



Item 5.3: 2019 Summer Markets – Factors that Drive Pricing Outcomes - Revised

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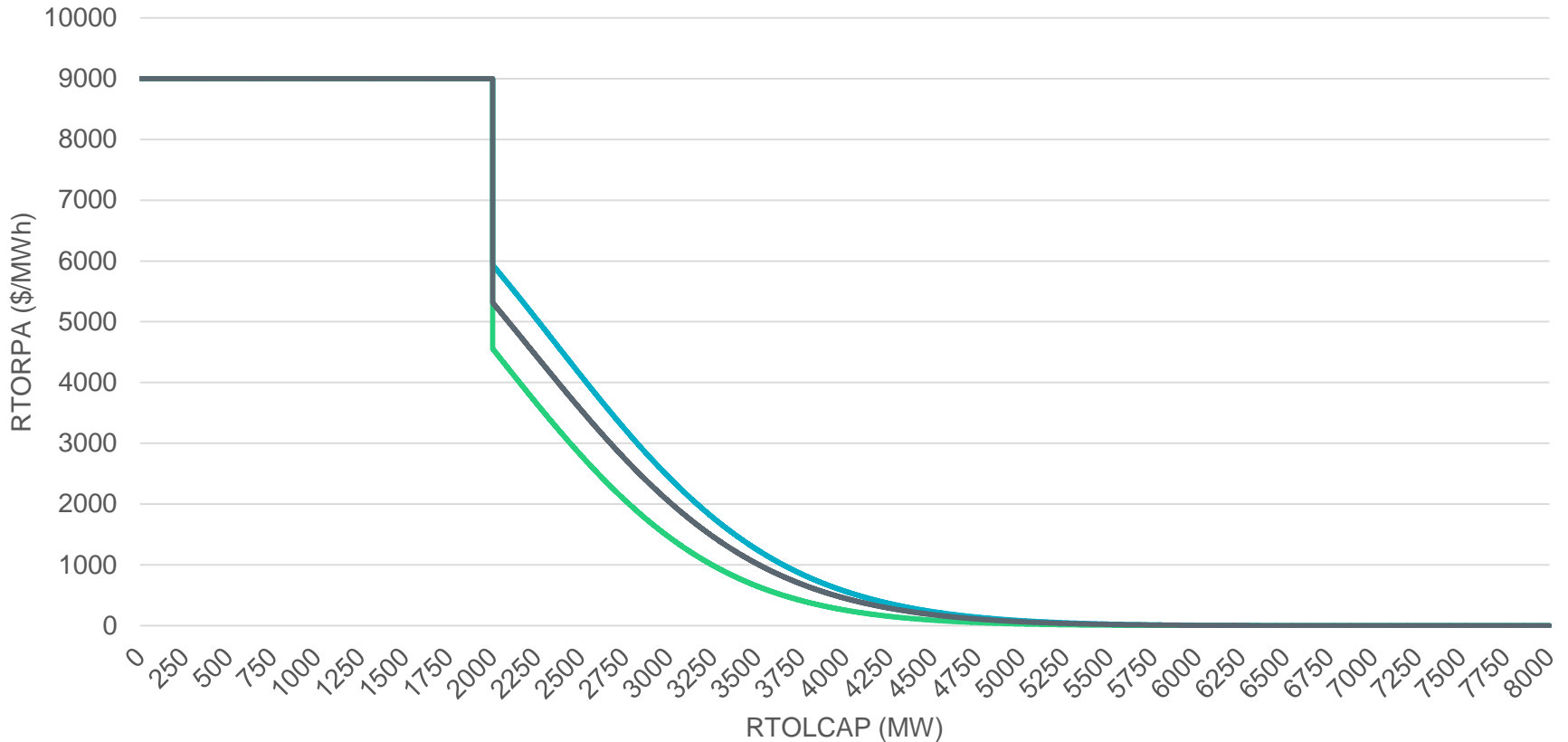
June 11, 2019

The PUCT Instructed Two Changes to the ORDC

1. Instead of using 24 different ORDC curves based on season and hour blocks, to use one curve based on aggregating all the data.
2. Shift the curve by 0.25 standard deviations.

ORDC Curve Combined – Revised*

- The single curve is higher relative to the old Summer curve and lower relative to the other seasonal curves; this results in higher adders above 2,000 MW of reserves in the Summer and lower adders in the Winter.



