

# Market Performance Update

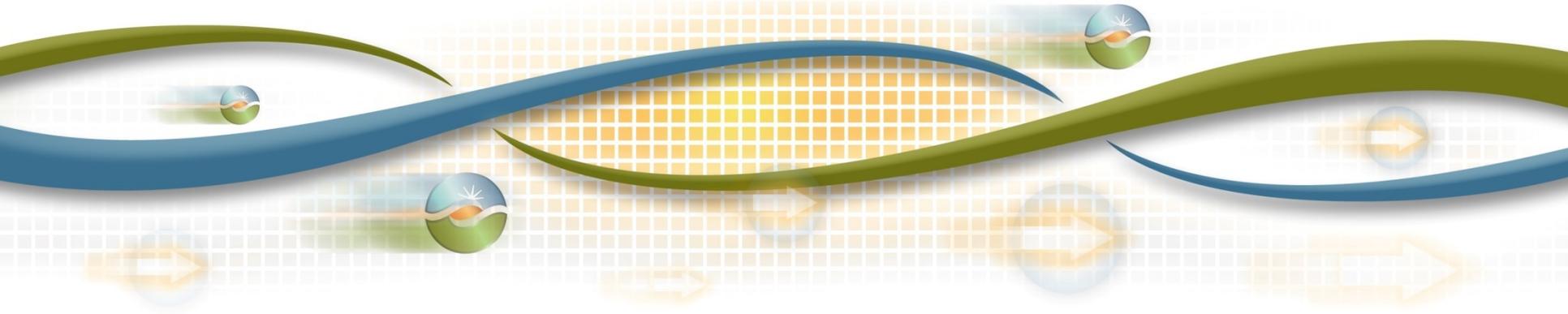
Nan Liu

Manager, Market Development and Analysis

Board of Governors

General Session

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Overall, a good and stable market performance in the first quarter of 2013.

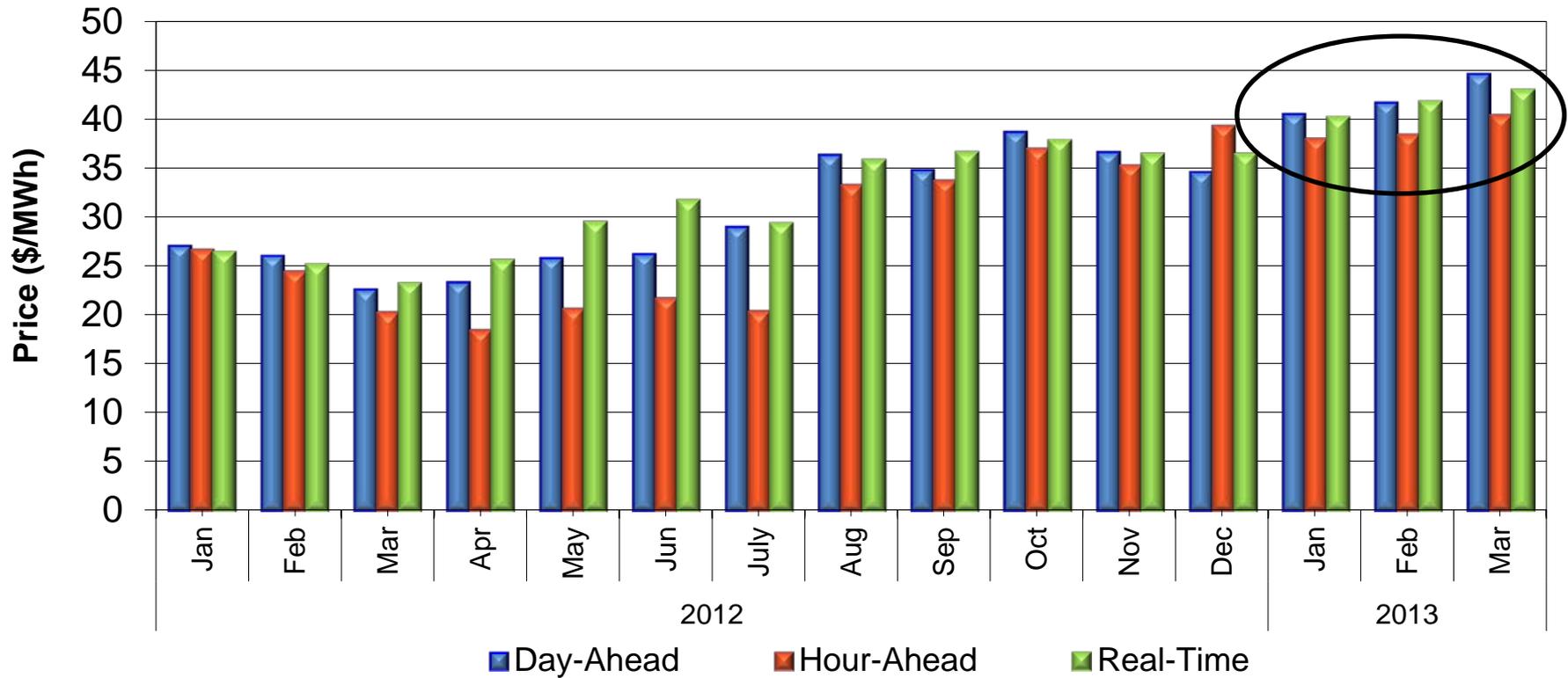
### Highlights:

- Improved day-ahead and real-time price convergence
- Lower real-time congestion offset
- Average range of bid cost recovery
- Lower exceptional dispatch
- Higher than desired levels of price corrections

Improvements are, in part, a result of seasonal conditions.

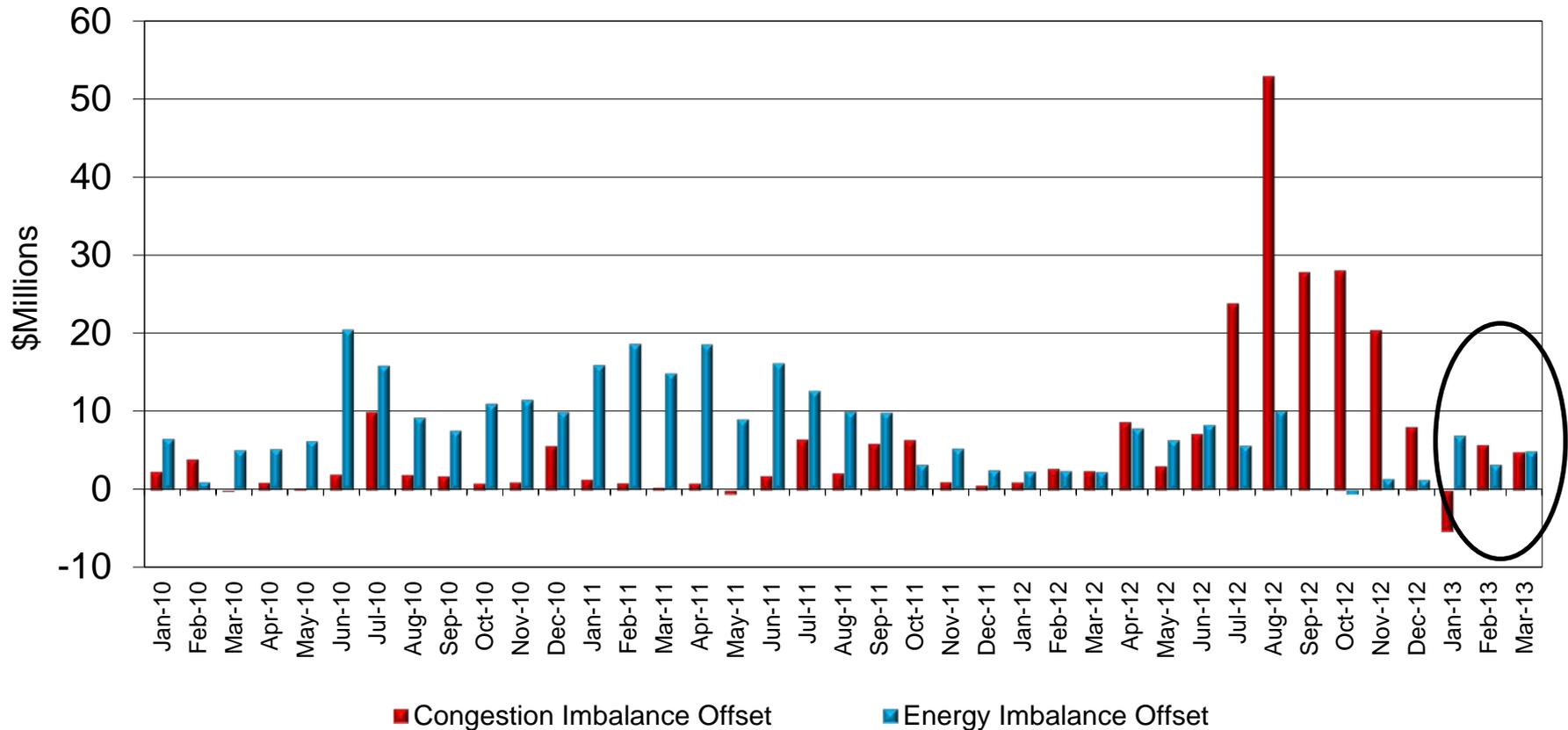
Good convergence of day-ahead and real-time average prices in the first quarter of 2013 with improved day-ahead load forecasts.

