

Market Performance Report for January 2012

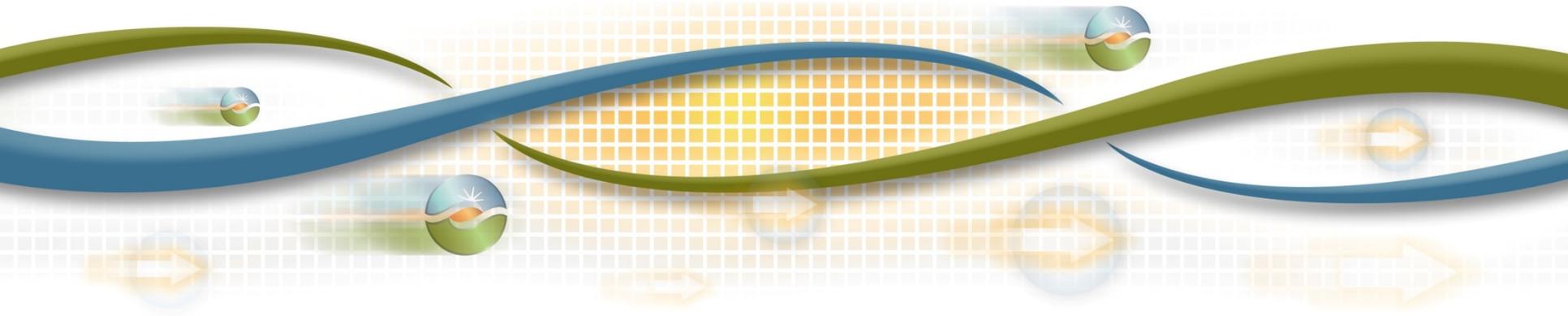
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Board of Governors Meeting

