



# Commercial Market Operations Report Updated as of October 14, 2011

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 AMS ESIIDs totaled 3.7M settled in the market.

## Wholesale Activity

- **Settlements & Billing Performance** – All statements and invoices were posted timely. Payments not processed timely for a set of 23 CRR Auction Invoices. A market notice was sent identifying the timeliness issue.
- **Settlement Dollars** – Daily average settlement dollars transacted were \$11.35M compared to \$49.36M in August and \$16.97M in July.
- **Reliability Services** – Decreased levels of RUC Make-Whole payments and Clawback charges compared to previous months.
- **Capacity Services** – Ancillary Services Costs were \$27M in September, comparable to winter and spring months, excluding February 2011 .
- **RMR Settlement** - RMR costs for August totaled \$2.52M in September, compared to \$1.61M in August. The RMR Agreements covered a portion of the month of August and the complete month of September.
- **Congestion Management** – CRRs were fully funded for September.
- **Revenue Neutrality** – Load received a charge of \$13.5M, compared to a credit of \$0.24M in August.
- **Verifiable Costs** – Two resources approved for 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

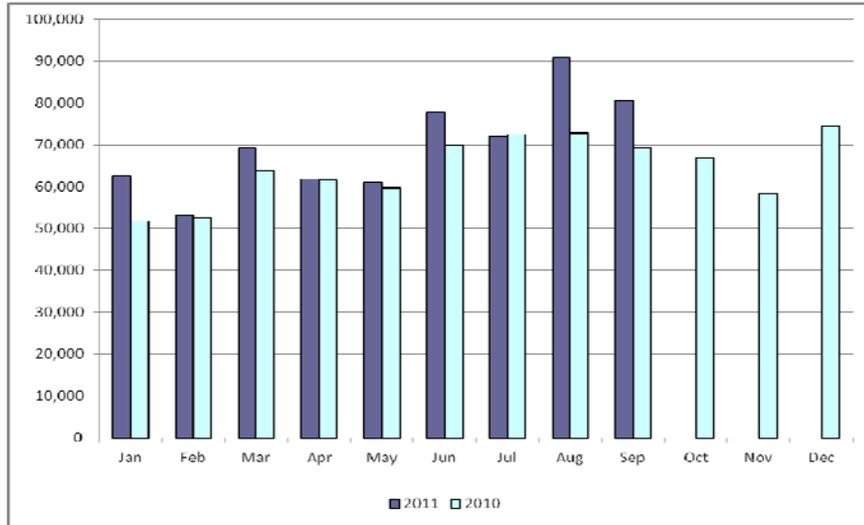
# Overall Activity

## 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
<b>Total</b>	<b>3,473,968</b>	<b>3,526,572</b>	<b>420,194</b>	<b>401,347</b>
Since June 1, 2001	43,855,560			

