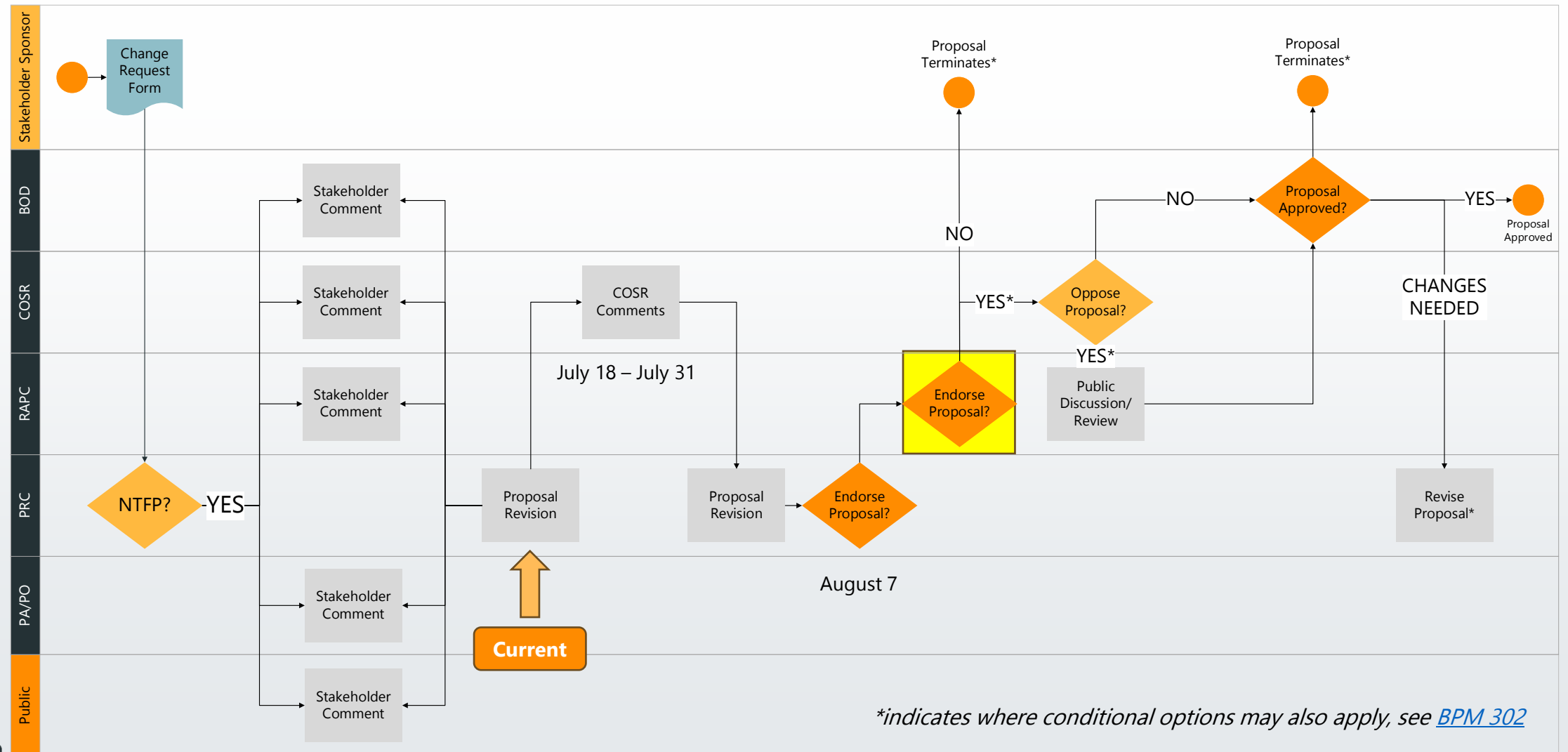


WESTERN RESOURCE ADEQUACY PROGRAM

August 15 & 16, 2024

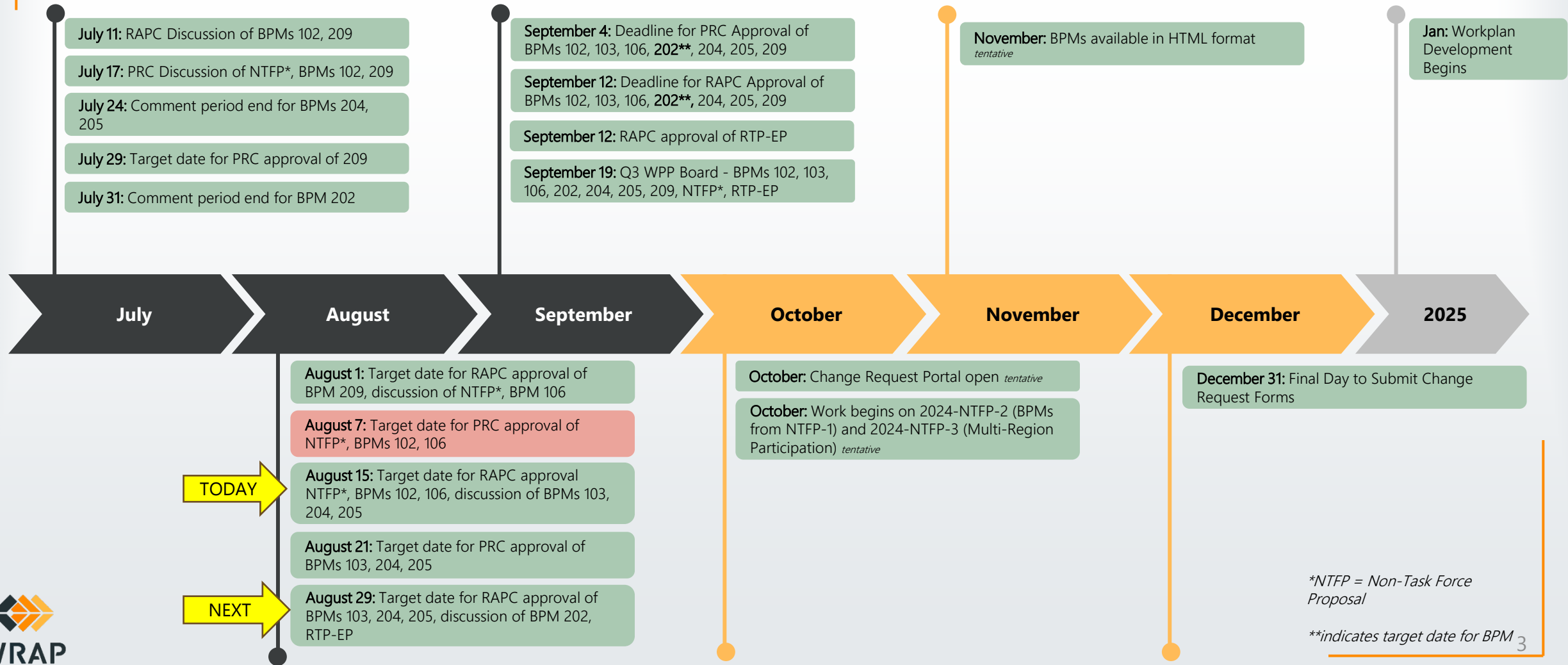
**2024-NTFP-1 Endorsement
BPM 202, 204, 205, 102, & 106 Discussion**

NTFP - PROCESS



*indicates where conditional options may also apply, see [BPM 302](#)

BPM & STAKEHOLDER ENGAGEMENT TIMELINE



CHANGES TO NTFP-1

CHANGES MADE SINCE COSR REVIEW BASED ON COSR AND PARTICIPANT COMMENTS

- » Based on the discussion at RAPC on August 1, 2024, Demand Response as a P50 Load Forecast Modifier was removed as an option
 - Expectation is Demand Response treatment will likely be brought up in the PRC change process, and will probably require a Task Force to explore further

- » Based on the comments in BPM 204, updated Section 20.3.1 Early Release of Surplus Capacity to align with the rest of the Ops Program sections
 - This was missed in initial revisions of the Tariff when trying to true up to Ops Program
 - More to discuss when we get to BPM 204 about details/process/timeline for that concept

