Consideration Design Document: Compliance Structure; Reporting and Transparency

Stakeholder Workshop #5: May 26, 2026

I. Introduction

The RA Sponsors and Work Group have created a series of Consideration Design Documents to provide a starting point for the conversation with stakeholders around the joint development of key design elements for a Resource Adequacy program. The content offered in these documents is intended to give stakeholders enough specificity to provide constructive feedback and frame a discussion but should not be construed as a firm proposal. The concepts in this document represent possible design options that the RA Sponsors and Work Group have been able to coalesce around to present to stakeholders for input as an initial starting point. Written comments and discussion during the spring workshops are meant to draw out areas of stakeholder support, identify questions that need to be answered, flag issues that may require continued refinement through the initial stakeholder process and determine areas that will need a different approach. It is intended that stakeholders will review this document in preparation for the Workshop #5 held on May 26, 2026. All documents and workshop information including the Zoom link are posted publicly at: https://rowesternenergy.org/regional-resource-adequacy/

II. Background

The compliance structure and associated timelines are central to ensuring that a regional Resource Adequacy program provides forward visibility into resource procurement driven by forecast load obligations and supporting reliability targets across a diverse and evolving resource mix. An effective framework should support early identification of capacity needs, enable market-based solutions, and provide sufficient opportunity to address deficiencies as the operating period approaches. Consistent with this objective, the RA Sponsors and Work Group believe that the program should prioritize market-based outcomes, including bilateral transactions, and investment in resource development and procurement, while minimizing administrative burden and preserving participant flexibility.

Conducting regular reporting and setting clear transparency expectations are envisioned to provide a level of insight desired by stakeholders while maintaining enough confidentiality to protect participants' customers from adverse commercial outcomes.

III. Proposed Draft Policy Language – Compliance Structure

A. Compliance Submittals

Participants are envisioned to submit one Annual Compliance Submittal, and up to 12 Monthly Compliance Submittals each year. The Annual Compliance Submittal would be due October 15th and require a demonstration of 90% of the capacity and a transmission requirement that will be driven by a consensus, after a robust discussion around grid realities and market analysis for each month of the upcoming calendar year. The RA Sponsors have consensus that firm transmission rights are an essential component of a resource adequacy demonstration; however, consensus has not been reached on the amount of firm transmission (e.g., 75%) or what demonstration requirements should be included. The RA Sponsors offer 75% as starting point for stakeholder comments and feedback on this topic, including what demonstration could support an RA participant's best efforts to acquire transmission where no long-term firm transmission is available on a required path.

The Annual Compliance Submittal is not intended to be a binding demonstration but instead a demonstration to gain perspective or visibility of the state of the regional resource adequacy need. Participants could demonstrate up to 100% of their respective monthly requirements if desired. Further discussion of whether penalties should apply for the annual showing and if only the monthly showing will face penalties will be considered through a separate program determination.

Monthly Compliance Submittals are envisioned to be due 60-days in advance of the applicable month, and require 100% compliance with the capacity requirement and a transmission requirement. The Monthly Compliance Submittal is intended to be a binding submittal during binding program months.

B. Binding Months

While participants would provide year-round demonstrations, only designated peak-demand months may carry binding capacity and transmission procurement obligations. These binding periods are intended to align enforcement and financial accountability with the months in which regional reliability risks are highest. The specific timing and duration of binding periods would remain subject to review and could be adjusted over time to reflect observed system stress conditions across the program footprint. Consideration will also be made to ensure that the diverse geographic footprint of the program will be taken into consideration when defining the peak-demand months. Further discussion of whether penalties should apply for every month with different penalties applying in peak and non-peak months will be considered through a separate program determination.

For non-peak or shoulder months, capacity and transmission demonstrations are proposed to be informational in nature and would not carry binding compliance obligations. This approach is intended to recognize the relatively lower reliability risk during these months while still supporting transparency and forward planning. If penalties throughout the year are deemed appropriate during policy design, lower penalties during non-peak months may be applied.

The Program Service Provider (PSP) could conduct reliability analyses to identify which months present elevated system risk and should therefore be designated as binding for resource adequacy compliance purposes. Some level of multi-year predictability about the binding months would be valuable for participants.

