

**Rate Rider Schedule AG-X**  
**Alternative Generation Service**  
**Program Guidelines**  
*Revised August 2024*

[NOTE: As used in these Program Guidelines, “Payment Agreement” means the Power Payment Procedures Agreement between APS, Customer, and a third-party generation service provider, into which these Program Guidelines are incorporated.]

**1. Program Overview**

- 1.1. The AG-X Program will provide an opportunity for a limited number of Customers to arrange for an alternative source of generation in lieu of APS’s standard unbundled generation service.
- 1.2. The Customer will arrange for a third-party generation service provider (“GSP”) to sell wholesale power to APS on the Customer’s behalf. APS will provide this power to the Customer and bill it according to the terms and conditions of the Payment Agreement and Rate Rider Schedule AG-X, instead of the unbundled generation charges on its applicable retail rate.
- 1.3. APS will continue to provide transmission and delivery service to the Customer in accordance with its applicable retail rate.
- 1.4. The AG-X Program will be limited to 200 MW of load, as determined in accordance with Section 2.4 of these Program Guidelines.
- 1.5. The AG-X Program will be available until further order of the Arizona Corporation Commission.
- 1.6. AG-X Program charges and other parameters will be re-evaluated in APS's next rate case, including whether the AG-X Program should be evaluated as a separate customer class in the cost of service study.

**2. Customer Eligibility**

- 2.1. Rate Rider Schedule AG-X is available to any APS standard offer customer that has a single Eligible Service Account or group of aggregated Eligible Service Accounts with a total peak load of 10 MW or more.
- 2.2. An Eligible Service Account may be located anywhere in the APS service territory and must be served under a large or extra-large general service rate schedule: E-34, E-35, E32-L, or E-32 TOU L.
  - 2.2.1. An aggregated group of Eligible Service Accounts may also include a service account that is served under a medium general service rate schedule (E-32 M or E-32 TOU M), if the account is located on the same premises and served under the same name as an otherwise Eligible Service Account that satisfies Section 2.4 below. The “same premises” means that the service accounts are located on the same site or adjacent and contiguous sites not separated by private or public property or right-of-way, consistent with APS Service Schedule 1, definition of “Premises”.

- 2.3. A service account is a point of electric delivery including a service entrance section and a meter, which is used as a basis for billing. Meters totaled according to the provisions of Service Schedule 4 will be considered one service account for purposes of the AG-X Program.
- 2.4. Peak load for program eligibility purposes will be the maximum metered monthly demand for each Eligible Service Account for the previous twelve (12) months at the time of the AG-X Program application.
- 2.5. For purposes of program eligibility, Eligible Service Accounts may be aggregated if they have the same corporate name, ownership, and identity.
  - 2.5.1. An eligible franchisor Customer may be aggregated with eligible franchisees.
  - 2.5.2. Eligible affiliate Customers may be aggregated if they are under the same corporate ownership even if they are operating under multiple trade names.
- 2.6. An Eligible Service Account may not participate in net metering in conjunction with the AG-X Program. However, an Eligible Service Account may have on-site generation if served under an alternative partial requirements rate schedule.
- 2.7. In conjunction with the AG-X Program, an Eligible Service Account may not participate in an APS demand response rate or program, including but not limited to Peak Solutions, critical peak pricing, or interruptible pricing; however, an Eligible Service Account may participate in a time of use (TOU) rate or a GSP provided Demand Response program to meet Resource Adequacy compliance within the AG-X Program.
- 2.8. An Eligible Service Account may not participate in an APS bill crediting arrangement including Rate Rider Schedule Preference Power Rider ("PPR").
- 2.9. Service accounts are assessed and reassigned annually by APS to general service rate schedules (small, medium, large, and extra-large) based on their historic loads. A service account that is initially accepted to the AG-X Program, but is subsequently reassigned to an extra small general service rate, will be removed from the program.
- 2.10. APS will assess total MW participation in the AG-X Program annually. If the AG-X Program is 10 MW over or under the total program capacity of 200 MW, Customer eligibility will be assessed to identify Customers that have increased or decreased load as well as whether the increase/decrease is temporary in nature.
- 2.11. If an annual re-assessment results in less than 10 MW of aggregated load for a participant, the Customer may add Eligible Service Accounts, if available, to meet the 10 MW eligibility threshold. If unable to meet the 10 MW threshold, the Customer accounts may be removed from AG-X Program participation following the terms of Section 16 below.
- 2.12. If an annual re-assessment results in an increased load of a Customer's enrolled Eligible Service Accounts by more than 1 MW, the Customer may be asked to drop Eligible Service Accounts such that the Customer does not exceed that Customer's original amount of enrolled load.

