

Western Power Pool
Board of Directors Quarterly Meeting Agenda
March 13th, 2025

Location: NV Energy, Room 1B, 7155 Lindell Rd, Las Vegas, Nevada, 89118

**Note that all in-person attendees will need to check in with NV Energy building security and show ID to enter.*

March 13th, 2025, 9:00 AM – 12:00 PM PST – Open Board Meeting

Invited Attendees:

Board: Bill Drummond, Doug Howe, Michelle Bertolino, Susan Ackerman, Andy Ott

Board Advisors: Mary Ann Pease, Scott Waples

Staff and Guests: Sarah Edmonds, Lisa Hardie, Rebecca Sexton, Ryan Roy, Eric Campbell, Carla Hudson

<u>Time</u>	<u>Topic</u>	<u>Presenters</u>
08:45 AM	Pastries & Coffee Served	
09:00 AM	Meeting Opening <ul style="list-style-type: none">• Call to Order• Determination of a Quorum• Approval of the Agenda• Approval of Meeting Minutes	<i>Bill, Susan</i>
09:05 AM	Public Comment	<i>Bill</i>
09:15 PM	Updates/Reports <ul style="list-style-type: none">• CEO Report• Finance Committee Report	<i>Sarah, Michelle</i>
09:25 AM	WRAP Proposals <ul style="list-style-type: none">• Approve 2024-NTFP-2• Approve 2024-NTFP-4	<i>Rebecca</i>



10:00 AM Governance

Lisa H, Ryan

- Nominate and Approve Nominating Committee Board Liaison
- Approve Signing Authority Policy
- Approve Line of Credit Resolution
- Approve Information Security Policy

12:00 PM Adjourn

Bill



Western Power Pool
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Western Power Pool (WPP) Board of Directors Meeting
DRAFT Meeting Minutes – Open Session
 December 12th, 9:02 AM – 12:00 PM PT

Location: In-Person at WPP Office with Virtual Microsoft Teams Participants (as noted)

Attendees:

Board of Directors:	Bill Drummond (Chair), Doug Howe, Susan Ackerman, Michelle Bertolino, Andy Ott
Board Advisors:	Mary Ann Pease, Scott Waples
Staff and Guests:	Sarah Edmonds, Rebecca Sexton, Lisa Hardie, Carla Hudson, Eric Campbell, Ryan Roy, Michael O’Brien, Beau Beljean, Katie Gregor, Elise Mousseau, Maya McNichol
Guests:	Lisa Dunn, Charles Hendrix (SPP) (remote)

1. Call to Order

The regular meeting of the Western Power Pool Board of Directors was called to order at 9:02 AM December 12th, 2024, by Chair Bill Drummond.

2. Determination of a Quorum

Determination of a quorum was established by Secretary Susan Ackerman.

3. Agenda Approval

The agenda was reviewed by the Board.

A motion to approve the agenda was made by Michelle Bertolino and seconded by Susan Ackerman. The motion passed unanimously.

4. Approval of Meeting Minutes

The previous meetings’ minutes were reviewed by the Board.

A motion to approve the meeting minutes was made by Susan Ackerman and seconded by Doug Howe. The motion passed unanimously.

5. Public Comment

Bill Drummond asked for any public comments. None were provided.



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6. CEO Report

Sarah Edmonds reminded the group of the upcoming Member Meeting in January and highlighted hiring activities, including the addition of CFO, Eric Campbell, and others. She also provided 2024 WPP program updates.

7. Financial Report

Michelle Bertolino reported that the finance committee has met several times since the last board meeting and that the content of these meetings has been mostly updates. She shared that the audit report was excellent and thanked Sarah Edmonds, Lisa Dunn, and WPP staff for doing a tremendous job.

8. Budget Recast

Eric Campbell reported that WPP had performed an extensive mid-year review of the budget and is requesting an increase to the budget of \$2.2 million. Rebecca Sexton shared that the big driver of this is WestTEC Phase 2 funding, including direct cost for consultants and a decrease in overall labor costs. Suzanne Cooper, BPA asked if consultant support cost would go down as WestTEC continues. Sarah Edmonds shared that if ongoing work is needed after the tools are developed, costs will go down.

A motion to approve the WPP Budget Recast for the rest of fiscal year 2024-2025 was made by Andy Ott and seconded by Michelle Bertolino. The motion passed unanimously.

9. Strategic Plan

Rebecca Sexton presented the Strategic Plan, noting that this was presented to all WPP committees and that comments were supportive. She shared that a change was made to differentiate between WPP core functions, as defined as the program's WPP delivers, and WPP infrastructure. Susan Ackerman commented that she appreciates the brevity of the final document. Suzanne Cooper, BPA shared that she was impressed with it and that as a member appreciate that it lays out what the focus areas are and the goals.

A motion to approve the WPP 5-Year Strategic Plan was made by Doug Howe and seconded by Susan Ackerman. The motion passed unanimously.

10. WRAP

- a. 2025 September Mid-C Planning Reserve Margin Memo



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Rebecca Sexton presented the September 2025 Planning Reserve Margin Memo that included the corrected planning reserve margin number that changed from 16.2% to 14.2%. This approval will enable SPP to validate participants' workbooks using the correct number. She noted to the Board that new standard operating procedures have been developed that require WPP and SPP to verify that everything presented in a memo and posted online have been fully vetted and verified with the tariff filed with FERC.

A motion to approve the 2025 September Mid-C Subregion Planning Reserve Margin Memo was made by Michelle Bertolino and seconded by Susan Ackerman. The motion passed unanimously.

b. 2026 Summer Planning Reserve Margins Memo

Charles Hendrix, SPP gave a presentation on the results of the 2026 Summer Assessment noting that the intent is to get board approval today of the Planning Reserve Margin. He also shared that these results have been posted for participants to view since October.

A motion to approve the 2026 Summer Planning Reserve Margins Memo was made by Doug Howe and seconded by Susan Ackerman. The motion passed unanimously.

c. Discuss Examples of “Commercially Reasonable Efforts” in Transition Period

Rebecca Sexton briefly shared the background information regarding providing examples of “Commercially Reasonable Efforts” in the WRAP transition period to help participants determine when it is appropriate to sign an attestation that they have made commercially reasonable efforts in support of a request for a fee waiver. She then reported that the team is not ready yet with anything that can be discussed today.

11. Board Governance

a. Board Manual Updates

Lisa Hardie summarized the changes to the Board Manual that included the addition of the Nominating Committee’s charter, updates to the board election process so it conforms to the Nominating Committee process and board calendar updates. Doug Howe expressed, as a representative of the Nominating Committee, thanks for all the work delivered in 2024 by this committee.



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A motion to approve the Board Manual Updates was made by Susan Ackerman and seconded by Andy Ott. The motion passed unanimously.

b. Updated Membership Fee Resolution

Lisa Hardie shared the recommendation to waive the Allied Partner fee structure for next year, noting that the WPP is still working on defining the benefits of this type of membership. Steve Bellcoff, BPA asked how many allied partners there were and said he would like a list when complete. Sarah Edmonds responded that this currently includes members of the Nominating Committee or the training program who are not Program Signatories. Lisa Hardie shared that WPP will be distributing intake forms and membership agreements to Allied Partners.

A motion to approve the Board Resolution re Member Dues was made by Doug Howe and seconded by Michelle Bertolino. The motion passed unanimously.

c. Renomination of Andrew Ott

Doug Howe shared that the Nominating Committee has recommended the renomination of Andrew Ott to the WPP Board for a second term. Susan Ackerman and Bill Drummond expressed their gratitude for Andrew Ott's willingness to serve again. Suzanne Cooper, BPA shared, as a member of the Nominating Committee, that she was thrilled that he was willing to stay on board and really appreciated his insights.

A motion to approve the Board Resolution re Renomination of Andrew Ott was made by Doug Howe and seconded by Susan Ackerman. The motion passed unanimously.

d. Election of 2025 Board Officers

Lisa Hardie reviewed the officer election process. Bill Drummond shared that the Board reviewed positions and has proposed the following slate for the next 1-year term: Chair, Bill Drummond; Vice Chair, Andy Ott; Secretary, Susan Ackerman; Treasurer, Michelle Bertolino

A motion to approve the Board Resolution re Election of Officers was made by Andy Ott and seconded by Michelle Bertolino. The motion passed unanimously.



