



Control Number: 40000



Item Number: 72

Addendum StartPage: 0

PROJECT NO. ⁴⁰⁰⁰⁰ 37897

RECEIVED
12 FEB -3 PM 2:08
PUBLIC UTILITY COMMISSION
FILING CLERK

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

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). The status report includes updates based on actions taken in the ERCOT stakeholder process and by Commission Staff since the filing of the previous status report.

ERCOT will be available to discuss the information in the status report at the Commission's February 10, 2012 Open Meeting.

Respectfully submitted,

By: Bill Magness *by permission mem*
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.



Attachment A

RESOURCE ADEQUACY STATUS REPORT
FEBRUARY 10, 2012 PUCT OPEN MEETING

000002

RESOURCE ADEQUACY - UPDATE

Summer 2012	12/01/11 CDR for 2012	1/09/12 Current
Firm Load Forecast (MW)	64,618	64,618
Resources (MW)	72,444	*73,574
Reserve Margin (Target = 13.75%)	12.11%	13.86%

000003

*

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 endorsed 2/2/12 at TAC (Vote: 25-5) • Targeted for February Board approval

000004

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 Ancillary Service Methodology endorsed by TAC on 2/2/12, targeted for implementation in April 2012 • Related NPRR 434 also endorsed by TAC on 2/2/12, to be implemented after software changes completed • Both items targeted for February Board approval
The proper price for RUC units deployed for capacity		X		<ul style="list-style-type: none"> • NPRR 435 endorsed by TAC (Vote: 22-6-1) • SWCAP for MW above LSL • Targeted for February Board approval
The proper magnitude and slope of the Power Balance Penalty Curve		X		<ul style="list-style-type: none"> • RDTF considered options on 1/27/12 • Further analysis of options expected at RDTF on 2/24/12

000005



RESOURCE ADEQUACY ACTIONS – CATEGORY 3

Item	Complete	In Progress	Future	Notes
Review raising the System Wide Offer Cap		X		<ul style="list-style-type: none"> Commission Staff issued questions for comments and scheduled a workshop on the issue on 2/23/12
Low Sustainable Limit problem for units RUC'ed online for capacity		X		<ul style="list-style-type: none"> RDTF discussion on 1/27/12 resulted in initiation of work on NPRR development Discussion of concept targeted at WMS on 2/15/12 Additional discussion expected at RDTF on 2/24/12
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"> NPRR 416 was submitted by Market Participants NPRR 416 was tabled at PRS because of potential dependency on NPRR 435 (RUC Offers); additional consideration expected after the February Board vote on NPRR 435
Review Peaker Net Margin Cap		X		<ul style="list-style-type: none"> Commission Staff issued questions for comments and scheduled a workshop on the issue on 2/23/12

000006

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 Project No. 39948: Commission Staff preparing proposal for adoption • 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 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 • Discussions among Commission Staff, TDUs, and ERCOT underway regarding coordination of program deployments.
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

000007

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 27 February 2012, ERCOT will host an open 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

000008