



WESTERN
POWERPOOL

Western Resource Adequacy Program

210 Transition Period

Revision History

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210 Transition Period

1. Introduction

The Operations 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 does become subject to compliance obligations. This Operations Program Transition Period Business Practice Manual (BPM) provides implementing details and practices relevant to the Operations Program during the Transition Period.

Implementing details and practices relevant to the Forward Showing (FS) Program during the Transition Period are detailed separately in *BPM 109 Forward Showing Transition Period*.

1.1. Intended Audience

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

1.2. What Will You Find in This Manual?

BPM 210 includes sections outlining practices and implementing details relevant to the Operations Program during the Transition Period, including the operational impacts of utilizing transition provisions in the FS Program.

1.3. Purpose

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

1.4. Definitions

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

Central Hub: As defined in *BPM 204 Holdback Requirement*.

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



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

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

Tier One: The first Priority Tier, As defined in Section 5 of BPM 210

Tier Two: The second Priority Tier, As defined in Section 5 of BPM 210

Tier Three: The third Priority Tier, As defined in Section 5 of BPM 210

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

Voluntary Holdback: As defined in *BPM 204 Holdback Requirement*.

2. Background

The WRAP is a regional resource adequacy program in which Participants demonstrate, in advance of a defined season, that they have sufficient resources to meet their expected peak loads and a reserve margin. The WRAP imposes standards and requirements related to such matters as the resources that qualify to meet resource adequacy objectives, the calculation of peak loads, and the required minimum reserve margin. The WRAP provides for imposition of significant charges on Participants that do not show in advance sufficient resources to meet their FS Capacity Requirement. In addition, under the WRAP, Participants with resources surplus to their needs in the operating time horizon are subject to requirements in certain circumstances during the Binding Season to assist Participants that are resource-deficient in the operating time horizon, and if a surplus Participant fails to make required energy deliveries to a deficient Participant, the surplus Participant is subject to significant charges for such delivery failure. Recognizing that not all Participants may have made all necessary arrangements and implemented all necessary business processes at the program's outset to secure WRAP-Qualifying Resources, meet the various WRAP obligations, and avoid imposition of these significant charges, the WRAP includes a three-year Transition Period. The Transition Period and its associated rules allow each Participant to select which specific Binding 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. A Participant whose charges are reduced during the Transition Period as to a Binding Season shall receive a lesser priority during

such Binding Season to holdback and to voluntary assistance that is provided in certain circumstances.

3. Reduction in Sharing Calculation

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

The amount of capacity shown to be available in the Sharing Calculation of any Participant that was found under the FS Program to have a Monthly Capacity Deficiency shall be reduced by the MW quantity of such Monthly Capacity Deficiency, but only if the Participant paid a FS Deficiency Charge for such Monthly Capacity Deficiency (see *BPM 107 Forward Showing Deficiencies* for additional information). This reduction in Sharing Calculation effectively reduces the quantity of capacity the Participant is expected to have during a Sharing Event, given that the Participant has already paid an FS Deficiency Charge for this increment of capacity for a given Month that provided revenues that were distributed to Participants that did not have Monthly Capacity Deficiencies. As a simple example, if a Participant had a FS Capacity Requirement (i.e., the Participant's P50 load MW quantity and FSPRM MW quantity) in June 2030 of 100 MW but only showed 90 MW in their FS Submittal for June and paid the FS Deficiency Charge on the remaining 10 MW, then the Participant's P50+FSPRM term in their Sharing Calculation would be 90MW during June 2030.

A Participant that pays a FS Deficiency Charge or avoids a FS Deficiency Charge by exercising a No-JCAF Option receives the same reduction in its Sharing Calculation equal to the MW quantity of its Monthly Capacity Deficiency even if that Participant's FS Deficiency Charge was reduced during the Transition Period due to either or both of an Excused Transition Deficit (ETD) or exercising of the No-JCAF Option, as more fully described in the Tariff and in *BPM 109 Forward Showing Transition Period*. While a Participant in those circumstances receives the same MW reduction in its Sharing Calculation, the Participant utilizing either or both FS transition provisions and paying a reduced FS Deficiency Charge will be assigned a lower priority in accessing the aggregate available Holdback Requirements when those aggregates are less than the

corresponding need for capacity needed for a Sharing Event, as described in the following section.

