Committee of State Representatives

October 23, 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 – Lisa Brohaugh, WIEB
4. COSR Business – Chris Parker, COSR Chair
   a. COSR Comments for Day-Ahead Market Task Force Proposal*
5. Review of COSR Input on Recent WRAP Proposals – Elliott Nethercutt, WIEB
   a. BPM 110 - Cost of New Entry (CONE)
   b. Contingency Reserve (2026-NTFP-07)
   c. Deficiency Charge Calculation (2026-NTFP-08)
6. Update on Active Proposals & Policy Developments – Elliott Nethercutt, WIEB
   a. Data Center & Large Loads Task Force Proposal
   b. WRAP ELCC + QCC Task Force (ELCC Methodology)
7. Upcoming Meetings & Important Dates – Elliott Nethercutt, WIEB
8. WRAP Compliance Metrics & Performance – Rebecca Sexton, WPP
   a. Winter 2026/2027
   b. Year-Over-Year Trends
9. Adjourn

* ***Action Items*** *for this meeting.*

1. Chair’s Welcome & Roll Call

2. RAAG / EDAM RA Updates

3. 2027 COSR Business Plan & Budget

Lisa Brohaugh
Director of Finance and Administration
Western Interstate Energy Board

2027 Budget Overview

Expense Category	Budget
Direct Labor	$ 117,500
Meetings	$ 10,300
State Travel	$ 9,300
Staff Travel	$ 9,300
Consultants	$ 50,000
Staff Training	$ 2,600
Indirect	$ 110,000
Total	**$ 309,000**

2027 Expense Descriptions

- **Labor Expense** includes cost of 1.10 full-time equivalent assigned to COSR and includes a total of 5 staff.
- **Meeting Expense** includes costs for two in-person meetings in 2027.
- **State Travel Expense** includes cost of travel reimbursement for the COSR members to attend WRAP related meetings.
- **Staff Travel Expense** includes cost of travel reimbursement for the COSR staff to attend WRAP related meetings.
- **Consultants** includes costs for additional capacity and technical assistance for COSR and WRAP related activities.
- **Staff Training** includes the cost of internal COSR staff technical training in 2027.
- **Indirect Expense** includes the allocation of WIEB overhead expense to the COSR. The indirect rate in 2027 is 93.6%, a decrease of 1.4% from 2026. The indirect rate is established by WIEB during each fiscal year budget cycle and approved by the WIEB Board.

Consolidated Labor Allocation

Position Description	WIEB	WIRAB	BOSR	COSR	MSC	Overhead	Total FTE
Executive Director	0.30	0.30	0.10	0.10	0.10	0.10	1.00
Director of Finance and Administration						1.00	1.00
Director of State, Federal, and Int'l Affairs	0.75	0.10	0.05	0.05	0.05		1.00
Deputy Director	0.30	0.30	0.10	0.10	0.10	0.10	1.00
Program Manager - Nuclear Energy Policy	1.00						1.00
Program Manager - Electric System Reliability	0.10	0.90					1.00
Program Manager - Wholesale Electricity Markets	0.10		0.90				1.00
Program Manager - Resource Adequacy	0.20			0.80			1.00
Associate Program Manager - Markets and Resource Adequacy	0.10				0.90		1.00
Analyst - Reliability	0.10	0.90					1.00
Analyst-Wholesale Energy Markets	0.10		0.90				1.00
Anlayst - Nuclear and Energy Programs	0.85	0.15					1.00
Analyst - Wholesale Energy Markets	0.10				0.90		1.00
Office Manager						1.00	1.00
Events and Communications Manger	0.35	0.35	0.15	0.05	0.05	0.05	1.00
Total	**4.35**	**3.00**	**2.20**	**1.10**	**2.10**	**2.25**	**15.00**

2026 & 2027 Budget Comparison

Expense Category	2026 Budget	2027 Budget	Variance $	Variance %
Direct Labor	$ 104,143	$ 117,500	$ 13,357	12.8%
Meetings	$ 10,000	$ 10,300	$ 300	3.0%
State Travel	$ 9,000	$ 9,300	$ 300	3.3%
Staff Travel	$ 9,000	$ 9,300	$ 300	3.3%
Consultants	$ -	$ 50,000	$ 50,000	100.0%
Staff Training	$ 2,500	$ 2,600	$ 100	4.0%
Indirect	$ 100,800	$ 110,000	$ 9,200	9.1%
Total	**$ 235,400**	**$ 309,000**	**$ 73,557**	**31.2%**

