



Item 5: Independent Market Monitor (IMM) Report

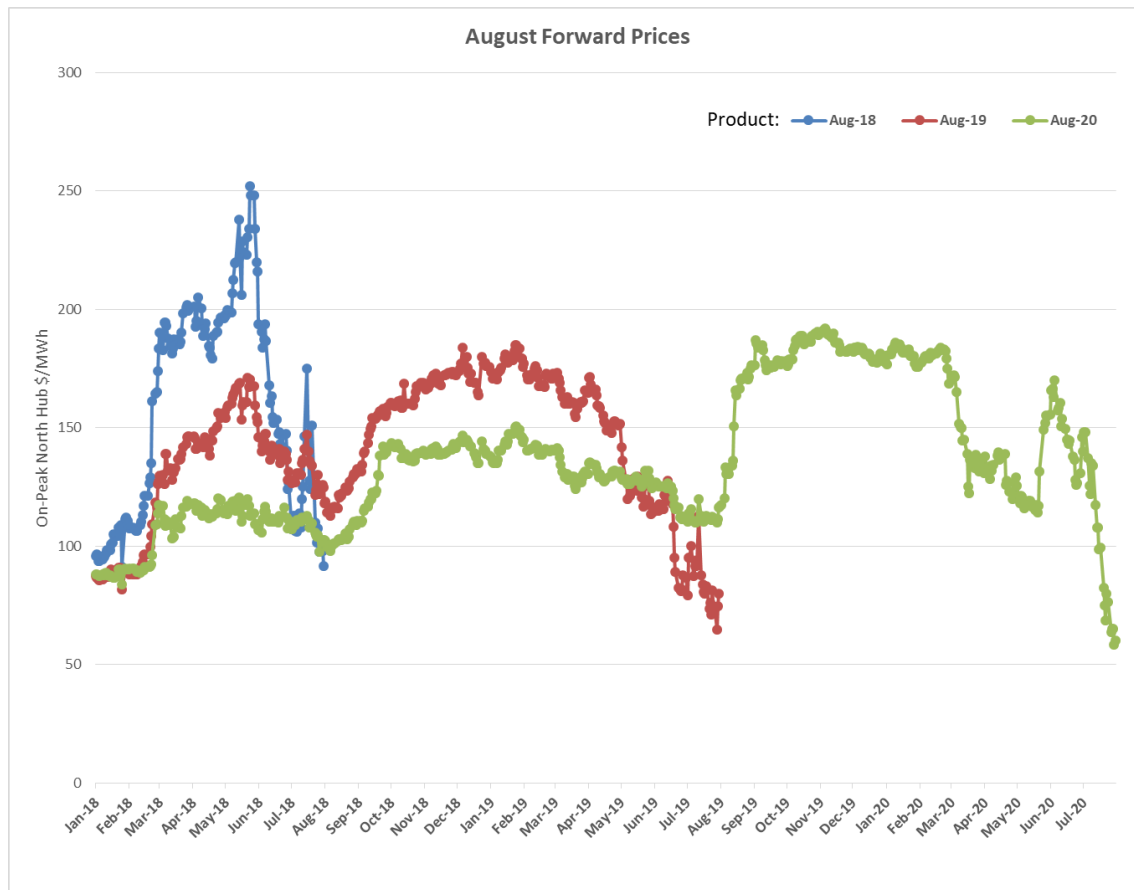
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Urgent Board of Directors Meeting