# Retail Transactions Summary

## Switches



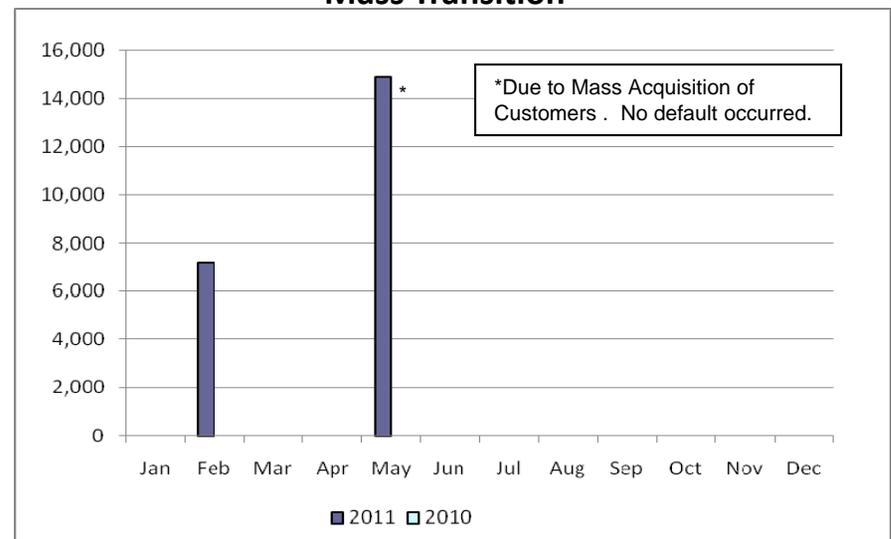
## Move-Ins



## Move-Outs

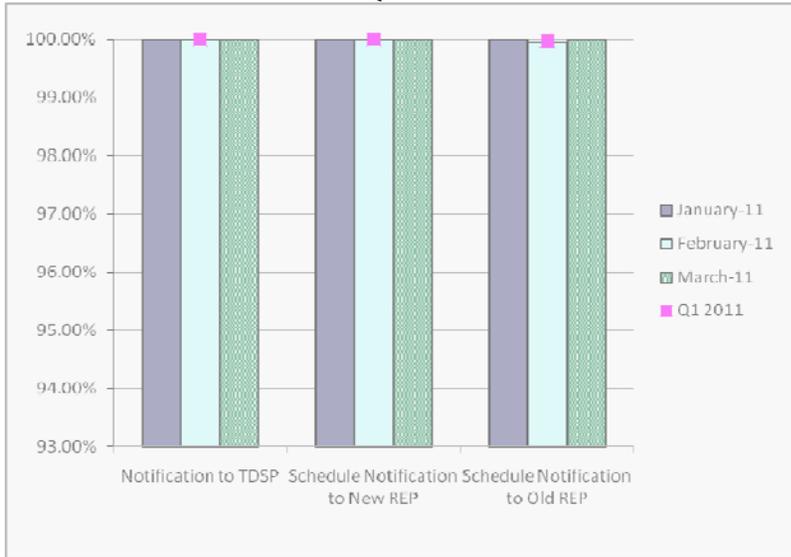


## Mass Transition

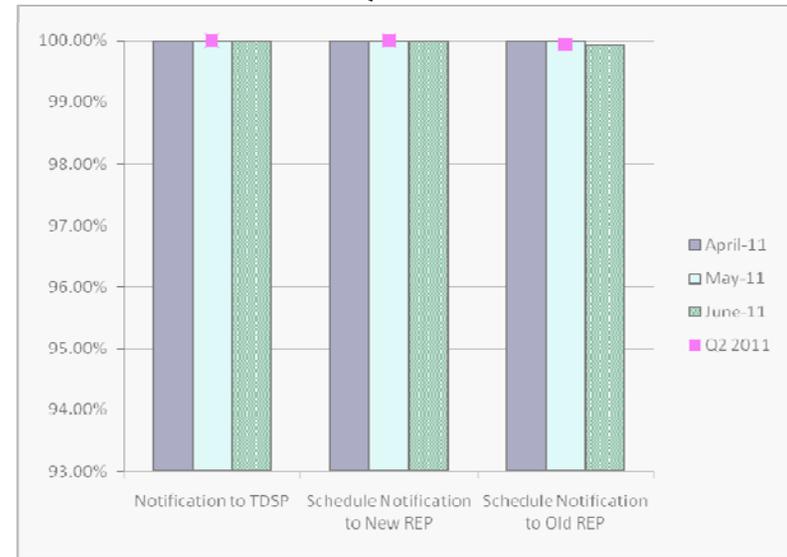


# Retail Performance Measures - 2011 Switch

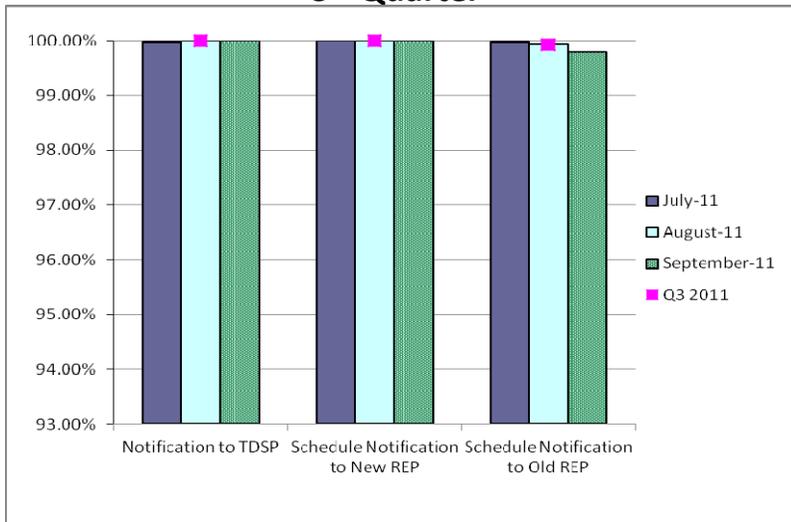
## 1<sup>st</sup> Quarter



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



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

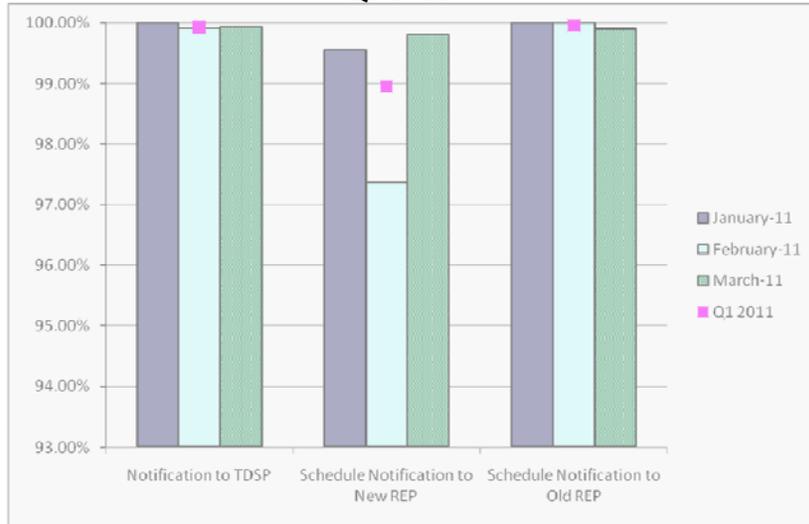


## 4<sup>th</sup> Quarter

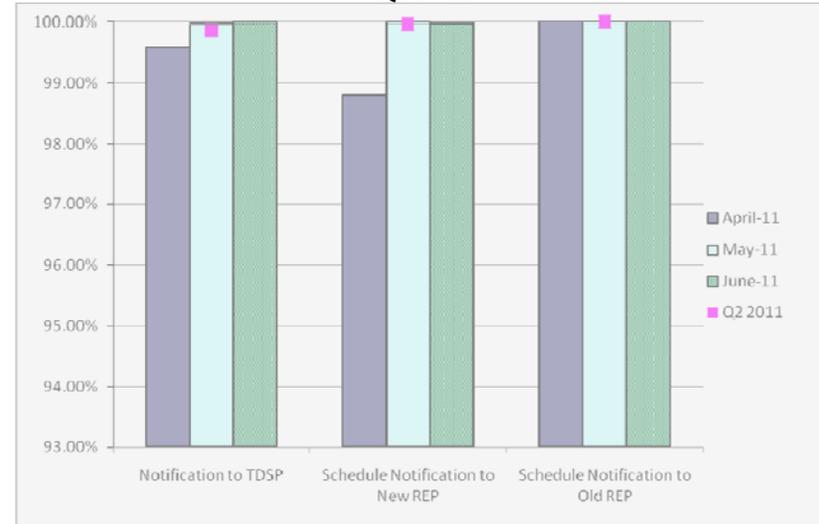


# Retail Performance Measures – 2011 Move-In / Priority

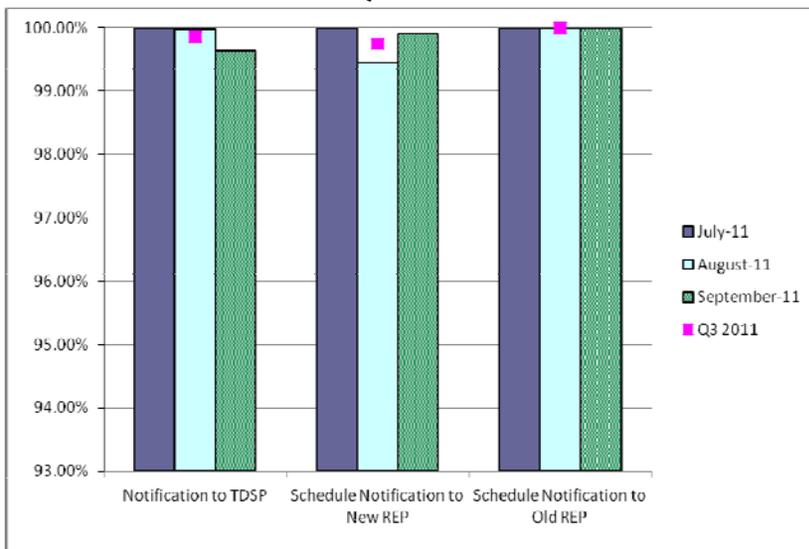
### 1<sup>st</sup> Quarter



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



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

