

July 8, 2026

Supply Analysis Working Group (SAWG)
July 2026 Update to WMS

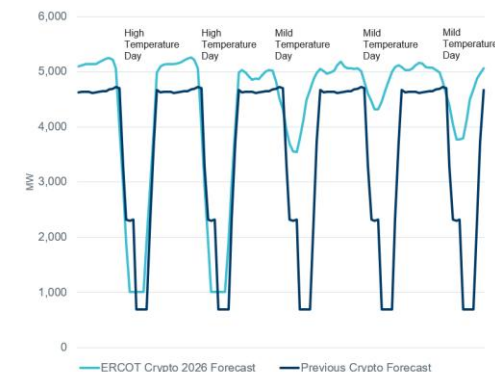
Kevin Hanson (Invenergy) Chair
Greg Lackey (Step Up Energy Advisors) Co-Vice Chair
Pete Warnken (ERCOT) Co-Vice Chair

Overview

SAWG discussed multiple issues at the meeting:

- 1) Kate Lamb (ERCOT) presented the 2026 “Base Economic” Long Term Load Forecast
 - a) Base Weather Year used is 2022
 - b) The updated rooftop solar forecast reflects a smaller expected rooftop solar contribution than the prior LTLF, driven by slower expected installation growth and lower expected realized output. ERCOT is tracking the large load types (e.g. Data Center, Cryptocurrency)
 - c) When the large loads are included, they will probably have a high load factor
 - d) Crypto load response is modeled based on observed historical operations, with response varying by system conditions (as shown in chart on this page)
- 2) Thinesh Devadhas Mohanadhas (ERCOT) presented the 2025 Annual Distributed Generation report and discussed NPPR 1265 language that was unboxed on June 1, 2026
- 3) Pete Warnken (ERCOT) discussed:
 - a) Triennial Reliability Assessment
 - b) CDR Report
 - c) Cost of New Entry (CONE) study update
 - d) NERC Long-Term Reliability Assessment

