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TEXAS GENCO, LP'S REVISED
60-DAY NOTICE FILING IN
COMPLIANCE WITH COMMISSION'S
SUBSTANTIVE RULE 25.381

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BEFORE THE
PUBLIC UTILITY COMMISSION
OF TEXAS

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September 12, 2002

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COMPLIANCE WITH	§	PUBLIC UTILITY COMMISSION
COMMISSION'S SUBSTANTIVE	§	
RULE 25.381	§	OF TEXAS
	§	

**TEXAS GENCO, LP'S REVISED NOTICE OF CAPACITY AUCTION
ORIGINALLY SCHEDULED TO BEGIN ON SEPTEMBER 10, 2002**

On August 27, 2002, the Public Utility Commission of Texas ("Commission" or "PUC") issued an order in PUC Docket No. 26420 delaying by four weeks the capacity auction originally scheduled to begin on September 10, 2002. As a result, Texas Genco, LP¹ ("Texas Genco") hereby files this Revised Notice of Capacity Auction Originally Scheduled to Begin on September 10, 2002, in compliance with the requirements of Public Utility Commission of Texas ("Commission" or "PUC") Substantive Rule 25.381(h)(2)(B)² and 25.381(e)(5). Aside from changes associated with the delay in the auction start date, this notice is identical to the notice filed on July 12, 2002.

The content of this notice complies with the requirements of SUBST. R. 25.381, as amended effective August 1, 2002. Additional information regarding the auction beginning on October 8, 2002 can be obtained from Texas Genco's auction website (www.captrades.com/Reliant). The Commission's website (www.puc.state.tx.us)

¹ The original notice for this auction was filed on July 12, 2002 by Reliant Energy, Incorporated on behalf of its affiliated power generation company, which was an unincorporated subdivision of Reliant Energy at the time. Effective September 1, 2002 and pursuant to Reliant Energy, Incorporated's approved business separation plan, that unincorporated power generation company has been converted to a limited partnership known as Texas Genco LP.

also contains information on this and other statutorily required capacity auctions, and will provide links to the auction websites of Texas Genco and the other utilities conducting such auctions.

I. AUCTION PRODUCTS

This is an auction of Entitlements for four different generation products; Baseload, Gas-Intermediate, Gas-Cyclic and Gas-Peaking. Entitlements are defined as 25 MW of capacity for one calendar month. For example, one Baseload Entitlement is 25 MW of Baseload capacity for the month of June 2003. Texas Genco will auction single Entitlements, as well as 12-month strips of Entitlements (“One-Year Strips”).

II. AUCTION START DATE

The capacity auction covered by this notice will begin on October 8, 2002.

III. DATE TO QUALIFY FOR THIS CAPACITY AUCTION

Potential bidders must be approved by Texas Genco to participate in this auction. The approval process begins when potential bidders (1) register on Texas Genco’s website, (2) obtain copies of the required contracts and applications from Texas Genco’s website, (3) read the rules and procedures for the auction, also available on Texas Genco’s website, and (4) complete the required contract information and credit information forms and return them to Texas Genco, LP, attention Renita Phillips, Credit Department, 1111 Louisiana, Houston, TX 77002, phone number 713-207-3980, no later

² PUC SUBST. R. § 25.381 was amended effective August 1, 2002. All references to that rule are to the rule as amended.

than 5:00 p.m. on September 10, 2002. Texas Genco will respond to potential bidders' timely filings not later than ten (10) business days after they are received by Texas Genco. Texas Genco's response will include notification of whether the potential bidder qualifies for the auction, the amount of unsecured credit available to the potential bidder, if any, and the type of additional credit facilities that the potential bidder must obtain, pursuant to the requirements of SUBST. R. §25.381, to participate in the auction, if any. As part of its response, Texas Genco will also forward executed copies of the required contracts to potential bidders who have pre-qualified. Potential bidders must then implement any necessary credit facilities and execute and return the required contracts, along with verification of any necessary credit facilities, to Texas Genco on or before October 4, 2002. Final approval for participation in the auction is subject to an analysis of detailed credit and settlement information and the implementation of required credit facilities.

IV. DATE AND TIME BY WHICH BIDS MUST BE RECEIVED

This auction will be conducted in two parts. The auctions for the One-Year Strips will begin on October 8, 2002. First round bids for these auctions will be accepted no earlier than the Opening Time, and must be received no later than the Closing Time, shown in the table below (CPT means Central Prevailing Time).