- 2.13. If the annual re-assessment of load shows that the aggregate amount of load enrolled in the AG-X Program has reduced by 10 MW or more, the waiting list will be evaluated to fill the available load. If the first application is not able to conform to the available MW, the available MW will be reserved until sufficient subsequent load becomes available to accommodate the Customer at the top of the waiting list.

### **3. Program Application**

- 3.1. The AG-X Program is limited to a total of 200 MW.
- 3.2. A Customer wishing to participate in the AG-X Program must submit a completed application.
- 3.3. APS will determine if each application meets the AG-X Program eligibility requirements.
- 3.4. Upon request, APS will assist a Customer in identifying its potentially Eligible Service Accounts, the associated peak MW, and the total MWh over the relevant twelve (12) months, from information in our billing system. However, the Customer is solely responsible for determining the completeness and accuracy of the service account list to be included in the AG-X Program application.
- 3.5. Upon request, APS will provide the hourly load data for each Eligible Service Account for the relevant twelve (12) months, if available, to any Customer selected for participation in the AG-X Program.
- 3.6. The Customer, whether a single Eligible Service Account or aggregated group of Eligible Service Accounts, must designate an authorized single point of contact for the AG-X Program application, contracting, and program subscription process. This point of contact must be authorized by the Customer (or aggregated group, if applicable) to submit an application and commit the listed service accounts to participate in the AG-X Program.
- 3.7. All communications will be conducted through the point of contact designated by the Customer, except as may otherwise be specified in the “Notices” provisions of the Payment Agreement.

### **4. Customer Selection**

- 4.1. Customers will be selected on a first come, first served basis.
- 4.2. If the AG-X Program is fully subscribed, a waiting list of Customers will be established based on the order of their request in the event 10 or more MW becomes available.
- 4.3. Customers may submit multiple applications provided each application meets the minimum requirement of single or aggregated peak load totaling 10 MW. An Eligible Service Account can only be used in one application and may not have its load split.
- 4.4. Customers can reduce the number of Eligible Service Accounts in its application to conform to the available MW, provided that the Customer maintains the required 10 MW minimum.

- 4.5. A Customer selected from the waiting list may reduce its Eligible Service Accounts in the application to conform to the available MW, provided that the Customer maintains the required 10 MW minimum. If the Customer chooses not to reduce the number of service accounts to conform to the available MW of the AG-X Program, or cannot do so, selection will continue down the list until a conforming applicant is found.
- 4.6. Customers selected may participate once they complete the contracting, metering, billing, and other AG-X Program requirements.

## **5. Dropping and Swapping Service Accounts During the AG-X Program**

- 5.1. A Customer participating in the AG-X Program may drop Eligible Service Accounts from the AG-X Program, so long as it maintains the 10 MW minimum load requirement. However, any service accounts returning to APS generation service without meeting the required notice period will be subject to the charges and provisions in Section 15 of these Program Guidelines.
- 5.2. A Customer participating in the AG-X Program may swap an Eligible Service Account for a closed service account of similar size and characteristics (*i.e.*, cannot substitute solar for non-solar), provided the new account meets Program requirements in Section 2 above. A Customer may not swap an Eligible Service Account for an account dropped pursuant to Section 5.1 above.

## **6. Generation Service Provider Requirements**

- 6.1. Each GSP must meet all legal and regulatory requirements to sell and deliver wholesale power to APS.
- 6.2. Each GSP must meet all APS wholesale counterparty credit requirements. Notably, the AG-X Program will not typically require any significant change to any existing credit requirements between APS and the GSP because, while APS is taking delivery and title to the wholesale power on Customer's behalf, Customer remains obligated to make payment to APS to satisfy APS's payment obligations to GSP. Notwithstanding the foregoing, the GSP may be required to post credit support to secure its potential obligations to APS for imbalance and damages for failure to deliver.

