

IMM Report

ERCOT Board of Directors Meeting

September 20, 2011

Dan L. Jones
Vice President
Director, ERCOT IMM
Potomac Economics

**POTOMAC
ECONOMICS**

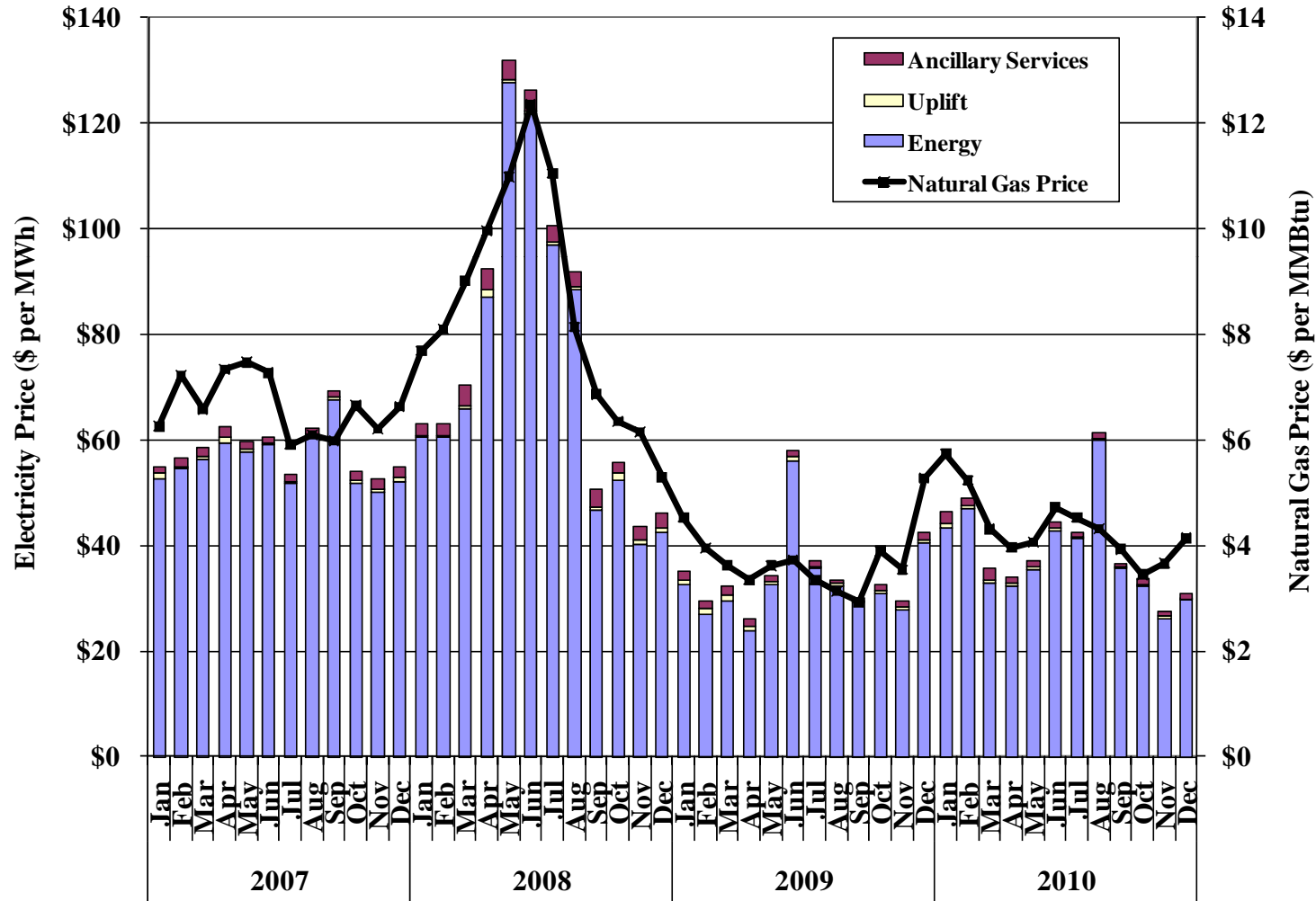


Today's topics

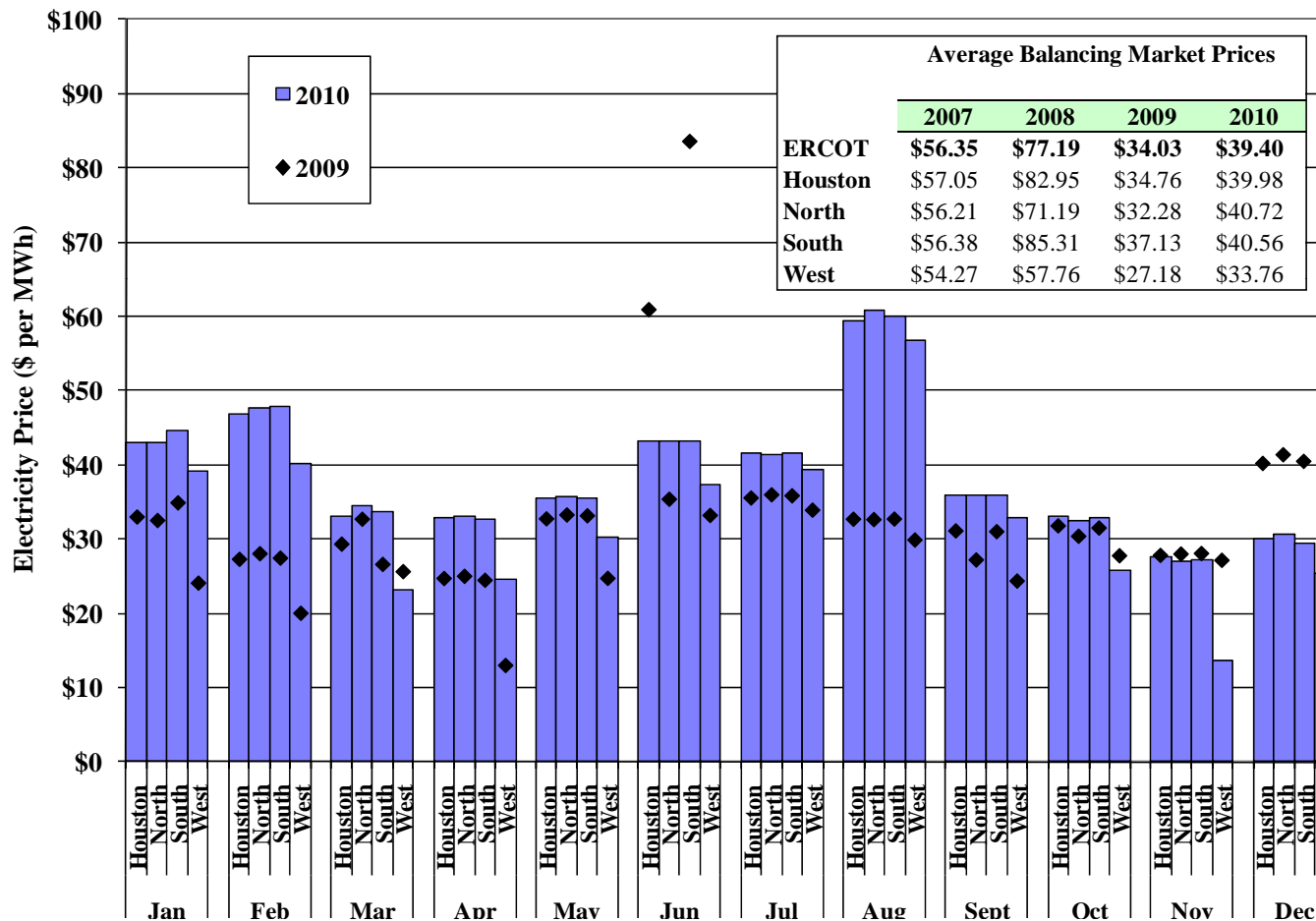
- 2010 SOM highlights
- Follow-up questions from August meeting

