

# Market Performance Report for May 2008



Alan Isemonger  
Manager, Market Information



ISO Board of Governors  
General Session  
July 9, 2008

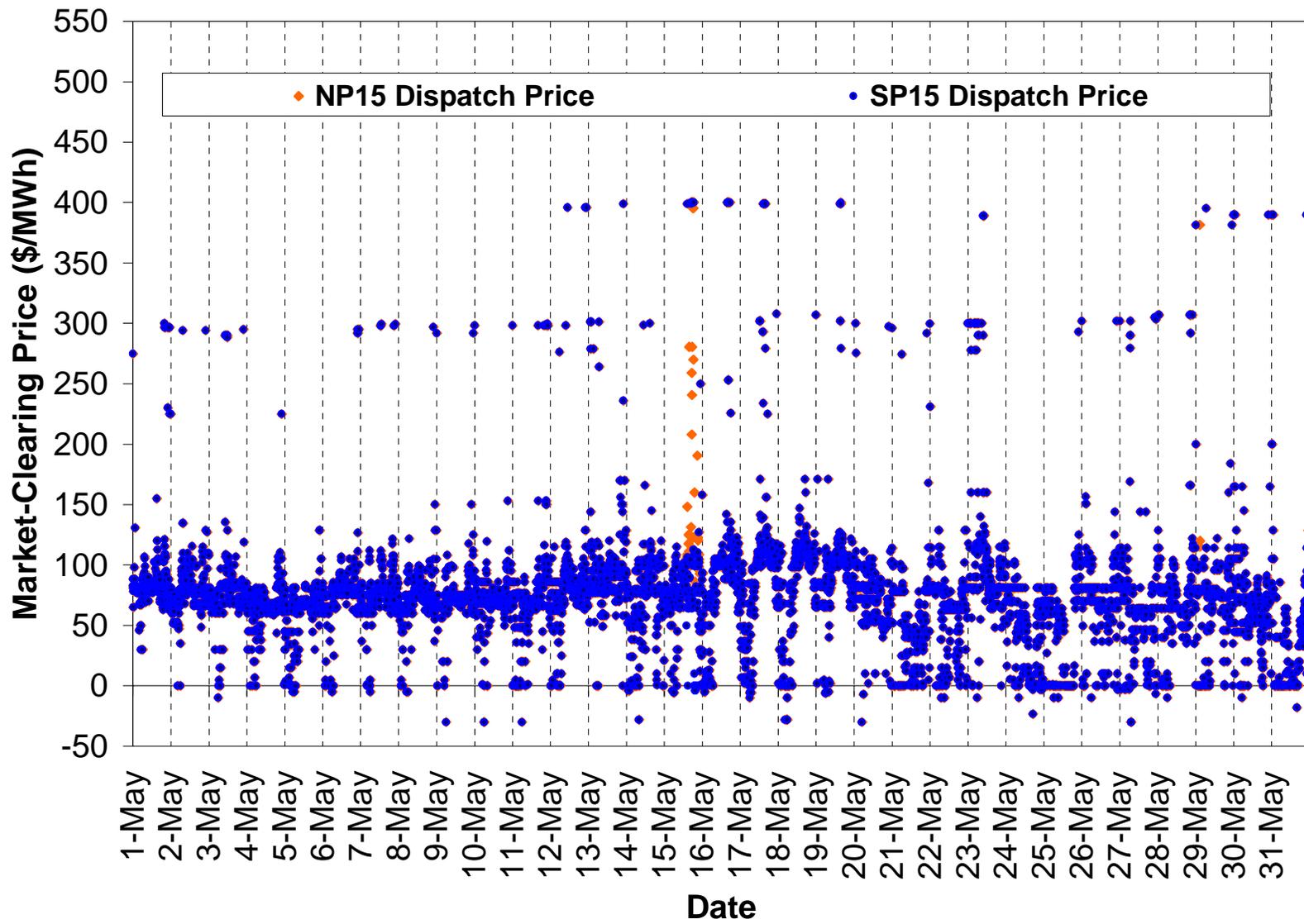
# Market Highlights

- The month of May saw the first heat wave of the year starting on May 15 and ending on May 19.
- The heat wave during mid month combined with transmission line outages drove the majority of unit commitment costs
- Availability of cheap hydro power from Pacific Northwest resulted in significant Inter-zonal Congestions costs

