

# WESTERN RESOURCE ADEQUACY PROGRAM

STAKEHOLDER ADVISORY COMMITTEE

*OCTOBER 26, 2021*



# AGENDA

- » Phase 3A
- » Plan for Comments on Detailed Design
- » Governance Update
- » Program Review Committee
- » Nominating Committee
- » Wrap up



# PHASE 3A

COMMENTS ON  
DETAILED  
DESIGN

GOVERNANCE  
UPDATE

PROGRAM  
REVIEW  
COMMITTEE

NOMINATING  
COMMITTEE

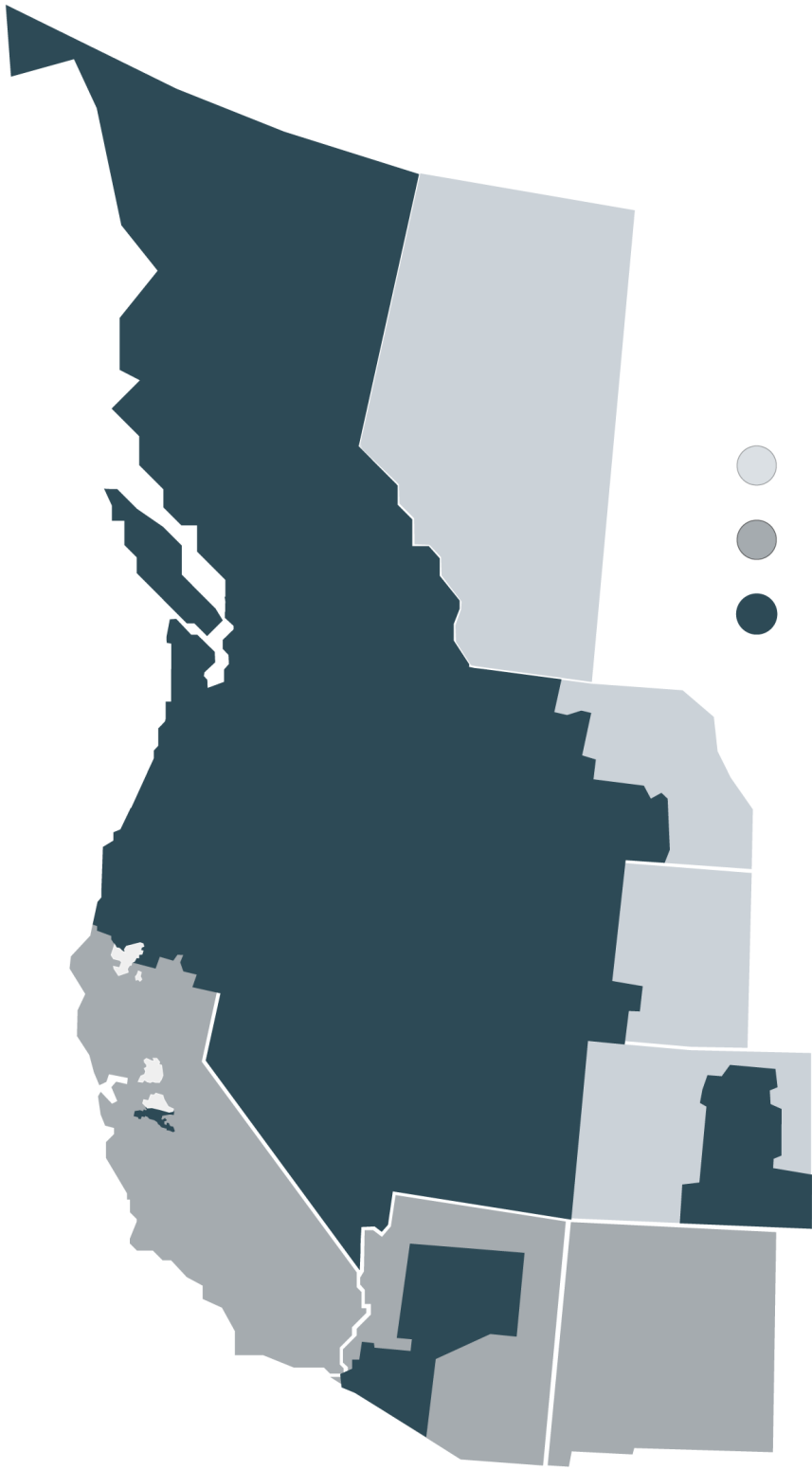
WRAP UP

- » Phase 3A began Oct 1
- » Runs through Dec 2022
- » 23 Participants so far
- » Approximately 68,000 MWs of peak season P50 load
- » Data collection for participating entities by Nov 8
- » Aiming for first compliance showing for Winter 2022-2023 on May 15, 2021



