



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: OCTOBER 28, 2019

ITEM NO: 7

SUBJECT: RIVERSIDE PUBLIC UTILITIES ELECTRIC 2020 ANNUAL RESOURCE ADEQUACY PLAN COMPLIANCE FILING WITH THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR

ISSUE:

Approve the Riverside Public Utilities Electric 2020 Annual Resource Adequacy Plan compliance filing with the California Independent System Operator.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve the Riverside Public Utilities Electric 2020 Annual Resource Adequacy Plan compliance filing; and
2. Authorize filing the Riverside Public Utilities Electric 2020 Annual Resource Adequacy Plan with the California Independent System Operator in compliance with Section 40 of its tariff.

BACKGROUND:

Resource Adequacy (RA) describes an electric utility's procurement of sufficient power supply capacity to serve its customers' projected electricity requirements, plus an additional amount to be held in reserve for unanticipated circumstances (e.g., unplanned transmission or generation outages).

Section 40 of the California Independent System Operator (CAISO) tariff governs the RA program requirements for load serving entities (such as Riverside) participating in CAISO markets. The CAISO tariff provides an option for local regulatory authorities of publicly owned utilities to adopt their own RA Program that meets certain criteria.

On May 23, 2006, the City Council adopted Resolution 21170, establishing its own RA Program in response to the CAISO Tariff requirements. This action preserved Riverside's local control over its resource procurement.

On June 5, 2012, the City Council adopted Resolution No. 22389, approving a revised RA Program, which reflects current grid operational conditions, deleted obsolete provisions and ensured efficient implementation while enhancing reliability.

Per Section 1.1 of Riverside's RA Program, Riverside must prepare an Annual RA Plan each year for the following calendar year. An RA Plan ensures grid reliability and safe electric service to customers, maintains fiscal responsibility by avoiding non-compliance penalties, and provides lowest possible rates to customers.

Riverside must have sufficient resources to serve at least 100% and 115% for non-summer months and summer months (July through September). Staff is required to present the Annual RA Plan to the Board of Public Utilities and the City Council, and then to submit the Annual RA Plan to the CAISO as specified in the CAISO Tariff and Business Practice Manuals.

