Western Resource Adequacy Program

Committee of State Representatives

2025 Business Plan and Budget

November 21, 2024

Approved by:

Appointed Members of the Committee of State Representatives

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Introduction

The Western Resource Adequacy Program (WRAP) Committee of State Representatives' (COSR) proposed budget for 2025 is $238,140. The budget is based upon employment of 1.05 full-time equivalent (FTE) employees, consisting of five (5) Western Interstate Energy Board (WIEB) staff in 2025. The following table summarizes the COSR proposed budget for calendar year 2025:

Table 1. COSR Budget for 2025

Total Resources	2025
Total FTEs	1.05
Total Expenses	$ 226,800
Targeted Working Capital Reserve	$ 11,340
Total Funding Requirement	$ 238,140
Projected Working Capital Reserve	$ -
Increase or (Decrease) to Achieve Desired Working	$ 11,340
2025 Funding Requirement	$ 238,140
Less: 2025 Other Income	$ -
Total 2025 Funding Assessment	**$ 238,140**

The COSR funding assessment is allocated to State-Regulated WRAP Participants (SRWPs) using the following methodology as specific in the SRWP contract:

1) Determine SRWP's load for each applicable state (i.e., each state where the SRWP serves load that is subject to WRAP) using the most recent publicly available EIA data.
2) For each state, add up the total WRAP load (which may be comprised of one or more SRWPs).
3) A limit is set to distinguish between small and large load states using a 10,000,000 MWh threshold.
4) If a state's total WRAP load is above the threshold, it is assigned an equal proportion of the total WIEB expense based on the total number of WRAP states, e.g., if there are ten WRAP states, the large load state receives one-tenth of the total expense.

5) If a state's total WRAP load is below the threshold, it is assigned half the proportion of the total expense compared to large load states, e.g., if there are ten WRAP states, the small load state receives one-twentieth of the total expense.
6) This allocation method leaves a residual amount of total expense that is then assigned equally to the large load states.
7) Each SRWP's load in each state is then assigned a proportion of the total state allocation according to that SRWP's respective share of that state's WRAP load.
8) Each SRWP's total expense share by state is then added together to get each SRWP's compensation share of the total expense.

The following table summarizes the adjusted funding allocation by state for 2025:

Table 2. COSR Funding Allocation by State for 2025

State	Allocation
AZ	$31,752.00
CA	$11,907.00
ID	$31,752.00
MT	$11,907.00
NV	$31,752.00
NM	$11,907.00
OR	$31,752.00
UT	$31,752.00
WA	$31,752.00
WY	$11,907.00
	$ 238,140

Organizational Overview

The COSR is a standing committee of WRAP, a first-of-its-kind reliability program in the West administered by the Western Power Pool (WPP). The WRAP tariff was approved by the Federal Energy Regulatory Commission (FERC) at the beginning of 2024, and the COSR was established soon after in April 2023 in accordance with the WRAP Bylaws. The COSR aims to support state and provincial engagement in WRAP activities and share perspectives on pertinent program matters with WRAP participants and other stakeholders. The COSR provides advice to the WPP Board of Directors, Program Review Committee (PRC), Resource Adequacy Participants Committee (RAPC), any associated working groups and task forces, and FERC on matters related to WRAP governance, program design, and operations.

The COSR has chosen to rely on the Western Interstate Energy Board (WIEB) as the vehicle to obtain independent staff support. WIEB was founded in 1970 pursuant to the Western Interstate Nuclear Compact, P.L. 91-461. WIEB provides the instruments and framework for developing energy policy cooperatively among member states and provinces and the federal government to enhance the economy of the West. WIEB currently shares staff resources with five (5) other regional committees: The Committee on Regional Electric Power Cooperation (CREPC), the High-Level Radioactive Waste Committee (HLRWC), the Western Interconnection Regional Advisory Body (WIRAB), the Western Energy Markets Body of State Regulators (BOSR), and the Markets+ State Committee. The CREPC was established in 1982 as a joint committee of WIEB and the Western Conference of Public Service Commissioners (WCPSC) to focus on electric power system policy issues that require regional cooperation in the West. The HLRWC was established in the 1980s to provide state perspectives on emerging issues surrounding the Nation's nuclear waste program with a focus on the transportation of spent nuclear fuel and high-level radioactive waste. The WIRAB was established by FERC in 2006 upon petition of the Western Governors to advise on matters pertaining to electric grid reliability in the Western Interconnection. The BOSR was established in 2015 as part of a governance proposal adopted by the California Independent System Operator (CAISO) Board of Governors to address the regional nature of its energy market and support state engagement in CAISO developments. The MSC was established in April 2023 to support state engagement in the Markets+ development, a real-time and day-ahead wholesale electricity market offering for the West administered and operated by the Southwest Power Pool (SPP). WIEB, CREPC, HLRWC, WIRAB, BOSR, MSC, and COSR are independent sister organizations that share a common staff and organizational resources but maintain independent governance, decision-making, and funding. The following chart illustrates the organizational relationships:

