

To: Western Power Pool Board of Directors

Subject: Request to Defer WRAP Financially Binding Participation Decision

September 30, 2025

Dear Members of the Western Power Pool Board,

On behalf of PacifiCorp, I am writing to respectfully request that the Board defer the decision to become a financially binding participant in the Western Resource Adequacy Program (WRAP) by at least one year.

Resource adequacy is a foundational element of reliability and affordability in the West. WRAP was conceived and designed under a very different set of challenges than we face today—before the emergence of organized day-ahead markets, the current landscape of rapid load growth, supply chain risk, evolving market footprints and broader customer affordability challenges. Today, WRAP stands at a crossroads, with significant changes under active consideration by multiple task forces and stakeholders.

Recent work by the Day Ahead Market (“DAM”) and Planning Reserve Margin (“PRM”) Task Forces highlights the magnitude of these changes:

- **Market Alignment:** The DAM Task Force is proposing to realign WRAP’s operational subregions with the footprints of CAISO’s EDAM and SPP’s Markets+, replacing the legacy MidC/SWEDE structure. This would fundamentally change how capacity planning, the operational program, and the settlement of holdback and energy deployments are managed. Underlying load and resource zones and connectivity assumptions used in LOLE modelling may need to change. Current advisory PRMs and ELCCs reflect the current MidC/SWEDE structure. The program needs more time to address this fundamental shift to contemplate all necessary program modifications.
- **Planning Reserve Margins:** The PRM Task Force is evaluating new methodologies and timing for setting planning reserve margins, with the goal of reducing volatility while maintaining full transparency. These changes directly impact deficiency charge calculations and the risk profile for participants.
- **Deficiency Charge Deferral:** Active discussions are occurring relating to mechanisms to defer deficiency charges for entities making strategic investments in new resources, recognizing the need for flexibility as the region transitions to new market structures.

WRAP has a unique opportunity to solve significant issues in the West. By providing regional coordination and a robust resource adequacy planning standard, WRAP can break down market seams, enhance reliability and deliver capacity savings that can positively impact affordability for customers.

The program is uniquely positioned to lead the region through this transition, but only if the terms and standards are right.

It is critical that we get this right. Given the issues that remain to be resolved, moving forward with the current financially binding date would be imprudent and not in the best interests of our customers. This approach exposes participants to unnecessary risk and undermines the credibility and effectiveness of WRAP as a regional solution.

We urge the Board to:

- **Defer the decision to become a financially binding participant by at least one year**, allowing time for the PRC, RAPC and WPP staff to finalize and implement the proposed changes.
- **Continue to engage stakeholders in refining WRAP's design**, ensuring that the program delivers on its promise of reliability, affordability and regional coordination.

Thank you for your leadership and commitment to resource adequacy in the West. We look forward to working together to ensure WRAP is positioned for long-term success.

Sincerely,



Cindy Crane
Chief Executive Officer and Chair
PacifiCorp

CC: Sarah Edmonds, President & CEO, Western Power Pool
Chris Parker, Chair, Committee of State Representative
Letha Tawney, Vice Chair, Committee of State Representative
Members of the Committee of State Representatives
Resource Adequacy Participants Committee