

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

ERO Enterprise Combined Budgets and Assessments

NERC Finance and Audit Committee Conference Call
May 25, 2017

RELIABILITY | ACCOUNTABILITY



2017 vs 2018 Budgeted Expenses

(\$000's)

Entity	2017	% of Total ERO Budget	2018	% of Total ERO Budget	% Change
NERC* \$	69,602	36.3%	\$ 71,377	36.4%	2.5%
FRCC	7,178	3.7%	7,514	3.8%	4.7%
MRO	11,227	5.9%	11,727	6.0%	4.5%
NPCC	15,147	7.9%	15,107	7.7%	-0.3%
RF	19,909	10.4%	21,445	10.9%	7.7%
SERC	17,482	9.1%	17,183	8.8%	-1.7%
SPP RE	10,866	5.7%	10,793	5.5%	-0.7%
TRE	12,167	6.4%	12,631	6.4%	3.8%
WECC	26,797	14.0%	27,097	13.8%	1.1%
WIRAB	1,229	0.6%	1,068	0.5%	-13.1%
\$	191,604	100.0%	\$ 195,942	100.0%	2.3%

*Does not include potential incremental GMD or E-ISAC costs

Entity	2017	2,018	Change 2018 v 2017	% Change
NERC*	\$ 59,856	\$ 61,804	\$ 1,948	3.3%
FRCC	6,164	6,661	497	8.1%
MRO	10,494	10,730	236	2.2%
NPCC	14,255	14,342	87	0.6%
RF	19,561	20,148	587	3.0%
SERC	15,706	17,215	1,509	9.6%
SPP	9,093	9,727	635	7.0%
TRE	9,595	11,272	1,677	17.5%
WECC	25,282	25,282	0	0.0%
WIRAB	901	711	-190	-21.1%
TOTAL ERO ENTERPRISE	\$ 170,908	\$ 177,892	\$ 6,984	4.1%

