

NOTICE DATE: March 8, 2006

NOTICE TYPE: System Change Notification

SHORT DESCRIPTION: ERCOT will implement the Replacement Reserve Service Market on March 20, 2006 at 16:00 CPT

INTENDED AUDIENCE: QSE Operations Personnel

DAY AFFECTED: Operating Day March 21, 2006

LONG DESCRIPTION:

ERCOT will implement the Replacement Reserve Service Market at 1600 CPT on Monday March 20, 2006. Beginning on March 20, 2006 RPRS Bids can be entered for Operating Day March 21, 2006. This is the last component of EMMS Release 4 to be implemented.

The deployments of the RPRS resources are dependant on the data provided to ERCOT. Thus all QSEs and Resources are encouraged to review for accuracy their filing of Unit Minimum Up and Minimum Down times that were submitted on their Generation Asset Registration Forms. Please note that due to some technical issues, Loads Acting as a Resource (LaaRs) have been temporarily disabled from providing RPRS.

ERCOT is running the RPRS engine currently, without creating deployments. The results of these solutions will be provided to the Market daily starting the day after this notice until RPRS is made fully functional on March 21, 2006. An email will be sent to QSE contacts and the Notice_Operations@lists.ercot.com distribution list daily with #MW/step and MCPC for each hour. Additional emails with Resource specific deployment information will be sent to specific QSEs when one of their resources is selected.

The following Protocols Revisions are related to this implementation:

413 – Optimization for the Whole Operating Day in RPRS Procurement Process

491 – Clarification to PRR413 RPRS Market

594 – Replacement Reserve Service Payment Formulas

604 – Replacement Reserve Service Bid Cap

613 – Replacement Reserve Under Scheduled Capacity Delineation

614 – Balancing Bids for replacement Capacity

641 - Clarifying RPRS Scheduling Language

ADDITIONAL INFORMATION:

Market Operations Bulletins 22 and 26 offer additional information on the RPRS Market and are available at:

http://www.ercot.com/services/comm/mkt_notices/mobs/2005/index.html

The descriptions for the Protocol Revision Requests referenced in this notice are available at:

<http://www.ercot.com/mktrules/protocols/prr.html>

To sign up for the Notice_Operations distribution list to receive the solution results, go to:

<http://lists.ercot.com/cgi-bin/majordomo>

CONTACT: If you have any questions, please contact your ERCOT Account Manager. You may also call the general ERCOT Client Relations phone number at (512) 248-3900 or contact ERCOT Client Relations via e-mail at ClientRelations@ercot.com.