CHARIOT ENERGY
a Hanwha company

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The Texas Business Electricity Guide 2026

What to buy, who to buy it from, and when to sign. An original analysis of ERCOT price data from 2021 through 2026, for small and mid-size commercial buyers.

Prepared by Chariot Energy · 3,000+ businesses powered · 7+ years in service

Commercial customers · ERCOT market

Contents

1 Executive summary

2 The forward curve and your term

3 What is on a Texas business bill

4 How to buy: direct, broker or consultant

5 Contract structures and Chariot's commercial products

6 Matching structure to your industry

7 The study: when the ERCOT market is calm

8 The timing playbook, with a backtest

9 The RFP toolkit

10 Delivery charges, 4CP and grid services

11 Renewable content and glossary

12 Methodology, sources and about Chariot Energy

A Appendix: monthly average hub price, 2021 to 2026

How to use this guide

This guide is written for buyers who already know the Texas market and are deciding what to sign next. Section 1 is the five minute version. Section 2 covers the years a three or five year term will run through. Sections 5 and 6 are the structure decision, and section 8 is the timing decision. Hand section 9 to whoever gathers your usage data.

> **A note on the numbers.** Every wholesale market price in this guide is computed from ERCOT's public settlement price files, every forecast figure is from ERCOT's own planning reports, and every retail price is from the U.S. Energy Information Administration. Where a figure reflects common market practice rather than a published source, the text says so. Nothing here is a quote. Commercial pricing is provided by custom quote and is subject to credit approval and contract terms.

1 Executive summary

Energy procurement for a Texas business comes down to three decisions: who supplies you, what shape the contract takes, and when you sign. This edition adds a fourth question that now sits under all three: what the grid looks like over the years your contract will run.

> Chariot Energy powers more than 3,000 businesses and has 7+ years in service as a licensed Texas REP. This guide combines its own enrollment records with public ERCOT, PUCT and EIA files; every figure is sourced and dated.

$61.44
Average ERCOT real-time hub price per MWh, June to September, 2022 to 2025

$31.07
Same measure for March, April, October and November, 2022 to 2025

$31.36
2026 year to date: June to August, against $28.33 for March and April

-1.3%
ERCOT's forecast summer reserve margin for 2028, its first negative year (December 2025)

Key findings

- **The grid your contract runs through is not today's grid.** ERCOT's adjusted forecast takes the summer firm peak from 88,639 MW in 2026 to 132,240 MW in 2030, and its reserve margin from 18.3% to -12.7%. In ERCOT's own Senate Bill 6 scenario the 2030 peak is 90,955 MW instead. Section 2.
- **Summer carries the risk, but less of it than it did.** Across 2022 to 2025 the four 4CP months averaged almost double the shoulder months. In 2026 to date the gap is much smaller: June to August averaged $31.36 per MWh against $28.33 for March and April. Section 7.
- **The premium is lumpy, not steady.** In 2022 and 2023 summer prices ran 2.1x and 3.7x the shoulder months. In 2021, 2024 and 2025 the gap was almost nil. Section 7.
- **Timing is the decision most buyers never make on purpose.** On one 5,000 MWh facility it was worth about $42,798 a year. This winter's large load decisions make the next few weeks count. Sections 2 and 8.
- **Gas sets the floor.** ERCOT's all-in real-time cost rose 13.8% in 2025, from about $34 to $38 per MWh, tracking a 61% rise in the daily natural gas index (Potomac Economics).
- **Where you sit on the grid matters.** The West load zone averaged $42.19 per MWh in 2025 against $32.47 for the hub average, a spread of about 30% driven by Permian Basin import constraints.
- **Transmission is the other half of the bill.** Under ERCOT's 4CP method, four 15-minute intervals a year set a charge that can be 30 to 40% of a large customer's bill (Amperon). The Public Utility Commission of Texas is weighing a 12-month method with a target date of December 31, 2026. Section 10.

What to do with this

Get quotes now, not after the December filings in section 2. A forward quote is a snapshot taken on the day you ask, and the news that moves it is due within weeks. Price a three year and a five year term side by side and ask which years carry the premium. Know what the path to your supplier costs before you compare rates. Choose a structure based on how much variance your budget can carry, not on last month's news. Send a complete request for proposal, which section 9 lays out line by line, so every offer is comparable.

2 The forward curve and your term

A business choosing between a three and a five year term is choosing how much of 2028 to 2030 to lock in now. Those are the years where ERCOT's own planning numbers move furthest, and a fixed quote prices them on the day you sign.

