

# Market Performance Update

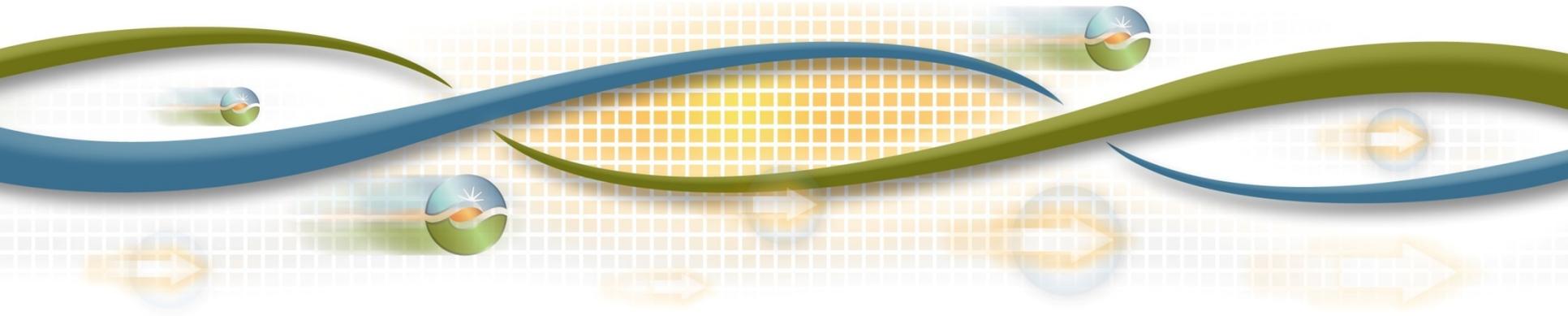
Nan Liu

Manager, Market Development and Analysis

Board of Governors

General Session

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## Market highlights:

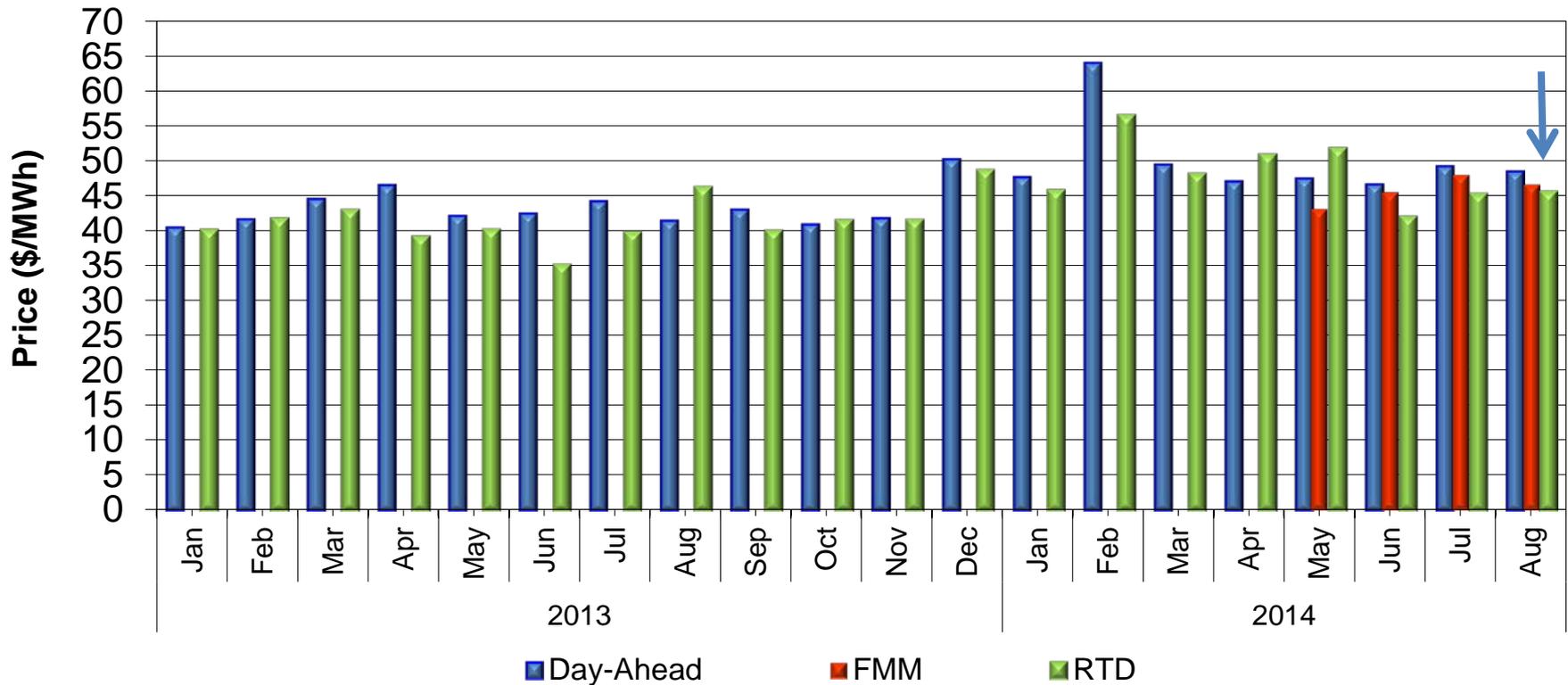
Good market performance in the months of July and August in the following areas.

