

ERCOT Market Watch by LCG

October 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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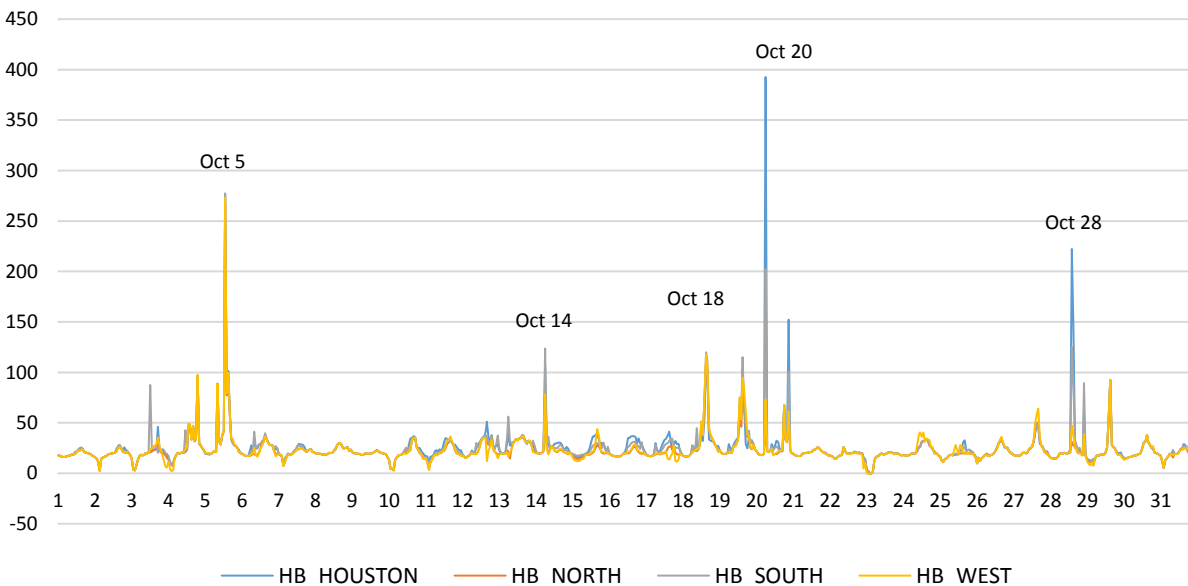
Average Monthly Real-Time Hub Price Summary

	HB_HOUSTON	HB_NORTH	HB_SOUTH	HB_WEST
Weekday ON Peak	\$32.07	\$27.66	\$31.15	\$28.53
Weekend ON Peak	\$23.33	\$21.64	\$22.60	\$21.92
OFF Peak	\$17.36	\$16.56	\$17.56	\$16.17

Release Date: November 15, 2016 – In October, the ERCOT Real-Time market experienced lower average prices than in September. There were again some days with Houston import congestion, but price spreads did not reach the magnitude seen in the previous month. The elements that accrued the highest congestion rent for the month in RT were the Singleton to Zenith 345 kV line (SNGZEN99_A) associated with Houston import, the Trigas Odessa Tap to Odessa EHV Sw 138 kV line (6475__C) in the Farwest, and the Shamburger Sw. to Tyler NW 138 kV line (1760__A) in the North. The Twin Oak Sw. to Jack Creek 345 kV line (JK_TOKSW_1) was the most frequently congested element by a large margin.

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 October 2016 Average Hourly Hub Prices (Real-Time)



OCTOBER 2016 REAL-TIME EVENT SUMMARIES

October 5 – This day experienced highest hourly average hub prices in hour 14 when prices reached over \$265 at all four hubs with highest hourly average occurring at the South Hub. During this hour System Lambda reached \$971.80 for one interval. IN hour 16 of this day the RTORPA reached its highest value for the month at \$47.37.