System Marginal Energy Cost



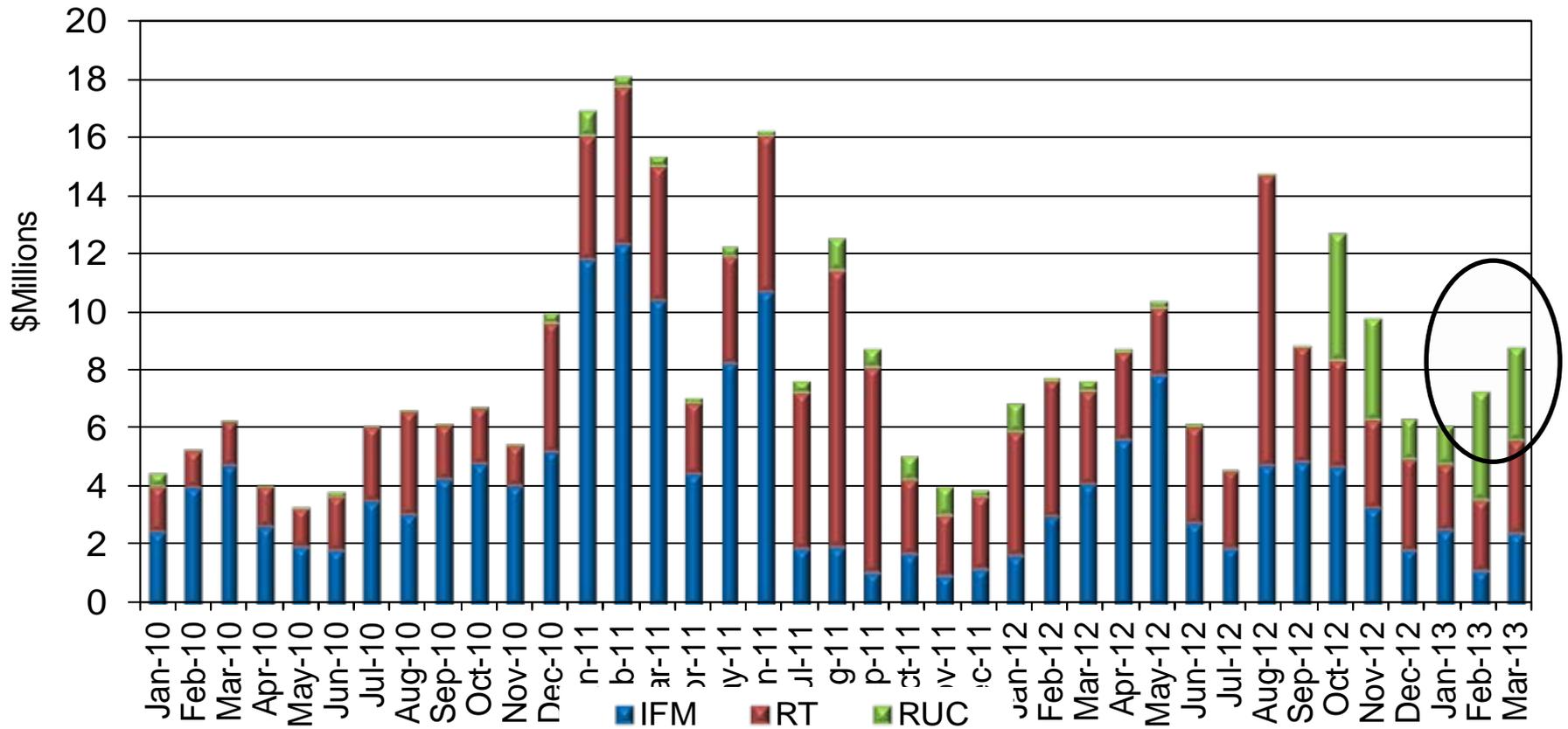
# Real-time congestion offset cost continued to trend lower while energy imbalance offset was in normal range.

