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WESTERN POWERPOOL

Western Resource Adequacy Program

103 Participant Forward Showing Capacity Requirements

100 – Forward Showing

Revision History

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103	0.1	RAPC Glance Version	Michael O'Brien	5/28/2024
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103 Participant Forward Showing Capacity Requirement

1. Introduction

The Forward Showing (FS) Capacity Requirement is the minimum quantity of capacity a Participant is required to demonstrate for a Month of a Binding Season. Business Practice Manual (BPM) 103 describes the process for determining the components of the FS Capacity Requirement (the FS Planning Reserve Margin [FSPRM] calculations can be found in *BPM 102 Reliability Metrics*). BPM 103 also includes directions for a Participant seeking to exclude load from its FS Capacity Requirement, along with a discussion of the effect of using another Subregion's lower FSPRM on a Participant's FS Capacity Requirement, and considerations for load aggregation and disaggregation.

1.1. Intended Audience

BPM 103 is intended for WRAP Participants and other interested individuals or entities. BPM 103 will be particularly useful for those responsible for their Participant organization's FS Submittal as it pertains to meeting the FS Capacity Requirement, as this BPM provides an overview of the Monthly P50 Peak Load Forecast, load growth considerations, and the Contingency Reserves Adjustment.

1.2. What You Will Find in This Manual

BPM 103 has the following sections: FS Capacity Requirement; P50 Peak Load Forecast; Load Growth Factor; Contingency Reserves Adjustment; Excluding Load; Submitting Loads from Multiple ; Load Aggregation/Disaggregation; and LOLE Study Load Forecast and Load Growth Rate. BPM 103 also includes Appendix A - P50 Load Forecast Modifications and Appendix B - Load Exclusion.

1.3. Purpose

BPM 103 provides an overview of the components of the monthly FS Capacity Requirements calculations, including the Monthly P50 Peak Load Forecast methodology.

1.4. Definitions

All capitalized terms that are not defined in BPM 103 have their meaning set forth in the Tariff. Any capitalized terms not found in the Tariff that are specific to BPM 103 are defined here, including by reference to another BPM where such term is defined.

Contingency Reserve Adjustment: An adjustment to the FS Capacity Requirement to account for changes in Contingency Reserve requirements resulting from a Participant's contractual purchases and sales that include the Contingency Reserve as a specific part of the contract. The Contingency Reserve Adjustment has two components: Contingency Reserve Adjustment - Generation and Contingency Reserve Adjustment - Load.

Contingency Reserve Adjustment - Generation: The component of the Contingency Reserve Adjustment that accounts for differences between the system average Contingency Reserve requirement assumed in the LOLE Study and a Participant's actual purchases and sales.

Contingency Reserve Adjustment - Load: The component of the Contingency Reserve Adjustment that accounts for a Participant's specific Contingency Reserve purchases and sales.

Forward Showing (FS) Capacity Requirement Unadjusted: The FS Capacity Requirement Unadjusted takes into account the monthly P50 Peak Load Forecast and the monthly FSPRM. The FS Capacity Requirement Unadjusted does not take into account the Contingency Reserve Adjustment.

Historical Load Data: As defined in *BPM 101 Advance Assessment*.

Load Forecast Ratio: The Load Forecast ratio for each Month of a Binding Season is the ratio of the monthly average of the peak loads of a Month for the last five years to the maximum of the monthly average of the peak loads of the months of a Binding Season for the last five years.

Load Growth Factor: A program-wide load growth factor applied to P50 Peak Load Forecasts that may take into account location, weather, Participant type, and Participant customer composition (balance between retail, commercial, and industrial) among other factors.

LOLE Study: As defined in *BPM 102 FS Reliability Metrics*.

Regional P50 Peak Load Forecast: As defined in *BPM 102 FS Reliability Metrics*.

Seasonal Peak Months: The Winter Season months of December, January, and February.

2. Demand Response Utilization

A Participant has two options when choosing how to use Demand Response to affect its Monthly FS Capacity Requirements in its FS Submittal (see *BPM 108 FS Submittal Procedure*).

- A Participant may leave the effects of its historically deployed Demand Response included in its Historical Load Data (see *BPM 101 Advance Assessment*). This will have the effect of reducing the amount of load in the LOLE Study (see *BPM 102*

FS Reliability Metrics), reducing maximum loads in the P50 Peak Load Forecast (see Section 4) ultimately leading to lower Monthly FS Capacity Requirements.

