



Item 15: Summer 2026 Operational and Market Review

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Board of Directors Meeting

September 14-15, 2026

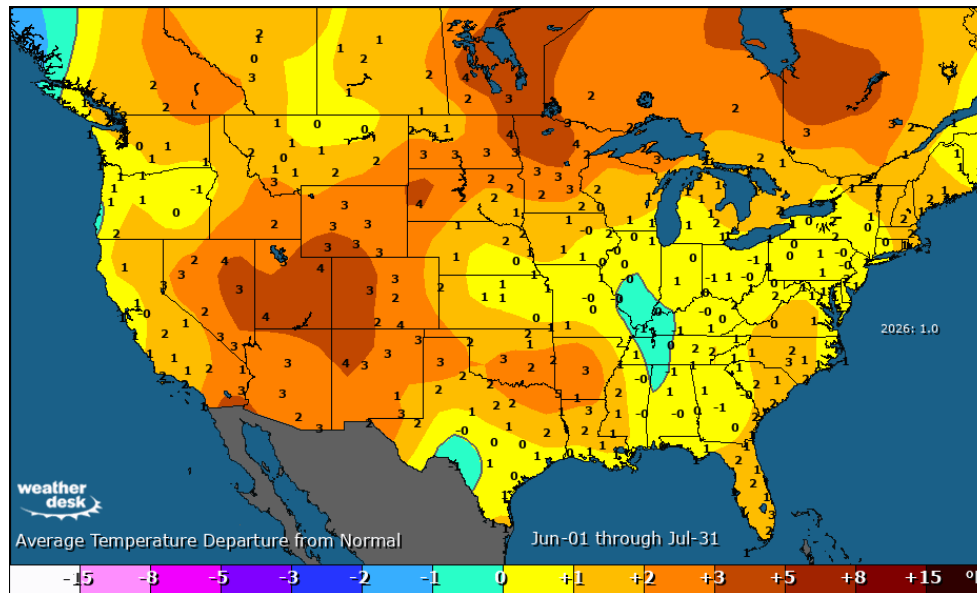
- **Purpose**
Provide an Operational and Market review of Summer 2026
- **For information only**
No action is requested of the ERCOT Board; for discussion

Key Takeaways

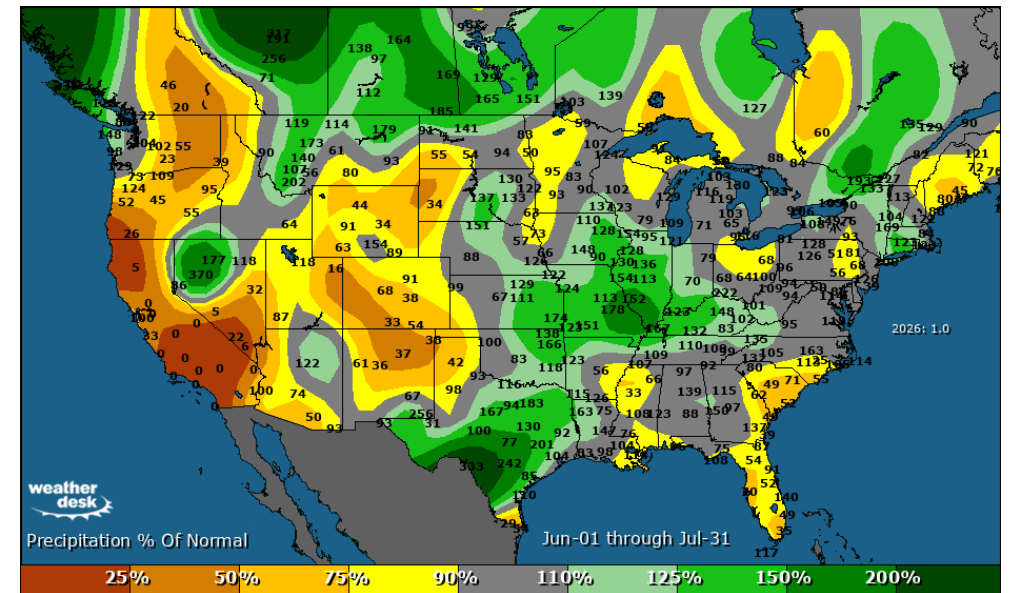
- Solar growth outpacing large load additions helped make the daytime hours this summer uneventful. A new all-time demand record was set on July 22nd.
- Energy Storage Resources (ESRs) were helpful to serve record net loads, and as a result, ESR State of Charge (SOC) exhaustion in the evenings was a pattern throughout the summer.
- Both Energy and Ancillary Service costs were close to or slightly lower than Summer 2025 and Summer 2024.
- Overall, Operations and Market outcomes met reliability needs.

Summer 2026 Weather

- The June-July 2026 period ranked as the 11th hottest June-July period out of 132 historical years (mean temperatures, 1895-2026).
- This was especially driven by the minimum temperatures, which ranked the 3rd warmest all-time.
- The average rainfall across Texas during the June-July period was 6.36", which ranked as the 42nd wettest out of 132 historical June-July periods.



Average Temperature Departure from Normal

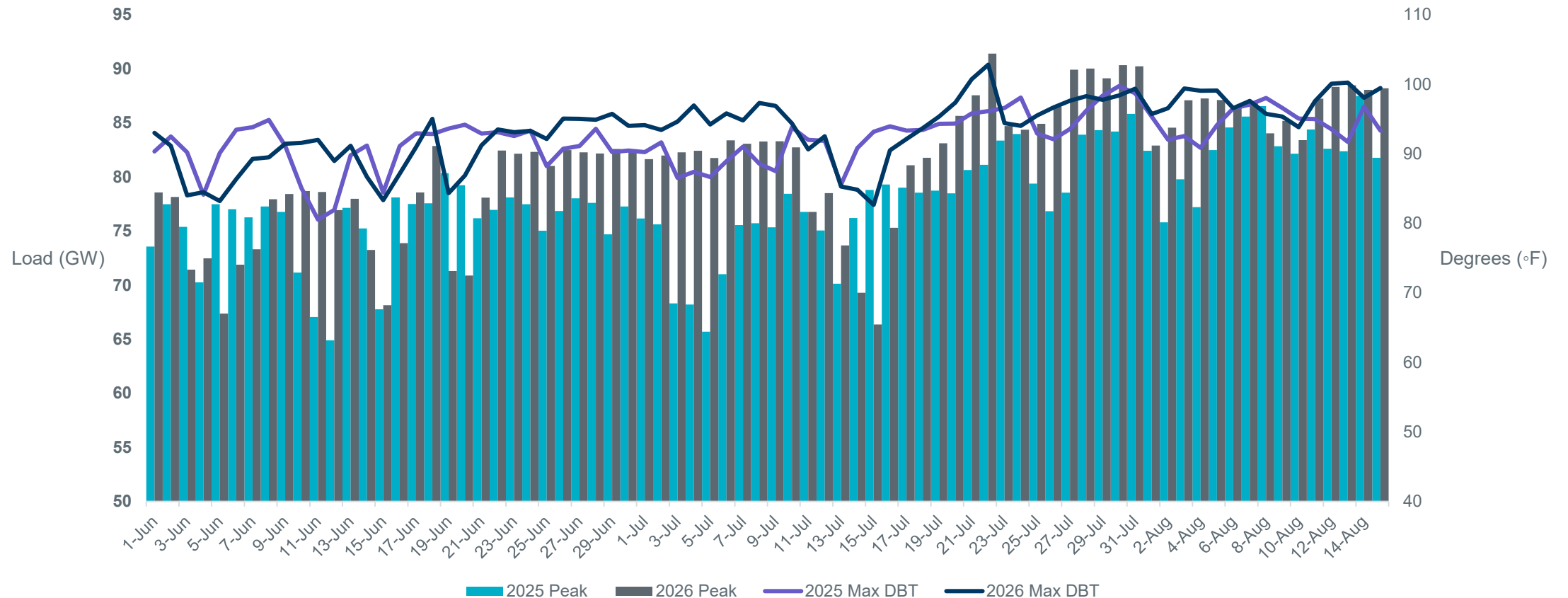


Precipitation % of Normal

Key Takeaway: The first half of summer 2026 was the hottest on average since 2023.

