

DAM TASK FORCE MEETING

June 16, 2026

AGENDA

- » **Admin: Task Force Membership**
 - Discuss new membership requests
- » **Simplified SWEDE Holdback Allocation**
- » **Markets+ vs WRAP Energy Settlement (ensure no double payment)**

CURRENT DAM TASK FORCE MEMBERS

Organization	Members
APS	Tyler Moore (Chair)
NVE	Rodger Manzano
BPA	Matt Hayes (Chair) Jarrett Civelli
IPC	Kathy Anderson (Chair) Ben Brandt Camille Christen
Powerex	Derek Russell
TEA	Ed Mount Dan Williams Laura Trolese
PSE	Phil Haines Jason Miller
PGE	Teyent Gossa Stefan Cristea
PCI Energy Solutions	Justin Shearer
<i>PSCo</i>	<i>Request to join</i>
<i>SCL</i>	<i>Request to join</i>
<i>SRP</i>	<i>Request to join</i>

**DAM Task Force
Charter**
[PRC Task Force Charter - 01
- DAM.docx](#)

WHY WE ARE DISCUSSING THIS

Interim Binding Seasons: W27/29 and S28

- » WRAP binding seasons begin before full Markets+ integration could occur
- » As a result, **we'll use the existing WRAP Ops Client for sharing /** operations program deliveries for two interim seasons
- » Participants in Southwest and Rockies subregions will be participating in Markets+ (Wave 1) - should consider implications for WRAP Ops:
 - Holdback delivery
 - Energy settlements
 - Participant obligations

CURRENT WRAP PRINCIPLES:

What WRAP Defines...

- MW obligation for delivery**
- Default point for delivery**
- Pricing for energy for bilateral settlement**

WRAP Does Not...

- Specify where energy comes from** (*what generator/contract*)
- Preclude participants from agreeing to an alternative delivery point**
- Serve as central counterparty, nor preclude participants from agreeing to settle some portion of WRAP costs using a market**

SIMPLIFIED SWEDE APPROACH

HOLDBACK ALLOCATION

- » **Subregions with a central hub (i.e. Mid-C / Northwest):**
 - Participant is calculated as deficit *and wants support* (“holdback”) from WRAP
 - WRAP allocates holdback obligation among participants with positive sharing calculations *pro-rata based on positive sharing*
- » **Subregions without a central hub (currently: SWEDE / Arizona)**
 - Participant is calculated as deficit and wants support (“holdback”) from WRAP (**same!**)
 - WRAP allocates holdback obligation among participants with positive sharing calculations *considering participant-supplied transmission availability*

For Consideration:

Markets+ will be better equipped than WRAP Ops Client to optimize transmission.

Can Arizona/SW and Rockies Subregions become ‘Subregions with a Central Hub’?

Holdback Impact:

Surplus entities share holdback obligation relative to their calculated surplus

SIMPLIFIED SWEDE APPROACH

ENERGY DELIVERY

- » **Subregions with a central hub (i.e. Mid-C / Northwest):**
 - WRAP identifies a central hub; delivering participant responsible for transmission to hub, receiving participant responsible for transmission from hub to load
 - Participants are welcome to identify mutually agreeable alternative delivery approaches
- » **Subregions without a central hub (currently: SWEDE / Arizona)**
 - Delivery points are varied – identified based on SWEDE optimization of participant-identified transmission availability; delivering participant responsible for tx to point, as above.
 - Participants are welcome to identify mutually agreeable alternative delivery approaches

For Consideration:

Can Arizona/SW and Rockies Subregions become 'Subregions with a Central Hub'?

Delivery Impact:

Default obligation to deliver to/pick up from an identified hub, but welcome to identify alternative delivery approach (e.g. using market)

DISCUSSION

Holdback Allocation

- » Suggest switching to pro-rata holdback allocation simplifies participant interactions with WRAP operations program
- » WPP identifies primary impact of change being on implementation in Ops Client
- » Benefits include removing risk of tx unavailability resulting in waiver for non-delivery

Energy Delivery

- » If WRAP identifies a central hub, participants are still welcome to use market as a mutually agreeable delivery mechanism
- » Use Palo Verde as central hub? Is there a desire/ability to use “Markets+” as the central hub?
- » WRAP currently requires use of an e-tag, is this important, or problematic, for use of Markets+ for energy delivery?

SETTLEMENTS

Objective

- » Consider how Participants can use Markets+ to facilitate deliveries while maintaining settlement obligations for WRAP

Current WRAP Settlement Principles:

- » Three-part settlement calculation (energy, capacity, opportunity cost)
- » Index pricing used as input to calculation
- » Pricing to be provided via WPP-hosted settlement API

SETTLEMENTS

Suggested Approach:

- » Minimal changes to WRAP settlement calculation, recognizing WRAP allows participants to bilaterally settle by whatever mechanisms are mutually agreeable
- » Ensure WRAP policies/calculations are workable with reality of live DAMs, and flexible enough to enable participants to use markets for deliveries if desired
- » WRAP participants may mutually agree on how to utilize market settlements to facilitate some of the WRAP payments and energy deliveries

Issues for consideration (*within WRAP*):

- » Review inputs (esp. index pricing inputs) for appropriateness with live DAMs
- » WRAP energy deliveries in the SW/Rockies will need to be determined prior to DAM run. Should we change this in one or both subregions? In WRAP policies, or agreed to between participants?

Issues for consideration (*outside of WRAP*):

- » How should participants schedule WRAP deliveries within the DAM to ensure tracking?
- » Participants will need to bilaterally settle for the difference between market payments and WRAP settlement prices (not unique to WRAP bilateral agreements – how will this be done for other bilateral energy agreements?)

PROPOSED PATH FORWARD

» June 16 (today)

- Gather feedback on holdback and settlement concepts

» June 23

- Discuss deficiency charge proposals

» July 14th and 28th

- Refine proposal(s)
- Develop tariff/BPM changes
- Build stakeholder alignment

» In-person meeting first week of August?