



Resource Adequacy Engagement Workshop

July 26, 2022
1 p.m. to 3 p.m.

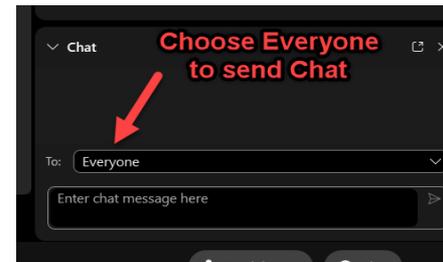
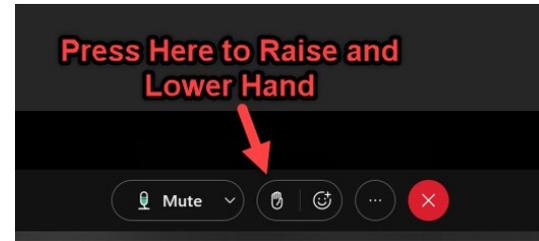


Welcome to the Resource Adequacy Engagement Workshop:

The meeting will begin momentarily

Meeting Participation and How to Ask Questions:

- After you join the WebEx Event, you will not be able to unmute yourself until the host recognizes and unmutes you.
- **To be recognized for asking a question:**
 1. Use the “Raise your Hand” option to signal you have a question
 2. Or use the Chat option to send a question request to “Everyone”
- When finished the Host will re-mute you. Please remember to re-mute and **lower your hand** when done speaking.
- **Participants on the phone:**
 1. ‘*3’ to raise hand and lower hand



Agenda

Time	Topic	Presenter
1:00 – 1:10 p.m.	Safety Moment and Introduction	Russ Mantifel
1:10 – 1:20 p.m.	WRAP Updates	Russ Mantifel
1:20 – 1:40 p.m.	Decision Process Plan	Rahul Kukreti, Mai Truong
1:40 – 2:20 p.m.	NLSL and AHWB Follow-Up	Steve Bellcoff, Ethan Falatko, Emily Traetow
2:20 – 2:50 p.m.	Consideration of Customer Feedback	Steve Bellcoff, Ethan Falatko, Emily Traetow, Mai Truong
2:50 – 3:00 p.m.	Questions and Next Steps	Russ Mantifel



Safety Moment and Introduction

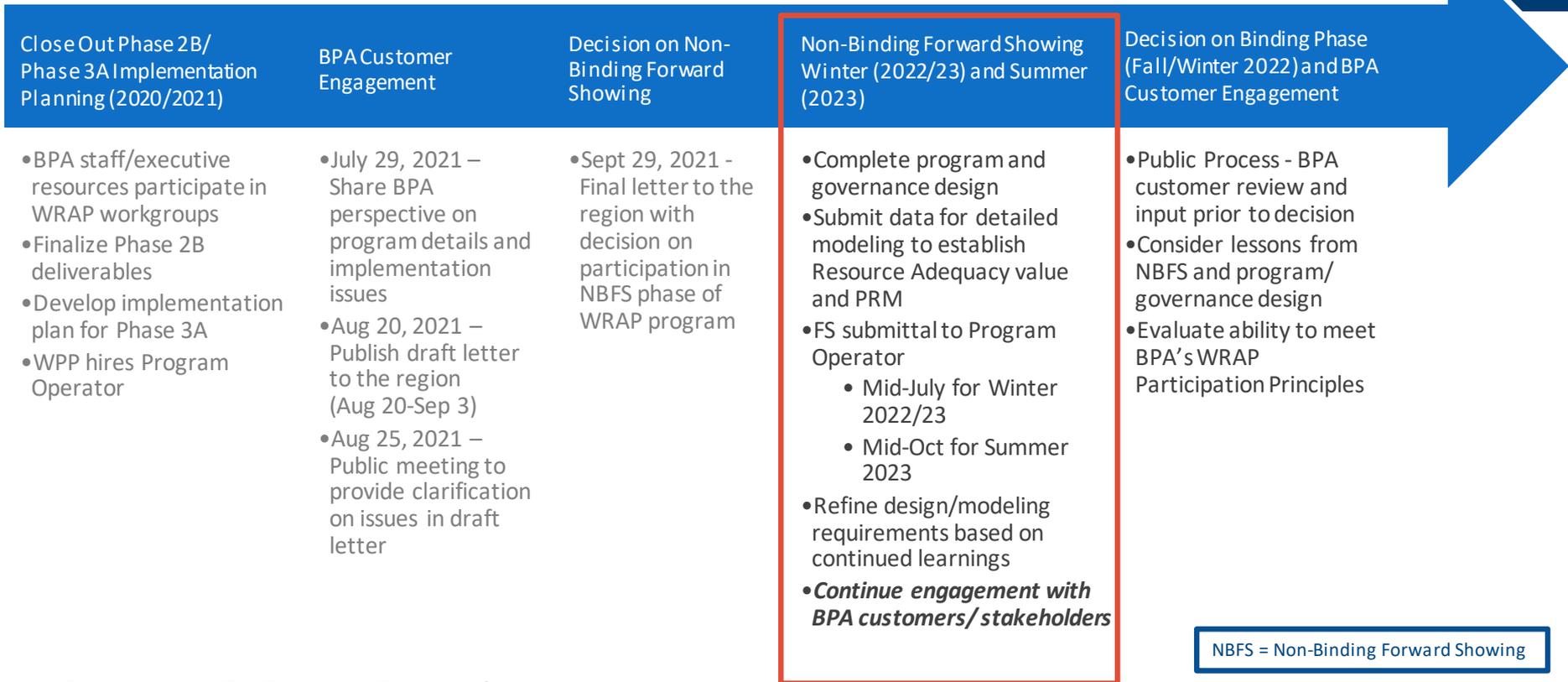
Russ Mantifel



Surviving the Hot Weather

- The best way to avoid a heat-related illness is to limit exposure outdoors during hot days. According to the Centers for Disease Control and Prevention:
 - Air conditioning is the best way to cool off
 - Drink fluids, even if you don't feel thirsty, and avoid alcohol
 - Wear loose, lightweight clothing and a hat
 - Replace salt lost from sweating by drinking fruit juice or sports drinks
 - Avoid spending time outdoors during the hottest part of the day, from 11 a.m. to 3 p.m.
 - Wear sunscreen; sunburn affects the body's ability to cool itself
 - Pace yourself when you run or otherwise exert your body