## **7. Customer Credit Requirements**

- 7.1. Each Customer must satisfy all applicable APS credit requirements, including, but not limited to, those included in APS Service Schedule 1.

## **8. Power Requirements and Delivery**

- 8.1. The wholesale power sold to APS by a GSP must be intended to serve the total load requirements for the portfolio of Customers served by that GSP.
- 8.2. Both the Payment Agreement and the Customer Agreement (as that term is defined in the Payment Agreement) must specifically require the GSP and Customer to attest to the intent described in the foregoing Section 8.1.

- 8.3. Each GSP must provide firm power (WSPP Schedule C) delivered to APS at the Palo Verde 500kV (the "Delivery Point"), or other point of delivery as agreed to by APS.
- 8.4. If an Uncontrollable Force (as defined in the Payment Agreement) or system emergency (as determined by APS in its reasonable discretion) occurs, and APS is unable to take delivery of the scheduled power at the designated Delivery Point, then APS may request delivery at an alternate delivery point, subject to consent by any affected GSP, which may not be unreasonably withheld.
- 8.5. Each GSP is responsible for the cost of transmission service to deliver the power to the APS Delivery Point.

## **9. Energy Scheduling and Delivery**

- 9.1. APS will serve as the scheduling coordinator for the GSP.
- 9.2. Each GSP must provide monthly schedules of hourly loads along with day-ahead hourly load deviations from the monthly schedule to APS.
- 9.3. The hourly loads must be stated in whole MW for the GSP's total portfolio of service accounts under the AG-X Program.
- 9.4. The schedule of hourly loads must be submitted to the APS Day Ahead trading desk in the required format via email by 5:00 a.m. no fewer than seven (7) business days prior to the first preschedule day of the month (as determined by the Western Electricity Coordinating Council ("WECC") Preschedule Calendar guidelines).
- 9.5. The hourly loads will be provided for each day of the scheduling month, even if the hourly load is for 0 MW.
- 9.6. APS will enter the provided hourly loads in the trade capture system.
- 9.7. GSPs that are providing Resource Adequacy (RA) must identify the volume and price for volumes of RA not used for meeting hourly loads. Volumes of RA offered are equal to the GSPs' forward showing (peak monthly load plus planning reserve margin ("PRM")) less forced outages of the RA resource and volumes being scheduled to meet hourly loads.
- 9.8. Any daily changes to the schedule or offered RA volumes and pricing must be reported to the APS Day Ahead trading desk in the required Excel format via email by 5:00 a.m. on the business day prior to the scheduled energy flow day (as determined by the WECC Preschedule Calendar guidelines).
- 9.9. On a daily basis, APS will designate the daily volumes per Designating Network Resources posted on the AZPS OASIS website.
- 9.10. Each GSP must provide physical path information to APS preschedule by 11:00 a.m. on the last preschedule day prior to the scheduled energy flow day (as determined by the WECC Preschedule Calendar guidelines), via Instant Message per industry standard. The physical path information must include all upstream information relative to the agreed upon Delivery Point on the APS system.
- 9.11. If a GSP needs to revise physical path information (*i.e.*, an intraday schedule change), the GSP must provide notice (as described below) to APS Real-Time

regarding the revised information for each affected hour prior to the beginning of the applicable operating hour.

