ERCOT Overview

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President and CEO
ERCOT

Environmental Regulation Committee
Texas House of Representatives
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ERCOT Overview

RESPONSIBILITIES

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** - Ensure reliability and adequacy of regional electric network
• **Open Access to Transmission** - Ensure nondiscriminatory access to transmission/distribution systems for all buyers and sellers
• **Competitive Retail Market** - Facilitate retail registration and switching
• **Competitive Wholesale Market** - Ensure accurate accounting for electricity production and delivery among the generators and wholesale buyers and sellers in the region

QUICK FACTS

• 75% of Texas land
• 90% of Texas load
• More than 43,000 miles of transmission lines
• 550+ generation units
• 68,305 MW peak demand (set August 3, 2011)

ERCOT connections to other grids are limited to direct current (DC) ties, which allow control over flow of electricity
Typical August Generation Output
Generation Development in ERCOT

ERCOT interconnection queue as of September 2, 2014:

<table>
<thead>
<tr>
<th>Fuel Type</th>
<th>Initial Screening Study Projects (MW)</th>
<th>Full Interconnection Study Projects (MW)</th>
<th>Interconnection Agreement Executed (MW)</th>
<th>Total (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Gas</td>
<td>9,517</td>
<td>16,252</td>
<td>6,792</td>
<td>32,561</td>
</tr>
<tr>
<td>Coal</td>
<td>0</td>
<td>0</td>
<td>270</td>
<td>270</td>
</tr>
<tr>
<td>Wind (ELCC 8.7%)</td>
<td>2,875</td>
<td>13,650</td>
<td>8,852</td>
<td>25,377</td>
</tr>
<tr>
<td>Solar</td>
<td>588</td>
<td>3,208</td>
<td>265</td>
<td>4,061</td>
</tr>
<tr>
<td>Storage</td>
<td>0</td>
<td>594</td>
<td>0</td>
<td>594</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12,980</strong></td>
<td><strong>33,704</strong></td>
<td><strong>16,179</strong></td>
<td><strong>62,863</strong></td>
</tr>
</tbody>
</table>

ERCOT has observed that approximately 15% of the interconnection queue project capacity will be built.