Summer 2025 vs. Summer 2026

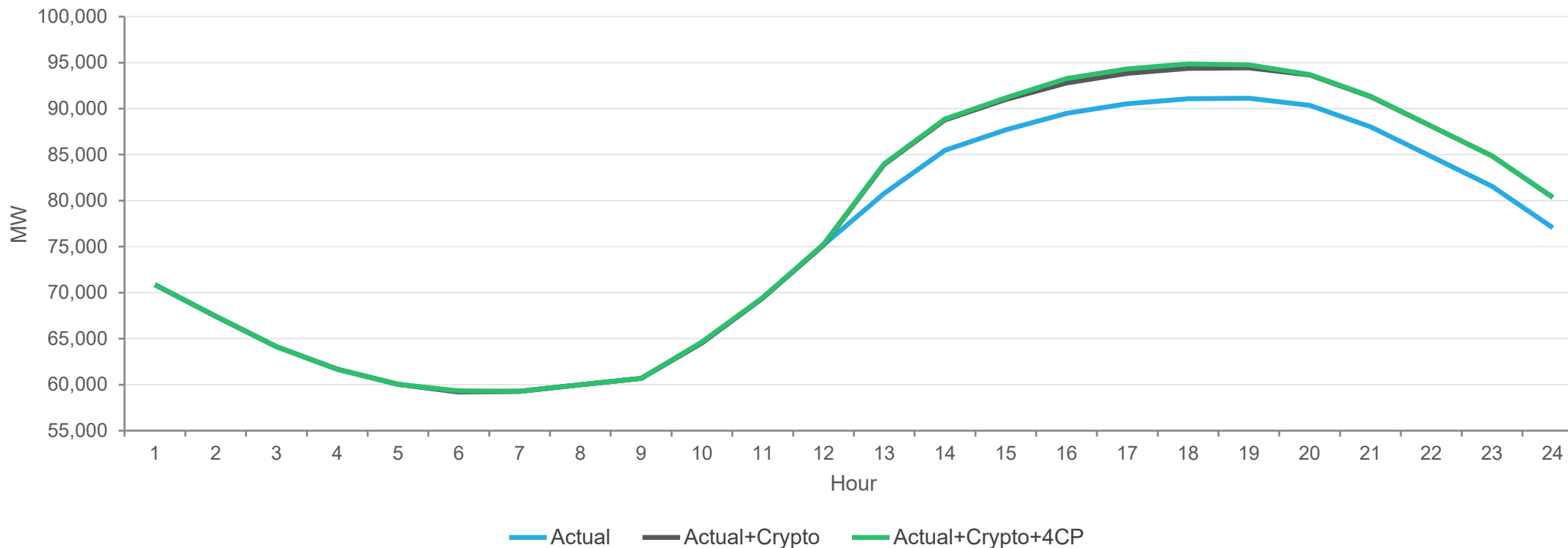
2025 Actual Peak Load vs. 2026 Actual Peak Load
With Max Dry Bulb Temperature (DBT) Comparison



Key Takeaway: 2026 saw higher overall summer temperatures which corresponds to higher summer load peaks reaching a new record on July 22nd, 2026, of 91,134 MW.

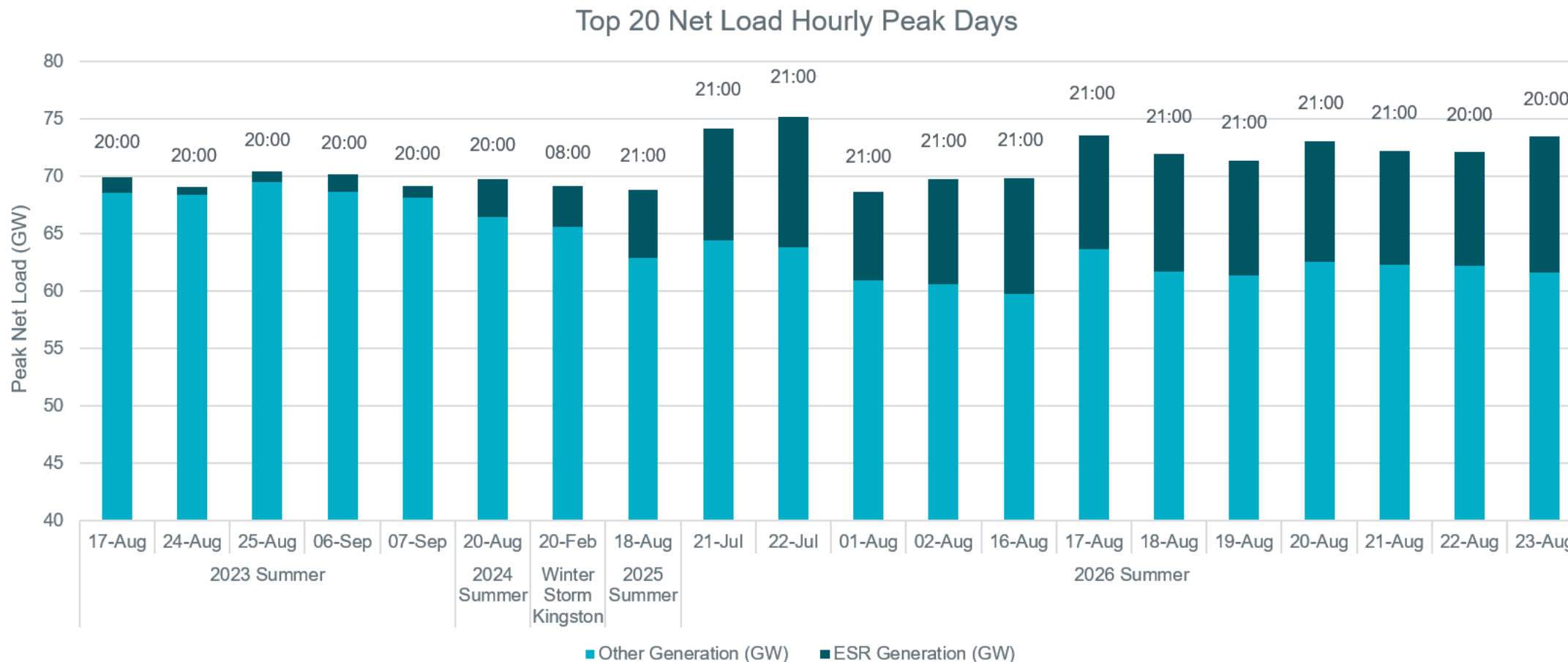
Demand Response

7/22/2026 Actual Load vs. Estimated Crypto and 4CP Response



Key Takeaway: On 7/22/2026, ERCOT set the all-time demand record at 91,134 MW during HE19. Demand response was observed during the peak hours. The maximum reduction from cryptomining loads was about 3,299 MW and the estimated maximum Four Coincident Peak (4CP) reduction was about 492 MW. ERCOT estimates that the peak load would have been 94,861 MW if there was no reduction.

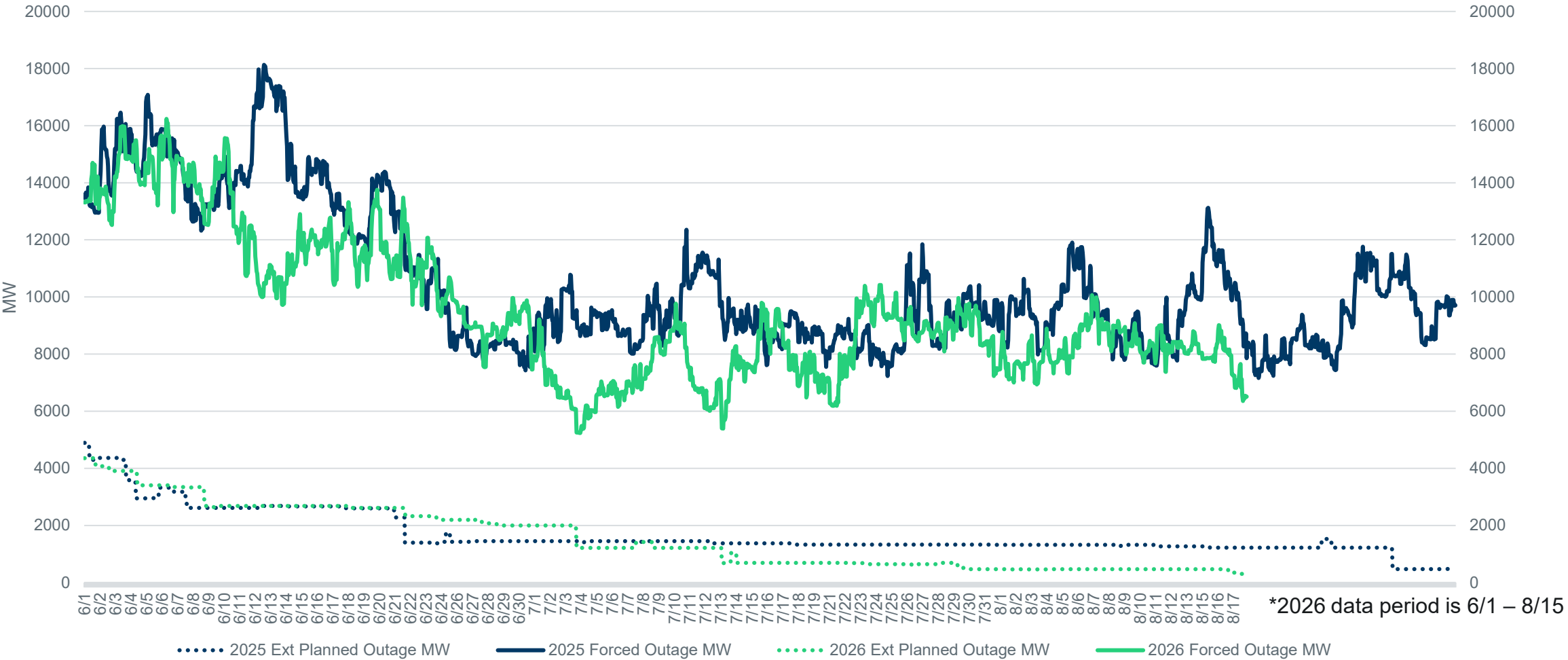
Net Load with Energy Storage Resource (ESR) Contribution



Key Takeaway: 12 of the top 20 Hourly Net Load Hours have been from 2026. The Peak Net Load typically occurs in HE 20:00 – 21:00 and occur most often during the Summer.