General Session

March 22-23, 2012



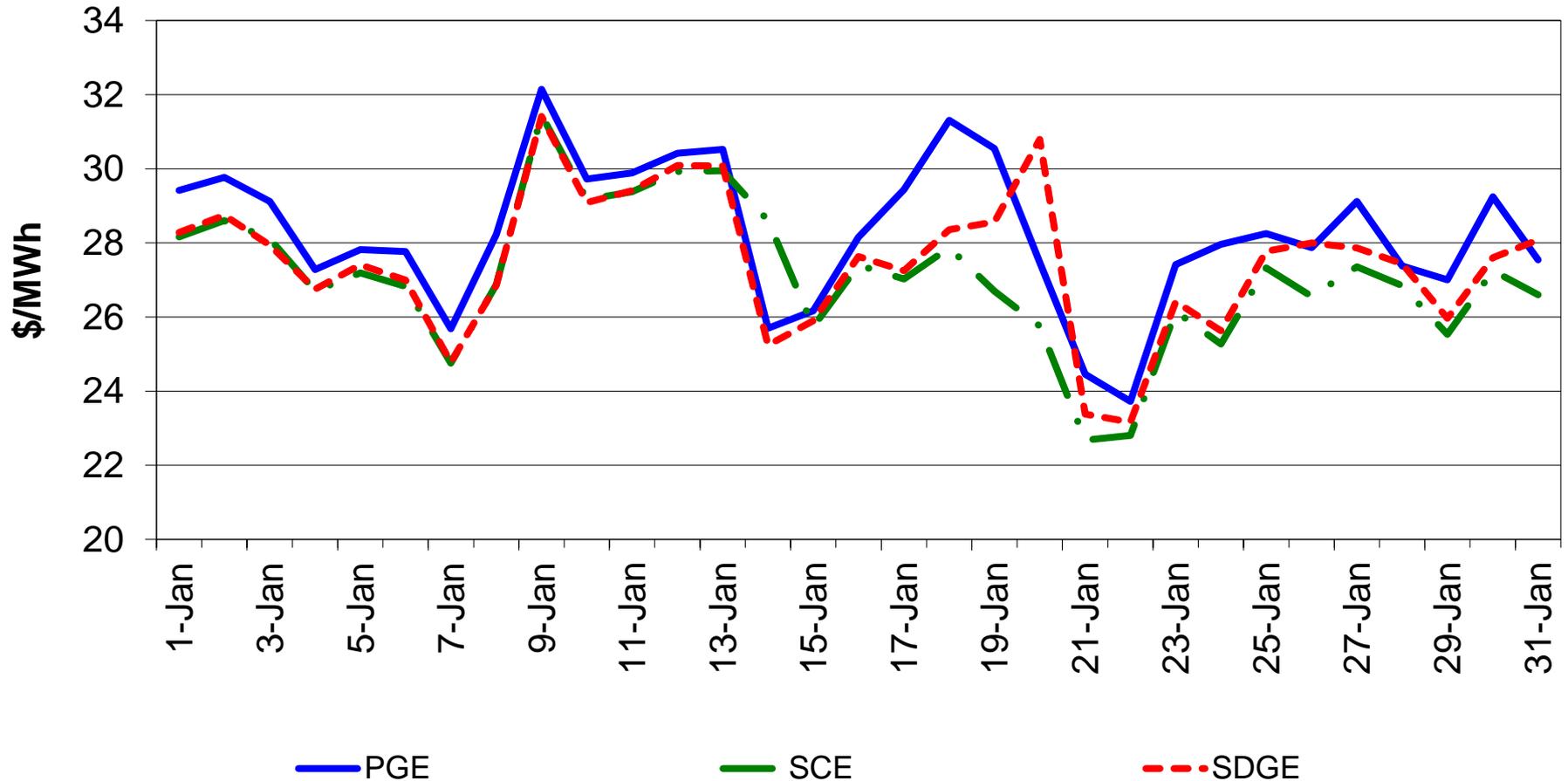
January 2012 - Market Highlights

- Moderate day-ahead and real-time market prices overall.
- Occasional price separations between PG&E, SCE and SDGE areas due to transmission outages.
- Congestion revenue rights surplus allocation to load was \$0.84 million.
- System ancillary service cost-to-load was \$0.22/MWh in December.
- Real-time imbalance energy offset (RTIEO) remained at a low level of \$2.3 million, same as in Dec 2011.
- Zero contribution to RTIEO from balanced convergence bidding after intertie convergence bidding removal in Nov 2011.