Crypto Response Varies with System Conditions

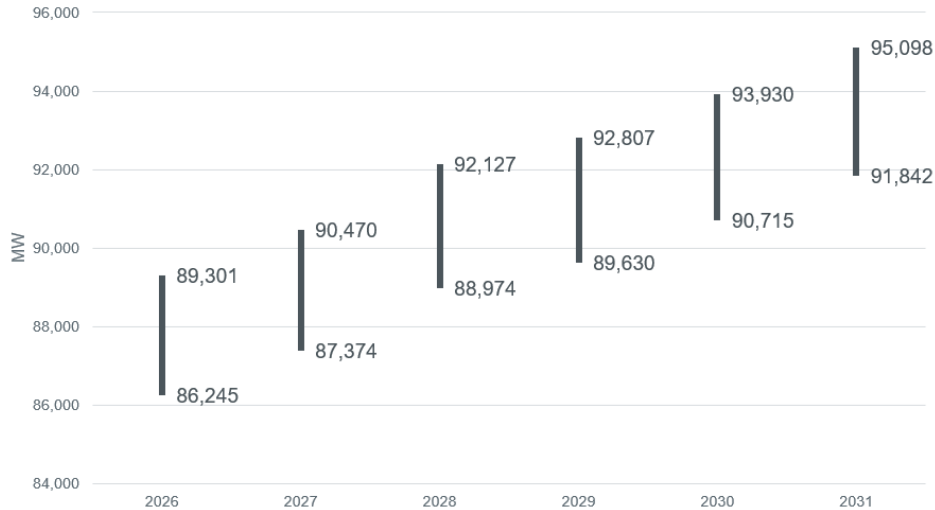


Long-Term Load Forecast Update



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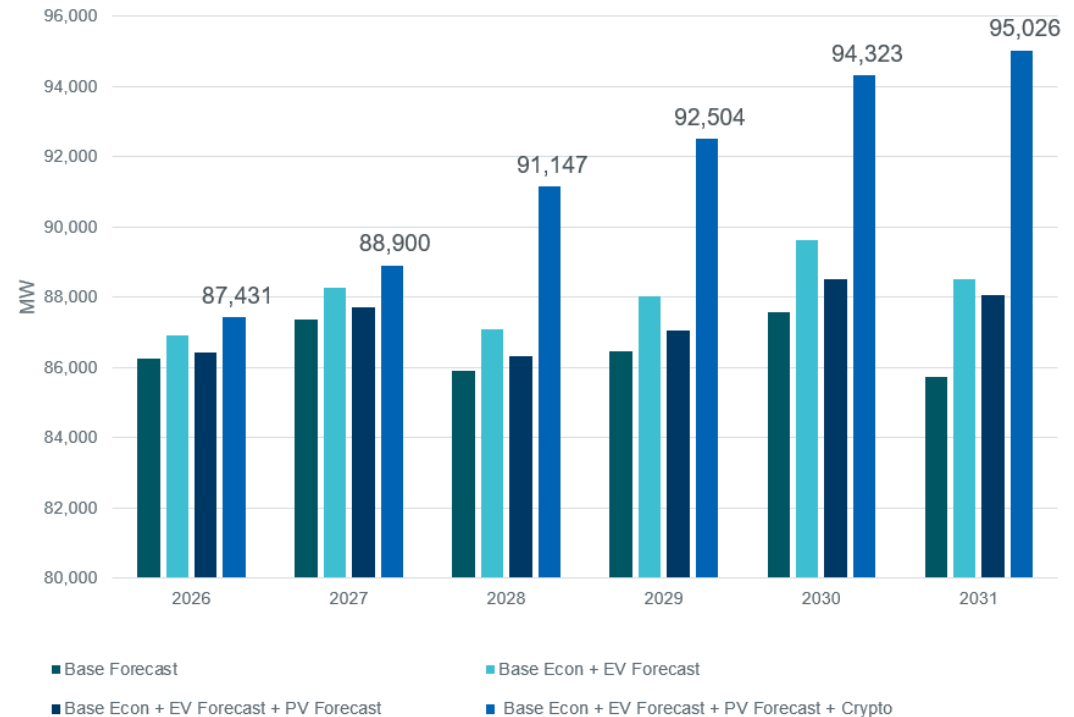
Summer Base Load Forecast and 4CP Response Range



- ERCOT developed a base load forecast range to reflect uncertainty around 4CP response, with the no-response case approximately 3.1–3.3 GW higher than the response-included case across 2026–2031.



Summer Net Outlook Before Large Load Forecast



- The forecast incorporates 4CP demand response. The 2026 peak value was set to align with the Monthly Outlook for Resource Adequacy P50 forecast.
- Net Peak Hour changes starting in 2028

Annual Distributed Generator Estimate and NPRR 1265



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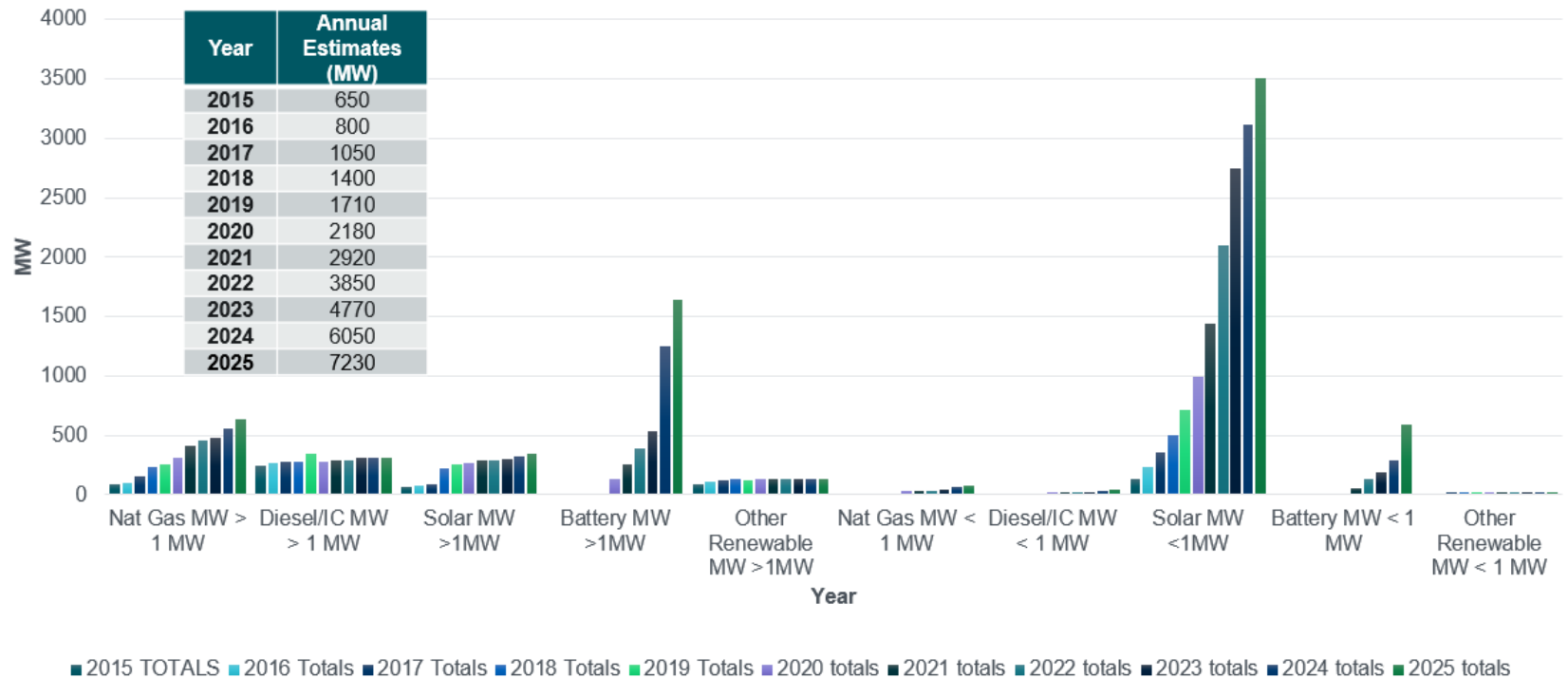
ERCOT Estimated Total DG Growth 2015-2025 (MW)

