

ERCOT Market Watch by LCG

August 2015



ERCOT Market Watch by LCG is a monthly summary of prices, congestion, and important events in the ERCOT market.

Contact LCG Consulting for further information and outlooks for future months.

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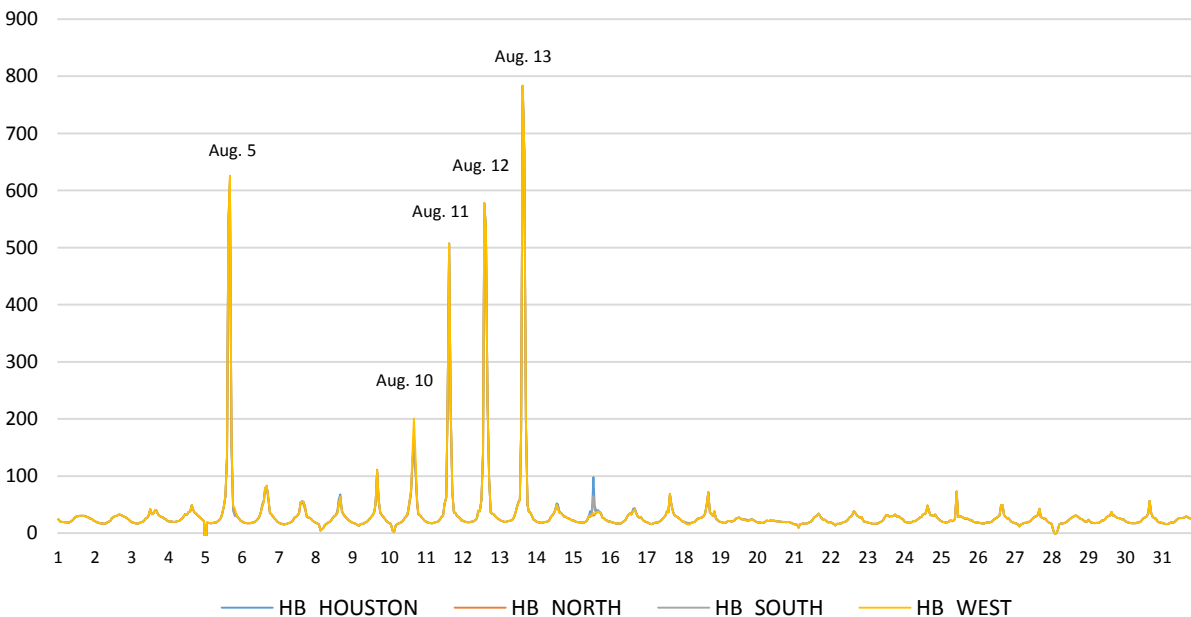
Average Monthly Real-Time Hub Price Summary

	HB_HOUSTON	HB_NORTH	HB_SOUTH	HB_WEST
Weekday ON Peak	\$46.19	\$46.17	\$46.17	\$46.60
Weekend ON Peak	\$28.61	\$27.77	\$28.16	\$27.86
OFF Peak	\$18.10	\$18.09	\$18.11	\$18.07

Release Date: September 3, 2015 – In August the ERCOT market experienced very high prices on a number of days during peak hours. High temperatures drove high demand, in particular during the week of August 10, when system-wide peak demand reached over 69,000 MW for the first time. Weekday average peak prices at the four trading hubs were significantly higher than in the previous month. There was also significant ORDC activity with the RTORPA reaching over \$930 for one interval, its highest value since implementation. The Zorillo to Ajo interface was again the most frequently congested constraint. The constraints with the highest congestion rent were 860__A (a 138 kV line north of the Dallas-Fort Worth area) and PHR_SOU_1 (a 138 kV line in the Houston area).

See below for a summary of congested elements and hub prices.

ERCOT August 2015 Average Hourly Hub Prices (Real-Time)



AUGUST 2015 EVENT SUMMARIES

Aug 5 – Real-Time Hourly Average (RTHA) prices over \$100 were experienced at all four hubs in hours 15 through 18. Highest prices were in hour 17 when RTHA prices reached over \$610 at all four trading hubs. The highest RTHA hub price occurred at HB_WEST in this hour reaching \$625.84. The RTORPA reached its highest value for the month on this day at over \$930 for one SCED interval.

