# Market Performance Report for September 2008


Alan Isemonger

Manager, Market Information


ISO Board of Governors Meeting

General Session

October 28-29, 2008

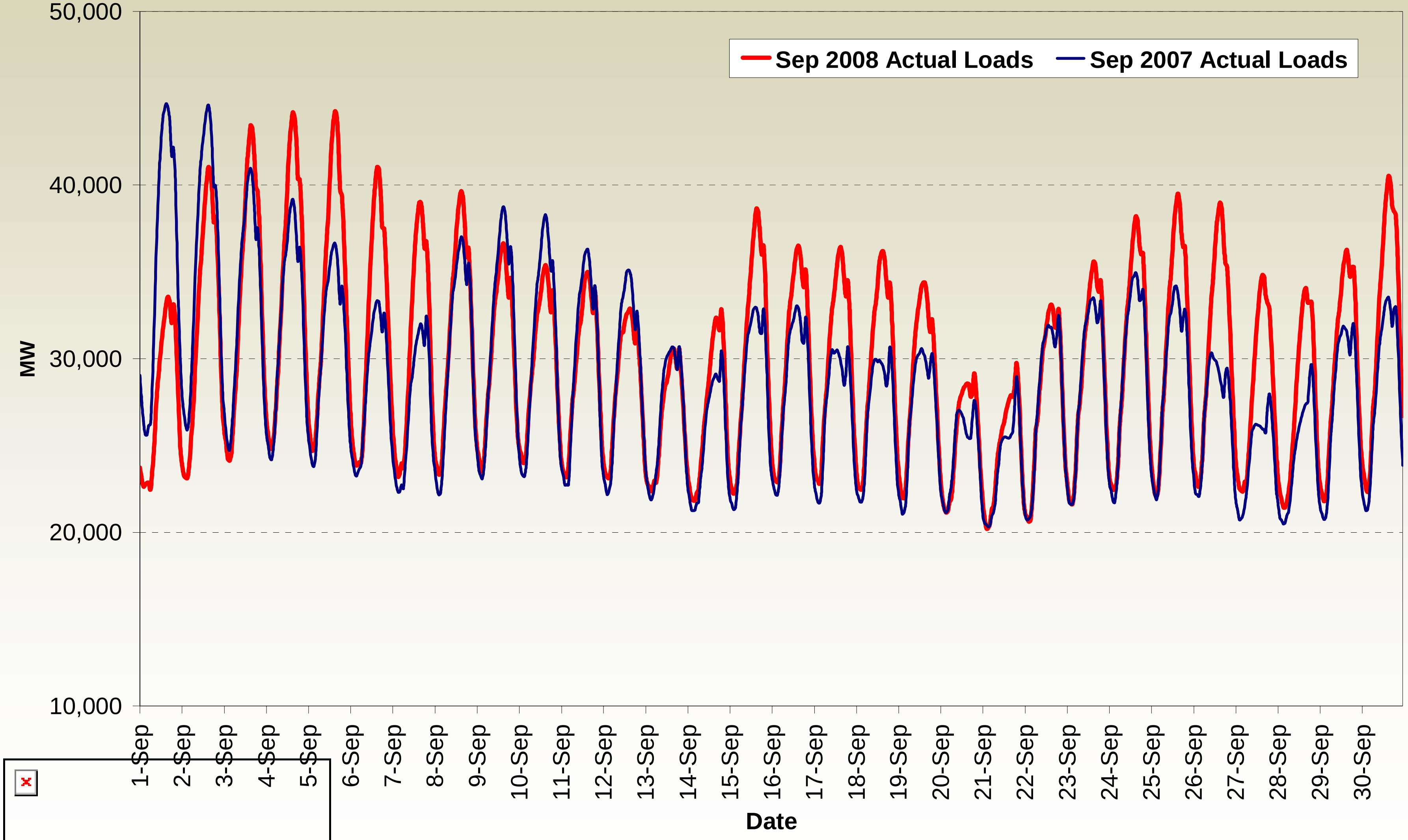
# Market Highlights

- September was a quiet month.
- Ancillary service costs were at the lowest level since March 2007.
- South to North flows on Path 15 caused high decremental out-of-sequence costs.