BPA Milestones – 3A Engagement



NBFS = Non-Binding Forward Showing

Tentative BPA Phase 3A Stakeholder Engagement Schedule – as of 07/18/2022

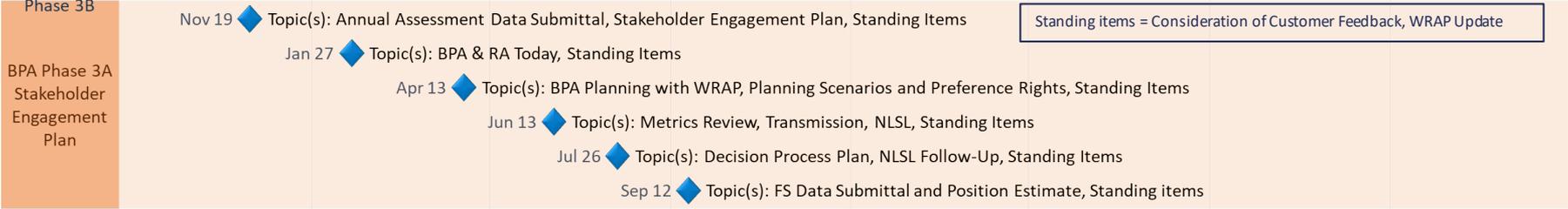
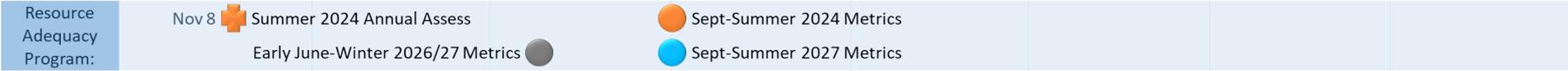
Schedule is based on WRAP timelines and is subject to change

▶ Dec - BPA Phase 3B Decision

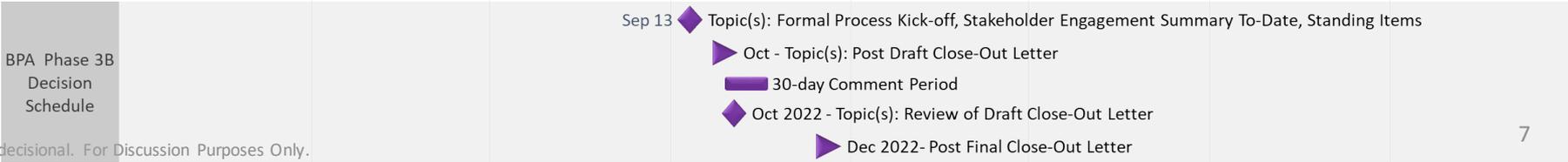


Legend

- + Participant
- Program Operator



Standing items = Consideration of Customer Feedback, WRAP Update



Western Resource Adequacy Program

Participation Principles for Binding Program

1. BPA's participation is consistent with its statutory, regulatory and contractual obligations.
2. BPA will maintain reliable delivery of power and transmission to its customers.
3. BPA's participation is consistent with a sound business rationale.
4. BPA's participation is consistent with the objectives of Bonneville's Strategic Plan.
5. BPA's evaluation of WRAP participation includes transparent consideration of the commercial and operational impacts on its products and services.



WRAP Update

Russ Mantifel



Western RA Program Updates

- Phase 3A Implementation

- Advanced assessment modeling is being finalized and aggregated program results for LOLE and ELCC are being developed.
- Forward showing process documentation and training in July 2022.
- Forward showing deadline for winter 2022/23 is late summer 2022.
- Development of Operations Program underway.

- Governance

- Draft Tariff is completed and released publically. July 25 public webinar for discussion/questions on the Tariff.
- Upcoming Program Review Committee meetings on July 27 and August 8.
- Filing with FERC is expected in summer 2022.

- WRAP Engagement Opportunities & More Information

- WPP hosting on-going public webinars.
- See WPP website for information on the public webinars, approved task force proposals, video overviews and the latest WRAP updates @ <https://www.westernpowerpool.org/>
- Contact at wrap@westernpowerpool.org to be added to WRAP mailing list.



