

September 30, 2026

The Honorable Debbie-Anne A. Reese
Secretary
Federal Energy Regulatory Commission
888 First St., NE
Washington, DC 20426

Re: Northwest Power Pool d/b/a Western Power Pool, Docket No. ER26-____-000
Proposed Tariff Revisions to Establish Planning Reserve Margin for Rockies
Subregion

Dear Secretary Reese:

Pursuant to section 205 of the Federal Power Act¹ (“FPA”) and Rule 35.13 of the Federal Energy Regulatory Commission’s (“Commission”) regulations,² Northwest Power Pool d/b/a Western Power Pool (“WPP”), as authorized by its independent Board of Directors, submits proposed revisions to the Western Resource Adequacy Program (“WRAP”) Tariff³ to adopt provisions to facilitate participation of two new WRAP Participants who executed a Western Resource Adequacy Program Agreement (“WRAPA”) effective September 15, 2026⁴ in a new Rockies Subregion. To facilitate prompt implementation of the Tariff changes proposed herein, WPP respectfully requests that the Commission: (1) grant an October 1, 2026 effective date for these Tariff revisions; (2) establish a shortened, fifteen-day comment period on this proposal; and (3) issue an order accepting this proposal by October 30, 2026.

Specifically, WPP proposes Tariff revisions to modify the: (1) Forward Showing (“FS”) schedules specific to the Rockies Subregion; (2) Contingency Reserve methodology in light of the Commission’s approval of the retirement of North American Electric

¹ 16 U.S.C. § 824d.

² 18 C.F.R. § 35.13.

³ Western Resource Adequacy Program Tariff of Northwest Power Pool d/b/a Western Power Pool (“WRAP Tariff” or “Tariff”). References to the Tariff currently in effect are identified as “Tariff” and edits proposed herein are referred to as “Proposed Tariff.” Capitalized terms not defined herein shall have the meaning given in the Tariff.

⁴ The WRAPA between WPP and the two new WRAP Participants will be reported in WPP’s next Electric Quarterly Report.

Reliability Corporation (“NERC”) Regional Reliability Standard BAL-002-WECC-3 (“BAL-002-WECC-3”), effective April 14, 2026;⁵ (3) Capacity Critical Hours (“CCH”) methodology to determine separate CCH for each WRAP Subregion; and (4) minor conforming changes to reflect that WRAP will now have at least three Subregions with the addition of the Rockies Subregion. As discussed below, stakeholders widely support these revisions, as indicated by a unanimous vote of the Resource Adequacy Participants Committee (“RAPC”)⁶ and reflected in supportive comments from several stakeholders.⁷

WPP requests that the Commission accept the proposed Tariff revisions effective October 1, 2026, one day after filing, and waive the standard sixty-day notice requirement set forth in the Commission’s regulations to permit these Tariff revisions to take effect as soon as possible.⁸ Good cause exists to grant waiver of the notice requirement and allow these Tariff revisions to go into effect expeditiously. As set forth in more detail below, the combined effect of these Tariff provisions is to facilitate the creation of a new Subregion to allow consumers to experience the benefits of WRAP and enable WPP to calculate and enforce binding FS Planning Reserve Margins (“FSPRM”) for the Rockies Subregion’s binding participation in WRAP, using a more accurate method for calculating FSPRM that will also reduce the amount of required Contingency Reserves, and thus benefitting Participants and their customers. An expedited Commission order accepting this filing as of the requested effective date will give Participants maximum notice of their WRAP obligations.

The proposed revisions also respond to the Commission’s concerns expressed in a recent order addressing a waiver request by WPP to enable the establishment of FSPRM

⁵ See Joint Petition of the North American Electric Reliability Corporation and Western Electricity Coordinating Council for Approval of Retirement of Regional Reliability Standard BAL-002-WECC-3, Docket No. RD26-5-000 (Feb. 27, 2026); *see also North American Electric Reliability Corporation*, Letter Order, Docket No. RD26-5-000 (Apr. 14, 2026) (accepting the Joint Petition of the North American Electric Reliability Corporation and Western Electricity Coordinating Council for Approval of Retirement of Regional Reliability Standard BAL-002-WECC-3, effective as of the date of the letter order).

⁶ See Western Power Pool, Events/WRAP/RAPC, <https://www.westernpowerpool.org/events/588> (last visited Sep. 30, 2026).

⁷ See Attachment A (Stakeholder Public Comments) attached hereto; Western Power Pool Wrap PRC Comments/Topic 2026-EP-06, <https://www.westernpowerpool.org/comments/periods/2026-ep-06-rockies-fs-deadline> (scroll to bottom of page to “Responses: Comments Received” and click on “View” for each comment) (last visited Sep. 30, 2026).

⁸ See 18 C.F.R. § 35.3(a)(1).

for the Rockies Subregion.⁹ The Commission expressed concerns about the amount of lead time Rockies Subregion Participants would have had under the requested waiver to comply with FSPRM for their first Binding Season,¹⁰ and encouraged WPP to submit an FPA section 205 filing instead to address issues related to the Rockies Subregion and establishing FSPRM.¹¹ This filing addresses the timing concerns by giving Rockies Subregion Participants substantially the same amount of time that the current Tariff provides between the setting of PRM and the need to comply with it in an FS Submittal for a Binding Season, while also incorporating important and industry-adopted refinements to certain aspects of the FSPRM, such as changes to Contingency Reserve calculations and identification of CCHs that more accurately reflect critical hours with respect to each Subregion.

More fundamentally, the proposed revisions are necessary to allow WPP to administer the existing Tariff with respect to entities that have now become Participants in the Rockies Subregion. The current Tariff requires Participants to proceed through the FS process on the applicable program timeline and does not provide a mechanism for WPP to defer those requirements until a later modeling cycle because Subregion-specific metrics have not yet been established. At the same time, because the Rockies Subregion did not exist when the applicable metrics for the existing Subregions were developed, WPP cannot reasonably apply those previously established metrics to the Rockies Participants because of limited connectivity to the Northwest and Southwest Subregions, limiting load and resource diversity sharing. The proposed revisions therefore provide the pathway necessary to establish appropriate Rockies-specific metrics on an expedited basis and allow those Participants to satisfy their FS obligations under the Tariff.

By executing a WRAPA by September 15, 2026, the Rockies Participants became WRAP Participants subject to the requirements of the WRAP Tariff, and the FS requirements, for the 2027 Non-Binding Summer Season and the 2027/2028 Binding Winter Season and beyond. The proposed Tariff changes will enable WPP to administer those requirements using Rockies-specific reliability metrics and will provide those Participants with the lead time necessary to meet their resource adequacy obligations. To allow the changes to take effect as soon as possible, in order to maximize the benefits of the proposed Tariff provisions and permit the new Load Responsible Entities (“LRE”) that comprise the new Rockies Subregion to participate in WPP’s FS Program in a manner that provides the most accurate resource adequacy information for them and permits them sufficient time to meet their resource adequacy obligations prior to the FS, WPP requests that the Commission accept these changes effective as requested. Additionally, to provide new and existing WPP Participants with assurance and predictability regarding their resource adequacy obligations, WPP respectfully requests that the Commission issue an

⁹ *Nw. Power Pool*, 196 FERC ¶ 61,222 (2026) (“Waiver Order”).

¹⁰ *Id.* at PP 27-28.

¹¹ *Id.* at P 30.

order on this filing by no later than October 30, 2026.¹² Finally, WPP respectfully requests that the Commission permit a shortened comment period of fifteen days to provide the Commission with additional time before issuing an expedited order to consider any comments before acting on this expedited timeframe.

I. BACKGROUND

A. WPP

WPP is a non-profit, mutual-benefit corporation based in Portland, Oregon that serves as the WRAP Program Administrator.¹³ The WRAP is a Commission-approved resource adequacy program spanning the Canadian, Pacific Northwest, Rockies and Desert Southwest regions of the Western Interconnection, and is a voluntary, proactive, industry-initiated and -led effort developed by a diverse set of Participants and non-Participant stakeholders to meet the growing resource adequacy challenge and enhance reliability in the region.¹⁴ The WRAP is a planning and compliance framework that seeks to take advantage of and maximize regional diversity in resources and load to enhance reliability for all customers across the WRAP Region. The WRAP includes two overarching components—i.e., the FS Program¹⁵ and the Operations Program.¹⁶

WRAP was built by, and is administered for, its Participants, for the benefit of the entire region. However, Participant composition changes (either through current Participants exiting the program or new Participants joining—both of which have occurred over the past year), impacts all aspects of the WRAP including the modeling, potential capacity sharing, and connectivity between remaining Participants. Given recent changes in Participation, WPP determined that creation of a new Subregion—i.e., the Rockies Subregion—was necessary to both accommodate new Participants and due to changes in connectivity among existing Subregions as a result of some Participants deciding to exit the program before the first Binding Season of Winter 2027-2028. Under the Tariff, the WPP Board of Directors is empowered to create a new Subregion based on an assessment of transmission connectivity,¹⁷ as discussed in more detail below. However, as also discussed below, the Tariff requires WPP to establish PRMs for each Binding Season

¹² In this filing, WPP also takes the opportunity to remove italics that reflected previously pending language that has since been accepted in Section 1 of the Tariff. These non-substantive formatting-only changes are not reflected in redline.

¹³ WRAP Tariff § 2.2.

¹⁴ *Nw. Power Pool*, 182 FERC ¶ 61,063 (2023).

¹⁵ WRAP Tariff §§ 13-17.

¹⁶ *Id.* §§ 18-21.

¹⁷ *Id.* § 14.3.1.

significantly in advance of the Binding Season. While the advanced lead-time required to provide FSPRMs is beneficial to Participants, ensuring they have sufficient time to arrange the necessary capacity to meet their FS requirements, it also limits WRAP's ability to respond to significant changes in the footprint where new Participants are geographically dispersed or disconnected from existing Subregions. In the situation of the Rockies Subregion, the Tariff timeframes did not align with new participation.

B. WPP's FS Program

The WRAP FS Program requires WPP and Participants to begin preparing for a Binding Season (i.e., Winter Season or Summer Season) well in advance to the start of that Binding Season.¹⁸ The Summer Season begins on June 1 of each year and the Winter Season commences on November 20 of each year beginning with the Winter 2027-2028 Season.¹⁹ WPP determines and posts FSPRM²⁰ for each Subregion for each Month of a Binding Season no later than twelve months before the FS Deadline for that Binding Season.²¹ The WPP Board of Directors is required to approve the applicable FSPRM for each Month for each Subregion no later than nine months before the FS Deadline.²² The FS Deadline itself is set to seven months prior to the start of each Binding Season.²³ Tables 1 and 2 show the applicable deadlines for the 2027 Summer Season and the 2027-2028 Winter Season, which is the approach WPP followed for the current WRAP Subregions:

Table 1: Summer 2027 FS Deadlines

Deadline	Action	Tariff Requirement
Jan. 31, 2026	WPP Board approved FSPRM	9 months before FS Deadline
Oct. 31, 2026	FS Deadline	7 months in advance of Binding Season
June 1, 2027	Start of Summer 2027 Season	

¹⁸ See generally WPP Tariff § 14.

¹⁹ *Id.* § 14.1.

²⁰ FSPRM is defined as an “increment of resource adequacy supply needed to meet conditions of high demand in excess of the applicable peak load forecast and other conditions such as higher resource outages, or lower availability of resources, expressed as a percentage of the applicable peak load forecast, as determined in accordance with Part II of this Tariff.” *Id.* § 1.

²¹ *Id.* § 14.3.

²² *Id.*

²³ *Id.* § 14.2.

Table 2: Winter 2027-2028 FS Deadlines

Deadline	Action	Tariff Requirement
July 19, 2026	WPP Board approved FSPRM	9 months before FS deadline
Apr. 19, 2027	FS Deadline	7 months in advance of Start of Binding Season
Nov. 20, 2027	Start of 2027-28 Winter Season	

In accordance with these WRAP procedures, WPP began Loss of Load Expectation (“LOLE”) studies for existing Subregions for Summer 2027 FSPRM in June 2025 and the WPP Board adopted those FSPRM in December 2025, ahead of the Tariff deadline. WPP also began LOLE studies for Winter 2027-2028 FSPRM for existing Subregions in October 2025. The WPP Board adopted the Winter 2027-2028 FSPRM for existing Subregions earlier in June 2026, ahead of the Tariff deadline. The new Rockies Subregion was not included in these calculations because, at the time, the Rockies Subregion did not exist, the need for creating a new Subregion was not known, and any potential participation by entities that have now joined and are in the Rockies Subregion was uncertain at the time. Once those entities executed WRAPAs and became Participants, however, the Tariff required WPP to administer the FS Program for them on the same program timeline applicable to other Participants, notwithstanding that Rockies-specific metrics had not been established during the ordinary Advance Assessment process.

C. Waiver Request and Commission Order

On June 29, 2026, WPP submitted a waiver request to the Commission seeking waiver of Section 14.3 of the Tariff to permit WPP to set the FSPRM for the new Rockies Subregion, necessitated by new Participants expected to join the WRAP in September 2026.²⁴ WPP explained that it was experiencing a classic “chicken and egg” situation—the deadlines to set the FSPRM had passed prior to the new Participants officially joining the program and establishment of the new Rockies Subregion. WPP sought a waiver of the FSPRM deadlines in the Tariff to allow these new Participants to participate fully in the upcoming Binding Seasons.²⁵ The requested waiver would have allowed WPP to perform the necessary modeling and studies to establish FSPRM for the new Subregion in time for the 2027 Summer Season and the 2027-2028 Winter Season.²⁶ As WPP explained, as efforts to study and develop this Subregion had been ongoing and were expected to be completed in September 2026, WPP could not possibly comply with the existing Tariff posting and approval requirements for a new Subregion that was still under development

²⁴ Request of Northwest Power Pool d/b/a/ Western Power Pool for Limited Waiver of Tariff Provisions and Expedited Consideration, Docket No. ER26-3093-000 (June 29, 2026) (“Waiver Request”).

²⁵ *Id.* at 1.

²⁶ *Id.* at 1-2.

at the time.²⁷ WPP also indicated that, if granted, the waiver would have allowed the Board of Directors to establish FSPRM for the 2027 Summer Season by September 30, 2026, and for the first Binding Season of Winter 2027-2028 by February 28, 2027, at the latest, but that WPP would make every effort to accelerate those timeframes.²⁸

On September 21, 2026, the Commission denied WPP's Waiver Request, expressing concern about the truncated timeframe between the dates when PRMs for the Winter 2027-2028 Binding Season might be established and the FS Deadline for that season..²⁹ Specifically, the Commission stated that commenters raised legitimate concerns about shortened time frames and other potential adverse impacts, and that granting the waiver would leave Rockies Subregion Participants insufficient time to procure resources after learning their FSPRM.³⁰ The Commission invited WPP to submit an FPA section 205 filing to enable it to establish FSPRM for the Rockies Subregion and afford sufficient time for Participants to comply, if it desired.³¹

II. DESCRIPTION OF AND JUSTIFICATIONS FOR PROPOSED WRAP TARIFF REVISIONS

WPP is faced with two realities: on one hand, WPP is pleased that, as anticipated, several new LREs in the Public Service Company of Colorado ("PSCo") Balancing Authority Area ("BAA") joined the WRAP in September 2026. Participants will start participating in the WRAP beginning with the 2027 Summer Season (i.e., the WRAP's final Non-Binding Season)³² and will continue participation when WPP commences binding operations with the 2027-2028 Winter Binding Season. On the other hand, WPP is bound by the Tariff to set FSPRM for these new Participants on deadlines which passed prior to these Participants joining the program and prior to the subsequent creation of the Rockies Subregion. As discussed in Table 2 above, for example, regarding the Winter 2027-2028 FS Deadlines, the Board already approved FSPRM on June 4, 2026, for the existing Subregions. However, because the Rockies Subregion did not exist at that time and WPP did not know its eventual composition, WPP could not possibly have calculated FSPRM for the new Subregion. Nor does the Tariff provide WPP discretion to excuse these Participants from the FS process, defer their participation until a later modeling cycle,

²⁷ *Id.* at 8.

²⁸ *Id.* at 12-14.

²⁹ Waiver Order at PP 26, 27.

³⁰ *Id.* at P 28.

³¹ *Id.* at P 30.

³² WRAP Tariff § 15.1 (establishing the 2027-2028 Winter Season as the first Binding Season).

or apply another Subregion's metrics in lieu of Rockies-specific metrics. And yet, because WPP's Tariff permits the creation of Subregions and dictates binding FS commitments, WPP must develop accurate FSPRM for the Rockies Subregion while still permitting that Subregion sufficient time to meet its yet-to-be determined resource adequacy obligations prior to the FS Deadline.³³

To be clear, Rockies Subregion Participants that have executed a WRAPA are required by the existing Tariff to begin binding operations with the rest of the Participants in the 2027-2028 Winter Season, and by executing their WRAPAs in September 2026, have indicated their commitment to do so. Other entities located within the PSCo BAA are still considering their options and have been participating on a non-voting basis in stakeholder discussions in the lead-up to binding operations. These discussions have yielded some additional reforms that WPP is developing and plans to submit in the near future that will provide limited relief from deficiency charges during the transition for all Participants working towards compliance with the WRAP. These additional reforms should provide more significant relief for the new Rockies Subregion Participants that will account for the unique circumstances of their joining without metrics being available.

However, changes in participation have led to the need to modify certain approaches to modeling. Specifically, with the entry of some new Participants and the withdrawal of others, changes in transmission connectivity among remaining Participants have impacted the ability to use certain existing modeling approaches—primarily WRAP Region CCH. Moreover, as the Commission is well aware, the energy industry evolves quickly. Relevant here, changes in NERC standards have led to an industry change in the approach of determining Contingency Reserves. While this industry change is beneficial and being implemented promptly by utilities outside of WRAP, under the current Tariff it cannot be implemented without revisions to reflect the new approach.

In light of these factors, WPP has identified four issues and developed four sets of Tariff revisions, discussed below, that are necessary to ensure the Rockies Subregion has accurate FSPRM that reflect current industry and WRAP conditions, while giving Rockies Subregion Participants lead-time comparable to existing Participants to know their FSPRM and make arrangements necessary to comply with them by the FS Deadline.

A. Updates to FS Schedule

1. Justification for the Proposed Tariff Revisions

WPP made a good faith effort to address these timing considerations through the Waiver Request made several months ago in order to have the ability to develop FSPRMs for the anticipated new Rockies Subregion prior to their joining in September 2026. Having received the Waiver Order denying that request just over one week ago, WPP has worked expeditiously to develop, propose, acquire stakeholder support, and obtain Board

³³ *Id.* § 14.3.1.

of Directors approval of Tariff revisions to implement a schedule to accommodate all of the necessary steps to permit the Rockies Subregion to fully participate in WRAP in a timely manner. WPP also engaged with Southwest Power Pool, Inc., the Program Operator, to perform the modeling and determine the FSPRMs for the Rockies Subregion on a compressed schedule so that the Board of Directors could approve FSPRM on a significantly faster timeline than WPP anticipated in the Waiver Request. Indeed, earlier today WPP proposed, and the Board approved, on a conditional basis and pending Commission acceptance of this filing effective as requested, FSPRMs for the Rockies Subregion for both the upcoming 2027 Summer Season and 2027-2028 Winter Season. This expedited work was necessary because, once the Rockies entities became Participants, WPP could not simply defer establishment of their applicable reliability metrics while remaining in compliance with the other requirements of the Tariff.

The proposed Tariff revisions addressing timing requirements for setting FSPRMs apply only to the Rockies Subregion. The proposed timeline would establish the Rockies Subregion FS Deadline well after Board approval of the applicable FSPRM, attempting to maintain as much consistency with the amount of time provided under the current WRAP Tariff timeline as possible. Specifically, WPP proposes to set the FS Deadline for the 2027-2028 Winter Season as July 1, 2027, which is nine months from tomorrow, the requested effective date of these Tariff revisions. If the Commission accepts these Tariff revisions effective as requested, Rockies Subregion Participants will have the same amount of time—i.e., nine months—that existing Participants received to meet their FS requirements after their FSPRMs were established. The Tariff requires the Board to vote “no later than nine months” before the FS Deadline, which occurred today (conditioned on Commission approval).³⁴

To accommodate the later FS Deadline while maintaining the start of the Winter 2027-2028 Binding Season, the proposal would shorten certain WPP review periods. Specifically, the WPP review period following the FS Deadline and before the Cure Period would be shortened from sixty days to forty days, and the final WPP review period following the Cure Period would also be shortened. The sixty-day Cure Period would remain unchanged, ensuring Rockies Subregion Participants have the same amount of time as other Participants to address deficiencies and update their FS Submittals.

³⁴ In the event the Commission accepts this filing but denies the requested waiver of the prior notice requirement and sets an effective date of sixty days after filing, Rockies Subregion Participants will still have seven months from the effective date of the Tariff revisions to comply by the FS Deadline. While WPP has made a case for waiver of the sixty-day prior notice requirement and the Commission should grant it, even if it does not, seven months is significantly more time for the Rockies Subregion than was anticipated in the Waiver Request (which, as the Commission noted, would have only been two months under a worst case scenario of the timeframe between Board approval of FSPRMs and the FS Deadline). Waiver Order at P 27.

WPP also proposes adding Tariff language specific to the Rockies Subregion providing that, for a Non-Binding Season, the applicable FSPRM must be approved by the Board no later than thirty days before the FS Deadline. This provision would apply only to the Summer 2027 Non-Binding Season. While this would remain a compressed schedule from Board approval to FS Deadline, this is unavoidable given timing of the execution of WRAPAs by Rockies Subregion Participants and the Commission's denial of the Waiver Request. That said, Rockies Subregion Participants will still benefit by having an opportunity to develop and submit their Forward Showing while operating in a non-binding environment, using accurate FSPRM as the basis of their FS Submittal.

2. Description of Proposed Tariff Revisions

WPP proposes an entirely new section of its Tariff dedicated to this new schedule—Section 14A, titled “Summer 2027 and Winter 2027-2028 Transition.” Consistent with the above discussion, WPP proposes the following deadlines for the Winter 2027-2028 Binding Season: (1) FS Deadline is four months and nineteen days before the start of that season;³⁵ (2) Board approval of Monthly FSPRM shall be no later than seven months before the FS Deadline;³⁶ (3) no later than forty days after the FS Deadline, WPP will provide FS Capacity and Transmission Requirements, affirm QCC, and affirm Demonstrated FS Transmission Requirement levels, and notify of deficiencies;³⁷ and (4) within one hundred days of the FS Deadline, the Participant shall have the opportunity to cure any deficiencies.³⁸ It also states that for the Non-Binding Summer 2027 Season, the Board shall approve the FSPRM no later than thirty days before the FS Deadline.³⁹

B. Updates to Contingency Reserve Methodology

1. Justification for the Proposed Tariff Revisions

The Tariff currently follows the now-retired BAL-002-WECC-3 standard regarding Contingency Reserves. Specifically, Contingency Reserve is equal to the sum of 3% of hourly integrated load plus 3% of hourly integrated generation, represented in WRAP as an additional 6% of Participant load. However, on April 14, 2026 the Commission approved the retirement of BAL-002-WECC-3, effective July 1, 2026. In response, the WPP Reserve Sharing Group (“RSG”) (which is separate from WRAP, though all WRAP load is represented in the larger footprint of the RSG) adopted a requirement for its

³⁵ Proposed Tariff § 14A.2.

³⁶ *Id.* § 14A.2.1.

³⁷ *Id.* § 14A.2.2.

³⁸ *Id.* § 14A.2.3.

³⁹ *Id.* § 14A.1.

members that meets the BAL-002-3 requirement for Contingency Reserves that is based on the previous calendar year's average Most Severe Single Contingency. The overall impact of this change will be to reduce the amount of Contingency Reserves individual utilities will be required to carry, thus reducing costs while maintaining compliance with prevailing reliability standards.

The PRM Task Force (a stakeholder-based task force established under the WRAP governance process charged to reevaluate the FSPRM and FS Capacity Requirement) reached consensus that the Contingency Reserve Obligation requirement reflected in the WRAP LOLE model should remain aligned with this new Contingency Reserve Obligation methodology established by the RSG. Stakeholders requested that the Tariff be revised in such a way as to ensure continued alignment with RSG practices in the event that the methodology is further refined in the future.

Under the current Tariff, however, WRAP Participants will not be able to realize the benefits of this change given the Tariff's reflection of the now-retired BAL-002-WECC-3 standard. WPP proposes herein to revise the Tariff as discussed below to reflect this significant and beneficial change for WRAP Participants, and place them in alignment with the Contingency Reserve Obligation methodology adopted by the Balancing Authorities in the RSG having a BAL-002-WECC-3 compliance obligation.

As discussed further below, WPP proposes three changes. First, WPP propose to revise the definition of Contingency Reserve to reflect the retirement of BAL-002-WECC-3.

Second, WPP proposes to revise the Sharing Calculation to account for how Contingency Reserve Obligations will be allocated to LREs. Each year, the total RSG Contingency Reserve requirement is determined and then allocated to each Balancing Authority based on its weighted pro rata share of generation plus load relative to total generation plus load across the RSG footprint. WRAP participation, however, occurs at the LRE level. Therefore, when a Balancing Authority is the WRAP Participant and represents the entire Balancing Authority load in WRAP, the Balancing Authority Contingency Reserve requirement is the same as the LRE Contingency Reserve requirement. When a Balancing Authority has multiple LREs participating in WRAP or has only part of its load participating in WRAP, the Balancing Authority Contingency Reserve requirement will be allocated among those LREs based on their respective shares of Balancing Authority load. WPP's proposed revisions also recognize that these allocations may be modified by a Contingency Reserve Adjustment, as further described in the Business Practice Manuals, to account for contractual purchases and sales that include the Contingency Reserve as a specific part of the contract. This proposed revision will ensure the FSPRM established for the new Rockies Subregion will reflect prevailing reliability standards and align with current industry practice. WPP anticipates that this change will result in a reduction in the amount of Contingency Reserve LREs will need to carry for the PSCo BAA alone of more than 100 MW.

