Committee of State Representatives

July 24, 2026

Agenda

1. Chair's Welcome & Roll Call – Chris Parker, COSR Chair
2. RAAG / EDAM RA Updates – Robin Arnold, WIEB
3. 2027 COSR Business Plan & Budget Preview – Elliott Nethercutt, WIEB
4. General WRAP Updates – Elliott Nethercutt, WIEB
5. Active WRAP Proposal Updates – Elliott Nethercutt, WIEB
    a. QCC for New Long Duration Storage Proposal
    b. ELCC TF Proposal
    c. 2026-NTFP-03: P-to-P JCAFs & Embedded Entity Resource Agreement
    d. Deficiency Charge Deferral Expedited Proposal
    e. DAM TF Proposal
6. Proposed Markets+ Governance Structure for WRAP Operations Program
7. Upcoming Meetings & Important Dates – Elliott Nethercutt, WIEB
8. Adjourn

** There are **No** action items for this meeting.*

1. Chair’s Welcome & Roll Call

2. RAAG / EDAM RA Updates

3. 2027 COSR Business Plan & Budget Schedule

4. General WRAP Updates

5. Active WRAP Proposal Updates

Active WRAP Proposal Updates

QCC for New Long Duration Storage Proposal

COSR Leadership Comment Letter Submitted on July 20, 2026

- Proposed revisions to Business Practice Manual (BPM) 105 to provide a method for assigning Qualifying Capacity Contributions (QCC) to new Long Duration Storage (LDS) resources that do not fit existing WRAP resource classifications.
- COSR Leadership supports added BPM language to allow participants to initially use synthesized data based on engineering assumptions and data provided by equipment manufacturers and vendors.
- COSR Leadership supports the following approach: as a new LDS resource accumulates more operational history, actual performance data will be weighted more heavily than synthesized data and will ultimately become the primary input to the Equivalent Forced Outage Factor (EFOF) calculation.
- Comments include a recommendation for additional language permitting the Program Operator to conduct a reasonableness review of synthesized LDS data if first-year performance data differs significantly from projections, aligning treatment of LDS resources with existing rules for synthesized VER data.
- No other concerns were raised.
- On July 22, the PRC approved the proposal with added language in response to COSR comments ; WPP Board to on September 30.

Active WRAP Proposal Updates

ELCC+QCC TF Proposal

Proposed WRAP ELCC Methodology (Subject to Change)

Two-Tranche ELCC Accreditation with Marginal ELCC Guidance for Future Resources

Tranche 1
Average ELCC
Existing / established resources with adequate performance data

Tranche 2
Incremental ELCC
New resources without validated performance data

Tranche 3
Marginal ELCC for Guidance
Forward-looking signal for future additions

Complete draft proposal expected in August; WIEB Staff to send summary to the COSR.

Active WRAP Proposal Updates

2026-NTFP-03: P-to-P JCAFs & Embedded Entity Resource Agreement

Key Elements of the Proposal

Removal of P-to-P JCAF Signature Requirement

- Updates BPM 106 to remove the use of a Joint Contract Accreditation Form (JCAF) signature requirement, reducing the administrative burden of signatures currently required to verify contracts between other WRAP Participants.
- In lieu of a paper/digital JCAF, both the Participant buyer and Participant seller will be required to use the Forward Showing software to confirm accuracy of the contracted capacity.
- This modification addresses frequent and longstanding requests from WRAP Participants.

Active WRAP Proposal Updates

2026-NTFP-03: P-to-P JCAFs & Embedded Entity Resource Agreement

Key Elements of the Proposal

<u>Embedded Load Acknowledgement and Resource Assurance Agreement</u>

- Proposed BPM changes allow a WRAP Participant and its customer to agree to the use of the customer's load and associated resources/contracts in the Participant's Forward Showing Demonstration (including when the customer's load is served through a contract with an entity other than the WRAP Participant).
- Although the Participant already represents the customer's load in its Forward Showing demonstration, the proposed BPM changes establish a mechanism for the Participant to *also count the customer's resources and contracts* (which currently can't be included in the Participant's Forward Showing).