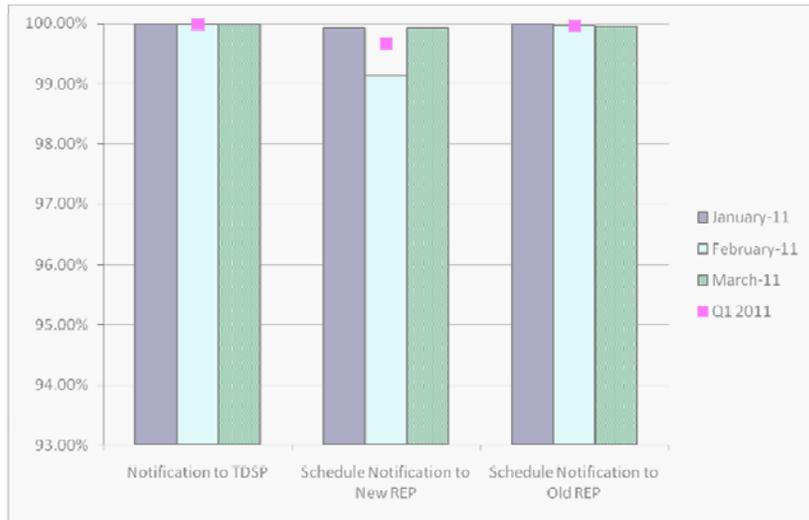


### 4<sup>th</sup> Quarter



# Retail Performance Measures – 2011 Move-In / Standard

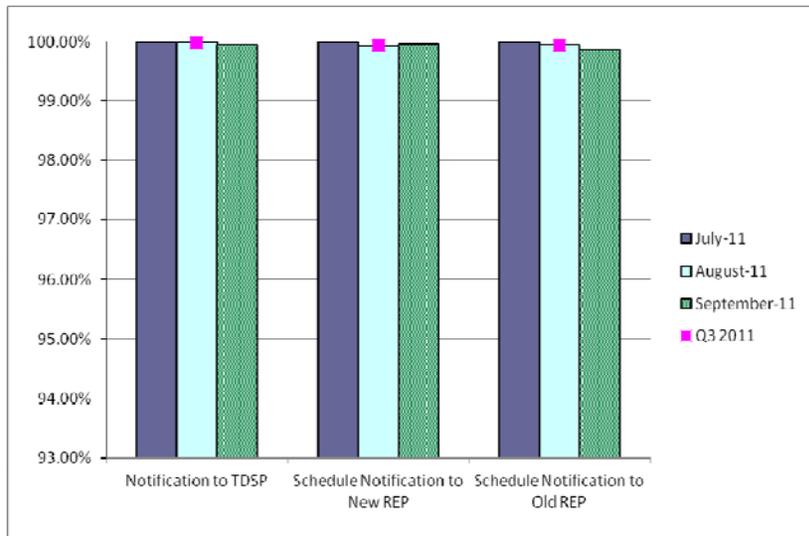
### 1<sup>st</sup> Quarter



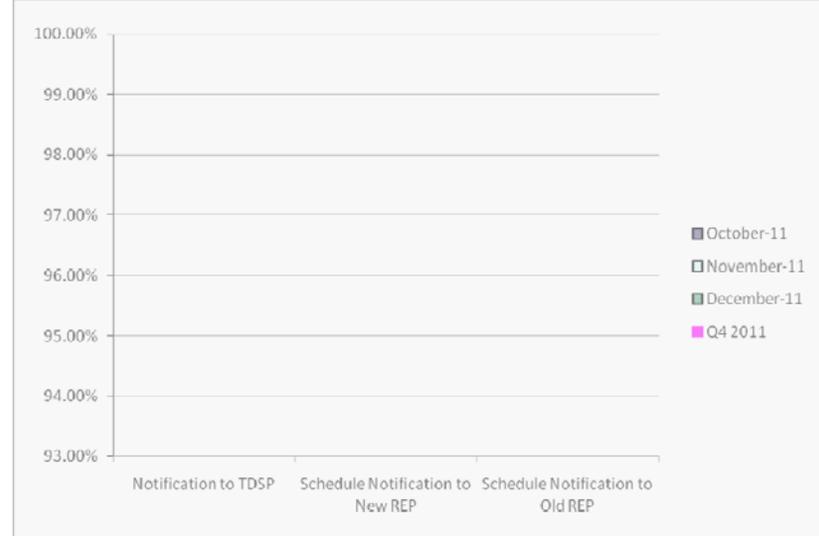
### 2<sup>nd</sup> Quarter



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



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



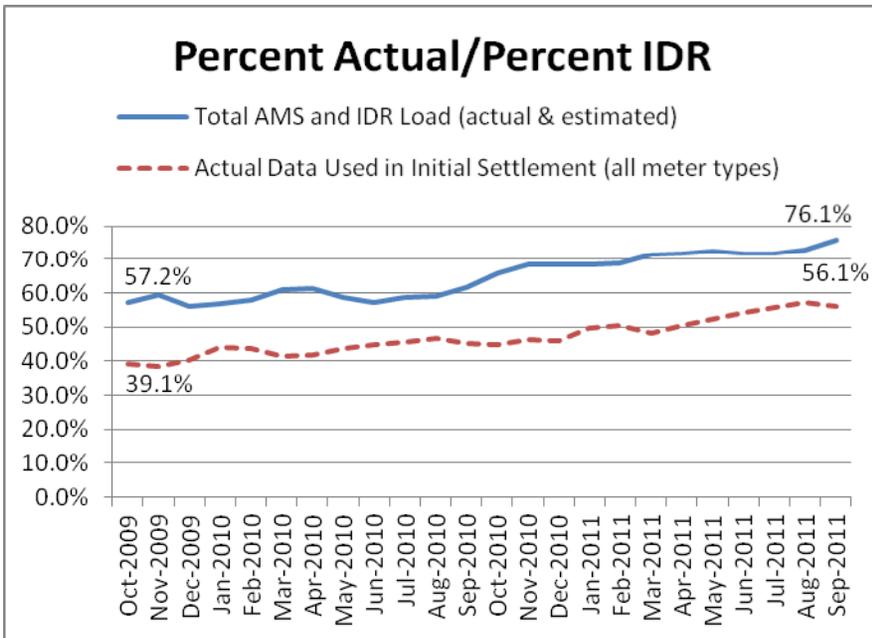
# Migration from Native Affiliate REP

---

	% of Load <sup>1</sup>		% 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>
<b>Residential</b>	56%	53%	55%	52%
<b>Small Non-Residential</b>	82%	82%	62%	58%
<b>Large Non-Residential</b>	80%	79%	80%	78%

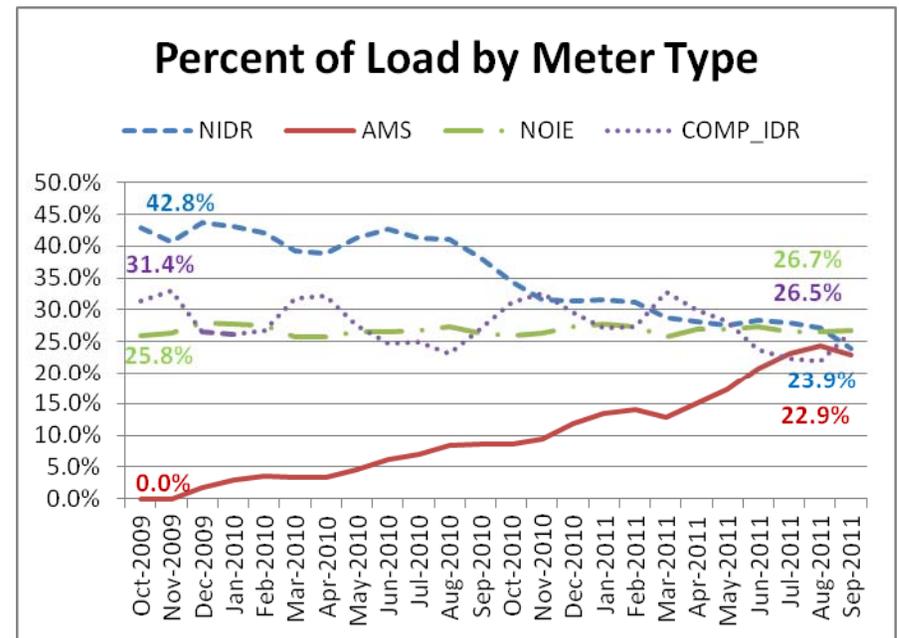
<sup>1</sup> - Percent of Deregulated (Non-NOIE) ESI IDs and Load. Usage based on monthly settlement results.