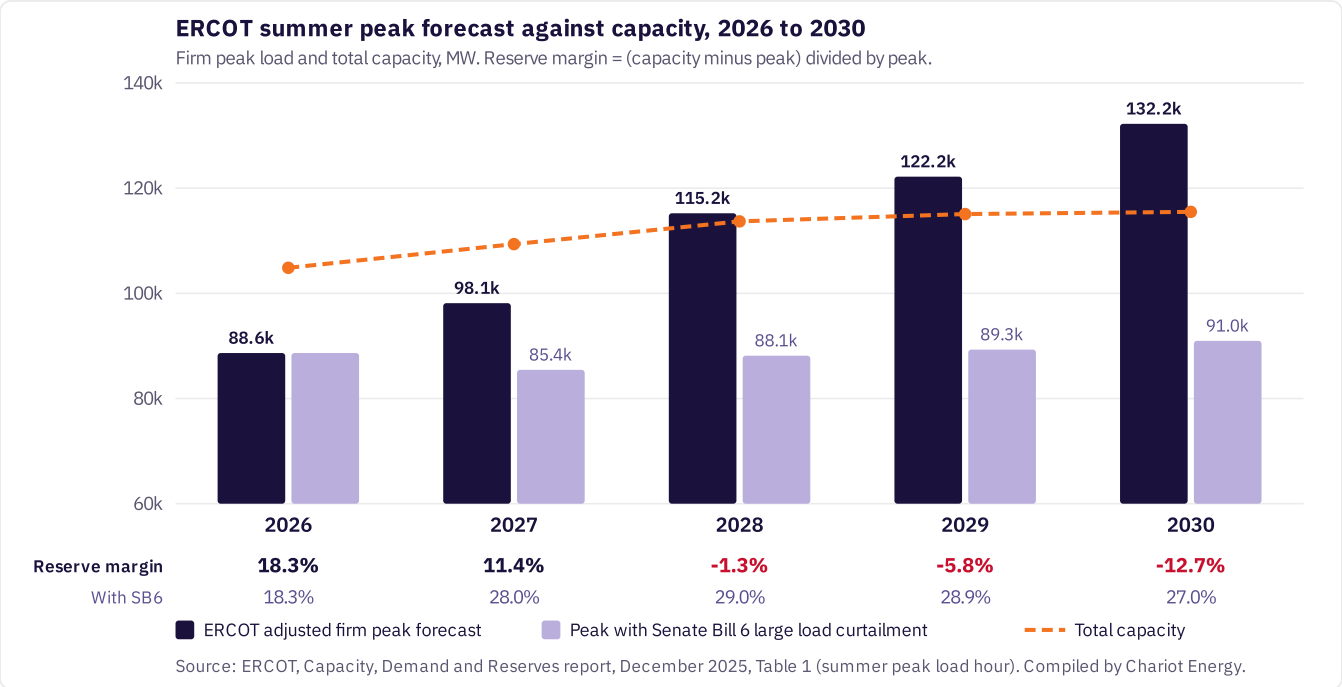


Figure 1. ERCOT's December 2025 Capacity, Demand and Reserves report. Dark bars are ERCOT's adjusted summer firm peak forecast; light bars are the same forecast with large loads curtailed under Senate Bill 6. The dashed line is total capacity ERCOT counts on.

Why the forecast moves

Most of the growth is large load. ERCOT told the Texas Senate on July 29, 2026 that about 474 GW of large load was seeking interconnection as of June 2026, roughly 90% of it data centers, against an all-time peak of 91,089 MW set July 22, 2026. Most of that queue will never be built, and ERCOT plans accordingly: it counts new data center requests at about half their requested size. Even so, its adjusted forecast adds about 44 GW of summer peak between 2026 and 2030, while the capacity it counts on grows about 11 GW. That is how the reserve margin falls from 18.3% to -12.7%.

And the counterweight, also from ERCOT. Senate Bill 6 gives ERCOT authority to require large loads to curtail during emergency conditions, and ERCOT models data center load as 100% curtailable on that basis from summer 2027. In that scenario the 2030 summer peak is 90,955 MW and the reserve margin stays near 27.0%. Both outlooks are ERCOT's. Which one a supplier's forward curve leans toward is the open question in this market.

December: the large load question gets its first answer

Three Texas decisions land within weeks of each other this winter, and each one changes how much of the queue in Figure 1 is real.

- **Batch Zero.** ERCOT's one-time study of large loads, defined as 75 MW or more, that want to connect. On September 3, 2026 ERCOT gave every applicant a conditional classification: 362 projects, roughly 190 GW, remain in the study as base or studied load, and 373 projects, 302.2 GW, were excluded. ERCOT will confirm final inclusion and exclusion in December.
- **The verification and audit.** On August 3, 2026 Governor Abbott directed the Public Utility Commission of Texas and ERCOT to verify every data center advancing through interconnection. ERCOT paused approvals to energize new data centers and crypto mining facilities of 75 MW or more, and will file its Batch Zero Eligibility Verification Report and a Community Impact Review Report with the Commission by December 10, 2026. The study that PGRR 145 required by April 9, 2027 now has an impact that ERCOT calls to be determined.
- **Transmission cost allocation.** The Commission's 12CP target date is December 31, 2026. Section 10 covers what it would change.

What it means for a term signed now

Nobody knows how these come out. A smaller verified queue would ease the 2028 to 2030 picture in Figure 1. A larger one, or one that holds together, would sharpen it. Forward curves move when this news lands, in whichever direction, and a quote signed before it is priced on today's information. Waiting for clarity is also a decision: you would be signing on the day the market has just repriced, at a price you did not choose.

> **What we recommend.** If your contract ends within the next 12 months, ask for 36 and 60 month quotes now, with a forward start date if you need one, and decide before the December filings. A calm October is the cheapest day you are likely to get to hold both options in your hands. Section 8 explains why.

Sources: ERCOT, Board of Directors, Item 14, Batch Zero Update, September 14 to 15, 2026; ERCOT, press release on PUCT approval of the Batch Zero process, June 18, 2026. The September 3 classifications are conditional and subject to the verification process.

What it means for a three or five year quote

A fixed quote is built from the forward curve, and the curve prices the trajectory in Figure 1 long before the load arrives or the plants are built. A three year term signed now runs into 2029, inside the window where ERCOT's base forecast runs short. A five year term covers all of it. The longer term carries more of that risk premium in its price, and it also protects you from it for longer. Neither is automatically right for a mid-size business. What matters is seeing where the premium sits.

What to ask for

- **Both terms, on the same day.** Request 36 and 60 month prices together so the only difference between them is the years they cover.
- **The shape, not just the number.** A 60 month price averages across years that look very different. Ask which years carry the premium.
- **Which outlook was priced.** Ask any supplier quoting past 2028 whether its curve assumes ERCOT's adjusted forecast or the Senate Bill 6 scenario.
- **A calm signing month.** Section 8 covers when to sign.
- **Your 4CP and demand exposure.** If transmission costs are allocated across a bigger peak, the cost of being on the wrong side of it rises with it. Section 10.

> **FOR FINANCE TEAMS**
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> A longer fixed term converts the 2028 to 2030 uncertainty into a known budget line now, at a price. A shorter term keeps the option to reprice later, and puts that later price on a future year's P&L. Model both against your planning horizon rather than against this year's rate.

Where Chariot sits in this

Chariot Energy's parent company, Hanwha Energy USA, develops and operates generation on the ERCOT grid, and in March 2026 agreed to acquire Ector County Generation, LLC, a 324 MW natural gas plant in the West Zone near the Permian Basin. What a supplier owns, where, and in which hours is part of how it prices the years ahead. It is a fair question to put to any supplier quoting you a long term.

3 What is on a Texas business bill

A Texas commercial invoice has three layers, and only the first is up for negotiation.