- Price convergence improved between markets.
- Total bid cost recovery uplift cost decreased since June.
- Total number price correction events decreased in August after an increase in July.
- Real-time imbalance energy cost dropped in August after two months of elevated levels.
- Exceptional dispatch volume continued at low levels.

However, congestion revenue rights (CRR) revenue shortfall was higher than normal in July and August due to congestion unanticipated in the annual CRR process driven by drought conditions.

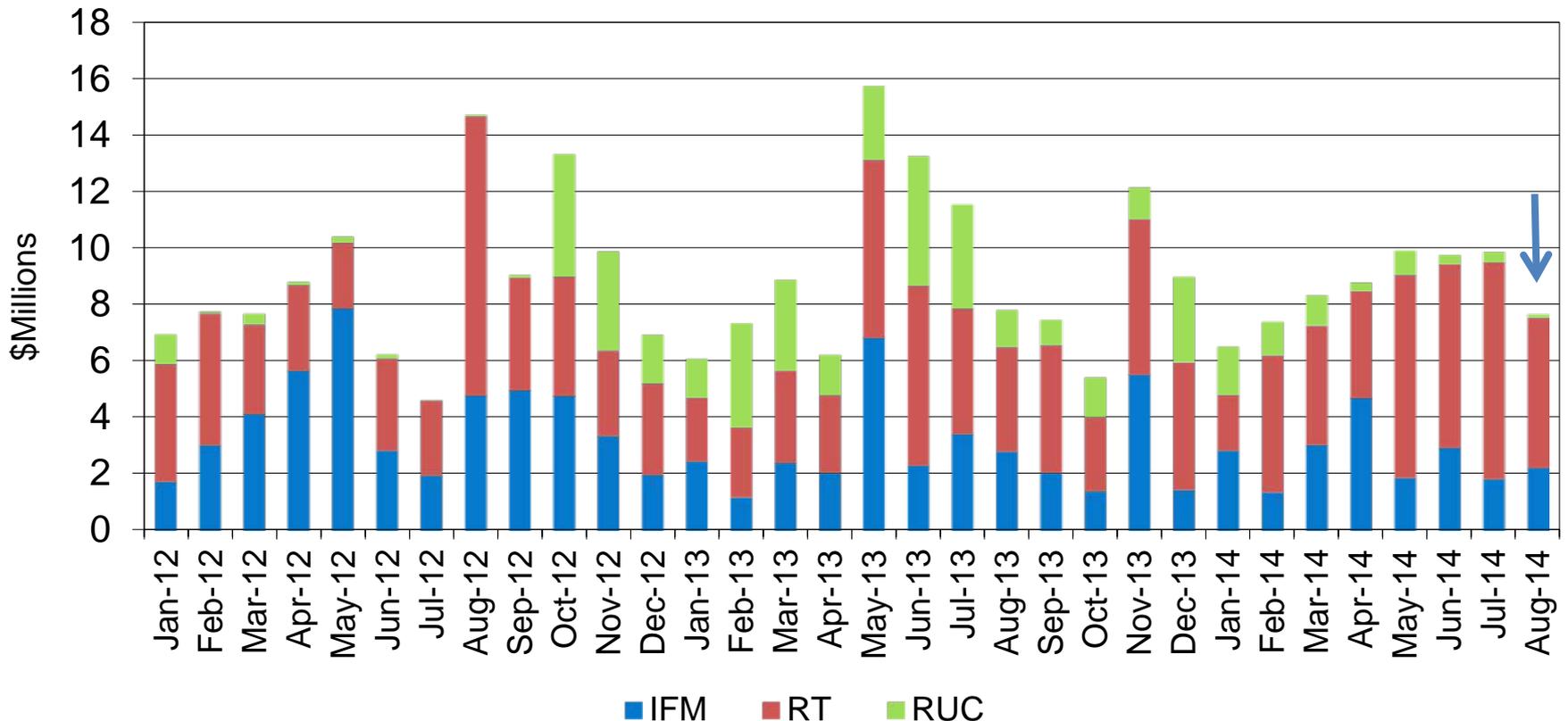
# Price convergence improved between markets

