



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: OCTOBER 22, 2018

ITEM NO: 7

SUBJECT: RIVERSIDE PUBLIC UTILITIES ELECTRIC 2019 ANNUAL RESOURCE ADEQUACY PLAN COMPLIANCE FILING WITH THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR

ISSUE:

Approve Riverside Public Utilities Electric 2019 Annual Resource Adequacy Plan compliance filing with the California Independent System Operator.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve the 2019 Annual Resource Adequacy Plan; and
2. Authorize filing of the 2019 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, deletes obsolete provisions and ensures 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, maintain fiscal responsibility by avoiding non-compliance penalties, and provides lowest possible rate to customers.

Riverside must have sufficient resources to serve at least 100% in non-summer months and 115% in 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.

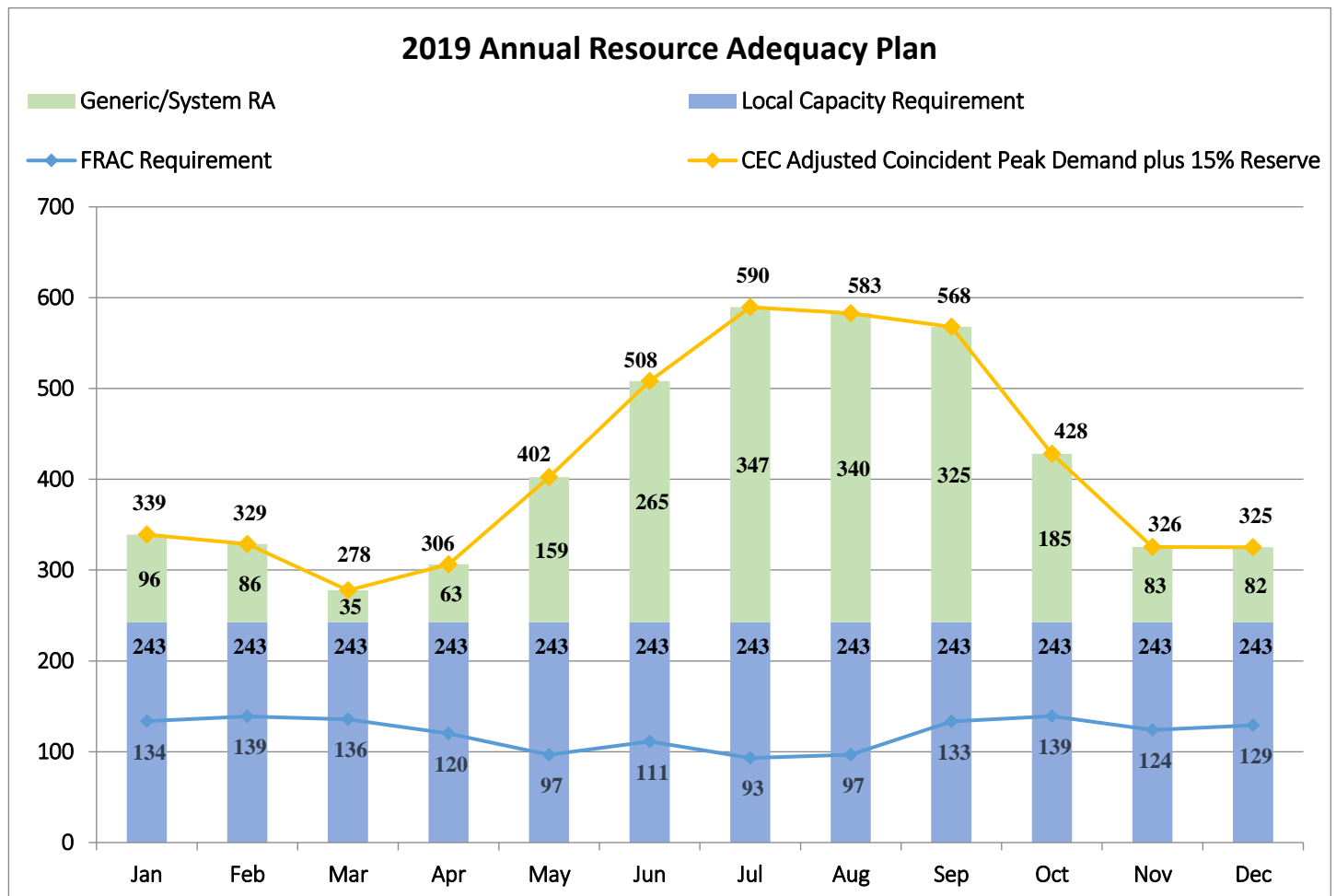
On November 13, 2012, the City Council approved Riverside's 2013 Annual RA Plan and delegated the authority to approve future Annual RA Plans to the Board of Public Utilities. Extending the Plan is compliant with the City Council's approved RA Program.

DISCUSSION:

The attached 2019 Annual RA Plan:

- a) Includes the CAISO Flexible Resource Adequacy Criteria requirement;
- b) Is fully compliant with the City Council's approved RA Program; and
- c) Assures sufficient capacity to serve Riverside's customers' expected 2019 electrical requirements.

The graph below displays Riverside's 2019 Generic, Local and FRAC procurement requirements:



Upon approval by the Board of Public Utilities, staff will file the 2019 Annual RA Plan in accordance with the requirements of Section 40 of the CAISO's Tariff and Business Practice Manuals.

FISCAL IMPACT:

There is no fiscal impact associated with approval and compliance filing of the 2019 Annual Resource Plan. However, expenditures associated with the procurement of RA capacity pursuant to the 2019 Annual RA Plan are within the approved Power Resources Budget for Fiscal Years 2018-19 and 2019-20.

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Approved by: Al Zelinka, FAICP, City Manager
Approved as to form: Gary G. Geuss, City Attorney

Certifies availability
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Attachments:

1. 2019 Annual Resource Adequacy Plan
2. Resolution No. 22389 (revised Resource Adequacy Program)
3. Presentation