- If a Participant removes the effects of historically deployed Demand Response from its Historical Load Data, the Participant may choose to utilize Demand Response as a Qualifying Resource (see attestation in *BPM 108 FS Submittal Procedure*). As described in *BPM 105 Qualifying Resources*, a Demand Response program registered as a Qualifying Resource will require a Capability Test to confirm the claimed capability and duration of load reduction, along with a more frequent Operational Test at a portion of the program's claimed capability and duration.

3. FS Capacity Requirement

The FS Capacity Requirement is the minimum quantity of capacity a Participant is required to demonstrate for each Month of a Binding Season in its FS Submittal (see *BPM 108 FS Submittal Process*). As shown in Equation 1, a Participant's FS Capacity Requirement begins with the Participant's monthly P50 Peak Load Forecast (see Section 4), which is multiplied by one plus the applicable Monthly FS Planning Reserve Margin (FSRPM - see *BPM 102 FS Reliability Metrics*) for a Month (the net result is known as the FS Capacity Requirement Unadjusted). The Contingency Reserve Adjustment (see Section 6) is then added to the FS Capacity Requirement Unadjusted to arrive at a Participant's monthly FS Capacity Requirement.

Equation 1 – FS Capacity Requirement

$$\boldsymbol{FS\ Capacity\ Requirement} = \boldsymbol{FS\ Capacity\ Requirement\ Unadjusted} + \boldsymbol{Contingency\ Reserve\ Adjustment}$$

where

$$\boldsymbol{FS}\ Capacity\ Requirement\ Unadjusted = (P50\ Peak\ Load\ Forecast) * (1 + FSPRM)$$

and

$$\boldsymbol{Contingency\ Reserve}\ Adjustment = Contingency\ Reserve\ Adjustment\_Generation + Contigency\ Reserve\ Adjustment\_Load$$

4. P50 Peak Load Forecast

A Participant's monthly P50 Peak Load Forecast for the Binding Season is calculated to determine a Participant's FS Capacity Requirement Unadjusted. The monthly P50 Peak Load Forecast will be calculated using the following methodologies for the Winter Seasons (Section 4.1) and Summer Seasons (Section 4.2).

4.1. Winter P50 Peak Load Forecast

Example monthly P50 Peak Load Forecasts for a Winter Season is shown in Table 1 and referred to in the methodological steps below.

	Month	Season	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2023/2024 Monthly P50 Peak Load Forecast - unadjusted	2023/2024 Monthly P50 Peak Load Forecast - adjusted for load growth
	November	Winter	2098	1998	1899	1958	2468	1998	2042
Seasonal	December	Winter	2060	2206	2241	2202	2273	2448	2502
Peak	January	Winter	2363	2381	2239	2521	2302	2448	2502
Months	February	Winter	2448	2072	2213	2476	2477	2448	2502
	March	Winter	2070	2253	2047	1959	1806	2047	2093
		Maximum	2448	2381	2241	2521	2477		

Table 1 - Example Winter Season P50 Peak Load Forecast

1. Determine the peak load for each Month of the Winter Season for the last available five seasons using the Historical Load Data submitted as part of the Advance Assessment (see *BPM 101 Advance Assessment*). These are the load values populating the light blue section of Table 1 (e.g. November peak load from 2019/2020 is 1899 MW).
2. Calculate the maximum peak load for each of the last available five seasons. For example, the maximum peak load for 2020/2021 is 2521 MW.
3. The Monthly P50 Peak Load Forecast for the Seasonal Peak Months is the median of step 2 which in Table 1 is 2448 MW.
4. The Monthly P50 Peak Load Forecasts for November and March are the median of the respective load values from step 1, which in Table 1 are respectively 1998 MW and 2047 MW.

An example spreadsheet showing steps 1 through 4 is posted on the WPP website.