# INITIAL PHASE 3A PARTICIPANTS

- APS
- AVISTA
- BLACK HILLS
- BPA
- CALPINE
- CHELAN PUD
- CLATSKANIE PUD
- DOUGLAS PUD
- EWEB
- GRANT PUD
- IDAHO POWER
- NORTHWESTERN
- NV ENERGY
- PACIFICORP
- PGE
- POWEREX
- PSE
- SCL
- SHELL
- SNOHOMISH PUD
- TACOMA POWER
- TEA
- TID



- ADDITIONAL NWPP AREA
- NON-NWPP AREA
- WRAP AREA TO DATE

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WRAP UP

- » WRAP will be hosting a public webinar on Nov 17 1-3pm ppt
- » We will address comments received on the Detailed Design document
- » More discussion planned on Transmission related feedback
- » You can register for the public webinar here:  
<https://www.nwpp.org/events/109>



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## Governance Update

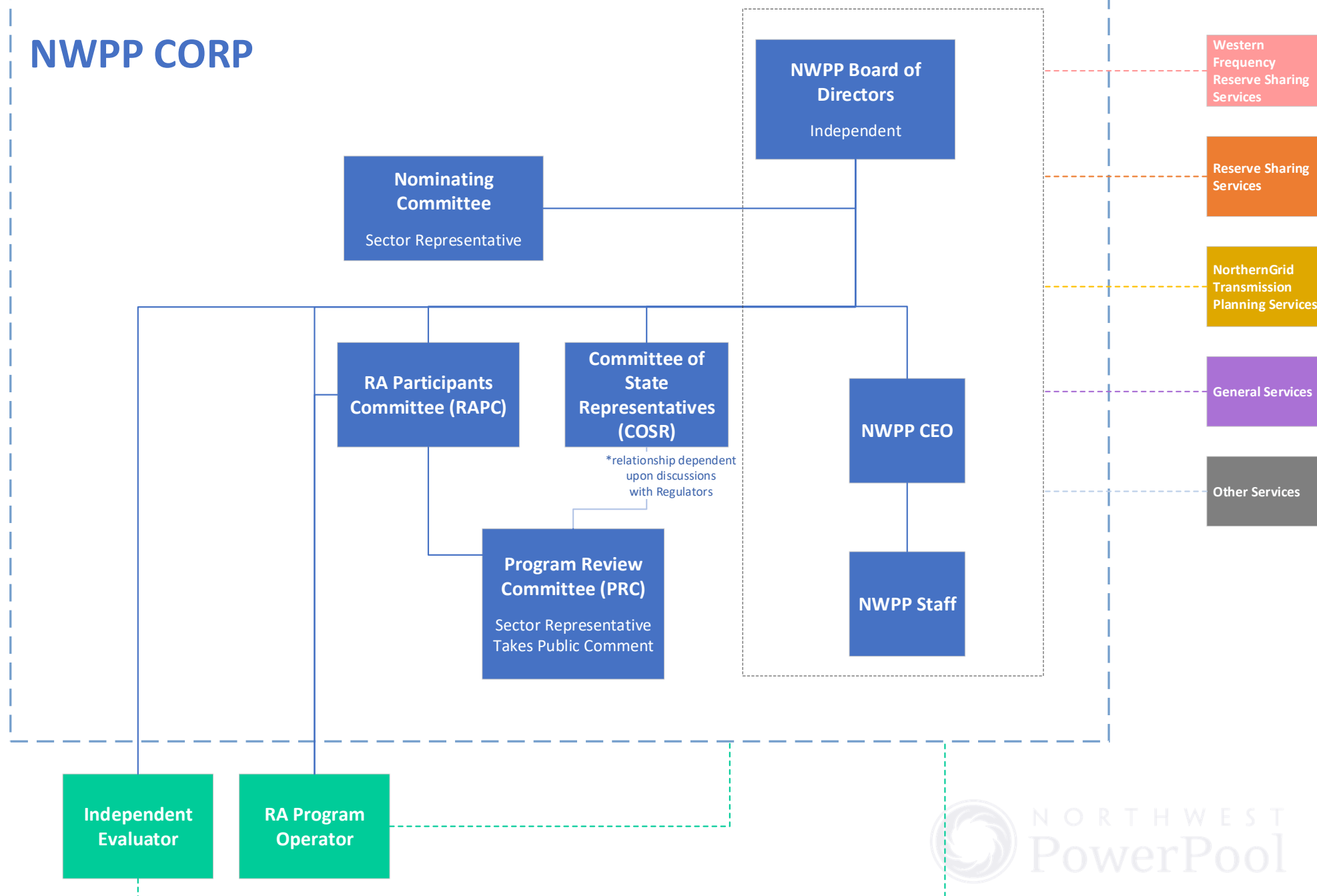
- » This presentation addresses most comments received on the governance portion of the [WRAP Detailed Design Document](#), including [comments of states](#) submitted October 15, 2021 (Arizona, Idaho, California, Colorado, Montana, New Mexico, Oregon, Washington, Nevada, Wyoming, i.e., “State Signatories”)
- » *Effort was made to provide citations to specific stakeholder commenters for each issue in this presentation; if a commenter or comment was not included, it was inadvertent or due to space limitations*