Term	Date	Opening Time	Closing Time
One-Year Strips	October 8, 2002	08:00am CPT	08:30am CPT
Discrete Months	First business day after the One-Year Strip auctions close	08:00am CPT	08:30am CPT

All Entitlements available for each time period noted above (i.e. Baseload, Gas-Intermediate, Gas-Cyclic and Gas-Peaking) will be auctioned simultaneously. Thus, the auction for all One-Year Strips of Baseload, Gas-Intermediate, Gas-Cyclic and Gas-Peaking products will begin on October 8, 2002 at 8:00 a.m. CPT.

Unlike past capacity auctions, this auction will allow bidders to switch between the products of different sellers, subject to certain restrictions. Each part of the auction will continue through each business day until all products included in that part of the auction for all sellers clear. Please see Texas Genco's auction website (www.captrades.com/Reliant) for more details regarding the mechanics of the auction.

V. SWITCHING

Subject to certain restriction, bidders in this auction will be allowed to switch their bids between different products of a given seller and between the products of different sellers. A training session on switching and other aspects of this auction will be provided for all potential bidders. This training is currently scheduled to occur on September 20, 2002 in Austin, Texas. Further, CapTrades plans to conduct a mock

auction on September 27, 2002. More information on these training sessions can be obtained from Texas Genco's auction website (www.captrades.com/Reliant).

VI. TYPES, QUANTITIES, CONGESTION ZONE AND TERM OF EACH ENTITLEMENT

All Entitlements will be delivered in the ERCOT designated congestion zone in which the Transmission System Buss listed in the chart below resides. The chart below shows the current congestion zone for each product. The zone designations will change to reflect ERCOT's zonal layout for 2003. The "Point of Delivery" listed in the chart below serves solely to establish the congestion zone for delivery of each Entitlement.

POINTS OF DELIVERY

ENTITLEMENT	CURRENT CONGESTION ZONE (2002)	PLANT	BUSS
Baseload	Houston 2002	W. A. Parish (WAP)	345A
Baseload	North 2002	Limestone (LMS)	345A
Baseload	South 2002	South Texas Project (STP)	345A
Gas-Intermediate	Houston 2002	Cedar Bayou (CBY)	138A
Gas-Cyclic	Houston 2002	S. R. Bertron (SRB)	138A
Gas-Peaking	Houston 2002	T. H. Wharton (THW)	345B

The number of Entitlements for each product in this auction has been calculated pursuant to the requirements of SUBST. R. 25.381 and is shown in the table below.

Term	Baseload	Baseload	Baseload	Gas-Intermediate	Gas-Cyclic	Gas-Peaking
Plant and Buss	WAP 345A	LMS 345A	STP 345A	CBY 138A	SRB 138A	THW 345B
Jan. 2003 – Dec. 2003 (One-Year Strip)	4	3	2	11	5	2
January 2003	3	2	1	7	3	1
February 2003	3	2	1	7	3	1
March 2003	1	1	1	3	2	1
April 2003	1	1	1	3	2	1
May 2003	0	0	1	2	2	1
June 2003	3	2	1	7	3	1
July 2003	3	2	1	7	3	1
August 2003	3	2	1	7	3	1
September 2003	3	2	1	7	3	1
October 2003	1	1	1	3	2	1
November 2003	1	1	1	3	2	1
December 2003	3	2	1	7	3	1

Please note that the Entitlements available in March, April, May, October and November have been reduced to account for planned outages, and Entitlements available in May have been further reduced to account for rounding considerations.

Pursuant to Substantive Rule 25.381, Texas Genco has designated the following generating units to provide the energy and ancillary services for the Entitlements in this auction. However, Texas Genco may use different generating units to serve these Entitlements if necessary.

