

WRAP: Cost EXPECTATIONS OVERVIEW

WRAP Cost Expectations

2 Components of WRAP Costs:

Step 1: Cash Working Capital

One-time payment at WRAPA signing



Step 2: Monthly Invoices

Ongoing, Split between Base & Load Cost

Note: Participants who are state regulated will need to pay fees to support [Committee of State Representatives \(COSR\)](#)

CASH WORKING CAPITAL (CWC)

A. **CWC Purpose**: To support WPP's maintenance of sufficient funds on hand to make payments required for the operation and administration of the WRAP on a timely basis.

- One-time charge upon signing WRAPA
- Based on Load Share (P50%) of the current footprint of the program

B. **How CWC is Calculated:**

- **Total Pool**: \$3,375,000
- **New Participant CWC** = $\$3,375,000 * P50 / (\text{Sum of Existing Participants' P50} + \text{Your P50})$

Note:

- Where P50 is the new Participant's P50
- If needed, WPP has the right to assess an increment CWC charge – hasn't been done and will not be done lightly

CWC PAYMENT STEPS

1. WPP and Participant execute WRAPA
2. Participant provides hourly load data from Nov-Dec 2019, and 2020-2025
3. WPP to calculate and provide CWC amount to participant
4. Participant to provide billing information to wrap@westernpowerpool.org
 - Company Name
 - Billing Contact Name
 - Billing Address
 - Billing Contact Email(s)
 - Billing Contact Phone Number
5. WPP to send Invoice to Participant
6. Participant to pay Invoice *(due 30 days after the effective WRAPA date, October 15 at the latest)*

- Goal is complete CWC a couple of months prior to WRAPA effective date to ensure enough time for planning and execution.
- Any overcharging due to multiple joining participants will be returned after September 15th

MONTHLY INVOICES

- A. Purpose:** All other WRAP charges will be included in monthly invoices to all participants based on costs accrued that month.
- B. Two Components:**
- Base Cost – Split equally among Participants
 - Load Cost – Based on your P50% (share of total program load)
- C. Active:** Invoicing starts the day of the WRAPA effective date.

WRAP Cost Assignment Matrix

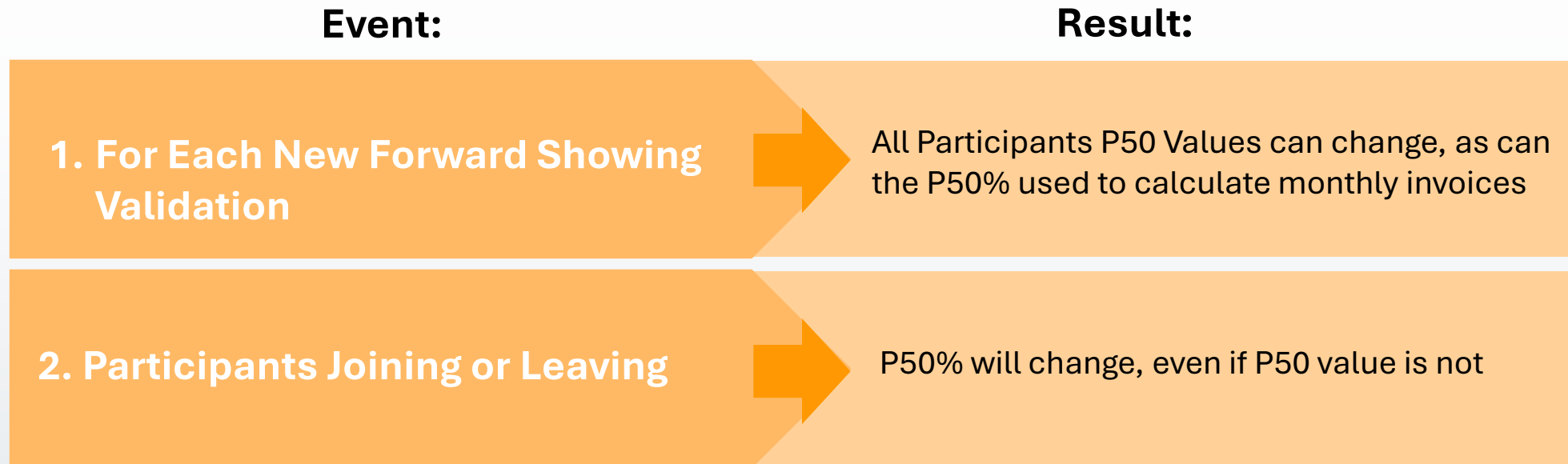
	BASE COSTS	LOAD COSTS	DUAL BENEFIT
Program Administration (non-participant)		100%	
Program Administration (Participant engagement, RAPC facilitation)	100%		
WRAP portion of WPP BOD costs			50%/50%
Program Operations Staffing and Overhead		100%	
Program Operations Technology		100%	
Legal Services		100%	
Independent Evaluator		100%	

ESTIMATED AND MAX MONTHLY CHARGES

- » **The WRAP Tariff defines** maximum load (by MW) and base (by Participant) charges that can be assigned to each Participant in a year.
 - » **Maximum Annual Charges (Per Tariff):**
 - Base Cost Cap: \$59,000
 - Load Charge Cap: \$199 per MW
- » Through the WPP budget process, we have highest confidence estimates for the next 3 years

P50% FOR MONTHLY INVOICES

Why Your P50 and P50% Might Change:



Each time your P50 or P50% (or both) changes, your RAPC representative and billing contact will receive an emailed letter showing the updated P50 and P50% values.

WRAP PAYMENT SUMMARY:

- » 2 types of Payment as a WRAP Participant
 - CWC charge – paid once upon joining, based on P50%
 - Monthly invoices – paid monthly, split between P50% and per-Participant
- » CWC charge due 30 days after WRAPA effective date (September 15th)
- » Reach out to Maya McNichol with questions: wrap@westernpowerpool.org