

## News Release

May 03, 2016

### ERCOT analysis anticipates sufficient electricity reserves for

summer, upcoming fall

### ***Projected planning reserve margins decrease as uncertainty increases in 10-year outlook***

AUSTIN, TX, May 3, 2016 – [ERCOT](#), the operator of the electric grid and competitive electric market for most of Texas, today released seasonal and 10-year outlooks that anticipate adequate generation capacity for upcoming electricity demands. However, both the [Seasonal Assessment of Resource Adequacy \(SARA\)](#) and [Capacity, Demand and Reserves \(CDR\) report](#) identify uncertainties that could affect outcomes.

#### ***Summer outlook good; weather, outages could affect operations***

"We expect to have enough generation available to serve consumer needs this summer, based on the current forecast," said Director of System Planning Warren Lasher. "However, hotter-than-normal weather combined with low-wind conditions or high generation outage rates could cause operating reserves to drop below target levels, making it necessary to take additional actions to maintain grid reliability."

The [final summer SARA](#) released today by ERCOT includes a peak demand forecast based on average weather patterns during the past 13 years.

"Although a transition away from El Niño adds some uncertainty to the summer forecast, we expect trends to mirror the average weather over the planning horizon," said [ERCOT Senior Meteorologist Chris Coleman](#). "We could see some temporary, localized hot periods, especially in the Valley and portions of West Texas, with peak demand expected later in the summer."

The summer SARA reports 78,434 megawatts (MW) of total generation capacity to serve projected peak demand of 70,588 MW. This includes 680 MW of new natural gas-fired generation resources that are expected to begin operating by summer peak, 410 MW of new planned wind generation capacity (counted at 12 percent based on historical peak performance in non-coastal regions), and another 7 MW of planned grid-level solar generation capacity (counted at 80 percent during peak based on historical performance of existing resources). One MW is enough electricity to serve about 200 Texas homes during peak demand periods, typically late afternoons on hot summer days.

The [preliminary fall SARA](#), also released today, anticipates sufficient generation for the October – November period.

### ***CDR shows adequate planning reserves, decreases since December report***

ERCOT's [CDR report](#), a snapshot of existing and planned resources and load forecasts for the next 10 years, shows planning reserve margins remaining above 15 percent through 2026, based on established reporting criteria.

"We continue to see sufficient planning reserve margins in the 10-year outlook, beginning in 2017," Lasher said. "However, this report also includes generation resources that could be affected by environmental regulations, and future decisions by resource owners may impact these projected planning reserve margins."

Since the [previous CDR report](#) was released in December 2015, nearly 1,000 MW of new generation has become operational in the ERCOT region, with a peak capacity contribution of about 250 MW.

Although expected generation capacity for 2017 has decreased by about 1,700 MW since the previous report, this CDR continues to show significant growth in new gas-fired generation. Based on current planning criteria, the report includes nearly 6,200 MW in new gas-fired generation by summer 2018, topping 7,400 MW in new capacity in 2020. Some of these anticipated additions could be offset by additional unit retirements that are not currently reflected in the planning horizon.

The CDR also reports continued growth in wind generation. About 11,000 MW of planned additions by 2019 would add nearly 1,800 MW in [expected capacity during summer peak conditions](#), bringing the total expected wind contribution to almost 4,500 MW.

The May CDR update includes, for the first time, a capacity contribution of 80 percent for utility-scale solar generation resources, [based on historical performance of existing resources](#). Those resources, previously counted at 100 percent of installed capacity, are expected to contribute just under 1,400 MW during peak periods in 2017, growing to nearly 1,700 MW in subsequent years.

Generation resources included in the CDR are based on information provided by resource owners. The outlook could change based on future decisions by those resource owners.

The next CDR update is scheduled for release in December 2016.

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The Electric Reliability Council of Texas (ERCOT) manages the flow of electric power to nearly 24 million Texas customers, representing about 90 percent of the state's electric load. As the independent system operator for the region, ERCOT schedules power on an electric grid that connects more than 43,000 miles of transmission lines and 550 generation units. ERCOT also performs financial settlement for the competitive

wholesale bulk-power market and administers retail switching for more than 7 million premises in competitive choice areas. ERCOT is a membership-based 501(c)(4) nonprofit corporation, governed by a board of directors and subject to oversight by the Public Utility Commission of Texas and the Texas Legislature.

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