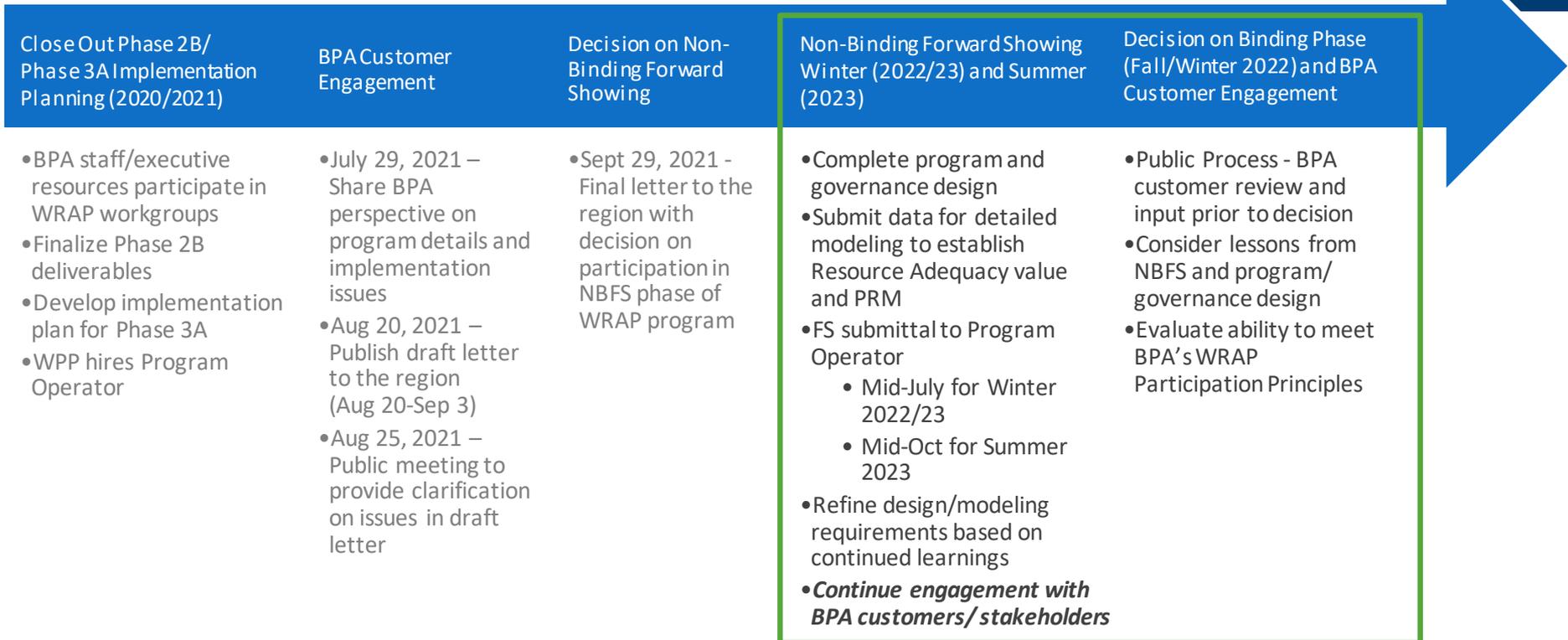
Decision Process Plan

Rahul Kukreti

Mai Truong



BPA Milestones – 3A Engagement



BPA Approach to Engagement

3A Workshops
(Nov 2021 – Sept 2022)

- Provide transparency of program design updates and information that may impact **BPA's business case** for binding program participation decisions. Engagement will be **consistent with external WRAP engagement** outside of BPA's process.
- Pursue effective and efficient **two-way communication** between BPA and customers, stakeholders, and external interested parties.
- Engage on a **predictable, standardized cadence** provided there is adequate content or relevant information to discuss.
- **Ensure engagement opportunities** occur sufficiently to inform interested parties based on program timelines and information availability and applicability.

BPA Engagement Plan To-Date

- Focused on discussing program updates and impacts to BPA and customers, outcomes from BPA's participation in non-binding forward showing program, and resolving BPA and customer questions and key considerations
- BPA hosted workshops
 - BPA and Resource Adequacy Today, BPA Planning with WRAP, Planning Scenarios and Preference Rights, Transmission, NLSL and AHWM Unspecified Resources, and Decision Process Plan
 - WRAP Topics: Annual Assessment Data Submittal and BPA Metrics Review
- BPA has maintained a “WRAP public considerations” tracking spreadsheet (posted to BPA Resource Adequacy webpage)
 - Add questions and key considerations from comments submitted following workshops
 - Address and close out items in workshops
 - 97 questions and considerations to-date (July 2022)
 - 62 questions and considerations resolved to-date (July 2022)
- In September 2022, BPA is shifting from information sharing to its decision process on whether BPA will continue participation in the next phase of WRAP.

BPA Approach to the Decision

Decision Process
(Sept – Dec 2022)

- BPA intends to make a decision before the start of the next phase (3B) of the WRAP, which is scheduled to start on January 1, 2023.
 - Adjustments to BPA’s timeline may occur to accommodate external WRAP developments outside of BPA’s decision process.
 - BPA expects to share its decision in a Close-out Letter.
 - Evaluation of decision will be consistent with BPA’s Participation Principles.
 - BPA’s engagement will include responses to remaining customer questions as well as address topics or issues impacting BPA’s participation in the next phase of WRAP and share updates to BPA’s business case as necessary.
 - BPA will hold two public meetings in order to provide customers, stakeholders and interested parties an opportunity to provide feedback throughout the decision process, including a 30 day comment period after BPA post’s a draft Close-out Letter.
- * Although the formal decision process kick-off is September 2022, BPA has been conducting an extensive stakeholder process providing program design updates and information that may impact BPA’s decision.

Western Resource Adequacy Program

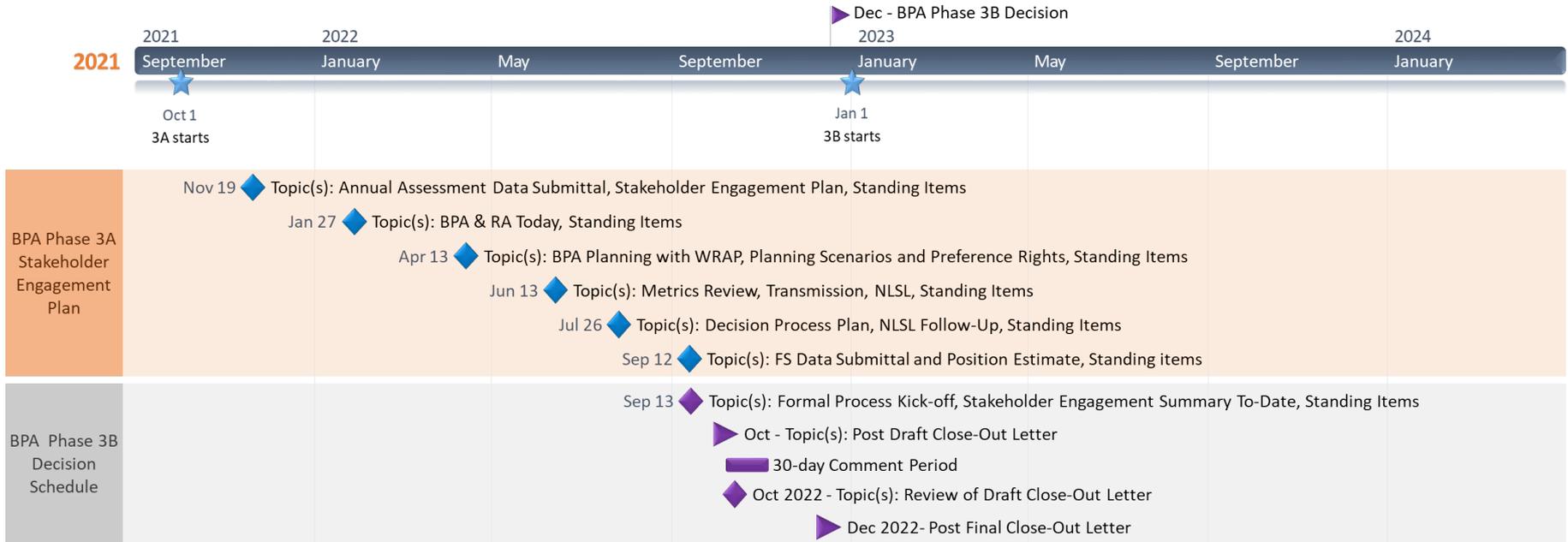
Participation Principles for Binding Program

