



Item 8.2: 2021 Summer Markets and Credit

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Urgent Board of Directors Meeting

ERCOT Public

June 7-8, 2021

Financial Update: Cumulative Short-Pays

- As of the March 12, 2021 Board meeting, the cumulative aggregate short-pay amount was approximately \$3.021 billion.
- As of May 27, 2021, outstanding short-pays total \$2.991 billion.
- A decrease of \$30 million.
- Factors driving changes to the total short-pay amount:
 - Increases from ongoing non-payment of Invoices by Market Participants that have not been terminated.
 - Decreases from application of payments due to short-paying Market Participants.
 - Decreases from funds received from Market Participants under payment plans.

Credit Outlook: Summer 2021

Risk factors impacting Summer 2021 credit:

- Impact of expected default uplift on both invoices and collateral requirements.
 - Default uplift amounts and timing may be affected by expected securitization legislation. When these impacts are known ERCOT expects to issue a Market Notice clarifying the default uplift process.
 - Collateral requirements associated with un-invoiced default uplift charges are clarified in NPRR 1078, Clarification of Potential Uplift.
- Re-entry of defaulted Market Participants into the ERCOT market.
 - Conditions for re-entering Market Participants will be affected by NPRR 1073, Market Participant Application Changes.