Benefits and Challenges: Hydroelectric Generation

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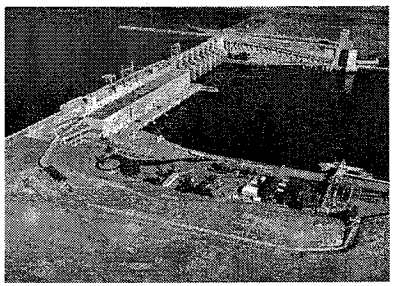
Type of Generation

+ Hydroelectric power is reliable to operate, except during drought.
- Texas has very little potential for new hydroelectric power generation.



Environmental Issues

+ No air emissions.
- Can kill fish.

Cost of Construction and Fuels

+ Once built, hydroelectric power is among the least expensive forms of power, as it has no fuel costs.
- High capital costs

Benefits and Challenges: Energy Efficiency and Demand-Side Management

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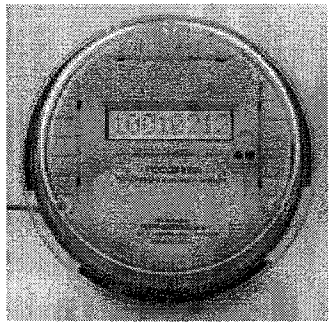
Type of Technology

+ Several cost effective solutions available.
- Success requires broad implementation.

Environmental Issues

+ Reduces emissions that would otherwise accompany fossil fuel usage.



Cost of Construction and Fuels

+ Can improve cost levels for residents and customers.
+ Reduces need for building new power supply.

ERCOT Generation Mix In 2009

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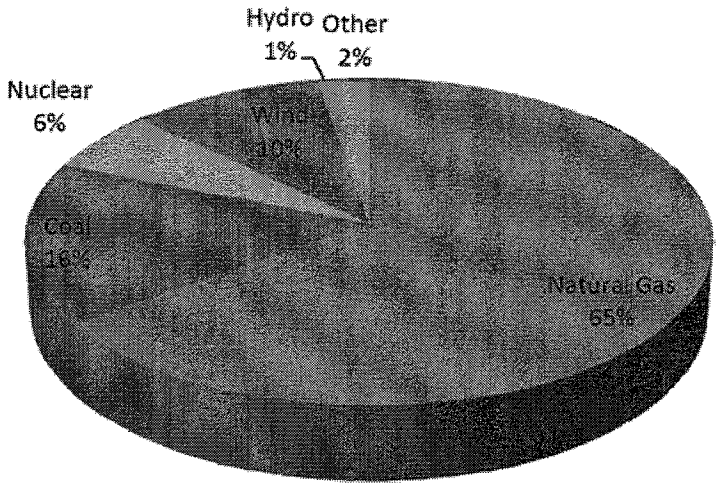
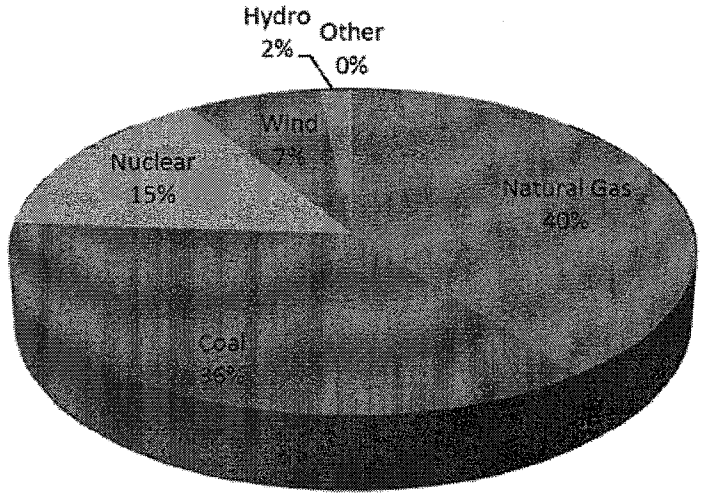
2009 ERCOT Generation Capacity by Fuel Type



