



EILS Update

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DSWG

August 13, 2010

- **Schedule(s)**
- **Ancillary Services price comparisons**
- **Nodal Protocol cutover for EILS**

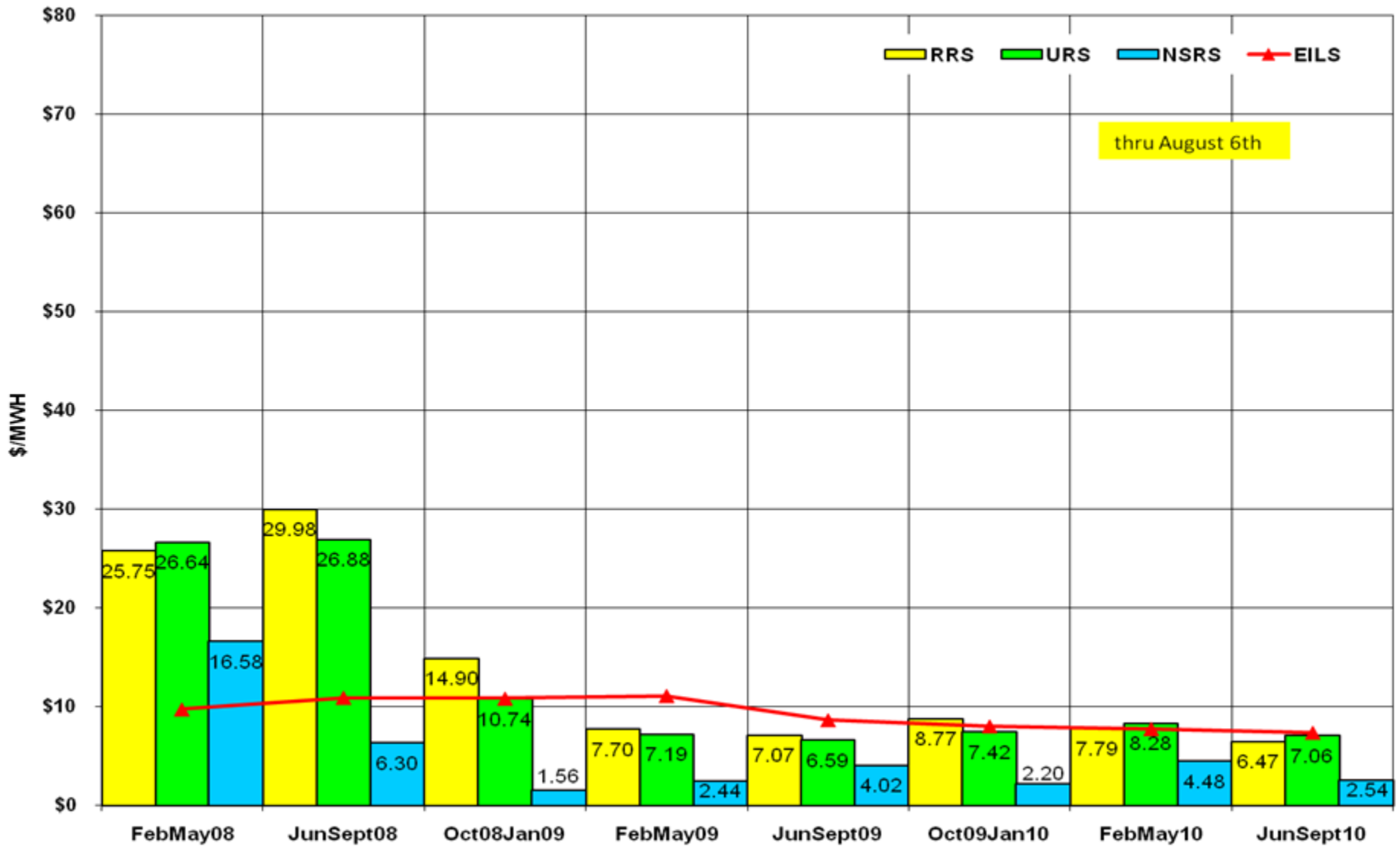
Appendix:

- **Historical procurement results**

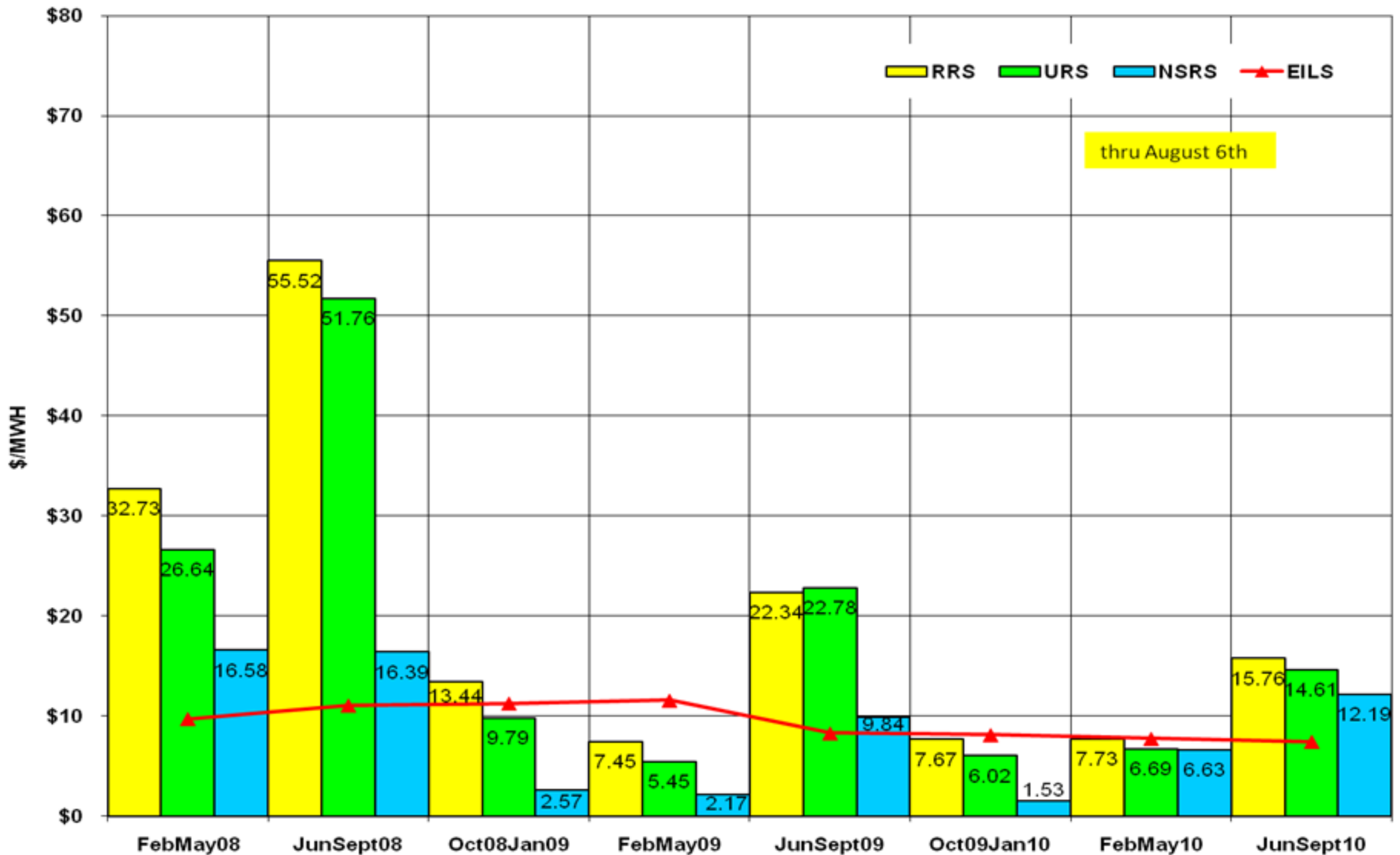
- **Key dates on the horizon:**

Date	Action
Aug. 9	Settlement statements posted for Feb.-May
Aug. 13 (today)	Last day to submit RIDs for Oct.-Jan.
Aug. 24	Baselines & RID numbers assigned
Aug. 31	Bids due
Sept. 16	Awards announced; contracts sent
Ongoing	Testing, re-testing, reinstatement testing