# Advanced Meter Settlement Impacts

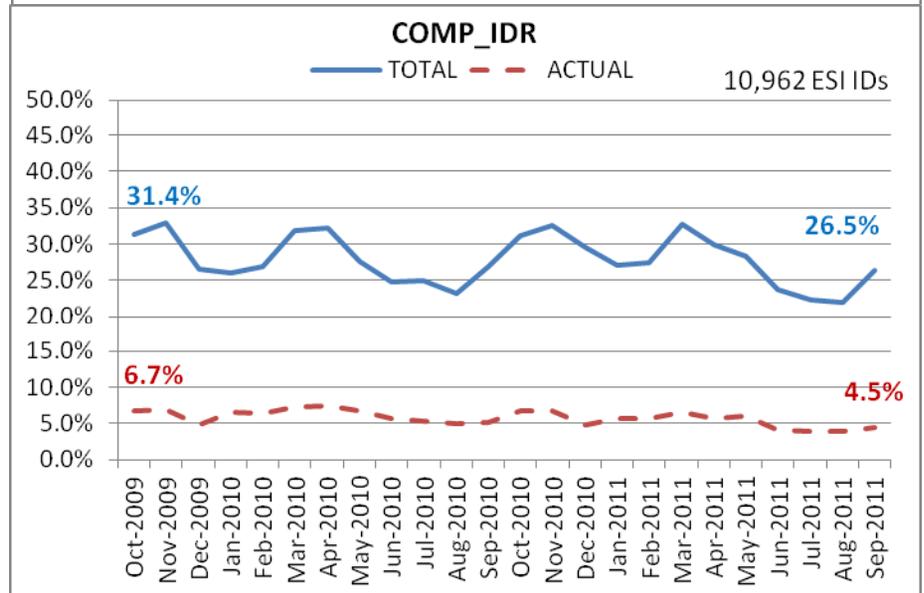
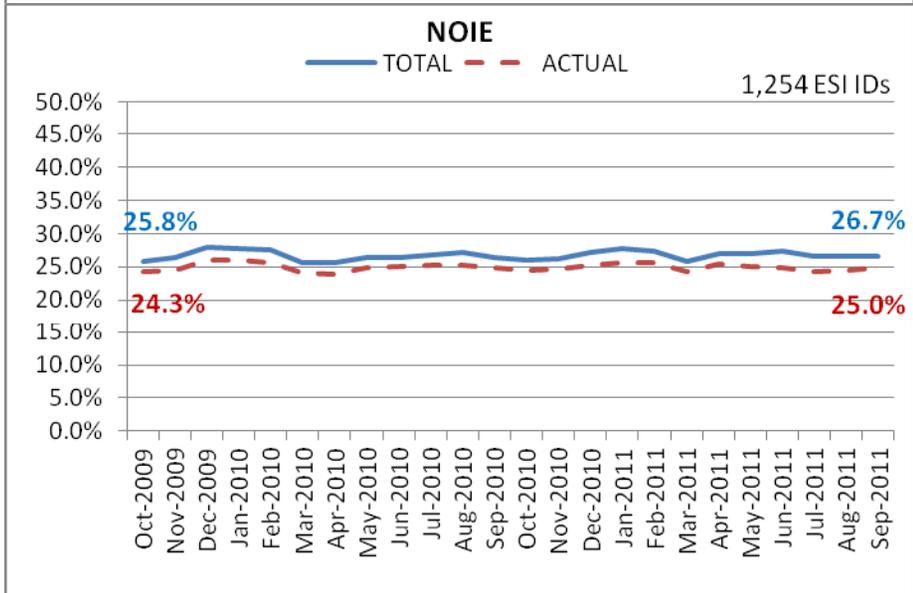
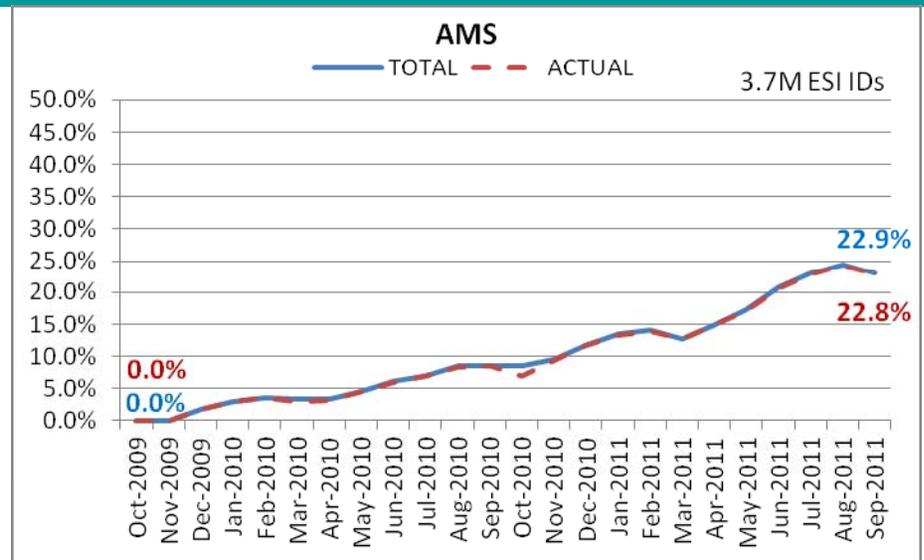
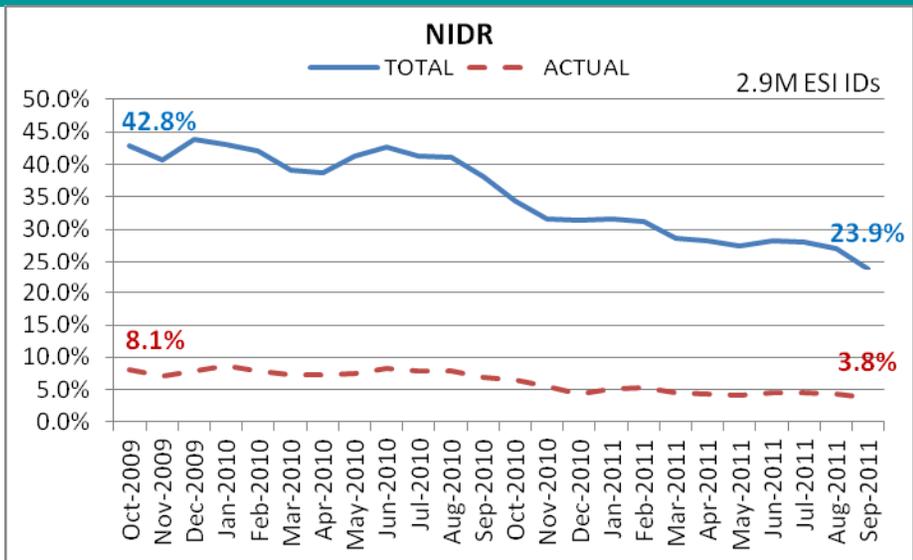


*Now settling 3.7M ESIIDs using Advanced Meter data.*

*76.1% of the load in ERCOT is settled with 15-min interval data (AMS and IDR).*



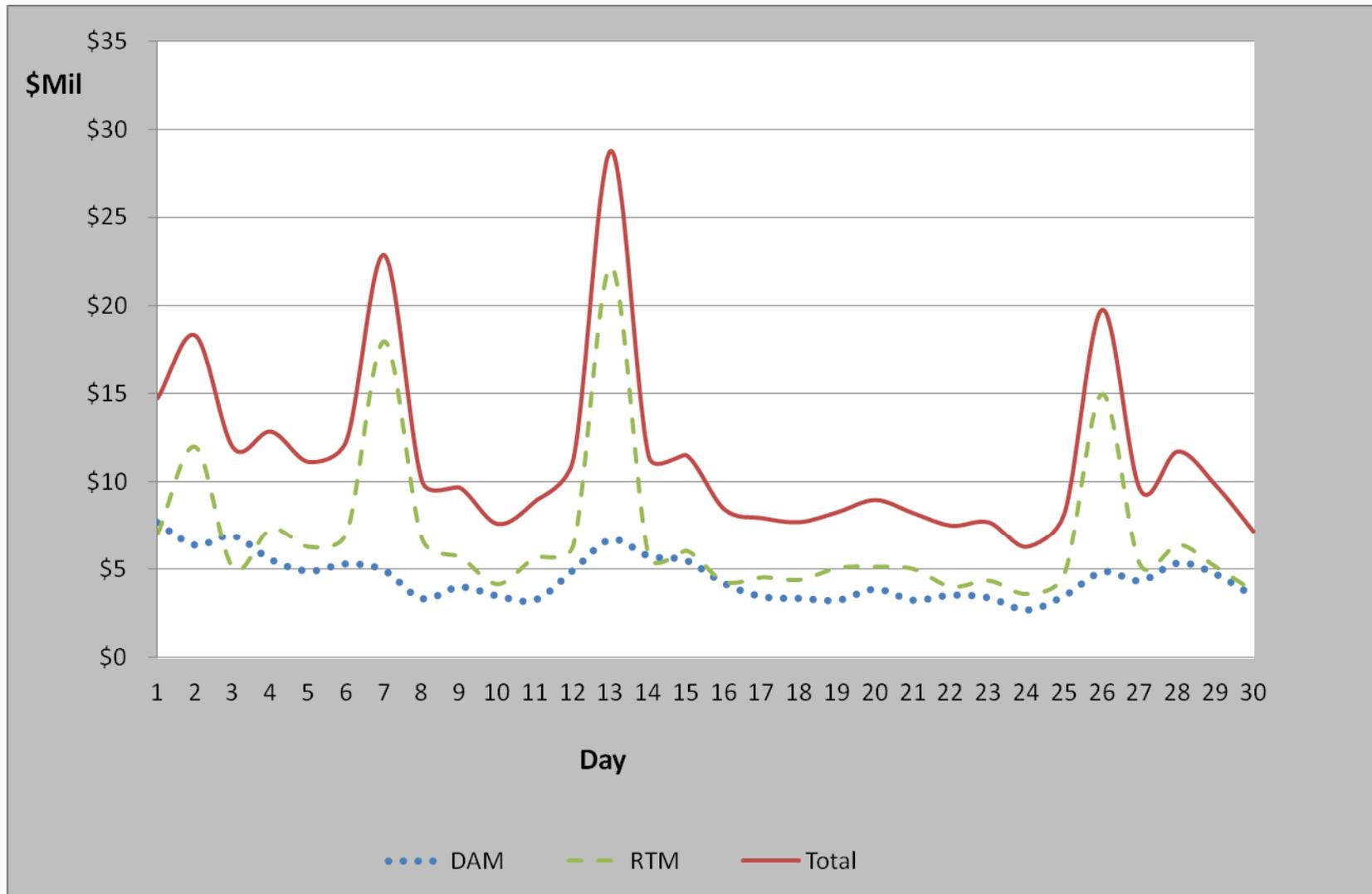
# ERCOT Wide Load Volumes by Meter Type - INITIAL Settlement



