



Commercial Market Operations Report

Dale Goodman
Director, Market Services

Board of Directors Meeting
December 12-13, 2011

Summary (The following are activities which occurred in October 2011. November and December activities will be reported in the January 2012 updates.)

Retail Activity

- **Overall Activity** – October 2011 Switch and Move-in volumes trending above October 2010.
- **Transaction Performance Measures** – Above target of 98%.
- **Advanced Metering** – October AMS ESIIDs initially settled totaled more than 3.9M. November numbers will top 4M.

Wholesale Activity

- **Settlements & Billing Performance** – All statements and invoices were posted timely.
- **Settlement Dollars** – Daily average settlement dollars transacted were \$8.4M , compared to \$11.35M in September.
- **Reliability Services** – Increased levels of RUC Make-Whole payments compared to previous recent months.
- **Capacity Services** – Ancillary Services Costs were \$26M, compared to \$27M in September.
- **RMR Settlement** - RMR costs for August totaled \$1.46M in October, compared to \$2.52M in September. The higher cost in September included costs associated with the terminated RMR Agreement.
- **Congestion Management** – CRRs were fully funded for October.
- **Revenue Neutrality** – Load received a charge of \$3.82M, compared to a charge of \$13.59M in September.
- **Verifiable Costs** – No changes in Verifiable Costs approvals.
- **Disputes** – No spike in dispute volume to report.
- **REPs and QSEs Added/Terminated**
 - 1 new REPs
 - 3 new QSEs
 - 1 QSE Level Change
 - 1 terminated REPs
 - 1 terminated QSEs

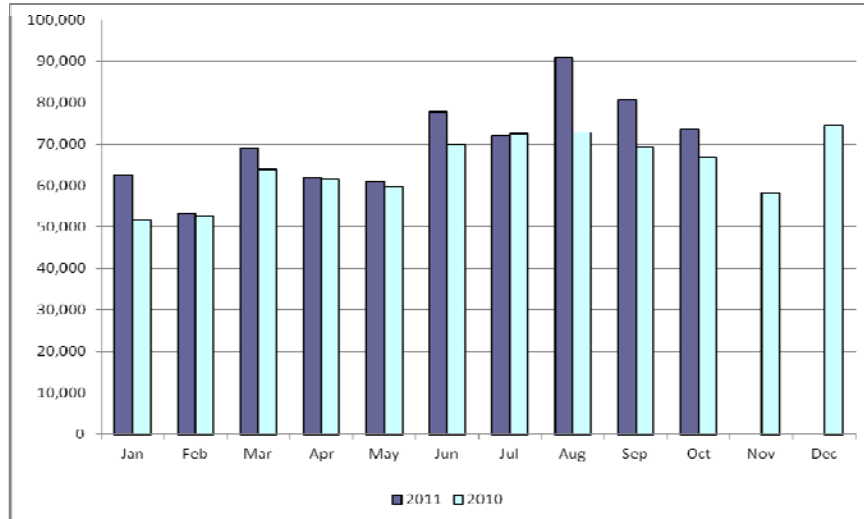
Overall Activity

Retail Transactions Summary

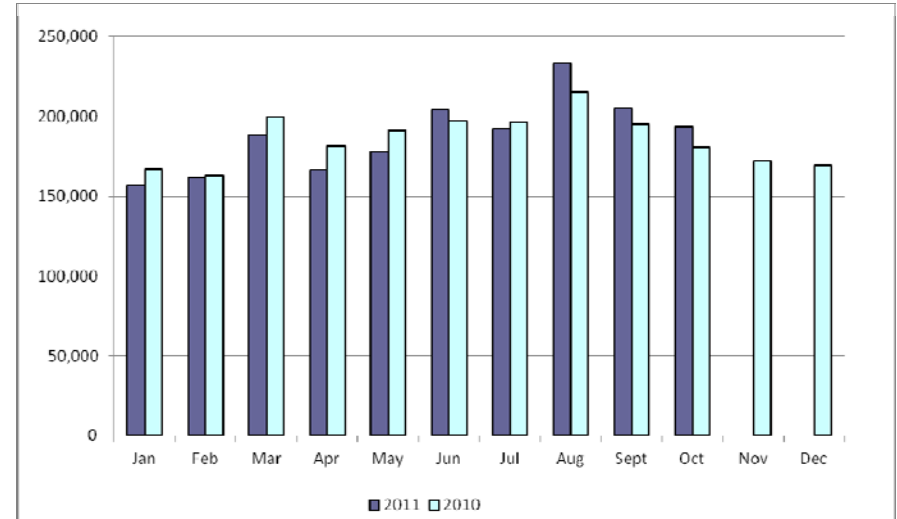
Transaction Type	YTD		October	
	<u>10/31/2011</u>	<u>10/31/2010</u>	<u>2011</u>	<u>2010</u>
Switches	702,724	640,493	73,504	66,730
Move - Ins	1,879,269	1,886,599	193,260	180,568
Move Out	953,098	1,042,414	98,144	102,592
CSA (Continuous Service Agreement)	307,126	334,725	25,397	27,769
Mass Transition	22,056	0	0	0
Total	3,864,273	3,904,231	390,305	377,659
Since June 1, 2001	44,245,865			