- 9.11.1. Intraday schedule changes communicated to APS Real-Time with more than five (5) hours' notice shall not be limited to any MW threshold.
- 9.11.2. Intraday schedule changes communicated to APS Real-Time with less than five (5) hours' notice but with more than two (2) hours' notice shall be limited to changes of 15 MW per hour or twenty-five percent (25%) of the Customer's day-ahead forecast.
- 9.11.3. Only in the event of an emergency where the initial firm generation source or transmission path is cut or interrupted, intraday schedule changes may be communicated to APS Real-Time with less than two (2) hours' notice but with more than ninety (90) minutes' notice. For example, an intraday schedule change resulting from an emergency for hour-ending 4:00 p.m. must be noticed to APS Real-Time no later than 1:30 p.m.
- 9.11.4. All intraday schedule changes must be reported to APS Real-Time in the required Excel format via email, preceded by a phone call to APS Real-Time at (602) 250-3585.
- 9.12. Each GSP must include distribution line losses of seven percent (7%) from the Delivery Point to the site of each service account in its schedule of hourly load. This will be accomplished by dividing each hourly load for the portfolio by 0.93 and rounding to the next closest whole MW. For transmission voltage service, each GSP must include distribution line losses of three-point four percent (3.4 %) which will be accomplished by dividing each hourly load for the portfolio by 0.966 and rounding to the next closest whole MW.
- 9.13. If a GSP fails to deliver the amount of energy it has scheduled each hour, the GSP will be liable to APS for damages based on APS's Replacement Price (as that term is defined in the Payment Agreement), consistent with the terms of the Payment Agreement.
- 9.14. If APS cuts a GSP's schedule because of a system requirement or system emergency, then the schedule for imbalance will be adjusted to remove any associated imbalance charges.
- 9.15. Schedule and intraday changes may extend the timelines set forth in Sections 11 and 13 below.

## **10. Imbalance Service**

- 10.1. The following retail energy imbalance protocol outlines the terms GSPs must adhere to for hourly scheduling purposes:
  - 10.1.1. Within the range of +/- fifteen percent (15%) each hour or +/- 2 MW, whichever is greater, GSPs would pay based on Schedule 4 of APS's Open Access Transmission Tariff ("OATT"), reflecting the terms of the CAISO imbalance charges.

- 10.1.2. Greater than fifteen percent (15%) each hour or +/- 2 MW, whichever is greater, in addition to the charges in Section 10.1.1 that GSPs would pay a penalty as defined in Rate Rider Schedule AG-X.
- 10.1.3. In addition to the imbalance provisions described above, GSPs with twenty percent (20%) of hourly deviations greater than twenty percent (20%) of the scheduled amount occurring within a calendar month will receive a notice of intent to terminate their eligibility in the AG-X Program unless remedied. Imbalances of this magnitude and frequency will be deemed "Excessive." Should Excessive imbalances occur again in a subsequent month, within twelve (12) months from the date of the notice, a GSP's eligibility may be terminated. To avoid termination, a GSP must demonstrate to APS that it is operating in good faith to match its resources to its load. In the event of a GSP's termination, the Customer will be required to secure a replacement GSP within sixty (60) days.
- 10.1.4. If a Customer has solar production greater than its load, the solar overproduction will be included in the imbalance calculation, but the excess power will not count towards the twenty percent (20%) limit on hourly deviations.
- 10.2. The scheduled load must be submitted in whole MW, while the portfolio of actual load will be rounded to whole kW.

## **11. Monthly Settlement Between APS and GSP**

- 11.1. APS will settle with a GSP for Imbalance Service (as that term is defined in the Payment Agreement) and other relevant costs on a monthly basis.
- 11.2. APS will meter the hourly loads for each service account and validate, estimate, and edit the data according to Service Schedule 8.
- 11.3. APS will provide a preliminary imbalance calculation and supporting information to the subject GSP by the seventh (7<sup>th</sup>) day of each month. The file will include the hourly loads for the month for each service account in the GSP's portfolio, the total hourly load for the portfolio, the hourly schedule, the hourly deviations between the schedule and the load, and the imbalance charge or credit.
- 11.4. The GSP must validate the information with APS and send it back to APS with any agreed upon modifications, with receipt by APS no later than the tenth (10<sup>th</sup>) day of each month.
- 11.5. The GSP and APS will resolve any disputes over imbalance amounts in accordance with the dispute resolution process set forth in the Payment Agreement; provided, however, the GSP will pay (or be credited) the disputed amount in the current billing month and be compensated in a subsequent billing month for any changes that result from dispute resolution.
- 11.6. APS will send the imbalance invoice to the GSP on the tenth (10<sup>th</sup>) day of the month. On or about the same day, APS will invoice the GSP for any damages that the GSP owes for the prior month for failure to deliver energy that it scheduled for delivery, in accordance with the terms of the Payment Agreement.



