

TABLE OF ANNUAL PER METER COST DEPENDING UPON ANNUAL COST OF A CAPACITY MARKET

Cost of Capacity Market/yr \$ billion/yr	For costs of Capacity market			\$/meter (no munis or co-ops)
	\$/meter (all meters)	\$/meter (no munis)	\$/meter (no co-ops)	
\$6.0	\$594.06	\$720.29	\$700.12	\$882.35
\$5.8	\$574.26	\$696.28	\$676.78	\$852.94
\$5.6	\$554.46	\$672.27	\$653.44	\$823.53
\$5.4	\$534.65	\$648.26	\$630.11	\$794.12
\$5.2	\$514.85	\$624.25	\$606.77	\$764.71
\$5.0	\$495.05	\$600.24	\$583.43	\$735.29
\$4.8	\$475.25	\$576.23	\$560.09	\$705.88
\$4.6	\$455.45	\$552.22	\$536.76	\$676.47
\$4.4	\$435.64	\$528.21	\$513.42	\$647.06
\$4.2	\$415.84	\$504.20	\$490.08	\$617.65
\$4.0	\$396.04	\$480.19	\$466.74	\$588.24
\$3.8	\$376.24	\$456.18	\$443.41	\$558.82
\$3.6	\$356.44	\$432.17	\$420.07	\$529.41
\$3.4	\$336.63	\$408.16	\$396.73	\$500.00
\$3.2	\$316.83	\$384.15	\$373.40	\$470.59
\$3.0	\$297.03	\$360.14	\$350.06	\$441.18
\$2.8	\$277.23	\$336.13	\$326.72	\$411.76
\$2.6	\$257.43	\$312.12	\$303.38	\$382.35
\$2.4	\$237.62	\$288.12	\$280.05	\$352.94
\$2.2	\$217.82	\$264.11	\$256.71	\$323.53
\$2.0	\$198.02	\$240.10	\$233.37	\$294.12
\$1.8	\$178.22	\$216.09	\$210.04	\$264.71
\$1.6	\$158.42	\$192.08	\$186.70	\$235.29

The numbers in the last three columns are calculated based upon the potential of municipal utilities or co-operative utilities (or both) being able to opt out of participating in a capacity market construct. The numbers in the last three columns presume that all municipalities, or all co-operatives, or all of both, opt out. The numbers are representative of these scenarios. The results would likely be different if, for instance, 50% of municipalities opted out and 50% of co-operatives opted out.

It is also important to remember that this table is based on a per meter cost, which is not necessarily how the costs of a centralized capacity market would be allocated in practice. The PUCT would have to make the decision of how the cost of a capacity market would be borne by ratepayers. Most costs in ERCOT such as ancillary services are allocated on a load share basis. As a general rule, allocation by load share means that costs of a particular service are allocated to customer groups (residential, small and large commercial and industrial) in rough proportion to each group's electricity consumption in relation to total electric consumption during a measurement period, such as summer peak. Allocating the costs on a load share basis could result in a significantly higher cost for the customer classes that have high peak usage (such as residential customers in August) or relatively few members.