Retail Transactions Summary

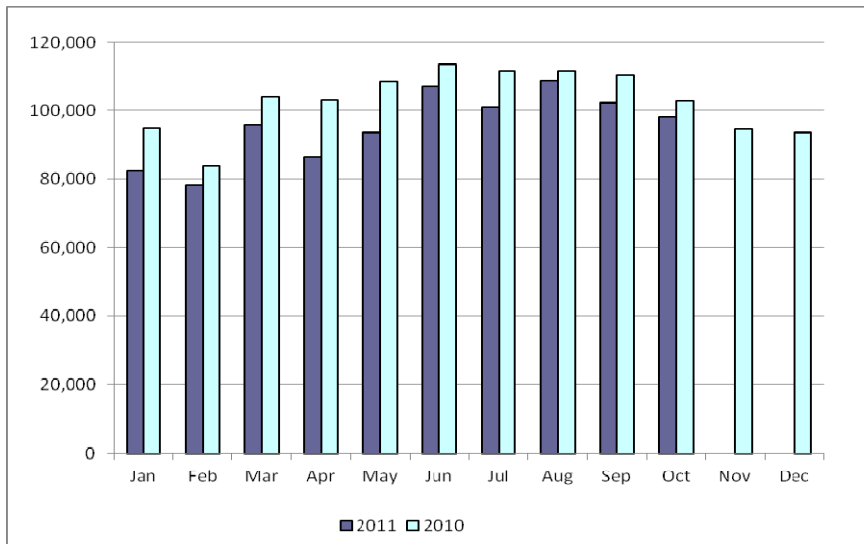
Switches



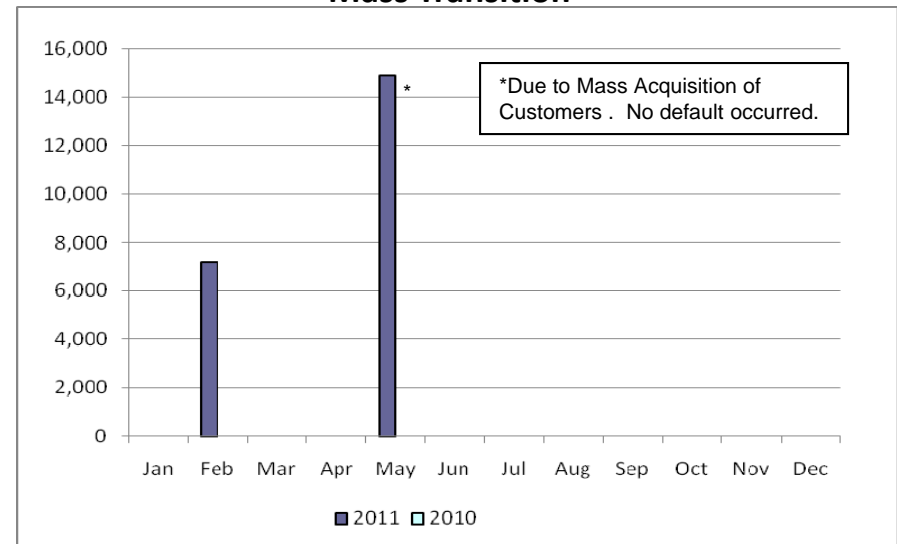
Move-Ins



Move-Outs

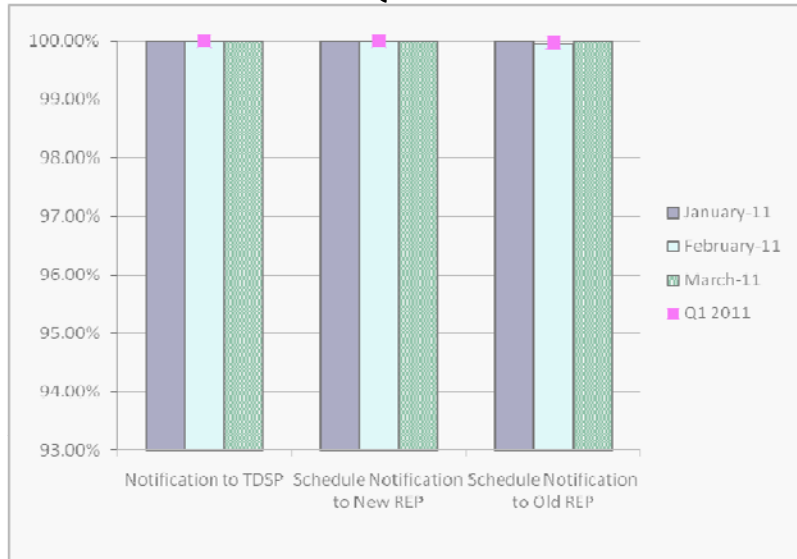


Mass Transition

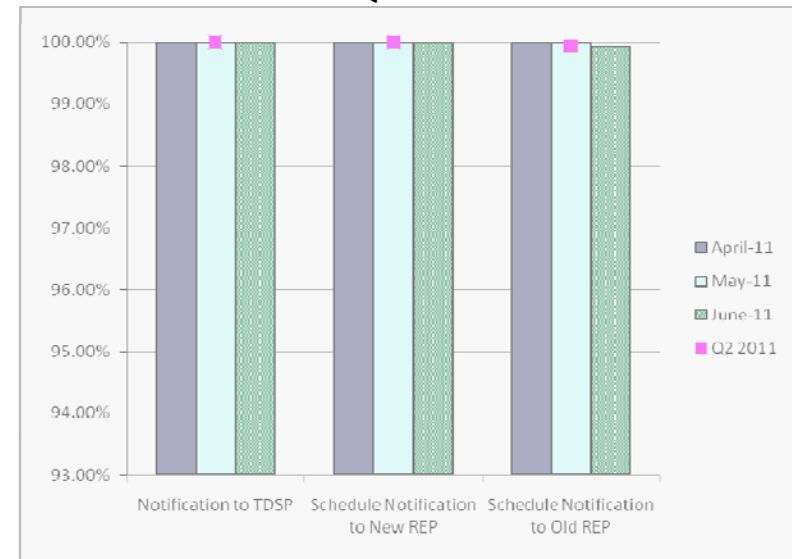


Retail Performance Measures – 2011 Switch

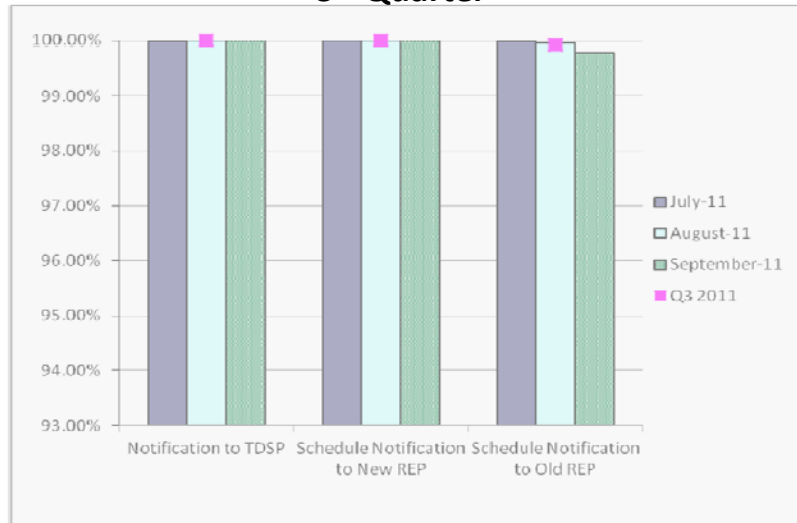
1st Quarter



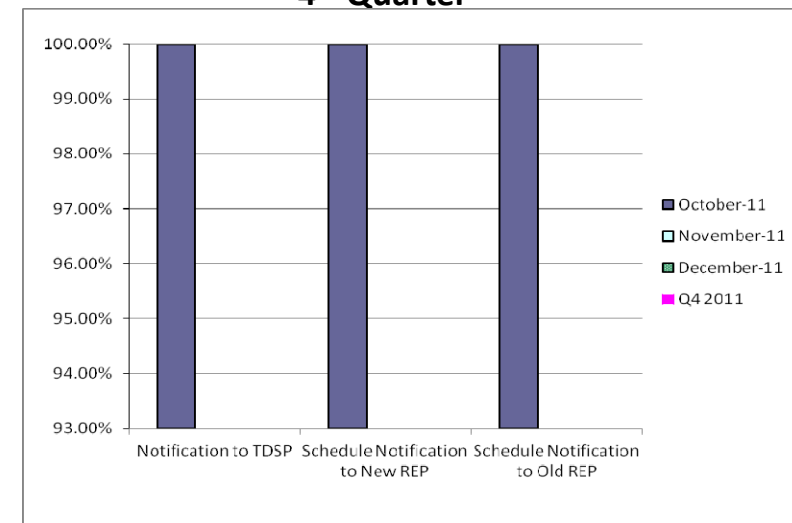
2nd Quarter



3rd Quarter

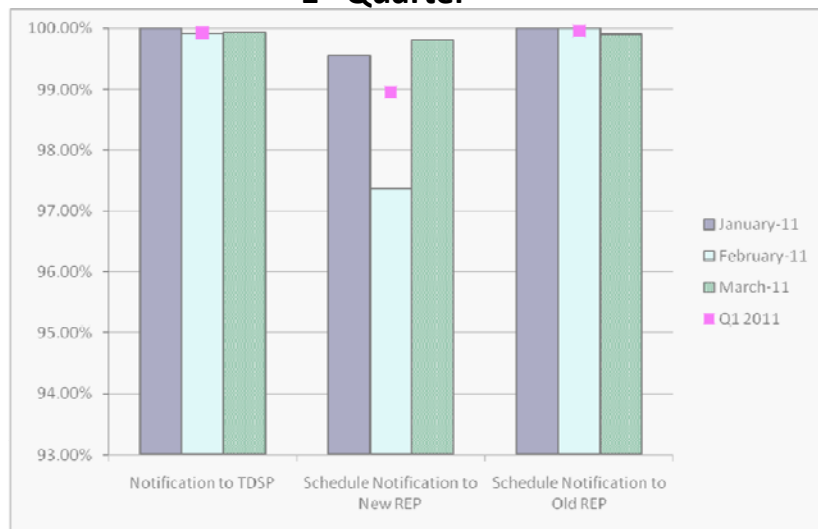


4th Quarter

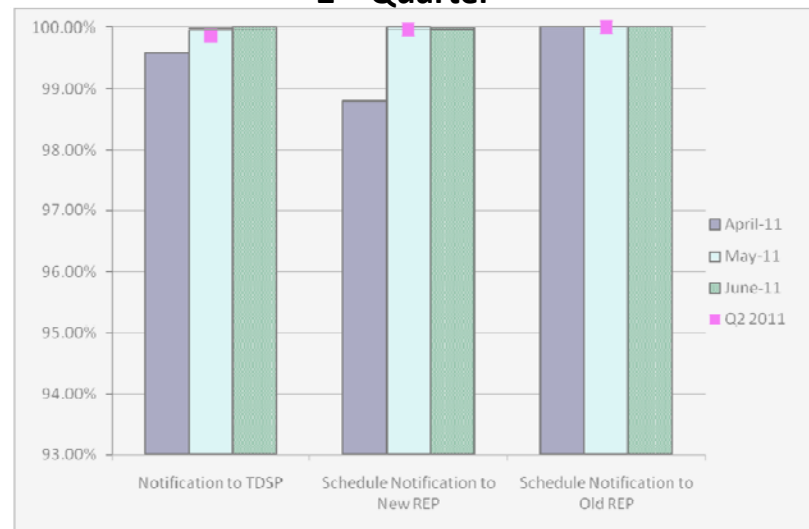


Retail Performance Measures – 2011 Move-In / Priority

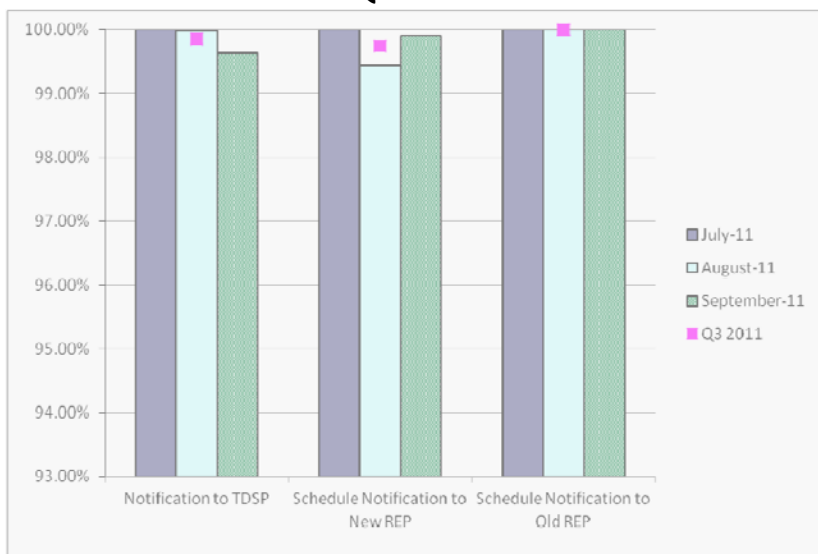
1st Quarter



