



Commercial Market Operations Report

Dale Goodman
Director, Market Services

Board of Directors Meeting
October 18, 2011

Summary

Retail Activity

- **Overall Activity** – September 2011 Switch and Move-In volumes trending above September 2010.
- **Transaction Performance Measures** – Performance measures once again exceeded target of 98%.
- **Advanced Metering** – **(September 2011 slides will be provided prior to Board meeting. August 2011 slides are included for reference until update is provided.)**

Wholesale Activity **(September 2011 slides will be provided prior to Board meeting. August 2011 slides are included for reference until update is provided.)**

- **Settlements & Billing Performance** –
- **Settlement Dollars** –
- **Reliability Services** –
- **Capacity Services** –
- **RMR Settlement** -
- **Congestion Management** –
- **Revenue Neutrality** –
- **Verifiable Costs** –
- **Disputes** – Dispute volume continues to remain low.
- **REPs and QSEs Added/Terminated**
 - 3 new REPs
 - 4 new QSEs
 - 0 terminated REP
 - 1 terminated QSE

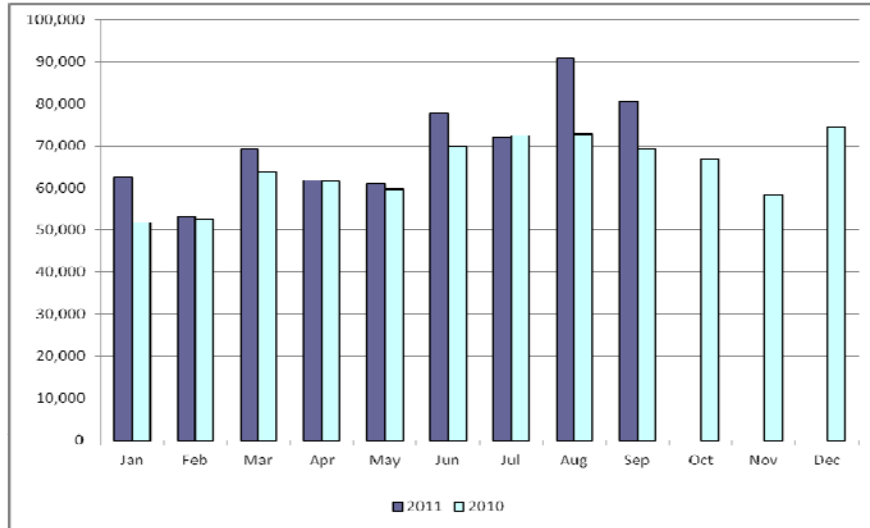
Overall Activity

Retail Transactions Summary

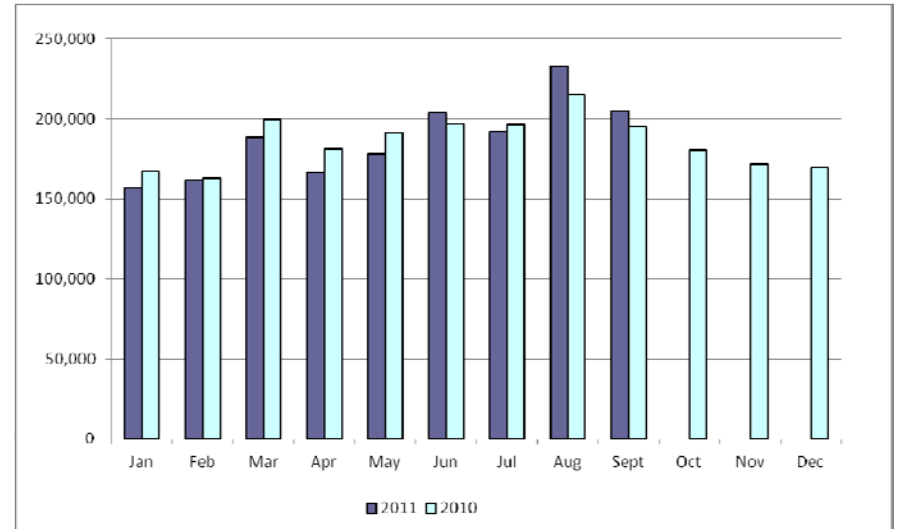
Transaction Type	YTD		September	
	<u>09/30/2011</u>	<u>09/30/2010</u>	<u>2011</u>	<u>2010</u>
Switches	629,220	573,763	80,716	69,249
Move - Ins	1,686,009	1,706,031	204,865	194,971
Move Out	854,954	939,822	102,222	110,259
CSA (Continuous Service Agreement)	281,729	306,956	32,391	26,868
Mass Transition	22,056	0	0	0
Total	3,473,968	3,526,572	420,194	401,347
Since June 1, 2001	43,855,560			

