

Market Performance Report for June 2007



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California ISO
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Board of Governors
General Session
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Market Highlights

The full Market Performance Report is available at <http://www.caiso.com/1c27/1c27dd0dcfe0.pdf>

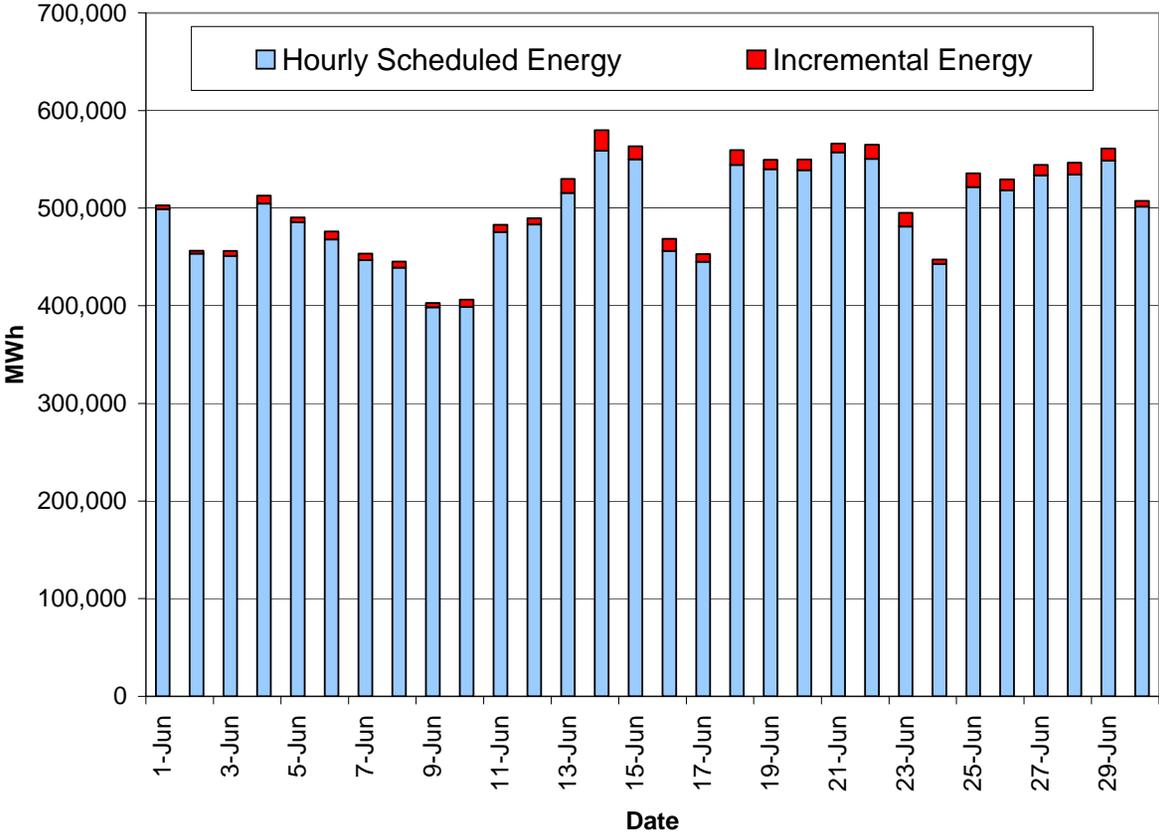
- 🌍 June 2007 was mild and was much cooler than June 2006.
- 🌍 Natural gas prices declined nation-wide
- 🌍 Real-time prices exceeded \$250/MWh in 77 of 8,640 dispatch intervals (0.9% of the total), down from 101 in May
- 🌍 Out-of-Sequence incremental and decremental dispatch volumes and costs fell substantially

