WESTERN POWERPOOL

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Wednesday, October 8, 2025

To: Cindy Crane, PacifiCorp Chief Executive Officer and Chair
From: Bill Drummond, Western Power Pool Board Chair

Dear Ms. Crane,

Thank you for your recent letter regarding the Western Resource Adequacy Program (WRAP). After discussing your concerns and requests with the Board of Directors, we wanted to provide you with a detailed response.

First, we have significant common ground. You wrote, "Resource adequacy is a foundational element of reliability and affordability in the West." You also stated that, "WRAP has a unique opportunity to solve significant issues in the West."

We agree. WRAP was created at the request of industry and with partnership from PacifiCorp and many others to offer a regional solution to these serious reliability challenges. We have come a long way since the initial conversations that launched WRAP and now stand on the precipice of launching binding operations and delivering on the program's value proposition.

In your letter, you requested that the Board defer the participant decision to remain in the program when it becomes financially binding in Winter 2027/2028 by one year. It is the Board's view that delaying the commitment date would have a detrimental effect on WRAP and its participants. Delaying the participant decision deadline or the start of binding operations adds uncertainty, undermines confidence in our data and modeling, limits program compliance and stifles unlocking the full benefits of the program which can only come with the certainty of binding operations. As indicated by a public letter of commitment from 11 participants with substantial load, resources, and geographic diversity, together with additional participants we expect to join them, we have the critical mass to move forward with confidence for the Winter 2027/2028 binding season. Any further delay would jeopardize this critical progress.

We are proud of the open, transparent governance process that our stakeholders have created, which allows participants to propose changes to the program and to collaborate

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with each other to make those changes happen. WRAP is a voluntary resource adequacy compliance program, which necessitates a bottom-up, member-driven process to make changes that will affect all participants in the program. The Board does not believe that the unilateral Board action requested by PacifiCorp aligns with the tenets or the spirit of the established governance process,[1] and driving such a request through the process contemplated by the Tariff is not feasible with so little time before the decision deadline.

That brings us to the letter's second request, to "continue to engage stakeholders in refining WRAP's design, ensuring that the program delivers on its promise of reliability, affordability and regional coordination."

This engagement work with stakeholders will continue. As you are probably aware, there is already work underway to optimize the program in response to suggestions from participants, including task forces addressing some of the challenges you raised in your letter. These efforts are following the same governance process I referenced earlier.

We appreciate PacifiCorp's long-term commitment and engagement in WRAP and invite PacifiCorp to continue to participate in these discussions. Our goal is to work through this process to refine and optimize WRAP, ultimately creating a program that draws a broad regional coalition of participants who find value in it and want to join.

I realize this may not satisfy your concerns about the October 31 deadline and understand that, as a result, you may need to provide notice this month of intent to exit the program before the first binding season starts in 2027. Fortunately, the two-year exit notice means exiting participants continue to comply with the WRAP and engage with WRAP processes during the exit window. Further, that notice would not end PacifiCorp's ability to participate in the stakeholder process.

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[1] *Section 3 of the WRAP Tariff states that, "[t]he Board of Directors shall only consider amendments to this Tariff… after such amendments are first acted upon by the RAPC." In addition, it states, "[i]n the event that the Board of Directors wishes to initiate an amendment to this Tariff…that has not undergone PRC and RAPC review, the Board of Directors shall first submit such proposed amendment to the PRC for review." These provisions establish stakeholder expectation about process, built into the FERC-filed tariff, that the Board believes it is important to respect when possible.*

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Our sincere hope is that the ongoing work can satisfactorily resolve your concerns so that PacifiCorp can commit to binding participation in WRAP on a timeline that works for PacifiCorp. If PacifiCorp ultimately determines it would like to participate in the binding Winter 2027/2028 season, it can recommit to ongoing WRAP participation as late as September 15, 2026, to be part of that binding WRAP season.

PacifiCorp has long been a valued partner of the Western Power Pool, and I look forward to continuing to work together to create a robust and valuable solution to the growing resource adequacy challenges in our region.

Sincerely,

Bill Drummond

Bill Drummond
WPP Board Chair

CC: Mike Wilding, VP Energy Supply Management, PacifiCorp
Chris Parker, Chair, Committee of State Representatives
Letha Tawney, Vice Chair, Committee of State Representatives
Members of the Committee of State Representatives
Resource Adequacy Participants Committee