Finally, WPP proposes new section 14.3.3 to address the timing concern described above—namely that Participants would not be able to benefit from the reduced Contingency Reserve Obligations because the manner in which WPP proposes to comply with BAL-002-3 was not yet effective when FSPRM for future Binding Seasons (Summer 2027 and Winter 2027/2028) were approved by the Board per ordinary Tariff deadlines. Therefore, WPP proposes that if a NERC reliability standard addressing Contingency Reserves becomes effective after FSPRMs have been approved by the Board, WPP may adjust the FSPRMs solely to reflect the effect of such change, *only if the change results in a decrease to one or more Monthly FSPRM* and the change is identified at least three months prior to the start of the Binding Season. This will ensure that the public is on notice that, on a prospective basis, WPP may adjust approved FSPRM to reflect the impacts of revised Contingency Reserve standards if they will ultimately reduce Monthly FSPRM, and specifically will enable the Board to take an action to reduce the Winter 2027/2028 Binding Season FSPRM for the Northwest and Southwest Subregions, given that the FS Deadline for that season will be more than three months after the requested effective date of this filing.

Given the impact of reducing required Contingency Reserves (and the cost-beneficial impacts of doing so) implementing this change with less than sixty days of prior notice is appropriate to maximize the consumer benefit of the change.

2. *Description of Proposed Tariff Revisions*

WPP proposes very discrete Tariff changes to revise the Contingency Reserve methodology. First, the definition of “Contingency Reserve” is revised as follows:

Contingency Reserve: As more fully described in the NERC ~~WECC~~ reliability standards, a quantity of reserves, consisting of generation, load, interchange, or other resources, that are deployable within ten minutes; ~~equal to the greater of (i) the MW quantity of the loss of the most severe contingency and (ii) the megawatt quantity equal to the sum of 3% of hourly integrated load plus 3% of hourly integrated generation.~~⁴⁰

These revisions reflect the retirement of the requirements in BAL-002-WECC-3.

Section 20.1.1 (Sharing Calculation) is revised as follows:

Contingency Reserve Obligation refers to the amount of Contingency Reserve the Participant is carrying during the operating hour equal to ~~(i) 3% of Load Forecast for which the Participant is the WRAP LRE and maintains its Contingency Reserve, (ii) plus 3% of WRAP load for which the Participant is not the LRE but has assumed the Contingency Reserve through a contractual arrangement, (iii) plus 3% of generation used to meet~~

⁴⁰

~~any load for which the Participant is the LRE and maintains the Contingency Reserve, (iv) plus 3% of generation utilized to meet WRAP Load the LRE's share of the Balancing Authority's total Contingency Reserve obligation modified by any Contingency Reserve Adjustment for which the Participant is not the LRE but has assumed the Contingency Reserve through a contractual arrangement, as set forth in the Business Practice Manuals;~~⁴¹

These revisions reflect the retirement of the requirements in BAL-002-WECC-3. They also clarify that the Contingency Reserve Obligation is equal to the relevant LRE's share of the total Contingency Reserve Obligation that was assigned at the Balancing Authority level. It is appropriate to include further details in the Business Practice Manuals as they are implementation matters that require discretion on the part of WPP to ensure that the allocation of the Contingency Reserve Obligation is implemented accurately.

Lastly, WPP proposes new subsection 14.3.3:

If, after the Board of Directors has approved the FSPRM values for a Binding Season pursuant to this Section 14.3, a change to a NERC or WECC Reliability Standard or other applicable NERC or WECC requirement governing Contingency Reserves becomes effective, and implementation of such change would result in a decrease to one or more Monthly FSPRM values for that Binding Season, WPP may adjust the affected Monthly FSPRM values solely to reflect the effect of such change. The Board of Directors may approve such revised Monthly FSPRM values, provided that such approval occurs more than three months before the FS Deadline for that Binding Season. Any revised Monthly FSPRM approved pursuant to this Section 14.3.3 may only decrease, and may not increase, a Monthly FSPRM value previously approved for that Binding Season.⁴²

These proposed revisions will ensure that there is notice that FSPRMs may be adjusted downward to reflect changes to Contingency Reserve standards that result in Monthly FSPRMs being decreased.

⁴¹ Proposed Tariff § 20.1.1. This section also includes the conforming deletion of "6%" in reference to the retirement of the previous Contingency Reserve standard.

⁴² *Id.* § 14.3.3.

C. Updates to CCH Methodology to Calculate CCH Values by WRAP Subregion

1. Justification for the Proposed Tariff Revisions

As noted above, WRAP has experienced some significant changes in participation over the past year, including but not limited to new Participants joining the Rockies Subregion. Upon review of the current participation, and examining factors such as the composition of the Subregions and transmission connectivity, it became apparent that relying on regionally-established CCHs, as the current Tariff requires, is no longer applicable and particularly unsuited to the current composition of the WRAP with the addition of the Rockies Subregion Participants and recent Participant withdrawals. Accordingly, WPP has determined that a more optimal and accurate approach would be to establish FSPRMs based on Subregional CCHs.

WPP proposes to revise the CCH requirement to permit the calculation of FSPRM values at the Subregional level. As currently defined, CCH are:

Those hours during which the net regional capacity need for the WRAP Region is expected to be above the 95th percentile, based on historical and synthesized data for the WRAP Region's gross load, variable energy resource performance, and interchange.⁴³

The CCH is a key component of the overall resource adequacy construct, and is currently represented by one single set of hours during which the WRAP Region *as a whole* is most likely to need capacity. For example, CCH is used as a component of determining the Qualifying Capacity Contribution ("QCC") of most resource types.⁴⁴ Monthly FSPRM, in turn, are calculated using "the simulated QCC as adjusted to meet the 1-in-10 LOLE for each Binding Season minus the P50 Peak Load Forecast for the Month, divided by the P50 Peak Load Forecast."⁴⁵

When this was initially developed, there was an expectation that the WRAP Region would remain a relatively interconnected regional system. However, over time and particularly given the recent joining of the Rockies Subregion, which has limited connectivity to the other WRAP Participants, the current CCH approach is no longer as representative of the conditions under which capacity is needed and available. Even

⁴³ WRAP Tariff at § 1.

⁴⁴ "Qualifying Capacity Contribution" is defined as the "MW quantity of capacity provided by a resource, contract, or portfolio which qualifies to help satisfy a Participant's FS Capacity Requirement, as determined in accordance with Part II of this Tariff." *Id.*

⁴⁵ *Id.* § 16.1.2.3.

separate and apart from the Rockies Subregion, the area for which the current CCH approach would yield particularly illogical results, WPP has noticed CCH values across WRAP as a whole that did not appear to be accurately reflective of capacity needs and availability. Therefore, the current CCH methodology takes into account: (1) the net load of Participants in the Northwest and Southwest Subregions and their Variable Energy Resources (“VERs”); and (2) assumed available imports from California. Given the limited connectivity to these areas, this current CCH methodology would have likely led to inaccurate QCCs and outage rates for the Rockies Subregion, thereby affecting its FSPRM.

Therefore, in this filing, WPP proposes to determine separate CCH values for each WRAP Subregion, which would better reflect the capacity needs of each Subregion. This proposal would also broaden the scope of the data used to calculate the CCH beyond interchange values to permit consideration of other appropriate adjustments. This would allow the methodology to account for relevant system conditions without relying solely on an interchange methodology developed for an earlier configuration of the WRAP Region. These proposed changes would permit more accurate FSPRMs to be applied to the Rockies Subregion and across the Region.⁴⁶

2. Description of Proposed Tariff Revisions

WPP proposes very discrete Tariff changes to revise the CCH. First, the definition of “Capacity Critical Hours” is revised as follows:

Capacity Critical Hours (“CCH”): Those hours during which the ~~net~~ ~~Sub~~regional capacity need ~~for the WRAP Region~~ is expected to be above the 95th percentile, based on historical and synthesized data for the ~~WRAP Region~~~~Subregion~~’s gross load, variable energy resource performance, and ~~interchange~~other adjustments as determined by the Program Administrator and further discussed in the Business Practice Manuals.⁴⁷

These revisions require WPP to calculate CCH for each Subregion, rather than for the Region as a whole. Replacing “interchange” with “other adjustments” implements the reform necessary to expand the data considered beyond interchange to include other

⁴⁶ The FSPRM for the existing Subregions for the upcoming Binding Seasons have already been calculated and thus will not utilize Subregional CCH. Unlike the Contingency Reserves updates, which will result in a capacity reduction for all Participants, the impact of Subregional CCH methodology will result in more representative metrics, but may not result in capacity savings in any given month. Thus, WPP is not suggesting any adjustments to already established FSPRMs for the Northwest and Southwest subregions as a result of the transition to Subregional CCH, given the potential to introduce unknown impacts on shorter timelines.

⁴⁷ Proposed Tariff § 1.

adjustments at the discretion of the Program Operator, with the implementation details set forth in the Business Practice Manuals.⁴⁸

Second, WPP proposes to revise language regarding how aggregate capacity for VER is allocated to individual resources based on their performance in Capacity Critical Hours, now on a subregional basis:

- 16.2.5.2.3 The aggregate capacity calculated for each VER resource type in each VER Zone will then be allocated to VERs of that type in that VER Zone based on each such resource's average historical performance during the CCHs of the Subregion in which the VER Zone is located if at least three years of historical performance or three years of synthesized forecast data ~~during the WRAP Region's CCH~~ is available at the time of such allocation. If three years historical performance or synthesized forecast data is not then available, the average ELCC from the VER Zone will be assigned.⁴⁹

These revisions more clearly explain that, for purposes of allocating the calculated aggregate capacity for VERs, the average historical performance of either historical performance or synthesized data on the CCH of the Subregion where the VER Zone⁵⁰ is located is used to allocate that capacity to individual resources.

Finally, Sections 16.3.2.1 and 16.3.2.2 have been revised in relevant part as follows:

- 16.3.2.1 In addition to the foregoing, Participant must further demonstrate that there was remaining available transmission transfer capability (i.e., non-firm ATC after the fact) for all CCHs in the same season of the most recent year for which CCHs have been calculated in any Subregion in which the transmission segment exists; or, if the path

⁴⁸ Implementation details are provided in Business Practice Manual 104, Maya McNichol, *Western Resource Adequacy Program: 104 Determination of Capacity Critical Hours*, Western Power Pool (May 19, 2026), https://www.westernpowerpool.org/private-media/documents/V2.0_BPM_104_-_Capacity_Critical_Hours_-_March_2026.pdf [<https://perma.cc/E2L2-M435>].

⁴⁹ Proposed Tariff § 16.2.5.2.3.

⁵⁰ “VER Zone” is defined as a “geographic area delineated in accordance with Section 16.2.5.2 of this Tariff for a given type of VER, where each VER of that type located in such area is anticipated to be comparably affected by meteorological or other expected conditions in such area to a degree that warrants distinct calculation of ELCC allocations for such VERs of that type in such area.” WRAP Tariff § 1.

was constrained in at least one CCH of the CCHs in the same season of the most recent year for which CCHs have been calculated in any Subregion in which the transmission segment exists, Participant in that case must demonstrate either that it is constructing or contracting for a new local resource for at least the amount of the exception requested, or that it is pursuing long-term firm transmission service rights by entering the long-term queue and taking all appropriate steps to obtain at least the amount of the exception requested.

- 16.3.2.2 and that the transmission service provider has, after the FS Deadline, released additional ATC for such transmission service rights along the applicable path in every one of the CCHs that have been calculated in any Subregion in which the applicable transmission segment exists for ~~of~~ the most recent year for which CCHs have been calculated for the Subregion ~~on the applicable path~~.⁵¹

Pursuant to Tariff Section 16.3.1, Participants must demonstrate that they have secured firm transmission service rights sufficient to deliver at least 75% of its designated FS Capacity Requirement.⁵² Participants may, however, request exceptions under certain circumstances.⁵³ For example, Sections 16.3.2.1 and 16.3.2.2 permit exceptions in the case of enduring constraints and where firm ATC is expected in the future, respectively. These revisions provide further clarification and specificity, aligning with the new Subregional analysis, of how these showings and calculations may be made looking at the Subregion(s) in which the applicable transmission segment is located. These conforming changes were necessary to recognize that, by the nature of transmission potentially connecting Subregions, the criteria for an exception should account for the capacity needs, as reflected in the new Subregional CCH, of any subregion the transmission transits.

D. Minor Conforming Revisions

WPP proposes minor, ministerial revisions to Tariff Sections 14.2.1.2 and 20.1.1 to reflect the fact that there are now, with the addition of the Rockies Subregion, more than two Subregions.⁵⁴ WPP also proposes to revise Tariff Section 21.2.6 to reflect the fact that, for purposes of calculating the Total Settlement Price, the Day-Ahead Applicable

⁵¹ Proposed Tariff §§ 16.3.2.1 and 16.3.2.2.

⁵² WRAP Tariff § 16.3.1.

⁵³ *Id.* § 16.3.2.

⁵⁴ Proposed Tariff §§ 14.2.1.2 and 20.1.1.

Index Price may be either an ICE Index price or average Locational Marginal Price.⁵⁵ This is appropriate because ICE Index prices do not exist in the Rockies Subregion.

III. STAKEHOLDER SUPPORT

The Proposed Tariff revisions were developed through the WRAP governance process as an Expedited Proposal and were endorsed by the RAPC, without opposition by the Committee of State Representatives (“COSR”). The RAPC is a committee composed of one representative from each WRAP Participant and serves as “the highest level of authority for representation by Participants in the WRAP governance structure” to “represent the interests of Participants directly to the Board of Directors.” RAPC endorsed the (1) FS schedules specific to the Rockies Subregion on September 28, 2026; (2) Contingency Reserve methodology on September 28, 2026; (3) CCH methodology to determine a separate CCH for each WRAP Subregion on September 10, 2026; and (4) minor conforming changes to reflect that WRAP will now have at least three Subregions with the addition of the Rockies Subregion on September 10, 2026.

The proposals were then posted for public comment on the WPP website per the requirements in Business Practice Manual 303. WPP did not receive opposition from the COSR on any of these proposals. WPP did receive supportive public comments from the following entities:

- (1) FS schedules specific to the Rockies Subregion received supportive public comments from Black Hills Colorado Electric (not a WRAP Participant), Powerex Corp. (a WRAP Participant), and Idaho Power Company (a WRAP Participant);
- (2) Contingency Reserve methodology received supportive public comments from Idaho Power Company (a WRAP Participant);
- (3) CCH methodology to determine a separate CCH for each WRAP Subregion received supportive public comments from Bonneville Power Administration (a WRAP Participant) and the COSR; and
- (4) minor conforming changes to reflect that WRAP will now have at least three Subregions with the addition of the Rockies Subregion received supportive public comments from Public Service Company of Colorado (a WRAP Participant) and Bonneville Power Administration (a WRAP Participant).

The WPP Board of Directors reviewed and approved the Proposed Tariff revisions on September 30, 2026.

IV. EFFECTIVE DATE AND REQUEST FOR WAIVER AND SHORTENED COMMENT PERIOD

WPP requests that the Commission accept the Proposed Tariff revisions, effective October 1, 2026, the day after filing. As discussed above, given the timing of execution of

⁵⁵ *Id.* § 21.2.6.

WRAPAs by Participants in the Rockies Subregion, the Commission's denial of the Waiver Request, and operation of the current Tariff, WPP must implement these proposed Tariff revisions as quickly as possible to provide regulatory certainty and allow the new Rockies Subregion to fully participate in WRAP. Once approved and made effective by the Commission, the Proposed Tariff changes would provide certainty to the Rockies Subregion Participants regarding their resource adequacy obligations going forward. As noted in the Waiver Order, these Participants need time to work toward curing any deficiencies identified in their Forward Showing. A next-day effective date is appropriate to provide these Participants with regulatory certainty and as much notice as possible of their obligation in advance of the deadline to work towards compliance. The Board of Directors has conditionally approved FSPRMs for the Rockies Subregion for the upcoming seasons, conditioned on both the requested effective date and Commission approval of this package of beneficial Tariff changes.

This effective date does not permit 60-days' prior notice; therefore, WPP requests a waiver of the Commission's notice requirements to permit the Proposed Tariff revisions to take effect on the day of filing.⁵⁶ Good cause exists for the Commission to grant this waiver.⁵⁷ First and foremost, as discussed above, granting waiver of the prior notice requirement will permit the Rockies Subregion to benefit from the certainty provided in having FSPRMs available as soon as possible, granting an effective date one day after the date of filing.⁵⁸ In addition, granting waiver here would permit WPP to administer the FS Program consistent with the remainder of its Tariff. Furthermore, the Rockies entities have executed WRAPAs and are Participants subject to the Tariff's program requirements; the Tariff does not provide a mechanism to suspend those requirements until Rockies-specific metrics can be developed through an ordinary modeling cycle. Prompt effectiveness therefore allows WPP both to establish appropriate metrics for those Participants and to

⁵⁶ 18 C.F.R. § 35.3(a)(1).

⁵⁷ *Id.* § 35.11 (permitting the Commission to waive the notice requirement for "good cause shown").

⁵⁸ *See Sentinel Energy Center, LLC*, 189 FERC ¶ 61,177, at P 14 (2024) (permitting effective date one day after filing and granting waiver of prior notice "in order for the parties to receive the benefit of certain provisions of the Amended Agreement that need to be in effect during the final phases of the construction, commissioning, and performance testing to be done in November or December, 2024"); *PJM Interconnection, L.L.C.*, 195 FERC ¶ 61,227, at P 29 (2026) (permitting effective date one day after filing and stating "we find good cause to grant PJM's request for waiver of the Commission's 60-day prior notice requirement to allow PJM's requested effective date because it is necessary to provide certainty to SAA Project developers, participants in the upcoming RTEP proposal window, and interconnection customers and developers regarding the status of the affected projects and the assumptions that will be used in PJM's planning and interconnection processes").

administer the remaining FS requirements on the timeline contemplated by the Tariff. Accepting this filing on the requested timeframe will benefit both Rockies Subregion Participants and WRAP as a whole by establishing FSPRMs that more accurately reflect current WRAP composition and industry practices. The Commission has found good cause in similar circumstances with the need to align with or adhere to urgent deadlines where time was of the essence, and should do so here.⁵⁹

Finally, to give WPP and Participants as much notice as possible and time to implement these proposed changes, WPP also respectfully requests that the Commission grant a shortened comment period of fifteen days and issue an order on the proposed revisions within thirty days, (i.e., no later than October 30, 2026). Commission action by this date would provide certainty to the Rockies Subregion regarding their FSPRM obligations and allow them sufficient time to meet those FSPRM obligations, which the Commission emphasized in the Waiver Order. The requested fifteen day comment period would facilitate earlier Commission action, and it is very unlikely that any interested parties would be aggrieved by a comment period shortened by five days as those directly affected by this proposal support it.

V. ADDITIONAL INFORMATION

A. Information Required by Commission Regulations

1. Documents submitted with this filing

In addition to this transmittal letter, WPP encloses clean (as Attachment A) and redlined (as Attachment B) versions of the proposed WRAP Tariff language.

2. Service

WPP has electronically served a copy of this filing on all of its Participants, members of the WRAP Program Review Committee, and the Committee of State

⁵⁹ See *Nev. Power Co.*, 195 FERC ¶ 61,104, at PP 9, 12 n.21 (2026) (“We find that good cause exists to grant waiver of the 60-day prior notice requirement, 18 C.F.R. § 35.11 (2025), due to the need for these revisions to align with EDAM implementation.”); *ISO New Eng. Inc.*, 191 FERC ¶ 61,243, at PP 12, 16 n.23 (2025) (permitting effective date one day after filing and granting waiver where “that waiver is necessary to allow ISO-NE to expeditiously begin its transition to a Cluster Study process”); *Sw. Power Pool, Inc.*, 193 FERC ¶ 61,244, at PP 30, 72 n.129 (2025) (granting waiver where it was necessary to implement multiple milestones stemming from Board approval of transmission portfolio), *order on reh’g*, 195 FERC ¶ 61,134 (2026); *Sw. Power Pool, Inc.*, 195 FERC ¶ 61,025, at PP 9, 27 n.73 (2026) (granting waiver where “effective date coincides with the effective date of SPP’s RTO Expansion and will ensure alignment, implementation, and Order No. 1000 compliance in the SPP West Region.”).

Representatives. A complete copy of this filing will be posted on the WPP website, <https://www.westernpowerpool.org/>.

3. *Requisite agreements*

The proposed Tariff revisions do not require any contracts or agreements.

B. Communications

Correspondence and communications with respect to this filing should be sent to, and WPP requests that the Secretary include on the official service list, the following:⁶⁰

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⁶⁰ To the extent necessary, WPP requests a waiver of Commission Rule 203(b)(3), 18 C.F.R. § 385.203(b)(3), to permit more than two persons to be listed on the official service list for this proceeding.

VI. CONCLUSION

For all the foregoing reasons, WPP respectfully requests that the Commission accept the Proposed Tariff revisions as just and reasonable effective on September 30, 2026, and that the Commission issue an order on this filing no later than October 30, 2026. WPP further respectfully requests that the Commission shorten the comment period on this filing to fifteen days.

Respectfully submitted,

/s/ Matthew J. Binette

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Attachment A

Clean Proposed Tariff Revisions

1. Definitions

Unless the context otherwise specifies or requires, capitalized terms used in this Tariff shall have the respective meanings assigned herein for all purposes of this Tariff (such definitions to be equally applicable to both the singular and the plural forms of the terms defined). Unless otherwise specified, all references herein to Parts, Sections, Schedules, or Attachments, are to Parts, Sections, Schedules, or Attachments of this Tariff.

Applicable Price Index: A published index of wholesale electric prices, or Locational Marginal Prices duly calculated and posted by a FERC-regulated market operator, in either case as designated under Part III of this Tariff for use in connection with an identified Subregion.

Administration Charge or WRAP Administration Charge: The charge established under Schedule 1 of this Tariff for recovery of the costs of the WRAP.

Advance Assessment: Analyses and calculations of Participant load, resource, and other information performed in advance of each Binding Season as set forth in Part II of this Tariff.

Aggregate Capacity Deficiency: As to a Binding Season, the sum of the maximum Monthly Deficiencies of all Participants that submitted FS Submittals for such Binding Season, as determined following completion of the Cure Period for such Binding Season.

Available Transfer Capability (“ATC”): Transfer capability remaining in the physical transmission network for further commercial activity over and above already committed uses.

Balancing Authority: The responsible entity that integrates resource plans ahead of time, maintains demand and resource balance within a Balancing Authority Area, and supports interconnection frequency in real time.

Balancing Authority Area: The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

Base Charge: A component of the WRAP Administration Charge as established under Schedule 1 of this Tariff.

Base Costs: Base Costs shall have the meaning provided in Schedule 1 of this Tariff.

Base Services Cost Centers: The cost centers comprising the Base Charge as defined in Schedule 1 of this Tariff.

Base Services Percentage: Base Services Percentage shall have the meaning provided in Schedule 1 of this Tariff.

Binding Season: The Summer Season or the Winter Season.

Board of Directors or Board: The Board of Directors of the Northwest Power Pool d/b/a Western Power Pool.

Business Day: Any Day that is a Monday through Friday, excluding any holiday established by United States federal authorities.

Business Practice Manuals: The manuals compiling further details, guidance, and information that are appropriate or beneficial to the implementation of the rules, requirements, and procedures established by this Tariff. Business Practice Manuals do not include such internal rules or procedures as the Western Power Pool may adopt for its operation and administration, including but not limited to any corporate by-laws of the Western Power Pool, or for any services or functions provided by the Western Power Pool other than those established by this Tariff.

CAISO: The California Independent System Operator Corporation, a California nonprofit public benefit corporation.

Capacity Benefit Margin: An amount of transmission transfer capability permitted under open access transmission rules to be reserved by load serving entities to ensure access to generation from interconnected systems to meet generation reliability requirements.

Capacity Critical Hours (“CCH”): Those hours during which the Subregional capacity need is expected to be above the 95th percentile, based on historical and synthesized data for the Subregion’s gross load, variable energy resource performance, and other adjustments as determined by the Program Administrator and further discussed in the Business Practice Manuals.

Capacity Deficiency: A shortfall in a Participant’s Portfolio QCC relative to that Participant’s FS Capacity Requirement, as further defined in Part II of this Tariff.

Cash Working Capital Fund: Cash Working Capital Fund shall have the meaning provided in Schedule 1 of this Tariff.

Cash Working Capital Support Charge: A charge assessed to Participants under Schedule 1 of this Tariff to fund the Cash Working Capital Fund.

Cash Working Capital Support Charge Rate: Cash Working Capital Support Charge Rate shall have the meaning provided in Schedule 1 of this Tariff.

Central Hub: A designated point or named group of points on the transmission system within a Subregion identified by the Program Administrator that permits energy deliveries from multiple points within such Subregion.

Cost of New Entry (“CONE”): The estimated cost of new entry of a new peaking natural gas-fired generation facility, as determined under, and used in, Part II of this Tariff.

CONE Factor: A factor employed in the calculation of Deficiency Charges under Part II of this Tariff, to reflect whether, and the extent to which, the WRAP Region as a whole is expected to have a capacity deficiency during the period for which the Deficiency Charge is being calculated or a factor employed when a Participant has had repeated deficiencies in sequential years.

Committee of State Representatives (“COSR”): Committee of State Representatives, as established in Part I of this Tariff.

Contingency Reserve: As more fully described in the NERC reliability standards, a quantity of reserves, consisting of generation, load, interchange, or other resources, that are deployable within ten minutes.

Critical Mass: The threshold level of participation in a Subregion, as established in the Business Practice Manuals, below which each Participant of such Subregion may elect to participate as a Non-Binding Participant.

Cumulative Delivery Failure Period: Any period of five consecutive years, ending with and including the most recent Energy Delivery Failure as of the time of determination of a possible Delivery Failure Charge.

Day: A calendar day.

Day-Ahead Price: A price for wholesale electric transactions designated as a day-ahead price in an Applicable Price Index.

Default Allocation Assessment: A charge assessed on non-defaulting Participants to recover the costs associated with a default by a Participant, as set forth in Part I of this Tariff.

Deficiency Charge: A charge assessed for a Capacity Deficiency or Transmission Deficiency, as set forth in Part II of this Tariff.

Delivery Failure Charge: A charge assessed for a Participant’s failure to deliver a required Energy Deployment, as set forth in Part III of this Tariff.

Delivery Failure Charge Rate: A rate employed in the determination of a Delivery Failure Charge as more fully set forth in Part III of this Tariff.

