

ERCOT Market Watch by LCG

February 2016



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.

Online at: www.energyonline.com

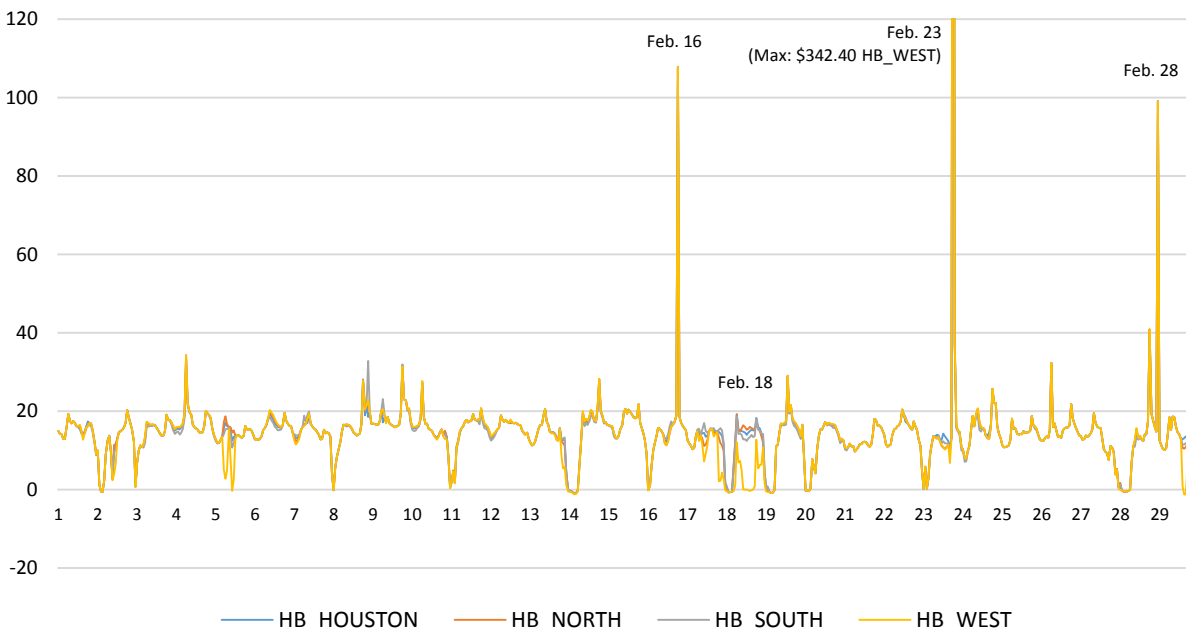
Average Monthly Real-Time Hub Price Summary

	HB_HOUSTON	HB_NORTH	HB_SOUTH	HB_WEST
Weekday ON Peak	\$17.59	\$17.52	\$17.47	\$16.37
Weekend ON Peak	\$15.03	\$15.10	\$14.92	\$14.98
OFF Peak	\$10.78	\$10.79	\$10.65	\$10.57

Release Date: March 10, 2016 – In February the ERCOT Real-Time market experienced relatively low volatility and significantly lower average hub prices than in January. A high frequency of system-wide near-zero and negative pricing contributed to the low average prices as can be seen in the plot below. The highest hourly average hub price in the real-time market occurred on Feb. 23 when all hubs reached over \$340 for the hour. The Morris Dido to Eagle Mountain 138 kV line in the North accrued the greatest congestion rent in the real-time market followed closely by the Loma Alta to Los Fresnos 138 kV line. The Molina to Javalina 138 kV line was the most frequently congested branch in the real-time market.

