

Market Performance Report

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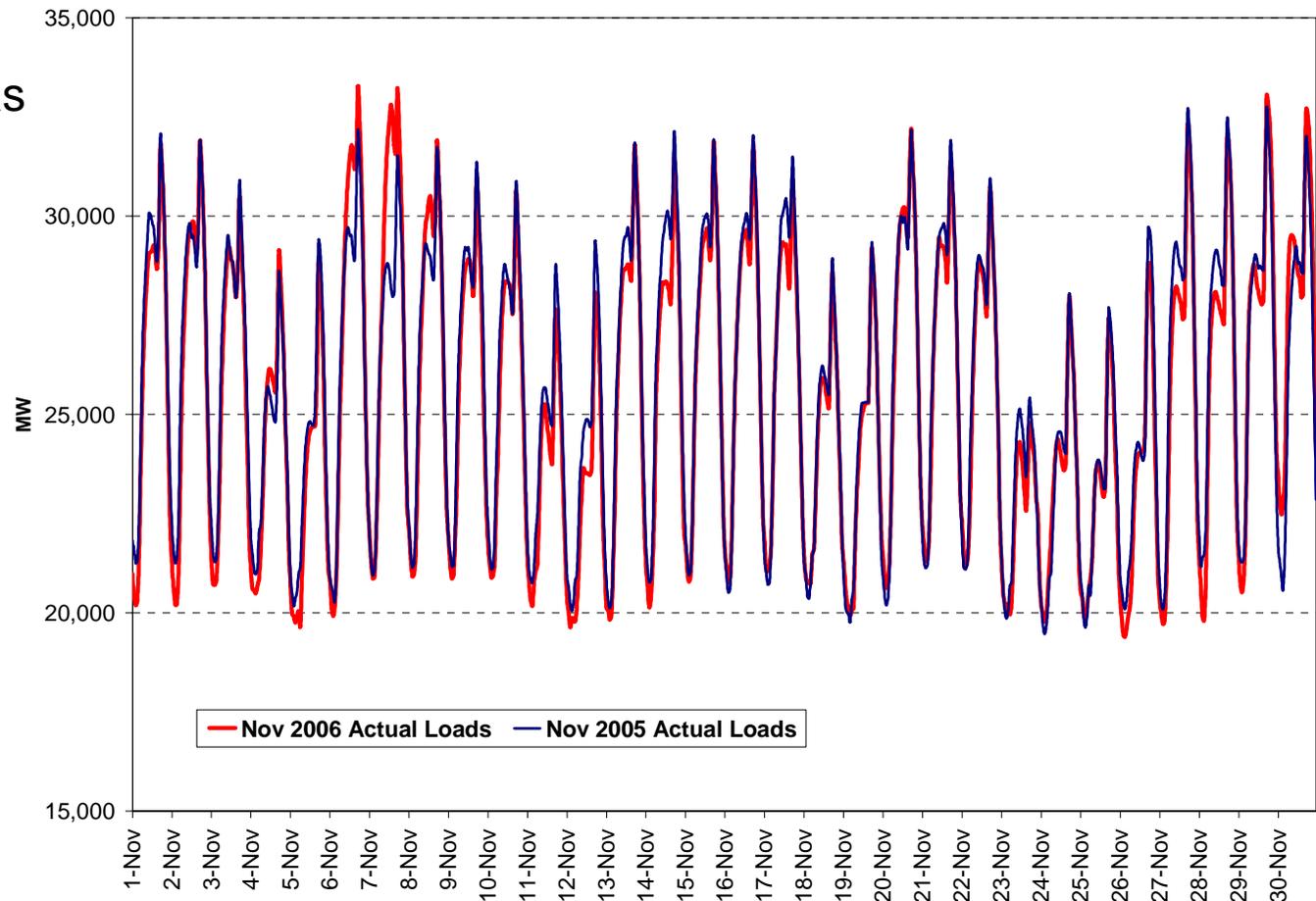
CAISO Board of Governors
January 24-25, 2007

