



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: OCTOBER 2, 2015

ITEM NO: 8

File ID – 15-3129 – C

SUBJECT: PUBLIC UTILITIES ELECTRIC 2016 ANNUAL RESOURCE ADEQUACY PLAN

ISSUE:

The issue for Board of Public Utilities consideration is approval of the 2016 Annual Resource Adequacy Plan (**Annual RA Plan**), as required by the City's Resource Adequacy Program (**RA Program**).

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve the 2016 Annual Resource Adequacy Plan; and
2. Direct staff to file the Annual Resource Adequacy Plan with the California Independent System Operator (**CAISO**) in compliance with CAISO tariff requirements.

BACKGROUND:

Resource Adequacy (**RA**) is a term used to describe a utility's procurement of adequate power supply capacity to serve its projected electric requirements, plus an additional amount to be held in reserve due to unanticipated circumstances (e.g., unplanned transmission or generation outages).

The City first established its RA Program on May 23, 2006, through Resolution No. 21170, in response to California Independent System Operator Corporation's (CAISO) Tariff requirements regarding RA Programs. On June 5, 2012 the City Council, through Resolution No. 22389, approved a revised RA Program which updated the program to reflect current grid operational conditions, deleted obsolete provisions and ensured implementation efficiency while enhancing reliability. Attached is a copy of the revised RA Program.

On November 13, 2012 the City Council approved Riverside Public Utilities' 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.

In 2014 to address grid reliability issues due to integrating increasing amounts of intermittent renewable generation, CAISO established additional RA requirements to include a Flexible Resource Adequacy Criteria (FRAC) obligation on Load Serving Entities (LSEs) to begin with the January 2015 Monthly RA Plans and the 2016 Annual RA Plan.

The attached 2016 Annual RA Plan has been updated to include the CAISO FRAC requirements, fully complies with the City Council's approved RA Program, and assures sufficient capacity resources to serve the electrical requirements of the City's customers.

Upon the approval by the Board of Public Utilities, staff will file the 2016 Annual RA Plan with the CAISO in accordance with the CAISO tariff requirements.

FISCAL IMPACT:

The anticipated expenditures for the procurement of RA capacity pursuant to the 2016 Annual RA Plan are budgeted in the Fiscal Year 2015/16 Power Resources budget in Account No. 6120100–422915 for the months of January through June 2016 and will be budgeted accordingly for the remaining months of 2016 in the Fiscal Year 2016/17 Power Resources budget.

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

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Attachment:

1. 2016 Annual Resource Adequacy Plan
2. Resolution No. 22389 (revised Resource Adequacy Program)