

# ERCOT Market Watch by LCG

## March 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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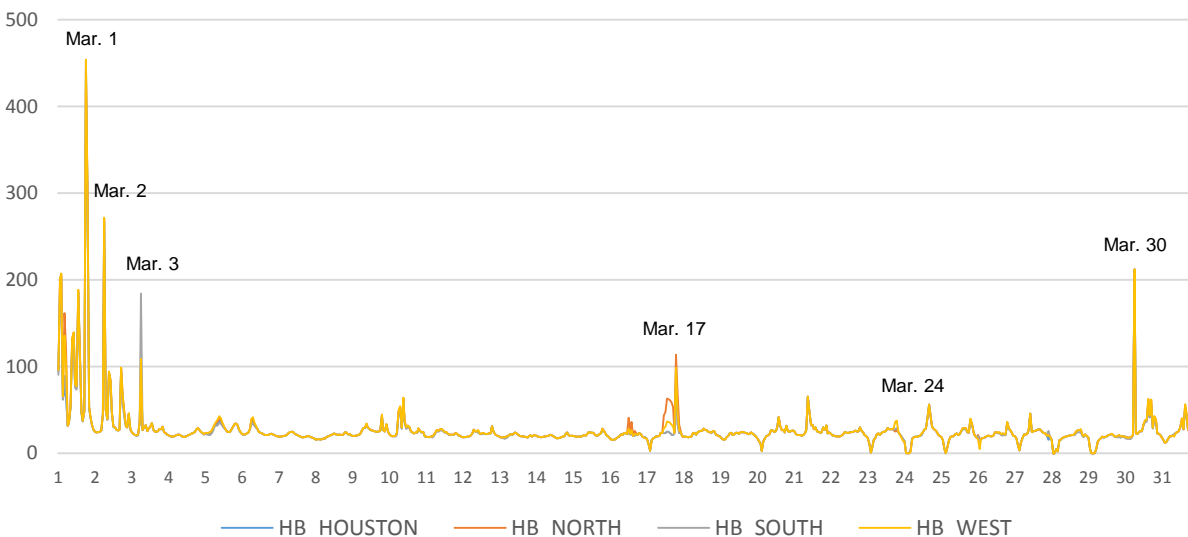
### Average Monthly Real-Time Hub Price Summary

	HB_HOUSTON	HB_NORTH	HB_SOUTH	HB_WEST
Weekday ON Peak	\$28.45	\$29.64	\$28.41	\$29.17
Weekend ON Peak	\$32.59	\$32.80	\$31.97	\$32.86
OFF Peak	\$20.81	\$21.49	\$20.70	\$21.25

**Release Date: April 3, 2015** – In March the ERCOT real-time market experienced moderate volatility with less extreme price events than in February. Real-time hourly average prices were significantly higher than in February with the exception of Weekend ON Peak prices, but this was due to extreme price events pushing price upward last month. Weekend ON Peak average prices were higher than Weekday ON Peak prices mainly due to the many hours of high prices on March 1. The highest price spike occurred on the first day of the month when all RT hourly average hub prices reached over \$420 in hour 19. The constraint with the highest congestion rent in the RT market was 3210\_\_A (Cedar Hill Switch - Mountain Creek 138 kV line) in the Dallas-Fort Worth area which is scheduled for upgrade in May of this year. LON\_HI\_SMITH1\_1 in the Corpus Christi area was again the most frequently congested constraint.

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

### ERCOT March 2015 Average Hourly Hub Prices (Real-Time)



# MARCH 2015 EVENT SUMMARIES

**March 1** – This day experienced the most extreme Real-Time Market (RTM) price event of the month with high and volatile prices throughout the operating day. In hour 19 RTM average hourly prices reached over \$420 at all four hubs. The highest average hourly hub price was \$453.69 at HB\_WEST while HB\_SOUTH had the lowest hourly average at \$423.29. System lambda reached a peak of over \$690 for one interval on this day and low wind output was experienced. At this time the 336T405\_1 constraint was highly congested.

**March 2** – In hour 7 hourly average prices at all four hubs reached over \$255 with the highest price at HB\_WEST at \$271.65. Again, low wind output was experienced on this day along with congestion on the 336T405\_1 constraint. System lambda reached over \$690 for one interval on this day.