See below for a summary of congested elements and hub prices. LCG's MarketVision reports daily peak and off-peak real-time market nodal price forecasts available at: <http://energyonline.com/marketvision/>

ERCOT February 2016 Average Hourly Hub Prices (Real-Time)



FEBRUARY 2016 EVENT SUMMARIES

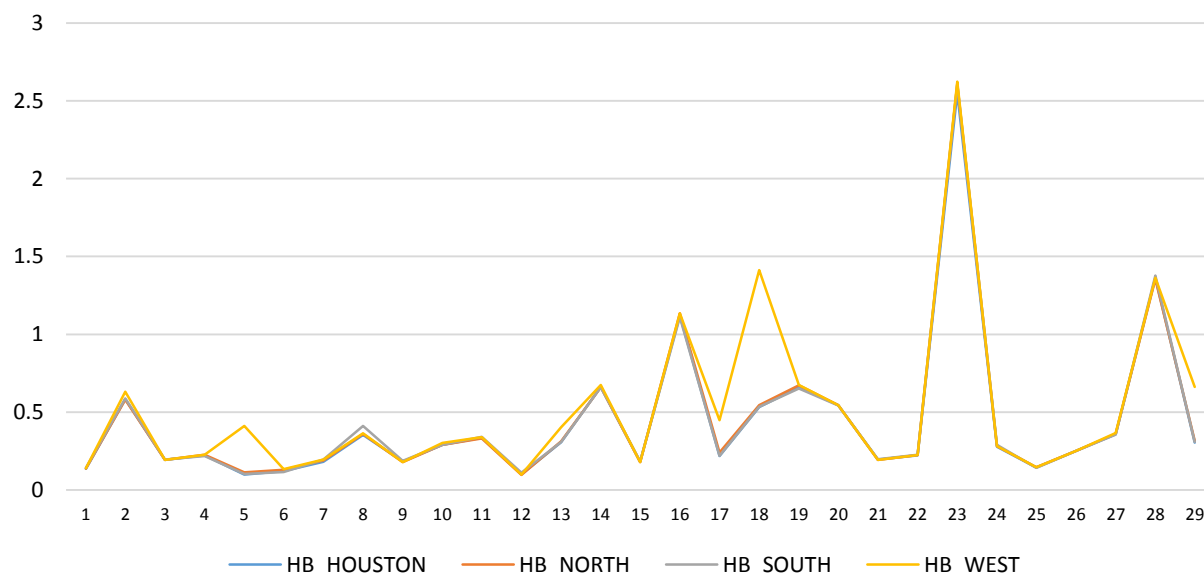
Feb. 16 – In Hour 19 on this day Real-time Hourly Average (RTHA) prices at all trading hubs reached above \$107/MWh. System Lambda reached its highest value for the month on this day when it reached \$1,088 for one interval.

Feb. 18 – Sustained negative pricing occurred in the Real-time market during the first four hours of the day. HB_WEST had the lowest prices where the daily average was only \$3.05. For 13 hours of the day the RTHA price at HB_WEST was less than \$1. The Bluff Creek 345/138 kV transformer and Nicole to Orient 138 kV line were congested on this day.

Feb. 23 – This day experienced the highest hourly average hub prices for the month where all hubs reached over \$341 in Hour 19. During this hour System Lambda reached \$1,023.

