

ERCOT Market Watch by LCG

September 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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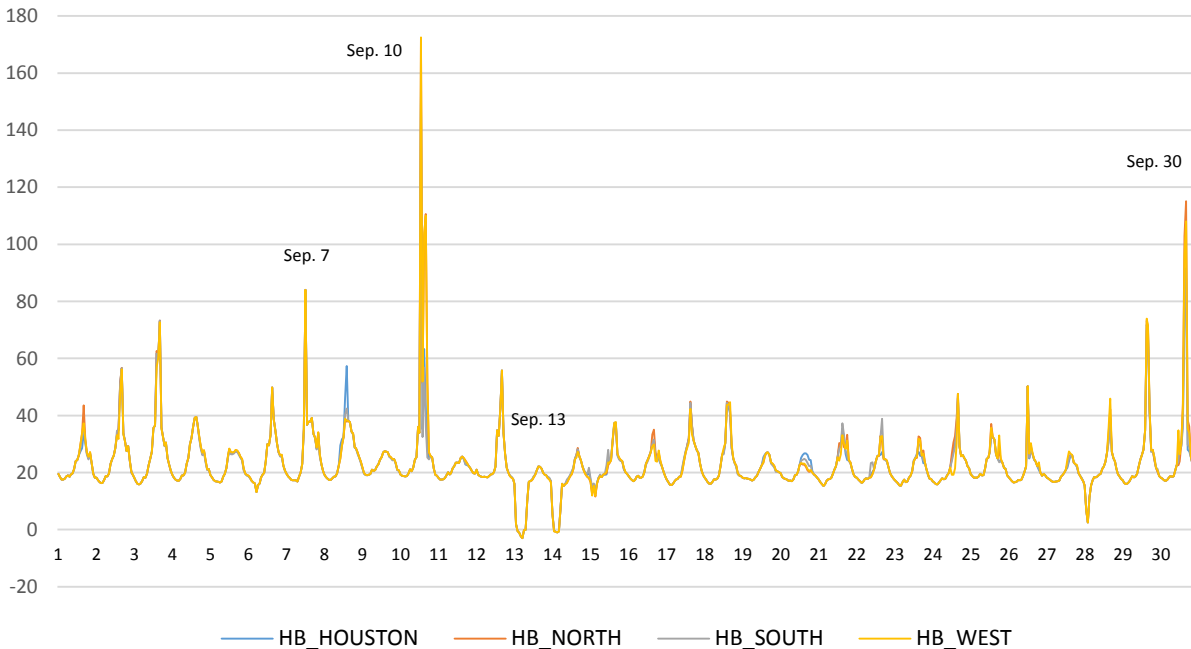
Average Monthly Real-Time Hub Price Summary

	HB_HOUSTON	HB_NORTH	HB_SOUTH	HB_WEST
Weekday ON Peak	\$26.98	\$27.84	\$26.99	\$27.63
Weekend ON Peak	\$22.81	\$22.65	\$22.68	\$22.74
OFF Peak	\$17.11	\$17.08	\$17.14	\$17.09

Release Date: October 6, 2015 – In September the ERCOT market experienced less extreme price events than in the previous two months. Average prices were much lower than in August. High wind output led to system wide negative pricing for two consecutive days during the middle of the month. There was a significant reduction of congestion on the Zorillo to Ajo interface which had been highly congested over the previous two months. The constraint with the highest congestion rent was LA_PAL_VCAVAZ1_1 (a 138 kV line in the South zone) while the most frequently congested constraint was BRUNI_69_1 (a 138/69 kV transformer in the South zone).