## System Marginal Energy Cost

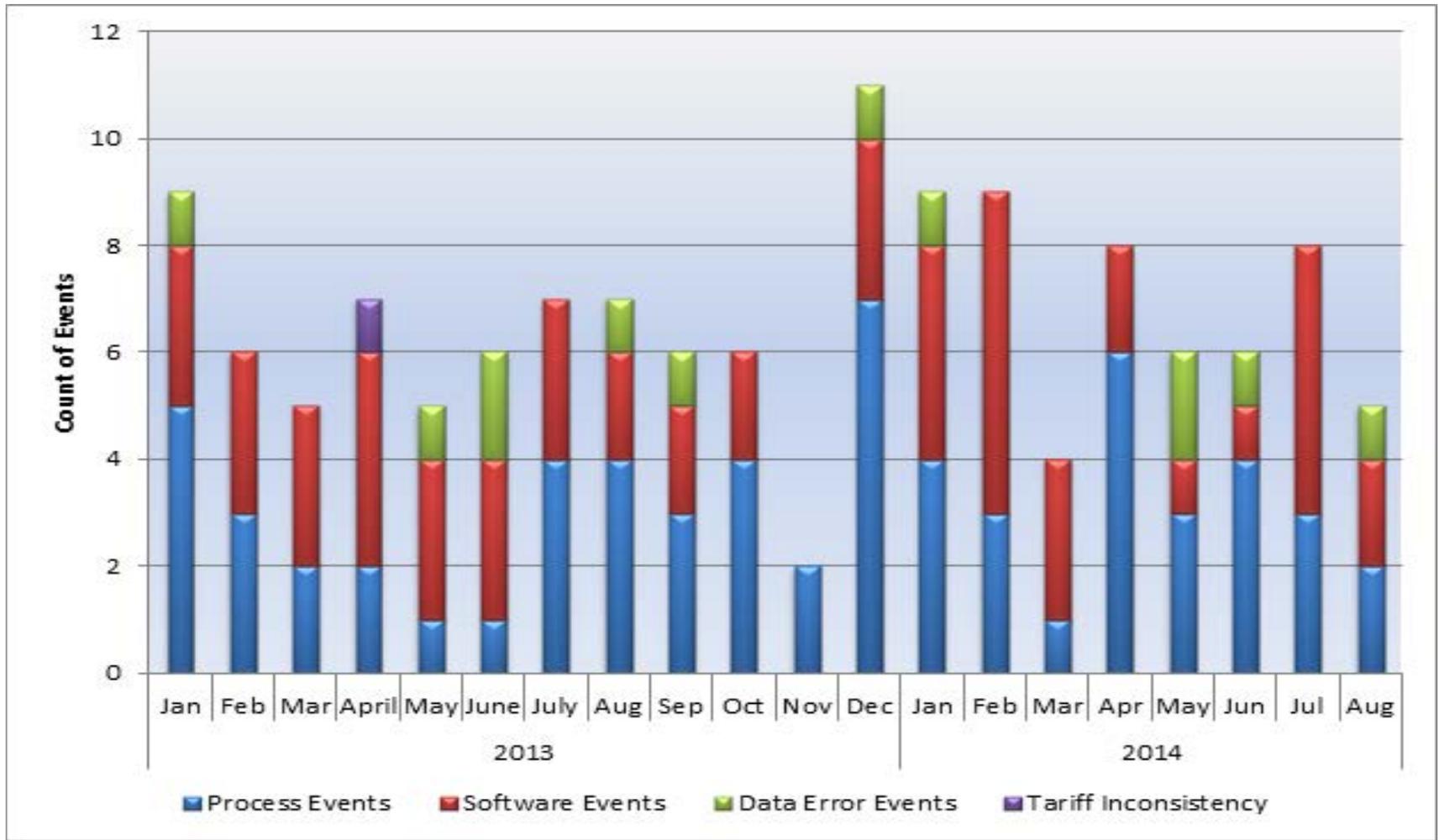


# Total bid cost recovery uplift cost decreased since June

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

