

## 1 Scope

The purpose of this workgroup is to establish how the participation by WRAP participants in future offerings of day ahead markets may allow reduction in the amount of capacity needed across the WRAP footprint ultimately resulting in reduced PRMs, how such participation in markets could impact the treatment of the two sub-regions that were established as an interim step (Northwest and Desert Southwest), and how such participation will be translated to the WRAP Operations Program and system reliability.

Note that another task force is already addressing how a single participant, outside of a market offering, can acquire and demonstrate firm transmission between the sub-regions in order to lower their planning reserve margin at the forward showing deadline. That task force is titled the “Short Term Connectivity Task Force” because this tool should be immediately available to participants (in the ‘short term’) to effectively lower their PRMs. It is anticipated that these two proposals (for a single entity providing connectivity, and for a market footprint providing connectivity) may both be available to participants in the future. This task force will *not* consider the single-entity proposal, but may consider how the two will relate.

A few materials have already been generated on this topic and can be referenced for the discussions of the group. These materials were largely determined based on a pure OATT construct but will be provided to the group and reviewed and evaluated collectively by the group; they include:

- East & Desert SW Subregion Diversity Exchange TF Proposal (2-24-2022)
  - [\(2022-02-24\) East and Desert SW Subregion Diversity Exchange.docx](#)
- PRM Application Proposal (8-10-2022)
  - [PRM Application - DRAFT 8-10.docx](#)
- Analysis of remaining ATC provided (3-21-2022)
  - [PNW-DSW Transfer Capability Analysis Results.pptx](#)
- Relevant Tariff Sections
  - [https://www.westernpowerpool.org/private-media/documents/WRAP\\_Tariff\\_12-12-22\\_W0327945x8DF47\\_2.pdf](https://www.westernpowerpool.org/private-media/documents/WRAP_Tariff_12-12-22_W0327945x8DF47_2.pdf)
    - Section 16.1.4
- Settlement for Voluntarily Supplied Holdback and Transmission (draft / work in progress - was not included in the tariff and was not approved by RAPC)
  - [SWEDE Settlement Proposal.docx](#)

This workgroup will employ a two-phase approach. After the completion of the initial phase, the results of the discussion will be brought to the RAPC for consideration. At this point, the RAPC will reevaluate the work group membership, meeting regularity, and confirm the proposed scope for the second phase.

# Market Impacts to Sub-Region Connectivity Work Group – Charter

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Western Resource Adequacy Program (WRAP)

June 22, 2023

The first iteration of this work group will focus on answering the following questions:

1. What day-ahead market policies would be required to enable lower the PRM for WRAP participants in the NW or SW region as a result of joining an organized market?
  - a. Provide such needs to market operators for their reference in designing day-ahead market policies. Consider WRAP priority access for supply (within the market and as export from the market) and transmission (within the market and for exports from the market).
  - b. Note that this WRAP TF does intend to list specific policies or implementation requirements that would be necessary to enable WRAP to reduce the capacity requirement for market participants. Along with assessing market design elements for impact to WRAP sub-region operational connectivity and modeling assumptions and against the policies or implementation requirements.
2. Based on how market(s) will operationalize connectivity (outcomes from question 1) across the WRAP footprint (or their portion of the WRAP footprint), how does WRAP update the Forward Showing Program to acknowledge this connectivity? How should the amount of this connectivity relative to the FS metrics and demonstration be determined in a day ahead market construct?
  - a. By what methodology will WRAP determine the quantity of connectivity afforded to participants in a market meeting the expectations identified in Question 1?
  - b. What information will WRAP need to determine the amount of additional connectivity available to participants in a particular market? For example, committed market footprint, amount of short-term ATC that is likely to be available to market participants, or firm transmission (not utilized in FS showings) offered by market participants for market optimization and diversity sharing. How the transmission outside of current OATT process will be determined to be available? The transmission availability on real time is based on that particular generation dispatch, load levels, and overall system flow and it is difficult to conclude for future planning such as FS for lowering PRM when the TSPs do not have any of the information (generation & load data).
  - c. How should the FS modeling and/or FS Showing treat this identified connectivity? How will this connectivity be allocated or shared by WRAP participants and/or participants in the market in question?