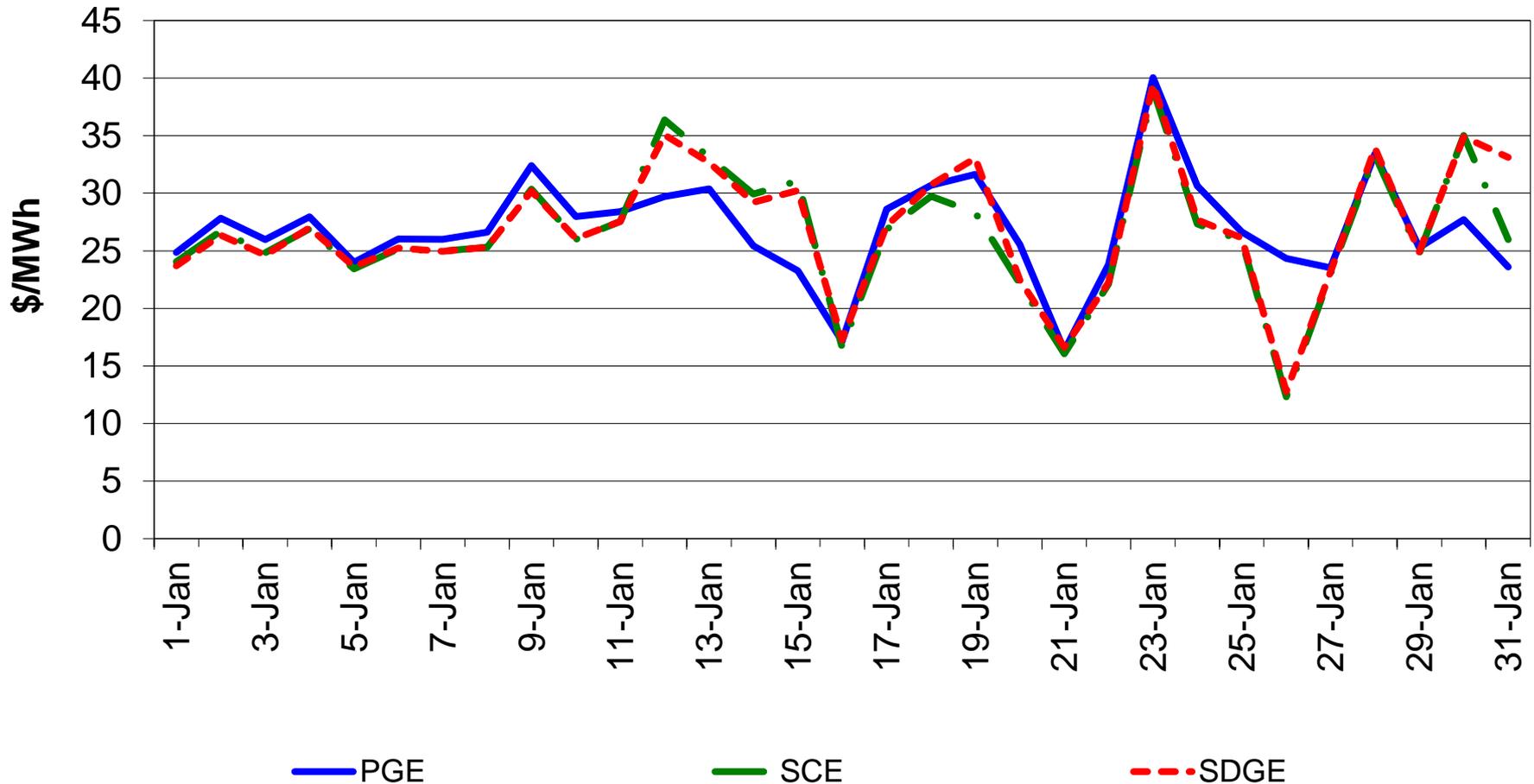
Monthly Market Performance Metrics

Monthly Metrics	August	September	October	November	December	January
Average Gas Price	\$4.29	\$4.20	\$3.63	\$3.68	\$3.52	\$3.00
Average On-Peak Contract Price	\$39.34	\$38.16	\$35.33	\$34.95	\$32.00	\$29.87
DA Weighted Average DLAP LMP	\$39.39	\$38.83	\$33.55	\$32.89	\$31.76	\$27.73
RTD Weighted Average DLAP LMP	\$36.50	\$39.15	\$32.40	\$33.44	\$26.88	\$26.87
Percent of Intervals DLAP Price Spikes Over \$250 for DA	0%	0%	0%	0%	0%	0%
Percent of Intervals DLAP Price Spikes Over \$250 for RTD	0.49%	1.16%	0.55%	0.94%	0.11%	0.21%
Percent Cost Incurred when DLAP over \$250 for RTD	12%	17%	14%	18%	2%	6%
System AS Cost (\$ per MWh)	\$0.52	\$0.35	\$0.40	\$0.45	\$0.31	\$0.22
CRR Revenue Adequacy Ratio	114.30%	100.22%	108.77%	119.92%	65.73%	76.84%