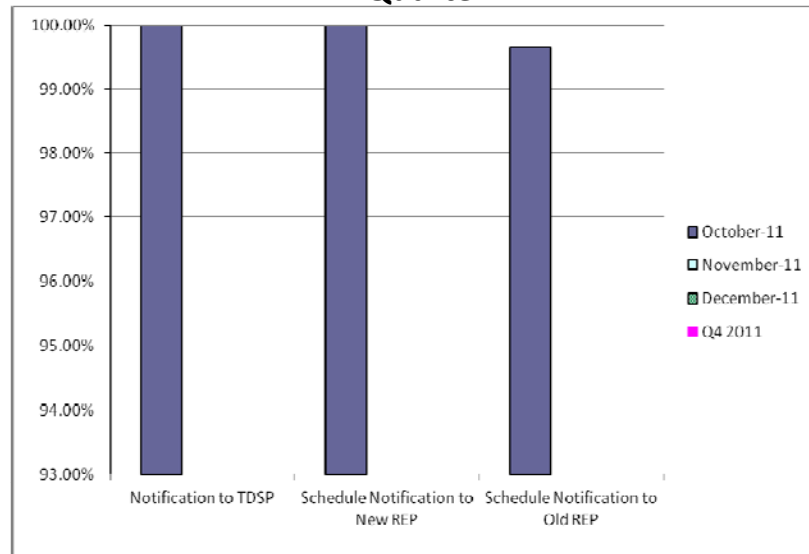
2nd Quarter



3rd Quarter

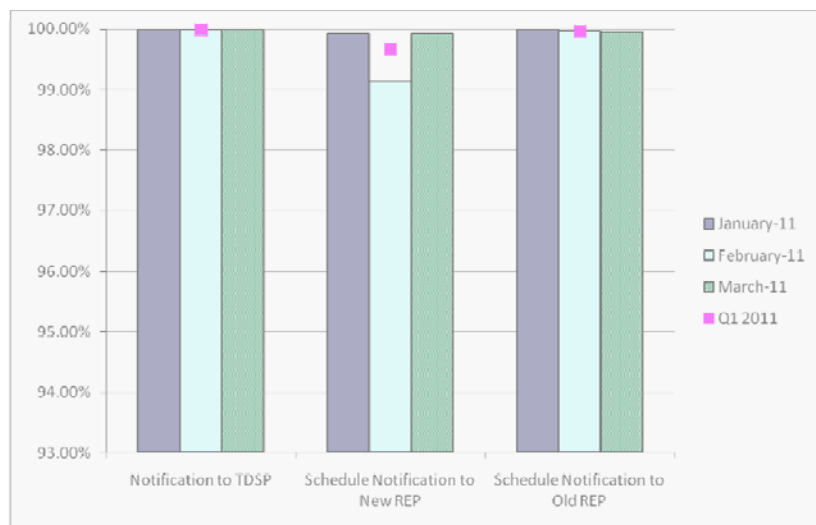


4th Quarter

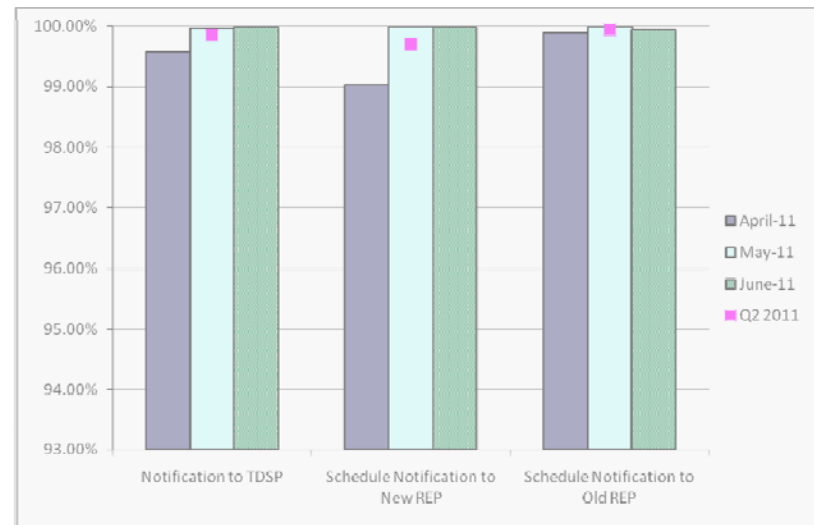


Retail Performance Measures – 2011 Move-In / Standard

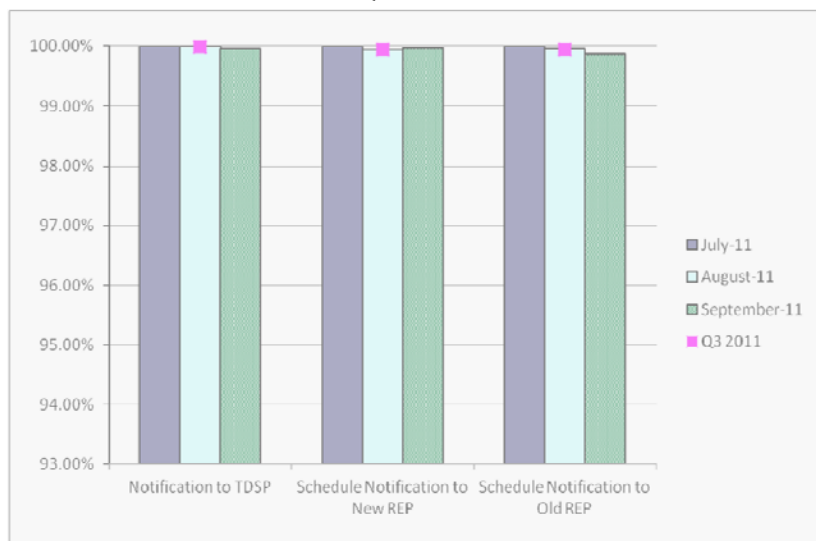
1st Quarter



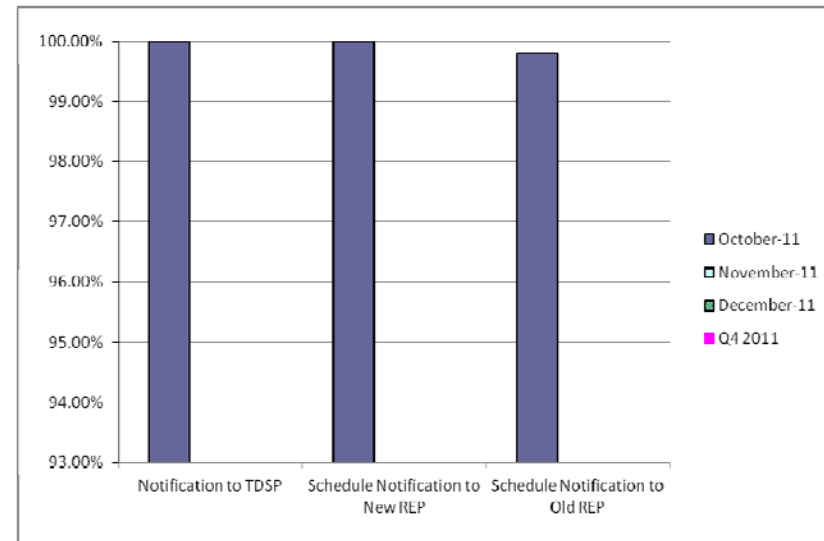
2nd Quarter



3rd Quarter



4th Quarter

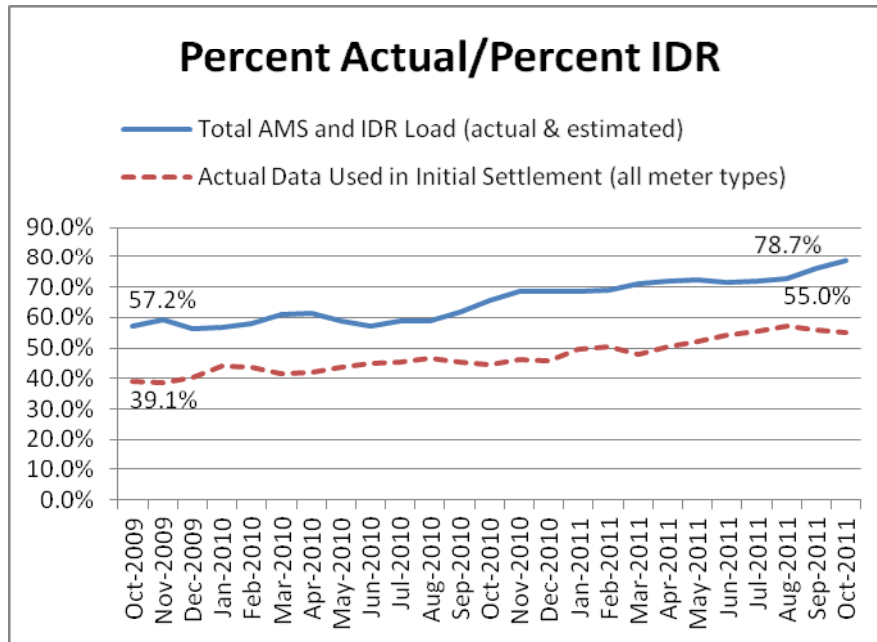


Migration from Native Affiliate REP

	% of Load ¹		% of ESI IDs	
	at <u>9/30/11</u>	at <u>9/30/10</u>	at <u>9/30/11</u>	at <u>9/30/10</u>
Residential	57%	54%	56%	52%
Small Non-Residential	82%	82%	63%	59%
Large Non-Residential	80%	79%	80%	79%

