



EILS in the CDR

ERCOT Staff Report to GATF

Dec. 1, 2009

- **At the Nov. 3, 2009, meeting, GATF asked ERCOT Staff to look at two issues prior to the Dec. 1 meeting.**
 1. *Evaluate previous winter peaks by month to ensure the best data is being used to project EILS capacity for the Winter Summary.*
 2. *Recommend a projected growth rate to apply to an EILS line item in the CDR for the out-years.*

10-Year Winter Peak Analysis

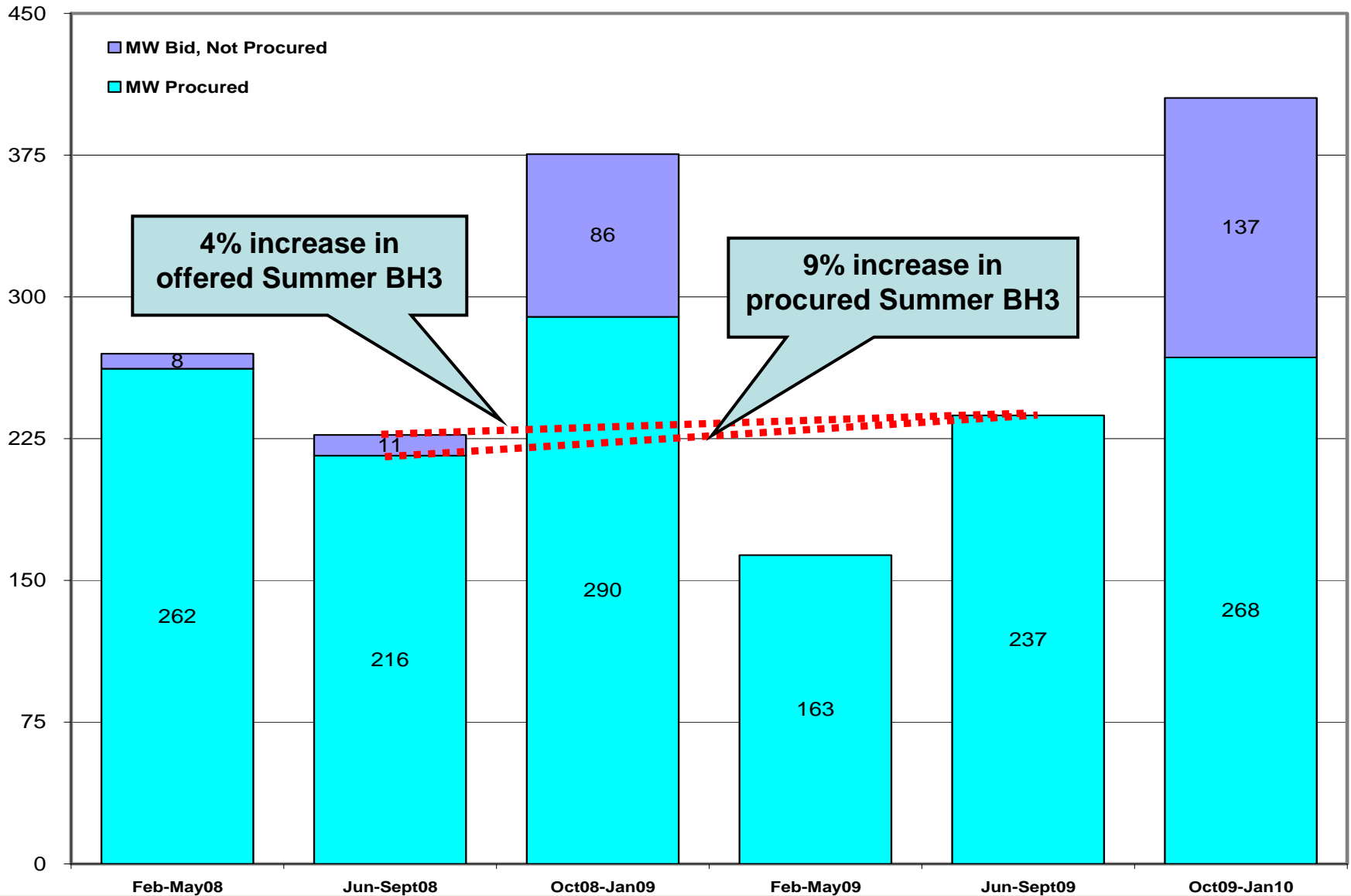
Winter	Date	HE	EILS TP	MW
1999-2000	28-Jan	10:00	BH1	39,075
2000-2001	12-Dec	19:00	BH3	44,641
2001-2002	3-Jan	8:00	NBH	43,748
2002-2003	24-Jan	8:00	NBH	44,797
2003-2004	6-Jan	20:00	BH3	42,353
2004-2005	23-Dec	9:00	BH1	43,966
2005-2006	8-Dec	20:00	BH3	48,064
2006-2007	16-Feb	8:00	NBH	50,408
2007-2008	3-Jan	8:00	NBH	46,099
2008-2009	15-Dec	20:00	BH3	47,806

