



# Commercial Market Operations Report

Dale Goodman  
Director, Market Services

Board of Directors Meeting  
January 17, 2012

# Acronyms

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**Advanced Metering System (AMS)**

**Ancillary Services (AS)**

**Competitive Interval Data Recorder (Comp IDR)**

**Congestion Revenue Rights (CRR)**

**Day Ahead Market (DAM)**

**Designated Settlement Point (Hub)**

**Direct Current Tie (DC Tie)**

**Electric Service Identifier (ESIID)**

**Interval Data Recorder (IDR) also Non Interval Data Recorder (NIDR)**

**Non Opt In Entity (NOIE)**

**Point to Point Obligations and Options (PTP)**

**Qualified Scheduling Entity (QSE)**

**Real Time Market (RTM)**

**Reliability Must Run (RMR)**

**Reliability Unit Commitment (RUC)**

**Retail Electric Provider (REP)**

**Transmission Distribution Service Provider (TDSP)**

**Summary** (November 2011 activity is reported here. December 2011 activity will be provided prior to the Board meeting.)

## **Retail Activity**

- **Overall Activity** – November 2011 Switch and Move-in volumes comparable to November 2010.
- **Transaction Performance Measures** – Above target of 98%.
- **Migration from Native Affiliate REP** – This reported data always lags a month behind. Due to the skipped Board Meeting in November, we have added October and November 2011 information to this report.
- **Advanced Metering** – AMS ESIDs initially settled in November 2011 topped the 4M mark .

## **Wholesale Activity**

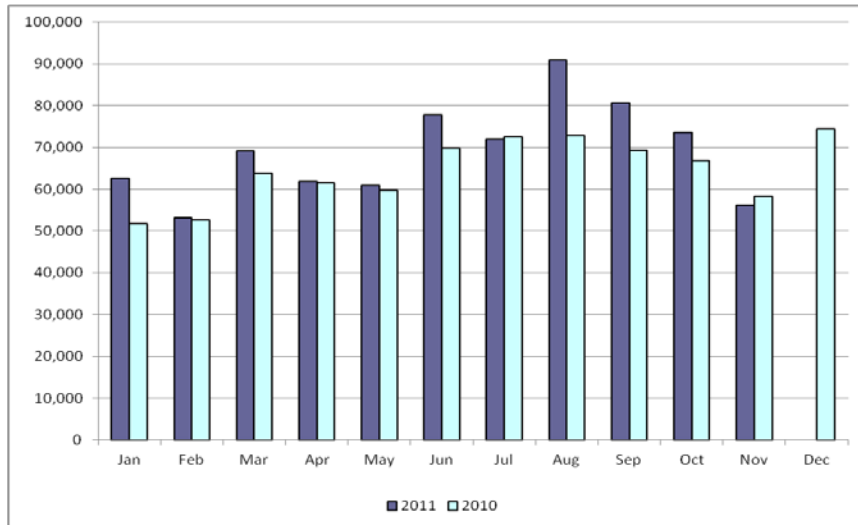
- **Settlements & Billing Performance** – All settlement statements and invoices were posted timely in November 2011.
- **Settlement Dollars** – Daily average settlement dollars transacted were down to \$7.9M in November 2011, compared to \$8.4M in October 2011.
- **Reliability Services** – Increased levels of RUC Make-Whole payments compared to previous months.
- **Capacity Services** – Ancillary Services Costs were down to \$22M in November 2011, compared to \$26M in October 2011.
- **RMR Settlement** – No RMR contract settlement activity in November 2011.
- **Congestion Management** – CRRs were fully funded for November 2011.
- **Revenue Neutrality** – Load received a charge of \$16.4M in November 2011, compared to \$3.82M in October 2011.
- **Verifiable Costs** – Verifiable Costs are reported monthly on an “as of date” basis. The updated information packet reflecting the December 2011 data will include the costs on the “as of date” of the report.
- **Disputes** – Volumes continue to remain low for disputes.
- **REPs and QSEs Added/Terminated**
  - 0 new REPs
  - 6 new QSEs
  - 1 QSE Level Change
  - 1 terminated REPs
  - 7 terminated QSEs

## Retail Transactions Summary

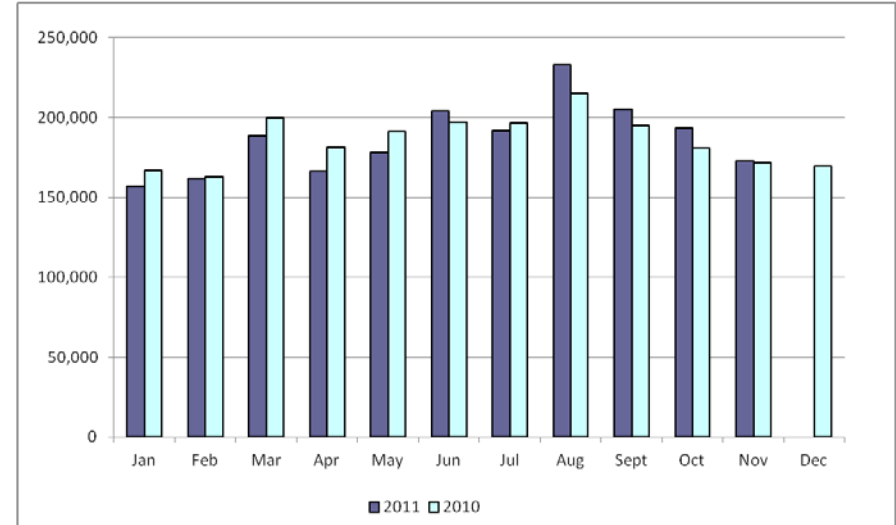
Transaction Type	YTD		November	
	<u>11/30/2011</u>	<u>11/30/2010</u>	<u>2011</u>	<u>2010</u>
Switches	758,957	698,725	56,233	58,232
Move - Ins	2,052,131	2,058,518	172,862	171,919
Move Out	1,039,417	1,136,841	86,319	94,427
CSA (Continuous Service Agreement)	343,205	359,919	36,079	25,194
Mass Transition	22,056	0	0	0
<b>Total</b>	<b>4,215,766</b>	<b>4,254,003</b>	<b>351,493</b>	<b>349,772</b>
Since June 1, 2001	44,597,358			