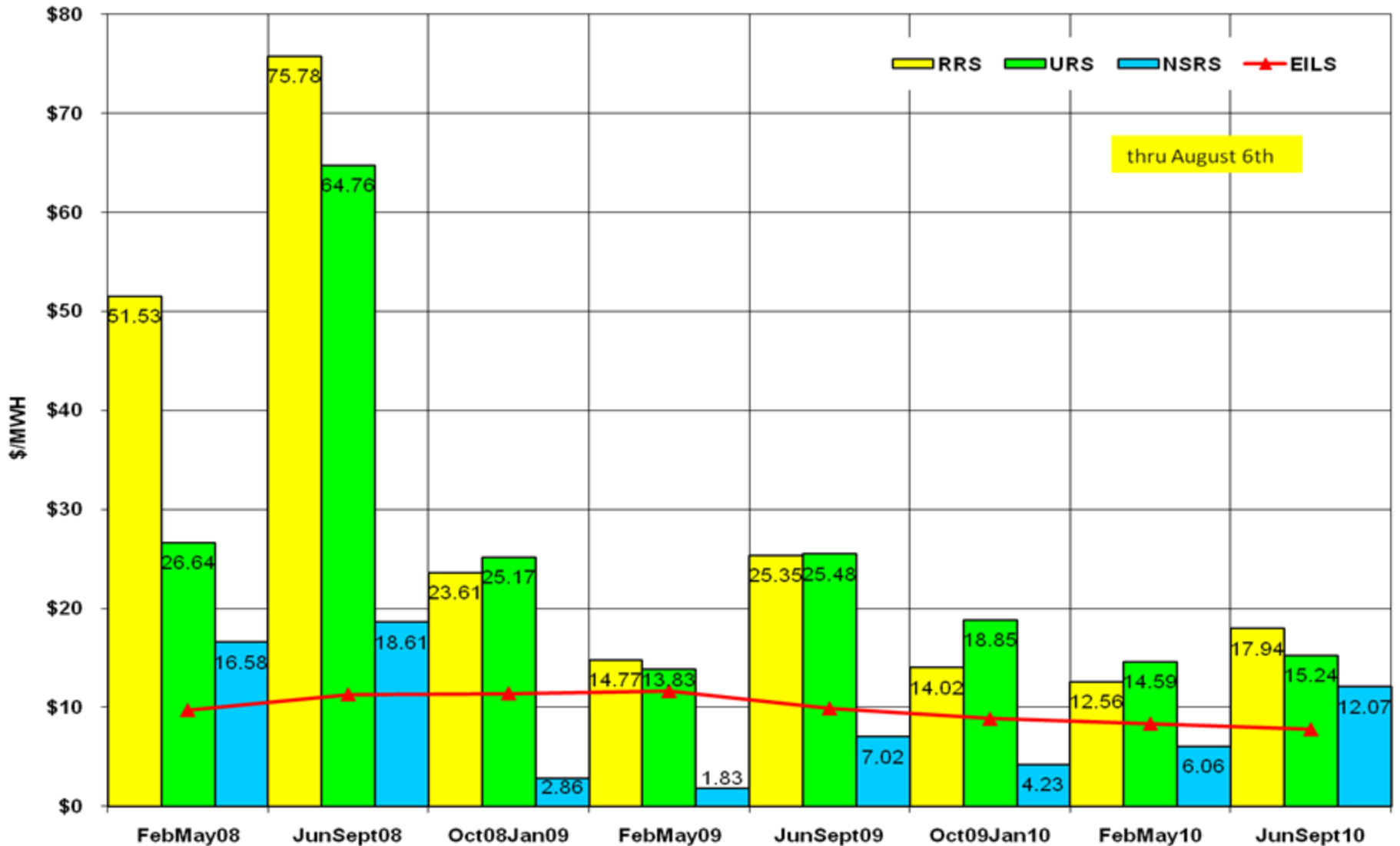
A/S Comparison: Business Hours 1



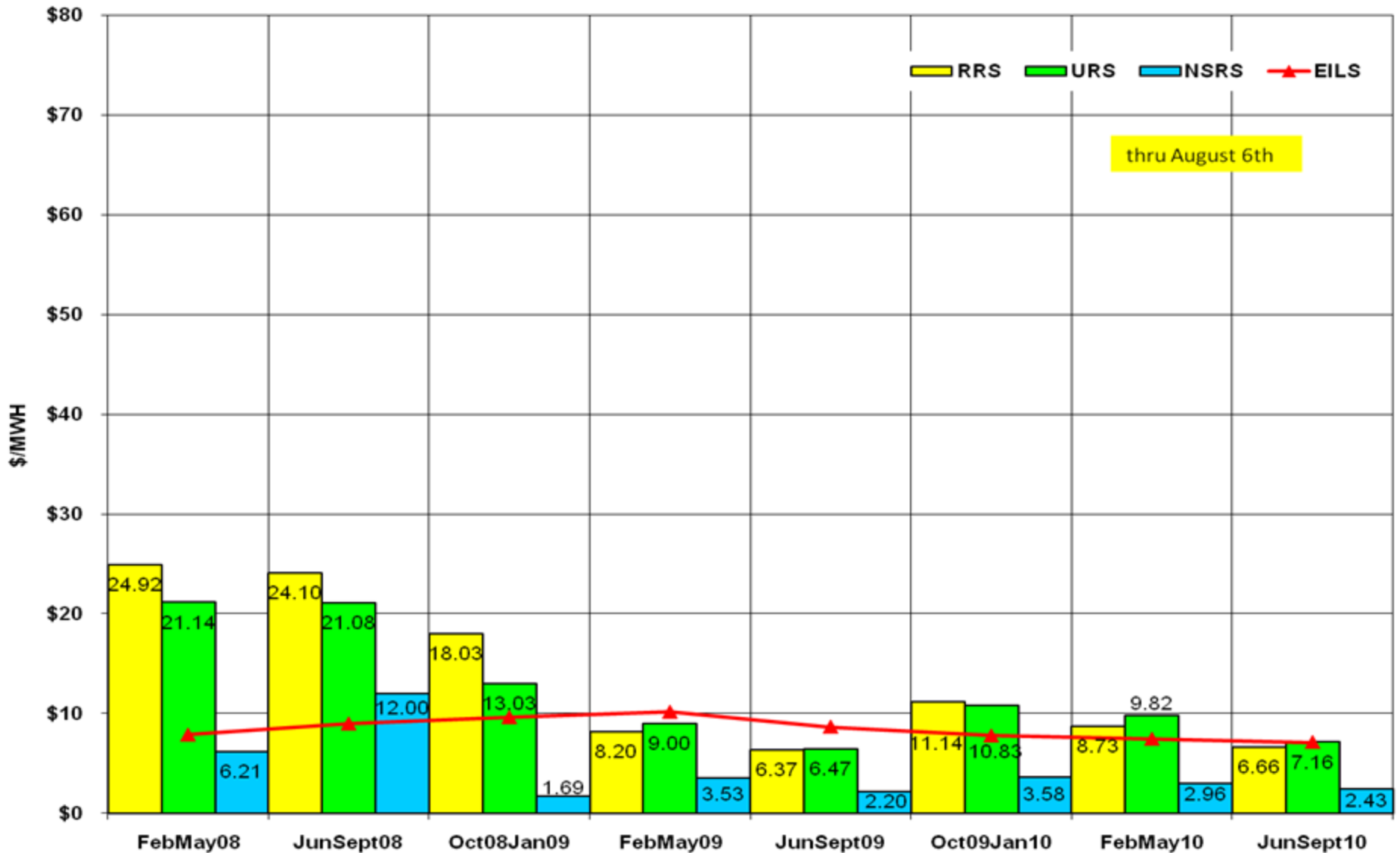
A/S Comparison: Business Hours 2



A/S Comparison: Business Hours 3



A/S Comparison: Non-Business Hours



- **Texas Nodal Market Implementation Date (TNMID) is Dec. 1**
- **Nodal Protocols governing EILS will have a late cutover date of Feb. 1, 2011**
- **Current (zonal) Protocols will stay in effect through the Oct.-Jan Contract Period**
 - Exception: Deployment scenario during Energy Emergency Alert
 - May require Group 1 and Group 2 designations depending on procured capacity for Oct.-Jan. Contract Period
 - Would apply only for December and January
- **NPRR still pending**



Appendix

EILS Procurement History

Procurement History

Contract Period	Time Period	Capacity Offered	Capacity Procured
April - May 2007	Business Hours^[1]	156 MW	0
	Non-Business Hours^[2]	156 MW	0
June - Sept. 2007	Business Hours	213 MW	0
	Non-Business Hours	213 MW	0
Oct. 2007 - Jan. 2008	Business Hours	170 MW	0
	Non-Business Hours	180 MW	0

EILS was not procured for these Contract Periods, as bids did not meet 500 MW minimum requirement in effect at the time.

^[1] Hour Ending (HE) 0900 through 2000, Monday thru Friday, except ERCOT Holidays.

^[2] All other hours.

February-May 2008 Contract Period

Time Period	Business Hours HE 0900 – 2000, M-F except Holidays	Non-Business Hours All Other Hours
Capacity Procured	262 MW	185 MW
Capacity Offered	270 MW	289 MW
# of EILS Resources Procured	10 (includes 5 aggregations)	7 (includes 2 aggregations)
Avg. Cost MW / Hour	\$9.73	\$7.86

- **Total adjusted cost for this Contract Period: \$5,298,600.17**

June-September 2008 Contract Period

Time Period	Business Hrs. HE 0900 – 1300, M-F except Holidays	Peak Hrs. 1 HE 1400 – 1600, M-F except Holidays	Peak Hrs. 2 HE 1700 – 2000, M-F except Holidays	Non-Bus. Hrs. All Other Hours
Capacity Procured	310 MW	219 MW	216 MW	216 MW
Capacity Offered	321 MW	231 MW	227 MW	326 MW
# of EILS Resources Procured	19 (incl. 13 agg's)	16 (incl. 10 agg's)	15 (incl. 9 agg's)	14 (incl. 8 agg's)
Avg. Cost MW / Hour	\$10.92	\$11.07	\$11.29	\$8.97

- **Total adjusted cost for this Contract Period: \$6,399,048.95**

October 2008 – January 2009 Contract Period

Time Period	Bus. Hrs. 1 HE 0900 – 1300, M-F except Holidays	Bus. Hrs. 2 HE 1400 – 1600, M-F except Holidays	Bus. Hrs. 3 HE 1700 – 2000, M-F except Holidays	Non-Bus. Hrs. All Other Hours
Capacity Procured	272 MW	289 MW	291 MW	273 MW
Capacity Offered	361 MW	374.3 MW	376.2 MW	358.2 MW
# of EILS Resources Procured	35 (incl. 25 agg's)	37 (incl. 25 agg's)	35 (incl. 23 agg's)	33 (incl. 21 agg's)
Avg. Cost MW / Hour	\$10.83	\$11.28	\$11.39	\$9.61

- **Total adjusted cost for this Contract Period: \$4,940,075.36**
- **Total cost for the 2008 EILS program year: \$16,637,724.48**

February – May 2009 Contract Period

Time Period	Bus. Hrs. 1 HE 0900 – 1300, M-F except Holidays	Bus. Hrs. 2 HE 1400 – 1600, M-F except Holidays	Bus. Hrs. 3 HE 1700 – 2000, M-F except Holidays	Non-Bus. Hrs. All Other Hours
Capacity Procured	163.6 MW	168.2 MW	163.4 MW	137.9 MW
Capacity Offered	163.6 MW	168.2 MW	163.4 MW	137.9 MW
# of EILS Resources Procured	38 (incl. 24 agg's)	38 (incl. 24 agg's)	36 (incl. 22 agg's)	32 (incl. 20 agg's)
Avg. Cost MW / Hour	\$11.10	\$11.56	\$11.62	\$10.15