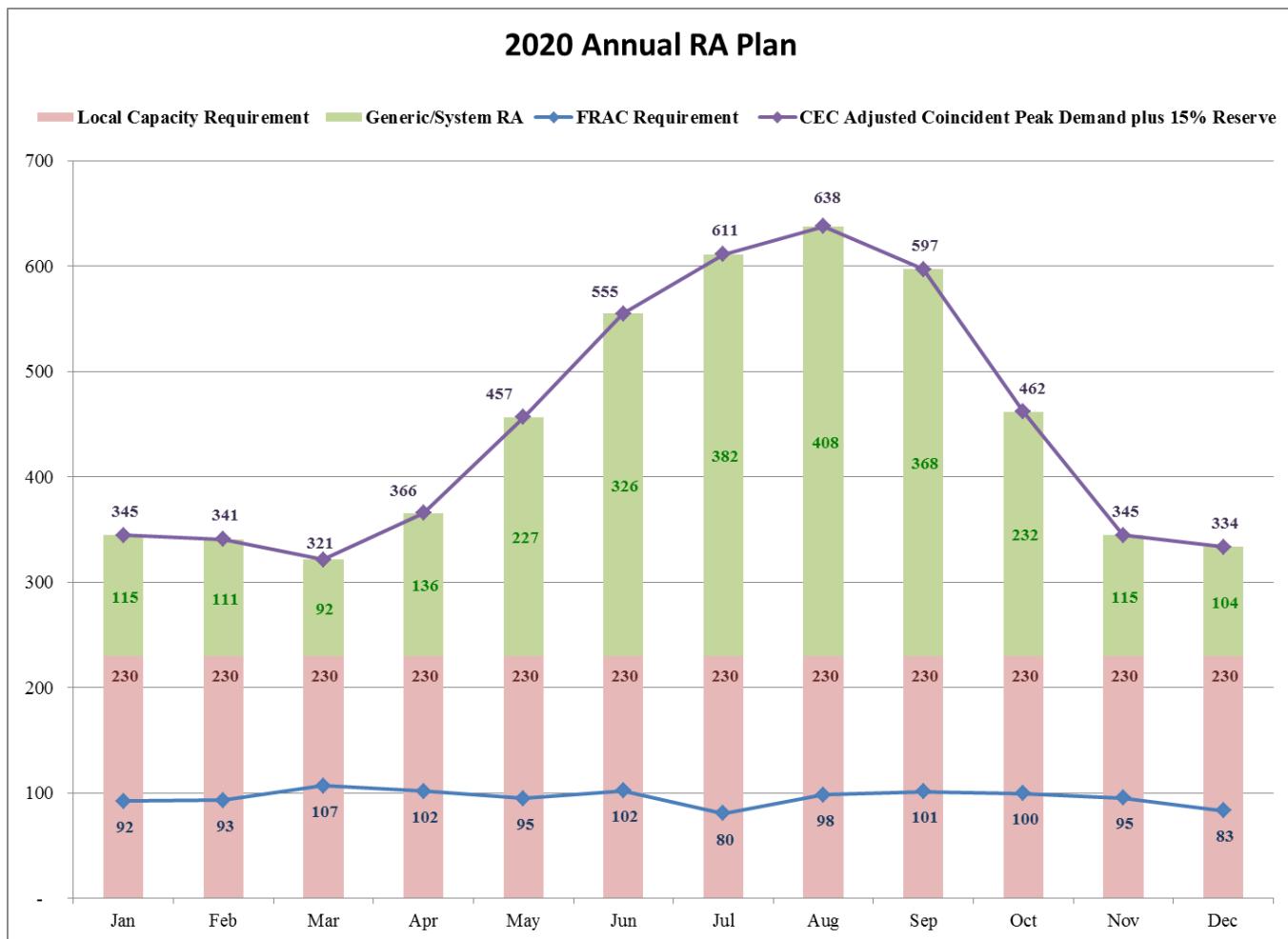
On November 13, 2012, the City Council approved Riverside's 2013 Annual RA Plan and delegated the authority to approve future Annual RA Plans to the Board of Public Utilities, to the extent the Plan is compliant with the City Council's approved RA Program.

DISCUSSION:

The attached 2020 Annual RA Plan:

- a) Includes the CAISO Flexible Resource Adequacy Criteria (FRAC) requirement;
- b) Is fully compliant with the City Council's approved RA Program; and
- c) Assures sufficient capacity to serve Riverside's customers' expected 2020 electrical requirements.

The graph below displays Riverside's 2020 Generic, Local and FRAC procurement requirements:



Upon approval by the Board of Public Utilities, staff will file the 2020 Annual RA Plan in accordance with the requirements of Section 40 of the CAISO's Tariff and Business Practice Manuals.

FISCAL IMPACT:

The anticipated expenditures for the procurement of RA capacity pursuant to the 2020 Annual Resource Adequacy Plan are budgeted in Fiscal Year 2019-20 Power Resources budget in Account No. 6120100-422915. Fiscal year 2020-21 anticipated expenditures for the remainder of calendar year 2020 will be budgeted as part of the upcoming two-year budget process.

Prepared by: Daniel E. Garcia, Utilities Assistant General Manager/Resources

Approved by: Todd M. Corbin, Utilities General Manager

Approved by: Al Zelinka, City Manager

Approved as to form: Gary G. Geuss, City Attorney

Certifies availability
of funds: Brian Seinturier, Utilities Fiscal Manager

Attachments:

1. 2020 Annual Resource Adequacy Plan
2. Resolution No. 22389 (revised Resource Adequacy Program)
3. Presentation