Major areas of DG growth in ERCOT

- Solar PV <1 MW
- DGR Energy Storage > 1 MW
- Natural gas > 1 MW

Detail for Systems > 1 MW

- New applications for Energy Storage/Increased Growth in Distribution connected batteries
- Continuation of upward trend for Nat Gas
- Limited growth for solar > 1 MW
- Declining Landfill Gas, Hydro, Wind



NPRR1265 establishes a definition for Unregistered Distributed Generators (≤ 1 MW) and introduces new reporting requirements for DSPs and TSPs to support improved system modeling and reliability.

Activity Update (page 1)

- **Triennial Reliability Assessment**

- For the reliability assessment load forecast scenarios, propose using “studied load” bookend forecasts added to the Batch Zero forecast
- ERCOT will be working with PUCT Staff on a revised reliability assessment schedule and modeling assumptions list
- “Kill Switch” utilization timeline needs to be figured out
- DRRS with storage modeling will be included

- **CONE Update**

- The CONE cost analysis to assume a return to normal turbine market conditions
- Brattle/Sargent & Lundy recommends the GE 7HA.03 model as the preferred large frame CT technology type
- Expect that initial CONE results will be presented at the September 25th SAWG meeting
- Weighted Average Cost of Capital (WACOC) will also be presented at Sept. SAWG

Activity Update (page 2)

- **CDR Report**
 - Next CDR will come out in December 2026
 - Anticipate using the same load forecast scenarios used for the reliability assessment simulations
- **NERC Long-Term Reliability Assessment**
 - LTRA preliminary data submission includes a “placeholder” long-term load forecast; final LTRA data submission, in mid-to-late September, will include the official Batch Zero LTLF
 - Placeholder LTLF is comprised of the Base forecast plus the forecasted Large Loads from last year’s 2025 Adjusted Load Forecast
 - The data submission requires a “Reference Margin Level”; this is the benchmark or target Planning Reserve Margin to be used to determine if there is sufficient resource capacity for the seasonal peak load hours (forecast period: summer 2027 through 3036, winter 2027-28 through 2036-37)
 - Submitted provisional RML values of 22% for summer seasons and 20% for winter seasons based on the SERVVM trial reliability assessment simulations for baseline-year 2026
 - This value will be an update from the current 13.75% value

Other Business

- ERCOT will develop and present to SAWG a probabilistic CDR concept later this year
- Reserve Margin could change by year in future CDRs

- Greg Lackey (Co-Vice Chair) is now with Step Up Energy Advisors, LLC
- Per agreement from SAWG, he will stay on as Co-Vice Chair for the rest of the year

- **The SAWG meeting in July will be cancelled!**
- The next SAWG meeting will be Friday August 28, 2026.

Questions?