ERCOT Public
October 13, 2020

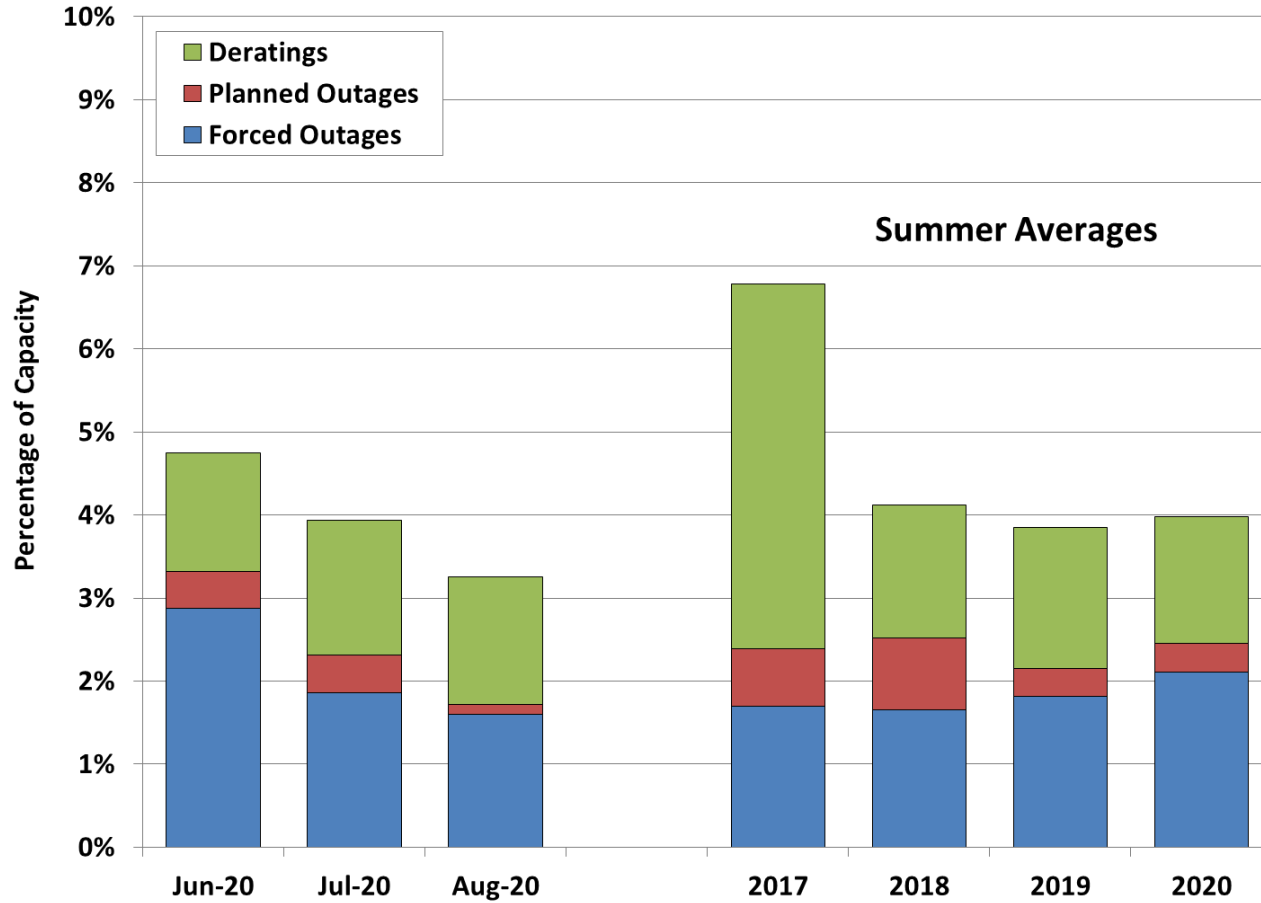
2020 Summer Outlook

- Higher planning reserve margin than 2019, by 4%
- Operating Reserve Demand Curve (ORDC) adder parameter adjustment
- Pandemic uncertainty