*Does not include potential incremental GMD or E-ISAC funding

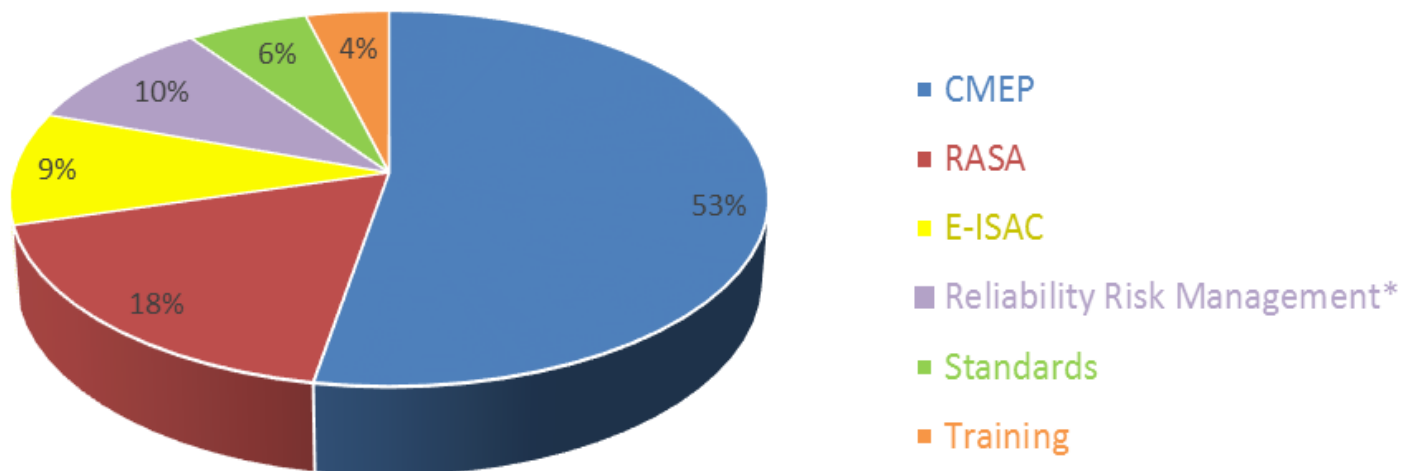
Change in ERO Assessments by Region

REGION	% Change 2016 v 2015	% Change 2017 v 2016	% Change 2018 v 2017
FRCC	7.6%	-2.0%	6.4%
MRO	11.8%	-2.1%	2.4%
NPCC	1.3%	1.0%	1.9%
RF	3.3%	1.8%	3.0%
SERC	2.1%	10.0%	6.6%
SPP RE	-6.5%	4.5%	6.0%
TRE	-4.6%	2.5%	12.7%
WECC	1.1%	1.4%	0.5%
Total \$ Change	\$ 2,977,758	\$ 4,399,595	\$ 6,984,126
Total % Change	1.8%	2.6%	4.1%

Note: NERC assessments are allocated to each Regional Entity using NEL data. For purposes of this table, NERC assessments were allocated using the 2015 data. While it may not reflect the actual results in future periods, it should give some reasonable approximation of the allocation.

- NERC and Regional Entity Resource Requirements and Budgets
- Year-End Reserve Levels
 - Surplus reserves
 - Reserves from prior years that can be applied (e.g. Stabilization Reserve)
- Penalty Funds
 - Loss of one time offsets applied in prior year
 - New penalty funds available
- Year to Year NEL (Net Energy for Load) Variations
 - NERC funding requirements allocated among Regions on NEL basis (Each Region's NEL compared to total ERO NEL)
 - Combined NERC Regional funding requirements allocated to LSEs within Regions on NEL basis within the Region

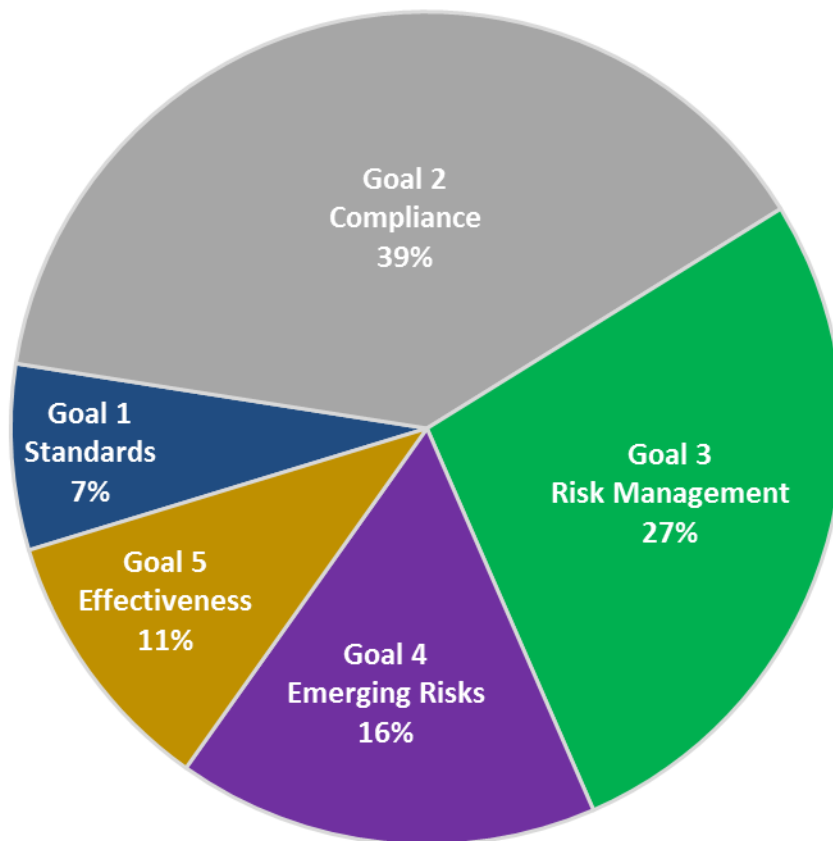
Total ERO Enterprise 2018 Budget By Program Area



*For NERC Includes Performance Analysis, Event Analysis and Situation Awareness
For Regions includes Situation Awareness

ERO Enterprise Resource Allocation Across Strategic Goal Areas

ERO Enterprise Resource Allocation to Strategic Goal Areas





Questions and Answers