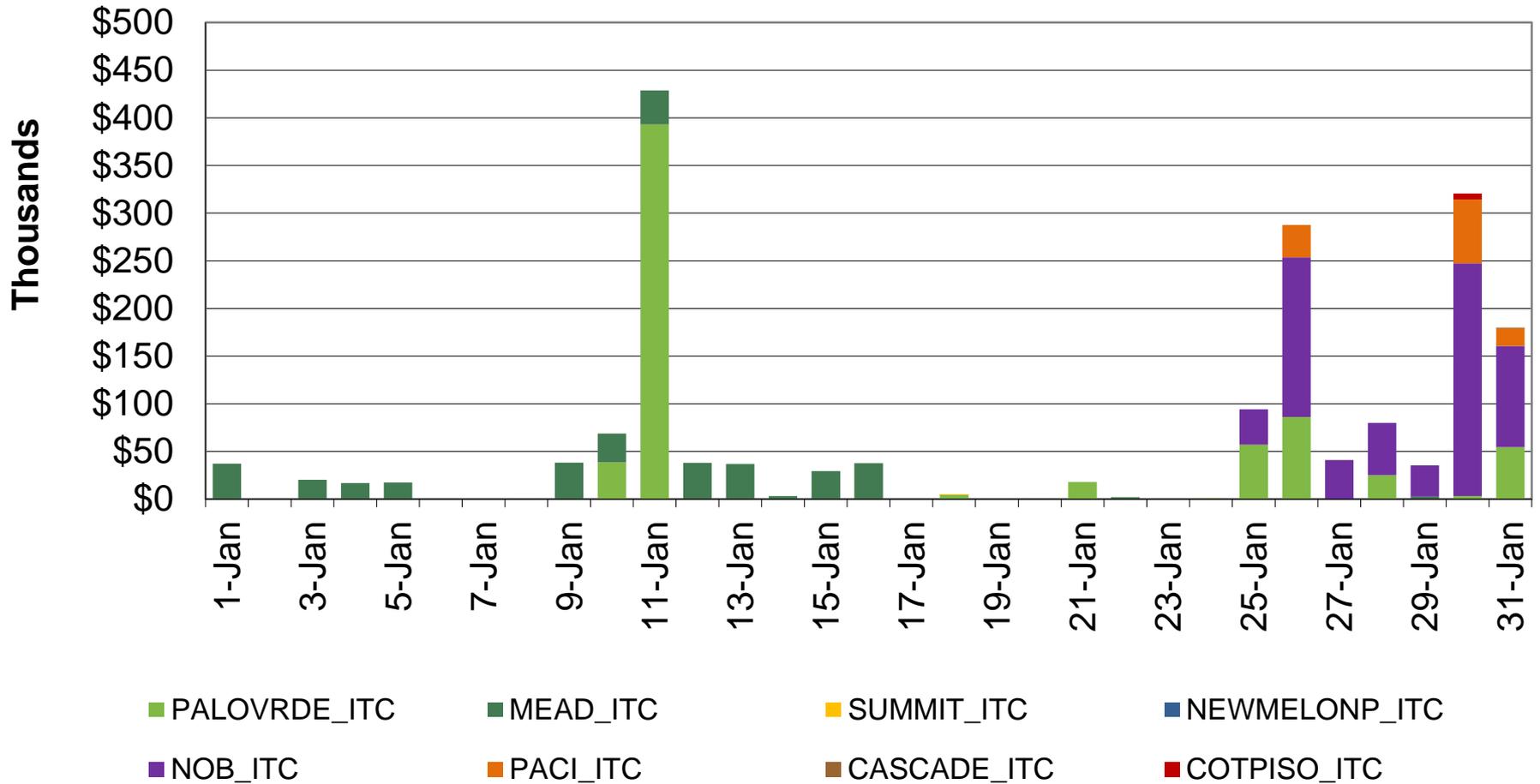
Day-ahead prices decreased in January, possibly motivated by lower natural gas prices.