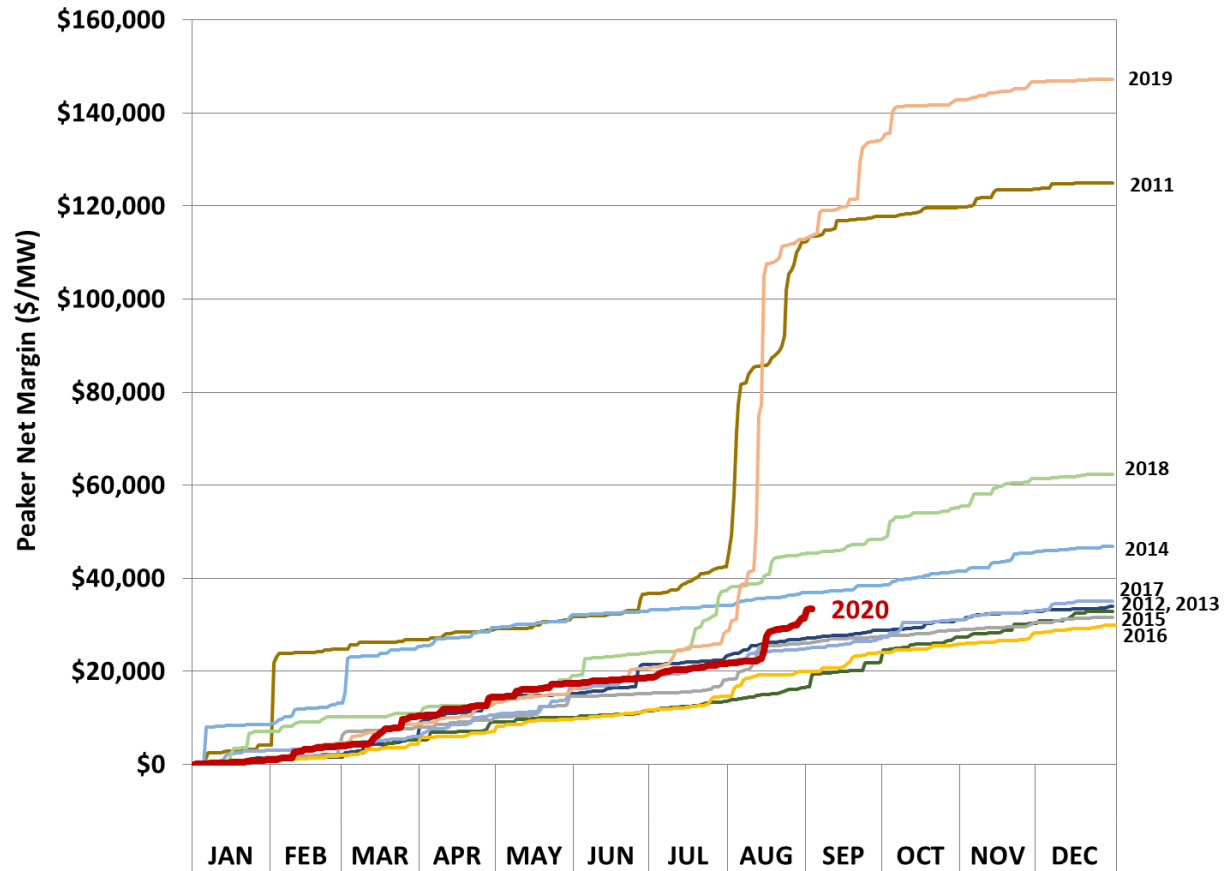
Outage rates

- Deratings and outages were low and similar to 2019



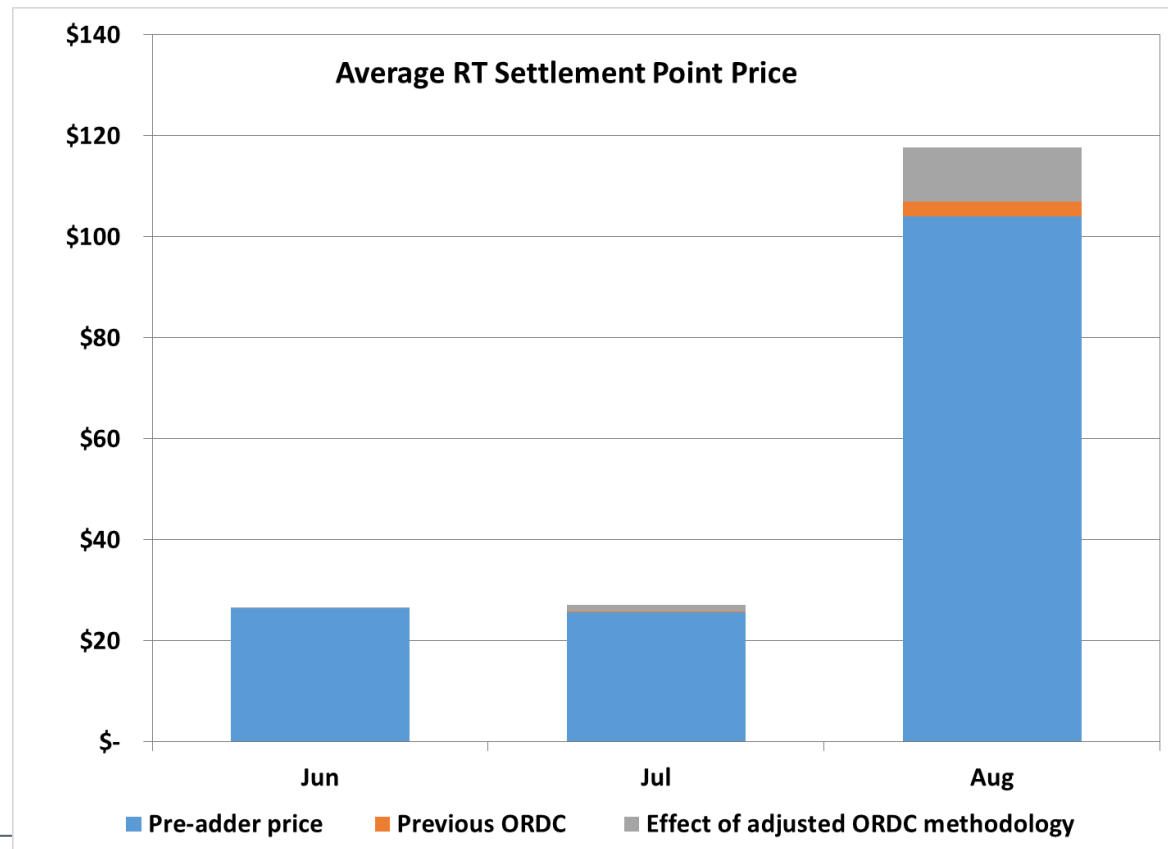
Peaker Net Margin

- Peaker net margin YTD less than 2011, 2014, 2018 and 2019 at the end of summer



