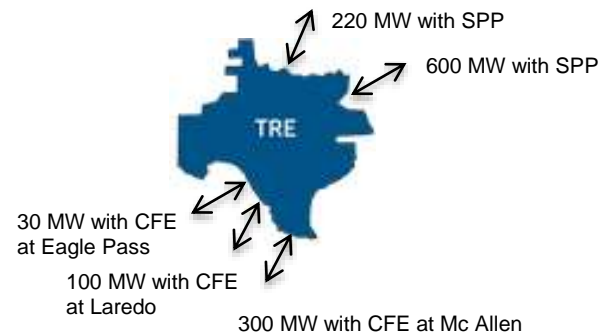
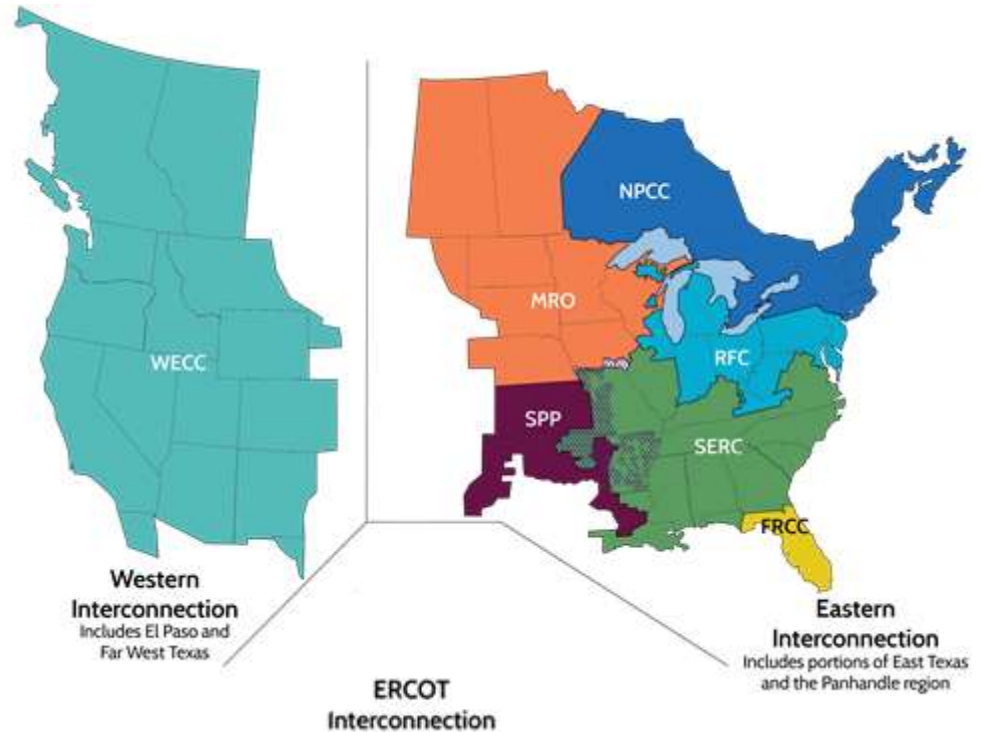


The ERCOT Region

The interconnected electrical system serving most of Texas, with limited external connections