# NWPP "TOMORROW"

## REVIEW OF COMMITTEE STRUCTURE

### NWPP CORP



# BOARD - ROLE

## Comments

- The BOD cannot be merely a “rubber stamp” (State Signatories)
- The BOD should have final say on all amendments to the program and have an active role in reviewing all proposals (RNW, NWECA, WRA, OR CUB)
- Assuring true independence of the BOD is essential. Recommend that the board affirmatively approve program design changes (Utah OCS)
- As currently structured, the BOD has a passive role with main decision-making authority happening at the RAPC. There could be a benefit from a more active board and not having the board “deeming” approval of RAPC items (NIPPC)

## WRAP Response:

New clarifying language and the word “deemed” is eliminated from the language:

- *With respect to the WRAP, the BOD will authorize, and the NWPP will submit filings only after consideration by the RAPC. If the RAPC approves an action and such action is not appealed to the BOD, the matter would go on the consent agenda for the next BOD meeting. During that meeting, any Director could move to have a consent item placed on the regular agenda, and the BOD would vote on the motion. Additionally, any person attending the meeting could ask for the BOD to move a consent item to the regular agenda, stating the basis for why the BOD needs to discuss the item. The BOD could vote down the request if they didn't think discussion was necessary, or, if the request was accepted, the BOD could approve the item, stay the decision (giving more time to the complaining party to make a case for or against the proposal), or reject the proposal. If approved by the BOD, the NWPP is authorized to submit any applicable required regulatory filing(s). Thus, any action, or inaction, taken by the RAPC may be brought before the BOD for ultimate resolution.*



# APPEALS PROCESS

## Comments

- Appeals process is not clearly detailed (State Signatories)
- The ability of any stakeholder to appeal decisions of the RAPC to the BOD is very important (PPC)

## WRAP Response

New clarifying language added to address appeals and documentation process:

- The RAPC will prepare informational packages for matters presented to the BOD for decision.
- These packages would include the opinions of the PRC, the PO, COSR, and any stakeholder.
- The expectation is that views on proposals will be presented to the RAPC for deliberation and not raised for the first time before the BOD.
- If any stakeholder desires to appeal an issue to the BOD, the stakeholder should provide a summary of the issue, the supporting data or precedent, and the significance of the issue to the WRAP.
- The RAPC may provide a written response.
- Both the initial stakeholder summary and the RAPC response will be included in the BOD's informational package. The RAPC and the stakeholder will also be given a brief opportunity to present their positions to the BOD.

