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ISO Board takes action to boost summer grid reliability

Existing RMR contracts extended; some generation may be added to state's strategic reserve

FOLSOM, Calif. – Acting to shore up summer grid reliability, the California Independent System Operator (ISO) Board of Governors has approved extending [reliability must-run contract designations](#) with four power plants so they remain available to be called into service during grid emergencies.

Reliability-must-run, or RMR, contracts require power plants to operate during the term of the agreement, and the Board's action extends that designation through calendar year 2023 for power plants that can provide resource capacity to meet local and system-wide demand.

The Board's unanimous decision retains a total of 159.2 megawatts (MW) of electricity by ensuring the Dynegy Oakland Units 1 & 3 and Greenleaf II Cogen are in service to meet local demand through Dec. 31, 2023.

The Board's decision also ensures a total of 275.5 MW of energy generated by Channel Islands Power and Midway Sunset Cogen Units A-C are available to satisfy system-wide needs, especially in the face of uncertainty in meeting the California Public Utilities Commission's (CPUC) procurement targets.

Should any of the generators enter into a resource adequacy contract before the end of September, which is another way to ensure that their electricity can be utilized by the grid, the RMR designation would be removed.

The Board's action is part of its focus, along with state energy agencies, to make sure all available generating capacity can be used during the summer months, when stressed conditions on the grid are most common.

New grid facilities and the state's progress on resource adequacy have lessened the need for RMR contracts in recent years, however, they remain a valuable backstop mechanism to provide energy when it's needed to meet heightened summer demand.

A supply analysis conducted by the ISO concluded the need for the capacity provided by the 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 late afternoons and evenings in the

summer when demand for electricity increases from air conditioning use and there is less solar on the system.

Additionally, the ISO is reaching out to the California Department of Water Resources (CDWR) to examine the feasibility of transitioning the system-wide resources into the state's Strategic Electricity Reliability Reserve (Reliability Reserve) created earlier this year by Gov. Gavin Newsom.

The Reliability Reserve, which is managed by the CDWR, provides funds to invest in a combination of new projects and the extension of permits of existing facilities for additional energy during extreme heat, wildfires and other events that threaten California's high-voltage transmission system.

The ISO will report on the contract extensions, and discussions with the CDWR at the Board of Governors meeting in October.

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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 (WEIM) is a real-time wholesale energy trading market that enables participants anywhere in the West to buy and sell energy when needed. The WEIM Governing Body is the governing authority designed by regional stakeholders and has shared authority with the ISO Board of Governors to resolve rules specific to participation in the WEIM.