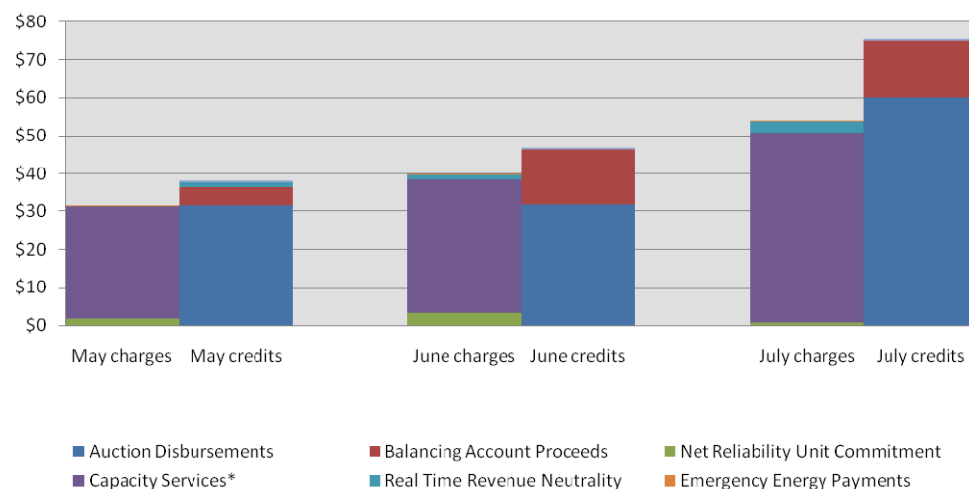
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July 2011
(\$'s in millions)

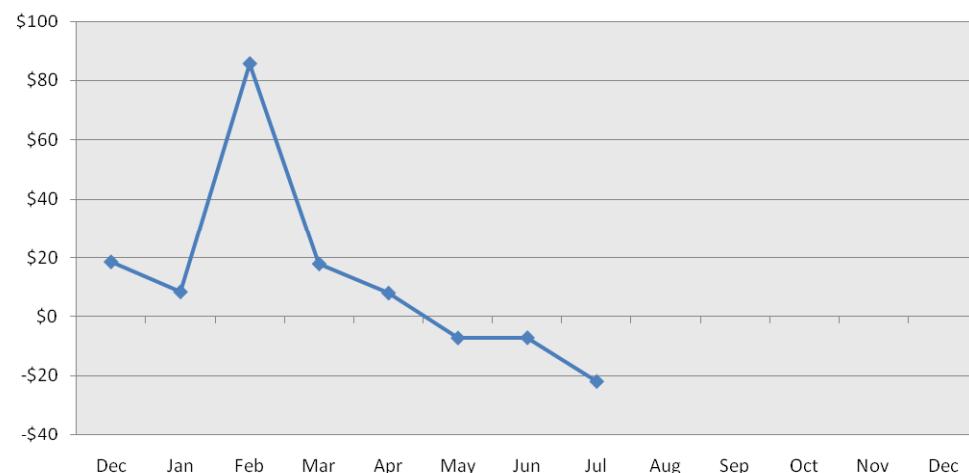
Market-Based Fees	
Auction Disbursements	(\$60.01)
Balancing Account Proceeds	(\$14.94)
Net Reliability Unit Commitment	\$0.88
Capacity Services*	\$49.83
Real Time Revenue Neutrality	\$3.02
Emergency Energy Payments	\$0.07
Base Point Deviation Charge	(\$0.65)
	(\$21.79)
ERCOT Fees	
ERCOT Administrative Fee	\$15.14
Net Impact to Load	(\$6.65)

* RMR included in Capacity Services

Market Based Fees Impact to Load (\$Mil)

