

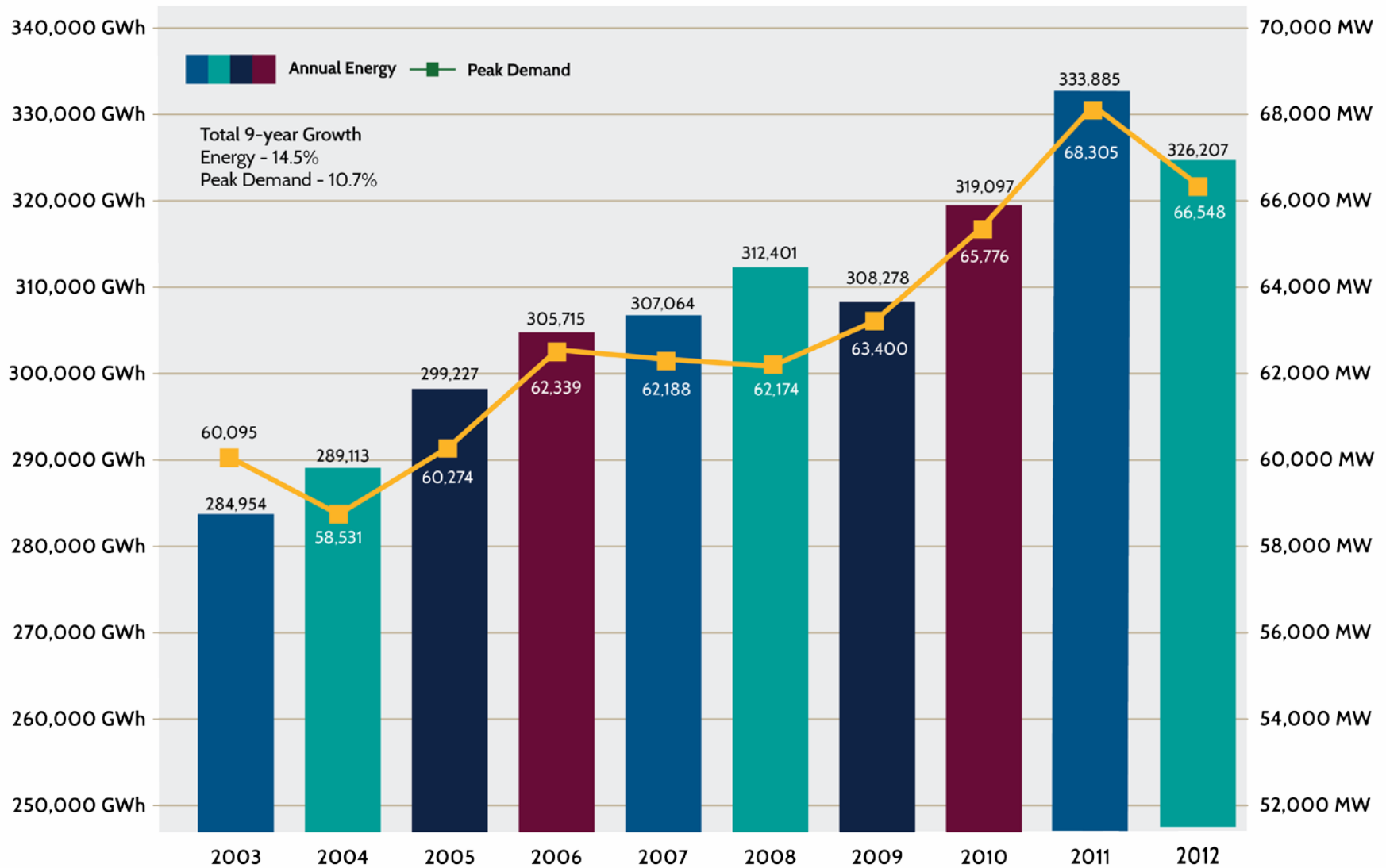


ERCOT Update

Trip Doggett
President & CEO
ERCOT