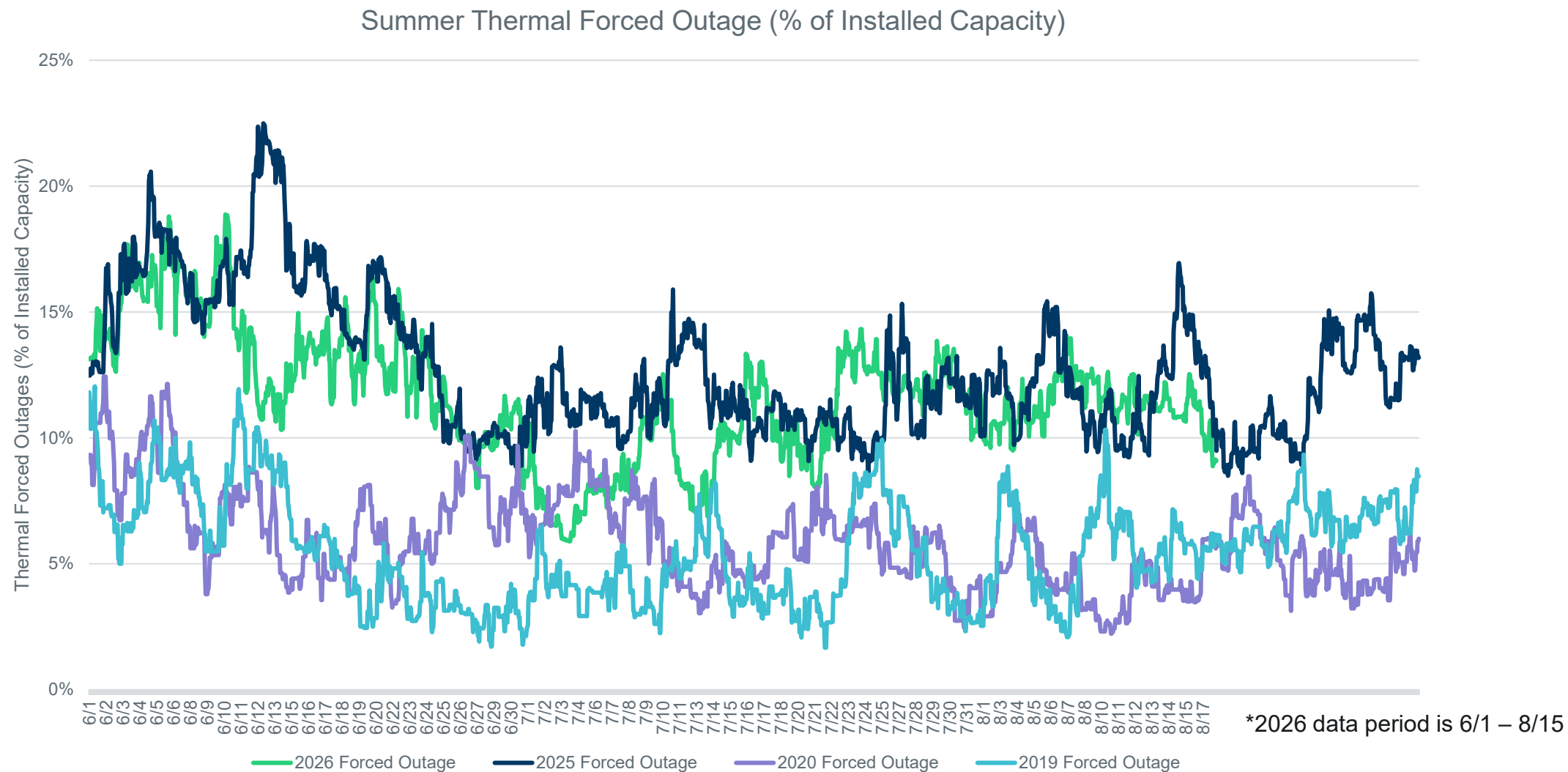
Summer Thermal Forced Outage Comparison

2025/2026 Summer Thermal Forced Outage Comparison



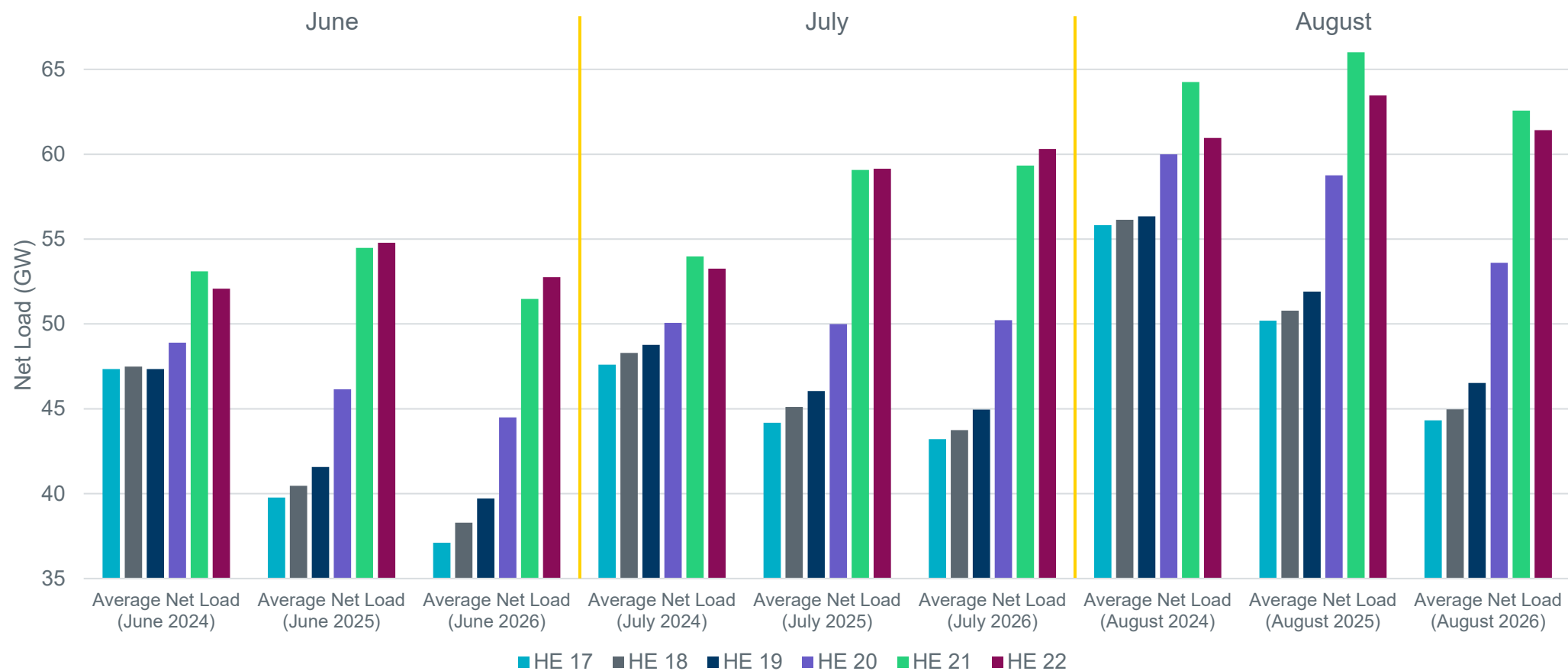
Key Takeaway: Summer 2026 has generally had lower forced outages than summer 2025.

Historic Summer Thermal Forced Outage Comparison



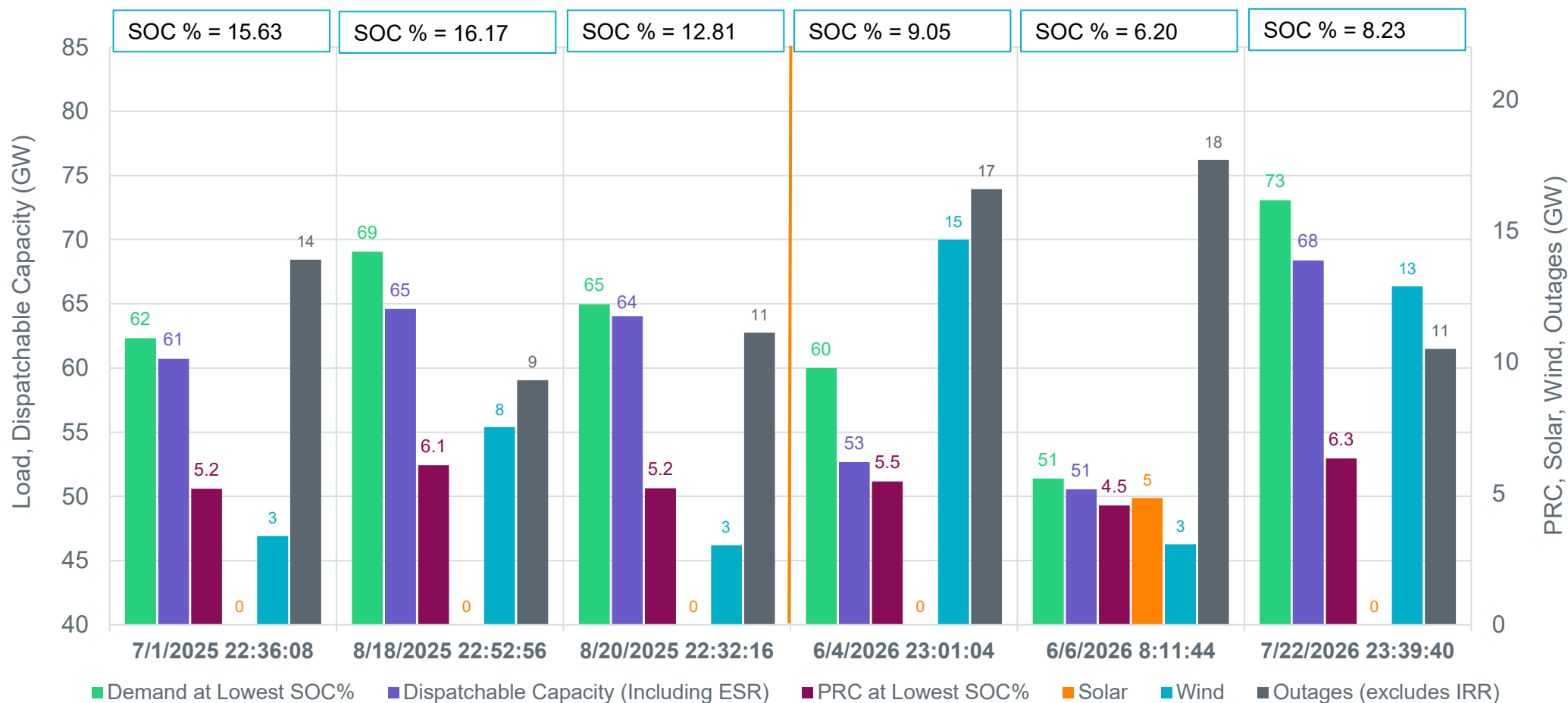
Key Takeaway: The level of thermal forced outages (as a percent of installed capacity) has been higher in 2025-2026 summers than it was in the 2019-2020 summers.