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

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



SEPTEMBER 2015 EVENT SUMMARIES

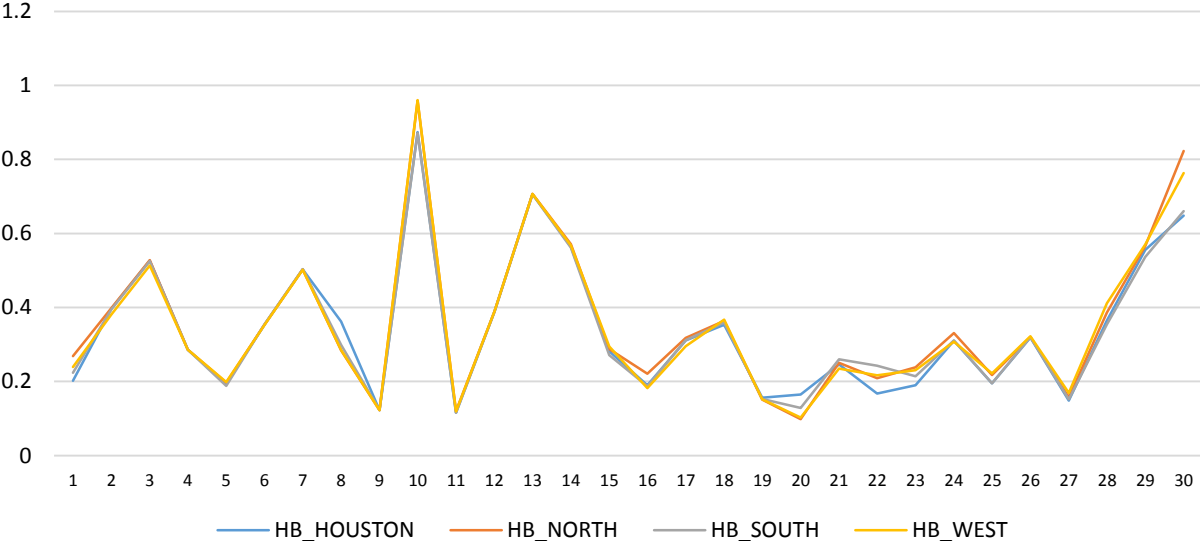
Sep 7 – Real-Time Hourly Average (RTHA) prices over \$84 were experienced at all four hubs in hour 13. On this day System Lambda reached \$400 for one interval.

Sep 10 – RTHA prices reached their highest level for the month on this day reaching over \$151 at all four hubs during hour 14. The highest prices were experienced at HB_WEST with a RTHA price of \$172.59. This day had the highest System Lambda value for month reaching \$1,140 for one interval. This day also experience the highest RTORPA for the month reaching \$103.53 for one interval. The constraints LA_PAL_VCAVAZ1_1 and 505__A were congested at this time.

Sep 13 – Sustained negative pricing was experienced on this day as RTHA prices were negative in hours 3 through 8. Over this time period wind output averaged 27 percent of system load. During this time System Lambda fell to -\$19.99 for one interval.

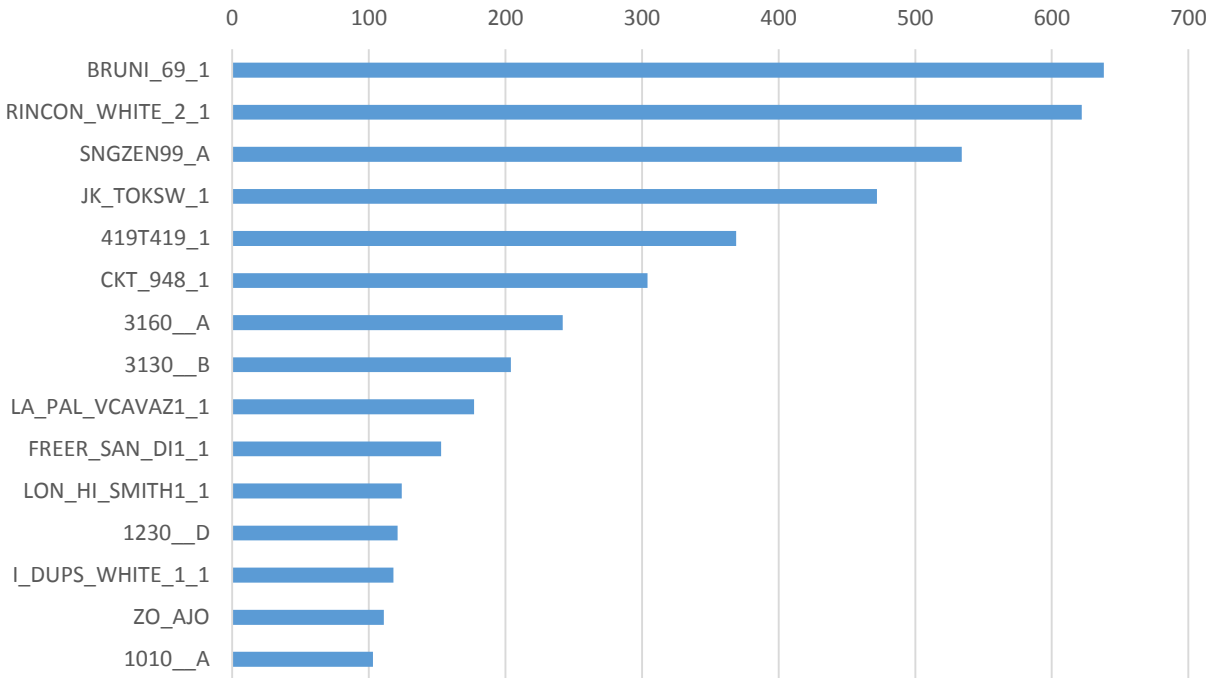
Sep 30 – On this day RTHA prices at all four hubs reached over \$88 in hour 16 with the highest prices occurring at HB_NORTH where prices reached \$115. System Lambda reached a high of \$123 for the day while the RTORPA reached \$80.16. At this time the 1230__D constraint was highly congested.