# Settlements and Billing Performance Measures – September 2011

	To Date <u>09/30/11</u>	September <u>2011</u>
<b>Settlement Statements:</b>		
Zonal	44,436	0
Day Ahead Market	63,482	6,811
Real Time Market	137,261	18,986
Total	245,179	25,797
Untimely	199	0
Balance	244,980	25,797
% Within Protocol	<b>99.92%</b>	<b>100.00%</b>
<b>Invoices:</b>		
Zonal	5,148	0
Day Ahead Market	63,482	6,811
Real Time Market	9,499	1,253
CRR Auction*	957	93
Balancing Account*	1,656	200
CRR Auction Revenue Disbursement (CARD)	1,678	196
Total	82,420	8,553
Untimely	-	-
Balance	82,420	8,553
% Within Protocol	<b>100%</b>	<b>100%</b>

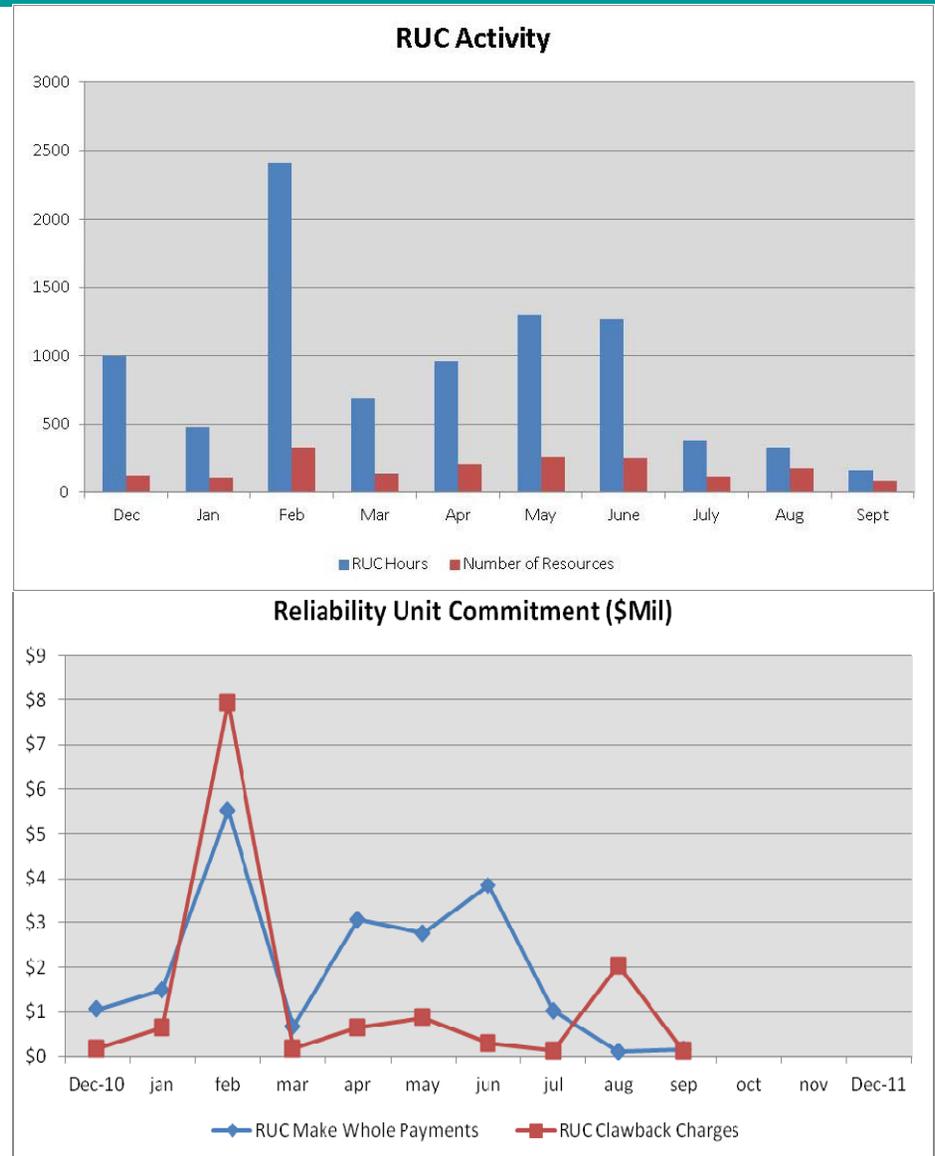
# September 2011 Market Total Settlement Dollars



# Reliability Services

	September 2011 (\$'s in millions)
<b>Reliability Unit Commitment</b>	
<b>Make Whole Payments</b>	<b>(\$0.16)</b>
<b>Claw Back Charges</b>	<b>\$0.13</b>
<b>Total Reliability Unit Commitment</b>	<b>(\$0.02)</b>
<b>Capacity Short Charges</b>	<b>\$0.16</b>
<b>Make Whole Uplift</b>	<b>\$0.00</b>
<b>RUC Decommitment Payments</b>	<b>\$0.00</b>

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



# Capacity Services - Cost

	September (\$'s in millions) <u>2010</u>	September (\$'s in millions) <u>2011</u>
<b>Capacity Services*:</b>		
<b>Reg Up</b>	<b>\$4.0</b>	<b>\$4.6</b>
<b>Reg Down</b>	<b>\$2.4</b>	<b>\$2.2</b>
<b>Responsive Reserve</b>	<b>\$7.4</b>	<b>\$14.1</b>
<b>Non-Spinning Reserve</b>	<b>\$0.5</b>	<b>\$6.1</b>
<b>Black Start</b>	<b>\$0.5</b>	<b>\$0.5</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>\$14.80</b>	<b>\$27.35</b>

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

# Capacity Services - Volumes

<b>Reg Up*:</b>	<u>September 2010</u>	<u>September 2011</u>
<b>Required (MW)</b>	<b>599,432</b>	<b>403,108</b>
<b>Self Arranged (MW)</b>	<b>118,086</b>	<b>20,715</b>
<b>Procured DAM (MW)</b>		<b>382,393</b>
<b>Procured RTM (MW)</b>		<b>-</b>
<b>Failure to Provide (MW)</b>		<b>-</b>
<b>Total Procured</b>	<b>483,114</b>	<b>382,393</b>
<b>% Procured</b>	<b>80.6%</b>	<b>94.9%</b>
<b>Reg Down*:</b>		
<b>Required (MW)</b>	<b>626,424</b>	<b>342,842</b>
<b>Self Arranged (MW)</b>	<b>135,516</b>	<b>21,297</b>
<b>Procured DAM (MW)</b>		<b>321,545</b>
<b>Procured RTM (MW)</b>		<b>-</b>
<b>Failure to Provide (MW)</b>		<b>-</b>
<b>Total Procured</b>	<b>493,134</b>	<b>321,545</b>
<b>% Procured</b>	<b>78.7%</b>	<b>93.8%</b>
<b>Responsive Reserve:</b>		
<b>Required (MW)</b>	<b>1,654,770</b>	<b>1,656,013</b>
<b>Self Arranged (MW)</b>	<b>600,977</b>	<b>389,908</b>
<b>Procured DAM (MW)</b>		<b>1,266,105</b>
<b>Procured RTM (MW)</b>		<b>86</b>
<b>Failure to Provide (MW)</b>		<b>86</b>
<b>Total Procured</b>	<b>1,054,997</b>	<b>1,266,190</b>
<b>% Procured</b>	<b>63.8%</b>	<b>76.5%</b>
<b>Non-Spinning Reserve:</b>		
<b>Required (MW)</b>	<b>1,091,944</b>	<b>1,187,409</b>
<b>Self Arranged (MW)</b>	<b>317,957</b>	<b>119,132</b>
<b>Procured DAM (MW)</b>		<b>1,068,277</b>
<b>Procured RTM (MW)</b>		<b>95</b>
<b>Failure to Provide (MW)</b>		<b>162</b>
<b>Total Procured</b>	<b>775,483</b>	<b>1,068,372</b>
<b>% Procured</b>	<b>71.0%</b>	<b>90.0%</b>