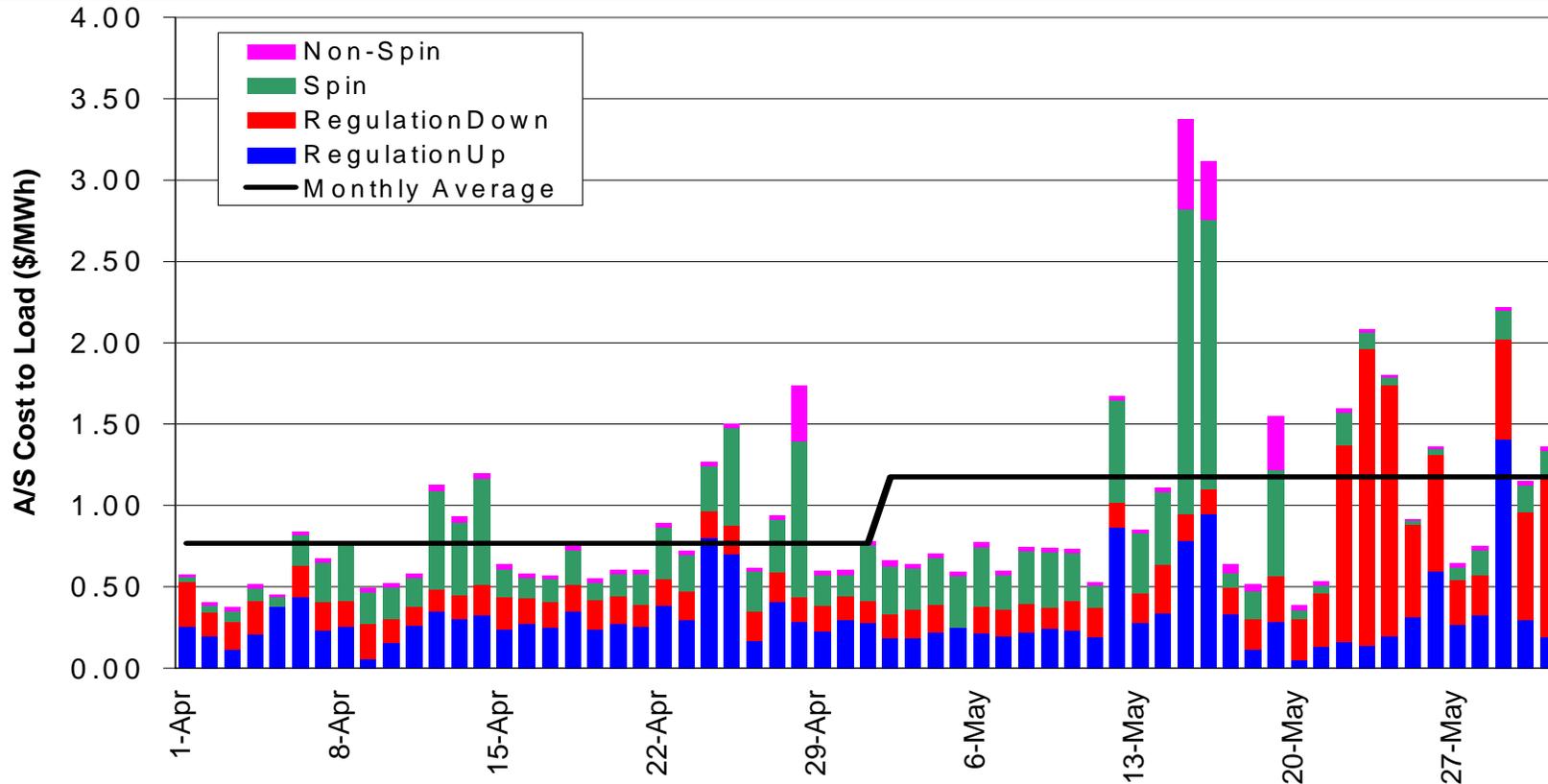
# Monthly Market Performance Metrics

Monthly Metrics	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Avg
Average Gas Price	\$7.27	\$6.89	\$6.14	\$5.93	\$5.73	\$6.80	\$7.05	\$7.00	\$7.78	\$8.31	\$9.09	<b>\$9.96</b>	<b>\$9.98</b>	\$7.53
Average On-Peak Contract Price	\$75.04	\$68.47	\$71.76	\$71.40	\$59.64	\$71.89	\$64.21	\$70.41	\$76.90	\$77.52	\$84.41	<b>\$97.74</b>	<b>\$89.18</b>	\$75.27
Average Real-Time Price	\$59.14	\$54.85	\$55.84	\$62.44	\$47.22	\$56.59	\$56.95	\$62.84	\$70.64	\$66.07	\$75.88	<b>\$89.10</b>	<b>\$64.21</b>	\$63.21
No. of Price Spikes Over \$250	101	77	79	167	10	93	72	122	192	192	171	<b>225</b>	<b>195</b>	130
Costs Incurred over \$250 (percent)	22%	18%	14%	24%	3%	27%	16%	29%	28%	26%	21%	<b>25%</b>	<b>25%</b>	21%