Net Load HE 17-22 for Summers 2024-2026



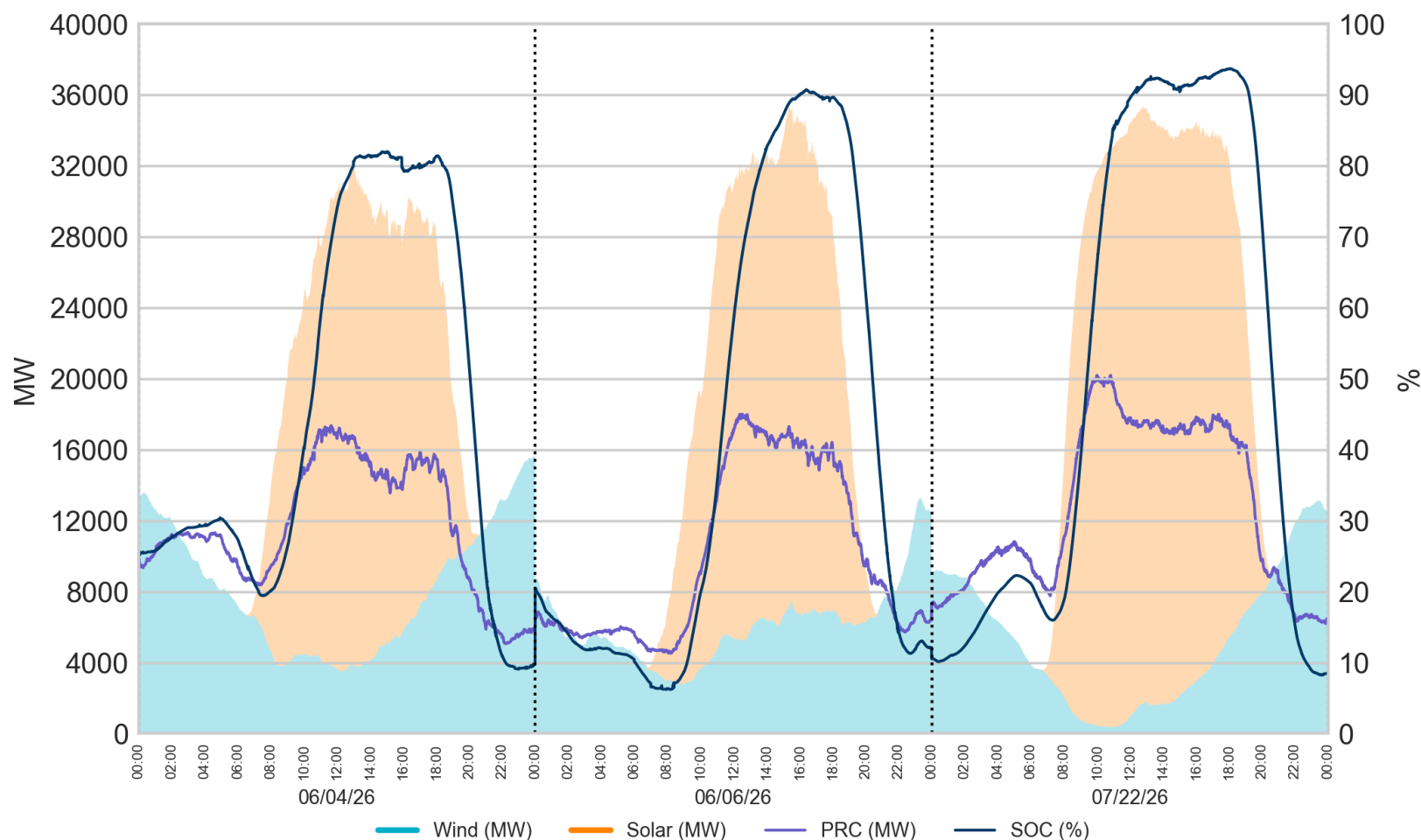
Key Takeaway: Due to increasing solar and load, the net load hour has shifted from HE 21 to HE 22 in the months of June and July.

Three Lowest State of Charge (SOC)% Days 2025 vs 2026



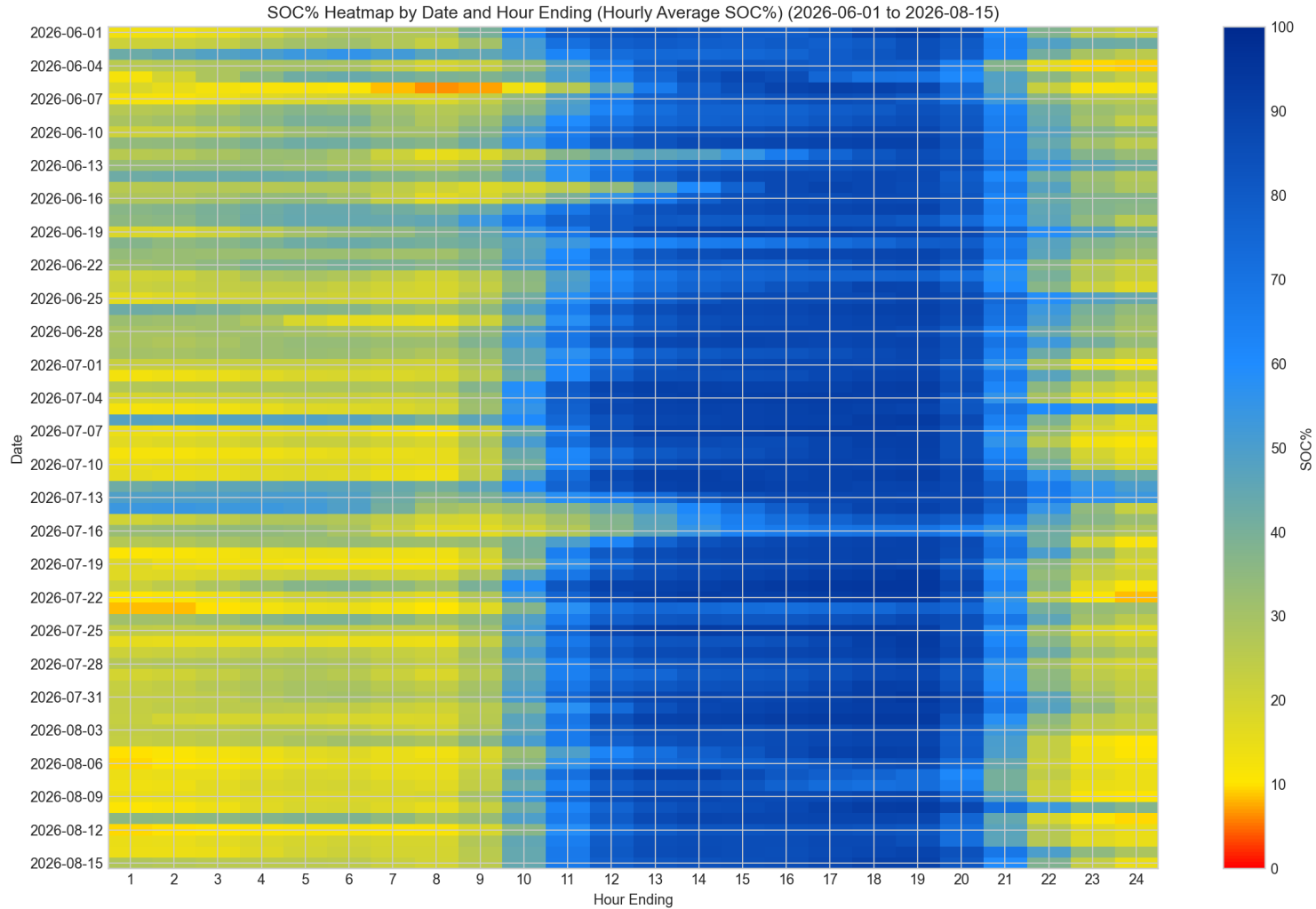
Key Takeaway: On average the SOC percentage on the lowest recorded days in 2026 was 50% lower than the lowest recorded days in 2025.