Figure 1. Organizational Relationships

Western Interstate Energy Board (WIEB)	**Western Interconnection Regional Advisory Body (WIRAB)**	**Western EM Body of State Regulators (BOSR)**	**Western RA Program Committee of State Representatives (COSR)**	**Markets+ State Committee (MSC)**
• Created as an interstate compact by western states and ratified by Congress (P.L.91-461). • Governors of AZ, CA, CO, ID, MT, NV, NM, OR, UT, WA, WY, and Premiers of AB and BC appoint member representatives. • Provides the instruments and framework for developing energy policy cooperatively among member states and provinces and the federal government to "enhance the economy of the West and contribute to the well-being of the region's people."	• Created by western governors pursuant to Section 215(j) of the Federal Power Act. • WIEB Board Members from AZ, CA, CO, ID, MT, NV, NM, OR, UT, WA, WY, BC, and AB appoint member representatives. • Governors from NE, SD, TX, and Baja California Mexico appoint member representatives. • Provides advice to FERC, NERC, and WECC on electric reliability matters in the Western Interconnection.	• Created by California ISO Board of Governors to address the regional nature of the Western Energy Markets. • One commissioner from each state public utilities commission in which a regulated load-serving utility participates or plans to participate in the Western EIM or EDAM. • Provides a forum for state commissioners to: (1) select a voting member of the WEM Governing Body Nominating Committee, (2) learn about and discuss the EIM and EDAM, and (3) express a common position to the WEM Governing Body on issues.	• Created by Northwest Power Pool Board of Directors to address the regional nature of the Western Resource Adequacy Program (WRAP). • One representative from each state or province in which a load-serving entity participates in the WRAP. • Provides advice to the Northwest Power Pool and FERC on the design and operation of the Western Resource Adequacy Program.	• Created in partnership with the Southwest Power Pool to provide Western state perspectives on Markets+. • During the initial development of Markets+, membership is open to one representative from any state or province with an entity that is considering joining Markets+. • Provides advice to the Markets+ Participant Executive Committee and the Markets+ Independent Panel on the design and operation of Markets+.

Membership and Governance

The COSR is composed of one representative from each state or provincial jurisdiction that regulates at least one (1) WRAP Participant. State and provincial representatives are nominated by the Chair or President of their respective public utility commission and may include representatives from the state or provincial energy offices or state- or provincial-funded consumer advocates. The COSR operates in a public setting and welcomes other regional stakeholders to attend committee meetings to foster engagement and collaboration. The following table illustrates the current COSR members and their respective agencies:

Table 3. COSR Membership List

State	Member	Title and Agency
Arizona	Nick Myers	Commissioner, Arizona Corporation Commission
California	Alice Reynolds	President, California Public Utilities Commission
Idaho	John Hammond	Commissioner, Idaho Public Utilities Commission
Montana	James Brown	President, Montana Public Service Commission
Nevada	Tammy Cordova*	Commissioner, Public Utilities Commission of Nevada
New Mexico	James Ellison	Commissioner, New Mexico Public Regulation Commission
Oregon	Megan Decker	Chair, Oregon Public Utility Commission
Utah	Chris Parker**	Director, Utah Division of Public Utilities
Washington	Dave Danner	Chair, Washington Utilities and Transportation Commission
Wyoming	Chris Petrie	Deputy Chair, Wyoming Public Service Commission

**Chair*

***Vice Chair*

2025 Strategic Priorities and Goals

Since FERC-approval of WRAP in early 2023, WPP and WRAP Participants and stakeholders have been developing the Business Practice Manuals (BPMs), a process that has involved translating the technical tariff language into business practices and operations supported by ongoing Participant involvement in WRAP. This process has been the focus of the PRC throughout 2024 to enable the WRAP tariff by 2025. The RAPC, COSR, and WPP Board of Directors have also been integral to this process as approving stakeholders and have been continuously reviewing BPMs as they are completed. COSR staff have been directly engaged in this process, following the development of different aspects of the BPMs through the PRC and submitting comments and/or questions on behalf of the COSR. The changing landscape of resource adequacy in the Western Interconnect has also been further realized throughout 2024, leading to WRAP Participants extending the first binding season for WRAP and developing a Revised Transition Plan (RTP). This plan includes temporary amendments to the WRAP tariff that aims to better support Participants' ongoing involvement in the current non-binding phase of WRAP as they work to meet WRAP metrics through greater resource buildout for full participation in the later binding season(s). COSR staff have been following the RTP development process by participating in all open and closed RAPC meetings, relaying critical information to the COSR through written briefings and meetings, and providing COSR feedback to RAPC members, when necessary, to better inform the RTP development. Part of the RTP review and approval process required COSR feedback and included an option for the COSR to reject the proposal, though COSR members opted to express support for the RTP in their comments. This work continues into 2025 as WPP and WRAP Participants execute the RTP and begin to phase in different elements of the WRAP tariff to start transitioning towards a fully binding program in the coming years.