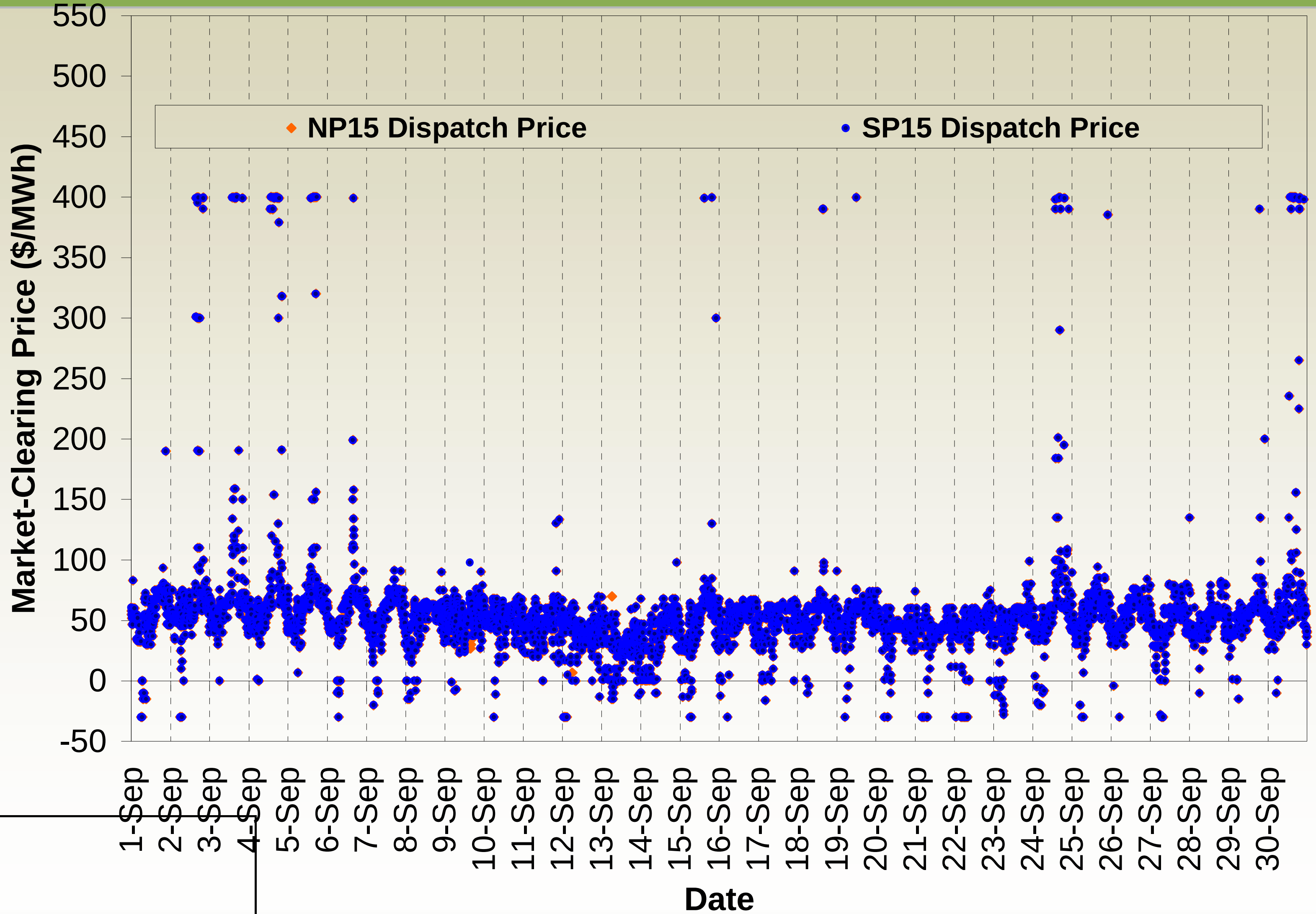
# Monthly Market Performance Metrics

| Monthly Metrics | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Avg |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Average Gas Price | $5.73 | $6.80 | $7.05 | $7.00 | $7.78 | $8.31 | $9.09 | $9.96 | $9.98 | $11.78 | $10.00 | $7.79 | **$6.38** | $8.28 |
| Average On-Peak Contract Price | $59.64 | $71.89 | $64.21 | $70.41 | $76.90 | $77.52 | $84.41 | $97.74 | $89.18 | $106.61 | $105.00 | $84.85 | **$68.45** | $81.29 |
| Average Real-Time Price | $47.22 | $56.59 | $56.95 | $62.84 | $70.64 | $66.07 | $75.88 | $89.10 | $64.21 | $86.18 | $81.27 | $75.10 | **$63.09** | $68.86 |
| No. of Price Spikes Over $250 | 10 | 93 | 72 | 122 | 192 | 192 | 171 | 225 | 195 | 465 | 165 | 247 | **192** | 180 |
| Costs Incurred over $250 (percent) | 3% | 27% | 16% | 29% | 28% | 26% | 21% | 25% | 25% | 36% | 23% | 36% | **36%** | 25% |
