

ERCOT MONTHLY

AUGUST 2025

A RECAP OF KEY INFORMATION
FROM THE PREVIOUS MONTH,
A LOOK AT THE UPCOMING
MONTH, AND A SNAPSHOT OF
ADDITIONAL KEY ITEMS

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July 2025

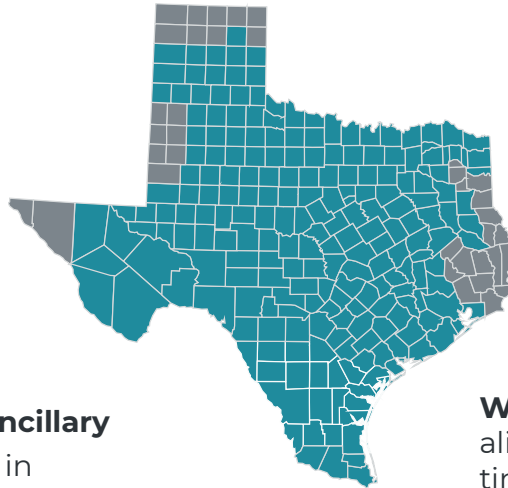
Look Back

81,707* MW

July 2025
peak demand

ERCOT procured

\$10.49 million in **Ancillary Services** for grid reliability in July 2025



82,964 MW

July record for
comparison
(set July 31, 2023)

Wholesale pricing was in alignment with prices at this time last year

*unofficial until final settlements



29,337 MW

new July solar generation record



26,795 MW

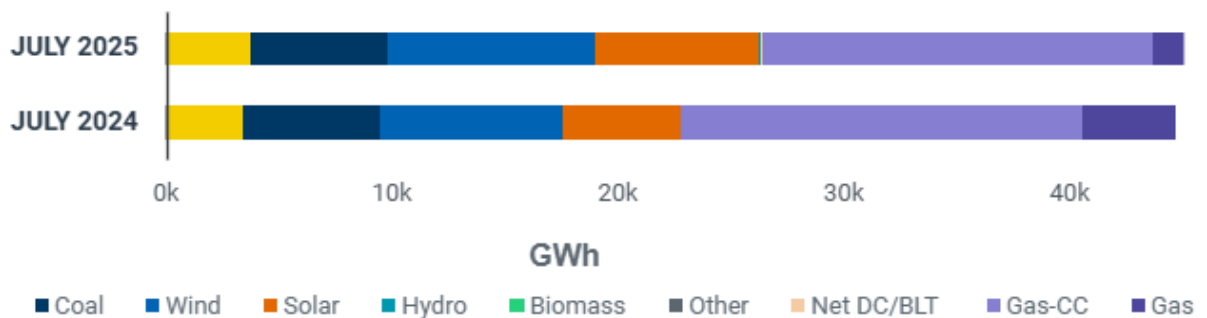
max July wind generation



7,152 MW

new July discharge record

July 2025 vs. 2024 Energy Generation Comparison

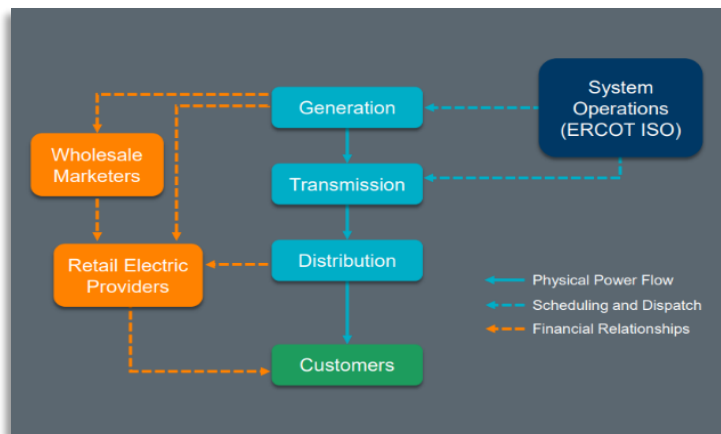


October Outlook

Monthly Outlook for Resource Adequacy (MORA) Report

The probabilistic modeling in the October MORA [report](#) shows a less than 1% chance of having to declare an Energy Emergency Alert (EEA). Reserve shortage risks are the highest during the evening hours from 8 p.m. through 9 p.m. Central Daylight Time (CDT), when daily loads are typically near their highest levels and solar production is ramping down. Under typical grid conditions, there should be sufficient generating capacity available. The full report can be found on the [Resource Adequacy](#) page of ERCOT's website.

Additional Items of Note



Retail Switching

Retail switching (which includes the Move-In process) is a foundational element of Texas' competitive electricity market, empowering consumers to choose their Retail Electric Provider (REP) and fostering innovation and price competition. Administered by ERCOT, the switching process is designed to be efficient, transparent, consistent across all competitive regions, and consumer friendly.

How the Process Works

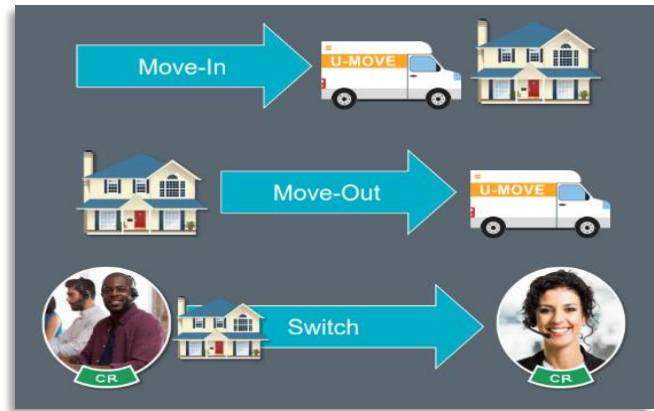
The retail switching process begins when a retail customer selects a new REP. The new REP submits one of several standardized requests to ERCOT, coordinating with the customer's local Transmission and Distribution Service Provider (TDSP) to validate the request and schedule the requested change. Most changes can be completed on the business day requested, and customers experience no disruption in electric service.