All-in Price for Electricity in ERCOT

2007-2010

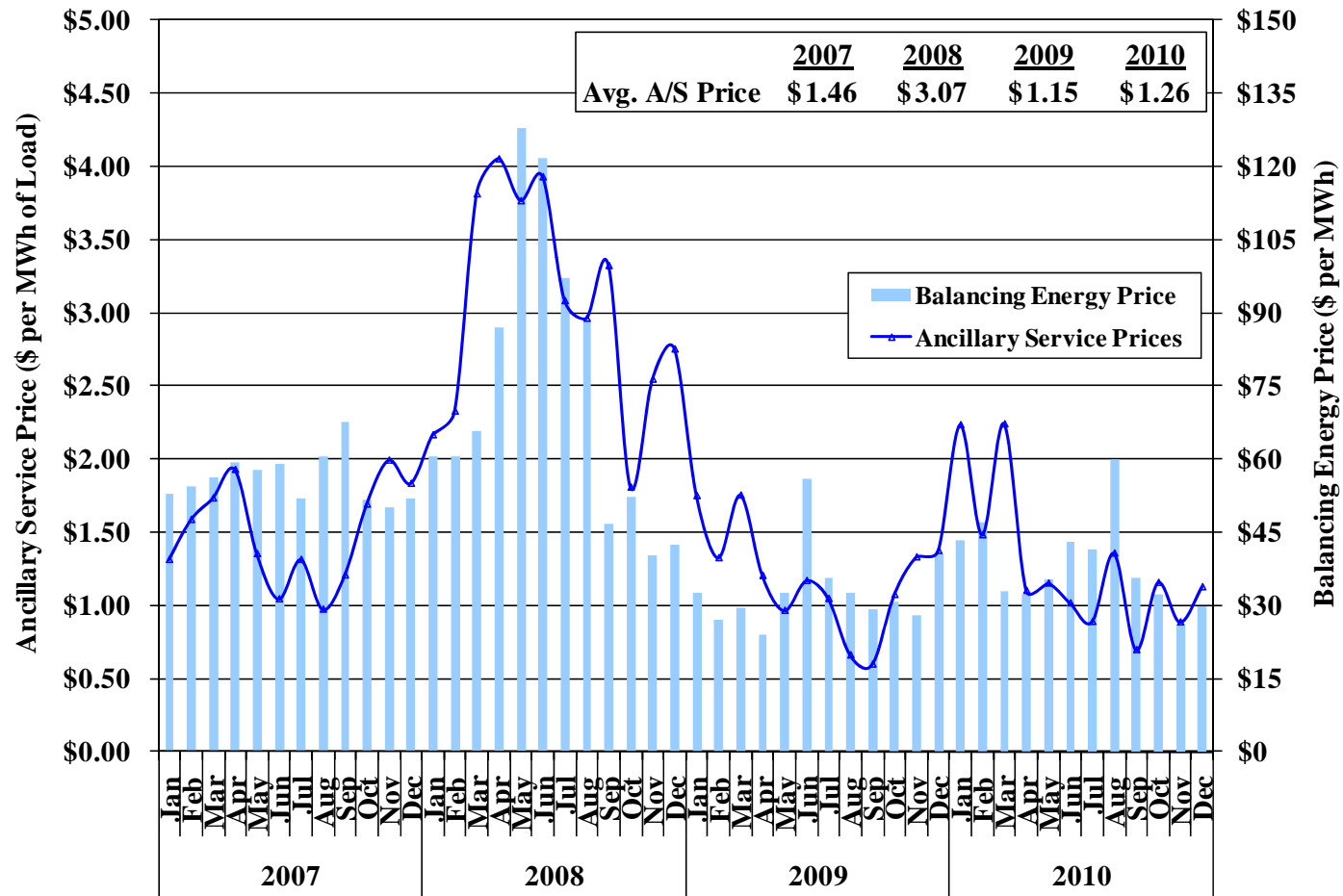


Average Balancing Energy Market Prices



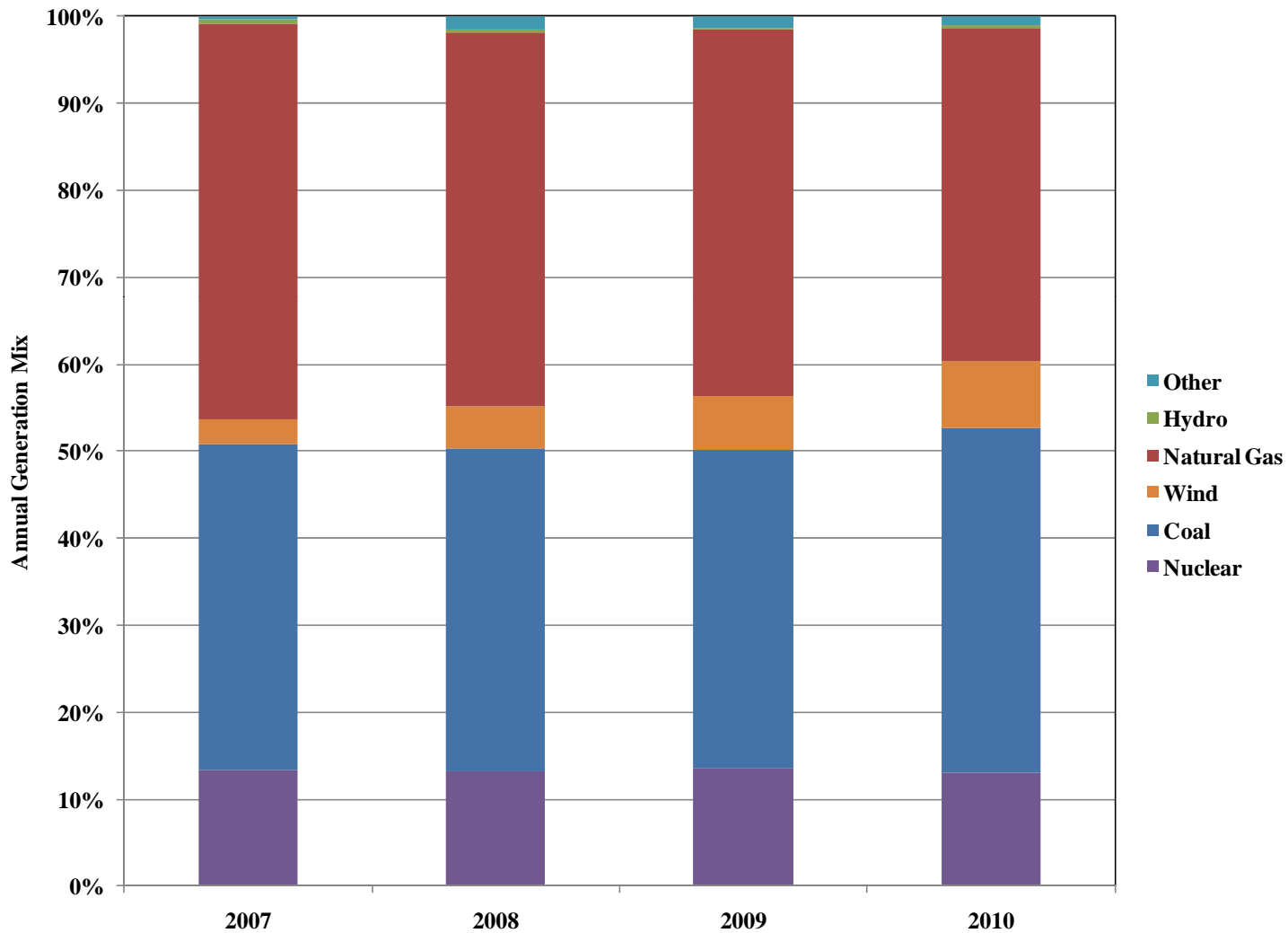
A/S Cost per MWh of Load

2007-2010



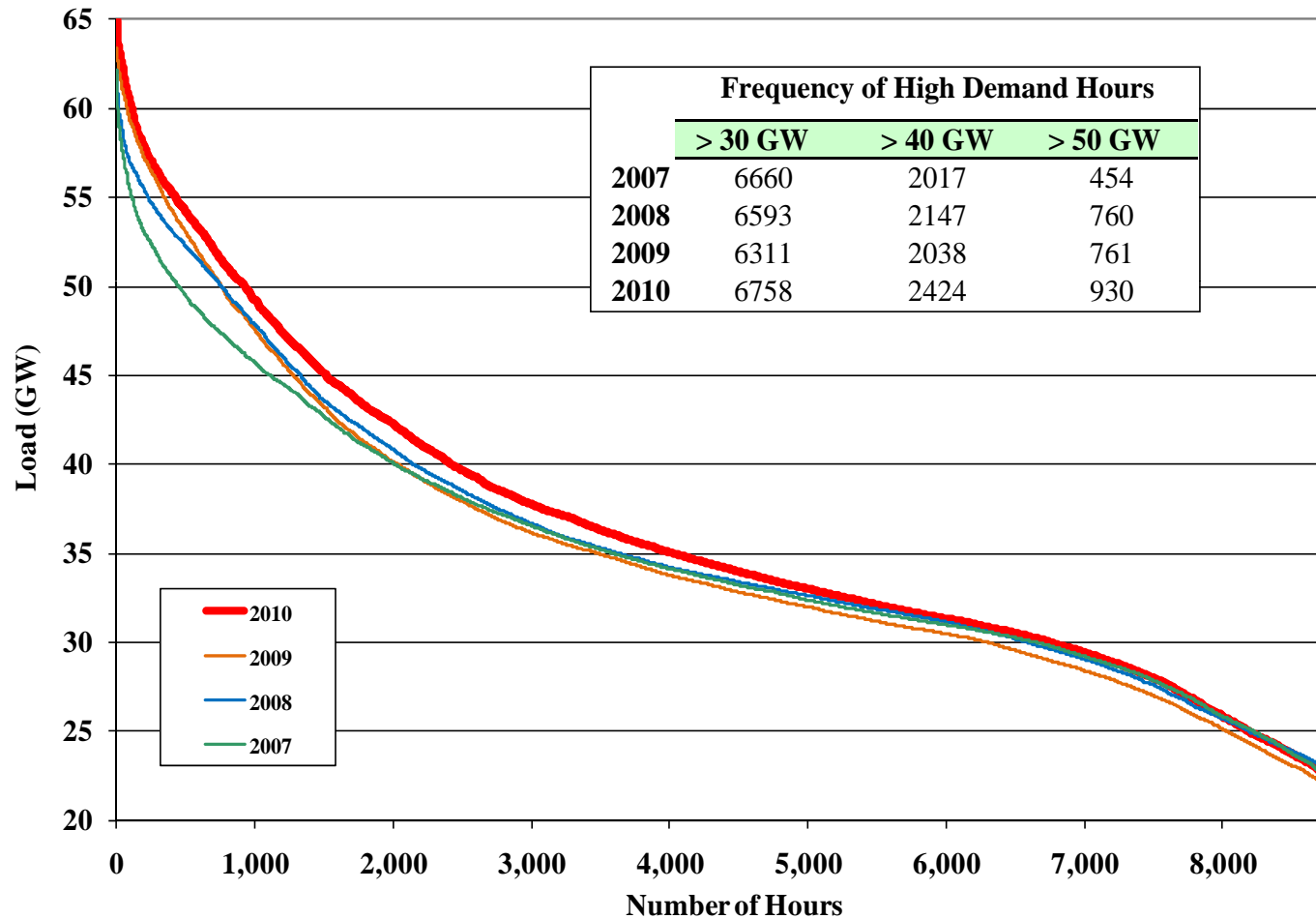