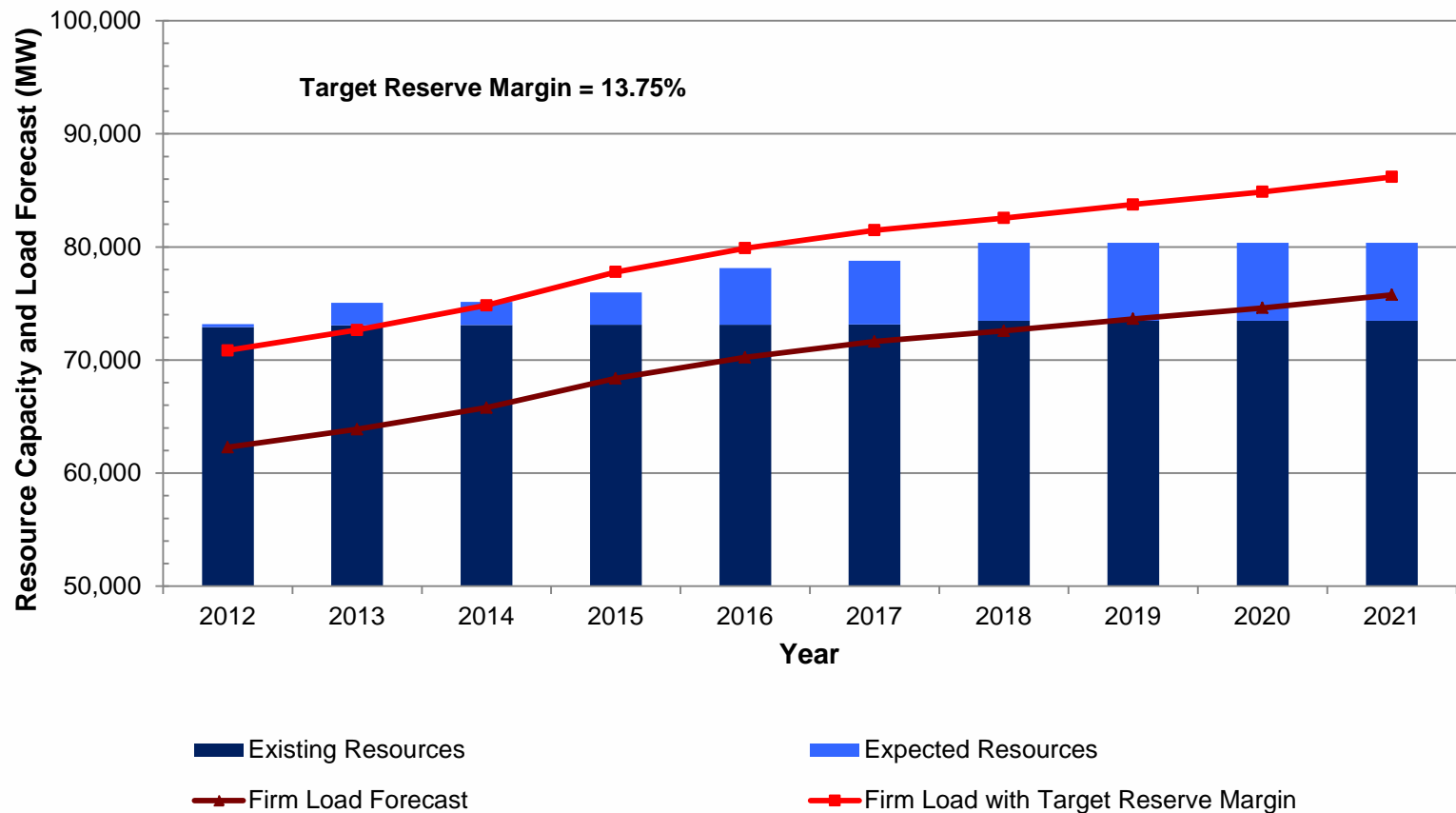
Senate Committee on Natural Resources
November 25, 2013