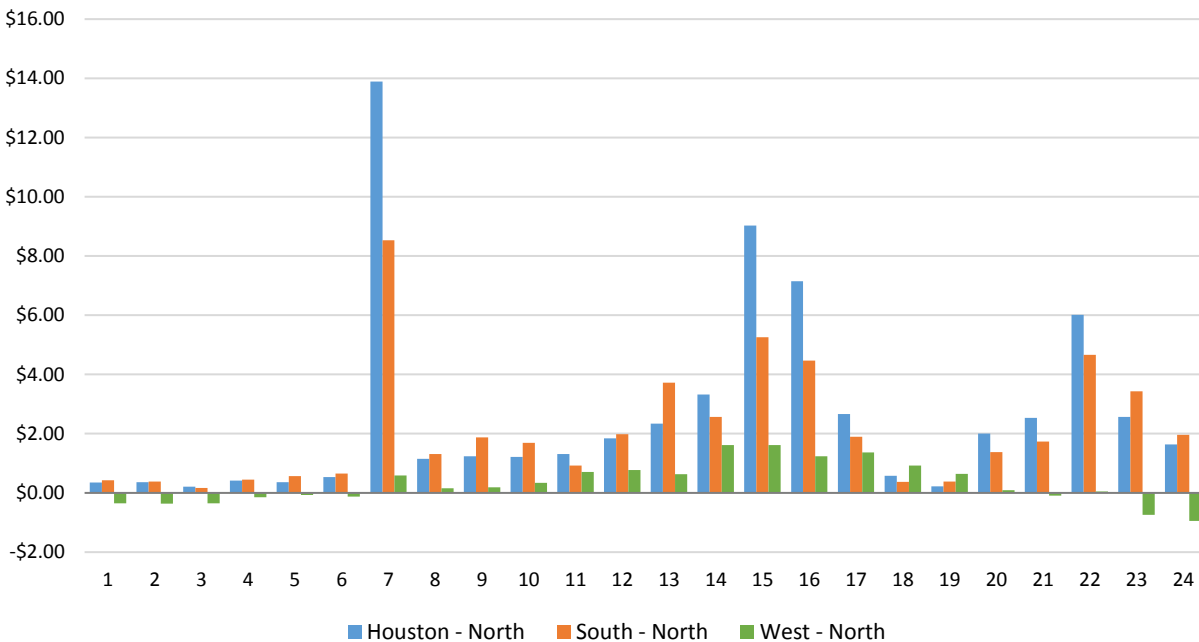
October 14 – On this day hour 7 was had the highest hourly average trading hub prices with highest prices at the Houston and South hubs which both were over \$100 for the hour. South hub hourly average in this hour reached \$123.82. During this hour System Lambda reached \$792.69 for one interval.

October 18 – This day had two consecutive hours of high prices during hours 16 and 17 when prices at all four hubs saw hourly average prices above \$100 in both hours. This highest hourly average price occurred at the South Hub in hour 16 when prices reached \$119.87. During these hours System Lambda was over \$200 during five intervals. Also during these hours, the RTORPA reached \$13.93.

October 20 – This day saw high prices both early in the day during hour 7 and again later in the day during hour 22. In both of these hours the Houston hub reached the highest hourly average prices in RT at \$392.63 in hour 7 and \$152.17 in hour 22. During hour 7 on this day System Lambda reached its highest value for the month at \$1,806.13 for one interval. During hour 7 the elements 260_A_1, JK_TOKSW_1, and SNGZEN99_A were congested with a high shadow price.