Generation by Fuel Type

2007-2010



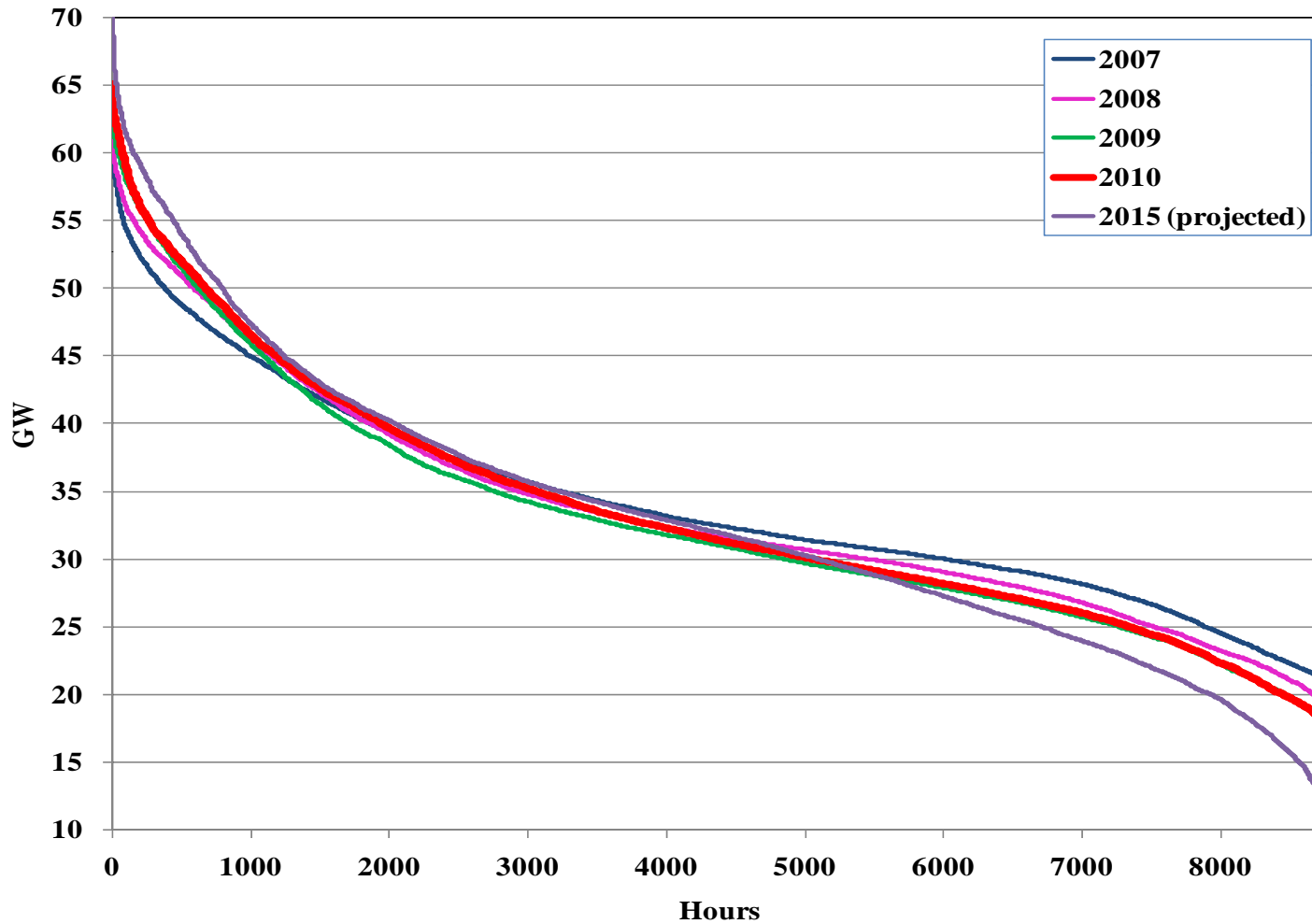
Load Duration Curves

2007-2010



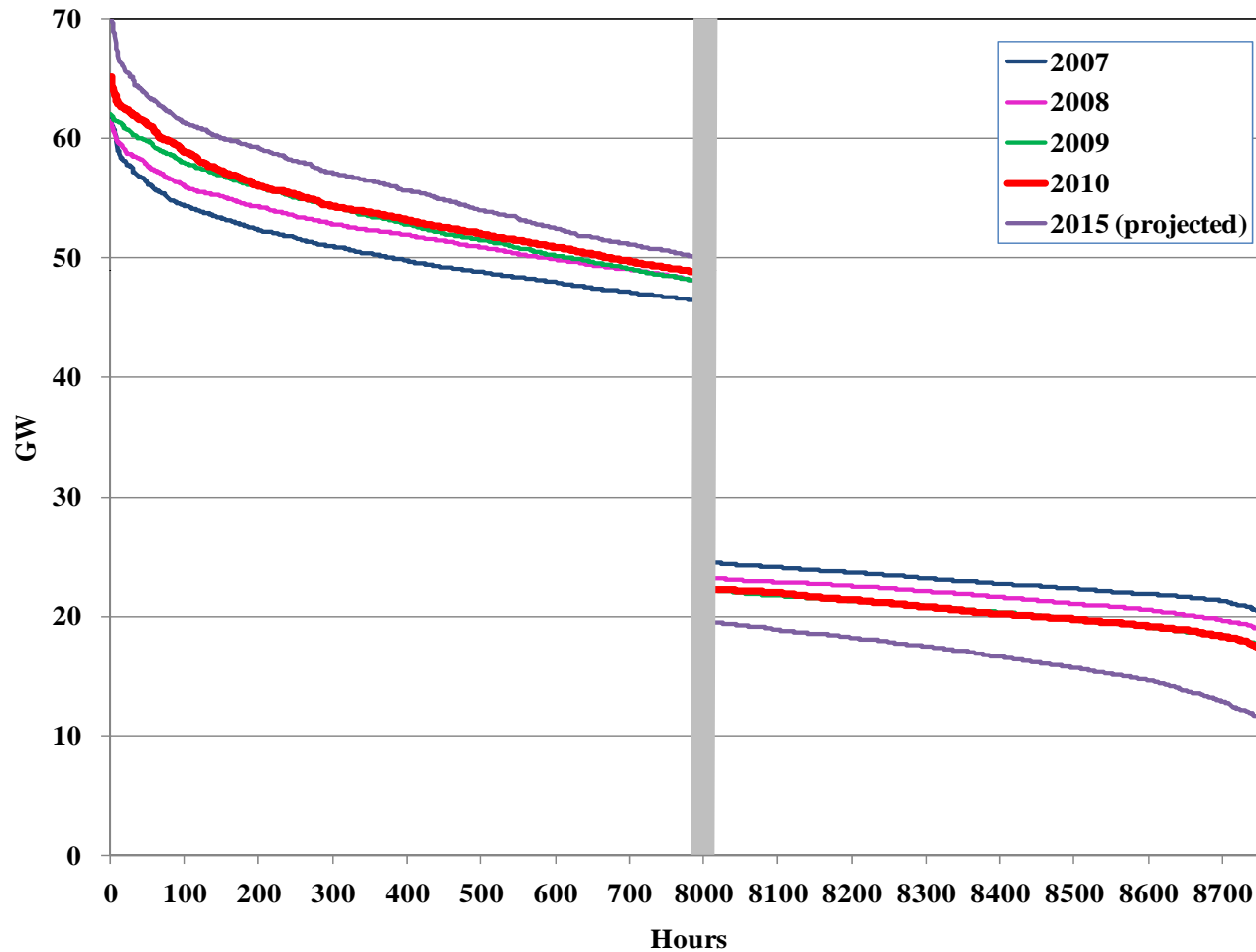
Net Load Duration Curves

2007-2010; 2015 projected