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12. Adjourn

The regular meeting of the Western Power Pool Board of Directors was adjourned at 10:23 AM by Chair Bill Drummond.

Western Resource Adequacy Program

Non-Task Force Proposal

Non-Task Force Proposal	
Name: 2024-NTFP-002	Date of PRC Confirmation: 1/15/25

Lead Sponsor Information	
Name: Rebecca Sexton	Organization: Western Power Pool
Title: Director of Strategic Engagement and Communications	Phone Number: 253-279-3002
Email: Rebecca.Sexton@westernpowerpool.org	Date of Submission: 1/8/24

Co-Sponsors Information (optional)	
Name:	Organization:
Phone Number:	Email:
Name:	Organization:

Type of Change Requested
<p>Check one*:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Correction <i>(i.e., revising erroneous language or language that needs clean-up for grammatical errors or inconsistency across governing documents - no changes to intent or policy)</i> <input type="checkbox"/> Clarification <i>(i.e., revising language to better represent existing intent, no changes to functionality or policy)</i> <input type="checkbox"/> Enhancement <i>(i.e., revising language to expand upon existing intent or functionality)</i> <input type="checkbox"/> New Protocol, Business Practice, Criteria, Tariff <i>(i.e., new language to accommodate new functionality or policy not existing today)</i> <input checked="" type="checkbox"/> Change <i>(i.e., a change in the existing policy – will replace an existing language)</i> <input type="checkbox"/> Other <i>(i.e., changes that do not fall into the categories listed above)</i>

I. Needs and Benefits - *Provided by: Lead Sponsor*

a. Description of the Issue:

In November 2024, Western Power Pool (WPP) submitted two FERC 205 filings to the Federal Energy Regulatory Commission (FERC) proposing changes to the WRAP Tariff outlined in Proposals 2024-EP-1 and 2024-NTPF-1. The WRAP Business Practice Manuals (BPMs) require a series of corrections in response to updates to Tariff language included in these filings. The timeline of events leading to the changes described in this document is as follows.

On April 22nd, 2024, the Resource Adequacy Participant Committee (RAPC) published a letter to the region reaffirming commitment to the program and highlighting significant developments since WRAP design began. In an effort to obtain a critical mass of participation in 2027, an Expedited Proposal was developed for a revised transition plan (2024-EP-1) that would expand and extend transition provisions while maintaining Winter 27-28 as the latest possible first binding season for the program. 2024-NTPF-1 was introduced by WPP to the Program Review Committee (PRC) on June 21st, 2024, to provide changes needed to ensure the Tariff reflected WRAP’s intended design and procedures. Three categories of changes were identified within this request, including changes to:

1. Correct errors and provide non-substantive clarifying edits;
2. Ensure the Tariff reflects the original intent of the program design at the time that the Participants were developing the Tariff; and
3. Revise the Tariff for additional efficiency based on the operating experience to date and review during BPM development.

If approved by FERC on January 27th, 2025, the Expedited Proposal will be effective immediately and 2024-NTPF-1 will have an effective date of March 16th, 2025. The changes and corrections from these proposals affect the following governing BPMs:

- BPM 107 Forward Showing Deficiency Charge
- BPM 109 Forward Showing Transition Period
- BPM 206 Settlement Pricing
- BPM 210 Operations Program Transition Period
- BPM 301 Workplan Development and Approval
- BPM 401 New Participant Onboarding

b. Realized Benefits

The corrections to the BPMs will ensure alignment with the intended policy.

II. Solution - *Provided by: Lead Sponsor*

a. Proposed Solution

The following list of proposed corrections (with specific language included in the attached red-lined BPMs) do not provide changes to current intent or policy.

BPM	Description of Correction	Section(s)	Source of Change
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107	Minor edits - typos, clarifications, references to definitions (removed definition of 'Aggregate Capacity Deficiency')	Definitions	2024-NTFP-1
107	Clarify that a Non-Binding Participant under the Critical Mass concept will not be subject to Deficiency Charges	3.2	2024-EP-1
107	Introduce Critical Mass concept in new section. Participating load volume and Participant threshold for a Subregion below which Participants may participate in a Non-Binding manner: 15 GW of load and 3 Participants for the SWEDE; 20 GW and 3 Participants for Mid-C. Add language indicating Participants in a Subregion without Critical Mass may choose to be Non-Binding for the season(s) where Critical Mass is not achieved. Participants have 30 days to provide notice to WPP if they intend to participate as Non-Binding Participants for that Binding Season after notice is given. Such notice and election will be given for each Binding Season without Critical Mass participation.	7	2024-EP-1
109	Extend Transition Period to the Binding Seasons from June 1, 2025, through March 15, 2029 (previously 2028)	1, 2, 3.1, 5.2, 5.3	2024-EP-1
109	Clarify that the Binding Season beginning November 1, 2027, will be the default first Binding Season for all Participants with a WRAPA effective by September 15, 2026	1, 3.1	2024-EP-1
109	Enable Participants to elect to participate in Summer 2027 season as Binding Participants as late as January 15, 2026 (previously two-year notice required by May 31, 2025)	3.2	2024-EP-1
109	Remove reference to priority tiers for access to voluntary assistance during the Transition Period for Binding Participants.	4	2024-EP-1
109	Minor edits - typos, clarifications, references to definitions	5, 5.2, 5.3, 6	2024-EP-1
109	Change Excused Transition Deficit limits to 200% FSPRM (in MW) for Summer 27 and Winter 27-28, and 100% PRM for Summer 28 and Winter 28-29.	5.2	2024-EP-1
109	Set Discounted Deficiency Charge equivalent to: 75% reduction of FS Deficiency Charge during Summer 27 and Winter 27-28; and 50% reduction during Summer 28 and Winter 28-29.	5.2	2024-EP-1
109	Appendix A – Senior Official Attestation – ETD language updated to enable signature by a 3rd party	5.1, Appendix A	2024-EP-1
206	Correct the Energy Declined Settlement price to be the Applicable Real-time Index Price for the hour	4.3	2024-NTFP-1
206	Correct the Make Whole Adjustment formula to be the maximum of zero or the result of the current formula	4.5	2024-NTFP-1
206	Minor edits and corrections - typos, clarifications, references to definitions, language conformity	1.4, 2, 4, 4.2, 4.4, 4.8	2024-NTFP-1
210	Extend Transition Period to the Binding Seasons within the time period from June 1, 2025, through March 15, 2029 (previously 2028)	2	2024-EP-1

210	Minor edits and corrections - typos, clarifications, references to definitions (removed definitions of 'Central Hub', 'Tier Three', and 'Voluntary Holdback')	1.4, 2, 3	2024-NTFP-1, 2024-EP-1
210	Remove reference to priority tiers for access to mandatory Holdback during the Transition Period for Binding Participants	3, 4, 5	2024-EP-1
210	Two-tiered access to Voluntary Holdback during the Transition Period. Binding ("Tier One") and Non-Binding ("Tier Two"). Clarify that Non-Binding Participants are only able to access Voluntary Holdback (no Holdback Capacity as a result of surplus Sharing Calculation Results).	4,5	2024-EP-1
210	Update language in BPM to ensure there are enduring provision for Non-Binding Participation due to Critical Mass concept after the Transition Period	1, 1.2, 1.3, 2, 4, 5	
210, 109	Change title of BPM to "Binding and Non-Binding Participation in Operations Program" and all references to the BPM 210 title in other BPMs	109: 1, 4.1 210: throughout	2024-EP-1
301	Minor corrections – language conformity, alignment with formalized Change Request Form	1.1, 1.4, 4.1	-
301	Correct Change Request and Workplan Development Timeline to accurately reflect Quarterly meeting schedule of the Board of Directors	3	-
401	Minor edits – language conformity	1.4	-
401	Clarify that the Binding Season beginning November 1, 2027, will be the default first Binding Season for all Participants with a WRAPA effective by September 15, 2026	2.1	2024-EP-1
401	Include reference to Non-Binding option should a Subregion not achieve Critical Mass	2.1	2024-EP-1

b. Specific Document and Language

Redlined BPM edits are attached to the comment page. See Description of Correction column for summaries of changes.

c. Suggestion for Language Update

Redlined BPM edits are attached to the comment page. See Description of Correction column for summaries of changes.

