WESTERN POWERPOOL

Western Power Pool

Board of Directors Quarterly Meeting Agenda

December 10th, 2025

Location: WPP Office, Portland, OR, with Virtual Attendees on Microsoft Teams

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December 10th 2025, 9:00 AM – 12:00 PM PST – Open Board Meeting

Invited Attendees:

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

Staff and Guests: Sarah Edmonds, Lisa Hardie, Rebecca Sexton, Ryan Roy, Eric Campbell, Anna Bryan, Dave Zvareck, Becca Curtis, Maya McNichol (virtual), Michael O'Brien, Elise Mousseau (virtual), Danie Williams (virtual)

Time	Topic	Presenters
08:45 AM	Pastries & Coffee Served	
09:00 AM	Meeting Opening • Call to Order • Determination of a Quorum • Approval of the Agenda • Approval of Meeting Minutes	*Bill,*
09:05 AM	Public Comment	*Bill*
09:15 PM	Updates/Reports • CEO Report • Finance Committee Report	*Sarah, Michelle*
09:25 AM	WRAP Proposals • Summer 2027, Summer 2030 Advance Assessment Results Presentation • Approve 2027 Summer Planning Reserve Margins Memo • Approve CAISO Firm Transmission Task Force Proposal	*Charles, Maya, Dave*

- Approve Expedited Proposal: Changes to BPM 102

10:30 AM Finance

- Approve WPP Updated 2026 Budget — *Ryan*
- Approve Investment Policy — *Becca*

11:30 AM Governance — *Lisa H*

- Approve Board Member Renominations
- Approve 2026 Board Officers and Directors
- Approve New Nominating Committee Liaison
- Approve Board Manual Updates
- Approve Board Engagement Policy

12:00 PM Adjourn — Bill

WESTERN POWERPOOL

Western Power Pool (WPP) Board of Directors Meeting
Meeting Minutes – Open Session
September 25th, 2025, 9:00 – 9:54 AM PT

Location: In-Person at the WPP Office, 7525 NE Ambassador Place, Suite M, Portland, Oregon, 97220, with Virtual Microsoft Teams Participants (as noted)

Attendees:

Board of Directors:	Bill Drummond (Chair), Doug Howe, Susan Ackerman, Michelle Bertolino, Andy Ott
Staff and Invited Presenters:	Sarah Edmonds, Lisa Hardie, Rebecca Sexton, Ryan Roy, Eric Campbell, Carla Hudson, Maya McNichol (virtual), Michael O'Brien, Elise Mousseau (virtual), Danie Williams (virtual), Dave Zvareck (virtual), Charles Hendrix? (virtual)
Other Attendees:	Steve Bellcoff, Gia Anguiano (virtual), Brandon Holmes (virtual), Rebecca Wickel (virtual), Jacqueline Vogel (virtual), Gina Gargano-Amari (virtual), Jennifer Sulcer (virtual), Caleb Stovall (virtual), Benjamin Faulkinberry (virtual), Jerret Fischer (virtual), Kimberly Whetzel (virtual), Robin Arnold (virtual), M Wagner (virtual), Carly Page (virtual), Kim Burton (virtual), Nita Zimmerman (virtual)

1. Call to Order
   The regular meeting of the Western Power Pool Board of Directors was called to order at 9:00 AM September 25th, 2025, by Chair Bill Drummond.

2. Determination of a Quorum
   Determination of a quorum was established by Secretary Susan Ackerman.

3. Approval of Meeting Minutes
   The previous meetings' minutes were reviewed by the Board.

   A motion to approve the June 25th, 2025, meeting minutes was made by Susan Ackerman and seconded by Michelle Bertolino. The motion passed unanimously.

4. Public Comment

   Bill Drummond asked for any public comments. No comments were submitted.

5. CEO Report

   Sarah Edmonds shared her report on WPPs recent activities highlighting new participants in the RSG and WRAP programs, WestTEC nearing completion of its 10-year analysis, and welcomed new WPP employees Danie Williams, FS Manager and Dave Zvarack, WRAP Director. She then reviewed the meeting agenda and discussed the upcoming October 31st, 2025, WRAP deadline to provide notice for any participants who wish to leave before the program becomes binding. She noted that the WPP team was actively working with participants on concept papers to provide participants with enough confidence to remain, moving away from subregions based on geographic regions and towards footprints that alight with emerging day ahead markets, and discussing different ways to approach deficiency charges if participants are making clear efforts towards meeting metrics. She shared that one participant has already confirmed that they will be leaving the program, but that a significant number of participants have confirmed that they will stay. Bill Drummond asked if there were any questions or comments from the Board or the public. Nita Zimmerman from the BPA thanked the WPP team for all the great work and confirmed that the BPA intends to continue to support the WRAP program moving forward. No additional public comments were submitted.

6. Finance Committee Report

   Michelle Bertolino reported that the Finance Committee met twice since last board meeting and shared that the groups reviewed draft budgets for next year, reserves, routine financial audits, and FERC filing statuses. She noted that everything was very routine and that the organization is in strong financial shape. Sarah Edmonds officially welcomed Becca Curtis, the new member of the Finance Team. Bill Drummond asked for any questions or comments from the public. No questions or comments were submitted.

7. WRAP Proposals

   a. Discuss WRAP Summer 2027 and Winter 2027-2028 Advance Assessment Study Scope

      Rebecca Sexton introduced the Assessment Study Scope and noted that Charles Hendrix from SPP was here to provide additional information and that the study had been reviewed by RAPC without comment. Charles Hendrix added that this report is once per year and covers the upcoming summer season and the following winter season and that these are grouped together and that the same modelling information from participants is used for both. He noted that the there was not a

big change from the prior study and that the same methodologies were in place. Rebecca Sexton noted that preliminary results from the Summer 2027 study are being reviewed and will be brought to the Board in December for approval. Bill Drummond asked for any questions or comments regarding the Advanced Study Scope. No comments or questions were submitted.

b. Approve 2025-NTFP-1 Changes to BPM 108 Appendix A Attestation

Rebecca Sexton presented NTFP-1, noting that both NTFP's were being presented with approval by both RAPC and PRC and that Maya McNichols will be presenting these items. Maya McNichols reviewed the process of how NTFPs are established and then brought to the Board, including the public comment period and review by COSR.

Maya McNichols reviewed slides for NTFP-1 relating to the language change in the BPM 108 FS Submittal Appendix A FS Demonstration Attestation. She explained that this changed from stating that the loads in the demonstration can be served by the resources and contracts in the demonstration to language that indicates that there is connectivity between the loads and the resources and that the resources can serve the loads but not necessarily all the loads. Bill Drummond asked for any questions or comments. No comments or questions were submitted.

A motion to approve 2025-NTFP-1 was made by Doug Howe and seconded by Susan Ackerman. The motion passed unanimously.

c. Approve 2025-NTFP-2 Changes to BPM 108 Planned Outage Attestation

Maya McNichols reviewed the slides for NTFP-2 relating to the language change in the BPM 108 FS Submittal Planned Outages. She explained that in some situations all planned outages must be reported and, in some situations, this is optional and that NTFP-2 updates language in the BPM and the attestation (Appendix E) clarifying that any planned outages will be taken by surplus. She noted that there were some comments that were incorporated into final changes and that the final changes were approved by the committees. Andy Ott noted that he did not see these as being substantive changes.

Bill Drummond asked for any questions or comments from the Board or the public. No comments or questions were submitted.

A motion to approve 2025-NTFP-2 was made by Andy Ott and seconded by Michelle Bertolino. The motion passed unanimously.

Rebecca Sexton added that it has been very helpful for participants to engage in this process and then amend the documents and that this is exactly the point of the non-binding program.

8. Governance
    a. Discuss Board and Stakeholder Engagement Policy

    Sarah Edmonds proposed that this agenda item be changed from an approval to a discussion, to provide more time for Board discussion and feedback from stakeholders. Bill Drummond added that this is an issue that the Board and staff have been discussing for some time, and the Board feels that it is important to develop a process around this. The board members then outlined the principles that they had currently established as guidelines for this policy. Bill Drummond asked for any questions or comments from the public. Steve Belcoff from the BPA thanked the Board for thinking about these principles and commented that he the one piece he did not hear was the principle of independence of the Board and that to him that would be important as well. Bill Drummond and Andy Ott agreed that this was an important area to emphasize. Doug Howe noted that FERC requires independence financially but that his own definition of independence went farther. No further public comments were submitted.

    b. Approve Waiving Allied Partner Fees for Source.Training Subscribers

    Lisa Hardie reviewed the proposal to waive Allied Partner dues for Source.Training Subscribers and included the context within the structure of WPP membership. She noted that the question had come up regarding if dues should be paid by any organizations that are paying for programs or participating in WPP committees that are covering the administrative costs of participation, and noted that dues are currently being temporarily waived for all Allied Partners as the result of a prior Board decision.

    The Board discussed the merits of dues to create a level playing field, the status of benefits that Allied Partner members receive, and WestTEC and if they should be included in a permanent waiver. Michelle Bertolino asked if a future Board could change this decision and Lisa Hardie responded that they could. Bill Drummond asked for any comments from the public. No comments were received.

A motion to approve a modification in WPP's policy on Allied Partner member dues to give Staff discretion to waive current or future dues, where Staff reasonably believes that the waiver of dues will not result in subsidization of the Allied Partner's membership by other WPP members, was made by Doug Howe and seconded by Susan Ackerman. The motion passed unanimously.

9. Adjourn

The regular meeting of the Western Power Pool Board of Directors was adjourned at 9:54 AM, September 25th, 2025, by Chair Bill Drummond.

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Susan Ackerman, Secretary

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Date Signed

WRAP
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WESTERN RESOURCE ADEQUACY PROGRAM

Review of preliminary, non-binding WRAP regional data for the current participating footprint for the Summer 2027 and advisory data for the Summer 2030 season

December 10, 2025

Today's Objectives

- Provide an overview of the loads and resources in the WRAP footprint
- Provide an overview of installations and nameplate for wind and solar
- Provide an overview of the Qualifying Capacity Contributions (QCC) and Effective Load Carrying Capability (ELCC) values for each resource class
- Provide an overview of Planning Reserve Margin values (PRM)

WRAP
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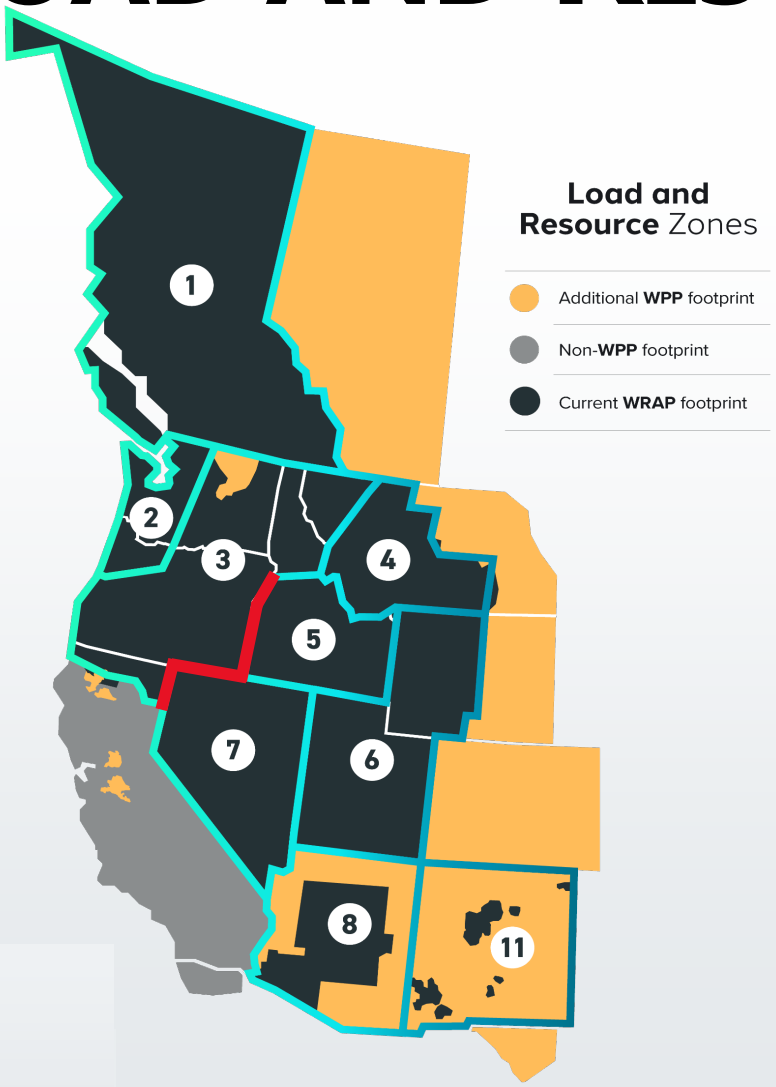
Before We Begin

- Modeling provided utilizes WRAP program design, assuming full binding implementation of the WRAP as designed
- Modeling was performed based on the WRAP footprint as of 2025
  - Included twenty-two WRAP Participants
  - Changes to WRAP participation may impact these metrics
  - These assessments cannot account for adequacy needs or activities of non-participating load or resources
- Be aware of the limits of drawing regional conclusions from aggregate information
  - Information is best applied at individual LREs; WRAP's scope does not include matching LREs in need of additional forward procurement with available resources
  - It cannot be assumed that all resources modeled in the loss of load expectation study will be available to the WRAP footprint
  - Planned outages are not considered; they will be managed by LREs from their surplus

Load and Resource Zones



Subregion	Zone	Geographical Description
MidC	Zone 1	British Columbia
	Zone 2	West of Cascades
	Zone 3	East of Cascades
	Zone 4	NorthWestern
SWEDE	Zone 5	Idaho Power
	Zone 6	PacifiCorp East
	Zone 7	Nevada
	Zone 8	Arizona
	Zone 11	New Mexico

WRAP
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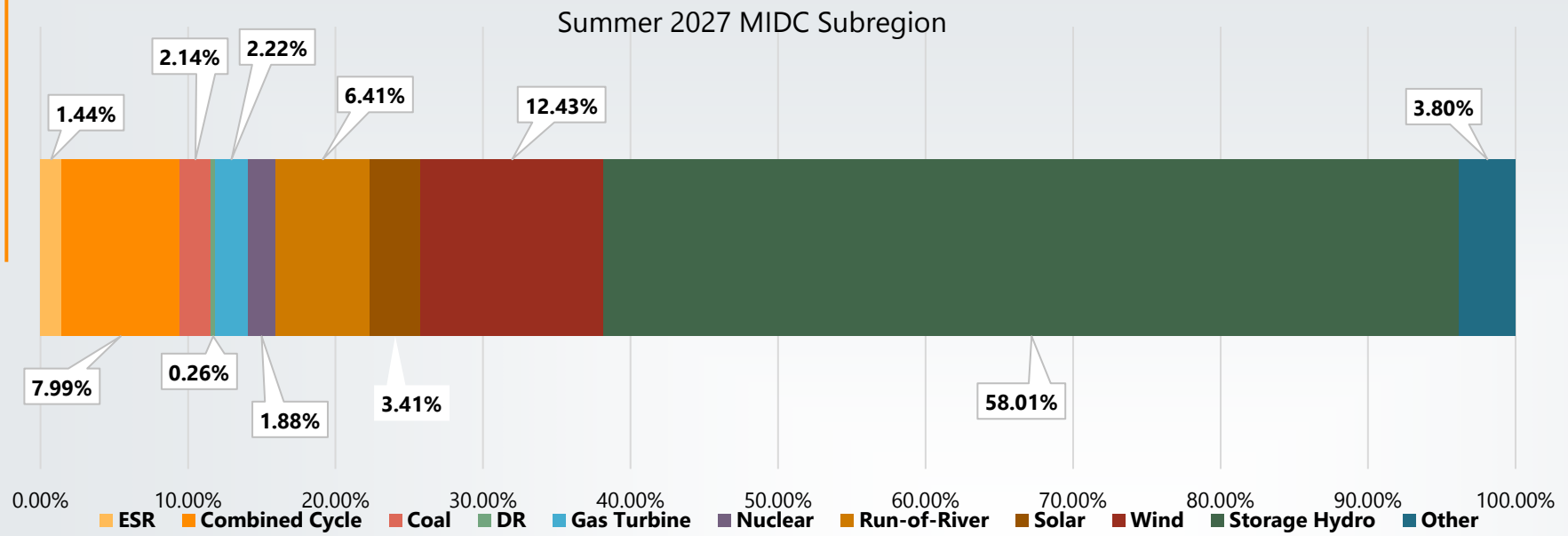
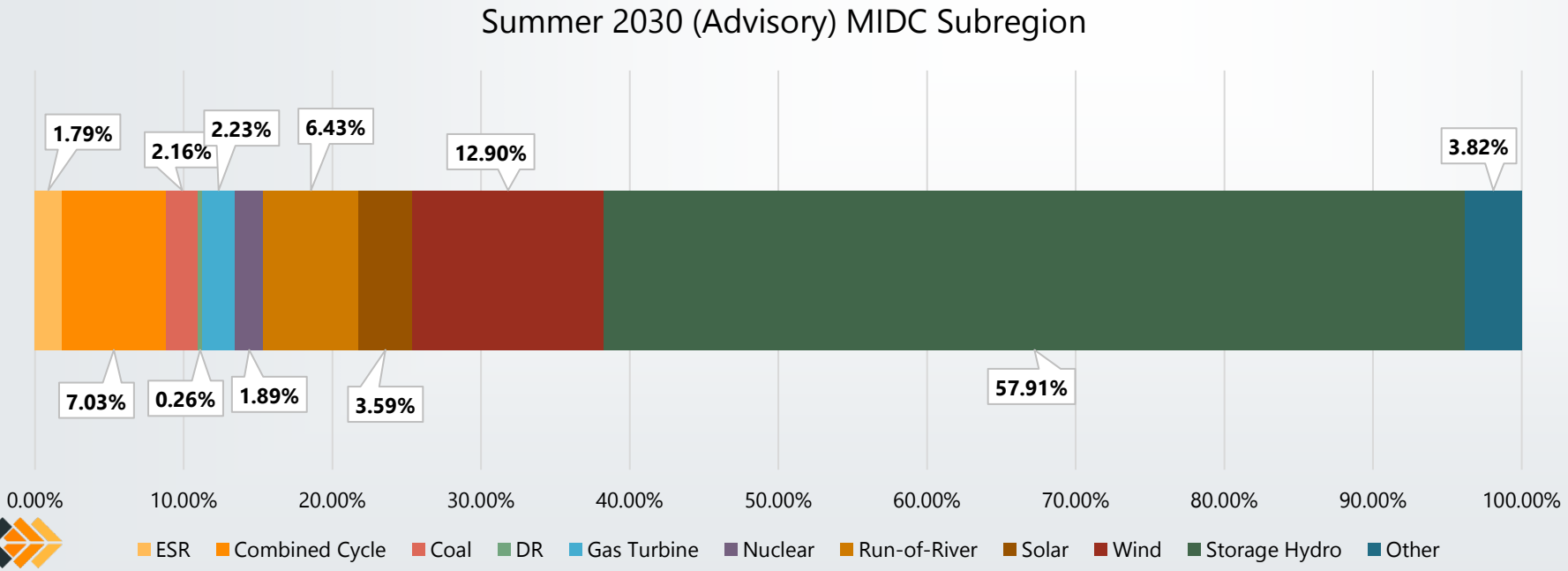
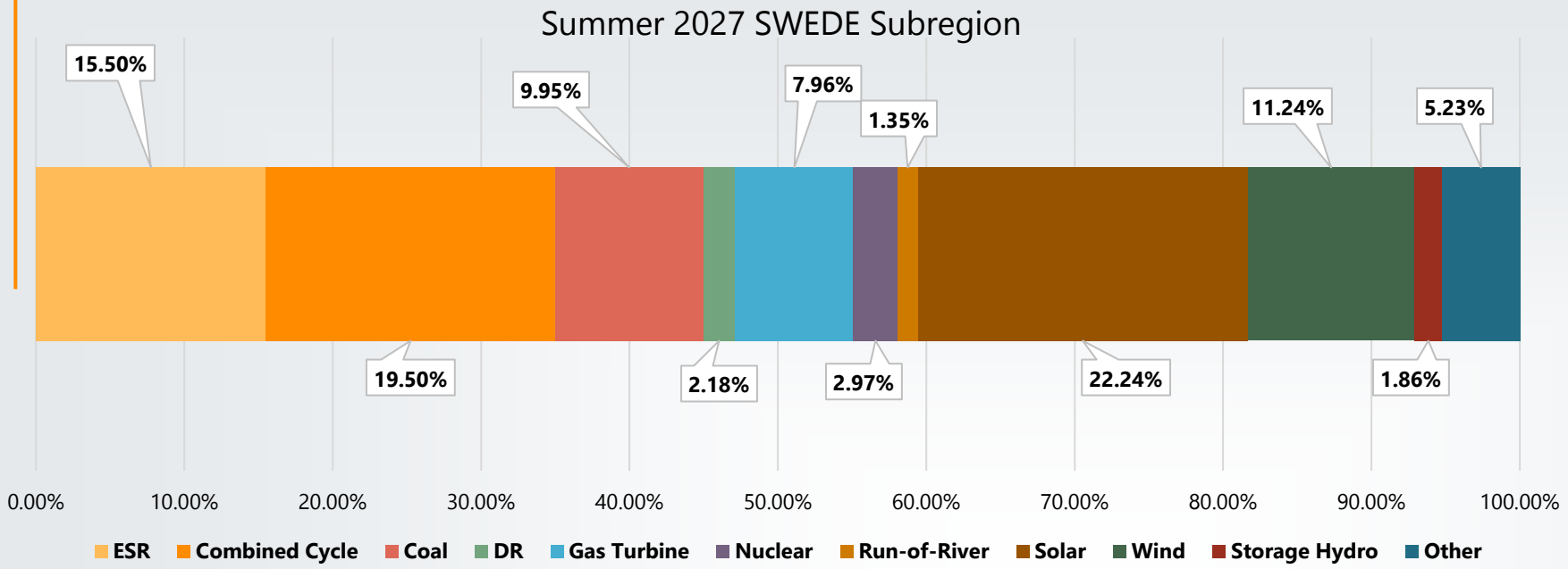




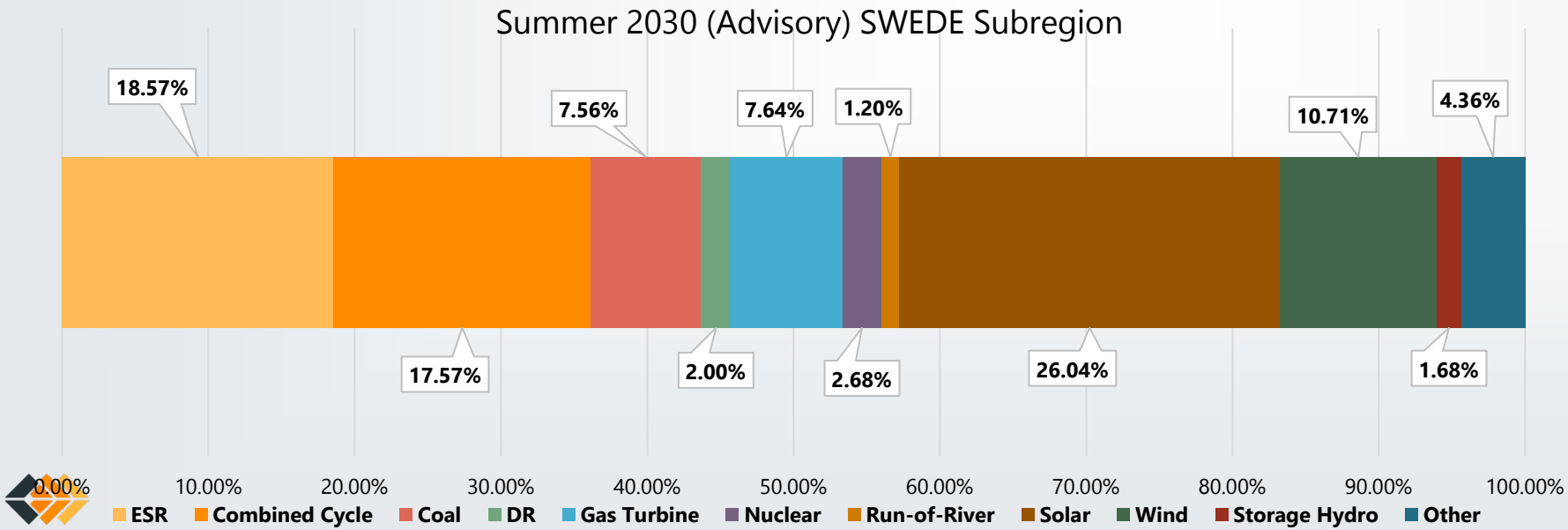
MIDC Subregion Summers

Percentage



SWEDE SUBREGION SUMMERS

Percentage



WRAP
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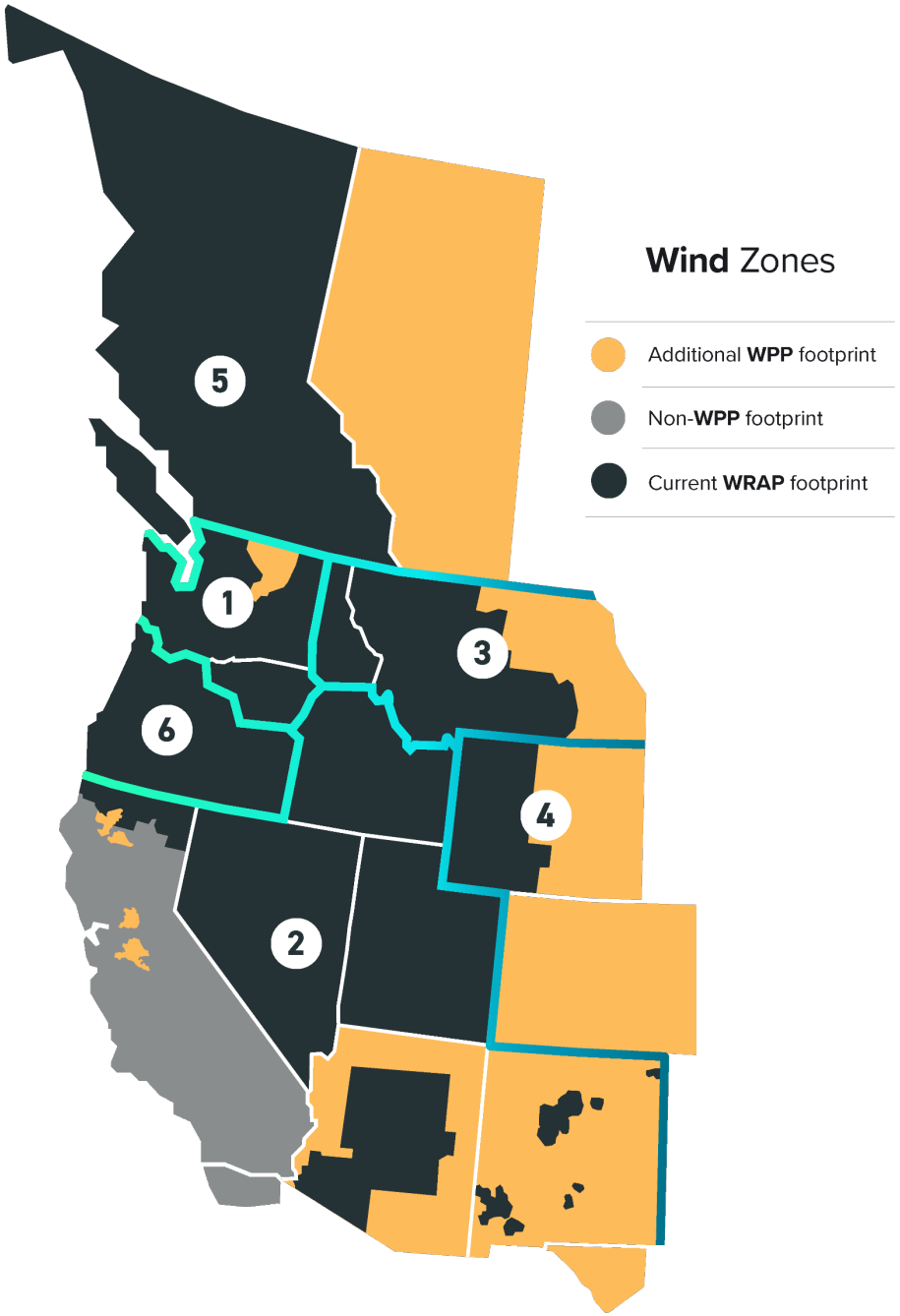
Key Reminders

