



California ISO
Shaping a Renewed Future

Market Performance Report for December 2011

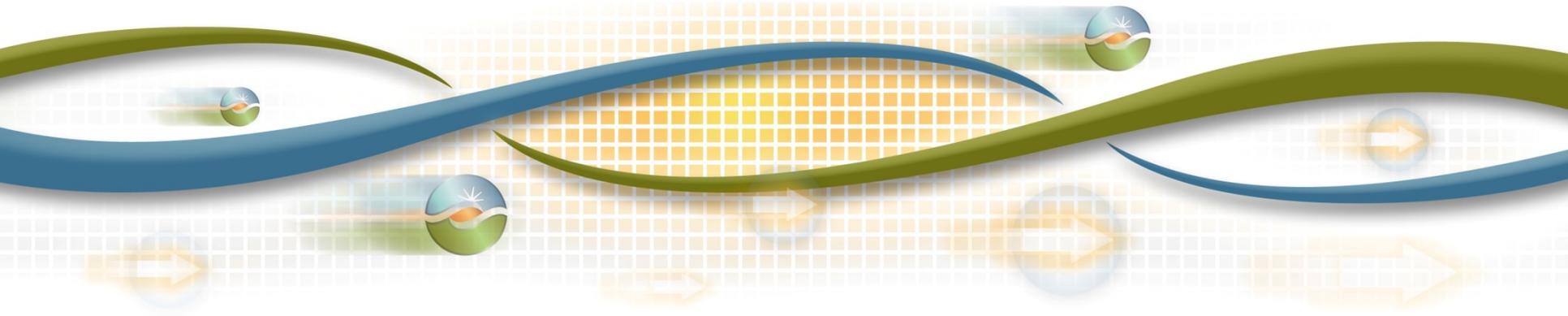
Nan Liu

Manager, Market Development and Analysis

Board of Governors Meeting

General Session

February 16, 2012



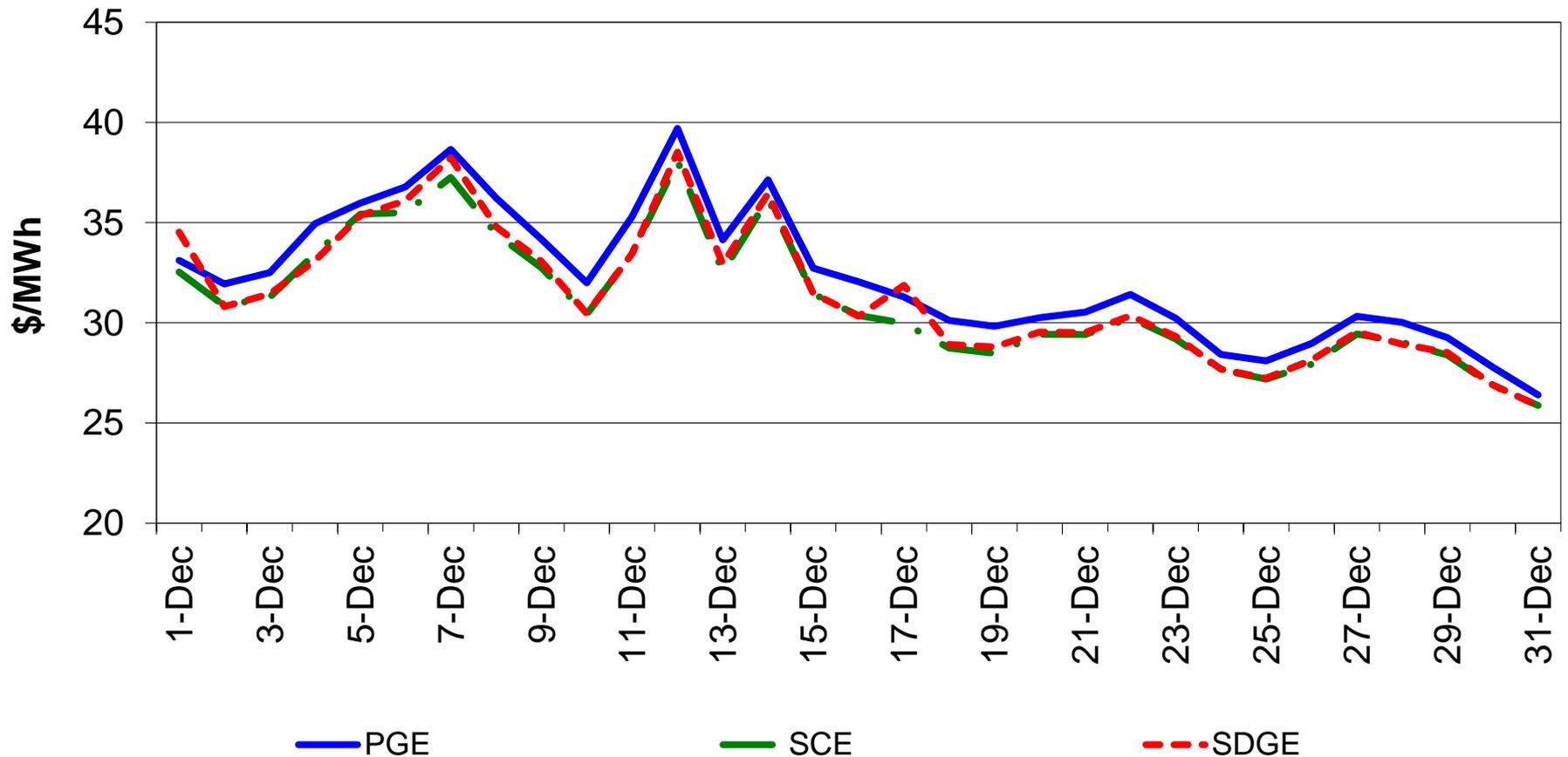
December 2011 - Market Highlights

- Day-ahead market prices declined in December, likely due to decreasing natural gas prices.
- Real-time market price volatility was reduced in the second half of December after flexi-ramp implementation on December 13.
- Congestion revenue rights deficit allocation to load was \$1.23 million.
- System ancillary service cost-to-load was \$0.31/MWh in December.
- Real-time imbalance energy offset dropped to \$2.3 million in December.
- Zero contribution from balanced convergence bidding after intertie convergence bidding removal in November