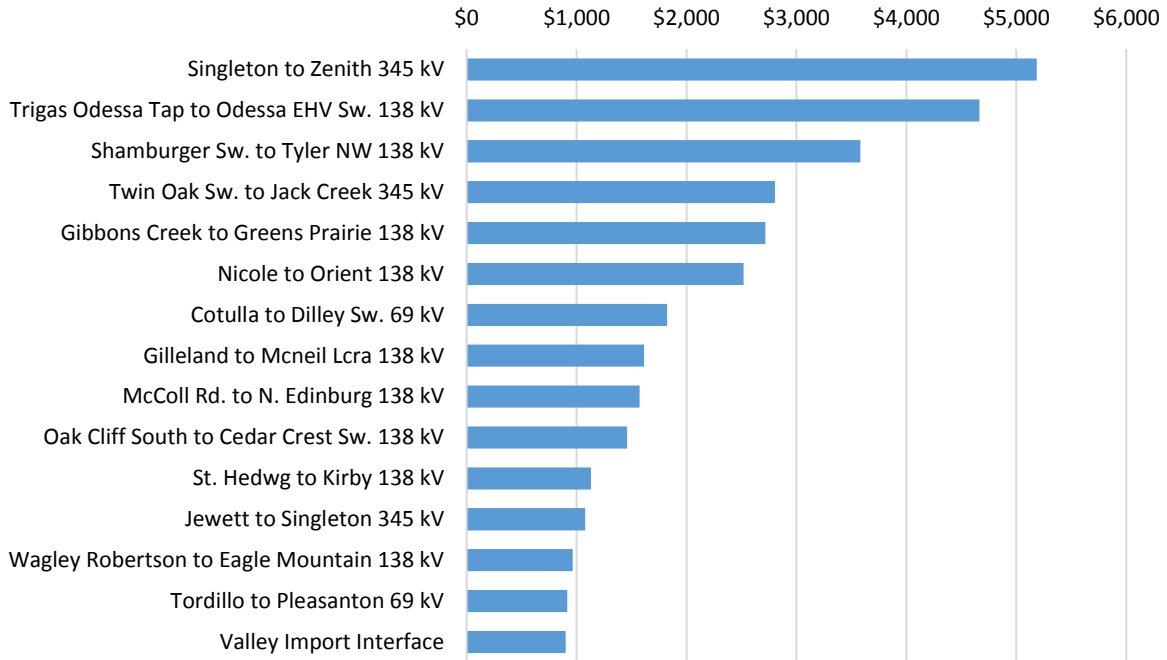
October 28 – Again on this day highest prices were experienced at the Houston hub where hourly average price reached \$222.30 during hour 15 in RT. The South hub also was high at this time reaching \$125.21. During this hour System Lambda reached \$618.18 for one interval.

Hourly Average Basis to North Hub - October 2016

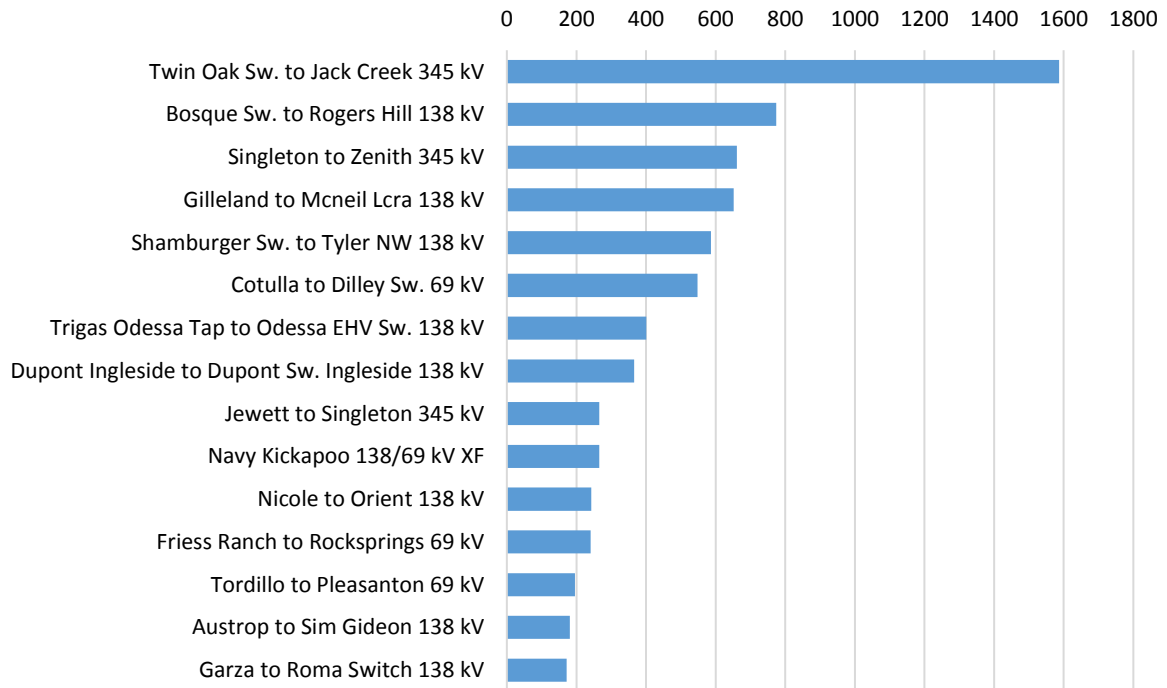


OCTOBER REALTIME MARKET CONGESTION REPORT

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



October 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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