Reserve Analysis & Funding Overview

Working Capital Reserve Analysis 2027		
Beginning Working Capital Reserve (Deficit), December 31, 2025	$	109,516
Plus: 2026 Funding (from SRWPs)	$	226,614
Plus: 2026 Other funding sources		0
Minus: 2026 Projected expenses & capital expenditures	$	227,079
Projected Working Capital Reserve (Deficit), December 31, 2026	**$**	**109,051**
Targeted Working Capital Reserve, December 31, 2027	$	30,900
Minus: Projected Working Capital Reserve, December 31, 2026	$	109,051
Increase(decrease) in funding requirement to achieve Working Capital Reserve	**$**	**(78,151)**
2027 Expenses and Capital Expenditures	$	309,000
Less: Other Funding Sources		0
Adjustment: To achieve desired Working Capital Reserve	$	(78,151)
2027 COSR Assessment	**$**	**230,849**

Total Assessments by State

State	Allocation
AZ	$ 24,921.20
CA	$ 10,493.14
CO	$ 24,921.20
ID	$ 24,921.20
MT	$ 10,493.14
NV	$ 24,921.20
NM	$ 24,921.20
OR	$ 24,921.20
UT	$ 24,921.20
WA	$ 24,921.20
WY	$ 10,493.14
Total	**$ 230,849**

Accounting Provisions

- WIEB will use accounting codes to separately track expenses and revenues associated with the COSR, and the WIEB Executive Director will provide periodic spending reports to COSR leadership, upon request.

- Each year, the WIEB Executive Director will provide the COSR leadership with a final copy of WIEB's Annual Financial Audit, which is conducted by an independent auditing firm.

- If COSR budgetary expenses fall below the amount of funding provided in any given budget year, surplus funding will be used to reduce the funding requirement for the subsequent budget year.

2027 COSR Business Plan & Budget

Review and Approval Timeline

- **Tuesday, October 20**: WIEB sends draft to COSR and SRWPs
- **Friday, October 23**: WIEB presents draft and reviews state funding allocation
- **Friday, October 30**: COSR and SRWP comments due to WIEB
- **Friday, October 30**: WIEB circulates revised draft to the COSR and SRWPs
- **Monday, November 2**: COSR approval voting opens (via email)
- **Friday, November 6**: COSR approval voting window closes (via email)

4. COSR Business

Active WRAP Proposals & Policy Development Updates

Day Ahead Market Task Force Proposal

Background

- The Day-Ahead Market DAM Task Force was established in 2025 and reconvened in 2026 to evaluate opportunities and challenges associated with the emergence of Day-Ahead Markets in the West, including WRAP's planned transition to SPP Markets+ and the operational procedures that will apply during the Interim Binding Seasons (Winter 2027/28 and Summer 2028).

Purpose & Key Elements

- Streamlines the WRAP framework by updating timelines, settlement provisions, and operational responsibilities while removing tariff provisions that are no longer needed or are expected to be addressed through Markets+.
- Designates the Southwest & East (“SWEDE”) footprint as a formal WRAP Subregion with a Central Hub (Palo Verde); simplifies how WRAP sharing transactions and transmission assumptions are administered within that footprint.

Active WRAP Proposals & Policy Development Updates

Day Ahead Market Task Force Proposal

Impacts of the Proposal

Component	Policy Change	Reasoning
Central Credit	Removes the Tariff requirement to solicit a third-party central credit organization, simplifying WRAP credit and settlement provisions	• Concern among some participants due to the potential administrative burden and costs associated with establishing and maintaining a third-party central credit organization
SWEDE Subregion	Classifies the SWEDE as a Subregion with a Central Hub (Palo Verde)	• Designating Palo Verde as the default Central Hub for SWEDE (similar to how Mid-Columbia (“Mid-C”) serves as the Central Hub for the Northwest Subregion) to allocate the results of the Operations Program Sharing Calculation on a pro-rata basis
Removal of Operating Day Adjustments	Moves key Energy Deployment and decisions on Holdback Capacity to 15:00 PPT on the Preschedule Day, eliminating the ability of deficit participants to reduce previously requested holdback energy during the Operating Day	• Removes WRAP variability during the Operating Day, allowing market to optimize; Operating Day sharing calculations will be informational-only • Provides advanced insights for when E-tags are needed