ESR SOC, Solar, and Wind Generation on Lowest SOC% Days



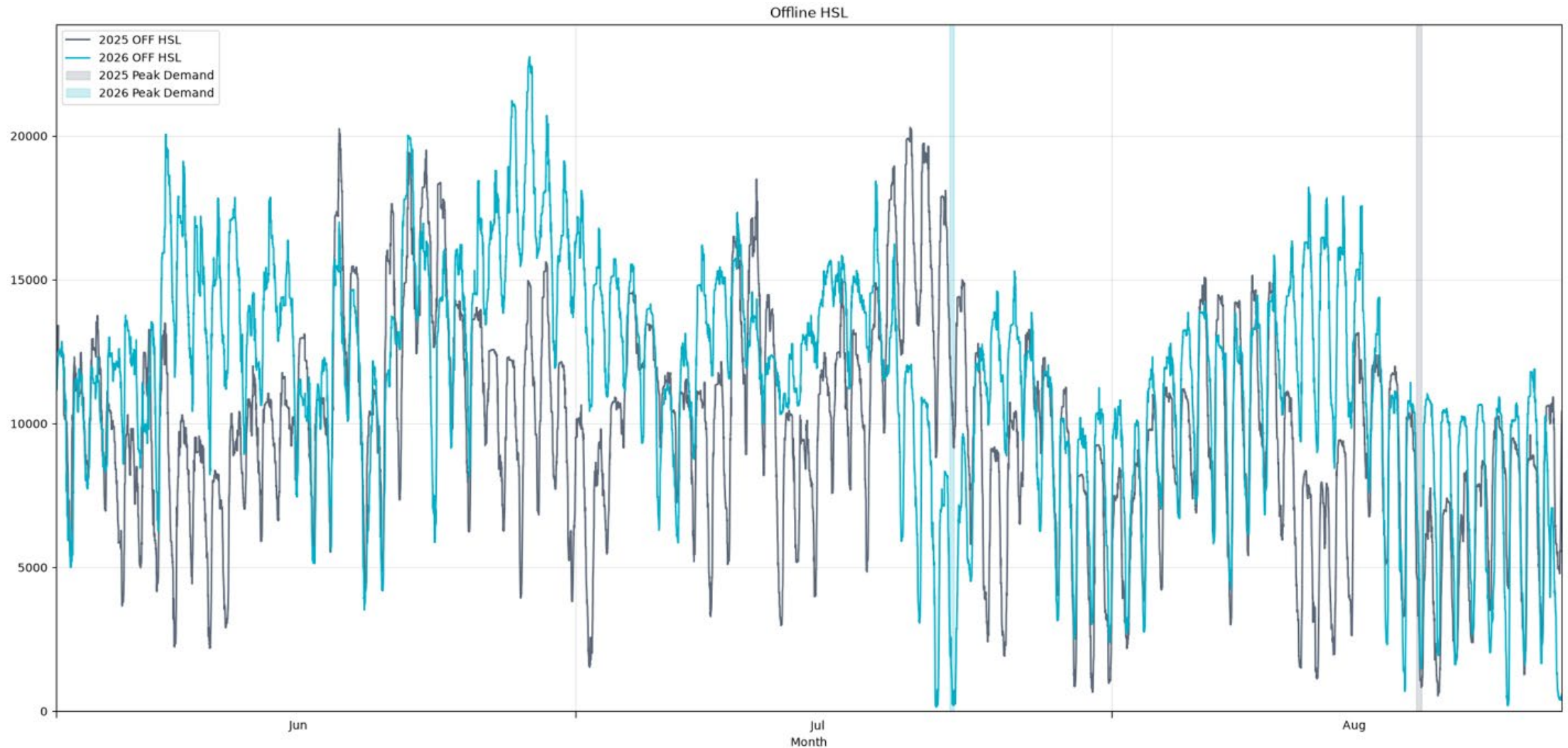
Key Takeaway: ESRs were charging during high solar generation and discharging during the solar ramp down. Compared to last year SOC% was lower on raw percentage, however, since ESR MWh capacity is higher, this lower SOC% is not necessarily lower SOC MWh.

State of Charge Operating Patterns Across Summer



Key Takeaway: SOC levels were generally highest between Hours 12 and 20. There were several hours during the late evening through sunrise where SOC was very low. The percent of hours with SOC under 20% and 10% were 15% and 0.74% respectively.

2025 vs. 2026 HSL of Offline Resources



Key Takeaway: June and July 2026 largely had more available generation offline than in 2025. However, less generation remains online after summer temperatures ramped up in August.

Increasing solar and storage resources continue to impact summer market outcomes

Market outcomes including energy and ancillary service prices as well as peaker net margins continue to reflect increasing solar and storage resources

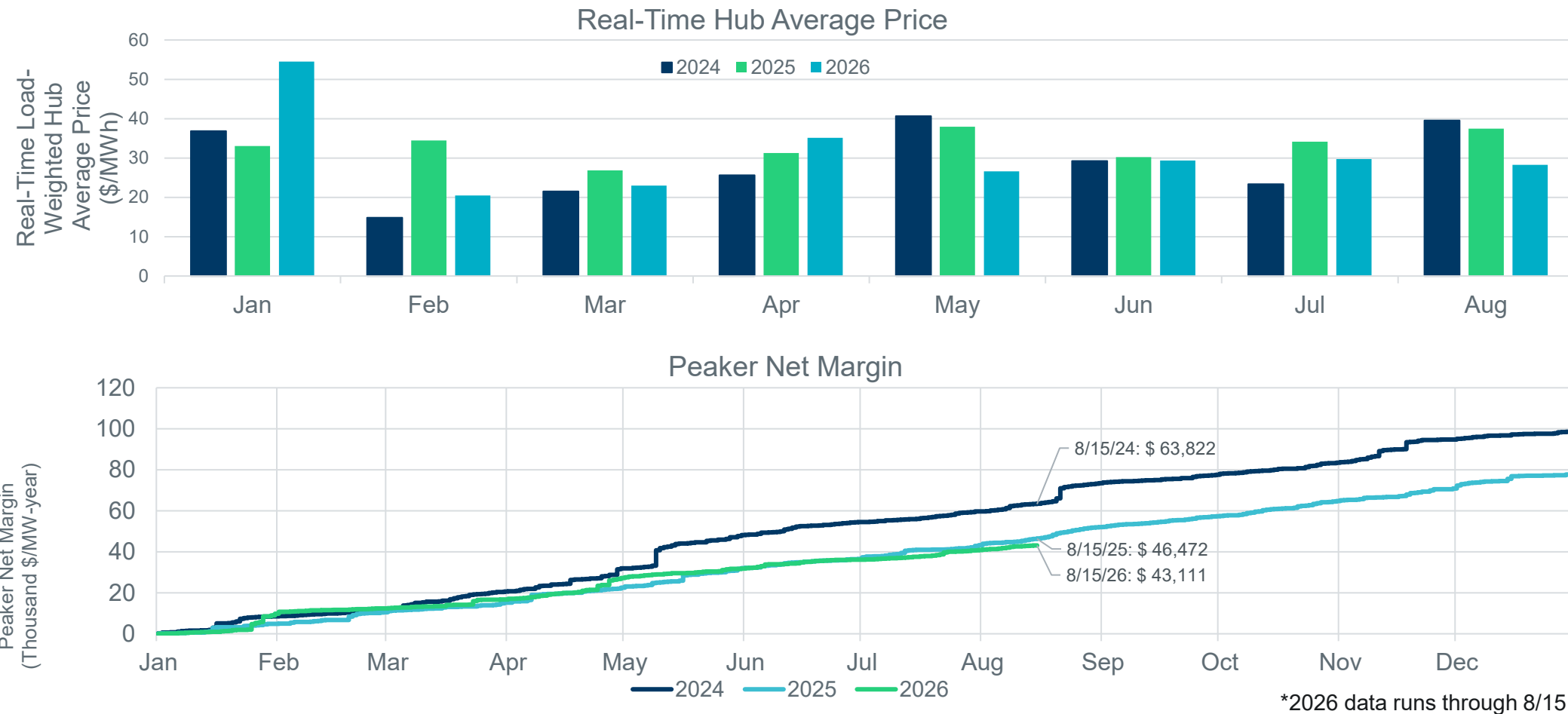
- Summer 2026 energy and ancillary prices declined relative to prior years
- Peaker net margins also declined, even with growth in both gross and net peak loads

Real-time co-optimization helped to lower ancillary service costs and market congestion

Ancillary services were rarely short and most instances shortages occurred in early summer, before the highest demand periods

