

rhythm

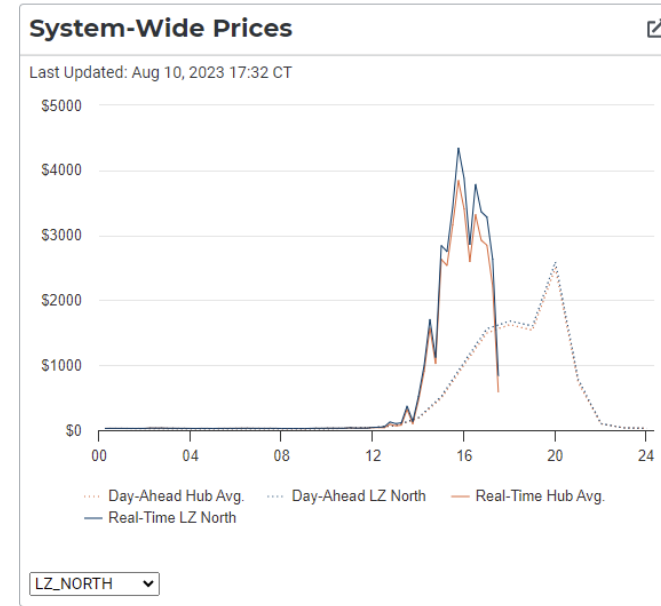
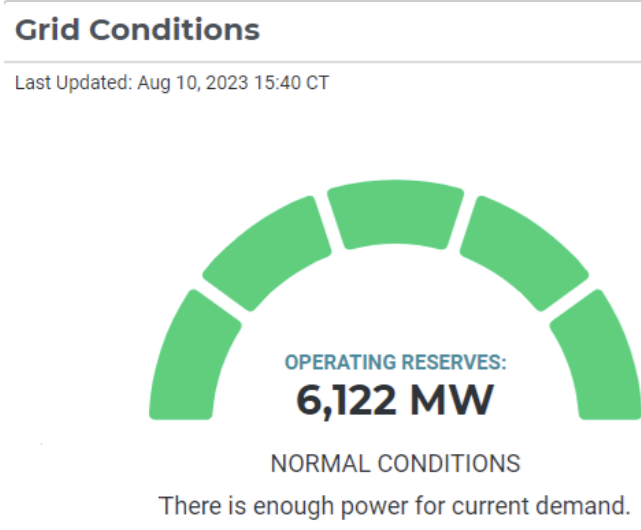
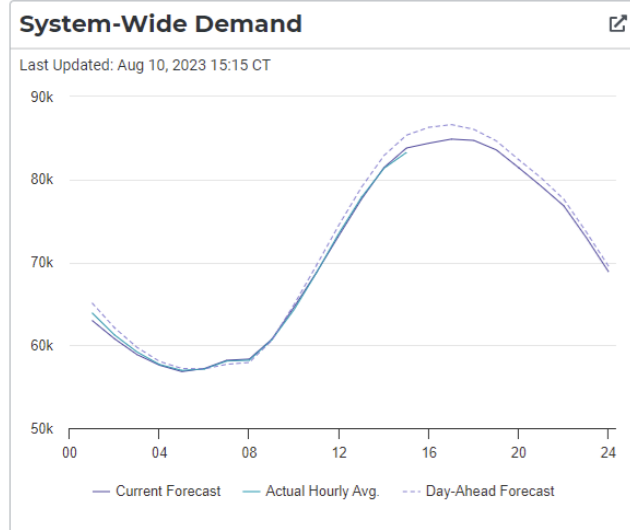