AS Cost (\$ per MWh)	\$0.74	\$0.59	\$1.16	\$0.78	\$0.58	\$0.47	\$0.56	0.5	0.45	0.63	0.73	<b>0.77</b>	<b>1.18</b>	\$0.70
RA Unit Commitment Costs (\$M)	\$1.9	\$3.4	\$4.8	\$3.2	\$2.9	\$4.3	\$5.0	\$5.0	\$7.0	\$4.0	\$4.0	<b>\$5.0</b>	<b>\$16.0</b>	\$5.1
FERC Unit Commitment Costs (\$M)	\$0.0	\$1.4	\$1.4	\$1.4	\$0.8	\$3.8	\$0.6	\$0.1	\$0.0	\$0.0	\$0.0	<b>\$0.0</b>	<b>\$0.0</b>	\$0.7
Inc OOS Redispatch Costs (\$M)	\$1.5	\$1.2	\$2.1	\$1.2	\$1.2	\$4.5	\$2.0	\$3.1	\$3.4	\$3.0	\$2.9	<b>\$1.8</b>	<b>\$3.5</b>	\$2.4
Dec OOS Redispatch Costs (\$M)	\$0.7	\$0.3	\$0.4	\$0.5	\$0.3	\$2.5	\$2.5	\$1.2	\$2.3	\$2.5	\$1.1	<b>\$0.6</b>	<b>\$1.7</b>	\$1.3
Total Interzonal Congestion (\$M)	\$12.5	\$4.5	\$4.2	\$3.1	\$4.3	\$12.9	\$10.3	\$12.3	\$6.1	\$1.9	\$9.0	<b>\$4.5</b>	<b>\$18.2</b>	\$8.0