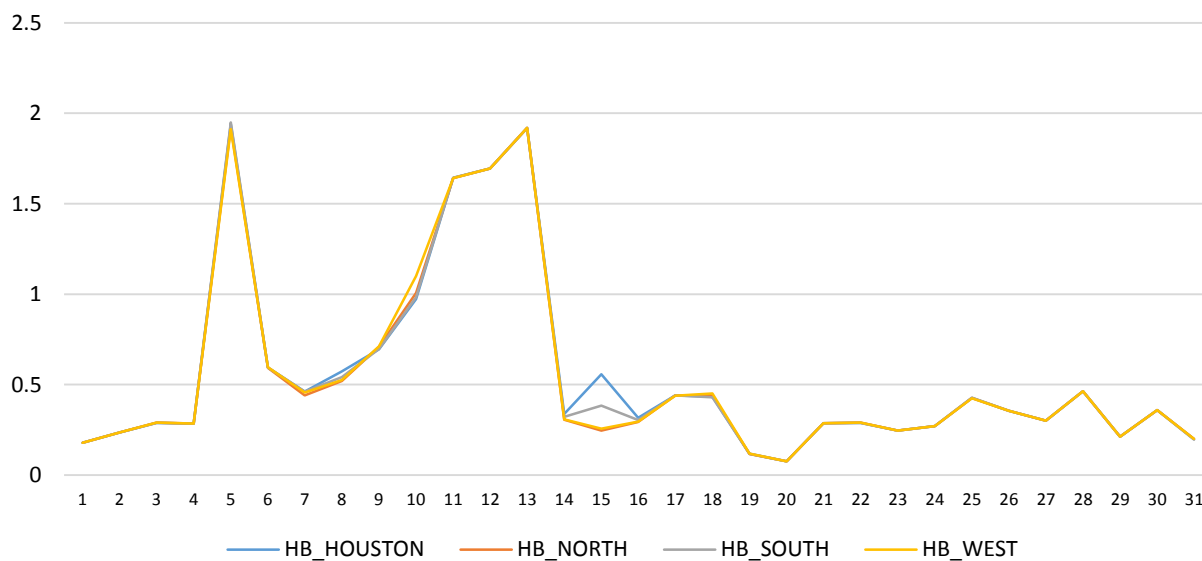
Aug 10 – RTHA prices at all trading hubs remained over \$100 during hours 16 through 18. The highest prices occurred at HB_WEST where RTHA price reached over \$200 in hour 17. On this day, ERCOT set a new system-wide peak demand record reaching 69,783 MW in hour 17. This day also accounted for the largest share of congestion rent for the month. On this day the 860__A constraint was highly congested.

Aug 11 – RTHA prices remained over \$200 at all four trading hubs for hours 15 through 17. At all hubs the hourly average reached over \$507 in hour 16. The RTORPA reached over \$600 on this day.

Aug 12 – Again on this day RTHA prices at all four trading hubs reached over \$200 for hours 15 through 17. Highest prices on this day were during hour 15 when RTHA prices at the hubs reached over \$577. The RTORPA reached over \$800 for two SCED intervals on this day.

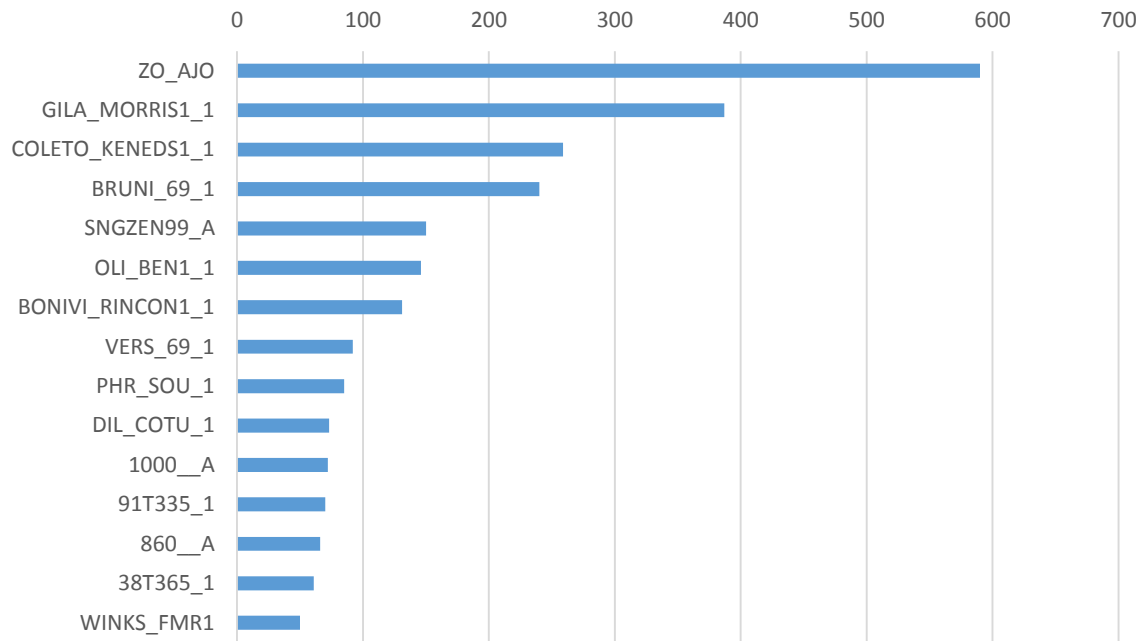
Aug 13 – This day experienced the highest RTHA prices of the month. Hourly average prices were over \$180 during hours 15 through 18 and over \$660 during hours 16 and 17. During hour 16 RTHA price at all four trading hubs reached over \$783. The RTORPA reached over \$500 while system lambda reached over \$1,500 on this day.