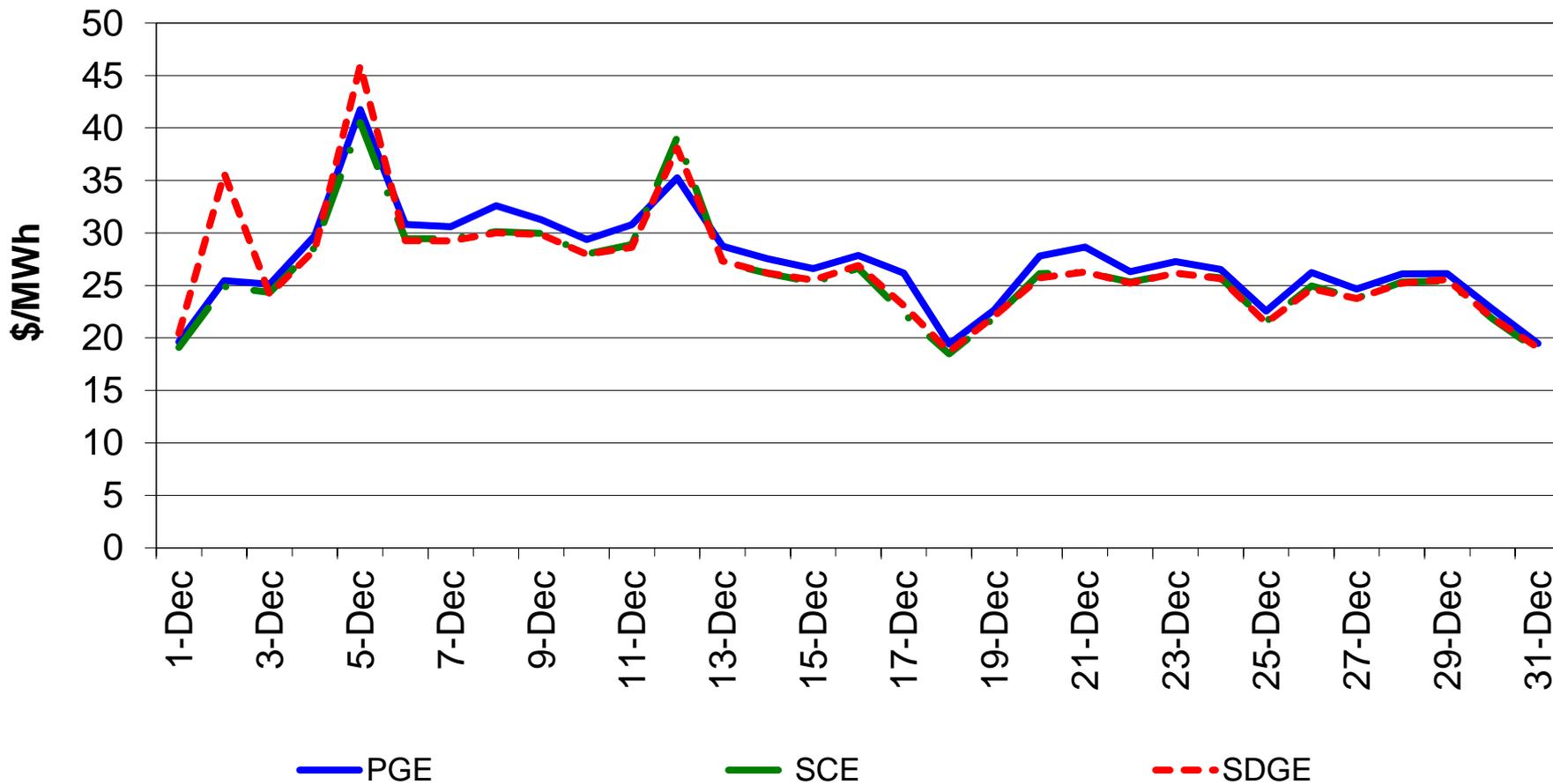
Monthly Market Performance Metrics

Monthly Metrics	July	August	September	October	November	December
Average Gas Price	\$4.50	\$4.29	\$4.20	\$3.63	\$3.68	\$3.52
Average On-Peak Contract Price	\$41.37	\$39.34	\$38.16	\$35.33	\$34.95	\$32.00
DA Weighted Average DLAP LMP	\$37.45	\$39.39	\$38.83	\$33.55	\$32.89	\$31.76
RTD Weighted Average DLAP LMP	\$31.92	\$36.50	\$39.15	\$32.40	\$33.44	\$26.88
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	0.66%	0.49%	1.16%	0.55%	0.94%	0.11%
Percent Cost Incurred when DLAP over \$250 for RTD	14%	12%	17%	14%	18%	2%
System AS Cost (\$ per MWh)	\$0.74	\$0.52	\$0.35	\$0.40	\$0.45	\$0.31
CRR Revenue Adequacy Ratio	125.36%	114.30%	100.22%	108.77%	119.92%	65.73%