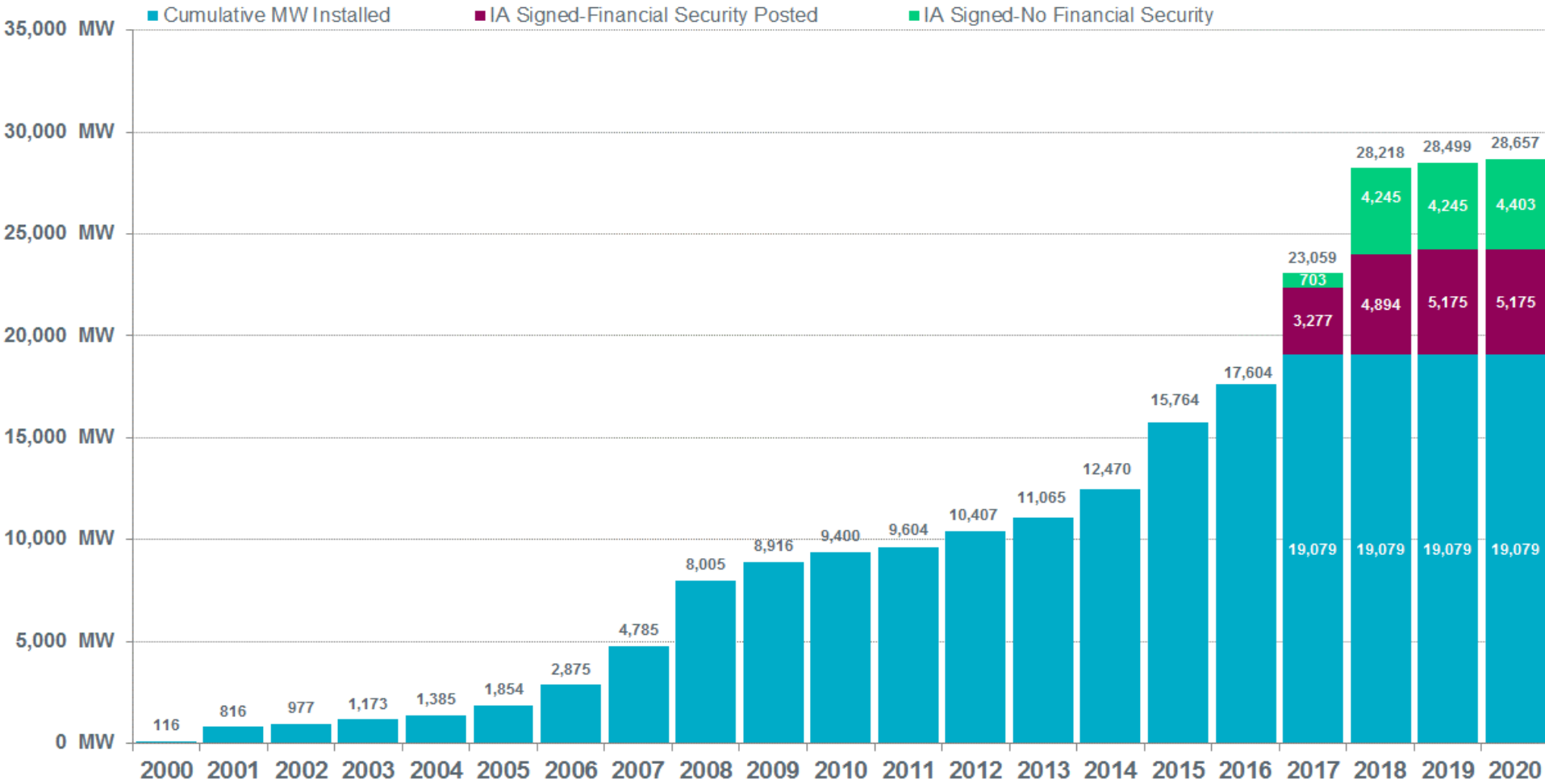
- 91% of Texas electric load; 75% of Texas land
- System peak demand: 71,110 MW (August 11, 2016)
- More than 46,500 miles of transmission lines
- 570+ generation units

ERCOT connections to other grids are limited to ~1,250 MW of direct current (DC) ties, which allow control over flow of electricity



