

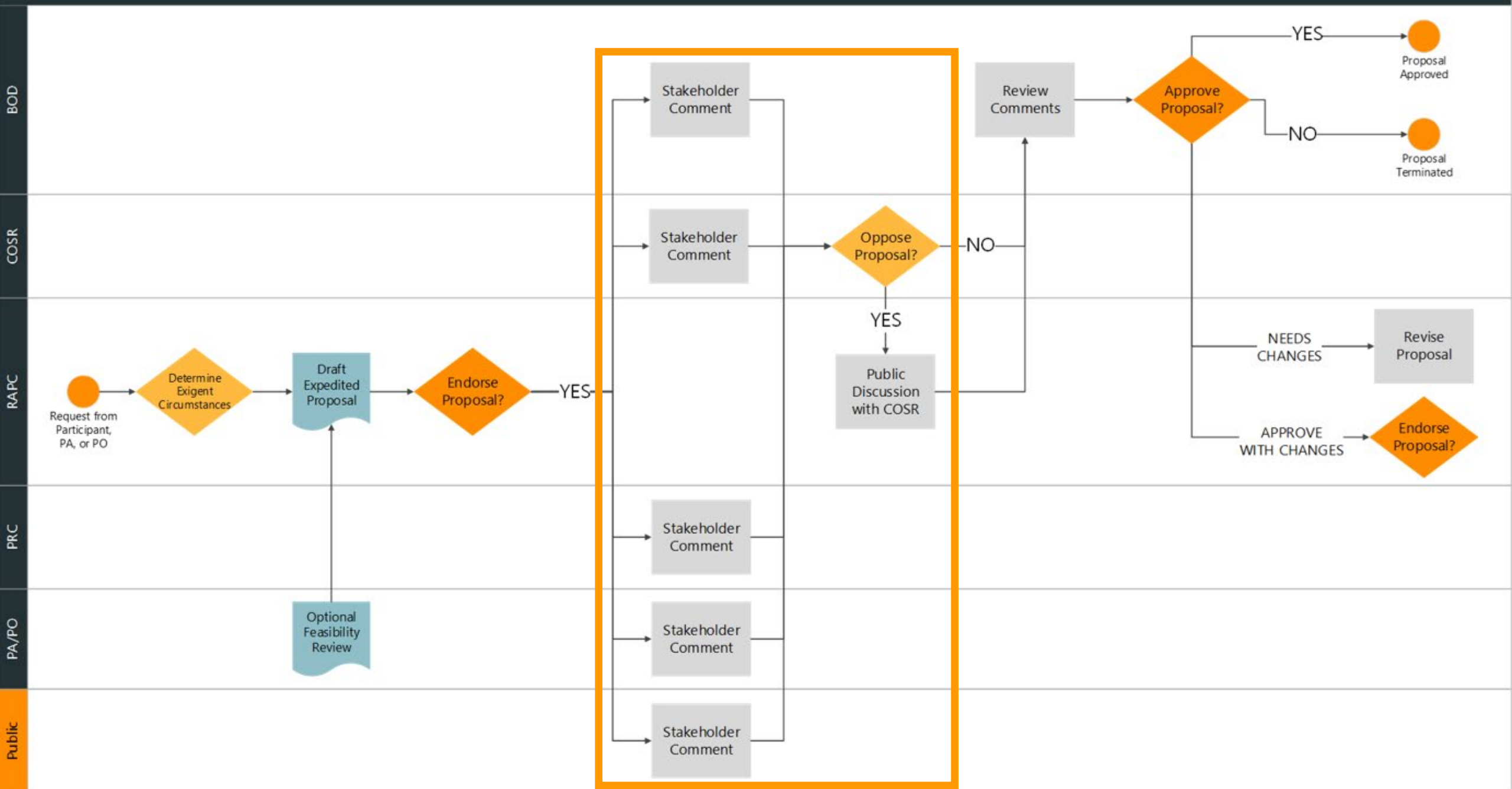
WESTERN RESOURCE ADEQUACY PROGRAM

Committee of State Representatives

September 10, 2024

**2024-EP-1
Revised Transition Plan**

Expedited Review Process



TRANSITION PERIOD

Current Tariff	Tariff Redlines
<p>» Transition Period Definition: From June 1, 2025 (Summer 25) through March 15, 2028 (Winter 27-28)</p>	<p>» Extended through March 15, 2029 (Winter 28-29)</p>

BINDING SEASON

Current Tariff	Tariff Redline
<ul style="list-style-type: none">» 2 years prior to start of binding season» Exit window for W27/28 Oct 31 2025	<ul style="list-style-type: none">» Participant deadline to select Summer 2027 as their first binding season will be January 15th, 2026<ul style="list-style-type: none">» Summer 2027 LOLE modeling will include all Participants, regardless of binding season selection» Exit window for W27/28 remains Oct 31 2025

CRITICAL MASS

NEW DEFINITION

- » If there is less than “Critical Mass” in a Subregion, **Participants in that Subregion may remain non-binding**
- » The Critical Mass thresholds will eventually be set in BPM 109 FS Transition Period; at the June 28, 2024, in-person RAPC we discussed exploring the following:
 - » **15 GW in SWEDE and 3 Participants**
 - » **20 GW in Mid-C and 3 Participants**

Redlines

Definition Addition: “The threshold level of participation in a Subregion, as established in the Business Practice Manuals, below which the Participants of such subregion *may* elect to participate as Non-Binding Participants.”