# Retail Transactions Summary

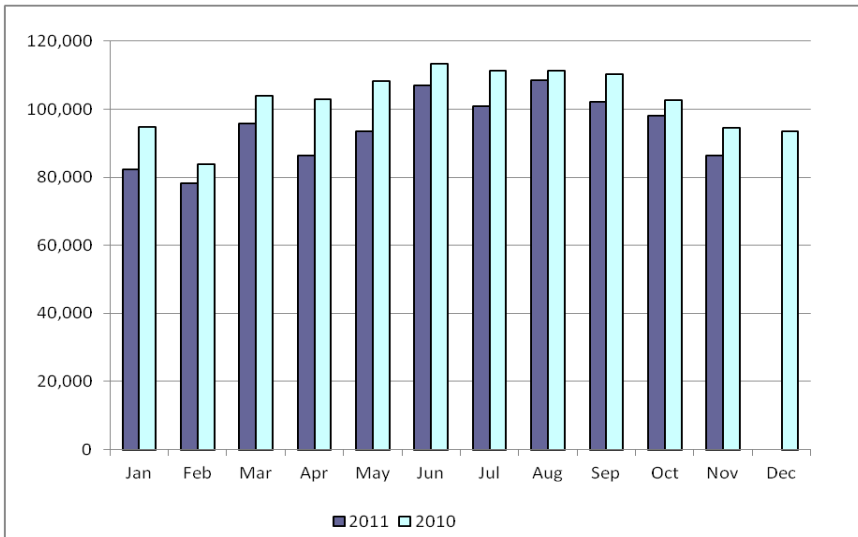
## Switches



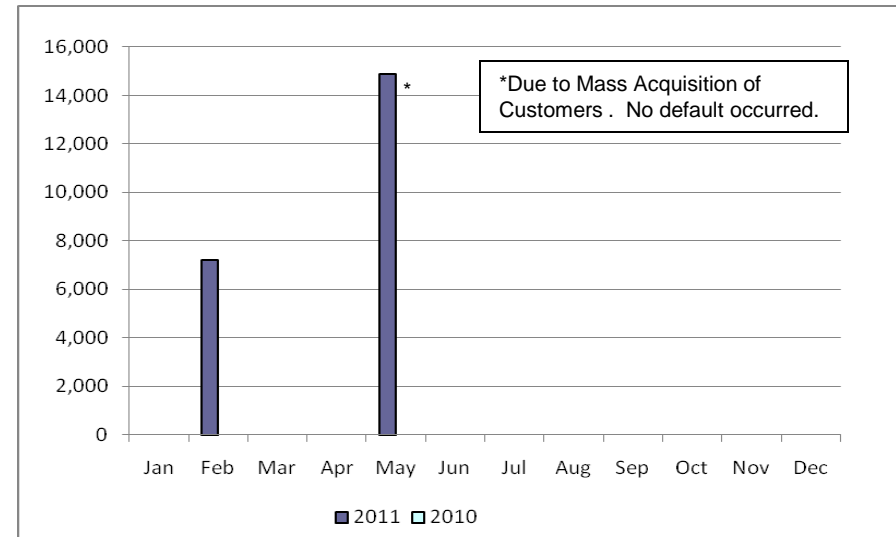
## Move-Ins



## Move-Outs

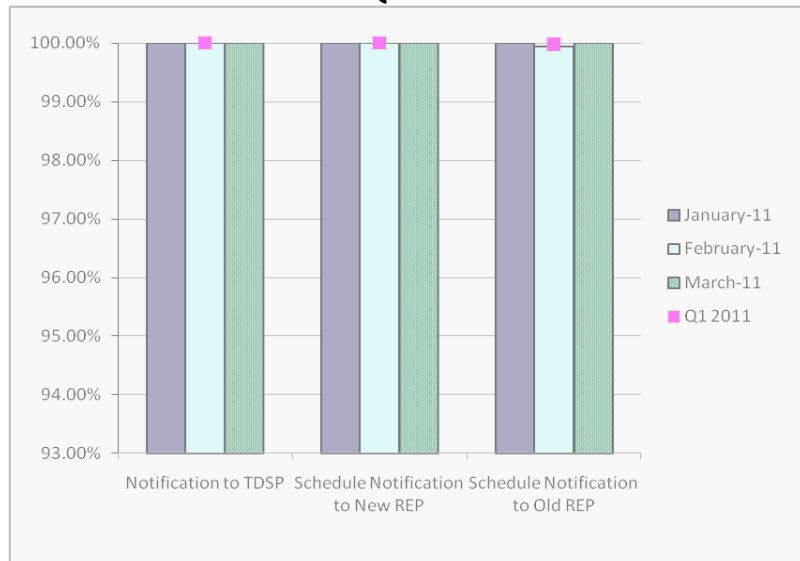


## Mass Transition

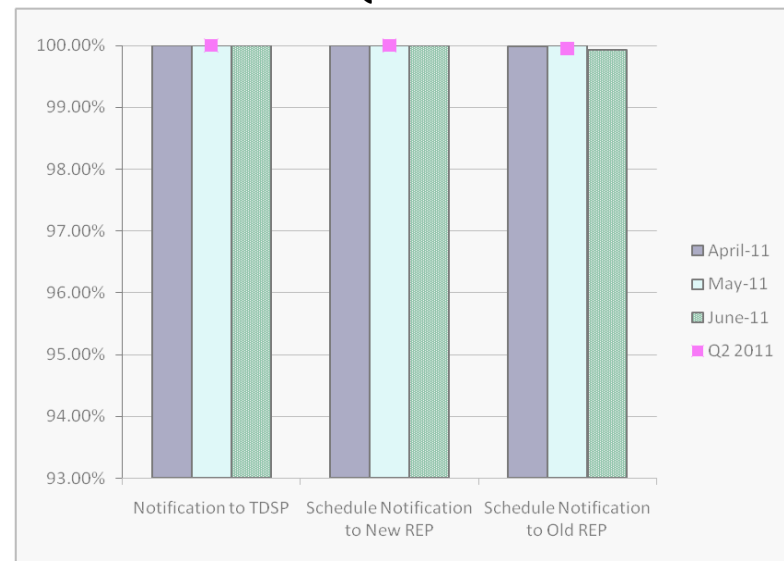


# Retail Performance Measures – 2011 Switch

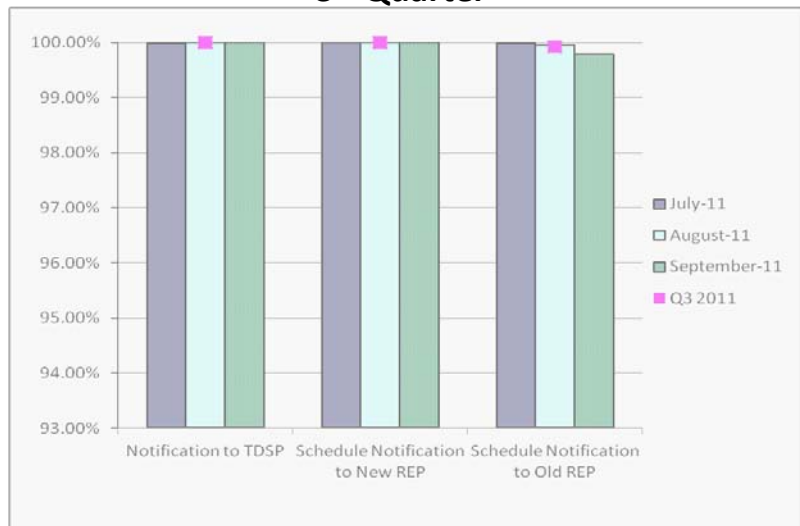
## 1<sup>st</sup> Quarter



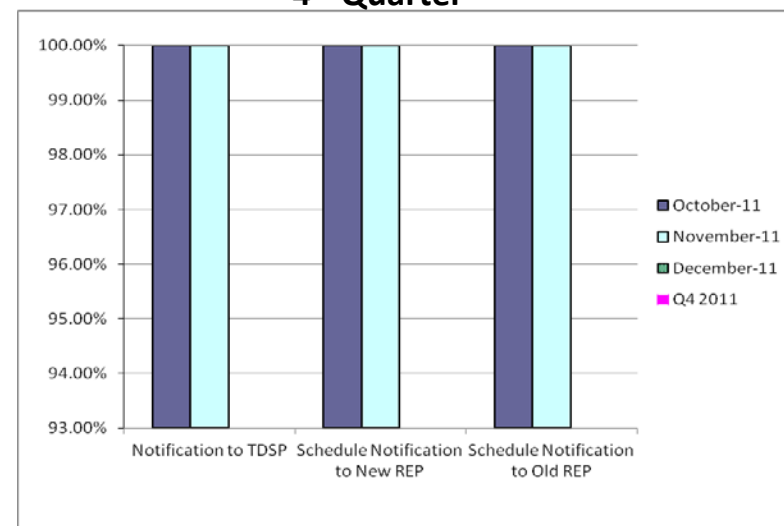
## 2<sup>nd</sup> Quarter



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

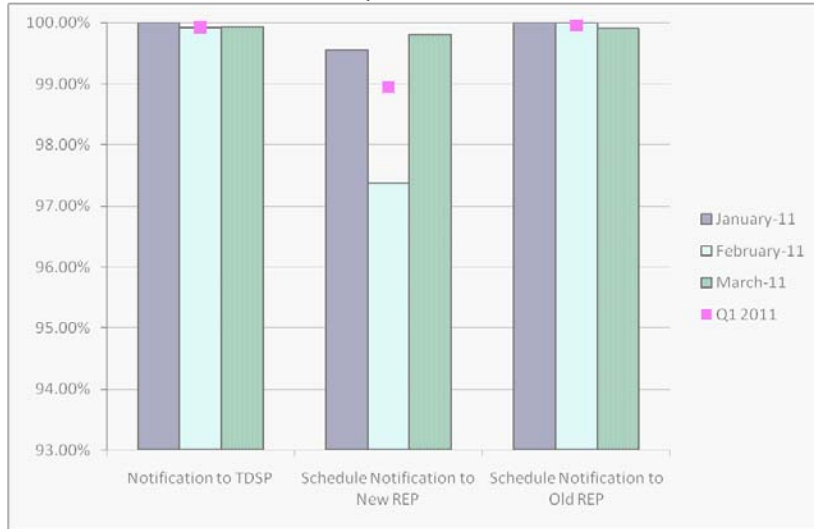


## 4<sup>th</sup> Quarter

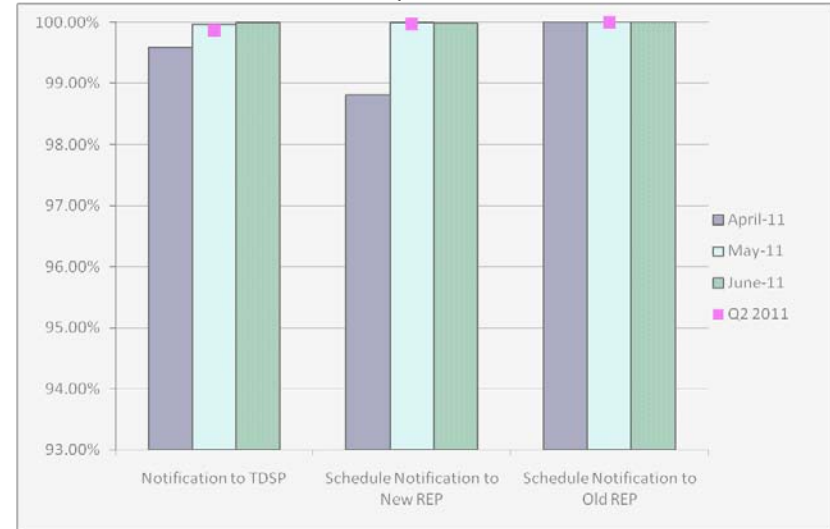


# Retail Performance Measures – 2011 Move-In / Priority

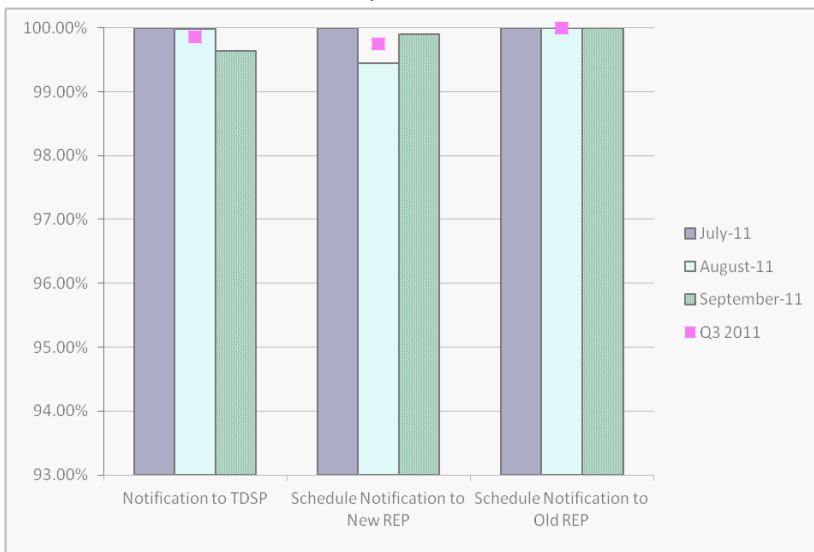
## 1<sup>st</sup> Quarter



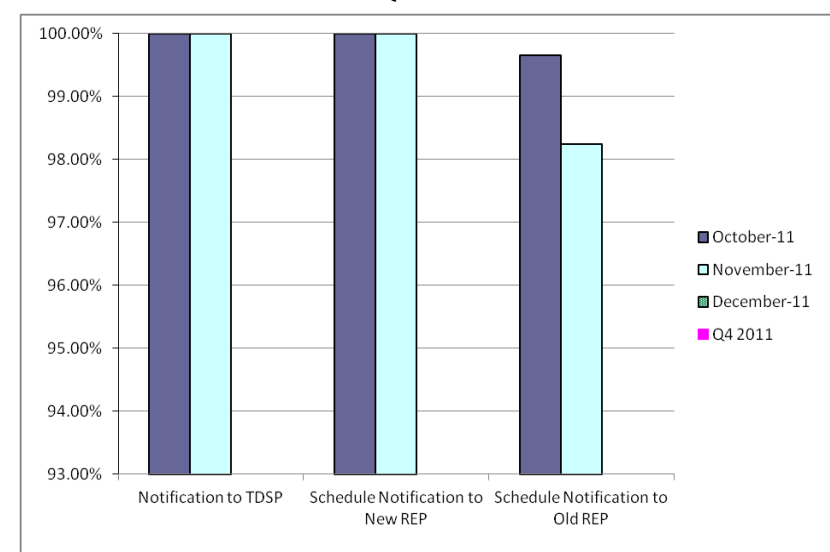