1. **Energy.** The supply charge from your REP, in cents per kWh or dollars per MWh. This is what the contract structures in section 5 describe.
2. **Delivery.** TDU charges for transmission and distribution, including demand-based components for larger accounts and the 4CP transmission allocation in section 10. Identical no matter which REP you choose.
3. **Market and regulatory items.** ERCOT administrative fees, ancillary service costs and applicable taxes. Some suppliers bundle these into the energy rate; others pass them through as separate lines. Ask which.

> **Why the wholesale price is not your price.** ERCOT's all-in real-time cost of energy was $38 per MWh in 2025 (Potomac Economics), or 3.8 cents per kWh. Texas commercial customers paid an average of 8.66 cents per kWh in June 2026 (EIA). The difference is delivery, market charges, the supplier's cost of hedging your load, and margin. No retail contract, from any provider and by any buying path, is sold at the wholesale price. A good procurement process squeezes the negotiable layer and understands the rest.

The layer you cannot shop: delivery, by TDU

Delivery charges are set by tariff and billed through whichever REP you choose. Two identical businesses with identical supply contracts pay different totals if they sit in different TDU territories, and neither can change it except by managing the demand the charge is calculated on.

TDU	Customer charge, $ per month	Distribution, $ per kW	Transmission, $ per kW	4CP billed?
Oncor	44.99	7.9461	6.0508	Yes, per 4CP kW
CenterPoint Energy Houston	151.41	6.2589	6.1777	Yes, per 4CP kVA
AEP Texas Central	22.00	8.5666	6.2464	Yes, per 4CP kW
AEP Texas North	22.00	8.2355	6.2464	Yes, per 4CP kW
Texas-New Mexico Power	24.56	9.2699	8.3053	Yes, per 4CP kW

Source: each TDU's PUCT Monthly Report, charges effective September 1, 2026 (Oncor, CenterPoint Energy Houston Electric, AEP Texas Central and North, Texas-New Mexico Power). Figures are for the demand-metered secondary service class with interval data recorder (IDR) metering, the class most mid-size commercial accounts fall in. CenterPoint bills demand in kVA rather than kW. TNMP's demand class begins above 5 kW rather than 10 kW. Customer charge shown is the customer charge plus the metering charge. AEP charges exclude percent-of-revenue factor based charges. Accounts without IDR metering are billed on their own non-coincident peak (NCP) instead of the 4CP allocation.

> **What this means for a quote.** When a supplier quotes an all-in number, ask which of these lines are inside it. A rate that looks two or three cents better than a competitor's is often energy-only against all-in. Section 9's comparison sheet has a line for exactly this. Your address also costs you on the energy side through the zonal basis in section 7, finding 4; read the two together.

4 How to buy: direct, broker or consultant

Every path ends in the same place: a supply contract with a licensed REP. What changes is who does the work, who pays them, and how much of what they are paid sits inside your rate.

$10,000 a year

$2.00 per MWh on a facility using 5,000 MWh a year, or about $30,000 over a 36 month term. That is the cost of the path, before anyone has quoted you a rate. It is not an argument against brokers; it is an argument for knowing the number.

Buying direct from Chariot Energy

- **A custom quote in one business day,** built to your load profile. Off-the-shelf commercial rates are available immediately through real-time matrix pricing.
- **Priced off your meter.** Quotes are priced by ESI ID against your interval usage from Smart Meter Texas, which is free to the account holder and usually a same-day authorization.
- **Forward start dates and terms from month-to-month to five years.** Chariot takes forward start requests case by case but can generally accommodate any start date.
- **Self-serve enrollment 24/7,** with multi-meter rollups for portfolios, and one commercial desk that prices, answers and stays on the account: **sales@mychariotenergy.com**, **866-320-7951**.

The three paths, side by side

Path	Who pays them	What it costs in the rate	Best fit
Direct from the REP	Nobody. No intermediary sits in the contract.	**No intermediary adder.** The rate is the supplier's price.	Any buyer who can produce twelve months of usage and a list of ESI IDs. Section 9 is the whole job.
Energy broker	The supplier, through an adder in your rate	A few dollars per MWh is common.	Buyers who want several suppliers approached at once, or a renewal calendar managed across many sites.
Energy consultant	You, directly	Flat fee or retainer, outside the rate and visible.	Multi-site portfolios, large industrial loads, ongoing 4CP and curtailment management.

Four questions to ask any broker. What is your adder, in dollars per MWh, in writing? How many suppliers received this RFP? Are you registered with the PUCT? Do you receive anything from the supplier beyond the disclosed adder? Chariot Energy works with brokers and channel partners across Texas and prices a broker's RFP on the same desk that prices a direct quote.

Broker and consultant cost ranges reflect common practice in the ERCOT market, not a published survey. The $2.00 per MWh figure is illustrative, not any particular broker's rate.

5 Contract structures and Chariot's commercial products

Five shapes cover almost every commercial contract in ERCOT. The right one depends on how much price risk your business can carry, how predictable your usage is, and what time of day you use it. Section 6 maps these onto the industries Chariot serves.

Fixed price

One energy rate for the whole term. The supplier buys the power forward when you sign, so your price reflects the forward curve that day plus a premium for the risk that your usage swings.

Time-of-use

Different rates for different hours, matched to when your business actually runs. A facility that does its heaviest work in the middle of the day is buying power in the hours when ERCOT's solar fleet is at full output, and a time-of-use contract lets that show up in the price rather than being averaged away. It works the other way for overnight operations.

Index

Your energy price floats with the ERCOT day-ahead or real-time market each interval, plus a fixed adder. Index buyers did well in 2024, when the annual hub average fell to $26.76 per MWh. They did not in August 2023, when the monthly average reached $191.71. Index fits businesses with the balance sheet to absorb volatility or the flexibility to curtail when prices spike.

Gas-indexed

Your energy price is tied to a published natural gas index rather than to the power market. Because gas is the marginal fuel on most ERCOT days, a gas-indexed contract tracks the fundamental under power prices without the scarcity spikes.

Block-and-index

You fix a block of your load, for example 70% of expected volume in a flat or on-peak shape, and let the remainder float. It hedges the volume you are sure of and leaves the uncertain part to the market.