The COSR is also engaged in the ongoing change request process, an opportunity facilitated by WPP that allows for the consideration of broad stakeholder initiatives related to WRAP. COSR staff plan to work with the COSR to both submit their own proposals and facilitate their participation and engagement in other stakeholder-led proposals, working groups, task forces, etc. As WRAP continues its development to go-live and eventual binding operations, consistent and informed regulator engagement on WRAP programmatic development is crucial to enhancing the reliability in the West and ensuring program continuation and success. To best enable that engagement throughout 2025, the COSR aims to work with its staff to:

- Advance the education and understanding among Western commissioners of WRAP initiatives and WRAP coordination with the emerging wholesale electricity markets and other regional and/or localized resource adequacy programs.
- Facilitate COSR input into the RTP process, educating members on WRAP tariff changes, FERC filings, implementation of the RTP, and related stakeholder engagement and collaboration.
- Provide a forum for discussion and opportunities to form a common state/provincial perspective on issues relating to reliability and resource adequacy, including but not limited to:
    - Organizing at least two (2) in-person COSR meetings,
    - Holding virtual monthly COSR meetings,
    - Facilitating COSR-created task forces, and
    - Organizing other workshops or webinars, as necessary.
- Support the COSR's engagement in relevant WRAP processes by:
    - Proposing initiatives for consideration through the change request process,

  - Tracking, reporting, and participating in stakeholder- and WPP-led initiatives relevant to COSR member interest(s), including those that relate to policy, program design, reliability, or governance,
  - Arranging and/or providing briefings and training on policy-oriented and technical WRAP matters, such as technical program enhancements or other developments in the resource adequacy space that may impact WRAP operations,
  - Developing internal expertise, either through COSR staff or consultant support, to better engage the COSR members in conversation with WRAP Participants, WRAP stakeholders, WPP, and the WPP Board of Directors, and
  - Facilitating COSR consideration and uptake of consensus positions relevant to WRAP initiatives or other regional activities that may impact WRAP operations.
- Engage with other key organizations and partners in the West, such as BOSR, MSC, and WIRAB, as well as WRAP Participants and stakeholders, regulators and policymakers from other regions, and FERC on pertinent program matters including but not limited to seams management, regional resource adequacy outlook(s), and expanded programmatic data analysis.

2025 Budget and Assumptions

The COSR's proposed budget for 2025 is $238,140. The budget is based upon employment of 1.05 FTE in 2025, at a direct labor expense of $93,900 and an indirect expense of $89,200. This is an increase of 24.5% and 24.4%, respectively, to address cost-of-living adjustments and increased staff support required to respond to developing and ongoing WRAP initiatives. The COSR's projected working capital reserve target in 2025 is 5%. The 2025 COSR budget is based on the following key assumptions:

- The COSR will hold regular monthly business meetings to address ongoing WRAP initiatives and program development.
- The COSR will organize and sponsor webinars and workshops on key WRAP issues for state and provincial representatives, industry personnel, and other interested stakeholders.
- A COSR representative will participate in WPP Board of Directors meetings.

- A COSR representative will participate in PRC and RAPC meetings. A COSR staff member will be appointed to monitor RAPC meetings in Executive Session, in accordance with a signed non-disclosure agreement.
- COSR members will participate in other WRAP-stakeholder meetings and workshops on relevant topics.
- The COSR will engage in the RTP and change request processes to better enhance WRAP operations and further develop and support state and provincial engagement in the program.

Personnel and Indirect Expenses

Personnel expenses in the COSR's budget total to $93,900 for a total of 1.05 FTE. The FTE breakdown is allocated to 0.10 FTE to the Executive Director, 0.10 to the Director of State, Federal, and International Affairs, 0.40 to the Program Associate – Markets and Resource Adequacy, 0.40 to the Markets and Resource Adequacy Analyst, and 0.05 to the Events and Logistics Manager. WIEB uses a single rate method for indirect expenses. The indirect expenses include office expenses, medical and retirement expenses, as well as holiday, vacation, and sick leave for COSR staff. The indirect rate is a percentage of the direct labor expense associated with COSR activities. The indirect rate is 95% in the 2025 budget.

