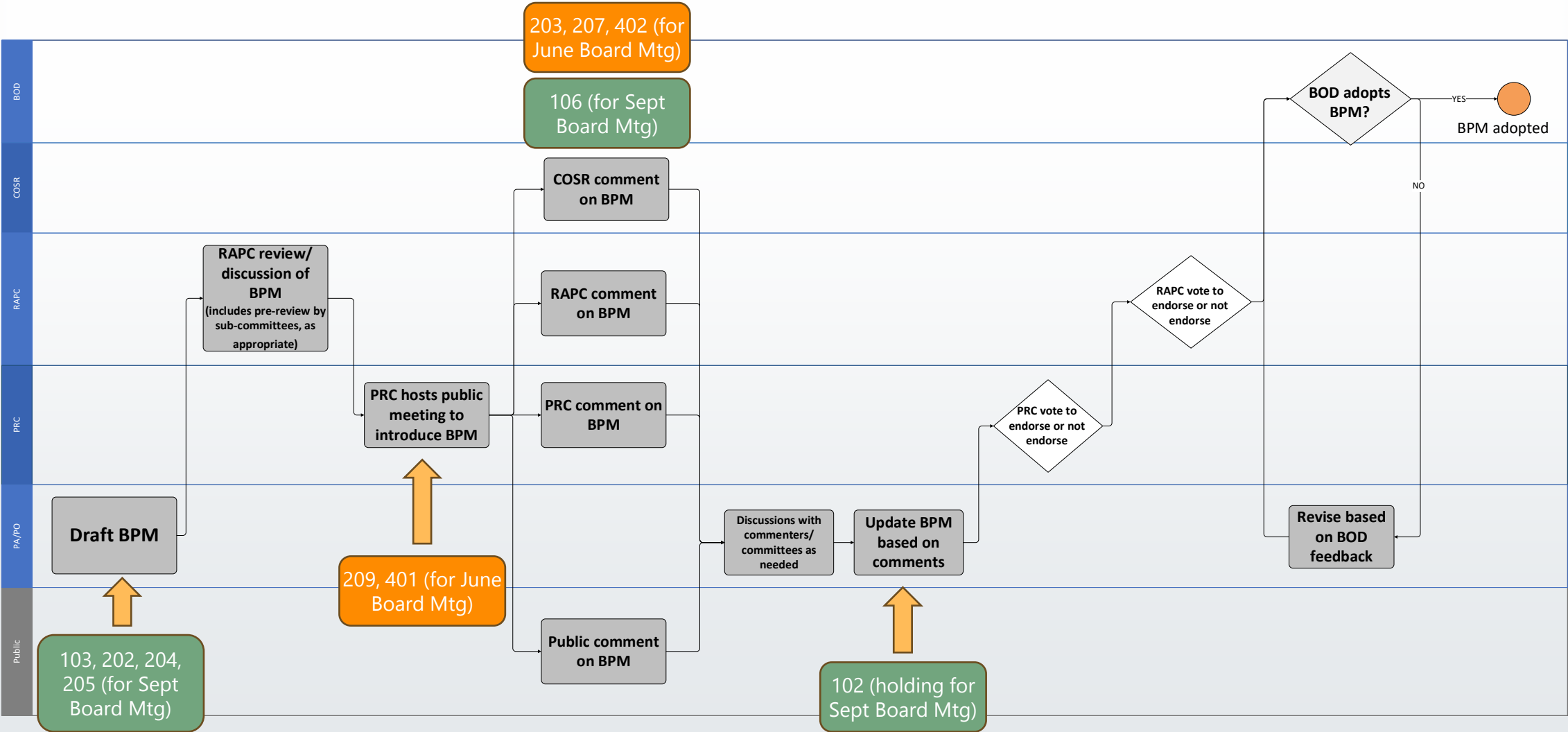


WESTERN RESOURCE ADEQUACY PROGRAM

March 28, 2024

RAPC BPM Discussion

BPM PROCESS FLOWCHART



COMPLETED BPMs

BPM	Topic	Board Approval
101	Advance Assessment	12/6/23
104	Capacity Critical Hours	3/7/23
105	Qualifying Resource	8/23/23
107	FS Deficiency Charge	3/7/23
108	FS Submission Process	3/7/23
109	FS Transition Period	12/6/23
201	Operations Timeline	8/23/23
206	Settlement Pricing	8/23/23
210	Operations Transition Period	12/6/23
301	PRC Workplan Development	12/6/23
302	PRC Proposal Development	12/6/23
303	Expedited Review Process	12/6/23
304	WRAPA & Schedule 1 Changes	3/7/23

BPMs To Come

BPM	Topic	Board Approval
102	Reliability Metrics	9/19/24
103	FS Capacity Requirement	9/19/24
106	Qualifying Contracts	9/19/24
202	Sharing Calculation – Participant Inputs	9/19/24
203	Sharing Calculation – Program Inputs	6/13/24
204	Holdback Requirement	9/19/24
205	Energy Deployment	9/19/24
207	Settlement Process	6/13/24
208	Credit [Reserved]	N/A
209	Energy Delivery Failure Charge	6/13/24
401	New Participants	6/13/24
402	Data Release	6/13/24