ERCOT's Retail Transaction Clearinghouse ensures that all data exchanges (such as meter reads, enrollment confirmations, and billing transitions) are handled securely and accurately. Customers may schedule a relationship change for a future date or request a same-day switch under most conditions.

Importantly, ERCOT distinguishes between multiple types of transactions, including:

- **Move-Ins** occur when a customer initiates service at a new location.
- **Move-Outs** occur when service is terminated at an existing location.
- **Switches** occur when a customer changes REPs at an existing location.

Each type follows a standardized process to ensure consistency and accuracy in service delivery.



Customer Relationships Processed by ERCOT

- 2023: 4.4 million
- 2024: 4.5 million
- 2025 (as of August 2025): 3 million

largely driven by increased marketing activity from REPs, new product offerings, and elevated consumer awareness. These numbers also include the transition of the City of Lubbock into retail customer choice.

As of August 2025, year-to-date activity has already exceeded **3 million** relationship changes, putting the market on pace to potentially exceed 2024's total by year-end. This sustained volume underscores the vitality of Texas' retail market and the importance of maintaining a robust, competitive infrastructure.

The retail selection process is a policy success story that demonstrates how market design can empower consumers, attract investment, and drive innovation. Continued support for ERCOT's retail infrastructure and market protocols ensures that Texans retain the freedom to choose their electricity provider while benefiting from competitive retail pricing and service options.

Senate Bill 6 Net Metering Arrangement

Senate Bill 6 (SB 6), enacted by the 89th Texas Legislature, introduced new provisions under Public Utility Regulatory Act (PURA) § 39.169 to regulate net metering arrangements involving large electric loads co-located with generation resources. These provisions require that before such arrangements proceed, ERCOT must conduct a comprehensive system impact study.

This study must be completed within 120 days of receiving all required information, after which the Public Utility Commission of Texas (PUCT) has 60 days to approve, deny, or impose conditions on the proposal to ensure grid reliability and resource adequacy.

ERCOT's 120-day study period begins only after ERCOT confirms receipt of all necessary information from the Resource Entity, the Large Load customer, and the applicable utility. ERCOT will coordinate with PUCT staff throughout the study to ensure alignment and readiness for the subsequent 60-day review period.

On September 2, ERCOT issued a [Market Notice](#) containing a list of stand-alone generation resources. Under the new definition established under SB 6, these resources are included in ERCOT's Network Operations Model and do not include a Private Use Network (PUN) load.

At the conclusion of each net-metering arrangement study, ERCOT will submit a detailed report to the PUCT summarizing its findings and offering recommendations to inform the PUCT's decision to approve, deny, or impose reasonable conditions on the proposed arrangement. The report may also include suggested conditions to mitigate any identified risks. ERCOT will manage the balance between public and confidential information in accordance with PUCT procedural rules, particularly where grid security or market-sensitive data is involved. This structured, transparent process is designed to ensure that net metering arrangements are thoroughly vetted and aligned with Texas' energy policy priorities.

ERCOT Proposes 2026–2027 Budget with Lower System Admin. Fee

ERCOT has released its proposed 2026–2027 Biennial Budget, outlining a forward-looking financial plan that balances fiscal discipline with the growing demands of operating the Texas electric grid.

At the heart of the proposal is a reduction in the System Administration Fee (SAF), which serves as ERCOT's primary funding mechanism, reducing the fee from \$0.63 to \$0.61 per megawatt-hour (MWh) effective January 1, 2026.

The SAF funds approximately 90% of ERCOT's operations and supports the organization's statutory responsibilities under Section 39.151 of the PURA, including maintaining grid reliability, market operations, and open access to transmission.

The proposed SAF reflects a broader trend of fiscal discipline amid ever increasing operational complexity. As Texas continues to experience record-setting load growth and generation diversity, ERCOT's ability to reduce the SAF while expanding services demonstrates prudent financial management.

To meet the demands of a rapidly evolving grid, ERCOT's budget includes capital investments and workforce expansion. These resources will support new market tools and expanded real-time operations capabilities. The budget also includes funding for critical information technology infrastructure upgrades and cybersecurity initiatives.

Key Budget Highlights

- Total authorized spending of \$474 million in 2026 and \$556.9 million in 2027
- No forecast reliance on Congestion Revenue Right (CRR) Auction Receipts for funding
- Interest income projections of \$55.8 million in 2026 and \$46 million in 2027
- A conservative energy forecast of 519 TWh in 2026 and 584.5 TWh in 2027
- Increased staffing and capital investments to support cybersecurity, market modernization, and reliability initiatives

The PUCT plays a critical oversight role in the ERCOT budget process. Following approval by the ERCOT Board of Directors, the PUCT conducts a formal review, including a public hearing and open meeting. The Commission must approve the SAF rate at least 45 days before it takes effect. This ensures transparency, accountability, oversight, and alignment with state policy objectives.



For more information on ERCOT's proposed Budget, see our [Trending Topic](#).