



## **ERCOT Market Update**

### **Texas Senate Business and Commerce Committee**

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# Disclaimer

Information in this presentation is preliminary and represents the best available data at the time it was created.

# Invoice Payout Amounts to Market Participants

- These amounts are total outgoing payments on the Operating Day.
- Incoming and outgoing payments typically net each other out.

<b>Monday</b> February 8	<b>Tuesday</b> February 9	<b>Wednesday</b> February 10	<b>Thursday</b> February 11	<b>Friday</b> February 12
\$11,420,771	\$9,435,390	\$10,175,463	\$24,612,030	\$18,087,827
<b>Monday</b> February 15	<b>Tuesday</b> February 16	<b>Wednesday</b> February 17	<b>Thursday</b> February 18	<b>Friday</b> February 19
Bank Holiday	\$9,528,743	\$21,619,193	\$72,005,047	\$1,029,028,387
<b>Monday</b> February 22	<b>Tuesday</b> February 23	<b>Wednesday</b> February 24	<b>Thursday</b> February 25	<b>Friday</b> February 26
\$1,081,268,649	\$1,626,011,622	\$2,150,514,458	\$0	\$12,544,389,667

# Settlement Timeline

	Friday February 19	Monday February 22	Tuesday February 23	Wednesday February 24	Thursday February 25	Friday February 26	Monday March 1	Tuesday March 2
Invoice Payout Date	2/19/21	2/22/21	2/23/21	2/24/21	2/25/21	2/26/21	3/1/21	3/2/21
Real-Time Operating Day for Initial Settlement	2/11/21	2/12/21	2/13/21	2/14/21	Nothing due because of 2/22 pause:	2/15/21 through 2/18/21 through 2/21/21	2/19/21	2/20/21
Day-Ahead Operating Day	2/12/21 through 2/1/21	2/15/21	2/16/21	2/17/21		2/22/21	2/23/21	
Collected by ERCOT from Market Participants	\$1.044B	\$1.087B	\$1.629B	\$2.153B	\$0	\$11.786B	\$1.381B	\$52.74M
CRR Auction Funds Used by ERCOT	\$0	\$0	\$0	\$0	\$0	\$800M	\$0	\$0
Paid Out by ERCOT to Market Participants	\$1.029B	\$1.081B	\$1.626B	\$2.151B	\$0	\$12.554B	\$957.207M	\$52.01M
Short Pay to Market Participants	\$1.56M	\$0	\$11.753M	\$16.601M	\$0	\$1.317B	\$345.07M	\$1.44M

Differences between funds collected and paid out are due to Congestion Revenue Rights (CRRs) and System Administration Fees.



# Material Breach Timeline

	+2 Bank Business Days (3 p.m.)	+2 Business Days (5 p.m.)	Failure to Timely Post/Pay Breach Notification	+1 Bank Business Day of Delivery Breach Notification (3 p.m.)	+1 Calendar Day Following Default
<b>Collateral Call</b>	Deadline to post collateral				
<b>Invoice Payment</b>		Deadline to pay invoice			
<b>Notice of Material Breach</b>			ERCOT sends Notice of Material Breach	<ul style="list-style-type: none"> <li>• Deadline to cure shortfall</li> <li>• Failure to cure shortfall is a default</li> <li>• ERCOT may take actions to suspend, terminate, etc.</li> </ul>	
<b>Confirmation of Default (REP Mass Transition)</b>				ERCOT to confirm failure to cure shortfall	
				Mass Transition kickoff	



## Next Steps

- Sent Requests for Information (RFI) to all generation companies to understand the reasons that 48.6 percent of all generators failed during the week of February 15. ERCOT has asked that generators return responses by March 8.
- Engaged stakeholders to:
  - 1 Coordinate with Transmission Operators to understand the practical and operational limitations of Transmission Operators and related Distribution Service Providers to facilitate rotating Load shed practices when faced with an extreme magnitude of firm Load shed instructions. Will consider adjusting operational practices between ERCOT and Transmission Operators to achieve effective rotating Load shed objectives.
  - 2 Work with government and private entities to improve ERCOT emergency public safety communications (e.g., AMBER Alert and TxDOT digital highway signs) for anticipated and actual Energy Emergency Alert (EEA) events, including Load shed in the ERCOT Region.
  - 3 Increase coordination through the Texas Energy Reliability Council (TERC) and ERCOT's Gas Electric Working Group (GEWG) to identify critical gas facilities for Transmission and/or Distribution Service Providers to avoid disconnection during EEA events.
  - 4 Expand Extreme Peak Load/Extreme Generation Outage scenario analysis in the Seasonal Assessment of Resource Adequacy (SARA) and other resource adequacy reporting for the ERCOT Region. Analyze a greater range of potential risks for extreme weather events and their impacts on the ERCOT grid.

## Next Steps *(continued)*

- Engaged stakeholders to:
  - 5 Explore overall reporting and timing requirement changes to the ERCOT Outage Scheduler to ensure more specific, complete, and accurate information for Forced Outages of Resources during Real-Time operational conditions. Make appropriate system changes to the ERCOT Outage Scheduler to achieve enhanced situational awareness objective.
  - 6 Ensure accurate exchange of telemetry information related to Physical Responsive Capability (available operating reserves in real time) to enhance situational awareness during EEA events.
  - 7 Expand registration and Real-Time data requirements for all types of resources beyond current modeling requirements (e.g., distribution-level resources) to enhance situational awareness for planning and operational purposes.
  - 8 Comprehensive evaluation of settlement and creditworthiness requirements and ERCOT discretion practices during the event. Consider changes such as: Settlement at Counter-Party level versus Qualified Scheduling Entity level, use of Unsecured Credit and certain Financial Security (e.g., surety bonds and guarantees), and creation of Counter-Party financial dashboard.