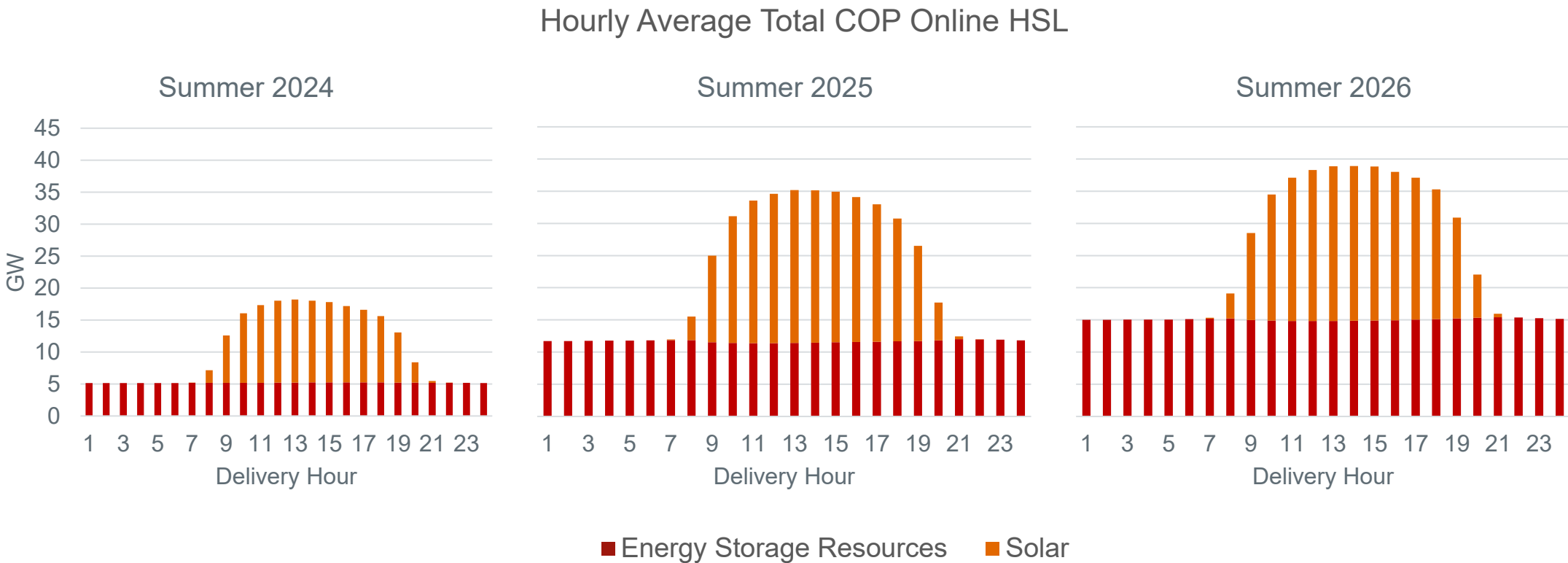
Reliability Unit Commitments were up compared to prior years, shifting from congestion to capacity related procurement

Real-Time Hub Prices are lower this summer, contributing to a lower Peaker Net Margin



Key Takeaway: Real-Time prices were lower in summer 2026 than 2024 and 2025 due to higher supply particularly during day light hours. Lower prices also mean that Peaker Net Margin is lower in 2026 relative to the previous two years.

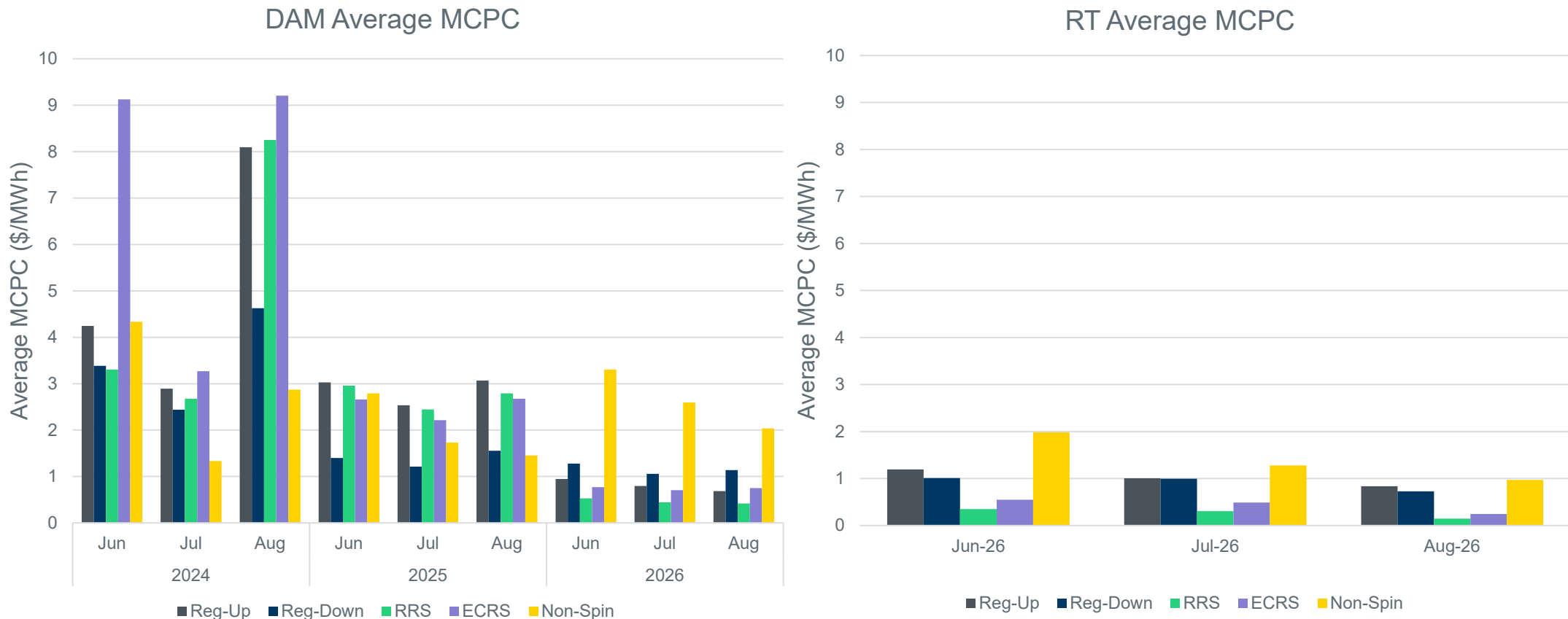
Solar and Energy Storage Resources capacity continues to increase



Graphs reflect the latest Current Operating Plan (COP) snapshot available prior to real time for June through August of each year. Summer 2026 data covers June 1 through August 15.

Key Takeaway: More solar and Energy Storage Resource capacity was in the system in summer 2026 compared to 2025 and 2024. This tends to result in lower energy prices during the day, allowing ESRs to charge during this time to later discharge over the evening solar ramp period.

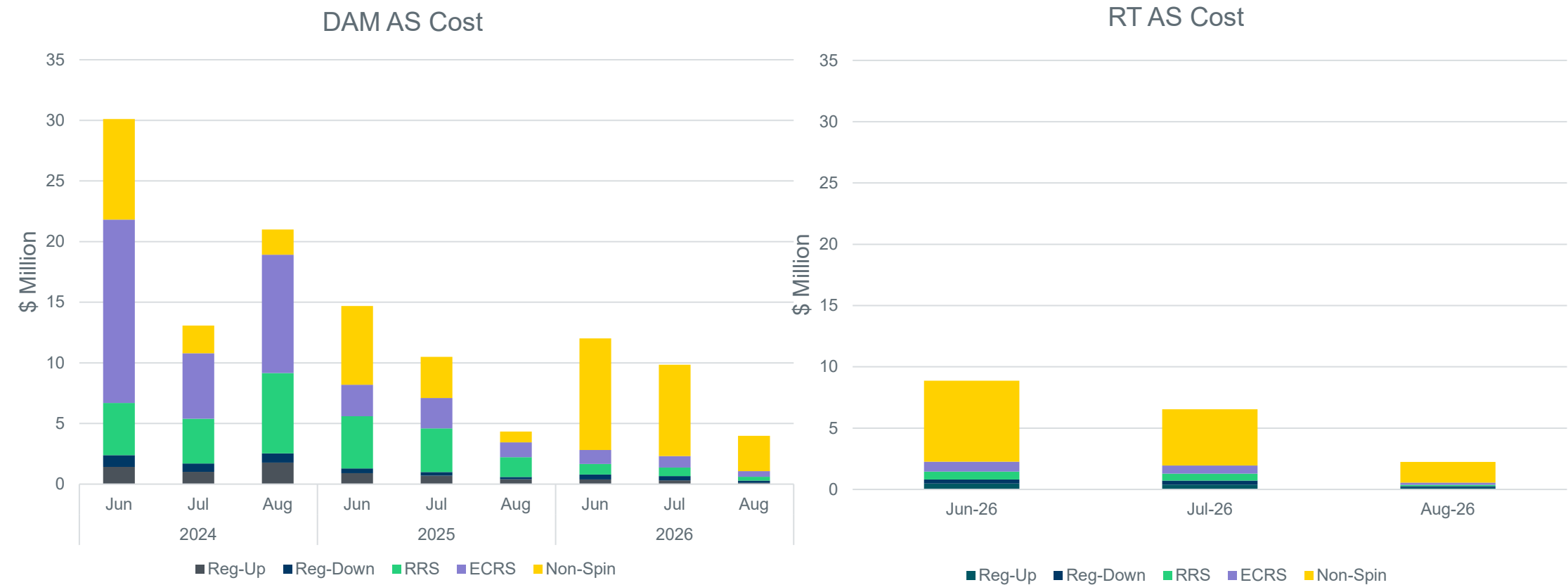
Day-Ahead and real-time Ancillary Service prices are lower, following the trend in energy prices



* RT MCPCs only exist for 2026 and both DAM and RT 2026 data runs through 8/15

Key Takeaway: Day-ahead ancillary service prices have been trending lower in summer 2026 compared to 2024 and 2025, except for Non-Spin. Across summer 2026, Real-time Ancillary Service prices have decreased month over month.