III. Implementation Plan and Feasibility - *Provided by: Program Administrator/Program Operator*

a. Resource, Cost Assessment & Feasibility Review - TBD

b. Proposed Implementation Timeline - TBD



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Western Resource Adequacy Program

107 Forward Showing Deficiency
Charge

Revision History

Manual Number	Version	Description	Revised by	Date
107	0.1	RAPC Glance Version	Maya McNichol	1/16/2024
107	0.2	Public Comment Version	Maya McNichol	1/18/2024
107	0.3	RAPC & PRC Discussion	Maya McNichol	2/12/2024
107	0.4	RAPC Endorsement	Maya McNichol	2/23/2024
107	0.5	Board Approval	Maya McNichol	2/29/2024
107	1.0	Board Approved	Maya McNichol	3/7/2024
107	1.1	2024-NTFP-2 Edits	Katie Gregor	1/8/2025



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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

$$\begin{aligned} & \textit{Participant's Monthly Capacity Deficiency} \\ &= \textit{Maximum}(\textit{Monthly FS Capacity Requirement} \\ & \quad - \textit{Monthly Portfolio QCC}, 0) \end{aligned}$$

$$\begin{aligned} & \textit{Participant's Monthly Transmission Deficiency} \\ &= \textit{Maximum}((75\% \times \textit{Monthly FS Capacity Requirement}) \\ & \quad - (\textit{Monthly Transmission Demonstrated} \\ & \quad + \textit{Approved Monthly Transmission Exemptions}), 0) \end{aligned}$$

Where:

Monthly FS Capacity Requirement is reduced to account for approved catastrophic resource failure exemption requests submitted at the time of Forward Showing Submittal (see *BPM 108 Forward Showing Submittal Process*)

and

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 *BPM 108 Forward Showing Submittal* for each month.

Then:

$$\textit{Monthly Deficiency} = \textit{Maximum of} (\textit{Monthly Capacity Deficiency}, \textit{Monthly Transmission Deficiency})$$

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*.





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Western Resource Adequacy Program

109 Forward Showing
Transition Period

Revision History

Manual Number	Version	Description	Revised By	Date
109	0.1	RAPC Glance Version	Rebecca Sexton	8/22/2023
109	0.2	Public Comment	Rebecca Sexton	8/28/2023
109	0.3	RAPC & PRC Discussion	Rebecca Sexton	10/6/2023
109	0.4	RAPC Endorsement	Rebecca Sexton	10/20/2023
109	0.5	Board Consideration	Rebecca Sexton	10/21/2023
109	1.0	Board Approved	Rebecca Sexton	12/6/2023
109	1.1	2024-NTFP-2 Edits	Katie Gregor	1/8/2025



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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 on 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 401 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/Period</u>	<u>Deadline for Change Request/Participation and Provisions</u>	
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% * ~~1000MW~~ * 50% = ~~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 (ii) 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.





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Western Resource Adequacy Program

206 Settlement Pricing

Revision History

Manual Number	Version	Description	Revised By	Date
206	0.1	RAPC Glance Version	Ryan Roy	7/18/2023
206	0.2	Public Comment Version	Ryan Roy	7/22/2023
206	0.3	RAPC & PRC Discussion	Ryan Roy	8/10/2023
206	0.4	RAPC Endorsement	Ryan Roy	8/11/2023
206	0.5	Board Consideration	Ryan Roy	8/18/2023
206	1.0	Board Approved	Ryan Roy	8/23/2023
206	1.1	2024-NTFP-2 Edits	Katie Gregor	1/8/2025

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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 Energy](#) 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 Energy](#) 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
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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
210	0.3	RAPC & PRC Discussion	Ryan Roy	10/23/2023
210	0.4	RAPC Endorsement	Ryan Roy	11/9/2023
210	0.5	Board Consideration	Ryan Roy	11/10/2023
210	1.0	Board Approved	Ryan Roy	12/6/2023
210	1.1	2024-NTFP-2 Edits	Katie Gregor	1/8/2025



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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 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. 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>)

	<p>without use of the No-JCAF Option.</p> <p>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></p>	<p>Participants with negative Sharing Calculations who confirmed a need for assistance for the given hour.</p>	<p><u>result or an offer of Voluntary Holdback</u>).</p> <p>May provide Voluntary Holdback.</p>
Tier Two	<p>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></p>	<p>Holdback Requirements from other Participants, as assigned per the Tariff, to the extent not otherwise allocated to Tier One Participants.</p> <p>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, <u>to the extent and</u> not otherwise allocated to Tier One Participants.</p>	<p>Subject <u>Not subject</u> to binding WRAP obligations for FS and Operations timeframes (including receiving the Holdback Requirements).</p> <p><u>Requirement as a result of the Sharing Calculation.</u> May provide <u>receive a Holdback Requirement as a result of an offer of</u> Voluntary Holdback.</p>
Tier Three	<p>Non-Binding Participants</p>	<p>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</p>	<p>Not subject to binding WRAP obligations for Operations, including the Holdback Requirement. May provide Voluntary Holdback.</p>

		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

Manual Number	Version	Description	Revised By	Date
301	0.1	RAPC Glance Version	Rebecca Sexton	9/19/2023
301	0.2	Public Comment Version	Rebecca Sexton	9/21/2023
301	0.3	RAPC & PRC Discussion	Rebecca Sexton	11/9/2023
301	0.4	RAPC Endorsement	Rebecca Sexton	11/29/2023
301	0.5	Board Consideration	Rebecca Sexton	11/30/2023
301	1.0	Board Approved	Rebecca Sexton	12/6/2023
301	1.1	2024-NTFP-2 Edits	Katie Gregor	1/8/2025



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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
- ***eeSummary 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

400 – Auxiliary

Revision History

Manual Number	Version	Description	Revised By	Date
401	0.1	RAPC Glance Version	Rebecca Sexton	3/21/2024
401	0.2	Public Comment	Rebecca Sexton	4/3/2024
401	0.3	RAPC & PRC Discussion	Rebecca Sexton	5/2/2024
401	0.4	RAPC Endorsement	Rebecca Sexton	5/9/2024
401	0.5	Board Approval	Rebecca Sexton	5/17/2024
401	1.0	Board Approved	Rebecca Sexton	6/13/2024
401	1.1	2024-NTFP-2 Edits	Katie Gregor	1/8/2025



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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 [after by](#) 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.





Western Resource Adequacy Program

Non-Task Force Proposal

Non-Task Force Proposal	
Name: 2024-NTFP-004	Date of PRC Confirmation: 12/18/24

Lead Sponsor Information	
Name: Garrison Marr	Organization: Snohomish County PUD
Title: Senior Manager, Power Supply	Phone Number: 425-309-6923
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Co-Sponsors' Information (optional)	
Name: Steve Bellcoff	Organization: Bonneville Power Administration
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Name: Ed Mount	Organization: The Energy Authority
Phone Number: N/A	Email: emount@teainc.org
Name: Rebecca Sexton	Organization: Western Power Pool
Phone Number: 253-279-3002	Email: rebecca.sexton@westernpowerpool.org

Type of Change Requested

Check one*:

- Correction (*i.e., revising erroneous language or language that needs clean-up for grammatical errors or inconsistency across governing documents - no changes to intent or policy*)
- Clarification (*i.e., revising language to better represent existing intent, no changes to functionality or policy*)
- Enhancement (*i.e., revising language to expand upon existing intent or functionality*)
- New Protocol, Business Practice, Criteria, Tariff (*i.e., new language to accommodate new functionality or policy not existing today*)
- Change (*i.e., a change in the existing policy – will replace an existing language*)
- Other (*i.e., changes that do not fall into the categories listed above*)

I. Needs and Benefits

a. Description of the Issue

The Winter and the Summer P50 Peak Load Forecast Methodologies in BPM 103 fail to adequately capture discrete load additions or subtractions of loads in the medium term (as those changes gradually become part of the five years of historical load data used to calculate the monthly P50 Peak Load Forecasts). These discrete load changes could be additions and subtractions, in scenarios where load is existing or new, meaning historical load data exists or does not, respectively. Clear direction and a robust policy for discrete load changes is important for all Participants experiencing discrete load changes, but is of particular consequence when one Participant transfers the responsibility for its load and resources in its entirety to another Participant, as is anticipated by Snohomish PUD's transition in BPA service contracts, resulting in BPA representation of Snohomish's load in October 2025.

b. Realized Benefits

The BPM 103 P50 Peak Load Forecast methodology incorrectly captures load changes by only amending the result rather than the underlying data. It is critical that this methodology is fixed.

