

ERCOT Market Watch by LCG

January 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.

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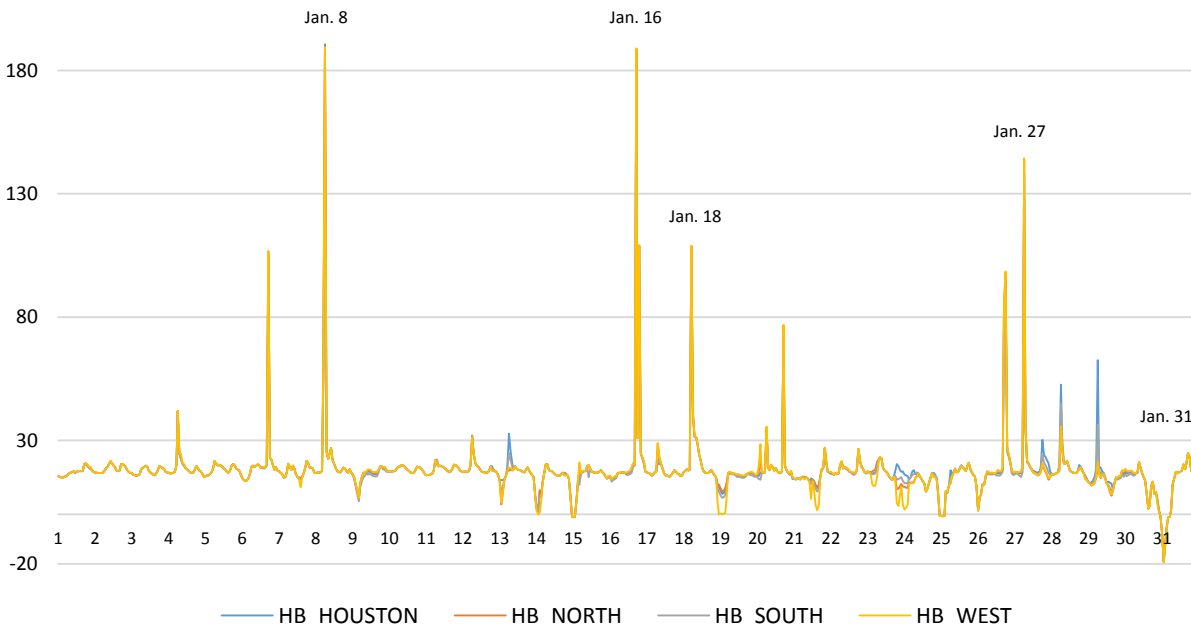
Average Monthly Real-Time Hub Price Summary

	HB_HOUSTON	HB_NORTH	HB_SOUTH	HB_WEST
Weekday ON Peak	\$20.59	\$20.20	\$20.10	\$20.14
Weekend ON Peak	\$18.88	\$18.76	\$18.63	\$18.62
OFF Peak	\$14.90	\$14.76	\$14.51	\$14.32

Release Date: February 10, 2016 – In January the ERCOT Real-Time market experienced generally lower volatility and lower average hub prices than in the previous month. Highest hourly average trading hub price spikes did not reach above \$200/MWh. Very low system-wide prices occurred on the last day of the month. The Loma Alta to Los Fresnos 138 kV line by a large margin accumulated the greatest amount of congestion rent for the month followed by the Molina to Javalina and the Carrollton NW to Lakepointe 138 kV lines. In the early morning hours of January 31 system-wide prices reached very low hourly average prices when net load dropped to just above 16,000 MW.

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

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



JANUARY 2016 EVENT SUMMARIES

Jan. 8 – In Hour 7 on this day Real-time Hourly Average (RTHA) prices at all trading hubs reached above \$185/MWh. The highest RTHA hub price occurred at HB_HOUSTON reaching \$190.66. In the same hour, System Lambda reached \$991.70 for one interval, the highest value for the month. At this time the Airco to Rincon 138 kV line was congested in the RT market. On this day the RTORPA reached \$7.57 for one interval.