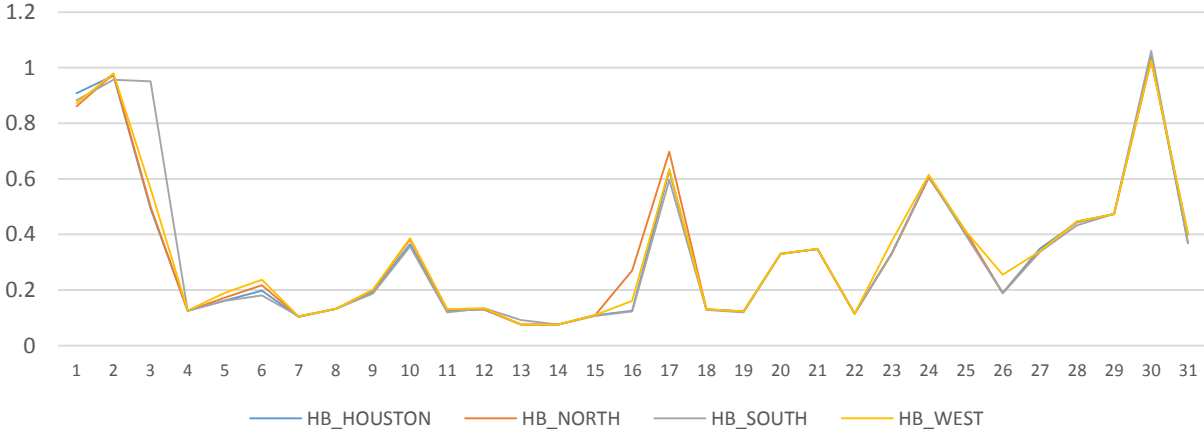
**March 3** – A price spike occurred during hour 7 in the RTM when all hourly averages reached over \$95. At this time HB\_SOUTH reached prices much higher than other hubs with an hourly average of \$183.96. System lambda reached its highest value for the month on this day at over \$969 for one interval. The LONHILL\_PAWNEE\_1 and MAR\_SKY\_1 constraints were highly congested at this time, while the BLESSI\_LOLITA1\_1 constraint also experienced congestion.

**March 17** – In hour 20 on this day all four RTM hourly average hub prices reached over \$84 with the highest hourly average at HB\_NORTH at \$113.57. System lambda reached \$579 for one interval. The LON\_HI\_SMITH1\_1 and 3210\_\_A constraints were highly congested at this time.

**March 24** – On this day, unusually low prices were experienced in the RTM for the four hours from hour 2 through hour 5 with negative average hourly RTM hub prices at all four hubs in hour 4. During these hours ERCOT wind output was over 9,000 MW and higher than the most recent forecast.

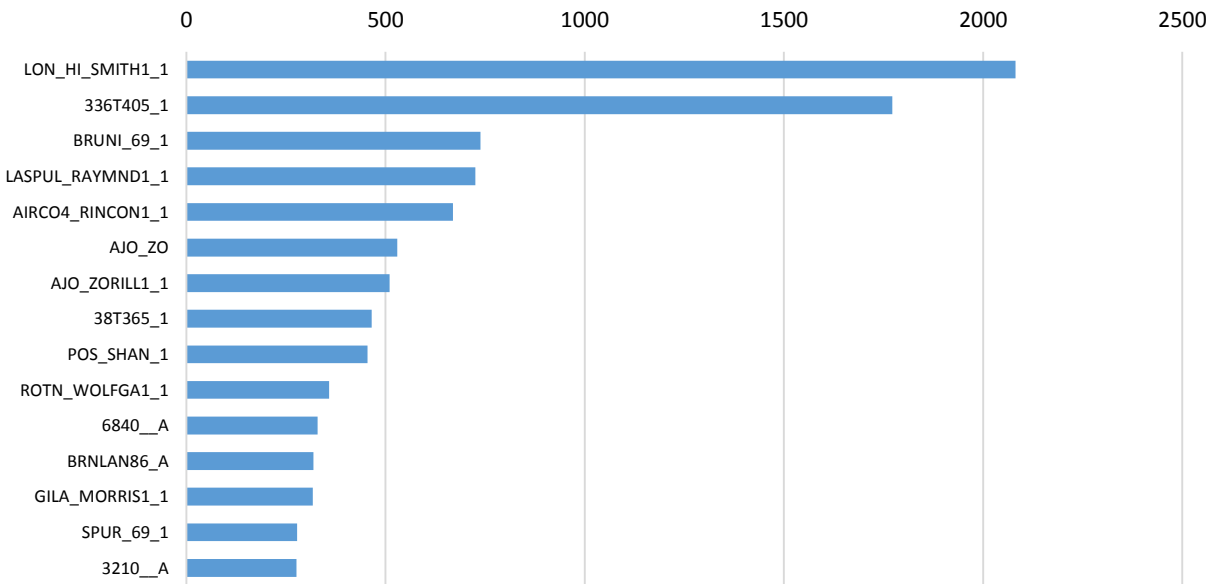
**March 30** – In hour 7 the average hourly average price at all four hubs in ERCOT reached \$212.07 in the RTM. Wind output in ERCOT had dropped 64% (from a high of over 9,600 MW) over the previous 12 hours at this time.