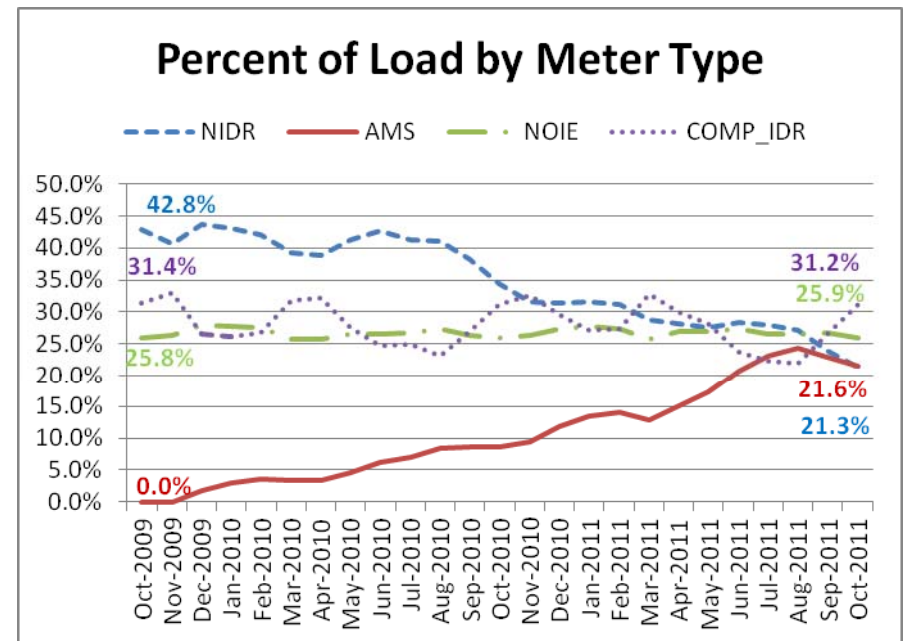
¹ - Percent of Deregulated (Non-NOIE) ESI IDs and Load. Usage based on monthly settlement results.

Advanced Meter Settlement Impacts

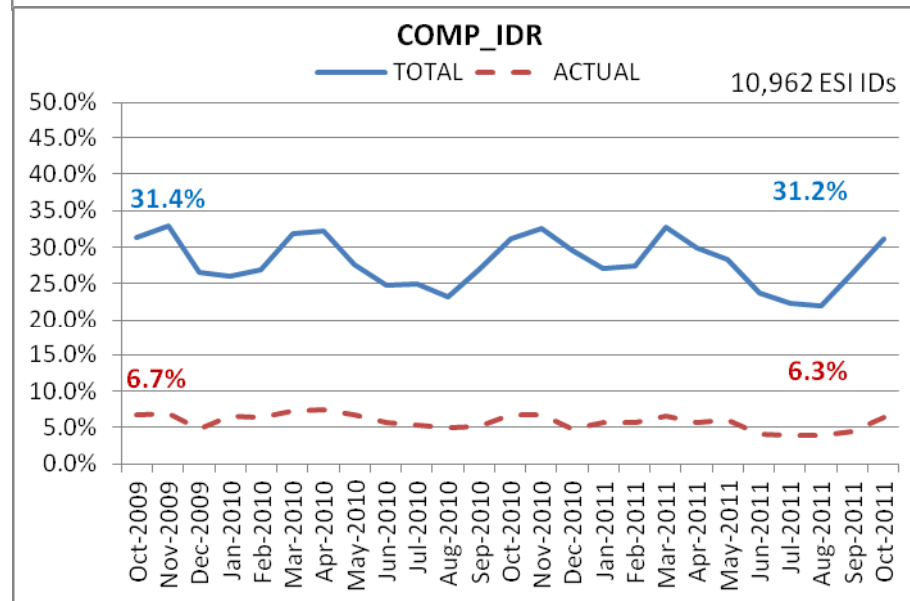
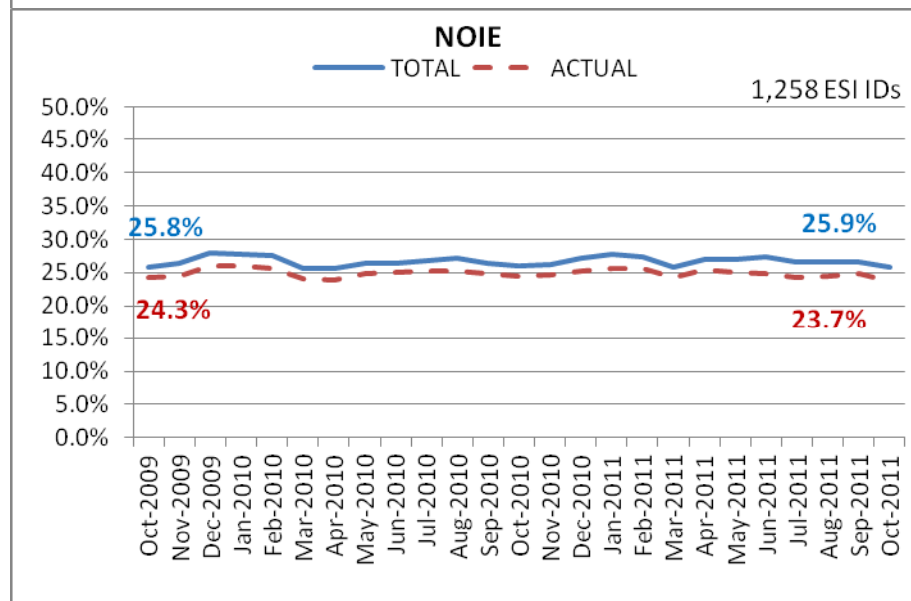
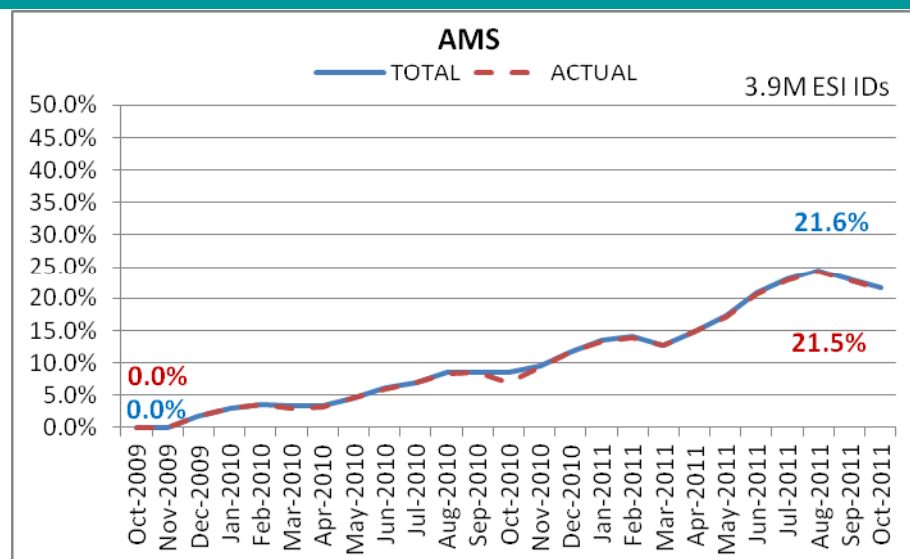
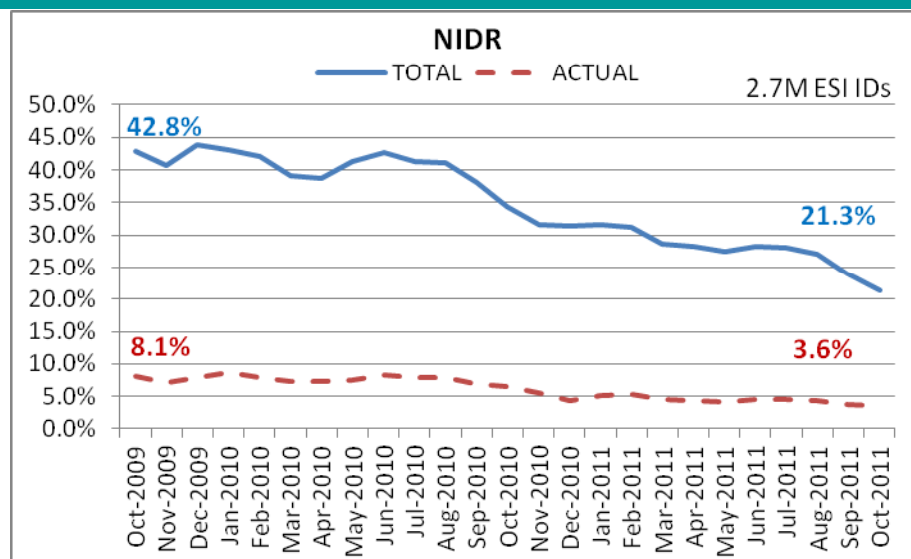


78.7% of the load in ERCOT is settled with 15-min interval data (AMS and IDR).

