



2022 Business Plan and Budget Overview

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2022 Statutory Budget and Assessment

- \$29,747,000 final budget (4.0% increase from 2021 budget)
- \$25,000,000 final assessment (held flat from 2021 budget)
 - \$855,000 added to reserves
- 152.5 FTEs (4.0 increase from 2021 budgeted FTEs)
- Changes after June 3 webinar
- Received two sets of comments
- Approved by WECC Board on June 16, 2021

Budget Development Process

- Developed to:
 - Ensure adequate resources
 - Maintain adequate working capital reserves
 - Honor assessment stabilization commitments
 - Consider the residual impact of and due to the lessons learned during the pandemic
 - Support the ERO Enterprise Long-Term Strategy

Budget Development Process

- Posted working draft for WECC Board of Directors meeting in March 2021
- Participated in Member Advisory Committee Budget Subcommittee meetings and WIRAB May 6, 2021, webinar
- Stakeholder comment period was April 26–May 14, 2021
- Hosted two stakeholder budget overview webinars during comment period
- Approved by WECC Board of Directors on June 16, 2021

2022 Budget Drivers

	<u>in 000s</u>	
2021 Approved Budget	28,605	
+ 4.0 FTE, 3% merit, labor float adj., changes in position levels, refinement of taxes/benefits	1,417	
+ Consulting for Peak Reliability donation data projects	400	
+ Increase in computer licensing due to subscription-based services/tools, new security tools	257	
+ Increase in Board of Director retainers	83	
+ Increase in HP Conference (co-hosted with NERC) meeting costs	50	
- Decrease in travel and meeting costs, partially due to COVID-19	(556)	
- Elimination of one-time RAPA consulting projects	(242)	
- Decrease in Board search fees	(133)	
- Decrease in webCDMS licensing fees due to Align	(104)	
- Decrease in office rent due to closure of the Vancouver office	(59)	
+ Other net changes	29	
2022 DRAFT Budget	29,747	4.0% increase