## 2<sup>nd</sup> Quarter



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

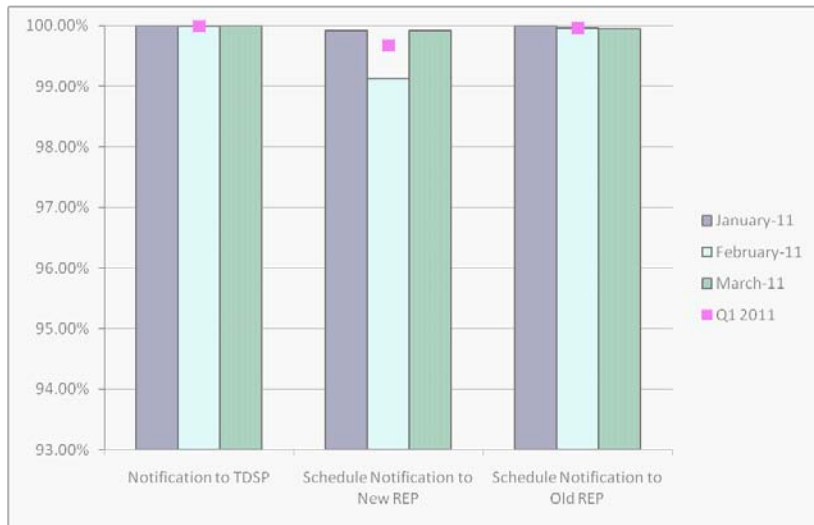


## 4<sup>th</sup> Quarter

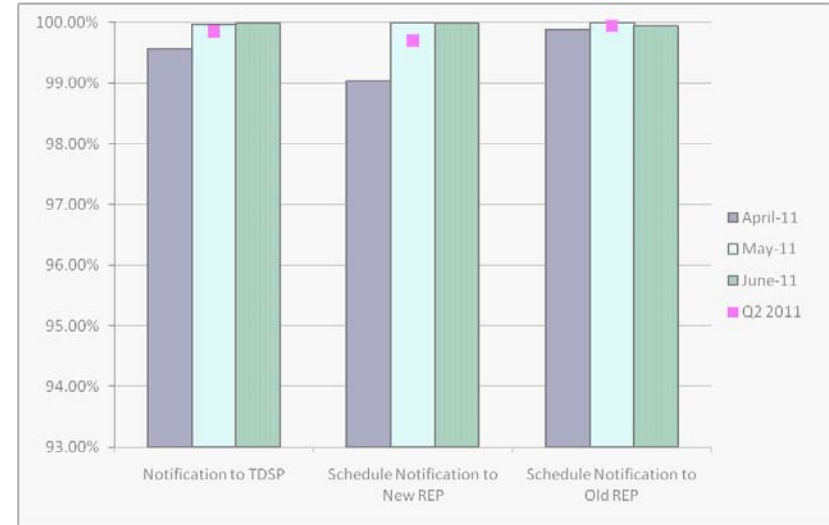


# Retail Performance Measures – 2011 Move-In / Standard

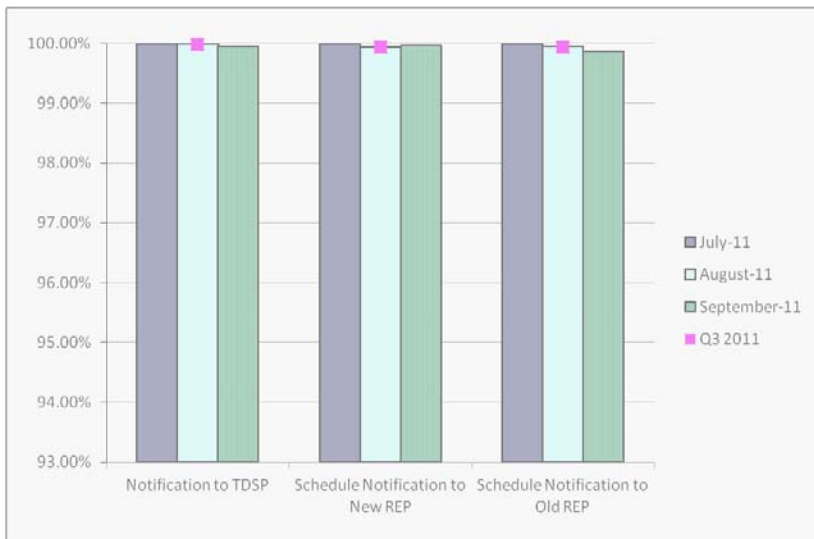
## 1<sup>st</sup> Quarter



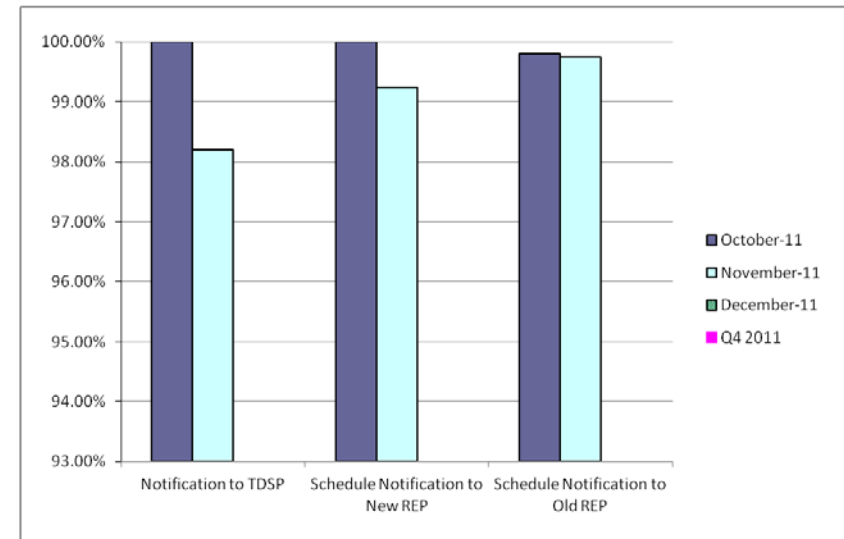
## 2<sup>nd</sup> Quarter



## 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>10/31/11</u>	at <u>10/31/10</u>	at <u>10/31/11</u>	at <u>10/31/10</u>
<b>Residential</b>	58%	55%	56%	53%
<b>Small Non-Residential</b>	83%	82%	63%	59%
<b>Large Non-Residential</b>	80%	80%	80%	79%

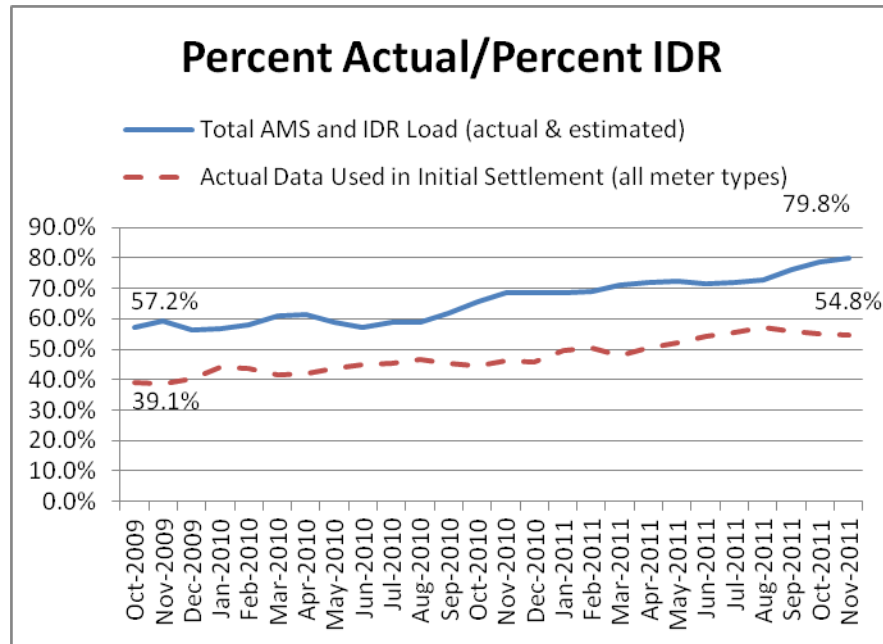
<sup>1</sup> - Percent of Deregulated (Non-NOIE) ESI IDs and Load. Usage based on monthly settlement results.

