



Control Number: 40000



Item Number: 70

Addendum StartPage: 0

40000
PROJECT NO. ~~27897~~

PUC PROCEEDING RELATING TO § PUBLIC UTILITY COMMISSION
RESOURCE AND RESERVE ADEQUACY §
AND SHORTAGE PRICING § OF TEXAS

RECEIVED
12 JAN 18 AM 11:30
PUBLIC UTILITY COMMISSION
FILING CLERK

ERCOT'S RESOURCE ADEQUACY STATUS REPORT

Electric Reliability Council of Texas, Inc. (ERCOT), submits the attached *Resource Adequacy Status Report* (Attachment A to this filing), which includes additional categories information requested by the Commission at its January 12, 2012 Open Meeting. In addition, the status report includes updates based on actions taken in the ERCOT stakeholder process, and new data obtained by ERCOT since the filing of the previous status report.

ERCOT will be available to discuss the information in the status report at the Commission's January 26, 2012 Open Meeting.

Respectfully submitted,

By: Bill Magness
Bill Magness
General Counsel
Texas Bar No. 12824020
(512) 225-7076 (Phone)
(512) 225-7079 (Fax)
bmagness@ercot.com

Chad V. Seely
Assistant General Counsel
Texas Bar No. 24037466
(512) 225-7035 (Phone)
(512) 225-7079 (Fax)
cseely@ercot.com

ERCOT
7620 Metro Center Drive
Austin, Texas 78744

ATTORNEYS FOR ELECTRIC RELIABILITY
COUNCIL OF TEXAS, INC.

70

RESOURCE ADEQUACY - UPDATE

Summer 2012	12/01/11 CDR for 2012	1/18/12 Current
Firm Load Forecast (MW)	64,618	64,618
Resources (MW)	72,444	*73,574
Reserve Margin (Target = 13.75%)	12.11%	13.86%

*

Returned to Service (MW)

Monticello 1&2 – 1130MW (as a result of a federal court's order to stay EPA's CSAPR)



RESOURCE ADEQUACY ACTIONS – CATEGORY 1

Item	Complete	In Progress	Future	Notes
Online Non-Spin standing deployment & offer floor	X			<ul style="list-style-type: none"> • NPRRs 426 /428 • ERCOT Board approved 12/13/11 • Implementation completed 1/5/12
Offline Non-Spin offer floor	X			<ul style="list-style-type: none"> • NPRR 428 • ERCOT Board approved 12/13/11 • Implementation completed 1/5/12
Responsive Reserve & Regulation Up offer floor	X			<ul style="list-style-type: none"> • NPRR 427 • ERCOT Board approved 12/13/11 • Implementation completed 1/5/12
Institutionalize the process to recall units for capacity		X		<ul style="list-style-type: none"> • NPRR 432 • PRS voted Urgent status on 12/15/11 • Special PRS meeting 1/9/12 • Targeted for TAC discussion in Feb 2012

RESOURCE ADEQUACY ACTIONS – CATEGORY 2

Item	Complete	In Progress	Future	Notes
Expansion of Responsive Reserve with a corresponding reduction in Non-Spin		X		<ul style="list-style-type: none"> Revised draft to be discussed at WMS & ROS in Jan 2012, and TAC in Feb 2012 Targeted for February Board approval
The proper price for RUC units deployed for capacity		X		<ul style="list-style-type: none"> WMS recommended to PRS a \$3000/MWh offer floor for value of "X" in NPRR 435 Scheduled to be discussed at the 1/19/12 PRS meeting Targeted for February Board approval
The proper magnitude and slope of the Power Balance Penalty Curve		X		<ul style="list-style-type: none"> Discussed at Reliability Deployment Task Force (RDTF) 12/20/11 Scheduled to be discussed on 1/11/12 at WMS

RESOURCE ADEQUACY ACTIONS – CATEGORY 3

Item	Complete	In Progress	Future	Notes
Raising System Wide Offer Cap			X	
Low Sustainable Limit problem for units RUC'ed online for capacity			X	<ul style="list-style-type: none"> • RDTF subgroup to bring proposals to the next RDTF meeting 1/27/12
Compensation for Reliability Unit Commitments made to provide local reliability and transmission relief and address the issue of whether and how RUC claw-back should be adjusted			X	<ul style="list-style-type: none"> • On 11/17/11 NRR 416 was tabled at PRS because of potential dependency on NRR 435 (RUC Offers)
Review Peaker Net Margin Cap			X	



RESOURCE ADEQUACY – POTENTIAL FOR SUMMER 2012

Item	Complete	In Progress	Approximate MW Range	Notes
Mothballed Units which could return to service		X	0 – 2,750	<ul style="list-style-type: none"> • 1 month – 300 MW • 3 months – 1150 MW • 4 months – 450 MW • 6 months – 600 MW • Unknown – 250 MW • 420 MW already included in 2012 CDR
Proposed EILS Rule Change		X	130 – 200	<ul style="list-style-type: none"> • PUC Proj. No. 39948, comments due 1/30/12 • ERCOT Staff exploring options for 30-minute Emergency Response Service pilot • Tight timeline to implement changes for June to September 2012 contract period
Distribution Load Aggregation		X	TBD	<ul style="list-style-type: none"> • More accurate estimate for summer 2012 being prepared based on data from potential provider(s)
Transmission and Distribution Utility Load Management Programs		X	112 – 354	<ul style="list-style-type: none"> • 112 MW under Load Management in 2011 • 178 MW in 2012 with "Business as Usual" • 354 MW in 2012 with increased Load Management • Most MWs have a max of 4 deployments per summer, and a max event duration of 4 hours
Posting non-binding near real-time forward prices		X		<ul style="list-style-type: none"> • ERCOT Board approval 12/13/11 • Implementation planned for June 2012



DROUGHT IMPACT ASSESSMENT

- Persistent drought conditions are impacting electric generation resources, but are unlikely to cause significant generation shortfalls in 2012
- If the drought continues into 2013, consequences to electric generation availability are likely to become more severe
- On February 27, 2012, ERCOT will host a drought workshop with generation and transmission entities to coordinate “best practices” in the electric sector
- ERCOT will continue to monitor and analyze conditions and provide updates on a regular basis