MOTION:
Vote to endorse 2024-NTFP-1*

BPM 202 SUMMARY – FOR DISCUSSION

OPERATIONS PROGRAM – PARTICIPANT INPUTS TO SHARING CALC

» **Describes the data inputs used for the Sharing Calculation in the Operations Program**

- Inputs from FS Submittal
- Inputs from Participant in Operations Program
- Input data file types

» **Describes the Sharing Calculation equation and Sharing Results**

- Compares Participant's FS Capacity Requirement to capacity need for each hour

» **Describes forecasting methodology requirements for Participant data submitted in the Ops Program**

- Types of forecasting tools
- Narrative description required from Participants

REQUIRED TARIFF CHANGE

(NTF Proposal)

» **Tariff \$19.4**

- **Remove language suggesting WPP and stakeholders would determine prioritization of Tx files**

» **Tariff \$20.1.1:**

- **Update Sharing Calculation with clarifying details – includes correction to how CRs are calculated**

BPM 202 EDITS

OPERATIONS PROGRAM – PARTICIPANT INPUTS TO SHARING CALC

» **Forced Outages**

- Clarified definition by included Storage Hydro and Energy Storage Resources.
- Removed reference to GADS event types. Added clarification about what constitutes reduction in generating capability

» **Sharing calculation**

- Added bullet in Forced Outages to account for any reduction in output capability for Energy Storage Resources

» **Inputs from FS**

- added paragraph to account for adjustments driven by resource specific contracts such as “slice” contracts (calculated using the Shared Resource Form (SRF))

BPM 202 EDITS

OPERATIONS PROGRAM – PARTICIPANT INPUTS TO SHARING CALC

» **Forecasting Methodology and Data Evaluation**

- Added new section 6 describing Forecasting Methodology and elaborating on requirements
- Clarified language for PA/PO monitoring and evaluation of data – Ensuring feedback is provided to help identify inaccurate data
- Removed Appendix A – Data Attestation

» **Input files**

- Removed 7 day reference from submission of AC files (retained 168 hours)

» **Planned Outages**

- If a planned outage included in the FS Submittal ends earlier in the month than expected and the resource becomes available, no Forced Outages MWs for that resource in Operations until the end of the original planned outage date

BPM 202

EDITS NOT MADE

Comment/Theme	Response
Is it possible for a thermal or SH resource to be considered to have more availability than the QCC in FS like VERs?	If a Participant has additional capacity available, they can offer VH. If there is additional Thermal capacity, this would be reflected in the FO forecast. SH resources are treated as perfect QCC and changes in capacity availability is also reflected in the FO forecasts
Request to include relevant information regarding uncertainty factor from BPM 203 to avoid discrepancy	Reference to BPM 203 designed to avoid repeating information/creating more barriers to changes to 203
Request for more information in Point Limits File & Point to Point Limits File sections to detail submission requirements for Participants with connectivity in both subregions of the Operations Program	Would require Task Force and potential Program/Tariff changes
Is a Participant with a negative sharing calculation disqualified from offering Voluntary Holdback into Operations?	Currently only surplus Participants may provide VH. A change would require further consideration and likely another NTFP
BPM does not include information on construction delays related to resources expected to be available and shown in FS but then delayed in Ops	Construction delays are not considered FO's

BPM 204 SUMMARY – FOR DISCUSSION

OPERATIONS PROGRAM – HOLDBACK ALLOCATION

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

REQUIRED TARIFF CHANGE *(NTF Proposal)*

- » **Tariff §20.1.3:**
 - **Change to only discuss priorities during Sharing Events with insufficient capacity in terms of Holdback Requirements during Transition Period**
- » **Tariff §19.5 and §20.2:**
 - **Correct description of mechanics of Holdback Requirement and specifically Voluntary Holdback**

