

Market performance update

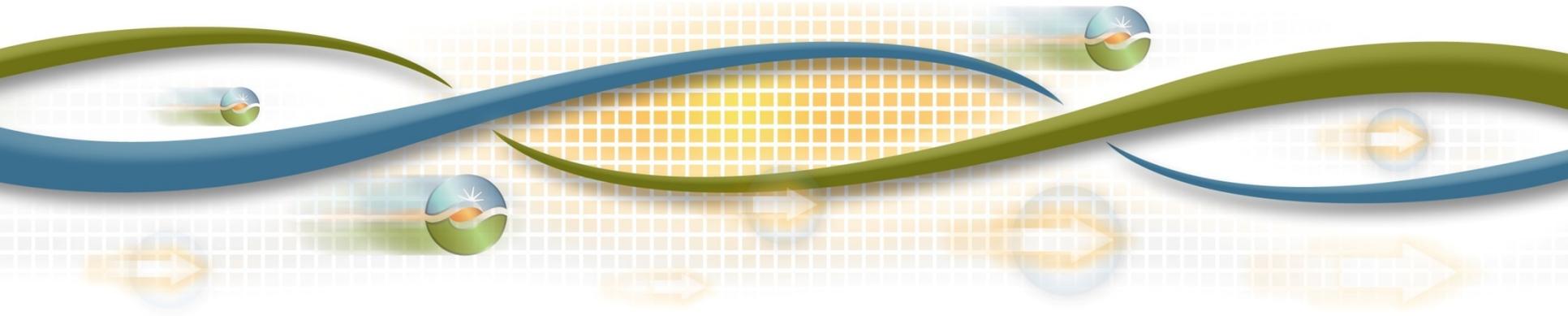
Nan Liu

Manager, Market Development and Analysis

Board of Governors

General Session

September 12, 2013



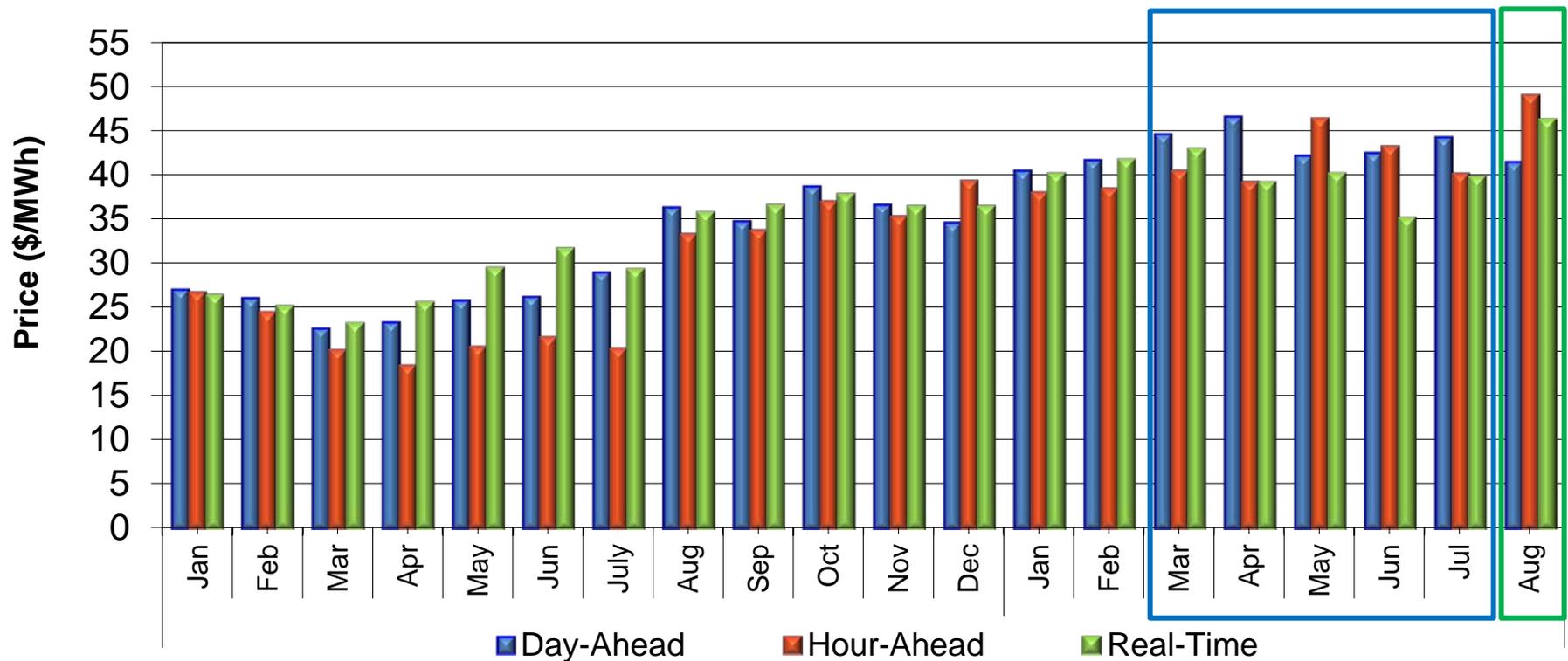
Market highlights

Market performed well and improved in the following areas:

- Real-time congestion offset and imbalance energy offset
- Bid cost recovery
- Exceptional dispatch
- Price corrections

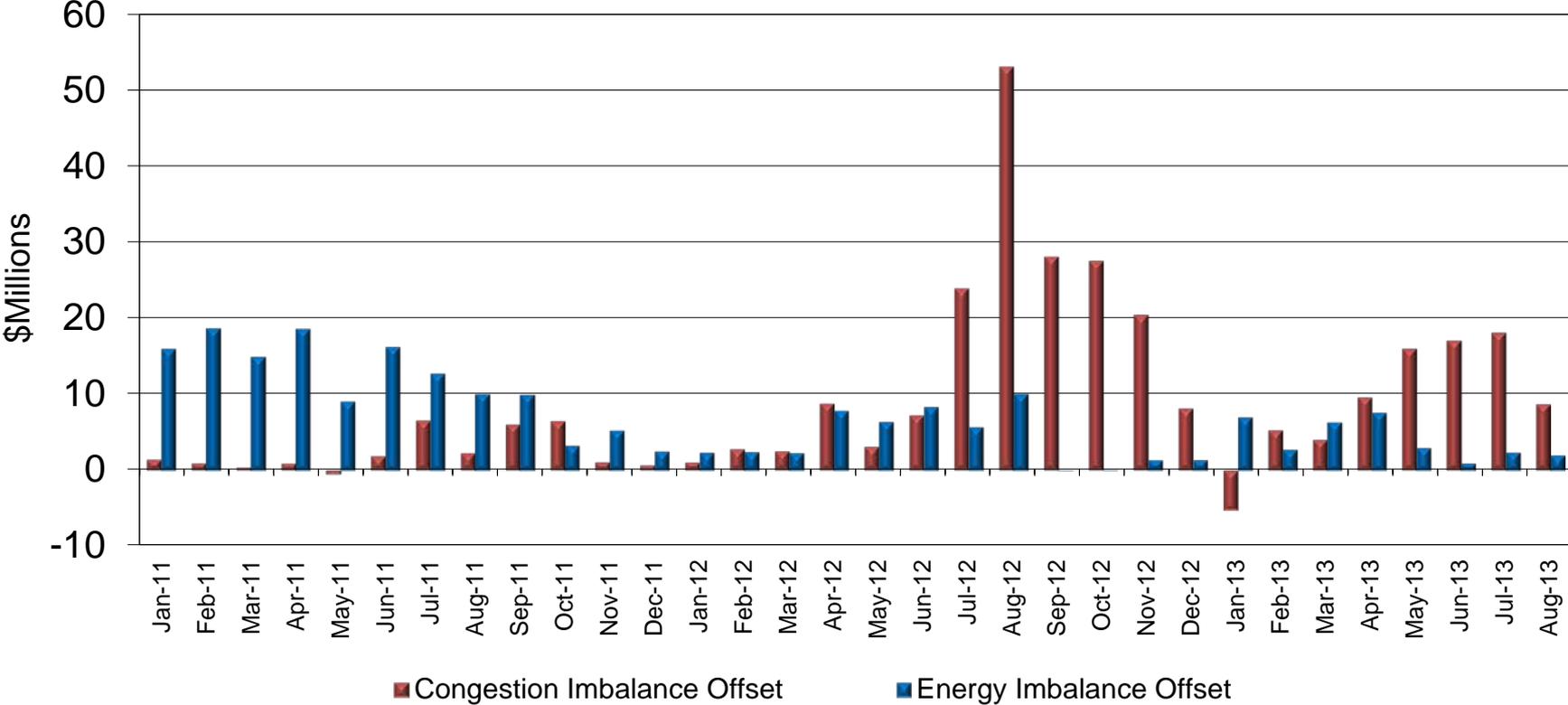
Real-time average prices were lower than day ahead from March to July and higher than day ahead in August.

