

ERCOT Market Watch by LCG

July 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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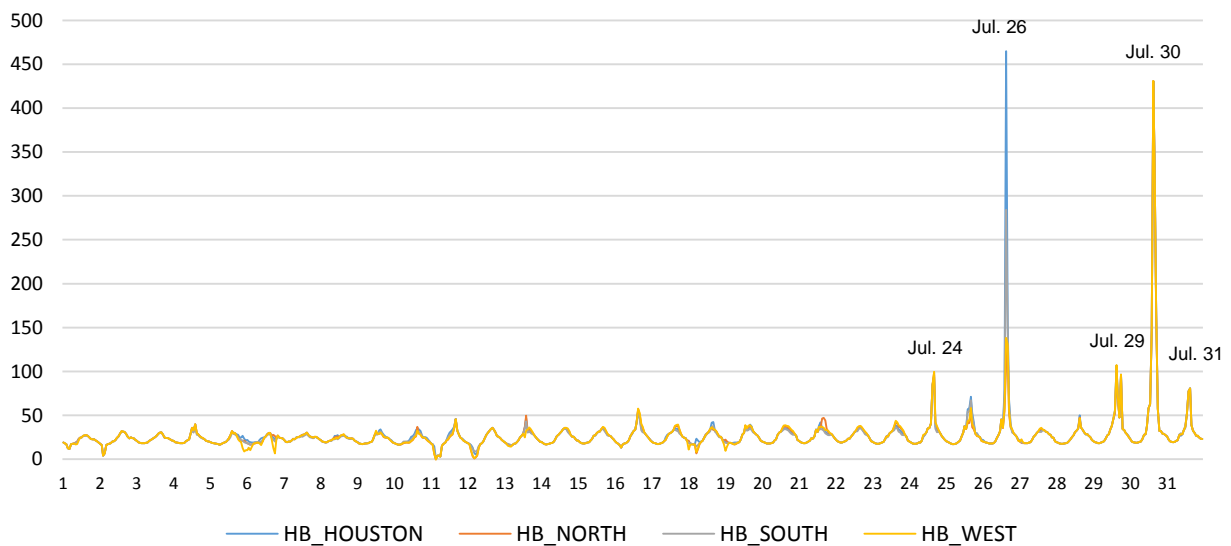
Average Monthly Real-Time Hub Price Summary

	HB_HOUSTON	HB_NORTH	HB_SOUTH	HB_WEST
Weekday ON Peak	\$31.67	\$31.84	\$31.17	\$31.74
Weekend ON Peak	\$32.97	\$28.43	\$30.56	\$28.89
OFF Peak	\$19.25	\$18.90	\$19.09	\$18.62

Release Date: August 7, 2015 – In July the ERCOT real-time market experienced relatively low volatility throughout most of the month with increased volatility in the final week when the most extreme pricing events occurred. Both Weekday and Weekend Peak price averages were significantly higher than in June and the ERCOT market broke records for peak July demand. The most extreme real-time hourly average hub price events occurred on July 26 and July 30. The constraint with the highest congestion rent for the month was BETHHK_66_A, a 138 kV line in the Houston area, followed by the SAPOWER_69T1 and SACH_69T1 constraints which are both 138/69 kV transformers in the West. The most frequently congested constraint in July was the Zorillo to Ajo interface in the South which caused low prices at wind unit settlement points in the area. High temperatures late in the month led to high demand with a new July peak demand record being set on July 30 at 67,624 MW.

See below for a summary of line congestion and hub prices.

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



JULY 2015 EVENT SUMMARIES

July 24 – High Real-Time Hourly Average (RTHA) prices were experienced at all four hubs in hours 16 and 17. In hour 17 all four hubs had RTHA prices above \$93 with the highest occurring at HB_WEST at \$99.54.