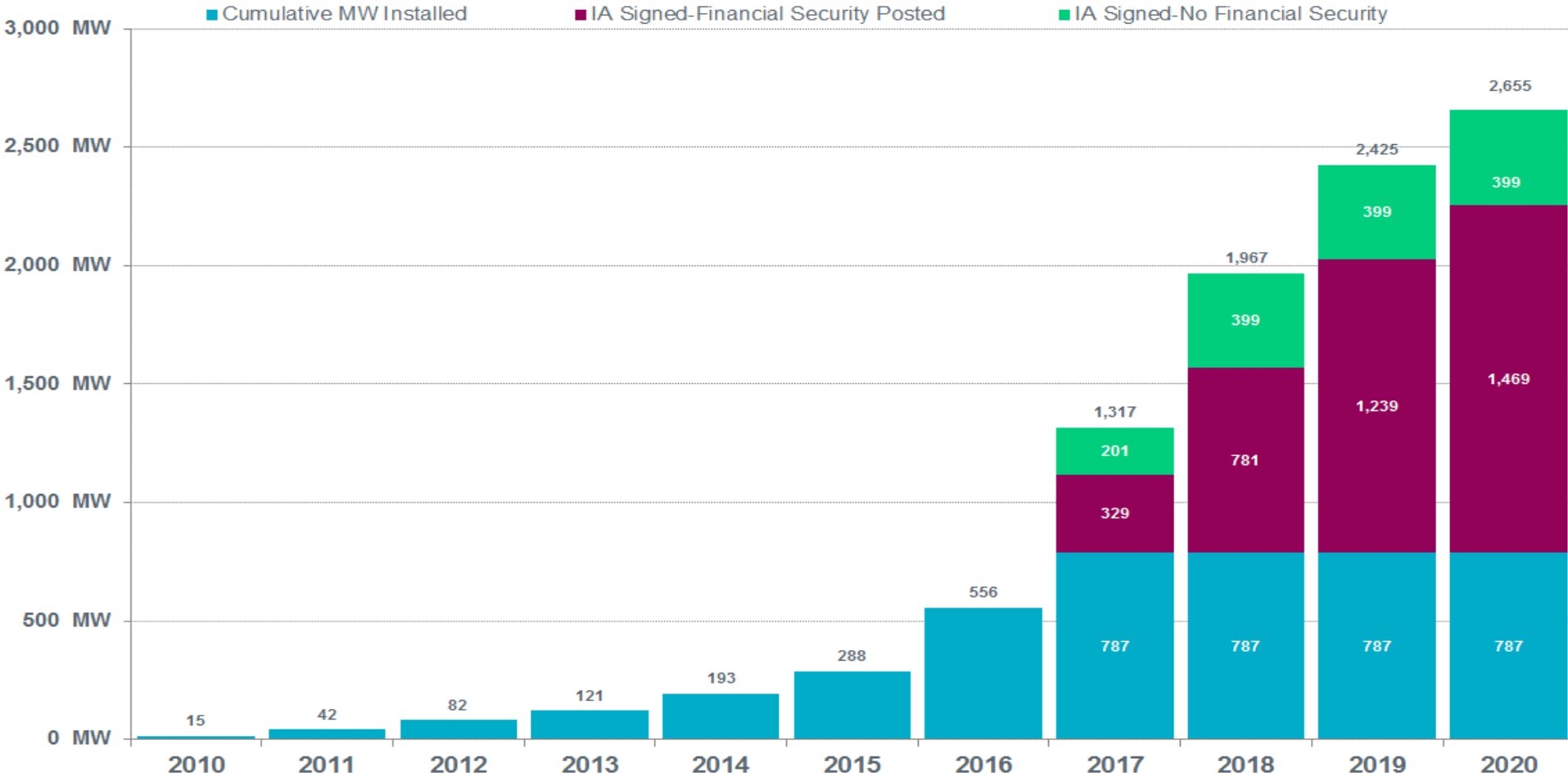
Wind Generation Capacity

ERCOT Wind Additions by Year (as of June 1, 2017)



