



# Decision on conditional approval to extend existing reliability must-run contracts for 2022

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Board Meeting  
September 22–23, 2021

# Management requests conditional approval to extend certain reliability must-run contracts for 2022.

- Reliability must-run designations are extended when:
  - There is a reliability need in the local area or a system wide reliability need as determined by ISO studies; and,
  - Resource adequacy capacity from specific units may not be contracted by a load serving entity.
- Resource adequacy capacity is also retained under RMR designations, however, if the ISO determines that:
  - It needs certain reliability services not provided by the resource adequacy contract;
  - A unit may exercise market power for energy; or
  - Existing contractual arrangements may preclude the availability of that unit without a reliability must-run contract.

## Conditional approvals are sought each year due to the schedule of events each September:

- ISO Management develops next year's RMR recommendations for units currently under contract
- ISO Board authorizes Management to conditionally extend necessary existing reliability must-run contracts at the Board of Governors meeting held each September
- September 15, load serving entities make preliminary resource adequacy showings with current RMR resources
- By September 30, ISO Management reviews preliminary resource adequacy showings and determines if RMR extensions remain necessary
- October 1 letters for RMR extensions or terminations are sent to resource owners (after the preliminary showings are reviewed).

# Management recommends extending the reliability must-run designations as set out below

- Extend existing reliability must-run contracts for 2022 conditional upon results of resource adequacy showings process for:
  - Oakland 1 & 3 (Dynergy Oakland, LLC) - local
  - Greenleaf II Cogen (Starwood Energy Group) - local
  - Channel Islands Power (CSU Channel Islands Site Authority) - system
  - Midway Sunset Cogen Units A-C (Midway Sunset Cogen Company) - system
  - Kingsburg Cogen (KES Kingsburg LP) - system
- Management will report back the results of the RMR contract extensions at the November Board meeting.
- ISO will not execute a new reliability must-run contracts for:
  - Agnews Power Plant (O.L.S. Energy-Agnews, Inc.) because it is now under a resource adequacy capacity contract