Market Overview

- November was generally quiet
- Natural gas prices rose from \$7 to \$7.50/MMBTu and bilateral, real-time and ancillary services prices all followed this trend
- Unit commitment and inter-zonal costs also increased slightly
- The only incidents of note were a series of price spikes late in the month (27th, 28th and 29th) caused by system demand running significantly higher than the DA forecast, and compounded by generation outages and operational difficulties (temporary loss of EMS) as detailed in the report

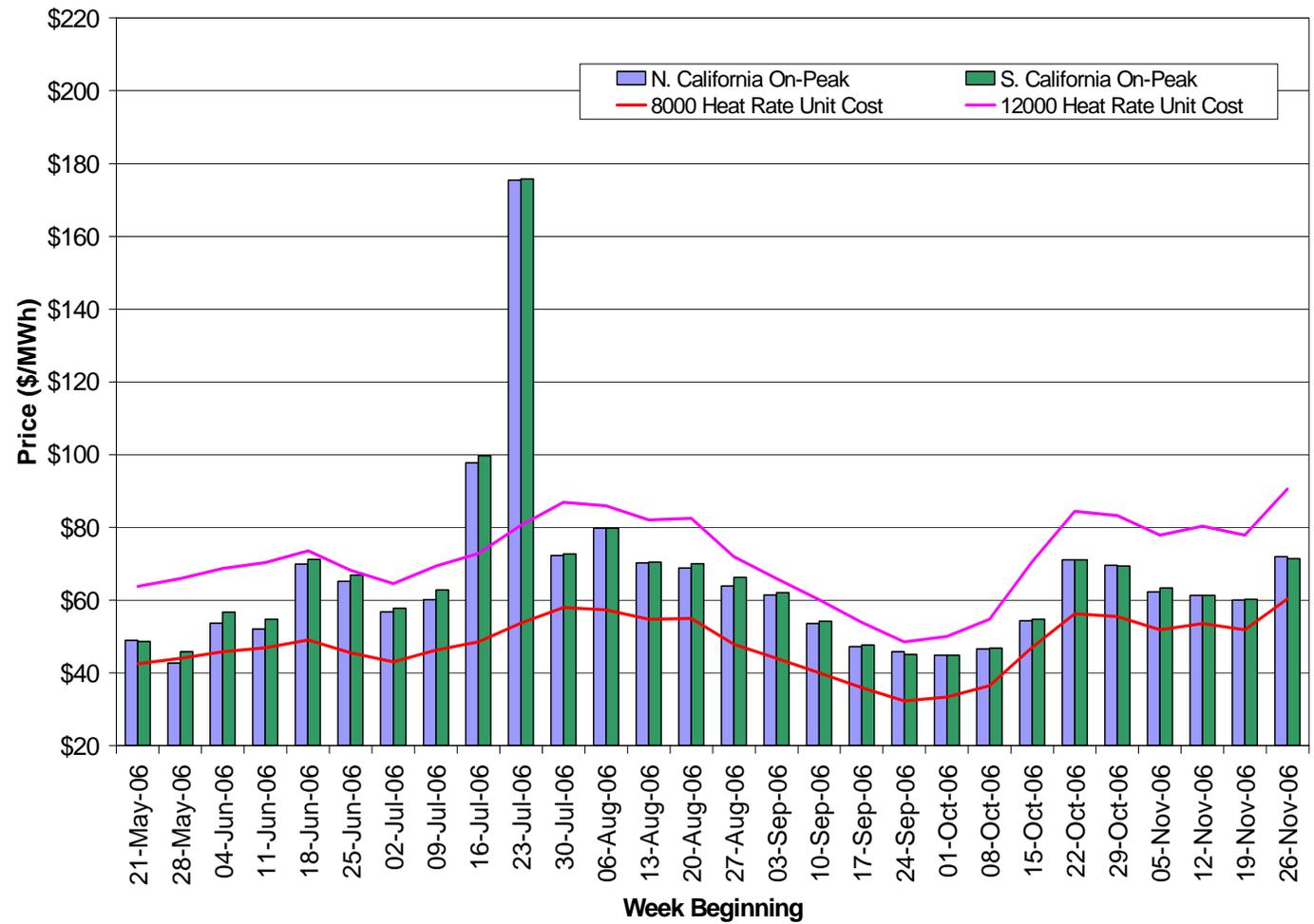
System Load Comparison – Nov 05 to Nov 06