# Migration from Native Affiliate REP

	% of Load <sup>1</sup>		% of ESI IDs	
	at <u>11/30/11</u>	at <u>11/30/10</u>	at <u>11/30/11</u>	at <u>11/30/10</u>
<b>Residential</b>	58%	55%	56%	53%
<b>Small Non-Residential</b>	83%	82%	63%	60%
<b>Large Non-Residential</b>	81%	80%	81%	79%

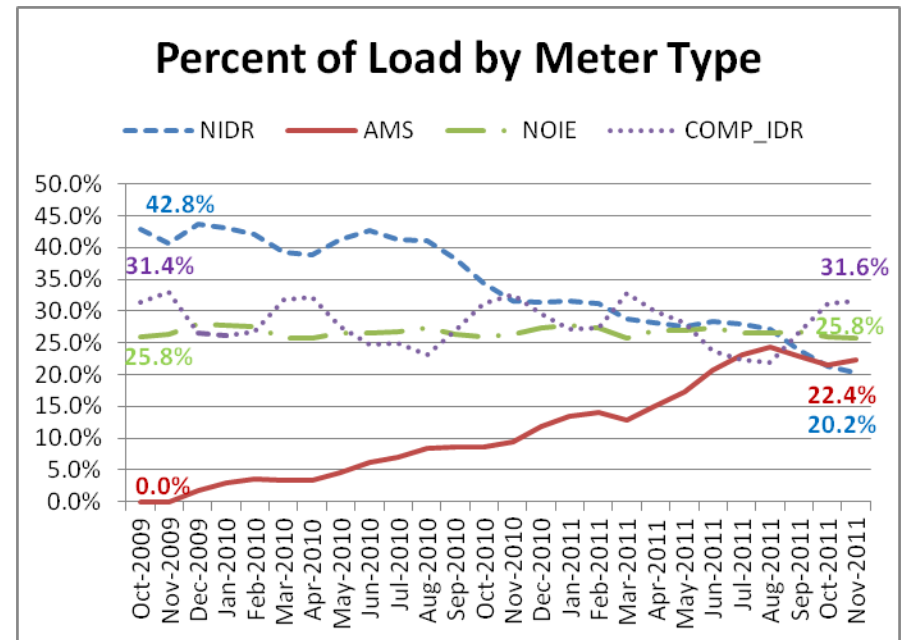
<sup>1</sup> - Percent of Deregulated (Non-NOIE) ESI IDs and Load. Usage based on monthly settlement results.

# Advanced Meter Settlement Impacts

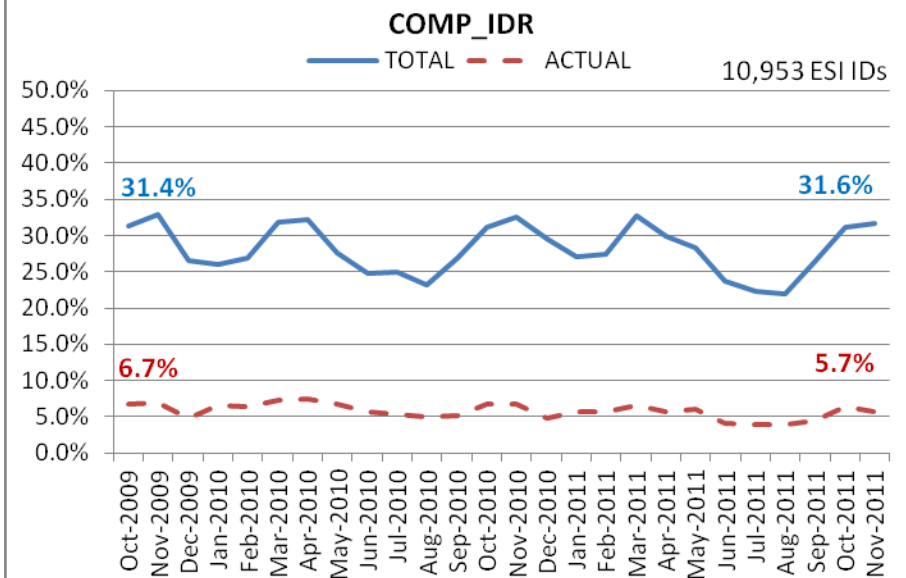
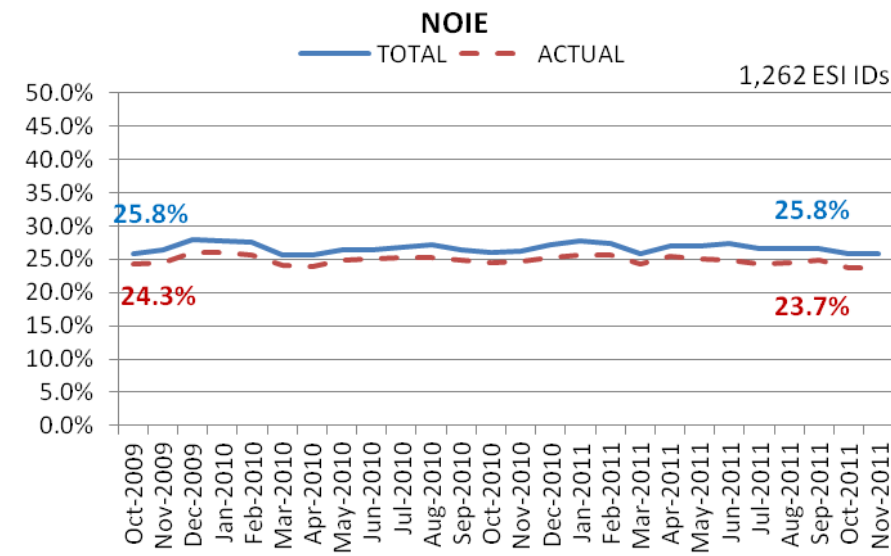
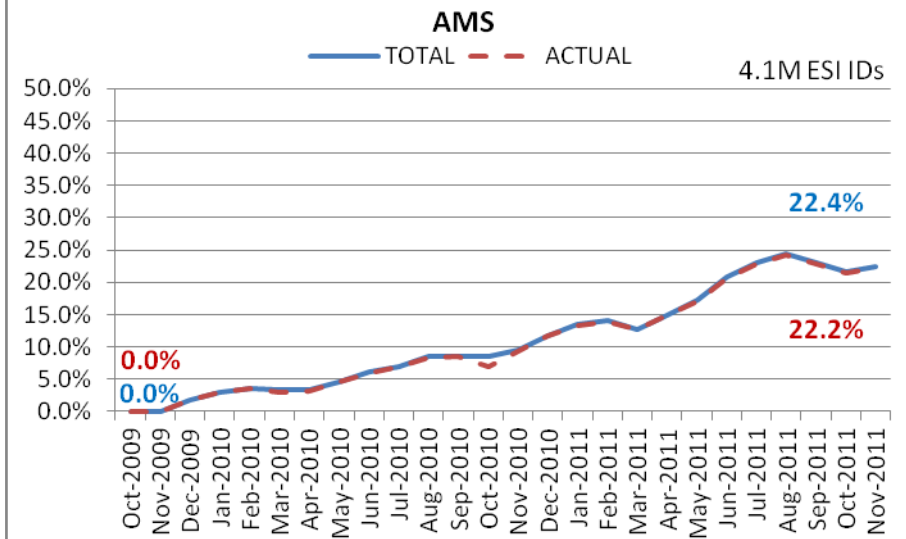
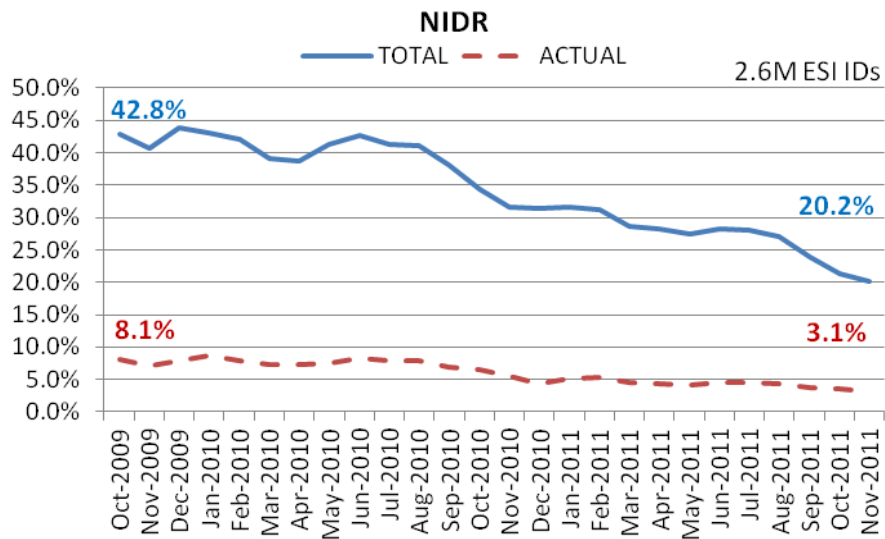


*November 2011--Now settling 4.1M ESIIDs using Advanced Meter data.*

*November 2011--79.8% of the load in ERCOT is settled with 15-min interval data (AMS and IDR).*