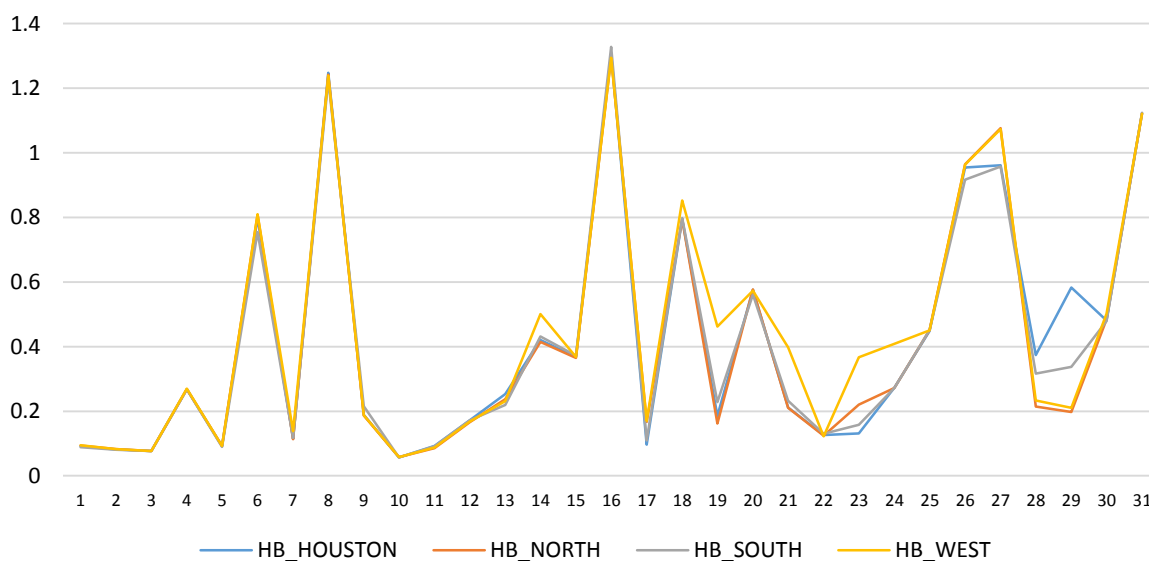
Jan. 16 – In Hour 20 RTHA price at all hubs reached \$109.05. System Lambda reached \$988.15 on this day. The Molina to Javalina 138 kV line and the Bruni 138/69 kV transformer were congested on this day.

Jan. 18 – In Hour 6 RTHA prices at all trading hubs reached over \$107. In Hour 10 on this day, the RTORPA reached \$8.77 for one interval, the highest value for the month. At this time the Smith to Edroy 69 kV line was experiencing congestion in the RT market.

Jan. 27 – In Hour 7 RTHA prices at all hubs reached over \$128 with the highest occurring at HB_WEST where RTHA price was \$144.46. System Lambda reached \$671.54 for one interval during the same hour. The Loma Alta to Los Fresnos 138 kV line was experiencing congestion at this time.