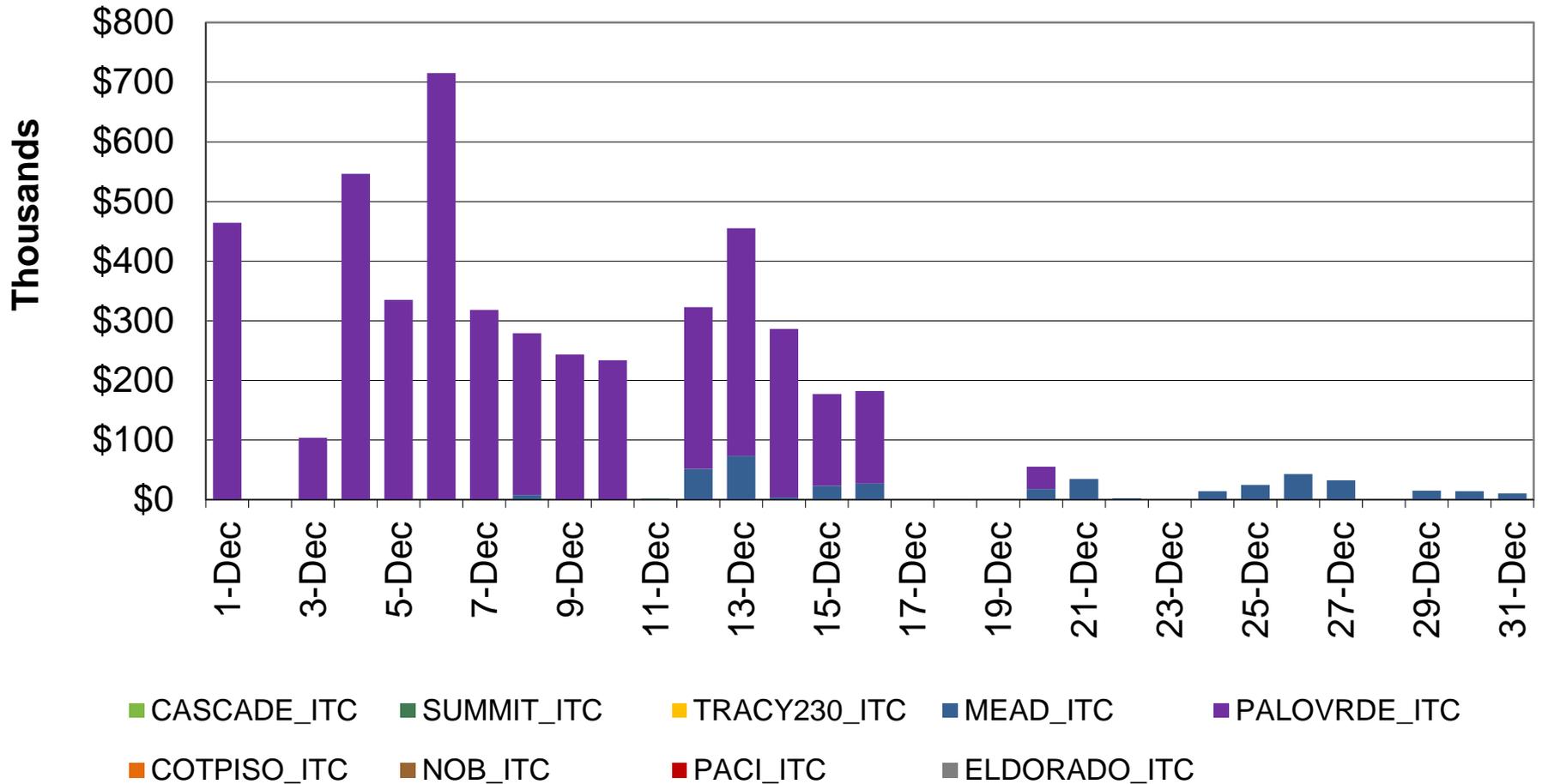
Day-ahead prices declined in December, likely driven by decreasing natural gas prices.