# ERCOT Wide Load Volumes by Meter Type – INITIAL Settlement

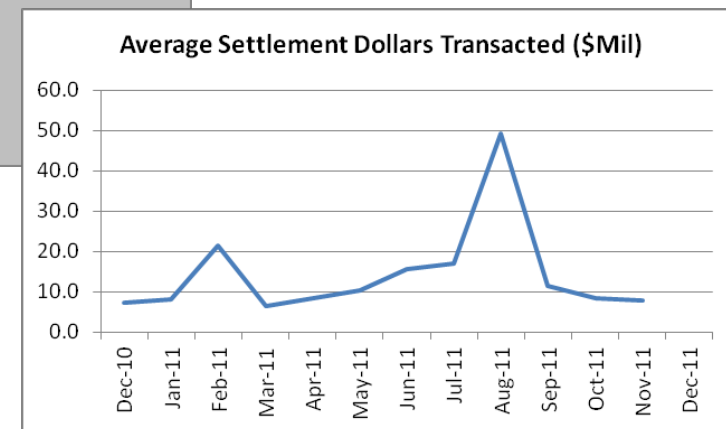
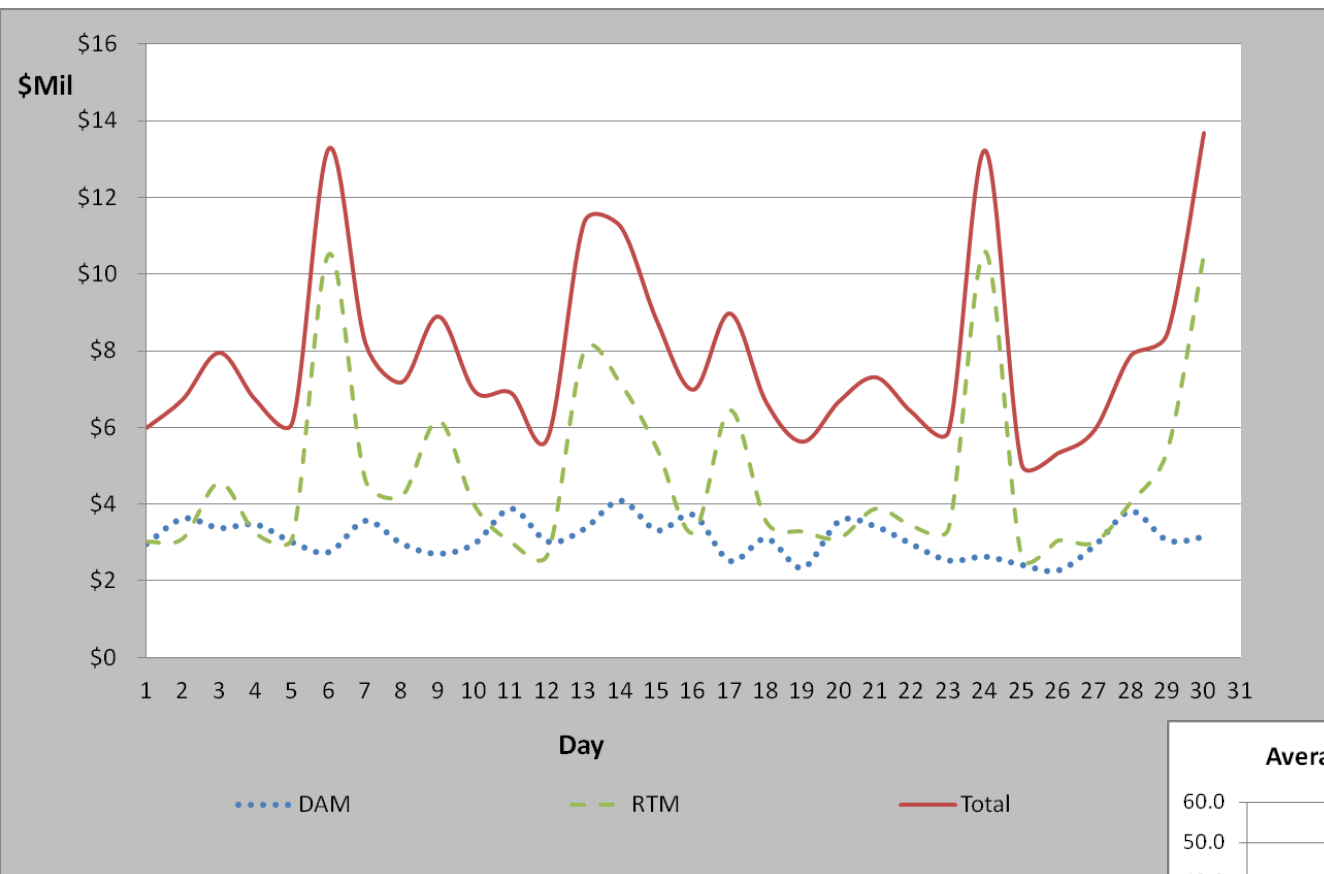


# Settlements and Billing Performance Measures – November 2011

	To Date 11/30/11	November 2011
<b>Settlement Statements:</b>		
Zonal	44,436	0
Day Ahead Market	80,829	10,735
Real Time Market	175,943	19,302
Total	301,208	30,037
Untimely	199	0
Balance	301,009	30,037
% Within Protocol	<b>99.93%</b>	<b>100.00%</b>

<b>Invoices:</b>		
Zonal	5,148	0
Day Ahead Market	80,829	10,735
Real Time Market	11,478	987
CRR Auction	1,311	265
Balancing Account	2,047	198
CRR Auction Revenue Disbursement (CARD)	2,065	290
Total	102,878	12,475
Untimely	-	-
Balance	102,878	12,475
% Within Protocol	<b>100%</b>	<b>100%</b>

# November 2011 Market Total Settlement Dollars



# Reliability Services

November  
2011  
(\$'s in millions)

## Reliability Unit Commitment

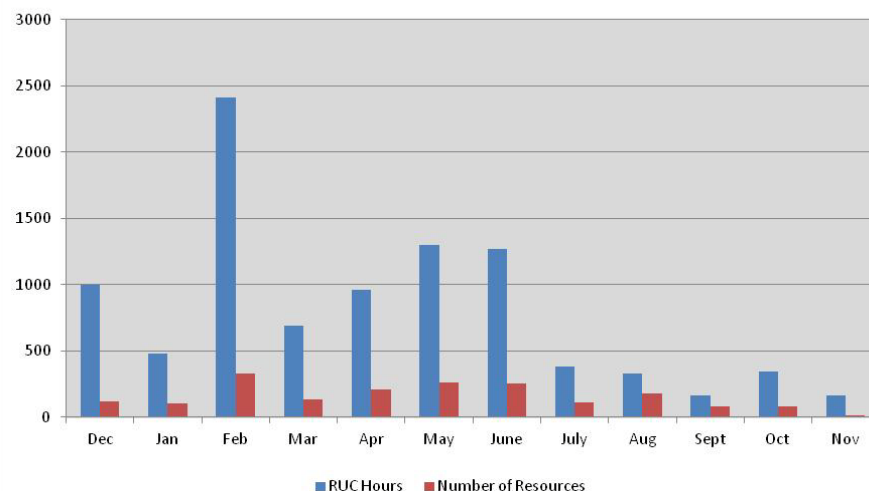
• Make Whole Payments	(\$3.84)
• Claw Back Charges	\$0.05
<b>Total Reliability Unit Commitment</b>	<b>(\$3.79)</b>

• Capacity Short Charges	\$3.84
• Make Whole Uplift	\$0.00

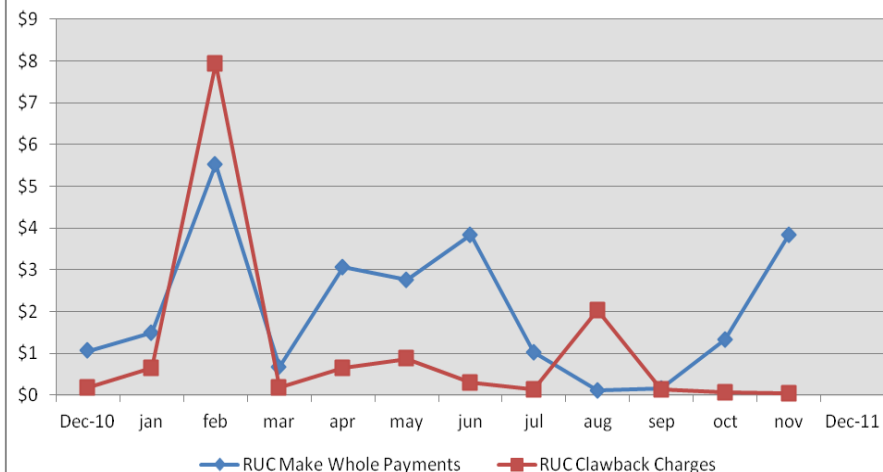
• RUC Decommitment Payments	\$0.00
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Note:  
Positive amounts are a charge to the Market Participant  
Negative amounts are a payment to the Market Participant

RUC Activity



Reliability Unit Commitment (\$Mil)



# Capacity Services - Cost

	November (\$'s in millions) <u>2010</u>	November (\$'s in millions) <u>2011</u>
<b>Capacity Services*:</b>		
<b>Reg Up</b>	<b>\$4.0</b>	<b>\$3.9</b>
<b>Reg Down</b>	<b>\$2.7</b>	<b>\$2.5</b>
<b>Responsive Reserve</b>	<b>\$7.1</b>	<b>\$11.6</b>
<b>Non-Spinning Reserve</b>	<b>\$0.1</b>	<b>\$3.3</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>\$14.40</b>	<b>\$21.74</b>

