



WESTERN
POWERPOOL

Western Resource Adequacy Program

107 Forward Showing Deficiency
Charge

Revision History

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107 Forward Showing Deficiency Charge

1 Introduction

A Participant that submits a Forward Showing Demonstration that the Program Operator or Program Administrator finds to be deficient, and that does not cure that deficiency prior to the end of the prescribed Cure Period, is assessed a Deficiency Charge. This Forward Showing Deficiency Charge Business Practice Manual (BPM 107) provides implementing details and practices relevant to the calculation of the Deficiency Charge, and allocation of the revenues received from collection of Deficiency Charges.

1.1 Intended Audience

BPM 107 is intended for the Western Power Pool (WPP) Western Resource Adequacy Program (WRAP) Participants and other interested individuals or entities. BPM 107 is particularly useful for those individuals that are responsible for, and support, participation in the Forward Showing Program.

1.2 What You Will Find in This Manual

BPM 107 contains information regarding the calculation of the Deficiency Charge, including calculation of Capacity Deficiencies, Transmission Deficiencies, and Deficiency Charges, and allocation of revenues received from the collection of Deficiency Charges. Certain adjustments to the Deficiency Charge that are available during the Transition Period are addressed in *BPM 109 Forward Showing Transition Period*.

1.3 Purpose

To provide implementing details and practices relevant to the calculation of the WRAP Deficiency Charge.

Nothing in this BPM changes in any way the exclusive authority of the independent Board of Directors, under Section 3.1 of the Tariff, to approve and direct WPP to file Tariff amendments and the independent Board's ultimate authority over all aspects of the WRAP.

1.4 Definitions

All capitalized terms that are not otherwise defined in this BPM have the meaning set forth in the Tariff. Any capitalized terms not found in the Tariff are defined here.

~~**Aggregate Capacity Deficiency:** As to a Binding Season, is the sum of the maximum Monthly Deficiencies of all Participants that submitted FS Submittals for such Binding Season, as determined following completion of the Cure Period for such Binding Season.~~



Catastrophic Failure Monthly Report: As defined in *BPM 108 Forward Showing Submittal Process*.

Cure Period: As defined in *BPM 108 Forward Showing Submittal Process*.

Monthly P50 Peak Load Forecast: The P50 Peak Load Forecast for each month in a given Binding Season.

Monthly Transmission Exception Check-In: As defined in *BPM 108 Forward Showing Submittal Process*.

Summer % Deficit: A value greater than 0 that is the Aggregate Capacity Deficiency for the WRAP as a whole for a Summer Season divided by the sum of the maximum Monthly P50 Peak Load Forecasts for each Participant for that Summer Season.

Winter % Deficit: A value greater than 0 that is the Aggregate Capacity Deficiency for the WRAP as a whole for a Winter Season divided by the sum of the maximum Monthly P50 Peak Load Forecasts for each Participant for that Winter Season.

2 Background

The WRAP is a regional resource adequacy program in which Participants demonstrate, in advance of a defined season when resources may need to be deployed, that they have sufficient resources to meet their expected peak loads and a reserve margin. The WRAP imposes standards and requirements related to such matters as the resources that qualify to meet resource adequacy objectives, the calculation of peak loads, and the required minimum reserve margin. Each Participant is required to submit a Forward Showing Submittal in advance of each Binding Season to demonstrate a minimum required quantity of capacity, known as the FS Capacity Requirement, and a minimum required quantity of transmission service rights, known as the FS Transmission Requirement. The WRAP provides for imposition of significant charges on Participants that do not show in advance sufficient resources to meet their loads. Any Participant that fails to cure identified deficiencies in its Forward Showing Submittal is assessed a Deficiency Charge. Specifically, if a Participant fails during the Cure Period to demonstrate that it has resolved any identified deficiencies in either or both of its FS Capacity Requirement and/or its FS Transmission Requirement, the Participant will be assessed a Deficiency Charge for each Month for which a deficiency is identified.



3 Calculating the Deficiency Charge

3.1 Calculating the Deficiency

Deficiencies are calculated for each Month of a Binding Season, in accordance with the following:

Definition: Monthly Deficiency
<p>Participant's Monthly Capacity Deficiency $= \text{Maximum}(\text{Monthly FS Capacity Requirement} - \text{Monthly Portfolio QCC}, 0)$</p> <p>Participant's Monthly Transmission Deficiency $= \text{Maximum}((75\% \times \text{Monthly FS Capacity Requirement}) - (\text{Monthly Transmission Demonstrated} + \text{Approved Monthly Transmission Exemptions}), 0)$</p>
<p>Where:</p> <p>Monthly FS Capacity Requirement is reduced to account for approved catastrophic resource failure exemption requests submitted at the time of Forward Showing Submittal (see <i>BPM 108 Forward Showing Submittal Process</i>) and</p> <p>Monthly Transmission Demonstrated is the amount of transmission service rights submitted by a Participant per the requirements in Tariff, Section 16.3 and validated by the Program Administrator as per <i>BPM 108 Forward Showing Submittal</i> for each month.</p> <p>Then:</p> <p>Monthly Deficiency = <i>Maximum of (Monthly Capacity Deficiency, Monthly Transmission Deficiency)</i></p>

The Transition Period rules, as discussed in *BPM 109 Forward Showing Transition Period* may, depending on a Participant's circumstances, change or adjust calculation of Deficiencies during the Transition Period.

3.2 Calculating the Deficiency Charge

Deficiency Charge calculations take account of multiple Monthly Deficiencies within a Forward Showing for a single Binding Season, and multiple Deficiencies across a Forward Showing Year, consisting of a Summer Season and the immediately succeeding Winter Season, in accordance with the following formulas and principles. The formulas are drafted to apply to an individual Participant as to its Forward Showings for a Forward Showing Year.



The Monthly Deficiency with the highest MW value in a Forward Showing for a Summer Season shall be assessed a Deficiency Charge as calculated per Formula 1.

Formula 1: Maximum Summer Month

$$\text{Max Monthly Summer Deficiency} \times \text{Annual CONE} \times 1000 \\ \times \text{Summer Season Annual CONE Factor}$$

where the Annual CONE is expressed as a dollars per kW-year calculated in accordance with [Section 3.3.1](#), and

where Summer Season Annual CONE Factor is determined in accordance with [Section 3.3.2](#).

Any other Monthly Deficiency in the Participant's Forward Showing for the same Summer Season shall be assessed a Deficiency Charge as calculated per Formula 2.

Formula 2: Other Summer Months

$$\text{Additional Summer Deficiency} \times (\text{Annual CONE} / 12) \times 1000 \times 200\%$$

where the Annual CONE is expressed as a dollars per kW-year calculated in accordance with [Section 3.3.1](#).

Any Monthly Deficiency in the Forward Showing for the immediately succeeding Winter Season with a higher MW value than the highest MW value of the Monthly Deficiency in the Summer Season shall be assessed a Deficiency Charge on the incremental MW value above the Summer Season as calculated per Formula 3.

Formula 3: Maximum Winter Month

$$\text{Maximum of (Max Winter Deficiency - Max Summer Deficiency, 0)} \\ \times \text{Annual CONE} \times 1000 \times \text{Winter Season Annual CONE Factor}$$

where the Annual CONE is expressed as a dollars per kW-year calculated in accordance with [Section 3.3.1](#), and

where Winter Season Annual CONE Factor is determined in accordance with [Section 3.3.2](#).

If there is a Monthly Deficiency in the Winter Season with a higher MW value than the highest MW value of any Monthly Deficiency in the Summer Season, the Monthly



Deficiency with the highest MW value in the Summer Season shall be assessed an additional Deficiency Charge calculated per Formula 2.

Any other Monthly Deficiency in the Participant's Forward Showing Submittal for the same Winter Season shall be assessed a Deficiency Charge as calculated per Formula 4.

Formula 4: Other Winter Months

$$\text{Additional Winter Capacity Deficiency} \times (\text{Annual CONE}/12) \times 1000 \\ \times 200\%$$

where the Annual CONE is expressed as a dollars per kW-year calculated in accordance with [Section 3.3.1](#).

The Transition Period rules, as discussed in *BPM 109 Forward Showing Transition Period* may, depending on a Participant's circumstances, change or adjust calculation of Deficiency Charges during the Transition Period.

[Should a Subregion fail to achieve Critical Mass in a Binding Season, Participants electing to participate as Non-Binding Participants will not be subject to Deficiency Charges under the FS Program as described in Section 7.](#)

3.3 Determining Certain Components of the Deficiency Charge Calculation

3.3.1 Cost of New Entry

The Cost of New Entry, also known as CONE, is used in the Deficiency Charge calculation as an indication of the type of cost a deficient Participant avoids by not having sufficient capacity to serve its peak loads. It is not intended to reflect any Participant's actual avoided capacity costs or to establish any precedent as to the types of resources any Participant can or should obtain to meet their marginal capacity needs, or that any type of resource is the expected marginal capacity resource in the WRAP Region or any Subregion.

In accordance with the Tariff, CONE is the estimated cost of a hypothetical new peaking natural gas-fired generation facility. The CONE estimate is based on publicly available information relevant to the estimated annual capital and fixed operating costs of a hypothetical natural gas-fired peaking facility. The estimate of CONE does not consider net revenue from the sale of capacity, energy, or ancillary services from the hypothetical facility, nor does it consider variable operating costs necessary for generating energy.

The Program Administrator posts on its website the current value of CONE, along with key supporting calculations and information that materially affects the estimate. The



Program Administrator may initiate a change to CONE at any time. The Program Administrator reviews the CONE estimate annually, but is not required to change the CONE annually, and can initiate a change to CONE more frequently than annually. Any proposed changes in the CONE are subject to review through the stakeholder process for program rule changes as outlined in *BPM 301 Program Review Committee Workplan Development* and *Approval*, *BPM 302 Program Review Committee Proposal Development and Consideration*, and *BPM 303 Expedited Review Process*.

3.3.2 Summer Season and Winter Season Annual CONE Factors

The Deficiency Charge calculation uses a CONE Factor to reflect that individual Participant deficiencies are of even greater concern when the Region as a whole is expected to be short of targeted capacity needs. Per the Tariff, there are separate CONE Factors for each Winter Season and each Summer Season, depending on the total deficiency of the WRAP Region.

The Summer Season Annual CONE Factor varies based on the ratio ("Summer % Deficit") of the Aggregate Capacity Deficiency for the WRAP Region (all Participants) that Summer Season, divided by the aggregated maximum Monthly P50 Peak Load Forecast of all Participants for the Summer Season, as follows:

- 1) If the Summer % Deficit is less than or equal to 1%, the Summer Season Annual CONE Factor = 125%
- 2) If the Summer % Deficit is greater than 1% but less than or equal to 2%, the Summer Season Annual CONE Factor = 150%
- 3) If the Summer % Deficit is greater than 2% but less than or equal to 3%, the Summer Season Annual CONE Factor = 175%
- 4) If the Summer % Deficit is greater than 3%, the Summer Season Annual CONE Factor = 200%

The Winter Season Annual CONE Factor varies based on the ratio ("Winter % Deficit") of the Aggregate Capacity Deficiency for the WRAP Region (all Participants) that Winter Season, divided by the aggregated maximum Monthly P50 Peak Load Forecast of all Participants for the Winter Season, as follows:

- 1) If the Winter % Deficit is less than or equal to 1%, the Winter Season Annual CONE Factor = 125%

- 2) If the Winter % Deficit is greater than 1% but less than or equal to 2%, the Winter Season Annual CONE Factor = 150%
- 3) If the Winter % Deficit is greater than 2% but less than or equal to 3%, the Winter Season Annual CONE Factor = 175%
- 4) If the Winter % Deficit is greater than 3%, the Winter Season Annual CONE Factor = 200%

If there is no deficiency in the Summer or Winter Binding Season, there is no Summer % Deficit or Winter % Deficit.

If a Participant incurred any FS Deficiency Charges in a Forward Showing Year, then for the immediately following Forward Showing Year, both the Summer Season Annual CONE Factor and the Winter Season Annual CONE Factor shall be 200% for such Participant.

A detailed example is provided in the FS Deficiency Charge Examples document, which is posted on the WPP website.

4 Dispute Resolution Process

Nothing in this BPM limits the ability of a Participant that believes it has been assessed a Deficiency Charge in error from raising such concerns with the Program Administrator staff or invoking the Tariff dispute resolution process.

