

Western Resource Adequacy Program

109 Forward Showing
Transition Period

Revision History

Manual Number	Version	Description	Revised By	Date
109	0.1	RAPC Glance Version	Rebecca Sexton	8/22/2023
109	0.2	Public Comment	Rebecca Sexton	8/28/2023
109	0.3	RAPC & PRC Discussion	Rebecca Sexton	10/6/2023
109	0.4	RAPC Endorsement	Rebecca Sexton	10/20/2023
109	0.5	Board Consideration	Rebecca Sexton	10/21/2023
109	1.0	Board Approved	Rebecca Sexton	12/6/2023
109	1.1	2024-NTFP-2 Edits	Katie Gregor	1/27/25



Table of Contents

Revision History	1
109 Transition Period	3
1. Introduction	3
1.1. Intended Audience	3
1.2. What Will You Find in This Manual?	3
1.3. Purpose	3
1.4. Definitions.....	3
2. Background	4
3. Transition from NonBinding to Binding Seasons	4
3.1. Optionof Summer 2027 as First Binding Season	5
4. Transition Period Binding Season Participation	6
4.1. Non-Binding Season Participation	6
4.2. Option to Defer First Binding Season for All Participants.....	6
5. Excused Transition Deficits	7
5.1. How to Obtain an ETD	7
5.2. Limits on Megawatts to Which ETDs can be Applied	7
5.3. Discounted Deficiency Charge once ETD is Applied.....	8
6. Reduction of Monthly Capacity Deficiency Applicable to Legacy Agreements.....	9
7. Adjustment of Revenue Allocations.....	10
Appendix A – Senior Official Attestation – ETD	11
Appendix B – Senior Official Attestation – No-JCAF Option	12



109 Transition Period

1. Introduction

The Forward Showing (FS) Program of the Western Resource Adequacy Program (WRAP) provides for a four-year Transition Period, commencing in Summer 2025 Binding Season and ending after Winter 2028-2029 Binding Season. All Participants will participate in the Summer 2025 and Winter 2026-2027 Binding Seasons and all Binding Seasons in between as Non-Binding Participants. From Winter 2027-2028 all Participants will be Binding (excepting any Critical Mass provisions) and subject to certain charges for failure to meet or cure compliance obligations associated with Binding participation in the WRAP; however, during the Transition Period such charges may be reduced in certain limited circumstances. The Transition Period also provides Participants the option of Binding participation one season earlier in Summer 2027, so this season may have a mixture of Binding and Non-Binding Participants. This FS Transition Period Business Practice Manual (BPM) provides implementing details and practices relevant to the FS Program during the Transition Period. Implementing details and practices relevant to the Operations Program during the Transition Period are described separately in *BPM 210 Binding and Non-Binding Participation in Operations Program*.

1.1. Intended Audience

BPM 109 is intended for WRAP Participants and other interested individuals or entities and will be particularly useful for those responsible for their Participant organization's submission of FS Submittal and ensuring that their organization complies with WRAP FS Program requirements, whether Non-Binding or Binding, during the Transition Period.

1.2. What Will You Find in This Manual?

BPM 109 includes sections outlining practices and implementation details relevant to the Transition Period, Binding and Non-Binding participation, Excused Transition Deficits (ETDs), and the reduction in Monthly Capacity Deficiency Charges available under certain conditions for Legacy Agreements.

1.3. Purpose

To provide an overview of the WRAP Transition Period activities for the FS Program that might impact business processes of current or potential Participants.

1.4. Definitions

All capitalized terms that are not otherwise defined in BPM 109 have the meaning set forth in the Tariff. Any capitalized terms not found in the Tariff that are specific to BPM 109 are defined here.



Joint Contract Accreditation Form, or JCAF: As defined in *BPM 106 Qualifying Contracts*.

No-JCAF Option: Transition provision allowing a Participant to utilize Legacy Agreements without demonstration of a JCAF on a limited basis, as described in Section 6.

Transition Binding Season: For all Participants the Binding Seasons during the Transition Period from Winter 2027-2028 onwards for which the Participant is subject to the mandatory requirements of Parts II and III of the Tariff, and including Summer 2027 for Participants that opted for Binding participation one season earlier

