

Market Performance Report for April 2008



Alan Isemonger
Manager, Market Information



California ISO
Your Link to Power

ISO Board of Governors
General Session
July 9, 2008

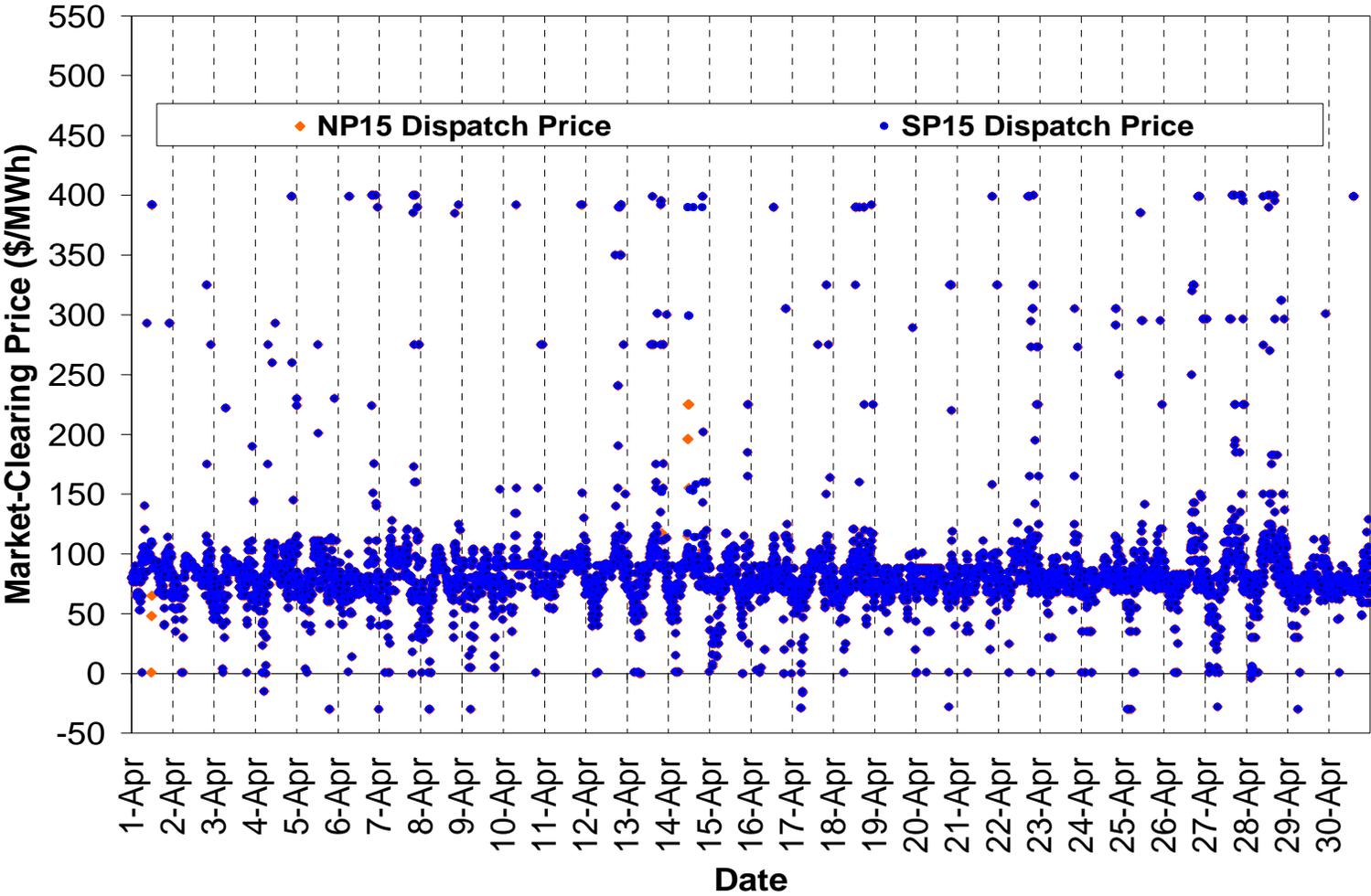
Market Highlights

- 🌐 April was a quiet month
- 🌐 Lighter loads and fewer units on-line limited ramping capability and contributed to more frequent price spikes

