



News Release

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ISO Board issues RMR designation to preserve grid reliability in 2021

FOLSOM, Calif. – The California Independent System Operator (ISO) Board of Governors today voted to designate a 250 megawatt (MW) power plant as a reliability must-run (RMR) resource to help ensure California has the capacity and energy needed to meet next summer's electricity demand.

The Board's unanimous [decision](#) retains 250 MW of needed generation by ensuring that Midway Sunset Cogeneration Company's facility remains in service, and enables one previously-mothballed unit to return to service.

"Although RMR contracts are primarily a tool of last resort for the ISO, the Board of Governors' action helps ensure that resources needed to maintain system-wide reliability are available to meet energy demand next summer," said ISO President and CEO Elliot Mainzer. "This is part of the ISO's continued commitment to having adequate power supplies ready for next summer."

Generators identified as RMR resources are required to remain in service to provide energy and resource adequacy capacity even though their available capacity is not currently under contract. The Board's action requires the ISO to enter into an agreement with Midway Sunset Cogeneration Company. The agreement will require the Federal Energy Regulatory Commission's (FERC) approval.

The ISO's supply analysis concluded that the capacity provided by Midway Sunset Cogeneration Company's units may be necessary to serve load and meet North American Electric Reliability Corporation (NERC) and Western Electricity Coordinating Council (WECC) operational standards, especially during the summer evenings when the demand for electricity increases due to air conditioning while solar energy production drops off.

In other actions, the Board also:

- Approved the [Energy Storage and Distributed Energy Resources](#) (ESDER 4) default energy bid proposal to apply local market power mitigation measures and establish a default energy bid policy for storage resources.
- Adopted the [2021 budget](#) with a \$181.6 million revenue requirement.
- Approved [refinancing](#) \$163.4 million of a 2013 bond to gain about \$1.6 million in annual savings, and more than \$19 million savings over the remaining 18 years.



- Approved the [real-time settlement review proposal](#) to modify the cost allocation between balancing authority areas for real-time market bid cost recovery.

And finally, the Board received a briefing on the [2021 Three-Year Policy Initiatives Roadmap and Annual Plan](#) which serves as a work plan to ensure new policies and tools are in place to meet the needs of the market. This roadmap has been updated to focus on the near term need to address issues to help with summer reliability, while continuing to maintain momentum and engagement on regional market initiatives.

For more information on grid conditions, visit the California ISO website at www.caiso.com.

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The California Independent System Operator (ISO) is a nonprofit public benefit corporation dedicated, with its partners, to continuous improvement and secure operation of a reliable grid operated for the benefit of consumers. It provides comprehensive grid planning, open and nondiscriminatory access to one of the largest networks of high-voltage transmission power lines in the world, and operates a \$9 billion competitive electricity market. Recognizing the importance of the global climate challenge, the ISO is at the forefront of integrating renewable power and advanced technologies that will help provide a sustainable energy future efficiently and cleanly.

The Western Energy Imbalance Market (EIM) Governing Body is the governing authority designed by regional stakeholders with delegated authority from the ISO Board of Governors to resolve rules specific to participation in the Western EIM.