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August 22, 2025

**VIA ELECTRONIC FILING**

Ms. Debbie-Anne A. Reese, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

North American  
Electric  
Reliability  
Corporation

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North American  
Electric Reliability  
Corporation  
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**Re: North American Electric Reliability Corporation  
Docket No. RR25-\_\_\_\_-000  
Request for Acceptance of 2026 Business Plans and Budgets of NERC and  
Regional Entities and for Approval of Proposed Assessments to Fund Budgets**

Dear Secretary Reese:

The North American Electric Reliability Corporation (NERC) hereby submits this filing in accordance with 18 C.F.R. §39.4, requesting acceptance of the 2026 Business Plans and Budgets of NERC, the six Regional Entities, and the Western Interconnection Regional Advisory Body, and approval of the proposed assessments to fund the 2026 budgets.

NERC's filing consists of: (1) this transmittal letter, (2) the narrative text of this filing which follows this transmittal letter, and (3) Attachments 1 through 15, all of which are being transmitted in a single pdf file. Page ii in the Table of Contents to the narrative text list the 15 attachments.

Please contact the undersigned if you have any questions concerning this filing.

Respectfully submitted,

/s/ Owen E. MacBride  
Owen E. MacBride

Attorney for North American Electric  
Reliability Corporation

**NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION**

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**Docket No. RR25-\_\_-000**

**REQUEST OF THE  
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION  
FOR ACCEPTANCE OF ITS 2026 BUSINESS PLAN AND BUDGET AND  
THE 2026 BUSINESS PLANS AND BUDGETS OF REGIONAL ENTITIES  
AND FOR APPROVAL OF PROPOSED ASSESSMENTS TO FUND BUDGETS**

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August 22, 2025

|      |                                                                                                          |    |
|------|----------------------------------------------------------------------------------------------------------|----|
| I.   | INTRODUCTION .....                                                                                       | 1  |
| II.  | NOTICES AND COMMUNICATIONS.....                                                                          | 2  |
| III. | OVERVIEW OF PROPOSED BUDGETS AND FUNDING<br>REQUIREMENTS.....                                            | 3  |
| A.   | Development of the 2026 Business Plans and Budgets.....                                                  | 3  |
| B.   | NERC’s 2026 Business Plan and Budget – Overview.....                                                     | 5  |
| C.   | Regional Entity 2026 Business Plans and Budgets – Overview.....                                          | 11 |
| D.   | Allocation of Statutory Assessments.....                                                                 | 12 |
| IV.  | NERC BUSINESS PLAN AND BUDGET.....                                                                       | 16 |
| A.   | 2026 Business Plan and Budget by Program.....                                                            | 16 |
| 1.   | Reliability Standards and Power Risk Issues Strategic<br>Management.....                                 | 16 |
| 2.   | Compliance Assurance and Organization Registration and<br>Certification, and Compliance Enforcement..... | 17 |
| 3.   | Reliability Assessments, Performance Analysis, Data Analytics<br>and Engineering.....                    | 17 |
| 4.   | Situation Awareness.....                                                                                 | 18 |
| 5.   | Event Analysis.....                                                                                      | 18 |
| 6.   | Electricity Information Sharing and Analysis Center (E-ISAC).....                                        | 18 |
| 7.   | Personnel Certification and Credential Maintenance.....                                                  | 19 |
| 8.   | Training and Education.....                                                                              | 20 |
| 9.   | Corporate Services .....                                                                                 | 20 |
| B.   | Reserves Analysis.....                                                                                   | 21 |
| C.   | Fixed Asset Additions and Capital Financing.....                                                         | 23 |
| V.   | REGIONAL ENTITY BUSINESS PLANS AND BUDGETS.....                                                          | 24 |
| A.   | Development of the Regional Entity Business Plans and Budgets.....                                       | 24 |
| B.   | Summaries of Regional Entity Business Plans and Budgets.....                                             | 26 |
| 1.   | MRO.....                                                                                                 | 26 |
| 2.   | NPCC.....                                                                                                | 27 |
| 3.   | ReliabilityFirst.....                                                                                    | 30 |
| 4.   | SERC.....                                                                                                | 31 |
| 5.   | Texas RE.....                                                                                            | 32 |
| 6.   | WECC .....                                                                                               | 33 |
| VI.  | WIRAB FUNDING REQUEST.....                                                                               | 35 |

|                                                                |    |
|----------------------------------------------------------------|----|
| VII. METRICS RELATING TO NERC AND REGIONAL ENTITY BUDGETS..... | 36 |
| VIII. CONCLUSION.....                                          | 37 |

## ATTACHMENTS

**Attachment 1:** Summary tables showing NERC’s proposed 2026 budget; the proposed 2026 budget for statutory activities of each Regional Entity; and the 2026 U.S. ERO statutory assessments of NERC and the Regional Entities

**Attachment 2:** NERC Proposed 2026 Business Plan and Budget

### Appendix 1 – 2026 Assessment Schedule

**Attachment 3:** Midwest Reliability Organization Proposed 2026 Business Plan and Budget

**Attachment 4:** Northeast Power Coordinating Council, Inc. Proposed 2026 Business Plan and Budget

**Attachment 5:** ReliabilityFirst Corporation Proposed 2026 Business Plan and Budget

**Attachment 6:** SERC Reliability Corporation Proposed 2026 Business Plan and Budget

**Attachment 7:** Texas Reliability Entity Proposed 2026 Business Plan and Budget

**Attachment 8:** Western Electricity Coordinating Council Proposed 2026 Business Plan and Budget

**Attachment 9:** Western Interconnection Regional Advisory Body Proposed 2026 Business Plan and Budget

**Attachment 10:** NERC Management’s Response to Stakeholder Comment Submitted on Posted Draft of NERC’s 2026 Business Plan and Budget

**Attachment 11:** Calculation of Adjustments to the AESO 2026 NERC Assessment, the IESO 2026 NERC Assessment, the New Brunswick 2026 NERC Assessment and the Québec 2026 NERC Assessment

**Attachment 12:** NERC Board of Trustees Proposed Compensation Changes

**Attachment 13:** Summary of NERC Review of and Participation in Development of Regional Entity 2026 Business Plans and Budgets

**Attachment 14:** Metrics Comparing Regional Entity Operations Based on the 2026 Budgets

**Attachment 15:** Metrics on NERC and Regional Entity Administrative (Indirect) Costs Based on the 2025 and 2026 Budgets



## **I. INTRODUCTION**

In accordance with 18 C.F.R. §39.4, the North American Electric Reliability Corporation (NERC) submits for Commission acceptance and approval: (1) NERC's proposed Business Plan and Budget as the electric reliability organization (ERO) for 2026; (2) proposed Business Plans and Budgets for 2026 for the six Regional Entities,<sup>1</sup> and for the Western Interconnection Regional Advisory Body (WIRAB) for its activities under §215(j) of the Federal Power Act (FPA); and (3) NERC's proposed allocation of the NERC, Regional Entity and WIRAB statutory assessments by country and among the Regional Entity footprints, and the proposed assessments to load-serving entities (LSEs) in each Regional Entity footprint to collect the statutory funding requirements. This filing includes the following attachments:

**Attachment 1** is a set of summary tables showing (i) NERC's proposed 2026 budget by program, (ii) the proposed 2026 budget for statutory activities of each Regional Entity, and (iii) the aggregate ERO statutory assessment of NERC and the Regional Entities allocated to the U.S., for which approval is requested.

**Attachment 2** contains NERC's detailed 2026 Business Plan and Budget and the allocation of assessments by Regional Entity and LSE to recover the statutory funding requirements for 2026 of NERC, the Regional Entities and WIRAB. **Appendix 1** to **Attachment 2** is the 2026 Assessment Schedule.

**Attachments 3 through 9** are the detailed 2026 Business Plans and Budgets of, respectively, MRO, NPCC, ReliabilityFirst, SERC, Texas RE, WECC, and WIRAB.

**Attachment 10** contains NERC management's responses to stakeholder comments submitted on the posted draft of NERC's 2026 Business Plan and Budget during the budget development process.

**Attachment 11** contains calculations of the adjustments to the NERC 2026 assessments to the Alberta Electric System Operator (AESO), Ontario Independent Electric System Operator (IESO), New Brunswick, and Québec, for credits for certain NERC Compliance Monitoring and Enforcement Program costs.

**Attachment 12** provides information on the Board of Trustees proposed compensation

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<sup>1</sup>The Regional Entities are Midwest Reliability Organization (MRO), Northeast Power Coordinating Council, Inc. (NPCC), ReliabilityFirst Corporation (ReliabilityFirst), SERC Reliability Corporation (SERC), Texas Reliability Entity (Texas RE), and Western Electricity Coordinating Council (WECC).

changes.<sup>2</sup>

**Attachment 13** is a summary of NERC's review of and participation in development of the Regional Entity 2026 Business Plans and Budgets.

**Attachment 14** provides metrics, based on the 2026 budgets, for Regional Entity operations.

**Attachment 15** contains metrics, based on the 2025 and 2026 budgets, on NERC and Regional Entity administrative (indirect) costs.

The Commission's regulations (18 C.F.R. §39.4(b)) require the ERO to file its proposed annual budget for statutory and non-statutory activities at least 130 days prior to the start of its fiscal year. NERC's 2026 fiscal year begins January 1, 2026. The filing must contain the annual budget of each Regional Entity for statutory and non-statutory activities and the ERO's and each Regional Entity's business plan and organization chart, explanations of the proposed collection of all dues, fees and charges, and the proposed expenditure of funds collected. This information is included in this filing. In accordance with 18 C.F.R. §39.4(c), NERC requests an order by November 2, 2025, accepting the proposed Business Plans and Budgets and approving the assessments submitted in this filing, which will enable billings to be issued to LSEs or their designees for assessments, with initial payment dates on or about January 1, 2026, to support the activities of NERC, the Regional Entities, and WIRAB.

## **II. NOTICES AND COMMUNICATIONS**

Notices and communications concerning this filing may be addressed to

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<sup>2</sup> **Attachment 12** is provided in accordance with Paragraph 12(a) of the Settlement Agreement for the Commission's 2011 financial performance audit of NERC (Docket No. FA11-21-000).

### **III. OVERVIEW OF PROPOSED BUDGETS AND FUNDING REQUIREMENTS**

#### **A. Development of the 2026 Business Plans and Budgets**

NERC prepared its 2026 Business Plan and Budget and worked with the Regional Entities in the development of their Business Plans and Budgets, through a rigorous process that provided ample opportunity for review and input by the NERC Board's Finance and Audit Committee (FAC) and stakeholders. Development of the 2026 Business Plans and Budgets is in alignment with the *ERO Enterprise Long-Term Strategy*, most recently revised and approved by the NERC Board in December 2024 and endorsed by the Regional Entities.

During the Business Plan and Budget development process, successive versions of the NERC and Regional Entity Business Plans and Budgets were discussed in public meetings and conference calls of the FAC and of the full NERC Board, with opportunities for stakeholders to provide comments. NERC management also held discussions with the NERC Member Representatives Committee (MRC) Business Plan and Budget Input Group (a group of MRC members tasked with providing input on the Business Plans and Budgets) and representatives of industry trade associations and forum groups. The following chronology highlights important steps in preparing the NERC and Regional Entity 2026 Business Plans and Budgets.

- On October 23 and 24, 2024, the ERO Finance Group, comprised of Finance representatives from NERC and each Regional Entity, met to review strategic goals and objectives for 2026 and discuss how they would be translated into the 2026 Business Plans and Budgets.
- On February 12, 2025, a meeting of the NERC FAC included a review of the proposed schedule for development of the 2025 Business Plans and Budgets.
- On February 26, 2025 and April 21, 2025, the ERO Finance Group met by conference call to discuss progress and status on the development of the 2026 Business Plans and Budgets.
- On March 24, 2025, the MRC Business Plan and Budget Input Group met by conference call with NERC representatives to discuss preparation of the 2026 NERC budget.
- Beginning in April 2025, and continuing into May 2025, the Regional Entities posted drafts of their 2026 Business Plans and Budgets on their respective websites for various

time periods for review and comment by their stakeholders, in accordance with each Regional Entity's review process. (See §V.A for information on the stakeholder review opportunities provided by each Regional Entity for its 2026 Business Plan and Budget.)

- On April 22, 2025, the MRC Business Plan and Budget Input Group met by conference call with NERC representatives to discuss assumptions for the 2026 NERC budget.
- On April 30, 2025, a webinar for stakeholders to review the 2026 Business Plan and Budget assumptions, with representation from the MRC, trade associations and forums, NERC standing committees leadership, FERC, the NERC Board and other NERC representatives, and Regional Entity leadership.
- In late April and early May 2025, Regional Entities provided drafts of their 2026 Business Plans and Budgets to NERC. NERC reviewed the drafts and provided feedback to the Regional Entities as needed, prior to submission of each Regional Entity's final Business Plan and Budget to its Board or other governing body.
- On May 7, 2025, NERC management provided the FAC with an update on the development of the 2026 Business Plan and Budget.
- On May 21, 2025, a NERC FAC open webinar was conducted which included an overview of the NERC and Regional Entity 2026 budgets and assessments; participants included NERC and Regional Entity Finance teams, the NERC Executive Team, and the NERC Board FAC.
- On May 23, 2025, a draft NERC 2026 Business Plan and Budget was posted on the NERC website for a 30-day comment period. Drafts of Regional Entities' and WIRAB's Business Plans and Budgets were also posted on the NERC website, as well as information on the ERO Enterprise combined 2026 budgets and assessments. E-mail notice of the posting (and subsequent postings) was sent to a broad list of interested stakeholders. One set of comments was received and posted on the NERC website.<sup>3</sup>
- On June 26, 2025, representatives of NERC, each Regional Entity, and WIRAB met with Commission Staff to present an overview of the 2026 Business Plans and Budgets and the ERO Enterprise combined 2026 budgets and assessments.
- At various dates in May and June 2025, the governing bodies of the Regional Entities approved their respective 2026 Business Plans and Budgets. By mid-July, the Regional Entities and WIRAB submitted their final Business Plans and Budgets to NERC.
- On July 10, 2025, the NERC FAC received a memorandum from NERC management detailing the comments received and proposal for no substantive changes to be made to the final NERC 2026 BP&B from the draft version. The memorandum also reported the outcomes of NERC's review of the Regional Entity 2026 BP&Bs (see **Attachment 13**).
- On July 29, 2025, a conference call was held with the Member Executive Committee (MEC) of the of the Electricity Subsector Coordinating Council and NERC Finance representatives to review the 2026 budget for the Electricity Information Sharing and

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<sup>3</sup>Comments were submitted by Electricity Canada. See [https://www.nerc.com/gov/bot/FINANCE/Pages/2026\\_Business\\_Plan\\_and\\_Budget.aspx](https://www.nerc.com/gov/bot/FINANCE/Pages/2026_Business_Plan_and_Budget.aspx). **Attachment 10** is NERC management's response to the comments.

Analysis Sector (E-ISAC) and Cybersecurity Risk Information Sharing Program (CRISP) included in the NERC 2026 Business Plan and Budget.

- On July 31, 2025, NERC management's response to the stakeholder comment on the draft 2026 NERC Business Plan and Budget was posted on the NERC website.
- On August 6, 2025, the final NERC, Regional Entity, and WIRAB 2026 Business Plans and Budgets and assessments, as proposed for NERC Board consideration, were posted on the NERC website for the upcoming FAC and NERC Board meetings.
- At the August 13, 2025, open meeting of the FAC, NERC management presented the final version of the NERC 2026 Business Plan and Budget and information on the final ERO Enterprise combined 2026 budgets and assessments. The FAC recommended NERC Board approval of the 2026 Business Plans and Budgets and associated statutory assessments for NERC, the Regional Entities, and WIRAB.
- At its August 14, 2025, meeting, the NERC Board approved the 2026 Business Plans and Budgets and statutory assessments for NERC, the Regional Entities, and WIRAB.

The processes followed by NERC and the Regional Entities to develop the proposed 2026 Business Plans and Budgets were thorough, comprehensive, open and inclusive, involved significant input from NERC and Regional Entity management and staffs, as well as iterative review and comment by the NERC FAC, and provided multiple opportunities for stakeholder input and comment, including by the MRC Business Plan and Budget Input Group, the full MRC, the MEC, and other key stakeholders.

## **B. NERC's 2026 Business Plan and Budget -- Overview**

NERC's Business Plan and Budget is organized by its statutory program areas: Reliability Standards and Power Risk Issues and Strategic Management (PRISM); Compliance Assurance and Organization Registration and Certification, and Compliance Enforcement; Reliability Assessments, Performance Analysis, Data Analytics, and Engineering (RAPA); Situation Awareness; Event Analysis; E-ISAC, including CRISP; Personnel Certification and Credential Maintenance; and Training and Education. Each program carries out or supports implementation of one or more ERO statutory activities as specified in §215 of the FPA and Commission regulations and orders. These statutory, or "direct," programs are supported by

NERC's Corporate Services, or "indirect," programs: General & Administrative (G&A) including Executive and External Affairs; Legal & Regulatory; Business (Information) Technology (IT); Human Resources (HR) & Administration; and Finance and Accounting.

The Preface and Introduction sections of the Business Plan and Budget provide an overview of NERC's organization, membership, governance, scope, statutory and regulatory background, delegated authorities, funding, and ERO Enterprise strategic and operational planning including strategic focus areas. The Business Plan and Budget Overview (pages 7-26) provides information on NERC's historical budget and assessment amounts; the approach to developing the 2026 Business Plan and Budget as a "bridge year" for the ERO; an overview of NERC's 2026 budget and funding requirements; NERC's People and Technology strategies; key 2026 budget assumptions; 2026 program staffing; program area budgets and major budget drivers for each program; analyses of Personnel expenses and staffing, Contractors and Consultants expense, Miscellaneous expenses, Fixed Asset Additions, Capital Financing, and analysis of Reserves. Specifically:

- The table on page 15 is NERC's overall Statement of Activities and Fixed Asset Additions (Statement of Activities), showing information from the 2025 and 2026 budgets and changes from the 2025 to 2026 budgets, for major line-item categories for Funding, Expenses, Fixed Asset Additions, and Net Financing Activity.<sup>4</sup>
- The table on page 16 shows the change from the 2025 to the 2026 budgets for each statutory program, with explanations of major budget drivers by program on pages 16-18.
- The table on page 19 shows the change from the 2025 to the 2026 budgets for staffing for each statutory program and Corporate Services, with explanations of proposed staffing changes by program; the table on page 18 shows overall personnel expenses for the 2025 and 2026 budgets.
- The table on page 20 shows changes from the 2025 to the 2026 budgets for Contractors and Consultants expenses by program, with explanations provided on page 21.
- The tables on page 21 show the change from the 2025 to the 2026 budgets for

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<sup>4</sup> Net Financing Activity shows the impacts of capital financing activity (debt borrowing, lease-financed asset purchases, and principal payments) on the total budget and funding requirements.

Miscellaneous Expenses and Fixed Asset Additions, with explanations of the changes.

- Page 22 provides information on other significant cost changes, including Office Costs, Professional Services, and Other Non-Operating Expenses.
- Pages 22-23 provide budgeted and projected information on NERC's Capital Financing program for 2025 through 2026.
- The table on page 24 shows the change from the 2025 to the 2026 budgets for Other Outside and Miscellaneous Funding (*i.e.*, other than Assessments).<sup>5</sup>
- Pages 25-26 provide information on proposed balances and uses in 2026 for NERC's reserves categories.

Pages 27-58 of **Attachment 2** is NERC's detailed 2026 Business Plan and Budget, which addresses the requirements of 18 C.F.R. §39.4(b), the Commission's Order certifying NERC as the ERO,<sup>6</sup> and applicable directives in subsequent orders. These pages provide, for each statutory program and Corporate Services, program purpose and scope, 2026 areas of focus, and 2026 resource and technology requirements. A Statement of Activities is provided for each statutory program and Corporate Services, showing funding and expenditure information from the 2025 and 2026 budgets. Funding is shown from Assessments and other sources. Expenses are shown by major categories and sub-categories of Personnel, Meetings & Travel, Operating Expenses, and Other Non-Operating Expenses, and, for statutory programs, Indirect Expenses allocated from Corporate Services. The Statements of Activities show Fixed Asset Additions, Net Financing Activity, and Total Budget (Total Expenses plus Fixed Asset Additions plus Net Financing Activity) for each statutory program. The Business Plan and Budget also includes:

NERC Staff Organization Chart, as required by 18 C.F.R. §39.4(b).

Application of NERC Section 215 Criteria, describing how major activities in the 2026 Business Plan and Budget for NERC's statutory and Corporate Services programs meet

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<sup>5</sup> Other funding sources include Third-Party Funding (for CRISP); System Operator Certification Testing, Certification Renewal, and Continuing Education Fees; fees from sales of Services & Software; Miscellaneous Funding; and Interest & Investment Income.

<sup>6</sup> *Order Certifying North American Electric Reliability Corporation as the Electric Reliability Corporation and Ordering Compliance Filing*, 116 FERC ¶ 61,062 (2006) (*ERO Certification Order*).

the Commission-approved criteria for eligibility for FPA §215 funding.<sup>7</sup>

2026 Assessment Schedule (Appendix 1) provides calculation of the net energy for load (NEL)-based allocation factors for each LSE or designee and the allocation of the NERC, Regional Entity, and WIRAB statutory assessments, by allocation method, to each LSE or designee for 2026. Development of the assessments is discussed in §III.D below.

The information in NERC's 2026 Business Plan and Budget shows the programs in it are necessary and appropriate to carry out NERC's responsibilities as the ERO, and the budgeted resources meet the Commission's objectives for affordability, sustainability, and efficiency and effectiveness of ERO expenditures.<sup>8</sup> The Business Plan and Budget demonstrates how the activities and expenditures it includes lend themselves to accomplishing NERC's statutory responsibilities and objectives as the ERO.<sup>9</sup>

NERC proposes a 2026 budget of \$128,344,246, an increase of 4.3% (\$5,349,577) over the 2025 budget. The proposed 2026 total Funding requirement is \$128,706,567. Budgeted non-assessment Funding totals \$14,957,139 comprised of: (1) \$10,045,143 of Third-Party Funding for CRISP; (2) \$2,618,800 of Testing, Renewal, & Continuing Education Fees charged to participants in the System Operator Certification Program; (3) \$60,000 of revenue from Services & Software; (4) \$580,000 of Miscellaneous revenue (including from the E-ISAC Vendor Affiliate Program); and (5) \$1,653,196 in Interest & Investment Income. Applying the non-assessment Funding to the total Funding requirement yields a net assessment requirement of \$113,749,428 (4.9% increase from 2025).

NERC's 2026 budget includes staffing of 272.60 full-time equivalent employees (FTEs), an increase of 9.09 FTEs from the 2025 budget. Staffing for statutory programs is higher by 7.37

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<sup>7</sup> The Commission approved the FPA §215 criteria in *North American Electric Reliability Corporation, Order on Compliance*, 143 FERC ¶ 61,052 (2013).

<sup>8</sup> *ERO Certification Order*, P 202 (budget principle (5)).

<sup>9</sup> *Id.* (budget principle (2)).



FTEs than the 2025 budget (bringing budgeted statutory program staffing to 176.62 FTEs), and Corporate Services is higher by 1.72 FTEs (bringing Corporate Services staffing to 95.88 FTEs). The increased staffing includes additions in Reliability Standards and PRISM (3.76 FTEs), Compliance Assurance (1.88 FTE), and E-ISAC (2.67 FTEs). Budgeted FTEs reflect a 6.0% vacancy rate, *i.e.*, an adjustment to FTE numbers for factors such as personnel attrition, delays in projected hiring dates, or new employee start date delays.

The 2026 budget reflects increases from the 2025 budget of 6.5% in Personnel Expenses and 6.2% in Meetings & Travel Expenses, and a 1.0% decrease in Operating Expenses, driven primarily by a \$1,436,683 decrease in Office Rent as NERC will be discontinuing its lease on its Atlanta office when it expires in October 2025 and replacing it with co-working memberships and meeting room rentals as needed. The Personnel expense increase reflects the additional budgeted FTEs, provisions for merit-based and market-based compensation adjustments, increased Benefits expense (due primarily to projected medical insurance cost increases) and increased Retirement benefits costs. The budgeted Personnel expense reflects market-based compensation assumptions for NERC's employee base, which includes specialized skills, particularly in the high-demand cybersecurity and IT areas. Actual compensation award and benefit increases are based on market data toward the end of the year prior to the budget year.

The Meetings & Travel budget reflects continued efforts for in-person meetings for stakeholder engagement, as well as increased travel costs, with continuing use of the efficiencies of virtual meetings where appropriate. Budgeted 2026 Contractors & Consultants expense increases by \$325,992 (1.5%), with increased costs in some program areas and decreases in others, as summarized on pages 20-21 of **Attachment 2**. Budgeted Office Costs are \$671,133 (4.5%) higher, due largely to increased Software Licenses and Support costs, partially offset by

reduced Internet, Audio Visual, Equipment Repair and Service, and Subscription and Publications expenses. Budgeted Fixed Asset Additions are \$7,228,250, an increase of \$2,129,660 from the 2025 budget, comprised of increases of \$824,660 for Computer & Software CapEx (to support NERC's Technology strategy), \$1,175,000 for Equipment CapEx, and \$130,000 for Capital Lease Assets.

The following table shows NERC's 2025 and 2026 budgets for statutory programs:

| <b><u>Program</u></b>                                                | <b><u>2025 Budget</u></b>   | <b><u>2026 Budget</u></b>   |
|----------------------------------------------------------------------|-----------------------------|-----------------------------|
| Reliability Standards and Power Risk Issues and Strategic Management | \$13,392,901                | \$15,907,407                |
| Compliance Assurance and Organization Registration and Certification | \$15,473,969                | \$16,472,034                |
| Compliance Enforcement                                               | \$ 9,284,731                | \$ 9,289,081                |
| Reliability Assessments and Performance Analysis                     | \$25,407,355                | \$25,780,834                |
| Situation Awareness                                                  | \$ 7,008,659                | \$ 7,592,670                |
| Event Analysis                                                       | \$ 5,177,731                | \$ 4,618,685                |
| E-ISAC (including CRISP)                                             | \$43,795,084                | \$45,181,751                |
| Personnel Certification and Credential Maintenance                   | \$ 2,256,918                | \$ 2,306,479                |
| Training and Education                                               | <u>\$ 1,197,322</u>         | <u>\$ 1,195,305</u>         |
|                                                                      | <u><b>\$122,994,669</b></u> | <u><b>\$128,344,246</b></u> |

The 2026 budgeted amounts for statutory programs incorporate Corporate Services costs of \$55,414,753 (5.0% increase from the 2025 budget). Principal components of this increase are Personnel Expenses (reflecting 1.72 additional FTEs and other Personnel cost increases mentioned above), Contractors & Consultants (primarily for technology initiatives) and Office Costs (primarily for increases in existing software licenses and costs for new software in support of technology initiatives). Budgeted Office Rent expense is reduced by \$1,436,683. Corporate Services expenses, Fixed Asset Additions, certain Financing Activity,<sup>10</sup> Interest and Investment

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<sup>10</sup> As described in NERC's January 3, 2023 compliance filing on its 2023 Business Plan and Budget (*North American Electric Reliability Corp.*, Docket No. RR22-4-000, at 6-8), budgeted loan financing

Income,<sup>11</sup> and other Miscellaneous Funding, are allocated to the statutory programs based on the ratio of FTEs budgeted for each statutory program to total statutory program FTEs.

### C. Regional Entity Proposed 2025 Business Plans and Budgets - Overview

18 C.F.R. §39.4(b) requires that the ERO's annual budget submission include:

the entire annual budget for statutory and non-statutory activities for each Regional Entity, with supporting materials, including . . . each Regional Entity's complete business plan and organization chart, explaining . . . the proposed expenditure of funds collected in sufficient detail to justify the requested funding collection and budget expenditures . . . .

Section 39.4(b) further states the ERO's annual budget submission "shall include the line item budgets for the activities of each Regional Entity that are delegated or assigned to each Regional Entity pursuant to §39.8." This information is provided in the Regional Entities' 2026 Business Plans and Budgets, **Attachments 3 through 8**. In *Order No. 672*, the Commission stated: "The ERO must determine, at a minimum, whether each Regional Entity's proposed budget is adequate to carry out the functions delegated to it."<sup>12</sup> NERC staff worked collaboratively with Regional Entities in developing their 2026 Business Plans and Budgets. Drafts and final proposed versions of the Regional Entities' Business Plans and Budgets were also reviewed by the NERC FAC. **Attachment 13** is a summary of NERC's review of and participation in the Regional Entity 2026 Business Plans and Budgets, including criteria NERC focused on in reviewing the Regional Entity Business Plans and Budgets. This information was provided to the NERC Board to aid the Board in its review of the Regional Entity Business Plans and Budgets.

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activity for capital software is being allocated to the statutory and Corporate Services budgets based on weighted percentages of capital software project costs, rather than using the FTE ratio allocation method.

<sup>11</sup> CRISP and the System Operator Certification programs are excluded from the Investment Income allocation because they earn interest income on funds generated by their programs.

<sup>12</sup>*Rules Concerning Certification of the Electric Reliability Organization; Procedures for the Establishment, Approval and Enforcement of Electric Reliability Standards*, Order No. 672, FERC Stats. & Regs. ¶ 31,204 (2006) (*Order No. 672*), at P 229.

The table below shows the proposed 2026 budgets for statutory and (if applicable) non-statutory functions for each Regional Entity, and its total (for all jurisdictions) proposed assessment after accounting for other Funding sources.

| <b>Regional Entity</b>  | <b>Total Budget for Statutory Functions</b> | <b>Budget for Non-Statutory Functions</b> | <b>Statutory Funding Assessment</b> |
|-------------------------|---------------------------------------------|-------------------------------------------|-------------------------------------|
| <b>MRO</b>              | \$27,797,583                                | -----                                     | \$26,218,337 <sup>13</sup>          |
| <b>NPCC</b>             | \$28,395,867                                | \$1,254,592                               | \$26,622,578 <sup>14</sup>          |
| <b>ReliabilityFirst</b> | \$35,630,231                                | -----                                     | \$32,589,878                        |
| <b>SERC</b>             | \$37,516,100                                | -----                                     | \$34,255,910                        |
| <b>Texas RE</b>         | \$21,598,423                                | -----                                     | \$19,818,823                        |
| <b>WECC</b>             | \$40,132,874                                | \$4,637,860                               | \$35,657,280 <sup>15</sup>          |

#### **D. Allocation of Statutory Assessments**

The total ERO statutory funding requirement for 2026, net of other NERC and Regional Entity income sources, to be funded by assessments is \$289,618,314, consisting of \$113,749,428 for funding of NERC's programs and \$175,868,886 for funding of Regional Entity statutory activities and WIRAB. NERC's proposed 2026 assessment is allocated \$102,634,422 to the U.S. and \$11,115,006 to Canadian provinces. Based on the aggregate NEL of the United States for 2024 on which the allocation of assessments is based, the U.S. assessment for NERC represents approximately \$0.000024 per end-user kilowatt-hour.<sup>16</sup> NERC proposes allocation of its 2026 assessment to the Regional Entity footprints as follows:

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<sup>13</sup> MRO's assessment is allocated \$23,615,231 to the U.S. and \$2,603,106 to Canadian provinces.

<sup>14</sup> NPCC's assessment is allocated \$15,690,182 to the U.S. and \$10,932,396 to Canadian provinces.

<sup>15</sup> The WECC assessment is allocated \$31,765,267 to the U.S. and \$3,892,013 to Canadian provinces. This amount does not include the WIRAB assessment.

<sup>16</sup> The allocation and calculation of assessments for the 2026 budgets is based on NEL data for the second preceding calendar year, 2024, the most current annual NEL data available as of August 2025.

|                    |                            |            |                            |
|--------------------|----------------------------|------------|----------------------------|
| • MRO              | \$12,683,746 <sup>17</sup> | • SERC     | \$33,579,462               |
| • NPCC             | \$13,612,476 <sup>18</sup> | • Texas RE | 11,306,803                 |
| • ReliabilityFirst | \$21,496,922               | • WECC     | \$21,070,019 <sup>19</sup> |

The 2026 Assessment Schedule in **Appendix 1** to **Attachment 2** shows, for each LSE or designee within the footprint of each Regional Entity (i) 2024 NEL and development of the NEL-based factors used to allocate NERC and Regional Entity assessments (**Appendix 1-A**), and (ii) allocation of the total ERO, NERC, and Regional Entity statutory assessments (**Appendix 1-B, 1-C and 1-D**).

NERC has allocated its statutory assessment to LSEs within each Regional footprint primarily based on NEL, with these adjustments: In accordance with NERC’s *Expanded Policy on Allocation of Certain Compliance and Enforcement Costs*, the NEL-based assessments for AESO, IESO, New Brunswick, and Québec are adjusted for certain Compliance Monitoring and Enforcement Program (CMEP) costs, as shown on **Attachment 11**. The adjustments recognize that entities in Ontario, Alberta, and New Brunswick expend resources to perform compliance and enforcement activities NERC or a Regional Entity would otherwise perform, and the compliance and enforcement resources NERC needs for Alberta and Québec are reduced due to the small number of entities subject to compliance enforcement in those provinces. The credits, totaling \$1,872,571, are reflected in **Appendix 1-C** of **Attachment 2**. The credit amount is reallocated to all other LSEs (Balancing Authorities or designees) based on NEL. The resulting adjusted allocations to Regional Entity footprints are shown in **Appendix 1-C** of **Attachment 2**.

NEL has also been used to allocate the Regional Entity assessments, with these

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<sup>17</sup> For MRO, \$11,425,598 is allocated to the U.S. and \$1,258,149 is allocated to Canadian provinces.

<sup>18</sup> For NPCC, \$6,559,097 is allocated to the U.S. and \$7,053,379 is allocated to Canadian provinces.

<sup>19</sup> For WECC, \$18,266,541 is allocated to the U.S. and \$2,803,478 is allocated to Canadian provinces.

exceptions: First, portions of NPCC's Compliance Monitoring and Enforcement and Organization Registration and Certification (CORC) Program costs have been allocated among the six U.S. and Canadian Balancing Authority Areas (BAAs) in NPCC using activity-based methodologies that reflect the nature and scope of the compliance functions and activities performed by NPCC in each Canadian province in its footprint. NPCC CORC costs allocated to the U.S. using these methodologies are then allocated between the New England and New York BAAs based on NEL, as directed in *North American Electric Reliability Corp.*, 128 FERC ¶61,025 (2009) (*July 16, 2009 Budget Compliance Order*). (Allocation of NPCC CORC Program costs is further described in §V.B.2 below and pages 19-21 of NPCC's 2026 Business Plan and Budget, **Attachment 4**.) Second, WECC's allocation of its assessment to the AESO has been reduced by \$1,513,101 representing WECC CMEP costs that are duplicative of AESO programs. (See Appendix C of WECC's Business Plan and Budget (**Attachment 8**)). The AESO credit amount was allocated to the remainder of the LSEs (BAAs or designees) in WECC based on NEL.<sup>20</sup>

The total assessment reflected on the 2026 Assessment Schedules for NERC and the Regional Entities is \$289,618,314, comprised of \$113,749,428 for NERC, \$175,162,806 for the Regional Entities, and \$706,080 for WIRAB. After allocations of portions of the NERC, Regional Entity, and WIRAB funding requirements to Canadian provinces, the total ERO statutory assessment for 2026 allocable to U.S. LSEs for which Commission approval is sought is \$260,971,335, comprised of the NERC assessment of \$102,634,422 and the aggregate Regional Entity and WIRAB assessments of \$158,336,913. The funding requirement of each Regional Entity for statutory activities is allocated 100% to that Regional Entity. The WIRAB

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<sup>20</sup> As explained in NERC's 2025 Business Plan and Budget filing and NERC's and WECC's 2025 Business Plans and Budgets (Docket No. RR24-5-000), and in the Commission's Order in that docket (189 FERC ¶61,045, P 7), NERC, WECC and WIRAB are not allocating any assessments to Mexico until a new agreement is reached with applicable reliability authorities in Mexico.

funding requirement is allocated 100% to WECC. The table below shows allocation to the Regional Entities of the 2026 statutory assessment, for U.S. statutory activities of NERC, Regional Entities, and WIRAB.

| <b>Regional Entity</b>  | <b>NERC U.S. Assessment</b> | <b>Regional Entity U.S. Assessment</b> | <b>Total U.S. Assessment</b> | <b>Assessment per kWh (2024 NEL)</b> |
|-------------------------|-----------------------------|----------------------------------------|------------------------------|--------------------------------------|
| <b>MRO</b>              | \$ 11,425,598               | \$ 23,615,231                          | \$ 35,040,829                | \$ 0.0000751                         |
| <b>NPCC</b>             | \$ 6,559,097                | \$ 15,690,182                          | \$ 22,249,280                | \$ 0.0000831                         |
| <b>ReliabilityFirst</b> | \$ 21,496,922               | \$ 32,589,878                          | \$ 54,086,800                | \$ 0.0000616                         |
| <b>SERC</b>             | \$ 33,579,462               | \$ 34,255,910                          | \$ 67,835,372                | \$ 0.0000495                         |
| <b>Texas RE</b>         | \$ 11,306,803               | \$ 19,818,823                          | \$ 31,125,626                | \$ 0.0000674                         |
| <b>WECC</b>             | \$ 18,266,541               | \$ 31,765,267                          | \$ 50,031,807                | \$ 0.0000671                         |
| <b>WIRAB</b>            | \$ -                        | \$ 601,622                             | \$ 601,622                   | \$ 0.0000008                         |
| <b>Total</b>            | \$ 102,634,422              | \$ 158,336,913                         | \$ 260,971,335               | \$ 0.0000623                         |

NERC obtained from each Regional Entity a listing of LSEs or their designees in the Regional Entity and a breakdown of the Regional Entity's 2024 NEL by LSE or designee, and used this data to allocate the total ERO assessment allocated to each Regional Entity among LSEs, their designees, or other entities to be billed the assessments within that Regional Entity.<sup>21</sup> The amounts of the NERC and Regional Entity assessments allocated to each LSE or designee or other entity to be billed in each Region is shown in **Appendix 1-B of Attachment 2**. NERC requests the Commission to approve the statutory assessment amounts for NERC and the Regional Entities allocated to each LSE or designee, shown in **Appendix 1-B of Attachment 2**, so that the LSEs and their designees or other entities may be billed for these assessments in

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<sup>21</sup> For NPCC, assessments are allocated based on NEL in each BAA (New York, New England, Ontario, Québec, Nova Scotia, and New Brunswick), and billed to ISO New England and the New York ISO (and similar entities in Ontario, Québec, New Brunswick, and Nova Scotia), which will be responsible for billing and collecting assessments from LSEs in their respective footprints. For Texas RE, assessments are allocated based on NEL for the Electric Reliability Council of Texas (ERCOT), which acts as billing agent for the Regional Entity; the assessments will be billed to ERCOT, which will bill and collect assessments from LSEs in ERCOT.

accordance with 18 C.F.R. §39.4(e).<sup>22</sup>

As provided for in the delegation agreement with each Regional Entity, NERC will directly invoice the approved assessments to LSEs or designees, or to the other entities to be billed, in all Regional Entities except WECC. WECC will invoice LSEs or Balancing Authorities or their designees within the WECC footprint, collect the assessments, and remit the funds collected for the NERC and WIRAB assessments to NERC and WIRAB, respectively.<sup>23</sup>

## **V. NERC BUSINESS PLAN AND BUDGET**

### **A. 2026 NERC Business Plan and Budget by Program**

The proposed 2026 expenditure and staffing budgets for each NERC program and department are described in the subsections below. Key budget assumptions and major cost drivers by program are discussed at pages 13-18 of **Attachment 2**. Budgeted increases in Salaries and benefits expense, noted in §III.B above, impact budgets for all programs. Because statutory program budgets include allocations of Expenses, Fixed Asset Additions, and Net Financing Activity budgeted in Corporate Services and allocated to statutory programs based on the ratio of budgeted FTEs in each statutory program to total budgeted statutory program FTEs, changes in FTEs budgeted for statutory programs for 2026 compared to 2025 impact the allocation of Corporate Services costs among the statutory programs.

#### **1. Reliability Standards and PRISM**

The major activities of Reliability Standards and PRISM are described at pages 27-28 of

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<sup>22</sup> As a matter of administrative convenience and efficiency, NERC will calculate and bill the assessments to certain entities, referred to as “designees,” based on NEL values that include the NEL for other LSEs served by the designee, or for which the designee is otherwise responsible for assessments. The lists of LSEs and designees for which assessments will be calculated and billed have been provided to NERC by the Regional Entities. NERC is not involved in developing the lists of LSEs or in arrangements between LSEs and designees pursuant to which a designee agrees to accept responsibility for an assessment that would otherwise be billed to the LSE and the LSE agrees to reimburse the designee for the assessment.

<sup>23</sup> As approved by the Commission in the *ERO Certification Order* at P 218, for administrative convenience, billing and payment by LSEs of annual assessments less than \$100 will not be required.



**Attachment 2.** The 2026 budget is increased 18.8% (\$2,514,506) from 2025, primarily due to increased Personnel expenses and increased allocation of Indirect Expenses. Budgeted staffing of 27.40 FTEs is an increase of 3.76 FTEs from the 2025 budget due to the addition of two new positions and the reallocation of two positions from a different department to Reliability Standards for standards development activities and technical expertise support.

## **2. Compliance Assurance, Organization Registration and Certification, and Compliance Enforcement**

The major activities of Compliance Assurance and Organization Registration and Certification are described at page 30 of **Attachment 2**. The 2026 budget is increased 6.4% (\$998,065) from 2025, due primarily to increased Personnel expense and Fixed Asset Additions and increased allocation of Indirect Expenses, partially offset by reductions in budgeted Meetings & Travel, Contractors & Consultants expense, and allocated Net Financing Activity. Budgeted staffing is increased by 1.88 FTEs, to 24.44 FTEs, reflecting addition of one position to support CIP compliance assurance activities and one position to support the Align system.

The major activities of Compliance Enforcement are described at page 33 of **Attachment 2**. The 2026 budget is essentially unchanged (\$4,351 increase) from 2025, due primarily to reductions in allocated Indirect Expenses and Net Financing Activity largely offsetting increases in Personnel Expenses and Fixed Asset Additions. Budgeted staffing remains at 14.10 FTEs.

## **3. Reliability Assessments, Performance Analysis, Data Analytics and Engineering (RAPA)**

The major activities of RAPA are described at pages 35-37 of **Attachment 2**. The 2026 budget is increased 1.5% (\$373,479) from 2025, with increased Personnel expenses and allocated Net Financing Activity being largely offset by decreases in Meetings & Travel, Contractors and Consultants, allocated Indirect Expenses, and Fixed Asset Additions. Budgeted 2026 staffing remains unchanged from the 2025 budget at 38.16 FTEs.

#### **4. Situation Awareness**

The major activities of Situation Awareness are described at page 39 of **Attachment 2**. The 2026 budget is increased 8.3% (\$584,011) from 2025, due primarily to increased Personnel expense, Office Costs (which includes costs for software licenses) and allocated Net Financing Activity, offset in part by decreases in Contractors and Consultant expense and Fixed Asset Additions. Budgeted 2026 staffing remains at 8.55 FTEs.

#### **5. Event Analysis**

The major activities of Event Analysis are described on page 41 of **Attachment 2**. The 2026 budget is decreased by 10.8% (\$559,047) from 2025, reflecting decreases in Personnel expenses, Contractors & Consultants expense, allocated Indirect Expenses, and Fixed Asset Additions. Budgeted staffing for 2026 is decreased by 0.94 FTE, to 6.67 FTEs due to reallocation of one position to another department as part of ongoing resource efficiency efforts to leverage skills and expertise.

#### **6. Electricity Information Sharing and Analysis Center (E-ISAC)**

The major activities of the E-ISAC are described at pages 44-45 of **Attachment 2**. Of the activities the E-ISAC facilitates, the most significant is CRISP, a public-private initiative that delivers cybersecurity risk information to E-ISAC member electricity asset owners and operators. The 2026 budget for E-ISAC, including CRISP, is increasing by 3.2% (\$1,386,668). The CRISP budget comprises 28.5% of the total E-ISAC budget and is primarily funded by program participants. Budgeted staffing for the E-ISAC is increased by 2.67 FTEs from the 2025 budget to 52.64 FTEs (of which 6.27 FTEs are CRISP staff), reflecting addition of three positions to support stakeholder engagement, security operations, and intelligence functions. Budgeted Contractors & Consultants expense is decreased by \$69,366, to \$10,974,168. Of this

amount, \$8,110,585 is for CRISP.

Under the CRISP master agreement, the E-ISAC budget for 2026 includes \$10,045,143 of Third-Party Funding provided by CRISP participants. The Third-Party Funding is equal to 78.0% of the CRISP total budget. As previously approved by the Commission, any underrun in the 2026 CRISP budget will be redirected to the CRISP Operating Reserve. *North American Electric Reliability Corp.*, 180 FERC ¶61,013 (Letter Order July 8, 2022), P 7. The E-ISAC also receives funding (budgeted to total \$580,000) from its Vendor Affiliate Program (\$400,000; offered to certain industry vendors for collaboration and information sharing between the E-ISAC, its members, and the vendor community related to cybersecurity risks associated with supply chain software components), from the Downstream Natural Gas ISAC (\$120,000), and from industry trade associations participating in CRISP workshops (\$60,000).

## **7. Personnel Certification and Credential Maintenance**

The Personnel Certification and Credential Maintenance group oversees the System Operator Certification and Credential Maintenance programs under oversight of the NERC Personnel Certification and Governance Committee (PCGC). The major activities of this group are described at page 49 of **Attachment 2**. The 2026 budget is increased 2.2% (\$49,561) from the 2025 budget, due primarily to increases in budgeted Personnel expense, Meetings and Travel expense, Office Costs, and allocated Net Financing Activity, partially offset by decreased allocation of Indirect Expenses and Fixed Asset Additions. Budgeted 2026 staffing is the same as in the 2025 budget, at 2.87 FTEs. Personnel Certification and Credential Maintenance receives no funding from assessments; it is funded by System Operator certification testing and renewal fees (intended to recover the costs, including allocated indirect expenses, of the program) for system operator certification exams and certification renewals. The program also

receives fees from continuing education providers, offsetting costs of reviewing courses taken by certified operators to maintain certification.

## **8. Training and Education**

The major activities of the Training and Education Program are described at page 51 of **Attachment 2**. The 2026 budget amount is essentially unchanged (decrease of \$2,017) from the 2025 budget. Budgeted 2026 staffing of 1.88 FTEs is unchanged from the 2025 budget.

## **9. Corporate Services**

The Corporate Services departments, which support NERC's statutory programs, are: (i) G&A (the Chief Executive Officer and support staff, Chief Operating Officer, External Affairs, Board functions, and Office Rent); (ii) Legal & Regulatory (including Internal Audit and Corporate Risk Management); (iii) Business (Information) Technology; (iv) HR & Administration; and (v) Finance and Accounting. Responsibilities and functions of the Corporate Services departments are described at pages 53-57 of **Attachment 2**.

The total amount budgeted for Corporate Services for 2026 is increased by 5.0% (\$2,639,078) from 2025. This reflects increases to the budgets for Business Technology of \$2,816,559, HR & Administration of \$47,042, and Finance and Accounting of \$553,045, partially offset by decreases in the budgets for G&A of \$620,036 and Legal & Regulatory of \$157,532. Budgeted 2026 staffing for Corporate Services is increased by 1.72 FTEs from 2025. The staffing increase is the net result of the addition of two positions (1.88 FTEs) in G&A for External Affairs and 0.78 FTE in Business Technology, partially offset by a decrease of one position (0.94 FTE) in HR & Administration.

The large (compared to the other Corporate Services programs) budget increase for Business Technology is driven by increased Personnel expense including the staffing increase; increased Contractors & Consultants expense (by \$660,765) for applications and infrastructure,

security, operations support, and the ERO Project Management Office; and increased Office Costs due to budgeted escalation for existing software licenses and support and new software for technology initiatives. The primary driver of the decrease in the G&A budget is the decision to terminate the lease on NERC's Atlanta office when it expires in October 2025 and arrange for less costly and more flexible workspace as needed (reflecting in part the secular trend towards more hybrid working arrangements).

The budgeted amount for Independent Trustee expenses for 2026 (included in G&A; *see* table on page 54 of **Attachment 2**) is increased by 11.4% (\$250,000) from 2025. Budgeted expenses for Quarterly Board Meetings and Trustee Travel are reduced by \$10,000 from the 2025 budget. Budgeted Independent Trustee compensation for 2026 is increased by a total of \$260,000 from the 2025 budget, reflecting increasing the annual retainer amount for each Independent Trustee plus additional increases for the Chair, Vice Chair, and other Independent Trustees taking on additional responsibilities. The increase in Trustee compensation is based on an independent study on trustee compensation performed by Meridian Compensation Partners, LLC, completed on August 1, 2024, and the Board's annual review of Trustee compensation.<sup>24</sup> Additionally, \$100,000 (the same amount included in the 2024 and 2025 budgets) is budgeted for trustee search fees to fill an anticipated Board vacancy.

## **B. Reserves Analysis**

NERC's Working Capital and Operating Contingency Reserve (WCOR) Policy provides for NERC to maintain Reserves, which include Future Obligation Reserve, Working Capital, Operating Contingency Reserve (OCR), System Operator Certification Reserve, CRISP

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<sup>24</sup> **Attachment 12** details the information and analysis considered by the Board and the Corporate Governance and Human Resources Committee, including Meridian's findings and recommendations, leading to the determination to increase Independent Trustee compensation.

Reserves, and Assessment Stabilization Reserve (ASR). The discussion on pages 25-26 in **Attachment 2** shows and explains the amounts proposed to be budgeted in each reserve as of December 31, 2026, as follows:

Future Obligation Reserve: \$1,891,299

This reserve is funded to offset future, non-current liabilities under lease, credit, loan, or other agreements to which NERC is a party. The projected level for this reserve at December 31, 2026, is \$1,891,299, a decrease of \$229,248 from the projected balance at December 31, 2025.

Working Capital: \$0

As in past Business Plans and Budgets, NERC is not budgeting separate working capital funds in 2026 since assessments are billed and paid quarterly throughout the year, and NERC maintains a \$4,000,000 line of credit with a major financial institution.

Operating Contingency Reserve: \$10,849,974

The OCR provides both general working capital for day-to-day operations and funds for unanticipated contingencies. NERC's current policy requires, unless otherwise approved by the Board, an OCR target of 8.0% to 16.0% of NERC's total expense, Fixed Asset, and net financing budget, excluding budgets of the System Operator Certification Program and CRISP, which have their own reserves. The projected balance in the OCR at December 31, 2026 is \$10,849,974 (the same amount projected at December 31, 2025), which is within the target range approved by the NERC Board.

System Operator Certification Program Reserve: \$1,070,887

This reserve is funded by fees received by, and is used solely to meet needs of, the System Operator Certification Program. The projected balance for this reserve at December 31, 2026, is \$1,070,887, which is an increase of \$362,321 from the projected reserve balance at December 31, 2025.

CRISP Reserves (Operating, Equipment, and Defense Fund): \$6,139,919

The CRISP Reserves are comprised of the Operating Reserve, Equipment Reserve, and Defense Fund Reserve. Each Reserve is used for a specific purpose outlined in the CRISP master agreement and used solely in connection with CRISP. The CRISP Reserves are funded entirely by CRISP participants and do not affect the NERC statutory assessments. As approved by the Commission, underruns of the prior year's CRISP budget are redirected to the CRISP Operating Reserve.<sup>25</sup> Additionally, the CRISP participants have agreed to transfer a portion of funds in the CRISP Operating Reserve to a CRISP Equipment Reserve. The balance in the CRISP Operating Reserve at both December 31, 2025, and December 31, 2026 is projected to be \$4,739,919; the balance in the CRISP Equipment Reserve at both December 31, 2025 and December 31, 2026 is projected to be \$900,000; and the balance in the CRISP Defense Fund Reserve at both December 31, 2025 and December 31, 2026, is projected to be \$500,000.

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<sup>25</sup> *North American Electric Reliability Corp.*, 180 FERC ¶61,013 (Letter Order July 8, 2022).

Assessment Stabilization Reserve: \$956,000

NERC did not collect any Penalties in the 12 months ended June 30, 2025, and is not proposing to release funds from the ASR in 2026 to reduce assessments. Therefore, the ASR balance at both December 31, 2025 and December 31, 2026, will be \$956,000.

Based on the beginning Working Capital and Reserves balances at January 1, 2025, the projected funding, expenditures, and net financing activity for 2025, the budgeted funding, expenditures, and net financing activity for 2026, and the target Working Capital and Reserves balances at December 31, 2026, page 25 in **Attachment 2** shows the calculation of the resulting decrease of \$362,321 to NERC's 2026 assessment from application of Reserves. To the extent the actual year-end 2025 Working Capital and Reserves balances are higher than the projected amounts shown on page 25, the excess funds will be included in the OCR, System Operator Certification Program Reserve, or CRISP Reserves, as applicable, and subject to the limitations and authorities regarding their use set forth in the NERC WCOR Policy and, for the CRISP Reserves, the master agreements between NERC and CRISP participants.

**C. Fixed Asset Expenditures and Capital Financing**

As shown in the Fixed Assets Additions table on page 21 of **Attachment 2**, NERC's 2026 Fixed Asset Additions budget of \$7,228,250 is an increase of 41.8% (\$2,129,660) from the 2025 budget and is comprised of \$5,070,750 for Computer & Software CapEx, \$1,175,000 for Equipment CapEx, and \$982,500 for Capital Lease Assets. The zero budgets for Furniture and Fixtures CapEx and Leasehold Improvements reflect the decision to not lease new office space in 2025. Computer & Software Cap Ex is increased from the 2025 budget based on the projects described in the Technology Strategy on pages 11-12 and in the 2026 Technology Requirements for Business Technology on page 56 of **Attachment 2**.

NERC maintains a capital financing program (line of credit) as a funding source for major software application development projects and hardware equipment. Due to increased

needs for spending on capital software projects related to NERC's 2023-2025 plan, a portion of these projects was proposed to be financed through NERC's capital borrowing facility using a five-year loan amortization. In 2023, NERC borrowed \$555,000 at a 7.3% interest rate. NERC did not borrow in 2024. NERC is projecting loan balances from current year borrowing of \$2,900,000 in 2025 and \$3,310,000 in 2026 at a 6.5% interest rate. The table on page 23 of **Attachment 2** shows budgeted total year-end loan debt balances for 2025 (\$3,335,305) and 2026 (\$5,919,165) and budgeted debt service for 2026 (\$920,389).

## **V. REGIONAL ENTITY BUSINESS PLANS AND BUDGETS**

### **A. Development of the Regional Entity Business Plans and Budgets**

NERC management and staff worked collaboratively with the Regional Entities on development of their 2026 Business Plans and Budgets. Drafts of each Regional Entity's Business Plan and Budget were posted on the NERC website on May 23, 2025. NERC reviewed and provided feedback on these drafts. The draft Business Plans and Budgets were also the subject of presentations and discussions at meetings of the NERC FAC. **Attachment 13** is a summary of NERC's review and participation in development of the Regional Entity 2026 Business Plans and Budgets, which was made available to the NERC Board to aid its review of the Regional Entity Business Plans and Budgets.

Additionally, each Regional Entity posted one or more drafts of its 2026 Business Plan and Budget on its own website for comment by its stakeholders, and/or provided other opportunities for stakeholder input, as follows:

**MRO:** MRO posted its draft 2026 Business Plan and Budget for comments on May 1, 2025. MRO's 2026 Business Plan and Budget was presented in multiple meetings of the MRO Board and its stakeholders. There were no written or oral challenges to the 2026 Business Plan and Budget. On June 12, 2025, MRO's Board of Directors approved a resolution that approved the 2026 reserves and 2026 budget and affirmed that the budget is sufficient to complete MRO's delegated responsibilities.



**NPCC:** NPCC’s draft 2026 Business Plan and Budget was presented to the NPCC FAC on April 8, 2025, and to its Board of Directors on April 30, 2025. NPCC’s draft 2025 Business Plan and Budget was posted on its website for stakeholder review and comment on May 1, 2025, with a request for comments by May 14, 2025. The NPCC Board of Directors approved NPCC’s 2026 Business Plan and Budget on June 18, 2025.

**ReliabilityFirst:** On May 1, 2025, the ReliabilityFirst Board of Directors approved the first draft of its 2026 Business Plan and Budget, after which it was posted to the ReliabilityFirst website for a 30-day industry review and comment period. ReliabilityFirst did not receive any comments. The final 2026 Business Plan and Budget was approved by the ReliabilityFirst Board on June 30, 2025.

**SERC:** On March 26, 2025, the draft 2026 Business Plan and Budget was presented to SERC Membership and approved by SERC’s Board of Directors. The draft Business Plan and Budget was then posted on the SERC public website for a 30-day comment period beginning April 1, 2025. SERC did not receive any comments. On June 11, 2025, SERC’s Board of Directors approved the final 2026 Business Plan and Budget for submittal to NERC

**Texas RE:** Texas RE’s 2026 Business Plan and Budget was presented in multiple meetings of the Texas RE Board and Member Representatives Committee. The draft 2026 Business Plan and Budget was posted for a 7-day comment period before being presented to the Texas RE Board of Directors for final approval. There were no written or oral challenges to the 2026 Business Plan and Budget. The Board of Directors approved Texas RE’s 2026 Business Plan and Budget on May 14, 2025.

**WECC:** WECC’s draft 2026 Business Plan and Budget was posted on its website on April 28, 2025, for a 15-business day comment period. The WECC Board of Directors and WECC stakeholders were notified of the posting. One set of comments was received from both WECC’s Member Advisory Committee Budget Subcommittee and WIRAB. WECC’s Board of Directors approved WECC’s 2026 Business Plan and Budget on June 11, 2025.

As described in **Attachment 13**, NERC’s review of the Regional Entity Business Plans and Budgets focused on:

1. Adequacy of the resources and activities to perform delegated functions;
2. Alignment of the Regional Entity’s activities with ERO goals, objectives, and strategic focus areas;
3. Efforts to improve efficiency and control costs;
4. Quality and completeness of the financial information presented, including:
  - a. Conformance with Commission budget reporting requirements and with the ERO Enterprise common presentation format,
  - b. Separation of statutory and non-statutory activities,
  - c. Supporting detail, including explanations for significant changes from the

- Regional Entity's 2025 budget,
- d. Working capital and operating reserve budgets, policies and controls, and
  - e. Compliance with any budget or audit-related orders from the Commission.

Through the processes described above, in §III.A, and in **Attachment 13**, NERC determined that each Regional Entity's 2026 Business Plan and Budget provides necessary and adequate resources to carry out the Regional Entity's delegated functions in 2026.

The draft Regional Entity 2026 Business Plans and Budgets were reviewed in a meeting of the NERC FAC on May 21, 2025, and posted on NERC's website on May 23, 2025. Regional Entities submitted their final Business Plans and Budgets, as approved by their respective governing bodies, to NERC by mid-July 2025. The final Regional Entity and WIRAB Business Plans and Budgets were submitted to the FAC for its review and recommendation to the NERC Board at the FAC's August 13, 2025, meeting. The NERC Board approved the Business Plans and Budgets at its August 14, 2025, meeting for submission to the Commission.

Each Regional Entity's Business Plan and Budget includes its analysis of the appropriate working capital and operating reserves. A table in each Regional Entity Business Plan and Budget shows calculation of the increase or decrease to its 2026 assessment to achieve the target Reserves balances at December 31, 2026.

## **B. Summaries of Regional Entity Business Plans and Budgets**

### **1. MRO – Attachment 3**

MRO's 2026 statutory budget is \$27,797,583, an increase of \$1,046,249 (3.9%) from its 2025 budget. The most significant area of increase is the Reliability Analysis, Organization Registration and Certification program, primarily due to increased staffing (addition of 2.6 FTEs). MRO's proposed assessment for 2026 is \$26,218,337, an increase of \$984,133 (3.9%) from its 2025 assessment.

MRO has divided its Reliability Analysis, Organization Registration and Certification program into two programs, (i) Organization Registration and Certification and (ii) Reliability Analysis and Power System Risk. MRO is budgeting increased staffing for 2026 of 4.00 FTEs, reflecting small staffing increases in several programs to support strategic areas of focus. Budgeted Personnel expense is increased by \$1,395,281 (6.4%). Total budgeted 2026 staffing is 87.0 FTEs (65.79 FTEs in statutory programs and 21.21 FTEs in Administrative Services), including 39.03 FTEs in MRO's Compliance programs. The 2026 budget for Administrative Services is \$10,143,496, an increase of \$256,109 (2.6%).

As described in its 2020 Business Plan and Budget, MRO established an ASR into which Penalty collections received in the 12 months ending the previous June 30 would be deposited, and from which funds would be released to reduce year-to-year fluctuations in assessments needed to fund operations. For 2026, to reduce assessments, MRO proposes to use \$41,988 of Penalties collected and to release \$1,537,258 from the ASR. Pursuant to §1107.4 of the NERC ROP, NERC and MRO request the Commission to approve an exception to the requirement of ROP §1107.2 that all Penalties collected during the 12 months ended the previous June 30 be used to reduce assessments in the following year, in order to allow MRO to utilize previously collected Penalties held in the ASR to reduce its 2026 assessment as just described. MRO's projected total reserves balance at December 31, 2025, is \$8,172,128 (Working Capital - \$2,253,097; 30-day cash reserve - \$1,000,000; ASR - \$4,919,031). With the 2026 budget and proposed use of Penalties and ASR to reduce the 2026 assessment, MRO projects a total reserves balance at December 31, 2026, of \$6,825,501 (Working Capital - \$2,353,097; 30-day cash reserve - \$1,000,000; ASR - \$3,472,404).

## **2. NPCC – Attachment 4**

NPCC's statutory budget for 2026 is \$28,395,867, an increase of \$2,710,763 (10.6%)

from its 2025 budget. The largest area of budget increase is the CMEP and Organization Registration and Certification program (\$1,835,871). NPCC's 2026 assessment is \$26,622,578, an increase of \$2,529,747 (10.5%) from 2025, and reflects use of \$500,000 in Penalty funds and \$301,200 in other Income to reduce the assessment. NPCC's 2026 budget reflects increased staffing of 6.10 FTEs from its 2025 budget, comprised of a 4.40 FTE increase in Statutory Programs (including increase of 2.95 FTEs in its CMEP) and 1.70 FTE increase in Administrative Programs. Budgeted Personnel expense is increased by \$2,554,519. Total budgeted staffing is 83.30 FTEs, comprised of 64.05 FTEs for Statutory Programs and 19.25 FTEs for Administrative Programs. Budgeted 2026 Administrative Services expenditures are \$9,448,680, an increase of \$969,693.<sup>26</sup>

NPCC maintains an ASR to receive Penalty collections and to release funds from the ASR as appropriate to stabilize year-to-year fluctuations in assessments. NPCC proposes to place \$23,826 of Penalties collected in the 12 months ended June 30, 2025 into the ASR (resulting in a balance of \$1,020,729 at December 31, 2025), and to use \$500,000 from the ASR to reduce its 2026 U.S. assessment (resulting in a projected balance of \$520,729 in the ASR at December 31, 2026). Pursuant to §1107.4 of the NERC ROP, NERC and NPCC request that the Commission approve an exception to the requirement of ROP §1107.2 that Penalties collected during the 12 months ended June 30 be used to reduce assessments in the following year, to allow NPCC to implement the proposed ASR transactions.

NPCC's projected total Reserves balance at December 31, 2026, is \$7,611,706 (\$2,271,669 for Operating Reserve, \$4,819,307 for Working Capital, and \$520,729 in the ASR).

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<sup>26</sup> NPCC budgets all Office Rent, Office Costs, Professional Services, and Miscellaneous Operating Expense as Indirect Expenses, rather than in the statutory program budgets, and allocates these costs to the statutory programs on the basis of the proportion of direct statutory FTEs in each program.

The Working Capital target is 17.0% of 2026 budgeted expenditures, within NPCC's Board-approved range of 8.0% to 25.0% of budgeted expenditures. The Operating Reserve target is 8.0% of budgeted expenditures. NPCC's projected aggregate Reserves balance at December 31, 2025, is \$9,083,794 (Operating Reserve - \$2,054,808; Working Capital - \$6,008,257; ASR - \$1,020,729); thus, NPCC's 2026 assessment is reduced by an aggregate \$1,472,089 (including the proposed \$500,000 release from the ASR and \$301,200 of other non-assessment income) to reach its target Reserves at December 31, 2026.

To determine the assessments to recover NPCC's funding requirement, compliance program costs are allocated among Independent System Operators/BAAAs within NPCC in New York, New England, Ontario, Québec, New Brunswick and Nova Scotia. NPCC's allocation methodology for Regional Entity compliance program costs applies a rolling seven-year compliance cost average to total compliance program expenses for the current budget year to allocate compliance program costs among U.S. and Canadian BAAs. To develop this average, for each of the seven years, costs attributed to CORC Fundamentals are allocated between U.S. and Canadian BAAs on a NEL basis. Audits and Investigations-related costs are allocated between U.S. and Canadian BAAs, and among Canadian provinces, using an audit-based methodology incorporating relative costs based on categories of audits reflective of their size and complexity as well as the different compliance models used in NPCC due to its international nature. Mitigation and Enforcement-related costs are allocated between U.S. and Canadian BAAs and among Canadian provinces through an enforcement activity-based methodology using historical data on each BAA's percentage of violations, mitigation plans and settlement agreements. The resulting seven-year average allocation percentage of total combined compliance costs attributable to each BAA is then applied to total compliance program expenses

for the current budget year to allocate current budget year costs among U.S. and Canadian BAAs. The portions of the costs allocated to the New York and New England BAAs are allocated between them based on NEL (required by the *July 16, 2009 Budget Compliance Order*, PP 40-41). Within the Canadian portion of NPCC, costs attributable to compliance functions NPCC performs on behalf of provincial governments or regulatory authorities are allocated consistent with the memorandum of understanding or agreement with each province. Appropriate adjustments to costs to be allocated are made for Penalty payments NPCC receives from U.S. registered entities (used to offset costs allocated to U.S. BAAs). The discussion and table on pages 19-21 of **Attachment 4** explains these assessment methodologies and shows development of the 2026 assessments by BAA within NPCC to recover NPCC's Regional Entity funding requirement.

### **3. ReliabilityFirst – Attachment 5**

ReliabilityFirst has a statutory budget for 2026 of \$35,857,122, an increase of \$2,484,100 (7.4%) over its 2025 budget. ReliabilityFirst's proposed assessment for 2026 is \$32,589,878, an increase of \$4,002,266 (14.0%) over 2025, and reflects application of \$1,047,858 of Penalty collections and \$150,000 of Investment Income to reduce the assessment. ReliabilityFirst is budgeting an overall net staffing increase of 5.00 FTEs, including 4.00 additional FTEs in Training, Education and Outreach and 1.00 additional FTE in each of the Reliability and Risk program and RAPA. Total budgeted staffing is 106.0 FTEs, comprised of 81.00 FTEs in statutory programs (including 38.00 FTEs in CMEP) and 25.00 FTEs in Administrative Services. ReliabilityFirst's continued emphasis on Training, Education and Outreach is reflected in a \$1,457,603 (45.7%) increase in the budget for this program. The CMEP is receiving a \$192,841 (1.2%) budgeted increase. Total budgeted 2026 Administrative programs expenditures are \$11,082,882, a decrease of \$28,829 from the 2025 budget.

ReliabilityFirst's target Working Capital and Operating Reserve balance at December 31, 2026, approved by its Board, is \$3,995,418 (\$2,995,418 for Working Capital and Working Capital Reserve (WC/WCR) and \$1,000,000 for Operating Reserve). ReliabilityFirst's projected WC/WCR and Operating Reserve balance at December 31, 2025 (not including Penalty collections held for release) is \$6,034,804 (\$5,064,804 in WC/WCR and \$1,000,000 in Operating Reserve). The proposed assessment for 2026 reflects a decrease of \$2,069,386 in WC/WCR, application of \$1,047,858 of Penalties collected in the 12 months ended June 30, 2025, and budgeted Investment Income of \$150,000, resulting in a 2026 assessment of \$32,589,878.

#### **4. SERC – Attachment 6**

SERC's 2026 budget is \$37,516,100, an increase of \$2,165,012 (6.1%) from its 2025 budget. The principal area of budget increase is CMEP and Organization Registration and Certification, with an increase of \$1,837,859 from 2025. SERC's proposed 2026 assessment of \$34,255,910, an increase of \$2,708,295 (8.9%) from 2025, reflects application of \$2,529,000 of Penalty collections and \$405,900 of other Income to reduce the assessment.

SERC's budgeted 2026 staffing for statutory programs and Corporate Services is 115 FTEs, the same staffing as in the 2025 budget. The budgeted FTE for each program is also unchanged from 2025. Total 2026 budgeted statutory program staffing is 77.60 FTEs and total budgeted Corporate Services staffing is 37.40 FTEs. Budgeted 2026 expenditures for Corporate Services are \$16,335,638, an increase of \$1,052,372, due primarily to an increase of \$617,529 in the budget for Analytics and Information Technology.

SERC proposes to (i) place \$1,329,000 of Penalties collected in the 12 months ended June 30, 2025, into the SERC ASR, and (ii) release \$2,529,000 of Penalties from its ASR to offset the 2026 assessment (leaving \$4,000,000 in the ASR at December 31, 2025, for future use to stabilize assessments). Pursuant to §1107.4 of the NERC ROP, NERC and SERC request

Commission approval of the uses of Penalty collections described in the preceding sentence, as exceptions to the requirement in ROP §1107.2 that Penalties collected during the 12 months ended June 30 be used to reduce assessments in the following budget year. SERC's target WCR at December 31, 2026, is \$2,250,966 and its projected WCR at December 31, 2025, is \$2,576,256. Therefore, in addition to releasing \$2,529,000 of Penalty collections from the ASR, and applying \$405,900 of other funding sources, SERC proposes to decrease its 2026 assessment by \$325,290 to reach its target WCR at December 31, 2026.

## **5. Texas RE – Attachment 7**

Texas RE's 2026 budget is \$21,598,423 an increase of \$1,303,542 (6.4%) from its 2025 budget, with the principal area of increase being the CMEP and Organization Registration program (\$1,028,284 increase). Texas RE's proposed 2026 assessment is \$19,818,823, an increase of \$557,404 (2.9%) from 2025, and reflects application of \$429,600 of Penalty collections in the 12 months ended June 30, 2025, and \$225,000 of interest income to reduce assessments. Texas RE's budgeted 2026 staffing is 75.00 FTEs, an increase of 3.00 FTEs from the 2025 budget, with an increase of 1.00 FTE budgeted to be added to statutory programs (CMEP) and 2.00 FTE budgeted to be added in Administrative Services. Budgeted 2026 staffing for statutory programs is 54.25 FTEs, including 42.75 FTEs in the CMEP, while budgeted 2026 staffing for Administrative Services is 20.75 FTEs. Texas RE's budgeted 2026 Administrative Services expenditures are \$10,180,645 (\$830,590 increase), due primarily to increased Personnel Expenses (with 2.0 FTE being added), increased insurance costs, and an adjustment for Board compensation based on a benchmark compensation study.

Texas RE's target Total Reserves balance at December 31, 2026 is \$7,013,752 (Working Capital and ASR \$4,642,693, Contingency Reserve \$2,000,000, and Reserve for Future Lease Obligations \$371,059). Texas RE plans use the \$429,600 of Penalties collected in the 12 months



ended June 30, 2025, \$225,000 of budgeted Interest income. and \$1,125,000 from its ASR to reduce its 2026 assessment to \$19,818,823.

## **6. WECC – Attachment 8**

WECC's 2026 statutory budget is \$40,132,874, an increase of \$807,517 (2.05%) from its 2025 budget, with the CMEP and Organization Registration program being the principal area of increase. WECC's proposed 2026 statutory assessment is \$35,657,280, an increase of \$2,641,280 (8.00%) from the 2025 assessment. WECC's budgeted staffing for 2026 is 178.0 FTEs, an increase of 3.00 FTEs from its 2025 budget. Budgeted 2026 staffing includes 135.50 FTEs (increase of 3.00 FTEs) in statutory programs and 42.50 FTEs (no change from 2025) in Corporate Services. WECC's budgeted 2026 Corporate Services expenditures are \$12,281,588, an increase of \$441,591 increase from the 2025 budget.

As described in NERC's 2022 Business Plan and Budget filing and WECC's 2022 Business Plan and Budget, and the Commission's order in Docket No. RR21-9-000,<sup>27</sup> in December 2020 WECC entered into an agreement with Peak Reliability (Peak) in connection with Peak's termination of operations as Reliability Coordinator for the Western Interconnection and Peak's corporate dissolution, to receive a donation of \$4,127,000 from Peak's remaining funds to support WECC's reliability and security mission, subject to an agreement to hold back \$300,000 of the donation for five years to pay any bills rendered to Peak post-dissolution. The remainder of the donation, \$3,827,000, is to be used for projects focused on the reliability and security of the Western Interconnection.<sup>28</sup> The \$3.8 million is being held by WECC (less amounts for projects approved for 2022, 2023, 2024 and 2025) in a Peak Reliability Donation

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<sup>27</sup> *North American Electric Reliability Corp., Order Accepting 2022 Business Plans and Budgets*, 177 FERC ¶ 61,078 (Nov. 2, 2021), PP21-23 and 25.

<sup>28</sup> The five-year holdback period for the \$300,000 set-aside for late-submitted bills expires in December 2025, at which time \$312,000 (including earned interest) will be available to fund budgeted expenditures.

Reserve (Peak Reserve). The Commission approved these arrangements, including accounting and recording treatment, in ¶25 of its Order in Docket No. RR21-9-000. In its 2022, 2023, 2024 and 2025 Business Plans and Budgets, WECC requested and received Commission approval to include specified reliability- and security-related projects in each year's budget to be funded from the Peak Reserve.

As described in WECC's 2025 Business Plan and Budget, WECC proposed to use a total of \$2.2 million from the Peak Reserve in 2024, 2025 and 2026 to support the transmission planning endeavor being undertaken by the Western Power Pool (WPP) through its WestTEC effort.<sup>29</sup> Specifically, WECC proposed, and received Commission approval, to use \$500,000, \$1,500,000, and \$200,000 to fund the WestTEC project in 2024, 2025 and 2026, respectively. However, the expenditure planned for 2024 was deferred to 2025 due to project delays. The projected balance of the Peak Reserve at December 31, 2025 will be \$909,740, and with expenditure of \$512,000 in 2026 will be \$397,740 at December 31, 2026.<sup>30</sup>

WECC's projected Working Capital Reserve (WCR) balance at December 31, 2026 is \$9,134,825, based on a Board-approved policy to maintain a WCR of one to three months of Personnel, Meeting, and Operating expenses. WECC's projected WCR balance at December 31, 2025 is \$11,299,168. In the 12 months ended June 30, 2025, WECC received \$41,745 of Penalty collections. WECC proposes to use these Penalty collections plus \$1,757,506 of Funding from other sources, \$512,000 from the Peak Reserve as described above, and \$2,164,343 from its

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<sup>29</sup>WestTEC is an interregional transmission planning project intending to employ analytical technologies to produce an actionable long-term transmission plan to provide transmission benefits to stakeholders in the Western Interconnection.

<sup>30</sup> The balances at December 31, 2025 and December 31, 2026 reflect that \$250,000 from the Peak Reserve was expended in 2024 on two additional projects approved by the Commission in its order on the 2024 NERC and Regional Entity Business Plans and Budgets. *North American Electric Reliability Corp.*, 185 FERC ¶ 61,047, Docket No. RR23-3-000 (Order issued Oct. 19, 2023), PP 23 and 26.

WCR, resulting in the proposed 2026 assessment of \$35,657,280.

WECC's allocation of its 2026 assessment to the AESO for Alberta has been reduced by \$1,513,101, representing WECC compliance costs (including allocated Indirect Costs and Fixed Asset spending) considered duplicative of the AESO's compliance and enforcement programs.<sup>31</sup> The AESO credit amount is allocated to the remainder of the LSEs (Balancing Authorities or designees) in the WECC region based on NEL. Appendix C to WECC's 2026 Business Plan and Budget (**Attachment 8**) shows calculation of the adjustment to the AESO assessment.

## **VI. WIRAB FUNDING REQUEST**

In its Order issued July 20, 2006, in Docket No. RR06-02-000, the Commission concluded that reasonable costs incurred by WIRAB for activities under §215(j) of the FPA can be funded through the ERO funding process.<sup>32</sup> As specified in P 35 of the WIRAB Order, WIRAB submitted to NERC a proposed 2026 Business Plan and Budget for §215(j) activities (**Attachment 9**). NERC has reviewed WIRAB's submission and believes it complies with P 35 of the WIRAB Order.

WIRAB's 2026 budget for expenses is \$862,480, an increase of \$30,919 (3.7%) from its 2025 budget. Budgeted staffing for 2026 is 3.00 FTEs, an increase of 0.40 FTE from the 2025 budget. Budgeted 2025 Personnel Expenses are increased by 3.0%, as are indirect expenses. WIRAB's budget includes \$100,000 for Consultants & Contracts expense, the same amount as its 2019 through 2025 budgets, to provide technical expertise to WIRAB related to improved grid operating practices and reliability standards and compliance, and assist WIRAB in providing technically sound advice to WECC, NERC and the Commission under FPA §215(j). WIRAB's

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<sup>31</sup> The adjustment to the WECC assessment to the AESO is provided for in a memorandum of understanding entered into effective July 15, 2010, among NERC, WECC, and the AESO.

<sup>32</sup> *Order on Petition to Establish a Regional Advisory Body for the Western Interconnection*, Docket No. RR06-2-000, 116 FERC ¶61,061 (2006) (WIRAB Order), PP 33-37.

proposed statutory assessment for 2026 is \$706,080, a decrease of \$9,381 (1.3%) from 2025. WIRAB's target Working Capital Reserve (WCR) at December 31, 2026 is \$517,500, compared to a projected WCR at December 31, 2025 of \$671,900. The reduction of \$154,400 in the target WCR plus \$2,000 of other funding results in the proposed 2026 assessment of \$706,080, which is allocated \$601,622 (85%) to the U.S. portion and \$104,458 (15%) to the Canadian portion of the Western Interconnection.<sup>33</sup>

## **VII. METRICS RELATED TO NERC AND REGIONAL ENTITY BUDGETS**

Consistent with NERC's February 18, 2015 *Request to Revise Certain "Metrics" Filing Components for its Annual Business Plan and Budget Filings and its Annual Actual Cost-to-Budget True-Up Filings* in Docket No. RR15-6-000, and the Commission's June 15, 2015, letter order approving NERC's request, NERC is providing the metrics information listed below in **Attachment 14** and **Attachment 15** to this filing.

**Attachment 14** provides the following information relating to the Regional Entities' operations based on their 2026 Business Plans and Budgets:

1. Numbers of registered entities
2. Numbers of registered functions
3. Total NEL (GWh)
4. NEL (GWh) per registered entity
5. Total ERO Funding (sum of assessments plus Penalty sanctions collections)
6. ERO Funding per registered entity
7. ERO Funding per registered function
8. Total Budget (sum of Total Expenses plus increase/decrease in Fixed Assets)
9. Total Budget per registered entity
10. Total Budget per registered function
11. Total Statutory FTEs (FTEs are based on working 2,080 hours per year)

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<sup>33</sup> As explained in the NERC, WECC and WIRAB 2025 Business Plan and Budget filings, WIRAB is not allocating any assessment to Mexico until a new agreement is reached with Mexican authorities.

12. Registered entities per Statutory FTE
13. Registered functions per Statutory FTE
14. Total CMEP Budget (sum of Direct Expenses, Indirect Expenses allocated to the CMEP Program, and Capital Expenditures)
15. CMEP budget per registered entity
16. CMEP budget per registered function
17. Total CMEP FTEs
18. Registered entities per CMEP FTE
19. Registered functions per CMEP FTE

In addition, **Attachment 14** provides the following metrics and graphics based on the Regional Entities' 2026 Business Plans and Budgets:

20. CMEP Budget per Number of Registered Functions and per Number of Registered Entities
21. Number of Registered Functions per Registered Entity
22. CMEP Budget as a Function of Number of Registered Entities and Number of Registered Functions
23. Number of Registered Entities per CMEP FTE and Number of Registered Functions per CMEP FTE
24. Comparisons of Number of Registered Entities per CMEP FTE and Number of Registered Functions per CMEP FTE for the current year (2025) and the budget year (2026)

**Attachment 15** provides the following metrics on the budgeted Administrative Services costs of NERC and each Regional Entity, based on their budgets for 2025 and 2026:

1. Statutory Indirect (Administrative) Budget as a Percentage of Total Statutory Budget, 2025 and 2026
2. Ratio of Statutory Direct Budget to Statutory Indirect Budget, 2025 and 2026
3. Statutory Indirect FTEs as a Percentage of Total Statutory FTEs, 2025 and 2026
4. Number of Direct Statutory FTEs per Indirect FTE, 2024 and 2026

## **VIII. CONCLUSION**

Based on the information in this filing, NERC requests that the Commission issue an order pursuant to 18 C.F.R. §39.4, by November 2, 2025:

- (1) accepting NERC's proposed 2026 Business Plan and Budget in **Attachment 2** and the proposed 2026 Business Plans and Budgets of the six Regional Entities for statutory activities in **Attachments 3 through 8**, including (i) pursuant to NERC ROP §1107.4, the applications of Penalty collections and releases of previous Penalty collections from ASRs proposed by MRO, NPCC, and SERC for assessment stabilization purposes, as described in §V.B.1, V.B.2 and V.B.4 above, as exceptions to NERC ROP §1107.2; and (ii) WECC's proposed use of funds from the Peak Reliability Donation Reserve in 2026 as described in §V.B.6 above;
- (2) accepting the proposed budget and funding requirement of WIRAB for 2026 in **Attachment 9**; and
- (3) approving the proposed assessments to each LSE or designee or other entities to be billed within each Region, as set forth in the 2026 Assessment Schedule, **Appendix 1** to **Attachment 2**, to be billed to and paid by each such LSE or designee or other entity to fund the portion of NERC's 2026 Funding requirement allocated to the United States and the 2026 Funding requirement for statutory activities of each Regional Entity and WIRAB allocated to the United States.

Respectfully submitted,

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**DOCKET NO. RR25-\_\_-000**

**NORTH AMERICAN ELECTRIC RELIABILITY  
CORPORATION**

**2026 BUSINESS PLAN AND BUDGET FILING**

**ATTACHMENT 1**

**SUMMARY TABLES FOR NERC AND REGIONAL ENTITY**

**PROPOSED 2026 BUDGETS AND ASSESSMENTS**

## NERC Proposed Budget by Program

| NERC Program                                                         | 2025 Budget for<br>Statutory Functions | 2026 Budget for<br>Statutory Functions |
|----------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Reliability Standards and Power Risk Issues and Strategic Management | \$ 13,392,901                          | \$ 15,907,407                          |
| Compliance Assurance and Organization Registration and Certification | 15,473,969                             | 16,472,034                             |
| Compliance Enforcement                                               | 9,284,731                              | 9,289,081                              |
| Reliability Assessment and Performance Analysis                      | 25,407,355                             | 25,780,834                             |
| Situation Awareness                                                  | 7,008,659                              | 7,592,670                              |
| Event Analysis                                                       | 5,177,731                              | 4,618,685                              |
| E-ISAC (including CRISP)                                             | 43,795,084                             | 45,181,751                             |
| Personnel Certification and Credential Maintenance                   | 2,256,918                              | 2,306,479                              |
| Training and Education                                               | 1,197,322                              | 1,195,305                              |
| <b>Total Budget</b>                                                  | <b>\$ 122,994,670</b>                  | <b>\$ 128,344,246</b>                  |

## Proposed Budget for Statutory Activities of NERC, Each Regional Entity, and WIRAB

|                     | 2025 Budget for<br>Statutory Functions | 2026 Budget for<br>Statutory Functions |
|---------------------|----------------------------------------|----------------------------------------|
| NERC                | \$ 122,994,669                         | \$ 128,344,246                         |
| MRO                 | 26,751,333                             | 27,797,583                             |
| NPCC                | 25,685,104                             | 28,395,867                             |
| ReliabilityFirst    | 33,373,022                             | 35,857,122                             |
| SERC                | 35,351,088                             | 37,516,100                             |
| Texas RE            | 20,294,882                             | 21,598,423                             |
| WECC                | 39,325,357                             | 40,132,874                             |
| WIRAB               | 831,561                                | 862,480                                |
| <b>Total Budget</b> | <b>\$ 304,607,016</b>                  | <b>\$ 320,504,695</b>                  |



## Proposed Assessments for Statutory Activities of NERC, Each Regional Entity, and WIRAB

|                          | Assessments for<br>Statutory<br>Functions 2025 | Allocation to<br>U.S. 2025 | Assessments for<br>Statutory<br>Functions 2026 | Allocation to<br>U.S. 2026 | Allocation to U.S.<br>2026 Budget v<br>2025 Budget<br>Over (Under) | % Over<br>(Under) |
|--------------------------|------------------------------------------------|----------------------------|------------------------------------------------|----------------------------|--------------------------------------------------------------------|-------------------|
| <b>NERC</b>              | <b>\$ 108,424,741</b>                          | <b>\$ 97,726,302</b>       | <b>\$ 113,749,428</b>                          | <b>\$ 102,634,422</b>      | <b>\$ 4,908,120</b>                                                | <b>5.02%</b>      |
| <b>Regional Entities</b> | <b>\$ 161,739,680</b>                          | <b>\$ 145,756,118</b>      | <b>\$ 175,162,806</b>                          | <b>\$ 157,735,290</b>      | <b>\$ 11,979,172</b>                                               | <b>8.22%</b>      |
| MRO                      | 25,234,203                                     | 22,617,621                 | 26,218,337                                     | 23,615,231                 |                                                                    |                   |
| NPCC                     | 24,092,831                                     | 14,317,149                 | 26,622,578                                     | 15,690,182                 |                                                                    |                   |
| ReliabilityFirst         | 28,587,612                                     | 28,587,612                 | 32,589,878                                     | 32,589,878                 |                                                                    |                   |
| SERC                     | 31,547,615                                     | 31,547,615                 | 34,255,910                                     | 34,255,910                 |                                                                    |                   |
| Texas RE                 | 19,261,419                                     | 19,261,419                 | 19,818,823                                     | 19,818,823                 |                                                                    |                   |
| WECC                     | 33,016,000                                     | 29,424,702                 | 35,657,280                                     | 31,765,266                 | <b>\$ 2,340,564</b>                                                | <b>7.95%</b>      |
| <b>WIRAB</b>             | <b>\$ 715,461</b>                              | <b>\$ 611,656</b>          | <b>\$ 706,080</b>                              | <b>\$ 601,622</b>          | <b>\$ (10,034)</b>                                                 | <b>-1.64%</b>     |
| <b>Total Budget</b>      | <b>\$ 270,879,882</b>                          | <b>\$ 244,094,076</b>      | <b>\$ 289,618,314</b>                          | <b>\$ 260,971,334</b>      | <b>\$ 16,877,258</b>                                               | <b>6.91%</b>      |

**DOCKET NO. RR25-\_\_-000**

**NORTH AMERICAN ELECTRIC RELIABILITY  
CORPORATION**

**2026 BUSINESS PLAN AND BUDGET FILING**

**ATTACHMENT 2**

**NORTH AMERICAN ELECTRIC RELIABILITY  
CORPORATION**

**PROPOSED 2026 BUSINESS PLAN AND BUDGET**

**NERC**

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

# 2026 Business Plan and Budget

Final

August 6, 2025

**RELIABILITY | RESILIENCE | SECURITY**



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# Table of Contents

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|                                                                                      |     |
|--------------------------------------------------------------------------------------|-----|
| Preface .....                                                                        | iii |
| Introduction .....                                                                   | iv  |
| 2026 Business Plan and Budget Overview .....                                         | 7   |
| 2026 Business Plan and Budget Program Area and Department Detail .....               | 27  |
| Reliability Standards and Power Risk Issues Strategic Management .....               | 27  |
| Compliance Assurance and Organization Registration and Certification .....           | 30  |
| Reliability Assessments, Performance Analysis, Data Analytics, and Engineering ..... | 35  |
| Situation Awareness .....                                                            | 39  |
| Event Analysis .....                                                                 | 41  |
| Electricity Information Sharing and Analysis Center .....                            | 44  |
| Personnel Certification and Credential Maintenance .....                             | 49  |
| Training and Education .....                                                         | 51  |
| Corporate Services .....                                                             | 53  |
| Non-Statutory Activity .....                                                         | 59  |
| NERC Staff Organization Chart .....                                                  | 60  |
| Consolidated Statement of Activities by Program .....                                | 66  |
| Application of NERC Section 215 Criteria .....                                       | 67  |

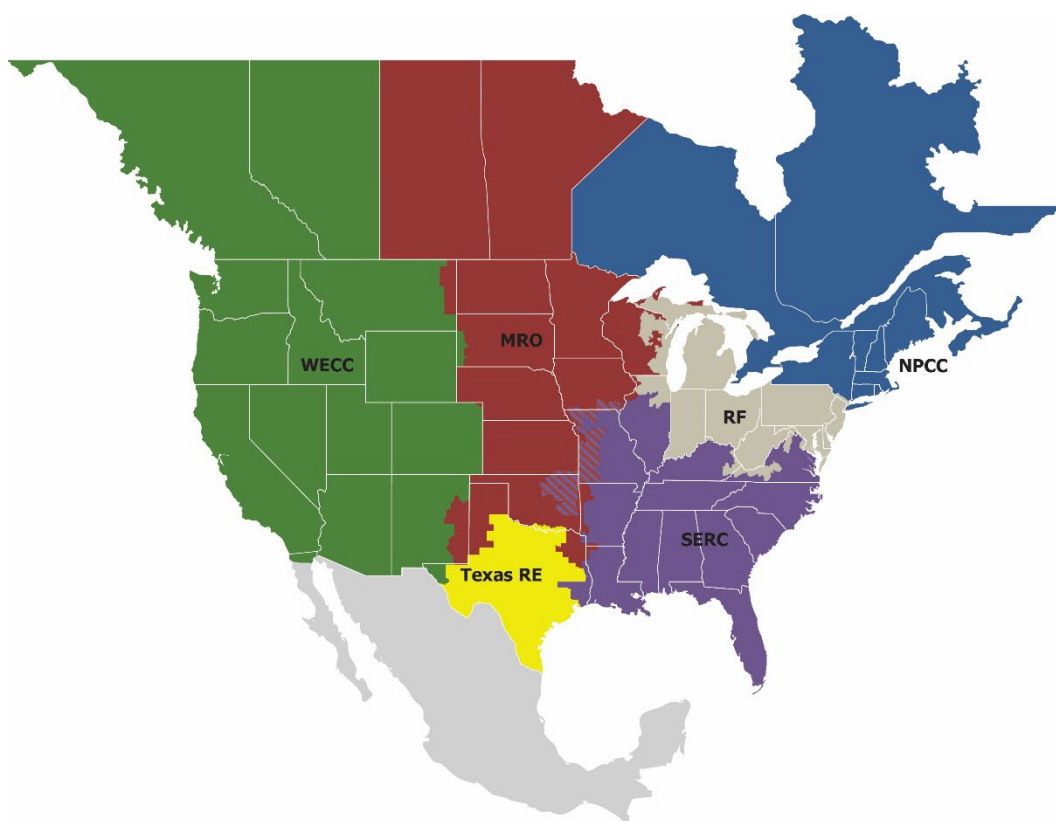
## Preface

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Electricity is a key component of the fabric of modern society and the Electric Reliability Organization (ERO) Enterprise serves to strengthen that fabric. The vision for the ERO Enterprise, which is comprised of the North American Electric Reliability Corporation (NERC) and the six Regional Entities, is a highly reliable and secure North American bulk power system (BPS). Our mission is to assure the effective and efficient reduction of risks to the reliability and security of the grid.

Reliability | Resilience | Security  
*Because nearly 400 million people are counting on us*

The North American BPS is divided into six Regional Entity boundaries as shown in the map and corresponding table below. The multicolored area denotes overlap as some load-serving entities participate in one Region while associated Transmission Owners/Operators participate in another.



|                 |                                          |
|-----------------|------------------------------------------|
| <b>MRO</b>      | Midwest Reliability Organization         |
| <b>NPCC</b>     | Northeast Power Coordinating Council     |
| <b>RF</b>       | ReliabilityFirst                         |
| <b>SERC</b>     | SERC Reliability Corporation             |
| <b>Texas RE</b> | Texas Reliability Entity                 |
| <b>WECC</b>     | Western Electricity Coordinating Council |

# Introduction

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## Overview

The North American Electric Reliability Corporation (NERC) is a not-for-profit international regulatory authority. The Federal Energy Regulatory Commission (FERC) certified and has oversight of NERC as the Electric Reliability Organization (ERO) within the United States to establish and enforce NERC Reliability Standards for the U.S. portion of the bulk power system (BPS), pursuant to Section 215 of the Federal Power Act (FPA). Entities under NERC's jurisdiction are the users, owners, and operators of the BPS.<sup>1</sup>

Section 215 also requires that the organization certified by FERC as the ERO seek recognition with relevant authorities in Canada and Mexico. In 2005, the U.S. Department of Energy and Canadian federal and provincial governments agreed to bilateral principles for a consistent, continent-wide reliability regulatory framework under a non-governmental institution (the ERO) designed to function on an international basis. To date, NERC has memoranda of understanding (MOUs) with eight Canadian provinces<sup>2</sup> and the Canada Energy Regulator in furtherance of this framework.

## Membership and Governance

A 12-member Board of Trustees (Board), comprised of 11 independent trustees and NERC's president and chief executive officer serving as the management trustee, governs NERC. The Board has several committees that oversee the organization in the areas of finance and audit, corporate governance and human resources, regulatory oversight, technology and security, nominations, and enterprise-wide risk.

Membership in NERC is open to any person or entity that has an interest in the reliability of the North American BPS. Membership is voluntary and affords participants the opportunity to engage in the governance of the organization, including through election to the Member Representatives Committee (MRC).<sup>3</sup> NERC, its members, and each applicable BPS owner, operator, and user must comply with the NERC [Rules of Procedure](#) (ROP).

## Scope of Oversight

As the international, multijurisdictional ERO in North America, NERC:

- Proposes, supports the development of, monitors compliance with, and enforces mandatory Reliability Standards for the North American BES, subject to regulatory oversight and approvals from FERC in the United States and applicable authorities in Canada
- Conducts near-term and long-term reliability assessments of the North American BPS
- Certifies BPS operators as having the knowledge and skills to perform reliability responsibilities
- Maintains situational awareness of events and conditions that may threaten BPS reliability
- Coordinates efforts to improve physical and cyber security for the BPS of North America
- Conducts detailed analyses and investigations of system disturbances and events, as well as measures ongoing trends to determine root causes, uncover lessons learned, and issue findings as recommendations, guidelines, and actions to mitigate and control risks to reliability

---

<sup>1</sup> Standards, compliance, and enforcement activities focus on the [Bulk Electric System \(BES\)](#), comprised of certain BPS facilities.

<sup>2</sup> British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, and Nova Scotia

<sup>3</sup> The [MRC](#) comprises voting representatives elected from 12 membership sectors. The MRC elects the independent trustees and, along with the Board, votes on amendments to the bylaws. The MRC also provides advice and recommendations to the Board on behalf of stakeholders with respect to annual budgets, business plans, and other matters pertinent to the purpose and operation of the organization.

- Identifies and prioritizes risks to reliability and uses a broad toolkit to mitigate and control risks to reliability, including the potential need for new or modified Reliability Standards, improved compliance monitoring and enforcement methods, or other initiatives

## Delegated Authorities

In executing its responsibility, NERC delegates certain authorities to the six Regional Entities to perform aspects of the ERO functions described above through delegation agreements, which are approved by FERC. These agreements describe the authorities delegated and responsibilities assigned to the Regional Entities in the United States to address, among other things: (1) developing regional Reliability Standards; (2) monitoring compliance with and enforcement of Reliability Standards (both North American-wide and regional); (3) registering owners, operators, and users of the BES and certifying reliability entities (Reliability Coordinators, Balancing Authorities, and Transmission Operators); (4) assessing reliability and analyzing performance; (5) training and education; (6) event analysis and reliability improvement; and (7) situation awareness and infrastructure security. NERC expects Regional Entities whose geographic footprints extend into Canada and Mexico to perform equivalent functions in those jurisdictions.

## Statutory and Regulatory Background

NERC's authority as the ERO in the United States is based on FPA Section 215, as added by the Energy Policy Act of 2005,<sup>4</sup> and FERC's regulations and orders pursuant to Section 215. In Canada, NERC's authorities are established by MOUs and regulations previously mentioned. In this Business Plan and Budget (BP&B), *Application of NERC Section 215 Criteria* summarizes the major activities NERC proposes to undertake in 2025 and the approved FPA Section 215 criteria applicable to such activities.<sup>5</sup>

## Funding

FPA Section 215 and FERC's regulations specify procedures for NERC's funding in the United States. NERC's annual BP&B is subject to FERC approval and, once approved, NERC's annual funding is provided primarily through assessments to load-serving entities (LSEs). These assessments are allocated on a net-energy-for-load (NEL) basis. Equivalent funding mechanisms are provided in Canada, subject to the specific laws and regulations of each province. Regional Entity funding requirements are addressed separately in their respective BP&Bs, which must be reviewed and approved by NERC and FERC.<sup>6</sup>

## The ERO Enterprise

Electricity is a vital component of the fabric of modern society and the ERO Enterprise serves to strengthen that fabric for the benefit of nearly 400 million North Americans. The ERO Enterprise, which consists of NERC and the six Regional Entities, works with users, owners, and operators of the BPS, government partners, and other stakeholders and industry participants, to pursue its mission of assuring the effective and efficient reduction of risks to the reliability and security of the BPS.

NERC and the Regional Entities play different, but important and complementary, roles in delivering ERO Enterprise programs. NERC provides industry-wide perspective and oversight, and the Regional Entities have unique features and activities that serve the needs of their regional constituents, while ensuring that registered entities follow NERC and Regional Reliability Standards. The ERO Enterprise is explicitly committed to its collective success in achieving its vision of a highly reliable and secure North American BPS.



<sup>4</sup> Section 215 of the FPA, 16 United States C. 824o.

<sup>5</sup> North American Electric Reliability Corporation, Order on Compliance, 143 FERC ¶ 61,052 (2013).

<sup>6</sup> As discussed on page 11 of the [NERC 2025 Business Plan and Budget](#), starting in 2025, NERC, WECC, and the Western Interconnection Regional Advisory Body (WIRAB) will not be assessing Mexico until a new agreement is reached.

## ERO Enterprise Strategic and Operational Planning

NERC and the Regional Entities are continually refining their individual and collective operating and governance practices in support of strategic and operational goals and objectives that are designed to ensure the ERO fulfills its statutory obligations. This collaboration is done while acknowledging the unique differences across the Regional Entities, and the different corporate and governance responsibilities of each entity.

In 2024, the ERO Enterprise revised the [ERO Enterprise Long-Term Strategy](#), which was approved by the Board in December 2024 and endorsed by the Regional Entity respective Boards of Directors. This strategy includes the following focus areas for achieving success in its vision and mission:

- **Energy** – Effectively leverage a broad range of data, tools, and approaches to assist stakeholders and policymakers in addressing existing BPS risks and proactively identifying and preparing for emerging and unknown risks to the grid.
- **Security** – Maintain cyber and physical security programs (Electricity Information Sharing and Analysis Center [E-ISAC], Standards, Compliance Monitoring and Enforcement Program [CMEP], technical committee work,<sup>7</sup> outreach and engagement) that are risk-based, efficient, coordinated, and effectively advance the security posture of industry.
- **Engagement** – Ensure that the increasingly diverse spectrum of stakeholders and policymakers find value in engagements with the ERO Enterprise, seek ERO Enterprise expertise to inform their decision-making, and have confidence in the integrity and independence of ERO Enterprise programs.
- **Agility and Sustainability** – Perform as an effective and efficient team acting in coordination, ensuring its programs and efforts deliver value for stakeholders and policymakers as they manage changing reliability and security risk within the evolving industry landscape, and capturing cost efficiencies when practical.

As part of the business planning and budgeting process, NERC and the Regional Entities each have their own priorities and strategic focus areas but continually come together to ensure alignment with the long-term strategy and that business processes and operations harmonize across the ERO Enterprise where appropriate.

Since risks to reliability and security are fluid and can be impacted by recent events, NERC and each Regional Entity may also create annual work plan priorities that summarize the most critical goals and objectives for the year. In many cases, these work plan priorities are also used for individual, departmental, and company performance assessment.

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<sup>7</sup> Technical committees include the NERC Standing Committees (Compliance and Certification Committee, Personnel Certification and Governance Committee, Reliability Issues Steering Committee, Reliability and Security Technical Committee, and Standards Committee) and Regional Entity committees.



# 2026 Business Plan and Budget Overview

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## Background

### Historical Budget and Assessment Increase Overview

For the 10-year period prior to NERC's 2023 Business Plan and Budget (BP&B), NERC's average annual budget and assessment increase has been 5.7%. During this period, NERC incurred significant costs on behalf of the ERO Enterprise, including the addition of the Cyber Risk Information Sharing Program (CRISP), the majority of which is funded by CRISP participants, in 2015, the expansion of the Electricity Information Sharing and Analysis Center (E-ISAC) in 2019, and the Align and Secure Evidence Locker (SEL) systems that support the Compliance Monitoring and Enforcement Program (CMEP). In 2021, the budget and assessment remained flat due to a temporary deferral of costs and projects aimed at providing industry assessment relief amid the financial uncertainty associated with the pandemic.

In 2022, a three-year plan was developed for 2023–2025 to support initiatives and fund necessary investments in resources and technology, exceeding historical funding levels. As a result, budget increases were higher over this three-year period, particularly in the plan's first year (2023). The detailed 2023 budget and 2024 and 2025 projections supporting the plan were included in the 2023 BP&B, which was approved by the Federal Energy Regulatory Commission (FERC) on November 2, 2022.<sup>8</sup> To mitigate the impact of the budget increase on assessments, NERC utilized loan and lease financing for capital projects, as well as released reserves.

During the 2023–2025 period, NERC was able to prioritize its resources and activities within the cumulative three-year capacity for budget and assessment increases proposed in 2022, while maintaining target Operating Reserve Contingency (OCR) levels. This included adding transmission assessment capabilities in response to the Interregional Transfer Capability Study (ITCS) that was mandated by Congress in mid-2023 and filed with FERC at the end of 2024, which was an unprecedented, significant body of work that required additional resources not anticipated in the 2023–2025 plan. With the approval of the 2025 BP&B on October 17, 2024,<sup>9</sup> the actual average annual budget increase during the 2023–2025 plan was 11.5%, with an average annual assessment increase of 11.4%, which was materially consistent with the original three-year plan projection.

### 2026 BP&B Approach

In late 2024 and early 2025, NERC began identifying strategic priorities and goals for its next three-year plan, which were guided by the four focus areas identified in the *ERO Enterprise Long-Term Strategy* approved by the Board of Trustees (Board) on December 10, 2024 (see discussion on page vi above). NERC held discussions with each Member Representatives Committee (MRC) Sector for informal input on the draft strategic priorities and goals for a 2026–2028 plan, obtaining valuable insights and guidance from these stakeholders.

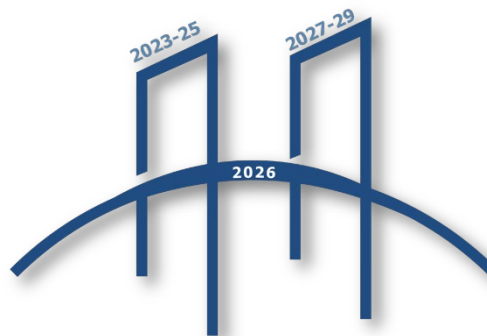
At the same time, NERC management and the Board evaluated the current planning environment and how internal and external actions will guide significant new directions in the coming year. These actions include recommendations from the [Modernization of Standards Process and Procedures Taskforce](#) and [Large Loads Taskforce](#), renovated reliability assessment efforts, outcomes from the *ERO Reliability Risk Priorities Report* that will be published by the [Reliability Issues Steering Committee](#) in August 2025, and greater clarity on U.S. Government priorities, and potential federal, congressional, and FERC mandates or requirements.

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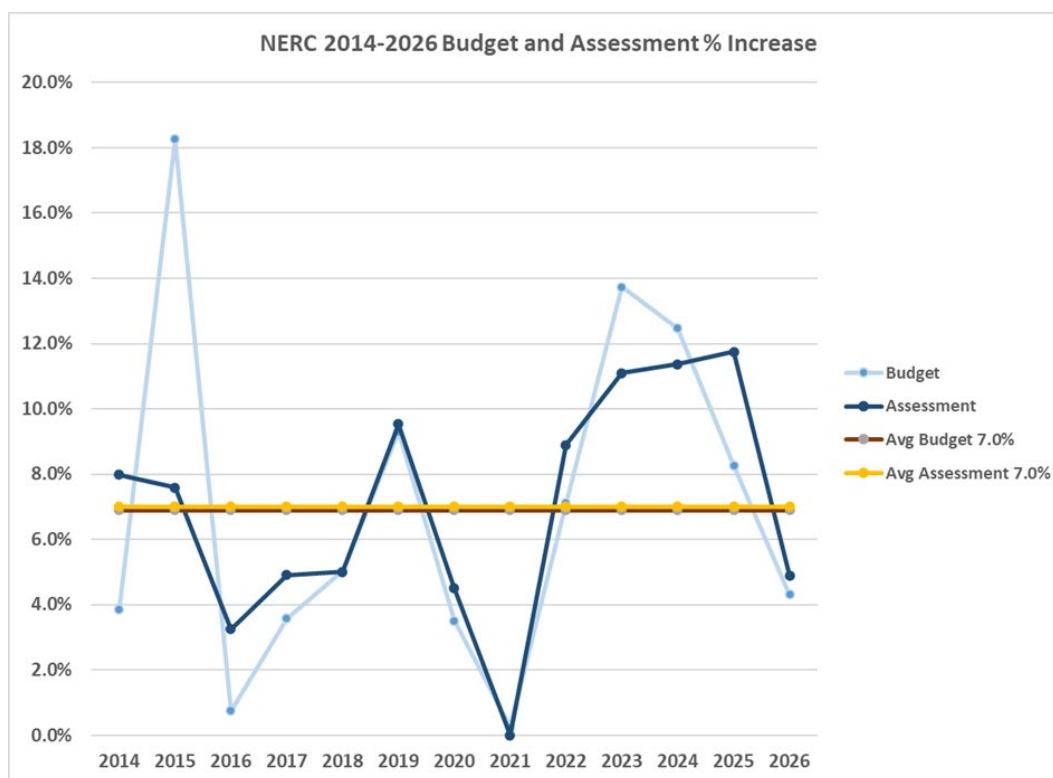
<sup>8</sup> Order Accepting 2023 Business Plans and Budgets and Directing Compliance Filing 181 FERC ¶ 61,095 (2022)

<sup>9</sup> Order Accepting 2025 Business Plans and Budgets 189 FERC ¶ 61,045 (2024)

While NERC believes its three-year planning efforts are essential and represent the best planning approach, NERC determined that 2026 should be a transitional, or “bridge,” year for the organization, allowing for better understanding of the outcomes of the above initiatives or requirements. In this context, the approach for 2026 will enable NERC to stabilize operational infrastructure, evaluate the organizational structure, and build toward a forward-looking strategy for a 2027–2029 plan horizon while also meaningfully incorporating the input received from the MRC sectors.



Given the approach of an operational pause between three-year plans, the 2026 BP&B has been developed as a traditional, one-year plan that focuses on continuing critical priorities while targeting a lower budget increase than the 8–9% projected for 2026 in the 2025 BP&B. The 2026 BP&B continues to be guided by the four focus areas outlined in the *ERO Enterprise Long-Term Strategy*—Energy, Security, Engagement, and Agility and Sustainability.



## Investment Benefit and Performance Reporting

In 2026, NERC will continue to report on the value and progress of the activities associated with its investments. As established as part of the 2023–2025 plan, success is measured through accomplishment of annual Work Plan Priorities, which include initiatives that support the four areas of focus discussed above. NERC leadership reports on the progress of these initiatives throughout the year and provides a comprehensive mid-year and end-of-year update to the Board on Work Plan Priority status, challenges, and accomplishments.<sup>10</sup>

<sup>10</sup> The [2025 Work Plan Priorities](#) were approved by the Board in December 2024. Work Plan Priorities for 2026 will be developed for approval by the Board in December 2025.

## Overview of 2026 Budget and Funding Requirements

NERC and the Regional Entities' annual budgets are comprised of both operating and fixed asset additions (fixed assets, or capital) costs, as well as financing activity, if applicable. Operating costs generally include personnel, contractor support, consulting, meetings, travel, office space, software licensing, communications, and other customary services to support office operations. Fixed assets primarily reflect investments in equipment, infrastructure, and software applications to support business operations and improve efficiency. These operating and fixed asset costs, as well as corresponding funding and financing activity, are shown on a Statement of Activities report (SOA report) in this document, which is provided at both the total organization and department levels. These reports include funding, expenses, and financing activity for the current budget year and prior budget year to show year-over-year changes.

NERC's 2026 expense and fixed assets budget, including financing activities, is approximately \$128.3M, an increase of approximately \$5.3M (4.3%) from the total 2025 budget. Total expenses are increasing approximately \$4.4M (3.6%) over 2025. The total fixed assets budget is approximately \$7.2M, an increase of \$2.1M (41.8%) from 2025. The fixed assets budget includes the acquisition of \$982k in capital lease assets (primarily for equipment replacements), offset by corresponding lease proceeds reflected in financing activity. NERC is also proposing to finance \$3.3M of capital software expenditures in 2026, which is reflected by corresponding loan proceeds in financing activity. Approximately \$12.8M (10.0%) of NERC's 2026 budget is related to CRISP, with 78.0% of the CRISP budget funded by participating utilities and the majority of the remainder funded through assessments.

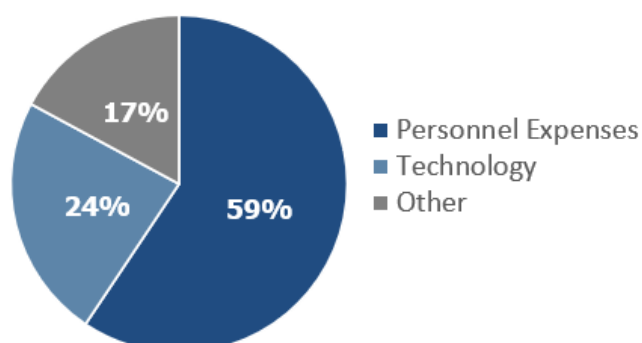
NERC's proposed 2026 assessment to fund the 2026 budget is approximately \$113.7M, which is an increase of approximately \$5.3M (4.9%) from the 2025 assessment. Factors contributing to the difference between the 2026 budget and assessment include assumptions on other funding sources, including third-party funding for CRISP, E-ISAC's partnership with the Downstream Natural Gas ISAC and its Vendor Affiliate Program, and fees collected to fund the System Operator Certification and Credential Maintenance program. See discussion on the *Electricity Information Sharing and Analysis Center* starting on page 44 and the *Personnel Certification and Credential Maintenance* section on page 49 for more information on these funding mechanisms. The proposed assessment does not include any recommended release of reserves, allowing NERC to conserve reserves to support the target range of OCR. Below is the allocation of the 2026 assessment among the United States and Canada.<sup>11</sup>

|                                      | TOTAL          | US             | CANADA        |
|--------------------------------------|----------------|----------------|---------------|
| <b>Statutory Funding Assessments</b> | \$ 113,749,428 | \$ 102,634,422 | \$ 11,115,006 |
| <b>Non-Statutory Fees</b>            | \$ -           | \$ -           | \$ -          |
| <b>NEL</b>                           | 4,729,606,766  | 4,189,594,104  | 540,012,662   |
| <b>NEL%</b>                          | 100.00%        | 88.58%         | 11.42%        |

<sup>11</sup> The allocation of the assessment among U.S. and Canadian entities is impacted by the final determination of credits for certain costs for Canadian entities pursuant to NERC's *Expanded Policy on Allocation of Certain Compliance and Enforcement Costs, North American Electric Reliability Corp.*, Docket No. RR08-6-000, Attachment 16 (filed August 22, 2008).

## People and Technology Strategies

Personnel and technology represent the majority of NERC's annual budget. As shown below, approximately 83% of the proposed \$128.3M budget for 2026 is related to expenditures in these areas. The remaining portion consists of other professional service, administrative, and facility-related costs.



The following outlines NERC's strategies for people and technology in 2026.

### People Strategy

NERC's workforce planning process supports its business plan with the personnel skills required to execute its mission. In defining NERC's 2026 headcount needs, the process considered existing resources and different ways to match human resources to the future business needs.

- Identify the skills needed to support the four areas of focus
- Consider existing staff skillsets and succession planning
- Identify (1) gaps between current and needed skills; (2) single-threaded positions; (3) how to further optimize current resources; and (4) progress on current year Work Plan Priorities
- Create a plan to fill gaps using the following strategies:
  - Build – Develop current staff in the time frames needed
  - Borrow – Use contractors and consultants
  - Buy – Identify future FTE staffing requests
  - Outsource – Outsource necessary functions that are not core to NERC's mission
- Continually monitor and appropriately adjust plans to ensure business objectives are met

In 2023–2025, investments were made primarily in the Sustainability focus area to support core back-office infrastructure providing risk mitigation measures while optimizing this historically uninvested function. In 2025, NERC is adding four unbudgeted positions to address emerging needs in Standards, E-ISAC, and Engagement, while remaining under its total 2025 personnel expense budget.

The bridge year approach in 2026 enables NERC to stabilize operations, embed new executive leadership, and refine its organizational strategy before the next three-year plan (2027–2029); however, it must also be a year of continued investment in critical areas to continue to advance the skills and expertise necessary to fulfill NERC's mission. In 2026, NERC anticipates hiring six additional employees. These positions are an investment in long-term talent for value-added areas where NERC needs capacity and additional capabilities, supporting activities for Energy, Security, and Engagement focus areas. These positions require new capabilities or represent critical incremental work that currently cannot be absorbed by our existing workforce. This expertise and support related to:

- Wide-area energy analysis
- Expertise related to Cloud Standards
- Quality, security, and reliability for NERC's core CMEP application, Align
- CRISP growth, infrastructure, and services
- Strategic stakeholder engagement with both NERC and E-ISAC stakeholders

The 2026 personnel budget includes salaries, health insurance, and other benefits. NERC's employee base consists primarily of professional skilled labor, with a relatively high concentration of cyber security and IT employees. NERC competes for talent in the energy, high tech, cyber security, and non-financial services sectors of the broader job market, and conducts regular surveys to ensure compensation is market-based. Current medical and dental insurance premium estimates are also based on market data provided by the company's benefits consultant and do not assume any plan changes. However, as the total rewards landscape is evolving rapidly as employee expectations and market dynamics shift, NERC is conducting a full market review of its benefits in 2025 to ensure competitive and cost-effective plans that align with employee needs and expectations.

### **Technology Strategy**

During the 2023–2025 plan period, NERC experienced an accelerated demand for Business Technology capacity, paired with a growing appetite for rapid, scalable technology delivery, and has made significant progress in delivering business value through key application enhancements. Recognizing the current momentum and the importance of positioning 2026 as a strategic bridge year, this time will be used to recalibrate and strengthen NERC's foundation while building toward the 2027–2029 plan. NERC will focus on elevating Business Technology skillsets, refining processes, and modernizing core infrastructure investment to meet business needs while ensuring data confidentiality, integrity, and system availability. This groundwork is essential to fully support future business initiatives that aim to enhance stakeholder experiences through a robust application ecosystem and deliver industry-leading analytics and insights powered by a trusted, clean data repository.

### **Plan Characteristics**

In addition to the four focus areas, each investment for 2026 is linked to a key set of business drivers in alignment with the values of the ERO Enterprise:

- Producing a highly reliable and secure BPS
- Supporting independence and objectivity
- Attracting top talent and expertise
- Introducing innovation and new capabilities
- Managing reliability risk
- Enabling and promoting collaboration
- Managing corporate/security risk
- Modernizing technology
- Creating efficiency
- Lowering costs

## Key Investments

As noted above, the bridge-year plan will focus on strengthening the core foundation and setting the stage for the 2027–2029 plan. Business Technology will continue to deliver on and support critical initiatives, including:

- **Foundational and specialized platform upgrades** – In 2026, Business Technology will thoroughly review the SEL, which is approaching five years of service life. The focus will be maintaining a high level of security and operational availability while exploring improvements to access without compromising security. The initial redesign and rebuilding of the SEL will occur in 2026, with completion slated for the first half of 2027.
- **Stakeholder engagement and outreach solutions** – NERC has identified a critical need to transition from its current email distribution tool to a modern, more secure, and scalable communication solution. Further, NERC seeks to enhance its overall management of stakeholder engagement and outreach by modernizing its communication infrastructure to improve stakeholder engagement, enhance communications outreach, and reduce the administrative burden posed by outdated technology.
- **Data modeling and enterprise analytics initiatives** – Furthering NERC's continued investments in data analytics, in 2026 NERC will initiate a comprehensive Enterprise Analytics and Data Modeling design effort aimed at enhancing situational awareness, operational efficiency, and strategic decision-making. This effort will focus on developing standardized data modeling frameworks and technical architecture that integrates advanced analytics and Artificial Intelligence (AI)-driven insights to support business objectives, including event monitoring, predictive maintenance, and risk assessment capabilities. The initiative will prioritize data governance, security, and scalability, ensuring all analytical tools and models adhere to established security frameworks and industry best practices.
- **Phase 2 of Inverter-Based Resource (IBR) Data Collection** – In 2022, FERC issued an order directing NERC to identify and register owners and operators of currently unregistered IBRs connected to the BPS. This data collection solution will enable registered entities to add these assets to their registration profiles. NERC is working closely with industry stakeholders to carry out a FERC-approved work plan to achieve the identification and registration directive in 2026.
- **Phase 2 of Cold Weather Data Collection** – In 2023, FERC issued an order directing NERC to work with FERC staff to develop a plan to collect data on the winterization of generating units to help FERC understand what portion of a generator's fleet can perform at the Extreme Cold Weather Temperature for the location, what portion is under a corrective action plan (and until when), and what portion will not be winterized due to declared constraints. Additionally, the plan must outline how NERC will assess the actual performance of freeze protection measures during future extreme cold weather events. This solution will provide a platform for entities to submit generator data as required under Section 1600 and allow NERC to provide aggregated data to FERC.
- **Reliability Assessments Database System (RADS)** – Each year, NERC is responsible for independently assessing and reporting on the overall reliability, adequacy, and associated risks that could impact the upcoming summer and winter seasons as well as the long-term, 10-year outlook. When emerging risks and potential impacts to reliability are identified, special assessments are conducted. These assessments provide technical frameworks and insights about the range and specific aspects of the identified risks, helping to guide necessary actions. NERC is undertaking a two-phased effort to automate the collection, management, and analysis of reliability assessment data. The first phase involves the design and development of a reliability assessment automated data collection application. The second phase will culminate in 2027 with the completion of a technical solution that will support these refinements.



## ERO Enterprise Technology and AI

In 2024, the ERO Enterprise created an AI steering committee to assemble AI guidelines and governance. This group is piloting case studies that only use publicly available data:

- **Standards Summarization Tool** – An AI-driven tool to summarize stakeholder comments received through NERC’s standards balloting process.
- **ERO AI Chatbot** – Currently testing AI to support internal training efforts. Staff can ask the ERO AI Chatbot questions about public standards, technical guidance documents, FERC Orders, the NERC Rules of Procedure, BP&B documents, and public CMEP reference materials.
- **Microsoft Teams Copilot** – Exploring options available in Microsoft Teams through Copilot to better understand how the AI capabilities within these tools can be leveraged to enhance the efficiency of employees’ daily work products, all while maintaining security.

NERC is also leveraging built-in AI capability in existing technology for internal reporting to support data-driven decision making. In 2026 NERC will continue to refine its AI strategy and continue measured investments under the established guidelines and governance.

## Key 2026 Budget Assumptions

Below is an overview of key assumptions for the 2026 BP&B, including increase and decrease drivers by major cost category.

### Personnel

The 2026 budget for Personnel is increasing by approximately \$4.7M (6.5%), which is \$1.8M lower than projected for 2026 (in the 2025 BP&B). The increase is attributed to the factors discussed in the People Strategy above, including (1) the addition of 9.1 FTEs (4 unbudgeted positions in 2025 and 6 new positions in 2026, incorporating a 6.0% vacancy rate); (2) a budgeted weighted average merit increase of 4.0% along with a 1.5% reserve for promotion and market adjustments, which is consistent with market data and recent budget years; and (3) a budgeted medical insurance increase of 10%, which is also based on current market data as well as recent claims history. Actual compensation award and benefit increases are based on market data toward the end of the year prior to the annual budget year. Personnel expenses and staffing are further discussed and illustrated in the *Personnel Expenses and Analysis* section and tables below.

### Facilities and Rent

The 2026 budget for Office Rent is decreasing by approximately \$1.4M (46.7%) due to the decision to discontinue a long-term office lease in Atlanta when the current lease expires in October 2025, which is partially offset by annual rent escalation in the Washington DC office lease. Total annualized savings for avoided rent and office costs associated with discontinuing the Atlanta office lease is approximately \$2.3M, which is partially offset by co-working partnership costs, including a flexible-term lease for a small IT provisioning space, co-working memberships, and meeting room rental costs for internal or external meetings.

### Meetings and Travel

The 2026 budget for Meetings and Travel is increasing by approximately \$238k (6.2%). This increase will support NERC’s ongoing efforts to maintain in-person engagement relative to actual 2024 spending. This funding will cover the costs for both stakeholder and in-person team meetings while accounting for higher “per trip” costs as market rates continue to increase.

## Other Operating Expenses

NERC's 2026 budget for Contractors and Consultants, excluding CRISP, is increasing by approximately \$284k (2.0%), primarily due to support for continued technology initiatives, including cybersecurity programs, engagement tools, application and system upgrades, and AI and analytics investments. Office Costs are increasing in the 2026 budget by approximately \$671k (4.5%), primarily due to increased software agreement expenses, including new tools to support analytics and modeling. However, these cost increases are offset by reductions in office expenses resulting from the closing of the Atlanta office, as well as lower estimated costs for insurance renewals.

## CRISP Contract with Pacific Northwest National Laboratory (PNNL)

The contract with PNNL currently matches the 2025 budget due to lower historical spending. This is an estimate due to the timing of communication of the PNNL 2026 statement of work and is, therefore, subject to change. However, any changes to the assumption will not impact assessments as the PNNL contract is entirely participant-funded. See discussion on the *Electricity Information Sharing and Analysis Center* starting on page 44 for more information on CRISP.

## Fixed Assets and Capital Financing

NERC's fixed assets budget includes IT equipment and servers, including leased equipment (capital lease assets) as part of infrastructure investments aimed at supporting operational sustainability. The fixed assets budget also includes capital software projects, including those related to the technology investments discussed in the technology strategy discussion above. The fixed assets budget for 2026 is \$2.1M (41.8%) higher than the 2025 budget due to capital software and equipment needed for infrastructure upgrades, including the initial development for the SEL replacement, continued work on technology supporting IBR data collection, completing the replacement of the System Operator Certification and Continuing Education (SOCCED) database, enhancements for the modernized NERC website, analytics and AI environment initiatives, as well as other necessary system enhancements and upgrades. Fixed asset addition expenditures in 2026 are illustrated further in the *Fixed Assets* table on page 21 below.

For 2026, budgeted loan borrowing and lease financing is projected to be \$4.3M, \$600k more than in 2025. This rise is due to the increased capital costs discussed above, including \$600k of estimated loan borrowing for a new SOCCED database (which will be repaid exclusively from SOCCED program revenues). Debt service payments are reduced over prior year projections due to lower actual borrowing in 2023 and 2024, as well as avoided lease financing for Atlanta office equipment. Further information on NERC's capital financing program is provided in the *Capital Financing* discussion and tables below.

Below is the SOA report for NERC showing the 2025 budget as compared to the 2026 budget.



## 2026 Business Plan and Budget Overview

| Statement of Activities and Fixed Asset Additions<br>2025 Budget & Projection, and 2026 Budget |                       |                       |                                                 |                       |                                             |                                          |
|------------------------------------------------------------------------------------------------|-----------------------|-----------------------|-------------------------------------------------|-----------------------|---------------------------------------------|------------------------------------------|
| STATUTORY                                                                                      |                       |                       |                                                 |                       |                                             |                                          |
|                                                                                                | 2025<br>Budget        | 2025<br>Projection    | \$ Inc(Dec)<br>2025 Projection<br>v 2025 Budget | 2026<br>Budget        | \$ Inc(Dec)<br>2026 Budget<br>v 2025 Budget | % Change<br>2026 Budget<br>v 2025 Budget |
| <b>Funding</b>                                                                                 |                       |                       |                                                 |                       |                                             |                                          |
| <b>NERC Funding</b>                                                                            |                       |                       |                                                 |                       |                                             |                                          |
| NERC Assessments                                                                               | \$ 108,424,741        | \$ 108,424,741        | \$ -                                            | \$ 113,749,428        | \$ 5,324,687                                |                                          |
| Penalties Released*                                                                            | -                     | -                     | -                                               | -                     | -                                           |                                          |
| <b>Total NERC Funding</b>                                                                      | <b>\$ 108,424,741</b> | <b>\$ 108,424,741</b> | <b>\$ -</b>                                     | <b>\$ 113,749,428</b> | <b>\$ 5,324,687</b>                         | <b>4.9%</b>                              |
| Third-Party Funding (CRISP)                                                                    | \$ 10,223,011         | \$ 9,455,171          | \$ (767,840)                                    | \$ 10,045,143         | \$ (177,868)                                |                                          |
| Testing, Renewal, & Continuing Ed Fees                                                         | 2,576,092             | 2,576,092             | -                                               | 2,618,800             | 42,708                                      |                                          |
| Services & Software                                                                            | 60,000                | 60,000                | -                                               | 60,000                | -                                           |                                          |
| Miscellaneous                                                                                  | 580,000               | 480,000               | (100,000)                                       | 580,000               | -                                           |                                          |
| Interest & Investment Income                                                                   | 1,200,000             | 1,260,000             | 60,000                                          | 1,653,196             | 453,196                                     |                                          |
| <b>Total Funding (A)</b>                                                                       | <b>\$ 123,063,843</b> | <b>\$ 122,256,004</b> | <b>\$ (807,840)</b>                             | <b>\$ 128,706,567</b> | <b>\$ 5,642,724</b>                         | <b>4.6%</b>                              |
| <b>Expenses</b>                                                                                |                       |                       |                                                 |                       |                                             |                                          |
| <b>Personnel Expenses</b>                                                                      |                       |                       |                                                 |                       |                                             |                                          |
| Salaries                                                                                       | \$ 54,787,073         | \$ 53,818,155         | \$ (968,917)                                    | \$ 57,918,898         | \$ 3,131,825                                |                                          |
| Payroll Taxes                                                                                  | 2,896,693             | 3,527,779             | 631,086                                         | 3,791,615             | 894,922                                     |                                          |
| Benefits                                                                                       | 8,106,437             | 7,964,704             | (141,733)                                       | 8,389,092             | 282,655                                     |                                          |
| Retirement Costs                                                                               | 5,745,105             | 5,453,425             | (291,680)                                       | 6,090,520             | 345,415                                     |                                          |
| <b>Total Personnel Expenses</b>                                                                | <b>\$ 71,535,308</b>  | <b>\$ 70,764,064</b>  | <b>\$ (771,244)</b>                             | <b>\$ 76,190,125</b>  | <b>\$ 4,654,817</b>                         | <b>6.5%</b>                              |
| <b>Meeting &amp; Travel Expenses</b>                                                           |                       |                       |                                                 |                       |                                             |                                          |
| Meetings & Conference Calls                                                                    | \$ 1,574,634          | \$ 1,624,634          | \$ 50,000                                       | \$ 1,557,156          | \$ (17,478)                                 |                                          |
| Travel                                                                                         | 2,242,182             | 2,592,753             | 350,571                                         | 2,497,628             | 255,446                                     |                                          |
| <b>Total Meeting &amp; Travel Expenses</b>                                                     | <b>\$ 3,816,815</b>   | <b>\$ 4,217,386</b>   | <b>\$ 400,571</b>                               | <b>\$ 4,054,783</b>   | <b>\$ 237,968</b>                           | <b>6.2%</b>                              |
| <b>Operating Expenses, excluding Depreciation</b>                                              |                       |                       |                                                 |                       |                                             |                                          |
| Contractors & Consultants                                                                      | \$ 22,234,093         | \$ 23,595,884         | \$ 1,361,791                                    | \$ 22,560,085         | \$ 325,992                                  |                                          |
| Office Rent                                                                                    | 3,074,867             | 3,074,867             | -                                               | 1,638,184             | (1,436,683)                                 |                                          |
| Office Costs                                                                                   | 14,914,417            | 15,329,578            | 415,161                                         | 15,585,550            | 671,133                                     |                                          |
| Professional Services                                                                          | 3,511,270             | 3,127,150             | (384,120)                                       | 3,543,150             | 31,880                                      |                                          |
| Miscellaneous                                                                                  | 174,028               | 174,028               | -                                               | 136,050               | (37,978)                                    |                                          |
| <b>Total Operating Expenses, excluding Depreciation</b>                                        | <b>\$ 43,908,676</b>  | <b>\$ 45,301,507</b>  | <b>\$ 1,392,832</b>                             | <b>\$ 43,463,020</b>  | <b>\$ (445,656)</b>                         | <b>-1.0%</b>                             |
| <b>Total Direct Expenses</b>                                                                   | <b>\$ 119,260,799</b> | <b>\$ 120,282,957</b> | <b>\$ 1,022,158</b>                             | <b>\$ 123,707,928</b> | <b>\$ 4,447,129</b>                         | <b>3.7%</b>                              |
| <b>Indirect Expenses</b>                                                                       | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>                                     | <b>\$ -</b>           | <b>\$ -</b>                                 |                                          |
| <b>Other Non-Operating Expenses</b>                                                            | <b>\$ 564,000</b>     | <b>\$ 325,216</b>     | <b>\$ (238,783)</b>                             | <b>\$ 480,555</b>     | <b>\$ (83,445)</b>                          | <b>-14.8%</b>                            |
| <b>Total Expenses (B)</b>                                                                      | <b>\$ 119,824,799</b> | <b>\$ 120,608,174</b> | <b>\$ 783,375</b>                               | <b>\$ 124,188,483</b> | <b>\$ 4,363,684</b>                         | <b>3.6%</b>                              |
| <b>Change in Net Assets (=A-B)</b>                                                             | <b>\$ 3,239,045</b>   | <b>\$ 1,647,830</b>   | <b>\$ (1,591,215)</b>                           | <b>\$ 4,518,084</b>   | <b>\$ 1,279,039</b>                         |                                          |
| <b>Fixed Asset Additions, excluding Right of Use Assets (C)</b>                                | <b>\$ 5,098,590</b>   | <b>\$ 3,923,834</b>   | <b>\$ (1,174,756)</b>                           | <b>\$ 7,228,250</b>   | <b>\$ 2,129,660</b>                         | <b>41.8%</b>                             |
| <b>Financing Activity</b>                                                                      |                       |                       |                                                 |                       |                                             |                                          |
| Loan or Financing Lease - Borrowing (-)                                                        | (3,752,500)           | (3,203,067)           | 549,433                                         | (4,292,500)           | (540,000)                                   |                                          |
| Loan or Financing Lease - Principal Payments (+)                                               | 1,823,780             | 1,251,777             | (572,003)                                       | 1,220,013             | (603,767)                                   |                                          |
| <b>Net Financing Activity (D)</b>                                                              | <b>\$ (1,928,720)</b> | <b>\$ (1,951,290)</b> | <b>\$ (22,570)</b>                              | <b>\$ (3,072,487)</b> | <b>\$ (1,143,767)</b>                       | <b>59.3%</b>                             |
| <b>Total Budget (=B+C+D)</b>                                                                   | <b>\$ 122,994,669</b> | <b>\$ 122,580,718</b> | <b>\$ (413,951)</b>                             | <b>\$ 128,344,246</b> | <b>\$ 5,349,577</b>                         | <b>4.3%</b>                              |
| <b>Change in Working Capital (=A-B-C-D)</b>                                                    | <b>\$ 69,174</b>      | <b>\$ (324,714)</b>   | <b>\$ (393,889)</b>                             | <b>\$ 362,321</b>     | <b>\$ 293,147</b>                           |                                          |
| <b>FTEs</b>                                                                                    | <b>263.51</b>         | <b>261.87</b>         | <b>(1.64)</b>                                   | <b>272.60</b>         | <b>9.09</b>                                 | <b>3.4%</b>                              |

\*Penalties Released in the current year reflects the designated amount of funds released from the Assessment Stabilization Reserve to offset U.S. assessments as approved by the NERC Board and FERC. Actual penalties invoiced in the current reporting year are shown as an increase to the Assessment Stabilization Reserve on the reserve summary table and will be reported as income on the audited financial statements in accordance with Generally Accepted Accounting Principles (GAAP).

## 2026 Program Area Budgets

The following table shows a 2026 versus 2025 budget comparison by program area. The amounts reflect all direct departmental costs, including fixed asset expenditures and financing activity, as well as indirect costs incurred for Corporate Services, which are allocated to the statutory program departments based on the ratio of each department's budgeted statutory FTEs to total budgeted statutory FTEs. See discussion on *Corporate Services* on page 53 for more information on this allocation method.

**2026 versus 2025 Total Budget by Program**

| Total Budget                          | 2025<br>Budget        | 2026<br>Budget        | Increase (Decrease)      |
|---------------------------------------|-----------------------|-----------------------|--------------------------|
| Reliability Standards & PRISM         | \$ 13,392,901         | \$ 15,907,407         | \$ 2,514,506 18.8%       |
| CMEP                                  | 24,758,699            | 25,761,115            | 1,002,416 4.0%           |
| RAPA, Data Analytics, and Engineering | 25,407,355            | 25,780,834            | 373,479 1.5%             |
| Situation Awareness                   | 7,008,659             | 7,592,670             | 584,011 8.3%             |
| Event Analysis                        | 5,177,731             | 4,618,685             | (559,047) -10.8%         |
| Personnel Certification               | 2,256,918             | 2,306,479             | 49,561 2.2%              |
| Training and Education                | 1,197,322             | 1,195,305             | (2,017) -0.2%            |
| <b>NERC Budget, excluding E-ISAC</b>  | <b>\$ 79,199,585</b>  | <b>\$ 83,162,494</b>  | <b>\$ 3,962,909 5.0%</b> |
| E-ISAC (non-CRISP)                    | \$ 30,732,391         | \$ 32,297,950         | \$ 1,565,559 5.1%        |
| E-ISAC (CRISP)                        | 13,062,692            | 12,883,801            | (178,891) -1.4%          |
| <b>Total E-ISAC Budget</b>            | <b>\$ 43,795,084</b>  | <b>\$ 45,181,751</b>  | <b>\$ 1,386,668 3.2%</b> |
| <b>Total Budget</b>                   | <b>\$ 122,994,669</b> | <b>\$ 128,344,246</b> | <b>\$ 5,349,577 4.3%</b> |

### Major Budget Drivers by Program

A summary of major budget increase (or decrease) drivers by statutory program area is provided below. As noted above, year-over-year changes in costs in the Corporate Services functions and/or changes to the number of FTEs in a statutory program area affect the amount of indirect expenses, fixed asset expenditures, and net financing activity allocated from Corporate Services to the statutory programs. These impacts are not noted below in order to focus on the direct expense drivers for each area. Additionally, any reference to personnel assumptions below are discussed in the *Personnel* section above. Details on each statutory program and the Corporate Services functions are available in the *2026 Business Plan and Budget Program Area and Department Detail* section of this document.

### Reliability Standards and Power Risk Issues and Strategic Management (PRISM)

- Increase in personnel costs due to personnel assumptions, including an increase in FTEs (see personnel analysis immediately below)
- Increase in Meetings and Travel due to increased demand for in-person engagement (drafting team meetings, workshops, etc.) and overall higher “per trip” costs
- Slight decrease in Fixed Asset Additions due to lower capital software expenditures for enhancements to the Standards Balloting System

### Compliance Monitoring and Enforcement Program (CMEP)

- Increase in personnel costs due to personnel assumptions, including an increase in FTEs (see personnel analysis on pages 18–19 below)

- Increase in Fixed Asset Additions due to efforts to upgrade and refresh the technology associated with the SEL and Phase 2 of IBR data collection efforts (see discussion in the *Technology Strategy* section above)
- Change in Net Financing Activity due to borrowing assumptions for Fixed Asset Addition expenditures noted above

#### **Reliability Assessment and Performance Analysis (RAPA), Data Analytics, and Engineering**

- Increase in personnel costs due to personnel assumptions, including an increase in FTEs (see personnel analysis immediately below)
- Decrease in Contractors and Consultants expenses in support of the “bridge year” approach, while continuing to invest in in-house expertise for changing BPS risk assessment and analysis
- Increase in Office Costs due to additional software license expenses for increased analytics and modeling
- Decrease in Fixed Asset Additions due to reduced capital software expenditure assumptions in support of the “bridge year” approach and capital software priorities in the CMEP area, offset by investment in RADS (see discussion in the *Technology Strategy* section above)
- Change in Net Financing Activity due to reduced assumptions for capital software expenditures

#### **Event Analysis**

- Decrease in personnel costs due to the reallocation of one position to another department (see personnel analysis immediately below), partially offset by the increase in personnel costs due to personnel assumptions
- Decrease in Contractors and Consultants expenses and Fixed Asset Additions due to reduced non-capital and capital software enhancement expenditures in support of the “bridge year” approach and capital software priorities in the CMEP area
- Change in Net Financing Activity due to reduced assumptions for capital software expenditures

#### **Situation Awareness**

- Increase in personnel costs due to personnel assumptions
- Increase in Office Costs primarily related to additional software expenses for upgraded situation awareness tools
- Decrease in Contractors and Consultants expenses and Fixed Asset Additions due to reduced non-capital and capital software enhancement expenditures related to the “bridge year” approach and capital software priorities in the CMEP area
- Change in Net Financing Activity due to reduced assumptions for capital software expenditures

#### **Personnel Certification and Credential Maintenance**

- Increase in personnel costs due to personnel assumptions
- Other areas of the 2026 budget are relatively flat to 2025 due to continued costs for the SOCCED platform upgrade that was budgeted for 2025 but will not be fully implemented until 2026
- Change in Net Financing Activity due to no anticipated borrowing as budgeted in 2025 for the SOCCED platform upgrade

## Training and Education

- The 2026 budget for this program is relatively flat to the 2025 budget as increases in personnel costs due to personnel assumptions are being offset by a decrease in Contractors and Consultants expenses due to reduced support needs

## E-ISAC

- Increase in personnel costs due to personnel assumptions, including an increase in FTEs (see personnel analysis immediately below)
- Increase in Meetings and Travel due to increased demand for in-person engagement (briefings, participation in exercises, training) and overall higher “per trip” costs
- Slight decrease in Contractors and Consultants, primarily due to “off-year” support for biennial GridEx planning and support activities

## CRISP

- Slight decrease in personnel costs due to an adjustment to allocated staff time from E-ISAC to CRISP
- Increase in Meetings and Travel due to increased demand for in-person engagement (workshops, briefings, trainings) and overall higher “per trip” costs
- Decrease in Office Costs due to the removal of software licenses that were fully funded by CRISP participants
- Decrease in Professional Services due to a market decrease in liability insurance costs for CRISP

## 2026 Personnel Analysis and Expenses

| Personnel           | 2025<br>Budget       | 2026<br>Budget       | Increase (Decrease) |             |
|---------------------|----------------------|----------------------|---------------------|-------------|
| Salaries            | \$ 54,787,073        | \$ 57,918,898        | \$ 3,131,825        | 5.7%        |
| Payroll Taxes       | 2,896,693            | 3,791,615            | 894,922             | 30.9%       |
| Benefits            | 8,106,437            | 8,389,092            | 282,655             | 3.5%        |
| Retirement          | 5,745,105            | 6,090,520            | 345,415             | 6.0%        |
| <b>Total</b>        | <b>\$ 71,535,308</b> | <b>\$ 76,190,125</b> | <b>\$ 4,654,817</b> | <b>6.5%</b> |
| <b>FTEs</b>         | <b>263.51</b>        | <b>272.60</b>        | <b>9.09</b>         | <b>3.4%</b> |
| <b>Cost per FTE</b> |                      |                      |                     |             |
| Salaries            | \$ 207,910           | \$ 212,468           | \$ 4,558            | 2.2%        |
| Payroll Taxes       | 10,993               | 13,909               | 2,916               | 26.5%       |
| Benefits            | 30,763               | 30,774               | 11                  | 0.0%        |
| Retirement          | 21,802               | 22,342               | 540                 | 2.5%        |
| <b>Total</b>        | <b>\$ 271,468</b>    | <b>\$ 279,494</b>    | <b>\$ 8,027</b>     | <b>3.0%</b> |

The increase in personnel costs is primarily related to the increase of 9.09 FTEs and salary and benefit increase assumptions for existing staff discussed in the *Personnel* section above. The following table presents a 2026 versus 2025 comparison of budgeted FTEs by department. Also see the *NERC Staff Organization Chart* section.

## 2026 versus 2025 Total FTEs by Program

| FTEs                                  | 2025<br>Budget | 2026<br>Budget | Increase (Decrease) |             |
|---------------------------------------|----------------|----------------|---------------------|-------------|
| Reliability Standards & PRISM         | 23.64          | 27.40          | 3.76                | 15.9%       |
| CMEP                                  | 36.66          | 38.54          | 1.88                | 5.1%        |
| RAPA, Data Analytics, and Engineering | 38.16          | 38.16          | -                   | 0.0%        |
| Situation Awareness                   | 8.55           | 8.55           | -                   | 0.0%        |
| Event Analysis                        | 7.61           | 6.67           | (0.94)              | -12.3%      |
| Personnel Certification               | 2.87           | 2.87           | -                   | 0.0%        |
| Training and Education                | 1.88           | 1.88           | -                   | 0.0%        |
| Corporate Services                    | 94.16          | 95.88          | 1.72                | 1.8%        |
| <b>NERC FTEs, excluding E-ISAC</b>    | <b>213.54</b>  | <b>219.96</b>  | <b>6.42</b>         | <b>3.0%</b> |
| E-ISAC (non-CRISP)                    | 43.43          | 46.37          | 2.94                | 6.8%        |
| E-ISAC (CRISP)                        | 6.54           | 6.27           | (0.27)              | -4.1%       |
| <b>Total E-ISAC FTEs</b>              | <b>49.97</b>   | <b>52.64</b>   | <b>2.67</b>         | <b>5.3%</b> |
| <b>Total FTEs</b>                     | <b>263.51</b>  | <b>272.60</b>  | <b>9.09</b>         | <b>3.4%</b> |

To support the areas of focus, NERC is adding 6 new positions in 2026. The total increase of FTEs in 2026 versus 2025 is 9.09, which is the result of adding 4 unbudgeted positions in 2025 and the 6 new positions in 2026, incorporating a 6.0% vacancy rate (see discussion in the *People Strategy* section above). The table above reflects these additions, as well as inter-departmental reallocations as follows:

- Reliability Standards and PRISM – The increase of 3.76 FTEs is due to the addition of two new positions and the reallocation of two positions from a different department to this area for standards development activities and technical expertise support.
- CMEP – The increase of 1.88 FTEs is due to the addition of one position to support CIP compliance assurance activities and one position to support the Align system.
- RAPA, Data Analytics, and Engineering – No change in FTEs, which is the net result of (1) the addition of one position to build capabilities in and support Reliability Assessments; (2) the reallocation of one position to Engineering from another area; and (3) the reallocation of two positions to the Reliability Standards and PRISM department as part of ongoing resource efficiency efforts.
- Event Analysis – The decrease of 0.94 FTEs is due to the reallocation of one position from Event Analysis to another department.
- Situation Awareness, Personnel Certification and Credential Maintenance, and Training and Education – No change in FTEs.
- E-ISAC and CRISP – The increase of 2.67 FTEs is the result of the addition of three positions for stakeholder engagement and security operations and intelligence functions
- Corporate Services – The increase of 1.72 FTEs is due to the addition of two positions to support strategic engagement initiatives.

The following tables present a 2026 versus 2025 budget comparison of additional cost categories in the NERC budget. Areas of significant increase or decrease are discussed.

## Contractors and Consultants Expenses

| Contractors & Consultants                                                 | 2025 Budget          | 2026 Budget          | Increase(Decrease)  |
|---------------------------------------------------------------------------|----------------------|----------------------|---------------------|
| <b>Reliability Standards &amp; PRISM</b>                                  |                      |                      |                     |
| Standards & PRISM Application Support                                     | \$ 38,000            | \$ 61,625            | \$ 23,625           |
| Standards Development Support                                             | 150,000              | 150,000              | -                   |
| <b>Total</b>                                                              | <b>\$ 188,000</b>    | <b>\$ 211,625</b>    | <b>\$ 23,625</b>    |
| <b>CMEP</b>                                                               |                      |                      |                     |
| Secure Evidence Locker Annual Certification                               | 100,000              | 100,000              | -                   |
| Align and Secure Evidence Locker Application Support                      | 1,269,246            | 1,210,000            | (59,246)            |
| Registration Application Support                                          | 169,500              | 153,825              | (15,675)            |
| Workshop Facilitation                                                     | -                    | 24,000               | 24,000              |
| <b>Total</b>                                                              | <b>\$ 1,538,746</b>  | <b>\$ 1,487,825</b>  | <b>\$ (50,921)</b>  |
| <b>RAPA, Data Analytics, and Engineering</b>                              |                      |                      |                     |
| RAPA Application and Data Support                                         | \$ 373,000           | \$ 351,850           | \$ (21,150)         |
| Reliability Analyses, Studies, Research, and Other Support                | 689,500              | 562,500              | (127,000)           |
| <b>Total</b>                                                              | <b>\$ 1,062,500</b>  | <b>\$ 914,350</b>    | <b>\$ (148,150)</b> |
| <b>Event Analysis</b>                                                     |                      |                      |                     |
| Event Analysis Application Support                                        | \$ 140,000           | \$ 43,950            | (96,050)            |
| Event Analysis Activity and Review Support                                | 180,000              | 205,000              | 25,000              |
| <b>Total</b>                                                              | <b>\$ 320,000</b>    | <b>\$ 248,950</b>    | <b>\$ (71,050)</b>  |
| <b>Situation Awareness</b>                                                |                      |                      |                     |
| Situation Awareness Application Support                                   | \$ 246,000           | \$ 63,690            | (182,310)           |
| <b>Total</b>                                                              | <b>\$ 246,000</b>    | <b>\$ 63,690</b>     | <b>\$ (182,310)</b> |
| <b>E-ISAC</b>                                                             |                      |                      |                     |
| Security and Other Consulting                                             | \$ 362,740           | \$ 404,874           | \$ 42,134           |
| Engagement, Events, & Membership Support                                  | 872,898              | 643,118              | (229,780)           |
| Technology Support                                                        | 586,339              | 636,000              | 49,661              |
| Watch Operations                                                          | 753,228              | 779,591              | 26,363              |
| Partnerships                                                              | 400,000              | 400,000              | -                   |
| CRISP PNNL, Security Review, & Member Training (Fully Participant Funded) | 7,793,329            | 7,835,585            | 42,256              |
| Other CRISP Support                                                       | 275,000              | 275,000              | -                   |
| <b>Total</b>                                                              | <b>\$ 11,043,534</b> | <b>\$ 10,974,168</b> | <b>\$ (69,366)</b>  |
| <b>Personnel Certification and Credential Maintenance</b>                 |                      |                      |                     |
| System Operator Testing Expenses and Examination Development              | \$ 300,230           | \$ 308,130           | \$ 7,900            |
| Continuing Education Audit and Review Services                            | 124,848              | 124,848              | -                   |
| SOCED Database Support & Platform Upgrade                                 | -                    | -                    | -                   |
| <b>Total</b>                                                              | <b>\$ 425,078</b>    | <b>\$ 432,978</b>    | <b>\$ 7,900</b>     |
| <b>Training and Education</b>                                             |                      |                      |                     |
| ERO Enterprise and Industry Learning and Development Support              | \$ 90,000            | \$ 60,000            | (30,000)            |
| <b>Total</b>                                                              | <b>\$ 90,000</b>     | <b>\$ 60,000</b>     | <b>\$ (30,000)</b>  |
| <b>General &amp; Administrative</b>                                       |                      |                      |                     |
| Communications Support                                                    | \$ 85,000            | \$ 85,000            | -                   |
| Engagement and External Affairs Support                                   | -                    | 170,000              | 170,000             |
| Executive and Leadership Support                                          | 305,000              | 275,000              | (30,000)            |
| <b>Total</b>                                                              | <b>\$ 390,000</b>    | <b>\$ 530,000</b>    | <b>\$ 140,000</b>   |
| <b>Business Technology</b>                                                |                      |                      |                     |
| Applications & Infrastructure, Security, PMO, and Operations Support      | \$ 5,600,235         | \$ 6,261,000         | \$ 660,765          |
| <b>Total</b>                                                              | <b>\$ 5,600,235</b>  | <b>\$ 6,261,000</b>  | <b>\$ 660,765</b>   |
| <b>Human Resources &amp; Administration</b>                               |                      |                      |                     |
| Training and Development                                                  | \$ 310,000           | \$ 335,000           | \$ 25,000           |
| HR and Administrative Consulting and Other Services                       | 565,000              | 630,500              | 65,500              |
| <b>Total</b>                                                              | <b>\$ 875,000</b>    | <b>\$ 965,500</b>    | <b>\$ 90,500</b>    |
| <b>Finance &amp; Accounting</b>                                           |                      |                      |                     |
| Accounting, Procurement, and Financial System Support                     | \$ 225,000           | \$ 400,000           | \$ 175,000          |
| <b>Total</b>                                                              | <b>\$ 225,000</b>    | <b>\$ 400,000</b>    | <b>\$ 175,000</b>   |
| <b>Legal &amp; Regulatory</b>                                             |                      |                      |                     |
| Internal Audit Support                                                    | \$ 220,000           | -                    | (220,000)           |
| Workshop Facilitation                                                     | 10,000               | 10,000               | -                   |
| <b>Total</b>                                                              | <b>\$ 230,000</b>    | <b>\$ 10,000</b>     | <b>\$ (220,000)</b> |
| <b>Total Contractors &amp; Consultants</b>                                | <b>\$ 22,234,093</b> | <b>\$ 22,560,086</b> | <b>\$ 325,993</b>   |

Significant changes to Contractors and Consultants expenses include:

- RAPA, Data Analytics, and Engineering – Decreasing in support of the “bridge year” approach, while continuing to invest in in-house expertise for changing BPS risk assessment and analysis
- Event Analysis and Situation Awareness – Decreasing due to reduced non-capital support for software enhancement expenditures in support of the “bridge year” approach and capital software priorities in the CMEP area
- General and Administrative – Increasing due to increased support needs for strategic engagement and external affairs
- Business Technology – Increasing primarily in support of efforts related to the *Technology Strategy* discussed above, including modernizing core infrastructure, maintaining a robust application ecosystem that delivers industry-leading analytics, and continued investments to ensure the security of ERO Enterprise systems and data
- Human Resources and Administration – Increasing primarily due to additional support needs for meetings and events
- Finance and Accounting – Increasing due to system administration support and tax consulting needs

For additional discussion on contractors and consultants, see the Resource Requirements sections of each program area in the *2026 Business Plan and Budget Program Area and Department Detail* section.

## Miscellaneous Expenses

| Miscellaneous Expenses           | 2025<br>Budget    | 2026<br>Budget    | Increase (Decrease) |               |
|----------------------------------|-------------------|-------------------|---------------------|---------------|
| Miscellaneous Expense            | \$ 11,100         | \$ 11,150         | \$ 50               | 0.5%          |
| Employee Rewards and Recognition | 35,928            | 27,900            | (8,028)             | -22.3%        |
| Employee Engagement              | 100,000           | 75,000            | (25,000)            | -25.0%        |
| Sponsorships                     | 27,000            | 22,000            | (5,000)             | -18.5%        |
| <b>Total</b>                     | <b>\$ 174,028</b> | <b>\$ 136,050</b> | <b>\$ (37,978)</b>  | <b>-21.8%</b> |

The decreases above are to align with recent actual costs.