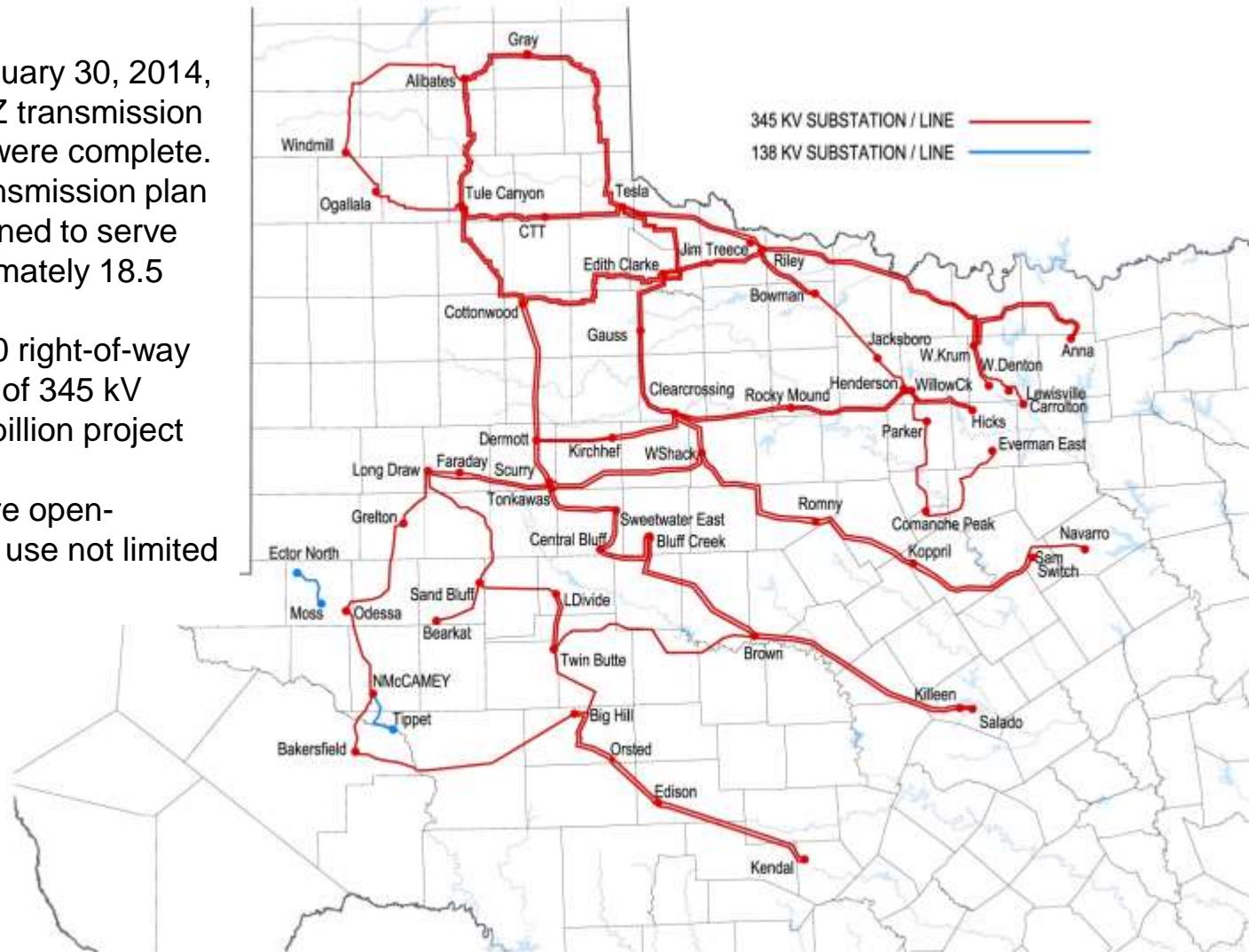
Utility-Scale Solar Generation Capacity

ERCOT Solar Additions by Year (as of June 1, 2017)