5 Timing of Deficiency Charge Revenue Collection

Any Deficiency Charges will be calculated and invoiced to deficient Participants within 45 Days following the end of the Cure Period for each season, or 7 Days following a Participant's failure to timely submit a required Catastrophic Failure Monthly Report or Monthly Transmission Exception Check-In (see *BPM 108 Forward Showing Submittal Process*).

6 Allocation of Revenues from Deficiency Charges

To the extent WPP collects payment of Deficiency Charges for a Binding Season, revenues from those collected Deficiency Charges will be allocated among those Participants with no Deficiency Charges for that Binding Season, pro rata based on each non-deficient Participant's share of all such Participants' Median Monthly P50 Peak Loads consistent with Schedule 1 of the Tariff. WPP will distribute this revenue only after the deadline for Internal Dispute Resolution request for a Deficiency Charge has passed and no Internal Dispute Resolution request have been requested; or, alternatively, after a timely request dispute resolution has been made and all



proceedings related to that dispute resolution have been exhausted. Participants have no entitlement to receive revenues from Deficiency Charges except to the extent such charges are assessed, invoiced, and collected by WPP.

The Transition Period rules, as discussed in *BPM 109 Forward Showing Transition Period* may, depending on a Participant's circumstances, change, or adjust the allocation of Deficiency Charge revenues during the Transition Period.

7 Critical Mass and Non-Binding Participation

After the Transition Period as described in *BPM 109 Transition Period*, in the event that a Subregion fails to meet a sufficient volume of load or number of Participants for a Participant's selected Transition Binding Season or any future Binding Seasons, Participants within the affected Subregion may elect to be Non-Binding for the season where Critical Mass is not achieved. Table 1 below shows the minimum values for the amount of load and number of Participants needed to meet Critical Mass by Subregion.

Table 1. Threshold load and number of Participants for Critical Mass

<u>Threshold Values</u>	<u>Northwest Subregion</u>	<u>Southwest and East Subregion</u>
<u>Load Volume</u>	<u>20 GW</u>	<u>15 GW</u>
<u>Participant Count</u>	<u>3</u>	<u>3</u>

The Program Administrator will contact the Participant by emailing its Resource Adequacy Participant Committee (RAPC) representative alerting the Participant if Critical Mass in one or more of the Subregions that Participant operates in is not reached. Once the Program Administrator has notified a Subregion that Critical Mass has not been achieved, Participants within that Subregion have 30 days to provide notice via the Participant RAPC representative to WPP by email at wrap@westernpowerpool.org indicating whether they intend to participate as Non-Binding Participants in the Subregion(s) for that Binding Season.

A Participant electing to participate in a Non-Binding manner for a Binding Season outside of the Transition Period will participate as follows:

1. The Participant will not be subject to Deficiency Charges under the FS Program, mandatory Holdback Requirements as a result of a positive Sharing Calculation Result, mandatory Energy Deployments, or Delivery Failure Charges under the Operations Program.
2. The Participant will be subject to all other FS Program requirements, including the requirement to timely provide data in connection with the Advance



Assessment, the requirement to timely provide FS Submittals, and Operations Program requirements as appropriate and detailed in *BPM 210 Binding and Non-Binding Participation in Operations Program*.

3. The Participant may participate in the Operations Program as outlined in *BPM 210 Binding and Non-Binding Participation in Operations Program*.



Western Resource Adequacy Program

109 Forward Showing
Transition Period

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109 Transition Period

1. Introduction

The Forward Showing (FS) Program of the Western Resource Adequacy Program (WRAP) provides for a ~~three~~four-year Transition Period, commencing in Summer 2025 ~~Binding Season~~ and ending ~~in~~after Winter ~~2027-2028. The Transition Period allows-~~ 2029 Binding Season. All Participants ~~to elect will participate in the first season that they will become~~ Summer 2025 and Winter 2026-2027 Binding Seasons and all Binding Seasons in between as Non-Binding Participants. From Winter 2027-2028 all Participants will be Binding (except any Non-Binding Critical Mass provisions) and subject to certain charges for failure to meet or cure compliance obligations ~~and charges~~ associated with ~~the standard, going forward~~ Binding participation in the WRAP, ~~and allows for reduced~~; however, during the Transition Period such charges may be reduced in certain limited circumstances ~~during the remainder of the Transition Period once the Participant becomes subject to compliance obligations. The Transition Period also provides Participants the option of Binding participation one season earlier in Summer 2027, so this season may have a mixture of Binding and Non-Binding~~ Participants. This FS Transition Period Business Practice Manual (BPM) provides implementing details and practices relevant to the FS Program during the Transition Period. Implementing details and practices relevant to the Operations Program during the Transition Period are described separately in *BPM 210 Binding and Non-Binding Participation in Operations Program-Transition Period*.

1.1. Intended Audience

BPM 109 is intended for WRAP Participants and other interested individuals or entities and will be particularly useful for those responsible for their Participant organization's ~~election of a Binding Season~~, submission of FS Submittal, and ensuring that their organization complies with WRAP FS Program requirements, whether Non-Binding or Binding, during the Transition Period.

1.2. What Will You Find in This Manual?

BPM 109 includes sections outlining practices and implementation details relevant to the Transition Period, ~~including the election and deferral of Binding Seasons~~, Binding and Non-Binding participation, Excused Transition Deficits (ETDs), and the reduction in Monthly Capacity Deficiency Charges available under certain conditions for Legacy Agreements.

1.3. Purpose

To provide an overview of the WRAP Transition Period activities for the FS Program that might impact business processes of current or potential Participants.



1.4. Definitions

All capitalized terms that are not otherwise defined in BPM 109 have the meaning set forth in the Tariff. Any capitalized terms not found in the Tariff that are specific to BPM 109 are defined here.

Joint Contract Accreditation Form, or JCAF: As defined in *BPM 106 Qualifying Contracts*.

No-JCAF Option: Transition provision allowing a Participant to utilize Legacy Agreements without demonstration of a JCAF on a limited basis, as described in Section 6.

Transition Binding Season: ~~The~~ For all Participants the Binding Seasons during the Transition Period from Winter 2027-2028 onwards for which, ~~by Participant election in accordance with the Tariff and BPM 109,~~ the Participant is subject to the mandatory requirements of Parts II and III of the Tariff, and including Summer 2027 for Participants that opted for Binding participation one season earlier

2. Background

The WRAP is a regional resource adequacy program in which Participants demonstrate, in advance of a defined season when resources may need to be deployed, that they have sufficient resources to meet their expected peak loads and FS Planning Reserve Margins (FSPRMs). The WRAP imposes standards and requirements related to such matters as the resources that qualify to meet resource adequacy objectives, the calculation of peak loads, and the required minimum FSPRMs. The WRAP provides for imposition of significant charges on Participants that do not show in advance sufficient resources to meet their loads. In addition, under the WRAP, Participants with surplus resources are subject to requirements in certain circumstances during the subject season to assist Participants that are resource deficient, and if a surplus Participant fails to make required energy deliveries to a deficient Participant, the surplus Participant is subject to significant charges for such delivery failure. Recognizing that not all Participants may have made all necessary arrangements and implemented all necessary business processes at the program's outset to secure WRAP-Qualifying Resources, meet the various WRAP obligations, and avoid imposition of these significant charges, the WRAP includes a ~~three~~four-year Transition Period. The Transition Period ~~and its associated rules allow each Participant to select which specific season during the Transition Period the Participant will first become subject to these obligations. The Transition Period rules also~~ provide the possibility of reduced charges in certain specific circumstances designed to recognize that some Participants may still be in the process of securing all resources needed to ensure compliance with WRAP requirements. All

Participants will be subject to Binding participation obligations starting November 1, 2027 (for the Winter 2027-2028 Binding Season), but the Transition Period rules allow each Participant the option to elect to also participate one season earlier as a Binding Participant in Summer 2027.

3. Election of Transition from Non-Binding to Binding Seasons

3.1. Election Process

The Transition Period consists of the Summer Seasons for 2025, 2026, and 2027, and 2028, and the Winter Seasons for 2025-2026, 2026-2027, and 2027-2028. Each Participant must select one of these seasons as its first Transition, and 2028-2029. The Winter 2027-2028 Binding Season-

All beginning November 1, 2027, will be the first Binding Season for all Participants that executed a whose Western Resource Adequacy Program Agreement (WRAPA) prior to their effective date of BPM 109 contemporaneously gave written notice to the Program Administrator of their elected first Transition Binding Season. Each entity that becomes a Participant after the effective date of BPM 109 and prior to March 31, 2027, shall, at the time it executes a WRAPA, or at the time such Participant's non-conforming WRAPA is filed with the Federal Energy Regulatory Commission, give notice of its elected first Transition by September 15, 2026, unless a Participant selects Summer 2027 as its first Binding Season. Such notice shall be provided in writing by the Participant's designated Resource Adequacy Participant Committee (RAPC) representative to the Program Administrator at the email address designated in the new Participant application portion of the Program Administrator's website.

Every Participant that submits or has submitted a new Participant application to the Program Administrator prior to March 31, 2027, must select a Binding Season during the Transition Period as its first Transition Binding Period. Any Participant that submits a new Participant application to the Program Administrator after March 31, 2027, will commence its WRAP participation after the end of the Transition Period. In that case the Participant will become subject to all standard WRAP requirements and obligations from the beginning of its participation, with no transition provisions. For more information about the process, requirements, and logistics of a new Participant joining WRAP, see BPM 101 New Participant Onboarding.

3.2. Changes to a Participant's First Transition Binding Season

If a Participant determines that unanticipated circumstances may prevent it from meeting the obligations associated with a Transition Binding Season, the Participant may defer its previously elected first Transition Binding Season, but only if the Participant provides the Program Administrator written notice of such deferral at least

~~two years prior to the start of its previously elected first Transition Binding Season. In this written notice, the Participant must elect a new Winter Season or Summer Season occurring within the Transition Period to be its first Transition Binding Season. A Participant also may advance its first Transition Binding Season to an earlier Binding Season within the Transition Period, but only if the Participant provides the Program Administrator written notice of such change at least two years prior to the start of its proposed earlier first Transition Binding Season. Table 1 will continue to apply until March 15, 2029, as noted in Table 1 below shows the deadline to request a change to a Participant's first Binding Transition Season. Note that for a *deferral*, the relevant season in Table 1 is the Participant's *current* first Binding Transition Season, whereas for an *advance*, the relevant season in Table 1 is the Participant's *proposed* first Binding Transition Season.~~

Table 1. ~~Deadline for Participant to Request a Change to Its First Binding Transition Season~~ Transition Period Provisions and Non-Binding/Binding Participation

<u>Season</u> Period	<u>Deadline for Change Request</u> Participation and Provisions	
Summer 2025	May 31, 2023	
<u>Summer 2025 through Winter 2025-2026- 2027</u>	October 31, 2023 <u>Non-Binding participation only</u>	Transition Period provisions apply
Summer 2026	May 31, 2024	
Winter 2026-2027	October 31, 2024	
Summer 2027	May 31, 2025 <u>Both Binding and Non-Binding participation</u>	
<u>Winter 2027-2028 through Winter 2028-2029</u>	October 31, 2025 <u>Binding participation only</u>	
<u>Summer 2029 onwards</u>	<u>Binding participation only</u> <u>Subject to all standard WRAP requirements and obligations</u>	

~~A Participant's right to defer shall continue to apply for each of the Participant's revised elections of its first Transition Binding Season, subject to the same requirement for written notice to the Program Administrator at least two years before the start of the~~

~~revised first Transition Binding Season. An elected first Transition Binding Season (including a revised elected Transition Binding Season resulting from a timely deferral) may not be deferred after the deadline noted in Table 1 for each season noted in Table 1.~~

~~3.3. Transition Binding Seasons and Non-Binding Seasons~~

~~During the Transition Period, Transition Binding Seasons and Non-Binding Seasons are specific to, and can vary by, each Participant. A Participant elects a Winter Season or Summer Season during the Transition Period as its first Transition Binding Season. Any subsequent Winter Season or Summer Season during the Transition Period will also be a Transition Binding Season for that Participant. Every Winter Season or Summer Season occurring during the Transition Period before the Participant's first Transition Binding Season will be a Non-Binding Season as to that Participant.~~

~~4. Transition Binding Season Participation~~

~~During its Transition Binding Seasons, a Participant will be subject to the same~~

3.1. Option of Summer 2027 as First Binding Season

A Participant that executes a WRAPA on or before January 15, 2026, may notify WPP on or before January 15, 2026, of its intent to participate in the Summer 2027 Binding Season as a Binding Participant. A Participant that executes a WRAPA after January 15, 2026 and on or before September 15, 2026 may elect to participate in the Summer 2027 Binding Season as a Binding Participant by notifying WPP of such intent on or before the effective date of its WRAPA. Notification of intent to participate in Summer 2027 as a Binding Participant must be provided via email to WPP. The decision to participate as a Binding Participant in the Summer 2027 Binding Season is optional, thus Summer 2027 participation may be mixed, with some Participants participating in a Non-Binding manner, while others participate in a Binding manner.