System Marginal Energy Cost



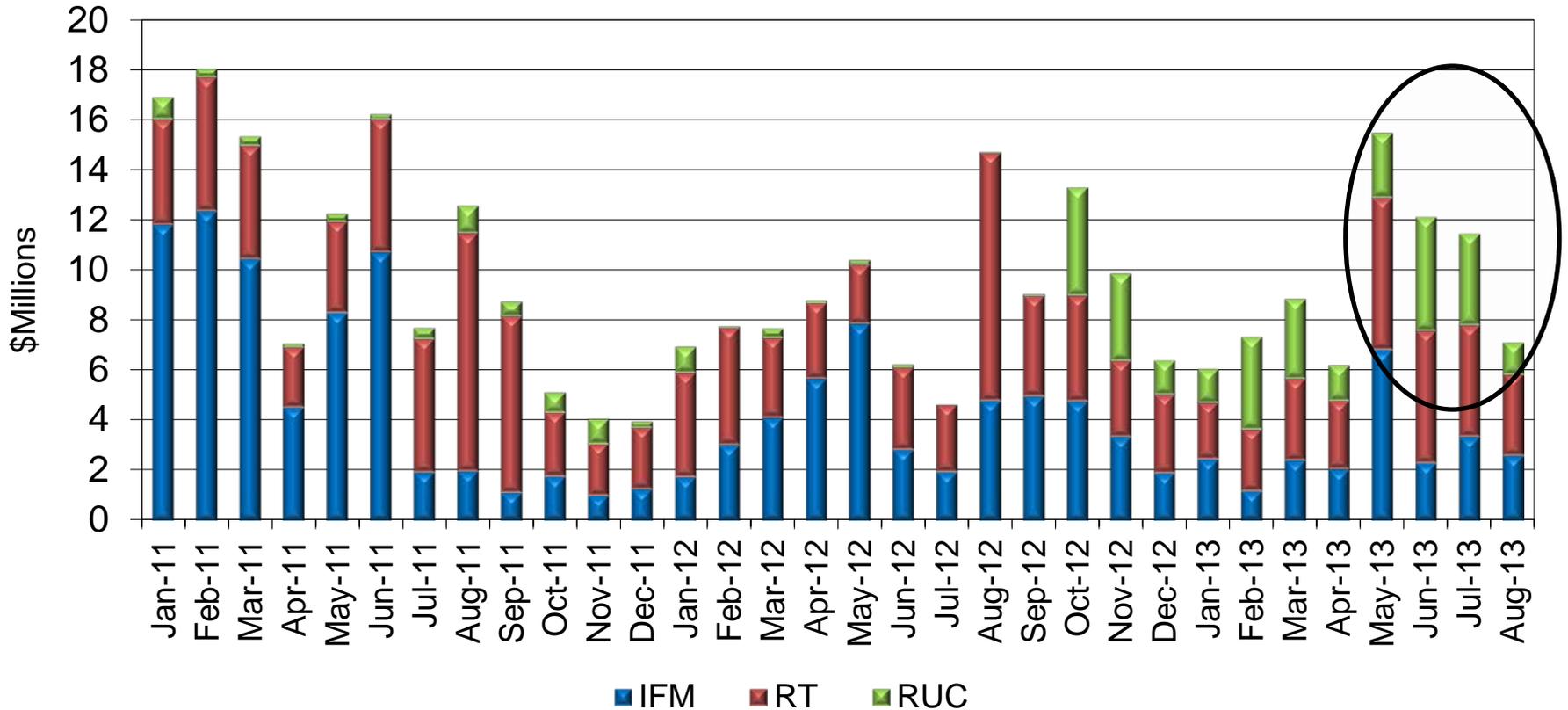
The total real-time congestion offset and imbalance energy offset are lower than last year.