PRODUCT	UNITS
Baseload (WAP 345A)	W. A. Parish 5, 6, 7 & 8
Baseload (LMS 345A)	Limestone 1 & 2
Baseload (STP 345A)	South Texas 1 & 2
Gas-Intermediate	Cedar Bayou 1, 2 & 3 P. H. Robinson 1, 2, 3 & 4 W. A. Parish 4 San Jacinto 1 & 2 T. H. Wharton 3, 31, 32, 33, & 34 T. H. Wharton 4, 41, 42, 43, & 44
Gas-Cyclic	Greens Bayou 5 S. R. Bertron 1, 2, 3 & 4 T. H. Wharton 2 W. A. Parish 1, 2 & 3 Deepwater 7 Webster 3
Gas-Peaking	Greens Bayou 73, 74, 81, 82, 83 & 84 T. H. Wharton 21, 51, 52, 53, 54, 55 & 56 H. O. Clarke 21, 22, 23, 24, 25 & 26 S. R. Bertron 21 & 22 Webster 21 W. A. Parish 21

VII. BASELOAD FUEL COST

The fuel cost for the Baseload product on the day of the auction, calculated pursuant to the provisions of SUBST. R. 25.381(f)(3)(B)(ii), will be the following:

POINT OF DELIVERY	COST FOR 2003
WAP 345A	\$18.31 / MWh
LMS 345A	\$14.41 / MWh
STP 345A	\$4.27 / MWh

VIII. FUEL SERVICE COST

Texas Genco expects the fuel service cost to be approximately \$0.05/MMbtu. The final cost, however, could vary depending on the amount of fuel gas and the manner in which it is consumed as a result of the dispatch instructions exercised by Entitlement Holders.

IX. FORCED OUTAGE RATE

SUBST. R. § 25.381 allows capacity auction sellers to use a three-year rolling forced outage rate (calendar years 1999-2001 in this case) to calculate the firmness of auction products supplied by two or fewer generating units. For Texas Genco, this applies to the following auction products:

Auction Product	Three-Year Forced Outage Rate
Baseload (LMS 345A)	3.41 %
Baseload (STP 345A)	1.50 %

X. ADJUSTMENT OF BID PRICE FOR ENTITLEMENTS BETWEEN ROUNDS OF THE AUCTION

The methodology for adjusting the bid price for Entitlements between rounds is provided below.

Round One

Texas Genco will use the following values for opening bid prices.

Term	Baseload	Baseload	Baseload	Gas-Intermediate	Gas-Cyclic	Gas-Peaking
Plant and Buss	WAP 345A	LMS 345A	STP 345A	CBY 138A	SRB 138A	THW 345B
One-Year Strips	0.77	3.81	8.45	0.90	0.75	0.75
January - 03	0.53	3.68	9.51	0.30	0.15	0.20
February - 03	0.77	3.61	8.87	0.30	0.15	0.20
March - 03	0.51	3.66	9.62	0.30	0.15	0.20
April - 03	0.60	3.63	9.39	0.30	0.15	0.20
May - 03	0.49	3.65	9.68	0.90	0.75	0.75
June -03	0.62	3.59	9.39	0.90	0.75	0.75
July - 03	1.25	4.36	5.77	0.90	0.75	0.75
August - 03	1.26	4.35	5.75	0.90	0.75	0.75
September - 03	1.19	4.10	6.51	0.30	0.15	0.20
October-03	0.67	3.70	9.01	0.30	0.15	0.20
November-03	0.71	3.70	8.86	0.30	0.15	0.20
December-03	0.66	3.71	9.03	0.30	0.15	0.20

Subsequent Rounds

Assuming supply does not equal or exceed demand in Round One, then the bid price in Round Two will be increased by an amount at the discretion of Texas Genco, but within the ranges shown in the following table.

Entitlement	Increment Range
Baseload	\$0.05 to \$0.75
Gas-Intermediate	\$0.02 to \$0.30
Gas-Cyclic	\$0.02 to \$0.30
Gas-Peaking	\$0.02 to \$0.30

The auctions will continue in this manner until supply equals or exceeds demand in a given round. At that point the bid increment will stop until supply is again less than

demand. The auction will close, and winning bids will be awarded according the procedures in SUBST. R. 25.381, when the supply for all products for all sellers equals or exceeds demand.

XI. FURTHER INFORMATION ABOUT THIS NOTICE

Any questions regarding this notice can be directed to Andy Machtemes at (713) 207-5372.

Date: September 12, 2002

Respectfully submitted,



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and General Counsel

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ATTORNEYS FOR TEXAS GENCO, LP

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been hand-delivered, sent overnight mail or sent U.S. mail to all parties of record, on the 12th day of September 2002.

Pamela Livingston