

## Via Email

Public Utility Commission of Oregon 201 High Street SE, Suite 100 Salem, OR 97308-1088

October 29, 2025

Dear Chair Tawney, Commissioner Perkins, and Commissioner Power:

As the regions' demand for electricity continues to grow, Portland General Electric (PGE) believes resource adequacy is fundamental to ensuring reliability and affordability across the West. We strongly support the Western Resource Adequacy Program (WRAP) vision—a unified commitment by all load-serving entities to develop and maintain the resources necessary to guarantee availability when and where they are most needed under a common planning standard. Having a resource adequacy program in which all load-serving entities are bound by the same requirements is foundational to delivering reliable service and protecting affordability for our customers.

However, after careful consideration of key issues, and in light of the Western Power Pool's (WPP) decision to proceed with financial binding during the Winter 2027–2028 Forward Showing season, PGE is providing notice of withdrawal from WRAP, in accordance with the WRAP agreement. While PGE will continue to remain an active participant for the next 24 months, binding participation under the current timeframe presents an unacceptable risk to our customers.

This decision was not made lightly. It reflects the fact that there are significant unresolved uncertainties in the program design, reliability metrics, technology readiness, and governance— with no clear timeline for resolving these issues and implementing necessary changes in time for PGE to adequately prepare the March 31, 2027 Forward Showing submittal for the first binding season, effective November 1, 2027.

PGE is a foundational member of WRAP and has worked diligently to enable binding participation from the earliest opportunity. We were the first WRAP participant to receive a "passing" score on the operations program report and have maintained a submittal rate above 95% since reporting commenced, except for periods when the Southwest Power Pool systems were unavailable. Our team has actively participated in the Program Review Committee (PRC), the Resource Adequacy Participant Committee (RAPC), and Western Power Pool Board Meetings to collaborate on enhancements to the WRAP's program design.

<sup>1</sup> Southwest Power Pool (SPP) secure portal failed to receive PGE's operational data for approximately two weeks during the Summer 2025 Operational season due to issues associated with SPP's transfer portal folder architecture.

Despite these efforts and our shared commitment to WRAP's objectives, several critical issues remain unresolved, such as:

- Market Alignment: The proposed realignment of WRAP's operational subregions with CAISO EDAM and SPP Markets+, while necessary to ensure a robust framework for resource adequacy, poses too much risk without a delay in the first binding season. While a move from the current advisory Planning Reserve Margins (PRMs) and Effective Load Carrying Capacities (ELCCs) that is based on the initial MidC/SWEDE configuration is appropriate, a complete realignment in such a compressed timeline creates substantial risk regarding how these metrics will be recalibrated and how those changes will impact participants' capacity demonstration and financial exposure during the Winter 2027-2028 binding season. Additionally, the WRAP Operations program will undergo substantial changes to align with the requirements and timelines of the emerging day-ahead market structures (EDAM and Markets+).
- Planning Reserve Margins (PRM): The PRM Task Force is evaluating new
  methodologies and timing for setting planning reserve margins, with the goal of
  reducing volatility while maintaining full transparency. These changes directly impact
  deficiency charge calculations and the risk profile for participants. The changes to the
  PRM methodology and timeline could directly impact the calculation of resource
  capacity contributions.

## Technical Readiness:

PGE is concerned that the WRAP Forward Showing and Operations platforms lack the technical stability and responsiveness needed for a binding adequacy program. The user interface issues, and system limitations raise doubts about the operator's ability to implement changes in time for market participants to adjust their IT systems.

While PGE is withdrawing from WRAP, our commitment to regional collaboration remains unwavering. We will continue to work with partners across the West to advance solutions that strengthen reliability, affordability, and resilience for all customers. We are pursuing alternatives to WRAP that better align with the EDAM market to maximize the value to customers. By maintaining open dialogue and focusing on shared objectives, we believe we can collectively build a framework that delivers lasting benefits for the region.

Sincerely,

Sujata Pagedar,

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Senior Director, Regulatory and Governance, and Corporate Secretary