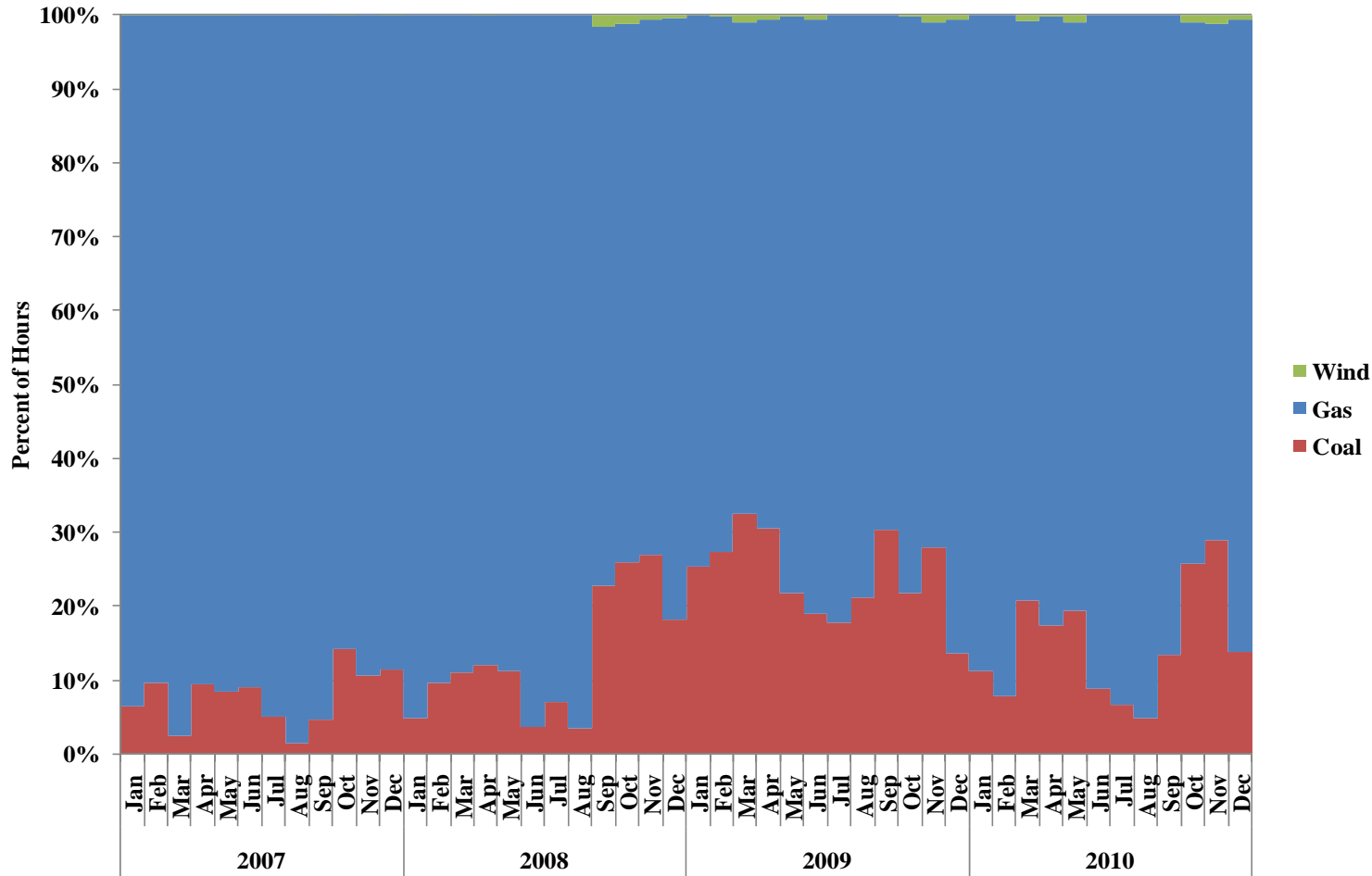
Net Load Duration Curves

Top and Bottom 10% of hours; 2007-2010; 2015 projected



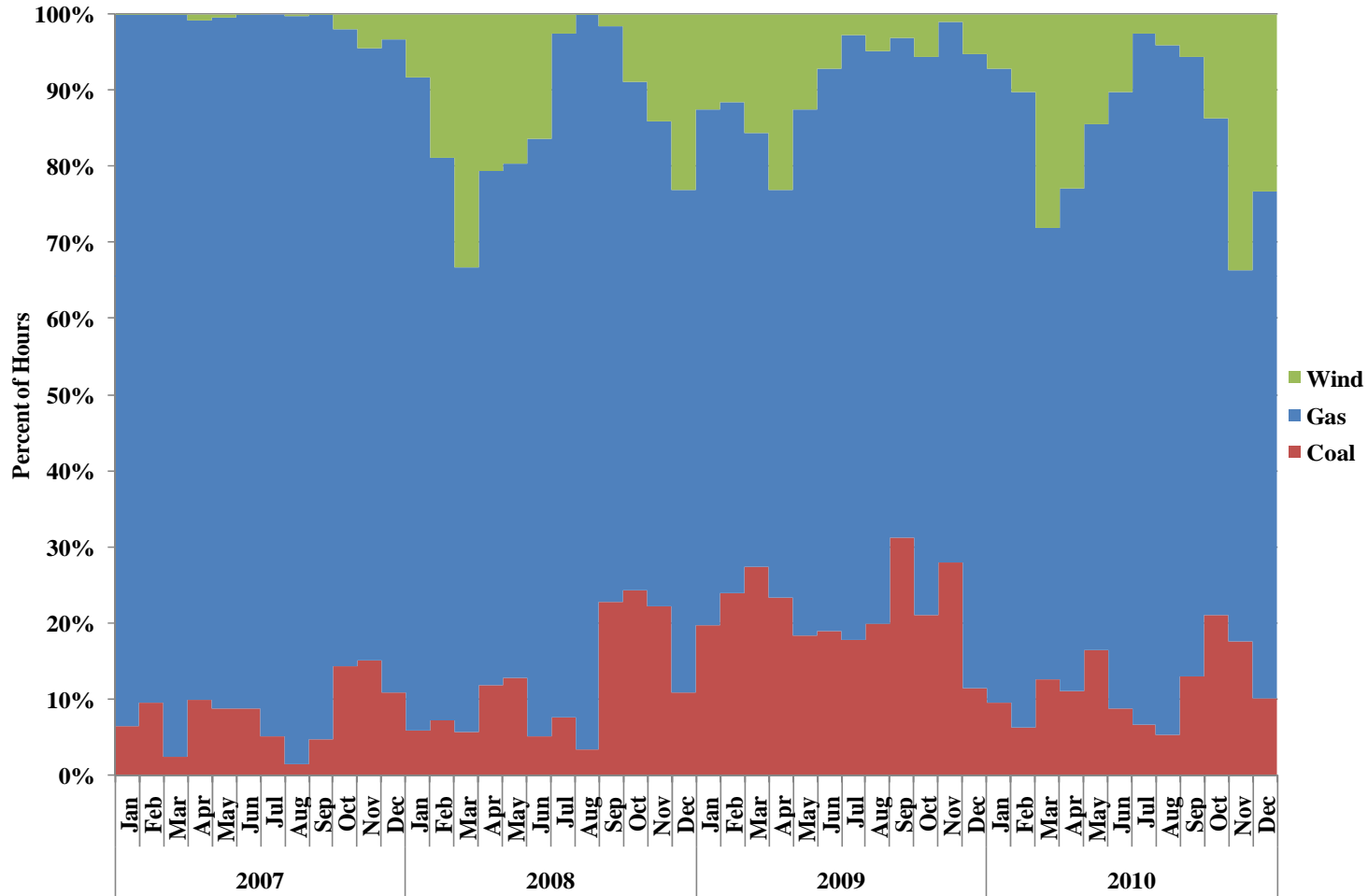
Marginal Fuel Frequency

Houston Zone, 2007-2010



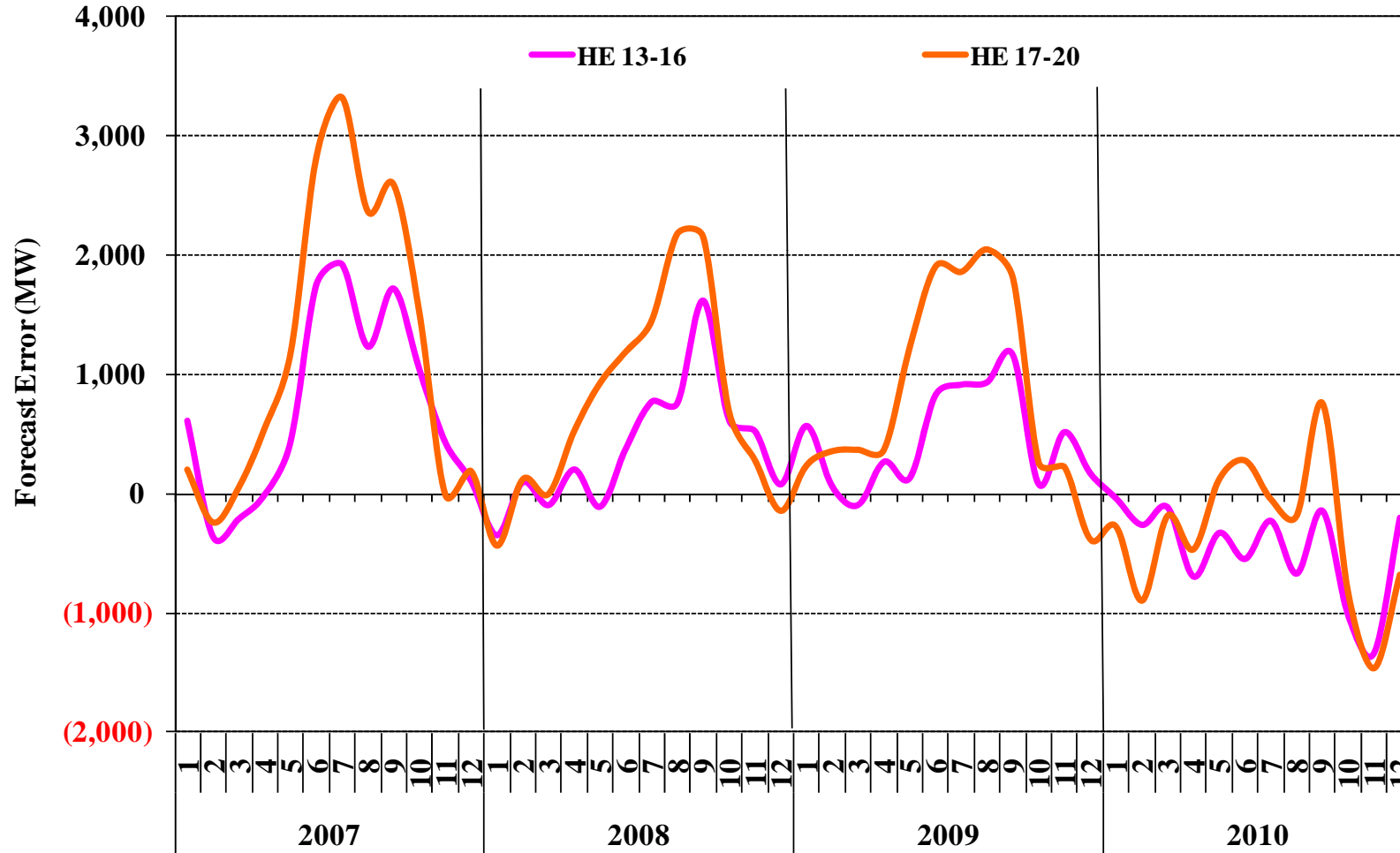