Retail Transactions Summary

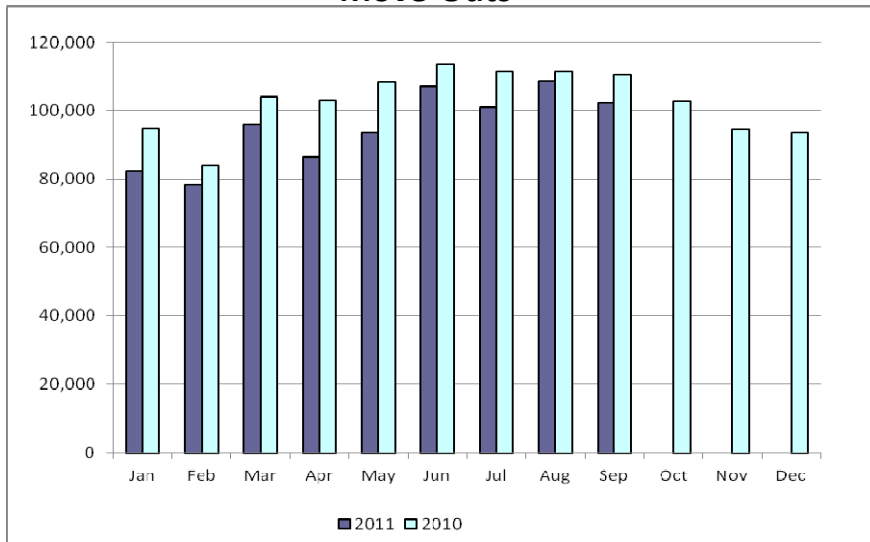
Switches



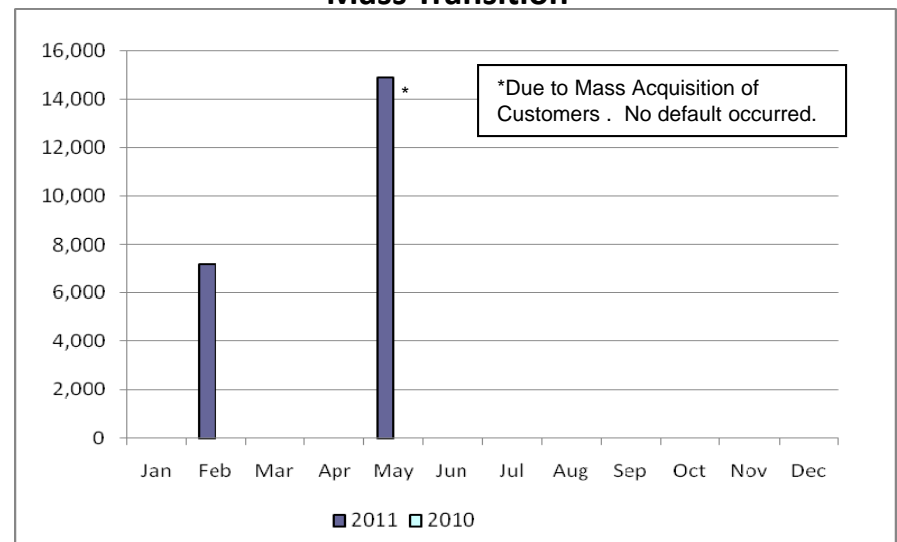
Move-Ins



Move-Outs

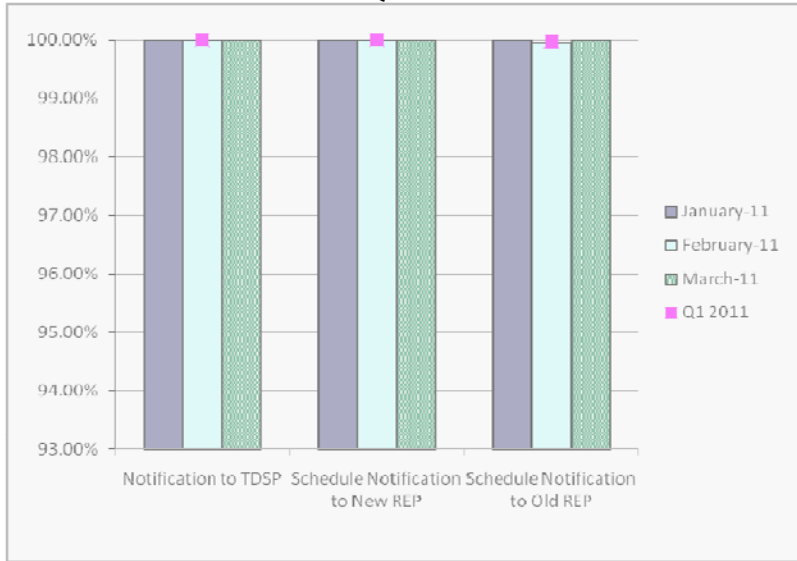


Mass Transition

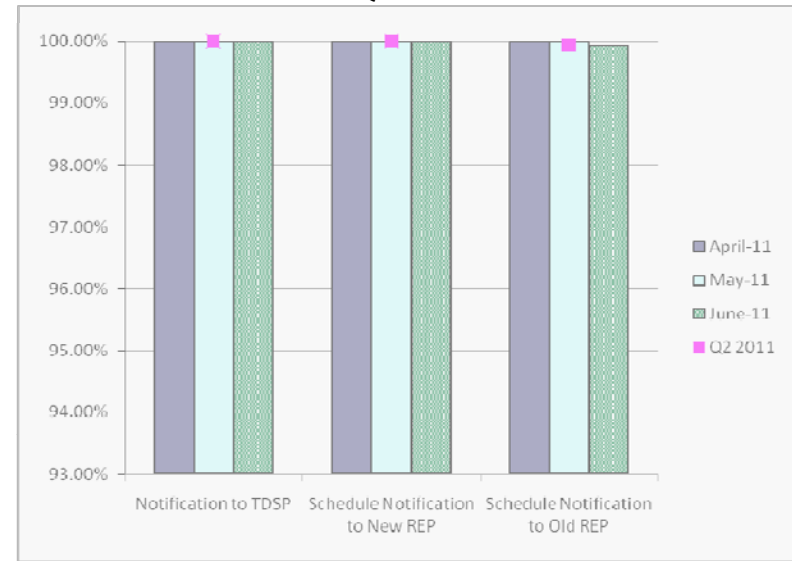


Retail Performance Measures - 2011 Switch

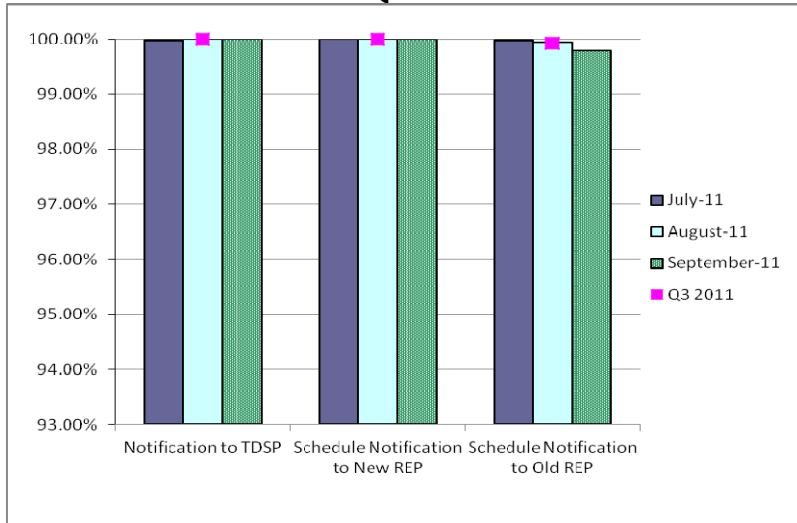
1st Quarter



2nd Quarter



3rd Quarter

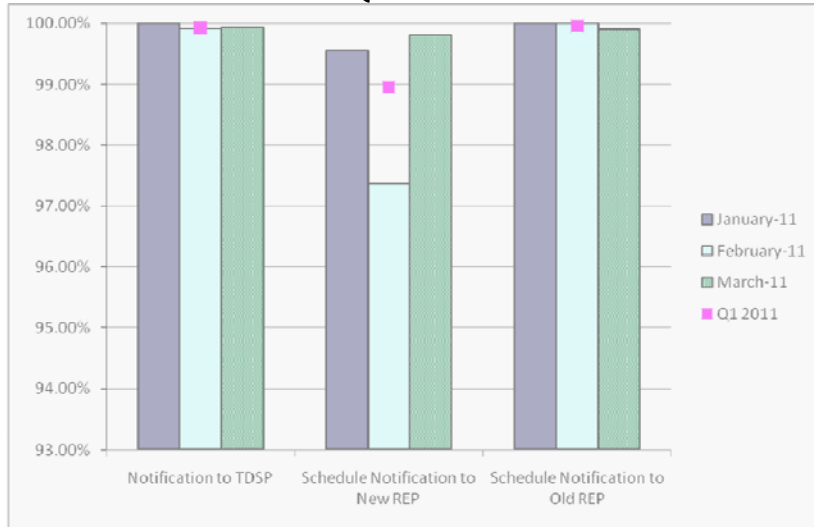


4th Quarter

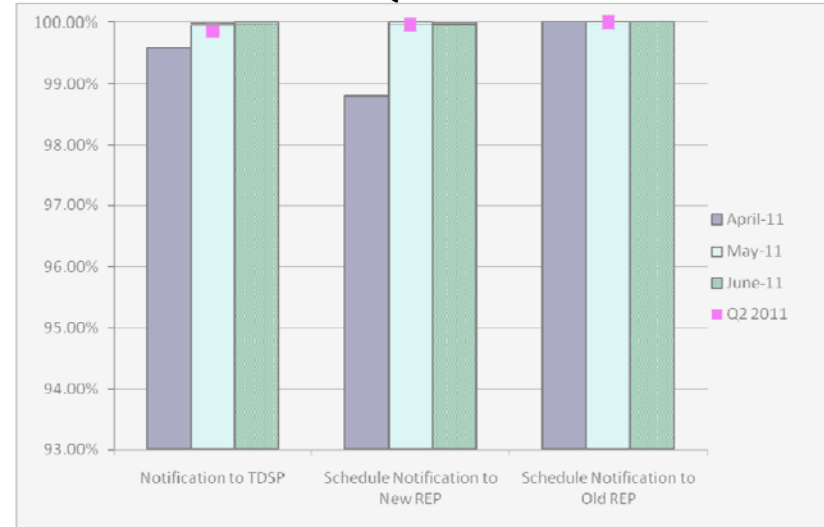


Retail Performance Measures – 2011 Move-In / Priority

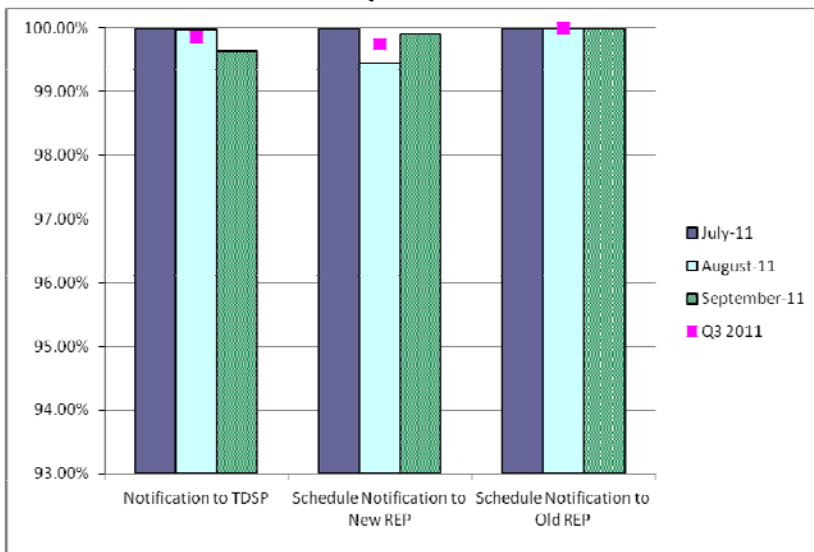
1st Quarter



2nd Quarter