# BOARD OVERSIGHT

## Comments

- Signatories feel strongly that the NWPP RA Program Governance Provisions should empower the Board—in its role of providing independent oversight of the RA Program—to hold the RAPC accountable for its actions or inactions in fulfilling these responsibilities (State Signatories)

## WRAP Response:

It is the intent of NWPP that a responsibility of the Board will be to provide independent oversight of the NWPP's administration of the program and that the Board will engage with all committees of the WRAP, including RAPC, as well as with the Program Operator and the Independent Evaluator.

This engagement and accountability relationship can occur in various ways or forums of the WRAP. The NWPP welcomes any specific suggestions for how to effectuate and demonstrate this engagement.

# BOD – MEETINGS

## Comments

Requests more clarity on what can be addressed in executive sessions and what protocols will be used for record keeping associated with these meeting (State Signatories, NIPPC)

## WRAP Response:

### New clarifying language in yellow:

- 1) BOD meetings for the WRAP will be open and publicly noticed for all meetings except when in executive session. Executive sessions (open only to Directors and to parties invited by the Chair) will be held as necessary upon agreement of the BOD to safeguard confidentiality of sensitive information. Matters for consideration in executive session include personnel, litigation, and proprietary, confidential or security sensitive information.
- 2) BOD meetings will include an opportunity for public comment as well as reports from the Program Operator, the Independent Evaluator (once per year), the RAPC, the PRC, and the COSR. All written materials which are not privileged or confidential and which are submitted to the BOD in connection with a matter subject to discussion at an open meeting will be made available to the public in advance of the meeting.
- 3) The Chair of the BOD will grant any stakeholder's request to address the BOD during open public meetings for a prescribed period with respect to WRAP.

# MAKEUP OF THE NOMINATING COMMITTEE (NC)

## Comments:

Several commenters provided suggestions for the makeup of the NC and urged that a consensus process be used:

COSR should have a meaningful, equal role (State Signatories)

Recommend load following customers have a guaranteed seat on the PRC and Nominating committee or are otherwise guaranteed adequate participation in the RA program governance structure after Phase 3A of the program (NRU)

Language should be added to ensure the diverse perspectives of public power will be reflected on both the Program Review Committee and Nominating Committee (PPC)

Suggests more equal weighting of representation on the nominating committee (RNW, NWEK, WRA, OR CUB)

The nominating committee should reflect the full range of stakeholders. State committee, NGO advocates and state-authorized consumer advocates must each have voting members and ideally the nominating committee would balance members from RAPC and those from other sectors to the PRC (Utah OCS)

Entities like PNGC should have a direct voice on the RAPC and the nominating committee (PNGC)

## WRAP Response:

### New language in yellow:

The NC will be comprised of 13 individuals from stakeholder sectors. The proposed sectors and the numbers of members include:

- » RAPC/Participants, ensuring appropriate representation among these types of Participants:
  - Investor-owned Utilities (IOUS)<sup>1</sup> (2)
  - Consumer-owned Utilities (2)
  - Retail Competition Load Responsible Entity (LRE) (1)
  - Federal Power Marketing Administration (1)
- » Independent power producers/markets (1)
- » Public interest organizations (1)
- » Retail customer non-participant advocacy groups<sup>2</sup> (1)
- » Wholesale customer non-participant advocacy groups (1)
- » NWPP Member (not on RAPC and not a Market Operator) (1)
- » BOD (a member for is not rolling off, not the NWPP CEO) (1)
- » COSR (chair or vice chair) (1)

<sup>1</sup> The category also includes international LREs (e.g., Powerex)

<sup>2</sup> This category includes groups that are state-law authorized for advocating on behalf of retail utility customers.