Real-time Congestion and Energy Imbalance Offset Cost



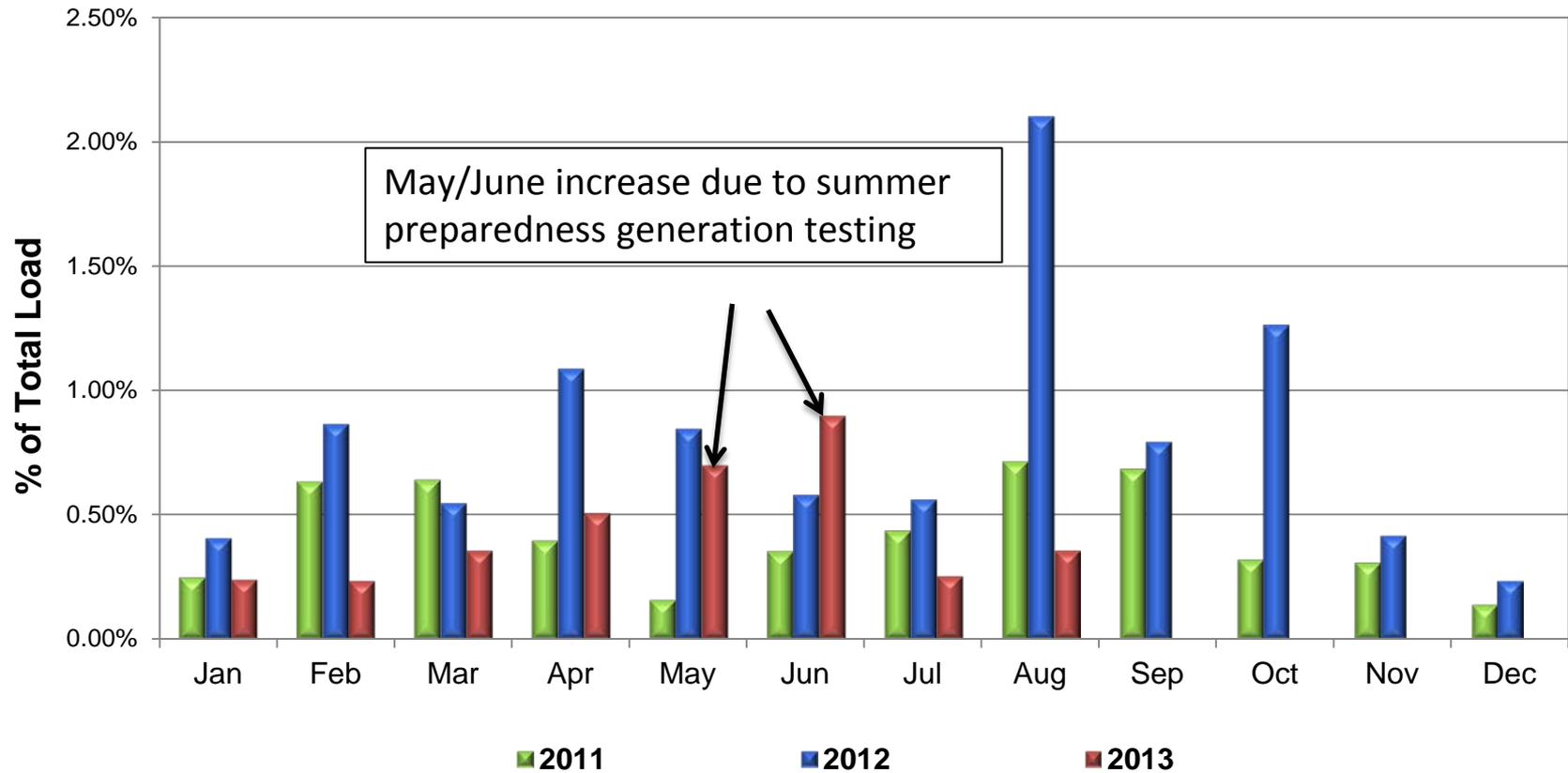
Bid cost recovery cost peaked in May and has since declined.