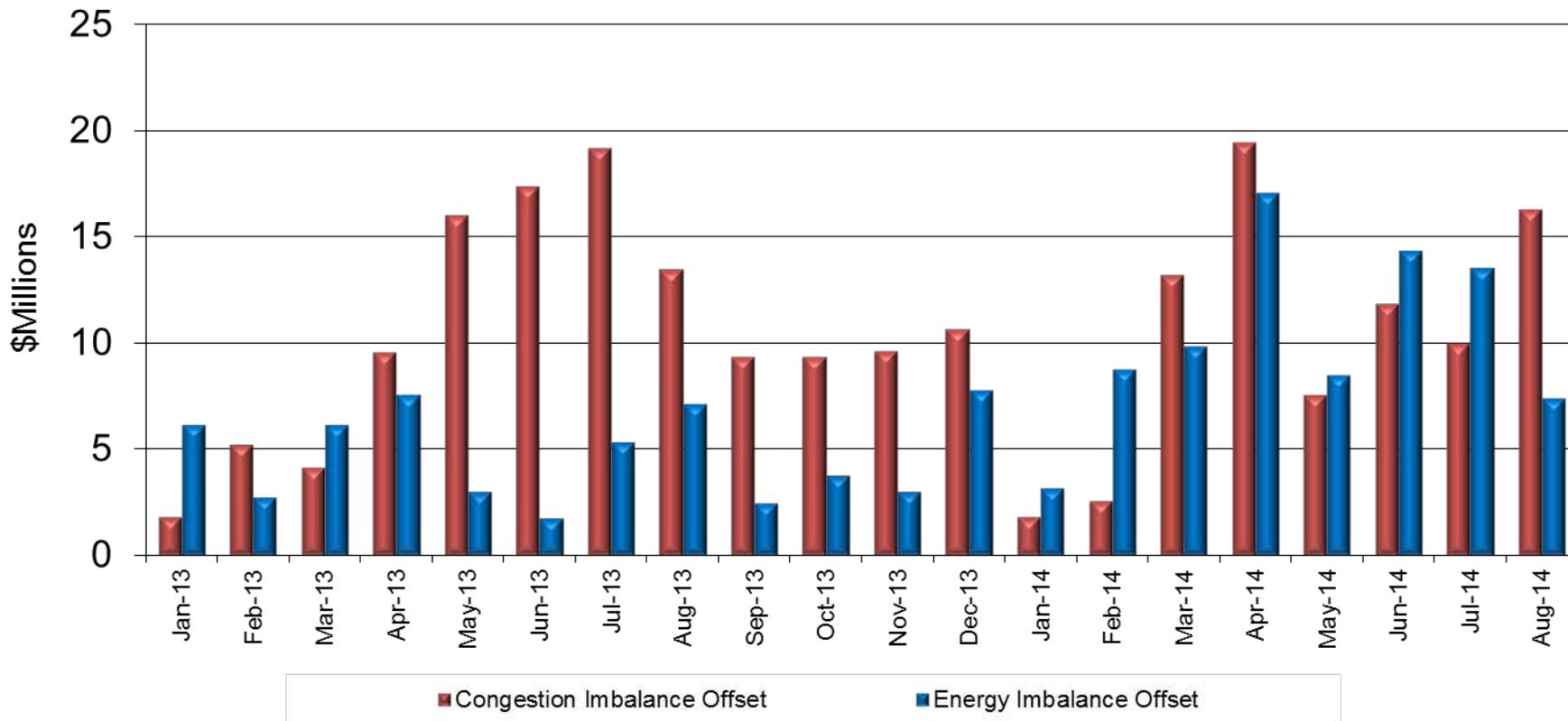


# Total number price correction events resumed its lower trend in August after an increase in