

# Market Performance Report for January 2008



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General Session  
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# Market Highlights

The full Market Performance Report is available at <http://www.caiso.com/179d/179ddbce22760.html>

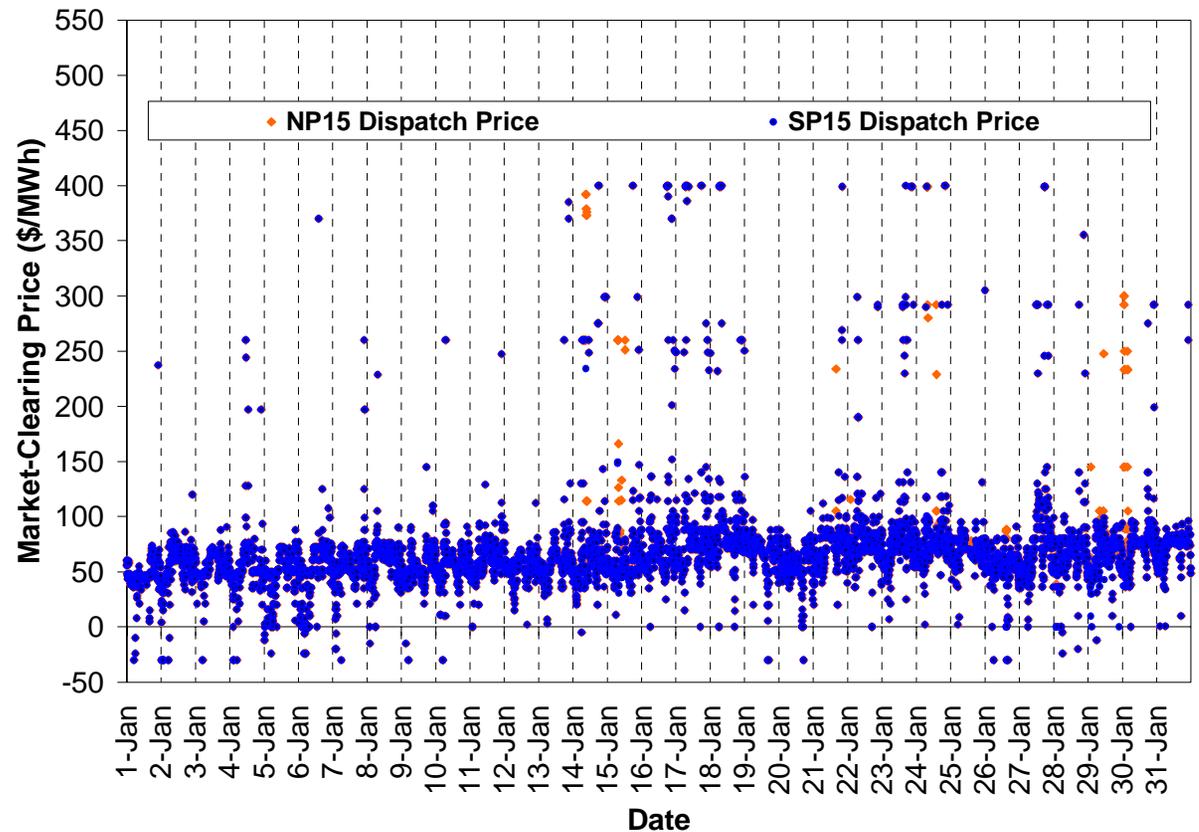
- 🌐 January was generally a quiet month
- 🌐 The Balancing Energy Market saw a significant increased number of price spikes
- 🌐 The Inter-zonal Congestion costs decreased sharply to \$6.1 million from December's \$12.6 million