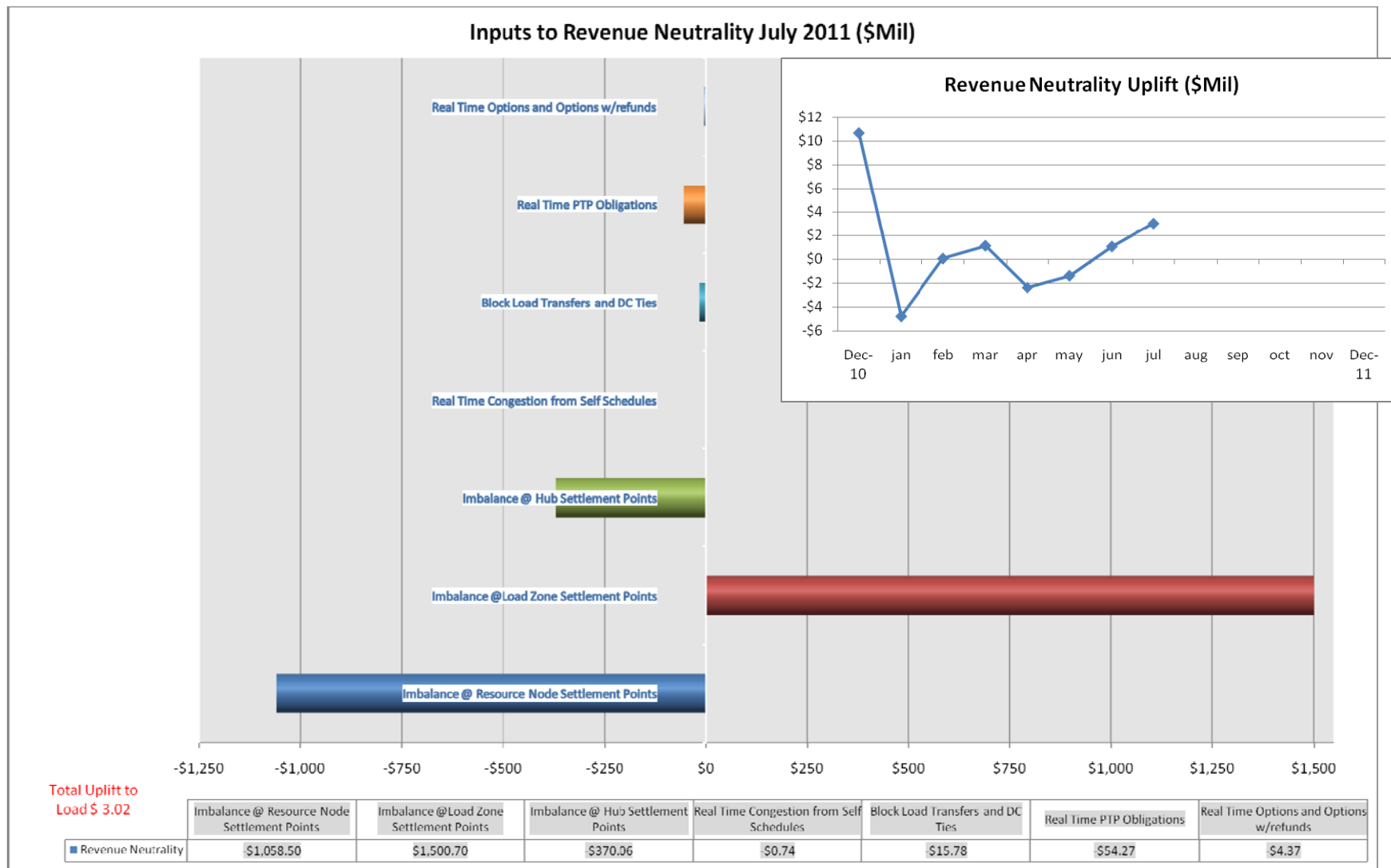


Market Based Fees Net Impact to Load



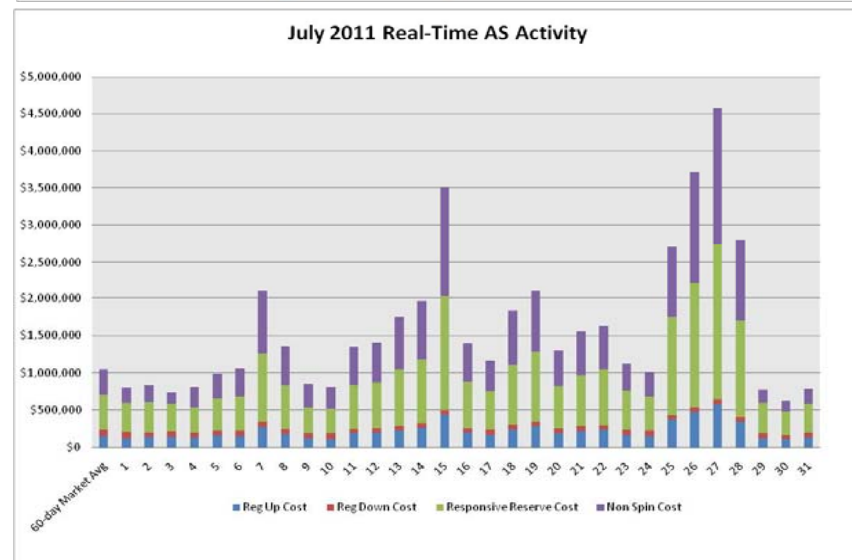