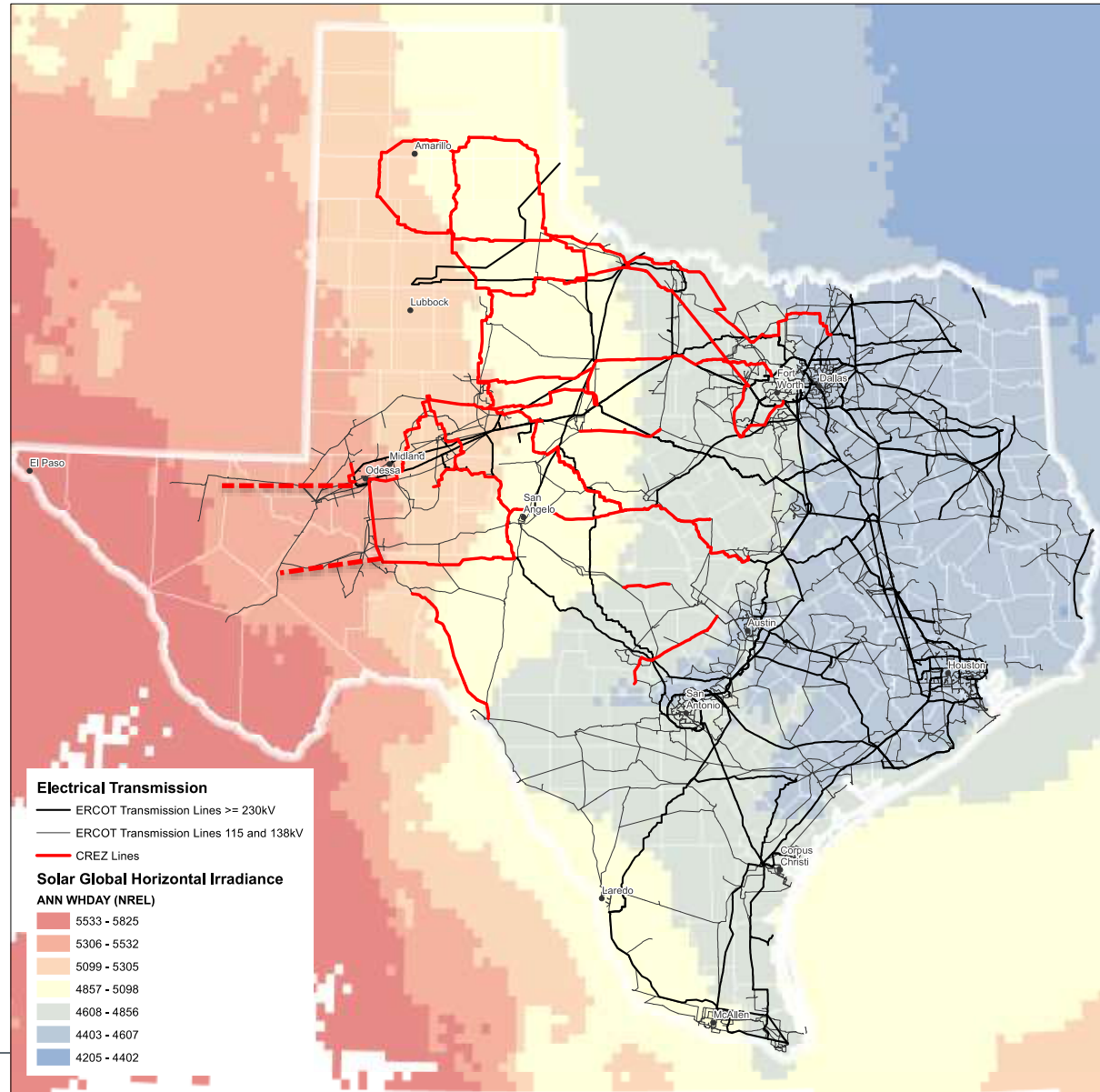
Competitive Renewable Energy Zone Transmission

- As of January 30, 2014, the CREZ transmission projects were complete.
- The transmission plan is designed to serve approximately 18.5 GW:
 - ~3600 right-of-way miles of 345 kV
 - \$6.9 billion project cost
- Lines are open-access; use not limited to wind

