



WESTERN RESOURCE ADEQUACY PROGRAM

September 19, 2024

**Revised Transition Plan
Expedited Proposal
Board Approval**

REVISED TRANSITION PLAN

Concept	Change/Addition
Transition Period	Extended from June 1, 2025 through March 15, 2029
Binding Season	<p>Deadline to select Summer 2027 as first binding season moved to January 15, 2026</p> <ul style="list-style-type: none"> • Summer 2027 LOLE modelling will include all Participants regardless of binding season • Exit window date for Winter 27/28 remains the same (October 31, 2025)
Critical Mass	<p>If less than “Critical Mass” in subregion, Participants in that subregion <u>may</u> elect to be non-binding</p> <ul style="list-style-type: none"> • Thresholds to be defined in a future BPM or BPM update • Persists beyond transition period
ETDs	<p>“Discounted Deficiency Charge” + ETDs in Summer 27, Winter 27/28 limited to 200% FSPRM MWs</p> <ul style="list-style-type: none"> • Drops to 100% FSPRM in Summer 28 and Winter 28/29
Diversity Sharing	<p>PRM calculation includes 500 MW of diversity sharing between subregions</p> <ul style="list-style-type: none"> • Benefitting NW in Winter, SW in Summer • Limited to WRAP Regional LOLE Study Result PRM • Applies for transition period, reevaluation no later than 2030
Operations Program Data	<p>Participants to provide disaggregated data to Operations program</p> <ul style="list-style-type: none"> • Aiming for plan and timeline by end of 2024

TRANSITION PERIOD

Current Tariff	Tariff Redlines
<p>» Transition Period Definition: From June 1, 2025 (Summer 25) through March 15, 2028 (Winter 27-28)</p>	<p>» Extended through March 15, 2029 (Winter 28-29)</p>

BINDING SEASON

Current Tariff	Tariff Redline
<ul style="list-style-type: none">» 2 years prior to start of binding season» Exit window for W27/28 Oct 31 2025	<ul style="list-style-type: none">» Participant deadline to select Summer 2027 as their first binding season will be January 15th, 2026<ul style="list-style-type: none">» Summer 2027 LOLE modeling will include all Participants, regardless of binding season selection» Exit window for W27/28 remains Oct 31 2025

CRITICAL MASS

NEW DEFINITION

- » If there is less than “Critical Mass” in a Subregion, **Participants in that Subregion may remain non-binding**
- » The Critical Mass thresholds will eventually be set in BPM 109 FS Transition Period; at the June 28, 2024, in-person RAPC we discussed exploring the following:
 - » **15 GW in SWEDE and 3 Participants**
 - » **20 GW in Mid-C and 3 Participants**

Redlines

Definition Addition: “The threshold level of participation in a Subregion, as established in the Business Practice Manuals, below which the Participants of such subregion *may* elect to participate as Non-Binding Participants.”

Providing Notice: “Once WPP has given notice to Participants that their subregion does not have Critical Mass for a given Binding Season, such Participants will have 30 days to provide notice to WPP if they intend to participate as Non-Binding Participants for that Binding Season. Such notice and election will be given similarly for each season without critical mass participation”

ETD/DISCOUNTS

- » “Discounted Deficiency Charge” + ETDs in S27, W27/28 limited to 200% FSPRM MWs
- » References to reduced deficiency charge changed to Discounted Deficiency Charge during the Transition Period

Definition Redlines

Discounted Deficiency Charge: “A reduced deficiency charge during the transition period that enables a deficient participant that demonstrates commercially reasonable efforts but is unable to cure deficiencies to access operations program capacity”

ETD Change: “A Participant’s inability during the Transition Period to demonstrate full satisfaction of the Participant’s FS Capacity Requirement, which, under certain conditions and limitations prescribed by Part II of this Tariff, ~~permits the Participant to pay a Discounted Deficiency Charge. permits a reduction in the otherwise applicable Deficiency Charge~~”

