FERC Publishes 2020 Summer Energy Market and Reliability Assessment

By Carlos Carrasco, Jennifer Littlefield | May 26, 2020

RELATED PRACTICES Energy Roundup, Energy, Power and Natural Resources, Traditional Power

On May 21, 2020, the Federal Energy Regulatory Commission's Offices of Energy Policy and Innovation and Electric Reliability jointly published and released their 2020 Summer Energy Market and Reliability Assessment. The report provides an overview of key market events and data for the nation's ISOs/RTOs as well as a discussion on reliability in the various power regions for summer 2020.

The report includes the following key items that are summarized below.

ERCOT's Reserve Margin Not Adequate. All NERC Planning Regions and ISOs/RTOs anticipate that power resources will exceed their reference reserve margin levels, except for ERCOT. Although ERCOT recently reported that its reserve margin for summer 2020 will be 12.6%, a 4.1% increase from its 2019 reserve margin, it is still 1.15% below NERC's reference margin level of 13.75%. ERCOT will likely need to declare Energy Emergency Alerts this coming summer because of that "extreme weather, low wind output and higher-than-normal generation outages."[1]

Impacts of COVID-19. COVID-19 continues to affect the electricity and natural gas markets and has reduced electric demand by approximately 3 to 11 percent across ISOs/RTOs. As a result, wholesale prices are generally lower than last year at this same time. Furthermore, COVID-19 has delayed planned maintenance on generation units across ISOs/RTOs, which may impact unit availability during the summer.

Weather Forecasts. Weather forecasts for summer 2020 suggest warmer than normal temperatures for the western, southern, and eastern United States. In addition, forecasts predict an above average Atlantic hurricane season for this year including 16 named storms, eight hurricanes, and four major storms forecasted.

Generation Capacity Additions. For summer 2020, the majority of generation capacity additions are forecasted to come from natural gas, solar, and wind resources. Data from the Energy Information Administration reflects that approximately 5.6 GW of capacity are expected to enter commercial operations this summer. ERCOT alone will add approximately 2.9 GW of wind and solar capacity for this year in addition to 0.6 GW of natural gas-fired generation.

The full report can be accessed here.

[1] See ERCOT, ERCOT Summer 2020 Final Seasonal Assessment of Resource Adequacy, May 13, 2020.

© 2026 Haynes and Boone, LLP