| AS Cost ($ per MWh) | $0.58 | $0.47 | $0.56 | $ 0.50 | $ 0.45 | $0.63 | $0.73 | $0.77 | $1.18 | $1.92 | $0.99 | $0.48 | **$0.38** | $0.74 |
| RA Unit Commitment Costs ($M) | $2.9 | $4.3 | $5.0 | $5.0 | $7.0 | $4.0 | $4.0 | $5.0 | $16.0 | $14.0 | $13.0 | $10.0 | **$8.5** | $7.6 |
| FERC Unit Commitment Costs ($M) | $0.8 | $3.8 | $0.6 | $0.1 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | **$0.0** | $0.4 |
| Inc OOS Redispatch Costs ($M) | $1.2 | $4.5 | $2.0 | $3.1 | $3.4 | $3.0 | $2.9 | $1.8 | $12.0 | $3.2 | $4.3 | $2.2 | **$3.1** | $3.6 |
| Dec OOS Redispatch Costs ($M) | $0.3 | $2.5 | $2.5 | $1.2 | $2.3 | $2.5 | $1.1 | $0.6 | $1.7 | $1.7 | $1.6 | $3.4 | **$2.0** | $1.8 |
| Total Interzonal Congestion ($M) | $4.3 | $12.9 | $10.3 | $12.3 | $6.1 | $1.9 | $9.0 | $4.5 | $18.2 | $56.7 | $14.2 | $4.9 | **$7.6** | $12.5 |

