



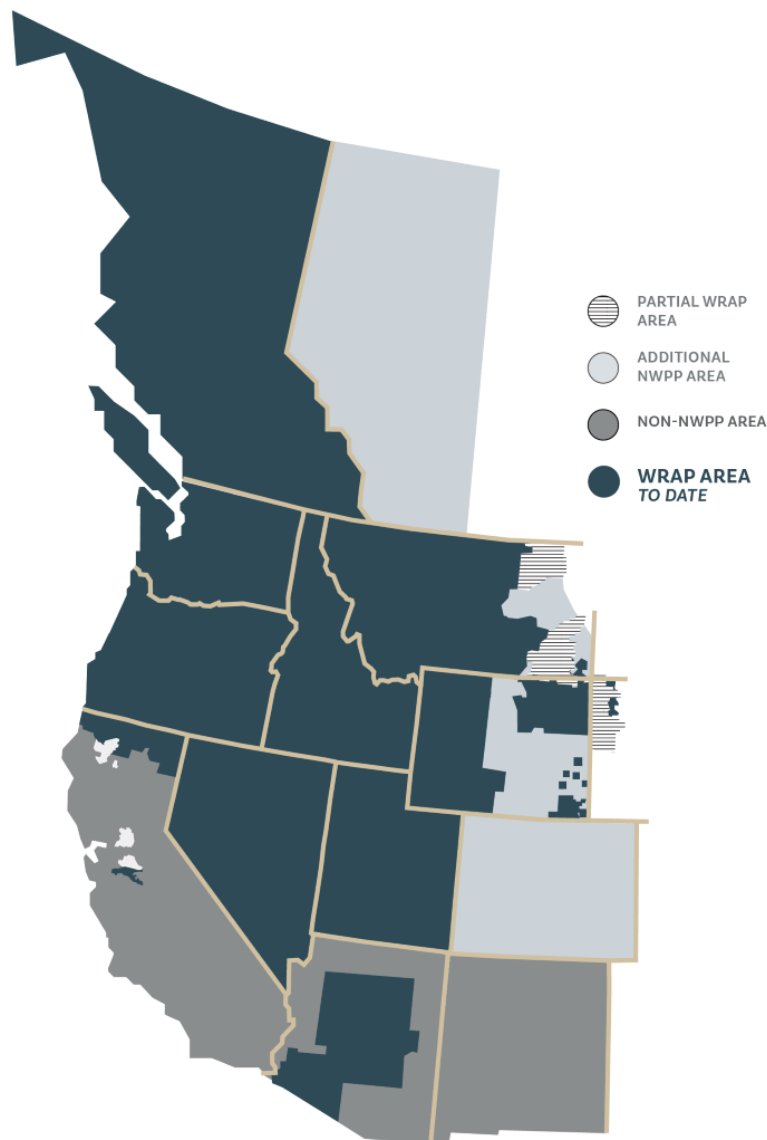
# **WESTERN RESOURCE ADEQUACY PROGRAM**

**Mid-C Seminar**

**June 13, 2022**

## PHASE 3A PARTICIPANTS

Arizona Public Service  
Avangrid  
Avista  
Black Hills  
Basin Electric  
Bonneville Power Administration  
Calpine  
Chelan PUD  
Clatskanie PUD  
Douglas PUD  
Eugene Water & Electric Board  
Grant PUD  
Idaho Power  
NorthWestern Energy  
NV Energy  
PacifiCorp  
Portland General Electric  
Powerex  
Puget Sound Energy  
Salt River Project  
Seattle City Light  
Shell  
Snohomish PUD  
Tacoma Power  
The Energy Authority  
Turlock Irrigation District



- > **Industry-driven initiative** for regional approach to help ensure resource adequacy in light of changing resource composition and increased resource uncertainty
  - > Estimated peak winter load of 65,122 MW and summer load of 66,768 MW
- > **Participation is voluntary**, with mandatory requirements once joined
- > Implemented through **bilateral transactions under existing frameworks**

*Also – in response to feedback from participants, NWPP is now doing business as Western Power Pool (WPP)*