## Fixed Asset Additions

| Fixed Asset Additions      | 2025<br>Budget      | 2026<br>Budget      | Increase (Decrease) |              |
|----------------------------|---------------------|---------------------|---------------------|--------------|
| Computer & Software CapEx  | \$ 4,246,090        | \$ 5,070,750        | 824,660             | 19.4%        |
| Furniture & Fixtures CapEx | -                   | -                   | -                   |              |
| Equipment CapEx            | -                   | 1,175,000           | 1,175,000           |              |
| Capital Lease Assets       | 852,500             | 982,500             | 130,000             | 15.2%        |
| Leasehold Improvements     | -                   | -                   | -                   |              |
| <b>Total</b>               | <b>\$ 5,098,590</b> | <b>\$ 7,228,250</b> | <b>\$ 2,129,660</b> | <b>41.8%</b> |

Significant changes in the Fixed Asset Additions budget include:

- Computer and Software CapEx – Increasing due to capital software initiatives discussed in the *Technology Strategy* section above, partially offset due to reclassification of Computer CapEx to Equipment CapEx
- Equipment and Servers – Increasing due to equipment needs for the SEL technology upgrade and a reclassification of Computer CapEx to Equipment CapEx
- Capital Lease Assets – Increasing due additional needs for laptops and other leased equipment and hardware assets

## Other Significant Cost Changes

Office Costs are increasing by \$671k (4.5%) primarily due to the net result of:

- An increase of \$1.2M (10.3%) for Software Licenses and Support expenses due to budgeted escalation for existing software agreements and new software licenses in support of the *Technology Strategy* discussed above, including new tools to support analytics and modeling
- A decrease of \$388k (43.7%) in Internet, Audio Visual, and Equipment Repair and Service expenses resulting from the closing of the Atlanta office
- A decrease of \$136k (17.5%) for Subscriptions and Publications, which is due to the renegotiation of research and advisory-related subscriptions

While Professional Services expenses are relatively flat, there are offsetting increases and decreases in the following areas:

- Independent Trustee Fees are increasing by \$260k (15.6%) based on the independent study on trustee compensation completed by Meridian Compensation Partners and approved by the Board in December of 2024, and the Board's annual review of trustee compensation
- Insurance Commercial expenses are decreasing by \$159k (16.6%) primarily due to projected decreases to liability insurance

Other Non-Operating Expenses primarily consist of property and other tax and interest expense. This area is decreasing by \$83k (14.8%) that is mainly attributed to a decrease in interest expense due to less than budgeted borrowing in 2023 and 2024 and reduced property tax expense.

## Capital Financing

The company maintains a capital financing program (line of credit) as a funding source for major software application development projects and hardware equipment. NERC financed \$2.0M for the development of the SEL, borrowing \$1.3M in late 2020 and the remaining \$700k in 2021, with an interest rate of 2.5% and 3.2%, respectively. Borrowings under the credit facility for the SEL are amortized over a five-year period and can be prepaid without penalty.

Due to increased spending on capital software projects related to the 2023–2025 plan, a portion of these projects was proposed to be financed with NERC's capital borrowing facility using a five-year loan amortization. In 2023, NERC borrowed \$555k with an interest rate of 7.3%. NERC did not borrow in 2024. In 2025, NERC is assuming \$2.9M in loan borrowing in 2025, and \$3.3M in 2026 with an interest rate of 6.5%. Loans in each period are assumed to be closed late in each calendar year, with debt service beginning January 1 of the following year.



The tables below show projected year-end outstanding debt and the future annual payments for debt service.

|                                  | Year-End Outstanding Debt Balance |                     |                     |
|----------------------------------|-----------------------------------|---------------------|---------------------|
|                                  | Prior Years                       | 2025                | 2026                |
|                                  | Actual                            | Projected           | Budget              |
| Prior Years                      | \$ 978,134                        | \$ 435,305          | \$ 216,508          |
| 2025 Projection                  | -                                 | \$2,900,000         | \$2,392,656         |
| 2026 Budgeted                    | -                                 | -                   | \$3,310,000         |
| 2027 Projected                   | -                                 | -                   | -                   |
| 2028 Projected                   | -                                 | -                   | -                   |
| <b>Total Outstanding Balance</b> | <b>\$ 978,134</b>                 | <b>\$ 3,335,305</b> | <b>\$ 5,919,165</b> |

|                                           | Future Annual Payments for Debt Service |                   |
|-------------------------------------------|-----------------------------------------|-------------------|
|                                           | 2025                                    | 2026              |
|                                           | Projected                               | Budget            |
| Prior Years - Principal                   | \$ 542,829                              | \$ 218,797        |
| 2025 Projection                           | -                                       | 507,344           |
| 2026 Budgeted                             | -                                       | -                 |
| 2027 Projected                            | -                                       | -                 |
| 2028 Projected                            | -                                       | -                 |
| Interest Expense                          | 37,560                                  | 194,248           |
| <b>Total Principal and Interest Costs</b> | <b>\$ 580,389</b>                       | <b>\$ 920,389</b> |

## Other Outside and Miscellaneous Funding

| Outside Funding Breakdown By Program<br>(Excludes Any Penalty/Reserve Releases) | 2025<br>Budget       | 2026<br>Budget       | Increase<br>(Decrease) |
|---------------------------------------------------------------------------------|----------------------|----------------------|------------------------|
| <b>Reliability Standards and PRISM</b>                                          |                      |                      |                        |
| Interest & Investment Income Allocation                                         | \$ 125,336           | \$ 213,081           | \$ 87,746              |
| <b>Total</b>                                                                    | <b>\$ 125,336</b>    | <b>\$ 213,081</b>    | <b>\$ 87,746</b>       |
| <b>Compliance Assurance, Certification, and Registration</b>                    |                      |                      |                        |
| Interest & Investment Income Allocation                                         | \$ 119,605           | \$ 190,056           | \$ 70,451              |
| <b>Total</b>                                                                    | <b>\$ 119,605</b>    | <b>\$ 190,056</b>    | <b>\$ 70,451</b>       |
| <b>Compliance Enforcement</b>                                                   |                      |                      |                        |
| Interest & Investment Income Allocation                                         | \$ 74,753            | \$ 109,647           | \$ 34,894              |
| <b>Total</b>                                                                    | <b>\$ 74,753</b>     | <b>\$ 109,647</b>    | <b>\$ 34,894</b>       |
| <b>Reliability Assessment and Performance Analysis</b>                          |                      |                      |                        |
| Services and Software                                                           | \$ 60,000            | \$ 60,000            | \$ -                   |
| Interest & Investment Income Allocation                                         | 202,331              | 296,779              | 94,448                 |
| <b>Total</b>                                                                    | <b>\$ 262,331</b>    | <b>\$ 356,779</b>    | <b>\$ 94,448</b>       |
| <b>Personnel Certification and Credential Maintenance</b>                       |                      |                      |                        |
| Testing Fees                                                                    | \$ 630,000           | \$ 630,000           | \$ -                   |
| Certificate Renewals                                                            | 1,005,100            | 934,800              | (70,300)               |
| Continuing Education Fees                                                       | 940,992              | 1,054,000            | 113,008                |
| Interest & Investment Income Allocation                                         | 50,000               | 50,000               | -                      |
| <b>Total</b>                                                                    | <b>\$ 2,626,092</b>  | <b>\$ 2,668,800</b>  | <b>\$ 42,708</b>       |
| <b>Training and Education</b>                                                   |                      |                      |                        |
| Interest & Investment Income Allocation                                         | \$ 9,967             | \$ 14,620            | \$ 4,653               |
| <b>Total</b>                                                                    | <b>\$ 9,967</b>      | <b>\$ 14,620</b>     | <b>\$ 4,653</b>        |
| <b>Event Analysis</b>                                                           |                      |                      |                        |
| Interest & Investment Income Allocation                                         | \$ 40,367            | \$ 51,900            | \$ 11,533              |
| <b>Total</b>                                                                    | <b>\$ 40,367</b>     | <b>\$ 51,900</b>     | <b>\$ 11,533</b>       |
| <b>Situation Awareness</b>                                                      |                      |                      |                        |
| Interest & Investment Income Allocation                                         | \$ 45,350            | \$ 66,519            | \$ 21,169              |
| <b>Total</b>                                                                    | <b>\$ 45,350</b>     | <b>\$ 66,519</b>     | <b>\$ 21,169</b>       |
| <b>E-ISAC</b>                                                                   |                      |                      |                        |
| Third Party Funding (CRISP)                                                     | \$ 10,223,011        | \$ 10,045,143        | \$ (177,868)           |
| Miscellaneous Funding                                                           | 580,000              | 580,000              | -                      |
| Interest & Investment Income Allocation                                         | 532,291              | 660,594              | 128,303                |
| <b>Total</b>                                                                    | <b>\$ 11,335,302</b> | <b>\$ 11,285,737</b> | <b>\$ (49,565)</b>     |
| <b>Grand Total</b>                                                              | <b>\$ 14,639,103</b> | <b>\$ 14,957,139</b> | <b>\$ 318,036</b>      |

Significant changes to Outside Funding include:

- Interest & Investment Income – Increasing due to anticipated higher interest rates
- Testing Fees & Certificate Renewals – Increase reflects the estimated number of 2026 tests and renewals
- Third Party Funding (i.e., CRISP participant funding) – Decreasing primarily due to the removal of software licenses from the budget that were fully funded by CRISP participants and a slight decrease in CRISP personnel costs due to an adjustment to allocated staff time from E-ISAC to CRISP

## Reserve Analysis

| Total Reserves Analysis                                                |                |                                        |                                            |                                       |                                      |                                      |                                         |                                  |
|------------------------------------------------------------------------|----------------|----------------------------------------|--------------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|-----------------------------------------|----------------------------------|
| Statutory                                                              |                |                                        |                                            |                                       |                                      |                                      |                                         |                                  |
|                                                                        | Total Reserves | Future Obligation Reserve <sup>1</sup> | Operating Contingency Reserve <sup>2</sup> | System Operator Certification Reserve | CRISP Equipment Reserve <sup>3</sup> | CRISP Operating Reserve <sup>3</sup> | CRISP Defense Fund Reserve <sup>4</sup> | Assessment Stabilization Reserve |
| Beginning Reserves - 1/1/2025                                          | \$ 21,827,761  | \$ 2,911,139                           | \$ 10,405,143                              | \$ 1,078,663                          | \$ 900,000                           | \$ 5,076,816                         | \$ 500,000                              | \$ 956,000                       |
| <b>Generation(use) of reserves from 2025 projections</b>               |                |                                        |                                            |                                       |                                      |                                      |                                         |                                  |
| Projected 2025 operating results, including debt service and financing | \$ 433,663     | \$ -                                   | \$ 744,831                                 | \$ (739,271)                          | \$ -                                 | \$ 428,103                           | \$ -                                    | \$ -                             |
| Budgeted addition(use) of reserves                                     | (720,018)      | (789,192)                              | (300,000)                                  | 369,174                               | -                                    | -                                    | -                                       | -                                |
| Other addition(use) of reserves                                        | (766,400)      | (1,400)                                | -                                          | -                                     | -                                    | (765,000)                            | -                                       | -                                |
| Projected Reserves - 12/31/2025                                        | \$ 20,775,006  | \$ 2,120,547                           | \$ 10,849,974                              | \$ 708,566                            | \$ 900,000                           | \$ 4,739,919                         | \$ 500,000                              | \$ 956,000                       |
| Projected Reserves - 12/31/2026                                        | \$ 20,908,079  | \$ 1,891,299                           | \$ 10,849,974                              | \$ 1,070,887                          | \$ 900,000                           | \$ 4,739,919                         | \$ 500,000                              | \$ 956,000                       |
| Addition(use) of reserves                                              | 133,073        | (229,248)                              | -                                          | 362,321                               | -                                    | -                                    | -                                       | -                                |
| Less: Assessment Stabilization Reserve Release - Penalties             | -              | -                                      | -                                          | -                                     | -                                    | -                                    | -                                       | -                                |
| Total Adjustments to Reserves                                          | \$ 133,073     | \$ (229,248)                           | \$ -                                       | \$ 362,321                            | \$ -                                 | \$ -                                 | \$ -                                    | \$ -                             |
| <b>Assessment Reconciliation</b>                                       |                |                                        |                                            |                                       |                                      |                                      |                                         |                                  |
| 2026 Expenses, Capital Expenditures, & Net Financing                   | \$ 128,344,246 |                                        |                                            |                                       |                                      |                                      |                                         |                                  |
| Less: Assessment Stabilization Reserve Release - Penalties             | -              |                                        |                                            |                                       |                                      |                                      |                                         |                                  |
| Addition(use) of reserves                                              | 362,321        |                                        |                                            |                                       |                                      |                                      |                                         |                                  |
| Less: Other Funding Sources                                            | (14,957,139)   |                                        |                                            |                                       |                                      |                                      |                                         |                                  |
| 2026 NERC Assessment                                                   | \$ 113,749,428 |                                        |                                            |                                       |                                      |                                      |                                         |                                  |

<sup>1</sup>As explained in the discussion of reserves in the *Introduction and Executive Summary*, the Future Obligations Reserve offsets future, non-current liabilities.

<sup>2</sup>Except as otherwise approved by the Board, after review by the FAC, the amount of the Operating Contingency Reserve shall be between 8.0% and 16% of the company's total expense, fixed asset, and net financing budget minus the sum of the System Operator Certification and CRISP budgets, each of which have separate reserves.

<sup>3</sup>In 2022, FERC approved NERC's request to annually redirect underruns of the prior year's CRISP budget to the CRISP Operating Reserve. North American Electric Reliability Corp., 180 FERC ¶ 61,013 (Letter Order July 8, 2022). In 2024, the CRISP participants agreed to transfer \$450k from the CRISP Operating Reserve to fund a CRISP Equipment Reserve.

<sup>4</sup>The CRISP Defense Fund Reserve is intended to fund any expenses related to investigation and defense in connection with a claim pertaining to the CRISP agreement between NERC and participating utilities.

At the end of 2026, NERC is projecting a total reserve budget of \$20.9M across all categories of reserves. This is a decrease of \$820k (3.8%) from the total reserve amounts budgeted for the end of 2025 in the NERC 2025 BP&B. The reserve categories are as follows:

- **Future Obligation Reserve** – Includes funding that has been received to satisfy future obligations under lease, credit, loan, or other agreements to which the company is a party. This reserve is budgeted to be \$1.9M at the end of 2026.
- **System Operator Certification Reserve** – Includes surplus funding from fees collected for the System Operator Certification and Credential Maintenance program that are above incurred expenses and shall be used solely for the needs of that program. The reserve is budgeted to be \$1.1M at the end of 2026.
- **CRISP Reserves** – Represents reserve funds dedicated to support CRISP. These reserves are established pursuant to a CRISP budget agreed to and funded entirely by CRISP participants. These reserves have no impact on assessments and are segregated from other reserves pursuant to the terms of the CRISP agreements. CRISP reserves are budgeted to be \$6.1M at the end of 2026.

- **OCR** – Includes both general working capital funds resulting from day-to-day operations and additional funds for contingencies that were not anticipated.<sup>12</sup> NERC’s current policy requires an OCR target of 8.0–16.0% of the company’s total expense, fixed asset, and net financing budget except as otherwise approved by the Board. This percentage is calculated against NERC’s total expense, fixed asset, and net financing budget, less those costs related to CRISP and System Operator Certification, each of which has a separate reserve category. NERC is not proposing any release of reserves from the OCR to offset the 2026 assessment, and the OCR is budgeted to be \$10.8M at the end of 2026. This is 9.6% of budgeted operating and fixed asset costs, which is within the target range.
- **ASR** – To date, this reserve has been funded entirely by previously received penalties from U.S. entities. For the 12 months ending June 30, 2025, NERC does not expect to collect any penalty funds. NERC is not recommending the release of any funds from the ASR to offset 2026 assessments, and the ASR is projected to have a balance of \$956k at the end of 2026. The balance held in the ASR will be used for assessment offsets to stabilize and reduce assessments in future years.

## 2027 and 2028 Projections

NERC’s BP&Bs have historically included high-level budget and assessment projections for future years for informational purposes. NERC recognizes the importance of providing projections that can offer meaningful insight for FERC and industry stakeholders. Given the bridge year approach discussed on pages 7–8 above, NERC is unable to provide this level of fidelity beyond 2026 and expects to resume meaningful projections in the 2027 BP&B with the 2027–2029 plan.

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<sup>12</sup> As in past BP&Bs, NERC is not budgeting the use of working capital funds in 2026 for cash flow needs since assessments are billed and paid quarterly throughout the year. If an unforeseen revenue deficiency were to arise, NERC maintains a \$4.0M line of credit with a major financial institution. The “Change in Working Capital” referenced on the financial tables in this document reflects the projected net changes for the System Operator and CRISP reserves, if any, which result from the funding model for those programs.

# 2026 Business Plan and Budget Program Area and Department Detail

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## Reliability Standards and PRISM

### Purpose and Scope

#### Reliability Standards

The Reliability Standards program carries out the ERO's statutory responsibility to develop, modify, adopt, and obtain approval of mandatory NERC Reliability Standards (both continent-wide and regional) to assure the bulk power system (BPS) is planned, operated, maintained, and secured to minimize risks of cascading failures, avoid damage to major equipment, or limit interruptions of the BPS. The purpose of the Reliability Standards department is to deliver high-quality risk-based Reliability Standards, facilitate continent-wide industry engagement, and support regulatory filings. The group focuses on a risk-based and agile approach to the development of projects, ensuring Reliability Standards are clear, timely, consider costs, effective in mitigating material risks, and do not unnecessarily burden industry with administrative requirements and/or detract from reliability or security. Drafting teams are made of subject matter experts from across the industry and others periodically observe our process. More information on the [Reliability Standards](#) program and how to get involved as a drafting team member or observer is available on the NERC website.

#### Power Risk Issues and Strategic Management

The overarching purpose of the Power Risk Issues and Strategic Management (PRISM) group is to leverage in-house expertise on Reliability Standards and standards development to implement cross-cutting efforts among NERC functions and the standing and technical committees. This group develops, supports, and prioritizes the ERO BPS Risk Management Process, which includes the Risk Registry, and gauges responses to address reliability risks and work toward monitoring risk mitigation. This group also provides in-house training on Reliability Standards to effectuate a consistent view of their meaning, purpose, and relationship with the various work products of the committees and subcommittees. The PRISM group also conducts statistical analysis around the results of standards to identify potential weaknesses, redundancies, and overall necessity. Finally, this area also supports the Reliability and Security Technical Committee (RSTC). The RSTC and its subgroups provide the oversight, guidance, and leadership essential to enhancing BPS reliability by addressing strategic focus areas efficiently and comprehensively. The RSTC Strategic Plan includes input from the Reliability Issues Steering Committee's *ERO Reliability Risk Priorities Report* (RISC report) as well as reliability assessments and other risk identification sources. More information on the [RSTC](#) is available on the NERC website.

### 2026 Areas of Focus

Key areas of focus for the Reliability Standards program include:

- Developing a nimbler standard development process that honors the important role of stakeholders in Reliability Standards development
- Addressing cyber security risks by continuing to enhance cyber security Reliability Standards
- Integrating and updating standards to address new risks such as inverters, distributed energy resources, energy management, and fuel management
- Addressing Federal Energy Regulatory Commission directives, orders, or special reports
- Revising the Standard Processes Manual to allow for a more agile standards development process

- Implementing project prioritization and fast-track development processes

Key areas of focus for PRISM include:

- Continuing Energy Reliability Working Group efforts to address items that could impact energy constrained resources, including developing scenarios for energy assessments
- Coordinating RSTC subgroups: Resources Subcommittee, Supply Chain Subcommittee, and Facility Ratings Task Force
- Supporting the RISC and RISC report recommendations
- Coordinating with Regional Entities to develop and implement an ERO BPS Risk Management Process
- Enhancing the NERC Risk Registry to include the ERO Enterprise (ERO Risk Registry) and be publicly used by the Standards Committee and RSTC
- Maintaining technical support for Reliability Standards by advising on new and existing projects
- Owning the Reliability Risk Framework and any necessary updates

### **2026 Resource Requirements**

Reliability Standards and PRISM is increasing by 3.76 full-time equivalents (FTEs) from the 2025 budget to the 2026 budget due to the addition of two new positions and the reallocation of two positions from a different department to Reliability Standards for standards development activities and technical expertise support. The Contractors & Consultants budget includes funds for technology-related support (see below). Information related to resource requirements is also discussed and illustrated in the *Personnel Analysis and Expenses* and *Contractors and Consultants* sections on pages 18–21.

### **2026 Technology Requirements**

The Contractors & Consultants budget includes funds to support the Standard Balloting System (SBS) and Artificial Intelligence (AI) efforts to support Reliability Standards development activities. The Office Costs budget includes software licenses and support funds for project tracking and administrative tools for Reliability Standards activities and software supporting the Risk Registry.

The Statement of Activities report for Reliability Standards and PRISM is provided below. This report shows funding, expenses, and financing activity for the 2026 budget year and 2025 budget year to show year-over-year changes. Any significant cost changes from 2025 to 2026 are discussed in the *Major Budget Increase Drivers by Program* section on pages 16–18.

**2026 Business Plan and Budget Program Area and Department Detail**

| 2025 Budget and 2026 Budget                                          |                      |                      |                              |                              |
|----------------------------------------------------------------------|----------------------|----------------------|------------------------------|------------------------------|
| Reliability Standards and Power Risk Issues and Strategic Management |                      |                      |                              |                              |
|                                                                      | 2025                 | 2026                 | \$ Inc(Dec)                  | % Change                     |
|                                                                      | Budget               | Budget               | 2026 Budget<br>v 2025 Budget | 2026 Budget<br>v 2025 Budget |
| <b>Funding</b>                                                       |                      |                      |                              |                              |
| <b>NERC Funding</b>                                                  |                      |                      |                              |                              |
| NERC Assessments                                                     | \$ 13,267,565        | \$ 15,694,325        | \$ 2,426,760                 |                              |
| Penalties Released                                                   | -                    | -                    | -                            |                              |
| <b>Total NERC Funding</b>                                            | <b>\$ 13,267,565</b> | <b>\$ 15,694,325</b> | <b>\$ 2,426,760</b>          | <b>18.3%</b>                 |
| Third-Party Funding                                                  | \$ -                 | \$ -                 | \$ -                         |                              |
| Testing, Renewal, & Continuing Ed Fees                               | -                    | -                    | -                            |                              |
| Services & Software                                                  | -                    | -                    | -                            |                              |
| Miscellaneous                                                        | -                    | -                    | -                            |                              |
| Interest & Investment Income                                         | 125,336              | 213,081              | 87,746                       |                              |
| <b>Total Funding (A)</b>                                             | <b>\$ 13,392,901</b> | <b>\$ 15,907,407</b> | <b>\$ 2,514,506</b>          | <b>18.8%</b>                 |
| <b>Expenses</b>                                                      |                      |                      |                              |                              |
| <b>Personnel Expenses</b>                                            |                      |                      |                              |                              |
| Salaries                                                             | \$ 4,128,794         | \$ 4,891,752         | \$ 762,959                   |                              |
| Payroll Taxes                                                        | 241,970              | 348,355              | 106,384                      |                              |
| Benefits                                                             | 659,169              | 795,164              | 135,995                      |                              |
| Retirement Costs                                                     | 450,340              | 533,056              | 82,715                       |                              |
| <b>Total Personnel Expenses</b>                                      | <b>\$ 5,480,273</b>  | <b>\$ 6,568,326</b>  | <b>\$ 1,088,053</b>          | <b>19.9%</b>                 |
| <b>Meetings &amp; Travel Expenses</b>                                |                      |                      |                              |                              |
| Meetings & Conference Calls                                          | \$ 95,000            | \$ 245,000           | \$ 150,000                   |                              |
| Travel                                                               | 171,000              | 151,044              | (19,956)                     |                              |
| <b>Total Meetings &amp; Travel Expenses</b>                          | <b>\$ 266,000</b>    | <b>\$ 396,044</b>    | <b>\$ 130,044</b>            | <b>48.9%</b>                 |
| <b>Operating Expenses, excluding Depreciation</b>                    |                      |                      |                              |                              |
| Contractors & Consultants                                            | \$ 188,000           | \$ 211,625           | \$ 23,625                    |                              |
| Office Rent                                                          | -                    | -                    | -                            |                              |
| Office Costs                                                         | 70,724               | 84,246               | 13,522                       |                              |
| Professional Services                                                | -                    | -                    | -                            |                              |
| Miscellaneous                                                        | 2,900                | 3,000                | 100                          |                              |
| <b>Total Operating Expenses, excluding Depreciation</b>              | <b>\$ 261,624</b>    | <b>\$ 298,871</b>    | <b>\$ 37,247</b>             | <b>14.2%</b>                 |
| <b>Total Direct Expenses</b>                                         | <b>\$ 6,007,897</b>  | <b>\$ 7,263,241</b>  | <b>\$ 1,255,344</b>          | <b>20.9%</b>                 |
| <b>Indirect Expenses</b>                                             | <b>\$ 7,183,508</b>  | <b>\$ 8,152,260</b>  | <b>\$ 968,752</b>            | <b>13.5%</b>                 |
| <b>Other Non-Operating Expenses</b>                                  | <b>\$ -</b>          | <b>\$ 4,523</b>      | <b>\$ 4,523</b>              | <b>0.0%</b>                  |
| <b>Total Expenses (B)</b>                                            | <b>\$ 13,191,406</b> | <b>\$ 15,420,025</b> | <b>\$ 2,228,619</b>          | <b>16.9%</b>                 |
| <b>Change in Net Assets (=A-B)</b>                                   | <b>\$ 201,495</b>    | <b>\$ 487,382</b>    | <b>\$ 285,887</b>            |                              |
| <b>Fixed Asset Additions, excluding Right of Use Assets (C)</b>      | <b>\$ 320,939</b>    | <b>\$ 495,005</b>    | <b>\$ 174,066</b>            | <b>54.2%</b>                 |
| <b>Financing Activity</b>                                            |                      |                      |                              |                              |
| Loan or Financing Lease - Borrowing (-)                              | \$ (249,247)         | \$ (152,340)         | \$ 96,907                    |                              |
| Loan or Financing Lease - Principal Payments (+)                     | 129,803              | 144,717              | 14,914                       |                              |
| <b>Net Financing Activity (D)</b>                                    | <b>\$ (119,444)</b>  | <b>\$ (7,622)</b>    | <b>\$ 111,821</b>            | <b>-93.6%</b>                |
| <b>Total Budget (=B+C+D)</b>                                         | <b>\$ 13,392,901</b> | <b>\$ 15,907,407</b> | <b>\$ 2,514,506</b>          | <b>18.8%</b>                 |
| <b>Change in Working Capital (=A-B-C-D)</b>                          | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>                  |                              |
| <b>FTEs</b>                                                          | <b>23.64</b>         | <b>27.40</b>         | <b>3.76</b>                  | <b>15.9%</b>                 |

## Compliance Assurance and Organization Registration and Certification

### Purpose and Scope

#### Compliance Assurance

NERC's Compliance Assurance group works collaboratively with the Regional Entities to ensure effective implementation of risk-based compliance monitoring under the Compliance Monitoring and Enforcement Program (CMEP). This program ensures that Regional Entities monitor registered entities for compliance according to each entity's own facts and circumstances, including its inherent risks, controls to mitigate inherent risks, and other factors, such as risk elements and entity performance. The risk-based compliance monitoring approach also allows for the appropriate allocation of resources to issues that pose a higher level of risk to the reliability of the bulk power system (BPS). More information on the [Compliance Assurance](#) program is available on the NERC website.

#### Organization Registration and Organization Certification

Organization Registration (Registration) identifies and registers BPS users, owners, and operators that are responsible for performing specified reliability functions to which requirements of mandatory Reliability Standards are applicable. Organization Certification (Certification) ensures that an applicant to be a Reliability Coordinator (RC), Balancing Authority (BA), or Transmission Operator (TOP) has the tools, processes, training, and procedures to demonstrate its ability to meet the requirements of the Reliability Standards applicable to the functions for which it is applying, thereby demonstrating the ability to become certified and then operational. The decision to certify changes to an already operating and certified RC, BA, or TOP is a collaborative decision between the affected Regional Entities and NERC. More information on the [Organization Registration and Certification](#) program is available on the NERC website.

### 2026 Areas of Focus

Key areas of focus for the Compliance Assurance, Registration, and Certification programs include:

- Continue efforts to identify and register inverter-based resource (IBR) Generator Owners (GOs) and Generator Operators (GOPs)
- Continue to evaluate key security and reliability risks such as supply chain security, cold weather readiness, remote connectivity, and GOP control room operations
- Foster ERO Enterprise cybersecurity workforce enhancements, ensuring effective outreach to stakeholder/policy organizations around emerging technologies (e.g., virtualization, cloud computing)
- Develop meaningful oversight activities and objectives, and continue efforts to streamline risk-based CMEP activities and tools

### 2026 Resource Requirements

Compliance Assurance and Organization and Registration is increasing by 1.88 full-time equivalents (FTEs) from the 2025 budget to the 2026 budget due to the addition of one position to support Critical Infrastructure Protection (CIP) compliance assurance activities and one position to support the Align system. The Contractors & Consultants budget includes technology-related support (see below). Information related to resource requirements is also discussed and illustrated in the *Personnel Analysis and Expenses* and *Contractors and Consultants* sections on pages 18–21.



## 2026 Technology Requirements

The majority of the Office Costs budget is related to software licenses and support for Align and the ERO Secure Evidence Locker (SEL).<sup>13</sup> The Contractors & Consultants and Fixed Asset Additions budget includes support, maintenance, and enhancements for initiatives related to IBRs, BESnet, the Centralized Organization Registration ERO System (CORES), Align, and the SEL. See the *Technology Strategy* section on pages 11–12 for more information on key investments.

The Statement of Activities report for Compliance Assurance and Registration and Certification is provided below. This report shows funding, expenses, and financing activity for the 2026 budget year and 2025 budget year to show year-over-year changes. Any significant cost changes from 2025 to 2026 are discussed in the *Major Budget Increase Drivers by Program* section on pages 16–18.

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<sup>13</sup> Any budgeted expenditures and financing activity related to Align and the ERO SEL are divided evenly between the Compliance Assurance and Compliance Enforcement program area budgets.

| Statement of Activities and Fixed Asset Additions                    |                      |                       |                              |                              |
|----------------------------------------------------------------------|----------------------|-----------------------|------------------------------|------------------------------|
| 2025 Budget and 2026 Budget                                          |                      |                       |                              |                              |
| Compliance Assurance and Organization Registration and Certification |                      |                       |                              |                              |
|                                                                      | 2025                 | 2026                  | \$ Inc(Dec)                  | % Change                     |
|                                                                      | Budget               | Budget                | 2026 Budget<br>v 2025 Budget | 2026 Budget<br>v 2025 Budget |
| <b>Funding</b>                                                       |                      |                       |                              |                              |
| <b>NERC Funding</b>                                                  |                      |                       |                              |                              |
| NERC Assessments                                                     | \$ 15,354,364        | \$ 16,281,978         | \$ 927,614                   |                              |
| Penalties Released                                                   | -                    | -                     | -                            |                              |
| <b>Total NERC Funding</b>                                            | <b>\$ 15,354,364</b> | <b>\$ 16,281,978</b>  | <b>\$ 927,614</b>            | <b>6.0%</b>                  |
| Third-Party Funding                                                  | \$ -                 | \$ -                  | \$ -                         |                              |
| Testing, Renewal, & Continuing Ed Fees                               | -                    | -                     | -                            |                              |
| Services & Software                                                  | -                    | -                     | -                            |                              |
| Miscellaneous                                                        | -                    | -                     | -                            |                              |
| Interest & Investment Income                                         | 119,605              | 190,056               | 70,451                       |                              |
| <b>Total Funding (A)</b>                                             | <b>\$ 15,473,969</b> | <b>\$ 16,472,034</b>  | <b>\$ 998,065</b>            | <b>6.4%</b>                  |
| <b>Expenses</b>                                                      |                      |                       |                              |                              |
| <b>Personnel Expenses</b>                                            |                      |                       |                              |                              |
| Salaries                                                             | \$ 4,465,990         | \$ 4,880,290          | \$ 414,300                   |                              |
| Payroll Taxes                                                        | 247,712              | 342,815               | 95,103                       |                              |
| Benefits                                                             | 734,263              | 829,243               | 94,980                       |                              |
| Retirement Costs                                                     | 492,367              | 536,627               | 44,260                       |                              |
| <b>Total Personnel Expenses</b>                                      | <b>\$ 5,940,332</b>  | <b>\$ 6,588,974</b>   | <b>\$ 648,643</b>            | <b>10.9%</b>                 |
| <b>Meetings &amp; Travel Expenses</b>                                |                      |                       |                              |                              |
| Meetings & Conference Calls                                          | \$ 146,100           | \$ 158,500            | \$ 12,400                    |                              |
| Travel                                                               | 302,000              | 288,434               | (13,566)                     |                              |
| <b>Total Meetings &amp; Travel Expenses</b>                          | <b>\$ 448,100</b>    | <b>\$ 446,934</b>     | <b>\$ (1,166)</b>            | <b>-0.3%</b>                 |
| <b>Operating Expenses, excluding Depreciation</b>                    |                      |                       |                              |                              |
| Contractors & Consultants                                            | \$ 854,123           | \$ 808,825            | \$ (45,298)                  |                              |
| Office Rent                                                          | -                    | -                     | -                            |                              |
| Office Costs                                                         | 649,827              | 674,889               | 25,062                       |                              |
| Professional Services                                                | -                    | -                     | -                            |                              |
| Miscellaneous                                                        | 3,050                | 3,050                 | -                            |                              |
| <b>Total Operating Expenses, excluding Depreciation</b>              | <b>\$ 1,507,000</b>  | <b>\$ 1,486,764</b>   | <b>\$ (20,236)</b>           | <b>-1.3%</b>                 |
| <b>Total Direct Expenses</b>                                         | <b>\$ 7,895,432</b>  | <b>\$ 8,522,672</b>   | <b>\$ 627,241</b>            | <b>7.9%</b>                  |
| <b>Indirect Expenses</b>                                             | <b>\$ 6,855,038</b>  | <b>\$ 7,271,313</b>   | <b>\$ 416,275</b>            | <b>6.1%</b>                  |
| <b>Other Non-Operating Expenses</b>                                  | <b>\$ 53,385</b>     | <b>\$ 23,302</b>      | <b>\$ (30,083)</b>           | <b>-56.4%</b>                |
| <b>Total Expenses (B)</b>                                            | <b>\$ 14,803,855</b> | <b>\$ 15,817,287</b>  | <b>\$ 1,013,432</b>          | <b>6.8%</b>                  |
| <b>Change in Net Assets (=A-B)</b>                                   | <b>\$ 670,114</b>    | <b>\$ 654,747</b>     | <b>\$ (15,367)</b>           |                              |
| <b>Fixed Asset Additions, excluding Right of Use Assets (C)</b>      | <b>\$ 672,301</b>    | <b>\$ 2,360,222</b>   | <b>\$ 1,687,920</b>          | <b>251.1%</b>                |
| <b>Financing Activity</b>                                            |                      |                       |                              |                              |
| Loan or Financing Lease - Borrowing (-)                              | \$ (471,059)         | \$ (1,890,878)        | \$ (1,419,818)               |                              |
| Loan or Financing Lease - Principal Payments (+)                     | 468,872              | 185,403               | (283,469)                    |                              |
| <b>Net Financing Activity (D)</b>                                    | <b>\$ (2,188)</b>    | <b>\$ (1,705,475)</b> | <b>\$ (1,703,287)</b>        | <b>77863.6%</b>              |
| <b>Total Budget (=B+C+D)</b>                                         | <b>\$ 15,473,969</b> | <b>\$ 16,472,034</b>  | <b>\$ 998,065</b>            | <b>6.4%</b>                  |
| <b>Change in Working Capital (=A-B-C-D)</b>                          | <b>\$ -</b>          | <b>\$ -</b>           | <b>\$ -</b>                  |                              |
| <b>FTEs</b>                                                          | <b>22.56</b>         | <b>24.44</b>          | <b>1.88</b>                  | <b>8.3%</b>                  |

## Compliance Enforcement

### Purpose and Scope

The Compliance Enforcement program is responsible for overseeing enforcement processes, the application of penalties or sanctions, and activities to mitigate and prevent recurrence of noncompliance with Reliability Standards. The Compliance Enforcement group works collaboratively with the Regional Entities to ensure consistent and effective implementation of the risk-based Compliance Monitoring and Enforcement Program (CMEP). The group focuses on ensuring that the ERO Enterprise dedicates resources to the matters that pose the greatest risk to the reliability of the bulk power system (BPS). More information on the [Compliance Enforcement](#) program is available on the NERC website.

### 2026 Areas of Focus

Key areas of focus for the Compliance Enforcement program include:

- Continuing efforts to improve agility, efficiencies, and consistency in enforcement activities
- Continuing use of a risk-based approach to processing noncompliance
- Providing and analyzing semiannual metrics on enforcement data
- Enhancing outreach to stakeholder/policy organizations
- Ensuring meaningful oversight activities

### 2026 Resource Requirements

There is no change in full-time equivalents (FTEs) in Compliance Enforcement from the 2025 budget to the 2026 budget. The Contractors & Consultants budget primarily includes technology-related support (see below). Information related to resource requirements is also discussed and illustrated in the *Personnel Analysis and Expenses* and *Contractors and Consultants* sections on pages 18–21.

### 2026 Technology Requirements

The majority of the Office Costs budget is related to software licenses and support for Align and the ERO Secure Evidence Locker (SEL).<sup>14</sup> The Contractors & Consultants and Fixed Asset Additions budget includes support, maintenance, and enhancements for initiatives related to Align and the SEL. See the *Technology Strategy* section on pages 11–12 for more information on key investments.

The Statement of Activities report for Compliance Enforcement is provided below. This report shows funding, expenses, and financing activity for the 2026 budget year and 2025 budget year to show year-over-year changes. Any significant cost changes from 2025 to 2026 are discussed in the *Major Budget Increase Drivers by Program* section on pages 16–18.

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<sup>14</sup> Any budgeted expenditures and financing activity related to Align and the ERO SEL are divided evenly between the Compliance Assurance and Compliance Enforcement program area budgets.

| Statement of Activities and Fixed Asset Additions               |                     |                     |                              |                              |
|-----------------------------------------------------------------|---------------------|---------------------|------------------------------|------------------------------|
| 2025 Budget and 2026 Budget                                     |                     |                     |                              |                              |
| Compliance Enforcement                                          |                     |                     |                              |                              |
|                                                                 | 2025                | 2026                | \$ Inc(Dec)                  | % Change                     |
|                                                                 | Budget              | Budget              | 2026 Budget<br>v 2025 Budget | 2026 Budget<br>v 2025 Budget |
| <b>Funding</b>                                                  |                     |                     |                              |                              |
| <b>NERC Funding</b>                                             |                     |                     |                              |                              |
| NERC Assessments                                                | \$ 9,209,978        | \$ 9,179,434        | \$ (30,544)                  |                              |
| Penalties Released                                              | -                   | -                   | -                            |                              |
| <b>Total NERC Funding</b>                                       | <b>\$ 9,209,978</b> | <b>\$ 9,179,434</b> | <b>\$ (30,544)</b>           | <b>-0.3%</b>                 |
| Third-Party Funding                                             | \$ -                | \$ -                | \$ -                         |                              |
| Testing, Renewal, & Continuing Ed Fees                          | -                   | -                   | -                            |                              |
| Services & Software                                             | -                   | -                   | -                            |                              |
| Miscellaneous                                                   | -                   | -                   | -                            |                              |
| Interest & Investment Income                                    | 74,753              | 109,647             | 34,894                       |                              |
| <b>Total Funding (A)</b>                                        | <b>\$ 9,284,731</b> | <b>\$ 9,289,081</b> | <b>\$ 4,351</b>              | <b>0.0%</b>                  |
| <b>Expenses</b>                                                 |                     |                     |                              |                              |
| <b>Personnel Expenses</b>                                       |                     |                     |                              |                              |
| Salaries                                                        | \$ 2,399,827        | \$ 2,517,391        | \$ 117,565                   |                              |
| Payroll Taxes                                                   | 146,333             | 182,625             | 36,293                       |                              |
| Benefits                                                        | 291,113             | 314,619             | 23,507                       |                              |
| Retirement Costs                                                | 264,346             | 278,683             | 14,337                       |                              |
| <b>Total Personnel Expenses</b>                                 | <b>\$ 3,101,618</b> | <b>\$ 3,293,319</b> | <b>\$ 191,701</b>            | <b>6.2%</b>                  |
| <b>Meetings &amp; Travel Expenses</b>                           |                     |                     |                              |                              |
| Meetings & Conference Calls                                     | \$ 7,800            | \$ 7,800            | \$ -                         |                              |
| Travel                                                          | 81,400              | 73,218              | (8,182)                      |                              |
| <b>Total Meetings &amp; Travel Expenses</b>                     | <b>\$ 89,200</b>    | <b>\$ 81,018</b>    | <b>\$ (8,182)</b>            | <b>-9.2%</b>                 |
| <b>Operating Expenses, excluding Depreciation</b>               |                     |                     |                              |                              |
| Contractors & Consultants                                       | \$ 684,623          | \$ 679,000          | \$ (5,623)                   |                              |
| Office Rent                                                     | -                   | -                   | -                            |                              |
| Office Costs                                                    | 608,651             | 632,911             | 24,260                       |                              |
| Professional Services                                           | -                   | -                   | -                            |                              |
| Miscellaneous                                                   | 2,000               | 2,000               | -                            |                              |
| <b>Total Operating Expenses, excluding Depreciation</b>         | <b>\$ 1,295,274</b> | <b>\$ 1,313,911</b> | <b>\$ 18,637</b>             | <b>1.4%</b>                  |
| <b>Total Direct Expenses</b>                                    | <b>\$ 4,486,092</b> | <b>\$ 4,688,248</b> | <b>\$ 202,156</b>            | <b>4.5%</b>                  |
| <b>Indirect Expenses</b>                                        | <b>\$ 4,284,399</b> | <b>\$ 4,194,988</b> | <b>\$ (89,411)</b>           | <b>-2.1%</b>                 |
| <b>Other Non-Operating Expenses</b>                             | <b>\$ 35,767</b>    | <b>\$ 10,374</b>    | <b>\$ (25,393)</b>           | <b>-71.0%</b>                |
| <b>Total Expenses (B)</b>                                       | <b>\$ 8,806,257</b> | <b>\$ 8,893,610</b> | <b>\$ 87,352</b>             | <b>1.0%</b>                  |
| <b>Change in Net Assets (=A-B)</b>                              | <b>\$ 478,473</b>   | <b>\$ 395,472</b>   | <b>\$ (83,001)</b>           |                              |
| <b>Fixed Asset Additions, excluding Right of Use Assets (C)</b> | <b>\$ 339,407</b>   | <b>\$ 1,330,873</b> | <b>\$ 991,466</b>            | <b>292.1%</b>                |
| <b>Financing Activity</b>                                       |                     |                     |                              |                              |
| Loan or Financing Lease - Borrowing (-)                         | \$ (242,945)        | \$ (1,033,391)      | \$ (790,446)                 |                              |
| Loan or Financing Lease - Principal Payments (+)                | 382,011             | 97,990              | (284,021)                    |                              |
| <b>Net Financing Activity (D)</b>                               | <b>\$ 139,066</b>   | <b>\$ (935,401)</b> | <b>\$ (1,074,467)</b>        | <b>-772.6%</b>               |
| <b>Total Budget (=B+C+D)</b>                                    | <b>\$ 9,284,731</b> | <b>\$ 9,289,081</b> | <b>\$ 4,351</b>              | <b>0.0%</b>                  |
| <b>Change in Working Capital (=A-B-C-D)</b>                     | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>                  |                              |
| <b>FTEs</b>                                                     | <b>14.10</b>        | <b>14.10</b>        | <b>0.00</b>                  | <b>0.0%</b>                  |

## Reliability Assessments, Performance Analysis, Data Analytics, and Engineering

The following groups are focused on the technical assessment, analytic, and modeling functions to identify, prioritize, and enable activities to reduce known and emerging risks to the bulk power system (BPS): (1) Reliability Assessments; (2) Performance Analysis; (3) Data Analytics; and (4) Engineering.

### Purpose and Scope

#### Reliability Assessments

Reliability Assessments staff carries out the ERO's statutory responsibility to conduct assessments of the overall reliability and adequacy of BPS and associated emerging reliability risks that could impact the short, mid, and long-term planning horizons, as well as other reliability issues requiring in-depth analysis. Reliability Assessments activities directly address the risk priorities established by the Reliability Issues Steering Committee, and the group relies on its own engineering and analysis expertise, as well as Regional Entity and stakeholder resources. More information on the [Reliability Assessment](#) program is available on the NERC website.

#### Performance Analysis

The Performance Analysis group monitors the performance of and identifies risks to BPS reliability through analyzing industry data and measuring historic trends. Analysis performed includes identifying potential risks related to system, equipment, entity, and organizational performance, which may identify (1) risks to the BPS, (2) a need to develop improvements to reporting applications, and (3) new data collection or analysis tools, or to create, revise, or retire reporting areas. Performance Analysis staff leads the ERO, technical committee, and stakeholder process to publish the *State of Reliability* (SOR) report examining the year-over-year performance indicators of the grid. The program also develops the business requirements for all new reliability information data systems, specifically those required by NERC Rules of Procedure Section 1600 Data Requests. More information on the [Performance Analysis](#) program is available on the NERC website.

#### Data and Analytics Integration

The Data and Analytics Integration group focuses on improving the analytical agility of the ERO Enterprise through the integration of reliability-related data, data collection processes, and applications. Functioning as an interface between business teams and Business Technology, the Data and Analytics Integration group supports data application projects to establish process consistency, reduce data redundancy, and increase application success. Data and Analytics Integration staff collaborate with business and technology leaders to develop strategies that create data solutions to facilitate data management, governance, and analytics across the ERO Enterprise.

#### Engineering

NERC's Engineering group includes staff focused on the following areas:

##### Advanced System Analytics and Modeling

Advanced System Analytics and Modeling (ASAM) staff provides technical leadership and support in the areas of resource and demand balancing and system analysis and modeling, including technical support for the NERC balancing and modeling Reliability Standards. ASAM staff also provides support for the development and improvement of long-term, sustainable interconnection-based power flow, dynamic, and load models that exhibit the accuracy and fidelity necessary to reflect actual Bulk Electric System (BES) reliability performance and dynamic conditions. ASAM further provides advanced statistical analysis functions to support: (1) the SOR report and reliability assessments; (2) the Frequency Response Annual

Analysis report to the Federal Energy Regulatory Commission; (3) analytical review of Reliability Standard effectiveness; and (4) various reports on an emergent basis. ASAM further collaborates with academic and other research and development groups, advising on projects to provide insight on emergent issues.

#### Engineering and Security Integration

The Engineering and Security Integration department is responsible for driving key reliability and security initiatives working with internal and external stakeholders. Primary areas of focus include better integrating security concepts with conventional engineering activities, as well as enabling new technologies in a reliable and secure manner. The group is responsible for key ERO work priorities, including inverter-based resource (IBR) and distributed energy resource (DER) initiatives across the ERO Enterprise, and ensuring Critical Infrastructure Protection (CIP) standards provide baseline protection for an evolving risk environment. The group coordinates a significant number of NERC's technical stakeholder groups under the Reliability and Security Technical Committee (RSTC), supports the standards development process on engineering and security-related topics, provides technical expertise across the ERO Enterprise, and coordinates with the Electricity Information Sharing and Analysis Center (E-ISAC) on cross-departmental topics related to security risks.

#### Transmission Assessments

The Transmission Assessments team is focused on assessing the adequacy of the North American transmission system for ensuring reliability. The team assesses reliability risks associated with the transmission system by performing in depth analytics and data gathering. This work enhances NERC's Long-term Reliability Assessments by incorporating interregional transmission capability analysis into the wide-area energy assessments. The team also works to create broad awareness of regional transmission planning and development activities for all stakeholders.

### **2026 Areas of Focus**

Key areas of focus for Reliability Assessments and Performance Analysis (RAPA), Data and Analytics Integration, and Engineering include:

- Ensuring the reliable and secure integration of BPS-connected IBR and DER, including the analysis of grid disturbances, development of technical guidance and educational materials, and collaboration with industry to ensure the Reliability Standards adequately address emerging risks in this area
- Increasing understanding of changing resource mix impacts on BPS reliability by collecting plant, event, connected energy storage, and performance data for photovoltaic and wind generation, combined with enhanced design data and event reporting for conventional generation
- Increasing understanding of transmission-driven load loss impacts on BPS by beginning to collect information through the Transmission Availability Data System (TADS)
- Improving the ERO's analytic, independent, and objective capabilities and adapting to the evolving BPS reliability challenges by:
  - Instituting improvements to the Long-term Reliability Assessment process based on new capabilities piloted in 2025 that evaluate energy availability over wide areas using probabilistic methods to identify risks of energy shortfall for all assessment areas
  - Continuing to develop and examine scenarios to assess future BPS reliability under a range of potential conditions, including rapid load growth, increased reliance on variable energy resources, and extreme weather

- Implementing the capabilities piloted in 2025 that support annual assessment of transmission adequacy and transfer capability, making recommendations that support long-term reliability needs
- Analyzing data sets and supporting technical studies that provide insight into the reliability implications of increasing dependency on natural gas fuel for BPS generation, particularly during extreme winter weather and ramping periods
- Leveraging processes, tools, and products to measure and improve BES resilience for widespread long-term extreme temperature and weather events, including the development of a systematic collection of load loss outage and recovery data
- Identifying and mitigating emerging reliability and cybersecurity risks to the BPS by conducting objective studies and/or working collaboratively with internal and external stakeholders

### **2026 Resource Requirements**

There is no change in the number of full-time equivalents (FTEs) for this area from the 2025 budget to the 2026 budget, which is the net result of (1) the addition of one position to build capabilities in and support Reliability Assessments; (2) the reallocation of one position to Engineering and Security Integration from another department; and (3) the reallocation of two positions to the Reliability Standards department as part of ongoing resource efficiency efforts. The Contractors & Consultants budget includes support for technology initiatives (see the *2026 Technology Requirements* section below) and various risk assessments and analyses, including those related to transmission, natural gas, probabilistic and emerging technology, and grid transformation and security integration. Information on resource requirements is also discussed and illustrated in the *Personnel Analysis and Expenses* and *Contractors and Consultants* sections on pages 18–21.

### **2026 Technology Requirements**

The majority of the Office Costs budget is related to software licenses and support for various analytical tools and data collection and management systems. This includes (1) the Generating Availability Data System (GADS) (conventional, wind, and solar), (2) TADS, (3) software to support continued energy assessments and transmission assessments, and (4) software to access natural gas supply and infrastructure data to support development approaches for identifying natural gas fuel risks to BPS generation.

The Contractors & Consultants budget includes support and maintenance for pc-GAR software, the Geomagnetic Disturbance Data (GMD) reporting application, as well as expenses related to the development of the automation, collection, management, and analysis of reliability assessment data through a Reliability Assessment Data System (RADS), which is discussed in more detail in the *Technology Strategy* section on pages 11–12.

The Fixed Assets Additions budget includes development expenditures for RADS and the development for a TADS Load Loss data collection solution.

The Statement of Activities report for RAPA, Data Analytics, and Engineering is provided below. This report shows funding, expenses, and financing activity for the 2026 budget year and 2025 budget year to show year-over-year changes. Any significant cost changes from 2025 to 2026 are discussed in the *Major Budget Increase Drivers by Program* section on pages 16–18.

| Statement of Activities and Fixed Asset Additions               |                      |                      |                              |                              |
|-----------------------------------------------------------------|----------------------|----------------------|------------------------------|------------------------------|
| 2025 Budget and 2026 Budget                                     |                      |                      |                              |                              |
| RAPA, Data Analytics, and Engineering                           |                      |                      |                              |                              |
|                                                                 | 2025                 | 2026                 | \$ Inc(Dec)                  | % Change                     |
|                                                                 | Budget               | Budget               | 2026 Budget<br>v 2025 Budget | 2026 Budget<br>v 2025 Budget |
| <b>Funding</b>                                                  |                      |                      |                              |                              |
| <b>NERC Funding</b>                                             |                      |                      |                              |                              |
| NERC Assessments                                                | \$ 25,145,024        | \$ 25,424,055        | \$ 279,031                   |                              |
| Penalties Released                                              | -                    | -                    | -                            |                              |
| <b>Total NERC Funding</b>                                       | <b>\$ 25,145,024</b> | <b>\$ 25,424,055</b> | <b>\$ 279,031</b>            | <b>1.1%</b>                  |
| Third-Party Funding                                             | \$ -                 | \$ -                 | \$ -                         |                              |
| Testing, Renewal, & Continuing Ed Fees                          | -                    | -                    | -                            |                              |
| Services & Software                                             | 60,000               | 60,000               | -                            |                              |
| Miscellaneous                                                   | -                    | -                    | -                            |                              |
| Interest & Investment Income                                    | 202,331              | 296,779              | 94,448                       |                              |
| <b>Total Funding (A)</b>                                        | <b>\$ 25,407,355</b> | <b>\$ 25,780,834</b> | <b>\$ 373,479</b>            | <b>1.5%</b>                  |
| <b>Expenses</b>                                                 |                      |                      |                              |                              |
| <b>Personnel Expenses</b>                                       |                      |                      |                              |                              |
| Salaries                                                        | \$ 7,657,075         | \$ 7,836,358         | \$ 179,284                   |                              |
| Payroll Taxes                                                   | 421,646              | 546,985              | 125,339                      |                              |
| Benefits                                                        | 1,184,680            | 1,190,337            | 5,658                        |                              |
| Retirement Costs                                                | 835,794              | 860,429              | 24,635                       |                              |
| <b>Total Personnel Expenses</b>                                 | <b>\$ 10,099,194</b> | <b>\$ 10,434,110</b> | <b>\$ 334,915</b>            | <b>3.3%</b>                  |
| <b>Meetings &amp; Travel Expenses</b>                           |                      |                      |                              |                              |
| Meetings & Conference Calls                                     | \$ 244,350           | \$ 114,250           | \$ (130,100)                 |                              |
| Travel                                                          | 455,000              | 527,415              | 72,415                       |                              |
| <b>Total Meetings &amp; Travel Expenses</b>                     | <b>\$ 699,350</b>    | <b>\$ 641,665</b>    | <b>\$ (57,685)</b>           | <b>-8.2%</b>                 |
| <b>Operating Expenses, excluding Depreciation</b>               |                      |                      |                              |                              |
| Contractors & Consultants                                       | \$ 1,062,500         | \$ 914,350           | \$ (148,150)                 |                              |
| Office Rent                                                     | -                    | -                    | -                            |                              |
| Office Costs                                                    | 1,094,377            | 1,193,050            | 98,673                       |                              |
| Professional Services                                           | -                    | -                    | -                            |                              |
| Miscellaneous                                                   | 5,600                | 5,800                | 200                          |                              |
| <b>Total Operating Expenses, excluding Depreciation</b>         | <b>\$ 2,162,477</b>  | <b>\$ 2,113,200</b>  | <b>\$ (49,277)</b>           | <b>-2.3%</b>                 |
| <b>Total Direct Expenses</b>                                    | <b>\$ 12,961,022</b> | <b>\$ 13,188,975</b> | <b>\$ 227,953</b>            | <b>1.8%</b>                  |
| <b>Indirect Expenses</b>                                        | <b>\$ 11,596,439</b> | <b>\$ 11,354,434</b> | <b>\$ (242,005)</b>          | <b>-2.1%</b>                 |
| <b>Other Non-Operating Expenses</b>                             | <b>\$ 53,255</b>     | <b>\$ 54,560</b>     | <b>\$ 1,305</b>              | <b>2.5%</b>                  |
| <b>Total Expenses (B)</b>                                       | <b>\$ 24,610,716</b> | <b>\$ 24,597,970</b> | <b>\$ (12,746)</b>           | <b>-0.1%</b>                 |
| <b>Change in Net Assets (=A-B)</b>                              | <b>\$ 796,639</b>    | <b>\$ 1,182,864</b>  | <b>\$ 386,224</b>            |                              |
| <b>Fixed Asset Additions, excluding Right of Use Assets (C)</b> | <b>\$ 1,447,806</b>  | <b>\$ 1,052,404</b>  | <b>\$ (395,401)</b>          | <b>-27.3%</b>                |
| <b>Financing Activity</b>                                       |                      |                      |                              |                              |
| Loan or Financing Lease - Borrowing (-)                         | \$ (982,856)         | \$ (212,178)         | \$ 770,678                   |                              |
| Loan or Financing Lease - Principal Payments (+)                | 331,689              | 342,637              | 10,948                       |                              |
| <b>Net Financing Activity (D)</b>                               | <b>\$ (651,167)</b>  | <b>\$ 130,459</b>    | <b>\$ 781,626</b>            | <b>-120.0%</b>               |
| <b>Total Budget (=B+C+D)</b>                                    | <b>\$ 25,407,355</b> | <b>\$ 25,780,834</b> | <b>\$ 373,479</b>            | <b>1.5%</b>                  |
| <b>Change in Working Capital (=A-B-C-D)</b>                     | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>                  |                              |
| <b>FTEs</b>                                                     | <b>38.16</b>         | <b>38.16</b>         | <b>0.00</b>                  | <b>0.0%</b>                  |



## Situation Awareness

### Purpose and Scope

NERC and the Regional Entities monitor bulk power system (BPS) conditions, significant occurrences, emerging risks, and threats across the 18 Reliability Coordinator regions in North America to maintain an understanding of conditions and situations that could impact reliable operation. NERC's BPS Awareness (BPSA) group also supports the development and publication of NERC Alerts and awareness products and facilitates information sharing among industry, the Regional Entities, and the government during crisis situations and major system disturbances. The process for understanding the potential threats or vulnerabilities to BPS reliability starts with understanding occurrences and events in the context in which they occur, and registered entities robustly share information and collaborate with the ERO to maintain and improve overall reliability. More information on the [BPSA](#) program is available on the NERC website.

### 2026 Areas of Focus

Key areas of focus for BPSA include:

- Enhancing situation awareness tools to increase agility and efficiency, as well as visibility and understanding of emerging BPS risks
- Collaborating across the ERO Enterprise and with stakeholders to mitigate emerging and known risk by using all available tools, including the NERC Alerts process to issue Advisory (Level 1) Alerts on significant and emerging reliability and security-related topics as needed, and to facilitate the tracking of actions specified in Recommendation (Level 2) and Essential Action (Level 3) Alerts
- Continue engaging with industry, the Electricity Information Sharing and Analysis Center (E-ISAC), government partners, and the ERO Enterprise on emerging risks to BPS reliability
- Engaging situation awareness subject matter experts in support of the work of Reliability Standards, the E-ISAC, and the Reliability and Security Technical Committee to advance the security posture of the industry

### 2026 Resource Requirements

There are no changes to full-time equivalents (FTEs) from the 2025 budget to the 2026 budget for Situation Awareness. The Contractors & Consultants budget includes technology-related support (see below). Information related to resource requirements is also discussed and illustrated in the *Personnel Analysis and Expenses* and *Contractors and Consultants* sections on pages 18–21.

### 2026 Technology Requirements

The majority of the Office Costs budget includes software licenses and support for various BPSA tools related to wide-area view situation awareness, conditions monitoring, resource adequacy, inadvertent interchange, frequency monitoring, Reliability Coordinator information sharing, alerting, and data collection and analysis. The Contractors & Consultants and Fixed Assets Additions budgets include funds to support enhancements for ongoing enhancements for BPSA systems.

The Statement of Activities report for Situation Awareness is provided below. This report shows funding, expenses, and financing activity for the 2026 budget year and 2025 budget year to show year-over-year changes. Any significant cost changes from 2025 to 2026 are discussed in the *Major Budget Increase Drivers by Program* section on pages 16–18.

| Statement of Activities and Fixed Asset Additions               |                     |                     |                              |                              |
|-----------------------------------------------------------------|---------------------|---------------------|------------------------------|------------------------------|
| 2025 Budget and 2026 Budget                                     |                     |                     |                              |                              |
| Situation Awareness                                             |                     |                     |                              |                              |
|                                                                 | 2025                | 2026                | \$ Inc(Dec)                  | % Change                     |
|                                                                 | Budget              | Budget              | 2026 Budget<br>v 2025 Budget | 2026 Budget<br>v 2025 Budget |
| <b>Funding</b>                                                  |                     |                     |                              |                              |
| <b>NERC Funding</b>                                             |                     |                     |                              |                              |
| NERC Assessments                                                | \$ 6,963,309        | \$ 7,526,151        | \$ 562,842                   |                              |
| Penalties Released                                              | -                   | -                   | -                            |                              |
| <b>Total NERC Funding</b>                                       | <b>\$ 6,963,309</b> | <b>\$ 7,526,151</b> | <b>\$ 562,842</b>            | <b>8.1%</b>                  |
| Third-Party Funding                                             | \$ -                | \$ -                | \$ -                         |                              |
| Testing, Renewal, & Continuing Ed Fees                          | -                   | -                   | -                            |                              |
| Services & Software                                             | -                   | -                   | -                            |                              |
| Miscellaneous                                                   | -                   | -                   | -                            |                              |
| Interest & Investment Income                                    | 45,350              | 66,519              | 21,169                       |                              |
| <b>Total Funding (A)</b>                                        | <b>\$ 7,008,659</b> | <b>\$ 7,592,670</b> | <b>\$ 584,011</b>            | <b>8.3%</b>                  |
| <b>Expenses</b>                                                 |                     |                     |                              |                              |
| <b>Personnel Expenses</b>                                       |                     |                     |                              |                              |
| Salaries                                                        | \$ 1,609,352        | \$ 1,666,519        | \$ 57,167                    |                              |
| Payroll Taxes                                                   | 91,452              | 120,457             | 29,005                       |                              |
| Benefits                                                        | 325,356             | 346,024             | 20,668                       |                              |
| Retirement Costs                                                | 175,737             | 183,878             | 8,141                        |                              |
| <b>Total Personnel Expenses</b>                                 | <b>\$ 2,201,897</b> | <b>\$ 2,316,877</b> | <b>\$ 114,981</b>            | <b>5.2%</b>                  |
| <b>Meetings &amp; Travel Expenses</b>                           |                     |                     |                              |                              |
| Meetings & Conference Calls                                     | \$ 71,330           | \$ 73,470           | \$ 2,140                     |                              |
| Travel                                                          | 19,261              | 77,348              | 58,087                       |                              |
| <b>Total Meetings &amp; Travel Expenses</b>                     | <b>\$ 90,591</b>    | <b>\$ 150,818</b>   | <b>\$ 60,227</b>             | <b>66.5%</b>                 |
| <b>Operating Expenses, excluding Depreciation</b>               |                     |                     |                              |                              |
| Contractors & Consultants                                       | \$ 246,000          | \$ 63,690           | \$ (182,310)                 |                              |
| Office Rent                                                     | -                   | -                   | -                            |                              |
| Office Costs                                                    | 1,591,485           | 2,169,875           | 578,390                      |                              |
| Professional Services                                           | -                   | -                   | -                            |                              |
| Miscellaneous                                                   | 1,400               | 1,400               | -                            |                              |
| <b>Total Operating Expenses, excluding Depreciation</b>         | <b>\$ 1,838,885</b> | <b>\$ 2,234,965</b> | <b>\$ 396,080</b>            | <b>21.5%</b>                 |
| <b>Total Direct Expenses</b>                                    | <b>\$ 4,131,373</b> | <b>\$ 4,702,660</b> | <b>\$ 571,288</b>            | <b>13.8%</b>                 |
| <b>Indirect Expenses</b>                                        | <b>\$ 2,599,202</b> | <b>\$ 2,544,959</b> | <b>\$ (54,242)</b>           | <b>-2.1%</b>                 |
| <b>Other Non-Operating Expenses</b>                             | <b>\$ 7,047</b>     | <b>\$ 27,646</b>    | <b>\$ 20,599</b>             | <b>292.3%</b>                |
| <b>Total Expenses (B)</b>                                       | <b>\$ 6,737,622</b> | <b>\$ 7,275,266</b> | <b>\$ 537,644</b>            | <b>8.0%</b>                  |
| <b>Change in Net Assets (=A-B)</b>                              | <b>\$ 271,037</b>   | <b>\$ 317,404</b>   | <b>\$ 46,367</b>             |                              |
| <b>Fixed Asset Additions, excluding Right of Use Assets (C)</b> | <b>\$ 617,574</b>   | <b>\$ 243,096</b>   | <b>\$ (374,477)</b>          | <b>-60.6%</b>                |
| <b>Financing Activity</b>                                       |                     |                     |                              |                              |
| Loan or Financing Lease - Borrowing (-)                         | \$ (409,667)        | \$ (47,557)         | \$ 362,110                   |                              |
| Loan or Financing Lease - Principal Payments (+)                | 63,131              | 121,865             | 58,734                       |                              |
| <b>Net Financing Activity (D)</b>                               | <b>\$ (346,536)</b> | <b>\$ 74,308</b>    | <b>\$ 420,844</b>            | <b>-121.4%</b>               |
| <b>Total Budget (=B+C+D)</b>                                    | <b>\$ 7,008,659</b> | <b>\$ 7,592,670</b> | <b>\$ 584,011</b>            | <b>8.3%</b>                  |
| <b>Change in Working Capital (=A-B-C-D)</b>                     | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>                  |                              |
| <b>FTEs</b>                                                     | <b>8.55</b>         | <b>8.55</b>         | <b>0.00</b>                  | <b>0.0%</b>                  |

## Event Analysis

### Purpose and Scope

Analysis of real-time electrical operating events is conducted through the Event Analysis program. The program strives to characterize the performance of and inform assessments of the reliability and adequacy of the Bulk Electric System (BES). This includes identifying potential issues of concern related to system, equipment, entity, human error, and organizational performance that may indicate a need to (1) develop remediation and/or risk reduction strategies and action plans; (2) revise, retire, or consider new Reliability Standards; and (3) shape aggregate reliability assurance planning. The Event Analysis group analyzes reportable events to identify and understand lessons learned, sequence of events, root and contributing causes, risks to reliability, and potential mitigating actions. The group keeps the industry informed of system events, emerging trends, event precursors, risk analysis, lessons learned, and recommended corrective and expected mitigation activities through various verbal and written communications/reports and cross-functional collaboration efforts. More information on the [Event Analysis](#) program is available on the NERC website.

### 2026 Areas of Focus

Key areas of focus for the Event Analysis program include:

- Expanding to a broader strategic audience through publication of current operating incidents of interest impacting future operations and planning considerations
- Informing aggregate needs of ERO Enterprise inherent risk understanding and entity operating/performance characterization
- Building energy capacity and delivery understanding in near-term to real-time operating horizons supporting opportunities to inform and enhance grid performance
- Enhancing event processing in support of developing a coherent system performance picture within the Rules of Procedure Section 800 system performance monitoring and reporting program
- Enhancing program data collection, organization, manipulation and reporting tools and capabilities
- Planning, development, and implementation of a common platform to improve industry reporting in support of program data acquisition needs
- Improving cross-functional alignment and collaboration to provide reporting flexibility and agility
- Reinforcing fundamental practices and advocacy of enhanced reliability practices through joint reliability partnership activities with FERC, stakeholders, and the ERO Enterprise

### 2026 Resource Requirements

Event Analysis is decreasing by 0.94 full-time equivalents (FTEs) from the 2025 budget to the 2026 budget due to the reallocation of one position to another department as part of ongoing resource efficiency efforts. The Contractors & Consultants budget includes augmentation for event analysis review, program and outreach activities support, and technology-related support (see below). Information related to resource requirements is also discussed and illustrated in the *Personnel Analysis and Expenses* and *Contractors and Consultants* sections on pages 18–21.

### 2026 Technology Requirements

The Contractors & Consultants budget includes maintenance and support for The Event Analysis Management System (TEAMS).

The Statement of Activities report for Event Analysis is provided below. This report shows funding, expenses, and financing activity for the 2026 budget year and 2025 budget year to show year-over-year changes. Any significant cost changes from 2025 to 2026 are discussed in the *Major Budget Increase Drivers by Program* section on pages 16–18.

| Statement of Activities and Fixed Asset Additions               |                     |                     |                              |                              |
|-----------------------------------------------------------------|---------------------|---------------------|------------------------------|------------------------------|
| 2025 Budget and 2026 Budget                                     |                     |                     |                              |                              |
| Event Analysis                                                  |                     |                     |                              |                              |
|                                                                 | 2025                | 2026                | \$ Inc(Dec)                  | % Change                     |
|                                                                 | Budget              | Budget              | 2026 Budget<br>v 2025 Budget | 2026 Budget<br>v 2025 Budget |
| <b>Funding</b>                                                  |                     |                     |                              |                              |
| <b>NERC Funding</b>                                             |                     |                     |                              |                              |
| NERC Assessments                                                | \$ 5,137,365        | \$ 4,566,785        | \$ (570,580)                 |                              |
| Penalties Released                                              | -                   | -                   | -                            |                              |
| <b>Total NERC Funding</b>                                       | <b>\$ 5,137,365</b> | <b>\$ 4,566,785</b> | <b>\$ (570,580)</b>          | <b>-11.1%</b>                |
| Third-Party Funding                                             | \$ -                | \$ -                | \$ -                         |                              |
| Testing, Renewal, & Continuing Ed Fees                          | -                   | -                   | -                            |                              |
| Services & Software                                             | -                   | -                   | -                            |                              |
| Miscellaneous                                                   | -                   | -                   | -                            |                              |
| Interest & Investment Income                                    | 40,367              | 51,900              | 11,533                       |                              |
| <b>Total Funding (A)</b>                                        | <b>\$ 5,177,731</b> | <b>\$ 4,618,685</b> | <b>\$ (559,047)</b>          | <b>-10.8%</b>                |
| <b>Expenses</b>                                                 |                     |                     |                              |                              |
| <b>Personnel Expenses</b>                                       |                     |                     |                              |                              |
| Salaries                                                        | \$ 1,692,524        | \$ 1,557,508        | \$ (135,015)                 |                              |
| Payroll Taxes                                                   | 88,055              | 105,559             | 17,504                       |                              |
| Benefits                                                        | 239,071             | 222,064             | (17,006)                     |                              |
| Retirement Costs                                                | 187,841             | 173,910             | (13,931)                     |                              |
| <b>Total Personnel Expenses</b>                                 | <b>\$ 2,207,491</b> | <b>\$ 2,059,042</b> | <b>\$ (148,449)</b>          | <b>-6.7%</b>                 |
| <b>Meetings &amp; Travel Expenses</b>                           |                     |                     |                              |                              |
| Meetings & Conference Calls                                     | \$ 90,000           | \$ 100,000          | \$ 10,000                    |                              |
| Travel                                                          | 91,000              | 85,335              | (5,665)                      |                              |
| <b>Total Meetings &amp; Travel Expenses</b>                     | <b>\$ 181,000</b>   | <b>\$ 185,335</b>   | <b>\$ 4,335</b>              | <b>2.4%</b>                  |
| <b>Operating Expenses, excluding Depreciation</b>               |                     |                     |                              |                              |
| Contractors & Consultants                                       | \$ 320,000          | \$ 248,950          | \$ (71,050)                  |                              |
| Office Rent                                                     | -                   | -                   | -                            |                              |
| Office Costs                                                    | 16,200              | 11,766              | (4,434)                      |                              |
| Professional Services                                           | -                   | -                   | -                            |                              |
| Miscellaneous                                                   | 1,300               | 1,300               | -                            |                              |
| <b>Total Operating Expenses, excluding Depreciation</b>         | <b>\$ 337,500</b>   | <b>\$ 262,016</b>   | <b>\$ (75,484)</b>           | <b>-22.4%</b>                |
| <b>Total Direct Expenses</b>                                    | <b>\$ 2,725,991</b> | <b>\$ 2,506,392</b> | <b>\$ (219,598)</b>          | <b>-8.1%</b>                 |
| <b>Indirect Expenses</b>                                        | <b>\$ 2,313,575</b> | <b>\$ 1,985,628</b> | <b>\$ (327,948)</b>          | <b>-14.2%</b>                |
| <b>Other Non-Operating Expenses</b>                             | <b>\$ 14,460</b>    | <b>\$ 5,122</b>     | <b>\$ (9,338)</b>            | <b>-64.6%</b>                |
| <b>Total Expenses (B)</b>                                       | <b>\$ 5,054,026</b> | <b>\$ 4,497,142</b> | <b>\$ (556,884)</b>          | <b>-11.0%</b>                |
| <b>Change in Net Assets (=A-B)</b>                              | <b>\$ 123,705</b>   | <b>\$ 121,542</b>   | <b>\$ (2,163)</b>            |                              |
| <b>Fixed Asset Additions, excluding Right of Use Assets (C)</b> | <b>\$ 174,030</b>   | <b>\$ 111,647</b>   | <b>\$ (62,383)</b>           | <b>-35.8%</b>                |
| <b>Financing Activity</b>                                       |                     |                     |                              |                              |
| Loan or Financing Lease - Borrowing (-)                         | \$ (125,297)        | \$ (37,105)         | \$ 88,192                    |                              |
| Loan or Financing Lease - Principal Payments (+)                | 74,972              | 47,001              | (27,971)                     |                              |
| <b>Net Financing Activity (D)</b>                               | <b>\$ (50,324)</b>  | <b>\$ 9,896</b>     | <b>\$ 60,220</b>             | <b>-119.7%</b>               |
| <b>Total Budget (=B+C+D)</b>                                    | <b>\$ 5,177,731</b> | <b>\$ 4,618,685</b> | <b>\$ (559,047)</b>          | <b>-10.8%</b>                |
| <b>Change in Working Capital (=A-B-C-D)</b>                     | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>                  |                              |
| <b>FTEs</b>                                                     | <b>7.61</b>         | <b>6.67</b>         | <b>(0.94)</b>                | <b>-12.3%</b>                |

## Electricity Information Sharing and Analysis Center

### Purpose and Scope

The Electricity Information Sharing and Analysis Center (E-ISAC) provides resources to prepare for and reduce cyber and physical security threats to the North American electricity industry by offering products and services that give timely, relevant, and actionable situational awareness and analysis to asset owners and operators, as well as cross-sector and government partners. This mission recognizes the critical interdependencies between the E-ISAC, industry, U.S. and Canadian government agencies, and other stakeholders. More information on [E-ISAC](#) is available on the NERC website.

The E-ISAC also manages the Cybersecurity Risk Information Sharing Program (CRISP), a unique public-private initiative among the E-ISAC, the North American electric utility industry, the U.S. Department of Energy (DOE), and the U.S. Intelligence Community that delivers real-time, relevant, and actionable cyber security risk information to all E-ISAC member electricity asset owners and operators, including those from Canada and Mexico. Using passive information sharing devices on participant networks outside boundary firewalls, participant data is collected and then matched against known threat signatures—classified and unclassified—to identify potential threats and provide participants with recommended mitigation steps. The Pacific Northwest National Laboratory (PNNL), is the primary subcontractor to NERC for the deployment of the required technology, supporting infrastructure, analysis, and technical capabilities for CRISP. PNNL is a U.S. DOE National Laboratory, operated by Battelle with oversight by the DOE.

### E-ISAC and CRISP Funding and Indirect Cost Allocation Structure

Approximately 75% of the total 2026 E-ISAC budget, including CRISP, is funded by assessments, with 22% funded by CRISP participants for CRISP costs. The remaining 3% of the budget is funded by other funding, including interest income (\$651k), funding from the American Gas Association via the Downstream Natural Gas ISAC (\$120k), anticipated revenue from the Vendor Affiliate Program (VAP) (\$400k), and anticipated revenue from industry trade associations to attend CRISP workshops (\$60k).<sup>15</sup> CRISP has introduced “observer status” for energy sector support organizations such as trade associations. Observer participants may join all tracks of the CRISP workshops in exchange for a fee. This additional funding will be used to offset workshop costs.

The VAP launched in 2022 with incremental implementation over three years and has generated approximately \$315k in revenue through the end of 2024. With the increasing complexities and risk in reliance on supply chain software components, this fee-for-service program provides opportunities for collaboration and information sharing between the E-ISAC and the vendor community. Participating vendors collaborate with electricity sector stakeholders in a trusted environment, providing timely and actionable information, helping to maintain situational awareness as events unfold, and offering post-event analysis and subject matter expertise. Sales and business development activities are strictly prohibited.

The E-ISAC and CRISP budgets are allocated indirect costs (i.e., the Direct Expenses, Fixed Asset Additions, and Net Financing Activity budgets of the Corporate Services departments) in the same manner as all other NERC statutory program departments, which is based on the ratio of a statutory program department’s FTEs to total budgeted statutory FTEs. There are no specific indirect costs that E-ISAC or CRISP incur that other statutory program departments do not.

<sup>15</sup> The funding from the Downstream Natural Gas ISAC equates to approximately half of a full-time equivalent (FTE), which covers the services the E-ISAC provides to the natural gas sector. Expenditures in this area are carefully monitored and fees will be adjusted as required.

The CRISP budget specifically includes two major categories of expense: (1) costs funded fully by CRISP participants, which include the contract with PNNL, an annual security review, and any programs agreed to be funded exclusively by CRISP participants; and (2) operational program costs, which are funded 50% by participants and 50% by NERC assessments. Examples of these operational costs include (1) dedicated personnel for CRISP management and administration, as well as time allocated from E-ISAC staff for data analysis; (2) office costs, insurance, and indirect expenses (as noted above); and (3) fixed asset addition expenditures. The total costs funded by participants, which make up just under 80% of the CRISP budget (the majority of which is for the PNNL contract), are shown on the “Third-Party Funding” line of the Statement of Activities reports below. Funding for the remaining CRISP operational costs (less additional funding from investment income and fees for workshops) is shown on the “NERC Assessments” line.

## 2026 Areas of Focus

Key areas of focus for E-ISAC include:

- Reviewing, curating, and disseminating security intelligence applicable to the electricity sector and continuous enhancement to the platforms, events, and products used for that purpose
- Conducting threat hunts for malicious technology on Information Technology (IT) and Operational Technology (OT) platforms
- Expanding CRISP participation and technology modernization
- Continued stakeholder experience enhancements for E-ISAC products, services, and platforms
- Expanding membership and strategic relationships, including (1) membership expansion with renewable energy registered entities (i.e., IBRs); (2) further collaboration with the natural gas sector; (3) enhanced engagement with small and medium utilities; and (4) operating the VAP
- Providing the annual Grid Security Conference and facilitating industry movement towards addressing gaps discovered from 2025’s GridEx VIII

## 2026 Resource Requirements

E-ISAC (including CRISP) is increasing by 2.67 FTEs from the 2025 budget to the 2026 budget, which is the result of the addition of three positions for expertise and support for the stakeholder engagement, security operations, and intelligence functions. The Contractors & Consultants budget includes expenses for Watch Officer contractors, security consulting, strategic partnerships, GridEx support, engagement initiatives, and technology support (see *2026 Technology Requirements* below). This budget also includes the CRISP contract with PNNL, annual security audit, and member training; these expenses make up \$7.8M of the total Contractors & Consultants budget and are funded fully by CRISP participants. Information related to resource requirements is also discussed in the *Personnel Analysis and Expenses* and *Contractors and Consultants* sections on pages 18–21.

## 2026 Technology Requirements

The majority of the Office Costs budget is for software licenses for security and open-source intelligence tools, customer relationship management (CRM) for member engagement and the E-ISAC Portal, cyber indicator tracking, automated information sharing, data analytics, and various technology needs to support CRISP. The Contractors & Consultants budget includes support for CRM and website technology for the Portal. The Fixed Asset Additions budget includes funds for CRISP equipment upgrades.

The Statement of Activities reports for E-ISAC including CRISP, E-ISAC only, and CRISP only are provided below. The reports show funding, expenses, and financing activity for the 2026 budget year and 2025 budget year to show year-over-year changes. Any significant cost changes from 2025 to 2026 are discussed in the *Major Budget Increase Drivers by Program* section on pages 16–18.

| Statement of Activities and Fixed Asset Additions               |                      |                      |                              |                              |
|-----------------------------------------------------------------|----------------------|----------------------|------------------------------|------------------------------|
| 2025 Budget and 2026 Budget                                     |                      |                      |                              |                              |
| E-ISAC (including CRISP)                                        |                      |                      |                              |                              |
|                                                                 | 2025                 | 2026                 | \$ Inc(Dec)                  | % Change                     |
|                                                                 | Budget               | Budget               | 2026 Budget<br>v 2025 Budget | 2026 Budget<br>v 2025 Budget |
| <b>Funding</b>                                                  |                      |                      |                              |                              |
| <b>NERC Funding</b>                                             |                      |                      |                              |                              |
| NERC Assessments                                                | \$ 32,459,782        | \$ 33,896,015        | \$ 1,436,233                 |                              |
| Penalties Released                                              | -                    | -                    | -                            |                              |
| <b>Total NERC Funding</b>                                       | <b>\$ 32,459,782</b> | <b>\$ 33,896,015</b> | <b>\$ 1,436,233</b>          | <b>4.4%</b>                  |
| Third-Party Funding                                             | \$ 10,223,011        | \$ 10,045,143        | \$ (177,868)                 |                              |
| Testing, Renewal, & Continuing Ed Fees                          | -                    | -                    | -                            |                              |
| Services & Software                                             | -                    | -                    | -                            |                              |
| Miscellaneous                                                   | 580,000              | 580,000              | -                            |                              |
| Interest & Investment Income                                    | 532,291              | 660,594              | 128,303                      |                              |
| <b>Total Funding (A)</b>                                        | <b>\$ 43,795,084</b> | <b>\$ 45,181,751</b> | <b>\$ 1,386,668</b>          | <b>3.2%</b>                  |
| <b>Expenses</b>                                                 |                      |                      |                              |                              |
| <b>Personnel Expenses</b>                                       |                      |                      |                              |                              |
| Salaries                                                        | \$ 10,692,063        | \$ 11,072,715        | \$ 380,652                   |                              |
| Payroll Taxes                                                   | 569,764              | 740,443              | 170,679                      |                              |
| Benefits                                                        | 1,613,650            | 1,549,107            | (64,543)                     |                              |
| Retirement Costs                                                | 1,156,579            | 1,196,191            | 39,611                       |                              |
| <b>Total Personnel Expenses</b>                                 | <b>\$ 14,032,057</b> | <b>\$ 14,558,456</b> | <b>\$ 526,399</b>            | <b>3.8%</b>                  |
| <b>Meetings &amp; Travel Expenses</b>                           |                      |                      |                              |                              |
| Meetings & Conference Calls                                     | \$ 154,254           | \$ 285,036           | \$ 130,782                   |                              |
| Travel                                                          | 325,421              | 484,554              | 159,133                      |                              |
| <b>Total Meetings &amp; Travel Expenses</b>                     | <b>\$ 479,675</b>    | <b>\$ 769,590</b>    | <b>\$ 289,915</b>            | <b>60.4%</b>                 |
| <b>Operating Expenses, excluding Depreciation</b>               |                      |                      |                              |                              |
| Contractors & Consultants                                       | \$ 11,043,534        | \$ 10,974,168        | \$ (69,366)                  |                              |
| Office Rent                                                     | -                    | -                    | -                            |                              |
| Office Costs                                                    | 1,946,779            | 1,900,234            | (46,545)                     |                              |
| Professional Services                                           | 480,000              | 385,000              | (95,000)                     |                              |
| Miscellaneous                                                   | 19,028               | 10,750               | (8,278)                      |                              |
| <b>Total Operating Expenses, excluding Depreciation</b>         | <b>\$ 13,489,341</b> | <b>\$ 13,270,152</b> | <b>\$ (219,189)</b>          | <b>-1.6%</b>                 |
| <b>Total Direct Expenses</b>                                    | <b>\$ 28,001,073</b> | <b>\$ 28,598,198</b> | <b>\$ 597,125</b>            | <b>2.1%</b>                  |
| <b>Indirect Expenses</b>                                        | <b>\$ 15,263,944</b> | <b>\$ 15,661,289</b> | <b>\$ 397,345</b>            | <b>2.6%</b>                  |
| <b>Other Non-Operating Expenses</b>                             | <b>\$ 2,194</b>      | <b>\$ 1,712</b>      | <b>\$ (482)</b>              | <b>-22.0%</b>                |
| <b>Total Expenses (B)</b>                                       | <b>\$ 43,267,210</b> | <b>\$ 44,261,199</b> | <b>\$ 993,988</b>            | <b>2.3%</b>                  |
| <b>Change in Net Assets (=A-B)</b>                              | <b>\$ 527,873</b>    | <b>\$ 920,553</b>    | <b>\$ 392,680</b>            |                              |
| <b>Fixed Asset Additions, excluding Right of Use Assets (C)</b> | <b>\$ 679,600</b>    | <b>\$ 955,593</b>    | <b>\$ 275,993</b>            | <b>40.6%</b>                 |
| <b>Financing Activity</b>                                       |                      |                      |                              |                              |
| Loan or Financing Lease - Borrowing (-)                         | \$ (432,537)         | \$ (292,660)         | \$ 139,878                   |                              |
| Loan or Financing Lease - Principal Payments (+)                | 280,811              | 257,620              | (23,191)                     |                              |
| <b>Net Financing Activity (D)</b>                               | <b>\$ (151,726)</b>  | <b>\$ (35,040)</b>   | <b>\$ 116,687</b>            | <b>-76.9%</b>                |
| <b>Total Budget (=B+C+D)</b>                                    | <b>\$ 43,795,084</b> | <b>\$ 45,181,751</b> | <b>\$ 1,386,668</b>          | <b>3.2%</b>                  |
| <b>Change in Working Capital (=A-B-C-D)</b>                     | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>                  |                              |
| <b>FTEs</b>                                                     | <b>49.98</b>         | <b>52.64</b>         | <b>2.67</b>                  | <b>5.3%</b>                  |



| Statement of Activities and Fixed Asset Additions               |                      |                      |                              |                              |
|-----------------------------------------------------------------|----------------------|----------------------|------------------------------|------------------------------|
| 2025 Budget and 2026 Budget                                     |                      |                      |                              |                              |
| E-ISAC Only                                                     |                      |                      |                              |                              |
|                                                                 | 2025                 | 2026                 | \$ Inc(Dec)                  | % Change                     |
|                                                                 | Budget               | Budget               | 2026 Budget<br>v 2025 Budget | 2026 Budget<br>v 2025 Budget |
| <b>Funding</b>                                                  |                      |                      |                              |                              |
| <b>NERC Funding</b>                                             |                      |                      |                              |                              |
| NERC Assessments                                                | \$ 29,980,100        | \$ 31,417,356        | \$ 1,437,256                 |                              |
| Penalties Released                                              | -                    | -                    | -                            |                              |
| <b>Total NERC Funding</b>                                       | <b>\$ 29,980,100</b> | <b>\$ 31,417,356</b> | <b>\$ 1,437,256</b>          | <b>4.8%</b>                  |
| Third-Party Funding                                             | \$ -                 | \$ -                 | \$ -                         |                              |
| Testing, Renewal, & Continuing Ed Fees                          | -                    | -                    | -                            |                              |
| Services & Software                                             | -                    | -                    | -                            |                              |
| Miscellaneous                                                   | 520,000              | 520,000              | -                            |                              |
| Interest & Investment Income                                    | 232,291              | 360,594              | 128,303                      |                              |
| <b>Total Funding (A)</b>                                        | <b>\$ 30,732,391</b> | <b>\$ 32,297,950</b> | <b>\$ 1,565,559</b>          | <b>5.1%</b>                  |
| <b>Expenses</b>                                                 |                      |                      |                              |                              |
| <b>Personnel Expenses</b>                                       |                      |                      |                              |                              |
| Salaries                                                        | \$ 9,507,796         | \$ 9,912,194         | \$ 404,399                   |                              |
| Payroll Taxes                                                   | 499,751              | 654,607              | 154,856                      |                              |
| Benefits                                                        | 1,360,651            | 1,334,265            | (26,386)                     |                              |
| Retirement Costs                                                | 1,026,354            | 1,068,201            | 41,847                       |                              |
| <b>Total Personnel Expenses</b>                                 | <b>\$ 12,394,552</b> | <b>\$ 12,969,268</b> | <b>\$ 574,716</b>            | <b>4.6%</b>                  |
| <b>Meetings &amp; Travel Expenses</b>                           |                      |                      |                              |                              |
| Meetings & Conference Calls                                     | \$ 24,254            | \$ 74,036            | \$ 49,782                    |                              |
| Travel                                                          | 280,421              | 437,065              | 156,644                      |                              |
| <b>Total Meetings &amp; Travel Expenses</b>                     | <b>\$ 304,675</b>    | <b>\$ 511,101</b>    | <b>\$ 206,426</b>            | <b>67.8%</b>                 |
| <b>Operating Expenses, excluding Depreciation</b>               |                      |                      |                              |                              |
| Contractors & Consultants                                       | \$ 2,975,205         | \$ 2,863,583         | \$ (111,622)                 |                              |
| Office Rent                                                     | -                    | -                    | -                            |                              |
| Office Costs                                                    | 1,390,439            | 1,401,132            | 10,693                       |                              |
| Professional Services                                           | -                    | -                    | -                            |                              |
| Miscellaneous                                                   | 18,128               | 9,800                | (8,328)                      |                              |
| <b>Total Operating Expenses, excluding Depreciation</b>         | <b>\$ 4,383,772</b>  | <b>\$ 4,274,515</b>  | <b>\$ (109,257)</b>          | <b>-2.5%</b>                 |
| <b>Total Direct Expenses</b>                                    | <b>\$ 17,082,998</b> | <b>\$ 17,754,883</b> | <b>\$ 671,885</b>            | <b>3.9%</b>                  |
| <b>Indirect Expenses</b>                                        | <b>\$ 13,315,396</b> | <b>\$ 13,795,918</b> | <b>\$ 480,521</b>            | <b>3.6%</b>                  |
| <b>Other Non-Operating Expenses</b>                             | <b>\$ 2,194</b>      | <b>\$ 1,712</b>      | <b>\$ (482)</b>              | <b>-22.0%</b>                |
| <b>Total Expenses (B)</b>                                       | <b>\$ 30,400,589</b> | <b>\$ 31,552,513</b> | <b>\$ 1,151,924</b>          | <b>3.8%</b>                  |
| <b>Change in Net Assets (=A-B)</b>                              | <b>\$ 331,803</b>    | <b>\$ 745,437</b>    | <b>\$ 413,635</b>            |                              |
| <b>Fixed Asset Additions, excluding Right of Use Assets (C)</b> | <b>\$ 466,200</b>    | <b>\$ 775,708</b>    | <b>\$ 309,507</b>            | <b>66.4%</b>                 |
| <b>Financing Activity</b>                                       |                      |                      |                              |                              |
| Loan or Financing Lease - Borrowing (-)                         | \$ (380,001)         | \$ (257,802)         | \$ 122,199                   |                              |
| Loan or Financing Lease - Principal Payments (+)                | 245,603              | 227,531              | (18,072)                     |                              |
| <b>Net Financing Activity (D)</b>                               | <b>\$ (134,398)</b>  | <b>\$ (30,270)</b>   | <b>\$ 104,127</b>            | <b>-77.5%</b>                |
| <b>Total Budget (=B+C+D)</b>                                    | <b>\$ 30,732,391</b> | <b>\$ 32,297,950</b> | <b>\$ 1,565,559</b>          | <b>5.1%</b>                  |
| <b>Change in Working Capital (=A-B-C-D)</b>                     | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>                  |                              |
| <b>FTEs</b>                                                     | <b>43.58</b>         | <b>46.37</b>         | <b>2.79</b>                  | <b>6.4%</b>                  |

| Statement of Activities and Fixed Asset Additions               |                      |                      |                              |                              |
|-----------------------------------------------------------------|----------------------|----------------------|------------------------------|------------------------------|
| 2025 Budge and 2026 Budget                                      |                      |                      |                              |                              |
| CRISP Only                                                      |                      |                      |                              |                              |
|                                                                 | 2025                 | 2026                 | \$ Inc(Dec)                  | % Change                     |
|                                                                 | Budget               | Budget               | 2026 Budget<br>v 2025 Budget | 2026 Budget<br>v 2025 Budget |
| <b>Funding</b>                                                  |                      |                      |                              |                              |
| <b>NERC Funding</b>                                             |                      |                      |                              |                              |
| NERC Assessments                                                | \$ 2,479,682         | \$ 2,478,658         | \$ (1,023)                   |                              |
| Penalties Released                                              | -                    | -                    | -                            |                              |
| <b>Total NERC Funding</b>                                       | <b>\$ 2,479,682</b>  | <b>\$ 2,478,658</b>  | <b>\$ (1,023)</b>            | <b>0.0%</b>                  |
| Third-Party Funding                                             | \$ 10,223,011        | \$ 10,045,143        | \$ (177,868)                 |                              |
| Testing, Renewal, & Continuing Ed Fees                          | -                    | -                    | -                            |                              |
| Services & Software                                             | -                    | -                    | -                            |                              |
| Miscellaneous                                                   | 60,000               | 60,000               | -                            |                              |
| Interest & Investment Income                                    | 300,000              | 300,000              | -                            |                              |
| <b>Total Funding (A)</b>                                        | <b>\$ 13,062,692</b> | <b>\$ 12,883,801</b> | <b>\$ (178,891)</b>          | <b>-1.4%</b>                 |
| <b>Expenses</b>                                                 |                      |                      |                              |                              |
| <b>Personnel Expenses</b>                                       |                      |                      |                              |                              |
| Salaries                                                        | \$ 1,184,267         | \$ 1,160,521         | \$ (23,747)                  |                              |
| Payroll Taxes                                                   | 70,013               | 85,836               | 15,823                       |                              |
| Benefits                                                        | 252,999              | 214,842              | (38,157)                     |                              |
| Retirement Costs                                                | 130,225              | 127,990              | (2,236)                      |                              |
| <b>Total Personnel Expenses</b>                                 | <b>\$ 1,637,505</b>  | <b>\$ 1,589,188</b>  | <b>\$ (48,317)</b>           | <b>-3.0%</b>                 |
| <b>Meetings &amp; Travel Expenses</b>                           |                      |                      |                              |                              |
| Meetings & Conference Calls                                     | \$ 130,000           | \$ 211,000           | \$ 81,000                    |                              |
| Travel                                                          | 45,000               | 47,489               | 2,489                        |                              |
| <b>Total Meetings &amp; Travel Expenses</b>                     | <b>\$ 175,000</b>    | <b>\$ 258,489</b>    | <b>\$ 83,489</b>             | <b>47.7%</b>                 |
| <b>Operating Expenses, excluding Depreciation</b>               |                      |                      |                              |                              |
| Contractors & Consultants                                       | \$ 8,068,329         | \$ 8,110,585         | \$ 42,256                    |                              |
| Office Rent                                                     | -                    | -                    | -                            |                              |
| Office Costs                                                    | 556,340              | 499,102              | (57,238)                     |                              |
| Professional Services                                           | 480,000              | 385,000              | (95,000)                     |                              |
| Miscellaneous                                                   | 900                  | 950                  | 50                           |                              |
| <b>Total Operating Expenses, excluding Depreciation</b>         | <b>\$ 9,105,569</b>  | <b>\$ 8,995,637</b>  | <b>\$ (109,932)</b>          | <b>-1.2%</b>                 |
| <b>Total Direct Expenses</b>                                    | <b>\$ 10,918,074</b> | <b>\$ 10,843,314</b> | <b>\$ (74,760)</b>           | <b>-0.7%</b>                 |
| <b>Indirect Expenses</b>                                        | <b>\$ 1,948,547</b>  | <b>\$ 1,865,371</b>  | <b>\$ (83,176)</b>           | <b>-4.3%</b>                 |
| <b>Other Non-Operating Expenses</b>                             | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>                  | <b>0.0%</b>                  |
| <b>Total Expenses (B)</b>                                       | <b>\$ 12,866,622</b> | <b>\$ 12,708,686</b> | <b>\$ (157,936)</b>          | <b>-1.2%</b>                 |
| <b>Change in Net Assets (=A-B)</b>                              | <b>\$ 196,071</b>    | <b>\$ 175,115</b>    | <b>\$ (20,955)</b>           |                              |
| <b>Fixed Asset Additions, excluding Right of Use Assets (C)</b> | <b>\$ 213,399</b>    | <b>\$ 179,885</b>    | <b>\$ (33,514)</b>           | <b>-15.7%</b>                |
| <b>Financing Activity</b>                                       |                      |                      |                              |                              |
| Loan or Financing Lease - Borrowing (-)                         | \$ (52,536)          | \$ (34,858)          | \$ 17,679                    |                              |
| Loan or Financing Lease - Principal Payments (+)                | 35,208               | 30,088               | (5,119)                      |                              |
| <b>Net Financing Activity (D)</b>                               | <b>\$ (17,329)</b>   | <b>\$ (4,769)</b>    | <b>\$ 12,559</b>             | <b>-72.5%</b>                |
| <b>Total Budget (=B+C+D)</b>                                    | <b>\$ 13,062,692</b> | <b>\$ 12,883,801</b> | <b>\$ (178,891)</b>          | <b>-1.4%</b>                 |
| <b>Change in Working Capital (=A-B-C-D)</b>                     | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>                  |                              |
| <b>FTEs</b>                                                     | <b>6.40</b>          | <b>6.27</b>          | <b>(0.13)</b>                | <b>-2.0%</b>                 |

## Personnel Certification and Credential Maintenance

### Purpose and Scope

The Personnel Certification and Credential Maintenance group oversees the System Operator Certification and Credential Maintenance programs that promote reliability of the North American bulk power system (BPS) by ensuring that system operators maintain their required credentials to work in system control centers across North America. NERC's system operator certification exam tests specific knowledge of job skills and Reliability Standards and also prepares operators to handle the BPS during normal and emergency operations. Certification is maintained by completing NERC-approved Credential Maintenance Program courses and activities.

The Personnel Certification Governance Committee (PCGC) is a NERC standing committee that provides oversight to implement and maintain the integrity and independence of the NERC System Operator Certification Program. The Credential Maintenance Working Group reports to the PCGC and is responsible for developing and maintaining the Credential Maintenance Program under the general guidelines set by the PCGC. The PCGC's Exam Working Group, which consists of subject matter experts from all regions of North America, is responsible for doing an extensive job analysis survey of certified operators across the industry, which provides the basis for the exams. NERC contracts with psychometric consultants who assist a working group of certified system operators in the development and maintenance of each exam.

The System Operator Certification and Credential Maintenance programs are completely self-funded through exam and continuing education provider fees, and the PCGC oversees the programs' budgets. More information on the [System Operator Certification and Credential Maintenance Program](#) is available on the NERC website.

### 2026 Areas of Focus

Key areas of focus for Personnel Certification and Credential Maintenance include:

- Upgrading the System Operator Certification Continuing Education Database (SOCCED) base platform
- Beginning work to implement program changes

### 2026 Resource Requirements

There are no changes to full-time equivalents (FTEs) from the 2025 budget to the 2026 budget for Personnel Certification and Credential Maintenance. The Contractors & Consultants budget includes support for exam testing and development and credential maintenance audit and review services. Information related to resource requirements is also discussed and illustrated in the *Personnel Analysis and Expenses* and *Contractors and Consultants* sections on pages 18–21.

### 2026 Technology Requirements

The Office Costs budget includes software licenses and support for SOCCED. The Fixed Assets Additions budget includes funds to upgrade the SOCCED platform, which is budgeted to be financed by a loan.

The Statement of Activities report for Personnel Certification and Credential Maintenance is provided below. This report shows funding, expenses, and financing activity for the 2026 budget year and 2025 budget year to show year-over-year changes. Any significant cost changes from 2025 to 2026 are discussed in the *Major Budget Increase Drivers by Program* section on pages 16–18.

| Statement of Activities and Fixed Asset Additions               |                     |                     |                              |                              |
|-----------------------------------------------------------------|---------------------|---------------------|------------------------------|------------------------------|
| 2025 Budget and 2026 Budget                                     |                     |                     |                              |                              |
| Personnel Certification and Credential Maintenance              |                     |                     |                              |                              |
|                                                                 | 2025                | 2026                | \$ Inc(Dec)                  | % Change                     |
|                                                                 | Budget              | Budget              | 2026 Budget<br>v 2025 Budget | 2026 Budget<br>v 2025 Budget |
| <b>Funding</b>                                                  |                     |                     |                              |                              |
| <b>NERC Funding</b>                                             |                     |                     |                              |                              |
| NERC Assessments                                                | \$ -                | \$ -                | \$ -                         |                              |
| Penalties Released                                              | -                   | -                   | -                            |                              |
| <b>Total NERC Funding</b>                                       | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>                  | <b>0.0%</b>                  |
| Third-Party Funding                                             | \$ -                | \$ -                | \$ -                         |                              |
| Testing, Renewal, & Continuing Ed Fees                          | 2,576,092           | 2,618,800           | 42,708                       |                              |
| Services & Software                                             | -                   | -                   | -                            |                              |
| Miscellaneous                                                   | -                   | -                   | -                            |                              |
| Interest & Investment Income                                    | 50,000              | 50,000              | -                            |                              |
| <b>Total Funding (A)</b>                                        | <b>\$ 2,626,092</b> | <b>\$ 2,668,800</b> | <b>\$ 42,708</b>             | <b>1.6%</b>                  |
| <b>Expenses</b>                                                 |                     |                     |                              |                              |
| <b>Personnel Expenses</b>                                       |                     |                     |                              |                              |
| Salaries                                                        | \$ 404,564          | \$ 413,983          | \$ 9,419                     |                              |
| Payroll Taxes                                                   | 27,868              | 31,732              | 3,864                        |                              |
| Benefits                                                        | 48,292              | 62,828              | 14,536                       |                              |
| Retirement Costs                                                | 44,971              | 45,754              | 783                          |                              |
| <b>Total Personnel Expenses</b>                                 | <b>\$ 525,694</b>   | <b>\$ 554,297</b>   | <b>\$ 28,603</b>             | <b>5.4%</b>                  |
| <b>Meetings &amp; Travel Expenses</b>                           |                     |                     |                              |                              |
| Meetings & Conference Calls                                     | \$ 40,000           | \$ 61,000           | \$ 21,000                    |                              |
| Travel                                                          | 10,600              | 12,723              | 2,123                        |                              |
| <b>Total Meetings &amp; Travel Expenses</b>                     | <b>\$ 50,600</b>    | <b>\$ 73,723</b>    | <b>\$ 23,123</b>             | <b>45.7%</b>                 |
| <b>Operating Expenses, excluding Depreciation</b>               |                     |                     |                              |                              |
| Contractors & Consultants                                       | \$ 425,078          | \$ 432,978          | \$ 7,900                     |                              |
| Office Rent                                                     | -                   | -                   | -                            |                              |
| Office Costs                                                    | 266,159             | 292,837             | 26,678                       |                              |
| Professional Services                                           | -                   | -                   | -                            |                              |
| Miscellaneous                                                   | 300                 | 300                 | -                            |                              |
| <b>Total Operating Expenses, excluding Depreciation</b>         | <b>\$ 691,537</b>   | <b>\$ 726,115</b>   | <b>\$ 34,578</b>             | <b>5.0%</b>                  |
| <b>Total Direct Expenses</b>                                    | <b>\$ 1,267,831</b> | <b>\$ 1,354,135</b> | <b>\$ 86,304</b>             | <b>6.8%</b>                  |
| <b>Indirect Expenses</b>                                        | <b>\$ 871,161</b>   | <b>\$ 852,981</b>   | <b>\$ (18,180)</b>           | <b>-2.1%</b>                 |
| <b>Other Non-Operating Expenses</b>                             | <b>\$ 30,900</b>    | <b>\$ 53,584</b>    | <b>\$ 22,684</b>             | <b>73.4%</b>                 |
| <b>Total Expenses (B)</b>                                       | <b>\$ 2,169,892</b> | <b>\$ 2,260,700</b> | <b>\$ 90,807</b>             | <b>4.2%</b>                  |
| <b>Change in Net Assets (=A-B)</b>                              | <b>\$ 456,200</b>   | <b>\$ 408,100</b>   | <b>\$ (48,099)</b>           |                              |
| <b>Fixed Asset Additions, excluding Right of Use Assets (C)</b> | <b>\$ 828,346</b>   | <b>\$ 647,961</b>   | <b>\$ (180,385)</b>          | <b>-21.8%</b>                |
| <b>Financing Activity</b>                                       |                     |                     |                              |                              |
| Loan or Financing Lease - Borrowing (-)                         | \$ (823,489)        | \$ (615,939)        | \$ 207,550                   |                              |
| Loan or Financing Lease - Principal Payments (+)                | 82,169              | 13,758              | (68,411)                     |                              |
| <b>Net Financing Activity (D)</b>                               | <b>\$ (741,321)</b> | <b>\$ (602,181)</b> | <b>\$ 139,139</b>            | <b>-18.8%</b>                |
| <b>Total Budget (=B+C+D)</b>                                    | <b>\$ 2,256,918</b> | <b>\$ 2,306,479</b> | <b>\$ 49,561</b>             | <b>2.2%</b>                  |
| <b>Change in Working Capital (=A-B-C-D)</b>                     | <b>\$ 369,174</b>   | <b>\$ 362,321</b>   | <b>\$ (6,853)</b>            |                              |
| <b>FTEs</b>                                                     | <b>2.87</b>         | <b>2.87</b>         | <b>0.00</b>                  | <b>0.0%</b>                  |

## Training and Education

### Purpose and Scope

Section 901 of the NERC Rules of Procedure acknowledges the need to acquire and sustain informed, knowledgeable, and skilled personnel to assure the reliable operation of the North American Bulk Power System (BPS). The Training and Education group facilitates the learning and development of NERC and ERO Enterprise staff, as well as BPS industry participants.<sup>16</sup> The program oversees and coordinates learning resources that support the increase of knowledge and skills among stakeholders. Learners are typically engaged through learning events and products and resources, such as custom-made and off-the-shelf interactive self-paced e-learning modules, video-based learning, and in-person and live-webinar instructor-led training.

### 2026 Areas of Focus

Key areas of focus for Training and Education include support related to:

- Leadership development, new hire orientation, and confidential information training
- Events, including annual ERO Enterprise CMEP Staff Workshop and preparation for GridEx
- Training materials related to new technology systems

### 2026 Resource Requirements

There are no changes to full-time equivalents (FTEs) from the 2025 budget to the 2026 budget for Training and Education. The Contractors & Consultants budget includes support for various training initiatives, including those that specifically support learning for and growth of the ERO Enterprise. Information related to resource requirements is also discussed and illustrated in the *Personnel Analysis and Expenses* and *Contractors and Consultants* sections on pages 18–21.

### 2026 Technology Requirements

The majority of the Office Costs budget is related to software licenses and support for the learning management system content and platform.

The Statement of Activities report for Training and Education is provided below. This report shows funding, expenses, and financing activity for the 2026 budget year and 2025 budget year to show year-over-year changes. Any significant cost changes from 2025 to 2026 are discussed in the *Major Budget Increase Drivers by Program* section on pages 16–18.

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<sup>16</sup> NERC's Human Resources budget includes funding for general NERC employee training and development.

| Statement of Activities and Fixed Asset Additions               |                     |                     |                              |                              |
|-----------------------------------------------------------------|---------------------|---------------------|------------------------------|------------------------------|
| 2025 Budget and 2026 Budget                                     |                     |                     |                              |                              |
| Training and Education                                          |                     |                     |                              |                              |
|                                                                 | 2025                | 2026                | \$ Inc(Dec)                  | % Change                     |
|                                                                 | Budget              | Budget              | 2026 Budget<br>v 2025 Budget | 2026 Budget<br>v 2025 Budget |
| <b>Funding</b>                                                  |                     |                     |                              |                              |
| <b>NERC Funding</b>                                             |                     |                     |                              |                              |
| NERC Assessments                                                | \$ 1,187,355        | \$ 1,180,685        | \$ (6,670)                   |                              |
| Penalties Released                                              | -                   | -                   | -                            |                              |
| <b>Total NERC Funding</b>                                       | <b>\$ 1,187,355</b> | <b>\$ 1,180,685</b> | <b>\$ (6,670)</b>            | <b>-0.6%</b>                 |
| Third-Party Funding                                             | \$ -                | \$ -                | \$ -                         |                              |
| Testing, Renewal, & Continuing Ed Fees                          | -                   | -                   | -                            |                              |
| Services & Software                                             | -                   | -                   | -                            |                              |
| Miscellaneous                                                   | -                   | -                   | -                            |                              |
| Interest & Investment Income                                    | 9,967               | 14,620              | 4,653                        |                              |
| <b>Total Funding (A)</b>                                        | <b>\$ 1,197,322</b> | <b>\$ 1,195,305</b> | <b>\$ (2,017)</b>            | <b>-0.2%</b>                 |
| <b>Expenses</b>                                                 |                     |                     |                              |                              |
| <b>Personnel Expenses</b>                                       |                     |                     |                              |                              |
| Salaries                                                        | \$ 282,500          | \$ 297,715          | \$ 15,216                    |                              |
| Payroll Taxes                                                   | 19,607              | 24,552              | 4,944                        |                              |
| Benefits                                                        | 51,117              | 52,493              | 1,376                        |                              |
| Retirement Costs                                                | 31,738              | 33,447              | 1,709                        |                              |
| <b>Total Personnel Expenses</b>                                 | <b>\$ 384,961</b>   | <b>\$ 408,207</b>   | <b>\$ 23,246</b>             | <b>6.0%</b>                  |
| <b>Meetings &amp; Travel Expenses</b>                           |                     |                     |                              |                              |
| Meetings & Conference Calls                                     | \$ 2,000            | \$ 2,000            | \$ -                         |                              |
| Travel                                                          | 3,500               | 2,987               | (513)                        |                              |
| <b>Total Meetings &amp; Travel Expenses</b>                     | <b>\$ 5,500</b>     | <b>\$ 4,987</b>     | <b>\$ (513)</b>              | <b>-9.3%</b>                 |
| <b>Operating Expenses, excluding Depreciation</b>               |                     |                     |                              |                              |
| Contractors & Consultants                                       | \$ 90,000           | \$ 60,000           | \$ (30,000)                  |                              |
| Office Rent                                                     | -                   | -                   | -                            |                              |
| Office Costs                                                    | 131,400             | 132,059             | 659                          |                              |
| Professional Services                                           | -                   | -                   | -                            |                              |
| Miscellaneous                                                   | 700                 | 700                 | -                            |                              |
| <b>Total Operating Expenses, excluding Depreciation</b>         | <b>\$ 222,100</b>   | <b>\$ 192,759</b>   | <b>\$ (29,341)</b>           | <b>-13.2%</b>                |
| <b>Total Direct Expenses</b>                                    | <b>\$ 612,561</b>   | <b>\$ 605,953</b>   | <b>\$ (6,608)</b>            | <b>-1.1%</b>                 |
| <b>Indirect Expenses</b>                                        | <b>\$ 571,253</b>   | <b>\$ 559,332</b>   | <b>\$ (11,921)</b>           | <b>-2.1%</b>                 |
| <b>Other Non-Operating Expenses</b>                             | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>                  | <b>0.0%</b>                  |
| <b>Total Expenses (B)</b>                                       | <b>\$ 1,183,815</b> | <b>\$ 1,165,285</b> | <b>\$ (18,529)</b>           | <b>-1.6%</b>                 |
| <b>Change in Net Assets (=A-B)</b>                              | <b>\$ 13,507</b>    | <b>\$ 30,020</b>    | <b>\$ 16,512</b>             |                              |
| <b>Fixed Asset Additions, excluding Right of Use Assets (C)</b> | <b>\$ 18,588</b>    | <b>\$ 31,450</b>    | <b>\$ 12,862</b>             | <b>69.2%</b>                 |
| <b>Financing Activity</b>                                       |                     |                     |                              |                              |
| Loan or Financing Lease - Borrowing (-)                         | \$ (15,403)         | \$ (10,452)         | \$ 4,951                     |                              |
| Loan or Financing Lease - Principal Payments (+)                | 10,322              | 9,022               | (1,300)                      |                              |
| <b>Net Financing Activity (D)</b>                               | <b>\$ (5,080)</b>   | <b>\$ (1,430)</b>   | <b>\$ 3,650</b>              | <b>-71.9%</b>                |
| <b>Total Budget (=B+C+D)</b>                                    | <b>\$ 1,197,322</b> | <b>\$ 1,195,305</b> | <b>\$ (2,017)</b>            | <b>-0.2%</b>                 |
| <b>Change in Working Capital (=A-B-C-D)</b>                     | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>                  |                              |
| <b>FTEs</b>                                                     | <b>1.88</b>         | <b>1.88</b>         | <b>0.00</b>                  | <b>0.0%</b>                  |

## Corporate Services

### Scope and Functional Description

NERC's Corporate Services area includes the budget for all business and administrative functions of the organization, including (1) General & Administrative; (2) Legal and Regulatory; (3) Business Technology; (4) Human Resources (HR) and Administration; (5) Finance and Accounting; and (6) other general expenses necessary to support statutory program activities.

The Corporate Services department budgets include the same cost categories as the statutory program departments, including personnel, contractors and consultants, meetings and travel, office costs, professional services, fixed asset additions (fixed assets), and financing activity. These costs support NERC on the organizational level. If it is identified that a Corporate Services function provides dedicated support or manages investments that materially and quantifiably benefit a certain statutory program department, those associated costs are budgeted in the applicable statutory program department budget.

### Method for Allocation of Corporate Services Expenses to Programs

Since the activities of the Corporate Services departments support the entire organization, the budgets of the Corporate Services departments are allocated to the statutory program departments using the full time equivalent (FTE) ratio allocation method. The FTE ratio allocation method uses a percentage calculation of the number of FTEs in each statutory program department divided by the total statutory program department FTEs. This calculated percentage is used for the following allocations from the Corporate Services departments to the statutory program departments:

- Interest and Investment Income. The Cybersecurity Risk Information Sharing Program (CRISP) and the System Operator Certification program are excluded from the investment income allocation since these programs earn investment income from funds directly generated by their program.
- Miscellaneous Funding
- Direct and Non-Operating Expenses
- Fixed Assets
- Financing Activity

| Corporate Services<br>(in whole dollars) |                                                         |                      |                        |                |                |                        |
|------------------------------------------|---------------------------------------------------------|----------------------|------------------------|----------------|----------------|------------------------|
|                                          | Direct Expenses, Fixed Assets, & Net Financing Activity |                      |                        | FTEs           |                |                        |
|                                          | 2025 Budget                                             | 2026 Budget          | Increase<br>(Decrease) | 2025<br>Budget | 2026<br>Budget | Increase<br>(Decrease) |
| General & Administrative                 | \$ 14,559,253                                           | \$ 13,939,217        | \$ (620,036)           | 19.74          | 21.62          | 1.88                   |
| Legal & Regulatory                       | 6,010,019                                               | 5,852,487            | (157,532)              | 15.98          | 15.98          | -                      |
| Business Technology                      | 23,512,429                                              | 26,328,988           | 2,816,559              | 34.94          | 35.72          | 0.78                   |
| Human Resources & Administration         | 5,154,952                                               | 5,201,994            | 47,042                 | 12.22          | 11.28          | (0.94)                 |
| Finance & Accounting                     | 3,539,022                                               | 4,092,067            | 553,045                | 11.28          | 11.28          | -                      |
| <b>Total Corporate Services</b>          | <b>\$ 52,775,675</b>                                    | <b>\$ 55,414,753</b> | <b>\$ 2,639,078</b>    | <b>94.16</b>   | <b>95.88</b>   | <b>1.72</b>            |

### General and Administrative

The General and Administrative (G&A) area is responsible for the administration and general management of the organization. Expenses in this area include office rent, as well as personnel and related costs for (1) the Chief Executive Officer (CEO) and support staff and the Chief Operating Officer (COO); (2) the External Affairs department; and (3) Board of Trustees (Board) costs.

## External Affairs

The External Affairs department includes staff who are focused on the following areas: (1) leading NERC's strategic planning activities and outreach and engagement efforts; (2) addressing matters that arise in legislative and regulatory arenas and managing outreach to government officials at the state, federal, and provincial levels; (2) serving as the liaison with government entities and industry stakeholders in the United States, Mexico, and Canada; (3) managing all external communications that support NERC initiatives, including media coordination, development of messaging and announcements, the NERC website, social media, and other outreach, as well as facilitating consistent messaging internally and across the ERO Enterprise; (4) editing and design of all NERC publications; and (5) support for the Member Representatives Committee and the ERO Enterprise Executive Leadership Team.

## Board Costs

The following table details the Board costs included in the total G&A expenses.

| Board of Trustee Expenses   | 2025<br>Budget | 2026<br>Budget | Increase (Decrease) |  |       |
|-----------------------------|----------------|----------------|---------------------|--|-------|
| Meeting and Travel Expenses |                |                |                     |  |       |
| Quarterly Board Meetings    | \$ 250,000     | \$ 250,000     | \$ -                |  | 0.0%  |
| Trustee Travel              | 180,000        | 170,000        | (10,000)            |  | -5.6% |
| Total                       | \$ 430,000     | \$ 420,000     | \$ (10,000)         |  | -2.3% |
| Professional Services       |                |                |                     |  |       |
| Independent Trustee Fees    | \$ 1,667,500   | \$ 1,927,500   | \$ 260,000          |  | 15.6% |
| Trustee Search Fees         | 100,000        | 100,000        | -                   |  | 0.0%  |
| Total                       | \$ 1,767,500   | \$ 2,027,500   | \$ 260,000          |  | 14.7% |
| Total                       | \$ 2,197,500   | \$ 2,447,500   | \$ 250,000          |  | 11.4% |

The increase for Independent Trustee Fees is due to the increase in trustee compensation, which is based on the independent study on trustee compensation completed by Meridian Compensation Partners and approved by the Board in December 2024, and the Board's annual review of trustee compensation.

## Legal and Regulatory

The Legal and Regulatory department supports the NERC statutory program and corporate services departments and is responsible for providing a wide range of governance and legal support regarding corporate, commercial, insurance, contract, employment, antitrust, real estate, copyright, tax, legislation, and other legal matters. The department also addresses legal and regulatory matters that arise in connection with NERC's role as the ERO and the delegation agreements with the Regional Entities. Additionally, the Legal and Regulatory department includes the Internal Audit and Corporate Risk Management functions, explained further below.

## Internal Audit

The Internal Audit group performs independent, objective assurance activities (i.e., audits and advisory reviews) over financial, operational, legal, regulatory, and compliance processes and programs designed to add value and improve NERC and Regional Entity operations and the internal control environment. The activities ensure that (1) risks are appropriately identified, managed, and monitored across NERC and the ERO Enterprise; (2) internal control systems are adequately promoted and are effectively functioning; and (3) significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the Board are reported. In addition, Internal Audit engages with NERC's Compliance and Certification Committee to collaborate on monitoring of the ERO Enterprise as contemplated by Sections 406, 506, and Appendix 4A of the NERC Rules of Procedure.



### **Corporate Risk Management**

The Corporate Risk Management (CRM) area focuses on ERO Enterprise corporate compliance, Enterprise Risk Management and information governance. CRM also works with the Regional Entities to enhance the ERO Enterprise-wide corporate risk identification and risk mitigation efforts, resulting in more streamlined and coordinated reports and harmonized assessment of ERO Enterprise risks and processes. CRM also manages NERC's corporate insurance programs and renewals.

### **Business Technology**

NERC's Business (Information) Technology department provides the technology and management needed for the organization to maintain daily operations and meet ERO statutory obligations, including applications and infrastructure leveraged by the ERO Enterprise and registered entities. The Business Technology department includes a Project Management Office (PMO) that provides project management skills and leadership for major ERO Enterprise and NERC business technology projects. NERC's Business Technology department focuses on five key areas: cyber security, NERC infrastructure support, the Electricity Information Sharing and Analysis Center (E-ISAC), ERO Enterprise application and infrastructure support, and ERO Enterprise new functionality.<sup>17</sup> Business Technology manages NERC's overall Technology Strategy, which is discussed in more detail in the *2026 Business Plan and Budget Overview* section.

### **HR and Administration**

The HR and Administration department performs activities related to payroll, benefits and retirement plan administration, employee relations, performance and compensation management, succession planning, leadership and employee development, facilities management, business operations, process improvement, and meeting planning and coordination. HR manages NERC's overall People Strategy, which is designed to create an employee experience for an evolving workforce and attracts, retains, and engages top talent by supporting a more sustainable organization. This strategy is intended to ensure NERC has the talent to achieve its mission. A critical component to NERC's people strategy is workforce planning, which is discussed in more detail in the *2026 Business Plan and Budget Overview* section.

### **Finance and Accounting**

NERC Finance & Accounting (F&A) manages all finance and accounting functions, including accounts payable and receivable, assessment and CRISP billing, travel and expense reporting, budget management, financial reporting, procurement, supplier contract management and administration, coordination of the annual independent financial statement audit and Form 990, and property, sales, and use tax returns. This area also has primary responsibility to develop the annual business plan and budget and associated stakeholder outreach efforts. F&A manages systems, policies, procedures, and controls governing day-to-day practices, including procurement, expense reimbursement, and financial systems.

### **2026 Areas of Focus**

Key areas of focus for Corporate Services include:

- Elevating NERC's strategic planning process and outreach and engagement activities to address a diverse stakeholder base and transforming industry

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<sup>17</sup> The E-ISAC is a specific area of focus for the Business Technology department given the amount of human and technology resources need to support the E-ISAC's critical mission to provide quality analysis and rapid sharing of security information on how to mitigate complex, constantly evolving threats to the grid. However, as discussed in the Corporate Services Scope and Functional Description section above, to the extent that any costs are primarily incurred to support the E-ISAC, those costs are directly assigned to the E-ISAC's budget.

- Continuing to enhance communication efforts across the ERO Enterprise to better educate, inform, and engage current stakeholders, as well as working with subject matter experts to identify and attract new stakeholder groups
- Maturing internal assurance programs, including internal audit, risk management, and contingency planning
- Implementing and supporting adaptable and sustainable technology and enhancing cyber security to focus on prevention, detection, and mitigation
- Increasing sustainability in the HR and Finance and Accounting areas by continuing to develop robust workforce planning, talent management, and procurement processes, with a continued focus on improved efficiency and enhanced controls through system automation

## 2026 Resource Requirements

Corporate Services is increasing by 1.72 FTEs, which is attributed to an increase in support in External Affairs to support strategic engagement initiatives. The Contractors and Consultants budget includes various support and consulting needs across the Corporate Services departments, with the largest investments in Business Technology and HR and Administration. This includes support for Business Technology related to applications and infrastructure, data analytics, cyber security, and the PMO, as well as HR functional services, such as executive coaching, leadership training, payroll processing, and administrative support. Additional contractor and consultant expenses in the Corporate Services area include executive consulting, communications and government affairs support, and system administration and other general support for Finance and Accounting activities. Information related to resource requirements is also discussed and illustrated in the *Personnel Analysis and Expenses* and *Contractors and Consultants* sections on pages 18–21.

## 2026 Technology Requirements

The majority of the Office Costs budget is related to software licenses and support for the Corporate Services departments, especially in Business Technology for the software required to support the ERO Enterprise applications and infrastructure and cyber security daily operations. The Fixed Asset Additions budget includes funding for capital software projects in the Business Technology department that benefit company and ERO Enterprise operations, including platform upgrades, an enterprise analytics environment, the next phase of the NERC website, investments in engagement and collaboration tools, and equipment replacements and upgrades to support operational sustainability.

The Statement of Activities report for Corporate Services is provided below. This report shows funding, expenses, and financing activity for the 2026 budget year and 2025 budget year to show year-over-year changes. Significant cost changes from 2025 to 2026 include the following:

- Increase in Personnel costs due to the personnel assumptions related to the People Strategy discussed in the *2026 Business Plan and Budget Overview* section, including an increase of FTEs.
- Decrease in Office Rent due to the decision to discontinue a long-term office lease in Atlanta when the current lease expires in October 2025, which is partially offset by annual rent escalation in the Washington DC office lease.
- Increase in Contractors and Consultants expenses, primarily in support of efforts related to the Technology Strategy discussed in the *2026 Business Plan and Budget Overview* section, as well as additional support needs for government and regulatory affairs and Finance and Accounting system administration.

- Increase in Fixed Asset Additions due to anticipated capitalized software expenditures related to enhancements for the modernized NERC website, analytics and Artificial Intelligence environment initiatives, as well as other necessary system and enhancements and upgrades, and equipment refreshes and replacements.

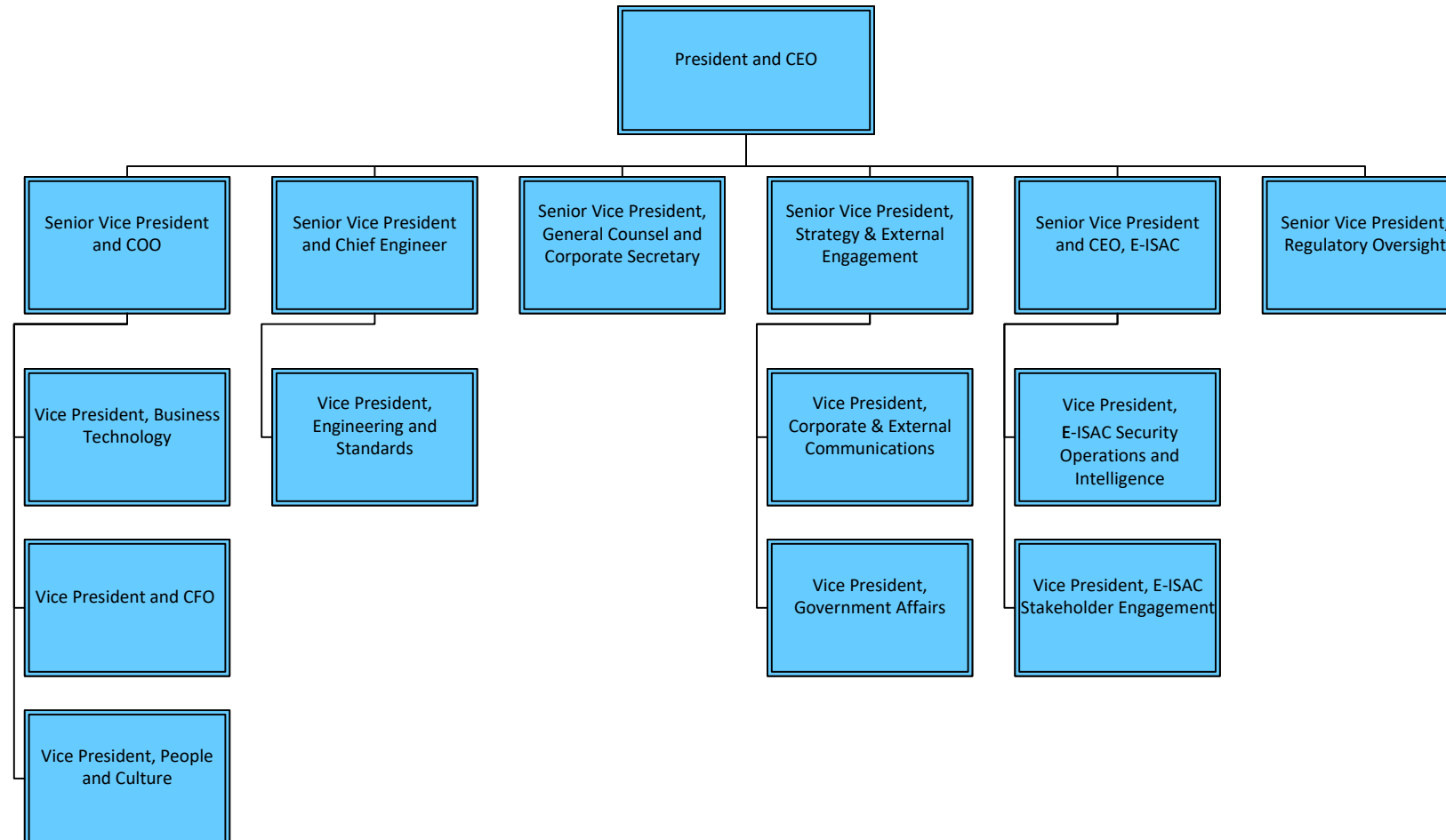
| Statement of Activities and Fixed Asset Additions               |                        |                        |                              |                              |
|-----------------------------------------------------------------|------------------------|------------------------|------------------------------|------------------------------|
| 2025 Budget and 2026 Budget                                     |                        |                        |                              |                              |
| Corporate Services                                              |                        |                        |                              |                              |
|                                                                 | 2025                   | 2026                   | \$ Inc(Dec)                  | % Change                     |
|                                                                 | Budget                 | Budget                 | 2026 Budget<br>v 2025 Budget | 2026 Budget<br>v 2025 Budget |
| <b>Funding</b>                                                  |                        |                        |                              |                              |
| <b>NERC Funding</b>                                             |                        |                        |                              |                              |
| NERC Assessments                                                | \$ (300,000)           | \$ -                   | \$ 300,000                   |                              |
| Penalties Released                                              | -                      | -                      | -                            |                              |
| <b>Total NERC Funding</b>                                       | <b>\$ (300,000)</b>    | <b>\$ -</b>            | <b>\$ 300,000</b>            | <b>-100.0%</b>               |
| Third-Party Funding                                             | \$ -                   | \$ -                   | \$ -                         |                              |
| Testing, Renewal, & Continuing Ed Fees                          | -                      | -                      | -                            |                              |
| Services & Software                                             | -                      | -                      | -                            |                              |
| Miscellaneous                                                   | -                      | -                      | -                            |                              |
| Interest & Investment Income                                    | -                      | -                      | -                            |                              |
| <b>Total Funding (A)</b>                                        | <b>\$ (300,000)</b>    | <b>\$ -</b>            | <b>\$ 300,000</b>            | <b>-100.0%</b>               |
| <b>Expenses</b>                                                 |                        |                        |                              |                              |
| <b>Personnel Expenses</b>                                       |                        |                        |                              |                              |
| Salaries                                                        | \$ 21,454,386          | \$ 22,784,666          | \$ 1,330,280                 |                              |
| Payroll Taxes                                                   | 1,042,285              | 1,348,091              | 305,806                      |                              |
| Benefits                                                        | 2,959,728              | 3,027,213              | 67,485                       |                              |
| Retirement Costs                                                | 2,105,392              | 2,248,546              | 143,154                      |                              |
| <b>Total Personnel Expenses</b>                                 | <b>\$ 27,561,791</b>   | <b>\$ 29,408,516</b>   | <b>\$ 1,846,724</b>          | <b>6.7%</b>                  |
| <b>Meetings &amp; Travel Expenses</b>                           |                        |                        |                              |                              |
| Meetings & Conference Calls                                     | \$ 723,800             | \$ 510,100             | \$ (213,700)                 |                              |
| Travel                                                          | 783,000                | 794,570                | 11,570                       |                              |
| <b>Total Meetings &amp; Travel Expenses</b>                     | <b>\$ 1,506,800</b>    | <b>\$ 1,304,670</b>    | <b>\$ (202,130)</b>          | <b>-13.4%</b>                |
| <b>Operating Expenses, excluding Depreciation</b>               |                        |                        |                              |                              |
| Contractors & Consultants                                       | \$ 7,320,235           | \$ 8,166,500           | \$ 846,265                   |                              |
| Office Rent                                                     | 3,074,867              | 1,638,184              | (1,436,683)                  |                              |
| Office Costs                                                    | 8,538,815              | 8,493,683              | (45,132)                     |                              |
| Professional Services                                           | 3,031,270              | 3,158,150              | 126,880                      |                              |
| Miscellaneous                                                   | 137,750                | 107,750                | (30,000)                     |                              |
| <b>Total Operating Expenses, excluding Depreciation</b>         | <b>\$ 22,102,937</b>   | <b>\$ 21,564,267</b>   | <b>\$ (538,670)</b>          | <b>-2.4%</b>                 |
| <b>Total Direct Expenses</b>                                    | <b>\$ 51,171,528</b>   | <b>\$ 52,277,452</b>   | <b>\$ 1,105,924</b>          | <b>2.2%</b>                  |
| <b>Indirect Expenses</b>                                        | <b>\$ (51,538,519)</b> | <b>\$ (52,577,184)</b> | <b>\$ (1,038,665)</b>        | <b>2.0%</b>                  |
| <b>Other Non-Operating Expenses</b>                             | <b>\$ 366,991</b>      | <b>\$ 299,732</b>      | <b>\$ (67,259)</b>           | <b>-18.3%</b>                |
| <b>Total Expenses (B)</b>                                       | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>                  | <b>0.0%</b>                  |
| <b>Change in Net Assets (=A-B)</b>                              | <b>\$ (300,000)</b>    | <b>\$ -</b>            | <b>\$ 300,000</b>            |                              |
| <b>Fixed Asset Additions, excluding Right of Use Assets (C)</b> | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>                  | <b>0.0%</b>                  |
| <b>Financing Activity</b>                                       |                        |                        |                              |                              |
| Loan or Financing Lease - Borrowing (-)                         | \$ -                   | \$ -                   | \$ -                         |                              |
| Loan or Financing Lease - Principal Payments (+)                | -                      | -                      | -                            |                              |
| <b>Net Financing Activity (D)</b>                               | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>                  | <b>0.0%</b>                  |
| <b>Total Budget (=B+C+D)</b>                                    | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>                  | <b>0.0%</b>                  |
| <b>Change in Working Capital (=A-B-C-D)</b>                     | <b>\$ (300,000)</b>    | <b>\$ -</b>            | <b>\$ 300,000</b>            |                              |
| <b>FTEs</b>                                                     | <b>94.16</b>           | <b>95.88</b>           | <b>1.72</b>                  | <b>1.8%</b>                  |

## Non-Statutory Activity

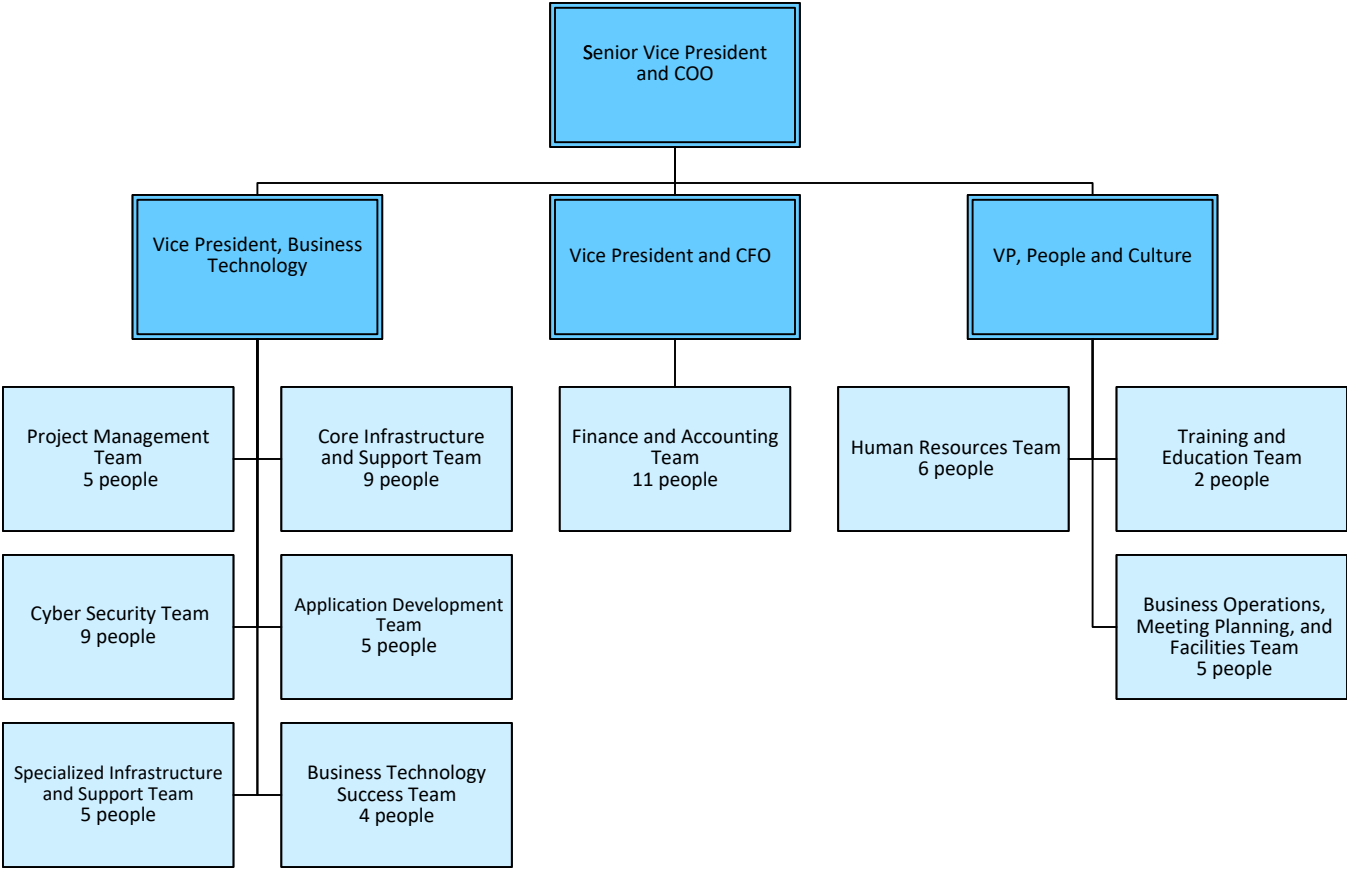
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NERC has no non-statutory activities.

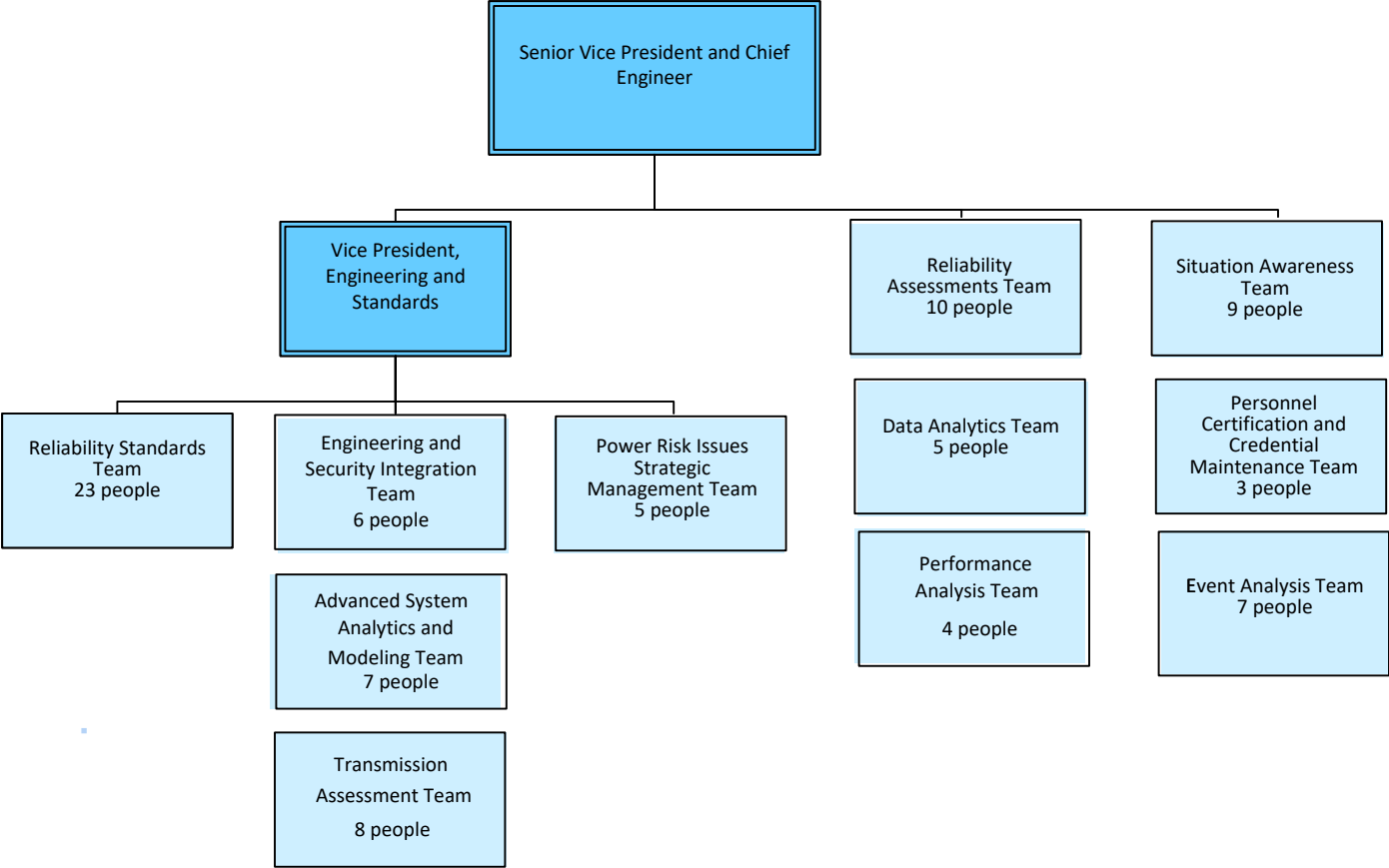
## NERC Staff Organization Chart – Budget 2026



# Business Technology, Finance & Accounting, and HR & Administration

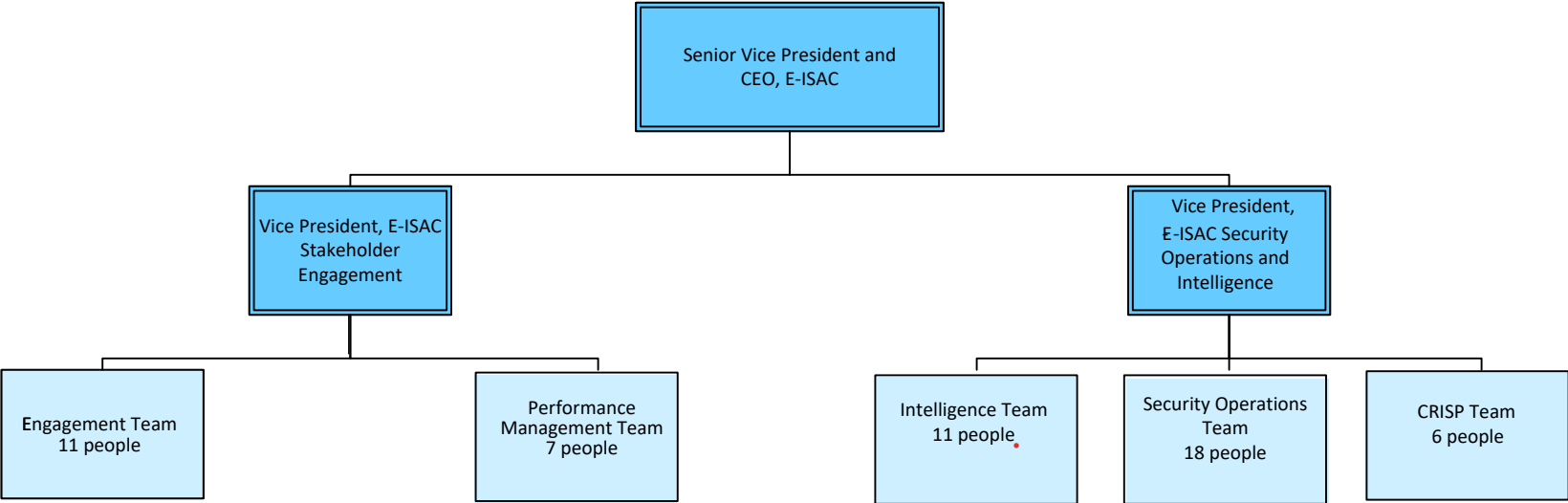


Reliability Standards & PRISM, RAPA, Data Analytics, and Engineering  
Situation Awareness, Event Analysis, and Personnel Certification and Credential Maintenance

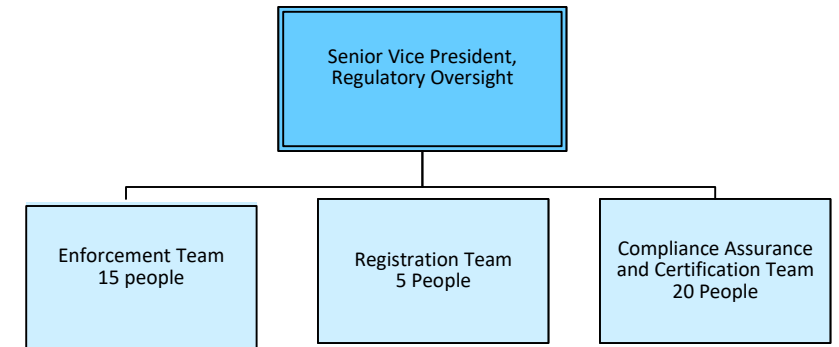
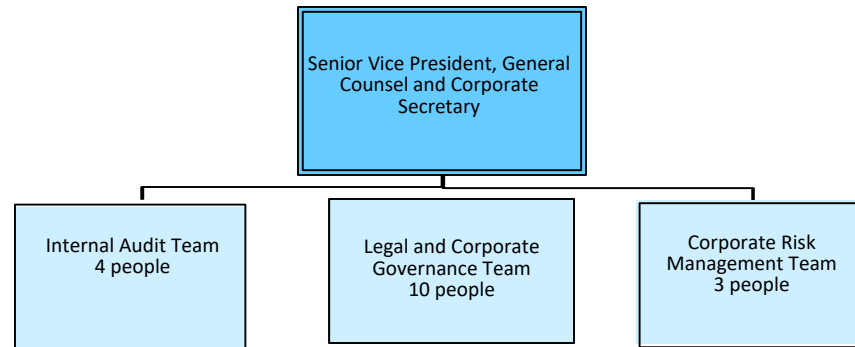




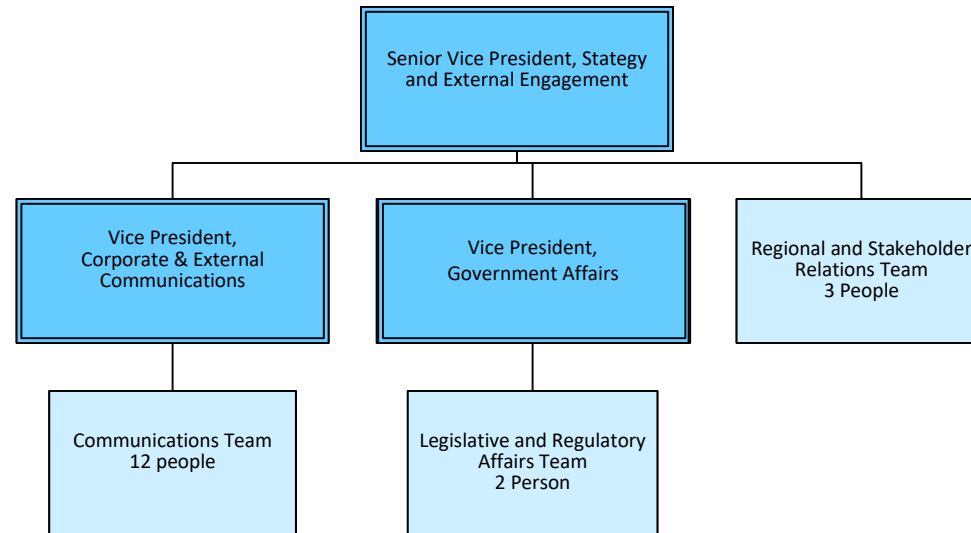
# Electricity Information Sharing and Analysis Center



## CMEP, Legal, Internal Audit, and Corporate Risk Management



## External Affairs



Consolidated Statement of Activities by Program

| Statement of Activities, Fixed Asset Additions, Financing Activity, and Change in Working Capital by Program<br>2026 Budget | Statutory Activities |                                                                 |                                                       |                |                        |                                                    |                        |                                       |                     |                         |                                                                      |                      |                        |                                    |                        |
|-----------------------------------------------------------------------------------------------------------------------------|----------------------|-----------------------------------------------------------------|-------------------------------------------------------|----------------|------------------------|----------------------------------------------------|------------------------|---------------------------------------|---------------------|-------------------------|----------------------------------------------------------------------|----------------------|------------------------|------------------------------------|------------------------|
|                                                                                                                             | Statutory Total      | Reliability Standards and Power Risk Issue Strategic Management | Compliance Assurance, Registration, and Certification | Event Analysis | Compliance Enforcement | Personnel Certification and Credential Maintenance | Training and Education | RAPA, Data Analytics, and Engineering | Situation Awareness | E-45AC (including CRSP) | General and Administrative (Includes Executive and External Affairs) | Legal and Regulatory | Information Technology | Human Resources and Administration | Accounting and Finance |
| Funding                                                                                                                     |                      |                                                                 |                                                       |                |                        |                                                    |                        |                                       |                     |                         |                                                                      |                      |                        |                                    |                        |
| ERO Funding                                                                                                                 |                      |                                                                 |                                                       |                |                        |                                                    |                        |                                       |                     |                         |                                                                      |                      |                        |                                    |                        |
| NERC Assessments                                                                                                            | \$ 113,749,428       | \$ 15,694,325                                                   | \$ 16,281,978                                         | \$ 4,566,785   | \$ 9,179,434           | \$ -                                               | \$ 1,180,685           | \$ 25,424,055                         | \$ 7,326,151        | \$ 33,896,015           | \$ -                                                                 | \$ -                 | \$ -                   | \$ -                               | \$ -                   |
| Penalties Released                                                                                                          | -                    | -                                                               | -                                                     | -              | -                      | -                                                  | -                      | -                                     | -                   | -                       | -                                                                    | -                    | -                      | -                                  | -                      |
| Total NERC Funding                                                                                                          | \$ 113,749,428       | \$ 15,694,325                                                   | \$ 16,281,978                                         | \$ 4,566,785   | \$ 9,179,434           | \$ -                                               | \$ 1,180,685           | \$ 25,424,055                         | \$ 7,326,151        | \$ 33,896,015           | \$ -                                                                 | \$ -                 | \$ -                   | \$ -                               | \$ -                   |
| Third-Party Funding                                                                                                         | \$ 10,045,143        | \$ -                                                            | \$ -                                                  | \$ -           | \$ -                   | \$ -                                               | \$ -                   | \$ -                                  | \$ -                | \$ 10,045,143           | \$ -                                                                 | \$ -                 | \$ -                   | \$ -                               | \$ -                   |
| Testing, Renewal, & Continuing Ed Fees                                                                                      | 2,618,800            | -                                                               | -                                                     | -              | -                      | 2,618,800                                          | -                      | -                                     | -                   | -                       | -                                                                    | -                    | -                      | -                                  | -                      |
| Services & Software                                                                                                         | 60,000               | -                                                               | -                                                     | -              | -                      | -                                                  | -                      | 60,000                                | -                   | -                       | -                                                                    | -                    | -                      | -                                  | -                      |
| Miscellaneous                                                                                                               | 580,000              | -                                                               | -                                                     | -              | -                      | -                                                  | -                      | -                                     | -                   | 580,000                 | -                                                                    | -                    | -                      | -                                  | -                      |
| Interest & Investment Income                                                                                                | 1,853,196            | 213,081                                                         | 190,056                                               | 51,900         | 105,647                | 50,000                                             | 14,620                 | 206,779                               | 66,519              | 660,594                 | -                                                                    | -                    | -                      | -                                  | -                      |
| Total Funding (A)                                                                                                           | \$ 128,706,567       | \$ 15,907,407                                                   | \$ 16,472,034                                         | \$ 4,618,685   | \$ 9,285,081           | \$ 2,668,800                                       | \$ 1,195,305           | \$ 25,780,834                         | \$ 7,592,670        | \$ 45,181,751           | \$ -                                                                 | \$ -                 | \$ -                   | \$ -                               | \$ -                   |
| Expenses                                                                                                                    |                      |                                                                 |                                                       |                |                        |                                                    |                        |                                       |                     |                         |                                                                      |                      |                        |                                    |                        |
| Personnel Expenses                                                                                                          |                      |                                                                 |                                                       |                |                        |                                                    |                        |                                       |                     |                         |                                                                      |                      |                        |                                    |                        |
| Salaries                                                                                                                    | \$ 57,918,898        | \$ 4,891,752                                                    | \$ 4,860,290                                          | \$ 1,557,508   | \$ 2,517,391           | \$ 413,983                                         | \$ 297,715             | \$ 7,836,358                          | \$ 1,668,519        | \$ 11,072,715           | \$ 6,229,606                                                         | \$ 3,942,475         | \$ 7,616,558           | \$ 2,727,564                       | \$ 2,200,463           |
| Payroll Taxes                                                                                                               | 3,791,815            | 348,305                                                         | 342,815                                               | 100,559        | 162,825                | 31,732                                             | 24,162                 | 646,985                               | 125,457             | 740,443                 | 355,863                                                              | 230,273              | 619,085                | 143,257                            | 146,823                |
| Benefits                                                                                                                    | 8,395,092            | 796,164                                                         | 829,243                                               | 222,064        | 314,619                | 62,828                                             | 82,493                 | 1,190,337                             | 348,024             | 1,540,107               | 649,805                                                              | 543,764              | 1,198,732              | 333,734                            | 354,177                |
| Retirement Costs                                                                                                            | 6,090,520            | 533,056                                                         | 536,627                                               | 173,910        | 278,683                | 45,754                                             | 33,447                 | 960,429                               | 183,878             | 1,196,191               | 521,796                                                              | 424,836              | 833,141                | 229,135                            | 243,638                |
| Total Personnel Expenses                                                                                                    | \$ 76,196,325        | \$ 6,568,326                                                    | \$ 6,568,974                                          | \$ 2,059,042   | \$ 3,293,519           | \$ 554,297                                         | \$ 408,207             | \$ 10,841,110                         | \$ 2,318,877        | \$ 14,558,456           | \$ 7,307,061                                                         | \$ 5,141,348         | \$ 10,163,516          | \$ 3,429,690                       | \$ 2,964,901           |
| Meeting and Travel Expenses                                                                                                 |                      |                                                                 |                                                       |                |                        |                                                    |                        |                                       |                     |                         |                                                                      |                      |                        |                                    |                        |
| Meetings & Conference Calls                                                                                                 | \$ 1,567,156         | \$ 245,000                                                      | \$ 158,500                                            | \$ 100,000     | \$ 7,800               | \$ 61,000                                          | \$ 2,000               | \$ 114,250                            | \$ 73,470           | \$ 285,036              | \$ 337,500                                                           | \$ 10,100            | \$ 127,500             | \$ 30,000                          | \$ 5,000               |
| Travel                                                                                                                      | 2,497,628            | 151,044                                                         | 288,434                                               | 85,335         | 73,218                 | 12,723                                             | 2,987                  | 527,415                               | 77,348              | 484,554                 | 430,273                                                              | 111,790              | 135,427                | 64,001                             | 53,079                 |
| Total Meeting & Travel Expenses                                                                                             | \$ 4,064,783         | \$ 396,044                                                      | \$ 446,934                                            | \$ 185,335     | \$ 81,018              | \$ 73,723                                          | \$ 4,987               | \$ 641,665                            | \$ 150,818          | \$ 769,590              | \$ 767,773                                                           | \$ 121,890           | \$ 262,927             | \$ 94,001                          | \$ 58,079              |
| Operating Expenses, excluding Depreciation                                                                                  |                      |                                                                 |                                                       |                |                        |                                                    |                        |                                       |                     |                         |                                                                      |                      |                        |                                    |                        |
| Contractors & Consultants                                                                                                   | \$ 22,560,085        | \$ 211,625                                                      | \$ 808,825                                            | \$ 248,950     | \$ 679,000             | \$ 432,978                                         | \$ 60,000              | \$ 914,350                            | \$ 63,690           | \$ 10,974,168           | \$ 530,000                                                           | \$ 10,000            | \$ 6,261,000           | \$ 965,500                         | \$ 400,000             |
| Office Rent                                                                                                                 | 1,836,194            | -                                                               | -                                                     | -              | -                      | -                                                  | -                      | -                                     | -                   | -                       | 1,836,194                                                            | -                    | -                      | -                                  | -                      |
| Office Costs                                                                                                                | 13,995,590           | 84,246                                                          | 674,589                                               | 11,766         | 632,911                | 292,837                                            | 132,059                | 1,193,050                             | 2,189,875           | 1,900,234               | 480,950                                                              | 242,049              | 6,675,043              | 635,604                            | 480,038                |
| Professional Services                                                                                                       | 3,543,190            | -                                                               | -                                                     | -              | -                      | -                                                  | -                      | -                                     | -                   | 385,000                 | 2,633,500                                                            | 335,000              | -                      | 4,600                              | 185,000                |
| Miscellaneous                                                                                                               | 136,090              | 3,000                                                           | 3,050                                                 | 1,300          | 2,000                  | 300                                                | 750                    | 5,800                                 | 1,400               | 10,750                  | 46,750                                                               | 2,200                | 4,900                  | 52,200                             | 1,700                  |
| Total Operating Expenses, excluding Depreciation                                                                            | \$ 43,463,020        | \$ 298,871                                                      | \$ 1,486,764                                          | \$ 262,016     | \$ 1,313,911           | \$ 726,115                                         | \$ 192,759             | \$ 2,113,200                          | \$ 2,234,965        | \$ 13,270,152           | \$ 5,329,384                                                         | \$ 589,249           | \$ 12,940,943          | \$ 1,657,954                       | \$ 1,046,738           |
| Total Direct Expenses                                                                                                       | \$ 123,707,928       | \$ 7,263,241                                                    | \$ 8,522,672                                          | \$ 2,506,392   | \$ 4,688,248           | \$ 1,354,135                                       | \$ 605,953             | \$ 13,188,975                         | \$ 4,762,660        | \$ 28,598,198           | \$ 13,804,217                                                        | \$ 5,852,487         | \$ 23,367,385          | \$ 5,181,645                       | \$ 4,071,718           |
| Indirect Expenses                                                                                                           | \$ -                 | \$ 8,152,240                                                    | \$ 7,271,313                                          | \$ 1,985,628   | \$ 4,194,988           | \$ 852,981                                         | \$ 539,332             | \$ 11,354,434                         | \$ 2,544,959        | \$ 15,661,289           | \$ (3,939,217)                                                       | \$ (5,852,487)       | \$ (23,521,743)        | \$ (5,186,832)                     | \$ (4,076,905)         |
| Other Non-Operating Expenses                                                                                                | \$ 480,555           | \$ 4,523                                                        | \$ 23,302                                             | \$ 5,122       | \$ 10,374              | \$ 53,584                                          | \$ -                   | \$ 54,560                             | \$ 27,646           | \$ 1,712                | \$ 135,000                                                           | \$ -                 | \$ 154,358             | \$ 5,187                           | \$ 5,187               |
| Total Expenses (B)                                                                                                          | \$ 124,188,483       | \$ 15,420,025                                                   | \$ 15,817,287                                         | \$ 4,497,142   | \$ 8,893,610           | \$ 2,260,700                                       | \$ 1,165,285           | \$ 24,597,970                         | \$ 7,275,265        | \$ 44,261,199           | \$ -                                                                 | \$ -                 | \$ -                   | \$ -                               | \$ -                   |
| Change in Net Assets (=A-B)                                                                                                 | \$ 4,518,084         | \$ 487,382                                                      | \$ 654,747                                            | \$ 121,542     | \$ 395,472             | \$ 408,100                                         | \$ 30,020              | \$ 1,182,864                          | \$ 317,404          | \$ 930,552              | \$ -                                                                 | \$ -                 | \$ -                   | \$ -                               | \$ -                   |
| Fixed Asset Additions, excluding Right of Use Assets (C)                                                                    | \$ 7,228,250         | \$ 495,005                                                      | \$ 2,360,222                                          | \$ 111,647     | \$ 1,330,873           | \$ 647,961                                         | \$ 31,450              | \$ 1,052,404                          | \$ 243,096          | \$ 955,593              | \$ -                                                                 | \$ -                 | \$ -                   | \$ -                               | \$ -                   |
| Financing Activity                                                                                                          |                      |                                                                 |                                                       |                |                        |                                                    |                        |                                       |                     |                         |                                                                      |                      |                        |                                    |                        |
| Loan or Financing Lease - Borrowing (-)                                                                                     | \$ (4,292,500)       | \$ (152,340)                                                    | \$ (1,890,878)                                        | \$ (37,105)    | \$ (1,033,391)         | \$ (615,939)                                       | \$ (10,452)            | \$ (212,178)                          | \$ (47,557)         | \$ (292,660)            | \$ -                                                                 | \$ -                 | \$ -                   | \$ -                               | \$ -                   |
| Loan or Financing Lease - Principal Payments (+)                                                                            | 1,220,013            | 144,717                                                         | 185,403                                               | 47,001         | 97,990                 | 13,758                                             | 9,022                  | 342,637                               | 121,865             | 257,620                 | -                                                                    | -                    | -                      | -                                  | -                      |
| Net Financing Activity (D)                                                                                                  | \$ (3,072,487)       | \$ (7,623)                                                      | \$ (1,705,475)                                        | \$ 9,896       | \$ (935,401)           | \$ (602,181)                                       | \$ (1,430)             | \$ 130,459                            | \$ 74,308           | \$ (35,040)             | \$ -                                                                 | \$ -                 | \$ -                   | \$ -                               | \$ -                   |
| Total Budget (=B+C)                                                                                                         | \$ 128,344,246       | \$ 15,907,407                                                   | \$ 16,472,034                                         | \$ 4,618,685   | \$ 9,285,081           | \$ 2,306,479                                       | \$ 1,195,305           | \$ 25,780,834                         | \$ 7,592,670        | \$ 45,181,751           | \$ -                                                                 | \$ -                 | \$ -                   | \$ -                               | \$ -                   |
| Change in Working Capital (=A-B-C-D)                                                                                        | \$ 962,321           | \$ -                                                            | \$ -                                                  | \$ -           | \$ -                   | \$ 362,321                                         | \$ -                   | \$ -                                  | \$ -                | \$ -                    | \$ -                                                                 | \$ -                 | \$ -                   | \$ -                               | \$ -                   |
| FTEs                                                                                                                        | 272.60               | 27.40                                                           | 24.44                                                 | 6.67           | 14.10                  | 2.87                                               | 1.88                   | 38.16                                 | 8.55                | 52.64                   | 21.62                                                                | 15.98                | 35.72                  | 11.28                              | 11.28                  |

# Application of NERC Section 215 Criteria

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## DISCUSSION OF HOW THE NERC MAJOR ACTIVITIES IN THE 2026 BUSINESS PLAN AND BUDGET MEET THE NERC WRITTEN CRITERIA FOR DETERMINING WHETHER A RELIABILITY ACTIVITY IS ELIGIBLE TO BE FUNDED UNDER FEDERAL POWER ACT SECTION 215

### **I. Introduction**

This Exhibit discusses how the major activities in NERC's 2026 Business Plan and Budget meet the NERC written criteria for determining whether a reliability activity is eligible to be funded under §215 of the Federal Power Act (FPA §215). This Exhibit is intended to satisfy Recommendation No. 38 resulting from the financial performance review of NERC conducted by the Federal Energy Regulatory Commission's (Commission's) Division of Audits (DA) in 2012–2013 and adopted by the Commission in its November 2, 2012 order on NERC's 2013 Business Plan and Budget.<sup>18</sup> NERC submitted the written criteria to the Commission in a compliance filing dated February 21, 2013 in Docket No. FA11-21-000.<sup>19</sup> The Commission approved the NERC written criteria, with modifications, in an order issued in that docket on April 18, 2013.<sup>20</sup> The NERC written criteria as used in this Exhibit incorporate the modifications specified in the Compliance Order.<sup>21</sup>

### **II. Reliability Standards and Power Risk Issue Strategic Management 2026 Major Activities**

The major activities of Reliability Standards and Power Risk Issue Strategic Management (PRISM) are described at pages 27–28 of the 2026 Business Plan and Budget. Reliability Standards carries out the ERO's statutory responsibility to develop, modify, adopt, and obtain approval of mandatory Reliability Standards to assure the bulk power system (BPS) is planned, operated, maintained, and secured to minimize risks of cascading failures, avoid damage to major equipment, or limit interruptions. The Reliability Standards department delivers high-quality risk-based Reliability Standards, facilitates continent-wide industry engagement, and supports regulatory filings. Reliability Standards focuses on a risk-based approach to its projects, including ensuring that Reliability Standards are clear, timely, consider costs, effective in mitigating material risks, and do not unnecessarily burden industry with administrative requirements and/or detract from reliability or security. The major activity of PRISM is to leverage in-house expertise on Reliability Standards and standards development to implement cross-cutting efforts among NERC functions and the NERC standing and technical committees. The PRISM group develops, supports, and prioritizes the ERO BPS Risk Management Process, including the ERO Risk Registry. The PRISM group provides in-house training on Reliability Standards and conducts statistical analyses concerning the results of standards to identify potential weaknesses, redundancies, and overall necessity. The PRISM group supports the NERC Reliability and Security Technical Committee (RSTC), which provides oversight, guidance, and leadership essential to enhancing BPS reliability by addressing strategic areas efficiently and comprehensively.