5. Per the Tariff, a Participant can modify the results of steps 3 and 4 to account for discrete loads that will be added or removed during the Season. A Participant will need to attest to the accuracy of any modification (see Appendix A - P50 Load Forecast Modifications Senior Official Attestation). Additions and removals of load are separate and distinct from Load Growth Factors discussed in Section 5 and are intended to capture significant one-time changes such as the addition or loss of a large industrial customer.
6. Per the Tariff, a specified Load Growth Factor will then be applied to the results of step 5 (see Section 5) for each year following the last year in the Historical Load data. For example, the Monthly P50 Peak Load Forecast – unadjusted is multiplied

by the Load Growth Factor once for 2022/2023 and again to arrive at the 2023/2024 Monthly P50 Peak Load Forecast – adjusted for load growth value in the last column in Table 2).

4.2. Summer P50 Peak Load Forecast

The monthly P50 Peak Load Forecast for the Summer Seasons utilizes a Load Forecast Ratio to reflect the potential for a Participant to experience peaks in different months of the Summer Season from year to year. An example monthly P50 Peak Load Forecast for a Summer Season is shown in Table 2 and referred to in the methodological steps below.

Month	Season	2018	2019	2020	2021	2022	Monthly Average of Peak Loads	Maximum Monthly Average of Peak Loads	Median of Maximum of Peak Loads for the last five Seasons	Load Forecast Ratio	2024 Monthly P50 Peak Load Forecast - unadjusted	2024 Monthly P50 Peak Load Forecast - adjusted for load growth
June	Summer	3071	3571	1903	2496	1957	2600	2960	3571	0.88	3136	3206
July	Summer	3672	1761	2434	3219	3715	2960			1.00	3571	3650
August	Summer	2049	2929	2661	2939	2347	2585			0.87	3119	3188
September	Summer	2308	1698	1880	1664	2443	1999			0.68	2411	2465
	Maximum	3672	3571	2661	3219	3715						

Table 2 - Example Summer Season P50 Peak Load Forecast

1. Determine the peak load for each Month of the Summer Season for the last available five seasons using the Historical Load Data submitted as part of the Advance Assessment (see BPM 101 Advance Assessment). These are the load values populating the light blue section of Table 2 (e.g. June peak load from 2020 is 1903 MW).
2. Calculate the maximum peak load for each of the last available five seasons. For example, the maximum peak load for 2021 in the yellow section of Table 2 is 3219 MW.
3. Calculate the median of step 2, which in Table 2 is 3571 MW.
4. Calculate the Load Forecast Ratio.
   4.1. For each of the last available five Summer Seasons calculate the average of the five peak loads for each Month. For example, in August in Table 2 the average of the peak loads is 2585 MW.
   4.2. Identify the maximum load value from step 4.1. In the example shown in Table 2 this is the July average of 2960 MW.
   4.3. The Load Forecast Ratio for each Month of the Summer Season is the result of step 4.1 divided by the MW value identified in step 4.2. In the example shown in Table 2, this is 1.00 for July (and will always by 1.00 for the maximum Summer month) and 0.68 for September.

5. Multiply the Load Forecast Ratios for each Month of the Summer Season from step 4.3 by the result of step 3. These are the Monthly P50 Peak Load Forecast values unadjusted for load growth or load additions/removals (seen in red in Table 2). In the example shown in Table 2 the Monthly P50 Peak Load Forecast - unadjusted value for September is 2411 MW (0.68 multiplied by 3571 MW).

An example spreadsheet showing steps 1 through 5 is posted on the WPP website.

6. Per the Tariff, a Participant can modify the results of step 5 to account for loads that will be added or removed during the Season. A Participant will need to attest to the accuracy of any modification (see Appendix A - P50 Load Forecast Modifications Senior Official Attestation). Additions and removals of load are separate and distinct from Load Growth Factors discussed in Section 5 and are intended to capture significant one-time changes such as the addition or loss of a large industrial customer.
7. Per the Tariff, a specified Load Growth Factor will then be applied to the results of step 6 (see Section 5) for each year following the last year in the Historical Load Data. For example, the Monthly P50 Peak Load Forecast – unadjusted is multiplied by the Load Growth Factor once for 2023 and again to arrive at the 2024 Monthly P50 Peak Load Forecast – adjusted for load growth value in the last column in Table 2).

5. Load Growth Factor

A Participant will have the option of using either a WPP-established WRAP-wide growth rate(s) (Section 5.1) or developing its own alternative growth rate (Section 5.2). Load growth is separate and distinct from the additions and removals of load discussed in Section 4.1 step 5 and Section 4.2 step 6.