3rd Quarter

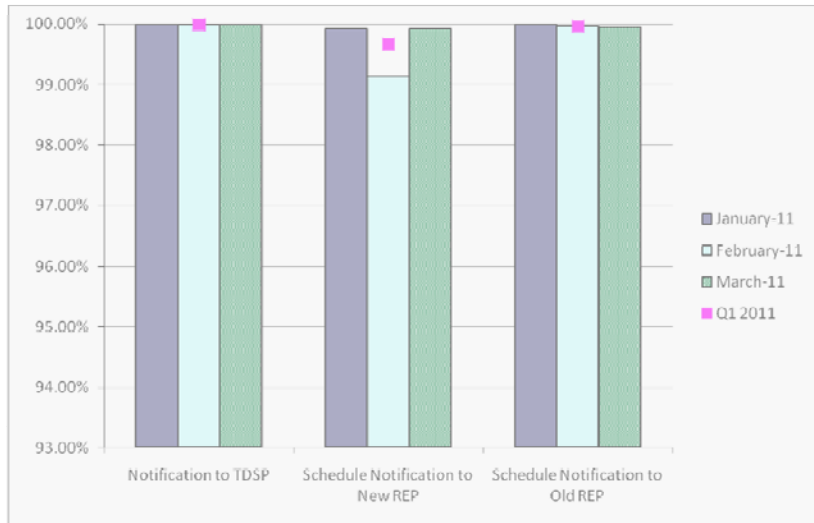


4th Quarter

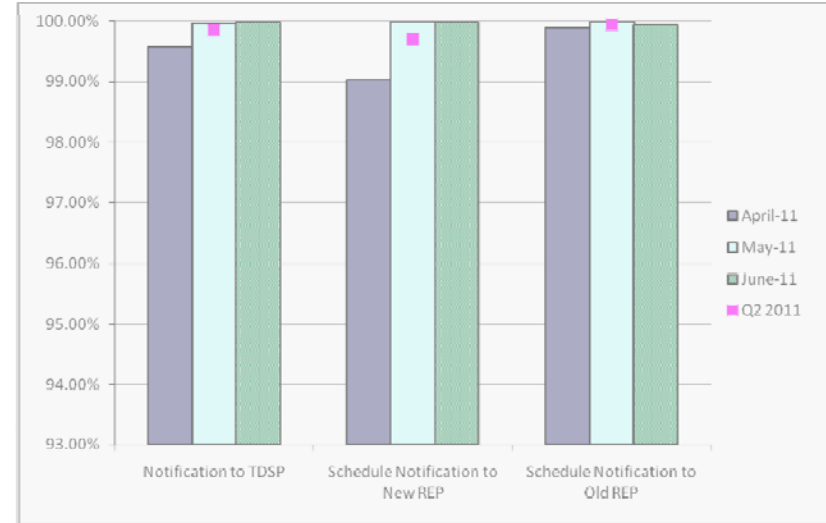


Retail Performance Measures – 2011 Move-In / Standard

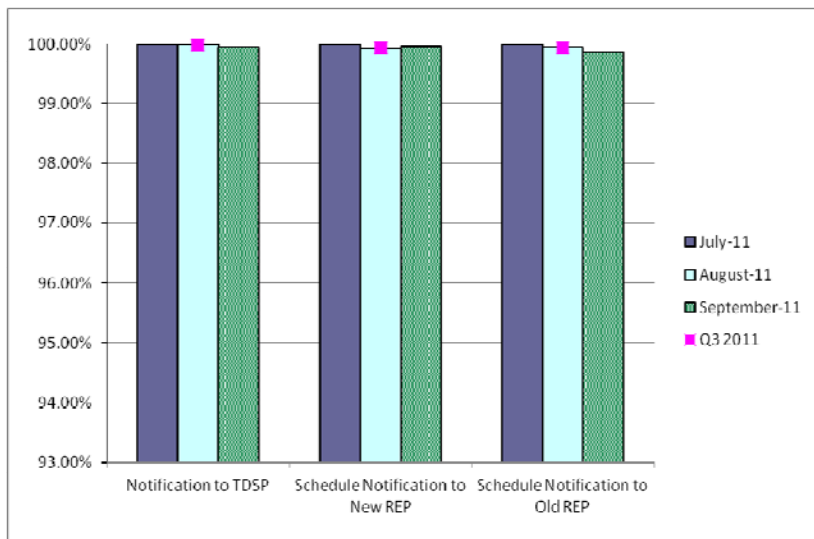
1st Quarter



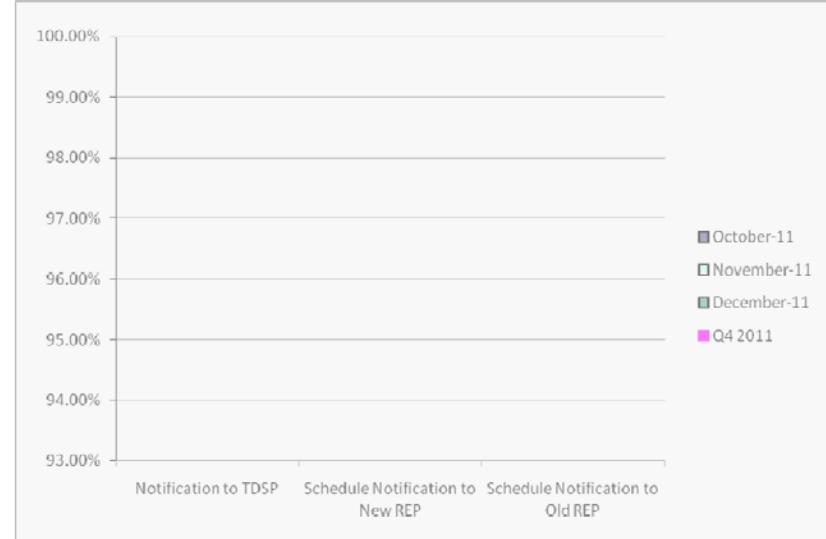
2nd Quarter



3rd Quarter



4th Quarter



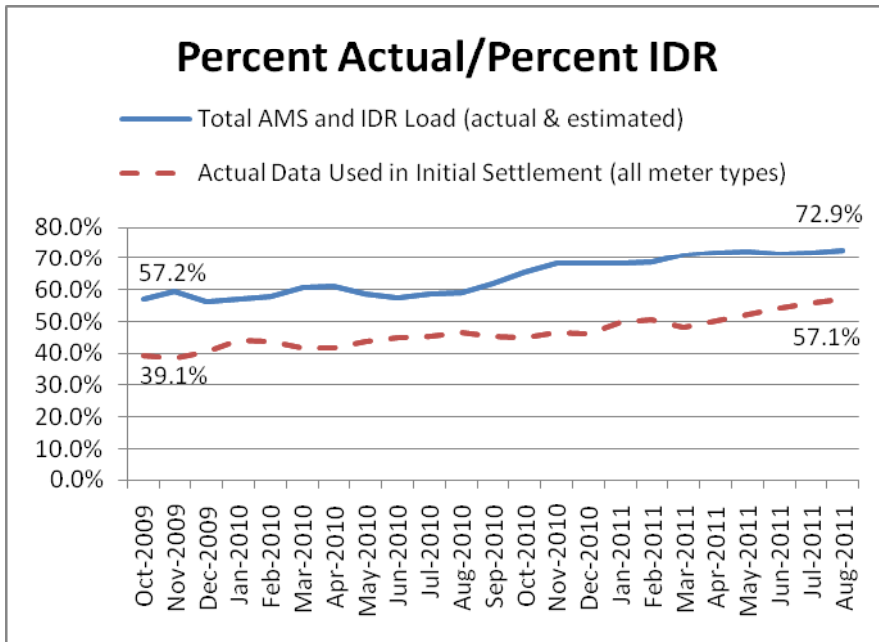
Migration from Native Affiliate REP

	% of Load ¹		% of ESI IDs	
	at <u>8/31/11</u>	at <u>8/31/10</u>	at <u>8/31/11</u>	at <u>8/31/10</u>
Residential	56%	53%	55%	52%
Small Non-Residential	82%	82%	62%	58%
Large Non-Residential	80%	79%	80%	78%