Real-time Congestion and Energy Imbalance Offset Cost



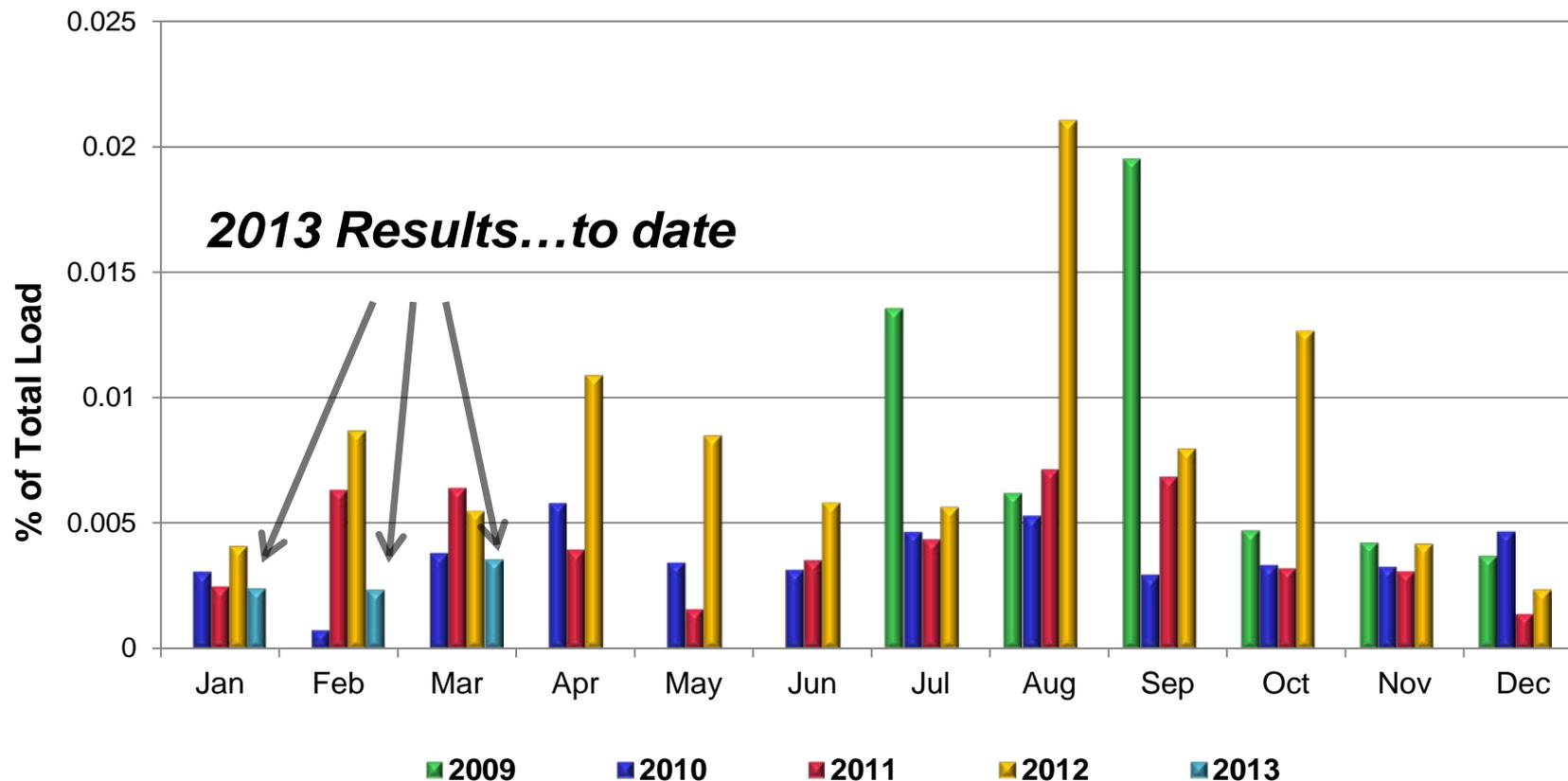
# Bid cost recovery increased in February and March of 2013.