5.1. Established Growth Rate

A WRAP-wide established growth rate (or set of established growth rates) may account for location, weather, Participant type, Participant customer composition (balance between retail, commercial, and industrial). The established growth rate is currently set at 1.1%. Changes to the established growth rate for the P50 Peak Load Forecast in BPM 103 will be reviewed, endorsed, and approved as described in the *BPM 300's Stakeholder Engagement* series.

5.2. Participant Alternative Growth Rate

If a Participant believes the established growth rate discussed in Section 5.1 does not accurately represent its anticipated loads in the Binding Season, the Participant may request an alternative growth rate that will be validated by the Program Administrator and Program Operator (using the form found on WPP website). The Program

Administrator will consider the data presented in support of the Participant's request for an alternative growth rate, which could potentially relate to weather, economic growth, or climate. As part of the request, the Participant will demonstrate that the alternative growth rate (applied to each year following the last year in the Historical Load Data) results in a P50 Peak Load Forecast that is (in total) 5% higher or lower than the P50 Peak Load Forecast calculated using the growth rate in Section 5.1 in the Month of the Binding Season with the highest P50 Peak Load Forecast. For example, the Participant with data from Table 1 would provide an alternative load growth factor that, when applied for two years of growth, results in a P50 Peak Load value of greater than 2,627MW or less than 2,377MW for December, January, or February, and would provide supporting information for said load growth factor.

6. Contingency Reserves Adjustment

As discussed in *BPM 102 FS Reliability Metrics*, the LOLE Study and resulting monthly FSPRMs ensure Contingency Reserves are maintained by assuming a proxy Contingency Reserve requirement of six percent (6%) of the Regional P50 Peak Load Forecast across the WRAP Region. However, as the BAL-002-WECC-3 standard requires reserves equal to three percent (3%) of hourly integrated load and three percent (3%) of hourly integrated generation, the individual Participants' Contingency Reserve requirements (and therefore FS Capacity Requirements) will be different depending on the load and generation profiles specific to them. For instance, some Participants may utilize contracted capacity to meet their FS Capacity Requirement where the seller, through a contractual arrangement, is responsible for carrying the Contingency Reserve obligation of contracted capacity, or some Participants may purchase Contingency Reserves to cover some or all of their Contingency Reserves requirements. These are categorized as Contingency Reserve adjustments and the intent is to ensure that the portion of the FSPRM attributable to Contingency Reserves is included in the FS Capacity Requirement of the LRE with the actual responsibility, whether that responsibility is driven by a BAL-002 WECC-3 compliance obligation or through a contractual arrangement. The FS Capacity Requirements Unadjusted are therefore adjusted for a Participant's Contingency Reserve requirements (plus or minus). A Participant's Contingency Reserve Adjustment has two components: Contingency Reserve Adjustment-Generation and Contingency Reserve Adjustment-Load.

6.1. Contingency Reserve Adjustment-Generation

A Participant's sale or purchase of capacity where there is an accompanying contractual transfer of obligation for Contingency Reserve may impact the amount of Contingency Reserves needed in the Participant's FS Submittal.

Participants selling capacity that is utilized to meet another Participant's FS Capacity Requirement will get a positive value for the Contingency Reserves Adjustment-Generation, meaning the Participant will demonstrate additional capacity to cover Contingency Reserves for the generating resources serving the export contracts. Participants meeting some or all of the FS Capacity Requirement with contracts where the seller carries the Contingency Reserve obligation will have a negative Contingency Reserves Adjustment-Generation, meaning the Participant demonstrated less capacity, as the seller is carrying the Contingency Reserves for the resources serving the contract(s).

Exceptions to the aforementioned are possible when contractual arrangements dictate alternative treatment as indicated in the workbook.

6.2. Contingency Reserve Adjustment-Load

For a Participant with Contingency Reserve contracts, the Participant's Contingency Reserve Adjustment-Load is the net of the Participant's sales of such contracts less purchases for each Month of a Binding Season.

If a Participant is a net seller of Contingency Reserve contracts to a Participant assumed to have a Contingency Reserve obligation on its WRAP load, it will carry additional Contingency Reserves to cover such contracts (with a positive Contingency Reserve Adjustment-Load). If a Participant is a net purchaser of Contingency Reserve contracts, it will carry fewer Contingency Reserves (having contracted away the obligation), resulting in a negative Contingency Reserve Adjustment-Load.

