

Western Resource Adequacy Program

109 Forward Showing
Transition Period

Revision History - DRAFT VERSIONS

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109 Transition Period

1. Introduction

The Forward Showing (FS) Program of the Western Resource Adequacy Program (WRAP) provides for a three-year Transition Period, commencing in Summer 2025 and ending in Winter 2027-2028. The Transition Period allows Participants to elect the first season that they will become subject to certain compliance obligations and charges associated with the standard, going-forward participation in the WRAP, and allows for reduced charges in certain limited circumstances during the remainder of the Transition Period once the Participant becomes subject to compliance obligations. This FS Transition Period Business Practice Manual (BPM) provides implementing details and practices relevant to the FS Program during the Transition Period. Implementing details and practices relevant to the Operations Program during the Transition Period are described separately in *BPM 210 Operations Program Transition Period*.

1.1. Intended Audience

BPM 109 is intended for WRAP Participants and other interested individuals or entities and will be particularly useful for those responsible for their Participant organization's election of a Binding Season, submission of FS Submittal, and ensuring that their organization complies with WRAP FS Program requirements.

1.2. What Will You Find in This Manual?

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

1.3. Purpose

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

1.4. Definitions

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

Transition Binding Season: The Binding Seasons during the Transition Period for which, by Participant election in accordance with the Tariff and BPM 109, the Participant is subject to the mandatory requirements of Parts II and III of the Tariff.



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

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

2. Background

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

3. Election of Transition Binding Seasons

3.1. Election Process

The Transition Period consists of the Summer seasons for 2025, 2026, and 2027, and the Winter seasons for 2025-2026, 2026-2027, and 2027-2028. Each Participant must select one of these seasons as its first Transition Binding Season.

All Participants that executed a Western Resource Adequacy Program Agreement (WRAPA) prior to the effective date of BPM 109 contemporaneously gave written notice to the Program Administrator of their elected first Transition Binding Season. Each entity that becomes a Participant after the effective date of BPM 109 and prior to March



31, 2027, shall, at the time it executes a WRAPA, or at the time such Participant’s non-conforming WRAPA is filed with the Federal Energy Regulatory Commission, give notice of its elected first Transition Binding Season. Such notice shall be provided in writing by the Participant’s designated Resource Adequacy Participant Committee (RAPC) representative to the Program Administrator at the email address designated in the new Participant application portion of the Program Administrator’s website.

Every Participant that submits or has submitted a new Participant application to the Program Administrator prior to March 31, 2027, must select a Binding Season during the Transition Period as its first Transition Binding Period. Any Participant that submits a new Participant application to the Program Administrator after March 31, 2027, will commence its WRAP participation after the end of the Transition Period. In that case the Participant will become subject to all standard WRAP requirements and obligations from the beginning of its participation, with no transition provisions. For more information about the process, requirements, and logistics of a new Participant joining WRAP, see *BPM 401 New Participant Onboarding*.

3.2. Changes to a Participant’s First Transition Binding Season

If a Participant determines that unanticipated circumstances may prevent it from meeting the obligations associated with a Transition Binding Season, the Participant may defer its previously elected first Transition Binding Season, but only if the Participant provides the Program Administrator written notice of such deferral at least two years prior to the start of its previously elected first Transition Binding Season. In this written notice, the Participant must elect a new Winter Season or Summer Season occurring within the Transition Period to be its first Transition Binding Season. A Participant also may advance its first Transition Binding Season to an earlier Binding Season within the Transition Period, but only if the Participant provides the Program Administrator written notice of such change at least two years prior to the start of its proposed earlier first Transition Binding Season. Table 1 below shows the deadline request a change to a Participant’s first Binding Transition Season. Note that for a *deferral*, the relevant season in Table 1 is the Participant’s *current* first Binding Transition Season, whereas for an *advance*, the relevant season in Table 1 is the Participant’s *proposed* first Binding Transition Season.

Table 1. Deadline for Participant to Request a Change to Its First Binding Transition Season

Season	Deadline for Change Request
Summer 2025	May 31, 2023
Winter 2025-2026	October 31, 2023
Summer 2026	May 31, 2024

Winter 2026-2027	October 31, 2024
Summer 2027	May 31, 2025
Winter 2027-2028	October 31, 2025

A Participant's right to defer shall continue to apply for each of the Participant's revised elections of its first Transition Binding Season, subject to the same requirement for written notice to the Program Administrator at least two years before the start of the revised first Transition Binding Season. An elected first Transition Binding Season (including a revised elected Transition Binding Season resulting from a timely deferral) may not be deferred after the deadline noted in Table 1 for each season noted in Table 1.

3.3. Transition Binding Seasons and Non-Binding Seasons

During the Transition Period, Transition Binding Seasons and Non-Binding Seasons are specific to, and can vary by, each Participant. A Participant elects a Winter Season or Summer Season during the Transition Period as its first Transition Binding Season. Any subsequent Winter Season or Summer Season during the Transition Period will also be a Transition Binding Season for that Participant. Every Winter Season or Summer Season occurring during the Transition Period before the Participant's first Transition Binding Season will be a Non-Binding Season as to that Participant.

4. Transition Binding Season Participation

During its Transition Binding Seasons, a Participant will be subject to the same obligations and requirements, and have the same rights, that the WRAP Tariff establishes for the period beginning after the end of the Transition Period, except for the WRAP Tariff provisions, as also elaborated below and in *BPM 210 Operations Program Transition Period*, concerning ETDs, lack of JCAF assent for Legacy Agreements, and priority tiers for voluntary assistance.