- **Total adjusted cost for this Contract Period: \$4,198,560.86**

June - September 2009 Contract Period

Time Period	Bus. Hrs. 1 HE 0900 – 1300, M-F except Holidays	Bus. Hrs. 2 HE 1400 – 1600, M-F except Holidays	Bus. Hrs. 3 HE 1700 – 2000, M-F except Holidays	Non-Bus. Hrs. All Other Hours
Capacity Procured	276.4 MW	154.7 MW	237.3 MW	255.6 MW
Capacity Offered	372.1 MW	229.0 MW	237.3 MW	328.5 MW
# of EILS Resources Procured	47 (incl. 34 agg's)	34 (incl. 27 agg's)	50 (incl.s 34 agg's)	46 (incl. 30 agg's)
Avg. Cost MW / Hour	\$ 8.64	\$ 8.29	\$ 9.90	\$ 8.66

- **Total adjusted cost for this Contract Period: \$6,142,071.96**

October 2009 – January 2010 Contract Period

Time Period	Bus. Hrs. 1 HE 0900 – 1300, M-F except Holidays	Bus. Hrs. 2 HE 1400 – 1600, M-F except Holidays	Bus. Hrs. 3 HE 1700 – 2000, M-F except Holidays	Non-Bus. Hrs. All Other Hours
Capacity Procured	360.9 MW	353.3 MW	268.0 MW	334.5 MW
Capacity Offered	416.0 MW	411.7 MW	405.3 MW	374.4 MW
# of EILS Resources Procured	61 (incl. 37 agg's)	59 (incl. 35 agg's)	75 (incl. 46 agg's)	55 (incl. 35 agg's)
Avg. Cost MW / Hour	\$8.01	\$8.12	\$8.87	\$7.77

- **Total adjusted cost for this Contract Period: \$ 7,400,219.56**
- **Total cost for 2009 Program Year: \$17,740,852.38**

February – May 2010 Contract Period

Time Period	Bus. Hrs. 1 HE 0900 – 1300, M-F except Holidays	Bus. Hrs. 2 HE 1400 – 1600, M-F except Holidays	Bus. Hrs. 3 HE 1700 – 2000, M-F except Holidays	Non-Bus. Hrs. All Other Hours
Capacity Procured	349.9 MW	345.8 MW	322.1 MW	283.2 MW
Capacity Offered	439.2 MW	435.1 MW	411.4 MW	372.5 MW
# of EILS Resources Procured	90 (incl. 61 agg's)	90 (incl. 61 agg's)	89 (incl. 60 agg's)	81 (incl. 55 agg's)
Avg. Cost MW / Hour	\$7.76	\$7.75	\$8.38	\$7.44

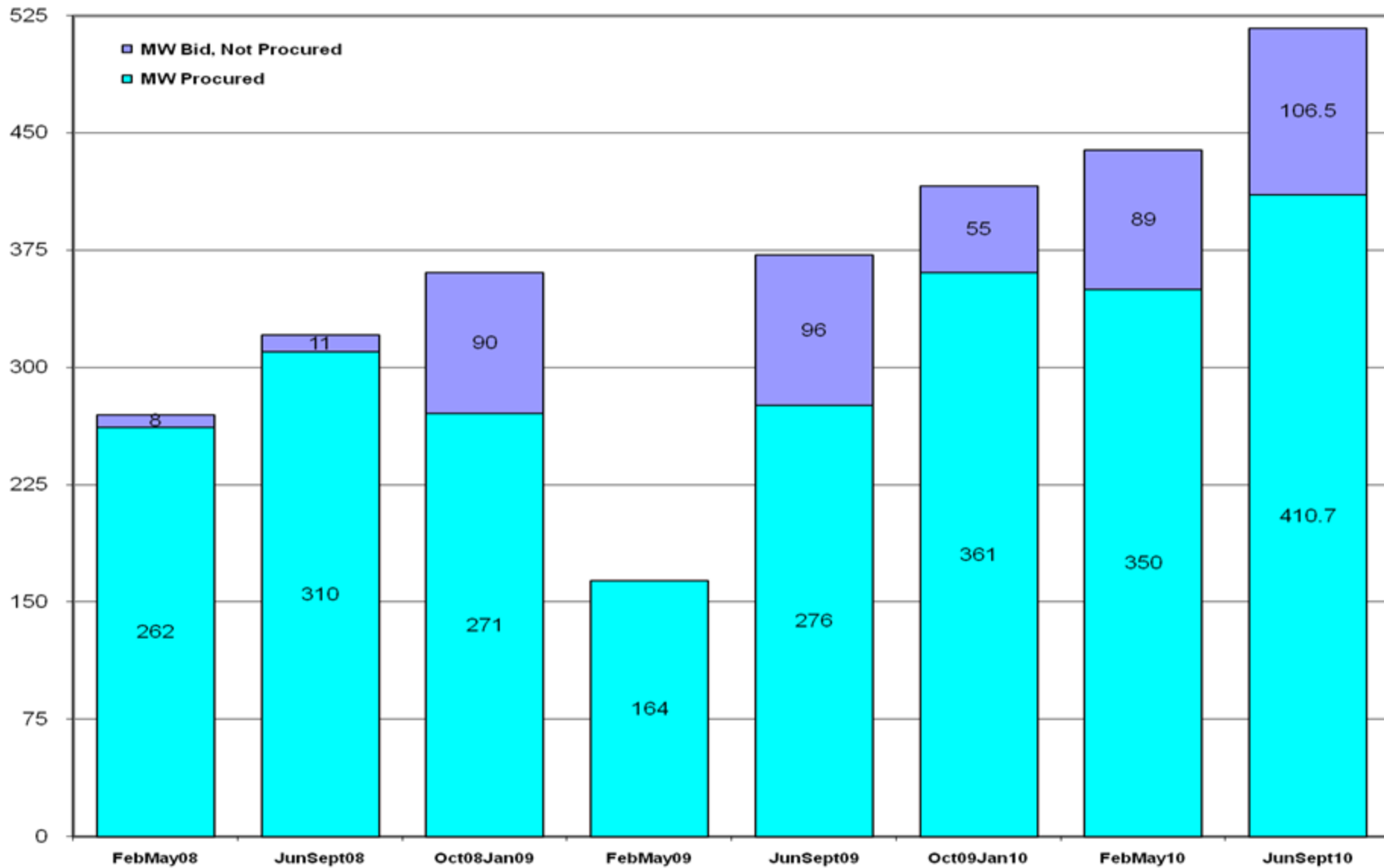
- **Total adjusted cost for this Contract Period: \$ 6.38 million**

