

Western Power Pool

5-Year Strategic Plan 2025-2027

September 2024

WPP OVERVIEW

33 BALANCING
AUTHORITIES

35 BALANCING
AUTHORITY AREAS

47 DIVERSE MEMBER
COMPANIES

114 GW
COINCIDENT
PEAK LOAD

124 GW
NON-COINCIDENT
PEAK LOAD

1.65 MILLION
SQUARE MILES OF
SERVICE AREA

55 Million
PEOPLE SERVED
WITHIN NORTH AMERICA

2 PROVINCES 

13 STATES 



The Western Power Pool (WPP) is a non-profit 501(c)(6) membership organization formed by utilities, generators, and energy managers (as Northwest Power Pool) to create increased grid efficiency and reliability through collaboration and coordination. The WPP's members include companies who participate in WPP-facilitated reliability programs and other companies, with a stakeholder interest in those programs, who enroll with WPP as members.

The mission of WPP is to provide a range of grid integration services which leverage significant diversity and operations capability to enhance reliability and provide value to our members.

WPP offers many high-value services to its members, including reliability programs, discussion forums, training services, and hydro modeling. While WPP-hosted and facilitated programs are varied and numerous, the following highlight the WPP's diverse service offerings:



- Reserve Sharing Program (RSG): Balancing Authorities have instituted a Reserve Sharing Program for contingency reserves (as permitted by NERC¹ and WECC² standards), which allows them to call on other participants for assistance if their internal reserve does not fully cover a contingency or disturbance.



- Western Frequency Response Sharing Group (WFRSG): This program allows participating Balancing Authorities to calculate annual frequency response measures collectively to meet NERC obligations.



- Western Resource Adequacy Program (WRAP): A program that operates under a FERC-approved tariff and seeks to provide transparent resource adequacy planning metrics and load and resource diversity sharing, enhancing reliability for participants across the Western footprint.



- NorthernGrid: Facilitates regional transmission planning across the Pacific Northwest and Intermountain West through one common set of data and assumptions along with stakeholder and participant input forums.

¹ North American Electric Reliability Corporation (NERC)

² Western Electricity Coordination Council (WECC)



- Regional Transmission Planning Services (RTPS): Offers member forums through which transmission planners discuss new technologies and compliance and engage WPP in special studies.



- Western Transmission Expansion Coalition (WestTEC): A west-wide long-term transmission planning effort to develop an actionable transmission study to support the needs of the future energy grid.

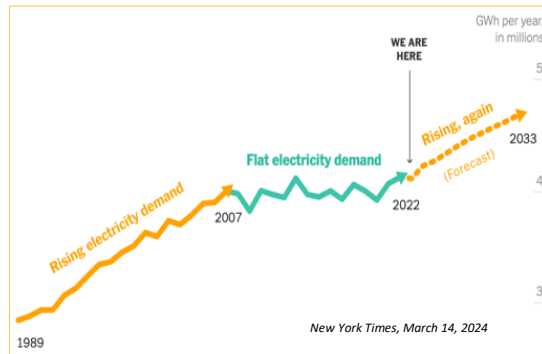


- Source.Training: A training platform for real-time system operators of WPP members and subscribers, providing top-tier NERC-approved continuing education opportunities.

Moving forward, our long-term aspiration remains grounded in WPP’s historical roots, with the expectation to continue creating value for our members. **In all that we do, WPP’s vision is to be a trusted partner for essential grid integration services to the Western Interconnect.**

Changing Dynamics in the West Create Greater Complexity and Greater Opportunity

The dynamics of generating, transmitting, and delivering energy throughout the West have become increasingly complex over the past decade and reinforce the need for regionwide coordination efforts. The increased electrification of buildings, vehicles, and fleets, plus expected large new loads associated with emerging data centers and technology, will increase both peak and average megawatt customer demand.



