

Memorandum

To: ISO Board of Governors
From: Debi Le Vine, Director Market Services
Date: January 18, 2007
Re: *Market Performance Report –November 2006*

This memorandum is a status report and does not require Board action.

EXECUTIVE SUMMARY

Highlights for November 2006:

- The average load in November 2006 was 25,507 MW – about 250 MW or 1 percent below the average for October 2006.
- Natural gas prices rose slightly during November from October's \$7.00/MMBTU to around \$7.50/MMBTU by month's end.
- Bilateral electricity prices also increased, following the increasing gas prices.
- Scheduled outages increased to an average of 5,200 MW, up slightly from October's 4,500 MW.
- The average real-time energy price increased by 3% from \$47.78/MWh to \$49.25/MWh over the past month. Incremental prices increased 4% and decremental prices increased 3%.
- The frequency of five-minute interval prices exceeding \$250 remained relatively unchanged (88 in November vs. 87 in October).
- Re-dispatch volumes and costs of incremental OOS dispatch increased while decremental re-dispatch volumes and costs decreased.
- The average total cost of Ancillary Services increased 26% from October's \$0.43/MW-h to \$0.54/MW-h in November. The number of bid insufficiency hours increased from October's 3 to 14 in November.
- Total unit commitment costs reversed a 3-month decline, increasing by 32% from October's \$700,000 to \$925,000 in November.
- Total inter-zonal congestion costs increased to \$5 million in November from \$3.4 million in October.

The complete Market Performance Reports for August is attached.