BPM 204 EDITS

OPERATIONS PROGRAM – HOLDBACK ALLOCATION

- » In section 3 Sharing Calculation run, there were a confusing phrase about forced outages – added the new Forced Outage term with a reference to BPM 202 where it is defined
- » Added many references to BPM 201 Operation Program Timeline for specific timing
- » We plan to make a repository of all ancillary BPM forms/documents/examples available on the WPP website
- » Clarified purpose of offering Voluntary Holdback prior to Preschedule Day
 - Increased visibility for the Program Operator into the overall state of the Operations Program
 - deficient Participants cannot opt-in to receive Holdback Capacity from Voluntary Holdback prior to the opt-in window on the Preschedule day

BPM 204 EDITS

OPERATIONS PROGRAM – HOLDBACK ALLOCATION

- » Clarified that after a Bilateral Exchange of Holdback, the Participant who now has the Holdback Requirement is also responsible for any Energy Delivery Failure Charges for Energy Deployment resulting from the Holdback Requirement that was exchanged
- » Early Release of Surplus Capacity
 - Added Appendix A with a process including timeline, actions that need to be taken, metrics/decision criteria, and guidelines for the amount of surplus that could be released
 - In reviewing the comments on this section, we uncovered minor tariff inconsistencies that we missed on the initial NTFP tariff review – updated the NTFP accordingly

BPM 204

EDITS NOT MADE

Comment/Theme	Response
Put in links to website	Website is constantly undergoing changes/improvements, so we don't want to put something in here that would require a BPM change to update our website
Add exact timelines	The timeline is in BPM 201 Operations Program Timeline. We do not want to put the information twice so that a BPM could contradict another BPM if only one were later updated.
Question about what "excess supply that is not obligated to the WRAP through their positive Sharing Calculation result"	This excess is the difference between the total capability of the resources included in the Total Portfolio QCC and the positive result of the sharing calculation. Additionally, we added a voluntary holdback definition in the NTFP-1
Participants with negative Sharing Calculation results should be able to offer Voluntary Holdback	This is a gap in the current design of the Operations Program. We will work with the interested Participants and SPP to fill this gap
Request for more details about transmission requirements related to the Bilateral Exchange of Holdback	Any necessary transmission arrangements and any transaction settlements shall be the sole responsibility of the Participants that are parties to such bilateral arrangement.

BPM 205 SUMMARY – FOR DISCUSSION

OPERATIONS PROGRAM – ENERGY DEPLOYMENT

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

REQUIRED TARIFF CHANGE *(NTF Proposal)*

- » **Tariff §20.4.1:**
 - **Clarify how Energy Deployment occurs on the Operating Day**
- » **Tariff §20.8.1:**
 - **Remove sentences referencing assistance following Transition Period priority tiers. This section incorrectly conflated “Raise Hand” feature with Voluntary Holdback.**

BPM 205 EDITS

OPERATIONS PROGRAM – ENERGY DEPLOYMENT

- » General language updates/clarifications
- » Added a reference to the Tx reservation deadline on the Preschedule Day from BPM 201
- » Added clarification to Sections 3.1 and 3.2 about responsibility for E-Tag creation and actions needed
- » Added a section referencing BPM 209 for Energy Delivery Failures
- » Added reference to the Input File Data Spec for the process to send in the After-the-Fact Energy Deployment information – *Input File Data Spec will be updated accordingly*
- » Edited Section 6 to clarify that any Participant can use the Raise Hand tool regardless of their Sharing Calculation result

BPM 205

EDITS NOT MADE

Comment/Theme	Response
Put in links to website	Website is constantly undergoing changes/improvements, so we don't want to put something in here that would require a BPM change to update our website
Add exact timelines	The timeline is in BPM 201 Operations Program Timeline. We do not want to put the information twice so that a BPM could contradict another BPM if only one were later updated.
Are there actions required for confirming or declining energy deployment that are not in the PIT?	No – all actions necessary for confirming/declining energy deployment are in the PIT.
Clarify acceptable transmission priority for WRAP Holdback e-tags	No Tx priority requirements, but if you don't procure Tx or your non-firm is curtailed, then you are responsible for Energy Delivery Failures per BPM 209.