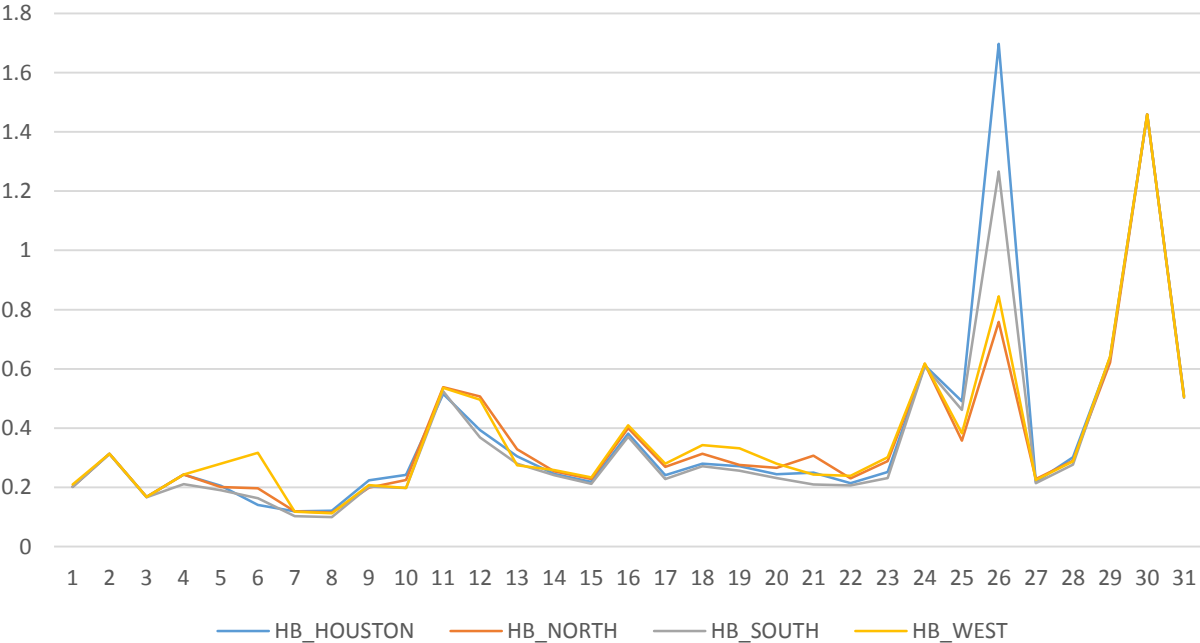
July 26 – This weekend day experienced the highest RTHA hub prices of the month during the hours 15 through 18. On this day the highest RTHA prices occurred at HB_HOUSTON where prices reached over \$465. In the same hour the other three hubs were above \$100. On this day System Lambda reached its highest value for the month at \$665.08 for one interval during hour 16. On this day, the BETHK_66_A and SNGZEN99_A lines in the Houston area were highly congested.

July 29 – On this day the RTHA at all four hubs reached over \$100 at all four hubs during hour 16. This day experienced the greatest ORDC event when the RTORPA reached \$491.47 for one interval during hour 19. High peak demand occurred on this day during hour 17 at 67,590 MW.

July 30 – High prices were experienced during hours 15 through 18 with the highest RTHA prices occurring in hour 16. At this time all four hubs reached RTHA prices of greater than \$430. The RTORPA sustained very high values during hours 16 and 17. In hour 17 an all-time July peak demand record was set at 67,624 MW.