Bid Cost Recovery by Market Type (IFM, RT, RUC)



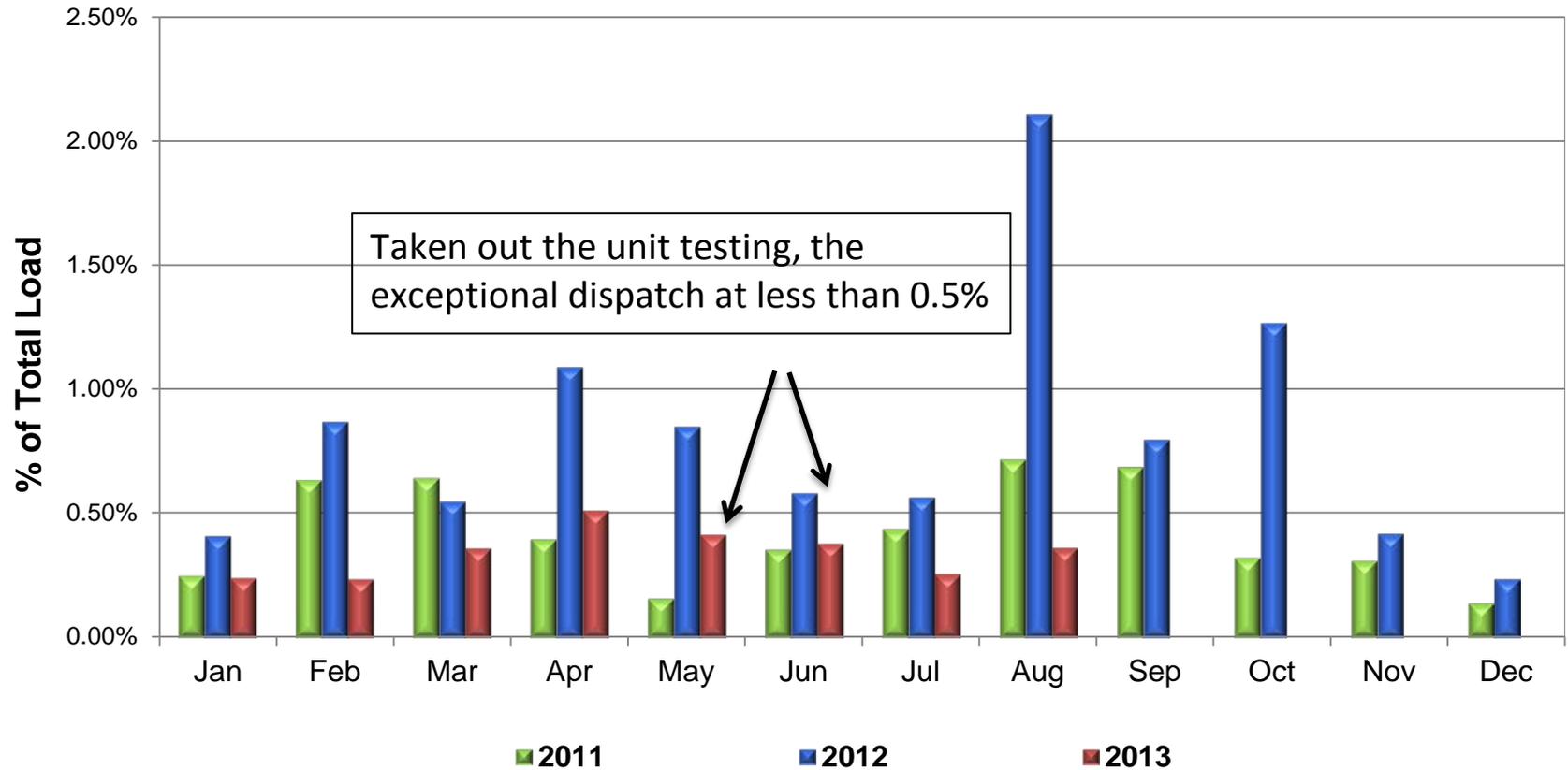
Exceptional dispatch volume lower than 2012.

Total Exceptional Dispatch as Percent of Load



Exceptional dispatch (cont.)