- Not all resources shown in the preceding slides can be assumed to be available to the WRAP footprint for resource adequacy purposes
  - Planned outages are not considered; they will be managed by LREs from their surplus
  - Does not account for activities and needs of neighboring, non-participating regions or entities
  - Based on information and projections provided by participants
- Aggregate information does not give insight into whether individual participants have enough supply
  - WRAP motivates participants to acquire the necessary capacity
  - Cannot assume this has yet happened or will happen without binding implementation of WRAP

WIND ZONES



Zone	Nameplate Capacity (MW)
Wind VER1	**5,186**
Wind VER2	**3,450**
Wind VER3	**1,544**
Wind VER4	**5,000**
Wind VER5	**747**
Wind VER6	No wind
Total	**15,927**

WRAP
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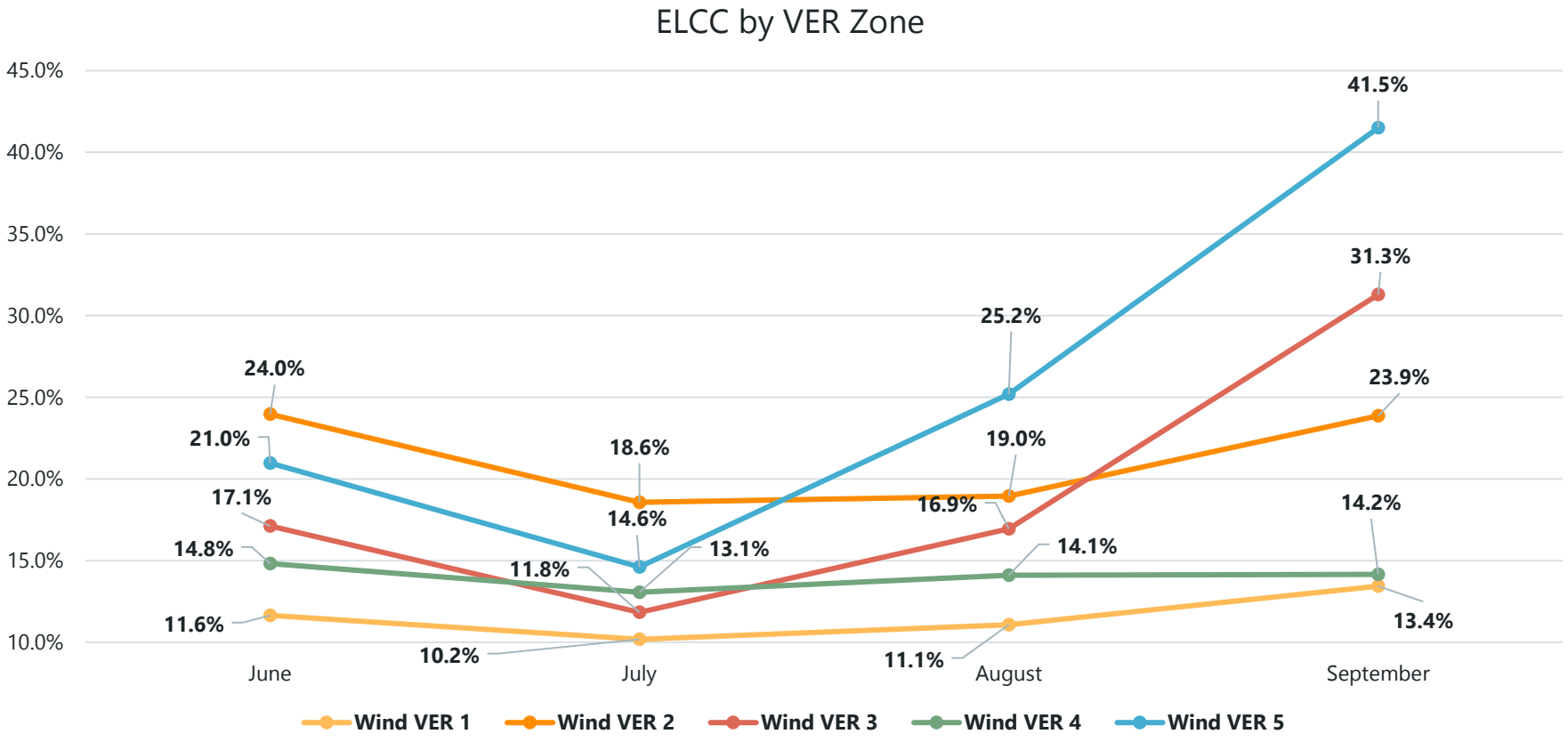
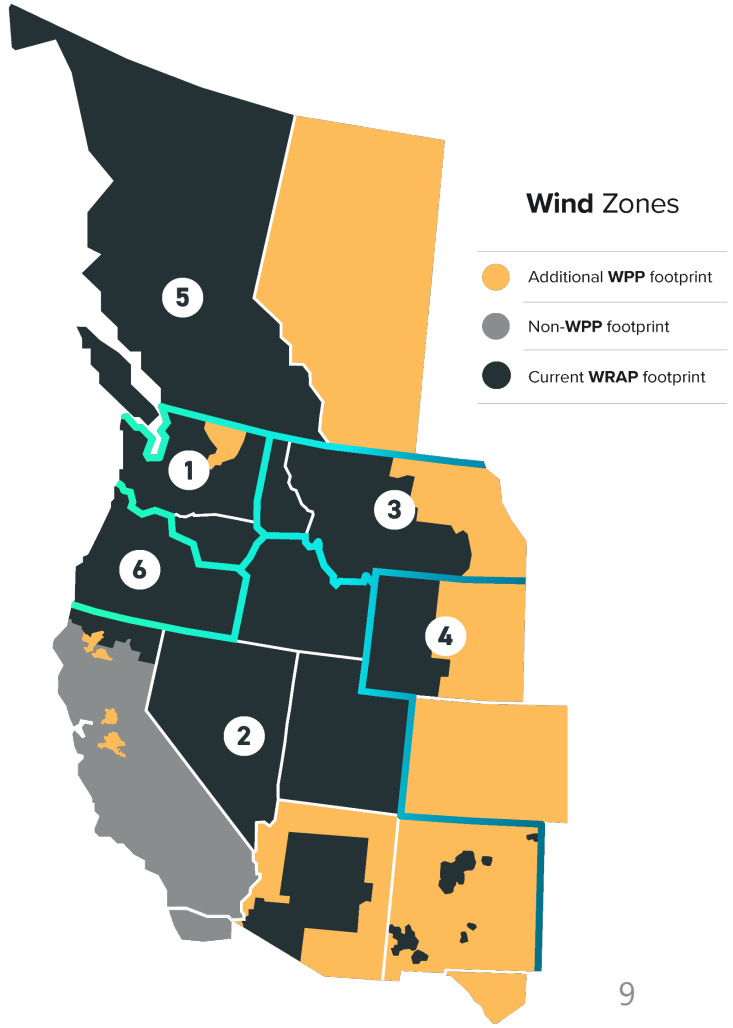
Wind ELCC - Summer





WRAP
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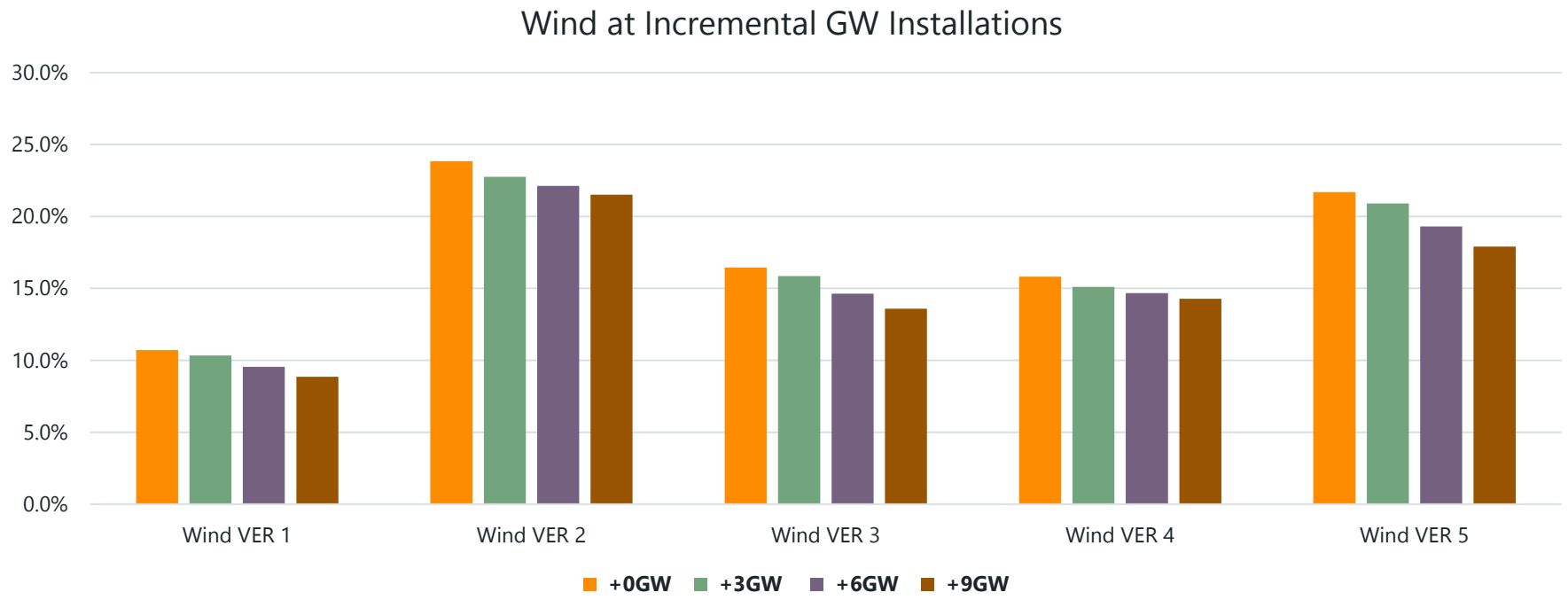
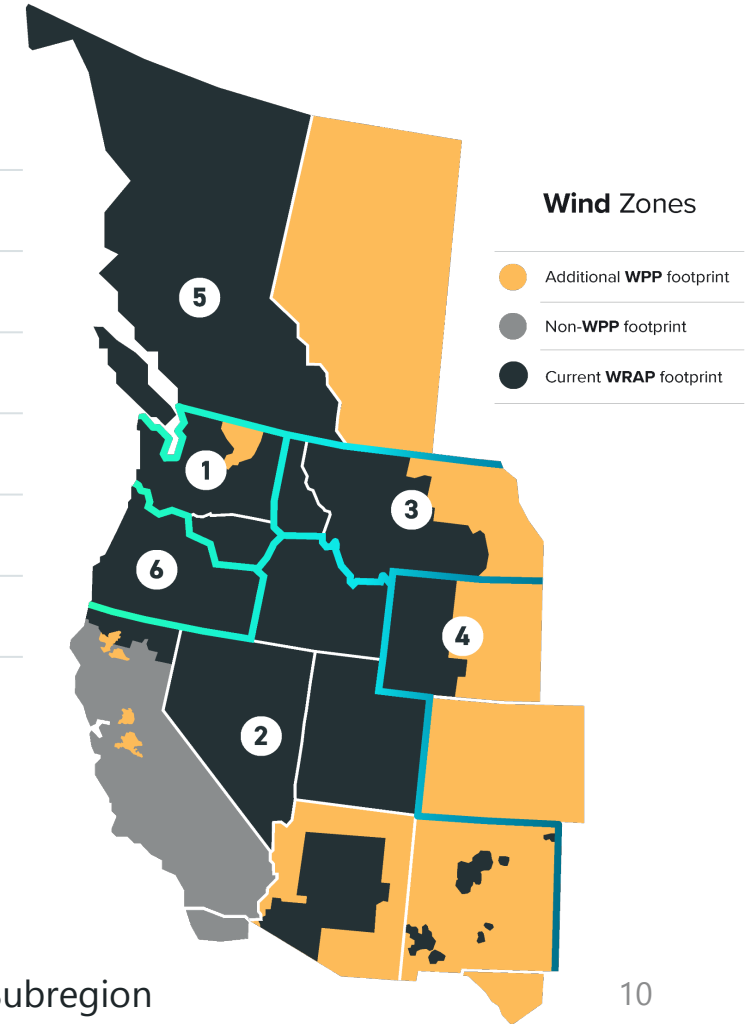
Wind ELCC

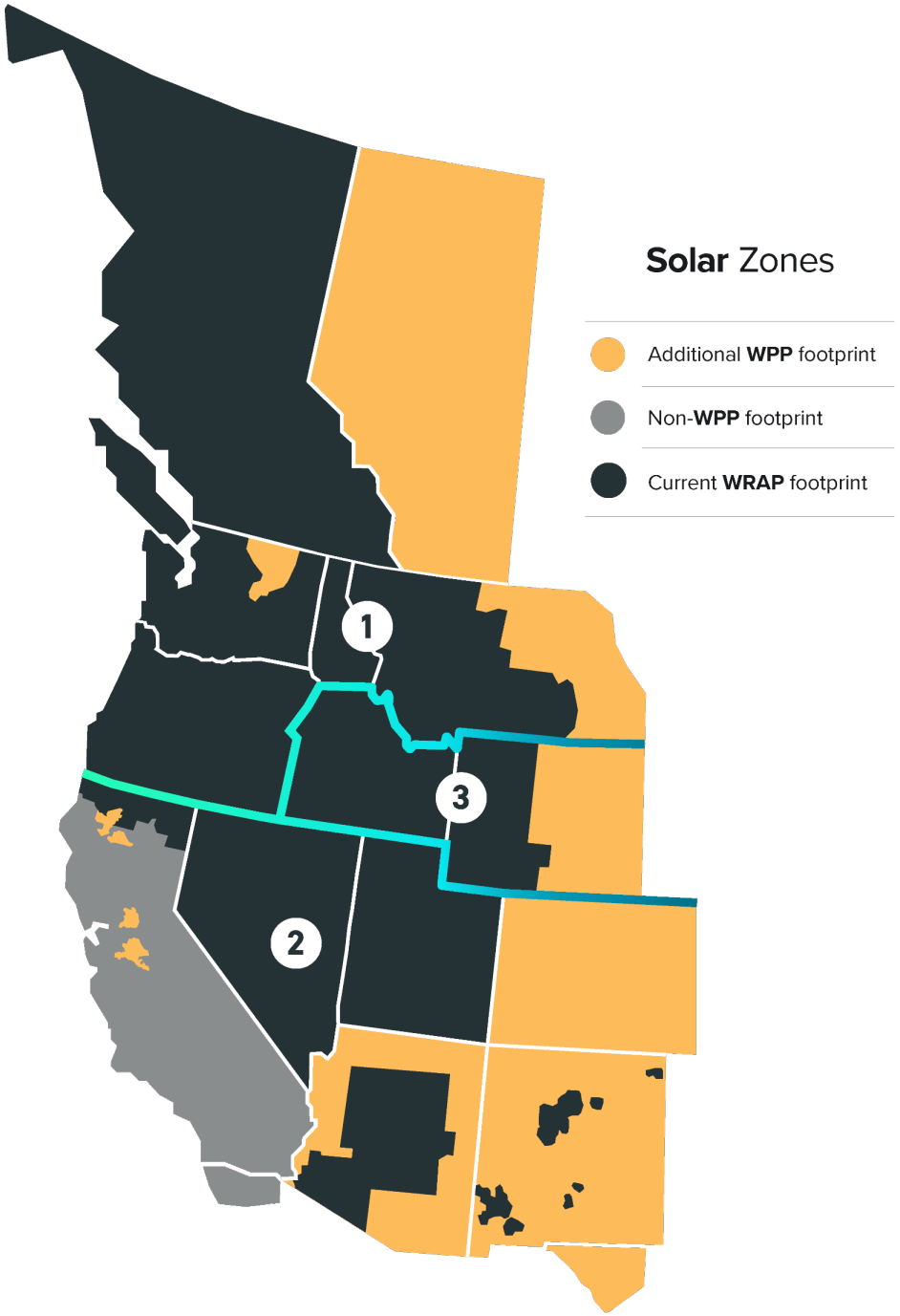
Wind at Incremental GW Installations





+3, +6, and +9 GW added to both SWEDE and MidC, split between VER Zones in that Subregion

SOLAR ZONES



Zone	Nameplate Capacity (MW)
Solar VER1	**2,054**
Solar VER2	**14,974**
Solar VER3	**1,469**
Total	**18,497**

WRAP
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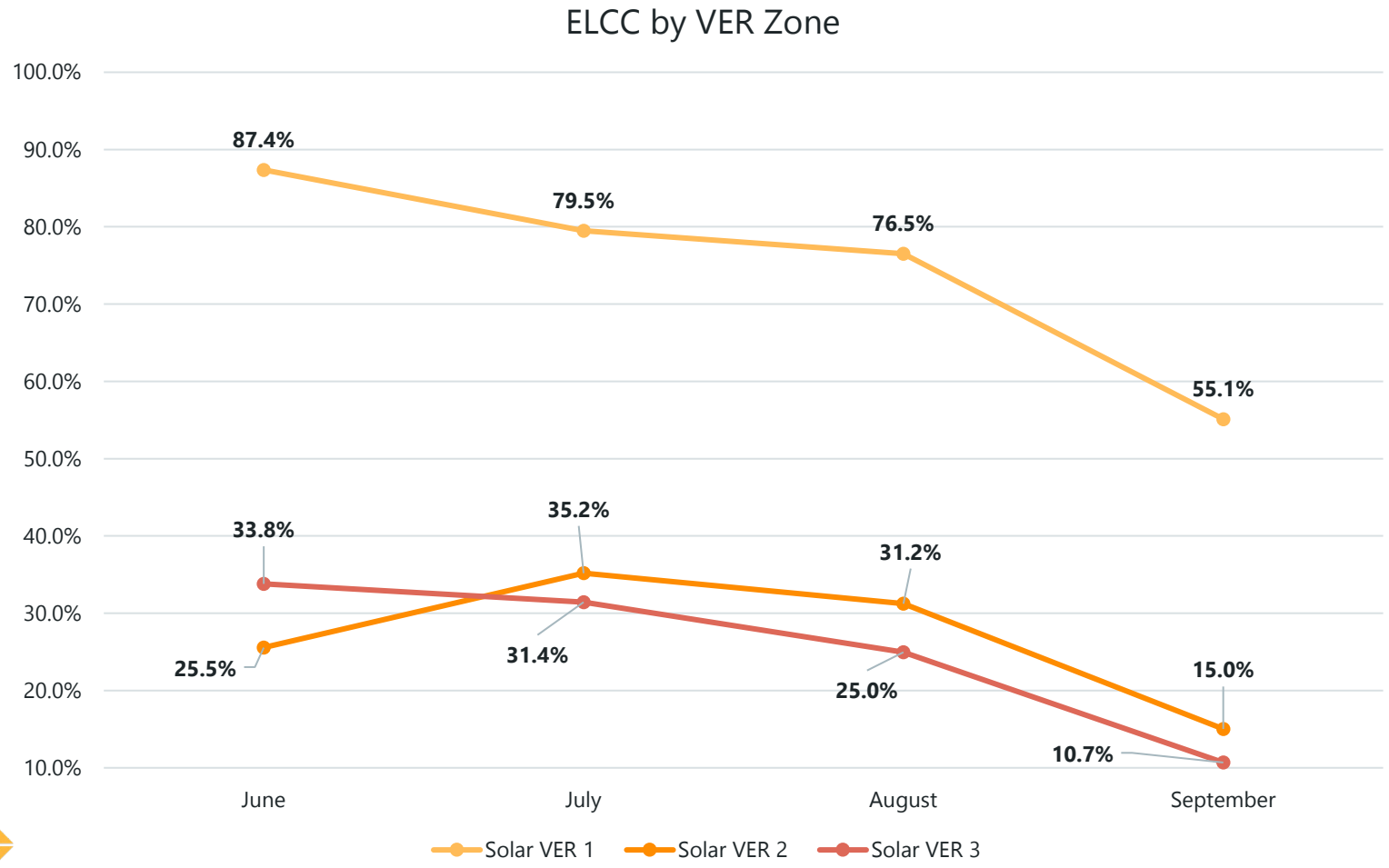
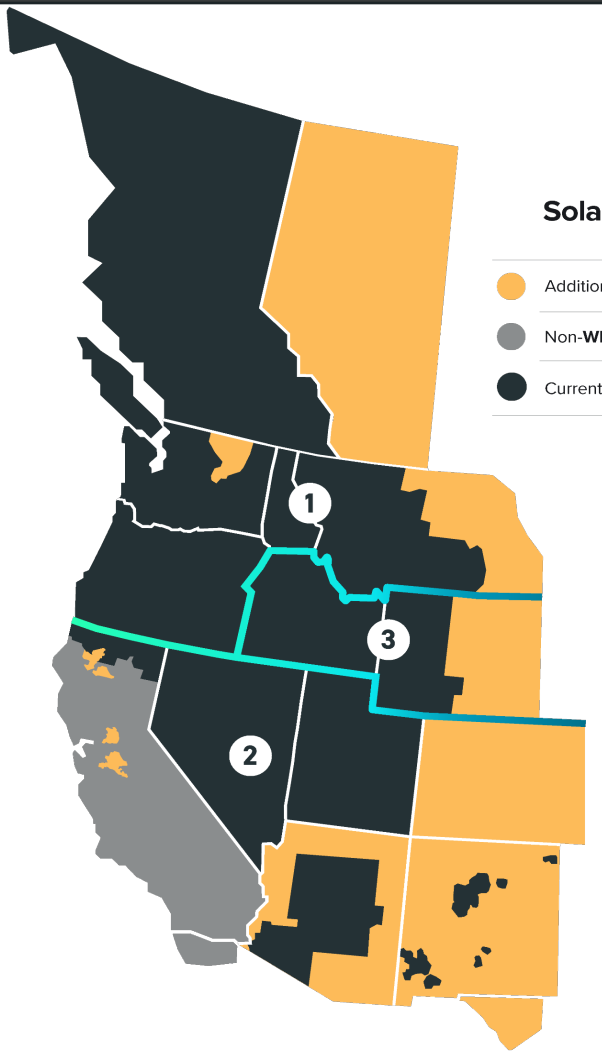
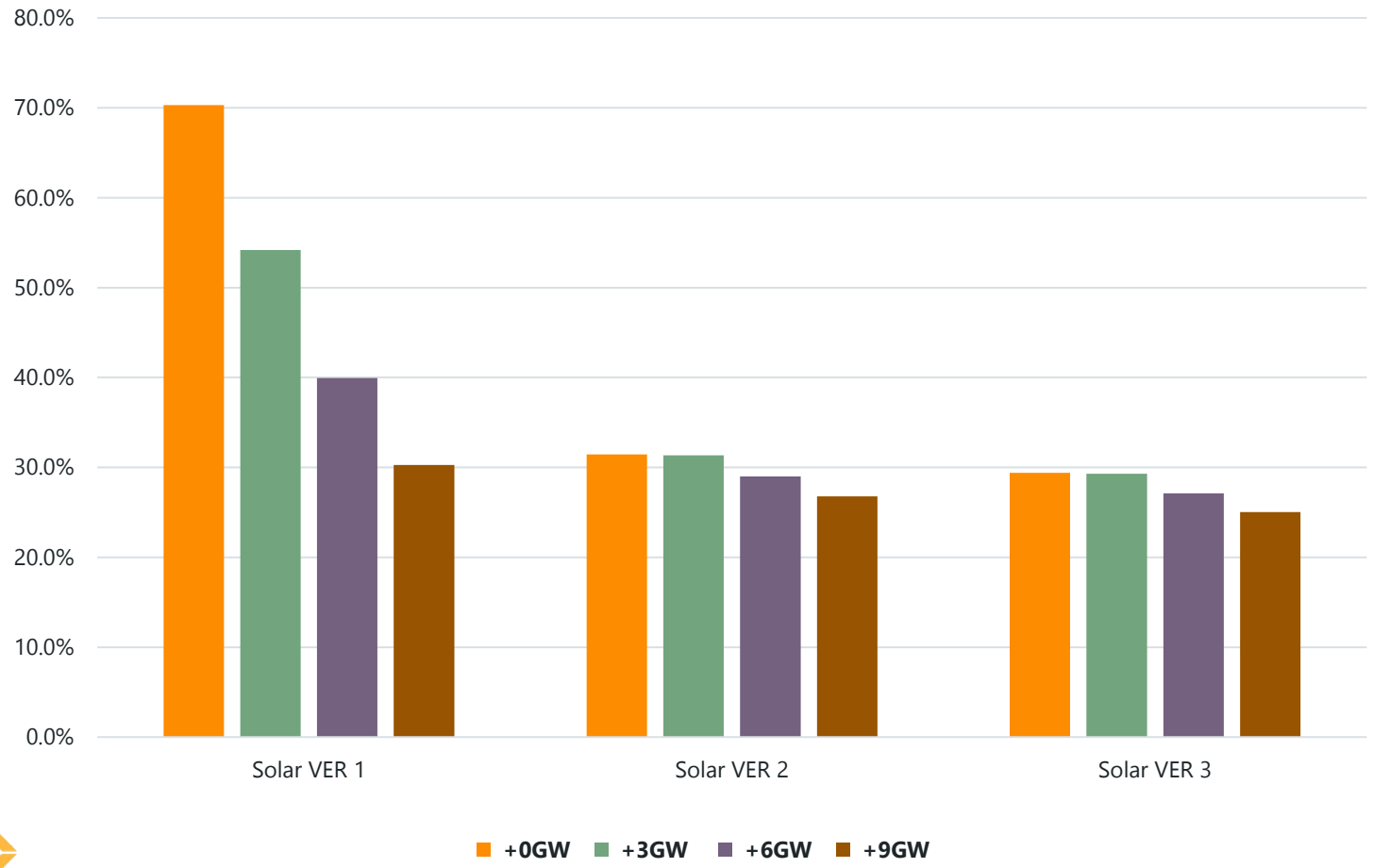
Solar ELCC - Summer

