



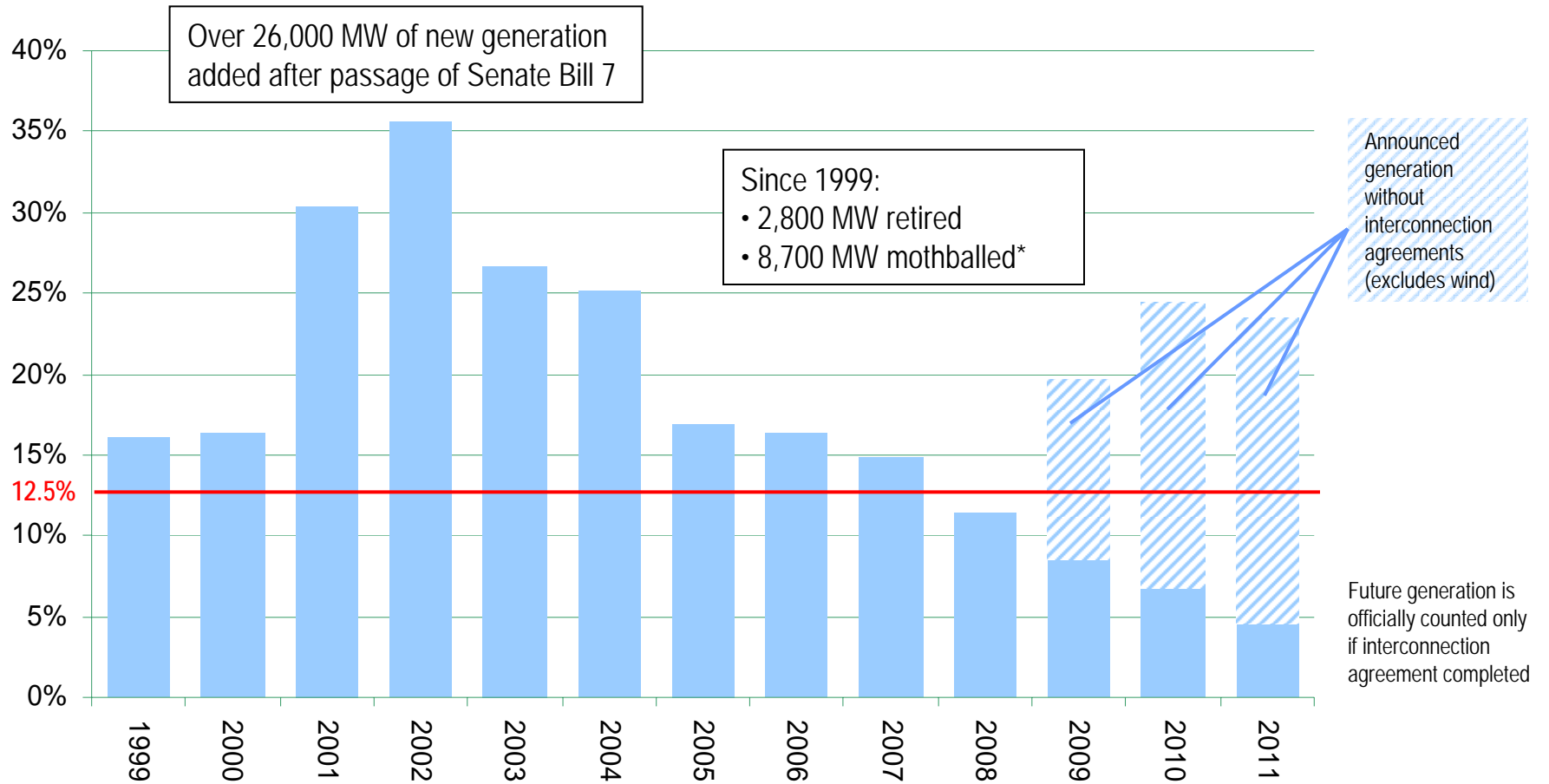
# Future Generating Capacity Needs In ERCOT

Electric Reliability and Economic Growth: Meeting  
Future Electric Demand in the Face of Regulation

