



System Planning Report

February 19, 2008

Planning Activities - Summary

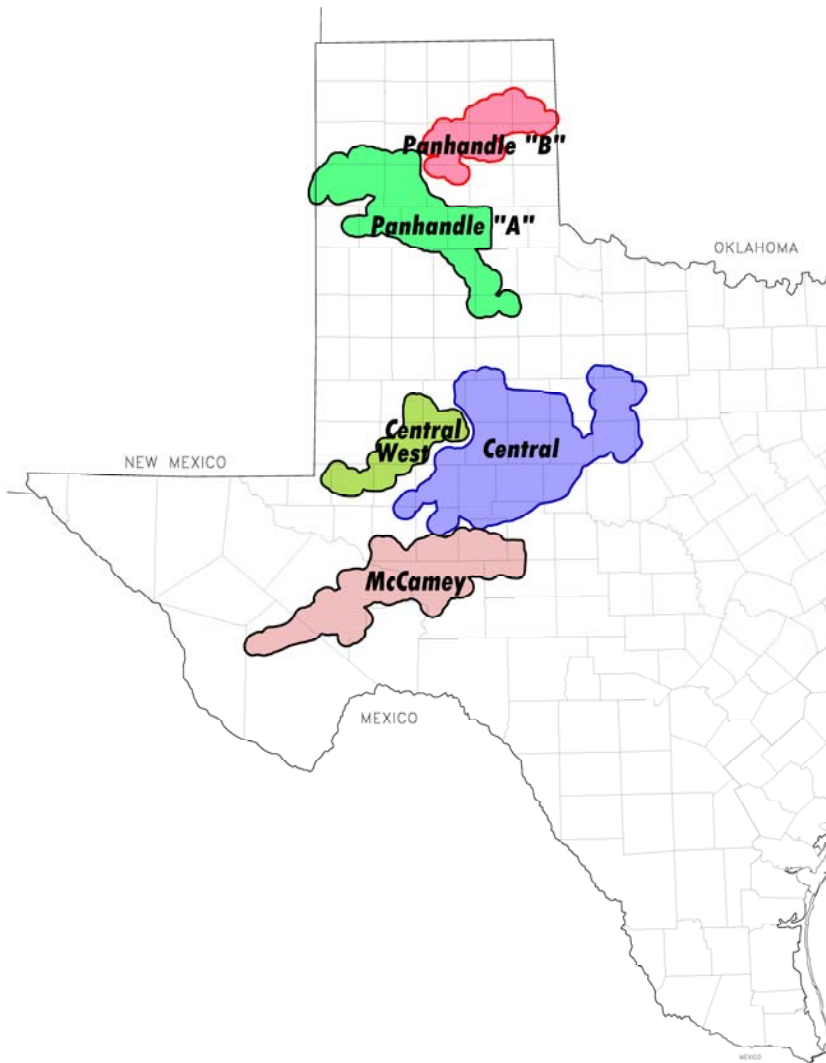
- ERCOT is currently tracking 222 active generation interconnection requests totaling over 100,000 MW. This includes almost 44,000 MW of wind generation
- Two New Interconnect Agreements signed in January:
 - Cedar Bayou 4 for 539 MW in Chambers County
 - S. Houston Green Power Expansion Project for 244 MW in Galveston County
 - 1.2% improvement to 2009 reserves (from 12.1% to 13.3%)
- Regional Planning group is currently reviewing proposed transmission improvements with a total cost of \$185.05 Mil
- Draft results of the Phase II Wind Impact Study presented to the ROS Wind Impact Task Force on Feb. 1
- CREZ Transmission Optimization (CTO) study is under way (discussed further in this report)

