

ERCOT Market Watch by LCG

May 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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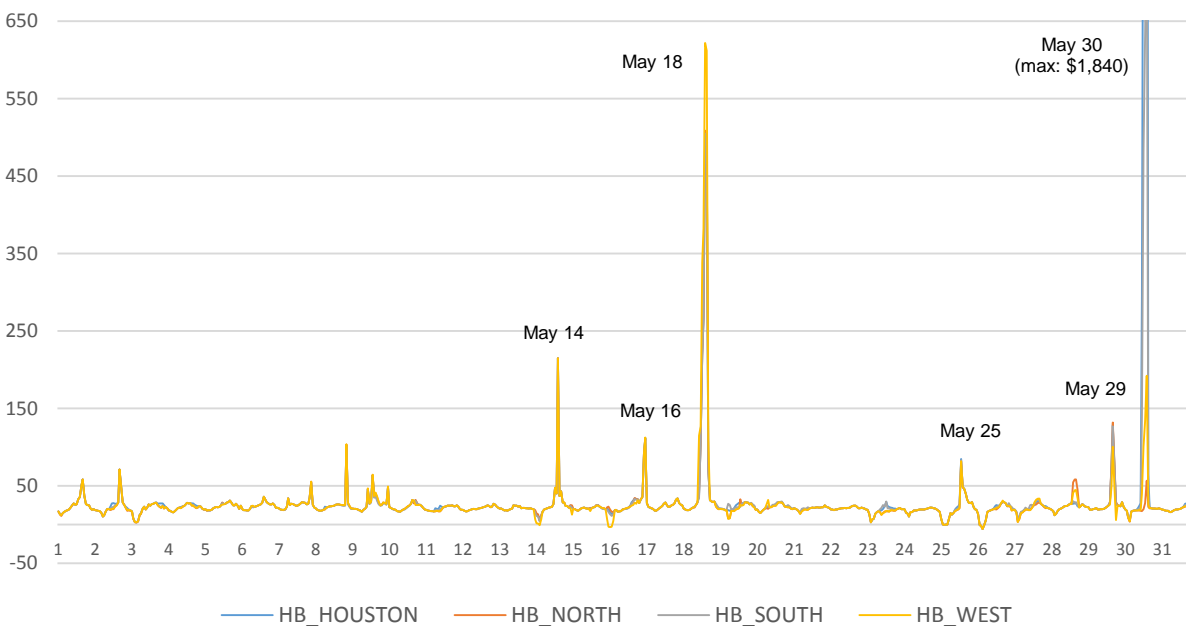
Average Monthly Real-Time Hub Price Summary

	HB_HOUSTON	HB_NORTH	HB_SOUTH	HB_WEST
Weekday ON Peak	\$30.85	\$30.83	\$30.76	\$32.18
Weekend ON Peak	\$52.66	\$23.50	\$36.28	\$25.60
OFF Peak	\$18.25	\$18.19	\$18.27	\$17.59

Release Date: June 8, 2015 – In May the ERCOT real-time market experienced significant volatility with more extreme price events than in recent months. Real-time hourly average prices higher in peak hours than in April, but lower in off peak hours. The high weekend peak hourly average at HB_HOUSTON was due to an extreme price event on May 30 where the real-time hourly average price at HB_HOUSTON reached over \$1,800. This was the highest price spike of the month. The constraint with the highest congestion rent in the RT market in May was SNGZEN99_A a 345 kV line to the north of the Houston area connecting to the Zenith substation. The POS_SHAN_1 constraint near Wichita Falls, which has been congested in recent months, was the most frequently congested constraint.

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

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



MAY 2015 EVENT SUMMARIES

May 14 – In Hour 15 Real-Time Hourly Average (RTHA) prices reached over \$214 at all four trading hubs. At this time system lambda reached over \$800.

May 16 – RTHA prices at all four hubs reached over \$110 in Hour 24 with the highest hourly average occurring at HB_WEST reaching \$112.40. In this hour system lambda reached \$729 for one interval.