4. Transition Period Binding Season Participation

During Transition Period Binding Seasons, a Participant will have the same obligations and requirements, and have the same rights, that under the WRAP Tariff establishes for the period beginning as after the end of the Transition Period, except for the WRAP Tariff provisions, ~~as also elaborated below and in *BPM-210 Operations Program Transition Period*, concerning ETDs, and lack of JCAF assent for Legacy Agreements, and priority tiers for voluntary assistance as explained below.~~

4.1. Non-Binding Season Participation

During its Non-Binding Seasons, a Participant will not be subject to Deficiency Charges under the FS Program, or to mandatory Holdback Requirements as a result of a positive Sharing Calculation result, mandatory Energy Deployments, or Delivery Failure Charges



under the Operations Program. Participants will be subject to all other FS Program requirements, including the requirement to timely provide data in connection with the Advance Assessment, the requirement to timely provide FS Submittals, and Operations Program requirements as appropriate and detailed in *BPM 210 [Binding and Non-Binding Participation in Operations Program-Transition Period](#)*. A Participant in a Non-Binding Season may participate in the Operations Program as outlined in *BPM 210 [Binding and Non-Binding Participation in Operations Program-Transition Period](#)*.

4.2. Option to Defer First Binding Season for All Participants

Within two years prior to the start of ~~the Participants'~~ first Binding Season ([Summer 2027 if any Participants opted for Binding participation one season early or Winter 2027-2028 if no Participations avail themselves of the WRAP, that option](#)), a [Binding](#) Participant ~~who has elected to participate in the that~~ first Binding Season may request a vote of all [Binding](#) Participants ~~who have elected to participate in the that~~ first Binding Season to delay implementation of the first Binding Season for up to two seasons. The deferral vote may only occur for the first Binding Season of the WRAP.

Delayed implementation of the first Binding Season will only be approved if 75% of the Participants ~~who elected to participate~~ in the first Binding Season vote in favor of the delay. Approval requires a vote of 75% of both the House and Senate vote tallies (as described in Sections 4.1.6.2.1 and 4.1.6.2.2 of the WRAP Tariff) of all [Binding](#) Participants ~~who elected to participate~~ in the first Binding Season.

This deferral option encompasses an option for the relevant Participants to vote to delay implementation only of the Operations Program portion of the first Binding Season and retain the binding FS Program portion of the first Binding Season.

If the Participants ~~who elected to participate in the first Binding Season of the WRAP~~ vote to delay implementation of the first Binding Season, all compliance charges for the FS Program and Operations Program ~~is are~~ automatically waived; provided that, if the Participants vote to delay implementation only of the Operations Program portion of the first Binding Season and retain the binding FS Program portion of the first Binding Season, only the effectiveness of Operations Program compliance charges is deferred.

5. Excused Transition Deficits

During a Participant's Transition Binding Seasons, [FS](#) Deficiency Charges otherwise applicable to the Participant under Section 17.1 of the WRAP Tariff, and calculated under Section 17.2, shall be reduced to [a Discounted Deficiency Charge to](#) the extent the Participant has an ETD. ETDs are not resource specific and relate to a MW quantity of the Participant's FS Capacity Requirement.

5.1. How to Obtain an ETD

To obtain an ETD during a Binding Season, the Participant must provide a Senior Official Attestation (in the form set forth in Appendix A below) attesting that the Participant [or a relevant third party servicing load for which the Participant is the LRE](#) has made commercially reasonable efforts to secure Qualifying Resources in the quantity needed to satisfy the Participant's FS Capacity Requirement for the Binding Season, but is unable to obtain Qualifying Resources in the quantity required for the Binding Season because the supply of such resources on a timely basis and on commercially reasonable terms is at that time inadequate. [If the attestation relates to a third-party servicing load for which the Participant is the LRE, the Senior Official Attestation may be signed by a Senior Official of the third-party load service provider \(in the form set forth in Appendix B below\).](#) If an ETD is requested the required attestation shall be included as part of the Participant's relevant FS Submittal (*see BPM 108 Forward Showing Submittal*). Participants may apply for ETDs in multiple Months of a Binding Season.

5.2. Limits on Megawatts to Which ETDs can be Applied

For each Month of a Binding Season during the Transition Period, ETDs are limited to a maximum permissible MW quantity per Participant per Month.

The MW limit is equal to the FSPRM applicable to a Participant for its FS Submittals for each Month in the Binding Season, ~~times~~[multiplied by](#) a percentage value. This percentage value decreases for each year ~~of the~~[that](#) Transition Period [provisions apply](#).

The percentage value is ~~75% for each Month of the 2025 Summer Season and 2025-2026 Winter Season, 50% for each Month of the 2026 Summer Season and 2026-2027 Winter Season, and 25%~~[200%](#) for each Month of the 2027 Summer Season and 2027-2028 Winter Season, ~~and~~ [100%](#) for each Month of the 2028 Summer Season and [2028-2029 Winter Season](#).

Table 2. Percentage Value to be Multiplied by FSPRM

Season	Percentage Value to be Multiplied by Participant FSPRM
Summer 2025 2027	75 200 %
Winter 2025-2026	75 %
Summer 2026	50 %
Winter 2026-2027 2028	50 200 %
Summer 2027 2028	25 100 %
Winter 2027-2028 2029	25 100 %



For example, if the applicable FSPRM is 20% and a Participant's P50 Peak Load for June ~~2026~~2028 is ~~1000MW~~1000 MW, the Participant could seek an ETD for ~~100~~200 MW (i.e., $20\% * \del{1000MW} * 50\% = \del{100MW} $1000 MW * 100\% = 200 MW$).$

As can be seen, the MW limitation of a Participant's aggregate ETDs for each Month of a Binding Season is calculated from only the increment of the Participant's FS Capacity Requirement defined by the FSPRM, i.e., by a percentage of the Participant's P50 Peak Load. It is not defined by the sum of the Participant's P50 Peak Load plus the MW needed for the FSPRM. The reduction in the percentage factor every 12 Months, as shown in Table 2 reflects the program's expectation that Participants will use the ~~three~~four-year Transition Period provisions to address any gaps in their portfolio of Qualifying Resources needed to meet their FS Capacity Requirement.

5.3. ~~Reduced~~Discounted Deficiency Charge once ETD is Applied

A Participant can apply ETDs to its Monthly Capacity Deficiency to reduce its Deficiency Charge. For the MW portion of its Monthly Capacity Deficiency for which it obtained ETDs, a Participant will pay a Discounted Deficiency Charge reduced by a percentage value. That percentage value will be equal to 75% for each of the ~~2025~~2027 Summer Season and ~~2025-2026~~2027-2028 Winter Season, and 50% for each of the ~~2026~~2028 Summer Season and ~~2026-2027~~ Winter Season, ~~and 25% for each of the 2027 Summer Season and 2027-2028~~2028-2029 Winter Season.

Table 3. Reduction of Deficiency Charge Based on ETDs

Season	Percentage Value Reduction for Portion of Monthly Capacity Deficiency to Which ETDs Have Been Applied
Summer 2025 <u>2027</u>	75%
Winter 2025-2026 <u>2027-2028</u>	75%
Summer 2026 <u>2028</u>	50%
Winter 2026-2027	50%
Summer 2027	25%
Winter 2027-2028 <u>2028-2029</u>	25 <u>50</u> %

For the MW portion of its Monthly Capacity Deficiency for which it did not obtain ETDs, the Participant will be assessed a FS Deficiency Charge calculated under WRAP Tariff Section 17.2, without reduction or adjustment.

A detailed example is provided in the FS Transition [Period](#) Deficiency Charge Examples document ~~which is~~ posted on the ~~Western Power Pool~~[WPP](#) website.

As can be seen in Table 3, the percentage reduction in a Participant's Deficiency Charge becomes smaller every 12 Months, and thus its [remaining Discounted](#) Deficiency Charge after providing an accommodation for ETDs becomes larger every 12 Months. This again reflects an expectation that Participants will use the ~~three~~[four](#)-year Transition Period [provisions](#) to address any gaps in their portfolio of Qualifying Resources needed to meet their FS Capacity Requirement.

6. Reduction of Monthly Capacity Deficiency Applicable to Legacy Agreements

In addition to the possible reduction in a Participant's Capacity Deficiency Charges for an ETD, a Participant may be able during the Transition Period to reduce its Monthly Capacity Deficiency to the extent the deficiency is due to the Participant's failure to obtain assent from the supplier under a Legacy Agreement to a JCAF. WRAP's general rule is that supply contracts must be resource specific. Legacy Agreements (including, for example agreements without an identified or inferred source entered under Schedule C of the Western Systems Power Pool), entered before prospective Participants in WRAP reached a consensus on the resource specific rule (October 1, 2021), are allowed an exception to that rule, but only if the Participant relying on a Legacy Agreement in its FS Submittal obtains the written assent of the supplier under the Legacy Agreement to a form which enables the Program Operator to presume a source or sources for the agreement. The Transition Period rules permit a limited further exception to that requirement (thus allowing Participants some additional time to convert or replace pre-existing Schedule C-type agreements). To obtain that relief, the Participant must provide, as part of their FS Submittal (see *BPM 108 Forward Showing Submittal*), a Senior Official Attestation (in the form set forth in [Appendix BC](#) below) attesting that the Participant made commercially reasonable efforts to execute the required JCAF with the supplier under the Legacy Agreement, but the supplier was unable or unwilling to counter sign the JCAF. This transition provision is termed the No-JCAF Option.

Even with that showing, this Transition Period exception is strictly limited. A Participant using this exception, whether for one or multiple Legacy Agreements, may not reduce its Monthly Capacity Deficiency in the subject Month by a MW quantity greater than 25% times the FSPRM applicable for that Participant for the relevant Binding Season.

For example, assuming an FSPRM value of 20% for a given Month during the Transition Period, a Participant with a 1000MW P50 Peak Load in such Month may seek this exception for as much as 50 MW ($20\% * 1000\text{MW} * 25\% = 50\text{MW}$).

In addition, a Participant employing the No-JCAF Option must reduce, MW for MW, its maximum permitted use of ETDs for the same Transition Binding Season. For example, if a Participant exercises the No-JCAF Option exception for a MW quantity equal to 20% of the Participant's FSPRM for the Summer ~~2026~~2028 Binding Season (which has a maximum ETD amount of 50% of the FSPRM), then the Participant may apply ETDs in an aggregate MW quantity no greater than 30% of their FSPRM for Summer ~~2026~~2028 (50% - 20% = 30%).

7. Adjustment of Revenue Allocations

Any Participant that exercises the No-JCAF Option or successfully applies an ETD shall not receive an allocation of revenues from the payment of Deficiency Charges as to such Binding Season.

Revenues from ETDs will be distributed to Participants, for which the Season is a Binding Transition Season, and that did not use ETDs and did not exercise the No-JCAF Option to meet their FS Capacity Requirement. A Participant that receives revenues from ETDs will not have an increase in its FS Capacity Requirement solely as a result of receipt of such revenue.

Appendix A – Senior Official Attestation – ETD

The following Senior Official Attestation will be required for any Participant seeking an ETD:

I, the undersigned, who, as [title], serves as a senior official of [Participant], hereby attest that (i) [Participant] meets the stated WRAP requirements for an Excused Transition Deficit; (ii) [Participant] has made commercially reasonable efforts to secure Qualifying Resources in the quantity needed to satisfy [Participant]’s FS Capacity Requirement for the [identify season] Binding Season, but is unable to obtain Qualifying Resources in the quantity required for the Binding Season because the supply of such resources on a timely basis and on commercially reasonable terms is at the present time inadequate; and (iii) the foregoing statements are true, correct and complete to the best of my knowledge and belief following due inquiry appropriate to the reliability and resource adequacy matters addressed herein.