Count:	
Dec	4
Jan	5
Feb	1
BH1	2
BH3	4
NBH	4

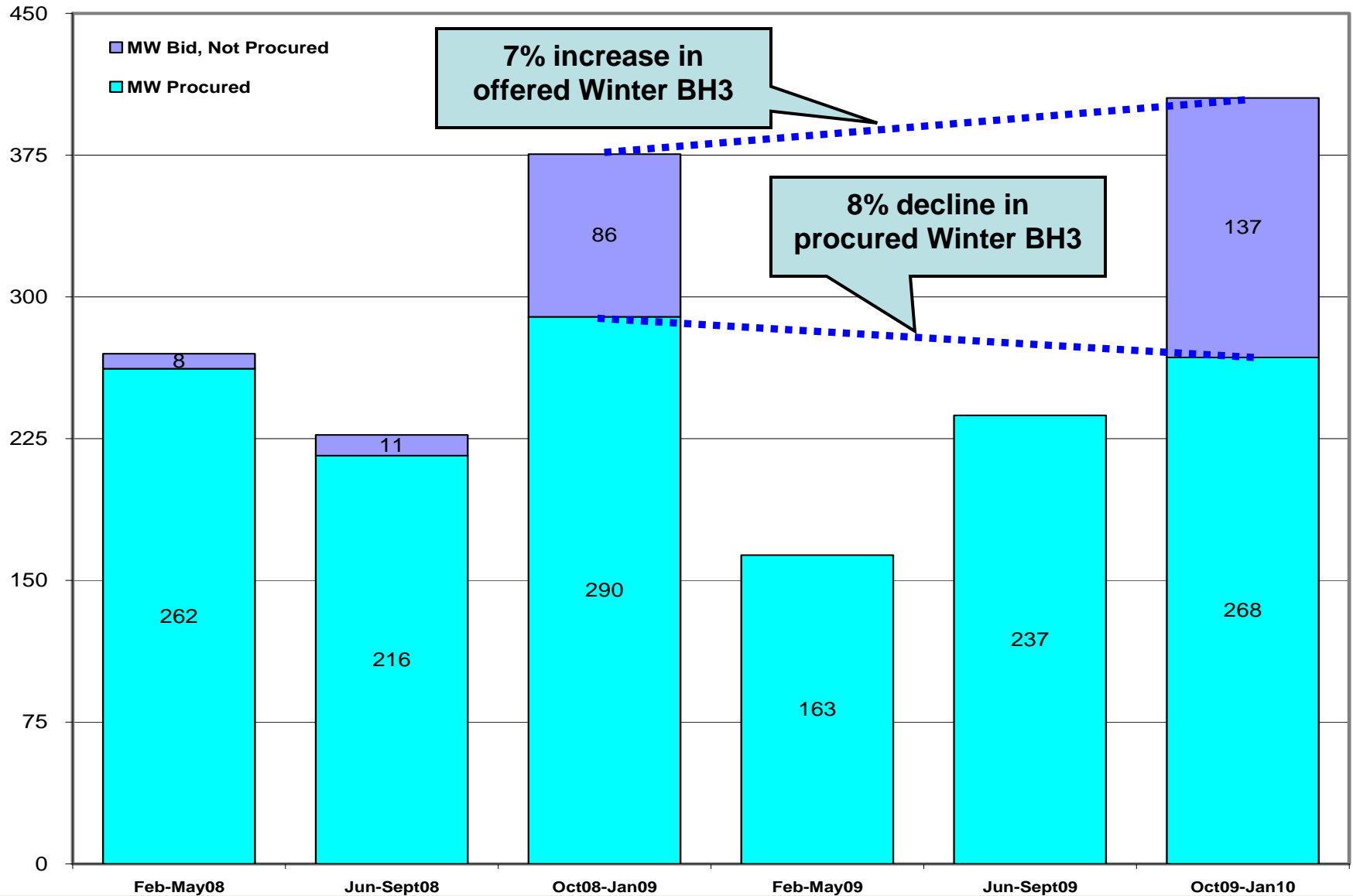
- **Original recommendation (for current year):**
 - Use a simple average of 4 Time Period procurements for the upcoming CDR
 - Non-Business Hours in Oct.-Jan.
 - Business Hours 3 in Oct.-Jan.
 - Non-Business Hours in Feb.-May
 - Business Hours 3 in Feb.-May
- **Alternative recommendation (for current year):**
 - Use Oct.-Jan. Contract Period only
 - February peaking is infrequent (1 in 10)
 - Use simple average of 2 Time Period procurements
 - Business Hours 3 (Oct.-Jan.)
 - Non-Business Hours (Oct.-Jan.)
 - Value for this year would be 302 MW

- **Original recommendation:**
 - Keep the out years static until we have more procurement history
- **Alternative recommendation:**
 - Show an annual 10% EILS growth rate in the both the Summer and Winter Summary
 - Allow flexibility to adjust the growth rate based on future procurement trends