Marginal Fuel Frequency

West Zone, 2007-2010

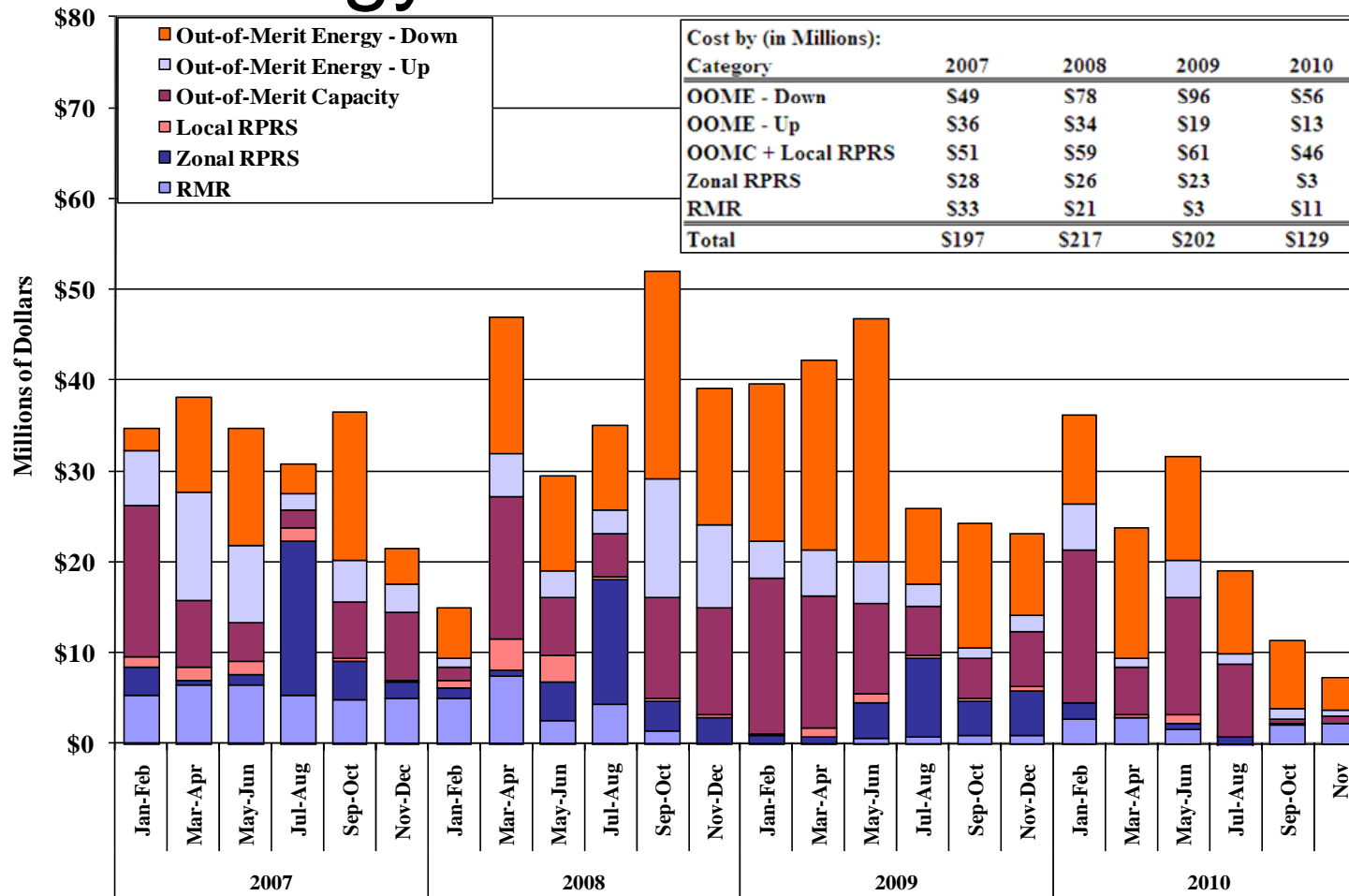


Day-Ahead Load Forecast Error

2007-2010

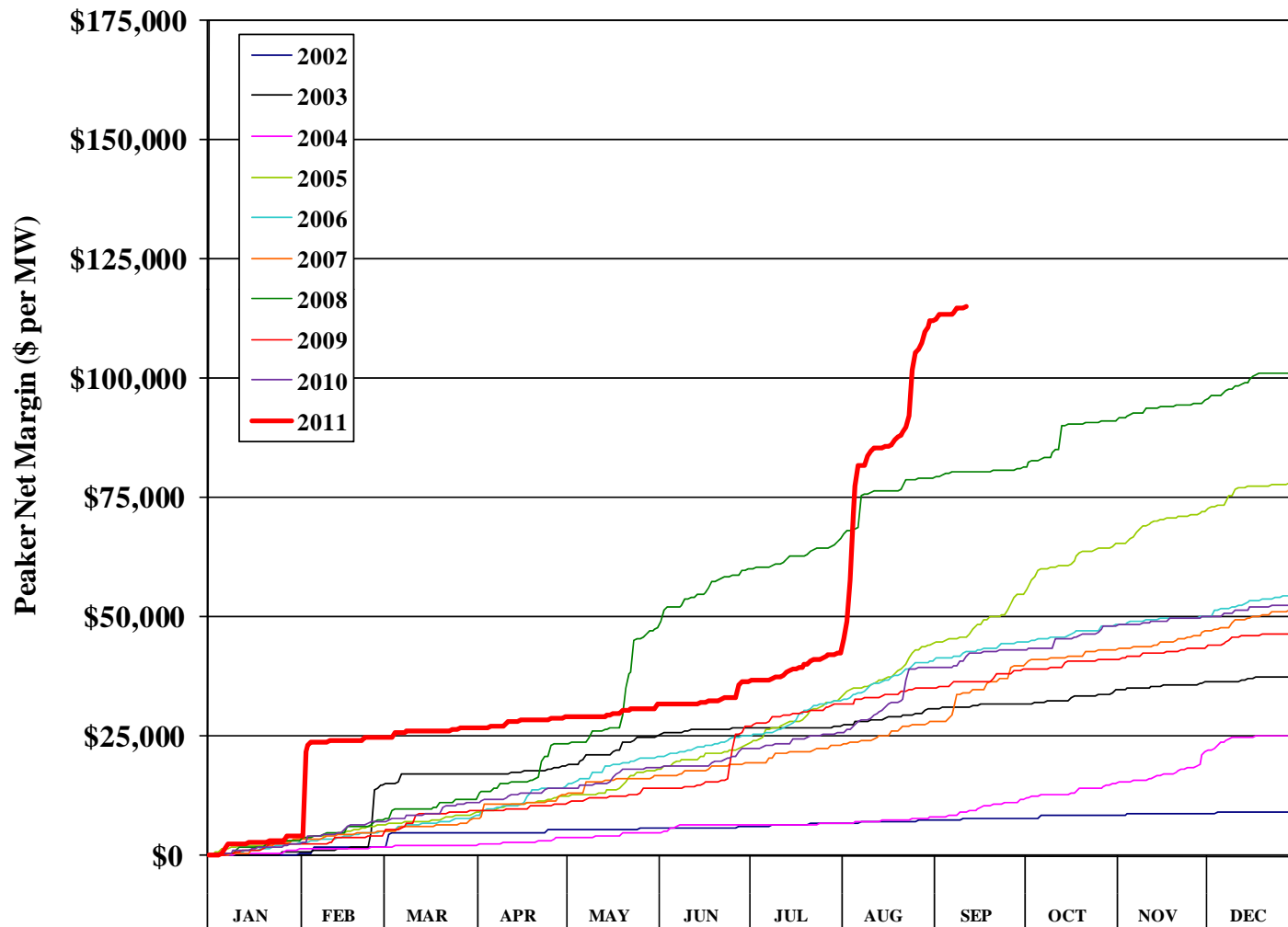


Expenses for Out-of-Market Capacity and Energy