- 11.7. Payment between APS and the GSP for settlement of imbalance charges must be received by the relevant party no later than the twentieth (20<sup>th</sup>) day of the month. Payment by the GSP for any damages for failure to deliver as invoiced by APS must also be received by APS no later than the twentieth (20<sup>th</sup>) day of the month.

**12. AG-X Program Charges to the Customer**

- 12.1. Each Customer will be assessed fees as set forth in Rate Rider Schedule AG-X.
- 12.2. Customers will not be assessed the unbundled generation charges in their retail rate schedule or the charges under Adjustment Schedule PSA-1 and Adjustment Schedule EIS (Environmental Improvement Surcharge).
- 12.3. All other charges and provisions of each Customer's applicable retail rate will continue to apply. Customers will be responsible for providing and paying for any metering communication requirements, such as a phone line, according to APS's specifications for each service account.
- 12.4. Customers will be assessed a monthly charge for energy and Imbalance Service and may be assessed a cost for the GSP damages for failure to deliver scheduled energy, as agreed upon with the GSP in accordance with Rate Rider Schedule AG-X and pursuant to the terms of each applicable Customer Agreement.

**13. Billing**

- 13.1. APS will bill each Customer for all charges according to the applicable retail rate and the provisions of Rate Rider Schedule AG-X, the Payment Agreement, and the Customer Agreement, including the charges from the GSP for energy and Imbalance Services and, if applicable, damages for failure to deliver scheduled energy.
- 13.2. Each GSP must provide a statement to APS by the tenth (10<sup>th</sup>) day of each month, containing the amounts to be billed for each service account for service during the previous month.
- 13.3. APS will render a bill to each Customer, based on the statement provided by the GSP, by the seventeenth (17<sup>th</sup>) day of each month.
- 13.4. Customers must remit payment to APS for any bill or invoice within twenty-one (21) days from the billing date as provided in Service Schedule 1.
- 13.5. No later than the tenth (10<sup>th</sup>) day of the month following the month in which it receives payment from each of a GSP's Customers, APS will remit payments received from such Customers, together with necessary supporting information and subject to any amounts that may be withheld as described in these Program Guidelines and the Payment Agreement.
- 13.6. Any unpaid amounts owed to APS by a GSP for Imbalance Energy (as that term is defined in the Payment Agreement) and damages for failure to deliver will be netted against amounts that APS would otherwise owe to the GSP.
- 13.7. Any partial payments will be credited to amounts due to APS first, any federal and/or state taxes next, with the GSP receiving the remainder. This process will be repeated month by month until the Customer is current on all payments. The



Customer will remain responsible for any late charges assessed by APS in accordance with Service Schedule 1. Nothing in Section 13.7 is intended to modify the terms of the Payment Agreement that require a Customer to be responsible for any and all unpaid amounts owed by the subject GSP to APS.

- 13.8. APS will not be responsible for any unpaid amount owed to a GSP by its Customer for energy, imbalance, damages, or other charges.
- 13.9. The participating service account will be moved to a calendar month billing cycle prior to taking service under the AG-X Program, unless APS determines that it is not possible or practical.
- 13.10. Each Customer will be assessed a final bill at the end of the month prior to beginning service under the AG-X Program if the Customer's billing cycle will change due to its participation in the AG-X Program.
- 13.11. Customer bill disputes will be handled by APS through APS's applicable retail dispute resolution process. Disputes concerning the calculation of the GSP charged amounts will be resolved between the Customer and the GSP, as specified in the Payment Agreement.
- 13.12. APS will bill any additional metering communication charges associated with the AG-X Program periodically in a separate invoice.
- 13.13. Data files will be transferred using the protocols described in Section 7.c of the Payment Agreement. APS will provide file formats for the settlement file from APS to the subject GSP and the billing file from the GSP to APS.
- 13.14. APS and the subject GSP will coordinate data transfer and security issues, including a security check by APS for handling the subject Customer's billing information and other sensitive information.
- 13.15. Specialty billing services such as summary billing, Autopay, and Budget Billing will not be available for service accounts participating in the AG-X Program.