Active WRAP Proposals & Policy Development Updates

Day Ahead Market Task Force Proposal

Impacts of the Proposal

Component	Policy Change	Reasoning
Consolidated Term: Energy Delivery Failures	Removes the need to distinguish between “Covered” and “Non-Covered” Energy Delivery Failures, using a single “Energy Delivery Failure” framework	• Clarifies how Energy Delivery Failures are verified by allowing use of E-Tags where available and alternative evidence in the SWEDE footprint • Supports consistent treatment of participants regardless of market participation status
Settlements Clarification	Provides clarifications on settlements with the removal of a Participant’s ability to adjust Holdback Capacity on the Operating Day	• Updates needed to ensure charges, revenues, and payment calculations work consistently across market and non-market participants • Modifies language related to the consolidated “Energy Delivery Failures”

Active WRAP Proposals & Policy Development Updates

Day Ahead Market Task Force Proposal

Summary of Draft COSR Comment Letter for Approval Consideration

- Supports the proposed updates (timelines, settlements, and operational responsibilities) during the interim period needed to transition WRAP's Operations Program from WPP to SPP Markets+.
- Raises governance concerns with the bifurcation of the Forward Showing Program and Operations Program into different governance structures.

…the ongoing transition raises broader questions about the governance and oversight of the WRAP framework. Under the proposed structure, responsibilities for the Forward Showing Program and the Operations Program will ultimately be divided between two separate governance bodies, with oversight of the Operations Program shifting to the recently established Markets+ Resource Adequacy Working Group (MRAWG).With these ongoing developments, COSR encourages WPP and SPP to establish clear coordination and communication mechanisms between the two programs and their respective governance structures. Such coordination is necessary to ensure that changes to either program are evaluated in a consistent and transparent manner, particularly as SPP continues to develop and refine Markets+ resource adequacy processes that may affect operational resource adequacy outcomes.

COSR Business

COSR Vote

Motion: Approval to Submit COSR Comment Letter to WRAP PRC Regarding

Day Ahead Market Task Force Proposal

Approved

WRAP-COSR Charter

Each member state or province has one vote.

Action taken by the COSR shall require the affirmative vote of a majority of its members.

COSR aims to represent the collective interests of its member states and provinces and strives for consensus positions when speaking to the WPP Board and to FERC.

5. Review of COSR Input on Recent WRAP Proposals

Review of COSR Input on Recent WRAP Proposals

BPM 110 - Cost of New Entry (CONE)

Purpose & Key Elements

- Addresses need for a dedicated manual describing the inputs, calculations, annual review process, and current value of the CONE, used as an administrative benchmark for determining Forward Showing Deficiency Charges.
- Defines CONE as the estimated annual cost of a hypothetical new peaking natural gas-fired generation facility in the Western Interconnection, using the following inputs:
  - **Overnight Cost**: estimated fully installed capital cost before construction financing costs are included
  - **Debt & Tax Depreciation**: debt and equity financing used to determine the ATWACC
  - **Depreciation Assumptions**: used to calculate tax savings associated with capital investment
  - **Construction Period**: assumed time required to build before commercial operation begins
  - **Book Life**: assumed accounting life over which capital costs are recovered
  - **Fixed Operations & Maintenance Costs (FOM)**: annual fixed costs of operations and maintenance
  - **Other Inputs**: WPP allows for additional inputs (as needed) based on publicly available information
- Methodology resembles Gross CONE, excludes anticipated net revenues (energy, capacity, AS).
- Establishes annual review process for future updates and improves transparency for stakeholders.
- **Proposed CONE value**: $131.87/kW-year

Review of COSR Input on Recent WRAP Proposals

BPM 110 - Cost of New Entry (CONE)

Summary of COSR Leadership Comments (Submitted on October 21)

- Supports the underlying methodology
- Requests additional explanation related to the source data and input values used to calculate the final CONE value, recognizing its importance for determining the determining deficiency charges.
- Recommends including key input assumptions and references to publicly available data sources in BPM 110 or supporting materials.
- Greater transparency would be consistent with the practices used in other market constructs and help stakeholders assess the reasonableness of the CONE estimate.
- Supports the proposed review schedule, update thresholds (+/-10%), and corresponding stakeholder engagement process.
- Notes that COSR will continue exploring a framework to direct deficiency charge revenues toward increasing the availability of new resources in the west.

