

Memorandum

To: ISO Board of Governors

From: Keith Casey, Vice President of Market & Infrastructure Development

Date: November 7, 2018

Re: Update on results of reliability must-run contract extensions for 2019

This memorandum does not require Board action.

At its September 5-6 meeting, the ISO Board of Governors authorized Management to extend the existing reliability must-run (RMR) contracts through calendar year 2019 following Management's review of load serving entities' September 15, 2018 preliminary resource adequacy showings.

Management has reviewed the resource adequacy showings and has extended the RMR contract with Dynegy Oakland for the Oakland units, and with Gilroy Energy Center for the Yuba City and Feather River Energy Center units. The Oakland units are needed for the Oakland sub-area within the Bay Area local area. The Yuba City unit is needed for the Pease sub-area within the Sierra local area. The Feather River Energy Center unit continues to be needed for voltage support. None of these resources were included in any load serving entity's preliminary resource adequacy showing.

Management did not extend the RMR contract with Metcalf Energy Center, because the 2019 local capacity study does not show the need due to the following transmission projects and planned completion dates: Moss Landing-Panoche 230 kV path upgrade (December 2018), San Jose-Trimble 115 kV line limiting facility upgrade (December 2018) and San Jose-Trimble 115 kV series reactor (January 2019).

Management did not enter into RMR contracts with NRG California South LP ("NRG") for Ellwood unit 1 and one of the Ormond Beach units, because these resources have entered into resource adequacy contracts. The owner has rescinded the retirement notices, so the units are available to the ISO.

In addition, Management has also extended all contracts that provide for black start and dual fuel capability for the 2019 contract year as set forth in Attachment 1.¹

¹ Dual fuel and black start agreements that are zero cost contracts do not require Board approval.

ATTACHMENT 1: 2019 Reliability Must-Run, Black Start and Dual Fuel Contract Status

RMR Units Extension Status				
<i>Any Extended RMR Contracts will be effective January 1, 2019 thru December 31, 2019</i>				
<i>Any Released RMR Contracts will be terminated effective Midnight on December 31, 2018</i>				
Owner	RMR Contract	Unit	MW	Status
Metcalfe Energy Center, LLC	Metcalfe EC	Metcalfe EC, Units 1-3	593.16	Released
Gilroy Energy Center, LLC	Yuba City and Feather River ECs	Yuba City Energy Center	47.6	Extended
		Feather River Energy Center	47.6	
Dynergy Oakland, LLC	Oakland	Oakland, Unit 1	55	Extended
		Oakland, Unit 2	55	
		Oakland, Unit 3	55	
Black Start Units Extension Status				
<i>Any Extended Black Start Contracts will be effective January 1, 2019 thru December 31, 2019</i>				
<i>Any Released Black Start Contracts will be terminated effective Midnight on December 31, 2018</i>				
Owner		Unit	MW	Status
Pacific Gas and Electric Company		Pit River Watershed Units	249.1	Extended
		Kings River Watershed II Units	250.6	Extended
		Feather River Watershed Units	180	Extended
Southern California Edison Company		Big Creek Physical Scheduling Plant	354	Extended
		McGrath Peaker	47	
		Barre Peaker	47	
		Center Peaker	47	
		Grapeland Peaker	46	
		Mira Loma Peaker	46	
San Diego Gas & Electric Company		Miramar Energy Facility, Unit 1	47.6	Extended
		Miramar Energy Facility, Unit 2	48.6	Extended
Orange Grove Energy, L.P.		Orange Grove, Unit 1	49.85	Extended
		Orange Grove, Unit 2	49.85	Extended
Dual Fuel Agreement Units Extension Status				
<i>Any Extended Dual Fuel Contracts will be effective January 1, 2019 thru December 31, 2019</i>				
<i>Any Released Dual Fuel Contracts will be terminated effective Midnight on December 31, 2018</i>				
Owner	Contract	Unit	MW	Status
Pacific Gas and Electric Company	Humboldt Bay	Humboldt Bay, Unit 1	48.8	Extended
		Humboldt Bay, Unit 2	48.8	
		Humboldt Bay, Unit 3	65.1	