Structure	Who carries price risk	Budget certainty	What drives your price
Fixed	Supplier	High	The forward curve on the day you sign
Time-of-use	Supplier, by time block	High	The forward curve, shaped to your hours
Index	You	Low	ERCOT settlement prices, interval by interval
Gas-indexed	You, on fuel only	Medium	A published natural gas index
Block-and-index	Shared	Medium to high	Both, in the proportion you set

FOR FINANCE TEAMS

Fixed and time-of-use contracts take variance out of the energy line; delivery still moves with demand and 4CP. Index and block-and-index put it on the P&L: on 5,000 MWh a year, every $10 per MWh market move is $50,000. Size any floating share to what the budget could absorb in a summer like 2023.

Chariot Energy's commercial products

Every product below is available on terms from month-to-month to five years, priced to your load profile, with no overage penalty for high usage.

Fixed Rate with ECRS Included

FLAGSHIP

One energy rate for the term with ERCOT Contingency Reserve Service costs already inside it, rather than arriving later as a separate ancillary line. ECRS is a reserve product ERCOT buys to keep supply and demand balanced, and its cost moves; including it means the rate you sign is the rate you budget. Buyers who would rather see every component priced separately can take the same product with **ECRS passed through** instead. Both are on the shelf, and the choice is yours.

Time-of-Use (TOU)

Rates that change by time of day, with options built for high-day load and for high-night load. Chariot is one of the few Texas providers offering commercial TOU contracts, and the reason it can price low daytime hours aggressively is structural: its parent company develops and operates utility-scale solar in Texas, so Chariot's supply position is long exactly when the sun is up. A daytime manufacturer or a school buys into that position rather than against it.

Index

Real-time or day-ahead ERCOT settlement prices passed through with a fixed adder, with daily and hourly billing detail and hourly load modeling. Available straight, or as block-and-index with a fixed portion sized to your baseline.

Gas-indexed

Energy priced against a published natural gas index. For buyers who already manage gas exposure or who want to track the fuel that sets the floor under ERCOT power prices.

Solar Buyback

For sites with on-site solar generation. Excess production that flows to the grid is credited against your usage charges, so a facility that has already invested in generation is not paying full retail for the hours it exports. Pairs with the grid services in section 10.

Features worth asking about, from any supplier

- **Blend-and-extend.** Reopens an existing fixed contract and extends it at a blended rate when the forward curve drops. Chariot Energy offers this on commercial contracts.
- **Swing or bandwidth.** Many fixed contracts assume usage stays within a band and charge market price outside it. Chariot's fixed commercial products carry no overage penalty for high usage. Ask every supplier how they handle it.
- **Pass-through items.** Ancillary costs can be bundled or passed through. Ask which on every quote, and record it on the section 9 comparison sheet.
- **Term and forward start.** A longer term smooths seasons, and a forward start date separates when you sign from when the contract begins. Sections 2 and 8.

6 Matching structure to your industry

Two businesses with the same annual kWh can want completely different contracts, because a contract is priced against the shape of your usage, not the total. The table maps the industries Chariot Energy serves onto the structures that usually fit them and their exposure to the 4CP charge in section 10. Find your row, then ask for that structure *and* a fixed quote side by side; your own interval data is the test.

Industry	Load shape	4CP exposure	Structure that usually fits
Agriculture	Seasonal, summer daylight irrigation	High in season	Time-of-use priced against fixed
Automotive	Long daytime hours, steady	Moderate	Fixed; TOU with a second shift
Construction	Temporary sites, unpredictable volume	Low	Month-to-month or a short fixed term
Data centers	Flat, high density	High	Long-term TOU or block-and-index
Education	Weekday daytime, deep summer dip	Low	Time-of-use on a long fixed term
Food and restaurant	Evening service over constant refrigeration	Moderate	Fixed
Gas stations and convenience	Flat, around the clock	Moderate	Fixed, consolidated billing
Healthcare and dental	Daytime clinical peaks over 24/7 load	Moderate to high	Fixed
Hotel and hospitality	Around the clock, seasonal occupancy swings	High in summer	Fixed with a wide swing band
Industrial and manufacturing	Shift-driven, controllable process load	High, shiftable	TOU or block-and-index, plus 4CP curtailment
Real estate and developers	Common-area load across many meters	Moderate	Fixed, forward start per building
Religious centers	A few hours a week over a low baseline	Low	Fixed
Shopping and retail	Store hours, HVAC led	Moderate	Fixed with a multi-site rollup
Warehouse and storage	Lighting, HVAC, rising cold storage and EV charging	Moderate, rising	Fixed or TOU; declare EV plans
Wellness, gyms, spas and salons	Morning and evening peaks	Low to moderate	Fixed off matrix pricing

General guidance based on typical load shapes in each sector, not a published survey and not a substitute for pricing your own interval data. Any of these industries can and does buy any of these structures.

7 The study: when the ERCOT market is calm

We pulled every 15-minute real-time settlement price for the ERCOT hub average (HB_HUBAVG) from January 2021 through August 2026, more than 190,000 intervals, and averaged them by month. Real-time prices are not what a business pays on a fixed contract, but they anchor the forward market and they are the best public record of when Texas is calm and when it is not.