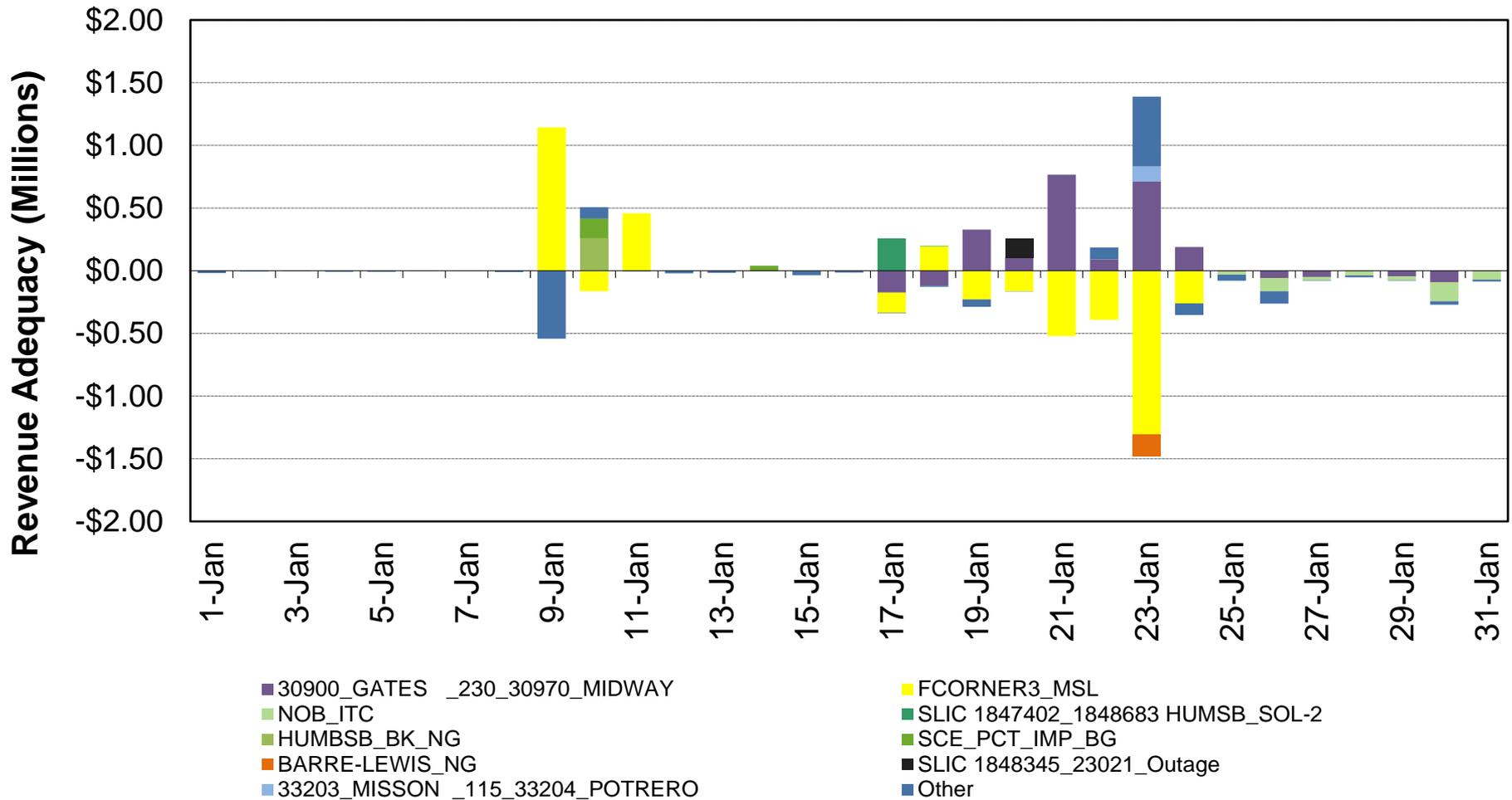
Real-time market prices were moderate for most days of January with market separation occurring in a few days due to transmission congestion.