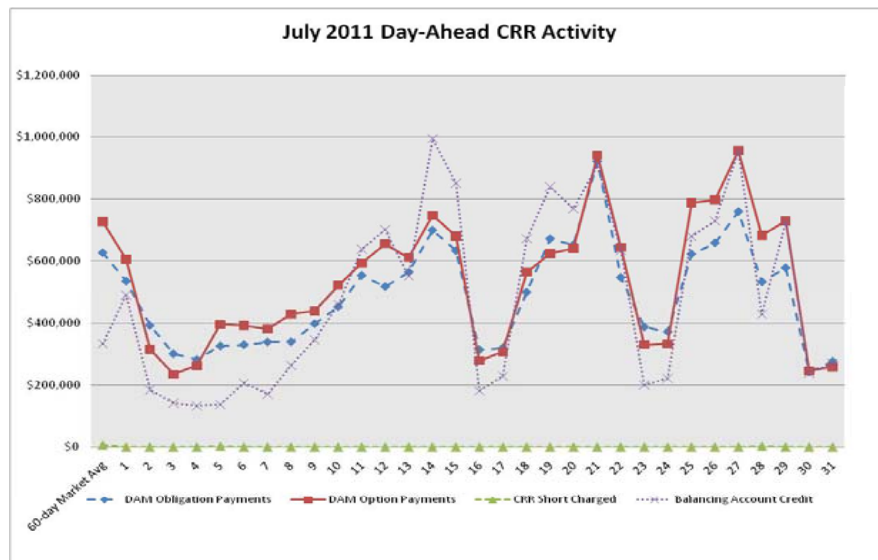
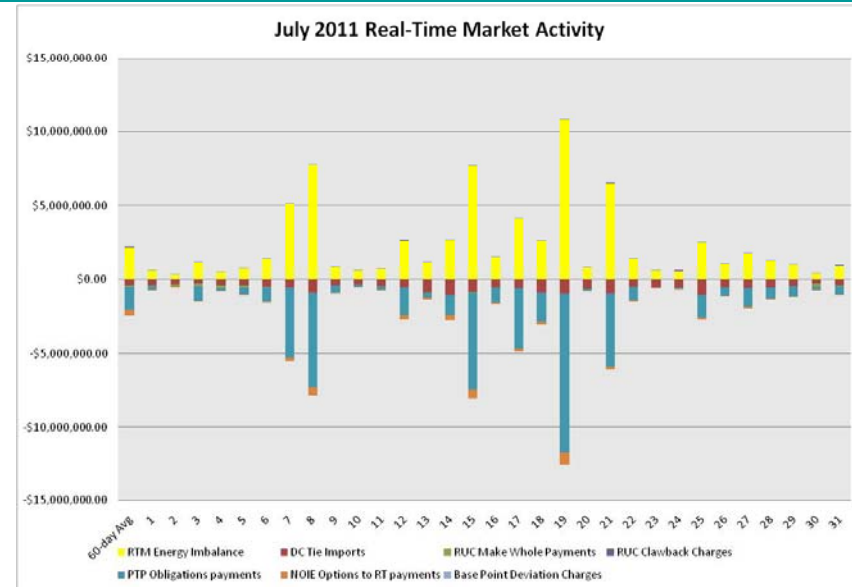
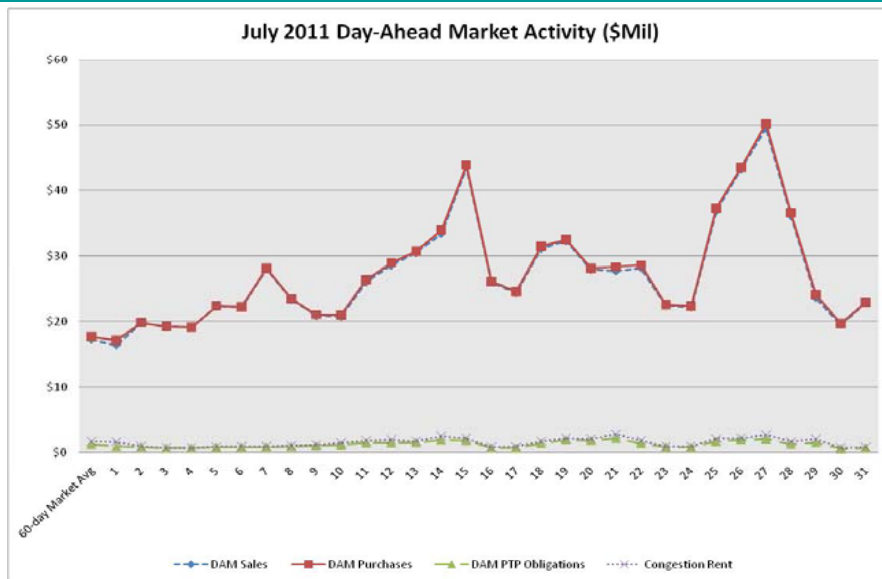
Revenue Neutrality