2. Background

The WRAP is a regional resource adequacy program in which Participants demonstrate, in advance of a defined season when resources may need to be deployed, that they have sufficient resources to meet their expected peak loads and FS Planning Reserve Margins (FSPRMs). The WRAP imposes standards and requirements related to such matters as the resources that qualify to meet resource adequacy objectives, the calculation of peak loads, and the required minimum FSPRMs. The WRAP provides for imposition of significant charges on Participants that do not show in advance sufficient resources to meet their loads. In addition, under the WRAP, Participants with surplus resources are subject to requirements in certain circumstances during the subject season to assist Participants that are resource deficient, and if a surplus Participant fails to make required energy deliveries to a deficient Participant, the surplus Participant is subject to significant charges for such delivery failure. Recognizing that not all Participants may have made all necessary arrangements and implemented all necessary business processes at the program's outset to secure WRAP-Qualifying Resources, meet the various WRAP obligations, and avoid imposition of these significant charges, the WRAP includes a four-year Transition Period. The Transition Period rules provide the possibility of reduced charges in certain specific circumstances designed to recognize that some Participants may still be in the process of securing all resources needed to ensure compliance with WRAP requirements. All Participants will be subject to Binding participation obligations starting November 1, 2027 (for the Winter 2027-2028 Binding Season), but the Transition Period rules allow each Participant the option to elect to also participate one season earlier as a Binding Participant in Summer 2027.

3. Transition from Non-Binding to Binding Seasons

The Transition Period consists of the Summer Seasons for 2025, 2026, 2027, and 2028, and the Winter Seasons for 2025-2026, 2026-2027, 2027-2028, and 2028-2029. The Winter 2027-2028 Binding Season beginning November 1, 2027, will be the first Binding

Season for all Participants whose Western Resource Adequacy Program Agreement (WRAPA) is effective on September 15, 2026, unless a Participant selects Summer 2027 as its first Binding Season. Transition Period provisions will continue to apply until March 15, 2029, as noted in Table 1 below.

Table 1. Transition Period Provisions and Non-Binding/Binding Participation

Period	Participation and Provisions	
Summer 2025 through Winter 2026- 2027	Non-Binding participation only	Transition Period provisions apply
Summer 2027	Both Binding and Non-Binding participation	
Winter 2027-2028 through Winter 2028-2029	Binding participation only	
Summer 2029 onwards	Binding participation only Subject to all standard WRAP requirements and obligations	

3.1. Option of Summer 2027 as First Binding Season

A Participant that executes a WRAPA on or before January 15, 2026, may notify WPP on or before January 15, 2026, of its intent to participate in the Summer 2027 Binding Season as a Binding Participant. A Participant that executes a WRAPA after January 15, 2026 and on or before September 15 2026 may elect to participate in the Summer 2027 Binding Season as a Binding Participant by notifying WPP of such intent on or before the effective date of its WRAPA. Notification of intent to participate in Summer 2027 as a Binding Participant must be provided in email to WPP. The decision to participate as a Binding Participant in the Summer 2027 Binding Season is optional, thus Summer 2027 participation may be mixed, with some Participants participating in a Non-Binding manner, while others participate in a Binding manner.

4. Transition Period Binding Season Participation

During Transition Period Binding Seasons, a Participant will be subject to the same obligations and requirements, and have the same rights, that the WRAP Tariff establishes for the period beginning after the end of the Transition Period, except for the WRAP Tariff provisions, as also elaborated below concerning ETDs and lack of JCAF assent for Legacy Agreements.

4.1. Non-Binding Season Participation

During Non-Binding Seasons, a Participant will not be subject to Deficiency Charges under the FS Program, or to mandatory Holdback Requirements as a result of a positive Sharing Calculation result, mandatory Energy Deployments, or Delivery Failure Charges under the Operations Program. Participants will be subject to all other FS Program requirements, including the requirement to timely provide data in connection with the Advance Assessment, the requirement to timely provide FS Submittals, and Operations Program requirements as appropriate and detailed in *BPM 210 Binding and Non-Binding Participation in Operations Program*. A Participant in a Non-Binding Season may participate in the Operations Program as outlined in *BPM 210 Binding and Non-Binding Participation in Operations Program*.

4.2. Option to Defer First Binding Season for All Participants

Within two years prior to the start of Participants' first Binding Season (Summer 2027 if any Participants opted for Binding participation one season early or Winter 2027-2028 if no Participations avail themselves of that option), a Binding Participant in that first Binding Season may request a vote of all Binding Participants in that first Binding Season to delay implementation of the first Binding Season for up to two seasons. The deferral vote may only occur for the first Binding Season of the WRAP.

Delayed implementation of the first Binding Season will only be approved if 75% of the Participants who in the first Binding Season vote in favor of the delay. Approval requires a vote of 75% of both the House and Senate vote tallies (as described in Sections 4.1.6.2.1 and 4.1.6.2.2 of the WRAP Tariff) of all Binding Participants in the first Binding Season.

This deferral option encompasses an option for the relevant Participants to vote to delay implementation only of the Operations Program portion of the first Binding Season and retain the binding FS Program portion of the first Binding Season.