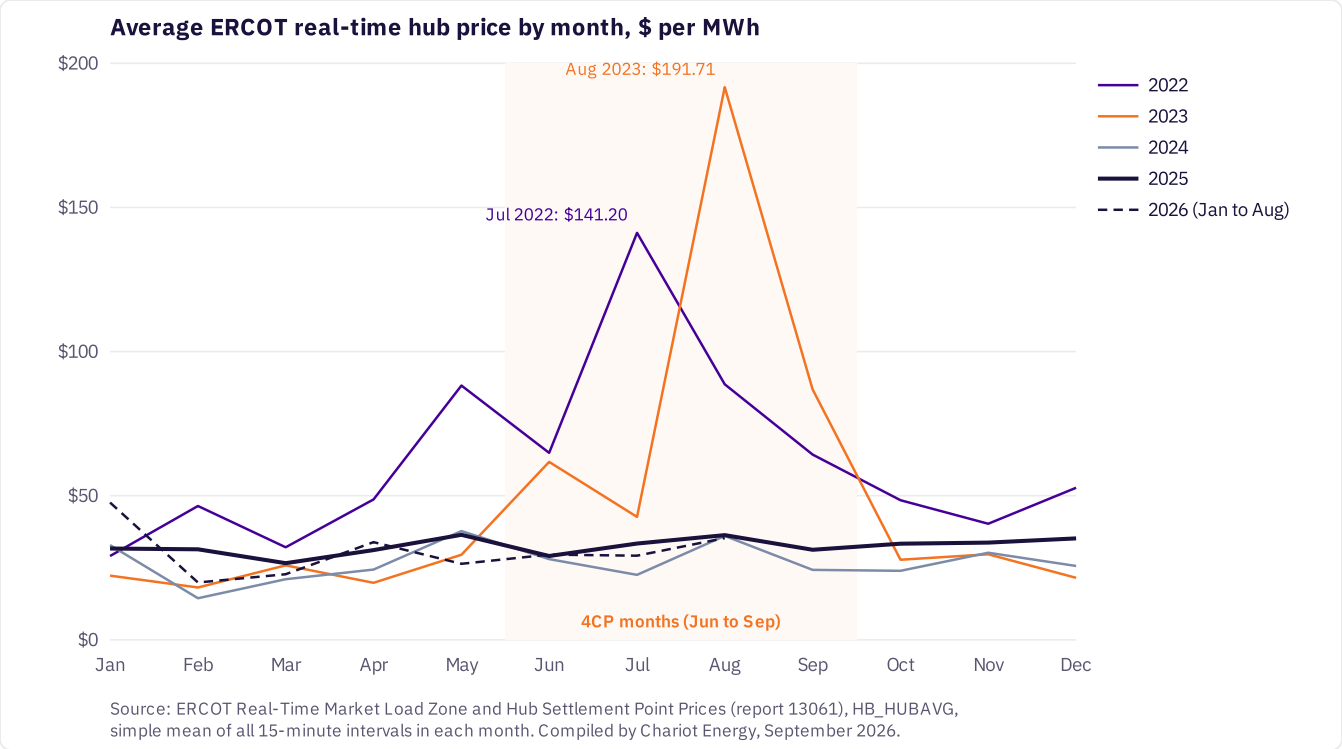


Figure 2. Monthly average ERCOT real-time hub price, 2022 to 2026. The shaded band marks the 4CP months. 2021 is omitted so Winter Storm Uri does not flatten the scale.

Finding 1: the summer premium is real, and it is lumpy

Averaged across 2022 to 2025, June through September ran $61.44 per MWh against $31.07 for March, April, October and November. But the premium does not arrive evenly. Two of the five years were extreme and three were nearly flat.

Year	Jun to Sep avg	Mar/Apr/Oct/Nov avg	Summer premium	Highest month	Lowest month
2021	38.03	38.37	0.99x	Feb (1,521.84)	Mar (19.42)
2022	89.75	42.39	2.12x	Jul (141.20)	Jan (29.10)
2023	95.73	25.78	3.71x	Aug (191.71)	Feb (18.16)
2024	27.72	24.90	1.11x	May (37.71)	Feb (14.41)
2025	32.53	31.20	1.04x	May (36.42)	Mar (26.62)

*2021 summer figures are as measured; the year's average is dominated by February (Winter Storm Uri). Summer premium = Jun to Sep average divided by Mar/Apr/Oct/Nov average. What this means for when to sign is in section 8.

Finding 2: the annual floor moves with natural gas

2024 was the calmest year in the series at $26.76 per MWh. 2025 rose to $32.47 on a simple monthly average, a 21% increase, while Potomac Economics' load-weighted all-in measure rose 13.8%, from about $34 to $38 per MWh, tracking a 61% rise in the daily natural gas index. Gas is the marginal fuel on most ERCOT days, so your forward price follows it.

Finding 3: the summer premium has been shrinking, and there is a structural reason

Summer, measured June through September, averaged $89.75 per MWh in 2022 and $95.73 in 2023. It then fell to $27.72 in 2024, $32.53 in 2025 and $31.36 across June to August 2026. August makes the point on its own: $191.71 in 2023, then $36.03, $36.35 and $35.32 in the three Augusts that followed. The summer premium over the shoulder months collapsed from 3.71x in 2023 to 1.11x in 2024 and 1.04x in 2025.

ERCOT has added utility-scale solar and battery storage at scale, and solar output peaks in the same afternoon hours that used to set the scarcity price. Potomac Economics reports that price spikes were 40% less frequent in 2025 than in 2024, likely due to that build-out, and that 30% of 2025's spikes landed in the evening ramp, up from 22% the year before. Daytime hours are structurally cheaper than they used to be, which is what makes time-of-use worth pricing, and the evening ramp is where flexible load now earns the most.

> **What this changes, and what it does not.** Three calm summers mean the insurance a fixed contract buys is cheaper than it was, and an index or time-of-use structure is less reckless than it looked in 2023. It does not make summer safe. The grid that produced $191.71 in August 2023 is the same grid now carrying the load growth in section 2. What has changed is the odds, not the tail.

Finding 4: location matters more than most buyers think

Settlement point	2022	2023	2024	2025
Hub average	62.09	48.13	26.76	32.47
Houston zone	69.81	49.51	27.13	33.18
North zone	62.73	48.45	26.35	32.67
South zone	59.75	44.96	30.33	33.54
West zone	62.11	59.18	35.62	42.19

Annual simple averages of 15-minute real-time settlement point prices, $ per MWh. Source: ERCOT report 13061.

ERCOT settles load at zone prices, and the zones diverge. The West zone has carried a persistent premium since 2023 because of import constraints in the Permian Basin and export constraints in the Panhandle (Potomac Economics). If your facility is in the West zone, ask suppliers to show the zonal basis in their price, and read it together with the delivery tariff in section 3: a West zone site on the TNMP tariff carries the highest energy basis in the state and the highest per-kW delivery and 4CP charges of the five TDUs.

8 The timing playbook, with a backtest

The best terms go to buyers who shop when the market is calm and use a forward start date. Almost nobody does, and Chariot's own book shows it.

