



Evaluation Report of Load Serving Entities' Compliance with 2010 Local Resource Adequacy Requirements

The ISO has reviewed the aggregate 2010 annual Resource Adequacy (RA) Plans of load serving entities (LSEs) received as of October 20, 2009 and done a preliminary evaluation to assess compliance with annual Local Resource Adequacy requirements based on the showings received as of that date. Final showings are due from CPUC jurisdictional LSEs on October 29, 2009 and from Metered Sub-Systems on November 1, 2009. In addition, the ISO has done a preliminary evaluation of the effectiveness of the Resource Adequacy Resources and RMR resources that have been procured by LSEs thus far to assess compliance in Local Capacity Areas with the Local Capacity Technical Study criteria as required by Tariff Sections 43.1.1.1 and 43.1.2. Based on the preliminary showings to date, the ISO has identified individual and collective capacity deficiencies in several Local Capacity Areas in the PG&E and SDG&E TAC Areas. A deficiency occurs when the aggregate portfolio of Resource Adequacy Resources that has been procured, including RMR resources, fails to satisfy the adopted reliability criteria in a Local Capacity Area. The ISO stresses that its analysis is only a preliminary analysis based on the RA showings to date. After the ISO receives the final LSE showings, it will assess them for any individual or collective deficiencies. The ISO intends to issue a second market notice by November 16, 2009 and notify any individually deficient LSEs to the extent there are any individual deficiencies or collective deficiencies, respectively, based on the final LSE RA showings. The tariff provides an opportunity for LSEs to cure individual or collective deficiencies before the ISO can engage in any backstop procurement.

The ISO notes that it cannot require the deficient LSEs to buy from the units specified below, which are needed to satisfy LCR criteria. LSEs (including those deficient at this time) can buy from any resources with a local attribute in the TAC Area. However, to the extent that the aggregate LSE showings do not comprise the right mix of resources that meet the LCR criteria and ISO effectiveness needs, a deficiency may exist that would cause the ISO to procure individual and/or collective backstop capacity.

PG&E TAC

1. At this time, individual LSE deficiencies in the PG&E TAC Area total 552 MW.
2. Based on the showings received as of October 20, 2009, the ISO projects that there could be a potential collective deficiency ranging from a minimum deficiency of 744 MW to a maximum deficiency of 1296 MW.

For Humboldt Local Area, an additional 9 MW would need to be procured from the following resources in order to satisfy the LCR criteria:

Mkt./Physical Res. ID	Physical Resource Name	NQC (MW)	Available (MW)	LCR Need
FTSWRD_7_QFUNTS	Fort Seward QF Aggregate	1	1	Humboldt Overall
HUMBPP_7_UNIT 1	Humboldt Bay Unit 1	52	2	Humboldt Overall
HUMBPP_7_UNIT 2	Humboldt Bay Unit 2	53	2	Humboldt Overall
LAPAC_6_UNIT	Louisiana Pacific Samoa	20	20	Humboldt Overall

For North Coast/North Bay Local Area, a minimum of 163 MW needs to be procured in the following manner from the following resources in order to satisfy the LCR criteria:

- 1) A minimum 48 MW needs to be procured from the following resources:

Mkt./Physical Res. ID	Physical Resource Name	NQC (MW)	Available (MW)	LCR Need
ADLIN_1_UNITS	Geothermal Energy Partners	16	16	Eagle Rock
GEYS11_7_UNIT11	Geysers Unit 11	60	34	Eagle Rock

- 2) A minimum 23 MW (beyond the 48 MW needed for Eagle Rock) needs to be procured from the following resources:

Mkt./Physical Res. ID	Physical Resource Name	NQC (MW)	Available (MW)	LCR Need
ADLIN_1_UNITS	Geothermal Energy Partners	16	16	Fulton
GEYS11_7_UNIT11	Geysers Unit 11	60	34	Fulton
GEYS14_7_UNIT14	Geysers Unit 14	50	50	Fulton
GYSRVL_7_WSPRNG	Sonoma CWA Warm Springs	2	2	Fulton
NCPA_7_GP2UN3	NCPA Geo Plant 2 Unit 3	28	16	Fulton
NCPA_7_GP2UN4	NCPA Geo Plant 2 Unit 4	27	16	Fulton
SNMALF_6_UNITS	Sonoma County Landfill	6	1	Fulton