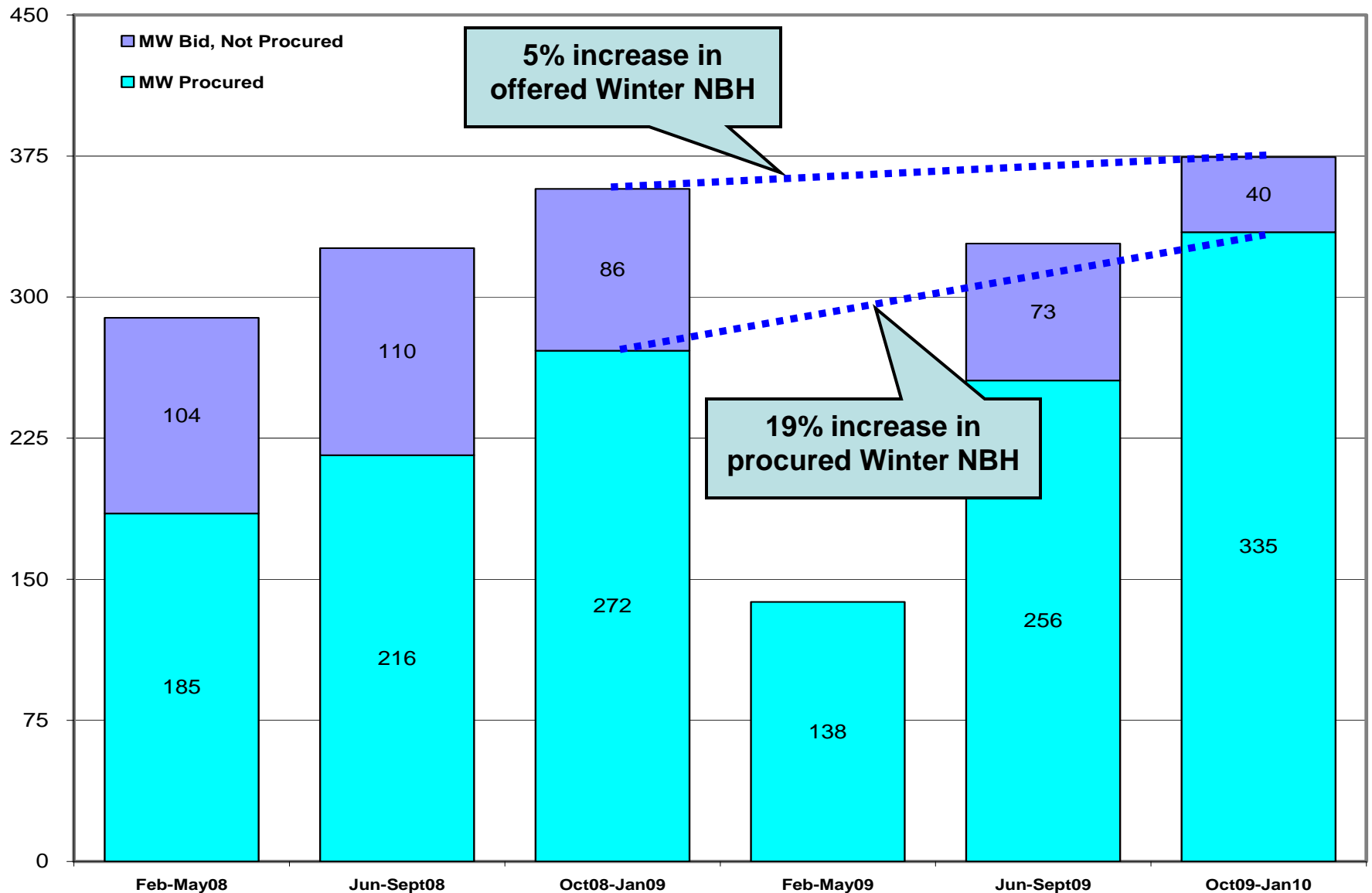
Summer: Procurement Trends (Business Hours 3)



Winter: Procurement Trends (Business Hours 3)



Winter: Procurement Trends (Non-Business Hours)



CDR Impacts of new recommendations

- **Estimated EILS offset to Load (MW) using most recent procurement data, with growth rate of 10% per year:**

– Summer Summary:

2010	2011	2012	2013	2014	2015
237	261	287	315	347	382

– Winter Summary

2010	2011	2012	2013	2014	2015
302	332	365	401	441	486

- **Other factors with potentially greater impact on the ERCOT Reserve Margin:**
 1. Federal stimulus dollars for energy efficiency
 - \$780 million allocated across 2010-2012
 - Add to ~\$100 million for ongoing TDSP programs
 - Current CDR line item of 242 MW
 2. Potential future increases in TDSP EE programs, as may be authorized by Legislature and PUC
 3. Increases in small-customer price responsive Load, enabled by advanced meter data
 - 6 million meters to be deployed by 2014
 - Time of Use, Critical Peak Pricing, Real Time Pricing options

Questions?