# Monthly Market Performance Metrics through January 2008

Monthly Metrics	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Avg
Average Gas Price	\$7.26	\$6.53	\$7.19	\$7.27	\$6.89	\$6.14	\$5.93	\$5.73	\$6.80	\$7.05	\$7.00	\$7.78	\$6.80
Average On-Peak Contract Price	\$64.25	\$54.90	\$64.78	\$75.04	\$68.47	\$71.76	\$71.40	\$59.64	\$71.89	\$64.21	\$70.41	\$76.90	\$67.80
Average Real-Time Price	\$51.25	\$41.75	\$50.24	\$59.14	\$54.85	\$55.84	\$62.44	\$47.22	\$56.59	\$56.95	\$62.84	\$70.64	\$55.81
No. of Price Spikes Over \$250	50	131	203	101	77	79	167	10	93	72	122	192	108
Costs Incurred over \$250 (percent)	13%	24%	33%	22%	18%	14%	24%	3%	27%	16%	29%	28%	21%
AS Cost (\$ per MWh)	\$0.41	\$0.58	\$0.38	\$0.74	\$0.59	\$1.16	\$0.78	\$0.58	\$0.47	\$0.56	0.5	0.45	\$0.60
RA Unit Commitment Costs (\$M)	\$1.6	\$1.3	\$2.1	\$1.9	\$3.4	\$4.8	\$3.2	\$2.9	\$4.3	\$5.0	\$5.0	\$7.0	\$3.5
FERC Unit Commitment Costs (\$M)	\$0.3	\$0.7	\$0.1	\$0.0	\$1.4	\$1.4	\$1.4	\$0.8	\$3.8	\$0.6	\$0.1	\$0.0	\$0.9
Inc OOS Redispatch Costs (\$M)	\$1.6	\$1.1	\$1.7	\$1.5	\$1.2	\$2.1	\$1.2	\$1.2	\$4.5	\$2.0	\$3.1	\$3.4	\$2.1
Dec OOS Redispatch Costs (\$M)	\$0.3	\$0.4	\$0.3	\$0.7	\$0.3	\$0.4	\$0.5	\$0.3	\$2.5	\$2.5	\$1.2	\$2.3	\$1.0
Total Interzonal Congestion (\$M)	\$1.8	\$8.1	\$5.0	\$12.5	\$4.5	\$4.2	\$3.1	\$4.3	\$12.9	\$10.3	\$12.3	\$6.1	\$7.1

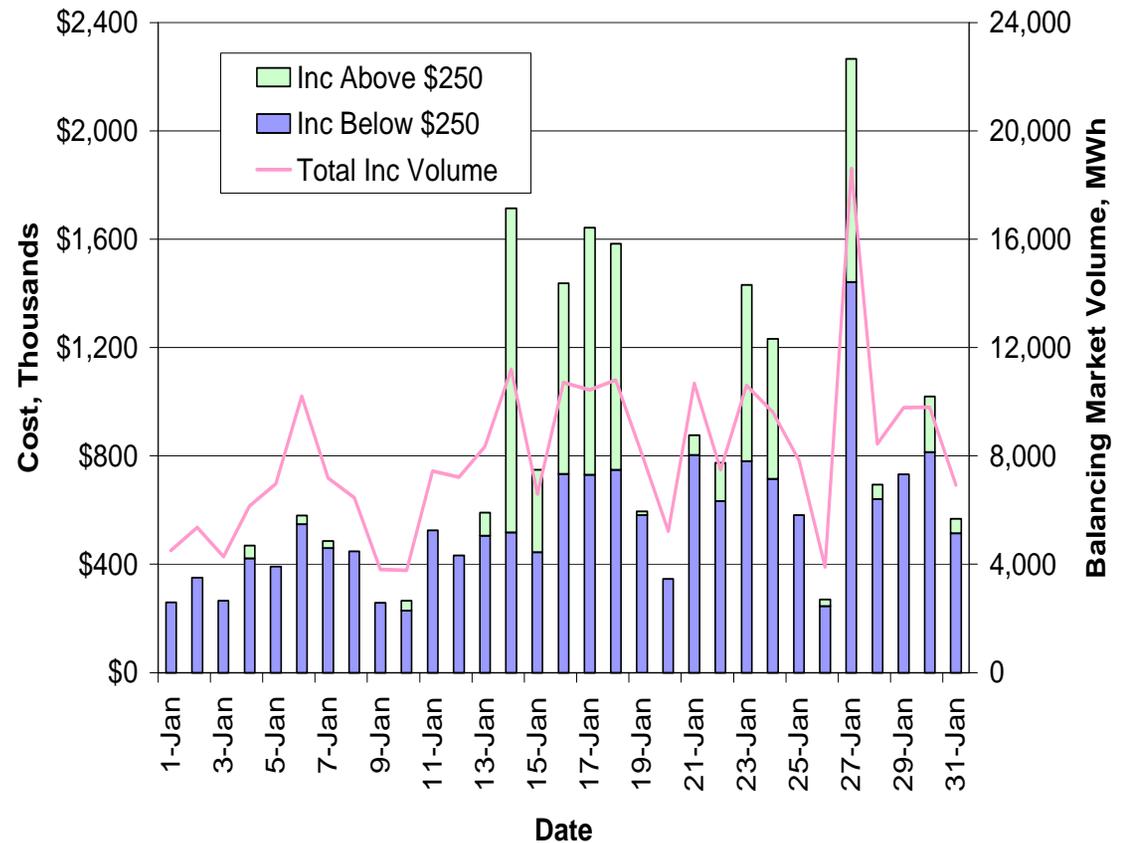
# Real Time Balancing Energy Prices

- There were 192 intervals of prices over \$250, an increase over December's 122 intervals
- A significant number of price spikes occurred during the second half of the month, and were driven by planned and unplanned system events