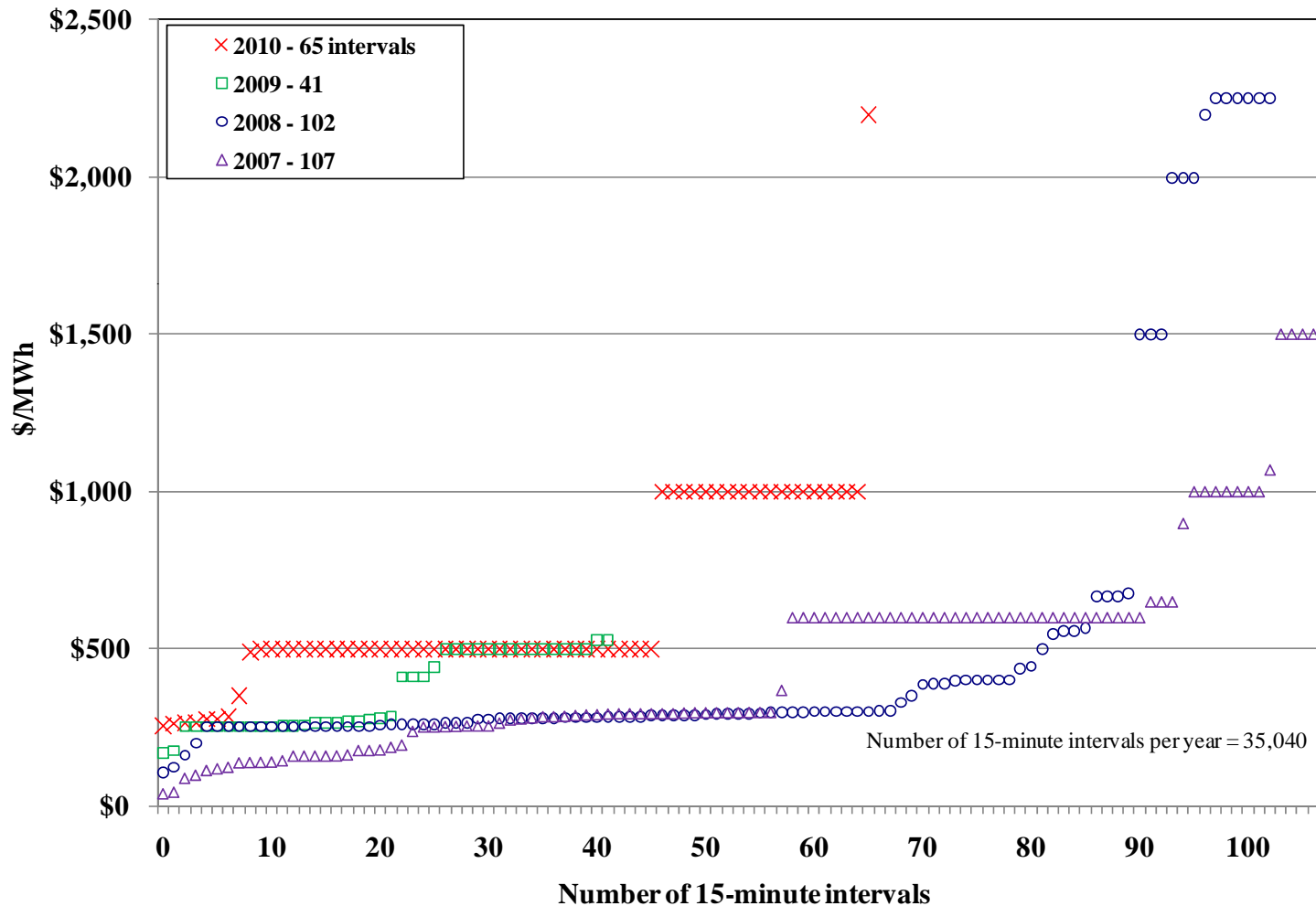
Peaker Net Margin

2002-September 11, 2011



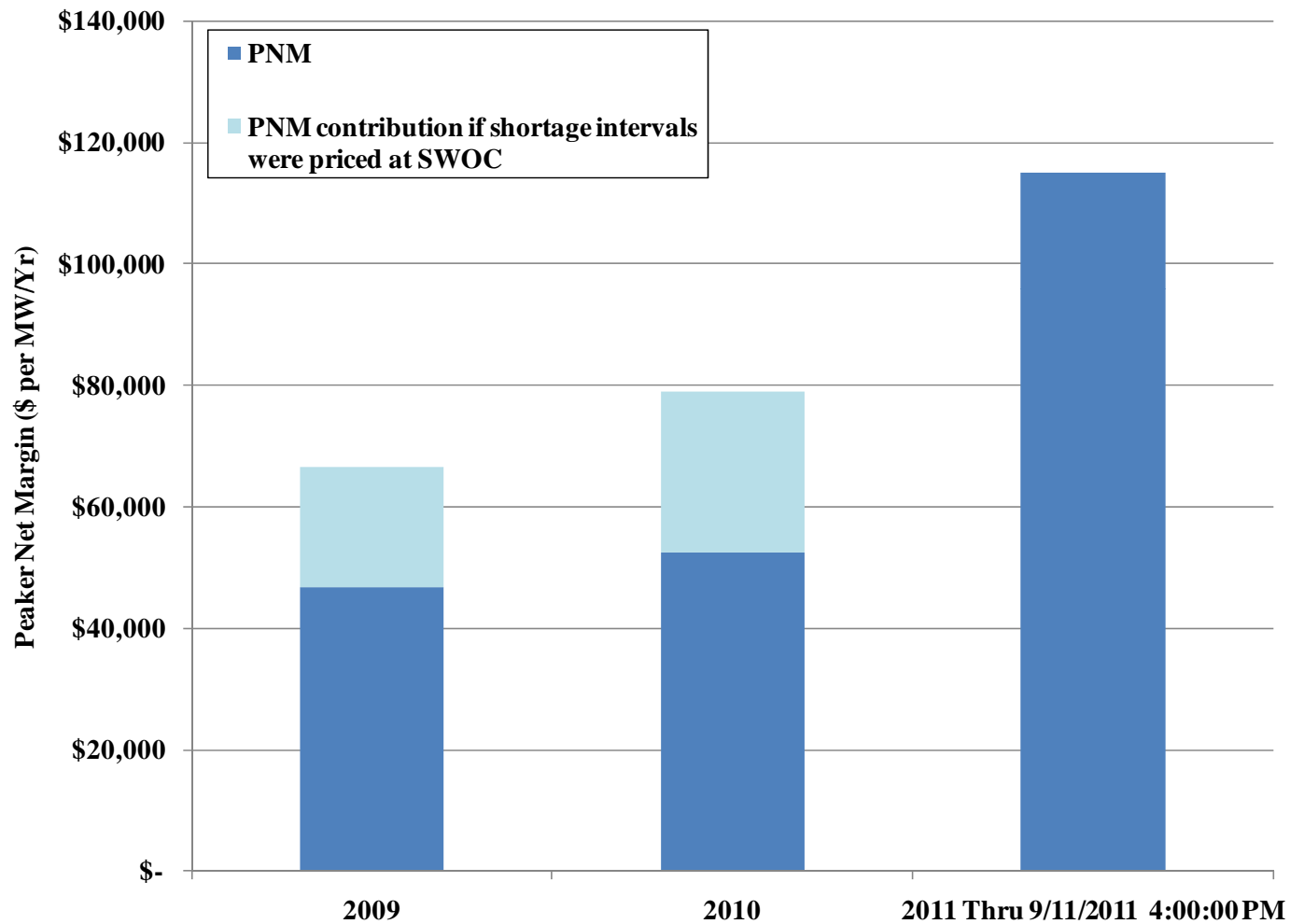
Market Prices During Shortage Intervals

2007-2010



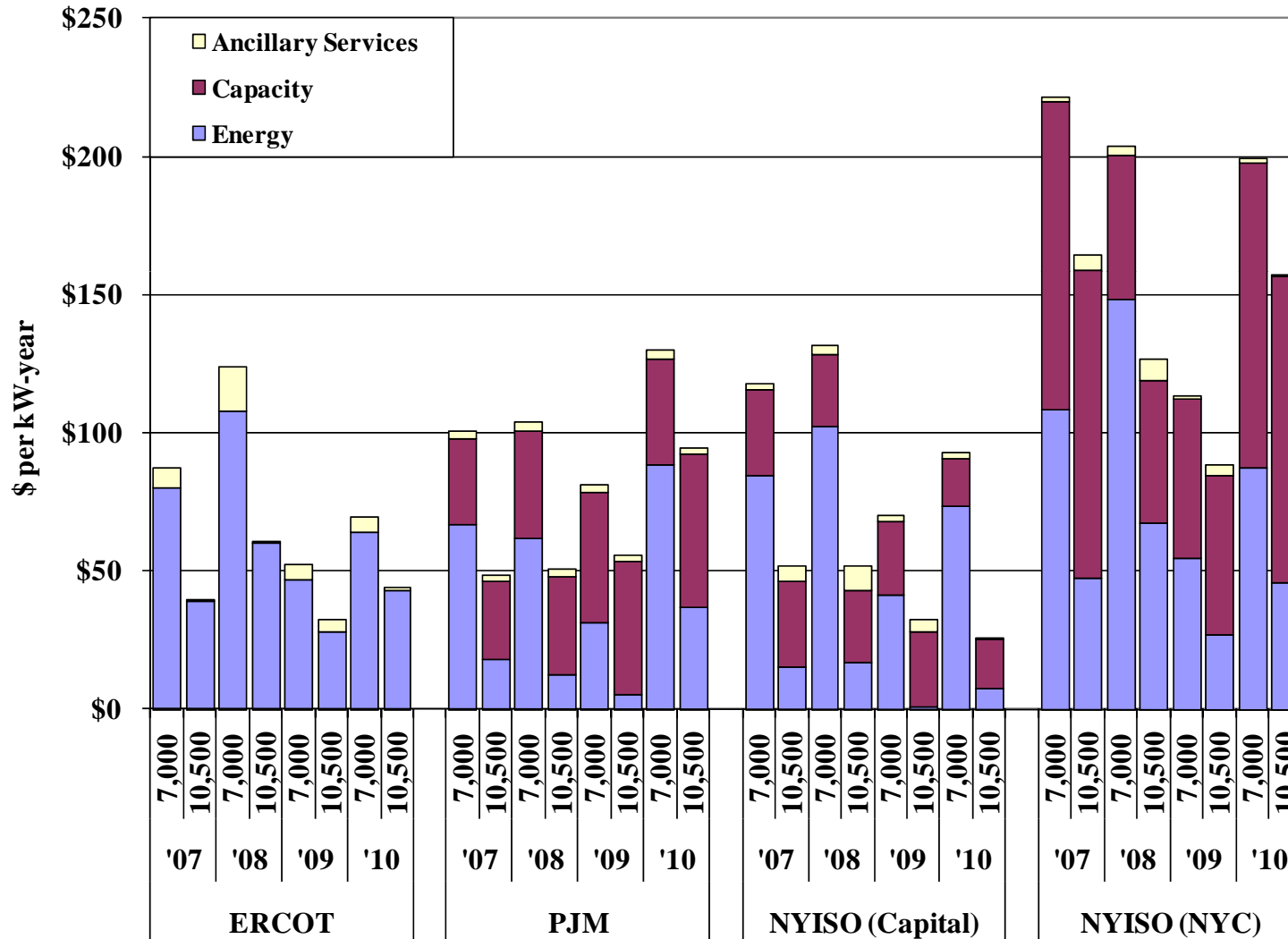
Peaker Net Margin