The key focus areas for the Reliability Standards group for 2026 include developing a more nimble standard-setting process that honors the important role of stakeholders in standards development; addressing cyber security risk by continuing to enhance cyber security Reliability Standards; integrating and updating standards to address new

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<sup>18</sup> *North American Electric Reliability Corporation, Order Accepting 2013 Business Plan and Budget of the North American Electric Reliability Corporation and Ordering Compliance Filing*, 141 FERC ¶ 61,086 (2012) ("2013 Budget Order"). Recommendation 38, as adopted in the 2013 Budget Order, is: "In its annual business plan and budget filings, [NERC should] provide an explanation as to why the proposed activities to be undertaken by each program area for the budget year are statutory, including, at a minimum: a description and the purpose of the major activities to be taken by each program area and an explanation for why the activity is a statutory activity." *Id.* at P 16.

<sup>19</sup> *Compliance Filing of the North American Electric Reliability Corporation in Response to Paragraph 30 of November 2, 2012 Commission Order – NERC Written Criteria for Determining Whether a Reliability Activity is Eligible to be Funded Under Federal Power Act Section 215*, filed February 1, 2013 in Docket No. FA 11-21-000.

<sup>20</sup> *North American Electric Reliability Corporation, Order on Compliance*, 143 FERC ¶ 61,052 (2013) ("Compliance Order").

<sup>21</sup> For ease of reference, the complete NERC written criteria, modified in accordance with the Compliance Order, are provided at the end of this section.

risks such as inverters, distributed energy resources, energy management, and fuel management; addressing FERC directives, orders or special reports; revising the Standard Processes Manual to allow for a more agile standards development process; and implementing project prioritization and fast-track development processes.

The focus areas of the PRISM group for 2026 include continuing the efforts of the Energy Reliability Working Group to address items that could impact energy constrained resources, including developing scenarios for energy assessments; coordinating the RSTC subgroups (Resources Subcommittee, Supply Chain Subcommittee, and Facility Ratings Task Force); supporting the RISC and RISC report recommendations; coordinating with Regional Entities to develop and implement an BPS Risk Management Process; enhancing the NERC Risk Registry to include the ERO Enterprise ERO Risk Registry to be publicly used by the Standards Committee and RSTC; maintaining technical support for the Reliability Standards program by advising on new and existing projects; and managing the Reliability Risk Framework and any necessary updates.

The major activities of the Reliability Standards and PRISM program satisfy the following criteria:

- I.A: Is the activity necessary or appropriate for Reliability Standards development projects pursuant to the NERC Rules of Procedure (ROP)?
- I.B: Is the activity necessary or appropriate for providing guidance and assistance to Regional Entities in carrying out Regional Reliability Standards development activities?
- I.C: Is the activity necessary or appropriate for information gathering, collection and analysis activities to obtain information for Reliability Standards development, including for purposes of identifying areas in which new Reliability Standards could be developed, existing Reliability Standards could be revised, or existing Reliability Standards could be eliminated?
- I.D: Is the activity necessary or appropriate for the provision of training and education concerning Reliability Standards development processes, procedures, and topics for/to (i) NERC personnel, (ii) Regional Entity personnel, (iii) industry personnel?
- II.F.1: Is the activity necessary or appropriate for the provision of training, education and dissemination of information for/to (i) NERC personnel, (ii) Regional Entity personnel, and (ii) industry personnel with respect to compliance monitoring and enforcement topics and topics concerning reliability risks identified through compliance monitoring and enforcement activities, such as (1) Requirements of Reliability Standards, including how to comply and how to demonstrate compliance? This includes development of guidance and interpretation documents.
- IV: Is the activity one that was required or directed by a Commission order issued pursuant to §215? (Reliability Standards development projects are often initiated in response to directives in Commission orders).
- V: Is the activity one that is required or specified by, or carries out, the provisions of NERC's ROP that have been approved by the Commission as "Electric Reliability Organization Rules" (defined in 18 C.F.R. §39.1) pursuant to FPA §215(f)? (The applicable ROP provisions for the Reliability Standards Program are §300 and Appendix 3A.)
- IX. Is the activity necessary or appropriate for NERC and Regional Entity committees, subcommittees and working groups engaged in activities encompassed by one or more of the other criteria?
- X. Is the activity necessary or appropriate for the analysis and evaluation of activities encompassed by one or more of the other criteria for the purpose of identifying means of performing the activities more effectively and efficiently?

### **III. Compliance Assurance and Organization Registration and Certification and Compliance Enforcement 2026 Major Activities**

The major activities of Compliance Assurance and Organization Registration and Certification and Compliance Enforcement are described on pages 30 and 33 of the 2026 Business Plan and Budget.

Compliance Assurance works collaboratively with the Regional Entities to ensure effective implementation of risk-based compliance monitoring under the Compliance Monitoring and Enforcement Program (CMEP). Compliance Assurance ensures that Regional Entities monitor registered entities for compliance according to each registered entity's facts and circumstances, including the registered entity's inherent risks, controls to mitigate inherent risks, and other factors such as risk elements and registered entity performance, in order to allow for appropriate allocation of resources to issues that pose a higher level of risk to the reliability of the BPS.

Organization Registration (Registration) identifies and registers BPS users, owners, and operators that are responsible for performing specified reliability functions to which requirements of mandatory Reliability Standards are applicable. Organization Certification (Certification) ensures that an applicant to be a Reliability Coordinator (RC), Balancing Authority (BA), or Transmission Operator (TOP) has the tools, processes, training, and procedures to demonstrate its ability to meet the requirements of all the Reliability Standards applicable to the functions for which it is applying, thereby demonstrating the ability to become certified and then operational. The decision to certify changes to an already operating and certified RC, BA, or TOP is a collaborative decision between the affected Regional Entities and NERC.

The focus areas for Compliance Assurance and Organization Registration and Certification for 2026 include: continuing efforts to identify and register inverter based resources; continuing to evaluate key security and reliability risks such as supply chain security, cold weather readiness, remote connectivity, and Generator Operator control room operations; fostering ERO Enterprise cybersecurity workforce enhancements, ensuring effective outreach to stakeholder/policy organizations around emerging technologies; and developing meaningful oversight activities and objectives; and continuing efforts to streamline risk-based CMEP activities and tools.

Compliance Enforcement is responsible for overseeing enforcement processes, the application of Penalties or sanctions, and activities to mitigate and prevent recurrence of noncompliance with Reliability Standards. Compliance Enforcement works collaboratively with the Regional Entities to ensure consistent and effective implementation of the risk-based CMEP. It also focuses on ensuring that the ERO Enterprise dedicates resources to the matters that pose the greatest risk to reliability of the BPS. The focus areas of Compliance Enforcement for 2026 include continuing efforts to improve agility, efficiencies, and consistency in enforcement activities; continuing use of a risk-based approach to processing noncompliances; providing and analyzing semiannual metrics on enforcement data; enhancing outreach to stakeholder/policy organizations; and ensuring meaningful oversight activities.

The major activities of Compliance Assurance, Organization Registration and Certification, and Compliance Enforcement satisfy the following criteria:

- I.A: Is the activity necessary or appropriate for Reliability Standards development projects pursuant to the NERC ROP?
- I.C: Is the activity necessary or appropriate for information gathering, collection and analysis activities to obtain information for Reliability Standards development, including for purposes of identifying areas in which new Reliability Standards could be developed, existing Reliability Standards could be revised, or existing Reliability Standards could be eliminated?
- II. Is the activity necessary or appropriate for the monitoring and enforcement of compliance with Reliability Standards?

- A: Is the activity necessary or appropriate for the identification and registration of users, owners, and operators of the BPS that are required to comply with Requirements of Reliability Standards applicable to the reliability functions for which they are registered?
- B: Is the activity necessary or appropriate for the Certification of RCs, TOPs, and BAs as having the requisite personnel, qualifications and facilities and equipment needed to perform these reliability functions in accordance with the applicable Requirements of Reliability Standards?
- D: Is the activity necessary or appropriate for conducting, participating in or overseeing compliance monitoring and enforcement activities pursuant to the NERC ROP and (through the Regional Entities) the Commission-approved delegation agreements?
- E: Is the activity necessary or appropriate for information gathering, collection and analysis activities to obtain information to monitor and enforce compliance with Reliability Standards, including evaluating the effectiveness of current compliance monitoring and enforcement processes, the need for new or revised compliance monitoring and enforcement processes, and the need for new or different means of training and education on compliance with Reliability Standards.
- F: Is the activity necessary or appropriate for the provision of training, education and dissemination of information for/to (i) NERC personnel, (ii) Regional Entity personnel, and (iii) industry personnel with respect to compliance monitoring and enforcement topics and topics concerning reliability risks identified through compliance monitoring and enforcement activities, such as: (1) Requirements of Reliability Standards, including how to comply and how to demonstrate compliance? This includes development of guidance and interpretation documents. (2) Compliance monitoring and enforcement processes, including how to conduct them, how to participate in them, and the expectations for the process? This includes development of guidance documents. (3) Disseminating, through workshops, webinars, Advisories/Recommendations/Essential Actions, and other publications, “lessons learned” information on compliance concerns and reliability risks obtained through compliance monitoring and enforcement activities, monitoring and investigation of BPS major events, off-normal occurrences and near miss events, and other BPS monitoring activities? (4) Registered Entity internal processes for compliance with Reliability Standards, such as development, implementation and maintenance of internal reliability compliance programs?
- V: Is the activity one that is required or specified by, or carries out, the provisions of NERC’s ROP that have been approved by the Commission as “Electric Reliability Organization Rules” (defined in 18 C.F.R. §39.1) pursuant to FPA §215(f)? (The applicable ROP provisions for these major activities are §400 and 500 and Appendices 4B, 4C, 5A, 5B and 5C.)
- VI: Is the activity necessary or appropriate for the supervision and oversight of Regional Entities in the performance of their delegated responsibilities in accordance with FPA §215, 18 C.F.R. Part 39, the Commission-approved delegation agreement between NERC and the Regional Entity, the NERC ROP, and applicable provisions of Commission orders?
- IX: Is the activity necessary or appropriate for NERC and Regional Entity committees, subcommittees and working groups engaged in the activities encompassed by one or more of the other criteria?
- X: Is the activity necessary or appropriate for the analysis and evaluation of activities encompassed by one or more of the other criteria for the purpose of identifying means of performing the activities more effectively and efficiently?



#### **IV. Reliability Assessments, Performance Analysis Data Analytics and Engineering 2026 Major Activities**

The major activities of Reliability Assessments and Performance Analysis (RAPA) are described at pages 35–37 of the 2026 Business Plan and Budget. RAPA comprises four primary groups: (1) Reliability Assessments; (2) Performance Analysis (PA); (3) Data Analytics; and (4) Engineering.

Reliability Assessment carries out the ERO’s statutory responsibility to conduct assessments of the reliability and adequacy of the BPS and associated emerging reliability risks that could impact the short, mid, and long-term planning horizons, as well as other reliability issues requiring in-depth analysis. Reliability Assessment activities directly address the risk priorities established by the Reliability Issues Steering Committee. Reliability Assessment relies on its engineering and analysis expertise as well as Regional Entity and stakeholder resources.

Performance Analysis monitors the performance of and identifies risks to BPS reliability through analyzing industry data and measuring historic trends. Analysis performed by Performance Analysis includes identifying potential risks related to systems, equipment, entity and organizational performance that may indicate risks to the BPS, a need to develop improvements to reporting applications, and new data collection or analysis tools, or to create, revise, or retire reporting areas. Performance Analysis staff leads the ERO, technical committees, and stakeholder process to publish the *State of Reliability* (SOR) Report examining year-over-year performance indicators of the grid. Performance Analysis also develops the business requirements for all new reliability information data systems, specifically those required by NERC ROP 1600 data requests.

The Data Analytics group focuses on improving the analytical agility of the ERO Enterprise through integration of reliability-related data, data collection processes, and applications. Data Analytics functions as the interface between business teams and Business Technology, supporting data application projects to establish process consistency, reduce data redundancy, and increase application success. Data Analytics integration staff collaborate with business and technology leaders to develop strategies that create data solutions to facilitate data management, governance, and analytics across the ERO Enterprise.

Engineering focuses on Advanced System Analytics and Modeling (ASAM), Engineering and Security Integration, and Transmission Assessments. ASAM staff provide technical leadership and support on resource and demand balancing and system analysis and modeling, including technical support for the NERC balancing and modeling Reliability Standards. ASAM staff also provides support for development and improvement of long-term, sustainable interconnection-based power flow, dynamic, and load models that exhibit the accuracy and fidelity necessary to reflect actual Bulk Electric System (BES) reliability performance and dynamic conditions. ASAM further provides advanced statistical analysis functions to support: (1) the SOR report and reliability assessments; (2) the Frequency Response Annual Analysis report to the FERC; (3) analytical review of Reliability Standard effectiveness; and (4) various reports on an emergent basis. ASAM collaborates with academic and other research and development groups, advising on projects to provide insight on emergent issues.

Engineering and Security Integration department is responsible for driving key reliability and security initiatives, working with internal and external stakeholders. Primary focus areas include better integrating security concepts with conventional engineering activities as well as enabling new technologies in a reliable and secure manner. The group is responsible for key ERO work priorities, including inverter-based resource and distributed energy resource initiatives across the ERO Enterprise, and promoting concepts of cyber planning and grid transformation issues. The group coordinates NERC’s technical stakeholder groups under the RSTC, supports the standards development process on engineering and security-related topics, provides technical expertise across the ERO Enterprise, and coordinates with the E-ISAC on cross-departmental topics related to security risks.

Transmission Assessments focuses on assessing the adequacy of the North American transmission system for ensuring reliability. The team assesses reliability risks associated with the transmission system by performing in

depth analysis and data gathering. Transmission Assessment's work enhances NERC's Long-term Reliability Assessments by incorporating interregional transmission capability analysis into wide area energy assessments. Transmission Assessments also works to create a broad awareness of regional transmission planning and development activities for all stakeholders.

The focus areas for Reliability Assessments, Performance Analysis, Data Analytics and Engineering for 2026 include: (1) ensuring the reliable and secure integration of BPS-connected inverter-based resources and distributed energy resources, including analysis of grid disturbances, development of technical guidance and educational materials, and collaborating with industry to ensure Reliability Standards adequately address emerging risks in this area; (2) increasing understanding of changing resource mix impacts on BPS reliability by collecting plant, event, connected energy storage, and performance data for photovoltaic and wind generation, combined with enhanced design data and event reporting for conventional generation; (3) increasing understanding of transmission driven load loss impacts on the BPS by beginning to collect information through the Transmission Availability Data System (TADS); (4) improving the ERO's analytic, independent, and objective capabilities and adapting to the evolving BPS reliability challenges by: (a) instituting improvements to the Long-Term Reliability Assessment process based on new capabilities that evaluate energy availability over wide areas using probabilistic methods to identify risks of energy shortfall for all assessment areas, (b) continuing to develop and examine scenarios to assess future BPS reliability under a range of potential conditions including rapid load growth, increased reliance on variable energy resources, and extreme weather, (c) implementing capabilities that support annual assessment of transmission adequacy and transfer capability, and making recommendations that support long-term reliability needs; and (d) analyzing data sets and supporting technical studies that provide insight into reliability implications of increasing dependency on natural gas fuel for BPS generation, particularly during extreme winter weather and ramping periods. Other areas of focus for 2026 include leveraging processes, tools, and products to measure and improve BES resilience for wide-spread long-term extreme temperature and weather events, including the development of systematic collection of load loss outage and recovery data; and identifying and mitigating emerging reliability and cybersecurity risks to the BPS by conducting objective studies and/or working collaboratively with internal and external stakeholders.

The major activities of RAPA satisfy the following criteria:

- I.A: Is the activity necessary or appropriate for Reliability Standards development projects pursuant to the NERC ROP?
- I.C: Is the activity necessary or appropriate for information gathering, collection and analysis activities to obtain information for Reliability Standards development, including for purposes of identifying areas in which new Reliability Standards could be developed, existing Reliability Standards could be revised, or existing Reliability Standards could be eliminated, such as: (1) Measuring reliability performance—past, present and future; publishing or disseminating the results of such measurements; analyzing the results of such measurements; identifying and analyzing risks to reliability of the Bulk Power System based on such measurements; and/or identifying approaches to mitigating or eliminating such risks? (2) Monitoring, event analysis and investigation of BPS major events, off-normal occurrences and near miss events?
- II.E.: Is the activity necessary or appropriate for information gathering, collection and analysis activities to obtain information to monitor and enforce compliance with Reliability Standards, including evaluating the effectiveness of current compliance monitoring and enforcement processes, the need for new or revised compliance monitoring and enforcement processes, and the need for new or different means of training and education on compliance with Reliability Standards, such as: (1) Measuring reliability performance—past, present and future; publishing or disseminating the results of such measurements; analyzing the results of such measurements; identifying and analyzing risks to reliability of the BPS based on such measurements; and/or identifying approaches to mitigating or eliminating such risks? (2)

Monitoring, event analysis and investigation of BPS major events, off-normal occurrences, and near miss events?

- III.A: Is the activity necessary or appropriate for the preparation or dissemination of long-term, seasonal, and special assessments of the reliability and adequacy of the BPS?
- III.B: Is the activity necessary or appropriate for measuring reliability performance—past, present and future; publishing or disseminating the results of such measurements; analyzing the results of such measurements; identifying and analyzing risks to reliability of the BPS based on such measurements; and/or identifying approaches to mitigating or eliminating such risks?
- III.D: Is the activity necessary or appropriate for awareness of circumstances on the BPS and to contribute to understanding risks to reliability?
- III.E: Is the activity necessary or appropriate for gathering, analyzing and sharing with and among industry and government participants, information regarding the physical or cyber security of the BPS?
- III.F: Is the activity necessary or appropriate for the development and dissemination of Advisories/Recommendations/Essential Actions regarding lessons learned and potential reliability risks to users, owners, and operators of the BPS?
- V: Is the activity one that is required or specified by, or carries out, the provisions of NERC’s ROP that have been approved by the Commission as “Electric Reliability Organization Rules” (defined in 18 C.F.R. §39.1) pursuant to FPA §215(f)? (The applicable ROP provisions for major activities of the RAPA program are §801-806 and §809-811.)
- VI: Is the activity necessary or appropriate for the supervision and oversight of Regional Entities in the performance of their delegated responsibilities in accordance with FPA §215, 18 C.F.R. Part 39, the Commission-approved delegation agreement between NERC and the Regional Entity, the NERC ROP, and applicable provisions of Commission orders?
- IX: Is the activity necessary or appropriate for NERC and Regional Entity committees, subcommittees and working groups engaged in activities encompassed by one or more of the other criteria?
- X: Is the activity necessary or appropriate for the analysis and evaluation of activities encompassed by one or more of the other criteria for the purpose of identifying means of performing the activities more effectively and efficiently?

## V. Situation Awareness 2026 Major Activities

The major activities of Situation Awareness are described at page 39 of the 2026 Business Plan and Budget. The NERC Situation Awareness group and the Regional Entities monitor BPS conditions, significant occurrences and emerging risks, and threats across the 18 Reliability Coordinator regions in North America, to maintain an understanding of conditions and situations that could impact reliable operation. NERC’s BPS Awareness Group supports development and publication of NERC Alerts and awareness products, and facilitates information sharing among industry, Regional Entities and government during crisis situations and major system disturbances. The focus areas of Situation Awareness for 2026 include (1) enhancing situation awareness tools to increase agility and efficiency, as well as visibility and understanding of emerging BPS risks; (2) collaborating across the ERO Enterprise and with stakeholders to mitigate emerging and known risk by using all available tools, including the NERC Alerts process to issue Advisory (Level 1) Alerts on significant and emerging reliability and security-related topics as needed, and to facilitate the tracking of actions specified in Recommendations (Level 2) and Essential Actions (Level 3) Alerts; (3) continue engaging with industry, the E-ISAC, government partners, and the ERO Enterprise on emerging risks to BPS reliability; and (4) engaging situation awareness subject-matter experts to support the work of Reliability Standards, the E-ISAC, and the RSTC to advance the security posture of the industry.

The major activities of the Situation Awareness group satisfy the following criteria:

- I.C.2: Is the activity necessary or appropriate for information gathering, collection and analysis activities to obtain information for Reliability Standards development, including for purposes of identifying areas in which new Reliability Standards could be developed, existing Reliability Standards could be revised, or existing Reliability Standards could be eliminated, such as: (2) Monitoring, event analysis and investigations of BPS major events, off-normal occurrences and near-miss events?
- III.C: Is the activity necessary or appropriate for investigating, analyzing, evaluating, and disseminating information concerning, the causes of major events and off-normal occurrences, and/or providing coordination assistance, technical expertise and other assistance to users, owners, and operators of the BPS in connection with BPS major events and off-normal occurrences, but not real-time operational control of the BPS?
- III.D: Is the activity necessary or appropriate for awareness of circumstances on the BPS System and to contribute to understanding risks to reliability?
- III.E: Is the activity necessary or appropriate for gathering, analyzing and sharing with and among industry and government participants, information regarding the physical or cyber security of the BPS?
- III.F: Is the activity necessary or appropriate for the development and dissemination of Advisories/Recommendations/Essential Actions regarding lessons learned and potential reliability risks to users, owners, and operators of the BPS?
- V: Is the activity one that is required or specified by, or carries out, the provisions of NERC's ROP that have been approved by the Commission as "Electric Reliability Organization Rules" (defined in 18 C.F.R. §39.1) pursuant to FPA §215(f)? (The applicable ROP provisions for these major activities are ROP 810 and 1001.)

## **VI. Event Analysis 2026 Major Activities**

The major activities of Event Analysis are described at page 41 of the 2026 Business Plan and Budget. Analysis of real-time electrical operating events is conducted through Event Analysis. Event Analysis strives to characterize the performance of and inform assessments of the reliability and adequacy of the BES. Including by identifying potential issues of concern related to system, equipment, entity, human error, and organizational performance that may indicate a need to (1) develop remediation and/or risk reduction strategies and action plans; (2) revise, retire, or consider new Reliability Standards; and (3) shape aggregate reliability assurance planning. Event Analysis analyzes reportable events to identify and understand lessons learned, sequence of events, root and contributing causes, risks to reliability, and potential mitigating actions. Event Analysis keeps the industry informed of system events, emerging trends, event precursors, risk analysis, lessons learned, and recommended corrective and expected mitigation activities through verbal and written communications/reports and cross-functional collaboration efforts. Focus areas for Event Analysis in 2026 include: expanding to a broader audience through publication of current operating incidents impacting future operations and planning considerations; informing aggregate needs of ERO Enterprise inherent risk understanding and entity operating/performance characterization; building energy capacity and delivery understanding in near-term to real-time operating horizons supporting opportunities to inform and enhance grid performance; enhancing event processing to develop a coherent system performance picture within the NERC ROP Section 800 system performance monitoring and reporting program; enhancing program data collection, organization, manipulation, and reporting tools and capabilities; planning, development, and implementation of a common platform, to improve industry reporting in support of program data acquisition needs; improving cross-functional alignment and collaboration to provide reporting flexibility and agility; and reinforcing fundamental practices and advocacy of enhanced reliability practices through joint reliability partnership activities with FERC, stakeholders and the ERO Enterprise.

The major activities of the Event Analysis group satisfy the following criteria:

- I.C.2: Is the activity necessary or appropriate for information gathering, collection and analysis activities to obtain information for Reliability Standards development, including for purposes of identifying areas in which new Reliability Standards could be developed, existing Reliability Standards could be revised, or existing Reliability Standards could be eliminated, such as: (2) Monitoring, event analysis and investigations of BPS major events, off-normal occurrences and near-miss events?
- II.E.2: Is the activity necessary or appropriate for information gathering, collection and analysis activities to obtain information to monitor and enforce compliance with Reliability Standards, including evaluating the effectiveness of current compliance monitoring and enforcement processes, the need for new or revised compliance monitoring and enforcement processes, and the need for new or different means of training and education on compliance with Reliability Standards, such as: (2) Monitoring, event analysis and investigation of BPS major events, off-normal occurrences, and near miss events?
- II.F.3: Is the activity necessary or appropriate for the provision of training, education and dissemination of information for/to (i) NERC personnel, (ii) Regional Entity personnel, and (iii) industry personnel with respect to compliance monitoring and enforcement topics and topics concerning reliability risks identified through compliance monitoring and enforcement activities, such as: (3) Disseminating, through workshops, webinars, Advisories, Recommendations, Essential Actions, and other publications, “lessons learned” information on compliance concerns and reliability risks obtained through compliance monitoring and enforcement activities; monitoring and investigation of BPS major events, off-normal occurrences and near miss events, and other BPS monitoring activities?
- III.B. Is the activity necessary or appropriate for measuring reliability performance—past, present and future; publishing or disseminating the results of such measurements; analyzing the results of such measurements; identifying and analyzing risks to reliability of the BPS based on such measurements; and/or identifying approaches to mitigating or eliminating such risks?
- III.C. Is the activity necessary or appropriate for investigating, analyzing, evaluating, and disseminating information concerning, the causes of major events and off-normal occurrences, and/or providing coordination assistance, technical expertise and other assistance to users, owners, and operators of the BPS in connection with BPS major events and off-normal occurrences, but not real-time operational control of the BPS?
- III.D. Is the activity necessary or appropriate for awareness of circumstances on the BPS and to contribute to understanding risks to reliability?
- III.E: Is the activity necessary or appropriate for gathering, analyzing and sharing with and among industry and government participants, information regarding the physical or cyber security of the BPS?
- III.F: Is the activity necessary or appropriate for the development and dissemination of Advisories/Recommendations/Essential Actions regarding lessons learned and potential reliability risks to users, owners, and operators of the BPS?
- V: Is the activity one that is required or specified by, or carries out, the provisions of NERC’s ROP that have been approved by the Commission as “Electric Reliability Organization Rules” (defined in 18 C.F.R. §39.1) pursuant to FPA §215(f)? (The applicable ROP provisions for these major activities are §807-808 and §810-811 and Appendix 8.)
- VI. Is the activity necessary or appropriate for the supervision and oversight of Regional Entities in the performance of their delegated responsibilities in accordance with FPA §215, 18 C.F.R. Part 39, the Commission-approved delegation agreement between NERC and the Regional Entity, the NERC ROP, and applicable provisions of Commission orders?
- IX. Is the activity necessary or appropriate for NERC and Regional Entity committees, subcommittees and working groups engaged in activities encompassed by one or more of the other criteria?



## VII. Electricity Information Sharing and Analysis Center 2026 Major Activities

The major activities of the Electricity Information Sharing and Analysis Center (E-ISAC) are described at pages 44–45 of the 2026 Business Plan and Budget. The E-ISAC provides resources to prepare for and reduce cyber and physical security threats to the North American electricity industry. The E-ISAC offers products and services that give timely, relevant, and actionable situational awareness and analysis to asset owners and operators as well as cross-sector and government partners. This mission recognizes the critical interdependencies between the E-ISAC, industry, U.S. and Canadian government agencies, and other stakeholders.

The E-ISAC manages the Cybersecurity Risk Information Sharing Program (CRISP), a unique public-private initiative among the E-ISAC, the North American electric utility industry, the U.S. Department of Energy (DOE), and the U.S. Intelligence Community that delivers real-time, relevant, and actionable cyber security risk information to all E-ISAC member electricity asset owners and operators. Using passive information sharing devices on participant networks, participant data is collected and matched against known threat signatures, both classified and unclassified, to identify potential threats and provide participants with recommended mitigation steps. The Pacific Northwest National Laboratory, a U.S. DOE National Laboratory, operated by Battelle Memorial Institute with oversight by the DOE, is the primary subcontractor to NERC for the deployment of the required technology, supporting infrastructure, analysis, and technical capabilities for CRISP.

The focus areas of the E-ISAC for 2026 include: reviewing, curating, and disseminating security intelligence applicable to the electricity sector and continuous enhancements to the platforms, events, and products used for that purpose; conducting threat hunts for malicious software on Information Technology and Operational Technology platforms; expanding CRISP participation and technology modernization; continued stakeholder experience enhancements for E-ISAC products, services, and platforms; expanding membership and strategic relationships, including membership expansion with renewable energy resources entities, further collaboration with the natural gas sector, enhanced engagement with small and medium utilities, and operating the Vendor Affiliate Program (this program provides opportunities for collaboration and information sharing between the E-ISAC and the vendor community); and providing the annual Grid Security Conference and facilitating industry movement towards addressing gaps discovered in the 2025 GridEx VIII.

The major activities of the E-ISAC satisfy the following criteria:

- I.C.1: Is the activity necessary or appropriate for information gathering, collection and analysis activities to obtain information for Reliability Standards development, including for purposes of identifying areas in which new Reliability Standards could be developed, existing Reliability Standards could be revised, or existing Reliability Standards could be eliminated, such as: (1) Measuring reliability performance—past, present and future; publishing or disseminating the results of such measurements; analyzing the results of such measurements; identifying and analyzing risks to reliability of the BPS based on such measurements; and/or identifying approaches to mitigating or eliminating such risks? (2) Monitoring, event analysis and investigation of BPS major events, off-normal occurrences and near-miss events?
- III.D: Is the activity necessary or appropriate for awareness of circumstances on the BPS and to contribute to understanding risks to reliability.
- III.E: Is the activity necessary or appropriate for gathering, analyzing and sharing with and among industry and government participants, information regarding the physical or cyber security of the BPS.
- III.F: Is the activity necessary or appropriate for the development and dissemination of Advisories/Recommendations/Essential Actions regarding lessons learned and potential reliability risks to users, owners, and operators of the BPS?
- V: Is the activity one that is required or specified by, or carries out, the provisions of NERC’s ROP that have been approved by the Commission as “Electric Reliability Organization Rules” (defined in 18 C.F.R. §39.1) pursuant to FPA §215(f)? (The applicable ROP provisions for these major activities are §810 and 1003.)

**VIII. Personnel Certification and Credential Maintenance 2026 Major Activities**

NERC has placed the System Operator Certification and Credential Maintenance Program into a separate group overseen by the NERC Personnel Certification Governance Committee (PCGC), a NERC standing committee. These programs are funded through examination, renewal, and continuing education provider fees, and do not receive funding from FPA §215 statutory assessments. The PCGC oversees the budgets for these programs. For completeness, however, a summary of the major activities of the Personnel Certification and Credential Maintenance group is provided below.

The major activities of the Personnel Certification and Credential Maintenance group are described at page 49 of the 2026 Business Plan and Budget. This group promotes the reliability of the North American BPS by ensuring that system operators maintain their required credentials to work in system control centers across North America. NERC's System Operator Certification exam tests specific knowledge of job skills and Reliability Standards, and prepares operators to handle the BPS during normal and emergency operations. Certification is maintained by completing NERC approved Credential Maintenance Program courses and activities. The PCGC's Exam Working Group, comprised of subject matter experts from all regions of North America, is responsible for doing an extensive job analysis survey of certified operators across the industry, which provides the basis for the exams. The Credential Maintenance Working Group reports to the PCGC and is responsible for developing and maintaining the Credential Maintenance Program under the guidelines set by the PCGC. NERC contracts with psychometric consultants who assist a working group of certified system operators in the development and maintenance of each exam.

The focus areas for the Personnel Certification and Credential Maintenance Program for 2026 include upgrading the System Operator Certification Continuing Education Database base platform, and beginning work to implement program changes.

The major activities of the Personnel Certification group satisfy the following criteria:

- I.D: Is the activity necessary or appropriate for the provision of training and education concerning Reliability Standards development processes, procedures and topics for/to (i) NERC personnel, (ii) Regional Entity personnel, and (iii) industry personnel?
- II.C: Is the activity necessary or appropriate for the Certification of system operating personnel as qualified to carry out the duties and responsibilities of their positions in accordance with the Requirements of applicable Reliability Standards?
- II.F.1: Is the activity necessary or appropriate for the provision of training, education and dissemination of information for/to (i) NERC personnel, (ii) Regional Entity personnel, and (iii) industry personnel with respect to compliance monitoring and enforcement topics and topics concerning reliability risks identified through compliance monitoring and enforcement activities, such as: (1) requirements of Reliability Standards, including how to comply and how to demonstrate compliance? This includes development of guidance and interpretation documents.
- V: Is the activity one that is required or specified by, or carries out, the provisions of NERC's ROP that have been approved by the Commission as "Electric Reliability Organization Rules" (defined in 18 C.F.R. §39.1) pursuant to FPA §215(f)? (The applicable ROP provision for the major activities of the Personnel Certification Program is §900.)
- IX. Is the activity necessary or appropriate for NERC and Regional Entity committees, subcommittees and working groups engaged in activities encompassed by one or more of the other criteria?

## **IX. Training and Education 2026 Major Activities**

The major activities of Training and Education are described at page 51 of the 2026 Business Plan and Budget. The Training and Education group facilitates the learning and development of NERC and ERO Enterprise staff as well as BPS and industry participants, in accordance with NERC ROP 901, which acknowledges the need to acquire and sustain informed, knowledgeable and skilled personnel to assure the reliable operation of the North American BPS. Training and Education oversees and coordinates learning resources that support the increase of knowledge and skills among stakeholders. Learners are typically engaged through learning events and products and resources. The focus areas for the Training and Education group for 2026 include: leadership development, new hire orientation, and confidential information training; events, including the annual ERO Enterprise CMEP Staff Workshop and preparation for GridEx; and developing training materials related to new technology systems.

The major activities of Training and Education satisfy the following criteria:

- I.D: Is the activity necessary or appropriate for the provision of training and education concerning Reliability Standards development processes, procedures and topics for/to (i) NERC personnel, (ii) Regional Entity personnel, and (iii) industry personnel?
- II.F: Is the activity necessary or appropriate for the provision of training, education and dissemination of information for/to (i) NERC personnel, (ii) Regional Entity personnel, and (iii) industry personnel with respect to compliance monitoring and enforcement topics and topics concerning reliability risks identified through compliance monitoring and enforcement activities, such as: (1) Requirements of Reliability Standards, including how to comply and how to demonstrate compliance? This includes development of guidance and interpretation documents. (2) Compliance monitoring and enforcement processes, including how to conduct them, how to participate in them, and the expectations for the processes? This includes development of guidance documents. (3) Disseminating, through workshops, webinars, Advisories/Recommendations/Essential Actions, and other publications, “lessons learned” information on compliance concerns and reliability risks obtained through compliance monitoring and enforcement activities, monitoring and investigation of BPS major events, off-normal occurrences and near miss events, and other BPS monitoring activities. (4) Registered Entity internal processes for compliance with Reliability Standards, such as development, implementation and maintenance of internal reliability compliance programs?
- III.E: Is the activity necessary or appropriate for gathering, analyzing and sharing with and among industry and government participants, information regarding the physical or cyber security of the BPS?
- V: Is the activity one that is required or specified by, or carries out, the provisions of NERC’s ROP that have been approved by the Commission as “Electric Reliability Organization Rules” (defined in 18 C.F.R. §39.1) pursuant to FPA §215(f)? (The applicable ROP provisions for the major activities of Training and Education are in §900.)
- VI: Is the activity necessary or appropriate for the supervision and oversight of Regional Entities in the performance of their delegated responsibilities in accordance with FPA §215, 18 C.F.R. Part 39, the Commission-approved delegation agreement between NERC and the Regional Entity, the NERC ROP, and the applicable provisions of Commission orders?

## **X. Corporate Services 2026 Major Activities**

NERC’s Corporate Services Departments are General and Administrative, Legal & Regulatory, Business (Information) Technology (IT), Human Resources (HR) & Administration, and Finance & Accounting. The major activities of these departments are described at pages 53–56 of the 2026 Business Plan and Budget.

General and Administrative is responsible for the administration and general management of the organization and includes the Chief Executive Officer, Chief Operating Officer, and support staff; External Affairs staff



(legislative and regulatory relations, internal and external communications, and liaison with government entities and industry stakeholders in the U.S., Canada and Mexico); and Board of Trustees costs, as well as Office Rent for NERC's offices.

Legal & Regulatory provides legal support to the organization, including management and the NERC program areas. Legal support is provided in areas including corporate, commercial, insurance, contracts, employment, antitrust, real estate, copyright, tax, legislation, and other legal matters. Legal and regulatory support is also provided in connection with matters relating to NERC's role as the ERO, including the delegation agreements with Regional Entities. Legal & Regulatory also includes the Internal Audit and Corporate Risk Management functions

Business Technology provides the technology and management needed for the organization to maintain daily operations and meet ERO statutory obligations, including applications and infrastructure leveraged by the ERO Enterprise and registered entities. Business Technology's Project Management Office provides project management skills and leadership for major ERO Enterprise and NERC business technology projects. The Business Technology Department focuses on five key areas: cyber security, NERC infrastructure support, the E-ISAC, ERO Enterprise application and infrastructure support, and ERO Enterprise new functionality. Business Technology manages NERC's overall Technology Strategy.

HR & Administration's activities include payroll, benefits and retirement plan administration, employee relations, performance and compensation management, succession planning, leadership and employee development, facilities management, and meeting planning and coordination. HR manages NERC's overall People Strategy to create an employee experience that meets expectations of an evolving workforce and attracts, retains, and engages top talent to ensure NERC has the talent to achieve its mission.

Finance & Accounting manages all finance and accounting functions of NERC, including accounts payable and receivable, assessment and CRISP billing, travel and expense reporting, budget management, financial reporting, procurement, supplier contract management and administration, coordination of the annual financial statement audit and Form 990, property, sales, and use tax returns, and management of systems, policies, procedures and controls governing day-to-day practices, including procurement, expense reimbursement, and financial systems. Finance & Accounting is also responsible for preparation of the annual business plan and budget and associated stakeholder outreach.

The focus areas for the Corporate Services programs for 2026 include: (1) elevating NERC's strategic planning process and outreach and engagement activities to address a diverse stakeholder base and transforming industry; (2) continuing to enhance communications efforts across the ERO Enterprise to better educate, inform, and engage current stakeholders, as well as working with subject matter experts to identify and attract new stakeholder groups; (3) maturing internal assurance programs, including internal audit, risk management, and contingency planning; (4) implementing and supporting adaptable and sustainable technology and enhancing cyber security to focus on prevention, detection, and mitigation; and (5) increasing sustainability in the HR and Finance and Accounting areas by continuing to develop robust workforce planning, talent management, and procurement processes, with a continued focus on improved efficiency and enhanced controls through system automation.

As support functions for all of NERC's statutory programs, the major activities of NERC's Corporate Services Departments satisfy the following criteria:

- I.A: Is the activity necessary or appropriate for Reliability Standards development projects pursuant to the NERC ROP?
- II.A: Is the activity necessary or appropriate for the identification and registration of users, owners, and operators of the BPS that are required to comply with Requirements of Reliability Standards applicable

to the reliability functions for which they are registered?

- II.D: Is the activity necessary or appropriate for conducting, participating in or overseeing compliance monitoring and enforcement activities pursuant to the NERC ROP and (through the Regional Entities) the Commission-approved delegation agreements?
- III.C: Is the activity necessary or appropriate for investigating, analyzing, evaluating, and disseminating information concerning, the causes of major events and off-normal occurrences, and/or providing coordination assistance, technical expertise and other assistance to users, owners, and operators of the BPS in connection with BPS major events and off-normal occurrences, but not real-time operational control of the BPS?
- V: Is the activity one that is required or specified by, or carries out, the provisions of NERC's ROP that have been approved by the Commission as "Electric Reliability Organization Rules" (defined in 18 C.F.R. §39.1) pursuant to FPA §215(f)? (The applicable ROP provisions for ERO Enterprise audits conducted by the Internal Audit group in Legal & Regulatory are §406, §506, and Appendix 4A, and for major activities of Finance and Accounting is §1100.)
- VI: Is the activity necessary or appropriate for the supervision and oversight of Regional Entities in the performance of their delegated responsibilities in accordance with FPA §215, 18 C.F.R. Part 39, the Commission-approved delegation agreement between NERC and the Regional Entity, the NERC ROP, and the applicable provisions of Commission orders.
- IX: Is the activity necessary or appropriate for NERC and Regional Entity committees, subcommittees and working groups engaged in activities encompassed by one or more of the other criteria?
- XI: Is the activity a governance or administrative/overhead function, activity or service necessary or appropriate for the activities encompassed by the other criteria and, in general, necessary and appropriate to operate a functioning organization?

**NERC WRITTEN CRITERIA FOR DETERMINING  
WHETHER AN ACTIVITY IS ELIGIBLE TO BE FUNDED  
UNDER SECTION 215 OF THE FEDERAL POWER ACT**

For purposes of internal management approval of a proposed new activity or group of related activities (“major activity”), the proposed activity or major activity must be shown to fall within at least one of the criteria listed below. When sub-criteria are listed below a roman numeral numbered major criterion, the proposed activity should be a positive answer to at least one of the sub-criteria. Conversely, an activity that falls under a sub-criterion should pertain to the subject matter of the major criterion.

NERC’s annual business plan and budget will describe how each major activity falls within one or more of the criteria listed below. If the major activity is substantially the same as a major activity that was shown to fall within the criteria in a previous year’s business plan and budget, the current year’s business plan and budget can refer to the prior year business plan and budget.

A determination that an activity falls within FPA §215 does not necessarily mean that NERC will propose or undertake such activity. The determination of whether an activity falling under FPA §215 should or will be undertaken in a given budget year will be addressed in the context of the applicable business plan and budget and will include opportunities for stakeholder input.

The criteria listed below are not necessarily each distinct from the others. An activity or major activity may fall within more than one of the criteria listed below.

- I. Is the activity necessary or appropriate for the development of Reliability Standards?
  - A. Is the activity necessary or appropriate for Reliability Standards development projects pursuant to the NERC ROP?
  - B. Is the activity necessary or appropriate for providing guidance and assistance to Regional Entities in carrying out Regional Reliability Standards development activities?
  - C. Is the activity necessary or appropriate for information gathering, collection and analysis activities to obtain information for Reliability Standards development, including for purposes of identifying areas in which new Reliability Standards could be developed, existing Reliability Standards could be revised, or existing Reliability Standards could be eliminated, such as:
    1. Measuring reliability performance—past, present and future; publishing or disseminating the results of such measurements; analyzing the results of such measurements; identifying and analyzing risks to reliability of the Bulk Power System (BPS)<sup>22</sup> based on such measurements; and/or identifying approaches to mitigating or eliminating such risks?
    2. Monitoring, event analysis and investigation of BPS major events, off-normal occurrences and near miss events?
  - D. Is the activity necessary or appropriate for the provision of training and education concerning Reliability Standards development processes, procedures and topics for/to (i) NERC personnel, (ii) Regional Entity personnel, and (iii) industry personnel?
- II. Is the activity necessary or appropriate for the monitoring and enforcement of compliance with Reliability Standards?

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<sup>22</sup> This document uses the term “Bulk Power System” because that is the term defined and used in FPA §215. NERC recognizes that a different term, “Bulk Electric System,” is used to define the current reach of reliability standards.

- A. Is the activity necessary or appropriate for the identification and registration of users, owners, and operators of the BPS that are required to comply with Requirements of Reliability Standards applicable to the reliability functions for which they are registered?
- B. Is the activity necessary or appropriate for the Certification of RCs, TOPS, and BAs as having the requisite personnel, qualifications and facilities and equipment needed to perform these reliability functions in accordance with the applicable Requirements of Reliability Standards?
- C. Is the activity necessary or appropriate for the Certification of system operating personnel as qualified to carry out the duties and responsibilities of their positions in accordance with the Requirements of applicable Reliability Standards?<sup>23</sup>
- D. Is the activity necessary or appropriate for conducting, participating in or overseeing compliance monitoring and enforcement activities pursuant to the NERC ROP and (through the Regional Entities) the Commission-approved delegation agreements?
- E. Is the activity necessary or appropriate for information gathering, collection and analysis activities to obtain information to monitor and enforce compliance with Reliability Standards, including evaluating the effectiveness of current compliance monitoring and enforcement processes, the need for new or revised compliance monitoring and enforcement processes, and the need for new or different means of training and education on compliance with Reliability Standards, such as:
  1. Measuring reliability performance—past, present and future; publishing or disseminating the results of such measurements; analyzing the results of such measurements; identifying and analyzing risks to reliability of the BPS based on such measurements; and/or identifying approaches to mitigating or eliminating such risks?
  2. Monitoring, event analysis and investigation of BPS major events, off-normal occurrences, and near miss events?
- F. Is the activity necessary or appropriate for the provision of training, education and dissemination of information for/to (i) NERC personnel, (ii) Regional Entity personnel, and (iii) industry personnel with respect to compliance monitoring and enforcement topics and topics concerning reliability risks identified through compliance monitoring and enforcement activities, such as:
  1. Requirements of Reliability Standards, including how to comply and how to demonstrate compliance? This includes development of guidance and interpretation documents.
  2. Compliance monitoring and enforcement processes, including how to conduct them, how to participate in them, and the expectations for the processes? This includes development of guidance documents.
  3. Disseminating, through workshops, webinars, Advisories, Recommendations, Essential Actions, and other publications; “lessons learned” information on compliance concerns and reliability risks obtained through compliance monitoring and enforcement activities; monitoring and investigation of BPS major events, off-normal occurrences and near miss events, and other BPS monitoring activities?

<sup>23</sup> Although certification of system operating personnel is an activity falling within the scope of, and eligible to be funded pursuant to, FPA §215, NERC strives to fully fund the costs of this activity through fees charged to participants.

4. Registered Entity internal processes for compliance with Reliability Standards, such as development, implementation and maintenance of internal reliability compliance programs?
        - G. Is the activity necessary or appropriate for the development and provision of tools and services that are useful for the provision of adequate reliability, because they relate specifically to compliance with existing Reliability Standards and they proactively help avert Reliability Standard violations and BPS disturbances?
- III. Is the activity necessary or appropriate for conducting and disseminating periodic assessments of the reliability of the BPS or monitoring the reliability of the BPS?
  - A. Is the activity necessary or appropriate for the preparation or dissemination of long-term, seasonal, and special assessments of the reliability and adequacy of the BPS?
  - B. Is the activity necessary or appropriate for measuring reliability performance—past, present and future; publishing or disseminating the results of such measurements; analyzing the results of such measurements; identifying and analyzing risks to reliability of the BPS based on such measurements; and/or identifying approaches to mitigating or eliminating such risks?
  - C. Is the activity necessary or appropriate for investigating, analyzing, evaluating, and disseminating information concerning, the causes of major events and off-normal occurrences, and/or providing coordination assistance, technical expertise and other assistance to users, owners, and operators of the BPS in connection with BPS major events and off-normal occurrences, but not real-time operational control of the BPS?
  - D. Is the activity necessary or appropriate for awareness of circumstances on the BPS and to contribute to understanding risks to reliability?
  - E. Is the activity necessary or appropriate for gathering, analyzing and sharing with and among industry and government participants, information regarding the physical or cyber security of the BPS?
  - F. Is the activity necessary or appropriate for the development and dissemination of Advisories/Recommendations/Essential Actions regarding lessons learned and potential reliability risks to users, owners, and operators of the BPS?
  - G. Is the activity necessary or appropriate for data collection and analysis of information regarding BPS reliability matters mandated by the Commission?
- IV. Is the activity one that was required or directed by a Commission order issued pursuant to FPA §215? Justification of an activity as a FPA §215 activity based on this category must reference the particular Commission order and directive.
- V. Is the activity one that is required or specified by, or carries out, the provisions of NERC’s ROP that have been approved by the Commission as “Electric Reliability Organization Rules” (defined in 18 C.F.R. §39.1) pursuant to FPA §215(f)?
- VI. Is the activity necessary or appropriate for the supervision and oversight of Regional Entities in the performance of their delegated responsibilities in accordance with FPA §215, 18 C.F.R. Part 39, the Commission-approved delegation agreement between NERC and the Regional Entity, the NERC ROP, and applicable provisions of Commission orders?
- VII. Is the activity necessary or appropriate to maintain NERC’s certification as the Electric Reliability Organization? This Criterion includes conducting periodic assessments of NERC’s and the Regional Entities’ performance as the Electric Reliability Organization as required by 18 C.F.R. §39.3(c).

- VIII. Does the activity respond to or is it necessary or appropriate for audits of NERC and the Regional Entities conducted by the Commission?
- IX. Is the activity necessary or appropriate for NERC and Regional Entity committees, subcommittees and working groups engaged in activities encompassed by one or more of the other criteria?
- X. Is the activity necessary or appropriate for the analysis and evaluation of activities encompassed by one or more of the other criteria for the purpose of identifying means of performing the activities more effectively and efficiently?
- XI. Is the activity a governance or administrative/overhead function, activity or service necessary or appropriate for the activities encompassed by the other criteria and, in general, necessary and appropriate to operate a functioning organization? (Should NERC perform any non-FPA §215 activities, the costs of governance and administrative/overhead functions must be appropriately allocated.)

NERC's current governance and administrative/overhead functions are carried out in the following program areas:

- A. General and Administrative (includes, but is not limited to, Executive, Board of Trustees, Communications, Government Affairs, and facilities and related services)
- B. Legal and Regulatory
- C. Business (Information) Technology
- D. Human Resources
- E. Accounting and Finance

The following matters are excluded from the scope of FPA §215 activities. While a list of non-FPA §215 activities would be infinite, the following excluded matters are listed here because they are expressly referred to in FPA §215, the Commission's ERO regulations and/or a Commission order issued pursuant to FPA §215:

- A. Developing or enforcing requirements to enlarge BPS facilities, or to construct new transmission capacity or generation capacity, or requirements for adequacy or safety of electric facilities or services.
- B. Activities entailing Real-time operational control of the BPS.
- C. Activities pertaining to facilities used in the local distribution of electricity.

**DOCKET NO. RR25-\_\_-000**

**NORTH AMERICAN ELECTRIC RELIABILITY  
CORPORATION**

**2026 BUSINESS PLAN AND BUDGET FILING**

**NORTH AMERICAN ELECTRIC RELIABILITY  
CORPORATION**

**APPENDIX 1 TO ATTACHMENT 2**

**2026 ASSESSMENT SCHEDULE**

| Data Year | Regional Entity | NERC ID | Entity                                                        | Country | Total NEL (MWh) | U.S. NEL   | Canada NEL | % of RE total | US Total | Canada Total | % of ERO Total | US Total | Canada Total | % of ERO - US Only |
|-----------|-----------------|---------|---------------------------------------------------------------|---------|-----------------|------------|------------|---------------|----------|--------------|----------------|----------|--------------|--------------------|
| 2024      | MRO             | C-1217  | Manitoba Hydro                                                | Canada  | 25,621,421      | -          | 25,621,421 | 4.949%        | 0.000%   | 4.949%       | 0.542%         | 0.000%   | 0.542%       | 0.000%             |
| 2024      | MRO             | C-1235  | SaskPower                                                     | Canada  | 25,736,900      | -          | 25,736,900 | 4.971%        | 0.000%   | 4.971%       | 0.544%         | 0.000%   | 0.544%       | 0.000%             |
| 2024      | MRO             | C-1195  | Alliant Energy (ALTE- WPL & ALTW IPL)                         | U.S.    | 28,044,333      | 28,044,333 | -          | 5.416%        | 5.416%   | 0.000%       | 0.593%         | 0.593%   | 0.000%       | 0.669%             |
| 2024      | MRO             | C-1246  | American Electric Power Service Corporation                   | U.S.    | 38,249,463      | 38,249,463 | -          | 7.388%        | 7.388%   | 0.000%       | 0.809%         | 0.809%   | 0.000%       | 0.913%             |
| 2024      | MRO             | C-1196  | Ames Municipal Electric System                                | U.S.    | 767,789         | 767,789    | -          | 0.148%        | 0.148%   | 0.000%       | 0.016%         | 0.016%   | 0.000%       | 0.018%             |
| 2024      | MRO             | C-1986  | Arkansas Electric Cooperative Corporation (AECC)              | U.S.    | 4,767,321       | 4,767,321  | -          | 0.921%        | 0.921%   | 0.000%       | 0.101%         | 0.101%   | 0.000%       | 0.114%             |
| 2024      | MRO             | C-1604  | Atlantic Municipal Utilities (AMU)                            | U.S.    | 153,507         | 153,507    | -          | 0.030%        | 0.030%   | 0.000%       | 0.003%         | 0.003%   | 0.000%       | 0.004%             |
| 2024      | MRO             | C-1199  | Basin Electric Power Cooperative (BEP)                        | U.S.    | 28,932,387      | 28,932,387 | -          | 5.588%        | 5.588%   | 0.000%       | 0.612%         | 0.612%   | 0.000%       | 0.691%             |
| 2024      | MRO             | C-1247  | Board of Public Utilities (Kansas City, KS) (BPU)             | U.S.    | 2,368,178       | 2,368,178  | -          | 0.457%        | 0.457%   | 0.000%       | 0.050%         | 0.050%   | 0.000%       | 0.057%             |
| 2024      | MRO             | C-1620  | Board of Public Utilities City of McPherson, KS (MCPHER)      | U.S.    | 1,160,166       | 1,160,166  | -          | 0.224%        | 0.224%   | 0.000%       | 0.025%         | 0.025%   | 0.000%       | 0.028%             |
| 2024      | MRO             | C-1647  | Carthage Water and Light                                      | U.S.    | 291,732         | 291,732    | -          | 0.056%        | 0.056%   | 0.000%       | 0.006%         | 0.006%   | 0.000%       | 0.007%             |
| 2024      | MRO             | C-1200  | Cedar Falls Utilities (CFU)                                   | U.S.    | 768,383         | 768,383    | -          | 0.148%        | 0.148%   | 0.000%       | 0.016%         | 0.016%   | 0.000%       | 0.018%             |
| 2024      | MRO             | C-1201  | Central Iowa Power Cooperative (CIPCO)                        | U.S.    | 2,988,908       | 2,988,908  | -          | 0.577%        | 0.577%   | 0.000%       | 0.063%         | 0.063%   | 0.000%       | 0.071%             |
| 2024      | MRO             | C-1477  | Central Minnesota Municipal Power Agency (CMMPA)              | U.S.    | 467,670         | 467,670    | -          | 0.090%        | 0.090%   | 0.000%       | 0.010%         | 0.010%   | 0.000%       | 0.011%             |
| 2024      | MRO             | C-1469  | Central Valley Electric Cooperative (CVEC)                    | U.S.    | 986,662         | 986,662    | -          | 0.191%        | 0.191%   | 0.000%       | 0.021%         | 0.021%   | 0.000%       | 0.024%             |
| 2024      | MRO             | C-2056  | City of Beatrice                                              | U.S.    | 188,561         | 188,561    | -          | 0.036%        | 0.036%   | 0.000%       | 0.004%         | 0.004%   | 0.000%       | 0.005%             |
| 2024      | MRO             | C-1556  | City of Bentonville (BENVILL)                                 | U.S.    | 762,616         | 762,616    | -          | 0.147%        | 0.147%   | 0.000%       | 0.016%         | 0.016%   | 0.000%       | 0.018%             |
| 2024      | MRO             | C-1713  | City of Bloomer (Bloomer Electric & Water Co.)                | U.S.    | 67,832          | 67,832     | -          | 0.013%        | 0.013%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.002%             |
| 2024      | MRO             | C-1703  | City of Chanute (CHANUTEKS)                                   | U.S.    | 548,236         | 548,236    | -          | 0.106%        | 0.106%   | 0.000%       | 0.012%         | 0.012%   | 0.000%       | 0.013%             |
| 2024      | MRO             | C-1203  | City of Escanaba (EME)                                        | U.S.    | 124,684         | 124,684    | -          | 0.024%        | 0.024%   | 0.000%       | 0.003%         | 0.003%   | 0.000%       | 0.003%             |
| 2024      | MRO             | C-1719  | City of Kasota                                                | U.S.    | 3,667           | 3,667      | -          | 0.001%        | 0.001%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024      | MRO             | C-1709  | City of Nixa                                                  | U.S.    | 183,913         | 183,913    | -          | 0.036%        | 0.036%   | 0.000%       | 0.004%         | 0.004%   | 0.000%       | 0.004%             |
| 2024      | MRO             | C-2057  | City of South Sioux City, NE                                  | U.S.    | 208,226         | 208,226    | -          | 0.040%        | 0.040%   | 0.000%       | 0.004%         | 0.004%   | 0.000%       | 0.005%             |
| 2024      | MRO             | C-1722  | City of Spooner                                               | U.S.    | 30,853          | 30,853     | -          | 0.006%        | 0.006%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | MRO             | C-2052  | City of Superior NE                                           | U.S.    | 48,432          | 48,432     | -          | 0.009%        | 0.009%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | MRO             | C-2053  | City of Wakefield, NE                                         | U.S.    | 47,441          | 47,441     | -          | 0.009%        | 0.009%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | MRO             | C-2054  | City of Wayne, NE                                             | U.S.    | 67,846          | 67,846     | -          | 0.013%        | 0.013%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.002%             |
| 2024      | MRO             | C-1436  | City Utilities of Springfield, MO (SPRPM)                     | U.S.    | 3,228,495       | 3,228,495  | -          | 0.624%        | 0.624%   | 0.000%       | 0.068%         | 0.068%   | 0.000%       | 0.077%             |
| 2024      | MRO             | C-1204  | Corn Belt Power Cooperative (CBPC)                            | U.S.    | 2,173,035       | 2,173,035  | -          | 0.420%        | 0.420%   | 0.000%       | 0.046%         | 0.046%   | 0.000%       | 0.052%             |
| 2024      | MRO             | C-1710  | Dahlberg Electric Company                                     | U.S.    | 119,647         | 119,647    | -          | 0.023%        | 0.023%   | 0.000%       | 0.003%         | 0.003%   | 0.000%       | 0.003%             |
| 2024      | MRO             | C-1207  | Dairyland Power Cooperative (DPC)                             | U.S.    | 5,807,611       | 5,807,611  | -          | 1.122%        | 1.122%   | 0.000%       | 0.123%         | 0.123%   | 0.000%       | 0.139%             |
| 2024      | MRO             | C-2171  | Delano Municipal Utilities                                    | U.S.    | 75,271          | 75,271     | -          | 0.015%        | 0.015%   | 0.000%       | 0.002%         | 0.002%   | 0.000%       | 0.002%             |
| 2024      | MRO             | C-1437  | East Texas Electric Cooperative, Inc. (ETEC)                  | U.S.    | 1,035,762       | 1,035,762  | -          | 0.200%        | 0.200%   | 0.000%       | 0.022%         | 0.022%   | 0.000%       | 0.025%             |
| 2024      | MRO             | C-1716  | Eldridge Electric and Water Utilities                         | U.S.    | 41,441          | 41,441     | -          | 0.008%        | 0.008%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | MRO             | C-1250  | Empire District Electric Co.                                  | U.S.    | 5,100,192       | 5,100,192  | -          | 0.985%        | 0.985%   | 0.000%       | 0.108%         | 0.108%   | 0.000%       | 0.122%             |
| 2024      | MRO             | C-1205  | City of Falls City, NE                                        | U.S.    | 52,330          | 52,330     | -          | 0.010%        | 0.010%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | MRO             | C-1470  | Farmers Electric Cooperative, Inc. of New Mexico (FARMCOOPNM) | U.S.    | 369,228         | 369,228    | -          | 0.071%        | 0.071%   | 0.000%       | 0.008%         | 0.008%   | 0.000%       | 0.009%             |
| 2024      | MRO             | C-1206  | Fremont Department of Utilities (City of)                     | U.S.    | 507,374         | 507,374    | -          | 0.098%        | 0.098%   | 0.000%       | 0.011%         | 0.011%   | 0.000%       | 0.012%             |
| 2024      | MRO             | C-1208  | Geneseo Municipal Utilities                                   | U.S.    | 67,365          | 67,365     | -          | 0.013%        | 0.013%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.002%             |
| 2024      | MRO             | C-1438  | Golden Spread Electric Cooperative, Inc (GSEC)                | U.S.    | 6,893,911       | 6,893,911  | -          | 1.331%        | 1.331%   | 0.000%       | 0.146%         | 0.146%   | 0.000%       | 0.165%             |
| 2024      | MRO             | C-1209  | City of Grand Island, NE                                      | U.S.    | 760,597         | 760,597    | -          | 0.147%        | 0.147%   | 0.000%       | 0.016%         | 0.016%   | 0.000%       | 0.018%             |
| 2024      | MRO             | C-1251  | Grand River Dam Authority (GRDA)                              | U.S.    | 7,509,688       | 7,509,688  | -          | 1.450%        | 1.450%   | 0.000%       | 0.159%         | 0.159%   | 0.000%       | 0.179%             |
| 2024      | MRO             | C-1717  | Great Lakes Utilities                                         | U.S.    | 1,457,720       | 1,457,720  | -          | 0.282%        | 0.282%   | 0.000%       | 0.031%         | 0.031%   | 0.000%       | 0.035%             |
| 2024      | MRO             | C-1210  | Great River Energy (GRE)                                      | U.S.    | 13,524,865      | 13,524,865 | -          | 2.612%        | 2.612%   | 0.000%       | 0.286%         | 0.286%   | 0.000%       | 0.323%             |
| 2024      | MRO             | C-1606  | Harlan Municipal Utilities                                    | U.S.    | 15,687          | 15,687     | -          | 0.003%        | 0.003%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024      | MRO             | C-1211  | Hastings Utilities (HAST)                                     | U.S.    | 442,662         | 442,662    | -          | 0.085%        | 0.085%   | 0.000%       | 0.009%         | 0.009%   | 0.000%       | 0.011%             |
| 2024      | MRO             | C-1212  | Heartland Consumers Power District (HCPD)                     | U.S.    | 509,257         | 509,257    | -          | 0.098%        | 0.098%   | 0.000%       | 0.011%         | 0.011%   | 0.000%       | 0.012%             |
| 2024      | MRO             | C-1213  | Hutchinson Utilities Commission (HUCH)                        | U.S.    | 268,360         | 268,360    | -          | 0.052%        | 0.052%   | 0.000%       | 0.006%         | 0.006%   | 0.000%       | 0.006%             |
| 2024      | MRO             | C-1248  | Independence Power & Light (Independence, MO) (INDN)          | U.S.    | 1,015,609       | 1,015,609  | -          | 0.196%        | 0.196%   | 0.000%       | 0.021%         | 0.021%   | 0.000%       | 0.024%             |
| 2024      | MRO             | C-1252  | Evergy Metro, Inc.                                            | U.S.    | 15,708,823      | 15,708,823 | -          | 3.034%        | 3.034%   | 0.000%       | 0.332%         | 0.332%   | 0.000%       | 0.375%             |
| 2024      | MRO             | C-1439  | Kansas Electric Power Cooperative (KEPC)                      | U.S.    | 2,094,407       | 2,094,407  | -          | 0.405%        | 0.405%   | 0.000%       | 0.044%         | 0.044%   | 0.000%       | 0.050%             |
| 2024      | MRO             | C-1440  | Kansas Municipal Electric Agency (KMEA)                       | U.S.    | 1,683,686       | 1,683,686  | -          | 0.325%        | 0.325%   | 0.000%       | 0.036%         | 0.036%   | 0.000%       | 0.040%             |
| 2024      | MRO             | C-1637  | KPP Energy                                                    | U.S.    | 794,286         | 794,286    | -          | 0.153%        | 0.153%   | 0.000%       | 0.017%         | 0.017%   | 0.000%       | 0.019%             |
| 2024      | MRO             | C-1598  | Evergy Missouri West, Inc.                                    | U.S.    | 9,003,062       | 9,003,062  | -          | 1.739%        | 1.739%   | 0.000%       | 0.190%         | 0.190%   | 0.000%       | 0.215%             |
| 2024      | MRO             | C-2038  | Kennett Board of Public Works                                 | U.S.    | 120,169         | 120,169    | -          | 0.023%        | 0.023%   | 0.000%       | 0.003%         | 0.003%   | 0.000%       | 0.003%             |



## 2024 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2026 NERC and RE Assessments

APPENDIX 1-A

| Data Year | Regional Entity | NERC ID | Entity                                                             | Country | Total NEL (MWh) | U.S. NEL    | Canada NEL  | % of RE total | US Total | Canada Total | % of ERO Total | US Total | Canada Total | % of ERO - US Only |
|-----------|-----------------|---------|--------------------------------------------------------------------|---------|-----------------|-------------|-------------|---------------|----------|--------------|----------------|----------|--------------|--------------------|
| 2024      | MRO             | C-1472  | Lea County Electric Cooperative (LCEC)                             | U.S.    | 1,303,329       | 1,303,329   | -           | 0.252%        | 0.252%   | 0.000%       | 0.028%         | 0.028%   | 0.000%       | 0.031%             |
| 2024      | MRO             | C-1215  | Lincoln Electric System (LES)                                      | U.S.    | 3,269,216       | 3,269,216   | -           | 0.631%        | 0.631%   | 0.000%       | 0.069%         | 0.069%   | 0.000%       | 0.078%             |
| 2024      | MRO             | C-1216  | Madison, Gas and Electric (MGE)                                    | U.S.    | 3,292,256       | 3,292,256   | -           | 0.636%        | 0.636%   | 0.000%       | 0.070%         | 0.070%   | 0.000%       | 0.079%             |
| 2024      | MRO             | C-2039  | Malden Board of Public Works                                       | U.S.    | 50,012          | 50,012      | -           | 0.010%        | 0.010%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | MRO             | C-1220  | MidAmerican Energy Company (MEC)                                   | U.S.    | 31,302,970      | 31,302,970  | -           | 6.046%        | 6.046%   | 0.000%       | 0.662%         | 0.662%   | 0.000%       | 0.747%             |
| 2024      | MRO             | C-1441  | Midwest Energy, Inc (MIDW)                                         | U.S.    | 1,851,962       | 1,851,962   | -           | 0.358%        | 0.358%   | 0.000%       | 0.039%         | 0.039%   | 0.000%       | 0.044%             |
| 2024      | MRO             | C-1224  | Minnesota Municipal Power Agency (MMPA) Avant Energy Inc is Agent  | U.S.    | 1,969,995       | 1,969,995   | -           | 0.380%        | 0.380%   | 0.000%       | 0.042%         | 0.042%   | 0.000%       | 0.047%             |
| 2024      | MRO             | C-1221  | Minnesota Power (MP)                                               | U.S.    | 11,830,030      | 11,830,030  | -           | 2.285%        | 2.285%   | 0.000%       | 0.250%         | 0.250%   | 0.000%       | 0.282%             |
| 2024      | MRO             | C-1222  | Minnkota Power Cooperative, Inc. (MPC)                             | U.S.    | 4,054,882       | 4,054,882   | -           | 0.783%        | 0.783%   | 0.000%       | 0.086%         | 0.086%   | 0.000%       | 0.097%             |
| 2024      | MRO             | C-1987  | Missouri Joint Municipal Electric Utility                          | U.S.    | 458,986         | 458,986     | -           | 0.089%        | 0.089%   | 0.000%       | 0.010%         | 0.010%   | 0.000%       | 0.011%             |
| 2024      | MRO             | C-1223  | Missouri River Energy Services                                     | U.S.    | 2,678,910       | 2,678,910   | -           | 0.517%        | 0.517%   | 0.000%       | 0.057%         | 0.057%   | 0.000%       | 0.064%             |
| 2024      | MRO             | C-1226  | Montana-Dakota Utilities Co. (MDU)                                 | U.S.    | 4,216,612       | 4,216,612   | -           | 0.814%        | 0.814%   | 0.000%       | 0.089%         | 0.089%   | 0.000%       | 0.101%             |
| 2024      | MRO             | C-1607  | Montezuma Municipal Light & Power                                  | U.S.    | 22,162          | 22,162      | -           | 0.004%        | 0.004%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.001%             |
| 2024      | MRO             | C-2051  | Moose Lake Water & Light Commission                                | U.S.    | 34,614          | 34,614      | -           | 0.007%        | 0.007%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | MRO             | C-1227  | Municipal Energy Agency of Nebraska (MEAN)                         | U.S.    | 995,859         | 995,859     | -           | 0.192%        | 0.192%   | 0.000%       | 0.021%         | 0.021%   | 0.000%       | 0.024%             |
| 2024      | MRO             | C-1228  | Muscataine Power and Water (MPW)                                   | U.S.    | 916,396         | 916,396     | -           | 0.177%        | 0.177%   | 0.000%       | 0.019%         | 0.019%   | 0.000%       | 0.022%             |
| 2024      | MRO             | C-1229  | Nebraska City Utilities                                            | U.S.    | 117,739         | 117,739     | -           | 0.023%        | 0.023%   | 0.000%       | 0.002%         | 0.002%   | 0.000%       | 0.003%             |
| 2024      | MRO             | C-1230  | Nebraska Public Power District (NPPD)                              | U.S.    | 14,166,238      | 14,166,238  | -           | 2.736%        | 2.736%   | 0.000%       | 0.300%         | 0.300%   | 0.000%       | 0.338%             |
| 2024      | MRO             | C-1711  | North Central Power Company                                        | U.S.    | 41,107          | 41,107      | -           | 0.008%        | 0.008%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | MRO             | C-2055  | Northeast Power                                                    | U.S.    | 362,722         | 362,722     | -           | 0.070%        | 0.070%   | 0.000%       | 0.008%         | 0.008%   | 0.000%       | 0.009%             |
| 2024      | MRO             | C-1442  | Northeast Texas Electric Cooperative, Inc. (NTEC)                  | U.S.    | 3,349,312       | 3,349,312   | -           | 0.647%        | 0.647%   | 0.000%       | 0.071%         | 0.071%   | 0.000%       | 0.080%             |
| 2024      | MRO             | C-1231  | NorthWestern Energy (NWE)                                          | U.S.    | 1,664,951       | 1,664,951   | -           | 0.322%        | 0.322%   | 0.000%       | 0.035%         | 0.035%   | 0.000%       | 0.040%             |
| 2024      | MRO             | C-1712  | NorthWestern Wisconsin Electric Company                            | U.S.    | 188,296         | 188,296     | -           | 0.036%        | 0.036%   | 0.000%       | 0.004%         | 0.004%   | 0.000%       | 0.004%             |
| 2024      | MRO             | C-1255  | Oklahoma Gas and Electric Co. (OKGE)                               | U.S.    | 34,314,554      | 34,314,554  | -           | 6.628%        | 6.628%   | 0.000%       | 0.726%         | 0.726%   | 0.000%       | 0.819%             |
| 2024      | MRO             | C-1444  | Oklahoma Municipal Power Authority (OMPA)                          | U.S.    | 2,828,776       | 2,828,776   | -           | 0.546%        | 0.546%   | 0.000%       | 0.060%         | 0.060%   | 0.000%       | 0.068%             |
| 2024      | MRO             | C-1232  | Omaha Public Power District (OPPD)                                 | U.S.    | 14,140,810      | 14,140,810  | -           | 2.731%        | 2.731%   | 0.000%       | 0.299%         | 0.299%   | 0.000%       | 0.338%             |
| 2024      | MRO             | C-1233  | Otter Tail Power Company (OTP)                                     | U.S.    | 5,910,737       | 5,910,737   | -           | 1.142%        | 1.142%   | 0.000%       | 0.125%         | 0.125%   | 0.000%       | 0.141%             |
| 2024      | MRO             | C-1651  | Paragould Light, Water & Cable (PARAGOULD)                         | U.S.    | 589,896         | 589,896     | -           | 0.114%        | 0.114%   | 0.000%       | 0.012%         | 0.012%   | 0.000%       | 0.014%             |
| 2024      | MRO             | C-1725  | Peoples Electric Cooperative (PEC)                                 | U.S.    | 933,676         | 933,676     | -           | 0.180%        | 0.180%   | 0.000%       | 0.020%         | 0.020%   | 0.000%       | 0.022%             |
| 2024      | MRO             | C-2040  | Piggott Municipal Light, Water & Sewer                             | U.S.    | 36,742          | 36,742      | -           | 0.007%        | 0.007%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | MRO             | C-1720  | Resale Power Group of Iowa                                         | U.S.    | 492,732         | 492,732     | -           | 0.095%        | 0.095%   | 0.000%       | 0.010%         | 0.010%   | 0.000%       | 0.012%             |
| 2024      | MRO             | C-1721  | Rice Lake Utilities                                                | U.S.    | 154,646         | 154,646     | -           | 0.030%        | 0.030%   | 0.000%       | 0.003%         | 0.003%   | 0.000%       | 0.004%             |
| 2024      | MRO             | C-1234  | Rochester Public Utilities (RPU)                                   | U.S.    | 1,762           | 1,762       | -           | 0.000%        | 0.000%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024      | MRO             | C-1473  | Roosevelt County Electric Cooperative                              | U.S.    | 163,220         | 163,220     | -           | 0.032%        | 0.032%   | 0.000%       | 0.003%         | 0.003%   | 0.000%       | 0.004%             |
| 2024      | MRO             | C-1236  | Southern Minnesota Municipal Power Agency (SMMMPA)                 | U.S.    | 2,711,000       | 2,711,000   | -           | 0.524%        | 0.524%   | 0.000%       | 0.057%         | 0.057%   | 0.000%       | 0.065%             |
| 2024      | MRO             | C-1257  | Southwestern Public Service Co. Xcel Energy (SPS)                  | U.S.    | 27,525,483      | 27,525,483  | -           | 5.316%        | 5.316%   | 0.000%       | 0.582%         | 0.582%   | 0.000%       | 0.657%             |
| 2024      | MRO             | C-1256  | Sunflower Electric Power Corporation                               | U.S.    | 5,026,423       | 5,026,423   | -           | 0.971%        | 0.971%   | 0.000%       | 0.106%         | 0.106%   | 0.000%       | 0.120%             |
| 2024      | MRO             | C-1665  | Upper Peninsula Power Co (UPPC)                                    | U.S.    | 718,061         | 718,061     | -           | 0.139%        | 0.139%   | 0.000%       | 0.015%         | 0.015%   | 0.000%       | 0.017%             |
| 2024      | MRO             | C-1714  | Village of Cadott                                                  | U.S.    | 13,044          | 13,044      | -           | 0.003%        | 0.003%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024      | MRO             | C-1260  | Evergy Kansas Central, Inc.                                        | U.S.    | 24,315,653      | 24,315,653  | -           | 4.696%        | 4.696%   | 0.000%       | 0.514%         | 0.514%   | 0.000%       | 0.580%             |
| 2024      | MRO             | C-1239  | Western Area Power Administration Rocky Mountain Region (LM) (WAP/ | U.S.    | 45,312          | 45,312      | -           | 0.009%        | 0.009%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | MRO             | C-1240  | Western Area Power Administration Upper Great Plains (UM) (WAPA)   | U.S.    | 9,055,406       | 9,055,406   | -           | 1.749%        | 1.749%   | 0.000%       | 0.191%         | 0.191%   | 0.000%       | 0.216%             |
| 2024      | MRO             | C-1259  | Western Farmers Electric Cooperative (WFEC)                        | U.S.    | 10,372,441      | 10,372,441  | -           | 2.003%        | 2.003%   | 0.000%       | 0.219%         | 0.219%   | 0.000%       | 0.248%             |
| 2024      | MRO             | C-1501  | West Texas Municipal Power Agency (WTMPA)                          | U.S.    | 123,527         | 123,527     | -           | 0.024%        | 0.024%   | 0.000%       | 0.003%         | 0.003%   | 0.000%       | 0.003%             |
| 2024      | MRO             | C-1242  | Wisconsin Public Power, Inc. (East and West regions) (WPPI)        | U.S.    | 5,274,373       | 5,274,373   | -           | 1.019%        | 1.019%   | 0.000%       | 0.112%         | 0.112%   | 0.000%       | 0.126%             |
| 2024      | MRO             | C-1983  | Wolverine Power Marketing Cooperative                              | U.S.    | 75,004          | 75,004      | -           | 0.014%        | 0.014%   | 0.000%       | 0.002%         | 0.002%   | 0.000%       | 0.002%             |
| 2024      | MRO             | C-1244  | Xcel Energy Company Northern States Power (NSP)                    | U.S.    | 40,828,072      | 40,828,072  | -           | 7.886%        | 7.886%   | 0.000%       | 0.863%         | 0.863%   | 0.000%       | 0.975%             |
| TOTAL MRO |                 |         |                                                                    |         | 517,757,573     | 466,399,252 | 51,358,321  | 100.000%      | 90.081%  | 9.919%       | 10.947%        | 9.861%   | 1.086%       | 11.132%            |
| 2024      | NPCC            | C-1336  | New England                                                        | U.S.    | 116,808,000     | 116,808,000 | -           | 18.632%       | 18.632%  | 0.000%       | 2.470%         | 2.470%   | 0.000%       | 2.788%             |
| 2024      | NPCC            | C-1339  | New York                                                           | U.S.    | 150,938,000     | 150,938,000 | -           | 24.076%       | 24.076%  | 0.000%       | 3.191%         | 3.191%   | 0.000%       | 3.603%             |
| 2024      | NPCC            | C-1337  | Ontario                                                            | Canada  | 141,151,000     | -           | 141,151,000 | 22.514%       | 0.000%   | 22.514%      | 2.984%         | 0.000%   | 2.984%       | 0.000%             |
| 2024      | NPCC            |         | Quebec                                                             | Canada  | 192,016,000     | -           | 192,016,000 | 30.628%       | 0.000%   | 30.628%      | 4.060%         | 0.000%   | 4.060%       | 0.000%             |
| 2024      | NPCC            | C-1341  | Hydro Quebec                                                       | Canada  | -               | -           | -           | -             | -        | -            | -              | -        | -            | -                  |
| 2024      | NPCC            | C-1572  | Regie                                                              | Canada  | -               | -           | -           | -             | -        | -            | -              | -        | -            | -                  |
| 2024      | NPCC            | C-1705  | New Brunswick                                                      | Canada  | 14,606,000      | -           | 14,606,000  | 2.330%        | 0.000%   | 2.330%       | 0.309%         | 0.000%   | 0.309%       | 0.000%             |
| 2024      | NPCC            | C-1340  | Nova Scotia                                                        | Canada  | 11,416,000      | -           | 11,416,000  | 1.821%        | 0.000%   | 1.821%       | 0.241%         | 0.000%   | 0.241%       | 0.000%             |

| Data Year              | Regional Entity | NERC ID | Entity                                           | Country | Total NEL (MWh) | U.S. NEL    | Canada NEL  | % of RE total | US Total | Canada Total | % of ERO Total | US Total | Canada Total | % of ERO - US Only |
|------------------------|-----------------|---------|--------------------------------------------------|---------|-----------------|-------------|-------------|---------------|----------|--------------|----------------|----------|--------------|--------------------|
| TOTAL NPCC             |                 |         |                                                  |         | 626,935,000     | 267,746,000 | 359,189,000 | 100.000%      | 42.707%  | 57.293%      | 13.256%        | 5.661%   | 7.594%       | 6.391%             |
| 2024                   | RF              | C-1102  | Cannelton Utilities                              | U.S.    | 12,642          | 12,642      | -           | 0.001%        | 0.001%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024                   | RF              | C-1106  | City of Croswell                                 | U.S.    | 45,791          | 45,791      | -           | 0.005%        | 0.005%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024                   | RF              | C-1490  | City of Lansing                                  | U.S.    | 2,089,885       | 2,089,885   | -           | 0.238%        | 0.238%   | 0.000%       | 0.044%         | 0.044%   | 0.000%       | 0.050%             |
| 2024                   | RF              | C-1120  | Cloverland Electric Cooperative                  | U.S.    | 776,532         | 776,532     | -           | 0.088%        | 0.088%   | 0.000%       | 0.016%         | 0.016%   | 0.000%       | 0.019%             |
| 2024                   | RF              | C-1122  | CMS ERM Michigan LLC                             | U.S.    | 441,716         | 441,716     | -           | 0.050%        | 0.050%   | 0.000%       | 0.009%         | 0.009%   | 0.000%       | 0.011%             |
| 2024                   | RF              | C-1124  | Constellation New Energy (MECS-CONS)             | U.S.    | 1,929,114       | 1,929,114   | -           | 0.220%        | 0.220%   | 0.000%       | 0.041%         | 0.041%   | 0.000%       | 0.046%             |
| 2024                   | RF              | C-1123  | Constellation New Energy (MECS-DET)              | U.S.    | 2,293,435       | 2,293,435   | -           | 0.261%        | 0.261%   | 0.000%       | 0.048%         | 0.048%   | 0.000%       | 0.055%             |
| 2024                   | RF              | C-1126  | Consumers Energy Company                         | U.S.    | 32,938,282      | 32,938,282  | -           | 3.754%        | 3.754%   | 0.000%       | 0.696%         | 0.696%   | 0.000%       | 0.786%             |
| 2024                   | RF              | C-1128  | DTE Electric Company                             | U.S.    | 47,483,580      | 47,483,580  | -           | 5.411%        | 5.411%   | 0.000%       | 1.004%         | 1.004%   | 0.000%       | 1.133%             |
| 2024                   | RF              | C-1166  | Duke Energy Indiana                              | U.S.    | 27,254,908      | 27,254,908  | -           | 3.106%        | 3.106%   | 0.000%       | 0.576%         | 0.576%   | 0.000%       | 0.651%             |
| 2024                   | RF              | C-1135  | Ferdinand Municipal Light & Water                | U.S.    | 47,469          | 47,469      | -           | 0.005%        | 0.005%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024                   | RF              | C-1646  | Energy Harbor LLC (MECS-CONS)                    | U.S.    | 350,684         | 350,684     | -           | 0.040%        | 0.040%   | 0.000%       | 0.007%         | 0.007%   | 0.000%       | 0.008%             |
| 2024                   | RF              | C-1549  | Energy Harbor LLC (MECS-DET)                     | U.S.    | 95,484          | 95,484      | -           | 0.011%        | 0.011%   | 0.000%       | 0.002%         | 0.002%   | 0.000%       | 0.002%             |
| 2024                   | RF              | C-1145  | Hoosier Energy                                   | U.S.    | 7,905,392       | 7,905,392   | -           | 0.901%        | 0.901%   | 0.000%       | 0.167%         | 0.167%   | 0.000%       | 0.189%             |
| 2024                   | RF              | C-1148  | Indiana Municipal Power Agency (DUKE CIN)        | U.S.    | 2,952,457       | 2,952,457   | -           | 0.336%        | 0.336%   | 0.000%       | 0.062%         | 0.062%   | 0.000%       | 0.070%             |
| 2024                   | RF              | C-1485  | Indiana Municipal Power Agency (NIPSCO)          | U.S.    | 365,303         | 365,303     | -           | 0.042%        | 0.042%   | 0.000%       | 0.008%         | 0.008%   | 0.000%       | 0.009%             |
| 2024                   | RF              | C-1486  | Indiana Municipal Power Agency (SIGE)            | U.S.    | 554,873         | 554,873     | -           | 0.063%        | 0.063%   | 0.000%       | 0.012%         | 0.012%   | 0.000%       | 0.013%             |
| 2024                   | RF              | C-1149  | Indianapolis Power & Light Co.                   | U.S.    | 13,478,095      | 13,478,095  | -           | 1.536%        | 1.536%   | 0.000%       | 0.285%         | 0.285%   | 0.000%       | 0.322%             |
| 2024                   | RF              | C-2050  | Logansport Municipal Utility (LMU)               | U.S.    | 400,044         | 400,044     | -           | 0.046%        | 0.046%   | 0.000%       | 0.008%         | 0.008%   | 0.000%       | 0.010%             |
| 2024                   | RF              | C-1666  | Constellation New Energy (MIUP)                  | U.S.    | 292,180         | 292,180     | -           | 0.033%        | 0.033%   | 0.000%       | 0.006%         | 0.006%   | 0.000%       | 0.007%             |
| 2024                   | RF              | C-1154  | Michigan Public Power Agency                     | U.S.    | 3,784,416       | 3,784,416   | -           | 0.431%        | 0.431%   | 0.000%       | 0.080%         | 0.080%   | 0.000%       | 0.090%             |
| 2024                   | RF              | C-1155  | Michigan South Central Power Agency              | U.S.    | 769,111         | 769,111     | -           | 0.088%        | 0.088%   | 0.000%       | 0.016%         | 0.016%   | 0.000%       | 0.018%             |
| 2024                   | RF              | C-1163  | Northern Indiana Public Service Co.              | U.S.    | 15,774,239      | 15,774,239  | -           | 1.798%        | 1.798%   | 0.000%       | 0.334%         | 0.334%   | 0.000%       | 0.377%             |
| 2024                   | RF              | C-1164  | Ontonagon County Rural Electrification Assoc.    | U.S.    | 28,839          | 28,839      | -           | 0.003%        | 0.003%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024                   | RF              | C-1265  | PJM Interconnection, LLC                         | U.S.    | 661,553,071     | 661,553,071 | -           | 75.389%       | 75.389%  | 0.000%       | 13.987%        | 13.987%  | 0.000%       | 15.790%            |
| 2024                   | RF              | C-1172  | Calpine Energy Solutions, LLC (MECS-CONS)        | U.S.    | 400,043         | 400,043     | -           | 0.046%        | 0.046%   | 0.000%       | 0.008%         | 0.008%   | 0.000%       | 0.010%             |
| 2024                   | RF              | C-1171  | Calpine Energy Solutions, LLC (MECS-DET)         | U.S.    | 604,135         | 604,135     | -           | 0.069%        | 0.069%   | 0.000%       | 0.013%         | 0.013%   | 0.000%       | 0.014%             |
| 2024                   | RF              | C-1176  | Direct Energy                                    | U.S.    | 13,105          | 13,105      | -           | 0.001%        | 0.001%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024                   | RF              | C-1174  | Direct Energy                                    | U.S.    | 814,477         | 814,477     | -           | 0.093%        | 0.093%   | 0.000%       | 0.017%         | 0.017%   | 0.000%       | 0.019%             |
| 2024                   | RF              | C-1581  | Spartan Renewable Energy                         | U.S.    | 133,711         | 133,711     | -           | 0.015%        | 0.015%   | 0.000%       | 0.003%         | 0.003%   | 0.000%       | 0.003%             |
| 2024                   | RF              | C-1985  | Spartan Renewable Energy (MI UP)                 | U.S.    | 74,211          | 74,211      | -           | 0.008%        | 0.008%   | 0.000%       | 0.002%         | 0.002%   | 0.000%       | 0.002%             |
| 2024                   | RF              | C-1180  | Thumb Electric Cooperative                       | U.S.    | 203,488         | 203,488     | -           | 0.023%        | 0.023%   | 0.000%       | 0.004%         | 0.004%   | 0.000%       | 0.005%             |
| 2024                   | RF              | C-2074  | Union City Michigan                              | U.S.    | 15,184          | 15,184      | -           | 0.002%        | 0.002%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024                   | RF              | C-2027  | Upper Michigan Energy Resources                  | U.S.    | 1,886,928       | 1,886,928   | -           | 0.215%        | 0.215%   | 0.000%       | 0.040%         | 0.040%   | 0.000%       | 0.045%             |
| 2024                   | RF              | C-1181  | Vectren, a CenterPoint Energy Company            | U.S.    | 5,053,767       | 5,053,767   | -           | 0.576%        | 0.576%   | 0.000%       | 0.107%         | 0.107%   | 0.000%       | 0.121%             |
| 2024                   | RF              | C-1184  | Wabash Valley Power Alliance (DUKE CIN)          | U.S.    | 3,323,034       | 3,323,034   | -           | 0.379%        | 0.379%   | 0.000%       | 0.070%         | 0.070%   | 0.000%       | 0.079%             |
| 2024                   | RF              | C-1488  | Wabash Valley Power Alliance (NIPSCO)            | U.S.    | 1,851,794       | 1,851,794   | -           | 0.211%        | 0.211%   | 0.000%       | 0.039%         | 0.039%   | 0.000%       | 0.044%             |
| 2024                   | RF              | C-1185  | Wisconsin Electric Power Co.                     | U.S.    | 23,832,818      | 23,832,818  | -           | 2.716%        | 2.716%   | 0.000%       | 0.504%         | 0.504%   | 0.000%       | 0.569%             |
| 2024                   | RF              | C-2041  | Wisconsin Public Service Co.                     | U.S.    | 11,529,687      | 11,529,687  | -           | 1.314%        | 1.314%   | 0.000%       | 0.244%         | 0.244%   | 0.000%       | 0.275%             |
| 2024                   | RF              | C-1189  | Wolverine Power Marketing Cooperative            | U.S.    | 663,407         | 663,407     | -           | 0.076%        | 0.076%   | 0.000%       | 0.014%         | 0.014%   | 0.000%       | 0.016%             |
| 2024                   | RF              | C-1191  | Wolverine Power Supply Cooperative               | U.S.    | 2,787,911       | 2,787,911   | -           | 0.318%        | 0.318%   | 0.000%       | 0.059%         | 0.059%   | 0.000%       | 0.067%             |
| 2024                   | RF              | C-1190  | Wolverine Power Marketing Cooperative (MECS-DET) | U.S.    | 711,045         | 711,045     | -           | 0.081%        | 0.081%   | 0.000%       | 0.015%         | 0.015%   | 0.000%       | 0.017%             |
| TOTAL RELIABILITYFIRST |                 |         |                                                  |         | 877,516,288     | 877,516,288 | -           | 100.000%      | 100.000% | 0.000%       | 18.554%        | 18.554%  | 0.000%       | 20.945%            |
| 2024                   | SERC            | C-1267  | Alabama Municipal Electric Authority             | U.S.    | 3,591,321       | 3,591,321   | -           | 0.262%        | 0.262%   | 0.000%       | 0.076%         | 0.076%   | 0.000%       | 0.086%             |
| 2024                   | SERC            | C-1268  | Alabama Power Company                            | U.S.    | 54,853,599      | 54,853,599  | -           | 4.002%        | 4.002%   | 0.000%       | 1.160%         | 1.160%   | 0.000%       | 1.309%             |
| 2024                   | SERC            | C-1269  | Ameren - Illinois                                | U.S.    | 38,634,246      | 38,634,246  | -           | 2.819%        | 2.819%   | 0.000%       | 0.817%         | 0.817%   | 0.000%       | 0.922%             |
| 2024                   | SERC            | C-1271  | Ameren - Missouri                                | U.S.    | 35,318,393      | 35,318,393  | -           | 2.577%        | 2.577%   | 0.000%       | 0.747%         | 0.747%   | 0.000%       | 0.843%             |
| 2024                   | SERC            | C-1273  | Associated Electric Cooperative Inc.             | U.S.    | 21,170,485      | 21,170,485  | -           | 1.544%        | 1.544%   | 0.000%       | 0.448%         | 0.448%   | 0.000%       | 0.505%             |
| 2024                   | SERC            | C-1582  | Beauregard Electric Cooperative, Inc.            | U.S.    | 1,516,416       | 1,516,416   | -           | 0.111%        | 0.111%   | 0.000%       | 0.032%         | 0.032%   | 0.000%       | 0.036%             |
| 2024                   | SERC            | C-1462  | Benton Utility District                          | U.S.    | 306,212         | 306,212     | -           | 0.022%        | 0.022%   | 0.000%       | 0.006%         | 0.006%   | 0.000%       | 0.007%             |
| 2024                   | SERC            | C-1274  | Big Rivers Electric Corporation                  | U.S.    | 4,421,540       | 4,421,540   | -           | 0.323%        | 0.323%   | 0.000%       | 0.093%         | 0.093%   | 0.000%       | 0.106%             |
| 2024                   | SERC            | C-1275  | Black Warrior EMC                                | U.S.    | 394,946         | 394,946     | -           | 0.029%        | 0.029%   | 0.000%       | 0.008%         | 0.008%   | 0.000%       | 0.009%             |
| 2024                   | SERC            | C-1276  | Blue Ridge EMC                                   | U.S.    | 1,206,167       | 1,206,167   | -           | 0.088%        | 0.088%   | 0.000%       | 0.026%         | 0.026%   | 0.000%       | 0.029%             |

| Data Year | Regional Entity | NERC ID | Entity                                                 | Country | Total NEL (MWh) | U.S. NEL    | Canada NEL | % of RE total | US Total | Canada Total | % of ERO Total | US Total | Canada Total | % of ERO - US Only |
|-----------|-----------------|---------|--------------------------------------------------------|---------|-----------------|-------------|------------|---------------|----------|--------------|----------------|----------|--------------|--------------------|
| 2024      | SERC            | C-1628  | Brazos Electric Power Cooperative, Inc.                | U.S.    | 682,267         | 682,267     | -          | 0.050%        | 0.050%   | 0.000%       | 0.014%         | 0.014%   | 0.000%       | 0.016%             |
| 2024      | SERC            | C-1463  | Canton, MS                                             | U.S.    | 110,998         | 110,998     | -          | 0.008%        | 0.008%   | 0.000%       | 0.002%         | 0.002%   | 0.000%       | 0.003%             |
| 2024      | SERC            | C-1277  | Central Electric Power Cooperative Inc.                | U.S.    | 20,934,819      | 20,934,819  | -          | 1.527%        | 1.527%   | 0.000%       | 0.443%         | 0.443%   | 0.000%       | 0.500%             |
| 2024      | SERC            | C-1668  | Century Aluminum - Seabee                              | U.S.    | 3,354,079       | 3,354,079   | -          | 0.245%        | 0.245%   | 0.000%       | 0.071%         | 0.071%   | 0.000%       | 0.080%             |
| 2024      | SERC            | C-1278  | City of Blountstown FL                                 | U.S.    | 34,084          | 34,084      | -          | 0.002%        | 0.002%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | SERC            | C-1279  | City of Camden SC                                      | U.S.    | 201,087         | 201,087     | -          | 0.015%        | 0.015%   | 0.000%       | 0.004%         | 0.004%   | 0.000%       | 0.005%             |
| 2024      | SERC            | C-1280  | City of Collins MS                                     | U.S.    | 45,757          | 45,757      | -          | 0.003%        | 0.003%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | SERC            | C-1281  | City of Columbia MO                                    | U.S.    | 1,186,465       | 1,186,465   | -          | 0.087%        | 0.087%   | 0.000%       | 0.025%         | 0.025%   | 0.000%       | 0.028%             |
| 2024      | SERC            | C-1282  | City of Conway AR (Conway Corporation)                 | U.S.    | 932,024         | 932,024     | -          | 0.068%        | 0.068%   | 0.000%       | 0.020%         | 0.020%   | 0.000%       | 0.022%             |
| 2024      | SERC            | C-1284  | City of Evergreen AL                                   | U.S.    | 56,781          | 56,781      | -          | 0.004%        | 0.004%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | SERC            | C-1285  | City of Hampton GA                                     | U.S.    | 40,407          | 40,407      | -          | 0.003%        | 0.003%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | SERC            | C-1286  | City of Hartford AL                                    | U.S.    | 29,434          | 29,434      | -          | 0.002%        | 0.002%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | SERC            | C-1287  | City of Henderson (KY) Municipal Power & Light         | U.S.    | 532,179         | 532,179     | -          | 0.039%        | 0.039%   | 0.000%       | 0.011%         | 0.011%   | 0.000%       | 0.013%             |
| 2024      | SERC            | C-1288  | City of North Little Rock AR (DENL)                    | U.S.    | 928,730         | 928,730     | -          | 0.068%        | 0.068%   | 0.000%       | 0.020%         | 0.020%   | 0.000%       | 0.022%             |
| 2024      | SERC            | C-1289  | City of Orangeburg SC Department of Public Utilities   | U.S.    | 746,727         | 746,727     | -          | 0.054%        | 0.054%   | 0.000%       | 0.016%         | 0.016%   | 0.000%       | 0.018%             |
| 2024      | SERC            | C-1290  | City of Robertsdale AL                                 | U.S.    | 95,447          | 95,447      | -          | 0.007%        | 0.007%   | 0.000%       | 0.002%         | 0.002%   | 0.000%       | 0.002%             |
| 2024      | SERC            | C-1291  | City of Ruston LA (DERS)                               | U.S.    | 303,992         | 303,992     | -          | 0.022%        | 0.022%   | 0.000%       | 0.006%         | 0.006%   | 0.000%       | 0.007%             |
| 2024      | SERC            | C-1292  | Seneca Light & Power                                   | U.S.    | 164,447         | 164,447     | -          | 0.012%        | 0.012%   | 0.000%       | 0.003%         | 0.003%   | 0.000%       | 0.004%             |
| 2024      | SERC            | C-1115  | City of Springfield (CWLPL)                            | U.S.    | 1,584,489       | 1,584,489   | -          | 0.116%        | 0.116%   | 0.000%       | 0.034%         | 0.034%   | 0.000%       | 0.038%             |
| 2024      | SERC            | C-1465  | City of Thayer, MO                                     | U.S.    | 25,806          | 25,806      | -          | 0.002%        | 0.002%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | SERC            | C-1293  | City of Troy AL                                        | U.S.    | 471,524         | 471,524     | -          | 0.034%        | 0.034%   | 0.000%       | 0.010%         | 0.010%   | 0.000%       | 0.011%             |
| 2024      | SERC            | C-1294  | City of West Memphis AR (West Memphis Utilities)       | U.S.    | 369,985         | 369,985     | -          | 0.027%        | 0.027%   | 0.000%       | 0.008%         | 0.008%   | 0.000%       | 0.009%             |
| 2024      | SERC            | C-1583  | Claiborne Electric Cooperative, Inc.                   | U.S.    | 619,055         | 619,055     | -          | 0.045%        | 0.045%   | 0.000%       | 0.013%         | 0.013%   | 0.000%       | 0.015%             |
| 2024      | SERC            | C-1584  | Concordia Electric Cooperative, Inc.                   | U.S.    | 204,592         | 204,592     | -          | 0.015%        | 0.015%   | 0.000%       | 0.004%         | 0.004%   | 0.000%       | 0.005%             |
| 2024      | SERC            | C-1726  | Cube Hydro Carolinas                                   | U.S.    | 17,032          | 17,032      | -          | 0.001%        | 0.001%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024      | SERC            | C-1283  | Dalton Utilities                                       | U.S.    | 3,479,757       | 3,479,757   | -          | 0.254%        | 0.254%   | 0.000%       | 0.074%         | 0.074%   | 0.000%       | 0.083%             |
| 2024      | SERC            | C-1585  | Dixie Electric Membership Corporation                  | U.S.    | 2,387,330       | 2,387,330   | -          | 0.174%        | 0.174%   | 0.000%       | 0.050%         | 0.050%   | 0.000%       | 0.057%             |
| 2024      | SERC            | C-1295  | Dominion Virginia Power                                | U.S.    | 102,445,416     | 102,445,416 | -          | 7.474%        | 7.474%   | 0.000%       | 2.166%         | 2.166%   | 0.000%       | 2.445%             |
| 2024      | SERC            | C-1296  | Duke Energy Carolinas, LLC                             | U.S.    | 87,365,609      | 87,365,609  | -          | 6.374%        | 6.374%   | 0.000%       | 1.847%         | 1.847%   | 0.000%       | 2.085%             |
| 2024      | SERC            | C-1466  | Durant, MS                                             | U.S.    | 25,434          | 25,434      | -          | 0.002%        | 0.002%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | SERC            | C-1478  | LG&E and KU Services Co as agent for LG&E Co and KU Co | U.S.    | 31,629,731      | 31,629,731  | -          | 2.308%        | 2.308%   | 0.000%       | 0.669%         | 0.669%   | 0.000%       | 0.755%             |
| 2024      | SERC            | C-1297  | East Kentucky Power Cooperative                        | U.S.    | 15,102,893      | 15,102,893  | -          | 1.102%        | 1.102%   | 0.000%       | 0.319%         | 0.319%   | 0.000%       | 0.360%             |
| 2024      | SERC            | C-1298  | East Mississippi Electric Power Association            | U.S.    | 413,420         | 413,420     | -          | 0.030%        | 0.030%   | 0.000%       | 0.009%         | 0.009%   | 0.000%       | 0.010%             |
| 2024      | SERC            | C-1669  | Electricities of North Carolina Inc                    | U.S.    | 11,905,238      | 11,905,238  | -          | 0.869%        | 0.869%   | 0.000%       | 0.252%         | 0.252%   | 0.000%       | 0.284%             |
| 2024      | SERC            | C-1300  | EnergyUnited EMC                                       | U.S.    | 2,793,594       | 2,793,594   | -          | 0.204%        | 0.204%   | 0.000%       | 0.059%         | 0.059%   | 0.000%       | 0.067%             |
| 2024      | SERC            | C-1301  | Entergy                                                | U.S.    | 128,369,341     | 128,369,341 | -          | 9.365%        | 9.365%   | 0.000%       | 2.714%         | 2.714%   | 0.000%       | 3.064%             |
| 2024      | SERC            | C-1302  | Fayetteville (NC) Public Works Commission              | U.S.    | 2,032,282       | 2,032,282   | -          | 0.148%        | 0.148%   | 0.000%       | 0.043%         | 0.043%   | 0.000%       | 0.049%             |
| 2024      | SERC            | C-1303  | Florida Public Utilities (FL Panhandle Load)           | U.S.    | 297,744         | 297,744     | -          | 0.022%        | 0.022%   | 0.000%       | 0.006%         | 0.006%   | 0.000%       | 0.007%             |
| 2024      | SERC            | C-1304  | French Broad EMC                                       | U.S.    | 538,088         | 538,088     | -          | 0.039%        | 0.039%   | 0.000%       | 0.011%         | 0.011%   | 0.000%       | 0.013%             |
| 2024      | SERC            | C-1305  | Georgia Power Company                                  | U.S.    | 90,672,383      | 90,672,383  | -          | 6.615%        | 6.615%   | 0.000%       | 1.917%         | 1.917%   | 0.000%       | 2.164%             |
| 2024      | SERC            | C-1306  | Georgia System Optns Corporation                       | U.S.    | 45,157,247      | 45,157,247  | -          | 3.294%        | 3.294%   | 0.000%       | 0.955%         | 0.955%   | 0.000%       | 1.078%             |
| 2024      | SERC            | C-1479  | Greenwood (MS) Utilities Commission                    | U.S.    | 261,604         | 261,604     | -          | 0.019%        | 0.019%   | 0.000%       | 0.006%         | 0.006%   | 0.000%       | 0.006%             |
| 2024      | SERC            | C-1307  | Greenwood (SC) Commissioners of Public Works           | U.S.    | 292,078         | 292,078     | -          | 0.021%        | 0.021%   | 0.000%       | 0.006%         | 0.006%   | 0.000%       | 0.007%             |
| 2024      | SERC            | C-1586  | Haywood EMC                                            | U.S.    | 344,874         | 344,874     | -          | 0.025%        | 0.025%   | 0.000%       | 0.007%         | 0.007%   | 0.000%       | 0.008%             |
| 2024      | SERC            | C-1984  | Hoosier Energy REC, Inc                                | U.S.    | 436,729         | 436,729     | -          | 0.032%        | 0.032%   | 0.000%       | 0.009%         | 0.009%   | 0.000%       | 0.010%             |
| 2024      | SERC            | C-1309  | Illinois Municipal Electric Agency                     | U.S.    | 1,772,700       | 1,772,700   | -          | 0.129%        | 0.129%   | 0.000%       | 0.037%         | 0.037%   | 0.000%       | 0.042%             |
| 2024      | SERC            | C-1480  | Itta Bena, MS                                          | U.S.    | 12,892          | 12,892      | -          | 0.001%        | 0.001%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024      | SERC            | C-1587  | Jefferson Davis Electric Cooperative, Inc.             | U.S.    | 202,985         | 202,985     | -          | 0.015%        | 0.015%   | 0.000%       | 0.004%         | 0.004%   | 0.000%       | 0.005%             |
| 2024      | SERC            | C-1617  | Kentucky Municipal Power                               | U.S.    | 758,145         | 758,145     | -          | 0.055%        | 0.055%   | 0.000%       | 0.016%         | 0.016%   | 0.000%       | 0.018%             |
| 2024      | SERC            | C-1481  | Municipal Energy Agency of MS-Kosciusko, MS            | U.S.    | 69,796          | 69,796      | -          | 0.005%        | 0.005%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.002%             |
| 2024      | SERC            | C-1482  | Municipal Energy Agency of MS-Leland, MS               | U.S.    | 29,091          | 29,091      | -          | 0.002%        | 0.002%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | SERC            | C-1313  | McCormick Commission of Public Works                   | U.S.    | 16,368          | 16,368      | -          | 0.001%        | 0.001%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024      | SERC            | C-1314  | Mississippi Power Company                              | U.S.    | 13,292,046      | 13,292,046  | -          | 0.970%        | 0.970%   | 0.000%       | 0.281%         | 0.281%   | 0.000%       | 0.317%             |
| 2024      | SERC            | C-1630  | Mt. Carmel Public Utility                              | U.S.    | 87,742          | 87,742      | -          | 0.006%        | 0.006%   | 0.000%       | 0.002%         | 0.002%   | 0.000%       | 0.002%             |
| 2024      | SERC            | C-1315  | Municipal Electric Authority of Georgia                | U.S.    | 13,991,128      | 13,991,128  | -          | 1.021%        | 1.021%   | 0.000%       | 0.296%         | 0.296%   | 0.000%       | 0.334%             |
| 2024      | SERC            | C-1316  | N.C. Electric Membership Corp.                         | U.S.    | 13,706,674      | 13,706,674  | -          | 1.000%        | 1.000%   | 0.000%       | 0.290%         | 0.290%   | 0.000%       | 0.327%             |

| Data Year | Regional Entity | NERC ID | Entity                                                 | Country | Total NEL (MWh) | U.S. NEL    | Canada NEL | % of RE total | US Total | Canada Total | % of ERO Total | US Total | Canada Total | % of ERO - US Only |
|-----------|-----------------|---------|--------------------------------------------------------|---------|-----------------|-------------|------------|---------------|----------|--------------|----------------|----------|--------------|--------------------|
| 2024      | SERC            | C-1588  | Northeast Louisiana Power Cooperative, Inc.            | U.S.    | 280,318         | 280,318     | -          | 0.020%        | 0.020%   | 0.000%       | 0.006%         | 0.006%   | 0.000%       | 0.007%             |
| 2024      | SERC            | C-1574  | Northern Virginia Electric Cooperative                 | U.S.    | 12,430,960      | 12,430,960  | -          | 0.907%        | 0.907%   | 0.000%       | 0.263%         | 0.263%   | 0.000%       | 0.297%             |
| 2024      | SERC            | C-1319  | Old Dominion Electric Cooperative                      | U.S.    | 7,294,082       | 7,294,082   | -          | 0.532%        | 0.532%   | 0.000%       | 0.154%         | 0.154%   | 0.000%       | 0.174%             |
| 2024      | SERC            | C-1618  | Osceola (Arkansas) Municipal Light and Power           | U.S.    | 133,700         | 133,700     | -          | 0.010%        | 0.010%   | 0.000%       | 0.003%         | 0.003%   | 0.000%       | 0.003%             |
| 2024      | SERC            | C-1320  | Owensboro (KY) Municipal Utilities                     | U.S.    | 799,265         | 799,265     | -          | 0.058%        | 0.058%   | 0.000%       | 0.017%         | 0.017%   | 0.000%       | 0.019%             |
| 2024      | SERC            | C-1321  | Piedmont EMC in Duke and Progress Areas                | U.S.    | 554,072         | 554,072     | -          | 0.040%        | 0.040%   | 0.000%       | 0.012%         | 0.012%   | 0.000%       | 0.013%             |
| 2024      | SERC            | C-1323  | Piedmont Municipal Power Agency (PMPA)                 | U.S.    | 2,399,526       | 2,399,526   | -          | 0.175%        | 0.175%   | 0.000%       | 0.051%         | 0.051%   | 0.000%       | 0.057%             |
| 2024      | SERC            | C-1589  | Pointe Coupee Electric Memb. Corp.                     | U.S.    | 222,832         | 222,832     | -          | 0.016%        | 0.016%   | 0.000%       | 0.005%         | 0.005%   | 0.000%       | 0.005%             |
| 2024      | SERC            | C-1266  | PowerSouth Energy                                      | U.S.    | 9,825,171       | 9,825,171   | -          | 0.717%        | 0.717%   | 0.000%       | 0.208%         | 0.208%   | 0.000%       | 0.235%             |
| 2024      | SERC            | C-1330  | Prairie Power, Inc.                                    | U.S.    | 1,546,661       | 1,546,661   | -          | 0.113%        | 0.113%   | 0.000%       | 0.033%         | 0.033%   | 0.000%       | 0.037%             |
| 2024      | SERC            | C-1706  | Duke Energy Progress                                   | U.S.    | 44,984,354      | 44,984,354  | -          | 3.282%        | 3.282%   | 0.000%       | 0.951%         | 0.951%   | 0.000%       | 1.074%             |
| 2024      | SERC            | C-1325  | Rutherford EMC                                         | U.S.    | 1,417,798       | 1,417,798   | -          | 0.103%        | 0.103%   | 0.000%       | 0.030%         | 0.030%   | 0.000%       | 0.034%             |
| 2024      | SERC            | C-1326  | Dominion Energy South Carolina, Inc.                   | U.S.    | 22,860,012      | 22,860,012  | -          | 1.668%        | 1.668%   | 0.000%       | 0.483%         | 0.483%   | 0.000%       | 0.546%             |
| 2024      | SERC            | C-1327  | South Carolina Public Service Authority                | U.S.    | 10,454,757      | 10,454,757  | -          | 0.763%        | 0.763%   | 0.000%       | 0.221%         | 0.221%   | 0.000%       | 0.250%             |
| 2024      | SERC            | C-1590  | South Louisiana Electric Cooperative Association       | U.S.    | 525,168         | 525,168     | -          | 0.038%        | 0.038%   | 0.000%       | 0.011%         | 0.011%   | 0.000%       | 0.013%             |
| 2024      | SERC            | C-1328  | Cooperative Energy (formerly SMEPA)                    | U.S.    | 10,227,219      | 10,227,219  | -          | 0.746%        | 0.746%   | 0.000%       | 0.216%         | 0.216%   | 0.000%       | 0.244%             |
| 2024      | SERC            | C-1329  | Southern Illinois Power Cooperative                    | U.S.    | 1,298,658       | 1,298,658   | -          | 0.095%        | 0.095%   | 0.000%       | 0.027%         | 0.027%   | 0.000%       | 0.031%             |
| 2024      | SERC            | C-1591  | Southwest Louisiana Electric Membership Corporation    | U.S.    | 2,663,262       | 2,663,262   | -          | 0.194%        | 0.194%   | 0.000%       | 0.056%         | 0.056%   | 0.000%       | 0.064%             |
| 2024      | SERC            | C-1619  | Southwestern Electric Cooperative, Inc.                | U.S.    | 481,184         | 481,184     | -          | 0.035%        | 0.035%   | 0.000%       | 0.010%         | 0.010%   | 0.000%       | 0.011%             |
| 2024      | SERC            | C-1331  | Tennessee Valley Authority                             | U.S.    | 166,216,896     | 166,216,896 | -          | 12.126%       | 12.126%  | 0.000%       | 3.514%         | 3.514%   | 0.000%       | 3.967%             |
| 2024      | SERC            | C-1632  | East Texas Electric Cooperative (ETEC)                 | U.S.    | 2,319,596       | 2,319,596   | -          | 0.169%        | 0.169%   | 0.000%       | 0.049%         | 0.049%   | 0.000%       | 0.055%             |
| 2024      | SERC            | C-1332  | Tombigbee Electric Cooperative Inc.                    | U.S.    | 128,571         | 128,571     | -          | 0.009%        | 0.009%   | 0.000%       | 0.003%         | 0.003%   | 0.000%       | 0.003%             |
| 2024      | SERC            | C-1594  | Town of Sharpsburg, N.C.                               | U.S.    | 16,923          | 16,923      | -          | 0.001%        | 0.001%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024      | SERC            | C-1595  | Town of Stantonburg, N.C. JRO                          | U.S.    | 19,993          | 19,993      | -          | 0.001%        | 0.001%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024      | SERC            | C-1333  | Town of Waynesville NC                                 | U.S.    | 78,202          | 78,202      | -          | 0.006%        | 0.006%   | 0.000%       | 0.002%         | 0.002%   | 0.000%       | 0.002%             |
| 2024      | SERC            | C-1334  | Town of Winnsboro SC                                   | U.S.    | 64,448          | 64,448      | -          | 0.005%        | 0.005%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.002%             |
| 2024      | SERC            | C-1335  | Town of Winterville NC                                 | U.S.    | 55,055          | 55,055      | -          | 0.004%        | 0.004%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | SERC            | C-1597  | Washington-St.Tammany Electric Cooperative, Inc.       | U.S.    | 1,077,402       | 1,077,402   | -          | 0.079%        | 0.079%   | 0.000%       | 0.023%         | 0.023%   | 0.000%       | 0.026%             |
| 2024      | SERC            | C-1435  | Arkansas Electric Cooperative Corporation              | U.S.    | 10,685,640      | 10,685,640  | -          | 0.780%        | 0.780%   | 0.000%       | 0.226%         | 0.226%   | 0.000%       | 0.255%             |
| 2024      | SERC            | C-1557  | City of Clarksdale, Mississippi                        | U.S.    | 137,438         | 137,438     | -          | 0.010%        | 0.010%   | 0.000%       | 0.003%         | 0.003%   | 0.000%       | 0.003%             |
| 2024      | SERC            | C-1708  | City of Abbeville                                      | U.S.    | 126,107         | 126,107     | -          | 0.009%        | 0.009%   | 0.000%       | 0.003%         | 0.003%   | 0.000%       | 0.003%             |
| 2024      | SERC            | C-1558  | Hope Water & Light (HWL)                               | U.S.    | 244,910         | 244,910     | -          | 0.018%        | 0.018%   | 0.000%       | 0.005%         | 0.005%   | 0.000%       | 0.006%             |
| 2024      | SERC            | C-1559  | City of Minden                                         | U.S.    | 135,376         | 135,376     | -          | 0.010%        | 0.010%   | 0.000%       | 0.003%         | 0.003%   | 0.000%       | 0.003%             |
| 2024      | SERC            | C-1249  | Cleco Power LLC                                        | U.S.    | 10,881,818      | 10,881,818  | -          | 0.794%        | 0.794%   | 0.000%       | 0.230%         | 0.230%   | 0.000%       | 0.260%             |
| 2024      | SERC            | C-1648  | Jonesboro City Water & Light                           | U.S.    | 1,493,907       | 1,493,907   | -          | 0.109%        | 0.109%   | 0.000%       | 0.032%         | 0.032%   | 0.000%       | 0.036%             |
| 2024      | SERC            | C-1471  | Lafayette Utilities System                             | U.S.    | 2,051,612       | 2,051,612   | -          | 0.150%        | 0.150%   | 0.000%       | 0.043%         | 0.043%   | 0.000%       | 0.049%             |
| 2024      | SERC            | C-1253  | Louisiana Energy & Power Authority (LEPA)              | U.S.    | 1,114,610       | 1,114,610   | -          | 0.081%        | 0.081%   | 0.000%       | 0.024%         | 0.024%   | 0.000%       | 0.027%             |
| 2024      | SERC            | C-1443  | Missouri Joint Municipal Electric Utility Commission   | U.S.    | 2,890,847       | 2,890,847   | -          | 0.211%        | 0.211%   | 0.000%       | 0.061%         | 0.061%   | 0.000%       | 0.069%             |
| 2024      | SERC            | C-1639  | OzMo Ozark Missouri, West Plains MO                    | U.S.    | 169,334         | 169,334     | -          | 0.012%        | 0.012%   | 0.000%       | 0.004%         | 0.004%   | 0.000%       | 0.004%             |
| 2024      | SERC            | C-1653  | Poplar Bluff Municipal Utilities                       | U.S.    | 346,756         | 346,756     | -          | 0.025%        | 0.025%   | 0.000%       | 0.007%         | 0.007%   | 0.000%       | 0.008%             |
| 2024      | SERC            | C-1636  | City of Prescott                                       | U.S.    | 67,570          | 67,570      | -          | 0.005%        | 0.005%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.002%             |
| 2024      | SERC            | C-1561  | Public Service Commission of Yazoo City of Mississippi | U.S.    | 107,119         | 107,119     | -          | 0.008%        | 0.008%   | 0.000%       | 0.002%         | 0.002%   | 0.000%       | 0.003%             |
| 2024      | SERC            | C-1654  | Sikeston Board of Municipal Utilities                  | U.S.    | 416,694         | 416,694     | -          | 0.030%        | 0.030%   | 0.000%       | 0.009%         | 0.009%   | 0.000%       | 0.010%             |
| 2024      | SERC            | C-1074  | Alachua, City of                                       | U.S.    | 155,478         | 155,478     | -          | 0.011%        | 0.011%   | 0.000%       | 0.003%         | 0.003%   | 0.000%       | 0.004%             |
| 2024      | SERC            | C-1075  | Bartow, City of                                        | U.S.    | 316,347         | 316,347     | -          | 0.023%        | 0.023%   | 0.000%       | 0.007%         | 0.007%   | 0.000%       | 0.008%             |
| 2024      | SERC            | C-1076  | Chattahoochee, City of                                 | U.S.    | 41,437          | 41,437      | -          | 0.003%        | 0.003%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | SERC            | C-1078  | Florida Power & Light Co.                              | U.S.    | 146,102,822     | 146,102,822 | -          | 10.659%       | 10.659%  | 0.000%       | 3.089%         | 3.089%   | 0.000%       | 3.487%             |
| 2024      | SERC            | C-1079  | Florida Public Utilities Company                       | U.S.    | 365,613         | 365,613     | -          | 0.027%        | 0.027%   | 0.000%       | 0.008%         | 0.008%   | 0.000%       | 0.009%             |
| 2024      | SERC            | C-1080  | Gainesville Regional Utilities                         | U.S.    | 1,815,532       | 1,815,532   | -          | 0.132%        | 0.132%   | 0.000%       | 0.038%         | 0.038%   | 0.000%       | 0.043%             |
| 2024      | SERC            | C-1081  | Homestead, City of                                     | U.S.    | 647,404         | 647,404     | -          | 0.047%        | 0.047%   | 0.000%       | 0.014%         | 0.014%   | 0.000%       | 0.015%             |
| 2024      | SERC            | C-1082  | JEA                                                    | U.S.    | 13,254,950      | 13,254,950  | -          | 0.967%        | 0.967%   | 0.000%       | 0.280%         | 0.280%   | 0.000%       | 0.316%             |
| 2024      | SERC            | C-1083  | Lakeland Electric                                      | U.S.    | 3,509,671       | 3,509,671   | -          | 0.256%        | 0.256%   | 0.000%       | 0.074%         | 0.074%   | 0.000%       | 0.084%             |
| 2024      | SERC            | C-1626  | Lee County Electric Cooperative, Inc                   | U.S.    | 4,833,005       | 4,833,005   | -          | 0.353%        | 0.353%   | 0.000%       | 0.102%         | 0.102%   | 0.000%       | 0.115%             |
| 2024      | SERC            | C-1661  | City of Lake Worth                                     | U.S.    | 502,863         | 502,863     | -          | 0.037%        | 0.037%   | 0.000%       | 0.011%         | 0.011%   | 0.000%       | 0.012%             |
| 2024      | SERC            | C-1084  | Mount Dora, City of                                    | U.S.    | 103,229         | 103,229     | -          | 0.008%        | 0.008%   | 0.000%       | 0.002%         | 0.002%   | 0.000%       | 0.002%             |
| 2024      | SERC            | C-1085  | New Smyrna Beach, Utilities Commission of              | U.S.    | 486,596         | 486,596     | -          | 0.035%        | 0.035%   | 0.000%       | 0.010%         | 0.010%   | 0.000%       | 0.012%             |

| Data Year   | Regional Entity | NERC ID | Entity                                                 | Country | Total NEL (MWh) | U.S. NEL      | Canada NEL | % of RE total | US Total | Canada Total | % of ERO Total | US Total | Canada Total | % of ERO - US Only |
|-------------|-----------------|---------|--------------------------------------------------------|---------|-----------------|---------------|------------|---------------|----------|--------------|----------------|----------|--------------|--------------------|
| 2024        | SERC            | C-1086  | Orlando Utilities Commission                           | U.S.    | 8,237,608       | 8,237,608     | -          | 0.601%        | 0.601%   | 0.000%       | 0.174%         | 0.174%   | 0.000%       | 0.197%             |
| 2024        | SERC            | C-1087  | Duke Energy Florida                                    | U.S.    | 43,075,340      | 43,075,340    | -          | 3.143%        | 3.143%   | 0.000%       | 0.911%         | 0.911%   | 0.000%       | 1.028%             |
| 2024        | SERC            | C-1088  | Quincy, City of                                        | U.S.    | 115,778         | 115,778       | -          | 0.008%        | 0.008%   | 0.000%       | 0.002%         | 0.002%   | 0.000%       | 0.003%             |
| 2024        | SERC            | C-1089  | Central Florida Tourism Oversight District             | U.S.    | 1,215,895       | 1,215,895     | -          | 0.089%        | 0.089%   | 0.000%       | 0.026%         | 0.026%   | 0.000%       | 0.029%             |
| 2024        | SERC            | C-1091  | Tallahassee, City of                                   | U.S.    | 2,848,935       | 2,848,935     | -          | 0.208%        | 0.208%   | 0.000%       | 0.060%         | 0.060%   | 0.000%       | 0.068%             |
| 2024        | SERC            | C-1092  | Tampa Electric Company                                 | U.S.    | 21,851,833      | 21,851,833    | -          | 1.594%        | 1.594%   | 0.000%       | 0.462%         | 0.462%   | 0.000%       | 0.522%             |
| 2024        | SERC            | C-1093  | Wauchula, City of                                      | U.S.    | 64,721          | 64,721        | -          | 0.005%        | 0.005%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.002%             |
| 2024        | SERC            | C-1094  | Williston, City of                                     | U.S.    | 36,543          | 36,543        | -          | 0.003%        | 0.003%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024        | SERC            | C-1095  | Winter Park, City of                                   | U.S.    | 456,473         | 456,473       | -          | 0.033%        | 0.033%   | 0.000%       | 0.010%         | 0.010%   | 0.000%       | 0.011%             |
| 2024        | SERC            | C-1072  | Florida Municipal Power Agency                         | U.S.    | 7,126,956       | 7,126,956     | -          | 0.520%        | 0.520%   | 0.000%       | 0.151%         | 0.151%   | 0.000%       | 0.170%             |
| 2024        | SERC            | C-1073  | Seminole Electric Cooperative                          | U.S.    | 17,345,529      | 17,345,529    | -          | 1.265%        | 1.265%   | 0.000%       | 0.367%         | 0.367%   | 0.000%       | 0.414%             |
| TOTAL SERC  |                 |         |                                                        |         | 1,370,732,273   | 1,370,732,273 | -          | 100.000%      | 100.000% | 0.000%       | 28.982%        | 28.982%  | 0.000%       | 32.718%            |
| 2024        | Texas RE        | C-1019  | ERCOT                                                  | U.S.    | 461,549,959     | 461,549,959   | -          | 100.000%      | 100.000% | 0.000%       | 9.759%         | 9.759%   | 0.000%       | 11.017%            |
| TOTAL ERCOT |                 |         |                                                        |         | 461,549,959     | 461,549,959   | -          | 100.000%      | 100.000% | 0.000%       | 9.759%         | 9.759%   | 0.000%       | 11.017%            |
| 2024        | WECC            |         | Alberta Electric System Operator                       | Canada  | 63,037,866      | -             | 63,037,866 | 7.203%        | 0.000%   | 7.203%       | 1.333%         | 0.000%   | 1.333%       | 0.000%             |
| 2024        | WECC            |         | British Columbia Hydro & Power Authority               | Canada  | 66,360,022      | -             | 66,360,022 | 7.583%        | 0.000%   | 7.583%       | 1.403%         | 0.000%   | 1.403%       | 0.000%             |
| 2024        | WECC            |         | Aguila Irrigation District - APS                       | U.S.    | 40,469          | 40,469        | -          | 0.005%        | 0.005%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024        | WECC            |         | Aha Macav Power Service                                | U.S.    | 25,424          | 25,424        | -          | 0.003%        | 0.003%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024        | WECC            |         | Ajo Improvement District                               | U.S.    | 11,768          | 11,768        | -          | 0.001%        | 0.001%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024        | WECC            |         | Air Liquide Hydrogen Energy U.S., LLC                  | U.S.    | 84,664          | 84,664        | -          | 0.010%        | 0.010%   | 0.000%       | 0.002%         | 0.002%   | 0.000%       | 0.002%             |
| 2024        | WECC            |         | Arizona Electric Power Cooperative, Inc                | U.S.    | 4,096,606       | 4,096,606     | -          | 0.468%        | 0.468%   | 0.000%       | 0.087%         | 0.087%   | 0.000%       | 0.098%             |
| 2024        | WECC            |         | Arizona Public Service Company                         | U.S.    | 34,625,330      | 34,625,330    | -          | 3.957%        | 3.957%   | 0.000%       | 0.732%         | 0.732%   | 0.000%       | 0.826%             |
| 2024        | WECC            |         | Arkansas River Power Authority (ARPA)                  | U.S.    | 219,984         | 219,984       | -          | 0.025%        | 0.025%   | 0.000%       | 0.005%         | 0.005%   | 0.000%       | 0.005%             |
| 2024        | WECC            |         | Avangrid Renewables                                    | U.S.    | 106,864         | 106,864       | -          | 0.012%        | 0.012%   | 0.000%       | 0.002%         | 0.002%   | 0.000%       | 0.003%             |
| 2024        | WECC            |         | Avista Corporation                                     | U.S.    | 10,014,566      | 10,014,566    | -          | 1.144%        | 1.144%   | 0.000%       | 0.212%         | 0.212%   | 0.000%       | 0.239%             |
| 2024        | WECC            |         | Barrick Goldstrike Mines Inc.                          | U.S.    | 1,394,479       | 1,394,479     | -          | 0.159%        | 0.159%   | 0.000%       | 0.029%         | 0.029%   | 0.000%       | 0.033%             |
| 2024        | WECC            |         | Basin Electric Power Cooperative - NorthWestern        | U.S.    | 887,586         | 887,586       | -          | 0.101%        | 0.101%   | 0.000%       | 0.019%         | 0.019%   | 0.000%       | 0.021%             |
| 2024        | WECC            |         | Basin Electric Power Cooperative - WACM                | U.S.    | 2,305,111       | 2,305,111     | -          | 0.263%        | 0.263%   | 0.000%       | 0.049%         | 0.049%   | 0.000%       | 0.055%             |
| 2024        | WECC            |         | Basin Electric Power Cooperative - WAUW                | U.S.    | 134,456         | 134,456       | -          | 0.015%        | 0.015%   | 0.000%       | 0.003%         | 0.003%   | 0.000%       | 0.003%             |
| 2024        | WECC            |         | Beartooth Electric Cooperative                         | U.S.    | 88,282          | 88,282        | -          | 0.010%        | 0.010%   | 0.000%       | 0.002%         | 0.002%   | 0.000%       | 0.002%             |
| 2024        | WECC            |         | Big Horn County Electric Cooperative                   | U.S.    | 70,897          | 70,897        | -          | 0.008%        | 0.008%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.002%             |
| 2024        | WECC            |         | Black Hills Energy Colorado Electric                   | U.S.    | 1,928,404       | 1,928,404     | -          | 0.220%        | 0.220%   | 0.000%       | 0.041%         | 0.041%   | 0.000%       | 0.046%             |
| 2024        | WECC            |         | Black Hills Power/Cheyenne Light Fuel & Power          | U.S.    | 4,904,143       | 4,904,143     | -          | 0.560%        | 0.560%   | 0.000%       | 0.104%         | 0.104%   | 0.000%       | 0.117%             |
| 2024        | WECC            |         | Black Hills State University South Dakota              | U.S.    | 16,821          | 16,821        | -          | 0.002%        | 0.002%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024        | WECC            |         | Bonneville Power Administration-Transmission           | U.S.    | 58,826,839      | 58,826,839    | -          | 6.722%        | 6.722%   | 0.000%       | 1.244%         | 1.244%   | 0.000%       | 1.404%             |
| 2024        | WECC            |         | Bonneville Power Administration-Power Services         | U.S.    | 6,729,971       | 6,729,971     | -          | 0.769%        | 0.769%   | 0.000%       | 0.142%         | 0.142%   | 0.000%       | 0.161%             |
| 2024        | WECC            |         | Bonneville Power Administration-Hydro                  | U.S.    | 205,521         | 205,521       | -          | 0.023%        | 0.023%   | 0.000%       | 0.004%         | 0.004%   | 0.000%       | 0.005%             |
| 2024        | WECC            |         | Brookfield Renewable Energy Marketing                  | Canada  | 67,453          | -             | 67,453     | 0.008%        | 0.000%   | 0.008%       | 0.001%         | 0.000%   | 0.001%       | 0.000%             |
| 2024        | WECC            |         | Buckeye Water Conservation and Drainage District - APS | U.S.    | 18,850          | 18,850        | -          | 0.002%        | 0.002%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024        | WECC            |         | Bureau of Reclamation (Wellfield)                      | U.S.    | 17,588          | 17,588        | -          | 0.002%        | 0.002%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024        | WECC            |         | Burlington                                             | U.S.    | 30,563          | 30,563        | -          | 0.003%        | 0.003%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024        | WECC            |         | Caesars Entertainment LLC/North                        | U.S.    | 38,188          | 38,188        | -          | 0.004%        | 0.004%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024        | WECC            |         | Caesars Entertainment LLC/South                        | U.S.    | 441,510         | 441,510       | -          | 0.050%        | 0.050%   | 0.000%       | 0.009%         | 0.009%   | 0.000%       | 0.011%             |
| 2024        | WECC            |         | California Independent System Operator                 | U.S.    | 212,914,022     | 212,914,022   | -          | 24.330%       | 24.330%  | 0.000%       | 4.502%         | 4.502%   | 0.000%       | 5.082%             |
| 2024        | WECC            |         | Calpine Energy Solutions, LLC. (Noble Americas)        | U.S.    | 1,872,065       | 1,872,065     | -          | 0.214%        | 0.214%   | 0.000%       | 0.040%         | 0.040%   | 0.000%       | 0.045%             |
| 2024        | WECC            |         | Central Arizona Water Conservation District - WALC     | U.S.    | 1,133,900       | 1,133,900     | -          | 0.130%        | 0.130%   | 0.000%       | 0.024%         | 0.024%   | 0.000%       | 0.027%             |
| 2024        | WECC            |         | Circus Circus Las Vegas                                | U.S.    | 50,660          | 50,660        | -          | 0.006%        | 0.006%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024        | WECC            |         | City of Aztec Electric Dept. - WACM                    | U.S.    | 37,711          | 37,711        | -          | 0.004%        | 0.004%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024        | WECC            |         | City of Fallon                                         | U.S.    | 94,388          | 94,388        | -          | 0.011%        | 0.011%   | 0.000%       | 0.002%         | 0.002%   | 0.000%       | 0.002%             |
| 2024        | WECC            |         | City of Farmington                                     | U.S.    | 904,802         | 904,802       | -          | 0.103%        | 0.103%   | 0.000%       | 0.019%         | 0.019%   | 0.000%       | 0.022%             |
| 2024        | WECC            |         | City of Gallup                                         | U.S.    | 195,872         | 195,872       | -          | 0.022%        | 0.022%   | 0.000%       | 0.004%         | 0.004%   | 0.000%       | 0.005%             |
| 2024        | WECC            |         | City of Henderson                                      | U.S.    | 39,985          | 39,985        | -          | 0.005%        | 0.005%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024        | WECC            |         | City of Las Vegas                                      | U.S.    | 42,843          | 42,843        | -          | 0.005%        | 0.005%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024        | WECC            |         | City of Mesa                                           | U.S.    | 270,864         | 270,864       | -          | 0.031%        | 0.031%   | 0.000%       | 0.006%         | 0.006%   | 0.000%       | 0.006%             |

| Data Year | Regional Entity | NERC ID | Entity                                                        | Country | Total NEL (MWh) | U.S. NEL   | Canada NEL | % of RE total | US Total | Canada Total | % of ERO Total | US Total | Canada Total | % of ERO - US Only |
|-----------|-----------------|---------|---------------------------------------------------------------|---------|-----------------|------------|------------|---------------|----------|--------------|----------------|----------|--------------|--------------------|
| 2024      | WECC            |         | City of North Las Vegas                                       | U.S.    | 21,218          | 21,218     | -          | 0.002%        | 0.002%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.001%             |
| 2024      | WECC            |         | City of Page                                                  | U.S.    | 94,803          | 94,803     | -          | 0.011%        | 0.011%   | 0.000%       | 0.002%         | 0.000%   | 0.000%       | 0.002%             |
| 2024      | WECC            |         | City of Redding                                               | U.S.    | 791,073         | 791,073    | -          | 0.090%        | 0.090%   | 0.000%       | 0.017%         | 0.017%   | 0.000%       | 0.019%             |
| 2024      | WECC            |         | City of Roseville                                             | U.S.    | 1,204,321       | 1,204,321  | -          | 0.138%        | 0.138%   | 0.000%       | 0.025%         | 0.025%   | 0.000%       | 0.029%             |
| 2024      | WECC            |         | City of Tacoma DBA Tacoma Power                               | U.S.    | 4,808,061       | 4,808,061  | -          | 0.549%        | 0.549%   | 0.000%       | 0.102%         | 0.102%   | 0.000%       | 0.115%             |
| 2024      | WECC            |         | City of Williams                                              | U.S.    | 53,304          | 53,304     | -          | 0.006%        | 0.006%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | WECC            |         | Clark County Water Reclamation District                       | U.S.    | 85,235          | 85,235     | -          | 0.010%        | 0.010%   | 0.000%       | 0.002%         | 0.002%   | 0.000%       | 0.002%             |
| 2024      | WECC            |         | Colorado River Agency-Bureau of Indian Affairs                | U.S.    | 36,423          | 36,423     | -          | 0.004%        | 0.004%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | WECC            |         | Colorado River Commission of Nevada                           | U.S.    | 118,310         | 118,310    | -          | 0.014%        | 0.014%   | 0.000%       | 0.003%         | 0.003%   | 0.000%       | 0.003%             |
| 2024      | WECC            |         | Colorado Springs Utilities - WACM                             | U.S.    | 4,951,692       | 4,951,692  | -          | 0.566%        | 0.566%   | 0.000%       | 0.105%         | 0.105%   | 0.000%       | 0.118%             |
| 2024      | WECC            |         | Constellation New Energy                                      | U.S.    | 318,853         | 318,853    | -          | 0.036%        | 0.036%   | 0.000%       | 0.007%         | 0.007%   | 0.000%       | 0.008%             |
| 2024      | WECC            |         | Intermountain Rural Electric Association (CORE)               | U.S.    | 2,183,771       | 2,183,771  | -          | 0.250%        | 0.250%   | 0.000%       | 0.046%         | 0.046%   | 0.000%       | 0.052%             |
| 2024      | WECC            |         | Delta-Montrose Electric Association                           | U.S.    | 592,823         | 592,823    | -          | 0.068%        | 0.068%   | 0.000%       | 0.013%         | 0.013%   | 0.000%       | 0.014%             |
| 2024      | WECC            |         | Deseret Generation & Transmission Cooperative - WACM          | U.S.    | 36,546          | 36,546     | -          | 0.004%        | 0.004%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | WECC            |         | Douglas Palisades / PUD No. 1 of DC                           | U.S.    | 20,832          | 20,832     | -          | 0.002%        | 0.002%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024      | WECC            |         | DEIR Flamingo Tenant, LLC dba Rio Las Vegas                   | U.S.    | 53,123          | 53,123     | -          | 0.006%        | 0.006%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | WECC            |         | El Paso Electric Company                                      | U.S.    | 9,261,368       | 9,261,368  | -          | 1.058%        | 1.058%   | 0.000%       | 0.196%         | 0.196%   | 0.000%       | 0.221%             |
| 2024      | WECC            |         | Electrical District #2                                        | U.S.    | 242,382         | 242,382    | -          | 0.028%        | 0.028%   | 0.000%       | 0.005%         | 0.005%   | 0.000%       | 0.006%             |
| 2024      | WECC            |         | Electrical District #2 - Coolidge Generating Station          | U.S.    | 3,822           | 3,822      | -          | 0.000%        | 0.000%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024      | WECC            |         | Electrical District No. 6 of Pinal County - APS               | U.S.    | 113             | 113        | -          | 0.000%        | 0.000%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024      | WECC            |         | Electrical District No. 7 of Maricopa County - APS            | U.S.    | 36,348          | 36,348     | -          | 0.004%        | 0.004%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | WECC            |         | Electrical District No. 8 of Maricopa County - APS            | U.S.    | 417,448         | 417,448    | -          | 0.048%        | 0.048%   | 0.000%       | 0.009%         | 0.009%   | 0.000%       | 0.010%             |
| 2024      | WECC            |         | Francis E. Warren Air Force Base                              | U.S.    | 20,807          | 20,807     | -          | 0.002%        | 0.002%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024      | WECC            |         | Georgia-Pacific Gypsum, LLC                                   | U.S.    | 26,013          | 26,013     | -          | 0.003%        | 0.003%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | WECC            |         | Grand Valley Power                                            | U.S.    | 262,029         | 262,029    | -          | 0.030%        | 0.030%   | 0.000%       | 0.006%         | 0.006%   | 0.000%       | 0.006%             |
| 2024      | WECC            |         | Harquahala Valley Power Districts - APS                       | U.S.    | 79,926          | 79,926     | -          | 0.009%        | 0.009%   | 0.000%       | 0.002%         | 0.002%   | 0.000%       | 0.002%             |
| 2024      | WECC            |         | Holy Cross Energy                                             | U.S.    | 439,852         | 439,852    | -          | 0.050%        | 0.050%   | 0.000%       | 0.009%         | 0.009%   | 0.000%       | 0.010%             |
| 2024      | WECC            |         | HR Nevada LLC (Hard Rock)                                     | U.S.    | 51,139          | 51,139     | -          | 0.006%        | 0.006%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | WECC            |         | Idaho Power Company                                           | U.S.    | 17,352,296      | 17,352,296 | -          | 1.983%        | 1.983%   | 0.000%       | 0.367%         | 0.367%   | 0.000%       | 0.414%             |
| 2024      | WECC            |         | Imperial Irrigation District                                  | U.S.    | 3,926,906       | 3,926,906  | -          | 0.449%        | 0.449%   | 0.000%       | 0.083%         | 0.083%   | 0.000%       | 0.094%             |
| 2024      | WECC            |         | Jicarilla Apache Nation Power Authority                       | U.S.    | 24,727          | 24,727     | -          | 0.003%        | 0.003%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | WECC            |         | Kaiser Aluminum Fabricated Products LLC                       | U.S.    | 187,801         | 187,801    | -          | 0.021%        | 0.021%   | 0.000%       | 0.004%         | 0.004%   | 0.000%       | 0.004%             |
| 2024      | WECC            |         | Kit Carson Electric Inc                                       | U.S.    | 245,988         | 245,988    | -          | 0.028%        | 0.028%   | 0.000%       | 0.005%         | 0.005%   | 0.000%       | 0.006%             |
| 2024      | WECC            |         | Las Vegas Valley Water District                               | U.S.    | 103,830         | 103,830    | -          | 0.012%        | 0.012%   | 0.000%       | 0.002%         | 0.002%   | 0.000%       | 0.002%             |
| 2024      | WECC            |         | Los Angeles Department of Water and Power                     | U.S.    | 25,389,366      | 25,389,366 | -          | 2.901%        | 2.901%   | 0.000%       | 0.537%         | 0.537%   | 0.000%       | 0.606%             |
| 2024      | WECC            |         | Maricopa County Municipal Water Conservation Dist No. 1 - APS | U.S.    | 53,001          | 53,001     | -          | 0.006%        | 0.006%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | WECC            |         | McMullen Valley Water Conservation & Drainage District - APS  | U.S.    | 126,428         | 126,428    | -          | 0.014%        | 0.014%   | 0.000%       | 0.003%         | 0.003%   | 0.000%       | 0.003%             |
| 2024      | WECC            |         | Merced Irrigation District                                    | U.S.    | 529,326         | 529,326    | -          | 0.060%        | 0.060%   | 0.000%       | 0.011%         | 0.011%   | 0.000%       | 0.013%             |
| 2024      | WECC            |         | MGM Resorts Design and Development                            | U.S.    | 729,966         | 729,966    | -          | 0.083%        | 0.083%   | 0.000%       | 0.015%         | 0.015%   | 0.000%       | 0.017%             |
| 2024      | WECC            |         | Modesto Irrigation District                                   | U.S.    | 2,721,240       | 2,721,240  | -          | 0.311%        | 0.311%   | 0.000%       | 0.058%         | 0.058%   | 0.000%       | 0.065%             |
| 2024      | WECC            |         | Montana-Dakota Utilities Co.                                  | U.S.    | 17,980          | 17,980     | -          | 0.002%        | 0.002%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024      | WECC            |         | Mountain Parks Electric Inc                                   | U.S.    | 366,177         | 366,177    | -          | 0.042%        | 0.042%   | 0.000%       | 0.008%         | 0.008%   | 0.000%       | 0.009%             |
| 2024      | WECC            |         | Mt. Wheeler Power                                             | U.S.    | 595,929         | 595,929    | -          | 0.068%        | 0.068%   | 0.000%       | 0.013%         | 0.013%   | 0.000%       | 0.014%             |
| 2024      | WECC            |         | Municipal Energy Agency of Nebraska - PSCO                    | U.S.    | 195,951         | 195,951    | -          | 0.022%        | 0.022%   | 0.000%       | 0.004%         | 0.004%   | 0.000%       | 0.005%             |
| 2024      | WECC            |         | Municipal Energy Agency of Nebraska - WACM                    | U.S.    | 656,226         | 656,226    | -          | 0.075%        | 0.075%   | 0.000%       | 0.014%         | 0.014%   | 0.000%       | 0.016%             |
| 2024      | WECC            |         | Navajo Tribal Utility Authority - APS                         | U.S.    | 25,848          | 25,848     | -          | 0.003%        | 0.003%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024      | WECC            |         | Navajo Tribal Utility Authority - PNM                         | U.S.    | 225,925         | 225,925    | -          | 0.026%        | 0.026%   | 0.000%       | 0.005%         | 0.005%   | 0.000%       | 0.005%             |
| 2024      | WECC            |         | Navajo Tribal Utility Authority - WACM                        | U.S.    | 435,271         | 435,271    | -          | 0.050%        | 0.050%   | 0.000%       | 0.009%         | 0.009%   | 0.000%       | 0.010%             |
| 2024      | WECC            |         | Nebraska Public Power Marketing                               | U.S.    | 4,293           | 4,293      | -          | 0.000%        | 0.000%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024      | WECC            |         | Needles Public Utilities Authority                            | U.S.    | 75,470          | 75,470     | -          | 0.009%        | 0.009%   | 0.000%       | 0.002%         | 0.002%   | 0.000%       | 0.002%             |
| 2024      | WECC            |         | Nevada Gold Mines (Newmont)                                   | U.S.    | 1,046,855       | 1,046,855  | -          | 0.120%        | 0.120%   | 0.000%       | 0.022%         | 0.022%   | 0.000%       | 0.025%             |
| 2024      | WECC            |         | Nevada Power Company dba NV Energy                            | U.S.    | 33,163,747      | 33,163,747 | -          | 3.790%        | 3.790%   | 0.000%       | 0.701%         | 0.701%   | 0.000%       | 0.792%             |
| 2024      | WECC            |         | NorthWestern Corp. dba NorthWestern Energy, LLC               | U.S.    | 10,097,271      | 10,097,271 | -          | 1.154%        | 1.154%   | 0.000%       | 0.213%         | 0.213%   | 0.000%       | 0.241%             |
| 2024      | WECC            |         | NorthWestern Corp. dba NorthWestern Energy, LLC - WAUW        | U.S.    | 278,876         | 278,876    | -          | 0.032%        | 0.032%   | 0.000%       | 0.006%         | 0.006%   | 0.000%       | 0.007%             |
| 2024      | WECC            |         | Okanogan PUD                                                  | U.S.    | 660,817         | 660,817    | -          | 0.076%        | 0.076%   | 0.000%       | 0.014%         | 0.014%   | 0.000%       | 0.016%             |
| 2024      | WECC            |         | Overton Power District No. 5                                  | U.S.    | 487,556         | 487,556    | -          | 0.056%        | 0.056%   | 0.000%       | 0.010%         | 0.010%   | 0.000%       | 0.012%             |