In addition, most states in the West have now established clean energy targets or mandated the reduction of emissions, with several states requiring 100% clean energy between 2040-2050. As a result, the roles of both variable resources and customer-based resources are increasing, raising the complexity of both resource adequacy and reliability throughout the region.

Regional connectivity means that members have increasing flexibility to meet growing customer demand. Members are now able to participate in regional energy markets, providing more regional coordination and efficiencies. Although access to available energy is improving, the absence of a contiguous west-wide Regional Transmission Organization (RTO) increases the need for a grid integrator, like WPP, to facilitate collaboration across members and ensure coordination around resource adequacy and reliability. Also, the increasing need for regional capacity and diversity of resources has urgently highlighted the necessity for greater transmission capacity and interconnectivity on a west-wide basis.

Finally, the rise in extreme weather events experienced across the West in recent years, and an increasing risk of wildfires and their potential impact on the transmission and distribution infrastructure, increase the complexity of planning and the importance of west-wide collaboration.

Overall, these dynamics reinforce the importance of regionwide efforts around reserve sharing, transmission planning, training, and resource adequacy. There is a significant opportunity for WPP to provide further value to members over the coming years through the sharing of our west-wide expertise and perspective in support of planning and operations.

5-Year Goals and Outcomes

The strategic intent of WPP over the next five years is to continue to create value for our members through programs and shared services, collaborative reliability solutions, transmission planning, and west-wide information and insights. In addition, although WPP has demonstrated its ability to respond to needs and create collective member value through programs, the organization has not kept up with internal resource needs and scalability in its processes and infrastructure. The focus for the next five years is to increase value for members by executing existing programs and agreements effectively *and* building organizational scalability through talent, processes, and infrastructure that enable enduring effectiveness.

The defined five-year goals and outcomes of the organization are:

- **Be a Trusted Partner to Member Utilities**—Execute and deliver programs and services that provide high value, both in efficiency and reliability. Success means we are seen as a strong and trusted partner.
- **Enhance and Support Regional Reliability and Resource Adequacy**—Effectively support regional efforts around reliability and resource adequacy through actionable information and WPP’s collaborative solutions and programs. Success includes a thriving suite of reserve sharing programs with expanded membership and broad participation in a fully implemented WRAP.
- **Enable Regional Transmission Planning That Supports Reliability**—Facilitate and support regionwide transmission planning across members’ service territories to meet growing demand and support reliability and resource adequacy requirements.
- **Be a Trusted Source of Information for Members**—WPP has a unique opportunity to act as an independent, objective source of data and information with west-wide access to system operations and resource adequacy data. We strive to grow this capability and provide this value to members.

To achieve these five-year goals and outcomes, WPP has identified three primary strategic areas of focus that create the foundation for our strategic plan and tactical operational planning.

1. Strengthen our effectiveness as a member-driven organization
2. Build organizational scalability to meet members’ present and future needs

3. Effectively execute programs and services that bring significant value to our members

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Strategic Area of Focus #1: Strengthen our Effectiveness as a Member-Driven Organization

WPP was formed to create value and efficiency for our members. Looking forward, we will seek to further refine our working processes with our members in terms of input, planning, feedback loops, and program and service delivery. An ongoing commitment to continuous improvement in the way we work with our members will strengthen the value we provide.

Goals:

- **Be a Trusted Partner to our members** by being responsive to their needs by providing services and information
- **Seek clear expectations and agreements** with members to align both focus and delivery of programs
- **Create reciprocal dialogue opportunities** between WPP and members across all programs and functions

Areas of Focus/Key Deliverables:

- Continue to improve the functioning and effectiveness of the member committees participating in and governing WPP programs
- Improve input, engagement, and communications processes with members
- Improve capabilities and processes to provide responsive, member-requested services that add specific value
- Improve transparency in our business functions, decision-making, and strategic planning

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Strategic Area of Focus #2: Build Organizational Scalability to Meet Members' Present and Future Needs

The expansion of WPP programs and services, evolutions in available technology, and the WPP's growing role in collaborative regional solutions combine to create the need for a stronger, more dynamic, and scalable organization. Ensuring we are able to deliver on services already undertaken, while also considering additional

value-add work for our members, will require WPP to increase institutional capacity.