Working Capital Reserve

The COSR has determined that 5% is an appropriate initial working capital reserve target commencing with the calendar year 2025 budget. The level of reserves will be based on actual year-to-date spending in future budget periods. A typical working capital reserve ranges from 5% to 20% of budgeted expenses. Reserves are intended to provide for unexpected expenses or losses. The reserve policy will be reviewed in future years when budget risks can be more clearly identified. The adjustment to the funding requirement to meet the desired level of reserves is the mechanism by which the COSR will ensure that budget surpluses in any given budget year will be used to reduce the funding requirement in the subsequent budget year. The following table provides the 2025 working capital reserve analysis:

Table 4. Working Capital Reserve Analysis, 2025

COSR - Working Capital Reserve Analysis 2025	
Beginning Working Capital Reserve (Deficit), December 31, 2023	0
Plus: 2024 Funding (from SRWPs)	147,100
Plus: 2024 Other funding sources	0
Minus: 2024 Projected expenses & capital expenditures	147,100
Projected Working Capital Reserve (Deficit), December 31, 2024	**0**
Targeted Working Capital Reserve, December 31, 2025	11,340
Minus: Projected Working Capital Reserve, December 31, 2024	0
Increase(decrease) in funding requirement to achieve Working Capital Reserve	11,340
2025 Expenses and Capital Expenditures	226,800
Less: Other Funding Sources	0
Adjustment: To achieve desired Working Capital Reserve	11,340
2025 COSR Assessment	238,140

Budget Projections for 2026 and 2027

The COSR projects a steady increase of 4.0% in the 2026 and 2027 budgets to account for the annual cost-of-living adjustments and continued build of capacity reserves. These increases are consistent amongst the regional committees supported by WIEB, including those approved by WIEB and WIRAB. The following table provides projections for the 2026 and 2027 budgets and changes in working capital:

Table 5. Projections of the 2025, 2026, and 2027 Budgets and Change in Working Capital

Statement of Activities and Change in Working Capital 2025, 2026, and 2027 Budget Projections	2025 Budget	2026 Projection	Variance 2026 Projection v 2024 Budget Over(Under)	% Change	2027 Projection	Variance 2027 Projection v 2026 Budget Over(Under)	% Change
Funding							
COSR Funding							
Assessments	$ 238,140	$ 236,040	$ (2,100)	-0.9%	$ 245,050	$ 9,010	3.8%
	-	-	-		-	-	
Total Funding (A)	**$ 238,140**	**$ 236,040**	**$ (2,100)**	**-0.9%**	**$ 245,050**	**$ 9,010**	**3.8%**
Expenses							
Personnel Expenses							
Direct Labor	93,900	97,700	3,800	4.0%	101,600	$ 3,900	4.0%
Total Personnel Expenses	**$ 93,900**	**$ 97,700**	**$ 3,800**	**4.0%**	**$ 101,600**	**$ 3,900**	**4.0%**
Meeting Expenses							
COSR Meetings	10,000	10,300	300		10,600	300	
State Travel	15,600	16,100	500		16,600	500	
Staff Travel	15,600	16,100	500		16,600	500	
Total Meeting Expenses	**$ 41,200**	**$ 42,500**	**$ 1,300**	**3.2%**	**$ 43,800**	**$ 1,300**	**3.1%**
Operating Expenses							
Consultants & Contracts							
Staff Training	2,500	2,600	100	4%	2,700	100	4%
Total Operating Expenses	**$ 2,500**	**$ 2,600**	**$ 100**	**4.0%**	**$ 2,700**	**$ 100**	**3.8%**
Total Direct Expenses	**$ 137,600**	**$ 142,800**	**$ 5,200**	**3.8%**	**$ 148,100**	**$ 5,300**	**3.7%**
Indirect Expenses	**$ 89,200**	**$ 92,800**	**$ 3,600**	**4.0%**	**$ 96,500**	**$ 3,700**	**4.0%**
Other Non-Operating Expenses	**$ -**	**$ -**	**$ -**	**-**	**$ -**	**$ -**	**-**
TOTAL BUDGET (B)	**$ 226,800**	**$ 235,600**	**$ 8,800**	**3.9%**	**$ 244,600**	**$ 9,000**	**3.8%**
CHANGE IN WORKING CAPITAL (=A-B)[1]	**$ 11,340**	**$ 440**	**$ (10,900)**	**-**	**$ 450**	**$ 10**	**-**