Finding 5: businesses buy most when power costs most

Chariot Energy analyzed 13,292 small commercial enrollments on its own system, October 2023 through September 2026. Indexed to each year's own average, June through August runs **1.87x** the shoulder months for enrollments and **1.84x** for price. June alone is the single biggest month at 1.71x a normal month, in all three years measured.

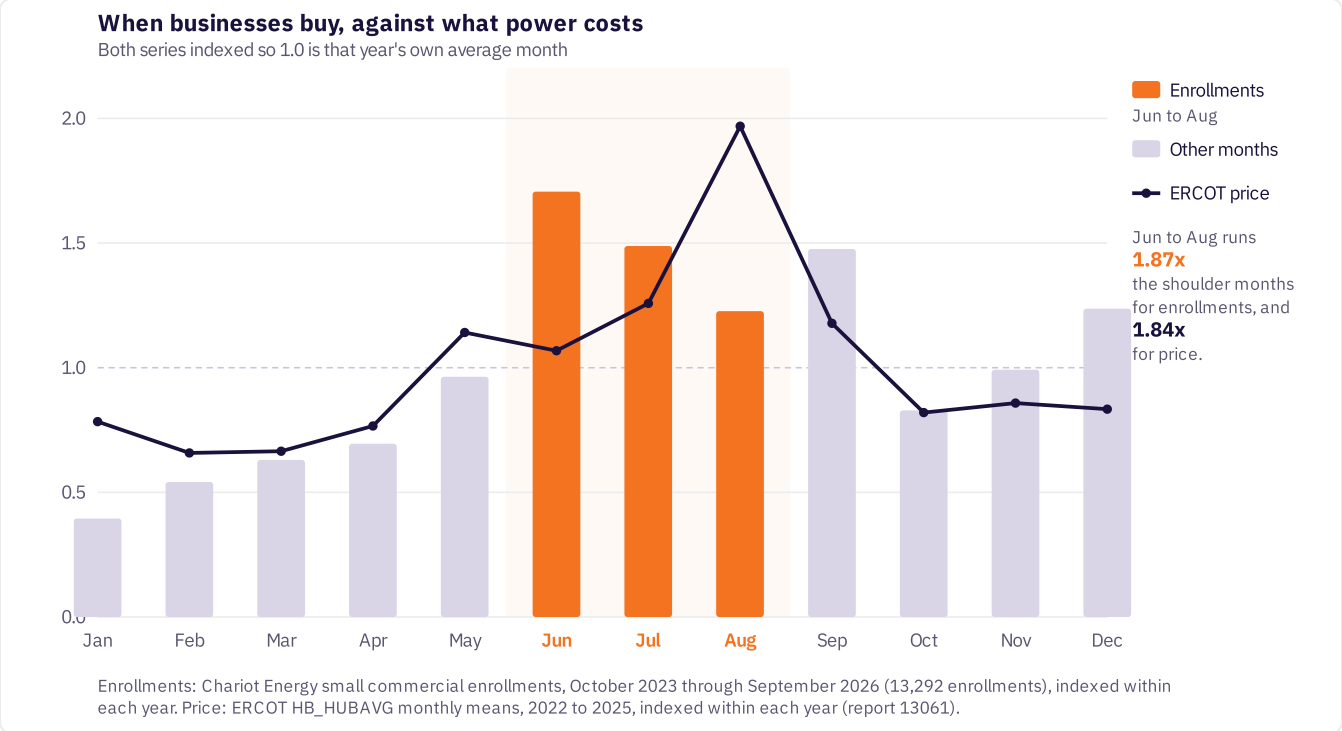


Figure 3. Chariot Energy small commercial enrollments by month against the ERCOT hub price, each indexed to its own annual average.

Window	Average real-time price, 2022 to 2025	What it tends to mean for a fixed quote
February to April	$28.33 per MWh	Calm. The curve reflects the coming summer but not a live spike.
May	$47.97 per MWh	Quotes start carrying summer risk premium.
June to September	$61.44 per MWh	Most expensive and changes daily. This is when most buyers shop.
October to November	$33.43 per MWh	Summer resolved, winter not yet priced. Historically the friendliest window.
December and January	$31.38 per MWh	Usually calm, with a winter-storm tail the curve remembers.

Finding 6: what the timing decision was actually worth

Take a facility using 5,000 MWh a year, signing a 24 month fixed contract. Compare two signing dates three months apart in the most volatile year in the series, and price each contract's delivery window against what ERCOT's hub average actually did.

Signed	24 month term	First three months of the term	Realized cost of the term
July 2023 inside the summer	August 2023 to July 2025	$102.12 per MWh	**$37.43 per MWh**
October 2023 after it resolved	November 2023 to October 2025	$28.01 per MWh	**$28.87 per MWh**
Difference			**$8.56 per MWh**

$42,798 a year

$8.56 per MWh across 5,000 MWh a year, or about $85,596 over the 24 month term. Almost all of it sits in the first three months: the July signer's term opened with August 2023 at $191.71 per MWh. Three months of patience, on one contract, at one site.

> **How to read this honestly.** These are realized ERCOT hub prices for each delivery window, not quoted fixed rates, and forward curves are not public. Treat the dollar figure as illustrative and the lesson as firm.

The playbook

Nothing about summer makes it a good time to buy power. It is a good time to *notice* power, because that is when the bill arrives large. A forward start date breaks that loop: you can notice the problem in August and still sign in October.

- **Contract ends in the next 12 months.** Do not wait for the December filings. Ask for 36 and 60 month prices this month, with a forward start date matching your expiry.
- **Contract ends in summer.** Request quotes the previous October or the following February with a forward start date matching your expiry. Check any auto-renewal notice window first; 30 to 90 days is common.
- **Contract ends in a calm month.** Take quotes 60 to 90 days ahead, compare fixed against block-and-index, and price the longer term section 2 describes.
- **Already on index.** A calm October is the natural moment to fix part of your load with a block, or move to fixed without paying a summer premium.

> **FOR FINANCE TEAMS**
>
> The backtest is a P&L number as much as a price number: $42,798 a year lands in the energy line for the life of the contract. Putting the signing month in the procurement calendar, rather than letting the renewal date or the August invoice set it, is the cheapest budget-variance control available.