Average load in November 2006 was 25,507 MW – slightly below the October average of 25,748 MW, and 250 MW below the November 2005 average



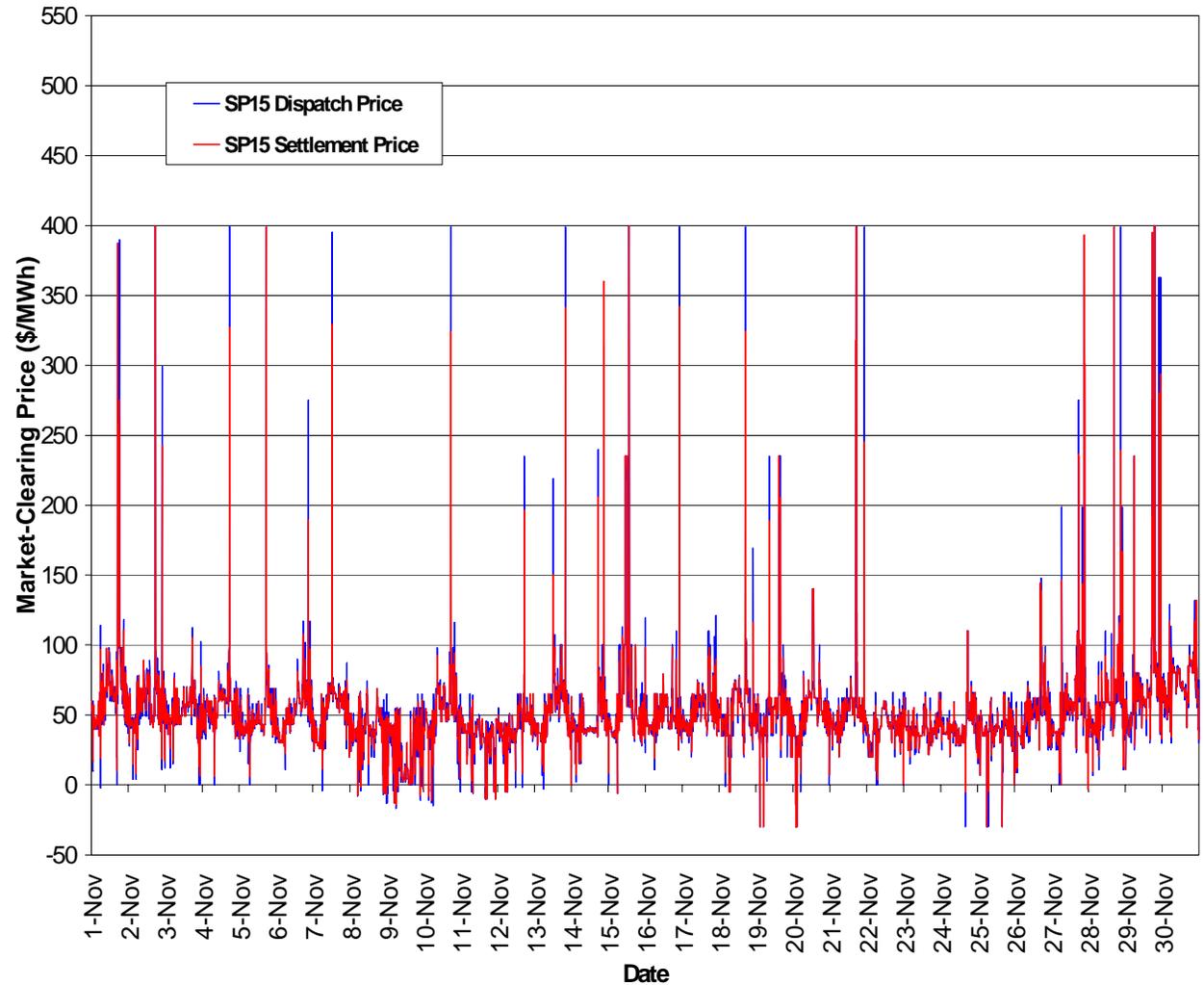
Bilateral Electricity Prices

- Bilateral prices continue to closely track gas prices, which increased slightly in November



