

Western Adequacy

210 Binding and Non-Binding Participation in Operations Program

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Revision History

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210 Transition Period

1. Introduction

The Operations Program of the Western Resource Adequacy Program (WRAP) provides for a four-year Transition Period, commencing in Summer 2025 and ending in Winter 2028-2029. The seasons between and inclusive of Summer 2025 and Winter 2026-2027 will be Non-Binding for all 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 Binding and Non-Binding Participation in Operations Program Business Practice Manual (BPM 210) provides implementing details and practices relevant to the Operations Program during the Transition Period and for Non-Binding Participants. Implementing details and practices relevant to the Forward Showing Program during the Transition Period are detailed separately in *BPM 109 Forward Showing Transition Period*. Both during and after the Transition Period, if a Subregion fails to meet a Critical Mass of participation, the Participants of such Subregion may elect to participate as Non-Binding Participants. In such circumstances, the following BPM 210 also describes details and practices relevant to the Operations Program when some Participants are Binding Participants and some Participants are Non-Binding Participants.

1.1. Intended Audience

BPM 210 is intended for WRAP Participants and other interested individuals or entities. BPM 210 is particularly useful for those individuals that are responsible for, and support, participation in the Operations Program on a day-to-day basis or are interested in understanding the Operations Program impacts of the Forward Showing transition provisions provided for in *BPM 109 Forward Showing Transition Period*.

1.2. What Will You Find in This Manual?

This document includes sections outlining practices and implementing details relevant to the Operations Program some Participants are Binding Participants and some Participants are Non-Binding Participants, such as during the Summer 2027 or when a Subregion fails to meet Critical Mass, including the operational impacts of utilizing transition provisions in the Forward Showing Program.

1.3. Purpose

To provide an overview of the relevant activities for the Operations Program that may impact business processes of current or potential Participants.

1.4. Definitions

All capitalized terms that are not otherwise defined in BPM 210 have their meaning set forth in the Tariff. Any capitalized terms not found in the Tariff are defined here:

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

No-JCAF Option: As defined in *BPM 109 Forward Showing Transition Period*.

Priority Tier: Comparative rankings used to determine access to limited available aggregated Holdback Requirements and limited available voluntarily offered holdback, in relation to Sharing Events during the Transition Period.

Tier One: The first Priority Tier, as described in BPM 210 Section 4Table 1.

Tier Two: The second Priority Tier, as described in BPM 210 Section 4Table 1.

Table 1Transition Binding Season: As defined in *BPM 109 Forward Showing Transition Period*.

Uncertainty Factor: As defined in *BPM 203 Program Sharing Calculation Inputs*.

2. Background

The WRAP is a regional resource adequacy program in which Participants demonstrate, in advance of a defined season, that they have sufficient resources to meet their expected peak loads and a reserve margin. 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 reserve margin. The WRAP provides for imposition of significant charges on Participants that do not show in advance sufficient resources to meet their FS Capacity Requirement. In addition, under the WRAP, Participants with resources surplus to their needs in the operating time horizon are subject to requirements in certain circumstances during the Binding Season to assist Participants that are resource-deficient in the operating time horizon, 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 and its associated rules allow each Participant to select which specific Binding Season during the Transition Period (prior to Winter 2027-2028 when all Participants will be Binding) the Participant will first become subject to these

obligations. The Transition Period rules also provide the possibility of Discounted Deficiency 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.

Additionally, after the Transition Period, if a Sugregion fails to meet a Critical Mass of participation, the Participants of such Subregion may elect to participate as Non-Binding Participants. In such circumstances, the following BPM 210 also describes details and practices relevant to the Operations Program when some Participants are Binding Participants and some Participants are Non-Binding Participants. More information on Critical Mass can be found in Section 7 of *BPM 107 Forward Showing Deficiency Charge*.

3. Reduction in Sharing Calculation

Under the Operations Program, the Program Administrator implements a Sharing Calculation to identify any hour in which any Participant is forecast to have a capacity deficiency relative to the Participant's Forward Showing Capacity Requirement (known as a "Sharing Event"). The Sharing Calculation also identifies each Participant that is forecast to have surplus capacity relative to the Participant's Forward Showing Capacity Requirement during any Sharing Event, and the amount of such surplus capacity. This calculation takes into account changes in a Participant's resource availability, resource performance, forecast load, and Contingency Reserves relative to the Forward Showing Capacity Requirement, plus an Uncertainty Factor.