Delivery Failure Factor: A factor used in the determination of a Delivery Failure Charge to recognize the relative severity or impact of an Energy Delivery Failure, as set forth in Part III of this Tariff.

Demand Response: A quantifiable load reduction or otherwise controllable load for which a Participant has two mutually-exclusive options to use to affect its FS Capacity Requirements in a FS for a Binding Season: (1) leave the effects of historically deployed demand response as part of its load provided for the Advance Assessment; or (2) utilize as a Demand Response Capacity Resource.

Demand Response Capacity Resource: A Qualifying Resource with a demonstrated capability to provide a reduction in demand or otherwise control load in accordance with the requirements established under Part II of this Tariff utilized to meet a Participant’s FS Capacity Requirement.

Demonstrated FS Transmission: A Participant’s demonstration in its Forward Showing Submittal that it has secured WRAP Qualifying Transmission in a quantity sufficient to provide

reasonable assurance, as of the time of the Forward Showing Submittal, of delivery of capacity from the Qualifying Resources and the resources associated with the power purchase agreements in the Participant's Portfolio QCC.

Discounted Deficiency Charge: A reduced Deficiency Charge during the Transition Period that enables a deficient Participant that demonstrates commercially reasonable efforts but is unable to cure deficiencies to access Operations Program capacity.

Dual Benefit Cost Centers: Dual Benefit Cost Centers shall have the meaning provided in Schedule 1 of this Tariff.

Effective Load Carrying Capability ("ELCC"): A methodology employed to determine the Qualified Capacity Contribution of certain types of Qualifying Resources, as more fully set forth in Part II of this Tariff.

Energy Declined Settlement Price: A pricing component used as part of the calculation of settlements for Holdback Requirements and Energy Deployments under Part III of this Tariff.

Energy Delivery Failure: A failure by a Participant to provide an Energy Deployment assigned to such Participant under Part III of this Tariff.

Energy Deployment: A delivery of energy that a Participant is required to provide during an Operating Day, as set forth in Part III of this Tariff.

Energy Storage Resource: A resource, not including a Storage Hydro Qualifying Resource, designed to capture energy produced at one time for use at a later time.

Excused Transition Deficit: A Participant's inability during the Transition Period to demonstrate full satisfaction of the Participant's FS Capacity Requirement, which, under certain conditions and limitations prescribed by Part II of this Tariff, permits the Participant to pay a Discounted Deficiency Charge.

Federal Power Marketing Administration: A United States federal agency that operates electric systems and sells the output of federally owned and operated hydroelectric dams located in the United States.

FERC: The Federal Energy Regulatory Commission.

Forced Outage Factor: The factor resulting from dividing the number of hours a generating unit or set of generating units is not synchronized to the grid system, not in reserve shutdown state and considered to be out of service for unplanned outages—or a startup failure, by the number of total hours in the period multiplied by 100% or a Program Administrator calculated equivalent forced outage factor that reflects the likelihood and extent to which a resource will be unavailable from time to time due to factors outside management control.

Forward Showing Program: The program and requirements as set forth in Part II of this Tariff.

Forward Showing Submittal (“FS Submittal”): The submissions a Participant is required to submit in advance of each Binding Season to demonstrate its satisfaction of the FS Capacity Requirement and FS Transmission Requirement, as set forth in Part II of this Tariff.

Forward Showing Year: A period consisting of a Summer Season and the immediately succeeding Winter Season.

FS Capacity Requirement: The minimum quantity of capacity a Participant is required to demonstrate for a Binding Season, as set forth in Part II of this Tariff.

FS Deadline: The deadline for Participants’ submissions of their FS Submittals for a Binding Season, as established under Part II of this Tariff.

FS Planning Reserve Margin (“FSPRM”): An increment of resource adequacy supply needed to meet conditions of high demand in excess of the applicable peak load forecast and other conditions such as higher resource outages, or lower availability of resources, expressed as a percentage of the applicable peak load forecast, as determined in accordance with Part II of this Tariff.

FS Transmission Requirement: The minimum quantity of WRAP Qualifying Transmission a Participant is required to demonstrate for a Binding Season, as set forth in Part II of this Tariff.

High-Priced Day: The most recent day in the CAISO in which prices in the day-ahead market were at least \$200/MWh.

Holdback Capacity: Capacity that is voluntarily supplied or is the result of a positive Sharing Calculation result that is bindingly committed to the WRAP after it is claimed by one or more Participants with a negative Sharing Calculation result.

Holdback Requirement: A MW quantity, as determined on a Preschedule Day, that a Participant is required to be capable of converting into an Energy Deployment on a given hour of the succeeding Operating Day, as more fully set forth in Part III of this Tariff.

ICE Index: A wholesale electric price index prepared and published by the Intercontinental Exchange.

Incremental Cash Working Capital Support Charge: Incremental Cash Working Capital Support Charge shall have the meaning provided in Schedule 1 of this Tariff.

Independent Evaluator: An independent entity engaged to provide an independent assessment of the performance of the WRAP and any potential beneficial design modifications, as set forth in Part I of this Tariff.

Installed Capacity: Nameplate capacity adjusted for conditions at the site of installation.

International Power Marketing Entity: An entity that (i) owns, controls, purchases and/or sells resource adequacy supply and is responsible under the WRAP program for meeting LRE obligations associated with one or more loads physically located outside the United States.

Legacy Agreement: A power supply agreement entered into prior to October 1, 2021.

Load Charge: A component of the WRAP Administration Charge as established under Schedule 1 of this Tariff.

Load Charge Rate: Load Charge Rate shall have the meaning provided in Schedule 1 of this Tariff.

Load Services Costs: Load Services Costs shall have the meaning provided in Schedule 1 of this Tariff.

Load Services Cost Centers: Load Services Cost Centers shall have the meaning provided in Schedule 1 of this Tariff.

Load Services Percentage: Load Services Percentage shall have the meaning provided in Schedule 1 of this Tariff.

Load Responsible Entity (“LRE”): An LRE is an entity that (i) owns, controls, purchases and/or sells resource adequacy supply, or is a Federal Power Marketing Administration or an International Power Marketing Entity, and (ii) has full authority and capability, either through statute, rule, contract, or otherwise, to:

- (a) submit capacity and system load data to the WRAP Program Operator at all hours;
- (b) submit Interchange Schedules within the WRAP Region that are prepared in accordance with all NERC and WECC requirements, including providing E-Tags for all applicable energy delivery transactions pursuant to WECC practices and as required by the rules of the WRAP Operations Program;
- (c) procure and reserve transmission service rights in support of the requirements of the WRAP Forward Showing Program and Operations Program; and
- (d) track and bilaterally settle holdback and delivery transactions.

Subject to the above-mentioned criteria, an LRE may be a load serving entity, may act as an agent of a load serving entity or multiple load serving entities, or may otherwise be responsible for meeting LRE obligations under the WRAP.

Locational Marginal Price: The cost of delivering an additional unit of energy to a given node, as calculated under a FERC-regulated wholesale electric tariff.

Loss of Load Expectation (“LOLE”): An expression of the frequency with which a single event of failure, due to resource inadequacy, to serve firm load would be expected (based on accepted reliability planning analysis methods) to result from a given FS Planning Reserve Margin.

Make Whole Adjustment: A component used as part of the calculation of settlements for Holdback Requirements and Energy Deployments under Part III of this Tariff.

Maximum Base Charge: The maximum amount prescribed in Schedule 1 of the Tariff that the Base Charge cannot exceed.

Maximum Load Charge Rate: The maximum rate prescribed in Schedule 1 of the Tariff that the Load Charge Rate cannot exceed.

Median Monthly P50 Peak Loads: Median Monthly P50 Peak Loads has the meaning prescribed by Schedule 1 of this Tariff.

Month: A calendar month.

Monthly Capacity Deficiency: A Participant's Capacity Deficiency for a given Month.

Monthly Deficiency: An identification under Part II of this Tariff whether, and the extent to which, a Participant's need for capacity or transmission for a given Month is greater than the capacity or transmission, respectively, the Participant can demonstrate for such Month.

Monthly FS Capacity Requirement: FS Capacity Requirement determined as to a Month.

Monthly FSPRM: The FS Planning Reserve Margin applicable to a given Month of a given Binding Season, as determined in accordance with Part II of this Tariff.

Monthly Transmission Deficiency: A Participant's Transmission Deficiency for a given Month.

Monthly Transmission Demonstrated: A Participant's Demonstrated FS Transmission for a given Month.

Monthly Transmission Exceptions: Exceptions from the FS Transmission Requirement approved under Part II of this Tariff for a Participant for a given Month.

Multi-Day-Ahead Assessment: A period of days preceding each Operating Day, and ending on the Preschedule Day, during which Sharing Calculations are successively performed based in each case on Operating Day conditions expected at the time of calculation.

North American Electric Reliability Corporation ("NERC"): A not-for-profit international regulatory authority that serves as the designated electric reliability organization for the continental United States, Canada, and a portion of Mexico.

Net Contract QCC: The QCC, which may be a positive or negative value, calculated, in sum and on net, for a Participant's power purchase agreements and power sale agreements, in accordance with Part II of this Tariff.

Non-Binding Season: As to a Participant, any Binding Season during which the provisions of Section 15A.1 of this Tariff apply.

Non-Binding Participant: For any Binding Season, a Participant that has made an election by which such Binding Season is a Non-Binding Season for that Participant.

Open Access Transmission Tariff: A governing document on file with FERC establishing the rates, terms, and conditions of open access transmission service, or equivalent tariff of a transmission service provider that is not required to file its transmission service tariff with FERC.

Operating Day: A current Day of actual electric service from resources to load, for which Sharing Events are determined and Energy Deployments may be required, as set forth in Part III of this Tariff.

Operations Program: The program and requirements set forth in Part III of this Tariff.

P50 Peak Load Forecast: A peak load forecast prepared on a basis, such that the actual peak load is statistically expected to be as likely to be above the forecast as it is to be below the forecast.

Participant: A Load Responsible Entity that is a signatory to the WRAPA.

Portfolio QCC: As to a Participant, the sum of the Resource QCC provided by all of a Participant's Qualifying Resources plus the Net Contract QCC of such Participant, as adjusted to reflect RA Transfers as described in Section 16.2.7 and Planned Outages as described in Section 16.2.8.

Preschedule Day: The applicable scheduling Day for a given Operating Day as defined in scheduling calendar established by WECC.

Program Administrator: The Western Power Pool, in its role as the entity responsible for administering the WRAP.

Program Operator: A third party that has contracted with the Program Administrator to provide technical, analytical, and implementation support to the Program Administrator for the WRAP.

Program Review Committee ("PRC"): The stakeholder sector committee as established in Section 4.2 of this Tariff.

Pure Capacity: A MW quantity of capacity without any assigned forced outage rate employed in ELCC determinations under Part II of this Tariff.

Qualifying Capacity Contribution ("QCC"): The MW quantity of capacity provided by a resource, contract, or portfolio which qualifies to help satisfy a Participant's FS Capacity Requirement, as determined in accordance with Part II of this Tariff.

Qualifying Resource: A generation or load resource that meets the qualification and accreditation requirements established by and under Part II of this Tariff.

Real-Time Price: A price for wholesale electric transactions designated as a real-time price in an Applicable Price Index.

Resource Adequacy Participant Committee ("RAPC"): The committee comprised of representatives from each Participant as established in Part I of this Tariff.

Resource QCC: The QCC provided by a Qualifying Resource, as determined in accordance with Part II of this Tariff.

Run-of-River Qualifying Resource (“ROR”): A hydro-electric power project that does not have the capability to store a sufficient volume of water to support continuous generation at the project’s stated maximum capacity for a period of one hour. Resource does not meet the definition of a Storage Hydro Qualifying Resource.

Safety Margin: An additional factor allocated among Participants with positive sharing calculations when warranted by certain conditions as prescribed by Part III of this Tariff.

Senior Official Attestation: A signed statement of a senior official of a Participant attesting that it has reviewed such Participant’s information submission required under this Tariff, that the statements therein are true, correct and complete to the best of such official’s knowledge and belief following due inquiry appropriate to the reliability and resource adequacy matters addressed therein, and containing such further statements as required by this Tariff or the applicable Business Practice Manual for the information submission at issue.

Sharing Calculation: A calculation used in the Operations Program under Part III of this Tariff to identify any hour in which any Participant is forecast to have a capacity deficit.

Sharing Event: An hour or hours of an Operating Day for which one or more Participants has a negative Sharing Calculation result, as determined in accordance with Part III of this Tariff.

Storage Hydro Qualifying Resource: A hydro-electric power project with an impoundment or reservoir located immediately upstream of the powerhouse intake structures that can store a sufficient volume of water to support continuous generation at the project’s stated maximum capacity for a period of one hour or longer.

Subregion: An area definition approved by the Board of Directors and identified in the Business Practice Manuals, that is wholly contained within the WRAP Region, which is separated from one or more other Subregions by transmission constraints on capacity imports or on capacity exports that result, or are expected to result, in differing FSPRM determinations for that Subregion relative to such other Subregion.

Summer Season: A period of time that commences on June 1 of a Year and terminates on September 15 of the same Year.

System Sale: A bilateral agreement that conveys generating capacity from a group of generating resources from one party to another.

Transition Period: The Binding Seasons within the time period from June 1, 2025, through March 15, 2029, plus the time period required to implement the requirements and procedures of Part II of this Tariff applicable to such Binding Seasons.

Transmission Deficiency: A shortfall in a Participant’s demonstration of secured WRAP Qualifying Transmission, after accounting for any approved transmission exceptions, relative to that Participant’s FS Transmission Requirement, as further defined in Part II of this Tariff.

Unforced Capacity: The percentage of Installed Capacity available after a unit's forced outage rate is taken into account.

Variable Energy Resource ("VER"): An electric generation resource powered by a renewable energy source that cannot be stored by the facility owner or operator and that has variability that is beyond the control of the facility owner or operator, including but not limited to a solar or wind resource.

VER Zone: A geographic area delineated in accordance with Section 16.2.5.2 of this Tariff for a given type of VER, where each VER of that type located in such area is anticipated to be comparably affected by meteorological or other expected conditions in such area to a degree that warrants distinct calculation of ELCC allocations for such VERs of that type in such area.

Voluntary Holdback: Capacity that is offered to the Operations Program by a Participant with excess supply that is not obligated to the WRAP through a positive Sharing Calculation result, some or all of which can be used as part of the offering Participant's Holdback Requirement. For a Participant in a Subregion without a Central Hub, Voluntary Holdback for an hour must additionally include a total quantity for all identified points from Section 19.4 at which it can deliver that is no less than the amount of the Voluntary Holdback capacity for such hour.

Western Electricity Coordinating Council ("WECC"): A non-profit corporation that has been approved by FERC as the regional entity for the western interconnection and that also has NERC delegated authority to create, monitor, and enforce reliability standards.

Western Resource Adequacy Program Agreement ("WRAPA"): The participation agreement for the Western Resource Adequacy Program, as set forth as Attachment A to this Tariff, or as set forth for an individual Participant in a non-conforming version of such participation agreement accepted by FERC.

Western Resource Adequacy Program ("WRAP"): The Western Resource Adequacy Program, as established under this Tariff.

Western Power Pool ("WPP"): Northwest Power Pool, d/b/a Western Power Pool, which serves as Program Administrator for the WRAP under this Tariff and holds exclusive rights under section 205 of the Federal Power Act to file amendments to this Tariff.

Winter Season: A period of time that commences on November 1 of a Year and terminates on March 15 of the immediately following Year.

WRAP Cost Assignment Matrix: The matrix set forth in Schedule 1 of this Tariff to identify which WRAP costs are assessed to the Base Charge and the Load Charge components of the WRAP Administration Charge.

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 Region: The area comprising, collectively, (i) the duly recognized and established load service areas of all loads in the United States that all Participants are responsible for serving, (ii) the duly recognized and established load service areas of all loads in the United States that all load serving entities, on whose behalf a Participant acts in accordance with this Tariff, are responsible for serving, and (iii) the applicable location(s) on the United States side of the United States international border that form the basis for an International Power Marketing Entity's participation under the WRAP, in all cases excluding, for any Binding Season, any loads permitted by this Tariff to be excluded from Participants' Forward Showing Submittal for such Binding Season.

Year: A calendar year.

14. Forward Showing Program Process and Timeline

- 14.1 The Forward Showing Program has two Binding Seasons, defined as the Summer Season and the Winter Season. The Summer Season is the period beginning on June 1 of each Year and ending on September 15 of that same Year. The Winter Season is the period beginning on November 1 of each Year and ending on March 15 of the succeeding Year. This Tariff does not establish resource or showing obligations outside the periods defined by the Summer Season and Winter Season.
- 14.2 Each Participant shall submit its Forward Showing Submittals for each Month of each Binding Season, with all required supporting materials and information as detailed in the Business Practice Manuals, on or before the FS Deadline for the Binding Season. The FS Deadline for each Binding Season shall be seven months before the start of such Binding Season.

14.2.1 Forward Showing Submittal:

- 14.2.1.1 Absent the exception in Section 14.2.1.2, each Participant shall submit a separate Forward Showing Submittal for loads for which it is responsible if transmission constraints between areas where its loads are located, including, without limitation, when Participant is responsible for loads in more than one Subregion, prevent application, in the manner more fully described in the Business Practice Manuals, of Resource QCC or Net Contract QCC from one load area to the FS Capacity Requirement of another load area.
- 14.2.1.2 Notwithstanding Section 14.2.1.1, a Participant responsible for loads in multiple Subregion may submit for a given Month a single Forward Showing Submittal for such loads, and may employ for determination of its FS Capacity Requirement for such Month the lower of the FSPRM values determined for the Subregions where its loads are located, if the Participant demonstrates in such Forward Showing Submittal, in accordance with the procedures and requirements set forth in the Business Practice Manuals, WRAP Qualifying Transmission in a quantity, in addition to that required by the FS Transmission Requirement, equal to the difference in the FSPRM values multiplied by the Participant's P50 Peak Load Forecast for such Month, with a point of delivery in the Subregion with the higher FSPRM value and the point of receipt in the Subregion with the lower FSPRM value. Each such showing shall identify the MW quantity, Month of service, point of receipt, and point of delivery of such WRAP Qualifying Transmission, and such other information as specified in the Business Practice Manuals, and shall verify that the offered rights are WRAP Qualifying Transmission.

14.2.2 Each Participant's Forward Showing Submittal shall include a Senior Official Attestation.

14.3 The FSPRM values used in the Forward Showing Submittals for a Binding Season shall be those values approved by the Board of Directors as the culmination of an Advance Assessment process. No later than twelve months before the FS Deadline for each Binding Season, WPP will determine and post the recommended FSPRM for each Subregion for each Month of such Binding Season. Participants shall provide their load, resource and other information reasonably required to perform the analyses and calculations required for the Advance Assessment, in accordance with the Advance Assessment information submission details and schedule specified in the Business Practice Manuals. No later than nine months before the FS Deadline for such Binding Season, the Board of Directors shall take its final action regarding approval of the FSPRM values for each Month of such Binding Season.

14.3.1 In connection with an Advance Assessment process, or otherwise in connection with consideration of a change to the Business Practice Manuals, the Board of Directors may determine that designation of Subregions would encourage the relief, in whole or part, of transmission constraints on the transfer of capacity within the WRAP Region (whether through development or commitment of transmission, of Qualifying Resources, or by other means) to the benefit of the WRAP Region and the advancement of the objectives of the WRAP. Each such Subregion shall be identified in the Business Practice Manuals.

14.3.2 Any Participant may choose to offer in the Advance Assessment process WRAP Qualifying Transmission owned or controlled by such Participant for delivery of capacity from one Subregion to another Subregion, for use by other Participants under the terms of Part III of this Tariff during any or all identified Months of the applicable Binding Season. Each such offer shall identify the MW quantity, Month of service, point of receipt, and point of delivery of such transmission service rights, and such other information as specified in the Business Practice Manuals, and shall verify that the offered rights are WRAP Qualifying Transmission. No Participant is obligated to offer any such transmission service rights in the Advance Assessment process, but any offer so made and not withdrawn before the deadline during the Advance Assessment process specified in the Business Practice Manuals shall be considered a binding offer of the identified transmission service rights which may not be withdrawn before the end of the last Day of the Month for which such transmission service is offered. WPP shall take account of such offered transmission service rights, along with other transmission deliverability reasonably anticipated to be available for use by Participants for WRAP purposes during the applicable Binding Season in its determination of the recommended FSPRM values for each Month of the applicable Binding Season for the WRAP Region and for each affected Subregion.

14.3.3 If, after the Board of Directors has approved the FSPRM values for a Binding Season pursuant to this Section 14.3, a change to a NERC or WECC Reliability Standard or other applicable NERC or WECC requirement governing Contingency Reserves becomes effective, and implementation of such change would result in a decrease to one or more Monthly FSPRM values for that Binding Season, WPP may adjust the affected Monthly FSPRM values solely to reflect the effect of such change. The Board of Directors may approve such revised Monthly FSPRM values, provided that such approval occurs more than three months before the FS Deadline for that Binding Season. Any revised Monthly FSPRM approved pursuant to this Section 14.3.3 may only decrease, and may not increase, a Monthly FSPRM value previously approved for that Binding Season

14.4 No later than sixty Days after the FS Deadline for a Binding Season, WPP will (i) provide the values of the Participant's FS Capacity Requirement and FS Transmission Requirement for each Month of the Binding Season; (ii) affirm that the Portfolio QCC of such Participant for each Month of the Binding Season equals or exceeds the FS Capacity Requirement of such Month for such Participant or notify such Participants of any deficiencies in the Forward Showing Submittal that result in a failure to demonstrate satisfaction of the FS Capacity Requirement; and (iii) affirm that the Demonstrated FS Transmission plus approved Monthly Transmission Exceptions of such Participant for each Month of the Binding Season equals or exceeds the FS Transmission Requirement of such Month for such Participant or notify such Participants of any deficiencies in the Forward Showing Submittal that result in a failure to demonstrate satisfaction of the FS Transmission Requirement.

14.5 Within 120 Days after the FS Deadline, the Participant shall (i) submit revisions to its Forward Showing Submittal, including, without limitation, additions or revisions to the Participant's Resource QCC, Net Contract QCC, or Demonstrated FS Transmission; (ii) in order to fully cure all identified deficiencies and demonstrate that such Participant's Portfolio QCC for each Month of the Binding Season equals or exceeds its FS Capacity Requirement; and (iii) fully provide Demonstrated FS Transmission for each Month of the Binding Season that equals or exceeds its FS Transmission Requirement for the same Month of the Binding Season where WPP identified deficiencies.

14.5.1 Any Participant that fails to cure identified deficiencies in its Forward Showing Submittal within the period prescribed above shall be assessed a Deficiency Charge.

14A. Summer 2027 and Winter 2027-2028 Transition

- 14A.1 For any Non-Binding Season, for Participants located in a Subregion composed entirely of Participants that executed a WRAPA effective September 15, 2026 or later, no later than thirty days before the FS Deadline for such Non-Binding Season, the Board of Directors shall take its final action regarding approval of the FSPRM values for each Month of such Non-Binding Season.
- 14A.2 For Participants located in a Subregion composed entirely of Participants that executed a WRAPA effective September 15, 2026 or later, the FS Deadline for the Winter 2027-2028 Binding Season shall be four months and 19 days before the start of such Binding Season.
- 14A.2.1 The FSPRM values used in the Forward Showing Submittals for a Binding Season shall be those values approved by the Board of Directors as the culmination of an Advance Assessment process. No later than seven months before the FS Deadline for such Binding Season, the Board of Directors shall take its final action regarding approval of the FSPRM values for each Month of such Binding Season.
- 14A.2.2 No later than forty Days after the FS Deadline for a Binding Season, WPP will (i) provide the values of the Participant's FS Capacity Requirement and FS Transmission Requirement for each Month of the Binding Season; (ii) affirm that the Portfolio QCC of such Participant for each Month of the Binding Season equals or exceeds the FS Capacity Requirement of such Month for such Participant or notify such Participants of any deficiencies in the Forward Showing Submittal that result in a failure to demonstrate satisfaction of the FS Capacity Requirement; and (iii) affirm that the Demonstrated FS Transmission plus approved Monthly Transmission Exceptions of such Participant for each Month of the Binding Season equals or exceeds the FS Transmission Requirement of such Month for such Participant or notify such Participants of any deficiencies in the Forward Showing Submittal that result in a failure to demonstrate satisfaction of the FS Transmission Requirement.
- 14A.2.3 Within 100 Days after the FS Deadline, the Participant shall (i) submit revisions to its Forward Showing Submittal, including, without limitation, additions or revisions to the Participant's Resource QCC, Net Contract QCC, or Demonstrated FS Transmission; (ii) in order to fully cure all identified deficiencies and demonstrate that such Participant's Portfolio QCC for each Month of the Binding Season equals or exceeds its FS Capacity Requirement; and (iii) fully provide Demonstrated FS Transmission for each Month of the Binding Season that equals or exceeds its FS Transmission Requirement for the same Month of the Binding Season where WPP identified deficiencies.

16. Components of the Forward Showing

16.1 FS Capacity Requirement. The FS Capacity Requirement shall be determined for each Participant on a monthly basis by applying the applicable Monthly FSPRM for a Month to such Participant's peak load forecast for that Month. The Participant's peak load forecast for a given Month of a Binding Season will be the P50 Peak Load Forecast for the Binding Season multiplied by a shaping factor based on the historical relationship, for such Participant, of the seasonal peak for the Winter Season or Summer Season, as applicable, and the monthly peaks for the Months in such season, as more fully described in the Business Practice Manuals.

16.1.1 P50 Peak Load Forecast. The P50 Peak Load Forecast is a peak load forecast prepared on a basis, such that the actual peak load is statistically expected to be as likely to be above the forecast as it is to be below the forecast. The Business Practice Manuals shall specify an approved load forecasting methodology for use by all Participants for their WRAP-required load forecasts which shall include (i) a base monthly peak derived from a recent historical period that recognizes additions and removals of load during the historical period, (ii) adjustments for known additions and removals of load during the forecast window; and (iii) a specified load growth factor.