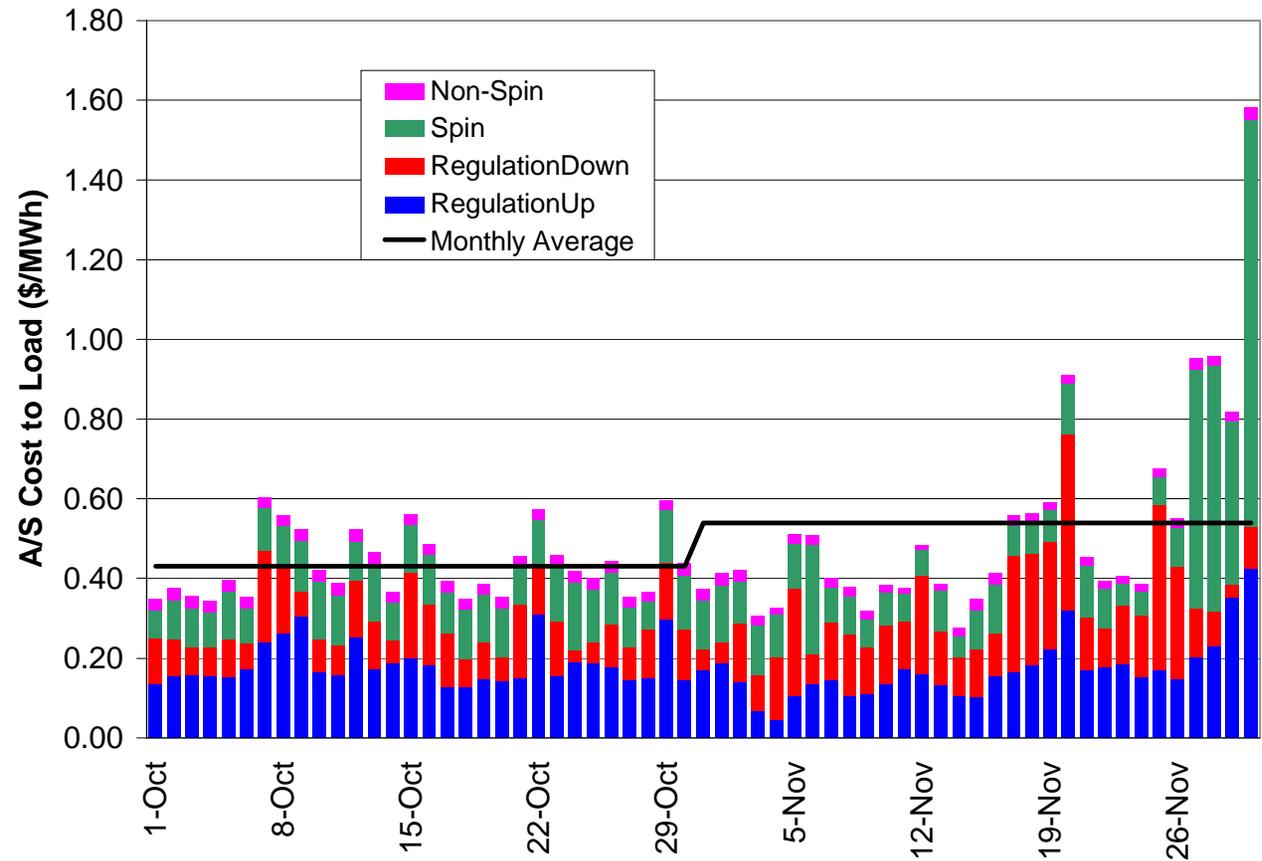
Real Time Balancing Energy Prices

- Real-time prices exceeded \$250 MWh 88 times in November compared to 87 occasions in October



