



Western Resource Adequacy Program

RAPC Meeting

April 28, 2022 10-11:30am

| Participant | Name | Participant | Name |
|----------------|-------------------|--------------|----------------------------------|
| APS | Brian Cole | NorthWestern | Andrew McLain |
| Avangrid | Jeff Pritchard | NV Energy | David Rubin |
| Avista | | PacifiCorp | Mike Wilding |
| Basin Electric | Garrett Schilling | PGE | Teyent Gossa |
| Black Hills | Eric Scherr | Powerex | Mark Holman |
| BPA | Suzanne Cooper | PSE | Phil Haines |
| Calpine | Mark Smith | SRP | Grant Smedley |
| Chelan | Shawn Smith | Seattle | Emeka Anyanwu |
| Clatskanie | | Shell | |
| Douglas | Jeff Johnson | SnoPUD | Jeff Kallstrom – joined at 10:09 |
| EWEB | | Tacoma | Ray Johnson |
| Grant | Rich Flanigan | TEA | Ed Mount |
| Idaho | Ben Brandt | TID | Pete Mensonides |

Objectives

1. Provide the RAPC with updates on project progress.
2. Seek RAPC input on progress and any administrative actions

Meeting Agenda

| Call to Order | |
|---------------|---|
| 10:00 | <ol style="list-style-type: none"> 1. Attendance 2. Agenda Overview <i>Motion to approve agenda</i> <i>Agenda approved unanimously at 10:07</i> 3. Approve Minutes from last meeting <i>Motion to approve minutes</i> <i>Minutes approved unanimously at 10:08</i> |
| PA/PO Report | |
| 10:05 | <ol style="list-style-type: none"> 1. In-person meeting May 16-18 <i>Meeting at Embassy Suites</i> |



Western Resource Adequacy Program

RAPC Meeting

April 28, 2022 10-11:30am

| | |
|-------------------------|--|
| | 2. Next Executive Meeting <i>Aiming for early June, virtual meeting</i> |
| | PO Update |
| External Affairs | |
| 10:30 | Public Webinar May 11 |
| Ongoing Business | |
| 10:35 | 3. Transmission Demonstration Proposal <i>Motion to approve proposal</i> <i>Proposal approved unanimously at 10:29</i> |
| New Business | |
| 10:45 | 4. Southwest/East Diversity Exchange (SWEDE) Proposal <i>Motion to conditionally approve and move forward with FS and Ops program implementation and incorporation into tariff draft with the expectation that the proposal will come back to the RAPC for full approval and publishing in a few weeks</i> <i>Motion approved unanimously at 11:06</i> |
| | 5. Interim RA Program – Summerim 2022 <i>Season will start June 1 – send P99 data, work order, and contacts as needed</i> |
| Upcoming | |
| 11:25 | 6. Recommendations from RAOC (transition to bidding, participation proposal, etc.) 7. Continued WRAP tariff review |
| Adjourn | |

Current 3A Participants: APS, Avangrid; Avista; Basin Electric*; Black Hills; BPA; Calpine; Chelan; Clatskanie*; Douglas; EWEB*; Grant*; Idaho Power; NorthWestern; NV Energy; PacifiCorp; PGE; Powerex; PSE; SRP; SCL; Shell; SnoPUD; Tacoma Power; TEA; TID

*opted out of OC/work group participation



Western Resource Adequacy Program

Transmission Demonstration and Exceptions – DRAFT Proposal - Updated 4/14

Prepared by Tx Demo and Exception Task Force:

| | |
|--|------------------------------------|
| John Martinsen, Kelly Wallace, Kim Haugen - Snohomish | Mara Kontos - SCL |
| Phil Haines, Tom Flynn, Mahmoud Ghofrani - PSE | Andrew McLain - NorthWestern |
| Ed Mount, Dmitry Batishchev - TEA | Zach Kanner - PAC |
| Ian White, Chris Nichol, Hilary Bill, Bo Tully - Shell | Eddie Elizeh – BPA |
| Mike Goodenough, Derek Russell - PWX | Bill Goddard, Mark Smith - Calpine |
| Camille Christen - Idaho | Chris Stokely - Avangrid |
| Barbara Cenalmor - SRP | Rebecca Sexton, Ryan Roy - WPP |
| Charles Hendrix – SPP | |

Background

At the FS deadline, Participants must demonstrate having transmission rights to deliver at least 75% of its FS resources claimed in the FS portfolio from RA resource to load (for at least the QCC value associated with a specific resource). Transmission demonstrated must be (at minimum) NERC priority 6 or 7 transmission service.