Ancillary Service costs have been lower in 2026 compared to previous years, consistent with price trends

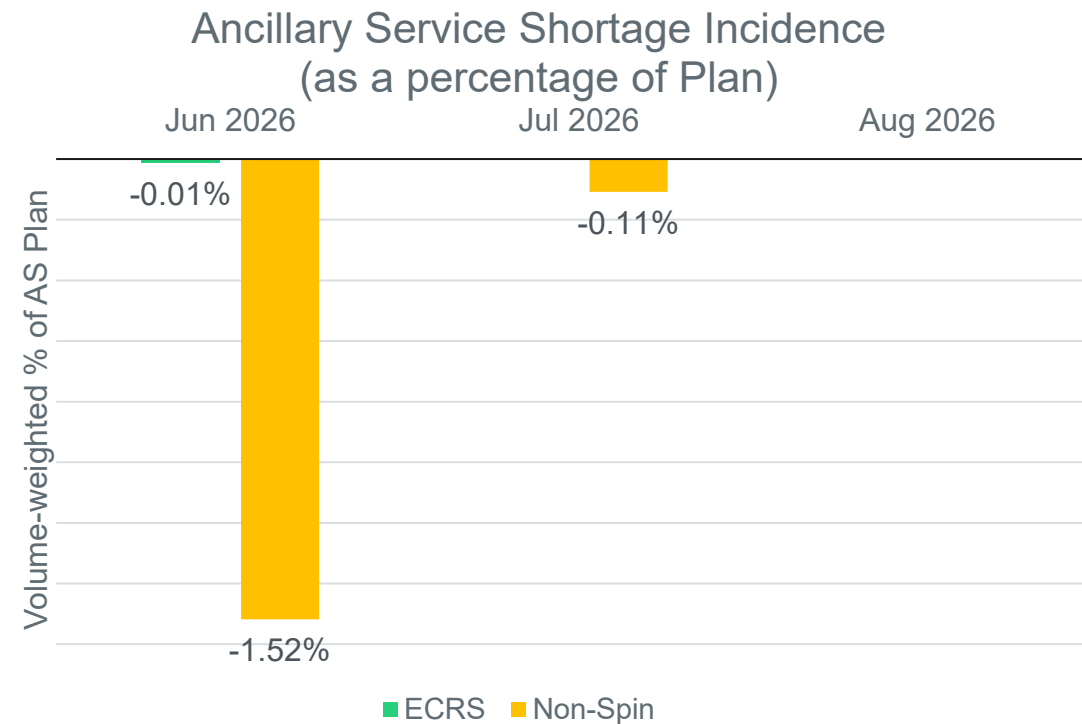
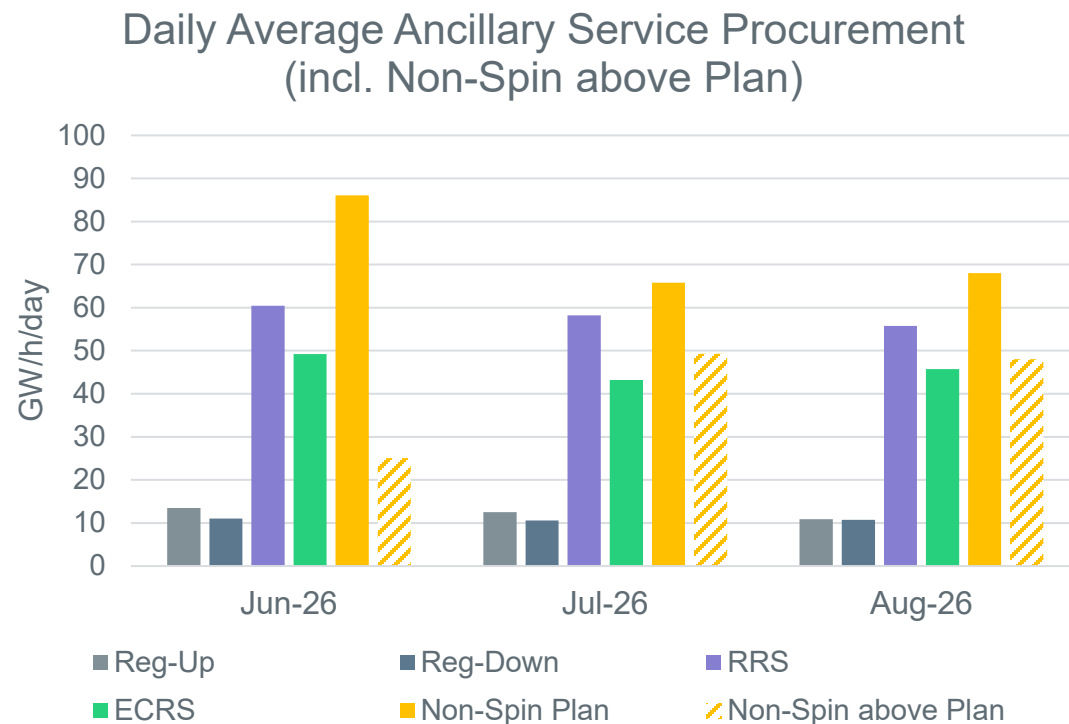


Key Takeaway: Ancillary Service costs were relatively low in Summer 2026, reflecting low opportunity costs in both DAM and Real-Time Energy and AS Co-Optimization.

DAM AS Cost values represent the payments to QSEs for AS procured in DAM and do not account for self-arrangement or bilateral trades (2024-2026). Beginning December 5, 2025, AS quantities are also procured and priced in RTM through the SCED co-optimization. RT AS cost values are market costs and do not represent the actual settlement result.

* August data for each year goes through 8/15.

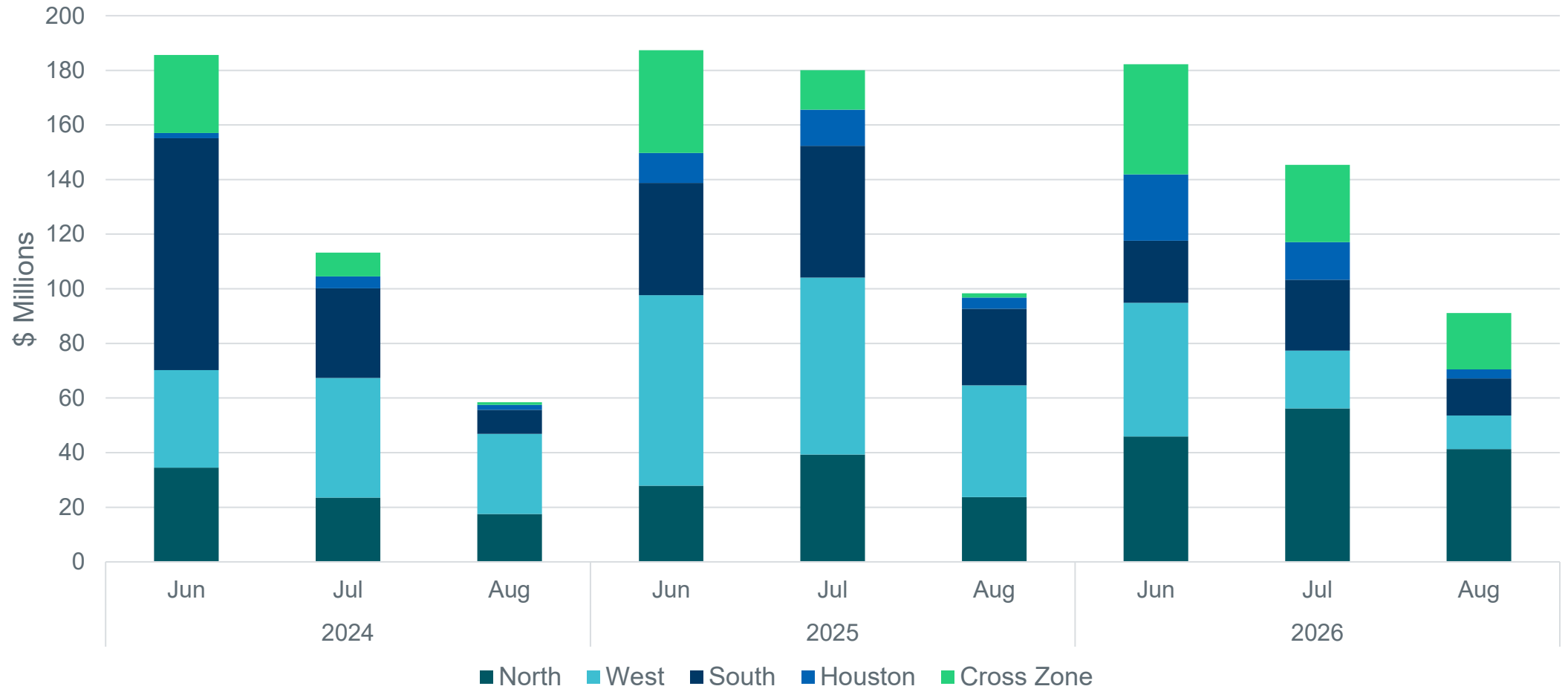
Most Ancillary Services were fully procured, with rare shortfalls in ECRS and Non-Spin



Key Takeaways:

- There were no shortages of Reg-Up, Reg-Down and RRS this summer. Non-Spin and ECRS met the plan in nearly all intervals. Most Non-Spin shortfalls in June occurred during peak AS Plan requirements in the late evening, with 40% of intervals in HE 22–23 affected.
- In times of abundance and when it is cost-effective, ERCOT procures more Non-Spin procurement than the AS Plan calls for. Non-Spin procurement above the plan grew from 25 GWh/day in June to roughly 48 GWh/day in July and August, offsetting a decline in the Plan from 86 to 66 GWh/day.