Appendix B – Third Party Load Service Provider – ETD

The following Senior Third-Party Load Service Provider Attestation will be required for any Participant seeking an ETD for load serviced by a Third-Party Service Provider:

I, the undersigned, who, as [title], serves as a senior official of [third-party load service provider], hereby attest that (i) [third-party load service provider] is responsible for securing Qualifying Resources for [Participant's] FS Capacity Requirement for the [identify season] Binding Season (ii) [Participant] meets the stated WRAP requirements for an Excused Transition Deficit; (iii) [third-party load service provider] has made commercially reasonable efforts to secure Qualifying Resources in the quantity needed to satisfy [Participant's] FS Capacity Requirement for the [identify season] Binding Season, but is unable to obtain Qualifying Resources in the quantity required for the Binding Season because the supply of such resources on a timely basis and on commercially reasonable terms is at the present time inadequate; and (iv) the foregoing statements are true, correct and complete to the best of my knowledge and belief following due inquiry appropriate to the reliability and resource adequacy matters addressed herein.

Appendix C – Senior Official Attestation – No-JCAF Option

The following Senior Official Attestation will be required for any Participant seeking to utilize the No-JCAF Option with a Legacy Contract:

I, the undersigned, who, as [title], serves as a senior official of [Participant], hereby attest, in support of [Participant]’s request for a reduction in the Monthly Capacity Deficiency otherwise calculated under the Tariff, because ____ MW of such deficiency is due to [Participant]’s inability to obtain assent from the supplier under a Legacy Agreement to the accreditation required for such Legacy Agreement under the Tariff and Business Practice Manuals; (ii) [Participant] made commercially reasonable efforts to execute the required accreditation form with the supplier under the Legacy Agreement, but the supplier was unable or unwilling to counter sign the accreditation form; and (iii) the foregoing statements are true, correct and complete to the best of my knowledge and belief following due inquiry appropriate to the reliability and resource adequacy matters addressed herein.



WESTERN
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Western Resource Adequacy Program

206 Settlement Pricing

Revision History

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206 Settlement Pricing

1. Introduction

When a Participant is facing a calculated resource deficiency in an Operating Day, the Operations Program of the Western Resource Adequacy Program (WRAP) requires Participants with surplus resources to sell the deficient Participant energy in bilateral transactions at prices and quantities determined by the Program Administrator and Program Operator as prescribed by the WRAP Tariff. The WRAP Tariff directed transactions are known as Holdback Requirements and Energy Deployments. The Settlement Pricing Business Practice Manual (BPM) provides implementing details and practices regarding the WRAP-required pricing for Energy Deployments and Holdback Requirements, the identification of Applicable Price Indices used in such pricing, and the calculation and posting of settlement quantities and settlement prices.

1.1. Intended Audience

BPM 206 is intended for WRAP Participants and other interested individuals or entities. BPM 206 is particularly useful for those individuals that are responsible for their Participant organization's implementation of Holdback Requirement and Energy Deployment transactions, and ensuring that the pricing for those transactions complies with WRAP requirements.

1.2. What You Will Find in This Manual

BPM 206 consists of sections detailing the WRAP-required pricing for Energy Deployments and Holdback Requirements, the Applicable Price Indices used in such pricing, and the calculation of settlement prices. Related provisions are addressed in other BPMs. BPM 206 will be paired with *BPM 207 Settlement Process* which covers details such as how to access posted prices, the process for remedying disputed prices, and the process for handling changes in input data etc. In addition, *BPM 204 Holdback Requirement* and *BPM 205 Energy Deployment* provide implementing details on the Tariff rules for determining the seller (surplus Participant), the buyer (deficient Participant), and the transaction quantity for Holdback Requirements and for Energy Deployments. *BPM 102 Reliability Metric Setting* defines the two Subregions of the WRAP Region.

1.3. Purpose

The purpose of BPM 206 is to provide implementation details of the settlement pricing for Holdback Requirement and Energy Deployment transactions in the WRAP.



1.4. Definitions

All capitalized terms that are not otherwise defined in BPM 206 have their meaning set forth in the Tariff. Any capitalized terms that are not defined in the Tariff ~~that are specific to BPM 206~~ are defined here:

Declined Energy: The amount of Holdback Requirement not affirmatively requested by a deficient Participant.

Final Settlement Revenue: The revenue paid by the deficient Participant to the surplus Participant for any hour of a given Day where the deficient Participant was responsible for Holdback Requirement or claimed an Energy Deployment.

Heavy Load Hour (HLH): The hours from hour ending 7 through hour ending 22, Monday through Saturday, excluding North American Electric Reliability Corporation (NERC) holidays.

Light Load Hour (LLH): The hours from hour ending 1 thru hour ending 6 and from hour ending 23 thru hour ending 24, Monday through Saturday, and all hours of the Day on Sundays and NERC holidays.

Possible Block Sale Revenue: The revenue, calculated separately for HLH and LLH blocks, that would have been realized had the surplus Participant sold a standard block with a MW value equal to the MW value in the hour with the highest sum of such Participant's Holdback Requirements obligated to all deficient Participants.

Unheld Energy: A quantity of energy that was not part of a Holdback Requirement, but that was part of a block that could have been sold in a Day-Ahead market had the Participant not been subject to a Holdback Requirement.

2. Background

When one ~~surplus~~ Participant provides a Holdback RequirementCapacity for the benefit of a deficient Participant, or provides Energy Deployment to a deficient Participant, the sale is a bilateral transaction between the two parties, but the pricing is dictated by the WRAP Tariff and calculated by the PA-Program Administrator. Under the WRAP Tariff it is possible for a ~~surplus~~ Participant to providebe allocated a Holdback Requirement for a deficient Participant that does not result in an Energy Deployment to that deficient Participant, because the deficient Participant will not receive an Energy Deployment unless it expressly confirms on the Operating Day that it still requires the Energy Deployment: as described in BPM 205 Energy Deployment. The WRAP Tariff thus provides for calculation of separate prices to compensate for Holdback RequirementCapacity and Energy Deployment, along with separate calculations of i) the



amounts to be paid and received as compensation for Holdback [RequirementCapacity](#); and ii) the amounts to be paid and received as compensation for Energy Deployment. The WRAP Tariff-prescribed pricing also includes a Make Whole Adjustment component to compensate for a specific type of opportunity cost. BPM 206 also provides certain implementing details that the Program Administrator or Program Operator will use to calculate the settlement prices and quantities.

BPM 207 Settlement Process describes in detail the various settlement processes including but not limited to the mechanics of posting settlement information, invoicing, the process for addressing changes to or errors in published prices, missing data, timing requirements of the bilateral settlement process and changing the Applicable Index Price.

3. Applicable Index Prices

Two Subregions have been established within the WRAP Region: 1) the Northwest Subregion, and 2) the East and Southwest Subregion, as defined and delineated in *BPM 102 Reliability Metric Setting*. Each Subregion will have a Day-Ahead Applicable Index Price and a Real-Time Applicable Index Price. The Applicable Index Prices are intended to be a fair representation of the price of energy in a given Subregion and were chosen based on a reasonable assumption that they could be utilized to facilitate an efficient and timely settlement process. If necessary the Applicable Index Prices can be changed as describe in *BPM 207 Settlement Process*.

Northwest Subregion

The Day-Ahead Applicable Index Price is the ICE Day-Ahead Mid-Columbia (Mid-C) Index.

The Real-Time Applicable Index Price is the Powerdex Real-Time Mid-C Index.

East and Southwest Subregion

The Day-Ahead Applicable Index Price is the ICE Day-Ahead Palo Verde (PV) Index.

The Real-Time Applicable Index Price is the average of the four 15-minute market (FMM) results for the PV intertie in the California Independent System Operator (CAISO) market (FMM Scheduling Point / Tie Combination Locational Marginal Price; Node: PALOVRDE_ASR-APND; Tie: PVWEST).

4. Settlement Pricing Overview and Components

The pricing for Holdback Requirements and Energy Deployments both start with calculation of the Total Settlement Price. The separate prices for Holdback

Requirements and for Energy Deployments are then derived (at least in part) from the Total Settlement Price. The price for Holdback Requirements is known as the Holdback Settlement Price. The price for Energy Deployments is known as the [Energy Declined Settlement Price](#). The following subsections show the calculation of the Total Settlement Price (Section [4.1](#)), the Holdback Settlement Price (Section [4.2](#)), and the [Energy Declined Settlement Price](#) (Section [4.3](#)).

Section [4.4](#) shows how the pricing for Holdback Requirements is applied to the transaction quantities for Holdback Requirements, and how the pricing for Energy Deployments is applied to the transaction quantities for Energy Deployments.

Section [4.5](#) shows how to calculate a Make Whole Adjustment, which is applied if the settlement revenue and the estimated value of the Holdback Requirement not deployed (the sum of the Unheld Energy and Declined Energy) is less than the estimated revenues the surplus Participant would have received had it not been subject to a Holdback Requirement. In other words, the Make Whole Adjustment ensures a surplus Participant is compensated in an amount that is no less than the revenue that it could have made had it sold in a Day-Ahead market the full block that was bifurcated to meet the Holdback Requirement. The Make Whole Adjustment includes both pricing elements and quantity elements, since it is triggered by revenue levels, and results in a minimum revenue amount. As the Make Whole Adjustment compensates a surplus Participant for taking on a Holdback Requirement, it is applied to any surplus Participant that takes on a Holdback Requirement, whether or not it also provides an Energy Deployment.

Section [4.6](#) shows how to allocate the Make Whole Adjustment when there is a single surplus Participant with a Holdback Requirement that is being allocated to multiple deficient Participants. The surplus Participant with the Holdback Requirement should receive a Make Whole Adjustment equal to their maximum total Holdback Requirement. In such cases, the obligation for providing the Make Whole Adjustment will be shared among multiple Participants.

If and when a Participant voluntarily takes on a Holdback Requirement or Energy Deployment (meaning that the WRAP Tariff does not require the Participant to take on the Holdback Requirement or Energy Deployment), the pricing will be the same as described in BPM 206 for Holdback Requirements and Energy Deployments that are required by the WRAP Tariff.

A daily settlement reflecting Holdback Requirements and Energy Deployments between two Participants will be calculated any time a deficient Participant has requested holdback resulting in a Holdback Requirement for another Participant.

4.1. Total Settlement Price

The Total Settlement Price is based on a Subregion index price, shaped hourly to reflect changes in energy/capacity value from hour to hour, includes a 10% adder, and will not exceed \$2,000/MWh or be lower than \$0/MWh. The Total Settlement Price is determined in accordance with the following formula:

$$\text{Total Settlement Price} = \text{Maximum of (Minimum of (Hourly Shaping Factor} \times \text{Day-Ahead Applicable Index Price} \times 110\%, 2000 \text{ \$/MWh}), 0)$$

where:

Day-Ahead Applicable Index Price is the Day-Ahead peak/off-peak ICE Index price specified above for the Subregion applicable to the location of the delivering entity, applicable to the Day and hour of the energy delivery (assuming that the surplus and deficient Participants are in the same Subregion; if not, see Section 4.8). If donated transmission was used to facilitate holdback, the Day-Ahead Applicable Index Price is the higher of the two subregional Day-Ahead index prices for that portion of the transaction.

And where:

Hourly Shaping Factor for the Operating Day being settled is derived using the System Marginal Energy Component of the Locational Marginal Price, as defined in the CAISO tariff, which price component is the same at all locations in the CAISO energy market as described generally below and more fully in the CAISO Business Practice Manual for Market Instruments, Section P.2 Maximum Import Bid Price Calculation, located here: <https://bpmcm.caiso.com/Pages/BPMDetails.aspx?BPM=Market%20Instruments>. Specifically, the Hourly Shaping Factor uses the most recent High-Priced Day for the current season, defined as a Day in which at least one hour has a System Marginal Energy Cost ("SMEC") greater than \$200/MWh, and is calculated as follows:

$$\text{Hourly Shaping Factor} = 1 + \{[\text{CAISO Hourly Day-Ahead SMEC} - \text{CAISO Average Day-Ahead SMEC (on- or off-peak hours)}] / [\text{CAISO Average Day-Ahead SMEC (on- or off-peak hours)}]\}$$

The Hourly Shaping Factor is published by the CAISO and can be found on their Open Access Same-Time Information System (OASIS) located here: <http://oasis.caiso.com/mrioasis/logon.do> using the following navigation: Prices -> Energy Prices -> Hourly Energy Price Shaping Factor.