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

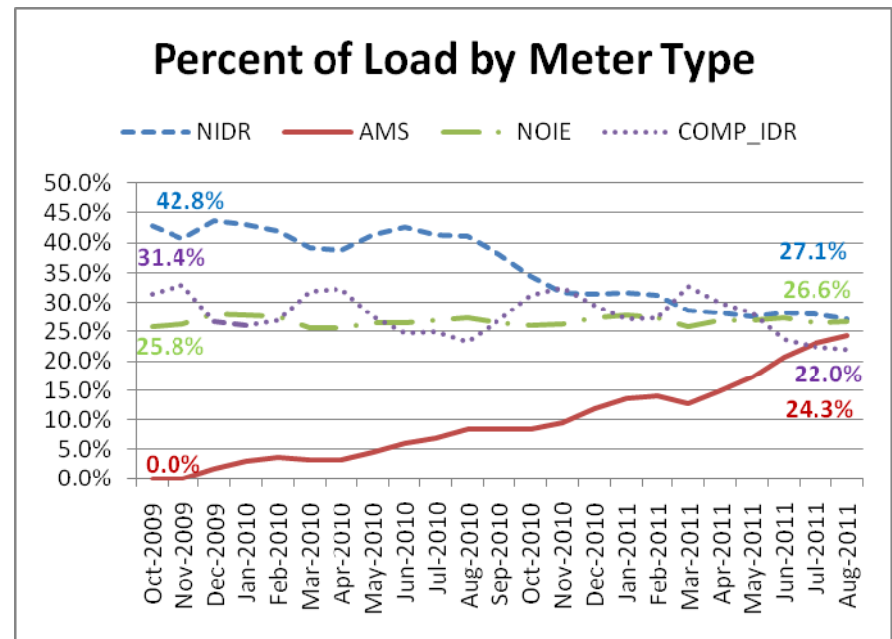
Advanced Meter Settlement Impacts

September 2011 numbers will be provided prior to Board meeting



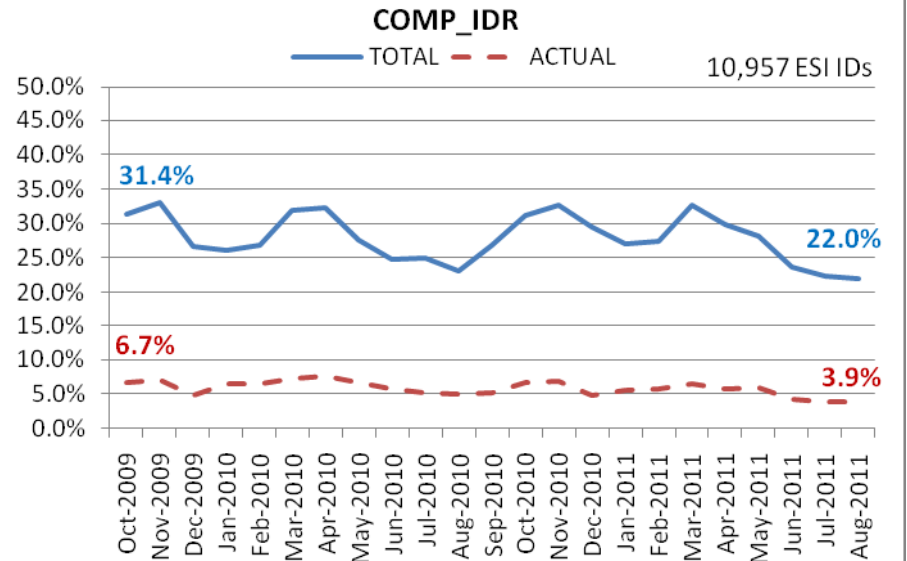
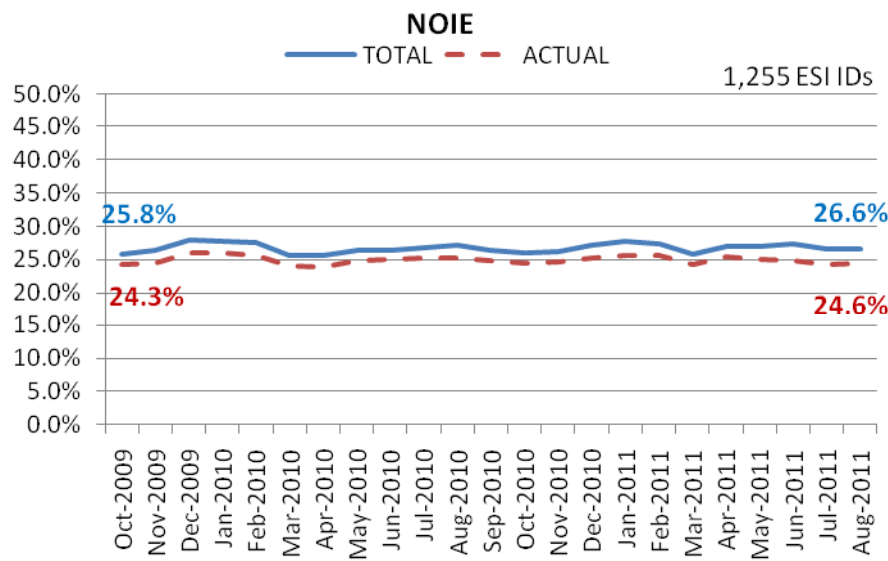
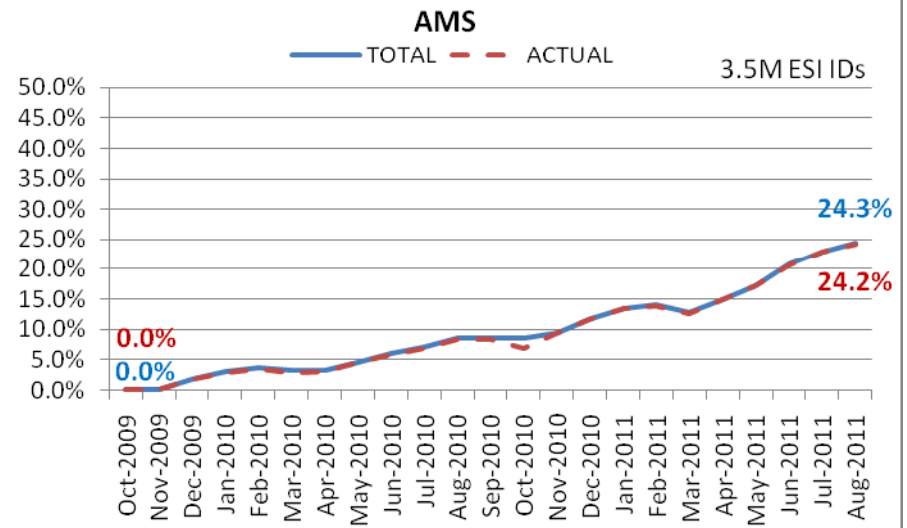
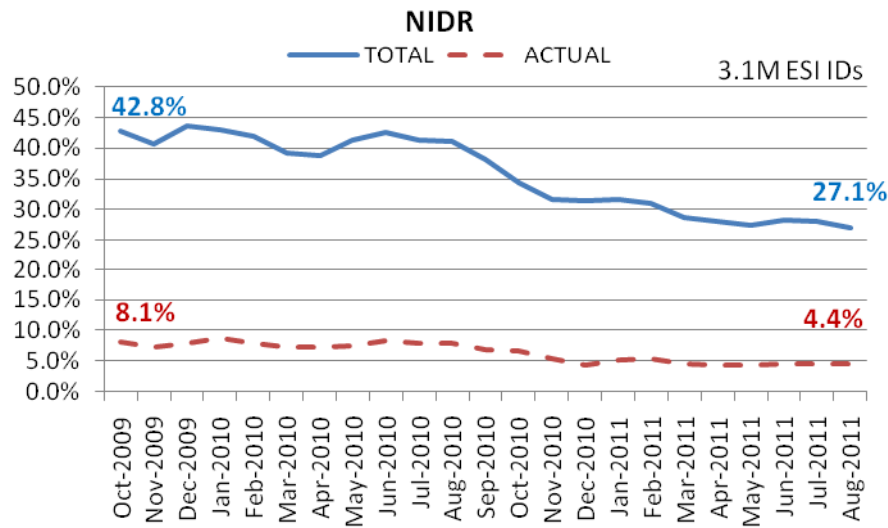
Now settling 3.5M ESIIDs using Advanced Meter data.