Goals:

- **Solidify and strengthen core processes** and functions of the organization in line with industry best practices and ensure ongoing legal compliance
- **Build scalability** in the organization's capabilities, bringing technology systems and processes that can support additional value-added work as identified by members
- **Reduce transactional friction** in our engagements, making it easier for members to work with us and receive value

Areas of Focus/Key Deliverables:

- Create and execute a staffing plan that adequately resources the organization and WPP programs with the high-quality talent expected of WPP staff
- Solidify the organization's core functions, including finance, compliance, human resources, technology systems, legal, and project and program management in line with industry best practices and processes
- Refine management practices, company culture, and talent acquisition and retention in order to create a high performing environment
- Build information management practices, data analytics, and reporting that create additional value for members

3

Strategic Area of Focus #3: Execute Programs and Services That Bring Value to Our Members and the Region

The third area of focus is on effective execution and operational excellence in our member programs and service offerings. While we prepare the organization for growth and potential expansion, we must focus on executing our programs in the most effective and efficient manner possible.

Goals:

- **Ensure exceptional execution** of WPP programs, focused on ensuring compliance, reliability, and ease of participation for members

- **Facilitate collaborative solutions** to enhance reliability and enable efficient grid integration, by convening utilities and stakeholders throughout the region
- **Curate deep knowledge and highly capable talent** to provide industry-leading subject matter expertise to members, training programs, program committees, and regional discussions
- **Ensure sustainable funding** for approved programs and commitments

Areas of Focus/Key Deliverables:

- Continue to collaborate with members to create pathways for growth of WPP-facilitated programs, expanding the value proposition of existing services
- Facilitate the ongoing operations of the Reserve Sharing Group (RSG) and Western Frequency Response Sharing Group (WFRSG) in support of member compliance obligations, while implementing program enhancements and onboarding new participants
- Implement the Western Resource Adequacy Program (WRAP), ensuring value to regional reliability and to members throughout program execution and transitioning to a binding program with a critical mass of participants
- Provide effective and high value transmission planning support through the implementation of Regional Transmission Planning Services (RTPS), the NorthernGrid services agreement, and the Western Transmission Expansion Coalition (WestTEC)
- Expand training services in collaboration with members, while maintaining the training platform's high-quality and valued products
- Work with members to identify and respond to opportunities to expand our services as regional collaboration continues to grow and grid integration and transformation challenges evolve

Summary: Moving forward, there is a significant opportunity for WPP to continue to add value to members and the western region, setting the stage for a strong, high-value partnership in the next five years.

Our strategic plan lays a foundation for focus and execution. WPP is a trusted partner today because of its member-driven processes and its collaborative engagement with members around prioritization and resource utilization. WPP needs to continue to evolve and refine the way we work with our members to create value and efficiency, as well as

tangible improvements in regional reliability. In addition, we seek to improve levels of engagement and coordination with our members and regional stakeholders to increase the value brought to them by WPP.

WPP will continue to effectively deliver member programs and shared services, collaborative solutions for reliability, transmission planning and resource sharing, and west-wide information and insights to add significant operational value to our members and the western region. We will also build organizational infrastructure both to create scalability in our capabilities and to be able to respond to opportunities that may emerge, and which fit within the scope of this Strategic Plan.

The next five years will bring increasingly complex dynamics and the need for stronger collaboration and convening across members and regional stakeholders to meet resource adequacy and reliability needs. We are excited to employ our expertise to contribute to both solving these challenges and realizing the opportunities that this evolving environment creates. We look forward to engaging collaboratively with our members to respond and serve in the highest value manner possible over the coming years.