2018 Winter (HE 3-6)

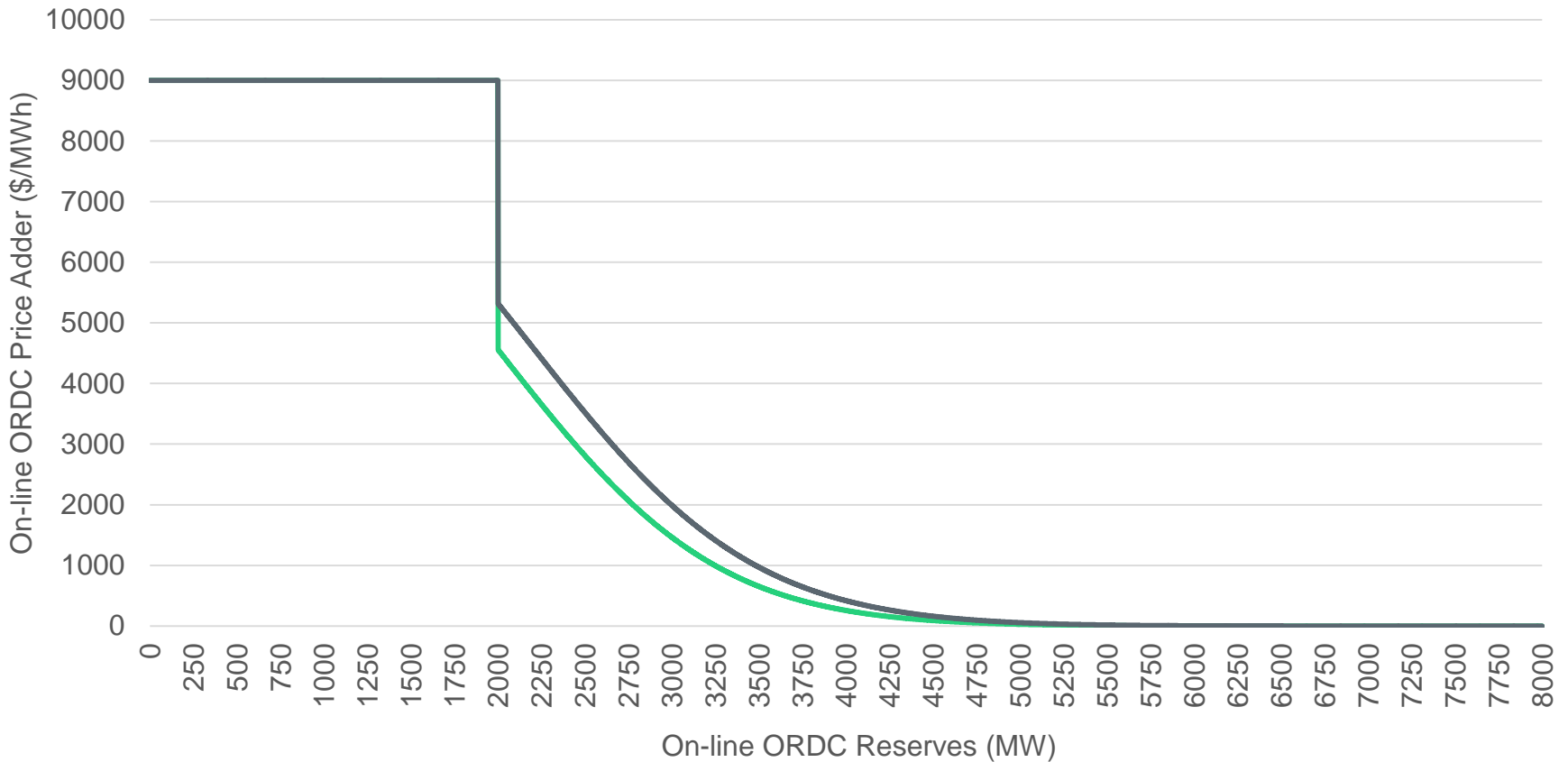
2018 Summer (HE 15-18)

2019 Combined Curve



ORDC Curve Shifted by 0.25 Standard Deviations – Revised*

- The ORDC curve is shifted to the right by 0.25 standard deviations. This creates a higher ORDC adder for any given level of reserves above 2,000 MW.



— 2018 Summer: HE 15-18 — 0.25 Shift