



# Operations Report (June 2012)

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ERCOT Public  
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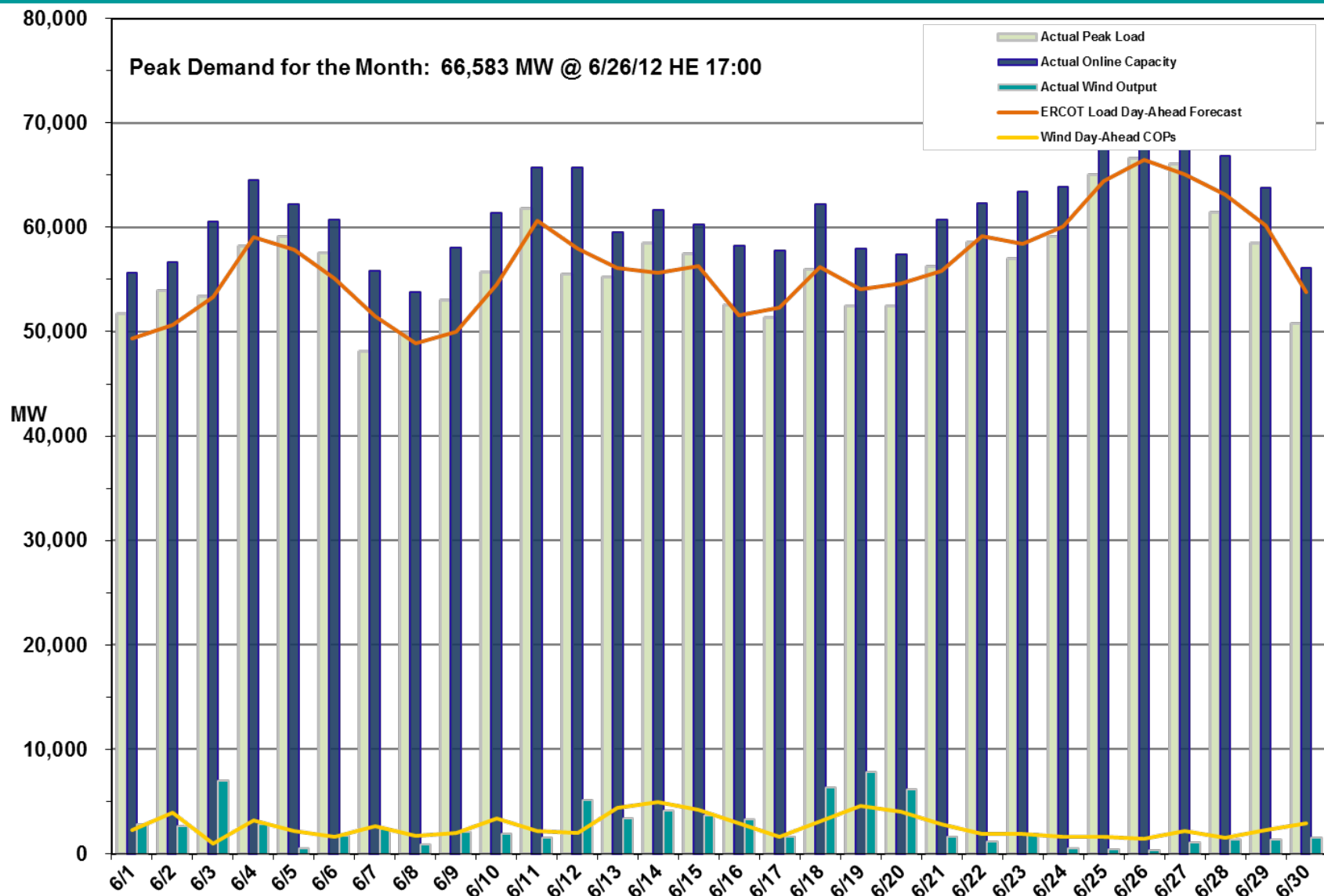
- **June 2012 Operations**

- The peak demand of 66,583 MW on June 26<sup>th</sup> was greater than the mid-term forecast peak of 66,489 MW and more than the June 2011 actual peak demand of 63,102 MW. The instantaneous load on June 26<sup>th</sup> was 66,667 MW
- Day-ahead load forecast error for June was 2.85%
- Advisory for Physical Responsive Capability (PRC) below 3000 MW was issued for 1 day
- 0 Watch for PRC under 2500 MW issued
- No Energy Emergency Alert (EEA) events issued

- **Planning Activities**

- 131 active generation interconnection requests totaling over 35,000 MW, including 19,000 MW of wind generation. This is two more requests, with MW essentially unchanged, since May 31, 2012
- 10,035 MW wind capacity on line June 30, 2012; No change from May 31, 2012

# June 2012 Daily Peak Demand: Hourly Average Actual vs. Forecast, Wind Day-Ahead COPs & On-line Capacity at Peak



Note: All data are hourly averages during the peak load hour obtained from COPs, and EMMS.