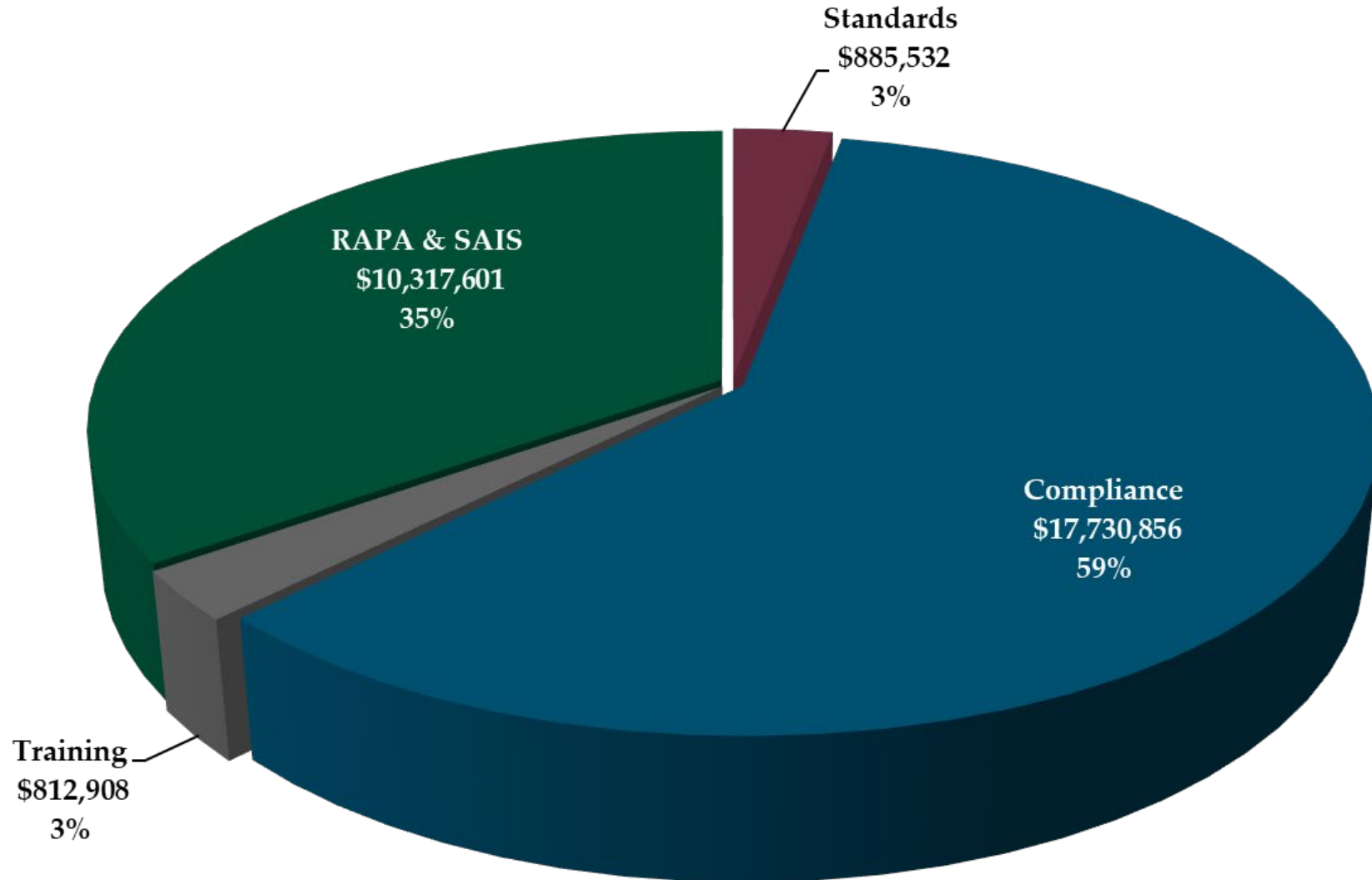
2022 Budget by Category

- Personnel Expenses—\$23,899,000 (6.3% increase)
 - 4.0 additional FTEs, 3% merit pool, labor float adjustments, changes in position levels, benefit rates and enrollment levels
- Meeting Expenses—\$1,231,000 (28.9% decrease)
 - COVID-19 pandemic-related reductions,
 - Planned reduction in CMEP audit travel, and
 - Format change for one Reliability and Security Workshop to 100% virtual

2022 Budget by Category

- Operating Expenses—\$5,201,000 (4.4% increase)
 - Increases in subscription-based computer licensing and enterprise security tools,
 - Board of Director retainer adjustments, and
 - Reduction in rent due to Vancouver office closure
- Fixed Assets—\$112,000 (13.6% increase)
 - Refresh of storage arrays, drives, and blade servers

2022 Budget by Program Area



2022 Statutory Assessment

- \$25,000,000 assessment
- Held flat from 2021 budget
- \$855,000 added to reserves

Reserve Overview

- Current policy is a range of one to three months of Operating Expenses
 - Working capital will be used to stabilize assessments in future budget years
- Three categories
 - Working capital
 - Unreleased penalties
 - Peak Reliability donation

Projected Reserve Balances

- Projected 2021 EOY balance—\$17,536,000
 - Working capital—\$8,410,000
 - Unreleased penalties—\$5,298,000
 - Peak Reliability donation—\$3,827,000
- Projected 2022 EOY balance—\$13,093,000
 - Working capital—\$9,666,000
 - Unreleased penalties—none
 - Peak Reliability donation—\$3,427,000

Preliminary 2023 and 2024 Projections

- 2023
 - Budget—\$30,163,000 (1.4% increase)
 - Assessment—\$25,500,000 (2.0% increase)
- 2024
 - Budget—\$31,019,000 (2.8% increase)
 - Assessment—\$26,010,000 (2.0% increase)



WECC

Electric Reliability and Security for the West

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