1. BPA's participation is consistent with its statutory, regulatory and contractual obligations.
2. BPA will maintain reliable delivery of power and transmission to its customers.
3. BPA's participation is consistent with a sound business rationale.
4. BPA's participation is consistent with the objectives of Bonneville's Strategic Plan.
5. BPA's evaluation of WRAP participation includes transparent consideration of the commercial and operational impacts on its products and services.

Timeline of Public Engagement

- **November 2021 – Sept 12, 2022:** BPA hosted RA engagement workshops
- **September 13, 2022:** Kick-off formal decision process - public meeting #1
- **October 2022:** Post Draft Close-out letter on BPA RA webpage (30-day comment period begins)
- **October 2022:** Public meeting #2
- **December 2022:** Post Final Close-out letter on BPA RA webpage

Timeline of Public Engagement



From Phase 3A Engagement to Decision Process

- Annual Assessment Data Submittal
- BPA and RA Today
- BPA Planning with WRAP
- Planning Scenarios and Preference Rights
- BPA Metrics Review
- Transmission Overview
- NLSL and AHWM Unspecified Resources
- Consideration of Customer Feedback

3A Engagement Workshops
(Nov 2021 – Sep 2022)

Decision Process
(Sep – Dec 2022)

- Summary of Engagement Workshop topics
- Proposals for issues (i.e. NLSL)
- Consider NBFS and governance design
- Close out Consideration of Customer Feedback
- Business Case proposition
- Evaluation of BPA WRAP Participation Principles
- Post **Draft Close-out Letter** in Oct w/ 30 day comment period

- Administrator Decision to join WRAP 3B Binding Program
- Post **Final Close-out Letter**

Final Close-out Letter
(Dec 2022)

Phase 3B Binding Program
(Jan 2023)

- Begin participation in WRAP 3B Binding Program



NLSL and AHWM Follow-Up

Steve Bellcoff
Ethan Falatko
Emily Traetow



WRAP Participation – Load

- Under the **WRAP** participation model, a LRE may bring into the program one or multiple loads for which it has responsibility.
- LREs will be required to show the WPP the Total Retail Loads for which they are responsible (all loads within the Western Interconnect for which they are the LSE or the exclusive wholesale electricity provider to the LSE).
- LREs may not be able to participate in the program on behalf of all load for which they are responsible or may have loads for which they are **not the LSE**; therefore, **WRAP provides a load exclusion process** to enable such LREs to participate with the load for which they are able.

WRAP Participation – Exclusion Process

- **WRAP developed** an exclusion process which is intended for **individual discrete loads**, the complete discrete load, to be excluded but not for only part of a load.
- **WRAP Load exclusion process** is not at the sole discretion of the LRE.
 - Load that are eligible for exclusion are likely existing large industrial loads served via Direct Access and NLSLs.
 - Entities seeking load exclusion will complete an attestation requesting **exclusion from the WRAP**, which indicates a mutual understanding (between LRE and customer) excluding that discrete load from the LRE's WRAP responsibilities.
- **WRAP exclusion process** directly applies to BPA's Load Following Customers' **New Large Single Loads (NLSL)**:
 - NLSL is an individual discrete load, which BPA does not have load service responsibility for.
 - LF customers may seek exclusion of NLSL through WRAP Process (not from BPA).

* WRAP exclusion process does not create a path for the exclusion of AHWM load, served by unspecified resources.

Solution Needed

- BPA will honor our Regional Dialogue contractual obligations, and allow customers to continue to utilize unspecified resources, while encouraging them to move towards resources that meet the requirements of resource adequacy and the WRAP.
- BPA recognizes that Regional Dialogue Contracts expire in 2028. A decision to fully join WRAP would introduce several issues that may need to be addressed in future product offerings through the Provider of Choice process. There may need to be new planning requirements around the accounting and application of non-federal resources, both specified and unspecified.

NLSL (not served through BPA contract) *

Proposed
Solution Concept

Election options for LF customers with one or more NLSLs:

Option 1:

Customer utilizes **WRAP load exclusion process** for each individual discrete load (NLSL), to exclude that load from WRAP. Exclusion results in reduction of BPA's WRAP load by specific excluded load amount (specific discrete load). Load must be excluded prior to WRAP Advanced Assessment (2 years before a binding season), through execution of WRAP Load Exclusion attestation.

Option 2:

Customer **submits resource documentation** providing WRAP resource QCC value equal to or greater than NLSL prior to Forward Showing Data submittal for each binding season.

Customer with NLSL that fails to elect option 1 or 2 above, or elects option 2 above and fails to submit documentation, will receive a charge from BPA (to be developed) for the cost of providing the Forward Showing Resource Adequacy for the customers NLSL.

**Further development of concept details still required*

AHWM Unspecified Resources*

Proposed
Solution Concept

Election options for customer serving AHWM load with Unspecified Resources:

Option 1 - Documented Resources:

Customer **submits resource documentation** providing WRAP resource QCC value equal to or greater than AHWM unspecified resource amount.