Reviewing Wholesale Market Cues for Scarcity Pricing

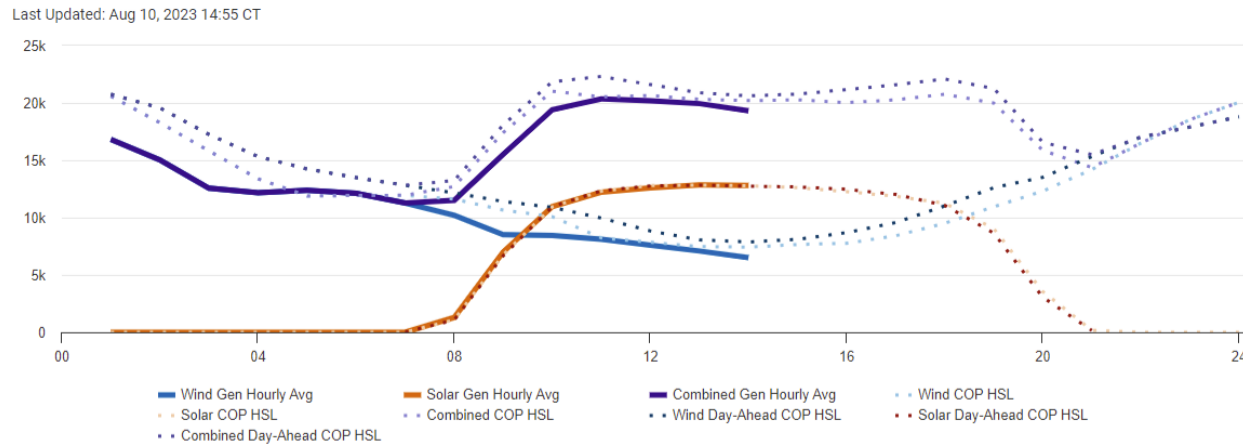
8/30/2023



There seem to be scarcity pricing scenarios when there are sufficient reserves



Combined Wind and Solar



Real-Time LMPs for Load Zones and Trading Hubs Display

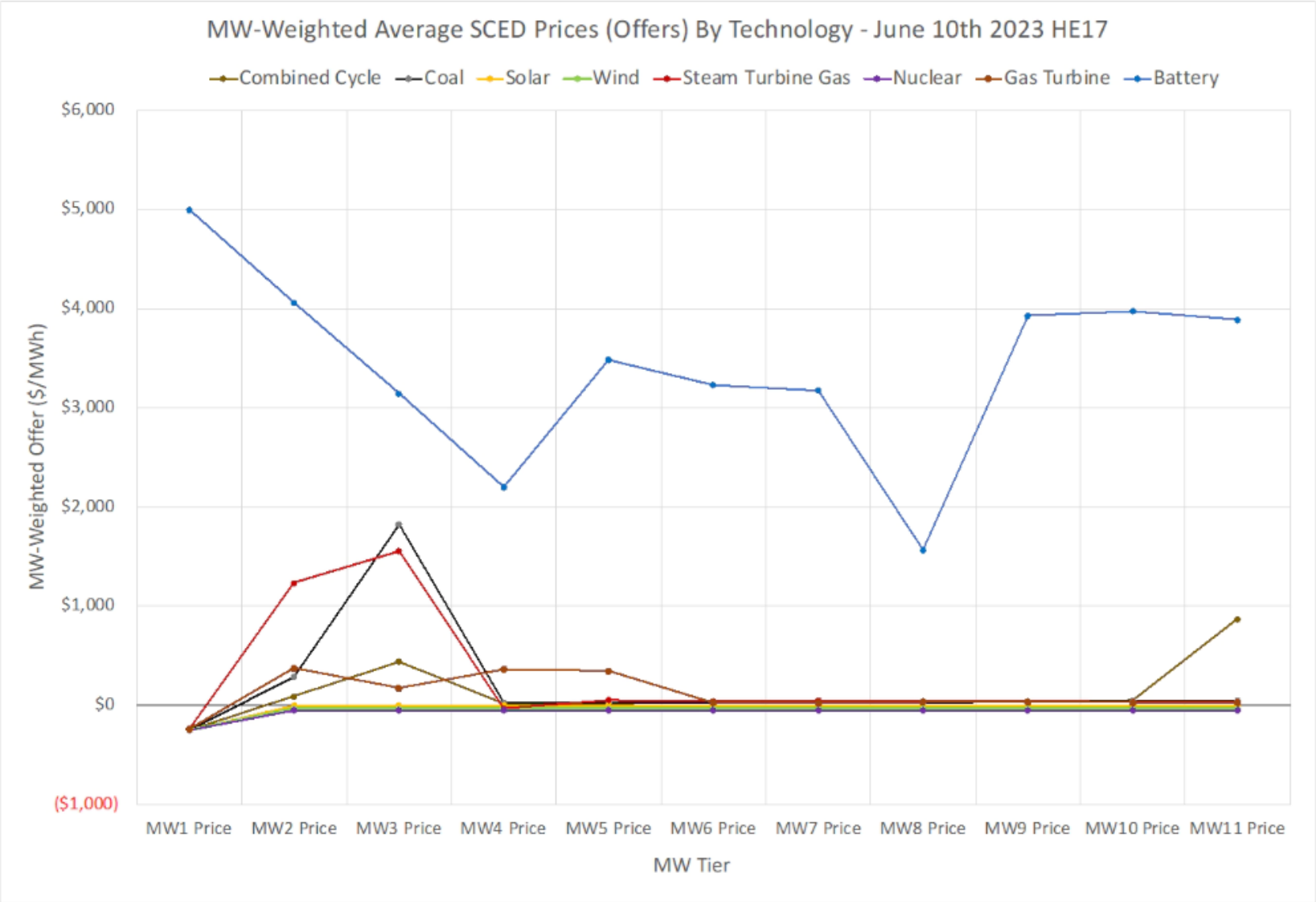
[Help?](#)