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



# Capacity Services - Volumes

<b>Reg Up*:</b>	<u>November 2010</u>	<u>November 2011</u>
Required (MW)	588,763	366,420
Self Arranged (MW)	113,816	15,016
Procured DAM (MW)		351,404
Procured RTM (MW)		452
Failure to Provide (MW)		612
Total Procured	476,779	351,856
% Procured	81.0%	96.0%
<b>Reg Down*:</b>		
Required (MW)	609,818	338,662
Self Arranged (MW)	126,365	18,109
Procured DAM (MW)		320,554
Procured RTM (MW)		200
Failure to Provide (MW)		200
Total Procured	485,245	320,754
% Procured	79.6%	94.7%
<b>Responsive Reserve:</b>		
Required (MW)	1,657,316	1,658,363
Self Arranged (MW)	566,299	364,564
Procured DAM (MW)		1,293,799
Procured RTM (MW)		2,382
Failure to Provide (MW)		3,358
Total Procured	1,092,000	1,296,181
% Procured	65.9%	78.2%
<b>Non-Spinning Reserve:</b>		
Required (MW)	915,016	1,269,895
Self Arranged (MW)	272,781	150,804
Procured DAM (MW)		1,119,091
Procured RTM (MW)		1,912
Failure to Provide (MW)		1,912
Total Procured	644,163	1,121,003
% Procured	70.4%	88.3%

\*A/S Methodology changed in Dec 2010

# RMR Settlement

November  
2011  
(\$'s in millions)

- **Reliability Must Run Settlement**

<b>Contracted Standby</b>	<b>\$0.00</b>
<b>Contracted Energy</b>	<b>\$0.00</b>
<b>Adjustment Charge to the RMR</b>	<b>\$0.00</b>
<b>Energy Payment to the RMR</b>	<b>\$0.00</b>
<b>Clawback Charge (Make-Whole Payment) to the RMR</b>	<b>\$0.00</b>
<b>Total RMR Settlement</b>	<b><u>\$0.00</u></b>

# Energy Settlement

November  
2011  
(\$'s in millions)

- Day Ahead Market Energy Settlement

Energy Purchases	\$253.68
Point to Point Obligations Purchases	\$16.99
RMR Day Ahead Revenue	\$0.00
Energy Sales	<u>(\$248.01)</u>
Day Ahead Congestion Rent	\$22.67
Day Ahead Make Whole Payments	<u>(\$0.15)</u>

- Real Time Market Energy Settlement

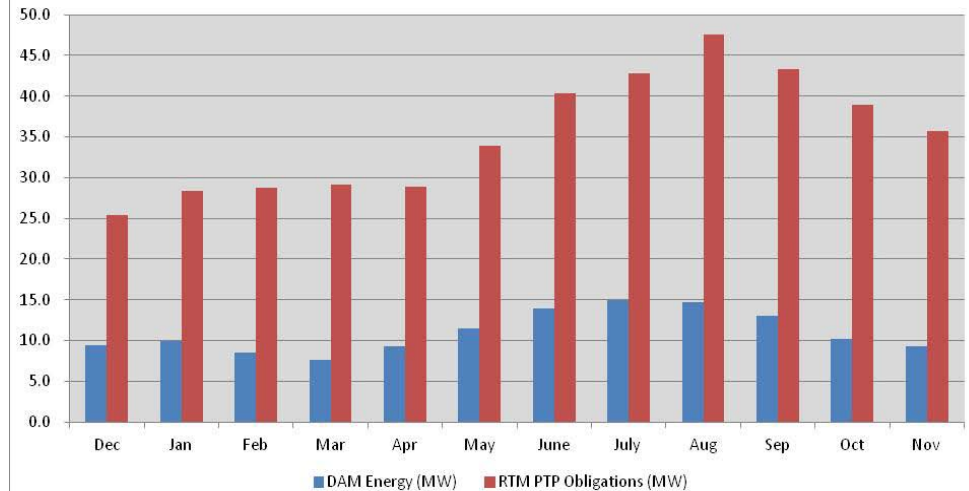
Real Time Energy Imbalance	
~Resource Node Settlement Points	(\$382.68)
~Load Zone Settlement Points	\$526.46
~ Hub Settlement Points	(\$109.12)
Real Time Congestion from Self Schedules	\$1.84
Block Load Transfers and DC Ties	<u>(\$7.28)</u>
Energy Settlements Impact to Revenue Neutrality	<u>\$29.22</u>
Emergency Energy Payments	(\$0.04)
Base Point Deviation	\$0.28

Real Time Metered Generation	22.10
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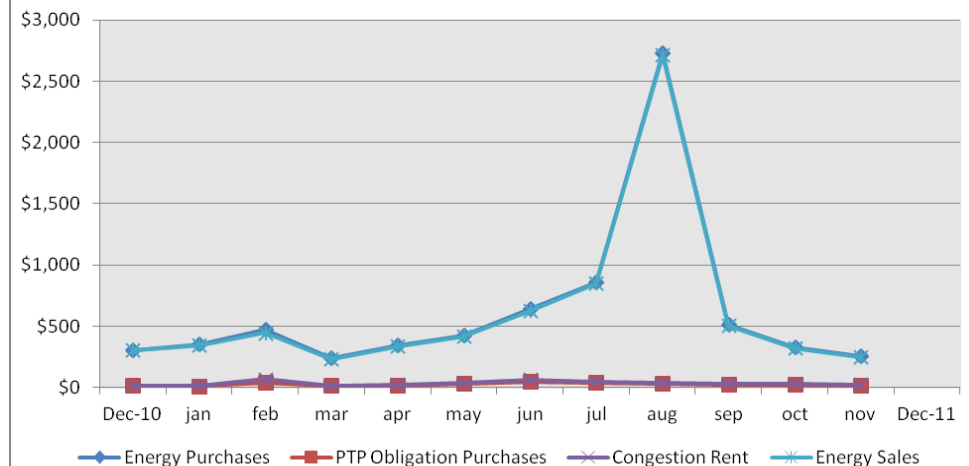
(MWh in millions)

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

November  
2011  
(\$'s in millions)

- **Auction Disbursements**

<b>Annual Auction</b>	<b>(\$15.75)</b>
<b>Monthly Auction</b>	<b>(\$7.29)</b>
<b>Total Disbursements</b>	<b>(\$23.04)</b>

- **CRR Settlement**

<b>Day Ahead CRR Settlement</b>	<b>(\$19.50)</b>
<b>Day Ahead CRR Short Charges</b>	<b>\$0.23</b>
<b>Day Ahead CRR Short Charges Refunded</b>	<b>(\$0.23)</b>
<b>Real Time CRR Settlement</b>	<b>(\$7.69)</b>
<b>Real Time CRR Short Charges</b>	<b>\$0.05</b>
<b>Real Time CRR Short Charges Refunded</b>	<b>(\$0.05)</b>
<b>Total Proceeds</b>	<b>(\$27.19)</b>

- **PTP Obligations Acquired in DAM**

<b>Day Ahead Point to Point Obligation Settlement</b>	<b>\$16.99</b>
<b>Real Time Point To Point Obligation Settlement</b>	<b>(\$37.92)</b>
<b>Net Settlement</b>	<b>(\$20.93)</b>

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

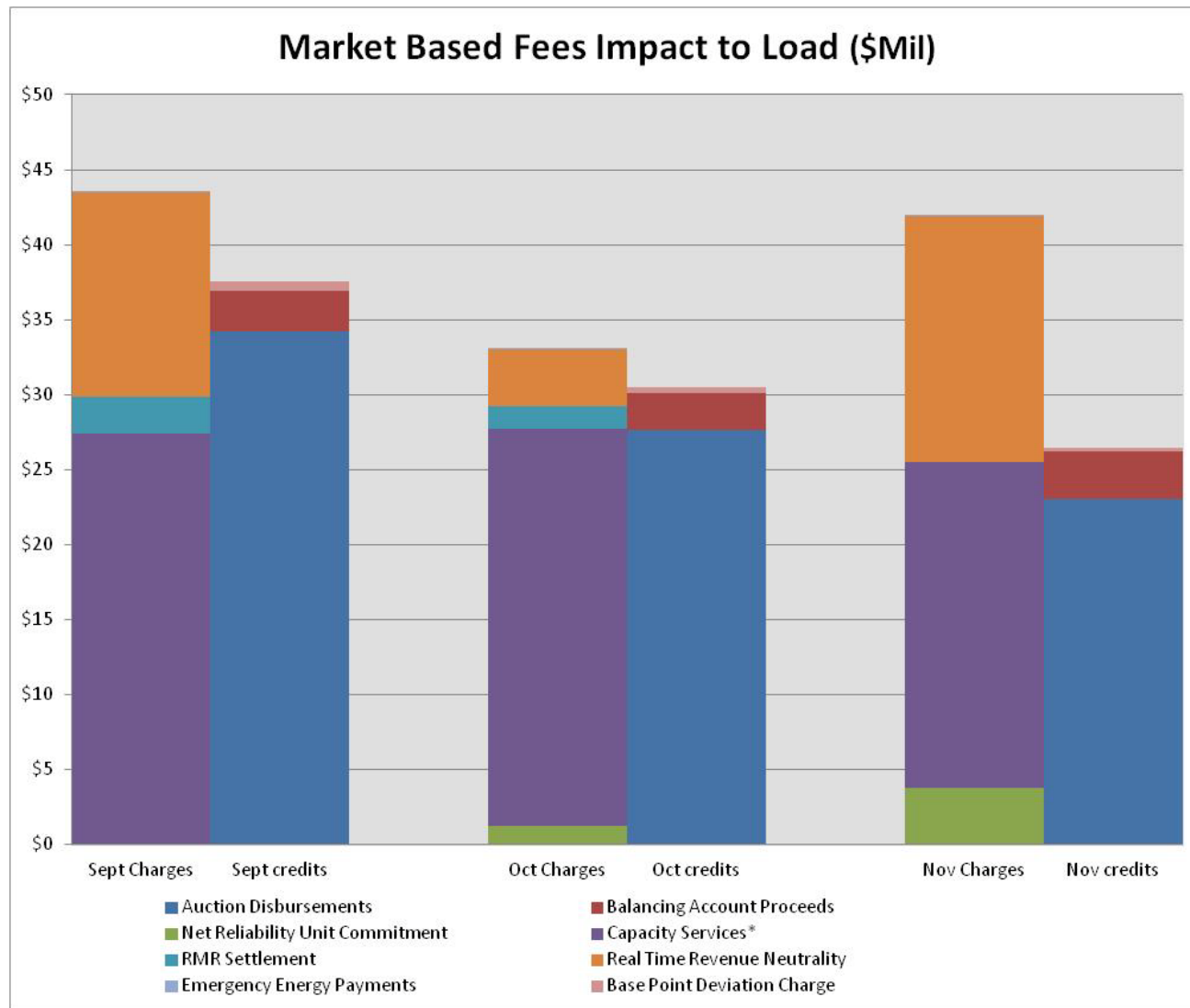
# Net Impact to Load

November  
2011  
(\$'s in millions)