4.1. Non-Binding Season Participation

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



4.2. Option to Defer First Binding Season for All Participants

Within two years prior to the start of the first Binding Season of the WRAP, a Participant who has elected to participate in the first Binding Season may request a vote of all Participants who have elected to participate in the first Binding Season to delay implementation of the first Binding Season for up to two seasons. The deferral vote may only occur for the first Binding Season of the WRAP.

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

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

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

5. Excused Transition Deficits

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

5.1. How to Obtain an ETD

To obtain an ETD during a Binding Season, the Participant must provide a Senior Official Attestation (in the form set forth in Appendix A below) attesting that the Participant has made commercially reasonable efforts to secure Qualifying Resources in the quantity needed to satisfy the Participant's FS Capacity Requirement for the Binding Season, but is unable to obtain Qualifying Resources in the quantity required for the Binding Season because the supply of such resources on a timely basis and on commercially reasonable terms is at that time inadequate. If an ETD is requested the required attestation shall be included as part of the Participant's relevant Forward



Showing Submittal (*see BPM 108 Forward Showing Submittal*). Participants may apply for ETDs in multiple Months of a Binding Season.

5.2. Limits on Megawatts to which ETDs can be Applied

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

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

The percentage value is 75% for each Month of the 2025 Summer Season and 2025-2026 Winter Season, 50% for each Month of the 2026 Summer Season and 2026-2027 Winter Season, and 25% for each Month of the 2027 Summer Season and 2027-2028 Winter Season.

Table 2. Percentage Value to be Multiplied by FSPRM

Season	Percentage Value to be Multiplied by Participant FSPRM
Summer 2025	75%
Winter 2025-2026	75%
Summer 2026	50%
Winter 2026-2027	50%
Summer 2027	25%
Winter 2027-2028	25%

For example, if the applicable FSPRM is 20% and a Participant’s P50 Peak Load for June 2026 is 1000MW, the Participant could seek an ETD for 100 MW (i.e., $20\% * 1000\text{MW} * 50\% = 100\text{MW}$).

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

5.3. Reduced Deficiency Charge once ETD is Applied

A Participant can apply ETDs to its Monthly Capacity Deficiency to reduce its Deficiency Charge. For the MW portion of its Monthly Capacity Deficiency for which it obtained ETDs, a Participant will pay a Deficiency Charge reduced by a percentage value. That percentage value will be equal to 75% for each of the 2025 Summer Season and 2025-2026 Winter Season, 50% for each of the 2026 Summer Season and 2026-2027 Winter Season, and 25% for each of the 2027 Summer Season and 2027-2028 Winter Season.

Table 3. Reduction of Deficiency Charge Based on ETDs

Season	Percentage Value Reduction for Portion of Monthly Capacity Deficiency to Which ETDs Have Been Applied
Summer 2025	75%
Winter 2025-2026	75%
Summer 2026	50%
Winter 2026-2027	50%
Summer 2027	25%
Winter 2027-2028	25%

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

A detailed example is provided in the Forward Showing Transition Deficiency Charge Examples document which is posted on the WPP website.

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

6. Reduction of Monthly Capacity Deficiency Applicable to Legacy Agreements

In addition to the possible reduction in a Participant’s Capacity Deficiency Charges for an ETD, a Participant may be able during the Transition Period to reduce its Monthly Capacity Deficiency to the extent the deficiency is due to the Participant’s failure to obtain assent from the supplier under a Legacy Agreement to a JCAF. WRAP’s general rule is that supply contracts must be resource specific. Legacy Agreements (including, for example agreements without an identified or inferred source entered under

Schedule C of the Western Systems Power Pool), entered before prospective Participants in WRAP reached a consensus on the resource specific rule (October 1, 2021), are allowed an exception to that rule, but only if the Participant relying on a Legacy Agreement in its FS Submittal obtains the written assent of the supplier under the Legacy Agreement to a form which enables the Program Operator to presume a source or sources for the agreement. The Transition Period rules permit a limited further exception to that requirement (thus allowing Participants some additional time to convert or replace pre-existing Schedule C-type agreements). To obtain that relief, the Participant must provide, as part of their FS Submittal (see *BPM 108 Forward Showing Submittal*), a Senior Official Attestation (in the form set forth in Appendix B below) attesting that the Participant made commercially reasonable efforts to execute the required JCAF with the supplier under the Legacy Agreement, but the supplier was unable or unwilling to counter sign the JCAF. This transition provision is termed the No-JCAF Option.

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

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

In addition, a Participant employing the No-JCAF Option must reduce, MW for MW, its maximum permitted use of ETDs for the same Transition Binding Season. For example, if a Participant exercises the No-JCAF Option exception for a MW quantity equal to 20% of the Participant's FSPRM for the Summer 2026 Binding Season (which has a maximum ETD amount of 50% of the FSPRM), then the Participant may apply ETDs in an aggregate MW quantity no greater than 30% of their FSPRM for Summer 2026 ($50\% - 20\% = 30\%$).

7. Adjustment of Revenue Allocations

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

Revenues from ETDs will be distributed to Participants, for which the Season is a Binding Transition Season, and that did not use ETDs and did not exercise the No-JCAF Option to meet their FS Capacity Requirement. A Participant that receives revenues



from ETDs will not have an increase in its FS Capacity Requirement solely as a result of receipt of such revenue.



Appendix A – Senior Official Attestation – ETD

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

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



Appendix B – Senior Official Attestation – No-JCAF Option

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

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