Texas Public Policy Foundation  
November 13, 2006

**Sam Jones**  
ERCOT CEO

# Reserve Margins 1999-2011



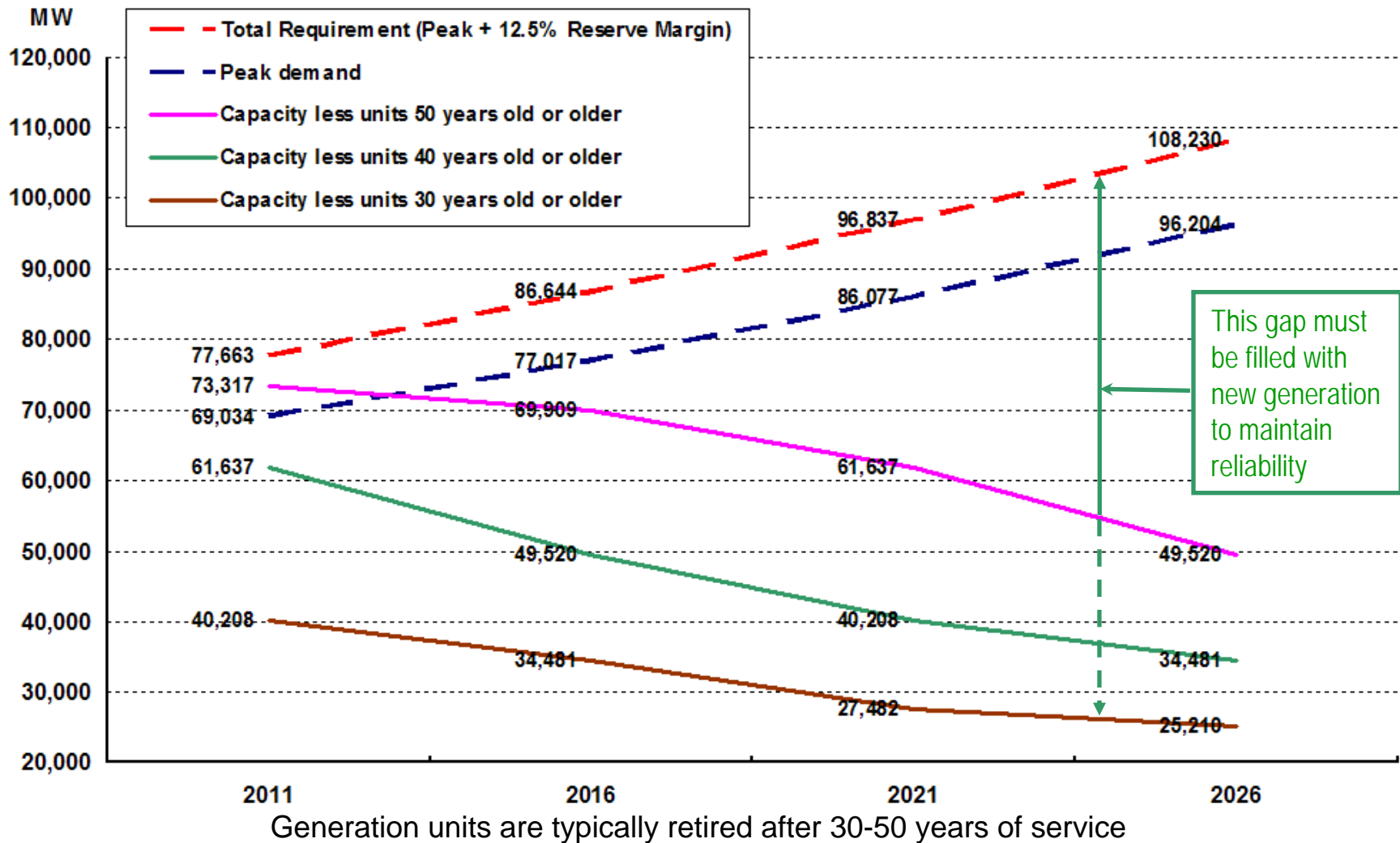
Percentage difference between projections for peak demand and available generation/resources

\*1,100 MW of mothballed units have been returned to service

Note: Reserve margins are calculated using 2.6% of wind generation capacity, based on historical performance during peak hours and probability analysis.

