WESTERN RESOURCE ADEQUACY PROGRAM

August 7th, 2025

PRC Task Force 01 – DAM
Meeting 4

AGENDA – PROPOSAL SCOPE

- Issues Matrix

- Scoping Questions

  - Energy Deployment

  - Settlement

- Expertise

- Next Meeting: Thursday August 21st, 11:00-1:00 PPT

ISSUES MATRIX (RAPC SURVEY CONTEXT)

	Holdback	Energy Deployment	Settlement	Energy Delivery Failure	Operations Timeline	Operations Program Inputs
	July 31st	**August 7th**		**August 21st**	**August 26th**	
Draft Proposal(s)	• Sharing calculation run twice • Allocate first within market-based operational subregion (MBOS) • Then allocated between MBOS	• E-Tags for inter-subregional sharing	• Intra-subregional deployments settled at market price (no adders) • Inter-subregional transactions settle at WRAP prices (10% adder)			
Issues/ Opportunities	• Subregion interconnectivity	• Self-scheduling between subregions		• Which entity is responsible for market optimized Energy Deployments that do not match requests	• Potential reduction of Uncertainty Factor by going from PSD to RT • Alignment with market schedules	• Data sharing efficiencies between PA/PO and market operators
Parking Lot	• Implications for Subregions in Forward Showing (outside of core scope)					

WRAP
POWERED BY WPP

PROPOSAL DEVELOPMENT CYCLE

- **Short-term goal**: a concept-paper ahead of September 10th in-person RAPC with

  indicative proposals on Operations Program components vis-à-vis MBOS paradigm

  - Holdback Capacity (July 31st, 2025)

  - Energy Deployment (August 7th, 2025)

  - Settlement (August 7th , 2025)

  - Energy Delivery Failure (August 21st, 2025)

- Maintain issues list including topics out of scope of short-term development cycle

- **Long-term goal** remains full proposal enabling Operations Program/DAM efficiencies

HOLDBACK PROPOSAL SCOPING 7/31/25

Run Sharing Calculation

Set Holdback Requirement

Additional Sharing between Subregions

- No significant changes necessary to the sharing calculation

- Allocate first within each MBOS including non-market assigned Participants

- WRAP assigns individual Participants with MW obligations and matching pro-rata

- Markets optimize how that energy is dispatched

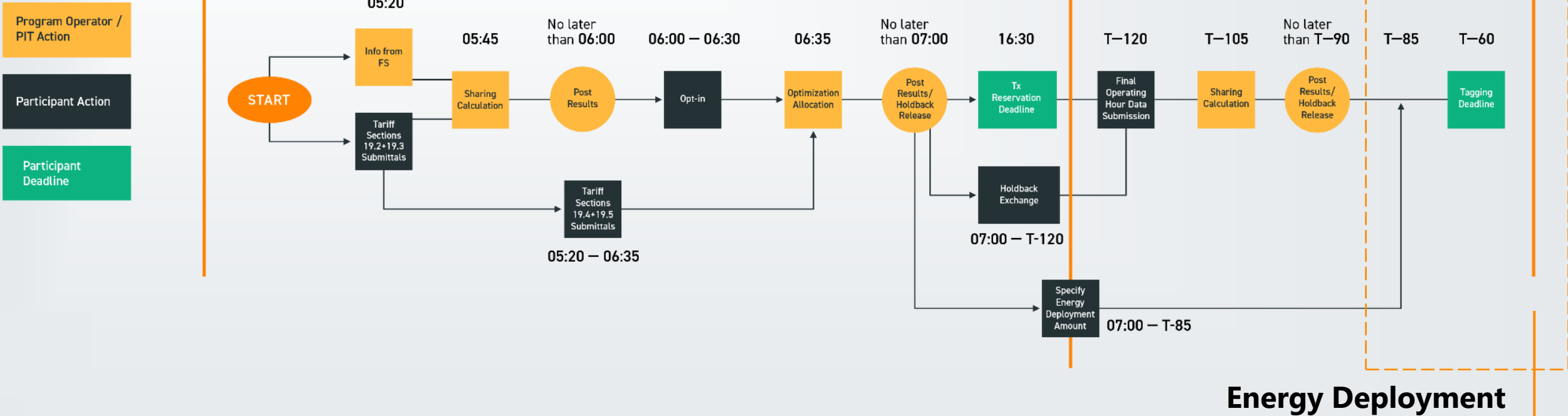- WRAP assigned Participant retains obligation and responsibility for delivery