Now settling 3.9M ESIIDs using Advanced Meter data.



ERCOT Wide Load Volumes by Meter Type - INITIAL Settlement

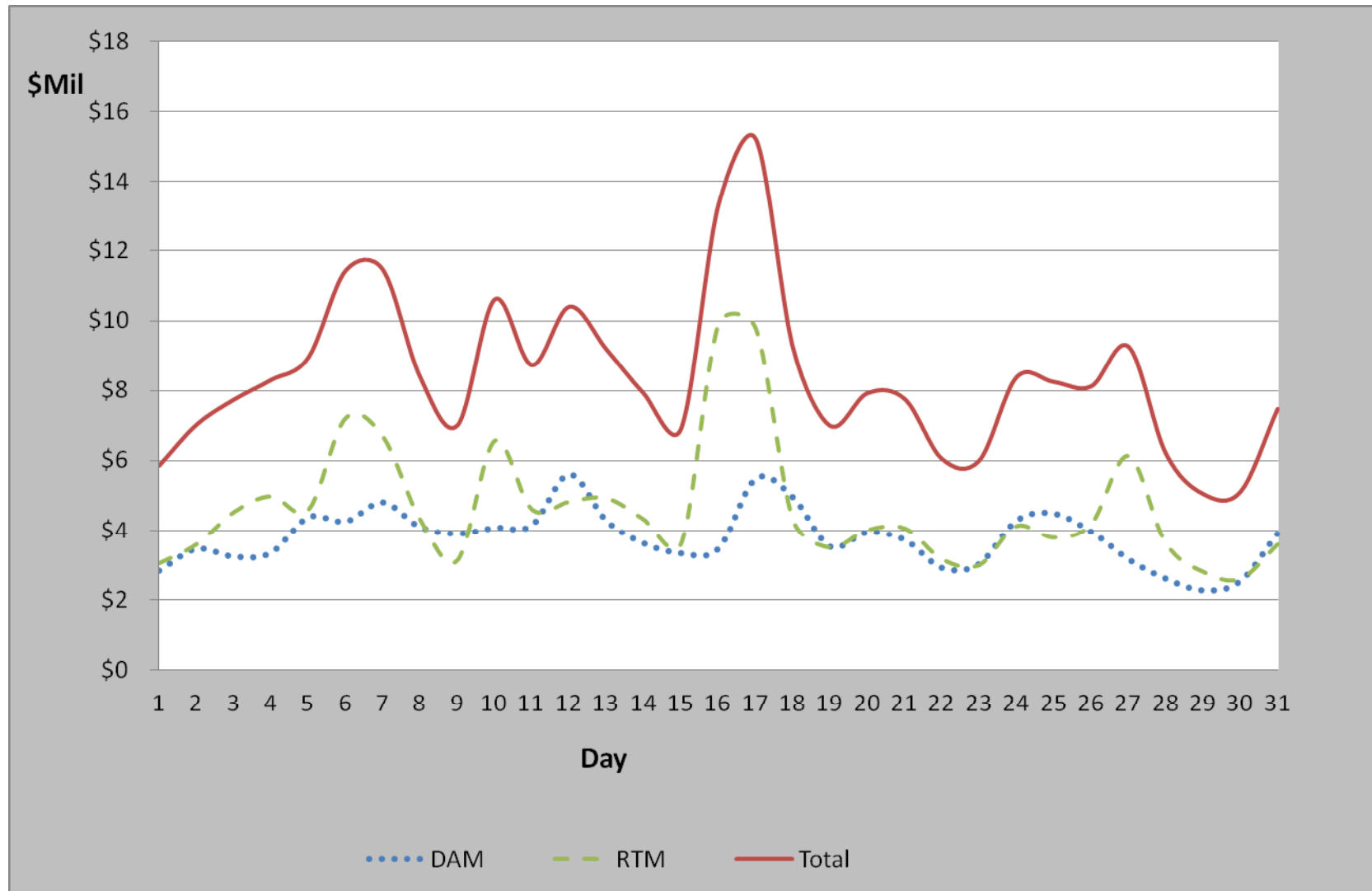


Settlements and Billing Performance Measures – October 2011

	To Date <u>10/31/11</u>	October <u>2011</u>
Settlement Statements:		
Zonal	44,436	0
Day Ahead Market	70,094	6,612
Real Time Market	156,641	19,380
Total	271,171	25,992
Untimely	199	0
Balance	270,972	25,992
% Within Protocol	99.93%	100.00%

Invoices:		
Zonal	5,148	0
Day Ahead Market	70,094	6,612
Real Time Market	10,491	992
CRR Auction*	1,046	89
Balancing Account*	1,849	193
CRR Auction Revenue Disbursement (CARD)	1,775	97
Total	90,403	7,983
Untimely	-	-
Balance	90,403	7,983
% Within Protocol	100%	100%

October 2011 Market Total Settlement Dollars



Reliability Services

Reliability Unit Commitment

• Make Whole Payments	(\$1.33)
• Claw Back Charges	\$0.07
Total Reliability Unit Commitment	(\$1.26)

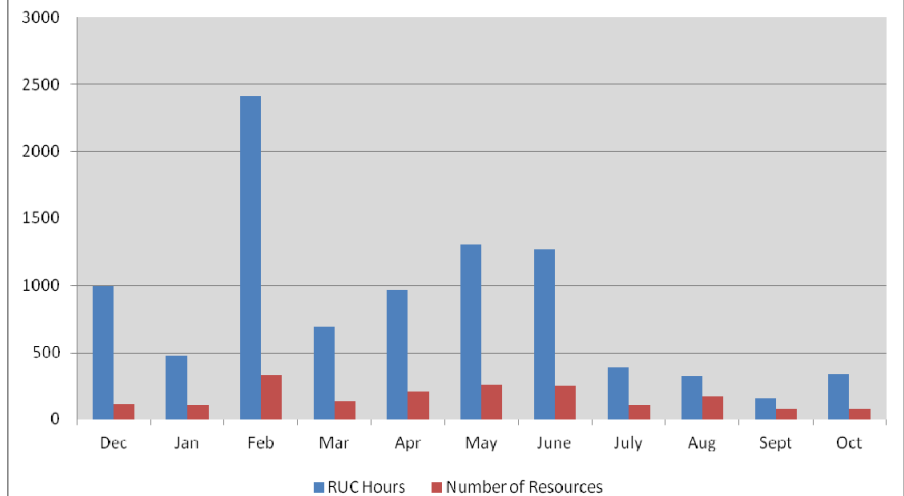
• Capacity Short Charges	\$1.33
• Make Whole Uplift	\$0.00

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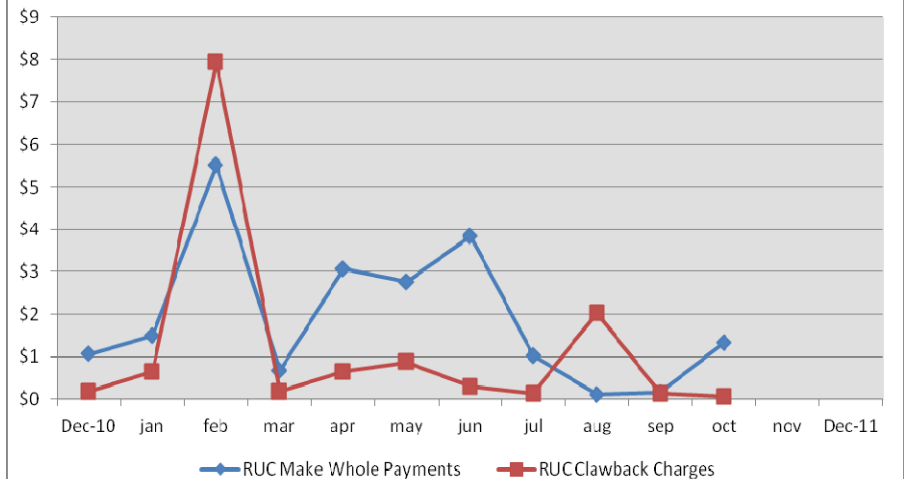
Note:
Positive amounts are a charge to the Market Participant
Negative amounts are a payment to the Market Participant

October 2011
(\$'s in millions)

RUC Activity



Reliability Unit Commitment (\$Mil)



Capacity Services - Cost

	October (\$'s in millions) <u>2010</u>	October (\$'s in millions) <u>2011</u>
Capacity Services*:		
Reg Up	\$5.6	\$4.8
Reg Down	\$4.5	\$3.4
Responsive Reserve	\$8.6	\$12.8
Non-Spinning Reserve	\$1.5	\$5.0
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	\$20.70	\$26.48