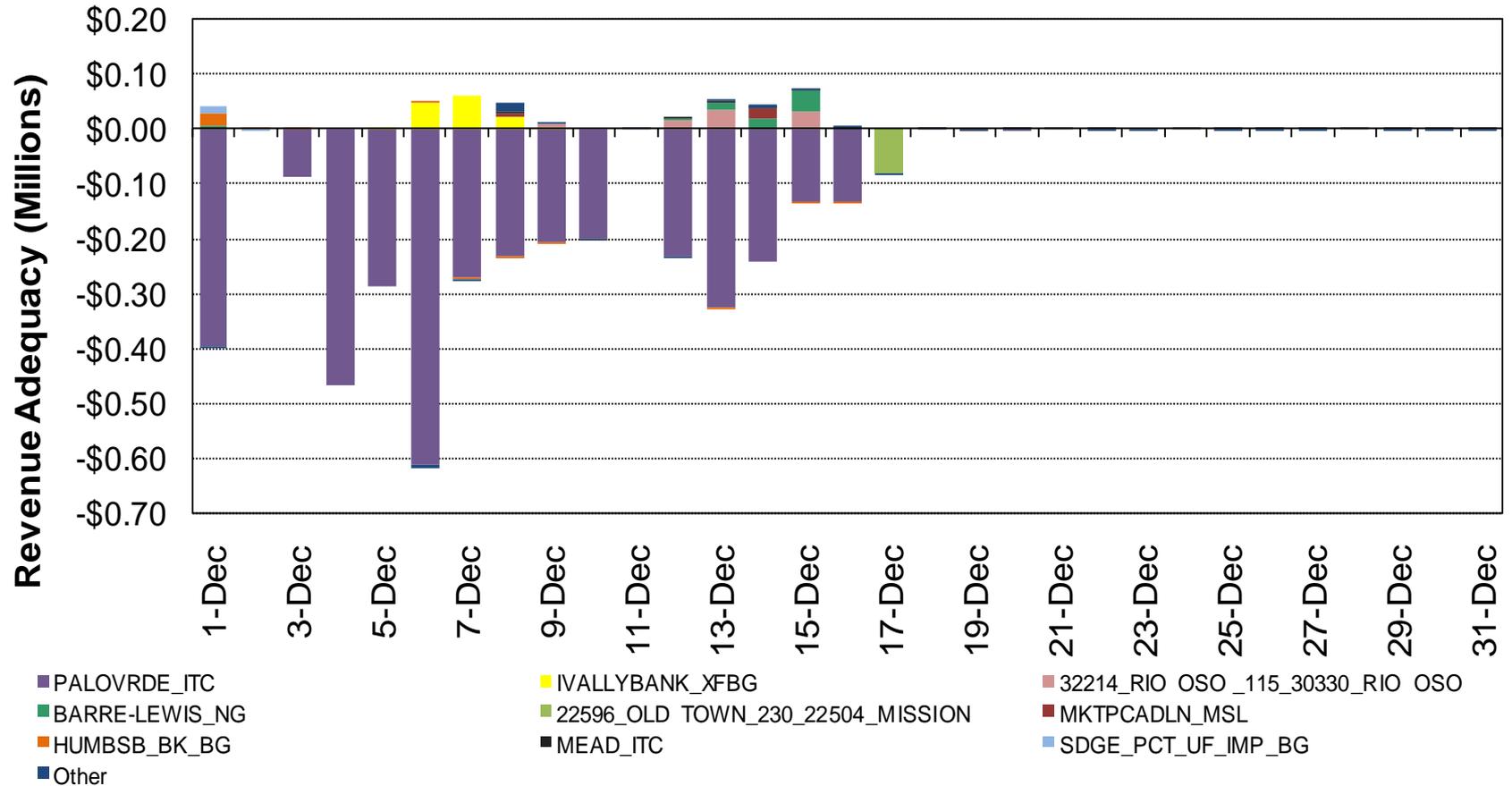
Real-time market prices were moderate for most days of December, punctuated by a few price spikes.