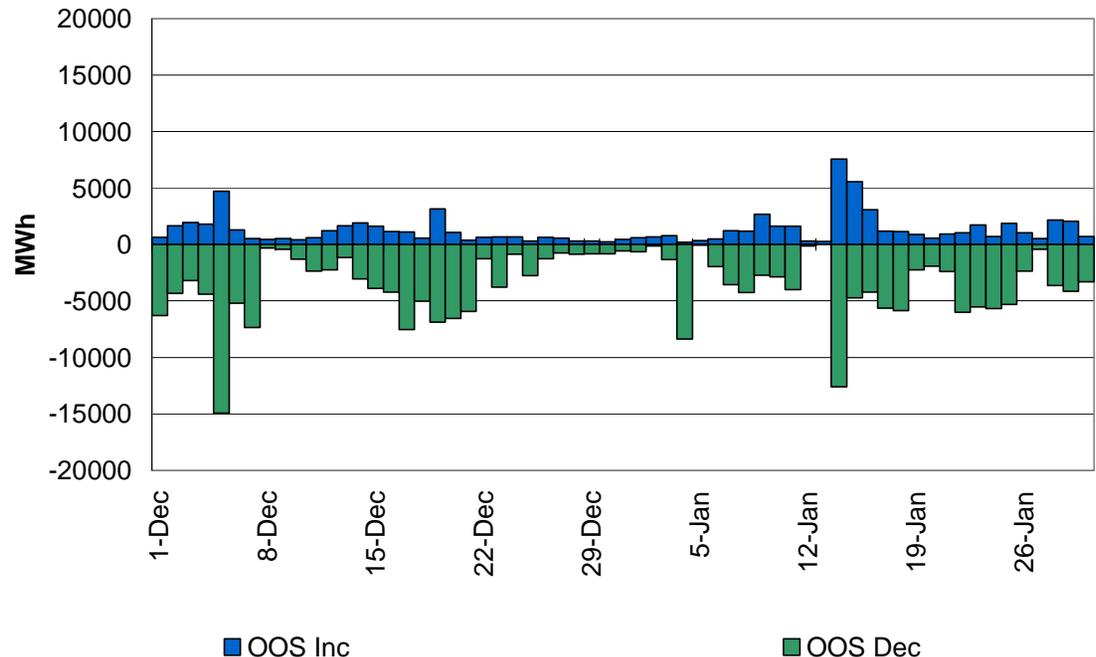
# Cost of Balancing Energy

- 28 percent of all incremental energy expenditures were incurred at prices greater than \$250, slightly down from 29 percent in December



# Cost of Out of Sequence Energy

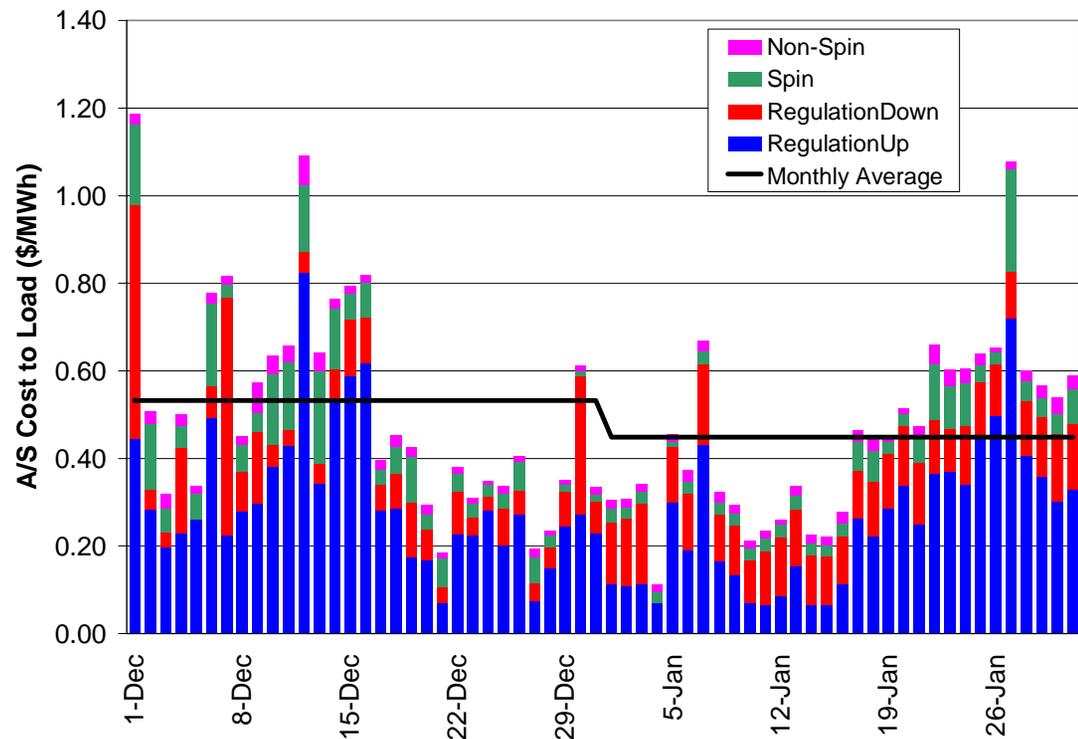
- Incremental dispatch volumes increased by 38 percent in January driven primarily by intrazonal congestion in the Humboldt area
- Decremental dispatch costs of \$2.3 million were mostly driven by congestion at Imperial Valley transformer banks



