

# ERCOT QUICK FACTS

## At a glance

Customers served: 22 million  
Area served: 85% of Texas load, 75% of Texas land  
Generating units: 566  
High-voltage transmission: 40,327 miles  
Installed capacity: 80,076 megawatts (MW)  
Net dependable capacity: 72,712 MW  
Reserve margin: 16.8%  
(minimum required 12.5%)  
Record peak demand: 62,339 MW (August 2006)  
Energy produced: 312 billion kilowatt-hours (2008)  
Market size: \$34 billion, based on 312,402 GWh market volume and average \$0.11/KWh rate  
Market participants: 828 active entities that generate, move, buy, sell or use electricity at wholesale level  
Wind generation: 8,000 MW – most in nation  
Demand response: 1,115 MW (equal to three major power plants) in load resource program

## What do 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 – the only independent system operator with responsibilities as registration agent for retail transactions
- Wholesale market settlement for electricity production and delivery.

### Other Organizational Functions

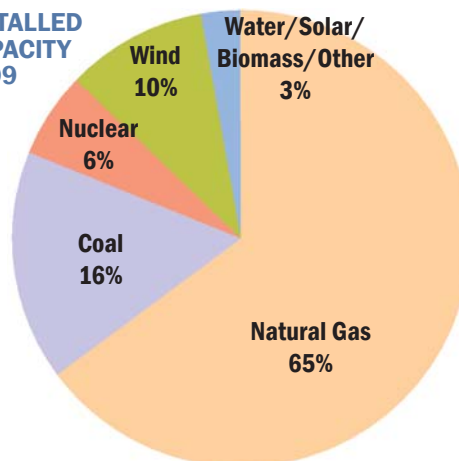
Wholesale market (bilateral): ~95% of market  
Balancing energy/ancillary services market: ~5%  
System planning coordination  
Renewable Energy Credits management (statewide)  
Market participant/stakeholder activity support

## How are we doing?

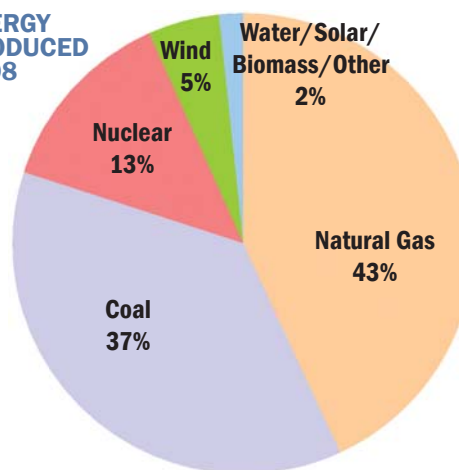
### Transmission Investment

- 6,593 circuit miles of transmission improvements since 1999
- 2,888 circuit miles of transmission under study
- \$4.4 billion in transmission added since 1999
- \$3 billion under development in five-year plan
- \$4.93 billion under development to support 18,000 MW of new wind (CREZ Project)

**INSTALLED  
CAPACITY  
2009**



**ENERGY  
PRODUCED  
2008**



### Generation Development

- 39,000 MW new generation added since 1996
- 9,000 MW generation committed for the future (with transmission contract and air permit)
- 97,000 MW of new generation requests under review, including ~ 48,000 MW wind, 12,300 MW nuclear, 24,000 MW natural gas, 7,500 MW coal, and 1,800 MW solar and biomass (April 2009)

### Retail Service Switches to Competitive Retailers

47% of residential load (April 2009)  
77% of small commercial load (April 2009)

## What's ahead?

Advanced metering project; estimated launch in November 2009.

Comprehensive nodal market implementation, anticipated launch in 2010, to include:

- Nodal locational marginal pricing for generation
- Congestion revenue rights
- Day-ahead energy and ancillary services co-optimized market
- Day-ahead and hourly reliability unit commitment.