Each WRAP Participant is responsible for showing adequacy to serve their load.

→

In some cases, load is associated with resources or contracts that the participant does not own and did not sign.

→

Current BPM 106 language was developed assuming that the participant claiming the QCC is a party to the contract.

→

This proposal creates a mechanism allowing the participant and customer to agree that the customer's load and supporting resources/contracts will be included in the participant's Forward Showing.

Active WRAP Proposal Updates

2026-NTFP-03: P-to-P JCAFs & Embedded Entity Resource Agreement

Example of Embedded Entity Resource Agreement

WRAP Participant: Cascade Electric Company
Large Industrial Customer: MegaBytes Inc. (located within Cascade's service territory)
Non-WRAP Seller: SunRidge Energy LLC sells capacity/energy directly to MegaBytes Inc.

Current BPM 106 Language	BPM 106 After 2026-NTFP-03
1. Cascade serves the MegaBytes' data center with a 100 MW load. 2. MegaBytes purchased capacity through a direct contract with Sun Ridge Energy LLC. 3. Because Cascade was not a party to the contract, BPM 106 does not provide a clear mechanism for including MegaBytes' customer-held contract in Cascade's WRAP Forward Showing.	1. Cascade Electric Company and MegaBytes Inc. execute an Embedded Load Acknowledgement and Resource Assurance Agreement.* 2. The agreement creates a mechanism for Cascade to include MegaBytes' associated qualifying contract(s) and/or qualifying resource(s) in Cascade's WRAP Forward Showing. 3. As a result, MegaBytes' resources supporting that load can be demonstrated together for WRAP compliance purposes, subject to applicable JCAF requirements associated with the non-WRAP seller, SunRidge Energy.

*The Embedded Load Acknowledgement and Resource Assurance Agreement does not automatically confer QCC value. Any associated contracts and resources must still satisfy applicable WRAP accreditation, documentation, and JCAF requirements.

Active WRAP Proposal Updates

Deficiency Charge Deferral Expedited Proposal

Background

2024	Q1-Q3 2025	Q4 2025	Q1-Q2 2026
As WRAP continued to move toward binding implementation, Participants have discussed how to address deficiency charges.	Revised Transition Plan: Participants focused on the treatment of Forward Showing Deficiency Charges during the Transition Period (Summer 2025 through Winter 2028-2029)	RAPC Resolution directing development of an Expedited Proposal focused on a temporary Forward Showing Deficiency Charge Deferral mechanism.	RAPC Development of a Deficiency Charge Deferral Expedited Proposal, including approach for the Interim Seasons before responsibility for the Forward Showing and Operations Programs fully transitions to WPP and SPP, respectively.

Active WRAP Proposal Updates

Deficiency Charge Deferral Expedited Proposal

Proposal Summery

- Forward Showing Deficiency Charges are intended to incentivize timely procurement and development of qualifying capacity, ensuring Participants make commercially reasonable efforts to meet their WRAP obligations rather than remain capacity deficient.
- Some Participants are making significant investments in new qualifying resources that will satisfy future WRAP requirements, but paying deficiency charges during the Transition Period could reduce the capital available to complete those resource investments.
- This proposal establishes an additional Transition Period mechanism to support Participants actively developing future qualifying resources, while preserving the purpose of deficiency charges and maintaining accountability for addressing capacity deficiencies.