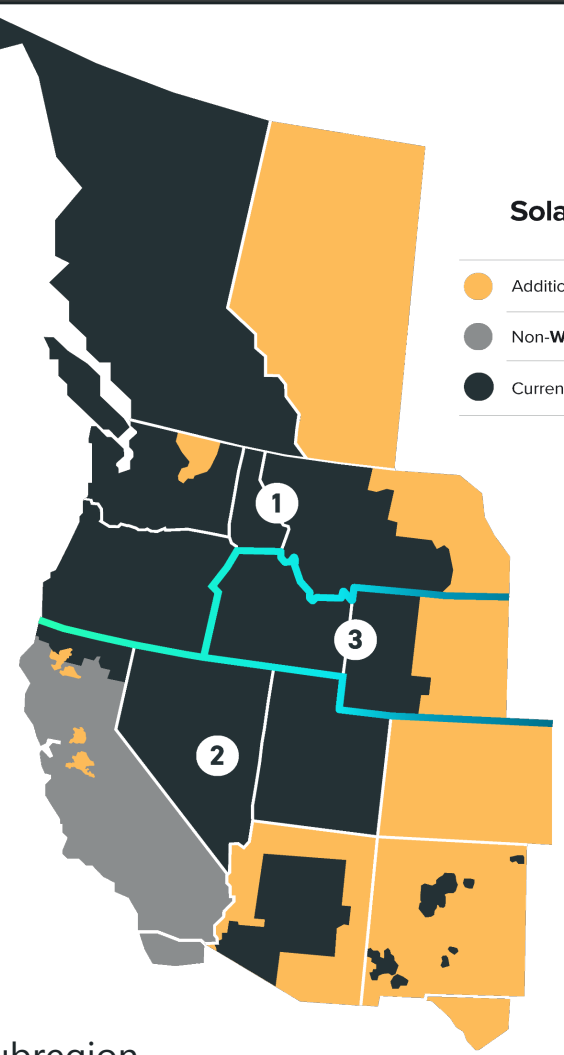




Solar ELCC

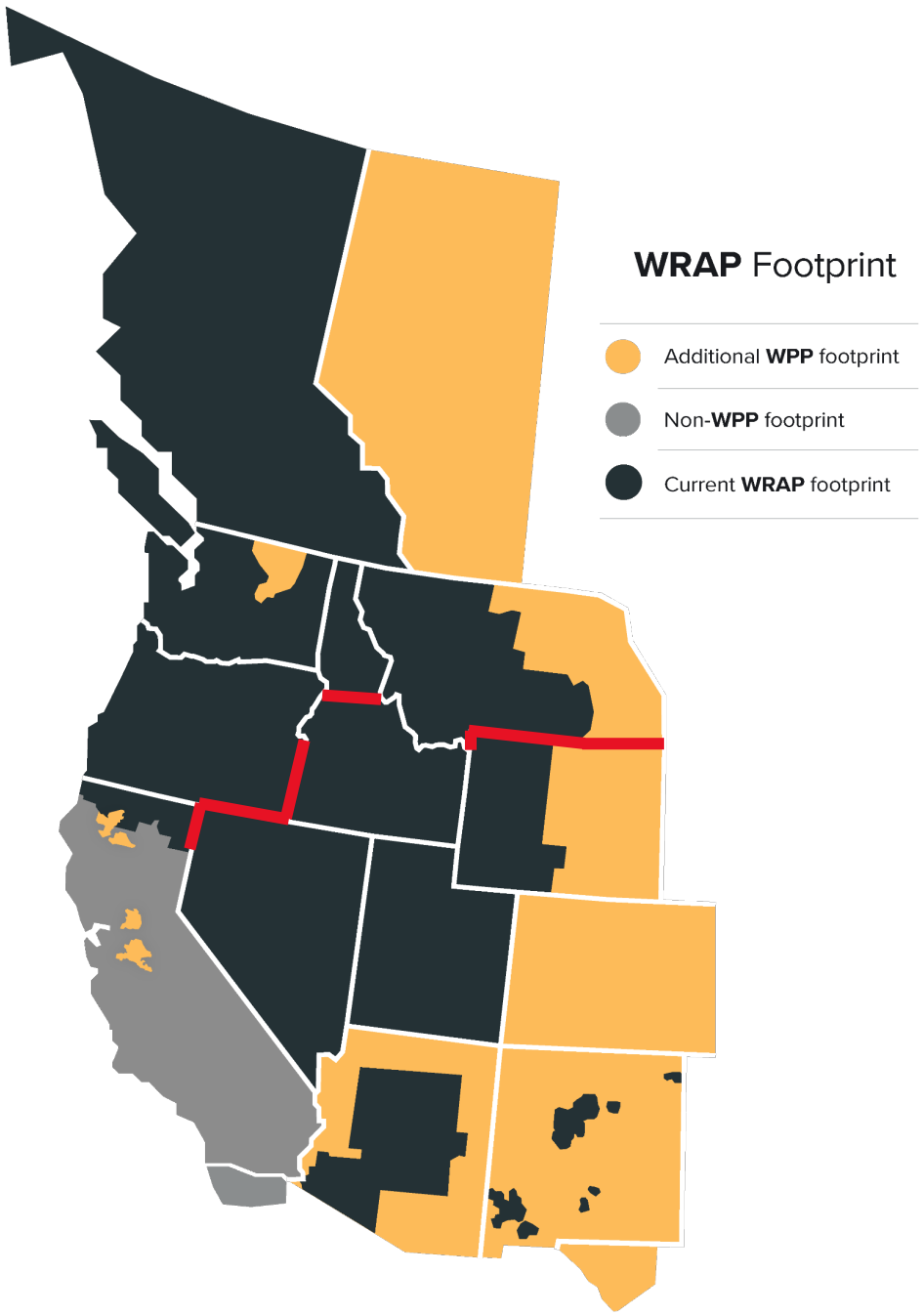
Solar at Incremental GW Installations





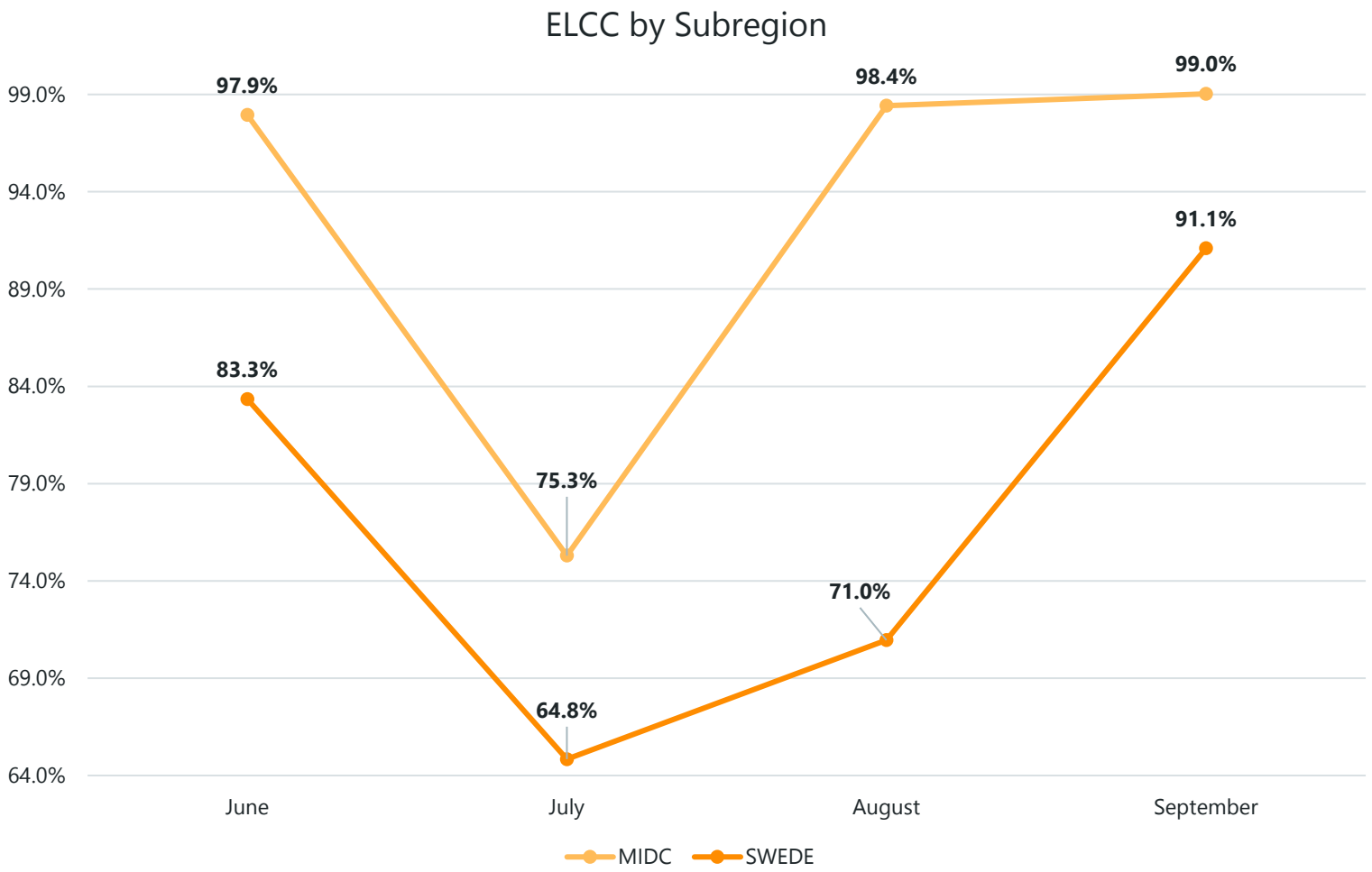
+3, +6, and +9 GW added to both SWEDE and MIDC, split between VER Zones in that Subregion

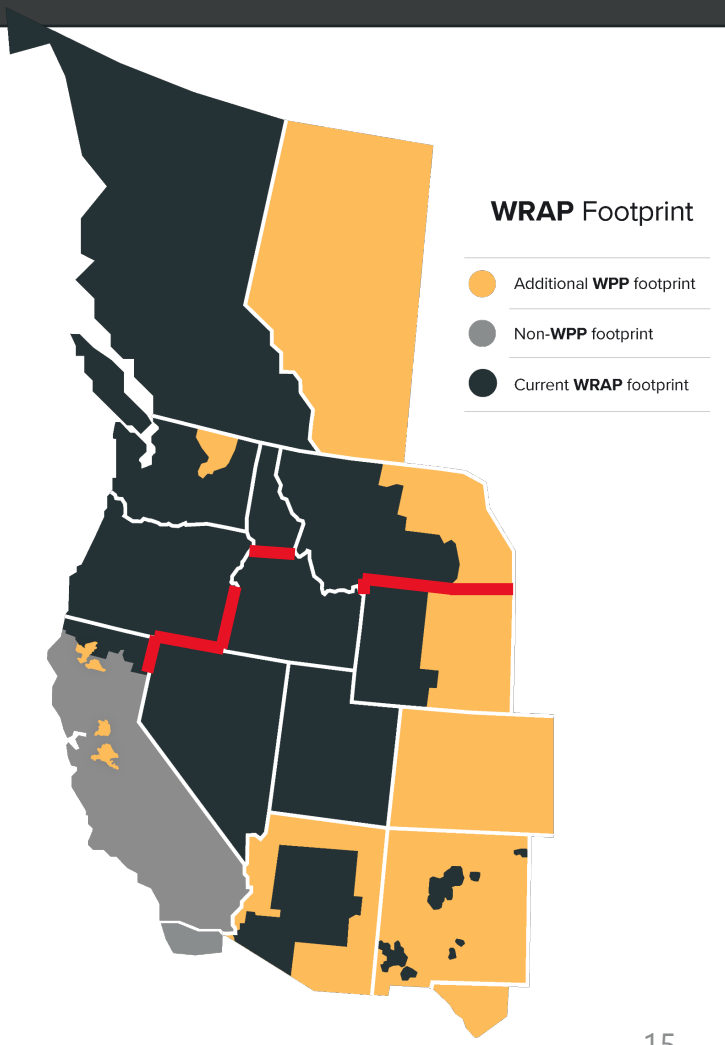
Energy Storage Resource (ESR) Zones



Subregion	Nameplate Capacity (MW)
MIDC	**858**
SWEDE	**11,484**
Total	**12,342**

ESR ELCC - Summer





WRAP
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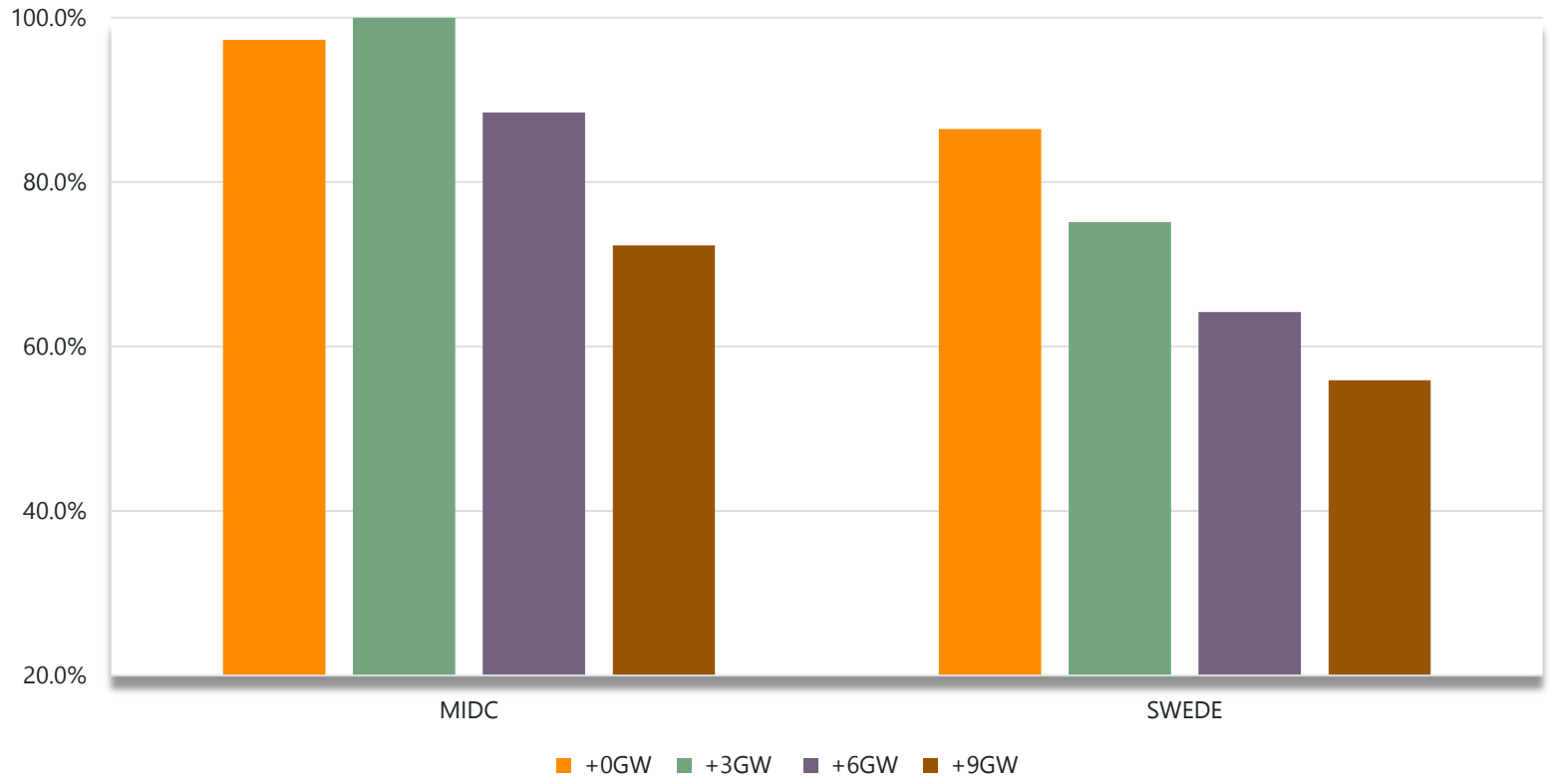
ESR ELCC

ESR at Incremental GW Installations



WRAP
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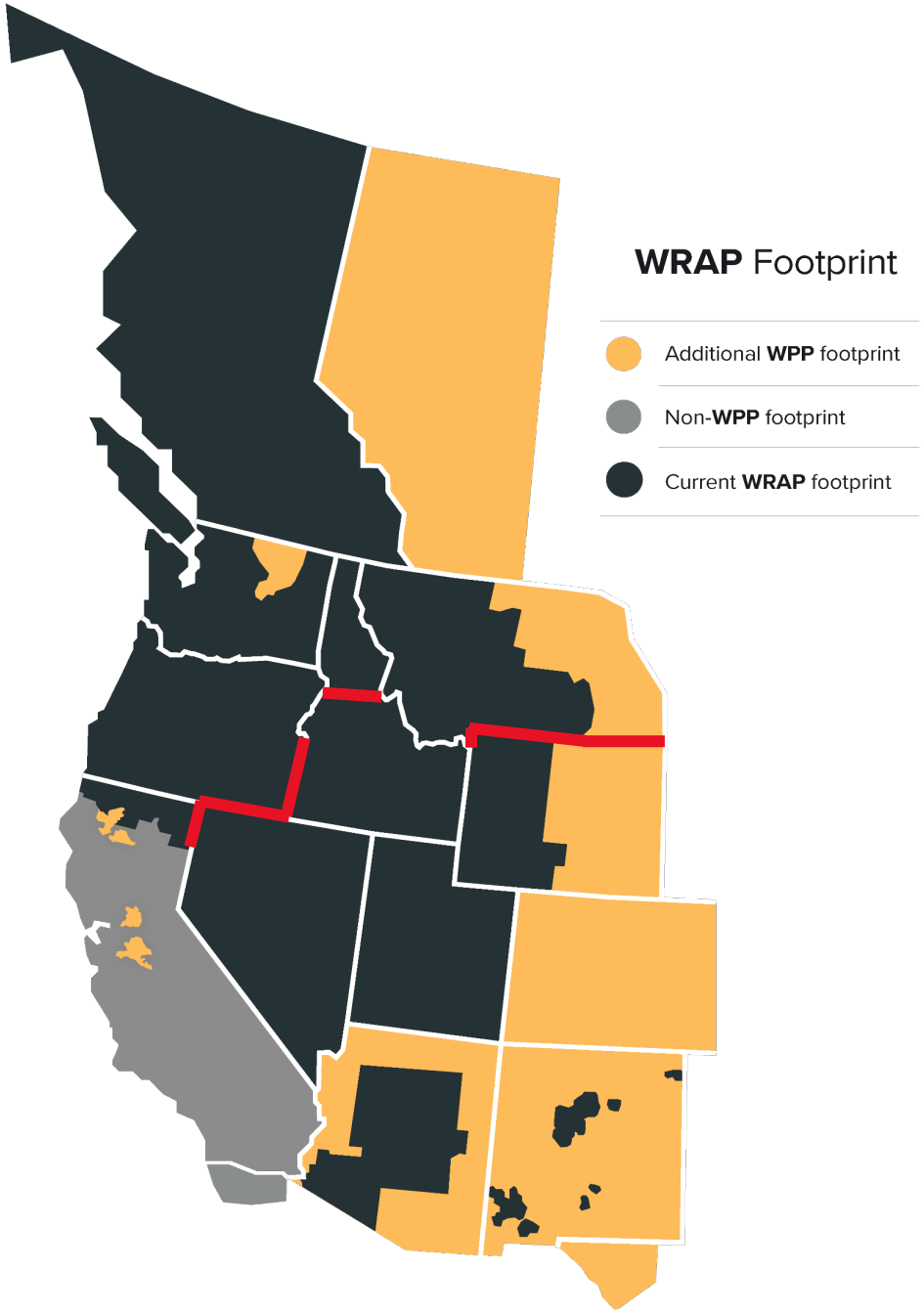
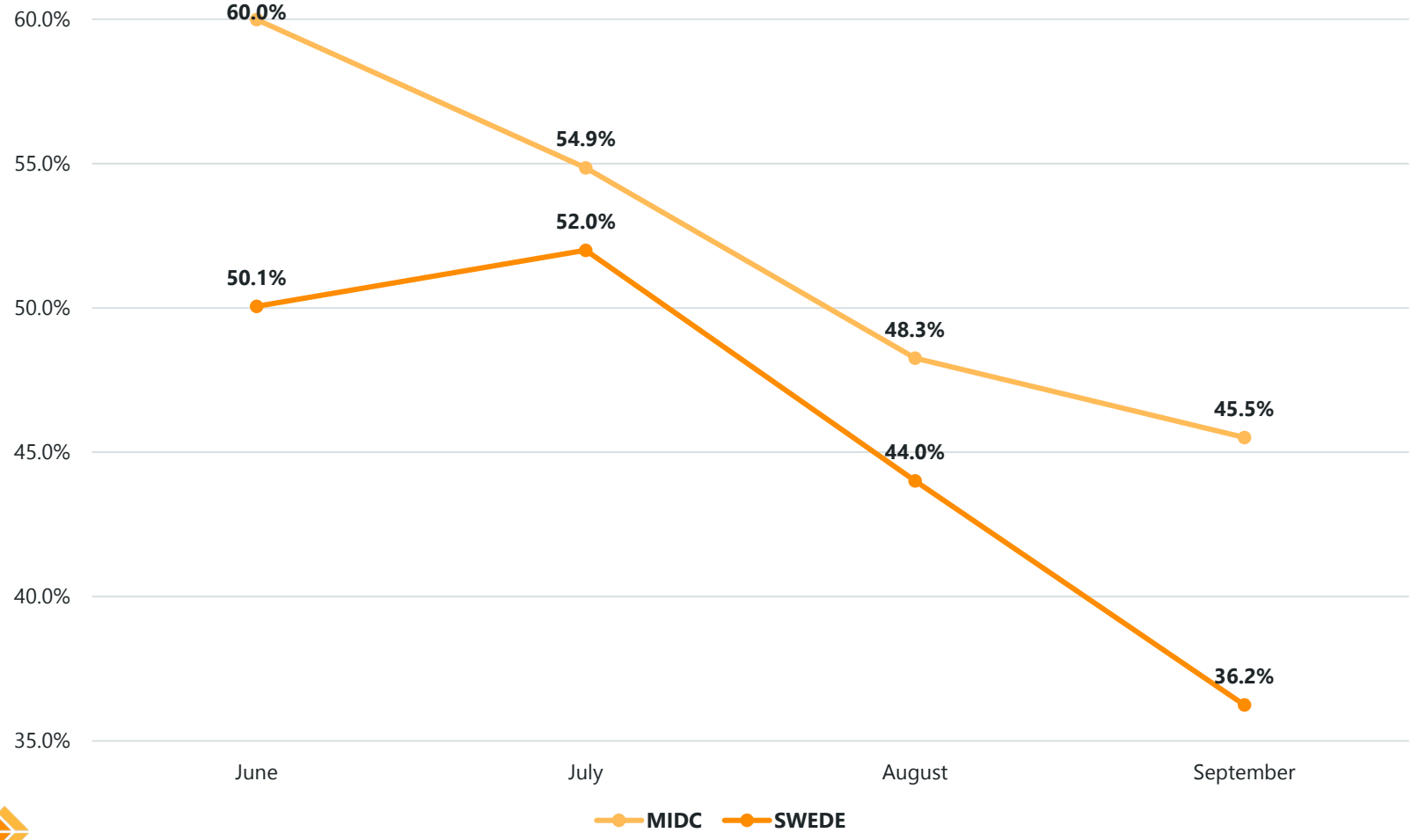
+3, +6, and +9 GW added to both SWEDE and MidC Subregions

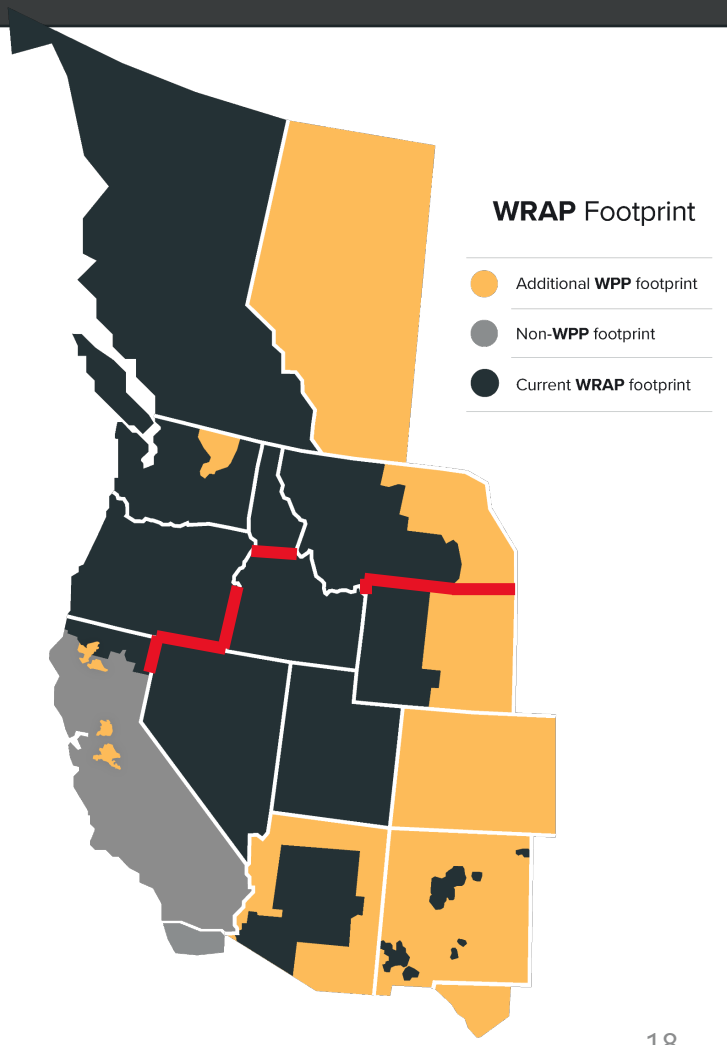
Run of River (RoR) Zones



Subregion	Nameplate Capacity (MW)
MidC	**3,835**
SWEDE	**1,039**
Total	**4,874**

RoR QCC - Summer





WRAP
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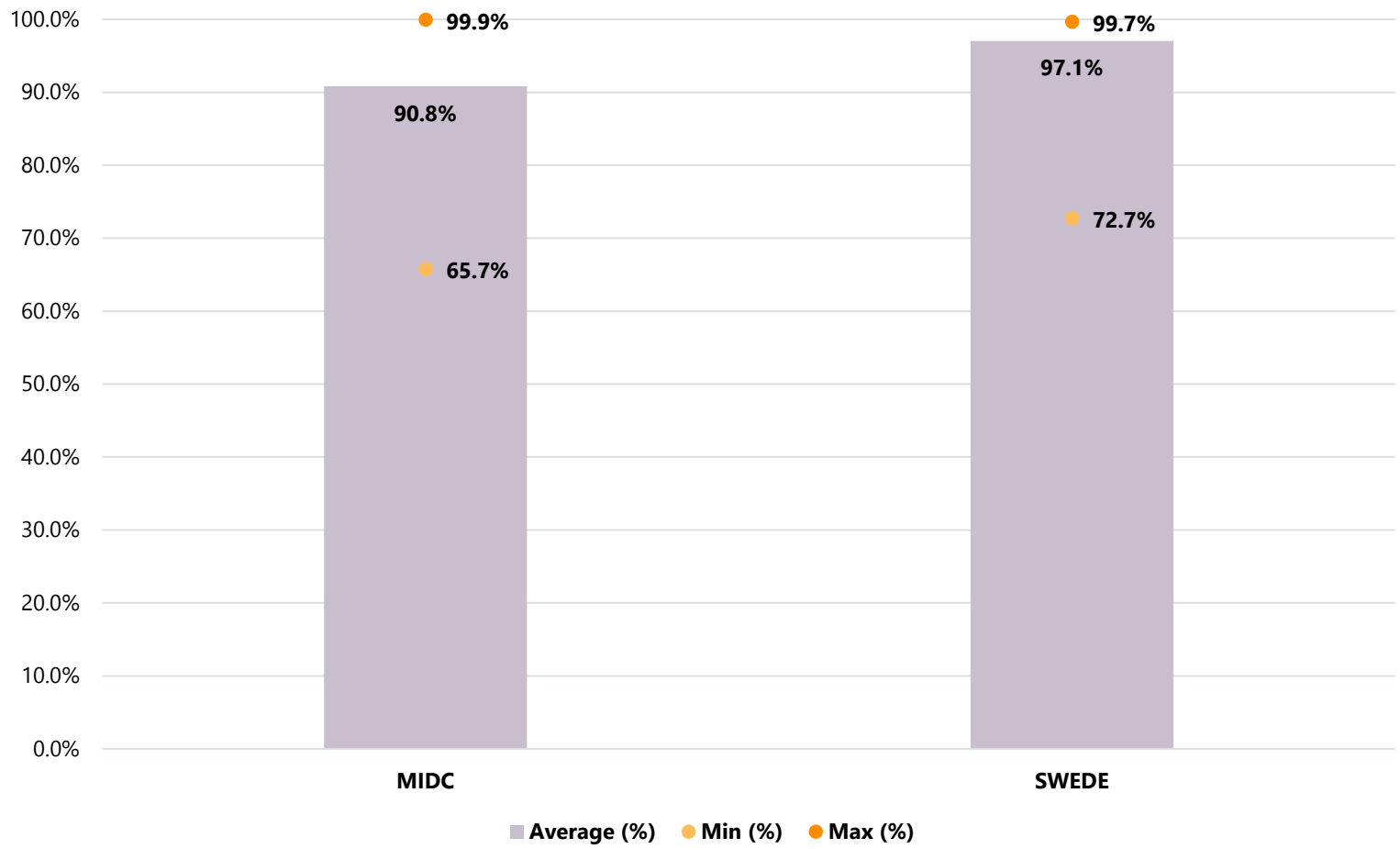
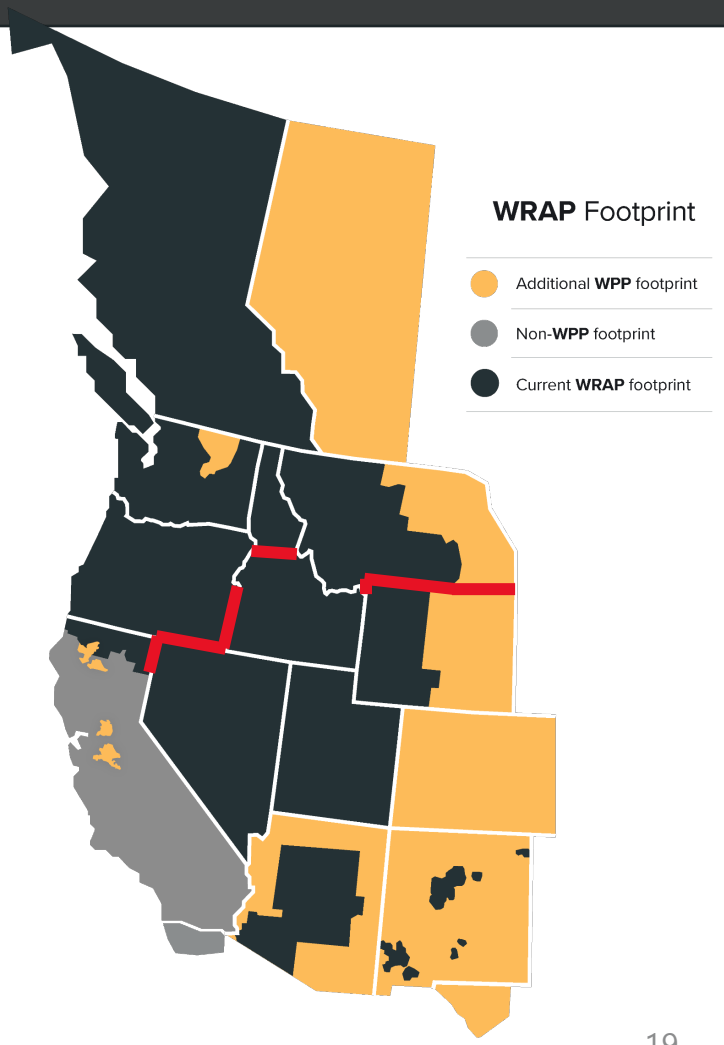
THERMAL QCC





