



California ISO
Your Link to Power

News Release

For immediate release | **September 9, 2010**

For more information, contact:

Stephanie McCorkle | smccorkle@caiso.com

Gregg Fishman | gfishman@caiso.com

ISO Board authorizes contract extensions for power plants, if they are needed for local reliability

(Folsom CA) California's power plant fleet numbers about 1,300 units or 55,000 megawatts. Fourteen units, totaling approximately 1,000 megawatts, currently operate under reliability must-run (RMR) contracts because they are needed to prevent outages. The California Independent System Operator Corporation (ISO) Board of Governors today authorized management to extend into 2011 the terms of existing RMR contracts if they are needed. The ISO will make this determination prior to October 1, 2010 after load serving entities make their preliminary showing of resources under resource adequacy contracts for 2011.

A few coastal communities would like to see older power plants in their areas closed down. The ISO is working with neighborhood and business groups, utilities and plant owners to find replacement resources that will allow the shut-down of the plants. For now, however, certain plants are necessary to meet federal electricity reliability mandates. New generation and transmission resources will help trim the annual list of RMR designations. The ISO performs engineering analysis on an annual basis in order to make the determination. The amount of RMR capacity has decreased steadily since 2005 when capacity totaled more than 10,000 megawatts.

The 2011 list of RMR units includes Potrero units 3, 4, 5 and 6 in San Francisco. It also includes Chula Vista's South Bay units 1 and 2 and a combustion turbine at the plant. The need for reliability services from both plants could terminate early if resource development milestones are met. In the case of the Potrero plant, unit 3 will no longer be needed for RMR service once the TransBay Cable is operational and reliable. The remaining units would not be needed once new transmission upgrades are on line. The status of the South Bay units hinges on the start date for the new Sunrise Powerlink and the completion of other resource enhancements.

The ISO Board also approved 16 generating units representing 1,748 megawatts for "black start" capabilities, if needed. These are units that, in the unlikely event of a major collapse of the grid, can operate without needing external power. Two generating units, totaling 105 megawatts, are needed for their dual-fuel capability. They bring reliability benefits to the grid because they run on fuel oil as well as natural gas and can switch fuels quickly during gas shortages.

More information about the [RMR designations](#) is available on the ISO website.

-MORE-

RMR Generating Units for 2011

Owner:	Unit:	Output (MW):
Gilroy Energy Center, LLC (Calpine)	Feather River EC Unit	45
	Gilroy EC, Unit 1	45
	Gilroy EC, Unit 2	45
	Yuba City EC Unit	45
Mirant Potrero, LLC	Potrero, Unit 3	206
	Potrero, Unit 4	52
	Potrero, Unit 5	52
	Potrero, Unit 6	52
Dynegy Oakland, LLC	Oakland, Unit 1	55
	Oakland, Unit 2	55
	Oakland, Unit 3	55
Dynegy South Bay, LLC	South Bay, Unit 1	145
	South Bay, Unit 2	149
	South Bay, CT	13
Total	14 units	1,014 mw

###

California ISO Media Hotline | 888.516.6397151 Blue Ravine Road | Folsom, California 95630 | www.caiso.comFollow us on Twitter | <http://twitter.com/CaliforniaISO>

The California ISO operates the state's wholesale transmission grid, providing open and non-discriminatory access supported by a competitive energy market and comprehensive planning efforts. Partnering with more than 90 client organizations, the ISO is dedicated to the continual development and reliable operation of a modern grid that operates at the least cost to the benefit of consumers. The ISO bulk power market allocates space on transmission lines, maintains operating reserves and matches supply with demand. Recognizing the importance of global climate change, the ISO welcomes new, advanced technologies that will help meet the energy needs of 30 million Californians efficiently and cleanly. The ISO is a nonprofit public benefit corporation.