Active WRAP Proposal Updates

Deficiency Charge Deferral Expedited Proposal

Proposal Summery

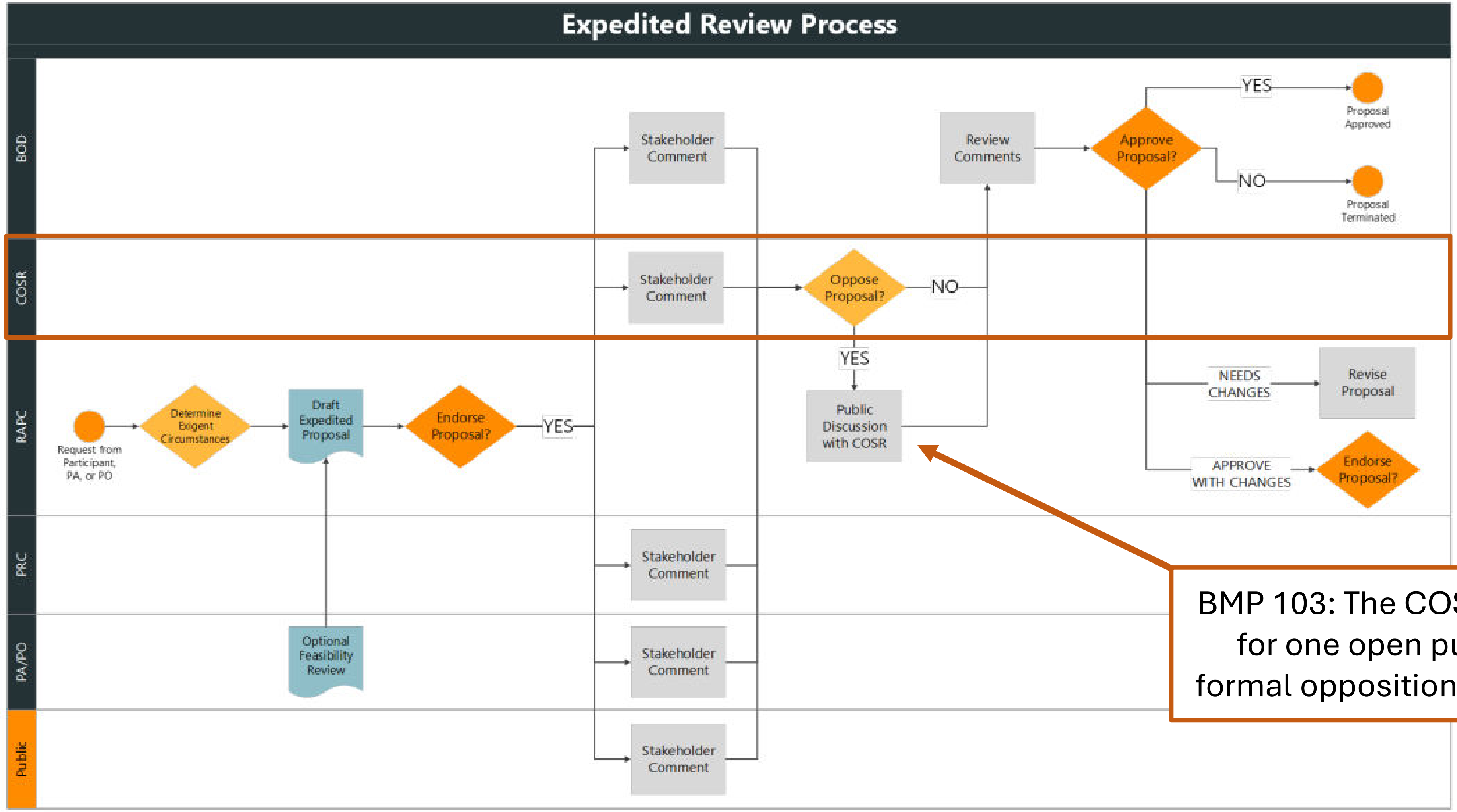
- During the Transition Period, eligible participants that fall short of their FS Capacity Requirements may defer deficiency charges by linking the shortfall to a qualifying future resource or contracted "Deferral Resource“ expected to be operational within 3 years.
- Deficiency charges associated with the deferred MW are accrued but not collected while the resource remains within its allowed development period, or "shot clock.”
- If the deficiency is resolved by the new resource addition before the shot clock expires, the participant pays a reduced portion the accumulated deferred charges:

Timing of Successful Resolution	Percentage of Deferred Deficiency Charges Owed
Resource resolved during Year 1 (prior to season 3)	TBD Low %
Resource resolved during Year 2 (prior to season 5)	TBD Mid %
Resource resolved during Year 3 (prior to season 7)	TBD High %
Resource NOT resolved (shot clock expires)	100%

- Deferral treatment does not waive annual compliance obligations; participants must attest each season that they made commercially reasonable efforts to procure sufficient capacity despite remaining deficient.