Annual Energy & Peak Demand (2003-2012)



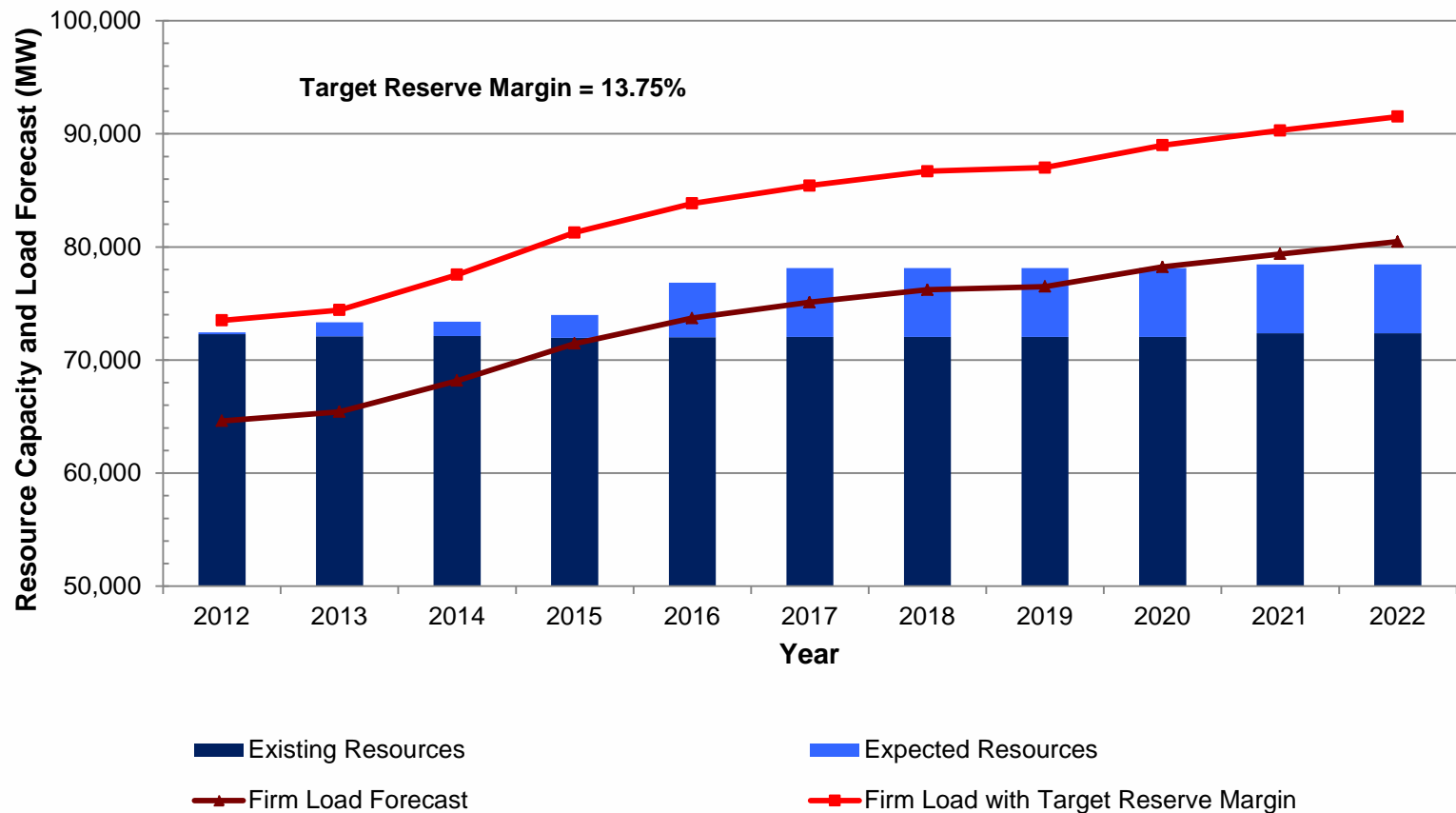
Capacity, Demand and Reserves – May 2011 Outlook