This task force will focus on determining and documenting the specific transmission demonstration requirements and exceptions, as these must be objectively and consistently applied to ensure program rigor, fairness, and reliability. Specifically, document aims to refine the following:

1. Determine what will be demonstrated to the PO to meet FS and Ops requirements for transmission
2. Flesh out the exception process

Framework (for exceptions, demonstration) and support will need to be included in the FERC filing. Note that templates, workbooks, and/or forms will likely be required to administer the processes identified in this document. They are not presently included, but will be developed/refined upon approval of this approach.

Demonstration

The FS workbook used in Phase 2B (focused on resource demonstration) has been modified to include tabs related to a participant’s transmission service rights and their relationship to resources and contracts claimed in the FS showing.

- TSR List: participant will list all transmission service rights they may use for the program. Terminology on this sheet intentionally mirrors terms used in OASIS for easy cross walking to reservations; OASIS reservation numbers will be used to uniquely identify each reservation. This sheet also includes a monthly check of whether each transmission reservation is sufficient to cover resources anticipated to use it (TRUE = sufficient, FALSE = overallocated / insufficient).



Western Resource Adequacy Program

Transmission Demonstration and Exceptions – DRAFT Proposal - Updated 4/14

- TSR Demo: participant maps all transactions (unique ID's from other tabs, either resources or contracts) to the identified OASIS reservation numbers from the TSR Lists tab. Contracts or resources requiring more than one leg of transmission will identify the multiple legs on this tab. Participants will indicate whether this transmission/resource pair is intended to count towards a participant's 75% threshold.

Exceptions

Exceptions are not intended to undermine the reliability of the program; if exceptions are impacting the footprint's reliability, they will be reconsidered via a formal reevaluation of the exception process.

WRAP program is not intended to replace Transmission planning; however, it should send signals to Transmission and Resource owners to build additional facilities if WRAP footprint becomes deficient or constrained.

Importantly, the WRAP intentionally allows/expects that a participant may change/optimize their firm transmission for their portfolio after the FS deadline and before the operating day.

Exception Types

Exceptions have been identified in four categories:

1. Enduring Constraints
2. Future Firm ATC Expected
3. Outages and Derates
4. Counterflow of an RA Resource

These categories are described in greater detail below.

Category 1: Enduring Constraints

Requirements and mitigation:

- One segment limit - Participant is unable to demonstrate sufficient 7-F/6-CF/6-NN rights on any single segment of a source to sink path for an RA resource (i.e., exceptions will not be granted for two segments of a source-to-sink path); AND
- No Firm ATC available - Participant demonstrates no 7-F/6-NN ATC is available (either from TSP or through secondary market) at forward showing deadline on the applicable segment for the months needed (for duration of one year or less) at applicable OATT rate or less; AND
- Participant must submit an attestation from an officer stating that:
 - Participant has taken commercially reasonable effort to procure firm Transmission (cover off the availability of another path with firm)Participant has posted Firm Transmission Requirements on bulletin board prior to Forward showing



Western Resource Adequacy Program

Transmission Demonstration and Exceptions – DRAFT Proposal - Updated 4/14

- Participant must demonstrate:
 - That there was remaining available transmission transfer capability (i.e., non-firm ATC after the fact) for all CCHs in the same season in the previous year, **or**
 - If the path was constrained in at least one capacity critical hour in previous year's same-season – Participant must demonstrate that it is:
 - Constructing or contracting for a new local resource for at least the amount of the exception requested, or
 - Pursuing long-firm rights by entering the long-term queue and taking all appropriate steps for at least the amount of the exception requested.
- Note that another path with firm available would disqualify an entity from receiving this exception.
- If transmission service is only available for *more than* one year (either from TSP or through secondary market) at applicable OATT rate or less, participant can seek an exception, but if granted will be ineligible for an exception on the same path (or across same constraint) in following year.

