

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

2020 NERC Business Plan and Budget – Draft #1 Overview

Finance and Audit Committee
May 30, 2019

RELIABILITY | ACCOUNTABILITY



- Achieving and maintaining risk-based operations
- Being more effective and efficient
- Identifying and assessing emerging risks
- Promoting leading security practices, information sharing and analysis, and resilience
- Knowledge transfer and effective communications
- Strengthening engagement across North America

- **2018** – Added 8 FTEs and began robust investments in technology and portal enhancements
- **2019** – Adding 9 FTEs for analytics and watch operations and 2 for corporate support; enhanced technology; GridEx support
- **2020** – Planning to add 7 FTEs for analytics, watch operations, and engagement and 3 for corporate support; full transition to 24/7 watch operations
- **2021 and 2022** – Planning to add 14 FTEs; continued investments in strategic partnerships and technology

- 2019 budget \$79.9M (up 9.5% from 2018)
 - Projection for 2020 was \$82.4M (3.2%)
- Draft 1 2020 budget \$82.9M (3.8%)
 - Medical insurance increase
 - Enhancements for data management tools
- NERC and E-ISAC breakdown, after applying indirect costs:
 - E-ISAC increase 13.3%
 - NERC (non E-ISAC) slight decrease

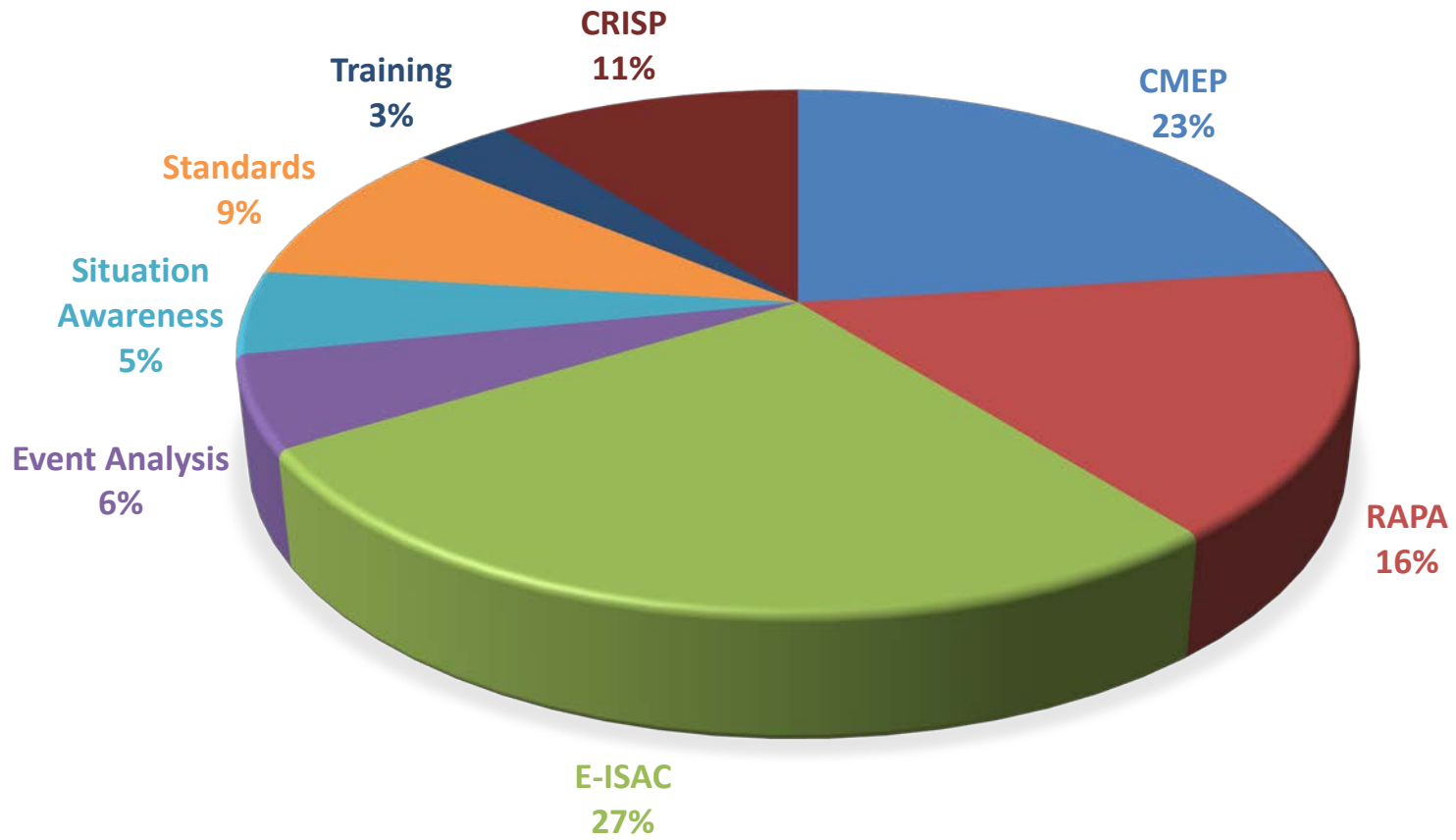
- **NERC (without E-ISAC)**

- Market adjustments for salary and benefit costs
- Addition of three corporate FTEs in support of E-ISAC growth, with reduction of three FTEs in other areas
- Final year of CMEP Technology Project development
- Enhancements and maintenance of data management tools

- **E-ISAC (including CRISP)**

- Market adjustments for salary and benefit costs
- Addition of seven FTEs for increased capability in watch operations, analytics, and engagement
- New and enhanced technology for security data management
- CRISP direct costs flat

2020 Budget by Program Area



- 2019 assessment \$68.9M (up 9.5% from 2018)
 - Projection for 2020 \$73.4M (6.5%)
- Draft 1 2020 assessment \$72.0M (4.5%)
 - Reduced debt service
 - Increased interest income
 - Surplus of working capital
 - No use of Assessment Stabilization Reserve

- June 28 – Comments due on first draft of NERC 2020 BP&B
- July 2 – MRC BP&B Input Group call
- July 11 – Quarterly Trades and Forums meeting, closed FAC call
- July 15 – Post final drafts of NERC and RE 2020 BP&Bs
- July 18 – FAC webinar to review final drafts
- July 31 – Comments due on final draft of NERC 2020 BP&B
- August 2 – MRC BP&B Input Group call
- August 14 – FAC meeting to recommend approval of final BP&Bs
- August 15 – Board meeting to approve final BP&Bs
- August 26 – Submit BP&Bs to FERC for approval, with subsequent filings with Canadian authorities



Questions and Answers