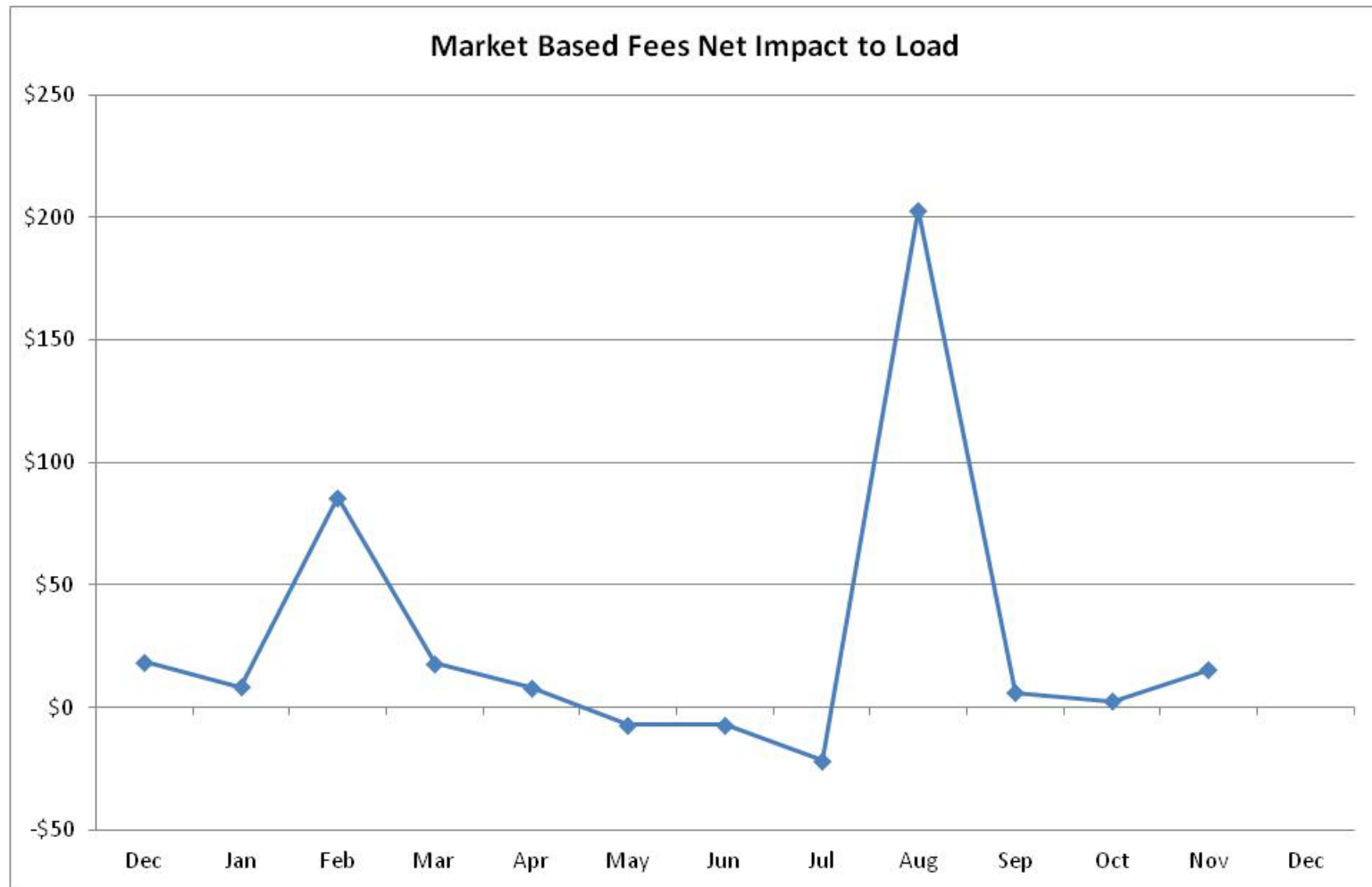
<b><i>Market-Based Fees</i></b>	
<b>Auction Disbursements</b>	<b>(\$23.04)</b>
<b>Balancing Account Proceeds</b>	<b>(\$3.16)</b>
<b>Net Reliability Unit Commitment</b>	<b>\$3.79</b>
<b>Capacity Services</b>	<b>\$21.74</b>
<b>RMR Settlement</b>	<b>\$0.00</b>
<b>Real Time Revenue Neutrality</b>	<b>\$16.40</b>
<b>Emergency Energy Payments</b>	<b>\$0.04</b>
<b>Base Point Deviation Charge</b>	<b>(\$0.28)</b>
	<b>\$15.49</b>
<b>ERCOT Fees</b>	
<b>ERCOT Administrative Fee</b>	<b>\$9.30</b>
<b><i>Net Impact to Load</i></b>	<b>\$24.79</b>

Graphical Representation  
of data on following pages.

# Net Impact to Load (Cont.)

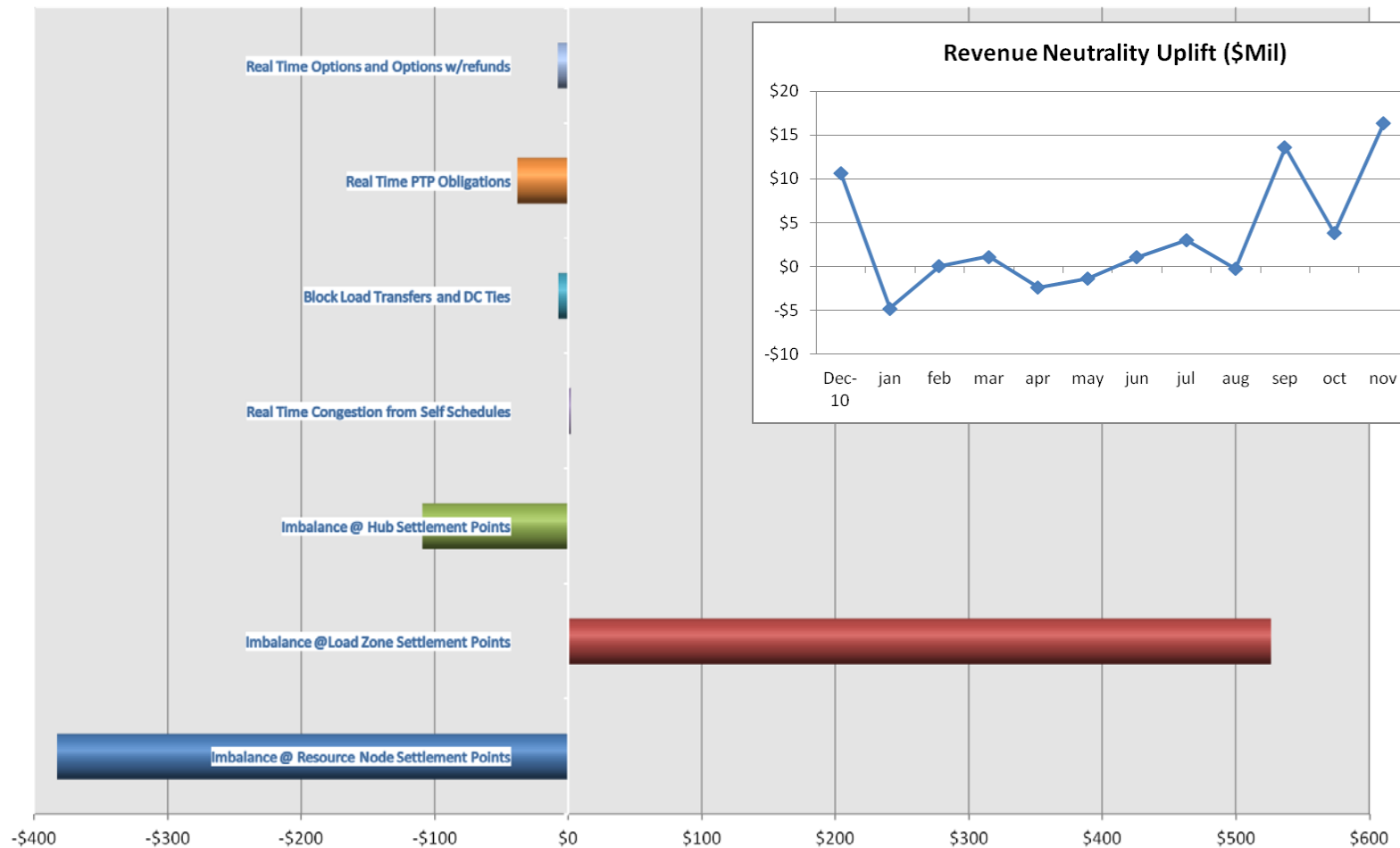


## Net Impact to Load (Cont.)

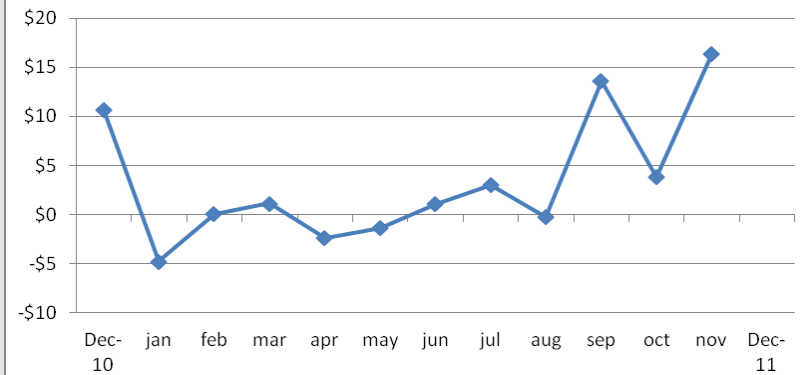


# Revenue Neutrality

Inputs to Revenue Neutrality November 2011 (\$Mil)



