ERCOT MONTHLY

JANUARY 2025

A RECAP OF KEY INFORMATION FROM THE PREVIOUS MONTH, A LOOK AT THE UPCOMING MONTH, AND A SNAPSHOT OF ADDITIONAL KEY ITEMS

Contents

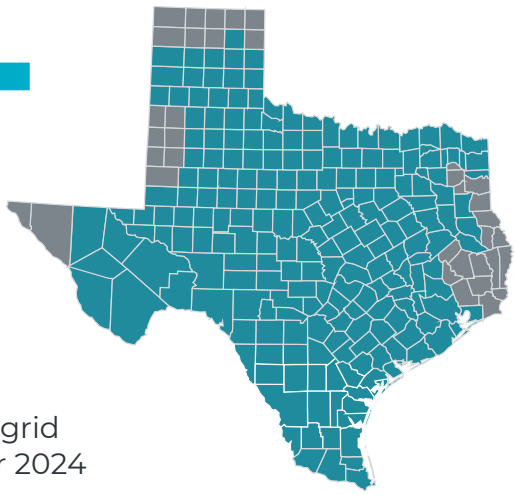
ercot

December 2024

Look Back

60,235* MW

December 2024 peak demand



56,976 MW

December 2023 for comparison

ERCOT procured **$7.89** million in **Ancillary Services** for grid reliability in December 2024

Wholesale pricing was slightly **higher** than this time last year

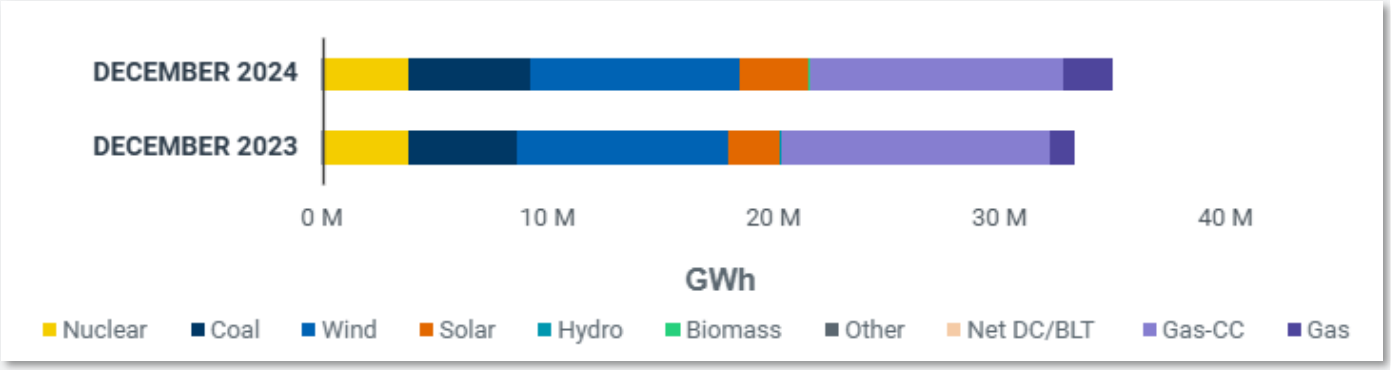
*unofficial until final settlements

20,103 MW
max December solar generation
December 11

26,633 MW
max December wind generation
December 22

4,408 MW
new Battery generation record
December 21 at 5:22 p.m.