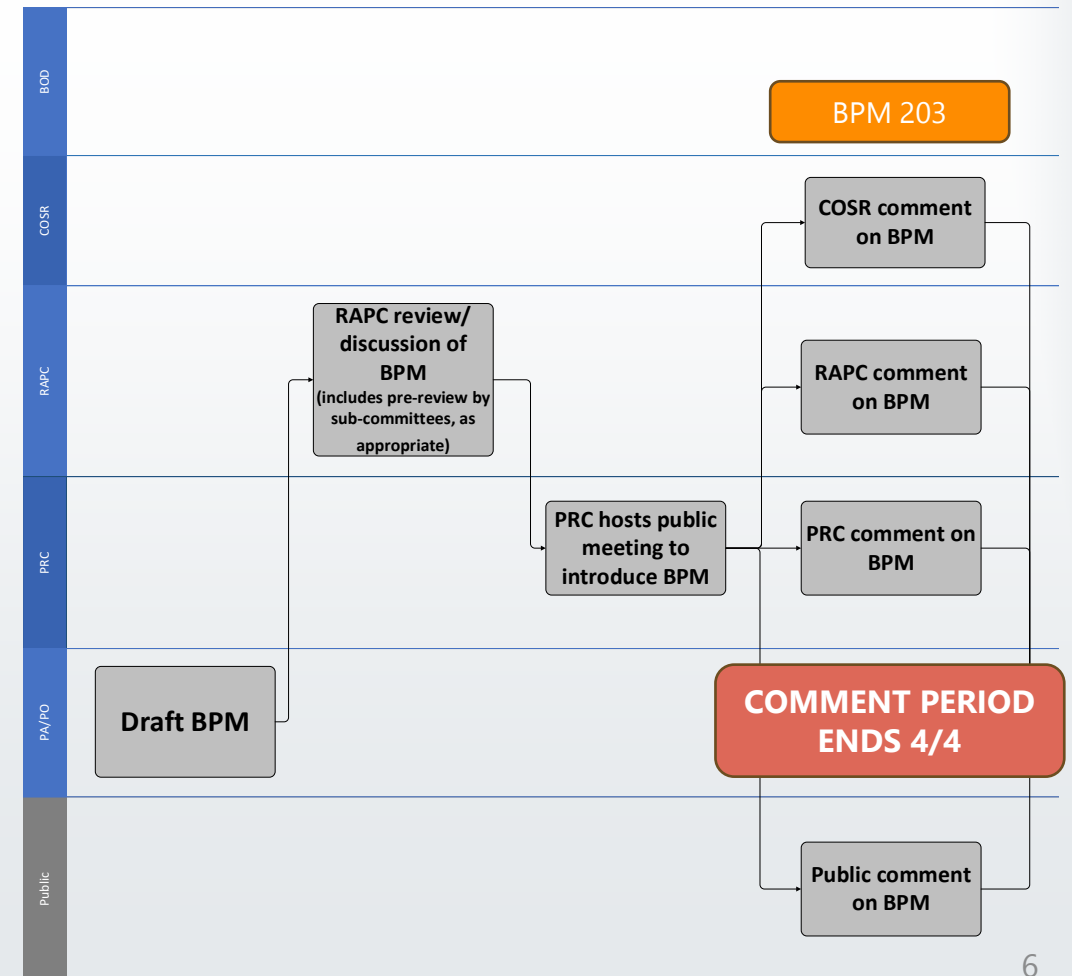
Q2 BOARD MEETING

June 13 – BPM 203, 207, 209, 401, 402

BPM 203 SUMMARY

OPERATIONS PROGRAM – PROGRAM SHARING CALCULATION INPUTS

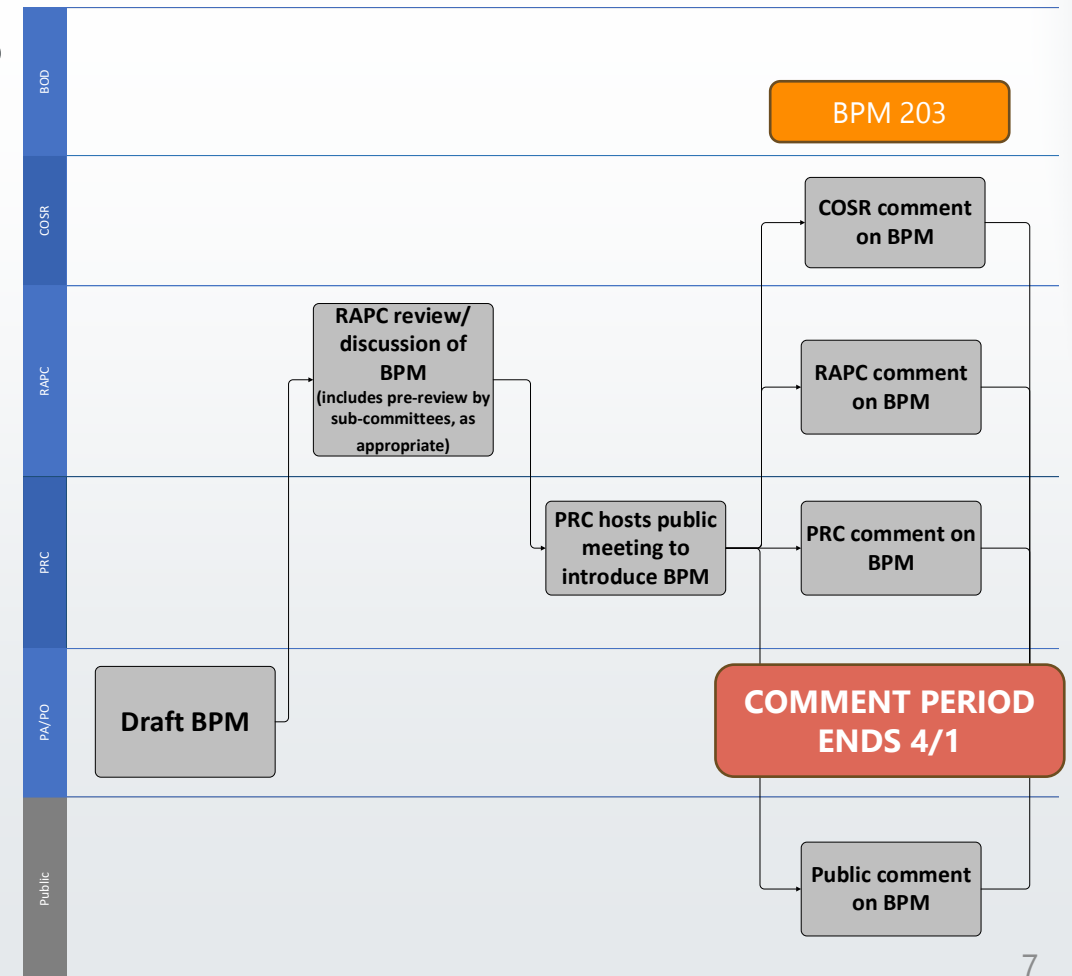
- » Describes the Uncertainty Factor used in the Sharing Calculation of the Operations Program
 - Sharing Calculation input determined by the Program Operator
 - Represents a reasonable margin to account for near-term forecast error
- » Describes how the Program Operator may decrease the Uncertainty Factor by 0.5% in cases when a Subregion is deficient
- » *Updated language at the end of Section 3 since last discussion*