# NC – OTHER CHANGES

- New language added to clarify strong preference for consensus-based decision-making of the NC, with a backstop provision:
  - › *The NC will strive for and will act on the consensus of its members. However, in the event consensus cannot be obtained, voting procedures will be utilized and at least a two-thirds majority of the voting committee members must be obtained to approve a candidate to the slate. In the voting process, all members of the NC would participate with individual votes, with the exception of the BOD member who would be non-voting. The non-voting member is expected to share their views about the candidates and to participate fully in deliberations.*
- New language added to address exclusivity in sector representation:
  - › *An entity that qualifies for more than one sector must choose one sector to participate in and potentially represent.*
- New language (yellow) added to clarify NC meetings:
  - › The NC will meet as required to perform its responsibility, including such open public meetings as the NC determines are beneficial.

# COMMITTEE OF STATE REPRESENTATIVES (COSR) - RESOURCE ADEQUACY PARTICIPANT COMMITTEE (RAPC)

## Comments

- State Signatories recommend that the COSR be able to appoint at least one representative to the RAPC
- Suggest a member of the states' committee be allowed to participate on the RAPC (RNW, NWEA, WRA, OR CUB)
- Does not support other stakeholder suggestions for having a member of the COSR serve on the RAPC. A single representative could likely take positions inconsistent with the interests of some states (Utah OCS)
- Entities like PNGC should have a direct voice on the RAPC and the nominating committee (PNGC)

## WRAP Response:

COSR states can select their own representatives to COSR (e.g., public utility commission, energy office, state consumer advocate, etc.)

RAPC participation is to be limited to Participants, however, accommodation has been made in several areas, including:

- Chair or Vice-Chair of COSR requested to attend open sessions of the RAPC and to provide input and advice
- Use of open meeting provisions and additional meeting documentation specifications – to be developed
- Broad sector representation on the NC
- Broad sector representation on the PRC

# COSR ROLE – FERC 205 FILING RIGHTS

## Comments:

- Section 205 filing rights are important as the RA Program begins, favoring the use of Section 205 filing rights as a backstop mechanism, helping to ensure continued state authority over issues associated with state policy (State Signatories)
- It is unclear if the RA program will have FERC 205 filing rights. If so, supports states being granted Section 205 filing rights by FERC upon approval of the program (RNW, NWECA, WRA, OR CUB)
- Concerned about giving states 205 filing rights without a better understanding of the voting procedures that will be used to determine the policies in such a filing (Utah OCS)

## WRAP

## Response:

This proposal is under review.

# FERC 205 FILING RIGHTS CONSIDERATIONS & FACTORS

- Helps to secure engagement and support of States
- Can be used as a backstop to exert influence if the program diverges from States' desired approach
- In practice, unlikely to be invoked based on history in other regions
- A vehicle for retaining state authority in a FERC jurisdictional program
- Filing rights for States could jeopardize non-jurisdictional participation
- States have an elevated role in many areas of governance
- Overall approach of WRAP governance is collaboration
- 205 rights is most extreme tool
- Scope of WRAP is limited to RA compliance; not a market or an RTO



# COSR SUPPORT

## Comments

- Signatories feel strongly that staff support for the COSR is an important issue that warrants further discussion (State Signatories)
- Requests clarification on administrative support for COSR (RNW)

## WRAP Response:

New language added to address support for COSR:

*The recently adopted approach for the Body of State Regulators for the Western EIM may serve as a valuable model. Under this approach, and in collaboration with the Western Interstate Energy Board, the state officials would identify staffing needs and a budget which would be funded by separate agreement with the state-regulated utilities participating in the WRAP.*

# INTRODUCTORY LANGUAGE

## Comments

- **NIPPC:** Add a statement in the filing that is eventually made at FERC that the program intends to maintain optionality for competition/not impede competition
- **Utah PSC:** Add a statement in the filing that is eventually made at FERC that the program is NOT intended to pre-empt state RA processes

## WRAP Response:

The following statement has been added to the governance document and will also be addressed in the FERC filing :

*It should also be understood that the WRAP is not intended to pre-empt or circumvent state regulatory process around resource adequacy planning and procurement. It is the hope of the designers of the WRAP that the overall governance structure for the WRAP facilitates state process and outcomes that can operate jointly with a regional resource adequacy program. Furthermore, the WRAP is intended to support competition in the West and not to impede or unduly restrict competition.*