#### **14. Metering**

- 14.1. A Customer must have interval metering, Advanced Metering Infrastructure or alternative capable of remote access for reads in place at time of service under this Rate Rider Schedule AG-X.
- 14.2. If the Customer does not have the required metering, APS will install the metering equipment at no additional charge, except for the necessary monthly communication costs.
- 14.3. Billing will be performed according to Service Schedule 8.

#### **15. Default of Generation Service Provider**

- 15.1. Default events, remedies, cure periods, and thresholds for contract termination are specified in the Power Payment Procedures Agreement.
- 15.2. Default events may also include, but are not limited to the following: (a) failure to submit a timely schedule of loads; (b) failure to deliver power according to the schedule; (c) failure to pay amounts owed to APS; (d) significant and persistent imbalance variances (as described in Section 10.1.3); (e) default events specified

in the Power Payment Procedures Agreement; and (f) and other factors that may materially impact APS or the Customer.

- 15.3. If a GSP fails to pay the amounts owed for Imbalance Energy (as that term is defined in the Payment Agreement), liquidated damages or other costs within five (5) days following the due date, the GSP will be in default. APS will net the amounts owed against any GSP charges to the Customer billed by APS and remitted to the GSP. APS will recover any remaining unpaid amount directly from each of the subject GSP's service accounts.
- 15.4. If APS terminates any Payment Agreement pursuant to the terms thereof, APS will notify the Customer if required by the terms of the Payment Agreement. Subsequently, the Customer must notify APS if it intends to continue on the AG-X Program with another GSP and, if so, the Customer and GSP must enter into another Payment Agreement within sixty (60) days. Prior to execution of a new Payment Agreement, APS will provide the required power to the Customer, which will be charged consistent with the terms in Rate Rider Schedule AG-X.
- 15.5. If the Customer does not provide timely notice to APS of its desire to remain in the AG-X Program as provided in the Payment Agreement, or is unable to secure a new generation contract with another GSP within sixty (60) days, it will be returned to the applicable retail rate, and will be subject to all terms and conditions of that rate following the terms in Section 16.
- 15.6. If APS terminates any Payment Agreement pursuant to the terms thereof, the GSP will automatically forfeit any imbalance amounts owed to it by APS.

## **16. Customers Returning to APS Bundled Generation Service**

- 16.1. A Customer may return to its applicable retail rate without charge if they meet the qualification set out in Rate Rider Schedule AG-X under "Return to Company's Standard Generation Service."
- 16.2. If a Customer returns to its applicable retail rate without providing the required advance notice, APS will provide generation service at the market index rate provided as stated in Rate Rider Schedule AG-X plus the APS reserve capacity charge until APS can reasonably integrate the Customer back into its generation planning and provide power at the applicable retail rate.
  - 16.2.1. Returning customers that participate under APS provided RA without providing at least one (1) year advance notice to APS will be subject to the terms of Section 16.2 for a term of twelve (12) billing periods.
  - 16.2.2. Returning customers that participate in GSP provided RA without providing at least three (3) years advance notice to APS will be subject to the terms of Section 16.2 for a term of thirty-six (36) billing periods.
  - 16.2.3. APS may accommodate shorter timeframes in Sections 16.2.1 and 16.2.2 at the discretion of the Company provided the shorter timeframe does not shift cost or risk to non-participating customers.
- 16.3. The returning Customer must remain with its applicable retail rate for at least one (1) year thereafter. If permitted by these Program Guidelines, the Customer may

subsequently be placed on the waiting list and return to the AG-X Program according to the process detailed in Section 4.5.

**17. Renewable Portfolio Standard**

- 17.1. APS will retain the renewable portfolio standard requirement for the AG-X Program Customers unless relieved of such requirement by the Arizona Corporation Commission.

**18. Contracts**

- 18.1. Each GSP and Customer is required to enter into a Payment Agreement with APS. The Payment Agreement is based on standard industry terms for wholesale power purchase and sale, modified to meet these established Program Guidelines.
- 18.2. The minimum Term of any Payment Agreement is one (1) year.

**19. Time**

- 19.1. All time references specified in these Program Guidelines are Mountain Standard Time. All daily references to time will be 5:00 p.m. if the time of day is not otherwise designated.