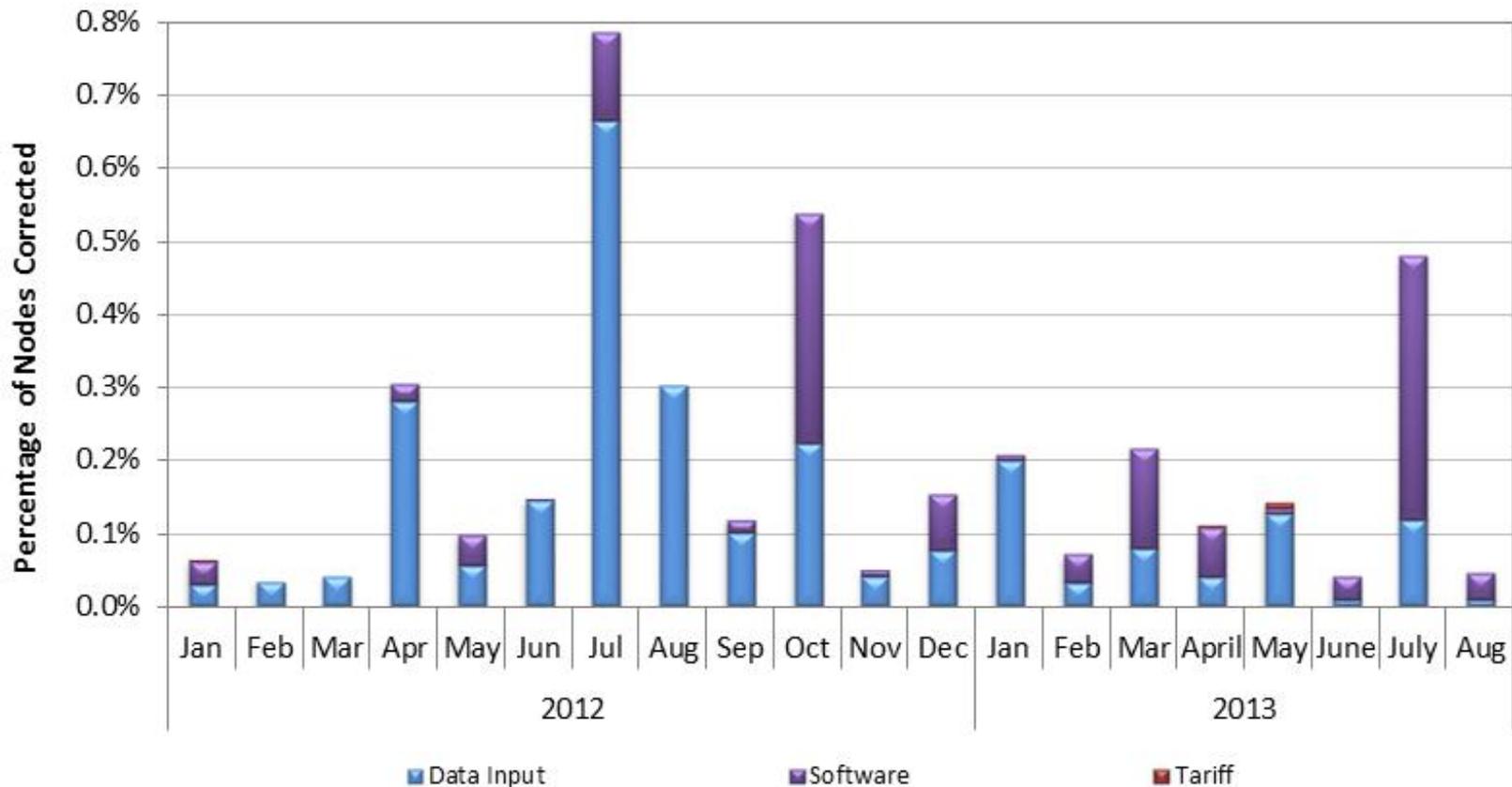
Total Exceptional Dispatch as Percent of Load



Update on efforts to improve exceptional dispatch:

- Stakeholder process continues to review the proposal to add a new market constraint to respond to a contingency event.
- Expect to complete the stakeholder process and take the proposal for Board consideration in December.
- Lower levels of exceptional dispatch related to positioning units at levels with higher ramp rate.

Software issues related to database model promotion resulted in higher number of price correction in July.



In summary:

- Market performed well overall, with improvements in exceptional dispatch and the turnarounds in bid cost recovery and real-time congestion offset costs.
- We will continue to review and refine the residual unit commitment process to better reflect the renewable expectations and improved load forecast accuracy.