# DATA AND DATA ACCESS

## Comments

- Signatories feel strongly that transparency, including sharing of information and data, is an important issue that warrants further discussion and deliberation (State Signatories)
- NWPP should commit to make as much information and data available as possible as it is collected during Phase 3A (PPC)
- Suggests that WRAP program data be made available to stakeholders and regulators (NIPPC)
- Data sufficient to prove out the success of the program should be made publicly available, where possible (RNW, NWECC, WRA, OR CUB)

## WRAP Response:

- The NWPP has posted a document addressing data and data access:  
<https://www.nwpp.org/resources/wrap-information-sharing>
- The NWPP looks forward to more discussion with States on data and data access
- Subject to change

# Initial Proposal for Data Sharing

Some of this data is provided by the Participants, some is modeling results from the PO Proposal is still under discussion – subject to change

	Program Operator	Independent Program Evaluator	Participant's Individual Data (no visibility into other Participants)	NWPP	Other Participants Data	Public	Adjacent Reliability Organizations
Individual Commercial Transactions (purchases and sales regardless of type)	X	X	X				
Net Contract QCC	X	X	X				
NWPP Storage Hydro Methodology Inputs (non-power constraints, elevation constraints, etc.)	X	X	X				
Portfolio QCC	X	X	X				
Forecasted Unit Outages	X	X	X				
Transmission Assigned to Individual Resources	X	X	X				
Resource Registration Information (resource type, nameplate, historical forced outage data, fuel type, etc.)	X	X	X	X			
Individual Resource QCC	X	X	X	X			
Transmission Rights	X	X	X	X			
Load Forecast	X	X	X	X			
VER Forecast	X	X	X	X			
Contingency Reserve Forecast	X	X	X	X			
Actual Contingency Reserves	X	X	X	X			
Forced Outages	X	X	X	X			
Transmission Constraint(s)	X	X	X	X			
Holdback	X	X	X	X			
Delivered Energy	X	X	X	X			
Non-Delivered Energy	X	X	X	X			
Actual Load by LRE	X	X	X	X			
Actual Generation by Resource	X	X	X	X			
P50	X	X	X	X	X	X	X
Regional PRM	X	X	X	X	X	X	X
QCC by resource type, zone	X	X	X	X	X	X	X
ELCC Curves (predicting future QCC values for additional VER resources)	X	X	X	X	X	X	X
Transmission Zones & Flowgates	X	X	X	X	X	X	X
Cost of New Entry (CONE) calculated value	X	X	X	X	X	X	X
Net Import/Export Contracts (aggregated for the program)	X	X	?	X	?	?	X

\*An Adjacent Reliability Organization is an organization that performs reliability functions in neighboring areas. These are organizations that the WRAP would collaborate with to minimize seams and other issues

X = some form of this may already be available to the NWPP



# RESOURCE ADEQUACY PARTICIPANT COMMITTEE (RAPC) - MEETINGS

## Comments

- RAPC meetings should be held open to the public and opportunities for public comment provided (RNW, NWECA, WRA, OR CUB)
- RAPC should pre-define a narrow set of circumstances in which it is authorized to conduct business in executive sessions (Utah OCS)

## WRAP Response:

Updated language in **yellow**

- Meetings of the RAPC are open to all interested parties; and written notice of the date, time, place, and purpose of each meeting will be **publicly** provided **in advance**. However, the RAPC may limit attendance during specific portions of a meeting by an affirmative vote of the RAPC in order to discuss issues that require confidentiality, **such as other security-sensitive information or commercially sensitive information of a participant**.

# PROGRAM REVIEW COMMITTEE (PRC)

## Comments:

Recommend load following customers have a guaranteed seat on the PRC and Nominating committee or are otherwise guaranteed adequate participation in the RA program governance structure after Phase 3A of the program (NRU)

Supports creation of the PRC, suggests equal weighting across sectors (RNW, NWECC, WRA, OR CUB)

Inclusion of stakeholder sectors in the PRC is a key element of program design and supports (this is crucial) separating PIOs and consumer advocates (Utah OCS)

## WRAP Response:

New language in yellow

- The PRC will consist of the following sectors and sector representatives, which could also be represented by a trade group that serves that sector. Each sector will be responsible for appointing its representatives:
  - RAPC Participants, ensuring appropriate representation among these types of Participants:
    - IOUs<sup>1</sup> (4)
    - COUs (4)
    - Retail Competition Load Serving Entity (2)
    - Federal Power Marketing Administration (2)
  - Independent power producers/marketers (2)
  - Public interest organizations (2)
  - Customer advocacy **non-participant** groups (2)
    - **Retail (1)**
    - **Wholesale (1)**

<sup>1</sup>This category also includes international LREs (e.g., Powerex).