# ERCOT GOVERNANCE

## Board of Directors

### Chairman

**Jan Newton**  
Chairman  
(unaffiliated)

### Vice Chairman

**Michehl Gent**  
Vice Chairman  
(unaffiliated)

**Mark Armentrout**  
(unaffiliated)

**Don Ballard**  
Office of Public Utility  
Counsel  
(residential consumer,  
ex-officio)

**Brad Cox**  
Tenaska Power Services  
(independent power  
marketer)

**Andrew Dalton**  
Valero Energy Corporation  
(industrial consumer)

**Miguel Espinosa**  
(unaffiliated)

**Nick Fehrenbach**  
City of Dallas  
(commercial consumer)

**Bob Helton**  
International Power  
America  
(independent generator)

**Charles Jenkins**  
Oncor Electric Delivery  
(investor-owned utility)

**Bob Kahn**  
CEO, ERCOT  
(*ex-officio*)

**Clifton Karnei**  
Brazos Electric  
Cooperative  
(cooperative)

**Alton D. "Dee" Patton**  
(unaffiliated)

**Barry T. Smitherman**  
Chairman  
Public Utility Commission  
(*ex-officio*, non-voting)

**Robert Thomas**  
Green Mountain Energy  
(retail electric provider)

**Dan Wilkerson**  
Bryan Texas Utilities  
(municipal utility)

### Segment Alternates

**Steve Bartley**  
CPS Energy  
(municipal utility)

**Deryl Brown**  
Hudson Energy Services  
(retail electric provider)

**Calvin Crowder**  
Electric Transmission  
Texas (investor-owned  
utility)

**Mike Packard**  
South Texas Electric  
Cooperative (cooperative)

**Jean Ryall**  
Constellation Energy  
Commodities  
(independent power  
marketer)

**Mark Walker**  
NRG Texas  
(independent generator)

## ERCOT Officers

**Bob Kahn**  
President and  
Chief Executive Officer

**Mike Cleary**  
Senior Vice President and  
Chief Technology Officer

**H.B. "Trip" Doggett**  
Senior Vice President and  
Chief Operations Officer

**Steve Byone**  
Vice President and  
Chief Financial Officer

**Nancy Capezzuti**  
Vice President and  
Chief Administrative Officer

**Mike Grable**  
Vice President and  
General Counsel

**Charles B. Manning, Jr.**  
Vice President and  
Chief Compliance Officer

**Richard Morgan**  
Interim Vice President and  
Chief Information Officer

**Kent Saathoff**  
Vice President of System  
Planning and Operations

## 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 infrastructure 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 chairman (non-voting), 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.

The Board also oversees the affairs of the Texas Regional Entity (Texas RE), the independent division that FERC established in 2006 to serve as the regional entity for the ERCOT region, pursuant to the reliability provisions of the federal Energy Policy Act of 2005 (EPAct).

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. Six standing committees and subcommittees supported by numerous working groups and task forces function within the stakeholder process.

## Legislative Oversight

Other than on issues arising under federal EPAct provisions, ERCOT is subject to oversight by the Texas Legislature and is fully regulated by the Public Utility Commission of Texas (PUC). The PUC approves the ERCOT system administration fee, which provides 98 percent of ERCOT's revenues, and has general oversight authority including the ability to conduct or order audits. Texas RE funds under EPAct are administered separately. For most purposes, ERCOT, like the PUC, is accountable to the Texas Legislature and its jurisdictional committees. For EPAct purposes, ERCOT is accountable to the Texas RE, NERC, and the Federal Energy Regulatory Commission.

*The Electric Reliability Council of Texas (ERCOT) manages the flow of electric power to approximately 22 million Texas customers – representing 85 percent of the state's electric load and 75 percent of the Texas land area. As the Independent System Operator for the region, ERCOT schedules power on an electric grid that connects 40,000 miles of transmission lines and more than 550 generation units. ERCOT also manages financial settlement for the competitive wholesale bulk-power market and administers customer switching for 6.5 million Texans 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.*