BPM 207 SUMMARY

OPERATIONS PROGRAM – SETTLEMENT PROCESS

- » BPM 207 Settlement Process is the counterpart to BPM 206 Settlement Pricing
- » Settlement information that will be posted
 - Needed for transaction: counterparty, month, dollar amount
 - Additional sufficient detail for a Participant to validate and verify the Final Settlement Revenue and any Make Whole Adjustment
- » How settlement information is accessed – via API
- » Timeline for calculations including process for missing and changing data
- » Dispute resolution process – referenced WRAP Tariff Section 9



BPM 209 SUMMARY

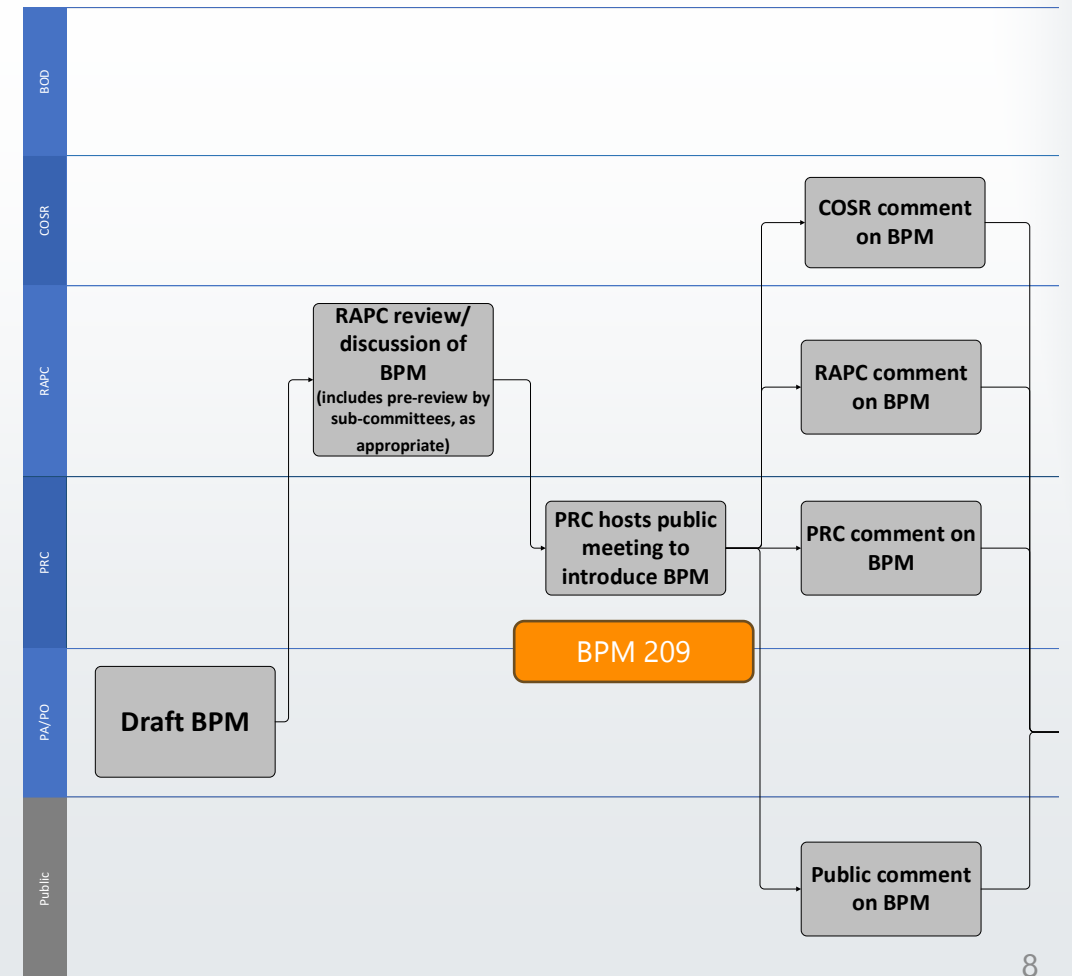
OPERATIONS PROGRAM – ENERGY DELIVERY FAILURE CHARGES

» Describes:

- Evaluation of Delivery Failures
- Calculation of the Delivery Failure Charge
- Limits on maximum amount of the charge
- The allocation of revenues received by WPP from payment of charges
- Consequence of repeated Energy Delivery Failures

» Describes the circumstances for obtaining a waiver of the charge and the process by which WPP evaluates and grants waivers

