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PROJECT NO. 37897
PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST FOR COMMENTS

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PUBLIC UTILITY COMMISSION
FILING CLERK

The Public Utility Commission of Texas requests comments on proposed solutions to the pricing impacts of the deployment of reserve capacity in the ERCOT market. The Commission expects to discuss this issue at the open meeting scheduled for October 27, 2011 at 9:30 a.m. in the Commissioners' Hearing Room at the Commission offices at 1701 N. Congress, 7th floor, Austin, Texas 78701. At the open meeting, stakeholders are encouraged to be present to answer questions about their comments. These questions are intended to help the Commission to identify ways address resource adequacy issues in an economically efficient manner.

The Commission requests that interested persons submit comments in this proceeding. Comments shall be filed in this project no later than October 14, 2011. The Commission requests comments on the following questions:

1. Proposals to introduce an offer floor into the market for the procurement of NSRS have ranged from about \$72 to \$3000. How would the different offer floors on the Non-Spinning Reserve Service scenarios impact wholesale electricity prices?
2. Do the NSRS proposals address the price dampening impact of the current NSRS deployment methodology?
3. What impact would the NSRS proposals have on future contribution to the Peaker Net Margin?
4. Is the Peaker Net Margin trigger working to incent new development? If not, why not?
5. What relationship does the Peaker Net Margin have to forward prices?

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The commission will address this item under Project No. 37897.

Questions concerning this request for comments should be referred to Doug Whitworth, Competitive Markets Division, at (512) 936-7368, or Jason Haas, Legal Division, at (512) 935-7295. Hearing and speech-impaired individuals with text telephones (TTY) may contact the Commission at (512) 936-7136.