



RESOURCE ADEQUACY – FACT SHEET

2018

What is Resource Adequacy?

The resource adequacy (RA) program was designed in response to the 2001 California energy crisis to ensure safe and reliable operation of the grid. It is designed to ensure that all load serving entities (investor owned utilities, energy service providers, and community choice aggregators) have procured sufficient capacity to meet the three RA requirements:

- System RA – Forecasted peak load plus a fifteen percent planning reserve margin
- Local RA – Resources needed to serve load in capacity constrained areas in case of major transmission outage
- Flexible RA – Resources able to be dispatched to meet the biggest ramp of the month

Key Program and Policy Details

In October of each year, load serving entities (LSEs) are required to make an annual showing to demonstrate that they have procured 90% of their system RA requirement for the five summer months, 100% of local RA requirements for all 12 months, and 90% of flexible requirements for all 12 months.

Additionally, 45 days before the start of each month, LSEs must show that they have resources under contract to meet 100% of each requirement.

Enforcement cases are pursued by CPUC when LSEs fail to meet their RA requirements.

