



Item 9:3 Commercial Markets Update

Kenan Ögelman

Vice President, Commercial Operations

Reliability and Markets Committee Meeting

ERCOT Public

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Price Correction Process

- ERCOT recently investigated prices in the Real-Time Market (RTM) for Operating Days between April 11th and 24th as a result of an error in calculating Load Zone prices.
- The issue involved the accounting of loads that are associated with Distribution Energy Storage Resources. Load Zone prices are required to consider these loads and adjust them to account for Distribution Energy Storage Resource injections and withdrawals. However, the implementation of these calculations was incorrect, and these loads were excluded.
- ERCOT has two business-days after an Operating Day to correct prices on its own or can bring a proposed correction to the Board of Directors if it takes longer and certain market impact conditions are met. The details are found in Protocol Sections 4.5.3(4)-(6) for the Day-Ahead Market (DAM) and 6.3(4)-(7) for the RTM.

For Operating Days August 11 to August 24

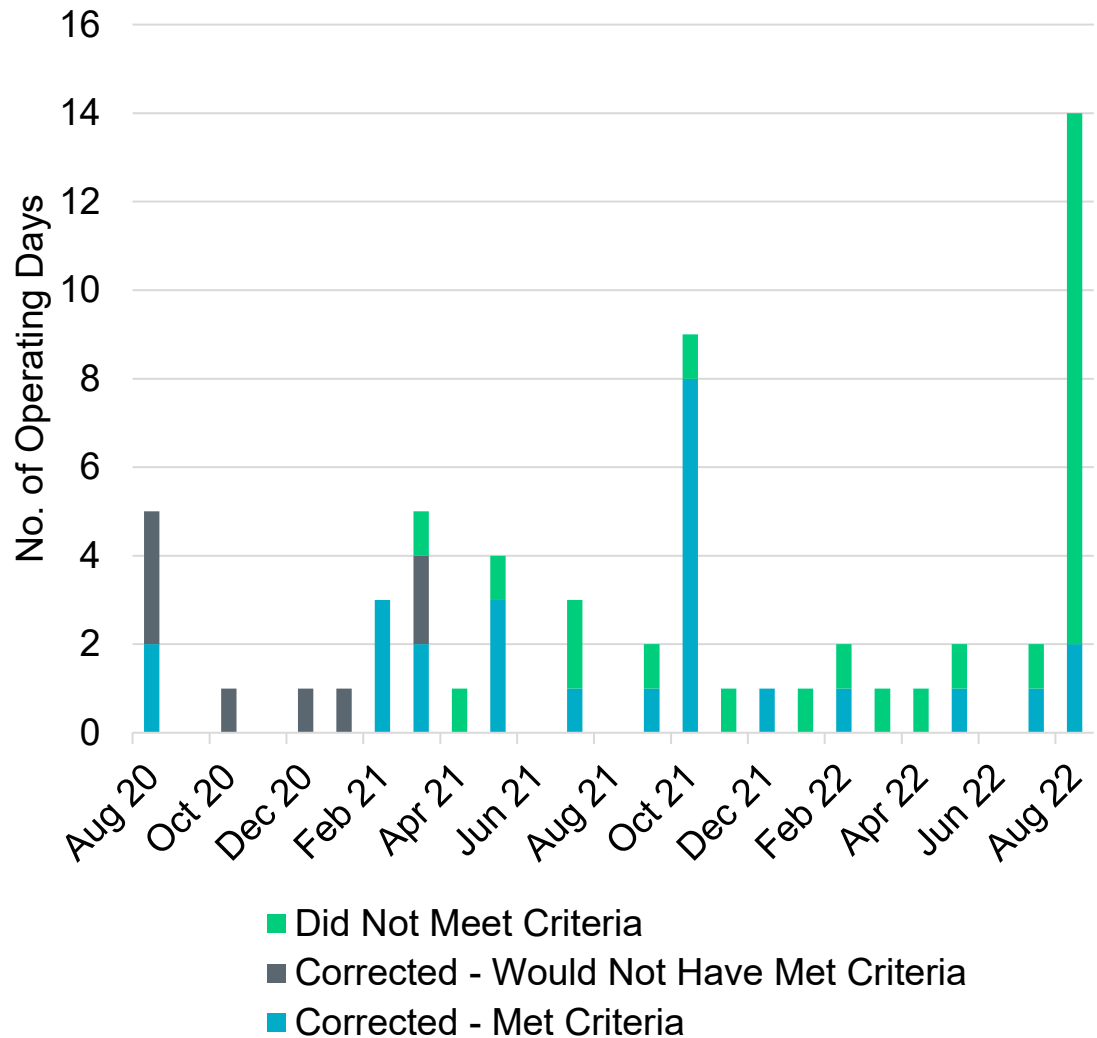
The impact was limited to Load Zone Settlement Point Prices.

