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April 1, 2009

The Honorable Jim Dunnam  
Select Committee on Federal Economic Stabilization Funding  
Texas House of Representatives  
P.O. Box 2910  
Austin, TX 78768-2910

Dear Chairman Dunnam:

Thank you for inviting me to testify on behalf of the Electric Reliability Council of Texas (ERCOT). I look forward to working with the Select Committee and have instructed my staff to notify the Committee in a timely manner regarding federal guidance, funding allocations, notices of upcoming deadlines and any other communication regarding the stimulus funds.

Thus far, very little information has been made available to ERCOT by the U.S. Department of Energy. I am enclosing correspondence from my office to the DOE seeking clarification and information regarding the stimulus funds. I will make you aware of any response I receive if and as soon as I receive a response.

As always, please do not hesitate to contact me directly if I can be of service.

Best regards,

Bob Kahn  
CEO

enclosure



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March 20, 2009

Dr. Steven Chu  
Secretary of Energy  
U.S. Department of Energy  
1000 Independence Ave., SW  
Washington, D.C. 20585

Dear Secretary Chu:

As the independent system operator for most of Texas, the Electric Reliability Council of Texas, Inc. (ERCOT) is in a unique position to offer your organization assistance as it goes forward with the dispersal of funding from the American Recovery and Reinvestment Act of 2009.

ERCOT and our Market Participants have been in the vanguard of creating a 21<sup>st</sup> Century electric grid that can integrate renewable resources; incent demand response, innovative load-management programs and energy storage; dispatch the cleanest, most efficient generation resources; and prepare for coming innovations such as plug-in hybrid electric vehicles (PHEVs). ERCOT stands ready with both "steel in the ground" projects that could deliver renewable power to markets, and with research projects to examine how to reliably and efficiently integrate and manage higher amounts of renewable resources, how to predict and adapt to the changes in consumer behavior that advanced meters are expected to cause, and how improvements in weather prediction can improve reliability and reduce costs associated with both load- and wind-forecast errors.

ERCOT is eager to learn how the American Recovery and Reinvestment Act will be distributed in Texas and, more specifically, to ERCOT. Any assistance your office can provide will be appreciated.

We look forward to working with your organization in the future. If I or my staff can be of assistance, please do not hesitate to contact our office.

Best regards,

Bob Kahn  
President & CEO

cc: Patricia Hoffman, Acting Director, Office of Electricity Delivery and Energy Reliability