Review of COSR Input on Recent WRAP Proposals

COSR Abstained on Two NTFPs

Proposal	Impacts	Reason for COSR Abstention
Contingency Reserve Policy (2026-NTFP-07)	• Updates WRAP's CR policy to align with the new WPP Reserve Sharing Group methodology, following the retirement of BAL-002-WECC-3 • Reduced CRs result in lower WRAP PRMs • New CR methodology applies for WRAP Summer 2028 modeling and all subsequent Binding Seasons	• COSR discussed related expedited proposal with immediate tariff changes (submitted to FERC in September); this NTFP addresses related BPM updates • No input received from COSR during the comment period
Deficiency Charge Calculation (2026-NTFP-08)	• Retains monthly seasonal deficiency charges, while replacing the separate Summer and Winter calculations with a single annual maximum deficiency charge determined after both seasonal showings are complete • Credits monthly deficiency charges already paid toward the final annual maximum deficiency assessment (using the applicable seasonal CONE factor) • Preserves seasonal attribution of the annual charge to support tracking and administration under the new Deficiency Charge Deferral framework	• Limited policy impacts; primarily administrative changes and clarifications • No input received from COSR during the comment period

6. Update on Active Proposals & Policy Developments

Update on Active Proposals & Policy Developments

Data Center & Large Loads Task Force Proposal

Background

- Task force members spent the last two-three months examining whether data centers and other large loads with behind-the-meter backup generation should be excluded from WRAP load obligations, and/or receive additional capacity value through the Customer Resource Qualifying Capacity Contribution (QCC)

Outcome & Next Steps

- **Maintain existing treatment of large loads**: no changes to current policies for load exclusions, Customer Resource QCC methodology for data center backup generation, or the calculation of monthly FSPRMs. Large loads will continue to receive no special treatment under existing BPM 103 and BPM 105 rules.
- **Revisit policies after operational experience**: the above policies may be reassessed following the Winter 2027/2028 Forward Showing (first binding season).
- **Increase flexibility for new DR resources**: new, expanded, or late-registered Demand Response resources enabled by on-site generation may submit engineering design specifications to support initial QCC claims when there is insufficient time to complete required WRAP DR testing.
- **COSR Review Period**: December

Update on Active Proposals & Policy Developments

WRAP ELCC + QCC Task Force (ELCC Methodology)

Background & Status

- Task force has provided input for the development of a proposal with two-tranche ELCC accreditation with marginal ELCC guidance for future resource.

Next Steps

- Task force is reconvening on October 28 to review and discuss the policy.
- Targeting March 2027 WPP Board for approval consideration.

Update on Active Proposals & Policy Developments

December 10 WPP Board Meeting

Type	ID	Title	Description	Impact(s)	COSR Review
Non-Task Force	2026-NTFP-06	Uncertainty Calculation Timing Changes	Changes the timing of the Uncertainty Factor calculation to align with the binding Sharing Calculation to ensure consistent use of the latest available load forecast.	BPM 203	Abstained
Non-Task Force	2026-NTFP-08	Deficiency Charge Construct with Sharing Calculations	Introduces updates to better align annual charges and revenue distributions with the proposed/new Deficiency Charge framework, reducing differences based on whether a participant's deficiency occurs in Summer or Winter.	Tariff, BPM 107, 108	Abstained
Task Force	2025-TF-04	Day Ahead Market Task Force	Updates the WRAP Operations Program for Interim Seasons (prior to Binding) and prepares for the transition of the operations program to SPP Markets+.	Tariff, BPM 201, 202, 205, 206, 209	Comments Pending Approval
Other	New BPM 110	BPM 110 - Cost of New Entry (CONE)	Introduces a new BPM 110 to establish the process for calculating the Cost of New Entry (CONE), including the annual review. This section will also include the new CONE-value.	BPM 110	Leadership Comments (10/21)
Non-Task Force	2026-NTFP-07	Contingency Reserves for Seasons with Approved PRMs	Introduces approach to incorporate the impact of reduced contingency reserves (2026-NTFP-07) for seasons with approved PRMs.	TBD	November

7. Upcoming Meetings & Important Dates

Upcoming Meetings & Important Dates

October 27: ELCC + QCC Task Force Meeting

October 29: Resource Adequacy Participants Committee (RAPC) Meeting

November 3: Data Center & Large Loads Task Force Meeting

November 12: Resource Adequacy Participants Committee (RAPC) Meeting

November 17: Data Center & Large Loads Task Force Meeting

November 18: Program Review Committee (PRC) Meeting

November 19: Resource Adequacy Participants Committee (RAPC) Meeting

November 20: COSR Monthly Meeting Rescheduled

December 1: Data Center & Large Loads Task Force Meeting

December 3: Resource Adequacy Participants Committee (RAPC) Meeting

December 10: WPP Board Meeting

December 11: COSR Monthly Meeting Rescheduled

December 15: Data Center & Large Loads Task Force Meeting

December 16: Program Review Committee (PRC) Meeting

December 17: Resource Adequacy Participants Committee (RAPC) Meeting

8. WRAP Compliance Metrics & Performance

Appendix I: PRC 2026-2027 Workplan – Board Approved