16.1.2 FS Planning Reserve Margin

16.1.2.1 The FSPRM is an increment of resource adequacy supply needed to meet conditions of high demand in excess of the applicable peak load forecast and other conditions such as higher resource outages, expressed as a percentage of the applicable peak load forecast. The FSPRM shall be determined based on probabilistic analysis, taking account of uncertainties in generation and load, as the margin above peak load that provides an expectation of no more than a single event-day of loss of load in ten years (sometimes referred to herein as the "1-in-10 LOLE") for each Binding Season. The FSPRM shall be determined in a manner that accounts for the governing principles of QCC value determinations set forth in Section 16.2.5 of this Tariff and shall employ the applicable peak load for the applicable Binding Season and Months. Additional details, assumptions, methodologies, and procedures for determination of the FSPRM shall be as set forth in the Business Practice Manuals.

16.1.2.2 WPP shall calculate in the Advance Assessment process the recommended Monthly FSPRM for each Month of each Binding Season, for approval by the Board of Directors as set forth in this Part II.

16.1.2.3 The FSPRM shall employ (i) a simulated resource stack using capacity accreditation principles consistent with those used for WRAP QCC determinations; (ii) an adjustment in the total WRAP-required QCC value as needed to meet a 1-in-10 LOLE for each Binding Season, and (iii) while maintaining the 1-in-10 LOLE for each Binding Season in (ii), include a monthly reduction of capacity to ensure that each Month has at least 0.01 annual LOLE. The FSPRM for a Month shall be the simulated QCC as adjusted to meet the 1-in-10 LOLE for each Binding Season minus the P50 Peak Load Forecast for the Month, divided by the P50 Peak Load Forecast for the Month.

16.1.2.4 The FSPRM shall include an approximation of Contingency Reserves as set forth in the Business Practice Manuals.

16.1.3 Contingency Reserves Adjustment. A Participant's FS Capacity Requirement will be adjusted as set forth in the Business Practice Manuals to account for changes in Contingency Reserve requirements resulting from energy contract purchases and contract sales.

16.1.4 A Participant responsible for loads located in a Subregion for which an FSPRM value has been determined that is higher than the FSPRM value determined for a different Subregion may, in lieu of demonstrating a MW increment of Portfolio QCC otherwise required to satisfy such Participant's FS Capacity Requirement for a given Month, demonstrate in its Forward Showing Submittal, in accordance with the procedures and requirements set forth in the Business Practice Manuals, WRAP Qualifying Transmission, in a quantity, in addition to that required by the FS Transmission Requirement, that is no greater than the difference in the two FSPRM values multiplied by the Participant's P50 Peak Load Forecast, with the point of delivery in the Subregion with the higher FSPRM value and the point of receipt in the Subregion with the lower FSPRM value. The MW quantity of the additional WRAP Qualifying Transmission so demonstrated shall reduce for such Month, by the same MW quantity, the Portfolio QCC the Participant would otherwise be required to demonstrate to satisfy its FS Capacity Requirement for such Month. Each such demonstration shall identify the MW quantity, Month of service, point of receipt, and point of delivery of such transmission service rights, and such other information as specified in the Business Practice Manuals, and shall verify that the offered rights are WRAP Qualifying Transmission.

16.2 Qualified Capacity Contribution

16.2.1 For each Participant and each Binding Season, the Forward Showing shall show and support the Portfolio QCC, which shall be the sum of the QCC of the Participant's Qualifying Resources ("Resource QCC"), the QCC of its contracted capacity ("Net Contract QCC"), and any transfers of capacity

already accredited by another Participant (“Total RA Transfer,” which could be positive or negative). The Portfolio QCC effective for a Binding Season shall be the value determined by WPP.

- 16.2.2 A resource will not be assigned a Resource QCC or counted toward Portfolio QCC unless it is a Qualifying Resource. Qualifying Resources are those that, before they are included in a Forward Showing Submittal, are first registered with WPP. A Participant seeking registration of a resource must submit a request for registration providing the resource information described in the Business Practice Manuals.
- 16.2.3 The minimum resource size for registration of a resource is 1 MW, provided, however, that Participants with responsibility for individual resources of less than 1 MW may aggregate them to meet the 1 MW minimum requirement, under the conditions and limitations specified in the Business Practice Manuals.
- 16.2.4 A Participant may include in its Forward Showing Submittal a request for an exception from its FS Capacity Requirement for an insufficiency of its Portfolio QCC solely due to (i) a catastrophic failure of one or more Qualifying Resources due to an event of Force Majeure as defined by Section 8.1 of this Tariff that (ii) the Participant is unable to replace on commercially reasonable terms prior to the FS Deadline as a result of the timing and magnitude of such catastrophic failure and its consequences. As more fully set forth in the Business Practice Manuals, such exception request shall be supported by a Senior Official Attestation. The exception request must include complete information on the nature, causes and consequences of the catastrophic failure, and must describe the Participant’s specific, concrete efforts prior to the FS Deadline to secure replacement Qualifying Resources for the applicable Binding Season. WPP will consider the exception criteria established by this section, the information provided in the exception request, the completeness of the exception request, and other relevant data and information, in determining whether to grant or deny an FS Capacity Requirement exception request. WPP shall provide such determination no later than sixty days after submission of such Participant’s FS Submittal containing such FS Capacity Requirement exception request. A Participant granted an exception hereunder must complete a monthly exception check report demonstrating that either the circumstances necessitating the exception have not changed; or that Qualifying Resources have become available, and the Participant has acquired them and no longer requires the exception. Failure to timely submit a required monthly report will result in assessment of a Deficiency Charge, unless the deficiency is cured within seven days of notice of non-compliance. A Participant denied an exception request hereunder may appeal such denial to the Board of Directors in accordance with the procedures and deadlines set forth in the Business Practice Manuals. In such event, the requested exception shall be denied or permitted as, when

and to the extent permitted by the Board, in accordance with the procedures and timing set forth in the Business Practice Manuals. WPP shall give notice of any exception granted hereunder in the time and manner provided by the Business Practice Manuals.

16.2.5 QCC: WPP shall determine QCC values for the resource types specified below in accordance with the governing principles specified below for each resource type, and consistent with further details specified for each resource type in the Business Practice Manuals.

16.2.5.1 For resources that use conventional thermal fuels, including but not limited to, coal, natural gas, nuclear, and biofuel, WPP will determine QCC based on an Unforced Capacity methodology that employs resource-specific capability testing and capability requirements to determine an Installed Capacity value, and a forced outage calculation methodology based on historical performance during Capacity Critical Hours over a specified multi-year period (excluding outages properly reported as “outside management control”), or based on class-average forced outage data, as specified in the Business Practice Manuals, if there is insufficient data on historical performance.

16.2.5.2 For resources that are Variable Energy Resources, including, but not limited to, wind and solar resources, WPP will determine QCC based on an ELCC methodology, that accounts for synergistic portfolio effects within and among VER types at different resource penetration levels that influence the extent to which the WRAP Region can rely on those VER categories to meet overall capacity needs.

16.2.5.2.1 For such purpose, a separate ELCC value will be calculated in the aggregate for all VER resources of a given type in an identified VER Zone, to be delineated in the Business Practice Manuals based on factors such as geography, performance, meteorological considerations, and penetration.

16.2.5.2.2 As more fully described in the Business Practice Manuals, the zonal aggregate VER-resource-type value will be calculated by (i) conducting a benchmark LOLE study that includes all resource types except the VER resource type being studied, employing a model and assumptions consistent with those used to calculate FSPRM, and adding, or subtracting, the same MW quantity of Pure Capacity to every hour of the applicable Binding Season until, respectively, an initial LOLE value above 0.1 day per

Binding Season becomes 0.1 day per Binding Season, or an initial LOLE value below 0.1 day per Binding Season becomes 0.1 day per Binding Season; (ii) conducting an LOLE study that includes all resource types including the VER resource type being studied, employing a model and assumptions consistent with those used to calculate FSPRM, and adding, or subtracting, the same MW quantity of Pure Capacity to every hour of the applicable Binding Season until, respectively, an initial LOLE value above 0.1 day per Binding Season becomes 0.1 day per Binding Season, or an initial LOLE value below 0.1 day per Binding Season becomes 0.1 day per Binding Season; and (iii) subtracting the Pure Capacity value determined under subpart (ii) from the Pure Capacity value determined under subpart (i) (for which calculation a Pure Capacity value subtracted from each hour in either subpart (i) or subpart (ii) will be assigned a negative value; (iv) repeating steps (i) through (iii) for each Binding Season of the study period employing historical, or as necessary, synthesized, data; and (v) basing the aggregate value of the studied VER resource type for the studied VER Zone on the results of the calculation in step (iii) for the Binding Seasons studied, which may include differential weighting of the Binding Seasons studied as appropriate to improve the quality and predictive capacity of the final result.

16.2.5.2.3 The aggregate capacity calculated for each VER resource type in each VER Zone will then be allocated to VERs of that type in that VER Zone based on each such resource's average historical performance during the CCHs of the Subregion in which the VER Zone is located if at least three years of historical performance or three years of synthesized forecast data is available at the time of such allocation. If three years historical performance or synthesized forecast data is not then available, the average ELCC from the VER Zone will be assigned.

16.2.5.3 For resources that are Energy Storage Resources, WPP will determine QCC based on an ELCC methodology comparable to that used for VERs. The ELCC methodology will model Energy Storage Resources at the level of their usable capacity that can be sustained for a minimum duration of four hours. An Energy

Storage Resource need not have a nameplate rating that assumes a minimum of four hours in order to receive a QCC determination, but the QCC in that case will be scaled to reflect the capability that can be sustained for four hours, as more fully described in the Business Practice Manuals.

- 16.2.5.4 A Participant's Demand Response used as a Demand Response Capacity Resource must be controllable and dispatchable by the Participant or by the host utility, and must have met certain testing requirements consistent with Business Practice Manuals. WPP will determine Demand Response Load Modifier QCC by multiplying the load reduction in MWs by the number of hours the resource can demonstrate load reduction capability (for a period of up to five continuous hours) divided by five. The effects of Demand Response used as a Demand Response Capacity Resource must not be included in load provided for a Participant's Advance Assessment.
- 16.2.5.5 For Storage Hydro Qualifying Resources, the Participant will calculate a QCC based on a methodology detailed in the Business Practice Manuals that: (i) considers each resource's actual generation output, residual generating capability, water in storage, reservoir levels, and flow or project constraints over the previous ten-year historical period; (ii) determines the project's QCC by assessing the historical generation during CCHs on any given day and ability to increase generation during CCHs on the same day, subject to useable water in storage, inflows/outflows, and expected project operating parameters/constraints and limitations; (iii) incorporates forced outage rates; and (iv) determines QCC as average contribution to the CCH for each Winter Season and Summer Season over the previous ten years. If ten years of historical data is not available for the Storage Hydro Qualifying Resource, the Participant may alternatively employ data on the same metrics from a demonstrably comparable facility or apply another method that provides reasonable confidence in the reliability of the predicted values, as more fully set forth in the Business Practice Manuals. The Participant's QCC calculation shall be subject to review and validation by WPP. In connection with such review, the Participant shall provide WPP with the following information necessary to calculate a QCC for Storage Hydro Qualifying Resources: (i.a) historical reservoir elevation levels; (ii.a) historical plant generation; (iii.a) elevation versus capacity curves; (iv.a) any minimum or maximum reservoir level constraints; (v.a) forced outage rates; (vi.a) volume of water versus reservoir elevation storage tables; and (vii.a) turbine discharge versus generation efficiency curve.

16.2.5.6 For Run of River Qualifying Resources, WPP will determine QCC based on the monthly average performance of such resource during Capacity Critical Hours, as further specified in the Business Practice Manuals

16.2.5.7 For resources that (i) are not within the meaning of any of Sections 16.2.5.1 through 16.2.5.5, and that (ii) either (a) are not dispatchable; or (b) require the purchaser of energy from the resource to take energy as available from such resource, including but not limited to a qualifying facility as defined under the Public Utility Regulatory Policies Act of 1978, WPP will determine QCC based on the monthly average performance of such resource during Capacity Critical Hours, as further specified in the Business Practice Manuals.

16.2.6 Net Contract QCC: WPP shall determine Net Contract QCC for the agreement types specified below in accordance with the governing principles specified below for each agreement type, and consistent with further details specified for each agreement type in the Business Practice Manuals. Net Contract QCC may be either positive or negative, to take account of, for example, a Participant's agreements for the sale of capacity to any other party.

16.2.6.1 Absent one of the exceptions described and limited below, capacity supply agreements qualifying for a Net Contract QCC in the WRAP must be resource specific, and therefore must include, among other requirements, an identified source, an assurance that the capacity is not used for another entity's resource adequacy requirements, an assurance that the seller will not fail to deliver in order to meet other supply obligations, and affirmation of WRAP Qualifying Transmission from the identified resource to the point of delivery/load. The specific resources identified in a capacity supply agreement qualifying for Net Contract QCC shall meet the same Resource QCC accreditation requirements for the given resource type, as specified in Section 16.2.5.

16.2.6.2 A system sales contract can qualify for a Net Contract QCC value, provided that if the seller is not a Participant, the system capacity that is the subject of the agreement must be deemed surplus to the seller's estimated needs, there must be an assurance that the seller will not fail to deliver in order to meet other commercial obligations, and there must be an assurance that the seller will have WRAP Qualifying Transmission from the identified resource to the point of delivery/load. Surplus status may be demonstrated by a Senior Official Attestation with pertinent supporting details for such surplus status, including

written assent of the non-Participant Seller, secured by the purchasing Participant. Such attestation is not required if the seller is a Participant, because the information needed to verify surplus status is already available.

16.2.6.3 A supply agreement entered into prior to October 1, 2021 (“Legacy Agreement”) can qualify for a Net Contract QCC value; provided that where a legacy agreement does not identify the source, it must be possible for WPP to presume a source or sources for the contract, including with the written assent of the supplier under such Legacy Agreement, conveyed in the form and manner set forth in the Business Practice Manuals. A Legacy Agreement for which such resource determination cannot be reasonably made will not be counted as adding to the Portfolio QCC.

16.2.7 Total RA Transfer: A Participant may agree with another Participant on a transfer of a portion of its Portfolio QCC to meet the other’s FS Capacity Requirement (“RA Transfer”), provided that the details and duration of such transfer are reported to WPP for validation in accordance with procedures and information requirements specified in the Business Practice Manuals. Where such transfers have been duly reported and validated, an RA Transfer will be added to the purchasing Participant’s Portfolio QCC and subtracted from the selling Participant’s Portfolio QCC.

16.2.8 Planned Outages: Participants shall include in their Forward Showing Submittal for a Binding Season information on all Qualifying Resources that are currently out of service with a scheduled return date that falls during the Binding Season or after the Binding Season. Capacity associated with such resources must be deducted from Participants’ Portfolio QCC as specified in the Business Practice Manuals to ensure no credit is granted for such resources during the planned outage. The aggregate of any additional outages that are planned to occur during the Binding Season but have not yet begun at the time of submission must be within the Participant’s remaining surplus (or replaced with other supply). Participants may provide information on all Qualifying Resources that are planned to be out of service but if such data cannot be supplied with reasonable specificity, a Participant may provide a Senior Official Attestation at the time of the submission of its FS Submittal that it expects the sum of planned outages to be equal to or less than the surplus stated in its FS Submittal throughout the Binding Season.

16.2.8.1 If a Qualifying Resource is planned to return to service within the first five days of a Binding Season, WPP may approve a qualified acceptance of the FS Submittal, provided the deficiency is less than 500 MW.

- 16.2.8.2 A planned outage shall not justify a waiver of or exception to a Participant's holdback or energy delivery obligations under Part III of this Tariff. Participants will be expected to procure the necessary capacity or energy to meet the Operations Program requirements, regardless of planned outage schedules or FS Submittal acceptance.

16.3 FS Transmission Requirement

- 16.3.1 As part of its Forward Showing Submittal for a Binding Season, each Participant must demonstrate, as specified in the Business Practice Manuals, that it has secured transmission service rights, including under supply arrangements with a third party that holds or has committed transmission service rights, sufficient to deliver a MW quantity equal to at least 75% of the MW quantity of its FS Capacity Requirement. To the extent a Participant holds transmission service rights with a point of receipt at a Qualifying Resource, or in connection with an RA Transfer to such Participant, any such rights from such point in a MW quantity, respectively, in excess of the QCC of such Qualifying Resource, or in excess of the value of such RA Transfer, shall not contribute toward satisfaction of such Participant's FS Transmission Requirement. The FS Transmission Requirement must be met with WRAP Qualifying Transmission, from such Participant's Qualifying Resource(s) or from the delivery points for the resources identified for its Net Contract QCC or for its RA Transfer to such Participant's load. Notwithstanding the foregoing, authorized use of Capacity Benefit Margin, provided it is WRAP Qualifying Transmission, will satisfy the FS Transmission Requirement. Demonstration of the FS Transmission Requirement shall not, in and of itself, relieve any Participant of responsibility for a Delivery Failure Charge as determined under Section 20.7 if such Participant's failure to obtain or maintain WRAP Qualifying Transmission of the type and quantity expected by the Operations Program, as described in Section 20.6 of this Tariff, caused or contributed to an Energy Delivery Failure.
- 16.3.2 A Participant may include in its Forward Showing Submittal a request for an exception from a limited part of its FS Transmission Requirement, provided the exception request meets the terms, conditions, and limitations of one or more of the following four exception categories below. As more fully set forth in the Business Practice Manuals, such exceptions may be subject to overall WRAP limits, and shall be supported by a Senior Official Attestation. WPP will consider the exception category terms, conditions and limitations set forth below, and may consider the completeness of the exception request, information from transmission service providers, OASIS data, and data readily available to WPP from other reliable and validated sources concerning the duration, timing, firmness and quantity of available transmission service or equivalent options (including transmission construction), in determining whether to grant or deny a transmission

exception request. WPP shall provide such determination no later than sixty days after submission of such Participant's FS Submittal containing such transmission exception request. A Participant denied an exception request hereunder may appeal such denial to the Board of Directors in accordance with the procedures and deadlines set forth in the Business Practice Manuals. In such event, the requested exception shall be denied or permitted as, when and to the extent permitted by the Board, in accordance with the procedures and timing set forth in the Business Practice Manuals. WPP shall give notice of any exception granted hereunder in the time and manner provided by the Business Practice Manuals. A Participant granted a transmission exception under either Section 16.3.2.1 or Section 16.3.2.2 must complete a monthly transmission exception check report demonstrating that either (i) the circumstances necessitating the exception have not changed; (ii) WRAP Qualifying Transmission has become available and the Participant has acquired it; or (iii) the Participant has acquired a different resource, and associated WRAP Qualifying Transmission, and no longer requires the exception. Failure to timely submit a required monthly report will result in assessment of a Deficiency Charge, unless the deficiency is cured within seven days of notice of non-compliance.

16.3.2.1 Enduring Constraints. Participant is unable to demonstrate sufficient WRAP Qualifying Transmission rights on any single segment of a source to sink path for a Qualifying Resource; and Participant demonstrates that no ATC for such transmission service rights is available (either from the transmission service provider or through a secondary market) at the FS Deadline on the applicable segment for the Month(s) needed (for a duration of one year or less) at the applicable Open Access Transmission Tariff rate or less; and Participant submits a Senior Official Attestation that Participant has taken commercially reasonable efforts to procure WRAP Qualifying Transmission, and that Participant has posted Firm Transmission Requirements on a relevant bulletin board prior to the FS Deadline. In the event such WRAP Qualifying Transmission is only available for a duration of more than one year (whether from the transmission service provider or through a secondary market) at the FS Deadline on the applicable segment for the Month(s) needed at the applicable Open Access Transmission Tariff rate or less, a Participant is not required to obtain such service in order to qualify for the Enduring Constraints exception hereunder. Notwithstanding the foregoing, if such Participant declines to obtain such available WRAP Qualifying Transmission and is granted the exception hereunder, such Participant shall not qualify for an exception hereunder for the same path (or across the same constraint) for the same season of the subsequent year if the Participant again declines to obtain such WRAP Qualifying Transmission that is available for a duration of more than one year. In addition to the foregoing, Participant must

further demonstrate that there was remaining available transmission transfer capability (i.e., non-firm ATC after the fact) for all CCHs in the same season of the most recent year for which CCHs have been calculated in any Subregion in which the transmission segment exists; or, if the path was constrained in at least one CCH of the CCHs in the same season of the most recent year for which CCHs have been calculated in any Subregion in which the transmission segment exists, Participant in that case must demonstrate either that it is constructing or contracting for a new local resource for at least the amount of the exception requested, or that it is pursuing long-term WRAP Qualifying Transmission by entering the long-term queue and taking all appropriate steps to obtain at least the amount of the exception requested.

16.3.2.2 Future Firm ATC Expected. Participant demonstrates that ATC of WRAP Qualifying Transmission rights is not posted or available prior to the FS Deadline (for a duration of one year or less) at the applicable Open Access Transmission Tariff rate or less, and that the transmission service provider has, after the FS Deadline, released additional ATC for such transmission service rights along the applicable path in every one of the CCHs that have been calculated in any Subregion in which the applicable transmission segment exists for the most recent year for which CCHs have been calculated for the Subregion. In the event ATC for such WRAP Qualifying Transmission is only posted or available prior to the FS Deadline for a duration of more than one year (whether from the transmission service provider or through a secondary market) on the applicable segment for the Month(s) needed at the applicable Open Access Transmission Tariff rate or less, a Participant is not required to obtain such service in order to qualify for the Future Firm ATC Expected exception hereunder. Notwithstanding the foregoing, if such Participant declines to obtain such available WRAP Qualifying Transmission and is granted the exception hereunder, such Participant shall not qualify for an exception hereunder for the same path (or across the same constraint) for the same season of the subsequent year if the Participant again declines to obtain such WRAP Qualifying Transmission that is available for a duration of more than one year. The Participant must also demonstrate that the exception request meets volume and duration limitations specified in the Business Practice Manuals.

16.3.2.3 Transmission Outages and Derates. Participant demonstrates that an applicable segment of its existing transmission service rights from its source to sink path for its Qualifying Resource is expected to be derated or out-of-service and the ATC of WRAP Qualifying Transmission is not otherwise available, and that

the exception request meets volume and duration limitations specified in the Business Practice Manuals.

16.3.2.4 Counterflow of a Qualifying Resource. Participant demonstrates that either: (i) Participant's use of WRAP Qualifying Transmission in connection with the delivery of capacity from Participant's Qualifying Resource (or from the resource associated with its Net Contract QCC) to Participant's load (or other qualifying delivery point permitted by the WRAP) or (ii) a second Participant's use of WRAP Qualifying Transmission in connection with the delivery of capacity from the second Participant's Qualifying Resource (or from the resource associated with its Net Contract QCC) to the second Participant's load (or other qualifying delivery point permitted by the WRAP) provides a direct and proportional counterflow transmission that supports the first Participant's delivery of capacity from the first Participant's Qualifying Resource (or from the resource associated with its Net Contract QCC) to the first Participant's load (or other qualifying delivery point permitted by the WRAP) Qualifying Resource to their load. If the exception is requested under subpart (ii) of this subsection, the Participant requesting the exception shall include a written acknowledgement from the second Participant that it is aware of such exception request.

16.3.3 To the extent a Participant does not demonstrate satisfaction of its FS Transmission Requirement by the FS Deadline, the Participant may correct any such deficiency on or before the end of the cure period prescribed by Section 14.5 of this Tariff to avoid a Deficiency Charge.

16.3.4. Any deficiency of transmission service rights ultimately determined by WPP will be treated, for purposes of Deficiency Charge determinations, as in conjunction with, and not additive to, any deficiencies of QCC determined pursuant to Section 16.2.

20. Components of the Operations Program

20.1 Sharing Calculation

20.1.1 WPP shall implement, as more fully described in the Business Practice Manuals, with respect to each Forward Showing Submittal accepted by WPP for a Participant under Part II of this Tariff, or with respect to each Subregion in which the Participant is responsible for load regardless of whether the Participant submitted a single Forward Showing Submittal encompassing its loads in multiple Subregions, the following Sharing Calculation to identify any hour in which any Participant is forecast to have a capacity deficit (known as a “Sharing Event”). This calculation takes into account changes in a Participant’s resource availability, resource performance, forecast load, and Contingency Reserve relative to the Forward Showing, plus an Uncertainty Factor. The Sharing Calculation is equal to:

$$[(P50) * (1 + FSPRM) + \text{Contingency Reserve Adjustment}] - [\text{Load Forecast} - \text{Demand Response Capacity Resources} + \text{Contingency Reserve Obligation} + \text{Uncertainty Factor}] + [\Delta \text{Forced Outages} + \Delta \text{RoR Performance} + \Delta \text{VER Performance}]$$

Where:

P50 refers to the Participant’s Monthly P50 Peak Load for that Binding Season’s Month;

FSPRM, as described in Section 16.1.2, is an increment of resource adequacy supply needed to meet conditions of high demand in excess of the applicable peak load forecast and other conditions such as higher resource outages and is expressed as a percentage of the applicable Participant P50 Peak Load Forecast for that Binding Season’s month;

Contingency Reserve Adjustment accounts for changes in Contingency Reserve expectations (relative to the Contingency Reserve assumed in the FSPRM) resulting from energy contract purchases and contract sales as set forth in the Business Practice Manuals;

Load Forecast refers to the forecast of expected load for the subject hour for the loads for which the Participant is the Load Responsible Entity and that have not been excluded from WRAP participation;

Demand Response Capacity Resource as described in Section 16.2.5.4.

