



April 18, 2011

Re: April 19, 2011 ERCOT Board Meeting  
Item No. 16.b

Dear ERCOT Board Members:

The Alliance for Retail Markets, the Texas Association for Energy Marketers, and Reliant Energy Retail Services (collectively, "Competitive Retailers") support the WMS recommendation regarding Point to Point Obligations in the Balance of Year CRR auction. We agree that all CRR obligation paths and resource nodes should be included in the balance-of-year auction. A comprehensive balance-of-year CRR auction will provide Competitive Retailers with a meaningful opportunity to hedge risk.

We do not support the alternatives provided by ERCOT staff on this issue. In our view, those alternatives change the fundamental structure contemplated for the balance-of-year auction. Competitive Retailers are concerned about the potential unintended consequences that may occur as a result of the ERCOT staff's recommendation.

Thank you for your consideration of our position on this issue.

A handwritten signature in black ink, appearing to read "Steve Davis", is written above the printed name.

Stephen J. Davis  
Alliance for Retail Markets