*Includes Day-Ahead Market and Supplementary Ancillary Service Markets

Capacity Services - Volumes

Reg Up*:	<u>October 2010</u>	<u>October 2011</u>
Required (MW)	679,978	404,092
Self Arranged (MW)	128,803	24,019
Procured DAM (MW)		380,072
Procured RTM (MW)		526
Failure to Provide (MW)		826
Total Procured	553,042	380,598
% Procured	81.3%	94.2%
Reg Down*:		
Required (MW)	704,264	388,401
Self Arranged (MW)	141,919	23,304
Procured DAM (MW)		365,097
Procured RTM (MW)		386
Failure to Provide (MW)		386
Total Procured	564,045	365,483
% Procured	80.1%	94.1%
Responsive Reserve:		
Required (MW)	1,709,995	1,711,228
Self Arranged (MW)	601,956	402,526
Procured DAM (MW)		1,308,701
Procured RTM (MW)		916
Failure to Provide (MW)		2,356
Total Procured	1,109,192	1,309,617
% Procured	64.9%	76.5%
Non-Spinning Reserve:		
Required (MW)	1,237,350	1,187,183
Self Arranged (MW)	360,272	144,692
Procured DAM (MW)		1,042,491
Procured RTM (MW)		4,924
Failure to Provide (MW)		6,076
Total Procured	877,744	1,047,415
% Procured	70.9%	88.2%

*A/S Methodology changed in Dec 2010

RMR Settlement

October 2011
(\$'s in millions)

- **Reliability Must Run Settlement**

Contracted Standby	(\$1.45)
Contracted Energy	(\$0.01)
Adjustment Charge to the RMR	\$0.03
Energy Payment to the RMR	(\$0.01)
Clawback Charge (Make-Whole Payment) to the RMR	(\$0.02)
Total RMR Settlement	<u>(\$1.46)</u>

Energy Settlement

October 2011
(\$'s in millions)

- Day Ahead Market Energy Settlement

Energy Purchases	\$326.58
Point to Point Obligations Purchases	\$25.15
RMR Day Ahead Revenue	\$0.00
Energy Sales	<u>(\$321.77)</u>
Day Ahead Congestion Rent	\$29.96
Day Ahead Make Whole Payments	<u>(\$0.24)</u>

- Real Time Market Energy Settlement

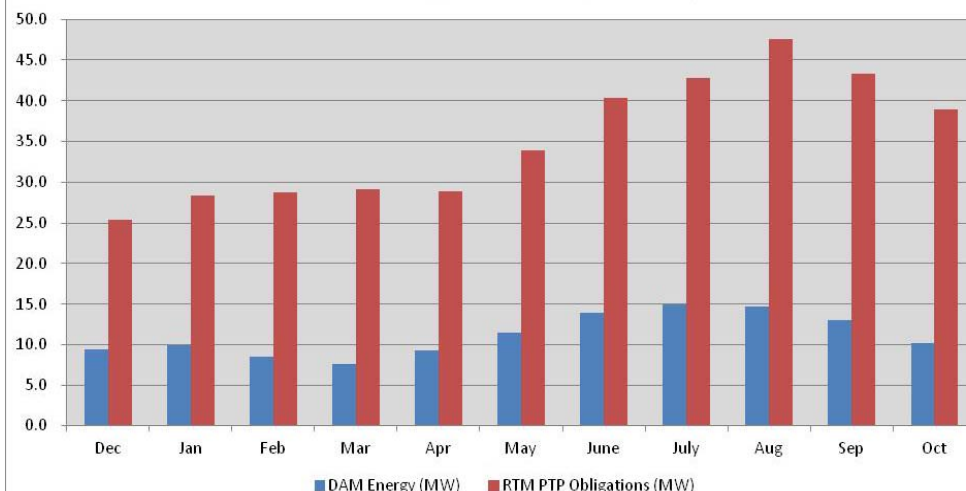
Real Time Energy Imbalance	
~Resource Node Settlement Points	(\$436.15)
~Load Zone Settlement Points	\$600.50
~ Hub Settlement Points	(\$125.89)
Real Time Congestion from Self Schedules	\$1.27
Block Load Transfers and DC Ties	<u>(\$4.71)</u>
Energy Settlements Impact to Revenue Neutrality	<u>\$35.02</u>
Emergency Energy Payments	(\$0.03)
Base Point Deviation	\$0.36

(MWh in millions)

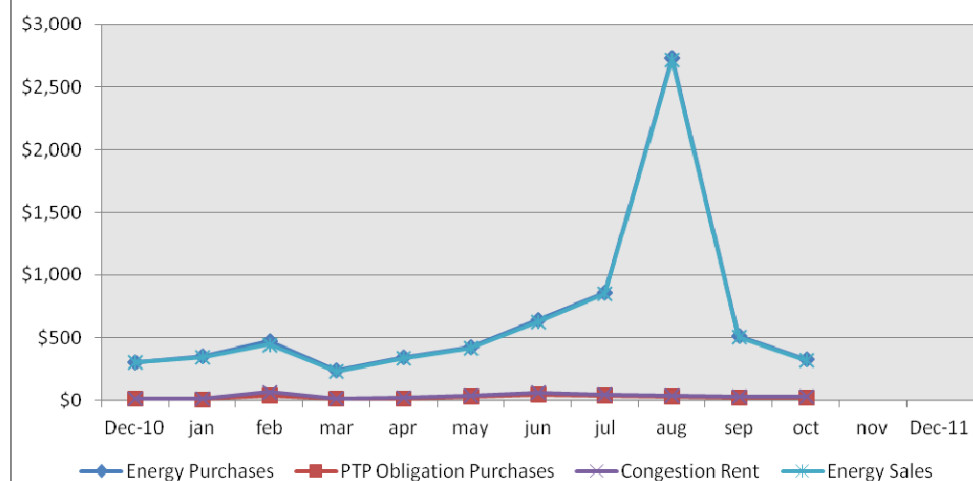
Real Time Metered Generation	24.50
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Note:
Positive amounts are a charge to the Market Participant
Negative amounts are a payment to the Market Participant

DAM Energy Volumes (MW Mil)



Day-Ahead Market Energy (\$Mil)



Congestion Management

October 2011
(\$'s in millions)

- **Auction Disbursements**

Annual Auction	(\$16.63)
Monthly Auction	(\$10.99)
Total Disbursements	(\$27.62)

- **CRR Settlement**

Day Ahead CRR Settlement	(\$27.45)
Day Ahead CRR Short Charges	\$0.69
Day Ahead CRR Short Charges Refunded	(\$0.69)
Real Time CRR Settlement	(\$6.95)
Real Time CRR Short Charges	\$0.03
Real Time CRR Short Charges Refunded	(\$0.03)
Total Proceeds	(\$34.40)

- **PTP Obligations Acquired in DAM**

Day Ahead Point to Point Obligation Settlement	\$25.15
Real Time Point To Point Obligation Settlement	(\$31.89)
Net Settlement	(\$6.74)

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

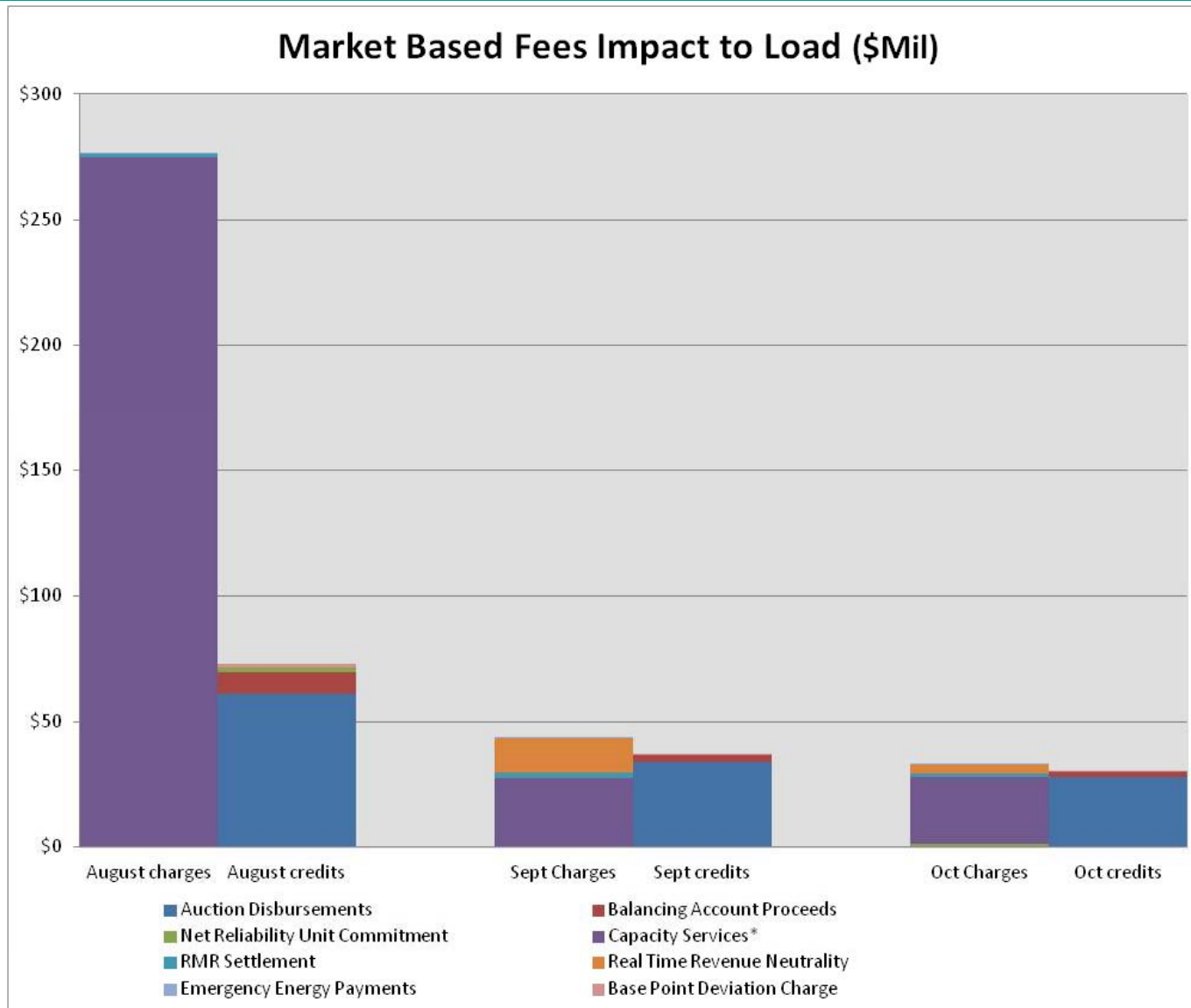
Net Impact to Load

October 2011
(\$'s in millions)