Category 2: Future Firm ATC Expected

Requirements and mitigation:

- TSP tariff/business practice:
 - 7-F/6-NN ATC is not posted/available (either from TSP or through secondary market) prior to the forward showing deadline (for duration of one year or less) at applicable OATT rate or less
 - Participant provides evidence that TSP has released additional 7-F/6-NN ATC in every one of the previous years' CCHs after forward showing on applicable path
- Limited volume – Participant demonstrates that the volume being requested for exception is equal or less than the minimum volume of 7-F/6-NN rights ATC released in the CCHs in the same season of the previous year
 - Total amounts of exceptions on specific paths will be limited to the amount of transmission demonstrated to likely become available.
 - If multiple participants have requested a Category 2 exception on for the same path, available volume will be assessed on a pro-rata basis to those requesting based on the size of their requests.
- If transmission service is only available for *more than* one year (either from TSP or through secondary market) at applicable OATT rate or less, participant can seek an exception, but if granted will be ineligible for an exception on the same path (or across same constraint) in following year.

Category 3: Transmission Outages and Derates

Requirements and Mitigation:

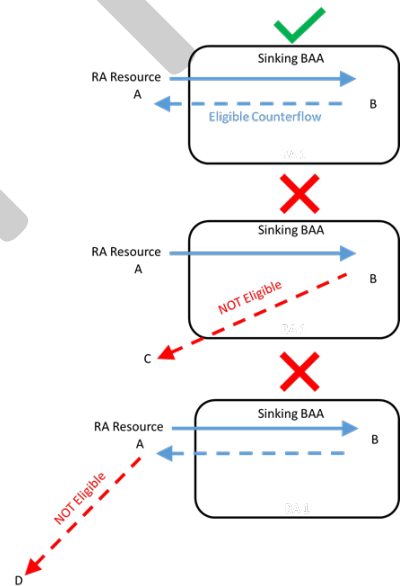
- TSP outage/derate – Participant provides evidence that an applicable segment of their existing TX rights from their source to sink path for their RA resource is expected to be derated/out-of-service and 7F/6-NN ATC is not otherwise available.
- Limited duration – participant demonstrates that the duration of the exception request coincides with the months of the outage or derate
- Limited volume – Participant demonstrates that the volume being requested for exception is either:
 - equal or less than the reduction in the participants existing 7-F/6-CF/6-NN rights on that path for the applicable derate/outage period, or
 - equal or less than the 7-F/6-NN ATC for the applicable derate/outage period that would otherwise be posted and available for reservation were it not for the transmission limitation

Category 4: Counterflow of an RA Resource

An exception may also be granted associated with the delivery of an RA resource to the participant's load that creates direct and proportional counterflow transmission used to support RA deliveries in the WRAP to other LREs

Requirements and mitigation:

- Identification of an RA Resource
 - Participant identifies a specific RA Resource in their portfolio that is demonstrated to be deliverable to load on firm or network transmission (7-F/6-NN/6-CF); this RA Resource must not have been granted a transmission exception under the program and must be included in the forward showing portfolio of the participant
 - The identified RA Resource is expected to provide counterflow on an export transmission segment, with the exception being sought on that export transmission segment
- Supported by the Transmission Service Provider (TSP):
 - The TSP on the exception segment confirms that the counterflow transmission segment does not include any transmission scheduling constraints that are not directly and proportionately relieved by the concurrent delivery of the RA resource to the participant's load
 - The TSP does not otherwise identify delivery concerns with the granting of the exception





Western Resource Adequacy Program

Transmission Demonstration and Exceptions – DRAFT Proposal - Updated 4/14

-
- Limited volume: volume being requested by the participant for the export transmission exception is equal or less than the amount of the expected counterflow associated with the delivery of the RA Resource

Applying for an Exception

Given that the forward showing process is the responsibility of the Participant, the participant is also responsible for seeking an exception.

The Program will provide a template for exceptions, prompting Participants to supply appropriate information for the requested exception type (template forthcoming, based on concepts outlined below).

Exception Timeline

Exception requests are due at the FS deadline and will be submitted in conjunction with the FS workbook. Participants will note in the workbook any exceptions sought on the TSR List tab and map them to resources on the TSR Demo tab, just as they do with an OASIS reservation.