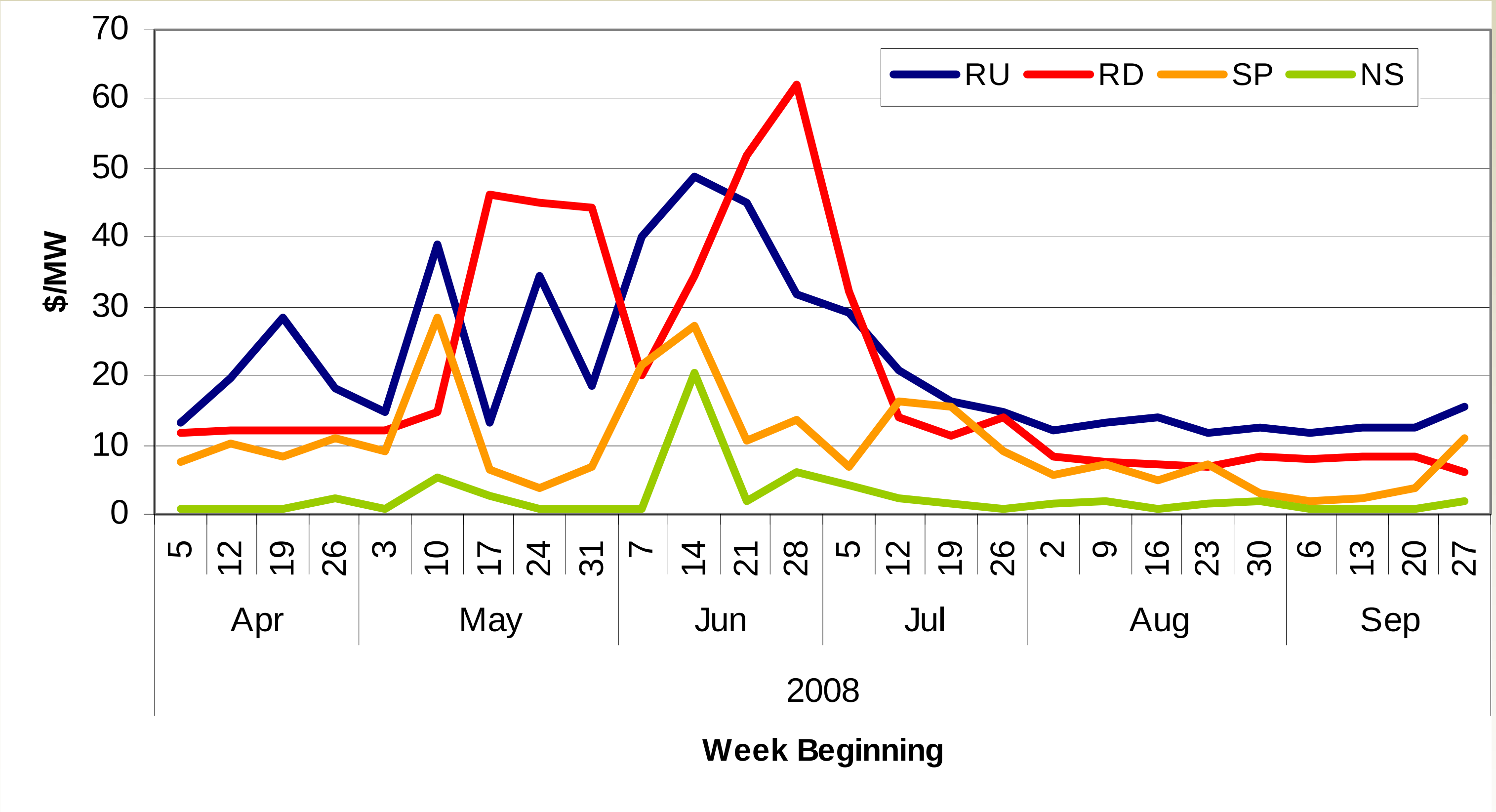
# Loads peaked at 44,257 MW on September 5.