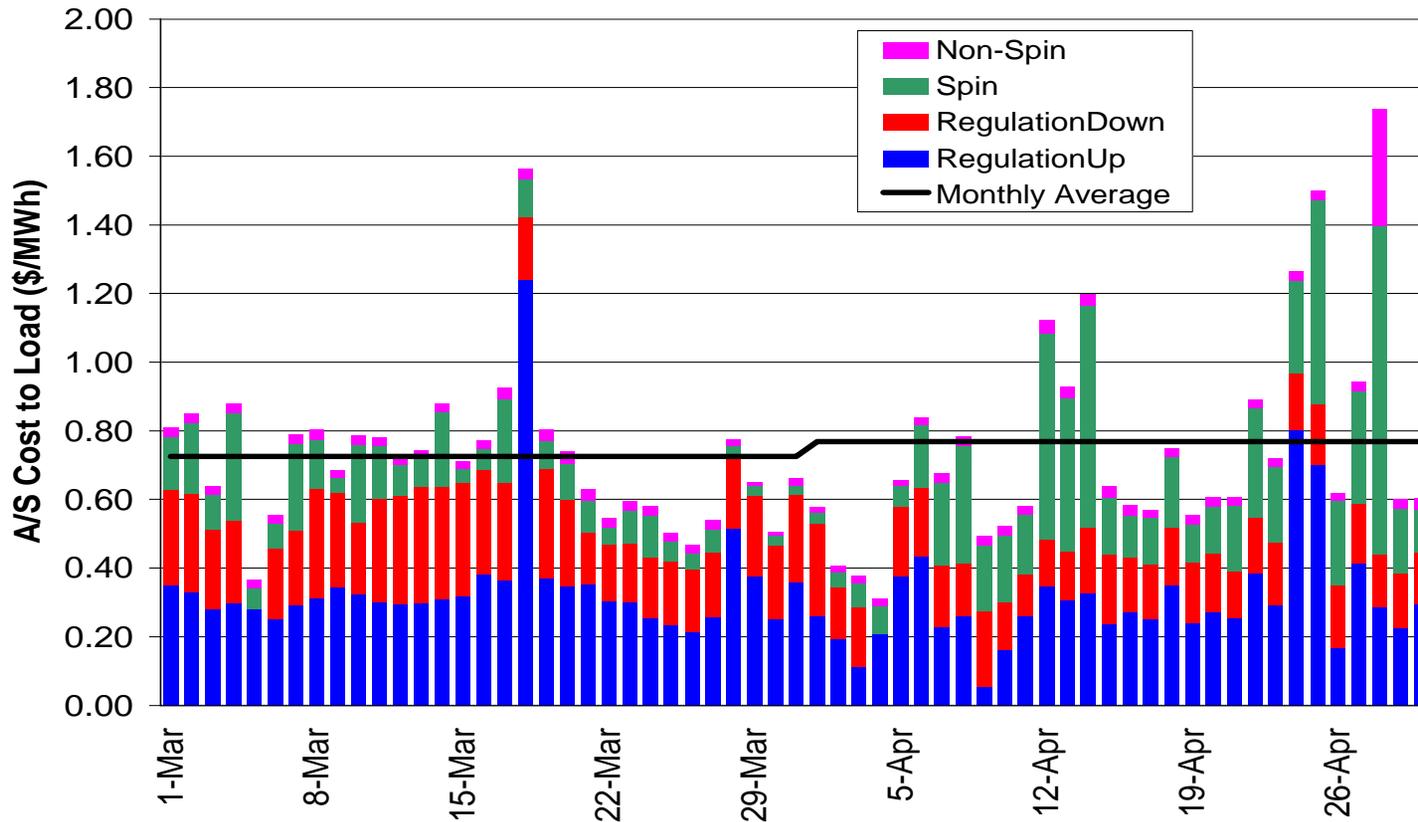
Monthly Market Performance Metrics

Monthly Metrics	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Avg
Average Gas Price	\$7.19	\$7.27	\$6.89	\$6.14	\$5.93	\$5.73	\$6.80	\$7.05	\$7.00	\$7.78	\$8.31	\$9.09	\$9.96	\$7.33
Average On-Peak Contract Price	\$64.78	\$75.04	\$68.47	\$71.76	\$71.40	\$59.64	\$71.89	\$64.21	\$70.41	\$76.90	\$77.52	\$84.41	\$97.74	\$74.12
Average Real-Time Price	\$50.24	\$59.14	\$54.85	\$55.84	\$62.44	\$47.22	\$56.59	\$56.95	\$62.84	\$70.64	\$66.07	\$75.88	\$89.10	\$63.13
No. of Price Spikes Over \$250	203	101	77	79	167	10	93	72	122	192	192	171	225	125
Costs Incurred over \$250 (percent)	33%	22%	18%	14%	24%	3%	27%	16%	29%	28%	26%	21%	25%	21%
