

1 60-20000914-10094715-10245647 (15:09)
2 [*dialing/ringing*]
3 Tracy: This is Tracy.
4 PERSON 2: Sonny.
5 TRACEY: Sonny!
6 [REDACTED]
7 PERSON 2: OK, this is good news, Sonny.
8 TRACEY: So you're makin' money, Sonny?
9 PERSON 2: Sonny, yeah, but couple weeks ago when it got cold down there – oh, that
10 fuckin' killed me.
11 TRACEY: [*laughs*]
12 PERSON 2: Oh Christ [*inaudible*]
13 TRACEY: Really?
14 PERSON 2: I lost like 15 million bucks.
15 TRACEY: Really?
16 PERSON 2: Yeah.
17 TRACEY: Ow!
18 PERSON 2: But it's all comin' back now.
19 TRACEY: Oh, yeah, it was – it was really –
20 [REDACTED]
21 TRACEY: And I suppose now it's September they maybe didn't expect this, or what?
22 PERSON 2: Oh, Christ no, Sonny, this is much above record-breaking.
23 TRACEY: Really?
24 PERSON 2: Oh, yeah.
25 TRACEY: Oh, it's fucking hot.
26 PERSON 2: Yeah. Unbelievable.
27 [REDACTED]
28 TRACEY: Yeah, I'm helping out, Sonny, I got the air just way down.

29 PERSON 2: Good. Go to the neighbors and knock on their doors too.

30 TRACEY: I got it set at 72, so –

31 PERSON 2: Actually, go buy ‘em a couple more window units.

32 TRACEY: Set ‘em outside and run ‘em.

33 PERSON 2: Yeah, do something Sonny.

34 TRACEY: Isn’t that crazy?

35 PERSON 2: OK, well, good. This is good news down there, ‘cause I just wanted to I know

36 you’d be the one to say that this is either unbearable or I mean it –

37 [REDACTED]

38 TRACEY: How much money you making out of this deal Sonny?

39 PERSON 2: Sounding pretty good. You just keep it up, man.

40 TRACEY: A few million a day?

41 PERSON 2: Yeah, a few of those.

42 TRACEY: Really? *[laughing]*

43 PERSON 2: Yeah.

44 TRACEY: You’re the man!

45 PERSON 2: At times I buy like four or five.

46 TRACEY: Really?

47 PERSON 2: Yeah.

48 TRACEY: So you’re kickin’ ass.

49 PERSON 2: Yeah, hopefully if I keep the right position on.

50 TRACEY: Yeah.

51 PERSON 2: But it could get lifted as we speak. Goddamn people that just want this power.

52 TRACEY: Oh, really?

53 PERSON 2: Well, I’m j – you know, prices yeste -- yesterday for today came out to be 210

54 dollars, which is just pretty stout. Caps –

55 TRACEY: Yeah?

56 PERSON 2: Caps 250.

57 TRACEY: Right.

58 PERSON 2: And um, you know, I'm selling balance of the month [*inaudible*] you know, for
59 the rest of the month, I don't think it's going to average more than 180, but next week it's
60 going to be 220, 230.

61 TRACEY: Because of the heat again?

62 PERSON 2: Oh, yeah, you fuckers are roasting?

63 TRACEY: Really!

64 PERSON 2: So, either it's going to come way off and I'm going to look like a genius selling
65 175s into the storm or, you know, it's going to stay fuckin' hot forever and people die down
66 there.

67 TRACEY: So you're holding off.

68 PERSON 2: Well, I – I'm pretty long. I was 400 megawatts long and I narrowed it down to
69 200 now, so I'm actually pretty good, I think.

70 TRACEY: OK.

71 PERSON 2: Which – all that tells you is that I used to – ah, I mean, it'd be great to be 400
72 long now, but it's hard to get out of those positions.

73 TRACEY: Yeah.

74 PERSON 2: Wh – whe – when it craped out like two weeks ago –

75 TRACEY: Right.

76 PERSON 2: - do you think anybody wanted to buy my 400 megawatts? Fuck no! And that
77 thing slid down like 30 bucks.

78 TRACEY: Oh,

79 PERSON 2: You know, so you sat there and just fuckin' felt like Lucky Pierre.

80 TRACEY: [*laughs*] And you – and you have to sell?

81 PERSON 2: No, you don't. That's the thing. You can hold onto it and go through the
82 whole dip. It's just like your stock, right?