BPM 205

EDITS NOT MADE

Comment/Theme	Response
Request to change the tagging deadline to the Preschedule Day	This is a tariff-defined deadline, but it is “no later than.” We encourage folks to tag early for their total Holdback Requirement amount and update the E-Tag as necessary
If there is a curtailment, how would Participants communicate that?	A Participant anticipating an Energy Delivery Failure should provide notice as soon as practicable after becoming aware of the anticipated failure. As part the due diligence related to assessing any charges or considering any waivers, the PA will likely request any necessary information from the Participant.
Add a process for Participants who cannot submit actuals within the 168-hour timeframe	This timeframe is a tariff requirement. Delays to this could cause delays in settlement calculations.

BPM 102 SUMMARY – FOR DISCUSSION

FORWARD SHOWING – RELIABILITY METRIC SETTING

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

REQUIRED TARIFF CHANGE *(NTF Proposal)*

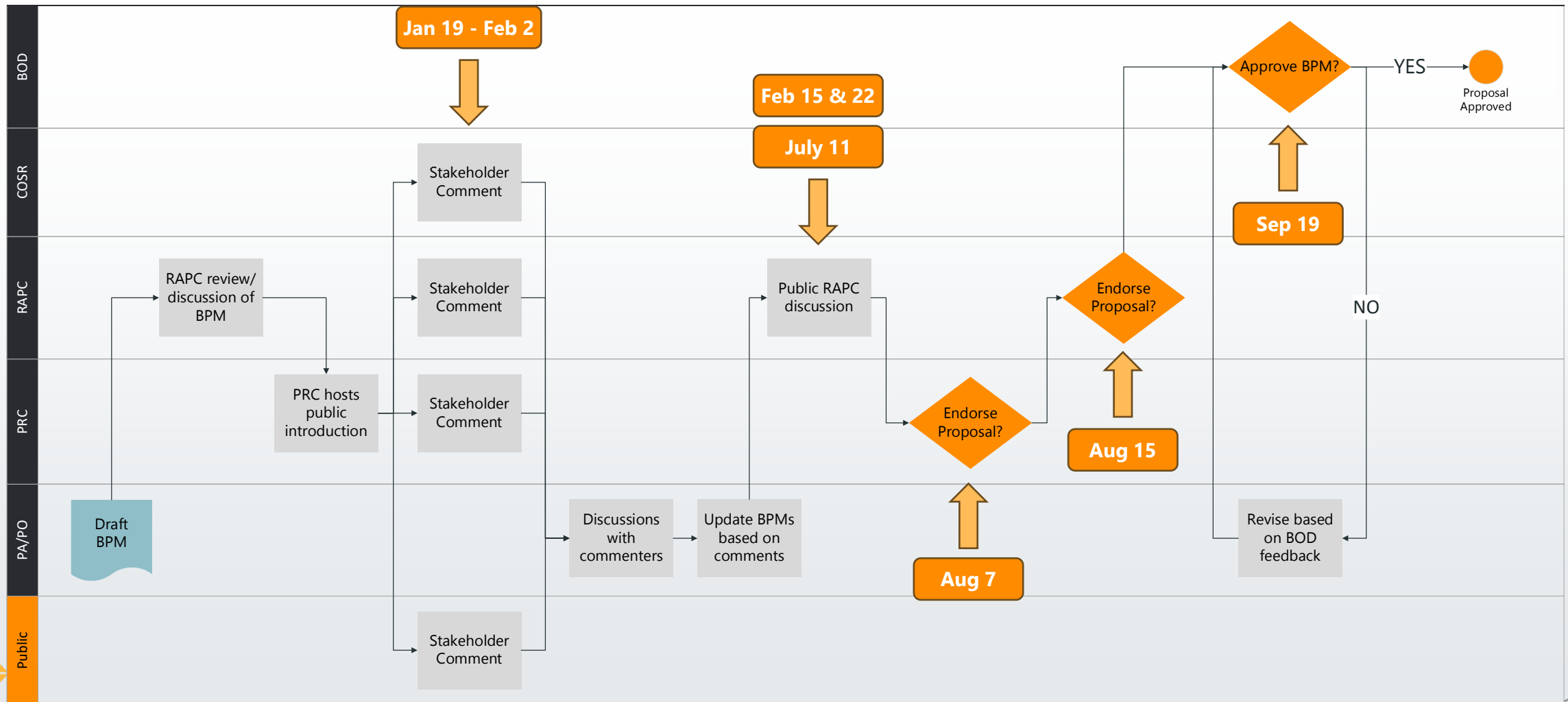
- » **Tariff sections 16.1.2.1 and 16.1.2.3:**
 - **Change “0.1 annual LOLE” to “0.1 seasonal LOLE”**