AS Cost (\$ per MWh)	\$0.38	\$0.74	\$0.59	\$1.16	\$0.78	\$0.58	\$0.47	\$0.56	0.5	0.45	0.63	0.73	0.77	\$0.66
RA Unit Commitment Costs (\$M)	\$2.1	\$1.9	\$3.4	\$4.8	\$3.2	\$2.9	\$4.3	\$5.0	\$5.0	\$7.0	\$4.0	\$4.0	\$5.0	\$4.2
FERC Unit Commitment Costs (\$M)	\$0.1	\$0.0	\$1.4	\$1.4	\$1.4	\$0.8	\$3.8	\$0.6	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.8
Inc OOS Redispatch Costs (\$M)	\$1.7	\$1.5	\$1.2	\$2.1	\$1.2	\$1.2	\$4.5	\$2.0	\$3.1	\$3.4	\$3.0	\$2.9	\$1.8	\$2.3
Dec OOS Redispatch Costs (\$M)	\$0.3	\$0.7	\$0.3	\$0.4	\$0.5	\$0.3	\$2.5	\$2.5	\$1.2	\$2.3	\$2.5	\$1.1	\$0.6	\$1.2
Total Interzonal Congestion (\$M)	\$5.0	\$12.5	\$4.5	\$4.2	\$3.1	\$4.3	\$12.9	\$10.3	\$12.3	\$6.1	\$1.9	\$9.0	\$4.5	\$7.1

