RESOURCE ADEQUACY CHALLENGES
STATE AFFAIRS COMMITTEE
TEXAS HOUSE OF REPRESENTATIVES

Trip Doggett
President & CEO
ERCOT

October 24, 2012
Expected Load Carrying Capacity (ELCC) for Wind is 8.7%

Firm Load Forecast + 13.75% Reserve

Firm Load Forecast

Resources

MW


65,000 70,000 75,000 80,000 85,000 90,000 95,000

MW under Interconnection Agreements
MW Currently Installed Resources
Forecast
Forecast + Reserve

STATE AFFAIRS

OCTOBER 24, 2012
• Ensure that reliability steps taken by ERCOT during times of extremely high demand do not inadvertently create price signals that discourage new generation investment.

• Expand ERCOT’s toolkit for addressing shortage/emergency conditions.

• Sponsor and conduct analysis of the ERCOT market to provide policymakers the detailed information needed to assess alternatives.
Established process for recalling mothballed units for capacity use
- Expanded Emergency Response Service (ERS) (formerly EILS)
- Launched 30-minute ERS pilot to enhance demand response
- Improved how certain ancillary services are priced and deployed to help ensure adequate resources in emergencies (i.e., Responsive Reserves, Non-spin Reserves, Regulation Up services)
- Contracted with the Brattle Group for resource adequacy study
- Raised System-wide Offer Cap to $4,500 (effective Aug. 1, 2012)
- Set System-wide Offer Cap as price for use of Reliability Unit Commitment (RUC) units called upon in scarcity conditions
- Increased consumer outreach efforts and information options during high-demand periods
- Evaluated extent of existing non-ERCOT load management activities in ERCOT region
- Began posting non-binding real-time wholesale prices for next hour to inform consumers who reduce demand in high prices