Texas (ERCOT) Electric Market Zones

This map was created using Platts PowerMap.
Overview

Geography
States covered: Most of Texas

Reliability regions: Electric Reliability Council of Texas (ERCOT)

Balancing authority: Electric Reliability Council of Texas (ERCOT)

Zones: Houston, North, South, West.

RTO/ISO

ERCOT schedules and centrally dispatches the grid within a single control area, ensures transmission reliability and wholesale open access, and manages financial settlement in the wholesale power market. It also administers the Texas competitive retail market, including customer switching. ERCOT operates wholesale markets for:

- Balancing energy
- Ancillary service markets with zonal congestion management.

Market participants trade electricity bilaterally directly, through brokers and through the IntercontinentalExchange (ICE). Physical products predominantly use the ERCOT hub pricing point, but physical and financial products priced at the four ERCOT zones are also traded.

ERCOT 2008 State of the Markets Report

Market Monitor:
Dan Jones of Potomac Economics – Independent Market Monitor, ERCOT
Jess Totten, Design Oversight and Pam Whittington Enforcement Oversight, PUC of Texas
Generation/Supply

Marginal fuel type: Coal and natural gas

Generating capacity (summer 2007): 71,244 MW

Capacity reserve (summer 2007): 8,744 MW

Reserve margin (summer 2007): 14%

As of December 2007, ERCOT expects reserve margins to be 13.1% in 2008 and 12.1% in 2009.

Demand

All time peak demand: 62.5 GW (set August 13, 2007)

Peak demand growth: 0.0% (2006–2007)


Source: PUC of Texas
Prices

Annual Average Real-Time Price at ERCOT North Hub

- **2004** $42.33/MWh
- **2005** $66.47/MWh
- **2006** $51.39/MWh
- **2007** $51.96/MWh

Interconnections/Seams

The ERCOT control area is not synchronously connected to the Eastern or Western Interconnection (it is a separate interconnection) but it can exchange about 1,100 MW with SPP and Mexico through DC links. An additional 250 MW of exchange capacity with Mexico came online in 2007.
### Annual Average Bilateral Prices

<table>
<thead>
<tr>
<th>Region</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>5-Year Avg</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPP North</td>
<td>$55.84</td>
<td>$60.21</td>
<td>$68.77</td>
<td>$32.94</td>
<td>$38.71</td>
<td>$51.30</td>
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<tr>
<td>ERCOT North</td>
<td>$61.03</td>
<td>$59.53</td>
<td>$73.42</td>
<td>$34.89</td>
<td>$41.15</td>
<td>$53.98</td>
</tr>
</tbody>
</table>

Source: Derived from *Platts* data. Updated July 11, 2010

November 2011
Notes: *ICE* forwards (physical) volume for ERCOT include on-peak monthly, dual month, quarterly, and calendar year contracts traded for each month.

Source: Derived from *ICE* data

Updated: November 02, 2011
Texas Electric Market: Generation Output and Temperatures

Weekly Power Generation & Temps. - South Central

Electric Generation (GWh)

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

Electric Generation (GWh)

Source: Derived from EEI and NOAA data

Updated: November 02, 2011
Texas Electric Market: South Central Implied Heat Rates

Implied Heat Rates at South Central Trading Points - Weekly Avgs.

Source: Derived from Platts on-peak electric and natural gas price data

Updated: November 01, 2011
Midwestern Daily Bilateral Day-Ahead On-Peak Prices

Source: Derived from Platt's data

November 2011