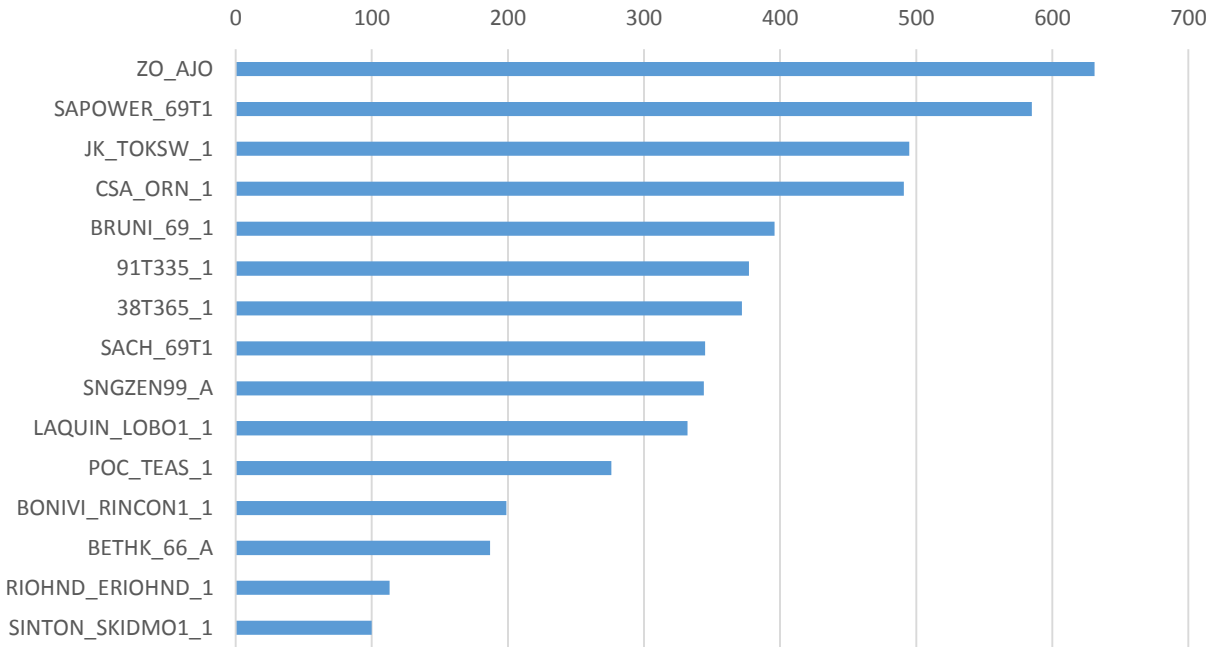
July 31 – On this day RTHA prices at all four hubs reached over \$80 in hour 16.

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

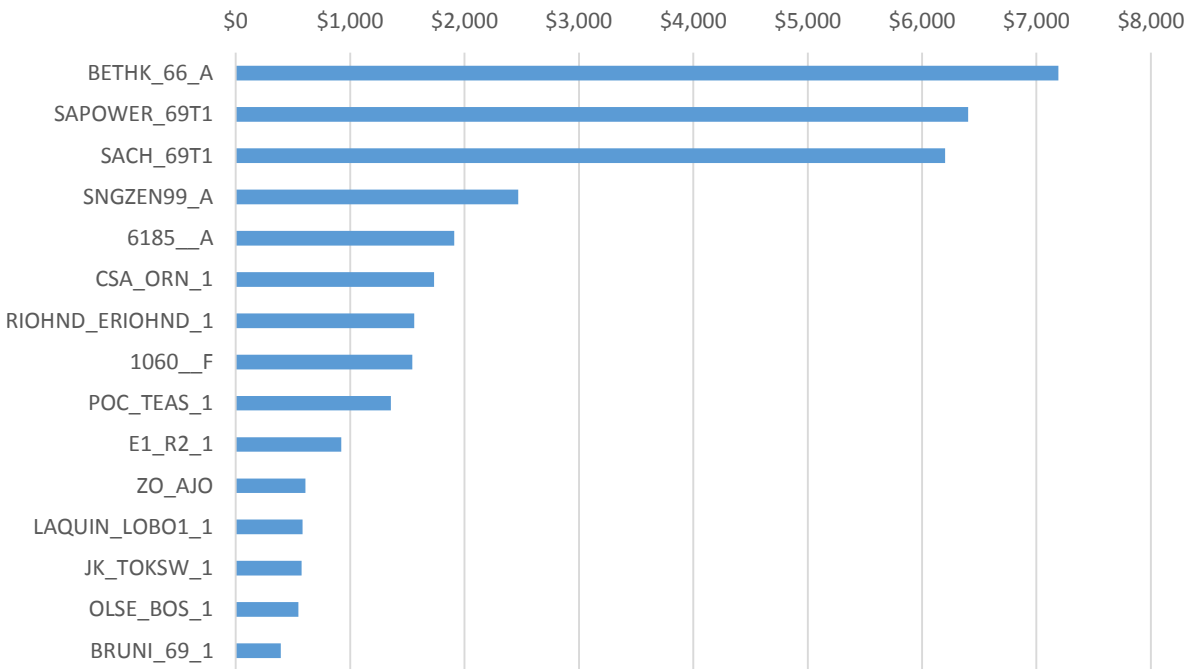


JULY CONGESTION REPORT

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



July 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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