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

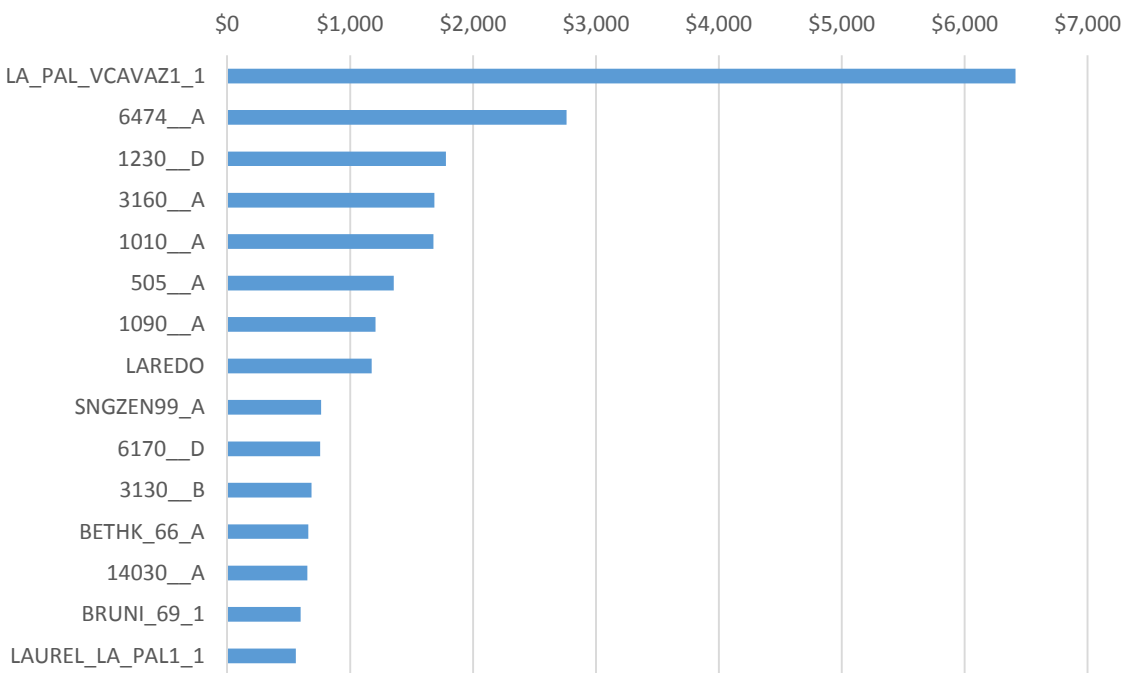


SEPTEMBER CONGESTION REPORT

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



September 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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