The PO will notify participants of 'conditional acceptance' of exceptions within 14 days of the FS deadline; this review focuses on the completeness of the exception request template and provision of necessary supporting information. Approval of the exception request will coincide with the end of the PO's FS showing review period (60 days after the FS deadline). In every month following the review period (through the cure period and into the operational season), a participant with a Category 1 or 2 exception will perform a Monthly Transmission Exception Check (MTEC). The MTEC will be due on the last day of every full month following the conclusion of the portfolio review period through the end of the operational season.

If the exception is denied (either because it is invalid or because circumstances changed and transmission has become available during the review period), the Participant will have the opportunity to cure their transmission deficiency during the 60-day cure period. See the example timeline for the Winter 2023-2024 season on the following page for an additional visual.



Western Resource Adequacy Program

Transmission Demonstration and Exceptions – DRAFT Proposal

Updated 4/14

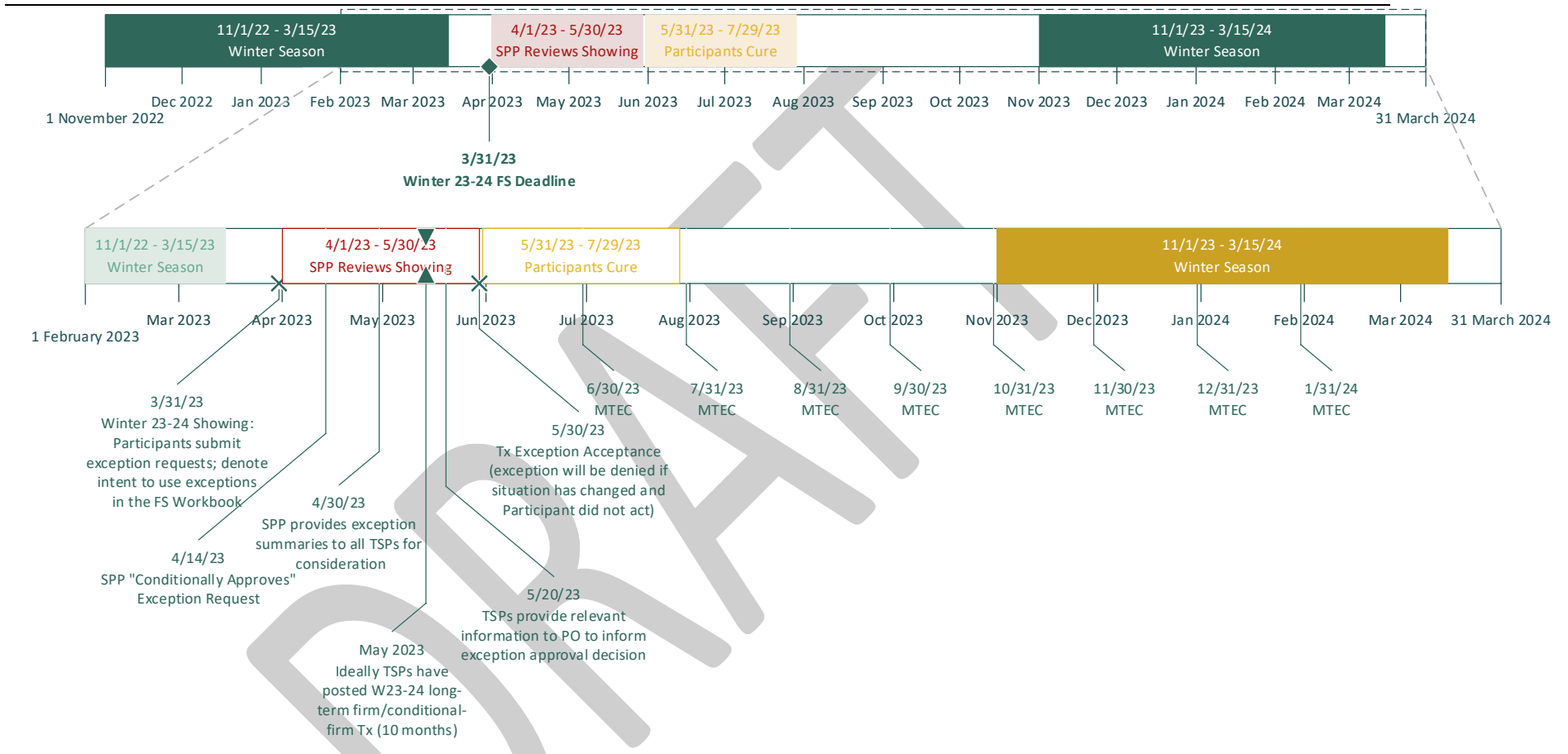


Figure 1. Example timeline for Winter 2023-2024. Top timeline is the program’s showing timeline; the FS deadline occurs seven months before the beginning of the season (Mar 31 for the Nov 1 – Mar 15 winter season) and SPP is given 60 days to review FS submissions before the participants are given 60 days to cure any deficiencies. The timeline below zooms in on the transmission exception process, which occurs in conjunction with the FS deadline; participants submit their exceptions with their showing workbooks, those are reviewed and approved during SPP’s 60-day review window, and participants may cure any rejected exceptions during the 60-day cure period.



Western Resource Adequacy Program

Transmission Demonstration and Exceptions – DRAFT Proposal - Updated 4/14

Approval of an Exception

The PO's decision to approve the exception will be based on the conditional approval (completeness review), any additional information provided to contradict the request (e.g. from TSPs – see next section), and any identified change in circumstance. If the PO is aware of transmission becoming available during the review period on a path where a Participant has requested an exception, the exception will be rejected. The PO will have access to historical OASIS information to support its analysis and decision.

Monthly Transmission Exception Check (MTEC)

Any participant with an approved transmission exception in Categories 1 or 2 will complete an MTEC each month following the approval, through the duration of the operating season up to one month before the exception itself. For example: if a participant has an approved Category 1 exception for July, their last MTEC related to that exception will be on May 31st; they will not be required to complete an MTEC for a July exception on June 30th.

To pass an MTEC, a participant must demonstrate either:

- The circumstances necessitating the exception have not changed;
- Transmission has become available, and they have acquired it; or
- They have acquired a different resource and the necessary transmission, no longer needing the exception.

Failing to complete an MTEC in any month following an exception's approval will result in a CONE charge for the amount of the exception(s) for which an MTEC was not completed, unless remedied within 7 days of having received a notification of non-compliance.

An METC template will be provided with additional prompts on the information to be provided.

TSP Engagement

The PO will provide TSPs summaries of the exceptions requested 30 days after the FS deadline. Summaries will include aggregate information about exceptions requested on particular paths and will identify Participants which attest to taking actions to pursue long-term firm transmission when none is available.

TSPs are invited to provide information to inform the PO's decision to approve the exception requests within 20 days of receipt of these summaries. TSPs may note that transmission is available/posted on paths where exceptions have been requested. TSPs may provide feedback on whether a path was constrained on one or more capacity critical hours in the same season in the previous year. TSPs may also provide information to confirm or contradict a Participant's claim to have taken actions to acquire long-term firm

The task force recognizes that TSPs are not obligated to participate in the program, as they are not the point of compliance.



Western Resource Adequacy Program

Transmission Demonstration and Exceptions – DRAFT Proposal - Updated 4/14

The WRAP is not intended to change the current practices of TSPs with respect to their customers. WRAP Participants with network agreement will work with their TSPs to provide the appropriate information to the PO to meet the FS showing and reporting requirements. [Bulletin Board](#)

The Program Administrator will investigate whether there is an existing bulletin board available (to both WRAP participants and non-participants) to support participants posting post firm transmission requests prior to seasonal forward showing.

This bulletin board will not facilitate transactions, nor serve as a replacement for OASIS; as a starting point, bulletin boards already available on OASIS may serve this need. Ideally, the functionality of the board will be limited to communications, allowing participants to post requests or available transmission; when other bulletin board users identify a potential match for their needs, term negotiations and transactions will take place with mechanisms currently in place (outside of the bulletin board space).

This bulletin board will be auditable by the PO/PA such that it can be used to support claims from participants seeking exceptions that they posted requests and received no responses.

Operations Program Impacts

Approved exceptions do not excuse participants from their obligation to serve their load reliably, nor from any of the operations program requirements regarding transmission.