



May 12, 2009

Chairman Barry T. Smitherman
Public Utility Commission of Texas
P.O. Box 13326
Austin TX 78711-3326

Dear Chairman Smitherman:

In response to your April 2, 2009 request for an analysis of likely effects of proposed climate change legislation on electricity prices in the ERCOT market, please find enclosed ERCOT Staff's "*Analysis of Potential Impacts of CO₂ Emissions Limits on Electric Power Costs in the ERCOT Region.*"

The ERCOT team, led by Director of System Planning Dan Woodfin, Manager of System Assessment Warren Lasher, and Planning Engineer Emmanouil Kalaitzakis, are to be commended for their work on this report.

We hope this analysis will be informative and helpful to you and other key decisionmakers in determining a course of action regarding proposed federal climate change legislation.

Sincerely,

Bob Kahn
President and Chief Executive Officer

BK:mg/kr
Enclosure