WRAP
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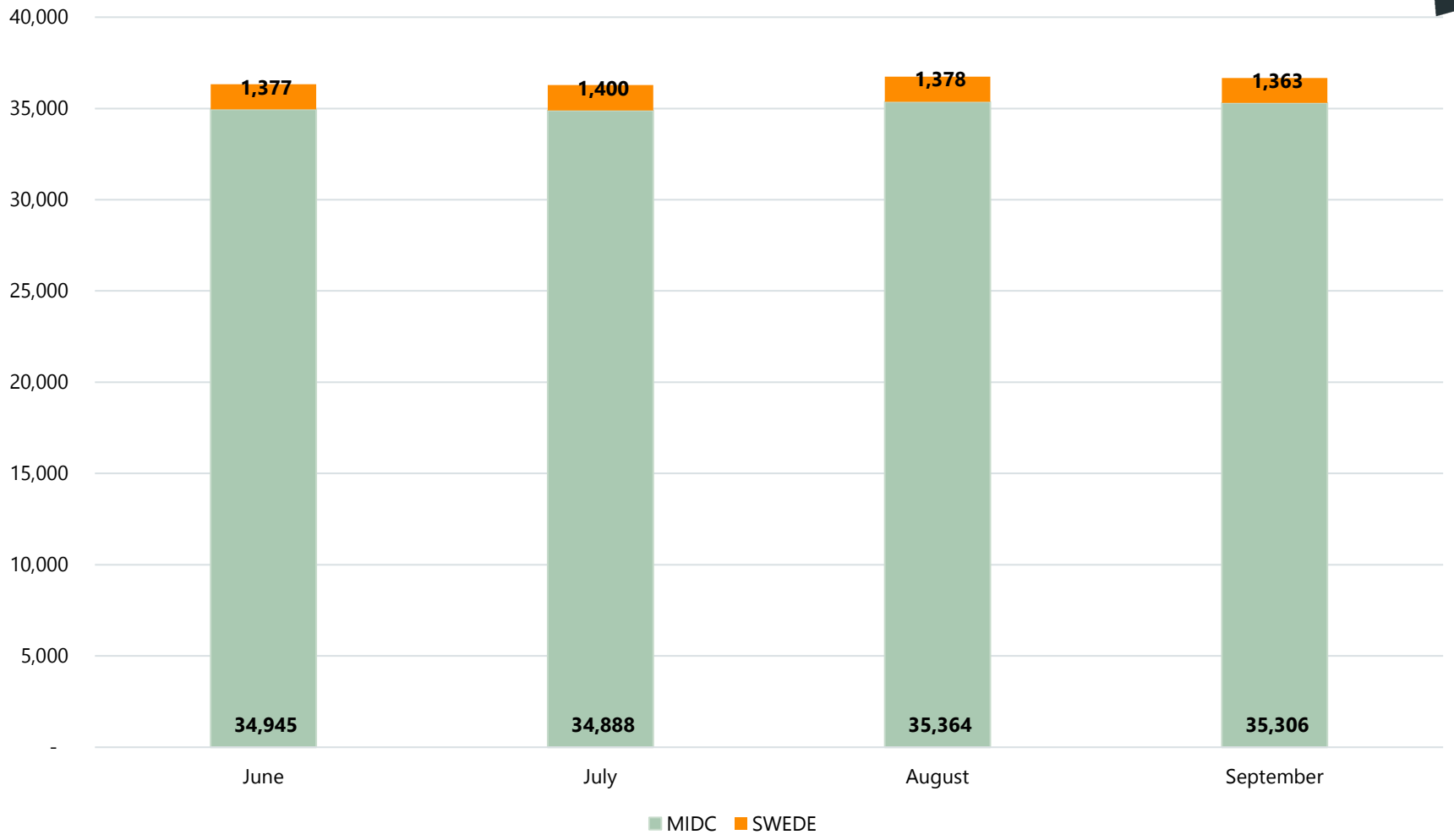
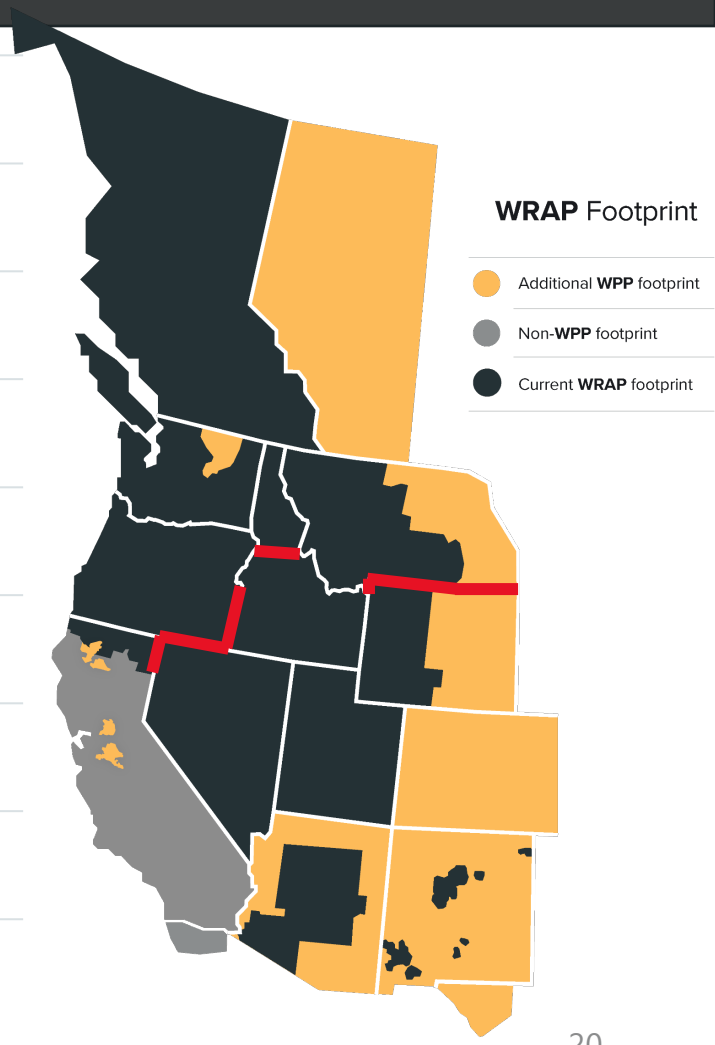
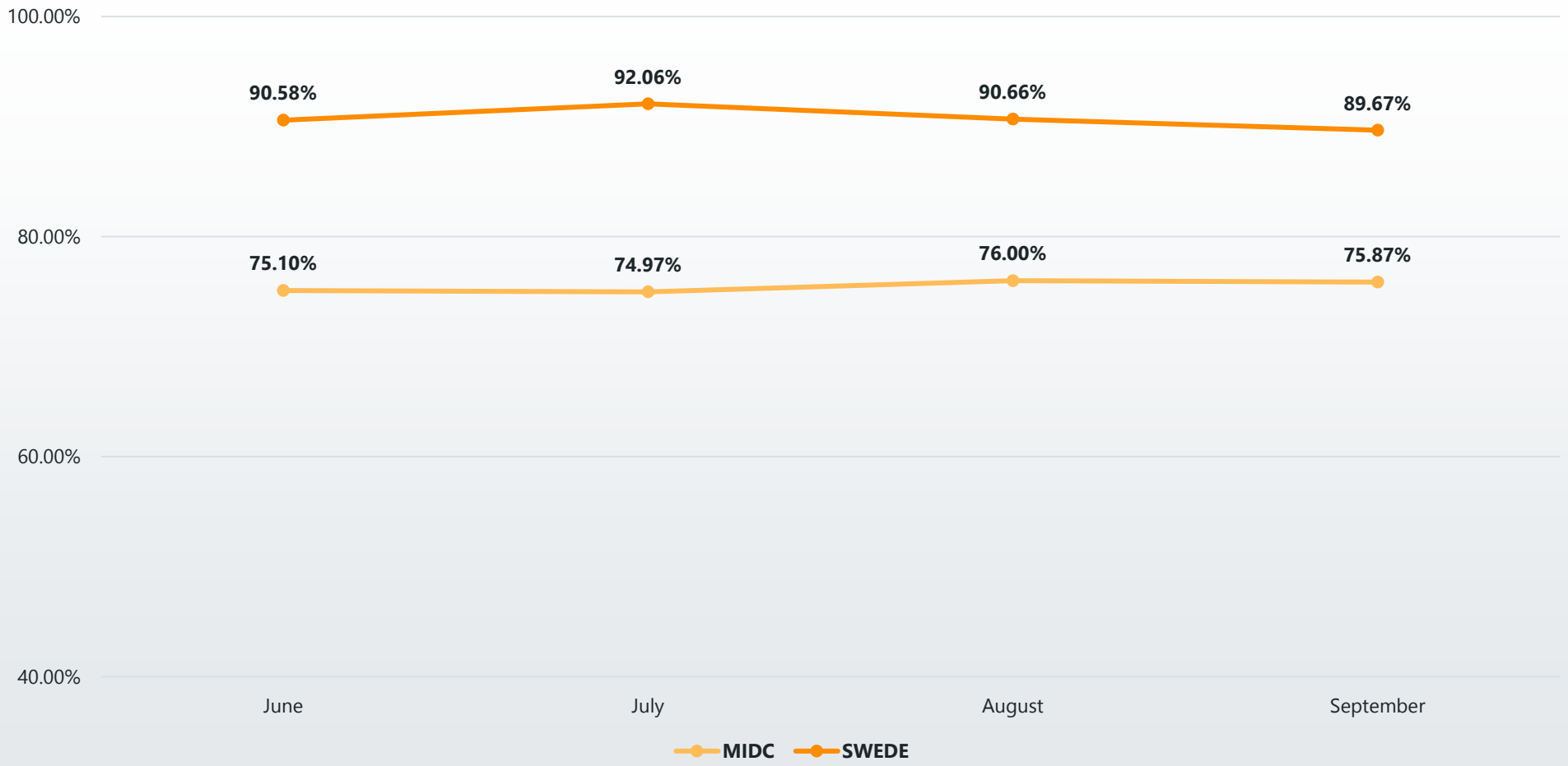
Storage Hydro QCC MW



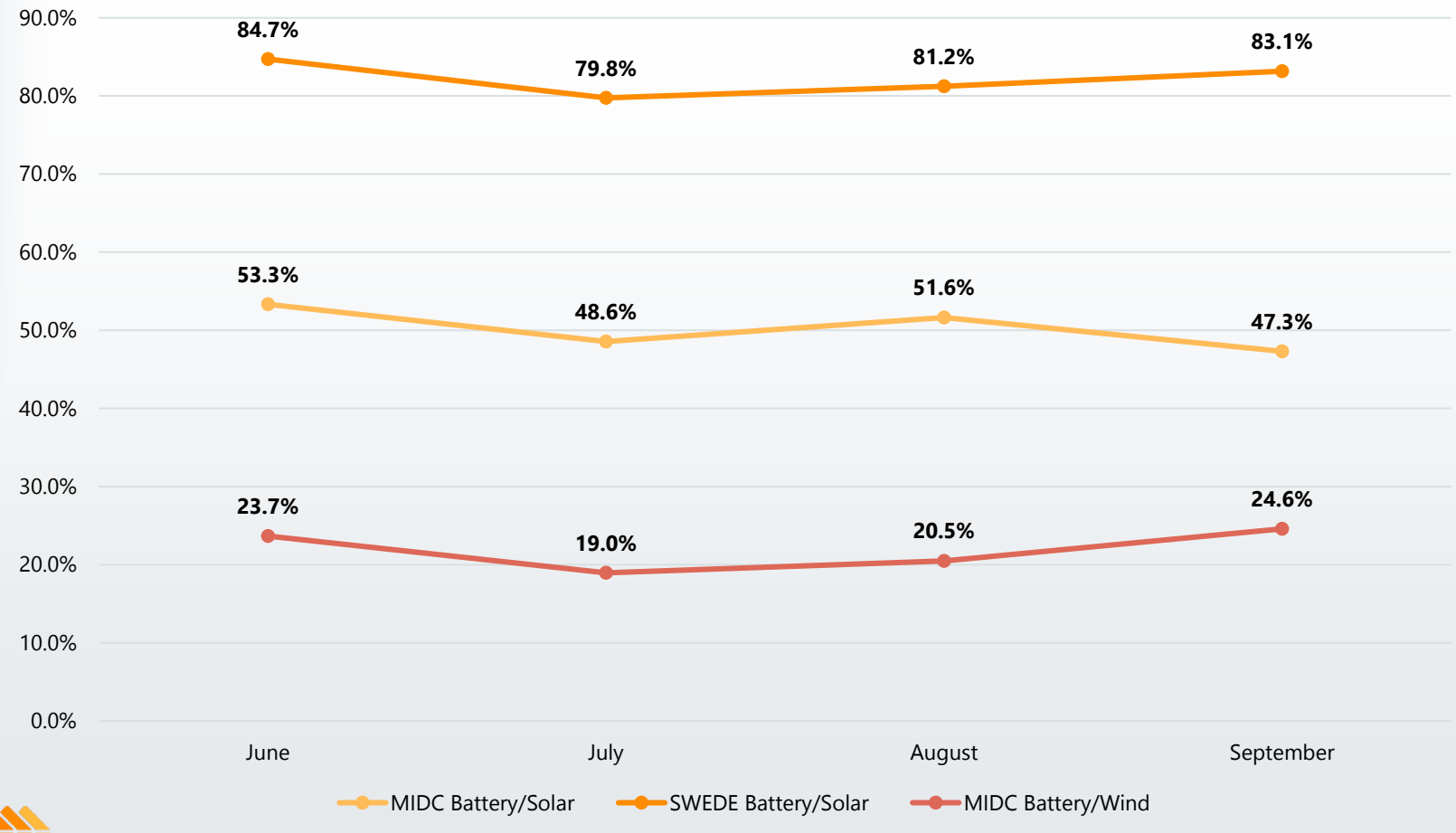


WRAP
POWERED BY WPP

AVERAGE STORAGE HYDRO QCC



Hybrid Resource QCC



Number of installed pairings

	MIDC	SWEDE
Battery/ Solar	4	62
Battery/ Wind	1	0

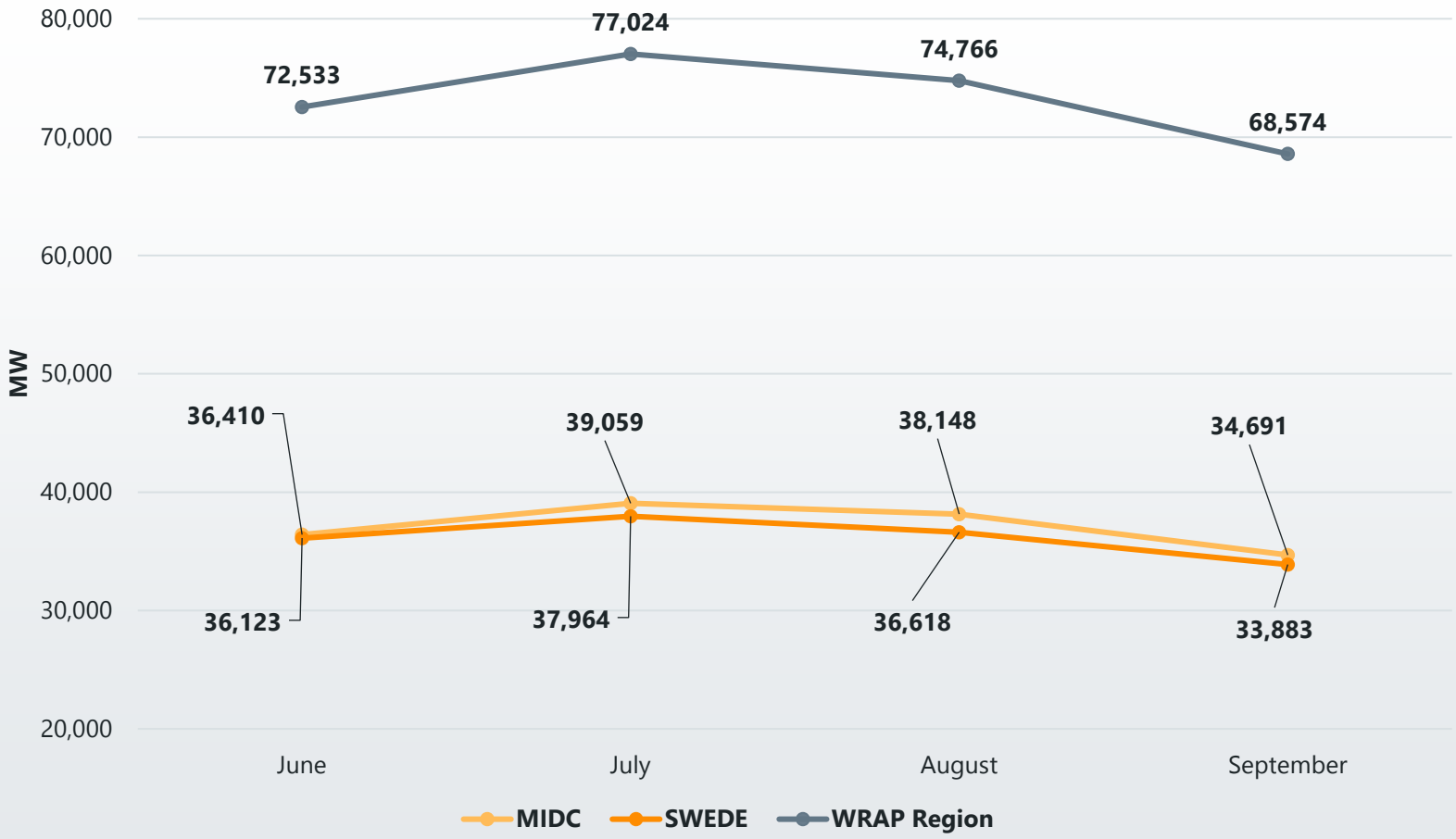
PRM Considerations

PRM Methodology

- Maintain 0.1 LOLE across the season
- Minimum of 0.01 LOLE in each individual month
- NCP load for a given month a significant factor in calculation of PRM (lower load months will have higher PRM value)
- PRM calculation includes 500 MW of diversity sharing between Subregions **benefitting SW in Summer** *(NW in Winter)*

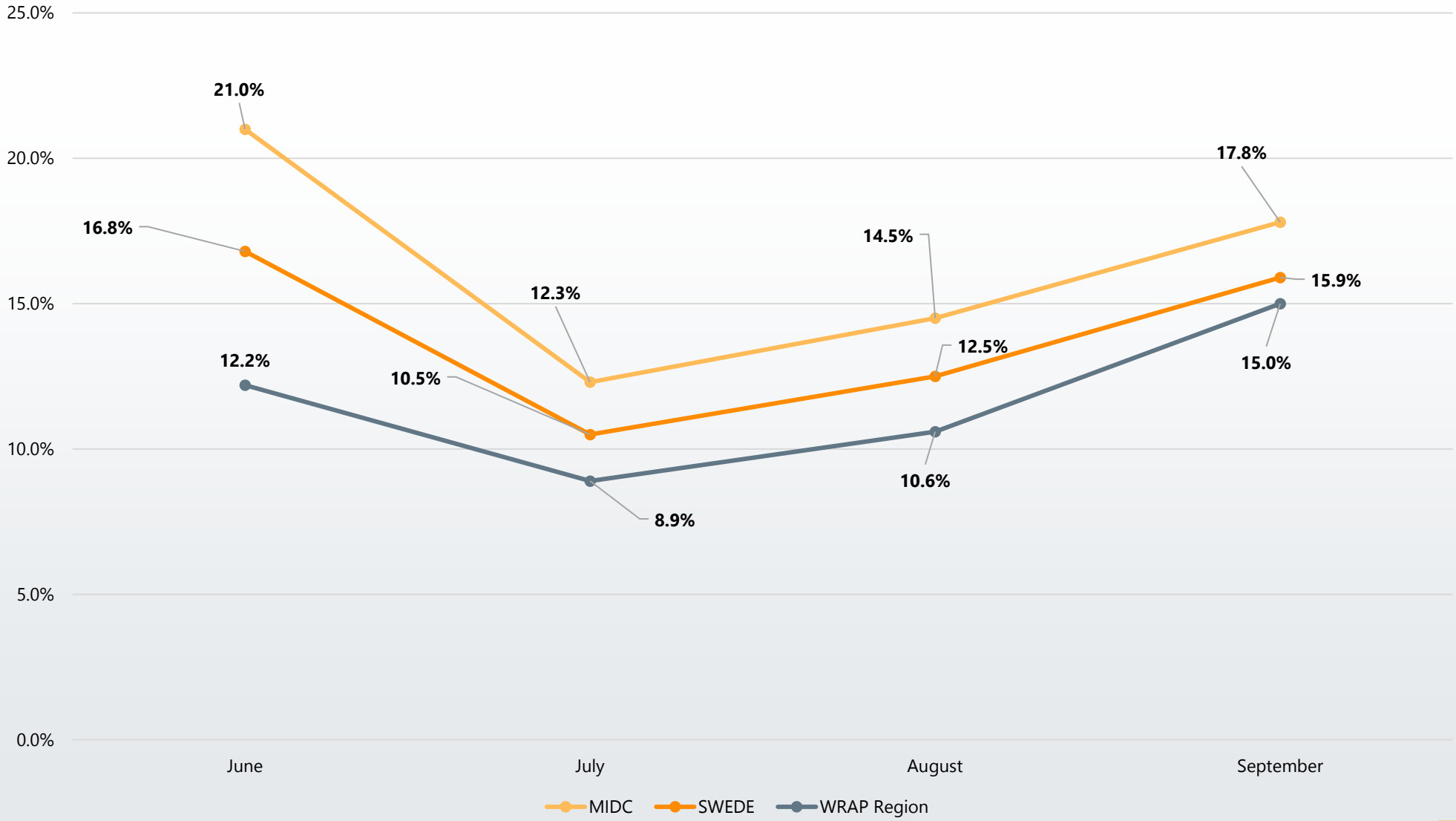
WRAP
POWERED BY WPP

Peak Load



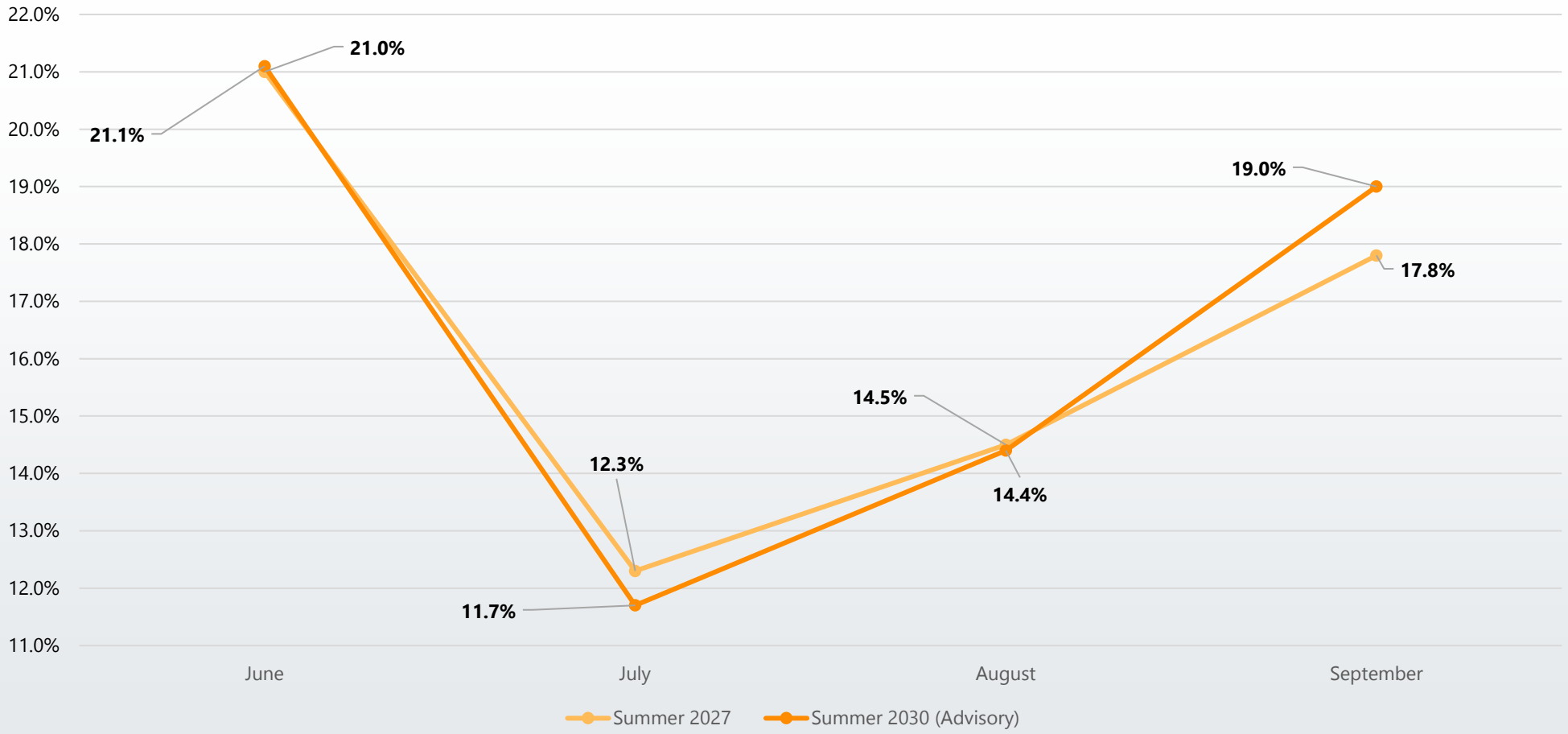
MIDC data labels are above the line, SWEDE data labels are below the line