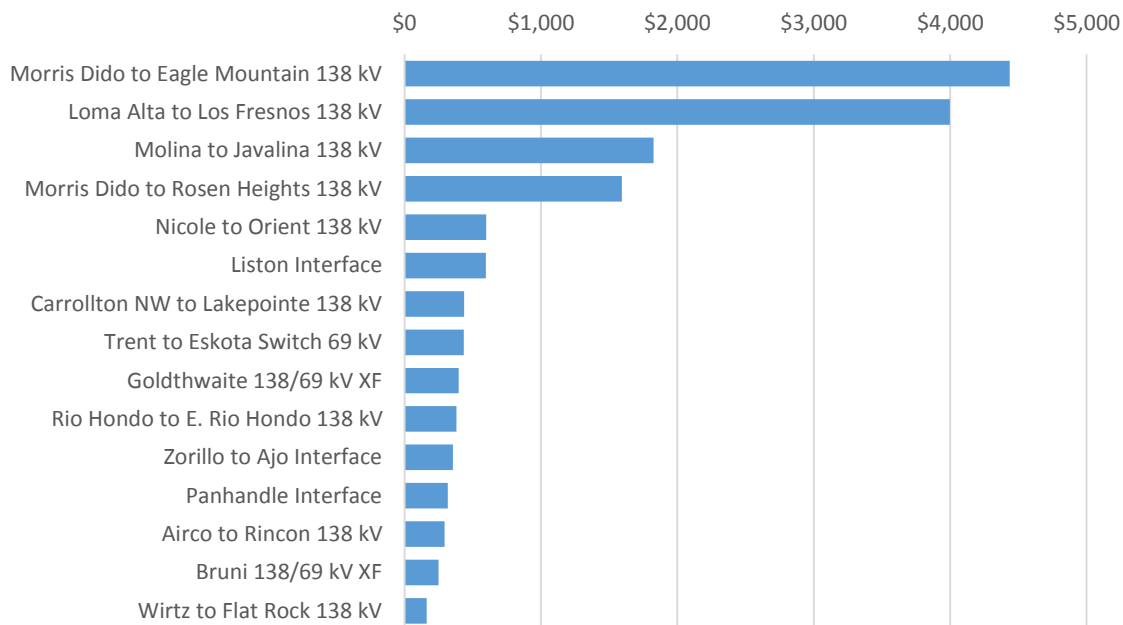
Feb. 28 – In Hour 24 RTHA prices at all hubs reached over \$99. System Lambda reached \$1,000 during this hour.

Plot of Daily Volatility Indices (SD/mean) by Hub - February 2016
(Real-Time Hourly Average Prices)

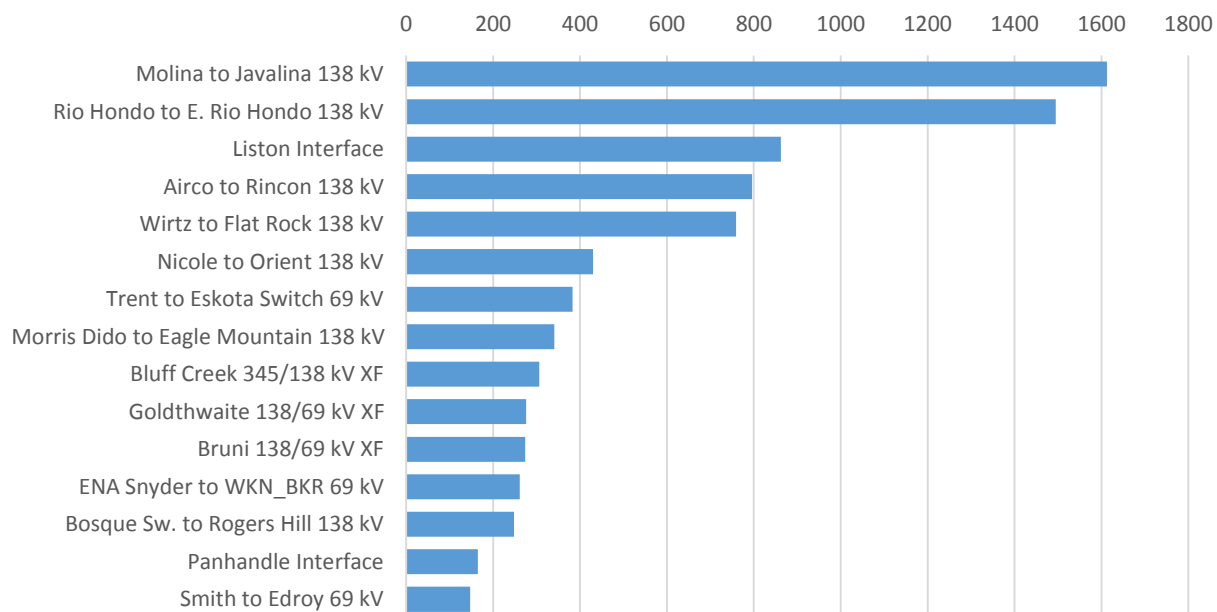


FEBRUARY REALTIME MARKET CONGESTION REPORT

February 2016 - Top 15 Branches Congested (Congestion Rent - Thousands \$)



February 2016 - Top 15 Branches Congested (Periods Congested- 5 min intervals)



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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