Revenue Neutrality Uplift (\$Mil)



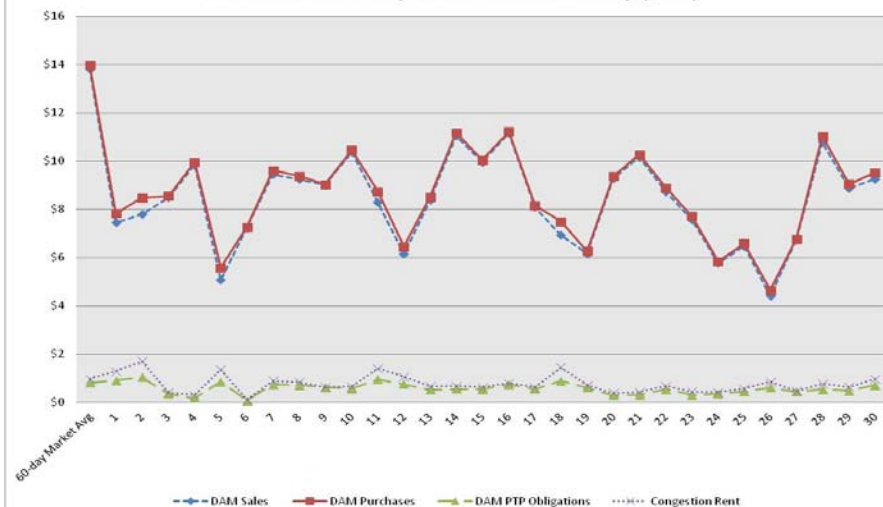
Total Uplift to Load \$ 16.40

	Imbalance @ Resource Node Settlement Points	Imbalance @ Load Zone Settlement Points	Imbalance @ Hub Settlement Points	Real Time Congestion from Self Schedules	Block Load Transfers and DC Ties	Real Time PTP Obligations	Real Time Options and Options w/refunds
Revenue Neutrality	-382.68	526.46	-109.12	1.84	-7.28	-37.92	-7.69

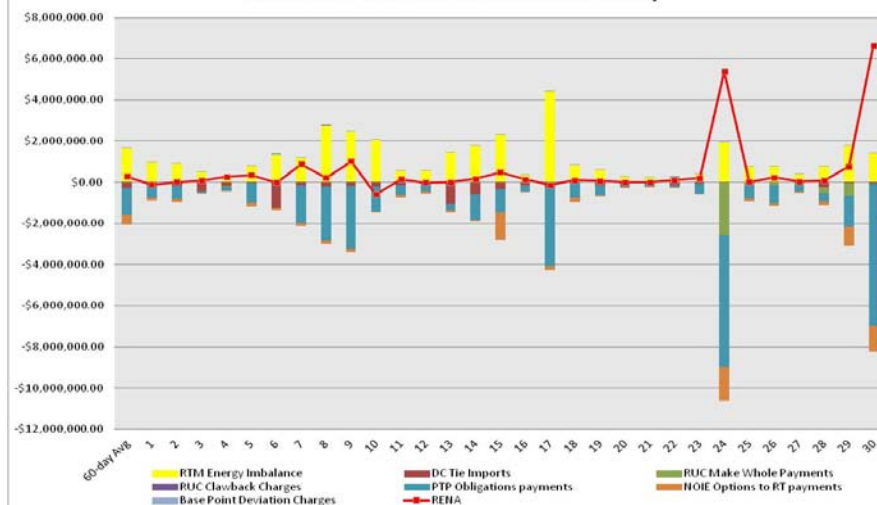


# Daily DAM and RTM Activity

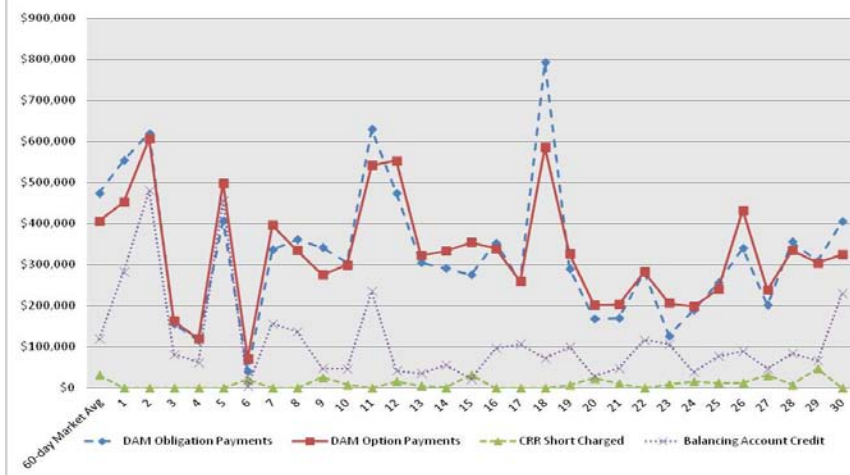
November 2011 Day-Ahead Market Activity (\$Mil)



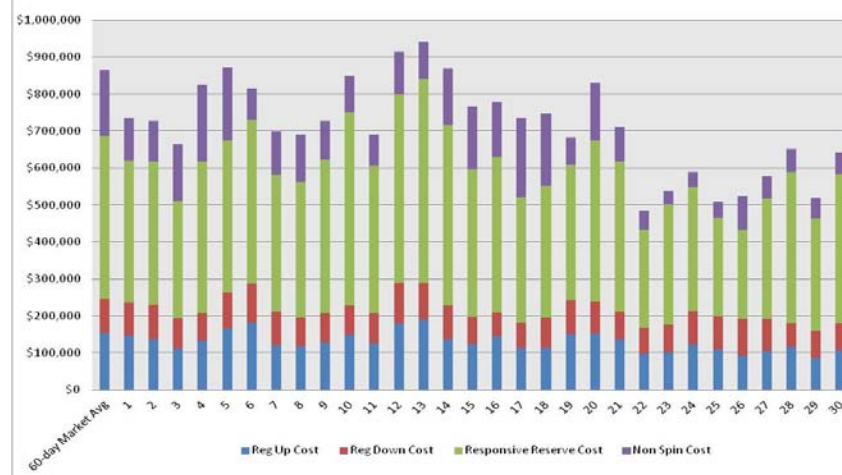
November 2011 Real-Time Market Activity



November 2011 Day-Ahead CRR Activity



November 2011 Real-Time AS Activity



**December 2011 numbers will be provided prior to Board Meeting.**

# ERCOT Wholesale Market Settlement Dispute Report

## November 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	7	67	16	385	23	468*
Granted	0	0	0	0	7	152	7	152*
Granted w/Exception	0	0	0	0	0	9	0	9*
Denied	0	14	4	58	2	154	6	226*
Withdrawn	0	2	0	6	1	54	1	62*
In Process	0	N/A	3	N/A	16	N/A	19	N/A

\*Non-material adjustments to previous months.

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

- **Added REPs**

- ✓ n/a

- **Terminated REPs**

- ✓ Chain Lakes Power LP dba Simple Power (LSE)

- **QSE Level Changes**

- ✓ Merrill Lynch Commodities Inc. (SQ2 L3 to L4)

- **Added QSEs**

- ✓ Galt Power Inc. (QSE – L1)
  - ✓ Pacific Summit Energy LLC (QSE – L1)
  - ✓ Trinity Hills Wind Farm LLC (QSE – L3)
  - ✓ NRG Texas Energy Plus (SQ5 – L2)
  - ✓ Wholesale Commercial Energy LLC (QSE – L2)
  - ✓ Simply Power Corp (QSE – L1)

- **Terminated QSEs**

- ✓ Chain Lakes Power LP dba Simple Power (QSE – L2)
  - ✓ Invenergy Camp Springs (SQ1 – L3)
  - ✓ Invenergy Camp Springs II (SQ2 – L3)
  - ✓ Invenergy McAdoo (SQ4 – L3)
  - ✓ Invenergy Stanton (SQ3 – L3)
  - ✓ Invenergy Turkey Track (SQ5 – L3)
  - ✓ Invenergy Wind Development LLC (QSE – L1)

QSE Count	Level	Qualification Description
91	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>
66	3	<i>Represents Load Serving Entity and/or Resource Entity without providing Ancillary Services</i>
54	4	<i>Represents Load Serving Entity and/or Resource Entity and provides Ancillary Services</i>
<b>344</b> total (includes Sub-QSEs)		

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# Questions?