At a glance
Customers served: 22 million
Area served: 85% of Texas load, 75% of Texas land
Generating units: 566
High-voltage transmission: 40,327 miles
Installed capacity: 80,076 megawatts (MW)
Net dependable capacity: 72,712 MW
Reserve margin: 16.8%
(minimum required 12.5%)
Record peak demand: 62,339 MW (August 2006)
Energy produced: 312 billion kilowatt-hours (2008)
Market size: $34 billion, based on 312,402 GWh market volume and average $0.11/KWh rate
Market participants: 828 active entities that generate, move, buy, sell or use electricity at wholesale level
Wind generation: 8,000 MW – most in nation
Demand response: 1,115 MW (equal to three major power plants) in load resource program

What do we do?
The Texas Legislature restructured the Texas electric market in 1999 by unbundling the investor-owned utilities and creating retail customer choice in those areas, and assigned ERCOT four primary responsibilities:
- System reliability – planning and operations
- Open access to transmission
- Retail switching process for customer choice – the only independent system operator with responsibilities as registration agent for retail transactions
- Wholesale market settlement for electricity production and delivery.

Other Organizational Functions
Wholesale market (bilateral): ~95% of market
Balancing energy/ancillary services market: ~5%
System planning coordination
Renewable Energy Credits management (statewide)
Market participant/stakeholder activity support

How are we doing?
Transmission Investment
- 6,593 circuit miles of transmission improvements since 1999
- 2,888 circuit miles of transmission under study
- $4.4 billion in transmission added since 1999
- $3 billion under development in five-year plan
- $4.93 billion under development to support 18,000 MW of new wind (CREZ Project)

Generation Development
- 39,000 MW new generation added since 1996
- 9,000 MW generation committed for the future (with transmission contract and air permit)
- 97,000 MW of new generation requests under review, including ~ 48,000 MW wind, 12,300 MW nuclear, 24,000 MW natural gas, 7,500 MW coal, and 1,800 MW solar and biomass (April 2009)

Retail Service Switches to Competitive Retailers
- 47% of residential load (April 2009)
- 77% of small commercial load (April 2009)

What’s ahead?
Advanced metering project; estimated launch in November 2009.
Comprehensive nodal market implementation, anticipated launch in 2010, to include:
- Nodal locational marginal pricing for generation
- Congestion revenue rights
- Day-ahead energy and ancillary services co-optimized market
- Day-ahead and hourly reliability unit commitment.
ERCOT GOVERNANCE

Board of Directors

Chairman
Jan Newton
Chairman (unaffiliated)

Vice Chairman
Michel Gent
Vice Chairman (unaffiliated)

Mark Armentrout
(unaffiliated)

Don Ballard
Office of Public Utility Counsel
(residential consumer, ex-officio)

Brad Cox
Tenaska Power Services
(independent power marketer)

Andrew Dalton
Valero Energy Corporation
(industrial consumer)

Miguel Espinosa
(unaffiliated)

Nick Fehrenbach
City of Dallas
(commercial consumer)

Bob Helton
International Power America
(independent generator)

Charles Jenkins
Onor Electric Delivery
(investor-owned utility)

Bob Kahn
CEO, ERCOT (ex-officio)

Clifton Karnei
Brazos Electric Cooperative
(cooperative)

Alton D. “Dee” Patton
(unaffiliated)

Barry T. Smitherman
Chairman
Public Utility Commission (ex-officio, non-voting)

Robert Thomas
Green Mountain Energy
(retail electric provider)

Dan Wilkerson
Bryan Texas Utilities
(municipal utility)

Segment Alternates

Steve Bartley
CPS Energy
(municipal utility)

Deryl Brown
Hudson Energy Services
(retail electric provider)

Calvin Crowder
Electric Transmission Texas
(investor-owned utility)

Mike Packard
South Texas Electric Cooperative (cooperative)

Jean Ryall
Constellation Energy Commodities
(independent power marketer)

Mark Walker
NRG Texas
(independent generator)

ERCOT Officers

Bob Kahn
President and Chief Executive Officer

Mike Cleary
Senior Vice President and Chief Technology Officer

H.B. “Trip” Doggett
Senior Vice President and Chief Operations Officer

Steve Byone
Vice President and Chief Financial Officer

Nancy Capezzuti
Vice President and Chief Administrative Officer

Mike Grable
Vice President and General Counsel

Charles B. Manning, Jr.
Vice President and Chief Compliance Officer

Richard Morgan
Interim Vice President and Chief Information Officer

Kent Saathoff
Vice President of System Planning and Operations

Board, Stakeholder Process

The ERCOT Board of Directors has general overall responsibility for managing the affairs of ERCOT, including approval of the budget and capital spending priorities, approval of revisions to ERCOT protocols and guides, and endorsement of major new transmission infrastructure recommendations.

ERCOT’s 16-member “hybrid” board includes five independent (or unaffiliated) members; three consumer segment representatives (industrial, commercial and residential); the ERCOT CEO; the Public Utility Commission chairman (non-voting), and six representatives from each of the industry segments – investor-owned utilities (or transmission owners), municipally-owned utilities, cooperatives, generators, power marketers and retail electric providers.

The Board also oversees the affairs of the Texas Regional Entity (Texas RE), the independent division that FERC established in 2006 to serve as the regional entity for the ERCOT region, pursuant to the reliability provisions of the federal Energy Policy Act of 2005 (EPAct).

Under the Board’s oversight, ERCOT’s stakeholder process is responsible for developing policies, procedures, and guidelines for power grid coordination, reliability, and market operations. Six standing committees and subcommittees supported by numerous working groups and task forces function within the stakeholder process.

Legislative Oversight

Other than on issues arising under federal EPAct provisions, ERCOT is subject to oversight by the Texas Legislature and is fully regulated by the Public Utility Commission of Texas (PUC). The PUC approves the ERCOT system administration fee, which provides 98 percent of ERCOT’s revenues, and has general oversight authority including the ability to conduct or order audits. Texas RE funds under EPAct are administered separately. For most purposes, ERCOT, like the PUC, is accountable to the Texas Legislature and its jurisdictional committees. For EPAct purposes, ERCOT is accountable to the Texas RE, NERC, and the Federal Energy Regulatory Commission.

The Electric Reliability Council of Texas (ERCOT) manages the flow of electric power to approximately 22 million Texas customers – representing 85 percent of the state’s electric load and 75 percent of the Texas land area. As the Independent System Operator for the region, ERCOT schedules power on an electric grid that connects 40,000 miles of transmission lines and more than 550 generation units. ERCOT also manages financial settlement for the competitive wholesale bulk-power market and administers customer switching for 6.3 million Texans in competitive choice areas. ERCOT is a membership-based 501(c)(4) nonprofit corporation, governed by a board of directors and subject to oversight by the Public Utility Commission of Texas and the Texas Legislature.