

# Memorandum

**To:** ISO Board of Governors

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

**Date:** October 25, 2017

**Re:** Update on results of reliability must-run contract extensions for 2018

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***This memorandum does not require Board action.***

At its September 19-20 meeting, the ISO Board of Governors authorized Management to extend the existing reliability must-run (RMR) contracts through calendar year 2018 following Management's review of load serving entities' September 15, 2017 preliminary resource adequacy showings.

Management has reviewed the resource adequacy showings and has extended the RMR contract with Dynegy Oakland, LLC for the Oakland units. These units are needed for the Oakland sub-area within the Bay Area local area and were not included in any load serving entity's preliminary resource adequacy showing.

Management has released AES Huntington Beach, LLC's Huntington Beach synchronous condensers since the 2018 local capacity study does not show the need in providing voltage support to the LA Basin and San Diego-Imperial Valley local areas, mostly due to the expected additions to the grid of Santiago and San Luis Rey synchronous condensers.

In addition, Management has also extended all contracts that provide for black start and dual fuel capability for the 2018 contract year as set forth in Attachment 1<sup>1</sup>.

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

**ATTACHMENT 1: 2018 Reliability Must-Run, Black Start and Dual Fuel Contract Status**

<b>RMR Units Extension Status</b>				
<i>Any Extended RMR Contracts will be effective January 1, 2018 thru December 31, 2018</i>				
<i>Any Released RMR Contracts will be terminated effective Midnight on December 31, 2017</i>				
<b>Owner</b>	<b>RMR Contract</b>	<b>Unit</b>	<b>MW</b>	<b>Status</b>
AES Huntington Beach, LLC	Huntington Beach	Huntington Beach, Unit 3	0	Released
		Huntington Beach, Unit 4	0	
Dynergy Oakland, LLC	Oakland	Oakland, Unit 1	55	Extended
		Oakland, Unit 2	55	
		Oakland, Unit 3	55	
<b>Black Start Units Extension Status</b>				
<i>Any Extended Black Start Contracts will be effective January 1, 2018 thru December 31, 2018</i>				
<i>Any Released Black Start Contracts will be terminated effective Midnight on December 31, 2017</i>				
<b>Owner</b>		<b>Unit</b>	<b>MW</b>	<b>Status</b>
Pacific Gas and Electric Company		Pit River Watershed Units	249.1	Extended
		Kings River Watershed II Units	250.6	
		Feather River Watershed Units	180	
Southern California Edison Company		Big Creek Physical Scheduling Plant	354	Extended
		McGrath Peaker	47	
		Barre Peaker	47	
		Center Peaker	47	
		Grapeland Peaker	46	
San Diego Gas & Electric Company		Miramar Energy Facility, Unit 1	47.6	Extended
		Miramar Energy Facility, Unit 2	48.6	
Orange Grove Energy, L.P.		Orange Grove, Unit 1	49.85	Extended
		Orange Grove, Unit 2	49.85	
<b>Dual Fuel Agreement Units Extension Status</b>				
<i>Any Extended Dual Fuel Contracts will be effective January 1, 2018 thru December 31, 2018</i>				
<i>Any Released Dual Fuel Contracts will be terminated effective Midnight on December 31, 2017</i>				
<b>Owner</b>	<b>Contract</b>	<b>Unit</b>	<b>MW</b>	<b>Status</b>
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	