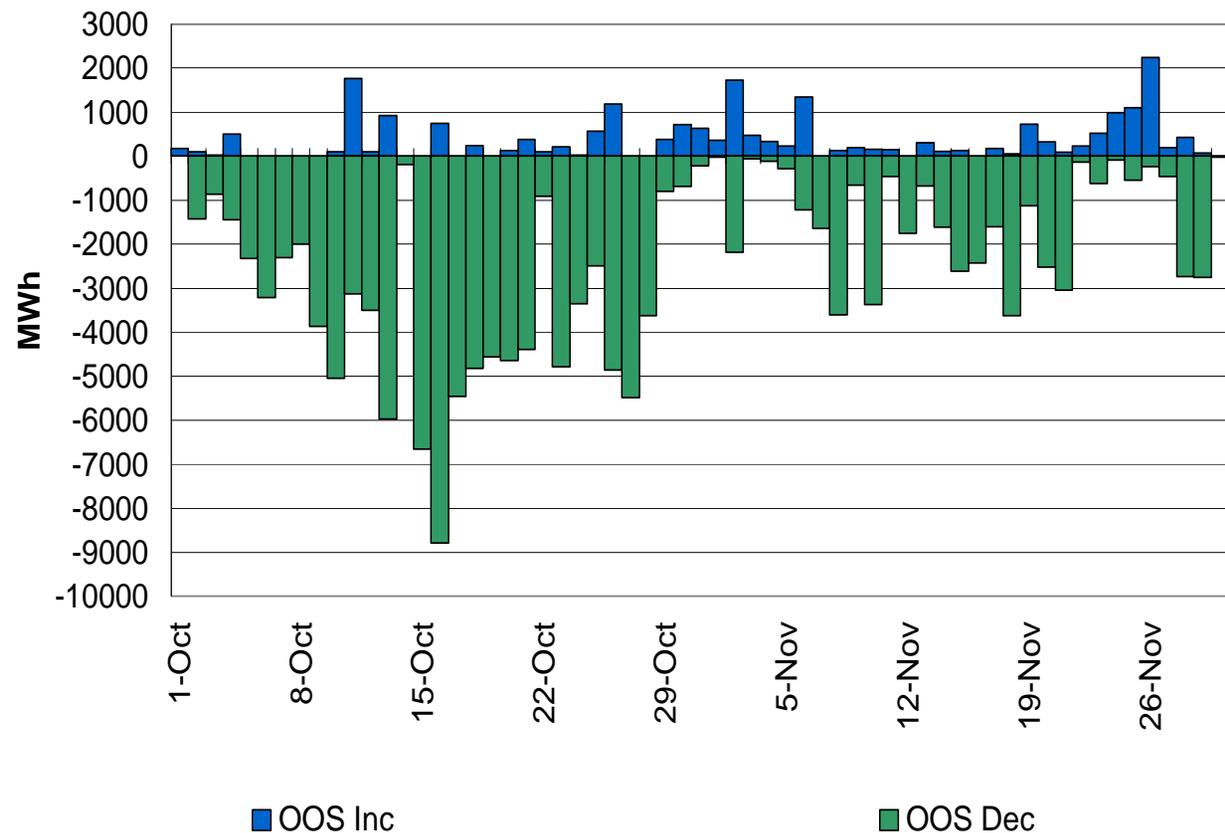
Ancillary Services Markets

- The average total costs increased to \$0.54 in November from October's \$0.43
- Increased costs primarily due to decreased availability of AS capacity



OOS Dispatch

- Decremental volumes decreased significantly in November as compared to October dropping by 59% to 44,000 MWh in total
- Incremental OOS dispatch rose by 41% to 13,000 MWh, still a very low volume compared to the decremental dispatch



RA Unit Commitment Costs

- Total unit commitment costs reversed a 3-month decline as November's total was \$925,000 – a slight increase over October's \$700,000
- RA costs comprised 100% percent of the total. As in October, there were no FERC MOO commitments
- 85% of commitments were driven by transmission line maintenance in Southern California