Contingency Reserve Obligation refers to the amount of Contingency Reserve the Participant is carrying during the operating hour equal to the LRE’s share of the Balancing Authority’s total Contingency Reserve

obligation modified by any Contingency Reserve Adjustment, as set forth in the Business Practice Manuals;

Uncertainty Factor refers to a factor determined by WPP, as more fully set forth in the Business Practice Manuals, to account for the potential variance between forecasts of load, solar resources, wind resources, and run-of-river resources, and the Operating Day conditions of such load and resources;

Δ Forced Outages refers, for the subject hour, to the sum of:

- (i) any change in forced outages of any of the thermal resources included in the Participant's Portfolio QCC, relative to the forced outages assumed in the Forward Showing Submittal by application of the Forced Outage Factor; plus
- (ii) any change in forced outages of any of the Storage Hydro Qualifying Resources relative to the forced outages assumed in the calculation of the Participant's Resource QCC as more fully described in the Business Practice Manuals; plus
- (iii) any reduction in output capability of any of the Energy Storage Resources due to equipment failure or protection
 - a. In the first four (4) hours the Forced Outages MWs that can be claimed are equal to [(charge MW x duration)/4]
 - b. For all hours beyond four (4) hours, the Forced Outages MW amount that can be claimed for an Energy Storage Resource shall not be greater than the monthly QCC; plus
- (iv) any impacts of transmission conditions on previously acquired WRAP Qualifying Transmission that result in capacity reductions up to the level of the Resource QCC of the associated Qualifying Resource;

Δ RoR Performance refers to any change, for the subject hour, in expected performance of any of the run-of-river resources in the Participant's Portfolio QCC relative to the QCC of those Qualifying Resources; and

Δ VER Performance refers to any change, for the subject hour, in expected performance of the VER Resources in the Participant's Portfolio QCC relative to the QCC of those Qualifying Resources;

- 20.1.2 In addition to the foregoing, the Sharing Calculation for a Participant that is a purchaser of an RA Transfer shall be performed in two passes, with and without such purchase. If the result of assuming in the first pass that the Participant had not purchased the RA Transfer is that the Participant has a negative Sharing Calculation, then the Participant that sold the RA Transfer must agree, for the time period addressed by the Sharing Calculation, to an energy delivery to the Participant that purchased the RA Transfer, in an amount equal to the lesser of: (i) the MW quantity needed to result in a net zero Sharing Calculation for the Participant that purchased the RA Transfer;

and (ii) the MW amount of the RA Transfer. If the result of recognizing the Participant's purchase of the RA Transfer in the second pass is that the Participant has a positive Sharing Calculation, then the Participant that sold the RA Transfer must assume a share of the purchasing Participant's resulting obligation to the Operations Program in an amount equal to the MW quantity of the RA Transfer, minus the MW quantity of the delivery made by the seller of the RA Transfer to the purchaser of the RA Transfer as a result of the first pass.

20.1.3 The Sharing Calculation of any Participant that was found to have a Monthly Capacity Deficiency under Sections 16.1 and 16.2, for which such Participant paid a Deficiency Charge, including any Deficiency Charge reduced by application of Section 17.3 during the Transition Period, shall be reduced by the MW quantity of such Monthly Deficiency.

20.2 Holdback Requirement

To the extent that: (i) WPP's application of the Sharing Calculation identifies on the Preschedule Day a Sharing Event for any hour(s) of the Operating Day; and (ii) the Participant(s) found to be deficient for such hour(s) by the Sharing Calculation confirms to WPP on the Preschedule Day, in accordance with notification and confirmation procedures set forth in the Business Practice Manuals, such Participant's need for capacity for such hour(s), then WPP shall determine the Participants having a Holdback Requirement for such hour(s) and the quantity of the Holdback Requirement for each such Participant in accordance with this Section 20.2. The Operations Program will prioritize offers of Voluntary Holdback in the allocation and assignment of Holdback Requirements. Holdback Requirements shall be expressed as whole MWs for each hour for which they are estimated or established and shall not be specific to any Qualifying Resource.

20.2.1 Subregion with Central Hub

For any hour, as to any Subregion identified in the Business Practice Manuals as containing a central transmission hub permitting energy deliveries to that hub from any point within such Subregion ("Central Hub"), the aggregate of the holdback needed to meet the requirements of all Participants with negative Sharing calculation results that have confirmed their need for holdback will be allocated and assigned first among offers of Voluntary Holdback, and second, to the extent such needs remain unmet, among Participants with positive Sharing Calculation results.

20.2.1.1 Allocation of Voluntary Holdback: Voluntary Holdback will be allocated in one of three alternative ways, based on comparing the aggregate confirmed need for holdback among Participants with negative Sharing Calculation results against the aggregate of all offers for Voluntary Holdback.

20.2.1.1.1 If the total MW quantity of all Voluntary Holdback offered is equal to the total MW quantity of all deficient Participants' confirmed requests for holdback, then each Participant that offered Voluntary Holdback is assigned its offered Voluntary Holdback as its Holdback Requirement.

20.2.1.1.2 If the total MW quantity of all Voluntary Holdback offered is more than the total MW quantity of all deficient Participants' confirmed requests for holdback, then each Participant that offered Voluntary Holdback is assigned as its Holdback Requirement a percentage of the total confirmed need for holdback based on the ratio of the Participant's MWs of offered Voluntary Holdback to the sum of all Participants' MWs of offered Voluntary Holdback.

20.2.1.1.3 If the total MW quantity of all Voluntary Holdback offered is less than the total MW quantity of all deficient Participants' confirmed requests for holdback, then each Participant's Holdback Requirement is determined as set forth in section 20.2.1.2.

20.2.1.2 Allocation of Remaining Holdback Requirement: Sharing Calculation Results

If the total MW quantity of all Voluntary Holdback offered is less than the total MW quantity of all deficient Participants' confirmed requests for holdback, then the maximum Voluntary Holdback offered is used as the first term in the Holdback Requirement. The remaining term of the Holdback Requirement is met by application of the Sharing Calculation, and the results of the two terms are summed for each Participant. The remaining need for holdback that is not met by Voluntary Holdback is allocated among all Participants with positive Sharing Calculation results pro rata based on the ratio for each Participant of the Participant's positive Sharing Calculation result to the sum of the positive Sharing Calculation results. The sum of these two values for each applicable Participant is the Holdback Requirement for that Participant.

20.2.2 Subregion without Central Hub

For any hour, any Subregion not containing a Central Hub, the Program Operator shall conduct an optimization-based allocation to pair surplus and

deficient Participants. The allocation methodology will utilize the points at which surplus Participants can deliver their Holdback Requirement, the points at which deficient Participants can take receipt of their allocation of the total Holdback Capacity, and the transfer capability that exists to the points at which surplus Participants can deliver and the points at which deficient Participants can take receipt.

The optimization will generally attempt to prioritize (i) Voluntary Holdback; (ii) Holdback Capacity matched pursuant to the information provided per Section 19.4 on a nearest neighbor and cluster basis, allocated pro rata among Participants within such cluster; (iii) Holdback Capacity matched pursuant to the information provided and allocated among Participants within the same Subregion to the extent not matched and allocated under category (ii); and finally (iv) Holdback Capacity from Participants in another Subregion, paired with any transmission service per Section 14.3.2.

20.2.3 Absent a Holdback Requirement Transfer as described below, a Participant's Holdback Requirement for any hour of an Operating Day shall not exceed the level first set by WPP on the Preschedule Day for that Participant for that hour.

20.2.4 Any Participant may agree with any other Participant for the first Participant to transfer to the second Participant some or all of the Holdback Requirement established for the first Participant for any hour on any Operating Day. Any such Holdback Requirement Transfer shall be a bilateral arrangement settled outside the Operations Program, provided, however, that both Participants must timely notify WPP, by the time and in the manner described in the Business Practice Manuals, of such Holdback Requirement Transfer. Any necessary transmission arrangements and any transaction settlements shall be the sole responsibility of the Participants that are the parties to such bilateral arrangement.

20.2.4.1 No Holdback Requirement transfer for any hour shall be permitted if notice of such bilateral transaction is not fully reported to WPP, in the form required by the Business Practice Manuals, by 120 minutes before the start of such hour.

20.3 Release of Surplus Capacity

20.3.1 As detailed in the Business Practice Manuals, WPP will review the indicative Sharing Calculation results from the Multi-Day Ahead Assessment and to the extent the WPP determines any indicative Sharing Calculations can be reduced, it may release all or a portion of Participants' future Holdback Requirements. WPP may permit a release of future Holdback Requirements to the extent WPP has not applied a Safety Margin for such hour and (i) WPP's continued Sharing Calculations determine that

no Participant has a negative indicative Sharing Calculation result for such hour; and (ii) WPP determines there is a low probability of a Sharing Event for the hour; or (iii) WPP grants a Participant's request for extenuating circumstances of all or any portion of that Participant's future Holdback Requirement for the hour.

20.3.2 Upon release of all or any portion of a future Holdback Requirement, the quantity of future Holdback Requirement so released shall no longer be subject to an Energy Deployment requirement under the Operations Program for the subject hour.

20.4 Energy Deployment

20.4.1 Participants shall provide energy during an hour, in support of any Participants with a negative Sharing Calculation result and a confirmed need for energy under the Operations Program for such hour, in accordance with WPP's calculation of the Energy Deployment for such hour. The total Energy Deployment required of all Participants that are subject to Energy Deployment shall equal the sum, in MWh for that hour, of the energy confirmed as being needed in that hour by Participants in such Subregion with negative Sharing Calculation results in such hour, to the extent that can be supported by the Program. The Energy Deployment assigned to each Participant shall not exceed that Participant's Holdback Requirement calculated on the Preschedule Day, adjusted for any applicable transfer of Holdback Requirement as allocated and assigned for the Preschedule Day, and, as further adjusted to reflect the election, made after the Preschedule Day, of any Participant with a negative Sharing Calculation result on the Preschedule Day to decline all or any part of the Holdback Capacity to which it would have been entitled based on the Holdback Requirements determined on the Preschedule Day.

20.4.1.1 In Subregions with a Central Hub, Energy Deployments required hereunder shall be delivered to the Central Hub in such Subregion, or to an alternate delivery point mutually agreed by the parties to a specific Energy Deployment, provided both parties to the transaction report such alternative delivery arrangements to WPP in the form and manner described in the Business Practice Manuals.

20.4.1.2 In Subregions without a Central Hub, Energy Deployments required hereunder shall be delivered to the receipt point and delivery point as indicated by the optimization allocation, or to an alternate delivery point mutually agreed by the parties to a specific Energy Deployment, provided both parties to the transaction report such alternative delivery arrangements to WPP in the form and manner described in the Business Practice Manuals.

20.4.2 The Energy Deployment a Participant may receive for any hour shall be no greater than the negative Sharing Calculation result calculated for such Participant for such hour. Such Participant shall confirm, by no later than 85 minutes before the start of such hour, the quantity of Energy Deployment for which it requires delivery for such hour, through the procedures outlined in the Business Practice Manuals. Any Participant that does not confirm required Energy Deployment deliveries for such hour by such deadline will be deemed to waive all deliveries of Energy Deployment under the Operations Program for such hour.

20.4.3 The Energy Deployment a Participant can be required to supply for an hour shall not exceed the final Holdback Requirement calculated for such Participant on Preschedule Day, including any duly reported exchange of Holdback Requirement, as of 85 minutes before the start of such hour.

20.4.4 WPP shall advise each Participant with a required Energy Deployment for an hour of the required MWh quantity and delivery point of such Energy Deployment by no later than 80 minutes before the start of such hour.

20.5 Safety Margin

20.5.1 WPP may establish on the Preschedule Day a Safety Margin for the WRAP Region or any identified Subregion thereof for any hour of an Operating Day when warranted by such circumstances as potential large resource trips, heavy transmission outage conditions, significant environmental conditions, or other similar regional or subregional conditions, as more fully set forth in the Business Practice Manuals.

20.5.2 Any Safety Margin so determined for an hour shall be allocated pro rata among Participants with a positive Sharing Calculation result, based on their relative shares of the sum of all positive Sharing Calculation results for such hour, provided, however, that the Safety Margin allocated to a Participant may not result in a Holdback Requirement for such Participant greater than such Participant's Sharing Calculation result. A Participant allocated holdback for a Safety Margin hereunder does not receive compensation under this Tariff for such allocation of holdback.

20.5.3 WPP shall notify all Participants of application of a Safety Margin for any hour, including in such notice the total timeframe, the MW amount, and the rationale for such Safety Margin.

20.6 Operations Program Transmission Service Requirements

Participant shall have in place, prior to the Operating Day, WRAP Qualifying Transmission for each hour of such Operating Day for which a Sharing Event has been established, in a quantity sufficient for deliveries from the Qualifying Resources relied upon in such Participant's Forward Showing Submittal to demonstrate satisfaction of such Participant's FS Capacity Requirement (or from

replacement Qualifying Resources) to serve such Participant's loads during such hours. In the event a Participant has an Energy Delivery Failure, the review associated with the possible assessment of a Delivery Failure Charge on such Participant shall, as further described in the Business Practice Manuals, include whether a failure to secure sufficient WRAP Qualifying Transmission caused or contributed to such Energy Delivery Failure. For such purpose, the Participant will have been expected to have complied with the transmission service requirement stated in this subsection.

20.7 Failure to Deliver Energy Deployments

20.7.1 A Participant assigned a required Energy Deployment pursuant to Section 20.4.4 of this Tariff for any hour that fails to deliver the specified energy during such hour, and that does not obtain a waiver of its Energy Deployment obligation, shall be assessed a Delivery Failure Charge.

20.7.2 A Participant shall be deemed to have an Energy Delivery Failure if Participant fails to deliver the Energy Deployment quantity established under Section 20.4.1, absent grant of a waiver pursuant to Section 20.7.3 of this Tariff.

20.7.3 A Participant anticipating an Energy Delivery Failure should provide WPP notice of such expected Energy Delivery Failure as soon as practicable after becoming aware of the anticipated failure. Whether anticipated or not, a Participant may request a waiver of an Energy Deployment obligation after an Energy Delivery Failure has occurred. The WPP shall review all such waiver requests and shall determine whether the Participant's justification for the Energy Delivery Failure is valid and warrants waiver of its Energy Deployment obligation. The WPP also shall consider whether the Participant knew in advance, or reasonably should have known in advance, of an Energy Delivery Failure, and what efforts the Participant took to notify the WPP in advance of such Energy Delivery Failure. The procedures for addressing such waiver requests, including a non-exclusive list of valid justifications for an Energy Delivery Failure shall be set forth in the Business Practice Manuals. A Participant denied a waiver request hereunder may appeal such denial to the Board of Directors in accordance with the procedures and deadlines set forth in the Business Practice Manuals. In such event, the requested waiver shall be denied or permitted as, when and to the extent permitted by the Board, in accordance with the procedures and timing set forth in the Business Practice Manuals. WPP shall report on the disposition of each waiver request received.

20.7.4 The Delivery Failure Charge for each hour shall be the Charge Rate applicable for such hour times the MWhs of energy that were required to be, but were not, delivered pursuant to an Energy Deployment during such hour. The Charge Rate shall be the higher of the Day-Ahead price or Real-Time price provided by the Day-Ahead Applicable Price Index and Real-

Time Applicable Price Index as specified in the Business Practice Manuals for the Subregion applicable to the location of the delivering entity, applicable to the day and hour of the energy delivery, respectively, for the hour, times a Delivery Failure Factor, as follows:

20.7.4.1 If the deficit is fully covered by other Participants through the Operations Program, in each instance of failure, the Delivery Failure Factor shall be five for the first non-waived Energy Delivery Failure in a Cumulative Delivery Failure Period; ten for the second non-waived Energy Delivery Failure in a Cumulative Delivery Failure Period; and twenty for the third and subsequent non-waived Energy Delivery Failures in a Cumulative Delivery Failure Period. For purposes of applying the Delivery Failure Factors under this Section 20.7.4 or the review referenced in Section 20.7.5, multiple Energy Delivery Failures occurring in one day shall be treated as a single instance of failure.

20.7.4.2 If the deficit is not fully covered by other Participants through the Operations Program, the Delivery Failure Factor is twenty-five for the first non-waived Energy Delivery Failure in a Cumulative Delivery Failure Period; and fifty for the second and subsequent non-waived Energy Delivery Failures (regardless of whether the prior instance(s) of delivery failure were fully covered by other Participants) in a Cumulative Delivery Failure Period.

20.7.4.3 Revenues from Delivery Failure Charges assessed in cases where the deficit was fully satisfied by other Participants will be used to reduce WPP costs that are recovered under Schedule 1, WRAP Administration Charge. Revenues from Delivery Failure Charges assessed in cases where the deficit was not fully met by other Participants will be collected by the WPP and provided to the Participant that had an unserved deficit.

20.7.4.4 Notwithstanding anything to the contrary in this Section 20.7.4, the Delivery Failure Charges assessed on a Participant, regardless of application of the Delivery Failure Factor, shall not exceed, over the course of a Summer Season and the immediately succeeding Winter Season, the dollar amount that, as more fully detailed in the Business Practice Manuals, would have been assessed cumulatively under Section 17 as Deficiency Charges if the Participant had one or more Forward Showing Capacity Deficiencies over the course of such Summer Season and Winter Season in the same MW amounts as the highest MW amount of Delivery Failure experienced by such Participant in each Month of such Summer Season and Winter Season. The maximum dollar amount described herein shall be calculated on an ongoing basis during such Summer Season and Winter Season, and increased or

reduced accordingly, without awaiting the end of the combined period of such Summer Season and Winter Season.

20.7.5 In addition to assessment of the Delivery Failure Charge, a third or subsequent instance of non-waived delivery failure, when all such delivery failures are fully covered by other Participants, or a second or subsequent instance of non-waived delivery failure when such instance is not fully covered by other Participants, will subject the Participant to review for expulsion from the WRAP.

20.8 Voluntary Response to Increased Deficiencies Identified After Preschedule Day

20.8.1 A Participant that identifies an unmet need for energy for any hour of an Operating Day that is outside of assistance provided or to be provided by Holdback Requirements or Energy Deployments established hereunder may, in accordance with procedures specified in the Business Practice Manuals, notify WPP of the need for such assistance. WPP will establish a portal or other procedure, as specified in the Business Practice Manuals, to facilitate provision of assistance, on a voluntary, bilateral basis, by other Participants to the Participant that identified the unmet need. Compensation, terms, and conditions of any resulting bilateral transactions will be determined by the affected parties outside of this Tariff. While Participant response to any such notification is voluntary, Participants are encouraged to provide assistance to other Participants in the circumstances described in this subsection, in consideration of the mutual support each Participant has agreed to provide to each other Participant by its agreement to participate in the WRAP, including this Operations Program.

21. Operations Program Settlements

21.1 Nature of Operation Program Settlements

21.1.1 Operations Program settlements are bilateral transactions; they are not purchases from or sales to a central market.

21.1.2 Operations Program transactions use existing transaction systems and processes.

21.1.3 The WPP will calculate and post settlement quantities and prices based on the Energy Deployment and Holdback Requirement, in accordance with procedures specified in the Business Practice Manuals for provision of transaction information by and among Participants and WPP, but WPP has no role in the transaction itself. WPP is not a settlement entity.

21.1.4 Settlement Prices calculated under Section 21.2 shall recognize pricing differences among Subregions. Where the seller and buyer are located in the same Subregion, the Applicable Price Index shall be the price index specified for that Subregion in the Business Practice Manuals. Where the seller and buyer are located in different Subregions, the following components of the settlement price calculation in Section 21.2 will be calculated using the Applicable Price Index for the Subregion that provides the higher index price: (i) Possible Block Sale Revenue; (ii) Total Settlement Price; (iii) Energy Declined Settlement Price; and (iv) Realtime Value of Unheld Energy. If a third participant is involved by providing transmission service rights between Subregions, the Participant that provided holdback or Energy Deployment shall receive the settlement price of the Subregion from which the holdback or Energy Deployment was sourced, and the Participant that provided Subregion to Subregion transmission service rights pursuant to Section 19.4 shall receive the difference between each Subregion's Total Settlement Price, or zero, whichever is greater.

21.2 Settlement Price Calculation. Settlement prices shall be calculated in accordance with the following, as more fully set forth in the Business Practice Manuals.

21.2.1 A Participant assigned a Holdback Requirement on a Preschedule Day for any hour of an Operating Day shall be paid the Holdback Settlement Price times the MW quantity of the Holdback Requirement. A Participant that provides energy to another Participant pursuant to an Energy Deployment shall be paid the Energy Declined Settlement Price, defined in Section 21.2.4, times the MWhs of energy provided to such other Participant, and its total payments shall be reduced by the Energy Declined Settlement Price times the MWhs of energy that would have been provided under a Holdback Requirement but were declined by the other Participant. A Participant

assigned a Holdback Requirement also shall be paid, when applicable, a Make Whole Adjustment, as provided below in Section 21.2.5.

- 21.2.2 A Participant that had a negative Sharing Calculation result for any hour of an Operating Day, which was incorporated in the calculation of Holdback Requirements of any Participants for such hour, determined as of the Preschedule Day, shall pay the Holdback Settlement Price times the MW quantity of such negative Sharing Calculation result. In addition, any Participant that had a negative Sharing Calculation result that was incorporated in the calculation of a Holdback Requirement shall contribute to the payment of the Make Whole Adjustment based on its negative Sharing Calculation. A Participant that declines energy that would have been provided under a Holdback Requirement shall be credited the Energy Declined Settlement Price times the MWhs of energy declined by such Participant.
- 21.2.3 The Holdback Settlement Price shall equal the Total Settlement Price minus the Energy Declined Settlement Price.
- 21.2.4 The Energy Declined Settlement Price shall equal the Applicable Real-Time Index Price for the hour.
- 21.2.5 The Make Whole Adjustment is applied in the event that the settlement revenue and the estimated value of the non-dispatched energy is less than the estimated revenues the selling entity would have received had such entity not been subject to a Holdback Requirement and had sold a day-ahead block of energy with a MW value equal to the maximum amount of Holdback Requirement for the hours in the block. The Make Whole Adjustment has a minimum value of zero and is determined as follows:

$$\begin{aligned} \text{Make Whole Adjustment (when applicable)} = & \\ & \text{Maximum of (Possible Block Sale Revenue} \\ & \text{– Final Settlement Revenue} \\ & \text{– Realtime Value of Declined Energy} \\ & \text{– Realtime Value of Unheld Energy, 0)} \end{aligned}$$

Where:

$$\text{Realtime Value of Declined Energy} = \text{Energy Declined} \times \text{Energy Declined Settlement price}$$

provided that Declined Energy is only applicable to those hours where there was a positive Holdback Requirement.

$$\begin{aligned} \text{Realtime Value of Unheld Energy} = & (\text{Maximum Holdback MW in Block} \\ & \text{– Holdback MW Requested}) \times \text{Applicable Index Price} \end{aligned}$$

21.2.6 The Total Settlement Price used in the above calculations shall be determined in accordance with the following formula:

Total Settlement Price = Maximum of (Minimum of (Hourly Shaping Factor × Day Ahead Applicable Index Price × 110%, 2000 \$/MWh), 0)

where:

Hourly Shaping Factor is based on the most recent High-Priced Day for the relevant season, defined as a day in which at least one hour has a system marginal energy cost (“SMEC”) greater than \$200/MWh, and shall be calculated as follows:

$1 + \{[\text{CAISO Hourly Day Ahead SMEC} - \text{CAISO Average Day Ahead SMEC (on- or off-peak hours)}] / [\text{CAISO Average Day Ahead SMEC (on- or off-peak hours)}]\}$

Day-Ahead Applicable Index Price is the day-ahead heavy load/light load ICE Index price or average Locational Marginal Price that is specified in the Business Practice Manuals for the Subregion applicable to the location of the delivering entity, applicable to the day and hour of the energy delivery. If transmission via Section 14.3.2 was used to facilitate holdback, the Applicable Index Price shall be the higher of the two subregional day-ahead index prices for that portion of the holdback.

Real-Time Applicable Index Price is the real-time index price that is specified in the Business Practice Manuals for the Subregion applicable to the location of the delivering entity, applicable to the day and hour of the energy delivery.

Attachment B

Marked Proposed Tariff Revisions

1. Definitions

Unless the context otherwise specifies or requires, capitalized terms used in this Tariff shall have the respective meanings assigned herein for all purposes of this Tariff (such definitions to be equally applicable to both the singular and the plural forms of the terms defined). Unless otherwise specified, all references herein to Parts, Sections, Schedules, or Attachments, are to Parts, Sections, Schedules, or Attachments of this Tariff.

Applicable Price Index: A published index of wholesale electric prices, or Locational Marginal Prices duly calculated and posted by a FERC-regulated market operator, in either case as designated under Part III of this Tariff for use in connection with an identified Subregion.

Administration Charge or WRAP Administration Charge: The charge established under Schedule 1 of this Tariff for recovery of the costs of the WRAP.

Advance Assessment: Analyses and calculations of Participant load, resource, and other information performed in advance of each Binding Season as set forth in Part II of this Tariff.

Aggregate Capacity Deficiency: As to a Binding Season, the sum of the maximum Monthly Deficiencies of all Participants that submitted FS Submittals for such Binding Season, as determined following completion of the Cure Period for such Binding Season.

Available Transfer Capability (“ATC”): Transfer capability remaining in the physical transmission network for further commercial activity over and above already committed uses.

Balancing Authority: The responsible entity that integrates resource plans ahead of time, maintains demand and resource balance within a Balancing Authority Area, and supports interconnection frequency in real time.

Balancing Authority Area: The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

Base Charge: A component of the WRAP Administration Charge as established under Schedule 1 of this Tariff.

Base Costs: Base Costs shall have the meaning provided in Schedule 1 of this Tariff.

Base Services Cost Centers: The cost centers comprising the Base Charge as defined in Schedule 1 of this Tariff.

Base Services Percentage: Base Services Percentage shall have the meaning provided in Schedule 1 of this Tariff.

Binding Season: The Summer Season or the Winter Season.

Board of Directors or Board: The Board of Directors of the Northwest Power Pool d/b/a Western Power Pool.

Business Day: Any Day that is a Monday through Friday, excluding any holiday established by United States federal authorities.

Business Practice Manuals: The manuals compiling further details, guidance, and information that are appropriate or beneficial to the implementation of the rules, requirements, and procedures established by this Tariff. Business Practice Manuals do not include such internal rules or procedures as the Western Power Pool may adopt for its operation and administration, including but not limited to any corporate by-laws of the Western Power Pool, or for any services or functions provided by the Western Power Pool other than those established by this Tariff.

CAISO: The California Independent System Operator Corporation, a California nonprofit public benefit corporation.

Capacity Benefit Margin: An amount of transmission transfer capability permitted under open access transmission rules to be reserved by load serving entities to ensure access to generation from interconnected systems to meet generation reliability requirements.

Capacity Critical Hours (“CCH”): Those hours during which the ~~net regional~~ Subregional capacity need ~~for the WRAP Region~~ is expected to be above the 95th percentile, based on historical and synthesized data for the ~~WRAP R~~ Subregion’s gross load, variable energy resource performance, and ~~interchange~~ other adjustments as determined by the Program Administrator and further discussed in the Business Practice Manuals.

Capacity Deficiency: A shortfall in a Participant’s Portfolio QCC relative to that Participant’s FS Capacity Requirement, as further defined in Part II of this Tariff.