\*A/S Methodology changed in Dec 2010

# RMR Settlement

	September 2011 <u>(\$'s in millions)</u>
• <b>Reliability Must Run Settlement</b>	
<b>Contracted Standby</b>	<b>(\$2.51)</b>
	<b>(\$2.52)</b>
<b>Contracted Energy</b>	<b>(\$0.01)</b>
<b>Adjustment Charge to the RMR</b>	<b>\$0.01</b>
<b>Energy Payment to the RMR</b>	<b>(\$0.01)</b>
<b>Clawback Charge (Make-Whole Payment) to the RMR</b>	<b>\$0.00</b>
<b>Total RMR Settlement</b>	<b><u>(\$2.52)</u></b>

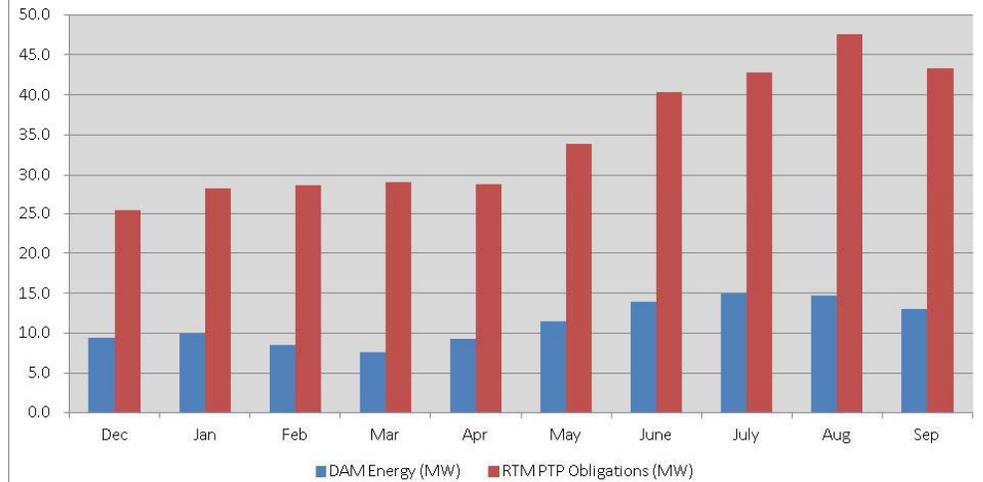
# Energy Settlement

September  
2011  
(\$'s in millions)

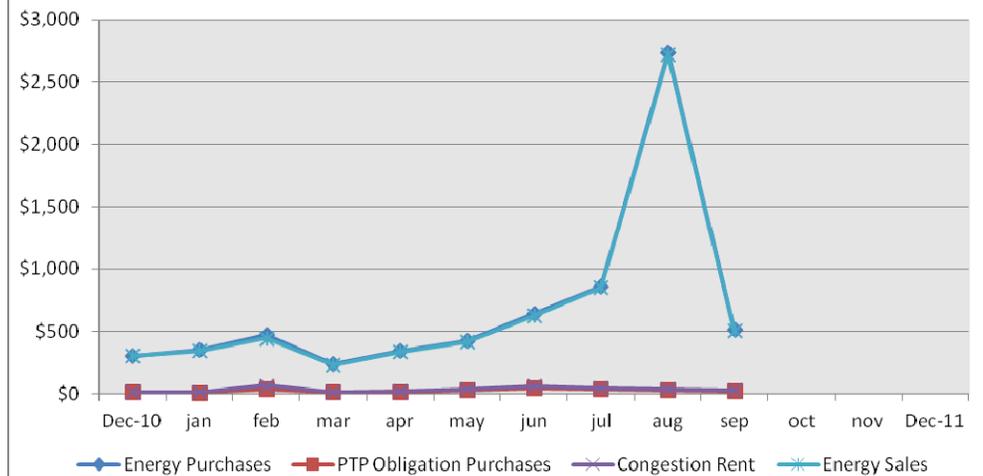
<b>• Day Ahead Market Energy Settlement</b>	
Energy Purchases	<b>\$511.67</b>
Point to Point Obligations Purchases	<b>\$23.19</b>
RMR Day Ahead Revenue	<b>\$0.00</b>
Energy Sales	<b>(\$506.76)</b>
Day Ahead Congestion Rent	<b>\$28.10</b>
Day Ahead Make Whole Payments	<b>(\$0.22)</b>
<b>• Real Time Market Energy Settlement</b>	
Real Time Energy Imbalance	
~Resource Node Settlement Points	<b>(\$731.35)</b>
~Load Zone Settlement Points	<b>\$1,046.37</b>
~ Hub Settlement Points	<b>(\$251.53)</b>
Real Time Congestion from Self Schedules	<b>\$0.39</b>
Block Load Transfers and DC Ties	<b>(\$9.25)</b>
Energy Settlements Impact to Revenue Neutrality	<b>\$54.62</b>
Emergency Energy Payments	<b>(\$0.01)</b>
Base Point Deviation	<b>\$0.60</b>
	(MWh in millions)
Real Time Metered Generation	<b>29.68</b>

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

**DAM Energy Volumes (MW Mil)**



**Day-Ahead Market Energy (\$Mil)**



# Congestion Management

September  
2011  
(\$'s in millions)

- **Auction Disbursements**

<b>Annual Auction</b>	<b>(\$21.04)</b>
<b>Monthly Auction</b>	<b>(\$13.14)</b>
<b>Total Disbursements</b>	<b>(\$34.19)</b>

- **CRR Settlement**

<b>Day Ahead CRR Settlement</b>	<b>(\$25.35)</b>
<b>Day Ahead CRR Short Charges</b>	<b>\$1.02</b>
<b>Day Ahead CRR Short Charges Refunded</b>	<b>(\$1.02)</b>
<b>Real Time CRR Settlement</b>	<b>(\$20.51)</b>
<b>Real Time CRR Short Charges</b>	<b>\$0.11</b>
<b>Real Time CRR Short Charges Refunded</b>	<b>(\$0.11)</b>
<b>Total Proceeds</b>	<b>(\$45.86)</b>

