



# Decision on reliability must-run designations for Greenleaf II Cogen, Channel Islands Power and E.F. Oxnard Incorporated for 2020

Jeff Billinton

*Director, Transmission Infrastructure Planning*

Board of Governors Meeting

General Session

March 25, 2020

## Seeking conditional approval to designate the following as reliability must-run for 2020:

- Greenleaf II Cogen – owned by Starwood Energy Group (Pmax 49.5 MW)
- Channel Islands Power – owned by CSU Channel Islands Site Authority (Pmax 27.5 MW)
- E.F. Oxnard Incorporated – owned by Atlantic Power (Pmax 48.5 MW)

No reliability must-run contract will be executed if resources secure a resource adequacy contract in the meantime.

# Greenleaf II Cogen

Retirement/mothball notice: October 3, 2019.

Requested retirement/mothball date: December 9, 2020 - Denied

- Resource is in Drum-Rio Oso sub-area of the Sierra local capacity area
  - Reliability need is 734 MW
  - Available resources, including Greenleaf II Cogen, total 695 MW (689 MW at peak)
  - Approved transmission project (Rio Oso 230/115 kV Transformers) to eliminate the need in-service date June 2022.
- At this time resource is idle and is converting from a qualifying facility arrangement to a conventional market participant arrangement:
  - ISO expects customer to sign new Interconnection Agreement, Participating Generator Agreement and Meter Services Agreement, and certify the new meters before returning to service.

# Channel Islands Power & E.F. Oxnard Incorporated

## Channel Island Power

Retirement/mothball notice: February 20, 2020

Requested Retirement/mothball date: March 31, 2020 - Denied

- At this time the resource is under an RA contract until March 30, 2020
  - Extension negotiations with current RA buyer have been unsuccessful

## E.F. Oxnard Incorporated

Retirement/mothball notice: March 2, 2020

Requested retirement/mothball date: May 25, 2020 - Denied

- At this time the resource is under RA contract until May 24, 2020
  - Extension negotiations with current RA buyer have been unsuccessful
- Resource will need to convert from a qualifying facility arrangement to a conventional market participant arrangement.
  - ISO expects customer to sign new Participating Generator Agreement and Meter Services Agreement, plus potentially a new Interconnection Agreement

# Channel Islands Power & E.F. Oxnard Incorporated

- Both resources are in the Santa Clara sub-area of the Big Creek/Ventura local capacity area.
  - Reliability need is 288 MW
  - Available resources, including Channel Island Power and E.F. Oxnard, total 250 MW.
  - A total of 195 MW (780 MWh) of new energy storage resources have been procured to meet the 38 MW shortfall in local capacity need plus the expected future retirement of Ellwood in the area but the resources are not expected to be online until the summer of 2021
  - Currently, there is no approved alternative to mitigate the need without Channel Island Power and E.F Oxnard Incorporated

# Stakeholder engagement:

- The technical study results were presented to stakeholders:
  - March 14, 2019 stakeholder meeting to present draft 2020 and 2024 local capacity study results
  - April 10, 2019 stakeholder call to present final 2020 and 2024 local capacity study results
- Results have been included in the final 2020 Local Capacity Technical Report, dated May 1, 2019:
  - <http://www.caiso.com/Documents/Final2020LocalCapacityTechnicalReport.pdf>
  - Report was also filed with CPUC in their annual RA proceeding.
- Stakeholder questions and comments received during the stakeholder meeting and subsequent stakeholder call as well as written form acknowledge the local reliability need for these resources.

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

- Establish must-run contracts for 2020 based on local capacity requirements for:
  - Greenleaf II Cogen
  - Channel Islands Power
  - E.F. Oxnard Incorporated
- Management will report back the results of the reliability must-run contracts at the May 2020 Board meeting.

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

- Establish must-run contracts for 2020 based on local capacity requirements for:
  - Greenleaf II Cogen
  - Channel Islands Power
  - E.F. Oxnard Incorporated
- Management will report back the results of the reliability must-run contracts at the May 2020 Board meeting.



# Management proposes the following motion:

***Moved, that the ISO Board of Governors authorize Management to designate the Greenleaf II Cogen, Channel Islands Power and E.F. Oxnard Incorporated units for reliability must-run service contingent upon execution of a reliability must-run contract with rates, terms and conditions acceptable to Management, as described in the memorandum dated March 18, 2020.***