Number of Price Spikes Up to 225 from 171

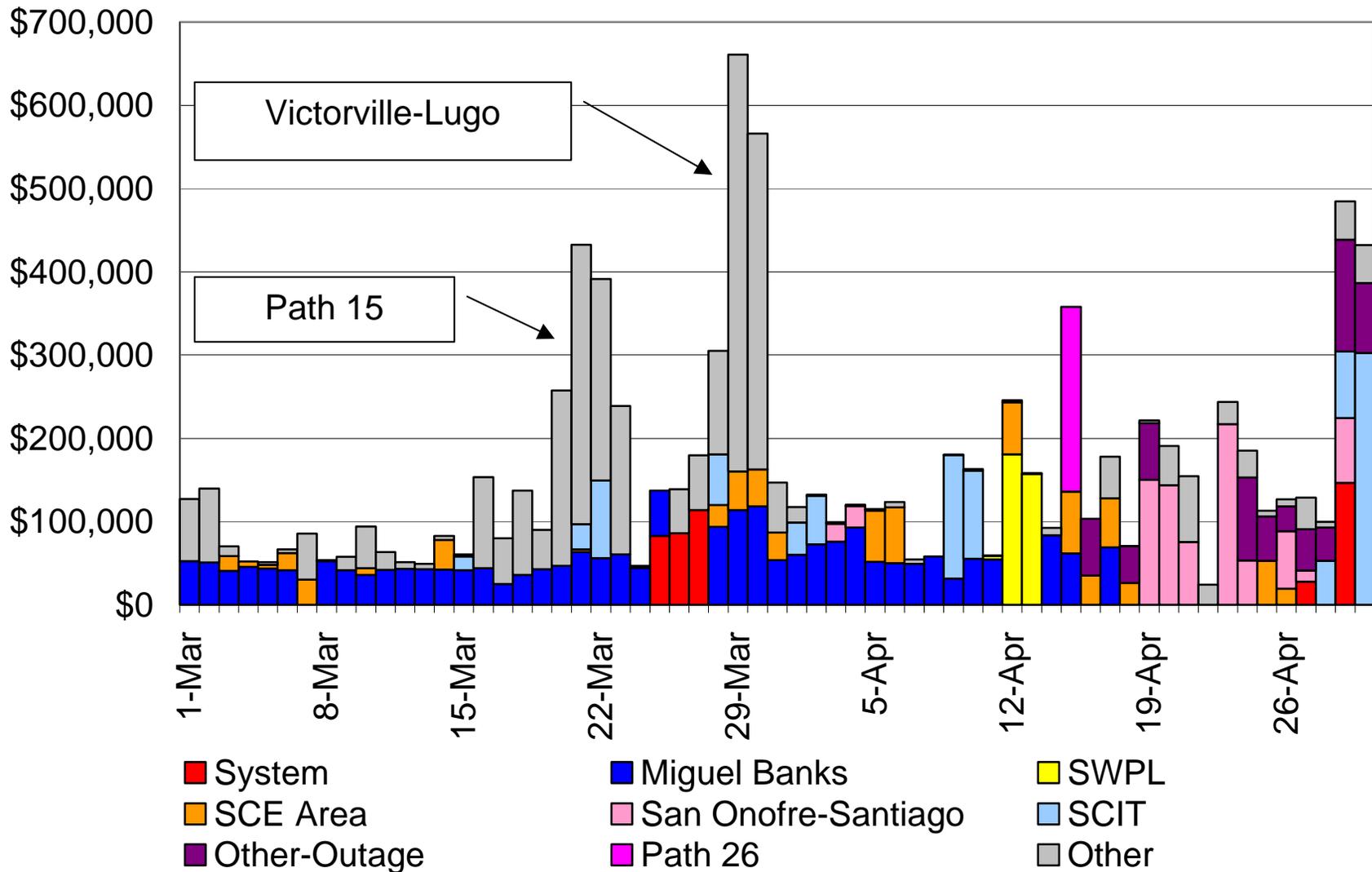


AS Cost to Load Increased Slightly

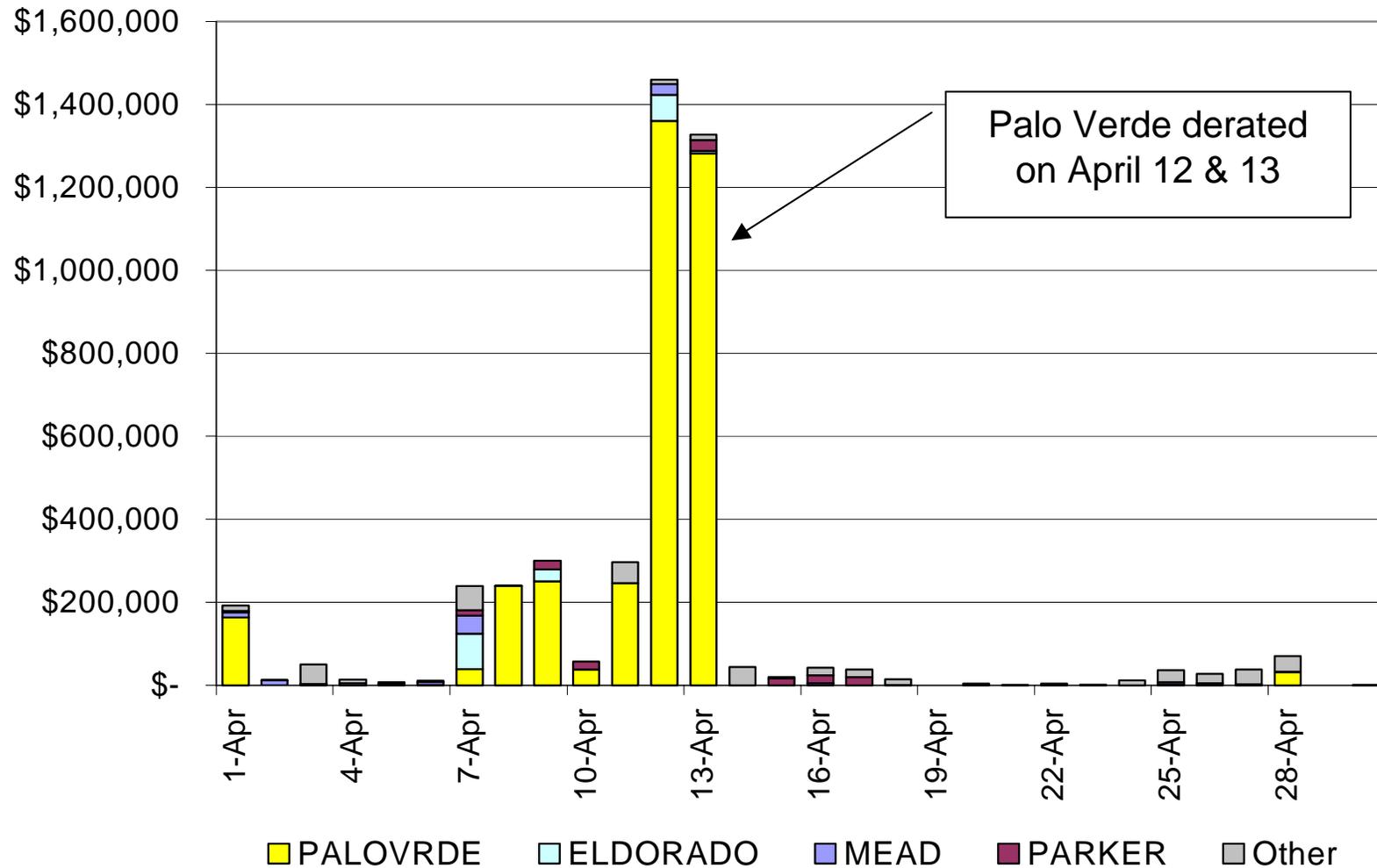


	Average Required (MW)				Weighted Average Price (\$/MW)			
	RU	RD	SP	NS	RU	RD	SP	NS
Mar 08	364	356	798	797	\$ 23.58	\$ 16.97	\$ 3.43	\$ 0.80
Apr 08	382	356	824	846	\$ 20.40	\$ 12.56	\$ 8.16	\$ 1.18
	4.8%	0.0%	3.3%	6.2%	-13.5%	-26.0%	137.8%	47.3%