4.2. Holdback Settlement Price

The Holdback Settlement Price is the Energy Declined ~~Energy~~ Settlement Price subtracted from the Total Settlement Price.

$$\text{Holdback Settlement Price} = \text{Total Settlement Price} - \text{Energy Declined Energy Settlement Price}$$

4.3. Energy Declined ~~Energy~~ Settlement Price

The Energy Declined ~~Energy~~ Settlement Price is ~~the minimum of (i) 0.80 multiplied by the Total Settlement Price, or (ii)~~ the Real-Time Applicable Index Price for the hour.

This price is used both as the price paid by the deficient Participant for energy delivered and as the credit the deficient Participant receives towards the Make Whole Adjustment for any of the surplus Participant's Holdback Requirement that was not delivered. It is termed Energy Declined ~~Energy~~ Settlement Price because the calculation of settlement prices is from the perspective of the surplus or selling Participant.

$$\text{Energy Declined Energy Settlement Price} = \text{Minimum of } (0.8 * \text{Total Settlement Price}, \text{Real-Time Applicable Index Price})$$

4.4. Application of Pricing and Quantities for Holdback Requirements and Energy Deployment Transactions

A surplus Participant assigned a Holdback Requirement on a Preschedule Day for any hour of an Operating Day shall be paid the Holdback Settlement Price multiplied by the MW quantity of the Holdback Requirement. A surplus Participant that provides energy to a deficient Participant pursuant to an Energy Deployment shall be paid the Energy Declined ~~Energy~~ Settlement Price multiplied by the MWh of energy provided to the deficient Participant. A surplus Participant assigned a Holdback Requirement also shall be paid, when applicable, a Make Whole Adjustment (see Section 4.5).

A Participant that had a negative Sharing Calculation for any hour of an Operating Day (a deficient Participant) and confirmed to the PA its need for the Holdback Requirement, which was incorporated in the calculation of Holdback Requirements of any surplus Participants for such hour, determined as of the Preschedule Day, shall pay the Holdback Settlement Price multiplied by the MW quantity of such negative Sharing Calculation. Such a deficient Participant shall also pay the Energy Declined ~~Energy~~ Settlement Price multiplied by the MW quantity deployed. In addition, any Participant that had a negative Sharing Calculation and confirmed to the PA its need for the Holdback Requirement, that was incorporated in the calculation of a Holdback Requirement shall contribute to the payment of the Make Whole Adjustment based on its negative Sharing Calculation.

$$\begin{aligned} \text{Final Settlement Revenue} = & \\ & (\text{Holdback Settlement Price} * \text{MW of Holdback Requirement}) \\ & + (\text{Energy Declined} - \text{Energy Settlement Price} * \text{MW Energy Deployed}) \end{aligned}$$

4.5. Make Whole Adjustment

The Make Whole Adjustment is a single value calculated, separately for HLH and LLH blocks, on a daily basis applied in the event that the settlement revenue and the estimated value of the Unheld Energy and Declined Energy for a given Day is less than the estimated revenues the surplus Participant would have received had the surplus Participant not been subject to a Holdback Requirement and had sold a Day-Ahead block of energy with a MW value equal to the maximum amount of Holdback Requirement for the hours in the block. If the Holdback Requirement occurs on a HLH the Possible Block Sale Revenue will be calculated using the peak Day-Ahead Applicable Index Price. If the Holdback Requirement occurs on a LLH the Possible Block Sale Revenue will be calculated using the off-peak Day-Ahead Applicable Index Price. The Make Whole Adjustment [has a minimum value of 0 and](#) is determined as follows:

$$\text{Make Whole Adjustment (when applicable)} =$$

$$\begin{aligned} & \text{Maximum of (Possible Block Sale Revenue} \\ & \quad - \text{Final Settlement Revenue} \\ & \quad - \text{Real-Time Value of Declined Energy} \\ & \quad - \text{Real-Time Value of Unheld Energy, } 0) \end{aligned}$$

Where:

$$\text{Real-Time Value of Declined Energy} = \text{Declined Energy} \times \text{Declined Energy Settlement Price}$$

Provided that Declined Energy is only applicable to those hours where there was a positive Holdback Requirement.

And where:

$$\text{Real-Time Value of Unheld Energy} = (\text{Maximum Holdback MW in Block of Energy} - \text{Holdback MW Requested}) \times \text{Real-Time Applicable Index Price}$$

Provided that the calculation of Unheld Energy is only applicable to those hours where there was not a Holdback Requirement and will be calculated for all remaining hours in the heavy load period if the Holdback Requirement is in the HLHs or for all remaining hours in the light load period if the Holdback Requirement is in the LLHs.

For which purpose:

Real-Time Applicable Index Price is the real-time index price above for the Subregion applicable to the location of the surplus Participant, applicable to the Day and hour of the energy delivery (assuming the surplus and deficient Participants are in the same Subregion; if not, see Section 4.8);

And block of energy means a product having a set number of hours corresponding to either the LLH or HLH where the MW amount is the same in all hours and equal to the maximum amount of the Holdback Requirement.

The Make Whole Adjustment is the maximum of the result of the formula and zero. The Make Whole Adjustment is intended to ensure the surplus Participant is made whole for lost opportunity cost so in the event the result of the calculation is less than or equal to zero there will be no Make Whole Adjustment. The Make Whole Adjustment will be calculated for each Day on a regular cadence.

4.6. Allocation of Holdback Settlement to Multiple Participants

Any Participant having a Holdback Requirement that is allocated to multiple deficient Participants shall have their Possible Block Sale Revenue calculated based on the MW amount in the hour with their largest Holdback Requirement.

To determine how much of the holdback MW used to derive the Possible Block Sale Revenue is attributable to each deficient Participant receiving an allocation of the Holdback Requirement the following methodology will be utilized.

1. Each deficient Participant's maximum allocation of the Holdback Requirement will be organized into tranches where the portion of the total Make Whole Adjustment attributable to each tranche is separately calculated and allocated to the Participants claiming the Holdback Requirement MW in each tranche.
2. A deficient Participant's portion of the Make Whole Adjustment attributable to the MW in each tranche will be allocated based on the following:
 - a. On hours where there is a Holdback Requirement those Participants receiving the allocation will be responsible for the settlement associated with that holdback MW amount.
 - b. On hours where there is no Holdback Requirement the settlement associated with the MW amount used to calculate the Possible Block Sale Revenue will be split equally among those Participants with Holdback Requirement MW in the tranche.

3. The total Make Whole Adjustment is derived by calculating the Make Whole Adjustment attributable to the Holdback Requirement MW in the first tranche, allocating the resulting adjustment value to Participants in the first tranche, increasing the Holdback Requirement MW for those Participants in the second tranche, recalculating the Make Whole Adjustment, and allocating the delta in the Make Whole Adjustment from the previous calculation to each Participant in the second tranche equally. This continues until there are no more tranches to process.

The Real-Time Value of Declined Energy will be credited to the Participant that declined the energy delivery.

The Real-Time Value of Unheld Energy will be credited to each Participant receiving holdback based on the amount of MW they are obligated for in the calculation of Possible Block Sale Revenue.

The sum of the Make Whole Adjustment obligation allocated to each Participant shall always equal the Make Whole Adjustment that would have been calculated between a single surplus Participant and a single deficient Participant.

An example is provided in the Settlement Pricing Examples document which is posted on the Western Power Pool website.

4.7. Transmission Service

The WRAP Tariff does not separately address pricing for transmission service used in WRAP transactions in which the surplus Participant and deficient Participant are in the same Subregion. Participants are individually responsible for the cost of the transmission to deliver to a point (when such Participant is surplus) or take receipt at a point (when such Participant is deficient). These costs will not be included in the WRAP Tariff defined settlement.

4.8. Settlement Pricing for Subregions

Settlement prices recognize pricing differences among Subregions. Where the surplus Participant and deficient Participant are located in the same Subregion, the Applicable Index Price shall be the price index specified above for that Subregion. Where the surplus Participant and deficient Participant are located in different Subregions, the following components of the settlement price calculation will be calculated using the Applicable Price Index for the Subregion that has the higher index price: (i) Possible Block Sale Revenue; (ii) Total Settlement Price; (iii) ~~Energy~~ Declined ~~Energy~~ Settlement Price; and (iv) Real-Time Value of Unheld Energy. When there are only two Participants

there is no explicit settlement for transmission as the surplus Participant receives the higher of the two Subregions' Applicable Index Price. If a third Participant is involved by providing transmission service rights between Subregions, the Participant that provided holdback or Energy Deployment shall receive the settlement price of the Subregion from which the Holdback Requirement or Energy Deployment was sourced, and the Participant that provided Subregion to Subregion transmission service rights pursuant to the WRAP Tariff shall receive the difference in the Total Settlement Price between the Subregion where the holdback was sourced and the Subregion where the energy was delivered, or zero, whichever is greater.

Western Resource Adequacy Program

[210 Binding and Non-Binding
Participation in Operations
Program](#)

Revision History

Manual Number	Version	Description	Revised By	Date
210	0.1	RAPC Glance	Ryan Roy	9/13/2023
210	0.2	Public Comment	Ryan Roy	9/15/2023
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210	0.5	Board Consideration	Ryan Roy	11/10/2023
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210 Transition Period

1. Introduction

The Operations Program of the Western Resource Adequacy Program (WRAP) provides for a ~~three~~four-year Transition Period, commencing in Summer 2025 and ending in Winter ~~2027-2028-2029~~. ~~The Transition Period allows seasons between and inclusive of Summer 2025 and Winter 2026-2027 will be Non-Binding for all~~ Participants ~~to elect the first season that they will become~~. From Winter 2027-2028 all Participants will be Binding (excepting any Critical Mass provisions) and subject to certain charges for failure to meet or cure compliance obligations ~~and charges~~ associated with ~~the standard, going forward~~ Binding participation in the WRAP, ~~and allows for reduced~~; however, during the Transition Period such charges may be reduced in certain limited circumstances ~~during the remainder of the~~ The Transition Period ~~once the Participant does become subject to compliance obligations also provides~~ Participants the option of Binding participation one season earlier in Summer 2027, so this season may have a mixture of Binding and Non-Binding Participants. This Binding and Non-Binding Participation in Operations Program ~~Transition Period~~ Business Practice Manual (BPM 210) provides implementing details and practices relevant to the Operations Program during the Transition Period ~~and for Non-Binding Participants~~. Implementing details and practices relevant to the Forward Showing Program during the Transition Period are detailed separately in *BPM 109 Forward Showing Transition Period*. Both during and after the Transition Period, if a Subregion fails to meet a Critical Mass of participation, the Participants of such Subregion may elect to participate as Non-Binding Participants. In such circumstances, the following BPM 210 also describes details and practices relevant to the Operations Program when some Participants are Binding Participants and some Participants are Non-Binding Participants.

1.1. Intended Audience

BPM 210 is intended for WRAP Participants and other interested individuals or entities. BPM 210 is particularly useful for those individuals that are responsible for, and support, participation in the Operations Program on a day-to-day basis or are interested in understanding the Operations Program impacts of the Forward Showing transition provisions provided for in *BPM 109 Forward Showing Transition Period*.

1.2. What Will You Find in This Manual?

This document includes sections outlining practices and implementing details relevant to the Operations Program ~~during the Transition Period~~ some Participants are Binding Participants and some Participants are Non-Binding Participants, such as during the Summer 2027 or when a Subregion fails to meet Critical Mass, including the operational impacts of utilizing transition provisions in the Forward Showing Program.



1.3. Purpose

To provide an overview of the [Transition Period](#) relevant activities for the Operations Program that may impact business processes of current or potential Participants.

1.4. Definitions

All capitalized terms that are not otherwise defined in BPM 210 have their meaning set forth in the Tariff. Any capitalized terms not found in the Tariff ~~that are specific to BPM 210~~ are defined here:

~~**Central Hub:** As defined in *BPM 204 Holdback Requirement*.~~

Joint Contract Accreditation Form, or JCAF: As defined in *BPM 106 Qualifying Contracts*

No-JCAF Option: As defined in *BPM 109 Forward Showing Transition Period*.

Priority Tier: Comparative rankings used to determine access to limited available aggregated Holdback Requirements and limited available voluntarily offered holdback, in relation to Sharing Events during the Transition Period.

Tier One: The first Priority Tier, as described in BPM 210 Section 4Table 1.