2009-September 12, 2011



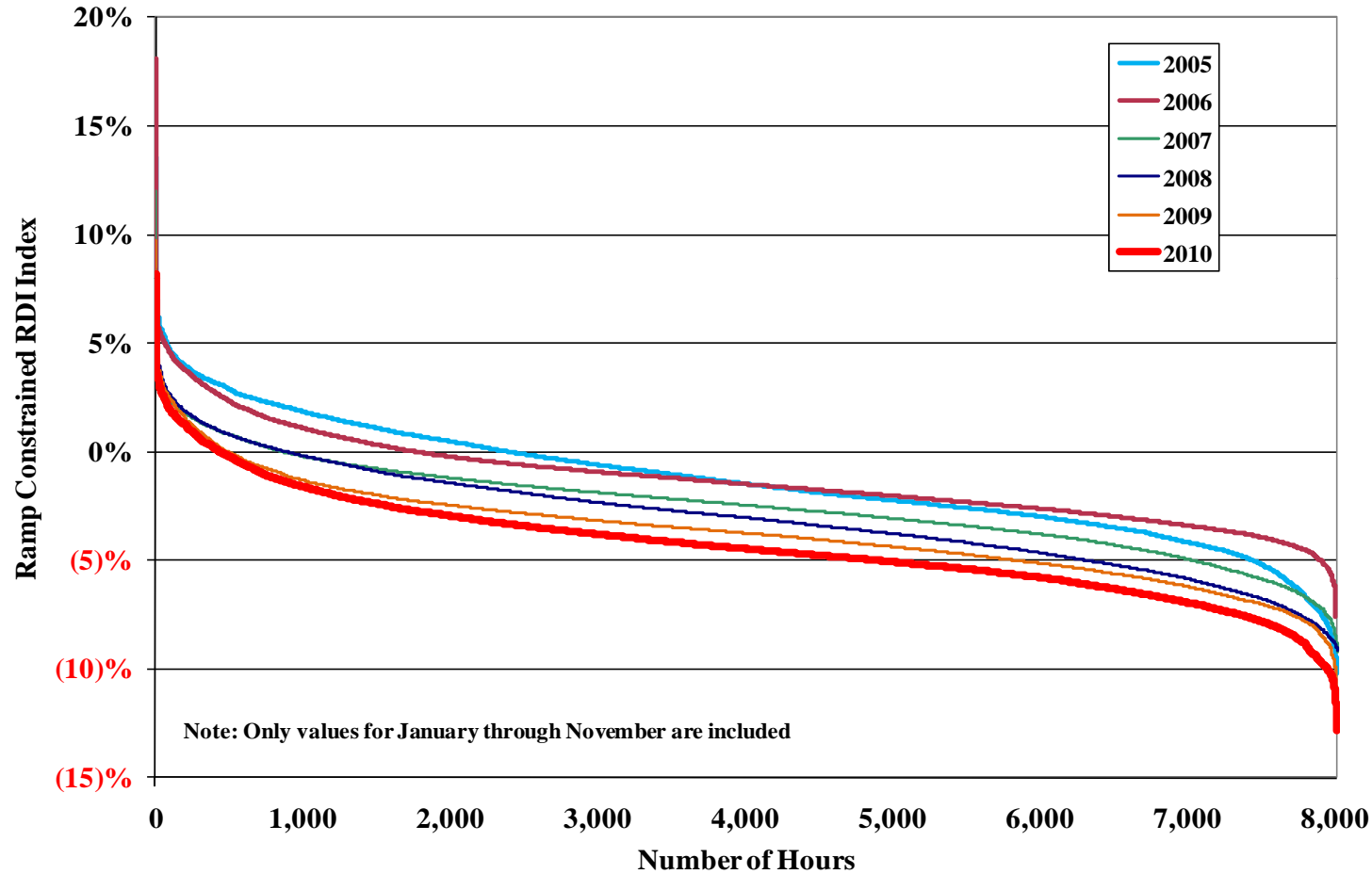
Net Revenue of Gas-Fueled Generation

2007-2010



Balancing Energy Market RDI

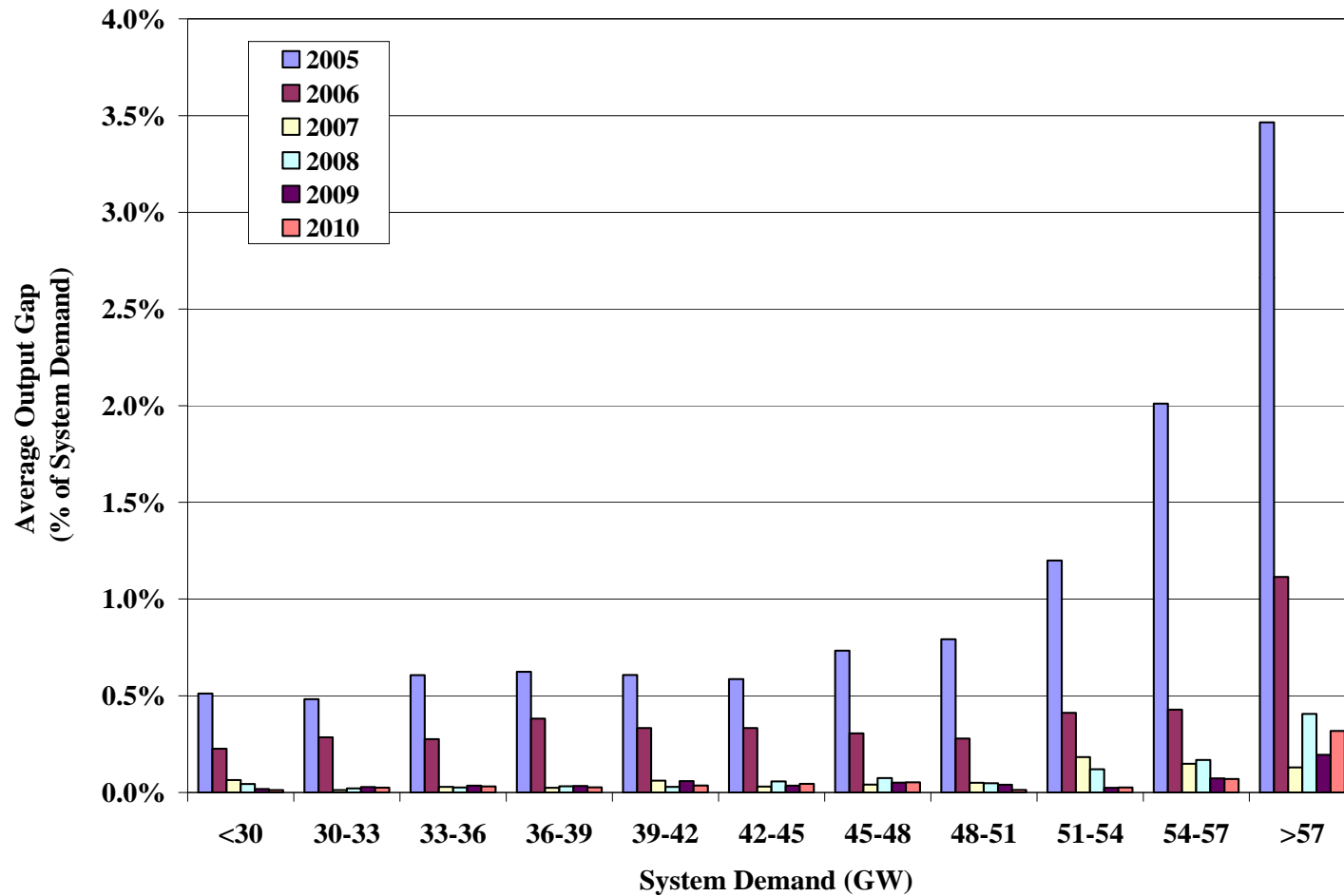
2005-2010



RDI = Residual Demand Index (ramp-constrained)