Active WRAP Proposal Updates

Deficiency Charge Deferral Expedited Proposal



BMP 103: The COSR retains the ability to call for one open public discussion through formal opposition to the Expedited Proposal.

Active WRAP Proposal Updates

DAM TF Proposal

Purpose & Scope

- The Day-Ahead Market Task Force was established in Summer 2025, paused in late-2025, and reconvened in May 2026 to *identify and address opportunities and challenges associated with the implementation of Day Ahead Markets in the West*, including the transition of WRAP's Operations Program to SPP Markets+ (including considerations for the interim binding seasons). Key elements of the proposal include:
  - Removal of Tariff Required Credit Competitive Solicitation
  - Southwest Subregion Holdback Allocation
  - Energy Deployment Timeline and Logistics
  - Energy Delivery Failures
  - Markets+ and WRAP Settlements Clarification

Active WRAP Proposal Updates

DAM TF Proposal

Key Elements of the Proposal

<u>Removal of Tariff Required Credit Competitive Solicitation</u>

- Remove Section 7.1.2.2 from the WRAP Tariff, which currently requires WPP to conduct a competitive process to “identify a third-party service provider to serve as central credit organization and clearing house for credit and settlements.”
    - Reduces reliance on bilateral credit arrangements (*i.e.*, simplifies transactions and improves reliability during tight system conditions).

Active WRAP Proposal Updates

DAM TF Proposal

Key Elements of the Proposal

Southwest Subregion Holdback Allocation*

- "Subregion with Central Hub" approach to allocate holdback to Participants on a pro-rata basis (the default option), tied to positive results of the Sharing Calculation:
  - Requires selection of Central Hub (option to identify alternate path/delivery approach)
  - Eliminates transmission Point Limit (PL) and Point-to-Point Limit (PTPL) files
  - Eliminates need for "SWEDE" optimization & simplifies Ops Client implementation
  - Reduces delivery and compliance risk by simplifying allocation and policy

**The holdback allocation is an input to the must offer calculation that acts as an upward or downward adjustment.*

Active WRAP Proposal Updates

DAM TF Proposal

Key Elements of the Proposal

<u>Energy Deployment Timeline and Logistics</u>

- Require Energy Deployment to be executed by deadline (time TBD) on the Preschedule day for alignment with Day Ahead Market schedules.
    - Effectively merges concept (and MW value) of “Holdback Requirement” (WRAP Participant’s obligation to potentially deliver energy later), and “Energy Delivery” (actual energy scheduled).
    - Retains Mid-C requirement for e-Tags (will include a WRAP delivery identifier).
    - Based on current membership projections, the Southwest & Rockies Subregions include only Markets+ members; therefore, all energy deployment can be facilitated through their Must Offer Obligation (MOO) in Markets+ (potential to use Market User Interface holdback term to reduce or eliminate e-Tag requirement).

Active WRAP Proposal Updates

DAM TF Proposal

Key Elements of the Proposal

<u>Energy Delivery Failures</u>

- WRAP will maintain data collection from WRAP Participants on delivered/received energy.
- In cases when a WRAP Participant receives less energy than allocated (through Holdback Requirement or Energy Deployment), WPP will:
  - Assign an Energy Delivery Failure Charge; or
  - Proceed with waiver considerations (per BPM 209)
- WRAP Participants in Markets+ that use the Market User Interface to dispatch energy to meet the WRAP Holdback Requirement or Energy Delivery must demonstrate that:
  - Their MOO was met (no SPP penalties for failing to meet MOO)
  - The MOO was adjusted to account for the Holdback Requirement / Energy Delivery obligation