II. Solution

a. Proposed Solution:

Load Changes when Historical Load Data is Available. As currently described in BPM 103 the P50 Peak Load Forecast methodologies for both Summer and Winter begin by determining the peak load for each month of the Season for the last available five Seasons using the Historical Load Data submitted as part of the Advanced Assessment. Note that

Historical Load Data is defined in BPM 101 Advanced Assessment as: “Load data from one or more Years prior to the current Year, such as the previous 10 Years. Historical Load Data is expected to consist of 8,760 hours (or 8784 hours for a leap Year) of data for a Year”. Tariff Section 16.1.1 allows for the P50 Peak Load Forecast in the Business Practice Manuals to include “a base monthly peak derived from a recent historic period that recognizes additions and removals of load during the historic period”. In the scenario where a load change (addition or subtraction) has historical load data available (as would be the case with a Participant-to-Participant load transfer, or a Participant assuming responsibility for a load that has been operational prior to the Participant assuming said responsibility), the affected Participant(s) is(are) responsible for adjusting the peak load for each Month of the Season for any of the last available five Seasons that do not capture the load change, and then calculating the monthly P50 Peak Load Forecasts, until the load change is automatically captured fully.

- In the case where one Participant (A) completely assumes the load responsibilities for another Participant (B) in October 2025, Participant A will complete the Forward Showing for Winter 2025/26 on March 31, 2025, using load data that combines Participant A’s and B’s historical loads. Participant B will not complete a Forward Showing for Winter 2025/26 (but will participate in Summer 2025 as normal).
- In the case where a Participant assumes responsibility for a discrete load (e.g. a paper mill) that has operated previously, the Participant will add this historical load data from the discrete load to their historical load data for every hour.

Load Changes when Historical Load Data is Unavailable. In the scenario where a load change does not have historical load data available (e.g. a new large load such as a data center or manufacturing facility) the affected Participant will generate synthetic load data and adjust monthly P50 Peak Loads for any of the last available five Seasons that do not capture the load change, and then calculate the monthly P50 Peak Load Forecasts, until the load change is automatically captured fully in historical load data.

- b. Specific Document and Language:
 - Business Practice Manual (BPM 103) Participant Forward Showing Capacity Requirement
- c. Suggestion for Language Update
 - See Document BPM 103 Redlines CRF-2024-006

III. Implementation Plan and Feasibility

- a. Resource, Cost Assessment & Feasibility Review - TBD
- b. Proposed Implementation Timeline - TBD

Western Resource Adequacy Program

103 Participant Forward Showing
Capacity Requirements

Revision History

Manual Number	Version	Description	Revised by	Date
103	0.1	RAPC Glance Version	Michael O'Brien	5/28/2024
103	0.2	Public Comment Version	Michael O'Brien	5/30/2024
103	0.3	RAPC & PRC Discussion	Michael O'Brien	8/28/2024
103	0.4	RAPC Endorsement	Michael O'Brien	9/4/2024
103	0.5	Board Consideration	Michael O'Brien	9/12/2024
103	1.0	Board Approve	Rebecca Sexton	9/19/2024
103	1.1	2024-NTFP-4 Redlines		



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103 Participant Forward Showing Capacity Requirement

1. Introduction

The Forward Showing (FS) Capacity Requirement is the minimum quantity of capacity a Participant is required to demonstrate for a Month of a Binding Season. Business Practice Manual (BPM) 103 describes the process for determining the components of the FS Capacity Requirement (the FS Planning Reserve Margin [FSPRM] calculations can be found in *BPM 102 Reliability Metrics*). BPM 103 also includes directions for a Participant seeking to exclude load from its FS Capacity Requirement, along with a discussion of the effect of using another Subregion's lower FSPRM on a Participant's FS Capacity Requirement, and considerations for load aggregation and disaggregation.

1.1. Intended Audience

BPM 103 is intended for WRAP Participants and other interested individuals or entities. BPM 103 will be particularly useful for those responsible for their Participant organization's FS Submittal as it pertains to meeting the FS Capacity Requirement, as this BPM provides an overview of the Monthly P50 Peak Load Forecast, load growth and load change considerations, and the Contingency Reserve Adjustment.

1.2. What You Will Find in This Manual

BPM 103 has the following sections: FS Capacity Requirement; P50 Peak Load Forecast; Load Growth Factor; Contingency Reserve Adjustment; Excluding Load; Submitting Loads from Multiple ; Load Aggregation/Disaggregation; and LOLE Study Load Forecast and Load Growth Rate. BPM 103 also includes Appendix A - P50 Peak Load Forecast Modifications and Appendix B - Load Exclusion.

1.3. Purpose

BPM 103 provides an overview of the components of the monthly FS Capacity Requirements calculations, including the Monthly P50 Peak Load Forecast methodology.

1.4. Definitions

All capitalized terms that are not defined in BPM 103 have their meaning set forth in the Tariff. Any capitalized terms not found in the Tariff that are specific to BPM 103 are defined here, including by reference to another BPM where such term is defined.

Contingency Reserve Adjustment: An adjustment to the FS Capacity Requirement to account for changes in Contingency Reserve requirements resulting from a Participant's contractual purchases and sales that include the Contingency Reserve as a specific part of the contract. The Contingency Reserve Adjustment has two components: Contingency Reserve Adjustment - Generation and Contingency Reserve Adjustment - Load.



Contingency Reserve Adjustment - Generation: The component of the Contingency Reserve Adjustment that accounts for differences between the system average Contingency Reserve requirement assumed in the LOLE Study and a Participant's actual purchases and sales.

Contingency Reserve Adjustment - Load: The component of the Contingency Reserve Adjustment that accounts for a Participant's specific Contingency Reserve purchases and sales.

Forward Showing (FS) Capacity Requirement Unadjusted: The FS Capacity Requirement Unadjusted takes into account the monthly P50 Peak Load Forecast and the monthly FSPRM. The FS Capacity Requirement Unadjusted does not take into account the Contingency Reserve Adjustment.

Historical Load Data: As defined in *BPM 101 Advance Assessment*.

Load Forecast Ratio: The Load Forecast ratio for each Month of a Binding Season is the ratio of the monthly average of the peak loads of a Month for the last five years to the maximum of the monthly average of the peak loads of the months of a Binding Season for the last five years.

Load Growth Factor: A program-wide load growth factor applied to P50 Peak Load Forecasts that may take into account location, weather, Participant type, and Participant customer composition (balance between retail, commercial, and industrial) among other factors.

LOLE Study: As defined in *BPM 102 FS Reliability Metrics*.

Regional P50 Peak Load Forecast: As defined in *BPM 102 FS Reliability Metrics*.

Seasonal Peak Months: The Winter Season months of December, January, and February.

2. Demand Response Utilization

A Participant has two options when choosing how to use Demand Response to affect its Monthly FS Capacity Requirements in its FS Submittal (see *BPM 108 FS Submittal Procedure*).

- A Participant may leave the effects of its historically deployed Demand Response included in its Historical Load Data (see *BPM 101 Advance Assessment*). This will have the effect of reducing the amount of load in the LOLE Study (see *BPM 102*



FS Reliability Metrics), reducing maximum loads in the P50 Peak Load Forecast (see Section 4) ultimately leading to lower Monthly FS Capacity Requirements.

- If a Participant removes the effects of historically deployed Demand Response from its Historical Load Data, the Participant may choose to utilize Demand Response as a Qualifying Resource (see attestation in *BPM 108 FS Submittal Procedure*). As described in *BPM 105 Qualifying Resources*, a Demand Response program registered as a Qualifying Resource will require a Capability Test to confirm the claimed capability and duration of load reduction, along with a more frequent Operational Test at a portion of the program’s claimed capability and duration.