Expected Resources and Load Forecast May 2011 CDR

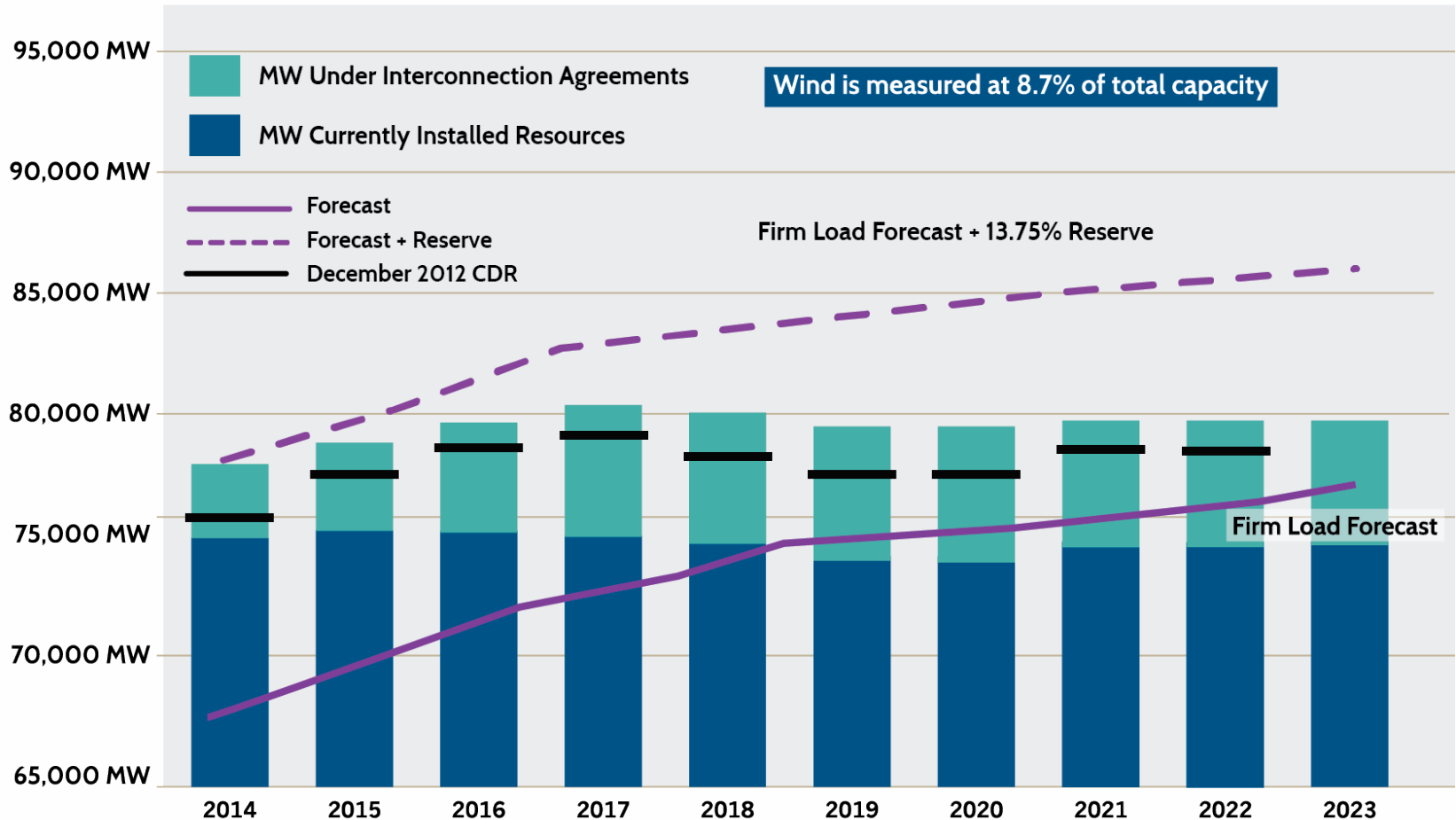


Capacity, Demand and Reserves – Dec 2011 Outlook

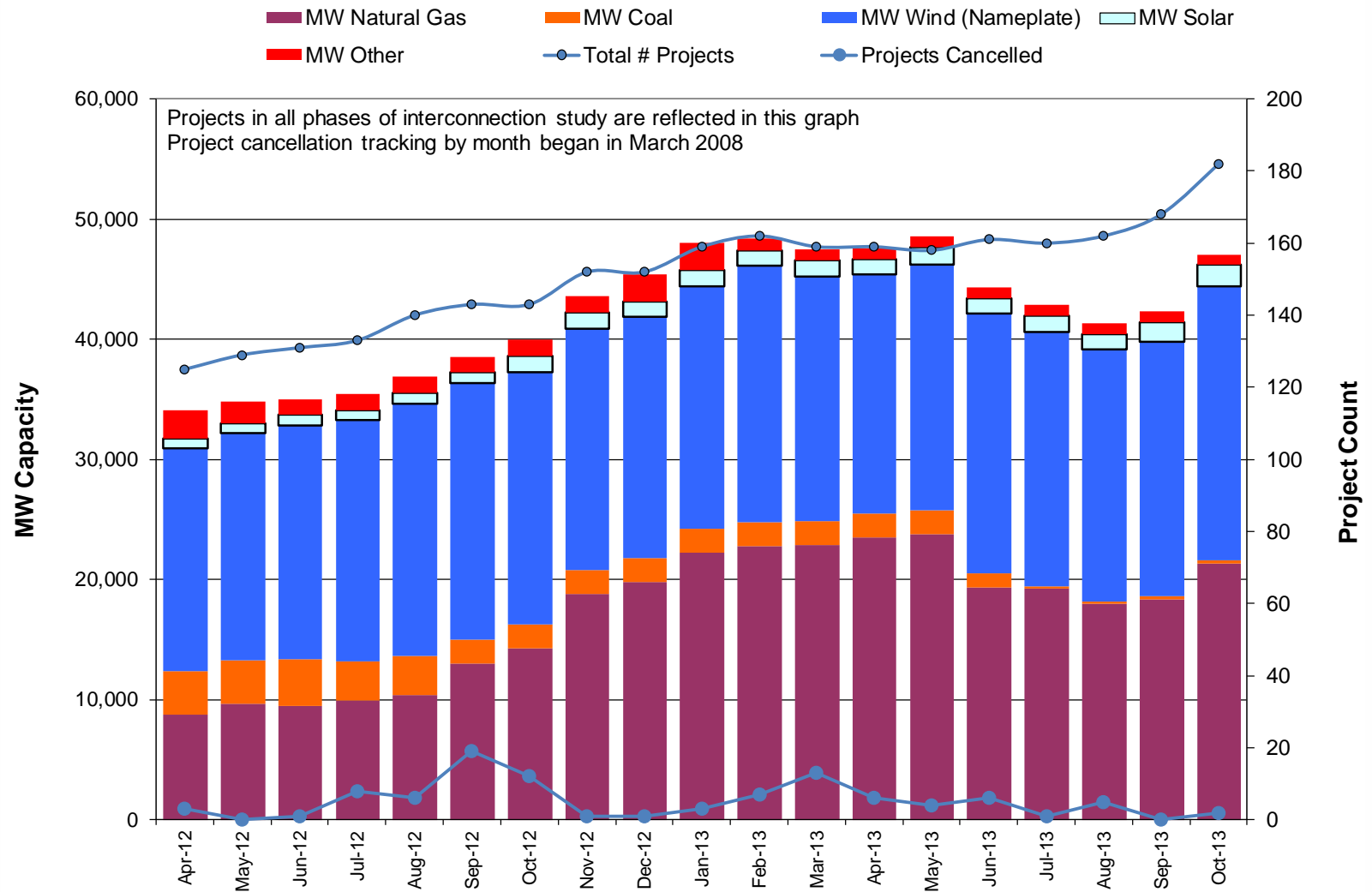
Expected Resources and Load Forecast December 2011 CDR



