



Decision on reliability must-run designation for Agnews Power Plant

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Board of Governors Meeting

General Session

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Seeking conditional approval to designate the Agnews Power Plant as reliability must-run for November to December 2021 and for 2022:

- Owned by O.L.S. Energy-Agnews, Inc. (28.56 MW)
- Retirement/mothball notice: November 20, 2020.
- Requested retirement/mothball date: November 1, 2021 - Denied
- Found to be required to meet the local capacity requirements in the San Jose sub-area of the Bay Area local area.
- No reliability must-run contract will be executed if the resource secures a resource adequacy contract in the meantime, satisfying the reliability need.

Stakeholder engagement:

- By posting the Announced Retirement and Mothball List in November 2020, the ISO has made public the mothball/retirement intention of Agnews Power Plant
- The technical study results were presented to stakeholders:
 - March 11, 2021 stakeholder meeting to present draft 2022 and 2026 local capacity study results
 - April 7, 2021 stakeholder call to present final 2022 and 2026 local capacity study results
 - May 18, 2021 stakeholder call to present potential reliability must-run designation for Agnews Power Plant
- Results have been included in the final 2022 Local Capacity Technical Report, dated April 30, 2021, and filed in the CPUC's Resource Adequacy proceedings:
 - <http://www.caiso.com/InitiativeDocuments/Final2022LocalCapacityTechnicalReport.pdf>

Stakeholder feedback

- Several stakeholders have suggested that the resource should be designated as a system need first and instead of as a local need, given current system-wide resource concerns, to shift cost responsibility from the local transmission access charge area to the overall system.
- The ISO does not agree with that approach given the structure of the ISO tariff and that eliminating the local need eventually requires transmission upgrades.

Management recommends designation of reliability must-run services as set out below:

- Establish must-run contracts for November-December 2021 and for 2022 based on local capacity requirements for the Agnews Power Plant
- Management will report back the results of the reliability must-run contracts later in the year.