



Concepts and Variables Impacting Scenario Development

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Agenda

- **Begin the development of scenarios to be modeled that represent potential future states of the world**
- **Discuss variables that will be used to drive scenario development**
- **Discuss / determine possible extremes of these variables (highs / lows)**

Potential Variables Impacted

- **Economic growth**
 - World
 - U.S.
 - Texas
- **Load Growth**
 - By Class (Residential, Commercial, Industrial)
 - Impacted by new construction size, population, employment and per capita income
- **Rates**
 - Income Tax Rates
 - Interest Rates
 - Inflation Rates

- **Commodity Prices**
 - Crude Oil Prices
 - Natural Gas Prices
 - Coal Prices
- **Environmental caps and taxes**
 - SO_x (\$/ton)
 - NO_x (\$/ton)
 - CO₂ (\$/ton)
- **Capital Costs of New Generation**

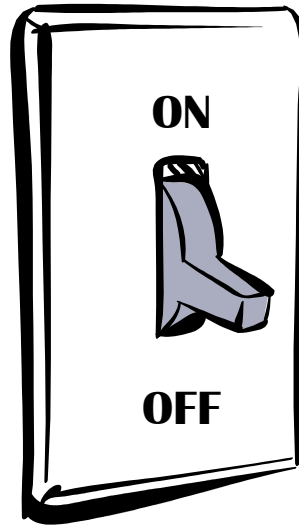
Possible Bandwidths of Variables

- **Spreadsheet discussion**

Next Steps

- **ERCOT Staff will take information from today to develop the scenario outlines for discussion at next meeting.**
- **Next meeting will be WebEx on Tuesday August 17, 2010 from 9am to 12 noon.**
- **To participate in this working group or to be added to the distribution list, please reply to this message (please do not use reply to all) or send a new message to longtermstudy@ercot.com.**
 - Please include your name, company, email address, and phone number for the working group roster.

Questions



For additional information:

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