



Item 5.3: Commercial Markets and Credit Update

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Reliability and Markets Committee Meeting

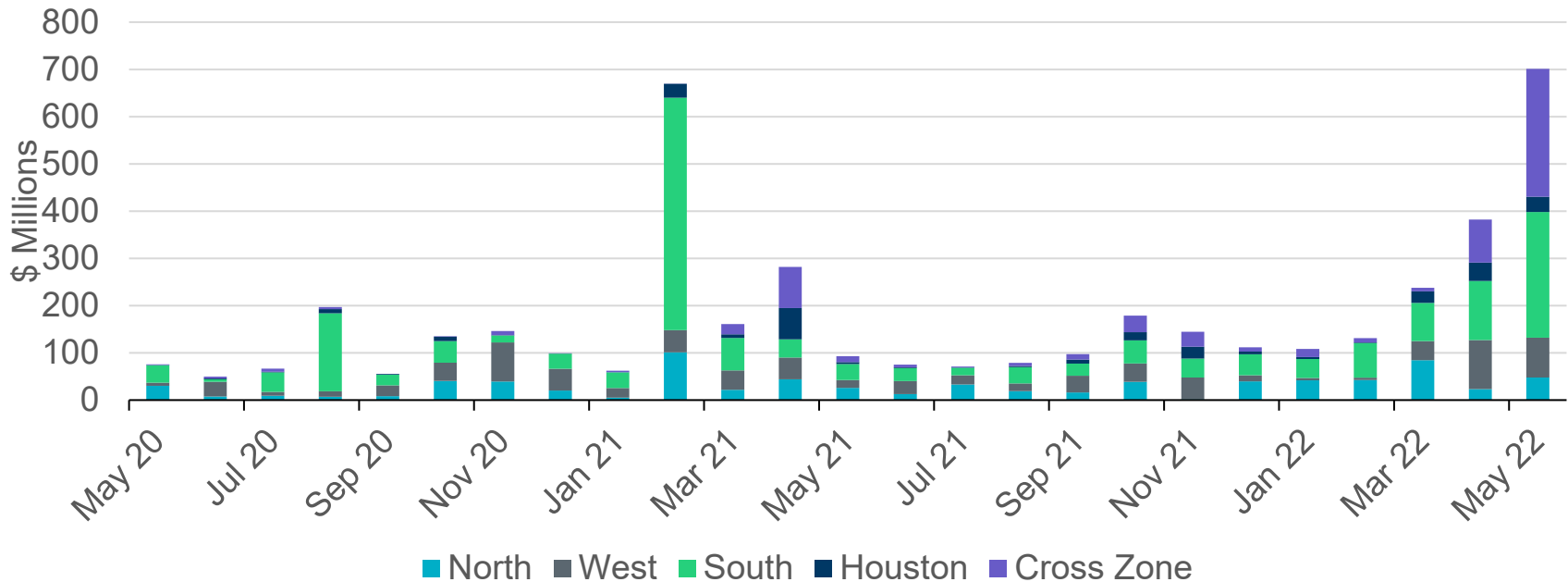
ERCOT Public

June 20, 2022

May Was a High Congestion Month

- Congestion is caused by limits to the transmission system.
- Broadly congestion is managed in two ways:
 - Security Constrained Economic Dispatch: Manages congestion by ramping up units that relieve congestion while ramping down units that contribute to congestion. Use of price signals (LMPs) is the primary method.
 - ERCOT may commit units through the Reliability Unit Commitment (RUC) process: If resources needed to relieve congestion are available but not online, ERCOT commits such resources through RUC.
- Managing congestion creates high prices around the side of the constraint that lacks resources and lower prices on the side of the constraint where there is a surplus of resources.

Real-Time Congestion Rent by Zone



- Congestion rent in the North, South, and Cross Zones increased in May 2022 compared to April 2022.
- Congestion rent in the Cross Zone was primarily driven by the constraints DTOKJK_5: 260_A_1, BASE CASE: N_TO_H, and BASE CASE: WESTEX. Congestion rent in the South Zone was primarily driven by the constraints DSTPRED5: CKT_3124_1 and BASE CASE: NE_LOB.
- The “Cross Zone” category consists of cases in which the substations on either end of the constraint are in different zones.

Factors That Lead to the May 2022 Congestion

- May 2022 had several very hot days that created high load or demand.
- May is outage season:
 - Resources were conducting maintenance to ensure reliable operations for the busy summer season.
 - Transmission operators were also conducting maintenance as part of being prepared for the high system needs during the summer.
 - High intermittent resource output.