

2016 OUTLOOK in the ERCOT ELECTRICITY MARKET

LCG CONSULTING

Texas is undergoing rapid wind development and a flurry of investment in both wind and solar before the 30% federal energy investment tax credit expires at the end of 2016. Renewables are rewriting everything we know about electricity supply and demand. Simultaneously, 2016 will be a year of unknown congestion, particularly in the Panhandle, where wind generation projects are outgrowing existing infrastructure.

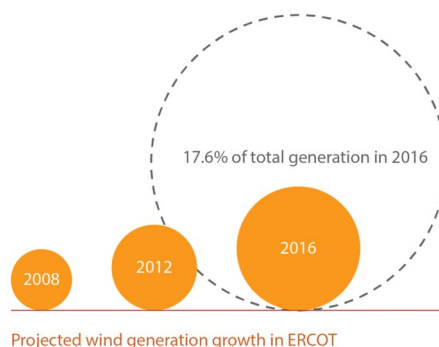
LCG Consulting's forecast of the 2016 ERCOT electricity market is now available to contextualize these changes. The meticulously-prepared forecast deftly weaves together LCG's mathematical models for predicting electricity prices and fuel costs with the best available information on existing and planned generators and transmission.

Harnessing the power of LCG's UPLAN Network Power Model, PLATO-ERCOT Data

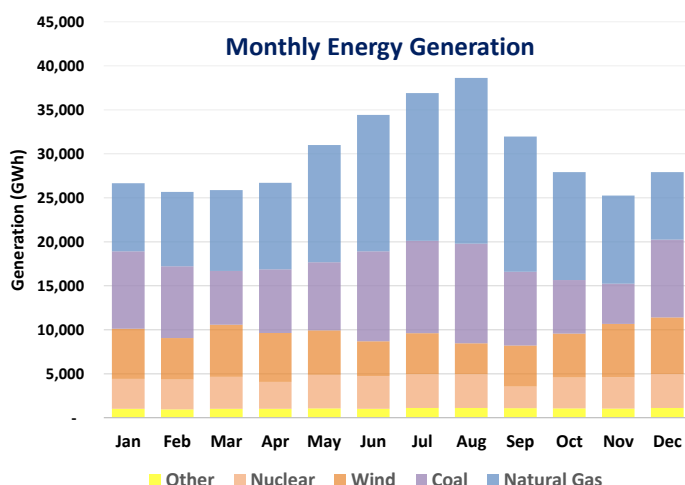
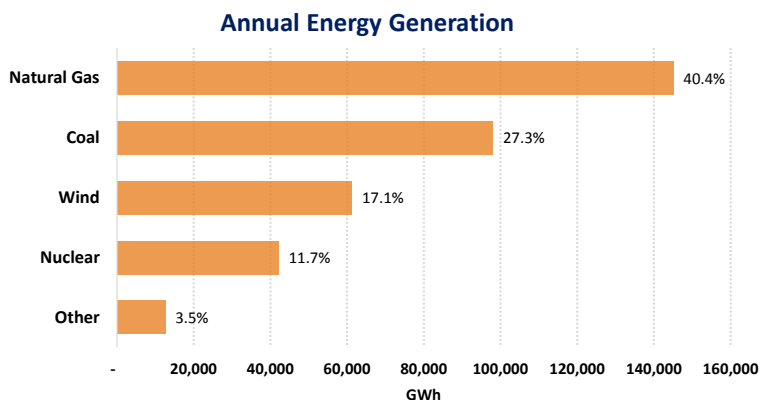
Model, and decades of modeling and consulting experience in ERCOT, LCG provides a clear picture of the Texas electricity market in the most likely future scenario.

For greater detail, LCG can provide custom projections for individual generators, hourly LMPs, Congestion Revenue Rights (CRR) and more. LCG can also build tailored scenarios that delay development, add transmission or generation, or factor in extreme weather.

Over 2016, growing renewables pose the most profound change to ERCOT. Desperately tricky to model, renewables require knowledge of the day-to-day and seasonal resource patterns. LCG's models include sophisticated predictions of solar and wind resources for every hour of the year.



Energy Generation



ERCOT 2016 Outlook

Ready now, our off-the-shelf 2016 report contains

- Generation
- Peak and off-peak curtailment
- Congestion
- Load zone and Hub prices

Custom Studies

We provide fully tailored studies using your own system-level and economic assumptions.

- Cost benefit analysis of generation and transmission assets
- Congestion and curtailment analysis
- Siting analysis and investment risks

ERCOT Electric Transmission Grid and Price Forecasting

LCG's ERCOT Market Outlook

LCG offers a suite of state of the art products including our UPLAN Network Power Model, PLATO regional data models as well as short- and long-term forecasts of electricity markets nationwide.

Our software and data models have been painstakingly constructed and tested over decades with a large number of clients in a wide variety of scenarios. They have withstood the scrutiny of electricity market participants, regulators and the investment community.

LCG's fully tested UPLAN models and PLATO ERCOT Data Model are used to develop the Reference Case and the 2016 market outlook. The report provides forecasts of generation, congestion, curtailment, prices and many other operating performance data.