3. FS Capacity Requirement

The FS Capacity Requirement is the minimum quantity of capacity a Participant is required to demonstrate for each Month of a Binding Season in its FS Submittal (see *BPM 108 FS Submittal Process*). As shown in Equation 1, a Participant’s FS Capacity Requirement begins with the Participant’s monthly P50 Peak Load Forecast (see Section 4), which is multiplied by one plus the applicable Monthly FS Planning Reserve Margin (FSRPM - see *BPM 102 FS Reliability Metrics*) for a Month (the net result is known as the FS Capacity Requirement Unadjusted). The Contingency Reserve Adjustment (see Section 6) is then added to the FS Capacity Requirement Unadjusted to arrive at a Participant’s monthly FS Capacity Requirement.

Equation 1 – FS Capacity Requirement

$$FS\ Capacity\ Requirement = FS\ Capacity\ Requirement\ Unadjusted + Contingency\ Reserve\ Adjustment$$

where

$$FS\ Capacity\ Requirement\ Unadjusted = (P50\ Peak\ Load\ Forecast) * (1 + FSPRM)$$

and

$$\begin{aligned} Contingency\ Reserve\ Adjustment \\ &= Contingency\ Reserve\ Adjustment_Generation \\ &+ Contingency\ Reserve\ Adjustment_Load \end{aligned}$$

4. P50 Peak Load Forecast

A Participant’s monthly P50 Peak Load Forecast for the Binding Season is calculated to determine a Participant’s FS Capacity Requirement Unadjusted. The monthly P50 Peak Load Forecast will be calculated using the following methodologies for the Winter Seasons (Section 4.1) and Summer Seasons (Section 4.2).



4.1. Winter P50 Peak Load Forecast

Example monthly P50 Peak Load Forecasts for a Winter Season is shown in Table 1 and referred to in the methodological steps below.

Month	Season	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2023/2024	2023/2024
							Monthly P50 Peak Load Forecast - unadjusted	Monthly P50 Peak Load Forecast - adjusted for load growth
November	Winter	2098	1998	1899	1958	2468	1998	2042
Seasonal Peak Months	December	2060	2206	2241	2202	2273	2448	2502
	January	2363	2381	2239	2521	2302	2448	2502
February	Winter	2448	2072	2213	2476	2477	2448	2502
March	Winter	2070	2253	2047	1959	1806	2047	2093
Maximum		2448	2381	2241	2521	2477		

Table 1 - Example Winter Season P50 Peak Load Forecast

1. Determine the peak load for each Month of the Winter Season for the last available five seasons using the Historical Load Data submitted as part of the Advance Assessment (see *BPM 101 Advance Assessment*). These are the load values populating the light blue section of Table 1 (e.g. November peak load from 2019/2020 is 1899 MW).
2. Calculate the maximum peak load for each of the last available five seasons. For example, the maximum peak load for 2020/2021 is 2521 MW.
3. The Monthly P50 Peak Load Forecast for the Seasonal Peak Months is the median of step 2 which in Table 1 is 2448 MW.
4. The Monthly P50 Peak Load Forecasts for November and March are the median of the respective load values from step 1, which in Table 1 are respectively 1998 MW and 2047 MW.

An example spreadsheet showing steps 1 through 4 is posted on the WPP website.

5. Per the Tariff, a Participant can modify the results of Step 1 to capture load changes (including Load Transfers) during the forecast window and ensure the results of Step 3 and Step 4 are correct. If historical load data is available the affected Participants are responsible for adjusting any monthly peak loads for in Step 1 that do not capture the load change. If historical load data is unavailable (e.g. a new data center) the affected Participant is responsible for generating synthetic load data and adjusting any monthly peak loads in Step 1 that do not capture the load change. Amending the results of Step 1 will be necessary until the peak load for each Month of the Winter Season for the last available five season automatically fully capture the impacts of the load change through the Historical Load Data

submitted as part of the Advance Assessment. A Participant will need to attest to the accuracy of any modification (see Appendix A - P50 Peak Load Forecast Modifications Senior Official Attestation). Additions and removals of load are separate and distinct from Load Growth Factors discussed in Section 5 and are intended to capture significant one-time changes such as the addition or loss of a large industrial customer.

- Per the Tariff, a specified Load Growth Factor will then be applied to the results of step 5 (see Section 5) for each year following the last year in the Historical Load data. For example, the Monthly P50 Peak Load Forecast – unadjusted is multiplied by the Load Growth Factor once for 2022/2023 and again to arrive at the 2023/2024 Monthly P50 Peak Load Forecast – adjusted for load growth value in the last column in Table 2).

4.2. Summer P50 Peak Load Forecast

The monthly P50 Peak Load Forecast for the Summer Seasons utilizes a Load Forecast Ratio to reflect the potential for a Participant to experience peaks in different months of the Summer Season from year to year. An example monthly P50 Peak Load Forecast for a Summer Season is shown in Table 2 and referred to in the methodological steps below.

Month	Season	2018	2019	2020	2021	2022	Monthly Average of Peak Loads	Maximum Monthly Average of Peak Loads	Median of Maximum of Peak Loads for the last five Seasons	Load Forecast Ratio	2024 Monthly P50 Peak Load Forecast - unadjusted	2024 Monthly P50 Peak Load Forecast - adjusted for load growth
June	Summer	3071	3571	1903	2496	1957	2600	2960	3571	0.88	3136	3206
July	Summer	3672	1761	2434	3219	3715	2960			1.00	3571	3650
August	Summer	2049	2929	2661	2939	2347	2585			0.87	3119	3188
September	Summer	2308	1698	1880	1664	2443	1999			0.68	2411	2465
	Maximum	3672	3571	2661	3219	3715						

Table 2 - Example Summer Season P50 Peak Load Forecast

- Determine the peak load for each Month of the Summer Season for the last available five seasons using the Historical Load Data submitted as part of the Advance Assessment (see BPM 101 Advance Assessment). These are the load values populating the light blue section of Table 2 (e.g. June peak load from 2020 is 1903 MW).
- Calculate the maximum peak load for each of the last available five seasons. For example, the maximum peak load for 2021 in the yellow section of Table 2 is 3219 MW.
- Calculate the median of step 2, which in Table 2 is 3571 MW.
- Calculate the Load Forecast Ratio.

- 4.1. For each of the last available five Summer Seasons calculate the average of the five peak loads for each Month. For example, in August in Table 2 the average of the peak loads is 2585 MW.
- 4.2. Identify the maximum load value from step 4.1. In the example shown in Table 2 this is the July average of 2960 MW.
- 4.3. The Load Forecast Ratio for each Month of the Summer Season is the result of step 4.1 divided by the MW value identified in step 4.2. In the example shown in Table 2, this is 1.00 for July (and will always be 1.00 for the maximum Summer month) and 0.68 for September.
5. Multiply the Load Forecast Ratios for each Month of the Summer Season from step 4.3 by the result of step 3. These are the Monthly P50 Peak Load Forecast values unadjusted for load growth or load additions/removals (seen in red in Table 2). In the example shown in Table 2 the Monthly P50 Peak Load Forecast - unadjusted value for September is 2411 MW (0.68 multiplied by 3571 MW).

An example spreadsheet showing steps 1 through 5 is posted on the WPP website.

6. Per the Tariff, a Participant can modify the results of Step 1 to capture load changes (including Load Transfers) during the forecast window and ensure the results of Step 5 are correct. If historical load data is available the affected Participants are responsible for adjusting any monthly peak loads for in Step 1 that do not capture the load change. If historical load data is unavailable (e.g. a new data center) the affected Participant is responsible for generating synthetic load data and adjusting any monthly peak loads in Step 1 that do not capture the load change. Amending the results of Step 1 will be necessary until the peak load for each Month of the Summer Season for the last available five season automatically fully capture the impacts of the load change through the Historical Load Data submitted as part of the Advance Assessment. A Participant will need to attest to the accuracy of any modification (see Appendix A - P50 Peak Load Forecast Modifications Senior Official Attestation). Additions and removals of load are separate and distinct from Load Growth Factors discussed in Section 5 and are intended to capture significant one-time changes such as the addition or loss of a large industrial customer.
7. Per the Tariff, a specified Load Growth Factor will then be applied to the results of step 6 (see Section 5) for each year following the last year in the Historical Load Data. For example, the Monthly P50 Peak Load Forecast – unadjusted is multiplied by the Load Growth Factor once for 2023 and again to arrive at the 2024 Monthly P50 Peak Load Forecast – adjusted for load growth value in the last column in Table 2).

