**Summary:**

Owners of Combined Heat and Power (CHP) resources who wish to receive RMTG scheduling priority in the markets must first register the RMTMax values maximum capacity eligible for RMTG scheduling after qualifying per tariff requirements. Effective December 11, 2012, CHP Resources became able to qualify a percentage of their capacity for RMTG scheduling priority up to PMax to support the resources’ host industrial load requirements.

CHP will be allowed to register up to two (one of on-peak and one for off-peak) regulatory must take maximum (RMTMax) values with the ISO.

Additionally, RMTMax values must be reestablished by December 31 each calendar year but may change frequently consistent with the Master File change process and the process required to establish or change a RMTMax value.

The established RMTMax value at the end of each calendar year and reverts to zero if no new RMTMax value is submitted.

Tariff section 4.6.10.3 also requires as part of the initial and annual process, the Generating Unit owner or operator must provide the CAISO and its Scheduling Coordinator, if the Scheduling Coordinator is a UDC or MSS, with an annual non-binding indicative Regulatory Must Take Generation usage profile.

The letter or independent engineer assessment must be submitted at least 10 business days prior to the effective start date of the RMTMax value.

QFs under grandfathered PURPA contracts and nuclear units would continue to have their RMTMax value set to be equal to their PMax with the no annual renewal requirement. In addition, QFs 20 MW or less under new PURPA contracts will also have their RMTMax values set equal to the PMax.

**Definitions**:

#### Combined Heat and Power Resource (CHP)

A Generating Unit that produces electric energy and forms of useful thermal energy used by an industrial or commercial host for industrial, commercial, heating or cooling purposes or a Generating Unit that produces electricity from waste heat from an industrial or commercial host.

#### Regulatory Must-Take Generation

Generation from the following resources that the relevant Scheduling Coordinator schedules directly with the CAISO as regulatory must-take generation:

1. Generation from Generating Units subject to
   1. an Existing QF Contract or an Amended QF Contract, or
   2. a QF power purchase agreement for a QF 20 MW or smaller pursuant to a mandatory purchase obligation as defined by federal law;
2. Generation delivered from a CHP Resource needed to serve its host thermal requirements up to RMTMax in any hour; and
3. Generation from nuclear units

#### RMTMax

The minimum operating level at which the Generating Unit can safely and reliably meet the host requirements as established under Tariff section 4.6.10, including the production of electricity from heat produced as a consequence of the industrial host’s operations.

**Procedure:**

Send questions and submissions to [SCRequests@caiso.com](mailto:SCRequests@caiso.com). The following table describes the scenarios for RMTMax Value letter submission:

|  |  |  |  |
| --- | --- | --- | --- |
| CHP | UDC/MSS = SC | PPA with UDC / MSS | Letter |
| SC and CHP agree to RMTmax or | Yes | Yes | #1 |
| UDC/MSS and CHP agree to RMTmax | No | Yes | #1 |
| CHP submits RMTMax documentation | N/A | No | #2 |
| No agreement re RMTMax value reached or ISO does not accept CHP documentation—independent engineer assessment required to establish RMTMax values | N/A | N/A | Documentation from engineer required |

Net Scheduled PGA requires CHP to provide ISO with a copy of any PPA (if any).

Letter 1 – A CHP with PPA and wants to establish a RMTMax Value. ISO must receive 10 business days prior to effective date for processing consistent with the Master File change process.

Letter 2 – A CHP with no PPA and wants to establish RMTMax Value. ISO must receive the documentation 15 business days prior to proposed effective date to allow for sufficient time for ISO to review.

The letter or independent engineer assessment must be submitted at least 10 business days prior to the effective start date of the RMTMax value consistent with the Master File change process.