| Data Year  | Regional Entity | NERC ID | Entity                                                                | Country | Total NEL (MWh) | U.S. NEL      | Canada NEL  | % of RE total | US Total | Canada Total | % of ERO Total | US Total | Canada Total | % of ERO - US Only |
|------------|-----------------|---------|-----------------------------------------------------------------------|---------|-----------------|---------------|-------------|---------------|----------|--------------|----------------|----------|--------------|--------------------|
| 2024       | WECC            |         | PacifiCorp East                                                       | U.S.    | 53,763,348      | 53,763,348    | -           | 6.144%        | 6.144%   | 0.000%       | 1.137%         | 1.137%   | 0.000%       | 1.283%             |
| 2024       | WECC            |         | PacifiCorp - IPC                                                      | U.S.    | 2,182           | 2,182         | -           | 0.000%        | 0.000%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024       | WECC            |         | PacifiCorp - Portland General                                         | U.S.    | 3,353           | 3,353         | -           | 0.000%        | 0.000%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024       | WECC            |         | PacifiCorp - WACM                                                     | U.S.    | 105,896         | 105,896       | -           | 0.012%        | 0.012%   | 0.000%       | 0.002%         | 0.002%   | 0.000%       | 0.003%             |
| 2024       | WECC            |         | PacifiCorp West                                                       | U.S.    | 21,587,191      | 21,587,191    | -           | 2.467%        | 2.467%   | 0.000%       | 0.456%         | 0.456%   | 0.000%       | 0.515%             |
| 2024       | WECC            |         | Pend Oreille County PUD No. 1                                         | U.S.    | 644,587         | 644,587       | -           | 0.074%        | 0.074%   | 0.000%       | 0.014%         | 0.014%   | 0.000%       | 0.015%             |
| 2024       | WECC            |         | Peppermill Hotel Casino                                               | U.S.    | 52,546          | 52,546        | -           | 0.006%        | 0.006%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024       | WECC            |         | Platte River Power Authority                                          | U.S.    | 3,213,240       | 3,213,240     | -           | 0.367%        | 0.367%   | 0.000%       | 0.068%         | 0.068%   | 0.000%       | 0.077%             |
| 2024       | WECC            |         | Portland General Electric Company                                     | U.S.    | 19,738,181      | 19,738,181    | -           | 2.255%        | 2.255%   | 0.000%       | 0.417%         | 0.417%   | 0.000%       | 0.471%             |
| 2024       | WECC            |         | Public Service Company of Colorado (Xcel)                             | U.S.    | 32,156,631      | 32,156,631    | -           | 3.675%        | 3.675%   | 0.000%       | 0.680%         | 0.680%   | 0.000%       | 0.768%             |
| 2024       | WECC            |         | Public Service Company of Colorado (Xcel) - WACM                      | U.S.    | 49,645          | 49,645        | -           | 0.006%        | 0.006%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024       | WECC            |         | Public Service Company of New Mexico                                  | U.S.    | 10,435,396      | 10,435,396    | -           | 1.192%        | 1.192%   | 0.000%       | 0.221%         | 0.221%   | 0.000%       | 0.249%             |
| 2024       | WECC            |         | Public Utility District No. 1 of Chelan County                        | U.S.    | 1,974,121       | 1,974,121     | -           | 0.226%        | 0.226%   | 0.000%       | 0.042%         | 0.042%   | 0.000%       | 0.047%             |
| 2024       | WECC            |         | PUD No. 1 of Douglas County                                           | U.S.    | 1,594,228       | 1,594,228     | -           | 0.182%        | 0.182%   | 0.000%       | 0.034%         | 0.034%   | 0.000%       | 0.038%             |
| 2024       | WECC            |         | PUD No. 2 of Grant County                                             | U.S.    | 6,398,939       | 6,398,939     | -           | 0.731%        | 0.731%   | 0.000%       | 0.135%         | 0.135%   | 0.000%       | 0.153%             |
| 2024       | WECC            |         | PUD No. 2 of Grant County - Avista                                    | U.S.    | 95,230          | 95,230        | -           | 0.011%        | 0.011%   | 0.000%       | 0.002%         | 0.002%   | 0.000%       | 0.002%             |
| 2024       | WECC            |         | Pueblo of Acoma Utility Authority                                     | U.S.    | 19,226          | 19,226        | -           | 0.002%        | 0.002%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024       | WECC            |         | Puget Sound Energy, Inc.                                              | U.S.    | 24,492,611      | 24,492,611    | -           | 2.799%        | 2.799%   | 0.000%       | 0.518%         | 0.518%   | 0.000%       | 0.585%             |
| 2024       | WECC            |         | Raton Public Service                                                  | U.S.    | 45,224          | 45,224        | -           | 0.005%        | 0.005%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024       | WECC            |         | Reno City Center                                                      | U.S.    | 6,580           | 6,580         | -           | 0.001%        | 0.001%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024       | WECC            |         | Roosevelt Irrigation District - APS                                   | U.S.    | 41,300          | 41,300        | -           | 0.005%        | 0.005%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024       | WECC            |         | Sacramento Municipal Utility District                                 | U.S.    | 11,486,609      | 11,486,609    | -           | 1.313%        | 1.313%   | 0.000%       | 0.243%         | 0.243%   | 0.000%       | 0.274%             |
| 2024       | WECC            |         | Sahara Las Vegas                                                      | U.S.    | 29,977          | 29,977        | -           | 0.003%        | 0.003%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024       | WECC            |         | Salt River Project                                                    | U.S.    | 35,096,766      | 35,096,766    | -           | 4.011%        | 4.011%   | 0.000%       | 0.742%         | 0.742%   | 0.000%       | 0.838%             |
| 2024       | WECC            |         | Seattle City Light                                                    | U.S.    | 9,306,610       | 9,306,610     | -           | 1.063%        | 1.063%   | 0.000%       | 0.197%         | 0.197%   | 0.000%       | 0.222%             |
| 2024       | WECC            |         | Shell Energy North America                                            | U.S.    | 105,711         | 105,711       | -           | 0.012%        | 0.012%   | 0.000%       | 0.002%         | 0.002%   | 0.000%       | 0.003%             |
| 2024       | WECC            |         | Silver State Energy Association                                       | U.S.    | 640,597         | 640,597       | -           | 0.073%        | 0.073%   | 0.000%       | 0.014%         | 0.014%   | 0.000%       | 0.015%             |
| 2024       | WECC            |         | Southern Nevada Water Authority                                       | U.S.    | 128,051         | 128,051       | -           | 0.015%        | 0.015%   | 0.000%       | 0.003%         | 0.003%   | 0.000%       | 0.003%             |
| 2024       | WECC            |         | Switch-North                                                          | U.S.    | 427,801         | 427,801       | -           | 0.049%        | 0.049%   | 0.000%       | 0.009%         | 0.009%   | 0.000%       | 0.010%             |
| 2024       | WECC            |         | Switch-South                                                          | U.S.    | 831,935         | 831,935       | -           | 0.095%        | 0.095%   | 0.000%       | 0.018%         | 0.018%   | 0.000%       | 0.020%             |
| 2024       | WECC            |         | The Incorporated County of Los Alamos                                 | U.S.    | 537,190         | 537,190       | -           | 0.061%        | 0.061%   | 0.000%       | 0.011%         | 0.011%   | 0.000%       | 0.013%             |
| 2024       | WECC            |         | Tohono O'odham Utility Authority                                      | U.S.    | 65,784          | 65,784        | -           | 0.008%        | 0.008%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.002%             |
| 2024       | WECC            |         | Tonopah Irrigation District - APS                                     | U.S.    | 41,789          | 41,789        | -           | 0.005%        | 0.005%   | 0.000%       | 0.001%         | 0.001%   | 0.000%       | 0.001%             |
| 2024       | WECC            |         | Town of Fredonia - WALC                                               | U.S.    | 1,862           | 1,862         | -           | 0.000%        | 0.000%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024       | WECC            |         | Tri-State Generation & Transmission Assoc. Inc - Reliability - PSCO   | U.S.    | 1,068,663       | 1,068,663     | -           | 0.122%        | 0.122%   | 0.000%       | 0.023%         | 0.023%   | 0.000%       | 0.026%             |
| 2024       | WECC            |         | Tri-State Generation & Transmission Assoc. Inc - Reliability - WACM   | U.S.    | 8,095,975       | 8,095,975     | -           | 0.925%        | 0.925%   | 0.000%       | 0.171%         | 0.171%   | 0.000%       | 0.193%             |
| 2024       | WECC            |         | Tri-State Generation & Transmission Association, Inc. - PNM           | U.S.    | 2,578,843       | 2,578,843     | -           | 0.295%        | 0.295%   | 0.000%       | 0.055%         | 0.055%   | 0.000%       | 0.062%             |
| 2024       | WECC            |         | Truckee Donner Public Utility District                                | U.S.    | 164,971         | 164,971       | -           | 0.019%        | 0.019%   | 0.000%       | 0.003%         | 0.003%   | 0.000%       | 0.004%             |
| 2024       | WECC            |         | Tucson Electric Power Company                                         | U.S.    | 14,537,114      | 14,537,114    | -           | 1.661%        | 1.661%   | 0.000%       | 0.307%         | 0.307%   | 0.000%       | 0.347%             |
| 2024       | WECC            |         | Turlock Irrigation District                                           | U.S.    | 2,381,617       | 2,381,617     | -           | 0.272%        | 0.272%   | 0.000%       | 0.050%         | 0.050%   | 0.000%       | 0.057%             |
| 2024       | WECC            |         | U.S. Army Yuma Proving Ground                                         | U.S.    | 16,741          | 16,741        | -           | 0.002%        | 0.002%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024       | WECC            |         | United Power, Inc                                                     | U.S.    | 2,842,215       | 2,842,215     | -           | 0.325%        | 0.325%   | 0.000%       | 0.060%         | 0.060%   | 0.000%       | 0.068%             |
| 2024       | WECC            |         | United Power, Inc. - PSCO                                             | U.S.    | 596,353         | 596,353       | -           | 0.068%        | 0.068%   | 0.000%       | 0.013%         | 0.013%   | 0.000%       | 0.014%             |
| 2024       | WECC            |         | US Dept of Energy - Kirtland AFB                                      | U.S.    | 480,718         | 480,718       | -           | 0.055%        | 0.055%   | 0.000%       | 0.010%         | 0.010%   | 0.000%       | 0.011%             |
| 2024       | WECC            |         | Western Area Power - Loveland, CO - PSCO                              | U.S.    | 164,647         | 164,647       | -           | 0.019%        | 0.019%   | 0.000%       | 0.003%         | 0.003%   | 0.000%       | 0.004%             |
| 2024       | WECC            |         | Western Area Power - Loveland, CO - WACM                              | U.S.    | 1,495,409       | 1,495,409     | -           | 0.171%        | 0.171%   | 0.000%       | 0.032%         | 0.032%   | 0.000%       | 0.036%             |
| 2024       | WECC            |         | Western Area Power Administration - CRSP                              | U.S.    | 1,313,459       | 1,313,459     | -           | 0.150%        | 0.150%   | 0.000%       | 0.028%         | 0.028%   | 0.000%       | 0.031%             |
| 2024       | WECC            |         | Western Area Power Administration - Sierra Nevada Region              | U.S.    | 1,695,097       | 1,695,097     | -           | 0.194%        | 0.194%   | 0.000%       | 0.036%         | 0.036%   | 0.000%       | 0.040%             |
| 2024       | WECC            |         | Western Area Power Administration-Desert Southwest Region - WALC      | U.S.    | 1,231,847       | 1,231,847     | -           | 0.141%        | 0.141%   | 0.000%       | 0.026%         | 0.026%   | 0.000%       | 0.029%             |
| 2024       | WECC            |         | Western Area Power Administration-Upper Great Plains Region           | U.S.    | 372,504         | 372,504       | -           | 0.043%        | 0.043%   | 0.000%       | 0.008%         | 0.008%   | 0.000%       | 0.009%             |
| 2024       | WECC            |         | Western Area Power Administration-Upper Great Plains Region - NorthWe | U.S.    | 7,788           | 7,788         | -           | 0.001%        | 0.001%   | 0.000%       | 0.000%         | 0.000%   | 0.000%       | 0.000%             |
| 2024       | WECC            |         | Wynn Las Vegas                                                        | U.S.    | 174,062         | 174,062       | -           | 0.020%        | 0.020%   | 0.000%       | 0.004%         | 0.004%   | 0.000%       | 0.004%             |
| 2024       | WECC            |         | Yampa Valley Electric Association                                     | U.S.    | 553,275         | 553,275       | -           | 0.063%        | 0.063%   | 0.000%       | 0.012%         | 0.012%   | 0.000%       | 0.013%             |
| TOTAL WECC |                 |         |                                                                       |         | 875,115,674     | 745,650,333   | 129,465,341 | 100.000%      | 85.206%  | 14.794%      | 18.503%        | 15.766%  | 2.737%       | 17.798%            |
| TOTAL ERO  |                 |         |                                                                       |         | 4,729,606,766   | 4,189,594,104 | 540,012,662 | 600.000%      | 517.994% | 82.006%      | 100.000%       | 88.582%  | 11.418%      | 100.000%           |

| Data<br>Year                                | Regional Entity | NERC ID | Entity | Country | Total NEL (MWh) | U.S. NEL      | Canada NEL  | % of RE<br>total | US Total | Canada<br>Total | % of ERO<br>Total | US Total | Canada<br>Total | % of ERO -<br>US Only |
|---------------------------------------------|-----------------|---------|--------|---------|-----------------|---------------|-------------|------------------|----------|-----------------|-------------------|----------|-----------------|-----------------------|
| Current Year NEL Summary by Regional Entity |                 |         |        |         | Total NEL (MWh) | U.S. NEL      | Canada NEL  |                  |          |                 |                   |          |                 |                       |
| 2024                                        | MRO             |         |        |         | 517,757,573     | 466,399,252   | 51,358,321  | 100.000%         | 90.081%  | 9.919%          | 10.947%           | 9.861%   | 1.086%          | 11.132%               |
| 2024                                        | NPCC            |         |        |         | 626,935,000     | 267,746,000   | 359,189,000 | 100.000%         | 42.707%  | 57.293%         | 13.256%           | 5.661%   | 7.594%          | 6.391%                |
| 2024                                        | RF              |         |        |         | 877,516,288     | 877,516,288   | -           | 100.000%         | 100.000% | 0.000%          | 18.554%           | 18.554%  | 0.000%          | 20.945%               |
| 2024                                        | SERC            |         |        |         | 1,370,732,273   | 1,370,732,273 | -           | 100.000%         | 100.000% | 0.000%          | 28.982%           | 28.982%  | 0.000%          | 32.718%               |
| 2024                                        | Texas RE        |         |        |         | 461,549,959     | 461,549,959   | -           | 100.000%         | 100.000% | 0.000%          | 9.759%            | 9.759%   | 0.000%          | 11.017%               |
| 2024                                        | WECC            |         |        |         | 875,115,674     | 745,650,333   | 129,465,341 | 100.000%         | 85.206%  | 14.794%         | 18.503%           | 15.766%  | 2.737%          | 17.798%               |
| Total                                       |                 |         |        |         | 4,729,606,766   | 4,189,594,104 | 540,012,662 | 600.000%         | 517.994% | 82.006%         | 100.000%          | 88.582%  | 11.418%         | 100.000%              |



| Data Year | Regional Entity | NERC ID | Entity                                                        | Country | Total ERO Assessments (NERC, RE & WIRAB Costs) |           |           | Total NERC Assessments |         |         | Total Regional Entity Assessments (Including WIRAB Assessments) |           |           |
|-----------|-----------------|---------|---------------------------------------------------------------|---------|------------------------------------------------|-----------|-----------|------------------------|---------|---------|-----------------------------------------------------------------|-----------|-----------|
|           |                 |         |                                                               |         | Total                                          | US        | Canada    | Total                  | US      | Canada  | Total                                                           | US        | Canada    |
| 2024      | MRO             | C-1217  | Manitoba Hydro                                                | Canada  | 1,926,286                                      | -         | 1,926,286 | 627,660                | -       | 627,660 | 1,298,626                                                       | -         | 1,298,626 |
| 2024      | MRO             | C-1235  | SaskPower                                                     | Canada  | 1,934,968                                      | -         | 1,934,968 | 630,489                | -       | 630,489 | 1,304,479                                                       | -         | 1,304,479 |
| 2024      | MRO             | C-1195  | Alliant Energy (ALTE- WPL & ALTW IPL)                         | U.S.    | 2,106,986                                      | 2,106,986 | -         | 687,015                | 687,015 | -       | 1,419,971                                                       | 1,419,971 | -         |
| 2024      | MRO             | C-1246  | American Electric Power Service Corporation                   | U.S.    | 2,873,703                                      | 2,873,703 | -         | 937,015                | 937,015 | -       | 1,936,688                                                       | 1,936,688 | -         |
| 2024      | MRO             | C-1196  | Ames Municipal Electric System                                | U.S.    | 57,684                                         | 57,684    | -         | 18,809                 | 18,809  | -       | 38,876                                                          | 38,876    | -         |
| 2024      | MRO             | C-1986  | Arkansas Electric Cooperative Corporation (AECC)              | U.S.    | 358,171                                        | 358,171   | -         | 116,787                | 116,787 | -       | 241,384                                                         | 241,384   | -         |
| 2024      | MRO             | C-1604  | Atlantic Municipal Utilities (AMU)                            | U.S.    | 11,533                                         | 11,533    | -         | 3,761                  | 3,761   | -       | 7,773                                                           | 7,773     | -         |
| 2024      | MRO             | C-1199  | Basin Electric Power Cooperative (BEPC)                       | U.S.    | 2,173,706                                      | 2,173,706 | -         | 708,770                | 708,770 | -       | 1,464,936                                                       | 1,464,936 | -         |
| 2024      | MRO             | C-1247  | Board of Public Utilities (Kansas City, KS) (BPU)             | U.S.    | 177,923                                        | 177,923   | -         | 58,014                 | 58,014  | -       | 119,908                                                         | 119,908   | -         |
| 2024      | MRO             | C-1620  | Board of Public Utilities City of McPherson, KS (MCPHER)      | U.S.    | 87,164                                         | 87,164    | -         | 28,421                 | 28,421  | -       | 58,743                                                          | 58,743    | -         |
| 2024      | MRO             | C-1647  | Carthage Water and Light                                      | U.S.    | 21,918                                         | 21,918    | -         | 7,147                  | 7,147   | -       | 14,771                                                          | 14,771    | -         |
| 2024      | MRO             | C-1200  | Cedar Falls Utilities (CFU)                                   | U.S.    | 57,729                                         | 57,729    | -         | 18,823                 | 18,823  | -       | 38,906                                                          | 38,906    | -         |
| 2024      | MRO             | C-1201  | Central Iowa Power Cooperative (CIPCO)                        | U.S.    | 224,558                                        | 224,558   | -         | 73,221                 | 73,221  | -       | 151,338                                                         | 151,338   | -         |
| 2024      | MRO             | C-1477  | Central Minnesota Municipal Power Agency (CMMPA)              | U.S.    | 35,136                                         | 35,136    | -         | 11,457                 | 11,457  | -       | 23,680                                                          | 23,680    | -         |
| 2024      | MRO             | C-1469  | Central Valley Electric Cooperative (CVEC)                    | U.S.    | 74,128                                         | 74,128    | -         | 24,171                 | 24,171  | -       | 49,958                                                          | 49,958    | -         |
| 2024      | MRO             | C-2056  | City of Beatrice                                              | U.S.    | 14,167                                         | 14,167    | -         | 4,619                  | 4,619   | -       | 9,547                                                           | 9,547     | -         |
| 2024      | MRO             | C-1556  | City of Bentonville (BENVILL)                                 | U.S.    | 57,296                                         | 57,296    | -         | 18,682                 | 18,682  | -       | 38,614                                                          | 38,614    | -         |
| 2024      | MRO             | C-1713  | City of Bloomer (Bloomer Electric & Water Co.)                | U.S.    | 5,096                                          | 5,096     | -         | 1,662                  | 1,662   | -       | 3,435                                                           | 3,435     | -         |
| 2024      | MRO             | C-1703  | City of Chanute (CHANUTEKS)                                   | U.S.    | 41,189                                         | 41,189    | -         | 13,430                 | 13,430  | -       | 27,759                                                          | 27,759    | -         |
| 2024      | MRO             | C-1203  | City of Escanaba (EME)                                        | U.S.    | 9,368                                          | 9,368     | -         | 3,054                  | 3,054   | -       | 6,313                                                           | 6,313     | -         |
| 2024      | MRO             | C-1719  | City of Kasota                                                | U.S.    | 276                                            | 276       | -         | 90                     | 90      | -       | 186                                                             | 186       | -         |
| 2024      | MRO             | C-1709  | City of Nixa                                                  | U.S.    | 13,817                                         | 13,817    | -         | 4,505                  | 4,505   | -       | 9,312                                                           | 9,312     | -         |
| 2024      | MRO             | C-2057  | City of South Sioux City, NE                                  | U.S.    | 15,644                                         | 15,644    | -         | 5,101                  | 5,101   | -       | 10,543                                                          | 10,543    | -         |
| 2024      | MRO             | C-1722  | City of Spooner                                               | U.S.    | 2,318                                          | 2,318     | -         | 756                    | 756     | -       | 1,562                                                           | 1,562     | -         |
| 2024      | MRO             | C-2052  | City of Superior NE                                           | U.S.    | 3,639                                          | 3,639     | -         | 1,186                  | 1,186   | -       | 2,452                                                           | 2,452     | -         |
| 2024      | MRO             | C-2053  | City of Wakefield, NE                                         | U.S.    | 3,564                                          | 3,564     | -         | 1,162                  | 1,162   | -       | 2,402                                                           | 2,402     | -         |
| 2024      | MRO             | C-2054  | City of Wayne, NE                                             | U.S.    | 5,097                                          | 5,097     | -         | 1,662                  | 1,662   | -       | 3,435                                                           | 3,435     | -         |
| 2024      | MRO             | C-1436  | City Utilities of Springfield, MO (SPRM)                      | U.S.    | 242,559                                        | 242,559   | -         | 79,090                 | 79,090  | -       | 163,469                                                         | 163,469   | -         |
| 2024      | MRO             | C-1204  | Corn Belt Power Cooperative (CBPC)                            | U.S.    | 163,261                                        | 163,261   | -         | 53,234                 | 53,234  | -       | 110,027                                                         | 110,027   | -         |
| 2024      | MRO             | C-1710  | Dahlberg Electric Company                                     | U.S.    | 8,989                                          | 8,989     | -         | 2,931                  | 2,931   | -       | 6,058                                                           | 6,058     | -         |
| 2024      | MRO             | C-1207  | Dairyland Power Cooperative (DPC)                             | U.S.    | 436,329                                        | 436,329   | -         | 142,272                | 142,272 | -       | 294,057                                                         | 294,057   | -         |
| 2024      | MRO             | C-2171  | Delano Municipal Utilities                                    | U.S.    | 5,655                                          | 5,655     | -         | 1,844                  | 1,844   | -       | 3,811                                                           | 3,811     | -         |
| 2024      | MRO             | C-1437  | East Texas Electric Cooperative, Inc. (ETEC)                  | U.S.    | 77,817                                         | 77,817    | -         | 25,374                 | 25,374  | -       | 52,444                                                          | 52,444    | -         |
| 2024      | MRO             | C-1716  | Eldridge Electric and Water Utilities                         | U.S.    | 3,113                                          | 3,113     | -         | 1,015                  | 1,015   | -       | 2,098                                                           | 2,098     | -         |
| 2024      | MRO             | C-1250  | Empire District Electric Co.                                  | U.S.    | 383,180                                        | 383,180   | -         | 124,942                | 124,942 | -       | 258,238                                                         | 258,238   | -         |
| 2024      | MRO             | C-1205  | City of Falls City, NE                                        | U.S.    | 3,932                                          | 3,932     | -         | 1,282                  | 1,282   | -       | 2,650                                                           | 2,650     | -         |
| 2024      | MRO             | C-1470  | Farmers Electric Cooperative, Inc. of New Mexico (FARMCOOPNM) | U.S.    | 27,740                                         | 27,740    | -         | 9,045                  | 9,045   | -       | 18,695                                                          | 18,695    | -         |
| 2024      | MRO             | C-1206  | Fremont Department of Utilities (City of)                     | U.S.    | 38,119                                         | 38,119    | -         | 12,429                 | 12,429  | -       | 25,690                                                          | 25,690    | -         |
| 2024      | MRO             | C-1208  | Geneseo Municipal Utilities                                   | U.S.    | 5,061                                          | 5,061     | -         | 1,650                  | 1,650   | -       | 3,411                                                           | 3,411     | -         |
| 2024      | MRO             | C-1438  | Golden Spread Electric Cooperative, Inc (GSEC)                | U.S.    | 517,943                                        | 517,943   | -         | 168,883                | 168,883 | -       | 349,060                                                         | 349,060   | -         |
| 2024      | MRO             | C-1209  | City of Grand Island, NE                                      | U.S.    | 57,144                                         | 57,144    | -         | 18,633                 | 18,633  | -       | 38,511                                                          | 38,511    | -         |
| 2024      | MRO             | C-1251  | Grand River Dam Authority (GRDA)                              | U.S.    | 564,207                                        | 564,207   | -         | 183,968                | 183,968 | -       | 380,239                                                         | 380,239   | -         |
| 2024      | MRO             | C-1717  | Great Lakes Utilities                                         | U.S.    | 109,519                                        | 109,519   | -         | 35,710                 | 35,710  | -       | 73,809                                                          | 73,809    | -         |
| 2024      | MRO             | C-1210  | Great River Energy (GRE)                                      | U.S.    | 1,016,130                                      | 1,016,130 | -         | 331,325                | 331,325 | -       | 684,806                                                         | 684,806   | -         |
| 2024      | MRO             | C-1606  | Harlan Municipal Utilities                                    | U.S.    | 1,179                                          | 1,179     | -         | 384                    | 384     | -       | 794                                                             | 794       | -         |
| 2024      | MRO             | C-1211  | Hastings Utilities (HAST)                                     | U.S.    | 33,257                                         | 33,257    | -         | 10,844                 | 10,844  | -       | 22,413                                                          | 22,413    | -         |
| 2024      | MRO             | C-1212  | Heartland Consumers Power District (HCPD)                     | U.S.    | 38,261                                         | 38,261    | -         | 12,476                 | 12,476  | -       | 25,785                                                          | 25,785    | -         |
| 2024      | MRO             | C-1213  | Hutchinson Utilities Commission (HUCH)                        | U.S.    | 20,162                                         | 20,162    | -         | 6,574                  | 6,574   | -       | 13,588                                                          | 13,588    | -         |
| 2024      | MRO             | C-1248  | Independence Power & Light (Independence, MO) (INDN)          | U.S.    | 76,303                                         | 76,303    | -         | 24,880                 | 24,880  | -       | 51,423                                                          | 51,423    | -         |
| 2024      | MRO             | C-1252  | Evergy Metro, Inc.                                            | U.S.    | 1,180,212                                      | 1,180,212 | -         | 384,826                | 384,826 | -       | 795,386                                                         | 795,386   | -         |
| 2024      | MRO             | C-1439  | Kansas Electric Power Cooperative (KEPC)                      | U.S.    | 157,354                                        | 157,354   | -         | 51,308                 | 51,308  | -       | 106,046                                                         | 106,046   | -         |
| 2024      | MRO             | C-1440  | Kansas Municipal Energy Agency (KMEA)                         | U.S.    | 126,496                                        | 126,496   | -         | 41,246                 | 41,246  | -       | 85,250                                                          | 85,250    | -         |
| 2024      | MRO             | C-1637  | KPP Energy                                                    | U.S.    | 59,675                                         | 59,675    | -         | 19,458                 | 19,458  | -       | 40,217                                                          | 40,217    | -         |
| 2024      | MRO             | C-1598  | Evergy Missouri West, Inc.                                    | U.S.    | 676,405                                        | 676,405   | -         | 220,552                | 220,552 | -       | 455,853                                                         | 455,853   | -         |
| 2024      | MRO             | C-2038  | Kennett Board of Public Works                                 | U.S.    | 9,028                                          | 9,028     | -         | 2,944                  | 2,944   | -       | 6,085                                                           | 6,085     | -         |
| 2024      | MRO             | C-1472  | Lea County Electric Cooperative (LCEC)                        | U.S.    | 97,920                                         | 97,920    | -         | 31,928                 | 31,928  | -       | 65,992                                                          | 65,992    | -         |
| 2024      | MRO             | C-1215  | Lincoln Electric System (LES)                                 | U.S.    | 245,618                                        | 245,618   | -         | 80,087                 | 80,087  | -       | 165,530                                                         | 165,530   | -         |
| 2024      | MRO             | C-1216  | Madison, Gas and Electric (MGE)                               | U.S.    | 247,349                                        | 247,349   | -         | 80,652                 | 80,652  | -       | 166,697                                                         | 166,697   | -         |

| Data Year  | Regional Entity | NERC ID | Entity                                                                | Country | Total ERO Assessments (NERC, RE & WIRAB Costs) |            |            | Total NERC Assessments |            |           | Total Regional Entity Assessments (Including WIRAB Assessments) |            |            |
|------------|-----------------|---------|-----------------------------------------------------------------------|---------|------------------------------------------------|------------|------------|------------------------|------------|-----------|-----------------------------------------------------------------|------------|------------|
|            |                 |         |                                                                       |         | Total                                          | US         | Canada     | Total                  | US         | Canada    | Total                                                           | US         | Canada     |
| 2024       | MRO             | C-2039  | Malden Board of Public Works                                          | U.S.    | 3,757                                          | 3,757      | -          | 1,225                  | 1,225      | -         | 2,532                                                           | 2,532      | -          |
| 2024       | MRO             | C-1220  | MidAmerican Energy Company (MEC)                                      | U.S.    | 2,351,809                                      | 2,351,809  | -          | 766,843                | 766,843    | -         | 1,584,966                                                       | 1,584,966  | -          |
| 2024       | MRO             | C-1441  | Midwest Energy, Inc (MIDW)                                            | U.S.    | 139,139                                        | 139,139    | -          | 45,368                 | 45,368     | -         | 93,771                                                          | 93,771     | -          |
| 2024       | MRO             | C-1224  | Minnesota Municipal Power Agency (MMPA) Avant Energy Inc is Agent     | U.S.    | 148,007                                        | 148,007    | -          | 48,260                 | 48,260     | -         | 99,747                                                          | 99,747     | -          |
| 2024       | MRO             | C-1221  | Minnesota Power (MP)                                                  | U.S.    | 888,797                                        | 888,797    | -          | 289,806                | 289,806    | -         | 598,991                                                         | 598,991    | -          |
| 2024       | MRO             | C-1222  | Minnkota Power Cooperative, Inc. (MPC)                                | U.S.    | 304,645                                        | 304,645    | -          | 99,334                 | 99,334     | -         | 205,311                                                         | 205,311    | -          |
| 2024       | MRO             | C-1987  | Missouri Joint Municipal Electric Utility                             | U.S.    | 34,484                                         | 34,484     | -          | 11,244                 | 11,244     | -         | 23,240                                                          | 23,240     | -          |
| 2024       | MRO             | C-1223  | Missouri River Energy Services                                        | U.S.    | 201,268                                        | 201,268    | -          | 65,626                 | 65,626     | -         | 135,641                                                         | 135,641    | -          |
| 2024       | MRO             | C-1226  | Montana-Dakota Utilities Co. (MDU)                                    | U.S.    | 316,796                                        | 316,796    | -          | 103,296                | 103,296    | -         | 213,500                                                         | 213,500    | -          |
| 2024       | MRO             | C-1607  | Montezuma Municipal Light & Power                                     | U.S.    | 1,665                                          | 1,665      | -          | 543                    | 543        | -         | 1,122                                                           | 1,122      | -          |
| 2024       | MRO             | C-2051  | Moose Lake Water & Light Commission                                   | U.S.    | 2,601                                          | 2,601      | -          | 848                    | 848        | -         | 1,753                                                           | 1,753      | -          |
| 2024       | MRO             | C-1227  | Municipal Energy Agency of Nebraska (MEAN)                            | U.S.    | 74,819                                         | 74,819     | -          | 24,396                 | 24,396     | -         | 50,423                                                          | 50,423     | -          |
| 2024       | MRO             | C-1228  | Muscatine Power and Water (MPW)                                       | U.S.    | 68,849                                         | 68,849     | -          | 22,449                 | 22,449     | -         | 46,400                                                          | 46,400     | -          |
| 2024       | MRO             | C-1229  | Nebraska City Utilities                                               | U.S.    | 8,846                                          | 8,846      | -          | 2,884                  | 2,884      | -         | 5,961                                                           | 5,961      | -          |
| 2024       | MRO             | C-1230  | Nebraska Public Power District (NPPD)                                 | U.S.    | 1,064,317                                      | 1,064,317  | -          | 347,037                | 347,037    | -         | 717,280                                                         | 717,280    | -          |
| 2024       | MRO             | C-1711  | North Central Power Company                                           | U.S.    | 3,088                                          | 3,088      | -          | 1,007                  | 1,007      | -         | 2,081                                                           | 2,081      | -          |
| 2024       | MRO             | C-2055  | Northeast Power                                                       | U.S.    | 27,252                                         | 27,252     | -          | 8,886                  | 8,886      | -         | 18,366                                                          | 18,366     | -          |
| 2024       | MRO             | C-1442  | Northeast Texas Electric Cooperative, Inc. (NTEC)                     | U.S.    | 251,636                                        | 251,636    | -          | 82,050                 | 82,050     | -         | 169,586                                                         | 169,586    | -          |
| 2024       | MRO             | C-1231  | NorthWestern Energy (NWE)                                             | U.S.    | 125,089                                        | 125,089    | -          | 40,787                 | 40,787     | -         | 84,302                                                          | 84,302     | -          |
| 2024       | MRO             | C-1712  | NorthWestern Wisconsin Electric Company                               | U.S.    | 14,147                                         | 14,147     | -          | 4,613                  | 4,613      | -         | 9,534                                                           | 9,534      | -          |
| 2024       | MRO             | C-1255  | Oklahoma Gas and Electric Co. (OKGE)                                  | U.S.    | 2,578,071                                      | 2,578,071  | -          | 840,619                | 840,619    | -         | 1,737,452                                                       | 1,737,452  | -          |
| 2024       | MRO             | C-1444  | Oklahoma Municipal Power Authority (OMPA)                             | U.S.    | 212,527                                        | 212,527    | -          | 69,298                 | 69,298     | -         | 143,230                                                         | 143,230    | -          |
| 2024       | MRO             | C-1232  | Omaha Public Power District (OPPD)                                    | U.S.    | 1,062,407                                      | 1,062,407  | -          | 346,414                | 346,414    | -         | 715,993                                                         | 715,993    | -          |
| 2024       | MRO             | C-1233  | Otter Tail Power Company (OTP)                                        | U.S.    | 444,077                                        | 444,077    | -          | 144,798                | 144,798    | -         | 299,279                                                         | 299,279    | -          |
| 2024       | MRO             | C-1651  | Paragould Light, Water & Cable (PARAGOULD)                            | U.S.    | 44,319                                         | 44,319     | -          | 14,451                 | 14,451     | -         | 29,868                                                          | 29,868     | -          |
| 2024       | MRO             | C-1725  | Peoples Electric Cooperative (PEC)                                    | U.S.    | 70,148                                         | 70,148     | -          | 22,873                 | 22,873     | -         | 47,275                                                          | 47,275     | -          |
| 2024       | MRO             | C-2040  | Piggott Municipal Light, Water & Sewer                                | U.S.    | 2,760                                          | 2,760      | -          | 900                    | 900        | -         | 1,860                                                           | 1,860      | -          |
| 2024       | MRO             | C-1720  | Resale Power Group of Iowa                                            | U.S.    | 37,019                                         | 37,019     | -          | 12,071                 | 12,071     | -         | 24,949                                                          | 24,949     | -          |
| 2024       | MRO             | C-1721  | Rice Lake Utilities                                                   | U.S.    | 11,619                                         | 11,619     | -          | 3,788                  | 3,788      | -         | 7,830                                                           | 7,830      | -          |
| 2024       | MRO             | C-1234  | Rochester Public Utilities (RPU)                                      | U.S.    | 132                                            | 132        | -          | 43                     | 43         | -         | 89                                                              | 89         | -          |
| 2024       | MRO             | C-1473  | Roosevelt County Electric Cooperative                                 | U.S.    | 12,263                                         | 12,263     | -          | 3,998                  | 3,998      | -         | 8,264                                                           | 8,264      | -          |
| 2024       | MRO             | C-1236  | Southern Minnesota Municipal Power Agency (SMMPA)                     | U.S.    | 203,679                                        | 203,679    | -          | 66,413                 | 66,413     | -         | 137,266                                                         | 137,266    | -          |
| 2024       | MRO             | C-1257  | Southwestern Public Service Co. Xcel Energy (SPS)                     | U.S.    | 2,068,004                                      | 2,068,004  | -          | 674,304                | 674,304    | -         | 1,393,700                                                       | 1,393,700  | -          |
| 2024       | MRO             | C-1256  | Sunflower Electric Power Corporation                                  | U.S.    | 377,638                                        | 377,638    | -          | 123,135                | 123,135    | -         | 254,503                                                         | 254,503    | -          |
| 2024       | MRO             | C-1665  | Upper Peninsula Power Co (UPPC)                                       | U.S.    | 53,948                                         | 53,948     | -          | 17,591                 | 17,591     | -         | 36,358                                                          | 36,358     | -          |
| 2024       | MRO             | C-1714  | Village of Cadott                                                     | U.S.    | 980                                            | 980        | -          | 320                    | 320        | -         | 660                                                             | 660        | -          |
| 2024       | MRO             | C-1260  | Evergy Kansas Central, Inc.                                           | U.S.    | 1,826,848                                      | 1,826,848  | -          | 595,672                | 595,672    | -         | 1,231,176                                                       | 1,231,176  | -          |
| 2024       | MRO             | C-1239  | Western Area Power Administration Rocky Mountain Region (LM) (WAPA-R) | U.S.    | 3,404                                          | 3,404      | -          | 1,110                  | 1,110      | -         | 2,294                                                           | 2,294      | -          |
| 2024       | MRO             | C-1240  | Western Area Power Administration Upper Great Plains (UM) (WAPA)      | U.S.    | 680,338                                        | 680,338    | -          | 221,834                | 221,834    | -         | 458,503                                                         | 458,503    | -          |
| 2024       | MRO             | C-1259  | Western Farmers Electric Cooperative (WFEC)                           | U.S.    | 779,287                                        | 779,287    | -          | 254,098                | 254,098    | -         | 525,189                                                         | 525,189    | -          |
| 2024       | MRO             | C-1501  | West Texas Municipal Power Agency (WTMPA)                             | U.S.    | 9,281                                          | 9,281      | -          | 3,026                  | 3,026      | -         | 6,255                                                           | 6,255      | -          |
| 2024       | MRO             | C-1242  | Wisconsin Public Power, Inc. (East and West regions) (WPPI)           | U.S.    | 396,267                                        | 396,267    | -          | 129,209                | 129,209    | -         | 267,058                                                         | 267,058    | -          |
| 2024       | MRO             | C-1983  | Wolverine Power Marketing Cooperative                                 | U.S.    | 5,635                                          | 5,635      | -          | 1,837                  | 1,837      | -         | 3,798                                                           | 3,798      | -          |
| 2024       | MRO             | C-1244  | Xcel Energy Company Northern States Power (NSP)                       | U.S.    | 3,067,435                                      | 3,067,435  | -          | 1,000,184              | 1,000,184  | -         | 2,067,251                                                       | 2,067,251  | -          |
| TOTAL MRO  |                 |         |                                                                       |         | 38,902,083                                     | 35,040,829 | 3,861,254  | 12,683,746             | 11,425,598 | 1,258,149 | 26,218,337                                                      | 23,615,231 | 2,603,106  |
| 2024       | NPCC            | C-1336  | New England                                                           | U.S.    | 9,710,215                                      | 9,710,215  | -          | 2,861,500              | 2,861,500  | -         | 6,848,715                                                       | 6,848,715  | -          |
| 2024       | NPCC            | C-1339  | New York                                                              | U.S.    | 12,539,065                                     | 12,539,065 | -          | 3,697,598              | 3,697,598  | -         | 8,841,467                                                       | 8,841,467  | -          |
| 2024       | NPCC            | C-1337  | Ontario                                                               | Canada  | 6,251,588                                      | -          | 6,251,588  | 2,664,376              | -          | 2,664,376 | 3,587,213                                                       | -          | 3,587,213  |
| 2024       | NPCC            |         | Quebec                                                                | Canada  | 9,945,480                                      | -          | 9,945,480  | 3,833,681              | -          | 3,833,681 | 6,111,799                                                       | -          | 6,111,799  |
| 2024       | NPCC            | C-1341  | Hydro Quebec                                                          | Canada  | -                                              | -          | -          | -                      | -          | -         | -                                                               | -          | -          |
| 2024       | NPCC            | C-1572  | Regie                                                                 | Canada  | -                                              | -          | -          | -                      | -          | -         | -                                                               | -          | -          |
| 2024       | NPCC            | C-1705  | New Brunswick                                                         | Canada  | 1,070,635                                      | -          | 1,070,635  | 275,660                | -          | 275,660   | 794,976                                                         | -          | 794,976    |
| 2024       | NPCC            | C-1340  | Nova Scotia                                                           | Canada  | 718,071                                        | -          | 718,071    | 279,663                | -          | 279,663   | 438,408                                                         | -          | 438,408    |
| TOTAL NPCC |                 |         |                                                                       |         | 40,235,054                                     | 22,249,280 | 17,985,775 | 13,612,476             | 6,559,097  | 7,053,379 | 26,622,578                                                      | 15,690,182 | 10,932,396 |
| 2024       | RF              | C-1102  | Cannelton Utilities                                                   | U.S.    | 779                                            | 779        | -          | 310                    | 310        | -         | 470                                                             | 470        | -          |
| 2024       | RF              | C-1106  | City of Croswell                                                      | U.S.    | 2,822                                          | 2,822      | -          | 1,122                  | 1,122      | -         | 1,701                                                           | 1,701      | -          |
| 2024       | RF              | C-1490  | City of Lansing                                                       | U.S.    | 128,813                                        | 128,813    | -          | 51,197                 | 51,197     | -         | 77,616                                                          | 77,616     | -          |
| 2024       | RF              | C-1120  | Cloverland Electric Cooperative                                       | U.S.    | 47,863                                         | 47,863     | -          | 19,023                 | 19,023     | -         | 28,839                                                          | 28,839     | -          |

| Data Year              | Regional Entity | NERC ID | Entity                                           | Country | Total ERO Assessments (NERC, RE & WIRAB Costs) |            |        | Total NERC Assessments |            |        | Total Regional Entity Assessments (Including WIRAB Assessments) |            |        |
|------------------------|-----------------|---------|--------------------------------------------------|---------|------------------------------------------------|------------|--------|------------------------|------------|--------|-----------------------------------------------------------------|------------|--------|
|                        |                 |         |                                                  |         | Total                                          | US         | Canada | Total                  | US         | Canada | Total                                                           | US         | Canada |
| 2024                   | RF              | C-1122  | CMS ERM Michigan LLC                             | U.S.    | 27,226                                         | 27,226     | -      | 10,821                 | 10,821     | -      | 16,405                                                          | 16,405     | -      |
| 2024                   | RF              | C-1124  | Constellation New Energy (MECS-CONS)             | U.S.    | 118,903                                        | 118,903    | -      | 47,258                 | 47,258     | -      | 71,645                                                          | 71,645     | -      |
| 2024                   | RF              | C-1123  | Constellation New Energy (MECS-DET)              | U.S.    | 141,359                                        | 141,359    | -      | 56,183                 | 56,183     | -      | 85,175                                                          | 85,175     | -      |
| 2024                   | RF              | C-1126  | Consumers Energy Company                         | U.S.    | 2,030,192                                      | 2,030,192  | -      | 806,904                | 806,904    | -      | 1,223,287                                                       | 1,223,287  | -      |
| 2024                   | RF              | C-1128  | DTE Electric Company                             | U.S.    | 2,926,709                                      | 2,926,709  | -      | 1,163,227              | 1,163,227  | -      | 1,763,482                                                       | 1,763,482  | -      |
| 2024                   | RF              | C-1166  | Duke Energy Indiana                              | U.S.    | 1,679,890                                      | 1,679,890  | -      | 667,676                | 667,676    | -      | 1,012,214                                                       | 1,012,214  | -      |
| 2024                   | RF              | C-1135  | Ferdinand Municipal Light & Water                | U.S.    | 2,926                                          | 2,926      | -      | 1,163                  | 1,163      | -      | 1,763                                                           | 1,763      | -      |
| 2024                   | RF              | C-1646  | Energy Harbor LLC (MECS-CONS)                    | U.S.    | 21,615                                         | 21,615     | -      | 8,591                  | 8,591      | -      | 13,024                                                          | 13,024     | -      |
| 2024                   | RF              | C-1549  | Energy Harbor LLC (MECS-DET)                     | U.S.    | 5,885                                          | 5,885      | -      | 2,339                  | 2,339      | -      | 3,546                                                           | 3,546      | -      |
| 2024                   | RF              | C-1145  | Hoosier Energy                                   | U.S.    | 487,259                                        | 487,259    | -      | 193,662                | 193,662    | -      | 293,597                                                         | 293,597    | -      |
| 2024                   | RF              | C-1148  | Indiana Municipal Power Agency (DUKE CIN)        | U.S.    | 181,978                                        | 181,978    | -      | 72,328                 | 72,328     | -      | 109,651                                                         | 109,651    | -      |
| 2024                   | RF              | C-1485  | Indiana Municipal Power Agency (NIPSCO)          | U.S.    | 22,516                                         | 22,516     | -      | 8,949                  | 8,949      | -      | 13,567                                                          | 13,567     | -      |
| 2024                   | RF              | C-1486  | Indiana Municipal Power Agency (SIGE)            | U.S.    | 34,200                                         | 34,200     | -      | 13,593                 | 13,593     | -      | 20,607                                                          | 20,607     | -      |
| 2024                   | RF              | C-1149  | Indianapolis Power & Light Co.                   | U.S.    | 830,739                                        | 830,739    | -      | 330,179                | 330,179    | -      | 500,560                                                         | 500,560    | -      |
| 2024                   | RF              | C-2050  | Logansport Municipal Utility (LMU)               | U.S.    | 24,657                                         | 24,657     | -      | 9,800                  | 9,800      | -      | 14,857                                                          | 14,857     | -      |
| 2024                   | RF              | C-1666  | Constellation New Energy (MIUP)                  | U.S.    | 18,009                                         | 18,009     | -      | 7,158                  | 7,158      | -      | 10,851                                                          | 10,851     | -      |
| 2024                   | RF              | C-1154  | Michigan Public Power Agency                     | U.S.    | 233,257                                        | 233,257    | -      | 92,709                 | 92,709     | -      | 140,549                                                         | 140,549    | -      |
| 2024                   | RF              | C-1155  | Michigan South Central Power Agency              | U.S.    | 47,405                                         | 47,405     | -      | 18,841                 | 18,841     | -      | 28,564                                                          | 28,564     | -      |
| 2024                   | RF              | C-1163  | Northern Indiana Public Service Co.              | U.S.    | 972,265                                        | 972,265    | -      | 386,429                | 386,429    | -      | 585,836                                                         | 585,836    | -      |
| 2024                   | RF              | C-1164  | Ontonagon County Rural Electrification Assoc.    | U.S.    | 1,778                                          | 1,778      | -      | 706                    | 706        | -      | 1,071                                                           | 1,071      | -      |
| 2024                   | RF              | C-1265  | PJM Interconnection, LLC                         | U.S.    | 40,775,640                                     | 40,775,640 | -      | 16,206,371             | 16,206,371 | -      | 24,569,269                                                      | 24,569,269 | -      |
| 2024                   | RF              | C-1172  | Calpine Energy Solutions, LLC (MECS-CONS)        | U.S.    | 24,657                                         | 24,657     | -      | 9,800                  | 9,800      | -      | 14,857                                                          | 14,857     | -      |
| 2024                   | RF              | C-1171  | Calpine Energy Solutions, LLC (MECS-DET)         | U.S.    | 37,237                                         | 37,237     | -      | 14,800                 | 14,800     | -      | 22,437                                                          | 22,437     | -      |
| 2024                   | RF              | C-1176  | Direct Energy                                    | U.S.    | 808                                            | 808        | -      | 321                    | 321        | -      | 487                                                             | 487        | -      |
| 2024                   | RF              | C-1174  | Direct Energy                                    | U.S.    | 50,201                                         | 50,201     | -      | 19,953                 | 19,953     | -      | 30,249                                                          | 30,249     | -      |
| 2024                   | RF              | C-1581  | Spartan Renewable Energy                         | U.S.    | 8,241                                          | 8,241      | -      | 3,276                  | 3,276      | -      | 4,966                                                           | 4,966      | -      |
| 2024                   | RF              | C-1985  | Spartan Renewable Energy (MI UP)                 | U.S.    | 4,574                                          | 4,574      | -      | 1,818                  | 1,818      | -      | 2,756                                                           | 2,756      | -      |
| 2024                   | RF              | C-1180  | Thumb Electric Cooperative                       | U.S.    | 12,542                                         | 12,542     | -      | 4,985                  | 4,985      | -      | 7,557                                                           | 7,557      | -      |
| 2024                   | RF              | C-2074  | Union City Michigan                              | U.S.    | 936                                            | 936        | -      | 372                    | 372        | -      | 564                                                             | 564        | -      |
| 2024                   | RF              | C-2027  | Upper Michigan Energy Resources                  | U.S.    | 116,303                                        | 116,303    | -      | 46,225                 | 46,225     | -      | 70,078                                                          | 70,078     | -      |
| 2024                   | RF              | C-1181  | Vectren, a CenterPoint Energy Company            | U.S.    | 311,495                                        | 311,495    | -      | 123,804                | 123,804    | -      | 187,691                                                         | 187,691    | -      |
| 2024                   | RF              | C-1184  | Wabash Valley Power Alliance (DUKE CIN)          | U.S.    | 204,819                                        | 204,819    | -      | 81,406                 | 81,406     | -      | 123,413                                                         | 123,413    | -      |
| 2024                   | RF              | C-1488  | Wabash Valley Power Alliance (NIPSCO)            | U.S.    | 114,138                                        | 114,138    | -      | 45,364                 | 45,364     | -      | 68,773                                                          | 68,773     | -      |
| 2024                   | RF              | C-1185  | Wisconsin Electric Power Co.                     | U.S.    | 1,468,965                                      | 1,468,965  | -      | 583,844                | 583,844    | -      | 885,122                                                         | 885,122    | -      |
| 2024                   | RF              | C-2041  | Wisconsin Public Service Co.                     | U.S.    | 710,646                                        | 710,646    | -      | 282,448                | 282,448    | -      | 428,198                                                         | 428,198    | -      |
| 2024                   | RF              | C-1189  | Wolverine Power Marketing Cooperative            | U.S.    | 40,890                                         | 40,890     | -      | 16,252                 | 16,252     | -      | 24,638                                                          | 24,638     | -      |
| 2024                   | RF              | C-1191  | Wolverine Power Supply Cooperative               | U.S.    | 171,836                                        | 171,836    | -      | 68,297                 | 68,297     | -      | 103,540                                                         | 103,540    | -      |
| 2024                   | RF              | C-1190  | Wolverine Power Marketing Cooperative (MECS-DET) | U.S.    | 43,826                                         | 43,826     | -      | 17,419                 | 17,419     | -      | 26,407                                                          | 26,407     | -      |
| TOTAL RELIABILITYFIRST |                 |         |                                                  |         | 54,086,800                                     | 54,086,800 | -      | 21,496,922             | 21,496,922 | -      | 32,589,878                                                      | 32,589,878 | -      |
| 2024                   | SERC            | C-1267  | Alabama Municipal Electric Authority             | U.S.    | 177,729                                        | 177,729    | -      | 87,978                 | 87,978     | -      | 89,751                                                          | 89,751     | -      |
| 2024                   | SERC            | C-1268  | Alabama Power Company                            | U.S.    | 2,714,618                                      | 2,714,618  | -      | 1,343,774              | 1,343,774  | -      | 1,370,844                                                       | 1,370,844  | -      |
| 2024                   | SERC            | C-1269  | Ameren - Illinois                                | U.S.    | 1,911,948                                      | 1,911,948  | -      | 946,441                | 946,441    | -      | 965,507                                                         | 965,507    | -      |
| 2024                   | SERC            | C-1271  | Ameren - Missouri                                | U.S.    | 1,747,851                                      | 1,747,851  | -      | 865,211                | 865,211    | -      | 882,640                                                         | 882,640    | -      |
| 2024                   | SERC            | C-1273  | Associated Electric Cooperative Inc.             | U.S.    | 1,047,694                                      | 1,047,694  | -      | 518,623                | 518,623    | -      | 529,071                                                         | 529,071    | -      |
| 2024                   | SERC            | C-1582  | Beauregard Electric Cooperative, Inc.            | U.S.    | 75,045                                         | 75,045     | -      | 37,148                 | 37,148     | -      | 37,897                                                          | 37,897     | -      |
| 2024                   | SERC            | C-1462  | Benton Utility District                          | U.S.    | 15,154                                         | 15,154     | -      | 7,501                  | 7,501      | -      | 7,653                                                           | 7,653      | -      |
| 2024                   | SERC            | C-1274  | Big Rivers Electric Corporation                  | U.S.    | 218,815                                        | 218,815    | -      | 108,317                | 108,317    | -      | 110,499                                                         | 110,499    | -      |
| 2024                   | SERC            | C-1275  | Black Warrior EMC                                | U.S.    | 19,545                                         | 19,545     | -      | 9,675                  | 9,675      | -      | 9,870                                                           | 9,870      | -      |
| 2024                   | SERC            | C-1276  | Blue Ridge EMC                                   | U.S.    | 59,691                                         | 59,691     | -      | 29,548                 | 29,548     | -      | 30,143                                                          | 30,143     | -      |
| 2024                   | SERC            | C-1628  | Brazos Electric Power Cooperative, Inc.          | U.S.    | 33,764                                         | 33,764     | -      | 16,714                 | 16,714     | -      | 17,051                                                          | 17,051     | -      |
| 2024                   | SERC            | C-1463  | Canton, MS                                       | U.S.    | 5,493                                          | 5,493      | -      | 2,719                  | 2,719      | -      | 2,774                                                           | 2,774      | -      |
| 2024                   | SERC            | C-1277  | Central Electric Power Cooperative Inc.          | U.S.    | 1,036,031                                      | 1,036,031  | -      | 512,850                | 512,850    | -      | 523,181                                                         | 523,181    | -      |
| 2024                   | SERC            | C-1668  | Century Aluminum - Seabree                       | U.S.    | 165,988                                        | 165,988    | -      | 82,166                 | 82,166     | -      | 83,822                                                          | 83,822     | -      |
| 2024                   | SERC            | C-1278  | City of Blountstown FL                           | U.S.    | 1,687                                          | 1,687      | -      | 835                    | 835        | -      | 852                                                             | 852        | -      |
| 2024                   | SERC            | C-1279  | City of Camden SC                                | U.S.    | 9,951                                          | 9,951      | -      | 4,926                  | 4,926      | -      | 5,025                                                           | 5,025      | -      |
| 2024                   | SERC            | C-1280  | City of Collins MS                               | U.S.    | 2,264                                          | 2,264      | -      | 1,121                  | 1,121      | -      | 1,144                                                           | 1,144      | -      |
| 2024                   | SERC            | C-1281  | City of Columbia MO                              | U.S.    | 58,716                                         | 58,716     | -      | 29,065                 | 29,065     | -      | 29,651                                                          | 29,651     | -      |
| 2024                   | SERC            | C-1282  | City of Conway AR (Conway Corporation)           | U.S.    | 46,124                                         | 46,124     | -      | 22,832                 | 22,832     | -      | 23,292                                                          | 23,292     | -      |

| Data Year | Regional Entity | NERC ID | Entity                                                 | Country | Total ERO Assessments (NERC, RE & WIRAB Costs) |           |        | Total NERC Assessments |           |        | Total Regional Entity Assessments (Including WIRAB Assessments) |           |        |
|-----------|-----------------|---------|--------------------------------------------------------|---------|------------------------------------------------|-----------|--------|------------------------|-----------|--------|-----------------------------------------------------------------|-----------|--------|
|           |                 |         |                                                        |         | Total                                          | US        | Canada | Total                  | US        | Canada | Total                                                           | US        | Canada |
| 2024      | SERC            | C-1284  | City of Evergreen AL                                   | U.S.    | 2,810                                          | 2,810     | -      | 1,391                  | 1,391     | -      | 1,419                                                           | 1,419     | -      |
| 2024      | SERC            | C-1285  | City of Hampton GA                                     | U.S.    | 2,000                                          | 2,000     | -      | 990                    | 990       | -      | 1,010                                                           | 1,010     | -      |
| 2024      | SERC            | C-1286  | City of Hartford AL                                    | U.S.    | 1,457                                          | 1,457     | -      | 721                    | 721       | -      | 736                                                             | 736       | -      |
| 2024      | SERC            | C-1287  | City of Henderson (KY) Municipal Power & Light         | U.S.    | 26,337                                         | 26,337    | -      | 13,037                 | 13,037    | -      | 13,300                                                          | 13,300    | -      |
| 2024      | SERC            | C-1288  | City of North Little Rock AR (DENL)                    | U.S.    | 45,961                                         | 45,961    | -      | 22,752                 | 22,752    | -      | 23,210                                                          | 23,210    | -      |
| 2024      | SERC            | C-1289  | City of Orangeburg SC Department of Public Utilities   | U.S.    | 36,954                                         | 36,954    | -      | 18,293                 | 18,293    | -      | 18,661                                                          | 18,661    | -      |
| 2024      | SERC            | C-1290  | City of Robertsdale AL                                 | U.S.    | 4,724                                          | 4,724     | -      | 2,338                  | 2,338     | -      | 2,385                                                           | 2,385     | -      |
| 2024      | SERC            | C-1291  | City of Ruston LA (DERS)                               | U.S.    | 15,044                                         | 15,044    | -      | 7,447                  | 7,447     | -      | 7,597                                                           | 7,597     | -      |
| 2024      | SERC            | C-1292  | Seneca Light & Power                                   | U.S.    | 8,138                                          | 8,138     | -      | 4,029                  | 4,029     | -      | 4,110                                                           | 4,110     | -      |
| 2024      | SERC            | C-1115  | City of Springfield (CWLP)                             | U.S.    | 78,414                                         | 78,414    | -      | 38,816                 | 38,816    | -      | 39,598                                                          | 39,598    | -      |
| 2024      | SERC            | C-1465  | City of Thayer, MO                                     | U.S.    | 1,277                                          | 1,277     | -      | 632                    | 632       | -      | 645                                                             | 645       | -      |
| 2024      | SERC            | C-1293  | City of Troy AL                                        | U.S.    | 23,335                                         | 23,335    | -      | 11,551                 | 11,551    | -      | 11,784                                                          | 11,784    | -      |
| 2024      | SERC            | C-1294  | City of West Memphis AR (West Memphis Utilities)       | U.S.    | 18,310                                         | 18,310    | -      | 9,064                  | 9,064     | -      | 9,246                                                           | 9,246     | -      |
| 2024      | SERC            | C-1583  | Claiborne Electric Cooperative, Inc.                   | U.S.    | 30,636                                         | 30,636    | -      | 15,165                 | 15,165    | -      | 15,471                                                          | 15,471    | -      |
| 2024      | SERC            | C-1584  | Concordia Electric Cooperative, Inc.                   | U.S.    | 10,125                                         | 10,125    | -      | 5,012                  | 5,012     | -      | 5,113                                                           | 5,113     | -      |
| 2024      | SERC            | C-1726  | Cube Hydro Carolinas                                   | U.S.    | 843                                            | 843       | -      | 417                    | 417       | -      | 426                                                             | 426       | -      |
| 2024      | SERC            | C-1283  | Dalton Utilities                                       | U.S.    | 172,208                                        | 172,208   | -      | 85,245                 | 85,245    | -      | 86,962                                                          | 86,962    | -      |
| 2024      | SERC            | C-1585  | Dixie Electric Membership Corporation                  | U.S.    | 118,145                                        | 118,145   | -      | 58,484                 | 58,484    | -      | 59,662                                                          | 59,662    | -      |
| 2024      | SERC            | C-1295  | Dominion Virginia Power                                | U.S.    | 5,069,862                                      | 5,069,862 | -      | 2,509,653              | 2,509,653 | -      | 2,560,209                                                       | 2,560,209 | -      |
| 2024      | SERC            | C-1296  | Duke Energy Carolinas, LLC                             | U.S.    | 4,323,586                                      | 4,323,586 | -      | 2,140,236              | 2,140,236 | -      | 2,183,350                                                       | 2,183,350 | -      |
| 2024      | SERC            | C-1466  | Durant, MS                                             | U.S.    | 1,259                                          | 1,259     | -      | 623                    | 623       | -      | 636                                                             | 636       | -      |
| 2024      | SERC            | C-1478  | LG&E and KU Services Co as agent for LG&E Co and KU Co | U.S.    | 1,565,305                                      | 1,565,305 | -      | 774,848                | 774,848   | -      | 790,457                                                         | 790,457   | -      |
| 2024      | SERC            | C-1297  | East Kentucky Power Cooperative                        | U.S.    | 747,418                                        | 747,418   | -      | 369,983                | 369,983   | -      | 377,436                                                         | 377,436   | -      |
| 2024      | SERC            | C-1298  | East Mississippi Electric Power Association            | U.S.    | 20,460                                         | 20,460    | -      | 10,128                 | 10,128    | -      | 10,332                                                          | 10,332    | -      |
| 2024      | SERC            | C-1669  | Electricities of North Carolina Inc                    | U.S.    | 589,171                                        | 589,171   | -      | 291,648                | 291,648   | -      | 297,523                                                         | 297,523   | -      |
| 2024      | SERC            | C-1300  | EnergyUnited EMC                                       | U.S.    | 138,251                                        | 138,251   | -      | 68,436                 | 68,436    | -      | 69,815                                                          | 69,815    | -      |
| 2024      | SERC            | C-1301  | Entergy                                                | U.S.    | 6,352,796                                      | 6,352,796 | -      | 3,144,723              | 3,144,723 | -      | 3,208,073                                                       | 3,208,073 | -      |
| 2024      | SERC            | C-1302  | Fayetteville (NC) Public Works Commission              | U.S.    | 100,574                                        | 100,574   | -      | 49,786                 | 49,786    | -      | 50,789                                                          | 50,789    | -      |
| 2024      | SERC            | C-1303  | Florida Public Utilities (FL Panhandle Load)           | U.S.    | 14,735                                         | 14,735    | -      | 7,294                  | 7,294     | -      | 7,441                                                           | 7,441     | -      |
| 2024      | SERC            | C-1304  | French Broad EMC                                       | U.S.    | 26,629                                         | 26,629    | -      | 13,182                 | 13,182    | -      | 13,447                                                          | 13,447    | -      |
| 2024      | SERC            | C-1305  | Georgia Power Company                                  | U.S.    | 4,487,233                                      | 4,487,233 | -      | 2,221,243              | 2,221,243 | -      | 2,265,990                                                       | 2,265,990 | -      |
| 2024      | SERC            | C-1306  | Georgia System Optns Corporation                       | U.S.    | 2,234,761                                      | 2,234,761 | -      | 1,106,238              | 1,106,238 | -      | 1,128,523                                                       | 1,128,523 | -      |
| 2024      | SERC            | C-1479  | Greenwood (MS) Utilities Commission                    | U.S.    | 12,946                                         | 12,946    | -      | 6,409                  | 6,409     | -      | 6,538                                                           | 6,538     | -      |
| 2024      | SERC            | C-1307  | Greenwood (SC) Commissioners of Public Works           | U.S.    | 14,454                                         | 14,454    | -      | 7,155                  | 7,155     | -      | 7,299                                                           | 7,299     | -      |
| 2024      | SERC            | C-1586  | Haywood EMC                                            | U.S.    | 17,067                                         | 17,067    | -      | 8,449                  | 8,449     | -      | 8,619                                                           | 8,619     | -      |
| 2024      | SERC            | C-1984  | Hoosier Energy REC, Inc                                | U.S.    | 21,613                                         | 21,613    | -      | 10,699                 | 10,699    | -      | 10,914                                                          | 10,914    | -      |
| 2024      | SERC            | C-1309  | Illinois Municipal Electric Agency                     | U.S.    | 87,728                                         | 87,728    | -      | 43,427                 | 43,427    | -      | 44,301                                                          | 44,301    | -      |
| 2024      | SERC            | C-1480  | Itta Bena, MS                                          | U.S.    | 638                                            | 638       | -      | 316                    | 316       | -      | 322                                                             | 322       | -      |
| 2024      | SERC            | C-1587  | Jefferson Davis Electric Cooperative, Inc.             | U.S.    | 10,045                                         | 10,045    | -      | 4,973                  | 4,973     | -      | 5,073                                                           | 5,073     | -      |
| 2024      | SERC            | C-1617  | Kentucky Municipal Power                               | U.S.    | 37,519                                         | 37,519    | -      | 18,573                 | 18,573    | -      | 18,947                                                          | 18,947    | -      |
| 2024      | SERC            | C-1481  | Municipal Energy Agency of MS-Kosciusko, MS            | U.S.    | 3,454                                          | 3,454     | -      | 1,710                  | 1,710     | -      | 1,744                                                           | 1,744     | -      |
| 2024      | SERC            | C-1482  | Municipal Energy Agency of MS-Leland, MS               | U.S.    | 1,440                                          | 1,440     | -      | 713                    | 713       | -      | 727                                                             | 727       | -      |
| 2024      | SERC            | C-1313  | McCormick Commission of Public Works                   | U.S.    | 810                                            | 810       | -      | 401                    | 401       | -      | 409                                                             | 409       | -      |
| 2024      | SERC            | C-1314  | Mississippi Power Company                              | U.S.    | 657,802                                        | 657,802   | -      | 325,621                | 325,621   | -      | 332,181                                                         | 332,181   | -      |
| 2024      | SERC            | C-1630  | Mt. Carmel Public Utility                              | U.S.    | 4,342                                          | 4,342     | -      | 2,149                  | 2,149     | -      | 2,193                                                           | 2,193     | -      |
| 2024      | SERC            | C-1315  | Municipal Electric Authority of Georgia                | U.S.    | 692,399                                        | 692,399   | -      | 342,747                | 342,747   | -      | 349,652                                                         | 349,652   | -      |
| 2024      | SERC            | C-1316  | N.C. Electric Membership Corp.                         | U.S.    | 678,322                                        | 678,322   | -      | 335,779                | 335,779   | -      | 342,543                                                         | 342,543   | -      |
| 2024      | SERC            | C-1588  | Northeast Louisiana Power Cooperative, Inc.            | U.S.    | 13,872                                         | 13,872    | -      | 6,867                  | 6,867     | -      | 7,005                                                           | 7,005     | -      |
| 2024      | SERC            | C-1574  | Northern Virginia Electric Cooperative                 | U.S.    | 615,189                                        | 615,189   | -      | 304,527                | 304,527   | -      | 310,662                                                         | 310,662   | -      |
| 2024      | SERC            | C-1319  | Old Dominion Electric Cooperative                      | U.S.    | 360,973                                        | 360,973   | -      | 178,686                | 178,686   | -      | 182,286                                                         | 182,286   | -      |
| 2024      | SERC            | C-1618  | Osceola (Arkansas) Municipal Light and Power           | U.S.    | 6,617                                          | 6,617     | -      | 3,275                  | 3,275     | -      | 3,341                                                           | 3,341     | -      |
| 2024      | SERC            | C-1320  | Owensboro (KY) Municipal Utilities                     | U.S.    | 39,554                                         | 39,554    | -      | 19,580                 | 19,580    | -      | 19,974                                                          | 19,974    | -      |
| 2024      | SERC            | C-1321  | Piedmont EMC in Duke and Progress Areas                | U.S.    | 27,420                                         | 27,420    | -      | 13,573                 | 13,573    | -      | 13,847                                                          | 13,847    | -      |
| 2024      | SERC            | C-1323  | Piedmont Municipal Power Agency (PMPA)                 | U.S.    | 118,749                                        | 118,749   | -      | 58,782                 | 58,782    | -      | 59,966                                                          | 59,966    | -      |
| 2024      | SERC            | C-1589  | Pointe Coupee Electric Memb. Corp.                     | U.S.    | 11,028                                         | 11,028    | -      | 5,459                  | 5,459     | -      | 5,569                                                           | 5,569     | -      |
| 2024      | SERC            | C-1266  | PowerSouth Energy                                      | U.S.    | 486,232                                        | 486,232   | -      | 240,692                | 240,692   | -      | 245,540                                                         | 245,540   | -      |
| 2024      | SERC            | C-1330  | Prairie Power, Inc.                                    | U.S.    | 76,542                                         | 76,542    | -      | 37,889                 | 37,889    | -      | 38,653                                                          | 38,653    | -      |
| 2024      | SERC            | C-1706  | Duke Energy Progress                                   | U.S.    | 2,226,205                                      | 2,226,205 | -      | 1,102,002              | 1,102,002 | -      | 1,124,202                                                       | 1,124,202 | -      |
| 2024      | SERC            | C-1325  | Rutherford EMC                                         | U.S.    | 70,165                                         | 70,165    | -      | 34,732                 | 34,732    | -      | 35,432                                                          | 35,432    | -      |

| Data Year   | Regional Entity | NERC ID | Entity                                                 | Country | Total ERO Assessments (NERC, RE & WIRAB Costs) |            |        | Total NERC Assessments |            |        | Total Regional Entity Assessments (Including WIRAB Assessments) |            |        |
|-------------|-----------------|---------|--------------------------------------------------------|---------|------------------------------------------------|------------|--------|------------------------|------------|--------|-----------------------------------------------------------------|------------|--------|
|             |                 |         |                                                        |         | Total                                          | US         | Canada | Total                  | US         | Canada | Total                                                           | US         | Canada |
| 2024        | SERC            | C-1326  | Dominion Energy South Carolina, Inc.                   | U.S.    | 1,131,306                                      | 1,131,306  | -      | 560,012                | 560,012    | -      | 571,294                                                         | 571,294    | -      |
| 2024        | SERC            | C-1327  | South Carolina Public Service Authority                | U.S.    | 517,389                                        | 517,389    | -      | 256,115                | 256,115    | -      | 261,274                                                         | 261,274    | -      |
| 2024        | SERC            | C-1590  | South Louisiana Electric Cooperative Association       | U.S.    | 25,990                                         | 25,990     | -      | 12,865                 | 12,865     | -      | 13,124                                                          | 13,124     | -      |
| 2024        | SERC            | C-1328  | Cooperative Energy (formerly SMEPA)                    | U.S.    | 506,129                                        | 506,129    | -      | 250,541                | 250,541    | -      | 255,588                                                         | 255,588    | -      |
| 2024        | SERC            | C-1329  | Southern Illinois Power Cooperative                    | U.S.    | 64,269                                         | 64,269     | -      | 31,814                 | 31,814     | -      | 32,455                                                          | 32,455     | -      |
| 2024        | SERC            | C-1591  | Southwest Louisiana Electric Membership Corporation    | U.S.    | 131,801                                        | 131,801    | -      | 65,243                 | 65,243     | -      | 66,557                                                          | 66,557     | -      |
| 2024        | SERC            | C-1619  | Southwestern Electric Cooperative, Inc.                | U.S.    | 23,813                                         | 23,813     | -      | 11,788                 | 11,788     | -      | 12,025                                                          | 12,025     | -      |
| 2024        | SERC            | C-1331  | Tennessee Valley Authority                             | U.S.    | 8,225,811                                      | 8,225,811  | -      | 4,071,892              | 4,071,892  | -      | 4,153,919                                                       | 4,153,919  | -      |
| 2024        | SERC            | C-1632  | East Texas Electric Cooperative (ETEC)                 | U.S.    | 114,793                                        | 114,793    | -      | 56,824                 | 56,824     | -      | 57,969                                                          | 57,969     | -      |
| 2024        | SERC            | C-1332  | Tombigbee Electric Cooperative Inc.                    | U.S.    | 6,363                                          | 6,363      | -      | 3,150                  | 3,150      | -      | 3,213                                                           | 3,213      | -      |
| 2024        | SERC            | C-1594  | Town of Sharpsburg, N.C.                               | U.S.    | 837                                            | 837        | -      | 415                    | 415        | -      | 423                                                             | 423        | -      |
| 2024        | SERC            | C-1595  | Town of Stantonsburg, N.C. JRO                         | U.S.    | 989                                            | 989        | -      | 490                    | 490        | -      | 500                                                             | 500        | -      |
| 2024        | SERC            | C-1333  | Town of Waynesville NC                                 | U.S.    | 3,870                                          | 3,870      | -      | 1,916                  | 1,916      | -      | 1,954                                                           | 1,954      | -      |
| 2024        | SERC            | C-1334  | Town of Winnsboro SC                                   | U.S.    | 3,189                                          | 3,189      | -      | 1,579                  | 1,579      | -      | 1,611                                                           | 1,611      | -      |
| 2024        | SERC            | C-1335  | Town of Winterville NC                                 | U.S.    | 2,725                                          | 2,725      | -      | 1,349                  | 1,349      | -      | 1,376                                                           | 1,376      | -      |
| 2024        | SERC            | C-1597  | Washington-St.Tammany Electric Cooperative, Inc.       | U.S.    | 53,319                                         | 53,319     | -      | 26,394                 | 26,394     | -      | 26,925                                                          | 26,925     | -      |
| 2024        | SERC            | C-1435  | Arkansas Electric Cooperative Corporation              | U.S.    | 528,815                                        | 528,815    | -      | 261,771                | 261,771    | -      | 267,044                                                         | 267,044    | -      |
| 2024        | SERC            | C-1557  | City of Clarksdale, Mississippi                        | U.S.    | 6,802                                          | 6,802      | -      | 3,367                  | 3,367      | -      | 3,435                                                           | 3,435      | -      |
| 2024        | SERC            | C-1708  | City of Abbeville                                      | U.S.    | 6,241                                          | 6,241      | -      | 3,089                  | 3,089      | -      | 3,152                                                           | 3,152      | -      |
| 2024        | SERC            | C-1558  | Hope Water & Light (HWL)                               | U.S.    | 12,120                                         | 12,120     | -      | 6,000                  | 6,000      | -      | 6,121                                                           | 6,121      | -      |
| 2024        | SERC            | C-1559  | City of Minden                                         | U.S.    | 6,700                                          | 6,700      | -      | 3,316                  | 3,316      | -      | 3,383                                                           | 3,383      | -      |
| 2024        | SERC            | C-1249  | Cleco Power LLC                                        | U.S.    | 538,524                                        | 538,524    | -      | 266,577                | 266,577    | -      | 271,947                                                         | 271,947    | -      |
| 2024        | SERC            | C-1648  | Jonesboro City Water & Light                           | U.S.    | 73,931                                         | 73,931     | -      | 36,597                 | 36,597     | -      | 37,334                                                          | 37,334     | -      |
| 2024        | SERC            | C-1471  | Lafayette Utilities System                             | U.S.    | 101,531                                        | 101,531    | -      | 50,259                 | 50,259     | -      | 51,272                                                          | 51,272     | -      |
| 2024        | SERC            | C-1253  | Louisiana Energy & Power Authority (LEPA)              | U.S.    | 55,160                                         | 55,160     | -      | 27,305                 | 27,305     | -      | 27,855                                                          | 27,855     | -      |
| 2024        | SERC            | C-1443  | Missouri Joint Municipal Electric Utility Commission   | U.S.    | 143,063                                        | 143,063    | -      | 70,818                 | 70,818     | -      | 72,245                                                          | 72,245     | -      |
| 2024        | SERC            | C-1639  | OzMo Ozark Missouri, West Plains MO                    | U.S.    | 8,380                                          | 8,380      | -      | 4,148                  | 4,148      | -      | 4,232                                                           | 4,232      | -      |
| 2024        | SERC            | C-1653  | Poplar Bluff Municipal Utilities                       | U.S.    | 17,160                                         | 17,160     | -      | 8,495                  | 8,495      | -      | 8,666                                                           | 8,666      | -      |
| 2024        | SERC            | C-1636  | City of Prescott                                       | U.S.    | 3,344                                          | 3,344      | -      | 1,655                  | 1,655      | -      | 1,689                                                           | 1,689      | -      |
| 2024        | SERC            | C-1561  | Public Service Commission of Yazoo City of Mississippi | U.S.    | 5,301                                          | 5,301      | -      | 2,624                  | 2,624      | -      | 2,677                                                           | 2,677      | -      |
| 2024        | SERC            | C-1654  | Sikeston Board of Municipal Utilities                  | U.S.    | 20,622                                         | 20,622     | -      | 10,208                 | 10,208     | -      | 10,414                                                          | 10,414     | -      |
| 2024        | SERC            | C-1074  | Alachua, City of                                       | U.S.    | 7,694                                          | 7,694      | -      | 3,809                  | 3,809      | -      | 3,886                                                           | 3,886      | -      |
| 2024        | SERC            | C-1075  | Bartow, City of                                        | U.S.    | 15,656                                         | 15,656     | -      | 7,750                  | 7,750      | -      | 7,906                                                           | 7,906      | -      |
| 2024        | SERC            | C-1076  | Chattahoochee, City of                                 | U.S.    | 2,051                                          | 2,051      | -      | 1,015                  | 1,015      | -      | 1,036                                                           | 1,036      | -      |
| 2024        | SERC            | C-1078  | Florida Power & Light Co.                              | U.S.    | 7,230,398                                      | 7,230,398  | -      | 3,579,148              | 3,579,148  | -      | 3,651,249                                                       | 3,651,249  | -      |
| 2024        | SERC            | C-1079  | Florida Public Utilities Company                       | U.S.    | 18,094                                         | 18,094     | -      | 8,957                  | 8,957      | -      | 9,137                                                           | 9,137      | -      |
| 2024        | SERC            | C-1080  | Gainesville Regional Utilities                         | U.S.    | 89,848                                         | 89,848     | -      | 44,476                 | 44,476     | -      | 45,372                                                          | 45,372     | -      |
| 2024        | SERC            | C-1081  | Homestead, City of                                     | U.S.    | 32,039                                         | 32,039     | -      | 15,860                 | 15,860     | -      | 16,179                                                          | 16,179     | -      |
| 2024        | SERC            | C-1082  | JEA                                                    | U.S.    | 655,967                                        | 655,967    | -      | 324,713                | 324,713    | -      | 331,254                                                         | 331,254    | -      |
| 2024        | SERC            | C-1083  | Lakeland Electric                                      | U.S.    | 173,688                                        | 173,688    | -      | 85,978                 | 85,978     | -      | 87,710                                                          | 87,710     | -      |
| 2024        | SERC            | C-1626  | Lee County Electric Cooperative, Inc                   | U.S.    | 239,178                                        | 239,178    | -      | 118,396                | 118,396    | -      | 120,781                                                         | 120,781    | -      |
| 2024        | SERC            | C-1661  | City of Lake Worth                                     | U.S.    | 24,886                                         | 24,886     | -      | 12,319                 | 12,319     | -      | 12,567                                                          | 12,567     | -      |
| 2024        | SERC            | C-1084  | Mount Dora, City of                                    | U.S.    | 5,109                                          | 5,109      | -      | 2,529                  | 2,529      | -      | 2,580                                                           | 2,580      | -      |
| 2024        | SERC            | C-1085  | New Smyrna Beach, Utilities Commission of              | U.S.    | 24,081                                         | 24,081     | -      | 11,920                 | 11,920     | -      | 12,160                                                          | 12,160     | -      |
| 2024        | SERC            | C-1086  | Orlando Utilities Commission                           | U.S.    | 407,666                                        | 407,666    | -      | 201,800                | 201,800    | -      | 205,866                                                         | 205,866    | -      |
| 2024        | SERC            | C-1087  | Duke Energy Florida                                    | U.S.    | 2,131,730                                      | 2,131,730  | -      | 1,055,237              | 1,055,237  | -      | 1,076,494                                                       | 1,076,494  | -      |
| 2024        | SERC            | C-1088  | Quincy, City of                                        | U.S.    | 5,730                                          | 5,730      | -      | 2,836                  | 2,836      | -      | 2,893                                                           | 2,893      | -      |
| 2024        | SERC            | C-1089  | Central Florida Tourism Oversight District             | U.S.    | 60,173                                         | 60,173     | -      | 29,786                 | 29,786     | -      | 30,386                                                          | 30,386     | -      |
| 2024        | SERC            | C-1091  | Tallahassee, City of                                   | U.S.    | 140,989                                        | 140,989    | -      | 69,792                 | 69,792     | -      | 71,198                                                          | 71,198     | -      |
| 2024        | SERC            | C-1092  | Tampa Electric Company                                 | U.S.    | 1,081,413                                      | 1,081,413  | -      | 535,314                | 535,314    | -      | 546,098                                                         | 546,098    | -      |
| 2024        | SERC            | C-1093  | Wauchula, City of                                      | U.S.    | 3,203                                          | 3,203      | -      | 1,586                  | 1,586      | -      | 1,617                                                           | 1,617      | -      |
| 2024        | SERC            | C-1094  | Williston, City of                                     | U.S.    | 1,808                                          | 1,808      | -      | 895                    | 895        | -      | 913                                                             | 913        | -      |
| 2024        | SERC            | C-1095  | Winter Park, City of                                   | U.S.    | 22,590                                         | 22,590     | -      | 11,182                 | 11,182     | -      | 11,408                                                          | 11,408     | -      |
| 2024        | SERC            | C-1072  | Florida Municipal Power Agency                         | U.S.    | 352,702                                        | 352,702    | -      | 174,592                | 174,592    | -      | 178,109                                                         | 178,109    | -      |
| 2024        | SERC            | C-1073  | Seminole Electric Cooperative                          | U.S.    | 858,403                                        | 858,403    | -      | 424,921                | 424,921    | -      | 433,481                                                         | 433,481    | -      |
| TOTAL SERC  |                 |         |                                                        |         | 67,835,372                                     | 67,835,372 | -      | 33,579,462             | 33,579,462 | -      | 34,255,910                                                      | 34,255,910 | -      |
| TOTAL SERC  |                 |         |                                                        |         |                                                |            |        | -                      |            |        |                                                                 |            |        |
| 2024        | Texas RE        | C-1019  | ERCOT                                                  | U.S.    | 31,125,626                                     | 31,125,626 | -      | 11,306,803             | 11,306,803 | -      | 19,818,823                                                      | 19,818,823 | -      |
| TOTAL ERCOT |                 |         |                                                        |         | 31,125,626                                     | 31,125,626 | -      | 11,306,803             | 11,306,803 | -      | 19,818,823                                                      | 19,818,823 | -      |

2024 NEL Calculations and Allocations to Load Serving Entities (or Designee) for the 2026 NERC and RE Assessments

APPENDIX 1-B

| Data Year | Regional Entity | NERC ID | Entity                                                 | Country | Total ERO Assessments (NERC, RE & WIRAB Costs) |            |           | Total NERC Assessments |           |           | Total Regional Entity Assessments (Including WIRAB Assessments) |           |           |
|-----------|-----------------|---------|--------------------------------------------------------|---------|------------------------------------------------|------------|-----------|------------------------|-----------|-----------|-----------------------------------------------------------------|-----------|-----------|
|           |                 |         |                                                        |         | Total                                          | US         | Canada    | Total                  | US        | Canada    | Total                                                           | US        | Canada    |
| 2024      | WECC            |         | Alberta Electric System Operator                       | Canada  | 2,285,469                                      | -          | 2,285,469 | 1,176,173              | -         | 1,176,173 | 1,109,295                                                       | -         | 1,109,295 |
| 2024      | WECC            |         | British Columbia Hydro & Power Authority               | Canada  | 4,509,896                                      | -          | 4,509,896 | 1,625,652              | -         | 1,625,652 | 2,884,244                                                       | -         | 2,884,244 |
| 2024      | WECC            |         | Agua Irrigation District - APS                         | U.S.    | 2,748                                          | 2,748      | -         | 991                    | 991       | -         | 1,757                                                           | 1,757     | -         |
| 2024      | WECC            |         | Aha Macav Power Service                                | U.S.    | 1,726                                          | 1,726      | -         | 623                    | 623       | -         | 1,104                                                           | 1,104     | -         |
| 2024      | WECC            |         | Ajo Improvement District                               | U.S.    | 799                                            | 799        | -         | 288                    | 288       | -         | 511                                                             | 511       | -         |
| 2024      | WECC            |         | Air Liquide Hydrogen Energy U.S., LLC                  | U.S.    | 5,749                                          | 5,749      | -         | 2,074                  | 2,074     | -         | 3,675                                                           | 3,675     | -         |
| 2024      | WECC            |         | Arizona Electric Power Cooperative, Inc                | U.S.    | 278,180                                        | 278,180    | -         | 100,356                | 100,356   | -         | 177,824                                                         | 177,824   | -         |
| 2024      | WECC            |         | Arizona Public Service Company                         | U.S.    | 2,351,235                                      | 2,351,235  | -         | 848,233                | 848,233   | -         | 1,503,002                                                       | 1,503,002 | -         |
| 2024      | WECC            |         | Arkansas River Power Authority (ARPA)                  | U.S.    | 14,938                                         | 14,938     | -         | 5,389                  | 5,389     | -         | 9,549                                                           | 9,549     | -         |
| 2024      | WECC            |         | Avangrid Renewables                                    | U.S.    | 7,257                                          | 7,257      | -         | 2,618                  | 2,618     | -         | 4,639                                                           | 4,639     | -         |
| 2024      | WECC            |         | Avista Corporation                                     | U.S.    | 680,040                                        | 680,040    | -         | 245,331                | 245,331   | -         | 434,708                                                         | 434,708   | -         |
| 2024      | WECC            |         | Barrick Goldstrike Mines Inc.                          | U.S.    | 94,692                                         | 94,692     | -         | 34,161                 | 34,161    | -         | 60,531                                                          | 60,531    | -         |
| 2024      | WECC            |         | Basin Electric Power Cooperative - NorthWestern        | U.S.    | 60,272                                         | 60,272     | -         | 21,744                 | 21,744    | -         | 38,528                                                          | 38,528    | -         |
| 2024      | WECC            |         | Basin Electric Power Cooperative - WACM                | U.S.    | 156,529                                        | 156,529    | -         | 56,469                 | 56,469    | -         | 100,059                                                         | 100,059   | -         |
| 2024      | WECC            |         | Basin Electric Power Cooperative - WAUW                | U.S.    | 9,130                                          | 9,130      | -         | 3,294                  | 3,294     | -         | 5,836                                                           | 5,836     | -         |
| 2024      | WECC            |         | Beartooth Electric Cooperative                         | U.S.    | 5,995                                          | 5,995      | -         | 2,163                  | 2,163     | -         | 3,832                                                           | 3,832     | -         |
| 2024      | WECC            |         | Big Horn County Electric Cooperative                   | U.S.    | 4,814                                          | 4,814      | -         | 1,737                  | 1,737     | -         | 3,077                                                           | 3,077     | -         |
| 2024      | WECC            |         | Black Hills Energy Colorado Electric                   | U.S.    | 130,948                                        | 130,948    | -         | 47,241                 | 47,241    | -         | 83,707                                                          | 83,707    | -         |
| 2024      | WECC            |         | Black Hills Power/Cheyenne Light Fuel & Power          | U.S.    | 333,016                                        | 333,016    | -         | 120,139                | 120,139   | -         | 212,877                                                         | 212,877   | -         |
| 2024      | WECC            |         | Black Hills State University South Dakota              | U.S.    | 1,142                                          | 1,142      | -         | 412                    | 412       | -         | 730                                                             | 730       | -         |
| 2024      | WECC            |         | Bonneville Power Administration-Transmission           | U.S.    | 3,994,640                                      | 3,994,640  | -         | 1,441,108              | 1,441,108 | -         | 2,553,532                                                       | 2,553,532 | -         |
| 2024      | WECC            |         | Bonneville Power Administration-Power Services         | U.S.    | 456,999                                        | 456,999    | -         | 164,867                | 164,867   | -         | 292,132                                                         | 292,132   | -         |
| 2024      | WECC            |         | Bonneville Power Administration-Hydro                  | U.S.    | 13,956                                         | 13,956     | -         | 5,035                  | 5,035     | -         | 8,921                                                           | 8,921     | -         |
| 2024      | WECC            |         | Brookfield Renewable Energy Marketing                  | Canada  | 4,584                                          | -          | 4,584     | 1,652                  | -         | 1,652     | 2,932                                                           | -         | 2,932     |
| 2024      | WECC            |         | Buckeye Water Conservation and Drainage District - APS | U.S.    | 1,280                                          | 1,280      | -         | 462                    | 462       | -         | 818                                                             | 818       | -         |
| 2024      | WECC            |         | Bureau of Reclamation (Wellfield)                      | U.S.    | 1,194                                          | 1,194      | -         | 431                    | 431       | -         | 763                                                             | 763       | -         |
| 2024      | WECC            |         | Burlington                                             | U.S.    | 2,075                                          | 2,075      | -         | 749                    | 749       | -         | 1,327                                                           | 1,327     | -         |
| 2024      | WECC            |         | Caesars Entertainment LLC/North                        | U.S.    | 2,593                                          | 2,593      | -         | 936                    | 936       | -         | 1,658                                                           | 1,658     | -         |
| 2024      | WECC            |         | Caesars Entertainment LLC/South                        | U.S.    | 29,981                                         | 29,981     | -         | 10,816                 | 10,816    | -         | 19,165                                                          | 19,165    | -         |
| 2024      | WECC            |         | California Independent System Operator                 | U.S.    | 14,457,939                                     | 14,457,939 | -         | 5,215,853              | 5,215,853 | -         | 9,242,086                                                       | 9,242,086 | -         |
| 2024      | WECC            |         | Calpine Energy Solutions, LLC. (Noble Americas)        | U.S.    | 127,123                                        | 127,123    | -         | 45,861                 | 45,861    | -         | 81,262                                                          | 81,262    | -         |
| 2024      | WECC            |         | Central Arizona Water Conservation District - WALC     | U.S.    | 76,998                                         | 76,998     | -         | 27,778                 | 27,778    | -         | 49,220                                                          | 49,220    | -         |
| 2024      | WECC            |         | Circus Circus Las Vegas                                | U.S.    | 3,440                                          | 3,440      | -         | 1,241                  | 1,241     | -         | 2,199                                                           | 2,199     | -         |
| 2024      | WECC            |         | City of Aztec Electric Dept. - WACM                    | U.S.    | 2,561                                          | 2,561      | -         | 924                    | 924       | -         | 1,637                                                           | 1,637     | -         |
| 2024      | WECC            |         | City of Fallon                                         | U.S.    | 6,409                                          | 6,409      | -         | 2,312                  | 2,312     | -         | 4,097                                                           | 4,097     | -         |
| 2024      | WECC            |         | City of Farmington                                     | U.S.    | 61,441                                         | 61,441     | -         | 22,165                 | 22,165    | -         | 39,275                                                          | 39,275    | -         |
| 2024      | WECC            |         | City of Gallup                                         | U.S.    | 13,301                                         | 13,301     | -         | 4,798                  | 4,798     | -         | 8,502                                                           | 8,502     | -         |
| 2024      | WECC            |         | City of Henderson                                      | U.S.    | 2,715                                          | 2,715      | -         | 980                    | 980       | -         | 1,736                                                           | 1,736     | -         |
| 2024      | WECC            |         | City of Las Vegas                                      | U.S.    | 2,909                                          | 2,909      | -         | 1,050                  | 1,050     | -         | 1,860                                                           | 1,860     | -         |
| 2024      | WECC            |         | City of Mesa                                           | U.S.    | 18,393                                         | 18,393     | -         | 6,635                  | 6,635     | -         | 11,758                                                          | 11,758    | -         |
| 2024      | WECC            |         | City of North Las Vegas                                | U.S.    | 1,441                                          | 1,441      | -         | 520                    | 520       | -         | 921                                                             | 921       | -         |
| 2024      | WECC            |         | City of Page                                           | U.S.    | 6,438                                          | 6,438      | -         | 2,322                  | 2,322     | -         | 4,115                                                           | 4,115     | -         |
| 2024      | WECC            |         | City of Redding                                        | U.S.    | 53,718                                         | 53,718     | -         | 19,379                 | 19,379    | -         | 34,339                                                          | 34,339    | -         |
| 2024      | WECC            |         | City of Roseville                                      | U.S.    | 81,779                                         | 81,779     | -         | 29,503                 | 29,503    | -         | 52,277                                                          | 52,277    | -         |
| 2024      | WECC            |         | City of Tacoma DBA Tacoma Power                        | U.S.    | 326,492                                        | 326,492    | -         | 117,785                | 117,785   | -         | 208,706                                                         | 208,706   | -         |
| 2024      | WECC            |         | City of Williams                                       | U.S.    | 3,620                                          | 3,620      | -         | 1,306                  | 1,306     | -         | 2,314                                                           | 2,314     | -         |
| 2024      | WECC            |         | Clark County Water Reclamation District                | U.S.    | 5,788                                          | 5,788      | -         | 2,088                  | 2,088     | -         | 3,700                                                           | 3,700     | -         |
| 2024      | WECC            |         | Colorado River Agency-Bureau of Indian Affairs         | U.S.    | 2,473                                          | 2,473      | -         | 892                    | 892       | -         | 1,581                                                           | 1,581     | -         |
| 2024      | WECC            |         | Colorado River Commission of Nevada                    | U.S.    | 8,034                                          | 8,034      | -         | 2,898                  | 2,898     | -         | 5,136                                                           | 5,136     | -         |
| 2024      | WECC            |         | Colorado Springs Utilities - WACM                      | U.S.    | 336,245                                        | 336,245    | -         | 121,304                | 121,304   | -         | 214,941                                                         | 214,941   | -         |
| 2024      | WECC            |         | Constellation New Energy                               | U.S.    | 21,652                                         | 21,652     | -         | 7,811                  | 7,811     | -         | 13,841                                                          | 13,841    | -         |
| 2024      | WECC            |         | Intermountain Rural Electric Association (CORE)        | U.S.    | 148,289                                        | 148,289    | -         | 53,497                 | 53,497    | -         | 94,792                                                          | 94,792    | -         |
| 2024      | WECC            |         | Delta-Montrose Electric Association                    | U.S.    | 40,256                                         | 40,256     | -         | 14,523                 | 14,523    | -         | 25,733                                                          | 25,733    | -         |
| 2024      | WECC            |         | Deseret Generation & Transmission Cooperative - WACM   | U.S.    | 2,482                                          | 2,482      | -         | 895                    | 895       | -         | 1,586                                                           | 1,586     | -         |
| 2024      | WECC            |         | Douglas Palisades / PUD No. 1 of DC                    | U.S.    | 1,415                                          | 1,415      | -         | 510                    | 510       | -         | 904                                                             | 904       | -         |
| 2024      | WECC            |         | DEIR Flamingo Tenant, LLC dba Rio Las Vegas            | U.S.    | 3,607                                          | 3,607      | -         | 1,301                  | 1,301     | -         | 2,306                                                           | 2,306     | -         |
| 2024      | WECC            |         | El Paso Electric Company                               | U.S.    | 628,894                                        | 628,894    | -         | 226,880                | 226,880   | -         | 402,014                                                         | 402,014   | -         |
| 2024      | WECC            |         | Electrical District #2                                 | U.S.    | 16,459                                         | 16,459     | -         | 5,938                  | 5,938     | -         | 10,521                                                          | 10,521    | -         |

| Data Year | Regional Entity | NERC ID | Entity                                                        | Country | Total ERO Assessments (NERC, RE & WIRAB Costs) |           |        | Total NERC Assessments |           |        | Total Regional Entity Assessments (Including WIRAB Assessments) |           |        |
|-----------|-----------------|---------|---------------------------------------------------------------|---------|------------------------------------------------|-----------|--------|------------------------|-----------|--------|-----------------------------------------------------------------|-----------|--------|
|           |                 |         |                                                               |         | Total                                          | US        | Canada | Total                  | US        | Canada | Total                                                           | US        | Canada |
| 2024      | WECC            |         | Electrical District #2 - Coolidge Generating Station          | U.S.    | 260                                            | 260       | -      | 94                     | 94        | -      | 166                                                             | 166       | -      |
| 2024      | WECC            |         | Electrical District No. 6 of Pinal County - APS               | U.S.    | 8                                              | 8         | -      | 3                      | 3         | -      | 5                                                               | 5         | -      |
| 2024      | WECC            |         | Electrical District No. 7 of Maricopa County - APS            | U.S.    | 2,468                                          | 2,468     | -      | 890                    | 890       | -      | 1,578                                                           | 1,578     | -      |
| 2024      | WECC            |         | Electrical District No. 8 of Maricopa County - APS            | U.S.    | 28,347                                         | 28,347    | -      | 10,226                 | 10,226    | -      | 18,120                                                          | 18,120    | -      |
| 2024      | WECC            |         | Francis E. Warren Air Force Base                              | U.S.    | 1,413                                          | 1,413     | -      | 510                    | 510       | -      | 903                                                             | 903       | -      |
| 2024      | WECC            |         | Georgia-Pacific Gypsum, LLC                                   | U.S.    | 1,766                                          | 1,766     | -      | 637                    | 637       | -      | 1,129                                                           | 1,129     | -      |
| 2024      | WECC            |         | Grand Valley Power                                            | U.S.    | 17,793                                         | 17,793    | -      | 6,419                  | 6,419     | -      | 11,374                                                          | 11,374    | -      |
| 2024      | WECC            |         | Harquahala Valley Power Districts - APS                       | U.S.    | 5,427                                          | 5,427     | -      | 1,958                  | 1,958     | -      | 3,469                                                           | 3,469     | -      |
| 2024      | WECC            |         | Holy Cross Energy                                             | U.S.    | 29,868                                         | 29,868    | -      | 10,775                 | 10,775    | -      | 19,093                                                          | 19,093    | -      |
| 2024      | WECC            |         | HR Nevada LLC (Hard Rock)                                     | U.S.    | 3,473                                          | 3,473     | -      | 1,253                  | 1,253     | -      | 2,220                                                           | 2,220     | -      |
| 2024      | WECC            |         | Idaho Power Company                                           | U.S.    | 1,178,309                                      | 1,178,309 | -      | 425,087                | 425,087   | -      | 753,221                                                         | 753,221   | -      |
| 2024      | WECC            |         | Imperial Irrigation District                                  | U.S.    | 266,657                                        | 266,657   | -      | 96,199                 | 96,199    | -      | 170,458                                                         | 170,458   | -      |
| 2024      | WECC            |         | Jicarilla Apache Nation Power Authority                       | U.S.    | 1,679                                          | 1,679     | -      | 606                    | 606       | -      | 1,073                                                           | 1,073     | -      |
| 2024      | WECC            |         | Kaiser Aluminum Fabricated Products LLC                       | U.S.    | 12,753                                         | 12,753    | -      | 4,601                  | 4,601     | -      | 8,152                                                           | 8,152     | -      |
| 2024      | WECC            |         | Kit Carson Electric Inc                                       | U.S.    | 16,704                                         | 16,704    | -      | 6,026                  | 6,026     | -      | 10,678                                                          | 10,678    | -      |
| 2024      | WECC            |         | Las Vegas Valley Water District                               | U.S.    | 7,051                                          | 7,051     | -      | 2,544                  | 2,544     | -      | 4,507                                                           | 4,507     | -      |
| 2024      | WECC            |         | Los Angeles Department of Water and Power                     | U.S.    | 1,724,066                                      | 1,724,066 | -      | 621,975                | 621,975   | -      | 1,102,091                                                       | 1,102,091 | -      |
| 2024      | WECC            |         | Maricopa County Municipal Water Conservation Dist No. 1 - APS | U.S.    | 3,599                                          | 3,599     | -      | 1,298                  | 1,298     | -      | 2,301                                                           | 2,301     | -      |
| 2024      | WECC            |         | McMullen Valley Water Conservation & Drainage District - APS  | U.S.    | 8,585                                          | 8,585     | -      | 3,097                  | 3,097     | -      | 5,488                                                           | 5,488     | -      |
| 2024      | WECC            |         | Merced Irrigation District                                    | U.S.    | 35,944                                         | 35,944    | -      | 12,967                 | 12,967    | -      | 22,977                                                          | 22,977    | -      |
| 2024      | WECC            |         | MGM Resorts Design and Development                            | U.S.    | 49,568                                         | 49,568    | -      | 17,882                 | 17,882    | -      | 31,686                                                          | 31,686    | -      |
| 2024      | WECC            |         | Modesto Irrigation District                                   | U.S.    | 184,786                                        | 184,786   | -      | 66,663                 | 66,663    | -      | 118,122                                                         | 118,122   | -      |
| 2024      | WECC            |         | Montana-Dakota Utilities Co.                                  | U.S.    | 1,221                                          | 1,221     | -      | 440                    | 440       | -      | 780                                                             | 780       | -      |
| 2024      | WECC            |         | Mountain Parks Electric Inc                                   | U.S.    | 24,865                                         | 24,865    | -      | 8,970                  | 8,970     | -      | 15,895                                                          | 15,895    | -      |
| 2024      | WECC            |         | Mt. Wheeler Power                                             | U.S.    | 40,467                                         | 40,467    | -      | 14,599                 | 14,599    | -      | 25,868                                                          | 25,868    | -      |
| 2024      | WECC            |         | Municipal Energy Agency of Nebraska - PSCO                    | U.S.    | 13,306                                         | 13,306    | -      | 4,800                  | 4,800     | -      | 8,506                                                           | 8,506     | -      |
| 2024      | WECC            |         | Municipal Energy Agency of Nebraska - WACM                    | U.S.    | 44,561                                         | 44,561    | -      | 16,076                 | 16,076    | -      | 28,485                                                          | 28,485    | -      |
| 2024      | WECC            |         | Navajo Tribal Utility Authority - APS                         | U.S.    | 1,755                                          | 1,755     | -      | 633                    | 633       | -      | 1,122                                                           | 1,122     | -      |
| 2024      | WECC            |         | Navajo Tribal Utility Authority - PNM                         | U.S.    | 15,341                                         | 15,341    | -      | 5,535                  | 5,535     | -      | 9,807                                                           | 9,807     | -      |
| 2024      | WECC            |         | Navajo Tribal Utility Authority - WACM                        | U.S.    | 29,557                                         | 29,557    | -      | 10,663                 | 10,663    | -      | 18,894                                                          | 18,894    | -      |
| 2024      | WECC            |         | Nebraska Public Power Marketing                               | U.S.    | 292                                            | 292       | -      | 105                    | 105       | -      | 186                                                             | 186       | -      |
| 2024      | WECC            |         | Needles Public Utilities Authority                            | U.S.    | 5,125                                          | 5,125     | -      | 1,849                  | 1,849     | -      | 3,276                                                           | 3,276     | -      |
| 2024      | WECC            |         | Nevada Gold Mines (Newmont)                                   | U.S.    | 71,087                                         | 71,087    | -      | 25,645                 | 25,645    | -      | 45,441                                                          | 45,441    | -      |
| 2024      | WECC            |         | Nevada Power Company dba NV Energy                            | U.S.    | 2,251,986                                      | 2,251,986 | -      | 812,428                | 812,428   | -      | 1,439,559                                                       | 1,439,559 | -      |
| 2024      | WECC            |         | NorthWestern Corp. dba NorthWestern Energy, LLC               | U.S.    | 685,656                                        | 685,656   | -      | 247,358                | 247,358   | -      | 438,298                                                         | 438,298   | -      |
| 2024      | WECC            |         | NorthWestern Corp. dba NorthWestern Energy, LLC - WAUW        | U.S.    | 18,937                                         | 18,937    | -      | 6,832                  | 6,832     | -      | 12,105                                                          | 12,105    | -      |
| 2024      | WECC            |         | Okanogan PUD                                                  | U.S.    | 44,873                                         | 44,873    | -      | 16,188                 | 16,188    | -      | 28,684                                                          | 28,684    | -      |
| 2024      | WECC            |         | Overton Power District No. 5                                  | U.S.    | 33,108                                         | 33,108    | -      | 11,944                 | 11,944    | -      | 21,164                                                          | 21,164    | -      |
| 2024      | WECC            |         | PacifiCorp East                                               | U.S.    | 3,650,803                                      | 3,650,803 | -      | 1,317,066              | 1,317,066 | -      | 2,333,738                                                       | 2,333,738 | -      |
| 2024      | WECC            |         | PacifiCorp - IPC                                              | U.S.    | 148                                            | 148       | -      | 53                     | 53        | -      | 95                                                              | 95        | -      |
| 2024      | WECC            |         | PacifiCorp - Portland General                                 | U.S.    | 228                                            | 228       | -      | 82                     | 82        | -      | 146                                                             | 146       | -      |
| 2024      | WECC            |         | PacifiCorp - WACM                                             | U.S.    | 7,191                                          | 7,191     | -      | 2,594                  | 2,594     | -      | 4,597                                                           | 4,597     | -      |
| 2024      | WECC            |         | PacifiCorp West                                               | U.S.    | 1,465,879                                      | 1,465,879 | -      | 528,831                | 528,831   | -      | 937,048                                                         | 937,048   | -      |
| 2024      | WECC            |         | Pend Oreille County PUD No. 1                                 | U.S.    | 43,771                                         | 43,771    | -      | 15,791                 | 15,791    | -      | 27,980                                                          | 27,980    | -      |
| 2024      | WECC            |         | Peppermill Hotel Casino                                       | U.S.    | 3,568                                          | 3,568     | -      | 1,287                  | 1,287     | -      | 2,281                                                           | 2,281     | -      |
| 2024      | WECC            |         | Platte River Power Authority                                  | U.S.    | 218,195                                        | 218,195   | -      | 78,716                 | 78,716    | -      | 139,479                                                         | 139,479   | -      |
| 2024      | WECC            |         | Portland General Electric Company                             | U.S.    | 1,340,322                                      | 1,340,322 | -      | 483,535                | 483,535   | -      | 856,787                                                         | 856,787   | -      |
| 2024      | WECC            |         | Public Service Company of Colorado (Xcel)                     | U.S.    | 2,183,598                                      | 2,183,598 | -      | 787,756                | 787,756   | -      | 1,395,842                                                       | 1,395,842 | -      |
| 2024      | WECC            |         | Public Service Company of Colorado (Xcel) - WACM              | U.S.    | 3,371                                          | 3,371     | -      | 1,216                  | 1,216     | -      | 2,155                                                           | 2,155     | -      |
| 2024      | WECC            |         | Public Service Company of New Mexico                          | U.S.    | 708,616                                        | 708,616   | -      | 255,641                | 255,641   | -      | 452,975                                                         | 452,975   | -      |
| 2024      | WECC            |         | Public Utility District No. 1 of Chelan County                | U.S.    | 134,053                                        | 134,053   | -      | 48,361                 | 48,361    | -      | 85,692                                                          | 85,692    | -      |
| 2024      | WECC            |         | PUD No. 1 of Douglas County                                   | U.S.    | 108,256                                        | 108,256   | -      | 39,055                 | 39,055    | -      | 69,202                                                          | 69,202    | -      |
| 2024      | WECC            |         | PUD No. 2 of Grant County                                     | U.S.    | 434,520                                        | 434,520   | -      | 156,758                | 156,758   | -      | 277,763                                                         | 277,763   | -      |
| 2024      | WECC            |         | PUD No. 2 of Grant County - Avista                            | U.S.    | 6,467                                          | 6,467     | -      | 2,333                  | 2,333     | -      | 4,134                                                           | 4,134     | -      |
| 2024      | WECC            |         | Pueblo of Acoma Utility Authority                             | U.S.    | 1,306                                          | 1,306     | -      | 471                    | 471       | -      | 835                                                             | 835       | -      |
| 2024      | WECC            |         | Puget Sound Energy, Inc.                                      | U.S.    | 1,663,172                                      | 1,663,172 | -      | 600,007                | 600,007   | -      | 1,063,165                                                       | 1,063,165 | -      |
| 2024      | WECC            |         | Raton Public Service                                          | U.S.    | 3,071                                          | 3,071     | -      | 1,108                  | 1,108     | -      | 1,963                                                           | 1,963     | -      |
| 2024      | WECC            |         | Reno City Center                                              | U.S.    | 447                                            | 447       | -      | 161                    | 161       | -      | 286                                                             | 286       | -      |
| 2024      | WECC            |         | Roosevelt Irrigation District - APS                           | U.S.    | 2,804                                          | 2,804     | -      | 1,012                  | 1,012     | -      | 1,793                                                           | 1,793     | -      |



| Data Year  | Regional Entity | NERC ID | Entity                                                                  | Country | Total ERO Assessments (NERC, RE & WIRAB Costs) |             |            | Total NERC Assessments |             |            | Total Regional Entity Assessments (Including WIRAB Assessments) |             |            |
|------------|-----------------|---------|-------------------------------------------------------------------------|---------|------------------------------------------------|-------------|------------|------------------------|-------------|------------|-----------------------------------------------------------------|-------------|------------|
|            |                 |         |                                                                         |         | Total                                          | US          | Canada     | Total                  | US          | Canada     | Total                                                           | US          | Canada     |
| 2024       | WECC            |         | Sacramento Municipal Utility District                                   | U.S.    | 779,999                                        | 779,999     | -          | 281,393                | 281,393     | -          | 498,606                                                         | 498,606     | -          |
| 2024       | WECC            |         | Sahara Las Vegas                                                        | U.S.    | 2,036                                          | 2,036       | -          | 734                    | 734         | -          | 1,301                                                           | 1,301       | -          |
| 2024       | WECC            |         | Salt River Project                                                      | U.S.    | 2,383,248                                      | 2,383,248   | -          | 859,782                | 859,782     | -          | 1,523,466                                                       | 1,523,466   | -          |
| 2024       | WECC            |         | Seattle City Light                                                      | U.S.    | 631,966                                        | 631,966     | -          | 227,988                | 227,988     | -          | 403,978                                                         | 403,978     | -          |
| 2024       | WECC            |         | Shell Energy North America                                              | U.S.    | 7,178                                          | 7,178       | -          | 2,590                  | 2,590       | -          | 4,589                                                           | 4,589       | -          |
| 2024       | WECC            |         | Silver State Energy Association                                         | U.S.    | 43,500                                         | 43,500      | -          | 15,693                 | 15,693      | -          | 27,807                                                          | 27,807      | -          |
| 2024       | WECC            |         | Southern Nevada Water Authority                                         | U.S.    | 8,695                                          | 8,695       | -          | 3,137                  | 3,137       | -          | 5,558                                                           | 5,558       | -          |
| 2024       | WECC            |         | Switch-North                                                            | U.S.    | 29,050                                         | 29,050      | -          | 10,480                 | 10,480      | -          | 18,570                                                          | 18,570      | -          |
| 2024       | WECC            |         | Switch-South                                                            | U.S.    | 56,493                                         | 56,493      | -          | 20,380                 | 20,380      | -          | 36,112                                                          | 36,112      | -          |
| 2024       | WECC            |         | The Incorporated County of Los Alamos                                   | U.S.    | 36,478                                         | 36,478      | -          | 13,160                 | 13,160      | -          | 23,318                                                          | 23,318      | -          |
| 2024       | WECC            |         | Tohono O'Odham Utility Authority                                        | U.S.    | 4,467                                          | 4,467       | -          | 1,612                  | 1,612       | -          | 2,856                                                           | 2,856       | -          |
| 2024       | WECC            |         | Tonopah Irrigation District - APS                                       | U.S.    | 2,838                                          | 2,838       | -          | 1,024                  | 1,024       | -          | 1,814                                                           | 1,814       | -          |
| 2024       | WECC            |         | Town of Fredonia - WALC                                                 | U.S.    | 126                                            | 126         | -          | 46                     | 46          | -          | 81                                                              | 81          | -          |
| 2024       | WECC            |         | Tri-State Generation & Transmission Assoc. Inc - Reliability - PSCO     | U.S.    | 72,568                                         | 72,568      | -          | 26,180                 | 26,180      | -          | 46,388                                                          | 46,388      | -          |
| 2024       | WECC            |         | Tri-State Generation & Transmission Assoc. Inc - Reliability - WACM     | U.S.    | 549,758                                        | 549,758     | -          | 198,331                | 198,331     | -          | 351,427                                                         | 351,427     | -          |
| 2024       | WECC            |         | Tri-State Generation & Transmission Association, Inc. - PNM             | U.S.    | 175,116                                        | 175,116     | -          | 63,175                 | 63,175      | -          | 111,941                                                         | 111,941     | -          |
| 2024       | WECC            |         | Truckee Donner Public Utility District                                  | U.S.    | 11,202                                         | 11,202      | -          | 4,041                  | 4,041       | -          | 7,161                                                           | 7,161       | -          |
| 2024       | WECC            |         | Tucson Electric Power Company                                           | U.S.    | 987,144                                        | 987,144     | -          | 356,122                | 356,122     | -          | 631,021                                                         | 631,021     | -          |
| 2024       | WECC            |         | Turlock Irrigation District                                             | U.S.    | 161,724                                        | 161,724     | -          | 58,344                 | 58,344      | -          | 103,380                                                         | 103,380     | -          |
| 2024       | WECC            |         | U.S. Army Yuma Proving Ground                                           | U.S.    | 1,137                                          | 1,137       | -          | 410                    | 410         | -          | 727                                                             | 727         | -          |
| 2024       | WECC            |         | United Power, Inc                                                       | U.S.    | 193,001                                        | 193,001     | -          | 69,627                 | 69,627      | -          | 123,374                                                         | 123,374     | -          |
| 2024       | WECC            |         | United Power, Inc. - PSCO                                               | U.S.    | 40,495                                         | 40,495      | -          | 14,609                 | 14,609      | -          | 25,886                                                          | 25,886      | -          |
| 2024       | WECC            |         | US Dept of Energy - Kirtland AFB                                        | U.S.    | 32,643                                         | 32,643      | -          | 11,776                 | 11,776      | -          | 20,867                                                          | 20,867      | -          |
| 2024       | WECC            |         | Western Area Power - Loveland, CO - PSCO                                | U.S.    | 11,180                                         | 11,180      | -          | 4,033                  | 4,033       | -          | 7,147                                                           | 7,147       | -          |
| 2024       | WECC            |         | Western Area Power - Loveland, CO - WACM                                | U.S.    | 101,546                                        | 101,546     | -          | 36,634                 | 36,634      | -          | 64,912                                                          | 64,912      | -          |
| 2024       | WECC            |         | Western Area Power Administration - CRSP                                | U.S.    | 89,191                                         | 89,191      | -          | 32,176                 | 32,176      | -          | 57,014                                                          | 57,014      | -          |
| 2024       | WECC            |         | Western Area Power Administration - Sierra Nevada Region                | U.S.    | 115,106                                        | 115,106     | -          | 41,526                 | 41,526      | -          | 73,580                                                          | 73,580      | -          |
| 2024       | WECC            |         | Western Area Power Administration-Desert Southwest Region - WALC        | U.S.    | 83,649                                         | 83,649      | -          | 30,177                 | 30,177      | -          | 53,472                                                          | 53,472      | -          |
| 2024       | WECC            |         | Western Area Power Administration-Upper Great Plains Region             | U.S.    | 25,295                                         | 25,295      | -          | 9,125                  | 9,125       | -          | 16,170                                                          | 16,170      | -          |
| 2024       | WECC            |         | Western Area Power Administration-Upper Great Plains Region - NorthWest | U.S.    | 529                                            | 529         | -          | 191                    | 191         | -          | 338                                                             | 338         | -          |
| 2024       | WECC            |         | Wynn Las Vegas                                                          | U.S.    | 11,820                                         | 11,820      | -          | 4,264                  | 4,264       | -          | 7,556                                                           | 7,556       | -          |
| 2024       | WECC            |         | Yampa Valley Electric Association                                       | U.S.    | 37,570                                         | 37,570      | -          | 13,554                 | 13,554      | -          | 24,016                                                          | 24,016      | -          |
| TOTAL WECC |                 |         |                                                                         |         | 57,433,379                                     | 50,633,429  | 6,799,949  | 21,070,019             | 18,266,541  | 2,803,478  | 36,363,360                                                      | 32,366,889  | 3,996,471  |
| TOTAL ERO  |                 |         |                                                                         |         | 289,618,314                                    | 260,971,335 | 28,646,978 | 113,749,428            | 102,634,422 | 11,115,006 | 175,868,886                                                     | 158,336,913 | 17,531,973 |

## Current Year NEL Summary by Regional Entity

|       |          |  |  |  |             |             |            |             |             |            |             |             |            |
|-------|----------|--|--|--|-------------|-------------|------------|-------------|-------------|------------|-------------|-------------|------------|
| 2024  | MRO      |  |  |  | 38,902,083  | 35,040,829  | 3,861,254  | 12,683,746  | 11,425,598  | 1,258,149  | 26,218,337  | 23,615,231  | 2,603,106  |
| 2024  | NPCC     |  |  |  | 40,235,054  | 22,249,280  | 17,985,775 | 13,612,476  | 6,559,097   | 7,053,379  | 26,622,578  | 15,690,182  | 10,932,396 |
| 2024  | RF       |  |  |  | 54,086,800  | 54,086,800  | -          | 21,496,922  | 21,496,922  | -          | 32,589,878  | 32,589,878  | -          |
| 2024  | SERC     |  |  |  | 67,835,372  | 67,835,372  | -          | 33,579,462  | 33,579,462  | -          | 34,255,910  | 34,255,910  | -          |
| 2024  | Texas RE |  |  |  | 31,125,626  | 31,125,626  | -          | 11,306,803  | 11,306,803  | -          | 19,818,823  | 19,818,823  | -          |
| 2024  | WECC     |  |  |  | 57,433,379  | 50,633,429  | 6,799,949  | 21,070,019  | 18,266,541  | 2,803,478  | 36,363,360  | 32,366,889  | 3,996,471  |
| Total |          |  |  |  | 289,618,314 | 260,971,335 | 28,646,978 | 113,749,428 | 102,634,422 | 11,115,006 | 175,868,886 | 158,336,913 | 17,531,973 |



| Data Year | Regional Entity | NERC ID | Entity                                                            | Country | Total NERC Assessments |         |         | NERC NEL Assessments |         |         | Penalty Sanctions |    | NERC Compliance Credits |        |        |
|-----------|-----------------|---------|-------------------------------------------------------------------|---------|------------------------|---------|---------|----------------------|---------|---------|-------------------|----|-------------------------|--------|--------|
|           |                 |         |                                                                   |         | Total                  | US      | Canada  | Total                | US      | Canada  | Total             | US | Total                   | US     | Canada |
| 2024      | MRO             | C-1217  | Manitoba Hydro                                                    | Canada  | 627,660                | -       | 627,660 | 616,208              | -       | 616,208 | -                 | -  | 11,452                  | -      | 11,452 |
| 2024      | MRO             | C-1235  | SaskPower                                                         | Canada  | 630,489                | -       | 630,489 | 618,985              | -       | 618,985 | -                 | -  | 11,503                  | -      | 11,503 |
| 2024      | MRO             | C-1195  | Alliant Energy (ALTE- WPL & ALTW IPL)                             | U.S.    | 687,015                | 687,015 | -       | 674,480              | 674,480 | -       | -                 | -  | 12,535                  | 12,535 | -      |
| 2024      | MRO             | C-1246  | American Electric Power Service Corporation                       | U.S.    | 937,015                | 937,015 | -       | 919,919              | 919,919 | -       | -                 | -  | 17,096                  | 17,096 | -      |
| 2024      | MRO             | C-1196  | Ames Municipal Electric System                                    | U.S.    | 18,809                 | 18,809  | -       | 18,466               | 18,466  | -       | -                 | -  | 343                     | 343    | -      |
| 2024      | MRO             | C-1986  | Arkansas Electric Cooperative Corporation (AECC)                  | U.S.    | 116,787                | 116,787 | -       | 114,656              | 114,656 | -       | -                 | -  | 2,131                   | 2,131  | -      |
| 2024      | MRO             | C-1604  | Atlantic Municipal Utilities (AMU)                                | U.S.    | 3,761                  | 3,761   | -       | 3,692                | 3,692   | -       | -                 | -  | 69                      | 69     | -      |
| 2024      | MRO             | C-1199  | Basin Electric Power Cooperative (BEPC)                           | U.S.    | 708,770                | 708,770 | -       | 695,838              | 695,838 | -       | -                 | -  | 12,932                  | 12,932 | -      |
| 2024      | MRO             | C-1247  | Board of Public Utilities (Kansas City, KS) (BPU)                 | U.S.    | 58,014                 | 58,014  | -       | 56,956               | 56,956  | -       | -                 | -  | 1,058                   | 1,058  | -      |
| 2024      | MRO             | C-1620  | Board of Public Utilities City of McPherson, KS (MCPHER)          | U.S.    | 28,421                 | 28,421  | -       | 27,903               | 27,903  | -       | -                 | -  | 519                     | 519    | -      |
| 2024      | MRO             | C-1647  | Carthage Water and Light                                          | U.S.    | 7,147                  | 7,147   | -       | 7,016                | 7,016   | -       | -                 | -  | 130                     | 130    | -      |
| 2024      | MRO             | C-1200  | Cedar Falls Utilities (CFU)                                       | U.S.    | 18,823                 | 18,823  | -       | 18,480               | 18,480  | -       | -                 | -  | 343                     | 343    | -      |
| 2024      | MRO             | C-1201  | Central Iowa Power Cooperative (CIPCO)                            | U.S.    | 73,221                 | 73,221  | -       | 71,885               | 71,885  | -       | -                 | -  | 1,336                   | 1,336  | -      |
| 2024      | MRO             | C-1477  | Central Minnesota Municipal Power Agency (CMMPA)                  | U.S.    | 11,457                 | 11,457  | -       | 11,248               | 11,248  | -       | -                 | -  | 209                     | 209    | -      |
| 2024      | MRO             | C-1469  | Central Valley Electric Cooperative (CVEC)                        | U.S.    | 24,171                 | 24,171  | -       | 23,730               | 23,730  | -       | -                 | -  | 441                     | 441    | -      |
| 2024      | MRO             | C-2056  | City of Beatrice                                                  | U.S.    | 4,619                  | 4,619   | -       | 4,535                | 4,535   | -       | -                 | -  | 84                      | 84     | -      |
| 2024      | MRO             | C-1556  | City of Bentonville (BENVILL)                                     | U.S.    | 18,682                 | 18,682  | -       | 18,341               | 18,341  | -       | -                 | -  | 341                     | 341    | -      |
| 2024      | MRO             | C-1713  | City of Bloomer (Bloomer Electric & Water Co.)                    | U.S.    | 1,662                  | 1,662   | -       | 1,631                | 1,631   | -       | -                 | -  | 30                      | 30     | -      |
| 2024      | MRO             | C-1703  | City of Chanute (CHANUTEKS)                                       | U.S.    | 13,430                 | 13,430  | -       | 13,185               | 13,185  | -       | -                 | -  | 245                     | 245    | -      |
| 2024      | MRO             | C-1203  | City of Escanaba (EME)                                            | U.S.    | 3,054                  | 3,054   | -       | 2,999                | 2,999   | -       | -                 | -  | 56                      | 56     | -      |
| 2024      | MRO             | C-1719  | City of Kasota                                                    | U.S.    | 90                     | 90      | -       | 88                   | 88      | -       | -                 | -  | 2                       | 2      | -      |
| 2024      | MRO             | C-1709  | City of Nixa                                                      | U.S.    | 4,505                  | 4,505   | -       | 4,423                | 4,423   | -       | -                 | -  | 82                      | 82     | -      |
| 2024      | MRO             | C-2057  | City of South Sioux City, NE                                      | U.S.    | 5,101                  | 5,101   | -       | 5,008                | 5,008   | -       | -                 | -  | 93                      | 93     | -      |
| 2024      | MRO             | C-1722  | City of Spooner                                                   | U.S.    | 756                    | 756     | -       | 742                  | 742     | -       | -                 | -  | 14                      | 14     | -      |
| 2024      | MRO             | C-2052  | City of Superior NE                                               | U.S.    | 1,186                  | 1,186   | -       | 1,165                | 1,165   | -       | -                 | -  | 22                      | 22     | -      |
| 2024      | MRO             | C-2053  | City of Wakefield, NE                                             | U.S.    | 1,162                  | 1,162   | -       | 1,141                | 1,141   | -       | -                 | -  | 21                      | 21     | -      |
| 2024      | MRO             | C-2054  | City of Wayne, NE                                                 | U.S.    | 1,662                  | 1,662   | -       | 1,632                | 1,632   | -       | -                 | -  | 30                      | 30     | -      |
| 2024      | MRO             | C-1436  | City Utilities of Springfield, MO (SPRM)                          | U.S.    | 79,090                 | 79,090  | -       | 77,647               | 77,647  | -       | -                 | -  | 1,443                   | 1,443  | -      |
| 2024      | MRO             | C-1204  | Corn Belt Power Cooperative (CBPC)                                | U.S.    | 53,234                 | 53,234  | -       | 52,263               | 52,263  | -       | -                 | -  | 971                     | 971    | -      |
| 2024      | MRO             | C-1710  | Dahlberg Electric Company                                         | U.S.    | 2,931                  | 2,931   | -       | 2,878                | 2,878   | -       | -                 | -  | 53                      | 53     | -      |
| 2024      | MRO             | C-1207  | Dairyland Power Cooperative (DPC)                                 | U.S.    | 142,272                | 142,272 | -       | 139,676              | 139,676 | -       | -                 | -  | 2,596                   | 2,596  | -      |
| 2024      | MRO             | C-2171  | Delano Municipal Utilities                                        | U.S.    | 1,844                  | 1,844   | -       | 1,810                | 1,810   | -       | -                 | -  | 34                      | 34     | -      |
| 2024      | MRO             | C-1437  | East Texas Electric Cooperative, Inc. (ETEC)                      | U.S.    | 25,374                 | 25,374  | -       | 24,911               | 24,911  | -       | -                 | -  | 463                     | 463    | -      |
| 2024      | MRO             | C-1716  | Eldridge Electric and Water Utilities                             | U.S.    | 1,015                  | 1,015   | -       | 997                  | 997     | -       | -                 | -  | 19                      | 19     | -      |
| 2024      | MRO             | C-1250  | Empire District Electric Co.                                      | U.S.    | 124,942                | 124,942 | -       | 122,662              | 122,662 | -       | -                 | -  | 2,280                   | 2,280  | -      |
| 2024      | MRO             | C-1205  | City of Falls City, NE                                            | U.S.    | 1,282                  | 1,282   | -       | 1,259                | 1,259   | -       | -                 | -  | 23                      | 23     | -      |
| 2024      | MRO             | C-1470  | Farmers Electric Cooperative, Inc. of New Mexico (FARMCOOPNM)     | U.S.    | 9,045                  | 9,045   | -       | 8,880                | 8,880   | -       | -                 | -  | 165                     | 165    | -      |
| 2024      | MRO             | C-1206  | Fremont Department of Utilities (City of)                         | U.S.    | 12,429                 | 12,429  | -       | 12,203               | 12,203  | -       | -                 | -  | 227                     | 227    | -      |
| 2024      | MRO             | C-1208  | Geneseo Municipal Utilities                                       | U.S.    | 1,650                  | 1,650   | -       | 1,620                | 1,620   | -       | -                 | -  | 30                      | 30     | -      |
| 2024      | MRO             | C-1438  | Golden Spread Electric Cooperative, Inc (GSEC)                    | U.S.    | 168,883                | 168,883 | -       | 165,802              | 165,802 | -       | -                 | -  | 3,081                   | 3,081  | -      |
| 2024      | MRO             | C-1209  | City of Grand Island, NE                                          | U.S.    | 18,633                 | 18,633  | -       | 18,293               | 18,293  | -       | -                 | -  | 340                     | 340    | -      |
| 2024      | MRO             | C-1251  | Grand River Dam Authority (GRDA)                                  | U.S.    | 183,968                | 183,968 | -       | 180,612              | 180,612 | -       | -                 | -  | 3,357                   | 3,357  | -      |
| 2024      | MRO             | C-1717  | Great Lakes Utilities                                             | U.S.    | 35,710                 | 35,710  | -       | 35,059               | 35,059  | -       | -                 | -  | 652                     | 652    | -      |
| 2024      | MRO             | C-1210  | Great River Energy (GRE)                                          | U.S.    | 331,325                | 331,325 | -       | 325,280              | 325,280 | -       | -                 | -  | 6,045                   | 6,045  | -      |
| 2024      | MRO             | C-1606  | Harlan Municipal Utilities                                        | U.S.    | 384                    | 384     | -       | 377                  | 377     | -       | -                 | -  | 7                       | 7      | -      |
| 2024      | MRO             | C-1211  | Hastings Utilities (HAST)                                         | U.S.    | 10,844                 | 10,844  | -       | 10,646               | 10,646  | -       | -                 | -  | 198                     | 198    | -      |
| 2024      | MRO             | C-1212  | Heartland Consumers Power District (HCPD)                         | U.S.    | 12,476                 | 12,476  | -       | 12,248               | 12,248  | -       | -                 | -  | 228                     | 228    | -      |
| 2024      | MRO             | C-1213  | Hutchinson Utilities Commission (HUCH)                            | U.S.    | 6,574                  | 6,574   | -       | 6,454                | 6,454   | -       | -                 | -  | 120                     | 120    | -      |
| 2024      | MRO             | C-1248  | Independence Power & Light (Independence, MO) (INDN)              | U.S.    | 24,880                 | 24,880  | -       | 24,426               | 24,426  | -       | -                 | -  | 454                     | 454    | -      |
| 2024      | MRO             | C-1252  | Eversky Metro, Inc.                                               | U.S.    | 384,826                | 384,826 | -       | 377,805              | 377,805 | -       | -                 | -  | 7,021                   | 7,021  | -      |
| 2024      | MRO             | C-1439  | Kansas Electric Power Cooperative (KEPC)                          | U.S.    | 51,308                 | 51,308  | -       | 50,372               | 50,372  | -       | -                 | -  | 936                     | 936    | -      |
| 2024      | MRO             | C-1440  | Kansas Municipal Energy Agency (KMEA)                             | U.S.    | 41,246                 | 41,246  | -       | 40,493               | 40,493  | -       | -                 | -  | 753                     | 753    | -      |
| 2024      | MRO             | C-1637  | KPP Energy                                                        | U.S.    | 19,458                 | 19,458  | -       | 19,103               | 19,103  | -       | -                 | -  | 355                     | 355    | -      |
| 2024      | MRO             | C-1598  | Eversky Missouri West, Inc.                                       | U.S.    | 220,552                | 220,552 | -       | 216,528              | 216,528 | -       | -                 | -  | 4,024                   | 4,024  | -      |
| 2024      | MRO             | C-2038  | Kennett Board of Public Works                                     | U.S.    | 2,944                  | 2,944   | -       | 2,890                | 2,890   | -       | -                 | -  | 54                      | 54     | -      |
| 2024      | MRO             | C-1472  | Lea County Electric Cooperative (LCEC)                            | U.S.    | 31,928                 | 31,928  | -       | 31,346               | 31,346  | -       | -                 | -  | 583                     | 583    | -      |
| 2024      | MRO             | C-1215  | Lincoln Electric System (LES)                                     | U.S.    | 80,087                 | 80,087  | -       | 78,626               | 78,626  | -       | -                 | -  | 1,461                   | 1,461  | -      |
| 2024      | MRO             | C-1216  | Madison, Gas and Electric (MGE)                                   | U.S.    | 80,652                 | 80,652  | -       | 79,180               | 79,180  | -       | -                 | -  | 1,471                   | 1,471  | -      |
| 2024      | MRO             | C-2039  | Malden Board of Public Works                                      | U.S.    | 1,225                  | 1,225   | -       | 1,203                | 1,203   | -       | -                 | -  | 22                      | 22     | -      |
| 2024      | MRO             | C-1220  | MidAmerican Energy Company (MEC)                                  | U.S.    | 766,843                | 766,843 | -       | 752,852              | 752,852 | -       | -                 | -  | 13,991                  | 13,991 | -      |
| 2024      | MRO             | C-1441  | Midwest Energy, Inc (MIDW)                                        | U.S.    | 45,368                 | 45,368  | -       | 44,541               | 44,541  | -       | -                 | -  | 828                     | 828    | -      |
| 2024      | MRO             | C-1224  | Minnesota Municipal Power Agency (MMPA) Avant Energy Inc is Agent | U.S.    | 48,260                 | 48,260  | -       | 47,379               | 47,379  | -       | -                 | -  | 881                     | 881    | -      |
| 2024      | MRO             | C-1221  | Minnesota Power (MP)                                              | U.S.    | 289,806                | 289,806 | -       | 284,518              | 284,518 | -       | -                 | -  | 5,288                   | 5,288  | -      |
| 2024      | MRO             | C-1222  | Minnkota Power Cooperative, Inc. (MPC)                            | U.S.    | 99,334                 | 99,334  | -       | 97,522               | 97,522  | -       | -                 | -  | 1,812                   | 1,812  | -      |
| 2024      | MRO             | C-1987  | Missouri Joint Municipal Electric Utility                         | U.S.    | 11,244                 | 11,244  | -       | 11,039               | 11,039  | -       | -                 | -  | 205                     | 205    | -      |
| 2024      | MRO             | C-1223  | Missouri River Energy Services                                    | U.S.    | 65,626                 | 65,626  | -       | 64,429               | 64,429  | -       | -                 | -  | 1,197                   | 1,197  | -      |

| Data Year  | Regional Entity | NERC ID | Entity                                                              | Country | Total NERC Assessments |            |           | NERC NEL Assessments |            |           | Penalty Sanctions |    | NERC Compliance Credits |         |             |
|------------|-----------------|---------|---------------------------------------------------------------------|---------|------------------------|------------|-----------|----------------------|------------|-----------|-------------------|----|-------------------------|---------|-------------|
|            |                 |         |                                                                     |         | Total                  | US         | Canada    | Total                | US         | Canada    | Total             | US | Total                   | US      | Canada      |
| 2024       | MRO             | C-1226  | Montana-Dakota Utilities Co. (MDU)                                  | U.S.    | 103,296                | 103,296    | -         | 101,412              | 101,412    | -         | -                 | -  | 1,885                   | 1,885   | -           |
| 2024       | MRO             | C-1607  | Montezuma Municipal Light & Power                                   | U.S.    | 543                    | 543        | -         | 533                  | 533        | -         | -                 | -  | 10                      | 10      | -           |
| 2024       | MRO             | C-2051  | Moose Lake Water & Light Commission                                 | U.S.    | 848                    | 848        | -         | 832                  | 832        | -         | -                 | -  | 15                      | 15      | -           |
| 2024       | MRO             | C-1227  | Municipal Energy Agency of Nebraska (MEAN)                          | U.S.    | 24,396                 | 24,396     | -         | 23,951               | 23,951     | -         | -                 | -  | 445                     | 445     | -           |
| 2024       | MRO             | C-1228  | Muscataine Power and Water (MPW)                                    | U.S.    | 22,449                 | 22,449     | -         | 22,040               | 22,040     | -         | -                 | -  | 410                     | 410     | -           |
| 2024       | MRO             | C-1229  | Nebraska City Utilities                                             | U.S.    | 2,884                  | 2,884      | -         | 2,832                | 2,832      | -         | -                 | -  | 53                      | 53      | -           |
| 2024       | MRO             | C-1230  | Nebraska Public Power District (NPPD)                               | U.S.    | 347,037                | 347,037    | -         | 340,705              | 340,705    | -         | -                 | -  | 6,332                   | 6,332   | -           |
| 2024       | MRO             | C-1711  | North Central Power Company                                         | U.S.    | 1,007                  | 1,007      | -         | 989                  | 989        | -         | -                 | -  | 18                      | 18      | -           |
| 2024       | MRO             | C-2055  | Northeast Power                                                     | U.S.    | 8,886                  | 8,886      | -         | 8,724                | 8,724      | -         | -                 | -  | 162                     | 162     | -           |
| 2024       | MRO             | C-1442  | Northeast Texas Electric Cooperative, Inc. (NTEC)                   | U.S.    | 82,050                 | 82,050     | -         | 80,553               | 80,553     | -         | -                 | -  | 1,497                   | 1,497   | -           |
| 2024       | MRO             | C-1231  | NorthWestern Energy (NWE)                                           | U.S.    | 40,787                 | 40,787     | -         | 40,043               | 40,043     | -         | -                 | -  | 744                     | 744     | -           |
| 2024       | MRO             | C-1712  | NorthWestern Wisconsin Electric Company                             | U.S.    | 4,613                  | 4,613      | -         | 4,529                | 4,529      | -         | -                 | -  | 84                      | 84      | -           |
| 2024       | MRO             | C-1255  | Oklahoma Gas and Electric Co. (OKGE)                                | U.S.    | 840,619                | 840,619    | -         | 825,282              | 825,282    | -         | -                 | -  | 15,337                  | 15,337  | -           |
| 2024       | MRO             | C-1444  | Oklahoma Municipal Power Authority (OMPA)                           | U.S.    | 69,298                 | 69,298     | -         | 68,033               | 68,033     | -         | -                 | -  | 1,264                   | 1,264   | -           |
| 2024       | MRO             | C-1232  | Omaha Public Power District (OPPD)                                  | U.S.    | 346,414                | 346,414    | -         | 340,094              | 340,094    | -         | -                 | -  | 6,320                   | 6,320   | -           |
| 2024       | MRO             | C-1233  | Otter Tail Power Company (OTP)                                      | U.S.    | 144,798                | 144,798    | -         | 142,156              | 142,156    | -         | -                 | -  | 2,642                   | 2,642   | -           |
| 2024       | MRO             | C-1651  | Paragould Light, Water & Cable (PARAGOULD)                          | U.S.    | 14,451                 | 14,451     | -         | 14,187               | 14,187     | -         | -                 | -  | 264                     | 264     | -           |
| 2024       | MRO             | C-1725  | Peoples Electric Cooperative (PEC)                                  | U.S.    | 22,873                 | 22,873     | -         | 22,455               | 22,455     | -         | -                 | -  | 417                     | 417     | -           |
| 2024       | MRO             | C-2040  | Piggott Municipal Light, Water & Sewer                              | U.S.    | 900                    | 900        | -         | 884                  | 884        | -         | -                 | -  | 16                      | 16      | -           |
| 2024       | MRO             | C-1720  | Resale Power Group of Iowa                                          | U.S.    | 12,071                 | 12,071     | -         | 11,850               | 11,850     | -         | -                 | -  | 220                     | 220     | -           |
| 2024       | MRO             | C-1721  | Rice Lake Utilities                                                 | U.S.    | 3,788                  | 3,788      | -         | 3,719                | 3,719      | -         | -                 | -  | 69                      | 69      | -           |
| 2024       | MRO             | C-1234  | Rochester Public Utilities (RPU)                                    | U.S.    | 43                     | 43         | -         | 42                   | 42         | -         | -                 | -  | 1                       | 1       | -           |
| 2024       | MRO             | C-1473  | Roosevelt County Electric Cooperative                               | U.S.    | 3,998                  | 3,998      | -         | 3,926                | 3,926      | -         | -                 | -  | 73                      | 73      | -           |
| 2024       | MRO             | C-1236  | Southern Minnesota Municipal Power Agency (SMMMPA)                  | U.S.    | 66,413                 | 66,413     | -         | 65,201               | 65,201     | -         | -                 | -  | 1,212                   | 1,212   | -           |
| 2024       | MRO             | C-1257  | Southwestern Public Service Co. Xcel Energy (SPS)                   | U.S.    | 674,304                | 674,304    | -         | 662,002              | 662,002    | -         | -                 | -  | 12,303                  | 12,303  | -           |
| 2024       | MRO             | C-1256  | Sunflower Electric Power Corporation                                | U.S.    | 123,135                | 123,135    | -         | 120,888              | 120,888    | -         | -                 | -  | 2,247                   | 2,247   | -           |
| 2024       | MRO             | C-1665  | Upper Peninsula Power Co (UPPC)                                     | U.S.    | 17,591                 | 17,591     | -         | 17,270               | 17,270     | -         | -                 | -  | 321                     | 321     | -           |
| 2024       | MRO             | C-1714  | Village of Cadott                                                   | U.S.    | 320                    | 320        | -         | 314                  | 314        | -         | -                 | -  | 6                       | 6       | -           |
| 2024       | MRO             | C-1260  | Evergy Kansas Central, Inc.                                         | U.S.    | 595,672                | 595,672    | -         | 584,804              | 584,804    | -         | -                 | -  | 10,868                  | 10,868  | -           |
| 2024       | MRO             | C-1239  | Western Area Power Administration Rocky Mountain Region (LM) (WAPA) | U.S.    | 1,110                  | 1,110      | -         | 1,090                | 1,090      | -         | -                 | -  | 20                      | 20      | -           |
| 2024       | MRO             | C-1240  | Western Area Power Administration Upper Great Plains (UM) (WAPA)    | U.S.    | 221,834                | 221,834    | -         | 217,787              | 217,787    | -         | -                 | -  | 4,047                   | 4,047   | -           |
| 2024       | MRO             | C-1259  | Western Farmers Electric Cooperative (WFEC)                         | U.S.    | 254,098                | 254,098    | -         | 249,462              | 249,462    | -         | -                 | -  | 4,636                   | 4,636   | -           |
| 2024       | MRO             | C-1501  | West Texas Municipal Power Agency (WTMPA)                           | U.S.    | 3,026                  | 3,026      | -         | 2,971                | 2,971      | -         | -                 | -  | 55                      | 55      | -           |
| 2024       | MRO             | C-1242  | Wisconsin Public Power, Inc. (East and West regions) (WPPI)         | U.S.    | 129,209                | 129,209    | -         | 126,851              | 126,851    | -         | -                 | -  | 2,357                   | 2,357   | -           |
| 2024       | MRO             | C-1983  | Wolverine Power Marketing Cooperative                               | U.S.    | 1,837                  | 1,837      | -         | 1,804                | 1,804      | -         | -                 | -  | 34                      | 34      | -           |
| 2024       | MRO             | C-1244  | Xcel Energy Company Northern States Power (NSP)                     | U.S.    | 1,000,184              | 1,000,184  | -         | 981,936              | 981,936    | -         | -                 | -  | 18,248                  | 18,248  | -           |
| TOTAL MRO  |                 |         |                                                                     |         | 12,683,746             | 11,425,598 | 1,258,149 | 12,452,331           | 11,217,137 | 1,235,194 | -                 | -  | 231,416                 | 208,461 | 22,955      |
|            |                 |         |                                                                     |         | -                      | -          | -         | -                    | -          | -         | -                 | -  | -                       | -       | -           |
| 2024       | NPCC            | C-1336  | New England                                                         | U.S.    | 2,861,500              | 2,861,500  | -         | 2,809,291            | 2,809,291  | -         | -                 | -  | 52,208                  | 52,208  | -           |
| 2024       | NPCC            | C-1339  | New York                                                            | U.S.    | 3,697,598              | 3,697,598  | -         | 3,630,135            | 3,630,135  | -         | -                 | -  | 67,463                  | 67,463  | -           |
| 2024       | NPCC            | C-1337  | Ontario                                                             | Canada  | 2,664,376              | -          | 2,664,376 | 3,394,753            | -          | 3,394,753 | -                 | -  | (730,377)               | -       | (730,377)   |
| 2024       | NPCC            |         | Quebec                                                              | Canada  | 3,833,681              | -          | 3,833,681 | 4,618,082            | -          | 4,618,082 | -                 | -  | (784,401)               | -       | (784,401)   |
| 2024       | NPCC            | C-1341  | Hydro Quebec                                                        | Canada  | -                      | -          | -         | -                    | -          | -         | -                 | -  | -                       | -       | -           |
| 2024       | NPCC            | C-1572  | Regie                                                               | Canada  | -                      | -          | -         | -                    | -          | -         | -                 | -  | -                       | -       | -           |
| 2024       | NPCC            | C-1705  | New Brunswick                                                       | Canada  | 275,660                | -          | 275,660   | 351,282              | -          | 351,282   | -                 | -  | (75,622)                | -       | (75,622)    |
| 2024       | NPCC            | C-1340  | Nova Scotia                                                         | Canada  | 279,663                | -          | 279,663   | 274,561              | -          | 274,561   | -                 | -  | 5,102                   | -       | 5,102       |
| TOTAL NPCC |                 |         |                                                                     |         | 13,612,476             | 6,559,097  | 7,053,379 | 15,078,103           | 6,439,426  | 8,638,677 | -                 | -  | (1,465,626)             | 119,671 | (1,585,298) |
|            |                 |         |                                                                     |         | -                      | -          | -         | -                    | -          | -         | -                 | -  | -                       | -       | -           |
| 2024       | RF              | C-1102  | Cannelton Utilities                                                 | U.S.    | 310                    | 310        | -         | 304                  | 304        | -         | -                 | -  | 6                       | 6       | -           |
| 2024       | RF              | C-1106  | City of Crosswell                                                   | U.S.    | 1,122                  | 1,122      | -         | 1,101                | 1,101      | -         | -                 | -  | 20                      | 20      | -           |
| 2024       | RF              | C-1490  | City of Lansing                                                     | U.S.    | 51,197                 | 51,197     | -         | 50,263               | 50,263     | -         | -                 | -  | 934                     | 934     | -           |
| 2024       | RF              | C-1120  | Cloverland Electric Cooperative                                     | U.S.    | 19,023                 | 19,023     | -         | 18,676               | 18,676     | -         | -                 | -  | 347                     | 347     | -           |
| 2024       | RF              | C-1122  | CMS ERM Michigan LLC                                                | U.S.    | 10,821                 | 10,821     | -         | 10,623               | 10,623     | -         | -                 | -  | 197                     | 197     | -           |
| 2024       | RF              | C-1124  | Constellation New Energy (MECS-CONS)                                | U.S.    | 47,258                 | 47,258     | -         | 46,396               | 46,396     | -         | -                 | -  | 862                     | 862     | -           |
| 2024       | RF              | C-1123  | Constellation New Energy (MECS-DET)                                 | U.S.    | 56,183                 | 56,183     | -         | 55,158               | 55,158     | -         | -                 | -  | 1,025                   | 1,025   | -           |
| 2024       | RF              | C-1126  | Consumers Energy Company                                            | U.S.    | 806,904                | 806,904    | -         | 792,182              | 792,182    | -         | -                 | -  | 14,722                  | 14,722  | -           |
| 2024       | RF              | C-1128  | DTE Electric Company                                                | U.S.    | 1,163,227              | 1,163,227  | -         | 1,142,004            | 1,142,004  | -         | -                 | -  | 21,223                  | 21,223  | -           |
| 2024       | RF              | C-1166  | Duke Energy Indiana                                                 | U.S.    | 667,676                | 667,676    | -         | 655,494              | 655,494    | -         | -                 | -  | 12,182                  | 12,182  | -           |
| 2024       | RF              | C-1135  | Ferdinand Municipal Light & Water                                   | U.S.    | 1,163                  | 1,163      | -         | 1,142                | 1,142      | -         | -                 | -  | 21                      | 21      | -           |
| 2024       | RF              | C-1646  | Energy Harbor LLC (MECS-CONS)                                       | U.S.    | 8,591                  | 8,591      | -         | 8,434                | 8,434      | -         | -                 | -  | 157                     | 157     | -           |
| 2024       | RF              | C-1549  | Energy Harbor LLC (MECS-DET)                                        | U.S.    | 2,339                  | 2,339      | -         | 2,296                | 2,296      | -         | -                 | -  | 43                      | 43      | -           |
| 2024       | RF              | C-1145  | Hoosier Energy                                                      | U.S.    | 193,662                | 193,662    | -         | 190,129              | 190,129    | -         | -                 | -  | 3,533                   | 3,533   | -           |
| 2024       | RF              | C-1148  | Indiana Municipal Power Agency (DUKE CIN)                           | U.S.    | 72,328                 | 72,328     | -         | 71,008               | 71,008     | -         | -                 | -  | 1,320                   | 1,320   | -           |
| 2024       | RF              | C-1485  | Indiana Municipal Power Agency (NIPSCO)                             | U.S.    | 8,949                  | 8,949      | -         | 8,786                | 8,786      | -         | -                 | -  | 163                     | 163     | -           |
| 2024       | RF              | C-1486  | Indiana Municipal Power Agency (SIGE)                               | U.S.    | 13,593                 | 13,593     | -         | 13,345               | 13,345     | -         | -                 | -  | 248                     | 248     | -           |
| 2024       | RF              | C-1149  | Indianapolis Power & Light Co.                                      | U.S.    | 330,179                | 330,179    | -         | 324,155              | 324,155    | -         | -                 | -  | 6,024                   | 6,024   | -           |
| 2024       | RF              | C-2050  | Logansport Municipal Utility (LMU)                                  | U.S.    | 9,800                  | 9,800      | -         | 9,621                | 9,621      | -         | -                 | -  | 179                     | 179     | -           |