Active WRAP Proposal Updates

DAM TF Proposal

Key Elements of the Proposal

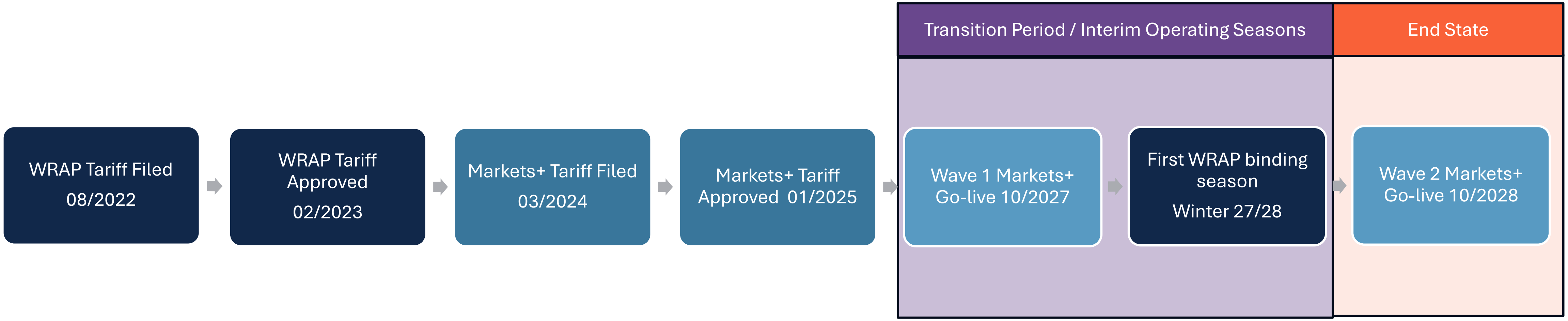
<u>Markets+ and WRAP Settlements Clarification</u>

- All Energy Deliveries must be scheduled on Preschedule Day (remove option to change deliveries through the Operating Day) with potential for Participants to commit energy through DAM; for WRAP Participants in Markets+:
    - WRAP will continue setting bilateral pricing for WRAP Energy Deliveries during Interim Seasons.
    - Participants using the market to execute their Energy Delivery will compensate or be compensated through the market using LMPs.
    - No proposed change for indices or shaping factors during Interim Seasons; Rockies Subregion and corresponding price indices will be identified in a separate proposal.
- Energy Delivery Requirement (on Preschedule Day):
    - Remove Energy Declined Settlement Price term from the calculation of the Total Settlement Price (no longer applicable with new timeline).
    - Make-Whole Adjustment term adapted to remove concept of declined energy; retain concept of paying for the opportunity cost of selling the block of energy.

6. Proposed Markets+ Governance Structure for WRAP Operations Program

Proposed Markets+ Governance Structure for WRAP Operations Program

Summary of Transition



Proposed Markets+ Governance Structure for WRAP Operations Program

Summary of Transition

	WRAP Forward Showing	WRAP Markets+ Operations
Current	WPP + SPP	WPP + SPP
Future (Targeting October 2028)	WPP	SPP
Objective	Planning, modeling, and compliance	Operational sharing and delivery (integration with Markets+ systems)

End State: Separate tariffs and corresponding governance allows for dedicated processes, future changes, and appropriate stakeholder participation for each program.