- Must be submitted prior to the forward showing time period (7-months in advance of the season.)
- BPA issues a credit* for customers that use physical resources to meet their non-federal resource obligations for service to AHWM Load (specified and unspecified resources).

Option 2 - Status quo:

Customer continues to use unspecified resource amounts to serve its AHWM Load and **does not provide any additional resource documentation** to BPA.

**Further development of concept details still required.*



Consideration of Customer Feedback

Steve Bellcoff
Ethan Falatko
Emily Traetow
Mai Truong



Addressing Phase 3A Letter Commitments

- BPA is fulfilling its commitment to work with customers and stakeholders made in the Phase 3A Letter to the Region
- Managing a “WRAP Public Considerations” tracking spreadsheet (posted on the BPA Resource Adequacy webpage) to resolve the open questions and key considerations in order for BPA to make a well-informed decision on participation in Phase 3B

Considerations Tracking Update

- BPA will be addressing items identified for resolution at today's workshop). Category themes:
 - Program Impacts
 - BPA Products and Services
 - Cost Allocation / Rates
- Added to “WRAP Public Considerations” tracking spreadsheet in response to comments received (see Appendix)
 - 18 items following the June 13, 2022 workshop

Guide to Reading These Slides

Theme	BPA Response
<ul style="list-style-type: none">• High level or summarized themes BPA captured from comments/feedback.	<ul style="list-style-type: none">• BPA's response to themes or specific comments.• May have a single response for multiple comments.
<ul style="list-style-type: none">• May include specific comments as beneficial to the conversation.	



Indicates the specific comment IDs being addressed for the topic, as captured in the considerations tracking spreadsheet

Q/C#: 2, 3, 5, etc.

Guide to Reading These Slides

Considerations Tracking Sheet Example

ID#	Submitter	Topic/Theme	Question/Consideration
2 AMTC		Logistics	Proposed timing of 3B decision and implementation is to flesh out rate impacts/cost allocation
3 AMTC		Logistics	BPA should commit to potentially conducting a mini period prior to issuing a final decision on Phase 3B p All initial program costs and benefits should accrue may be the appropriate place in the near term.
5 NRC		Cost Allocation/Rates	LF customers only

Q/C#: 2, 3, 5, etc.

Program Impacts

Theme	BPA Response
<p>Regional Dialogue contract conflict with the WRAP Forward Showing requirements because known sources do not need to be identified until pre-schedule. Concerned WRAP will create potential capacity costs that will get passed to the NLSL.</p>	<p>In the June 13, 2022 presentation, “NLSL and AHWM Unspecified Resources,” BPA described the conflicting timing difference between Regional Dialogue contracts (at preschedule) and WRAP participation (7 months in advance of a season). BPA shared solution concept proposals to address these conflicting requirements while honoring the Regional Dialogue contracts.</p> <p>BPA’s NLSL solution concept, allows Load Following customers the option to exclude the NLSL load from the WRAP. By excluding the NLSL from the WRAP it removes that load from the Total Retail Load BPA is responsible for within the WRAP, thereby removing any costs associated with that load that BPA would need to address.</p> <p>The alternative election to excluding NLSL from the WRAP would be for the LF customer to provide the resource information to meet the WRAP QCC requirement at the time of Forward Showing submittal.</p> <p>Failure for a LF customer to do one of these options would result in costs to BPA, which would result in the customer being assessed a charge from BPA in order to assign capacity from the BPA resource portfolio to serve the Forward Showing Requirement associated with the NLSL.</p>

Q/C#: 76

Program Impacts

Theme	BPA Response
<p>Substantial concerns given the unknowns regarding unspecified resource amounts and NLSLs and projected timeline of Fall 2022 for Phase 3B decision.</p>	<p>In the June 13, 2022 presentation, “NLSL and AHWM Unspecified Resources,” BPA described the conflicting timing difference between Regional Dialogue contracts (at preschedule) and WRAP participation (7 months in advance of a season) associated with the use of Unspecified Resources. BPA shared solution concept proposals for both NLSL and AHWM Unspecified Resources.</p> <p>BPA’s proposals do not conflict with Regional Dialogue contracts and the customers’ ability to use Unspecified Resources, while balancing the capacity requirements of the WRAP, and creating a fair and equal treatment for those [BPA customers and other WRAP participants] who serve loads with specified resources. Timing – while it is true that BPA will evaluate whether to participate in the next phase of the WRAP in the Fall of 2022, the program design was done to allow for multiple non-binding seasons before participation becomes “binding,” specifically to allow the program and participants nuances like this. BPA would also be using this time to work through the Unspecified Resources issues with its customers.</p>

Program Impacts

Theme	BPA Response
<p>Suggests standing up a working group comprised of BPA, utilities that serve NLSLs, AWEC and any other organization with similar interests, and individual end-use consumers to resolve NLSL issues with a report out on possible options to the broader stakeholder group.</p>	<p>Prior to the June 13, 2022 presentation, “NLSL and AHWL Unspecified Resources,” BPA held a couple meetings with small groups of NLSL customers and AWEC in an effort to hear ideas and continue to develop the proposals that BPA presented. BPA plans to continue working with customers serving NLSLs as well as those with AHWL load and using Unspecified Resources to make sure the proposals are fleshed out and how each option affects individual LF customers.</p>
<p>Request for planning scenarios, similar to the April 13, 2022 workshop, for utilities serving above rate period high mark (“RHWM”) loads and NLSLs with nonfederal, unspecified resource amounts to understand WRAP impacts on BPA’s current processes.</p>	<p>BPA refers to the proposals presented at the June 13, 2022 workshop as part of “NLSL and AHWL Unspecified Resources.” It is unclear how this issue could be described differently in a scenario. Instead, BPA will work with affected customers individually to identify specific requirements and needs associated with them, from identifying the specific resource information needed for QCCs of resources (used to serve NLSLs), to excluding specific NLSLs, and to helping customers provide the resource documentation required for AHWL loads served by Unspecified Resources.</p>