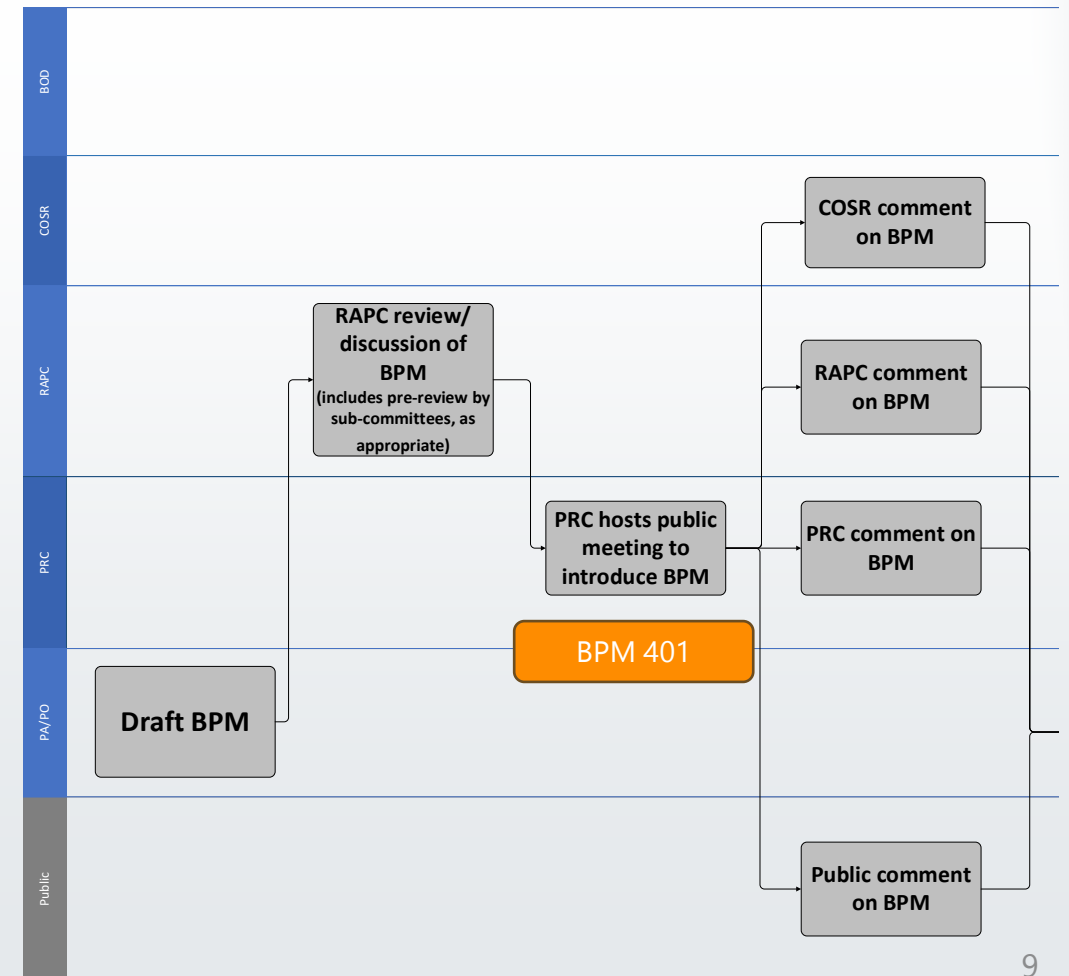
» *Updated language forthcoming*



BPM 401 SUMMARY

AUXILIARY – NEW PARTICIPANTS

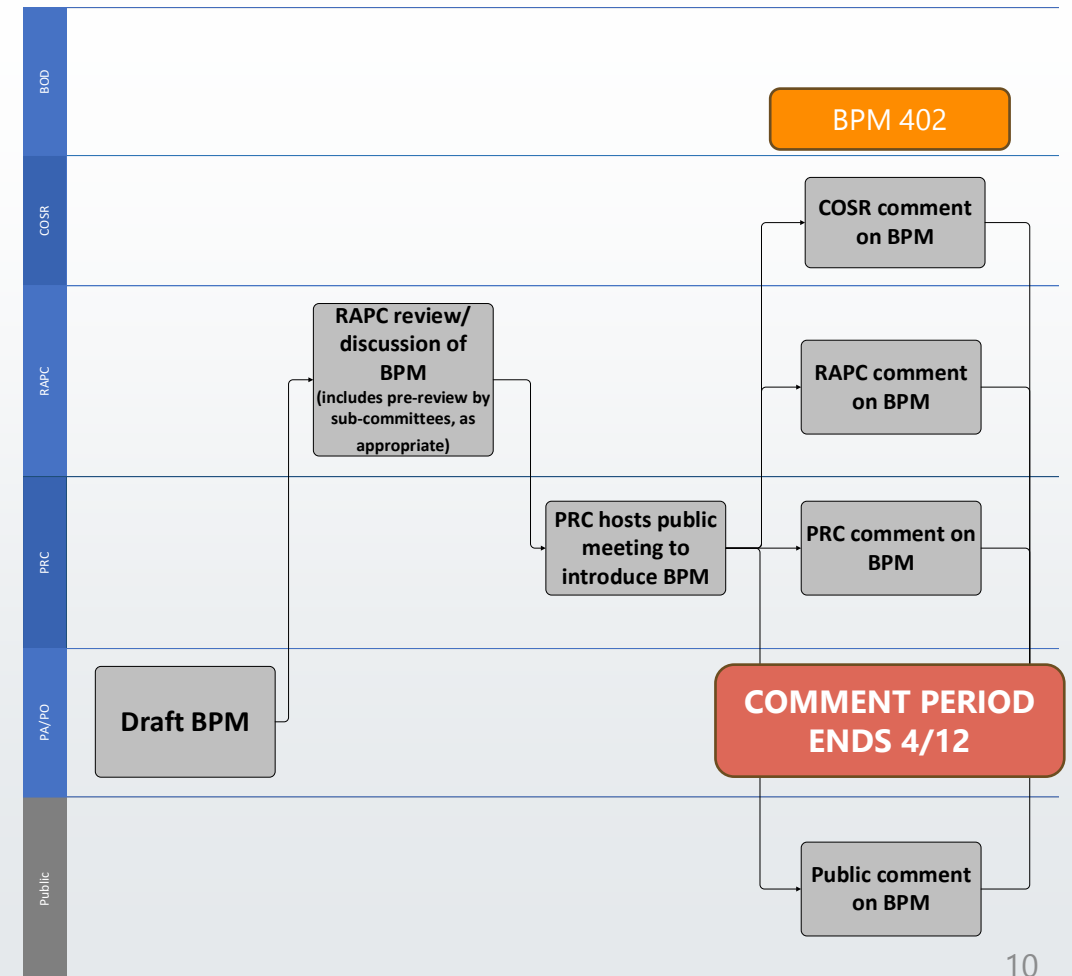
- » Provides guidance for new Participants joining the WRAP and those considering future participation
- » Describes the application and registration process
 - Timelines, signing a WRAPA, registering resources, program payment, WPP membership
- » Defines WRAP administrative items to be considered
 - WRAP committee involvement, Participant resources
- » Onboarding into the FS and Ops Program