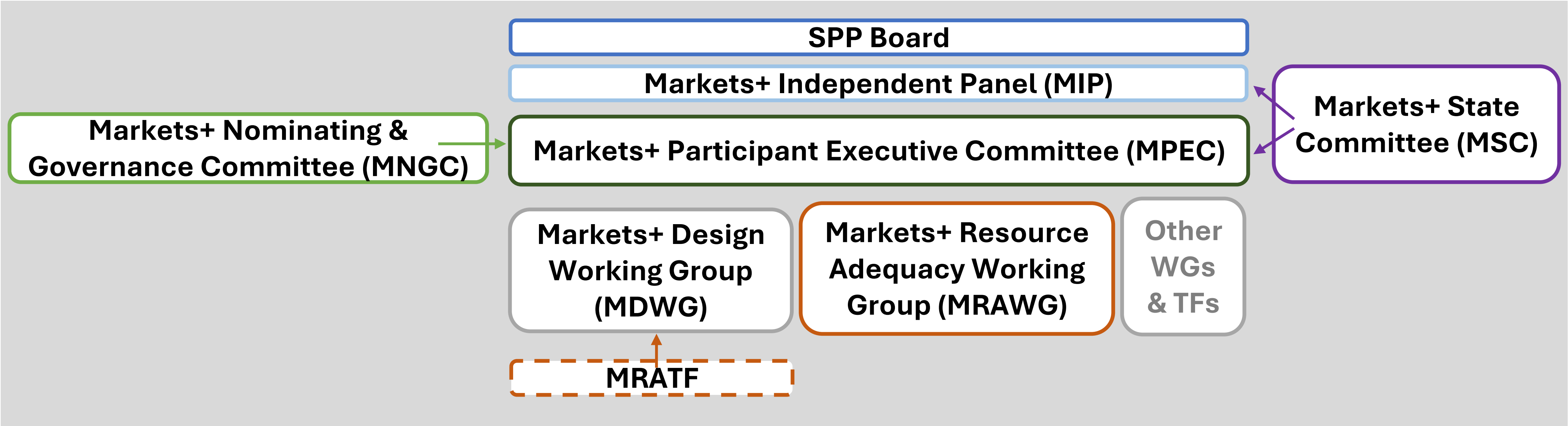
Proposed Markets+ Governance Structure for WRAP Operations Program

Proposed SPP Markets+ Governance

- The MRATF in its current form includes a subset of WRAP binding season participants.
- Decisions to change Markets+ rules potentially include:
  - How (and when) to affect the sharing calculation in the Markets+ system
  - How to assign the sharing calculation to WRAP binding season participants that are not in Markets+ (including what transmission is required)
  - How to define Tariff relationship with WRAP participants that are not in Markets+
  - Settlements for Operations program transactions
- These decisions could have WRAP implications; therefore, all WRAP binding season participants should have a seat at the table.

Proposed Markets+ Governance Structure for WRAP Operations Program

Formation of the Markets+ Resource Adequacy Working Group (MRAWG)



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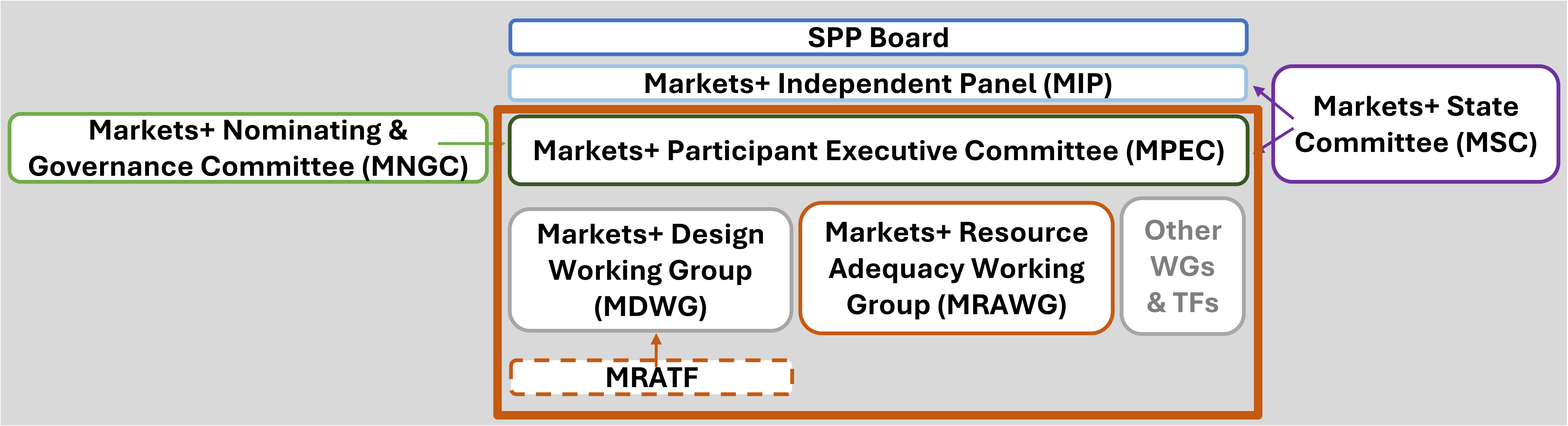