- **PTP Obligations Acquired in DAM**

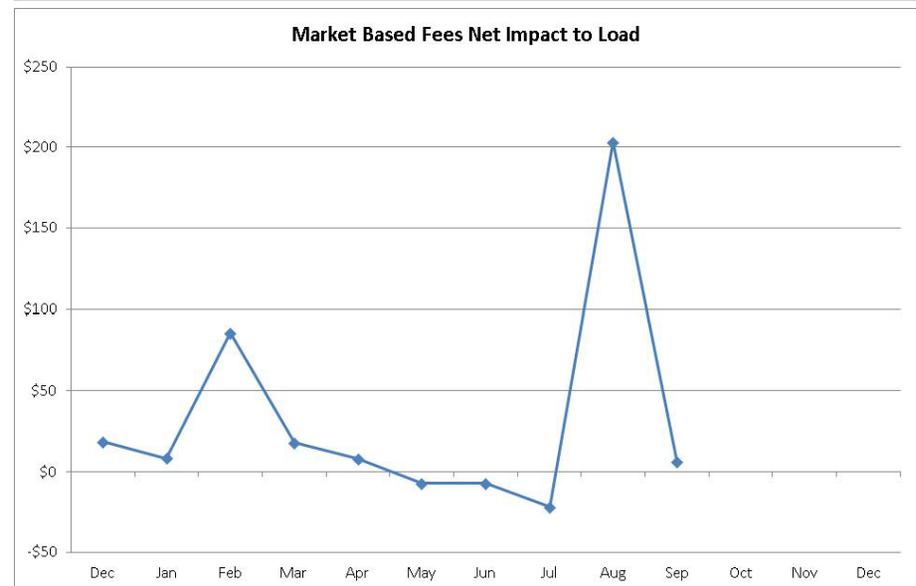
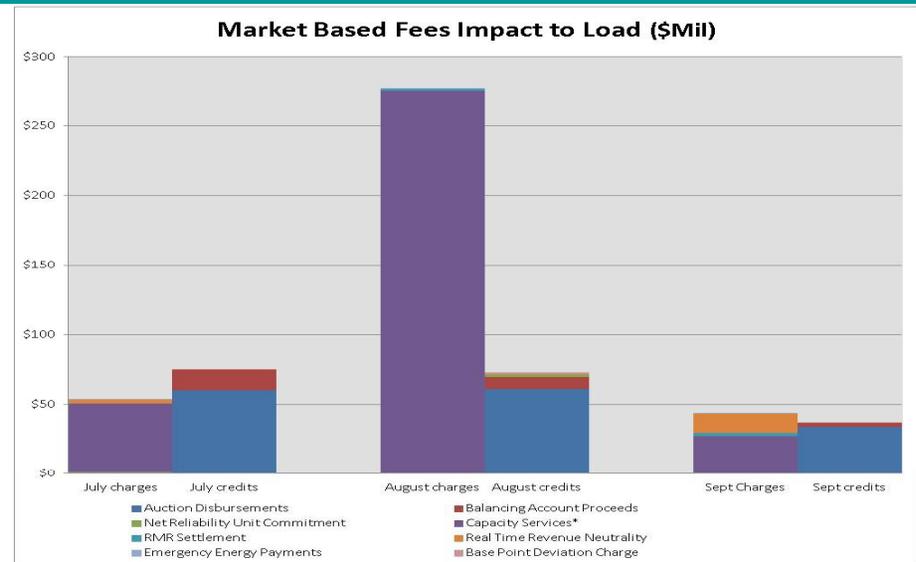
<b>Day Ahead Point to Point Obligation Settlement</b>	<b>\$23.19</b>
<b>Real Time Point To Point Obligation Settlement</b>	<b>(\$47.70)</b>
<b>Net Settlement</b>	<b>(\$24.52)</b>

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

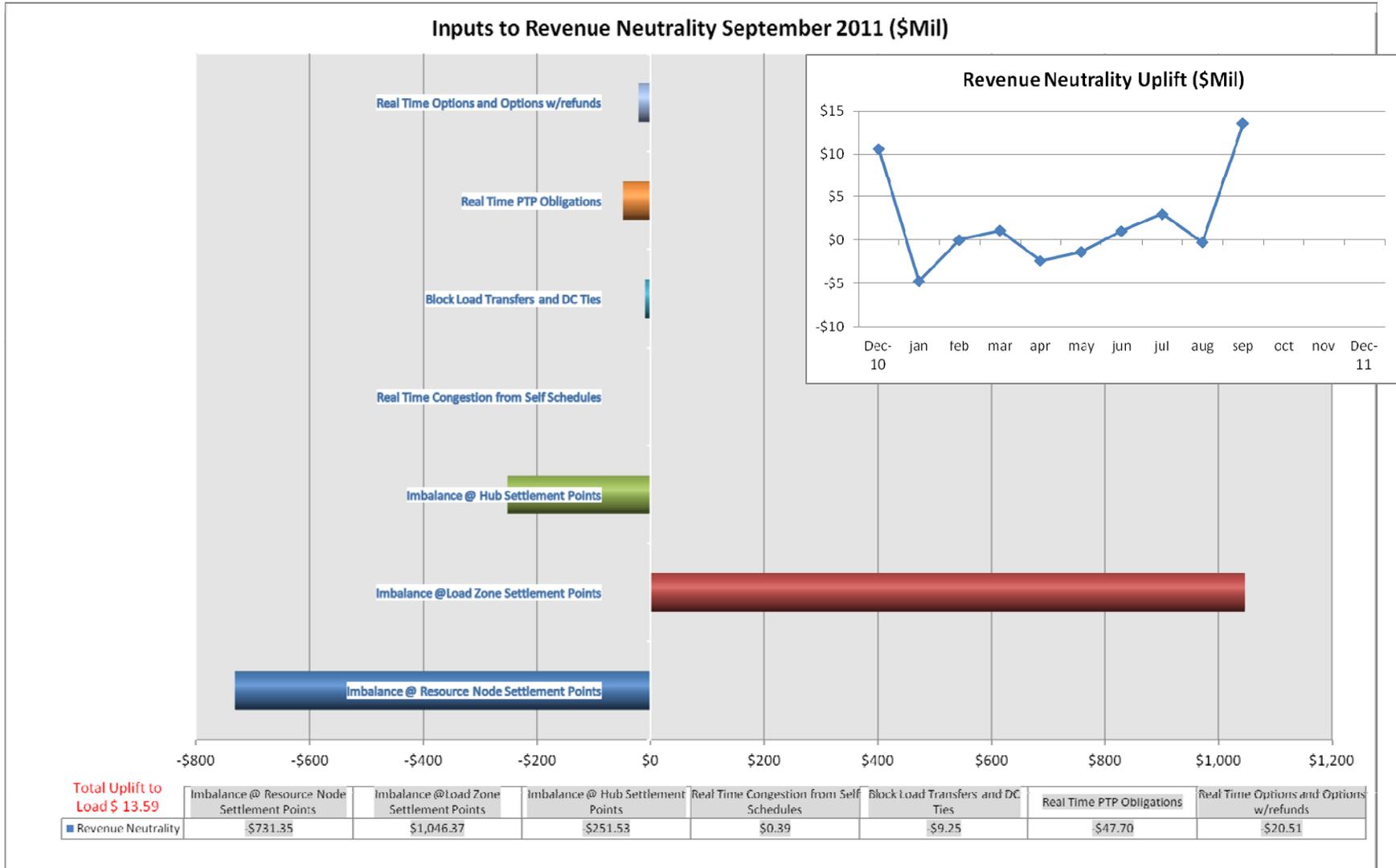
# Net Impact to Load

September  
2011  
(\$'s in millions)