BPM 402 SUMMARY

AUXILIARY – CONFIDENTIAL INFORMATION

- » Protection of Commercially Sensitive and Confidential Information
- » Describes process for handling and releasing Participant aggregated or composite information set forth in Tariff (section 10)
 - Form and format approval (new and revised)
 - Confidentiality requirements/disclosures
 - General exceptions (publicly available, FERC request...)
- » Includes process for appeals (RAPC, BoD)



Q3 BOARD MEETING

September 19 – BPM 102, 103, 106, 202, 204, 205

BPM 102 SUMMARY

FORWARD SHOWING – RELIABILITY METRIC SETTING

*SEPT BOARD

- » How the PO runs the Loss of Load Expectation (LOLE) study, including description of scope
 - Analyzes the ability of generation to reliability serve the WRAP region
- » Use of Load Resource Zones (LRZs) to distinguish weather when modeling resources
- » How Qualifying Resources will be modeled
- » How the PO sets the Monthly FS Planning Reserve Margins (FSPRMs)
 - LOLE for the applicable year does not exceed one event-day in 10 years for summer and winter seasons
 - Determined with probabilistic methods by altering capacity and forecast demand

REQUIRED TARIFF CHANGE (NTF Proposal)

» **Tariff sections 16.1.2.1 and 16.1.2.3:**

- **Language requires adjustment to change “0.1 annual LOLE” to “0.1 seasonal LOLE”**

BPM 103 SUMMARY

FORWARD SHOWING – FS CAPACITY REQUIREMENT

*SEPT. BOARD

- » Amounts of capacity (Portfolio QCC) a Participant is required to demonstrate for the months of a Binding Season
- » Monthly P50 Peak Load Forecast for a Binding Season (looking back over the months of a Binding Season for five years)
 - Attest to significant loads added or removed
 - Apply load growth factor: WRAP-wide growth rate (currently 0%) or Participant alternative
- » FS Planning Reserve Margin (BPM 102 – FS Reliability Metrics)
- » Contingency Reserve Adjustment: LOLE Study assumes *average* 6% peak load. FS Capacity Requirement adjustment considers *each* Participant's *actual* imports/exports and any Contingency Reserve contracts to ensure correct amount of capacity required
- » Load Exclusion attestation: limited to discrete loads in disparate BAAs
- » LOLE Study Load Growth: currently set to 1.1%

REQUIRED TARIFF CHANGE (NTF Proposal)

- » Updates to properly reflect Contingency Reserves Adjustments

BPM 106 SUMMARY

FORWARD SHOWING – QUALIFYING CONTRACTS

**SEPT. BOARD*

- » FS Capacity Requirements can be met with Net Contract QCC (BPM 106)
- » Delivery requirements to Contract Capacity Firm Delivery Point
- » Resource-Specific Capacity Agreements
 - QCC based on identified resource(s)
- » System Sales
 - QCC a function of Participant/Non-Participant Buyer/Seller permutations
 - Resources associated with qualified System Sales from sellers that are not Participants do not have to be registered