# Market Statistics – June 2012

Market Statistics	June 2011	June 2012	2011 Average	2012 YTD Average
Percentage of Real-Time load hedged in Day-Ahead Market	109.52%	113.54%	115.13%	123.01%
Average 'ERCOT Hub Average 345 kV Hub' Settlement Point Price in Day-Ahead Market (\$/MWh)	42.62	37.80	55.19	27.30
Average 'ERCOT Hub Average 345 kV Hub' Settlement Point Price in Real-Time (\$/MWh)	41.96	32.25	50.83	25.25

# Operational Performance Measures – June 2012

Performance Measure	Target Met	Further Information
Retail Transaction Performance (Target 98%)	Yes	<ul style="list-style-type: none"><li>Retail transaction processing performance was at 99.8%</li></ul>
Settlements Performance (Target 99%)	Yes	<ul style="list-style-type: none"><li>100% timely statement and invoice posting</li></ul>

# Operational Dashboard – June 2012

Metric	Trending as Expected	Further Information
Day-Ahead Schedule	Yes	<ul style="list-style-type: none"> <li>• Normal level of market activity and liquidity</li> <li>• Loads appear to have hedged against exposure to Real-Time prices</li> </ul>
Day-Ahead Electricity And Ancillary Service Hourly Average Prices	Yes	<ul style="list-style-type: none"> <li>• Hourly average prices correctly reflected the opportunity cost of energy and Ancillary Services</li> <li>• Prices were higher due to higher demand in June</li> </ul>
Day-Ahead vs Real-Time Load Zone Settlement Point Price (Hourly Average)	Yes	<ul style="list-style-type: none"> <li>• Day-Ahead &amp; Real-Time prices for different Load Zones reflect relative transmission congestion.</li> <li>• DAM price spike tended to lag real time price spike by two hours.</li> </ul>
Day-Ahead vs Real-Time Trading Hub Settlement Point Price (Hourly Average)	Yes	<ul style="list-style-type: none"> <li>• The average energy price across the system reflects marginal offers and scarcity pricing impacts</li> <li>• Higher average Day-Ahead energy prices reflect the risk premium between Day-Ahead &amp; Real-Time</li> <li>• DAM price spike tended to lag real time price spike by two hours.</li> </ul>
Day-Ahead Reliability Unit (DRUC) Commitment Monthly Summary	Yes	<ul style="list-style-type: none"> <li>• Capacity committed by the DRUC process indicates minimal level of out-of-market activity needed Day-Ahead to maintain reliability</li> <li>• This month, one resource was committed in DRUC for five hours to resolve local congestion</li> </ul>

# Operational Dashboard – June 2012

Metric	Trending as Expected	Further Information
Hourly Reliability Unit Commitment (HRUC) Monthly Summary	Yes	<ul style="list-style-type: none"><li>Capacity committed by the HRUC process indicates minimal level of out-of-market activity needed in June to maintain reliability</li><li>One Resource was committed by the HRUC process to resolve local congestion</li></ul>
Supplemental Ancillary Service Market Monthly Summary	Yes	<ul style="list-style-type: none"><li>Normal trend indicates that deliverability was not a major concern</li></ul>
Non-Spinning Reserve Service Deployment	Yes	<ul style="list-style-type: none"><li>Offline Non-Spin was not deployed this month</li></ul>
Congestion Revenue Rights Price Convergence	No	<ul style="list-style-type: none"><li>The total CRR value was about 2.6 times of the total CRR cost</li><li>CRRs were valued much higher in DAM and Real Time mainly due to combination of outages, low wind and high load</li></ul>

