



## **Item 7.3: 2022 Summer Markets and Credit**

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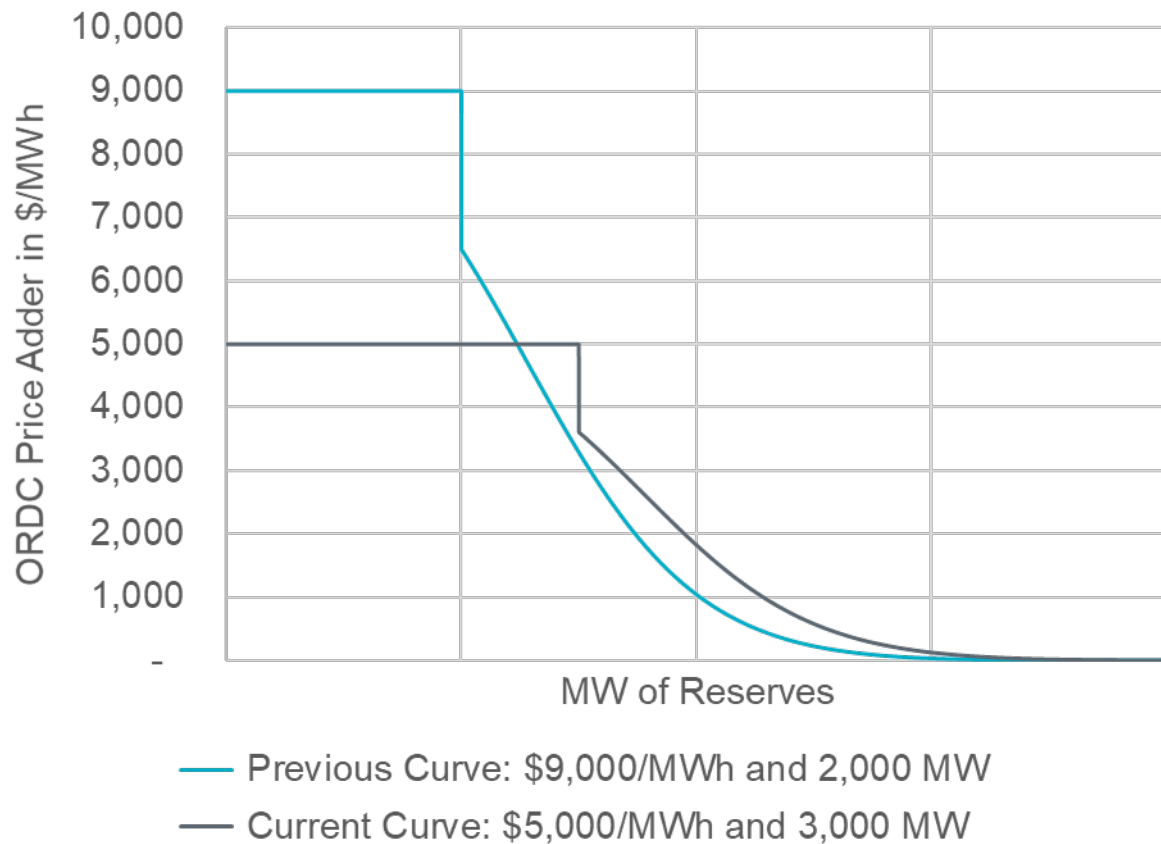
Vice President, Commercial Operations

