

Memorandum

To: ISO Board of Governors
From: Neil Millar, Vice President of Infrastructure and Operations Planning
Date: October 19, 2022
Re: **Update on results of reliability must-run contract extensions for 2023**

This memorandum does not require ISO Board of Governors action.

EXECUTIVE SUMMARY

At its August 31-September 1, 2022, meeting, the ISO Board of Governors authorized Management to extend the existing reliability must-run contracts for the Dynegy Oakland, LLC, Starwood Energy Group, CSU Channel Islands Site Authority and Midway Sunset Cogeneration Company generating units listed in *Attachment 1* through calendar year 2023, following Management's review of load serving entities' September preliminary resource adequacy showings.

The Kingsburg Cogen, owned by KES Kingsburg, LP, had previously entered into a resource adequacy contract for the full amount of their available capacity through 2024 and will be available to the ISO without the need for a reliability must-run contract.

Since August 31, the Midway Sunset Cogen Units, owned by Midway Sunset Cogeneration Company have also entered into resource adequacy contracts for the full amount of their available capacity through 2026 and will be available to the ISO without the need for a reliability must-run contract. Furthermore, the Channel Islands Power Unit, owned by CSU Channel Islands Site Authority has executed a contract with the California Department of Water Resources, which would make this facility available to the ISO as part of the California Strategic Reliability Reserve Program (SRRP).

After a review of capacity obligations provided through resource adequacy showings or the SRRP, Management extended the reliability must-run contracts with Dynegy Oakland for Oakland units #1 and #3, and Starwood Energy Group for Greenleaf II Cogen. The Oakland units are required to meet the 2023 local capacity need for the Oakland sub-area within the Bay Area local area. Greenleaf II Cogen is required to meet the 2023 local capacity need in the Drum-Rio Oso sub-area of the Sierra local area. None of these resources were included in any load serving entity's preliminary resource adequacy showing or the SRRP to satisfy the identified reliability need.

ATTACHMENT 1: 2023 Reliability Must-Run Contract Status

RMR Units Extension Status			
<i>Any Extended RMR Contracts will be effective January 1, 2023, thru December 31, 2023</i>			
<i>Any Released RMR Contracts will be terminated effective Midnight on December 31, 2022</i>			
Owner	Unit	MW	Status
Starwood Energy Group	Greenleaf II Cogen	49.2	Extended
CSU Channel Islands Site Authority	Channel Islands Power	27.5	Released
Midway Sunset Cogeneration Company	Midway Sunset Cogen, Units	248.0	Released
KES Kingsburg, LP	Kingsburg Cogen	34.5	Released
Dynergy Oakland, LLC	Oakland, Unit 1	55.0	Extended
	Oakland, Unit 3	55.0	Extended