| Data Year              | Regional Entity | NERC ID | Entity                                                 | Country | Total NERC Assessments |            |        | NERC NEL Assessments |            |        | Penalty Sanctions |    | NERC Compliance Credits |         |        |
|------------------------|-----------------|---------|--------------------------------------------------------|---------|------------------------|------------|--------|----------------------|------------|--------|-------------------|----|-------------------------|---------|--------|
|                        |                 |         |                                                        |         | Total                  | US         | Canada | Total                | US         | Canada | Total             | US | Total                   | US      | Canada |
| 2024                   | RF              | C-1666  | Constellation New Energy (MIUP)                        | U.S.    | 7,158                  | 7,158      | -      | 7,027                | 7,027      | -      | -                 | -  | 131                     | 131     | -      |
| 2024                   | RF              | C-1154  | Michigan Public Power Agency                           | U.S.    | 92,709                 | 92,709     | -      | 91,017               | 91,017     | -      | -                 | -  | 1,691                   | 1,691   | -      |
| 2024                   | RF              | C-1155  | Michigan South Central Power Agency                    | U.S.    | 18,841                 | 18,841     | -      | 18,497               | 18,497     | -      | -                 | -  | 344                     | 344     | -      |
| 2024                   | RF              | C-1163  | Northern Indiana Public Service Co.                    | U.S.    | 386,429                | 386,429    | -      | 379,378              | 379,378    | -      | -                 | -  | 7,050                   | 7,050   | -      |
| 2024                   | RF              | C-1164  | Ontonagon County Rural Electrification Assoc.          | U.S.    | 706                    | 706        | -      | 694                  | 694        | -      | -                 | -  | 13                      | 13      | -      |
| 2024                   | RF              | C-1265  | PJM Interconnection, LLC                               | U.S.    | 16,206,371             | 16,206,371 | -      | 15,910,685           | 15,910,685 | -      | -                 | -  | 295,686                 | 295,686 | -      |
| 2024                   | RF              | C-1172  | Calpine Energy Solutions, LLC (MECS-CONS)              | U.S.    | 9,800                  | 9,800      | -      | 9,621                | 9,621      | -      | -                 | -  | 179                     | 179     | -      |
| 2024                   | RF              | C-1171  | Calpine Energy Solutions, LLC (MECS-DET)               | U.S.    | 14,800                 | 14,800     | -      | 14,530               | 14,530     | -      | -                 | -  | 270                     | 270     | -      |
| 2024                   | RF              | C-1176  | Direct Energy                                          | U.S.    | 321                    | 321        | -      | 315                  | 315        | -      | -                 | -  | 6                       | 6       | -      |
| 2024                   | RF              | C-1174  | Direct Energy                                          | U.S.    | 19,953                 | 19,953     | -      | 19,589               | 19,589     | -      | -                 | -  | 364                     | 364     | -      |
| 2024                   | RF              | C-1581  | Spartan Renewable Energy                               | U.S.    | 3,276                  | 3,276      | -      | 3,216                | 3,216      | -      | -                 | -  | 60                      | 60      | -      |
| 2024                   | RF              | C-1985  | Spartan Renewable Energy (MI UP)                       | U.S.    | 1,818                  | 1,818      | -      | 1,785                | 1,785      | -      | -                 | -  | 33                      | 33      | -      |
| 2024                   | RF              | C-1180  | Thumb Electric Cooperative                             | U.S.    | 4,985                  | 4,985      | -      | 4,894                | 4,894      | -      | -                 | -  | 91                      | 91      | -      |
| 2024                   | RF              | C-2074  | Union City Michigan                                    | U.S.    | 372                    | 372        | -      | 365                  | 365        | -      | -                 | -  | 7                       | 7       | -      |
| 2024                   | RF              | C-2027  | Upper Michigan Energy Resources                        | U.S.    | 46,225                 | 46,225     | -      | 45,382               | 45,382     | -      | -                 | -  | 843                     | 843     | -      |
| 2024                   | RF              | C-1181  | Vectren, a CenterPoint Energy Company                  | U.S.    | 123,804                | 123,804    | -      | 121,546              | 121,546    | -      | -                 | -  | 2,259                   | 2,259   | -      |
| 2024                   | RF              | C-1184  | Wabash Valley Power Alliance (DUKE CIN)                | U.S.    | 81,406                 | 81,406     | -      | 79,921               | 79,921     | -      | -                 | -  | 1,485                   | 1,485   | -      |
| 2024                   | RF              | C-1488  | Wabash Valley Power Alliance (NIPSCO)                  | U.S.    | 45,364                 | 45,364     | -      | 44,537               | 44,537     | -      | -                 | -  | 828                     | 828     | -      |
| 2024                   | RF              | C-1185  | Wisconsin Electric Power Co.                           | U.S.    | 583,844                | 583,844    | -      | 573,191              | 573,191    | -      | -                 | -  | 10,652                  | 10,652  | -      |
| 2024                   | RF              | C-2041  | Wisconsin Public Service Co.                           | U.S.    | 282,448                | 282,448    | -      | 277,295              | 277,295    | -      | -                 | -  | 5,153                   | 5,153   | -      |
| 2024                   | RF              | C-1189  | Wolverine Power Marketing Cooperative                  | U.S.    | 16,252                 | 16,252     | -      | 15,955               | 15,955     | -      | -                 | -  | 297                     | 297     | -      |
| 2024                   | RF              | C-1191  | Wolverine Power Supply Cooperative                     | U.S.    | 68,297                 | 68,297     | -      | 67,051               | 67,051     | -      | -                 | -  | 1,246                   | 1,246   | -      |
| 2024                   | RF              | C-1190  | Wolverine Power Marketing Cooperative (MECS-DET)       | U.S.    | 17,419                 | 17,419     | -      | 17,101               | 17,101     | -      | -                 | -  | 318                     | 318     | -      |
| TOTAL RELIABILITYFIRST |                 |         |                                                        |         | 21,496,922             | 21,496,922 | -      | 21,104,709           | 21,104,709 | -      | -                 | -  | 392,213                 | 392,213 | -      |
|                        |                 |         |                                                        |         | -                      | -          | -      | -                    | -          | -      | -                 | -  | -                       | -       | -      |
| 2024                   | SERC            | C-1267  | Alabama Municipal Electric Authority                   | U.S.    | 87,978                 | 87,978     | -      | 86,373               | 86,373     | -      | -                 | -  | 1,605                   | 1,605   | -      |
| 2024                   | SERC            | C-1268  | Alabama Power Company                                  | U.S.    | 1,343,774              | 1,343,774  | -      | 1,319,257            | 1,319,257  | -      | -                 | -  | 24,517                  | 24,517  | -      |
| 2024                   | SERC            | C-1269  | Ameren - Illinois                                      | U.S.    | 946,441                | 946,441    | -      | 929,173              | 929,173    | -      | -                 | -  | 17,268                  | 17,268  | -      |
| 2024                   | SERC            | C-1271  | Ameren - Missouri                                      | U.S.    | 865,211                | 865,211    | -      | 849,425              | 849,425    | -      | -                 | -  | 15,786                  | 15,786  | -      |
| 2024                   | SERC            | C-1273  | Associated Electric Cooperative Inc.                   | U.S.    | 518,623                | 518,623    | -      | 509,161              | 509,161    | -      | -                 | -  | 9,462                   | 9,462   | -      |
| 2024                   | SERC            | C-1582  | Beauregard Electric Cooperative, Inc.                  | U.S.    | 37,148                 | 37,148     | -      | 36,471               | 36,471     | -      | -                 | -  | 678                     | 678     | -      |
| 2024                   | SERC            | C-1462  | Benton Utility District                                | U.S.    | 7,501                  | 7,501      | -      | 7,365                | 7,365      | -      | -                 | -  | 137                     | 137     | -      |
| 2024                   | SERC            | C-1274  | Big Rivers Electric Corporation                        | U.S.    | 108,317                | 108,317    | -      | 106,340              | 106,340    | -      | -                 | -  | 1,976                   | 1,976   | -      |
| 2024                   | SERC            | C-1275  | Black Warrior EMC                                      | U.S.    | 9,675                  | 9,675      | -      | 9,499                | 9,499      | -      | -                 | -  | 177                     | 177     | -      |
| 2024                   | SERC            | C-1276  | Blue Ridge EMC                                         | U.S.    | 29,548                 | 29,548     | -      | 29,009               | 29,009     | -      | -                 | -  | 539                     | 539     | -      |
| 2024                   | SERC            | C-1628  | Brazos Electric Power Cooperative, Inc.                | U.S.    | 16,714                 | 16,714     | -      | 16,409               | 16,409     | -      | -                 | -  | 305                     | 305     | -      |
| 2024                   | SERC            | C-1463  | Canton, MS                                             | U.S.    | 2,719                  | 2,719      | -      | 2,670                | 2,670      | -      | -                 | -  | 50                      | 50      | -      |
| 2024                   | SERC            | C-1277  | Central Electric Power Cooperative Inc.                | U.S.    | 512,850                | 512,850    | -      | 503,493              | 503,493    | -      | -                 | -  | 9,357                   | 9,357   | -      |
| 2024                   | SERC            | C-1668  | Century Aluminum - Seabee                              | U.S.    | 82,166                 | 82,166     | -      | 80,667               | 80,667     | -      | -                 | -  | 1,499                   | 1,499   | -      |
| 2024                   | SERC            | C-1278  | City of Blountstown FL                                 | U.S.    | 835                    | 835        | -      | 820                  | 820        | -      | -                 | -  | 15                      | 15      | -      |
| 2024                   | SERC            | C-1279  | City of Camden SC                                      | U.S.    | 4,926                  | 4,926      | -      | 4,836                | 4,836      | -      | -                 | -  | 90                      | 90      | -      |
| 2024                   | SERC            | C-1280  | City of Collins MS                                     | U.S.    | 1,121                  | 1,121      | -      | 1,100                | 1,100      | -      | -                 | -  | 20                      | 20      | -      |
| 2024                   | SERC            | C-1281  | City of Columbia MO                                    | U.S.    | 29,065                 | 29,065     | -      | 28,535               | 28,535     | -      | -                 | -  | 530                     | 530     | -      |
| 2024                   | SERC            | C-1282  | City of Conway AR (Conway Corporation)                 | U.S.    | 22,832                 | 22,832     | -      | 22,416               | 22,416     | -      | -                 | -  | 417                     | 417     | -      |
| 2024                   | SERC            | C-1284  | City of Evergreen AL                                   | U.S.    | 1,391                  | 1,391      | -      | 1,366                | 1,366      | -      | -                 | -  | 25                      | 25      | -      |
| 2024                   | SERC            | C-1285  | City of Hampton GA                                     | U.S.    | 990                    | 990        | -      | 972                  | 972        | -      | -                 | -  | 18                      | 18      | -      |
| 2024                   | SERC            | C-1286  | City of Hartford AL                                    | U.S.    | 721                    | 721        | -      | 708                  | 708        | -      | -                 | -  | 13                      | 13      | -      |
| 2024                   | SERC            | C-1287  | City of Henderson (KY) Municipal Power & Light         | U.S.    | 13,037                 | 13,037     | -      | 12,799               | 12,799     | -      | -                 | -  | 238                     | 238     | -      |
| 2024                   | SERC            | C-1288  | City of North Little Rock AR (DENL)                    | U.S.    | 22,752                 | 22,752     | -      | 22,336               | 22,336     | -      | -                 | -  | 415                     | 415     | -      |
| 2024                   | SERC            | C-1289  | City of Orangeburg SC Department of Public Utilities   | U.S.    | 18,293                 | 18,293     | -      | 17,959               | 17,959     | -      | -                 | -  | 334                     | 334     | -      |
| 2024                   | SERC            | C-1290  | City of Robertsdale AL                                 | U.S.    | 2,338                  | 2,338      | -      | 2,296                | 2,296      | -      | -                 | -  | 43                      | 43      | -      |
| 2024                   | SERC            | C-1291  | City of Ruston LA (DERS)                               | U.S.    | 7,447                  | 7,447      | -      | 7,311                | 7,311      | -      | -                 | -  | 136                     | 136     | -      |
| 2024                   | SERC            | C-1292  | Seneca Light & Power                                   | U.S.    | 4,029                  | 4,029      | -      | 3,955                | 3,955      | -      | -                 | -  | 74                      | 74      | -      |
| 2024                   | SERC            | C-1115  | City of Springfield (CWLP)                             | U.S.    | 38,816                 | 38,816     | -      | 38,108               | 38,108     | -      | -                 | -  | 708                     | 708     | -      |
| 2024                   | SERC            | C-1465  | City of Thayer, MO                                     | U.S.    | 632                    | 632        | -      | 621                  | 621        | -      | -                 | -  | 12                      | 12      | -      |
| 2024                   | SERC            | C-1293  | City of Troy AL                                        | U.S.    | 11,551                 | 11,551     | -      | 11,340               | 11,340     | -      | -                 | -  | 211                     | 211     | -      |
| 2024                   | SERC            | C-1294  | City of West Memphis AR (West Memphis Utilities)       | U.S.    | 9,064                  | 9,064      | -      | 8,898                | 8,898      | -      | -                 | -  | 165                     | 165     | -      |
| 2024                   | SERC            | C-1583  | Claiborne Electric Cooperative, Inc.                   | U.S.    | 15,165                 | 15,165     | -      | 14,889               | 14,889     | -      | -                 | -  | 277                     | 277     | -      |
| 2024                   | SERC            | C-1584  | Concordia Electric Cooperative, Inc.                   | U.S.    | 5,012                  | 5,012      | -      | 4,921                | 4,921      | -      | -                 | -  | 91                      | 91      | -      |
| 2024                   | SERC            | C-1726  | Cube Hydro Carolinas                                   | U.S.    | 417                    | 417        | -      | 410                  | 410        | -      | -                 | -  | 8                       | 8       | -      |
| 2024                   | SERC            | C-1283  | Dalton Utilities                                       | U.S.    | 85,245                 | 85,245     | -      | 83,690               | 83,690     | -      | -                 | -  | 1,555                   | 1,555   | -      |
| 2024                   | SERC            | C-1585  | Dixie Electric Membership Corporation                  | U.S.    | 58,484                 | 58,484     | -      | 57,416               | 57,416     | -      | -                 | -  | 1,067                   | 1,067   | -      |
| 2024                   | SERC            | C-1295  | Dominion Virginia Power                                | U.S.    | 2,509,653              | 2,509,653  | -      | 2,463,864            | 2,463,864  | -      | -                 | -  | 45,789                  | 45,789  | -      |
| 2024                   | SERC            | C-1296  | Duke Energy Carolinas, LLC                             | U.S.    | 2,140,236              | 2,140,236  | -      | 2,101,187            | 2,101,187  | -      | -                 | -  | 39,049                  | 39,049  | -      |
| 2024                   | SERC            | C-1466  | Durant, MS                                             | U.S.    | 623                    | 623        | -      | 612                  | 612        | -      | -                 | -  | 11                      | 11      | -      |
| 2024                   | SERC            | C-1478  | LG&E and KU Services Co as agent for LG&E Co and KU Co | U.S.    | 774,848                | 774,848    | -      | 760,711              | 760,711    | -      | -                 | -  | 14,137                  | 14,137  | -      |
| 2024                   | SERC            | C-1297  | East Kentucky Power Cooperative                        | U.S.    | 369,983                | 369,983    | -      | 363,232              | 363,232    | -      | -                 | -  | 6,750                   | 6,750   | -      |

| Data Year | Regional Entity | NERC ID | Entity                                                 | Country | Total NERC Assessments |           |        | NERC NEL Assessments |           |        | Penalty Sanctions |    | NERC Compliance Credits |        |        |
|-----------|-----------------|---------|--------------------------------------------------------|---------|------------------------|-----------|--------|----------------------|-----------|--------|-------------------|----|-------------------------|--------|--------|
|           |                 |         |                                                        |         | Total                  | US        | Canada | Total                | US        | Canada | Total             | US | Total                   | US     | Canada |
| 2024      | SERC            | C-1298  | East Mississippi Electric Power Association            | U.S.    | 10,128                 | 10,128    | -      | 9,943                | 9,943     | -      | -                 | -  | 185                     | 185    | -      |
| 2024      | SERC            | C-1669  | Electricities of North Carolina Inc                    | U.S.    | 291,648                | 291,648   | -      | 286,327              | 286,327   | -      | -                 | -  | 5,321                   | 5,321  | -      |
| 2024      | SERC            | C-1300  | EnergyUnited EMC                                       | U.S.    | 68,436                 | 68,436    | -      | 67,187               | 67,187    | -      | -                 | -  | 1,249                   | 1,249  | -      |
| 2024      | SERC            | C-1301  | Entergy                                                | U.S.    | 3,144,723              | 3,144,723 | -      | 3,087,347            | 3,087,347 | -      | -                 | -  | 57,376                  | 57,376 | -      |
| 2024      | SERC            | C-1302  | Fayetteville (NC) Public Works Commission              | U.S.    | 49,786                 | 49,786    | -      | 48,877               | 48,877    | -      | -                 | -  | 908                     | 908    | -      |
| 2024      | SERC            | C-1303  | Florida Public Utilities (FL Panhandle Load)           | U.S.    | 7,294                  | 7,294     | -      | 7,161                | 7,161     | -      | -                 | -  | 133                     | 133    | -      |
| 2024      | SERC            | C-1304  | French Broad EMC                                       | U.S.    | 13,182                 | 13,182    | -      | 12,941               | 12,941    | -      | -                 | -  | 241                     | 241    | -      |
| 2024      | SERC            | C-1305  | Georgia Power Company                                  | U.S.    | 2,221,243              | 2,221,243 | -      | 2,180,717            | 2,180,717 | -      | -                 | -  | 40,527                  | 40,527 | -      |
| 2024      | SERC            | C-1306  | Georgia System Optns Corporation                       | U.S.    | 1,106,238              | 1,106,238 | -      | 1,086,055            | 1,086,055 | -      | -                 | -  | 20,183                  | 20,183 | -      |
| 2024      | SERC            | C-1479  | Greenwood (MS) Utilities Commission                    | U.S.    | 6,409                  | 6,409     | -      | 6,292                | 6,292     | -      | -                 | -  | 117                     | 117    | -      |
| 2024      | SERC            | C-1307  | Greenwood (SC) Commissioners of Public Works           | U.S.    | 7,155                  | 7,155     | -      | 7,025                | 7,025     | -      | -                 | -  | 131                     | 131    | -      |
| 2024      | SERC            | C-1586  | Haywood EMC                                            | U.S.    | 8,449                  | 8,449     | -      | 8,294                | 8,294     | -      | -                 | -  | 154                     | 154    | -      |
| 2024      | SERC            | C-1984  | Hoosier Energy REC, Inc.                               | U.S.    | 10,699                 | 10,699    | -      | 10,504               | 10,504    | -      | -                 | -  | 195                     | 195    | -      |
| 2024      | SERC            | C-1309  | Illinois Municipal Electric Agency                     | U.S.    | 43,427                 | 43,427    | -      | 42,634               | 42,634    | -      | -                 | -  | 792                     | 792    | -      |
| 2024      | SERC            | C-1480  | Itta Bena, MS                                          | U.S.    | 316                    | 316       | -      | 310                  | 310       | -      | -                 | -  | 6                       | 6      | -      |
| 2024      | SERC            | C-1587  | Jefferson Davis Electric Cooperative, Inc.             | U.S.    | 4,973                  | 4,973     | -      | 4,882                | 4,882     | -      | -                 | -  | 91                      | 91     | -      |
| 2024      | SERC            | C-1617  | Kentucky Municipal Power                               | U.S.    | 18,573                 | 18,573    | -      | 18,234               | 18,234    | -      | -                 | -  | 339                     | 339    | -      |
| 2024      | SERC            | C-1481  | Municipal Energy Agency of MS-Kosciusko, MS            | U.S.    | 1,710                  | 1,710     | -      | 1,679                | 1,679     | -      | -                 | -  | 31                      | 31     | -      |
| 2024      | SERC            | C-1482  | Municipal Energy Agency of MS-Leland, MS               | U.S.    | 713                    | 713       | -      | 700                  | 700       | -      | -                 | -  | 13                      | 13     | -      |
| 2024      | SERC            | C-1313  | McCormick Commission of Public Works                   | U.S.    | 401                    | 401       | -      | 394                  | 394       | -      | -                 | -  | 7                       | 7      | -      |
| 2024      | SERC            | C-1314  | Mississippi Power Company                              | U.S.    | 325,621                | 325,621   | -      | 319,680              | 319,680   | -      | -                 | -  | 5,941                   | 5,941  | -      |
| 2024      | SERC            | C-1630  | Mt. Carmel Public Utility                              | U.S.    | 2,149                  | 2,149     | -      | 2,110                | 2,110     | -      | -                 | -  | 39                      | 39     | -      |
| 2024      | SERC            | C-1315  | Municipal Electric Authority of Georgia                | U.S.    | 342,747                | 342,747   | -      | 336,494              | 336,494   | -      | -                 | -  | 6,253                   | 6,253  | -      |
| 2024      | SERC            | C-1316  | N.C. Electric Membership Corp.                         | U.S.    | 335,779                | 335,779   | -      | 329,652              | 329,652   | -      | -                 | -  | 6,126                   | 6,126  | -      |
| 2024      | SERC            | C-1588  | Northeast Louisiana Power Cooperative, Inc.            | U.S.    | 6,867                  | 6,867     | -      | 6,742                | 6,742     | -      | -                 | -  | 125                     | 125    | -      |
| 2024      | SERC            | C-1574  | Northern Virginia Electric Cooperative                 | U.S.    | 304,527                | 304,527   | -      | 298,971              | 298,971   | -      | -                 | -  | 5,556                   | 5,556  | -      |
| 2024      | SERC            | C-1319  | Old Dominion Electric Cooperative                      | U.S.    | 178,686                | 178,686   | -      | 175,426              | 175,426   | -      | -                 | -  | 3,260                   | 3,260  | -      |
| 2024      | SERC            | C-1618  | Osceola (Arkansas) Municipal Light and Power           | U.S.    | 3,275                  | 3,275     | -      | 3,216                | 3,216     | -      | -                 | -  | 60                      | 60     | -      |
| 2024      | SERC            | C-1320  | Owensboro (KY) Municipal Utilities                     | U.S.    | 19,580                 | 19,580    | -      | 19,223               | 19,223    | -      | -                 | -  | 357                     | 357    | -      |
| 2024      | SERC            | C-1321  | Piedmont EMC in Duke and Progress Areas                | U.S.    | 13,573                 | 13,573    | -      | 13,326               | 13,326    | -      | -                 | -  | 248                     | 248    | -      |
| 2024      | SERC            | C-1323  | Piedmont Municipal Power Agency (PMPA)                 | U.S.    | 58,782                 | 58,782    | -      | 57,710               | 57,710    | -      | -                 | -  | 1,072                   | 1,072  | -      |
| 2024      | SERC            | C-1589  | Pointe Coupee Electric Memb. Corp.                     | U.S.    | 5,459                  | 5,459     | -      | 5,359                | 5,359     | -      | -                 | -  | 100                     | 100    | -      |
| 2024      | SERC            | C-1266  | PowerSouth Energy                                      | U.S.    | 240,692                | 240,692   | -      | 236,300              | 236,300   | -      | -                 | -  | 4,391                   | 4,391  | -      |
| 2024      | SERC            | C-1330  | Prairie Power, Inc.                                    | U.S.    | 37,889                 | 37,889    | -      | 37,198               | 37,198    | -      | -                 | -  | 691                     | 691    | -      |
| 2024      | SERC            | C-1706  | Duke Energy Progress                                   | U.S.    | 1,102,002              | 1,102,002 | -      | 1,081,896            | 1,081,896 | -      | -                 | -  | 20,106                  | 20,106 | -      |
| 2024      | SERC            | C-1325  | Rutherford EMC                                         | U.S.    | 34,732                 | 34,732    | -      | 34,099               | 34,099    | -      | -                 | -  | 634                     | 634    | -      |
| 2024      | SERC            | C-1326  | Dominion Energy South Carolina, Inc.                   | U.S.    | 560,012                | 560,012   | -      | 549,795              | 549,795   | -      | -                 | -  | 10,217                  | 10,217 | -      |
| 2024      | SERC            | C-1327  | South Carolina Public Service Authority                | U.S.    | 256,115                | 256,115   | -      | 251,442              | 251,442   | -      | -                 | -  | 4,673                   | 4,673  | -      |
| 2024      | SERC            | C-1590  | South Louisiana Electric Cooperative Association       | U.S.    | 12,865                 | 12,865    | -      | 12,631               | 12,631    | -      | -                 | -  | 235                     | 235    | -      |
| 2024      | SERC            | C-1328  | Cooperative Energy (formerly SMEPA)                    | U.S.    | 250,541                | 250,541   | -      | 245,970              | 245,970   | -      | -                 | -  | 4,571                   | 4,571  | -      |
| 2024      | SERC            | C-1329  | Southern Illinois Power Cooperative                    | U.S.    | 31,814                 | 31,814    | -      | 31,233               | 31,233    | -      | -                 | -  | 580                     | 580    | -      |
| 2024      | SERC            | C-1591  | Southwest Louisiana Electric Membership Corporation    | U.S.    | 65,243                 | 65,243    | -      | 64,053               | 64,053    | -      | -                 | -  | 1,190                   | 1,190  | -      |
| 2024      | SERC            | C-1619  | Southwestern Electric Cooperative, Inc.                | U.S.    | 11,788                 | 11,788    | -      | 11,573               | 11,573    | -      | -                 | -  | 215                     | 215    | -      |
| 2024      | SERC            | C-1331  | Tennessee Valley Authority                             | U.S.    | 4,071,892              | 4,071,892 | -      | 3,997,600            | 3,997,600 | -      | -                 | -  | 74,292                  | 74,292 | -      |
| 2024      | SERC            | C-1632  | East Texas Electric Cooperative (ETEC)                 | U.S.    | 56,824                 | 56,824    | -      | 55,787               | 55,787    | -      | -                 | -  | 1,037                   | 1,037  | -      |
| 2024      | SERC            | C-1332  | Tombigbee Electric Cooperative Inc.                    | U.S.    | 3,150                  | 3,150     | -      | 3,092                | 3,092     | -      | -                 | -  | 57                      | 57     | -      |
| 2024      | SERC            | C-1594  | Town of Sharpsburg, N.C.                               | U.S.    | 415                    | 415       | -      | 407                  | 407       | -      | -                 | -  | 8                       | 8      | -      |
| 2024      | SERC            | C-1595  | Town of Stantonsburg, N.C. JRO                         | U.S.    | 490                    | 490       | -      | 481                  | 481       | -      | -                 | -  | 9                       | 9      | -      |
| 2024      | SERC            | C-1333  | Town of Waynesville NC                                 | U.S.    | 1,916                  | 1,916     | -      | 1,881                | 1,881     | -      | -                 | -  | 35                      | 35     | -      |
| 2024      | SERC            | C-1334  | Town of Winnsboro SC                                   | U.S.    | 1,579                  | 1,579     | -      | 1,550                | 1,550     | -      | -                 | -  | 29                      | 29     | -      |
| 2024      | SERC            | C-1335  | Town of Winterville NC                                 | U.S.    | 1,349                  | 1,349     | -      | 1,324                | 1,324     | -      | -                 | -  | 25                      | 25     | -      |
| 2024      | SERC            | C-1597  | Washington-St.Tammany Electric Cooperative, Inc.       | U.S.    | 26,394                 | 26,394    | -      | 25,912               | 25,912    | -      | -                 | -  | 482                     | 482    | -      |
| 2024      | SERC            | C-1435  | Arkansas Electric Cooperative Corporation              | U.S.    | 261,771                | 261,771   | -      | 256,995              | 256,995   | -      | -                 | -  | 4,776                   | 4,776  | -      |
| 2024      | SERC            | C-1557  | City of Clarksdale, Mississippi                        | U.S.    | 3,367                  | 3,367     | -      | 3,305                | 3,305     | -      | -                 | -  | 61                      | 61     | -      |
| 2024      | SERC            | C-1708  | City of Abbeville                                      | U.S.    | 3,089                  | 3,089     | -      | 3,033                | 3,033     | -      | -                 | -  | 56                      | 56     | -      |
| 2024      | SERC            | C-1558  | Hope Water & Light (HWL)                               | U.S.    | 6,000                  | 6,000     | -      | 5,890                | 5,890     | -      | -                 | -  | 109                     | 109    | -      |
| 2024      | SERC            | C-1559  | City of Minden                                         | U.S.    | 3,316                  | 3,316     | -      | 3,256                | 3,256     | -      | -                 | -  | 61                      | 61     | -      |
| 2024      | SERC            | C-1249  | Cleco Power LLC                                        | U.S.    | 266,577                | 266,577   | -      | 261,713              | 261,713   | -      | -                 | -  | 4,864                   | 4,864  | -      |
| 2024      | SERC            | C-1648  | Jonesboro City Water & Light                           | U.S.    | 36,597                 | 36,597    | -      | 35,929               | 35,929    | -      | -                 | -  | 668                     | 668    | -      |
| 2024      | SERC            | C-1471  | Lafayette Utilities System                             | U.S.    | 50,259                 | 50,259    | -      | 49,342               | 49,342    | -      | -                 | -  | 917                     | 917    | -      |
| 2024      | SERC            | C-1253  | Louisiana Energy & Power Authority (LEPA)              | U.S.    | 27,305                 | 27,305    | -      | 26,807               | 26,807    | -      | -                 | -  | 498                     | 498    | -      |
| 2024      | SERC            | C-1443  | Missouri Joint Municipal Electric Utility Commission   | U.S.    | 70,818                 | 70,818    | -      | 69,526               | 69,526    | -      | -                 | -  | 1,292                   | 1,292  | -      |
| 2024      | SERC            | C-1639  | OzMo Ozark Missouri, West Plains MO                    | U.S.    | 4,148                  | 4,148     | -      | 4,073                | 4,073     | -      | -                 | -  | 76                      | 76     | -      |
| 2024      | SERC            | C-1653  | Poplar Bluff Municipal Utilities                       | U.S.    | 8,495                  | 8,495     | -      | 8,340                | 8,340     | -      | -                 | -  | 155                     | 155    | -      |
| 2024      | SERC            | C-1636  | City of Prescott                                       | U.S.    | 1,655                  | 1,655     | -      | 1,625                | 1,625     | -      | -                 | -  | 30                      | 30     | -      |
| 2024      | SERC            | C-1561  | Public Service Commission of Yazoo City of Mississippi | U.S.    | 2,624                  | 2,624     | -      | 2,576                | 2,576     | -      | -                 | -  | 48                      | 48     | -      |
| 2024      | SERC            | C-1654  | Sikeston Board of Municipal Utilities                  | U.S.    | 10,208                 | 10,208    | -      | 10,022               | 10,022    | -      | -                 | -  | 186                     | 186    | -      |

| Data Year   | Regional Entity | NERC ID | Entity                                                 | Country | Total NERC Assessments |            |           | NERC NEL Assessments |            |           | Penalty Sanctions |    | NERC Compliance Credits |         |           |
|-------------|-----------------|---------|--------------------------------------------------------|---------|------------------------|------------|-----------|----------------------|------------|-----------|-------------------|----|-------------------------|---------|-----------|
|             |                 |         |                                                        |         | Total                  | US         | Canada    | Total                | US         | Canada    | Total             | US | Total                   | US      | Canada    |
| 2024        | SERC            | C-1074  | Alachua, City of                                       | U.S.    | 3,809                  | 3,809      | -         | 3,739                | 3,739      | -         | -                 | -  | 69                      | 69      | -         |
| 2024        | SERC            | C-1075  | Bartow, City of                                        | U.S.    | 7,750                  | 7,750      | -         | 7,608                | 7,608      | -         | -                 | -  | 141                     | 141     | -         |
| 2024        | SERC            | C-1076  | Chattahoochee, City of                                 | U.S.    | 1,015                  | 1,015      | -         | 997                  | 997        | -         | -                 | -  | 19                      | 19      | -         |
| 2024        | SERC            | C-1078  | Florida Power & Light Co.                              | U.S.    | 3,579,148              | 3,579,148  | -         | 3,513,847            | 3,513,847  | -         | -                 | -  | 65,302                  | 65,302  | -         |
| 2024        | SERC            | C-1079  | Florida Public Utilities Company                       | U.S.    | 8,957                  | 8,957      | -         | 8,793                | 8,793      | -         | -                 | -  | 163                     | 163     | -         |
| 2024        | SERC            | C-1080  | Gainesville Regional Utilities                         | U.S.    | 44,476                 | 44,476     | -         | 43,664               | 43,664     | -         | -                 | -  | 811                     | 811     | -         |
| 2024        | SERC            | C-1081  | Homestead, City of                                     | U.S.    | 15,860                 | 15,860     | -         | 15,570               | 15,570     | -         | -                 | -  | 289                     | 289     | -         |
| 2024        | SERC            | C-1082  | JEA                                                    | U.S.    | 324,713                | 324,713    | -         | 318,788              | 318,788    | -         | -                 | -  | 5,924                   | 5,924   | -         |
| 2024        | SERC            | C-1083  | Lakeland Electric                                      | U.S.    | 85,978                 | 85,978     | -         | 84,409               | 84,409     | -         | -                 | -  | 1,569                   | 1,569   | -         |
| 2024        | SERC            | C-1626  | Lee County Electric Cooperative, Inc                   | U.S.    | 118,396                | 118,396    | -         | 116,236              | 116,236    | -         | -                 | -  | 2,160                   | 2,160   | -         |
| 2024        | SERC            | C-1661  | City of Lake Worth                                     | U.S.    | 12,319                 | 12,319     | -         | 12,094               | 12,094     | -         | -                 | -  | 225                     | 225     | -         |
| 2024        | SERC            | C-1084  | Mount Dora, City of                                    | U.S.    | 2,529                  | 2,529      | -         | 2,483                | 2,483      | -         | -                 | -  | 46                      | 46      | -         |
| 2024        | SERC            | C-1085  | New Smyrna Beach, Utilities Commission of              | U.S.    | 11,920                 | 11,920     | -         | 11,703               | 11,703     | -         | -                 | -  | 217                     | 217     | -         |
| 2024        | SERC            | C-1086  | Orlando Utilities Commission                           | U.S.    | 201,800                | 201,800    | -         | 198,119              | 198,119    | -         | -                 | -  | 3,682                   | 3,682   | -         |
| 2024        | SERC            | C-1087  | Duke Energy Florida                                    | U.S.    | 1,055,237              | 1,055,237  | -         | 1,035,984            | 1,035,984  | -         | -                 | -  | 19,253                  | 19,253  | -         |
| 2024        | SERC            | C-1088  | Quincy, City of                                        | U.S.    | 2,836                  | 2,836      | -         | 2,785                | 2,785      | -         | -                 | -  | 52                      | 52      | -         |
| 2024        | SERC            | C-1089  | Central Florida Tourism Oversight District             | U.S.    | 29,786                 | 29,786     | -         | 29,243               | 29,243     | -         | -                 | -  | 543                     | 543     | -         |
| 2024        | SERC            | C-1091  | Tallahassee, City of                                   | U.S.    | 69,792                 | 69,792     | -         | 68,518               | 68,518     | -         | -                 | -  | 1,273                   | 1,273   | -         |
| 2024        | SERC            | C-1092  | Tampa Electric Company                                 | U.S.    | 535,314                | 535,314    | -         | 525,548              | 525,548    | -         | -                 | -  | 9,767                   | 9,767   | -         |
| 2024        | SERC            | C-1093  | Wauchula, City of                                      | U.S.    | 1,586                  | 1,586      | -         | 1,557                | 1,557      | -         | -                 | -  | 29                      | 29      | -         |
| 2024        | SERC            | C-1094  | Williston, City of                                     | U.S.    | 895                    | 895        | -         | 879                  | 879        | -         | -                 | -  | 16                      | 16      | -         |
| 2024        | SERC            | C-1095  | Winter Park, City of                                   | U.S.    | 11,182                 | 11,182     | -         | 10,978               | 10,978     | -         | -                 | -  | 204                     | 204     | -         |
| 2024        | SERC            | C-1072  | Florida Municipal Power Agency                         | U.S.    | 174,592                | 174,592    | -         | 171,407              | 171,407    | -         | -                 | -  | 3,185                   | 3,185   | -         |
| 2024        | SERC            | C-1073  | Seminole Electric Cooperative                          | U.S.    | 424,921                | 424,921    | -         | 417,169              | 417,169    | -         | -                 | -  | 7,753                   | 7,753   | -         |
| TOTAL SERC  |                 |         |                                                        |         | 33,579,462             | 33,579,462 | -         | 32,966,802           | 32,966,802 | -         | -                 | -  | 612,659                 | 612,659 | -         |
| -           |                 |         |                                                        |         | -                      | -          | -         | -                    | -          | -         | -                 | -  | -                       | -       | -         |
| 2024        | Texas RE        | C-1019  | ERCOT                                                  | U.S.    | 11,306,803             | 11,306,803 | -         | 11,100,509           | 11,100,509 | -         | -                 | -  | 206,293                 | 206,293 | -         |
| TOTAL ERCOT |                 |         |                                                        |         | 11,306,803             | 11,306,803 | -         | 11,100,509           | 11,100,509 | -         | -                 | -  | 206,293                 | 206,293 | -         |
| -           |                 |         |                                                        |         | -                      | -          | -         | -                    | -          | -         | -                 | -  | -                       | -       | -         |
| 2024        | WECC            |         | Alberta Electric System Operator                       | Canada  | 1,176,173              | -          | 1,176,173 | 1,516,092            | -          | 1,516,092 | -                 | -  | (339,919)               | -       | (339,919) |
| 2024        | WECC            |         | British Columbia Hydro & Power Authority               | Canada  | 1,625,652              | -          | 1,625,652 | 1,595,992            | -          | 1,595,992 | -                 | -  | 29,660                  | -       | 29,660    |
| 2024        | WECC            |         | Aguila Irrigation District - APS                       | U.S.    | 991                    | 991        | -         | 973                  | 973        | -         | -                 | -  | 18                      | 18      | -         |
| 2024        | WECC            |         | Aha Macav Power Service                                | U.S.    | 623                    | 623        | -         | 611                  | 611        | -         | -                 | -  | 11                      | 11      | -         |
| 2024        | WECC            |         | Ajo Improvement District                               | U.S.    | 288                    | 288        | -         | 283                  | 283        | -         | -                 | -  | 5                       | 5       | -         |
| 2024        | WECC            |         | Air Liquide Hydrogen Energy U.S., LLC                  | U.S.    | 2,074                  | 2,074      | -         | 2,036                | 2,036      | -         | -                 | -  | 38                      | 38      | -         |
| 2024        | WECC            |         | Arizona Electric Power Cooperative, Inc                | U.S.    | 100,356                | 100,356    | -         | 98,525               | 98,525     | -         | -                 | -  | 1,831                   | 1,831   | -         |
| 2024        | WECC            |         | Arizona Public Service Company                         | U.S.    | 848,233                | 848,233    | -         | 832,757              | 832,757    | -         | -                 | -  | 15,476                  | 15,476  | -         |
| 2024        | WECC            |         | Arkansas River Power Authority (ARPA)                  | U.S.    | 5,389                  | 5,389      | -         | 5,291                | 5,291      | -         | -                 | -  | 98                      | 98      | -         |
| 2024        | WECC            |         | Avangrid Renewables                                    | U.S.    | 2,618                  | 2,618      | -         | 2,570                | 2,570      | -         | -                 | -  | 48                      | 48      | -         |
| 2024        | WECC            |         | Avista Corporation                                     | U.S.    | 245,331                | 245,331    | -         | 240,855              | 240,855    | -         | -                 | -  | 4,476                   | 4,476   | -         |
| 2024        | WECC            |         | Barrick Goldstrike Mines Inc.                          | U.S.    | 34,161                 | 34,161     | -         | 33,538               | 33,538     | -         | -                 | -  | 623                     | 623     | -         |
| 2024        | WECC            |         | Basin Electric Power Cooperative - NorthWestern        | U.S.    | 21,744                 | 21,744     | -         | 21,347               | 21,347     | -         | -                 | -  | 397                     | 397     | -         |
| 2024        | WECC            |         | Basin Electric Power Cooperative - WACM                | U.S.    | 56,469                 | 56,469     | -         | 55,439               | 55,439     | -         | -                 | -  | 1,030                   | 1,030   | -         |
| 2024        | WECC            |         | Basin Electric Power Cooperative - WAUW                | U.S.    | 3,294                  | 3,294      | -         | 3,234                | 3,234      | -         | -                 | -  | 60                      | 60      | -         |
| 2024        | WECC            |         | Beartooth Electric Cooperative                         | U.S.    | 2,163                  | 2,163      | -         | 2,123                | 2,123      | -         | -                 | -  | 39                      | 39      | -         |
| 2024        | WECC            |         | Big Horn County Electric Cooperative                   | U.S.    | 1,737                  | 1,737      | -         | 1,705                | 1,705      | -         | -                 | -  | 32                      | 32      | -         |
| 2024        | WECC            |         | Black Hills Energy Colorado Electric                   | U.S.    | 47,241                 | 47,241     | -         | 46,379               | 46,379     | -         | -                 | -  | 862                     | 862     | -         |
| 2024        | WECC            |         | Black Hills Power/Cheyenne Light Fuel & Power          | U.S.    | 120,139                | 120,139    | -         | 117,947              | 117,947    | -         | -                 | -  | 2,192                   | 2,192   | -         |
| 2024        | WECC            |         | Black Hills State University South Dakota              | U.S.    | 412                    | 412        | -         | 405                  | 405        | -         | -                 | -  | 8                       | 8       | -         |
| 2024        | WECC            |         | Bonneville Power Administration-Transmission           | U.S.    | 1,441,108              | 1,441,108  | -         | 1,414,815            | 1,414,815  | -         | -                 | -  | 26,293                  | 26,293  | -         |
| 2024        | WECC            |         | Bonneville Power Administration-Power Services         | U.S.    | 164,867                | 164,867    | -         | 161,859              | 161,859    | -         | -                 | -  | 3,008                   | 3,008   | -         |
| 2024        | WECC            |         | Bonneville Power Administration-Hydro                  | U.S.    | 5,035                  | 5,035      | -         | 4,943                | 4,943      | -         | -                 | -  | 92                      | 92      | -         |
| 2024        | WECC            |         | Brookfield Renewable Energy Marketing                  | Canada  | 1,652                  | -          | 1,652     | 1,622                | -          | 1,622     | -                 | -  | 30                      | -       | 30        |
| 2024        | WECC            |         | Buckeye Water Conservation and Drainage District - APS | U.S.    | 462                    | 462        | -         | 453                  | 453        | -         | -                 | -  | 8                       | 8       | -         |
| 2024        | WECC            |         | Bureau of Reclamation (Wellfield)                      | U.S.    | 431                    | 431        | -         | 423                  | 423        | -         | -                 | -  | 8                       | 8       | -         |
| 2024        | WECC            |         | Burlington                                             | U.S.    | 749                    | 749        | -         | 735                  | 735        | -         | -                 | -  | 14                      | 14      | -         |
| 2024        | WECC            |         | Caesars Entertainment LLC/North                        | U.S.    | 936                    | 936        | -         | 918                  | 918        | -         | -                 | -  | 17                      | 17      | -         |
| 2024        | WECC            |         | Caesars Entertainment LLC/South                        | U.S.    | 10,816                 | 10,816     | -         | 10,619               | 10,619     | -         | -                 | -  | 197                     | 197     | -         |
| 2024        | WECC            |         | California Independent System Operator                 | U.S.    | 5,215,853              | 5,215,853  | -         | 5,120,690            | 5,120,690  | -         | -                 | -  | 95,164                  | 95,164  | -         |
| 2024        | WECC            |         | Calpine Energy Solutions, LLC. (Noble Americas)        | U.S.    | 45,861                 | 45,861     | -         | 45,024               | 45,024     | -         | -                 | -  | 837                     | 837     | -         |
| 2024        | WECC            |         | Central Arizona Water Conservation District - WALC     | U.S.    | 27,778                 | 27,778     | -         | 27,271               | 27,271     | -         | -                 | -  | 507                     | 507     | -         |
| 2024        | WECC            |         | Circus Circus Las Vegas                                | U.S.    | 1,241                  | 1,241      | -         | 1,218                | 1,218      | -         | -                 | -  | 23                      | 23      | -         |
| 2024        | WECC            |         | City of Aztec Electric Dept. - WACM                    | U.S.    | 924                    | 924        | -         | 907                  | 907        | -         | -                 | -  | 17                      | 17      | -         |
| 2024        | WECC            |         | City of Fallon                                         | U.S.    | 2,312                  | 2,312      | -         | 2,270                | 2,270      | -         | -                 | -  | 42                      | 42      | -         |
| 2024        | WECC            |         | City of Farmington                                     | U.S.    | 22,165                 | 22,165     | -         | 21,761               | 21,761     | -         | -                 | -  | 404                     | 404     | -         |
| 2024        | WECC            |         | City of Gallup                                         | U.S.    | 4,798                  | 4,798      | -         | 4,711                | 4,711      | -         | -                 | -  | 88                      | 88      | -         |
| 2024        | WECC            |         | City of Henderson                                      | U.S.    | 980                    | 980        | -         | 962                  | 962        | -         | -                 | -  | 18                      | 18      | -         |

| Data Year | Regional Entity | NERC ID | Entity                                                        | Country | Total NERC Assessments |           |        | NERC NEL Assessments |           |        | Penalty Sanctions |    | NERC Compliance Credits |        |        |
|-----------|-----------------|---------|---------------------------------------------------------------|---------|------------------------|-----------|--------|----------------------|-----------|--------|-------------------|----|-------------------------|--------|--------|
|           |                 |         |                                                               |         | Total                  | US        | Canada | Total                | US        | Canada | Total             | US | Total                   | US     | Canada |
| 2024      | WECC            |         | City of Las Vegas                                             | U.S.    | 1,050                  | 1,050     | -      | 1,030                | 1,030     | -      | -                 | -  | 19                      | 19     | -      |
| 2024      | WECC            |         | City of Mesa                                                  | U.S.    | 6,635                  | 6,635     | -      | 6,514                | 6,514     | -      | -                 | -  | 121                     | 121    | -      |
| 2024      | WECC            |         | City of North Las Vegas                                       | U.S.    | 520                    | 520       | -      | 510                  | 510       | -      | -                 | -  | 9                       | 9      | -      |
| 2024      | WECC            |         | City of Page                                                  | U.S.    | 2,322                  | 2,322     | -      | 2,280                | 2,280     | -      | -                 | -  | 42                      | 42     | -      |
| 2024      | WECC            |         | City of Redding                                               | U.S.    | 19,379                 | 19,379    | -      | 19,026               | 19,026    | -      | -                 | -  | 354                     | 354    | -      |
| 2024      | WECC            |         | City of Roseville                                             | U.S.    | 29,503                 | 29,503    | -      | 28,965               | 28,965    | -      | -                 | -  | 538                     | 538    | -      |
| 2024      | WECC            |         | City of Tacoma DBA Tacoma Power                               | U.S.    | 117,785                | 117,785   | -      | 115,636              | 115,636   | -      | -                 | -  | 2,149                   | 2,149  | -      |
| 2024      | WECC            |         | City of Williams                                              | U.S.    | 1,306                  | 1,306     | -      | 1,282                | 1,282     | -      | -                 | -  | 24                      | 24     | -      |
| 2024      | WECC            |         | Clark County Water Reclamation District                       | U.S.    | 2,088                  | 2,088     | -      | 2,050                | 2,050     | -      | -                 | -  | 38                      | 38     | -      |
| 2024      | WECC            |         | Colorado River Agency-Bureau of Indian Affairs                | U.S.    | 892                    | 892       | -      | 876                  | 876       | -      | -                 | -  | 16                      | 16     | -      |
| 2024      | WECC            |         | Colorado River Commission of Nevada                           | U.S.    | 2,898                  | 2,898     | -      | 2,845                | 2,845     | -      | -                 | -  | 53                      | 53     | -      |
| 2024      | WECC            |         | Colorado Springs Utilities - WACM                             | U.S.    | 121,304                | 121,304   | -      | 119,091              | 119,091   | -      | -                 | -  | 2,213                   | 2,213  | -      |
| 2024      | WECC            |         | Constellation New Energy                                      | U.S.    | 7,811                  | 7,811     | -      | 7,669                | 7,669     | -      | -                 | -  | 143                     | 143    | -      |
| 2024      | WECC            |         | Intermountain Rural Electric Association (CORE)               | U.S.    | 53,497                 | 53,497    | -      | 52,521               | 52,521    | -      | -                 | -  | 976                     | 976    | -      |
| 2024      | WECC            |         | Delta-Montrose Electric Association                           | U.S.    | 14,523                 | 14,523    | -      | 14,258               | 14,258    | -      | -                 | -  | 265                     | 265    | -      |
| 2024      | WECC            |         | Deseret Generation & Transmission Cooperative - WACM          | U.S.    | 895                    | 895       | -      | 879                  | 879       | -      | -                 | -  | 16                      | 16     | -      |
| 2024      | WECC            |         | Douglas Palisades / PUD No. 1 of DC                           | U.S.    | 510                    | 510       | -      | 501                  | 501       | -      | -                 | -  | 9                       | 9      | -      |
| 2024      | WECC            |         | DEIR Flamingo Tenant, LLC dba Rio Las Vegas                   | U.S.    | 1,301                  | 1,301     | -      | 1,278                | 1,278     | -      | -                 | -  | 24                      | 24     | -      |
| 2024      | WECC            |         | El Paso Electric Company                                      | U.S.    | 226,880                | 226,880   | -      | 222,741              | 222,741   | -      | -                 | -  | 4,139                   | 4,139  | -      |
| 2024      | WECC            |         | Electrical District #2                                        | U.S.    | 5,938                  | 5,938     | -      | 5,829                | 5,829     | -      | -                 | -  | 108                     | 108    | -      |
| 2024      | WECC            |         | Electrical District #2 - Coolidge Generating Station          | U.S.    | 94                     | 94        | -      | 92                   | 92        | -      | -                 | -  | 2                       | 2      | -      |
| 2024      | WECC            |         | Electrical District No. 6 of Pinal County - APS               | U.S.    | 3                      | 3         | -      | 3                    | 3         | -      | -                 | -  | 0                       | 0      | -      |
| 2024      | WECC            |         | Electrical District No. 7 of Maricopa County - APS            | U.S.    | 890                    | 890       | -      | 874                  | 874       | -      | -                 | -  | 16                      | 16     | -      |
| 2024      | WECC            |         | Electrical District No. 8 of Maricopa County - APS            | U.S.    | 10,226                 | 10,226    | -      | 10,040               | 10,040    | -      | -                 | -  | 187                     | 187    | -      |
| 2024      | WECC            |         | Francis E. Warren Air Force Base                              | U.S.    | 510                    | 510       | -      | 500                  | 500       | -      | -                 | -  | 9                       | 9      | -      |
| 2024      | WECC            |         | Georgia-Pacific Gypsum, LLC                                   | U.S.    | 637                    | 637       | -      | 626                  | 626       | -      | -                 | -  | 12                      | 12     | -      |
| 2024      | WECC            |         | Grand Valley Power                                            | U.S.    | 6,419                  | 6,419     | -      | 6,302                | 6,302     | -      | -                 | -  | 117                     | 117    | -      |
| 2024      | WECC            |         | Harquahala Valley Power Districts - APS                       | U.S.    | 1,958                  | 1,958     | -      | 1,922                | 1,922     | -      | -                 | -  | 36                      | 36     | -      |
| 2024      | WECC            |         | Holy Cross Energy                                             | U.S.    | 10,775                 | 10,775    | -      | 10,579               | 10,579    | -      | -                 | -  | 197                     | 197    | -      |
| 2024      | WECC            |         | HR Nevada LLC (Hard Rock)                                     | U.S.    | 1,253                  | 1,253     | -      | 1,230                | 1,230     | -      | -                 | -  | 23                      | 23     | -      |
| 2024      | WECC            |         | Idaho Power Company                                           | U.S.    | 425,087                | 425,087   | -      | 417,331              | 417,331   | -      | -                 | -  | 7,756                   | 7,756  | -      |
| 2024      | WECC            |         | Imperial Irrigation District                                  | U.S.    | 96,199                 | 96,199    | -      | 94,444               | 94,444    | -      | -                 | -  | 1,755                   | 1,755  | -      |
| 2024      | WECC            |         | Jicarilla Apache Nation Power Authority                       | U.S.    | 606                    | 606       | -      | 595                  | 595       | -      | -                 | -  | 11                      | 11     | -      |
| 2024      | WECC            |         | Kaiser Aluminum Fabricated Products LLC                       | U.S.    | 4,601                  | 4,601     | -      | 4,517                | 4,517     | -      | -                 | -  | 84                      | 84     | -      |
| 2024      | WECC            |         | Kit Carson Electric Inc                                       | U.S.    | 6,026                  | 6,026     | -      | 5,916                | 5,916     | -      | -                 | -  | 110                     | 110    | -      |
| 2024      | WECC            |         | Las Vegas Valley Water District                               | U.S.    | 2,544                  | 2,544     | -      | 2,497                | 2,497     | -      | -                 | -  | 46                      | 46     | -      |
| 2024      | WECC            |         | Los Angeles Department of Water and Power                     | U.S.    | 621,975                | 621,975   | -      | 610,627              | 610,627   | -      | -                 | -  | 11,348                  | 11,348 | -      |
| 2024      | WECC            |         | Maricopa County Municipal Water Conservation Dist No. 1 - APS | U.S.    | 1,298                  | 1,298     | -      | 1,275                | 1,275     | -      | -                 | -  | 24                      | 24     | -      |
| 2024      | WECC            |         | McMullen Valley Water Conservation & Drainage District - APS  | U.S.    | 3,097                  | 3,097     | -      | 3,041                | 3,041     | -      | -                 | -  | 57                      | 57     | -      |
| 2024      | WECC            |         | Merced Irrigation District                                    | U.S.    | 12,967                 | 12,967    | -      | 12,731               | 12,731    | -      | -                 | -  | 237                     | 237    | -      |
| 2024      | WECC            |         | MGM Resorts Design and Development                            | U.S.    | 17,882                 | 17,882    | -      | 17,556               | 17,556    | -      | -                 | -  | 326                     | 326    | -      |
| 2024      | WECC            |         | Modesto Irrigation District                                   | U.S.    | 66,663                 | 66,663    | -      | 65,447               | 65,447    | -      | -                 | -  | 1,216                   | 1,216  | -      |
| 2024      | WECC            |         | Montana-Dakota Utilities Co.                                  | U.S.    | 440                    | 440       | -      | 432                  | 432       | -      | -                 | -  | 8                       | 8      | -      |
| 2024      | WECC            |         | Mountain Parks Electric Inc                                   | U.S.    | 8,970                  | 8,970     | -      | 8,807                | 8,807     | -      | -                 | -  | 164                     | 164    | -      |
| 2024      | WECC            |         | Mt. Wheeler Power                                             | U.S.    | 14,599                 | 14,599    | -      | 14,332               | 14,332    | -      | -                 | -  | 266                     | 266    | -      |
| 2024      | WECC            |         | Municipal Energy Agency of Nebraska - PSCO                    | U.S.    | 4,800                  | 4,800     | -      | 4,713                | 4,713     | -      | -                 | -  | 88                      | 88     | -      |
| 2024      | WECC            |         | Municipal Energy Agency of Nebraska - WACM                    | U.S.    | 16,076                 | 16,076    | -      | 15,783               | 15,783    | -      | -                 | -  | 293                     | 293    | -      |
| 2024      | WECC            |         | Navajo Tribal Utility Authority - APS                         | U.S.    | 633                    | 633       | -      | 622                  | 622       | -      | -                 | -  | 12                      | 12     | -      |
| 2024      | WECC            |         | Navajo Tribal Utility Authority - PNM                         | U.S.    | 5,535                  | 5,535     | -      | 5,434                | 5,434     | -      | -                 | -  | 101                     | 101    | -      |
| 2024      | WECC            |         | Navajo Tribal Utility Authority - WACM                        | U.S.    | 10,663                 | 10,663    | -      | 10,468               | 10,468    | -      | -                 | -  | 195                     | 195    | -      |
| 2024      | WECC            |         | Nebraska Public Power Marketing                               | U.S.    | 105                    | 105       | -      | 103                  | 103       | -      | -                 | -  | 2                       | 2      | -      |
| 2024      | WECC            |         | Needles Public Utilities Authority                            | U.S.    | 1,849                  | 1,849     | -      | 1,815                | 1,815     | -      | -                 | -  | 34                      | 34     | -      |
| 2024      | WECC            |         | Nevada Gold Mines (Newmont)                                   | U.S.    | 25,645                 | 25,645    | -      | 25,177               | 25,177    | -      | -                 | -  | 468                     | 468    | -      |
| 2024      | WECC            |         | Nevada Power Company dba NV Energy                            | U.S.    | 812,428                | 812,428   | -      | 797,605              | 797,605   | -      | -                 | -  | 14,823                  | 14,823 | -      |
| 2024      | WECC            |         | NorthWestern Corp. dba NorthWestern Energy, LLC               | U.S.    | 247,358                | 247,358   | -      | 242,844              | 242,844   | -      | -                 | -  | 4,513                   | 4,513  | -      |
| 2024      | WECC            |         | NorthWestern Corp. dba NorthWestern Energy, LLC - WAUW        | U.S.    | 6,832                  | 6,832     | -      | 6,707                | 6,707     | -      | -                 | -  | 125                     | 125    | -      |
| 2024      | WECC            |         | Okanogan PUD                                                  | U.S.    | 16,188                 | 16,188    | -      | 15,893               | 15,893    | -      | -                 | -  | 295                     | 295    | -      |
| 2024      | WECC            |         | Overton Power District No. 5                                  | U.S.    | 11,944                 | 11,944    | -      | 11,726               | 11,726    | -      | -                 | -  | 218                     | 218    | -      |
| 2024      | WECC            |         | PacifiCorp East                                               | U.S.    | 1,317,066              | 1,317,066 | -      | 1,293,036            | 1,293,036 | -      | -                 | -  | 24,030                  | 24,030 | -      |
| 2024      | WECC            |         | PacifiCorp - IPC                                              | U.S.    | 53                     | 53        | -      | 52                   | 52        | -      | -                 | -  | 1                       | 1      | -      |
| 2024      | WECC            |         | PacifiCorp - Portland General                                 | U.S.    | 82                     | 82        | -      | 81                   | 81        | -      | -                 | -  | 1                       | 1      | -      |
| 2024      | WECC            |         | PacifiCorp - WACM                                             | U.S.    | 2,594                  | 2,594     | -      | 2,547                | 2,547     | -      | -                 | -  | 47                      | 47     | -      |
| 2024      | WECC            |         | PacifiCorp West                                               | U.S.    | 528,831                | 528,831   | -      | 519,183              | 519,183   | -      | -                 | -  | 9,649                   | 9,649  | -      |
| 2024      | WECC            |         | Pend Oreille County PUD No. 1                                 | U.S.    | 15,791                 | 15,791    | -      | 15,503               | 15,503    | -      | -                 | -  | 288                     | 288    | -      |
| 2024      | WECC            |         | Peppermill Hotel Casino                                       | U.S.    | 1,287                  | 1,287     | -      | 1,264                | 1,264     | -      | -                 | -  | 23                      | 23     | -      |
| 2024      | WECC            |         | Platte River Power Authority                                  | U.S.    | 78,716                 | 78,716    | -      | 77,280               | 77,280    | -      | -                 | -  | 1,436                   | 1,436  | -      |
| 2024      | WECC            |         | Portland General Electric Company                             | U.S.    | 483,535                | 483,535   | -      | 474,713              | 474,713   | -      | -                 | -  | 8,822                   | 8,822  | -      |

| Data Year                                   | Regional Entity | NERC ID | Entity                                                                 | Country | Total NERC Assessments |             |            | NERC NEL Assessments |             |            | Penalty Sanctions |    | NERC Compliance Credits |           |             |
|---------------------------------------------|-----------------|---------|------------------------------------------------------------------------|---------|------------------------|-------------|------------|----------------------|-------------|------------|-------------------|----|-------------------------|-----------|-------------|
|                                             |                 |         |                                                                        |         | Total                  | US          | Canada     | Total                | US          | Canada     | Total             | US | Total                   | US        | Canada      |
| 2024                                        | WECC            |         | Public Service Company of Colorado (Xcel)                              | U.S.    | 787,756                | 787,756     | -          | 773,383              | 773,383     | -          | -                 | -  | 14,373                  | 14,373    | -           |
| 2024                                        | WECC            |         | Public Service Company of Colorado (Xcel) - WACM                       | U.S.    | 1,216                  | 1,216       | -          | 1,194                | 1,194       | -          | -                 | -  | 22                      | 22        | -           |
| 2024                                        | WECC            |         | Public Service Company of New Mexico                                   | U.S.    | 255,641                | 255,641     | -          | 250,977              | 250,977     | -          | -                 | -  | 4,664                   | 4,664     | -           |
| 2024                                        | WECC            |         | Public Utility District No. 1 of Chelan County                         | U.S.    | 48,361                 | 48,361      | -          | 47,479               | 47,479      | -          | -                 | -  | 882                     | 882       | -           |
| 2024                                        | WECC            |         | PUD No. 1 of Douglas County                                            | U.S.    | 39,055                 | 39,055      | -          | 38,342               | 38,342      | -          | -                 | -  | 713                     | 713       | -           |
| 2024                                        | WECC            |         | PUD No. 2 of Grant County                                              | U.S.    | 156,758                | 156,758     | -          | 153,898              | 153,898     | -          | -                 | -  | 2,860                   | 2,860     | -           |
| 2024                                        | WECC            |         | PUD No. 2 of Grant County - Avista                                     | U.S.    | 2,333                  | 2,333       | -          | 2,290                | 2,290       | -          | -                 | -  | 43                      | 43        | -           |
| 2024                                        | WECC            |         | Pueblo of Acoma Utility Authority                                      | U.S.    | 471                    | 471         | -          | 462                  | 462         | -          | -                 | -  | 9                       | 9         | -           |
| 2024                                        | WECC            |         | Puget Sound Energy, Inc.                                               | U.S.    | 600,007                | 600,007     | -          | 589,060              | 589,060     | -          | -                 | -  | 10,947                  | 10,947    | -           |
| 2024                                        | WECC            |         | Raton Public Service                                                   | U.S.    | 1,108                  | 1,108       | -          | 1,088                | 1,088       | -          | -                 | -  | 20                      | 20        | -           |
| 2024                                        | WECC            |         | Reno City Center                                                       | U.S.    | 161                    | 161         | -          | 158                  | 158         | -          | -                 | -  | 3                       | 3         | -           |
| 2024                                        | WECC            |         | Roosevelt Irrigation District - APS                                    | U.S.    | 1,012                  | 1,012       | -          | 993                  | 993         | -          | -                 | -  | 18                      | 18        | -           |
| 2024                                        | WECC            |         | Sacramento Municipal Utility District                                  | U.S.    | 281,393                | 281,393     | -          | 276,259              | 276,259     | -          | -                 | -  | 5,134                   | 5,134     | -           |
| 2024                                        | WECC            |         | Sahara Las Vegas                                                       | U.S.    | 734                    | 734         | -          | 721                  | 721         | -          | -                 | -  | 13                      | 13        | -           |
| 2024                                        | WECC            |         | Salt River Project                                                     | U.S.    | 859,782                | 859,782     | -          | 844,095              | 844,095     | -          | -                 | -  | 15,687                  | 15,687    | -           |
| 2024                                        | WECC            |         | Seattle City Light                                                     | U.S.    | 227,988                | 227,988     | -          | 223,829              | 223,829     | -          | -                 | -  | 4,160                   | 4,160     | -           |
| 2024                                        | WECC            |         | Shell Energy North America                                             | U.S.    | 2,590                  | 2,590       | -          | 2,542                | 2,542       | -          | -                 | -  | 47                      | 47        | -           |
| 2024                                        | WECC            |         | Silver State Energy Association                                        | U.S.    | 15,693                 | 15,693      | -          | 15,407               | 15,407      | -          | -                 | -  | 286                     | 286       | -           |
| 2024                                        | WECC            |         | Southern Nevada Water Authority                                        | U.S.    | 3,137                  | 3,137       | -          | 3,080                | 3,080       | -          | -                 | -  | 57                      | 57        | -           |
| 2024                                        | WECC            |         | Switch-North                                                           | U.S.    | 10,480                 | 10,480      | -          | 10,289               | 10,289      | -          | -                 | -  | 191                     | 191       | -           |
| 2024                                        | WECC            |         | Switch-South                                                           | U.S.    | 20,380                 | 20,380      | -          | 20,008               | 20,008      | -          | -                 | -  | 372                     | 372       | -           |
| 2024                                        | WECC            |         | The Incorporated County of Los Alamos                                  | U.S.    | 13,160                 | 13,160      | -          | 12,920               | 12,920      | -          | -                 | -  | 240                     | 240       | -           |
| 2024                                        | WECC            |         | Tohono O'odham Utility Authority                                       | U.S.    | 1,612                  | 1,612       | -          | 1,582                | 1,582       | -          | -                 | -  | 29                      | 29        | -           |
| 2024                                        | WECC            |         | Tonopah Irrigation District - APS                                      | U.S.    | 1,024                  | 1,024       | -          | 1,005                | 1,005       | -          | -                 | -  | 19                      | 19        | -           |
| 2024                                        | WECC            |         | Town of Fredonia - WALC                                                | U.S.    | 46                     | 46          | -          | 45                   | 45          | -          | -                 | -  | 1                       | 1         | -           |
| 2024                                        | WECC            |         | Tri-State Generation & Transmission Assoc. Inc - Reliability - PSCO    | U.S.    | 26,180                 | 26,180      | -          | 25,702               | 25,702      | -          | -                 | -  | 478                     | 478       | -           |
| 2024                                        | WECC            |         | Tri-State Generation & Transmission Assoc. Inc - Reliability - WACM    | U.S.    | 198,331                | 198,331     | -          | 194,712              | 194,712     | -          | -                 | -  | 3,619                   | 3,619     | -           |
| 2024                                        | WECC            |         | Tri-State Generation & Transmission Association, Inc. - PNM            | U.S.    | 63,175                 | 63,175      | -          | 62,022               | 62,022      | -          | -                 | -  | 1,153                   | 1,153     | -           |
| 2024                                        | WECC            |         | Truckee Donner Public Utility District                                 | U.S.    | 4,041                  | 4,041       | -          | 3,968                | 3,968       | -          | -                 | -  | 74                      | 74        | -           |
| 2024                                        | WECC            |         | Tucson Electric Power Company                                          | U.S.    | 356,122                | 356,122     | -          | 349,625              | 349,625     | -          | -                 | -  | 6,497                   | 6,497     | -           |
| 2024                                        | WECC            |         | Turlock Irrigation District                                            | U.S.    | 58,344                 | 58,344      | -          | 57,279               | 57,279      | -          | -                 | -  | 1,064                   | 1,064     | -           |
| 2024                                        | WECC            |         | U.S. Army Yuma Proving Ground                                          | U.S.    | 410                    | 410         | -          | 403                  | 403         | -          | -                 | -  | 7                       | 7         | -           |
| 2024                                        | WECC            |         | United Power, Inc                                                      | U.S.    | 69,627                 | 69,627      | -          | 68,357               | 68,357      | -          | -                 | -  | 1,270                   | 1,270     | -           |
| 2024                                        | WECC            |         | United Power, Inc. - PSCO                                              | U.S.    | 14,609                 | 14,609      | -          | 14,343               | 14,343      | -          | -                 | -  | 267                     | 267       | -           |
| 2024                                        | WECC            |         | US Dept of Energy - Kirtland AFB                                       | U.S.    | 11,776                 | 11,776      | -          | 11,562               | 11,562      | -          | -                 | -  | 215                     | 215       | -           |
| 2024                                        | WECC            |         | Western Area Power - Loveland, CO - PSCO                               | U.S.    | 4,033                  | 4,033       | -          | 3,960                | 3,960       | -          | -                 | -  | 74                      | 74        | -           |
| 2024                                        | WECC            |         | Western Area Power - Loveland, CO - WACM                               | U.S.    | 36,634                 | 36,634      | -          | 35,965               | 35,965      | -          | -                 | -  | 668                     | 668       | -           |
| 2024                                        | WECC            |         | Western Area Power Administration - CRSP                               | U.S.    | 32,176                 | 32,176      | -          | 31,589               | 31,589      | -          | -                 | -  | 587                     | 587       | -           |
| 2024                                        | WECC            |         | Western Area Power Administration - Sierra Nevada Region               | U.S.    | 41,526                 | 41,526      | -          | 40,768               | 40,768      | -          | -                 | -  | 758                     | 758       | -           |
| 2024                                        | WECC            |         | Western Area Power Administration-Desert Southwest Region - WALC       | U.S.    | 30,177                 | 30,177      | -          | 29,627               | 29,627      | -          | -                 | -  | 551                     | 551       | -           |
| 2024                                        | WECC            |         | Western Area Power Administration-Upper Great Plains Region            | U.S.    | 9,125                  | 9,125       | -          | 8,959                | 8,959       | -          | -                 | -  | 166                     | 166       | -           |
| 2024                                        | WECC            |         | Western Area Power Administration-Upper Great Plains Region - NorthWe: | U.S.    | 191                    | 191         | -          | 187                  | 187         | -          | -                 | -  | 3                       | 3         | -           |
| 2024                                        | WECC            |         | Wynn Las Vegas                                                         | U.S.    | 4,264                  | 4,264       | -          | 4,186                | 4,186       | -          | -                 | -  | 78                      | 78        | -           |
| 2024                                        | WECC            |         | Yampa Valley Electric Association                                      | U.S.    | 13,554                 | 13,554      | -          | 13,307               | 13,307      | -          | -                 | -  | 247                     | 247       | -           |
| TOTAL WECC                                  |                 |         |                                                                        |         | 21,070,019             | 18,266,541  | 2,803,478  | 21,046,973           | 17,933,267  | 3,113,707  | -                 | -  | 23,045                  | 333,274   | (310,229)   |
| TOTAL ERO                                   |                 |         |                                                                        |         | 113,749,428            | 102,634,422 | 11,115,006 | 113,749,428          | 100,761,851 | 12,987,577 | -                 | -  | 0                       | 1,872,571 | (1,872,571) |
| Current Year NEL Summary by Regional Entity |                 |         |                                                                        |         |                        |             |            |                      |             |            |                   |    |                         |           |             |
| 2024                                        | MRO             |         |                                                                        |         | 12,683,746             | 11,425,598  | 1,258,149  | 12,452,331           | 11,217,137  | 1,235,194  | -                 | -  | 231,416                 | 208,461   | 22,955      |
| 2024                                        | NPCC            |         |                                                                        |         | 13,612,476             | 6,559,097   | 7,053,379  | 15,078,103           | 6,439,426   | 8,638,677  | -                 | -  | (1,465,626)             | 119,671   | (1,585,298) |
| 2024                                        | RF              |         |                                                                        |         | 21,496,922             | 21,496,922  | -          | 21,104,709           | 21,104,709  | -          | -                 | -  | 392,213                 | 392,213   | -           |
| 2024                                        | SERC            |         |                                                                        |         | 33,579,462             | 33,579,462  | -          | 32,966,802           | 32,966,802  | -          | -                 | -  | 612,659                 | 612,659   | -           |
| 2024                                        | Texas RE        |         |                                                                        |         | 11,306,803             | 11,306,803  | -          | 11,100,509           | 11,100,509  | -          | -                 | -  | 206,293                 | 206,293   | -           |
| 2024                                        | WECC            |         |                                                                        |         | 21,070,019             | 18,266,541  | 2,803,478  | 21,046,973           | 17,933,267  | 3,113,707  | -                 | -  | 23,045                  | 333,274   | (310,229)   |
| Total                                       |                 |         |                                                                        |         | 113,749,428            | 102,634,422 | 11,115,006 | 113,749,428          | 100,761,851 | 12,987,577 | -                 | -  | 0                       | 1,872,571 | (1,872,571) |



|           |                 |         |                                                                   |         | Total Regional Entity Assessments (Including WIRAB Assessments) |           |           | Regional Entity NEL Assessments |           |           | Penalty Sanctions - US Only |         | NPCC CORC Program |    |        | WECC Compliance Assessments (ex.AESO) |    |        | WIRAB Assessments |    |        |        |
|-----------|-----------------|---------|-------------------------------------------------------------------|---------|-----------------------------------------------------------------|-----------|-----------|---------------------------------|-----------|-----------|-----------------------------|---------|-------------------|----|--------|---------------------------------------|----|--------|-------------------|----|--------|--------|
|           |                 |         |                                                                   |         |                                                                 |           |           |                                 |           |           |                             |         |                   |    |        |                                       |    |        |                   |    |        |        |
| Data Year | Regional Entity | NERC ID | Entity                                                            | Country | Total                                                           | US        | Canada    | Total                           | US        | Canada    | Total                       | US      | Total             | US | Canada | Total                                 | US | Canada | Total             | US | Canada | Mexico |
| 2024      | MRO             | C-1217  | Manitoba Hydro                                                    | Canada  | 1,298,626                                                       | -         | 1,298,626 | 1,298,626                       | -         | 1,298,626 | -                           | -       | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1235  | SaskPower                                                         | Canada  | 1,304,479                                                       | -         | 1,304,479 | 1,304,479                       | -         | 1,304,479 | -                           | -       | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1195  | Alliant Energy (ALTE- WPL & ALTW IPL)                             | U.S.    | 1,419,971                                                       | 1,419,971 | -         | 1,421,432                       | 1,421,432 | -         | (1,461)                     | (1,461) | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1246  | American Electric Power Service Corporation                       | U.S.    | 1,936,688                                                       | 1,936,688 | -         | 1,938,681                       | 1,938,681 | -         | (1,993)                     | (1,993) | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1196  | Ames Municipal Electric System                                    | U.S.    | 38,976                                                          | -         | -         | 38,916                          | -         | -         | (40)                        | (40)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1986  | Arkansas Electric Cooperative Corporation (AECC)                  | U.S.    | 241,384                                                         | 241,384   | -         | 241,633                         | 241,633   | -         | (248)                       | (248)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1604  | Atlantic Municipal Utilities (AMU)                                | U.S.    | 7,773                                                           | 7,773     | -         | 7,781                           | 7,781     | -         | (8)                         | (8)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1199  | Basin Electric Power Cooperative (BEPCC)                          | U.S.    | 1,464,936                                                       | 1,464,936 | -         | 1,466,443                       | 1,466,443 | -         | (1,507)                     | (1,507) | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1247  | Board of Public Utilities (Kansas City, KS) (BPU)                 | U.S.    | 119,908                                                         | -         | -         | 120,032                         | 120,032   | -         | (123)                       | (123)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1620  | Board of Public Utilities City of McPherson, KS (MCPHER)          | U.S.    | 58,743                                                          | 58,743    | -         | 58,803                          | 58,803    | -         | (60)                        | (60)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1647  | Carthage Water and Light                                          | U.S.    | 14,771                                                          | 14,771    | -         | 14,786                          | 14,786    | -         | (15)                        | (15)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1200  | Cedar Falls Utilities (CFU)                                       | U.S.    | 38,906                                                          | 38,906    | -         | 38,946                          | 38,946    | -         | (40)                        | (40)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1201  | Central Iowa Power Cooperative (CIPCO)                            | U.S.    | 151,338                                                         | -         | -         | 151,493                         | -         | -         | (155)                       | (155)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1477  | Central Minnesota Municipal Power Agency (CMMPA)                  | U.S.    | 23,680                                                          | 23,680    | -         | 23,704                          | 23,704    | -         | (24)                        | (24)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1469  | Central Valley Electric Cooperative (CVEC)                        | U.S.    | 49,958                                                          | 49,958    | -         | 50,009                          | 50,009    | -         | (51)                        | (51)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-2056  | City of Beatrice                                                  | U.S.    | 9,547                                                           | -         | -         | 9,557                           | -         | -         | (10)                        | (10)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1556  | City of Bentonville (BENVILL)                                     | U.S.    | 38,614                                                          | 38,614    | -         | 38,653                          | 38,653    | -         | (40)                        | (40)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1713  | City of Bloomer (Bloomer Electric & Water Co.)                    | U.S.    | 3,435                                                           | 3,435     | -         | 3,438                           | 3,438     | -         | (4)                         | (4)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1703  | City of Chanute (CHANUTEKS)                                       | U.S.    | 27,759                                                          | 27,759    | -         | 27,787                          | 27,787    | -         | (29)                        | (29)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1203  | City of Escanaba (EME)                                            | U.S.    | 6,313                                                           | -         | -         | 6,320                           | -         | -         | (6)                         | (6)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1719  | City of Kasota                                                    | U.S.    | 186                                                             | 186       | -         | 186                             | 186       | -         | (0)                         | (0)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1709  | City of Nixa                                                      | U.S.    | 9,312                                                           | 9,312     | -         | 9,322                           | 9,322     | -         | (10)                        | (10)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-2057  | City of South Sioux City, NE                                      | U.S.    | 10,543                                                          | 10,543    | -         | 10,554                          | 10,554    | -         | (11)                        | (11)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1722  | City of Spooner                                                   | U.S.    | 1,562                                                           | 1,562     | -         | 1,564                           | 1,564     | -         | (2)                         | (2)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-2052  | City of Superior NE                                               | U.S.    | 2,452                                                           | 2,452     | -         | 2,455                           | 2,455     | -         | (3)                         | (3)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-2053  | City of Wakefield, NE                                             | U.S.    | 2,402                                                           | 2,402     | -         | 2,405                           | 2,405     | -         | (2)                         | (2)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-2054  | City of Wayne, NE                                                 | U.S.    | 3,435                                                           | 3,435     | -         | 3,439                           | 3,439     | -         | (4)                         | (4)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1436  | City Utilities of Springfield, MO (SPRPM)                         | U.S.    | 163,469                                                         | 163,469   | -         | 163,637                         | 163,637   | -         | (168)                       | (168)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1204  | Corn Belt Power Cooperative (CBPC)                                | U.S.    | 110,027                                                         | 110,027   | -         | 110,141                         | 110,141   | -         | (113)                       | (113)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1710  | Dahlberg Electric Company                                         | U.S.    | 6,058                                                           | 6,058     | -         | 6,064                           | 6,064     | -         | (6)                         | (6)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1207  | Dairyland Power Cooperative (DPC)                                 | U.S.    | 294,057                                                         | 294,057   | -         | 294,360                         | 294,360   | -         | (303)                       | (303)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-2171  | Delano Municipal Utilities                                        | U.S.    | 3,811                                                           | -         | -         | 3,815                           | -         | -         | (4)                         | (4)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1437  | East Texas Electric Cooperative, Inc. (ETEC)                      | U.S.    | 52,444                                                          | -         | -         | 52,498                          | -         | -         | (54)                        | (54)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1716  | Elgin Electric and Water Utilities                                | U.S.    | 2,098                                                           | -         | -         | 2,100                           | -         | -         | (2)                         | (2)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1250  | Empire District Electric Co.                                      | U.S.    | 258,238                                                         | 258,238   | -         | 258,504                         | 258,504   | -         | (266)                       | (266)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1205  | City of Falls City, NE                                            | U.S.    | 2,650                                                           | 2,650     | -         | 2,652                           | 2,652     | -         | (3)                         | (3)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1470  | Farmers Electric Cooperative, Inc. of New Mexico (FARMCOOPNM)     | U.S.    | 18,695                                                          | 18,695    | -         | 18,714                          | 18,714    | -         | (19)                        | (19)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1206  | Fremont Department of Utilities (City of)                         | U.S.    | 25,690                                                          | 25,690    | -         | 25,716                          | 25,716    | -         | (26)                        | (26)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1208  | Geneseo Municipal Utilities                                       | U.S.    | 3,411                                                           | -         | -         | 3,414                           | -         | -         | (4)                         | (4)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1438  | Golden Spread Electric Cooperative, Inc. (GSEC)                   | U.S.    | 349,060                                                         | 349,060   | -         | 349,419                         | 349,419   | -         | (359)                       | (359)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1209  | City of Grand Island, NE                                          | U.S.    | 38,511                                                          | -         | -         | 38,551                          | -         | -         | (40)                        | (40)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1251  | Grand River Dam Authority (GRDA)                                  | U.S.    | 380,239                                                         | 380,239   | -         | 380,630                         | 380,630   | -         | (391)                       | (391)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1717  | Great Lakes Utilities                                             | U.S.    | 73,809                                                          | 73,809    | -         | 73,885                          | 73,885    | -         | (76)                        | (76)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1210  | Great River Energy (GRE)                                          | U.S.    | 684,806                                                         | 684,806   | -         | 685,510                         | 685,510   | -         | (705)                       | (705)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1606  | Harlan Municipal Utilities                                        | U.S.    | 794                                                             | -         | -         | 795                             | -         | -         | (1)                         | (1)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1211  | Hastings Utilities (HAST)                                         | U.S.    | 22,413                                                          | 22,413    | -         | 22,436                          | 22,436    | -         | (23)                        | (23)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1212  | Heartland Consumers Power District (HCPD)                         | U.S.    | 25,785                                                          | 25,785    | -         | 25,812                          | 25,812    | -         | (27)                        | (27)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1213  | Hutchinson Utilities Commission (HUCH)                            | U.S.    | 13,588                                                          | 13,588    | -         | 13,602                          | 13,602    | -         | (14)                        | (14)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1248  | Independence Power & Light (Independence, MO) (INDN)              | U.S.    | 51,476                                                          | -         | -         | 51,476                          | -         | -         | (53)                        | (53)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1252  | Energy Metro, Inc.                                                | U.S.    | 795,386                                                         | 795,386   | -         | 796,204                         | 796,204   | -         | (818)                       | (818)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1439  | Kansas Electric Power Cooperative (KEPC)                          | U.S.    | 106,046                                                         | 106,046   | -         | 106,155                         | 106,155   | -         | (109)                       | (109)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1440  | Kansas Municipal Energy Agency (KMEA)                             | U.S.    | 85,250                                                          | 85,250    | -         | 85,338                          | 85,338    | -         | (88)                        | (88)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1637  | KPP Energy                                                        | U.S.    | 40,217                                                          | 40,217    | -         | 40,259                          | 40,259    | -         | (41)                        | (41)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1598  | Energy Missouri West, Inc.                                        | U.S.    | 455,853                                                         | 455,853   | -         | 456,322                         | 456,322   | -         | (469)                       | (469)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-2038  | Kennett Board of Public Works                                     | U.S.    | 6,085                                                           | 6,085     | -         | 6,091                           | 6,091     | -         | (6)                         | (6)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1472  | Lea County Electric Cooperative (LCEC)                            | U.S.    | 65,992                                                          | -         | -         | 66,059                          | -         | -         | (66)                        | (66)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1215  | Lincoln Electric System (LES)                                     | U.S.    | 165,530                                                         | 165,530   | -         | 165,701                         | 165,701   | -         | (170)                       | (170)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1216  | Madison, Gas and Electric (MGE)                                   | U.S.    | 166,697                                                         | 166,697   | -         | 166,869                         | 166,869   | -         | (172)                       | (172)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-2039  | Malden Board of Public Works                                      | U.S.    | 2,532                                                           | 2,532     | -         | 2,535                           | 2,535     | -         | (3)                         | (3)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1220  | MidAmerican Energy Company (MEC)                                  | U.S.    | 1,584,966                                                       | 1,584,966 | -         | 1,586,597                       | 1,586,597 | -         | (1,631)                     | (1,631) | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1441  | Midwest Energy, Inc (MIDW)                                        | U.S.    | 93,771                                                          | 93,771    | -         | 93,867                          | 93,867    | -         | (96)                        | (96)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1224  | Minnesota Municipal Power Agency (MMPA) Avant Energy Inc is Agent | U.S.    | 99,747                                                          | 99,747    | -         | 99,850                          | 99,850    | -         | (103)                       | (103)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1221  | Minnesota Power (MP)                                              | U.S.    | 598,691                                                         | 598,691   | -         | 599,607                         | 599,607   | -         | (616)                       | (616)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1222  | Minnesota Power Cooperative, Inc. (MPC)                           | U.S.    | 205,311                                                         | 205,311   | -         | 205,522                         | 205,522   | -         | (211)                       | (211)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1987  | Missouri Joint Municipal Electric Utility                         | U.S.    | 23,240                                                          | 23,240    | -         | 23,264                          | 23,264    | -         | (24)                        | (24)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1223  | Missouri River Energy Services                                    | U.S.    | 135,641                                                         | 135,641   | -         | 135,781                         | 135,781   | -         | (140)                       | (140)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1226  | Montana-Dakota Utilities Co. (MDU)                                | U.S.    | 213,500                                                         | 213,500   | -         | 213,720                         | 213,720   | -         | (220)                       | (220)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1607  | Montezuma Municipal Light & Power                                 | U.S.    | 1,122                                                           | 1,122     | -         | 1,123                           | 1,123     | -         | (1)                         | (1)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-2051  | Moose Lake Water & Light Commission                               | U.S.    | 1,753                                                           | -         | -         | 1,754                           | -         | -         | (2)                         | (2)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1227  | Municipal Energy Agency of Nebraska (MEAN)                        | U.S.    | 50,425                                                          | 50,425    | -         | 50,475                          | 50,475    | -         | (52)                        | (52)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1228  | Muscatine Power and Water (MPWW)                                  | U.S.    | 46,400                                                          | -         | -         | 46,448                          | -         | -         | (48)                        | (48)    | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1229  | Nebraska City Utilities                                           | U.S.    | 5,961                                                           | 5,961     | -         | 5,968                           | 5,968     | -         | (6)                         | (6)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | MRO             | C-1230  | Nebraska Public Power District (NPPD)                             | U.S.    | 717,280                                                         | 717,280   | -         | 718,018                         | 718,018   | -         | (738)                       | (738)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |



|            |                 |         |                                                                      |         | Total Regional Entity Assessments (Including WIRAB Assessments) |            |            | Regional Entity NEL Assessments |            |           | Penalty Sanctions - US Only |           | NPCC CORC Program |            |           | WECC Compliance Assessments (ex-AESO) |        |           | WIRAB Assessments |        |       |    |        |        |
|------------|-----------------|---------|----------------------------------------------------------------------|---------|-----------------------------------------------------------------|------------|------------|---------------------------------|------------|-----------|-----------------------------|-----------|-------------------|------------|-----------|---------------------------------------|--------|-----------|-------------------|--------|-------|----|--------|--------|
|            |                 |         |                                                                      |         |                                                                 |            |            |                                 |            |           |                             |           |                   |            |           |                                       |        |           |                   |        |       |    |        |        |
| Data Year  | Regional Entity | NERC ID | Entity                                                               | Country | Total                                                           | US         | Canada     | Total                           | US         | Canada    | Total                       | US        | Total             | US         | Total     | US                                    | Canada | Total     | US                | Canada | Total | US | Canada | Mexico |
| 2024       | MRO             | C-1473  | Roosevelt County Electric Cooperative                                | U.S.    | 8,264                                                           | 8,264      | -          | 8,273                           | 8,273      | -         | (9)                         | (9)       | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | MRO             | C-1236  | Southern Minnesota Municipal Power Agency (SMMPA)                    | U.S.    | 137,266                                                         | 137,266    | -          | 137,408                         | 137,408    | -         | (141)                       | (141)     | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | MRO             | C-1257  | Southwestern Public Service Co. Xcel Energy (SPS)                    | U.S.    | 1,393,700                                                       | 1,393,700  | -          | 1,395,134                       | 1,395,134  | -         | (1,434)                     | (1,434)   | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | MRO             | C-1256  | Sunflower Electric Power Corporation                                 | U.S.    | 254,503                                                         | 254,503    | -          | 254,765                         | 254,765    | -         | (262)                       | (262)     | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | MRO             | C-1665  | Upper Peninsula Power Co (UPPC)                                      | U.S.    | 36,358                                                          | 36,358     | -          | 36,395                          | 36,395     | -         | (37)                        | (37)      | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | MRO             | C-1714  | Village of Cadott                                                    | U.S.    | 660                                                             | 660        | -          | 661                             | 661        | -         | (1)                         | (1)       | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | MRO             | C-1260  | Evergy Kansas Central, Inc.                                          | U.S.    | 1,231,176                                                       | 1,231,176  | -          | 1,232,443                       | 1,232,443  | -         | (1,267)                     | (1,267)   | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | MRO             | C-1239  | Western Area Power Administration Rocky Mountain Region (LM) (WAPA-) | U.S.    | 2,294                                                           | 2,294      | -          | 2,297                           | 2,297      | -         | (2)                         | (2)       | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | MRO             | C-1240  | Western Area Power Administration Upper Great Plains (UM) (WAPA)     | U.S.    | 458,503                                                         | 458,503    | -          | 458,975                         | 458,975    | -         | (472)                       | (472)     | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | MRO             | C-1259  | Western Farmers Electric Cooperative (WFEC)                          | U.S.    | 525,189                                                         | 525,189    | -          | 525,729                         | 525,729    | -         | (540)                       | (540)     | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | MRO             | C-1501  | West Texas Municipal Power Agency (WTMPA)                            | U.S.    | 6,255                                                           | 6,255      | -          | 6,261                           | 6,261      | -         | (6)                         | (6)       | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | MRO             | C-1242  | Wisconsin Public Power, Inc. (East and West regions) (WPPI)          | U.S.    | 267,058                                                         | 267,058    | -          | 267,333                         | 267,333    | -         | (275)                       | (275)     | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | MRO             | C-1983  | Wolverine Power Marketing Cooperative                                | U.S.    | 3,798                                                           | 3,798      | -          | 3,802                           | 3,802      | -         | (4)                         | (4)       | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | MRO             | C-1244  | Xcel Energy Company Northern States Power (NSP)                      | U.S.    | 2,067,251                                                       | 2,067,251  | -          | 2,069,378                       | 2,069,378  | -         | (2,127)                     | (2,127)   | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| TOTAL MRO  |                 |         |                                                                      |         | 26,218,337                                                      | 23,615,231 | 2,603,106  | 26,242,635                      | 23,639,529 | 2,603,106 | (24,298)                    | (24,298)  | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
|            |                 |         |                                                                      |         |                                                                 |            |            |                                 |            |           |                             |           |                   |            |           |                                       |        |           |                   |        |       |    |        |        |
| 2024       | NPCC            | C-1336  | New England                                                          | U.S.    | 6,848,715                                                       | 6,848,715  | -          | 2,048,145                       | 2,048,145  | -         | (218,132)                   | (218,132) | 5,018,703         | 5,018,703  | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | NPCC            | C-1339  | New York                                                             | U.S.    | 8,841,467                                                       | 8,841,467  | -          | 2,646,590                       | 2,646,590  | -         | (281,868)                   | (281,868) | 6,476,745         | 6,476,745  | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | NPCC            | C-1337  | Ontario                                                              | Canada  | 3,587,213                                                       | -          | 3,587,213  | 2,474,982                       | -          | 2,474,982 | -                           | -         | -                 | 1,112,231  | -         | -                                     | -      | 1,112,231 | -                 | -      | -     | -  | -      | -      |
| 2024       | NPCC            |         | Quebec                                                               | Canada  | 6,111,799                                                       | -          | 6,111,799  | 3,366,863                       | -          | 3,366,863 | -                           | -         | -                 | 2,744,936  | -         | -                                     | -      | 2,744,936 | -                 | -      | -     | -  | -      | -      |
| 2024       | NPCC            | C-1341  | Hydro Quebec                                                         | Canada  | -                                                               | -          | -          | -                               | -          | -         | -                           | -         | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | NPCC            | C-1572  | Regie                                                                | Canada  | -                                                               | -          | -          | -                               | -          | -         | -                           | -         | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | NPCC            | C-1705  | New Brunswick                                                        | Canada  | 794,976                                                         | -          | 794,976    | 256,106                         | -          | 256,106   | -                           | -         | -                 | 538,870    | -         | -                                     | -      | 538,870   | -                 | -      | -     | -  | -      | -      |
| 2024       | NPCC            | C-1340  | Nova Scotia                                                          | Canada  | 438,408                                                         | -          | 438,408    | 200,171                         | -          | 200,171   | -                           | -         | -                 | 238,237    | -         | -                                     | -      | 238,237   | -                 | -      | -     | -  | -      | -      |
| TOTAL NPCC |                 |         |                                                                      |         | 26,622,578                                                      | 15,690,182 | 10,932,396 | 10,992,856                      | 4,694,734  | 6,298,122 | (500,000)                   | (500,000) | 16,129,722        | 11,495,448 | 4,634,274 | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
|            |                 |         |                                                                      |         |                                                                 |            |            |                                 |            |           |                             |           |                   |            |           |                                       |        |           |                   |        |       |    |        |        |
| 2024       | RF              | C-1102  | Cannellton Utilities                                                 | U.S.    | 470                                                             | 470        | -          | 485                             | 485        | -         | (15)                        | (15)      | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1106  | City of Crosswell                                                    | U.S.    | 1,701                                                           | 1,701      | -          | 1,755                           | 1,755      | -         | (55)                        | (55)      | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1490  | City of Lansing                                                      | U.S.    | 77,616                                                          | 77,616     | -          | 80,111                          | 80,111     | -         | (2,496)                     | (2,496)   | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1120  | Cloverland Electric Cooperative                                      | U.S.    | 28,839                                                          | 28,839     | -          | 29,767                          | 29,767     | -         | (927)                       | (927)     | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1122  | CMS ERM Michigan LLC                                                 | U.S.    | 16,405                                                          | 16,405     | -          | 16,932                          | 16,932     | -         | (527)                       | (527)     | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1124  | Constellation New Energy (MECS-CONS)                                 | U.S.    | 71,645                                                          | 71,645     | -          | 73,949                          | 73,949     | -         | (2,304)                     | (2,304)   | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1123  | Constellation New Energy (MECS-DET)                                  | U.S.    | 85,175                                                          | 85,175     | -          | 87,914                          | 87,914     | -         | (2,739)                     | (2,739)   | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1126  | Consumers Energy Company                                             | U.S.    | 1,223,287                                                       | 1,223,287  | -          | 1,262,620                       | 1,262,620  | -         | (39,332)                    | (39,332)  | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1128  | DTE Electric Company                                                 | U.S.    | 1,763,482                                                       | 1,763,482  | -          | 1,820,183                       | 1,820,183  | -         | (56,701)                    | (56,701)  | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1166  | Duke Energy Indiana                                                  | U.S.    | 1,012,214                                                       | 1,012,214  | -          | 1,044,759                       | 1,044,759  | -         | (32,546)                    | (32,546)  | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1135  | Ferdinand Municipal Light & Water                                    | U.S.    | 1,763                                                           | 1,763      | -          | 1,820                           | 1,820      | -         | (57)                        | (57)      | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1646  | Energy Harbor LLC (MECS-CONS)                                        | U.S.    | 13,024                                                          | 13,024     | -          | 13,443                          | 13,443     | -         | (419)                       | (419)     | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1549  | Energy Harbor LLC (MECS-DET)                                         | U.S.    | 3,546                                                           | 3,546      | -          | 3,660                           | 3,660      | -         | (114)                       | (114)     | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1145  | Hosier Energy                                                        | U.S.    | 293,597                                                         | 293,597    | -          | 303,037                         | 303,037    | -         | (9,440)                     | (9,440)   | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1148  | Indiana Municipal Power Agency (DUKE CIN)                            | U.S.    | 109,651                                                         | 109,651    | -          | 113,176                         | 113,176    | -         | (3,526)                     | (3,526)   | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1485  | Indiana Municipal Power Agency (NIPSCO)                              | U.S.    | 13,567                                                          | 13,567     | -          | 14,003                          | 14,003     | -         | (436)                       | (436)     | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1486  | Indiana Municipal Power Agency (SIGE)                                | U.S.    | 20,607                                                          | 20,607     | -          | 21,270                          | 21,270     | -         | (663)                       | (663)     | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1149  | Indianapolis Power & Light Co.                                       | U.S.    | 500,560                                                         | 500,560    | -          | 516,654                         | 516,654    | -         | (16,094)                    | (16,094)  | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-2050  | Logansport Municipal Utility (LMU)                                   | U.S.    | 14,857                                                          | 14,857     | -          | 15,335                          | 15,335     | -         | (478)                       | (478)     | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1666  | Constellation New Energy (MIUP)                                      | U.S.    | 10,851                                                          | 10,851     | -          | 11,200                          | 11,200     | -         | (349)                       | (349)     | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1154  | Michigan Public Power Agency                                         | U.S.    | 140,549                                                         | 140,549    | -          | 145,068                         | 145,068    | -         | (4,519)                     | (4,519)   | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1155  | Michigan South Central Power Agency                                  | U.S.    | 28,564                                                          | 28,564     | -          | 29,482                          | 29,482     | -         | (918)                       | (918)     | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1163  | Northern Indiana Public Service Co.                                  | U.S.    | 585,836                                                         | 585,836    | -          | 604,672                         | 604,672    | -         | (18,836)                    | (18,836)  | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1164  | Ontonagon County Rural Electrification Assoc.                        | U.S.    | 1,071                                                           | 1,071      | -          | 1,105                           | 1,105      | -         | (34)                        | (34)      | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1265  | PJM Interconnection, LLC                                             | U.S.    | 24,569,269                                                      | 24,569,269 | -          | 25,359,242                      | 25,359,242 | -         | (789,972)                   | (789,972) | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1172  | Calpine Energy Solutions, LLC (MECS-CONS)                            | U.S.    | 14,857                                                          | 14,857     | -          | 15,335                          | 15,335     | -         | (478)                       | (478)     | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1171  | Calpine Energy Solutions, LLC (MECS-DET)                             | U.S.    | 22,437                                                          | 22,437     | -          | 23,158                          | 23,158     | -         | (721)                       | (721)     | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1176  | Direct Energy                                                        | U.S.    | 487                                                             | 487        | -          | 502                             | 502        | -         | (16)                        | (16)      | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1174  | Direct Energy                                                        | U.S.    | 30,249                                                          | 30,249     | -          | 31,221                          | 31,221     | -         | (973)                       | (973)     | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1581  | Spartan Renewable Energy                                             | U.S.    | 4,966                                                           | 4,966      | -          | 5,126                           | 5,126      | -         | (160)                       | (160)     | -                 | -          | -         | -                                     | -      | -         | -                 | -      | -     | -  | -      | -      |
| 2024       | RF              | C-1985  | Spartan Renewable Energy (MI UP)                                     | U.S.    | 2,756                                                           | 2,756      |            |                                 |            |           |                             |           |                   |            |           |                                       |        |           |                   |        |       |    |        |        |

|           |                 |         |                                                        |         | Total Regional Entity Assessments (Including WIRAB Assessments) |           |        | Regional Entity NEL Assessments |           |        | Penalty Sanctions - US Only |           | NPCC CORC Program |    |        | WECC Compliance Assessments (ex-AESO) |    |        | WIRAB Assessments |    |        |        |
|-----------|-----------------|---------|--------------------------------------------------------|---------|-----------------------------------------------------------------|-----------|--------|---------------------------------|-----------|--------|-----------------------------|-----------|-------------------|----|--------|---------------------------------------|----|--------|-------------------|----|--------|--------|
|           |                 |         |                                                        |         |                                                                 |           |        |                                 |           |        |                             |           |                   |    |        |                                       |    |        |                   |    |        |        |
| Data Year | Regional Entity | NERC ID | Entity                                                 | Country | Total                                                           | US        | Canada | Total                           | US        | Canada | Total                       | US        | Total             | US | Canada | Total                                 | US | Canada | Total             | US | Canada | Mexico |
| 2024      | SERC            | C-1285  | City of Hampton GA                                     | U.S.    | 1,010                                                           | 1,010     | -      | 1,084                           | 1,084     | -      | (75)                        | (75)      | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1286  | City of Hartford AL                                    | U.S.    | 736                                                             | 736       | -      | 790                             | 790       | -      | (54)                        | (54)      | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1287  | City of Henderson (KY) Municipal Power & Light         | U.S.    | 13,300                                                          | 13,300    | -      | 14,282                          | 14,282    | -      | (982)                       | (982)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1288  | City of North Little Rock AR (DENL)                    | U.S.    | 23,210                                                          | 23,210    | -      | 24,923                          | 24,923    | -      | (1,714)                     | (1,714)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1289  | City of Orangeburg SC Department of Public Utilities   | U.S.    | 18,661                                                          | 18,661    | -      | 20,039                          | 20,039    | -      | (1,378)                     | (1,378)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1290  | City of Robertsdale AL                                 | U.S.    | 2,385                                                           | 2,385     | -      | 2,561                           | 2,561     | -      | (176)                       | (176)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1291  | City of Ruston LA (DERS)                               | U.S.    | 7,597                                                           | 7,597     | -      | 8,158                           | 8,158     | -      | (561)                       | (561)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1292  | Seneca Light & Power                                   | U.S.    | 4,110                                                           | 4,110     | -      | 4,413                           | 4,413     | -      | (303)                       | (303)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1115  | City of Springfield (CWLP)                             | U.S.    | 39,598                                                          | 39,598    | -      | 42,521                          | 42,521    | -      | (2,923)                     | (2,923)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1465  | City of Thayer, MO                                     | U.S.    | 645                                                             | 645       | -      | 693                             | 693       | -      | (48)                        | (48)      | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1293  | City of Troy AL                                        | U.S.    | 11,784                                                          | 11,784    | -      | 12,654                          | 12,654    | -      | (870)                       | (870)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1294  | City of West Memphis AR (West Memphis Utilities)       | U.S.    | 9,246                                                           | 9,246     | -      | 9,929                           | 9,929     | -      | (683)                       | (683)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1583  | Claborne Electric Cooperative, Inc.                    | U.S.    | 15,471                                                          | 15,471    | -      | 16,613                          | 16,613    | -      | (1,142)                     | (1,142)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1584  | Concordia Electric Cooperative, Inc.                   | U.S.    | 5,113                                                           | 5,113     | -      | 5,490                           | 5,490     | -      | (377)                       | (377)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1726  | Cube Hydro Carolinas                                   | U.S.    | 426                                                             | 426       | -      | 457                             | 457       | -      | (31)                        | (31)      | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1283  | Dalton Utilities                                       | U.S.    | 86,962                                                          | 86,962    | -      | 93,383                          | 93,383    | -      | (6,420)                     | (6,420)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1585  | Dixie Electric Membership Corporation                  | U.S.    | 59,662                                                          | 59,662    | -      | 64,066                          | 64,066    | -      | (4,405)                     | (4,405)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1295  | Dominion Virginia Power                                | U.S.    | 2,560,209                                                       | 2,560,209 | -      | 2,749,221                       | 2,749,221 | -      | (189,012)                   | (189,012) | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1296  | Duke Energy Carolinas, LLC                             | U.S.    | 2,183,350                                                       | 2,183,350 | -      | 2,344,540                       | 2,344,540 | -      | (161,189)                   | (161,189) | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1466  | Durant, MS                                             | U.S.    | 636                                                             | 636       | -      | 683                             | 683       | -      | (47)                        | (47)      | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1478  | LG&E and KU Services Co as agent for LG&E Co and KU Co | U.S.    | 790,457                                                         | 790,457   | -      | 848,814                         | 848,814   | -      | (58,357)                    | (58,357)  | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1297  | East Kentucky Power Cooperative                        | U.S.    | 377,436                                                         | 377,436   | -      | 405,301                         | 405,301   | -      | (27,865)                    | (27,865)  | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1298  | East Mississippi Electric Power Association            | U.S.    | 10,332                                                          | 10,332    | -      | 11,095                          | 11,095    | -      | (763)                       | (763)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1669  | Electricities of North Carolina Inc                    | U.S.    | 297,523                                                         | 297,523   | -      | 319,488                         | 319,488   | -      | (21,965)                    | (21,965)  | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1300  | EnergyUnited EMC                                       | U.S.    | 69,815                                                          | 69,815    | -      | 74,969                          | 74,969    | -      | (5,154)                     | (5,154)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1301  | Entergy                                                | U.S.    | 3,208,073                                                       | 3,208,073 | -      | 3,444,914                       | 3,444,914 | -      | (236,841)                   | (236,841) | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1302  | Fayetteville (NC) Public Works Commission              | U.S.    | 50,789                                                          | 50,789    | -      | 54,538                          | 54,538    | -      | (3,750)                     | (3,750)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1303  | Florida Public Utilities (FL Panhandle Load)           | U.S.    | 7,441                                                           | 7,441     | -      | 7,990                           | 7,990     | -      | (549)                       | (549)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1304  | French Broad EMC                                       | U.S.    | 13,447                                                          | 13,447    | -      | 14,440                          | 14,440    | -      | (993)                       | (993)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1305  | Georgia Power Company                                  | U.S.    | 2,265,990                                                       | 2,265,990 | -      | 2,433,280                       | 2,433,280 | -      | (167,290)                   | (167,290) | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1306  | Georgia System Optns Corporation                       | U.S.    | 1,128,523                                                       | 1,128,523 | -      | 1,211,838                       | 1,211,838 | -      | (83,315)                    | (83,315)  | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1479  | Greenwood (MS) Utilities Commission                    | U.S.    | 6,538                                                           | 6,538     | -      | 7,020                           | 7,020     | -      | (483)                       | (483)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1307  | Greenwood (SC) Commissioners of Public Works           | U.S.    | 7,299                                                           | 7,299     | -      | 7,838                           | 7,838     | -      | (539)                       | (539)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1586  | Haywood EMC                                            | U.S.    | 8,619                                                           | 8,619     | -      | 9,255                           | 9,255     | -      | (636)                       | (636)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1984  | Hoosier Energy REC, Inc                                | U.S.    | 10,914                                                          | 10,914    | -      | 11,720                          | 11,720    | -      | (806)                       | (806)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1309  | Illinois Municipal Electric Agency                     | U.S.    | 44,301                                                          | 44,301    | -      | 47,572                          | 47,572    | -      | (3,271)                     | (3,271)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1480  | Itta Bena, MS                                          | U.S.    | 322                                                             | 322       | -      | 346                             | 346       | -      | (24)                        | (24)      | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1587  | Jefferson Davis Electric Cooperative, Inc.             | U.S.    | 5,073                                                           | 5,073     | -      | 5,447                           | 5,447     | -      | (375)                       | (375)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1617  | Kentucky Municipal Power                               | U.S.    | 18,947                                                          | 18,947    | -      | 20,346                          | 20,346    | -      | (1,399)                     | (1,399)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1481  | Municipal Energy Agency of MS-Kosciusko, MS            | U.S.    | 1,744                                                           | 1,744     | -      | 1,873                           | 1,873     | -      | (129)                       | (129)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1482  | Municipal Energy Agency of MS-Leland, MS               | U.S.    | 727                                                             | 727       | -      | 781                             | 781       | -      | (54)                        | (54)      | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1313  | McCormick Commission of Public Works                   | U.S.    | 409                                                             | 409       | -      | 439                             | 439       | -      | (30)                        | (30)      | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1314  | Mississippi Power Company                              | U.S.    | 332,181                                                         | 332,181   | -      | 356,705                         | 356,705   | -      | (24,524)                    | (24,524)  | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1630  | Mt. Carmel Public Utility                              | U.S.    | 2,193                                                           | 2,193     | -      | 2,355                           | 2,355     | -      | (162)                       | (162)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1315  | Municipal Electric Authority of Georgia                | U.S.    | 349,652                                                         | 349,652   | -      | 375,465                         | 375,465   | -      | (25,814)                    | (25,814)  | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1316  | N.C. Electric Membership Corp.                         | U.S.    | 342,543                                                         | 342,543   | -      | 367,832                         | 367,832   | -      | (25,289)                    | (25,289)  | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1588  | Northeast Louisiana Power Cooperative, Inc.            | U.S.    | 7,005                                                           | 7,005     | -      | 7,523                           | 7,523     | -      | (517)                       | (517)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1574  | Northern Virginia Electric Cooperative                 | U.S.    | 310,662                                                         | 310,662   | -      | 333,597                         | 333,597   | -      | (22,935)                    | (22,935)  | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1319  | Old Dominion Electric Cooperative                      | U.S.    | 182,286                                                         | 182,286   | -      | 195,744                         | 195,744   | -      | (13,458)                    | (13,458)  | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1618  | Osceola (Arkansas) Municipal Light and Power           | U.S.    | 3,341                                                           | 3,341     | -      | 3,588                           | 3,588     | -      | (247)                       | (247)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1320  | Owensboro (KY) Municipal Utilities                     | U.S.    | 19,974                                                          | 19,974    | -      | 21,449                          | 21,449    | -      | (1,475)                     | (1,475)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1321  | Piedmont EMC in Duke and Progress Areas                | U.S.    | 13,847                                                          | 13,847    | -      | 14,869                          | 14,869    | -      | (1,022)                     | (1,022)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1323  | Piedmont Municipal Power Agency (PMPA)                 | U.S.    | 59,966                                                          | 59,966    | -      | 64,394                          | 64,394    | -      | (4,427)                     | (4,427)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1589  | Pointe Coupee Electric Memb. Corp.                     | U.S.    | 5,569                                                           | 5,569     | -      | 5,980                           | 5,980     | -      | (411)                       | (411)     | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1266  | PowerSouth Energy                                      | U.S.    | 245,540                                                         | 245,540   | -      | 263,668                         | 263,668   | -      | (18,127)                    | (18,127)  | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1330  | Prairie Power, Inc.                                    | U.S.    | 38,653                                                          | 38,653    | -      | 41,506                          | 41,506    | -      | (2,854)                     | (2,854)   | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1706  | Duke Energy Progress                                   | U.S.    | 1,124,202                                                       | 1,124,202 | -      | 1,207,198                       | 1,207,198 | -      | (82,996)                    | (82,996)  | -                 | -  | -      | -                                     | -  | -      | -                 | -  | -      | -      |
| 2024      | SERC            | C-1325  | Rutherford EMC                                         | U.S.    | 35,432                                                          | 35,432    | -      | 38,048                          | 38,048    | -      | (2,616)                     | (2,616)   | -                 | -  | -      | -                                     | -  | -      |                   |    |        |        |

|             |                 |         |                                                        |         | Total Regional Entity Assessments (Including WIRAB Assessments) |            |           | Regional Entity NEL Assessments |            |           | Penalty Sanctions - US Only |             | NPCC CORC Program |    |        | WECC Compliance Assessments (ex-AESO) |             |         | WIRAB Assessments |         |         |        |
|-------------|-----------------|---------|--------------------------------------------------------|---------|-----------------------------------------------------------------|------------|-----------|---------------------------------|------------|-----------|-----------------------------|-------------|-------------------|----|--------|---------------------------------------|-------------|---------|-------------------|---------|---------|--------|
|             |                 |         |                                                        |         |                                                                 |            |           |                                 |            |           |                             |             |                   |    |        |                                       |             |         |                   |         |         |        |
| Data Year   | Regional Entity | NERC ID | Entity                                                 | Country | Total                                                           | US         | Canada    | Total                           | US         | Canada    | Total                       | US          | Total             | US | Canada | Total                                 | US          | Canada  | Total             | US      | Canada  | Mexico |
| 2024        | SERC            | C-1074  | Alachua, City of                                       | U.S.    | 3,886                                                           | 3,886      | -         | 4,172                           | 4,172      | -         | (287)                       | (287)       | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| 2024        | SERC            | C-1075  | Bartow, City of                                        | U.S.    | 7,906                                                           | 7,906      | -         | 8,489                           | 8,489      | -         | (584)                       | (584)       | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| 2024        | SERC            | C-1076  | Chattahoochee, City of                                 | U.S.    | 1,036                                                           | 1,036      | -         | 1,112                           | 1,112      | -         | (76)                        | (76)        | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| 2024        | SERC            | C-1078  | Florida Power & Light Co.                              | U.S.    | 3,651,249                                                       | 3,651,249  | -         | 3,920,809                       | 3,920,809  | -         | (269,560)                   | (269,560)   | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| 2024        | SERC            | C-1079  | Florida Public Utilities Company                       | U.S.    | 9,137                                                           | 9,137      | -         | 9,812                           | 9,812      | -         | (675)                       | (675)       | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| 2024        | SERC            | C-1080  | Gainesville Regional Utilities                         | U.S.    | 45,372                                                          | 45,372     | -         | 48,722                          | 48,722     | -         | (3,350)                     | (3,350)     | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| 2024        | SERC            | C-1081  | Homestead, City of                                     | U.S.    | 16,179                                                          | 16,179     | -         | 17,374                          | 17,374     | -         | (1,194)                     | (1,194)     | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| 2024        | SERC            | C-1082  | JEA                                                    | U.S.    | 331,254                                                         | 331,254    | -         | 355,709                         | 355,709    | -         | (24,455)                    | (24,455)    | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| 2024        | SERC            | C-1083  | Lakeland Electric                                      | U.S.    | 87,710                                                          | 87,710     | -         | 94,185                          | 94,185     | -         | (6,475)                     | (6,475)     | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| 2024        | SERC            | C-1626  | Lee County Electric Cooperative, Inc                   | U.S.    | 120,781                                                         | 120,781    | -         | 129,698                         | 129,698    | -         | (8,917)                     | (8,917)     | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| 2024        | SERC            | C-1661  | City of Lake Worth                                     | U.S.    | 12,567                                                          | 12,567     | -         | 13,495                          | 13,495     | -         | (928)                       | (928)       | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| 2024        | SERC            | C-1084  | Mount Dora, City of                                    | U.S.    | 2,580                                                           | 2,580      | -         | 2,770                           | 2,770      | -         | (190)                       | (190)       | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| 2024        | SERC            | C-1085  | New Smyrna Beach, Utilities Commission of              | U.S.    | 12,160                                                          | 12,160     | -         | 13,058                          | 13,058     | -         | (898)                       | (898)       | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| 2024        | SERC            | C-1086  | Orlando Utilities Commission                           | U.S.    | 205,866                                                         | 205,866    | -         | 221,064                         | 221,064    | -         | (15,198)                    | (15,198)    | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| 2024        | SERC            | C-1087  | Duke Energy Florida                                    | U.S.    | 1,076,494                                                       | 1,076,494  | -         | 1,155,968                       | 1,155,968  | -         | (79,474)                    | (79,474)    | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| 2024        | SERC            | C-1088  | Quincy, City of                                        | U.S.    | 2,893                                                           | 2,893      | -         | 3,107                           | 3,107      | -         | (214)                       | (214)       | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| 2024        | SERC            | C-1089  | Central Florida Tourism Oversight District             | U.S.    | 30,386                                                          | 30,386     | -         | 32,630                          | 32,630     | -         | (2,243)                     | (2,243)     | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| 2024        | SERC            | C-1091  | Tallahassee, City of                                   | U.S.    | 71,198                                                          | 71,198     | -         | 76,454                          | 76,454     | -         | (5,256)                     | (5,256)     | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| 2024        | SERC            | C-1092  | Tampa Electric Company                                 | U.S.    | 546,098                                                         | 546,098    | -         | 586,415                         | 586,415    | -         | (40,317)                    | (40,317)    | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| 2024        | SERC            | C-1093  | Wauchula, City of                                      | U.S.    | 1,617                                                           | 1,617      | -         | 1,737                           | 1,737      | -         | (119)                       | (119)       | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| 2024        | SERC            | C-1094  | Williston, City of                                     | U.S.    | 913                                                             | 913        | -         | 981                             | 981        | -         | (67)                        | (67)        | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| 2024        | SERC            | C-1095  | Winter Park, City of                                   | U.S.    | 11,408                                                          | 11,408     | -         | 12,250                          | 12,250     | -         | (842)                       | (842)       | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| 2024        | SERC            | C-1072  | Florida Municipal Power Agency                         | U.S.    | 178,109                                                         | 178,109    | -         | 191,259                         | 191,259    | -         | (13,149)                    | (13,149)    | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| 2024        | SERC            | C-1073  | Seminole Electric Cooperative                          | U.S.    | 433,481                                                         | 433,481    | -         | 465,484                         | 465,484    | -         | (32,002)                    | (32,002)    | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| TOTAL SERC  |                 |         |                                                        |         | 34,255,910                                                      | 34,255,910 | -         | 36,784,910                      | 36,784,910 | -         | (2,529,000)                 | (2,529,000) | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| 2024        | Texas RE        | C-1019  | ERCOT                                                  | U.S.    | 19,818,823                                                      | 19,818,823 | -         | 20,248,423                      | 20,248,423 | -         | (429,600)                   | (429,600)   | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| TOTAL ERCOT |                 |         |                                                        |         | 19,818,823                                                      | 19,818,823 | -         | 20,248,423                      | 20,248,423 | -         | (429,600)                   | (429,600)   | -                 | -  | -      | -                                     | -           | -       | -                 | -       | -       | -      |
| 2024        | WECC            |         | Alberta Electric System Operator                       | Canada  | 1,109,295                                                       | -          | 1,109,295 | 2,571,535                       | -          | 2,571,535 | -                           | -           | -                 | -  | -      | -                                     | (1,513,101) | -       | (1,513,101)       | 50,862  | -       | 50,862 |
| 2024        | WECC            |         | British Columbia Hydro & Power Authority               | Canada  | 2,884,244                                                       | -          | 2,884,244 | 2,707,057                       | -          | 2,707,057 | -                           | -           | -                 | -  | -      | -                                     | 123,645     | -       | 123,645           | 53,542  | -       | 53,542 |
| 2024        | WECC            |         | Agula Irrigation District - APS                        | U.S.    | 1,757                                                           | 1,757      | -         | 1,651                           | 1,651      | -         | (2)                         | (2)         | -                 | -  | -      | -                                     | 75          | 75      | -                 | 33      | 33      | -      |
| 2024        | WECC            |         | Aha Macav Power Service                                | U.S.    | 1,104                                                           | 1,104      | -         | 1,037                           | 1,037      | -         | (1)                         | (1)         | -                 | -  | -      | -                                     | 47          | 47      | -                 | 21      | 21      | -      |
| 2024        | WECC            |         | Ajo Improvement District                               | U.S.    | 511                                                             | 511        | -         | 480                             | 480        | -         | (1)                         | (1)         | -                 | -  | -      | -                                     | 22          | 22      | -                 | 9       | 9       | -      |
| 2024        | WECC            |         | Air Liquide Hydrogen Energy U.S., LLC                  | U.S.    | 3,675                                                           | 3,675      | -         | 3,454                           | 3,454      | -         | (5)                         | (5)         | -                 | -  | -      | -                                     | 158         | 158     | -                 | 68      | 68      | -      |
| 2024        | WECC            |         | Arizona Electric Power Cooperative, Inc                | U.S.    | 177,824                                                         | 177,824    | -         | 167,115                         | 167,115    | -         | (229)                       | (229)       | -                 | -  | -      | -                                     | 7,633       | 7,633   | -                 | 3,305   | 3,305   | -      |
| 2024        | WECC            |         | Arizona Public Service Company                         | U.S.    | 1,503,002                                                       | 1,503,002  | -         | 1,412,488                       | 1,412,488  | -         | (1,938)                     | (1,938)     | -                 | -  | -      | -                                     | 64,516      | 64,516  | -                 | 27,937  | 27,937  | -      |
| 2024        | WECC            |         | Arkansas River Power Authority (ARPA)                  | U.S.    | 9,549                                                           | 9,549      | -         | 8,974                           | 8,974      | -         | (12)                        | (12)        | -                 | -  | -      | -                                     | 410         | 410     | -                 | 177     | 177     | -      |
| 2024        | WECC            |         | Avangrid Renewables                                    | U.S.    | 4,639                                                           | 4,639      | -         | 4,359                           | 4,359      | -         | (6)                         | (6)         | -                 | -  | -      | -                                     | 199         | 199     | -                 | 86      | 86      | -      |
| 2024        | WECC            |         | Avista Corporation                                     | U.S.    | 434,708                                                         | 434,708    | -         | 408,529                         | 408,529    | -         | (561)                       | (561)       | -                 | -  | -      | -                                     | 18,660      | 18,660  | -                 | 8,080   | 8,080   | -      |
| 2024        | WECC            |         | Barrick Goldstrike Mines Inc.                          | U.S.    | 60,531                                                          | 60,531     | -         | 56,886                          | 56,886     | -         | (78)                        | (78)        | -                 | -  | -      | -                                     | 2,598       | 2,598   | -                 | 1,125   | 1,125   | -      |
| 2024        | WECC            |         | Basin Electric Power Cooperative - NorthWestern        | U.S.    | 38,528                                                          | 38,528     | -         | 36,208                          | 36,208     | -         | (50)                        | (50)        | -                 | -  | -      | -                                     | 1,654       | 1,654   | -                 | 716     | 716     | -      |
| 2024        | WECC            |         | Basin Electric Power Cooperative -Transmission         | U.S.    | 100,059                                                         | 100,059    | -         | 94,034                          | 94,034     | -         | (129)                       | (129)       | -                 | -  | -      | -                                     | 4,295       | 4,295   | -                 | 1,860   | 1,860   | -      |
| 2024        | WECC            |         | Basin Electric Power Cooperative - WAUW                | U.S.    | 5,836                                                           | 5,836      | -         | 5,485                           | 5,485      | -         | (8)                         | (8)         | -                 | -  | -      | -                                     | 251         | 251     | -                 | 108     | 108     | -      |
| 2024        | WECC            |         | Beartooth Electric Cooperative                         | U.S.    | 3,832                                                           | 3,832      | -         | 3,601                           | 3,601      | -         | (5)                         | (5)         | -                 | -  | -      | -                                     | 164         | 164     | -                 | 71      | 71      | -      |
| 2024        | WECC            |         | Big Horn County Electric Cooperative                   | U.S.    | 3,077                                                           | 3,077      | -         | 2,892                           | 2,892      | -         | (4)                         | (4)         | -                 | -  | -      | -                                     | 132         | 132     | -                 | 57      | 57      | -      |
| 2024        | WECC            |         | Black Hills Energy Colorado Electric                   | U.S.    | 83,707                                                          | 83,707     | -         | 78,666                          | 78,666     | -         | (108)                       | (108)       | -                 | -  | -      | -                                     | 3,593       | 3,593   | -                 | 1,556   | 1,556   | -      |
| 2024        | WECC            |         | Black Hills Power/Cheyenne Light Fuel & Power          | U.S.    | 212,877                                                         | 212,877    | -         | 200,057                         | 200,057    | -         | (275)                       | (275)       | -                 | -  | -      | -                                     | 9,138       | 9,138   | -                 | 3,957   | 3,957   | -      |
| 2024        | WECC            |         | Black Hills State University South Dakota              | U.S.    | 730                                                             | 730        | -         | 686                             | 686        | -         | (1)                         | (1)         | -                 | -  | -      | -                                     | 31          | 31      | -                 | 14      | 14      | -      |
| 2024        | WECC            |         | Bonneville Power Administration-Transmission           | U.S.    | 2,553,532                                                       | 2,553,532  | -         | 2,399,752                       | 2,399,752  | -         | (3,293)                     | (3,293)     | -                 | -  | -      | -                                     | 109,609     | 109,609 | -                 | 47,464  | 47,464  | -      |
| 2024        | WECC            |         | Bonneville Power Administration-Power Services         | U.S.    | 292,132                                                         | 292,132    | -         | 274,539                         | 274,539    | -         | (377)                       | (377)       | -                 | -  | -      | -                                     | 12,540      | 12,540  | -                 | 5,430   | 5,430   | -      |
| 2024        | WECC            |         | Bonneville Power Administration-Hydro                  | U.S.    | 8,921                                                           | 8,921      | -         | 8,384                           | 8,384      | -         | (12)                        | (12)        | -                 | -  | -      | -                                     | 383         | 383     | -                 | 166     | 166     | -      |
| 2024        | WECC            |         | Brookfield Renewable Energy Marketing                  | Canada  | 2,932                                                           | -          | 2,932     | 2,752                           | -          | 2,752     | -                           | -           | -                 | -  | -      | -                                     | 126         | -       | 126               | 54      | -       | 54     |
| 2024        | WECC            |         | Buckeye Water Conservation and Drainage District - APS | U.S.    | 818                                                             | 818        | -         | 769                             | 769        | -         | (1)                         | (1)         | -                 | -  | -      | -                                     | 35          | 35      | -                 | 15      | 15      | -      |
| 2024        | WECC            |         | Bureau of Reclamation (Wellfield)                      | U.S.    | 763                                                             | 763        | -         | 717                             | 717        | -         | (1)                         | (1)         | -                 | -  | -      | -                                     | 33          | 33      | -                 | 14      | 14      | -      |
| 2024        | WECC            |         | Burlington                                             | U.S.    | 1,327                                                           | 1,327      | -         | 1,247                           | 1,247      | -         | (2)                         | (2)         | -                 | -  | -      | -                                     | 57          | 57      | -                 | 25      | 25      | -      |
| 2024        | WECC            |         | Caesars Entertainment LLC/North                        | U.S.    | 1,658                                                           | 1,658      | -         | 1,558                           | 1,558      | -         | (2)                         | (2)         | -                 | -  | -      | -                                     | 71          | 71      | -                 | 31      | 31      | -      |
| 2024        | WECC            |         | Caesars Entertainment LLC/South                        | U.S.    | 19,165                                                          | 19,165     | -         | 18,011                          | 18,011     | -         | (25)                        | (25)        | -                 | -  | -      | -                                     | 823         | 823     | -                 | 356     | 356     | -      |
| 2024        | WECC            |         | California Independent System Operator                 | U.S.    | 9,242,086                                                       | 9,242,086  | -         | 8,685,507                       | 8,685,507  | -         | (11,920)                    | (11,920)    | -                 | -  | -      | -                                     | 396,711     | 396,711 | -                 | 171,788 | 171,788 | -      |
| 2024        | WECC            |         | Calpine Energy Solutions, LLC (Noble Americas)         | U.S.    | 81,262                                                          | 81,2       |           |                                 |            |           |                             |             |                   |    |        |                                       |             |         |                   |         |         |        |

|           |                 |         |                                                               |         | Total Regional Entity Assessments (Including WIRAB Assessments) |           |        | Regional Entity NEL Assessments |           |        | Penalty Sanctions - US Only |         | NPCC CORC Program |    |        |         | WECC Compliance Assessments (ex-AESO) |        |        | WIRAB Assessments |        |        |  |
|-----------|-----------------|---------|---------------------------------------------------------------|---------|-----------------------------------------------------------------|-----------|--------|---------------------------------|-----------|--------|-----------------------------|---------|-------------------|----|--------|---------|---------------------------------------|--------|--------|-------------------|--------|--------|--|
|           |                 |         |                                                               |         |                                                                 |           |        |                                 |           |        |                             |         |                   |    |        |         |                                       |        |        |                   |        |        |  |
| Data Year | Regional Entity | NERC ID | Entity                                                        | Country | Total                                                           | US        | Canada | Total                           | US        | Canada | Total                       | US      | Total             | US | Canada | Total   | US                                    | Canada | Total  | US                | Canada | Mexico |  |
| 2024      | WECC            |         | Electrical District No. 7 of Maricopa County - APS            | U.S.    | 1,578                                                           | 1,578     | -      | 1,483                           | 1,483     | -      | (2)                         | (2)     | -                 | -  | -      | 68      | 68                                    | -      | 29     | 29                | -      | -      |  |
| 2024      | WECC            |         | Electrical District No. 8 of Maricopa County - APS            | U.S.    | 18,120                                                          | 18,120    | -      | 17,029                          | 17,029    | -      | (23)                        | (23)    | -                 | -  | -      | 778     | 778                                   | -      | 337    | 337               | -      | -      |  |
| 2024      | WECC            |         | Francis E. Warren Air Force Base                              | U.S.    | 903                                                             | 903       | -      | 849                             | 849       | -      | (1)                         | (1)     | -                 | -  | -      | 39      | 39                                    | -      | 17     | 17                | -      | -      |  |
| 2024      | WECC            |         | Georgia-Pacific Gypsum, LLC                                   | U.S.    | 1,129                                                           | 1,129     | -      | 1,061                           | 1,061     | -      | (1)                         | (1)     | -                 | -  | -      | 48      | 48                                    | -      | 21     | 21                | -      | -      |  |
| 2024      | WECC            |         | Grand Valley Power                                            | U.S.    | 11,374                                                          | 11,374    | -      | 10,689                          | 10,689    | -      | (15)                        | (15)    | -                 | -  | -      | 488     | 488                                   | -      | 211    | 211               | -      | -      |  |
| 2024      | WECC            |         | Harquahala Valley Power Districts - APS                       | U.S.    | 3,469                                                           | 3,469     | -      | 3,260                           | 3,260     | -      | (4)                         | (4)     | -                 | -  | -      | 149     | 149                                   | -      | 64     | 64                | -      | -      |  |
| 2024      | WECC            |         | Holy Cross Energy                                             | U.S.    | 19,093                                                          | 19,093    | -      | 17,943                          | 17,943    | -      | (25)                        | (25)    | -                 | -  | -      | 820     | 820                                   | -      | 355    | 355               | -      | -      |  |
| 2024      | WECC            |         | HR Nevada LLC (Hard Rock)                                     | U.S.    | 2,220                                                           | 2,220     | -      | 2,086                           | 2,086     | -      | (3)                         | (3)     | -                 | -  | -      | 95      | 95                                    | -      | 41     | 41                | -      | -      |  |
| 2024      | WECC            |         | Idaho Power Company                                           | U.S.    | 753,221                                                         | 753,221   | -      | 707,861                         | 707,861   | -      | (971)                       | (971)   | -                 | -  | -      | 32,332  | 32,332                                | -      | 14,001 | 14,001            | -      | -      |  |
| 2024      | WECC            |         | Imperial Irrigation District                                  | U.S.    | 170,458                                                         | 170,458   | -      | 160,192                         | 160,192   | -      | (220)                       | (220)   | -                 | -  | -      | 7,317   | 7,317                                 | -      | 3,168  | 3,168             | -      | -      |  |
| 2024      | WECC            |         | Jicarilla Apache Nation Power Authority                       | U.S.    | 1,073                                                           | 1,073     | -      | 1,009                           | 1,009     | -      | (1)                         | (1)     | -                 | -  | -      | 46      | 46                                    | -      | 20     | 20                | -      | -      |  |
| 2024      | WECC            |         | Kaiser Aluminum Fabricated Products LLC                       | U.S.    | 8,152                                                           | 8,152     | -      | 7,661                           | 7,661     | -      | (11)                        | (11)    | -                 | -  | -      | 350     | 350                                   | -      | 152    | 152               | -      | -      |  |
| 2024      | WECC            |         | Kit Carson Electric Inc                                       | U.S.    | 10,678                                                          | 10,678    | -      | 10,035                          | 10,035    | -      | (14)                        | (14)    | -                 | -  | -      | 458     | 458                                   | -      | 198    | 198               | -      | -      |  |
| 2024      | WECC            |         | Las Vegas Valley Water District                               | U.S.    | 4,507                                                           | 4,507     | -      | 4,236                           | 4,236     | -      | (6)                         | (6)     | -                 | -  | -      | 193     | 193                                   | -      | 84     | 84                | -      | -      |  |
| 2024      | WECC            |         | Los Angeles Department of Water and Power                     | U.S.    | 1,102,091                                                       | 1,102,091 | -      | 1,035,721                       | 1,035,721 | -      | (1,421)                     | (1,421) | -                 | -  | -      | 47,307  | 47,307                                | -      | 20,485 | 20,485            | -      | -      |  |
| 2024      | WECC            |         | Maricopa County Municipal Water Conservation Dist No. 1 - APS | U.S.    | 2,301                                                           | 2,301     | -      | 2,162                           | 2,162     | -      | (3)                         | (3)     | -                 | -  | -      | 99      | 99                                    | -      | 43     | 43                | -      | -      |  |
| 2024      | WECC            |         | McMullen Valley Water Conservation & Drainage District - APS  | U.S.    | 5,488                                                           | 5,488     | -      | 5,157                           | 5,157     | -      | (7)                         | (7)     | -                 | -  | -      | 236     | 236                                   | -      | 102    | 102               | -      | -      |  |
| 2024      | WECC            |         | Merced Irrigation District                                    | U.S.    | 22,977                                                          | 22,977    | -      | 21,593                          | 21,593    | -      | (30)                        | (30)    | -                 | -  | -      | 986     | 986                                   | -      | 427    | 427               | -      | -      |  |
| 2024      | WECC            |         | MGM Resorts Design and Development                            | U.S.    | 31,686                                                          | 31,686    | -      | 29,778                          | 29,778    | -      | (41)                        | (41)    | -                 | -  | -      | 1,360   | 1,360                                 | -      | 589    | 589               | -      | -      |  |
| 2024      | WECC            |         | Modesto Irrigation District                                   | U.S.    | 118,122                                                         | 118,122   | -      | 111,009                         | 111,009   | -      | (152)                       | (152)   | -                 | -  | -      | 5,070   | 5,070                                 | -      | 2,196  | 2,196             | -      | -      |  |
| 2024      | WECC            |         | Montana-Dakota Utilities Co.                                  | U.S.    | 780                                                             | 780       | -      | 733                             | 733       | -      | (1)                         | (1)     | -                 | -  | -      | 34      | 34                                    | -      | 15     | 15                | -      | -      |  |
| 2024      | WECC            |         | Mountain Parks Electric Inc                                   | U.S.    | 15,895                                                          | 15,895    | -      | 14,938                          | 14,938    | -      | (21)                        | (21)    | -                 | -  | -      | 682     | 682                                   | -      | 295    | 295               | -      | -      |  |
| 2024      | WECC            |         | Mt. Wheeler Power                                             | U.S.    | 25,868                                                          | 25,868    | -      | 24,310                          | 24,310    | -      | (33)                        | (33)    | -                 | -  | -      | 1,110   | 1,110                                 | -      | 481    | 481               | -      | -      |  |
| 2024      | WECC            |         | Municipal Energy Agency of Nebraska - PSCO                    | U.S.    | 8,506                                                           | 8,506     | -      | 7,994                           | 7,994     | -      | (11)                        | (11)    | -                 | -  | -      | 365     | 365                                   | -      | 158    | 158               | -      | -      |  |
| 2024      | WECC            |         | Municipal Energy Agency of Nebraska - WACM                    | U.S.    | 28,485                                                          | 28,485    | -      | 26,770                          | 26,770    | -      | (37)                        | (37)    | -                 | -  | -      | 1,223   | 1,223                                 | -      | 529    | 529               | -      | -      |  |
| 2024      | WECC            |         | Navajo Tribal Utility Authority - APS                         | U.S.    | 1,122                                                           | 1,122     | -      | 1,054                           | 1,054     | -      | (1)                         | (1)     | -                 | -  | -      | 48      | 48                                    | -      | 21     | 21                | -      | -      |  |
| 2024      | WECC            |         | Navajo Tribal Utility Authority - PNM                         | U.S.    | 9,807                                                           | 9,807     | -      | 9,216                           | 9,216     | -      | (13)                        | (13)    | -                 | -  | -      | 421     | 421                                   | -      | 182    | 182               | -      | -      |  |
| 2024      | WECC            |         | Navajo Tribal Utility Authority - WACM                        | U.S.    | 18,894                                                          | 18,894    | -      | 17,756                          | 17,756    | -      | (24)                        | (24)    | -                 | -  | -      | 811     | 811                                   | -      | 351    | 351               | -      | -      |  |
| 2024      | WECC            |         | Nebraska Public Power Marketing                               | U.S.    | 186                                                             | 186       | -      | 175                             | 175       | -      | (0)                         | (0)     | -                 | -  | -      | 8       | 8                                     | -      | 3      | 3                 | -      | -      |  |
| 2024      | WECC            |         | Needles Public Utilities Authority                            | U.S.    | 3,276                                                           | 3,276     | -      | 3,079                           | 3,079     | -      | (4)                         | (4)     | -                 | -  | -      | 141     | 141                                   | -      | 61     | 61                | -      | -      |  |
| 2024      | WECC            |         | Nevada Gold Mines (Newmont)                                   | U.S.    | 45,441                                                          | 45,441    | -      | 42,705                          | 42,705    | -      | (59)                        | (59)    | -                 | -  | -      | 1,951   | 1,951                                 | -      | 845    | 845               | -      | -      |  |
| 2024      | WECC            |         | Nevada Power Company dba NV Energy                            | U.S.    | 1,439,559                                                       | 1,439,559 | -      | 1,352,865                       | 1,352,865 | -      | (1,857)                     | (1,857) | -                 | -  | -      | 61,792  | 61,792                                | -      | 26,758 | 26,758            | -      | -      |  |
| 2024      | WECC            |         | NorthWestern Corp. dba NorthWestern Energy, LLC               | U.S.    | 438,298                                                         | 438,298   | -      | 411,903                         | 411,903   | -      | (565)                       | (565)   | -                 | -  | -      | 18,814  | 18,814                                | -      | 8,147  | 8,147             | -      | -      |  |
| 2024      | WECC            |         | NorthWestern Corp. dba NorthWestern Energy, LLC - WAUW        | U.S.    | 12,105                                                          | 12,105    | -      | 11,376                          | 11,376    | -      | (16)                        | (16)    | -                 | -  | -      | 520     | 520                                   | -      | 225    | 225               | -      | -      |  |
| 2024      | WECC            |         | Okanogan PUD                                                  | U.S.    | 28,684                                                          | 28,684    | -      | 26,957                          | 26,957    | -      | (37)                        | (37)    | -                 | -  | -      | 1,231   | 1,231                                 | -      | 533    | 533               | -      | -      |  |
| 2024      | WECC            |         | Overtown Power District No. 5                                 | U.S.    | 21,164                                                          | 21,164    | -      | 19,889                          | 19,889    | -      | (27)                        | (27)    | -                 | -  | -      | 908     | 908                                   | -      | 393    | 393               | -      | -      |  |
| 2024      | WECC            |         | PacificCorp East                                              | U.S.    | 2,333,738                                                       | 2,333,738 | -      | 2,193,195                       | 2,193,195 | -      | (3,010)                     | (3,010) | -                 | -  | -      | 100,174 | 100,174                               | -      | 43,379 | 43,379            | -      | -      |  |
| 2024      | WECC            |         | PacificCorp - IPC                                             | U.S.    | 95                                                              | 95        | -      | 89                              | 89        | -      | (0)                         | (0)     | -                 | -  | -      | 4       | 4                                     | -      | 2      | 2                 | -      | -      |  |
| 2024      | WECC            |         | PacificCorp - Portland General                                | U.S.    | 146                                                             | 146       | -      | 137                             | 137       | -      | (0)                         | (0)     | -                 | -  | -      | 6       | 6                                     | -      | 3      | 3                 | -      | -      |  |
| 2024      | WECC            |         | PacificCorp - WACM                                            | U.S.    | 4,597                                                           | 4,597     | -      | 4,320                           | 4,320     | -      | (6)                         | (6)     | -                 | -  | -      | 197     | 197                                   | -      | 85     | 85                | -      | -      |  |
| 2024      | WECC            |         | PacificCorp West                                              | U.S.    | 937,048                                                         | 937,048   | -      | 880,617                         | 880,617   | -      | (1,209)                     | (1,209) | -                 | -  | -      | 40,222  | 40,222                                | -      | 17,417 | 17,417            | -      | -      |  |
| 2024      | WECC            |         | Pend Oreille County PUD No. 1                                 | U.S.    | 27,980                                                          | 27,980    | -      | 26,295                          | 26,295    | -      | (36)                        | (36)    | -                 | -  | -      | 1,201   | 1,201                                 | -      | 520    | 520               | -      | -      |  |
| 2024      | WECC            |         | Peppermill Hotel Casino                                       | U.S.    | 2,281                                                           | 2,281     | -      | 2,144                           | 2,144     | -      | (3)                         | (3)     | -                 | -  | -      | 98      | 98                                    | -      | 42     | 42                | -      | -      |  |
| 2024      | WECC            |         | Platte River Power Authority                                  | U.S.    | 139,479                                                         | 139,479   | -      | 131,079                         | 131,079   | -      | (180)                       | (180)   | -                 | -  | -      | 5,987   | 5,987                                 | -      | 2,593  | 2,593             | -      | -      |  |
| 2024      | WECC            |         | Portland General Electric Company                             | U.S.    | 856,787                                                         | 856,787   | -      | 805,189                         | 805,189   | -      | (1,105)                     | (1,105) | -                 | -  | -      | 36,777  | 36,777                                | -      | 15,926 | 15,926            | -      | -      |  |
| 2024      | WECC            |         | Public Service Company of Colorado (Xcel)                     | U.S.    | 1,395,842                                                       | 1,395,842 | -      | 1,311,781                       | 1,311,781 | -      | (1,800)                     | (1,800) | -                 | -  | -      | 59,916  | 59,916                                | -      | 25,945 | 25,945            | -      | -      |  |
| 2024      | WECC            |         | Public Service Company of Colorado (Xcel) - WACM              | U.S.    | 2,155                                                           | 2,155     | -      | 2,025                           | 2,025     | -      | (3)                         | (3)     | -                 | -  | -      | 93      | 93                                    | -      | 40     | 40                | -      | -      |  |
| 2024      | WECC            |         | Public Service Company of New Mexico                          | U.S.    | 452,975                                                         | 452,975   | -      | 425,696                         | 425,696   | -      | (584)                       | (584)   | -                 | -  | -      | 19,444  | 19,444                                | -      | 8,420  | 8,420             | -      | -      |  |
| 2024      | WECC            |         | Public Utility District No. 1 of Chelan County                | U.S.    | 85,692                                                          | 85,692    | -      | 80,531                          | 80,531    | -      | (111)                       | (111)   | -                 | -  | -      | 3,678   | 3,678                                 | -      | 1,593  | 1,593             | -      | -      |  |
| 2024      | WECC            |         | PUD No. 1 of Douglas County                                   | U.S.    | 69,202                                                          | 69,202    | -      | 65,034                          | 65,034    | -      | (89)                        | (89)    | -                 | -  | -      | 2,970   | 2,970                                 | -      | 1,286  | 1,286             | -      | -      |  |
| 2024      | WECC            |         | PUD No. 2 of Grant County                                     | U.S.    | 277,763                                                         | 277,763   | -      | 261,035                         | 261,035   | -      | (358)                       | (358)   | -                 | -  | -      | 11,923  | 11,923                                | -      | 5,163  | 5,163             | -      | -      |  |
| 2024      | WECC            |         | PUD No. 2 of Grant County - Avista                            | U.S.    | 4,134                                                           | 4,134     | -      | 3,885                           | 3,885     | -      | (5)                         | (5)     | -                 | -  | -      | 177     | 177                                   | -      | 77     | 77                | -      | -      |  |
| 2024      | WECC            |         | Pueblo of Acoma Utility Authority                             | U.S.    | 835                                                             | 835       | -      | 784                             | 784       | -      | (1)                         | (1)     | -                 | -  | -      | 36      | 36                                    | -      | 16     | 16                | -      | -      |  |
| 2024      | WECC            |         | Puget Sound Energy, Inc.                                      | U.S.    | 1,063,165                                                       | 1,063,165 | -      | 999,139                         | 999,139   | -      | (1,371)                     | (1,371) | -                 | -  | -      | 45,636  | 45,636                                | -      | 19,762 | 19,762            | -      | -      |  |
| 2024      | WECC            |         | Raton Public Service                                          | U.S.    | 1,963                                                           | 1,963     | -      | 1,845                           | 1,845     | -      | (3)                         | (3)     | -                 | -  | -      | 84      | 84                                    | -      | 36     | 36                | -      | -      |  |
| 2024      | WECC            |         | Reno City Center                                              | U.S.    | 286                                                             | 286       | -      | 268                             | 268       | -      | (0)                         | (0)     | -                 | -  | -      | 12      | 12                                    | -      | 5      | 5                 | -      | -      |  |
| 2024      | WECC            |         | Roosevelt Irrigation District - APS                           |         |                                                                 |           |        |                                 |           |        |                             |         |                   |    |        |         |                                       |        |        |                   |        |        |  |

|                                             |                 |         |        |         | Total Regional Entity Assessments (Including WIRAB Assessments) |             |            | Regional Entity NEL Assessments |             |            | Penalty Sanctions - US Only |             | NPCC CORC Program |            |           | WECC Compliance Assessments (ex.AESO) |           |             | WIRAB Assessments |         |         |        |
|---------------------------------------------|-----------------|---------|--------|---------|-----------------------------------------------------------------|-------------|------------|---------------------------------|-------------|------------|-----------------------------|-------------|-------------------|------------|-----------|---------------------------------------|-----------|-------------|-------------------|---------|---------|--------|
| Data Year                                   | Regional Entity | NERC ID | Entity | Country | Total                                                           | US          | Canada     | Total                           | US          | Canada     | Total                       | US          | Total             | US         | Canada    | Total                                 | US        | Canada      | Total             | US      | Canada  | Mexico |
| TOTAL WECC                                  |                 |         |        |         | 36,363,360                                                      | 32,366,889  | 3,996,471  | 35,699,025                      | 30,417,682  | 5,281,343  | (41,745)                    | (41,745)    | -                 | -          | -         | (0)                                   | 1,389,330 | (1,389,330) | 706,080           | 601,622 | 104,458 | -      |
| TOTAL ERO                                   |                 |         |        |         | 175,868,886                                                     | 158,336,913 | 17,531,973 | 163,605,585                     | 149,423,014 | 14,182,571 | (4,572,501)                 | (4,572,501) | 16,129,722        | 11,495,448 | 4,634,274 | (0)                                   | 1,389,330 | (1,389,330) | 706,080           | 601,622 | 104,458 | -      |
| Current Year NEL Summary by Regional Entity |                 |         |        |         |                                                                 |             |            |                                 |             |            |                             |             |                   |            |           |                                       |           |             |                   |         |         |        |
| 2024                                        | MRO             |         |        |         | 26,218,337                                                      | 23,615,231  | 2,603,106  | 26,242,635                      | 23,639,529  | 2,603,106  | (24,298)                    | (24,298)    | -                 | -          | -         | -                                     | -         | -           | -                 | -       | -       |        |
| 2024                                        | NPCC            |         |        |         | 26,622,578                                                      | 15,690,182  | 10,932,396 | 10,992,856                      | 4,694,734   | 6,298,122  | (500,000)                   | (500,000)   | 16,129,722        | 11,495,448 | 4,634,274 | -                                     | -         | -           | -                 | -       | -       |        |
| 2024                                        | RF              |         |        |         | 32,589,878                                                      | 32,589,878  | -          | 33,637,736                      | 33,637,736  | -          | (1,047,858)                 | (1,047,858) | -                 | -          | -         | -                                     | -         | -           | -                 | -       | -       |        |
| 2024                                        | SERC            |         |        |         | 34,255,910                                                      | 34,255,910  | -          | 36,784,910                      | 36,784,910  | -          | (2,529,000)                 | (2,529,000) | -                 | -          | -         | -                                     | -         | -           | -                 | -       | -       |        |
| 2024                                        | Texas RE        |         |        |         | 19,818,823                                                      | 19,818,823  | -          | 20,248,423                      | 20,248,423  | -          | (429,600)                   | (429,600)   | -                 | -          | -         | -                                     | -         | -           | -                 | -       | -       |        |
| 2024                                        | WECC            |         |        |         | 36,363,360                                                      | 32,366,889  | 3,996,471  | 35,699,025                      | 30,417,682  | 5,281,343  | (41,745)                    | (41,745)    | -                 | -          | -         | (0)                                   | 1,389,330 | (1,389,330) | 706,080           | 601,622 | 104,458 |        |
| Total                                       |                 |         |        |         | 175,868,886                                                     | 158,336,913 | 17,531,973 | 163,605,585                     | 149,423,014 | 14,182,571 | (4,572,501)                 | (4,572,501) | 16,129,722        | 11,495,448 | 4,634,274 | (0)                                   | 1,389,330 | (1,389,330) | 706,080           | 601,622 | 104,458 | -      |

**DOCKET NO. RR25-\_\_-000**

**NORTH AMERICAN ELECTRIC RELIABILITY  
CORPORATION**

**2026 BUSINESS PLAN AND BUDGET FILING**

**ATTACHMENT 3**

**MIDWEST RELIABILITY ORGANIZATION**

**PROPOSED 2026 BUSINESS PLAN AND BUDGET**

# Midwest Reliability Organization

2026 Business Plan and Budget

**Approved by MRO Board of Directors: June 12, 2025**



**MIDWEST  
RELIABILITY  
ORGANIZATION**

Public

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## Table of Contents

|                                                           |           |
|-----------------------------------------------------------|-----------|
| <b>Preface.....</b>                                       | <b>4</b>  |
| <b>Introduction.....</b>                                  | <b>5</b>  |
| Overview.....                                             | 5         |
| <i>Midwest Reliability Organization .....</i>             | <i>5</i>  |
| <i>Membership and Governance.....</i>                     | <i>5</i>  |
| <b>ERO Enterprise Model and Transformation .....</b>      | <b>7</b>  |
| ERO Enterprise Strategic and Operational Planning .....   | 7         |
| MRO Strategic and Operational Planning .....              | 8         |
| <i>Key Strategic Goals and Supporting Activities.....</i> | <i>8</i>  |
| <b>2026 Business Plan and Budget Overview .....</b>       | <b>10</b> |
| Budget and Funding Requirements.....                      | 10        |
| <i>Personnel.....</i>                                     | <i>10</i> |
| <i>Meetings and Travel .....</i>                          | <i>11</i> |
| <i>Operating Expenses .....</i>                           | <i>11</i> |
| <i>Fixed Assets .....</i>                                 | <i>11</i> |
| 2026 Program Area Budgets .....                           | 13        |
| <i>Major Budget Drivers by Program Area .....</i>         | <i>13</i> |
| 2026 Personnel Analysis and Expenses .....                | 16        |
| Consultants and Contracts .....                           | 17        |
| Fixed Assets .....                                        | 18        |
| Outside Funding .....                                     | 19        |
| Reserve Analysis .....                                    | 20        |
| 2027 and 2028 Projections.....                            | 22        |
| <b>2026 Program Area and Department Detail.....</b>       | <b>24</b> |
| Reliability Standards.....                                | 26        |
| <i>Purpose and Scope .....</i>                            | <i>26</i> |
| <i>2026 Areas of Focus.....</i>                           | <i>27</i> |
| Compliance Monitoring and Enforcement .....               | 26        |
| <i>Purpose and Scope .....</i>                            | <i>26</i> |
| <i>Impact on Resource Needs .....</i>                     | <i>26</i> |
| <i>2026 Areas of Focus.....</i>                           | <i>27</i> |
| Organization Registration and Certification.....          | 29        |
| <i>Purpose and Scope .....</i>                            | <i>29</i> |





|                                                                                        |           |
|----------------------------------------------------------------------------------------|-----------|
| <i>Impact on Resource Needs .....</i>                                                  | <i>29</i> |
| <i>2026 Areas of Focus.....</i>                                                        | <i>29</i> |
| <b>Reliability Analysis and Power System Risk Management.....</b>                      | <b>31</b> |
| <i>Purpose and Scope .....</i>                                                         | <i>31</i> |
| <i>2026 Areas of Focus.....</i>                                                        | <i>32</i> |
| <b>Situation Awareness and Infrastructure Security .....</b>                           | <b>35</b> |
| <i>Purpose and Scope .....</i>                                                         | <i>35</i> |
| <i>2026 Areas of Focus.....</i>                                                        | <i>35</i> |
| <b>Training Education and Regulatory Affairs.....</b>                                  | <b>38</b> |
| <i>Purpose and Scope .....</i>                                                         | <i>38</i> |
| <i>2026 Areas of Focus.....</i>                                                        | <i>38</i> |
| <b>Administrative Services .....</b>                                                   | <b>40</b> |
| <i>Scope and Functional Description .....</i>                                          | <i>40</i> |
| <i>Methodology for Allocation of Administrative Services Expenses to Programs.....</i> | <i>40</i> |
| <i>Funding Sources.....</i>                                                            | <i>40</i> |
| <i>2026 Areas of Focus.....</i>                                                        | <i>40</i> |
| <i>General and Administrative.....</i>                                                 | <i>41</i> |
| <i>Legal .....</i>                                                                     | <i>41</i> |
| <i>Information Technology .....</i>                                                    | <i>41</i> |
| <i>Human Resources .....</i>                                                           | <i>41</i> |
| <i>Finance and Accounting .....</i>                                                    | <i>42</i> |
| <b>Non-Statutory Activity .....</b>                                                    | <b>44</b> |
| <b>Organization Chart.....</b>                                                         | <b>45</b> |
| <b>Consolidated Statement of Activities by Program .....</b>                           | <b>46</b> |
| <b>Acronyms .....</b>                                                                  | <b>47</b> |



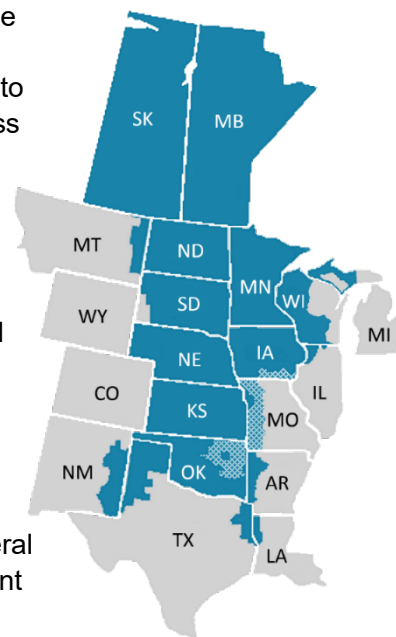
## PREFACE

Midwest Reliability Organization (MRO) is dedicated to its vision of **a highly reliable and secure North American bulk power system**. To ensure reliability of the bulk power system in the United States, Congress passed the Energy Policy Act of 2005, creating a new regulatory organization called the Electric Reliability Organization (ERO) to establish mandatory Reliability Standards and monitor and enforce compliance with those standards on those who own, operate or use the interconnected power grid.

In 2006, the Federal Energy Regulatory Commission (FERC) approved<sup>1</sup> the North American Electric Reliability Corporation (NERC) as the ERO under section 215(e)(4) of the Federal Power Act. NERC delegates<sup>2</sup> its authority to monitor and enforce compliance to six Regional Entities<sup>3</sup> established across North America, including MRO. Recognizing the international nature of the grid, NERC as the ERO, along with MRO, established similar arrangements with provincial authorities in Canada. Together, NERC and the Regional Entities are known as the ERO Enterprise.

The MRO region spans the provinces of Saskatchewan and Manitoba, and all or parts of sixteen states, including: Arkansas, Illinois, Iowa, Kansas, Louisiana, Michigan, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wisconsin.

The region includes approximately 250 organizations that participate in the production and delivery of electric power, including municipal utilities, cooperatives, investor-owned utilities, transmission system operators, federal power marketing agencies, Canadian Crown Corporations, and independent power producers.



MRO's primary responsibilities include:

- Participate in and help to develop reliability standards that serve to mitigate risk to reliability and security of the North American bulk power system.
- Monitor and enforce compliance with mandatory reliability standards by entities who use, own or operate the regional grid.
- Conduct assessments of the bulk power grid's ability to meet projected electricity demand within the region.
- Assess regional system events and share lessons learned and best practices with industry participants.

Additionally, MRO creates open forums for stakeholder experts in the region to discuss important topics related to reducing both reliability and security risks and improving reliable operations of the bulk power system.

<sup>1</sup> 16 U.S.C. 824 o (e)(4)

<sup>2</sup> Order Conditionally Approving Revised Pro Forma Delegation Agreement and Revised Delegation Agreements with Regional Entities, 173 FERC ¶61,277 (December 2020).

<sup>3</sup> 16 U.S.C. § 824o(a)(7)



## INTRODUCTION

### Overview

#### **Midwest Reliability Organization**

MRO is a Delaware nonprofit corporation that is a cross-border Regional Entity operating under a delegation agreement (Delegation Agreement) with NERC and in accordance with the MRO Bylaws. MRO's current Delegation Agreement was approved by FERC pursuant to FERC's authority under the Federal Power Act.

MRO achieves its vision of a highly reliable and secure North American bulk power system through a shared mission with the ERO Enterprise to identify, prioritize and assure effective and efficient mitigation of risks to the reliability and security of the North American bulk power system. MRO is unique in that it uses the theory and principles of High Reliability Organizations<sup>4</sup> as a framework for supporting reliable operations of the bulk power system within its geographic footprint. MRO promotes Highly Effective Reliability Organizations® (or HEROs) that implement high standards of operational excellence to avoid catastrophic events where accidents are expected due to complexity and risk. Working closely with registered entities (those companies that own, operate or use the interconnected power grid) and subject matter experts in the region, MRO continually identifies and assesses risks to reliability and security of the regional bulk power system.

This business plan and budget (BPB) supports the ERO Enterprise Long-Term Strategy, which was developed collaboratively by leadership teams across the ERO Enterprise. Region-specific activities to support the direction of the ERO Enterprise to address risk are reflected in MRO's 2025-2028 Strategic Plan.

