Market Notice – SAMPLE FOR MARKET SIMULATION

March 13, 2010

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Notification of Ancillary Service Scarcity – SAMPLE FOR MARKET SIM

Summary
Ancillary Service Scarcity Pricing was triggered on March 8 in the IFM market run for Hour Ending 5 through Hour Ending 8. Scarcity is defined as not meeting procurement targets in the scheduling run.

Main Text
On April 1, 2010, the ISO implemented an Ancillary Service (AS) Scarcity Pricing mechanism which produces certain administratively set prices when the ISO is not able to procure the target quantity of one or more AS commodities in the scheduling run.

On March 8, Spinning Reserve Scarcity occurred in the IFM market run for Hour Ending 5 through Hour Ending 8. The procurement shortfall was 20 MWs or 1.5% of the target procurement quantity. Spinning Reserve Scarcity was detected in the ISO Expanded System Region.

On March 8, Regulation-Down Scarcity occurred in the IFM market run for Hour Ending 5 through Hour Ending 8. The procurement shortfall was 8 MWs or 2% of the target procurement quantity. Regulation-Down Scarcity was detected in the ISO Expanded System Region.

The ISO has completed the price correction process and determined that the scarcity event occurred and that the published AS prices correctly reflect the approved administratively determined prices.

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