June – Sept. 2010 Contract Period

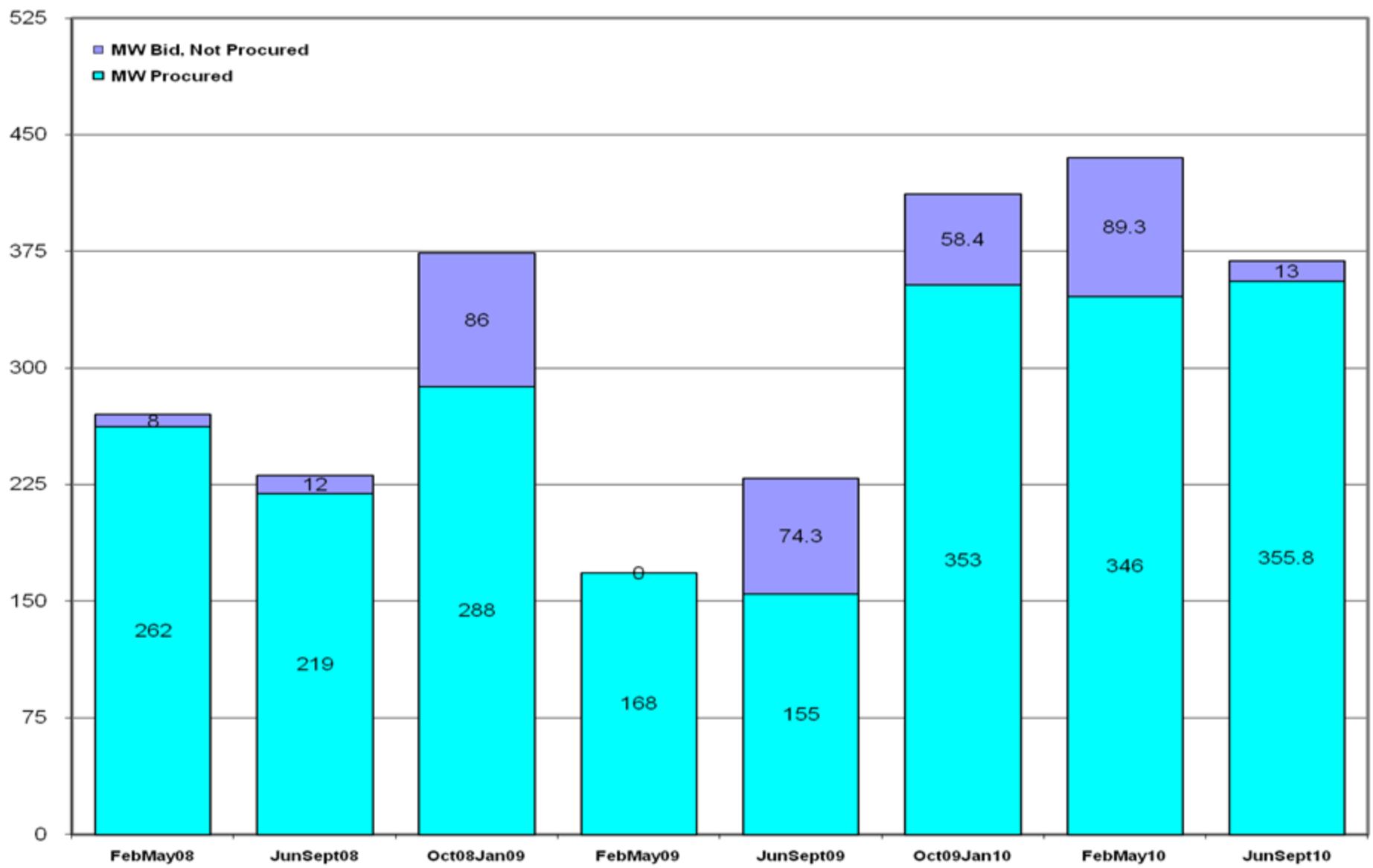
Time Period	Bus. Hrs. 1 HE 0900 – 1300, M-F except Holidays	Bus. Hrs. 2 HE 1400 – 1600, M-F except Holidays	Bus. Hrs. 3 HE 1700 – 2000, M-F except Holidays	Non-Bus. Hrs. All Other Hours
Capacity Procured	410.7 MW	355.8 MW	335.5 MW	333.2 MW
Capacity Offered	517.2 MW	368.8 MW	351.3 MW	426.9 MW
# of EILS Resources Procured	94 (incl. 63 agg's)	84 (incl. 58 agg's)	80 (incl. 55 agg's)	87 (incl. 61 agg's)
Avg. Cost MW / Hour	\$7.37	\$7.44	\$7.81	\$7.12

