

# ***Lompoc City Council Agenda Item***

**City Council Meeting Date:** October 7, 2008

**TO:** Gary P. Keefe, City Administrator

**FROM:** Larry Silva, Interim Electric Utility Manager  
l\_silva@ci.lompoc.ca.us

**SUBJECT:** ADOPTION OF REPLACEMENT RESOURCE ADEQUACY PROGRAM



---

## **RECOMMENDATION:**

It is recommended that the City of Lompoc (Lompoc) adopt the attached replacement Resource Adequacy Program developed by staff, in collaboration with the Northern California Power Agency (NCPA), which will ensure and support continued reliable electric service supplied to Lompoc's customers.

## **BACKGROUND:**

Lompoc has established and currently administers a Resource Adequacy Program to ensure reliable electric service for its customers. Lompoc's adopted Resource Adequacy Program is currently set to expire on the date the California Independent System Operator's ("CAISO") Market Redesign and Technology Upgrade ("MRTU") market structure is implemented. The CAISO MRTU market structure is currently set to be implemented on February 1, 2009. Pursuant to the CAISO Tariff, 2009 Resource Adequacy compliance year demonstrations are due to be submitted to the CAISO on or before October 31, 2008.

## **DISCUSSION:**

In anticipation of the MRTU market structure implementation, and in light of the upcoming 2009 Resource Adequacy compliance year demonstration deadlines, Lompoc, working collaboratively with the Northern California Power Agency ("NCPA"), has developed a replacement Resource Adequacy Program that includes updated rules and provisions to reflect the upcoming changes that will result from the MRTU implementation. The replacement Resource Adequacy Program is attached. The replacement Resource Adequacy Program includes many of the existing Resource Adequacy provisions contained within the program adopted by Lompoc, but also includes required refinements to address the changing market structure in which Lompoc will transact once MRTU is implemented. The replacement Resource Adequacy Program contains the following information:

- Background and Purpose of Program
- Applicability
- Compliance Demonstration
- Demand Forecast
- Planning Reserve Margin
- CAISO Authority to Dispatch Generation Facilities
- Resource Adequacy Qualifying Capacity Rules and Criteria
- Compliance and Enforcement

Respectfully submitted,

Larry Silva, Interim Electrical Utility Manager

**APPROVED FOR SUBMITTAL TO THE CITY ADMINISTRATOR:**

---

Ron Stassi, Utility Director

**APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:**

---

Gary P. Keefe, City Administrator

Attachment: [\(1\) Replacement Resource Adequacy Program](#)