

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



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Your Link to Power

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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,<sup>1</sup> 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 19<sup>th</sup> CPUC jurisdictional LSEs make Preliminary RA showings
- 🌐 Before September 30<sup>th</sup> 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 1<sup>st</sup> letters for RMR extensions or terminations are sent to resource owners