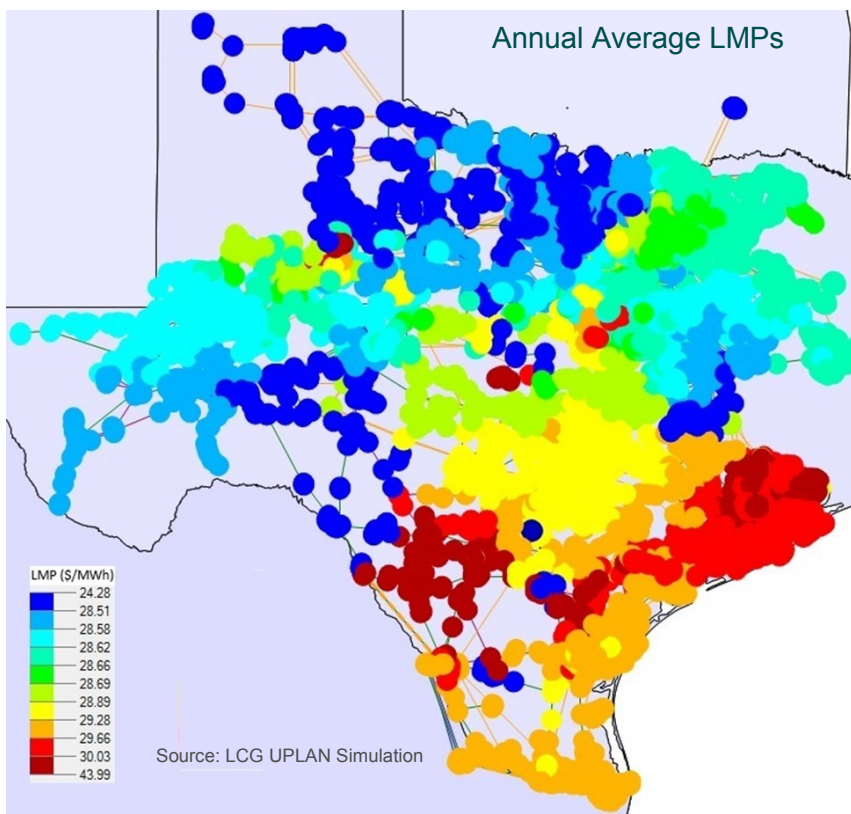
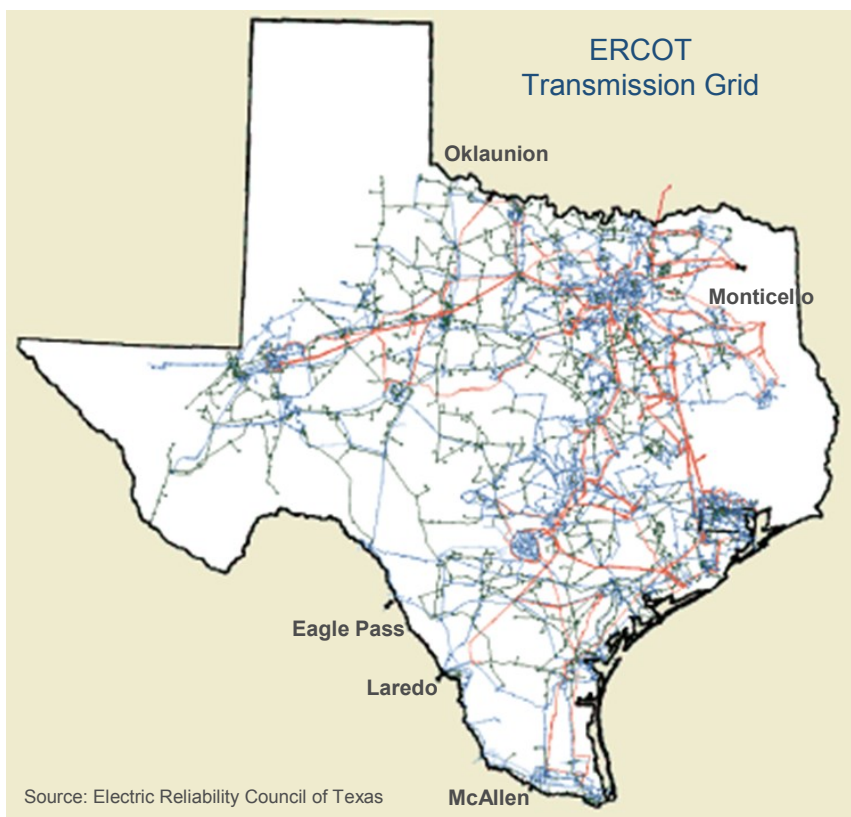


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About LCG Consulting

Based in Silicon Valley, LCG is a widely recognized leader in electricity industry restructuring and a pioneer in modeling deregulated energy markets. We are one of the first companies to research the implications of competitive pricing and marketing in the United States and abroad, and to develop models to accurately analyze these competitive power markets. Our innovative studies have set the standard for developing models for restructuring analysis. Our modeling software is used by market participants across the United States and internationally.



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