OTHER MAJOR CHANGES

- » **Clarified Regional P50 Peak Load Forecast (BPM 102, LOLE) as distinct from Participant P50 Peak Load Forecast (BPM 103, FSPRMs)**

BPM 102 TIMELINE

FORWARD SHOWING – RELIABILITY METRIC SETTING



BPM 102 COMMENTS & EDITS

FORWARD SHOWING – FS RELIABILITY METRICS

- » “Load Data” is “Historical Load Data” as with BPM 101
- » Reliability metric is “no more than” a single event-day loss of load in ten years “across a Binding Season”
- » Neither RAPC nor Board approves the LOLE Study Scope
- » LRZ enable consideration of weather variability across Subregions
- » Load and generation “uncertainty” instead referred to as “variation”
- » Example weather stations removed
- » Capability Test submitted as part of FS Submittal (BPM 108)
- » BTM aggregation requirements found in BPM 105

BPM 102

EDITS NOT MADE

Comment Theme	Response
Clarify how Board and RAPC comments considered in the LOLE Study scoping process and define “timely opportunity” to review LOLE Study Scope	Process is intended to be flexible
Allow new Participants to select their own Subregion which WPP can then approve/reject	Leaving it to the discretion of WPP (plan to discuss with new Participant)
More information on how the weather and load 40-year synthesized profiles are performed	SPP taken as action item to explain outside of BPM
Historical Load Data adjustment for DR and BTM	Will be in BPM 103
Thermal EFORD and EFOFcch methodologies should be consistent	In the initial stage of the LOLE study, thermal forced outages modeled with EFORD. To determine the FSPRMs, this is replaced by the thermal UCAP which is the QCC calculated using EFOFcch.

BPM 106 SUMMARY – FOR DISCUSSION

FORWARD SHOWING – QUALIFYING CONTRACTS

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

REQUIRED TARIFF CHANGE *(NTF Proposal)*

» **Tariff Definitions section:**

- **Change System Sales definition to avoid resource registration**

» **Tariff section 16.2.7:**

- **First sentence of RA Transfer content is misleading, and slightly contradictory with remainder of the text (which properly reflects that RA transfers are treated as QCC)**

JCAF CONTEXT

FERC PRECEDENT

» 160 FERC ¶ 61,033 on RA Requirement for SPP footprint (August 29, 2017)

– Discussed MISO Resource Adequacy Compliance Order 125 FERC ¶ 61,062

- “[...] the Commission stated that it did not consider statements by a market participant to be sufficient to constitute verification, and therefore required that MISO be given a copy of the power purchase agreement to allow it to verify the capacity backing the agreement.”

– Commission Determination on SPP

- “Here, SPP’s proposal lacks a requirement that power purchase agreements be backed by verifiable capacity in order to serve as capacity resources. SPP’s proposal also lacks a process that would allow SPP to verify whether contracts meet such a requirement. As such, SPP’s proposal fails to ensure that LREs that rely on power purchase agreements are providing sufficient capacity to meet their net peak demand plus planning reserve margin on the same basis as LREs that self-supply their own capacity, and therefore could result in unjust, unreasonable and unduly discriminatory determinations of deficiencies and assessments of deficiency payments.”