Monthly Market Performance Metrics for 2007

Monthly Metrics	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Average Gas Price	\$6.78	\$7.32	\$6.48	\$7.19	\$7.25	\$6.88							\$6.98
Average On-Peak Contract Price	\$63.32	\$64.25	\$54.90	\$64.78	\$75.04	\$68.47							\$65.12
Average Real-Time Price	\$50.35	\$51.25	\$41.75	\$50.24	\$59.14	\$54.85							\$51.26
No. of Price Spikes Over \$250	102	50	131	203	101	77							111
Costs Incurred over \$250 (percent)	24%	13%	24%	33%	22%	18%							22%
AS Cost (\$ per MWh)	\$0.54	\$0.41	\$0.58	\$0.38	\$0.74	\$0.59							\$0.54
RA Unit Commitment Costs (\$M)	\$2.5	\$1.6	\$1.3	\$2.1	\$1.9	\$3.4							\$2.1
FERC Unit Commitment Costs (\$M)	\$0.7	\$0.3	\$0.7	\$0.1	\$0.0	\$1.4							\$0.5
Inc OOS Redispatch Costs (\$M)	\$2.7	\$1.6	\$1.1	\$1.7	\$1.5	\$1.2							\$1.6
Dec OOS Redispatch Costs (\$M)	\$0.2	\$0.3	\$0.4	\$0.3	\$0.7	\$0.3							\$0.4
Total Interzonal Congestion (\$M)	\$4.0	\$1.8	\$8.1	\$5.0	\$12.5	\$4.5							\$6.0

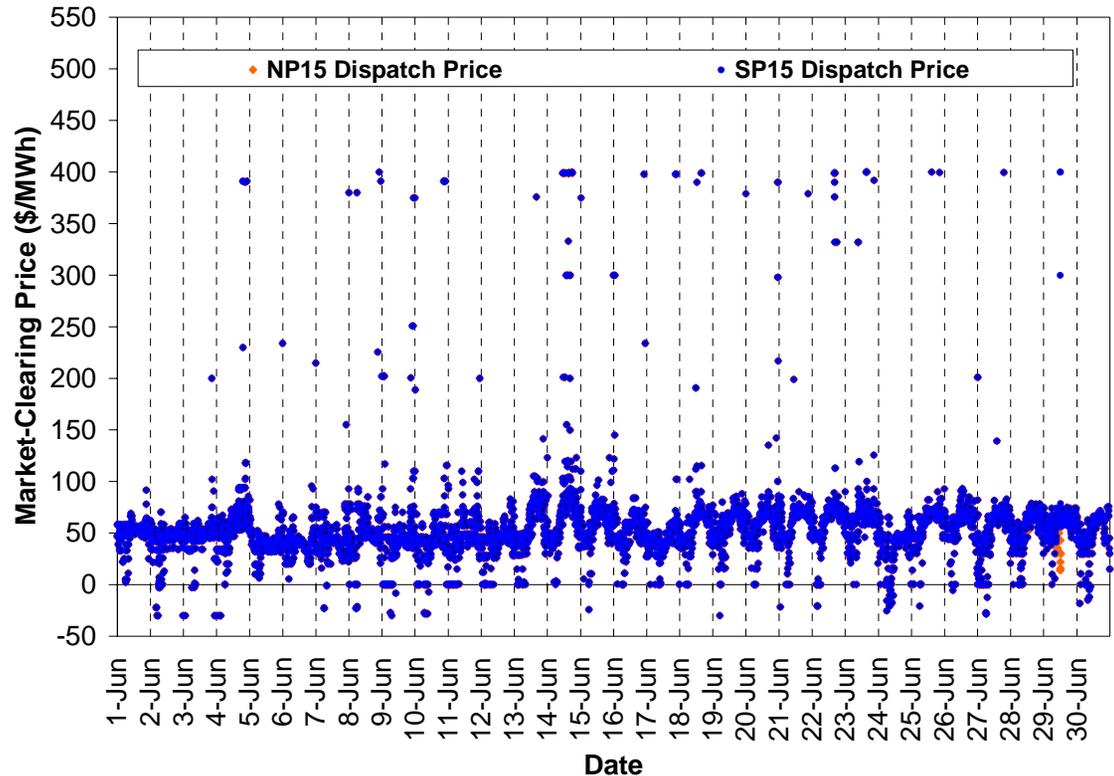
Balancing Energy Perspective

- Red bars are balancing energy vs. total market volume.
- Balancing energy made up 1.9% of total energy consumed in June.