5. Load Growth Factor

A Participant will have the option of using either a WPP-established WRAP-wide growth rate(s) (Section 5.1) or developing its own alternative growth rate (Section 5.2). Load



growth is separate and distinct from the additions and removals of load discussed in Section 4.1 step 5 and Section 4.2 step 6.

5.1. Established Growth Rate

A WRAP-wide established growth rate (or set of established growth rates) may account for location, weather, Participant type, Participant customer composition (balance between retail, commercial, and industrial). The established growth rate is currently set at 1.1%. Changes to the established growth rate for the P50 Peak Load Forecast in BPM 103 will be reviewed, endorsed, and approved as described in the *BPM 300's Stakeholder Engagement* series.

5.2. Participant Alternative Growth Rate

If a Participant believes the established growth rate discussed in Section 5.1 does not accurately represent its anticipated loads in the Binding Season, the Participant may request an alternative growth rate that will be validated by the Program Administrator and Program Operator (using the form found on WPP website). The Program Administrator will consider the data presented in support of the Participant's request for an alternative growth rate, which could potentially relate to weather, economic growth, or climate. As part of the request, the Participant will demonstrate that the alternative growth rate (applied to each year following the last year in the Historical Load Data) results in a P50 Peak Load Forecast that is (in total) 5% higher or lower than the P50 Peak Load Forecast calculated using the growth rate in Section 5.1 in the Month of the Binding Season with the highest P50 Peak Load Forecast. For example, the Participant with data from Table 1 would provide an alternative load growth factor that, when applied for two years of growth, results in a P50 Peak Load value of greater than 2,627MW or less than 2,377MW for December, January, or February, and would provide supporting information for said load growth factor.

6. Contingency Reserve Adjustment

As discussed in *BPM 102 FS Reliability Metrics*, the LOLE Study and resulting monthly FSPRMs ensure Contingency Reserve is maintained by assuming a proxy Contingency Reserve requirement of six percent (6%) of the Regional P50 Peak Load Forecast across the WRAP Region. However, as the BAL-002-WECC-3 standard requires a reserve equal to three percent (3%) of hourly integrated load and three percent (3%) of hourly integrated generation, the individual Participants' Contingency Reserve requirements (and therefore FS Capacity Requirements) will be different depending on the load and generation profiles specific to them. For instance, some Participants may utilize contracted capacity to meet their FS Capacity Requirement where the seller, through a contractual arrangement, is responsible for carrying the Contingency Reserve



obligation of contracted capacity, or some Participants may purchase Contingency Reserve to cover some or all of their Contingency Reserve requirements. These are categorized as Contingency Reserve adjustments and the intent is to ensure that the portion of the FSPRM attributable to Contingency Reserve is included in the FS Capacity Requirement of the LRE with the actual responsibility, whether that responsibility is driven by a BAL-002 WECC-3 compliance obligation or through a contractual arrangement. The FS Capacity Requirements Unadjusted are therefore adjusted for a Participant's Contingency Reserve requirements (plus or minus). A Participant's Contingency Reserve Adjustment has two components: Contingency Reserve Adjustment-Generation and Contingency Reserve Adjustment-Load.

6.1. Contingency Reserve Adjustment-Generation

A Participant's sale or purchase of capacity where there is an accompanying contractual transfer of obligation for Contingency Reserve may impact the amount of Contingency Reserve needed in the Participant's FS Submittal.

Participants selling capacity that is utilized to meet another Participant's FS Capacity Requirement will get a positive value for the Contingency Reserve Adjustment-Generation, meaning the Participant will demonstrate additional capacity to cover Contingency Reserve for the generating resources serving the export contracts. Participants meeting some or all of the FS Capacity Requirement with contracts where the seller carries the Contingency Reserve obligation will have a negative Contingency Reserve Adjustment-Generation, meaning the Participant demonstrated less capacity, as the seller is carrying the Contingency Reserve for the resources serving the contract(s).

Exceptions to the aforementioned are possible when contractual arrangements dictate alternative treatment as indicated in the workbook.

6.2. Contingency Reserve Adjustment-Load

For a Participant with Contingency Reserve contracts, the Participant's Contingency Reserve Adjustment-Load is the net of the Participant's sales of such contracts less purchases for each Month of a Binding Season.

If a Participant is a net seller of Contingency Reserve contracts to a Participant assumed to have a Contingency Reserve obligation on its WRAP load, it will carry additional Contingency Reserve to cover such contracts (with a positive Contingency Reserve Adjustment-Load). If a Participant is a net purchaser of Contingency Reserve contracts, it will carry fewer Contingency Reserve (having contracted away the obligation), resulting in a negative Contingency Reserve Adjustment-Load.



7. Excluding Load

As described in *BPM 108 FS Submittal Process*, a Participant will include all loads in its FS Demonstration for which it is responsible: i.e. all loads within the Western Interconnect (that are not participating in another resource adequacy program or represented by another WRAP LRE) for which the Participant has an obligation to forward procure capacity to meet any portion of the load or for which the Participant is the exclusive wholesale electricity provider to a load serving entity.

A Participant may seek to exclude loads from WRAP participation. This is distinct from a Participant modifying its P50 Peak Load Forecast to account for additions and removal of load. This is distinct from a Participant modifying its P50 Peak Load Forecast to account for additions and removal of load. As part of its FS Demonstration, the Participant will attest that the Participant is not the exclusive wholesale provider for the load (see Appendix B - Load Exclusion). As part of its FS Demonstration, the Participant will also provide documentation of notice to the end-use customer of the Participant's intent to exclude the load from WRAP in the form provided on the WPP website and acknowledged via signature by a senior official of the end-use customer. Excluded load may not be included in the Operations Program. Excluded load must be separately metered, such that the excluded load may be removed from load forecasting information to be provided in the Operations Program, as further discussed in *BPM 202 Participant Sharing Calculation Inputs*, and from the Historical Load Data utilized in Section 4. Loads may not be partially excluded.

8. Submitting Loads from Multiple Subregions

As described in *BPM 108 FS Submittal Process*, a Participant responsible for loads in two Subregions seeking to submit a single workbook using one monthly FSPRM may do so if the Participant can demonstrate NERC Priority 6 or NERC Priority 7 firm point-to-point (PTP) transmission service or network integration transmission service (NITS) from the load in the Subregion with the utilized monthly FSPRM to the load in the Subregion with the higher monthly FSPRM (see *BPM 108* for additional information). When submitting a single FS Submittal for loads in multiple Subregions, the Participant will use historical load data including all loads when calculating the FS Capacity Requirement for that Month according to Sections 2 through 7 of this BPM. Subregion loads will be combined on a coincident peak basis to determine monthly P50 Peak Loads when submitting a single FS Submittal.



9. Load Aggregation/Disaggregation

10. As described in *BPM 108 FS Submittal Process*, all loads submitted by a Participant within a single FS Submittal must be able to be served interchangeably by all Qualifying Resources and Qualifying Contracts in that same FS Demonstration, without the expectation that additional transmission rights will be required to deliver resources to load. In accordance with this, a Participant may be required to submit separate FS Demonstrations, even as to loads residing in the same Subregion, if the Program Administrator determines it is not practicable to treat such loads as if they can share in load and resource diversity for reasons that may diminish the integrity of WRAP reliability metrics, including but not limited to, if loads and resources are not operated collectively. **LOLE Study Load Forecast and Load Growth Rate**

A LOLE Study (see *BPM 102 FS Reliability Metrics*) is undertaken as part of the Advance Assessment (see *BPM 101 Advance Assessment*) to determine a Binding Season's monthly FSPRMs. The Regional P50 Peak Load Forecasts for the Binding Seasons in the LOLE Study are calculated using the same Participant P50 Peak Load Forecast methodologies outlined in Section 4. An LOLE Study-specific program-wide load growth rate is then applied to the results. The current Load Growth Factor for the LOLE Study is set to 1.1%. Changes to the established growth rate for the LOLE Study in BPM 103 will be reviewed, endorsed, and approved as described in the *BPM 300's Stakeholder Engagement* series.