Program Impacts

Theme	BPA Response
<p>Does the FCRPS have adequate Qualifying Capacity Contribution during the Capacity Critical Hours for all of its LRE obligations including NLSL loads through the end of the Regional Dialogue Power Sales Agreement (RD PSA) term? Would you please provide this analysis?</p>	<p>Multipart question/response:</p> <ol style="list-style-type: none"> 1. Initial indicative results show BPA has capacity to meet this projected need through the end of Regional Dialogue contract period. 2. BPA is currently in the process of compiling the first Winter Forward Showing 2022/23 data submittal. We believe that upon submittal of that data we will be able to provide a summary of those values using currently non-binding program information. We hope to be able to present this position during our September 12, 2022 engagement workshop.
<p>If an NLSL load is excluded from the BPA WRAP coverage, does the customer have any obligation(s) under the WRAP (e.g., to secure resources to support a share of Planning Reserve Margin for that excluded NLSL load or demonstrate transmission arrangements for load service, etc.)?</p>	<p>Excluding a load from the WRAP excludes that load fully from the WRAP. The excluded load is part of the Total Retail Load of BPA, as an LRE, the exclusion process fully removes the specific discrete load from BPA’s WRAP accounted load during the Forward Showing calculations.</p> <p>Through this exclusion, that load does not have WRAP resource QCC, PRM, transmission demonstration, or any other WRAP requirement as it has been fully removed from the WRAP, and therefore has no (zero) resource adequacy coverage from the WRAP.</p>

Q/C#: 80, 82

Program Impacts

Theme	BPA Response
<p>Can a customer choose to exclude only a portion of an NLSL load from BPA's WRAP coverage? Are there specific criteria that must be met to exclude a portion of an NLSL load?</p>	<p>The concept of excluding a single discrete load is a WRAP concept, not within BPA's discretion. The exclusion process is intended for individual discrete loads. For a NLSL to fit this description it would have to be the full discrete load.</p> <p>As a result of that description, a customer cannot exclude a portion of a discrete load because it is all or nothing. A LF customer that serves two individual NLSLs would have two separate discrete loads, and as a result each NLSL would be considered individually and one could be excluded while the other is not.</p> <p>At this time we do not yet have the exclusion request form from WRAP; however, what we do know is that the load must be metered separately, and that once it is excluded that load is fully excluded from all WRAP calculation.</p>

Program Impacts

Theme	BPA Response
<p>If a customer chooses to exclude an NLSL load (or part of an NLSL load) from BPA WRAP coverage, can that decision be changed? If so, can this be done every rate case period? What would be the deadline for this decision? What are the conditions for these elections?</p>	<p>WRAP - The choice to exclude a qualifying load from the WRAP comes with a two year ahead requirement. The WRAP calculation cycle starts with the Advanced Assessment which is completed two years ahead of each season, the choice to exclude a load must be completed prior to that assessment, and cannot be changed for the specific binding season once modeled.</p> <p>LF Customer Election with BPA – Currently the first WRAP Binding Season is scheduled for Summer of 2025, which would have an Advance Assessment in 2023. As a result, LF customers would need to make a decision for that first binding season in early CY 2023. Realistically under the basic WRAP load exclusion rules, an exclusion decision could be made for each binding season with two years notice; however, BPA would likely limit the ability to change that decision regularly. BPA hopes to present a more detailed timeline that would outline decision dates and how the proposed elections would be handled within a Rate Period at the September 12, 2022 engagement workshop.</p>

Program Impacts

Theme	BPA Response
<p>Will BPA consider allowing NLSL and A-RHWM loads that are included in the BPA WRAP coverage to be served with unspecified resources without charges, credits, or lack of credits, at least through the term of the RD PSA?</p>	<p>All items are open to consideration, however, BPA has some concerns related to potential cost shift between customers associated with this possibility.</p> <p>In both cases (NLSL and ARHWM loads), customers have the option of how they serve those loads. Customers who have chosen to secure firm physical resource to meet those needs should not be penalized (incurring additional costs) to support those who have made a decision to not acquire firm physical resource in advance.</p>

Program Impacts

Theme	BPA Response
<p>On slide 37, BPA states that “[l]oads served by a single [load serving entity (“LSE”)] may not be partially excluded.” At this time, it is unclear from this statement what partial exclusion means. For example, if a customer has both NLSL and AWHM load, does the customer make a single determination on whether to include or exclude its entire load served by Unspecified Resource Amounts (regardless of whether NLSL or AWHM load)? Or can a customer choose to exclude NLSL, but include AWHM load (or vice versa)? If a customer were to have more than one NLSL, can it make a determination on an NLSL-by-NLSL basis, or is it an “all or nothing” decision (i.e., all in or all out)? Does BPA view itself as having discretion to make these determinations, or are these within the purview of WRAP design?</p>	<p>To clarify this point from the June 13, 2022 presentation, “NLSL and AWHM Unspecified Resources,” the exclusion of load from the WRAP is clear: Only single line discrete loads can be excluded--by definition a NLSL meets this requirement because it is an individually metered load that is specific and discrete. ARHM load does NOT meet this requirement and therefore can NOT be excluded.</p>
<p>Assuming that the above prohibition on partial exclusion would not prevent a customer from designating a subset of its load as excluded, it is unclear how a subset of load would be delineated. Is excluded load determined on a meter-by-meter basis? An end-user by end-user basis, regardless of whether some load may be NLSL and some AWHM? Would BPA make a determination on this issue, or would it be at the discretion of the customer? And similar to AWEC’s question above, does BPA view itself as having discretion to make these determinations, or are these within the purview of WRAP design?</p>	<p>Each individual NLSL that a LF customer has would be treated as separate individual discrete load. Load exclusion is subject to a mutually signed attestation (yet to be developed by WRAP) to remove load. An LRE (such as BPA) cannot choose on its own to exclude any load or a portion of load. Only discrete loads that the LF customer chooses to exclude would have a signed attestation. BPA will not have the ability to make these determinations unilaterally under the program rules.</p>