August 2011 numbers will be provided prior to Board meeting



Daily DAM and RTM Activity

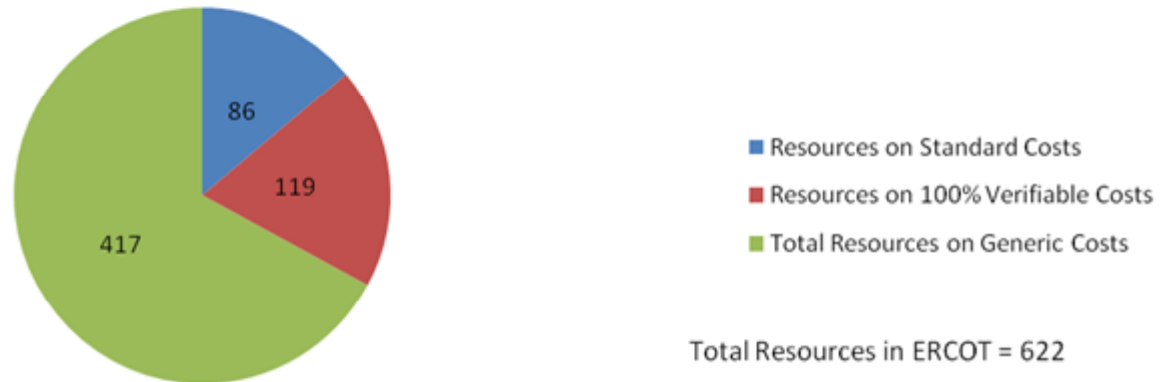
August 2011 numbers will be provided prior to Board meeting



Verifiable Costs

August 2011 numbers will be provided prior to Board meeting

Total Resources Under Different Cost Types



Total MWs Under Different Cost types



ERCOT Wholesale Market Settlement Dispute Report

August 2011

	CRR Market		Day-Ahead Mkt		Real-Time Mkt		Total	
	Current Month	Since Dec 1, 2010	Current Month	Since Dec 1, 2010	Current Month	Since Dec 1, 2010	Current Month	Since Dec 1, 2010
Received	0	16	1	58	36	331	37	405*
Granted	0	0	0	0	4	118	4	118*
Granted w/Exception	0	0	0	0	0	6	0	6*
Denied	0	14	0	52	12	128	12	194*
Withdrawn**	0	2	0	5	10	46	10	53
In Process	0	0	1	1	24	33	25	n/a

*Adjustments made due to inadvertent "test dispute" counts in previous months.

**New category added.

REPs and QSEs Added/Terminated – as of August 31, 2011

- **Added REPs**

- ✓ True Electric LLC dba Milagro Electric (LSE)

- **Terminated REPs**

- ✓ N/A

- **Added QSEs**

- ✓ Exelon Generation Company LLC (SQ2 – L3)
- ✓ Sherbino I Wind Farm LLC Phase II (SQ1 – L3)

- **Terminated QSEs**

- ✓ N/A

- **QSE Level Changes**

- ✓ N/A

QSE Count	Level	Qualification Description
89	1	<i>Performs Inter-QSE trades only; no direct representation of Load Serving Entity or Resource Entity</i>
131	2	<i>Represents Load Serving Entity ; no direct representation of Resource Entity</i>
67	3	<i>Represents Load Serving Entity and/or Resource Entity without providing Ancillary Services</i>
53	4	<i>Represents Load Serving Entity and/or Resource Entity and provides Ancillary Services</i>
340 total (includes Sub-QSEs)		

Questions?