



Product Specification

Binary Options

ISO: ERCOT

Name:

Binary Options on ERCOT

(Hub: Either North, Houston, South, West, Pan, Bus Average or Hub Average)

Symbol:

BOPT-ERCOT-[hub code]-[date as yy-mm-dd]-[hour of the day as hh]

For example a West hub, April 2, 2025, 9am CT contract has the following symbol: BOPT-ERCOT-HB_WEST-250402-09

Description:

An hourly cash settled Binary Option contract with an outcome determined by whether the contract's Floating Price is above or below the Strike Price. The Settlement Price will be either \$0 or \$100.

Instruments:

7 instruments available, 1 for each of the 7 ERCOT wholesale hubs and hub averages.

Hubs:

North, Houston, South, West, Pan, Bus Average (BUSAVG, HubBus), Hub Average (HUBAVG)

Listed Contracts:

Every hour for the next 5 consecutive calendar days (hours 1-24 per day; 120 contracts available for each instrument)

[Note: The hour represents the preceding 60 minutes. For example: hour 1 is 1am CT and is the average price from 12am - 1am CT]

Contract Unit:

1 MegaWatt hour (MWh)

Price Quotation:

U.S. dollars and cents per MWh

Minimum Price Fluctuation (Tick Size):

\$0.25 per MWh

Strike Price:

The previous day's ERCOT Day-Ahead Market (DAM SPP*) price for the corresponding hub and hour. For first published prices provided by ERCOT will be considered final and will not be subject to any further adjustment.

[*https://www.ercot.com/content/cdr/html/dam_spp.html](https://www.ercot.com/content/cdr/html/dam_spp.html)

Floating Price:

The arithmetic average of the four 15 minute interval real-time market Settlement Point Prices (SPP**) for the contract hour, for the specific hub, as published by ERCOT. The first published prices provided by ERCOT will be considered final and will not be subject to any further adjustment.

[**https://www.ercot.com/content/cdr/html/real_time_spp.html](https://www.ercot.com/content/cdr/html/real_time_spp.html))

For example, the settlement price for the 1am CT contract is the average of the 4 fifteen minute periods that ERCOT publishes for 12am - 12.15am CT: 12.15-12.30, 12:30- 12.45, 12:45-01.00 am CT.

Unpublished ERCOT Settlement Prices:

If the unpublished SPP15 value(s) are not published by ERCOT within 24 hours, ElectronX will calculate the final settlement price using the immediately preceding published SPP15 value in place of each unpublished value.

The settlement price will be calculated as the arithmetic average of the four values, with unpublished SPP15s replaced by the most recent prior published SPP15.

See Exchange Rule 6.3 Settlement of Contracts for further Exchange rules on settlement.

Settlement Price:

Either:

- 100 if the Floating Price is equal to or greater than the Strike Price
- 0 if the Floating Price is less than the Strike Price

Settlement Method:

Financial

Termination of Trading:

Trading terminates at the end of each hour (at contract expiration)

Position Limits:

As specified by the exchange and available at <https://www.electronx.com/regulatory>