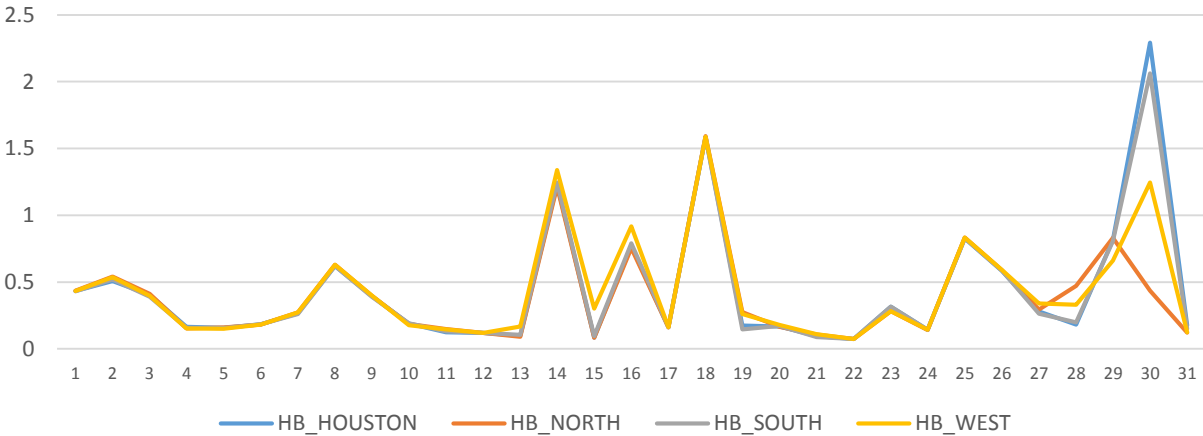
May 18 – On this day, all four hubs experienced sustained high prices. RTHA prices for all four hubs were greater than \$100 for five hours. Highest prices occurred in Hour 15 when all RTHA prices at all hubs reached over \$500. Highest prices were experienced at HB_WEST where RTHA price for Hour 15 reached \$622. System lambda reached over \$730 for 16 intervals on this day. The constraint 6510__A accrued the highest congestion rent on this day followed by GILA_MORRIS1_1 and 350__A.

May 25 – Negative RTHA prices were sustained for four hours in the early morning. RTHA prices then reached greater than \$81 at all four hubs in Hour 14 and system lambda reached \$720 for one interval. Negative RTHA prices were then sustained again for four hours in the early morning hours of the following day.

May 29 – RTHA prices reached over \$100 at all four hubs in Hour 1. The highest price occurred at HB_NORTH where RTHA price reached \$131.66. During this hour system lambda reached \$924 for one interval.

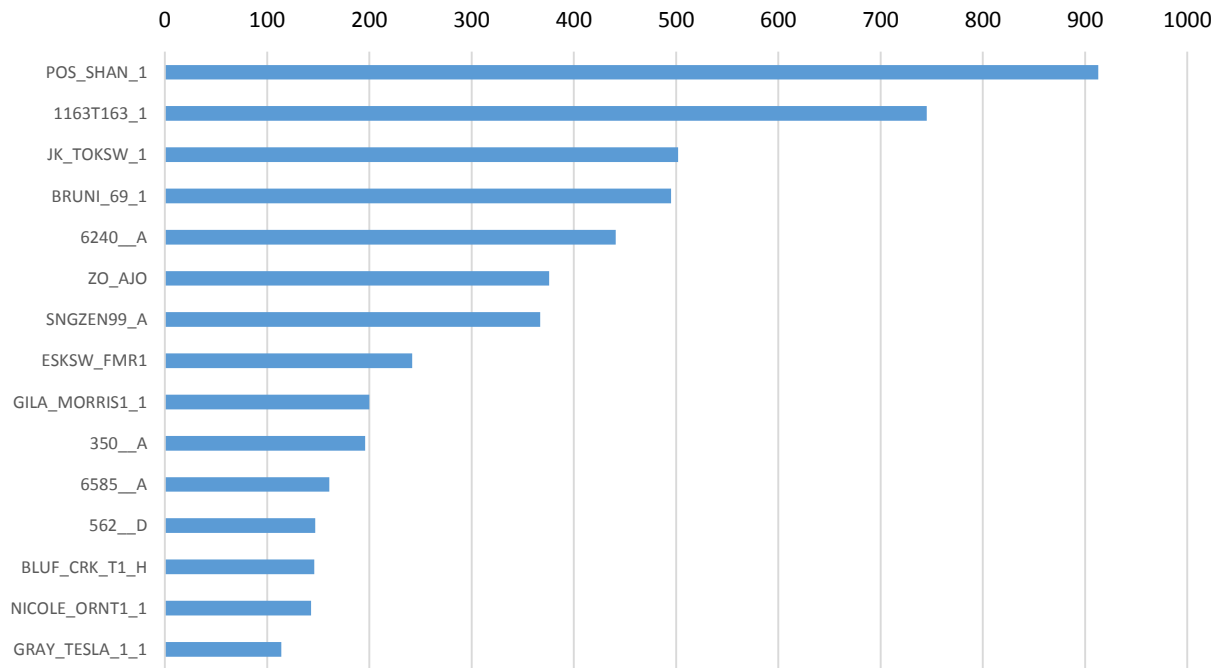
May 30 – This day experienced the most extreme price event for the month. System lambda reached its highest value on this day reaching over \$1,000 for four intervals and over \$3,000 for one interval. Highest prices occurred during Hour 15 when HB_HOUSTON RTHA price reached \$1,840. The SNGZEN99_A constraint was highly congested on this day reaching its maximum shadow price of \$4,500 for 28 intervals. Some of the other constraints that were highly congested on this day included JK_TOKSW_1, BLESSI_LOLITA1_1, 260_A_1, and the North to Houston interface.