July



# RTIEO decreased while RTCO increased in in August

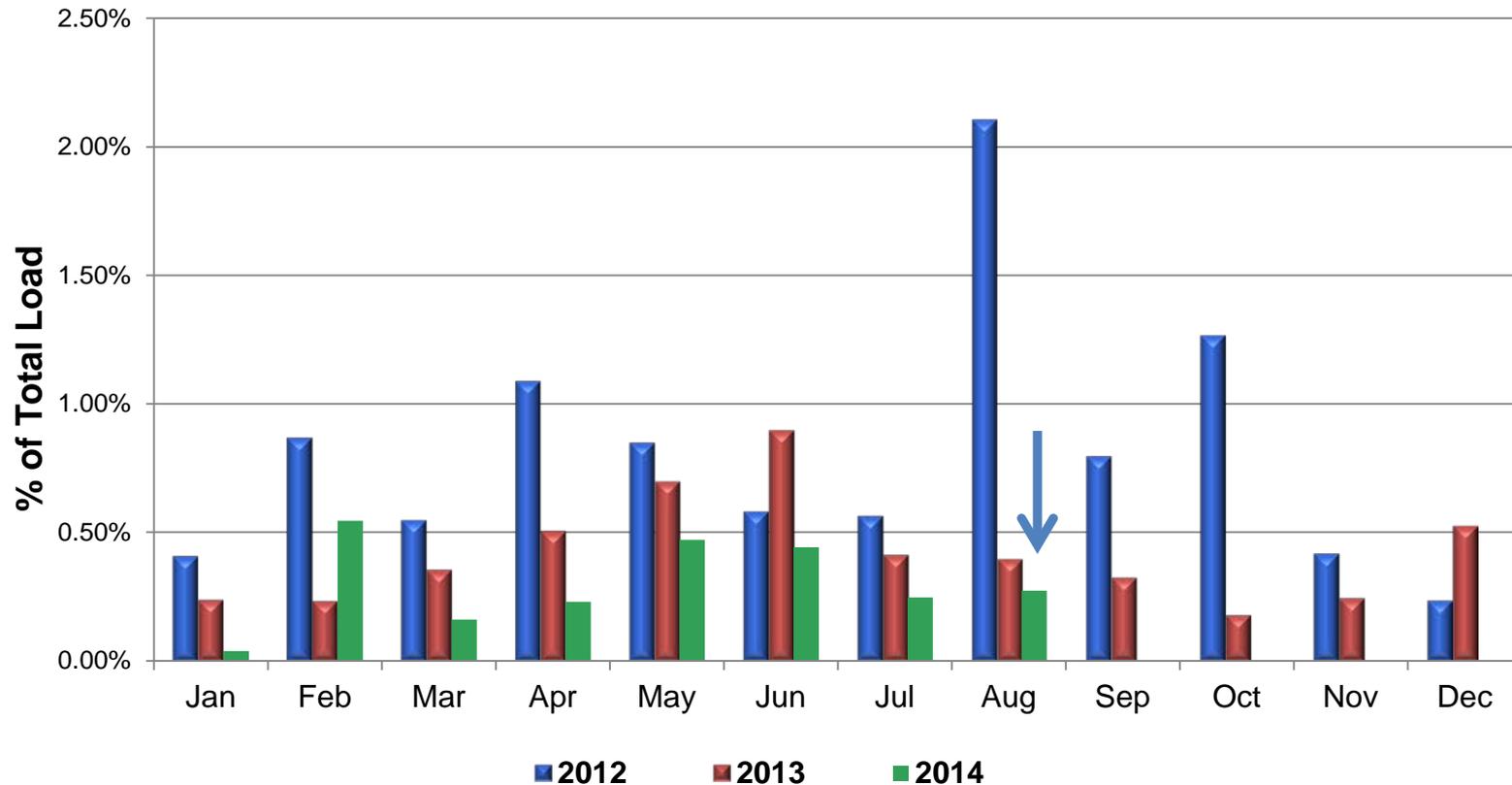
### Real-time Congestion and Energy Imbalance Offset Cost