- **Projected cost for this Contract Period: \$ 7.39 million**

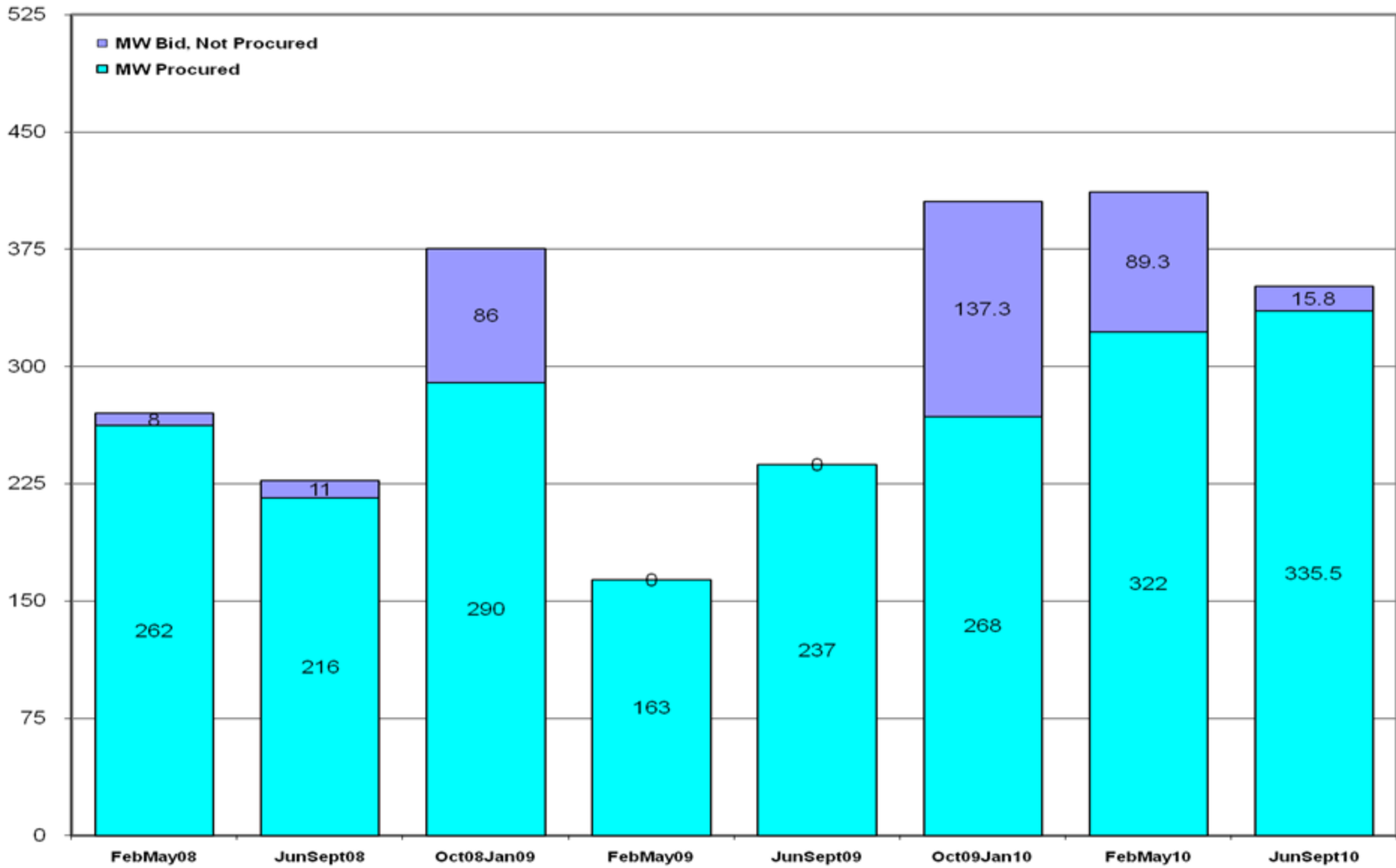
Capacity Procurement Trends (Business Hours 1)



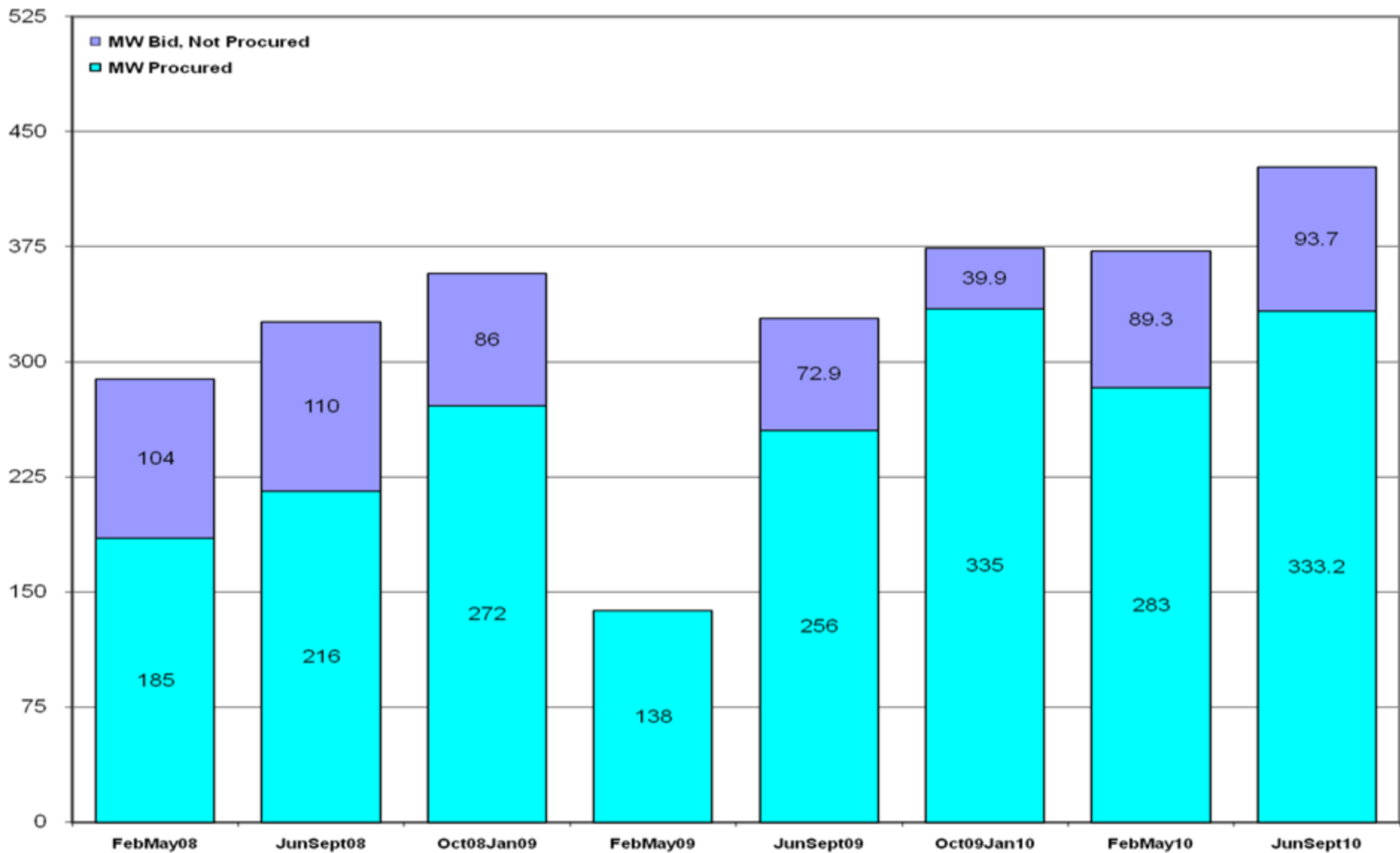
Capacity Procurement Trends (Business Hours 2)