Cash Working Capital Fund: Cash Working Capital Fund shall have the meaning provided in Schedule 1 of this Tariff.

Cash Working Capital Support Charge: A charge assessed to Participants under Schedule 1 of this Tariff to fund the Cash Working Capital Fund.

Cash Working Capital Support Charge Rate: Cash Working Capital Support Charge Rate shall have the meaning provided in Schedule 1 of this Tariff.

Central Hub: A designated point or named group of points on the transmission system within a Subregion identified by the Program Administrator that permits energy deliveries from multiple points within such Subregion.

Cost of New Entry (“CONE”): The estimated cost of new entry of a new peaking natural gas-fired generation facility, as determined under, and used in, Part II of this Tariff.

CONE Factor: A factor employed in the calculation of Deficiency Charges under Part II of this Tariff, to reflect whether, and the extent to which, the WRAP Region as a whole is expected to have a capacity deficiency during the period for which the Deficiency Charge is being calculated or a factor employed when a Participant has had repeated deficiencies in sequential years.

Committee of State Representatives (“COSR”): Committee of State Representatives, as established in Part I of this Tariff.

Contingency Reserve: As more fully described in the NERC ~~WECC~~-reliability standards, a quantity of reserves, consisting of generation, load, interchange, or other resources, that are deployable within ten minutes, ~~equal to the greater of (i) the MW quantity of the loss of the most severe contingency and (ii) the megawatt quantity equal to the sum of 3% of hourly integrated load plus 3% of hourly integrated generation.~~

Critical Mass: The threshold level of participation in a Subregion, as established in the Business Practice Manuals, below which each Participant of such Subregion may elect to participate as a Non-Binding Participant.

Cumulative Delivery Failure Period: Any period of five consecutive years, ending with and including the most recent Energy Delivery Failure as of the time of determination of a possible Delivery Failure Charge.

Day: A calendar day.

Day-Ahead Price: A price for wholesale electric transactions designated as a day-ahead price in an Applicable Price Index.

Default Allocation Assessment: A charge assessed on non-defaulting Participants to recover the costs associated with a default by a Participant, as set forth in Part I of this Tariff.

Deficiency Charge: A charge assessed for a Capacity Deficiency or Transmission Deficiency, as set forth in Part II of this Tariff.

Delivery Failure Charge: A charge assessed for a Participant’s failure to deliver a required Energy Deployment, as set forth in Part III of this Tariff.

Delivery Failure Charge Rate: A rate employed in the determination of a Delivery Failure Charge as more fully set forth in Part III of this Tariff.

Delivery Failure Factor: A factor used in the determination of a Delivery Failure Charge to recognize the relative severity or impact of an Energy Delivery Failure, as set forth in Part III of this Tariff.

Demand Response: A quantifiable load reduction or otherwise controllable load for which a Participant has two mutually-exclusive options to use to affect its FS Capacity Requirements in a FS for a Binding Season: (1) leave the effects of historically deployed demand response as part of its load provided for the Advance Assessment; or (2) utilize as a Demand Response Capacity Resource.

Demand Response Capacity Resource: A Qualifying Resource with a demonstrated capability to provide a reduction in demand or otherwise control load in accordance with the requirements established under Part II of this Tariff utilized to meet a Participant’s FS Capacity Requirement.

Demonstrated FS Transmission: A Participant's demonstration in its Forward Showing Submittal that it has secured WRAP Qualifying Transmission in a quantity sufficient to provide reasonable assurance, as of the time of the Forward Showing Submittal, of delivery of capacity from the Qualifying Resources and the resources associated with the power purchase agreements in the Participant's Portfolio QCC.

Discounted Deficiency Charge: A reduced Deficiency Charge during the Transition Period that enables a deficient Participant that demonstrates commercially reasonable efforts but is unable to cure deficiencies to access Operations Program capacity.

Dual Benefit Cost Centers: Dual Benefit Cost Centers shall have the meaning provided in Schedule 1 of this Tariff.

Effective Load Carrying Capability ("ELCC"): A methodology employed to determine the Qualified Capacity Contribution of certain types of Qualifying Resources, as more fully set forth in Part II of this Tariff.

Energy Declined Settlement Price: A pricing component used as part of the calculation of settlements for Holdback Requirements and Energy Deployments under Part III of this Tariff.

Energy Delivery Failure: A failure by a Participant to provide an Energy Deployment assigned to such Participant under Part III of this Tariff.

Energy Deployment: A delivery of energy that a Participant is required to provide during an Operating Day, as set forth in Part III of this Tariff.

Energy Storage Resource: A resource, not including a Storage Hydro Qualifying Resource, designed to capture energy produced at one time for use at a later time.

Excused Transition Deficit: A Participant's inability during the Transition Period to demonstrate full satisfaction of the Participant's FS Capacity Requirement, which, under certain conditions and limitations prescribed by Part II of this Tariff, permits the Participant to pay a Discounted Deficiency Charge.

Federal Power Marketing Administration: A United States federal agency that operates electric systems and sells the output of federally owned and operated hydroelectric dams located in the United States.

FERC: The Federal Energy Regulatory Commission.

Forced Outage Factor: The factor resulting from dividing the number of hours a generating unit or set of generating units is not synchronized to the grid system, not in reserve shutdown state and considered to be out of service for unplanned outages—or a startup failure, by the number of total hours in the period multiplied by 100% or a Program Administrator calculated equivalent forced outage factor that reflects the likelihood and extent to which a resource will be unavailable from time to time due to factors outside management control.

Forward Showing Program: The program and requirements as set forth in Part II of this Tariff.

Forward Showing Submittal (“FS Submittal”): The submissions a Participant is required to submit in advance of each Binding Season to demonstrate its satisfaction of the FS Capacity Requirement and FS Transmission Requirement, as set forth in Part II of this Tariff.

Forward Showing Year: A period consisting of a Summer Season and the immediately succeeding Winter Season.

FS Capacity Requirement: The minimum quantity of capacity a Participant is required to demonstrate for a Binding Season, as set forth in Part II of this Tariff.

FS Deadline: The deadline for Participants’ submissions of their FS Submittals for a Binding Season, as established under Part II of this Tariff.

FS Planning Reserve Margin (“FSPRM”): An increment of resource adequacy supply needed to meet conditions of high demand in excess of the applicable peak load forecast and other conditions such as higher resource outages, or lower availability of resources, expressed as a percentage of the applicable peak load forecast, as determined in accordance with Part II of this Tariff.

FS Transmission Requirement: The minimum quantity of WRAP Qualifying Transmission a Participant is required to demonstrate for a Binding Season, as set forth in Part II of this Tariff.

High-Priced Day: The most recent day in the CAISO in which prices in the day-ahead market were at least \$200/MWh.

Holdback Capacity: Capacity that is voluntarily supplied or is the result of a positive Sharing Calculation result that is bindingly committed to the WRAP after it is claimed by one or more Participants with a negative Sharing Calculation result.

Holdback Requirement: A MW quantity, as determined on a Preschedule Day, that a Participant is required to be capable of converting into an Energy Deployment on a given hour of the succeeding Operating Day, as more fully set forth in Part III of this Tariff.

ICE Index: A wholesale electric price index prepared and published by the Intercontinental Exchange.

Incremental Cash Working Capital Support Charge: Incremental Cash Working Capital Support Charge shall have the meaning provided in Schedule 1 of this Tariff.

Independent Evaluator: An independent entity engaged to provide an independent assessment of the performance of the WRAP and any potential beneficial design modifications, as set forth in Part I of this Tariff.

Installed Capacity: Nameplate capacity adjusted for conditions at the site of installation.

International Power Marketing Entity: An entity that (i) owns, controls, purchases and/or sells resource adequacy supply and is responsible under the WRAP program for meeting LRE obligations associated with one or more loads physically located outside the United States.

Legacy Agreement: A power supply agreement entered into prior to October 1, 2021.

Load Charge: A component of the WRAP Administration Charge as established under Schedule 1 of this Tariff.

Load Charge Rate: Load Charge Rate shall have the meaning provided in Schedule 1 of this Tariff.

Load Services Costs: Load Services Costs shall have the meaning provided in Schedule 1 of this Tariff.

Load Services Cost Centers: Load Services Cost Centers shall have the meaning provided in Schedule 1 of this Tariff.

Load Services Percentage: Load Services Percentage shall have the meaning provided in Schedule 1 of this Tariff.

Load Responsible Entity (“LRE”): An LRE is an entity that (i) owns, controls, purchases and/or sells resource adequacy supply, or is a Federal Power Marketing Administration or an International Power Marketing Entity, and (ii) has full authority and capability, either through statute, rule, contract, or otherwise, to:

- (a) submit capacity and system load data to the WRAP Program Operator at all hours;
- (b) submit Interchange Schedules within the WRAP Region that are prepared in accordance with all NERC and WECC requirements, including providing E-Tags for all applicable energy delivery transactions pursuant to WECC practices and as required by the rules of the WRAP Operations Program;
- (c) procure and reserve transmission service rights in support of the requirements of the WRAP Forward Showing Program and Operations Program; and
- (d) track and bilaterally settle holdback and delivery transactions.

Subject to the above-mentioned criteria, an LRE may be a load serving entity, may act as an agent of a load serving entity or multiple load serving entities, or may otherwise be responsible for meeting LRE obligations under the WRAP.

Locational Marginal Price: The cost of delivering an additional unit of energy to a given node, as calculated under a FERC-regulated wholesale electric tariff.

Loss of Load Expectation (“LOLE”): An expression of the frequency with which a single event of failure, due to resource inadequacy, to serve firm load would be expected (based on accepted reliability planning analysis methods) to result from a given FS Planning Reserve Margin.

Make Whole Adjustment: A component used as part of the calculation of settlements for Holdback Requirements and Energy Deployments under Part III of this Tariff.

Maximum Base Charge: The maximum amount prescribed in Schedule 1 of the Tariff that the Base Charge cannot exceed.

Maximum Load Charge Rate: The maximum rate prescribed in Schedule 1 of the Tariff that the Load Charge Rate cannot exceed.

Median Monthly P50 Peak Loads: Median Monthly P50 Peak Loads has the meaning prescribed by Schedule 1 of this Tariff.

Month: A calendar month.

Monthly Capacity Deficiency: A Participant's Capacity Deficiency for a given Month.

Monthly Deficiency: An identification under Part II of this Tariff whether, and the extent to which, a Participant's need for capacity or transmission for a given Month is greater than the capacity or transmission, respectively, the Participant can demonstrate for such Month.

Monthly FS Capacity Requirement: FS Capacity Requirement determined as to a Month.

Monthly FSPRM: The FS Planning Reserve Margin applicable to a given Month of a given Binding Season, as determined in accordance with Part II of this Tariff.

Monthly Transmission Deficiency: A Participant's Transmission Deficiency for a given Month.

Monthly Transmission Demonstrated: A Participant's Demonstrated FS Transmission for a given Month.

Monthly Transmission Exceptions: Exceptions from the FS Transmission Requirement approved under Part II of this Tariff for a Participant for a given Month.

Multi-Day-Ahead Assessment: A period of days preceding each Operating Day, and ending on the Preschedule Day, during which Sharing Calculations are successively performed based in each case on Operating Day conditions expected at the time of calculation.

North American Electric Reliability Corporation ("NERC"): A not-for-profit international regulatory authority that serves as the designated electric reliability organization for the continental United States, Canada, and a portion of Mexico.

Net Contract QCC: The QCC, which may be a positive or negative value, calculated, in sum and on net, for a Participant's power purchase agreements and power sale agreements, in accordance with Part II of this Tariff.

Non-Binding Season: As to a Participant, any Binding Season during which the provisions of Section 15A.1 of this Tariff apply.

Non-Binding Participant: For any Binding Season, a Participant that has made an election by which such Binding Season is a Non-Binding Season for that Participant.

Open Access Transmission Tariff: A governing document on file with FERC establishing the rates, terms, and conditions of open access transmission service, or equivalent tariff of a transmission service provider that is not required to file its transmission service tariff with FERC.

Operating Day: A current Day of actual electric service from resources to load, for which Sharing Events are determined and Energy Deployments may be required, as set forth in Part III of this Tariff.

Operations Program: The program and requirements set forth in Part III of this Tariff.

P50 Peak Load Forecast: A peak load forecast prepared on a basis, such that the actual peak load is statistically expected to be as likely to be above the forecast as it is to be below the forecast.

Participant: A Load Responsible Entity that is a signatory to the WRAPA.

Portfolio QCC: As to a Participant, the sum of the Resource QCC provided by all of a Participant's Qualifying Resources plus the Net Contract QCC of such Participant, as adjusted to reflect RA Transfers as described in Section 16.2.7 and Planned Outages as described in Section 16.2.8.

Preschedule Day: The applicable scheduling Day for a given Operating Day as defined in scheduling calendar established by WECC.

Program Administrator: The Western Power Pool, in its role as the entity responsible for administering the WRAP.

Program Operator: A third party that has contracted with the Program Administrator to provide technical, analytical, and implementation support to the Program Administrator for the WRAP.

Program Review Committee ("PRC"): The stakeholder sector committee as established in Section 4.2 of this Tariff.

Pure Capacity: A MW quantity of capacity without any assigned forced outage rate employed in ELCC determinations under Part II of this Tariff.

Qualifying Capacity Contribution ("QCC"): The MW quantity of capacity provided by a resource, contract, or portfolio which qualifies to help satisfy a Participant's FS Capacity Requirement, as determined in accordance with Part II of this Tariff.

Qualifying Resource: A generation or load resource that meets the qualification and accreditation requirements established by and under Part II of this Tariff.

Real-Time Price: A price for wholesale electric transactions designated as a real-time price in an Applicable Price Index.

Resource Adequacy Participant Committee ("RAPC"): The committee comprised of representatives from each Participant as established in Part I of this Tariff.

Resource QCC: The QCC provided by a Qualifying Resource, as determined in accordance with Part II of this Tariff.

Run-of-River Qualifying Resource (“ROR”): A hydro-electric power project that does not have the capability to store a sufficient volume of water to support continuous generation at the project’s stated maximum capacity for a period of one hour. Resource does not meet the definition of a Storage Hydro Qualifying Resource.

Safety Margin: An additional factor allocated among Participants with positive sharing calculations when warranted by certain conditions as prescribed by Part III of this Tariff.

Senior Official Attestation: A signed statement of a senior official of a Participant attesting that it has reviewed such Participant’s information submission required under this Tariff, that the statements therein are true, correct and complete to the best of such official’s knowledge and belief following due inquiry appropriate to the reliability and resource adequacy matters addressed therein, and containing such further statements as required by this Tariff or the applicable Business Practice Manual for the information submission at issue.

Sharing Calculation: A calculation used in the Operations Program under Part III of this Tariff to identify any hour in which any Participant is forecast to have a capacity deficit.

Sharing Event: An hour or hours of an Operating Day for which one or more Participants has a negative Sharing Calculation result, as determined in accordance with Part III of this Tariff.

Storage Hydro Qualifying Resource: A hydro-electric power project with an impoundment or reservoir located immediately upstream of the powerhouse intake structures that can store a sufficient volume of water to support continuous generation at the project’s stated maximum capacity for a period of one hour or longer.

Subregion: An area definition approved by the Board of Directors and identified in the Business Practice Manuals, that is wholly contained within the WRAP Region, which is separated from one or more other Subregions by transmission constraints on capacity imports or on capacity exports that result, or are expected to result, in differing FSPRM determinations for that Subregion relative to such other Subregion.

Summer Season: A period of time that commences on June 1 of a Year and terminates on September 15 of the same Year.

System Sale: A bilateral agreement that conveys generating capacity from a group of generating resources from one party to another.

Transition Period: The Binding Seasons within the time period from June 1, 2025, through March 15, 2029, plus the time period required to implement the requirements and procedures of Part II of this Tariff applicable to such Binding Seasons.

Transmission Deficiency: A shortfall in a Participant’s demonstration of secured WRAP Qualifying Transmission, after accounting for any approved transmission exceptions, relative to that Participant’s FS Transmission Requirement, as further defined in Part II of this Tariff.

Unforced Capacity: The percentage of Installed Capacity available after a unit's forced outage rate is taken into account.

Variable Energy Resource ("VER"): An electric generation resource powered by a renewable energy source that cannot be stored by the facility owner or operator and that has variability that is beyond the control of the facility owner or operator, including but not limited to a solar or wind resource.

VER Zone: A geographic area delineated in accordance with Section 16.2.5.2 of this Tariff for a given type of VER, where each VER of that type located in such area is anticipated to be comparably affected by meteorological or other expected conditions in such area to a degree that warrants distinct calculation of ELCC allocations for such VERs of that type in such area.

Voluntary Holdback: Capacity that is offered to the Operations Program by a Participant with excess supply that is not obligated to the WRAP through a positive Sharing Calculation result, some or all of which can be used as part of the offering Participant's Holdback Requirement. For a Participant in a Subregion without a Central Hub, Voluntary Holdback for an hour must additionally include a total quantity for all identified points from Section 19.4 at which it can deliver that is no less than the amount of the Voluntary Holdback capacity for such hour.

Western Electricity Coordinating Council ("WECC"): A non-profit corporation that has been approved by FERC as the regional entity for the western interconnection and that also has NERC delegated authority to create, monitor, and enforce reliability standards.

Western Resource Adequacy Program Agreement ("WRAPA"): The participation agreement for the Western Resource Adequacy Program, as set forth as Attachment A to this Tariff, or as set forth for an individual Participant in a non-conforming version of such participation agreement accepted by FERC.

Western Resource Adequacy Program ("WRAP"): The Western Resource Adequacy Program, as established under this Tariff.

Western Power Pool ("WPP"): Northwest Power Pool, d/b/a Western Power Pool, which serves as Program Administrator for the WRAP under this Tariff and holds exclusive rights under section 205 of the Federal Power Act to file amendments to this Tariff.

Winter Season: A period of time that commences on November 1 of a Year and terminates on March 15 of the immediately following Year.

WRAP Cost Assignment Matrix: The matrix set forth in Schedule 1 of this Tariff to identify which WRAP costs are assessed to the Base Charge and the Load Charge components of the WRAP Administration Charge.

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 Region: The area comprising, collectively, (i) the duly recognized and established load service areas of all loads in the United States that all Participants are responsible for serving, (ii) the duly recognized and established load service areas of all loads in the United States that all load serving entities, on whose behalf a Participant acts in accordance with this Tariff, are responsible for serving, and (iii) the applicable location(s) on the United States side of the United States international border that form the basis for an International Power Marketing Entity's participation under the WRAP, in all cases excluding, for any Binding Season, any loads permitted by this Tariff to be excluded from Participants' Forward Showing Submittal for such Binding Season.

Year: A calendar year.

14. Forward Showing Program Process and Timeline

- 14.1 The Forward Showing Program has two Binding Seasons, defined as the Summer Season and the Winter Season. The Summer Season is the period beginning on June 1 of each Year and ending on September 15 of that same Year. The Winter Season is the period beginning on November 1 of each Year and ending on March 15 of the succeeding Year. This Tariff does not establish resource or showing obligations outside the periods defined by the Summer Season and Winter Season.
- 14.2 Each Participant shall submit its Forward Showing Submittals for each Month of each Binding Season, with all required supporting materials and information as detailed in the Business Practice Manuals, on or before the FS Deadline for the Binding Season. The FS Deadline for each Binding Season shall be seven months before the start of such Binding Season.

14.2.1 Forward Showing Submittal:

14.2.1.1 Absent the exception in Section 14.2.1.2, each Participant shall submit a separate Forward Showing Submittal for loads for which it is responsible if transmission constraints between areas where its loads are located, including, without limitation, when Participant is responsible for loads in more than one Subregion, prevent application, in the manner more fully described in the Business Practice Manuals, of Resource QCC or Net Contract QCC from one load area to the FS Capacity Requirement of another load area.

14.2.1.2 Notwithstanding Section 14.2.1.1, a Participant responsible for loads in ~~two more than one~~multiple Subregions may submit for a given Month a single Forward Showing Submittal for such loads, and may employ for determination of its FS Capacity Requirement for such Month the lower of the ~~two~~ FSPRM values determined for the Subregions where its loads are located, if the Participant demonstrates in such Forward Showing Submittal, in accordance with the procedures and requirements set forth in the Business Practice Manuals, WRAP Qualifying Transmission in a quantity, in addition to that required by the FS Transmission Requirement, equal to the difference in the ~~two~~ FSPRM values multiplied by the Participant's P50 Peak Load Forecast for such Month, with a point of delivery in the Subregion with the higher FSPRM value and the point of receipt in the Subregion with the lower FSPRM value. Each such showing shall identify the MW quantity, Month of service, point of receipt, and point of delivery of such WRAP Qualifying Transmission, and such other information as specified in the Business Practice Manuals, and shall verify that the offered rights are WRAP Qualifying Transmission.

14.2.2 Each Participant's Forward Showing Submittal shall include a Senior Official Attestation.

14.3 The FSPRM values used in the Forward Showing Submittals for a Binding Season shall be those values approved by the Board of Directors as the culmination of an Advance Assessment process. No later than twelve months before the FS Deadline for each Binding Season, WPP will determine and post the recommended FSPRM for each Subregion for each Month of such Binding Season. Participants shall provide their load, resource and other information reasonably required to perform the analyses and calculations required for the Advance Assessment, in accordance with the Advance Assessment information submission details and schedule specified in the Business Practice Manuals. No later than nine months before the FS Deadline for such Binding Season, the Board of Directors shall take its final action regarding approval of the FSPRM values for each Month of such Binding Season.

14.3.1 In connection with an Advance Assessment process, or otherwise in connection with consideration of a change to the Business Practice Manuals, the Board of Directors may determine that designation of Subregions would encourage the relief, in whole or part, of transmission constraints on the transfer of capacity within the WRAP Region (whether through development or commitment of transmission, of Qualifying Resources, or by other means) to the benefit of the WRAP Region and the advancement of the objectives of the WRAP. Each such Subregion shall be identified in the Business Practice Manuals.

14.3.2 Any Participant may choose to offer in the Advance Assessment process WRAP Qualifying Transmission owned or controlled by such Participant for delivery of capacity from one Subregion to another Subregion, for use by other Participants under the terms of Part III of this Tariff during any or all identified Months of the applicable Binding Season. Each such offer shall identify the MW quantity, Month of service, point of receipt, and point of delivery of such transmission service rights, and such other information as specified in the Business Practice Manuals, and shall verify that the offered rights are WRAP Qualifying Transmission. No Participant is obligated to offer any such transmission service rights in the Advance Assessment process, but any offer so made and not withdrawn before the deadline during the Advance Assessment process specified in the Business Practice Manuals shall be considered a binding offer of the identified transmission service rights which may not be withdrawn before the end of the last Day of the Month for which such transmission service is offered. WPP shall take account of such offered transmission service rights, along with other transmission deliverability reasonably anticipated to be available for use by Participants for WRAP purposes during the applicable Binding Season in its determination of the recommended FSPRM values for each Month of the applicable Binding Season for the WRAP Region and for each affected Subregion.

14.3.3 If, after the Board of Directors has approved the FSPRM values for a Binding Season pursuant to this Section 14.3, a change to a NERC or WECC Reliability Standard or other applicable NERC or WECC requirement governing Contingency Reserves becomes effective, and implementation of such change would result in a decrease to one or more Monthly FSPRM values for that Binding Season, WPP may adjust the affected Monthly FSPRM values solely to reflect the effect of such change. The Board of Directors may approve such revised Monthly FSPRM values, provided that such approval occurs more than three months before the FS Deadline for that Binding Season. Any revised Monthly FSPRM approved pursuant to this Section 14.3.3 may only decrease, and may not increase, a Monthly FSPRM value previously approved for that Binding Season

- 14.4 No later than sixty Days after the FS Deadline for a Binding Season, WPP will (i) provide the values of the Participant's FS Capacity Requirement and FS Transmission Requirement for each Month of the Binding Season; (ii) affirm that the Portfolio QCC of such Participant for each Month of the Binding Season equals or exceeds the FS Capacity Requirement of such Month for such Participant or notify such Participants of any deficiencies in the Forward Showing Submittal that result in a failure to demonstrate satisfaction of the FS Capacity Requirement; and (iii) affirm that the Demonstrated FS Transmission plus approved Monthly Transmission Exceptions of such Participant for each Month of the Binding Season equals or exceeds the FS Transmission Requirement of such Month for such Participant or notify such Participants of any deficiencies in the Forward Showing Submittal that result in a failure to demonstrate satisfaction of the FS Transmission Requirement.
- 14.5 Within 120 Days after the FS Deadline, the Participant shall (i) submit revisions to its Forward Showing Submittal, including, without limitation, additions or revisions to the Participant's Resource QCC, Net Contract QCC, or Demonstrated FS Transmission; (ii) in order to fully cure all identified deficiencies and demonstrate that such Participant's Portfolio QCC for each Month of the Binding Season equals or exceeds its FS Capacity Requirement; and (iii) fully provide Demonstrated FS Transmission for each Month of the Binding Season that equals or exceeds its FS Transmission Requirement for the same Month of the Binding Season where WPP identified deficiencies.
- 14.5.1 Any Participant that fails to cure identified deficiencies in its Forward Showing Submittal within the period prescribed above shall be assessed a Deficiency Charge.

14A. Summer 2027 and Winter 2027-2028 Transition

14A.1 For any Non-Binding Season, for Participants located in a Subregion composed entirely of Participants that executed a WRAPA effective September 15, 2026 or later, no later than thirty days before the FS Deadline for such Non-Binding Season, the Board of Directors shall take its final action regarding approval of the FSPRM values for each Month of such Non-Binding Season.

14A.2 For Participants located in a Subregion composed entirely of Participants that executed a WRAPA effective September 15, 2026 or later, the FS Deadline for the Winter 2027-2028 Binding Season shall be four months and 19 days before the start of such Binding Season.

14A.2.1 The FSPRM values used in the Forward Showing Submittals for a Binding Season shall be those values approved by the Board of Directors as the culmination of an Advance Assessment process. No later than seven months before the FS Deadline for such Binding Season, the Board of Directors shall take its final action regarding approval of the FSPRM values for each Month of such Binding Season.