83 TRACEY: Oh, but how long can you hang onto it?

84 PERSON 2: Until the transaction date – till the day it has to flow, so balances – you play

85 the averages, right?

86 TRACEY: Oh, yea.

87 PERSON 2: So that one day you're eating it when prices were 97 dollars –

88 TRACEY: Yeah.

89 PERSON 2: -- you know, I'm fuckin' sittin' there wearin' this stuff, till I buy more at 97 the

90 next -- you know, so I bought more at 97. That's how I accumulate all this 400.

91 TRACEY: Oh, really.

92 PERSON 2: So now it's worth, um, 175, so I bought it at 97, 95, 87, so you're makin' 100

93 bucks on -- that's 160,000 bucks on just one -- one purchase.

94 TRACEY: That's pretty good.

95 PERSON 2: And [*inaudible*] -- what 16, so.

96 TRACEY: You're kickin' ass.

97 PERSON 2: I don't know.

98 TRACEY: Hey, tell me this.

99 PERSON 2: Yeah.

100 TRACEY: Um, shit what was I going to ask you?

101 PERSON 2: Fuck I don't know, Sonny.

102 TRACEY: Well, I know it's fuckin' hot, but no, just a second. I had a question for you

103 about this.

104 PERSON 2: About Enron?

105 TRACEY: No, about what you were just talkin' about. You said you buy it -- oh, has this

106 hit the cap yet?

107 PERSON 2: Sonny, ExPost, or your real time market --

108 TRACEY: Uh huh.

109 PERSON 2: -- is at the cap every fuckin' minute that we speak.

110 TRACEY: Really.

111 PERSON 2: Actually I'll tell you what it is right now. So at day-ahead, every hour would

112 have to hit 250 to average 250, right?

113 TRACEY: Uh huh.

114 PERSON 2: but there's hours in the afternoon that they, um – they –it clears a 250

115 [*inaudible*], you know.

116 TRACEY: Uh huh.

117 PERSON 2: These caps used to be 750 Sonny.

118 TRACEY: So, you're gettin' screwed because they – they – these stupid caps, right?

119 PERSON 2: Yeah fuckin' A, I'd be a – oh, Sonny, we'd be printin' like fuckin' 500 million
120 dollars. I'd have in my book right now.

121 TRACEY: Oh!

122 PERSON 2: I kid you not.

123 TRACEY: So what – ah – if it – wha – what's – the problem with the cap – the som – the
124 caps gotta be screwin' something up, right?

125 PERSON 2: Yeah, it's – it – everybody's taking their power from Cal – you know, before,
126 if it's 750 you're going to leave it in state right?

127 TRACEY: Yeah.

128 PERSON 2: But if the cap's 250, you know that's a worst case scenario, right?

129 TRACEY: Right.

130 PERSON 2: Take it and move it out. Bring it to the Northwest, bring it to Palo Verde so
131 you're seeing all these energy that's supposed to be used for Californians go elsewhere – out
132 – they export it out.

133 TRACEY: So what do we need – we need a blackout and then they're going to move the –
134 remove the cap?

135 PERSON 2: Exactly. That's what you need, Sonny.

136 TRACEY: Are we going to have one in the next couple days, you think?

137 PERSON 2: Sonny, they cut load first. You guys just shed all your load like they'd sh – if –
138 if Broad Com went down in a blackout, how much money would you lose?

139 TRACEY: I have no idea.

140 PERSON 2: Your computer shut down –

141 TRACEY: A lot.

142 PERSON 2: -- without any, you know --

143 TRACEY: Well, what's cut load mean?

144 PERSON 2: Basically you have customers who said I'll shed my load or turn off if you call
145 on me and you guys gotta pay me.

146 TRACEY: Ooh.

147 PERSON 2: You know, but then they have -- they shed non-firm load. People agree to
148 that, then they shed firm load saying, hey we're just shuttin' off blocks of power. You're
149 done.

150 TRACEY: Ah, and -- and they haven't done that yet.

151 PERSON 2: They have done that in, um, July and August. They've shedded load.

152 TRACEY: Ah! Are they going to do that now, you think?

153 PERSON 2: Well, the problem -- here's why I think it could happen next week, is when
154 they're in trouble, they call BPA up here -- Bonneville -- who run -- the government agency
155 that runs all the hydro plants, and says, 'bail us out.'

