



KIRK WATSON
STATE SENATOR
DISTRICT 14

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TRANSPORTATION & HOMELAND SECURITY - VICE-CHAIR
BUSINESS & COMMERCE
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January 3, 2012

Donna Nelson, Chairman
Public Utility Commission
1701 N. Congress Ave.
Austin, TX 78711

H. B. "Trip" Doggett, President and CEO
Electric Reliability Council of Texas
7620 Metro Center Drive
Austin, TX 78744

Dear Chairman Nelson and Mr. Doggett:

As you know, the Senate Committee on Business and Commerce has invited you to testify in a hearing next week to address the following interim charge:

Assess the impact of current and anticipated drought conditions on electric generation capacity. Identify those regions of Texas that will be most affected by a lack of capacity. Analyze response plans and make recommendations to improve and expedite those plans.

In addition to addressing our current reserve margin, resource adequacy, and examining the limited and specific impact of the current drought and forecast for this spring and summer for Texas regions, I am interested in hearing from you regarding policies for moving Texas beyond our current predicament of power plants and electric generation that are vulnerable to drought. I would like for you to present ideas and recommendations for promoting, developing, and transitioning to more drought-tolerant and less water-intensive power generation in Texas, including consideration of how load management and policies to reduce demand can play a role. Please come prepared to discuss specific ideas or policies that could help us achieve this goal.

Thank you for your service to the State of Texas. I look forward to discussing these and other important matters with you next week.

Sincerely,

A handwritten signature in black ink that reads "Kirk Watson".

Kirk Watson
cc: Senator Carona