The amount of capacity shown to be available in the Sharing Calculation of any Participant that was found under the Forward Showing Program to have a Monthly Capacity Deficiency shall be reduced by the MW quantity of such Monthly Capacity Deficiency, but only if the Participant paid a FS Deficiency Charge for such Monthly Capacity Deficiency (see *BPM 107 Forward Showing Deficiencies* for additional information). This reduction in Sharing Calculation effectively reduces the quantity of capacity the Participant is expected to have during a Sharing Event, given that the Participant has already paid a FS Deficiency Charge for this increment of capacity for a given month. As a simple example, if a Participant had a FS Capacity Requirement (i.e., the Participant's P50 load MW quantity and FSPRM MW quantity) in June 2030 of 100 MW but only showed 90 MW in their FS Submittal for June and paid the FS Deficiency Charge on the remaining 10 MW, then the Participant's P50+FSPRM term in their Sharing Calculation would be 90MW during June 2030.

A Participant that pays a FS Deficiency Charge or avoids a FS Deficiency Charge by exercising a No-JCAF Option receives the same reduction in its Sharing Calculation equal to the MW quantity of its Monthly Capacity Deficiency even if that Participant's FS Deficiency Charge was reduced during the Transition Period due to either or both of an Excused

Transition Deficit (ETD) or exercising of the No-JCAF Option, as more fully described in the Tariff and in *BPM 109 Forward Showing Transition Period*.

4. Priority of Access When Available Capacity is Limited

For any Sharing Event during a season with both Binding and Non-Binding participation when there is insufficient capacity available to satisfy deficiencies of all Participants with negative Sharing Calculation result, available capacity will be allocated to Participants who are participating as Binding Participants in the relevant season. In this case, capacity from Holdback Requirements is available only to Binding Participants. The rules set forth in the Tariff and *BPM 204 Holdback Requirement* for allocation of Holdback Capacity to Participants with negative Sharing Calculation results (those that have confirmed the need for assistance under Tariff sections 20.2.1 or 20.4.2, as applicable) apply.

A Participant may voluntarily offer additional capacity into the WRAP Operations Program for allocation to Participants with negative Sharing Calculation results. This is called Voluntary Holdback, and is described more fully in *BPM 204 Holdback Requirement*. To the extent that any Voluntary Holdback has been offered, Participants with negative Sharing Calculation results will be provided access to Voluntary Holdback based on the Priority Tiers of the Participants needing assistance in any case where the needed assistance is less than the available Voluntary Holdback offered.

The first Priority Tier ("Tier One") will be given to any Participant who is participating in the relevant Binding Season as a Binding Participant. The second priority will be given to Participants for which the relevant Binding Season is a Non-Binding Season ("Tier Two").

Non-Binding Participants electing to offer Voluntary Holdback will not be subject to Delivery Failure Charges for failure to deliver energy to the Participant with a negative Sharing Calculation result but are strongly encouraged to fulfill those commitments, and to consider their ability to fulfill those commitments before making the voluntary offer.

Note that Non-Binding Participants do not pay FS Deficiency Charges during their Non-Binding Seasons, even if they might otherwise be calculated to have a Monthly Capacity Deficiency.

The Participants in each Priority Tier, their rights, and their responsibilities, are also summarized in More information on Holdback Requirement and Voluntary Holdback can be found in *BPM 204 Holdback Requirement*.

below.

5. Priority Tier Summary

The Participants in each Priority Tier, their rights, and their responsibilities, are summarized in Table 1 below. Table 1 shows, for clarity, a third Priority Tier, which simply recognizes that entities that are not Participants have no rights to WRAP Holdback Requirements or Voluntary Holdback. Participants may offer capacity or energy to non-Participants outside the WRAP, consistent with satisfying their obligations under the Tariff. More information on Holdback Requirement and Voluntary Holdback can be found in *BPM 204 Holdback Requirement*.

Table 1. Priority of Access to Holdback Requirements and Voluntary Holdback

Tier	Who is in it?	What do they get?	Obligations to WRAP
Tier One	Binding Participants	Holdback Requirements from other Participants, as assigned per the Tariff. Access to Voluntary Holdback offered by other Participants, as allocated among Participants with negative Sharing Calculations who confirmed a need for assistance for the given hour.	Subject to binding WRAP obligations for FS and Operations (including receiving Holdback Requirements as a result of a positive Sharing Calculation result or an offer of Voluntary Holdback). May provide Voluntary Holdback.
Tier Two	Non-Binding Participants	Access to Voluntary Holdback offered by other Participants, as allocated among Participants with negative Sharing Calculations who confirmed a need for assistance for the given hour and not otherwise allocated to Tier One Participants.	Not subject to binding WRAP obligations for Operations, including the Holdback Requirement as a result of the Sharing Calculation. May receive a Holdback Requirement as a result of an offer of Voluntary Holdback.
Tier Three	Non-WRAP-Participants	Any Participant capacity offered outside the program (not otherwise committed to WRAP obligations).	No obligations to the WRAP.

In Tiers One and Two, all transactions will be settled under the WRAP Settlement Pricing as detailed in *BPM 206 Settlement Pricing*.