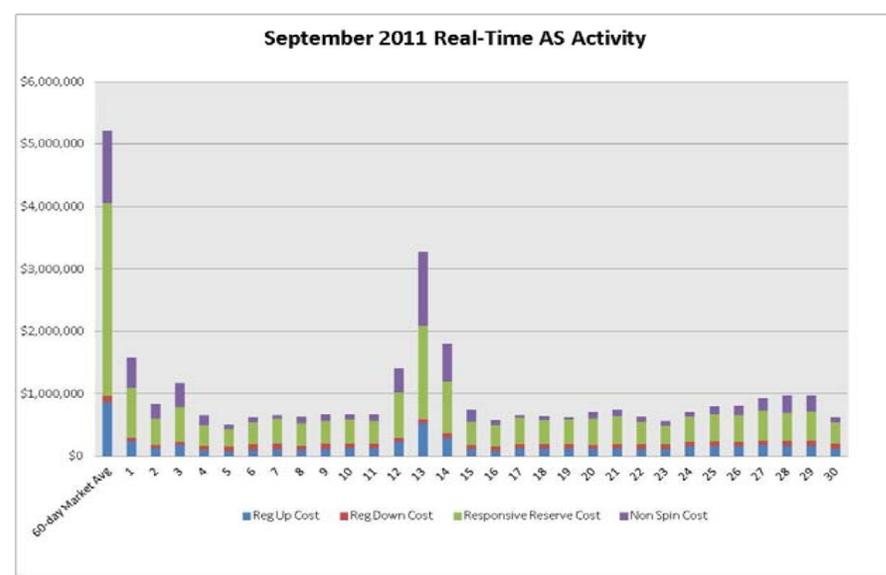
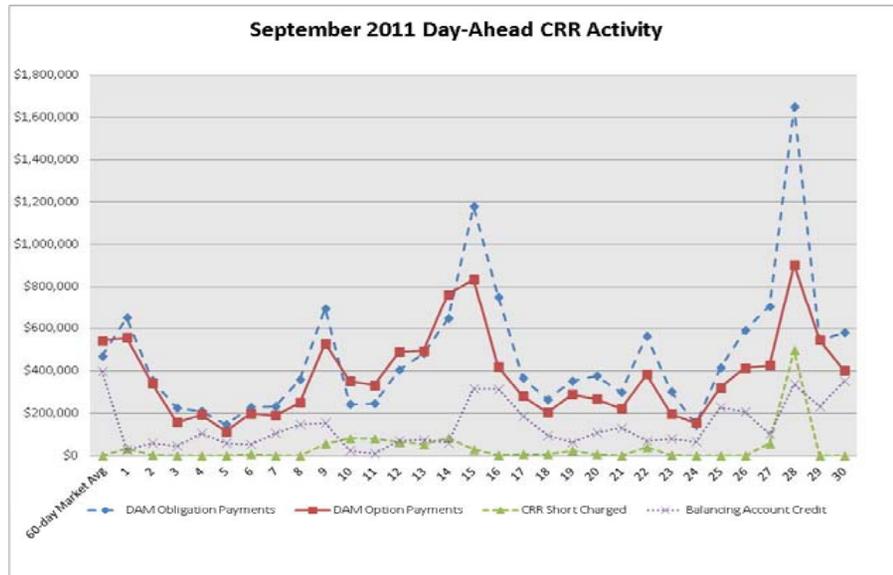
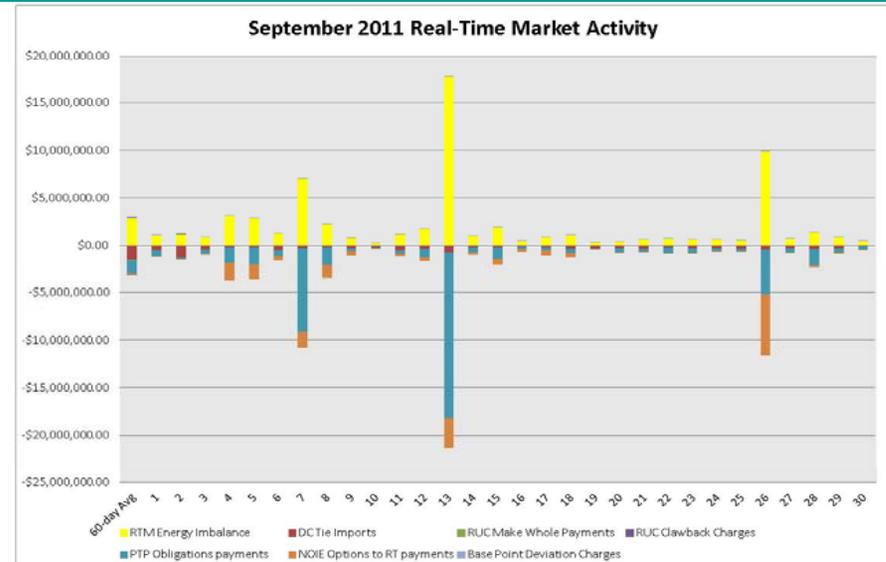
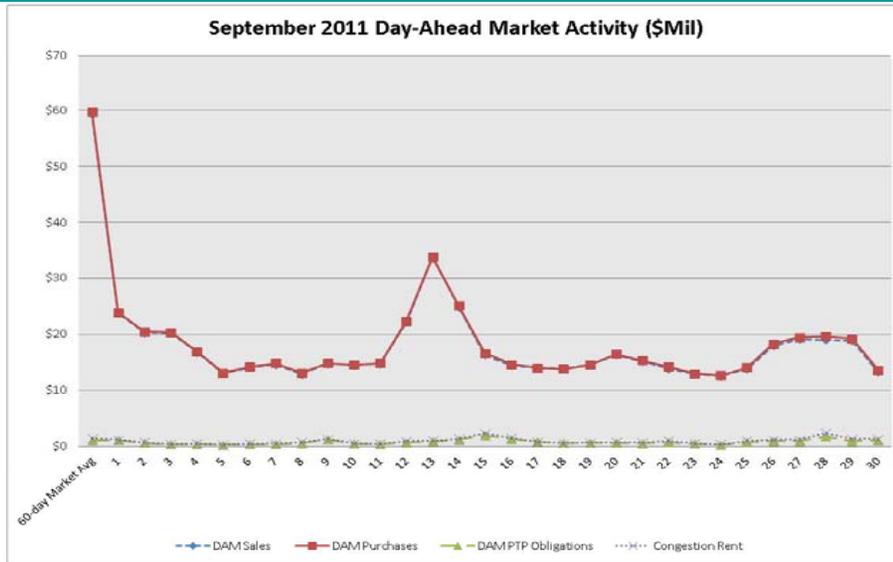
<i>Market-Based Fees</i>	
<b>Auction Disbursements</b>	<b>(\$34.19)</b>
<b>Balancing Account Proceeds</b>	<b>(\$2.74)</b>
<b>Net Reliability Unit Commitment</b>	<b>\$0.02</b>
<b>Capacity Services</b>	<b>\$27.35</b>
<b>RMR Settlement</b>	<b>\$2.52</b>
<b>Real Time Revenue Neutrality</b>	<b>\$13.59</b>
<b>Emergency Energy Payments</b>	<b>\$0.01</b>
<b>Base Point Deviation Charge</b>	<b>(\$0.60)</b>
	<b>\$5.95</b>
<b>ERCOT Fees</b>	
<b>ERCOT Administrative Fee</b>	<b>\$12.49</b>
<b>Net Impact to Load</b>	<b>\$18.44</b>



# Revenue Neutrality

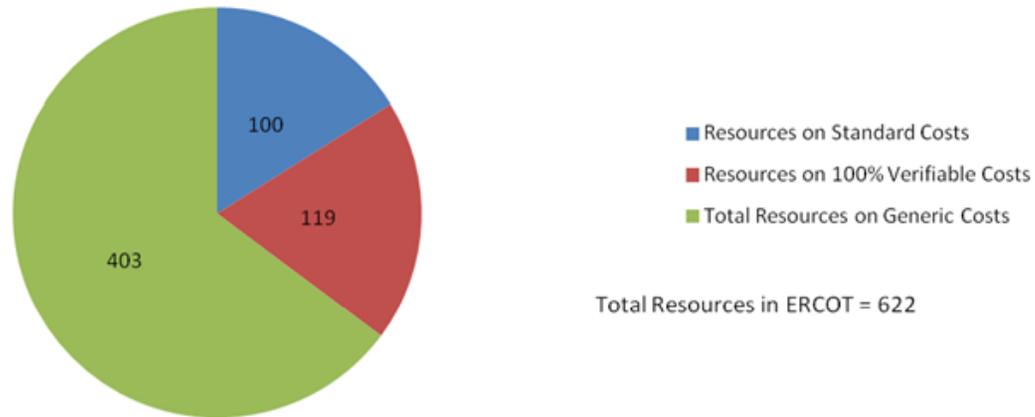


# Daily DAM and RTM Activity



# Verifiable Costs

### Total Resources Under Different Cost Types



### Total MWs Under Different Cost types



# ERCOT Wholesale Market Settlement Dispute Report

## September 2011

	CRR Market		Day-Ahead Mkt		Real-Time Mkt		Total	
	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>
<b>343</b> total (includes Sub-QSEs)		

---

Questions?