

# Status Update of *The Brattle Group's* Evaluation of ERCOT Investment Incentives

Prepared for:  
**The Electric Reliability Council of Texas**

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**April 16, 2012**

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# Study Objectives

- ◆ Identify, describe, and rank the relevant factors that influence investment decisions by the development and financial community related to new capacity additions, capacity retirements, and repowering projects in ERCOT
- ◆ Evaluate the current drivers from both a wholesale and retail perspective that influence resource investment decisions in the ERCOT market
- ◆ Provide suggestions for ways to enhance favorable investment outcomes for long-term resource adequacy in ERCOT

# Approach

## **Interview stakeholders regarding investment criteria and concerns**

- ◆ Independent Power Producers and their Lenders
- ◆ Power Marketers
- ◆ Municipal Electric Utilities and Electric Power Cooperatives
- ◆ Load Representatives
- ◆ Demand Response Aggregators

## **Analyze likely outcomes under current and proposed rules**

- ◆ Estimate whether prices are likely to be high enough often enough to support investments and achieve the target reserve margin
- ◆ Incorporating substantial data and technical support from ERCOT

**If we find that resource adequacy shortfalls are likely, evaluate the pros and cons of a range of policy options**

# Next Steps

**Review initial findings and draft report with ERCOT staff by May 1**

**Present initial findings and evaluation of options to ERCOT Board for feedback at May meeting**

**Release final report on June 1**