14A.2.2 No later than forty Days after the FS Deadline for a Binding Season, WPP will (i) provide the values of the Participant's FS Capacity Requirement and FS Transmission Requirement for each Month of the Binding Season; (ii) affirm that the Portfolio QCC of such Participant for each Month of the Binding Season equals or exceeds the FS Capacity Requirement of such Month for such Participant or notify such Participants of any deficiencies in the Forward Showing Submittal that result in a failure to demonstrate satisfaction of the FS Capacity Requirement; and (iii) affirm that the Demonstrated FS Transmission plus approved Monthly Transmission Exceptions of such Participant for each Month of the Binding Season equals or exceeds the FS Transmission Requirement of such Month for such Participant or notify such Participants of any deficiencies in the Forward Showing Submittal that result in a failure to demonstrate satisfaction of the FS Transmission Requirement.

14A.2.3 Within 100 Days after the FS Deadline, the Participant shall (i) submit revisions to its Forward Showing Submittal, including, without limitation, additions or revisions to the Participant's Resource QCC, Net Contract QCC, or Demonstrated FS Transmission; (ii) in order to fully cure all identified deficiencies and demonstrate that such Participant's Portfolio QCC for each Month of the Binding Season equals or exceeds its FS Capacity Requirement; and (iii) fully provide Demonstrated FS Transmission for each Month of the Binding Season that equals or exceeds its FS Transmission Requirement for the same Month of the Binding Season where WPP identified deficiencies.

16. Components of the Forward Showing

16.1 FS Capacity Requirement. The FS Capacity Requirement shall be determined for each Participant on a monthly basis by applying the applicable Monthly FSPRM for a Month to such Participant's peak load forecast for that Month. The Participant's peak load forecast for a given Month of a Binding Season will be the P50 Peak Load Forecast for the Binding Season multiplied by a shaping factor based on the historical relationship, for such Participant, of the seasonal peak for the Winter Season or Summer Season, as applicable, and the monthly peaks for the Months in such season, as more fully described in the Business Practice Manuals.

16.1.1 P50 Peak Load Forecast. The P50 Peak Load Forecast is a peak load forecast prepared on a basis, such that the actual peak load is statistically expected to be as likely to be above the forecast as it is to be below the forecast. The Business Practice Manuals shall specify an approved load forecasting methodology for use by all Participants for their WRAP-required load forecasts which shall include (i) a base monthly peak derived from a recent historical period that recognizes additions and removals of load during the historical period, (ii) adjustments for known additions and removals of load during the forecast window; and (iii) a specified load growth factor.

16.1.2 FS Planning Reserve Margin

16.1.2.1 The FSPRM is an increment of resource adequacy supply needed to meet conditions of high demand in excess of the applicable peak load forecast and other conditions such as higher resource outages, expressed as a percentage of the applicable peak load forecast. The FSPRM shall be determined based on probabilistic analysis, taking account of uncertainties in generation and load, as the margin above peak load that provides an expectation of no more than a single event-day of loss of load in ten years (sometimes referred to herein as the "1-in-10 LOLE") for each Binding Season. The FSPRM shall be determined in a manner that accounts for the governing principles of QCC value determinations set forth in Section 16.2.5 of this Tariff and shall employ the applicable peak load for the applicable Binding Season and Months. Additional details, assumptions, methodologies, and procedures for determination of the FSPRM shall be as set forth in the Business Practice Manuals.

16.1.2.2 WPP shall calculate in the Advance Assessment process the recommended Monthly FSPRM for each Month of each Binding Season, for approval by the Board of Directors as set forth in this Part II.

16.1.2.3 The FSPRM shall employ (i) a simulated resource stack using capacity accreditation principles consistent with those used for WRAP QCC determinations; (ii) an adjustment in the total WRAP-required QCC value as needed to meet a 1-in-10 LOLE for each Binding Season, and (iii) while maintaining the 1-in-10 LOLE for each Binding Season in (ii), include a monthly reduction of capacity to ensure that each Month has at least 0.01 annual LOLE. The FSPRM for a Month shall be the simulated QCC as adjusted to meet the 1-in-10 LOLE for each Binding Season minus the P50 Peak Load Forecast for the Month, divided by the P50 Peak Load Forecast for the Month.

16.1.2.4 The FSPRM shall include an approximation of Contingency Reserves as set forth in the Business Practice Manuals.

16.1.3 Contingency Reserves Adjustment. A Participant's FS Capacity Requirement will be adjusted as set forth in the Business Practice Manuals to account for changes in Contingency Reserve requirements resulting from energy contract purchases and contract sales.

16.1.4 A Participant responsible for loads located in a Subregion for which an FSPRM value has been determined that is higher than the FSPRM value determined for a different Subregion may, in lieu of demonstrating a MW increment of Portfolio QCC otherwise required to satisfy such Participant's FS Capacity Requirement for a given Month, demonstrate in its Forward Showing Submittal, in accordance with the procedures and requirements set forth in the Business Practice Manuals, WRAP Qualifying Transmission, in a quantity, in addition to that required by the FS Transmission Requirement, that is no greater than the difference in the two FSPRM values multiplied by the Participant's P50 Peak Load Forecast, with the point of delivery in the Subregion with the higher FSPRM value and the point of receipt in the Subregion with the lower FSPRM value. The MW quantity of the additional WRAP Qualifying Transmission so demonstrated shall reduce for such Month, by the same MW quantity, the Portfolio QCC the Participant would otherwise be required to demonstrate to satisfy its FS Capacity Requirement for such Month. Each such demonstration shall identify the MW quantity, Month of service, point of receipt, and point of delivery of such transmission service rights, and such other information as specified in the Business Practice Manuals, and shall verify that the offered rights are WRAP Qualifying Transmission.

16.2 Qualified Capacity Contribution

16.2.1 For each Participant and each Binding Season, the Forward Showing shall show and support the Portfolio QCC, which shall be the sum of the QCC of the Participant's Qualifying Resources ("Resource QCC"), the QCC of its contracted capacity ("Net Contract QCC"), and any transfers of capacity

already accredited by another Participant (“Total RA Transfer,” which could be positive or negative). The Portfolio QCC effective for a Binding Season shall be the value determined by WPP.

- 16.2.2 A resource will not be assigned a Resource QCC or counted toward Portfolio QCC unless it is a Qualifying Resource. Qualifying Resources are those that, before they are included in a Forward Showing Submittal, are first registered with WPP. A Participant seeking registration of a resource must submit a request for registration providing the resource information described in the Business Practice Manuals.
- 16.2.3 The minimum resource size for registration of a resource is 1 MW, provided, however, that Participants with responsibility for individual resources of less than 1 MW may aggregate them to meet the 1 MW minimum requirement, under the conditions and limitations specified in the Business Practice Manuals.
- 16.2.4 A Participant may include in its Forward Showing Submittal a request for an exception from its FS Capacity Requirement for an insufficiency of its Portfolio QCC solely due to (i) a catastrophic failure of one or more Qualifying Resources due to an event of Force Majeure as defined by Section 8.1 of this Tariff that (ii) the Participant is unable to replace on commercially reasonable terms prior to the FS Deadline as a result of the timing and magnitude of such catastrophic failure and its consequences. As more fully set forth in the Business Practice Manuals, such exception request shall be supported by a Senior Official Attestation. The exception request must include complete information on the nature, causes and consequences of the catastrophic failure, and must describe the Participant’s specific, concrete efforts prior to the FS Deadline to secure replacement Qualifying Resources for the applicable Binding Season. WPP will consider the exception criteria established by this section, the information provided in the exception request, the completeness of the exception request, and other relevant data and information, in determining whether to grant or deny an FS Capacity Requirement exception request. WPP shall provide such determination no later than sixty days after submission of such Participant’s FS Submittal containing such FS Capacity Requirement exception request. A Participant granted an exception hereunder must complete a monthly exception check report demonstrating that either the circumstances necessitating the exception have not changed; or that Qualifying Resources have become available, and the Participant has acquired them and no longer requires the exception. Failure to timely submit a required monthly report will result in assessment of a Deficiency Charge, unless the deficiency is cured within seven days of notice of non-compliance. A Participant denied an exception request hereunder may appeal such denial to the Board of Directors in accordance with the procedures and deadlines set forth in the Business Practice Manuals. In such event, the requested exception shall be denied or permitted as, when

and to the extent permitted by the Board, in accordance with the procedures and timing set forth in the Business Practice Manuals. WPP shall give notice of any exception granted hereunder in the time and manner provided by the Business Practice Manuals.

16.2.5 QCC: WPP shall determine QCC values for the resource types specified below in accordance with the governing principles specified below for each resource type, and consistent with further details specified for each resource type in the Business Practice Manuals.

16.2.5.1 For resources that use conventional thermal fuels, including but not limited to, coal, natural gas, nuclear, and biofuel, WPP will determine QCC based on an Unforced Capacity methodology that employs resource-specific capability testing and capability requirements to determine an Installed Capacity value, and a forced outage calculation methodology based on historical performance during Capacity Critical Hours over a specified multi-year period (excluding outages properly reported as “outside management control”), or based on class-average forced outage data, as specified in the Business Practice Manuals, if there is insufficient data on historical performance.

16.2.5.2 For resources that are Variable Energy Resources, including, but not limited to, wind and solar resources, WPP will determine QCC based on an ELCC methodology, that accounts for synergistic portfolio effects within and among VER types at different resource penetration levels that influence the extent to which the WRAP Region can rely on those VER categories to meet overall capacity needs.

16.2.5.2.1 For such purpose, a separate ELCC value will be calculated in the aggregate for all VER resources of a given type in an identified VER Zone, to be delineated in the Business Practice Manuals based on factors such as geography, performance, meteorological considerations, and penetration.

16.2.5.2.2 As more fully described in the Business Practice Manuals, the zonal aggregate VER-resource-type value will be calculated by (i) conducting a benchmark LOLE study that includes all resource types except the VER resource type being studied, employing a model and assumptions consistent with those used to calculate FSPRM, and adding, or subtracting, the same MW quantity of Pure Capacity to every hour of the applicable Binding Season until, respectively, an initial LOLE value above 0.1 day per

Binding Season becomes 0.1 day per Binding Season, or an initial LOLE value below 0.1 day per Binding Season becomes 0.1 day per Binding Season; (ii) conducting an LOLE study that includes all resource types including the VER resource type being studied, employing a model and assumptions consistent with those used to calculate FSPRM, and adding, or subtracting, the same MW quantity of Pure Capacity to every hour of the applicable Binding Season until, respectively, an initial LOLE value above 0.1 day per Binding Season becomes 0.1 day per Binding Season, or an initial LOLE value below 0.1 day per Binding Season becomes 0.1 day per Binding Season; and (iii) subtracting the Pure Capacity value determined under subpart (ii) from the Pure Capacity value determined under subpart (i) (for which calculation a Pure Capacity value subtracted from each hour in either subpart (i) or subpart (ii) will be assigned a negative value; (iv) repeating steps (i) through (iii) for each Binding Season of the study period employing historical, or as necessary, synthesized, data; and (v) basing the aggregate value of the studied VER resource type for the studied VER Zone on the results of the calculation in step (iii) for the Binding Seasons studied, which may include differential weighting of the Binding Seasons studied as appropriate to improve the quality and predictive capacity of the final result.

16.2.5.2.3 The aggregate capacity calculated for each VER resource type in each VER Zone will then be allocated to VERs of that type in that VER Zone based on each such resource's average historical performance during the CCHs of the Subregion in which the VER Zone is located if at least three years of historical performance or three years of synthesized forecast data ~~during the WRAP Region's CCH~~ is available at the time of such allocation. If three years historical performance or synthesized forecast data is not then available, the average ELCC from the VER Zone will be assigned.

16.2.5.3 For resources that are Energy Storage Resources, WPP will determine QCC based on an ELCC methodology comparable to that used for VERs. The ELCC methodology will model Energy Storage Resources at the level of their usable capacity that can

be sustained for a minimum duration of four hours. An Energy Storage Resource need not have a nameplate rating that assumes a minimum of four hours in order to receive a QCC determination, but the QCC in that case will be scaled to reflect the capability that can be sustained for four hours, as more fully described in the Business Practice Manuals.

- 16.2.5.4 A Participant's Demand Response used as a Demand Response Capacity Resource must be controllable and dispatchable by the Participant or by the host utility, and must have met certain testing requirements consistent with Business Practice Manuals. WPP will determine Demand Response Load Modifier QCC by multiplying the load reduction in MWs by the number of hours the resource can demonstrate load reduction capability (for a period of up to five continuous hours) divided by five. The effects of Demand Response used as a Demand Response Capacity Resource must not be included in load provided for a Participant's Advance Assessment.
- 16.2.5.5 For Storage Hydro Qualifying Resources, the Participant will calculate a QCC based on a methodology detailed in the Business Practice Manuals that: (i) considers each resource's actual generation output, residual generating capability, water in storage, reservoir levels, and flow or project constraints over the previous ten-year historical period; (ii) determines the project's QCC by assessing the historical generation during CCHs on any given day and ability to increase generation during CCHs on the same day, subject to useable water in storage, inflows/outflows, and expected project operating parameters/constraints and limitations; (iii) incorporates forced outage rates; and (iv) determines QCC as average contribution to the CCH for each Winter Season and Summer Season over the previous ten years. If ten years of historical data is not available for the Storage Hydro Qualifying Resource, the Participant may alternatively employ data on the same metrics from a demonstrably comparable facility or apply another method that provides reasonable confidence in the reliability of the predicted values, as more fully set forth in the Business Practice Manuals. The Participant's QCC calculation shall be subject to review and validation by WPP. In connection with such review, the Participant shall provide WPP with the following information necessary to calculate a QCC for Storage Hydro Qualifying Resources: (i.a) historical reservoir elevation levels; (ii.a) historical plant generation; (iii.a) elevation versus capacity curves; (iv.a) any minimum or maximum reservoir level constraints; (v.a) forced outage rates; (vi.a) volume of water

versus reservoir elevation storage tables; and (vii.a) turbine discharge versus generation efficiency curve.

16.2.5.6 For Run of River Qualifying Resources, WPP will determine QCC based on the monthly average performance of such resource during Capacity Critical Hours, as further specified in the Business Practice Manuals

16.2.5.7 For resources that (i) are not within the meaning of any of Sections 16.2.5.1 through 16.2.5.5, and that (ii) either (a) are not dispatchable; or (b) require the purchaser of energy from the resource to take energy as available from such resource, including but not limited to a qualifying facility as defined under the Public Utility Regulatory Policies Act of 1978, WPP will determine QCC based on the monthly average performance of such resource during Capacity Critical Hours, as further specified in the Business Practice Manuals.

16.2.6 Net Contract QCC: WPP shall determine Net Contract QCC for the agreement types specified below in accordance with the governing principles specified below for each agreement type, and consistent with further details specified for each agreement type in the Business Practice Manuals. Net Contract QCC may be either positive or negative, to take account of, for example, a Participant's agreements for the sale of capacity to any other party.

16.2.6.1 Absent one of the exceptions described and limited below, capacity supply agreements qualifying for a Net Contract QCC in the WRAP must be resource specific, and therefore must include, among other requirements, an identified source, an assurance that the capacity is not used for another entity's resource adequacy requirements, an assurance that the seller will not fail to deliver in order to meet other supply obligations, and affirmation of WRAP Qualifying Transmission from the identified resource to the point of delivery/load. The specific resources identified in a capacity supply agreement qualifying for Net Contract QCC shall meet the same Resource QCC accreditation requirements for the given resource type, as specified in Section 16.2.5.

16.2.6.2 A system sales contract can qualify for a Net Contract QCC value, provided that if the seller is not a Participant, the system capacity that is the subject of the agreement must be deemed surplus to the seller's estimated needs, there must be an assurance that the seller will not fail to deliver in order to meet other commercial obligations, and there must be an assurance that the seller will have WRAP Qualifying Transmission from

the identified resource to the point of delivery/load. Surplus status may be demonstrated by a Senior Official Attestation with pertinent supporting details for such surplus status, including written assent of the non-Participant Seller, secured by the purchasing Participant. Such attestation is not required if the seller is a Participant, because the information needed to verify surplus status is already available.

16.2.6.3 A supply agreement entered into prior to October 1, 2021 (“Legacy Agreement”) can qualify for a Net Contract QCC value; provided that where a legacy agreement does not identify the source, it must be possible for WPP to presume a source or sources for the contract, including with the written assent of the supplier under such Legacy Agreement, conveyed in the form and manner set forth in the Business Practice Manuals. A Legacy Agreement for which such resource determination cannot be reasonably made will not be counted as adding to the Portfolio QCC.

16.2.7 Total RA Transfer: A Participant may agree with another Participant on a transfer of a portion of its Portfolio QCC to meet the other’s FS Capacity Requirement (“RA Transfer”), provided that the details and duration of such transfer are reported to WPP for validation in accordance with procedures and information requirements specified in the Business Practice Manuals. Where such transfers have been duly reported and validated, an RA Transfer will be added to the purchasing Participant’s Portfolio QCC and subtracted from the selling Participant’s Portfolio QCC.

16.2.8 Planned Outages: Participants shall include in their Forward Showing Submittal for a Binding Season information on all Qualifying Resources that are currently out of service with a scheduled return date that falls during the Binding Season or after the Binding Season. Capacity associated with such resources must be deducted from Participants’ Portfolio QCC as specified in the Business Practice Manuals to ensure no credit is granted for such resources during the planned outage. The aggregate of any additional outages that are planned to occur during the Binding Season but have not yet begun at the time of submission must be within the Participant’s remaining surplus (or replaced with other supply). Participants may provide information on all Qualifying Resources that are planned to be out of service but if such data cannot be supplied with reasonable specificity, a Participant may provide a Senior Official Attestation at the time of the submission of its FS Submittal that it expects the sum of planned outages to be equal to or less than the surplus stated in its FS Submittal throughout the Binding Season.

16.2.8.1 If a Qualifying Resource is planned to return to service within the first five days of a Binding Season, WPP may approve a

qualified acceptance of the FS Submittal, provided the deficiency is less than 500 MW.

- 16.2.8.2 A planned outage shall not justify a waiver of or exception to a Participant's holdback or energy delivery obligations under Part III of this Tariff. Participants will be expected to procure the necessary capacity or energy to meet the Operations Program requirements, regardless of planned outage schedules or FS Submittal acceptance.

16.3 FS Transmission Requirement

- 16.3.1 As part of its Forward Showing Submittal for a Binding Season, each Participant must demonstrate, as specified in the Business Practice Manuals, that it has secured transmission service rights, including under supply arrangements with a third party that holds or has committed transmission service rights, sufficient to deliver a MW quantity equal to at least 75% of the MW quantity of its FS Capacity Requirement. To the extent a Participant holds transmission service rights with a point of receipt at a Qualifying Resource, or in connection with an RA Transfer to such Participant, any such rights from such point in a MW quantity, respectively, in excess of the QCC of such Qualifying Resource, or in excess of the value of such RA Transfer, shall not contribute toward satisfaction of such Participant's FS Transmission Requirement. The FS Transmission Requirement must be met with WRAP Qualifying Transmission, from such Participant's Qualifying Resource(s) or from the delivery points for the resources identified for its Net Contract QCC or for its RA Transfer to such Participant's load. Notwithstanding the foregoing, authorized use of Capacity Benefit Margin, provided it is WRAP Qualifying Transmission, will satisfy the FS Transmission Requirement. Demonstration of the FS Transmission Requirement shall not, in and of itself, relieve any Participant of responsibility for a Delivery Failure Charge as determined under Section 20.7 if such Participant's failure to obtain or maintain WRAP Qualifying Transmission of the type and quantity expected by the Operations Program, as described in Section 20.6 of this Tariff, caused or contributed to an Energy Delivery Failure.

- 16.3.2 A Participant may include in its Forward Showing Submittal a request for an exception from a limited part of its FS Transmission Requirement, provided the exception request meets the terms, conditions, and limitations of one or more of the following four exception categories below. As more fully set forth in the Business Practice Manuals, such exceptions may be subject to overall WRAP limits, and shall be supported by a Senior Official Attestation. WPP will consider the exception category terms, conditions and limitations set forth below, and may consider the completeness of the exception request, information from transmission service providers, OASIS data, and data readily available to WPP from other reliable and validated

sources concerning the duration, timing, firmness and quantity of available transmission service or equivalent options (including transmission construction), in determining whether to grant or deny a transmission exception request. WPP shall provide such determination no later than sixty days after submission of such Participant's FS Submittal containing such transmission exception request. A Participant denied an exception request hereunder may appeal such denial to the Board of Directors in accordance with the procedures and deadlines set forth in the Business Practice Manuals. In such event, the requested exception shall be denied or permitted as, when and to the extent permitted by the Board, in accordance with the procedures and timing set forth in the Business Practice Manuals. WPP shall give notice of any exception granted hereunder in the time and manner provided by the Business Practice Manuals. A Participant granted a transmission exception under either Section 16.3.2.1 or Section 16.3.2.2 must complete a monthly transmission exception check report demonstrating that either (i) the circumstances necessitating the exception have not changed; (ii) WRAP Qualifying Transmission has become available and the Participant has acquired it; or (iii) the Participant has acquired a different resource, and associated WRAP Qualifying Transmission, and no longer requires the exception. Failure to timely submit a required monthly report will result in assessment of a Deficiency Charge, unless the deficiency is cured within seven days of notice of non-compliance.

16.3.2.1 Enduring Constraints. Participant is unable to demonstrate sufficient WRAP Qualifying Transmission rights on any single segment of a source to sink path for a Qualifying Resource; and Participant demonstrates that no ATC for such transmission service rights is available (either from the transmission service provider or through a secondary market) at the FS Deadline on the applicable segment for the Month(s) needed (for a duration of one year or less) at the applicable Open Access Transmission Tariff rate or less; and Participant submits a Senior Official Attestation that Participant has taken commercially reasonable efforts to procure WRAP Qualifying Transmission, and that Participant has posted Firm Transmission Requirements on a relevant bulletin board prior to the FS Deadline. In the event such WRAP Qualifying Transmission is only available for a duration of more than one year (whether from the transmission service provider or through a secondary market) at the FS Deadline on the applicable segment for the Month(s) needed at the applicable Open Access Transmission Tariff rate or less, a Participant is not required to obtain such service in order to qualify for the Enduring Constraints exception hereunder. Notwithstanding the foregoing, if such Participant declines to obtain such available WRAP Qualifying Transmission and is granted the exception hereunder, such Participant shall not qualify for an exception hereunder for the same path (or across the same constraint) for the same season of the

subsequent year if the Participant again declines to obtain such WRAP Qualifying Transmission that is available for a duration of more than one year. In addition to the foregoing, Participant must further demonstrate that there was remaining available transmission transfer capability (i.e., non-firm ATC after the fact) for all CCHs in the same season of the most recent year for which CCHs have been calculated in any Subregion in which the transmission segment exists; or, if the path was constrained in at least one CCH of the CCHs in the same season of the most recent year for which CCHs have been calculated in any Subregion in which the transmission segment exists, Participant in that case must demonstrate either that it is constructing or contracting for a new local resource for at least the amount of the exception requested, or that it is pursuing long-term WRAP Qualifying Transmission by entering the long-term queue and taking all appropriate steps to obtain at least the amount of the exception requested.

16.3.2.2 Future Firm ATC Expected. Participant demonstrates that ATC of WRAP Qualifying Transmission rights is not posted or available prior to the FS Deadline (for a duration of one year or less) at the applicable Open Access Transmission Tariff rate or less, and that the transmission service provider has, after the FS Deadline, released additional ATC for such transmission service rights along the applicable path in every one of the CCHs that have been calculated in any Subregion in which the applicable transmission segment exists for ~~of~~ the most recent year for which CCHs have been calculated for the Subregion ~~on the applicable path~~. In the event ATC for such WRAP Qualifying Transmission is only posted or available prior to the FS Deadline for a duration of more than one year (whether from the transmission service provider or through a secondary market) on the applicable segment for the Month(s) needed at the applicable Open Access Transmission Tariff rate or less, a Participant is not required to obtain such service in order to qualify for the Future Firm ATC Expected exception hereunder. Notwithstanding the foregoing, if such Participant declines to obtain such available WRAP Qualifying Transmission and is granted the exception hereunder, such Participant shall not qualify for an exception hereunder for the same path (or across the same constraint) for the same season of the subsequent year if the Participant again declines to obtain such WRAP Qualifying Transmission that is available for a duration of more than one year. The Participant must also demonstrate that the exception request meets volume and duration limitations specified in the Business Practice Manuals.

16.3.2.3 Transmission Outages and Derates. Participant demonstrates that an applicable segment of its existing transmission

service rights from its source to sink path for its Qualifying Resource is expected to be derated or out-of-service and the ATC of WRAP Qualifying Transmission is not otherwise available, and that the exception request meets volume and duration limitations specified in the Business Practice Manuals.

16.3.2.4 Counterflow of a Qualifying Resource. Participant demonstrates that either: (i) Participant's use of WRAP Qualifying Transmission in connection with the delivery of capacity from Participant's Qualifying Resource (or from the resource associated with its Net Contract QCC) to Participant's load (or other qualifying delivery point permitted by the WRAP) or (ii) a second Participant's use of WRAP Qualifying Transmission in connection with the delivery of capacity from the second Participant's Qualifying Resource (or from the resource associated with its Net Contract QCC) to the second Participant's load (or other qualifying delivery point permitted by the WRAP) provides a direct and proportional counterflow transmission that supports the first Participant's delivery of capacity from the first Participant's Qualifying Resource (or from the resource associated with its Net Contract QCC) to the first Participant's load (or other qualifying delivery point permitted by the WRAP) Qualifying Resource to their load. If the exception is requested under subpart (ii) of this subsection, the Participant requesting the exception shall include a written acknowledgement from the second Participant that it is aware of such exception request.

16.3.3 To the extent a Participant does not demonstrate satisfaction of its FS Transmission Requirement by the FS Deadline, the Participant may correct any such deficiency on or before the end of the cure period prescribed by Section 14.5 of this Tariff to avoid a Deficiency Charge.

16.3.4. Any deficiency of transmission service rights ultimately determined by WPP will be treated, for purposes of Deficiency Charge determinations, as in conjunction with, and not additive to, any deficiencies of QCC determined pursuant to Section 16.2.