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

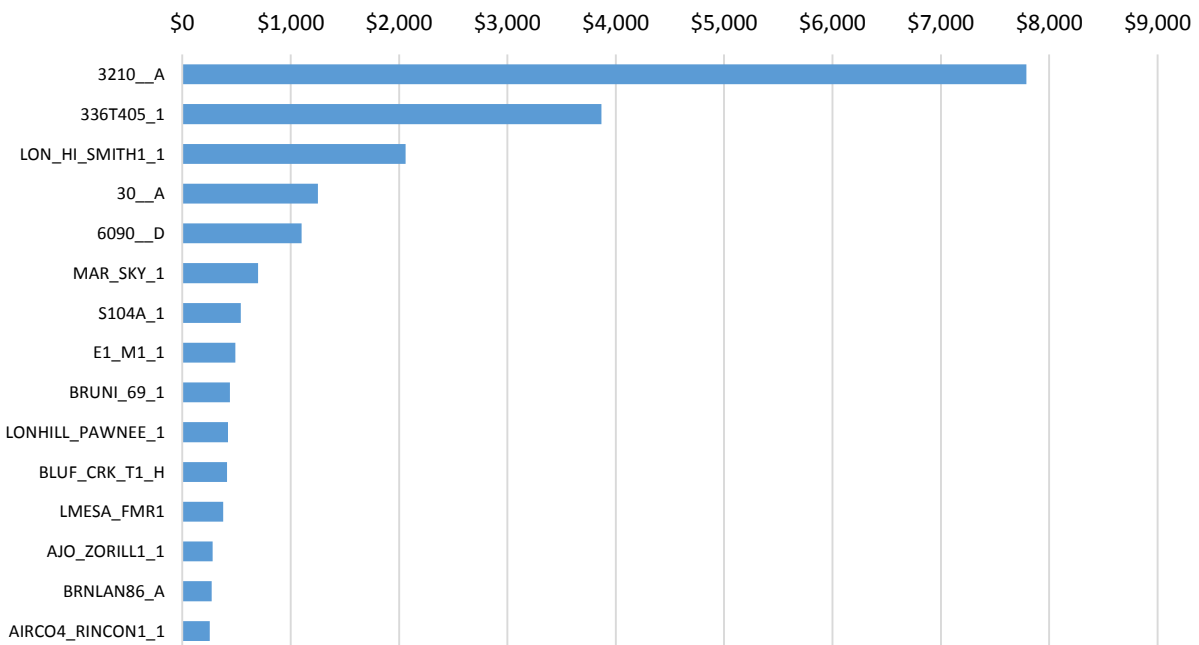


## MARCH CONGESTION REPORT

**March 2015 - Top 15 Branches Congested**  
(RT Periods Congested- 5 min intervals)



**March 2015 - Top 15 Branches Congested**  
(RTM 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](mailto:julie.chien@energyonline.com)

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