REQUIRED TARIFF CHANGE *(NTF Proposal)*

- » **Tariff Definitions section:**
 - **Change System Sales definition**
- » **Tariff section 16.2.7:**
 - **First sentence of RA Transfer content is misleading, and slightly contradictory with remainder of the text (which properly reflects that RA transfers are treated as QCC)**

BPM 202 SUMMARY

*OPERATIONS PROGRAM – *SEPT BOARD*

- » Describes the inputs that will be used for the Sharing Calculation of the Operations Program and how Participants
 - P50 Peak Load Forecast
 - Monthly FSPRMs
 - Expected performance by Qualifying Resource type and any RA Transfers
 - Expected Force Outage rates by resource type
 - Expected Contingency Reserves
 - Firm transmission service rights made available for purposes of Regional Diversity

REQUIRED TARIFF CHANGE *(NTF Proposal)*

- » **Tariff section 20.1.1:**
 - **Incorrect implementation of how Contingency Reserves are calculated in the Operations Program**

BPM 204 SUMMARY

*OPERATIONS PROGRAM – HOLDBACK ALLOCATION *SEPT BOARD*

- » Outlines key processes associated with Participant Holdback Requirements in Ops Program
- » Details:
 - Allocation of a Holdback Requirement to Participants for Subregions with a Central Hub and for Subregions without a Central Hub
 - Process for opting in to Holdback Capacity and the release of capacity not claimed on the Preschedule Day
 - Bilateral exchange of holdback
 - Voluntary offers of capacity are deployed first
 - Early release of holdback

REQUIRED TARIFF CHANGE *(NTF Proposal)*

- » **Tariff section 20.2:**
 - **Voluntary capacity to be subject to non-delivery charges and prioritized above non-voluntary capacity**
- » **Tariff section 20.2.1 and 20.2.2:**
 - **Updated to reflect implantation of Ops Program (removing “pro rata” from descriptions of how SWEDE operates)**

BPM 205 SUMMARY

OPERATIONS PROGRAM – ENERGY DEPLOYMENT

*SEPT BOARD

- » Outlines key processes involved in:
 - Identification and dispatch of energy in the event of a WRAP Participant being energy deficient
 - Claiming holdback
 - Confirming an energy delivery
- » Describes confirmation process Participants are to follow when a Sharing Event occurs, as well as guidance on scheduling and emergency events

REQUIRED TARIFF CHANGE (NTF Proposal)

- » **Tariff section 20.4.1:**
 - **Revised to reflect Ops Program as implemented**

NON-TASK FORCE PROPOSALS

September BPMs

NON-TASK FORCE PROPOSALS

BPM	Topic	Change Required
102	Reliability Metrics	Tariff sections 16.1.2.1 and 16.1.2.3: Language requires adjustment to change "0.1 annual LOLE" to "0.1 seasonal LOLE"
103	FS Capacity Requirement	Tariff changes to properly reflect adjustments to FS Capacity Requirement
106	Qualifying Contracts	Tariff Definitions section: Change System Sales definition Tariff section 16.2.7: Initial component of "Total RA Transfer" definition is incorrect and may lead to double counting
202	Sharing Calculations	Tariff section 20.1.1: Incorrect implementation of how Contingency Reserves are calculated in the Operations Program
204	Holdback Requirement	Tariff section 20.1.3: Change to only discuss priorities during insufficiencies in terms of Holdback Tariff section 20.8.1: Change raise hand association with Transition Period priority tiers
205	Energy Deployment	Tariff section 20.1.3: Change to only discuss priorities during insufficiencies in terms of Holdback Tariff section 20.8.1: Change raise hand association with Transition Period priority tiers