20. Components of the Operations Program

20.1 Sharing Calculation

20.1.1 WPP shall implement, as more fully described in the Business Practice Manuals, with respect to each Forward Showing Submittal accepted by WPP for a Participant under Part II of this Tariff, or with respect to each Subregion in which the Participant is responsible for load regardless of whether the Participant submitted a single Forward Showing Submittal encompassing its loads in ~~both all applicable multiple~~ Subregions, the following Sharing Calculation to identify any hour in which any Participant is forecast to have a capacity deficit (known as a “Sharing Event”). This calculation takes into account changes in a Participant’s resource availability, resource performance, forecast load, and Contingency Reserve relative to the Forward Showing, plus an Uncertainty Factor. The Sharing Calculation is equal to:

$$[(P50) * (1 + FSPRM) + \text{Contingency Reserve Adjustment}] - [\text{Load Forecast} - \text{Demand Response Capacity Resources} + \text{Contingency Reserve Obligation} + \text{Uncertainty Factor}] + [\Delta \text{Forced Outages} + \Delta \text{RoR Performance} + \Delta \text{VER Performance}]$$

Where:

P50 refers to the Participant’s Monthly P50 Peak Load for that Binding Season’s Month;

FSPRM, as described in Section 16.1.2, is an increment of resource adequacy supply needed to meet conditions of high demand in excess of the applicable peak load forecast and other conditions such as higher resource outages and is expressed as a percentage of the applicable Participant P50 Peak Load Forecast for that Binding Season’s month;

Contingency Reserve Adjustment accounts for changes in Contingency Reserve expectations (relative to the ~~6%~~ Contingency Reserve assumed in the FSPRM) resulting from energy contract purchases and contract sales as set forth in the Business Practice Manuals;

Load Forecast refers to the forecast of expected load for the subject hour for the loads for which the Participant is the Load Responsible Entity and that have not been excluded from WRAP participation;

Demand Response Capacity Resource as described in Section 16.2.5.4.

Contingency Reserve Obligation refers to the amount of Contingency Reserve the Participant is carrying during the operating hour equal to the LRE’s share of the Balancing Authority’s total Contingency Reserve

~~obligation modified by any Contingency Reserve Adjustment, as set forth in the Business Practice Manuals(i) 3% of Load Forecast for which the Participant is the WRAP LRE and maintains its Contingency Reserve, (ii) plus 3% of WRAP load for which the Participant is not the LRE but has assumed the Contingency Reserve through a contractual arrangement, (iii) plus 3% of generation used to meet any load for which the Participant is the LRE and maintains the Contingency Reserve, (iv) plus 3% of generation utilized to meet WRAP Load for which the Participant is not the LRE but has assumed the Contingency Reserve through a contractual arrangement;~~

Uncertainty Factor refers to a factor determined by WPP, as more fully set forth in the Business Practice Manuals, to account for the potential variance between forecasts of load, solar resources, wind resources, and run-of-river resources, and the Operating Day conditions of such load and resources;

Δ Forced Outages refers, for the subject hour, to the sum of:

- (i) any change in forced outages of any of the thermal resources included in the Participant's Portfolio QCC, relative to the forced outages assumed in the Forward Showing Submittal by application of the Forced Outage Factor; plus
- (ii) any change in forced outages of any of the Storage Hydro Qualifying Resources relative to the forced outages assumed in the calculation of the Participant's Resource QCC as more fully described in the Business Practice Manuals; plus
- (iii) any reduction in output capability of any of the Energy Storage Resources due to equipment failure or protection
 - a. In the first four (4) hours the Forced Outages MWs that can be claimed are equal to [(charge MW x duration)/4]
 - b. For all hours beyond four (4) hours, the Forced Outages MW amount that can be claimed for an Energy Storage Resource shall not be greater than the monthly QCC; plus
- (iv) any impacts of transmission conditions on previously acquired WRAP Qualifying Transmission that result in capacity reductions up to the level of the Resource QCC of the associated Qualifying Resource;

Δ RoR Performance refers to any change, for the subject hour, in expected performance of any of the run-of-river resources in the Participant's Portfolio QCC relative to the QCC of those Qualifying Resources; and

Δ VER Performance refers to any change, for the subject hour, in expected performance of the VER Resources in the Participant's Portfolio QCC relative to the QCC of those Qualifying Resources;

- 20.1.2 In addition to the foregoing, the Sharing Calculation for a Participant that is a purchaser of an RA Transfer shall be performed in two passes, with and

without such purchase. If the result of assuming in the first pass that the Participant had not purchased the RA Transfer is that the Participant has a negative Sharing Calculation, then the Participant that sold the RA Transfer must agree, for the time period addressed by the Sharing Calculation, to an energy delivery to the Participant that purchased the RA Transfer, in an amount equal to the lesser of: (i) the MW quantity needed to result in a net zero Sharing Calculation for the Participant that purchased the RA Transfer; and (ii) the MW amount of the RA Transfer. If the result of recognizing the Participant's purchase of the RA Transfer in the second pass is that the Participant has a positive Sharing Calculation, then the Participant that sold the RA Transfer must assume a share of the purchasing Participant's resulting obligation to the Operations Program in an amount equal to the MW quantity of the RA Transfer, minus the MW quantity of the delivery made by the seller of the RA Transfer to the purchaser of the RA Transfer as a result of the first pass.

20.1.3 The Sharing Calculation of any Participant that was found to have a Monthly Capacity Deficiency under Sections 16.1 and 16.2, for which such Participant paid a Deficiency Charge, including any Deficiency Charge reduced by application of Section 17.3 during the Transition Period, shall be reduced by the MW quantity of such Monthly Deficiency.

20.2 Holdback Requirement

To the extent that: (i) WPP's application of the Sharing Calculation identifies on the Preschedule Day a Sharing Event for any hour(s) of the Operating Day; and (ii) the Participant(s) found to be deficient for such hour(s) by the Sharing Calculation confirms to WPP on the Preschedule Day, in accordance with notification and confirmation procedures set forth in the Business Practice Manuals, such Participant's need for capacity for such hour(s), then WPP shall determine the Participants having a Holdback Requirement for such hour(s) and the quantity of the Holdback Requirement for each such Participant in accordance with this Section 20.2. The Operations Program will prioritize offers of Voluntary Holdback in the allocation and assignment of Holdback Requirements. Holdback Requirements shall be expressed as whole MWs for each hour for which they are estimated or established and shall not be specific to any Qualifying Resource.

20.2.1 Subregion with Central Hub

For any hour, as to any Subregion identified in the Business Practice Manuals as containing a central transmission hub permitting energy deliveries to that hub from any point within such Subregion ("Central Hub"), the aggregate of the holdback needed to meet the requirements of all Participants with negative Sharing calculation results that have confirmed their need for holdback will be allocated and assigned first among offers of Voluntary Holdback, and second, to the extent such needs remain unmet, among Participants with positive Sharing Calculation results.

20.2.1.1 Allocation of Voluntary Holdback: Voluntary Holdback will be allocated in one of three alternative ways, based on comparing the aggregate confirmed need for holdback among Participants with negative Sharing Calculation results against the aggregate of all offers for Voluntary Holdback.

20.2.1.1.1 If the total MW quantity of all Voluntary Holdback offered is equal to the total MW quantity of all deficient Participants' confirmed requests for holdback, then each Participant that offered Voluntary Holdback is assigned its offered Voluntary Holdback as its Holdback Requirement.

20.2.1.1.2 If the total MW quantity of all Voluntary Holdback offered is more than the total MW quantity of all deficient Participants' confirmed requests for holdback, then each Participant that offered Voluntary Holdback is assigned as its Holdback Requirement a percentage of the total confirmed need for holdback based on the ratio of the Participant's MWs of offered Voluntary Holdback to the sum of all Participants' MWs of offered Voluntary Holdback.

20.2.1.1.3 If the total MW quantity of all Voluntary Holdback offered is less than the total MW quantity of all deficient Participants' confirmed requests for holdback, then each Participant's Holdback Requirement is determined as set forth in section 20.2.1.2.

20.2.1.2 Allocation of Remaining Holdback Requirement: Sharing Calculation Results

If the total MW quantity of all Voluntary Holdback offered is less than the total MW quantity of all deficient Participants' confirmed requests for holdback, then the maximum Voluntary Holdback offered is used as the first term in the Holdback Requirement. The remaining term of the Holdback Requirement is met by application of the Sharing Calculation, and the results of the two terms are summed for each Participant. The remaining need for holdback that is not met by Voluntary Holdback is allocated among all Participants with positive Sharing Calculation results pro rata based on the ratio for each Participant of the Participant's positive Sharing Calculation result to the sum of the positive Sharing Calculation results.

The sum of these two values for each applicable Participant is the Holdback Requirement for that Participant.

20.2.2 Subregion without Central Hub

For any hour, any Subregion not containing a Central Hub, the Program Operator shall conduct an optimization-based allocation to pair surplus and deficient Participants. The allocation methodology will utilize the points at which surplus Participants can deliver their Holdback Requirement, the points at which deficient Participants can take receipt of their allocation of the total Holdback Capacity, and the transfer capability that exists to the points at which surplus Participants can deliver and the points at which deficient Participants can take receipt.

The optimization will generally attempt to prioritize (i) Voluntary Holdback; (ii) Holdback Capacity matched pursuant to the information provided per Section 19.4 on a nearest neighbor and cluster basis, allocated pro rata among Participants within such cluster; (iii) Holdback Capacity matched pursuant to the information provided and allocated among Participants within the same Subregion to the extent not matched and allocated under category (ii); and finally (iv) Holdback Capacity from Participants in another Subregion, paired with any transmission service per Section 14.3.2.

20.2.3 Absent a Holdback Requirement Transfer as described below, a Participant's Holdback Requirement for any hour of an Operating Day shall not exceed the level first set by WPP on the Preschedule Day for that Participant for that hour.

20.2.4 Any Participant may agree with any other Participant for the first Participant to transfer to the second Participant some or all of the Holdback Requirement established for the first Participant for any hour on any Operating Day. Any such Holdback Requirement Transfer shall be a bilateral arrangement settled outside the Operations Program, provided, however, that both Participants must timely notify WPP, by the time and in the manner described in the Business Practice Manuals, of such Holdback Requirement Transfer. Any necessary transmission arrangements and any transaction settlements shall be the sole responsibility of the Participants that are the parties to such bilateral arrangement.

20.2.4.1 No Holdback Requirement transfer for any hour shall be permitted if notice of such bilateral transaction is not fully reported to WPP, in the form required by the Business Practice Manuals, by 120 minutes before the start of such hour.

20.3 Release of Surplus Capacity

- 20.3.1 As detailed in the Business Practice Manuals, WPP will review the indicative Sharing Calculation results from the Multi-Day Ahead Assessment and to the extent the WPP determines any indicative Sharing Calculations can be reduced, it may release all or a portion of Participants' future Holdback Requirements. WPP may permit a release of future Holdback Requirements to the extent WPP has not applied a Safety Margin for such hour and (i) WPP's continued Sharing Calculations determine that no Participant has a negative indicative Sharing Calculation result for such hour; and (ii) WPP determines there is a low probability of a Sharing Event for the hour; or (iii) WPP grants a Participant's request for extenuating circumstances of all or any portion of that Participant's future Holdback Requirement for the hour.
- 20.3.2 Upon release of all or any portion of a future Holdback Requirement, the quantity of future Holdback Requirement so released shall no longer be subject to an Energy Deployment requirement under the Operations Program for the subject hour.

20.4 Energy Deployment

- 20.4.1 Participants shall provide energy during an hour, in support of any Participants with a negative Sharing Calculation result and a confirmed need for energy under the Operations Program for such hour, in accordance with WPP's calculation of the Energy Deployment for such hour. The total Energy Deployment required of all Participants that are subject to Energy Deployment shall equal the sum, in MWh for that hour, of the energy confirmed as being needed in that hour by Participants in such Subregion with negative Sharing Calculation results in such hour, to the extent that can be supported by the Program. The Energy Deployment assigned to each Participant shall not exceed that Participant's Holdback Requirement calculated on the Preschedule Day, adjusted for any applicable transfer of Holdback Requirement as allocated and assigned for the Preschedule Day, and, as further adjusted to reflect the election, made after the Preschedule Day, of any Participant with a negative Sharing Calculation result on the Preschedule Day to decline all or any part of the Holdback Capacity to which it would have been entitled based on the Holdback Requirements determined on the Preschedule Day.

- 20.4.1.1 In Subregions with a Central Hub, Energy Deployments required hereunder shall be delivered to the Central Hub in such Subregion, or to an alternate delivery point mutually agreed by the parties to a specific Energy Deployment, provided both parties to the transaction report such alternative delivery arrangements to WPP in the form and manner described in the Business Practice Manuals.

20.4.1.2 In Subregions without a Central Hub, Energy Deployments required hereunder shall be delivered to the receipt point and delivery point as indicated by the optimization allocation, or to an alternate delivery point mutually agreed by the parties to a specific Energy Deployment, provided both parties to the transaction report such alternative delivery arrangements to WPP in the form and manner described in the Business Practice Manuals.

20.4.2 The Energy Deployment a Participant may receive for any hour shall be no greater than the negative Sharing Calculation result calculated for such Participant for such hour. Such Participant shall confirm, by no later than 85 minutes before the start of such hour, the quantity of Energy Deployment for which it requires delivery for such hour, through the procedures outlined in the Business Practice Manuals. Any Participant that does not confirm required Energy Deployment deliveries for such hour by such deadline will be deemed to waive all deliveries of Energy Deployment under the Operations Program for such hour.

20.4.3 The Energy Deployment a Participant can be required to supply for an hour shall not exceed the final Holdback Requirement calculated for such Participant on Preschedule Day, including any duly reported exchange of Holdback Requirement, as of 85 minutes before the start of such hour.

20.4.4 WPP shall advise each Participant with a required Energy Deployment for an hour of the required MWh quantity and delivery point of such Energy Deployment by no later than 80 minutes before the start of such hour.

20.5 Safety Margin

20.5.1 WPP may establish on the Preschedule Day a Safety Margin for the WRAP Region or any identified Subregion thereof for any hour of an Operating Day when warranted by such circumstances as potential large resource trips, heavy transmission outage conditions, significant environmental conditions, or other similar regional or subregional conditions, as more fully set forth in the Business Practice Manuals.

20.5.2 Any Safety Margin so determined for an hour shall be allocated pro rata among Participants with a positive Sharing Calculation result, based on their relative shares of the sum of all positive Sharing Calculation results for such hour, provided, however, that the Safety Margin allocated to a Participant may not result in a Holdback Requirement for such Participant greater than such Participant's Sharing Calculation result. A Participant allocated holdback for a Safety Margin hereunder does not receive compensation under this Tariff for such allocation of holdback.

20.5.3 WPP shall notify all Participants of application of a Safety Margin for any hour, including in such notice the total timeframe, the MW amount, and the rationale for such Safety Margin.

20.6 Operations Program Transmission Service Requirements

Participant shall have in place, prior to the Operating Day, WRAP Qualifying Transmission for each hour of such Operating Day for which a Sharing Event has been established, in a quantity sufficient for deliveries from the Qualifying Resources relied upon in such Participant's Forward Showing Submittal to demonstrate satisfaction of such Participant's FS Capacity Requirement (or from replacement Qualifying Resources) to serve such Participant's loads during such hours. In the event a Participant has an Energy Delivery Failure, the review associated with the possible assessment of a Delivery Failure Charge on such Participant shall, as further described in the Business Practice Manuals, include whether a failure to secure sufficient WRAP Qualifying Transmission caused or contributed to such Energy Delivery Failure. For such purpose, the Participant will have been expected to have complied with the transmission service requirement stated in this subsection.

20.7 Failure to Deliver Energy Deployments

20.7.1 A Participant assigned a required Energy Deployment pursuant to Section 20.4.4 of this Tariff for any hour that fails to deliver the specified energy during such hour, and that does not obtain a waiver of its Energy Deployment obligation, shall be assessed a Delivery Failure Charge.

20.7.2 A Participant shall be deemed to have an Energy Delivery Failure if Participant fails to deliver the Energy Deployment quantity established under Section 20.4.1, absent grant of a waiver pursuant to Section 20.7.3 of this Tariff.

20.7.3 A Participant anticipating an Energy Delivery Failure should provide WPP notice of such expected Energy Delivery Failure as soon as practicable after becoming aware of the anticipated failure. Whether anticipated or not, a Participant may request a waiver of an Energy Deployment obligation after an Energy Delivery Failure has occurred. The WPP shall review all such waiver requests and shall determine whether the Participant's justification for the Energy Delivery Failure is valid and warrants waiver of its Energy Deployment obligation. The WPP also shall consider whether the Participant knew in advance, or reasonably should have known in advance, of an Energy Delivery Failure, and what efforts the Participant took to notify the WPP in advance of such Energy Delivery Failure. The procedures for addressing such waiver requests, including a non-exclusive list of valid justifications for an Energy Delivery Failure shall be set forth in the Business Practice Manuals. A Participant denied a waiver request hereunder may appeal such denial to the Board of Directors in accordance

with the procedures and deadlines set forth in the Business Practice Manuals. In such event, the requested waiver shall be denied or permitted as, when and to the extent permitted by the Board, in accordance with the procedures and timing set forth in the Business Practice Manuals. WPP shall report on the disposition of each waiver request received.

20.7.4 The Delivery Failure Charge for each hour shall be the Charge Rate applicable for such hour times the MWhs of energy that were required to be, but were not, delivered pursuant to an Energy Deployment during such hour. The Charge Rate shall be the higher of the Day-Ahead price or Real-Time price provided by the Day-Ahead Applicable Price Index and Real-Time Applicable Price Index as specified in the Business Practice Manuals for the Subregion applicable to the location of the delivering entity, applicable to the day and hour of the energy delivery, respectively, for the hour, times a Delivery Failure Factor, as follows:

20.7.4.1 If the deficit is fully covered by other Participants through the Operations Program, in each instance of failure, the Delivery Failure Factor shall be five for the first non-waived Energy Delivery Failure in a Cumulative Delivery Failure Period; ten for the second non-waived Energy Delivery Failure in a Cumulative Delivery Failure Period; and twenty for the third and subsequent non-waived Energy Delivery Failures in a Cumulative Delivery Failure Period. For purposes of applying the Delivery Failure Factors under this Section 20.7.4 or the review referenced in Section 20.7.5, multiple Energy Delivery Failures occurring in one day shall be treated as a single instance of failure.

20.7.4.2 If the deficit is not fully covered by other Participants through the Operations Program, the Delivery Failure Factor is twenty-five for the first non-waived Energy Delivery Failure in a Cumulative Delivery Failure Period; and fifty for the second and subsequent non-waived Energy Delivery Failures (regardless of whether the prior instance(s) of delivery failure were fully covered by other Participants) in a Cumulative Delivery Failure Period.

20.7.4.3 Revenues from Delivery Failure Charges assessed in cases where the deficit was fully satisfied by other Participants will be used to reduce WPP costs that are recovered under Schedule 1, WRAP Administration Charge. Revenues from Delivery Failure Charges assessed in cases where the deficit was not fully met by other Participants will be collected by the WPP and provided to the Participant that had an unserved deficit.

20.7.4.4 Notwithstanding anything to the contrary in this Section 20.7.4, the Delivery Failure Charges assessed on a Participant, regardless of application of the Delivery Failure Factor, shall not

exceed, over the course of a Summer Season and the immediately succeeding Winter Season, the dollar amount that, as more fully detailed in the Business Practice Manuals, would have been assessed cumulatively under Section 17 as Deficiency Charges if the Participant had one or more Forward Showing Capacity Deficiencies over the course of such Summer Season and Winter Season in the same MW amounts as the highest MW amount of Delivery Failure experienced by such Participant in each Month of such Summer Season and Winter Season. The maximum dollar amount described herein shall be calculated on an ongoing basis during such Summer Season and Winter Season, and increased or reduced accordingly, without awaiting the end of the combined period of such Summer Season and Winter Season.

20.7.5 In addition to assessment of the Delivery Failure Charge, a third or subsequent instance of non-waived delivery failure, when all such delivery failures are fully covered by other Participants, or a second or subsequent instance of non-waived delivery failure when such instance is not fully covered by other Participants, will subject the Participant to review for expulsion from the WRAP.

20.8 Voluntary Response to Increased Deficiencies Identified After Preschedule Day

20.8.1 A Participant that identifies an unmet need for energy for any hour of an Operating Day that is outside of assistance provided or to be provided by Holdback Requirements or Energy Deployments established hereunder may, in accordance with procedures specified in the Business Practice Manuals, notify WPP of the need for such assistance. WPP will establish a portal or other procedure, as specified in the Business Practice Manuals, to facilitate provision of assistance, on a voluntary, bilateral basis, by other Participants to the Participant that identified the unmet need. Compensation, terms, and conditions of any resulting bilateral transactions will be determined by the affected parties outside of this Tariff. While Participant response to any such notification is voluntary, Participants are encouraged to provide assistance to other Participants in the circumstances described in this subsection, in consideration of the mutual support each Participant has agreed to provide to each other Participant by its agreement to participate in the WRAP, including this Operations Program.

21. Operations Program Settlements

21.1 Nature of Operation Program Settlements

21.1.1 Operations Program settlements are bilateral transactions; they are not purchases from or sales to a central market.

21.1.2 Operations Program transactions use existing transaction systems and processes.

21.1.3 The WPP will calculate and post settlement quantities and prices based on the Energy Deployment and Holdback Requirement, in accordance with procedures specified in the Business Practice Manuals for provision of transaction information by and among Participants and WPP, but WPP has no role in the transaction itself. WPP is not a settlement entity.

21.1.4 Settlement Prices calculated under Section 21.2 shall recognize pricing differences among Subregions. Where the seller and buyer are located in the same Subregion, the Applicable Price Index shall be the price index specified for that Subregion in the Business Practice Manuals. Where the seller and buyer are located in different Subregions, the following components of the settlement price calculation in Section 21.2 will be calculated using the Applicable Price Index for the Subregion that provides the higher index price: (i) Possible Block Sale Revenue; (ii) Total Settlement Price; (iii) Energy Declined Settlement Price; and (iv) Realtime Value of Unheld Energy. If a third participant is involved by providing transmission service rights between Subregions, the Participant that provided holdback or Energy Deployment shall receive the settlement price of the Subregion from which the holdback or Energy Deployment was sourced, and the Participant that provided Subregion to Subregion transmission service rights pursuant to Section 19.4 shall receive the difference between each Subregion's Total Settlement Price, or zero, whichever is greater.

21.2 Settlement Price Calculation. Settlement prices shall be calculated in accordance with the following, as more fully set forth in the Business Practice Manuals.

21.2.1 A Participant assigned a Holdback Requirement on a Preschedule Day for any hour of an Operating Day shall be paid the Holdback Settlement Price times the MW quantity of the Holdback Requirement. A Participant that provides energy to another Participant pursuant to an Energy Deployment shall be paid the Energy Declined Settlement Price, defined in Section 21.2.4, times the MWhs of energy provided to such other Participant, and its total payments shall be reduced by the Energy Declined Settlement Price times the MWhs of energy that would have been provided under a Holdback Requirement but were declined by the other Participant. A Participant

assigned a Holdback Requirement also shall be paid, when applicable, a Make Whole Adjustment, as provided below in Section 21.2.5.

- 21.2.2 A Participant that had a negative Sharing Calculation result for any hour of an Operating Day, which was incorporated in the calculation of Holdback Requirements of any Participants for such hour, determined as of the Preschedule Day, shall pay the Holdback Settlement Price times the MW quantity of such negative Sharing Calculation result. In addition, any Participant that had a negative Sharing Calculation result that was incorporated in the calculation of a Holdback Requirement shall contribute to the payment of the Make Whole Adjustment based on its negative Sharing Calculation. A Participant that declines energy that would have been provided under a Holdback Requirement shall be credited the Energy Declined Settlement Price times the MWhs of energy declined by such Participant.
- 21.2.3 The Holdback Settlement Price shall equal the Total Settlement Price minus the Energy Declined Settlement Price.
- 21.2.4 The Energy Declined Settlement Price shall equal the Applicable Real-Time Index Price for the hour.
- 21.2.5 The Make Whole Adjustment is applied in the event that the settlement revenue and the estimated value of the non-dispatched energy is less than the estimated revenues the selling entity would have received had such entity not been subject to a Holdback Requirement and had sold a day-ahead block of energy with a MW value equal to the maximum amount of Holdback Requirement for the hours in the block. The Make Whole Adjustment has a minimum value of zero and is determined as follows:

$$\begin{aligned} \text{Make Whole Adjustment (when applicable)} = & \\ & \text{Maximum of (Possible Block Sale Revenue} \\ & \text{– Final Settlement Revenue} \\ & \text{– Realtime Value of Declined Energy} \\ & \text{– Realtime Value of Unheld Energy, 0)} \end{aligned}$$

Where:

$$\text{Realtime Value of Declined Energy} = \text{Energy Declined} \times \text{Energy Declined Settlement price}$$

provided that Declined Energy is only applicable to those hours where there was a positive Holdback Requirement.

$$\text{Realtime Value of Unheld Energy} = (\text{Maximum Holdback MW in Block} - \text{Holdback MW Requested}) \times \text{Applicable Index Price}$$

21.2.6 The Total Settlement Price used in the above calculations shall be determined in accordance with the following formula:

Total Settlement Price = Maximum of (Minimum of (Hourly Shaping Factor × Day Ahead Applicable Index Price × 110%, 2000 \$/MWh), 0)

where:

Hourly Shaping Factor is based on the most recent High-Priced Day for the relevant season, defined as a day in which at least one hour has a system marginal energy cost (“SMEC”) greater than \$200/MWh, and shall be calculated as follows:

$1 + \{[\text{CAISO Hourly Day Ahead SMEC} - \text{CAISO Average Day Ahead SMEC (on- or off-peak hours)}] / [\text{CAISO Average Day Ahead SMEC (on- or off-peak hours)}]\}$

Day-Ahead Applicable Index Price is the day-ahead heavy load/light load ICE Index price or average Locational Marginal Price that is specified in the Business Practice Manuals for the Subregion applicable to the location of the delivering entity, applicable to the day and hour of the energy delivery. If transmission via Section 14.3.2 was used to facilitate holdback, the Applicable Index Price shall be the higher of the two subregional day-ahead index prices for that portion of the holdback.

Real-Time Applicable Index Price is the real-time index price that is specified in the Business Practice Manuals for the Subregion applicable to the location of the delivering entity, applicable to the day and hour of the energy delivery.