156 TRACEY: And so they let -- they let their water loose, huh?

157 PERSON 2: Exactly. And they call Powerex up in Canada, and they -- they s -- you know,
158 BPA and Powerex sit there and say, OK, I'll sell it to you for 250. What they should be
159 doing is saying, I'll sell it to you for 1500 bucks.

160 TRACEY: Yeah. Yeah.

161 PERSON 2: You know? But these fucking government agencies --

162 TRACEY: They're stupid.

163 PERSON 2: Powerex will. They'll sell it for 1500. They're just greedy fuckers.

164 TRACEY: Ah, th -- they're the Canadian ones?

165 PERSON 2: Yeah, but Clinton is the one who came out and said, our government agencies
166 will...

167 TRACEY: Oooh!

168 PERSON 2: You know, all this water, how fucked up California water --

169 TRACEY: Well, good for Canada. I hope the fuckers get rich on our stupidity.

170 PERSON 2: I know. Me too, you know, Sonny. You – see – you – you shouldn't – you
171 should be the senator or some kind of congressman there in California.

172 TRACEY: *[laughs]*

173 PERSON 2: Because I just hate – you know what I hate, ah, Sonny? I hate when people are
174 fuckin' stupid.

175 TRACEY: I do too.

176 PERSON 2: *[laughs]* What we – wh – you know, because of more water, they – and I don't
177 think they have much more water left here. Bonneville doesn't.

178 TRACEY: Oh, really?

179 PERSON 2: Things are gettin' hot up here. The thing that's saved us is it's never been hot
180 up here.

181 TRACEY: Uh huh.

182 PERSON 2: It's fuckin' 90 degrees up here.

183 TRACEY: Oooh!

184 PERSON 2: So they gotta keep all the power here. Nothing forced them to keep their
185 power here, so they said, oh, California, here you come, and it's beautiful.

186 TRACEY: Oh, man.

187 PERSON 2: And so, my thing is, is you know, these guys are just fuckin' loving it, because
188 they're just getting' paid 250, but the – we're like, hey you're killing the fish, you know, by
189 sending all this water down there. We're trying to get the fish agencies to rally around us to
190 keep the water up here.

191 TRACEY: Oh – are they literally killing the fish?

192 PERSON 2: Yeah, man, you're taking the water out of the river, man, and not covering the
193 eggs. Now, you know fish are dying 'cause you know –

194 TRACEY: The salmon, you mean, or what?

195 PERSON 2: The salmon, yeah! You push that button up here Sonny.

196 TRACEY: Oh, yeah, you gotta go with the tree-hugger button, huh?

197 PERSON 2: Oh, yeah, exactly. Our motto is do you – do you save the Californians or do
198 you s – kill – kill the fish for the f – Californians is basically the motto.

199 TRACEY: Oh, yeah. You want to – you kill the Californians, huh?

200 PERSON 2: That's what I'm promoting.

201 TRACEY: *[laughter]*

202 PERSON 2: I won't *[inaudible]* you know, our motto up here is we want dogs to die.

203 TRACEY: *[laughs]*

204 PERSON 2: That's mean, isn't it?

205 TRACEY: No, that's true.

206 PERSON 2: But, you know, that's the big conflict is, you know, they think short-term to
207 keep the lights on in California, we'll do anything to keep the lights on in California and
208 we're like, even kill the fish? And then fish people go, oh, yeah that's right.

209 TRACEY: *[laughs]*

210 PERSON 2: So then we rally around that.

211 TRACEY: So is that going to work?

212 PERSON 2: Aa – tryin' to.

213 TRACEY: We'll find out next week, huh?

214 PERSON 2: Yeah. So this is kind of cool – that's my life, man.

215 TRACEY: Yeah, that sounds exciting.

216 PERSON 2: Yeah, so they're – they push the cap quite a bit here in ExPost and the
217 problem is – here's the other thing. You talk about ignorance – not ignorance, but just
218 stupidity. I'm looking at a, um, graph right here in front of me – hang on a second. Then I'll
219 shut up and let you go.