PRM – Summer 2027



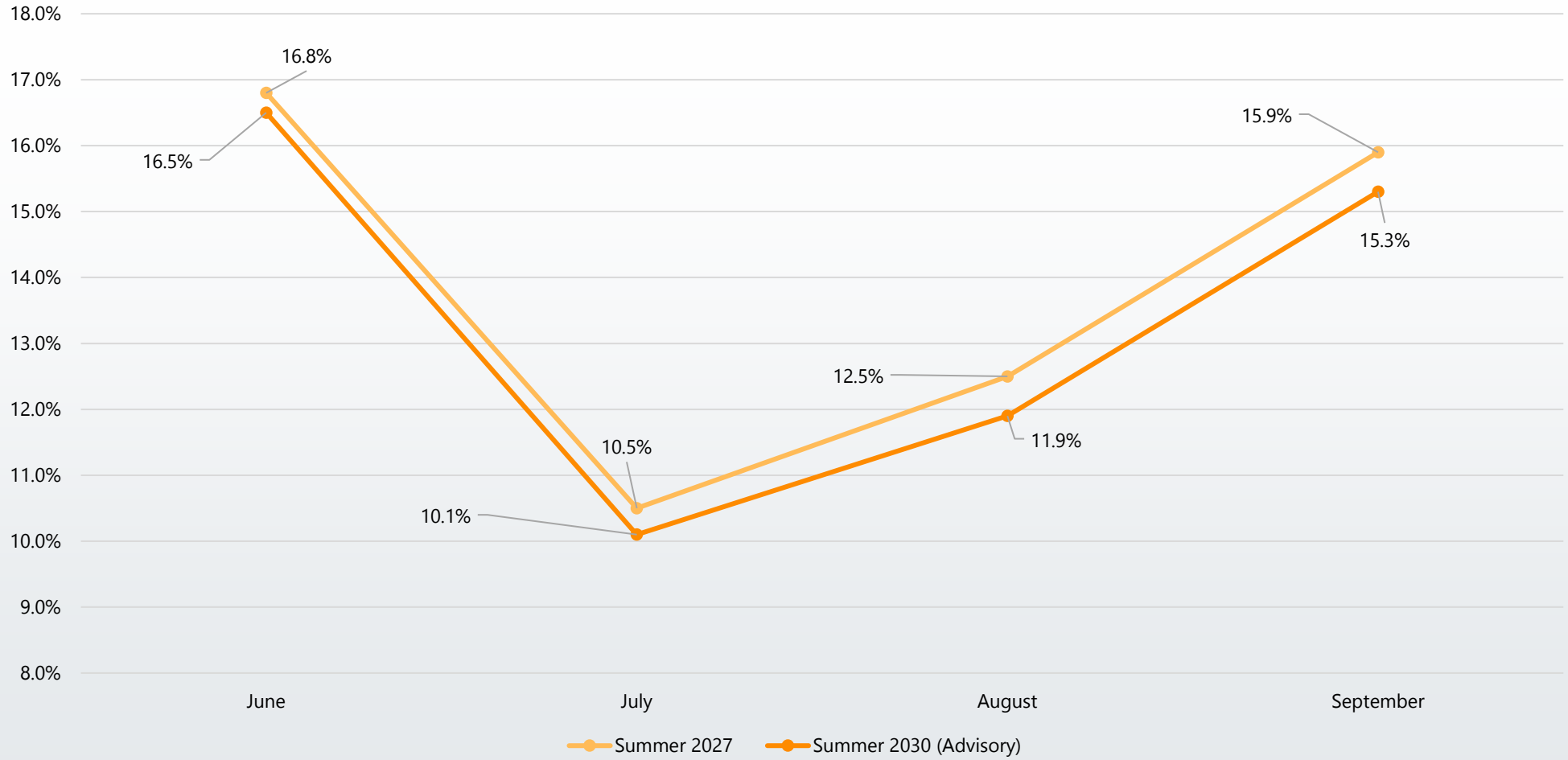
PRM – MIDC SUMMER

2027 AND 2030



PRM – SWEDE SUMMER

2027 AND 2030

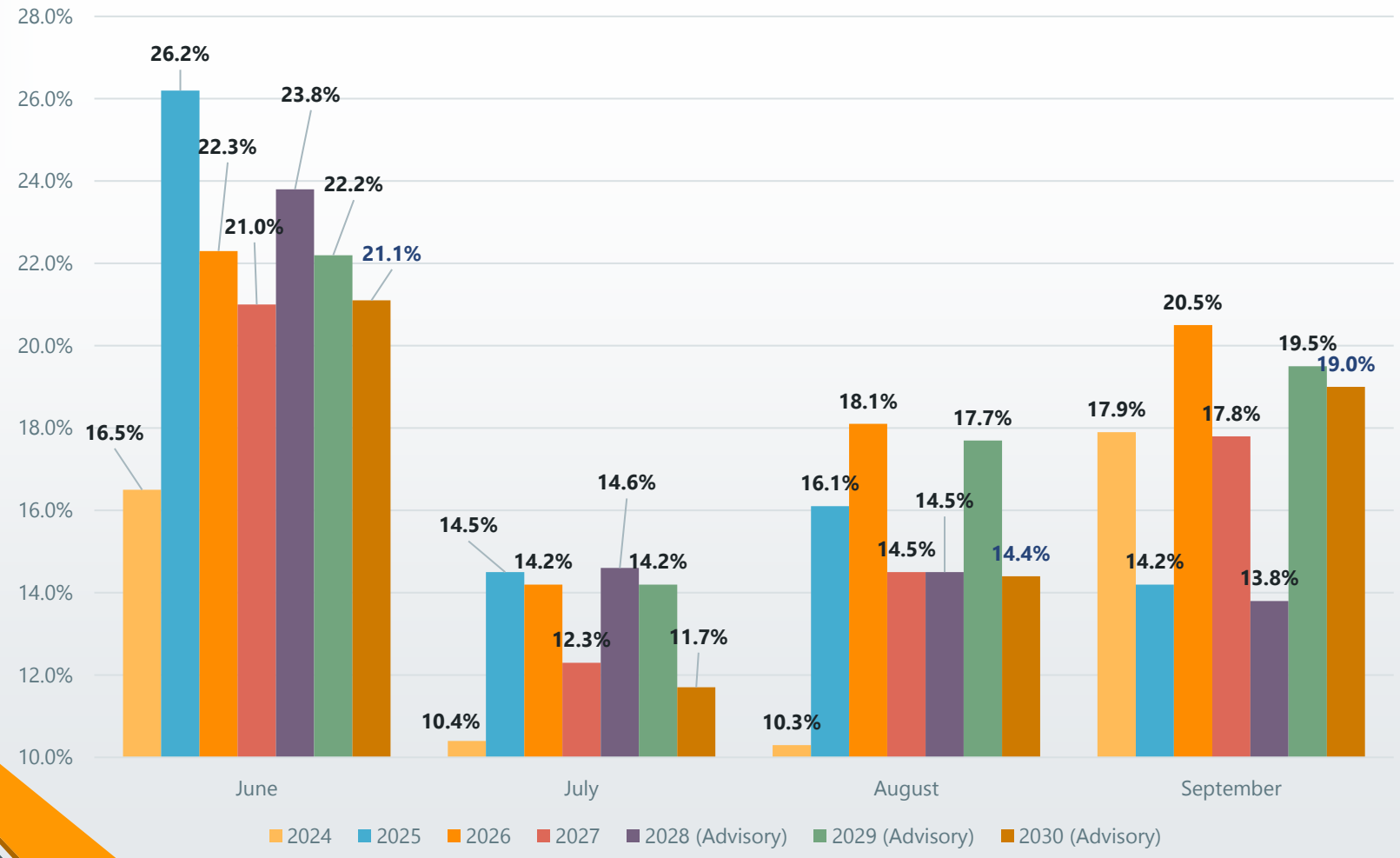


Thank You

For general inquiries: wrap@westernpowerpool.org

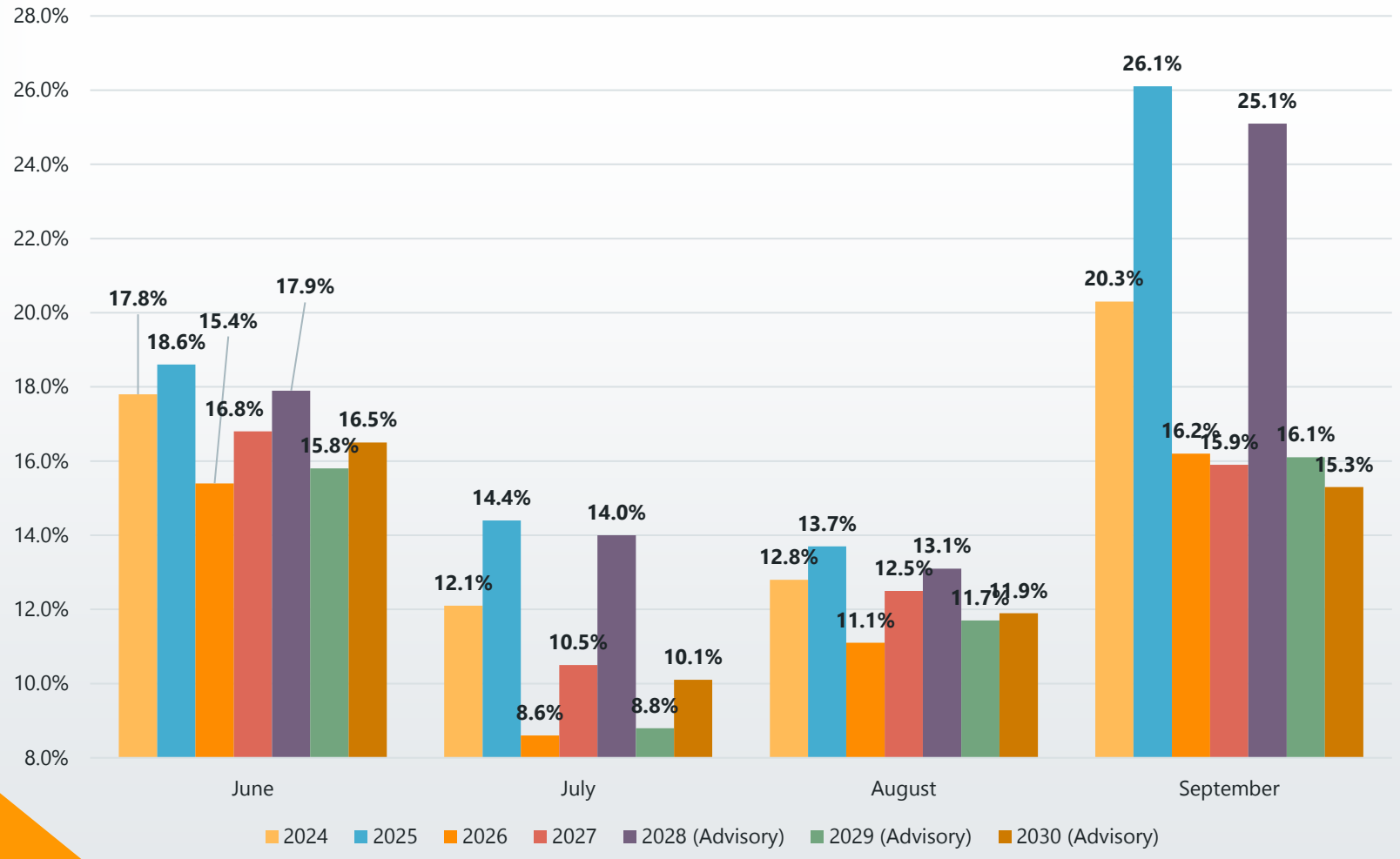
PRM from Additional Summer Seasons

PRMs – MidC Subregion



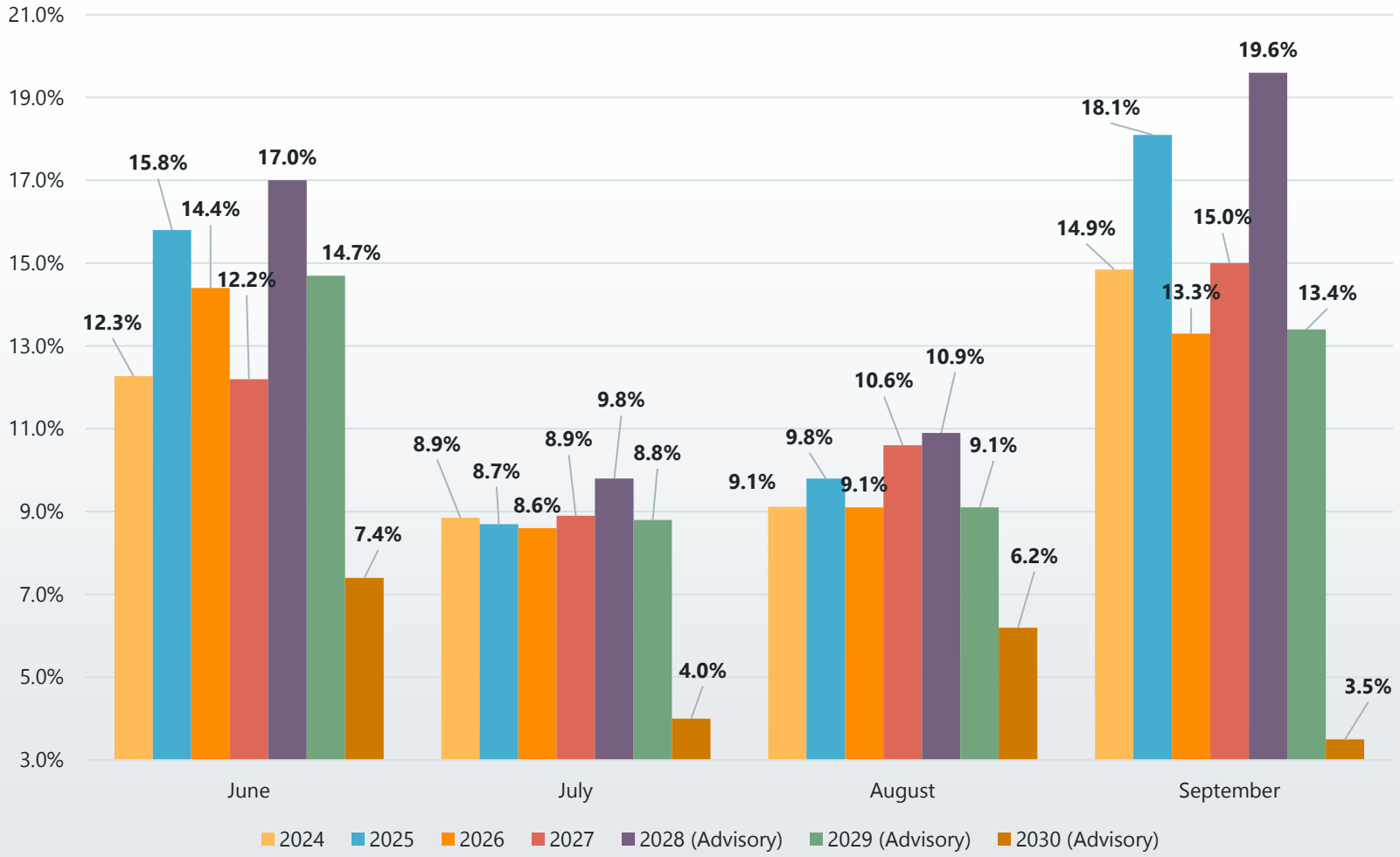
2024 study was done in 2022 with a slightly different footprint and different methodology

PRMs – SWEDE Subregion



- 2024 study was done in 2022 with a slightly different footprint and different methodology
- 2026, 2027, 2029 advisory and 2030 advisory included 500MW of assumed diversity sharing

PRMs – WRAP Region



2024 study was done in 2022 with a slightly different footprint and different methodology

WESTERN RESOURCE ADEQUACY PROGRAM

December 10th, 2025

Board Consideration of CAISO Firm Tx Task Force Proposal

Proposal Timeline

Task	Deadline
TF Proposal Final	9-Sep
PRC determine complete	17-Sep
Comment start	17-Sep
Comment end	17-Oct
Updates	n/a
COSR Comment start	24-Oct
RAPC discuss	16-Oct
COSR comment end	7-Nov
PRC approval	19-Nov
RAPC approval	20-Nov
COSR Opposition	1-Dec
Final to BOD (if not before)	2-Dec
BOD meeting	10-Dec

Legend
RAPC
PRC
BOD
WRAP

Received 3 supportive comments from BPA, SRP, APS with no suggested edits

WRAP
POWERED BY WPP

BACKGROUND

- Current WRAP Tariff requires FS Transmission to be "NERC Priority 6 or 7 firm point-to-point" or "network integration transmission service."
- CAISO's highest-priority product ("high-priority wheeling through") does not use NERC Priority labels.
  - Similarly, other RTOs/ISOs may not use NERC Priority labels.
- WRAP Tariff does not explicitly acknowledge CAISO's terminology, creating uncertainty for Participants relying on CAISO firm transmission.
- Task Force convened to clarify Tariff language and ensure equivalent high-priority products are recognized.

TASK FORCE SOLUTION

- Add a single, consolidated WRAP Qualifying Transmission definition referenced consistently across BPMs and the Tariff.
- Eliminates repeated or inconsistent references to allowable transmission types.
- Ensures equivalent firm transmission products are included while maintaining clarity, enforceability, and alignment with WRAP's original intent.

WRAP Qualifying Transmission

Transmission service that is

i) NERC Priority 6 or NERC Priority 7 point-to-point transmission service,

ii) network integration transmission service, or

iii) any firm transmission product that constitutes **the highest priority** transmission service offered by a transmission service provider, is **reserved in advance**, cannot be curtailed for higher priority transmission service, and is **subject to curtailment only under reliability conditions** necessary to maintain transmission system operations.

WRAP
POWERED BY WPP

Impact and Changes

- Eliminates ambiguity by clearly identifying eligible firm transmission products under the WRAP Tariff.
- Reduces compliance risk for Participants using firm products without NERC Priority labels.
- No system changes required – only Tariff and BPM updates.

- Updates to the following documents were necessary to effectuate change:
  - WRAP Tariff
  - BPM 103 – Participant Forward Showing Capacity Requirements
  - BPM 106 – Qualifying Contracts
  - BPM 108 – Forward Showing Submittal Process
  - BPM 202 – Participant Charing Calculation Inputs
  - BPM 204 – Holdback Requirement
  - BPM 209 – Energy Delivery Failure Charge

Next steps:
File Tariff Changes with FERC

BPM changes will become effective once FERC accepts Tariff changes

Summary of Public Comments

Broad Support for the Proposal

- APS, SRP, and BPA (the three entities that submitted comments) all support the proposed changes and commend the WPP Task Force for its collaborative process.
- Each organization agrees that defining WRAP Qualifying Transmission improves clarity and provides a consistent framework for identifying firm transmission under WRAP.

Clarity on Non-NERC Transmission Products

- All three entities agree that Part (iii) of the proposed definition provides sufficient clarity for non-NERC priority transmission products (e.g., CAISO's Priority Wheeling Through).
- BPA emphasizes that the definition offers needed assurance that curtailments should only occur under reliability conditions.

Support for Unified Definition

- SRP and BPA highlight the benefit of having a single, consistent definition referenced across WRAP documents, improving coherence and adaptability for future products.
- APS notes that this flexible structure will accommodate new transmission products as they emerge.

No Concerns with Redlines

- Proposed redline changes across the WRAP Tariff and BPMs are clear and appropriate, with no further questions.

WRAP
POWERED BY WPP

WESTERN RESOURCE ADEQUACY PROGRAM

December 10th, 2025

Board Consideration of RAPC Expedited Proposal

CHANGE

New language is needed in BPM 102, Section 4.1 (Subregions Used for Determination of Monthly FSPRMs) to:

- Reflect the updated BAA assignments due to a change in the WRAP footprint, **incorporating Idaho Power into the Northwest Subregion** and **Tucson Electric Power into the Southwest and East Subregion** for LOLE studies beginning with the **Winter 2027–2028** Binding Season.
- Clarify that the Program Administrator may make exceptions during the Transition Period to ensure new Participants are properly included in the appropriate Subregion.

Next steps:
Publish Updated BPM 102 with approved changes

SPP to begin Winter 2027-2028 LOLE modeling with updated Subregion footprints

Western Resource Adequacy Program

Expedited Proposal

Requester	
Name: The WRAP Team	Organization: ☐ Participant _____ ☐ Program Operator ■ Program Administrator
Title: N/A	Phone Number:
Email: wrap@westernpowerpool.org	Date of Request to Resource Adequacy Participant Committee (RAPC): 11/20/2025

Exigent Circumstance

Check one:

- ☐ A FERC-mandated amendment to the Tariff or the Business Practice Manuals
- ☐ An amendment to the Tariff or the Business Practice Manuals to address an immediate reliability impact
- ■ An amendment to this Tariff or the Business Practice Manuals that the RAPC has determined has significant impacts to utility service

Date Exigent Circumstance determined by RAPC:

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)*

DRAFT

Description of Change

Provide a description of the issue:

New language is needed in BPM 102, Section 4.1 (Subregions Used for Determination of Monthly FSPRMs) to:

- Reflect the updated Balancing Authority Area assignments due to a change in the WRAP footprint, incorporating Idaho Power into the Northwest Subregion and Tucson Electric Power into the Southwest and East Subregion for LOLE studies beginning with the Winter 2027–2028 Binding Season.

- Clarify that the Program Administrator may make exceptions during the transition period to ensure new Participants are properly included in the appropriate Subregion.

This clarification is necessary due to the withdrawal of six Participants that have provided notice to leave the WRAP as it transitions to binding operations, resulting in imbalanced Subregions with limited transmission connectivity in the Southwest and East Subregion. The update is required to enable SPP to begin accurate modeling for the upcoming Binding Season, while broader updates and refinements will continue as the program evolves. Note that this change does not preclude or prevent the eventual adoption of policies to further revise the subregions with outcomes from day ahead market integration efforts, but is nevertheless essential to endorse to enable the timely undertaking of LOLE and ELCC modeling for Winter 27/28 metrics.

Please provide the following information if known and/or available.

1. Provide a proposed solution to the issue described:
   Introducing new language to BPM 102:

   Section 4.1 Subregions Used for Determination of Monthly FSPRMs

   Two Subregions have been identified in the WRAP Region: the Northwest Subregion and the Southwest and East Subregion. LOLE Study simulations are conducted separately for each of the Subregions. Each Subregion is comprised of load and generation from within certain Balancing Authority Areas, and the boundaries of each Subregion are defined by the boundaries of the combined area of the component Balancing Authority Areas. The component Balancing Authority Areas for each Subregion are as follows:

   - Northwest Subregion (Zones 1, 2, 3, 4)
     - Avista Corporation

- BC Hydro and Power Authority[Error! Bookmark not defined.]
- Bonneville Power Authority
- Chelan County PUD #1
- Douglas County PUD #1
- Grant County PUD #2
- Northwestern Energy
- PacifiCorp West
- Portland General Electric
- Puget Sound Energy
- Seattle City and Light
- Tacoma Power

- Southwest and East Subregion (Zones 6, 7, 8, 11)
  - Arizona Public Service
  - Basin Electric
  - Black Hills
  - Idaho Power Company
  - NV Energy
  - PacifiCorp East
  - Public Service Company of New Mexico
  - Salt River Project

Beginning with the Winter 2027–2028 Binding Season, the LOLE Study to determine the FSPRM values will reflect the following, updated Balancing Authority Areas for the Northwest Subregion and Southwest and East Subregion, respectively:

- Northwest Subregion (Zones 1, 2, 3, 4, 5)
  - Avista Corporation
  - BC Hydro and Power Authority
  - Bonneville Power Authority
  - Chelan County PUD #1
  - Douglas County PUD #1
  - Grant County PUD #2
  - Idaho Power Company
  - Northwestern Energy
  - PacifiCorp West
  - Portland General Electric
  - Puget Sound Energy

  - Seattle City and Light
  - Tacoma Power

- Southwest and East Subregion (Zones 6, 7, 8, 11)
  - Arizona Public Service
  - Basin Electric
  - ~~o~~ Black Hills
  - NV Energy
  - PacifiCorp East
  - Public Service Company of New Mexico
  - Salt River Project
  - Tucson Electric Power

Any load for which a Participant is responsible (that has not been excluded – see *BPM 103 Forward Showing Capacity Requirement*) that does not reside within one of the Balancing Authority Areas listed above will be added to one of the Subregions. ~~A new Participant will be assigned by WPP to an appropriate Subregion (and thus modify the boundary thereof) subject to objection of the RAPC to such assignment, expressed by action of the RAPC.~~

In the event a significant change to the transmission system is identified (e.g. new transmission capacity, changes in transmission rights ownership), the boundaries of the Subregions above may be reconsidered. A Participant may:

1. Request the Program Administrator conduct analysis of the potential impact of the change to the Subregion. The Program Administrator will take input from the requesting Participant and will determine the appropriate form and focus of such analysis. As possible, this analysis will be made public, in accordance with confidentiality guidelines set out in the Tariff.

2. File a Change Request Form (see *BPM 301 Program Review Committee Workplan Development and Approval*) requesting the Balancing Authority Area within which some portion of its load (for which it is the LRE) be reassigned to another Subregion.

    a. Following submission of the Change Request Form, other Participants with loads within the identified Balancing Authority Area will be given 30 days to provide comment. Any comments received will be added to the Change Request Form as appendices.

b. Following the comment period in step 2a, the Change Request Form will be treated as a Non-Task Force Proposal (see *BPM 301*).

c. Such Change Request Forms must be submitted at least 9 months prior to the deadline for the Advance Assessment Data Request for the Binding Season such change is requested (see *BPM 101 Advance Assessment*). For example, if a change to Subregion boundaries is requested for Summer 2032, the Advance Assessment Data Request for Summer 2032 is due March 1, 2030, so such a request would need to be submitted by June 1, 2029.

A new Participant will be assigned by WPP to an appropriate Subregion (and thus modify the boundary thereof) subject to objection of the RAPC to such assignment, expressed by action of the RAPC. During the Transition Period, the Program Administrator may include in the Advance Assessment new participants committed to binding participation in the season being studied.

1. Provide the specific document and language you would like changed:

   [See Above]

2. Provide a suggestion for how language could be updated to address issue:

   [See Above]

Impact of Change

Please provide the following information if known and/or available.

1. Any data/information available that would characterize the importance or magnitude of the issue (allows for file attachments):

[See Description of The Issue Above]

2. Describe the benefits that will be realized from this change:

Allow for SPP to begin accurate modeling for the upcoming Binding Season.

WESTERN POWERPOOL

Western Resource Adequacy Program

102 Forward Showing Reliability Metrics

100 – Forward Showing

Revision History

Manual Number	Version	Description	Revised By	Date
102	0.1	RAPC Glance Version	Michael O'Brien	1/18/2024
102	0.2	Public Comment Version	Michael O'Brien	1/19/2024
102	0.3	RAPC & PRC Discussion	Michael O'Brien	2/14/2024
102	0.4	RAPC Endorsement	Michael O'Brien	7/11/2024
102	0.5	Board Consideration	Michael O'Brien	9/13/2024
102	1.0	Board Approved	Rebecca Sexton	9/19/2024
102	1.1	Expedited Proposal		

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102 Reliability Metric Setting

1. Introduction

The Reliability Metric Setting Business Practice Manual (BPM 102) provides an overview of how the Program Operator will conduct the Loss of Load Expectation (LOLE) Study and set the Monthly FS Planning Reserve Margins (FSPRM) to be approved by the Board. In addition to the guidance provided in this BPM, the Program Operator will provide scoping documents with additional technical details on the modeling approach prior to conducting the LOLE Study each year.

1.1 Intended Audience

BPM 102 is intended for WRAP Participants and other interested individuals or entities and will be particularly useful for individuals that are responsible for their Participant organization's Forward Showing Submittal or that need to ensure their organizations are submitting the required MW quantity of Qualifying Resources to meet the Forward Showing Capacity Requirement. BPM 102 will be most informative to individuals in Participant organizations that have an interest in the LOLE Study and the setting of FSPRMs. Qualifying Capacity Contribution (QCC) methodologies - such as Effective Load Carrying Capability (ELCC) for variable energy resources (VER) and unforced capacity (UCAP) for thermal resources - can be found in *BPM 105 Qualifying Resources*.

1.2 What You Will Find in This Manual

BPM 102 provides details, assumptions, methodologies, and procedures for conducting the LOLE Study and determining Monthly FSPRMs. This BPM explains how the Program Operator models variations in load and variations in generation, how numerous scenarios of variations in weather and variations in resource performance and outages are simulated from historic data, the Load and Resource Zones used in the LOLE Study simulations, the Subregions for which potentially differing FSPRM values are studied, how Contingency Reserves (CR) are accounted for, how the LOLE threshold is identified, how the simulations are conducted, and how FSPRMs are calculated.

1.3 Purpose

BPM 102 details the components of the LOLE Study and how the Program Operator will determine the FSPRMs in the LOLE Study for the Binding Seasons.

1.4 Definitions

All capitalized terms that are not defined in BPM 102 have their meaning set forth in the Tariff. Any capitalized terms not found in the Tariff that are specific to BPM 102 are defined here, including by reference to another BPM where such term is defined.

Capability Test: As defined in *BPM 105 Qualifying Resources.*

Change Request Form: As defined in *BPM 301 Program Review Committee Workplan Development and Approval*.

Fuel Type: As defined in *BPM 105 Qualifying Resources.*

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

LOLE Study: A probabilistic simulation of variations in load and variations in generation to determine the amount of capacity needed for each Month of a Binding Season to meet the no more than a single event-day of loss of load in ten years reliability metric across a Binding Season.

Net Generating Capability: As defined in *BPM 105 Qualifying Resources.*

Regional P50 Peak Load Forecast: Forecast based on total Participant load in the WRAP Region or total Participant Load in a Subregion depending on results being sought.

Study Scope Document: a document that defines the scope of an LOLE Study.

2. Background

The FSPRMs are the capacity margins above a Participant's monthly P50 Peak Load Forecast required to meet the reliability metric of no more than a single event-day of loss of load in ten years across a Binding Season (as calculated per Section 8). The total amount of monthly qualifying capacity needed to meet the reliability metric will be simulated in the LOLE Study using probabilistic analysis (see Section 7), taking into account variability in load (see Section 5) and variation in generation (see Section 6) while maintaining Contingency Reserves (see Section 6.10).