9 The RFP toolkit

A complete request for proposal lets a supplier price your load in a day instead of a week and keeps every offer comparable. Send all of it at once and you get a firm price that holds for a stated number of days. Send half and you get an indicative number that changes when the rest arrives.

Checklist

- [ ] **Twelve months of usage** for every meter, in kWh. Interval (15-minute) data from Smart Meter Texas or your current provider produces a sharper price than monthly totals, and it is free to the account holder.
- [ ] **Every ESI ID.** The Electric Service Identifier on each bill (17 or 22 digits depending on your utility). Suppliers price by ESI ID.
- [ ] **Current provider, end date, notice requirement.**
- [ ] **Desired start date and terms.** Ask for 12, 24, 36 and 60 months. Chariot prices month-to-month to five years.
- [ ] **Structures to price.** Fixed, time-of-use, index, gas-indexed and block-and-index side by side. Section 6 suggests which to lead with.
- [ ] **Swing tolerance and known load changes.** New equipment, a second shift, an expansion, an EV fleet, a closure.
- [ ] **4CP exposure and curtailment ability.**
- [ ] **On-site generation or storage,** existing or planned. It changes the price and it opens section 10.
- [ ] **Renewable content requirement** (REC percentage) if you report Scope 2 emissions.
- [ ] **Billing preferences.** Consolidated across sites, daily or hourly detail for index products, pass-through items you want to see.

Comparison sheet

Score every offer on the same lines. If a supplier cannot fill a line, that is an answer too.

Line	A	B
Energy rate ($/MWh)		
Structure and block %		
Term and start date		
Energy-only or all-in?		
Swing band and overage terms		
Bundled vs pass-through items		
ECRS: included or passed through		
Broker adder ($/MWh)		
REC content and cost		
Price hold (days)		
Early termination terms		
Blend-and-extend available		
Quote turnaround (days)		

Going direct? Send this same package to Chariot's commercial desk at **sales@mychariotenergy.com** or **866-320-7951**. Custom priced contract back within one business day.

10 Delivery charges, 4CP and grid services

The energy contract is only half the bill. Transmission and distribution charges are regulated, but for larger customers they are not fixed: they depend on how and when you use power. The same flexibility that cuts them can also earn revenue.

How 4CP works

ERCOT identifies the single 15-minute interval of highest system-wide demand in each of June, July, August and September. Your average demand across those four intervals sets your transmission cost allocation for the following year, which for a large customer can be 30 to 40% of the bill (Amperon). Nobody knows which interval will be the peak until the month ends.

A curtailment plan in five steps

1. **Know your exposure.** Ask your TDU or supplier for last year's 4CP demand values for each ESI ID.
2. **Decide what can be shed.** Chillers pre-cooled earlier, non-critical process lines, EV fleet charging, backup generation where permitted.
3. **Automate the signal.** Manual alert-watching works until the week somebody is on vacation.
4. **Rehearse in May.** A curtailment that has never been tried will not happen cleanly at 4:45 PM in July.
5. **Log the result** against the four official intervals ERCOT publishes after the season.

Monthly demand charges

Many commercial delivery tariffs also bill on your own monthly peak demand in kW. Staggering start-ups, adding storage and scheduling the heaviest process outside the afternoon are the standard fixes. The per-kW rates in section 3 are what that peak is multiplied by.

> **Watch this rulemaking.** The Public Utility Commission of Texas is considering replacing 4CP with a 12CP method that allocates transmission costs on the coincident peak in every month, with a target date of December 31, 2026, and a minimum billing demand for large loads. If adopted, summer-only curtailment loses most of its value. Any contract you sign now should be written with that possibility in mind.

Grid services: flexible load as a revenue asset

If your site can move load, or has generation or storage behind the meter, the grid will pay for it. ERCOT buys the services that keep the system stable from whoever can deliver them, and section 2 explains why it is going to need more of them.

Service	What it is	What it takes
Frequency regulation	Second-by-second adjustment to hold grid frequency at 60 Hz	Fast, automated response. Usually battery storage.
Spinning and non-spinning reserves	Capacity held ready to deliver on short notice	Storage, on-site generation, or load that can drop quickly
Voltage support	Reactive power that holds local voltage inside limits	Inverter-based assets, typically solar or storage
Demand response	Reducing consumption on request when the system is tight	Load you can shed on a defined notice, and a plan for doing it

Chariot Energy helps facilities participate through tailored load flexibility, storage strategies and ancillary services, and manages the parts that make participation hard: integrating storage and controls, navigating ISO protocols, meeting performance thresholds and staying compliant once enrolled.

BlueWaters: forecasting and dispatch

Predicting which four intervals will set 4CP, and dispatching assets against grid signals in seconds, are not jobs for a person watching a dashboard. BlueWaters is Chariot Energy's proprietary AI technology for grid services, combining price forecasting, machine learning and real-time market conditions.

- **It forecasts rather than reacts,** giving a view of which afternoon is likely to set the peak before it does.
- **It removes the manual watch.** Assets ramp up, scale down or shift usage without waiting for someone to notice an alert.
- **It learns your site** and works across capacity, ancillary and frequency markets rather than one.
- **Battery storage is the anchor.** If the model says this afternoon is likely to set the 4CP interval, the battery discharges and the meter reads lower without anything in the plant slowing down.

> **One capability, paid twice.** The flexibility that earns revenue in the ancillary markets is what shaves your 4CP demand and your monthly peak. Price all three into the same conversation rather than treating the supply contract as the whole negotiation.

Grid services participation depends on asset capability, ERCOT program requirements and qualification. Availability and revenue are site-specific; nothing here is an offer or a projection of earnings.

11 Renewable content and glossary

Renewable content in a Texas supply contract is delivered through renewable energy certificates (RECs) matched to your usage, one REC per MWh. Specify the **percentage** (100% is the simplest to report), the **source and vintage** if your framework requires them, and ask for the contract **priced with and without** the REC content so you can see the difference.