Proposed Markets+ Governance Structure for WRAP Operations Program

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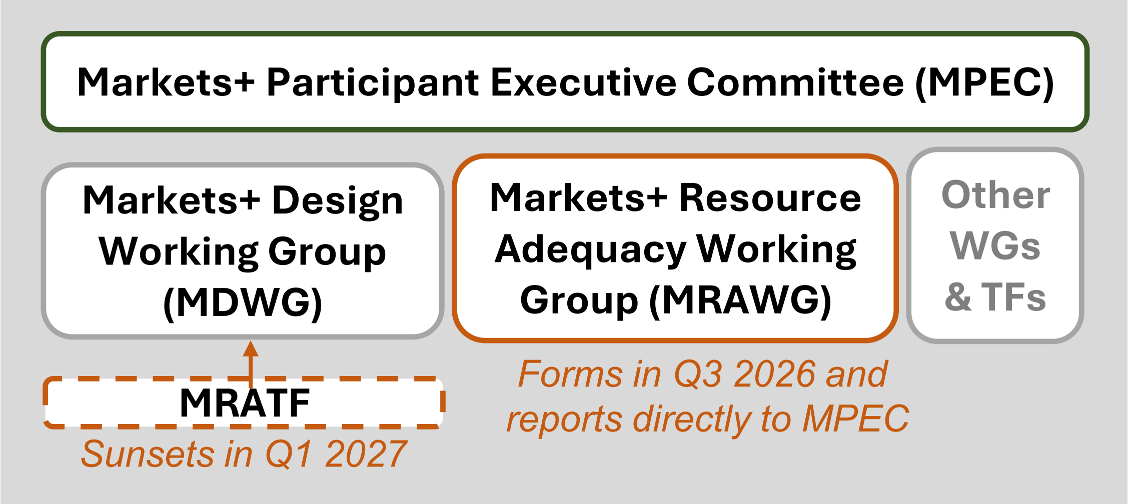


Markets+ Resource Adequacy Working Group (MRAWG)

- Roster limited to WRAP LREs (participation requires a signed WRAPA)
- Non-Markets+ WRAPA participants:
  - Pre-go-live: Participation Agreement required for governance access
  - Post-go-live: proposal to shift governance to the new Markets+ Tariff
- Updated scope to focus exclusively on Markets+ policies with direct WRAP impacts
- Next steps: MPEC to review / approve proposal on August 25, 2026