Tier Two: The second Priority Tier, as described in BPM 210 Section 4Table 1.

~~**Tier Three:** The third Priority Tier, as described in BPM 210 Section 5.~~

Transition Binding Season: As defined in *BPM 109 Forward Showing Transition Period*.

~~**Voluntary Holdback:** As defined in *BPM 204 Holdback Requirement*.~~

Uncertainty Factor: As defined in *BPM 203 Program Sharing Calculation Inputs*.

2. Background

The WRAP is a regional resource adequacy program in which Participants demonstrate, in advance of a defined season, that they have sufficient resources to meet their expected peak loads and a reserve margin. The WRAP imposes standards and requirements related to such matters as the resources that qualify to meet resource adequacy objectives, the calculation of peak loads, and the required minimum reserve margin. The WRAP provides for imposition of significant charges on Participants that do not show in advance sufficient resources to meet their FS Capacity Requirement. In addition, under the WRAP, Participants with resources surplus to their needs in the operating time horizon are subject

to requirements in certain circumstances during the Binding Season to assist Participants that are resource-deficient in the operating time horizon, and if a surplus Participant fails to make required energy deliveries to a deficient Participant, the surplus Participant is subject to significant charges for such delivery failure. Recognizing that not all Participants may have made all necessary arrangements and implemented all necessary business processes at the program's outset to secure WRAP-Qualifying Resources, meet the various WRAP obligations, and avoid imposition of these significant charges, the WRAP includes a ~~three~~four-year Transition Period. The Transition Period and its associated rules allow each Participant to select which specific Binding Season during the Transition Period (prior to Winter 2027-2028 when all Participants will be Binding) the Participant will first become subject to these obligations. The Transition Period rules also provide the possibility of ~~reduced charges~~Discounted Deficiency Charges in certain specific circumstances designed to recognize that some Participants may still be in the process of securing all resources needed to ensure compliance with WRAP requirements. ~~A Participant whose charges are reduced during the Transition Period as to a Binding Season shall receive a lesser priority during such Binding Season to Holdback and to voluntary assistance that is provided in certain circumstances.~~

Additionally, after the Transition Period, if a Sugregion fails to meet a Critical Mass of participation, the Participants of such Subregion may elect to participate as Non-Binding Participants. In such circumstances, the following BPM 210 also describes details and practices relevant to the Operations Program when some Participants are Binding Participants and some Participants are Non-Binding Participants. More information on Critical Mass can be found in Section 7 of *BPM 107 Forward Showing Deficiency Charge*.

3. Reduction in Sharing Calculation

Under the Operations Program, the Program Administrator implements a Sharing Calculation to identify any hour in which any Participant is forecast to have a capacity deficiency relative to the Participant's Forward Showing Capacity Requirement (known as a "Sharing Event"). The Sharing Calculation also identifies each Participant that is forecast to have surplus capacity relative to the Participant's Forward Showing Capacity Requirement during any Sharing Event, and the amount of such surplus capacity. This calculation takes into account changes in a Participant's resource availability, resource performance, forecast load, and Contingency Reserves relative to the Forward Showing Capacity Requirement, plus an Uncertainty Factor.

The amount of capacity shown to be available in the Sharing Calculation of any Participant that was found under the Forward Showing Program to have a Monthly Capacity Deficiency shall be reduced by the MW quantity of such Monthly Capacity Deficiency, but only if the

Participant paid a ~~Forward Showing (FS)~~FS Deficiency Charge for such Monthly Capacity Deficiency (see *BPM 107 Forward Showing Deficiencies* for additional information). This reduction in Sharing Calculation effectively reduces the quantity of capacity the Participant is expected to have during a Sharing Event, given that the Participant has already paid ~~an~~FS Deficiency Charge for this increment of capacity for a given month~~that provided revenues that were distributed to Participants that did not have Monthly Capacity Deficiencies~~. As a simple example, if a Participant had a FS Capacity Requirement (i.e., the Participant's P50 load MW quantity and FSPRM MW quantity) in June 2030 of 100 MW but only showed 90 MW in their FS Submittal for June and paid the FS Deficiency Charge on the remaining 10 MW, then the Participant's P50+FSPRM term in their Sharing Calculation would be 90MW during June 2030.

A Participant that pays a FS Deficiency Charge or avoids a FS Deficiency Charge by exercising a No-JCAF Option receives the same reduction in its Sharing Calculation equal to the MW quantity of its Monthly Capacity Deficiency even if that Participant's FS Deficiency Charge was reduced during the Transition Period due to either or both of an Excused Transition Deficit (ETD) or exercising of the No-JCAF Option, as more fully described in the Tariff and in *BPM 109 Forward Showing Transition Period*. ~~While a Participant in those circumstances receives the same MW reduction in its Sharing Calculation, the Participant utilizing either or both FS transition provisions and paying a reduced FS Deficiency Charge will be assigned a lower priority in accessing the aggregate available Holdback Requirements when those aggregates are less than the corresponding need for capacity needed for a Sharing Event, as described in the following section.~~

4. Priority of Access ~~During the Transition Period~~When Available Capacity is Limited For any Sharing Event during ~~the Transition Period~~a season with both Binding and Non-Binding participation when there is insufficient capacity available to satisfy deficiencies of all Participants with a negative Sharing Calculation, ~~then the result,~~ available capacity will be allocated ~~in accordance with Priority Tiers, as described below. A Participant's assignment to a Priority Tier is based on that Participant's circumstances in a Binding Season Forward Showing Submittal. The Priority Tiers described here only apply during the Transition Period.~~

~~The rules that result in the differing Priority Tiers for purposes of allocating insufficient aggregate Holdback Requirements during the Transition Period are as follows:~~

- ~~1) The first Priority Tier ("Tier One") comprises a) any Participant, as to a Transition Binding Season of such Participant, that had no Monthly Capacity Deficiency during any month of the relevant Binding Season; and b) Participants that had one or more~~

~~Monthly Capacity Deficiencies during the relevant Binding Season, but paid an FS Deficiency Charge for all such Monthly Capacity Deficiencies, and did not have any of those Monthly Capacity Deficiencies reduced by exercising the No JCAF Option, nor have any of those FS Deficiency Charges reduced by an ETD.~~

- ~~2) The second Priority Tier ("Tier Two") comprises who are participating as Binding Participants that had one or more Monthly Capacity Deficiencies during the relevant Binding Season and paid an FS Deficiency Charge for all such Monthly Capacity Deficiencies and that, as to all such Monthly Capacity Deficiencies, had FS Deficiency Charges reduced by an ETD, had Monthly Capacity Deficiencies reduced by the No JCAF Option, or a combination of the two.~~

~~Third priority will be given to Participants for which the relevant Binding Season is a Non-Binding Season for such Participant ("Tier Three"). Note that Non-Binding Participants do not pay FS Deficiency Charges during their Non-Binding Seasons, even if they might otherwise be calculated to have a Monthly Capacity Deficiency.~~

~~A Participant's Priority Tier is compared against the Priority Tier of all other Participants that have a negative Sharing Calculation for the same Sharing Event, and have confirmed their need for assistance.~~

~~Available in the relevant season. . In this case, capacity from positive Sharing Requirements (from Participants, as to a Transition Binding Season of such Participant) is allocated first to Participants in Tier One, subject to transmission limitations impacting optimization in a Subregion without a Central Hub. Any remaining positive Sharing Requirement capacity is then allocated to Participants in Tier Two. Capacity from Sharing Requirements, and resulting Holdback Requirements subject to Delivery Failure Charges, Holdback Requirements is available only to Tiers One and Two. Within each Priority Tier, the Binding Participants. The rules set forth in the Tariff and *BPM 204 Holdback Requirement* for allocation of holdback Holdback Capacity to Participants with negative Sharing Calculations Calculation results (those that have confirmed the need for assistance under Tariff sections 20.2.1 or 20.4.2, as applicable) apply.~~

A Participant may ~~also~~ voluntarily offer additional capacity into the WRAP Operations Program for allocation to Participants with ~~a~~ negative Sharing Calculation results. This is called Voluntary Holdback, and is described more fully in *BPM 204 Holdback Requirement*. To the extent that any Voluntary Holdback has been offered, Participants with negative Sharing Calculation results will be provided access to Voluntary Holdback based on the Priority Tiers of the Participants needing assistance in any case where the needed

assistance is less than the available ~~voluntary assistance. First priority~~ Voluntary Holdback offered.

The first Priority Tier ("Tier One") will be given to ~~Tier One, any Participant who is participating in the relevant Binding Season as a Binding Participant. The~~ second priority ~~to~~ will be given to Participants for which the relevant Binding Season is a Non-Binding Season ("Tier Two, and any remaining Voluntary Holdback will be made available to Tier Three.").

Non-Binding Participants electing to offer Voluntary Holdback will not be subject to Delivery Failure Charges for failure to deliver energy to the Participant with a negative Sharing Calculation result but are strongly encouraged to fulfill those commitments, and to consider their ability to fulfill those commitments before making the voluntary offer.

Note that Non-Binding Participants do not pay FS Deficiency Charges during their Non-Binding Seasons, even if they might otherwise be calculated to have a Monthly Capacity Deficiency.

The Participants in each Priority Tier, their rights, and their responsibilities, are also summarized in More information on Holdback Requirement and Voluntary Holdback can be found in *BPM 204 Holdback Requirement*.

below.

5. Priority Tier Summary

The Participants in each Priority Tier, their rights, and their responsibilities, are summarized in Table 1 below. Table 1 shows, for clarity, a ~~fourth~~third Priority Tier, which simply recognizes that entities that are not Participants have no rights to WRAP Holdback Requirements or Voluntary Holdback. Participants may offer capacity or energy to non-Participants outside the WRAP, consistent with satisfying their obligations under the Tariff. More information on Holdback Requirement and Voluntary Holdback can be found in *BPM 204 Holdback Requirement*.

Table 1. Priority of Access to Holdback Requirements and Voluntary Holdback

Tier	Who is in it?	What do they get?	Obligations to WRAP
Tier One	Participants that have met their Transition Binding Season(s) FS Capacity Requirement	Holdback Requirements from other Participants, as assigned per the Tariff. Access to Voluntary Holdback offered by other Participants, as allocated among	Subject to binding WRAP obligations for FS and Operations (including receiving Holdback Requirements <u>as a result of a positive Sharing Calculation</u>)

	without use of the No-JCAF Option. Participants that have paid a FS Deficiency Charge on the Monthly Capacity Deficiency without use of ETDs nor the No-JCAF Option. <u>Binding Participants</u>	Participants with negative Sharing Calculations who confirmed a need for assistance for the given hour.	<u>result or an offer of Voluntary Holdback</u>). May provide Voluntary Holdback.
Tier Two	Participants who have paid a FS Deficiency Charge that was reduced by use of ETDs and/or had their Monthly Capacity Deficiency reduced by the No-JCAF Option. <u>Non-Binding Participants</u>	Holdback Requirements from other Participants, as assigned per the Tariff, to the extent not otherwise allocated to Tier One Participants. Access to Voluntary Holdback offered by other Participants, as allocated among Participants with negative Sharing Calculations who confirmed a need for assistance for the given hour, to the extent and not otherwise allocated to Tier One Participants.	Subject <u>Not subject</u> to binding WRAP obligations for FS and Operations timeframes (including receiving the Holdback Requirements). <u>Requirement as a result of the Sharing Calculation.</u> May provide <u>receive a</u> <u>Holdback Requirement as a result of an offer of</u> Voluntary Holdback.
Tier Three	Non-Binding Participants	Access to Voluntary Holdback offered by other Participants, as allocated among Participants with negative Sharing Calculations who confirmed a need for assistance for the given hour and not otherwise allocated	Not subject to binding WRAP obligations for Operations, including the Holdback Requirement. May provide Voluntary Holdback.

		to Tier One or Tier Two Participants.	
Tier Four <u>Three</u>	Non-WRAP-Participants	Any Participant capacity offered outside the program (not otherwise committed to WRAP obligations).	No obligations to the WRAP.

In Tiers One, ~~Two~~, and ~~Three~~Two, all transactions will be settled under the WRAP Settlement Pricing as detailed in *BPM 206 Settlement Pricing*.