**20. Notice Requirements for Customers Electing to Procure Resource Adequacy from a GSP**

- 20.1. Customers procuring RA from a GSP must notify APS at least (6) months prior to the Forward Showing Submittal as defined by the Western Resource Adequacy Program (WRAP) Tariff and Business Practice Manuals.
- 20.2. Notification will include a signed contract between the Customer and the GSP, making the GSP financially responsible for RA and potential penalties in the event it they fail to provide RA.
- 20.3. Notification may include switching from one GSP provider to another, provided the notification to APS is made two (2) months prior to the Forward Showing Submittal as defined by the WRAP Tariff.

**21. Forward Showing Submittal**

- 21.1. GSPs are responsible for ensuring that they track and procure the seasonal required PRM as studied and posted by WRAP.
- 21.2. GSPs that are supplying RA to AG-X customers will provide the APS Term trading desk, in the required format via email, the Forward Showing Capacity Requirement and Forward Showing Transmission Requirement as set forth in Part II of the WRAP Tariff no later than three (3) weeks prior to the Forward Showing Deadline.
- 21.3. APS will aggregate the GSP-provided information into its submittal for meeting compliance with its Forward Showing requirement.
- 21.4. There is no forward showing requirement for periods outside the defined WRAP seasons (currently Summer and Winter). For periods outside the WRAP defined seasons, GSPs will not be required to provide APS with Forward Showings, comply

with the WRAP Operational Program requirements described in Sections 22 and 23 of these Program Guidelines, or otherwise provide APS a call option on the GSP's resources.

## **22. Program Operational Details**

- 22.1. During WRAP's binding seasons, the Western Resource Adequacy Program (or WRAP) will perform a Multi-Day-Ahead assessment to determine expected surplus or shortfall of participants. To facilitate the Multi-Day-Ahead, GSPs will provide APS notice of outages and/or derates for a seven-day period with a minimum of two-hours in advance of APS's obligation to submit to WRAP as identified in Business Practice Manual 201. Currently, APS is required to submit its seven-day look ahead by 05:20 PPT.
- 22.2. During WRAP's binding seasons, GSPs electing to provide RA must supplement their energy and load schedules to identify the amount of energy served from their RA resources. APS will have the right to call on any remaining RA resources to meet its own needs or its sharing obligation in WRAP.
  - 22.2.1. The volume of APS rights to RA resources is equal to the peak monthly load forecast less forced outages and the GSP's scheduled use of the resource.
  - 22.2.2. RA resource characteristics cannot be called upon outside the characteristics in the forward showing (*e.g.*, a 4-hour resource cannot be called on for 5 hours).
  - 22.2.3. GSP price for offered RA resources not otherwise scheduled to hourly loads is subject to the Federal Energy Regulatory Commission's WECC price caps.
    - 22.2.3.1. GSP price may differ based on duration of the demand response called.
- 22.3. During WRAP's binding seasons, APS must determine its use of remaining RA resources within eight hours prior to operations.
  - 22.3.1. No action implies APS relinquishes its right to call on the RA resource in the operating day and APS has no financial obligation to the GSP.
  - 22.3.2. Any request by APS for energy from offered RA resources that were not otherwise scheduled by the GSP requires the GSP to schedule the energy to APS for delivery at the delivery location, and APS will be required to pay for the energy, as provided per section 9.7.

## **23. Demand Response**

- 23.1. Demand response must adhere to all requirements of RA as defined by the WRAP Tariff, WRAP Business Practice Manual, and these AG-X Program Guidelines.
- 23.2. For the purpose of measuring demand response, applicable line losses are applied in accordance with WRAP and the relevant distribution and transmission loss values identified in Section 9.12 above.
- 23.3. To ensure equivalent quality and treatment of resources between APS and GSPs, demand response will be registered as a Qualifying Resource within WRAP.
- 23.4. Customers with multiple tranches of demand response (*i.e.*, demand response with different strike prices, notice periods, or durations) must be at least 5 MW of size.

Unless otherwise specified by the WRAP Qualified Capacity Contribution requirements, demand response must be available for call throughout the year at APS discretion with the capability to be called on a minimum of eighteen (18) times annually.