Daily OOS MWh – December 2007 and January 2008

# Ancillary Services Markets

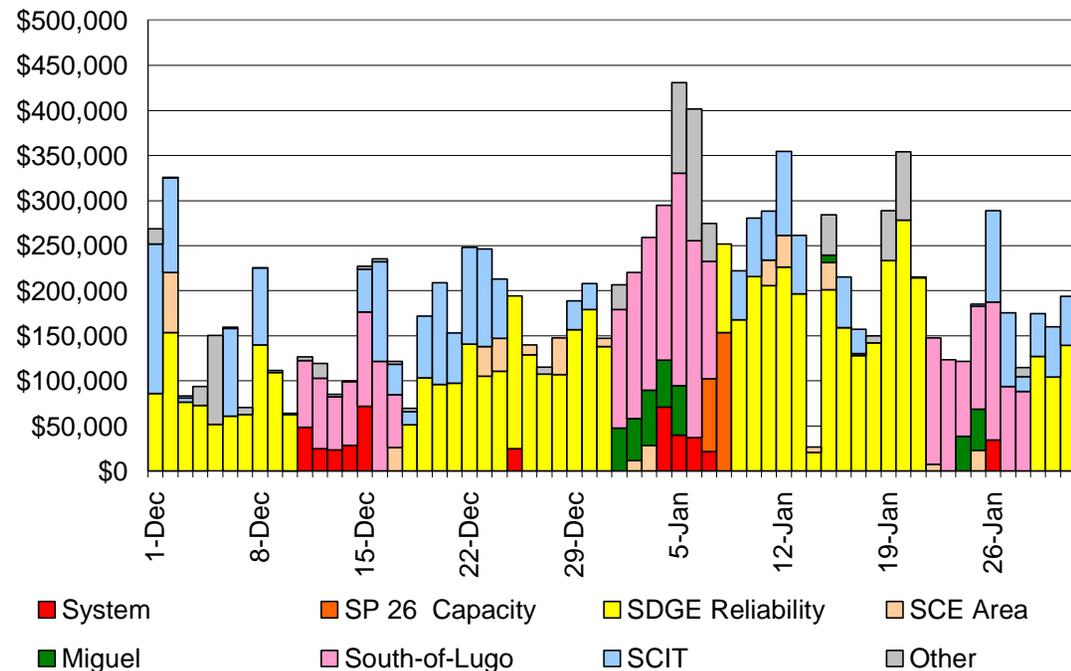
- Weighted average prices declined in January for all services except Reg Down, where there was a sharp decline in under-\$5 bids.
- The monthly average cost-to-load of Ancillary Services decreased to \$0.45/MWh in January from December's \$0.53/MWh



	Average Required (MW)				Weighted Average Price (\$/MW)			
	RU	RD	SP	NS	RU	RD	SP	NS
Dec 07	393	360	843	806	\$ 20.67	\$ 8.18	\$ 2.45	\$ 0.79
Jan 08	373	356	884	824	\$ 17.57	\$ 9.65	\$ 1.46	\$ 0.74
	-5.0%	-1.1%	4.9%	2.3%	-15.0%	17.9%	-40.4%	-6.1%

# Unit Commitment Costs

- Total costs climbed to \$7 million in January from \$5.1 million in December
- Less than \$100,000 of FERC MOO
- RA due to SDGE Reliability (40%) and South-of-Lugo (30%)



**Resource Adequacy Commitment Costs  
– December 2007 and January 2008**

# Inter-zonal Congestion Costs

- Decreased sharply to \$6.1 million in January 2008 from \$12.5 million in December 2007
- Between January 22 and January 24 Palo Verde and El Dorado branch groups were derated for scheduled maintenance