Plot of Daily Volatility Indices (SD/mean) by Hub - August 2015
(Real-Time Hourly Average Prices)

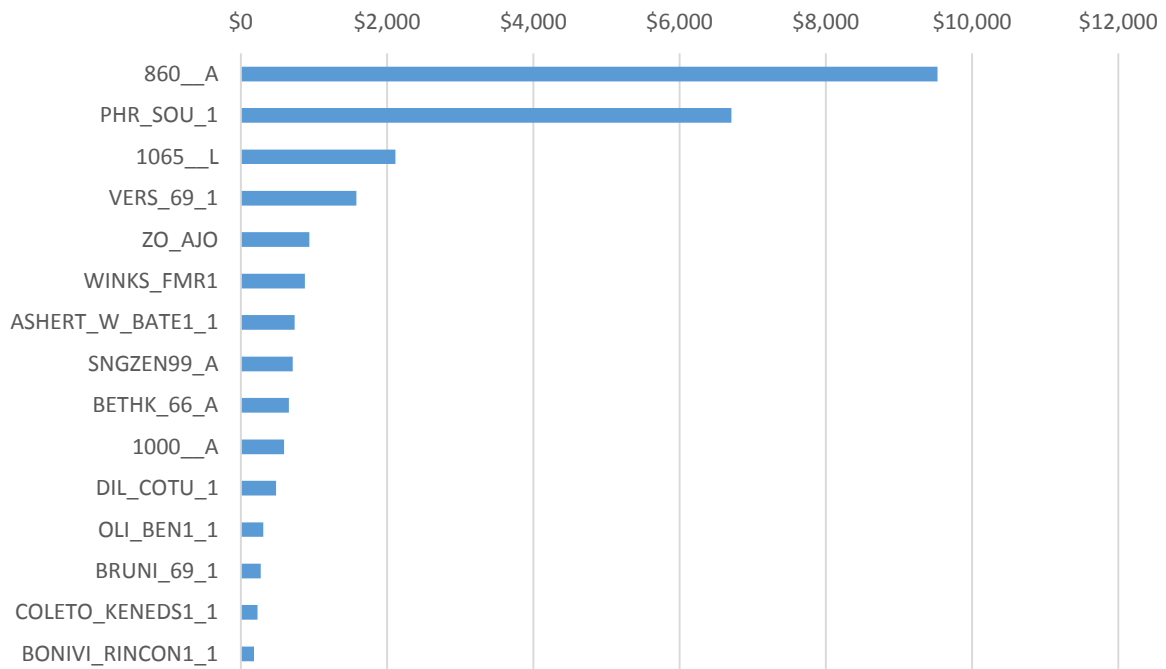


AUGUST CONGESTION REPORT

August 2015 - Top 15 Branches Congested
(Periods Congested- 5 min intervals)



August 2015 - Top 15 Branches Congested
(Congestion Rent - Thousands \$)



LCG Consulting provides consulting services, forecasting and software for detailed modeling in the ERCOT region. We offer valuable insights for market participants in the day ahead and real-time markets and CRR auctions. For more information contact Julie Chien: julie.chien@energyonline.com

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