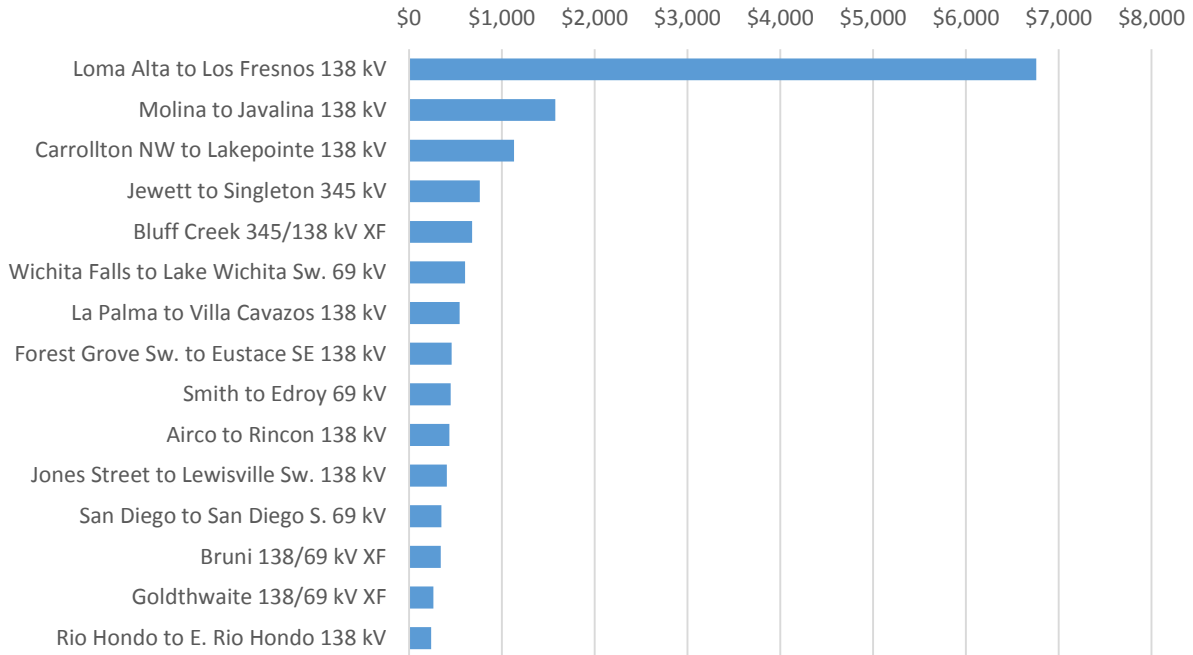
Jan. 31 – In Hour 2, RTHA price at all hubs was -\$19.27, and for one interval System Lambda reached its lowest value of -\$21.99. Hourly average net load (system load less wind production) on this day fell to just above 16,000 MW in the early hours.

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

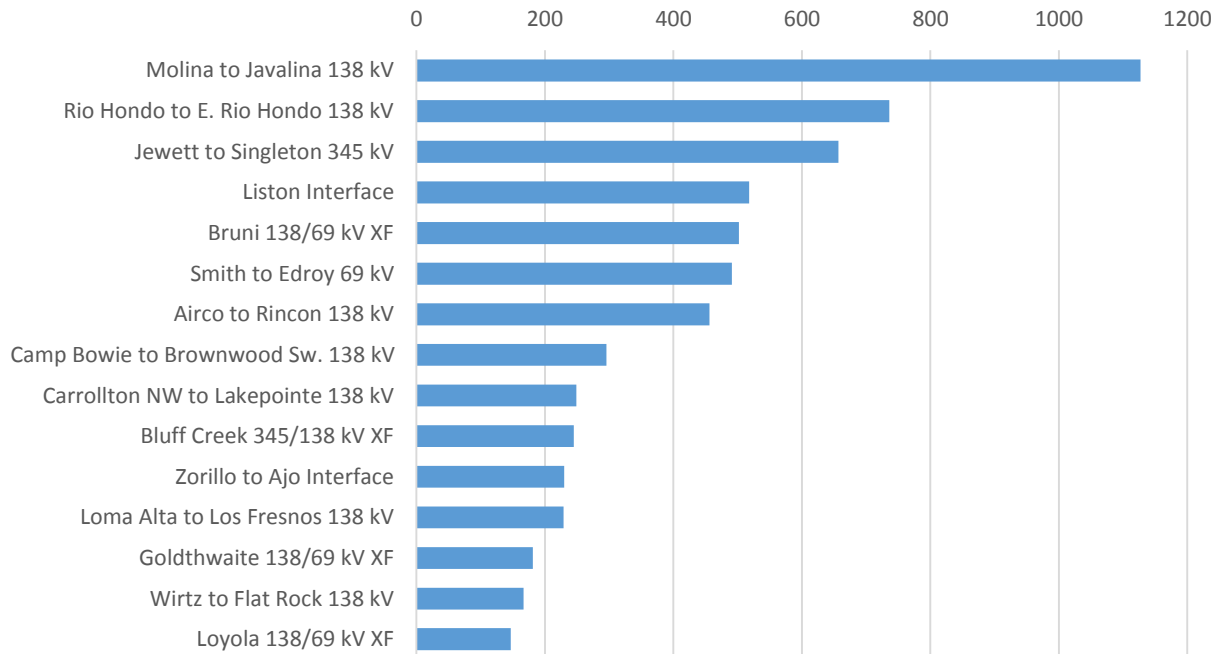


JANUARY REALTIME MARKET CONGESTION REPORT

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



January 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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