

Briefing on 2010-2011 Market Initiatives Release Plan

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Progress continues on a number of significant market enhancements.

Project	Planned Deployment
Scarcity pricing	April 1, 2010
Procurement of ancillary services in HASP	April 1, 2010
Forbidden operating regions	April 15, 2010
Proxy demand resource	May 1, 2010
Multi-stage generator modeling	October 1, 2010
Convergence bidding	February 1, 2011
Participating load refinements (scope may be phased)	February 1, 2011
California ISO	

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We have encountered some issues with the April 1 release

- We still have not received a FERC order on scarcity pricing
- We have struggled to produce quality settlement statements that reflect AS HASP functionality
- Go or No-Go decisions will occur next week based on the next few days of testing or FERC orders received

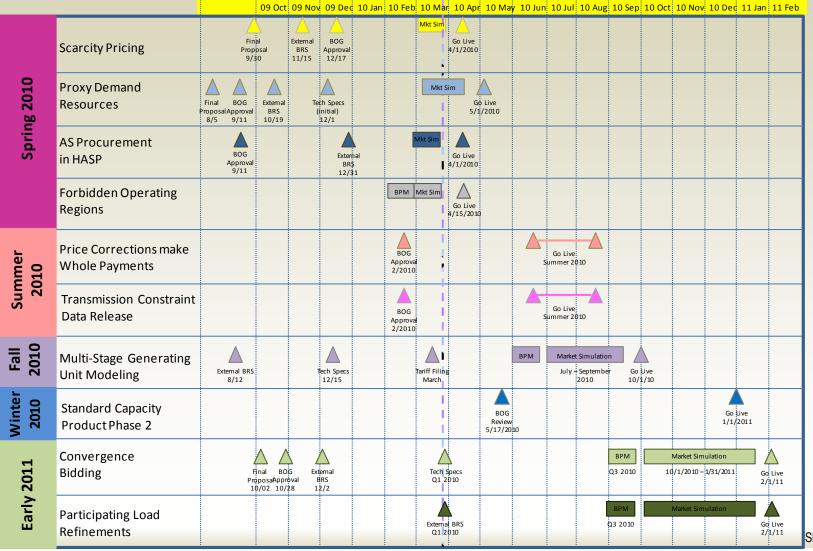


New items are being integrated into the plan.

- Make-whole payment and transmission constraint data release
 - Planned for summer deployment
 - Minor impact to market participants
 - ISO will provide four weeks notice of implementation date
- Standard capacity product phase 2
 - Final proposal will be reviewed at the May 2010 board meeting
 - Placeholder implementation date is prior to January 1, 2011
- Ancillary services for non-generation resources
 - Impact assessment in progress
 - Implementation plan to be determined



The timelines are largely unchanged from last update.



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