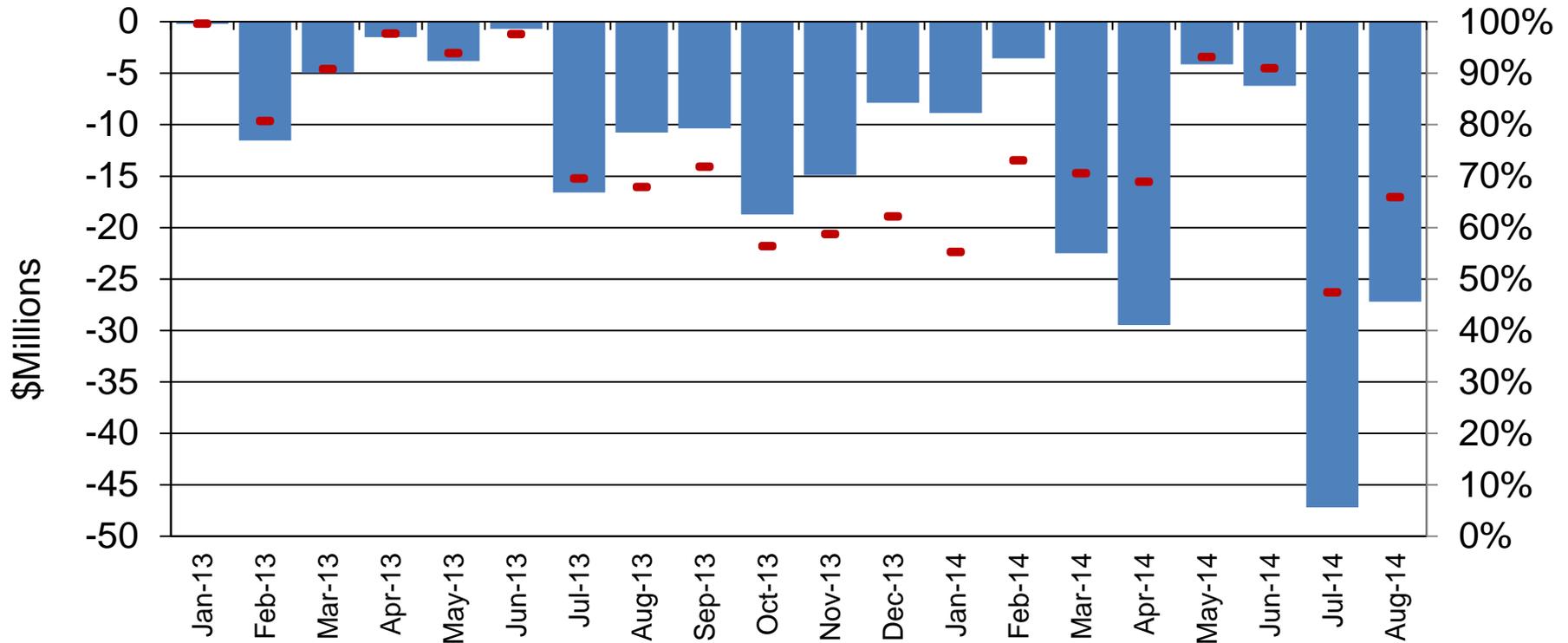
Starting in April, 2014, RTIEO was inflated by approximately \$2 million monthly extra as a result of the correction of an external entity's loss return associated with past imports to CAISO.

# Exceptional dispatch volume decreased in July and August

Total Exceptional Dispatch as Percent of Load



# CRR market revenue shortfalls larger in July, August due to congestion exacerbated by drought conditions



CRR revenue adequacy does not include monthly and annual auction avenues.

■ Revenue Adequacy      ● Percent of Revenue Adequacy