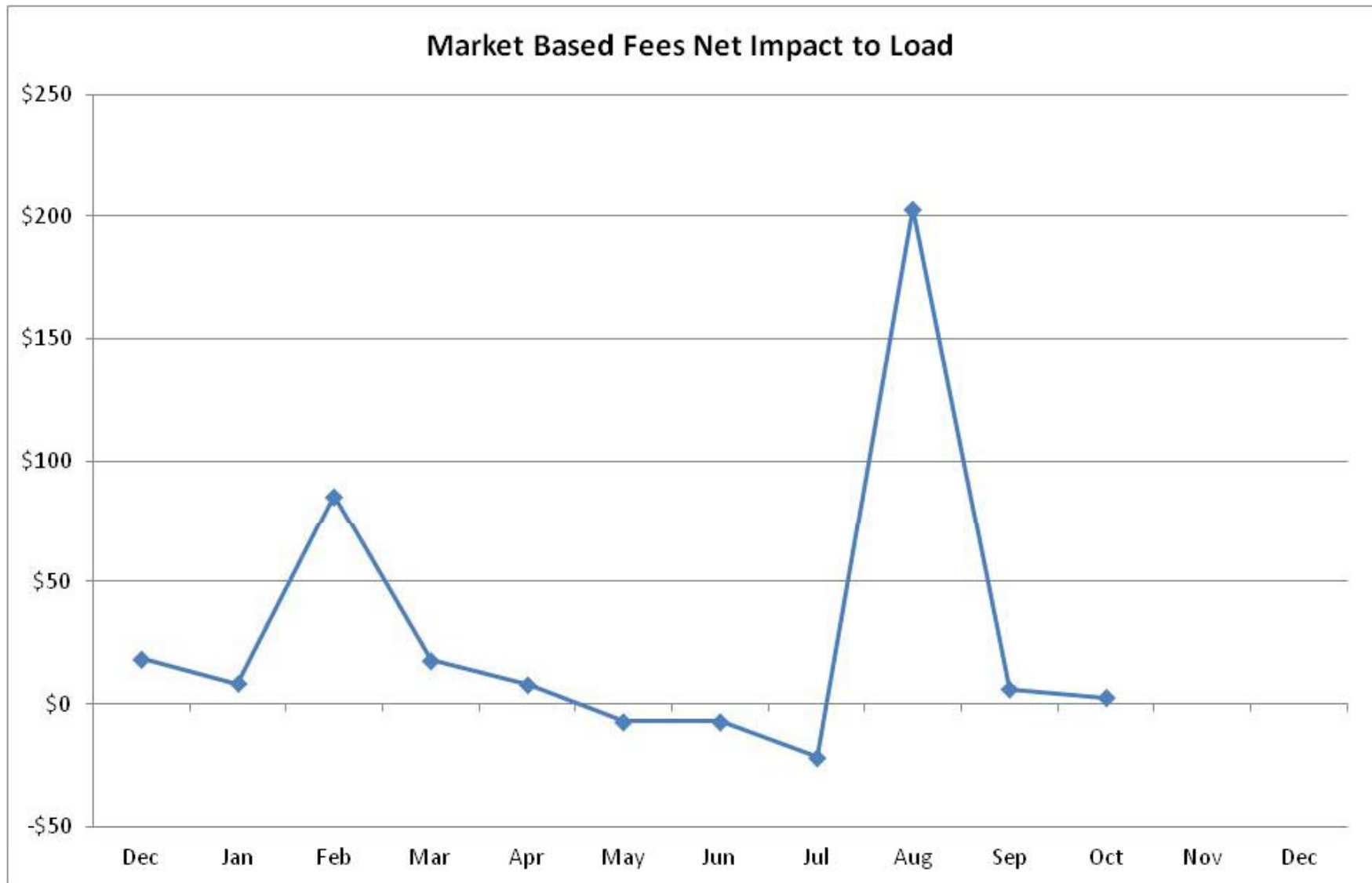
Market-Based Fees	
Auction Disbursements	(\$27.62)
Balancing Account Proceeds	(\$2.51)
Net Reliability Unit Commitment	\$1.26
Capacity Services	\$26.48
RMR Settlement	\$1.46
Real Time Revenue Neutrality	\$3.82
Emergency Energy Payments	\$0.03
Base Point Deviation Charge	(\$0.36)
	<hr/> \$2.56
ERCOT Fees	
ERCOT Administrative Fee	\$10.29
Net Impact to Load	<hr/> \$12.86

Graphical Representation
of data on following pages.

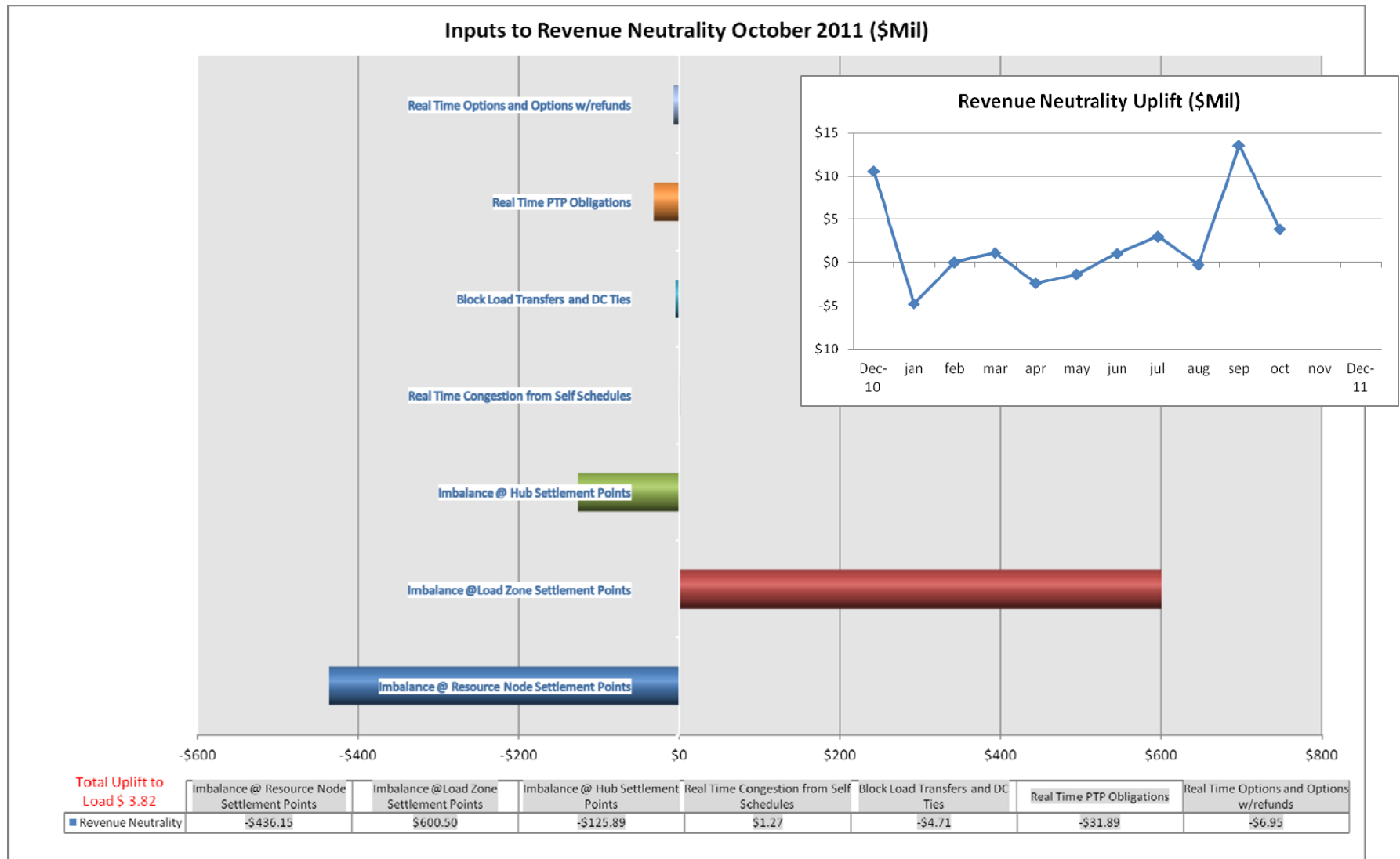
Net Impact to Load (Cont.)