The Tariff provides that the FSPRM determination employs:

i. a simulated resource stack using capacity accreditation principles consistent with those used for WRAP QCC determinations (see Section 6);

ii. an adjustment in the total WRAP-required QCC value as needed to meet a 1 event-day in 10 years LOLE across a Binding Season (see Section 8), and

iii. a standard that each Month will have at least 0.01 annual LOLE (i.e., 1 event-day in 100 years), while maintaining the overall event-day in 10 years LOLE across a Binding Season (see Section 8).

FSPRMs are determined for each Month of the Binding Season and for each Subregion (see Section 4.1) as well as the WRAP Region as a whole (see Section 4.1.1) in connection with the Advance Assessment. The timing and deadlines for data collection and study completion for the Advance Assessment can be found in *BPM 101 – Advance Assessment Timeline.* The LOLE Study will be defined by a Study Scope Document (see Section 3).

3. Study Scoping Process

The LOLE Study for each Binding Season that is the subject of a Forward Showing will be preceded by a Study Scope Document that will define the scope of work. The Study Scope Document will adhere to applicable Tariff requirements and the further guidance and implementing details described in this BPM 102. The Study Scope Document may also specify additional technical details as necessary to complete the applicable LOLE Study for the subject Binding Season. The Program Operator will provide the Board and RAPC a timely opportunity to review and comment upon the Study Scope Document prior to the Program Operator's commencement of the applicable LOLE Study and will highlight any notable changes in scope or methodology compared to prior LOLE Studies. In addition to other key study methodologies and assumptions, the Study Scope Document will identify the planning software or system modeling software to be utilized for the subject LOLE Study.

4. Load and Resource Zones

The WRAP Region will be modeled in each LOLE Study as divided among the separate load and resource zones ("LRZs") shown below in Figure 1~~Figure 1~~, in order to consider weather variability across the WRAP Region and within Subregions. LRZs will be used primarily to distinguish weather modeling for loads and associated resources. To that end, the LOLE Study will not limit the import and export capabilities between LRZs when determining the FSPRMs for the WRAP Region or within Subregions. Changes to the LRZs shown in Figure 1 will be as noted in the Study Scope Document for the Binding Season to which such changes will apply.

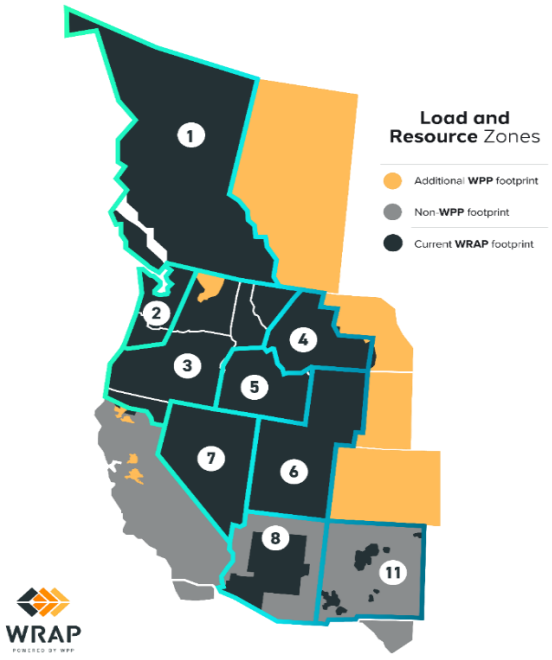

Figure 1 - WRAP Load and Resources Zones (LRZs)[1] as listed in Section 4.1

4.1 Subregions Used for Determination of Monthly FSPRMs

Two Subregions have been identified in the WRAP Region: the Northwest Subregion and the Southwest and East Subregion. LOLE Study simulations are conducted separately for each of the Subregions. Each Subregion is comprised of load and generation from within certain Balancing Authority Areas, and the boundaries of each Subregion are defined by the boundaries of the combined area of the component Balancing Authority Areas. The component Balancing Authority Areas for each Subregion are as follows:

- Northwest Subregion (Zones 1, 2, 3, 4)
    - Avista Corporation
    - BC Hydro and Power Authority[1]
    - Bonneville Power Authority
    - Chelan County PUD #1
    - Douglas County PUD #1
    - Grant County PUD #2

[1] The WRAP Region is solely located within the United States of America, and any transactions required by the WRAP Operations Program associated with loads or resources located in Canada are effected inside the borders of the United States.

  - Northwestern Energy
  - PacifiCorp West
  - Portland General Electric
  - Puget Sound Energy
  - Seattle City and Light
  - Tacoma Power

- Southwest and East Subregion (Zones 6, 7, 8, 11)
  - Arizona Public Service
  - Basin Electric
  - Black Hills
  - Idaho Power Company
  - NV Energy
  - PacifiCorp East
  - Public Service Company of New Mexico
  - Salt River Project

Beginning with the Winter 2027–2028 Binding Season, the LOLE Study to determine the FSPRM values will reflect the following, updated Balancing Authority Areas for the Northwest Subregion and Southwest and East Subregion, respectively:

- Northwest Subregion (Zones 1, 2, 3, 4, 5)
  - Avista Corporation
  - BC Hydro and Power Authority[1]
  - Bonneville Power Authority
  - Chelan County PUD #1
  - Douglas County PUD #1
  - Grant County PUD #2
  - Idaho Power Company
  - Northwestern Energy
  - PacifiCorp West
  - Portland General Electric
  - Puget Sound Energy
  - Seattle City and Light
  - Tacoma Power

- Southwest and East Subregion (Zones ~~5~~, 6, 7, 8, 11)
  - Arizona Public Service
  - Basin Electric
  - Black Hills
  - NV Energy
  - PacifiCorp East

- Public Service Company of New Mexico
- Salt River Project
- Tucson Electric Power

Any load for which a Participant is responsible (that has not been excluded – see *BPM 103 Forward Showing Capacity Requirement*) that does not reside within one of the Balancing Authority Areas listed above will be added to one of the Subregions. ~~A new Participant will be assigned by WPP to an appropriate Subregion (and thus modify the boundary thereof) subject to objection of the RAPC to such assignment, expressed by action of the RAPC.~~

In the event a significant change to the transmission system is identified (e.g. new transmission capacity, changes in transmission rights ownership), the boundaries of the Subregions above may be reconsidered. A Participant may:

1. Request the Program Administrator conduct analysis of the potential impact of the change to the Subregion. The Program Administrator will take input from the requesting Participant and will determine the appropriate form and focus of such analysis. As possible, this analysis will be made public, in accordance with confidentiality guidelines set out in the Tariff.

2. File a Change Request Form (see *BPM 301 Program Review Committee Workplan Development and Approval*) requesting the Balancing Authority Area within which some portion of its load (for which it is the LRE) be reassigned to another Subregion.

    a. Following submission of the Change Request Form, other Participants with loads within the identified Balancing Authority Area will be given 30 days to provide comment. Any comments received will be added to the Change Request Form as appendices.

    b. Following the comment period in step 2a, the Change Request Form will be treated as a Non-Task Force Proposal (see *BPM 301*).

    c. Such Change Request Forms must be submitted at least 9 months prior to the deadline for the Advance Assessment Data Request for the Binding Season such change is requested (see *BPM 101 Advance Assessment*). For example, if a change to Subregion boundaries is requested for Summer 2032, the Advance Assessment Data Request for Summer 2032 is due March 1, 2030, so such a request would need to be submitted by June 1, 2029.

A new Participant will be assigned by WPP to an appropriate Subregion (and thus modify the boundary thereof) subject to objection of the RAPC to such assignment, expressed by action of the RAPC. During the Transition Period, the Program Administrator may include in the Advance Assessment new participants committed to binding participation in the season being studied

4.1.1 WRAP Region Analysis

In addition to the Subregion analyses, WRAP Region FSPRMs will be determined by running LOLE Study simulation on the entire WRAP Region with unconstrained transmission (i.e., assuming no transmission constraints) between the Subregions.

5. Load Modeling in the LOLE Study

The FSPRMs are the capacity margins above a Participant's monthly P50 Peak Load Forecast required to meet the reliability metric of no more than single event-day of loss of load in ten years across a Binding Season. The total amount of monthly qualifying capacity needed to meet the reliability metric will be simulated in the LOLE Study using probabilistic analysis (see the Study Scope Document for further details), taking into account variability in load (as well as variations in generation – see Section 6). For each Winter Season and each Summer Season, the Program Operator will model the effects of weather variability by developing a minimum of forty historical weather years that reflect the impact of weather on load. To model the effects of weather variability on load, a load shape provided by Participants for recent years (e.g. five most recent years of Historical Load Data) will be combined with historical weather data to synthesize at least forty years of synthetic historical weather data. Relationships between weather observations and load will be developed based on the historical weather and Historical Load Data (see *BPM 101 Advance Assessment* and *BPM 103 FS Capacity Requirement*) from recent data sets. The historical weather data will consist of hourly temperature data from a representative selection of weather stations in each Subregion. Weather data will be used from a back-up weather station if there are data quality issues for some periods in an initially selected station. The Study Scope document will identify when synthesized load shapes will be redetermined by the Program Operator; frequency of such updates will consider factors such as changes in load patterns, sharp increases in load due to large new customers, or changes in climate.

Other inputs into historical weather will include an hour-of-week factor (in determining temperature-to-load comparisons for daylight hours versus darkness hours, as well as weekends versus Business Days) as well as temperature and average temperatures from the preceding 8, 24, and 48 hours. Different weather and load relationships will be built for the Winter Season and Summer Season. These weather and load relationships

will be applied to the multiple years of weather data to develop synthetic load shapes for the study years. Equal probabilities will be given to each of the forty annual load shapes in the simulations.

6. Generator Modeling in the LOLE Study

The FSPRMs are the capacity margins above a Participant's monthly P50 Peak Load Forecast required to meet the reliability metric of no more than a single event-day of loss of load in ten years across a Binding Season. The LOLE Study will simulate the aggregated stack of Qualifying Resources provided to the Program Operator by Participants in the Advance Assessment data collection, using the methodologies described below. In summary, the LOLE Study will model:

- the qualifying capacity of thermal resources based on Net Generating Capability (interchangeable with ICAP for thermal resources) taking into account equivalent forced outage rate-demand (EFORd) (see Section 6.1); note that EFORd is different than the equivalent forced outage factor during Capacity Critical Hours (EFOFcch) used to determine thermal resource QCC(see Table 1).
- QCC values for Storage Hydro (see Section 6.2)
- Participants' wind Qualified Resources as a single wind resource per LRZ using historical and synthesized resource performance profiles (see Section 6.3)
- Participants' solar Qualified Resources as a single solar resource per LRZ based on solar profiles developed from weather data (see Section 6.4)
- Energy Storage Resources (ESRs) as dischargeable only when there is a lack of other Qualified Resources available to serve load (see Section 6.5)
- Participants' Run-of-River (ROR) Qualified Resources as a single ROR resource per LRZ, using historical and synthesized resource performance profiles (see Section 6.6)
- Demand Response (DR) with properties provided by Participants (see Section 6.7)
- Dispatchable and controllable behind-the-meter Qualified Resources as equivalent sized resources (see Section 6.8)
- Capacity transactions resulting in either a net import or net export from the WRAP Region as hourly generators in applicable LRZ (see Section 6.9)

- Contingency Reserves so as to maintain the required amounts (see Section 6.10).

The total amount of monthly qualifying capacity needed to meet the reliability metric will be simulated as a resource stack in the LOLE Study using probabilistic analysis, taking into account variations in generation (as well as load – see Section 5). The monthly Qualifying Resource simulated capacities (in MWs) needed to meet the reliability metric each month will then be converted to unforced capacity (UCAP) values (see Section 8) to calculate the FSPRMs (as a percentage).

6.1 Thermal Generator Modeling

Thermal generators will be modeled in the LOLE Study at their Net Generating Capability value (as indicated by the Capability Test – see *BPM 105 Qualifying Resources*) while forced outages for each resource will be modeled in accordance with their EFORd when determining the amount of monthly qualifying capacity to meet the reliability metric.[2] The Capability Test data will be provided by each Participant in its FS Submittal as discussed in *BPM 105 Qualifying Resources and BPM 108 FS Submittal Process*. All thermal resources will be modeled in the LOLE Study, unless information provided by the relevant Participant in the Advance Assessment Data Request indicates the resource will not be available in the study period, such as a retirement date, future in-service date, or similar reason.

Forced outage modeling for thermal resources will use annual EFORd values (based on the EFORd equation as defined by NERC GADS[3]), forced outage durations, and outage events sourced from NERC GADS (or equivalent) data provided by Participants. For thermal resources that do not submit such data, an average forced outage rate will be applied based on size, technology type, Fuel Type and resource age. At a minimum, the most recent five years of historical NERC GADS (or equivalent) data will be considered in the LOLE Study. The models will be updated every Year to reflect the latest outage rates.

[2] Note: Resource EFORd is used in LOLE Study for determination of FSPRMs, and differs from the EFOF (Equivalent Forced Outage Factor) used for the determination of QCC for thermal resources during Capacity Critical Hours (CCHs) – see *BPM 105 Qualifying Resources*.

[3] NERC, 2023 GADS Data Reporting Instructions, January 2023, Appendix F, p9, Section 25, available at; GADS_DRI_2023.pdf (nerc.com)

, Planned outages for thermal resources will not be modeled in the LOLE study. All thermal resources will be modeled as available at any given hour if the Qualifying Resource is not on a forced outage.

6.2 Storage Hydro Qualifying Resources

The LOLE Study will model Storage Hydro Qualifying Resources utilizing the Monthly QCC values determined with the methodology described in *BPM 105 Qualifying Resources* for such resources. The methodology utilized to assess QCC values for Storage Hydro Qualifying Resources accounts for the availability of storage such that it is appropriate in the LOLE modeling to assume the facility can output the Monthly QCC value for each hour in the LOLE Study. No additional outage modeling will be applied to the Storage Hydro Qualifying Resources in the LOLE Study, since the QCC values consider historical outages.

6.3 Wind Resources

Wind resources provided by Participants will be modeled together as a single wind resource per LRZ in the LOLE Study. Operational wind data (preferred and used when available) and synthesized wind data will be utilized for the analysis: recent historic wind resource performance is correlated to the corresponding peak load profiles so that synthesized wind performance data can be developed from similar load profiles in earlier years for use in the resource variability simulations. For example, actual historical resource performance profiles from a recent period (e.g., 2014-2020) are taken, and the load profiles for those days are matched with daily load profiles (+/-25 days) from older years (e.g., 1980-2014) that best align with the peak load profile of the day in question. Actual resource output will be used when available. The Program Operator will identify in the Study Scope Document whether synthesized wind shapes for years where historical data is insufficient or not available will be redetermined for the upcoming LOLE Study. Wind resources provided that have not gone through the above synthetization process will use wind operational and synthesized data that is similar (i.e. the same LRZ) as the resource being added.

6.4 Solar Resources

Solar resources provided by Participants will be modeled together as a single solar resource per LRZ in the LOLE Study. When operational solar data is unavailable, solar profiles for resources will be developed using irradiance and weather data that will be obtained for weather station sites for the years after 1998 from the National Renewable Energy Laboratory's (NREL) National Solar Radiation Database (NSRDB) Data Viewer. Data will be obtained from the NREL System Advisor Model (SAM) for each Year and site to generate 8,760 hourly profiles. Profiles from 1980-1998 will be selected by using

daily profiles from the day that best matches the peak load out of all the days +/- 3 days of the source day of the 7-year period from 1998 to the most current year. The Program Operator will identify in the Study Scope whether synthesized solar shapes for years where historical data is insufficient or not available will be redetermined for the upcoming LOLE Study. Solar resources provided that have not gone through the above synthetization process will use previous solar operational and synthesized irradiance data that is similar (e.g. the same LRZ) as the resource being added.

6.5 Energy Storage Resources

ESRs will be modeled in the LOLE Study as energy limited devices that will charge and discharge in accordance with their equipment specifications. ESRs will be modeled to charge and discharge in a 'preserve reliability' mode, meaning that they will only be discharged when there is a lack of other resources available to serve load. ESRs will be discharged prior to Demand Response (DR) programs. ESRs will not be restricted to charging from co-located resources or in a hybrid configuration unless specified by the Participant.

6.6 Run of River Qualifying Resources

ROR Qualifying Resources provided by Participants will be modeled together as a single ROR per LRZ in the LOLE Study. Operational and synthesized ROR data will be utilized for the analysis. Recent historic ROR resource performance is correlated to the corresponding peak load profiles so that synthesized ROR resource performance data can be developed from similar load profiles in earlier years for use in the resource variability simulations. For example, actual historical ROR resource performance profiles from a recent period (e.g., 2014-2020) are taken, and the load profiles for those days are matched with daily load profiles (+/-25 days) from older years (e.g., 1980-2014) that best align with the peak load profile of the day in question. The Program Operator will identify in the Study Scope whether synthesized ROR shapes for years where historical data is insufficient or not available will be redetermined for the upcoming LOLE Study. ROR resources provided that have not gone through the above synthetization process will use previous ROR operational and synthesized river flow data that is similar (e.g. on the same river system) as the resource being added.

6.7 Demand Response Programs

The LOLE Study will include properties and values of DR programs provided by Participants. DR programs will be modeled as equivalent flexible resources with high fuel costs, such that these representative resources would be dispatched last in the LOLE Study to reflect DR operating scenarios. Forced outage rates will not be assigned to DR programs.

6.8 Behind-the-Meter Generation

Behind-the-meter generation reported by Participants as capacity resources that are controllable and dispatchable by the Participant will be modeled in the LOLE Study as generation (per the aggregation requirements in *BPM 105 Qualifying Resources*). These resources will be assigned parameters and forced outage information from equivalent-sized resources.

6.9 External Capacity Modeling

Any external capacity transactions that are supported by firm commitments in the Advance Assessment Data Request (see *BPM 101 Advance Assessment*) will be modeled as hourly generators in the applicable LRZ in the LOLE Study. External transactions include any firm capacity transactions from or obligations to non-participating entities external to the WRAP Region. If the transaction is a sale to a non-participating entity, it will be an export of capacity. If the transaction is a purchase from a non-participating entity, it will be modeled as an import of capacity; forced outage rates will not be assigned to these transactions.

6.10 Contingency Reserves Modeling

In accordance with standard BAL-002-WECC-3, Balancing Authorities (and Reserve Sharing Groups) and required to maintain a minimum CR amount that is equal to the greater of either:

i. the loss of the most severe single contingency or

ii. the sum of three percent (3%) of hourly integrated load and three percent (3%) of hourly integrated generation.

The LOLE Study will ensure all CR amounts are maintained during tallied loss of load events. To ensure this, the LOLE Study will assume an average six percent (6%) of the Regional P50 Peak Load Forecast CR requirement when determining the capacity requirements to maintain the one event-day in 10-year LOLE requirement.

7. LOLE Study

Once the capacity contributions of the components of the resource stack have been determined (see Section 6) the LOLE Study simulation will be performed for the Subregions and WRAP Region to determine the capacity needed each Month to meet the reliability metric.

The probabilistic LOLE Study will model load variability (i.e., one of the forty (or more) synthetic load shapes) for all hours of the Year and random forced outages for

Qualifying Resources in the WRAP Region and Subregions during each hour of the study. The LOLE Study will count loss of load events (insufficient Qualified Resource capacity to meet load) during all hours of the Binding Season against the reliability metric of the no more than one event-day in ten-year LOLE across a Binding Season. Loss of load events that occur during hours outside of the Binding Season will not be considered.

If an LOLE Study simulation has excess capacity in a Binding Season, pure negative capacity (with no outage rate) will be added in all hours of the applicable Binding Season until the WRAP Region or any Subregion arrive at the no more than one event-day in ten years across a Binding Season reliability threshold. If an LOLE Study simulation has insufficient capacity in a Binding Season, pure positive capacity (with no outage rate) will be added in all hours of the applicable Binding Season until the WRAP Region or any Subregion reaches the no more than one event-day in ten years across a Binding Season reliability threshold. In addition, to ensure the amount of qualifying capacity is not leading to excessively low LOLEs, pure capacity will be adjusted to ensure that all Months of the applicable Binding Season have at least 0.01 day per Year LOLE in that given Month, while at the same time ensuring the LOLE for the entire Binding Season does not exceed 0.1 day per Year LOLE.

Once the reliability metric is achieved, the capacity requirement (as represented by the resource stack and pure capacity) for each Month of the Binding Season (by Subregions and WRAP Region) is converted to UCAP for calculation of the FSPRMs (see Section 8).

8. FSPRMs Calculations

The monthly capacity values of the resource stack that result from the LOLE Study simulation (see Section 7) will be replaced with UCAP values as indicated in Table 1~~Table 1~~. The intent of the UCAP approach is to represent Qualified Resources with respect to their availability.

Table 1~~1~~ - Resource capacity value to calculate UCAP FSPRMs

Resource type	Conversion to UCAP Values
Thermal Generation	The Net Generating Capability will be replaced by QCC values calculated by the Program Operator using the thermal QCC methodology (see *BPM 105*)
Wind, Solar and ESR	Values for wind, solar, and ESR resources will be determined by using an ELCC analysis (see *BPM 105*). The capacity

	values attributed to wind and solar resources and ESRs will be consistent with the QCC values assigned to such resources in the QCC analysis (see *BPM 105*).
Storage Hydro	QCC values submitted by the Participants calculated using the Storage Hydro QCC methodology (see *BPM 105*).
Run-of-River Hydro	QCC values calculated by the Program Operator using the ROR QCC methodology (see *BPM 105*).
Demand Response	No conversion needed. Modeled maximum monthly capacity of all programs submitted by the Participants.
Pure Capacity adjustment to meet reliability metric	No conversion needed.

After the monthly capacity values of a resource stack are converted into UCAP values, the FSPRMs will be calculated separately for each Month of the Binding Seasons based on the Regional P50 Peak Load Forecast for each Month (Month also refers to a partial calendar month that is part of a Binding Season) as follows:

$$FSPRM\ (\%) = \frac{UCAP_{1-in-10} - Regional\ P50\ Load\ Forecast}{Regional\ P50\ Load\ Forecast} * 100$$

Where:

FSPRM(%) is the FSRPM for a specified Month in a Binding Season

$UCAP_{1\text{-}in\text{-}10}$ is the UCAP required to meet the reliability metric for a specified Month in a Binding Season

Regional P50 Peak Load Forecast is the P50 Peak Load Forecast for the specified Month

Regional P50 Peak Load Forecasts used in the above FSPRMs equation are distinct from Participant P50 Peak Load Forecasts used in the calculation of Participant FS Capacity Requirements in *BPM 103 FS Capacity Requirement*. However, it should be noted that while Regional P50 Peak Load Forecasts are calculated using the same methodologies

as Participant P50 Peak Load Forecasts the former use a Load Growth Factor specific to the LOLE Study (see *BPM 103 FS Capacity Requirement*).

WESTERN POWERPOOL

To: WPP Board of Directors
Date: December 2, 2025
Meeting Date: December 10, 2025

From: WPP Staff

Subject: Western Power Pool 2026 Updated Budget

Recommended Action

Staff recommends that the Board of Directors approve the updated January through December 2026 budget.

Background

2025 has been a period of transition for WPP as teams have worked toward moving from a fiscal year (July – June) to a calendar year (January – December). The impacts of this change favor financial reporting, tax and audit compliance; simplifies budgeting; improves revenue and expense insight; and is better aligned with the majority of WPP membership who report on a calendar year basis.

As WPP nears the end of this transition period, the 2026 calendar year budget has been updated. Approval of the 2026 budget will complete the transition to a calendar year budget.

2026 Proposed Updated Budget

The proposed 2026 updated 12-month budget totals $18.7M, which is up 3% or $521K from the approved and annualized 18-month budget of $18.2M. The increase is primarily driven by an increase in healthcare costs, budgeting for vacant positions, and a reduction in outsides services.

In November, WPP leadership presented the updated proposed budget, cost drivers and the impact to programs, and fielded questions from member committees: (1) Transmission Planning Committee, (2) Operating Committee, (3) Reserve Sharing Group Committee, and (4) WRAP Resource Adequacy Participants Committee. These committees have reviewed and have endorsed their portion of the 2026 updated budget that is allocated to their respective member committees.

2026 Updated Budget Summary

Western Power Pool	Approved Budget 18-Month Jul 2025 - Dec 2026	Approved Budget Annualized Jul 2025 - Dec 2026	Proposed Budget 2026 Jan - Dec 2026	$ Change	% Change
Operating Programs	$ 7,027,858	$ 4,685,239	$ 4,836,756	$ 151,517	3%
Transmission Planning Services	$ 5,934,846	$ 3,956,564	$ 4,049,721	$ 93,156	2%
WRAP	$ 14,332,299	$ 9,554,866	$ 9,831,108	$ 276,242	3%
WPP TOTAL	$ 27,295,003	$ 18,196,669	$ 18,717,584	$ 520,915	3%

WPP Updated 2026 Budget
January – December

Board of Directors Meeting

December 10, 2026

WPP

Mission

To provide a range of grid integration services, which leverage significant diversity and operations capability to enhance reliability and provide value to our members.

Strategic Areas of Focus

- Strengthen our Effectiveness as a Member-Driven Organization
- Build Organizational Scalability to Meet Members' Present and Future Needs
- Execute Programs and Services That Bring Value to Our Members and the Region

FY24-25 Results

Programs	BOD Approved Budget 2024-2025	Dec. 2024 BOD Approved Budget 2024-2025	Year-end Actuals 2024-2025	$ Change	% Change
Operating Programs	$ 4,432,996	$ 4,111,565	$ 4,017,924	$ (93,641)	-2.3%
Transmission Planning Services	$ 1,269,532	$ 4,175,119	$ 2,521,984	$ (1,653,135)	-39.6%
WRAP	$ 9,567,601	$ 9,153,000	$ 9,173,098	$ 20,098	0.2%
WPP TOTAL	$ 15,270,128	$ 17,439,684	$ 15,713,007	$ (1,726,677)	-9.9%

WPP

Budget Assumptions

- The 2026 portion of the approved July 2025 – December 2026, 18-month budget has been updated.
- 8.9% increase in 2026 healthcare premiums (national increase ~12%)[1]
- Projected start date for open positions
- Meets all operational, compliance, and regulatory requirements

[1] Source: CSNW

WPP

Proposed 2026 Updated Budget

Western Power Pool	Approved Budget 18-Month Jul 2025 - Dec 2026	Approved Budget Annualized Jul 2025 - Dec 2026	Proposed Budget 2026 Jan - Dec 2026	$ Change	% Change
Operating Programs	$ 7,027,858	$ 4,685,239	$ 4,836,756	$ 151,517	3%
Transmission Planning Services	$ 5,934,846	$ 3,956,564	$ 4,049,721	$ 93,156	2%
WRAP	$ 14,332,299	$ 9,554,866	$ 9,831,108	$ 276,242	3%
WPP TOTAL	$ 27,295,003	$ 18,196,669	$ 18,717,584	$ 520,915	3%

WPP

Western Power Pool	Approved Budget 18-Month Jul 2025 - Dec 2026	Approved Budget Annualized Jul 2025 - Dec 2026	Proposed Budget 2026 Jan - Dec 2026	$ Change	% Change
Operating Programs	**$ 7,027,858**	**$ 4,685,239**	**$ 4,836,756**	**$ 151,517**	**3.2%**
Reserve Sharing Group	$ 4,004,790	$ 2,669,860	$ 2,726,013	$ 56,153	2.1%
Operating Committee	$ 2,477,177	$ 1,651,451	$ 1,743,981	$ 92,530	5.6%
Pacific Northwest Coordination Agreement	$ -	$ -	$ -	$ -	
Western Frequency Reserve Sharing Group	$ 236,908	$ 157,939	$ 159,914	$ 1,976	1.3%
Source.Training	$ -	$ -	$ -	$ -	
Headwater Benefits	$ 308,983	$ 205,989	$ 206,847	$ 859	0.4%
Transmission Planning Services	**$ 5,934,846**	**$ 3,956,564**	**$ 4,049,721**	**$ 93,156**	**2.4%**
Transmission Planning Committee	$ 775,755	$ 517,170	$ 539,167	$ 21,997	4.3%
Northern Grid	$ 1,072,105	$ 714,737	$ 829,502	$ 114,765	16.1%
Northwest Area 40	$ 479,977	$ 319,985	$ 283,715	$ (36,270)	-11.3%
Transmission Planning Study 20-yr	$ -	$ -	$ -	$ -	
Transmission Planning Study PCM	$ 422,822	$ 281,881	$ 238,844	$ (43,038)	-15.3%
Portland General Electric Harborton	$ -	$ -	$ -	$ -	
Transmission Planning	$ 7,250	$ 4,833	$ 30,026	$ 25,193	521.2%
WestTec	$ 3,096,939	$ 2,064,626	$ 2,080,045	$ 15,418	0.7%
FERC Order 1920	$ 79,997	$ 53,331	$ 48,421	$ (4,910)	-9.2%
WRAP Total	**$ 14,332,299**	**$ 9,554,866**	**$ 9,831,108**	**$ 276,242**	**2.9%**
Program Management Fund	$ 1,607,962	$ 1,071,975	$ 1,121,554	$ 49,579	4.6%
Stakeholders, Implementation, Model, Etc	$ 12,724,337	$ 8,482,891	$ 8,709,554	$ 226,663	2.7%
WPP TOTAL	**$ 27,295,003**	**$ 18,196,669**	**$ 18,717,584**	**$ 520,915**	**2.9%**

WPP

Headcount

	Budgeted	Current	Vacant
S. Edmonds*	4	4	0
L. Hardie	8	8	0
R. Roy	20	17	3
R. Sexton	2	2	0
E. Campbell	1	1	0
	36	**33**	**3**

Vacant Positions:

1. Transmission Director (Open)
2. Transmission Planning Engineer (January 2026 start date)
3. WRAP Operations Manager (In Progress)

WPP

Northwest Power Pool d.b.a. Western Power Pool

Investment Policy

December 10, 2025

INTRODUCTION

The Investment Policy provides guidelines and a framework to allocate, supervise, and monitor the Western Power Pool (WPP) investment portfolio.