C. Compliance Determination

The RA Work Group has not yet identified a preferred framework for administrative charges or other remedies associated with a participant's failure to demonstrate 100 percent of the capacity requirement and/or the transmission requirement. The design of any such compliance mechanisms would be further developed and refined through the stakeholder process.

D. Operationalization

The RA Work Group is considering an operational window that could provide participants with a final opportunity to transact and leverage regional diversity prior to the EDAM Resource Sufficiency Evaluation (RSE). This operational window is intended to support efficient market outcomes and risk mitigation ahead of real-time operations. The specific design and technical details would be further developed and refined through the stakeholder process.

Stakeholder input is sought on the following questions:

- What are appropriate timing and percentage requirements?
- Should the program have yearly, seasonal, monthly or any alternative combination of compliance submittals?
- Would alternative constructs (e.g., seasonal showings) better balance planning certainty with forecast uncertainty?
- Could a curated bilateral trading mechanism or a similar facilitated approach support compliance at key intervals?
- How can the program best bridge planning and operational constructs?
- Could coordinated approaches to sharing or reallocating obligations enhance the realization of regional diversity benefits in the operational timeframe, based on evolving operational system conditions?
- Should the program determine the transmission percentage requirement after performing analysis regarding regional transmission connectivity? What would be an appropriate scope for that analysis?

IV. Rationale and Policy Considerations – Compliance Structure

The RA Work Group desires to balance early transparency with enforceable reliability outcomes as the operating period approaches. A non-binding annual compliance submittal demonstrating partial requirements could provide forward visibility into system conditions, support planning, and enable bilateral transactions without prematurely constraining participant flexibility. Requiring binding monthly compliance submittals closer to the operating month could help ensure procurement is substantially complete during periods of elevated risk.

Limiting binding obligations to designated peak-demand months is intended to focus enforcement and financial accountability on periods when regional reliability risks are highest, while treating non-peak months as informational to reflect lower system stress. Allowing the set of binding months to be informed by reliability analyses could help ensure the framework adapts to changing system conditions over time. Deferring decisions on compliance remedies and operational details, including a potential pre-EDAM operational window, would preserve space for stakeholder input and support a program design that emphasizes market-based solutions, regional diversity, and practical implementation.

V. Proposed Draft Policy Language – Reporting & Transparency

A. RA Metrics Report

The PSP is envisioned to present RA study results and associated metrics, including binding and advisory PRM values and ELCC study results, to the ROWE Board of Directors. Prior to publication, program participants and potentially other stakeholders would have an opportunity to review the results with the PSP to facilitate a technical discussion before being finalized and released for public consumption.

B. Annual Report

On an annual basis, the PSP and Technical Oversight Committee (TOC) would report to the ROWE Board of Directors and Regulatory Advisory Group (RAG) on the status of the on the Yearly Compliance Submittal. This report shall reflect the final aggregated results of the forward showings submitted for the October 15 reporting deadline. The TOC, RAG and ROWE Board of Directors may also request the PSP or TOC to report on other program topics. This annual report is intended to provide visibility and be a forum for gauging program performance.

Stakeholder input is sought on the following questions:

- What information and data should be published publicly?
- Are there any proposed methods that could be considered to maintain confidentiality while balancing the need for program transparency?

- How should this information be reported? Does the information need to be presented in a formal meeting or will simply publicly posting the report suffice?
- How frequent should information be reported? For example, annual vs quarterly reports.
- How should the ROWE's other anticipated stakeholder forums be integrated (or not) into this reporting process?

VI. Rationale and Policy Considerations – Reporting & Transparency

The RA Workgroup has largely left potential reporting structure open-ended in the proposed draft policy, but in discussions repeatedly came back to the concept of an annual report to a broader audience. This annual reporting could encapsulate a variety of topics, including program and participant performance, comparison of forward requirements to actual requirements, and proposed policy revisions.

VII. Next Steps

The concepts introduced in this document will be discussed during the May 26 public stakeholder meeting. A written comment period for additional feedback will be open through June 10. Stakeholders are greatly encouraged to submit written comments using the comment template to resourceadequacy@rowesternenergy.org. The comment template, details on upcoming workshops, and all materials pertaining to the initial stakeholder process can be found by visiting https://rowesternenergy.org/regional-resource-adequacy/