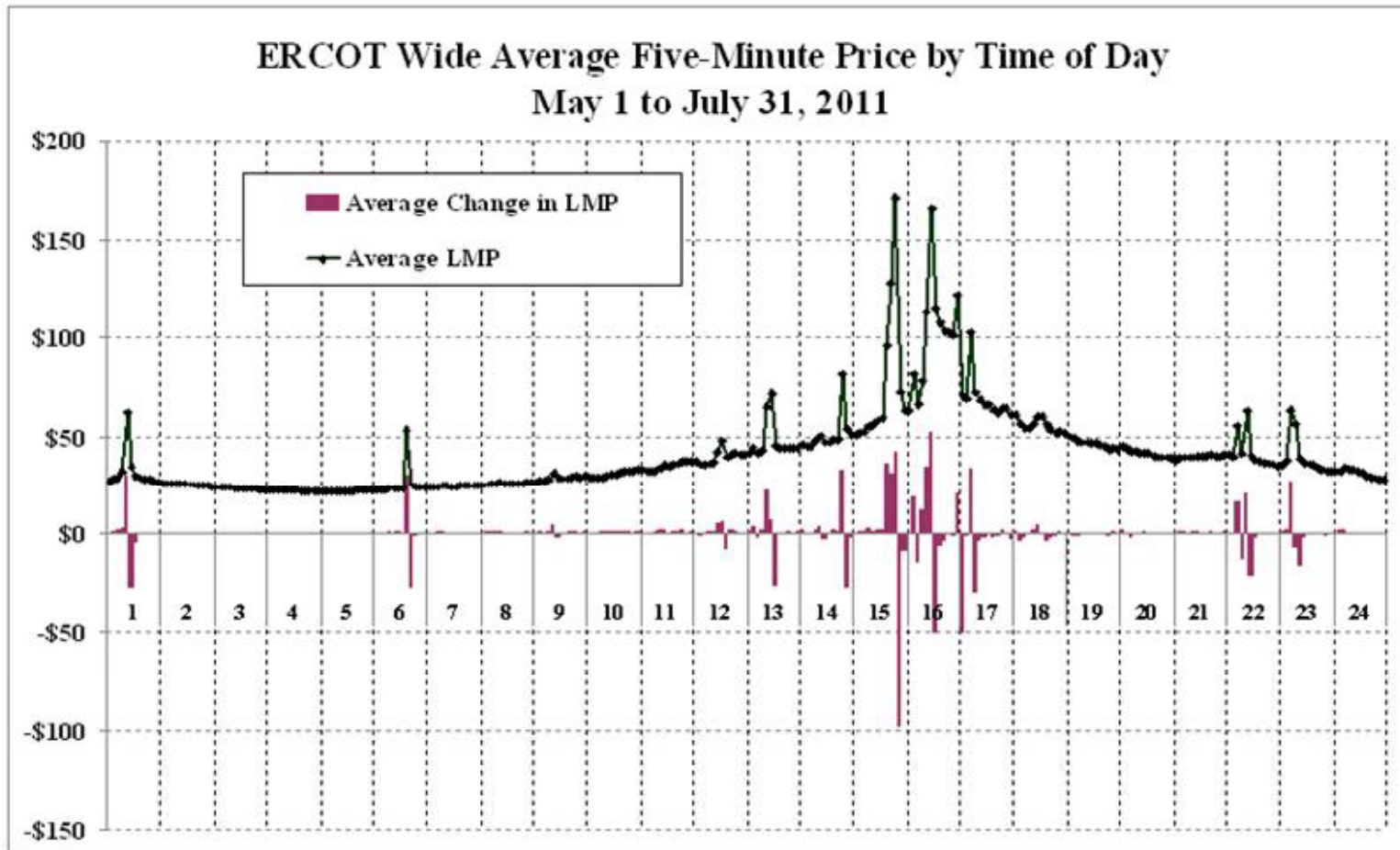
Incremental Output Gap by Load Level

2005-2010



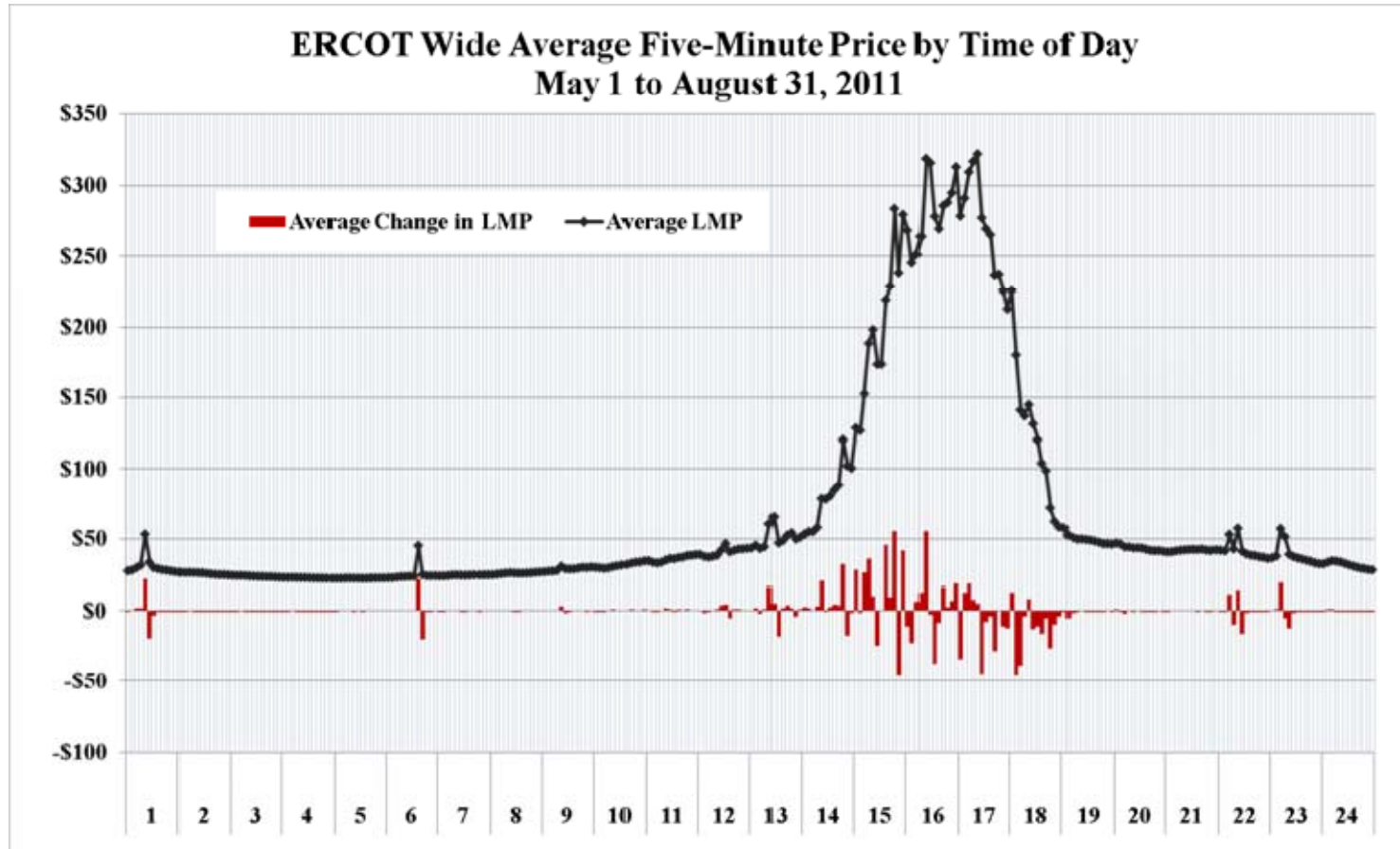
ERCOT Real-time Price Volatility

May-July, 2011



ERCOT Real-time Price Volatility

May-August, 2011



DA/RT Price Convergence

January-August, 2011

Price Convergence of ERCOT Day-Ahead and Real Time at HUBs
2011

