



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: OCTOBER 26, 2020

ITEM NO: 8

SUBJECT: RIVERSIDE PUBLIC UTILITIES ELECTRIC 2021 ANNUAL RESOURCE ADEQUACY PLAN COMPLIANCE FILING WITH THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR

ISSUE:

Consider approval of Riverside Public Utilities Electric 2021 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 2021 Annual Resource Adequacy Plan compliance filing; and
2. Authorize filing the Riverside Public Utilities Electric 2021 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 reflected grid operational conditions, deleted obsolete provisions and ensured

efficient implementation while enhancing reliability.

On August 18, 2020, the City Council adopted Resolution No. 23617, approving specific revisions to the City's RA Program to eliminate provisions that are no longer applicable and to better facilitate the ability to acquire less expensive RA resources.

Per Section 1.2.1 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.

The Annual RA Plan must identify capacity resources owned or contracted for the City sufficient to meet at least 90% of the City's System RA Requirement (or 103.5% of the coincident adjusted, forecasted peak loads) for each month of the coming compliance year. Additionally, Riverside must demonstrate that they meet 90% of the Flexible Requirements and 100% of the Local Requirements for each month of the coming compliance year. 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.

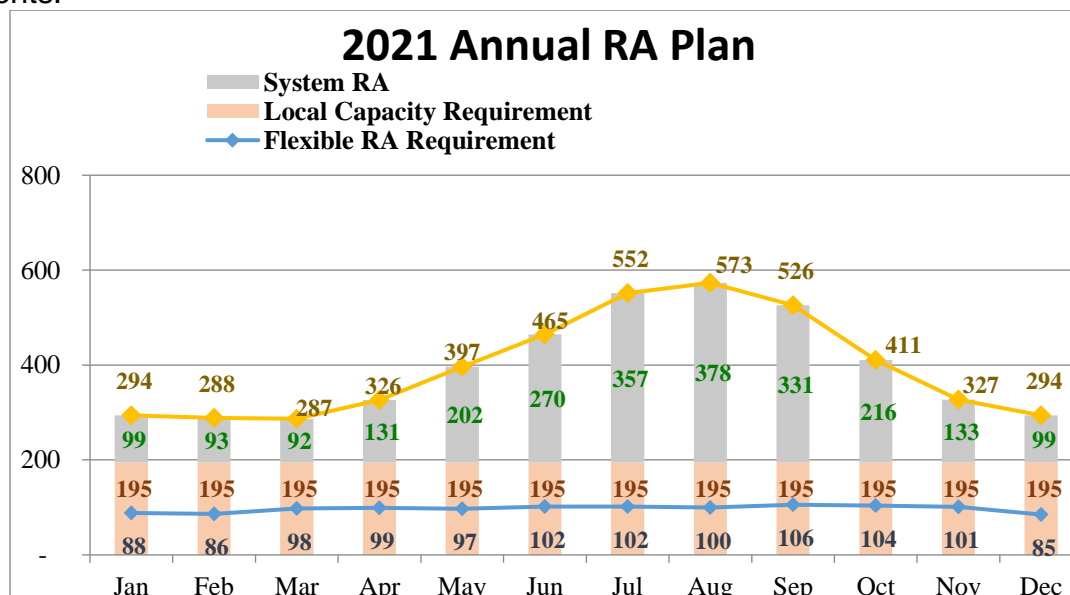
On November 13, 2012, the City Council approved Riverside's 2013 Annual RA Plan and delegated the authority to approve future Annual RA Plans to the Board of Public Utilities, to the extent the Plan is compliant with the City Council's approved RA Program.

DISCUSSION:

The attached 2021 Annual RA Plan:

- a) Includes the System RA, Local RA, and Flexible RA requirements;
- b) Is fully compliant with the City Council's approved RA Program; and
- c) Assures sufficient capacity to serve Riverside's customers' expected 2021 electrical requirements.

The graph below displays Riverside's 2021 System, Local and Flexible RA procurement requirements:



Upon approval by the Board of Public Utilities, staff will file the 2021 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 2021 Annual Resource Adequacy Plan are budgeted in Fiscal Year 2020-21 Power Resources budget in Account No. 6120100-422915. Fiscal Year 2021-22 anticipated expenditures for the remainder of calendar year 2021 will be budgeted as part of the next budget process.

Prepared by: Daniel E. Garcia, Utilities Deputy General Manager
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: Edward Enriquez, Chief Financial Officer/Treasurer

Attachments:

1. 2021 Annual Resource Adequacy Plan
2. Resolution No. 23617 (revised Resource Adequacy Program)
3. 2021 Annual RA Plan
4. Presentation