Net Impact to Load (Cont.)

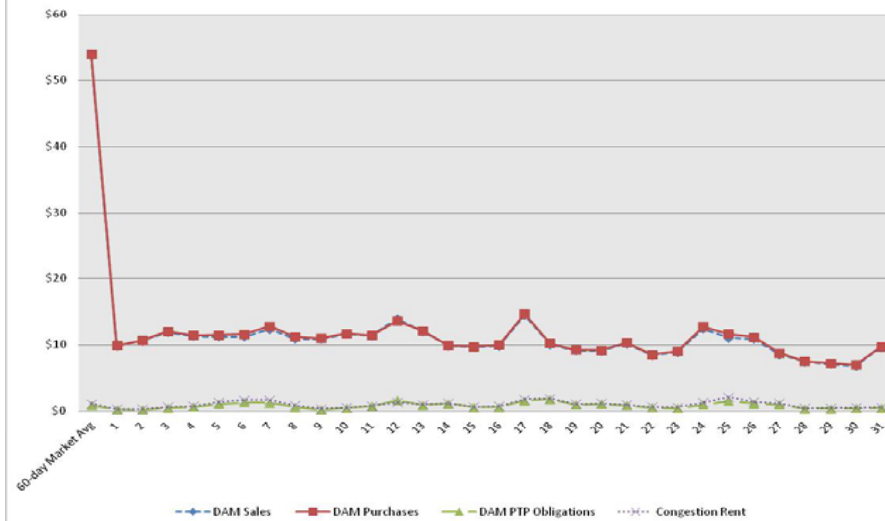


Revenue Neutrality

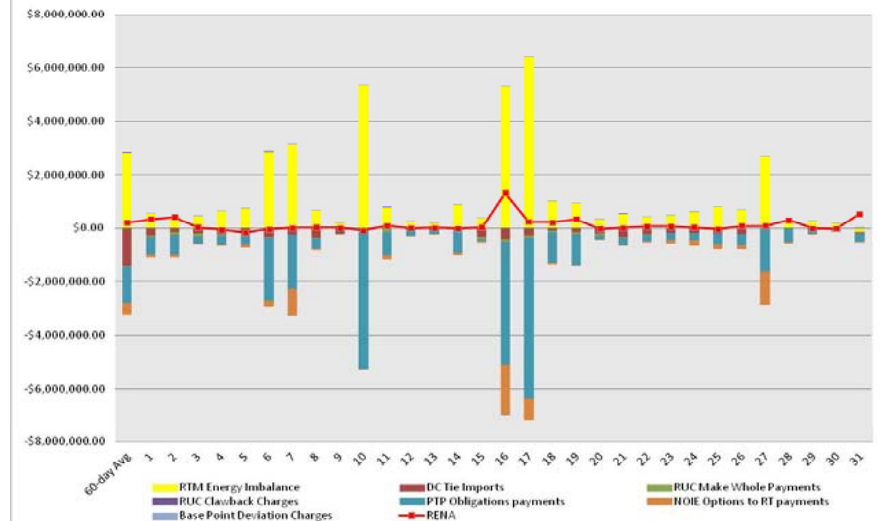


Daily DAM and RTM Activity

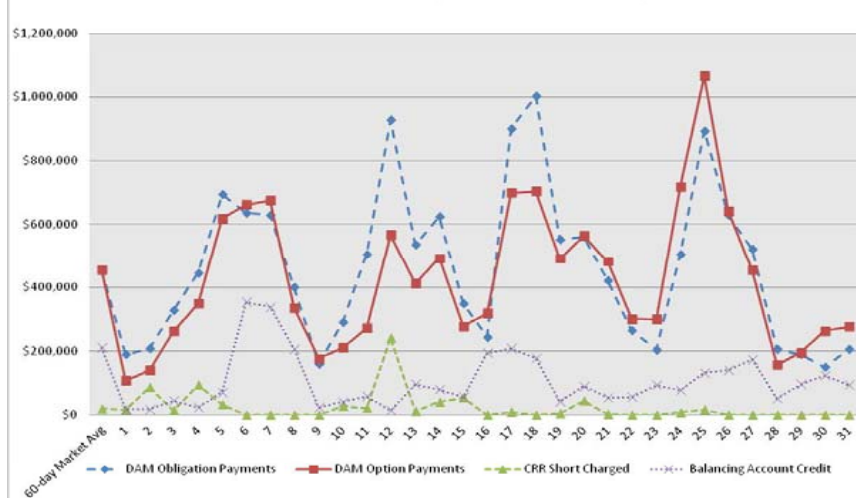
October 2011 Day-Ahead Market Activity (\$Mil)



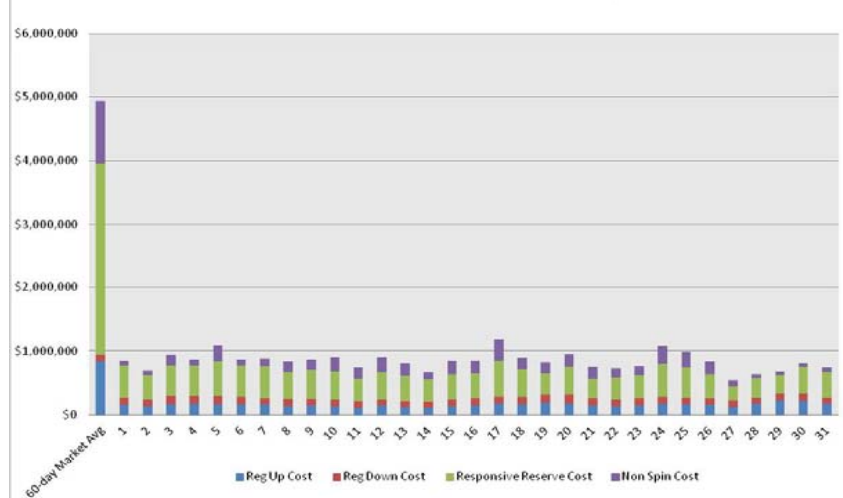
October 2011 Real-Time Market Activity



October 2011 Day-Ahead CRR Activity

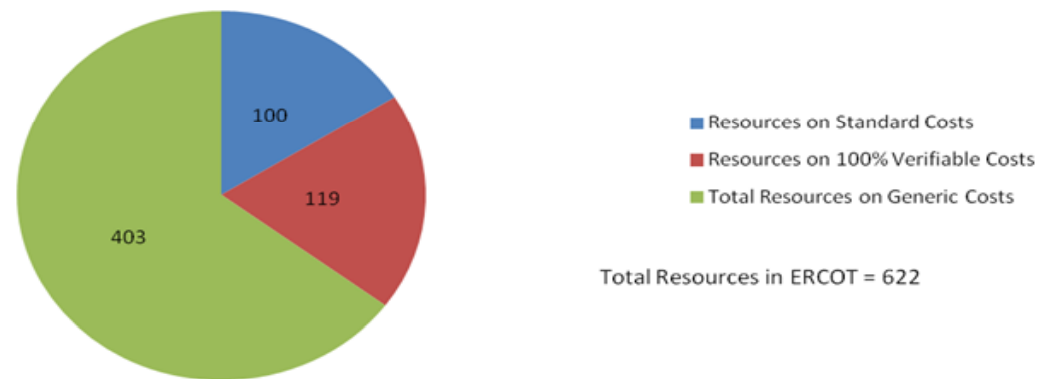


October 2011 Real-Time AS Activity



Verifiable Costs

Total Resources Under Different Cost Types



Total MWs Under Different Cost types



ERCOT Wholesale Market Settlement Dispute Report

October 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	60	9	369	10	445*
Granted	0	0	0	0	3	145	3	145*
Granted w/Exception	0	0	0	0	0	9	0	9*
Denied	0	14	0	54	10	152	10	220*
Withdrawn	0	2	0	6	0	53	0	61*
In Process	0	N/A	0	N/A	10	N/A	10	N/A

*Non-material adjustments to previous months.

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

- **Added REPs**

- ✓ Xoom Energy Texas LLC (LSE)

- **Terminated REPs**

- ✓ Monongahela Communications LLC (LSE)

- **Added QSEs**

- ✓ Mercuria Energy America Inc. (SQ1 – L2)
- ✓ NRG Texas Cedar Bayou (SQ4 – L3)
- ✓ Wells Fargo Commodities LLC (QSE – L1)

- **Terminated QSEs**

- ✓ Monongahela Communications LLC (QSE – L2)

- **QSE Level Changes**

- ✓ FM Energy Scheduling LLC (QSE L2 to L3)

QSE Count	Level	Qualification Description
89	1	<i>Performs Inter-QSE trades only; no direct representation of Load Serving Entity or Resource Entity</i>
132	2	<i>Represents Load Serving Entity ; no direct representation of Resource Entity</i>
71	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>
345 total (includes Sub-QSEs)		

Questions?