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



ERCOT Wide Load Volumes by Meter Type - INITIAL Settlement

September 2011 numbers will be provided prior to Board meeting



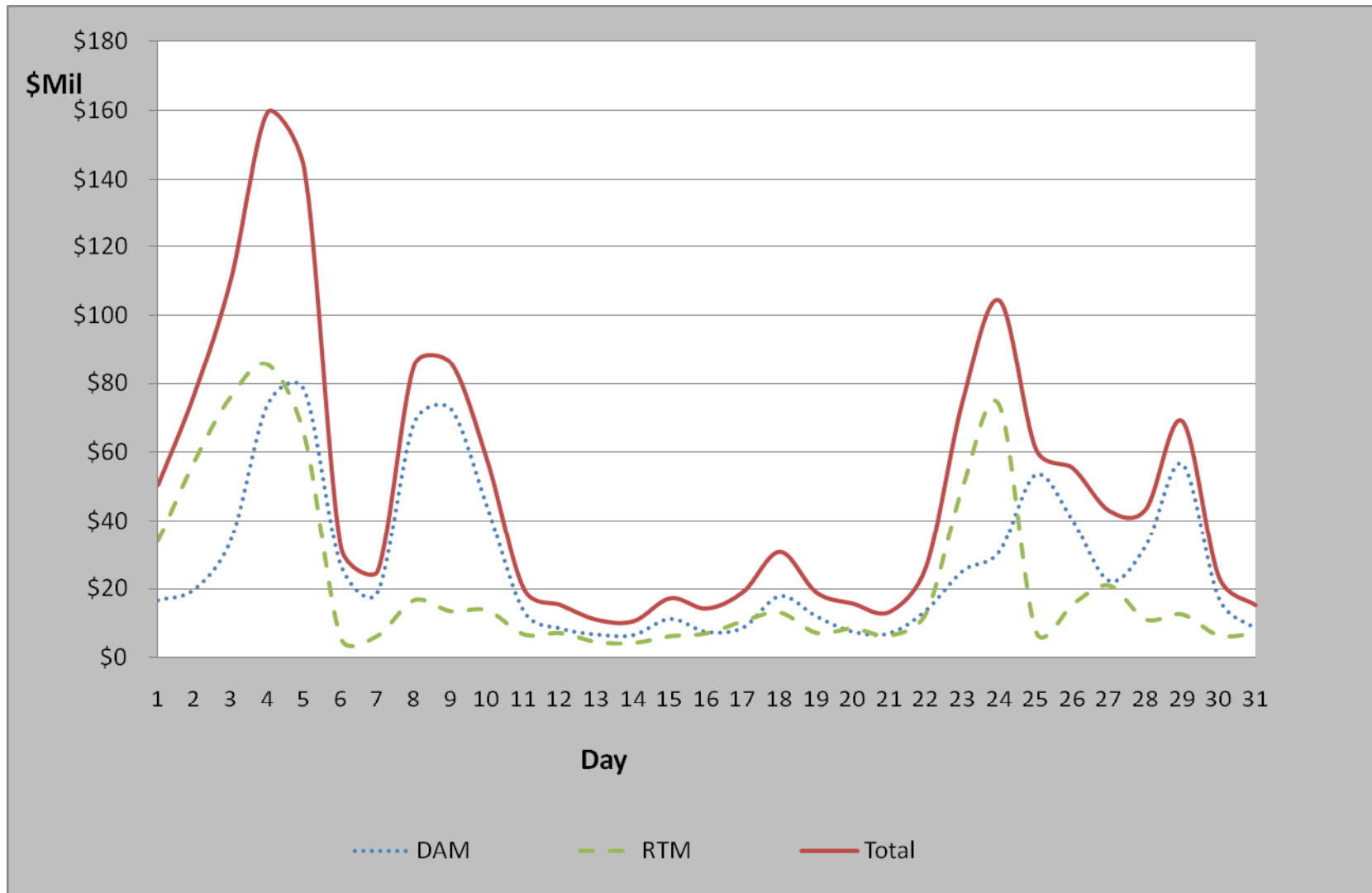
Settlements and Billing Performance Measures – August 2011

September 2011 numbers will be provided prior to Board meeting

	To Date <u>08/31/11</u>	August <u>2011</u>
Settlement Statements:		
Zonal	44,436	0
Day Ahead Market	56,671	7,659
Real Time Market	118,275	20,705
Total	219,382	28,364
Untimely	199	0
Balance	219,183	28,364
% Within Protocol	99.91%	100.00%
Invoices:		
Zonal	5,148	0
Day Ahead Market	56,671	7,659
Real Time Market	8,246	985
CRR Auction	864	82
Balancing Account	1,456	200
CRR Auction Revenue Disbursement (CARD)	1,482	294
Total	73,867	9,220
Untimely	-	-
Balance	73,867	9,220
% Within Protocol	100%	100%

August 2011 Market Total Settlement Dollars

September 2011 numbers will be provided prior to Board meeting



Reliability Services

September 2011 numbers will be provided prior to Board meeting

August 2011
(\$'s in millions)

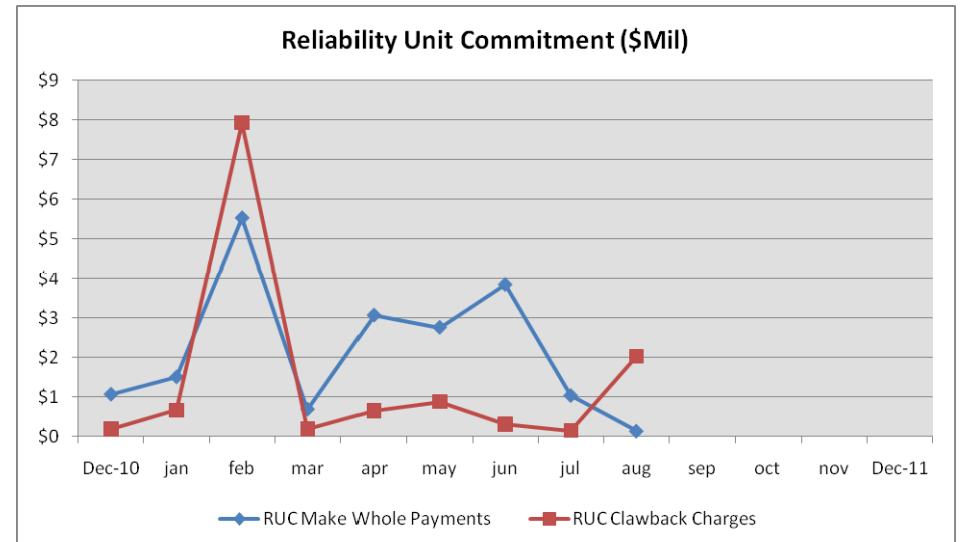
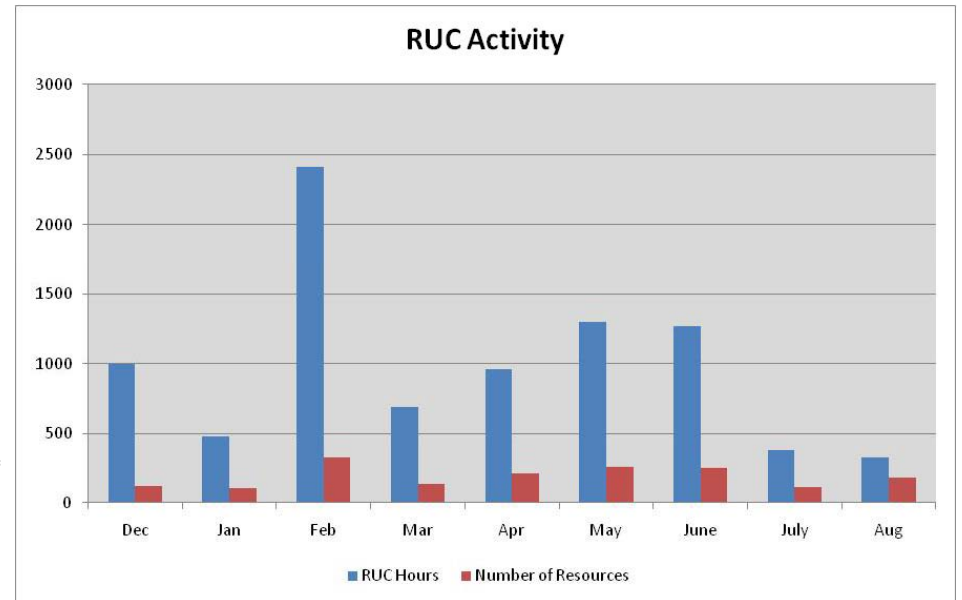
Reliability Unit Commitment

• Make Whole Payments	(\$0.12)
• Claw Back Charges	\$2.03
Total Reliability Unit Commitment	\$1.91

• Capacity Short Charges	\$0.12
• 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