220 TRACEY: OK *[laughing]*

221 PERSON 2: For the 13th yesterday – is yesterday the 13th, right?

222 TRACEY: Nah – yup.

223 PERSON 2: Yeah? And their load forecast? The ISO missed it by 5000 megawatts.

224 TRACEY: Out of like, how many? Like what percentage is it?

225 PERSON 2: Um, out of, um – they estimated it'd be 36,000 and it was 40,000.

226 TRACEY: Oh, OK.

227 PERSON 2: Your system breaks whenever it gets – when it – I mean, 40,000 is breaking
228 point.

229 TRACEY: Oh, so they were pretty close.

230 PERSON 2: Well, Bonneville once again saved their ass, because Bonneville shipped down
231 like 4500 megawatts.

232 TRACEY: Oh, I see. I see.

233 PERSON 2: So, I mean that's north, south, east, west, you name it, they delivered it.

234 TRACEY: And they can – but you're saying they don't have unlimited abilities to do that.

235 PERSON 2: I don't think so, and I haven't seen it snow up here lately or rain –

236 TRACEY: Right.

237 PERSON 2: - you know, I mean, their, their dams are - you can't bring the dams down –
238 all the way down because of the physics behind it and you c – you know, you can't do all this
239 stuff.

240 TRACEY: Well, the dams'll collapse. Plus the fish. You got all these different constraints
241 and people – like ferries run across them, so you can't have 'em too low.

242 PERSON 2: Oh, yeah, yeah, that's right.

243 TRACEY: So, kids can't get to school is our motto.

244 PERSON 2: There you go, Sonny.

245 TRACEY: That's right. Stop the ferry.

246 PERSON 2: That's right.

247 TRACEY: And so, you know, it's pretty – I didn't call you to give you all the insights here.
248 I just wanted to know how hot you were, but this is good.

249 PERSON 2: Oh, yeah. Very.

250 TRACEY: Sonny, I like your insight though. Stupidity – you're right. It just bothers me.

251 PERSON 2: *[laughs]*

252 TRACEY: And let the prices dictate how dumb you are.

253 PERSON 2: Yup. Exactly.

254 TRACEY: And it – you will – if you get –

255 PERSON 2: Then you get smart.

256 TRACEY: If - yeah, exactly. If you get [*inaudible*] for ten [*break in recording*]

257 [*some conversation away from the phone*]

258 PERSON 2: So that's cool.

259 TRACEY: Um, yeah, you're right. If you get charged 10,000 dollars for a megawatt, do

260 you think you'll hone in and try to figure out why you got charged that, and – not have it

261 happen again?

262 PERSON 2: That's right. They'll find someone who can, anyway.

263 TRACEY: And once it goes through the cap once, it goes to the moon.

264 PERSON 2: Pushin' Sonny.

265 TRACEY: Oh, Sonny, I'm tryin' to push right by - -

266 PERSON 2: You're just licking your chops aren't you.

267 TRACEY: Oh, Christ, I get nervous though.

268 PERSON 2: [*laughs*]

269 TRACEY: Losin' 15 million? Let me tell you, that was hard.

270 PERSON 2: That was a long day?

271 TRACEY: Long two days, Sonny.

272 PERSON 2: OK.

273 TRACEY: [REDACTED]

274 PERSON 2: Hey, ah, just to make yourself extra miserable?

275 TRACEY: That's right, man.

276 PERSON 2: Good job.

277 TRACEY: Well, cool.

278 [REDACTED]

279 TRACEY: Hey guess where we're going. We're – Enron's going to start recruiting at the

280 University of Minnesota.

281 PERSON 2: Are they?
282 TRACEY: Yeah.
283 PERSON 2: All right!
284 TRACEY: Yeah.
285 PERSON 2: Go place some smart people.
286 TRACEY: Well, I don't know they're – two – two of the smartest people that are from
287 there already are gone.
288 PERSON 2: That's right.
289 [REDACTED]
290 TRACEY: Sonny, I'm in long power. Do you think I'm not going to use it?
291 PERSON 2: That's right. Keep *[inaudible]*,
292 TRACEY: My rewards are excremen – exponential after, you know, me using a little bit.
293 That could trigger it.
294 PERSON 2: That's right.
295 TRACEY: Oh, you know, one megawatt. That's all it takes. One megawatt.
296 [REDACTED]
297 PERSON 2: Thanks for calling.
298 TRACEY: Right. Go home, don't – don't stay in the hot place.
299 PERSON 2: OK.
300 TRACEY: Later. Bye.