Real Time Balancing Energy Prices

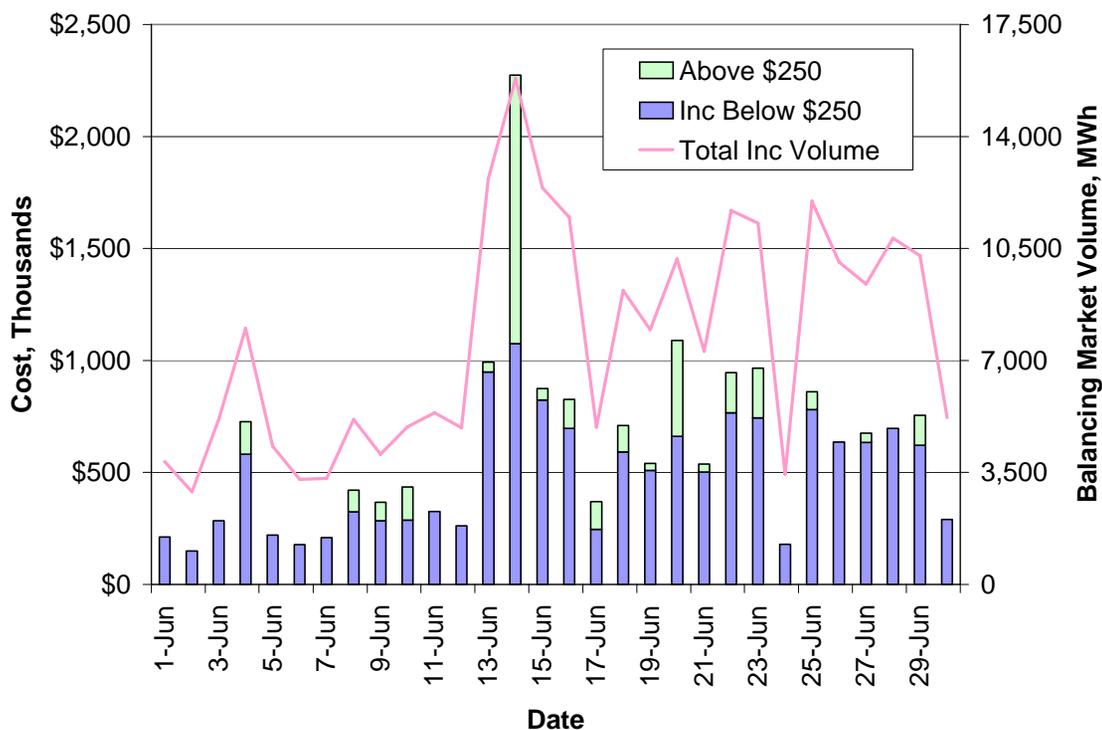
- Real-time prices in June exceeded \$250/MWh in 77 of 8,640 dispatch intervals (0.9% of the total), down from 101 in May
- Almost a third of June's high price intervals (23) occurred on a single day, June 14th, when the Day-Ahead forecast was off by over 1,000 MW.