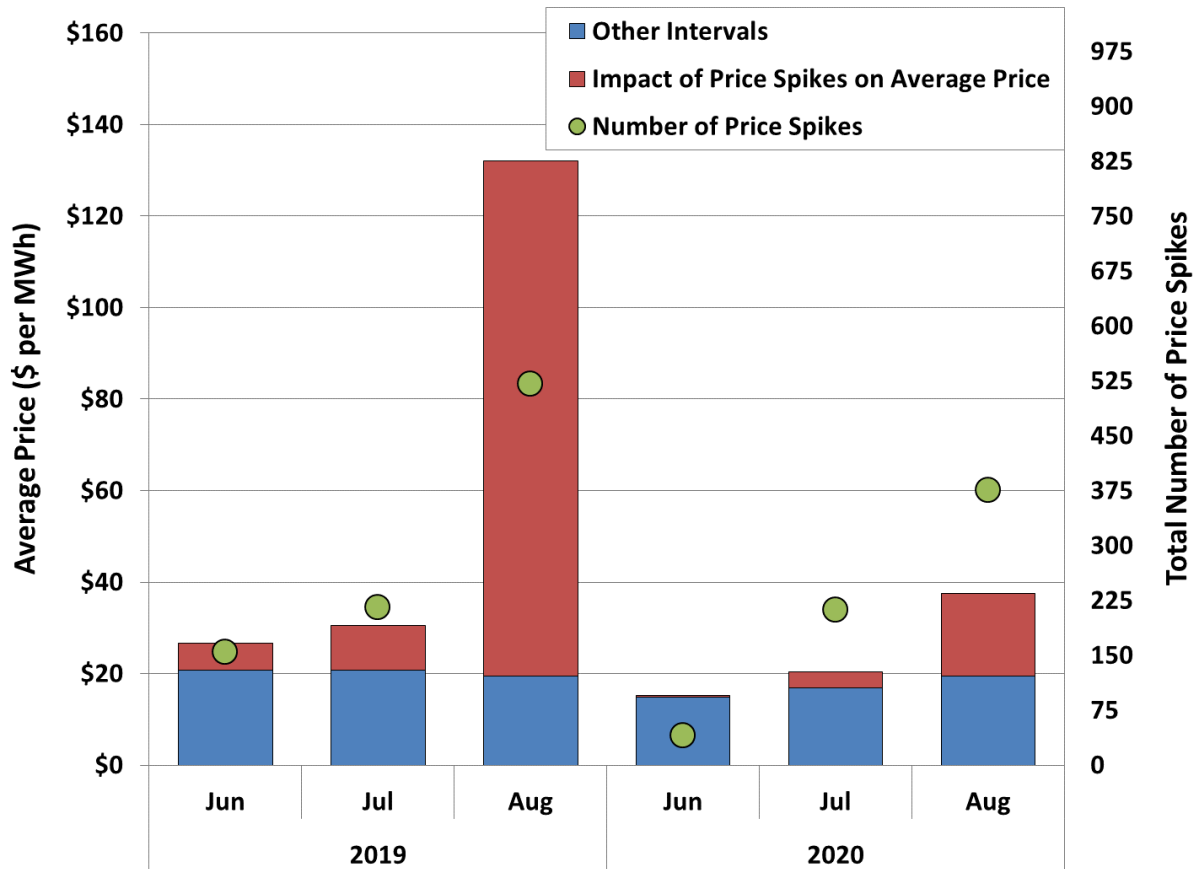
ORDC change impact

- Cumulatively, the ORDC adder adjustment was responsible for 9% increase on average real-time (RT) price in August
 - Minimal effect in other summer months