#### **Membership and Governance**

MRO membership consists of members and adjunct members. Membership is free of charge and enables industry participation in organizational groups and the board of directors. As of April 2025, MRO had 106 members, thirteen of which are non-voting, adjunct members. Each voting member organization comes from one of seven industry sectors:

- Transmission System Operator
- Generator and/or Power Marketer
- Investor Owned Utility
- Cooperative
- Municipal Utility
- Federal Power Marketing Agency
- Canadian Utility

MRO's Board of Directors is a hybrid board consisting of a combination of independent and balanced stakeholder board members. There are 17 stakeholder directors elected by members from the seven industry sectors, plus four independent directors and two regional directors elected by all members.

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<sup>4</sup> <https://www.mro.net/wp-content/uploads/2022/07/Five-Principles-of-High-Reliability-Organizations.pdf>



Pursuant to MRO's Bylaws, no two industry sectors can control a vote. The board has adopted procedures to ensure it carries out its responsibilities free of conflicts of interest.

The board has three committees that provide functional oversight of MRO's operations:

- Finance and Audit Committee (FAC)
- Governance and Personnel Committee (GPC)
- Organizational Group Oversight Committee (OGOC)

The board has established three stakeholder-led advisory councils:

- Compliance Monitoring and Enforcement Program Advisory Council (CMEPAC)
- Reliability Advisory Council (RAC)
- Security Advisory Council (SAC)

Industry subject matter experts from member companies serve on the advisory councils and assist with identifying risks to the reliability and security of the regional bulk power system, developing mitigation strategies, and expanding outreach efforts to help registered entities become more aware of and reduce risk to their individual systems. In addition to producing educational materials for the region in the form of newsletter articles and webinars, the advisory councils support MRO's outreach events. The advisory councils also contribute to the development of MRO's annual Regional Risk Assessment (RRA).

Each advisory council may have subgroups that it oversees. All organizational group charters are published on MRO's website. Board-approved [\*Policy and Procedure 3: Establishment, Responsibilities, and Procedures of Organizational Groups and MRO Sponsored Representatives on NERC Organizational Groups\*](#) sets out the processes for the organizational groups and MRO-sponsored NERC representatives. Three active subgroups include the NERC Standards Review Forum, which meets weekly to discuss ongoing NERC Reliability Standards projects; the Protective Relay Subgroup (PRS), which focuses on protection system misoperations and power system events in the region; and the SAC Threat Forum (SACTF), which is a weekly secured mechanism for MRO and Electricity Information Sharing and Analysis Center (E-ISAC) staff to discuss timely threat information with the electricity industry.

The advisory councils also work with staff and the board's OGOC to interface with NERC technical committees to increase awareness of NERC activities to reduce risk and avoid duplication of efforts. MRO sponsors staff from member companies to participate in NERC technical committee meetings that are focused on the risks most material to the MRO region. These representatives report back to one of the advisory councils and are assigned a staff member to assist with these efforts.

Pursuant to [\*Policy and Procedure 2: Expense Reimbursement\*](#), organizational group members and NERC representatives are reimbursed for travel costs associated with MRO and NERC organizational group participation.



## THE ERO ENTERPRISE

Electricity is a vital component of the fabric of modern society and the FERC ERO Enterprise serves to strengthen that fabric for the benefit of nearly 400 million North Americans. The ERO Enterprise, which consists of NERC and the six Regional Entities, works with users, owners, and operators of the bulk power system (BPS), government partners, and other stakeholders and industry participants, to pursue its mission of assuring the effective and efficient reduction of risks to the reliability and security of the BPS.

NERC and the Regional Entities play different, but important and complementary, roles in delivering ERO Enterprise programs. NERC provides industry-wide perspective and oversight, and the Regional Entities have unique features and activities that serve the needs of their regional constituents, while ensuring that registered entities follow NERC and Regional Reliability Standards. The ERO Enterprise is explicitly committed to its collective success in achieving its vision of a highly reliable and secure North American BPS.



### ERO Enterprise Strategic and Operational Planning

NERC and the Regional Entities are continually refining their individual and collective operating and governance practices in support of strategic and operational goals and objectives that are designed to ensure the ERO fulfills its statutory obligations. This collaboration is done while acknowledging the unique differences across the Regional Entities, and the different corporate and governance responsibilities of each entity.

In 2024, the ERO Enterprise revised the [ERO Enterprise Long-Term Strategy](#). This strategy includes the following focus areas for achieving success in its vision and mission:

- **Energy** – Effectively leverage a broad range of data, tools, and approaches to assist stakeholders and policymakers in addressing existing BPS risks and proactively identifying and preparing for emerging and unknown risks to the grid.



- **Security** – Maintain cyber and physical security programs (E-ISAC, Standards, Compliance Monitoring and Enforcement Program (CMEP), technical committee work,<sup>5</sup> outreach and engagement) that are risk-based, efficient, coordinated, and effectively advance the security posture of industry.
- **Engagement** – Ensure that the increasingly diverse spectrum of stakeholders and policymakers find value in engagements with the ERO Enterprise, seek ERO Enterprise expertise to inform their decision-making, and have confidence in the integrity and independence of ERO Enterprise programs.
- **Agility and Sustainability** – Perform as an effective and efficient team acting in coordination, ensuring its programs and efforts deliver value for stakeholders and policymakers as they manage changing reliability and security risk within the evolving industry landscape, and capturing cost efficiencies when practical.

As part of the business planning and budgeting process, NERC and the Regional Entities each have their own priorities and strategic focus areas but continually come together to ensure alignment with the long-term strategy and that business processes and operations are harmonized across the ERO Enterprise where appropriate.

Since risks to reliability and security are fluid and can be impacted by recent events, NERC and each Regional Entity may also create annual work plan priorities that summarize the most critical goals and objectives for the year. In many cases, these work plan priorities are also used for individual, departmental, and company performance measurements.

## MRO Strategic and Operational Planning

### Key Strategic Goals and Supporting Activities

MRO's board of directors approved a four-year strategic plan for MRO staff covering 2025 through 2028. The strategic priorities in the plan support MRO's vision and mission and the ERO Enterprise Long-Term Strategy. The strategic priorities are forward-looking and serve to guide the key objectives and support activities found within MRO's Strategic Plan<sup>6</sup>. These priorities serve as a foundation for decision-making, resource allocation, and risk management efforts.

#### *Priority 1: People*

Ensure that MRO remains an innovative, resilient, and high-performing organization with requisite expertise and leadership to navigate the challenges and opportunities of a rapidly transforming grid.

#### *Priority 2: Processes*

Implement high standards of operational excellence in everything we do, emphasizing effectiveness and efficiency to deliver utmost value to our stakeholders.

<sup>5</sup> Technical committees include the NERC Standing Committees (Compliance and Certification Committee, Personnel Certification and Governance Committee, Reliability Issues Steering Committee, Reliability and Security Technical Committee, and Standards Committee) and Regional Entity organizational groups.

<sup>6</sup> <https://www.mro.net/document/mro-2025-28-strategic-plan/>



***Priority 3: Partnerships***

Foster an agile, adaptive, and collaborative relationship with internal and external stakeholders to effectively coordinate efforts to reduce risk and enhance reliability and security of the North American bulk power system.



## 2026 BUSINESS PLAN AND BUDGET OVERVIEW

### Budget and Funding Requirements

To ensure adequate funding for delegated functions, NERC provides MRO with the monies necessary to carry out activities in the Delegation Agreement. Charges are allocated among the load-serving entities within the boundaries served by MRO, based on net energy for load (NEL). MRO's total NEL is 517,757,573 MWH: US NEL 466,399,252 MWH; Canada NEL 51,358,321 MWH.<sup>7</sup>

MRO provides NERC with a board-approved annual operating budget on or before June 30 of each year. MRO used shared ERO Enterprise-wide assumptions, internal strategic assumptions, and corporate risk assumptions in developing this 2026 BPB. Prior to obtaining final approval from its board of directors, MRO seeks NERC and stakeholder input and review of the annual BPB, including coordination of program requirements and any related key initiatives for the ERO Enterprise.

MRO's 2026 total budget (\$27.8M) increased by 3.9 percent from the 2025 total budget (\$26.7M). The 2026 statutory assessment (\$26.2M) represents a 3.9 percent increase from the 2025 assessment. MRO proposes to use \$1.6M of its assessment stabilization reserves to manage the variance between the budgeted expenditures and assessments in 2026. See the [Reserve Analysis Table](#) for details.

The following are major drivers of budget expense changes in the 2026 BPB compared to the 2025 budget.

#### **Personnel – 6.4% increase**

Full-Time Equivalents (FTEs) are increased by four in the 2026 BPB to eighty-seven. An evaluation of MRO's personnel resources identified the need for additional staff in the Power System Risk Management Department to support the priorities related to developing data analytics capabilities to maintain and enhance reliability and security of the bulk power system; the Enforcement Department to manage enforcement caseload and support regulatory evaluations of compliance and mitigation findings; and Regulatory Affairs to support expansion in outreach to policymakers and local regulators within our region. The allocation of FTEs is in table 4. An explanation of the FTE variances is in the Personnel Analysis and Expenses section.

The 2026 BPB salary percentage changes reflect the combination of new salary bases with a salary increase of 3 percent and an additional 2 percent allotted for promotions and market adjustments. A decrease of 1 percent was applied to account for vacancies projected during the year.

The average health care premium cost per employee in the 2026 BPB was calculated based on assumptions provided by MRO's benefit provider, which reflected an increase over what was budgeted in 2025 because of an aging workforce along with overall premium increases. The proposed increase in FTEs also impacts 2026 benefit premium costs. The per employee cost applied to each department is based on the number of FTEs.

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<sup>7</sup> NEL totals for the purpose of the 2026 Business Plan and Budget (BPB) are reported as of FY2024 and made available in June 2025.





**Meetings and Travel – 7.8% increase**

Enhancements to MRO's stakeholder outreach in 2026 include expanding its activities within regulatory affairs. Also, enhancements to MRO's off-site summit include additional staff support. This provides efficiencies for the three separate events, Reliability, Security, and Compliance Monitoring and Enforcement (CMEP). It also offers an opportunity for attendees to engage and network with a broader audience of peers.

**Operating Expenses – 6.2% decrease**

2026 BPB operating expenses are decreasing as a result of fewer consulting costs and reduced facility maintenance and office supply costs due to MRO's continued hybrid work setting.

**Fixed Assets – 49.5% decrease**

Asset replacements were advanced in 2024 which reduced the asset replacements scheduled for 2025 and ultimately results in a decrease in Capital Asset Expenditures in the 2026 BPB.



**Statement of Activities, Fixed Assets Expenditures and Change in Working Capital**  
**2025 Budget and 2026 Budget**

**STATUTORY**

|                                                                        |                      |                       |                     | Variance<br>2026 Budget<br>v 2025 Budget<br>Over(Under) | 2026 Budget<br>Variance |
|------------------------------------------------------------------------|----------------------|-----------------------|---------------------|---------------------------------------------------------|-------------------------|
|                                                                        | 2025<br>Budget       | 2026<br>Budget        |                     |                                                         |                         |
| <b>Funding</b>                                                         |                      |                       |                     |                                                         |                         |
| <b>ERO Funding</b>                                                     |                      |                       |                     |                                                         |                         |
| NERC Assessments                                                       | \$ 25,234,204        | \$ 26,218,337         | \$ 984,133          |                                                         |                         |
| Penalties Released                                                     | 621,250              | 24,298                | (596,952)           |                                                         |                         |
| Interest & Investment Income                                           | 15,600               | 17,690                | 2,090               |                                                         |                         |
| <b>Total Funding (A)</b>                                               | <b>\$ 25,871,054</b> | <b>\$ 26,260,325</b>  | <b>\$ 389,271</b>   |                                                         | <b>1.5%</b>             |
| <b>Expenses</b>                                                        |                      |                       |                     |                                                         |                         |
| <b>Personnel Expenses</b>                                              |                      |                       |                     |                                                         |                         |
| Salaries                                                               | \$ 16,663,420        | \$ 17,436,192         | \$ 772,772          |                                                         |                         |
| Payroll Taxes                                                          | 1,057,570            | 1,177,524             | 119,954             |                                                         |                         |
| Benefits                                                               | 1,744,112            | 2,032,063             | 287,951             |                                                         |                         |
| Retirement Costs                                                       | 2,365,061            | 2,579,664             | 214,603             |                                                         |                         |
| <b>Total Personnel Expenses</b>                                        | <b>\$ 21,830,163</b> | <b>\$ 23,225,444</b>  | <b>\$ 1,395,281</b> |                                                         | <b>6.4%</b>             |
| <b>Meeting Expenses</b>                                                |                      |                       |                     |                                                         |                         |
| Meetings & Conference Calls                                            | \$ 182,275           | \$ 203,650            | \$ 21,375           |                                                         |                         |
| Travel                                                                 | 494,711              | 526,150               | 31,439              |                                                         |                         |
| <b>Total Meeting Expenses</b>                                          | <b>\$ 676,986</b>    | <b>\$ 729,800</b>     | <b>\$ 52,814</b>    |                                                         | <b>7.8%</b>             |
| <b>Operating Expenses, excluding Depreciation</b>                      |                      |                       |                     |                                                         |                         |
| Consultants & Contracts                                                | \$ 1,196,853         | \$ 1,025,621          | \$ (171,232)        |                                                         |                         |
| Office Rent                                                            | 1,136,000            | 1,103,000             | (33,000)            |                                                         |                         |
| Office Costs                                                           | 1,043,032            | 996,718               | (46,314)            |                                                         |                         |
| Professional Services                                                  | 545,300              | 554,000               | 8,700               |                                                         |                         |
| Miscellaneous                                                          | -                    | -                     | -                   |                                                         |                         |
| <b>Total Operating Expenses</b>                                        | <b>\$ 3,921,185</b>  | <b>\$ 3,679,339</b>   | <b>\$ (241,846)</b> |                                                         | <b>-6.2%</b>            |
| <b>Total Expenses (B)</b>                                              | <b>\$ 26,428,334</b> | <b>\$ 27,634,583</b>  | <b>\$ 1,206,249</b> |                                                         | <b>4.6%</b>             |
| <b>Fixed Asset Additions, excluding Right of Use Assets (C)</b>        | <b>323,000</b>       | <b>163,000</b>        | <b>(160,000)</b>    |                                                         | <b>-49.5%</b>           |
| <b>TOTAL BUDGET (Total Expenses plus Fixed Asset Additions =B + C)</b> | <b>\$ 26,751,334</b> | <b>\$ 27,797,583</b>  | <b>\$ 1,046,249</b> |                                                         | <b>3.9%</b>             |
| <b>TOTAL CHANGE IN RESERVES (=A-B-C)</b>                               | <b>\$ (880,280)</b>  | <b>\$ (1,537,258)</b> | <b>\$ (656,978)</b> |                                                         |                         |
| <b>FTEs</b>                                                            | <b>83.00</b>         | <b>87.00</b>          | <b>4.00</b>         |                                                         | <b>-</b>                |

Table 1: Statement of Activities



## 2026 Program Area Budgets

The following table shows 2026 versus 2025 budget comparison by program area. The amounts reflect all direct departmental costs, including fixed asset expenditures, as well as indirect costs incurred for Administrative Services (formerly called Administrative Programs), which are allocated to the statutory program departments based on the ratio of each department's budgeted FTEs to total budgeted statutory FTEs. [See the Administrative Services section](#) for discussion on this allocation method.

### 2026 versus 2025 Total Budget by Program

| Base Operating Budget                           | Budget               |                      | Variance                  |             |
|-------------------------------------------------|----------------------|----------------------|---------------------------|-------------|
|                                                 | 2025                 | 2026                 | 2026 Budget v 2025 Budget | Variance %  |
| Reliability Standards                           | \$ 77,433            | \$ -                 | \$ (77,433)               | -100.0%     |
| Compliance Enforcement                          | 16,633,515           | 16,782,403           | 148,887                   | 0.9%        |
| Organization Registration and Certification     |                      | 871,949              | 871,949                   | -           |
| Reliability Analysis and Power System Risk      | 6,911,276            | 7,136,180            | 224,904                   | 3.3%        |
| Training, Education and Regulatory Affairs      | 1,885,437            | 2,179,230            | 293,792                   | 15.6%       |
| Situation Awareness and Infrastructure Security | 1,243,672            | 827,821              | (415,851)                 | -33.4%      |
| <b>Total</b>                                    | <b>\$ 26,751,334</b> | <b>\$ 27,797,583</b> | <b>\$ 1,046,249</b>       | <b>3.9%</b> |

Table 2: Budget by Program

### Major Budget Drivers by Program Area

The 2026 budget for each program area is increasing over 2025, except in Reliability Standards and Situation Awareness and Infrastructure Security. The increases are primarily due to a combination of the following: (1) assumptions related to personnel, particularly increases in FTEs (see personnel analysis table below), which may also result in higher allocations of indirect and fixed asset costs from the Administrative Services departments; and (2) costs related to capital expenditures, which are allocated to the statutory program departments. In many departments, these increases are offset by decreases in spending in other areas. The decreases are primarily due to the following: (1) reallocation of FTEs; and (2) recognition of reduced activity in the two program areas noted above with lower budgets. Details on the statutory program and Administrative Services budgets are available in the 2026 Program Area and Department Detail section. The following is a summary of major budget drivers by statutory program.

#### Compliance Monitoring and Enforcement Program (CMEP)

- **Personnel** – Assumptions related to the personnel major budget drivers are explained under [budget and funding requirements](#).
- **Contractors and Consultants** – Decrease in costs related to external support of systems and processes.
- **Office costs** – Reclassification of employee-related expenditures to personnel costs.



- **Indirect Expenses** – Increase in expenses for Administrative Services allocated to each statutory program based on number of FTEs.
- **Fixed Assets** – Decreased allocation due to reduction in overall capital expenditures.

#### Organization Registration and Certification (ORC)

- **Personnel** – Assumptions related to the personnel major budget driver are explained under [budget and funding requirements](#), including an increase of FTEs (see personnel analysis table).
- **Meeting Expenses** – This program area is newly organized as a separate statutory function.
- **Consultants and Software Contracts** – This program area is newly organized as a separate statutory function.
- **Indirect Expenses** – This program area is newly organized as a separate function. Expenses for Administrative Services are allocated to each statutory program based on number of FTEs.
- **Fixed Assets** – Capital expenditures are allocated to each statutory program based on number of FTEs.

#### Reliability Analysis and Power System Risk Management

- **Personnel** – Assumptions related to the personnel major budget driver are explained under [budget and funding requirements](#), including an increase of FTEs (see personnel analysis table).
- **Meeting Expenses** – An increase in meetings and both staff and member travel is expected because of new activities in data analytics.
- **Consultants and Software Contracts** – Increase in work related to data analytics.
- **Indirect Expenses** – The increase in FTEs in this area resulted in an increase in expenses for Administrative Services that are allocated to each statutory program based on number of FTEs.
- **Fixed Assets** – Decreased allocation due to reduction in overall capital expenditures.

#### Situation Awareness and Infrastructure Security

- **Personnel** – Assumptions related to the personnel major budget driver are explained under [budget and funding requirements](#).
- **Indirect Expenses** – The increase in inter-departmental allocation of FTEs in this area has resulted in an increase in expenses for Administrative Services that are allocated to each statutory program based on number of FTEs.



### Training, Education, and Regulatory Affairs

- **Personnel** – Assumptions related to the personnel major budget driver are explained under [budget and funding requirements](#).
- **Meeting Expenses** – Increased activity of Regulatory Affairs and enhancements to the off-site summit.
- **Indirect Expenses** – The increase in inter-departmental allocation of FTEs in this area has resulted in an increase in expenses for Administrative Services that are allocated to each statutory program based on number of FTEs.

### Administrative Services

|                                      | Administrative Services<br>(in whole dollars) |                    |                        |
|--------------------------------------|-----------------------------------------------|--------------------|------------------------|
|                                      | Direct Expenses and Fixed Assets              |                    | Increase<br>(Decrease) |
|                                      | 2025 Budget                                   | 2026 Budget        |                        |
| General and Administrative           | \$3,549,836                                   | \$3,524,332        | -\$25,504              |
| Legal                                | \$676,865                                     | \$725,867          | \$49,002               |
| Communications                       | \$0                                           | \$316,981          | \$316,981              |
| Information Technology               | \$2,951,235                                   | \$2,921,980        | -\$29,255              |
| Human Resources                      | \$820,203                                     | \$820,053          | -\$150                 |
| Finance and Accounting               | \$1,479,606                                   | \$1,671,283        | \$191,677              |
| <b>Total Administrative Services</b> | <b>\$9,477,744</b>                            | <b>\$9,980,496</b> | <b>\$502,752</b>       |

Table 3: Budget by Administrative Service Area

- **Personnel** – Assumptions related to the personnel major budget driver are explained under [budget and funding requirements](#), including the net result of allocating existing staff time to the work of corporate administration (see personnel analysis table).
- **Contractors and Consultants** – The increase reflects a consolidation of consulting or contractual needs from other program areas and is anticipated ad hoc support needs that benefit the entire MRO organization.
- **Office Costs** – An increase in staff training, ongoing staff certifications, and other professional development is expected in 2026.
- **Fixed Assets** – Decrease in replacement cost of end-of-life technology assets as they were completed in prior years.
- **Professional Services** – Includes increase in independent board director fees.



## 2026 Personnel Analysis and Expenses

The following table presents a 2026 versus 2025 comparison of budgeted FTEs by department. Also see the [MRO Staff Organization Chart](#).

| FTEs                                            | Budget<br>2025 | Budget<br>2026 | Variance from<br>2025 Budget |
|-------------------------------------------------|----------------|----------------|------------------------------|
| Reliability Standards                           | 0.18           | -              | (0.18)                       |
| Compliance Monitoring                           | 19.00          | 19.03          | 0.03                         |
| Compliance Risk Assessment and Mitigation       | 16.28          | 15.50          | (0.78)                       |
| Compliance Enforcement                          | 3.50           | 4.50           | 1.00                         |
| Training, Education, and Regulatory Affairs     | 5.00           | 6.16           | 1.16                         |
| Organization Registration and Certification     | -              | 2.00           | 2.00                         |
| Reliability Analysis and Power System Risk      | 15.51          | 16.65          | 1.14                         |
| Situation Awareness and Infrastructure Security | 2.92           | 1.95           | (0.97)                       |
| Administrative Services                         | 20.61          | 21.21          | 0.60                         |
| <b>Total FTEs</b>                               | <b>83.00</b>   | <b>87.00</b>   | <b>4.00</b>                  |

Table 4: Personnel Analysis

MRO is adding four new positions in 2026 to support strategic areas of focus, resulting in a total of 87 FTEs in 2026. The FTE table above reflects the additions as well as the following department FTE reallocations:

- Compliance Risk Assessment and Mitigation – One FTE is reallocated to Reliability Analysis for the work of data analysis
- Training, Education, and Regulatory Affairs – One FTE is being added and existing staff time is being allocated to the work of outreach and regulatory affairs
- Organization Registration and Certification (ORC) – Two FTEs are allocated from existing staff as dedicated FTEs to this work



| Personnel Expenses           | Budget<br>2025       | Budget<br>2026       | Variance<br>2026 Budget v<br>2025 Budget | Variance %  |
|------------------------------|----------------------|----------------------|------------------------------------------|-------------|
| <b>Total Salaries</b>        | \$ 16,663,420        | \$ 17,436,192        | \$ 772,772                               | 4.6%        |
| <b>Total Payroll Taxes</b>   | 1,057,570            | 1,177,524            | 119,954                                  | 11.3%       |
| <b>Total Benefits</b>        | 1,744,112            | 2,032,063            | 287,951                                  | 16.5%       |
| <b>Total Retirement</b>      | 2,365,061            | 2,579,664            | 214,603                                  | 9.1%        |
| <b>Total Personnel Costs</b> | <u>\$ 21,830,163</u> | <u>\$ 23,225,444</u> | <u>\$ 1,395,281</u>                      | <u>6.4%</u> |
| <b>FTEs</b>                  | 83.00                | 87.00                | 4.00                                     | 4.8%        |
| <b>Cost per FTE</b>          |                      |                      |                                          |             |
| Salaries                     | 200,764              | \$ 200,416           | (348)                                    | -0.2%       |
| Payroll Taxes                | 12,742               | 13,535               | 793                                      | 6.2%        |
| Benefits                     | 21,013               | 23,357               | 2,344                                    | 11.2%       |
| Retirement                   | 28,495               | 29,651               | 1,157                                    | 4.1%        |
| <b>Total Cost per FTE</b>    | <b>\$ 263,014</b>    | <b>\$ 266,959</b>    | <b>\$ 3,945</b>                          | <b>1.5%</b> |

Table 5: Personnel Expenses

The increase in overall personnel costs is primarily related to the addition of 4 FTEs, as well as the salary and benefit increase assumptions for existing staff discussed in the Personnel section under [budget and funding requirements](#).

## Consultants and Contracts

| Consultants                                     | Budget<br>2025    | Budget<br>2026    | Variance<br>2026 Budget v<br>2025 Budget | Variance %  |
|-------------------------------------------------|-------------------|-------------------|------------------------------------------|-------------|
| <b>Consultants</b>                              |                   |                   |                                          |             |
| Reliability Standards                           | \$ -              | \$ -              | \$ -                                     |             |
| Compliance Monitoring and Enforcement           | 50,000            | -                 | (50,000)                                 | -100%       |
| Organization Registration and Certification     | -                 | -                 | -                                        |             |
| Reliability Analysis and Power System Risk      | 60,000            | -                 | (60,000)                                 | -100%       |
| Training and Education and Regulatory Affairs   | 7,500             | -                 | (7,500)                                  | -100%       |
| Situation Awareness and Infrastructure Security | 10,000            | -                 | (10,000)                                 | -100%       |
| Administrative Services                         | 192,200           | 183,200           | (9,000)                                  | -5%         |
| <b>Consultants Total</b>                        | <u>\$ 319,700</u> | <u>\$ 183,200</u> | <u>\$ (136,500)</u>                      | <u>-43%</u> |

| Contracts                                       | Budget<br>2025    | Budget<br>2026    | Variance<br>2026 Budget v<br>2025 Budget | Variance % |
|-------------------------------------------------|-------------------|-------------------|------------------------------------------|------------|
| <b>Contracts</b>                                |                   |                   |                                          |            |
| Reliability Standards                           | \$ -              | \$ -              | \$ -                                     |            |
| Compliance Monitoring and Enforcement           | -                 | -                 | -                                        |            |
| Organization Registration and Certification     | -                 | -                 | -                                        |            |
| Reliability Analysis and Power System Risk      | 58,800            | 58,000            | (800)                                    | -1%        |
| Training and Education and Regulatory Affairs   | -                 | -                 | -                                        |            |
| Situation Awareness and Infrastructure Security | -                 | -                 | -                                        |            |
| Administrative Services                         | 818,353           | 784,421           | (33,932)                                 |            |
| <b>Contracts Total</b>                          | <u>\$ 877,153</u> | <u>\$ 842,421</u> | <u>\$ (34,732)</u>                       | <u>-4%</u> |

Table 6: Consultants and Contracts by Program Area



Significant variances to Consultants and Contracts expenses include:

- **Compliance Monitoring and Enforcement Program** – No consulting need projected for the year
- **Reliability Analysis and Organization Registration and Certification** – No consulting need projected for the year
- **General and Administrative** – Consolidated consulting needs across the organization
- **Information Technology** – Reduction in consulting and software contracts for existing technology tools

## Fixed Assets

| Fixed Assets                        | Budget<br>2025    | Budget<br>2026    | Variance<br>2026 Budget v<br>2025 Budget | Variance %    |
|-------------------------------------|-------------------|-------------------|------------------------------------------|---------------|
| Computer Equipment                  | 283,000           | 163,000           | (120,000)                                | -42.4%        |
| Capitalized Software                | -                 | -                 | -                                        |               |
| Furniture and Equipment             | -                 | -                 | -                                        |               |
| Leasehold Improvements              | 40,000            | -                 | (40,000)                                 | -100.0%       |
| <b>Total Change in Fixed Assets</b> | <b>\$ 323,000</b> | <b>\$ 163,000</b> | <b>\$ (160,000)</b>                      | <b>-49.5%</b> |

Table 7: Fixed Assets

Significant variances in Fixed Assets include:

- **Computer and Software CapEx** – Decreasing due to (1) the purchase of end-of-life assets ahead of its replacement schedule; and (2) extending the life of computer assets
- **Leasehold Improvements** – No leasehold improvements projected for the year





## Outside Funding

| Outside Funding Breakdown By Program (Excluding Penalty Sanction) |  | Budget<br>2025   | Budget<br>2026   | Variance<br>2026 Budget v<br>2025 Budget |
|-------------------------------------------------------------------|--|------------------|------------------|------------------------------------------|
| <b>Reliability Standards</b>                                      |  |                  |                  |                                          |
| Interest Income                                                   |  | \$ 45            | \$ -             | \$ (45)                                  |
| Other                                                             |  | -                | -                | -                                        |
| <b>Total</b>                                                      |  | <b>\$ 45</b>     | <b>\$ -</b>      | <b>\$ (45)</b>                           |
| <b>Compliance Monitoring, Enforcement</b>                         |  |                  |                  |                                          |
| Interest Income                                                   |  | \$ 9,698         | \$ 10,495        | \$ 796                                   |
| Other                                                             |  | -                | -                | -                                        |
| <b>Total</b>                                                      |  | <b>\$ 9,698</b>  | <b>\$ 10,495</b> | <b>\$ 796</b>                            |
| <b>Organization Registration and Certification</b>                |  |                  |                  |                                          |
| Interest Income                                                   |  | \$ -             | \$ 538           | \$ 538                                   |
| Other                                                             |  | -                | -                | -                                        |
| <b>Total</b>                                                      |  | <b>\$ -</b>      | <b>\$ 538</b>    | <b>\$ 538</b>                            |
| <b>Reliability Analysis and Power System Risk</b>                 |  |                  |                  |                                          |
| Interest Income                                                   |  | \$ 3,877         | \$ 4,477         | \$ 600                                   |
| Other                                                             |  | -                | -                | -                                        |
| <b>Total</b>                                                      |  | <b>\$ 3,877</b>  | <b>\$ 4,477</b>  | <b>\$ 600</b>                            |
| <b>Training and Education</b>                                     |  |                  |                  |                                          |
| Interest Income                                                   |  | \$ 1,250         | \$ 1,656         | \$ 407                                   |
| Other                                                             |  | -                | -                | -                                        |
| <b>Total</b>                                                      |  | <b>\$ 1,250</b>  | <b>\$ 1,656</b>  | <b>\$ 407</b>                            |
| <b>Situation Awareness and Infrastructure Security</b>            |  |                  |                  |                                          |
| Interest Income                                                   |  | \$ 730           | \$ 524           | \$ (206)                                 |
| Other                                                             |  | -                | -                | -                                        |
| <b>Total</b>                                                      |  | <b>\$ 730</b>    | <b>\$ 524</b>    | <b>\$ (206)</b>                          |
| <b>General and Administrative</b>                                 |  |                  |                  |                                          |
| Interest Income                                                   |  | \$ -             | \$ -             | \$ -                                     |
| Other                                                             |  | -                | -                | -                                        |
| <b>Total</b>                                                      |  | <b>\$ -</b>      | <b>\$ -</b>      | <b>\$ -</b>                              |
| <b>Total Outside Funding</b>                                      |  | <b>\$ 15,600</b> | <b>\$ 17,690</b> | <b>\$ 2,090</b>                          |

Table 8: Outside Funding

Significant increases in Outside Funding include:

- **Interest and Investment Income** – Recognition of interest earned on penalty funds held in an interest-bearing investment account over 12 months.



## Reserve Analysis

| Reserve Analysis 2024-2026                  |                  |                          |                    |                                         |
|---------------------------------------------|------------------|--------------------------|--------------------|-----------------------------------------|
|                                             | Total Reserves   | Working Capital Reserves | Operating Reserves | Assessment Stabilization Reserves (ASR) |
| Beginning January 1, 2024                   | 7,478,219        | 7,742                    | 1,923,539          | 5,546,938                               |
| Plus: Penalty Sanctions                     | 395,049          |                          |                    | 395,049                                 |
| Plus: Release from ASR                      | -                | -                        |                    |                                         |
| Plus: 2024 Assessments                      | 23,583,367       | 23,583,367               |                    |                                         |
| Adjustment for targeted reserves up to \$1M | -                | 923,539                  | (923,539)          |                                         |
| Adjustment for interest on reserves         | 574,594          | 292,978                  |                    | 281,616                                 |
| Less: 2024 Actual Expenditures              | (22,754,529)     | (22,754,529)             |                    |                                         |
| <b>Final Reserves December 31, 2024</b>     | <b>9,276,700</b> | <b>2,053,097</b>         | <b>1,000,000</b>   | <b>6,223,603</b>                        |
| Beginning January 1, 2025                   | 9,276,700        | 2,053,097                | 1,000,000          | 6,223,603                               |
| Plus: Penalty Sanctions                     | 24,299           | 636,850                  |                    | (612,551)                               |
| Plus: Release from ASR                      | -                | 880,280                  |                    | (880,280)                               |
| Plus: 2025 Assessments                      | 25,234,203       | 25,234,203               |                    |                                         |
| Adjustment for targeted reserves up to \$1M | -                |                          |                    |                                         |
| Adjustment for interest on reserves         | 388,259          | 200,000                  |                    | 188,259                                 |
| Less: 2025 Projected Expenditures           | (26,751,333)     | (26,751,333)             |                    |                                         |
| <b>Projected Reserves December 31, 2025</b> | <b>8,172,128</b> | <b>2,253,097</b>         | <b>1,000,000</b>   | <b>4,919,031</b>                        |
| Beginning January 1, 2026                   | 8,172,128        | 2,253,097                | 1,000,000          | 4,919,031                               |
| Plus: Penalty Sanctions                     | -                | 41,988                   |                    | (41,988)                                |
| Plus: Release from ASR                      | -                | 1,537,258                |                    | (1,537,258)                             |
| Plus: 2026 Assessments                      | 26,218,337       | 26,218,337               |                    |                                         |
| Adjustment for targeted reserves up to \$1M | -                |                          |                    |                                         |
| Adjustment for interest on reserves         | 232,619          | 100,000                  |                    | 132,619                                 |
| Less: 2026 Projected Expenditures           | (27,797,583)     | (27,797,583)             |                    |                                         |
| <b>Projected Reserves December 31, 2026</b> | <b>6,825,501</b> | <b>2,353,097</b>         | <b>1,000,000</b>   | <b>3,472,404</b>                        |

Table 9: Reserve Analysis

MRO projects a total reserve budget of \$8.2M across all categories of reserves at the end of 2025. This is an increase of \$2.5M (27%) from the total reserve amounts budgeted for the end of 2025 in the 2025 BPB. The Working Capital Reserves, Operating Reserves and ASR include interest earned on funds in the Reserves. The reserve categories are as follows:

- **Working Capital** – The balance of assessments less expenditures.
- **Operating Reserves** – Additional funds for unanticipated contingencies. MRO's policy requires a target operating reserve of the company's total expense and fixed asset budget, except as otherwise approved by the board, not to exceed \$1M. Adjustments are made to Operating Reserves to maintain the balance at no more than \$1 M.
- **Assessment Stabilization Reserve (ASR)** – This fund was established with surplus assessment dollars collected by SPP RE and then transferred to MRO following SPP RE's dissolution. Today, this reserve retains the balance of said surplus, excess working capital, and penalties received from U.S. entities. A portion of this reserve is released to offset assessments. In the 12 months



ending June 30, 2025, MRO has collected and is proposing<sup>8</sup> to deposit \$24K of penalty funds into the ASR. MRO recommends the release of \$1.6M from the ASR to offset 2026 assessments, leaving the ASR with a projected balance of \$3.5M at the end of 2026. Pursuant to §1107.4 of the NERC Rules of Procedure, MRO requests that NERC and the Commission approve an exception to requirement §1107.2 that penalties collected during the 12 months ended June 30 be used to reduce assessments in the following year, to allow MRO to implement the proposed ASR transactions.

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<sup>8</sup> With NERC and FERC approval, penalty sanctions are added to the ASR and released to offset assessments in future years.



## 2027-2028 BUDGET PROJECTIONS

### Projected Funding and Budget Summary

MRO projects to increase its operating budget in 2027 from \$27,797,583 to \$29,510,015 an increase of \$1,712,432 or 6.2%. The projected 2028 budget of \$31,433,499 reflects an increase of \$1,923,484 or 6.5% over the 2027 projection.

MRO's projected 2027 assessment of \$27,791,437 represents an increase of 6.0% from the 2026 assessment. The projected assessment for 2028 of \$29,458,923 represents an increase of 6.0% from the 2027 projected assessment.

### Major Drivers 2027 and 2028 Budget Projections

- **Staffing changes proposed for 2027-2028** – In line with MRO's strategic objectives, 2-5 additional FTEs are planned for 2027 and 2028, with a total increase of 5 FTEs over the two years. These roles are critical for advancing three key priorities:
  - **Managing Inverter-Based Resource (IBR) Risk:** The anticipated surge in new IBR registrants requires additional staff to effectively manage registration, training, outreach, and reliability monitoring efforts. This influx will impact several MRO programs and oversight activities.
  - **Conducting Reliability Studies:** The evolving grid requires ongoing reliability studies and assessments. Increased staffing will support MRO's ability to conduct these essential functions, ensuring the continued reliability of the bulk power system.
  - **Expanding Regulatory Affairs:** Continued focus on outreach and engagement with local regulators and policy makers to raise awareness of bulk power system risks.
- **Personnel Expenses:** The projected increase in personnel expenses is due to the addition of 2-5 FTEs, board-approved merit compensation increases, and rising employee benefits costs, including higher insurance premiums. A 1% vacancy rate, consistent with the 2026 budget, is applied to reflect projected talent acquisition timelines and potential turnover.
- **Meetings and Travel:** Increased travel costs are expected because of expanded regulatory affairs activity.
- **Consultants and Contracts:** Provisions have been made for anticipated IT and security-related projects.
- **Office Costs:** Rising office costs reflect increased staff presence in the office since 2025.
- **Professional Services:** A 3% inflationary increase is projected for both 2027 and 2028.
- **Fixed Assets:** An increase in 2027-28 is expected due to timing of replacement of end-of-life assets. Projections for 2028 include anticipated server upgrades.



## 2027 and 2028 Projections

| Statement of Activities, Fixed Assets Expenditures and Change in Working Capital<br>2027 through 2028 Projections |                       |                       |                      |                     |                       |                      |                     |
|-------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|----------------------|---------------------|-----------------------|----------------------|---------------------|
|                                                                                                                   | 2026<br>Budget        | 2027<br>Projections   | \$ Change<br>26 v 27 | % Change<br>26 v 27 | 2028<br>Projection    | \$ Change<br>27 v 28 | % Change<br>27 v 28 |
| <b>Funding</b>                                                                                                    |                       |                       |                      |                     |                       |                      |                     |
| <b>ERO Funding</b>                                                                                                |                       |                       |                      |                     |                       |                      |                     |
| NERC Assessments                                                                                                  | \$ 26,218,337         | \$ 27,791,437         | \$ 1,573,100         | 6.00%               | \$ 29,458,923         | \$ 1,667,486         | 6.00%               |
| Penalty Reserves                                                                                                  | 41,988                |                       | (41,988)             | -100.00%            | -                     | -                    |                     |
| <b>Total Funding (A)</b>                                                                                          | <b>\$ 26,260,325</b>  | <b>\$ 27,791,437</b>  | <b>\$ 1,531,112</b>  | <b>5.8%</b>         | <b>\$ 29,458,923</b>  | <b>\$ 1,667,486</b>  | <b>6.0%</b>         |
| <b>Expenses</b>                                                                                                   |                       |                       |                      |                     |                       |                      |                     |
| <b>Personnel Expenses</b>                                                                                         |                       |                       |                      |                     |                       |                      |                     |
| Salaries                                                                                                          | \$ 17,436,192         | \$ 18,520,723         | \$ 1,084,531         |                     | \$ 19,774,576         | \$ 1,253,853         |                     |
| Payroll Taxes                                                                                                     | 1,177,524             | 1,257,596             | 80,072               |                     | 1,354,808             | 97,212               |                     |
| Benefits                                                                                                          | 2,032,063             | 2,170,243             | 138,180              |                     | 2,338,003             | 167,760              |                     |
| Retirement Costs                                                                                                  | 2,579,664             | 2,755,082             | 175,417              |                     | 2,968,049             | 212,968              |                     |
| <b>Total Personnel Expenses</b>                                                                                   | <b>\$ 23,225,444</b>  | <b>\$ 24,703,644</b>  | <b>\$ 1,478,200</b>  | <b>6.4%</b>         | <b>\$ 26,435,436</b>  | <b>\$ 1,731,793</b>  | <b>7.0%</b>         |
| <b>Meeting Expenses</b>                                                                                           |                       |                       |                      |                     |                       |                      |                     |
| Meetings & Conference Calls                                                                                       | \$ 203,650            | \$ 209,760            | \$ 6,110             |                     | \$ 216,052            | \$ 6,293             |                     |
| Travel                                                                                                            | 526,150               | 541,935               | 15,785               |                     | 558,193               | 16,258               |                     |
| <b>Total Meeting Expenses</b>                                                                                     | <b>\$ 729,800</b>     | <b>\$ 751,694</b>     | <b>\$ 21,894</b>     | <b>3.0%</b>         | <b>\$ 774,245</b>     | <b>\$ 22,551</b>     | <b>3.0%</b>         |
| <b>Operating Expenses, excluding Depreciation</b>                                                                 |                       |                       |                      |                     |                       |                      |                     |
| Consultants & Contracts                                                                                           | \$ 1,025,621          | \$ 1,056,390          | \$ 30,769            |                     | \$ 1,088,081          | \$ 31,692            |                     |
| Office Rent                                                                                                       | 1,103,000             | 1,136,090             | 33,090               |                     | 1,170,173             | 34,083               |                     |
| Office Costs                                                                                                      | 996,718               | 1,026,620             | 29,902               |                     | 1,057,418             | 30,799               |                     |
| Professional Services                                                                                             | 554,000               | 585,578               | 31,578               |                     | 603,145               | 17,567               |                     |
| Miscellaneous                                                                                                     | -                     | -                     | -                    |                     | -                     | -                    |                     |
| <b>Total Operating Expenses</b>                                                                                   | <b>\$ 3,679,339</b>   | <b>\$ 3,804,677</b>   | <b>\$ 125,338</b>    | <b>3.4%</b>         | <b>\$ 3,918,817</b>   | <b>\$ 114,140</b>    | <b>3.0%</b>         |
| <b>Other Non-Operating Expenses</b>                                                                               | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>          |                     | <b>\$ -</b>           | <b>\$ -</b>          |                     |
| <b>Indirect Expenses</b>                                                                                          | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>          |                     | <b>\$ -</b>           | <b>\$ -</b>          |                     |
| <b>Total Expenses (B)</b>                                                                                         | <b>\$ 27,634,583</b>  | <b>\$ 29,260,015</b>  | <b>\$ 1,625,432</b>  | <b>5.9%</b>         | <b>\$ 31,128,499</b>  | <b>\$ 1,868,484</b>  | <b>6.4%</b>         |
| <b>Change in Net Assets (=A - B)</b>                                                                              | <b>\$ (1,374,258)</b> | <b>\$ (1,468,578)</b> | <b>\$ (94,320)</b>   | <b>6.9%</b>         | <b>\$ (1,669,576)</b> | <b>(200,998)</b>     | <b>13.7%</b>        |
| <b>Fixed Asset Additions, excluding Right of Use Assets (C)</b>                                                   | <b>\$ 163,000</b>     | <b>\$ 250,000</b>     | <b>\$ 87,000</b>     | <b>53.4%</b>        | <b>\$ 305,000</b>     | <b>\$ 55,000</b>     | <b>22.0%</b>        |
| <b>TOTAL BUDGET (Total Expenses plus Fixed Asset Additions =B + C)</b>                                            | <b>\$ 27,797,583</b>  | <b>\$ 29,510,015</b>  | <b>\$ 1,712,432</b>  | <b>6.2%</b>         | <b>\$ 31,433,499</b>  | <b>\$ 1,923,484</b>  | <b>6.5%</b>         |
| <b>TOTAL CHANGE IN RESERVES (=A-B-C)</b>                                                                          | <b>\$ (1,537,258)</b> | <b>\$ (1,718,578)</b> |                      |                     | <b>\$ (1,974,576)</b> | <b>\$ -</b>          |                     |
| <b>FTEs</b>                                                                                                       | <b>87.00</b>          | <b>89.00</b>          | <b>2.00</b>          |                     | <b>92.00</b>          | <b>3.00</b>          |                     |

Table 10: 2027 and 2028 Budget Projections



## 2026 PROGRAM AREA AND DEPARTMENT DETAIL

### Reliability Standards

#### Purpose and Scope

MRO's efforts related to NERC Reliability Standards support NERC's stakeholder-driven processes to develop and maintain risk-responsive Reliability Standards by providing feedback into the standards process, conducting outreach during standards development, and providing clarity to industry on enforceable standards and requirements. MRO's CMEP Advisory Council and its subgroups develop Standard Application Guides, comment on NERC standard projects, participate in standards development, and maintain MRO's Regional Reliability Standards Process Manual as required by the Delegation Agreement.

#### 2026 Areas of Focus

Key areas of focus for the Reliability Standards program include:

- Developing a more agile standard setting process that honors the important role of stakeholders in Reliability Standards development.
- Addressing cyber security risks by continuing to enhance cyber security Reliability Standards.
- Integrating and updating standards to address new risks such as inverter-based resources, distributed energy resources, energy management, and fuel management.
- Addressing FERC directives, orders, or special reports.
- Revising the Standards Process Manual to allow for a more agile standards development process.

MRO reallocated the resources and expenses associated with the Reliability Standards program to the CMEP programs due to decreased regional activity in the Reliability Standards program. If any Reliability Standards or regional criteria need to be developed, resources will be temporarily redeployed from the existing CMEP areas.



| Statement of Activities, Fixed Assets Expenditures and Change in Working Capital |                  |                |                                                         |                         |
|----------------------------------------------------------------------------------|------------------|----------------|---------------------------------------------------------|-------------------------|
| 2025 Budget and 2026 Budget                                                      |                  |                |                                                         |                         |
| STANDARDS                                                                        |                  |                |                                                         |                         |
|                                                                                  | 2025<br>Budget   | 2026<br>Budget | Variance<br>2026 Budget<br>v 2025 Budget<br>Over(Under) | 2026 Budget<br>Variance |
| <b>Funding</b>                                                                   |                  |                |                                                         |                         |
| <b>ERO Funding</b>                                                               |                  |                |                                                         |                         |
| NERC Assessments                                                                 | \$ 75,595        | \$ -           | \$ (75,595)                                             |                         |
| Penalties Released                                                               | 1,792            | -              | (1,792)                                                 |                         |
| Interest                                                                         | 45               | -              | (45)                                                    |                         |
| <b>Total Funding (A)</b>                                                         | <b>\$ 77,433</b> | <b>\$ -</b>    | <b>\$ (77,433)</b>                                      | <b>-100.0%</b>          |
| <b>Expenses</b>                                                                  |                  |                |                                                         |                         |
| <b>Personnel Expenses</b>                                                        |                  |                |                                                         |                         |
| Salaries                                                                         | \$ 37,629        | \$ -           | \$ (37,629)                                             |                         |
| Payroll Taxes                                                                    | 2,468            | -              | (2,468)                                                 |                         |
| Benefits                                                                         | 3,794            | -              | (3,794)                                                 |                         |
| Retirement Costs                                                                 | 5,266            | -              | (5,266)                                                 |                         |
| <b>Total Personnel Expenses</b>                                                  | <b>\$ 49,157</b> | <b>\$ -</b>    | <b>\$ (49,157)</b>                                      | <b>-100.0%</b>          |
| <b>Meeting Expenses</b>                                                          |                  |                |                                                         |                         |
| Meetings                                                                         | \$ -             | \$ -           | \$ -                                                    |                         |
| Travel                                                                           | -                | -              | -                                                       |                         |
| <b>Total Meeting Expenses</b>                                                    | <b>\$ -</b>      | <b>\$ -</b>    | <b>\$ -</b>                                             | <b>\$ -</b>             |
| <b>Operating Expenses</b>                                                        |                  |                |                                                         |                         |
| Consultants & Contracts                                                          | \$ -             | \$ -           | \$ -                                                    |                         |
| Office Rent                                                                      | -                | -              | -                                                       |                         |
| Office Costs                                                                     | -                | -              | -                                                       |                         |
| Professional Services                                                            | -                | -              | -                                                       |                         |
| Miscellaneous                                                                    | -                | -              | -                                                       |                         |
| <b>Total Operating Expenses</b>                                                  | <b>\$ -</b>      | <b>\$ -</b>    | <b>\$ -</b>                                             | <b>\$ -</b>             |
| <b>Other Non-Operating Expenses</b>                                              | <b>\$ -</b>      | <b>\$ -</b>    | <b>\$ -</b>                                             |                         |
| <b>Indirect Expenses</b>                                                         | <b>\$ 27,344</b> | <b>\$ -</b>    | <b>\$ (27,344)</b>                                      | <b>-100.0%</b>          |
| <b>Total Expenses (B)</b>                                                        | <b>\$ 76,501</b> | <b>\$ -</b>    | <b>\$ (76,501)</b>                                      | <b>-100.0%</b>          |
| <b>Change in Net Assets (=A - B)</b>                                             | <b>\$ 932</b>    | <b>\$ -</b>    | <b>\$ (932)</b>                                         |                         |
| <b>Fixed Asset Additions, excluding Right of Use Assets (C)</b>                  | <b>932</b>       | <b>-</b>       | <b>(932)</b>                                            |                         |
| <b>TOTAL BUDGET (Total Expenses plus Fixed Asset Additions =B + C)</b>           | <b>\$ 77,433</b> | <b>\$ -</b>    | <b>\$ (77,433)</b>                                      | <b>-100.0%</b>          |
| <b>TOTAL CHANGE IN RESERVES (=A-B-C)</b>                                         | <b>\$ -</b>      | <b>\$ -</b>    |                                                         | <b>\$ -</b>             |
| FTEs                                                                             | 0.18             | -              | (0.18)                                                  |                         |

Table 11: Reliability Standards Budget Detail



## Compliance Monitoring and Enforcement

### **Purpose and Scope**

MRO's CMEP work is performed by three departments: Compliance Monitoring, Risk Assessment and Mitigation (RAM), and Enforcement, creating an effective "check and balance" for making decisions about noncompliance and enforcement. MRO's RAM Department develops Inherent Risk Assessments (IRAs) for registered entities to describe the risk each entity poses to the bulk power system by the nature of the facilities the entity owns and operates. This information provides a ranking of requirements for monitoring an entity based on risk.

### ***Compliance Monitoring***

The Compliance Monitoring Department uses IRAs as input when developing Compliance Oversight Plans (COPs). COPs are registered entity-specific and inform the scope and timing of oversight activities for each registered entity based on the risk the entity poses to reliability and security of the regional bulk power system, informed by entity performance related to managing those risks. A variety of discovery and compliance monitoring methods are used, including spot checks, audits, self-certifications, Periodic Data Submittals (PDS), and self-reports.

### ***Risk Assessment and Mitigation***

Following identification of a proposed noncompliance, RAM conducts a risk assessment of the possible violation and evaluates and monitors related mitigation efforts.

### ***Enforcement***

The Enforcement Department independently reviews and processes noncompliances and violations using risk-based disposition methods, including any penalty determinations. Enforcement also analyzes the registered entity's compliance history and culture of compliance that are used as inputs to the COP completed by the Compliance Monitoring Department.

All three of the CMEP departments are responsible for supporting and facilitating the work of the CMEP Advisory Council and its subgroups. Additionally, CMEP staff support ERO collaboration group activities that align MRO's CMEP program, including associated tools, with that of the other Regional Entities and NERC.

The 2026 BPB anticipates that staff will perform CMEP activities for approximately 250 registered entities. The Compliance Monitoring Department will conduct approximately 14 audits and will also contribute to audits of registered entities that participate in coordinated oversight where MRO is an Affected Regional Entity. In addition to the activities described above, the Enforcement Department will review registered entity participation in the ERO Enterprise Self-Logging Program.

### **Impact on Resource Needs**

In addition to regular oversight work, the CMEP departments will dedicate resources to support the continued implementation of ERO Enterprise Tools and the activities of the ERO Enterprise collaboration groups. These initiatives improve the effectiveness of MRO activities and better define the expectations of CMEP staff.





## **2026 Areas of Focus**

Key areas of focus for the Compliance Monitoring, RAM, and Enforcement departments include:

- Continuing efforts to address facility ratings and demonstrate the importance of implementing strong internal controls.
- Continuing to evaluate supply chain effectiveness and provide and analyze quarterly metrics on compliance data to inform emerging risks and Registration activities.
- Enhancing outreach to stakeholder/policy organizations and leverage the work of others.
- Continuing efforts to align risk determinations using a risk-based approach to processing noncompliance.
- Providing and analyzing quarterly metrics on enforcement data.
- Implementing efforts to streamline minimal risk issues while identifying trends to provide outreach and feedback to registered entities.
- Working to ensure continued support for the success of Align and the ERO Secure Evidence Locker (SEL); ensuring meaningful oversight activities; and continuing efforts to streamline risk-based CMEP activities.

The Statement of Activities for this program area is shown below. See [CMEP Major Budget Drivers](#) for an explanation of significant variances.



### Statement of Activities, Fixed Assets Expenditures and Change in Working Capital 2025 Budget and 2026 Budget

#### COMPLIANCE MONITORING AND ENFORCEMENT PROGRAM

|                                                                        |                           | 2025<br>Budget       | 2026<br>Budget        | Variance<br>2026 Budget<br>v 2025 Budget<br>Over(Under) | 2026 Budget<br>Variance |
|------------------------------------------------------------------------|---------------------------|----------------------|-----------------------|---------------------------------------------------------|-------------------------|
| <b>Funding</b>                                                         |                           |                      |                       |                                                         |                         |
|                                                                        | <b>ERO Funding</b>        |                      |                       |                                                         |                         |
|                                                                        | NERC Assessments          | \$ 16,237,666        | \$ 15,554,061         | \$ (683,605)                                            |                         |
|                                                                        | Penalties Released        | 386,153              | 14,415                | (371,738)                                               |                         |
|                                                                        | Interest                  | 9,696                | 10,495                | 798                                                     |                         |
| <b>Total Funding (A)</b>                                               |                           | <b>\$ 16,633,515</b> | <b>\$ 15,578,970</b>  | <b>\$ (1,054,545)</b>                                   | <b>-6.3%</b>            |
| <b>Expenses</b>                                                        |                           |                      |                       |                                                         |                         |
|                                                                        | <b>Personnel Expenses</b> |                      |                       |                                                         |                         |
|                                                                        | Salaries                  | \$ 7,728,094         | \$ 7,838,162          | \$ 110,068                                              |                         |
|                                                                        | Payroll Taxes             | 515,057              | 563,591               | 48,534                                                  |                         |
|                                                                        | Benefits                  | 817,361              | 912,474               | 95,113                                                  |                         |
|                                                                        | Retirement Costs          | 1,103,473            | 1,159,584             | 56,111                                                  |                         |
| <b>Total Personnel Expenses</b>                                        |                           | <b>\$ 10,163,985</b> | <b>\$ 10,473,811</b>  | <b>\$ 309,826</b>                                       | <b>3.0%</b>             |
|                                                                        | <b>Meeting Expenses</b>   |                      |                       |                                                         |                         |
|                                                                        | Meetings                  | \$ 11,250            | \$ 7,250              | \$ (4,000)                                              |                         |
|                                                                        | Travel                    | 174,000              | 142,000               | (32,000)                                                |                         |
| <b>Total Meeting Expenses</b>                                          |                           | <b>\$ 185,250</b>    | <b>\$ 149,250</b>     | <b>\$ (36,000)</b>                                      | <b>-19.4%</b>           |
|                                                                        | <b>Operating Expenses</b> |                      |                       |                                                         |                         |
|                                                                        | Consultants & Contracts   | \$ 50,000            | \$ -                  | \$ (50,000)                                             |                         |
|                                                                        | Office Rent               | -                    | -                     | -                                                       |                         |
|                                                                        | Office Costs              | 142,393              | 141,700               | (693)                                                   |                         |
|                                                                        | Professional Services     | -                    | -                     | -                                                       |                         |
|                                                                        | Miscellaneous             | -                    | -                     | -                                                       |                         |
| <b>Total Operating Expenses</b>                                        |                           | <b>\$ 192,393</b>    | <b>\$ 141,700</b>     | <b>\$ (50,693)</b>                                      | <b>-26.3%</b>           |
| <b>Other Non-Operating Expenses</b>                                    |                           | <b>\$ -</b>          | <b>\$ -</b>           | <b>\$ -</b>                                             |                         |
| <b>Indirect Expenses</b>                                               |                           | <b>\$ 5,891,119</b>  | <b>\$ 5,920,942</b>   | <b>\$ 29,823</b>                                        | <b>0.5%</b>             |
| <b>Total Expenses (B)</b>                                              |                           | <b>\$ 16,432,747</b> | <b>\$ 16,685,703</b>  | <b>\$ 252,956</b>                                       | <b>1.5%</b>             |
| <b>Change in Net Assets (=A - B)</b>                                   |                           | <b>\$ 200,768</b>    | <b>\$ (1,106,732)</b> | <b>\$ (1,307,501)</b>                                   |                         |
| <b>Fixed Asset Additions, excluding Right of Use Assets (C)</b>        |                           | <b>200,768</b>       | <b>96,700</b>         | <b>(104,068)</b>                                        |                         |
| <b>TOTAL BUDGET (Total Expenses plus Fixed Asset Additions =B + C)</b> |                           | <b>\$ 16,633,515</b> | <b>\$ 16,782,403</b>  | <b>\$ 148,887</b>                                       | <b>0.9%</b>             |
| <b>TOTAL CHANGE IN RESERVES (=A-B-C)</b>                               |                           | <b>\$ -</b>          | <b>\$ (1,203,432)</b> | <b>\$ -</b>                                             | <b>\$ -</b>             |
| <b>FTEs</b>                                                            |                           | <b>38.78</b>         | <b>39.03</b>          | <b>0.25</b>                                             | <b>-</b>                |

Table 12: CMEP Budget Detail



## Organization Registration and Certification

### **Purpose and Scope**

Organization Registration and Certification Program (ORCP) staff register all users, owners, and operators of the bulk power system in MRO's regional footprint as required by NERC. The program consists of two separate areas: Registration and Certification. The program ensures applicable registered entities, such as Reliability Coordinators (RCs), Balancing Authorities (BAs), and Transmission Operators (TOPs), can perform associated tasks. All entities registered for any reliability function are required to comply with mandatory NERC Reliability Standards. Additionally, ORCP staff support ERO collaboration group activities that align MRO's ORCP program, including associated tools, with that of the other Regional Entities and NERC. This program was previously a subsection of the Reliability Analysis program.

### ***Organization Registration Summary***

Registration staff identify and register BPS users, owners and operators who are responsible for specific reliability functions that are subject to mandatory Reliability Standards and requirements. There are currently fourteen functions on the NERC Compliance Registry that require registration.

### ***Organization Certification Summary***

Certification staff ensure that applicants for the RC, BA, or TOP functions have the tools, processes, training, and procedures to meet the requirements of the Reliability Standards before they are certified.

### **2026 Areas of Focus**

Key areas of focus for the Organization Registration and Certification department include:

- Continuing to support the ERO IBR Registration Initiative
- Enhancing outreach to registered entities around registration and certification activities
- Enhancing internal procedures around registration and certification activities

Increased activity and expanded work in this area has warranted its separation from Reliability Analysis as an independent program area. The Statement of Activities for this program area is new as of 2026 and shown below. See [ORC Major Budget Drivers](#) for further explanation



## Statement of Activities, Fixed Assets Expenditures and Change in Working Capital 2025 Budget and 2026 Budget

### ORGANIZATION REGISTRATION and CERTIFICATION

|                                                                        | 2025<br>Budget | 2026<br>Budget     | Variance<br>2026 Budget<br>v 2025 Budget<br>Over(Under) |
|------------------------------------------------------------------------|----------------|--------------------|---------------------------------------------------------|
| <b>Funding</b>                                                         |                |                    |                                                         |
| <b>ERO Funding</b>                                                     |                |                    |                                                         |
| NERC Assessments                                                       |                | \$ 797,031         | \$ 797,031                                              |
| Penalties Released                                                     |                | 739                | 739                                                     |
| Interest                                                               |                | 538                | 538                                                     |
| <b>Total Funding (A)</b>                                               |                | <b>\$ 798,307</b>  | <b>\$ 798,307</b>                                       |
| <b>Expenses</b>                                                        |                |                    |                                                         |
| <b>Personnel Expenses</b>                                              |                |                    |                                                         |
| Salaries                                                               |                | \$ 404,980         | \$ 404,980                                              |
| Payroll Taxes                                                          |                | 30,361             | 30,361                                                  |
| Benefits                                                               |                | 46,894             | 46,894                                                  |
| Retirement Costs                                                       |                | 59,854             | 59,854                                                  |
| <b>Total Personnel Expenses</b>                                        |                | <b>\$ 542,089</b>  | <b>\$ 542,089</b>                                       |
| <b>Meeting Expenses</b>                                                |                |                    |                                                         |
| Meetings                                                               |                | \$ -               | \$ -                                                    |
| Travel                                                                 |                | 16,000             | 16,000                                                  |
| <b>Total Meeting Expenses</b>                                          |                | <b>\$ 16,000</b>   | <b>\$ 16,000</b>                                        |
| <b>Operating Expenses</b>                                              |                |                    |                                                         |
| Consultants & Contracts                                                |                | \$ -               | \$ -                                                    |
| Office Rent                                                            |                | -                  | -                                                       |
| Office Costs                                                           |                | 5,500              | 5,500                                                   |
| Professional Services                                                  |                | -                  | -                                                       |
| Miscellaneous                                                          |                | -                  | -                                                       |
| <b>Total Operating Expenses</b>                                        |                | <b>\$ 5,500</b>    | <b>\$ 5,500</b>                                         |
| <b>Other Non-Operating Expenses</b>                                    |                | <b>\$ -</b>        | <b>\$ -</b>                                             |
| <b>Indirect Expenses</b>                                               |                | <b>\$ 303,405</b>  | <b>\$ 303,405</b>                                       |
| <b>Total Expenses (B)</b>                                              |                | <b>\$ 866,994</b>  | <b>\$ 866,994</b>                                       |
| <b>Change in Net Assets (=A - B)</b>                                   |                | <b>\$ (68,686)</b> | <b>\$ (68,686)</b>                                      |
| <b>Fixed Asset Additions, excluding Right of Use Assets (C)</b>        |                | <b>4,955</b>       | <b>4,955</b>                                            |
| <b>TOTAL BUDGET (Total Expenses plus Fixed Asset Additions =B + C)</b> |                | <b>\$ 871,949</b>  | <b>\$ 871,949</b>                                       |
| <b>TOTAL CHANGE IN RESERVES (=A-B-C)</b>                               |                | <b>\$ (73,641)</b> | <b>\$ -</b>                                             |
| <b>FTEs</b>                                                            |                | <b>2.00</b>        | <b>2.00</b>                                             |

Table 13: Organization Registration and Certification Budget Detail



## Reliability Analysis and Power System Risk Management

Reliability Analysis staff identify, prioritize, and support activities to reduce known and emerging risks to the BPS. Three primary groups at MRO are focused on this program: (1) Reliability Assessments; (2) Event and Performance Analysis; and (3) Power System Risk Management, a newly created focus area.

### **Purpose and Scope**

#### *Reliability Assessments*

MRO's Reliability Analysis Department conducts assessments of the grid's ability to meet electric power demand within the region during specific time periods, which may indicate the need to develop and implement targeted interventions based on reliability risk. Reliability Analysis staff participate in the Eastern Interconnection Reliability Assessment Group, which facilitates data collection and development of power flow and dynamics simulation models for the Eastern Interconnection. Reliability Analysis also supports MRO's RAC, the PRS, and related ERO Enterprise activities including special assessments and collaboration groups. In 2026, the Reliability Assessments team will perform an Eastern Interconnection-wide analysis that includes an Energy Assessment in coordination with other Regional Entities.

#### *Event and Performance Analysis*

Reliability Analysis staff perform event analyses and performance analyses in support of related NERC program areas. This work includes:

- Analyses of large-scale BPS outages, disturbances, and near misses to determine root causes and lessons learned.
- Quarterly review of operational data submissions to assess system performance.
- The availability of electric generation and transmission equipment through various NERC reporting systems, such as Transmission Availability Data Systems, Generating Availability Data Systems, and Misoperation Information Data Analysis Systems.

#### *Power System Risk Management*

MRO's Power System Risk Management Department is responsible for leading efforts to identify, prioritize, and address reliability risks to the bulk power system within the MRO region. This work includes:

- Maintaining a power system risk framework that aligns with the ERO's Reliability Risk Framework.
- Collaborating with internal and external MRO stakeholders to identify and prioritize risk through MRO's Regional Risk Assessment process.
- Developing plans that coordinate activities, services, and products targeted to influence the reduction of bulk power system reliability risk within the MRO footprint.
- Supporting analysis of data and information sharing to monitor risk trends and success of risk-reducing actions.



### **Impact on Resource Needs**

Two resources will be added to the Power System Risk Management Department in 2026 to support the formation of a data analytics function. These resources will support other MRO departments in completing data analyses that advance MRO's mission to effectively and efficiently mitigate risks to the reliability and security of the regional bulk power system.

### **2026 Areas of Focus**

Key areas of focus for Reliability Analysis include:

- Assuring the reliable and secure integration of BPS-connected IBRs and Distributed Energy Resources (DERs), including the analysis of grid disturbances, development of technical guidance and educational materials, and collaboration with industry to ensure the Reliability Standards adequately address emerging risks in this area.
- Increasing understanding of changing resource mix impacts on BPS reliability by collecting plant, event, connected energy storage, and performance data for photovoltaic and wind generation, combined with enhanced design data and event reporting for conventional generation.
- Improving the ERO's analytic, independent, and objective capabilities and adapting to evolving BPS reliability challenges by:
  - Enhancing reliability assessments to include evaluations of energy availability and expanded probabilistic methods that can identify risks of energy shortfall for all assessment areas in long-duration and seasonal time horizons.
  - Further enhancing scenario development capabilities to better understand the implications of extreme weather, increased reliance on variable generation, and changing conditions.
  - Developing the capabilities to annually assess transmission adequacy and transfer capability, making recommendations that support long-term reliability needs.
  - Supporting technical studies that provide additional insight into the increasing dependency of natural gas generation, particularly during extreme winter weather and ramping periods.
- Leveraging processes, tools, and products to measure and improve bulk power system resilience for widespread, long-term extreme temperature and weather events, including the development of a systematic collection of load loss outage and recovery data.
- Assessing impacts from federal and state regulations on the reliability and resilience of the BPS.
- Improving event processing to support the creation of a clearer and more comprehensive system performance overview, aligned with the Rules of Procedure Section 800 system performance monitoring and reporting program.
- Reinforcing fundamental and enhanced reliability practices through joint reliability partnership activities with stakeholders and the ERO Enterprise.



Key areas of focus for Power System Risk Management include:

- Developing and maintaining processes and procedures that provide data analysis support across the organization, including prioritizing requests that add value by maximizing risk mitigation.
- Identifying internal and external data sources and developing a plan to connect with those sources to support necessary analysis.
- Improving the ability to collect, organize, and leverage program data efficiently to address identified and emerging reliability and security risks.
- Optimizing cross-functional project collaboration by enhancing data analysis capabilities and improving the flexibility and agility of disturbance reporting.
- Fostering relationships with MRO staff to understand activities and workflows within and between departments to enable efficient and effective performance of data analytics functions.
- Enhancing MRO's risk framework to measure the performance of risk-reducing activities that are influenced by MRO and performed by entities.
- Maturing MRO's BPS risk register to provide structured information on the identified and prioritized risks and connecting completed or planned activities to reduce the risk.

The Statement of Activities for this program area is shown below. Power System Risk Management is a newly created focus area, and its costs were combined with Reliability Analysis. See [Reliability Analysis and Power System Risk Management Major Budget Drivers](#) for an explanation of significant variances.



| Statement of Activities, Fixed Assets Expenditures and Change in Working Capital |                     |                     |                                                         |                         |
|----------------------------------------------------------------------------------|---------------------|---------------------|---------------------------------------------------------|-------------------------|
| 2025 Budget and 2026 Budget                                                      |                     |                     |                                                         |                         |
| RELIABILITY ANALYSIS AND POWER SYSTEM RISK                                       |                     |                     |                                                         |                         |
|                                                                                  | 2025<br>Budget      | 2026<br>Budget      | Variance<br>2026 Budget<br>v 2025 Budget<br>Over(Under) | 2026 Budget<br>Variance |
| <b>Funding</b>                                                                   |                     |                     |                                                         |                         |
| <b>ERO Funding</b>                                                               |                     |                     |                                                         |                         |
| NERC Assessments                                                                 | \$ 6,752,957        | \$ 6,635,284        | \$ (117,673)                                            |                         |
| Penalties Released                                                               | 154,441             | 6,149               | (148,292)                                               |                         |
| Interest                                                                         | 3,878               | 4,477               | 599                                                     |                         |
| <b>Total Funding (A)</b>                                                         | <b>\$ 6,911,276</b> | <b>\$ 6,645,910</b> | <b>\$ (265,366)</b>                                     | <b>-3.8%</b>            |
| <b>Expenses</b>                                                                  |                     |                     |                                                         |                         |
| <b>Personnel Expenses</b>                                                        |                     |                     |                                                         |                         |
| Salaries                                                                         | \$ 3,216,649        | \$ 3,207,910        | \$ (8,739)                                              |                         |
| Payroll Taxes                                                                    | 213,030             | 226,217             | 13,187                                                  |                         |
| Benefits                                                                         | 321,633             | 394,689             | 73,056                                                  |                         |
| Retirement Costs                                                                 | 444,874             | 484,389             | 39,515                                                  |                         |
| <b>Total Personnel Expenses</b>                                                  | <b>\$ 4,196,185</b> | <b>\$ 4,313,205</b> | <b>\$ 117,019</b>                                       | <b>2.8%</b>             |
| <b>Meeting Expenses</b>                                                          |                     |                     |                                                         |                         |
| Meetings                                                                         | \$ 9,000            | \$ 9,500            | \$ 500                                                  |                         |
| Travel                                                                           | 124,000             | 138,000             | 14,000                                                  |                         |
| <b>Total Meeting Expenses</b>                                                    | <b>\$ 133,000</b>   | <b>\$ 147,500</b>   | <b>\$ 14,500</b>                                        | <b>10.9%</b>            |
| <b>Operating Expenses</b>                                                        |                     |                     |                                                         |                         |
| Consultants & Contracts                                                          | \$ 118,800          | \$ 58,000           | \$ (60,800)                                             |                         |
| Office Rent                                                                      | -                   | -                   | -                                                       |                         |
| Office Costs                                                                     | 26,850              | 50,380              | 23,530                                                  |                         |
| Professional Services                                                            | -                   | -                   | -                                                       |                         |
| Miscellaneous                                                                    | -                   | -                   | -                                                       |                         |
| <b>Total Operating Expenses</b>                                                  | <b>\$ 145,650</b>   | <b>\$ 108,380</b>   | <b>\$ (37,270)</b>                                      | <b>-25.6%</b>           |
| <b>Other Non-Operating Expenses</b>                                              | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>                                             |                         |
| <b>Indirect Expenses</b>                                                         | <b>\$ 2,356,144</b> | <b>\$ 2,525,844</b> | <b>\$ 169,700</b>                                       | <b>7.2%</b>             |
| <b>Total Expenses (B)</b>                                                        | <b>\$ 6,830,979</b> | <b>\$ 7,094,928</b> | <b>\$ 263,949</b>                                       | <b>3.9%</b>             |
| <b>Change in Net Assets (=A - B)</b>                                             | <b>\$ 80,297</b>    | <b>\$ (449,018)</b> | <b>\$ (529,315)</b>                                     |                         |
| <b>Fixed Asset Additions, excluding Right of Use Assets (C)</b>                  | <b>80,297</b>       | <b>41,252</b>       | <b>(39,045)</b>                                         |                         |
| <b>TOTAL BUDGET (Total Expenses plus Fixed Asset Additions =B + C)</b>           | <b>\$ 6,911,276</b> | <b>\$ 7,136,180</b> | <b>\$ 224,904</b>                                       | <b>3.3%</b>             |
| <b>TOTAL CHANGE IN RESERVES (=A-B-C)</b>                                         | <b>\$ -</b>         | <b>\$ (490,270)</b> | <b>\$ -</b>                                             | <b>\$ -</b>             |
| <b>FTEs</b>                                                                      | <b>15.51</b>        | <b>16.65</b>        | <b>1.14</b>                                             |                         |

Table 14: Reliability Analysis and Power System Risk Budget Detail





## Situation Awareness and Infrastructure Security

### Purpose and Scope

MRO monitors present conditions and emerging threats to reliability and security of the regional bulk power system and provides leadership coordination, technical expertise, and assistance to industry and government partners as necessary. MRO's Reliability Analysis and Critical Infrastructure Security Departments support these efforts.

### *Situation Awareness*

The Reliability Analysis Department takes the lead in determining which entities may be more susceptible to a specific risk based on responses to NERC Alerts. The focus of the NERC Alert (reliability or security) determines whether Reliability Analysis or Security will respond to the Alert. NERC Alerts are used to effectively disseminate information to the electricity industry regarding reliability or security risks, and at times require MRO staff to review the responses. The Situation Awareness team works with stakeholders to identify known and emerging risks to reliability and security, assist industry in mitigating those risks, and promote a culture of continuous improvement across MRO's region. MRO staff also receive daily reports from the E-ISAC and Reliability Coordinators in the region, and work closely with these companies during security or extreme weather events that could have significant impacts on the grid.

### *Infrastructure Security*

The Security Department supports the efforts of the MRO SAC and its subgroup, the SACTF. These organizational groups assess and help to mitigate and reduce cyber, physical, and operational risks to the regional bulk power system through a variety of outreach mechanisms. The department also develops and maintains strong connections with other industry security groups like the E-ISAC and federal security agencies, and serves as an expert resource to MRO's IT Department.

The Security Department focuses on activities that promote the identification, assessment, mitigation, and communication of cyber, physical, and operational risks to the security of the North American bulk power system. In addition, the department leads MRO emergency exercises and administers emergency management and business continuity initiatives for MRO. The department also leads MRO's participation in ERO Enterprise and regional emergency management and security exercises.

### 2026 Areas of Focus

Key areas of focus for Situation Awareness and Infrastructure Security include:

- Continuing to engage with industry, the E-ISAC, government partners, and the ERO Enterprise on emerging risks to BPS reliability.
- Engaging situational awareness subject matter experts in support of the work of Reliability Standards, the E-ISAC, and the MRO RAC and SAC to advance the security posture of the industry.
- Reviewing and curating grid reliability and security intelligence information applicable to the region during weekly regional threat calls, with participation from the E-ISAC.



- Maturing capability to conduct threat hunts for malicious technology and adversaries on MRO's Information Technology (IT) and Operational Technology platforms.
- Support and participate in Cyber Risk Information Sharing Program (CRISP) activities and briefings.
- Identify and promote outreach topics and speakers to increase the security and reliability of the North American BPS.
- Plan and execute regional activities around NERC's biennial GridEx exercise and MRO reliability and security events.

MRO reallocated the resources and expenses associated with Situation Awareness to the Reliability Analysis program to streamline costs and its close alignment with similar work. If any Situation Awareness initiative becomes prominent, resources will be temporarily redeployed from the existing Reliability Analysis and other program areas.

The Statement of Activities for this program area is shown below. See [Situation Awareness and Infrastructure Security Major Budget Drivers](#) for an explanation of significant variances.



**Statement of Activities, Fixed Assets Expenditures and Change in Working Capital**  
**2025 Budget and 2026 Budget**

**SITUATION AWARENESS and INFRASTRUCTURE SECURITY**

|                                                                        |                     |                    | Variance<br>2026 Budget<br>v 2025 Budget<br>Over(Under) | 2026 Budget<br>Variance |
|------------------------------------------------------------------------|---------------------|--------------------|---------------------------------------------------------|-------------------------|
|                                                                        | 2025<br>Budget      | 2026<br>Budget     |                                                         |                         |
| <b>Funding</b>                                                         |                     |                    |                                                         |                         |
| <b>ERO Funding</b>                                                     |                     |                    |                                                         |                         |
| NERC Assessments                                                       | \$ 1,213,866        | \$ 777,105         | \$ (436,761)                                            |                         |
| Penalties Released                                                     | 29,076              | 720                | (28,356)                                                |                         |
| Interest                                                               | 730                 | 524                | (206)                                                   |                         |
| <b>Total Funding (A)</b>                                               | <b>\$ 1,243,672</b> | <b>\$ 778,350</b>  | <b>\$ (465,323)</b>                                     | <b>-37.4%</b>           |
| <b>Expenses</b>                                                        |                     |                    |                                                         |                         |
| <b>Personnel Expenses</b>                                              |                     |                    |                                                         |                         |
| Salaries                                                               | \$ 548,022          | \$ 379,676         | \$ (168,346)                                            |                         |
| Payroll Taxes                                                          | 34,330              | 23,024             | (11,306)                                                |                         |
| Benefits                                                               | 61,544              | 46,894             | (14,651)                                                |                         |
| Retirement Costs                                                       | 80,303              | 57,577             | (22,726)                                                |                         |
| <b>Total Personnel Expenses</b>                                        | <b>\$ 724,199</b>   | <b>\$ 507,171</b>  | <b>\$ (217,029)</b>                                     | <b>-30.0%</b>           |
| <b>Meeting Expenses</b>                                                |                     |                    |                                                         |                         |
| Meetings                                                               | \$ -                | \$ -               | \$ -                                                    |                         |
| Travel                                                                 | 38,000              | 20,000             | (18,000)                                                |                         |
| <b>Total Meeting Expenses</b>                                          | <b>\$ 38,000</b>    | <b>\$ 20,000</b>   | <b>\$ (18,000)</b>                                      | <b>-47.4%</b>           |
| <b>Operating Expenses</b>                                              |                     |                    |                                                         |                         |
| Consultants & Contracts                                                | \$ 10,000           | \$ -               | \$ (10,000)                                             |                         |
| Office Rent                                                            | -                   | -                  | -                                                       |                         |
| Office Costs                                                           | 12,775              | -                  | (12,775)                                                |                         |
| Professional Services                                                  | -                   | -                  | -                                                       |                         |
| Miscellaneous                                                          | -                   | -                  | -                                                       |                         |
| <b>Total Operating Expenses</b>                                        | <b>\$ 22,775</b>    | <b>\$ -</b>        | <b>\$ (22,775)</b>                                      | <b>-100.0%</b>          |
| <b>Other Non-Operating Expenses</b>                                    | <b>\$ -</b>         | <b>\$ -</b>        | <b>\$ -</b>                                             |                         |
| <b>Indirect Expenses</b>                                               | <b>\$ 443,581</b>   | <b>\$ 295,820</b>  | <b>\$ (147,761)</b>                                     | <b>-33.3%</b>           |
| <b>Total Expenses (B)</b>                                              | <b>\$ 1,228,555</b> | <b>\$ 822,990</b>  | <b>\$ (405,565)</b>                                     | <b>-33.0%</b>           |
| <b>Change in Net Assets (=A - B)</b>                                   | <b>\$ 15,117</b>    | <b>\$ (44,640)</b> | <b>\$ (59,758)</b>                                      |                         |
| <b>Fixed Asset Additions, excluding Right of Use Assets (C)</b>        | <b>15,117</b>       | <b>4,831</b>       | <b>(10,286)</b>                                         |                         |
| <b>TOTAL BUDGET (Total Expenses plus Fixed Asset Additions =B + C)</b> | <b>\$ 1,243,672</b> | <b>\$ 827,821</b>  | <b>\$ (415,851)</b>                                     | <b>-33.4%</b>           |
| <b>TOTAL CHANGE IN RESERVES (=A-B-C)</b>                               | <b>\$ -</b>         | <b>\$ (49,472)</b> | <b>\$ -</b>                                             |                         |
| <b>FTEs</b>                                                            | <b>2.92</b>         | <b>1.95</b>        | <b>(0.97)</b>                                           | <b>-</b>                |

Table 15: Situation Awareness and Infrastructure Security Budget Detail



## Training, Education, and Regulatory Affairs

### Purpose and Scope

MRO is committed to its mission “to identify, prioritize and assure effective and efficient mitigation of risks to the reliability and security of the North American bulk power system by promoting HEROs®.” This is accomplished in part by providing outreach to industry on the implementation of the CMEP, the application of NERC Reliability Standards, and sharing information and best practices related to reliability and security of the bulk power system in MRO’s regional footprint. The Outreach program provides training and education to registered entities through various channels like news articles, publications, conferences, webinars, roundtable events, videos, and social media, as well as presentation opportunities at other industry events. Raising awareness of risk and providing lessons learned and best practices to mitigate or reduce risk directly supports MRO’s strategic plan and other ERO Enterprise initiatives.

### *Regulatory Affairs*

In addition, in partnership with NERC and the other Regional Entities, MRO has expanded outreach to include engagement with state and provincial policy makers and regulators to educate and inform key decision makers of risks to reliability and security of the bulk power system within MRO’s regional footprint. There is an increased need for greater coordination with state and provincial regulatory agencies as the lines between electricity generation and distribution intersect with the addition of behind the meter, renewable resources. This coordination has increased the workload for MRO staff resources that assist with these efforts. This outreach includes virtual and in-person interactions with both Canadian and U.S. local regulatory agencies to share information about the ERO Enterprise and important work to assess and mitigate risk to the North American bulk power system.

### 2026 Areas of Focus

Key areas of focus for outreach include support related to:

- Supporting internal and external MRO meetings and events.
- Planning and conducting conferences, workshops, and webinars focused on the top regional risks identified in MRO’s Regional Risk Assessment, as well as other events that benefit the region and the ERO Enterprise.
- Developing and maintaining metrics that measure outreach performance.
- Continuing to enhance state outreach and engagement, including further developed outreach for ERO Enterprise assessments and reports, and expanding collaboration efforts with the National Association of Regulatory Utility Commissioners and government partners.

MRO continues to offer a hybrid approach to educational events that includes both in-person and virtual opportunities for participation – offering a “best of both worlds” experience for attendees. Providing this hybrid approach allows MRO to expand its audience and reach and enables industry stakeholders to participate in a way that works best for them. MRO has adapted to this hybrid outreach approach without adding any costs to outreach participants. All of MRO’s events are offered free of charge and virtual participation has the added benefit of eliminating travel costs for participants. While this hybrid format



provides significant benefit to industry, it does increase the amount of time and effort required to host outreach events. MRO continues to monitor resource needs in this area.

| Statement of Activities, Fixed Assets Expenditures and Change in Working Capital |                     |                     |                                                         |                         |
|----------------------------------------------------------------------------------|---------------------|---------------------|---------------------------------------------------------|-------------------------|
| 2025 Budget and 2026 Budget                                                      |                     |                     |                                                         |                         |
| TRAINING, EDUCATION, and REGULATORY AFFAIRS                                      |                     |                     |                                                         |                         |
|                                                                                  | 2025<br>Budget      | 2026<br>Budget      | Variance<br>2026 Budget<br>v 2025 Budget<br>Over(Under) | 2026 Budget<br>Variance |
| <b>Funding</b>                                                                   |                     |                     |                                                         |                         |
| <b>ERO Funding</b>                                                               |                     |                     |                                                         |                         |
| NERC Assessments                                                                 | \$ 1,834,399        | \$ 2,454,856        | \$ 620,456                                              |                         |
| Penalties Released                                                               | 49,788              | 2,275               | (47,513)                                                |                         |
| Interest                                                                         | 1,250               | 1,656               | 406                                                     |                         |
| <b>Total Funding (A)</b>                                                         | <b>\$ 1,885,437</b> | <b>\$ 2,458,787</b> | <b>\$ 573,350</b>                                       | <b>30.4%</b>            |
| <b>Expenses</b>                                                                  |                     |                     |                                                         |                         |
| <b>Personnel Expenses</b>                                                        |                     |                     |                                                         |                         |
| Salaries                                                                         | \$ 664,283          | \$ 624,090          | \$ (40,193)                                             |                         |
| Payroll Taxes                                                                    | 47,672              | 51,493              | 3,821                                                   |                         |
| Benefits                                                                         | 105,384             | 115,280             | 9,896                                                   |                         |
| Retirement Costs                                                                 | 114,973             | 112,468             | (2,505)                                                 |                         |
| <b>Total Personnel Expenses</b>                                                  | <b>\$ 932,312</b>   | <b>\$ 903,332</b>   | <b>\$ (28,981)</b>                                      | <b>-3.1%</b>            |
| <b>Meeting Expenses</b>                                                          |                     |                     |                                                         |                         |
| Meetings                                                                         | \$ 100,000          | \$ 132,500          | \$ 32,500                                               |                         |
| Travel                                                                           | 45,250              | 113,750             | 68,500                                                  |                         |
| <b>Total Meeting Expenses</b>                                                    | <b>\$ 145,250</b>   | <b>\$ 246,250</b>   | <b>\$ 101,000</b>                                       | <b>69.5%</b>            |
| <b>Operating Expenses</b>                                                        |                     |                     |                                                         |                         |
| Consultants & Contracts                                                          | \$ 7,500            | \$ -                | \$ (7,500)                                              |                         |
| Office Rent                                                                      | -                   | -                   | -                                                       |                         |
| Office Costs                                                                     | 14,933              | 79,900              | 64,967                                                  |                         |
| Professional Services                                                            | -                   | -                   | -                                                       |                         |
| Miscellaneous                                                                    | -                   | -                   | -                                                       |                         |
| <b>Total Operating Expenses</b>                                                  | <b>\$ 22,433</b>    | <b>\$ 79,900</b>    | <b>\$ 57,467</b>                                        | <b>256%</b>             |
| <b>Other Non-Operating Expenses</b>                                              | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>                                             |                         |
| <b>Indirect Expenses</b>                                                         | <b>\$ 759,556</b>   | <b>\$ 934,486</b>   | <b>\$ 174,930</b>                                       | <b>23.0%</b>            |
| <b>Total Expenses (B)</b>                                                        | <b>\$ 1,859,552</b> | <b>\$ 2,163,968</b> | <b>\$ 304,416</b>                                       | <b>16.4%</b>            |
| <b>Change in Net Assets (=A - B)</b>                                             | <b>\$ 25,886</b>    | <b>\$ 294,819</b>   | <b>\$ 268,934</b>                                       |                         |
| <b>Fixed Asset Additions, excluding Right of Use Assets (C)</b>                  | <b>25,886</b>       | <b>15,262</b>       | <b>(10,624)</b>                                         |                         |
| <b>TOTAL BUDGET (Total Expenses plus Fixed Asset Additions =B + C)</b>           | <b>\$ 1,885,437</b> | <b>\$ 2,179,230</b> | <b>\$ 293,792</b>                                       | <b>15.6%</b>            |
| <b>TOTAL CHANGE IN RESERVES (=A-B-C)</b>                                         | <b>\$ -</b>         | <b>\$ 279,557</b>   | <b>\$ 279,557</b>                                       |                         |
| <b>FTEs</b>                                                                      | <b>5.00</b>         | <b>6.16</b>         | <b>1.16</b>                                             | <b>-</b>                |

Table 16: Training and Education Budget Detail



## Administrative Services

### Scope and Functional Description

MRO's Administrative Services area comprises the business and administrative functions of the organization, including legal and regulatory, communications, information technology, human resources, finance and accounting, and general expenses. Costs incurred for these services are allocated as an indirect expense across MRO's other program areas.

### Methodology for Allocation of Administrative Services Expenses to Programs

All expenses for the Administrative Services programs, referred to as indirect expenses, are allocated to the delegated program areas based on the respective number of FTEs.

### Funding Sources

The expenses related to the indirect program areas are being allocated entirely to the direct programs. Therefore, indirect program areas have no ERO assessment revenue. However, the allocation of the reserves as an offset to assessments is reflected as a reduction.

### 2026 Areas of Focus

Key areas of focus for Administrative Services include:

- Elevating communication efforts across the ERO Enterprise to better educate, inform, and engage current stakeholders, as well as working with subject matter experts to identify and attract new stakeholder groups.
- Developing leaders and staff, new hire onboarding, and confidential information training.
- Maturing internal assurance programs, including internal audit, risk management, and contingency planning.
- Implementing and supporting adaptable and sustainable technology and enhancing cyber security to focus on prevention, detection, and mitigation.
- Increasing automation and controls across the HR and Finance & Accounting areas.



## **General and Administrative**

The General and Administrative Department is led by MRO's President and CEO. The department ensures that there is appropriate attention to the execution of MRO's strategic priorities and the day-to-day operations and risk management of the corporation, board governance, policies and procedures, proper record-keeping, and related responsibilities under applicable regulations, as well as MRO's Delegation Agreement with NERC.

## **Legal**

MRO's Legal function provides advice to the board, the President and CEO, and staff on legal matters affecting MRO. This department is also responsible for supporting and facilitating the work of the board's Governance and Personnel Committee, which is responsible for governance, board, and personnel oversight. Corporate records for the board and organizational groups are maintained in this area. MRO may use external specialized legal resources on an as-needed basis.

## **Communications**

The Communications Department promotes consistency of messaging on various MRO and ERO-wide initiatives, maintains crisis and strategic communications plans, creates and supports internal and external communications strategies, helps to raise awareness of risk through a variety of communication mediums, and provides a wide range of communications support across the organization. These efforts support MRO's vision, mission and strategic plan.

## **Information Technology**

MRO's IT function is responsible for providing and supporting the technology tools and resources that staff use to perform delegated functions and other work.

As part of this function, the IT Department is also responsible for managing and securing the IT infrastructure and assets of the company. This includes providing ways for the company to preserve and protect the confidentiality, integrity, and availability of company data, and responding in a timely manner to the ever-evolving cyber threats faced by the organization. Using a risk-based approach, tailored to the company's unique IT environment and associated risks and threats, this includes designing, implementing, and maintaining internal controls and processes to protect the organization.

Some of the external pressures that impact this budget area include escalating cyber security threats and vulnerabilities to the corporation, increased security requirements related to the handling and storage of corporate and external data, greater coordination of emergency response and crisis communications across the ERO Enterprise, and expanded Regional Entity oversight from NERC.

As the complexity of the security risks and tools utilized to meet the organization's needs continues to evolve, this function at times also utilizes highly specialized external technical resources. Their use allows MRO to be more agile and ultimately respond timelier and at a deeper technical and security level when necessary.

## **Human Resources**

The Human Resources function designs, plans, and implements employee-related policies and procedures in adherence with applicable federal and state laws. The Human Resource Department facilitates recruiting and retention efforts, employee benefits, payroll, employee engagement initiatives, and tasks associated



with employee life cycle activities, including recruitment, onboarding, training, and professional development. The department supports and promotes MRO's People-First Philosophy and works closely with the ERO Enterprise on similar efforts. Additionally, the department undertakes and supports important initiatives directed by the board's Governance and Personnel Committee.

MRO has established four Core Values that guide employee behavior and are key to MRO's sustainable success: connection, curiosity, commitment, and competency. Initiatives including training, one-on-one coaching, and opportunities for employee collaboration and connection are planned throughout the year to create peer-to-peer mentorship, information and knowledge sharing, theme-focused learning, and dedicated team building. MRO continues to review and enhance its employee engagement and culture enrichment activities to positively impact all stages of the employee life cycle from candidate identification, the onboarding experience of new employees, as well as the overall corporate culture to be an "employer of choice" that attracts and retains qualified staff. Results from the 2025 engagement survey will be analyzed and potential initiatives will be identified and developed.

### **Finance and Accounting**

The Finance and Accounting function directs the overall financial planning and accounting practices of the organization, oversees treasury, budget, tax, and audit activities, as well as the financial and accounting system controls and standards. This department is responsible for supporting and facilitating the work of the MRO Finance and Audit Committee, which is responsible for oversight of MRO's financial health and monitoring the component parts of the financial audit process and the integrity of financial reporting. Also, this program manages the organization's corporate risk program, which assesses and mitigates key corporate risks. Identified corporate risks are prioritized and then incorporated into the strategic planning process as an opportunity to proactively address risks. This program reports the overall outcome of MRO's annual financial and corporate risk activities to the MRO Board of Directors. Additionally, staff within this function support ERO collaboration group activities that align MRO's Finance and Corporate Risk program, including associated tools, with that of the other Regional Entities and NERC.

### ***Internal Oversight***

The Internal Oversight team performs the coordination and facilitation of responding to external oversight and audit requests. The primary objective of internal oversight is to ensure that external data requests are organized and recorded in response to external oversight activities and audits. MRO staff have a primary point of contact and liaison with NERC/FERC staff as well as administrative support to ensure a timely response.

### ***Corporate Risk Management***

The Corporate Risk Management (CRM) area focuses on corporate financial, operational, legal, governance, and reputational risks. In coordination with Internal Oversight, CRM also conducts dynamic enterprise risk management, which is based on the Committee of Sponsoring Organization of the Treadway Commission (COSO) framework. CRM also works with the Regional Entities to enhance the ERO Enterprise-wide corporate risk identification and risk mitigation efforts, resulting in more streamlined and coordinated reports and harmonized assessment of ERO Enterprise risks and processes.

The Statement of Activities for Administrative Services is shown below. See [Administrative Service Major Budget Drivers](#) for an explanation of significant variances.





## Statement of Activities, Fixed Assets Expenditures and Change in Working Capital

## 2025 Budget and 2026 Budget

## ADMINISTRATIVE SERVICES

|                                                                        |                                     |                       |                       | Variance<br>2026 Budget<br>v 2025 Budget<br>Over(Under) | 2026 Budget<br>Variance |
|------------------------------------------------------------------------|-------------------------------------|-----------------------|-----------------------|---------------------------------------------------------|-------------------------|
|                                                                        |                                     | 2025<br>Budget        | 2026<br>Budget        |                                                         |                         |
| <b>Funding</b>                                                         |                                     |                       |                       |                                                         |                         |
|                                                                        | <b>ERO Funding</b>                  |                       |                       |                                                         |                         |
|                                                                        | NERC Assessments                    | \$ (880,280)          | \$ -                  | \$ 880,280                                              |                         |
|                                                                        | Penalties Released                  | -                     | -                     | -                                                       |                         |
| <b>Total Funding (A)</b>                                               |                                     | <b>\$ (880,280)</b>   | <b>\$ -</b>           | <b>\$ 880,280</b>                                       | <b>-100%</b>            |
| <b>Expenses</b>                                                        |                                     |                       |                       |                                                         |                         |
|                                                                        | <b>Personnel Expenses</b>           |                       |                       |                                                         |                         |
|                                                                        | Salaries                            | \$ 4,468,743          | \$ 4,981,374          | \$ 512,631                                              |                         |
|                                                                        | Payroll Taxes                       | 245,014               | 282,839               | 37,826                                                  |                         |
|                                                                        | Benefits                            | 434,394               | 515,831               | 81,437                                                  |                         |
|                                                                        | Retirement Costs                    | 616,172               | 705,792               | 89,620                                                  |                         |
|                                                                        | <b>Total Personnel Expenses</b>     | <b>\$ 5,764,324</b>   | <b>\$ 6,485,837</b>   | <b>\$ 721,513</b>                                       | <b>12.5%</b>            |
|                                                                        | <b>Meeting Expenses</b>             |                       |                       |                                                         |                         |
|                                                                        | Meetings                            | \$ 62,025             | \$ 54,400             | \$ (7,625)                                              |                         |
|                                                                        | Travel                              | 113,461               | 96,400                | (17,061)                                                |                         |
|                                                                        | <b>Total Meeting Expenses</b>       | <b>\$ 175,486</b>     | <b>\$ 150,800</b>     | <b>\$ (24,686)</b>                                      | <b>-14.1%</b>           |
|                                                                        | <b>Operating Expenses</b>           |                       |                       |                                                         |                         |
|                                                                        | Consultants & Contracts             | \$ 1,010,553          | \$ 967,621            | \$ (42,932)                                             |                         |
|                                                                        | Office Rent                         | 1,136,000             | 1,103,000             | (33,000)                                                |                         |
|                                                                        | Office Costs                        | 846,081               | 719,238               | (126,843)                                               |                         |
|                                                                        | Professional Services               | 545,300               | 554,000               | 8,700                                                   |                         |
|                                                                        | Miscellaneous                       | -                     | -                     | -                                                       |                         |
|                                                                        | <b>Total Operating Expenses</b>     | <b>\$ 3,537,934</b>   | <b>\$ 3,343,859</b>   | <b>\$ (194,075)</b>                                     | <b>-5.5%</b>            |
|                                                                        | <b>Other Non-Operating Expenses</b> | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>                                             |                         |
|                                                                        | <b>Indirect Expenses</b>            | <b>\$ (9,477,744)</b> | <b>\$ (9,980,496)</b> | <b>\$ (502,752)</b>                                     | <b>5.3%</b>             |
| <b>Total Expenses (B)</b>                                              |                                     | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ (0)</b>                                           | <b>-</b>                |
| <b>Change in Net Assets (=A - B)</b>                                   |                                     | <b>\$ (880,280)</b>   | <b>\$ -</b>           | <b>\$ 880,280</b>                                       |                         |
| <b>Fixed Asset Additions, excluding Right of Use Assets (C)</b>        |                                     |                       |                       |                                                         |                         |
|                                                                        | Computer & Software CapEx           | 283,000               | 163,000               | (120,000)                                               |                         |
|                                                                        | Furniture & Fixtures CapEx          | -                     | -                     | -                                                       |                         |
|                                                                        | Equipment CapEx                     | -                     | -                     | -                                                       |                         |
|                                                                        | Leasehold Improvements              | 40,000                | -                     | (40,000)                                                |                         |
|                                                                        | Allocation of Fixed Assets          | (323,000)             | (163,000)             | 160,000                                                 |                         |
| <b>Inc(Dec) in Fixed Assets ( C )</b>                                  |                                     | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>                                             |                         |
| <b>TOTAL BUDGET (Total Expenses plus Fixed Asset Additions =B + C)</b> |                                     | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ (0)</b>                                           | <b>-</b>                |
| <b>TOTAL CHANGE IN RESERVES (=A-B-C)</b>                               |                                     | <b>\$ (880,280)</b>   | <b>\$ -</b>           | <b>\$ 880,280</b>                                       | <b>-100%</b>            |
| <b>FTEs</b>                                                            |                                     | <b>20.61</b>          | <b>21.21</b>          | <b>0.60</b>                                             |                         |

Table 17: Administrative Services Budget Detail



## NON-STATUTORY ACTIVITY

MRO has no non-statutory activities.



## ORGANIZATION CHART

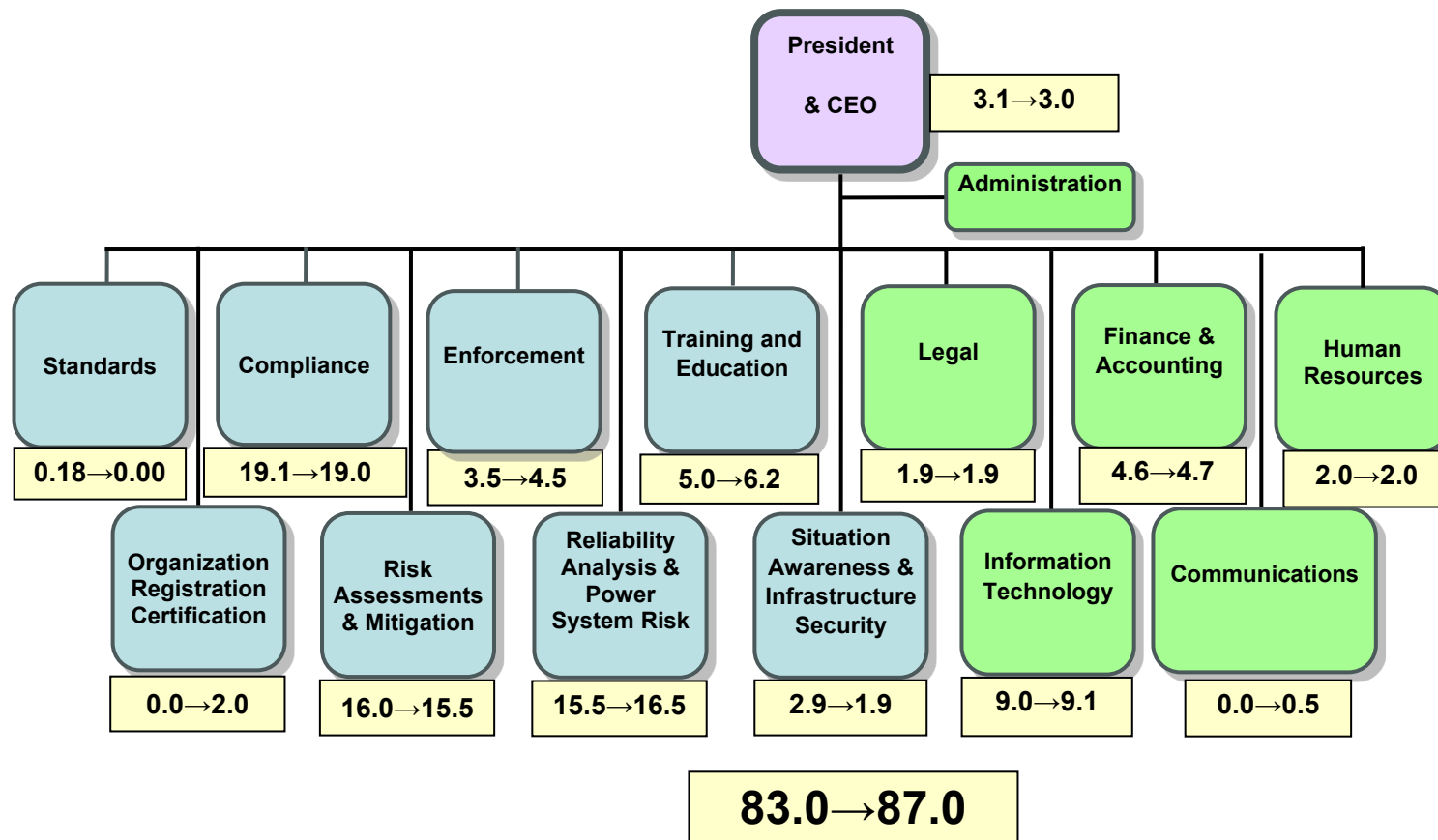


Figure 1: 2025 to 2026 FTE Comparison Organization Chart

## CONSOLIDATED STATEMENT OF ACTIVITIES BY PROGRAM

| Statement of Activities and Capital Expenditures by Program<br>2026 Business Plan and Budget | Functions in Delegation Agreement |                             |                                                                    |                                                                |                                              |                                                                      |                               |                      |                |                        |                 |                           |
|----------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------|--------------------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------|----------------------------------------------------------------------|-------------------------------|----------------------|----------------|------------------------|-----------------|---------------------------|
|                                                                                              | Statutory Total                   | Compliance<br>(Section 400) | Organization<br>Registration and<br>Certification<br>(Section 500) | Reliability Analysis and<br>Power System Risk<br>(Section 800) | Training and Education<br>(Section 6008.900) | Situation Awareness and<br>Infrastructure Security<br>(Section 1000) | General and<br>Administrative | Legal and Regulatory | Communications | Information Technology | Human Resources | Accounting and<br>Finance |
| <b>Funding</b>                                                                               |                                   |                             |                                                                    |                                                                |                                              |                                                                      |                               |                      |                |                        |                 |                           |
| <b>ERO Funding</b>                                                                           |                                   |                             |                                                                    |                                                                |                                              |                                                                      |                               |                      |                |                        |                 |                           |
| NERC Assessments                                                                             | 26,218,337                        | 15,554,061                  | 797,031                                                            | 6,635,284                                                      | 2,454,856                                    | 777,105                                                              |                               |                      |                |                        |                 |                           |
| Assessment Stabilization Adjustment                                                          | 24,298                            | 14,415                      | 739                                                                | 6,149                                                          | 2,275                                        | 720                                                                  |                               |                      |                |                        |                 |                           |
| Membership Dues                                                                              | -                                 |                             |                                                                    |                                                                |                                              |                                                                      |                               |                      |                |                        |                 |                           |
| Testing Fees                                                                                 | -                                 |                             |                                                                    |                                                                |                                              |                                                                      |                               |                      |                |                        |                 |                           |
| Services & Software                                                                          | -                                 |                             |                                                                    |                                                                |                                              |                                                                      |                               |                      |                |                        |                 |                           |
| Workshops & Miscellaneous Revenue                                                            | -                                 |                             |                                                                    |                                                                |                                              |                                                                      |                               |                      |                |                        |                 |                           |
| Interest & Investment Income                                                                 | 17,690                            | 10,495                      | 538                                                                | 4,477                                                          | 1,656                                        | 524                                                                  |                               |                      |                |                        |                 |                           |
| <b>Total Funding (A)</b>                                                                     | <b>26,260,325</b>                 | <b>15,578,970</b>           | <b>798,307</b>                                                     | <b>6,645,910</b>                                               | <b>2,458,787</b>                             | <b>778,350</b>                                                       | -                             | -                    | -              | -                      | -               | -                         |
| <b>Expenses</b>                                                                              |                                   |                             |                                                                    |                                                                |                                              |                                                                      |                               |                      |                |                        |                 |                           |
| <b>Personnel Expenses</b>                                                                    |                                   |                             |                                                                    |                                                                |                                              |                                                                      |                               |                      |                |                        |                 |                           |
| Salaries                                                                                     | 17,436,192                        | 7,838,162                   | 404,980                                                            | 3,207,910                                                      | 624,090                                      | 379,676                                                              | 1,407,877                     | 537,871              | 215,244        | 1,367,868              | 396,997         | 1,055,515                 |
| Payroll Taxes                                                                                | 1,177,524                         | 563,591                     | 30,361                                                             | 226,217                                                        | 51,493                                       | 23,024                                                               | 52,117                        | 28,185               | 15,365         | 100,276                | 25,576          | 61,321                    |
| Benefits                                                                                     | 2,032,063                         | 912,474                     | 46,894                                                             | 394,689                                                        | 115,280                                      | 46,894                                                               | 70,341                        | 46,894               | 23,447         | 211,022                | 46,894          | 117,234                   |
| Retirement Costs                                                                             | 2,579,664                         | 1,159,584                   | 59,854                                                             | 484,389                                                        | 112,468                                      | 57,577                                                               | 161,818                       | 71,815               | 31,075         | 228,436                | 59,136          | 153,512                   |
| <b>Total Personnel Expenses</b>                                                              | <b>23,225,444</b>                 | <b>10,473,811</b>           | <b>542,089</b>                                                     | <b>4,313,205</b>                                               | <b>903,332</b>                               | <b>507,171</b>                                                       | <b>1,692,153</b>              | <b>684,765</b>       | <b>285,131</b> | <b>1,907,602</b>       | <b>528,603</b>  | <b>1,387,583</b>          |
| <b>Meeting Expenses</b>                                                                      |                                   |                             |                                                                    |                                                                |                                              |                                                                      |                               |                      |                |                        |                 |                           |
| Meetings                                                                                     | 203,650                           | 7,250                       | -                                                                  | 9,500                                                          | 132,500                                      | -                                                                    | 50,000                        | -                    | -              | 500                    | 2,400           | 1,500                     |
| Travel                                                                                       | 526,150                           | 142,000                     | 16,000                                                             | 138,000                                                        | 113,750                                      | 20,000                                                               | 70,000                        | 6,500                | 3,000          | 7,500                  | 2,400           | 7,000                     |
| <b>Total Meeting Expenses</b>                                                                | <b>729,800</b>                    | <b>149,250</b>              | <b>16,000</b>                                                      | <b>147,500</b>                                                 | <b>246,250</b>                               | <b>20,000</b>                                                        | <b>120,000</b>                | <b>6,500</b>         | <b>3,000</b>   | <b>8,000</b>           | <b>4,800</b>    | <b>8,500</b>              |
| <b>Operating Expenses</b>                                                                    |                                   |                             |                                                                    |                                                                |                                              |                                                                      |                               |                      |                |                        |                 |                           |
| Consultants & Contracts                                                                      | 1,025,621                         | -                           | -                                                                  | 58,000                                                         | -                                            | -                                                                    | 70,000                        | -                    | 12,000         | 755,121                | 128,000         | 2,500                     |
| Office Rent                                                                                  | 1,103,000                         | -                           | -                                                                  | -                                                              | -                                            | -                                                                    | 1,103,000                     | -                    | -              | -                      | -               | -                         |
| Office Costs                                                                                 | 996,718                           | 141,700                     | 5,500                                                              | 50,380                                                         | 79,900                                       | -                                                                    | 82,179                        | 14,602               | 6,850          | 251,257                | 158,650         | 205,700                   |
| Professional Services                                                                        | 554,000                           | -                           | -                                                                  | -                                                              | -                                            | -                                                                    | 457,000                       | 20,000               | 10,000         | -                      | -               | 67,000                    |
| <b>Total Operating Expenses</b>                                                              | <b>3,679,339</b>                  | <b>141,700</b>              | <b>5,500</b>                                                       | <b>108,380</b>                                                 | <b>79,900</b>                                | <b>-</b>                                                             | <b>1,712,179</b>              | <b>34,602</b>        | <b>28,850</b>  | <b>1,006,378</b>       | <b>286,650</b>  | <b>275,200</b>            |
| <b>Total Direct Expenses</b>                                                                 | <b>27,634,583</b>                 | <b>10,764,761</b>           | <b>563,589</b>                                                     | <b>4,569,085</b>                                               | <b>1,229,482</b>                             | <b>527,171</b>                                                       | <b>3,524,332</b>              | <b>725,867</b>       | <b>316,981</b> | <b>2,921,980</b>       | <b>820,053</b>  | <b>1,671,283</b>          |
| <b>Indirect Expenses</b>                                                                     | -                                 | 5,920,942                   | 303,405                                                            | 2,525,844                                                      | 934,486                                      | 295,820                                                              | (3,524,332)                   | (725,867)            | (316,981)      | (2,921,980)            | (820,053)       | (1,671,283)               |
| <b>Other Non-Operating Expenses</b>                                                          | -                                 | -                           | -                                                                  | -                                                              | -                                            | -                                                                    | -                             | -                    | -              | -                      | -               | -                         |
| <b>Total Expenses (B)</b>                                                                    | <b>27,634,583</b>                 | <b>16,685,703</b>           | <b>866,994</b>                                                     | <b>7,094,928</b>                                               | <b>2,163,968</b>                             | <b>822,990</b>                                                       | -                             | -                    | -              | -                      | -               | -                         |
| <b>Change in Net Assets</b>                                                                  | <b>(1,374,258)</b>                | <b>(1,106,732)</b>          | <b>(68,686)</b>                                                    | <b>(449,018)</b>                                               | <b>294,819</b>                               | <b>(44,640)</b>                                                      | -                             | -                    | -              | -                      | -               | -                         |
| <b>Fixed Assets</b>                                                                          |                                   |                             |                                                                    |                                                                |                                              |                                                                      |                               |                      |                |                        |                 |                           |
| Allocation of Fixed Assets                                                                   | (0)                               | 96,700                      | 4,955                                                              | 41,252                                                         | 15,262                                       | 4,831                                                                | -                             | -                    | -              | (163,000)              | -               | -                         |
| <b>Inc(Dec) in Fixed Assets (C)</b>                                                          | <b>163,000</b>                    | <b>96,700</b>               | <b>4,955</b>                                                       | <b>41,252</b>                                                  | <b>15,262</b>                                | <b>4,831</b>                                                         | -                             | -                    | -              | -                      | -               | -                         |
| <b>TOTAL BUDGET (Total Expenses plus Fixed Asset Additions =B + C)</b>                       | <b>27,797,583</b>                 | <b>16,782,403</b>           | <b>871,949</b>                                                     | <b>7,136,180</b>                                               | <b>2,179,230</b>                             | <b>827,821</b>                                                       | -                             | -                    | -              | -                      | -               | -                         |
| <b>TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)</b>                                              | <b>(1,537,258)</b>                | <b>(1,203,432)</b>          | <b>(73,641)</b>                                                    | <b>(490,270)</b>                                               | <b>279,557</b>                               | <b>(49,472)</b>                                                      | -                             | -                    | -              | -                      | -               | -                         |
| <b>FTEs</b>                                                                                  | <b>87.00</b>                      | <b>39.03</b>                | <b>2.00</b>                                                        | <b>16.65</b>                                                   | <b>6.16</b>                                  | <b>1.95</b>                                                          | <b>3.03</b>                   | <b>1.90</b>          | <b>0.50</b>    | <b>9.10</b>            | <b>2.00</b>     | <b>4.68</b>               |

Table 18: Consolidated Statement of Activities by Program

## ACRONYMS

This section lists acronyms in this document.

| Acronym | Definition                                          |
|---------|-----------------------------------------------------|
| ASR     | Assessment Stabilization Reserve                    |
| BA      | Balancing Authority                                 |
| BPB     | Business Plan and Budget                            |
| BPS     | Bulk Power System                                   |
| CMEP    | Compliance Monitoring and Enforcement Program       |
| COP     | Compliance Oversight Plan                           |
| DER     | Distributed Energy Resource                         |
| E-ISAC  | Electricity Information Sharing and Analysis Center |
| ERO     | Electric Reliability Organization                   |
| FERC    | Federal Energy Regulatory Commission                |
| FTE     | Full-Time Equivalent                                |
| HERO    | Highly Effective Reliability Organization           |
| IBR     | Inverter-Based Resource                             |
| IRA     | Inherent Risk Assessment                            |
| IT      | Information Technology                              |
| MRO     | Midwest Reliability Organization                    |
| NEL     | Net-Energy-for-Load                                 |
| NERC    | North American Electric Reliability Corporation     |
| OGOC    | Organizational Group Oversight Committee            |
| ORCP    | Organization Registration and Certification Program |
| PRS     | Protective Relay Subgroup                           |



|       |                                        |
|-------|----------------------------------------|
| RAC   | Reliability Advisory Council           |
| RAM   | Risk Assessment and Mitigation         |
| RC    | Reliability Coordinator                |
| SAC   | Security Advisory Council              |
| SACTF | Security Advisory Council Threat Forum |
| TOP   | Transmission Operator                  |



**DOCKET NO. RR25-\_\_-000**

**NORTH AMERICAN ELECTRIC RELIABILITY  
CORPORATION**

**2026 BUSINESS PLAN AND BUDGET FILING**

**ATTACHMENT 4**

**NORTHEAST POWER COORDINATING COUNCIL, INC.**

**PROPOSED 2026 BUSINESS PLAN AND BUDGET**



**Northeast Power Coordinating Council, Inc.  
(NPCC)  
2026 Business Plan and Budget**



## Table of Contents

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|                                                                                                   |    |
|---------------------------------------------------------------------------------------------------|----|
| Introduction .....                                                                                | 4  |
| Organizational Overview .....                                                                     | 4  |
| Membership and Governance .....                                                                   | 5  |
| Members .....                                                                                     | 5  |
| Board of Directors.....                                                                           | 5  |
| Regional Entity Division Functional Scope .....                                                   | 6  |
| ERO Enterprise Strategic and Operational Planning .....                                           | 8  |
| Regional Entity Strategic Planning .....                                                          | 9  |
| 2026 Strategic Focus Areas .....                                                                  | 9  |
| 2026 Business Plan and Budget Overview.....                                                       | 10 |
| Funding and Budget Summary .....                                                                  | 10 |
| Total NPCC Resource Requirements .....                                                            | 10 |
| Regional Entity Resource Requirements.....                                                        | 10 |
| Major Drivers .....                                                                               | 10 |
| Regional Entity Statement of Activities and Variance Explanations .....                           | 11 |
| 2026 Program Area Budgets – Major Budget Drivers .....                                            | 12 |
| Compliance Monitoring and Enforcement and Organization Registration and Certification .....       | 12 |
| Reliability Assessment and Performance Analysis .....                                             | 12 |
| Training and Education .....                                                                      | 12 |
| Situation Awareness and Infrastructure Security .....                                             | 13 |
| Administrative Services.....                                                                      | 13 |
| Personnel Analysis and Expenses .....                                                             | 14 |
| Explanation of Significant Variances – 2025 Budget versus 2026 Budget .....                       | 14 |
| Consultants and Contracts.....                                                                    | 14 |
| Fixed Assets .....                                                                                | 15 |
| Explanation of Significant Variances – 2025 Budget versus 2026 Budget .....                       | 15 |
| Regional Entity Reserve Analysis.....                                                             | 16 |
| Explanation of Changes in Reserves .....                                                          | 16 |
| Three-Year Budget Projections .....                                                               | 17 |
| Regional Entity Assessment Analysis .....                                                         | 19 |
| NPCC Cost Allocation Methodology .....                                                            | 19 |
| Regional Entity Program Goals and Statements of Activities.....                                   | 22 |
| Reliability Standards Program.....                                                                | 22 |
| Program Scope and Functional Description .....                                                    | 22 |
| 2026 Key Assumptions .....                                                                        | 22 |
| 2026 Goals and Key Deliverables .....                                                             | 22 |
| Compliance Monitoring and Enforcement and Organization Registration and Certification Program ... | 25 |

|                                                                                  |    |
|----------------------------------------------------------------------------------|----|
| Program Scope and Functional Description .....                                   | 25 |
| 2026 Key Assumptions .....                                                       | 27 |
| 2026 Goals and Key Deliverables .....                                            | 27 |
| Reliability Assessment and Performance Analysis Program .....                    | 30 |
| Program Scope and Functional Description .....                                   | 30 |
| 2026 Key Assumptions .....                                                       | 30 |
| 2026 Goals and Key Deliverables .....                                            | 30 |
| Training and Education Program .....                                             | 33 |
| Program Scope and Functional Description .....                                   | 33 |
| 2026 Key Assumptions .....                                                       | 33 |
| 2026 Goals and Key Deliverables .....                                            | 34 |
| Situation Awareness and Infrastructure Security Program .....                    | 36 |
| Program Scope and Functional Description .....                                   | 36 |
| 2026 Key Assumptions .....                                                       | 36 |
| 2026 Goals and Key Deliverables .....                                            | 37 |
| Administrative Services .....                                                    | 41 |
| Program Scope and Functional Description .....                                   | 41 |
| Methodology for Allocation of Administrative Services Expenses to Programs ..... | 41 |
| General and Administrative .....                                                 | 42 |
| Legal and Regulatory .....                                                       | 43 |
| Information Technology .....                                                     | 44 |
| Human Resources .....                                                            | 46 |
| Finance and Accounting .....                                                     | 47 |
| Criteria Services Division Activities .....                                      | 49 |
| NPCC Regionally-Specific Criteria Services Overview .....                        | 49 |
| Membership .....                                                                 | 50 |
| Criteria Services Division .....                                                 | 50 |
| Strategic and Business Planning .....                                            | 51 |
| 2026 Key Assumptions .....                                                       | 51 |
| 2026 Goals and Objectives .....                                                  | 51 |
| NPCC Reliability Directories Maintenance and Development .....                   | 51 |
| NPCC Operations and Planning Directories .....                                   | 53 |
| Criteria Services Goals and Statements of Activities .....                       | 55 |
| NPCC Criteria Compliance and Enforcement Program (CCEP) .....                    | 55 |
| Criteria Services Funding Sources .....                                          | 55 |
| Personnel Analysis .....                                                         | 57 |
| Criteria Services Reserve Analysis .....                                         | 58 |
| Explanation of Changes in Reserve Policy from Prior Year .....                   | 58 |
| Appendix A - NPCC Organizational Chart .....                                     | 59 |
| Changes in Budgeted FTE by Program Area .....                                    | 59 |
| Appendix B – Consolidated Statement of Activities by Program .....               | 60 |
| Appendix C - Acronyms .....                                                      | 61 |

# Introduction

## Organizational Overview

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[Northeast Power Coordinating Council, Inc. \(NPCC\)](#) is a not-for-profit corporation responsible for promoting and improving the reliability of the international, interconnected bulk power systems in Northeastern North America through (i) the development of Regional Reliability Standards and compliance assessment and enforcement of continent-wide and Regional Reliability Standards, (ii) coordination of system planning, design and operations, and assessment of reliability (collectively, Regional Entity activities), and (iii) the establishment of Regionally-specific criteria, and monitoring and enforcement of compliance with such criteria (collectively, Criteria Services activities). NPCC provides the functions and services for Northeastern North America of a cross-border Regional Entity through a Regional Entity division, as well as regionally-specific Criteria Services for Northeastern North America through a Criteria Services division.

The NPCC Region covers nearly 1.2 million square miles and is populated by more than 62 million people. NPCC includes seven states (Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont) and four Canadian provinces (New Brunswick, Nova Scotia, Ontario, and Québec). From a net energy for load perspective, NPCC is approximately 43% U.S. and 57% Canadian; while approximately 65% of Canadian net energy for load is within the NPCC Region.

## Membership and Governance

### Members

Membership with NPCC is open, voluntary, and free of charge. NPCC has two classes of members, General Members and Full Members. Each Member belongs to one of seven industry sectors:

- Sector 1) Transmission Owners
- Sector 2) Reliability Coordinators
- Sector 3) Transmission Dependent Utilities, Distribution Companies, Load Serving Entities
- Sector 4) Generator Owners
- Sector 5) Marketers, Brokers, and Aggregators
- Sector 6) State and Provincial Regulatory and/or Governmental Authorities
- Sector 7) Sub-Regional Reliability Councils, Customers, Other Regional Entities, and Interested Entities

Members meet at least annually to elect the Independent Directors and Stakeholder Directors and to conduct other business as may come before the meeting. Additionally, members approve amendments to the NPCC Amended and Restated Bylaws as recommended by the NPCC Board of Directors. Full Members of NPCC are subject to compliance with regionally-specific more stringent reliability criteria that are associated with bulk power system design, planning, operations, and maintenance. Organizations such as independent system operators (ISOs), regional transmission organizations (RTOs), transmission companies, entities that perform the Balancing Authority (BA) function, and state or sub-regional reliability councils are expected to be Full Members.

NPCC has three Member committees, the Reliability Coordinating Committee, the Compliance Committee, and the Reliability Standards Committee. It also has five Member task forces that report to the Reliability Coordinating Committee: the Task Force on Coordination of Operations, the Task Force on the Coordination of Planning, the Task Force on Infrastructure Security and Technology, the Task Force on System Protection, and the Task Force on System Studies. NPCC has various Member working groups that report to either a Task Force or Committee.

### Board of Directors

NPCC is governed by a hybrid Board of Directors consisting of two directors from each of the seven member voting sectors, an independent sector consisting of two independent directors, and an independent Board Chair with voting rights to preclude board deadlocks, and the President and CEO. On February 25, 2025, NPCC filed amendments to its Bylaws that would permit up to five independent directors, including the Board Chair. No two sectors can control and no one sector can block action.

There are four Board committees that advise the Board of Directors on finance, retirement, governance, compensation, and human resource matters consistent with their approved charters.

- Finance and Audit Committee (FAC)
- Pension Committee (PC)
- Corporate Governance and Nominating Committee (CGNC)
- Management Development and Compensation Committee (MDCC)

The Amended and Restated Bylaws establish NPCC's independence from users, owners, and operators of the bulk power system through the enhanced governance structure while providing fair stakeholder representation in the election of the Board of Directors and officers. The members, from each of the seven stakeholder voting sectors, vote to elect directors in their

respective sector. The Amended and Restated Bylaws establish criteria for board service for both stakeholder and independent directors. Independent Directors are drawn from diverse backgrounds and possess a broad range of industry expertise, perspectives, experiences, skill sets and knowledge to contribute to the effective functioning of a hybrid board structure.

### **Regional Entity Division Functional Scope**

NPCC performs the following functions to further its mission and in accordance with its Federal Energy Regulatory Commission (FERC) approved Amended and Restated Regional Delegation Agreement between the North American Electric Reliability Corporation (NERC) and NPCC (Delegation Agreement) and with various individual Memorandum of Understanding or Agreements with Canadian regulatory authorities in New Brunswick, Nova Scotia, Ontario, and Québec:

- Active participation in the development and revision of North American Reliability Standards, and as needed development of Regional Reliability Standards and Variances applicable within the NPCC footprint.
- Monitoring and enforcement of approved Reliability Standards, including the registration of responsible entities, and as needed certification of such entities.
- Assessment of the present and future reliability, resiliency, security, and risks of the Bulk Power System (BPS).
- Promoting operational coordination, situational awareness, and the protection of critical infrastructure.
- Event analysis and identification of lessons learned to enhance reliability.
- Providing and coordinating training, education, and outreach to stakeholders in support of delegated-related functions.
- Participating in reliability and security activities that enhance resilience of the BPS.

## The ERO Enterprise

Electricity is a vital component of the fabric of modern society and the Electric Reliability Organization (ERO) Enterprise serves to strengthen that fabric for the benefit of nearly 400 million North Americans. The ERO Enterprise, which consists of the North American Electric Reliability Corporation (NERC) and the six Regional Entities, works with users, owners, and operators of the bulk power system (BPS), government partners, and other stakeholders and industry participants, to pursue its mission of assuring the effective and efficient reduction of risks to the reliability and security of the BPS.

NERC and the Regional Entities play different, but important and complementary, roles in delivering ERO Enterprise programs. NERC provides industry-wide perspective and oversight, and the Regional Entities have unique features and activities that serve the needs of their regional constituents, while ensuring that registered entities follow NERC and Regional Reliability Standards. The ERO Enterprise is explicitly committed to its collective success in achieving its vision of a highly reliable and secure North American BPS.



## ERO Enterprise Strategic and Operational Planning

NERC and the Regional Entities are continually refining their individual and collective operating and governance practices in support of strategic and operational goals and objectives that are designed to ensure the ERO fulfills its statutory obligations. This collaboration is done while acknowledging the unique differences across the Regional Entities, and the different corporate and governance responsibilities of each entity.

In 2024, the ERO Enterprise revised the [ERO Enterprise Long-Term Strategy](#). This strategy includes the following focus areas for achieving success in its vision and mission:

- **Energy** – Effectively leverage a broad range of data, tools, and approaches to assist stakeholders and policymakers in addressing existing BPS risks and proactively identifying and preparing for emerging and unknown risks to the grid.
- **Security** – Maintain cyber and physical security programs (E-ISAC, Standards, Compliance Monitoring and Enforcement Program (CMEP), technical committee work,<sup>1</sup> outreach and engagement) that are risk-based, efficient, coordinated, and effectively advance the security posture of industry.
- **Engagement** – Ensure that the increasingly diverse spectrum of stakeholders and policymakers find value in engagements with the ERO Enterprise, seek ERO Enterprise expertise to inform their decision-making, and have confidence in the integrity and independence of ERO Enterprise programs.
- **Agility and Sustainability** – Perform as an effective and efficient team acting in coordination, ensuring its programs and efforts deliver value for stakeholders and policymakers as they manage changing reliability and security risk within the evolving industry landscape, and capturing cost efficiencies when practical.

As part of the business planning and budgeting process, NERC and the Regional Entities each have their own priorities and strategic focus areas, but continually come together to ensure alignment with the long-term strategy and that business processes and operations harmonize across the ERO Enterprise where appropriate.

Since risks to reliability and security are fluid and can be impacted by recent events, NERC and each Regional Entity may also create annual work plan priorities that summarize the most critical goals and objectives for the year. In many cases, these work plan priorities are also used for individual, departmental, and company performance measurement.

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<sup>1</sup> Technical committees include the NERC Standing Committees (Compliance and Certification Committee, Personnel Certification and Governance Committee, Reliability Issues Steering Committee, Reliability and Security Technical Committee, and Standards Committee) and Regional Entity committees.

## **Regional Entity Strategic Planning**

### **2026 Strategic Focus Areas**

NPCC has developed a forward-looking long-term strategy that supports NPCC's vision and mission and the ERO-Enterprise Long-Term Strategy. The NPCC long-term strategy emphasizes reliability, resilience, and the security of the Bulk Power System across Northeastern North America. Looking towards 2026, this strategy serves as a roadmap for NPCC to continue its pivotal role in advising, promoting, building, enhancing, and regulating. NPCC aims to be viewed as a credible impartial advisor and trusted educator on energy-related matters in Northeastern North America. The NPCC focus areas identified in the long-term strategy are:

#### **Advise and Educate on Energy-related Matters**

NPCC is viewed as a credible impartial advisor and serves the public interest by educating and advising stakeholders, fostering collaboration, and helping to guide decision-makers on best practices and regulations when integrating reliable energy approaches in Northeastern North America.

#### **Promote Reliability Across the Region**

NPCC enhances the reliability of critical energy infrastructure in Northeastern North America, acting as an impartial regulator and addressing challenges from the changing energy supply mix, extreme weather events, and regional adaptation to energy technologies and the penetration of Distributed Energy Resources (DER) and Variable Energy Resources (VER).

#### **Build and Develop a High-Performing, Engaged Workforce**

NPCC aims to build a high-performing, engaged workforce by emphasizing collaboration, growth, and work-life balance, ensuring excellence in critical energy infrastructure responsibilities.

#### **Enhance Resilience Against Critical Energy Infrastructure Threats**

NPCC continues to fortify its internal systems and support the continued resilience of the critical energy infrastructure in Northeastern North America against both cyber and physical threats.



## 2026 Business Plan and Budget Overview

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### Funding and Budget Summary

#### Total NPCC Resource Requirements

NPCC proposes a 2026 total budget of \$29,650,458. This represents an increase of \$2,746,202 or 10.2% over the 2025 budget. The proposed 2026 funding requirement will be satisfied by a Regional Entity division assessment of \$26,622,578 and Criteria Services division membership fees of \$1,062,980 for a total of \$27,685,558. The total NPCC assessments and membership fees represent an increase of \$2,610,060 or 10.4% compared to the 2025 total assessments and membership fees. The following sections provide additional detail regarding the Regional Entity division. For more information regarding the Criteria Services division see [Criteria Services Division Activities](#) section below.

#### Regional Entity Resource Requirements

The proposed 2026 Regional Entity division budget of \$28,395,867 represents an increase of \$2,710,763 or 10.6% over the 2025 budget. The proposed Regional Entity assessment of \$26,622,578 represents an increase of \$2,529,748 or 10.5% over the 2025 assessment. Assessments are allocated between US \$15,690,183 or 59% and Canada \$10,932,395 or 41%. The proposed assessment includes the release of \$972,089 of reserves and \$500,000 of penalties to offset US assessments.

The following targeted budget changes allow NPCC to accomplish the specific objectives outlined in the 2026 Business Plan and Budget (dollars are stated as an increase in the 2026 budget compared to the 2025 budget).

#### Major Drivers

- **Personnel** expenses increase of \$2,554,519 is associated with the addition of 6.10 full time employees (FTEs); a budgeted 3.5% average salary increase due to a highly competitive recruiting and retention environment (includes merit increase and promotions/adjustments); and a projected 8% increase in medical premiums. The 2026 Budget includes the full year employment cost associated with FTEs onboarded throughout 2025. Additional FTEs are required for NPCC to address increasing workload and increasing complexity of initiatives. Changes in staffing by program area are addressed in the [Personnel Analysis](#) table on page 14 below and in subsequent program area sections.
- **Meetings & Travel** expenses increase of \$167,653 due to expanded stakeholder outreach, inflation, and an increase in employees. Some meetings will continue to be held in virtual or hybrid format to contain costs and to allow for greater access through remote participation. Increase is partially offset by cost savings from efficiencies gained by streamlining on-site compliance engagement procedures over recent years to complete more work remotely reducing the required number of staff on-site and the duration of time spent on-site.

## Regional Entity Statement of Activities and Variance Explanations

| Statement of Activities and Capital Expenditures        |                      |                      |                                                             |                      |                                                         |               |
|---------------------------------------------------------|----------------------|----------------------|-------------------------------------------------------------|----------------------|---------------------------------------------------------|---------------|
| REGIONAL ENTITY DIVISION                                |                      |                      |                                                             |                      |                                                         |               |
|                                                         | 2025<br>Budget       | 2025<br>Projection   | Variance<br>2025 Projection<br>v 2025 Budget<br>Over(Under) | 2026<br>Budget       | Variance<br>2026 Budget<br>v 2025 Budget<br>Over(Under) | Variance<br>% |
| <b>Funding</b>                                          |                      |                      |                                                             |                      |                                                         |               |
| <b>ERO Funding</b>                                      |                      |                      |                                                             |                      |                                                         |               |
| ERO Assessments                                         | \$ 24,092,831        | \$ 24,092,831        | \$ -                                                        | \$ 26,622,578        | \$ 2,529,747                                            |               |
| Penalty Sanctions <sup>(1)</sup>                        | 500,000              | 500,000              | -                                                           | 500,000              | -                                                       |               |
| <b>Total ERO Funding</b>                                | <b>\$ 24,592,831</b> | <b>\$ 24,592,831</b> | <b>\$ -</b>                                                 | <b>\$ 27,122,578</b> | <b>\$ 2,529,747</b>                                     | <b>10%</b>    |
| Membership Dues                                         | -                    | -                    | -                                                           | -                    | -                                                       |               |
| Testing Fees                                            | -                    | -                    | -                                                           | -                    | -                                                       |               |
| Services & Software                                     | -                    | -                    | -                                                           | -                    | -                                                       |               |
| Workshops & Misc Revenue                                | 60,625               | 60,625               | -                                                           | 48,500               | (12,125)                                                |               |
| Interest & Investment Income                            | 127,992              | 300,000              | 172,008                                                     | 252,700              | 124,708                                                 |               |
| <b>Total Funding (A)</b>                                | <b>\$ 24,781,448</b> | <b>\$ 24,953,456</b> | <b>\$ 172,008</b>                                           | <b>\$ 27,423,778</b> | <b>\$ 2,642,330</b>                                     | <b>11%</b>    |
| <b>Expenses</b>                                         |                      |                      |                                                             |                      |                                                         |               |
| <b>Personnel Expenses</b>                               |                      |                      |                                                             |                      |                                                         |               |
| Salaries                                                | \$ 14,428,204        | \$ 14,428,204        | \$ -                                                        | \$ 16,041,208        | \$ 1,613,003                                            |               |
| Payroll Taxes                                           | 1,019,783            | 1,019,783            | -                                                           | 1,171,041            | 151,258                                                 |               |
| Benefits                                                | 3,391,801            | 3,391,801            | -                                                           | 3,999,743            | 607,942                                                 |               |
| Retirement Costs                                        | 1,519,549            | 1,519,549            | -                                                           | 1,701,865            | 182,316                                                 |               |
| <b>Total Personnel Expenses</b>                         | <b>\$ 20,359,338</b> | <b>\$ 20,359,338</b> | <b>\$ -</b>                                                 | <b>\$ 22,913,856</b> | <b>\$ 2,554,519</b>                                     | <b>13%</b>    |
| <b>Meeting Expenses</b>                                 |                      |                      |                                                             |                      |                                                         |               |
| Meetings & Conference Calls                             | \$ 519,832           | \$ 468,251           | \$ (51,581)                                                 | \$ 409,290           | \$ (110,542)                                            |               |
| Travel                                                  | 913,300              | 933,473              | 20,173                                                      | 1,191,496            | 278,196                                                 |               |
| <b>Total Meeting Expenses</b>                           | <b>\$ 1,433,132</b>  | <b>\$ 1,401,724</b>  | <b>\$ (31,408)</b>                                          | <b>\$ 1,600,786</b>  | <b>\$ 167,653</b>                                       | <b>12%</b>    |
| <b>Operating Expenses, excluding Depreciation</b>       |                      |                      |                                                             |                      |                                                         |               |
| Consultants & Contracts                                 | \$ 1,210,000         | \$ 1,195,000         | \$ (15,000)                                                 | \$ 1,173,000         | \$ (37,000)                                             |               |
| Office Rent                                             | 431,000              | 401,000              | (30,000)                                                    | 389,500              | (41,500)                                                |               |
| Office Costs                                            | 1,318,728            | 1,283,728            | (35,000)                                                    | 1,443,376            | 124,648                                                 |               |
| Professional Services                                   | 1,227,000            | 1,107,000            | (120,000)                                                   | 1,130,380            | (96,620)                                                |               |
| Miscellaneous                                           | 30,000               | 30,000               | -                                                           | 25,000               | (5,000)                                                 |               |
| <b>Total Operating Expenses, excluding Depreciation</b> | <b>\$ 4,216,728</b>  | <b>\$ 4,016,728</b>  | <b>\$ (200,000)</b>                                         | <b>\$ 4,161,256</b>  | <b>\$ (55,472)</b>                                      | <b>-1%</b>    |
| <b>Total Direct Expenses</b>                            | <b>\$ 26,009,198</b> | <b>\$ 25,777,790</b> | <b>\$ (231,408)</b>                                         | <b>\$ 28,675,898</b> | <b>\$ 2,666,700</b>                                     | <b>10%</b>    |
| <b>Indirect Expenses</b>                                | <b>\$ (394,694)</b>  | <b>\$ (394,694)</b>  | <b>\$ -</b>                                                 | <b>\$ (393,521)</b>  | <b>\$ 1,173</b>                                         | <b>0%</b>     |
| <b>Other Non-Operating Expenses</b>                     | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>                                                 | <b>\$ -</b>          | <b>\$ -</b>                                             |               |
| <b>Total Expenses (B)</b>                               | <b>\$ 25,614,504</b> | <b>\$ 25,383,096</b> | <b>\$ (231,408)</b>                                         | <b>\$ 28,282,377</b> | <b>\$ 2,667,873</b>                                     | <b>11%</b>    |
| <b>Change in Net Assets (=A-B)</b>                      | <b>\$ (833,056)</b>  | <b>\$ (429,640)</b>  | <b>\$ 403,416</b>                                           | <b>\$ (858,599)</b>  | <b>\$ (25,543)</b>                                      | <b>6%</b>     |
| <b>Fixed Asset Additions ( C )</b>                      | <b>\$ 70,600</b>     | <b>70,600</b>        | <b>-</b>                                                    | <b>\$ 113,490</b>    | <b>\$ 42,890</b>                                        | <b>61%</b>    |
| <b>TOTAL BUDGET (=B+C)</b>                              | <b>\$ 25,685,104</b> | <b>\$ 25,453,696</b> | <b>\$ (231,408)</b>                                         | <b>\$ 28,395,867</b> | <b>\$ 2,710,763</b>                                     | <b>11%</b>    |
| <b>TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)</b>         | <b>\$ (903,656)</b>  | <b>\$ (500,240)</b>  | <b>\$ 403,416</b>                                           | <b>\$ (972,089)</b>  | <b>\$ (471,849)</b>                                     | <b>94%</b>    |
| <b>FTES</b>                                             | <b>77.20</b>         | <b>77.20</b>         | <b>0.00</b>                                                 | <b>83.30</b>         | <b>6.10</b>                                             | <b>8%</b>     |

<sup>(1)</sup> \$500,000 of penalties released from the Assessment Stabilization Reserve (ASR) to offset U.S. assessments as approved by the NPCC Board of Directors, NERC and FERC. Actual penalties invoiced in the current reporting year are shown as an increase in the ASR on the reserve summary table and will be reported as income on the audited financial statements in accordance with Generally Accepted Accounting Principles (GAAP).

<sup>(2)</sup> 2025 Projections are based on the first quarter statement of activities. It is anticipated that projections could change throughout 2025 and would be reflected in each subsequent quarter's statement of activities.

## 2026 Program Area Budgets – Major Budget Drivers

| Program                                                                                  | Budget<br>2025 | Budget<br>2026 | Variance<br>\$ | Variance<br>% |
|------------------------------------------------------------------------------------------|----------------|----------------|----------------|---------------|
| Reliability Standards                                                                    | \$ 1,372,058   | \$ 1,308,647   | \$ (63,411)    | -4.6%         |
| Compliance Monitoring and Enforcement and Organization<br>Registration and Certification | \$ 15,084,666  | \$ 16,920,537  | \$ 1,835,871   | 12.2%         |
| Reliability Assessments and Performance Analysis                                         | \$ 5,572,263   | \$ 5,824,579   | \$ 252,316     | 4.5%          |
| Training, Education and Operator Certification                                           | \$ 201,566     | \$ 435,455     | \$ 233,889     | 116.0%        |
| Situation Awareness and Infrastructure Security                                          | \$ 3,454,550   | \$ 3,906,649   | \$ 452,098     | 13.1%         |
| Total                                                                                    | \$ 25,685,103  | \$ 28,395,867  | \$ 2,710,763   | 10.6%         |

*This chart does not include allocation of working capital requirements among the program areas.*

A summary of major budget increase drivers by statutory program is provided below.

### Reliability Standards

- **Personnel** expenses decrease of \$3,721 due to a net decrease of 0.50 FTEs resulting from reorganization during 2025.
- **Indirect** expenses decrease of \$56,600 due to a decrease in FTEs.

### Compliance Monitoring and Enforcement and Organization Registration and Certification

- **Personnel** expenses increase of \$1,072,473 due to an increase of 2.95 FTEs to enhance CORC's capacity to effectively execute its remit of BPS risk-reduction, while also managing the additional workload associated with Inverter-Based Resource (IBR) registration, compliance monitoring and enforcement.
- **Travel** expenses increase of \$113,088 due to an increase in FTEs and inflation.
- **Indirect** expenses increase of \$615,432 due to an increase in FTEs.

### Reliability Assessment and Performance Analysis

- **Personnel** expenses increase of \$21,974 due to a net increase of 0.70 FTEs to support increasing reliability assessments and studies, including increasing frequency and scope of ERO-wide probabilistic assessments.
- **Travel** expenses increase of \$54,400 due to an increase in FTEs, expanded stakeholder outreach and inflation.
- **Indirect** expenses increase of \$151,324 due to an increase in FTEs.

### Training and Education

- **Personnel** expenses increase of \$154,061 due to a net increase of 0.45 FTEs resulting from a reorganization during 2025 for the purpose of expanding training and education of stakeholders.
- **Indirect** expenses increase of \$66,065 due to an increase in FTEs.
- Activities previously addressed under Technical Committees and Members Forums are included under the Training and Education Program beginning in 2026 as a result of a reorganization during 2025.

### Situation Awareness and Infrastructure Security

- **Personnel** expenses increase of \$293,216 due to a net increase of 0.80 FTEs to support increasing workload and complexity of Situational Awareness activities.
- **Travel** expenses increase of \$52,060 due to an increase in FTEs, expanded stakeholder outreach and inflation.
- **Indirect** expenses increase of \$150,582 due to an increase in FTEs.

### Administrative Services

| Administrative Services Program Resources<br>(in whole dollars) |                    |                    |                        |              |              |                        |
|-----------------------------------------------------------------|--------------------|--------------------|------------------------|--------------|--------------|------------------------|
|                                                                 | Direct Expenses    |                    |                        | FTEs         |              |                        |
|                                                                 | 2025 Budget        | 2026 Budget        | Increase<br>(Decrease) | 2025 Budget  | 2026 Budget  | Increase<br>(Decrease) |
| Technical Committees and Members Forum                          | \$192,884          | \$0                | (\$192,884)            | 0.50         | 0.00         | -0.50                  |
| General and Administrative                                      | \$3,000,901        | \$3,772,799        | \$771,898              | 2.00         | 4.00         | 2.00                   |
| Legal and Regulatory                                            | \$1,001,463        | \$1,063,616        | \$62,154               | 2.25         | 2.25         | 0.00                   |
| Information Technology                                          | \$3,188,968        | \$3,370,406        | \$181,438              | 7.80         | 8.00         | 0.20                   |
| Human Resources                                                 | \$410,616          | \$493,193          | \$82,577               | 2.00         | 2.00         | 0.00                   |
| Finance and Accounting                                          | \$1,078,849        | \$1,142,186        | \$63,338               | 3.00         | 3.00         | 0.00                   |
| <b>Total Administrative Services<sup>1</sup></b>                | <b>\$8,873,680</b> | <b>\$9,842,201</b> | <b>\$968,520</b>       | <b>17.55</b> | <b>19.25</b> | <b>1.70</b>            |

NPCC's 2026 Administrative Services Direct Expenses and Fixed Assets total \$9,842,201 of which \$393,521 is allocated to NPCC's Criteria Services division, which is a non-statutory function. As a result of the allocation to the Criteria Services division, the Administrative Expenditures included in the 2026 statutory budget are \$9,448,680 which is an increase of \$969,693 from the 2025 budget of \$8,478,987.

- Activities previously addressed under Technical Committees and Members Forums are included under the Training and Education Program beginning in 2026 as a result of a reorganization during 2025.
- **Personnel** expenses increase of \$1,016,516 due to a net increase of 1.70 FTEs resulting from a reorganization during 2025 to expand outreach and enhance communications.
- **Meeting** expenses decrease of \$127,824 due to a reduction in the number of in-person Board of Directors meetings and other meetings being held virtually.
- **Travel** expenses increase of \$68,991 due to an increase in FTEs, expanded stakeholder outreach and inflation.
- **Office Costs** increase of \$111,068 due to investments in IT infrastructure and data management tools. While IT resource needs are increasing, staff have negotiated lower software contracts and license renewals to partially offset these costs. The increase in IT subscription costs is driven by onboarding new employees, expanding data analytics and energy assessments, bringing tools in-house to enhance internal capabilities, reducing reliance on external consultants, security operations, and communication capabilities.
- **Professional Services** decrease of \$96,620 primarily associated with a decrease in independent director search fees.

## Personnel Analysis and Expenses

| Total FTEs by Program Area                                                            | 2025<br>Budget | 2026 Budget<br>Direct FTEs | 2026 Budget<br>Shared FTEs | 2026 Budget<br>Total FTEs | Change from<br>2025 Budget |
|---------------------------------------------------------------------------------------|----------------|----------------------------|----------------------------|---------------------------|----------------------------|
| <b>REGIONAL ENTITY DIVISION</b>                                                       |                |                            |                            |                           |                            |
| <b>Operational Programs</b>                                                           |                |                            |                            |                           |                            |
| Reliability Standards                                                                 | 3.40           | 1.60                       | 1.30                       | 2.90                      | -0.50                      |
| Compliance Monitoring and Enforcement and Organization Registration and Certification | 38.75          | 41.70                      | 0.00                       | 41.70                     | 2.95                       |
| Training, Education, and Operator Certification                                       | 0.10           | 0.55                       | 0.00                       | 0.55                      | 0.45                       |
| Reliability Assessment and Performance Analysis                                       | 10.30          | 11.00                      | 0.00                       | 11.00                     | 0.70                       |
| Situation Awareness and Infrastructure Security                                       | 7.10           | 7.90                       | 0.00                       | 7.90                      | 0.80                       |
| <b>Total FTEs Operational Programs</b>                                                | <b>59.65</b>   | <b>62.75</b>               | <b>1.30</b>                | <b>64.05</b>              | <b>4.40</b>                |
| <b>Administrative Programs</b>                                                        |                |                            |                            |                           |                            |
| Technical Committees and Member Forums                                                | 0.50           | 0.00                       | 0.00                       | 0.00                      | -0.50                      |
| General and Administrative                                                            | 2.00           | 4.00                       | 0.00                       | 4.00                      | 2.00                       |
| Information Technology                                                                | 7.80           | 8.00                       | 0.00                       | 8.00                      | 0.20                       |
| Legal and Regulatory                                                                  | 2.25           | 2.25                       | 0.00                       | 2.25                      | 0.00                       |
| Human Resources                                                                       | 2.00           | 2.00                       | 0.00                       | 2.00                      | 0.00                       |
| Accounting and Finance                                                                | 3.00           | 3.00                       | 0.00                       | 3.00                      | 0.00                       |
| <b>Total FTEs Administrative Programs</b>                                             | <b>17.55</b>   | <b>19.25</b>               | <b>0.00</b>                | <b>19.25</b>              | <b>1.70</b>                |
| <b>Total FTEs</b>                                                                     | <b>77.20</b>   | <b>82.00</b>               | <b>1.30</b>                | <b>83.30</b>              | <b>6.10</b>                |

\*A shared FTE is defined as an employee who performs both Regional Entity and Criteria Services division functions.

| Personnel Expenses              | Budget<br>2025       | Budget<br>2026       | Variance<br>\$      | Variance<br>% |
|---------------------------------|----------------------|----------------------|---------------------|---------------|
| Total Salaries                  | \$ 14,428,204        | \$ 16,041,208        | \$ 1,613,003        | 11.2%         |
| Total Payroll Taxes             | 1,019,783            | 1,171,041            | 151,258             | 14.8%         |
| Total Benefits                  | 3,391,801            | 3,999,743            | 607,942             | 17.9%         |
| Total Retirement                | 1,519,549            | 1,701,865            | 182,316             | 12.0%         |
| <b>Total Personnel Expenses</b> | <b>\$ 20,359,338</b> | <b>\$ 22,913,856</b> | <b>\$ 2,554,519</b> | <b>12.5%</b>  |
| <b>FTEs</b>                     | <b>77.20</b>         | <b>83.30</b>         | <b>6.10</b>         | <b>7.9%</b>   |
| <b>Cost per FTE</b>             |                      |                      |                     |               |
| Salaries                        | \$ 186,894           | \$ 192,572           | \$ 5,678            | 3.0%          |
| Payroll Taxes                   | 13,210               | 14,058               | 848                 | 6.4%          |
| Benefits                        | 43,935               | 48,016               | 4,081               | 9.3%          |
| Retirement                      | 19,683               | 20,431               | 747                 | 3.8%          |
| <b>Total Cost per FTE</b>       | <b>\$ 263,722</b>    | <b>\$ 275,076</b>    | <b>\$ 11,354</b>    | <b>4.3%</b>   |

## Explanation of Significant Variances – 2025 Budget versus 2026 Budget

Variance explanations can be found in the [Major Drivers](#) and [Major Budget Drivers—Program Areas Section](#).

## Consultants and Contracts

| Consultants & Contracts                                                | Budget<br>2025      | Budget<br>2026      | Variance<br>\$     | Variance<br>% |
|------------------------------------------------------------------------|---------------------|---------------------|--------------------|---------------|
| Reliability Standards                                                  | \$ 15,000           | \$ 15,000           | \$ -               | 0.0%          |
| Compliance Enforcement and Organization Registration and Certification | \$ -                | \$ -                | \$ -               | -             |
| Reliability Assessment and Performance Analysis                        | \$ 915,000          | \$ 928,000          | \$ 13,000          | 1.4%          |
| Training and Education                                                 | \$ -                | \$ -                | \$ -               | -             |
| Situation Awareness and Infrastructure Security                        | \$ 190,000          | \$ 140,000          | \$ (50,000)        | -26.3%        |
| Member Forums                                                          | \$ -                | \$ -                | \$ -               | -             |
| General and Administrative                                             | \$ 90,000           | \$ 90,000           | \$ -               | 0.0%          |
| Legal and Regulatory                                                   | \$ -                | \$ -                | \$ -               | -             |
| Information Technology                                                 | \$ -                | \$ -                | \$ -               | -             |
| Human Resources                                                        | \$ -                | \$ -                | \$ -               | -             |
| Accounting and Finance                                                 | \$ -                | \$ -                | \$ -               | -             |
| <b>Total Consultants and Contracts</b>                                 | <b>\$ 1,210,000</b> | <b>\$ 1,173,000</b> | <b>\$ (37,000)</b> | <b>-3.1%</b>  |

## Fixed Assets

| Fixed Asset Additions              | Budget<br>2025   | Budget<br>2026    | Variance<br>\$   | Variance<br>% |
|------------------------------------|------------------|-------------------|------------------|---------------|
| Equipment CapEx                    | \$ 41,800        | \$ 74,690         | \$ 32,890        | 78.7%         |
| Computer & Software CapEx          | \$ 28,800        | \$ 38,800         | \$ 10,000        | 34.7%         |
| Furniture & Fixtures CapEx         | \$ -             | \$ -              | \$ -             | -             |
| Leasehold Improvements             | \$ -             | \$ -              | \$ -             | -             |
| Allocation of Fixed Assets         | \$ -             | \$ -              | \$ -             | -             |
| <b>Total Fixed Asset Additions</b> | <b>\$ 70,600</b> | <b>\$ 113,490</b> | <b>\$ 42,890</b> | <b>60.8%</b>  |

## Explanation of Significant Variances – 2025 Budget versus 2026 Budget

- Increase in fixed asset additions due to website enhancements and laptop replacements scheduled for 2026.