September 2011 numbers will be provided prior to Board meeting

	August (\$'s in millions) <u>2010</u>	August (\$'s in millions) <u>2011</u>
Capacity Services*:		
Reg Up	\$5.9	\$46.1
Reg Down	\$3.3	\$4.6
Responsive Reserve	\$12.8	\$169.4
Non-Spinning Reserve	\$12.4	\$53.9
Black Start	\$0.5	\$0.5
Voltage Services - Reactive Power	n/a	\$0.0
Voltage Services - Lost Opportunity	n/a	\$0.0
TOTAL CAPACITY SERVICES	\$34.90	\$274.55

*Includes Day-Ahead Market and Supplementary Ancillary Service Markets

Capacity Services - Volumes

September 2011 numbers will be provided prior to Board meeting

Reg Up:*	August 2010	August 2011
Required (MW)	626,312	460,164
Self Arranged (MW)	123,253	33,644
Procured DAM (MW)		426,521
Procured RTM (MW)		278
Failure to Provide (MW)		725
Total Procured	505,582	426,798
% Procured	80.7%	92.7%
Reg Down:*		
Required (MW)	648,945	356,904
Self Arranged (MW)	137,359	26,403
Procured DAM (MW)		330,501
Procured RTM (MW)		109
Failure to Provide (MW)		110
Total Procured	514,237	330,609
% Procured	79.2%	92.6%
Responsive Reserve:		
Required (MW)	1,710,003	1,711,226
Self Arranged (MW)	653,821	407,410
Procured DAM (MW)		1,303,816
Procured RTM (MW)		1,421
Failure to Provide (MW)		2,322
Total Procured	1,057,951	1,305,237
% Procured	61.9%	76.3%
Non-Spinning Reserve:		
Required (MW)	1,161,213	1,145,647
Self Arranged (MW)	345,313	191,683
Procured DAM (MW)		953,964
Procured RTM (MW)		170
Failure to Provide (MW)		455
Total Procured	817,583	954,134
% Procured	70.4%	83.3%

*A/S Methodology changed in Dec 2010



RMR Settlement

September 2011 numbers will be provided prior to Board meeting

August 2011
(\$'s in millions)

• Reliability Must Run Settlement	
Contracted Standby	(\$1.44)
Contracted Energy	(\$0.17)
Adjustment Charge to the RMR	\$1.87
Energy Payment to the RMR	(\$2.22)
Clawback Charge (Make-Whole Payment) to the RMR	\$0.35
Total RMR Settlement	<u>(\$1.61)</u>

(\$1.61)

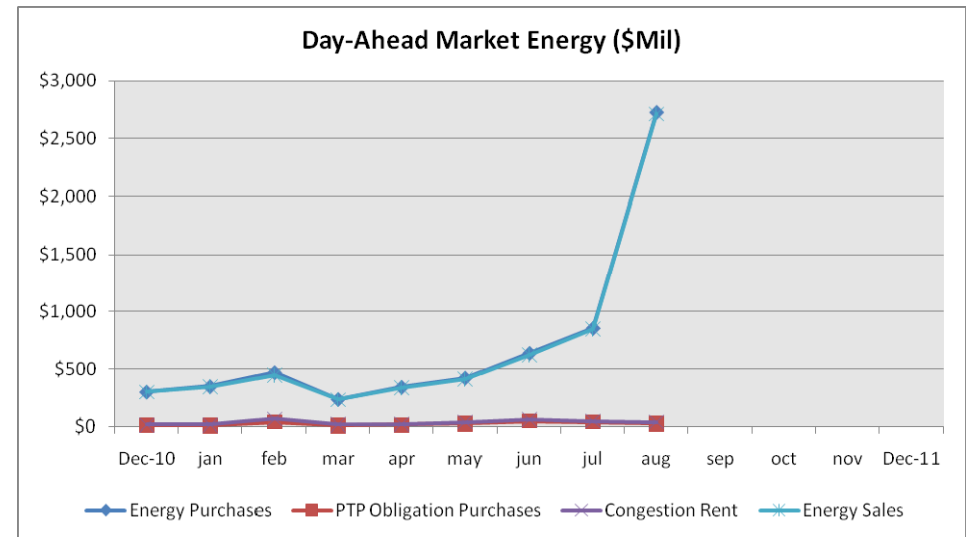
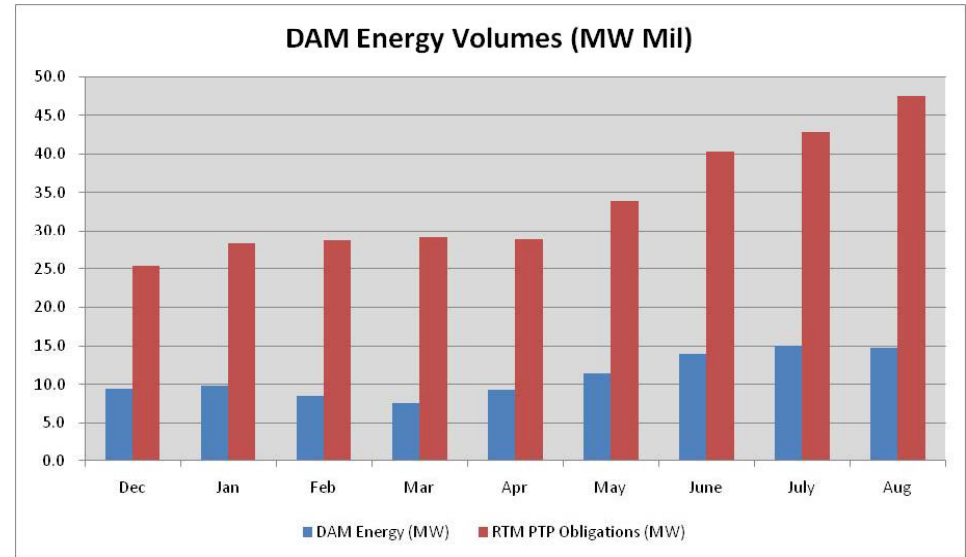
Energy Settlement

September 2011 numbers will be provided prior to Board meeting

August 2011
(\$'s in millions)

• Day Ahead Market Energy Settlement	
Energy Purchases	\$2,726.72
Point to Point Obligations Purchases	\$26.53
RMR Day Ahead Revenue	\$0.00
Energy Sales	<u>(\$2,715.38)</u>
Day Ahead Congestion Rent	\$37.88
Day Ahead Make Whole Payments	(\$0.02)
• Real Time Market Energy Settlement	
Real Time Energy Imbalance	
~Resource Node Settlement Points	(\$3,784.15)
~Load Zone Settlement Points	\$5,156.31
~ Hub Settlement Points	(\$1,263.80)
Real Time Congestion from Self Schedules	(\$0.00)
Block Load Transfers and DC Ties	<u>(\$68.32)</u>
Energy Settlements Impact to Revenue Neutrality	<u>\$40.03</u>
Emergency Energy Payments	(\$0.04)
Base Point Deviation	\$1.43
	(MWh in millions)
Real Time Metered Generation	37.83

Note:
Positive amounts are a charge to the Market Participant
Negative amounts are a payment to the Market Participant



Congestion Management

September 2011 numbers will be provided prior to Board meeting

August 2011
(\$'s in millions)

- Auction Disbursements

Annual Auction	(\$39.21)
Monthly Auction	<u>(\$21.72)</u>
Total Disbursements	<u>(\$60.93)</u>

- CRR Settlement

Day Ahead CRR Settlement	(\$29.14)
Day Ahead CRR Short Charges	\$0.03
Day Ahead CRR Short Charges Refunded	(\$0.03)
Real Time CRR Settlement	(\$2.53)
Real Time CRR Short Charges	\$0.00
Real Time CRR Short Charges Refunded	<u>(\$0.00)</u>
Total Proceeds	<u>(\$31.68)</u>

- PTP Obligations Acquired in DAM

Day Ahead Point to Point Obligation Settlement	\$26.53
Real Time Point To Point Obligation Settlement	<u>(\$37.26)</u>
Net Settlement	<u>(\$10.72)</u>