7. Excluding Load

As described in *BPM 108 FS Submittal Process*, a Participant will include all loads in its FS Demonstration for which it is responsible: i.e. all loads within the Western Interconnect (that are not participating in another resource adequacy program or represented by another WRAP LRE) for which the Participant has an obligation to forward procure capacity to meet any portion of the load or for which the Participant is the exclusive wholesale electricity provider to a load serving entity.

A Participant may seek to exclude loads from WRAP participation. This is distinct from a Participant modifying its P50 Peak Load Forecast to account for additions and removal of load. This is distinct from a Participant modifying its P50 Peak Load Forecast to account for additions and removal of load. As part of its FS Demonstration, the Participant will attest that the Participant is not the exclusive wholesale provider for the load (see Appendix B - Load Exclusion). As part of its FS Demonstration, the Participant will also provide documentation of notice to the end-use customer of the Participant's

intent to exclude the load from WRAP in the form provided on the WPP website and acknowledged via signature by a senior official of the end-use customer. Excluded load may not be included in the Operations Program. Excluded load must be separately metered, such that the excluded load may be removed from load forecasting information to be provided in the Operations Program, as further discussed in *BPM 202 Participant Sharing Calculation Inputs*, and from the Historical Load Data utilized in Section 4. Loads may not be partially excluded.

8. Submitting Loads from Multiple Subregions

As described in *BPM 108 FS Submittal Process*, a Participant responsible for loads in two Subregions seeking to submit a single workbook using one monthly FSPRM may do so if the Participant can demonstrate NERC Priority 6 or NERC Priority 7 firm point-to-point (PTP) transmission service or network integration transmission service (NITS) from the load in the Subregion with the utilized monthly FSPRM to the load in the Subregion with the higher monthly FSPRM (see *BPM 108* for additional information). When submitting a single FS Submittal for loads in multiple Subregions, the Participant will use historical load data including all loads when calculating the FS Capacity Requirement for that Month according to Sections 2 through 7 of this BPM. Subregion loads will be combined on a coincident peak basis to determine monthly P50 Peak Loads when submitting a single FS Submittal.

9. Load Aggregation/Disaggregation

As described in *BPM 108 FS Submittal Process,* all loads submitted by a Participant within a single FS Submittal must be able to be served interchangeably by all Qualifying Resources and Qualifying Contracts in that same FS Demonstration, without the expectation that additional transmission rights will be required to deliver resources to load. In accordance with this, a Participant may be required to submit separate FS Demonstrations, even as to loads residing in the same Subregion, if the Program Administrator determines it is not practicable to treat such loads as if they can share in load and resource diversity for reasons that may diminish the integrity of WRAP reliability metrics, including but not limited to, if loads and resources are not operated collectively.

10. LOLE Study Load Forecast and Load Growth Rate

A LOLE Study (see *BPM 102 FS Reliability Metrics*) is undertaken as part of the Advance Assessment (see *BPM 101 Advance Assessment*) to determine a Binding Season's monthly FSPRMs. The Regional P50 Peak Load Forecasts for the Binding Seasons in the

LOLE Study are calculated using the same Participant P50 Peak Load Forecast methodologies outlined in Section 4. An LOLE Study-specific program-wide load growth rate is then applied to the results. The current Load Growth Factor for the LOLE Study is set to 1.1%. Changes to the established growth rate for the LOLE Study in BPM 103 will be reviewed, endorsed, and approved as described in the *BPM 300's Stakeholder Engagement* series.

Appendix A - P50 Load Forecast Modifications Senior Official Attestation

I, the undersigned, who as [title], serves as a senior official of [Participant], hereby attest that the Monthly P50 Load Forecast values included with this attestation have been modified accurately to the best of my knowledge and belief following due inquiry to account for discrete additions and removals of load planned to take place by the corresponding Months of the Binding Season, not to include speculative or estimated load growth. Included with this attestation is a narrative description of the loads added and/or removed from the Monthly P50 Load Forecast, including their magnitude and applicable Months.

Appendix B - Load Exclusion Senior Official Attestation

I, the undersigned, who as [title], serves as a senior official of [Participant], hereby request that the [load identifier from FS Submittal] be excluded from [Participant's] P50 Load Forecast calculation. I attest that [Participant] is not the exclusive wholesale electricity provider for this load.