Unit Commitment Costs Up \$1M from \$4M in March



Inter-zonal Congestion Costs Down by half to \$4.5M



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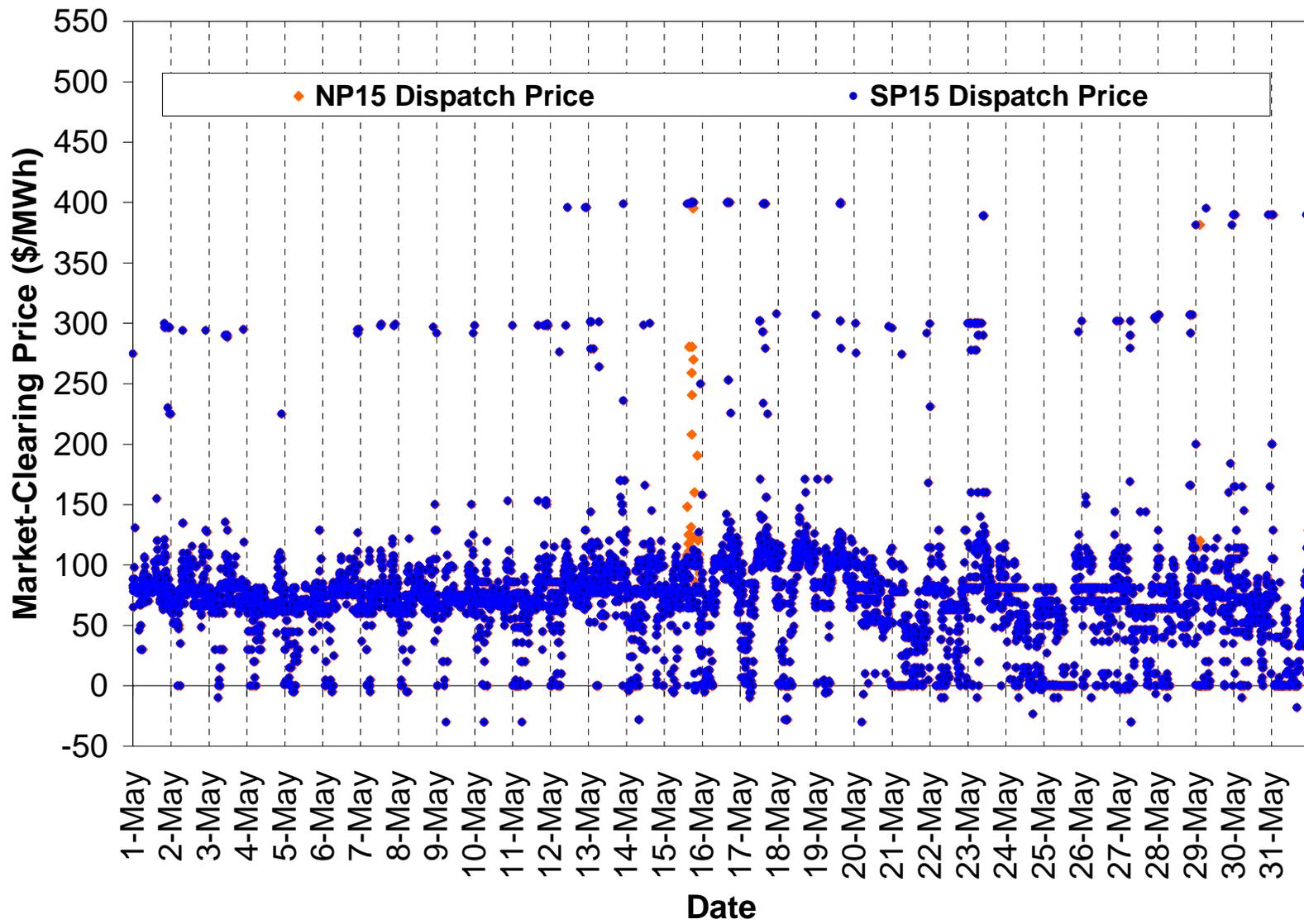
Market Highlights

