

# Comprehensive Reliability Market Solution for the ERCOT Wholesale Market



Electric consumption in ERCOT is growing, and our state's economy remains strong, yet the wholesale electric market has not created the right incentives to bring dispatchable electric generation online to serve Texas homes and businesses when power is needed most.



**Ensuring reliability, minimizing consumer costs and enabling robust competition in the wholesale market requires a comprehensive reliability market solution**

A revised wholesale market structure must:

- Define specific reliability standards
- Incentivize sufficient resources in both quantity and reliability to reasonably meet the reliability standards
- Ensure resources perform consistently with their compensated obligations to contribute to reliability, enforcing performance through financial penalties for all resources that fall short
- Objectively quantify resource contributions to reliability
- Promote robust competition in the wholesale market through market-based mechanisms over out-of-market actions as much as possible
- Address mitigation of market power using well-established, non-discriminatory methods
- Ensure the comprehensive reliability market solution supports the highly successful competitive retail market in ERCOT



**Demand for electricity is growing**

- In 2022, Texas broke 11 electricity consumption records in ERCOT, peaking at over 80,000 MW
- Texas' population is growing by over 1,000 people per day, and expected to reach 47 million in 2050
- 33,000 MW of crypto mines have expressed interest in joining ERCOT
- The Texas Department of Motor Vehicles estimates 1 million electric vehicles will be connected to the grid and charging by 2031
- Today, 65% of residences use electricity for heating
- Industries are electrifying their systems to cut costs and meet environmental goals
- The average large natural gas or coal generation plant in ERCOT is about 30 years old



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