Program Impacts

Theme	BPA Response
<p>Could a customer exclude load for purposes of BPA's WRAP participation but participate in the WRAP for excluded loads on its own? Implications with BPA, particularly related to credits or charges that could be associated with this decision?</p>	<p>Excluding a load is excluding the load from WRAP; it is not excluding the load from BPA's data submittal to WRAP. The effect of excluding the load from WRAP is that BPA would see a reduction in its Forward Showing load requirement associated with that load within the WRAP.</p> <p>Therefore, if the desire is for the load to be covered by WRAP, it should not be excluded and resource information needs to be provided on the appropriate schedule for Forward Showing data submittal.</p>
<p>Requests additional information regarding the approach and the impacts of customer's decision on customer options to include or exclude NLSLs as part of the load for which BPA is responsible under the WRAP. How would the choice related to treatment of the NLSL impact the future ability of customers to directly join in the WRAP for those specific loads? What other impacts does BPA see that may be important for customers to understand?</p>	

Program Impacts

Theme	BPA Response
<p>Determination of NLSL responsibility for the WRAP Planning Reserve Margin (“PRM”) must consider actual load characteristics which will likely lead to a smaller PRM obligation in comparison to other load types.</p>	<p>Specific load characteristics do not carry a specific PRM value. PRM’s are calculated through the standard design and calculation in WRAP (See the WRAP Detailed Design Document for additional information).</p>
<p>Seeks more information about how demand response resources (i.e., WRAP’s “Load Modification” and “Capacity Resources”) may factor into meeting BPA’s WRAP obligation. How BPA would utilize Load Modification and Capacity Resources during such events to meet its reliability requirements and support the region?</p>	<p>The WRAP Detailed Design Document and the Legacy Contracts and Agreements proposal spells out the specifics that are currently available about how Demand Response is counted in the WRAP. How these resources would be deployed by BPA as part of the program are yet to be determined but would need to follow the defined rules for how they operate and be consistent with existing Regional Dialogue contracts. BPA would need to work with each individual LF customer with these type of resources to make sure we understood how and when they could be dispatched. Many details of the Operations program are not yet defined, including how BPA would utilize non-federal resources that are available. More detail will become available as an Operations program is stood up within the WRAP.</p>

BPA Products and Services

Theme	BPA Response
<p>If an NLSL load is excluded from the BPA WRAP coverage, will transmission curtailments and load excursions continue to be treated as they are currently by BPA (e.g., with NR ESS, TCMS, UAI penalties, etc.)? Will BPA's participation in the WRAP change in any way the application or calculation of NR ESS, TCMS, UAI penalties, etc. If so, please explain.</p>	<p>To the best of our knowledge treatment and coverage of NLSL would not have any changes.</p>

BPA Products and Services

Theme	BPA Response
<p>Is BPA contemplating a separate or different UAI charge for loads excluded from BPA’s WRAP coverage? If so, please explain.</p>	<p>We do not believe UAI charges would change. Fundamentally, UAI is a charge for the failure of a resource to actually be delivered to a load.</p> <p>UAI charges are possible regardless of loads being included or excluded from the WRAP because they are incurred as a result of resources serving loads not being delivered.</p> <p>For loads excluded—UAI charges would apply the same as they do today for the failure of a resource to be delivered.</p> <p>For loads included—UAI charges would apply the same as they do today for the failure of a resource to be delivered. However, we do see some potential that if a delivery failure happening before preschedule may trigger a WRAP Negative Sharing event; as a result, charges could be associated with the WRAP holdback and deployment charges. This same failure may not trigger a Negative Sharing event, which would mean that the standard UAI charge may still be appropriate. We continue to work through these issues and any potential impacts to UAI charges would be evaluated as the Operations Program becomes binding.</p>

Cost Allocation / Rates

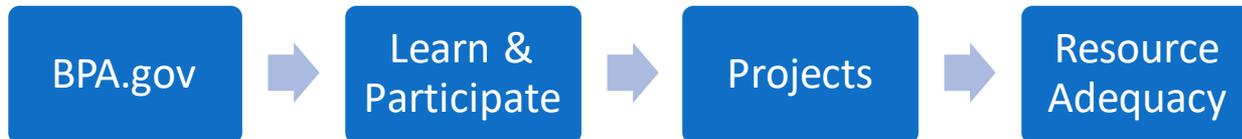
Theme	BPA Response
<p>What is the anticipated cost-basis for assessing a charge or penalty for NLSL load that is NOT excluded from BPA’s WRAP coverage, but still served with unspecified resources – for example, if documentation for known/existing resources to serve unspecified obligations is NOT submitted? How is the application of a new charge consistent with the RD PSA terms and conditions?</p>	<p>Thank you for your questions. We do not have a specific rate proposal at this time. If BPA moves forward with developing a WRAP credit associated with Above-RHWM load service and a WRAP charge associated with NLSLs, BPA will discuss any proposals at an upcoming August or September rates workshop. Any such charges and credits will need to be consistent with the Regional Dialogue agreements and Tiered Rate Methodology.</p>
<p>What is the anticipated cost-basis for credits awarded to customers using known/existing resources rather than unspecified resources for serving A-RHWM loads? How is the application of this credit consistent with the RD PSA terms and conditions?</p>	
<p>Suggest BPA review rate or cost structures for redundancies if BPA enters binding phase (would UAIs be redundant with penalties BPA may incur for same excess demand) and suggest rates and costs be addressed in BP-24 process.</p>	

Q/C#: 87, 88, 89

QUESTIONS?