Appendix A - P50 Peak Load Forecast Modifications Senior Official Attestation

I, the undersigned, who as [title], serves as a senior official of [Participant], hereby attest that the peak loads for each month of the Season for the last available five seasons have been modified accurately to the best of my knowledge and belief following due inquiry to account for discrete additions and removals of load planned to take place by the corresponding Months of the Binding Season, not to include speculative or estimated load growth, to ensure accurate Monthly P50 Load Forecast values included with this attestation. Also included with this attestation is a narrative description of the loads added and/or removed from the Monthly P50 Load Forecast, including their magnitude and applicable Months.

Appendix B - Load Exclusion Senior Official Attestation

I, the undersigned, who as [title], serves as a senior official of [Participant], hereby request that the [load identifier from FS Submittal] be excluded from [Participant's] P50 Load Forecast calculation. I attest that [Participant] is not the exclusive wholesale electricity provider for this load.

WESTERN POWER POOL SIGNATURE AUTHORIZATION AND DELEGATION OF AUTHORITY POLICY

1. Purpose of Policy

The purpose of this Policy is to promote the efficient operation of WPP and establish sound internal controls with respect to WPP's binding commitments.

2. Scope of Policy

This Policy establishes guidelines, procedures, and requirements for:

- Designating the persons who are authorized to bind WPP by executing contracts or entering into other transactions on behalf of WPP (Authorized Signatories).
- Delegating such authority.
- Defining the limits on such authority.

3. Responsibility for this Policy

WPP's Chief Financial Officer is responsible for implementing this policy, including keeping the official versions of all delegations and delegation documentation.

4. Application of Policy

This Policy applies to:

- All contracts and other transactions entered into on behalf of WPP.¹
- All employees (including officers and managers) who seek to approve or execute a contract or other transaction on behalf of WPP.

Independent contractors and consultants have no authority to bind WPP.

5. Signature Authorization

By law, the Board of Directors (Board) has the general authority to bind the company and enter into contracts on WPP's behalf. The Board has delegated this authority to WPP's President and Chief Executive Officer (CEO) as it pertains to the day-to-day management of WPP. Notwithstanding the foregoing, the Board retains ultimate accountability for management of the organization and thus may continue to exercise all powers available to it and contract on behalf of WPP.

6. Role of Authorized Signatories

No person may sign any contract on behalf of WPP unless such individual is an Authorized Signatory. Authorized Signatories have the authority to execute contracts on WPP's behalf within the scope of their authority that they deem necessary or appropriate to carry out the transactions authorized thereby.

¹ Contracts and other transactions include, without limitation, all agreements, licenses, leases, promissory notes, instruments, assignments, powers of attorney, terms and conditions, memoranda of understanding, letters of intent, settlements, releases, waivers, renewals, amendments, or modifications to existing contracts, claims, disputes, representations, and other similar documents and commitments. All contracts must be in writing. Oral contracts are not authorized regardless of whether there is a monetary exchange.

7. Source of Authority

An individual is designated an Authorized Signatory of WPP only if that individual is authorized to sign and approve contracts pursuant to one of the following:

- WPP's bylaws.
- A written Board resolution.
- A valid delegation of authority in accordance with this Policy.

8. Primary Authorized Signatories

The Company's primary Authorized Signatories have the following levels of authority:

- Level I Authority. Under WPP's bylaws, the CEO is authorized to make day-to-day management decisions on behalf of WPP. The Board hereby determines that this includes authority to execute and approve all contracts and other transactions on behalf of WPP with a value of \$500,000 or less.
- Level II Authority
 - The Chief Operating Officer has authority to execute and approve contracts and transactions involving the daily operation of WPP including, without limitation, sales and marketing activities, information systems, personnel affairs, administrative functions, and other such matters with a value of \$250,000 or less.
 - The General Counsel has authority to execute and approve contracts and transactions involving the management of WPP's legal affairs including, without limitation, engagement of outside counsel, litigation, settlements, and other legal matters having a value of \$250,000 or less.
 - The Chief Financial Officer has the authority to execute and approve contracts and transactions involving all fiscal areas on behalf of WPP including, without limitation, financing arrangements, banking business, cash management, investment arrangements, tax matters, insurance, and other matters having a value of \$250,000 or less.
 - The Director, Strategic Engagement and Communications has the authority to execute and approve contracts and transactions involving all areas of strategic engagement and communications on behalf of WPP including, without limitation, strategic positioning, policy development, tariff development, member engagement, communications, and other matters having a value of \$250,000 or less.
- Level III Authority. Program Managers have the authority to execute and approve contracts within their areas of responsibility having a value of \$10,000 or less.

9. Delegation of Authority

When Authorized Signatories are temporarily unavailable due to vacation, illness, travel, or unforeseen events, their signature and approval authority must be delegated to ensure the efficient continuation of WPP operations and business decisions. For purposes of this Policy:

- "Delegator" is an Authorized Signatory with Level I, Level II, or Level III authority who delegates their signature and approval authority under this Policy.
- "Delegatee" is any appropriate position within WPP who is delegated signature and approval authority by a Delegator under this Policy.



10. Delegation Rules

Authorized Signatories with Level I, Level II, or Level III authority may delegate signature and approval authority to a Delegatee, subject to the following limitations and requirements:

- Delegator responsibilities. Delegators shall:
 - Retain and continue to exercise their authority notwithstanding any delegation of authority to a Delegatee;
 - Remain ultimately accountable for their area of responsibility, including any contracts executed by their Delegatee; and
 - Ensure that their Delegatee have a full understanding and appreciation of their delegated authority.
- Delegation procedures. All delegations must be in writing using WPP's Delegation of Authority form and sent to the legal department within 5 business days of execution.
- Delegation limitations. All delegations:
 - Are subject to the terms of this Policy;
 - Are limited by the scope of the Delegator's authority, and further subject to any restrictions specified by the Delegator in the Delegation of Authority Form; and
 - Automatically expires at fiscal year-end, unless the Delegation of Authority Form specifies an expiration date. For an expired delegation to continue, the Delegator must reauthorize such delegation in writing.

Any individual who is in an acting or interim position shall have the right to exercise the signature and approval authority of such position. A Delegation of Authority Form is not required for short-term acting or interim appointments.

11. Revocation of Authority

A delegation of authority may be revoked or modified at any time in writing by:

- The Delegator granting such authority.
- The Board or the CEO.

The revoking individual must immediately notify the Legal Department in writing of any such revocation.

12. List of Authorized Signatories

To ensure WPP's list of Authorized Signatories is current and complete, the CEO and Authorized Signatories will provide the Chief Financial Officer with the list of their delegations and the scope of each delegation.

At least annually, the Finance Department review all delegations and require each Authorized Signatory to certify that WPP's list of delegations is accurate, complete, and consistent with WPP's needs.

13. Matters Requiring Board Approval

Notwithstanding any delegations granted under this Policy, the following matters require the Board's prior authorization (or Board committee authorization) and approval by specific resolution, as well as any other actions required by law or WPP's bylaws:



- Approval of the CEO's authority to execute and approve all contracts and other transactions on behalf of WPP with a value of more than \$500,000.
 - Amendment to WPP's articles of incorporation or bylaws.
 - Dissolution or winding up of WPP.
 - Sale or distribution of all or substantially all of WPP's assets, or a sale of a company business, product line, or subsidiary.
 - Merger or acquisition.
 - Borrowing or lending money.
 - Purchase, sale, acquisition, disposal, or encumbrance of buildings or land regardless of the value.
 - Engagement of Company's outside auditors.
 - Approval of Company business plans and annual budgets.
 - Approval of financial statements.
 - Contracts of material importance to WPP.
 - Matters with the potential to have a material impact on the reputation of WPP.
-
- A commitment that exposes WPP to an uncertain and potentially significant liability.
 - A commitment that is precedent-setting or involves sensitive issues as determined by the Board or the CEO.

Management is required to report regularly to the Board concerning the authority exercised and matters that require Board approval.