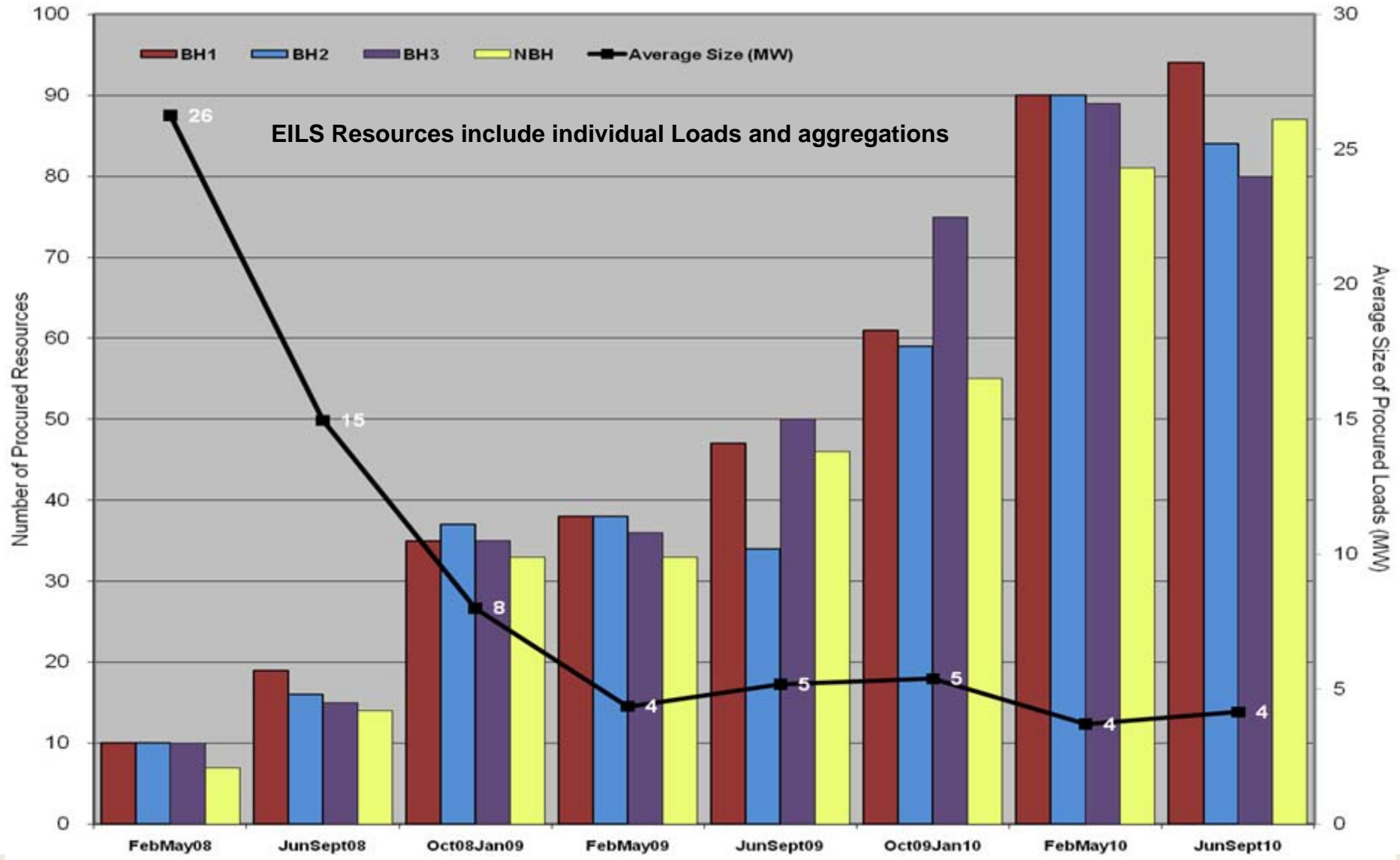
Capacity Procurement Trends (Business Hours 3)



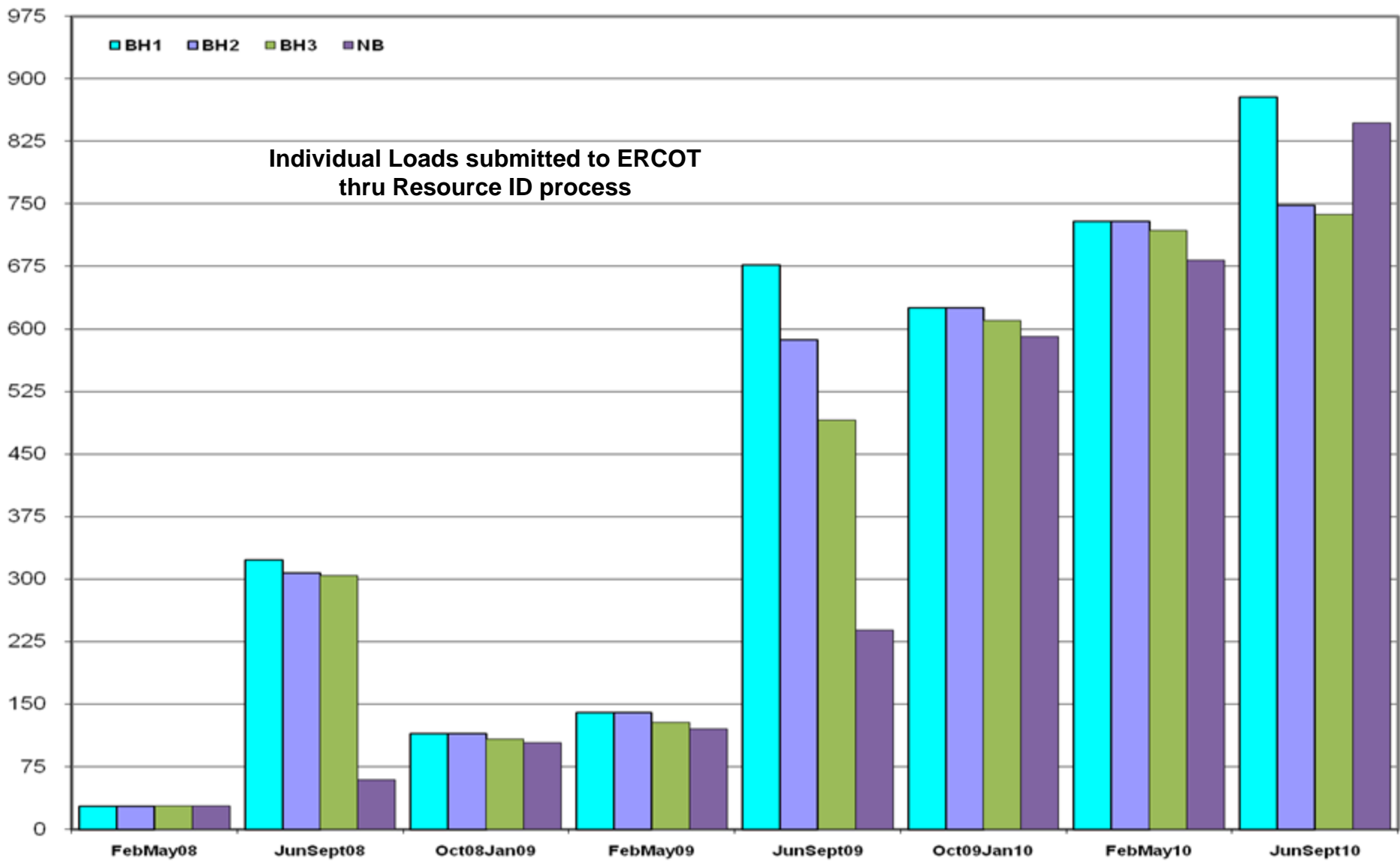
Capacity Procurement Trends (Non-Business Hours)