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Western Resource Adequacy Program

301 Program Review Committee
Workplan Development and
Approval

300 – Stakeholder Engagement

Revision History

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301	0.1	RAPC Glance Version	Rebecca Sexton	9/19/2023
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301 Workplan Development and Approval

1. Introduction

When a change to the Tariff or Business Practice Manuals (BPMs) is requested by a stakeholder, the established process and criteria for reviewing proposed amendments by the Program Review Committee (PRC) will be utilized. This process has two stages – Workplan Development and Approval (*BPM 301*) and Proposal Development and Consideration (see *BPM 302*). This PRC Workplan Development and Approval BPM describes the change request management process through the Workplan development stage. Section 4 Change Request describes the process of submitting a Change Request Form and review of submitted requests by the Program Administrator and the PRC. Section 5 Workplan Development outlines the process by which a Workplan is developed, reviewed, and approved.

1.1. Intended Audience

~~This~~ BPM 301 is intended for use by the Western Power Pool (WPP) Board, PRC, Program Administrator, Program Operator, and other interested individuals or entities. This BPM will be particularly useful to stakeholders submitting Change Request Forms and the PRC (which holds responsibility for Workplan development).

1.2. What You Will Find in This Manual

This document includes material relevant to the WRAP change control process, including the method by which Change Request Forms are submitted by the public, reviewed by the Program Administrator and the PRC, and subsequently implemented into a PRC-developed Workplan.

1.3. Purpose

BPM 301 provides an overview of the change request and review process for proposed changes to the Tariff and BPMs. The intent of all stakeholder engagement-related BPMs (BPMs in the 300 series) is to ensure that changes to the Tariff and BPMs are undertaken transparently.

Nothing in ~~this~~ BPM 301 changes in any way the ultimate authority of the independent Board over all aspects of WRAP, or the Board's exclusive authority under Section 2.1 and Section 3.1 of the Tariff, to approve WPP to file, and direct WPP to file, Tariff amendments under Federal Power Act section 205.



1.4. Definitions

All capitalized terms that are not otherwise defined in BPM 301 have the meaning set forth in the Tariff. Any capitalized terms not found in the Tariff ~~that are specific to this BPM~~ are defined here:

Lead Sponsor: The individual identified on the Change Request Form as the Lead Sponsor.

Change Request Form: A form available on the WPP website by which an individual may submit a Concept.

Concept: A suggested change to the Tariff or BPMs.

Non-Task Force Proposal: A Concept that could be implemented without being further developed into a Proposal by a Task Force.

Proposal: A detailed description of a Concept identified in a Board approved Workplan.

Workplan: Plan of action that identifies Concepts for possible development into Proposals.

Task Force: As defined in *BPM 302 PRC Proposal Development and Consideration*.

2. Background

The PRC is a multi-sector stakeholder committee charged with receiving, considering, and proposing design changes to the WRAP. The PRC will act as the clearing house for all recommended design changes not specifically identified as exigent by the Resource Adequacy Participant Committee (see *BPM 303 Expedited Review Process* for additional detail on such changes). Recommended changes may come from any stakeholder.

The PRC will be provided with facilitation support from the Program Administrator and program design/technical support from the Program Operator, as needed. If a stakeholder wishes to request changes to the WRAP, the stakeholder should submit a written explanation of the requested change, including any supporting information or data, to the PRC via the Change Request Form located on the WPP's website.

The PRC will review and prioritize requested changes into a draft Workplan (suggesting which Concepts will be developed into Proposals) and schedule; the Workplan will be reviewed by all WRAP-related committees and the public before being approved by the Board.

3. Change Request and Workplan Development Timeline

Activity/Milestone	Deadline	Process Owner
Final day to submit Change Request Forms	December 31 st	Lead Sponsor
Concept compilation delivered to PRC	January 15 th	Program Administrator
PRC prioritization of Concepts	January 15 th - February 1 st	PRC
Level of effort review	February 1 st - February 15 th	Program Administrator/Program Operator
Completion of draft Workplan	February 15 th - March 15 th	PRC
Stakeholder comment period	March 15 th - April 15 th	Stakeholders
Revision of Workplan	April 15 th - May 15 th	PRC
Distribution to the Board	May 15 th	Program Administrator
Board approval of Workplan	June 1st <u>30th</u>	Board
Final revisions* <i>*as-needed</i>	June 1st - June 15th	PRC

4. Change Request

At any time, Participants, the Committee of State Representatives (COSR), the Board or any of its members, other WRAP-related committees, stakeholders, or the public can suggest a change to the Tariff or BPMs. Such a change request will go through the PRC change control and stakeholder review process. Section 3 shows the change request timeline from the submission of the Change Request Form to Board approval of a Workplan.

4.1. Change Request Form

A suggested change to the Tariff or BPMs is initiated via submission of a Change Request Form. This form will be available on the WPP website. A Lead Sponsor will be identified on each Change Request Form. For a Change Request Form to be considered

complete, the following information will be provided (~~optional~~required information is indicated by *):

- **Lead Sponsor Information***
 - Name, Title, Organization, Email, Phone Number, Date of Submission
- **~~ee~~Summary of Request***
 - Brief overview of requested change, limited to 100 characters
- **Co-Sponsor(s) Information**
 - Name, Title, Organization, Email, Phone Number - *Recorded in the case of more than one person or organization submitting a change collaboratively*
- **Designation of the type of change requested***
 - Correction (i.e., revision of erroneous language or language that needs clean-up for grammatical errors or inconsistency across governing documents - no change to intent or policy)
 - Clarification (i.e., language revision to better represent intent - no changes to functionality or policy)
 - Enhancement (i.e., language revision to expand upon existing intent or functionality)
 - New provision, criteria, protocol, or business practice (i.e., additional language to accommodate new policy or new functionality)
 - Change (i.e., a change in the existing policy – will replace existing language)
 - Other (i.e., changes that do not fall into the categories listed above)
- **Description of Change***
 - Description of the issue*
 - *Proposed solution to the issue described
 - *Identification of the document (e.g. Tariff or specific BPM) and/or language within such document to which a change is recommended, and/or recommended language to execute the proposed change
- **Impact of Change***
 - Benefits from making this change*
 - *Any data or information available that would characterize the importance or magnitude of the issue (including file attachments as required)
- ***Flag as Non-Task Force Proposal**
 - Indication that the Lead Sponsor proposes the Concept could be implemented without being further developed into a more detailed Proposal by a Task Force.

Change Request Forms can be submitted at any point during the year. The Program Administrator will inspect submitted Change Request Forms within 15 days of their



submission and inform the Lead Sponsor if the Change Request Form is incomplete. An incomplete Change Request Form may not receive further consideration until it has been completed. After the Lead Sponsor is notified of an incomplete Change Request Form they will be given the opportunity to provide revisions and must re-submit a complete form.

In the event that similar Concepts are requested by more than one stakeholder, the Program Administrator may recommend co-sponsorship of the Concept to the Lead Sponsors of similar Concepts; Lead Sponsors can determine whether to withdraw their individual submissions and resubmit a Concept as co-Sponsors at their will.

If a Concept is flagged as a Non-Task Force Proposal and the Program Administrator agrees the Concept can proceed as a Non-Task Force Proposal, the Program Administrator and Lead Sponsor will present the Change Request Form to the PRC for consideration at the next scheduled PRC meeting. If the Program Administrator, or subsequently the PRC, determines that the proposed Concept is not a Non-Task Force Proposal then the Change Request Form will be modified to remove the Non-Task Force Proposal designation and proceed in the same manner as any other Change Request Form unless it is withdrawn by the Lead Sponsor.

On December 31 of each year, the Program Administrator will compile all Change Request Forms completed and submitted in that calendar year and begin an initial review January 1 the following year. Incomplete forms submitted after December 16 will not be considered in the following year's Workplan.

4.2. Compilation of Concepts

The Program Administrator will compile all completed Concepts (those not flagged as Non-Task Force Proposals) and deliver this list (and the Concept submissions) to the PRC by January 15 to facilitate the start of its Workplan development.

In the event that similar Concepts are requested by more than one stakeholder and the Lead Sponsors of the similar Concepts elected to maintain separate Concepts, or time did not allow for the Program Administrator to notify the Lead Sponsors of the similar Concept, the Program Administrator will note such similarity to the PRC and notify the Lead Sponsors not previously notified.

PRC review and processing of Non-Task Force Proposals is discussed in Section 5.3.1.1.

4.3. PRC Review of Concepts

The PRC will prioritize Concepts received in the compiled list according to a PRC-determined method involving established criteria. The PRC will aim to reach agreement



on prioritization via consensus, however, given a situation where consensus is not achieved, the PRC will vote on a prioritized slate of Concepts.

This prioritization process will be complete by February 1.

4.4. Level of Effort Review

Once the Program Administrator receives the prioritized Concept list, the Program Administrator will work with the Program Operator to give each Concept in the list a level of effort ranking. This level of effort ranking will include a description of the requirements for addressing each Concept (Program Administrator and Program Operator support, Participant engagement, etc.) as well as the anticipated timeline. The PRC will be supplied with the criteria used to determine the level of effort ranking. The level of effort review will be completed by February 15.

5. Workplan Development

Once the Concepts have been reviewed, prioritized, and given a level of effort score and description, the PRC will begin annual Workplan development.

5.1. PRC Development of Workplan

The Workplan will include the following:

- 1) Executive Summary
- 2) Background
- 3) Proposed Plan
- 4) Summary of Recommended Concepts
- 5) Supporting Analysis
- 6) Schedule

The schedule will include a high-level timeline for each Concept recommended for development into a Proposal. Such schedules will include Proposal development, but will not include potential timelines for implementation (implementation timelines will be determined as part of the Proposal development process - see *BPM 302 PRC Proposal Development and Consideration*). The schedules for Workplan implementation may extend beyond a single year. In years where a Workplan is under development at the same time as a prior Workplan is being executed, the new Workplan will account for the past year(s) Workplan(s) and provide an updated combined schedule.

The Workplan will include appendices providing reviewers of the proposed Workplan insight into the recommendations of the PRC and the decision-making process. At minimum, appendices for the Workplan will include all relevant completed Change Request Forms, any metrics or categorization methods used to evaluate and prioritize

Concepts, and information regarding the proposed Task Forces (e.g. Task Force size, subject matter expertise) for Proposal development of each Concept.

5.2. Draft Workplan Review Process

The PRC will publish a draft Workplan for review on March 15.

5.2.1. Stakeholder Review

The draft Workplan will be published on the WPP website on March 15 and open to comment until April 15. During this time the RAPC, COSR, and the public may review and submit comments on the draft Workplan. The Program Administrator, and Program Operator may provide comments concurrently at this time.

5.2.2. Comments Intake

At the end of the comment period on April 15, the Program Administrator will compile all comments received and distribute them to the PRC. The PRC will review the comments provided and revise the draft Workplan as it sees fit. This revision process is allocated 4 weeks and will be completed by May 15.

Prior to Board distribution, the PRC will create a summary of comments received, including a narrative describing why they were or were not addressed. The full set of comments will be attached to the draft Workplan as an appendix. The revised draft Workplan will be distributed to both the Board and RAPC, and also posted publicly by May 15.

5.3. Workplan Approval

The revised draft Workplan will be presented to the Board of Directors. The Board will consider and act on the Workplan in public session no later than its next quarterly board meeting, during which RAPC and other stakeholders will have the opportunity to express any opinions in public comment. Board approval of a Workplan will trigger implementation and Proposal development (see *BPM 302 PRC Proposal Development and Consideration*). The Board will determine the appropriate next steps if it does not approve the Workplan or seeks amendments.

5.3.1.1. Consideration of Non-Task Force Proposals

If the PRC determines that a Change Request Form meets the Non-Task Force Proposal criteria, the Non-Task Force Proposal will proceed to the Proposal review and approval processes, as detailed in *BPM 302 PRC Proposal Development and Consideration*.



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Western Resource Adequacy Program

401 New Participant Onboarding

Revision History

Manual Number	Version	Description	Revised By	Date
401	0.1	RAPC Glance Version	Rebecca Sexton	3/21/2024
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401 New Participant Onboarding

1. Introduction

The New Participant Onboarding Business Practice Manual (BPM) consists of three sections. The Application and Registration section outlines the activities to occur in conjunction with the execution of a Western Resource Adequacy Program Agreement (WRAPA), which initiates Participant involvement in the Western Resource Adequacy Program (WRAP). The WRAP Administration section describes the process by which new Participants are incorporated into WRAP committees and receive Participant resources. The WRAP Program Implementation section describes activities necessary to begin involvement in the Forward Showing Program and Operations Program.