4. Priority of Access During the Transition Period When Available Capacity is Limited

For any Sharing Event during the Transition Period when there is insufficient capacity available to satisfy deficiencies of all Participants with a negative Sharing Calculation, then the available capacity will be allocated in accordance with Priority Tiers, as described below. A Participant's assignment to a Priority Tier is based on that Participant's circumstances in a Binding Season FS Submittal. The Priority Tiers described here only apply during the Transition Period.

The rules that result in the differing Priority Tiers for purposes of allocating insufficient aggregate Holdback Requirements during the Transition Period are as follows:

- 1) The first Priority Tier ("Tier One") comprises a) any Participant, as to a Transition Binding Season of such Participant, that had no Monthly Capacity Deficiency during any Month of the relevant Binding Season; and b) Participants that had one or more Monthly Capacity Deficiencies during the relevant Binding Season, but paid an FS Deficiency Charge for all such Monthly Capacity Deficiencies, and did not have any of those Monthly Capacity Deficiencies reduced by exercising the No-JCAF Option, nor have any of those FS Deficiency Charges reduced by an ETD.
- 2) The second Priority Tier ("Tier Two") comprises Participants that had one or more Monthly Capacity Deficiencies during the relevant Binding Season and paid an FS Deficiency Charge for all such Monthly Capacity Deficiencies and that, as to all such Monthly Capacity Deficiencies, had FS Deficiency Charges reduced by an ETD, had Monthly Capacity Deficiencies reduced by the No-JCAF Option, or a combination of the two.
- 3) Third priority will be given to Participants for which the relevant Binding Season is a Non-Binding Season for such Participant ("Tier Three"). Note that Non-Binding Participants do not pay FS Deficiency Charges during their Non-Binding Seasons, even if they might otherwise be calculated to have a Monthly Capacity Deficiency.

A Participant's Priority Tier is compared against the Priority Tier of all other Participants that have a negative Sharing Calculation for the same Sharing Event, and have confirmed their need for assistance.

Available capacity from positive Sharing Requirements (from Participants, as to a Transition Binding Season of such Participant) is allocated first to Participants in Tier One, subject to transmission limitations impacting optimization in a Subregion without a Central Hub. Any remaining positive Sharing Requirement capacity is then allocated to Participants in Tier Two. Capacity from Sharing Requirements, and resulting Holdback Requirements subject to Delivery Failure Charges, is available only to Tiers One and Two. Within each Priority Tier, the rules set forth in the Tariff and *BPM 204 Holdback Requirement* for allocation of holdback to Participants with negative Sharing Calculations (those that have confirmed the need for assistance under Tariff Sections 20.2.1 or 20.4.2, as applicable) apply.

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

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

The Participants in each Priority Tier, their rights, and their responsibilities, are also summarized in Table 1 below.

5. Priority Tier Summary

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

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

Tier	Who is in it?	What do they get?	Obligations to WRAP
Tier One	<p>Participants that have met their Transition Binding Season(s) FS Capacity Requirement without use of the No-JCAF Option.</p> <p>Participants that have paid a FS Deficiency Charge on the Monthly Capacity Deficiency without use of ETDs nor the No-JCAF Option.</p>	<p>Holdback Requirements from other Participants, as assigned per the Tariff.</p> <p>Access to Voluntary Holdback offered by other Participants, as allocated among Participants with negative Sharing Calculations who confirmed a need for assistance for the given hour.</p>	<p>Subject to binding WRAP obligations for FS and Operations (including receiving Holdback Requirements).</p> <p>May provide Voluntary Holdback.</p>
Tier Two	<p>Participants who have paid a FS Deficiency Charge that was reduced by use of ETDs and/or had their Monthly Capacity Deficiency reduced by the No-JCAF Option.</p>	<p>Holdback Requirements from other Participants, as assigned per the Tariff, to the extent not otherwise allocated to Tier One Participants.</p> <p>Access to Voluntary Holdback offered by other Participants, as allocated among Participants with negative Sharing Calculations who confirmed a need for assistance for the given hour, to the extent not otherwise allocated to Tier One Participants.</p>	<p>Subject to binding WRAP obligations for FS and Operations timeframes (including receiving Holdback Requirements).</p> <p>May provide Voluntary Holdback.</p>

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

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