Procurement Trends (number & avg. size of resources)

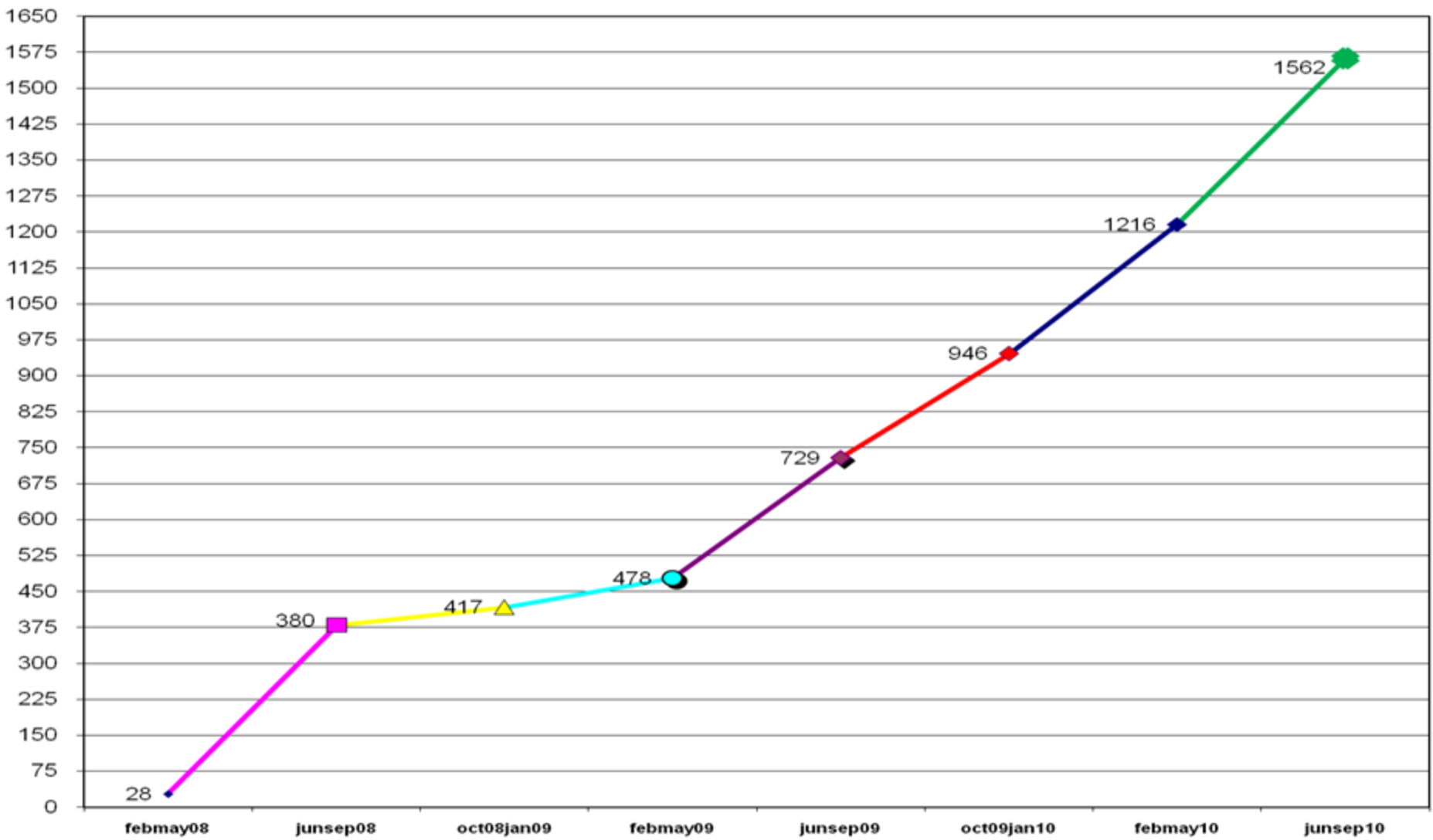


Procurement Trends (number of individual Loads)



Individual Load Participation

Cumulative number of unique individual loads submitted into EILS



- **EILS Resources suspended due to availability factors of less than 95%**
 - Pursuant to Subst. R. §25.507(e) and Protocols §6.10.13.4

Contract Period	No. of Resources	Approx. curtailable MW
Feb.-May 2009	12	38
June-Sept. 2009	13	32
Oct.09-Jan.10	14	29
Feb.-May 2010	5	11

- **EILS Resources with availability factors of <95% also have their payments reduced by the corresponding amount**
- **To regain eligibility, suspended Loads must submit a corrective action plan and successfully complete a load-shed test administered by ERCOT**

Settlement Summary

EILS CONTRACT PERIOD	Projected cost based on procurement*	Final cost after availability adjustments	Final % of original
Feb.-May 08	\$ 5,340,790.32	\$ 5,298,600.17	99.2%
June-Sept. 08	\$ 6,584,675.82	\$ 6,399,048.95	97.2%
Oct.08-Jan 09	\$ 8,225,942.96	\$ 4,940,075.36	60.1%
TOTAL 2008	\$ 20,151,409.10	\$ 16,637,724.48	82.6%
Feb.-May 09	\$ 4,508,954.75	\$ 4,198,560.86	93.1%
June-Sept. 09	\$ 6,361,774.13	\$ 6,142,071.96	96.5%
Oct. 09-Jan. 10	\$ 7,789,961.33	\$ 7,400,219.57	95.0%
TOTAL 2009	\$ 18,660,690.21	\$ 17,740,852.39	95.1%
TOTAL 2008-09	\$ 38,812,099.31	\$ 34,378,576.87	
Feb-May 10	\$ 6,672,120.74	\$ 6,379,578.38	95.6%
Jun-Sept 10	\$ 7,387,689.04		
Oct10-Jan 11			
TOTAL 2010		\$ 6,379,578.38	
TOTAL TO DATE (Projected)	\$ 52,871,909.09	\$ 40,758,155.25	

* Projected costs are based on procured EILS capacity as reflected in executed contracts with QSEs and EILS Resources. These numbers may differ slightly from the amounts cited in Market Notices released prior to the start of a Contract Period. Any such differences are related to downward adjustments made by ERCOT to the capacity values of specific bids pursuant to ERCOT's authority under Protocols Section 6.5.12 (11). It is ERCOT's policy to consult with the QSE representing the EILS Resource prior to making any such adjustment.