Capacity, Demand and Reserves – May 2013 Outlook



Generation Interconnection Activity by Fuel



Potential Changes to Next CDR

- Reserve Margin Target
 - Currently 13.75%
 - Would increase due to 2011 weather impact
 - ERCOT Board has delayed vote
- Effective Load Carrying Capability (ELCC) of Wind Generation
 - Currently 8.7% of Nameplate MW
 - Proposed is 14.2% for non-coastal and 32.9% for coastal wind resources
- Decouple ERCOT Load Forecast from Moody's economic growth forecast to reflect the changing relationship between load and nonfarm employment

Changing Relation Between Load and Nonfarm Employment

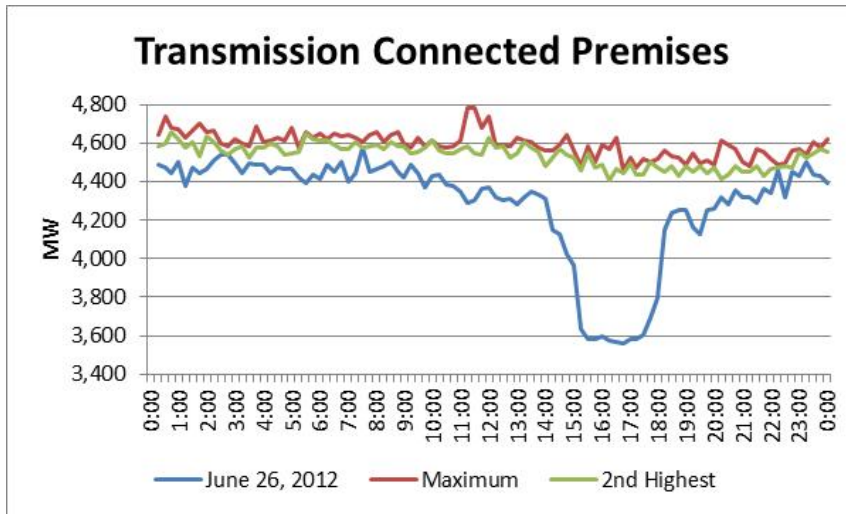
- **Price responsive load**

- Combination of 2011 scarcity pricing and PUC's decision to increase System-Wide Offer Caps is changing behavior:
 - Commercial & industrial loads with prices indexed to the ERCOT wholesale market are increasing their price response flexibility
 - Load-serving entities are investing in demand response as insurance against wholesale market exposure
- ERCOT Staff, working with LSEs, are attempting to quantify this behavior; starting with summer 2013 data

- **Energy efficiency upgrades**

- Energy Star appliances
- Conversions to CFL and LED lighting

2012 Summer Peak - 4 CP & Price Response Impacts (June 26)



- Impacts shown are based on aggregated transmission load values for ~430 premises
- Not estimated based on an analysis of individual premises

- Difference represents the 4 CP & Price Response impacts of ~ 900 MW on an aggregated basis
- Transmission charges based on 4CP usage apply to Munis, Co-ops, and Loads with >700 kW of peak demand in retail choice areas.
- This data is an example of observed 4CP and price response impacts.