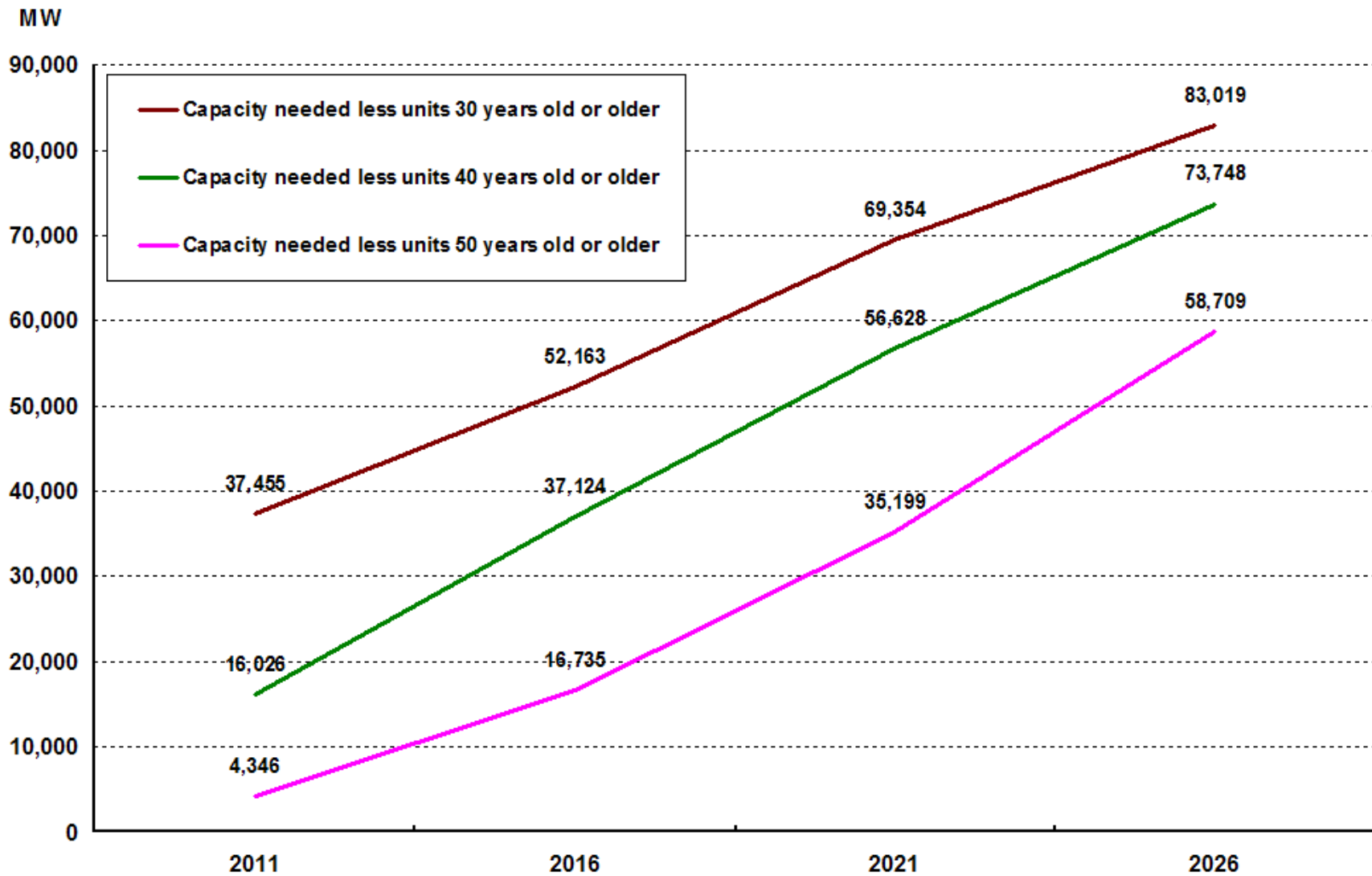
# 20-Year Load & Generation Maturity Scenarios