Next Steps

- Please submit your feedback @ techforum@bpa.gov by August 9, 2022.
- Last engagement workshop: September 12, 2022, 9am – 11am.
- Kick-off meeting for decision process: September 13, 2022, 9am – 4pm.
- More information on BPA's participation in the Western Resource Adequacy Program can be found on the [BPA RA webpage](#):





Appendix



Considerations Tracker Update

Items Added to the Considerations Tracker in Response to Comments Received Following the June 13, 2022 Workshop

Q/C#	Question/Consideration (May be summarized)
80	Does the FCRPS have adequate Qualifying Capacity Contribution during the Capacity Critical Hours for all of its LRE obligations including NLSL loads through the end of the Regional Dialogue Power Sales Agreement (RD PSA) term? Would you please provide this analysis?
81	Can a customer choose to exclude only a portion of an NLSL load from BPA's WRAP coverage? Are there specific criteria that must be met to exclude a portion of an NLSL load?
82	If an NLSL load is excluded from the BPA WRAP coverage, does the customer have any obligation(s) under the WRAP (e.g., to secure resources to support a share of Planning Reserve Margin for that excluded NLSL load or demonstrate transmission arrangements for load service, etc.)?
83	If an NLSL load is excluded from the BPA WRAP coverage, will transmission curtailments and load excursions continue to be treated as they are currently by BPA (e.g., with NR ESS, TCMS, UAI penalties, etc.)? Will BPA's participation in the WRAP change in any way the application or calculation of NR ESS, TCMS, UAI penalties, etc. If so, please explain.
84	Is BPA contemplating a separate or different UAI charge for loads excluded from BPA's WRAP coverage? If so, please explain.
85	If a customer chooses to exclude an NLSL load (or part of an NLSL load) from BPA WRAP coverage, can that decision be changed? If so, can this be done every rate case period? What would be the deadline for this decision? What are the conditions for these elections?

Considerations Tracker Update

Items Added to the Considerations Tracker in Response to Comments Received Following the June 13, 2022 Workshop

Q/C#	Question/Consideration (May be summarized)
86	Please provide the attestation that BPA will require of a customer, coordinating with BPA, to exclude all or a portion of an NLSL load from BPA WRAP coverage?
87	What is the anticipated cost-basis for assessing a charge or penalty for NLSL load that is NOT excluded from BPA's WRAP coverage, but still served with unspecified resources – for example, if documentation for known/existing resources to serve unspecified obligations is NOT submitted? How is the application of a new charge consistent with the RD PSA terms and conditions?
88	What is the anticipated cost-basis for credits awarded to customers using known/existing resources rather than unspecified resources for serving A-RHWM loads? How is the application of this credit consistent with the RD PSA terms and conditions?
89	Will BPA consider allowing NLSL and A-RHWM loads that are included in the BPA WRAP coverage to be served with unspecified resources without charges, credits, or lack of credits, at least through the term of the RD PSA?
90	Will BPA allow changes to the purchase period election Exhibits of the Regional Dialogue contracts in order to update specified and unspecified resource amount elections, Tier 2 elections, RSS elections, etc.? Are there any other changes to election rights or deadlines anticipated as a result of BPA's participation in the WRAP? Please explain.

Considerations Tracker Update

Items Added to the Considerations Tracker in Response to Comments Received Following the June 13, 2022 Workshop

Q/C#	Question/Consideration (May be summarized)
91	What does “partially excluded” mean? If a customer has both NLSL and AHWM load, does the customer make a single determination for load served by unspecified resource amounts regardless of whether it is NLSL or AHWM?
92	Can customers make a determination to exclude load (NLSL vs AHWM)? Would BPA make a determination on this issue, or would it be at the discretion of the customer? Does BPA view itself as having discretion to make these determinations, or are these within the purview of WRAP design?
93	Could a customer exclude load for purposes of BPA's WRAP participation but participate in the WRAP for excluded loads on it's own? Implications with BPA, particularly related to credits or charges that could be associated with this decision?
94	Requests additional information regarding the approach and the impacts of customer's decision on customer options to include or exclude NLSLs as part of the load for which BPA is responsible under the WRAP. How would the choice related to treatment of the NLSL impact the future ability of customers to directly join in the WRAP for those specific loads? What other impacts does BPA see that may be important for customers to understand?
95	Determination of NLSL responsibility for the WRAP Planning Reserve Margin (“PRM”) must consider actual load characteristics which will likely lead to a smaller PRM obligation in comparison to other load types.

Considerations Tracker Update

Items Added to the Considerations Tracker in Response to Comments Received Following the June 13, 2022 Workshop

Q/C#	Question/Consideration (May be summarized)
96	Seeks more information about how demand response resources (i.e., WRAP's "Load Modification" and "Capacity Resources") may factor into meeting BPA's WRAP obligation. How BPA would utilize Load Modification and Capacity Resources during such events to meet its reliability requirements and support the region?
97	Suggest BPA review rate or cost structures for redundancies if BPA enters binding phase (would UAIs be redundant with penalties BPA may incur for same excess demand) and suggest rates and costs be addressed in BP-24 process.

List of Acronyms

Acronym	Description	Acronym	Description
AHWM	Above High Water Mark	NT	Network Integration Transmission Service
ATC	Available Transfer Capability	OATT	Open Access Transmission Tariff
BA	Balancing Authority	OPS	Operations
BAA	Balancing Authority Area	PCM	Preemption and Competition Module
BPM	Business Practice Manual	PO	Program Operator
CONE	Cost of New Entry	PRM	Planning Reserve Margin
ELCC	Effective Load Carrying Capability	PTP	Point-to-Point Transmission Service
EIM	Energy Imbalance Market	QCC	Qualifying Capacity Contribution
FERC	Federal Electric Regulatory Commission	RA	Resource Adequacy
FS	Forward Showing	RD	Regional Dialogue
HLH	Heavy Load Hour	RFO	Request for Offer
LLH	Light Load Hour	ROR	Run of River
L&R	Load and Resource	TRL	Total Retail Load
LF	Load Following	TX	Transmission
LOLE	Loss of Load Expectation	UAI	Unauthorized Increase Charge
LRE	Load Responsible Entity	UCAP	Unforced Capacity
LSE	Load Serving Entity	VER	Variable Energy Resource
NLSL	New Large Single Load	WPP	Western Power Pool
NERC	North American Electric Reliability Corporation	WRAP	Western Resource Adequacy Program