SCOPE

The Investment Policy applies to all current financial assets as accounted for in the Western Power Pool (WPP) Balance Sheet. Policy statements outlined in this document focus on the funds in the checking and investment accounts.

PRUDENCE

The standard of care and prudence to be used by the assigned investment officials shall be the "prudent investor" standard. The "prudent investor" standard states:

> The prudent investor rule is a legal and financial principle that guides fiduciaries, such as trustees and investment managers, in managing and investing assets on behalf of others. This rule emphasizes the importance of making informed investment decisions based on a thorough assessment of risk and return, rather than adhering to overly conservative strategies. It was established to ensure that fiduciaries act in the best interests of their beneficiaries while effectively managing investment risks.

Investment officers acting in accordance with the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market changes.

OBJECTIVES

The primary objectives, in priority order, of the investment activities shall be:

1. Liquidity

   The investment portfolio shall remain sufficiently liquid to enable WPP to meet its cash flow requirements.

2. Capital Preservation

The investment portfolio will prioritize capital preservation to minimize the risk of losing money, rather than seeking high returns or maximizing gains.

3. Return on Investment

The investment portfolio will be designed with the objective of striving for market rate return on investments while taking into consideration the constraints imposed by the cash flow and capital preservation requirements.

   a. Market rate returns will be measured by the Consumer Price Index (CPI) for discussion purposes.

RESPONSIBILITIES OF MANAGEMENT

Management will facilitate an annual review with the Investment Manager that includes:

1. Review of prior year performance
2. Review portfolio and asset allocation options
3. Recommend changes to the portfolio in compliance with the policy objectives

RESPONSIBILITIES OF THE BOARD

The Finance and Audit Committee (FAAC) shall retain responsibility for recommending approval of the proposed investment portfolio.

The Board of Directors shall retain responsibility for approving the proposed investment portfolio.

PORTFOLIO OPTIONS

Portfolios	Return Objective	Risk Tolerance
Cash Equivalents	No principal volatility	**Low** - Preservation of principal is sole objective
Maximum Income	High current income	**Below Average** - High level of current income with low principal volatility
Income	High current income, moderate/average risk	**Moderate/Average** - High levels of current income with moderate principal volatility
Income/Growth	Moderate growth, moderate current income, average risk profile	**Average** - Average principal risk with average inflation protection
Balanced	Moderate growth, moderate current income, average/above average risk profile	**Average/Above Average** - Moderate to above average risk with above average inflation protection
Growth/Income	Moderate growth, moderate current income, above average/high risk profile	**Above Average/High** - Moderate to above average risk with above average inflation protection
Growth	Long term growth, minimal need for income, and accept substantial volatility	**Above Average /High** - Risk can be substantial with aggressive investments designed to seek high returns
Maximum Growth	Maximum long term capital appreciation, no income needs, high risk profile	**High** - Risk can be substantial with aggressive investments designed to seek high returns

PORTFOLIO ASSET ALLOCATION OPTIONS

Portfolios	Cash	Equity	Fixed Income	Real Assets	Alternatives
Cash Equivalents	100%	0%	0%	0%	0%
Maximum Income	0-20%	0%	80%-100%	0-10%	0-20%
Income	0-20%	10%-30%	65%-85%	0-10%	0-20%
Income/Growth	0-20%	30%-50%	45%-65%	0-10%	0-20%
Balanced	0-20%	40%-60%	35%-55%	0-10%	0-20%
Growth/Income	0-20%	50%-70%	25%-45%	0-10%	0-20%
Growth	0-20%	70%-90%	5%-25%	0-10%	0-20%
Maximum Growth	0-20%	80%-100%	0%	0-10%	0-20%

GLOSSARY

Capital Preservation - Strategy for managing investments with the goal of protecting the initial investment or capital from losses and preserving its value over time.

Consumer Price Index (CPI) - Measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

Liquidity – An investment that can be converted easily and rapidly to cash without substantial loss of value.

Market Value – The price at which a security is trading and could presumably be purchased of sold on a specific date.

Maturity – The date upon which the principal or stated value of an investment becomes due or payable.

Rate of Return – The yield obtainable on a security based on its purchase price or its current market price.

Yield – The rate of annual income return on an investment, expressed as a percentage.

WESTERN POWERPOOL

RESOLUTION NO. 2025-

RESOLUTION OF THE BOARD OF DIRECTORS OF NORTHWEST POWER POOL REGARDING RENOMINATION OF DIRECTOR AND UPDATED STAGGERED TERMS

NOW THEREFORE, BE IT:

RESOLVED that the Board of Directors elects Doug Howe and Michelle Bertolino to continue to serve as Directors on the Western Power Pool Board of Directors. The Western Power Pool Board of Directors will be composed of the individuals whose names and respective terms are listed below.

	Term expires 12/31/2028	Term expires 12/31/2027	Term expires 12/31/2026
First Term			Bill Drummond
			Susan Ackerman
Second Term		Andrew Ott	
	Doug Howe		
	Michelle Bertolino		

_____

Susan Ackerman, Secretary

Date Approved by Board of Directors:

WESTERN POWERPOOL

BOARD GOVERNANCE MANUAL

DRAFT

December 4, 2025

BOARD GOVERNANCE MANUAL

WESTERN POWERPOOL

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ABOUT THE WESTERN POWER POOL (WPP)

Introduction

The Western Power Pool Board Governance Manual ("Governance Manual") applies to all officers and Directors of the Northwest Power Pool d/b/a Western Power Pool ("WPP", or the "Organization"). The Governance Manual is a central repository for Board of Directors (the "Board") governance and operational policies and materials. The Organization's suite of governance documents includes the articles of incorporation, bylaws, this Governance Manual, and other Board-approved documents. The Board will review and update the Governance Manual on a regular basis.

Mission & History

The Western Power Pool (WPP, the corporation), is a nonprofit mutual benefit corporation organized and operated to engage in any lawful activity permitted by Section 501(c)(6) of the Internal Revenue Code. The mission of WPP is to help coordinate electric grid operations for the western United States and Canada. WPP supports the activities of major utilities, generators, and energy managers who together work for increased grid efficiency and reliability, including regional transmission planning, contingency reserves and frequency response sharing programs, grid operator training, and hydro modeling and analysis. WPP also administers the Western Resource Adequacy Program (WRAP), which operates under a FERC-approved tariff and seeks to enhance and increase resource adequacy and reliability for entities across the western footprint.

MEMBERS

What It Means to Be a Member

WPP is a 501(c)(6) membership organization with corporate members. The rights of corporate members are described in WPP's bylaws. Historically, WPP's members were electric load-serving entities participating in various WPP-facilitated reliability programs. These members, referred to in the bylaws as "Program Signatories," remain members of WPP. More recently, and in recognition of the more public role served by WPP as administrator of the Western Resource Adequacy Program, WPP's bylaws were modified to allow the addition of new types of members, called "Allied Partners." These new, non-voting members may be ineligible to participate in WPP programs but may wish to stay abreast of WPP events, may seek the opportunity to serve on WPP's Nominating Committee or other committees that may be established over time, or may wish to participate in members-only events or programs that may arise.

Overview of Member Rights and Participation Eligibility

WPP's bylaws provide that membership may be granted to a corporation, utility or agency that:

1. Submits an application or submits an intake form, as applicable.
2. Meets the criteria set forth in a category of corporate membership in WPP.
3. Shares interest in and supports the purposes of WPP.
4. Abides by WPP's bylaws and other such policies, rules, and regulations as WPP may adopt; and
5. Meets such additional criteria that may be established by the WPP from time to time (collectively, the "Corporate Member Criteria").[1]

The bylaws also note that admission of corporate members shall be made by the President/CEO ("President") upon the President's determination that an applicant meets the Corporate Member Criteria.[2]

Membership Classes

WPP has two classes of corporate members, whose requirements, rights, and obligations with respect to corporate governance are as follows:

- **Program Signatories.** Program Signatory membership may be granted to any load-responsible entity participating in a WPP-facilitated reliability program.

[1] Any such "additional criteria" established by the WPP will be posted to the WPP's website.
[2] The Board of Directors can change this default process via resolution so stating. In cases of questions regarding eligibility, or if there is no President, the decision shall be referred to the Board of Directors.

Each Program Signatory has following rights and privileges: (i) the right to vote on an action or amendment to the articles of incorporation or bylaws if the action or amendment would reduce or eliminate the member's right to vote; (ii) the right to vote to dissolve the corporation; (iii) the right to vote on mergers; and (iii) the right to inspect the corporation's accounting records and corporate membership list as provided by Oregon law.

A Program Signatory must meet all Corporate Member Criteria. A Program Signatory must remain a load-responsible entity participating in a WPP-facilitated reliability program for the duration of membership, must sign all agreements required by WPP for participation in such program(s), and must submit an intake form to WPP providing information relevant to Program Signatory membership.

- **Allied Partners.** Allied partnership status may be granted to companies, utilities, agencies, groups and stakeholders involved or associated with the mission and purpose of WPP. Allied Partners shall be non-voting, shall not be counted for purposes of determining whether a quorum is present at a meeting of the corporate members and shall not be entitled to vote on any matter.

  An Allied Partner must meet all Corporate Member Criteria. An Allied Partner must submit a membership application to WPP and pay any dues established by the board of directors.

  All corporate members may participate in the activities and programs of WPP pursuant to those program criteria and agreements and may be appointed to serve on committees per any charters that may be established or per the bylaws.

Other Membership Issues

- **Official Representatives.** Each corporate member shall appoint one official representative, who shall have the power to act on behalf of such corporate member on corporate matters without further showing of authority, and all actions taken by such representative shall be binding upon the appointing corporate member. A Member's representative shall be identified in either the Member's intake form or membership application, as applicable, and may be changed from time to time by submitting a new designation of representative to membership@westernpowerpool.org. Each corporate member may invite other corporate member employees, officers or directors to attend WPP meetings and events, but only the single designated corporate member representative shall have the ability to act on behalf of the corporate

member.[3]

- **Dues and Assessments.** Any schedule of dues payable by corporate members will be posted to the WPP's website.

- **Transfers.** Corporate memberships are nontransferable and not assignable and shall terminate upon the resignation or termination of the corporate membership.

- **Resignation.** A corporate member may resign at any time by delivering oral notice or written notice to the WPP at membership@westernpowerpool.org. Such resignation shall not relieve the resigning corporate member from the payment of dues or assessments already levied or otherwise committed by that corporate member. Once delivered, a notice of resignation is irrevocable.

- **Termination, Suspension and Expulsion.** A member may be terminated, suspended, or expelled for failure to meet the Corporate Membership Criteria. Any such member shall receive not less than 15 days' prior written notice of any such intended action and the reasons therefor. The members shall receive an opportunity for the member to be heard by the President, orally or in writing, not less than five days before the effective date of the expulsion, suspension, or termination. Any written notice given by mail must be given by first-class or certified mail or statutory overnight delivery sent to the last address of the member shown on the corporation's records.

Version 1 (adopted December 5, 2023)

[3] This paragraph refers to voting on corporate matters (i.e., corporate dissolution), not to program or other committee voting. Voting on program issues (i.e., RSG, WRAP) is governed by separate program and individual committee rules.

DIRECTORS

What It Means to Be a Director

WPP's bylaws provide that the Board shall manage the affairs of the organization. In addition, Oregon nonprofit corporation law provides that "the board of directors shall exercise, or delegate or otherwise authorize the exercise of, all corporate powers and shall direct the management of the corporation's affairs, subject to any limitation set forth in the articles of incorporation. The board of directors shall retain authority over an exercise of corporate powers that the board delegates or authorizes." In interpreting this statutory language, the following key facts should be kept in mind:

- **A Director acts as part of a board.** As a body, the Board has very substantial power, including the adoption of policies and procedures to govern the activities of the Organization. In contrast, an individual Director, acting alone, has almost no corporate power. Instead, each Director exercises power and authority only as a participant in making Board decisions.

- **Directors direct, but do not perform, the Organization's activities.** Oregon law and the Organization's bylaws contemplate that corporate actions, as determined by the Board as a whole, will be carried out by officers, employees, and agents. Neither the Board itself nor any individual Director, acting solely as a Director, carries out the activities of the Organization.

- **Directors act on behalf of the Organization as a whole.** Directors act on behalf of WPP as a whole, in the furtherance of its mission. Although some Directors are selected because of their experience, knowledge, or expertise in one area, they represent all constituencies of WPP, and although a Director may be elected or appointed by virtue of their position in another organization, they must act in the best interests of WPP.

Duty of Care

In carrying out their responsibilities, Directors are subject to a duty of care. This requires that a Director be informed, and discharge their duties in good faith, with the care that an ordinarily prudent person in a like position would reasonably believe appropriate under similar circumstances.

The elements of exercising the duty of care include: (i) regular attendance at meetings, (ii) carefully reviewing information supplied to Directors, and (iii) requesting additional information if needed to make an appropriate decision. A Director may rely upon reports, communications and information received from officers, employees, committees, and outside professionals or other experts if the Director reasonably believes the source to be reliable and competent as to the particular subject matter.

Each Director should exercise their independent best judgment on all decisions. That judgment may be informed by their individual experience and affiliations, but their decision must be based solely on what they believe to be in the Organization's best interest.

Duty of Loyalty

Directors also have a duty of loyalty, which requires them to exercise their powers in good faith and in the best interest of the Organization, rather than in their own interest or the interest of any other entity or person. The basic legal principle is that a Director shall not use a board position for individual personal advantage.

A Director must be conscious of the potential for them to have interests that conflict with those of the Organization and should act with candor and care in dealing with such situations. Potential conflicts of interest should be disclosed, and a Director having a conflict of interest generally should not participate in the deliberations or decision with respect to that matter.

Confidentiality is another aspect of the duty of loyalty. Generally speaking, a Director should not disclose information about WPP's activities unless they are already known by the public or are of public record, or the Board has specifically authorized or directed the Director to disclose the information.

Duty of Obedience

The duty of obedience is closely related to the duty of loyalty. Directors have a duty to follow the Organization's articles of incorporation, bylaws, and governance policies (including this manual), to carry out the Organization's mission, to ensure that the Organization funds are used for lawful purposes, and to cause the Organization to comply with state and federal laws that relate to the manner in which it conducts its business.

Relationship with President and Employees

One of the key relationships in a nonprofit corporation is between the Board of Directors and the President. The Board is responsible for adopting or approving the significant policies governing the Organization's authority, the budget, major corporate transactions, and like matters. The Board also hires the President and assesses their performance. The President, on the other hand, should be responsible for the day-to-day management of the affairs of the Organization and the implementation of Board policies. They should report directly to the Board. Except when specifically authorized, (e.g., where an employee is assigned to staff a particular committee), Directors should not deal directly with employees on matters relating to the conduct of their duties but, instead, should communicate through the President.

Board of Directors Qualifications & Composition

The process of selecting new candidates for the Board should consider the overall composition of the Board. The Nominating Committee (NC), in its primary role of identifying and selecting candidates for the Board, will attempt to select candidates for nomination whose qualifications complement the qualifications of remaining Directors and other selected candidates. All candidates must meet the Board independence and conflict of interest requirements established by the Board, as well as any other criteria identified by the Board.

The following expertise and professional backgrounds should be considered and given priority:

- Electric industry — such as executive experience at electric utilities; electric power reliability councils, power pools, independent system operators, or regional transmission organizations; independent power producers or power marketers; large consumers of electricity with relevant expertise in power procurement or consumption; firms that perform professional services for utilities or other market participants; or as a military officer with relevant experience.

- Regulatory — such as experience as individuals with extensive background in the regulated or restructured utility industry, including resource or transmission planning and knowledge of relevant federal, state, or local regulations; state or federal regulators with applicable experience; ratepayer or consumer advocates; individuals with extensive and relevant experience with public interest organizations; or academics or consultants with relevant experience.

- General management/leadership/legal/financial — such as experience as management consultants or service industry executives; experience on profit or non-profit boards; executives; financial officers; legal officers or information officers of; major law firm partners; elected officials and public servants; executives of financial institutions, investment banking, or financial accounting/auditing organizations.

The Board will strive to ensure that the Board includes at least one Director with expertise in Western electric systems, markets, or utility resource planning, and at least one Director with expertise in organized markets, power pools, independent system operators, or regional transmission organizations. The Board should also ensure that there is not a predominance of Directors who specialize in one subject area or professional field. The NC should strive to select diverse candidates whose qualifications help fill any critical gaps in expertise or experience on the Board, as identified by the NC.

Geographic diversity is another important consideration. No one state or sub-region should have excessive representation — meaning Directors whose place of residence or work history tends to associate them with a particular state or sub-region. The NC should consider candidates with relevant experience from outside the footprint of the WPP that would contribute to diversifying the perspective of the Board.

The Board and NC should strive to ensure that the overall composition of the Board reflects a diversity of perspectives that may result from different areas of expertise, geographic background, professional background, ethnicity, gender, and life experience.

The NC should seek out candidates with a demonstrated ability to collaborate, including in the course of potential policy disagreements with peers, in a board or other group decision-making body. Candidates should also demonstrate a commitment to engaging with stakeholders outside of the candidate's own professional field.

All potential candidates must possess a proven reputation for excellence in their areas of expertise.

The NC should give consideration to candidates' perspectives about WPP as an institution relative to the ongoing evolution of regional initiatives related to power markets and the electric grid, including scenarios in which the scope of WPP's programs and the Board's responsibilities expands. In this regard, the NC may evaluate candidates' expectations about how to be responsive to, guide, or otherwise engage with participants and other stakeholders in WPP's programs and committees about such regional matters and how the candidates would balance and seek consensus on what could be divergent participant and stakeholder views.

Board of Directors Nomination and Election Process

Consistent with WPP's bylaws, the Board elects directors at its annual meeting, except as necessary to fill vacancies. The term of a director elected at an annual meeting begins on January 1 of the following year. The term of a director elected during the year to fill a vacancy begins on the date specified in the resolution to elect the director.

The Nominating Committee (NC) is charged with identifying candidates for the Board to consider during this election process.

The NC will provide the Board with a slate of candidates to fill any open positions. If the Board rejects a slate, the NC must reconvene to establish a new slate of nominees for Board consideration, taking into account the Board's reasons for the Board's rejection. In the case of multiple open seats, the NC may retain one or more nominees from the original slate in the new slate, so long as the new slate is not identical to the original slate. Once the second slate is submitted, the Board must accept the slate.

Nominating Committee Activities

1. The Nominating Committee should meet on a schedule that will allow it to discharge its obligations in a timely manner. The Board anticipates that the Nominating Committee will meet at least once annually and, if a Board member's term is scheduled to expire, approximately 150 days before the expiration of the Board member's term.

2. The Nominating Committee will report its activities to the Board on a regular basis.

3. If a Board member's term is expiring, the Nominating Committee will, on a timeframe that it selects, solicit an indication from an existing Board member whose term is expiring to determine whether the Board member seeks to remain on the Board. The NC Co-Chairs will work with WPP and an executive search firm, as needed, to ensure that the meeting schedule and associated task schedule allows for sufficient NC deliberation and leads to a timely nomination of a final slate.

5. The vote of the Board on the proposed slate and, if applicable, Board compensation should occur by the time of the Board's annual meeting in the fourth quarter of each calendar year. New Directors will be introduced to WPP members during the annual members meeting in January of the following year.

Annual Board of Directors' Governance Calendar

The following list of annual calendar activities are recurring events the Board should address each year. In some instances, the Board may address an issue by summarily determining that no changes are needed. This calendar is intended to prompt the Board to consider key issues on a timely basis.

- **January/February**
  - Annual Members Meeting* (Q1)
- **March**
  - 1st Quarter Board Meeting
    - Discuss Form 990 due May 15th (if no extension). Make plan for review/approval before deadline.
- **May**
  - Review/Approve Form 990 for May 15 submission* (unless extension granted)
- **June**
  - 2nd Quarter Board Meeting
    - Review WRAP Proposals*
    - Approve WRAP Winter Planning Reserve Margins*
    - Review WRAP Study Scope*
- **September**
  - 3rd Quarter Board Meeting
    - Review Preliminary Budget
    - Annual Compliance Report
- **November**
  - Meeting to review CEO Performance Assessment (as needed)
- **December**
  - Annual Board Meeting
    - Elect Directors*
    - Elect Officers *
    - Annual Fiduciary Duty Review*
    - Annual FERC Training*
    - Approve WPP Budget (beginning in 2025)*
    - Approve WRAP Summer Planning Reserve Margins*
    - Review Annual Goals
    - Review Corporate Compliance Policy (odd numbered years)
    - Review President/CEO performance
    - Address President/CEO compensation
    - Address Director Compensation (as needed)
    - Review Membership Fee Schedule (as needed)
    - Annual Program Updates from WPP Staff

Items marked with * are required by law, regulation, contract, bylaws, or tariff

COMMITTEES

WPP is governed by a Board of Directors. WPP also uses committees to facilitate board governance, stakeholder engagement, and program work. WPP can create three types of committees: (1) Board Committees; (2) Advisory Committees; and (3) Ad Hoc Committees.

Board Committees

WPP's bylaws allow the Board to create committees comprised of Directors. No non-board members may serve as a voting member of a Board Committee. Board Committees may act on behalf of the Board, subject to the limitations outlined in the bylaws.

Each Board Committee must have a Board-approved charter that articulates the committee's purpose, composition, operations, and responsibilities. WPP has the following standing Board Committees:

- Finance and Audit Committee

The charter(s) for these Board Committee(s) are included in this Governance Manual.

Advisory Committees

WPP's bylaws permit the Board to create advisory committees. At least one Director must serve on an advisory committee, and other members may be Directors or non-board members. Advisory committees have no power to act on behalf of the Board. Advisory committees make recommendations to the Board.

Each Advisory Committee must have a Board-approved charter that articulates the committee's purpose, composition, operations, and responsibilities. WPP has the following standing advisory committees:

- Nominating Committee

The charter(s) for Advisory Committee(s) are included in this Governance Manual.

Ad Hoc Committees

In addition to its standing committees, the Board or Chair may create Ad Hoc Committees and appoint committee members. Ad Hoc Committees are formed for a limited period of time to address a specific need. When the work of the Ad Hoc Committee is completed, the committee is dissolved. An Ad Hoc Committee may exist for less than a year or for a year or more depending on the extent of the work assigned to it. Both Directors and non-board members may serve on an Ad Hoc Committee. An Ad Hoc Committee does not have the authorization to act on behalf of the Board unless the committee is comprised solely of Board members and the Board delegates such authority.

The Chair shall inform the Board of the formation of an Ad Hoc Committee , and the committee's purpose, anticipated duration, and membership. Unless specified by the Board or Chair, each Ad Hoc Committee may determine procedures for its own meetings, including notice for meetings and keeping of minutes.

Non-Board Members Who Serve on Committees

Non-Board members are often invited to serve on committees to complement the knowledge and skills of the Board and staff. Often these are people with experience and credentials in specific fields. These members are valuable additions to committees.

FINANCE AND AUDIT COMMITTEE CHARTER

Purpose

The purpose of the Finance and Audit Committee (the "Committee") is to assist the Board of Directors (the "Board") in the fulfilment of its functions with respect to the financial statements and financial condition of the Northwest Power Pool, d/b/a Western Power Pool ("WPP") by:

- Overseeing financial and audit systems of WPP for financial adequacy and integrity.
- Overseeing the process for monitoring compliance at WPP as it relates to financial integrity.
- Evaluating the independence and qualifications of the independent auditor.

Membership

1. The Committee shall be comprised of three or more directors as determined by the Board.
2. Only directors may serve on the Committee. The Board will appoint members of the Committee and a Chair, each to serve for one-year terms. Appointment to the Committee requires a majority vote of the directors then in office.
3. The Board may fill vacancies on the Committee. The Board may remove a Committee member from the Committee at any time, with or without cause, by vote of all Committee members (other than the member whose removal is proposed) serving on the Committee at the time the vote is taken.

Operations

The Committee will meet monthly, or with such frequency as it may determine. The Chair of the Committee will preside over Committee meetings. A majority of Committee members will constitute a quorum. Committee approvals will require a vote of a majority of the Committee members present at a meeting at which a quorum is present.

The Committee will report its activities to the Board on a regular basis and will keep meeting minutes. Beginning with the 2023 Annual Meeting, the Finance and Audit Committee shall make a report to the Board at every regular meeting thereafter.

Unless the Committee otherwise directs, the president and any board member or advisor may attend Committee meetings. The Committee may invite any non-Committee member to attend meetings or meet with Committee members.

The President will designate an individual from staff to serve as staff liaison to the Committee.

The Committee will review this charter periodically and recommend any proposed changes to the Board for review. The Board may amend this charter at any time.

Responsibilities

1. The Committee's role is one of oversight. Management is responsible for preparing the financial statements. The independent auditor is responsible for auditing the annual financial statements. The Finance and Audit Committee shall:
2. Review and make recommendations to the Board regarding WPP's budget, including the process used for developing the budget.
3. Periodically review operating cash flows, liquidity position, and performance against budget and projections.
4. Lead the Board review of WPP's strategy for long-term financial sustainability.
5. Review and make recommendations to the Board regarding the establishment and termination of banking and similar relationships.

6. Review WPP's investments, including investment objectives, strategy, reporting, and performance, and monitor execution against WPP's investment policy.
7. Review the performance and make recommendations to the Board on the retention and, when appropriate, termination of the independent auditor, and negotiate the terms of engagement subject to Board approval.
8. Meet with the auditor and staff to discuss the audit plan, relevant new financial reporting requirements, the annual financial statements and the completed audit.
9. Review the audit and determine whether to accept the audit.
10. Review the auditor's observations including any management letter and confer with the auditor to satisfy Committee members that WPP's financial affairs are in order.
11. Monitor/oversee management actions to address audit findings and observations.

Version 1 (Adopted August 23, 2023)

NOMINATING COMMITTEE CHARTER

Purpose

The purpose of the Nominating Committee (the "NC" or "Committee") is to identify potential candidates for open board positions. Consistent with WPP's bylaws, the NC will ensure the overall composition of the board reflects a diversity of expertise and experience. The nominating and election process will occur consistent with the process detailed in the Board Governance Manual.

Composition

1. The NC shall be comprised of fourteen representatives serving various sectors of the energy industry, customers, and regulators.

    a. Thirteen members of the Committee will be voting representatives, as noted below:

        1) Two investor-owned utilities (IOUs) serving on the Resource Adequacy Participants' Committee (RAPC) which shall also include international Participants;

        2) Two publicly owned utilities (POUs) serving on RAPC;

        3) One retail competition load responsible entity (LRE) serving on RAPC;

        4) One Federal Power Marketing Administration;

        5) One independent power producer/marketer, not including the retail competition LRE representative;

        6) One public interest organization;

        7) One retail customer advocacy group;

        8) One industrial customer advocacy group;

        9) One WPP Agreement Signatory (not on RAPC and not a market operator);

        10) One Load Serving Entity (LSE) (or representative) with loads in the WRAP represented by another LRE and otherwise not eligible for any other sector;

        11) The chair or vice-chair of the Committee of State Representatives (COSR.)

    b. The NC shall also include one non-voting representative, a Director from the Board whose term is not expiring.

    c. Committee members above may include representatives of the identified entities such as trade organizations.

2. Each sector will appoint members of the Committee representing the sector. The NC will appoint two Co-Chairs, each to serve for a maximum of [two] cycles of Board nominations, unless the NC elects to extend the service for one or more additional cycles.

3. The NC shall fill vacancies on the Committee with representatives duly proposed by the sector with the vacancy. The NC may remove a Committee member from the Committee at any time, using the voting guidelines outlined in the Operations section of this Handbook.