Outputs from Phase 1 of this effort will be documentation (to be provided to market operators) regarding WRAP needs from market policy design to enable PRM reductions, and a proposed framework for identifying and allocating the amount of connectivity afforded though potential market participation to WRAP participants. Both proposals will be brought before RAPC for consideration.

The second iteration of this work group will focus on the following questions (pending RAPC review at the time of second-phase kick-off):

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Western Resource Adequacy Program (WRAP)

June 22, 2023

3. How will markets interact with WRAP’s operations program?
  - a. For example, should WRAP “hand off” the WRAP required holdback and need once determined to the market operator(s) and let them “operationalize” the requirement(s) in their dispatch with the assumption that WRAP holdback and needs are prioritized to ensure WRAP benefits are sustained and DA markets optimized? In other words and as an example, WRAP determines that entity A has a 200MW holdback requirement and entity B has a 200MW potential need. That holdback and need is handed off to the market operator(s) to include in the required dispatch outcome with the understanding that it is also prioritized over efficient dispatch to ensure delivery.
  - b. How does the proposed market interaction fit (or not fit) with the current design of the operations program? In what ways does the WRAP Operation Program need to be modified to allow this interaction?
4. How can proposals from questions 1, 2, and 3 be incorporated into WRAP’s approved documentation?
  - a. This likely requires a Program Review Committee process to consider changes to the WRAP tariff and business practices.
  - b. This TF will discuss and the process and propose these changes into the PRC process for drafting, public comment, and approval.

## 1 Schedule

Long-term solutions:

June 8: Roster WG

July 27: WG Charter for approval by RAPC

August 2024: RAPC review of Question 1 documentation

September 2024: RAPC vote on Question 1 documentation

October 2024: RAPC review of Question 2 framework proposal

November 2024: RAPC vote on Question 2 framework proposal

January 2024: RAPC review of WG Questions 3 and 4 proposal

February 2024: RAPC vote on WG Questions 3 and 4 proposal

## 3 Procedures

The Work Group will meet every other week and will provide regular reports on progress to RAPC on the effort.

The Work Group may interface with the FS Work Group and/or the Operations Work Group as needed

How will the work group interact with the market design efforts happening in other venues (CAISO EDAM and SPP Markets+)? This will be critical as the scope, questions, and efforts to fulfill this charter will likely require iterative steps working with each of the market operators (CAISO and SPP). A proposal would be to have WPP fill that interaction role on behalf of WRAP (and this workgroup).

The Work Group should strive for consensus but shall accept a majority vote of the WG members  
The Work Group shall bring the proposal to RAPC for final approval.

## 2 Membership

Name	Organization
Tyler Moore	APS
John Anasis	BPA
Steve Belcoff	BPA
Edison Elizah	BPA
John Crider	EWEB
Ben Brandt	IPCO
Lindsey Schlekeway	NEVP
Benjamin Fitch-Fleischmann	NWMT
Ben Faulkinberry	PAC
Dan MacNeil	PAC
Ryan Uhl	PAC
Nadia Wer	PAC
Sophiya Vhora	PGE
Kelsey Martinez	PNM
Mike Goodenough	PWX
Derek Russell	PWX
Jon Cook	SRP
Casey Cathey	SPP
Dena Giessmann	SPP
Edin Terzic	SPP
Ryan Roy	WPP
Rebecca Sexton	WPP

### **3 Leadership**

This group will be facilitated by WPP, based on the scope of work identified above in the charter. At some point in the future, WRAP RAPC workgroups will identify chairs, at which point this group will also identify a chair and amend this charter to include that leadership change.

### **4 Resources**

The PO will provide insights on the possible technical approaches and associated levels of effort for options under consideration. The PA will facilitate and organize meetings, will work with PO to provide documentation and materials, and interface with the RAPC approval process. The PO shall also provide an interface with the SPP Markets+ teams when discussing transmission utilization in the M+ effort and the PA shall provide that interface as needed with CAISO when considering EDAM interactions.