



# Frequently Asked Questions

On Transmission in the 2B Detailed Design

## Transmission Deliverability Key Principles

- a) Encourage procurement of firm transmission service sufficient to demonstrate deliverability of resources to load, while recognizing the need for flexibility where necessary or appropriate.
- b) Enhance overall visibility with respect to deliverability (from generator to load) for resources used for program compliance, supporting situational awareness and regional planning.
- c) Support and enhance reliability across the region without supplanting existing responsibilities of Balancing Authorities, LREs/LSEs, and TSPs, and others.
- d) Rely on existing OATT frameworks to facilitate transmission-related requirements for demonstration of resource adequacy and sharing of diversity across the NWPP footprint.
- e) Respect program Participants' OATT rights and responsibilities and Participants' other legal obligations, including contractual commitments and statutory requirements.
- f) Design the Program in a manner that achieves deliverability objectives in a manner that is consistent with continued market efficiency in the operational time horizon.

## Transmission Deliverability Frequently Asked Questions

- 1) **Will the Western Resource Adequacy Program (WRAP) require demonstration of firm transmission to assure deliverability of resources load?**

**Yes** - The WRAP will require Participants to demonstrate they have firm transmission service to serve their load.

- 2) **Once a Participant demonstrates they have firm transmission service does that then mean they are required to utilize it in all circumstances to serve load?**

**No** – Though the firm transmission requirement will ensure that RA generation resource output will be deliverable to load during stressed conditions, it is not intended to prevent economic displacement activities when conditions make it safe to purchase energy from other sources, on other transmission paths. The firm transmission requirement is not intended to prevent efficient trading activities, or the use of other transmission products; rather the requirement is intended to help ensure that the generation set aside to meet RA requirements will be able to serve load when no other economic and reliable options are available.

- 3) **What is the Forward Showing (FS) transmission service requirement?**



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At the FS deadline, Participants are required to demonstrate that 75% of their FS obligation (P50 + PRM) is supported by firm transmission rights or firm transmission rights that fall into the conditional (Vulnerable) window (or, as applicable, 6NN transmission rights at the TSP's discretion) from identified generation resources to the load being served other than for defined exceptions.

#### 4) Is there a penalty for not meeting the FS transmission service requirement?

**Yes** – Not meeting the FS transmission service requirement is considered a failure to meet the WRAP's FS requirements and the Participant would be subject to the WRAP's Cost of New Entry (CONE)-based penalty structure.

#### 5) Will the Program Operator (PO) or Program Administrator (PA) change the FS transmission service requirement after the FS deadline and prior to the Operating Day?

**No** – The PO or PA will not change the FS transmission service requirement once compliance has been demonstrated in the FS.

#### 6) Is there additional transmission service requirement in the Operations Time Horizon?

**Yes** - In the operational time horizon if PO forecasts a sharing event (i.e., one or more Participant is forecasted to be deficit), Participants will be required to be able to demonstrate that they have 100% firm transmission rights or firm transmission rights that fall into the conditional window (or as applicable, 6NN transmission rights at the TSP's discretion) to meet their expected load + any contingency + forecasted sharing allocation. Exception rules might apply if there was no firm transmission available from FS timeline to operational timeline.

#### 7) What happens if a Participant cannot procure firm transmission service to meet the FS transmission service requirement or as needed in the operational time horizon?

Participants will be required to use due diligence in the program. If sufficient firm transmission rights for FS period of 7 months in advance and from the FS window to the Operational time horizon do not exist, the Participant may be approved for exceptions, if they have made every good faith effort to procure transmission for the FS window.

#### 8) Would the existing transmission agreements between transmission customers and TSPs be changed under this WRAP?



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**No** - The current design would not change the existing transmission contracts and obligations between TSPs and their customers.

### 9) Are TSPs participating entities in the WRAP?

**No** - The WRAP current design is expected to provide the opportunity for transmission providers to work closely with the PO, on a voluntary basis, to further assess the state of the transmission system after FS. These assessments will use current forecasted load and current forecasted resources to be dispatched.

### 10) Do you expect the WRAP to inform regional planning and improve situational awareness?

**Yes** - The current WRAP design is expected to provide enhanced information on transmission limitations in the context of Western resource adequacy. This information may be used by individual entities as well as transmission planning organizations and efforts. It is also expected to facilitate additional situational awareness with respect to resources availability and associated transmission needed for service to load in the operational planning horizon (7 months in advance of the season). Finally, the WRAP is complementary to other transmission related efforts and activities and in no way replaces those efforts and activities.

### 11) Will the program design elements that address transmission deliverability issues remain static or could they change as the program evolves?

**No** - After further experience with this program, NWPP RA Program Participants may explore design improvements related to transmission congestion and its possible impacts to resource adequacy so that the risk of transmission congestion impacting reliability is evaluated on an ongoing basis, including an assessment of the cost/benefits of such design enhancements.

### 12) How did the WRAP decide on the 75% threshold?

The WRAP considers the 75% threshold as a "goldilocks" number - we are attempting to balance the different objectives and needs of the program. While the goal of the WRAP is increased reliability, we recognize that we don't want to over-prescribe requirements that could lead to unnecessarily large costs. We have left the possibility for appeals and exceptions from the PO/PA, which a task force is currently considering.