# The number of price spikes fell to 192 from 247.

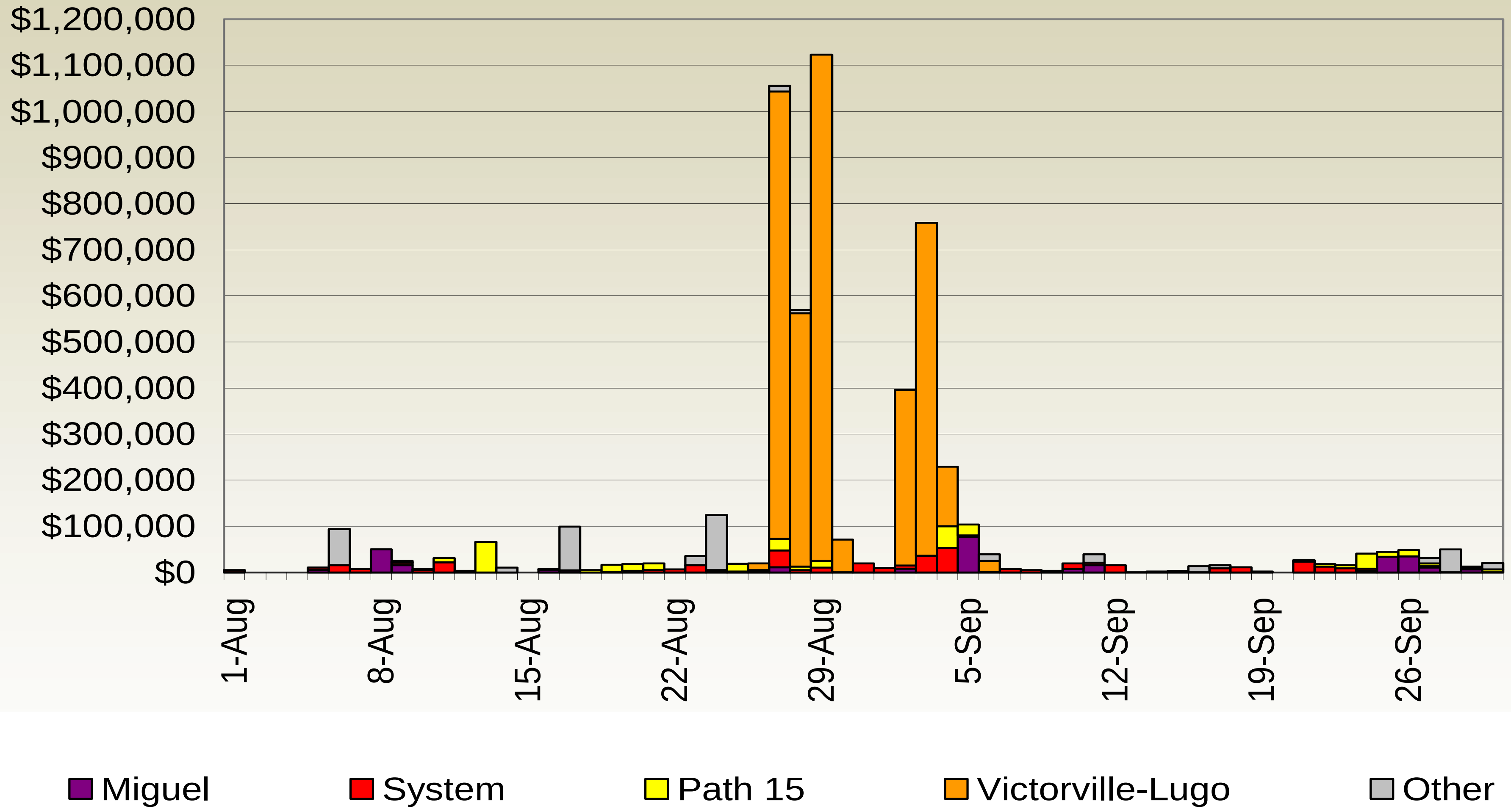


# Ancillary services cost to load down to $0.38 from $.48.




| | Average Procured (MW) | | | | Weighted Average Price ($/MW) | | | |
|---|---|---|---|---|---|---|---|---|
| | RU | RD | SP | NS | RU | RD | SP | NS |
| Aug 08 | 407 | 360 | 976 | 1016 | $ 12.77 | $ 7.52 | $ 6.18 | $ 1.32 |
| Sep 08 | 373 | 357 | 970 | 890 | $ 12.78 | $ 7.98 | $ 3.71 | $ 1.22 |
| | -8.4% | -0.7% | -0.7% | -12.4% | 0.1% | 6.2% | -40.0% | -8.1% |

# Decremental out-of-service costs increased to $3.39 million from $1.56 million.



# Inter-zonal congestion rose to $7.6 million from $4.9 million.