- For August 11-21, the Operating Days were evaluated after the two business-day period for initial price correction had passed. The analysis found that the criteria for bringing it to the Board for review was not met. The largest impact to any individual Counter-Party across these Operating Days was \$459.
- For August 22 and 23, the Operating Days were evaluated before the two business-day period for initial price correction had passed. The analysis found that the criteria for correction within the two business-day period was met and prices were corrected.
- For August 24, the Operating Day was also evaluated before the two business-day period for initial price correction had passed. The analysis found that the criteria for correction within the two business-day period was not met.

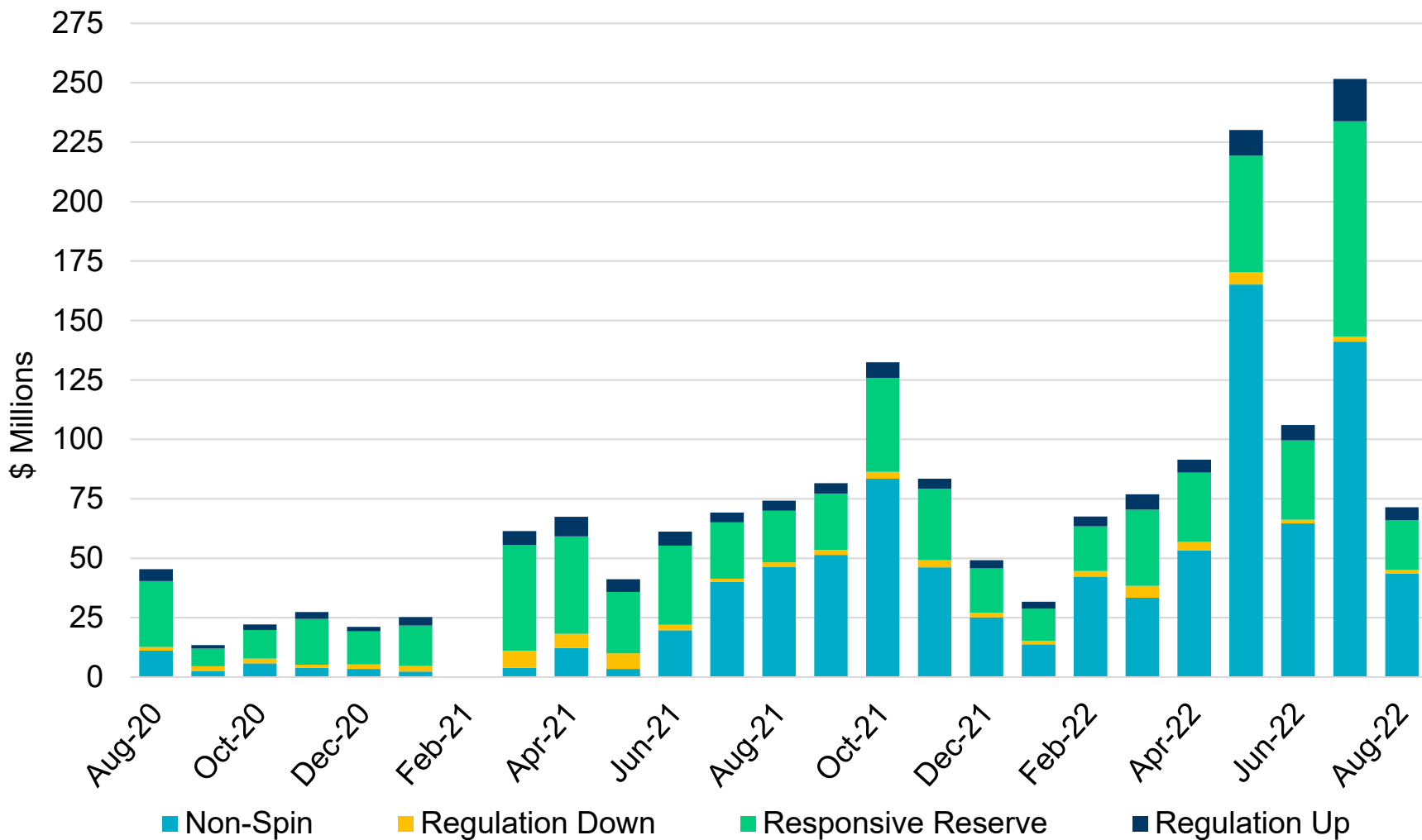
ERCOT Reports All Errors That Lead to a Price Correction or Investigation on a Monthly Basis