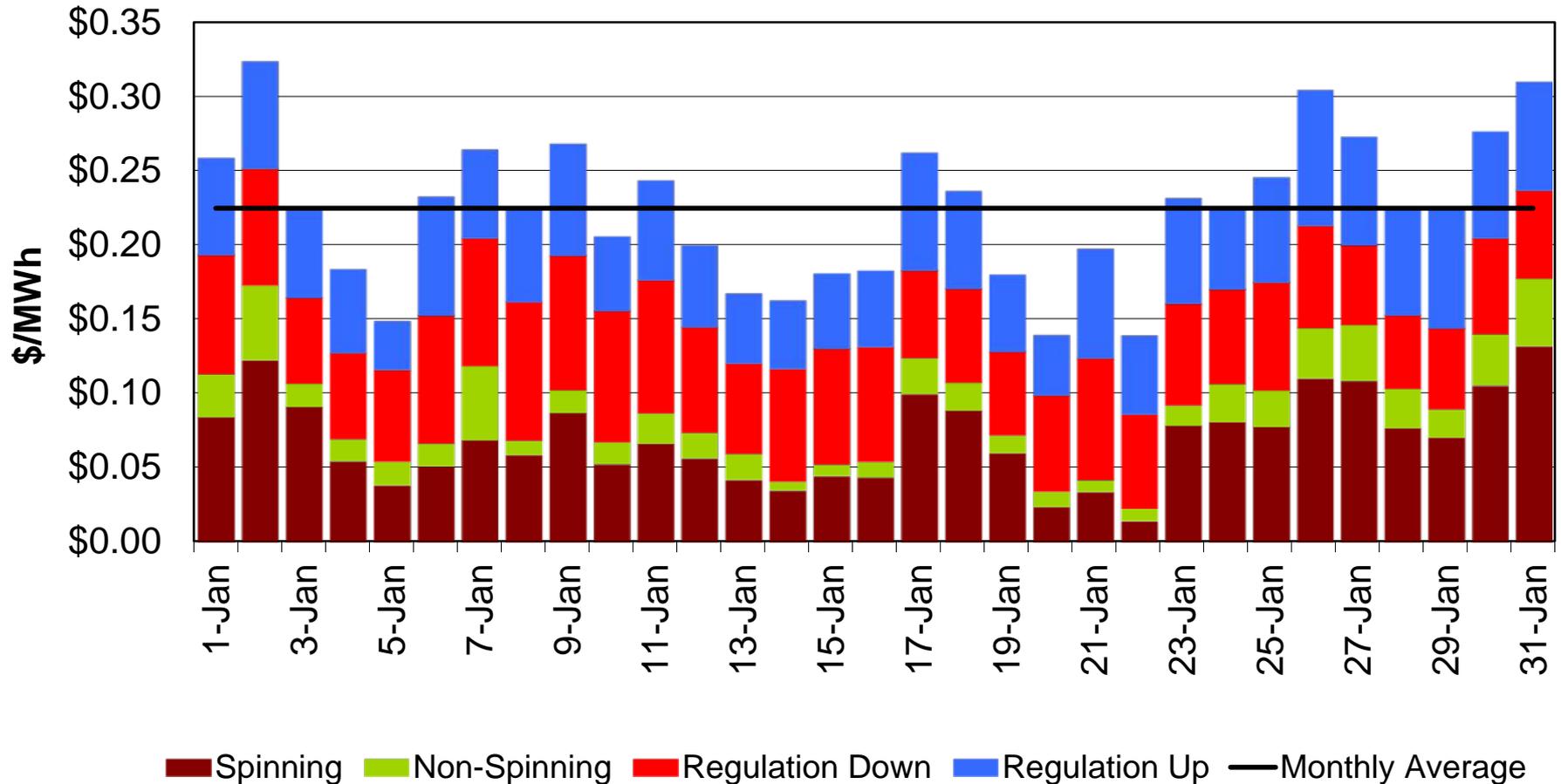
Integrated forward market total congestion rent for interties was \$1.83M in January.



Congestion revenue rights surplus allocation to load was \$0.84M in January.



System ancillary service average cost-to-load declined to \$0.22/MWh in January.



The real-time imbalance energy offset continued to trend downward.