# PRC – PROCESSES AND PROCEDURES

Based on other comments, the following additional language is proposed for the PRC:

- *The PRC will endeavor to operate by consensus. If necessary, a vote can be taken on the efficacy of moving forward with a proposal. Voting will be by sector and voting procedures will be determined by the PRC.*
- *The PRC, as a working group, will primarily have closed meetings; however, in addition to any public meetings necessary for the comment process, the PRC may schedule public meetings if the PRC determines doing so would be beneficial.*
- *If a stakeholder wishes to bring forward a proposed change to the WRAP, the stakeholder should provide a written explanation of their proposal, including any supporting information or data. The PRC will consider the submission and may seek additional information or clarifications. The PRC may present the RAPC with a recommendation to approve or disapprove the proposal or may simply inform the RAPC of the proposal.*

# GOVERNANCE NEXT STEPS

- WRAP participant reps meet with the State/Provincial group, facilitated by WIEB, on October 29<sup>th</sup>, 2021
- Public webinar on November 17<sup>th</sup>, 2021
- Governance section of Detailed Design will be re-issued (stand-alone), with changes
- Updated governance document will inform the FERC filing to be made in Spring 2022



# PROGRAM REVIEW COMMITTEE

- » The Program Review Committee (PRC) is a sector representative group charged with receiving, considering, and proposing design changes to the WRAP
- » Clearing house for all recommended design changes not specifically identified as time-sensitive or of high RAPC priority
- » These recommended changes could come from Participants, the BOD, other committees, stakeholders, the public, etc.
- » The PRC will be staffed with facilitation support from the NWPP and program design/technical support from the PO
- » The PRC will establish a process and criteria for receiving design update recommendations



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# PRC TIMELINE

**Nov – Jan 2022:** Identify PRC representatives

**Jan – June:** Set up PRC management

– Chartering

- › *Define additional detail about processes and procedures*
- › *Elect a chair/vice chair*
- › *Propose this charter to RAPC for approval*

– Public Comment Process Definition

- › *Refine technology needs, screening mechanisms*
- › *Plan to provide straw proposals and work with PRC to create workable solutions under their guidance*
- › *Propose to RAPC for approval*

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# NOMINATING COMMITTEE

- » The members of the BOD will be selected by an NC comprised of certain stakeholder representatives
- » The NC is responsible for nominating and selecting BOD members and recommending compensation for the BOD
- » The NC will be comprised of 13 individuals from stakeholder sectors
- » Makeup of NC reviewed previously in governance section

# NOMINATING COMMITTEE TIMELINE

- » Dec 2021 - Jan 2022: Identify NC members
- » Feb 2022: clarify NC processes/procedures (for approval by RAPC)
- » March 2022: Engage with BOD recruiting firm
- » March – April 2022: NC proposes a ‘spec’ for the new board (additional detail on who is a good candidate, screening process, balance of backgrounds, etc.) – for feedback/approval from RAPC and current BOD
- » May – Oct 2022: Recruiter finds candidates, reviews, screens
- » Nov 2022 – Jan 2023: NC reviews candidates, proposes slate to existing BOD
- » Early 2023: Existing BOD has approved a new BOD slate

## NOMINATING COMMITTEE TIMELINE



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**WRAP UP**

# WRAP UP

- » Big thank you to Stakeholder Advisory committee for past 2 years of work
- » Looking forward to standing up PRC and Nominating Committee
- » Plan to provide quarterly public webinars beginning in 2022 to continue engaging and providing updates to interested stakeholders with time set aside for input, questions, and discussion



# APPENDIX

## *CONTACT INFO AT NWPP*

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# PROGRAM CHANGES