# SOLVING A PROBLEM

## » What WRAP does:

- » Implements a **binding forward showing** framework that requires entities to demonstrate they have secured their share of the regional capacity need for the upcoming season
- » Implements a **binding operational program** that obligates members with calculated surplus to assist participants with a calculated deficit on the hours of highest need
- » Leverages the binding nature of the operational program, together with modeled supply and load diversity, to **safely lower the requirements** in the forward showing and help **inform resource selection** for the region, **driving investment savings** for members and their end use customers

# PROGRAM DESIGN OVERVIEW

## FORWARD SHOWING PROGRAM

- » Establishes a **regional reliability metric** (1 event-day in 10 years LOLE)
- » Utilizes thoughtful modeling and analytics efforts to:
  - » Determine historical summer and winter **capacity critical hours** (CCHs) data sets for the region
  - » Determine each resource type's **qualifying capacity contribution** (QCC) to the regional capacity needs
  - » Determine planner reserve margin (PRM) which is applied to peak load forecast based on P50 metric
- » Showing requirement includes **deliverability** component
  - » Firm or conditional firm transmission to meet 75% of P50 + PRM (paired with robust exception framework)
- » Participant compliance obligation (7 months in advance of binding season) = **physically firm resources to meet P50 + PRM**

Determine  
Program  
Capacity  
Requirement



Determine  
Resource  
Capacity  
Contribution



Compliance  
Review of  
Portfolio

# PROGRAM DESIGN OVERVIEW

## OPERATIONS PROGRAM



- » Evaluates participants operational situation relative to Forward Showing assumptions (for load, outages, VER performance)
- » Obligates participants with calculated surplus to assist participants with a calculated deficit on the hours of highest need
- » Deficiency forecast on day before Operating Day (Preschedule Day) establishes Holdback Requirement for surplus participants
- » Surplus Participant that fails to provide assigned Energy Deployment must pay Energy Delivery Failure Charge

# WRAP DECISION-MAKING

- » Independent Board of Directors (BOD) of WPP has ultimate decision-making authority for WRAP
- » RA Participant Committee (RAPC) will provide advisory votes to BOD on program changes
  - “House” (P50 load) and “Senate” (headcount) style voting
  - 67% approval on both House and Senate tallies needed on resolutions that were approved by PRC, all other votes require 75%
- » RAPC and BOD meetings will be open when making decisions about WRAP
- » Program Review Committee (PRC) will provide advisory votes to RAPC and BOD on program changes
- » Committee of State Representatives (COSR) can compel RAPC to engage in further discussions if COSR disagrees with RAPC vote

# WRAP GOVERNANCE

- » There will be program committees with various representation from the industry:
  - Sector-representative committees to nominate BOD and take lead of program design updates
  - Committee of State representative made up of reps each state/province that regulates one or more Participants
  - Participant committees
- » Program design updates
  - Anyone will be able to submit design change proposals to the PRC
  - Design recommendations review process will include public comment
  - Stakeholders will be able to make public comment in Board of Director (BOD) and RA Participant Committee (RAPC) open meetings

# OVERVIEW OF PROJECT TIMELINE



» Non-Binding Seasons for current participants:

- Winter 22-23 (showing targeted for late August)
- Summer 23 (showing in September)

– Additional non-binding seasons for 3B participants (those committed in December 2022 to future binding participation) as binding program is implemented

» Binding Program:

- Transitional provisions (phasing in fees, likely phasing in footprint to binding program)



# PROGRAM DESIGN UPDATES

- » South West/East Diversity Exchange
- » VER Zone: Wind & Solar\*
- » Forward Showing Capacity Requirement\*\*
- » Capacity Accreditation of Legacy Agreements\*
- » Load Forecasting\*
- » Transmission Demonstration Req/Exceptions\*\*
- » Operations Program Settlement and Delivery Failure Penalties \*
- » Forward Showing Deficiency Charge - CONE\*
- » Cost Allocation\*
- » How Loads Participate\*\*
- » Transition to Binding

\* previously presented at a public webinar \*\* will be presented at an upcoming public webinar 9

# CURRENT PHASE ACTIVITIES



PO = Program Operator  
 LOLE = Loss of Load Expectation  
 ELCC = Expected Load Carrying Capacity

# THANK YOU

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