



Quick Facts

At a glance

- About 90% of Texas load
- 24 million consumers
- Competitive-choice customers: 75% of load
 - More than 7 million electric-service ID's (premises)
- More than 46,500 circuit miles of high-voltage transmission
- More than 550 generating units
- More than 77,000 megawatts (MW) of expected available generation capacity for summer peak demand
 - One megawatt of electricity can power about 200 Texas homes during periods of peak demand.
- Record peak demand: 69,877 MW (Aug. 10, 2015)
- Energy used in 2015: 347 billion kilowatt-hours
 - Up 2.2 percent compared to 2014
- Market participants: More than 1,400 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

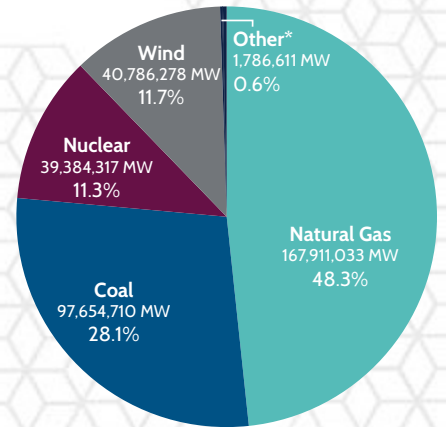
State of the Grid

Transmission Investment and Development

- In 2015, \$1.1 billion in transmission added
- 1,093 circuit miles of transmission improvements completed
- 1,514 circuit miles of transmission planned
- \$5.6 billion under development over the next five years

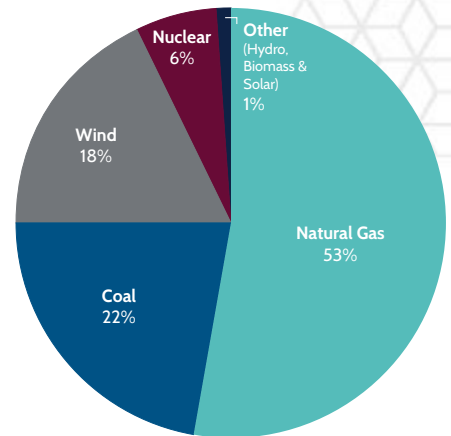
Generation Development

- 54,710 MW of summer-rated generation capacity added since 1999
 - 148 older units decommissioned
- 16,189 MW generation committed for the future (with transmission contract and air permit)
- 61,144 MW of active generation requests under review, including more than 24,000 MW of wind (January 2016)



Energy Use 2015

*Includes solar, hydro, petroleum coke, biomass, landfill gas, and DC Ties



2015 Generation Capacity

(Total Installed Summer Capacity as of December 31, 2015)

Solar and Wind Generation

- Nearly 16,000 MW of installed wind capacity
 - Most of any state in the nation
- Wind generation record: 14,023 MW (February 18, 2016)
- Wind penetration record: 48.28 percent (March 23, 2016)
- 288 MW of installed solar capacity

Retail Service Switches

- 91% of residential customers (August 2015)
- 92% of small non-residential customers (August 2015)
- 98% of large non-residential customers (August 2015)
- 200 certified competitive retail electric providers

Advanced Meters and Demand Response

- 6.8 million advanced meters
 - 97 percent of ERCOT load in competitive areas settled with 15-minute interval data
- More than 2,200 MW in demand response resources, including:
 - Load resources (mostly large industrial) ~1,153 MW
 - Emergency response service (commercial and industrial) ~880 MW
 - Utility load management programs ~220 MW
- 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)

Tonya Baer
Office of Public Utility Counsel
(Residential Consumer,
Ex-officio)

Jorge Bermudez
(Unaffiliated)

Read Comstock
Direct Energy LP
(Independent Retail Electric
Providers)

Peter Cramton
(Unaffiliated)

Jack Durland
Valero Services Inc.
(Industrial Consumer)

Keith Emery
Tenaska Power Services
(Independent Power Marketer)

Nick Fehrenbach
City of Dallas
(Commercial Consumer)

Kevin Gresham
E.ON Climate & Renewables
(Independent Generator)

Clifton Karnei
Brazos Electric Cooperative
(Cooperative)

Bill Magness
President and Chief Executive
Officer, ERCOT Ex-officio)

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

Karl Pfirrmann
(Unaffiliated)

Carolyn Shellman
CPS Energy
(Municipal Utility)

Wade Smith
American Electric Power
Corporation
(Investor-Owned Utilities)

Segment Alternates

Seth Cochran
DC Energy Texas LLC
(Independent Power Marketers)

Sam Harper
Chapparral Steel Midlothian LP
(Industrial Consumers)

Mike Kezar
South Texas Electric Cooperative
(Cooperative)

Kenneth Mercado
CenterPoint Energy Inc.
(Investor-Owned Utility)

Jennifer Richie
City of Waco
(Commercial Consumers)

Mark Soutter
Invenergy Energy Management LLC
(Independent Generator)

John Werner
Source Power & Gas LLC
(Independent Retail Electric
Provider)

Phil Williams
Denton Municipal Electric
(Municipal)

ERCOT Officers

Bill Magness
President &
Chief Executive Officer

Cheryl Mele
Senior Vice President &
Chief Operating Officer

Jerry Dreyer
Senior Vice President &
Chief Information Officer

Betty Day
Vice President, Governance,
Risk and Compliance

Theresa Gage
Vice President,
External Affairs & Corporate
Communications

Kenan Ögelman
Vice President,
Commercial Operations

Mike Petterson
Vice President and
Chief Financial Officer

Woody Rickerson
Vice President,
Grid Planning and Operations

Chad Seely
Vice President, General Counsel
and Corporate Secretary

Jeyant Tamby
Chief of Staff

Diane Williams
Vice President,
Human Resources

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 24 million Texas customers – representing about 90 percent of the state's electric load. As the independent system operator for the region, ERCOT schedules power on an electric grid that connects more than 46,500 miles of transmission lines and more than 550 generation units. ERCOT also operates and performs financial settlement for the competitive wholesale bulk-power market and administers retail switching for more than 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. ERCOT's members include consumers, cooperatives, generators, power marketers, retail electric providers, investor-owned electric utilities (transmission and distribution providers), and municipally owned electric utilities.

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 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 Inc., the North American Electric Reliability Corporation, and the Federal Energy Regulatory Commission.