



Quick Facts

At a glance

- 85% of Texas load
- 23 million consumers
- Competitive-choice customers: 73% of load
 - 6.7 million electric-service ID's (premises)
- 40,530 circuit miles of high-voltage transmission:
 - 9,249 miles of 345 kV and 19,565 miles of 138 kV
- 550 generating units
- >74,000 megawatts (MW) capacity for peak demand
 - One megawatt of electricity can power about 200 Texas homes during periods of peak demand.
- Record peak demand: 68,305 MW (Aug. 3, 2011)
- Energy used in 2012: 324 billion kilowatt-hours
 - A nearly 3 percent decrease compared to 2011
- Market size: About \$34 billion
- Market participants: >1,100 active entities that generate, move, buy, sell or use wholesale electricity

What 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
- Wholesale market settlement for electricity production and delivery

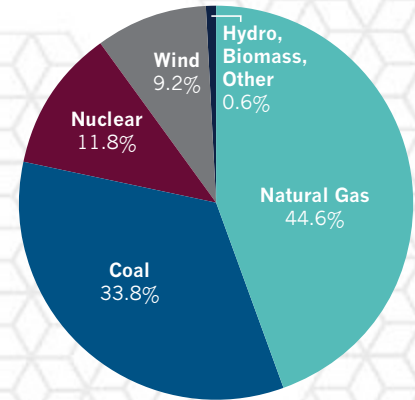
State of the Grid

Transmission Investment and Development

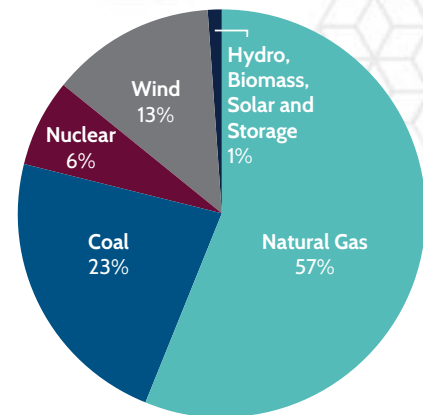
- \$7.9 billion in transmission added since 1999
- 9,302 circuit miles of transmission improvements since 1999
- 6,900 circuit miles of transmission planned
- \$8.9 billion under development in five-year plan;
 - ~\$5-7 billion to support 18,000 MW of wind

Generation Development

- 47,000 MW new generation added since 1999
 - 137 older units decommissioned
- 8,145 MW generation committed for the future (with transmission contract and air permit)
- 40,600 MW of active generation requests under review, including more than 20,000 MW of wind (December 2012)



Energy Use 2012



2012 Generation Capacity

Wind Generation

- Wind capacity: 10,407 MW
 - Most of any state in the nation
- Wind generation record: 9,481 MW (Feb. 9, 2013)
 - 27.8 percent of the 34,082 MW load at the time

Retail Service Switches to Competitive Retailers

- 61% of residential load (December 2012)
- 80% of small commercial load (December 2012)
- 181 certified competitive retail electric providers

Advanced Meters and Demand Response

- 6.1 million advanced meters
 - 94.2 percent of ERCOT load settled with 15-minute interval data
- >1,950 MW in demand response resources, including:
 - Load resources (mostly large industrial) ~1,200 MW
 - Emergency response service (commercial and industrial) ~550 MW
 - Utility load management programs
- Additional economic demand response, voluntary public responses to conservation requests and more

ERCOT Governance

ERCOT Board of Directors

Craven Crowell
Chair
(unaffiliated)

Judy Walsh
Vice Chair
(unaffiliated)

Jorge Bermudez
(unaffiliated)

Shannon Bowling
Cirro Energy
(independent retail electric provider)

Andrew Dalton
Valero Energy Corporation
(industrial consumer)

H.B. “Trip” Doggett
President and
Chief Executive Officer,
ERCOT (ex-officio)

Mark Dreyfus
Austin Energy
(municipal utility)

Nick Fehrenbach
City of Dallas
(commercial consumer)

Michehl Gent
(unaffiliated)

Sheri Givens
Office of Public Utility
Counsel
(residential consumer,
ex-officio)

Kevin Gresham
E.ON Climate & Renewables
(independent generator)

Clifton Karnei
Brazos Electric
Cooperative
(cooperative)

Donna Nelson
Chair, Public Utility
Commission
(ex-officio, non-voting)

Karl Pfirrmann
(unaffiliated)

Scott Prochazka
CenterPoint Houston
(investor-owned
utility)

Jean Ryall
CCNG, Inc.
(independent power marketer)

Segment Alternates

Jeff Brown
Shell Energy North America
(independent power marketer)

Mark Carpenter
Oncor Electric Delivery
(investor-owned utility)

Michael Matlock
ENCOA
(independent retail electric provider)

Mike Packard
South Texas Electric
Cooperative
(cooperative)

Carolyn Shellman
CPS Energy
(municipal)

Vacant
(independent generator)

ERCOT Officers

H.B. “Trip” Doggett
*President &
Chief Executive Officer*

Betty Day
*Vice President of
Business Integration*

Jerry Dreyer
*Vice President &
Chief Information Officer*

Brad Jones
*Vice President,
Commercial Operations*

Bill Magness
*Vice President &
General Counsel*

Charles B. Manning, Jr.
*Vice President,
Human Resources, &
Chief Compliance Officer*

Ken McIntyre
*Vice President,
Grid Planning & Operations*

Mike Petterson
*Vice President,
Finance & Treasury*

Mark Ruane
*Vice President,
Credit & Enterprise Risk
Management*

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 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 (PUC) chairman (nonvoting), 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.

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.

The Electric Reliability Council of Texas (ERCOT) manages the flow of electric power to approximately 23 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 40,500 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 6.7 million premises 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.

Six standing committees and subcommittees supported by numerous working groups and task forces function within the stakeholder process.

PUC, Legislative Oversight

ERCOT is unique because its electricity grid is not synchronously connected outside of the state. Because of its separateness, ERCOT is primarily regulated by the Public Utility Commission of Texas (PUC) and the Texas Legislature, not federal authorities. The PUC approves the ERCOT system administration fee and has general oversight authority, including the ability to order audits.

For most purposes, ERCOT, like the PUC, is accountable to the Texas Legislature and its jurisdictional committees. For federal reliability standards, ERCOT is accountable to the Texas Reliability Entity, the North American Electric Reliability Corporation, and the Federal Energy Regulatory Commission.