**Basic Rules:**

* RMTMax cannot exceed the PMax of the resource
* RMTMax values expire at the end of each caledar year and must be renewed or is automatically set to zero
* Annual submission (by December 31) of a usage profile to CAISO and Scheduling Coordinator (if UDC or MSS)
* Letters to be signed by resource owner and PPA counterparty
* Parties responsible to select and pay for the independent engineering assessment per the ISO tariff

RMTMax value examples:

* If a 550 MW facility required a total of 300 MW to create steam & electricity for on-site use, and then it consumed on-site electricity of 150 MW, if the capacity were qualified for RMT, the unit could ‘RMT self schedule’ 150 MW (300 minus 150) and the remaining 250 MW of capacity could be bid-in or regular self-scheduled.
* If a 550 MW facility required a total of 300 MW  to create steam & electricity for on-site use,  then it consumed on-site electricity of 200 MW, if the capacity were qualified for RMT, the unit could ‘RMT self schedule’ 100 MW (300 minus 200) and the remaining 250 MW of capacity could be bid-in or regular self-scheduled.
* In contrast to the two examples above, if a 550 MW facility required a total of 200 MW to create steam & electricity for on-site use, and then it consumed onsite electricity of 200 MW, if the capacity were qualified for RMT, the unit would not ‘RMT self schedule’ (200 minus 200 = 0).  The remaining 350 MW capacity could be bid-in or regular self-scheduled.

RMT Value Letter #1 – PPA in place

***[Print on Resource Owner Letterhead and email signed PDF to SCRequests@caiso.com]***

***[Current Date]***

California Independent System Operator

Attn: Customer Services and Industry Affairs

250 Outcropping Way

Folsom, CA 95630

Dear ***[enter your Customer Service Representative]***:

In accordance with the CAISO Tariff, this notification serves to inform the California Independent System Operator of the Regulatory Must Take Value for the following resources. These resources are registering up to two (one of on-peak and one for off-peak) regulatory must take maximum (RMTMax) values with the ISO:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **CHP Resource ID** | **RMTMax Value** | **On Peak**  **(optional)** | **Off Peak**  **(optional)** | **Effective Start Date** |
| [enter resource ID] |  |  |  | mm/dd/yyyy |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

Expires at the end of each calendar year and reverts to zero if no new RMTMax value is submitted.

Signatures below indicate and certify RMT value agreement:

Resource Owner Name: ***[enter*** ***Resource Owner Company Name]***

Signature:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date:\_\_\_\_\_\_\_\_\_

Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Title:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Counterparty to PPA ***[enter*** ***Company Name]***

Signature:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date:\_\_\_\_\_\_\_\_\_

Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Title:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Note: Allow 10 business days prior to effective date for processing consistent with the Master File change process.

Please contact the SC primary contact if you have any questions.

***[SC contact information]***

RMT Value Letter #2 – No PPA in place

***[Print on Resource Owner Letterhead]***

***[Current Date]***

California Independent System Operator

Attn: Customer Services and Industry Affairs

250 Outcropping Way

Folsom, CA 95630

Dear ***[enter your Customer Service Representative]***:

In accordance with the CAISO Tariff, this notification serves to inform the California Independent System Operator of the proposed Regulatory Must Take Value for the following resources. These resources are registering up to two (one of on-peak and one for off-peak) regulatory must take maximum (RMTMax) values with the ISO:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **CHP Resource ID** | **RMTMax Value** | **On Peak**  **(optional)** | **Off Peak**  **(optional)** | **Effective Start Date** |
| [enter resource ID] |  |  |  | mm/dd/yyyy |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

Expires at the end of each calendar year and reverts to zero if no new RMTMax value is submitted.

Signature below indicates and certifies RMT value:

Resource Owner Name: ***[enter*** ***Resource Owner Company Name]***

Signature:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date:\_\_\_\_\_\_\_\_\_

Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Title:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Attached is RMT value documentation to support proposed RMTMax values. Note: Please submit 15 business days in advance of proposed effective dates for review.

Please contact the SC primary contact if you have any questions.

***[SC contact information]***