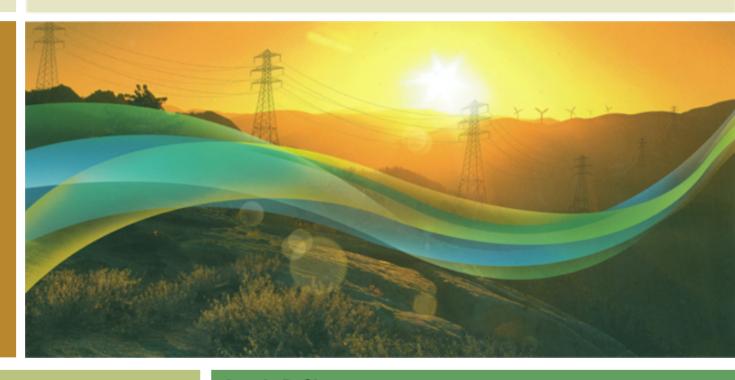
Decision Regarding Conditional Approval to Extend Existing Reliability Must Run Contracts for 2008



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Reliability Must Run (RMR) designations are maintained for these reasons:

- A currently contracted for RMR unit remains needed to meet Local Capacity Criteria and was not procured by an LSE for Resource Adequacy (RA) purposes
- RA capacity from the unit was procured by an LSE,¹ but the CAISO determines that:
 - Certain reliability services not provided by the RA contract remain needed
 - The unit may exercise market power for energy
 - Existing contractual arrangements may preclude the availability of that unit without an RMR contract



¹⁾ Payments under the RMR contract will attempt to fully account for any payments received under an RA contract.

Timeline

- September 19th CPUC jurisdictional LSEs make Preliminary RA showings
- Before September 30th non-CPUC jurisdictional LSEs make a Final RA showings
- Based on these showings the CAISO management recommends RMR status for year 2008 among units currently under contract
- October 1st letters for RMR extensions or terminations are sent to resource owners