Competitive Renewable Energy Zone (CREZ) Transmission Optimization Study Update

Background - PUCT Interim Order

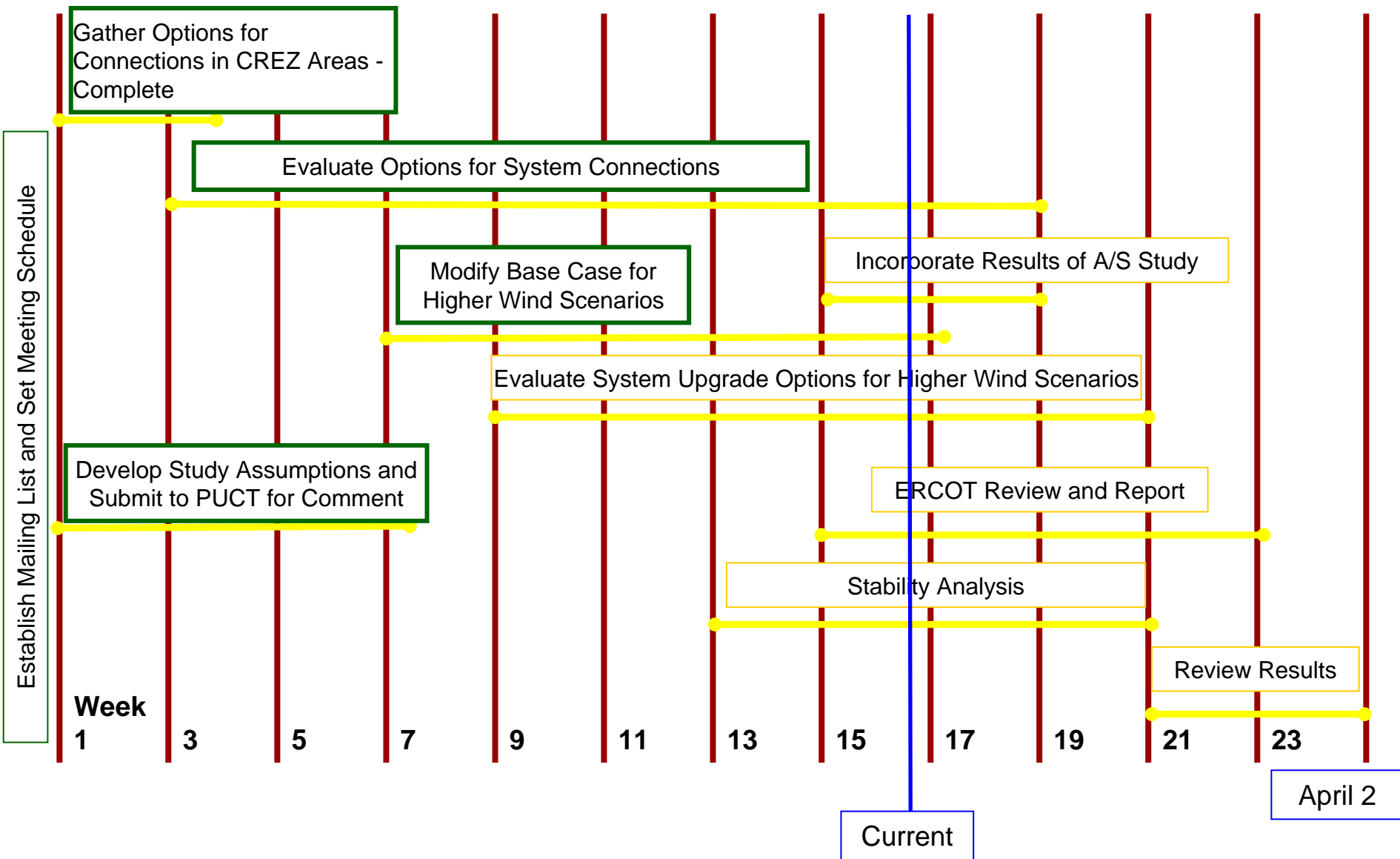
- **Designates CREZs in five areas of the Panhandle and West Texas**
- **Identifies parties who demonstrated financial commitment**
- **Orders ERCOT to develop transmission plans for four different levels of installed wind in these CREZs**
 - CREZ Transmission Optimization (CTO) study to be filed with PUCT by 4/2/2008

Designated Zones and Scenario Wind Levels



Capacity of New CREZ Wind by Scenario (MW)				
Wind Zone	Scen. 1	Scen. 2	Scen. 3	Scen. 4
Panhandle A	1,422	3,191	4,960	6,660
Panhandle B	1,067	2,393	3,720	0
McCamey	829	1,859	2,890	3,190
Central	1,358	3,047	4,735	5,615
Central West	474	1,063	1,651	2,051
Total*	12,053	18,456	24,859	24,419
* Assumes 6,903 MW of existing wind capacity				

Project Timeline



Meeting Schedule

Meetings of the Regional Planning Group CREZ Task Force (RPG-CREZ) have been held on the following days:

- **August 31: 43 attendees**
- **September 14: 39 attendees**
- **September 28: 41 attendees**
- **October 8: 42 attendees**
- **October 12 (Full RPG Meeting)**
- **October 19: 34 attendees**
- **November 15, 2007: 31 attendees**
- **December 14, 2007: 46 attendees**
- **January 25, 2008: 58 attendees**

Future Meetings Scheduled:

- **February 15, 2008**
- **March 10, 2008**
- **March 26, 2008**

High-level Concepts under study include:

- 1) Incremental 345 kV transmission system for wind in west Texas
- 2) Integrated 345 kV transmission system for wind in west Texas
- 3) Reduced number of right-of-ways using higher voltage circuits (500 kV or 765 kV)
- 4) Shorter wind connections with low impedance backbone or loop
- 5) Low impedance loop circuits (around load centers and/or around wind generation zones)
- 6) HVDC circuit(s) to move power to load centers or between load centers, integrated with 345kV upgrades

Conclusions

- **Good progress thus far**
 - Agreement reached on per-unit cost assumptions
 - Obtained clarification from PUCT on several key study assumptions
 - Presented wind patterns for production cost models
 - Presented several transmission backbone schemes for review and comment – transmission models available for review
 - Presented draft report of wind integration/Ancillary Services requirements study
- **Expect a full briefing in March**