- 3) A minimum 92 MW (beyond the 71 MW needed for Eagle Rock and Fulton) needs to be procured from the following resources:

Mkt./Physical Res. ID	Physical Resource Name	NQC (MW)	Available (MW)	LCR Need
ADLIN_1_UNITS	Geothermal Energy Partners	16	16	Lakeville
GEYS11_7_UNIT11	Geysers Unit 11	60	34	Lakeville
GEYS14_7_UNIT14	Geysers Unit 14	50	50	Lakeville
GYSRVL_7_WSPRNG	Sonoma CWA Warm Springs	2	2	Lakeville
NCPA_7_GP2UN3	NCPA Geo Plant 2 Unit 3	28	16	Lakeville
NCPA_7_GP2UN4	NCPA Geo Plant 2 Unit 4	27	16	Lakeville
SNMALF_6_UNITS	Sonoma County Landfill	6	1	Lakeville
GEYS18_7_UNIT18	Geysers Unit 18	45	17	Lakeville
GEYS20_7_UNIT20	Geysers Unit 20	40	40	Lakeville
NCPA_7_GP1UN1	NCPA Geo Plant 1 Unit 1	32	19	Lakeville
NCPA_7_GP1UN2	NCPA Geo Plant 1 Unit 2	29	17	Lakeville
SMUDGO_7_UNIT1	Sonoma Power Plant	37	9	Lakeville

For Sierra Local Area, an additional 161 MW needs to be procured from the following resources in order to satisfy the LCR criteria:

Mkt./Physical Res. ID	Physical Resource Name	NQC (MW)	Available (MW)	LCR Need
DAVIS_7_MNMETH	MM Yolo Power LLC	3	3	Drum-Rio Oso
ELDORO_7_UNIT 1	El Dorado Power House Unit 1	11	11	Placerville
ELDORO_7_UNIT 2	El Dorado Power House Unit 2	11	11	Placerville
FORBST_7_UNIT 1	Forbes Town Hydro	39	39	Drum-Rio Oso
KELYRG_6_UNIT	Kelly Ridge Hydro	10	10	Drum-Rio Oso
PLSNTG_7_LNCLND	Lincoln Landfill Power Plant	2	2	Drum-Rio Oso
SLYCRK_1_UNIT 1	Sly Creek Hydro	10	10	Drum-Rio Oso
STIGCT_2_LODI	Lodi STIG	50	19	South of Rio Oso
WDLEAF_7_UNIT 1	Wood Leaf Hydro	55	55	Drum-Rio Oso
WHEATL_6_LNDFIL	Wheatland Land Field	1	1	Drum-Rio Oso

For Stockton Local Area, an additional 109 MW needs to be procured from the following resources in order to satisfy the LCR criteria:

Mkt./Physical Res. ID	Physical Resource Name	NQC (MW)	Available (MW)	LCR Need
BEARDS_7_UNIT 1	Beardsley Hydro	8	8	Tesla-Bellota
DONNLS_7_UNIT	Donnells Hydro	72	10	Tesla-Bellota
LODI25_2_UNIT 1	Lodi GT	23	10	Lockeford
SPIFBD_1_PL1X2	Sierra Pacific Ind. (Sonora)	3	3	Tesla-Bellota
STNRES_1_UNIT	Stanislaus Waste Energy Co.	15	15	Tesla-Bellota
STOKCG_1_UNIT 1	Stockton Cogen Co.	47	47	Tesla-Bellota
TULLCK_7_UNITS	Tulloch hydro Aggregate	16	16	Tesla-Bellota

For Fresno Local Area, a minimum 1 MW needs to be procured from the following resources to satisfy the LCR criteria:

Mkt./Physical Res. ID	Physical Resource Name	NQC (MW)	Available (MW)	LCR Need
BALCHS_7_UNIT 1	Balch 1 PH Unit 1	33	1	Herndon
PINFLT_7_UNITS	Pine Flat PH	210	177	Herndon
PNOCHE_1_PL1X2	Wellhead Power Panoche	40	7	Herndon

For Bay Area Bay Local Area, a minimum 853 MW needs to be procured in the following manner from the following resources in order to satisfy the LCR criteria:

- 1) An additional 44 MW needs to be procured from the following resources:

Mkt./Physical Res. ID	Physical Resource Name	NQC (MW)	Available (MW)	LCR Need
GILROY_1_UNIT	Gilroy Cogen - Unit 1	105	105	Llagas
GILRPP_1_PL3X4	Gilroy Peaker - Unit 3	46	46	Llagas

- 2) A minimum of 309 MW needs to be procured from the following resources:

Mkt./Physical Res. ID	Physical Resource Name	NQC (MW)	Available (MW)	LCR Need
CONTAN_1_UNIT	Smurfit Stone (Container Co)	26	26	San Jose
CSCCOG_1_UNIT 1	SVP Cogen	6	6	San Jose
DUANE_1_PL1X3	DVR UNITS	148	148	San Jose
LECEF_1_UNITS	Los Esteros Critical EC	186	186	San Jose

- 3) A minimum of 500 MW needs to be procured from the following resources:

Mkt./Physical Res. ID	Physical Resource Name	NQC (MW)	Available (MW)	LCR Need
ALMEGT_1_UNIT 1	Alameda GT Unit 1	24	5	Pittsburg/Oakland
ALMEGT_1_UNIT 2	Alameda GT Unit 2	24	10	Pittsburg/Oakland
CROKET_7_UNIT	Crockett Cogen	240	86	Pittsburg/Oakland
DELTA_2_PL1X4	Delta EC	813	728	Pittsburg/Oakland
UNCHEM_1_UNIT	Contra Costa Carbon Plant	19	19	Pittsburg/Oakland

SDG&E TAC

1. At this time, individual LSE deficiencies in the SDG&E TAC Area total 92 MW.
2. Based on the showings received as of October 20, 2009, the ISO projects a potential collective deficiency ranging from a minimum deficiency of 0 MW to a maximum deficiency of 92 MW.

For San Diego Local Area, an additional 92 MW needs to be procured in the following manner from the following resources:

- 1) A minimum 3 MW needs to be procured from the following resource:

Mkt./Physical Res. ID	Physical Resource Name	NQC (MW)	Available (MW)	LCR Need
ELCAJN_7_GT1	El Cajon GT	16	3	El Cajon

- 2) A minimum 58 MW needs to be procured from the following resources:

Mkt./Physical Res. ID	Physical Resource Name	NQC (MW)	Available (MW)	LCR Need
KEARNY_7_KY1	Kearny GT Unit 1	16	1	Rose Canyon
KEARNY_7_KY2	Kearny GT Unit 2 Aggregate	59	32	Rose Canyon
KEARNY_7_KY3	Kearny GT Unit 3 Aggregate	61	61	Rose Canyon

- 3) A minimum 31 MW (beyond the 61 MW needed for El Cajon and Rose Canyon) needs to be procured from the following resources:

Mkt./Physical Res. ID	Physical Resource Name	NQC (MW)	Available (MW)	LCR Need
KEARNY_7_KY1	Kearny GT Unit 1	16	1	San Diego Overall
KEARNY_7_KY2	Kearny GT Unit 2 Aggregate	59	32	San Diego Overall
KEARNY_7_KY3	Kearny GT Unit 3 Aggregate	61	61	San Diego Overall
ESCND0_6_PL1X2	MMC Escondido	36	36	San Diego Overall
LARKSP_6_UNIT 2	Larkspur Peaker Unit 2	46	20	San Diego Overall
MRGT_7_UNITS	Miramar GT 1 Aggregate	36	3	San Diego Overall
SMRCOS_6_UNIT 1	San Marcos Land Fill	1	1	San Diego Overall

Process for curing a Collective Deficiency

For purposes of curing a collective deficiency, a Scheduling Coordinator for an LSE may submit a revised annual Resource Adequacy Plan within 30 days of this market notice, *i.e.*, December 1, 2009, to demonstrate the procurement of additional Local Capacity Area Resources consistent with this market notice in order to resolve the collective deficiency as provided by Tariff Section 43.1.2.1. Any Scheduling Coordinator for an LSE that provides such additional Local Capacity Area Resources consistent with this market notice shall have its share of any backstop procurement costs reduced on a proportionate basis in accordance with the Tariff. If the full quantity of capacity in the deficient Local Capacity Areas is not reported to the ISO under revised annual Resource Adequacy Plans, the ISO may engage in backstop procurement sufficient to alleviate the deficiency.