Cost of Balancing Energy

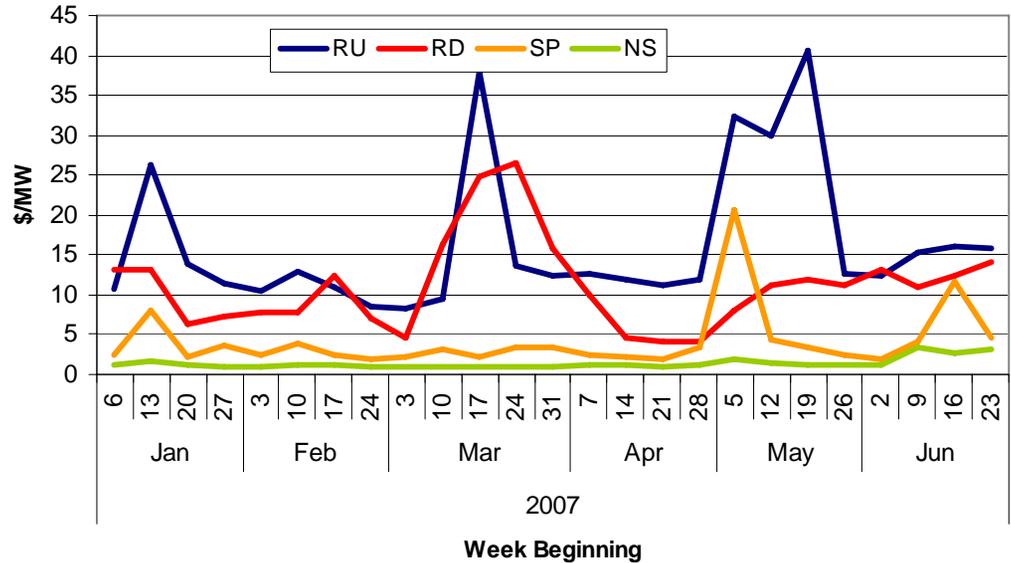
For June, 82 percent of all incremental energy expenditures occurred at prices less than \$250 while 18 percent were transacted at prices greater than \$250.

Of the total cost of real time energy procured at prices over \$250, 36 percent occurred on June 14th.



Ancillary Services Markets

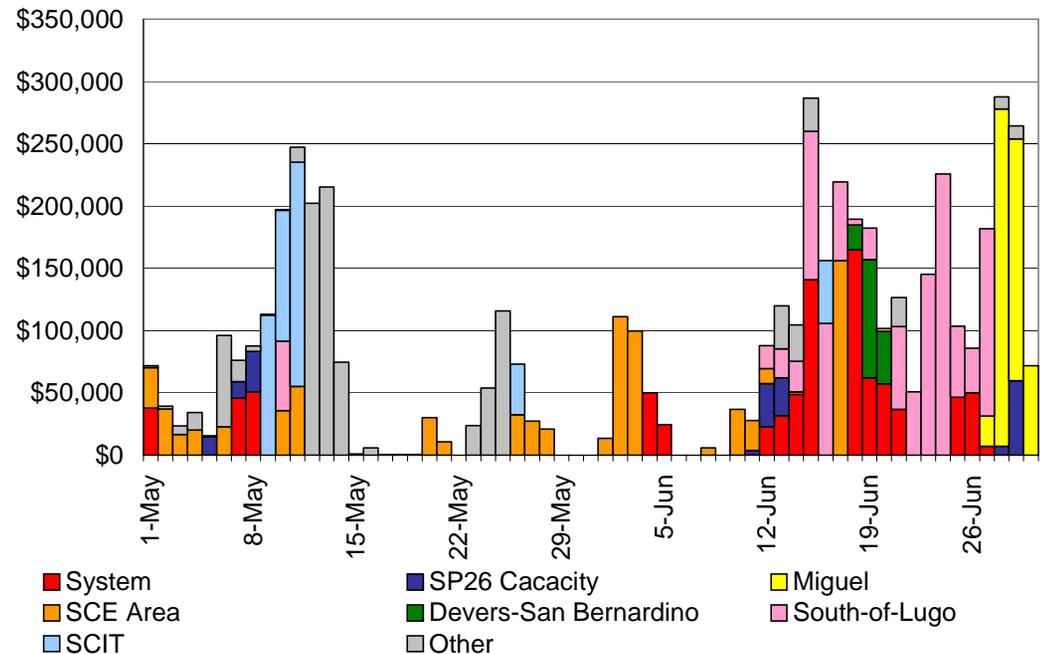
The monthly average cost of AS declined to \$.59/MWh in June from \$.74/MWh in May as Regulation Up and Spinning Reserve prices declined significantly on increased bid volume