4. Sectors are encouraged but not required to appoint new representatives of the sector at least

    once every [four] years in order to ensure a diversity of views are represented.

5. The NC shall be a standing committee that will meet as needed and as specified in the Procedures section of the Nominating Committee Handbook. During periods that the NC is not meeting or that NC activity is dormant, the representatives of the NC from the various sectors listed above are assumed to remain members of the NC unless they indicate that they are vacating their position on the NC

Operations

1. The Committee will generally meet in the first quarter of each year to determine the status of potential upcoming Board vacancies, and thereafter, with such frequency as it may determine. The Co-Chairs of the Committee will preside over Committee meetings. The presence of eight voting representatives will constitute a quorum. Committee approvals will require an affirmative vote of two-thirds of all eligible voting representatives. Proxies may be eligible for voting but not for establishing a quorum.
2. In order to provide itself sufficient time to secure an executive search firm and find qualified candidates, if necessary, the Committee will, on a timeframe that it selects, solicit an indication from an existing Board member whose term is expiring whether or not the Board member seeks to remain on the Board.
3. The Committee will report its activities to the Board on a regular basis and will keep meeting minutes.
4. The Board will designate a Director to serve as a non-voting representative on the NC; the President will designate an individual from staff to serve as staff liaison to the NC.
5. The NC will review this charter and the NC's Board selection criteria (*see* Section III) periodically and recommend any proposed changes to the Board.

Responsibilities

The Nominating Committee identifies candidates for the Board to consider for potential selection to the Board. The NC's primary responsibility is to identify a slate of proposed directors for the Board as needed to fill Board vacancies.

If the Board rejects a slate identified by the NC, the NC must reconvene to establish a new slate of nominees for Board consideration, taking into account the Board's reasons for rejecting the original slate. If the slate involves multiple nominees, the NC may retain one or more nominees from the original slate in the new slate, so long as the new slate is not identical to the original slate. Once the second slate is submitted, the Board must accept the slate.

The NC must ensure its deliberations are kept confidential where appropriate. The NC shall also make recommendations regarding Board compensation.

Version 2 (Adopted October 9th, 2024)

BOARD POLICIES

Overview of Board Policies

WPP Directors are the fiduciaries who steer WPP towards a sustainable future by adopting sound, ethical, and legal governance and financial management policies. Below is a list with short descriptions of each of WPP's Board-approved policies, the full text of which follows this overview.

Conflict of Interest and Independence Policies

All Directors and officers must perform their duties in an ethical, professional manner that avoids any conflict of interest. A conflict of interest arises when there is a conflict between an individual's duties on behalf of WPP and the individual's personal or private interests, or when the duty to exercise independent judgment in the best interest of WPP could be interfered with because of a personal interest. The Conflict-of-Interest Policy outlines each Director's and officer's duty to disclose their financial interest that may give rise to an actual, possible, or perceived conflict of interest, and the procedure for the Board to address it. Directors and officers must complete a statement proactively disclosing entities in which they have an interest. In addition, Directors must remain financially independent from WRAP market participants.

In January of each year, WPP will require annual disclosures of conflicts related to its conflict of interest and independence policies.

The Independence Policy is included here.

The Conflict-of-Interest Policy is included here.

Board Engagement Policy

The Board Engagement Policy is included here.

Document Integrity and Retention Policy

Federal and state laws require the retention of certain documents and electronic records. The Board is responsible for ensuring that WPP is properly securing and retaining documents and electronic records in accordance with those laws and with best practice for risk management, as articulated in its policy and retention schedule. The Board's adoption of a document retention policy sets guidelines and facilitates Directors' fulfillment of the duty of care, establishes transparency, and ensures compliance.

The Document Integrity and Retention Policy is included here.

Signature Authority Policy

The Board sets forth and approves signature authority levels for directors and officers. In addition, the President/CEO may implement financial authority levels for WPP staff, in amounts and terms not to exceed those of the President/CEO.

The Signature Authority Policy is included here.

Expense Reimbursement Policy

The board has adopted an Internal Revenue Service (IRS) accountable expense reimbursement policy. That policy is included here.

Independence Policy

SECTION 1. DEFINITIONS

1.1 "Affiliate" means any individual, corporation, partnership, firm, joint venture, association, joint-stock company, trust or unincorporated organization, or other form of entity, directly or indirectly Controlling, Controlled by, or under common Control with, such entity.

1.2 "Control" means the possession, directly or indirectly, of the power to direct the management or policies of an entity. A voting interest of ten percent or more creates a rebuttable presumption of Control.

1.3 "Immediate Family Member" means spouse, minor child, or any other individual for whom the Person has power of attorney or guardianship rights.

1.4 "Person" means any Board member, officer or employee of WPP.

1.5 "Prohibited Securities" means the Securities of a WRAP Participant if the primary purpose of the WRAP Participant is to buy, sell or schedule energy power, capacity, ancillary services or transmission services as indicated by an industry code within the "Electric Power Generation, Transmission, and Distribution" industry group under the North American Industry Classification System.

1.5.1 Prohibited Securities do not include:

(1) Interests in a publicly traded or publicly-available mutual fund or other collective investment fund or in a widely-held pension or similar fund, provided that (a) the fund is publicly traded, (b) the fund's prospectus does not indicate the objective or practice of concentrating its investment in WRAP Participants or similar entities, and (c) the Securities holder does not have the ability to exercise Control over the financial interests held in the fund; OR

(2) Securities of a WRAP Participant which have been purchased by an Immediate Family Member, who is employed by a WRAP Participant and is required to purchase Securities of such WRAP Participant as part of the Immediate Family Member's employment. Any such purchase by an Immediate Family Member must be disclosed to the Finance Committee and WPP's Treasurer. The Finance Committee will have the authority to consider appropriate limitations, if any, on the Person's duties, including changing the Person's duties, to avoid an appearance of a conflict of interest.

1.6 "Securities" means stocks, stock options, bonds and any other instruments of debt or equity, and includes all interests in debt or equity instruments, including, without limitation, secured and unsecured bonds, debentures, notes, securitized assets, commercial paper, preferred and common stock, any beneficial or legal interest derived from a trust, and any right to acquire any long or short position in such securities, including, without limitation, interests convertible into the aforementioned securities, options, rights, warrants, puts, calls, and straddles with respect to such securities.

1.7 "WRAP Participant" refers to any entity or its Affiliates (other than WPP) which is a party to the Western Resource Adequacy Participation Agreement.

SECTION 2. PROHIBITION ON PROHIBITED SECURITIES

2.1 No Person or Immediate Family Member may own Prohibited Securities.

2.1.1 Maintenance of a 401(k) account or other deferred compensation account with a former employer that is a WRAP Participant is acceptable, so long as the account does not include Prohibited Securities. Specifically, a 401(k) account or other deferred compensation account cannot include stock of a former employer if it is a WRAP Participant, except through a mutual fund (1) the investments of which the Person must not control, and (2) that does not concentrate its investments in one or more WRAP Participants.

2.1.2 Officers and employees of WPP may maintain a defined benefit pension plan or other retirement plan with a former employer that is a WRAP Participant so long as the benefits are independent of the financial condition of the WRAP Participant and pension payments are distributed to the Person by a trustee, not as compensation, but in accordance with the rules of the pension plan.

2.2 If a Person or Immediate Family Member owns Prohibited Securities, divestiture must occur as follows unless a Person or Immediate Family Member elects to transfer the Prohibited Securities to a blind trust under Section 2.3 of this Policy.

2.2.1 Prohibited Securities must be divested within six months of the Person's relationship with WPP.

2.2.2 If the interest in Prohibited Securities results from an entity becoming a WRAP Participant, the Person must divest all new Prohibited Securities within six months of receipt of WPP's notice of the updated relationship.

2.2.3 If the interest in Prohibited Securities results from a gift, inheritance, distribution of marital property, or other voluntary acquisition, the Person must divest all newly acquired Prohibited Securities within six months.

2.3 Within six months of initial employment a Person or Immediate Family Member may elect to transfer to a single blind trust all Prohibited Securities that were owned prior to employment.

2.3.1 For the purposes of Section 2.4 a "blind trust" is a legally binding arrangement pursuant to which a third-party fiduciary, as the trustee, has full management discretion over assets contained in the trust, and the Person or Immediate Family Member, as the trust beneficiary, has no visibility regarding specific assets contained in the trust.

2.3.2 A Person must file an annual disclosure statement confirming compliance with this Independence Policy.

SECTION 3. PROHIBITION ON ASSOCIATION WITH WRAP PARTICIPANTS

3.1 A Person may not be associated with any WRAP Participant. WPP will consider a Person associated with a WRAP Participant under the following circumstances.

3.1.1 A Person will be considered associated with a WRAP Participant if an Immediate Family Member is an officer, director, partner, or employee of a WRAP Participant unless:

(1) The Immediate Family Member was an officer, director, partner or employee of a WRAP Participant prior to the implementation of this Policy and the

Person has disclosed this relationship to WPP's Treasurer for Finance Committee review; OR

(2) The Person receives a waiver of compliance from the Finance Committee.

3.1.2 A Person will be considered associated with a WRAP Participant if the Person is an officer or employee for WPP, served as a former executive officer of a WRAP Participant, and continues to receive benefits under an existing employee benefit plan (other than plans exempted by Section 2.1.1 and 2.1.2 of this Policy), arrangement, or Policy of the WRAP Participant.

3.1.3 A Person will be considered associated with a WRAP Participant if the Person is an WPP Board member, served as a former executive officer or director of a WRAP Participant, and continues to receive benefits (other than customary retirement-related benefits including, but not limited to, benefits under ERISA plans, supplemental retirement plans or non-pension post-retirement benefit plans) from a WRAP Participant.

3.1.4 A Person will be considered associated with a WRAP Participant if the Person has a material ongoing business or professional relationship with a WRAP Participant or an employee of a WRAP Participant.

3.2 The Finance Committee retains the authority on behalf of the Board of Directors to determine whether a business or professional relationship between a Person and a WRAP Participant is a material ongoing or professional business relationship under this Section.

SECTION 4. PROHIBITION ON MARKET TRANSACTIONS WITH WRAP PARTICIPANTS

4.1 All Persons are prohibited from engaging in any market transactions with WRAP Participants other than in performance of duties under WPP's Tariff. This provision does not prevent WPP or any Person from purchasing electricity, power, and energy as retail customers from a WRAP Participant.

SECTION 5. POLITICAL ACTIVITIES

5.1 No Person is restricted from participating in any legal political activity so long as the Person does not purport, directly or indirectly, to represent WPP without authorization.

5.1.1 No Person should participate in political activities as a representative of WPP unless specifically authorized to do so or use WPP funds or resources to support particular political parties or candidates, or seek reimbursement from WPP for political contributions.

5.2 No Person is prohibited from holding public office so long as the Person notifies WPP's Treasurer in writing upon acceptance of public office.

5.2.1 A Person's work in public office must not detract from the Person's performance in connection with WPP, and the Person may not represent WPP in the Person's capacity as a public official or use WPP resources for work related to public office.

5.2.2 If a Person holds public office, the Person must abstain from voting or participating in any debate or matters relating to WPP as part of the Person's duties in public office.

SECTION 6. SECONDARY EMPLOYMENT & OTHER ACTIVITIES

6.1 WPP employees and officers may not engage in secondary employment unless the secondary employment:

(1) Will not interfere with the Person's duties as an WPP employee or officer and will not involve the use of WPP resources, materials, or assets;

(2) Will not result in any real or apparent advantages for any WRAP Participant over another WRAP Participant regarding WPP; AND

(3) Is fully disclosed to WPP before the commencement of any secondary employment.

(4) Before commencement of secondary employment, WPP's Treasurer must determine all the criteria outlined in section 6.1 are met in writing to authorize the secondary employment.

6.2 If a Person takes on secondary employment with a non-WRAP Participant, the Person may not transact business with WPP on behalf of the secondary employer.

6.3 Any outside business activity that interferes or materially decreases a Person's impartiality, judgment, effectiveness, productivity, or ability to perform the Person's duties and functions at WPP is prohibited.

6.4 If a Person is seeking other employment or has an arrangement concerning prospective employment with a WRAP Participant, the Person must notify a supervisor and disqualify themselves from participating in any matter that will have an effect on the financial interests of the particular WRAP Participant.

6.5 No Person may engage other WPP Board members, officers, or employees in any outside business activity that interferes with or materially decreases the impartiality, judgment, effectiveness, productivity, or ability of any Person to perform their duties and functions for WPP.

6.6 Section 6 of this Policy does not discourage or prohibit any Person from engaging or participating in civic, church, or other charitable organizations, provided such activities or positions do not interfere with the Person's functions at WPP.

SECTION 7. PROHIBITED GIFTS

7.1 A Person's position or responsibilities at WPP can never be used to improperly benefit the Person or Immediate Family Members. WPP expects all Persons to adhere to and maintain the highest ethical standards when conducting WPP business. All Persons must avoid situations or relationships that can cause actual, potential, or perceived conflicts with this Policy.

7.2 A Person may not accept gifts from a WRAP Participant or Vendor unless:

(1) The Person receives a gift no more than twice each year from an individual WRAP Participant or Vendor;

(2) Each individual gift is worth less than $100; and

(3) The Person did not solicit the gift.

7.2.1 In general, tickets to a sporting, cultural, or other event are considered a gift and must comport with the terms of Section 7.2 unless the WRAP Participant or Vendor will

attend in Person. If the WRAP Participant or Vendor does attend the event in Person, the tickets will be considered business-related entertainment and must fall within the terms of section 7.3.

7.3 For the purposes of this Section, gifts do not include:

(1) The acceptance of an occasional business-related meal; OR

(2) Attendance at a sporting, cultural, or other event with a WRAP Participant or Vendor not more frequently than once per twelve-month period with a specific WRAP Participant or Vendor.

7.4 All gifts prohibited by Section 7.2 must be returned to the donor by the Person as soon as possible.

7.4.1 If return of the gift is not feasible, the Person must disclose the gift to WPP's Treasurer, who will determine the appropriate resolution. Such resolution may include distribution of the gift among coworkers or donation of the gift to a charity.

7.5 No Person can offer anything of more than $100, including Company property, loans, contributions, or unpaid services to a representative of a WRAP Participant, member of the public, governmental official, or entity (foreign or domestic) without prior authorization from an WPP officer.

SECTION 8. CONSULTANTS & CONTRACTORS

8.1 No Person or Immediate Family Member may have a Significant Financial Interest in any contractor, company, business, or enterprise which has, or is seeking to establish, business relations with WPP unless that relationship has been disclosed to WPP's Treasurer and approved by the Finance Committee.

8.1.1 Within Section 8, "Significant Financial Interest" shall mean an officer-level position, equity ownership of 5% or more, or eligibility for a commission or other compensation as a direct result of the business relationship with WPP.

8.2 The Finance Committee shall apply reasonable and objective criteria when issuing conflicts of interest screening guidelines for consultants and contractors.

8.3 In applying the guidelines to individual cases, the Finance Committee will consider:

(1) The nature of the services provided by the consultant or contractor;

(2) The length of the engagement;

(3) Whether the consultant or contractor is required to comply with his or her own professional conflict of interest standard (e.g., attorneys, accountants, etc.); AND

(4) whether the consultant or contractor will have access to confidential information.

8.4 The Finance Committee will provide screening guidelines to the appropriate WPP personnel authorized to enter into contracts for outside services.

8.5 WPP's Treasurer will monitor the implementation of the Finance Committee's criteria.

Version 1 (adopted April 14, 2023)

Conflicts of Interest and Business Ethics Policy

Conflicts of interest arise when a director's position or responsibilities present an opportunity for personal gain (beyond the director's compensation for serving on the Board), or when personal interests conflict with the interests of the WPP.

Directors must avoid any business, financial, or other relationship where personal interests conflict with, or appear to conflict with, the interests of the WPP. Potential or actual conflicts of interest must be promptly and fully reported to the Finance and Audit Committee. A director who is in doubt about whether a given circumstance may present a conflict of interest should disclose the circumstances in question to the Finance and Audit Committee. The Finance and Audit Committee will discuss the potential conflict of interest with General Counsel and provide guidance to the director.

In general, a conflict of interest exists when the personal interests of a director could affect the ability of the director to act in the best interest of, and with good faith and loyalty to the WPP. A conflict of interest may be considered to exist in any instance where the actions or activities of any individual on behalf of the WPP also involves:

- Obtaining direct or indirect personal gain or advantage; or
- An adverse or potentially adverse effect on the interests of the WPP; or
- A transaction in which the WPP is a party, and in which a director has (1) a direct or indirect financial interest or (2) a conflicting fiduciary duty to another party involved in the transaction that, in either case, could influence his or her action on the matter while acting on behalf of the WPP.

Conflicts of interest may also arise in other instances. Although it is impossible to list every circumstance giving rise to a conflict of interest, several of the possible types of activities that might present potential or actual conflicts of interest are detailed below:

Outside Interests and Activities

The personal interests of a director may conflict with the interests of the WPP if he or she, or any member of his or her immediate family, by blood, adoption, or marriage (each an Immediate Family Member) is a person:

a) Who solicits bids, contracts, or supplies goods or services (including consulting or professional services) to the WPP;

b) From whom or to whom the WPP leases property or equipment;

c) With whom the WPP is dealing or is planning to deal in connection with the purchase or sale of real property, investment securities, or other property;

d) Who is an employee, officer, serves as a director, participates in management or is otherwise employed or compensated by an entity that competes with the WPP;

e) Who is an employee, officer, serves as a director, participates in management, or is otherwise employed or compensated by a person or entity that is engaging in transactions with the WPP;

f) Who has a material financial interest through ownership of stock or other type of equity interest in an entity that is engaging in transactions or competes with the WPP of the type listed in subsections (d) and (e), above. For purposes of the Policy, a material financial interest shall mean a 10% or more equity interest in such an entity described above and shall be calculated by aggregating the equity interests of the director and immediate family members; or

g) Who is a creditor of any entity that is engaging in transactions or competes with the WPP of the type listed in subsections (a) through (d), above.

Corporate Opportunity

Generally, a director breaches the duty of loyalty if the director seizes a business opportunity that the corporation was financially capable of undertaking or in which the director had a reasonable interest or expectancy. Moreover, a director's loyalty will be called into question even if the director simply takes personal advantage of a business opportunity that was in line with the company's business. This type of conflict is referred to as a "Corporate Opportunity."

A conflict of interest may occur when a director fails to inform the WPP of a Corporate Opportunity and instead diverts it to himself or herself, or to an Immediate Family Member, or to any entity with respect to which he or she (or an Immediate Family Member) is an employee, officer, director, holder of an equity interest, or creditor.

Non-public Inside Information

It is a conflict of interest to disclose non-public inside information relating to the WPP or gained through the director's relationship with the WPP, or to use such information for the personal profit or advantage of any director, any of his or her Immediate Family, or any entity with respect to which the director (or an Immediate Family Member) is an employee, officer, director, holder of an equity interest, or creditor.

Gifts, Gratuities, and Entertainment

It may be a conflict of interest for a director (or an Immediate Family Member) to accept gifts, excessive entertainment, unsecured loans, or other favors from any outside party that does, or is seeking to do, business with, or is a competitor of the WPP under circumstances from which it might be inferred that such action was intended to influence or possibly would influence the director in the performance of his or her duties. Though there are exceptions to the general rule, generally it is the WPP 's policy that neither the organization, nor any of its directors shall accept gifts or discounted goods or services from the WPP 's vendors. Token gifts of limited value received on a limited basis are acceptable (gifts with a combined value no greater than $100 received during a 12-month period).

Other Areas of Conflicting Interest

Other circumstances may arise which could result in a conflict between a director's personal interests and the interests of the WPP. The descriptions above are not inclusive of all potential conflict of interest situations. In general, any circumstance that may give rise to reasonable questions of possible favoritism, self-dealing, or undue influence may be a potential conflict of interest, even if no actual conflict exists. It should be noted that a personal bias against a third party may result in a conflict of interest even if the director is of the belief that he/she is not acting contrary to the fiduciary duties owed to the WPP.

Version 1 (adopted December 5, 2023)

Board Engagement Policy

Document Integrity and Retention Policy

WPP's current document retention policy has been revised for consistency with Oregon law and will be included here once it is fully implemented.

Signature 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 on

WPP's behalf contracts within the scope of their authority that they deem necessary or appropriate to carry out the transactions authorized thereby.

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 $250,000or 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 expire 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.

Expense Reimbursement Policy

Accountable Plan

WPP has chosen to adopt an accountable plan consistent with IRS regulations that allows it to reimburse Board members and advisors for authorized business expenses with no impact on taxable compensation. These include approved payments for travel and allowable out-of-pocket expenses related to official WPP business. The accountable plan does not address whether specific types of expenses are eligible for reimbursement but instead provides general guidance applicable to most situations related to travel and business expenses. Any disputed expenses, whether specifically addressed, must meet applicable requirement of the Internal Revenue Code and Treasury Regulations to qualify for reimbursement under an accountable plan.

Accountable Plan Requirements

Below is a summary of Internal Revenue Code requirements for an "accountable plan." To qualify under the accountable plan, payments for expenses must meet all the following requirements:[4]

1. **Business connection requirement.** Advances, allowances or reimbursements are allowable only for ordinary and necessary business and professional business expenses that are paid or incurred by the Board member or advisor while conducting WPP business.

   An ordinary expense is one that is common and accepted in WPP's trade or business. A necessary expense is one that is helpful and appropriate for WPP's business.[5]

   The IRS may assume that a disbursement provides a personal benefit if there is any doubt concerning its business purpose. For this reason, the business purpose must be specifically documented such that a third party would have no question about its benefit to WPP. Submitted expenses must therefore include a narrative describing a business purpose for each expense.

2. **Substantiation within a Reasonable Timeframe.** The out-of-pocket business expenses must be substantiated with a detailed record within a reasonable timeframe.

   - **Reasonable Timeframe.** The IRS provides a "safe harbor" for employees of 60 days; that is, business expenses substantiated within 60 days are presumed to substantiated within a "reasonable period of time." Because the IRS does not provide specific guidance on a safe harbor for non-employees, WPP will follow the 60-day employee safe harbor requirement for Board and advisor reimbursements.

[4] IRS Regulation §1.62-2.
[5] An expense need not be strictly "required" to be considered necessary.

- **Substantiation.** A properly substantiated reimbursement request must provide the following information:
    - A description of the business purpose for each expense.
    - The equivalent of the original receipt(s) with an itemized listing of each business expenditure, amount and date. Exceptions to the receipt requirement include (1) business use of personal car at standard mileage rate, and/or (2) per diem reimbursements based on daily rate.[6]
    - All charges to company credit cards must be substantiated in the same manner as the above-mentioned reimbursements.
    - Advances that are not substantiated within a reasonable period of time must be returned (paid back) within a reasonable period of time.

Accountable Plan Reimbursements. WPP will assume an adequate accounting has been made if reimbursement paperwork with all appropriate backup is initially received by the Controller *within 60 calendar days* after the end of travel, or from the date in which expenses(s) were paid or incurred, *and* the request for payment has been approved by all departmental approvers within the same 60-day time frame.

Non-Accountable Plan Reimbursements. For expenses incurred by Board members and advisors and reimbursed by WPP for which an adequate accounting is not received within 60 calendar days, WPP will issue a 1099-MISC, provided the total amount of such reimbursements, combined with any other 1099-reportable payments made by WPP to the Board member or advisor, meets the published 1099 reporting threshold for the year in which the payment is made.

Documentation. WPP will keep records of the aforementioned reimbursements for a minimum of three years, or as required by IRS regulations.

Version 1 (adopted December 5, 2023)

[6] Business use of a personal car will be reimbursed at the applicable IRS standard mileage rate.

WESTERN POWERPOOL

Communications with the Board; Engagement on WRAP Issues

This policy defines the Western Power Pool (WPP) Board of Directors' (Board) approach to communications with stakeholders, ensuring a balance between confidentiality, transparency, and board objectivity, particularly with respect to issues affecting the Western Resource Adequacy Program (WRAP) where the Board plays a strong oversight role. This policy also clarifies certain aspects of the WPP's engagement on WRAP issues.

Communications with Stakeholders

Treatment of Confidential Information

The Board acknowledges its responsibility to maintain the confidentiality of stakeholder communications shared through formal channels, including market-sensitive data, proprietary business information, settlement discussions, or confidential communication channels. Such information will not be disclosed unless disclosure is legally mandated or necessary for regulatory compliance; the stakeholder has expressly waived confidentiality; or limited disclosure is required to maintain procedural integrity in a formal proceeding. In general, however, communications with the Board will not be considered confidential and will not be treated as such.

~~**a. Transparency**~~

~~Just as it is committed to protecting confidentiality, the Board is likewise committed to transparency, particularly where the Board makes decisions related to WRAP. The Board will rely on the following guidelines to guide its interactions with stakeholders. To ensure fairness, Board members will avoid engaging in private conversations about:~~

- ~~The merits of a pending or disputed issue the Board must decide under the WRAP tariff, or~~
- ~~Whether WPP should take formal action affecting WRAP, such as filing comments at FERC.~~

~~If such a communication occurs, the Board member will promptly report it to the General Counsel. The General Counsel, working with the Board member, will determine whether disclosure is needed to maintain transparency.~~

Encouraged Communications with Stakeholders

~~The Board values hearing from stakeholders in appropriate ways.~~ The Board expects and welcomes respectful and constructive communication between stakeholders and with the Board. The [2]WPP's goal is to promote a collaborative, fair, and productive stakeholder process where all voices can be heard. The Board is committed to making educated, informed decisions on matters that come before the Board, particularly where there is disagreement among stakeholders. The Board plays an important role in overseeing the evolution of the WPP and the

WRAP and provides a key control to ensure that the program evolves in a fair, equitable and balanced manner.

The following kinds of communication with the Board are encouraged:

- General feedback on governance and process improvements.
- Perspectives shared in public forums (committee meetings, workshops, written comments).
- Background and educational information about industry trends or regional issues.
- Courtesy communications that support constructive relationships and program operations.

WPP Engagement on WRAP Issues

Responsibilities of the WPP for WRAP

The WPP is the Program Administrator for WRAP. In this role, the WPP (acting through the Board and/or Staff):

- Administers the WRAP tariff as an independent body, similar to an ISO/RTO.
- Operates under FERC rules and an independent board governance model.
- Facilitates the stakeholder process required by the tariff.
- Makes final program decisions through the independent Board, which must protect the integrity of WRAP tariff and comply with FERC orders.

WPP Engagement in Stakeholder Processes and Regulatory Proceedings

Because WPP is legally responsible for the non-discriminatory administration of the WRAP tariff, WPP may proactively engage in any stakeholder process and regulatory proceedings that could impact the WRAP. WPP may also be required to take steps to enforce the terms of the tariff and to safeguard it for all Participants. In doing so, the WPP will ~~Because WPP is legally responsible for the non-discriminatory administration of the WRAP tariff, WPP may be required to take steps to enforce the terms of the tariff and to safeguard it for all participants. This may include advising FERC when another tariff has the potential to negatively impact the WRAP tariff.~~

~~WPP Will Seek to Minimize Conflict with Participants. If an issue arises at FERC that may conflict with the WRAP tariff or undermine the rights provided thereunder, WPP will~~ use good-faith efforts to avoid or minimize conflict with WRAP ~~program~~ Pparticipants consistent with WPP's legal obligations, including:~~:~~

- *Supportive Comments*. WPP may submit comments in support of a Participant's docket. WPP will endeavor to share a draft of these comments with the Participant at least one week before filing.
- *Best Efforts to Resolve Informally*. WPP will use best efforts to resolve potential issues with Pparticipants informally.

- *File Only What is Necessary*. If WPP determines that it has the duty to make a substantive filing at FERC, WPP will seek to make the narrowest filing possible, consistent with its legal duties, however, the WPP's comments may need to express concerns or critical feedback if necessary to enforce the terms of the tariff and to safeguard it for all Participants. WPP will endeavor to share a draft of these comments with the Participant at least one week before filing.
- *Right to Monitor*. Where FERC proceedings have the potential to negatively impact the WRAP tariff or the rights of WRAP ~~program P~~participants, WPP reserves the right to intervene in the docket to monitor those proceedings.

WPP Will Use Reasonable, Good-Faith Efforts to Monitor Impacts on the WRAP Tariff.

The WPP is a small organization with limited resources. WPP staff will use reasonable, good-faith efforts to monitor and evaluate how other FERC filings may affect the WRAP tariff consistent with those resources, in order to discharge the above duties.~~**General Expectations for WRAP Engagement:** When an issue subject to the Board's decision-making authority is contentious or involves a potential legal filing, the WPP Board encourages discussions through open, stakeholder processes. In general, respectful and constructive communication between stakeholders and the Board is both appropriate and welcome. Our goal is a collaborative, fair, and productive process where all voices can be heard.~~