14. Compliance with Other Policies

Signature and approval authority does not override other safeguards in the contracting process. Any approval and execution of a contract must comply with all relevant policies, internal controls, and guidelines, including WPP's conflict of interest policy.

15. Violation of this Policy

- Only Authorized Signatories may sign contracts on behalf of WPP. Any other individual who enters into a contract, whether oral or written, that purports to bind WPP is acting without authority and may be held personally liable for the contract.
- Dividing a transaction into two or more parts to evade a limit of authority is prohibited and is a violation of this Policy.
- Conduct that violates this Policy is always considered outside the scope of employment of any employee acting on behalf of WPP.
- Any employee, regardless of position or title, who violates any provision of this Policy (including individuals who enter into unauthorized contracts or other transactions) will be subject to discipline, up to and including termination of employment.

16. Staff Policy

WPP will implement a Staff policy that requires any Authorized Signatories to:

- Ensure they have the appropriate authority to execute and approve a contract.
- Exercise their authority with care and diligence.
- Confirm that all other key reviews and approvals have been obtained prior to contract execution, including approvals from the Legal Department, subject matter experts (such as risk management and accounting personnel); and any the manager(s) of any department or program(s) affected by the contract.

17. Administration of this Policy

WPP expressly reserves the right to change, modify, or delete the provisions of this Policy without notice. The CEO is authorized to modify this policy without Board approval, except for the provisions of this Policy that specify that Board approval is required. The Finance Department is responsible for the administration of this Policy.

**RESOLUTION OF THE BOARD OF DIRECTORS OF
WESTERN POWER POOL
AUTHORIZING STAFF TO SECURE LINE OF CREDIT**

WHEREAS the restated bylaws and articles of incorporation of the Northwest Power Pool, d/b/a Western Power Pool (WPP) permit WPP to engage in all lawful activity approved by the corporation's Board of Directors, including the securing of loans; and

WHEREAS the company previously held a line of credit with KeyBank, WPP's banking partner, to meet short-term cash obligations for operations; and

WHEREAS that line of credit was allowed to lapse in 2023 when WPP became a utility subject to regulation by the Federal Energy Regulatory Commission (FERC), in recognition of the fact that FERC approval was required for such a renewal; and

WHEREAS the staff of WPP has reviewed company operations and recommends that the Board of Directors authorize WPP staff to seek a line of credit in the amount of \$1 million with KeyBank to provide financial flexibility and liquidity for company operations;

NOW THEREFORE, BE IT:

RESOLVED that the Board of Directors hereby authorizes WPP staff to take all actions necessary to secure a \$1 million line of credit with KeyBank, including making any regulatory filings needed to secure FERC approval.

Susan Ackerman, Secretary

Date Approved by Board of Directors: March ____, 2025

Western Power Pool Information Security Policy

1. Introduction

This Information Security Policy outlines the principles, guidelines, and responsibilities for safeguarding the information assets and technology systems of Western Power Pool. The policy is based on the NIST Special Publication 800-53 framework and serves to establish a comprehensive and effective approach to information security across the organization.

2. Policy Scope

This policy applies to all employees, contractors, partners, vendors, and third-party entities who access, manage, or interact with Western Power Pool's information systems, assets, and data.

3. Information Security Objectives

Western Power Pool is dedicated to:

- Protecting confidentiality, integrity, and availability of information assets from unauthorized access, disclosure, alteration, and destruction.
- Ensuring compliance with legal, regulatory, contractual, and industry standards related to information security and privacy.
- Identifying, assessing, and managing information security risks to an acceptable level.
- Fostering a culture of information security awareness and continuous improvement.
- Establishing a robust incident response capability to detect, respond to, and recover from security incidents.
- Implementing security controls from the NIST 800-53 framework to strengthen the organization's defense against evolving threats.

4. Control Families and Security Controls

Western Power Pool will implement security controls from the NIST 800-53 framework across various control families:

1. Access Control (AC)

Western Power Pool will enforce strict access controls to ensure that only authorized personnel can access information systems and sensitive data. This includes strong authentication mechanisms, role-based access controls, and regular access reviews.

2. Audit and Accountability (AU)

Western Power Pool will implement audit and accountability measures to track and monitor system activities, detect security violations, and ensure accountability for actions taken on information systems.

3. Configuration Management (CM)

Western Power Pool will establish and maintain secure configuration management practices to ensure that information systems are configured to meet security requirements throughout their lifecycle.

4. Identification and Authentication (IA)

Western Power Pool will implement robust identification and authentication measures to ensure that only authorized individuals can access systems and data. This includes multifactor authentication and password policies.

5. Incident Response (IR)

Western Power Pool will develop and maintain an incident response capability to detect, respond to, and recover from security incidents promptly and effectively. This includes incident detection, reporting, analysis, containment, eradication, and recovery.

6. Maintenance (MA)

Western Power Pool will conduct regular maintenance activities to ensure the security and functionality of its information systems. This includes patch management, updates, and vulnerability assessments.

7. Media Protection (MP)

Western Power Pool will implement controls to protect both digital and physical media containing sensitive information. This includes encryption, access controls, and secure disposal practices.

8. Personnel Security (PS)

Western Power Pool will establish procedures to ensure that personnel are properly screened, trained, and aware of their roles and responsibilities in safeguarding information assets.

9. Physical and Environmental Protection (PE)

Western Power Pool will enforce physical and environmental protection measures to secure its facilities, data centers, and information systems from unauthorized access, damage, and natural disasters.

10. Risk Assessment (RA)

Western Power Pool will conduct regular risk assessments to identify, assess, and mitigate information security risks. This includes risk identification, analysis, evaluation, and response planning.

11. Security Assessment and Authorization (CA)

Western Power Pool will follow a structured security assessment and authorization process to ensure that information systems are evaluated for compliance and security before being deployed.

12. System and Communications Protection (SC)

Western Power Pool will implement measures to secure its information systems and communications infrastructure against unauthorized access, data breaches, and cyber threats.

13. System and Information Integrity (SI)

Western Power Pool will ensure the integrity of its information systems and data through monitoring, intrusion detection systems, and timely response to security incidents.

14. System and Services Acquisition (SA)

Western Power Pool will follow a controlled process for acquiring, developing, and integrating information systems and services to ensure security requirements are met.

15. System and Services Development (SD)

Western Power Pool will implement secure development practices to ensure that information systems are designed, developed, and tested with security in mind.

16. System and Services Deployment (DE)

Western Power Pool will deploy information systems and services securely to minimize vulnerabilities and risks associated with deployment.

17. System and Services Maintenance (MA)

Western Power Pool will perform routine maintenance on information systems to ensure they remain secure, reliable, and functional.

18. Security and Privacy Training (AT)

Western Power Pool will provide ongoing security and privacy training to personnel to ensure they are equipped to recognize and respond to security and privacy risks.

5. Responsibilities

- Senior Management: Senior management is responsible for endorsing and supporting the information security program, allocating adequate resources, and ensuring compliance with this policy.
- Chief Operating Officer: The Chief Operating Officer acting as WPP's Information Security Officer is responsible for overseeing the implementation of security controls, conducting risk assessments, and managing incident response.
- System Owners: System owners are accountable for ensuring that the security controls are implemented and maintained within their respective systems.
- Employees and Users: All employees and users have a responsibility to adhere to security policies, report security incidents, and participate in security training.

6. Compliance and Enforcement

Non-compliance with this policy may lead to disciplinary action, including termination of employment or contractual agreement. All individuals are required to understand their role in information security and take appropriate actions to ensure compliance.

7. Review and Revision

This policy will undergo regular reviews to ensure alignment with the evolving threat landscape, technological advancements, and regulatory changes. The Information Security Officer is responsible for initiating policy reviews and updates.

8. Conclusion

This Information Security Policy establishes Western Power Pool's commitment to protecting its information assets, technology systems, and sensitive data. By adhering to the principles and controls defined in this policy, Western Power Pool aims to maintain a robust and resilient information security posture that adheres to industry standards and best practices.

Version	Description	Revised By	Approval Date	Effective Date
1.0	Board-endorsed Information Security Policy	Ryan L. Roy	3/ /2025	3/ /2025