2009 ERCOT Energy Generation by Fuel Type



Source: Public Utility Commission of Texas (PUC) Chair Barry Smitherman Presentation to the Gulf Coast Power Association, Oct. 6, 2009

ERCOT Generation Mix In 2013

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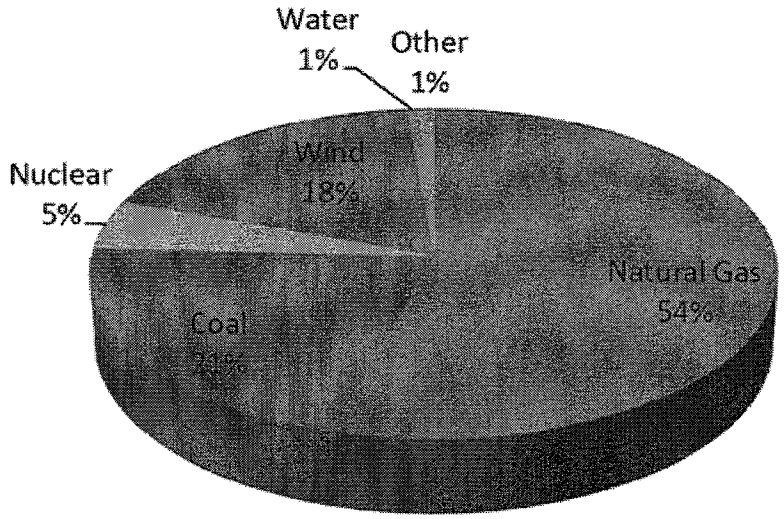
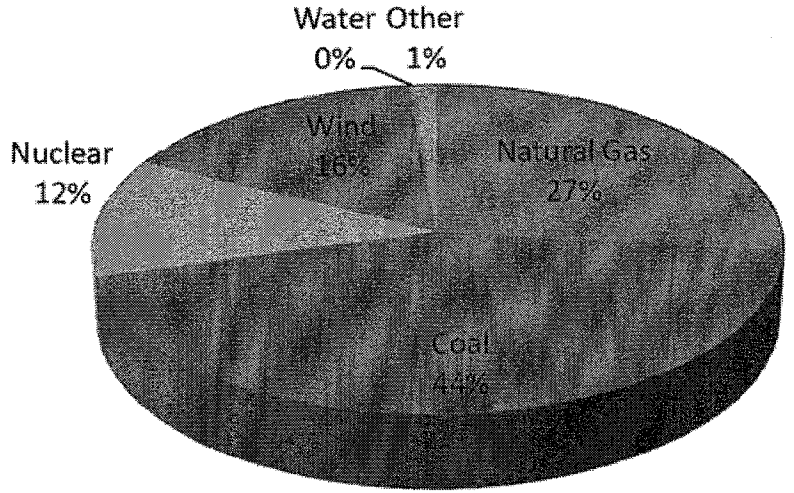
Assuming 18,000 MW of wind, approximately 5,600 MW of new coal, 4,300 MW of new natural gas

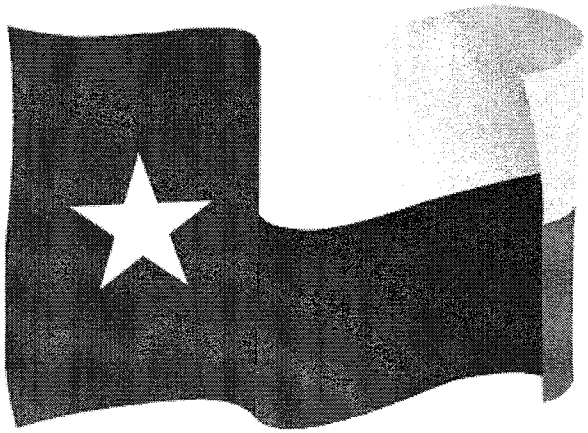
2013 Installed Capacity



2013 Energy Generation



Source: Public Utility Commission of Texas (PUC) Chair Barry Smitherman Presentation to the Gulf Coast Power Association, Oct. 6, 2009



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