Bid Cost Recovery by market type (IFM, RT, RUC)



Exceptional dispatch volume stayed at relatively low levels in the first quarter of 2013.

**Total Exceptional Dispatch as Percentage of Load**

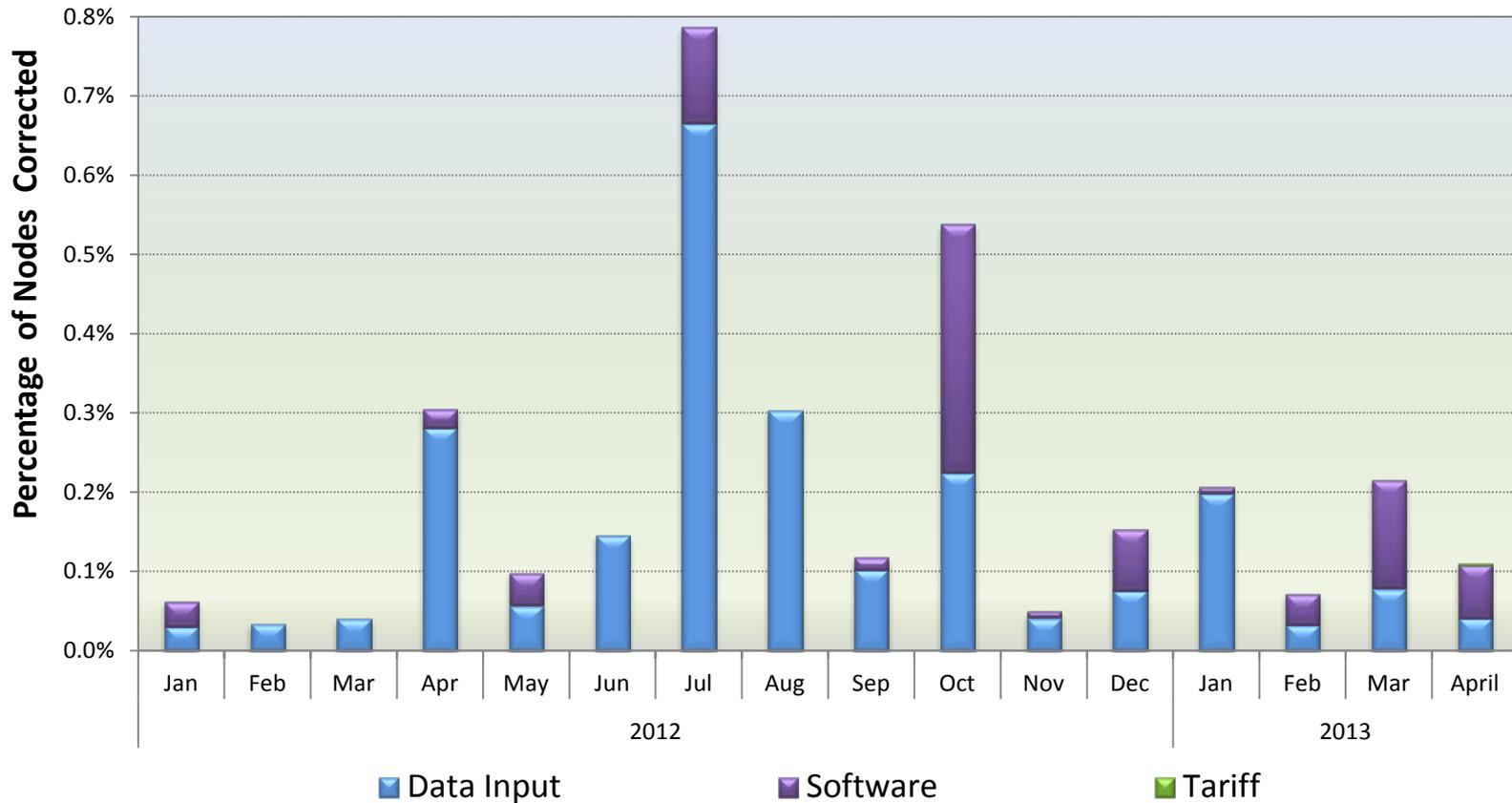


## Update on efforts to improve exceptional dispatch:

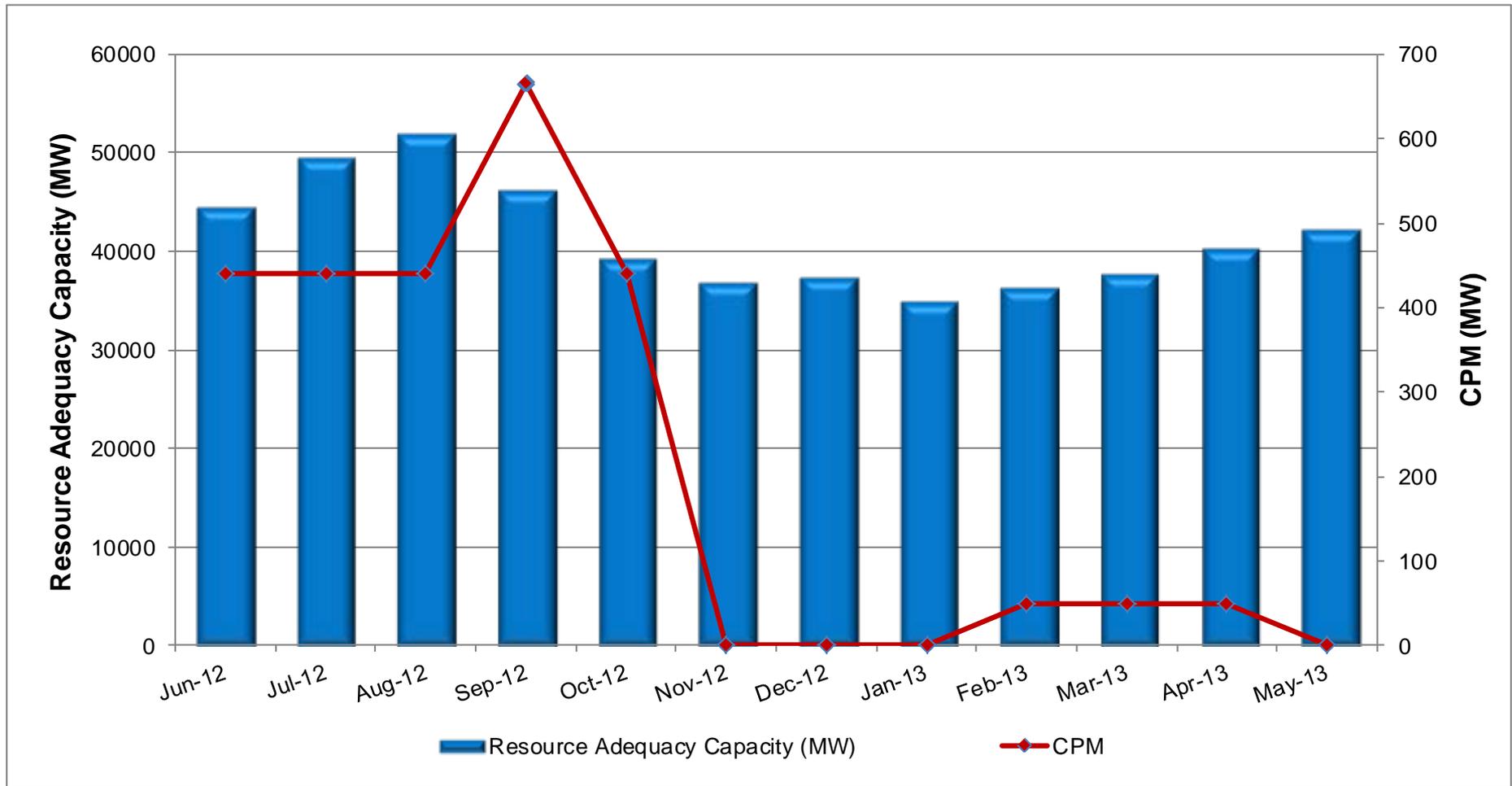
- Commenced a stakeholder process in March 2013 to review the proposal to add a market constraint recognizing the need for a 30-minute capability to respond to contingency event
- Implementing software and process improvements to improve exceptional dispatch transparency
- Expanded discussion of conditions leading to exceptional dispatch with market participants as part of routine market performance and planning meetings

Management is continuing to address root causes and make the necessary process improvements to reduce price corrections.

### Price Corrections



# Use of capacity procurement mechanism dropped to zero in May.



## In summary:

- Progress made in reducing exceptional dispatches.
- Improved day ahead forecast conditions are leading to better convergence of prices.
- Have improved processes and continue to address root causes in order to stabilize and reduce price corrections.