Chariot Energy offers 100% green commercial electricity plans. The company is a subsidiary of 174 Power Global, whose development business now operates under the Hanwha Renewables brand within Hanwha Energy USA, an energy company affiliated with Hanwha Group. That parent develops and operates generation on the same grid Chariot buys from: the Oberon solar project in Ector County, 180 MW across two units energized in July 2020, and Midway Solar in Pecos County, 182 MW energized in December 2018 (U.S. Energy Information Administration, Form EIA-860, 2025 data). Chariot holds a 30 MW power purchase agreement on Oberon. That position is why renewable content and daytime pricing are connected rather than separate line items. Section 5 explains what that does to a time-of-use quote.

Glossary

4CP
Four coincident peaks. The four summer intervals that set a customer's transmission cost allocation.

ECRS
ERCOT Contingency Reserve Service. An ancillary service that keeps supply and demand balanced. Its cost can be included in a fixed rate or passed through.

Block-and-index
A contract that fixes a block of expected load and lets the remainder float at market.

Swing / bandwidth
The usage band a fixed contract assumes; usage outside it may be priced at market.

Blend-and-extend
Reopening a fixed contract to extend the term at a rate blended between the old price and the current market.

Forward curve
The market's current price for power delivered in future months. A fixed quote is built from it. It is not public.

Firm peak load
ERCOT's forecast summer peak after demand response and other adjustments, used in its reserve margin calculation.

Reserve margin
Capacity ERCOT counts on, less forecast firm peak, divided by firm peak.

Senate Bill 6
2025 Texas law giving ERCOT authority to require large loads to curtail in emergency conditions.

Large load
A single new interconnecting load large enough to require its own study, typically a data center or industrial facility.

Demand response
Reducing consumption on request when the grid is short, usually under a program that pays for the capability.

REC
Renewable energy certificate. One MWh of renewable generation, used to match load for renewable content claims.

12 Methodology, sources and about Chariot Energy

Methodology

Wholesale price figures are computed from ERCOT's public Real-Time Market Load Zone and Hub Settlement Point Prices report (report type 13061), using the HB_HUBAVG settlement point and the Houston, North, South and West load zones for every 15-minute interval from January 2021 through August 2026. Monthly and annual figures are simple arithmetic means of those intervals, not load-weighted, so they describe market conditions rather than the average price paid. Seasonal averages use 2022 through 2025, the four complete years since Winter Storm Uri. The 2026 year-to-date comparison uses June to August against March and April 2026.

The forecast figures in section 2 are ERCOT's December 2025 Capacity, Demand and Reserves report, Table 1, summer peak load hour: the protocol-prescribed adjusted firm peak and total capacity, and Scenario 1 (Senate Bill 6 large load curtailment).

The backtest in section 8 averages the monthly series across each 24 month delivery window. It measures the realized market value of the power each contract covered, not a quoted fixed rate. The 5,000 MWh volume is flat by assumption. Figures are illustrative.

The enrollment finding in section 8 is from Chariot Energy's own records: 13,292 small commercial enrollments, October 2023 through September 2026, counted by the month containing each enrollment week and indexed against each year's own average. It describes Chariot's book, not the Texas market.

Sources

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- U.S. Energy Information Administration, Form EIA-860, 2025 data (released September 2026): ownership, county, capacity and operating dates of currently owned Texas generation.
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- ERCOT, Board Item 14, "Batch Zero Update," September 14 to 15, 2026 (conditional classifications, August 3 directive, December 10 report dates); ERCOT release, June 18, 2026.
- Chariot Energy commercial product documentation and chariotenergy.com for contract terms, product names, ECRS treatment, blend-and-extend, forward start dates, quote turnaround, enrollment, grid services and BlueWaters.

Citing this guide

Cost ranges for brokers and consultants, swing-band conventions, industry load shapes and curtailment practices reflect common practice in the ERCOT market and are provided as general guidance. Confirm specifics with your supplier or broker.

To cite the analysis, credit "Chariot Energy analysis of ERCOT settlement price data, 2021 to 2026" and link to chariotenergy.com/blog/texas-business-electricity-procurement-guide/. The underlying ERCOT files are public and the computation is described above, so any figure in this guide can be reproduced from the primary sources.

About Chariot Energy

Chariot Energy is a Houston-based retail electricity provider founded in 2019, powering more than 3,000 Texas businesses. The company is a subsidiary of 174 Power Global, now part of Hanwha Energy USA, an energy company affiliated with Hanwha Group that develops and operates generation on the ERCOT grid. In 2024 Chariot Energy was named Energy Supplier of the Year by Energy Marketing Conferences. PUCT Certificate No. 10260.

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Appendix A: monthly average hub price, 2021 to 2026

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
2021*	20.79	1,521.84	19.42	46.80	23.39	38.39	36.80	35.37	41.57	46.87	40.38	25.82	**158.12**
2022	29.10	46.41	32.13	48.70	88.22	64.89	141.20	88.64	64.29	48.44	40.28	52.78	**62.09**
2023	22.27	18.16	25.84	19.81	29.53	61.73	42.65	191.71	86.85	27.81	29.65	21.50	**48.13**
2024	32.87	14.41	21.04	24.38	37.71	28.00	22.56	36.03	24.29	23.94	30.24	25.61	**26.76**
2025	31.69	31.39	26.62	31.13	36.42	29.09	33.43	36.35	31.26	33.33	33.73	35.19	**32.47**
2026	47.60	19.91	22.76	33.90	26.39	29.58	29.17	35.32	n/a	n/a	n/a	n/a	**30.58**

$ per MWh. Simple mean of all 15-minute HB_HUBAVG real-time settlement point prices in each month, ERCOT report 13061. *2021 row average includes February 2021 (Winter Storm Uri, $1,521.84); excluding that month the 2021 average is $34.15. 2026 covers January through August.

Reading the table

- Run your eye across 2022 and 2023. The damage is concentrated in a few months, which is why an index contract is a bet on which kind of year is coming.
- Compare 2024 and 2025 with 2022. The same grid delivered a year at half the price. Nothing about a calm year predicts the next one.
- For what the columns mean for when to sign, see section 8.

> **Caveat.** Forward prices move on news the spot market has not seen yet: gas storage reports, ERCOT's reliability outlooks, Public Utility Commission rulemakings, and the large load forecast in section 2. Seasonality tells you when the odds favor the buyer. It does not tell you the price. That is what the quote is for.