- 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

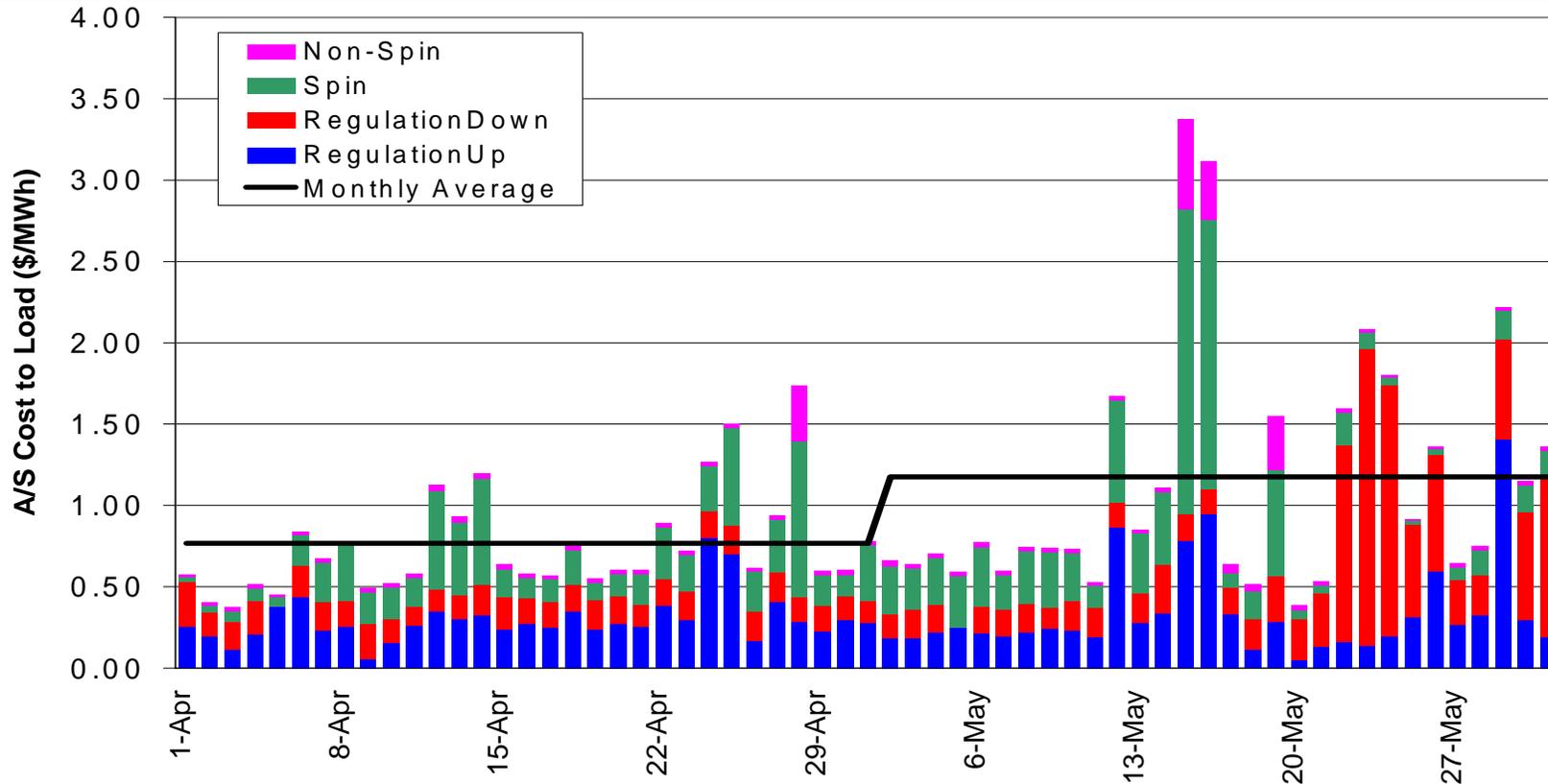
Monthly Market Performance Metrics

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	\$9.96	\$9.98	\$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	\$97.74	\$89.18	\$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	\$89.10	\$64.21	\$63.21
No. of Price Spikes Over \$250	101	77	79	167	10	93	72	122	192	192	171	225	195	130
Costs Incurred over \$250 (percent)	22%	18%	14%	24%	3%	27%	16%	29%	28%	26%	21%	25%	25%	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	0.77	1.18	\$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	\$5.0	\$16.0	\$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	\$0.0	\$0.0	\$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	\$1.8	\$3.5	\$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	\$0.6	\$1.7	\$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	\$4.5	\$18.2	\$8.0

