



Resource Adequacy in ERCOT

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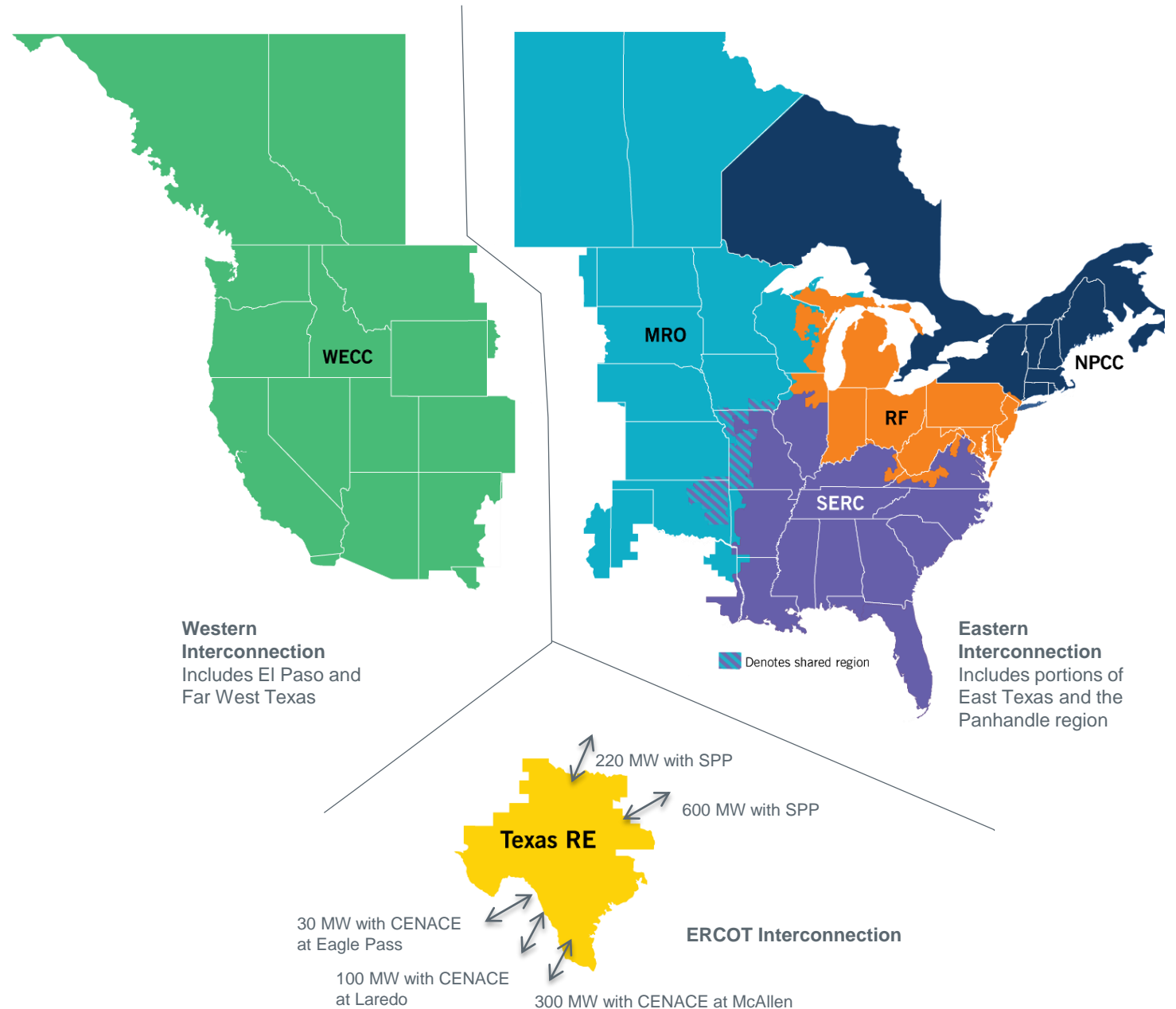
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The ERCOT Region

The interconnected electrical system serving most of Texas, with limited external connections

- 90% of Texas electric load; 75% of Texas land
- 74,820 MW peak, Aug. 12, 2019
- More than 46,500 miles of transmission lines
- 650+ generation units (excluding PUNs)

ERCOT connections to other grids are limited to ~1,250 MW of direct current (DC) ties, which allow control over flow of electricity



Impact of Reserve Margin on Consumers

A recent study indicates that a 9% reserve margin results in the lowest system cost to consumers.

This study also indicates that the current market design should support an 11% reserve margin as a long-run equilibrium.

Total System Costs Across Planning Reserve Margins

