

# Memorandum

**To:** ISO Board of Governors

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

**Date:** October 19, 2016

**Re: Update on results of reliability must-run contract extensions for 2017**

*This memorandum does not require Board action.*

At its August 31 - September 1 meeting, the ISO Board of Governors authorized Management to extend the existing reliability must-run (RMR) contracts through calendar year 2017 following Management's review of load serving entities' September 15, 2016 preliminary resource adequacy showings.

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

Management has also extended the RMR contract with AES for the Huntington Beach units 3 and 4. These units are needed for voltage support in the Los Angeles Basin area and the San Diego sub-area within the San Diego-Imperial Valley area, and were not included in any load serving entity's preliminary resource adequacy showing.

In addition, Management has also extended all contracts that provide for black start and dual fuel capability for the 2017 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: 2017 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, 2017 thru December 31, 2017</i>				
<i>Any Released RMR Contracts will be terminated effective Midnight on December 31, 2016</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	Extended
		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, 2017 thru December 31, 2017</i>				
<i>Any Released Black Start Contracts will be terminated effective Midnight on December 31, 2016</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, 2017 thru December 31, 2017</i>				
<i>Any Released Dual Fuel Contracts will be terminated effective Midnight on December 31, 2016</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	