1.1. Intended Audience

BPM 401 is intended for entities in the process of or considering joining the WRAP. BPM 401 is particularly useful for individuals who will be responsible for Participant implementation and participation in various aspects of the WRAP, including but not limited to the Resource Adequacy Participants Committee (RAPC), Forward Showing Program, or Operations Program.

1.2. What You Will Find in This Manual

BPM 401 includes three main sections: Application and Registration, WRAP Administration, and WRAP Program Implementation.

1.3. Purpose

BPM 401 provides guidance for new Participants that are being onboarded into the WRAP and for interested entities to gather information and start preparing for potential future onboarding.

1.4. Definitions

All capitalized terms that are not otherwise defined in BPM 401 have the meaning set forth in the Tariff. Any capitalized terms not found in the Tariff ~~that are specific to this BPM~~ are defined here:

Forward Showing Demonstration: As defined in *BPM 108 FS Submittal Process*.

Participant Technology Solutions Overview (PTSO): Document produced by the Program Operator and Program Administrator that provides Participants an overview of the technical details necessary to set up, implement, and test WRAP systems.



Program Signatory: A class of corporate membership in the WPP, as defined in the bylaws of WPP.

Request Management System (RMS): As defined in *BPM 101 Advance Assessment*.

2. Application

Any Load Responsible Entity applying to participate in the WRAP must execute the WRAPA as set forth in Attachment A of the Tariff. WRAPAs are to be executed by incoming Participants no later than September 15th. Regardless of a signing date prior to September 15th, new Participant WRAPAs become effective on September 15th, except when FERC by order has established a different effective date for a non-conforming WRAPA.

Table 1 shows the general timeline of activities to be expected by an incoming Participant from signing a WRAPA, registering loads and resources through a limited data request (see Section 2.2) and completing its first Forward Showing Submittal (in year T-1), through to its first Binding Season participating in the Operations Program (denoted as year T-0), and its first Forward Showing Submittal using QCCs derived from data turned in at its first Advance Assessment (in T+1, two years after joining).

Table 1. New Participant Entry Timeline

Activity/Milestone	Description	Date	Year
WRAPA Signing Deadline	Participants execute WRAPA (Attachment A in Tariff) for participation in (T-0) Operations Program. Participants may sign before this date.	September 15	(T-1)
Payment of Cash Working Capital Support Charge	Tariff Schedule 1 details the calculation of the Cash Working Capital Charge	No later than thirty days after WRAPA execution	(T-1)
Effective WRAPA Date	All new participant WRAPAs will be effective on same date	September 15 ¹	(T-1)

¹ For non-conforming WRAPA's the effective date is September 15 or the date established by FERC in an order accepting the non-conforming WRAPA.

Registration with Program Operator RMS	Participants provide information to Program Operator to gain access to RMS	September 15 – October 15	(T-1)
Deadline for New Participant Limited Data Request for Registration of Resources and Loads	Participants complete an initial limited Data Request to inform approximated QCC values	October 1	(T-1)
First Summer FS Deadline	Participant will complete a FS Submittal for the following Summer Season; this showing will necessarily include some class average QCC values (from (T-2) Advance Assessment) for resources claimed	October 31	(T-1)
Deadline for First Advanced Assessment data submittal	Participant submits data for modeling future PRMs and QCCs (see BPM 101)	March 1	(T-0)
Operations Program Testing	Participant engages in testing during the shoulder season between Winter and Summer	March 15 – May 31	(T-0)
First Winter FS Deadline	Participant will complete a FS Submittal for the following Winter Season; this showing will necessarily include some class average QCC values for resources claimed	March 31	(T-0)
First Binding Operations Season	Participant will begin Operations Program participation (uses, in part, inputs from FS Submittal from First Summer FS Deadline).	June 1 – Sept 15	(T-0)
<i>Participant completes FS Submittals and participates in Operations Program as specified in the Tariff; participation will necessarily utilize some class average QCC values for resources claimed on FS Submittal for an additional Summer (T-0) and Winter (T+1) FS Submittal</i>			
Summer FS Deadline	Participant will complete a FS Submittal for the following Summer Season; this showing will be the first using QCC values for resources Participant turned in at its first Advance Assessment (T-0)	October 31	(T+1)

Table 2 is an example timeline for a Participant executing a WRAPA in 2024.

Table 2. Example New Participant Entry Timeline

Activity/Milestone	Deadline	Year
WRAPA Signing Deadline	September 15	2024
Effective WRAPA Date	September 15	2024
Payment of Cash Working Capital Support Charge Due Date	No later than thirty days after WRAPA execution/signing	2024
Registration with Program Operator RMS	September 15 – October 15	2024
New Participant Limited Data Request Deadline	October 1	2024
First Summer FS Deadline	October 31	2024
Deadline for First Advanced Assessment data submittal	March 1	2025
Operations Testing	March 15 – May 1	2025
First Winter FS Deadline	March 31	2025
First Binding Operations Season	June 1 – Sept 15	2025
<i>Participant completes FS Submittals and participates in Operations Program as specified in the Tariff; participation will necessarily utilize some class average QCC values for resources claimed on FS Submittal for an additional Summer (T-0) and Winter (T+1) FS Submittal</i>		
Summer FS Deadline	October 31	2026

The vast majority of Participants will execute a *pro forma* WRAPA as set forth in Attachment A of the WRAP Tariff. A Participant may also join with a non-conforming version of the WRAPA, provided that the Participant's circumstances conform to FERC's standards for non-conforming agreements and the non-conforming WRAPA is approved by FERC. Any non-conforming WRAPA developed between the new Participant and WPP must be submitted to FERC by July 15th such that FERC approval could be granted and the non-conforming WRAPA could become effective by the September 15th deadline. Participants seeking a non-conforming WRAPA must notify WPP of such a

need by providing a proposed draft non-conforming WRAPA for WPP consideration at the earliest opportunity and no later than June 15th.

2.1. Election of Transition Binding Seasons

Any Participant whose WRAPA becomes effective before September 15, 2026, shall give notice of its elected first Transition Binding Season according to the processes provided in *BPM 109: [Forward Showing Transition Period](#)*.

~~Any Participant~~The Binding Season beginning November 1, 2027 will be the first Binding Season for all Participants whose Western Resource Adequacy Program Agreement (WRAPA becomes) is effective afterby September 15, 2026,~~will commence its first Binding Season after the~~. Transition Period provisions will continue to apply according to the guidelines provided in *BPM 109 Forward Showing Transition Period*.

2.2. Registration of Resources and Loads

Each Participant must register all resources and loads, regardless of whether such resources will be used to satisfy WRAP requirements and whether certain loads will be subject to the requirements of the WRAP. Participants will submit and may modify their registration of resources and loads in accordance with the procedures and timelines set forth in *BPM 101 Advance Assessment*, *BPM 103 Forward Showing Capacity Requirements*, and *BPM 105 Qualifying Resources*.

If more than one Participant attempts to register the same resource or load, the following procedure will be used to assign the resource or load to a Participant:

- If a Participant attempts to register a load or resource that has already been registered by another Participant, the resource or load will remain registered by the original Participant until both Participants mutually inform WPP in writing that a change to the registration is required.
- If two or more Participants attempt to register the same resource or load during the same window, the Program Administrator will request the Participants determine among themselves the appropriate registration of the resource or load before that resource or load is included in the WRAP.

The treatment of resource registration for immediate participation in the WRAP is discussed further in Section 4.1.1.

2.3. Cash Working Capital Support Charge

A Participant shall pay a Cash Working Capital Support Charge as described in Schedule 1 of the Tariff by the time required under Schedule 1.

2.4. Membership in WPP

WPP is a 501(c)(6) membership organization with corporate members. Program Signatory membership is granted to any load-responsible entity participating in a WPP-facilitated reliability program such as the WRAP. Participants must complete a member intake form – located on the WPP website – within 60 Days of executing a WRAPA (or non-conforming WRAPA).

3. WRAP Administration

Upon execution of a WRAPA, a new Participant shall gain access to WRAP committees and sub-committees as appropriate, as well as Participant resources.

3.1. Committee Involvement

WPP will provide incoming Participants with information about all active committees and workgroups that a new Participant is eligible to join, including discussion about expected time commitment and responsibilities for committee members. The incoming Participant shall provide names and contact information for the committees and workgroups in which it is required to or elects to participate.

3.1.1. RAPC Representation

Upon entry, new Participants must designate and provide to WPP the contact information of a representative to serve on the Resource Adequacy Participant Committee (RAPC).

The RAPC is the main venue for Participants to engage in program implementation and compliance, as well as being the highest form of Participant engagement in the governance and decision making of the WRAP. Additional information on the eligibility of individuals to serve, the role of RAPC representatives, and the designation of informational representatives can be found in the RAPC Charter located on the WPP website.

3.1.1.1. Operations Program and Forward Showing Workgroups

New Participants shall also designate contacts for the Operations Program and Forward Showing workgroups. Participants are required to select a primary contact for each workgroup and may elect to designate additional informational contacts.

3.1.1.2. Other RAPC Workgroups

Additional workgroups may be active under the RAPC at the time of Participant entry. Incoming Participants shall be notified of active supplementary workgroups and may choose to provide WPP with contact information of individuals who wish to participate.

3.1.2. Program Review Committee and Nominating Committee

The Program Review Committee (PRC) is generally responsible for receiving, considering, and proposing changes to the WRAP design. Per the Tariff, the PRC is composed of twenty representatives from ten sectors – four sectors are composed solely of Participants. Upon execution of a WRAPA, the PRC shall be notified of new Participant entry. Additionally, the contact information of the appropriate PRC sector representative will be shared by WPP with the incoming RAPC representative, and vice versa. Additional information on the PRC, its role, and the composition of sectors can be found in the PRC Charter on the WPP website.

The Nominating Committee (NC) is responsible for nominating new directors to the WPP Board. The NC is composed of twelve sectors, four of which are composed of Participants. Upon execution of a WRAPA, the same introductions shall take place as those required of the PRC.

3.2. Participant Resources

Upon execution of a WRAPA, WPP will provide incoming Participants with resources for program onboarding, including but not limited to:

- WRAP educational materials;
- Information regarding WRAP committee involvement and stakeholder engagement;
- Information to understand WRAP compliance obligations; and
- The PTSO and information on IT support.

4. WRAP Program Implementation

Prior to submitting a Forward Showing Workbook and beginning the Operations Program registration process, an incoming Participant must select modelling assumptions that best describe its business practices. These assumptions determine whether all resource and load information will be in a single or multiple groupings, as further described in the PTSO.



WPP will assign Participants to an appropriate Subregion per *BPM 102 Forward Showing Reliability Metrics*.

4.1. Forward Showing Program

Upon execution of a WRAPA, an incoming Participant will immediately engage in WRAP activities. Timelines for Advance Assessment and Data Submittal, as well as FS Submittal and Cure Period deadlines for Summer and Winter, can be found in *BPM 101 Advance Assessment* and *BPM 108 FS Submittal Process* respectively.

4.1.1. Approximating QCCs

An incoming Participant shall complete a limited Data Request to determine class average QCC values for resources it is unable to self-evaluate (see Section 4.1.2) and register loads and resources (as discussed in Section 2.2). A new Participant's resources will be assigned 100% of the class average of all registered resources of the same resource type, taking into account location where appropriate (see the discussion of late registered resources in *BPM 105 Qualifying Resources*), but unlike late registered Qualified Resources for existing Participants there is no limit on the amount of resources assigned average QCC values for a new Participant's first four FS Submittals (two Summer, two Winter).

To facilitate the process of documenting their Resource QCCs as well as preparing for the next applicable Advanced Assessment, new Participants will complete a limited Data Request based on the requirements outlined in *BPM 101 Advance Assessment*, including non-Storage Hydro Qualifying Resources, Demand Response program data, and Historical Load Data. Participants have until October 1st to complete this request.

4.1.2. Calculating QCCs

For select resources, Participants will calculate their own QCCs prior to the FS Deadline. These resources include Storage Hydro, Demand Response, and thermal resources that are not subject to GADS requirements (non-GADS thermals units). The methodologies for calculating these resource QCCs can be found in *BPM 105 Qualifying Resources*.

4.2. Operations Program

An incoming Participant will begin participating in the Operations Program during the Summer Binding Season the year following its execution of the WRAPA. Participants shall complete registration and testing in advance of participation in the Operations Program. For additional details on registration, Operations Program Testing, and connectivity testing, please refer to the PTSO.