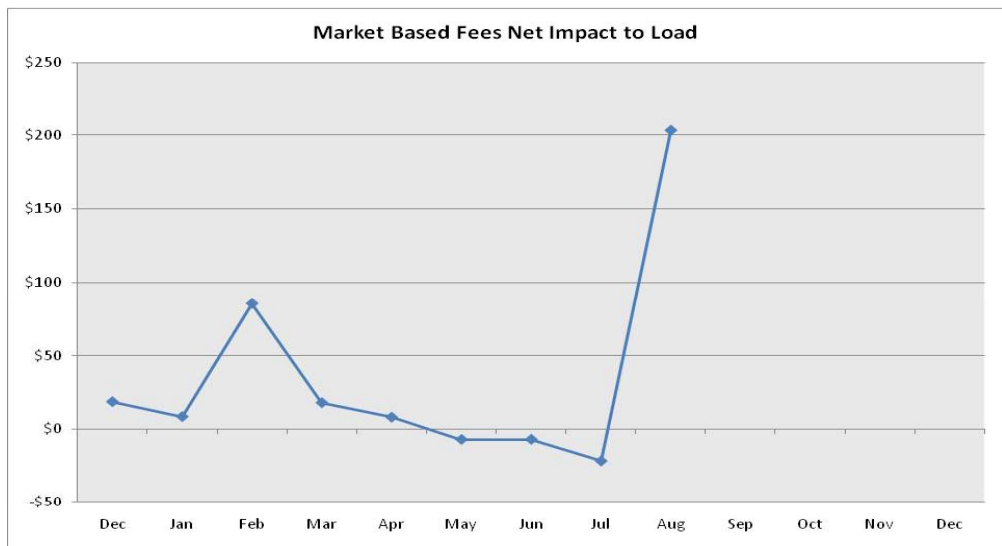
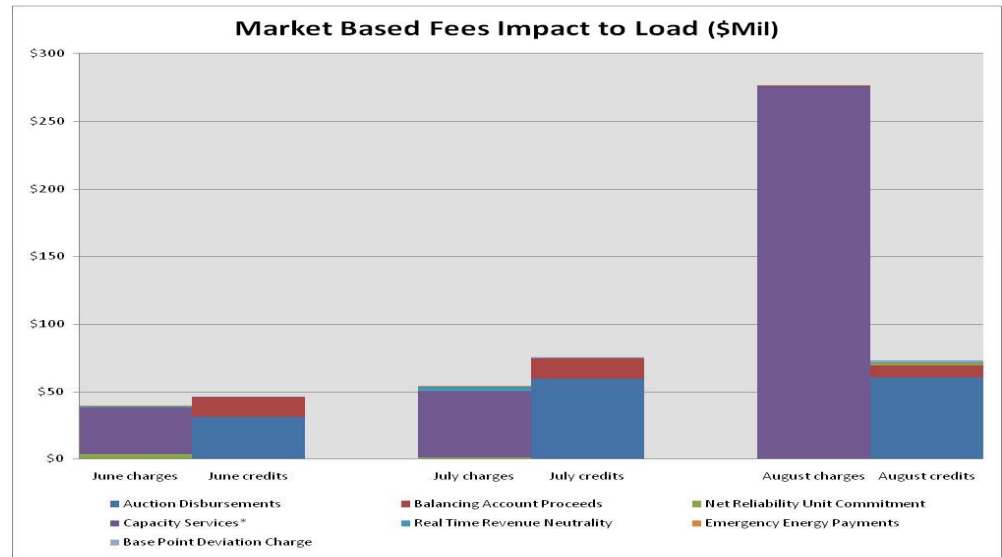
Note:
Positive amounts are a charge to the Market Participant
Negative amounts are a payment to the Market Participant

Net Impact to Load

September 2011 numbers will be provided prior to Board meeting

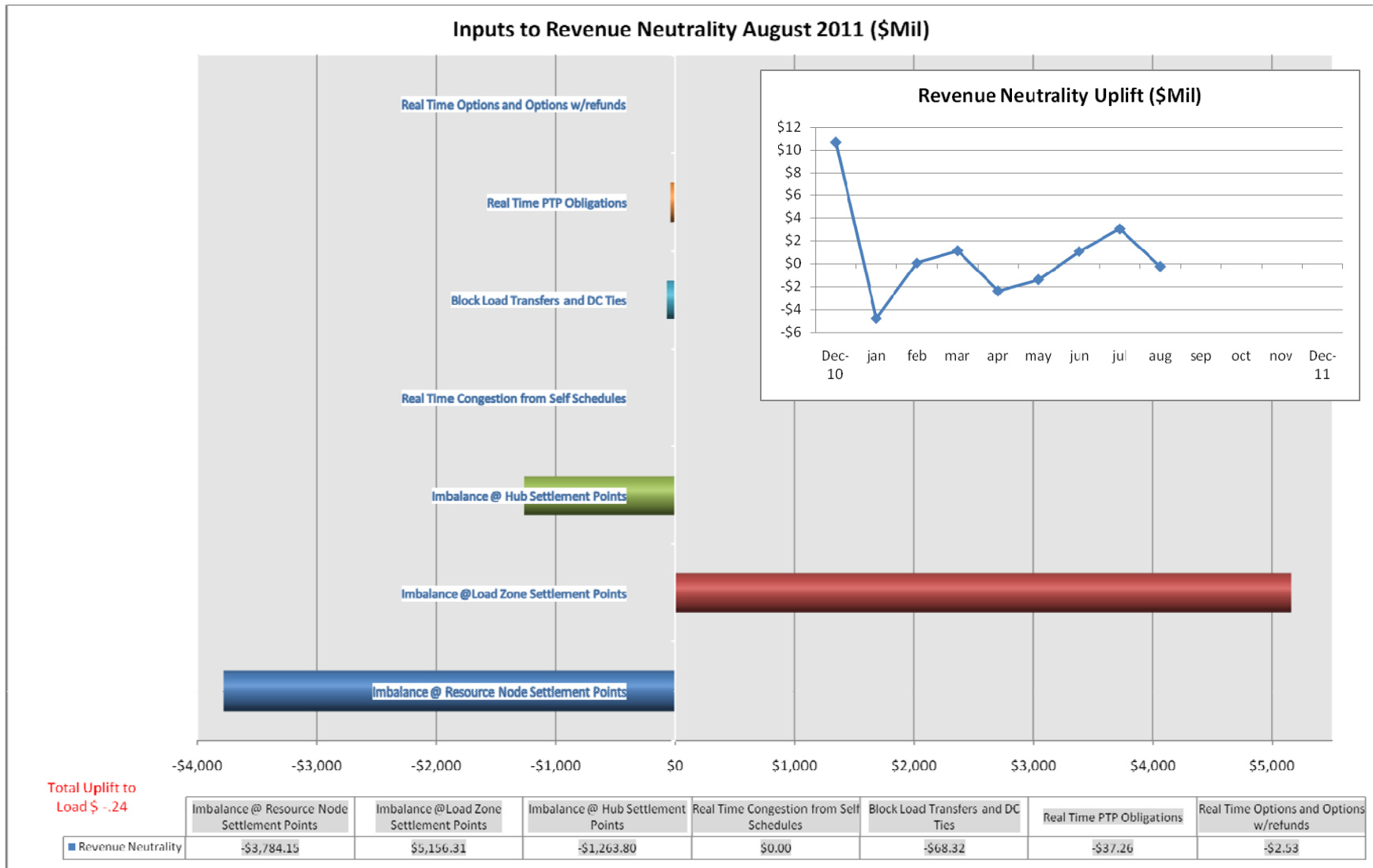
August 2011
(\$'s in millions)

<i>Market-Based Fees</i>	
Auction Disbursements	(\$60.93)
Balancing Account Proceeds	(\$8.73)
Net Reliability Unit Commitment	(\$1.91)
Capacity Services	\$274.55
RMR Settlement	\$1.61
Real Time Revenue Neutrality	(\$0.24)
Emergency Energy Payments	\$0.04
Base Point Deviation Charge	(\$1.43)
	\$202.96
ERCOT Fees	
ERCOT Administrative Fee	\$15.95
Net Impact to Load	\$218.90