## Regional Entity Reserve Analysis

| Working Capital and Operating Reserve Analysis 2025-2026                              |                    |                        |                        |                          |
|---------------------------------------------------------------------------------------|--------------------|------------------------|------------------------|--------------------------|
| REGIONAL ENTITY DIVISION                                                              |                    |                        |                        |                          |
|                                                                                       | Total Reserve      | Working Capital        | Operating Reserve      | Assessment Stabilization |
| <b>Beginning Total Reserve, December 31, 2024</b>                                     | 9,560,208          | 6,008,497              | 2,054,808              | 1,496,903 <sup>4</sup>   |
| Plus: 2025 ERO Funding (from LSEs or designees)                                       | 24,592,831         | 24,592,831             |                        |                          |
| Plus: 2025 Other funding sources                                                      | 360,625            | 360,625                |                        |                          |
| Plus: Penalties collected                                                             | 23,826             |                        |                        | 23,826                   |
| Approved 2025 Penalties released to offset U.S. assessments                           | 0                  | 500,000                |                        | (500,000)                |
| Less: 2025 Projected expenses & capital expenditures                                  | (25,453,696)       | (25,453,696)           |                        |                          |
| <b>Projected Total Reserve, December 31, 2025</b>                                     | <b>9,083,794</b>   | <b>6,008,257</b>       | <b>2,054,808</b>       | <b>1,020,729</b>         |
| <b>Desired Total Reserve, December 31, 2026</b>                                       | <b>7,611,706</b>   | 4,819,307 <sup>1</sup> | 2,271,669 <sup>2</sup> | 520,729                  |
| Less: Projected Total Reserve, December 31, 2025                                      | (9,083,794)        | (6,008,257)            | (2,054,808)            | (1,020,729)              |
| <b>Increase(decrease) in assessments to achieve desired Total Reserve</b>             | <b>(1,472,089)</b> | <b>(1,188,950)</b>     | <b>216,861</b>         | <b>(500,000)</b>         |
|                                                                                       |                    |                        |                        |                          |
| 2026 Expenses and Capital Expenditures                                                | 28,395,867         |                        |                        |                          |
| Less: Penalty Sanctions (Applied to U.S. Only) <sup>3</sup>                           | (500,000)          |                        |                        |                          |
| Less: Other Funding Sources                                                           | (301,200)          |                        |                        |                          |
| Adjustment to Operating Reserve to achieve desired Total Reserve balance <sup>2</sup> | 216,861            |                        |                        |                          |
| Adjustment to Working Capital to achieve desired Total Reserve balance <sup>1</sup>   | (1,188,950)        |                        |                        |                          |
| <b>2026 Assessment</b>                                                                | <b>26,622,578</b>  |                        |                        |                          |

<sup>1</sup> Working Capital within a range from 8% to 25% of Budget. \$4,819,307 represents 17% of the 2026 budget of \$28,395,867

<sup>2</sup> Operating Reserve equal to 8% of Budget. \$2,271,669 represents 8% of the 2026 budget of \$28,395,867

<sup>3</sup> Represents amount applied to reduce 2026 assessments. Balance of collections July 1, 2024 through June 30, 2025 retained for assessment stabilization purposes.

<sup>4</sup> Assessment Stabilization Reserve balance was \$1,310,903 at June 30, 2024. Penalty Sanctions totaling \$186,000 were collected July 1, 2024 through December 31, 2024.

### Explanation of Changes in Reserves

There was no change to the existing Working Capital and Operating Reserve Policy. NPCC maintains an Assessment Stabilization Reserve (ASR) separate from the Working Capital and Operating Reserve. The purpose of the ASR is to enable penalty funds to be released in multiple budget years to avoid large fluctuations in assessments. NERC Rules of Procedure Section 1107.2 specifies that penalty funds received by NPCC during the 12 months ended June 30<sup>th</sup> are to be used in the subsequent budget year to offset assessments. Pursuant to Section 1107.4, exceptions or alternatives to this provision are allowed if approved by NERC and FERC. Therefore, pursuant to Section 1107.4, NPCC requests that the Commission approve an exception to the requirement of Section 1107.2 that all penalties collected during the 12 months ended the previous June 30 be used to reduce NPCC's assessments in the following year, in order to allow NPCC to (i) deposit the \$186,000 of penalties collected during the 12 months ended June 30, 2025 into the ASR, and (ii) use \$500,000 of the penalty funds in the ASR to reduce its 2026 assessment. In future years, NPCC will specify the amount of penalty funds to be released and the amount of penalty funds to be retained to offset assessments in future years within its Business Plan and Budget to be approved annually by NPCC's Board of Directors, NERC, and FERC.

## Three-Year Budget Projections

| Statement of Activities and Capital Expenditures<br>2026 Budget & Projected 2027 and 2028 Budgets |                      |                      |                      |                     |                      |                      |                     |
|---------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|---------------------|----------------------|----------------------|---------------------|
|                                                                                                   | 2026<br>Budget       | 2027<br>Projection   | \$ Change<br>26 v 27 | % Change<br>26 v 27 | 2028<br>Projection   | \$ Change<br>27 v 28 | % Change<br>27 v 28 |
| <b>Funding</b>                                                                                    |                      |                      |                      |                     |                      |                      |                     |
| <b>ERO Funding</b>                                                                                |                      |                      |                      |                     |                      |                      |                     |
| ERO Assessments                                                                                   | \$ 26,622,578        | \$ 30,472,556        | \$ 3,849,978         | 14.5%               | \$ 33,720,766        | \$ 3,248,209         | 9.6%                |
| Penalties Released                                                                                | 500,000              | 300,000              | (200,000)            | -40.0%              | 150,000              | (150,000)            | -100.0%             |
| <b>Total ERO Funding</b>                                                                          | <b>\$ 27,122,578</b> | <b>\$ 30,772,556</b> | <b>\$ 3,649,978</b>  | <b>13.5%</b>        | <b>\$ 33,870,766</b> | <b>\$ 3,098,209</b>  | <b>9.1%</b>         |
| Membership Dues                                                                                   | -                    | -                    | -                    |                     | -                    | -                    |                     |
| Testing Fees                                                                                      | -                    | -                    | -                    |                     | -                    | -                    |                     |
| Services & Software                                                                               | -                    | -                    | -                    |                     | -                    | -                    |                     |
| Workshops & Miscellaneous                                                                         | 48,500               | 48,500               | -                    | 0.0%                | 48,500               | -                    | 0.0%                |
| Interest & Investment Income                                                                      | 252,700              | 260,000              | 7,300                | 2.9%                | 268,000              | 8,000                | 3.1%                |
| <b>Total Funding (A)</b>                                                                          | <b>\$ 27,423,778</b> | <b>\$ 31,081,056</b> | <b>\$ 3,657,278</b>  | <b>13.3%</b>        | <b>\$ 34,187,266</b> | <b>\$ 3,106,209</b>  | <b>10.0%</b>        |
| <b>Expenses</b>                                                                                   |                      |                      |                      |                     |                      |                      |                     |
| <b>Personnel Expenses</b>                                                                         |                      |                      |                      |                     |                      |                      |                     |
| Salaries                                                                                          | \$ 16,041,208        | \$ 18,022,650        | \$ 1,981,442         | 12.4%               | \$ 19,633,443        | \$ 1,610,793         | 8.9%                |
| Payroll Taxes                                                                                     | 1,171,041            | 1,337,303            | 166,262              | 14.2%               | 1,501,542            | 164,238              | 12.3%               |
| Benefits                                                                                          | 3,999,743            | 4,559,727            | 559,985              | 14.0%               | 5,113,311            | 553,584              | 12.1%               |
| Retirement Costs                                                                                  | 1,701,865            | 1,931,976            | 230,112              | 13.5%               | 2,159,895            | 227,919              | 11.8%               |
| <b>Total Personnel Expenses</b>                                                                   | <b>\$ 22,913,856</b> | <b>\$ 25,851,657</b> | <b>\$ 2,937,801</b>  | <b>12.8%</b>        | <b>\$ 28,408,191</b> | <b>\$ 2,556,533</b>  | <b>9.9%</b>         |
| <b>Meeting Expenses</b>                                                                           |                      |                      |                      |                     |                      |                      |                     |
| Meetings & Conference Calls                                                                       | \$ 409,290           | \$ 421,569           | \$ 12,279            | 3.0%                | \$ 434,216           | \$ 12,647            | 3.0%                |
| Travel                                                                                            | 1,191,496            | 1,227,240            | 35,745               | 3.0%                | 1,264,058            | 36,817               | 3.0%                |
| <b>Total Meeting Expenses</b>                                                                     | <b>\$ 1,600,786</b>  | <b>\$ 1,648,809</b>  | <b>\$ 48,024</b>     | <b>3.0%</b>         | <b>\$ 1,698,273</b>  | <b>\$ 49,464</b>     | <b>3.0%</b>         |
| <b>Operating Expenses</b>                                                                         |                      |                      |                      |                     |                      |                      |                     |
| Consultants & Contracts                                                                           | \$ 1,173,000         | 1,271,460            | 98,460               | 8.4%                | 1,221,889            | \$ (49,571)          | -3.9%               |
| Office Rent                                                                                       | 389,500              | 397,290              | 7,790                | 2.0%                | 405,236              | 7,946                | 2.0%                |
| Office Costs                                                                                      | 1,443,376            | 1,572,244            | 128,868              | 8.9%                | 1,703,688            | 131,445              | 8.4%                |
| Professional Services                                                                             | 1,130,380            | 1,370,988            | 240,608              | 21.3%               | 1,398,407            | 27,420               | 2.0%                |
| Miscellaneous                                                                                     | 25,000               | 25,000               | -                    | 0.0%                | 25,000               | -                    | 0.0%                |
| <b>Total Operating Expenses</b>                                                                   | <b>\$ 4,161,256</b>  | <b>\$ 4,636,981</b>  | <b>\$ 475,725</b>    | <b>11.4%</b>        | <b>\$ 4,754,221</b>  | <b>\$ 117,240</b>    | <b>2.5%</b>         |
| <b>Total Direct Expenses</b>                                                                      | <b>\$ 28,675,898</b> | <b>\$ 32,137,448</b> | <b>\$ 3,461,550</b>  | <b>12.1%</b>        | <b>\$ 34,860,685</b> | <b>\$ 2,723,237</b>  | <b>8.5%</b>         |
| <b>Indirect Expenses</b>                                                                          | <b>\$ (393,521)</b>  | <b>\$ (401,391)</b>  | <b>\$ (7,870)</b>    | <b>2.0%</b>         | <b>\$ (409,419)</b>  | <b>\$ (8,028)</b>    | <b>2.0%</b>         |
| <b>Other Non-Operating Expenses</b>                                                               | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          |                     | <b>\$ -</b>          | <b>\$ -</b>          |                     |
| <b>Total Expenses (B)</b>                                                                         | <b>\$ 28,282,377</b> | <b>\$ 31,736,056</b> | <b>\$ 3,453,679</b>  | <b>12.2%</b>        | <b>\$ 34,451,266</b> | <b>\$ 2,715,209</b>  | <b>8.6%</b>         |
| <b>Change in Assets</b>                                                                           | <b>\$ (858,599)</b>  | <b>\$ (655,000)</b>  | <b>\$ 203,599</b>    | <b>-23.7%</b>       | <b>\$ (264,000)</b>  | <b>\$ 391,000</b>    | <b>-59.7%</b>       |
| <b>Fixed Assets Additions (C)</b>                                                                 | <b>\$ 113,490</b>    | <b>\$ 245,000</b>    | <b>\$ 131,510</b>    | <b>115.9%</b>       | <b>\$ 36,000</b>     | <b>\$ (209,000)</b>  | <b>-85.3%</b>       |
| <b>TOTAL BUDGET (=B+C)</b>                                                                        | <b>\$ 28,395,867</b> | <b>\$ 31,981,056</b> | <b>\$ 3,585,189</b>  | <b>12.6%</b>        | <b>\$ 34,487,266</b> | <b>\$ 2,506,209</b>  | <b>7.8%</b>         |
| <b>TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)</b>                                                   | <b>\$ (972,089)</b>  | <b>\$ (900,000)</b>  | <b>\$ 72,089</b>     | <b>-7.4%</b>        | <b>\$ (300,000)</b>  | <b>\$ 600,000</b>    | <b>0.0%</b>         |
| FTEs                                                                                              | 83.30                | 91.30                | 8                    | 9.6%                | 98.30                | 7                    | 7.7%                |

### Key Assumptions

#### 2027

- Increase of 8 FTEs (3 CORC, 1 RAPA, 2 Data Analytics, 2 IT) and full year cost of employment for FTEs onboarded throughout 2026.
- 3.5% average merit increase.
- Inflationary increases.
- Professional services increase primarily associated with exploring the transition to a more balanced hybrid Board structure by increasing the number of independent directors.
- Increase in fixed asset additions due to laptop replacements and improving third-party risk management.



2028

- Increase of 7 FTEs (3 CORC, 3 IT, 1 Corporate Communications).
- 3.5% average merit increase.
- Inflationary increases.
- Decrease in fixed asset additions due to no major equipment replacements scheduled for 2028.

## Regional Entity Assessment Analysis

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In the area of assessments there are distinct funding mechanisms as outlined in the following table. For the Regional Entity (RE) division, NERC will assess load serving entities (LSEs) or their designees (within NPCC the designees are the Balancing Authority Areas (BAAs) for New York, New England, New Brunswick, Nova Scotia, Ontario, and Québec) based upon 2024 proportional Net Energy for Load (NEL) and other specific program area funding arrangements and make quarterly remittances to the Regional Entity on or about the 15th day of January, April, July, and October. For funding associated with the Criteria Services division, the Independent System Operators/Balancing Authority Areas (ISO/BAAs) will be assessed by NPCC for their proportional share of the divisional budget based upon 2024 NEL within the Region. Non-ISO/BAA Full Members will be assessed no membership fee.

### NPCC Cost Allocation Methodology

The accompanying table provides information regarding cost allocation for both the Regional Entity division and the Criteria Services division of NPCC, including the details associated with the funding of the Compliance Program within the RE division. For purposes of determining assessments to support NPCC's resource requirements, costs are allocated among the ISOs/BAAs within NPCC as the designees for the LSEs in New York, New England, Ontario, Québec, New Brunswick, and Nova Scotia.

To reflect and respect the international membership and nature of NPCC, any sub-Regional reliability assessment costs in response to U.S. only regulatory initiatives will be considered for allocation to U.S. only ISOs/BAAs consistent with NERC Rules of Procedure Section 1102. Additionally, the compliance responsibilities and authorities within the U.S., and the specific compliance responsibilities within each of the Canadian provinces within NPCC, and the attendant costs of portions of the compliance program differ among the areas within the Regional Entity. Within the U.S. portion of NPCC all costs attributable to delegated (statutory) functions performed by NPCC, including all compliance functions, are assessed based on a NEL allocation. Within the Canadian portion of NPCC those costs attributable to compliance functions performed by NPCC on behalf of provincial governmental and/or regulatory authorities are allocated consistent with the unique MOUs or Agreements that have been entered into for those provinces. To address these different compliance regimes, NPCC developed a composite cost allocation methodology that allocates U.S. only reliability assessment and compliance costs on a fair and equitable basis within the Regional Entity.

As an initial step of that methodology, the NEL for each of the BAAs and their relative percentage to the NPCC total NEL is calculated for the most recent year for which data is available, the second previous year. To establish the RE division funding requirements for each BAA on a NEL basis for all programs except for Compliance, the proposed expenses and fixed assets of all other programs are calculated and the adjustment for the RE division cash reserve requirement is identified. Penalty funds received from NPCC registered entities within the U.S. are then allocated among the NPCC program areas based on their FTE ratio and between the U.S. BAAs based on their relative NELs. Consistent with each of the Canadian provincial MOUs and Agreements, all penalty funds resulting from compliance actions within Canada, if any, would remain within the applicable province. The total budgeted fees for NPCC workshop participation are indicated as a credit, with the resultant addition being the RE division assessment, without the compliance program costs, calculated on a NEL basis.

In accordance with the NPCC Amended and Restated Bylaws the Criteria Services (CS) division proposed expenses and fixed assets of all programs are calculated and the adjustment for the

CS division cash reserve requirement is identified, with the resultant addition being the CS division funding requirement and assessment, calculated on a NEL basis.

For costs associated with the RE division compliance program, NPCC's allocation methodology has been enhanced to better stabilize assessments. NPCC applies a rolling seven-year compliance cost average to total compliance program expenses for the current budget year. For each of the seven years, costs attributed to CORC Fundamentals (CF), are allocated between the BAAs in the United States and Canada on a NEL basis.

Compliance Audits and Investigations (CAI) related costs are allocated between U.S. and Canadian BAAs in NPCC, and among the Canadian provinces, using an audit-based methodology. The audit-based methodology incorporates relative costs based on categories of compliance audits which are reflective of their size and complexity, as well as the differing compliance program implementation models that are utilized in NPCC due to the international nature of the Regional Entity. The portion allocated to the U.S. BAAs in NPCC is calculated using the audit-based methodology, and this amount is then re-allocated between the New York and New England BAAs based on their relative NEL.

Compliance Mitigation and Enforcement (CME) related costs are allocated between U.S. and Canadian BAAs in NPCC, and among the Canadian provinces, using an enforcement activity-based methodology. Based on historical data, NPCC reviewed each BAAs percentage of violations, mitigation plans and settlement agreements to determine each BAA's total average percentage of enforcement activities. The portion allocated to the U.S. BAA's in NPCC is calculated using the enforcement activity-based methodology, and this amount is then re-allocated between the New York and New England BAAs based on their relative NEL.

The seven-year average allocation percentage of total combined compliance costs for each BAA is then applied to the total compliance program expenses for the current budget year to mitigate fluctuations in assessments from year to year.

Penalty funds received from NPCC registered entities within the U.S. are then allocated among the NPCC program areas based on their FTE ratio and between the U.S. BAAs based on their relative NELs, and then added to the total compliance program expenses and fixed assets to yield a total compliance program assessment.

The CORC actual vs budget variance from the most recent year for which audited financials are available is broken out from the rest of the Adjustment to Cash Reserve and assigned to the CORC program allocation of costs. Within Québec these costs are funded directly by the regulator, therefore, the assignment of program area variances needs to respect those specific circumstances.

Finally, the total RE division funding requirements and assessments by BAA are tabulated and the total funding requirements and assessments for NPCC, both the RE and CS divisions, are combined.

## Regional Entity and Criteria Services Funding Allocation Table

NPCC 2026 Regional Entity (RE)  
and Criteria Services (CS) Divisional Funding Information

| A-1                                                 | B-1                                     | B-1a                            | C-1                               | C-1a                             | D-1                                                                           | E-1                                                                                                | F-1                                                                                  | G-1                                                                                      | H-1                                                                  | I-1                                                    | J-1                                                                                             | K-1                                                                    | L-1                                                                 | M-1                                                | N-1                                           | O-1                                                       |
|-----------------------------------------------------|-----------------------------------------|---------------------------------|-----------------------------------|----------------------------------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|---------------------------------------------------------------------|----------------------------------------------------|-----------------------------------------------|-----------------------------------------------------------|
| NPCC<br>Balancing<br>Authorities<br>(LSE Designees) | 2024<br>Net Energy<br>for Load<br>(GWh) | 2024<br>NPCC<br>US NEL<br>(GWh) | 2024<br>NEL % of<br>NPCC<br>Total | 2024<br>NEL % of<br>NPCC<br>U.S. | Costs<br>Associated<br>with<br>U.S. Only<br>Reliability<br>Study <sup>1</sup> | 2026 <sup>2</sup> NPCC<br>RE Division<br>Expenses &<br>Fixed Assets<br>Minus CORC<br>and U.S. Only | Adjustment to<br>RE Division<br>Cash Reserve<br>Requirement<br>Less CORC<br>Assigned | 2026 <sup>2</sup> NPCC<br>RE Division<br>Funding<br>Requirement<br>Minus<br>CORC Program | Penalty Monies<br>Applied to<br>RE Division<br>Minus<br>CORC Program | Budgeted<br>Workshop<br>Fees and<br>Interest<br>Income | 2026 <sup>2</sup> NPCC<br>RE Division<br>Assessment<br>Minus CORC<br>(G-1 plus H-1<br>plus I-1) | 2026<br>NPCC<br>CS Division<br>Expenses<br>Minus<br>Interest<br>Income | 2026<br>Adjustment to<br>CS Division<br>Cash Reserve<br>Requirement | 2026 NPCC<br>CS Division<br>Funding<br>Requirement | CS Division<br>Budgeted<br>Interest<br>Income | 2026 NPCC<br>CS Division<br>Member Fees<br>(M-1 plus N-1) |
| New England                                         | 116,808                                 | 116,808                         | 18.632%                           | 43.626%                          | TBD                                                                           | 2,138,037                                                                                          | -33,774                                                                              | 2,104,263                                                                                | -76,116                                                              | -56,118                                                | 1,972,028                                                                                       | 233,750                                                                | -33,222                                                             | 200,528                                            | -2,478                                        | 198,050                                                   |
| New York                                            | 150,938                                 | 150,938                         | 24.076%                           | 56.374%                          | TBD                                                                           | 2,762,748                                                                                          | -43,643                                                                              | 2,719,105                                                                                | -98,357                                                              | -72,516                                                | 2,548,233                                                                                       | 302,050                                                                | -42,929                                                             | 259,120                                            | -3,202                                        | 255,918                                                   |
| Ontario                                             | 141,151                                 |                                 | 22.514%                           |                                  |                                                                               | 2,583,608                                                                                          | -40,813                                                                              | 2,542,795                                                                                | 0                                                                    | -67,814                                                | 2,474,982                                                                                       | 282,464                                                                | -40,146                                                             | 242,319                                            | -2,994                                        | 239,324                                                   |
| Quebec                                              | 192,016                                 |                                 | 30.628%                           |                                  |                                                                               | 3,514,634                                                                                          | -55,520                                                                              | 3,459,114                                                                                | 0                                                                    | -92,251                                                | 3,366,863                                                                                       | 384,253                                                                | -54,613                                                             | 329,640                                            | -4,073                                        | 325,567                                                   |
| New Brunswick                                       | 14,606                                  |                                 | 2.330%                            |                                  |                                                                               | 267,346                                                                                            | -4,223                                                                               | 263,123                                                                                  | 0                                                                    | -7,017                                                 | 256,106                                                                                         | 29,229                                                                 | -4,154                                                              | 25,075                                             | -310                                          | 24,765                                                    |
| Nova Scotia                                         | 11,416                                  |                                 | 1.821%                            |                                  |                                                                               | 208,957                                                                                            | -3,301                                                                               | 205,656                                                                                  | 0                                                                    | -5,485                                                 | 200,171                                                                                         | 22,845                                                                 | -3,247                                                              | 19,598                                             | -242                                          | 19,356                                                    |
| <b>Total</b>                                        | <b>626,935</b>                          | <b>267,746</b>                  | <b>100.000%</b>                   | <b>100.000%</b>                  | <b>\$0</b>                                                                    | <b>\$11,475,330</b>                                                                                | <b>-\$181,274</b>                                                                    | <b>\$11,294,056</b>                                                                      | <b>-\$174,473</b>                                                    | <b>-\$301,200</b>                                      | <b>\$10,918,383</b>                                                                             | <b>\$1,254,592</b>                                                     | <b>-\$178,311</b>                                                   | <b>\$1,076,280</b>                                 | <b>-\$13,300</b>                              | <b>\$1,062,980</b>                                        |

| A-2                                                 | B-2                                                        | C-2                                                         | D-2                                          | E-2                                              | F-2                                                                       | G-2                                                                               | H-2                                                                      | I-2                                                                              | J-2                                               |
|-----------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------|--------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------|
| NPCC<br>Balancing<br>Authorities<br>(LSE Designees) | 7 Year<br>Average<br>CORC Costs<br>Allocation <sup>3</sup> | 2026<br>Total CORC<br>Program<br>Expenses &<br>Fixed Assets | Penalty Monies<br>Applied to<br>CORC Program | Assigned<br>2024 Actual<br>vs Budget<br>Variance | 2026<br>Total CORC<br>Program<br>Assessment<br>(C-2 plus D-2<br>plus E-2) | 2026<br>RE Division<br>Total Funding<br>Requirement<br>(G-1 plus C-2)<br>plus E-2 | 2026<br>RE Division<br>Total<br>Assessment<br>(H-1 plus F-2)<br>plus E-2 | 2026<br>NPCC<br>Total Funding<br>Requirement<br>(M-1 plus G-2)<br>(O-1 plus H-2) | 2026 NPCC<br>Total<br>Assessment &<br>Member Fees |
| New England                                         | 31.12%                                                     | 5,265,709                                                   | -142,016                                     | -247,006                                         | 4,876,687                                                                 | 7,122,966                                                                         | 6,848,715                                                                | 7,323,494                                                                        | 7,046,765                                         |
| New York                                            | 40.16%                                                     | 6,796,094                                                   | -183,511                                     | -319,349                                         | 6,293,235                                                                 | 9,195,851                                                                         | 8,841,468                                                                | 9,454,971                                                                        | 9,097,386                                         |
| Ontario                                             | 6.93%                                                      | 1,173,256                                                   | 0                                            | -61,025                                          | 1,112,231                                                                 | 3,655,026                                                                         | 3,587,213                                                                | 3,897,345                                                                        | 3,826,537                                         |
| Quebec                                              | 16.97%                                                     | 2,871,094                                                   | 0                                            | -126,158                                         | 2,744,935                                                                 | 6,204,049                                                                         | 6,111,798                                                                | 6,533,689                                                                        | 6,437,365                                         |
| New Brunswick                                       | 3.33%                                                      | 564,078                                                     | 0                                            | -25,208                                          | 538,870                                                                   | 801,993                                                                           | 794,976                                                                  | 827,068                                                                          | 819,741                                           |
| Nova Scotia                                         | 1.48%                                                      | 250,307                                                     | 0                                            | -12,070                                          | 238,237                                                                   | 443,893                                                                           | 438,408                                                                  | 463,491                                                                          | 457,764                                           |
| <b>Total</b>                                        | <b>100.000%</b>                                            | <b>\$16,920,537</b>                                         | <b>-\$325,527</b>                            | <b>-\$790,815</b>                                | <b>\$15,804,195</b>                                                       | <b>\$27,423,778</b>                                                               | <b>\$26,622,578</b>                                                      | <b>\$28,500,058</b>                                                              | <b>\$27,685,558</b>                               |

1 Any sub-regional reliability assessment costs in response to U.S. only regulatory initiatives will be considered for allocation to U.S. only BAA's consistent with NERC Rules of Procedure section 1102.

2 Consistent with NERC's Policy on Allocation of Certain Compliance and Enforcement Costs, the NPCC Board approved Allocation Methodologies for Certain NPCC Compliance Program Area Costs Assessed to Non-U.S. Entities.

3 Total CORC Program Costs are allocated based on a seven-year average allocation percentage. CORC Program Fundamentals expenses are allocated each year using the Regional NEL based methodology. Audit and Investigation expenses attributable to Canadian NPCC BAA's are allocated annually utilizing an audit based methodology. The portion attributable to U.S. NPCC is allocated between the New York and New England balancing authority areas based on their respective net energy for load (NEL) as shown in Columns B-1a and C-1a. Audit based allocation uses Compliance Registry Data registrants as of May 1, 2025. Mitigation and Enforcement expenses are allocated annually utilizing an enforcement activity based methodology for Canadian NPCC BAA's. The portion attributable to U.S. NPCC is allocated between the New York and New England balancing authority areas based on their respective net energy for load (NEL) as shown in Columns B-1a and C-1a. The average allocation of total compliance costs over the prior seven years is then applied to the total compliance program costs for the current budget year in order to mitigate fluctuations in assessments.

## **Regional Entity Program Goals and Statements of Activities**

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### **Reliability Standards Program**

#### **Program Scope and Functional Description**

The NPCC Reliability Standards Program Area supports the NERC Reliability Standards Program and aids in the development of NPCC Regional Reliability Standards, and NPCC regional Variances to NERC Reliability Standards.

The NPCC Reliability Standards Program conducts a five-year review of the NPCC Regional Reliability Standard (PRC-006-NPCC-2) and the FERC approved Regional Standard Process Manual (RSPM). These reviews may result in revisions to the Standard, retirement of the Standard, or a finding that no changes are required.

NPCC supports the development of NPCC regional Variances to NERC Reliability Standards when it is necessary to address NPCC regionally-specific physical differences in the BPS or a NPCC northeastern North American specific reliability issue.

#### **2026 Key Assumptions**

- NPCC expects the overall volume of NERC Reliability Standard development projects to increase with the anticipated changes in the areas of cold weather operations, cyber security, supply chain, data gathering, and modeling of inverter-based resources (IBR).
- NPCC expects the standard development process to change based on NERC's establishment of the Modernization of Standards Processes and Procedures Task Force.
- NPCC's Regional Reliability Standards development activity is expected to remain at a stable level, driven by requests that the Regional Entity will receive or reliability issues that are identified and not under consideration by NERC. These include periodic review of NPCC's Regional Standard PRC-006-NPCC-2, Variances to NERC Reliability Standards to address reliability concerns or to recognize the unique topology and reliability considerations of the Northeast (i.e., Québec's recognition as an asynchronous interconnection within NPCC's footprint).

#### **2026 Goals and Key Deliverables**

- Participate in the annual development and revision of the NERC's three-year Reliability Standards Development Plan (RSDP) through review, commenting, and other Reliability Standards Committee (RSC) activities.
- Participate in the NERC Standards Committee activities, as a representative for NPCC Regional stakeholders to advance strategic initiatives, to measure the effectiveness and quality of standards, support ERO efforts to address outstanding FERC Directives, and provide input in the prioritization of standards development projects.
- Conduct thorough reviews of all NERC standards under development or revision by leveraging existing NPCC Task Forces and subject matter experts and coordinate NPCC comments for Northeastern North America.
- Review and identify issues and concerns raised in FERC Notice of Proposed Rulemakings (NOPRs) and Notice of Inquiries (NOIs) for all standards related issues as appropriate.
- Actively monitor the activities of the Reliability and Security Technical Committee (RSTC) and the development of Standard Authorization Requests (SARs) to address emerging reliability issues.
- Participate in and provide support to NERC standard development projects, including the Cold Weather standard, Energy Assurance standard, CIP standards, Supply Chain standards, and the development and revision of standards associated with FERC directive 901 to address reliability issues driven by inverter-based resources.

- Conduct reviews of the NPCC Regional Standard as necessitated by the revision and approval of any associated continent-wide NERC reliability standards or further reliability related need.
- Conduct the development of any Québec Interconnection-Wide variances to NERC continent-wide standards using the NPCC Reliability Standards Development Process.
- Maintain and revise the NPCC DER/VER Guidance document as necessary to promote consistency across the NPCC footprint where appropriate.
- In conjunction with the Reliability Coordinating Committee (RCC), review any DER/VER impacts identified by stakeholders and develop an approach to promote awareness and resolution of any issues.
- Identify opportunities and processes for cost effectiveness analysis activities to determine the need to revise a standard during the Enhanced Periodic Review or Standards Grading activities.
- Provide guidance and outreach on approved NERC Reliability Standards and Regional Standards.

The Statement of Activities for this program area is shown below. See [Reliability Standards Major Budget Drivers](#) for explanation of significant variances.

**Reliability Standards Statement of Activities**

| <b>Statement of Activities and Capital Expenditures 2025 Budget and 2026 Budget</b> |                        |                        |                          |                       |
|-------------------------------------------------------------------------------------|------------------------|------------------------|--------------------------|-----------------------|
| <b>Reliability Standards</b>                                                        |                        |                        |                          |                       |
|                                                                                     | <b>2025<br/>Budget</b> | <b>2026<br/>Budget</b> | <b>Variance<br/>(\$)</b> | <b>Variance<br/>%</b> |
| <b>Funding</b>                                                                      |                        |                        |                          |                       |
| <b>ERO Funding</b>                                                                  |                        |                        |                          |                       |
| ERO Assessments                                                                     | \$ 1,343,559           | \$ 1,286,009           | \$ (57,550)              |                       |
| Penalty Sanctions                                                                   | 28,500                 | 22,639                 | (5,861)                  |                       |
| <b>Total ERO Funding</b>                                                            | <b>\$ 1,372,058</b>    | <b>\$ 1,308,647</b>    | <b>\$ (63,411)</b>       | <b>-5%</b>            |
| Membership Dues                                                                     | -                      | -                      | -                        |                       |
| Testing Fees                                                                        | -                      | -                      | -                        |                       |
| Services & Software                                                                 | -                      | -                      | -                        |                       |
| Workshops & Misc Revenue                                                            | -                      | -                      | -                        |                       |
| Interest & Investment Income                                                        | -                      | -                      | -                        |                       |
| <b>Total Funding (A)</b>                                                            | <b>\$ 1,372,058</b>    | <b>\$ 1,308,647</b>    | <b>\$ (63,411)</b>       | <b>-5%</b>            |
| <b>Expenses</b>                                                                     |                        |                        |                          |                       |
| <b>Personnel Expenses</b>                                                           |                        |                        |                          |                       |
| Salaries                                                                            | \$ 550,301             | \$ 540,557             | \$ (9,744)               |                       |
| Payroll Taxes                                                                       | 44,694                 | 42,623                 | (2,070)                  |                       |
| Benefits                                                                            | 169,296                | 173,499                | 4,203                    |                       |
| Retirement Costs                                                                    | 52,880                 | 56,772                 | 3,891                    |                       |
| <b>Total Personnel Expenses</b>                                                     | <b>\$ 817,171</b>      | <b>\$ 813,451</b>      | <b>\$ (3,721)</b>        | <b>0%</b>             |
| <b>Meeting Expenses</b>                                                             |                        |                        |                          |                       |
| Meetings & Conference Calls                                                         | \$ 592                 | \$ 4,100               | \$ 3,508                 |                       |
| Travel                                                                              | 53,400                 | 45,288                 | (8,113)                  |                       |
| <b>Total Meeting Expenses</b>                                                       | <b>\$ 53,992</b>       | <b>\$ 49,388</b>       | <b>\$ (4,604)</b>        | <b>-9%</b>            |
| <b>Operating Expenses, excluding Depreciation</b>                                   |                        |                        |                          |                       |
| Consultants & Contracts                                                             | \$ 15,000              | \$ 15,000              | \$ -                     |                       |
| Office Rent                                                                         | -                      | -                      | -                        |                       |
| Office Costs                                                                        | 2,600                  | 3,000                  | 400                      |                       |
| Professional Services                                                               | -                      | -                      | -                        |                       |
| Miscellaneous                                                                       | -                      | -                      | -                        |                       |
| <b>Total Operating Expenses, excluding Depreciation</b>                             | <b>\$ 17,600</b>       | <b>\$ 18,000</b>       | <b>\$ 400</b>            | <b>2%</b>             |
| <b>Total Direct Expenses</b>                                                        | <b>\$ 888,763</b>      | <b>\$ 880,838</b>      | <b>\$ (7,925)</b>        | <b>-1%</b>            |
| <b>Indirect Expenses</b>                                                            | <b>\$ 479,271</b>      | <b>\$ 422,671</b>      | <b>\$ (56,600)</b>       | <b>-12%</b>           |
| <b>Other Non-Operating Expenses</b>                                                 | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>              |                       |
| <b>Total Expenses (B)</b>                                                           | <b>\$ 1,368,034</b>    | <b>\$ 1,303,509</b>    | <b>\$ (64,526)</b>       | <b>-5%</b>            |
| <b>Change in Net Assets (=A-B)</b>                                                  | <b>\$ 4,024</b>        | <b>\$ 5,139</b>        | <b>\$ 1,114</b>          | <b>28%</b>            |
| <b>Fixed Asset Additions, excluding Right of Use Assets ( C )</b>                   | <b>4,024</b>           | <b>5,139</b>           | <b>1,114</b>             | <b>28%</b>            |
| <b>TOTAL BUDGET (=B+C)</b>                                                          | <b>\$ 1,372,058</b>    | <b>\$ 1,308,647</b>    | <b>\$ (63,411)</b>       | <b>-5%</b>            |
| <b>TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)</b>                                     | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>              |                       |
| <b>FTES</b>                                                                         | <b>3.40</b>            | <b>2.90</b>            | <b>-0.50</b>             | <b>-15%</b>           |

## **Compliance Monitoring and Enforcement and Organization Registration and Certification Program**

### **Program Scope and Functional Description**

The NPCC Compliance Monitoring and Enforcement and Organization Registration and Certification Program (CORC) Program Area operates in accordance with the NERC Rules of Procedure, the Amended and Restated Delegation Agreement between NPCC and NERC, and individual Canadian Provincial MOUs and/or Agreements. The program supports Compliance Monitoring and Enforcement (Section 400 of the ROP) and Organization Registration and Certification (Section 500 of the ROP). NPCC CORC strives to be a credible authority that is independent, impartial, and objective, while promoting a culture of reliability excellence.

The CORC Program Area scope includes:

- Identification, registration, and certification of entities that are required to comply with the NERC Reliability Standards and NPCC Regional Reliability Standards.
- Implementation of the NERC Compliance Monitoring and Enforcement Program (CMEP) in the U.S., including the compliance monitoring, mitigation assessment and enforcement of NERC Reliability Standards and Regional Reliability Standards effective in the U.S.
- Pursuant to the relevant MOUs, the implementation of compliance monitoring and enforcement activities in Nova Scotia and Ontario, including the assessment and enforcement of NERC Reliability Standards and Regional Reliability Standards effective in those jurisdictions.
- Implementation of the Québec Reliability Standards Compliance Monitoring and Enforcement Program (QCMEP), including the compliance monitoring, assessment and enforcement of NERC Reliability Standards and Regional Reliability Standards effective in Québec.
- Implementation of the New Brunswick Compliance Monitoring and Enforcement Program (NBCMEP) in New Brunswick, including the compliance monitoring, assessment and enforcement recommendations of the NERC Reliability Standards and Regional Reliability Standards effective in New Brunswick.

The CORC Program Area scope is sub-divided into three sub-program areas: Compliance Fundamentals (CF); Compliance Audits and Investigations (CAI); and Compliance Mitigation and Enforcement (CME).

### ***Compliance Fundamentals (CF)***

The CF sub-program area is responsible for registration, certification, entity inherent risk assessments, and compliance oversight plan activities, in addition to general compliance activities that may span across sub-program areas.

- Collaborates across the ERO through participation in the Risk Performance and Monitoring Group (RPMG), Organization Registration and Certification Group (ORCG), and the development of the annual ERO CMEP staff workshop.
- Identifies and registers the BES owners, operators, and users that are required to comply with the NERC and Regional Reliability Standards.
- Conducts Certifications and Certification Reviews in accordance with the NERC Rules of Procedure.
- Leads or assists with the development of the annual CMEP implementation plans (ERO Enterprise, New Brunswick, Québec).
- Implements the ERO Enterprise registration tool, Centralized Organization Registration ERO System (CORES); and the ERO Enterprise CMEP data application, Align.



- Responds to any complaints submitted to NPCC.
- Maintains any NPCC specific compliance tools or programs needed.
- Performs outreach, sends relevant communications, and conducts stakeholder compliance workshops on an annual basis.
- Assesses compliance trends.
- Conducts outreach, training, and education to support Reliability Standards implementation.
- Conducts Inherent Risk Assessments (IRAs) on registered entities.
- Develops Compliance Oversight Plans (COPs) for registered entities.

***Compliance Audits and Investigations (CAI)***

The CAI sub-program area is responsible for conducting all risk-based compliance monitoring activities.

- Conducts NPCC compliance monitoring activities, including audits, spot checks, and self-certifications.
- Incorporates the results of entity IRA, COP, and performance data into its compliance monitoring process.
- Assesses the maturity of the entity's internal controls and sustainability of the entity processes during compliance engagements.
- Engages the entity on the maturity of their internal compliance program.
- Issues audit reports and spot check reports.
- Provides self-certification result letters.
- Implements and maintains the Critical Infrastructure Protection (CIP) Standards Technical Feasibility Exceptions process.
- Maintains the Periodic Data Submittal process and reviews submittals.
- Performs outreach, sends relevant communications, and conducts stakeholder compliance workshops on an annual basis.
- Collaborates across the ERO through participation in the Risk Performance and Monitoring Group (RPMG), Operations and Planning Compliance Task Force (OPCTF), CIP Compliance Task Force (CCTF), Manual Task Force (MTF), and the development of the annual ERO CMEP staff workshop.
- Implements the ERO Enterprise CMEP data application, Align.

***Compliance Mitigation and Enforcement (CME)***

The CME sub-program area is responsible for enforcement activities in accordance with risk-based approaches and conducting technical assessments of registered entities' plans and activities to mitigate noncompliance. Depending on the jurisdiction, CME either makes official recommendations to the appropriate regulatory authority or assists and coordinates with NERC to make such official recommendations.

- Determines the relevant facts and circumstances necessary to assess each noncompliance.
- Evaluates and assigns a risk level to each noncompliance.
- Advises on the mitigation required to prevent recurrence of the issue.
- Evaluates and approves the mitigation activities or Mitigation Plan(s) for each noncompliance.
- Assesses the relevant compliance history for each noncompliance.
- Determines the disposition method for each noncompliance.
- Conducts settlement negotiations.
- Calculates penalty and non-penalty sanctions in a consistent manner.
- Files noncompliance closings with NERC/FERC and applicable Canadian governmental and/or provincial Regulatory authorities.

- Evaluates registered entities for participation in the Self-Logging Program.
- Collaborates across the ERO through participation in the Enforcement Group (EG) and the development of the annual ERO CMEP staff workshop.

## 2026 Key Assumptions

- The volume of registrations will increase based on the changing resource mix and modification to the registration criteria to include non-BES Inverter Based Resources.
- The number of Certifications has increased and will remain elevated as many entities are upgrading or building new Control Centers and building new Energy Management Systems.
- The number of incoming noncompliances will increase due to new registered entities, new standards, and new facilities.

## 2026 Goals and Key Deliverables

- Conduct scheduled compliance monitoring and enforcement activities pursuant to the 2026 Implementation Plans.
- Continue applying risk-based approaches for CMEP, registration, and certification activities.
- Identify potential issues related to NERC Reliability Standards and Regional Reliability Standards as a result of compliance monitoring, enforcement, and event analysis activities.
- Continue to implement compliance responsibilities in Canada based on the unique regulatory structure specific to each provincial and/or governmental jurisdiction.
- Evaluate and enhance monitoring, violation processing, risk-assessment, registration and certification program for sufficiency and effectiveness.
- Collaborate within the ERO Enterprise to continue to implement and update Align and the Secure Evidence Locker (SEL).
- Provide education and outreach to the registered entities on all CMEP, registration, and certification topics, including the development and implementation of the ERO Enterprise Registration tool, CORES, and the Align/SEL CMEP data application.
- Conduct one in-person compliance workshop and virtual compliance webinars.
- Develop annual activity reports for CMEP (New Brunswick) and QCMEP (Québec).
- Develop and/or provide input on various 2026 CMEP Implementation Plans (ERO Enterprise, Québec, New Brunswick).
- Remain updated on industry trends and attend training necessary and/or beneficial to performing duties (Registration, Certification, Entity Risk Assessment, assessment of internal controls, Monitoring, and Enforcement activities).
- Continue to perform and update IRAs and COPs for registered entities as needed.
- Continue to assess and document internal controls during monitoring engagements.
- Conduct 2026 compliance engagement schedule based on budget, risk to the BPS, and number of registered entities.
- Continue to perform comprehensive enforcement activities to determine the relevant facts and circumstances necessary for each noncompliance, assess the risk, and evaluate the mitigation activities or Mitigation Plan. Determine the disposition method in accordance with established risk-based approaches (Compliance Exceptions, FFTs, Simplified Identification Correction Method (Québec), Settlements, etc.).
- Track the progress and verify the completion of each Mitigation Plan.
- As necessary, represent NPCC during any enforcement hearings before the NPCC Hearing Body, the NERC Hearing Body, the Régie, or the New Brunswick Energy & Utilities Board.

## 2026 Business Plan and Budget      Regional Entity Program Goals and Statements of Activities

- Provide responses to oversight activities performed by NERC, FERC, and other relevant authorities.
- Analyze noncompliance trends and associated risks to develop guidance to registered entities in support of a culture of reliability.
- Perform outreach (e.g., webinars, workshops) to educate entities on determining noncompliance root causes, techniques for noncompliance assessment, communications associated with self-reporting, and guidance on the development of mitigation activities that will prevent recurrence.

The Statement of Activities for this program area is shown below. See [Compliance Monitoring and Enforcement and Organization Registration and Certification Program Major Budget Drivers](#) for explanation of significant variances.

# Compliance Monitoring and Enforcement Statement of Activities

## Statement of Activities and Capital Expenditures 2025 Budget and 2026 Budget

### Compliance Monitoring and Enforcement and Organization Registration and Certification

|                                                                   | 2025<br>Budget       | 2026<br>Budget       | Variance<br>(\$)    | Variance<br>% |
|-------------------------------------------------------------------|----------------------|----------------------|---------------------|---------------|
| <b>Funding</b>                                                    |                      |                      |                     |               |
| <b>ERO Funding</b>                                                |                      |                      |                     |               |
| ERO Assessments                                                   | \$ 14,644,934        | \$ 15,804,195        | \$ 1,159,261        |               |
| Penalty Sanctions                                                 | 324,811              | 325,527              | 716                 |               |
| <b>Total ERO Funding</b>                                          | <b>\$ 14,969,746</b> | <b>\$ 16,129,722</b> | <b>\$ 1,159,976</b> | <b>8%</b>     |
| Membership Dues                                                   | -                    | -                    | -                   |               |
| Testing Fees                                                      | -                    | -                    | -                   |               |
| Services & Software                                               | -                    | -                    | -                   |               |
| Workshops & Misc Revenue                                          | -                    | -                    | -                   |               |
| Interest & Investment Income                                      | -                    | -                    | -                   |               |
| <b>Total Funding (A)</b>                                          | <b>\$ 14,969,746</b> | <b>\$ 16,129,722</b> | <b>\$ 1,159,976</b> | <b>8%</b>     |
| <b>Expenses</b>                                                   |                      |                      |                     |               |
| <b>Personnel Expenses</b>                                         |                      |                      |                     |               |
| Salaries                                                          | \$ 6,553,205         | \$ 7,155,584         | \$ 602,380          |               |
| Payroll Taxes                                                     | 497,543              | 565,173              | 67,631              |               |
| Benefits                                                          | 1,486,808            | 1,821,975            | 335,168             |               |
| Retirement Costs                                                  | 676,472              | 743,767              | 67,295              |               |
| <b>Total Personnel Expenses</b>                                   | <b>\$ 9,214,027</b>  | <b>\$ 10,286,500</b> | <b>\$ 1,072,473</b> | <b>12%</b>    |
| <b>Meeting Expenses</b>                                           |                      |                      |                     |               |
| Meetings & Conference Calls                                       | \$ 17,646            | \$ 13,000            | \$ (4,646)          |               |
| Travel                                                            | 318,350              | 431,438              | 113,088             |               |
| <b>Total Meeting Expenses</b>                                     | <b>\$ 335,996</b>    | <b>\$ 444,438</b>    | <b>\$ 108,442</b>   | <b>32%</b>    |
| <b>Operating Expenses, excluding Depreciation</b>                 |                      |                      |                     |               |
| Consultants & Contracts                                           | \$ -                 | \$ -                 | \$ -                |               |
| Office Rent                                                       | -                    | -                    | -                   |               |
| Office Costs                                                      | 26,500               | 38,000               | 11,500              |               |
| Professional Services                                             | -                    | -                    | -                   |               |
| Miscellaneous                                                     | -                    | -                    | -                   |               |
| <b>Total Operating Expenses, excluding Depreciation</b>           | <b>\$ 26,500</b>     | <b>\$ 38,000</b>     | <b>\$ 11,500</b>    | <b>43%</b>    |
| <b>Total Direct Expenses</b>                                      | <b>\$ 9,576,523</b>  | <b>\$ 10,768,937</b> | <b>\$ 1,192,415</b> | <b>12%</b>    |
| <b>Indirect Expenses</b>                                          | <b>\$ 5,462,280</b>  | <b>\$ 6,077,712</b>  | <b>\$ 615,432</b>   | <b>11%</b>    |
| <b>Other Non-Operating Expenses</b>                               | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>         |               |
| <b>Total Expenses (B)</b>                                         | <b>\$ 15,038,802</b> | <b>\$ 16,846,649</b> | <b>\$ 1,807,846</b> | <b>12%</b>    |
| <b>Change in Net Assets (=A-B)</b>                                | <b>\$ (69,057)</b>   | <b>\$ (716,927)</b>  | <b>\$ (647,870)</b> | <b>938%</b>   |
| <b>Fixed Asset Additions, excluding Right of Use Assets ( C )</b> | <b>45,863</b>        | <b>73,888</b>        | <b>28,025</b>       | <b>61%</b>    |
| <b>TOTAL BUDGET (=B+C)</b>                                        | <b>\$ 15,084,666</b> | <b>\$ 16,920,537</b> | <b>\$ 1,835,871</b> | <b>12%</b>    |
| <b>TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)</b>                   | <b>\$ (114,920)</b>  | <b>\$ (790,815)</b>  | <b>\$ (675,895)</b> | <b>588%</b>   |
| <b>FTES</b>                                                       | <b>38.75</b>         | <b>41.70</b>         | <b>2.95</b>         | <b>8%</b>     |

## **Reliability Assessment and Performance Analysis Program**

### **Program Scope and Functional Description**

The NPCC Reliability Assessments and Performance Analysis (RAPA) Program Area independently analyzes, assesses, and reports on the reliability and adequacy of the BPS within the NPCC footprint. The program aides in the identification and assessment of risks across the region. The RAPA program activities include: the performance of resource and transmission assessment studies; special analyses and investigations; and the collection and dissemination of data, lessons learned, and other information. The RAPA program provides resources, case studies and data input for the technical analyses, and support of the many risk-based activities. The program also facilitates five technical stakeholder task forces and associated working groups.

### **2026 Key Assumptions**

The RAPA program concentrates on the four key value drivers and long-term focus areas set forth in the ERO Enterprise Long-Term Strategy, the strategic reliability focus areas identified within the NPCC Long-Term Strategy, and the Reliability Coordinating Committee Work Plan for calendar year 2025 - 2026.

Additionally, NPCC acts collectively and collaboratively through the Eastern Interconnection Reliability Assessment Group (ERAG) to focus on the reliability assessments of the Eastern Interconnection to identify and address potential reliability issues.

### **2026 Goals and Key Deliverables**

- Assessments of Reliability Performance
  - Load, Capacity, Energy, Fuels & Transmission Report (LCEF&T Report): Represent data submitted by NPCC to NERC as part of the annual EIA-411 filing. U.S. data is forwarded by NERC to the U.S. Energy Information Administration (EIA). Data for planned generating unit additions and changes is considered confidential information by the EIA, NERC and NPCC. This report presents actual and ten-year projections for load, capacity, energy, fuel, transmission line construction and transformer additions in the NPCC footprint.
  - NPCC Summer Reliability Assessment: Focuses on the assessment of reliability within the NPCC footprint for the Summer Operating Period.
  - NPCC Winter Reliability Assessment: Focuses on the assessment of reliability within the NPCC footprint for the Winter Operating Period.
  - NPCC Annual and Seasonal Tie Benefits Report: Verifies that the current levels of interconnection benefits assumed in each Area's resource adequacy studies are reasonable and do not overstate the amount of interconnection assistance available for the applicable time periods.
  - NPCC Review of Resource Adequacy: Review for each NPCC Area in accordance with the requirements specified in the NPCC Regional Reliability Reference Directory # 1, Design and Operation of the BPS.
  - NPCC Probabilistic Assessment: Provides the NPCC probabilistic reliability metric results specified by NERC for the corresponding LTRA.
  - Collect NPCC data and contribute to the production of assessment reports for the NERC long-term, seasonal, and special assessments.
  - Provide NPCC regionally-specific technical support for the ERO Enterprise expanded and enhanced system studies and analyses, as needed.
  - Collaborate through ERAG in performance of Eastern Interconnection assessment studies and the Eastern Interconnection-wide Energy Assessment.

- Update of power-flow and dynamic base cases that represent the BPS within the NPCC footprint for the ERAG Multiregional Modeling Working Group (MMWG).
- Facilitate the ERAG Acceptable Model Working Group (AMWG) that is responsible for the development and maintenance of an acceptable model list for the Eastern Interconnection dynamic base cases.
- Reporting Requirements
  - Collect, verify, and validate NPCC regionally-specific data for the Transmission Availability Data System (TADS), Generator Availability Data System (GADS), Demand Response Availability Data System (DADS), Misoperation Information Data Analysis System (MIDAS), and Geomagnetic Disturbance Data System (GMD).
- Other Requirements and Activities
  - Support risk-based activities with the development and review of lessons learned, best practices, and guidance documentation across the ERO Enterprise and industry.
  - Facilitate a peer review process to analyze protective relay misoperation information and track corrective action plans, as reported in the NERC MIDAS system, via the NPCC SP-7 Working Group on Protection Systems Misoperation Review.
  - NPCC actively participates in NERC committees, subcommittees, task forces, and other technical groups, such as the ERO Reliability Assessment and Performance Analysis Steering Group, Inverter-Based Resource Performance Subcommittee, Reliability Assessment Subcommittee, System Planning Impacts from DER Working Group, Electric Gas Working Group, Energy Reliability Assessment Working Group, Performance Analysis Subcommittee, Probabilistic Assessment Working Group, ERO Analytical Community of Excellence (ERO ACE) and associated subgroups including the MIDAS User Group, TADS User Group, and GADS User Group.
  - Continue to support stakeholder participation and interaction through various NPCC technical groups, including the RCC, Task Force on Coordination of Operations, Task Force on Coordination of Planning, Task Force on Infrastructure Security & Technology, Task Force on System Protection, Task Force on System Studies and the associated working groups and sub-teams.
  - Work in collaboration with the industry and governmental organization such as the U.S. Department of Energy (DOE), National Laboratories, Institute of Electrical and Electronics Engineers (IEEE), Electric Power Research Institute (EPRI), Energy Systems Integration Group (ESIG) and Conseil International des Grands Réseaux Electriques (CIGRE).

The Statement of Activities for this program area is shown below. See [Reliability Assessment and Performance Analysis Major Budget Drivers](#) for explanation of significant variances.

## Reliability Assessment and Performance Analysis Program Statement of Activities

### Statement of Activities and Capital Expenditures 2025 Budget and 2026 Budget

#### Reliability Assessment and Performance Analysis

|                                                                   | 2025<br>Budget      | 2026<br>Budget      | Variance<br>(\$)  | Variance<br>% |
|-------------------------------------------------------------------|---------------------|---------------------|-------------------|---------------|
| <b>Funding</b>                                                    |                     |                     |                   |               |
| <b>ERO Funding</b>                                                |                     |                     |                   |               |
| ERO Assessments                                                   | \$ 5,485,926        | \$ 5,738,709        | \$ 252,783        |               |
| Penalty Sanctions                                                 | 86,337              | 85,870              | (467)             |               |
| <b>Total ERO Funding</b>                                          | <b>\$ 5,572,263</b> | <b>\$ 5,824,579</b> | <b>\$ 252,316</b> | <b>5%</b>     |
| Membership Dues                                                   | -                   | -                   | -                 |               |
| Testing Fees                                                      | -                   | -                   | -                 |               |
| Services & Software                                               | -                   | -                   | -                 |               |
| Workshops & Misc Revenue                                          | -                   | -                   | -                 |               |
| Interest & Investment Income                                      | -                   | -                   | -                 |               |
| <b>Total Funding (A)</b>                                          | <b>\$ 5,572,263</b> | <b>\$ 5,824,579</b> | <b>\$ 252,316</b> | <b>5%</b>     |
| <b>Expenses</b>                                                   |                     |                     |                   |               |
| <b>Personnel Expenses</b>                                         |                     |                     |                   |               |
| Salaries                                                          | \$ 2,011,805        | \$ 2,018,108        | \$ 6,303          |               |
| Payroll Taxes                                                     | 140,467             | 153,541             | 13,075            |               |
| Benefits                                                          | 490,722             | 504,314             | 13,592            |               |
| Retirement Costs                                                  | 213,667             | 202,671             | (10,996)          |               |
| <b>Total Personnel Expenses</b>                                   | <b>\$ 2,856,661</b> | <b>\$ 2,878,635</b> | <b>\$ 21,974</b>  | <b>1%</b>     |
| <b>Meeting Expenses</b>                                           |                     |                     |                   |               |
| Meetings & Conference Calls                                       | \$ 70,802           | \$ 74,340           | \$ 3,538          |               |
| Travel                                                            | 250,100             | 304,500             | 54,400            |               |
| <b>Total Meeting Expenses</b>                                     | <b>\$ 320,902</b>   | <b>\$ 378,840</b>   | <b>\$ 57,938</b>  | <b>18%</b>    |
| <b>Operating Expenses, excluding Depreciation</b>                 |                     |                     |                   |               |
| Consultants & Contracts                                           | \$ 915,000          | \$ 928,000          | \$ 13,000         |               |
| Office Rent                                                       | -                   | -                   | -                 |               |
| Office Costs                                                      | 15,600              | 16,380              | 780               |               |
| Professional Services                                             | -                   | -                   | -                 |               |
| Miscellaneous                                                     | -                   | -                   | -                 |               |
| <b>Total Operating Expenses, excluding Depreciation</b>           | <b>\$ 930,600</b>   | <b>\$ 944,380</b>   | <b>\$ 13,780</b>  | <b>1%</b>     |
| <b>Total Direct Expenses</b>                                      | <b>\$ 4,108,163</b> | <b>\$ 4,201,855</b> | <b>\$ 93,692</b>  | <b>2%</b>     |
| <b>Indirect Expenses</b>                                          | <b>\$ 1,451,909</b> | <b>\$ 1,603,233</b> | <b>\$ 151,324</b> | <b>10%</b>    |
| <b>Other Non-Operating Expenses</b>                               | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>       |               |
| <b>Total Expenses (B)</b>                                         | <b>\$ 5,560,072</b> | <b>\$ 5,805,088</b> | <b>\$ 245,016</b> | <b>4%</b>     |
| <b>Change in Net Assets (=A-B)</b>                                | <b>\$ 12,191</b>    | <b>\$ 19,491</b>    | <b>\$ 7,300</b>   | <b>60%</b>    |
| <b>Fixed Asset Additions, excluding Right of Use Assets ( C )</b> | <b>12,191</b>       | <b>19,491</b>       | <b>7,300</b>      | <b>60%</b>    |
| <b>TOTAL BUDGET (=B+C)</b>                                        | <b>\$ 5,572,263</b> | <b>\$ 5,824,579</b> | <b>\$ 252,316</b> | <b>5%</b>     |
| <b>TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)</b>                   | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>       |               |
| <b>FTES</b>                                                       | <b>10.30</b>        | <b>11.00</b>        | <b>0.70</b>       | <b>7%</b>     |

## **Training and Education Program**

### **Program Scope and Functional Description**

The NPCC Training and Education (TE) Program Area supports NERC Rules of Procedure Section 900 and other training, education, and outreach activities. The program provides:

- Education and training necessary to understand and operate the BPS.
- Outreach, education, and training on Reliability Standards, security related risks/issues, compliance topics and improvement of compliance and reliability assurance programs.

The TE program establishes and coordinates training for system operators relating to inter-Reliability Coordinator area matters, criteria, terminology, standards and operating procedures and instructions. The target audience of the System Operator training program is BPS operating personnel, including system operations personnel, operations support personnel (engineering and information technology), supervisors and managers, and training personnel.

In 2026, alongside the semiannual System Operators (SO) seminars, NPCC will host a hybrid Compliance and Reliability conference for its stakeholders. This conference aims to provide the latest and most relevant information on the development of NERC and Regional Reliability Standards and the implementation of the CMEP. The event will feature targeted breakout sessions and presentations on current industry activities, ensuring efficient information exchange between NPCC Compliance and Standards staff and stakeholders.

In collaboration with the NPCC Task Force on Infrastructure Security & Technology (TFIST) and its working groups, including NPCC Physical Security working group, NPCC will coordinate and hold an annual Cyber and Physical Security Workshop to address latest cyber and physical security topics, issues and trends and update NPCC entities associated with infrastructure security and technology.

To supplement the SO seminars, Cyber and Physical Security Workshop, and Compliance and Standards workshops, NPCC may develop webinars on specific topics pertinent to issues related to system operations, compliance program implementation, standards development, cyber or physical security threats and mitigation practices or technical issues.

Additionally, NPCC staff will continue to support and participate in the ERO Enterprise and NERC training, outreach, reliability and security engagements.

### **2026 Key Assumptions**

The TE Program concentrates on the four key value drivers and long-term focus areas set forth in the ERO Enterprise Long-Term Strategy and the strategic reliability focus areas identified within the NPCC Long-Term Strategy.

- Build appropriate outreach, training, and education to registered entities through NERC and the Regional Entities to reduce the occurrence of known risks to reliability.
- Nurture relationships with key industry trade associations, as well as those associations representing technology, affiliated sectors, and end users to understand context and leverage their experience and reach.
- Collaborate effectively with other organizations that share the ERO Enterprise's reliability and security mission and seek and work with representatives of academia, other critical infrastructures, and international experts to broaden the ERO Enterprise's collective knowledge and awareness of current and unknown risks and strategies to address them.



- Provide the Regional perspective and support with appropriate NPCC Training and Education staff participation on selected NERC groups, including any future ERO Enterprise human performance engagements, as determined by RAPA Steering Group.
- Conduct ongoing Reliability Forum activities to collaborate with industry stakeholders and identify both opportunities and challenges for enhancing reliability through education, and guidance, particularly for the interconnection of utility scale Distributed Energy Resources (DER) on the Distribution System and Variable Energy Resources (VER) facilities on the transmission system.
- Collaborate through outreach with State and Provincial regulatory staff to identify areas where NPCC can support local policy.
- Support industry outreach activities, including anticipated sessions with State and Provincial Regulators and multiple Reliability Forums.

### **2026 Goals and Key Deliverables**

- Conduct the 2026 Spring and Fall NPCC SO seminars.
- Continue to collaborate and share lessons learned among training staff from the NPCC RCs and utilize to make training program enhancements.
- As needed, enhance the NPCC repository of training resources and learning verification activities addressing fundamental power system topics, training methods and operation procedure training exercises, which may be shared as elements of operator training in compliance with NERC Standards PER-003 "Operating Personnel Credentials" and PER-005 "Operations Personnel Training."
- Develop virtual operational training webinars that focus on specific topics pertinent to compliance program implementation, standards development, or technical issues.
- Conduct one hybrid format Compliance and Reliability conference addressing the development of NERC and Regional Reliability Standards and CMEP implementation.
- Conduct the annual NPCC Cyber and Physical Security Workshop.
- Monitor and support activities of the Personnel Certification Governance Committee and associated sub-groups and collaborate with the NPCC CO-2 Operations Training WG and other NPCC Members' training personnel on the activities related to the reliable operation of the BPS.

NPCC staff training, and development is incorporated within each respective program area.

The Statement of Activities for this program area is shown below. See [Training, Education, and Operator Certification Program Major Budget Drivers](#) for explanation of significant variances.

## Training and Education Program Statement of Activities

### Statement of Activities and Capital Expenditures 2025 Budget and 2026 Budget

#### Training and Education

|                                                                   | 2025<br>Budget    | 2026<br>Budget    | Variance<br>(\$)  | Variance<br>% |
|-------------------------------------------------------------------|-------------------|-------------------|-------------------|---------------|
| <b>Funding</b>                                                    |                   |                   |                   |               |
| <b>ERO Funding</b>                                                |                   |                   |                   |               |
| ERO Assessments                                                   | \$ 140,103        | \$ 382,661        | \$ 242,558        |               |
| Penalty Sanctions                                                 | 838               | 4,294             | 3,455             |               |
| <b>Total ERO Funding</b>                                          | <b>\$ 140,941</b> | <b>\$ 386,955</b> | <b>\$ 246,014</b> | <b>175%</b>   |
| Membership Dues                                                   | -                 | -                 | -                 |               |
| Testing Fees                                                      | -                 | -                 | -                 |               |
| Services & Software                                               | -                 | -                 | -                 |               |
| Workshops & Misc Revenue                                          | 60,625            | 48,500            | (12,125)          |               |
| Interest & Investment Income                                      | -                 | -                 | -                 |               |
| <b>Total Funding (A)</b>                                          | <b>\$ 201,566</b> | <b>\$ 435,455</b> | <b>\$ 233,889</b> | <b>116%</b>   |
| <b>Expenses</b>                                                   |                   |                   |                   |               |
| <b>Personnel Expenses</b>                                         |                   |                   |                   |               |
| Salaries                                                          | \$ 24,440         | \$ 135,459        | \$ 111,018        |               |
| Payroll Taxes                                                     | 1,547             | 8,904             | 7,358             |               |
| Benefits                                                          | 4,774             | 28,704            | 23,930            |               |
| Retirement Costs                                                  | 2,577             | 14,331            | 11,754            |               |
| <b>Total Personnel Expenses</b>                                   | <b>\$ 33,338</b>  | <b>\$ 187,399</b> | <b>\$ 154,061</b> | <b>462%</b>   |
| <b>Meeting Expenses</b>                                           |                   |                   |                   |               |
| Meetings & Conference Calls                                       | \$ 138,164        | \$ 153,350        | \$ 15,186         |               |
| Travel                                                            | 15,600            | 13,370            | (2,230)           |               |
| <b>Total Meeting Expenses</b>                                     | <b>\$ 153,764</b> | <b>\$ 166,720</b> | <b>\$ 12,956</b>  | <b>8%</b>     |
| <b>Operating Expenses, excluding Depreciation</b>                 |                   |                   |                   |               |
| Consultants & Contracts                                           | \$ -              | \$ -              | \$ -              |               |
| Office Rent                                                       | -                 | -                 | -                 |               |
| Office Costs                                                      | 250               | 200               | (50)              |               |
| Professional Services                                             | -                 | -                 | -                 |               |
| Miscellaneous                                                     | -                 | -                 | -                 |               |
| <b>Total Operating Expenses, excluding Depreciation</b>           | <b>\$ 250</b>     | <b>\$ 200</b>     | <b>\$ (50)</b>    | <b>-20%</b>   |
| <b>Total Direct Expenses</b>                                      | <b>\$ 187,352</b> | <b>\$ 354,319</b> | <b>\$ 166,967</b> | <b>89%</b>    |
| <b>Indirect Expenses</b>                                          | <b>\$ 14,096</b>  | <b>\$ 80,162</b>  | <b>\$ 66,065</b>  | <b>469%</b>   |
| <b>Other Non-Operating Expenses</b>                               | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>       |               |
| <b>Total Expenses (B)</b>                                         | <b>\$ 201,448</b> | <b>\$ 434,480</b> | <b>\$ 233,032</b> | <b>116%</b>   |
| <b>Change in Net Assets (=A-B)</b>                                | <b>\$ 118</b>     | <b>\$ 975</b>     | <b>\$ 856</b>     | <b>723%</b>   |
| <b>Fixed Asset Additions, excluding Right of Use Assets ( C )</b> | <b>118</b>        | <b>975</b>        | <b>857</b>        | <b>726%</b>   |
| <b>TOTAL BUDGET (=B+C)</b>                                        | <b>\$ 201,566</b> | <b>\$ 435,455</b> | <b>\$ 233,889</b> | <b>116%</b>   |
| <b>TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)</b>                   | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>       |               |
| <b>FTES</b>                                                       | <b>0.10</b>       | <b>0.55</b>       | <b>0.45</b>       | <b>450%</b>   |

## **Situation Awareness and Infrastructure Security Program**

### **Program Scope and Functional Description**

The Situation Awareness and Infrastructure Security (SAIS) Program Area activities are performed in accordance with the NERC Rules of Procedure Section 1000 and applicable sub-sections of Section 800. The SAIS program is a combination of near real-time awareness of conditions on the BPS with the programs necessary to increase the physical and cyber security of the electricity infrastructure, including the operation and maintenance of tools and other support services for the benefit of Reliability Coordinators (RCs) and the system operators within the registered entities. When an event does occur, it is critical to provide a forum for active coordination of reliability and operation among the NPCC RC areas and neighboring NERC Regions. Further, NPCC's role is to gain and maintain situation awareness and understanding of system issues when they emerge and coordinate with relevant parties (typically NERC and FERC) about the conditions of the BPS and to use an event as a learning opportunity to enhance the reliability, resilience, and security of the interconnected BPS through the lessons learned, which can be gleaned from such an event.

NPCC's Event Analysis Program resides within the SAIS Program Area and supports the overall goal of promoting the reliability of the BPS in Northeastern North America and the entire North American grid.

NPCC's critical infrastructure security objectives are defined within the scope of the NPCC Task Force on Infrastructure Security & Technology (TFIST) and its Working Groups, and include, but are not limited to:

- Providing a forum for NPCC review of proposed and posted documents from the NERC Reliability and Security Technical Committee (RSTC) and its subgroups; and
- Representing NPCC's position in the activities of NERC groups involved in the development and/or implementation of physical and cyber security.

NPCC's Security Outreach program will support ERO Enterprise, and E-ISAC activities aimed at addressing known and emerging security (both cyber and physical) risks to strengthen and enhance industry security posture through active participation and engagement in the ERO Enterprise, E-ISAC and industry activities, in partnership with government and law enforcement agencies.

### **2026 Key Assumptions**

The SAIS program concentrates on the four key value drivers and long-term focus areas set forth in the ERO Enterprise Long-Term Strategy, the strategic reliability focus areas identified within the NPCC Long-Term Strategy, and the Reliability Coordinating Committee Work Plan for calendar year 2025 - 2026.

- Use the full suite of tools, activities, and resources for risk mitigation to provide guidance to industry as to how to mitigate emerging risks, evaluating the effectiveness of such approaches.
- Maintain situational awareness of operations within the region and support NERC and FERC's efforts for situation awareness of near real-time system conditions.
- Continue to promote, implement, and manage ERO Event Analysis Process (EAP) and Cause Coding process as part of the ERO Event Analysis Program, including collection and review of disturbance reports, review and analysis of applicable, qualifying events, and development of lessons learned and cause coding of events.

- Collaborate on and support joint activities with FERC and NERC staff and other Regional staff on analysis of known and emerging risks, analysis of major events, and follow-up projects/studies based on the findings and recommendations.
- Strengthen the analysis of cyber impacts on the BPS and mitigate impacts of cyberattacks. Enhance industry's ability to develop approaches to pre-position the system when under attack and explore recovery strategies.
- Leverage information and cross-sector collaboration with other critical infrastructures that share elements of the ERO Enterprise's reliability and security mission to facilitate cross-sector information sharing and threat analysis to broaden the ERO Enterprise's collective knowledge and awareness of current and emerging risks and strategies to address them and communicate these to industry for awareness and mitigation.
- Build/enhance appropriate outreach, training, and education to registered entities through NERC and the Regional Entities to reduce the occurrence of known risks to reliability.
- Ensure the E-ISAC Long-Term Strategic Plan is executed such that the E-ISAC is viewed by industry as meeting its needs as one of its key trusted sources of security information.
- Strengthen proactive outreach, communications, relationships, and intelligence sharing with key regulatory, legislative, and policy bodies, as well as government agencies across North America (U.S. and Canada).
- Nurture relationships with key industry trade associations, as well as those associations representing technology, affiliated sectors, and end users to understand context and leverage their experience and reach.
- Collaborate with technical stakeholder groups to support development of recommendations and risk mitigating activities based on events and identified reliability and security risks.
- Support GridEx-related planning and distributed play activities.
- Provide Regional perspective and support through active participation in appropriate NERC and ERO groups and activities.
- Support DOE-led effort on the development of the North American Energy Resilience Model (NAERM) in collaboration with the National Labs, the industry, and the ERO Enterprise.
- Support NPCC and ERO Enterprise communications activities, including ERO Communications Group (EROCG) and implementation of NPCC Emergency Communications Plan and NERC Crisis Action Plan.

## 2026 Goals and Key Deliverables

### ***Situation Awareness 2026 Goals and Key Deliverables***

- Monitor the operational status of the BPS and coordinate normal and pre-emergency communication, awareness, and assistance in addition to the same during an emergency among the RCs within the NPCC footprint.
- Prepare daily reports and conduct daily and weekly conference calls with NPCC and neighboring RCs (MISO and PJM) to serve as a complement to the NPCC Emergency Preparedness Conference Call.
- Coordination and communication with the NERC Bulk Power System Awareness group in preparation for and during ongoing significant events in the NPCC footprint.
- Monitor the status of the BPS through the NERC Situational Awareness-FERC, NERC, Region's version 3 (SAFNRv3) tool and support efforts and work to develop and enhance the use of SAFNR and other tools to further support NPCC and ERO SA.
- Coordinate inter-regional pre-emergency actions in the event of a threat to the security of the Northeastern North American bulk power supply system.

- Review and implementation of applicable recommendations and lessons learned from the prior planning and distributed play activities in preparation for and participation in the GridEx VIII wide-area exercise.
- Participation in the ERO Enterprise-wide SA and EA activities, including NERC SA and EA Oversight Plan specified goals and deliverables in support of the activities to identify, prioritize, and assure effective and efficient mitigation of risk to the reliability and security of the North American BPS, including such activities as:
  - NERC Bulk Power Situational Awareness calls.
  - Participation in the ERO Enterprise Crisis Action Plan (CAP) tabletop exercises and enhancements to the CAP processes.
  - Participation in the ERO Enterprise CAP activations.
- Support implementation and activities of NPCC's Emergency Communications Plan.
  - Provide the Regional perspective through NPCC staff support of the NERC Reliability and Security Technical Committee and participation on the key related NERC Subcommittees, Task Forces and Working Groups, including the Event Analysis Subcommittee and the ERO EA and SA Collaboration Groups.
- Participate in and support, as appropriate, periodic ERO Enterprise SA activities (e.g., GridEx, Monitoring and Situation Awareness Workshop, NERC Alerts, Winter Collaboration Group, etc.).
- Continue to promote, implement, and manage ERO Event Analysis Process (EAP) and Cause Coding process as part of the ERO Event Analysis Program, including collection and review of disturbance reports, review and analysis of applicable, qualifying events, development of lessons learned and cause coding of events.
- Work directly with applicable NPCC Task Forces and Working Groups to provide an in-depth assessment of Lessons Learned unique to the NPCC Members and NPCC Criteria and development of Regional Insights, as applicable.
- Support NPCC and ERO Enterprise studies and activities pertaining to gas-electric interdependencies, as well as other interdependent critical infrastructure sectors' risks.

***Infrastructure Security 2026 Goals and Deliverables***

- Provide physical and cyber security outreach and education services to registered entities.
- Monitor the Homeland Security Information Network (HSIN), E-ISAC, NERC Alerts, Canadian Information Sharing and North American Transmission Forum and share information with appropriate asset owners/operators.
- Remain current on relevant governmental agencies and Standards organizations applicable security recommendations and requirements, and other applicable security and reliability recommendations, and ensure the RCC and its committees are appropriately informed.
- Provide support and technical input for TFIST and associated Working Groups related to the BPS risks as identified by the NERC Reliability Issues Steering Committee; support, discuss and coordinate activities and approaches identified in the recommendations for mitigating security risks.
- Support NERC GridEx VIII planning and distributed play activities and after-action survey and report development.
- Review infrastructure security and technologies and provide recommendations to the RCC to enhance physical and cyber security in compliance with NERC guidelines/standards.
- Sponsor periodic workshop presentations to address timely issues and update NPCC entities associated with infrastructure security and technology.
- Provide education, awareness, and support for Cross Sector coordination in Entity agreements and response plans with focus upon Telecommunications, Water and Natural Gas, including monitoring and sharing with the E-ISAC.

- Support ERO Enterprise and industry security initiative and enhance coordination and collaboration with the ERO, E-ISAC, other NERC Regions and U.S. and Canadian applicable authorities.
- Support Physical Security Working Group activities aimed at promoting the exchange of information regarding approaches to physical security that will enhance the reliability and resiliency of the BPS and further address any physical security threats that could challenge efficient operation of the BPS. The Physical Security Working Group will also support the TFIST's work on issues related to physical security.
- Through the Telecommunications Working Group, promote and enhance the reliability of the Interconnected Power System in Northeastern North America by assessing adequacy and resilience of organizations' voice communications, and development of recommendations for mitigation of identified risks and sharing of industry best practices.
- Provide a forum for NPCC members, NPCC Task Forces and Working Groups to identify and discuss cyber security issues and practices related to the BPS, including BES cyber security topics that span one or more Task Force or Working Group.

The Statement of Activities for this program area is shown below. [See Situation Awareness and Infrastructure Security Major Budget Drivers](#) for explanation of significant variances.

**Situation Awareness and Infrastructure Security Program Statement of Activities****Statement of Activities and Capital Expenditures 2025 Budget and 2026 Budget****Situation Awareness and Infrastructure Security**

|                                                                   | 2025<br>Budget      | 2026<br>Budget      | Variance<br>(\$)   | Variance<br>% |
|-------------------------------------------------------------------|---------------------|---------------------|--------------------|---------------|
| <b>Funding</b>                                                    |                     |                     |                    |               |
| <b>ERO Funding</b>                                                |                     |                     |                    |               |
| ERO Assessments                                                   | \$ 3,395,036        | \$ 3,844,978        | \$ 449,942         |               |
| Penalty Sanctions                                                 | 59,514              | 61,671              | 2,157              |               |
| <b>Total ERO Funding</b>                                          | <b>\$ 3,454,550</b> | <b>\$ 3,906,649</b> | <b>\$ 452,098</b>  | <b>13%</b>    |
| Membership Dues                                                   | -                   | -                   | -                  |               |
| Testing Fees                                                      | -                   | -                   | -                  |               |
| Services & Software                                               | -                   | -                   | -                  |               |
| Workshops & Misc Revenue                                          | -                   | -                   | -                  |               |
| Interest & Investment Income                                      | -                   | -                   | -                  |               |
| <b>Total Funding (A)</b>                                          | <b>\$ 3,454,550</b> | <b>\$ 3,906,649</b> | <b>\$ 452,098</b>  | <b>13%</b>    |
| <b>Expenses</b>                                                   |                     |                     |                    |               |
| <b>Personnel Expenses</b>                                         |                     |                     |                    |               |
| Salaries                                                          | \$ 1,422,378        | \$ 1,616,062        | \$ 193,684         |               |
| Payroll Taxes                                                     | 103,350             | 120,537             | 17,187             |               |
| Benefits                                                          | 393,430             | 457,336             | 63,906             |               |
| Retirement Costs                                                  | 152,954             | 171,393             | 18,439             |               |
| <b>Total Personnel Expenses</b>                                   | <b>\$ 2,072,112</b> | <b>\$ 2,365,328</b> | <b>\$ 293,216</b>  | <b>14%</b>    |
| <b>Meeting Expenses</b>                                           |                     |                     |                    |               |
| Meetings & Conference Calls                                       | \$ 26,305           | \$ 26,000           | \$ (305)           |               |
| Travel                                                            | 151,100             | 203,160             | 52,060             |               |
| <b>Total Meeting Expenses</b>                                     | <b>\$ 177,405</b>   | <b>\$ 229,160</b>   | <b>\$ 51,755</b>   | <b>29%</b>    |
| <b>Operating Expenses, excluding Depreciation</b>                 |                     |                     |                    |               |
| Consultants & Contracts                                           | \$ 190,000          | \$ 140,000          | \$ (50,000)        | -26%          |
| Office Rent                                                       | -                   | -                   | -                  |               |
| Office Costs                                                      | 5,800               | 6,750               | 950                |               |
| Professional Services                                             | -                   | -                   | -                  |               |
| Miscellaneous                                                     | -                   | -                   | -                  |               |
| <b>Total Operating Expenses, excluding Depreciation</b>           | <b>\$ 195,800</b>   | <b>\$ 146,750</b>   | <b>\$ (49,050)</b> | <b>-25%</b>   |
| <b>Total Direct Expenses</b>                                      | <b>\$ 2,445,316</b> | <b>\$ 2,741,238</b> | <b>\$ 295,921</b>  | <b>12%</b>    |
| <b>Indirect Expenses</b>                                          | <b>\$ 1,000,831</b> | <b>\$ 1,151,413</b> | <b>\$ 150,582</b>  | <b>15%</b>    |
| <b>Other Non-Operating Expenses</b>                               | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>        |               |
| <b>Total Expenses (B)</b>                                         | <b>\$ 3,446,147</b> | <b>\$ 3,892,651</b> | <b>\$ 446,504</b>  | <b>13%</b>    |
| <b>Change in Net Assets (=A-B)</b>                                | <b>\$ 8,403</b>     | <b>\$ 13,998</b>    | <b>\$ 5,595</b>    | <b>67%</b>    |
| <b>Fixed Asset Additions, excluding Right of Use Assets ( C )</b> | <b>8,403</b>        | <b>13,998</b>       | <b>5,595</b>       | <b>67%</b>    |
| <b>TOTAL BUDGET (=B+C)</b>                                        | <b>\$ 3,454,550</b> | <b>\$ 3,906,649</b> | <b>\$ 452,098</b>  | <b>13%</b>    |
| <b>TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)</b>                   | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>        |               |
| <b>FTES</b>                                                       | <b>7.10</b>         | <b>7.90</b>         | <b>0.80</b>        | <b>11%</b>    |

## **Administrative Services**

### **Program Scope and Functional Description**

Administrative Services support the previously identified five program areas:

- Reliability Standards;
- Compliance Monitoring and Enforcement Organization Registration and Certification;
- Training and Education;
- Reliability Assessment and Performance Analysis; and
- Situation Awareness and Infrastructure Security.

Administrative Services:

- General and Administrative;
- Legal and Regulatory;
- Information Technology;
- Human Resources; and
- Finance and Accounting.

### **Methodology for Allocation of Administrative Services Expenses to Programs**

NPCC's total overhead expenses, such as office rent and office costs, will be charged to Administrative Services and then reallocated proportionately to the programs as indirect expenses based on FTE. Where applicable, operating expenses are accounted for within the related program's budget. If an expense cannot be attributed to a specific program, it is included in Administrative Services.



**General and Administrative*****Program Scope and Functional Description***

The NPCC general and administrative function provides executive management of the corporation, enterprise risk management, internal compliance, external affairs, corporate communications, management of NPCC office, and other administrative support programs.

NPCC total overhead expenses, such as office rent and office costs, will be charged to the Administrative Services Programs and then reallocated proportionately based on FTE to the programs through Indirect Expenses.

***2026 Key Assumptions***

The 2026 Key Assumptions for the NPCC General and Administrative function are as follows:

- NPCC will emphasize effective execution, efficiency, and transparency with a strong culture of continuous improvement and program readiness.
- NPCC will facilitate reliability-enhancing activities.
- NPCC will continue its outreach and communication with stakeholders to promote effective reduction of risk to the BPS.
- NPCC will evolve its internal compliance and audit activities.
- NPCC will enhance public communications.

The General and Administrative Program incorporates the regional specific strategic and operating objectives set forth in the ERO Enterprise Long Term Strategy and the ERO Enterprise Operating Plan. ERO Enterprise strategic and operational objectives are considered in the development and maintenance of the NPCC Long-term Strategy on an annual basis.

***2026 Goals and Key Deliverables***

The NPCC General and Administrative function will support the following goals:

- Continue high-quality performance of delegated functions while maintaining an appropriate resource requirement.
- Provide pertinent and timely information to stakeholders to improve efficiency of interactions with NPCC staff.
- Manage interface with NERC enterprise-wide internal audit initiatives.
- Evolve internal compliance activities and enhance public communications to ensure consistency and effectiveness.

**External Affairs**

- The objective of the NPCC Public Information Committee is to disseminate and coordinate the appropriate release of information to the media, respond to related requests for information, and to coordinate public information activities with the NPCC Region, ERO Enterprise, and NERC media relations. Anticipated activities include, but are not limited to:
  - Media releases for NPCC Reliability Assessments.
  - Preparing other NPCC media releases and statements as needed.
  - Responding to media inquiries (and coordinating responses).
  - Participating in the ERO Communications Group's 2026 Work Plan activities, including:
    - Information sharing/education of key audiences/stakeholders to further the ERO Enterprise's mission;
    - Coordination/planning for outreach communications and media relations;

- Consistent/coordinated outreach to support public and regulatory confidence of ERO Enterprise and its activities; and
- Coordination with the ERO Enterprise Crisis Action Plan related media activities.
- Periodic update of NPCC's Emergency Communications Plan (A Guide for Media Communications During Emergencies).
- Media Planning associated with NERC's Grid Security Exercise (GridEX VIII).

## **Legal and Regulatory**

### ***Program Scope and Functional Description***

The Legal and Regulatory program area is responsible for providing legal and regulatory advice to the Chief Executive Officer, Board, and staff on matters that affect NPCC. This includes drafting, reviewing, and maintaining NPCC's contracts, policies and procedures, and governance documents. It includes identifying and evaluating corporate, operational, strategic, and reputational risks and ensuring legal and regulatory compliance with applicable laws, orders, rules, and regulations. It also includes oversight of outside counsel, as necessary, which may review complex matters for legal sufficiency and provide independent legal advice and guidance on certain employment and Human Resource related matters.

The Legal and Regulatory program area is also responsible for Corporate Secretary function activities such as preparing Board materials and minutes, facilitating, and conducting Board training, and ensuring that meetings of the Board of Directors and Committees adhere to the NPCC Amended and Restated Bylaws and other relevant governing documents.

The Legal and Regulatory program area also provides oversight to the CME subprogram area of CORC. This includes overseeing settlements, contested enforcement matters, and enforcement submissions or filings with FERC and other Canadian regulatory agencies.

### ***2026 Key Assumptions***

The 2026 Key Assumptions for the NPCC Legal and Regulatory function are as follows:

- NPCC will continue to support NPCC's governance structure by supporting the Board and Board committees, facilitating the selection of stakeholder and independent directors, and drafting and obtaining approval of any necessary governance documents.
- NPCC will continue to support the processing of enforcement actions through the development or oversight of settlement agreements and Notices of Penalty, leading settlement negotiations with the registered entities, and supporting enforcement filings before FERC, the Régie de l'énergie, the New Brunswick Energy and Utilities Board and other applicable governmental authorities.
- NPCC will continue to enhance its strategic engagement with policy makers and regulators in the states and provinces in the NPCC footprint to educate on what NPCC does in the areas of reliability and security, NERC and regional assessments, and reports.
- NPCC will proactively engage with NERC, FERC, and other regulatory agencies to ensure NPCC's continued recognition as a Regional Entity.

### ***2026 Goals and Key Deliverables***

The 2026 Goals and Key Deliverables for the NPCC Legal and Regulatory function are as follows:

- Work with Enforcement to support processing enforcement actions, including the documentation of settlement agreements and Notices of Penalty, through the filing process at FERC;
- Support NPCC's corporate governance needs;
- Support NPCC's corporate legal needs; and
- As applicable, work with NERC and other Regions, on updating or renewing Memorandum of Understanding or other Agreements with applicable governmental authorities.

## **Information Technology**

### ***Program Scope and Functional Description***

The Information Technology (IT) program manages the installation, maintenance, and security control configuration of NPCC information assets and network infrastructure. IT enforces the NPCC Cybersecurity and Data Protection Program through continuous oversight and monitoring of the network and operating systems and assists the program areas by providing them the functionality needed to meet their goals, objectives, and deliverables. Additionally, IT performs threat detection and incident response by integrating robust threat detection mechanisms and implementing effective incident response protocols, to safeguard NPCC's assets and reputation.

IT manages and maintains all NPCC contracts and alerts business users of renewals, performs vendor risk assessments, and reviews all contracts in collaboration with Legal.

NPCC partners with the ERO to implement, operate and maintain software tools supporting common enterprise-wide operations. NPCC leverages ERO solutions which have been approved by the ERO Executive Committee (ERO EC), which is comprised of the senior leadership of NERC and each of the Regional Entities. NERC and the Regional Entities are committed to working collaboratively to improve operational efficiency, minimize duplication of effort, and gain efficiencies by deploying common solutions from approved vendors, where practicable.

The NERC information technology budget does not supplant NPCC's need for IT expenditures for cybersecurity, regional projects, and internal region-specific IT support needs.

The IT program includes the following functions:

- Asset Management
- Contract Management
- Help Desk
- Infrastructure Support
- Corporate Communications
- Security Operations
- Internal Governance, Risk, and Compliance

### ***2026 Key Assumptions***

NPCC's budget assumes the availability of enterprise software tools as described in NERC's business plan and budget. If implementation of these software applications is delayed or otherwise not available as planned, NPCC could incur additional costs to implement ERO Enterprise-wide programs pending the availability of these applications. The 2026 plan considers the following regional assumptions:

- NPCC staff will have seamless access to the ERO Align and Secure Evidence Locker.
- NPCC IT will support the implementation of the ERO Analytical Community of Excellence (ERO ACE) program and ERO selected energy assessment software for the Reliability

Services Program Areas, assuming the need for these projects can be served by our IT staff and do not require a dedicated database administrator.

- NPCC will actively participate in designing, planning, and implementing ERO Centralized Applications.
- NPCC IT will support external communication activities as outlined in the NPCC Long-Term Strategy.
- The cybersecurity landscape will continue to evolve and require enhanced security tools and measures to strengthen NPCC's security posture and governance activities.
- NPCC's cloud infrastructure will be maintained and optimized.
- NPCC will utilize secure third-party hosting centers for its website and network.
- NPCC will utilize third-party support for 24x7 monitoring.
- NPCC will leverage IT consulting services for project-based work to augment staff skill sets instead of increasing headcount for the support of NPCC's website and cloud network environments.
- NPCC will adhere to equipment replacement cycles (computers every three years, servers every four years, network equipment every five years).
- NPCC will collaborate with ERO to conduct a third-party Cybersecurity Benchmark assessment.
- NPCC will deploy artificial intelligence tools to boost staff and ERO capabilities.
- NPCC will actively support the ERO's Enterprise 3-Year Cybersecurity and Long-Term Strategy initiatives.
- NPCC will implement controls and update policies to align to the ERO Security Principles and industry-standard security frameworks.

### **2026 Goals and Key Deliverables**

The IT program responsibilities encompass a variety of complex technical, administrative, and supervisory work in the development, installation, and maintenance of information technology systems. IT goals include, but are not limited to:

- Identify and implement process improvements for manual tasks associated with IT core work and prioritized business projects, incorporating secured and vetted machine learning and AI capabilities to drive efficiency through the business.
- Evaluate NPCC's existing security controls and align them with industry-standard security frameworks and the ERO Security Principles.
- Enhance NPCC's incident response capabilities and strengthen security controls.
- Strengthen NPCC's internal Security Awareness Program through education and training on social media, phishing, and other vulnerabilities that pose threats to NPCC systems.
- Maintain a robust Insider Threat Mitigation Program that includes proactive monitoring, early intervention, and reporting mechanisms to deter, detect, and mitigate risks posed by insiders.
- Develop in-house expertise, by obtaining industry recognized training and certifications to reduce the reliance on external vendors for system knowledge.
- Enhance NPCC's website and communication capabilities.
- Maintain and support the IT infrastructure for the ERO Analytical Community of Excellence (ERO ACE) program and ERO selected energy assessment software for the Reliability Services Program Areas.
- Assist the SAIS Program Area in delivering educational webinars, security bulletins, and outreach to NPCC members.
- Improve NPCC's infrastructure by upgrading various hardware components and equipment as they reach the end of life.

## **Human Resources**

### ***Program Scope and Functional Description***

NPCC constructed an exceptional team of highly qualified employees to carry out their day-to-day activities in the Human Resources Management (HRM) function. A critical responsibility of Human Resources (HR) is to build a healthy work environment and motivate its employees at each step to promote the company's goals to ensure the organization's success. Human Resources designs, implements, and enforces policies and procedures, strategic planning, succession planning, knowledge transfer, and training and development. In addition, HR is responsible for managing the employee life cycle (i.e., recruiting, hiring, onboarding, training, and terminations), employee relations, performance management, compensation and benefits, Human Resources Information Systems (HRIS), and HR data and analytics tools all in adherence to applicable federal, state, and local laws.

### ***2026 Key Assumptions***

The Human Resources area will maintain its scope of operations from 2025. An increased number of employees drives the organization's recruitment needs, resulting in an increased workload.

### ***2026 Goals and Key Deliverables***

- Represent NPCC on the ERO People Culture and Strategy Group (PCSG) and participate in the ERO group activities to increase collaboration, transparency, and efficiency.
- Enhance employee recruiting and retention policies and practices.
- Increase the effectiveness of performance management processes.
- Amplify employee engagement activities, events, and voluntary employee resource groups.
- Manage rising benefits costs and establish competitive programs.

**Finance and Accounting*****Program Scope and Functional Description***

The Accounting and Finance program directs the overall financial plans and accounting practices of the organization; oversees treasury, accounting, budget, tax, and audit activities; and oversees financial and accounting system controls and standards. NPCC uses a CPA firm to prepare its unaudited statements of activities and financial statements for quarterly reviews. Independent audits have consistently identified this system as a best practice.

***2026 Key Assumptions***

The Accounting and Finance program area will maintain its scope of operations from 2025.

***2026 Goals and Key Deliverables***

The objectives are to provide or obtain the financial and accounting services for NPCC and coordinate with NERC requirements:

- Participate in ERO Finance Group activities to increase collaboration and efficiency
- Utilize the NERC System of Accounts for consistency
- Utilize an accrual method of accounting for consistency with NERC in methodology
- Alignment of changes in budget and changes in aggregate assessment
- Cash Management
- Budget development using the NERC budget template format
- Forecasts and projections
- Alignment of NPCC Committees, Task Forces and Working Groups with the programs
- Payroll and expense administration
- Preparation of unaudited quarterly financial variance reports
- IRS reporting
- Annual independent audit of financial statements

**Administrative Services Statement of Activities****Statement of Activities and Capital Expenditures 2025 Budget and 2026 Budget****ADMINISTRATIVE SERVICES**

|                                                                   | 2025<br>Budget        | 2026<br>Budget        | Variance<br>(\$)    | Variance<br>% |
|-------------------------------------------------------------------|-----------------------|-----------------------|---------------------|---------------|
| <b>Funding</b>                                                    |                       |                       |                     |               |
| <b>ERO Funding</b>                                                |                       |                       |                     |               |
| ERO Assessments                                                   | \$ (916,728)          | \$ (433,974)          | \$ 482,754          |               |
| Penalty Sanctions                                                 | -                     | -                     | -                   |               |
| <b>Total ERO Funding</b>                                          | <b>\$ (916,728)</b>   | <b>\$ (433,974)</b>   | <b>\$ 482,754</b>   | <b>-53%</b>   |
| Membership Dues                                                   | -                     | -                     | -                   |               |
| Testing Fees                                                      | -                     | -                     | -                   |               |
| Services & Software                                               | -                     | -                     | -                   |               |
| Workshops & Misc Revenue                                          | -                     | -                     | -                   |               |
| Interest & Investment Income                                      | 127,992               | 252,700               | 124,708             |               |
| <b>Total Funding (A)</b>                                          | <b>\$ (788,736)</b>   | <b>\$ (181,274)</b>   | <b>\$ 607,462</b>   | <b>-77%</b>   |
| <b>Expenses</b>                                                   |                       |                       |                     |               |
| <b>Personnel Expenses</b>                                         |                       |                       |                     |               |
| Salaries                                                          | \$ 3,866,075          | \$ 4,575,437          | \$ 709,362          |               |
| Payroll Taxes                                                     | 232,184               | 280,262               | 48,078              |               |
| Benefits                                                          | 846,772               | 1,013,915             | 167,144             |               |
| Retirement Costs                                                  | 420,998               | 512,930               | 91,932              |               |
| <b>Total Personnel Expenses</b>                                   | <b>\$ 5,366,029</b>   | <b>\$ 6,382,544</b>   | <b>\$ 1,016,516</b> | <b>19%</b>    |
| <b>Meeting Expenses</b>                                           |                       |                       |                     |               |
| Meetings & Conference Calls                                       | \$ 266,324            | \$ 138,500            | \$ (127,824)        |               |
| Travel                                                            | 124,750               | 193,741               | 68,991              |               |
| <b>Total Meeting Expenses</b>                                     | <b>\$ 391,074</b>     | <b>\$ 332,241</b>     | <b>\$ (58,833)</b>  | <b>-15%</b>   |
| <b>Operating Expenses, excluding Depreciation</b>                 |                       |                       |                     |               |
| Consultants & Contracts                                           | \$ 90,000             | \$ 90,000             | \$ -                |               |
| Office Rent                                                       | 431,000               | 389,500               | (41,500)            |               |
| Office Costs                                                      | 1,267,978             | 1,379,046             | 111,068             |               |
| Professional Services                                             | 1,227,000             | 1,130,380             | (96,620)            |               |
| Miscellaneous                                                     | 30,000                | 25,000                | (5,000)             |               |
| <b>Total Operating Expenses, excluding Depreciation</b>           | <b>\$ 3,045,978</b>   | <b>\$ 3,013,926</b>   | <b>\$ (32,052)</b>  | <b>-1%</b>    |
| <b>Total Direct Expenses</b>                                      | <b>\$ 8,803,080</b>   | <b>\$ 9,728,711</b>   | <b>\$ 925,630</b>   | <b>11%</b>    |
| <b>Indirect Expenses</b>                                          | <b>\$ (8,803,080)</b> | <b>\$ (9,728,711)</b> | <b>\$ (925,630)</b> | <b>11%</b>    |
| <b>Other Non-Operating Expenses</b>                               | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>         |               |
| <b>Total Expenses (B)</b>                                         | <b>\$ 0</b>           | <b>\$ -</b>           | <b>\$ -</b>         | <b>0%</b>     |
| <b>Change in Net Assets (=A-B)</b>                                | <b>\$ (788,736)</b>   | <b>\$ (181,274)</b>   | <b>\$ 607,462</b>   | <b>-77%</b>   |
| <b>Fixed Asset Additions, excluding Right of Use Assets ( C )</b> | <b>-</b>              | <b>-</b>              | <b>-</b>            |               |
| <b>TOTAL BUDGET (=B+C)</b>                                        | <b>\$ 0</b>           | <b>\$ -</b>           | <b>\$ -</b>         | <b>0%</b>     |
| <b>TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)</b>                   | <b>\$ (788,736)</b>   | <b>\$ (181,274)</b>   | <b>\$ 607,462</b>   | <b>-77%</b>   |
| <b>FTES</b>                                                       | <b>17.55</b>          | <b>19.25</b>          | <b>1.70</b>         | <b>10%</b>    |

The Statement of Activities for the General and Administrative Service program area is shown above. See [Administrative Services Major Budget Drivers](#) for explanation of significant variances.

## Criteria Services Division Activities

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### NPCC Regionally-Specific Criteria Services Overview

NPCC Criteria Services division activities are based on the development, maintenance, and retirement of regionally-specific, more stringent reliability criteria and supporting guideline or procedural documents. The requirements in NPCC Reliability Criteria apply only to those facilities defined as NPCC Bulk Power System (BPS) elements through the performance-based methodology identified in NPCC Document A-10, "Classification of Bulk Power System Elements."

In accordance with the NERC Rules of Procedure Section 313, Regional Entities may develop Regional Criteria necessary to implement, augment, or facilitate compliance with NERC Reliability Standards. Regional Criteria may also include acceptable operating or planning parameters, guides, or other documents used to enhance BPS reliability.

NPCC's Directories contain Regional Criteria which consists of requirements which provide an enhanced level of reliability to the NPCC defined BPS. These criteria impose more stringent requirements than those which appear in the NERC Reliability Standards. The Regional Criteria may also be utilized to address issues not within the scope or jurisdiction of FERC as outlined in Section 215 of the Federal Power Act, such as resource adequacy. Regional Criteria may also address Canadian Provincial reliability issues, and may include specific operating or planning parameters, guides, agreements, protocols, or other documents used to enhance the reliability of the BPS in the Region. These documents typically provide benefits by promoting more consistent implementation of the NERC Reliability Standards within the Region. These documents are not NERC Reliability Standards, Regional Reliability Standards, or Regional Variances, and therefore are not enforceable under the authority delegated by NERC pursuant to delegation agreements.

On a periodic basis and as NERC Reliability Standards are revised or new standards are developed, NPCC performs reviews of any associated Regional Criteria for possible impact (e.g., continued need or revision). During the criteria review process NPCC's Task Forces review not only the incremental reliability benefit, but also the cost effectiveness of the criteria. In addition, as NERC Reliability Standards are enhanced, revised, and ultimately approved by the FERC some requirements of the NPCC Regional Criteria may become unnecessary in the U.S. portion of NPCC. In these situations, it is important that the criteria remain in place until such time as all NPCC's Canadian Provincial regulators adopt the NERC Reliability Standard to ensure no reliability gaps exist.

For 2026 and beyond, the potential reliability impacts of increased penetration of Distributed Energy Resources (DERs) and Variable Energy Resources (VERs) along with the changing fuel mix for generation within the NPCC footprint, warrant consideration. The Criteria Services division staff, in conjunction with the NPCC Task Forces and Working Groups have a unique opportunity to conduct reviews of these issues and develop criteria, guidelines, and procedural documents for Regionally-specific, more stringent requirements for DER, IBR and VER. Participation of the entities responsible for the DER, IBR and VER in the development of reliability documents will become more important in the future as penetration levels increase. Outreach, collaboration, and coordination of topics related to DER, IBR and VER will enable NPCC to develop guidance allowing more effective integration of these resources.

Increasing resilience of the BPS through alternative approaches to standards development using potential NPCC Regional Criteria, guidelines, and whitepapers will also be continually reviewed by NPCC's body of subject matter experts.

NPCC Criteria Services continually prioritizes the revision of its reliability criteria based on potential emerging risks.



**Membership**

Full members, in accordance with NPCC's Amended and Restated Bylaws, are subject to compliance with regionally-specific criteria and receive criteria-related services from the Criteria Services division.

Full Members, aside from those who perform the Balancing Authority (BA) function, are not assessed an annual membership fee. Those that perform BA functions are assessed and remit a proportional Net Energy Load (NEL) share of expenses for Criteria Services. NPCC also directly assigns Criteria Service division costs to a BA or entity, where significant costs are incurred by that BA. The funding for NPCC's Criteria Services division is approved by the NPCC Board of Directors.

Under its Criteria Services Program area, NPCC will identify for membership, those entities involved in emerging technologies to assure that those entities which have an impact on BPS reliability are included in appropriate NPCC activities.

**Criteria Services Division****Program Scope and Functional Description**

NPCC's Criteria Services Division leads the development of Regional Criteria that are necessary to implement, to augment, or to comply with NERC Reliability Standards, but which are not Reliability Standards. NPCC's Regional Criteria also address reliability issues not within the scope of Reliability Standards, such as resource adequacy.

NPCC's regionally-specific more stringent reliability Criteria apply to Full Members of NPCC that own or operate generation or transmission facilities for which faults or disturbances can have a significant adverse impact outside of the local area and which are identified utilizing a reliability impact-based methodology. The Criteria are documented in the NPCC Directories and, in some cases, the legacy "A" documents. The NPCC Document "A-10," Classification of Bulk Power System Elements", describes the process used to determine which generation and transmission facilities must meet the Criteria.

NPCC's Criteria Services Division leads the development and implementation of the Criteria Compliance and Enforcement Program. This includes facilitating the monitoring of compliance with the Regional Criteria and the reporting of non-compliance with the Regional Criteria. This is done through the development of process documents and procedures to ensure Full Members have the means to monitor and report noncompliance with the Regional Criteria.

## Strategic and Business Planning

### 2026 Key Assumptions

The Criteria Services division activities are expected to remain stable throughout 2026.

### 2026 Goals and Objectives

- Continue the review and development of the NPCC Directories containing regionally-specific criteria, which augment or add specificity to the NERC Reliability Standards, and which clearly delineate the more stringent NPCC criteria requirements. The more stringent NPCC Regional criteria provide consistency and operational clarity while providing more robust defense in-depth, results based, criteria requirements to ensure NPCC BPS reliability.
- Review the criteria found in the NPCC Directories on a triennial basis to ensure no redundancies or inconsistencies exist.
- Retire Directories and/or criteria which have been overtaken by improved NERC standards.
- Identify opportunities to develop criteria, procedures, or guideline documents to address emerging risks associated with DER, VER and battery energy storage.
- Identify opportunities to enhance Bulk Electric System (BES) resilience with NPCC processes and documentation.
- Continually review the need to file revised and updated more stringent requirements with the New York State Department of Public Service and Canadian Provinces as applicable.
- The Criteria Services division and the CCEP Working Group (a sub-group of the Compliance Committee) will work with the various Task Forces to develop Criteria Compliance Reporting Forms for reviewing adherence to regionally-specific Criteria. The Criteria Services division and the CCEP Working Group will work with the Task Force on Coordination of Operation (TFCO), Task Force on Coordination Planning (TFCP), Task Force on System Studies (TFSS), and Task Force on System Protection (TFSP) to review criteria within each specific NPCC Directory to identify and develop them into specific reporting forms for approval.
- Continually review impact of the BES definition on Directory and criteria content and compliance reporting.
- Continually review potential impacts of Sector or NPCC organizational changes on the Directories and criteria by performing a review of enforcement and arbitration processes as needed.
- Assist Legal with preparation of revised Directories for regulatory filings with the individual Provinces in accordance with their respective MOUs and/or Agreements, as well as the State of New York Public Service Commission.
- Facilitate any requested clarifications for NPCC criteria with the necessary subject matter experts and identify any other potential opportunities for clarifications of the Criteria.

### NPCC Reliability Directories Maintenance and Development

The NPCC Regional Reliability Directories were developed to demonstrate that the NPCC more stringent criteria augment, add specificity, or address issues not covered in the NERC Reliability Standards as mandated by the NERC Rules of Procedure. The conversion of NPCC's reliability criteria into Directories was undertaken to remove any redundancies with the NERC or NPCC Regional Reliability Standards and to clearly delineate the more stringent NPCC criteria requirements.

In 2026, work will continue with the maintenance, revision, or potential retirement of individual Directories to address any actual or anticipated redundancies with new or modified NERC or

NPCC Reliability Standards. The ongoing review and maintenance of the Directories will require Task Force and Criteria Services staff to support this effort and to serve as subject matter experts. NPCC will conduct internal reviews of all draft standards against regional criteria and utilize subject matter experts to identify reliability and compliance related concerns. NPCC will file the revised NPCC Directories and notifications of retirements of Directories with the Canadian governmental and/or provincial regulatory authorities within the NPCC footprint as needed, in accordance with established provincial procedures and agreements executed with NPCC.

Additionally, as NERC Reliability Standards are developed, associated Directories will be reviewed for continued need. This review will identify the incremental reliability enhancement the Directory's criteria will yield, determine if the enhancement is sufficient to warrant retention and if so, are there any potential cost-effective alternatives that may exist to achieve that enhanced level of reliability.

**NPCC Operations and Planning Directories**

The following Directories are expected to remain active for 2026.

**Directory No.1, Design and Operation of the Bulk Power System**

This Directory documents NPCC's Regionally-specific, more stringent criteria, and demonstrates coordination and consistency with all the existing NERC TPL, BAL, IRO, INT, MOD, TOP, PRC, and VAR standards. A review to revise this Directory has been ongoing to incorporate potential revisions due to DER and VER and other emerging risks. Additionally, a Roadmap to inform future revisions of Directory No. 1 has been posted on the NPCC website and will guide an anticipated review in 2026.

**Directory No.2, Emergency Operations**

This Directory documents NPCC's regionally-specific, more stringent criteria, and demonstrates coordination and consistency with all the existing NERC EOP and TOP standards. The NPCC Task Force on Coordination of Operation is currently reviewing this Directory with an anticipated completion in 2025.

**Directory No.4, System Protection Criteria**

This Directory documents NPCC's regionally-specific, more stringent system protection criteria, and demonstrates coordination and consistency with certain applicable NERC PRC standards. The Task Force on System Protection will complete a review of this Directory in 2025 and will consider recommendations for incorporating the provisions of IEEE-2800 into the criteria contained in a Whitepaper developed to provide guidance to the Task Forces during Directory reviews. The Task Force on System Protection will also consider two clarification requests on the criteria within Directory No. 4.

**Directory No.5, Reserve**

This Directory documents NPCC's regionally-specific, more stringent criteria, and demonstrates coordination and consistency with all the existing applicable NERC BAL, INT, and IRO standards. The NPCC Task Force on Coordination of Operation is currently reviewing this Directory with an anticipated completion in 2025.

**Directory No.6, Reserve Sharing Groups**

This Directory provides the requirements for NPCC Balancing Authorities to participate in a Reserve Sharing Group. The NPCC Task Force on Coordination of Operation is currently reviewing this Directory with an anticipated completion date in 2025.

**Directory No.7, Remedial Action Schemes**

This Directory documents NPCC's regionally-specific, more stringent criteria for application and approval of RAS. The NPCC Task Force on System Protection reviewed and revised the document in 2020 to ensure consistency with the Remedial Action Scheme PRC-012 standard. The Task Force on Coordination of Planning will review this Directory in 2025.

**Directory No.8, System Restoration**

This Directory documents NPCC's regionally-specific, more stringent criteria which each applicable entity must plan for and perform power system restoration following a major or a total blackout and demonstrates coordination and consistency with applicable NERC EOP standards. The NPCC Task Force on Coordination of Operation initiated a review and revision of this Directory in 2021. Recommendations for incorporating the provisions of IEEE-2800 into the criteria are contained in a Whitepaper developed to provide guidance to the Task Forces during Directory reviews. These recommendations will consider the changing resource mix and the impact on entity restoration plans.

## Directory No.11, Disturbance Monitoring Equipment

This Directory documents NPCC's regionally-specific, more stringent criteria, and demonstrates coordination and consistency with certain existing NERC PRC standards. The NPCC Task Force on System Protection developed Directory No.11 to facilitate the retirement of the NPCC Regional Standard PRC-002-NPCC-1.

## **Criteria Services Goals and Statements of Activities**

### **NPCC Criteria Compliance and Enforcement Program (CCEP)**

The CCEP monitors Full Members of NPCC for compliance on a subset of the regionally-specific NPCC Criteria that are unique to the NPCC BPS. In 2026, there will be aspects of the Criteria monitored as part of the annual CCEP Implementation Plan.

Through NPCC Staff oversight, the stakeholder Compliance Committee (CC) supports the annual implementation of the CCEP via the NPCC CCEP Process Document (CCEP-1). A sub-group of CC members develops the annual CCEP Implementation Plan for approval by the full CC and acceptance by the RCC. The full CC reviews the returned certification forms, and NPCC staff develops an annual assessment report that summarizes the certification results where any recommendations on non-compliances are then presented to the RCC.

Upon RCC acceptance, instances of noncompliance result in a summary notification from the CC Chair to the Compliance Executive of the offending Full Member and to the NPCC President and CEO.

Please see the CCEP section of the [NPCC website](#) for more information.

### **Criteria Services Funding Sources**

The proposed 2026 Criteria Services budget of \$1,254,592 represents an increase of \$35,439 or 2.9% over the 2025 budget. The proposed Criteria Services membership fees of \$1,062,980 represents an increase of \$80,312 or 8.2% over the 2025 membership fees. Increase in membership fees is greater than increase in budget due to lower utilization of reserves to offset membership fees in 2026 than in 2025.

### **Major Drivers**

- **Personnel** expenses increase of \$36,967 due to an average salary increase of 3.5% including merit increase and any promotions or adjustments. Decrease of 0.10 FTE due to a reorganization during 2025.

**Criteria Service Statement of Activities**

| <b>Statement of Activities and Capital Expenditures</b>           |                        |                        |                        |                       |
|-------------------------------------------------------------------|------------------------|------------------------|------------------------|-----------------------|
| <b>CRITERIA SERVICES DIVISION</b>                                 |                        |                        |                        |                       |
|                                                                   | <b>2025<br/>Budget</b> | <b>2026<br/>Budget</b> | <b>Variance<br/>\$</b> | <b>Variance<br/>%</b> |
| <b>Funding</b>                                                    |                        |                        |                        |                       |
| <b>ERO Funding</b>                                                |                        |                        |                        |                       |
| ERO Assessments                                                   | \$ -                   | \$ -                   | \$ -                   |                       |
| Penalty Sanctions                                                 | -                      | -                      | -                      |                       |
| <b>Total ERO Funding</b>                                          | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            |                       |
| Membership Dues                                                   | 982,668                | 1,062,980              | 80,312                 |                       |
| Testing Fees                                                      | -                      | -                      | -                      |                       |
| Services & Software                                               | -                      | -                      | -                      |                       |
| Workshops & Misc Revenue                                          | -                      | -                      | -                      |                       |
| Interest & Investment Income                                      | 6,008                  | 13,300                 | 7,292                  |                       |
| <b>Total Funding (A)</b>                                          | <b>\$ 988,676</b>      | <b>\$ 1,076,280</b>    | <b>\$ 87,604</b>       | <b>9%</b>             |
| <b>Expenses</b>                                                   |                        |                        |                        |                       |
| <b>Personnel Expenses</b>                                         |                        |                        |                        |                       |
| Salaries                                                          | \$ 539,483             | \$ 549,852             | \$ 10,369              |                       |
| Payroll Taxes                                                     | 39,662                 | 40,980                 | 1,318                  |                       |
| Benefits                                                          | 108,836                | 132,007                | 23,172                 |                       |
| Retirement Costs                                                  | 55,460                 | 57,569                 | 2,109                  |                       |
| <b>Total Personnel Expenses</b>                                   | <b>\$ 743,441</b>      | <b>\$ 780,408</b>      | <b>\$ 36,967</b>       | <b>5%</b>             |
| <b>Meeting Expenses</b>                                           |                        |                        |                        |                       |
| Meetings                                                          | \$ 11,718              | \$ 8,000               | \$ (3,718)             |                       |
| Travel                                                            | 48,800                 | 52,403                 | 3,603                  |                       |
| <b>Total Meeting Expenses</b>                                     | <b>\$ 60,518</b>       | <b>\$ 60,403</b>       | <b>\$ (116)</b>        | <b>0%</b>             |
| <b>Operating Expenses, excluding Depreciation</b>                 |                        |                        |                        |                       |
| Consultants & Contracts                                           | \$ 15,000              | \$ 15,000              | \$ -                   |                       |
| Office Rent                                                       | -                      | -                      | -                      |                       |
| Office Costs                                                      | 2,100                  | 1,750                  | (350)                  |                       |
| Professional Services                                             | -                      | -                      | -                      |                       |
| Miscellaneous                                                     | -                      | -                      | -                      |                       |
| <b>Total Operating Expenses, excluding Depreciation</b>           | <b>\$ 17,100</b>       | <b>\$ 16,750</b>       | <b>\$ (350)</b>        | <b>-2%</b>            |
| <b>Total Direct Expenses</b>                                      | <b>\$ 821,059</b>      | <b>\$ 857,561</b>      | <b>\$ 36,502</b>       | <b>4%</b>             |
| <b>Indirect Expenses</b>                                          | <b>\$ 394,694</b>      | <b>\$ 393,521</b>      | <b>\$ (1,173)</b>      | <b>0%</b>             |
| <b>Other Non-Operating Expenses</b>                               | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            |                       |
| <b>Total Expenses (B)</b>                                         | <b>\$ 1,215,753</b>    | <b>\$ 1,251,082</b>    | <b>\$ 35,329</b>       | <b>3%</b>             |
| <b>Change in Net Assets (=A-B)</b>                                | <b>\$ (227,077)</b>    | <b>\$ (174,801)</b>    | <b>\$ 52,276</b>       |                       |
| <b>Fixed Asset Additions, excluding Right of Use Assets ( C )</b> | <b>3,400</b>           | <b>3,510</b>           | <b>110</b>             | <b>3%</b>             |
| <b>TOTAL BUDGET (=B+C)</b>                                        | <b>\$ 1,219,153</b>    | <b>\$ 1,254,592</b>    | <b>\$ 35,439</b>       | <b>3%</b>             |
| <b>TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)</b>                   | <b>\$ (230,477)</b>    | <b>\$ (178,311)</b>    | <b>\$ 52,166</b>       | <b>-23%</b>           |
| <b>FTES</b>                                                       | <b>2.80</b>            | <b>2.70</b>            | <b>-0.10</b>           | <b>-4%</b>            |

## Personnel Analysis

| Total FTEs by Program Area                   | 2025<br>Budget | 2026 Budget<br>Direct FTEs | 2026 Budget<br>Shared FTEs | 2026 Budget<br>Total FTEs | Change from<br>2025 Budget |
|----------------------------------------------|----------------|----------------------------|----------------------------|---------------------------|----------------------------|
| <b>CRITERIA SERVICES DIVISION</b>            |                |                            |                            |                           |                            |
| Criteria Services                            | 2.80           | 0.00                       | 2.70                       | 2.70                      | -0.10                      |
| <b>Total FTEs Criteria Services Division</b> | <b>2.80</b>    | <b>0.00</b>                | <b>2.70</b>                | <b>2.70</b>               | <b>-0.10</b>               |

<sup>1</sup>A shared FTE is defined as an employee who performs both Regional Entity and Criteria Services division functions.



## Criteria Services Reserve Analysis

| Working Capital and Operating Reserve Analysis 2025-2026                              |                  |                      |                      |
|---------------------------------------------------------------------------------------|------------------|----------------------|----------------------|
| CRITERIA SERVICES DIVISION                                                            |                  |                      |                      |
|                                                                                       | Total Reserve    | Working Capital      | Operating Reserve    |
| <b>Beginning Total Reserve, December 31, 2024</b>                                     | 601,804          | 504,272              | 97,532               |
| 2025 Non-Statutory Funding (from members)                                             | 982,668          | 982,668              |                      |
| Plus: 2025 Other funding sources                                                      | 20,000           | 20,000               |                      |
| Less: 2025 Projected expenses & fixed asset additions                                 | (1,219,153)      | (1,219,153)          |                      |
| Remaining Business Continuity Reserves released into Working Capital                  | 0                |                      |                      |
| <b>Projected Total Reserve, December 31, 2025</b>                                     | <b>385,319</b>   | <b>287,787</b>       | <b>97,532</b>        |
| <b>Desired Total Reserve, December 31, 2026</b>                                       | <b>207,008</b>   | 106,640 <sup>1</sup> | 100,367 <sup>2</sup> |
| Less: Projected Total Reserve, December 31, 2025                                      | (385,319)        | (287,787)            | (97,532)             |
| <b>Increase(decrease) in assessments to achieve desired Total Reserve</b>             | <b>(178,311)</b> | <b>(181,146)</b>     | <b>2,835</b>         |
| 2026 Funding requirement for expenses and fixed asset additions                       | 1,254,592        |                      |                      |
| Less: Other Funding Sources                                                           | (13,300)         |                      |                      |
| Adjustment to Operating Reserve to achieve desired Total Reserve balance <sup>2</sup> | 2,835            |                      |                      |
| Adjustment to Working Capital to achieve desired Total Reserve balance <sup>1</sup>   | (181,146)        |                      |                      |
| <b>2026 Funding and reserve requirement</b>                                           | <b>1,062,980</b> |                      |                      |

<sup>1</sup> Working Capital must be within a range from 8% to 25% of Budget. \$106,640 represents 9% of the 2026 budget of \$1,254,592.

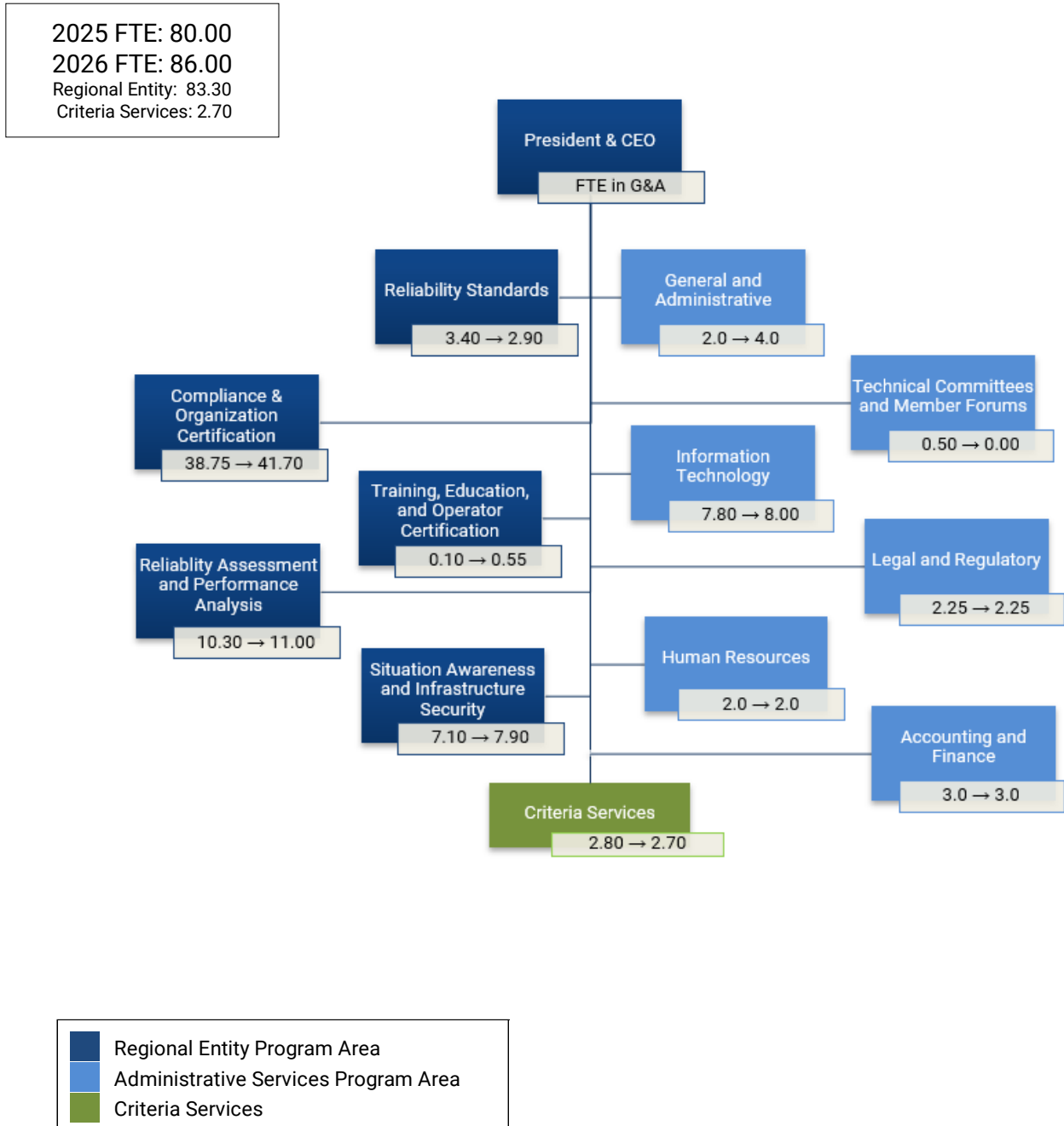
<sup>2</sup> Operating Reserve must equal 8% of Budget. \$100,367 represents 8% of the 2026 budget of \$1,254,592.

## Explanation of Changes in Reserve Policy from Prior Year

There was no change to the existing Working Capital and Operating Reserve Policy

# Appendix A - NPCC Organizational Chart

## Changes in Budgeted FTE by Program Area



# Appendix B – Consolidated Statement of Activities by Program

| NPCC<br>Statement of Activities<br>2026 Budget              |  |                   |            |                                        |           | Compliance Monitoring<br>and Enforcement and<br>Organization Registration<br>and Certification<br>(Section 400 & 500) |            | Reliability<br>Assessment and<br>Performance Analysis<br>(Section 800) |           | Training, Education,<br>and Operator<br>Certification<br>(Section 900) |         | Situation Awareness<br>and Infrastructure<br>Security<br>(Section 1000) |           | Administrative<br>Services |             |
|-------------------------------------------------------------|--|-------------------|------------|----------------------------------------|-----------|-----------------------------------------------------------------------------------------------------------------------|------------|------------------------------------------------------------------------|-----------|------------------------------------------------------------------------|---------|-------------------------------------------------------------------------|-----------|----------------------------|-------------|
|                                                             |  | RE Division Total |            | Reliability Standards<br>(Section 300) |           |                                                                                                                       |            |                                                                        |           |                                                                        |         |                                                                         |           |                            |             |
| Funding                                                     |  |                   |            |                                        |           |                                                                                                                       |            |                                                                        |           |                                                                        |         |                                                                         |           |                            |             |
| ERO Funding                                                 |  |                   |            |                                        |           |                                                                                                                       |            |                                                                        |           |                                                                        |         |                                                                         |           |                            |             |
| ERO Assessments                                             |  | \$                | 26,622,578 | \$                                     | 1,286,009 | \$                                                                                                                    | 15,804,195 | \$                                                                     | 5,738,709 |                                                                        | 382,661 |                                                                         | 3,844,978 | \$                         | (433,974)   |
| Penalty Sanctions                                           |  | \$                | 500,000    | \$                                     | 22,639    | \$                                                                                                                    | 325,527    | \$                                                                     | 85,870    |                                                                        | 4,294   |                                                                         | 61,671    |                            |             |
| Total ERO Funding                                           |  | \$                | 27,122,578 | \$                                     | 1,308,647 | \$                                                                                                                    | 16,129,722 | \$                                                                     | 5,824,579 |                                                                        | 386,955 |                                                                         | 3,906,649 | \$                         | (433,974)   |
| Membership Dues                                             |  | \$                | -          | \$                                     | -         | \$                                                                                                                    | -          | \$                                                                     | -         |                                                                        | -       |                                                                         | -         | \$                         | -           |
| Testing Fees                                                |  | \$                | -          | \$                                     | -         | \$                                                                                                                    | -          | \$                                                                     | -         |                                                                        | -       |                                                                         | -         | \$                         | -           |
| Services & Software                                         |  | \$                | -          | \$                                     | -         | \$                                                                                                                    | -          | \$                                                                     | -         |                                                                        | -       |                                                                         | -         | \$                         | -           |
| Workshops & Misc Revenue                                    |  | \$                | 48,500     | \$                                     | -         | \$                                                                                                                    | -          | \$                                                                     | -         |                                                                        | 48,500  |                                                                         | -         | \$                         | -           |
| Interest & Investment Income                                |  | \$                | 252,700    | \$                                     | -         | \$                                                                                                                    | -          | \$                                                                     | -         |                                                                        | -       |                                                                         | -         | \$                         | 252,700     |
| Total Funding (A)                                           |  | \$                | 27,423,778 | \$                                     | 1,308,647 | \$                                                                                                                    | 16,129,722 | \$                                                                     | 5,824,579 |                                                                        | 435,455 |                                                                         | 3,906,649 | \$                         | (181,274)   |
| Expenses                                                    |  |                   |            |                                        |           |                                                                                                                       |            |                                                                        |           |                                                                        |         |                                                                         |           |                            |             |
| Personnel Expenses                                          |  |                   |            |                                        |           |                                                                                                                       |            |                                                                        |           |                                                                        |         |                                                                         |           |                            |             |
| Salaries                                                    |  | \$                | 16,041,208 | \$                                     | 540,557   |                                                                                                                       | 7,155,584  | \$                                                                     | 2,018,108 |                                                                        | 135,459 |                                                                         | 1,616,062 |                            | 4,575,437   |
| Payroll Taxes                                               |  | \$                | 1,171,041  | \$                                     | 42,623    |                                                                                                                       | 565,173    |                                                                        | 153,541   |                                                                        | 8,904   |                                                                         | 120,537   |                            | 280,262     |
| Benefits                                                    |  | \$                | 3,999,743  | \$                                     | 173,499   |                                                                                                                       | 1,821,975  |                                                                        | 504,314   |                                                                        | 28,704  |                                                                         | 457,336   |                            | 1,013,915   |
| Retirement Costs                                            |  | \$                | 1,701,865  | \$                                     | 56,772    |                                                                                                                       | 743,767    |                                                                        | 202,671   |                                                                        | 14,331  |                                                                         | 171,393   |                            | 512,930     |
| Total Personnel Expenses                                    |  | \$                | 22,913,856 | \$                                     | 813,451   |                                                                                                                       | 10,286,500 |                                                                        | 2,878,635 |                                                                        | 187,399 |                                                                         | 2,365,328 |                            | 6,382,544   |
| Meeting Expenses                                            |  |                   |            |                                        |           |                                                                                                                       |            |                                                                        |           |                                                                        |         |                                                                         |           |                            |             |
| Meetings                                                    |  | \$                | 409,290    | \$                                     | 4,100     |                                                                                                                       | 13,000     |                                                                        | 74,340    |                                                                        | 153,350 |                                                                         | 26,000    |                            | 138,500     |
| Travel                                                      |  | \$                | 1,191,496  | \$                                     | 45,288    |                                                                                                                       | 431,438    |                                                                        | 304,500   |                                                                        | 13,370  |                                                                         | 203,160   |                            | 193,741     |
| Conference Calls                                            |  | \$                | -          | \$                                     | -         |                                                                                                                       | -          |                                                                        | -         |                                                                        | -       |                                                                         | -         |                            | -           |
| Total Meeting Expenses                                      |  | \$                | 1,600,786  | \$                                     | 49,388    |                                                                                                                       | 444,438    |                                                                        | 378,840   |                                                                        | 166,720 |                                                                         | 229,160   |                            | 332,241     |
| Operating Expenses, excluding Depreciation                  |  |                   |            |                                        |           |                                                                                                                       |            |                                                                        |           |                                                                        |         |                                                                         |           |                            |             |
| Consultants & Contracts                                     |  | \$                | 1,173,000  | \$                                     | 15,000    |                                                                                                                       | -          |                                                                        | 928,000   |                                                                        | -       |                                                                         | 140,000   |                            | 90,000      |
| Office Rent                                                 |  | \$                | 389,500    |                                        | -         |                                                                                                                       | -          |                                                                        | -         |                                                                        | -       |                                                                         | -         |                            | 389,500     |
| Office Costs                                                |  | \$                | 1,443,376  |                                        | 3,000     |                                                                                                                       | 38,000     |                                                                        | 16,380    |                                                                        | 200     |                                                                         | 6,750     |                            | 1,379,046   |
| Professional Services                                       |  | \$                | 1,130,380  |                                        | -         |                                                                                                                       | -          |                                                                        | -         |                                                                        | -       |                                                                         | -         |                            | 1,130,380   |
| Miscellaneous                                               |  | \$                | 25,000     |                                        | -         |                                                                                                                       | -          |                                                                        | -         |                                                                        | -       |                                                                         | -         |                            | 25,000      |
| Total Operating Expenses, excluding Depreciation            |  | \$                | 4,161,256  | \$                                     | 18,000    |                                                                                                                       | 38,000     |                                                                        | 944,380   |                                                                        | 200     |                                                                         | 146,750   |                            | 3,013,926   |
| Total Direct Expenses                                       |  | \$                | 28,675,898 | \$                                     | 880,838   |                                                                                                                       | 10,768,937 |                                                                        | 4,201,855 |                                                                        | 354,319 |                                                                         | 2,741,238 |                            | 9,728,711   |
| Indirect Expenses                                           |  | \$                | (393,521)  | \$                                     | 422,671   |                                                                                                                       | 6,077,712  |                                                                        | 1,603,233 |                                                                        | 80,162  |                                                                         | 1,151,413 |                            | (9,728,711) |
| Other Non-Operating Expenses                                |  | \$                | -          | \$                                     | -         |                                                                                                                       | -          |                                                                        | -         |                                                                        | -       |                                                                         | -         |                            | -           |
| Total Expenses (B)                                          |  | \$                | 28,282,377 | \$                                     | 1,303,509 |                                                                                                                       | 16,846,649 |                                                                        | 5,805,088 |                                                                        | 434,480 |                                                                         | 3,892,651 |                            | -           |
| Change in Net Assets (=A-B)                                 |  | \$                | (858,599)  | \$                                     | 5,139     |                                                                                                                       | (716,927)  |                                                                        | 19,491    |                                                                        | 975     |                                                                         | 13,998    |                            | (181,274)   |
| Fixed Asset Additions , excluding Right of Use Assets ( C ) |  | \$                | 113,490    | \$                                     | 5,139     |                                                                                                                       | 73,888     |                                                                        | 19,491    |                                                                        | 975     |                                                                         | 13,998    |                            | -           |
| TOTAL BUDGET (=B + C)                                       |  | \$                | 28,395,867 | \$                                     | 1,308,647 |                                                                                                                       | 16,920,537 |                                                                        | 5,824,579 |                                                                        | 435,455 |                                                                         | 3,906,649 |                            | -           |
| TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)                    |  | \$                | (972,089)  | \$                                     | 0         |                                                                                                                       | (790,815)  |                                                                        | 0         |                                                                        | 0       |                                                                         | 0         |                            | (181,274)   |
| FTEs                                                        |  |                   |            |                                        |           |                                                                                                                       |            |                                                                        |           |                                                                        |         |                                                                         |           |                            |             |
|                                                             |  |                   | 83.30      |                                        | 2.90      |                                                                                                                       | 41.70      |                                                                        | 11.00     |                                                                        | 0.55    |                                                                         | 7.90      |                            | 19.25       |

## Appendix C - Acronyms

| Acronym | Definition                                                                                    |
|---------|-----------------------------------------------------------------------------------------------|
| AI      | Artificial Intelligence                                                                       |
| BAA     | Balancing Authority Area                                                                      |
| BEP     | BES Exception Process                                                                         |
| BES     | Bulk Electric System                                                                          |
| BPS     | Bulk Power System                                                                             |
| CAI     | Compliance Audits and Investigations                                                          |
| CC      | Compliance Committee                                                                          |
| CCEP    | Criteria Compliance and Enforcement Program                                                   |
| CDAA    | CMEP Data Administration Application                                                          |
| CEH     | Continuing Education Hour                                                                     |
| CF      | Compliance Fundamentals                                                                       |
| CGNC    | Corporate Governance and Nominating Committee                                                 |
| CME     | Compliance Mitigation and Enforcement                                                         |
| CMEP    | Compliance Monitoring and Enforcement Program                                                 |
| COP     | Compliance Oversight Plan                                                                     |
| CORC    | Compliance Monitoring and Enforcement and Organization Registration and Certification Program |
| CORES   | Centralized Organization Registration ERO System                                              |
| CUG     | Consortium Users Group                                                                        |
| DADSWG  | Demand Response Availability Data System Working Group                                        |
| DER     | Distributed Energy Resources                                                                  |
| DHS     | Department of Homeland Security                                                               |
| DOE     | Department of Energy                                                                          |
| EAP     | ERO Event Analysis Process                                                                    |
| EIC     | Evaluation of Internal Controls                                                               |
| E-ISAC  | Electricity Information Sharing and Analysis Center                                           |
| EPHPIS  | Electric Power Human Performance Improvement Symposium                                        |
| ERAG    | Eastern Interconnection Reliability Assessment Group                                          |
| ERO     | Electric Reliability Organization                                                             |
| FAC     | Finance and Audit Committee                                                                   |
| FERC    | Federal Energy Regulatory Commission                                                          |
| FFT     | Find, Fix, Track and Report                                                                   |
| GADSWG  | Generating Availability Data System Working Group                                             |
| GMD     | Geomagnetic Disturbance                                                                       |
| HQCMÉ   | Hydro-Québec Contrôle des mouvements d'énergie                                                |
| HSIN    | Homeland Security Information Network                                                         |
| IESO    | Independent Electricity System Operator                                                       |
| IRA     | Inherent Risk Assessment                                                                      |
| IRPTF   | Inverter-Based Resource Performance Task Force                                                |
| ISO     | Independent System Operator                                                                   |
| LMTF    | Load Modeling Task Force                                                                      |
| LSE     | Load Serving Entity                                                                           |
| MACD    | Market Assessment and Compliance Division                                                     |
| MDCC    | Management Development and Compensation Committee                                             |
| MIDASWG | Misoperation Information Data Analysis System Working Group                                   |
| MMWG    | Multi-Regional Modeling Working Group                                                         |
| MOU     | Memorandum of Understanding                                                                   |
| NAERM   | North American Energy Resilience Model                                                        |
| NAESB   | North American Energy Standards Board                                                         |
| NATF    | North American Transmission Forum                                                             |
| NBEUB   | New Brunswick Energy and Utilities Board                                                      |
| NBMG    | Node Breaker Modeling Group                                                                   |

| Acronym  | Definition                                                                            |
|----------|---------------------------------------------------------------------------------------|
| NCCIC    | National Cybersecurity and Communications Integration Center                          |
| NEL      | Net Energy for Load                                                                   |
| NERC     | North American Electric Reliability Corporation                                       |
| NLH      | Newfoundland and Labrador Hydro                                                       |
| NOI      | Notice of Inquiry                                                                     |
| NOPR     | Notice of Proposed Rulemaking                                                         |
| NPCC     | Northeast Power Coordinating Council, Inc.                                            |
| NSPI     | Nova Scotia Power Incorporated                                                        |
| NSUARB   | Nova Scotia Utility and Review Board                                                  |
| OEB      | Ontario Energy Board                                                                  |
| ORCG     | Organization Registration and Certification Group                                     |
| PAS      | Performance Analysis Subcommittee                                                     |
| PAWG     | Probabilistic Assessment Working Group                                                |
| PC       | Pension Committee                                                                     |
| PJM      | Pennsylvania-Jersey-Maryland Interconnection LLC., Regional Transmission Organization |
| PPMVTf   | Power Plant Model Verification Task Force                                             |
| PSWG     | Physical Security Working Group                                                       |
| QCMEP    | Québec Reliability Standards Compliance Monitoring and Enforcement Program            |
| RAPA     | Reliability Assessment and Performance Analysis                                       |
| RAPA-SG  | ERO RAPA Steering Group                                                               |
| RAS      | Reliability Assessment Subcommittee                                                   |
| RAS      | Remedial Action Scheme                                                                |
| RC       | Reliability Coordinator                                                               |
| RCC      | Reliability Coordinating Committee                                                    |
| RISC     | Reliability Issues Steering Committee                                                 |
| RSC      | Regional Standards Committee                                                          |
| RSTC     | Reliability and Security Technical Committee                                          |
| RTWG     | Reliability Training Working Group                                                    |
| RTO      | Regional Transmission Organization                                                    |
| SAFNR    | Situational Awareness-FERC, NERC, Regions                                             |
| SAIS     | Situation Awareness and Infrastructure Security                                       |
| SAMS     | System Analysis and Modeling Subcommittee                                             |
| SAR      | Standards Authorization Request                                                       |
| SCPS     | Standards Committee Process Subcommittee                                              |
| SDT      | Standards Drafting Team                                                               |
| SPCS     | System Protection and Control Subcommittee                                            |
| SMS      | Synchronized Measurement Subcommittee                                                 |
| SPIDERWG | System Planning Impacts from Distributed Energy Resources Working Group               |
| SPS      | Special Protection Systems                                                            |
| TADSWG   | Transmission Availability Data System Working Group                                   |
| TFCO     | Task Force on Coordination of Operation                                               |
| TFCP     | Task Force on Coordination of Planning                                                |
| TFE      | Technical Feasibility Exception                                                       |
| TFIST    | Task Force on Infrastructure Security and Technology                                  |
| TFSP     | Task Force on System Protection                                                       |
| TFSS     | Task Force on System Studies                                                          |
| UFLS     | Underfrequency Load Shedding                                                          |

**DOCKET NO. RR25-\_\_-000**

**NORTH AMERICAN ELECTRIC RELIABILITY  
CORPORATION**

**2026 BUSINESS PLAN AND BUDGET FILING**

**ATTACHMENT 5**

**RELIABILITYFIRST CORPORATION**

**PROPOSED 2026 BUSINESS PLAN AND BUDGET**



**RELIABILITY FIRST**

# **2026 Business Plan and Budget**

# Table of Contents

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|                                                                                   |           |
|-----------------------------------------------------------------------------------|-----------|
| <b>Introduction .....</b>                                                         | <b>2</b>  |
| ReliabilityFirst Organizational Overview .....                                    | 2         |
| Mission and Values.....                                                           | 3         |
| Membership and Governance .....                                                   | 3         |
| ERO Enterprise .....                                                              | 5         |
| <b>Strategic &amp; Business Planning .....</b>                                    | <b>6</b>  |
| ERO Enterprise Strategic and Operational Planning.....                            | 6         |
| ReliabilityFirst Strategic Planning .....                                         | 7         |
| <b>2026 Business Plan and Budget Overview .....</b>                               | <b>9</b>  |
| Funding and Budget Summary.....                                                   | 9         |
| 2025 and 2026 Budget Comparison.....                                              | 10        |
| 2026 Program Area Budgets .....                                                   | 11        |
| Personnel Analysis and Expenses.....                                              | 12        |
| Contractors and Consultants .....                                                 | 13        |
| Fixed Assets .....                                                                | 14        |
| Working Capital and Operating Reserve Analysis .....                              | 15        |
| Three Year Projections .....                                                      | 17        |
| <b>2026 Program Area and Department Detail .....</b>                              | <b>20</b> |
| Reliability Standards Program .....                                               | 20        |
| Compliance Monitoring and Enforcement, and Organization Registration Program..... | 21        |
| Reliability Assessment and Performance Analysis.....                              | 29        |
| Training, Education, and Outreach .....                                           | 32        |
| Situational Awareness Program.....                                                | 35        |
| Administrative Services .....                                                     | 38        |
| <b>Non-Statutory Activities.....</b>                                              | <b>46</b> |
| <b>Appendix A: Consolidated Statement of Activities .....</b>                     | <b>47</b> |
| <b>Appendix B: 2025-2026 Organization Chart .....</b>                             | <b>48</b> |



# Introduction

## ReliabilityFirst Organizational Overview

ReliabilityFirst (RF) is one of six regional organizations responsible for ensuring the reliability and security of the North American Bulk Power System (BPS). Born out of the Energy Policy Act of 2005 and under the authority of the North American Electric Reliability Corporation (NERC) and the Federal Energy Regulatory Commission (FERC), we audit users, owners and operators of the BPS on mandated standards related to cybersecurity, vegetation management near vital power lines, preparation for extreme weather and more.

We also promote the reliability and security of the electric grid through outreach, and training on best practices, and we conduct our own analyses and projections related to resource planning and more, serving as an independent source state bodies call on for input on energy policy decisions.

RF is responsible for the Great Lakes and Mid-Atlantic areas of the United States of America including the BPS for all or portions of Delaware, New Jersey, Pennsylvania, Maryland, Virginia, Illinois, Wisconsin, Indiana, Ohio, Michigan, Kentucky, West Virginia, Tennessee, and the District of Columbia.

As a Regional Entity, RF performs the following statutory functions to further its mission and in accordance with its FERC-approved Delegation Agreement with NERC:

- Active participation in the development and revision of North American Reliability Standards for the BPS, and as needed development of Regional Reliability Standards and Variances applicable within the RF footprint.
- Monitoring and enforcement of approved Reliability Standards, including the registration of responsible entities, and as needed certification of such entities.
- Assessment of the present and future reliability, resiliency, security, and risks of the BPS.
- Promoting situational awareness and the protection of critical infrastructure.
- Event analysis and identification of lessons learned to enhance reliability.
- Providing training, education and outreach to stakeholders in support of its performance of delegated functions.
- Participating in reliability and security activities that enhance resilience of the BPS.



## Mission and Values

Our mission is to ensure that the electric grid is reliable and secure – not only for today but also for tomorrow. Our team identifies and prioritizes risks facing the electric grid and then determines mitigation strategies to work with users, owners and operators of the BPS to address these risks, both proactively and through enforcement of the mandated standards. We also develop and deploy communication and outreach strategies to drive awareness and further ensure risk resolution.

**Our mission:** To serve the public good and support health and safety through preserving and enhancing the reliability, security and resilience of the grid.

**Our people:** To foster a respectful, collaborative environment where employees can be and feel like the best version of themselves.

**Our transparency:** To be open and honest about what we are trying to accomplish, and why, to foster productive dialogue.

**Our fairness:** To be reasonable and consistent.

**Our accountability:** To act with integrity, take pride in our work and responsibility for our actions, and deliver exceptional results.

**Our creativity:** To encourage and reward innovative ideas and approaches.

## Membership and Governance

### Members

RF has an open and voluntary membership policy that permits participation of all industry stakeholders through their designated representatives. There are six (6) Industry Sectors: Suppliers, Transmission Companies, Regional Transmission Organizations (RTOs), Small Load Serving Entities (LSEs), Medium LSEs, and Large LSEs. Membership allows registered entities to participate in committees, subcommittees, and working groups with RF and their peers to share best practices and lessons learned, receive valuable training, workshops, newsletters and other communications, and to vote in elections for open board directors seats.

RF's foundation has been and continues to be the broad, active participation of volunteer technical and policy experts representing electricity industry stakeholders within the Region who are committed to the reliability, security, and resiliency of the BPS. RF believes that partnering with industry expert resources, combined with a competent and independent RF staff, provides a cost-effective approach that is consistent with the industry self-regulatory model envisioned by Congress in the Energy Policy Act of 2005.

## Board of Directors

RF is governed by a hybrid, independent, and balanced stakeholder Board that consists of sixteen (16) directors. The Board consists of eleven (11) industry stakeholder directors elected by the Industry Sectors. In addition, RF has four (4) independent directors from outside the industry to bring a different perspective and balance to the Board. RF's President and CEO also serves on the Board as a non-voting member. This diverse mix of stakeholder and independent directors allows the Board to focus on the most important and significant risks to reliability in the RF footprint.

The Board has the following committees, each currently led by one of the independent board directors, and report directly to the Board.

- **Talent and Compensation** – Provides oversight on behalf of the Board over RF's organizational and staffing needs, employee compensation, independent board directors compensation, DEI efforts and other matters related to human resources.
- **Risk and Compliance** – Provides oversight on behalf of the Board over RF's compliance monitoring and enforcement programs, identification of regional risks, and other matters related to risk to reliability and security of the grid.
- **Finance and Audit** – Provides oversight on behalf of the Board to RF on the business plan and budgeting process, overall financial health, internal controls and other financial matters.
- **Nominating and Governance** – Provides oversight on behalf of the Board to the organization's Bylaws and policies and is the committee responsible for identifying, vetting and recommending candidates for Board Officers and committee positions for Board approval.

## ERO Enterprise

Electricity is a vital component of the fabric of modern society and the Electric Reliability Organization (ERO) Enterprise serves to strengthen that fabric for the benefit of nearly 400 million North Americans. The ERO Enterprise, which consists of the North American Electric Reliability Corporation (NERC) and the six Regional Entities, works with users, owners, and operators of the BPS, government partners, and other stakeholders and industry participants, to pursue its mission of assuring the effective and efficient reduction of risks to the reliability and security of the BPS.

NERC and the Regional Entities play different, but important and complementary, roles in delivering ERO Enterprise programs. NERC provides industry-wide perspective and oversight, and the Regional Entities have unique features and activities that serve the needs of their regional constituents, while ensuring that registered entities follow NERC and Regional Reliability Standards. The ERO Enterprise is explicitly committed to its collective success in achieving its vision of a highly reliable and secure North American BPS.



# Strategic & Business Planning

## ERO Enterprise Strategic and Operational Planning

NERC and the Regional Entities are continually refining their individual and collective operating and governance practices in support of strategic and operational goals and objectives that are designed to ensure the ERO fulfills its statutory obligations. This collaboration is done while acknowledging the unique differences across the Regional Entities, and the different corporate and governance responsibilities of each entity.

In 2024, the ERO Enterprise revised the ERO Enterprise Long-Term Strategy. This strategy includes the following focus areas for achieving success in its vision and mission:

- Energy – Effectively leverage a broad range of data, tools, and approaches to assist stakeholders and policymakers in addressing existing BPS risks and proactively identifying and preparing for emerging and unknown risks to the grid.
- Security – Maintain cyber and physical security programs (E-ISAC, Standards, Compliance Monitoring and Enforcement Program (CMEP), technical committee work<sup>1</sup>, outreach and engagement) that are risk-based, efficient, coordinated, and effectively advance the security posture of industry.
- Engagement – Ensure that the increasingly diverse spectrum of stakeholders and policymakers find value in engagements with the ERO Enterprise, seek ERO Enterprise expertise to inform their decision-making, and have confidence in the integrity and independence of ERO Enterprise programs.
- Agility and Sustainability – Perform as an effective and efficient team acting in coordination, ensuring its programs and efforts deliver value for stakeholders and policymakers as they manage changing reliability and security risk within the evolving industry landscape, and capturing cost efficiencies when practical.

As part of the business planning and budgeting process, NERC and the Regional Entities each have their own priorities and strategic focus areas but continually come together to ensure alignment with the long-term strategy and that business processes and operations harmonize across the ERO Enterprise where appropriate.

Since risks to reliability and security are fluid and can be impacted by recent events, NERC and each Regional Entity may also create annual work plan priorities that summarize the most critical goals and objectives for the year. In many cases, these work plan priorities are also used for individual, departmental, and company performance measurement.

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<sup>1</sup> Technical committees include the NERC Standing Committees (Compliance and Certification Committee, Personnel Certification and Governance Committee, Reliability Issues Steering Committee, Reliability and Security Technical Committee, and Standards Committee) and Regional Entity committees.

## ReliabilityFirst Strategic Planning

### 2026 Strategic Focus Areas

The strategic plan is the culmination of a collaborative planning process. It captures our progress over the last nineteen (19) years since inception, maintains the strong core of our prior strategic plan, but also accounts for the changing nature of our work and the grid. The 2023-2027 Strategic Plan highlights a few of the many relevant factors we considered as we look to the future, and it sets forth streamlined objectives to ensure that RF remains positioned to ensure the reliability, security and resilience of the grid.

- **Be an excellent regulator** – RF must consistently demonstrate accountability, transparency and efficiency through our model within the ERO. We will commit resources to collaboration and security by implementing best in class security plans and practices to safeguard all data and information in our possession. We will also build deep knowledge of our entities and use it to serve our footprint so that we can help educate and serve as an independent resource to our stakeholders.
- **Cultivate a talented and engaged workforce** – Our employees are the heart of what we do, and we are committed to recruiting, retaining, and training the right people for the right roles. We will ensure our talent stays on top of this changing industry and skills are developed to adapt to these changing needs. We have a diverse workforce where employees feel they can be their authentic selves and is the most successful. Lastly, we will prioritize our positive workplace culture making RF a workplace of choice.
- **Harness knowledge to creatively and comprehensively address risks to the grid** – We commit to quickly deploying communications to mitigate risk based on our data and perspective. We will develop targeted outreach strategies so that we are reaching a variety of stakeholders in meaningful ways. We pledge to enhance our value as an independent resource and broaden our reach by engaging with state legislatures, public utility commissions and more to utilize our independent voice.

RF's Operating Plan articulates key deliverables that ensure the day-to-day operations match the objectives laid out in the Strategic Plan:

#### Be an Excellent Regulator

- Manage all compliance monitoring activities in a risk-based, fair, and consistent manner, affording all entities appropriate due process using tools available to ensure thorough and collaborative compliance audits consistently with all Regions.
- Assist in the development of the risk-based annual CMEP implementation Plan which helps guide oversight actions and identifies common risks and reliability issues.
- Provide outreach to industry identifying themes, trends, emerging risks, and best practices associated with noncompliance issues, including identifying opportunities to share key takeaways with industry stakeholders, helping ensure the reduction of risk to BPS reliability.

**Cultivate a Talented and Engaged Workforce**

- Attract, develop and retain highly skilled and engaged staff; diversify employment recruiting channels.
- Promote employee engagement and empowerment; provide opportunities for staff to engage with each other for collaboration and community in our hybrid work environment.
- Mature succession plan process and continue to develop the future leaders within RF who have been identified within the plan.

**Harness Knowledge to Creatively and Comprehensively Address Risks to the Grid**

- Issue announcements, newsletters, and reports on key compliance, reliability, risk identification and mitigation, security, state policies, and resilience issues facing RF and the industry.
- Communicate key risks and risk mitigation strategies, plus lessons learned including outreach on winterization.
- Host targeted webinars including the open stakeholder calls (Technical Talk with RF) covering topics related to compliance, reliability, security, resilience, and enforcement.

# 2026 Business Plan and Budget Overview

## Funding and Budget Summary

This Business Plan and Budget (BP&B) reflects RF's best estimate of the costs it will incur to conduct its delegated functions in support of the ERO in 2026. Overall, the RF 2026 budget of \$35,857,122 increased 7.4% over the 2025 budget of \$33,373,022. The 2026 assessment of \$32,589,878 represents a 14% increase over the 2025 assessment of \$28,587,612. RF used collected penalties and a portion of its reserves to limit the assessment increase. RF's proposed 2026 assessment was reduced by the release of \$2,069,386 from its Working Capital Reserve and \$1,047,858 from penalties released. (Refer to Working Capital and Operating Reserve Analysis for more information).

RF's NEL for 2024 was 877,516,288 MWh. This number is up slightly (1.13%) from 2023 mostly due to above average temperatures in summer, below average temperatures in winter, and the addition of new customers.

RF believes that in 2026, it will continue to realize material efficiencies that will allow the organization to effectively perform its mission and deliver value by reducing risks to the reliability and security of the grid. RF will also continue to perform its essential mission at a cost that balances the longstanding traditions of affordable and reliable electricity across RF's footprint.

The following budget changes allow RF to accomplish the specific objectives outlined in the 2026 Business Plan and Budget.

### Major Budget Drivers

- **Personnel** – RF will be adding five additional full-time employees (FTE) to the organization in the following program areas: RAPA, Training, Education and Outreach (3 FTE), and Reliability and Risk. These additional FTEs will help support the goals and deliverables set forth by the program areas. In addition, RF is projecting increased medical costs due to higher medical premium renewal rates.
- **Meetings and Travel** – RF kept meetings and travel flat for three years despite the company's growth in both size and scope of work. Looking at 2026, RF is planning more external state outreach engagements, a return to pre-pandemic travel levels with the auditing teams and increased in-person collaboration across the ERO.
- **Office Costs, including Computer Software, Service and Maintenance** – To support RF's cloud initiatives, the data warehouse architecture will migrate to a cloud solution, providing a better user experience and modernized architecture. Additionally, as RF explores ways to scale and drive efficiency through generative AI, an investment in AI tools will be implemented to enhance internal productivity. These AI tools will help automate routine tasks, analyze large datasets for insights, and improve decision-making processes across various departments. The hardware and software required to support the NERC-required energy and interregional transfer capability studies conducted by RF's engineering team have a higher ongoing cost than previously used software. RF has also seen significant savings in 2026 on fixed assets as more technology has moved to the cloud.