# Operational Dashboard – June 2012

Metric	Trending as Expected	Further Information
Retail Transactions	Yes	<ul style="list-style-type: none"> <li>Seasonal variations in transaction volumes trending as expected</li> </ul>
Advanced Metering	Yes	<ul style="list-style-type: none"> <li>87.4% of ERCOT load settled with 15-minute interval data.</li> <li>5.3M Advanced Metering System (AMS) Electric Service Identifier (ESIID)s included in settlement as of 6/20/2012*</li> </ul>
Settlement Dollars	Yes	<ul style="list-style-type: none"> <li>As of settlement of Operating Day 6/26/12, the daily average settlement dollars are trending to be near \$13M, which is higher than previous months. This is expected due to increased prices and load.*</li> </ul>
Revenue Neutrality	Yes	<ul style="list-style-type: none"> <li>As of settlement of Operating Day 6/26/12, Revenue Neutrality uplift is trending over \$5.0M, which is higher than previous months and June 2011. This is expected due to increased prices and load.*</li> </ul>
Market-Based Uplift to Load	Yes	<ul style="list-style-type: none"> <li>As of settlement of Operating Day 6/26/12, the market-based uplift to load is trending higher than previous months, but comparable to June 2011. This is expected due to increased prices and load.*</li> </ul>

\* For full month detail refer to the Monthly Operational Overview.



# Market Enhancements Under Consideration

Enhancement	Further Information
Evaluating market design improvement proposals	<ul style="list-style-type: none"><li>• NPRR444 to address<ul style="list-style-type: none"><li>• 0 to LSL of RUC, RMR, Non-Spin and Quick Starts</li><li>• ERS deployments</li><li>• Load Resource deployments</li></ul></li><li>• NPRR469 to address Competitive Constraint Test design improvements</li><li>• NPRR461 to address Energy Storage Settlements consistent with PUCT project 39917</li></ul>
Evaluating Pilot Project Feasibility	<ul style="list-style-type: none"><li>• Target 30-minute ERS Pilot start date of July 15, 2012</li><li>• Fast response regulation service pilot by fall</li></ul>
Look-Ahead SCED	<ul style="list-style-type: none"><li>• NPRR351 - Phase I (indicative future prices and ramping) was implemented on June 28<sup>th</sup></li><li>• Working with Market Participants to draft scope for future stages of Look Ahead SCED</li></ul>

# Major Project Highlights

Project	Trending as Expected	Further Information
NPRR351 Look-Ahead SCED Indicative Pricing – Provides future advisory/indicative pricing and ramping	Yes	Project implemented into production as scheduled in June and is now in stabilization.
SCR760 – Recommended Changes Needed for Information Model Manager and Topology Processor for Planning Models	Yes	Completed June delivery of SCR760-2b, 2c and SCR760-5. Working with vendor to fully define the requirements for SCR760-6, the final enhancement in the SCR760 suite.
EMS Upgrade – Upgrade EMS and Operator Training Simulator from EMP 2.3 to EMP 2.7.	Yes	Project has been initiated and team is supporting the vendor to develop SOW for the upgrade project.
Oracle 11g Upgrade – Upgrade Oracle databases and related tools that support ERCOT's application portfolio from Oracle 10g to Oracle 11g.	Yes	Project currently finalizing plans for upgrade approach and schedule across multiple databases. Team has been standardizing processes and upgrading foundation components and will be running proof-of-concepts on low-risk applications first to validate upgrade scenarios/approaches.
NPRR347/400 – Combines the DAM and the Real-Time Market Invoices into a single daily Settlement Invoice; Eliminate Unsecured Credit for CRR Auctions and for Future Credit Exposure (FCE); Eliminate netting of FCE with Current Credit Exposure (CCE)	Yes	Project continues on schedule with core system changes. Planning to release a sample invoice file to Market Participants (MP) in July in support of MP testing within their own environments.
Settlement System Re-Write – Replace proprietary code, data structures and tools with an ERCOT supported solution	Yes	Project continues as planned with code development in support of components required for the system's framework functionality. Team has been evaluating impacts of NPRR/SCR changes to existing code in order to better address re-coding efforts. Risks regarding new NPRR cross system impacts, loss of SME resources, and software performance remain.
CRR Upgrade – Upgrades the CRR clearing engine and associated components to Linux in order to provide measurable performance improvements in the annual auction	Yes	Code delivery from vendor is expected in August; project on track for a September delivery to production, however, the aggressive schedule remains a risk to deliver improvements in time to support annual auction activities in October.

# Projects with Red or Yellow Status

Project	Trending as Expected	Further Information
Resource Asset Registration Form Upgrade (RARF) - Increase the data collected for Wind resources and add new resource type data	Yes	Project delivered to production in June per the revised schedule and is now in stabilization. Budget on track with the revised forecasted amount.

The ***ERCOT Monthly Operational Overview*** will be posted to (<http://www.ercot.com/committees/board/>) on the 15<sup>th</sup> day of the following month