Congestion Rent fell from summer 2025 to summer 2026



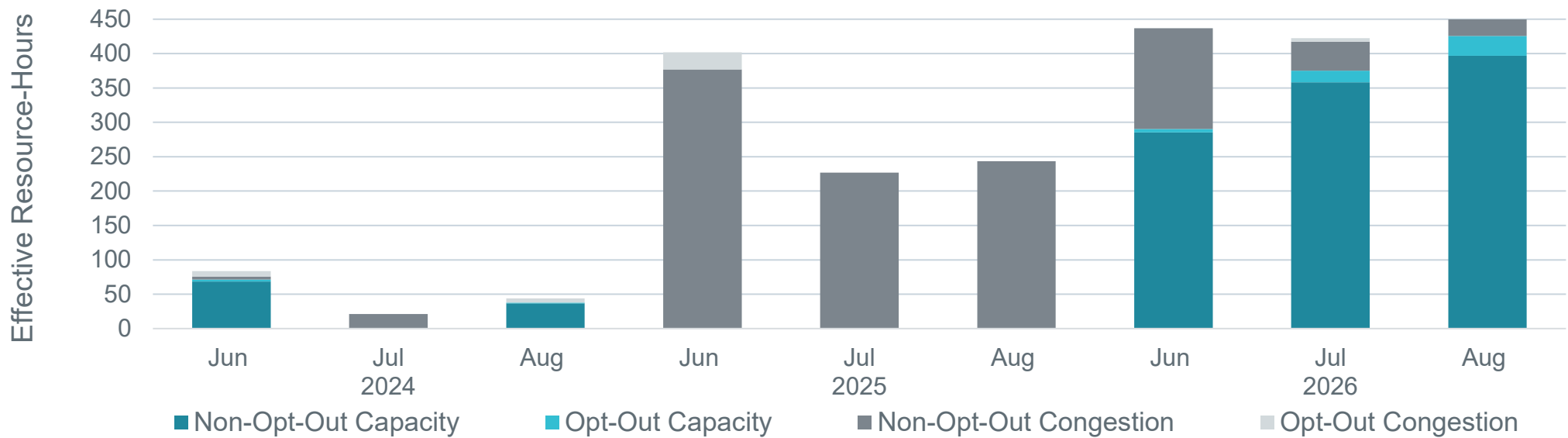
* August data for each year goes through 8/15.

Key Takeaway: Real-Time Congestion Rent in the summer of 2026 was 10% lower than in summer 2025, primarily due to sufficient dispatchable capacity and generation. RTC played a role in lowering congestion rents in summer 2026 compared to summer 2025.

RUC Effective Resource-Hours are higher in summer 2026, primarily to ensure sufficient Ancillary Services

There were 1,313 total Reliability Unit Commitment (RUC) effective Resource-hours in summer 2026. This was higher than the 872 effective Resource-hours in the summer of 2025 and the 148 effective Resource-hours in the summer of 2024.

In summer 2026, 17% of RUC effective Resource-hours were nominally attributed to congestion. In 2025, that number was 100%.

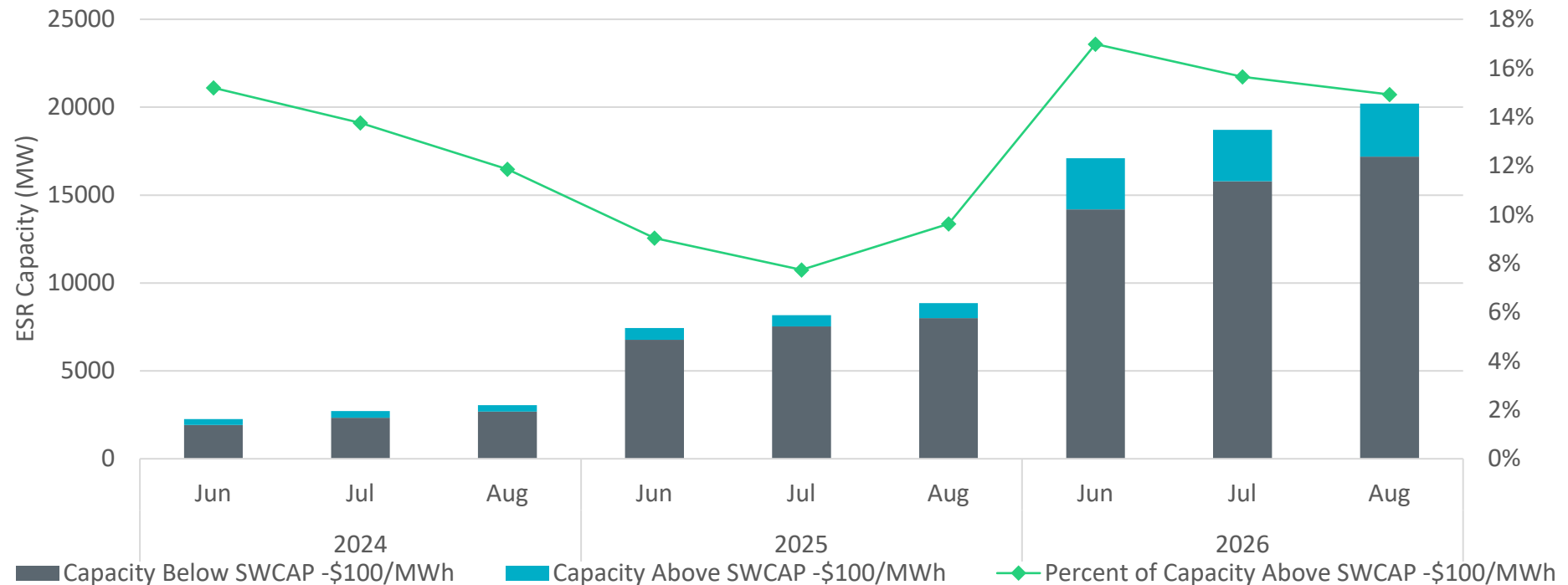


“Effective Resource-hours” excludes any period during a RUC-instructed hour when the committed Resource was starting up, shutting down, off-line, or otherwise not available for dispatch by SCED.

* August data for each year goes through 8/15.

Key Takeaway: RUC activity in summer 2026 was substantially higher than the previous two summers and was largely attributed to addressing capacity needs, particularly to ensure sufficient Ancillary Service quantities.

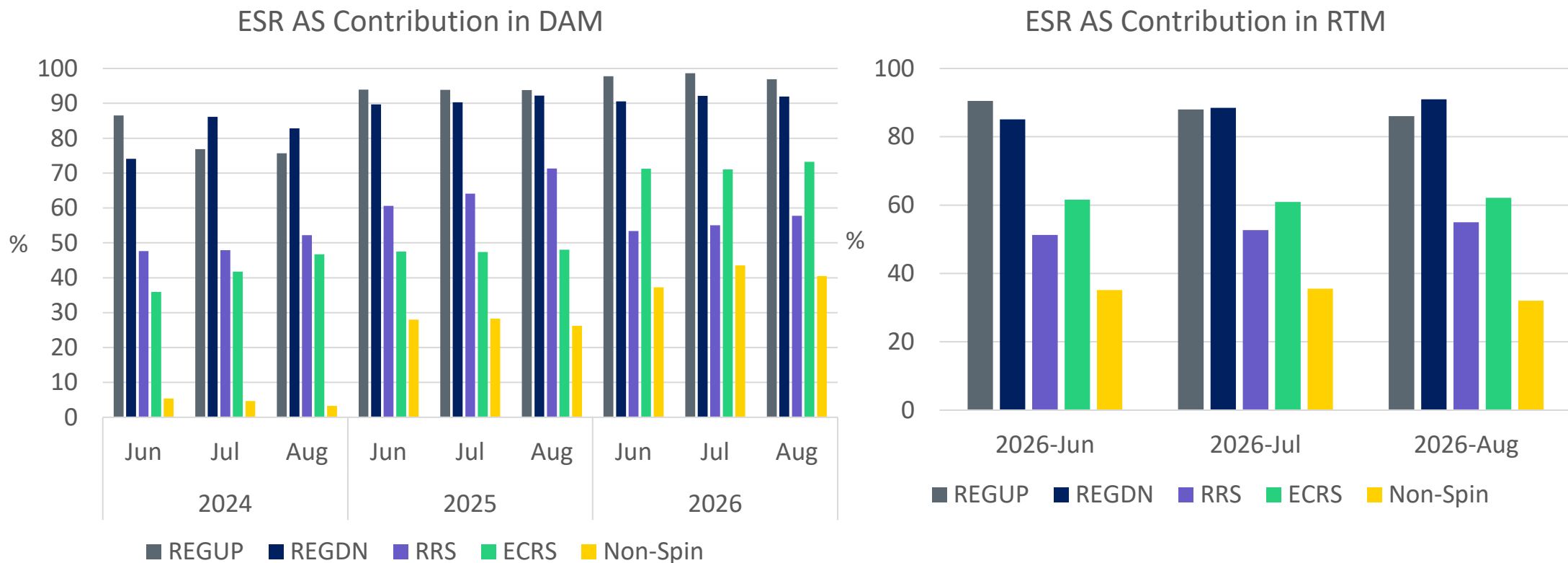
Energy Storage Capacity Offered in Real-Time Market Continues to Increase



Note: 1. The data is based on the 20:00 SCED interval snapshot. SWCAP is reduced to \$2000/MWh from \$5000/MWh after RTC go-live on 12/5/2025.
2. 2026 data runs through 8/15

Key Takeaway: The total amount of Energy Storage Resource (ESR) capacity offered into the market increased substantially in 2026. The proportion of ESR capacity offered at price levels within \$100/MWh of System Wide Offer Cap is slightly higher in the summer of 2026 compared to that of previous two summers, largely due to the lower Real-Time System Wide Offer Cap (\$2000/MWh) introduced as part of RTC+B.

ESR contribution to Ancillary Services continues to increase



*2026 data runs through 8/15

Key Takeaway: With increasing ESR capacity on the system, they continue to dominate Ancillary Service awards, especially for regulation services in both DAM and RTM. In DAM, the most notable increase from summer of 2024 is in Non-Spin and ECRS. In 2026, ESR's AS contribution in real-time follows the same pattern as day-ahead.