

WRAP Participants Resolution on Deferral of Deficiency Charges for Strategic Resource Investment

WHEREAS, the Western Resource Adequacy Program (WRAP) Resource Adequacy Participant Committee (RAPC) is committed to ensuring long-term reliability and resource adequacy across participating entities;

WHEREAS, Deficiency Charges are a critical mechanism to incentivize compliance with WRAP planning standards and ensure equitable contribution to regional reliability;

WHEREAS, certain WRAP Participants may face temporary deficiencies due to timing mismatches between resource development and planning assessments;

WHEREAS, the WRAP Tariff currently includes discounts to Deficiency Charges intended to provide deficient WRAP Participants access to pooled capacity during the Transition Period (through Winter 2028/29)

WHEREAS, strategic investments in physical resources ("steel in the ground") that directly address identified deficiencies can provide long-term reliability benefits to the WRAP footprint;

NOW, THEREFORE, BE IT RESOLVED, that WRAP Participants hereby agree to:

1. Develop an Expedited Proposal as an additional option available to deficient Participants during the Transition Period enacting the following concepts regarding the deferral of Deficiency Charges, AND
2. Following completion of the Expedited Proposal, develop a Non-Task Force Proposal (NTFP) for an enduring solution for deficient participants after the Transition Period which may differ from the concepts described herein.

Deferral Eligibility

A WRAP Participant may request a partial deferral of Deficiency Charges:

- For up to five concurrent (5) years.
- Demonstrating investment in physical resources or a commitment to a long-term contractual agreement that would resolve the identified deficiency in a future season.
- Participant must attest they have made commercially reasonable efforts to resolve capacity deficient month(s) but were unable to do so.

Investment Criteria

Eligible investments must be in the form of demonstrated commitment (e.g., under contract, in construction, declared commercial operation date – details to be determined) to tangible, physical infrastructure (e.g., generation, energy storage, transmission) or a qualified long-term contractual agreement that addresses the identified deficiency.

Verification and Approval

Eligibility criteria will be outlined in detail in proposed Business Practice Manual (BPM) or WRAP Tariff changes. Participants will attest to meeting eligibility criteria and supply required supporting documentation of met criteria. Participants seeking a deferral whose supporting material is not deemed acceptable by Program Administrator may appeal to the Board for further consideration.

Deferral Terms

- A small portion of the deficiency charge will be collected each year of the deferral period; the amount collected will be lower than the existing Discounted Deficiency Charge amount
- Some of the charge collected may be eligible for return to Participant
- Some portion of the charge collected will be distributed (per mechanisms similar to those in existing WRAP Tariff),
- Continued deferral over deferral period is contingent on continued progress toward resource completion but shall not extend beyond five (5) years.

Transparency and Reporting

- Participants receiving deferrals shall provide semi-annual updates to WPP on project status.
- WPP will maintain a record of approved deferrals.

Dispute Resolution

- In the event of a disagreement regarding deferral, the matter shall be dealt with per dispute resolution provisions already contained in WRAP Tariff Section 9.