



**Date:** May 8, 2007  
**To:** Board of Directors  
**From:** Mark Dreyfus, TAC Chairman  
**Subject:** Format of ERCOT Capacity, Demand, and Reserves Report

**Issue for the ERCOT Board of Directors**

**ERCOT Board of Director Meeting Date:** May 16, 2007

**Agenda Item No.:** 14d

**Issue:**

- (1) Consideration of changes to the format of the ERCOT Capacity, Demand and Reserve (CDR) summary page.
- (2) Consideration of the frequency of the CDR report preparation by ERCOT.

**Background/History:**

On April 18, 2007, the ERCOT Board of Directors (Board) approved the TAC recommended methodology for the ERCOT reserve margin calculation. At the same meeting, the Board instructed TAC to revise the CDR report language and format and to consider changes to the timing of the CDR report consistent with the April 18<sup>th</sup> Board discussion.

**Key Factors Influencing Issue:**

In order to expedite the completion of the CDR, Bill Bojorquez, Vice President of System Planning at ERCOT, volunteered to prepare recommendations for changes to the CDR format, timing and language and presented a draft 2007 summer CDR report at the May 4, 2007, TAC meeting. In addition, he proposed that the report be prepared twice per year in December and May in order to improve the communication of changes to the official ERCOT reserves calculations.

The new annual December CDR report will not include a new peak demand forecast. Instead, it will utilize the May peak demand figures for the region. Also, the report will consist of an updated CDR summer season summary recognizing the impact on ERCOT resources and higher focus of summer reserves for ERCOT.

On May 4, 2007, the TAC approved, with minor modifications, the changes proposed by Mr. Bojorquez and the proposal to prepare a CDR in December and May of each year with the limitations described above. The motion to approve these changes passed unanimously with all Market Segments represented.

The changes proposed by TAC are included in the draft 2007 CDR report included in the Board materials.

**Alternatives:**

- (1) Approve the TAC recommendation on the changes to the format of the ERCOT CDR



<p>summary page and the frequency of the report preparation as described above or as modified by the Board;</p> <p>(2) reject the TAC recommendation; or</p> <p>(3) remand to the TAC with instructions.</p>
<p><b><u>Conclusion/Recommendation:</u></b></p> <p>As described above, TAC and ERCOT Staff recommend that the Board approve the changes to the format of the ERCOT CDR summary page and the frequency of the report preparation as described herein.</p>