Providing Notice: “Once WPP has given notice to Participants that their subregion does not have Critical Mass for a given Binding Season, such Participants will have 30 days to provide notice to WPP if they intend to participate as Non-Binding Participants for that Binding Season. Such notice and election will be given similarly for each season without critical mass participation”

ETD/DISCOUNTS

- » “Discounted Deficiency Charge” + ETDs in S27, W27/28 limited to 200% FSPRM MWs
- » References to reduced deficiency charge changed to Discounted Deficiency Charge during the Transition Period

Definition Redlines

Discounted Deficiency Charge: “A reduced deficiency charge during the transition period that enables a deficient participant that demonstrates commercially reasonable efforts but is unable to cure deficiencies to access operations program capacity”

ETD Change: “A Participant’s inability during the Transition Period to demonstrate full satisfaction of the Participant’s FS Capacity Requirement, which, under certain conditions and limitations prescribed by Part II of this Tariff, ~~permits the Participant to pay a Discounted Deficiency Charge. permits a reduction in the otherwise applicable Deficiency Charge~~”

ETD/DISCOUNTS

Current Tariff	Tariff Redlines
<ul style="list-style-type: none"> » ETDs limited to 25% of PRM in S27 and W27/28, no discount in S28 or W28/29 	<ul style="list-style-type: none"> » ETDs limited to 200% of FSPRM in S27 and W27/28, 100% PRM in S28 or W28/29
<ul style="list-style-type: none"> » FS Deficiency Charge reduction of 25% in S27 and W27/28, no discount in S28 and W28/29 	<ul style="list-style-type: none"> » Discounted Deficiency Charge equivalent to 75% reduction of FS Deficiency Charge during S27 and W27/28 and 50% reduction during S28 and W28/29
<ul style="list-style-type: none"> » To obtain ETD, Participant must provide SOA that they have made commercially reasonable efforts to secure Qualifying Resources 	<ul style="list-style-type: none"> » Evolve SOA language to enable attestation by 3rd party under certain circumstances <ul style="list-style-type: none"> » RAPC, Board to endorse examples of commercially reasonable efforts
<ul style="list-style-type: none"> » Tier 2 Priority Access to Holdback during the Transition Period for Participants that have paid a FS Deficiency Charge and/or had Monthly Capacity Deficiency Reduced by No-JCAF option 	<ul style="list-style-type: none"> » Equal access to available capacity in Ops if charge is paid

ETD/DISCOUNTS

- » CONE Factor considerations
 - » Discounted Deficiency Charge calculations will use a CONE factor that **increases when the region is more deficit** (already in tariff); greater than 3% deficit = 200% CONE factor
 - » Discounted Deficiency Charge calculation CONE factor will **not be affected by individual LRE's performance in prior transition seasons**
 - » **CONE Factors for S29, W29/30 will not be impacted by individual Participant deficiencies during the transition period**

DIVERSITY SHARING BETWEEN SUBREGIONS

(ON TRANSMISSION BETWEEN SUBREGIONS)

Current	Change
<ul style="list-style-type: none">» Option in Tariff to assume connectivity between Subregions<ul style="list-style-type: none">» Program currently assumes 0 MW of connectivity	<ul style="list-style-type: none">» In PRM calculation: 500 MW of diversity sharing between subregions<ul style="list-style-type: none">» Benefitting Northwest in Winter months, benefitting Southwest in Summer months» Limited to the WRAP Regional LOLE Study Result PRM (when regional PRM is lower than subregional PRMs in a given month)» These numbers reflected in PRMs for transition period, reevaluation no later than 2030» Numbers/concept to be included in RTP-EP document and reflected in Study Scope annually, no change to tariff

OPERATIONS PROGRAM DATA

No TARIFF CHANGE

Current	Change
<p>» Aggregated Operations information provided, as required by Input File Data Specification</p>	<p>» Participants to provide disaggregated data to Ops Program</p> <ul style="list-style-type: none">» Same information with more breakdown» No greater granularity than the FS Submittal» Aiming for plan and timeline by end of year (Non-task force proposal to change BPMs)

REVISED TRANSITION PLAN

Concept	Change/Addition
Transition Period	Extended from June 1, 2025 through March 15, 2029
Binding Season	<p>Deadline to select Summer 2027 as first binding season moved to January 15, 2026</p> <ul style="list-style-type: none"> • Summer 2027 LOLE modelling will include all Participants regardless of binding season • Exit window date for Winter 27/28 remains the same (October 31, 2025)
Critical Mass	<p>If less than “Critical Mass” in subregion, Participants in that subregion <u>may</u> elect to be non-binding</p> <ul style="list-style-type: none"> • Thresholds to be defined in a future BPM or BPM update • Persists beyond transition period
ETDs	<p>“Discounted Deficiency Charge” + ETDs in Summer 27, Winter 27/28 limited to 200% FSPRM MWs</p> <ul style="list-style-type: none"> • Drops to 100% FSPRM in Summer 28 and Winter 28/29
Diversity Sharing	<p>PRM calculation includes 500 MW of diversity sharing between subregions</p> <ul style="list-style-type: none"> • Benefitting NW in Winter, SW in Summer • Limited to WRAP Regional LOLE Study Result PRM • Applies for transition period, reevaluation no later than 2030
Operations Program Data	<p>Participants to provide disaggregated data to Operations program</p> <ul style="list-style-type: none"> • Aiming for plan and timeline by end of 2024