



ERCOT Market SUMMIT 2013

February 11-13, 2013 | The Driskill Hotel | Austin, TX

ERCOT Market Summit 2013

Finding Solutions to Resource Adequacy Problems

February 12-13, 2013—Austin, TX

Tuesday, February 12, 2013

9:00-9:15 *Administrative Announcements and Opening Remarks by Summit Chair*

9:15-10:15 **Panel Discussion: Prospects for Legislative Action on Texas Power Market Issues**

The Texas Legislature will be starting their biennial session in January 2013, and energy issues are likely to be a focus. How concerned is the legislature about electric reliability? What policy changes may be considered? Are any actions likely?

Panelists

Phil King, *State Representative, District 61 (R-Parker & Wise Counties)*, TEXAS HOUSE OF REPRESENTATIVES

Mark Strama, *State Representative, District 50 (D-Austin)*, TEXAS HOUSE OF REPRESENTATIVES

Sylvester Turner, *State Representative, District 139 (D-Houston)*, TEXAS HOUSE OF REPRESENTATIVES

10:15-10:45 *Morning Refreshment and Networking Break*

10:45-11:45 **Panel Discussion: The State of Things: Resource Adequacy in ERCOT**

A recent NY Times article characterized the ERCOT market as the least reliable region in the U.S., facing the most problems in regards to reserve capacity. Federal environmental regulations are likely to have an adverse effect on generation capacity. 2011 and 2012 saw a variety of weather-related events that led to significant system instability. How well did the system respond in summer of 2012? With strong demand growth expected to continue and unusual weather extremes becoming more normal, are we taking the right steps to trigger the addition of more resources? Does the current market structure need to be adjusted to provide adequate price signals to build?

Panelists

Joseph Dominguez, *Senior Vice President Government Affairs and Regulatory Affairs and Public Policy*, EXELON CORPORATION

John W. Fainter, *President & Chief Executive Officer*, ASSOCIATION OF ELECTRIC COMPANIES

Ray Schwertner, *Managing Director*, GARLAND POWER & LIGHT

Mark Walker, *Senior Director, Regulatory Affairs*, NRG TEXAS LLC

11:45-1:15 *Group Luncheon*

1:15-2:15 **Panel Discussion: Customer Perspectives on Market Reform and Resource Adequacy**
The dependability and quality of power delivery is critical for many large industrial and other customers. At the same time the cost of power makes up a significant percentage of many large customers variable costs, so an increase is felt almost immediately on their bottom lines. Do customer groups feel that the recent market changes will solve resource adequacy issues without substantially raising electricity prices? Are less costly alternatives possible? This panel will present the perspectives of large industrial and other customer groups on potential solutions to resource adequacy challenges.

Panelists

Katherine L. Coleman, *Associate*, ANDREWS KURTH, LLP

Randy Moravec, Ph.D., *Executive Director*, TEXAS COALITION FOR AFFORDABLE POWER

Ray Siada, *Director - Corporate Energy Management*, GUARDIAN INDUSTRIES CORP.

2:15-3:15 **Panel Discussion: Perspectives on Investing in Power Development in the ERCOT Market**
The ERCOT market structure has been criticized for not providing adequate price signals to build new generation. Is the recent increase in price ceiling high enough to trigger construction of new generation? Will low gas prices drive new builds, or are they expected to stay too low to provide adequate profit margins to justify new projects? Are further market structure adjustments needed?

Panelists

Ann Banks, *Chief Commercial Officer*, SUMMIT POWER GROUP

Bill Brod, *Commercial Director*, AES CORPORATION

Patrick Woodson, *Chief Development Officer*, E. ON CLIMATE & RENEWABLES

3:15-3:45 *Afternoon Refreshment and Networking Break*

3:45-4:45 **Panel Discussion: Perspectives on Financing ERCOT Market Projects**
Why has so little power plant construction gone on recently in ERCOT? Do the current market conditions favor financing power plants in Texas? What needs to happen to motivate investors and financial institutions to commit resources in ERCOT? Leading private equity investors and lenders will share their perspectives on the ERCOT market.

Panelists

Milton L. Holloway, Ph.D., *President & Chief Operating Officer*, CENTER FOR THE COMMERCIALIZATION OF ELECTRIC TECHNOLOGIES

Jeff D. Hunter, *Executive Vice President & Chief Financial Officer*, USPOWERGEN

John Jones, *Managing Director, Power & Renewable Energy*, GE FINANCIAL SERVICES

Tuan Pham, *President*, POWERFIN PARTNERS

Wednesday, February 13, 2013

8:30-9:30 **Panel Discussion: Demand Response in the ERCOT Market—Can It Play a Leading Role in Solving Resource Adequacy Problems?**

Demand Response may provide the only short-term solution to resource adequacy problems in ERCOT. DR has already saved the state's bacon; in August of 2011 over 1000 MW was pulled off system to help avert reliability issues. The Brattle Group report states that several thousand megawatts of price-responsive demand could support the current reliability target when combined with a \$9000 price cap. However, at this time existing DR programs in Texas are not tied to ERCOT energy market prices, limiting their effectiveness. Tools are being introduced to enable customers to track energy forward market prices and adjust their consumption in response to price peaks, and the ERCOT Emergency Response Service has been modified to incorporate DR. What roles can DR and DR providers play in ERCOT? Can smartgrid investments be leveraged to enable more DR? Are further market rule adjustments needed to fully realize the benefits of DR?

Panelists

Robert King, *President*, GOOD COMPANY ASSOCIATES

Derek Mauzy, *Director, Innovation and New Products*, RELIANT ENERGY

Ed Reyes, *Director of Utility Sales, Southwest Region*, COMVERGE

Laurie Wiegand-Jackson, *President & Chief Executive Officer*, NORTH AMERICA POWER PARTNERS LLC

9:30-10:00 *Morning Refreshment and Networking Break*

10:00-11:00 **Panel Discussion: Can Combining Renewables with Energy Storage Provide a Solution?**

Energy storage has the potential to transform a large amount of generation typically available only off-peak into dispatchable power, and to assist in regulating the transmission and distribution systems to enhance reliability. When, where and how much of a game-changer will energy storage be? What technological, market and policy issues must be addressed to facilitate the development, operation and utilization of storage? What technologies will be economical, and what lessons are being learned in Texas energy storage pilot projects?

Panelists

Jack Farley, *President & CEO*, APEX CAES LLC

Darryl Hayslip, *President*, NARROW GATE ENERGY, LLC

John Moore, *Principal*, STRATUS ENERGY GROUP

Alissa Oppenheimer, *Managing Director*, CHAMISA ENERGY LLC

11:00-12:00 ***Panel Discussion: Transmission Issues in ERCOT—Will the Construction of CREZ Lines Help Solve Resource Adequacy Problems?***

There has been substantial investment in building out the transmission system in ERCOT under the CREZ program. With the program near its end, will its goals be met? Which projects are moving forward, and which are challenged? What interconnection challenges remain? Will the impending loss of the PTC incentive for wind power development leave CREZ projects under-utilized, and is there an opportunity for East-West transmission capacity to be used by new gas-fired generation?

Moderator

Robert W. Gee, *President*, GEE STRATEGIES GROUP LLC

Panelists

Kellie Metcalf, *Director, Power Marketing*, PATTERN ENERGY GROUP LP

Brett Perlman, *President*, VECTOR ADVISORS; *Former Commissioner*, PUBLIC UTILITY COMMISSION OF TEXAS

Vanus J. Priestley, *Senior Vice President, Energy Markets Division*, MACQUARIE ENERGY LLC

12:00 *Summit Adjourns*