# Number of Price Spikes Down to 195 from 225

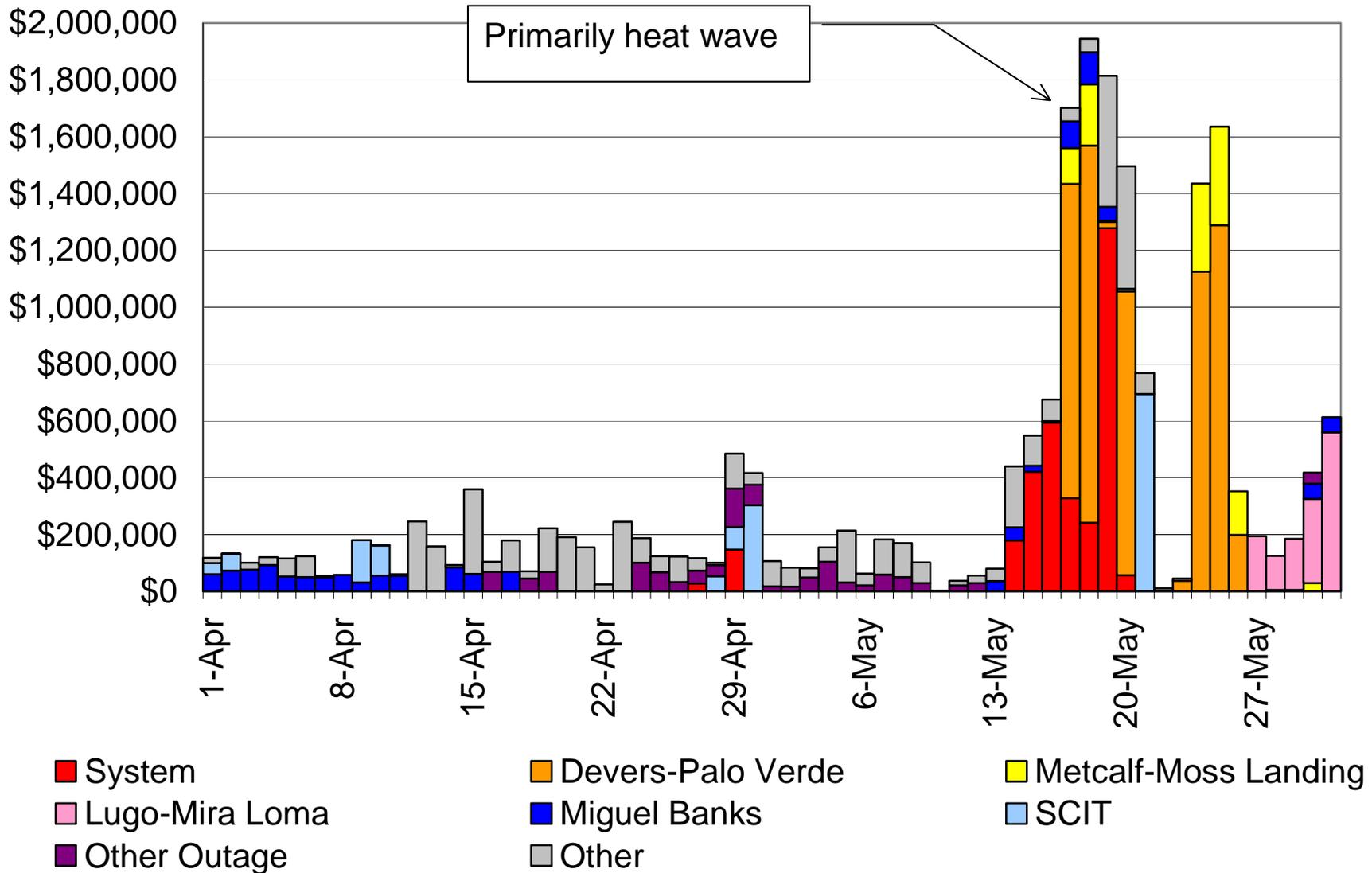


# AS Cost to Load up to \$1.12 from \$0.77



	Average Required (MW)				Weighted Average Price (\$/MW)			
	RU	RD	SP	NS	RU	RD	SP	NS
Apr 08	382	356	824	846	\$ 20.40	\$ 12.56	\$ 8.16	\$ 1.18
May 08	383	356	814	838	\$ 23.98	\$ 29.59	\$ 11.79	\$ 2.31
	0.4%	0.1%	-1.2%	-0.9%	17.6%	135.5%	44.5%	95.5%

# Unit Commitment Costs Up \$16 M from \$5M in April



# Inter-zonal Congestion Costs up \$13.7 M to \$18.2M

