

Memorandum

To: ISO Board of Governors

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

Date: November 6, 2014

Re: **Update on Results of RMR Contract Extensions for 2015**

This memorandum does not require Board action.

At its September 18-19 meeting, the ISO Board of Governors authorized Management to extend the existing reliability must-run (RMR) contracts through calendar year 2015 following Management's review of load serving entities' September 15, 2014 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 and Pittsburg-Oakland sub-areas within the 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 2015 contract year as set forth in Attachment 1¹.

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

Attachment 1: 2015 Reliability Must-Run, Black Start and Dual Fuel Contract Status

RMR Units Extension Status				
Any Extended RMR Contracts will be effective January 1, 2015 thru December 31, 2015				
Any Released RMR Contracts will be terminated effective Midnight on December 31, 2014				
Owner	RMR Contract	Unit	MW ²	Status
AES Huntington Beach, LLC	Huntington Beach	Huntington Beach, Unit 3	0	Extended
		Huntington Beach, Unit 4	0	
Dynegy Oakland, LLC	Oakland	Oakland, Unit 1	55	Extended
		Oakland, Unit 2	55	
		Oakland, Unit 3	55	
Black Start Units Extension Status				
Any Extended Black Start Contracts will be effective January 1, 2015 thru December 31, 2015				
Any Released Black Start Contracts will be terminated effective Midnight on December 31, 2014				
Owner	Contract	Unit	MW	Status
Pacific Gas and Electric Company		Pit River Watershed Units	249.1	Extended
		Kings River Watershed II Units	250.6	Extended
		Feather River Watershed Units	180	Extended
Southern California Edison Company		Big Creek Physical Scheduling Plant	354	Extended
		McGrath Peaker	47	
		Barre Peaker	47	
		Center Peaker	47	
		Grapeland Peaker	46	
		Mira Loma Peaker	46	
San Diego Gas & Electric Company		Miramar Energy Facility Unit 1	47.6	Extended
		Miramar Energy Facility Unit 2	48.6	Extended
Orange Grove Energy, L.P.		Orange Grove Unit 1	49.85	Extended
		Orange Grove Unit 2	49.85	Extended
Dual Fuel Agreement Units Extension Status				
Any Extended Dual Fuel Contracts will be effective January 1, 2015 thru December 31, 2015				
Any Released Dual Fuel Contracts will be terminated effective Midnight on December 31, 2014				
Owner	Contract	Unit	MW	Status
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	

² Capacity values shown indicate the summer maximum net dependable capacity values for the combustion turbines.