



2005 Pre-Nodal Transmission Study *and* *Long-Term Transmission Study* *Status Report*

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Board of Directors
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Pre-Nodal Transmission Study

- Study initiated at request of Chairman Hudson during Nodal Market workshops
 - Review possible additional long-lead time economic upgrades
 - 11 large projects previously approved based on need
- Study considers several different generation scenarios composed of publicly-announced new generation, including wind additions
- ERCOT held RPG meeting on January 19 to go over preliminary study results with stakeholders



Study Results

- ERCOT has completed initial studies and identified additional projects that appear to be needed for reliability or economics
 - No additional long-lead time projects were identified as needed
 - 34 shorter-lead time upgrades (capital costs \$115M) identified as needed
 - Approximately 50/50 split between reliability and economic projects
 - Some additional transmission lines were identified as economic IF certain proposed new generating units are built
- ERCOT will be soliciting additional stakeholder input and working with stakeholders before issuing report(s) and final recommendations



Long-Term Transmission Study

Senate Bill 20
Section 39.904

- (g) The commission, after consultation with each appropriate independent organization, electric reliability council, or regional transmission organization:
 - (1) shall designate Competitive Renewable Energy Zones (CREZ)...
 - (2) shall develop a plan to construct transmission capacity necessary ...

- (k) The commission and the independent organization certified for ERCOT shall study the need for increased transmission and generation capacity throughout this state and report to the legislature the results of the study and any recommendations for legislation...



Study Scope

- Information needed by PUCT for CREZ determination (39.904 (g))
 - Potential CREZs in Texas
 - Wind profiles for CREZs
 - Transmission costs
 - Ancillary Service costs
 - Energy value estimates
- Long-term assessment of transmission and generation needed under certain scenarios and triggers (39.904 (k))
 - Transmission lines indicated regardless of selected generation scenarios
 - Transmission lines needed under certain reasonable scenarios of new generation additions (including CREZs) and retirements
 - Insights into locations or types of new generation that might enhance reliability and/or reduce total costs

Questions?
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