	Average Required (MW)				Weighted Average Price (\$/MW)			
	RU	RD	SP	NS	RU	RD	SP	NS
May 07	367	356	740	739	\$ 27.49	\$ 9.65	\$ 7.45	\$ 1.36
Jun 07	375	357	868	812	\$ 14.98	\$ 12.57	\$ 5.53	\$ 2.49
	2.3%	0.5%	17.4%	9.9%	-45.5%	30.2%	-25.8%	83.9%

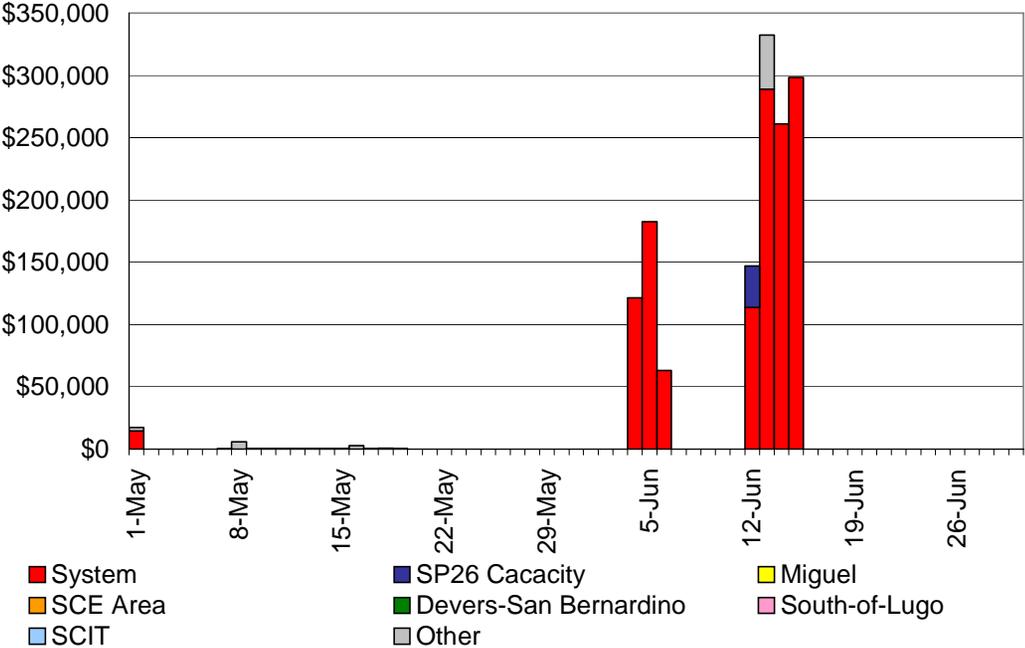
RA Unit Commitment Costs

- Total unit commitment costs rose from under \$2M in May to \$5M in June as summer loads necessitated more frequent unit commitments
- RA commitments comprised 70% of the total, driven principally by South-of-Lugo requirements, scheduled maintenance at Miguel, and system needs



FERC MOO Commitment Costs


FERC must-offer commitments totaled about \$1.5 million in June mainly due to system reliability



Inter-zonal Congestion Costs

- Total inter-zonal congestion costs fell to \$4.5 million in June from \$12 million in May.
- The availability of inexpensive hydroelectric power from the Pacific Northwest declined
- Transmission line maintenance has been largely completed