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

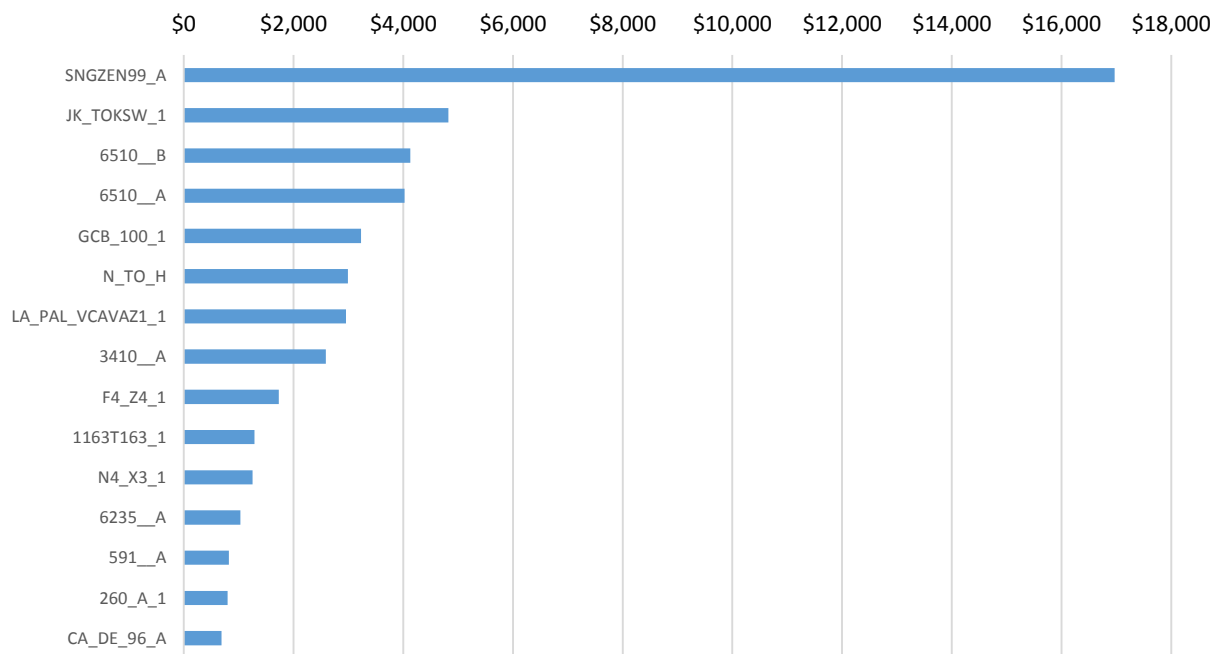


MAY CONGESTION REPORT

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



May 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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