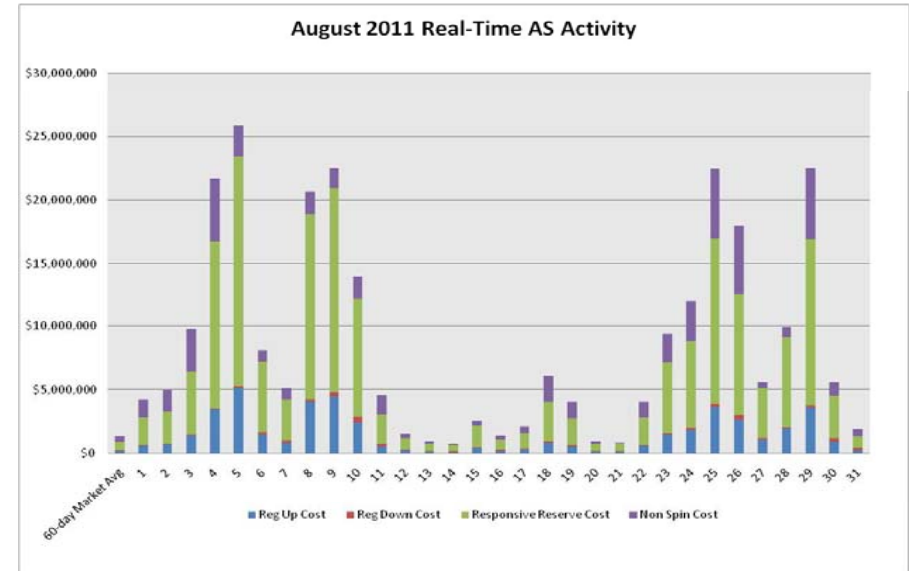
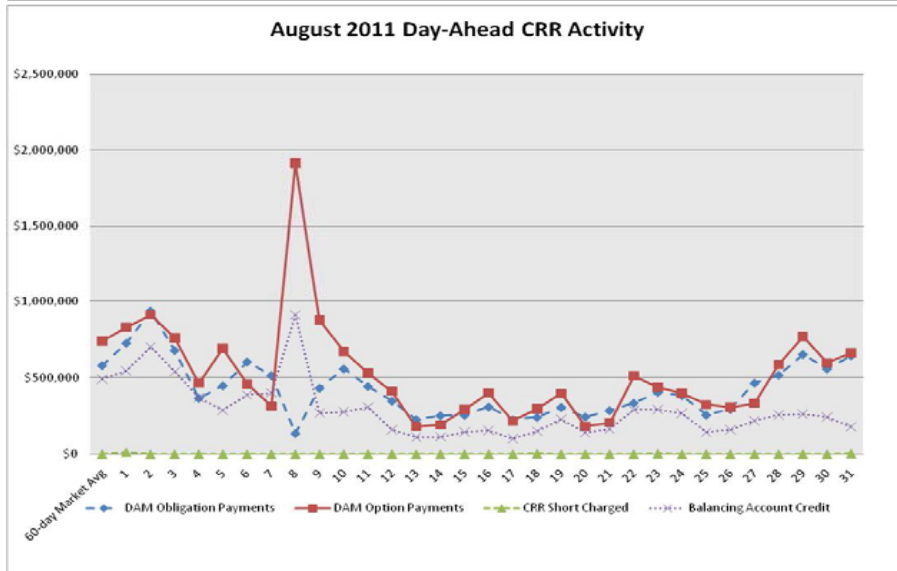
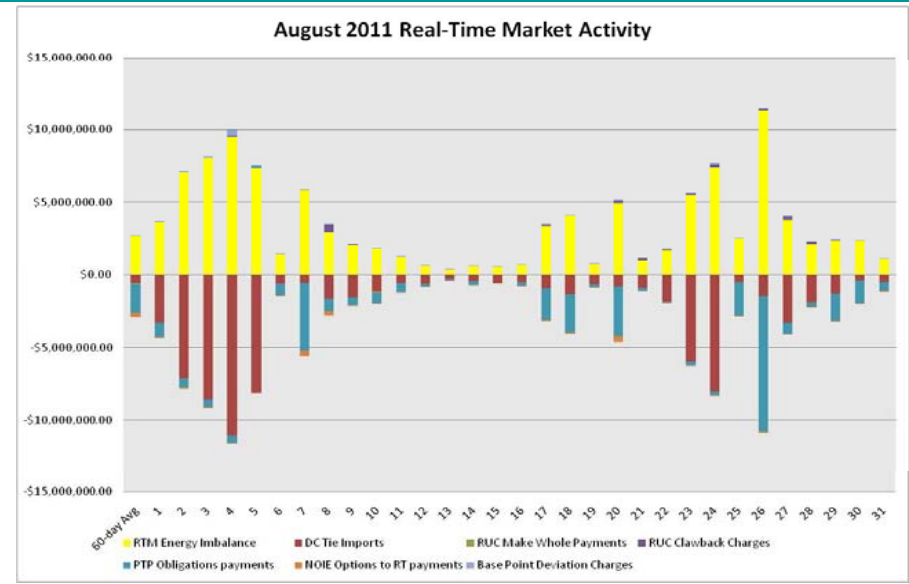
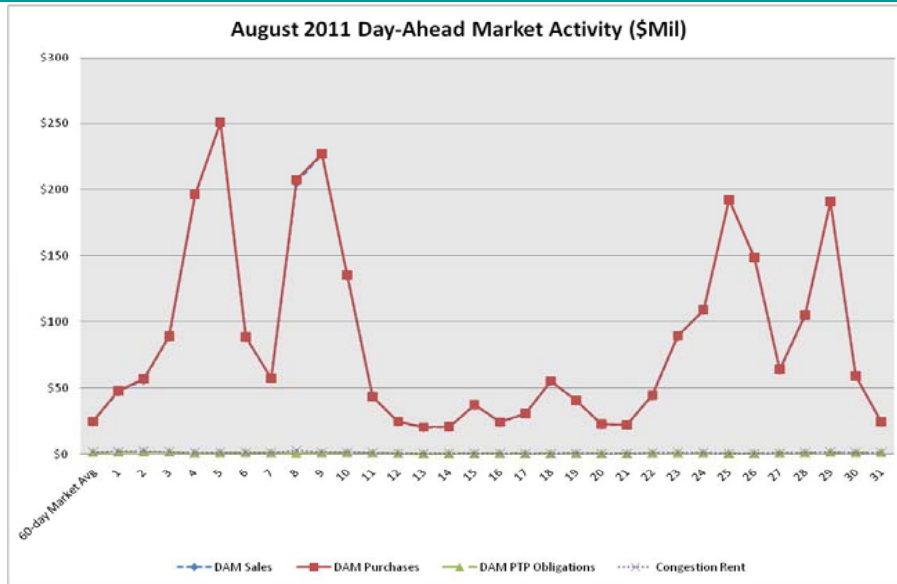
Revenue Neutrality

September 2011 numbers will be provided prior to Board meeting



Daily DAM and RTM Activity

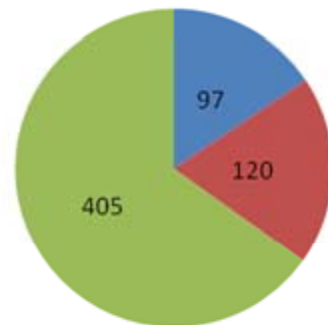
September 2011 numbers will be provided prior to Board meeting



Verifiable Costs

September 2011 numbers will be provided prior to Board meeting

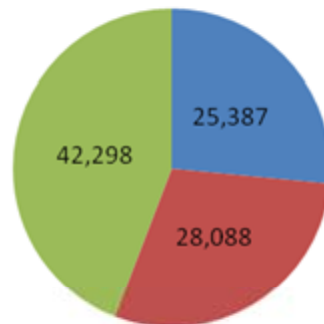
Total Resources Under Different Cost Types



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

Total Resources in ERCOT = 622

Total MWs Under Different Cost types



- MW under Standard Costs
- MW under 100% Verifiable Costs
- MW under Generic Costs

ERCOT Wholesale Market Settlement Dispute Report

September 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	2	59*	28	359	30	434*
Granted	0	0	0	0	19	137	19	137
Granted w/Exception	0	0	0	0	2	8	2	8
Denied	0	14	1	53	10	138	11	205
Withdrawn	0	2	2	6*	2	48	4	56*
In Process	0	N/A	0	N/A	28	N/A	28	N/A

*Non-material adjustments to previous months.

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

- **Added REPs**

- ✓ Devonshire Energy LLC (LSE)
- ✓ DTE Energy Supply Inc. (LSE)
- ✓ Twin Eagle Resource Management LLC dba Term Energy (LSE)

- **Terminated REPs**

- ✓ N/A

- **Added QSEs**

- ✓ Calpine Power Management LLC QCALP2 (SQ2 – L3)
- ✓ Devonshire Energy LLC (QSE – L2)
- ✓ EDF Trading (SQ8 – L2)
- ✓ Merrill Lynch Commodities Inc. (SQ2 – L3)

- **Terminated QSEs**

- ✓ Sumer Capital Partners (QSE – L1)

- **QSE Level Changes**

- ✓ N/A

QSE Count	Level	Qualification Description
88	1	<i>Performs Inter-QSE trades only; no direct representation of Load Serving Entity or Resource Entity</i>
133	2	<i>Represents Load Serving Entity ; no direct representation of Resource Entity</i>
69	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>
343 total (includes Sub-QSEs)		

Questions?