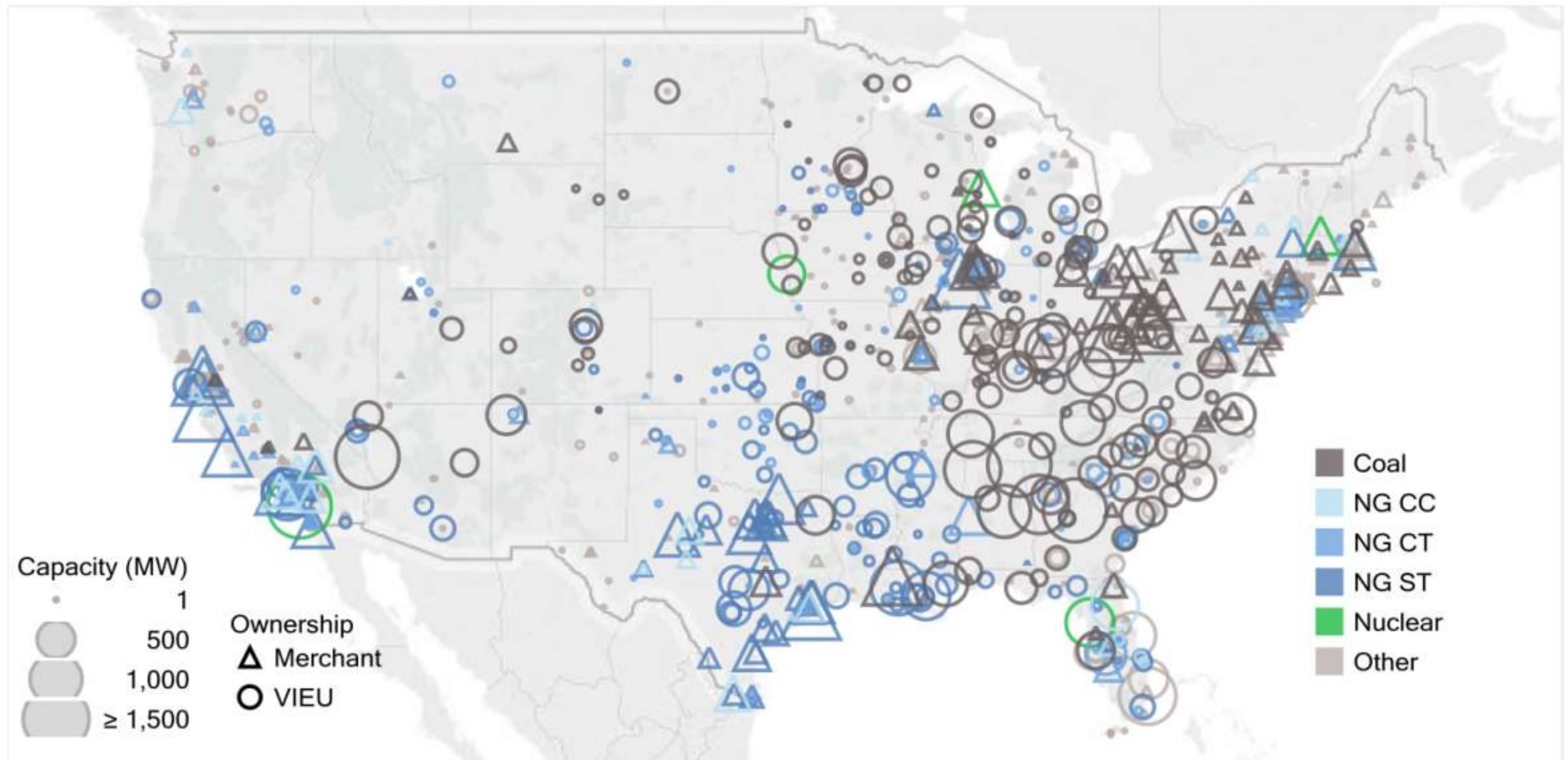


Solar Resources in Texas

The new CREZ transmission improvements do not extend into the best solar resources in far southwest Texas



Location of Coal, Natural Gas, Nuclear, and All Other Retirements, 2002–2016



August 2017: Staff Report to the Secretary on Electricity Markets and Reliability - Findings

- 1) The evolution of wholesale electricity markets, including the extent to which Federal policy interventions and the changing nature of the electricity fuel mix are challenging the original policy assumptions that shaped the creation of those markets.
- 2) Whether wholesale energy and capacity markets are adequately compensating attributes such as onsite fuel supply and other factors that strengthen grid resilience and, if not, the extent to which this could affect grid reliability and resilience in the future.
- 3) The extent to which continued regulatory burdens, as well as mandates and tax and subsidy policies, are responsible for forcing the premature retirement of baseload power plants.