ETD/DISCOUNTS

Current Tariff	Tariff Redlines
<ul style="list-style-type: none"> » ETDs limited to 25% of PRM in S27 and W27/28, no discount in S28 or W28/29 	<ul style="list-style-type: none"> » ETDs limited to 200% of FSPRM in S27 and W27/28, 100% PRM in S28 or W28/29
<ul style="list-style-type: none"> » FS Deficiency Charge reduction of 25% in S27 and W27/28, no discount in S28 and W28/29 	<ul style="list-style-type: none"> » Discounted Deficiency Charge equivalent to 75% reduction of FS Deficiency Charge during S27 and W27/28 and 50% reduction during S28 and W28/29
<ul style="list-style-type: none"> » To obtain ETD, Participant must provide SOA that they have made commercially reasonable efforts to secure Qualifying Resources 	<ul style="list-style-type: none"> » Evolve SOA language to enable attestation by 3rd party under certain circumstances <ul style="list-style-type: none"> » RAPC, Board to endorse examples of commercially reasonable efforts
<ul style="list-style-type: none"> » Tier 2 Priority Access to Holdback during the Transition Period for Participants that have paid a FS Deficiency Charge and/or had Monthly Capacity Deficiency Reduced by No-JCAF option 	<ul style="list-style-type: none"> » Equal access to available capacity in Ops if charge is paid

ETD/DISCOUNTS

- » CONE Factor considerations
 - » Discounted Deficiency Charge calculations will use a CONE factor that **increases when the region is more deficit** (already in tariff); greater than 3% deficit = 200% CONE factor
 - » Discounted Deficiency Charge calculation CONE factor will **not be affected by individual LRE's performance in prior transition seasons**
 - » **CONE Factors for S29, W29/30 will not be impacted by individual Participant deficiencies during the transition period**

DIVERSITY SHARING BETWEEN SUBREGIONS

(ON TRANSMISSION BETWEEN SUBREGIONS)

Current	Change
<ul style="list-style-type: none">» Option in Tariff to assume connectivity between Subregions<ul style="list-style-type: none">» Program currently assumes 0 MW of connectivity	<ul style="list-style-type: none">» In PRM calculation: 500 MW of diversity sharing between subregions<ul style="list-style-type: none">» Benefitting Northwest in Winter months, benefitting Southwest in Summer months» Limited to the WRAP Regional LOLE Study Result PRM (when regional PRM is lower than subregional PRMs in a given month)» These numbers reflected in PRMs for transition period, reevaluation no later than 2030» Numbers/concept to be included in RTP-EP document and reflected in Study Scope annually, no change to tariff

OPERATIONS PROGRAM DATA

No TARIFF CHANGE

Current	Change
<p>» Aggregated Operations information provided, as required by Input File Data Specification</p>	<p>» Participants to provide disaggregated data to Ops Program</p> <ul style="list-style-type: none">» Same information with more breakdown» No greater granularity than the FS Submittal» Aiming for plan and timeline by end of year (Non-task force proposal to change BPMs)

COMMENTS RECEIVED

» Salt River Project

- SRP is writing in support of the 2024-EP-1 Revised Transition Plan (RTP).
- SRP believes that the proposed adjustments in the RTP are necessary to retain a critical mass of participants to the Western Resource Adequacy Program. The RTP provides the necessary flexibility for participants to develop new resources while supporting regional reliability and maintaining the Tariff's existing timelines for a binding Operations Program by Winter 2027-2028.
- By giving Participants a feasible path to binding participation, the revisions in the RTP support SRP's interest in regional resource adequacy and a reliable power grid.
- SRP appreciates the time and collaboration with the program participants to develop this proposal, and WPP's efforts to facilitate the process. SRP encourages the WPP Board of Directors to approve the RTP.

COMMENTS RECEIVED

» **Bonneville Power Administration**

- Bonneville appreciates the opportunity to provide comment on the revised transition plan. We have no additional comments to provide at this time. Thank you to the Western Power Pool and WRAP members for all the work that has gone into developing this revised transition plan.

Staff recommends that the board approve 2024-EP-1 and that the Board direct staff to prepare and submit the FERC filings necessary to support the tariff changes contained in RAPC's proposal.

Staff recommends that the board endorse the Draft Strategic Plan and direct staff to confer with Members on the draft plan in preparation for Board adoption at the December Board Meeting.