

RMR PRE-DISPATCH

Notice of Implementation

Market Participants:

Pursuant to the FERC order dated March 31, 2000, which accepted Amendment No. 26 to the ISO Tariff, the ISO hereby gives notice that effective June 1, 2000, the ISO will begin "pre-dispatching" Reliability Must-Run (RMR) Units.

On January 28, 2000, the ISO filed Amendment No. 26 to the ISO Tariff. As provided in Amendment No. 26, the ISO proposed modifications to procedures governing the notice provided by the ISO to Scheduling Coordinators that a specific RMR Unit will be required to provide Energy for reliability purposes during the next day. Specifically, the ISO proposed three modifications to the ISO Tariff that would ensure that: 1) the dispatch of RMR Units occurs prior to the close of the California Power Exchange (PX) Day-Ahead Market; 2) the dispatched RMR energy is scheduled against demand; and 3) if an RMR Owner elects to receive the payment specified in its Unit's RMR Contract for its RMR Energy, the RMR Energy will nonetheless be scheduled in a forward market. Collectively, the changes are known as "pre-dispatch."

Pursuant to the FERC Order on Amendment No. 26, the pre-dispatch of RMR Units is to become effective ten days after both the PX and ISO have completed the necessary software modifications. The PX and ISO software modifications are now complete. Therefore, the ISO and PX will today post notice on their respective Home Pages that RMR pre-dispatch will be implemented for operating day June 1, 2000. Day-Ahead Dispatch Notices for RMR units the ISO requires to operate on June 1, 2000 will be issued before the close of the June 1 PX Day-Ahead market on May 31, 2000.