



Decision on conditional approval to extend existing reliability must-run contracts for 2021

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Management requests conditional approval to extend certain reliability must-run contracts for 2021.

- Reliability must-run designations are extended when:
 - There is a reliability need in the local area as determined by ISO studies; and,
 - Resource adequacy capacity from specific units may not be contracted by a load serving entity.
- Resource adequacy capacity is also retained under RMR designations, however, if the ISO determines that:
 - It needs certain reliability services not provided by the resource adequacy contract;
 - A unit may exercise market power for energy; or
 - Existing contractual arrangements may preclude the availability of that unit without a reliability must-run contract.

Conditional approvals are sought each year due to the schedule of events each September:

- ISO Management develops next year's RMR recommendations for units currently under contract
- ISO Board of Governors authorizes Management to conditionally extend necessary existing reliability must-run contracts at the Board meeting held each September
- September 15, load serving entities make preliminary resource adequacy showings with current RMR resources
- By September 30, ISO Management reviews preliminary resource adequacy showings and determines if RMR extensions remain necessary
- October 1 letters for RMR extensions or terminations are sent to resource owners (after the preliminary showings are reviewed).

Management recommends extending the reliability must-run designations as set out below:

- Extend existing reliability must-run contracts for 2021 conditional upon results of resource adequacy showings process for:
 - Oakland 1 & 3 (Dynergy Oakland, LLC)
 - Greenleaf II Cogen (Starwood Energy Group)
 - Channel Islands Power (CSU Channel Islands Site Authority)
- Release existing reliability must-run contracts for:
 - Oakland 2 (one of the Dynergy Oakland, LLC units) because the physical space is required for a new battery per Oakland Clean Energy Initiative
 - E.F. Oxnard (Atlantic Power) because Management has already confirmed it is now under a resource adequacy capacity contract
- Management will report back the results of the RMR contract extensions at the November Board meeting.