LMP values do not include the Real-Time price adders.

Last Updated: Aug 10, 2023 15:37:35

Settlement Point	LMP	Price Adders		5 Min Change to RTORPA + RTORDPA + LMP
		RTORPA: \$3.16	RTOFFPA: \$3.14	
HB_BUSAVG	4078.44	285.33		287.33
HB_HOUSTON	4948.67	374.74		376.74
HB_HUBAVG	4026.97	290.47		292.47
HB_NORTH	4477.12	290.81		292.81
HB_PAN	4231.67	281.39		283.39
HB_SOUTH	2518.78	218.93		220.93
HB_WEST	4163.29	277.37		279.37
LZ_AEN	3599.06	157.23		159.23
LZ_CPS	3499.40	233.41		235.41
LZ_HOUSTON	4872.21	390.13		392.13
LZ_LCRA	3585.56	203.49		205.49
LZ_NORTH	4522.22	289.16		291.16
LZ_RAYBN	4663.90	290.56		292.56
LZ_SOUTH	1584.76	109.27		111.27
LZ_WEST	4100.76	274.71		276.71

Offer curve differences by source



Questions

How much of the scarcity pricing scenario is driven by ECRS?

- ECRS is a new service that keeps more capacity behind its HASL. This means that SCED has less energy to access which can result in higher energy prices.
- Will ORDC only deploy during extreme weather scenarios in the future as it did on 8/24?
- Is scarcity pricing without ORDC intentional?
- Are conservative operations in the current form going to cause material consumer harm in the form of higher supply prices because of the frequent call for peak-priced resources?

Is the present offer price regulatory framework sufficient?

- It appears that most battery storage operators had offer curves at \$5K/MWh on June 20th. This is an emerging technology so space for development is important. As seen on the prior slide some offer variance has since emerged.
- Should there be a FIP equivalent for storage?
- Some gas generators had extremely shaped offer curves with offers approaching \$5K/MWh early relative to their HSL MWs. Does the 50x FIP multipliers for make whole calculations make sense when offers are exceeding that under Normal Conditions?