If the Participants who in the first Binding Season of the WRAP vote to delay implementation of the first Binding Season, all compliance charges for the FS Program and Operations Program are automatically waived; provided that, if the Participants vote to delay implementation only of the Operations Program portion of the first Binding Season and retain the binding FS Program portion of the first Binding Season, only the effectiveness of Operations Program compliance charges is deferred.

5. Excused Transition Deficits

During a Participant's Transition Binding Seasons, FS Deficiency Charges otherwise applicable to the Participant under Section 17.1 of the WRAP Tariff, and calculated under Section 17.2, shall be reduced to a Discounted Deficiency Charge to the extent the Participant has an ETD. ETDs are not resource specific and relate to a MW quantity of the Participant's FS Capacity Requirement.

5.1. How to Obtain an ETD

To obtain an ETD during a Binding Season, the Participant must provide a Senior Official Attestation (in the form set forth in Appendix A below) attesting that the Participant or a relevant third party servicing load for which the Participant is the LRE has made commercially reasonable efforts to secure Qualifying Resources in the quantity needed to satisfy the Participant's FS Capacity Requirement for the Binding Season, but is unable to obtain Qualifying Resources in the quantity required for the Binding Season because the supply of such resources on a timely basis and on commercially reasonable terms is at that time inadequate. If the attestation relates to a third-party servicing load for which the Participant is the LRE, the Senior Official Attestation may be signed by a Senior Official of the third-party load service provider. If an ETD is requested the required attestation shall be included as part of the Participant's relevant FS Submittal (*see BPM 108 Forward Showing Submittal*). Participants may apply for ETDs in multiple Months of a Binding Season.

5.2. Limits on Megawatts to Which ETDs can be Applied

For each Month of a Binding Season during the Transition Period, ETDs are limited to a maximum permissible MW quantity per Participant per Month.

The MW limit is equal to the FSPRM applicable to a Participant for its FS Submittals for each Month in the Binding Season, multiplied by a percentage value. This percentage value decreases for each year that Transition Period provisions apply.

The percentage value is 200% for each Month of the 2027 Summer Season and 2027-2028 Winter Season, and 100% for each Month of the 2028 Summer Season and 2028-2029 Winter Season.

Table 2. Percentage Value to be Multiplied by FSPRM

Season	Percentage Value to be Multiplied by Participant FSPRM
Summer 2027	200%
Winter 2027-2028	200%
Summer 2028	100%
Winter 2028-2029	100%

For example, if the applicable FSPRM is 20% and a Participant's P50 Peak Load for June 2028 is 1000MW, the Participant could seek an ETD for 200 MW (i.e., $20\% * 1000\text{MW} * 100\% = 200\text{MW}$).

As can be seen, the MW limitation of a Participant's aggregate ETDs for each Month of a Binding Season is calculated from only the increment of the Participant's FS Capacity Requirement defined by the FSPRM, i.e., by a percentage of the Participant's P50 Peak Load. It is not defined by the sum of the Participant's P50 Peak Load plus the MW needed for the FSPRM. The reduction in the percentage factor every 12 Months, as shown in Table 2 reflects the program's expectation that Participants will use the four-year Transition Period provisions to address any gaps in their portfolio of Qualifying Resources needed to meet their FS Capacity Requirement.

5.3. Discounted Deficiency Charge once ETD is Applied

A Participant can apply ETDs to its Monthly Capacity Deficiency to reduce its Deficiency Charge. For the MW portion of its Monthly Capacity Deficiency for which it obtained ETDs, a Participant will pay a Discounted Deficiency Charge reduced by a percentage value. That percentage value will be equal to 75% for each of the 2027 Summer Season and 2027-2028 Winter Season, and 50% for each of the 2028 Summer Season and 2028-2029 Winter Season.

Table 3. Reduction of Deficiency Charge Based on ETDs

Season	Percentage Value Reduction for Portion of Monthly Capacity Deficiency to Which ETDs Have Been Applied
--------	---

Summer 2027	75%
Winter 2027-2028	75%
Summer 2028	50%
Winter 2028-2029	50%

For the MW portion of its Monthly Capacity Deficiency for which it did not obtain ETDs, the Participant will be assessed a FS Deficiency Charge calculated under WRAP Tariff Section 17.2, without reduction or adjustment.

A detailed example is provided in the FS Transition Period Deficiency Charge Examples document posted on the WPP website.

As can be seen in Table 3, the percentage reduction in a Participant's Deficiency Charge becomes smaller every 12 Months, and thus its Discounted Deficiency Charge after providing an accommodation for ETDs becomes larger every 12 Months. This again reflects an expectation that Participants will use the four-year Transition Period provisions to address any gaps in their portfolio of Qualifying Resources needed to meet their FS Capacity Requirement.