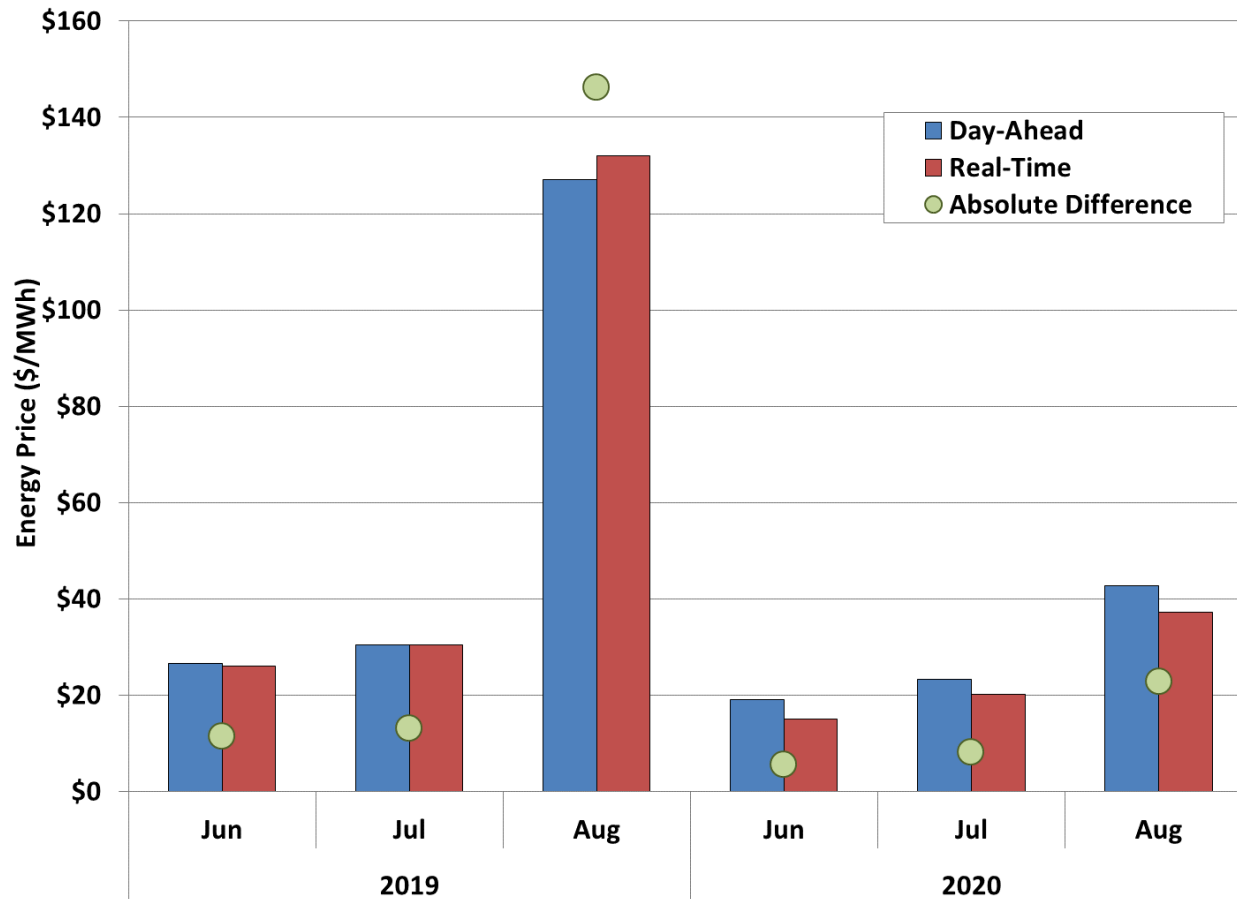
Prices

- Fewer price “spikes” than 2019 and lower impact
 - Captures intervals > 18 heat rate



Price convergence between markets

- Real-time prices trended lower than day-ahead on average for summer 2020



Two notable days in August

- August 14 was higher load, while August 15 was higher priced (based on 15-minute settlement interval price)