December Energy Generation Comparison 2023 vs. 2024

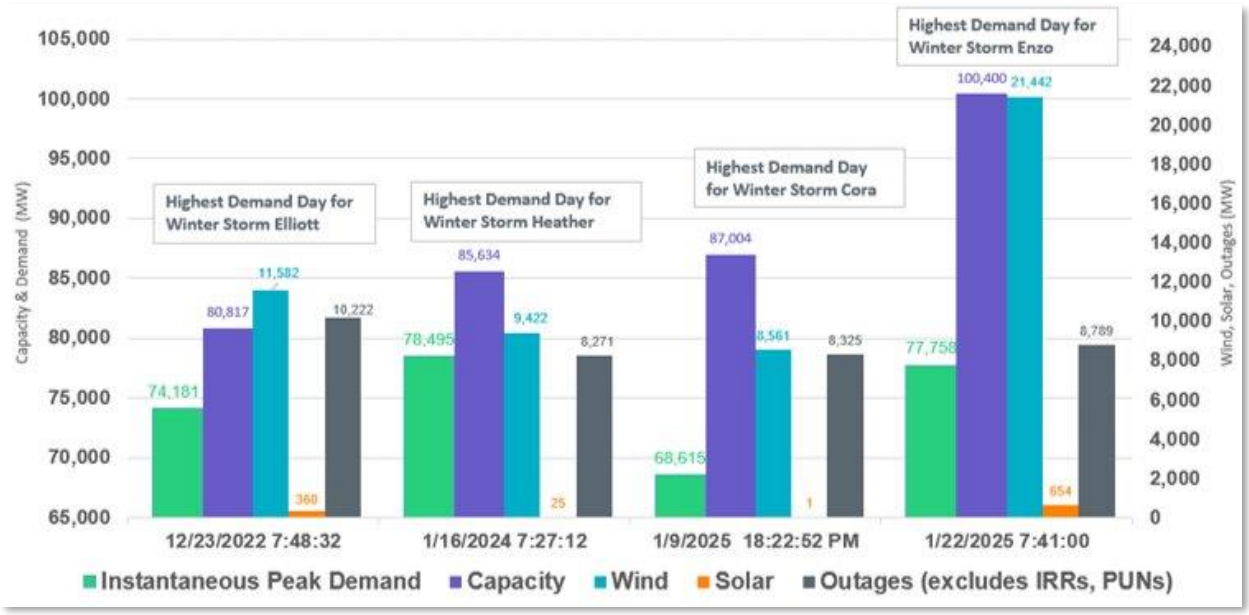


January Winter Storms Recap

Texas faced two waves of winter weather in January. The grid operated reliably during both winter storms with adequate supply to meet all demand.

The graph below shows data from some of the recent winter storms including:

- Instantaneous Peak Demand: Cora 68,615 MW Enzo 77,758 MW



- ERCOT issued TXANS Weather Watches ahead of both events due to higher demand with the possibility of lower reserves, but there was not a need to call for conservation and no outages were due to grid-wide reliability issues.
- ERCOT issued several operating notices to the Market for each storm event due to conditions meeting Protocol levels for issuing notices.
- ERCOT was active at the Texas Division of Emergency management (TDEM) State Operations Center (SOC) for both storms. During Winter Storm Cora, ERCOT President and CEO Pablo Vegas joined Governor Abbott, TDEM Chief Nim Kidd, and the Public Utility Commission Chairman Thomas Gleeson for a news conference. ERCOT also engaged with other agencies and stakeholder groups through the Texas Energy Reliability Council (TERC).
- At 5:00 a.m. on the morning of January 21, ERCOT declared a transmission emergency in South and Southeast Texas because of outages of transmission lines due to freezing precipitation from Winter Storm Enzo. Approximately 29 transmission lines in that area experienced winter storm-related issues, and the notice ended at 1:00 p.m. the same day. During the event, the ERCOT grid remained stable, and the transmission emergency did not lead to ERCOT needing to call for controlled outages nor any actions that led to customer outages. All outages that occurred were local in nature due to the loss of local transmission and distribution infrastructure from ice and weather.

February

Outlook

February Monthly Outlook for Resource Adequacy

For the February Monthly Outlook for Resource Adequacy (MORA) report, probabilistic modeling results indicate a low risk of having to declare an Energy Emergency Alert (EEA). Hourly probabilities peak at 2.14% for 7-8 a.m. CST, which is the forecasted peak load hour for February.

There is some EEA risk throughout the nighttime and early morning hours. This risk pattern is influenced by recent and forecasted additions of large loads, such as data centers, that are expected to operate on a continuous 24x7 basis, and, thereby, flatten the hourly load pattern from what is seen historically for the winter months.

The full report can be found on the Resource Adequacy page.

Hour Ending (CST)	Chance of Normal System Conditions	EMERGENCY LEVEL	
		Chance of an Energy Emergency Alert	Chance of Ordering Controlled Outages
	Probability of CAFOR being above 3,000 MW	Probability of CAFOR being less than 2,500 MW	Probability of CAFOR being less than 1,500 MW
1 a.m.	99.62%	0.25%	0.17%
2 a.m.	99.77%	0.07%	0.04%
3 a.m.	99.55%	0.21%	0.12%
4 a.m.	99.57%	0.24%	0.13%
5 a.m.	99.53%	0.23%	0.13%
6 a.m.	99.65%	0.21%	0.15%
7 a.m.	97.85%	[illegible]	0.76%
8 a.m.	94.56%	2.14%	1.58%
9 a.m.	98.07%	[illegible]	0.47%
10 a.m.	99.35%	0.32%	0.23%
11 a.m.	99.86%	0.05%	0.03%
12 p.m.	99.98%	0.01%	0.01%
1 p.m.	99.99%	0.00%	0.00%
2 p.m.	100.00%	0.00%	0.00%
3 p.m.	100.00%	0.00%	0.00%
4 p.m.	99.98%	0.01%	0.00%
5 p.m.	99.99%	0.00%	0.00%
6 p.m.	99.99%	0.00%	0.00%
7 p.m.	99.94%	0.02%	0.02%
8 p.m.	99.81%	0.05%	0.04%
9 p.m.	99.66%	0.15%	0.10%
10 p.m.	99.90%	0.04%	0.03%
11 p.m.	99.96%	0.00%	0.00%
12 a.m.	99.99%	0.00%	0.00%

Note: Probabilities are not additive.

Additional Items of Note

Capacity, Demand and Reserves (CDR) Report

ERCOT is targeting release of the CDR report for the week of February 10. The CDR is a snapshot view of ERCOT's planning reserve margins over next the five years (2025 – 2029). What is new in this CDR report that impacts the numbers?