Board of Directors Meeting

ERCOT Public

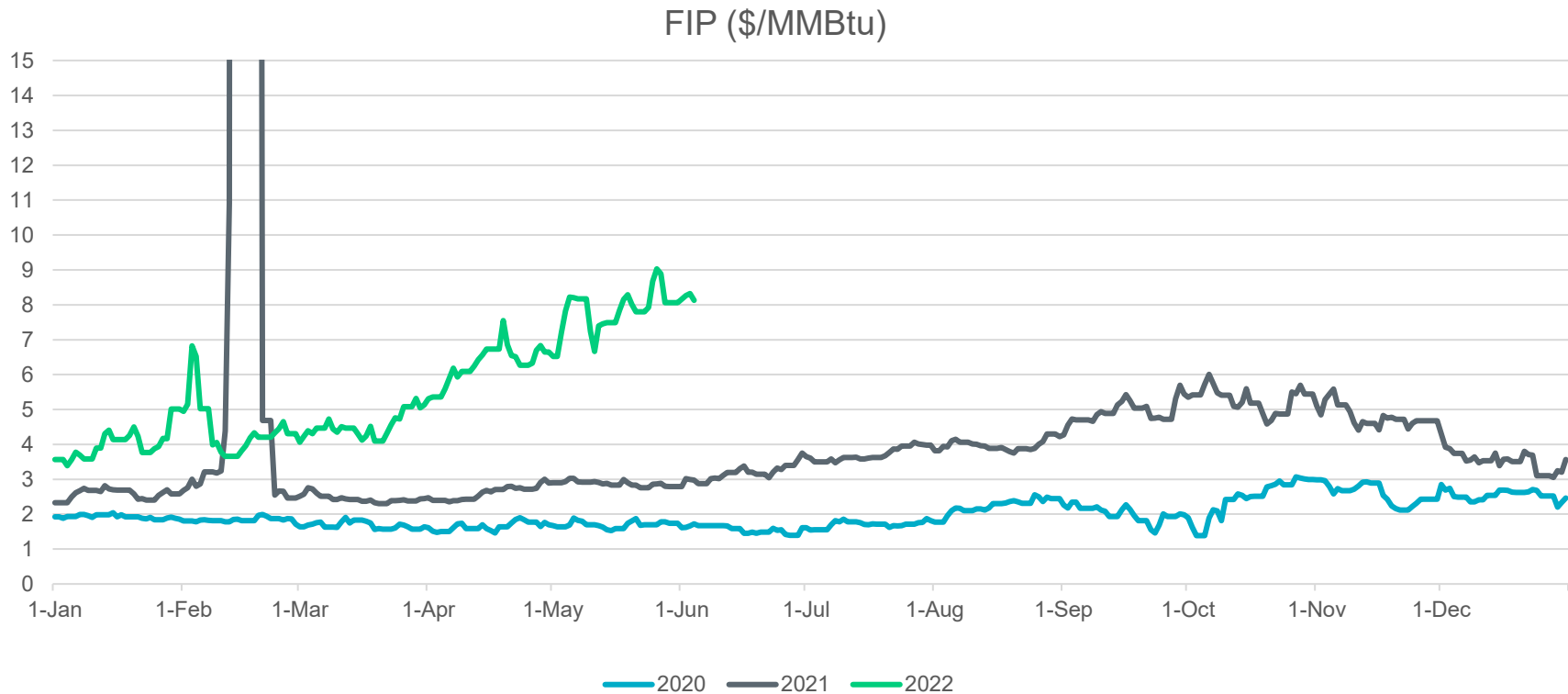
June 21, 2022

# Summer Market Changes: Different ORDC Relative to previous Summers



# Other Factors Impacting Market Prices: Natural Gas Prices

- Marginal Unit is often powered by natural gas.
- Spark spread is impacted by the price of natural gas.



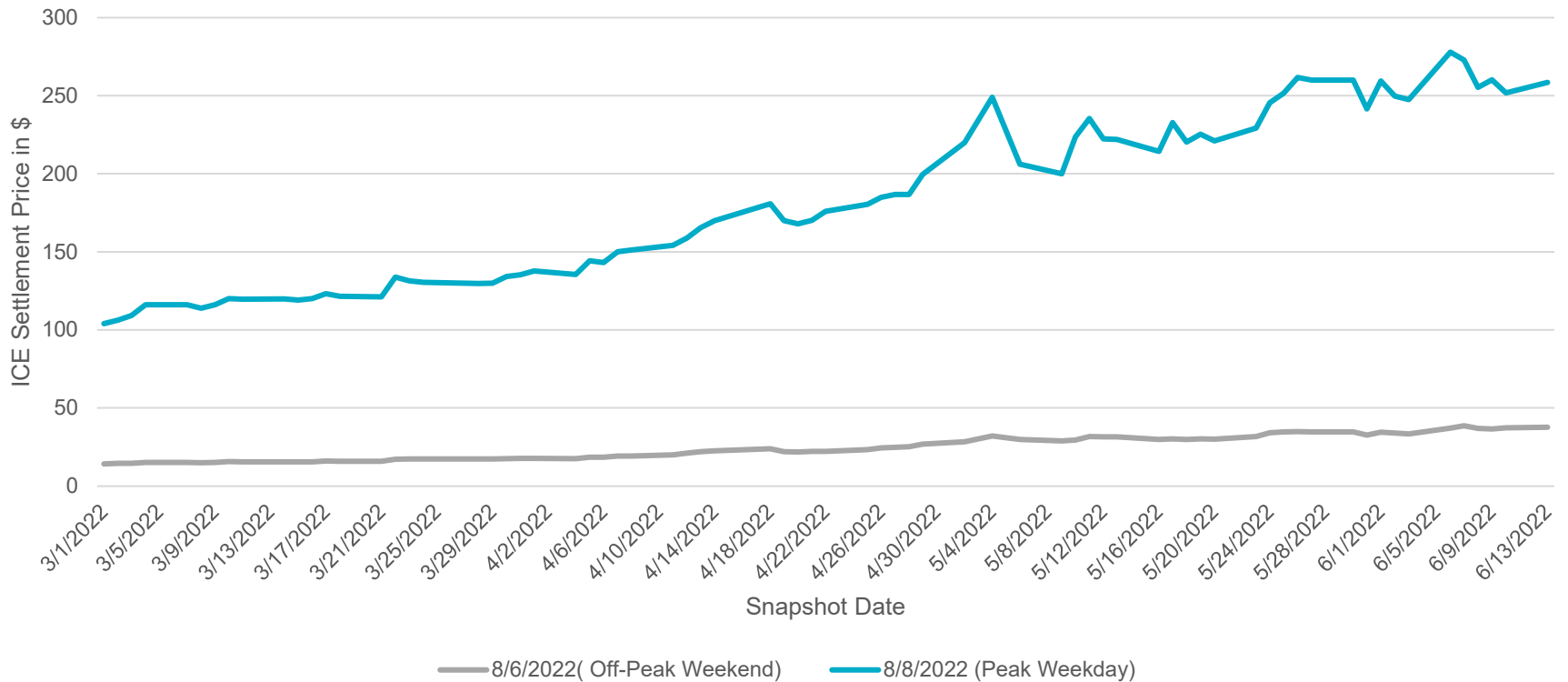
# Summer 2022 Credit Outlook

ICE forward prices for ERCOT summer power have trended upwards in 2022, particularly for August.



# Summer 2022 Credit Outlook

This chart shows additional detail of the change in representative August weekday and weekend prices.



# Summer 2022 Credit Outlook

In addition,

- Several Market Participants have been late posting additional collateral resulting from securitization.
- Historically, discretionary collateral increases closer to summer peaks.
- No letter of credit-issuing banks have exceeded their ERCOT limits for letter of credit acceptance.

# Summer 2022 Credit Outlook

Questions