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PROJECT NO. 38578

**ENERGY EFFICIENCY
IMPLEMENTATION PROJECT
UNDER 16 TAC § 25.181**

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**PUBLIC UTILITY COMMISSION

OF TEXAS**

ERCOT CALCULATION OF THE AVOIDED COST OF ENERGY FOR 2023

Electric Reliability Council of Texas, Inc. (ERCOT) submits the attached Calculation of the Avoided Cost of Energy in ERCOT for 2023 pursuant to P.U.C. Substantive Rule 25.181(d)(3)(A), which requires ERCOT to calculate the avoided cost of energy by determining the load-weighted average of the competitive load zone settlement point prices for the peak periods covering the two previous winter and summer peaks. This year’s calculation complies with the Commission’s Order in Docket No. 52871, which requires ERCOT to “use the winter peak periods of December 2019 through February 2020 and December 2021 through February 2022 and the summer peak periods of June 2020 through September 2020 and June 2022 through September 2022 to calculate the avoided cost of energy for energy-efficiency programs for the 2023 program year.”¹

Dated: October 31, 2022

Respectfully submitted,

/s/ Katherine Gross

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¹ See Commission Staff’s Petition for a Good Cause Exception to 16 Texas Administrative Code § 25.181(d)(3)(A) and to set the Avoided Cost of Energy under § 25.181(d)(3)(A) for 2022 Electric Utility Energy Efficiency Programs, Docket No. 52871, Ordering Paragraph No. 5 (May 12, 2022).

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ATTORNEYS FOR ELECTRIC
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INC.

Calculation of the Avoided Cost of Energy in ERCOT for 2023

Using the methodology in P.U.C. Substantive Rule 25.181(d)(3)(A), ERCOT has calculated an avoided cost of energy for 2023 of **\$91.15 /MWh**, as shown in the following table:

Load Zone	Load-Weighted Average \$/MWh		
	Summer	Winter	Both
LZ_HOUSTON	118.40	42.74	89.51
LZ_NORTH	120.92	47.05	92.09
LZ_SOUTH	118.44	46.95	90.69
LZ_WEST	115.41	64.06	92.51
Total	119.08	48.34	91.15