## ERCOT GENERATION CAPACITY AND DEMAND PROJECTIONS

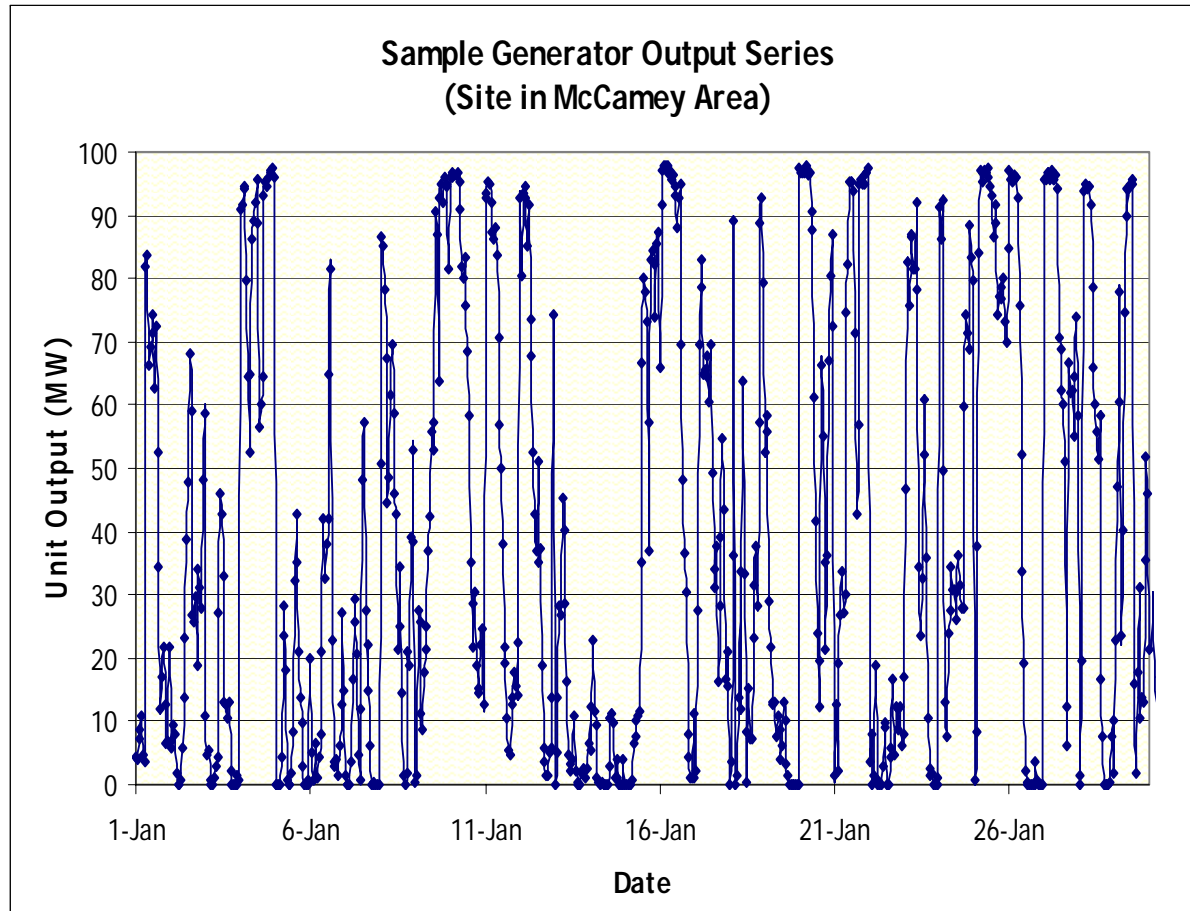


# Future Generation Needs Based on Maturity Scenarios

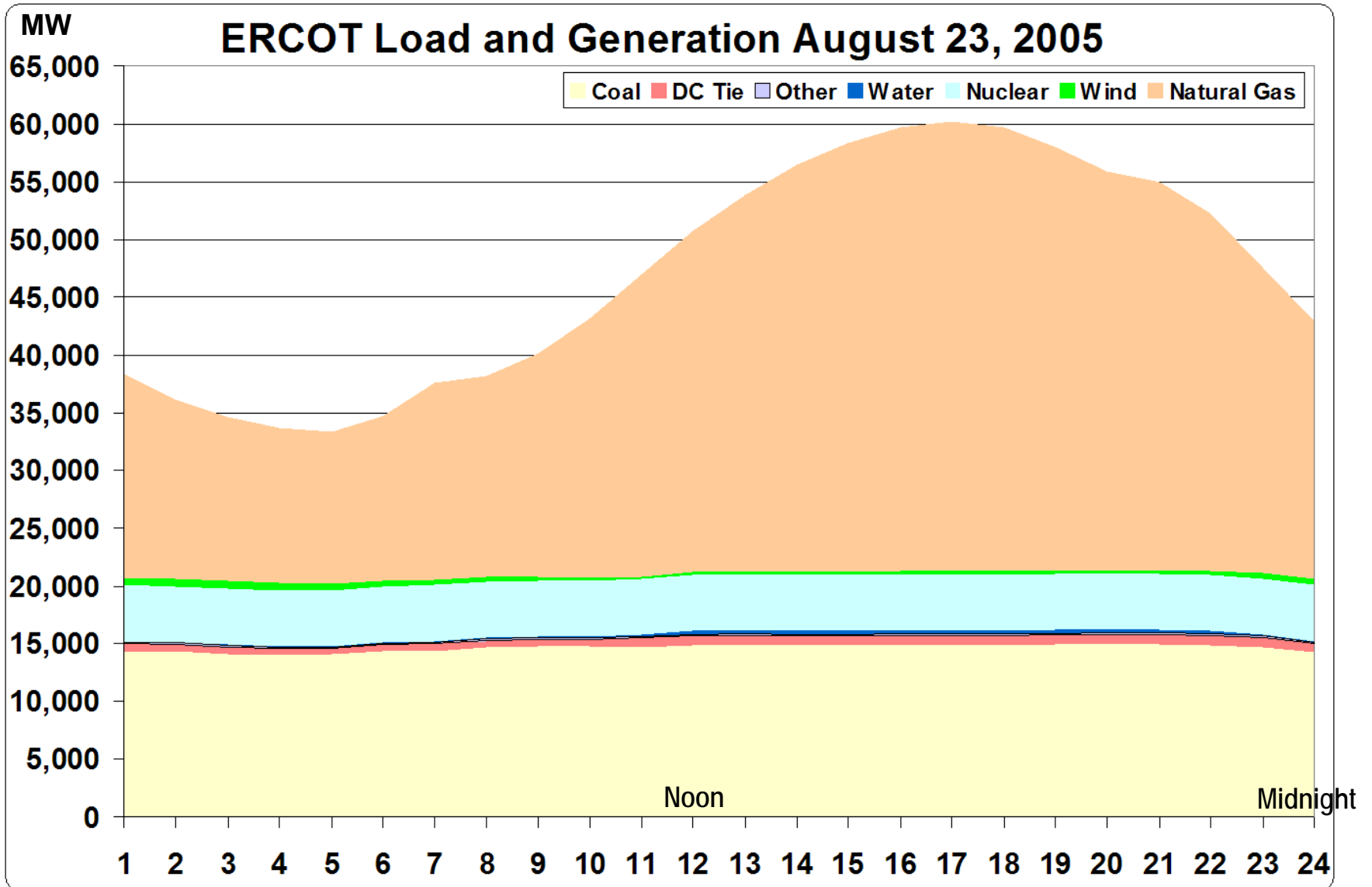
## POSSIBLE ERCOT GENERATION CAPACITY NEEDED



# Wind Data



# Summer Day Load Shape with Fuel Mix



## Long-Term Reliability Outlook

- **ERCOT projects reserve margins to be near or below minimum levels beginning in 2007**
- **Significant additional generation has been publicly announced but not yet committed with interconnection agreements**
  - Available no earlier than 2009
- **New resources are essential to system reliability**
  - To accommodate load growth and offset probable retirements of older units
- **Region also needs additional fuel diversity**
  - To mitigate high dependence on single fuel type (natural gas)
    - Reduces vulnerability to supply disruption & volatile pricing
- **Also critical: additional load response (customers with ability and incentives to reduce load during peaks)**
  - ERCOT especially supports having additional voluntary load response tools available for emergency conditions