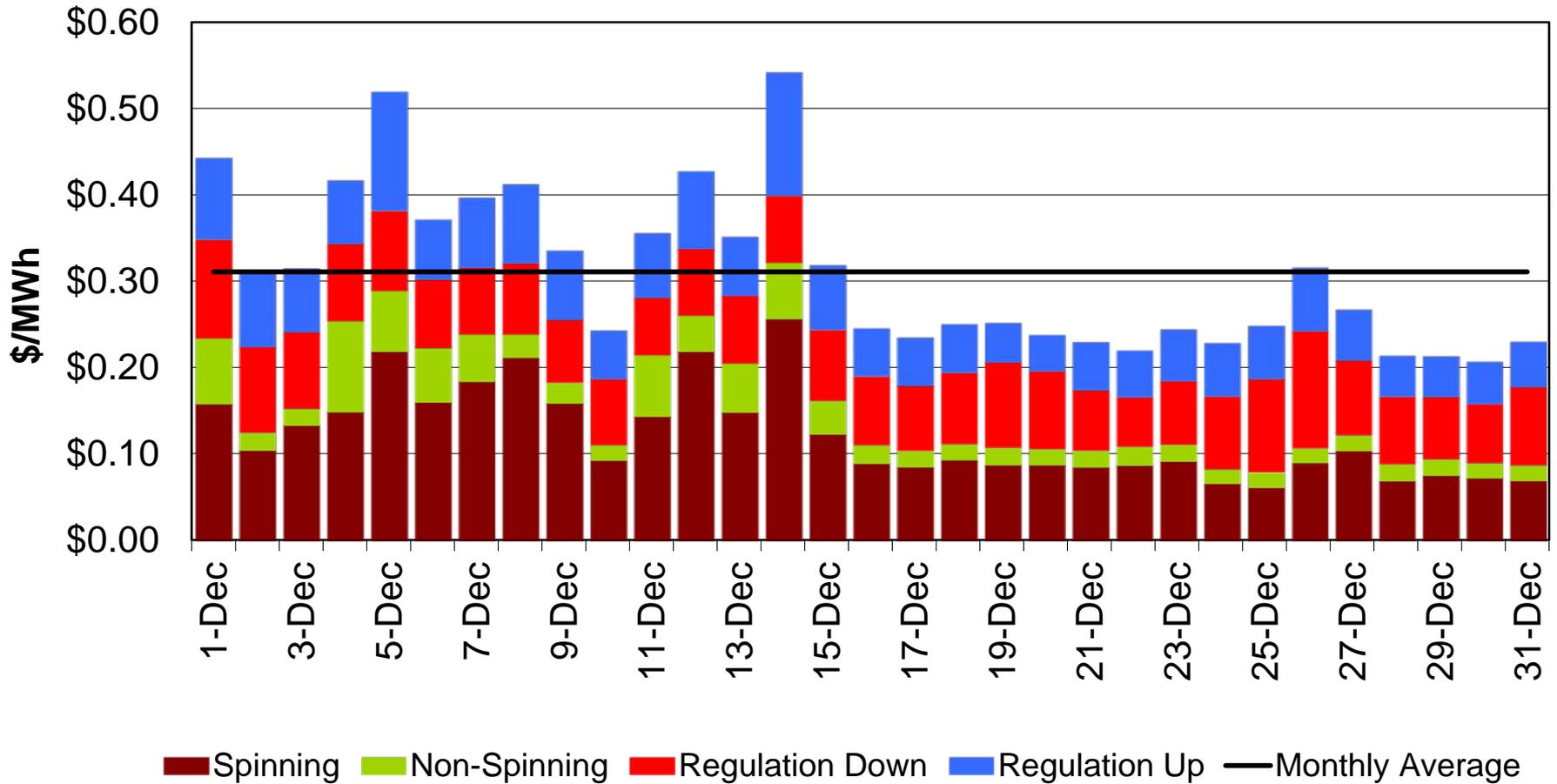
Integrated forward market total congestion rent for interties was \$4.91M in December.



Congestion revenue rights deficit allocation to load was \$1.23M in December.



System ancillary service average cost-to-load dropped to \$0.31/MWh in December.



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