- Re-run Sharing Calculation and assign additional holdback to individual participants

- Markets optimize how that energy is dispatched
- WRAP assigned Participant retains obligation and responsibility for delivery

OPERATIONS PROGRAM TIMELINE

Energy Deployment

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ENERGY DEPLOYMENT

BPM 205 ENERGY DEPLOYMENT

- **E-Tagging and Scheduling**
  - No later than T-60
  - E-Tag creation request must be completed by deficient Participant
  - It is the responsibility of the surplus Participant to respond
  - **Subregion with a Central Hub (NW/Mid-C)**
    - Path from surplus Participant's generation through hub to deficient Participant's load
  - **Subregion without a Central Hub (SWEDE)**
    - Point of Delivery and Point of Receipt as indicated in Ops Client

- **Transmission Requirements**
  - **Surplus Participant:** responsible for Tx to deliver generation to the Central Hub/Ops Client point
  - **Deficient Participant:** responsible for Tx from Central Hub/Ops Client point to load

- **Energy Deployment** is intended to occur on a single E-Tag from source to sink

- Give notice as soon as practicable if anticipate **Energy Delivery Failure [Parking Lot]**

- **After-the-fact (ATF)** Energy Deployment information 1688 hours after end of Operating Hour

- **Raise Hand Tool** allows Participant to request assistance regardless of Sharing Calculation result

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Scoping Questions 8/7/25 (today)

Energy Deployment

- E-Tags are unnecessary for internal MBOS Energy Deployment?

- Does a non-market deficit Participant assigned to an appropriate MBOS need to create an E-Tag for intra-Subregion Energy Deployment?

- E-Tags are necessary for inter-MBOS Energy Deployment?

- For sharing between MBOSs how are transmission responsibilities allocated between surplus and deficit Participant?

- Does Raise Hand Tool still make sense for both sharing within and between MBOSs?

Settlements

- Settlements because of an internal MBOS Energy Deployment retain current Holdback Settlement Price (and Make Whole Adjustment) but Energy Declined Settlement Price as at market RT index (no adder)?

- Current policy for settling Energy Deployments between Subregions uses the higher of the two's Applicable Index Price – does this make sense between MBOS?

Parking Lot Items for Today (time dependent)

- Sharing Calculation

- Holdback Capacity

- Energy Delivery Failure

- Uncertainty Factor reduction (by moving closer to RT)

- Efficiencies for data sharing between WRAP and MOs

WRAP
POWERED BY WPP

SETTLEMENT PRICING

COMPONENTS OF THE SETTLEMENT CALCULATION

Three basic components of the calculation

» Settle Holdback

- Capacity payment for the <u>Holdback Capacity</u> as requested on the Preschedule Day

» Settle Energy Deployment

- Energy payment for the <u>Energy Deployment</u> as requested by the deadline on the Operating Day

» Settle the Make Whole Adjustment

- Payment to make up for any <u>lost opportunity</u> associated with foregone day-ahead sales due to Holdback Requirement

INDEX PRICES USED

Applicable Index Prices used in the Settlement Calculator

» Day Ahead Price

- Mid-C uses ICE Day-Ahead Mid-Columbia (Mid-C) Index

- SWEDE uses ICE Day-Ahead Palo Verde (PV) Index

» Real-Time Hourly Price

- Mid-C uses Powerdex Real-Time Mid-C Index

- SWEDE uses 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)

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