DRAFT JCAF REQUIREMENTS

BPM 106 QUALIFYING CONTRACTS - RESOURCE-SPECIFIC

		Buyer	
		Participant	Non-Participant
Seller	Participant	<ul style="list-style-type: none"> Avoid PA/PO/Board contract arbitration Meet FERC expectations Initial one-off JCAF, both sign Then annual attestation nothing changed QCC will match JCAF: seller ↓ / buyer ↑ 	<ul style="list-style-type: none"> Track QCC leaving footprint Initial one-off JCAF, participant sign Then annual attestation is same QCC will match JCAF: seller ↓
	Non-Participant (track QCC entering)	100% off take and must-take/PURPA	<ul style="list-style-type: none"> No JCAF Attest to type
		100% off take	<ul style="list-style-type: none"> As Participant seller Both sign
		Less than 100% off take	<ul style="list-style-type: none"> JCAF with FS Updated annually

DRAFT JCAF REQUIREMENTS

BPM 106 QUALIFYING CONTRACTS - SYSTEM SALES

		Buyer	
		Participant	Non-Participant
Seller	Participant	<ul style="list-style-type: none">• Avoid PA/PO/Board contract arbitration• Meet FERC expectations• Initial one-off JCAF, both sign• Annual attestation nothing changed• QCC will match JCAF: seller ↓ / buyer ↑	<ul style="list-style-type: none">• Track QCC leaving footprint• Initial one-off JCAF, participant sign• Then annual attestation is same• QCC will match JCAF: seller ↓
	Non-Participant	<ul style="list-style-type: none">• Track QCC entering footprint• JCAF with each FS Submittal• Updated at least annually• Tariff requires<ul style="list-style-type: none">• Seller attests surplus status• Not fail to deliver	

APPENDICES

July 29, 2024

BPM 106 COMMENTS & EDITS

*FORWARD
SHOWING –
QUALIFYING
CONTRACTS*

» Overview

- Over/under performance risk flagged in JCAF, but impacts Operations Program so explained in BPM 202.

» Resource-Specific Capacity Agreements

- Clarified applicable to jointly-owned units (percentage contracted)
- Clarified transmission requirement language: “NERC Priority 6 or NERC Priority 7 point-to-point transmission service or network integration transmission service (NITS) rights”

» System Sales

- We will include a sample completed JCAF or detailed walkthrough of form filing process

» Calculating Net Contract QCC

- Working with SPP to provide a detailed example calculation showing the step-by-step process

» Appendix A – JCAF: Seller’s Transmission Attestation (Participant and Non-Participant)

- NITS is not transmission that can be used for off-system sales, removed
- Removed need for attestation if delivered to busbar

» Appendix C – Attestation in Lieu of an Annual JCAF

- Clarified administrative burden is only on Participants

JCAF

EDITS NOT MADE

Comment Theme	WRAP Response
<p>JCAFs too broadly applied: should focus on system sales, not resource-specific contracts</p> <p>Tariff precludes attestations for Participant-to-Participant sales, and the JCAF constitutes an attestation</p> <p>JCAFs are unnecessary for sales to non-Participants</p> <p>Forward showing and attestations should be sufficient without JCAF</p> <p>Significant administrative burden potentially undermining purpose of WRAP</p>	<p>FERC has set precedent that it does not consider statements by participants to be sufficient to constitute capacity verification</p> <p>Tariff Section 16.2.6.1 Net Contract QCC (Resource-Specific) Capacity supply agreements qualifying for a Net Contract QCC in the WRAP must be resource specific, and therefore must include, among other requirements:</p> <ul style="list-style-type: none"> • an identified source, • an assurance that the capacity is not used for another entity's resource adequacy requirements, • an assurance that the seller will not fail to deliver in order to meet other supply obligations, • and affirmation of NERC priority 6 or 7 firm point-to-point transmission service rights or network integration transmission service rights <p>Tariff Section 16.2.6.12 Net Contract QCC (System Sales) In addition to Section 16.2.6.1:</p> <ul style="list-style-type: none"> • Surplus status may be demonstrated by a Senior Official Attestation with pertinent supporting details for such surplus status, <u>including written assent of the non-Participant Seller</u>, secured by the purchasing Participant.