- Per House Bill (HB) 5066, the forecasted demand that the Transmission Service Providers (TSPs) have attested to development as primary forecast
    - Under our Previous planning rules, ERCOT could not factor in unsigned load – load that had not made a financial commitment through TSPs. HB5066 (88th Legislative Session) changed that and requires ERCOT to include prospective load identified by TSPs
    - This has led to significant increases in large loads (i.e., crypto mining, hydrogen and hydrogen-related manufacturing, data centers, and electrification)
- Both the timing of when large loads identified by the TSPs materialize and if the load can be flexible are critical variables in the model results
- Energy storage dispatch included in the CDR for the first time
- Utilizing Effective Load Carrying Capability (ELCC), which is a metric used by Independent System Operators in North America to evaluate how wind, solar, and battery energy storage contribute to the grid
- Additional load and supply resource scenarios will be included to provide alternate views of the HB5066 load development or flexibility and the inclusion of Texas Energy Fund generation resources across the five-year period

The CDR report parameter changes, along with the inclusion of multiple scenarios, provide a better representation of the performance of grid resources and the dynamic nature of the ERCOT grid and potential future reserve margins.

ERCOT's Strategic Transmission Expansion Plan (STEP)

As part of ERCOT's New Era of Transmission Planning to address the load growth stemming from Texas' economic boom, Permian Basin oil and gas, and the new larger load numbers from HB5066, ERCOT created the 2024 Regional Transmission Plan 345-kV Plan and Texas 765-kV Strategic Transmission Expansion Plan (STEP) Comparison report.

ERCOT's analysis concludes the TX 765-kV STEP provides the ability to transfer more power and provide additional consumer savings as well as more flexibility in the siting generation and large loads compared to the 345-kV plan. More information can be found in our Trending Topic.

While a 765-kV system would be new to ERCOT, it has been used in other parts of the U.S. since the 1960s. Neighboring grids, such as Southwest Power Pool and Midcontinent Independent System Operator, have proposals for building extra high voltage in their regions, including the non-ERCOT parts of Texas.

Mobile Generation Solution as Alternative to CPS Energy Braunig Units 1 and 2 Continues Development

ERCOT continues discussions with CenterPoint, CPS Energy, and Life Cycle Power to explore the use of 15 mobile generators (ranging from 27.5 to 32.6 MW capacity each) that CenterPoint is currently leasing from Life Cycle as an alternative to committing Braunig Units 1 and 2 through a Reliability Must-Run (RMR) agreement. Under the potential Life Cycle solution, CenterPoint would voluntarily release its right to use the Life Cycle mobile generators through the completion of an appropriate exit solution without providing CenterPoint any compensation. ERCOT and CenterPoint currently expect this period will be no longer than approximately two years.

To determine if more cost-effective solutions are available than contracting for the use of the Life Cycle mobile generators (or committing Braunig Units 1 and 2 through an RMR Agreement), ERCOT issued a Request for Proposals (RFP) on December 20, 2024, seeking one or more Must-Run Alternatives (MRAs). Three proposals were received on January 15, but none were more cost effective than either the Life Cycle mobile generators solution or an RMR Agreement of Braunig Units 1 and 2. Therefore, ERCOT will not be moving forward with any of the proposals received in response to the RFP.

ERCOT has received preliminary estimates from Life Cycle for the cost to move the mobile generators to the San Antonio area and make them available 24x7 for ERCOT's dispatch. This solution would allow remote start of the units when necessary to address an actual or anticipated Emergency Condition. ERCOT has also received cost estimates to be incurred by CPS Energy under this solution, such as costs of interconnecting the units and providing Qualified Scheduling Entity services. If ERCOT were to move forward with the Life Cycle solution, ERCOT would reimburse Life Cycle and CPS for their costs of service.

At a Special Board meeting scheduled for February 25, ERCOT anticipates presenting a recommendation on whether to move forward with the Life Cycle solution or RMR Agreements with CPS for Braunig Units 1 and 2. By the time of that Special Board meeting, ERCOT will have final costs of the Life Cycle solution, allowing a comparison between the costs and benefits of that solution and for Braunig Units 1 and 2.

Two Texas Energy Businessmen Named to the ERCOT Board of Directors

The ERCOT Board Selection Committee has named Texas businessmen Alejandro "Alex" Hernandez and Sigmund "Sig" Cornelius to serve on their Board of Directors. Mr. Hernandez has 20 years of experience in business formation, operations, executive leadership, and strategic advisory roles. He was founder and CEO of Cumulus Data, the first hyperscale data center platform directly connected to carbon-free nuclear power, and most recently, served as CEO of Talen Energy Corp. Mr. Cornelius has worked in the energy industry for nearly 45 years in a variety of senior management positions and accumulated a significant level of board experience. Most recently, he served as President of Freeport LNG Development L.P. and as a Board Member before retiring in 2020. More information can be found in the news release.