This graph looks at the recent history of price issues in the RTM or DAM and breaks the impacted Operating Days into three categories:

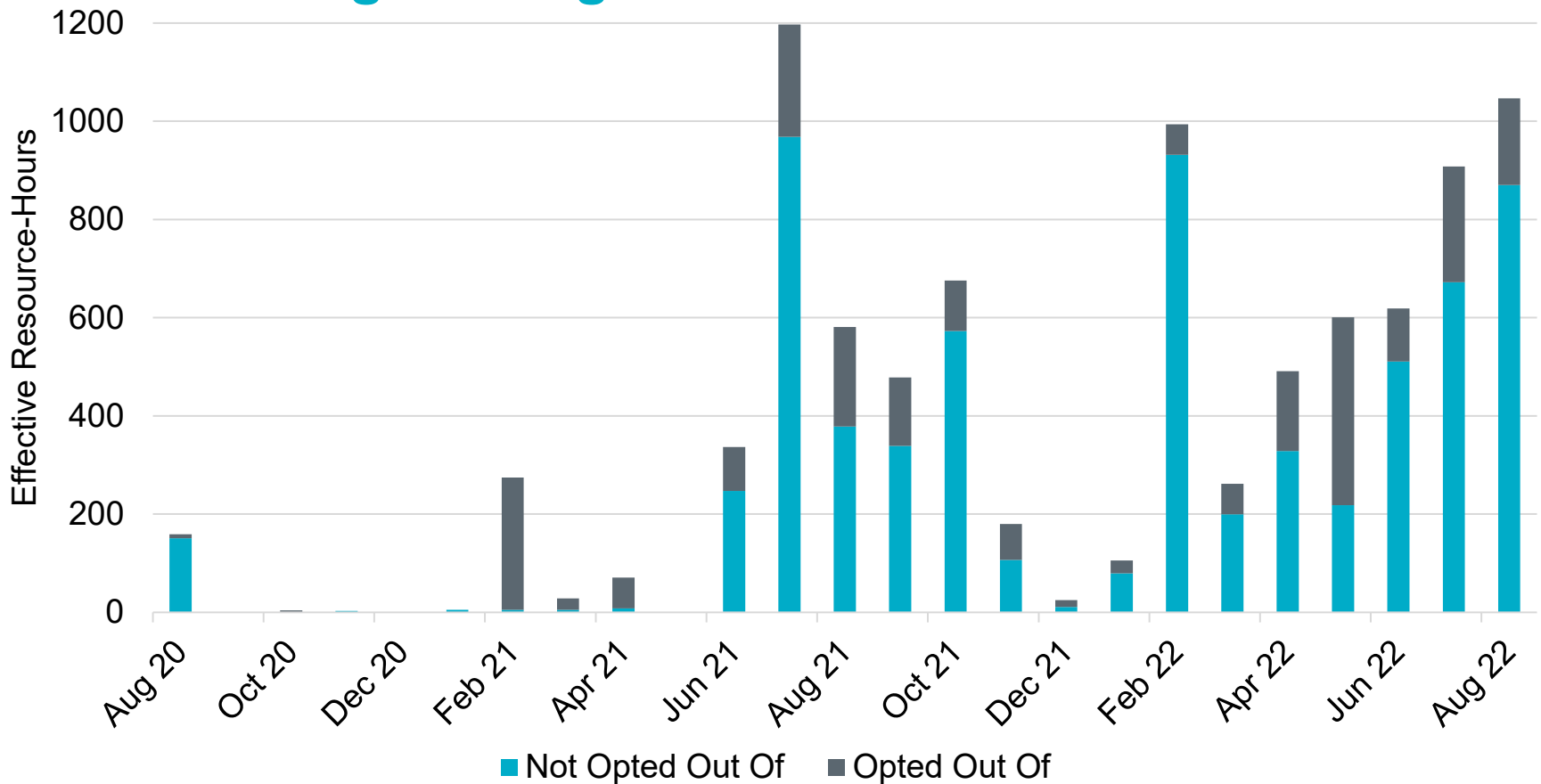
- Days that met the criteria for “significance” under NPRR1024 and were corrected;
- Days that would not have met the criteria for “significance” under NPRR1024, but were corrected because NPRR1024 was not yet in place; and
- Days that were not corrected because they did not meet the criteria for “significance” under NPRR1024.



Ancillary Service Costs were down in August to \$71.42M



The Number of Reliability Unit Commitment Hours Remained High in August



“Effective Resource-Hours” excludes any period during a Reliability Unit Commitment (RUC) hour when the RUC-committed Resource was starting up, shutting down, off-line, or otherwise not available for dispatch by Security-Constrained Economic Dispatch (SCED).

