



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: OCTOBER 23, 2017

ITEM NO: 9

SUBJECT: COMPLIANCE FILING WITH THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR: APPROVAL OF RIVERSIDE PUBLIC UTILITIES ELECTRIC 2018 ANNUAL RESOURCE ADEQUACY PLAN

ISSUE:

Approve the compliance filing for the 2018 Annual Resource Adequacy Plan, as required by the City of Riverside's Resource Adequacy Program and Section 40 of the California Independent System Operator tariff.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve the 2018 Annual Resource Adequacy Plan; and
2. Authorize filing the Annual Resource Adequacy Plan with the California Independent System Operator in compliance with Section 40 of its tariff.

BACKGROUND:

Resource Adequacy (RA) describes a utility's procurement of sufficient power supply capacity to serve its customers' projected electric 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 non-California Public Utilities Commission utilities, such as Riverside's City Council, to adopt their own RA Program that meets certain criteria.

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

On June 5, 2012, the City Council, adopted Resolution No. 22389, approving a revised RA Program to reflect current grid operational conditions, delete obsolete provisions and ensure 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. Riverside must have sufficient resources to serve at least 100% and 115% for non-summer months and summer months (July through September), respectively. Riverside shall present the Annual RA Plan to the Board of Public Utilities and the City Council, and shall submit the Annual RA Plan to the CAISO, as specified in the CAISO Tariff and Business Practice Manuals.

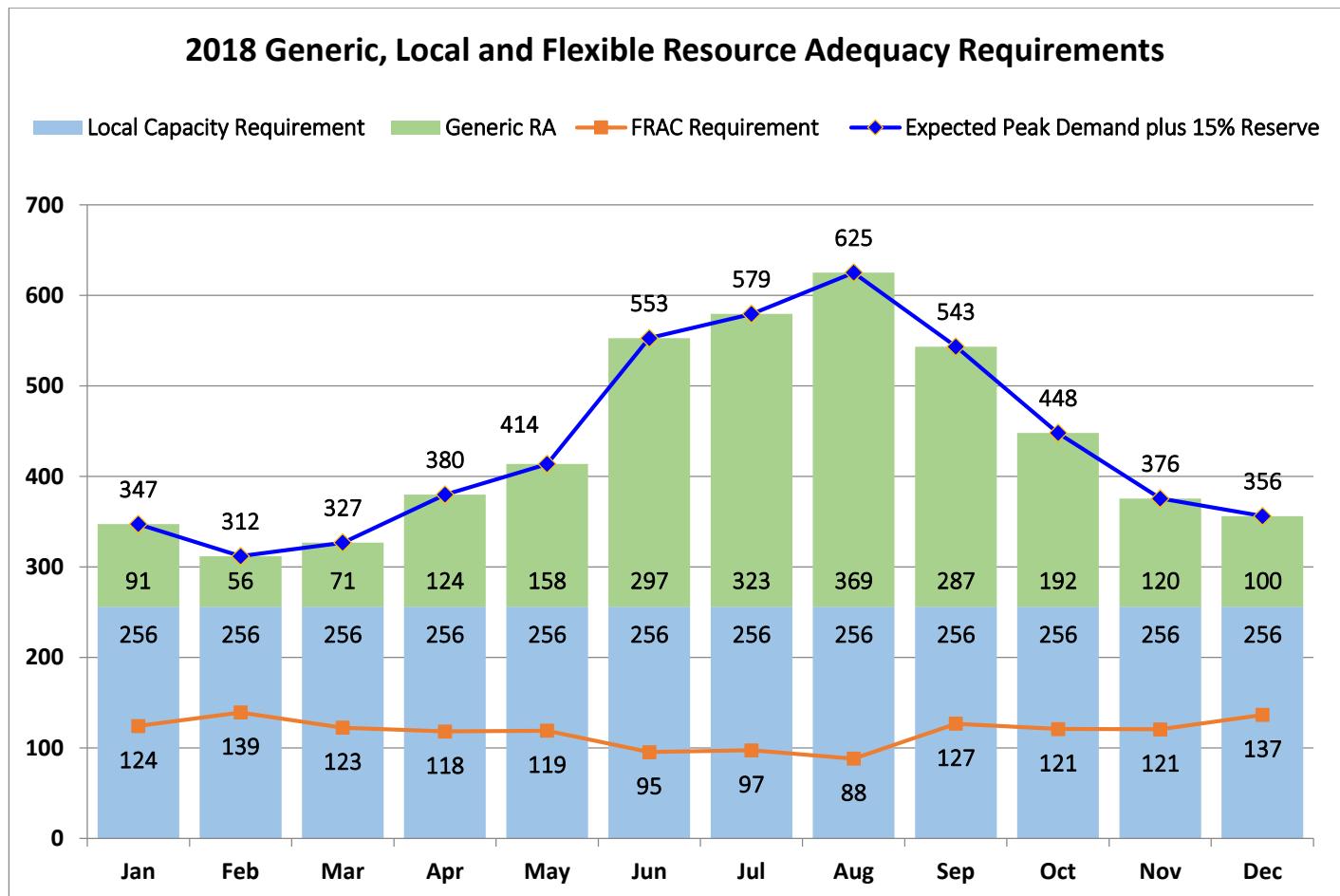
On November 13, 2012, the City Council approved Riverside 2013 Annual RA Plan, and delegated the authority to approve future Annual RA Plans to the Board of Public Utilities, to the extent the plan is compliant with the City Council's approved RA Program.

DISCUSSION:

The attached 2018 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 2018 electrical requirements.

The graph below displays Riverside's 2018 Generic, Local and FRAC procurement requirements:



Upon approval by the Board of Public Utilities, staff will file the 2018 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 2018 Annual RA Plan are budgeted in Fiscal Year 2017-18 Power Resources budget in Account No. 6120100-422915. Fiscal year 2018-19 anticipated expenditures will be budgeted as part of the upcoming two-year budget process.

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

Certifies availability
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Attachments:

1. 2018 Annual Resource Adequacy Plan
2. Resolution No. 22389 (revised Resource Adequacy Program)
3. Presentation