7. Upcoming Meetings & Important Dates

Upcoming Meetings & Important Dates

July 28: WRAP Data Center & Large Loads Task Force Kickoff Meeting

July 28: Day-Ahead Markets (DAM) Task Force Meeting

July 30: Resource Adequacy Participants Committee (RAPC) Meeting

August 13: Resource Adequacy Participants Committee (RAPC) Meeting

August 19: Program Review Committee (PRC) Meeting

August 25: Markets+ Participant Executive Committee (MPEC) Meeting

August 27: Resource Adequacy Participants Committee (RAPC) Meeting

August 28: COSR Monthly Meeting

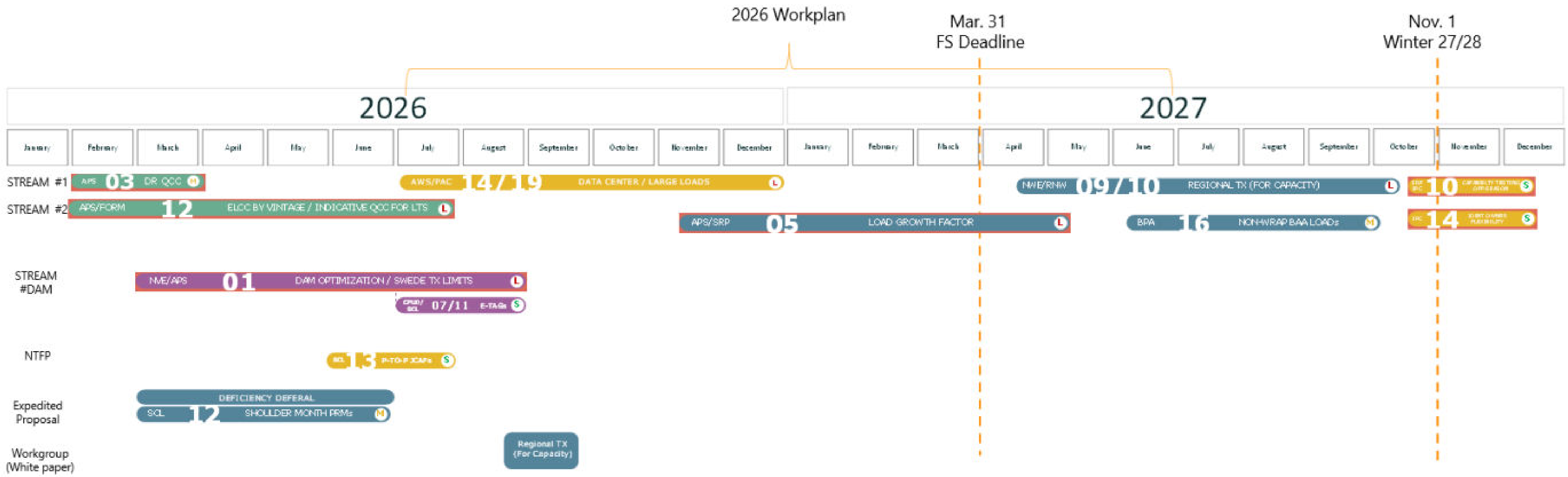
September 10: Resource Adequacy Participants Committee (RAPC) Meeting

September 25: COSR Monthly Meeting

September 30: WPP Board of Directors Meeting

October 13-15 (Missoula, MT): Fall 2026 Joint CREPC-WIRAB Meeting (October 13 COSR Meeting)

Appendix I: PRC 2026-2027 Workplan – Board Approved



Appendix II: 2026-NTFP-03 Public Comments

2026-NTFP-03: P-to-P JCAFs & Embedded Entity Resource Agreement

Bonneville Power Administration (BPA)

- Requests clarification on whether the BPM changes would only remove the JCAF signature requirement or eliminate the need to submit a JCAF altogether.
- Recommends separating the Embedded Load Agreement proposal into its own NTFP, as it is more complex and requires further discussion, unlike the straightforward JCAF modification.
- Seeks clarification on how Embedded Load Agreements would be used, how they differ from the existing WRAP Agent structure, and what load and resource reporting obligations would apply to participating LREs.
- Supports exploring a pathway for WRAP Participants to register embedded load that would otherwise be ineligible for DAM participation, but requests confirmation that registering Embedded Load in the Forward Showing Program would not affect a Participant's Operating Program requirements.

Appendix II: 2026-NTFP-03 Public Comments

2026-NTFP-03: P-to-P JCAFs & Embedded Entity Resource Agreement

Puget Sound Energy (PSE)

- Expresses full support of the proposal.

Arizona Public Service (APS)

- Supports the removal of the P-to-P JCAF requirement as it would reduce administrative burden.
- Requests additional clarification regarding the Embedded Load construct to explicitly state that the JCAF is executed between the seller and the Embedded Load Customer and that the WRAP Participant may rely on that JCAF for purposes of its Forward Showing (since the WRAP Participant is not a party to the underlying transaction).

Appendix II: 2026-NTFP-03 Public Comments

2026-NTFP-03: P-to-P JCAFs & Embedded Entity Resource Agreement

<u>Western Power Trading Forum (WPTF)</u>

- Notes that WRAP's definition of a Participant is limited to load-serving entities (LSEs), which can unintentionally create different accreditation requirements and higher barriers for non-LSE sellers of RA capacity.
- Supports reducing administrative burden by removing the JCAF requirement for contracts between WRAP Participants but is concerned that the change could favor LSE-to-LSE transactions while continuing to require additional verification for non-Participant sellers.
- Encourages WRAP to consider future changes (beyond scope of BPM 106) to allow non-LSEs a pathway to participate in the WRAP and use the same streamlined contract accreditation process.