Number of Price Spikes Down to 195 from 225

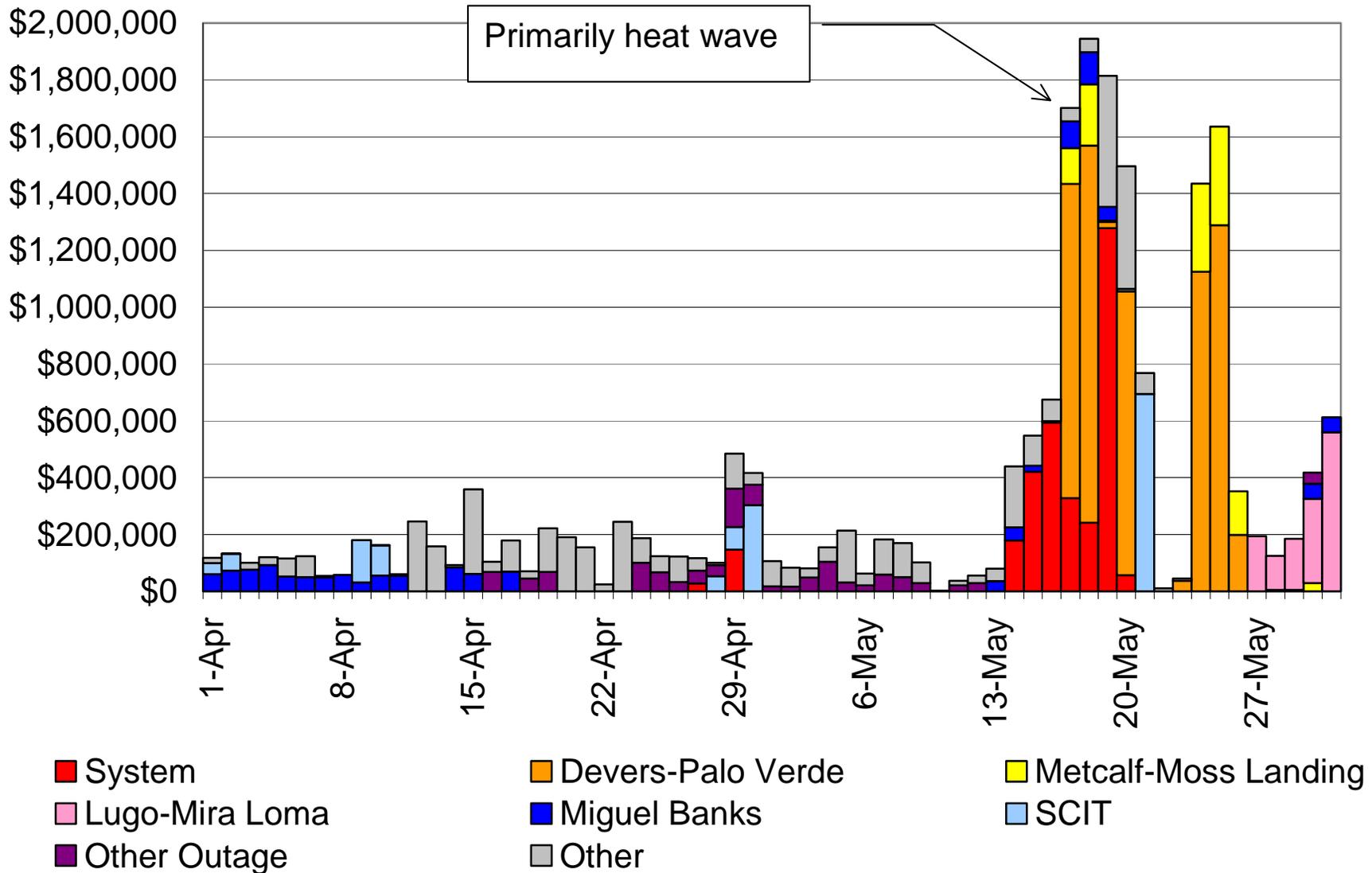


AS Cost to Load up to \$1.12 from \$0.77



	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