6. Reduction of Monthly Capacity Deficiency Applicable to Legacy Agreements

In addition to the possible reduction in a Participant's Capacity Deficiency Charges for an ETD, a Participant may be able during the Transition Period to reduce its Monthly Capacity Deficiency to the extent the deficiency is due to the Participant's failure to obtain assent from the supplier under a Legacy Agreement to a JCAF. WRAP's general rule is that supply contracts must be resource specific. Legacy Agreements (including, for example agreements without an identified or inferred source entered under Schedule C of the Western Systems Power Pool), entered before prospective Participants in WRAP reached a consensus on the resource specific rule (October 1, 2021), are allowed an exception to that rule, but only if the Participant relying on a Legacy Agreement in its FS Submittal obtains the written assent of the supplier under the Legacy Agreement to a form which enables the Program Operator to presume a source or sources for the agreement. The Transition Period rules permit a limited further exception to that requirement (thus allowing Participants some additional time to convert or replace pre-existing Schedule C-type agreements). To obtain that relief, the Participant must provide, as part of their FS Submittal (see *BPM 108 Forward Showing Submittal*), a Senior Official Attestation (in the form set forth in Appendix B below) attesting that the Participant made commercially reasonable efforts to execute the required JCAF with the supplier under the Legacy Agreement, but the supplier was

unable or unwilling to counter sign the JCAF. This transition provision is termed the No-JCAF Option.

Even with that showing, this Transition Period exception is strictly limited. A Participant using this exception, whether for one or multiple Legacy Agreements, may not reduce its Monthly Capacity Deficiency in the subject Month by a MW quantity greater than 25% times the FSPRM applicable for that Participant for the relevant Binding Season.

For example, assuming an FSPRM value of 20% for a given Month during the Transition Period, a Participant with a 1000MW P50 Peak Load in such Month may seek this exception for as much as 50 MW ($20\% * 1000\text{MW} * 25\% = 50\text{MW}$).

In addition, a Participant employing the No-JCAF Option must reduce, MW for MW, its maximum permitted use of ETDs for the same Transition Binding Season. For example, if a Participant exercises the No-JCAF Option exception for a MW quantity equal to 20% of the Participant's FSPRM for the Summer 2028 Binding Season (which has a maximum ETD amount of 50% of the FSPRM), then the Participant may apply ETDs in an aggregate MW quantity no greater than 30% of their FSPRM for Summer 2028 ($50\% - 20\% = 30\%$).

7. Adjustment of Revenue Allocations

Any Participant that exercises the No-JCAF Option or successfully applies an ETD shall not receive an allocation of revenues from the payment of Deficiency Charges as to such Binding Season.

Revenues from ETDs will be distributed to Participants, for which the Season is a Binding Transition Season, and that did not use ETDs and did not exercise the No-JCAF Option to meet their FS Capacity Requirement. A Participant that receives revenues from ETDs will not have an increase in its FS Capacity Requirement solely as a result of receipt of such revenue.

Appendix A – Senior Official Attestation – ETD

The following Senior Official Attestation will be required for any Participant seeking an ETD:

I, the undersigned, who, as [title], serves as a senior official of [Participant/third-party load service provider], hereby attest that (i) [Participant] meets the stated WRAP requirements for an Excused Transition Deficit; (ii) [Participant] has made commercially reasonable efforts to secure Qualifying Resources in the quantity needed to satisfy [Participant]’s FS Capacity Requirement for the [identify season] Binding Season, but is unable to obtain Qualifying Resources in the quantity required for the Binding Season because the supply of such resources on a timely basis and on commercially reasonable terms is at the present time inadequate; and (ii) the foregoing statements are true, correct and complete to the best of my knowledge and belief following due inquiry appropriate to the reliability and resource adequacy matters addressed herein.

Appendix B – Senior Official Attestation – No-JCAF Option

The following Senior Official Attestation will be required for any Participant seeking to utilize the No-JCAF Option with a Legacy Contract:

I, the undersigned, who, as [title], serves as a senior official of [Participant], hereby attest, in support of [Participant]’s request for a reduction in the Monthly Capacity Deficiency otherwise calculated under the Tariff, because ____ MW of such deficiency is due to [Participant]’s inability to obtain assent from the supplier under a Legacy Agreement to the accreditation required for such Legacy Agreement under the Tariff and Business Practice Manuals; (ii) [Participant] made commercially reasonable efforts to execute the required accreditation form with the supplier under the Legacy Agreement, but the supplier was unable or unwilling to counter sign the accreditation form; and (iii) the foregoing statements are true, correct and complete to the best of my knowledge and belief following due inquiry appropriate to the reliability and resource adequacy matters addressed herein.