JCAF IN THE WRAP TARIFF

NET CONTRACT QCC - 16.2.6.1 (RESOURCE-SPECIFIC)

- » Absent one of the exceptions described and limited below, capacity supply agreements qualifying for a Net Contract QCC in the WRAP must be resource specific, and therefore must include, among other requirements
 - an identified source,
 - an assurance that the capacity is not used for another entity's resource adequacy requirements,
 - an assurance that the seller will not fail to deliver in order to meet other supply obligations,
 - and affirmation of NERC priority 6 or 7 firm point-to-point transmission service rights or network integration transmission service rights from the identified resource to the point of delivery/load.
- » The specific resources identified in a capacity supply agreement qualifying for Net Contract QCC shall meet the same Resource QCC accreditation requirements for the given resource type, as specified in Section 16.2.5.

(Draft) JCAF included:

- Resource name
- Transmission attestation for both Participants and non-Participants
- **Non-Participant seller** attestation that (capacity is surplus and) will not fail to deliver to meet other obligations

JCAF IN THE WRAP TARIFF

NET CONTRACT QCC - 16.2.6.2 (SYSTEM SALES)

- » A system sales contract can qualify for a Net Contract QCC value, provided that if the seller is not a Participant,
 - the system capacity that is the subject of the agreement must be deemed surplus to the seller's estimated needs,
 - there must be an assurance that the seller will not fail to deliver in order to meet other commercial obligations,
 - and there must be NERC priority 6 or 7 firm point-to-point transmission service rights or network integration transmission service rights from the identified resource to the point of delivery/load.
- » Surplus status may be demonstrated by a Senior Official Attestation with pertinent supporting details for such surplus status, including written assent of the non-Participant Seller, secured by the purchasing Participant.
- » Such attestation is not required if the seller is a Participant, because the information needed to verify surplus status is already available.

(Draft) JCAF included:

- Transmission attestation for both Participants and non-Participants
- **Non-Participant seller attestation** that capacity is surplus and will not fail to deliver to meet other obligations

BPM 106 COMMENTS & EDITS

FORWARD SHOWING – QUALIFYING CONTRACTS

» Overview

- Over/under performance risk flagged in JCAF, but impacts Operations Program so explained in BPM 202.

» Resource-Specific Capacity Agreements

- Clarified applicable to jointly-owned units (percentage contracted)
- Clarified transmission requirement language: “NERC Priority 6 or NERC Priority 7 point-to-point transmission service or network integration transmission service (NITS) rights”

» System Sales

- We will include a sample completed JCAF or detailed walkthrough of form filing process

» Calculating Net Contract QCC

- Working with SPP to provide a detailed example calculation showing the step-by-step process

» Appendix A – JCAF: Seller’s Transmission Attestation (Participant and Non-Participant)

- NITS is not transmission that can be used for off-system sales, removed
- Removed need for attestation if delivered to busbar

» Appendix C – Attestation in Lieu of an Annual JCAF

- Clarified administrative burden is only on Participants

BPM 106

SUMMARY OF COMMENTS NOT INCORPORATED

Comment Summary or Theme

JCAFs too broadly applied: should focus on system sales, not resource-specific contracts

Tariff precludes attestations for Participant-to-Participant sales, and the JCAF constitutes an attestation

JCAFs are unnecessary for sales to non-Participants

Forward showing and attestations should be sufficient without JCAF

Significant administrative burden potentially undermining purpose of WRAP

WRAP Response

FERC has set precedent that it does not consider statements by participants to be sufficient to constitute capacity verification

Tariff Section 16.2.6.1 Net Contract QCC (Resource-Specific)

Capacity supply agreements qualifying for a Net Contract QCC in the WRAP must be resource specific, and therefore must include, among other requirements:

- an identified source,
- an assurance that the capacity is not used for another entity's resource adequacy requirements,
- an assurance that the seller will not fail to deliver in order to meet other supply obligations,
- and affirmation of NERC priority 6 or 7 firm point-to-point transmission service rights or network integration transmission service rights

Tariff Section 16.2.6.12 Net Contract QCC (System Sales)
In addition to Section 16.2.6.1:

- Surplus status may be demonstrated by a Senior Official Attestation with pertinent supporting details for such surplus status, including written assent of the non-Participant Seller, secured by the purchasing Participant.