## 2025 and 2026 Budget Comparison

| Statement of Activities and Capital Expenditures<br>2025 Budget & Projection and 2026 Budget |                       |                       |                    |                       |                     |               |
|----------------------------------------------------------------------------------------------|-----------------------|-----------------------|--------------------|-----------------------|---------------------|---------------|
| STATUTORY                                                                                    |                       |                       |                    |                       |                     |               |
|                                                                                              | 2025 Budget           | 2025 Projection       | Variance 25P v 25B | 2026 Budget           | Variance 26B v 25B  | Variance %    |
| <b>Funding</b>                                                                               |                       |                       |                    |                       |                     |               |
| <b>Statutory Funding</b>                                                                     |                       |                       |                    |                       |                     |               |
| RF Assessments                                                                               | \$ 28,587,612         | \$ 28,587,612         | \$ -               | \$ 32,589,878         | \$ 4,002,266        | 14.0%         |
| Penalties Released                                                                           | 2,707,910             | 2,707,910             | -                  | 1,047,858             | (1,660,052)         | -61.3%        |
| <b>Total Statutory Funding</b>                                                               | <b>\$ 31,295,522</b>  | <b>\$ 31,295,522</b>  | <b>\$ -</b>        | <b>\$ 33,637,736</b>  | <b>\$ 2,342,214</b> | <b>7.5%</b>   |
| Interest and Investment Income                                                               | \$ 100,000            | \$ 400,000            | \$ 300,000         | \$ 150,000            | \$ 50,000           | 50.0%         |
| <b>Total Funding (A)</b>                                                                     | <b>\$ 31,395,522</b>  | <b>\$ 31,695,522</b>  | <b>\$ 300,000</b>  | <b>\$ 33,787,736</b>  | <b>\$ 2,392,214</b> | <b>7.6%</b>   |
| <b>Expenses</b>                                                                              |                       |                       |                    |                       |                     |               |
| <b>Personnel Expenses</b>                                                                    |                       |                       |                    |                       |                     |               |
| Salaries                                                                                     | \$ 20,909,475         | \$ 20,909,475         | \$ -               | \$ 22,229,233         | \$ 1,319,758        | 6.3%          |
| Payroll Taxes                                                                                | 1,345,325             | 1,345,325             | -                  | 1,430,375             | 85,050              | 6.3%          |
| Benefits                                                                                     | 3,013,614             | 2,959,239             | (54,375)           | 3,593,942             | 580,328             | 19.3%         |
| Retirement Costs                                                                             | 3,371,307             | 3,371,307             | -                  | 3,614,611             | 243,304             | 7.2%          |
| <b>Total Personnel Expenses</b>                                                              | <b>\$ 28,639,721</b>  | <b>\$ 28,585,346</b>  | <b>\$ (54,375)</b> | <b>\$ 30,868,161</b>  | <b>\$ 2,228,440</b> | <b>7.8%</b>   |
| <b>Meeting &amp; Travel Expenses</b>                                                         |                       |                       |                    |                       |                     |               |
| Meetings & Conference Calls                                                                  | \$ 440,408            | \$ 440,408            | \$ -               | \$ 509,030            | \$ 68,622           | 15.6%         |
| Travel                                                                                       | 648,107               | 648,107               | -                  | 660,820               | 12,713              | 2.0%          |
| <b>Total Meeting &amp; Travel Expenses</b>                                                   | <b>\$ 1,088,515</b>   | <b>\$ 1,088,515</b>   | <b>\$ -</b>        | <b>\$ 1,169,850</b>   | <b>\$ 81,335</b>    | <b>7.5%</b>   |
| <b>Operating Expenses, excl. Depreciation</b>                                                |                       |                       |                    |                       |                     |               |
| Contractors & Consultants                                                                    | \$ 653,970            | \$ 671,530            | \$ 17,560          | \$ 689,266            | \$ 35,296           | 5.4%          |
| Office Rent                                                                                  | 716,000               | 741,000               | 25,000             | 728,000               | 12,000              | 1.7%          |
| Office Costs                                                                                 | 1,357,755             | 1,371,295             | 13,540             | 1,544,271             | 186,516             | 13.7%         |
| Professional Services                                                                        | 761,365               | 761,365               | -                  | 792,314               | 30,949              | 4.1%          |
| Miscellaneous                                                                                | 65,696                | 42,596                | (23,100)           | 35,260                | (30,436)            | -46.3%        |
| <b>Total Operating Expenses, excl. Depreciation</b>                                          | <b>\$ 3,554,786</b>   | <b>\$ 3,587,786</b>   | <b>\$ 33,000</b>   | <b>\$ 3,789,111</b>   | <b>\$ 234,325</b>   | <b>6.6%</b>   |
| <b>Total Direct Expenses</b>                                                                 | <b>\$ 33,283,022</b>  | <b>\$ 33,261,647</b>  | <b>\$ (21,375)</b> | <b>\$ 35,827,122</b>  | <b>\$ 2,544,100</b> | <b>7.6%</b>   |
| Indirect Expenses                                                                            | \$ -                  | \$ -                  | \$ -               | \$ -                  | \$ -                | -             |
| Other Non-Operating Expenses                                                                 | \$ -                  | \$ -                  | \$ -               | \$ -                  | \$ -                | -             |
| <b>Total Expenses (B)</b>                                                                    | <b>\$ 33,283,022</b>  | <b>\$ 33,261,647</b>  | <b>\$ (21,375)</b> | <b>\$ 35,827,122</b>  | <b>\$ 2,544,100</b> | <b>7.6%</b>   |
| <b>Change in Net Assets (= A - B)</b>                                                        | <b>\$ (1,887,500)</b> | <b>\$ (1,566,125)</b> | <b>\$ 321,375</b>  | <b>\$ (2,039,386)</b> | <b>\$ (151,887)</b> | <b>8.0%</b>   |
| <b>Fixed Asset Additions, excl. Right of Use Assets (C)</b>                                  | <b>\$ 90,000</b>      | <b>\$ 90,000</b>      | <b>\$ -</b>        | <b>\$ 30,000</b>      | <b>\$ (60,000)</b>  | <b>-66.7%</b> |
| <b>TOTAL BUDGET (= B + C)</b>                                                                | <b>\$ 33,373,022</b>  | <b>\$ 33,351,647</b>  | <b>\$ (21,375)</b> | <b>\$ 35,857,122</b>  | <b>\$ 2,484,100</b> | <b>7.4%</b>   |
| <b>TOTAL CHANGE IN WORKING CAPITAL (= A - B - C)</b>                                         | <b>\$ (1,977,500)</b> | <b>\$ (1,656,125)</b> | <b>\$ 321,375</b>  | <b>\$ (2,069,386)</b> | <b>\$ (91,887)</b>  | <b>4.6%</b>   |
| <b>FTE</b>                                                                                   | <b>101.00</b>         | <b>101.00</b>         | <b>-</b>           | <b>106.00</b>         | <b>5.00</b>         | <b>5.0%</b>   |

\*Penalties released reflect the designated amount of funds released to offset assessments. Actual penalties invoiced are reported in the audited financial statements as an increase in net assets in accordance with Generally Accepted Accounting Principles (GAAP).

## 2026 Program Area Budgets

| Program                                          | 2025 Budget          | 2026 Budget          | Variance<br>26B v 25B | Variance<br>% |
|--------------------------------------------------|----------------------|----------------------|-----------------------|---------------|
| Reliability Standards                            | \$ -                 | \$ -                 | \$ -                  | 0.0%          |
| Reliability and Risk                             | 8,239,247            | 8,552,078            | 312,831               | 3.8%          |
| Compliance Monitoring and Enforcement            | 15,817,272           | 16,010,114           | 192,841               | 1.2%          |
| Reliability Assessments and Performance Analysis | 3,942,804            | 4,461,425            | 518,621               | 13.2%         |
| Training, Education, and Outreach                | 3,188,953            | 4,646,556            | 1,457,603             | 45.7%         |
| Situation Awareness and Infrastructure Security  | 2,184,745            | 2,186,949            | 2,204                 | 0.1%          |
| <b>Total</b>                                     | <b>\$ 33,373,022</b> | <b>\$ 35,857,122</b> | <b>\$ 2,484,100</b>   | <b>7.4%</b>   |

### Major Budget Drivers by Program

#### Reliability and Risk

- **Personnel** – Increase of 1 FTE to support AI technology and data modeling, a key focus area for RF.

#### Reliability Assessment and Performance Analysis

- **Personnel** - Increase of 1 FTE to support additional analyses, studies and modeling associated with Inverter Based Resources, new energy studies and interregional transfer capability studies.
- **Computer Software, Service and Maintenance** – An increase in new software for the required energy studies for the engineering team to complete this work with the tools needed.

#### Training, Education and Outreach

- **Personnel** – The increased volume of engagements and policies that are changing in the state outreach program is resulting in the addition of 3 FTE to Training, Education and Outreach. One position will directly support the growth in the state outreach area to provide additional communication efforts. A second position will support administrative functions freeing up highly skilled team members to focus on field work and entity engagements. The third position involves the formal conversion of an existing temporary role—previously classified as an “overlap” position—into a permanent FTE. This role, historically used to provide transitional or supplemental support without being counted toward official headcount, has proven essential to ongoing operations. By converting it to a permanent position, RF ensures continuity and stability in a function that has already demonstrated value. Importantly, this change has no budget impact, as the position was already funded under the overlap strategy. The conversion reflects a strategic shift from temporary coverage to sustained capacity, aligning with long-term outreach goals and workload demands. Additionally, RF transferred one position from Legal and Regulatory Affairs to Training, Education and Outreach.

## Personnel Analysis and Expenses

| Total FTE by Program Area                       | 2025 Budget   | 2026 Budget   | Variance<br>26B v 25B |
|-------------------------------------------------|---------------|---------------|-----------------------|
| <b>STATUTORY</b>                                |               |               |                       |
| <b>Operational Programs</b>                     |               |               |                       |
| Reliability Standards                           | 0.00          | 0.00          | 0.00                  |
| Reliability and Risk                            | 18.00         | 19.00         | 1.00                  |
| Compliance Monitoring and Enforcement           | 38.00         | 38.00         | 0.00                  |
| Reliability Assessment and Performance Analysis | 8.00          | 9.00          | 1.00                  |
| Training, Education, and Outreach               | 6.00          | 10.00         | 4.00                  |
| Situation Awareness and Infrastructure Security | 5.00          | 5.00          | 0.00                  |
| <b>Total FTE Operational Programs</b>           | <b>75.00</b>  | <b>81.00</b>  | <b>6.00</b>           |
| <b>Administrative Programs</b>                  |               |               |                       |
| General and Administrative                      | 6.00          | 6.00          | 0.00                  |
| Legal and Regulatory Affairs                    | 4.00          | 3.00          | -1.00                 |
| Information Technology                          | 9.00          | 9.00          | 0.00                  |
| Human Resources                                 | 4.00          | 4.00          | 0.00                  |
| Finance and Accounting                          | 3.00          | 3.00          | 0.00                  |
| <b>Total FTE Administrative Programs</b>        | <b>26.00</b>  | <b>25.00</b>  | <b>-1.00</b>          |
| <b>Total FTE</b>                                | <b>101.00</b> | <b>106.00</b> | <b>5.00</b>           |

| Personnel Expenses           | 2025 Budget          | 2026 Budget          | Variance<br>26B v 25B | Variance %   |
|------------------------------|----------------------|----------------------|-----------------------|--------------|
| <b>Total Salaries</b>        | <b>\$ 20,909,475</b> | <b>\$ 22,229,233</b> | <b>\$ 1,319,758</b>   | <b>6.3%</b>  |
| <b>Total Payroll Taxes</b>   | <b>\$ 1,345,325</b>  | <b>\$ 1,430,375</b>  | <b>\$ 85,050</b>      | <b>6.3%</b>  |
| <b>Total Benefits</b>        | <b>\$ 3,013,614</b>  | <b>\$ 3,593,942</b>  | <b>\$ 580,328</b>     | <b>19.3%</b> |
| <b>Total Retirement</b>      | <b>\$ 3,371,307</b>  | <b>\$ 3,614,611</b>  | <b>\$ 243,304</b>     | <b>7.2%</b>  |
| <b>Total Personnel Costs</b> | <b>\$ 28,639,721</b> | <b>\$ 30,868,161</b> | <b>\$ 2,228,440</b>   | <b>7.8%</b>  |
| <b>FTE</b>                   | <b>101.00</b>        | <b>106.00</b>        | <b>5.00</b>           | <b>5.0%</b>  |
| <b>Cost per FTE</b>          |                      |                      |                       |              |
| Salaries                     | \$ 207,025           | \$ 209,710           | \$ 2,685              | 1.3%         |
| Payroll Taxes                | 13,320               | 13,494               | 174                   | 1.3%         |
| Benefits                     | 29,838               | 33,905               | 4,067                 | 13.6%        |
| Retirement                   | 33,379               | 34,100               | 721                   | 2.2%         |
| <b>Total Cost per FTE</b>    | <b>\$ 283,562</b>    | <b>\$ 291,209</b>    | <b>\$ 7,647</b>       | <b>2.7%</b>  |

#### Explanation of Significant Variances

- The overall increase in Personnel Expenses is due to the addition of four (4) net new FTEs, a 4% merit increase, and higher medical premium renewal rates. More information can be found in the Major Budget Drivers – Budget Overview.

## Contractors and Consultants

| Contractors & Consultants                       | 2025 Budget       | 2026 Budget       | Variance<br>26B v 25B | Variance %  |
|-------------------------------------------------|-------------------|-------------------|-----------------------|-------------|
| Reliability Standards                           | \$ -              | \$ -              | \$ -                  | -           |
| Reliability and Risk                            | 19,000            | 19,000            | -                     | 0.0%        |
| Compliance Monitoring and Enforcement           | -                 | -                 | -                     | -           |
| Reliability Assessment and Performance Analysis | 113,600           | 120,365           | 6,765                 | 6.0%        |
| Training and Education                          | 34,000            | 60,300            | 26,300                | 77.4%       |
| Situation Awareness and Infrastructure Security | -                 | -                 | -                     | -           |
| Administrative Services                         | 487,370           | 489,601           | 2,231                 | 0.5%        |
| <b>Total Contractors &amp; Consultants</b>      | <b>\$ 653,970</b> | <b>\$ 689,266</b> | <b>\$ 35,296</b>      | <b>5.4%</b> |

#### Explanation of Significant Variances

- Training and Education** - RF plans to invest in video production to support additional stakeholder and external outreach. These videos will allow for greater audience reach with our stakeholders and provide unique opportunities for engagement.

## Fixed Assets

| Fixed Assets              | 2025 Budget |               | 2026 Budget |               | Variance<br>26B v 25B | Variance %    |
|---------------------------|-------------|---------------|-------------|---------------|-----------------------|---------------|
| Computer Hardware         | \$          | 90,000        | \$          | 30,000        | \$ (60,000)           | -66.7%        |
| Computer Software         |             | -             |             | -             | -                     | -             |
| Furniture & Fixtures      |             | -             |             | -             | -                     | -             |
| Leasehold Improvements    |             | -             |             | -             | -                     | -             |
| <b>Total Fixed Assets</b> | <b>\$</b>   | <b>90,000</b> | <b>\$</b>   | <b>30,000</b> | <b>\$ (60,000)</b>    | <b>-66.7%</b> |

### Explanation of Significant Variances

- Overall computer hardware costs decrease as a result of a cloud-first technology strategy and conversion to cloud-based solutions.

## Working Capital and Operating Reserve Analysis

| Working Capital and Operating Reserve Analysis 2025 - 2026                      |                       |                                             |                       |                     |
|---------------------------------------------------------------------------------|-----------------------|---------------------------------------------|-----------------------|---------------------|
| STATUTORY                                                                       |                       |                                             |                       |                     |
|                                                                                 | Total                 | Working Capital and Working Capital Reserve | Unreleased Penalties  | Operating Reserve   |
| <b>Beginning Working Capital Per Audit, December 31, 2024</b>                   | <b>\$ 10,828,839</b>  |                                             |                       |                     |
| <b>Beginning Reserve Balances, January 1, 2025</b>                              | <b>\$ 10,828,839</b>  | <b>\$ 6,690,929</b>                         | <b>\$ 3,137,910</b>   | <b>\$ 1,000,000</b> |
| Plus: Penalty Funds Released from Restriction January 1, 2025                   | (30,000)              | 2,707,910                                   | (2,737,910)           | -                   |
| Plus: Release from 2025 Assessment Stabilization Reserve                        | 30,000                | 30,000                                      |                       | -                   |
| Plus: Penalty Sanctions Received January 1 - June 30, 2025                      | 647,858               | -                                           | 647,858               | -                   |
| Plus: 2025 ReliabilityFirst Funding (from LSEs or designees)                    | 28,587,612            | 28,587,612                                  | -                     | -                   |
| Plus: 2025 Other Funding Sources                                                | 400,000               | 400,000                                     | -                     | -                   |
| Less: 2025 Projected Expenses & Capital Expenditures                            | (33,351,647)          | (33,351,647)                                | -                     | -                   |
| <b>Projected Working Capital and Operating Reserves, December 31, 2025</b>      | <b>\$ 7,112,662</b>   | <b>\$ 5,064,804</b>                         | <b>\$ 1,047,858</b>   | <b>\$ 1,000,000</b> |
| Targeted Working Capital and Operating Reserves, December 31, 2026 <sup>2</sup> | \$ 3,995,418          | \$ 2,995,418                                | \$ -                  | \$ 1,000,000        |
| Less: Projected Working Capital and Operating Reserves, December 31, 2025       | (7,112,662)           | (5,064,804)                                 | (1,047,858)           | (1,000,000)         |
| <b>Total Adjustments to Reserves</b>                                            | <b>\$ (3,117,244)</b> | <b>\$ (2,069,386)</b>                       | <b>\$ (1,047,858)</b> | <b>\$ -</b>         |
| 2026 Expenses and Capital Expenditures                                          | \$ 35,857,122         |                                             |                       |                     |
| Less: Penalty Sanctions <sup>1</sup>                                            | (1,047,858)           |                                             |                       |                     |
| Less: Other Funding Sources                                                     | (150,000)             |                                             |                       |                     |
| Adjustment to Achieve Reserve Balances                                          | (2,069,386)           |                                             |                       |                     |
| <b>2026 ReliabilityFirst Assessment</b>                                         | <b>\$ 32,589,878</b>  |                                             |                       |                     |

<sup>1</sup> Represents penalty sanctions collected from July 1, 2024 to June 30, 2025.

<sup>2</sup> The Operating Reserve were approved by the ReliabilityFirst Board of Directors on March 26, 2025.

### Working Capital Reserve

Historically, the working capital reserve has consisted of the amount necessary to satisfy projected cash flow needs for daily operations. To manage assessments more effectively over a three-to-five-year period, the working capital reserve was initially increased in amount such that additional funds were available to achieve stabilization of future assessments. For 2026, the working capital reserve will be decreased by \$2,069,386 to meet the Board-approved target reserve of \$2,995,418 on December 31, 2026. The Targeted Working Capital balance of \$2,995,418 will be used to stabilize assessments in future years.

### Operating Reserve

The amount of the operating reserve is determined and recommended for approval by the Board of Directors during the annual budget process. On March 26, 2025, the RF Board approved a \$1,000,000 operating reserve, which is consistent with RF's policy. RF budgeted the same amount in the 2025 Business Plan and Budget for any unbudgeted and unexpected expenditures of the organization.

### Penalty Sanctions

Pursuant to the NERC ROP 1107.2, all funds from financial penalties assessed in the United States received by the entity initiating the compliance monitoring and enforcement process shall be applied as a general offset to the entity's budget requirements for the subsequent fiscal year, if received by July 1, or

for the second subsequent fiscal year, if received on or after July 1. RF expects to collect \$1,047,858 in penalty sanctions between July 1, 2024, and June 30, 2025, that will be used to offset RF's 2026 budget.

Penalty monies received have been allocated based upon the number of FTEs to the following direct programs to reduce assessments:

- Reliability and Risk Analysis.
- Compliance Monitoring and Enforcement.
- Reliability Assessments and Performance Analysis.
- Training, Education, and Outreach; and
- Situational Awareness.

## Three Year Projections

| Statement of Activities and Capital Expenditures<br>2027 and 2028 Projections |                       |                       |                     |               |                      |                     |                |
|-------------------------------------------------------------------------------|-----------------------|-----------------------|---------------------|---------------|----------------------|---------------------|----------------|
|                                                                               | 2026                  | 2027                  | 26 v 27             | 26 v 27       | 2028                 | 27 v 28             | 27 v 28        |
|                                                                               | Budget                | High<br>Projection    | \$ Change           | % Change      | Projection           | \$ Change           | % Change       |
| <b>Funding</b>                                                                |                       |                       |                     |               |                      |                     |                |
| <b>Statutory Funding</b>                                                      |                       |                       |                     |               |                      |                     |                |
| RF Assessments                                                                | \$ 32,589,878         | \$ 36,500,663         | \$ 3,910,785        | 12.0%         | \$ 40,515,736        | \$ 4,015,073        | 11.0%          |
| Penalties Released                                                            | 1,047,858             | 1,000,000             | (47,858)            | -4.6%         | 1,000,000            | -                   | 0.0%           |
| <b>Total Statutory Funding</b>                                                | <b>\$ 33,637,736</b>  | <b>\$ 37,500,663</b>  | <b>\$ 3,862,927</b> | <b>11.5%</b>  | <b>\$ 41,515,736</b> | <b>\$ 4,015,073</b> | <b>10.7%</b>   |
| Interest and Investment Income                                                | \$ 150,000            | \$ 150,000            | \$ -                | 0.0%          | \$ 150,000           | \$ -                | 0.0%           |
| <b>Total Funding (A)</b>                                                      | <b>\$ 33,787,736</b>  | <b>\$ 37,650,663</b>  | <b>\$ 3,862,927</b> | <b>11.4%</b>  | <b>\$ 41,665,736</b> | <b>\$ 4,015,073</b> | <b>10.7%</b>   |
| <b>Expenses</b>                                                               |                       |                       |                     |               |                      |                     |                |
| <b>Personnel Expenses</b>                                                     |                       |                       |                     |               |                      |                     |                |
| Salaries                                                                      | \$ 22,229,233         | \$ 24,065,093         | \$ 1,835,860        | 8.3%          | \$ 25,599,344        | \$ 1,534,251        | 6.4%           |
| Payroll Taxes                                                                 | 1,430,375             | 1,548,255             | 117,880             | 8.2%          | 1,646,514            | 98,260              | 6.3%           |
| Benefits                                                                      | 3,593,942             | 3,837,817             | 243,875             | 6.8%          | 4,302,404            | 464,587             | 12.1%          |
| Retirement Costs                                                              | 3,614,611             | 3,972,000             | 357,389             | 9.9%          | 4,225,867            | 253,868             | 6.4%           |
| <b>Total Personnel Expenses</b>                                               | <b>\$ 30,868,161</b>  | <b>\$ 33,423,164</b>  | <b>\$ 2,555,003</b> | <b>8.3%</b>   | <b>\$ 35,774,130</b> | <b>\$ 2,350,966</b> | <b>7.0%</b>    |
| <b>Meeting &amp; Travel Expenses</b>                                          |                       |                       |                     |               |                      |                     |                |
| Meetings & Conference Calls                                                   | \$ 509,030            | \$ 544,662            | \$ 35,632           | 7.0%          | \$ 582,788           | \$ 38,126           | 7.0%           |
| Travel                                                                        | 660,820               | 707,077               | 46,257              | 7.0%          | 756,573              | 49,495              | 7.0%           |
| <b>Total Meeting &amp; Travel Expenses</b>                                    | <b>\$ 1,169,850</b>   | <b>\$ 1,251,740</b>   | <b>\$ 81,890</b>    | <b>7.0%</b>   | <b>\$ 1,339,361</b>  | <b>\$ 87,622</b>    | <b>7.0%</b>    |
| <b>Operating Expenses, excl. Depreciation</b>                                 |                       |                       |                     |               |                      |                     |                |
| Contractors & Consultants                                                     | \$ 689,266            | \$ 737,515            | \$ 48,249           | 7.0%          | \$ 789,141           | \$ 51,626           | 7.0%           |
| Office Rent                                                                   | 728,000               | 742,560               | 14,560              | 2.0%          | 757,411              | 14,851              | 2.0%           |
| Office Costs                                                                  | 1,544,271             | 1,652,370             | 108,099             | 7.0%          | 1,768,036            | 115,666             | 7.0%           |
| Professional Services                                                         | 792,314               | 839,853               | 47,539              | 6.0%          | 890,244              | 50,391              | 6.0%           |
| Miscellaneous                                                                 | 35,260                | 37,023                | 1,763               | 5.0%          | 38,874               | 1,851               | 5.0%           |
| <b>Total Operating Expenses, excl. Depreciation</b>                           | <b>\$ 3,789,111</b>   | <b>\$ 4,009,320</b>   | <b>\$ 220,209</b>   | <b>5.8%</b>   | <b>\$ 4,243,706</b>  | <b>\$ 234,385</b>   | <b>5.8%</b>    |
| <b>Total Direct Expenses</b>                                                  | <b>\$ 35,827,122</b>  | <b>\$ 38,684,224</b>  | <b>\$ 2,857,102</b> | <b>8.0%</b>   | <b>\$ 41,357,198</b> | <b>\$ 2,672,974</b> | <b>6.9%</b>    |
| Indirect Expenses                                                             | \$ -                  | \$ -                  | \$ -                | -             | \$ -                 | \$ -                | -              |
| Other Non-Operating Expenses                                                  | \$ -                  | \$ -                  | \$ -                | -             | \$ -                 | \$ -                | -              |
| <b>Total Expenses (B)</b>                                                     | <b>\$ 35,827,122</b>  | <b>\$ 38,684,224</b>  | <b>\$ 2,857,102</b> | <b>8.0%</b>   | <b>\$ 41,357,198</b> | <b>\$ 2,672,974</b> | <b>6.9%</b>    |
| <b>Change in Net Assets (= A - B)</b>                                         | <b>\$ (2,039,386)</b> | <b>\$ (1,033,561)</b> | <b>\$ 1,005,825</b> | <b>-49.3%</b> | <b>\$ 308,538</b>    | <b>\$ 1,342,099</b> | <b>-129.9%</b> |
| <b>Fixed Asset Additions, excl. Right of Use Assets (C)</b>                   | <b>\$ 30,000</b>      | <b>\$ 60,000</b>      | <b>\$ 30,000</b>    | <b>100.0%</b> | <b>\$ 120,000</b>    | <b>\$ 60,000</b>    | <b>100.0%</b>  |
| <b>TOTAL BUDGET (= B + C)</b>                                                 | <b>\$ 35,857,122</b>  | <b>\$ 38,744,224</b>  | <b>\$ 2,887,102</b> | <b>8.1%</b>   | <b>\$ 41,477,198</b> | <b>\$ 2,732,974</b> | <b>7.1%</b>    |
| <b>TOTAL CHANGE IN WORKING CAPITAL (= A - B - C)</b>                          | <b>\$ (2,069,386)</b> | <b>\$ (1,093,561)</b> | <b>\$ 975,825</b>   | <b>-47.2%</b> | <b>\$ 188,538</b>    | <b>\$ 1,282,099</b> | <b>-117.2%</b> |
| <b>FTE</b>                                                                    | <b>106.00</b>         | <b>111.00</b>         | <b>5.00</b>         | <b>4.7%</b>   | <b>114.00</b>        | <b>3.00</b>         | <b>2.7%</b>    |

### 2027 and 2028 Budget Projections

RF forecasts a low and high budget projection for each subsequent year when doing the two-year forecast. The biggest driver of each range is the FTEs needed for the budget year as personnel comprise most of our budget costs. Other major differences are outlined below.



### **The following is a breakdown of the projected budget range increases for 2027:**

#### **Low projection**

On the low end of our budget projection for 2027, RF anticipates a budget increase of \$1,511,010 or 4.2% from the 2026 budget.

#### **High projection**

RF projects to increase its 2027 operating budget \$2,887,102 or 8.1% from the 2026 budget. The 2027 projected assessment of \$36,500,663 represents an increase of 12% (\$3,910,785) from the 2026 projected assessment.

#### **Major Budget Drivers 2027**

- **Staffing:** RF plans to increase its FTE count and bring on 3 – 5 new FTEs in 2027. These roles will help support RF’s strategic objectives by focusing on critical areas in Engineering for the RAPA team, a Communications Manager and External Affairs Specialist along with a Security Analyst and Supervisor in Compliance Monitoring. These roles are critical to several key areas:
  - Strategic outreach and stakeholder engagement
  - Conducting reliability studies
  - Maturing our security posture and controls
- **Personnel Expenses:** RF plans to increase employee benefits with merit increases ranging from 2 – 4% in 2027. In addition, we project medical premium expenses increase 6 – 10% from the 2026 rates. RF will continue to upskill its employees by focusing on training and education for staff and maintain a training budget to allow employees to maintain and build the skills necessary to succeed in our rapidly changing environment.
- **Meeting and Travel:** Increases in meeting and travel expenses are anticipated in line with inflation and growth of the organization. We anticipate seeing small increases in both meeting and travel in 2027, consistent with 2026.
- **Operating Expenses:** The largest cost driver would be in computer hardware and software where we anticipate a 7% increase in cost from 2026. These costs include continuation of our cloud strategy, technology enablement for the organization and innovation of tools and services across the company.

### **The following is a breakdown of the projected budget range increases for 2028<sup>2</sup>:**

#### **Low projection**

In 2028, on the low end of the budget projection, RF’s budget would increase \$993,059 or 2.7%. In this forecast, we do not anticipate any staffing changes to the organization.

#### **High projection**

Forecasting on the high end, the budget would increase by 7.1% or \$2,732,974. The forecasted assessments would increase to \$40,515,736, an increase of \$4,015,073 or 11%.

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<sup>2</sup> 2028 projections % increases/(decreases) are compared to the 2027 high projection.

**Major Budget Drivers 2028**

- **Staffing:** All forecasted staffing needs in 2028 are tied to our delegated responsibilities and potential growth in volume in auditing and enforcement case dispositions. With the changes to the IBR registration requirements, the impact of the compliance changes on entities is unclear and therefore internally the impact on volume of audits and case work filing are uncertain.
- **Personnel Expenses:** RF plans to allocate a merit increases ranging from 2 – 4% in 2028. In addition, we project medical premium expenses increasing from 6 – 10% from projected high forecasted rates in 2027. RF will continue to upskill its employees by focusing on training and education for staff and maintain a training budget to allow employees to maintain and build the skills necessary to succeed in our rapidly changing environment.
- **Meeting and Travel:** Increases in meeting and travel expenses are anticipated in line with inflation and growth of the organization. We anticipate seeing small increases in both meeting and travel in 2028 consistent with prior years.
- **Operating Expenses:** RF anticipates modest increases in operating expenses from the 2027 budget, primarily tied to additional contractor needs and increased computer software and hardware costs.

## 2026 Program Area and Department Detail

### Reliability Standards Program

| Reliability Standards Program    |             |          |             |          |                       |
|----------------------------------|-------------|----------|-------------|----------|-----------------------|
|                                  | 2025 Budget |          | 2026 Budget |          | Variance<br>26B v 25B |
| <b>Total FTEs</b>                | <b>0.00</b> |          | <b>0.00</b> |          | <b>0.00</b>           |
| Direct Expenses                  | \$          | -        | \$          | -        | \$ -                  |
| Indirect Expenses                | \$          | -        | \$          | -        | \$ -                  |
| Inc(Dec) in Fixed Assets         | \$          | -        | \$          | -        | \$ -                  |
| <b>Total Funding Requirement</b> | <b>\$</b>   | <b>-</b> | <b>\$</b>   | <b>-</b> | <b>\$ -</b>           |

#### Program Scope and Functional Description

ReliabilityFirst provides input to the NERC Reliability Standards development process to help ensure the Standards adequately mitigate the risks they are intended to address, particularly those risks facing the RF footprint, as well as help identify, evaluate and promote the amendment of Reliability Standards to ensure their efficiency, efficacy and appropriateness. RF may develop Regional Reliability Standards as necessary. Regional Reliability Standards must be developed in accordance with the RF Reliability Standards Development Procedure and must be more stringent than a NERC Reliability Standard, addressing a regional matter that the NERC Reliability Standard does not, or a regional difference necessitated by a physical difference in the BPS.

To date, RF has developed one FERC approved Regional Standard (Planning Resource Adequacy Analysis, Assessment and Documentation standard BAL-502-RF-03, approved by FERC on October 16, 2017) and has no current plans to develop any additional Regional Standards in 2026.

RF may also develop regional criteria, which relate to good utility practices used to enhance the reliability of the BPS and may augment Reliability Standards. Regional criteria are not Reliability Standards and therefore are not enforceable. Regional criteria are developed in accordance with the RF Reliability Standards Development Procedure. RF has no current plans to develop regional criteria in 2026.

#### 2026 Key Assumptions

The Reliability Standards Program incorporates the regional specific strategic and operating objectives set forth in the ERO Enterprise Long Term Strategy.

RF previously reallocated the resources and expenses associated with the Reliability Standards Program to the Reliability and Risk Analysis and Compliance Monitoring Programs, due to decreased activity in the Reliability Standards Program. If any Reliability Standard or regional criteria needs to be developed, resources will be temporarily redeployed from the existing Reliability and Risk Analysis, Compliance Monitoring and other Program Areas.

## 2026 Key Deliverables

- Review and provide feedback on potential reliability, security, resiliency, or efficiency concerns associated with existing NERC Reliability Standards and Reliability Standard Audit Worksheets and those under development.
- Although none are anticipated, submit to NERC, and subsequently file with FERC any new Regional Reliability Standards or regionals criteria that:
  - may be needed to support revised NERC Reliability Standards or address issues not covered within scope of a NERC Reliability Standard; or
  - may address reliability gaps not currently covered by NERC Reliability Standards.
- Support the ERO Enterprise as needed to develop, modify, and conduct periodic reviews of Reliability Standards to ensure Standards are written clearly and structured properly for existing and emerging risks.

## Compliance Monitoring and Enforcement, and Organization Registration Program

### Program Scope and Functional Description

The purpose of the Compliance Monitoring and Enforcement program (CMEP) is to ensure that all compliance monitoring, risk assessment, mitigation, and enforcement activities are risk-based, reliability-focused, and adhere to the requirements of the NERC Rules of Procedure and the Amended and Restated Delegation Agreement between NERC and RF. To accomplish this objective, RF has divided CMEP into two areas: (1) Reliability and Risk Analysis and (2) Compliance Monitoring and Enforcement.

### Reliability and Risk Analysis

The Reliability and Risk Analysis area is further broken down into the following three subgroups: Risk Analysis and Mitigation, Reliability Analysis, and Entity Engagement.

#### Risk Analysis and Mitigation (RAM)

- Performs risk-harm analysis of potential entity non-compliances.
- Develops Compliance Oversight Plans (COP) which create a plan to tailor compliance monitoring activities for NERC Reliability Standards and the interval of monitoring activities. This utilizes the entity Inherent Risk Assessment, which identifies entity specific risks, along with entity performance, as inputs into the COP.
- Registers applicable owners, operators and users of the BPS for compliance with Reliability Standards.
- Reviews and approves the registered entity's mitigating activities to ensure the registered entity performs the actions necessary to correct the noncompliance and prevent recurrence to protect BPS reliability.

#### Reliability Analysis

- Develops, maintains, and grows the RF Data Warehouse for information storage and retrieval.

- Expands data quality management initiatives to ensure that data consumed for analysis is AI ready.
- Implements and supports generative AI usage aided with best practices/training for RF stakeholders. These AI tools will help automate routine tasks, analyze large datasets for insight and improve decision-making processes.
- Creates advanced analytics and reporting to support the activities of other CMEP areas and drives insight and business decisions by providing data visualizations.
- Performs quantitative assessments of data models, using statistical tools and technical analysis to help identify risk to the grid.

### **Entity Engagement**

- Assists Registered Entities in improving compliance programs and organizational reliability, risk identification and mitigation, security, and resilience.
- Works closely with entities assisting stakeholders in achieving operational excellence, and improvements in organizational culture and overall program maturity.
- Certifies applicable entities.
- Executes a winterization program to assist entities with preparation for extreme weather conditions.
- Facilitates training and continuous improvement opportunities through outreach, including assisted onboarding of new entities.

### **2026 Key Assumptions**

- The volume and complexity of registrations will continue to increase based on the changing resource mix and modification to the registration criteria to include non-BPS Inverter Based Resources.
- Investment in new business intelligence tools to support cloud migration of the data warehouse, generative AI, and enhanced dashboards will result in greater visibility of risks to the grid.
- Entity Engagement anticipates increased travel due to the need for additional Assist Visits, outreach, and training to help mature and enhance registered entity programs based on the development of new and modified Standards that tackle changing risks in our footprint (e.g., winterization, physical security, supply chain, virtualization and cloud computing).
- RAM, Reliability Analysis and Entity Engagement will continue to receive training to remain subject matter experts in their field of expertise and provide leadership and guidance to the industry.
- Anticipation of an increase in certification reviews based on FERC order 881, as well as entities more frequently making changes to their Energy Management Systems.

### **2026 Key Deliverables**

- Process all registration requests in a timely manner and identify and implement process improvements to streamline and drive efficiency.
- Process BPS Exception Requests and participate on NERC-Led Review Panels as requested.
- Support development and integration of advanced analytical capabilities for identifying and determining reliability risks and conducting various risk assessments (i.e., Regional Risk

Assessments, Inherent Risk Assessments/Compliance Oversight Plans, Risk-Harm Assessments, and explorative Probabilistic Risk Assessment).

- Lead/participate in the annual Winter Preparedness program designed to help ensure the readiness of generating units to perform during extreme cold weather.
- Perform and develop Inherent Risk Assessments/Compliance Oversight Plans of entities in alignment with the ERO Guide for Compliance Monitoring, to identify inherent risks of an entity and develop a plan to monitor the entity's compliance with selected NERC Reliability Standards based on their inherent risk and performance.
- Conduct risk-harm assessments and develop associated risk statements for all possible noncompliances to assess the real or potential risk posed by each noncompliance and inform the proper enforcement and mitigation action(s).
- Review, approval and verification of mitigation plans for noncompliances identified during compliance monitoring activities. Review of self-logged noncompliances to assess entity associated risk determinations and mitigating activities.
- Facilitate the administration of the RF Regional Standards Development Process for any potential Regional Standard revisions.
- Conduct certification reviews and readiness evaluations of registered entities.
- Perform Assist Visits and Extended Assist Visits to mitigate risk.

## Statement of Activities and Capital Expenditures

### 2025 Budget and 2026 Budget

#### Reliability and Risk

|                                                             | 2025 Budget         | 2026 Budget         | Variance<br>26B v 25B | Variance<br>% |
|-------------------------------------------------------------|---------------------|---------------------|-----------------------|---------------|
| <b>Funding</b>                                              |                     |                     |                       |               |
| <b>Statutory Funding</b>                                    |                     |                     |                       |               |
| RF Assessments                                              | \$ 7,565,349        | \$ 8,271,099        | \$ 705,751            | 9.3%          |
| Penalties Released                                          | 649,898             | 245,794             | (404,105)             | -62.2%        |
| <b>Total Statutory Funding</b>                              | <b>\$ 8,215,247</b> | <b>\$ 8,516,893</b> | <b>\$ 301,646</b>     | <b>3.7%</b>   |
| Interest and Investment Income                              | \$ 24,000           | \$ 35,185           | \$ 11,185             | 46.6%         |
| <b>Total Funding (A)</b>                                    | <b>\$ 8,239,247</b> | <b>\$ 8,552,078</b> | <b>\$ 312,831</b>     | <b>3.8%</b>   |
| <b>Expenses</b>                                             |                     |                     |                       |               |
| <b>Personnel Expenses</b>                                   |                     |                     |                       |               |
| Salaries                                                    | \$ 3,919,351        | \$ 4,163,842        | \$ 244,491            | 6.2%          |
| Payroll Taxes                                               | 252,397             | 267,350             | 14,953                | 5.9%          |
| Benefits                                                    | 493,347             | 599,290             | 105,943               | 21.5%         |
| Retirement Costs                                            | 623,255             | 659,333             | 36,078                | 5.8%          |
| <b>Total Personnel Expenses</b>                             | <b>\$ 5,288,351</b> | <b>\$ 5,689,815</b> | <b>\$ 401,464</b>     | <b>7.6%</b>   |
| <b>Meeting &amp; Travel Expenses</b>                        |                     |                     |                       |               |
| Meetings & Conference Calls                                 | \$ 14,400           | \$ 10,800           | \$ (3,600)            | -25.0%        |
| Travel                                                      | 129,102             | 120,300             | (8,802)               | -6.8%         |
| <b>Total Meeting &amp; Travel Expenses</b>                  | <b>\$ 143,502</b>   | <b>\$ 131,100</b>   | <b>\$ (12,402)</b>    | <b>-8.6%</b>  |
| <b>Operating Expenses, excl. Depreciation</b>               |                     |                     |                       |               |
| Contractors & Consultants                                   | \$ 19,000           | \$ 19,000           | \$ -                  | 0.0%          |
| Office Rent                                                 | -                   | -                   | -                     | -             |
| Office Costs                                                | 113,326             | 104,478             | (8,848)               | -7.8%         |
| Professional Services                                       | -                   | -                   | -                     | -             |
| Miscellaneous                                               | 500                 | 960                 | 460                   | 92.0%         |
| <b>Total Operating Expenses, excl. Depreciation</b>         | <b>\$ 132,826</b>   | <b>\$ 124,438</b>   | <b>\$ (8,388)</b>     | <b>-6.3%</b>  |
| <b>Total Direct Expenses</b>                                | <b>\$ 5,564,679</b> | <b>\$ 5,945,353</b> | <b>\$ 380,674</b>     | <b>6.8%</b>   |
| Indirect Expenses                                           | \$ 2,652,968        | \$ 2,599,688        | \$ (53,280)           | -2.0%         |
| Other Non-Operating Expenses                                | \$ -                | \$ -                | \$ -                  | -             |
| <b>Total Expenses (B)</b>                                   | <b>\$ 8,217,647</b> | <b>\$ 8,545,041</b> | <b>\$ 327,394</b>     | <b>4.0%</b>   |
| <b>Change in Net Assets (= A - B)</b>                       | <b>\$ 21,600</b>    | <b>\$ 7,037</b>     | <b>\$ (14,563)</b>    | <b>-67.4%</b> |
| <b>Fixed Asset Additions, excl. Right of Use Assets (C)</b> | <b>\$ 21,600</b>    | <b>\$ 7,037</b>     | <b>\$ (14,563)</b>    | <b>-67.4%</b> |
| <b>TOTAL BUDGET (= B + C)</b>                               | <b>\$ 8,239,247</b> | <b>\$ 8,552,078</b> | <b>\$ 312,831</b>     | <b>3.8%</b>   |
| <b>TOTAL CHANGE IN WORKING CAPITAL (= A - B - C)</b>        | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>           | <b>-</b>      |
| <b>FTE</b>                                                  | <b>18.00</b>        | <b>19.00</b>        | <b>1.00</b>           | <b>5.6%</b>   |

## Compliance Monitoring and Enforcement

### Compliance Monitoring

#### Program Scope and Functional Description

The Compliance Monitoring group monitors compliance to the NERC Reliability Standards (Reliability Standards) across RF's registered owners, operators, and users of the BPS through a variety of risk-based activities. These monitoring activities are key to reliability, security and resiliency, as they ensure that entities have effective controls in place and are following the requirements of the Reliability Standards. These activities include:

- Using a risk-based monitoring approach to conduct RF compliance monitoring activities, including compliance audits, spot checks, self-certifications, and periodic data submittals.
- Assessing entity internal controls and evaluating system events from a reliability, security, and compliance perspective to identify and ensure mitigation of potential risks.
- Assisting in the review, approval and verification of mitigation plans for noncompliances identified during compliance monitoring activities.
- Serving as subject matter experts and technical resources for RF and the ERO.

#### 2026 Key Assumptions

- Use a risk-based approach to assure reliability by monitoring compliance to the Reliability Standards through CMEP processes (e.g., Audits and Spot Checks). This approach allows for more frequent engagements with entities that pose a higher risk to the grid while remaining compliant with the NERC Rules of Procedure.
- Self-certifications will be utilized more frequently for lower-risk entities or monitoring specific risks.
- Continue performing more frequent, in-depth touchpoints across our footprint which reduces the scope of an individual engagement but adds to the overhead of managing a larger number of engagements throughout the year.
- Ensure continuous training for staff to maintain their expertise, credibility, and competence, thereby providing knowledgeable and skilled compliance monitoring.  
Continue to partner with NERC utilizing Align and the SEL for RF CMEP activities while developing and prioritizing system enhancements.
- Travel is expected to remain steady; the team uses a hybrid approach to their audit model to mitigate this cost when possible. Compliance monitoring has found value in doing field visits during compliance activities in helping to understand and identify risks.

#### 2026 Key Deliverables

- Manage all compliance monitoring activities in a risk-based, fair, and consistent manner, affording all entities appropriate due process using tools available to ensure thorough and collaborative compliance audits consistently with all regions.
- Conduct thorough and objective assessments of entities' internal controls to understand their risks in meeting regulatory requirements and commitment to sound governance practices.



- Keep abreast of new and emerging technologies and maintain professional certifications for compliance monitoring staff to remain subject matter experts in their field. Ensure all auditors receive adequate training, meeting all NERC auditor training requirements.
  - Identify and implement efficiencies in compliance monitoring processes through continued auditor training, development and enhancement of auditor tools, and continuous improvements.
  - Utilizing a risk-based approach, identify which of the various Compliance Monitoring methods will be employed based upon the focused risk and/or entity being monitored.
  - Assist in the development of the risk-based annual CMEP Implementation Plan which helps guide oversight actions and identifies common risks and reliability issues.
  - Support the ERO Enterprise with the planned improvements of Align and the SEL to continue to drive efficiency through the development of the enhancements.
- Finalize and implement a risk-based monitoring approach for performing oversight of the new Inverter Based Resources (IBR) that will be registering in 2026.

## **Enforcement**

### **Program Scope and Functional Description**

The Enforcement group performs RF's delegated function to enforce compliance with the Reliability Standards. This effort involves ensuring that the selected resolution and disposition method for any noncompliance is consistent with the risk posed by the noncompliance; is adequately supported by the record; and promotes desired entity behaviors to enhance reliability. Some key Enforcement functions include:

- Transparent, consistent, and efficient disposition of noncompliance matters.
- Educating entity stakeholders to help understand potential noncompliance trends and themes that may be early indicators of programmatic or systemic challenges.
- Work collaboratively with FERC, NERC, Region and industry to shape risk-based, effective enforcement policies that drive desired entity behavior.

### **2026 Key Assumptions**

- The trend for an increased number of non-compliances over the last 12-24 months will remain steady due to the implementation or modification of new standards.
- Enforcement staff will continue to process noncompliances in a timely and fair manner, resolving each with appropriate dispositions based on risk, compliance history and other factors.
- Enforcement staff will stay abreast of industry trends and training will be provided to ensure staff maintain their licenses and stay current in their field of expertise.
- RF will frequently serve as the lead Region for MRREs and will continue to support other Regions when RF is the affected Region. The disposition of MRRE non-compliances takes additional time to coordinate dispositions, review mitigation, and negotiate acceptable solutions with affected Regions.
- Enforcement staff will work with FERC, NERC, the other Regions, and the industry to shape effective and risk-based enforcement policies that drive desired behavior and ensure consistency.

**2026 Key Deliverables**

- Continue to focus on resolving enforcement actions in a thoughtful, risk-based, reliability focused manner while ensuring that decisions are repeatable, and consistent with NERC directives and FERC orders, rules, and regulations.
- Increase efficiency, through process improvements, in dispositioning enforcement actions and preparing related documentation.
- Work with NERC and the other Regions to shape a well-reasoned Enforcement philosophy that results in risk-based, uniform, repeatable, transparent, and reliability-focused approaches.
- Continue to process and reduce backlog of aging violations, achieving an average age of open inventory that does not exceed 12 months.
- Draft and negotiate with entities, as applicable, all necessary disposition documents in a timely, fair and consistent manner.
- Ensure all requisite notices are issued timely and provide post-filing support and advocacy with NERC and FERC.
- Provide outreach to industry identifying themes, trends, emerging risks, and best practices associated with noncompliance issues, including identifying opportunities to share key takeaways with industry stakeholders, helping ensure the reduction of risk to BPS reliability.
- Mature Enforcement processes to proactively identify noncompliance risks and emerging violation trends to reduce the likelihood of higher risk violations before they occur, and, when appropriate, hold registered entities accountable for higher risk violations with monetary and/or non-monetary penalties commensurate with the risk posed to the security and reliability of the BPS.

## Statement of Activities and Capital Expenditures

### 2025 Budget and 2026 Budget

#### Compliance Monitoring and Enforcement

|                                                             | 2025 Budget          | 2026 Budget          | Variance<br>26B v 25B | Variance<br>% |
|-------------------------------------------------------------|----------------------|----------------------|-----------------------|---------------|
| <b>Funding</b>                                              |                      |                      |                       |               |
| <b>Statutory Funding</b>                                    |                      |                      |                       |               |
| RF Assessments                                              | \$ 14,394,598        | \$ 15,448,156        | \$ 1,053,558          | 7.3%          |
| Penalties Released                                          | 1,372,008            | 491,588              | (880,420)             | -64.2%        |
| <b>Total Statutory Funding</b>                              | <b>\$ 15,766,606</b> | <b>\$ 15,939,743</b> | <b>\$ 173,138</b>     | <b>1.1%</b>   |
| Interest and Investment Income                              | \$ 50,667            | \$ 70,370            | \$ 19,704             | 38.9%         |
| <b>Total Funding (A)</b>                                    | <b>\$ 15,817,272</b> | <b>\$ 16,010,114</b> | <b>\$ 192,841</b>     | <b>1.2%</b>   |
| <b>Expenses</b>                                             |                      |                      |                       |               |
| <b>Personnel Expenses</b>                                   |                      |                      |                       |               |
| Salaries                                                    | \$ 7,197,322         | \$ 7,536,215         | \$ 338,893            | 4.7%          |
| Payroll Taxes                                               | 484,716              | 507,917              | 23,201                | 4.8%          |
| Benefits                                                    | 1,036,754            | 1,214,007            | 177,253               | 17.1%         |
| Retirement Costs                                            | 1,141,097            | 1,194,118            | 53,021                | 4.6%          |
| <b>Total Personnel Expenses</b>                             | <b>\$ 9,859,888</b>  | <b>\$ 10,452,257</b> | <b>\$ 592,369</b>     | <b>6.0%</b>   |
| <b>Meeting &amp; Travel Expenses</b>                        |                      |                      |                       |               |
| Meetings & Conference Calls                                 | \$ 14,100            | \$ 14,400            | \$ 300                | 2.1%          |
| Travel                                                      | 226,033              | 261,964              | 35,931                | 15.9%         |
| <b>Total Meeting &amp; Travel Expenses</b>                  | <b>\$ 240,133</b>    | <b>\$ 276,364</b>    | <b>\$ 36,231</b>      | <b>15.1%</b>  |
| <b>Operating Expenses, excl. Depreciation</b>               |                      |                      |                       |               |
| Contractors & Consultants                                   | \$ -                 | \$ -                 | \$ -                  | -             |
| Office Rent                                                 | -                    | -                    | -                     | -             |
| Office Costs                                                | 61,541               | 63,342               | 1,801                 | 2.9%          |
| Professional Services                                       | -                    | -                    | -                     | -             |
| Miscellaneous                                               | 9,400                | 4,700                | (4,700)               | -50.0%        |
| <b>Total Operating Expenses, excl. Depreciation</b>         | <b>\$ 70,941</b>     | <b>\$ 68,042</b>     | <b>\$ (2,899)</b>     | <b>-4.1%</b>  |
| <b>Total Direct Expenses</b>                                | <b>\$ 10,170,962</b> | <b>\$ 10,796,663</b> | <b>\$ 625,701</b>     | <b>6.2%</b>   |
| Indirect Expenses                                           | \$ 5,600,710         | \$ 5,199,377         | \$ (401,333)          | -7.2%         |
| Other Non-Operating Expenses                                | \$ -                 | \$ -                 | \$ -                  | -             |
| <b>Total Expenses (B)</b>                                   | <b>\$ 15,771,672</b> | <b>\$ 15,996,040</b> | <b>\$ 224,367</b>     | <b>1.4%</b>   |
| <b>Change in Net Assets (= A - B)</b>                       | <b>\$ 45,600</b>     | <b>\$ 14,074</b>     | <b>\$ (31,526)</b>    | <b>-69.1%</b> |
| <b>Fixed Asset Additions, excl. Right of Use Assets (C)</b> | <b>\$ 45,600</b>     | <b>\$ 14,074</b>     | <b>\$ (31,526)</b>    | <b>-69.1%</b> |
| <b>TOTAL BUDGET (= B + C)</b>                               | <b>\$ 15,817,272</b> | <b>\$ 16,010,114</b> | <b>\$ 192,841</b>     | <b>1.2%</b>   |
| <b>TOTAL CHANGE IN WORKING CAPITAL (= A - B - C)</b>        | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>           | <b>-</b>      |
| <b>FTE</b>                                                  | <b>38.00</b>         | <b>38.00</b>         | <b>-</b>              | <b>0.0%</b>   |

## Reliability Assessment and Performance Analysis

### Program Scope and Functional Description

RF's Engineering and System Performance (ESP) group executes the Reliability Assessment and Performance Analysis (RAPA) program within RF. This program helps identify and assess risks across the region, and its deliverables are a major contributor to the risk-based efforts of the entire organization. Key functions include:

- Independently analyze, assess, and report on the reliability and adequacy of the BPS within the RF footprint.
- Monitor and execute resource adequacy, energy adequacy, and transmission assessment studies; special analyses and investigations as warranted; and the collection and dissemination of data, lessons learned, and other information.
- Provide resources and data input for the technical analyses and support of risk-based activities throughout the organization acting as subject matter experts.
- Facilitate four of the stakeholder advisory and technical committees and several other industry discussion groups.

### 2026 Key Assumptions

- RF will continue to support NERC's RAPA program to collect and analyze reliability data, perform engineering studies, develop reliability assessments, and report on the reliability of the BPS.
- RF will support the ERO Enterprise in the identification and mitigation of significant reliability risks that are known today, as well as the identification and assessment of emerging and accelerating risks.
- RF will continue to support its integrated risk management initiatives to promote awareness and discuss strategies for risk mitigation.
- In coordination with the Eastern Interconnection Reliability Assessment Group (ERAG), RF will support the annual interregional transfer capability and energy analysis study to assist in the development of the NERC Long-Term Reliability Assessment (LTRA) and any additional analysis required by NERC or internally needed by RF (i.e., State Outreach support).

### 2026 Key Deliverables

- Continue to perform seasonal (summer and winter) risk analyses of the projected resource and energy adequacy for PJM Interconnection, LLC (PJM) and Midcontinent Independent System Operator (MISO), the two Regional Transmission Organizations (RTO) that operate within RF's footprint.
- Continue to perform seasonal and long-term power-flow analysis and produce assessment reports on the results.
- Continue to enhance analysis capabilities with the development of dynamic, short circuit, electromagnetic transient (EMT), and other specialized techniques.
- Provide technical support for the ERO Enterprise's expanded and enhanced system studies and help perform analyses as needed.

- Support risk-based activities with the development and review of lessons learned, best practices, and guidance documentation across the ERO Enterprise and industry.
- Work with neighboring Regional Entities within ERAG to perform Eastern Interconnection assessment studies and produce reports. Continue to actively participate in and broaden the scope of work within ERAG and the Multiregional Modeling Working Group (MMWG).
- Analyze protective relay misoperation information and track corrective action plans, as reported in the NERC MIDAS system. Facilitate a peer review process of this data via the RF Protection Subcommittee.
- Continue to support and increase stakeholder participation and interaction through various regional technical groups, including the Reliability Committee (a technical advisory body to the RF Board of Directors) and its subcommittees (i.e., Protection Subcommittee, Transmission Performance Subcommittee, Generation Subcommittee).
- Provide Registered Entities with tailored training and interaction through recurring workshops, including human performance workshop.
- Provide knowledge, techniques, and data input in support of RF's risk-based activities, including the Inherent Risk Assessment and Regional Risk Assessment efforts, as well as supporting state outreach activities.

## Statement of Activities and Capital Expenditures

### 2025 Budget and 2026 Budget

#### Reliability Assessment and Performance Analysis

|                                                             | 2025 Budget         | 2026 Budget         | Variance<br>26B v 25B | Variance<br>% |
|-------------------------------------------------------------|---------------------|---------------------|-----------------------|---------------|
| <b>Funding</b>                                              |                     |                     |                       |               |
| <b>Statutory Funding</b>                                    |                     |                     |                       |               |
| RF Assessments                                              | \$ 3,643,293        | \$ 4,328,329        | \$ 685,036            | 18.8%         |
| Penalties Released                                          | 288,844             | 116,429             | (172,415)             | -59.7%        |
| <b>Total Statutory Funding</b>                              | <b>\$ 3,932,137</b> | <b>\$ 4,444,758</b> | <b>\$ 512,621</b>     | <b>13.0%</b>  |
| Interest and Investment Income                              | \$ 10,667           | \$ 16,667           | \$ 6,000              | 56.3%         |
| <b>Total Funding (A)</b>                                    | <b>\$ 3,942,804</b> | <b>\$ 4,461,425</b> | <b>\$ 518,621</b>     | <b>13.2%</b>  |
| <b>Expenses</b>                                             |                     |                     |                       |               |
| <b>Personnel Expenses</b>                                   |                     |                     |                       |               |
| Salaries                                                    | \$ 1,742,538        | \$ 2,013,662        | \$ 271,124            | 15.6%         |
| Payroll Taxes                                               | 112,946             | 129,660             | 16,714                | 14.8%         |
| Benefits                                                    | 222,915             | 279,746             | 56,831                | 25.5%         |
| Retirement Costs                                            | 275,476             | 317,845             | 42,369                | 15.4%         |
| <b>Total Personnel Expenses</b>                             | <b>\$ 2,353,874</b> | <b>\$ 2,740,913</b> | <b>\$ 387,039</b>     | <b>16.4%</b>  |
| <b>Meeting &amp; Travel Expenses</b>                        |                     |                     |                       |               |
| Meetings & Conference Calls                                 | \$ 7,800            | \$ 6,300            | \$ (1,500)            | -19.2%        |
| Travel                                                      | 84,876              | 80,056              | (4,820)               | -5.7%         |
| <b>Total Meeting &amp; Travel Expenses</b>                  | <b>\$ 92,676</b>    | <b>\$ 86,356</b>    | <b>\$ (6,320)</b>     | <b>-6.8%</b>  |
| <b>Operating Expenses, excl. Depreciation</b>               |                     |                     |                       |               |
| Contractors & Consultants                                   | \$ 113,600          | \$ 120,365          | \$ 6,765              | 6.0%          |
| Office Rent                                                 | -                   | -                   | -                     | -             |
| Office Costs                                                | 193,957             | 279,026             | 85,069                | 43.9%         |
| Professional Services                                       | -                   | -                   | -                     | -             |
| Miscellaneous                                               | -                   | -                   | -                     | -             |
| <b>Total Operating Expenses, excl. Depreciation</b>         | <b>\$ 307,557</b>   | <b>\$ 399,391</b>   | <b>\$ 91,834</b>      | <b>29.9%</b>  |
| <b>Total Direct Expenses</b>                                | <b>\$ 2,754,107</b> | <b>\$ 3,226,660</b> | <b>\$ 472,553</b>     | <b>17.2%</b>  |
| Indirect Expenses                                           | \$ 1,179,097        | \$ 1,231,431        | \$ 52,334             | 4.4%          |
| Other Non-Operating Expenses                                | \$ -                | \$ -                | \$ -                  | -             |
| <b>Total Expenses (B)</b>                                   | <b>\$ 3,933,204</b> | <b>\$ 4,458,091</b> | <b>\$ 524,887</b>     | <b>13.3%</b>  |
| <b>Change in Net Assets (= A - B)</b>                       | <b>\$ 9,600</b>     | <b>\$ 3,333</b>     | <b>\$ (6,267)</b>     | <b>-65.3%</b> |
| <b>Fixed Asset Additions, excl. Right of Use Assets (C)</b> | <b>\$ 9,600</b>     | <b>\$ 3,333</b>     | <b>\$ (6,267)</b>     | <b>-65.3%</b> |
| <b>TOTAL BUDGET (= B + C)</b>                               | <b>\$ 3,942,804</b> | <b>\$ 4,461,425</b> | <b>\$ 518,621</b>     | <b>13.2%</b>  |
| <b>TOTAL CHANGE IN WORKING CAPITAL (= A - B - C)</b>        | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>           | <b>-</b>      |
| <b>FTE</b>                                                  | <b>8.00</b>         | <b>9.00</b>         | <b>1.00</b>           | <b>12.5%</b>  |

## Training, Education, and Outreach

### Program Scope and Functional Description

The RF Training, Education and Outreach Program is designed for flexible participation, adding value at all levels within organizations, and with state policy makers and across the ERO. These programs provide communication, education and training necessary to obtain essential knowledge of BPS operations, reliability, and security. Programs are offered in a variety of venues, formats and channels to ensure those wanting to participate have options to ensure access.

The Training and Education area primarily focuses on providing information to industry stakeholders through webinars, newsletters, workshops and other forums. Information is shared through lessons learned, identifying trends, and common themes. The focus for these sessions is on grid reliability and security, ranging from compliance and internal controls to protection systems and human performance.

The Outreach area's target audience is with state legislators, public utility commissioners, energy offices, and governors' offices to provide expertise, answer questions, and shine a light on emerging reliability and security risks. RF strives to be an objective resource for our state stakeholders on reliability issues as they evaluate and implement energy policies. As a regulator of the electric utility industry, with experts in power system engineering, control room operations, planning, and cyber and physical security, RF acts as an independent, credible resource for state policy makers to rely upon. Information is shared through webinars, newsletters, meetings and testimonies.

RF does not provide system operator certification training, as it would be duplicative with that offered by the Regional Transmission Organizations within the Region.

### 2026 Key Assumptions

- RF continues to broaden its reach through State Outreach efforts. As this program continues to grow, we anticipate more hearings, testimonies, commenting on policy, meetings with states, and participation on regulatory panels which will result in additional travel and training for these stakeholders. This also includes engaging with chambers of commerce and consumer advocate groups to discuss reliability and security issues.
- Through innovation, RF will implement generative AI tools to identify ways in which these tools can help streamline work activities and drive efficiency across teams.
- RF continues to enhance internal and external training tools, processes, and outreach offerings such as workshops, webinars, and resources on the RF website to address new and modified NERC standards, risks associated with energy assurance, IBRs, and new cybersecurity risks.
- External training and outreach will be a critical focus area to help Registered Entities comply with new registration requirements and changes to NERC standards.
- Communications will continue to serve a fundamental role with training and outreach efforts for our entities and stakeholders.

**2026 Key Deliverables**

- Continue education and assistance efforts to help all stakeholders achieve improvement and excellence in compliance, reliability, risk identification, security, and resilience.
- Provide outreach to state policy makers within the region as an independent, unbiased source of information.
- Assist NERC with the coordination, planning, delivery, and management of training and outreach activities across the ERO Enterprise in concert with Region-specific training and outreach activities.
- Issue announcements, newsletters, and reports on key compliance, reliability, risk identification and mitigation, security, state policies, and resilience issues facing RF and the industry.
- Communicate key risks, risk mitigation strategies, and lessons learned.
- Host targeted webinars including the open stakeholder calls (Technical Talk with RF) covering topics related to compliance, reliability, security, resilience, and enforcement.
- Post educational materials on the RF public website on pertinent reliability, risk, security, continuous improvement and resilience topics.
- Facilitate stakeholder engagement through groups such as the Compliance Users Group (CUG) and Critical Infrastructure Protection Committee (CIPC).
- Continue workshops and outreach engagements to allow for information exchange between RF and its stakeholders.



**Statement of Activities and Capital Expenditures**  
**2025 Budget and 2026 Budget**  
**Training, Education, and Outreach Program**

|                                                             | 2025 Budget         | 2026 Budget         | Variance<br>26B v 25B | Variance<br>% |
|-------------------------------------------------------------|---------------------|---------------------|-----------------------|---------------|
| <b>Funding</b>                                              |                     |                     |                       |               |
| <b>Statutory Funding</b>                                    |                     |                     |                       |               |
| RF Assessments                                              | \$ 2,964,320        | \$ 4,498,672        | \$ 1,534,352          | 51.8%         |
| Penalties Released                                          | 216,633             | 129,365             | (87,268)              | -40.3%        |
| <b>Total Statutory Funding</b>                              | <b>\$ 3,180,953</b> | <b>\$ 4,628,037</b> | <b>\$ 1,447,084</b>   | <b>45.5%</b>  |
| Interest and Investment Income                              | \$ 8,000            | \$ 18,519           | \$ 10,519             | 131.5%        |
| <b>Total Funding (A)</b>                                    | <b>\$ 3,188,953</b> | <b>\$ 4,646,556</b> | <b>\$ 1,457,603</b>   | <b>45.7%</b>  |
| <b>Expenses</b>                                             |                     |                     |                       |               |
| <b>Personnel Expenses</b>                                   |                     |                     |                       |               |
| Salaries                                                    | \$ 1,428,606        | \$ 2,065,294        | \$ 636,688            | 44.6%         |
| Payroll Taxes                                               | 92,466              | 119,152             | 26,686                | 28.9%         |
| Benefits                                                    | 193,310             | 284,899             | 91,589                | 47.4%         |
| Retirement Costs                                            | 224,234             | 318,531             | 94,297                | 42.1%         |
| <b>Total Personnel Expenses</b>                             | <b>\$ 1,938,616</b> | <b>\$ 2,787,876</b> | <b>\$ 849,260</b>     | <b>43.8%</b>  |
| <b>Meeting &amp; Travel Expenses</b>                        |                     |                     |                       |               |
| Meetings & Conference Calls                                 | \$ 212,200          | \$ 285,350          | \$ 73,150             | 34.5%         |
| Travel                                                      | 42,084              | 74,200              | 32,116                | 76.3%         |
| <b>Total Meeting &amp; Travel Expenses</b>                  | <b>\$ 254,284</b>   | <b>\$ 359,550</b>   | <b>\$ 105,266</b>     | <b>41.4%</b>  |
| <b>Operating Expenses, excl. Depreciation</b>               |                     |                     |                       |               |
| Contractors & Consultants                                   | \$ 34,000           | \$ 60,300           | \$ 26,300             | 77.4%         |
| Office Rent                                                 | -                   | -                   | -                     | -             |
| Office Costs                                                | 70,031              | 66,869              | (3,162)               | -4.5%         |
| Professional Services                                       | -                   | -                   | -                     | -             |
| Miscellaneous                                               | 500                 | -                   | (500)                 | -100.0%       |
| <b>Total Operating Expenses, excl. Depreciation</b>         | <b>\$ 104,531</b>   | <b>\$ 127,169</b>   | <b>\$ 22,638</b>      | <b>21.7%</b>  |
| <b>Total Direct Expenses</b>                                | <b>\$ 2,297,431</b> | <b>\$ 3,274,595</b> | <b>\$ 977,164</b>     | <b>42.5%</b>  |
| Indirect Expenses                                           | \$ 884,323          | \$ 1,368,257        | \$ 483,934            | 54.7%         |
| Other Non-Operating Expenses                                | \$ -                | \$ -                | \$ -                  | -             |
| <b>Total Expenses (B)</b>                                   | <b>\$ 3,181,753</b> | <b>\$ 4,642,852</b> | <b>\$ 1,461,099</b>   | <b>45.9%</b>  |
| <b>Change in Net Assets (= A - B)</b>                       | <b>\$ 7,200</b>     | <b>\$ 3,704</b>     | <b>\$ (3,496)</b>     | <b>-48.6%</b> |
| <b>Fixed Asset Additions, excl. Right of Use Assets (C)</b> | <b>\$ 7,200</b>     | <b>\$ 3,704</b>     | <b>\$ (3,496)</b>     | <b>-48.6%</b> |
| <b>TOTAL BUDGET (= B + C)</b>                               | <b>\$ 3,188,953</b> | <b>\$ 4,646,556</b> | <b>\$ 1,457,603</b>   | <b>45.7%</b>  |
| <b>TOTAL CHANGE IN WORKING CAPITAL (= A - B - C)</b>        | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>           | <b>-</b>      |
| <b>FTE</b>                                                  | <b>6.00</b>         | <b>10.00</b>        | <b>4.00</b>           | <b>66.7%</b>  |

## Situational Awareness Program

### Program Scope and Functional Description

The RF Operational Analysis & Awareness (OAA) department focuses on Event Analysis, Situational Awareness, Threat Intelligence, and operational RF and ERO initiatives. These activities support Registered Entities and RF staff in understanding potential threats to the electricity sector, maintaining an awareness of conditions on the BPS, and identifying potential and emerging threats to the BPS. Key functions include:

- Performing event analysis for system disturbances and events by analyzing the root causes of system events, completing event analysis reports, and communicating the resulting information and lessons learned to the industry.
- Monitoring the performance and trends of the BPS while identifying and staying alert to the potential threats to maintain Situational Awareness

### 2026 Key Assumptions

- Support the ERO Enterprise in the identification and mitigation of significant reliability risks, as well as the root cause analysis of events that pose risk to the BPS.
- Continue to support external collaboration with industry, other stakeholders, and the ERO Enterprise community to share lessons learned, best practices, and recommendations from event analysis.
- Continue to review, track, and trend reliability events to support the ERO Enterprise's goal of fewer, less severe events in the RF Region.
- Continue to monitor the BPS and identify and categorize threats and vulnerabilities posing risk to the BPS. Coordinate, assess, and disseminate this information with RF staff and stakeholders.
- Continue to support innovative and continuous improvement initiatives to drive efficiencies, effectiveness, and risk informed decision making.

### 2026 Key Deliverables

- Provide information on cyber and physical security, and operational related issues by being a conduit from agencies like E-ISAC, U.S. Department of Homeland Security and others.
  - Help develop messaging and information sharing about realized events or suspected events posing potential threats to the electricity sector with these agencies.
- Continue to monitor the health of the BPS using a variety of tools and techniques, collaborating with the ERO Enterprise and industry experts to share best practices, lessons learned, analysis results and tooling success.
- Evolve and facilitate the RF Threat Intelligence Program by collecting and analyzing data, leveraging the Analytic Services program to better identify and quantify emerging threats to the BPS and providing additional input to RF staff, stakeholders and internally for various initiatives and projects.
- Engage in and contribute to ERO biennial GridEx and annual GridSecCon activities.

- Collect, validate, review, and analyze data for system events and disturbances in a timely manner ensuring root causes, corrective actions, lessons learned, and recommendations are identified and shared across the ERO Enterprise and the industry.
- Monitor and evaluate cyber and physical related threats, events, and vulnerabilities for information sharing with internal and external stakeholders.
- Provide technical subject matter expertise and support for regional outreach activities, and other initiatives as identified within RF and/or the ERO that address Monitoring and Situational Awareness, Energy Management Systems, Human Performance, Physical Security, and Grid Security.

## Statement of Activities and Capital Expenditures

### 2025 Budget and 2026 Budget

#### Situation Awareness and Infrastructure Security

|                                                             | 2025 Budget         | 2026 Budget         | Variance<br>26B v 25B | Variance<br>% |
|-------------------------------------------------------------|---------------------|---------------------|-----------------------|---------------|
| <b>Funding</b>                                              |                     |                     |                       |               |
| <b>Statutory Funding</b>                                    |                     |                     |                       |               |
| RF Assessments                                              | \$ 1,997,551        | \$ 2,113,008        | \$ 115,456            | 5.8%          |
| Penalties Released                                          | 180,527             | 64,683              | (115,845)             | -64.2%        |
| <b>Total Statutory Funding</b>                              | <b>\$ 2,178,079</b> | <b>\$ 2,177,690</b> | <b>\$ (388)</b>       | <b>0.0%</b>   |
| Interest and Investment Income                              | \$ 6,667            | \$ 9,259            | \$ 2,593              | 38.9%         |
| <b>Total Funding (A)</b>                                    | <b>\$ 2,184,745</b> | <b>\$ 2,186,949</b> | <b>\$ 2,204</b>       | <b>0.1%</b>   |
| <b>Expenses</b>                                             |                     |                     |                       |               |
| <b>Personnel Expenses</b>                                   |                     |                     |                       |               |
| Salaries                                                    | \$ 966,255          | \$ 1,008,354        | \$ 42,099             | 4.4%          |
| Payroll Taxes                                               | 66,724              | 68,984              | 2,260                 | 3.4%          |
| Benefits                                                    | 141,850             | 163,554             | 21,704                | 15.3%         |
| Retirement Costs                                            | 153,284             | 159,781             | 6,497                 | 4.2%          |
| <b>Total Personnel Expenses</b>                             | <b>\$ 1,328,113</b> | <b>\$ 1,400,673</b> | <b>\$ 72,560</b>      | <b>5.5%</b>   |
| <b>Meeting &amp; Travel Expenses</b>                        |                     |                     |                       |               |
| Meetings & Conference Calls                                 | \$ 3,500            | \$ 3,500            | \$ -                  | 0.0%          |
| Travel                                                      | 44,676              | 33,600              | (11,076)              | -24.8%        |
| <b>Total Meeting &amp; Travel Expenses</b>                  | <b>\$ 48,176</b>    | <b>\$ 37,100</b>    | <b>\$ (11,076)</b>    | <b>-23.0%</b> |
| <b>Operating Expenses, excl. Depreciation</b>               |                     |                     |                       |               |
| Contractors & Consultants                                   | \$ -                | \$ -                | \$ -                  | -             |
| Office Rent                                                 | -                   | -                   | -                     | -             |
| Office Costs                                                | 65,521              | 63,196              | (2,325)               | -3.5%         |
| Professional Services                                       | -                   | -                   | -                     | -             |
| Miscellaneous                                               | -                   | -                   | -                     | -             |
| <b>Total Operating Expenses, excl. Depreciation</b>         | <b>\$ 65,521</b>    | <b>\$ 63,196</b>    | <b>\$ (2,325)</b>     | <b>-3.5%</b>  |
| <b>Total Direct Expenses</b>                                | <b>\$ 1,441,810</b> | <b>\$ 1,500,969</b> | <b>\$ 59,159</b>      | <b>4.1%</b>   |
| Indirect Expenses                                           | \$ 736,936          | \$ 684,129          | \$ (52,807)           | -7.2%         |
| Other Non-Operating Expenses                                | \$ -                | \$ -                | \$ -                  | -             |
| <b>Total Expenses (B)</b>                                   | <b>\$ 2,178,745</b> | <b>\$ 2,185,098</b> | <b>\$ 6,352</b>       | <b>0.3%</b>   |
| <b>Change in Net Assets (= A - B)</b>                       | <b>\$ 6,000</b>     | <b>\$ 1,852</b>     | <b>\$ (4,148)</b>     | <b>-69.1%</b> |
| <b>Fixed Asset Additions, excl. Right of Use Assets (C)</b> | <b>\$ 6,000</b>     | <b>\$ 1,852</b>     | <b>\$ (4,148)</b>     | <b>-69.1%</b> |
| <b>TOTAL BUDGET (= B + C)</b>                               | <b>\$ 2,184,745</b> | <b>\$ 2,186,949</b> | <b>\$ 2,204</b>       | <b>0.1%</b>   |
| <b>TOTAL CHANGE IN WORKING CAPITAL (= A - B - C)</b>        | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>           | <b>-</b>      |
| <b>FTE</b>                                                  | <b>5.00</b>         | <b>5.00</b>         | <b>-</b>              | <b>0.0%</b>   |

## Administrative Services

| Administrative Services              | Direct Expenses and Fixed Assets |                     |                       | FTE            |                |                       |
|--------------------------------------|----------------------------------|---------------------|-----------------------|----------------|----------------|-----------------------|
|                                      | 2025 Budget                      | 2026 Budget         | Variance<br>26B v 25B | 2025<br>Budget | 2026<br>Budget | Variance<br>26B v 25B |
| General and Administrative*          | \$ 4,060,605                     | \$ 4,235,657        | \$ 175,052            | 6.00           | 6.00           | 0.00                  |
| Legal and Regulatory                 | 1,439,496                        | 927,481             | (512,015)             | 4.00           | 3.00           | (1.00)                |
| Information Technology               | 3,044,142                        | 3,238,252           | 194,110               | 9.00           | 9.00           | 0.00                  |
| Human Resources                      | 1,582,825                        | 1,630,513           | 47,688                | 4.00           | 4.00           | 0.00                  |
| Finance and Accounting               | 1,016,965                        | 1,080,979           | 64,014                | 3.00           | 3.00           | 0.00                  |
| <b>Total Administrative Services</b> | <b>\$11,144,033</b>              | <b>\$11,112,882</b> | <b>\$ (31,151)</b>    | <b>26.00</b>   | <b>25.00</b>   | <b>(1.00)</b>         |

\* General and Administrative includes the CEO, Executive Assistant, Chief Security Officer, and RF's Security staff members

### Program Scope and Functional Description

RF's Administrative Services program includes the budget for all business and administrative functions of the organization:

- General and Administrative
- Legal and Regulatory Affairs
- Information Technology
- Human Resources
- Finance and Accounting

### Major Budget Drivers

- **Personnel** – One FTE is shifting from Legal and Regulatory to Training, Education and Outreach. RF is also projecting increased medical premiums due to higher renewal rates.
- **Computer Software, Services and Maintenance** - To support RF's cloud initiatives, the data warehouse architect will migrate to a cloud solution providing a better user experience and modernized architecture. Additionally, as RF explores ways to scale and drive efficiency through generative AI, an investment in tools will be implemented for future gains in internal productivity.

### Methodology for Allocation of Administrative Services Expenses to Programs

Where applicable, operating expenses are accounted for within the related department's budget. If an expense cannot be specifically associated to a department, it is included in one of the Administrative Services programs. All expenses for the Administrative Services Programs, referred to as indirect expenses, are allocated proportionately based on FTE count to the direct programs. This allocation provides improved financial perspective for the direct program areas.

## General and Administrative

### Program Scope and Functional Description

The General and Administrative department consists of the President and CEO, Chief Security Officer (CSO), a Senior Executive Assistant, and three security personnel. Responsibilities include leadership,

oversight, and management of all RF Corporation's activities, interacting with the Board of Directors and other Regional Entity Management Groups, and managing relationships with governmental agencies, regulators, members, stakeholders, and other industry organizations. The office of the CSO is responsible for the overall security governance of the organization. The CSO and his team (Security Governance) meet this duty by creating and maintaining all security policies, performing security awareness training, and implementing incident response and disaster recovery planning.

### **2026 Key Assumptions**

- Security Governance team is increasingly moving towards a standards-based holistic approach to security utilizing tools for important benchmarking comparisons, security trends and analyses.
- Maintain recurring third-party security assessment activities to uncover undetected vulnerabilities, measure security control effectiveness, gauge security maturity, and ultimately reduce risk to the enterprise.
- Continue to support the security outreach efforts to the members in our region, looking for opportunities to enhance relationships and outreach efforts with tabletop exercises and simulation activities.

### **2026 Key Deliverables**

- Conduct annual active cyber vulnerability assessment.
- Maintain and test Incident Response Plan.
- Coordinate with the Information Technology department on the monitoring of and alerting on security events occurring on RF networks and devices.
- Execute statewide tabletop drills and smaller regional exercises to test stakeholders' responsiveness to a cyber or physical security event.
- Report on and coordinate with the RF President & CEO and the Board of Directors on the maturity of the RF security program and the residual risk to the organization after security controls.

## **Legal and Regulatory Affairs**

### **Program Scope and Functional Description**

RF maintains in-house legal staff that provides the following services:

- Serve as an advisor to the President and CEO and the Board of Directors and acts as the Corporate Secretary.
- Oversees Corporate Governance initiatives including Board of Directors elections, training, and supporting all Board, Member, and Board Committee meetings.
- Ensures legal and regulatory compliance with all applicable laws, orders, rules and regulations, manages policies, the code of conduct, and supports training programs.
- Provides legal advice and support to the organization's business units and strategic initiatives.
- Drafts, reviews, negotiates and maintains the corporations' contracts, agreements and Intellectual Property policies and procedures and governance documents.
- Monitors regulatory changes and manages communication to FERC/NERC and State regulatory agencies on relevant matters and the performance of RF's delegated functions.

- Supports internal and external audits of the corporation and oversees legal risk management including relevant plans and policy developments and all regulatory filings and interactions.
- Retains, hires, and manages outside legal services as necessary and manages legal claims, liaisons with counsel and oversees settlements and responses as necessary.

### **2026 Key Assumptions**

- The Legal and Regulatory Affairs Program incorporates the regional specific strategic and operating objectives set forth in the ERO Enterprise Long Term Strategy.
- Continue to support legal and regulatory needs of the corporation.
- The costs of software and tools are increasing as vendors implement enhanced AI tools, but Legal and Regulatory Affairs has been able to delay these increases with limited subscriptions and utilizing internal solutions.
- Collaborate with ERO to ensure consistent legal practices and share best practices across ERO.
- Continue training and education for attorneys on relevant and emerging topics.

### **2026 Key Deliverables**

- Support all legal and regulatory needs of the corporation.
- Provide legal support to all other departments of the corporation to ensure that those departments and their activities are consistent with NERC directives, FERC orders, rules, and regulations, and other applicable laws.
- Provide legal support to make all necessary regulatory filings with FERC, NERC, and any other applicable regulatory body or agency, as well as support NERC in its efforts to do the same.
- Support internal and external audits of the corporation.
- Draft, review, negotiate and maintain the corporation's contracts, policies and procedures, and governance documents.
- Support all external communications to industry, states, FERC, NERC and other government agencies.
- Provide legal support and perform the Corporate Secretary function for the Board of Directors and support the corporate governance needs of the organization.

## **Information Technology**

### **Program Scope and Functional Description**

The Information Technology (IT) department supports the organization by providing users with cost-effective information technology tools and delivering technologies to assist departments in meeting their goals, objectives, and deliverables. The IT department has enlisted a cloud first strategy and continues to migrate on-premises solutions to cloud infrastructure. They manage controls, systems, programs and tools to maintain a robust security posture that minimizes RF's cybersecurity risks. The IT team includes the following functions:

- IT and Infrastructure Operations
- Security Operations

RF supports the ERO Enterprise's efforts to implement, operate, and maintain software tools supporting common enterprise-wide IT operations. RF is committed to working collaboratively with NERC and the other Regions to minimize duplication of effort and investments and improve operational efficiency. This collaboration continues to refine existing strategies, governance, and procurement practices applicable to the development, operation, and maintenance of enterprise architecture, software, and data systems supporting combined NERC and Regional Entity operations.

NERC's business plan and budget will include ongoing funding support for the development, operation, and maintenance of NERC and Regional Entity approved enterprise-wide applications. Funding for these applications will be subject to the budget and funding limits set forth in NERC's approved business plan and budget. If implementation of these applications is delayed or otherwise not available as planned, RF could incur additional costs to conduct operations pending the availability of these applications. RF assumes agreed upon ERO Enterprise applications will be available and has only included appropriate funding for applications and supporting systems necessary to satisfy its business needs that are not within the mutually agreed upon scope of the ERO Enterprise wide applications funded by NERC.

The IT and Infrastructure Operations function supports the organization through the design and maintenance for all of RF's computer and network infrastructure, support of computer hardware and software and project management of technology related projects.

The Security Operations function is responsible for implementing and improving all cyber and physical security controls to minimize risk. They work hand in hand with the Chief Security Officer and Security team to be the boots on the ground within IT implementing the tools and technology needed to keep RF protected. They provide the necessary services to ensure efficient and effective controls are in place to protect the confidentiality, integrity and availability of RF's IT infrastructure, business critical assets and data.

### **2026 Key Assumptions**

The IT Program incorporates specific strategic and operating objectives utilizing a cloud first approach to technology. IT also helps support the ERO objectives for building and implementing centralized enterprise applications and implementation of controls and processes to provide like protections to the identified ERO security risks, respectively. The IT Program includes the following regional assumptions:

- Utilize continuous improvement to maintain and advance the security posture across the corporation-wide data infrastructure and remediate any vulnerability to protect sensitive data.
- Maintain lower fixed asset costs (infrastructure servers) by continuing operations of virtualization technologies and/or cloud solutions, therefore minimizing operating and replacement costs.
- Maintain a stringent level of control of the Access Management Process that governs physical and electronic access to resources that contain sensitive corporate data.
- Continue to improve departmental processes and efficiencies and conduct training exercises for implemented technologies to maintain proficiency.
- Maintain a multi-layered security protection and monitoring environment governed by established controls, processes, and security awareness activities.



- Continue close collaboration with Corporate Security to ensure that planned objectives are prioritized and desired results are purposely implemented.

### **2026 Key Deliverables**

- Streamline manual tasks within IT core work and prioritized business projects to enhance overall business efficiency.
- Integrate machine learning and AI capabilities into key business processes for improved performance and innovation.
- Continue the enhancements in the development, integration, and expansion of databases and applications into a unified corporation-wide Information Management System.
- Maintain and mature database architecture to support Data Warehousing and Analytics efforts to move to the cloud and allow for improved risk analysis and decision-making for customers.
- Improve cyber and physical security controls to defend against emerging threats.
- Maintain and mature Information Technology and Security National Institute of Standards and Technology (NIST) Cybersecurity framework and strategy.
- Guide and implement ERO initiatives of developing, testing, and deploying collaboration solutions. Continue to look for opportunities to implement the common processes and/or solutions across the ERO Enterprise to achieve shared cost savings and efficiencies.

## **Human Resources**

### **Program Scope and Functional Description**

RF realizes that talented, engaged employees are its greatest assets, and that recruiting, nurturing, developing, and retaining that talent is one of its most important tasks. The HR department is responsible for a variety of essential functions:

- Strategic alignment of the organization's mission, values, strategic plan and organizational design, organizational analysis and succession planning, coaching and leadership development, and driving change management practices for improving organizational performance.
- Attraction and retention of a diverse and talented workforce and employee development through performance management and individual, departmental, and organizational training.
- Employee engagement through creating a work environment of inclusion where all employees feel valued, appreciated, and free to be their authentic selves.
- Corporate policy and procedure development and adherence measures, compliance with state and federal employment law as well as compensation and benefits administration.

### **2026 Key Assumptions**

- RF will continue to provide competitive compensation and benefits packages.
- RF will ensure training for staff on industry trending topics to stay ahead of the fast-paced changing grid and that subject matter experts will maintain elevated professional credentials to remain a leader in the industry.
- RF will provide an annual merit salary increase. The salary expense budget for all program areas reflects this assumption.

### 2026 Key Deliverables

- Attract, develop and retain highly skilled and engaged staff; diversify employment recruiting channels.
- Promote employee engagement and empowerment; provide opportunities for staff to engage with each other for collaboration and community in our hybrid work environment.
- Mature succession plan process and continue to develop the future leaders within RF who have been identified within the plan.
- Mature RF's intern program to build talent pipeline and community visibility.
- Identify and develop the skills needed for future roles for RF to successfully achieve its goals and mission.

## Finance and Accounting

### Program Scope and Functional Description

The Finance and Accounting department plays an important role in providing essential financial services to RF, including accounting, forecasting, budgeting, business analytical and treasury functions. Key responsibilities include:

- Developing the annual BP&B and ongoing analysis of actual-to-budget expenditures to ensure alignment with organizational objectives and financial sustainability.
- Reviewing, maturing, and establishing accounting policies, procedures, and internal controls, in accordance with GAAP, to adapt to the evolving business environment and needs.
- Preparing monthly, quarterly, and annual financial statements.
- Overseeing external audits of RF's financial and retirement accounts and ensuring all required filings are completed timely.
- Managing accounts payable, accounts receivable and fixed assets.
- Working with the ERO to develop common accounting practices throughout NERC and the Regions.
- Maintaining banking relationships and managing cashflow, retirement, and corporate investment activities.
- Performing the Corporate Treasury function.

### 2026 Key Assumptions

- Current accounting systems and controls are effective.
- There are no major changes in applicable accounting standards.

### 2026 Key Deliverables

- Provide timely, accurate, and relevant reporting and financial analysis to RF's leadership team, Board of Directors, Finance and Audit Committee, NERC and stakeholders.
- Identify opportunities to create efficiencies through new processes or procedures; maximize accounting and budgeting technology currently in use.
- Collaborate with the ERO Finance Group to develop best practices and commonality within accounting, budgeting and financial reporting.
- Ensure RF has effective financial controls and exercises fiscal responsibility.

## Statement of Activities and Capital Expenditures 2025 Budget and 2026 Budget

### Administrative Services

|                                                             | 2025 Budget           | 2026 Budget           | Variance<br>26B v 25B | Variance<br>% |
|-------------------------------------------------------------|-----------------------|-----------------------|-----------------------|---------------|
| <b>Funding</b>                                              |                       |                       |                       |               |
| <b>Statutory Funding</b>                                    |                       |                       |                       |               |
| RF Assessments                                              | \$ (1,977,500)        | \$ (2,069,386)        | \$ (91,886)           | 4.6%          |
| Penalties Released                                          | -                     | \$ -                  | -                     | -             |
| <b>Total Statutory Funding</b>                              | <b>\$ (1,977,500)</b> | <b>\$ (2,069,386)</b> | <b>\$ (91,886)</b>    | <b>4.6%</b>   |
| Interest and Investment Income                              | \$ -                  | \$ -                  | \$ -                  | -             |
| <b>Total Funding (A)</b>                                    | <b>\$ (1,977,500)</b> | <b>\$ (2,069,386)</b> | <b>\$ (91,886)</b>    | <b>4.6%</b>   |
| <b>Expenses</b>                                             |                       |                       |                       |               |
| <b>Personnel Expenses</b>                                   |                       |                       |                       |               |
| Salaries                                                    | \$ 5,655,403          | \$ 5,441,866          | \$ (213,537)          | -3.8%         |
| Payroll Taxes                                               | 336,076               | 337,312               | 1,236                 | 0.4%          |
| Benefits                                                    | 925,438               | 1,052,446             | 127,008               | 13.7%         |
| Retirement Costs                                            | 953,962               | 965,003               | 11,041                | 1.2%          |
| <b>Total Personnel Expenses</b>                             | <b>\$ 7,870,879</b>   | <b>\$ 7,796,627</b>   | <b>\$ (74,252)</b>    | <b>-0.9%</b>  |
| <b>Meeting &amp; Travel Expenses</b>                        |                       |                       |                       |               |
| Meetings & Conference Calls                                 | \$ 188,408            | \$ 188,680            | \$ 272                | 0.1%          |
| Travel                                                      | 121,336               | 90,700                | (30,636)              | -25.2%        |
| <b>Total Meeting &amp; Travel Expenses</b>                  | <b>\$ 309,744</b>     | <b>\$ 279,380</b>     | <b>\$ (30,364)</b>    | <b>-9.8%</b>  |
| <b>Operating Expenses, excl. Depreciation</b>               |                       |                       |                       |               |
| Contractors & Consultants                                   | \$ 487,370            | \$ 489,601            | \$ 2,231              | 0.5%          |
| Office Rent                                                 | 716,000               | 728,000               | 12,000                | 1.7%          |
| Office Costs                                                | 853,379               | 967,360               | 113,981               | 13.4%         |
| Professional Services                                       | 761,365               | 792,314               | 30,949                | 4.1%          |
| Miscellaneous                                               | 55,296                | 29,600                | (25,696)              | -46.5%        |
| <b>Total Operating Expenses, excl. Depreciation</b>         | <b>\$ 2,873,410</b>   | <b>\$ 3,006,875</b>   | <b>\$ 133,465</b>     | <b>4.6%</b>   |
| <b>Total Direct Expenses</b>                                | <b>\$ 11,054,033</b>  | <b>\$ 11,082,882</b>  | <b>\$ 28,849</b>      | <b>0.3%</b>   |
| Indirect Expenses                                           | \$(11,054,033)        | \$(11,082,882)        | \$ (28,849)           | 0.3%          |
| Other Non-Operating Expenses                                | \$ -                  | \$ -                  | \$ -                  | -             |
| <b>Total Expenses (B)</b>                                   | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>-</b>      |
| <b>Change in Net Assets (= A - B)</b>                       | <b>\$ (1,977,500)</b> | <b>\$ (2,069,386)</b> | <b>\$ (91,886)</b>    | <b>4.6%</b>   |
| <b>Fixed Asset Additions, excl. Right of Use Assets (C)</b> | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>-</b>      |
| <b>TOTAL BUDGET (= B + C)</b>                               | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>-</b>      |
| <b>TOTAL CHANGE IN WORKING CAPITAL (= A - B - C)</b>        | <b>\$ (1,977,500)</b> | <b>\$ (2,069,386)</b> | <b>\$ (91,886)</b>    | <b>4.6%</b>   |
| <b>FTE</b>                                                  | <b>26.00</b>          | <b>25.00</b>          | <b>(1.00)</b>         | <b>-3.8%</b>  |

**Office Rent**

| Office Rent              | 2025 Budget |                | 2026 Budget |                | Variance<br>26B v 25B | Variance %  |
|--------------------------|-------------|----------------|-------------|----------------|-----------------------|-------------|
| Office Rent              | \$          | 580,000        | \$          | 580,000        | \$ -                  | 0.0%        |
| Data Center Rent         |             | 76,000         |             | 76,000         | -                     | 0.0%        |
| Utilities                |             | 60,000         |             | 72,000         | 12,000                | 20.0%       |
| <b>Total Office Rent</b> | <b>\$</b>   | <b>716,000</b> | <b>\$</b>   | <b>728,000</b> | <b>\$ 12,000</b>      | <b>1.7%</b> |

**Explanation of Significant Variances**

- Total Office Rent increased to reflect higher utility costs.

## Non-Statutory Activities

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This section is not applicable as RF does not perform non-statutory activities.

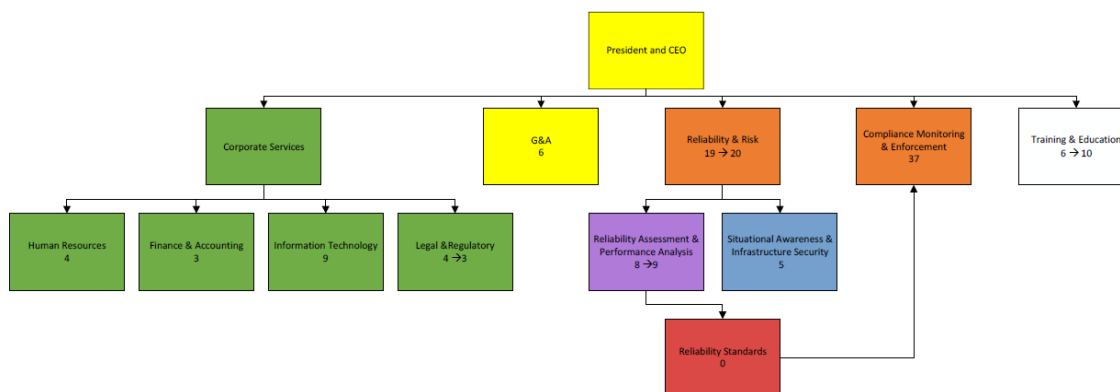
# Appendix A: Consolidated Statement of Activities

| Statement of Activities and Capital Expenditures by Program<br>2026 Budget | Statutory Total       | Reliability Standards | Reliability & Risk  | Compliance Monitoring & Enforcement | Reliability Assessment & Performance Analysis | Training & Education | Situation Awareness & Infrastructure Security | Administrative Services |
|----------------------------------------------------------------------------|-----------------------|-----------------------|---------------------|-------------------------------------|-----------------------------------------------|----------------------|-----------------------------------------------|-------------------------|
| <b>Statutory Funding</b>                                                   |                       |                       |                     |                                     |                                               |                      |                                               |                         |
| RF Assessments                                                             | \$ 32,589,878         | \$ -                  | \$ 8,271,099        | \$ 15,448,156                       | \$ 4,328,329                                  | \$ 4,498,672         | \$ 2,113,008                                  | \$ (2,069,386)          |
| Penalties Released                                                         | 1,047,858             | -                     | 245,794             | 491,588                             | 116,429                                       | 129,365              | 64,683                                        | -                       |
| <b>Total Statutory Funding</b>                                             | <b>\$ 33,637,736</b>  | <b>\$ -</b>           | <b>\$ 8,516,893</b> | <b>\$ 15,939,743</b>                | <b>\$ 4,444,758</b>                           | <b>\$ 4,628,037</b>  | <b>\$ 2,177,690</b>                           | <b>\$ (2,069,386)</b>   |
| Interest and Investment Income                                             | \$ 150,000            | \$ -                  | \$ 35,185           | \$ 70,370                           | \$ 16,667                                     | \$ 18,519            | \$ 9,259                                      |                         |
| <b>Total Funding (A)</b>                                                   | <b>\$ 33,787,736</b>  | <b>\$ -</b>           | <b>\$ 8,552,078</b> | <b>\$ 16,010,114</b>                | <b>\$ 4,461,425</b>                           | <b>\$ 4,646,556</b>  | <b>\$ 2,186,949</b>                           | <b>\$ (2,069,386)</b>   |
| <b>Expenses</b>                                                            |                       |                       |                     |                                     |                                               |                      |                                               |                         |
| <b>Personnel Expenses</b>                                                  |                       |                       |                     |                                     |                                               |                      |                                               |                         |
| Salaries                                                                   | \$ 22,229,233         | \$ -                  | \$ 4,163,842        | \$ 7,536,215                        | \$ 2,013,662                                  | \$ 2,065,294         | \$ 1,008,354                                  | \$ 5,441,866            |
| Payroll Taxes                                                              | 1,430,375             | -                     | 267,350             | 507,917                             | 129,660                                       | 119,152              | 68,984                                        | 337,312                 |
| Benefits                                                                   | 3,593,942             | -                     | 599,290             | 1,214,007                           | 279,746                                       | 284,899              | 163,554                                       | 1,052,446               |
| Retirement Costs                                                           | 3,614,611             | -                     | 659,333             | 1,194,118                           | 317,845                                       | 318,531              | 159,781                                       | 965,003                 |
| <b>Total Personnel Expenses</b>                                            | <b>\$ 30,868,161</b>  | <b>\$ -</b>           | <b>\$ 5,689,815</b> | <b>\$ 10,452,257</b>                | <b>\$ 2,740,913</b>                           | <b>\$ 2,787,876</b>  | <b>\$ 1,400,673</b>                           | <b>\$ 7,796,627</b>     |
| <b>Meeting &amp; Travel Expenses</b>                                       |                       |                       |                     |                                     |                                               |                      |                                               |                         |
| Meetings & Conference Calls                                                | \$ 509,030            | \$ -                  | \$ 10,800           | \$ 14,400                           | \$ 6,300                                      | \$ 285,350           | \$ 3,500                                      | \$ 188,680              |
| Travel                                                                     | 660,820               | -                     | 120,300             | 261,964                             | 80,056                                        | 74,200               | 33,600                                        | 90,700                  |
| <b>Total Meeting &amp; Travel Expenses</b>                                 | <b>\$ 1,169,850</b>   | <b>\$ -</b>           | <b>\$ 131,100</b>   | <b>\$ 276,364</b>                   | <b>\$ 86,356</b>                              | <b>\$ 359,550</b>    | <b>\$ 37,100</b>                              | <b>\$ 279,380</b>       |
| <b>Operating Expenses, excl. Depreciation</b>                              |                       |                       |                     |                                     |                                               |                      |                                               |                         |
| Contractors & Consultants                                                  | \$ 689,266            | \$ -                  | \$ 19,000           | \$ -                                | \$ 120,365                                    | \$ 60,300            | \$ -                                          | \$ 489,601              |
| Office Rent                                                                | 728,000               | -                     | -                   | -                                   | -                                             | -                    | -                                             | 728,000                 |
| Office Costs                                                               | 1,544,271             | -                     | 104,478             | 63,342                              | 279,026                                       | 66,869               | 63,196                                        | 967,360                 |
| Professional Services                                                      | 792,314               | -                     | -                   | -                                   | -                                             | -                    | -                                             | 792,314                 |
| Miscellaneous                                                              | 35,260                | -                     | 960                 | 4,700                               | -                                             | -                    | -                                             | 29,600                  |
| <b>Total Operating Expenses, excl. Depreciation</b>                        | <b>\$ 3,789,111</b>   | <b>\$ -</b>           | <b>\$ 124,438</b>   | <b>\$ 68,042</b>                    | <b>\$ 399,391</b>                             | <b>\$ 127,169</b>    | <b>\$ 63,196</b>                              | <b>\$ 3,006,875</b>     |
| <b>Total Direct Expenses</b>                                               | <b>\$ 35,827,122</b>  | <b>\$ -</b>           | <b>\$ 5,945,353</b> | <b>\$ 10,796,663</b>                | <b>\$ 3,226,660</b>                           | <b>\$ 3,274,595</b>  | <b>\$ 1,500,969</b>                           | <b>\$ 11,082,882</b>    |
| Indirect Expenses                                                          | \$ -                  | \$ -                  | \$ 2,599,688        | \$ 5,199,377                        | \$ 1,231,431                                  | \$ 1,368,257         | \$ 684,129                                    | \$ (11,082,882)         |
| Other Non-Operating Expenses                                               | \$ -                  | \$ -                  | \$ -                | \$ -                                | \$ -                                          | \$ -                 | \$ -                                          | \$ -                    |
| <b>Total Expenses (B)</b>                                                  | <b>\$ 35,827,122</b>  | <b>\$ -</b>           | <b>\$ 8,545,041</b> | <b>\$ 15,996,040</b>                | <b>\$ 4,458,091</b>                           | <b>\$ 4,642,852</b>  | <b>\$ 2,185,098</b>                           | <b>\$ -</b>             |
| <b>Change in Net Assets (= A - B)</b>                                      | <b>\$ (2,039,386)</b> | <b>\$ -</b>           | <b>\$ 7,037</b>     | <b>\$ 14,074</b>                    | <b>\$ 3,333</b>                               | <b>\$ 3,704</b>      | <b>\$ 1,852</b>                               | <b>\$ (2,069,386)</b>   |
| Fixed Asset Additions, excl. Right of Use Assets (C)                       | \$ 30,000             | \$ -                  | \$ 7,037            | \$ 14,074                           | \$ 3,333                                      | \$ 3,704             | \$ 1,852                                      | \$ -                    |
| <b>TOTAL BUDGET (= B + C)</b>                                              | <b>\$ 35,857,122</b>  | <b>\$ -</b>           | <b>\$ 8,552,078</b> | <b>\$ 16,010,114</b>                | <b>\$ 4,461,425</b>                           | <b>\$ 4,646,556</b>  | <b>\$ 2,186,949</b>                           | <b>\$ -</b>             |
| <b>TOTAL CHANGE IN WORKING CAPITAL (= A - B - C)</b>                       | <b>\$ (2,069,386)</b> | <b>\$ -</b>           | <b>\$ 0</b>         | <b>\$ 0</b>                         | <b>\$ (0)</b>                                 | <b>\$ (0)</b>        | <b>\$ (0)</b>                                 | <b>\$ (2,069,386)</b>   |
| <b>FTE</b>                                                                 | <b>106.00</b>         | <b>-</b>              | <b>19.00</b>        | <b>38.00</b>                        | <b>9.00</b>                                   | <b>10.00</b>         | <b>5.00</b>                                   | <b>25.0</b>             |

## Appendix B: 2025-2026 Organization Chart

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Appendix A: 2025 – 2026 Organization Chart



**DOCKET NO. RR25-\_\_-000**

**NORTH AMERICAN ELECTRIC RELIABILITY  
CORPORATION**

**2026 BUSINESS PLAN AND BUDGET FILING**

**ATTACHMENT 6**

**SERC RELIABILITY CORPORATION**

**PROPOSED 2026 BUSINESS PLAN AND BUDGET**





**SERC Reliability Corporation  
2026 Business Plan and Budget**

**Final  
June 11, 2025**

## Table of Contents

|                                                                                                                      |           |
|----------------------------------------------------------------------------------------------------------------------|-----------|
| <b>Section A. Introduction .....</b>                                                                                 | <b>4</b>  |
| <b>Introduction .....</b>                                                                                            | <b>5</b>  |
| Organizational Overview.....                                                                                         | 5         |
| Membership and Governance.....                                                                                       | 6         |
| Statutory Functional Scope .....                                                                                     | 6         |
| <b>Section B. Strategic and Business Planning.....</b>                                                               | <b>8</b>  |
| <b>Strategic and Business Planning.....</b>                                                                          | <b>9</b>  |
| 2026 Strategic Focus Areas.....                                                                                      | 10        |
| <b>Section C. 2026 Business Plan and Budget Overview.....</b>                                                        | <b>11</b> |
| <b>2026 Business Plan and Budget Overview.....</b>                                                                   | <b>12</b> |
| Funding and Budget Summary .....                                                                                     | 12        |
| Major Budget Drivers.....                                                                                            | 12        |
| 2025 Budget and 2026 Budget Comparisons .....                                                                        | 14        |
| Major Budget Drivers – Program Areas.....                                                                            | 15        |
| Working Capital and Assessment Stabilization Reserve Analysis .....                                                  | 19        |
| <b>2027-2028 Budget Projections .....</b>                                                                            | <b>21</b> |
| Projected Funding and Budget Summary.....                                                                            | 21        |
| <b>Section D. Regional Entity Goals and Statements of Activities .....</b>                                           | <b>23</b> |
| <b>Regional Entity Statutory Program Goals and Statements of Activities .....</b>                                    | <b>24</b> |
| Reliability Standards Program.....                                                                                   | 24        |
| Reliability Standards Statement of Activity .....                                                                    | 25        |
| Compliance Monitoring and Enforcement; Organization Registration and Certification Program                           | 26        |
| Compliance Monitoring, Enforcement, and Organization Registration and Certification Statement<br>of Activities ..... | 32        |
| Reliability Assessment and Performance Analysis Program .....                                                        | 33        |
| Reliability Assessment and Performance Analysis Statement of Activities .....                                        | 35        |
| Training, Education, and Outreach.....                                                                               | 36        |
| Training, Education, and Stakeholder Outreach Statement of Activities.....                                           | 39        |
| Situational Awareness and Infrastructure Security Program .....                                                      | 40        |
| Situational Awareness and Infrastructure Security Statement of Activities .....                                      | 42        |
| Corporate Services.....                                                                                              | 43        |
| Technical Committees and Member Forums .....                                                                         | 44        |
| General and Administrative.....                                                                                      | 46        |
| Legal and Regulatory.....                                                                                            | 47        |
| Information Technology, Security, and Analytics and Data Management.....                                             | 49        |
| Human Resources.....                                                                                                 | 53        |
| Finance and Accounting .....                                                                                         | 54        |
| Corporate Services Program Statement of Activities .....                                                             | 55        |
| Office Rent .....                                                                                                    | 56        |
| <b>Section E. Non-Statutory Activities .....</b>                                                                     | <b>57</b> |
| <b>Non-Statutory Activities .....</b>                                                                                | <b>58</b> |
| 2026 Non-Statutory Business Plan and Budget.....                                                                     | 58        |
| <b>Appendices . .....</b>                                                                                            | <b>59</b> |

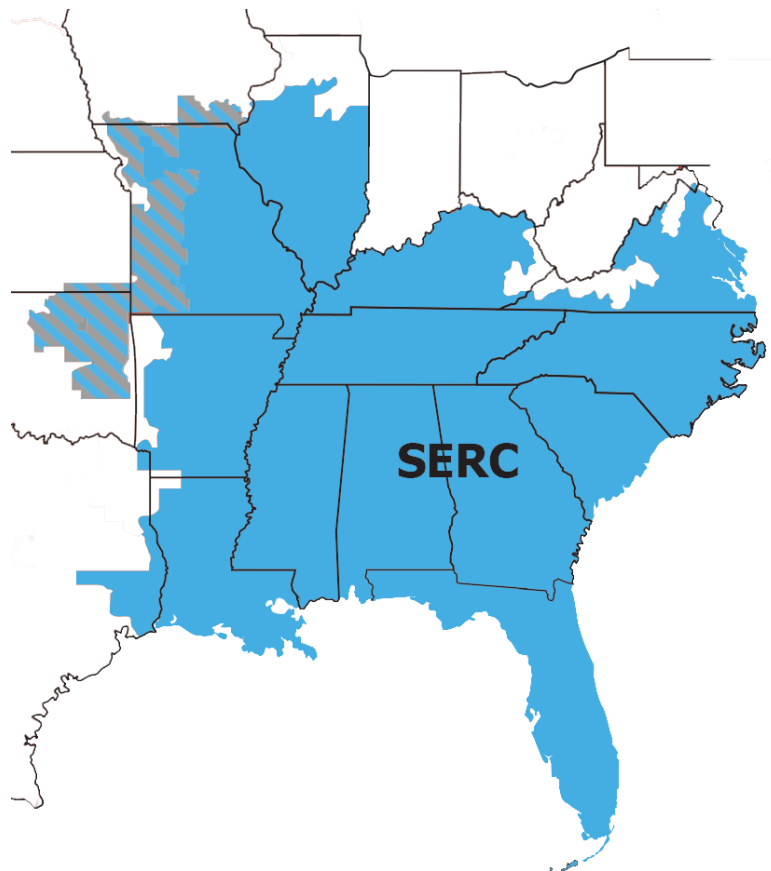
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|----------------------------------------------------------------------------------------------------------------|-----------|
| <b>Appendix A.Consolidated Financial Statement of Activities by Program, Statutory and Non-Statutory .....</b> | <b>60</b> |
| <b>Appendix B.Appendix B: Organization Chart.....</b>                                                          | <b>61</b> |
| <b>Appendix C.Appendix C: Index of Figures and Tables .....</b>                                                | <b>62</b> |

## Section A Introduction

### 2026 Business Plan and Budget

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## Introduction

### Organizational Overview

SERC is a non-profit corporation dedicated to ensuring the effective and efficient reduction of risks to the reliability and security of the bulk power system (BPS) across 16 central and southeastern states. Covering an expansive area of approximately 650,000 square miles, the SERC Region serves a growing population exceeding 95 million. Currently, electric systems within the SERC Region provide approximately 29% of the net energy for load (NEL) in North America, approximately 33% of the NEL in the United States, and 40% of the NEL in the Eastern Interconnection.

At the core of SERC's mission is a risk-based approach that harmonizes with and bolsters the mission of the North American Electric Reliability Corporation (NERC) and the broader Electric Reliability Organization (ERO) Enterprise. To realize this mission, SERC maintains a team of experts spanning various disciplines, uniquely equipped to navigate the intricate, evolving, and dynamic challenges inherent in managing the grid. Collaborating with distinguished individuals from both the power industry and the federal government, the SERC team cultivates essential partnerships, enriching our work with informed insights, pragmatism, responsiveness, and significant impact.

SERC has developed four values that help guide its conduct and help ensure it is best positioned to achieve its mission and further support the ERO Enterprise Long-Term Strategy.

- ❖ At SERC, every individual is a **LEADER** across every level of our organization. We are trustworthy, principled, and respectful. We strive to create value that reduces risk to reliability and security. Leading means having a positive vision and actively building support for executing it.
- ❖ At SERC, we are **COLLABORATIVE** both internally and externally. We partner and engage in focused communication within and across our organization, with our stakeholders, the ERO Enterprise, and the Federal Energy Regulatory Commission (FERC) to drive meaningful action. We leverage our experiences, skills, knowledge, and tools to ensure the effective reductions of risk to reliability and security.
- ❖ At SERC, we strive to be **EXPERTS** that are sought after for our credibility, objectivity, and discipline. We understand our strengths and opportunities and pursue continuous learning and improvement. We value intellectual curiosity, innovation, and creativity.
- ❖ At SERC, we take action to execute our risk-based mission by demonstrating **PURPOSEFUL** proactive initiative, intentionality, and resourcefulness in anticipation of current and future challenges and opportunities. We strategically plan and pursue activities that deliver value with intended results.

### VISION

A highly reliable and  
secure bulk power system

### MISSION

To assure effective and  
efficient reduction of risks  
to the  
reliability and security  
of the bulk power system

### VALUES

- ❖ Leader
- ❖ Collaborative
- ❖ Expert
- ❖ Purposeful

## Membership and Governance

Membership in SERC is voluntary and free of charge. SERC member companies (Members) meet at least annually to elect Independent Directors and Sector Directors and conduct other such business as may come before the meeting. Additionally, Members approve amendments to Bylaws as recommended by the SERC Board of Directors (Board) and advise the Board with respect to the development of annual budgets, business plans, and other matters pertinent to the purpose and operations of the organization.

SERC's governance structure allows for participation from a mix of stakeholders while also ensuring independent decision-making. SERC is governed by a balanced, hybrid Board consisting of 18 Directors comprised of a combination of stakeholder representatives from SERC member companies (i.e., Sector Directors) and independent representatives (i.e., Independent Directors) that add independent balance, perspective, and expertise. This combination of stakeholder and Independent Directors allows the Board to focus on the most important and significant risks to reliability in the SERC footprint.

The Board currently has the following committees, which report directly to the Board:

- **Risk Committee:** Provides oversight on behalf of the Board over several risk-based activities undertaken by SERC, including the identification and management of Regional risks, especially by SERC's Technical Committees; the organization's Enterprise Risk Management framework; and other critical organization and Regional risk-based activities. The committee also periodically reports these risk oversight findings to the Board.
- **Human Resources and Compensation Committee (HRCC):** Provides oversight on behalf of the Board over SERC's organization and staffing needs, employee compensation, and other matters related to human resources.
- **Finance and Audit Committee (FAC):** Provides oversight on behalf of the Board to SERC on the organization's finances and internal controls.
- **Nominating and Governance Committee:** Identifies, reviews, and recommends candidates for Board Officer and committee positions for approval by the Board. This committee is also responsible for providing oversight to SERC on the organization's Bylaws and other governing policies and procedures.

## Statutory Functional Scope

SERC performs the following statutory functions in furtherance of its mission and in accordance with its FERC approved Delegation Agreement with NERC:

- Analyzes events to identify lessons learned and propose mitigation practices that will improve reliability;
- Proposes and helps develop NERC Reliability Standards and Regional Reliability Standards;
- Monitors compliance with, and enforces, mandatory Reliability Standards, prioritizing greater risks to reliability to ensure those risks are timely addressed and mitigated;
- Registers and certifies responsible entities under the reliability compliance program;
- Independently assesses the past, present, and future risk profile of the BPS to ensure grid reliability, adequacy, and security; and
- Provides training, education, and outreach to stakeholders to educate and share timely reliability and security information related to risks, mitigation, and best practices, in

## Introduction

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support of SERC's mission to assure the effective and efficient reduction of risks to the reliability and security of the bulk power system.

### The ERO Enterprise

Electricity is a vital component of the fabric of modern society and the Electric Reliability Organization (ERO) Enterprise serves to strengthen that fabric for the benefit of nearly 400 million North Americans. The ERO Enterprise, which consists of the North American Electric Reliability Corporation (NERC) and the six Regional Entities, works with users, owners, and operators of the bulk power system (BPS), government partners, and other stakeholders and industry participants, to pursue its mission of assuring the effective and efficient reduction of risks to the reliability and security of the BPS.

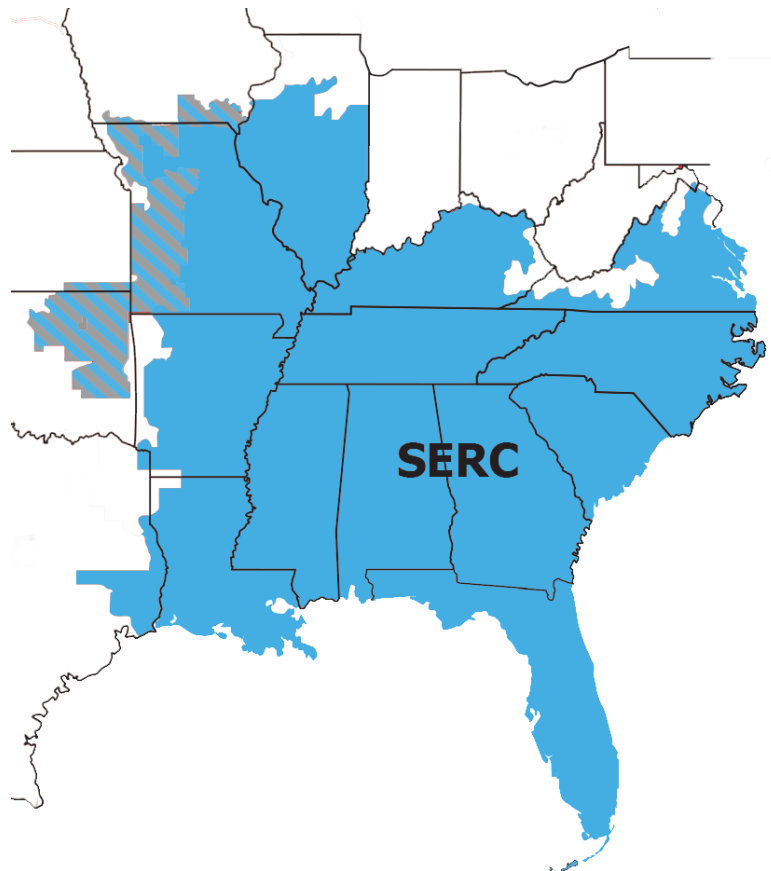
NERC and the Regional Entities play different, but important and complementary, roles in delivering ERO Enterprise programs. NERC provides industry-wide perspective and oversight, and the Regional Entities have unique features and activities that serve the needs of their regional constituents, while ensuring that registered entities follow NERC and Regional Reliability Standards. The ERO Enterprise is explicitly committed to its collective success in achieving its vision of a highly reliable and secure North American BPS.



## Section B Strategic and Business Planning

### 2026 Business Plan and Budget

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## Strategic and Business Planning

### ERO Enterprise Strategic and Operational Planning

NERC and the Regional Entities are continually refining their individual and collective operating and governance practices in support of strategic and operational goals and objectives that are designed to ensure the ERO fulfills its statutory obligations. This collaboration is done while acknowledging the unique differences across the Regional Entities, and the different corporate and governance responsibilities of each entity.

In 2024, the ERO Enterprise revised the *ERO Enterprise Long-Term Strategy*. This strategy includes the following focus areas for achieving success in its vision and mission:

- **Energy** – Effectively leverage a broad range of data, tools, and approaches to assist stakeholders and policymakers in addressing existing BPS risks and proactively identifying and preparing for emerging and unknown risks to the grid.
- **Security** – Maintain cyber and physical security programs (E-ISAC, Standards, Compliance Monitoring and Enforcement Program (CMEP), technical committee work,<sup>1</sup> outreach and engagement) that are risk-based, efficient, coordinated, and effectively advance the security posture of industry.
- **Engagement** – Ensure that the increasing number of stakeholders and policymakers find value in engagements with the ERO Enterprise, seek ERO Enterprise expertise to inform their decision-making, and have confidence in the integrity and independence of ERO Enterprise programs.
- **Agility and Sustainability** – Perform as an effective and efficient team acting in coordination, ensuring its programs and efforts deliver value for stakeholders and policymakers as they manage changing reliability and security risk within the evolving industry landscape, and capturing cost efficiencies when practical.

As part of the business planning and budgeting process, NERC and the Regional Entities each have their own priorities and strategic focus areas, but continually come together to ensure alignment with the long-term strategy and that business processes and operations harmonize across the ERO Enterprise where appropriate.

Since risks to reliability and security are fluid and can be impacted by recent events, NERC and each Regional Entity may also create annual work plan priorities that summarize the most critical goals and objectives for the year. In many cases, these work plan priorities are also used for individual, departmental, and company performance measurement.

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<sup>1</sup> Technical committees include the NERC Standing Committees (Compliance and Certification Committee, Personnel Certification and Governance Committee, Reliability Issues Steering Committee, Reliability and Security Technical Committee, and Standards Committee) and Regional Entity committees.

## 2026 Strategic Focus Areas

SERC's Strategic Planning Process considers common themes throughout the industry, evaluates SERC's strengths and areas for improvement, and identifies risk priorities to develop SERC's Strategic Focus Areas.

SERC's strategic focus centers on three principles:

- SERC must be a **Credible and Trusted Expert** organization for its stakeholders, one that is truly risk-based. SERC strives for excellence in risk awareness and reduction and providing policymakers and regulators with independent expert information to inform their decision making.
- SERC must be a respected **Leader in Reliability and Security** across the industry. This is accomplished through innovation, collaboration, and meaningful relationships.
- SERC must be a **Highly Desirable Place to Work** through our Values and Purpose. SERC fosters an environment of trust, teamwork, collaboration, and continuous improvement; and our work at every level is deeply tied to furthering our essential mission.



SERC's Operating Plan articulates key deliverables that ensure the day-to-day operations match the objectives laid out in the Strategic Plan:

### Credible and Trusted Expert

- Establish a content curation program to support new collaborations with ERO partners. Obtain accreditation for the SERC training program.
- Effective analysis, communication, education, and registration of current and prospective inverter-based resources
- Implement data science roadmap and develop proof of concept models and systems to demonstrate the safe and effective use of AI at SERC and the Region.

### Leader in Reliability and Security

- Identify innovative opportunities to enhance efficiencies and effectiveness within SERC and within ERO Enterprise
- Position SERC as a leader in the study of energy resources

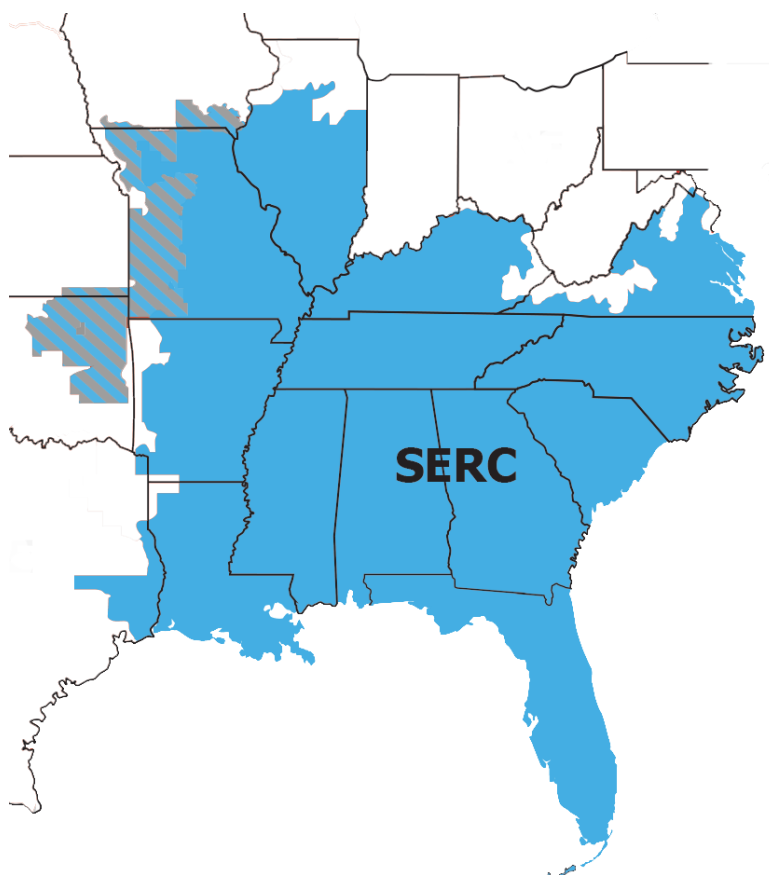
### Highly Desirable Place to Work

- Attract and retain top talent by piloting an internship or co-op program to increase awareness of SERC and ERO Enterprise as a career option and to continue to build relationships with local universities
- Foster engagement among employees by partnering with Training and Outreach to research staff training reporting capabilities that support celebrating professional development achievements
- Operationalize Corporate Responsibility Program measures implemented in 2025 and evaluate sustainability

## Section C 2026 Business Plan and Budget Overview

### 2026 Business Plan and Budget

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## 2026 Business Plan and Budget Overview

### Funding and Budget Summary

SERC proposes to increase its operating budget in 2026 from \$35,351,088 to \$37,516,100 an increase of \$2,165,012 or 6.1%.

SERC's proposed 2026 assessment was reduced by the release of \$325,290 from its Working Capital Reserve, and \$2,529,000 from its Assessment Stabilization Reserve (refer to Working Capital and Assessment Stabilization Reserve Analysis for more information). The total assessment of \$34,255,910 represents an increase of 8.6%, or \$2,708,295 from the 2025 assessment.

SERC's NEL for 2024 is 1,370,732,273 a 3.54% increase over 2023

SERC believes that in 2026, it will continue to realize material efficiencies that will allow the organization to effectively perform its mission and deliver value by reducing risks to the reliability and security of the grid. SERC will also continue to perform its essential mission at a cost that balances the longstanding traditions of affordable and reliable electricity across SERC's footprint.

The following targeted budget changes allow SERC to accomplish the specific objectives outlined in the *2026 Business Plan and Budget* (BP&B) (dollars are stated as an increase in the 2026 budget compared to the 2025 budget).

### Major Budget Drivers

- **Staffing changes proposed for 2026** – In alignment with SERC's strategic objectives, the targeted staffing level for 2026 is set at 115 Full-Time Equivalents (FTEs), representing no increase compared to the 2025 budget.
- **Cost increase for maintaining staff budgeted in 2026** – The net increase in Personnel Expenses of \$2,070,789 compared to 2025 is driven by a reduction in the budgeted staff vacancy rate, Board approved merit increases, and increasing employee benefit costs. A 0% vacancy rate has been applied to all Personnel Expenses which is a decrease from the 2% vacancy rate in the 2025 budget, reflecting sustained success in hiring and retaining talent.
- **Meetings and Travel** – An increase of \$118,332 in meetings and travel expenses is driven by expanded engagement with state policymakers and regulators, reflecting our commitment to strengthening outreach efforts. Additionally, costs for the Spring and Fall Technical Meetings are expected to rise due to venue and support staff expenses. Training and outreach costs are increasing to accommodate new workshops and the continued expansion of existing programs, specifically in support of Inverter-Based Resources (IBR) training and outreach. Travel funding has also been allocated for GridSecCon in the event it is hosted outside Charlotte, with Atlanta as a potential location. Lastly, audit-related travel expenses have increased to support targeted IBR spot checks and expanded activities related to GO/GOP Control Centers.
- **Consultants and Contracts** – SERC anticipates an increase in consultants and contracts of \$146,900. The increase is driven by the growing need for specialized expertise and security enhancements. As the organization transitions to cloud-based solutions, investments in managed service providers, cybersecurity support, and penetration testing are essential to maintaining a secure and resilient infrastructure. Additional resources have been allocated for leadership coaching and employee training

to support professional development. Additionally, the simulator contract for the System Operator Certification (SOC) program will be renegotiated later in 2025, with anticipated cost adjustments in 2026

- **Office Rent** – SERC will realize a \$54,800 decrease in rent expense associated with expenses at two locations in early 2025 as a new office lease took effect and operations moved to a new corporate location.
- **Office Costs** – An increase of \$58,791 is due primarily to anticipated inflation for software purchases in 2026.
- **Fixed Assets** – A decrease of \$220,000 is due to an external website redesign project budgeted in 2025.

## 2025 Budget and 2026 Budget Comparisons

| Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital<br>2025 Budget and 2026 Budget |                      |                      |                                                      |
|------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|------------------------------------------------------|
| STATUTORY                                                                                                        |                      |                      |                                                      |
|                                                                                                                  | 2025<br>Budget       | 2026<br>Budget       | Variance<br>2026 Budget<br>v 2025 Budget<br>Inc(Dec) |
| <b>Funding</b>                                                                                                   |                      |                      |                                                      |
| <b>Statutory Funding</b>                                                                                         |                      |                      |                                                      |
| SERC Assessments                                                                                                 | \$ 31,547,615        | \$ 34,255,910        | \$ 2,708,295                                         |
| Penalties Released*                                                                                              | 2,972,040            | 2,529,000            | (443,040)                                            |
| <b>Total Statutory Funding</b>                                                                                   | <b>\$ 34,519,655</b> | <b>\$ 36,784,910</b> | <b>\$ 2,265,255</b>                                  |
| Membership Fees                                                                                                  | \$ -                 | \$ -                 | \$ -                                                 |
| Services & Software                                                                                              | -                    | -                    | -                                                    |
| Workshops & Miscellaneous                                                                                        | 199,999              | 235,900              | 35,901                                               |
| Interest                                                                                                         | 170,001              | 170,000              | (1)                                                  |
| <b>Total Funding (A)</b>                                                                                         | <b>\$ 34,889,655</b> | <b>\$ 37,190,810</b> | <b>\$ 2,301,155</b>                                  |
| <b>Expenses</b>                                                                                                  |                      |                      |                                                      |
| <b>Personnel Expenses</b>                                                                                        |                      |                      |                                                      |
| Salaries                                                                                                         | \$ 22,041,566        | \$ 23,530,917        | \$ 1,489,351                                         |
| Payroll Taxes                                                                                                    | 1,319,535            | 1,410,035            | 90,500                                               |
| Benefits                                                                                                         | 2,420,585            | 2,603,224            | 182,639                                              |
| Retirement Costs                                                                                                 | 2,829,902            | 3,138,201            | 308,299                                              |
| <b>Total Personnel Expenses</b>                                                                                  | <b>\$ 28,611,588</b> | <b>\$ 30,682,377</b> | <b>\$ 2,070,789</b>                                  |
| <b>Meeting Expenses</b>                                                                                          |                      |                      |                                                      |
| Meetings & Conference Calls                                                                                      | \$ 449,700           | \$ 556,045           | \$ 106,345                                           |
| Travel                                                                                                           | 1,114,895            | 1,126,882            | 11,987                                               |
| <b>Total Meeting Expenses</b>                                                                                    | <b>\$ 1,564,595</b>  | <b>\$ 1,682,927</b>  | <b>\$ 118,332</b>                                    |
| <b>Operating Expenses, excluding Depreciation</b>                                                                |                      |                      |                                                      |
| Consultants & Contracts                                                                                          | \$ 1,170,100         | \$ 1,317,000         | \$ 146,900                                           |
| Office Rent                                                                                                      | 1,344,800            | 1,290,000            | (54,800)                                             |
| Office Costs                                                                                                     | 1,718,480            | 1,777,271            | 58,791                                               |
| Professional Services                                                                                            | 581,525              | 626,525              | 45,000                                               |
| Miscellaneous                                                                                                    | -                    | -                    | -                                                    |
| <b>Total Operating Expenses</b>                                                                                  | <b>\$ 4,814,905</b>  | <b>\$ 5,010,796</b>  | <b>\$ 195,891</b>                                    |
| <b>Total Direct Expenses</b>                                                                                     | <b>\$ 34,991,088</b> | <b>\$ 37,376,100</b> | <b>\$ 2,385,012</b>                                  |
| <b>Indirect Expenses</b>                                                                                         | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>                                          |
| <b>Other Non-Operating Expenses</b>                                                                              | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>                                          |
| <b>Total Expenses (B)</b>                                                                                        | <b>\$ 34,991,088</b> | <b>\$ 37,376,100</b> | <b>\$ 2,385,012</b>                                  |
| <b>Change in Assets</b>                                                                                          | <b>\$ (101,433)</b>  | <b>\$ (185,290)</b>  | <b>\$ (83,857)</b>                                   |
| <b>Fixed Asset Additions, excluding Right of Use Assets (C)</b>                                                  | <b>\$ 360,000</b>    | <b>\$ 140,000</b>    | <b>\$ (220,000)</b>                                  |
| <b>TOTAL BUDGET (B+C)</b>                                                                                        | <b>\$ 35,351,088</b> | <b>\$ 37,516,100</b> | <b>\$ 2,165,012</b>                                  |
| <b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>                                                                   | <b>\$ (461,433)</b>  | <b>\$ (325,290)</b>  | <b>\$ 136,143</b>                                    |
| <b>FTEs</b>                                                                                                      | 115.0                | 115.0                | -                                                    |

\* Penalties Released in the current year reflects the designated amount of funds released from the Assessment Stabilization Reserve (ASR) to offset U.S. assessments as approved by the SERC Board of Directors and FERC. Actual penalties invoiced in the current reporting year are shown as an increase in the ASR on the reserve summary table and will be reported as income on the audited financial statements in accordance with Generally Accepted Accounting Principles (GAAP).

**Table 1: Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital (2025 Budget and 2026 Budget**

## Major Budget Drivers – Program Areas

| Program                                                                            | Budget<br>2025       | Budget<br>2026       | Variance<br>2025 Budget<br>v 2026<br>Budget | Variance %  |
|------------------------------------------------------------------------------------|----------------------|----------------------|---------------------------------------------|-------------|
| Reliability Standards                                                              | \$ 256,685           | \$ 275,197           | \$ 18,512                                   | 7.2%        |
| Compliance Monitoring and Enforcement; Organization Registration and Certification | 22,689,156           | 24,527,015           | 1,837,859                                   | 8.1%        |
| Reliability Assessment and Performance Analysis                                    | 4,630,500            | 4,883,968            | 253,468                                     | 5.5%        |
| Training, Education and Stakeholder Outreach                                       | 6,427,623            | 6,374,540            | (53,083)                                    | (0.8%)      |
| Situation Awareness and Infrastructure Security                                    | 1,347,124            | 1,455,380            | 108,256                                     | 8.0%        |
| <b>Total</b>                                                                       | <b>\$ 35,351,088</b> | <b>\$ 37,516,100</b> | <b>\$ 2,165,012</b>                         | <b>6.1%</b> |
| <b>Working Capital Reserve</b>                                                     | <b>(461,433)</b>     | <b>(325,290)</b>     | <b>136,143</b>                              |             |
| <b>Total Funding</b>                                                               | <b>34,889,655</b>    | <b>37,190,810</b>    | <b>2,301,155</b>                            | <b>6.6%</b> |

This chart does not include an allocation of working capital requirements among the program areas.

**Table 2: Major Budget Drivers - Program Areas**

As noted in the Business Plan and Budget and Overview section, personnel costs remain the primary driver of increases impacting Program Areas. Additional budget drivers are outlined below:

### Compliance Monitoring and Enforcement; Organization Registration and Certification

- Audit-related travel expenses have increased to support targeted Inverter-Based Resource (IBR) spot checks and expanded activities related to GO/GOP Control Centers.

### Reliability Assessment and Performance Analysis

- Consultants and contractor expenses have significantly decreased due to fewer modeling projects and studies in 2026 and the reallocation of System Operator Certification program costs to Training, Education and Stakeholder Outreach.

### Training, Education and Stakeholder Outreach

- **Meetings & Travel** – Meeting costs have been increased to reflect inflation and the addition of Physical Security and Inverter Based Resources (IBR) training workshops. Travel expenses also reflect inflationary impacts, and additional travel needs related to the integration of non-Bulk Electric System (BES) IBRs, including registration, training, new workshops, and expanded engagement with state policymakers and regulators.
- **Consultants & Contractors** - The simulator contract for the System Operator Certification (SOC) program will be renegotiated in late 2025, with anticipated cost adjustments in 2026.
- **Fixed Assets** - One-time capitalized purchases in 2025.

## Corporate Services

| Corporate Services<br>(in whole dollars)<br>Direct Expenses and Fixed Assets |               |               |                        |                     |                     |                        |
|------------------------------------------------------------------------------|---------------|---------------|------------------------|---------------------|---------------------|------------------------|
|                                                                              | 2025 Budget   | 2026 Budget   | Increase<br>(Decrease) | FTEs<br>2025 Budget | FTEs<br>2026 Budget | Increase<br>(Decrease) |
| Technical Committees and Member Forums                                       | \$ 1,311,359  | \$ 1,382,919  | \$ 71,560              | 3.90                | 3.90                | -                      |
| General and Administrative                                                   | \$ 5,200,975  | \$ 5,313,649  | \$ 112,674             | 6.90                | 6.90                | -                      |
| Legal and Regulatory                                                         | \$ 1,667,784  | \$ 1,828,505  | \$ 160,721             | 2.30                | 2.30                | -                      |
| Analytics & Information Technology                                           | \$ 5,233,853  | \$ 5,851,382  | \$ 617,529             | 18.30               | 18.30               | -                      |
| Human Resources                                                              | \$ 1,279,119  | \$ 1,320,236  | \$ 41,117              | 3.00                | 3.00                | -                      |
| Accounting and Finance                                                       | \$ 589,177    | \$ 638,947    | \$ 49,770              | 3.00                | 3.00                | -                      |
| Total Corporate Services                                                     | \$ 15,282,266 | \$ 16,335,638 | \$ 1,053,372           | 37.40               | 37.40               | -                      |

**Table 3: Corporate Services Direct Expenses and Fixed Assets**

**Personnel** – No changes were made to FTEs in the Corporate Services departments.



## Personnel Analysis and Expenses

| Total FTEs by Program Area                                                         | Budget<br>2025 | Budget<br>2026 | Increase<br>(Decrease) |
|------------------------------------------------------------------------------------|----------------|----------------|------------------------|
| <b>STATUTORY</b>                                                                   |                |                |                        |
| <b>Operational Programs</b>                                                        |                |                |                        |
| Reliability Standards                                                              | 0.50           | 0.50           | 0.00                   |
| Compliance Monitoring and Enforcement; Organization Registration and Certification | 51.00          | 52.00          | 1.00                   |
| Reliability Assessment and Performance Analysis                                    | 9.30           | 9.30           | 0.00                   |
| Training, Education and Stakeholder Outreach                                       | 13.80          | 12.80          | (1.00)                 |
| Situation Awareness and Infrastructure Security                                    | 3.00           | 3.00           | 0.00                   |
| <b>Total FTEs Operational Programs</b>                                             | <b>77.60</b>   | <b>77.60</b>   | <b>0.00</b>            |
| <b>Corporate Services</b>                                                          |                |                |                        |
| Technical Committees and Member Forums                                             | 3.90           | 3.90           | 0.00                   |
| General & Administrative                                                           | 6.90           | 6.90           | 0.00                   |
| Legal and Regulatory                                                               | 2.30           | 2.30           | 0.00                   |
| Analytics & Information Technology                                                 | 18.30          | 18.30          | 0.00                   |
| Human Resources                                                                    | 3.00           | 3.00           | 0.00                   |
| Finance and Accounting                                                             | 3.00           | 3.00           | 0.00                   |
| <b>Total FTEs Corporate Services</b>                                               | <b>37.40</b>   | <b>37.40</b>   | <b>0.00</b>            |
| <b>Total FTEs</b>                                                                  | <b>115.00</b>  | <b>115.00</b>  | <b>0.00</b>            |

**Table 4: Personnel Analysis and Expenses - Total FTEs by Program Area**

| Personnel Expenses           | Budget<br>2025       | Budget<br>2026       | Variance<br>2025 Budget v 2026<br>Budget | Variance %  |
|------------------------------|----------------------|----------------------|------------------------------------------|-------------|
| <b>Total Salaries</b>        | \$ 22,041,566        | \$ 23,530,918        | \$ 1,489,352                             | 6.8%        |
| <b>Total Payroll Taxes</b>   | \$ 1,319,535         | \$ 1,410,034         | \$ 90,499                                | 6.9%        |
| <b>Total Benefits</b>        | \$ 2,420,586         | \$ 2,603,224         | \$ 182,638                               | 7.5%        |
| <b>Total Retirement</b>      | \$ 2,829,902         | \$ 3,138,201         | \$ 308,299                               | 10.9%       |
| <b>Total Personnel Costs</b> | <b>\$ 28,611,589</b> | <b>\$ 30,682,377</b> | <b>\$ 2,070,788</b>                      | <b>7.2%</b> |
| <b>FTEs</b>                  | <b>115.0</b>         | <b>115.0</b>         | <b>0.0</b>                               | <b>0.0%</b> |
| <b>Cost per FTE</b>          |                      |                      |                                          |             |
| Salaries                     | \$ 191,666           | \$ 204,617           | \$ 12,951                                | 6.8%        |
| Payroll Taxes                | 11,474               | 12,261               | 787                                      | 6.9%        |
| Benefits                     | 21,049               | 22,637               | 1,588                                    | 7.5%        |
| Retirement                   | 24,608               | 27,289               | 2,681                                    | 10.9%       |
| <b>Total Cost per FTE</b>    | <b>\$ 248,796</b>    | <b>\$ 266,803</b>    | <b>\$ 18,007</b>                         | <b>7.2%</b> |

**Table 5: Personnel Analysis and Expenses - Personnel Expenses**

### Explanation of Significant Personnel Variances – 2026 Budget versus 2025 Budget

- The budgeted vacancy rate has been reduced from 2% to 0%, reflecting sustained success with staff hiring and retention.

- The budget includes a Board-approved merit increase, and an estimated 15% increase in medical premiums.
- More information can be found in the Major Budget Drivers—Budget Overview.

### Consultants and Contractors

| Consultants and Contracts                              | Budget<br>2025      | Budget<br>2026      | Variance<br>2025 Budget v 2026 |              |
|--------------------------------------------------------|---------------------|---------------------|--------------------------------|--------------|
|                                                        |                     |                     | Budget                         | Variance %   |
| Reliability Standards                                  | \$ -                | \$ -                | \$ -                           |              |
| Compliance Monitoring and Enforcement and Organization | -                   | -                   | -                              |              |
| Registration and Certification                         | -                   | -                   | -                              |              |
| Reliability Assessment and Performance Analysis        | 263,850             | 125,000             | (138,850)                      | (52.6%)      |
| Training and Outreach                                  | -                   | 100,000             | 100,000                        |              |
| Situation Awareness and Infrastructure Security        | -                   | -                   | -                              |              |
| Corporate Services                                     | 906,250             | 1,092,000           | 185,750                        | 20.5%        |
| <b>Contracts Total</b>                                 | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>                    |              |
| <b>Total Consultants and Contracts</b>                 | <b>\$ 1,170,100</b> | <b>\$ 1,317,000</b> | <b>\$ 146,900</b>              | <b>12.6%</b> |

**Table 6: Consultants and Contracts**

### Explanation of Significant Variances – 2026 Budget versus 2025 Budget

- The simulator contract for the System Operator Certification (SOC) program has been reallocated from RAPA to Training to better align with relevant work areas. The contract will be renegotiated in late 2025, with anticipated cost adjustments in 2026.
- Corporate Services is driven largely by an increase in IT and Security project support.

### Fixed Assets

| Fixed Assets               | Budget<br>2025    | Budget<br>2026    | Variance<br>2025 Budget v 2026 |                |
|----------------------------|-------------------|-------------------|--------------------------------|----------------|
|                            |                   |                   | Budget                         | Variance %     |
| Computer & Software CapEx  | \$ 200,000        | \$ 140,000        | \$ (60,000)                    | (30.0%)        |
| Furniture & Fixtures CapEx | -                 | -                 | -                              |                |
| Equipment CapEx            | 160,000           | -                 | (160,000)                      | (100.0%)       |
| Leasehold Improvements     | -                 | -                 | -                              |                |
|                            | <b>\$ 360,000</b> | <b>\$ 140,000</b> | <b>\$ (220,000)</b>            | <b>(61.1%)</b> |

**Table 7: Fixed Assets**

### Explanation of Significant Variances – 2026 Budget versus 2025 Budget

- A decrease of \$220,000 is due to an external website redesign project budgeted in 2025.

## Working Capital and Assessment Stabilization Reserve Analysis

| Reserve Analysis                                                   |                       |                               |                                                     |  |
|--------------------------------------------------------------------|-----------------------|-------------------------------|-----------------------------------------------------|--|
| STATUTORY                                                          |                       |                               |                                                     |  |
|                                                                    | Total<br>Reserves     | Working<br>Capital<br>Reserve | Assessment<br>Stabilization<br>Reserve <sup>1</sup> |  |
| Beginning Reserves, January 1, 2025                                | \$ 12,575,729         | \$ 3,037,689                  | \$ 9,538,040                                        |  |
| Plus: 2025 Funding (from Load-Serving Entities (LSE) or designees) | \$ 31,547,615         | \$ 31,547,615                 | \$ -                                                |  |
| Plus: 2025 Other funding sources                                   | 620,000               | 620,000                       | -                                                   |  |
| Penalties released from Assessment Stabilization Reserve in 2025   | -                     | 2,972,040                     | (2,972,040)                                         |  |
| Penalty Sanctions January 1 - June 30, 2025                        | 267,055               | -                             | 267,055                                             |  |
| Less: 2025 Projected expenses & capital expenditures               | (35,601,088)          | (35,601,088)                  | -                                                   |  |
| <b>Projected Reserves, December 31, 2025</b>                       | <b>\$ 9,409,311</b>   | <b>\$ 2,576,256</b>           | <b>\$ 6,833,055</b>                                 |  |
| Targeted Reserve, December 31, 2026                                | \$ 6,555,021          | \$ 2,250,966                  | \$ 4,304,055                                        |  |
| Less: Projected Reserves, December 31, 2025                        | (9,409,311)           | (2,576,256)                   | (6,833,055)                                         |  |
| <b>Increase/(decrease) to 2026 Assessments</b>                     | <b>\$ (2,854,290)</b> | <b>\$ (325,290)</b>           | <b>\$ (2,529,000)</b>                               |  |
| 2026 Expenses and Capital Expenditures                             | \$ 37,516,100         |                               |                                                     |  |
| Less: Penalties released from Assessment Stabilization Reserve     | (2,529,000)           |                               |                                                     |  |
| Adjustment to achieve targeted Working Capital Reserve             | (325,290)             |                               |                                                     |  |
| Less: Other funding sources                                        | (405,900)             |                               |                                                     |  |
| <b>2026 SERC Assessment</b>                                        | <b>\$ 34,255,910</b>  |                               |                                                     |  |

<sup>1</sup> Penalty sanctions are added to the Assessment Stabilization Reserve upon approval of the enforcement action by FERC, and released to offset future assessments, as approved by SERC's Board of Directors.

**Table 8: Reserve Analysis - Statutory**

### Explanation of the Working Capital Reserve

In accordance with SERC's Cash Reserves Policy approved by the Board on June 26, 2019, the organization maintains a Working Capital Reserve. This reserve is designed to address both daily operational cash flow needs and unexpected contingencies that were not foreseen at the time the BP&B (Business Plan and Budget) was prepared. The policy stipulates a working capital target of up to 10% of the annual budget.

For the 2026 BP&B, SERC has targeted a Working Capital Reserve of \$2,250,966. To align with this target, SERC has reduced its 2026 ERO Assessments by \$325,290. This adjustment ensures that the Working Capital Reserve is maintained at the targeted level, facilitating financial stability and readiness to address unforeseen circumstances while fulfilling operational requirements effectively.

### Explanation of the Assessment Stabilization Reserve

Pursuant to SERC's Cash Reserves Policy, SERC maintains an Assessment Stabilization Reserve to mitigate annual assessment volatility. With NERC and FERC approval, Penalty

sanctions are added to the reserve, and released to offset assessments in future years. SERC is requesting to place \$1,533,055 of Penalty sanctions received between July 1, 2024 and June 30, 2025, into the Assessment Stabilization Reserve, and to release \$2,529,000 from the Assessment Stabilization Reserve to offset 2026 SERC Assessments.

### **Penalty Sanctions**

Pursuant to the NERC ROP Section 1107.4, SERC is requesting an exception to NERC ROP 1107.2. *All funds from financial Penalties assessed in the United States received by the entity initiating the compliance monitoring and enforcement process shall be applied as a general offset to the entity's budget requirements for the subsequent fiscal year, if received by July 1, or for the second subsequent fiscal year, if received on or after July 1.* Specifically, SERC is requesting an exception in order to place \$1,533,055 of Penalty sanctions received between July 1, 2024 and June 30, 2025, into the Assessment Stabilization Reserve, and to release \$2,529,000 from the Assessment Stabilization Reserve to offset 2026 SERC Assessments.

**Allocation Method:** Penalty sanctions released to offset 2026 assessments have been allocated to the following statutory programs to reduce assessments: Reliability Standards; Compliance Monitoring and Enforcement; RAPA; Training, Education and Stakeholder Outreach; and Situation Awareness and Infrastructure Security (SAIS). Penalty sanctions are allocated based upon the number of FTEs in the program divided by the aggregate total FTEs in the programs receiving the allocation.

## 2027-2028 Budget Projections

### Projected Funding and Budget Summary

SERC projects to increase its operating budget in 2027 from \$37,516,100 to \$39,858,258, an increase of \$2,342,158 or 6.2%. The projected 2028 budget of \$42,239,404 reflects an increase of \$2,381,146 or 6.0% over the 2027 projection.

SERC evaluates releases from its Assessment Stabilization Reserve annually based on several factors, including the current reserve balance, and current and projected future year budgets to mitigate significant fluctuations in annual assessments. The 2027 and 2028 projected assessments reflect planned decreases in these strategic reserves and are subject to change based on future penalty activity. SERC's projected 2027 assessment of \$37,247,808 represents an increase of 8.7%, or \$2,991,898 from the 2026 assessment. The projected assessment for 2028 of \$40,407,354 represents an increase of 8.5%, or \$3,159,546 from the 2027 projected assessment.

### Major Drivers in 2027 and 2028 Budget Projections

- **Two key priorities will drive SERC's budgets in 2027 and 2028:**
  - **Managing Inverter-Based Resources (IBR):** The high volume of IBR registrants requires increased efforts to effectively manage registration, training, outreach, and reliability monitoring and enforcement. This influx will continue to impact several SERC programs and oversight activities.
  - **Reliability Studies:** The evolving grid requires new and increasingly complex reliability studies, modeling and assessments. Data driven analytics are needed to support SERC's ability to conduct these essential functions, ensuring the continued security of the bulk power system.
- **Staffing changes proposed for 2027-2028** – In line with SERC's strategic objectives, 1 additional full-time employee (FTE) is planned for 2027 and 2 in 2028, with a total increase of 1 to 3 FTEs over the two years in the areas of analytics, monitoring and enforcement.
- **Personnel Expenses:** The projected increase in personnel expenses is due to the addition of 1 to 3 FTEs, board-approved merit increases, and rising employee benefits costs, including higher insurance premiums.
- **Meetings and Travel:** Travel costs are expected to increase due to inflation.
- **Consultants and Contracts:** A temporary increase reflects periodic RAPA studies planned in 2027.
- **Office Rent:** A modest increase is projected for 2028, reflecting anticipated rises in common area maintenance expenses.
- **Office Costs:** Rising expenses account for necessary Office 360 and SAEA software upgrades, along with an inflationary adjustment for existing software licenses.
- **Professional Services:** The 2027 increase is driven by a planned Independent Director search, with costs expected to decrease in 2028.
- **Fixed Assets:** A decrease is projected in 2027 due to the absence of one-time software license purchases from 2026, partially offset by hardware replacements supporting the CRISP program. The 2028 budget includes anticipated server and software upgrades.

**SERC Reliability Corporation  
2026 Business Plan and Budget**

### Three-Year Budget Projections

| Statement of Activities and Capital Expenditures<br>2026 Budget & Projected 2027 and 2028 Budgets |                      |                      |                      |                     |                      |                      |                     |  |
|---------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|---------------------|----------------------|----------------------|---------------------|--|
|                                                                                                   | Statutory            |                      |                      |                     |                      |                      |                     |  |
|                                                                                                   | 2026<br>Budget       | 2027<br>Projection   | \$ Change<br>26 v 27 | % Change<br>26 v 27 | 2028<br>Projection   | \$ Change<br>27 v 28 | % Change<br>27 v 28 |  |
| <b>Funding</b>                                                                                    |                      |                      |                      |                     |                      |                      |                     |  |
| <b>Statutory Funding</b>                                                                          |                      |                      |                      |                     |                      |                      |                     |  |
| SERC Assessments                                                                                  | \$ 34,255,910        | \$ 37,247,808        | \$ 2,991,898         | 8.7%                | \$ 40,407,354        | \$ 3,159,546         | 8.5%                |  |
| Penalties Released*                                                                               | 2,529,000            | 2,200,000            | (329,000)            | (13.0%)             | 1,400,000            | (800,000)            | (36.4%)             |  |
| <b>Total Statutory Funding</b>                                                                    | <b>\$ 36,784,910</b> | <b>\$ 39,447,808</b> | <b>\$ 2,662,898</b>  | <b>7.2%</b>         | <b>\$ 41,807,354</b> | <b>\$ 2,359,546</b>  | <b>6.0%</b>         |  |
| Membership Fees                                                                                   | \$ -                 | \$ -                 | \$ -                 |                     | \$ -                 | \$ -                 |                     |  |
| Workshops & Miscellaneous                                                                         | 235,900              | 240,450              | 4,550                | 1.9%                | 262,050              | 21,600               | 9.0%                |  |
| Interest                                                                                          | 170,000              | 170,000              | -                    | 0.0%                | 170,000              | -                    | 0.0%                |  |
| <b>Total Funding (A)</b>                                                                          | <b>\$ 37,190,810</b> | <b>\$ 39,858,258</b> | <b>\$ 2,667,448</b>  | <b>7.2%</b>         | <b>\$ 42,239,404</b> | <b>\$ 2,381,146</b>  | <b>6.0%</b>         |  |
| <b>Expenses</b>                                                                                   |                      |                      |                      |                     |                      |                      |                     |  |
| <b>Personnel Expenses</b>                                                                         |                      |                      |                      |                     |                      |                      |                     |  |
| Salaries                                                                                          | \$ 23,530,917        | \$ 24,772,683        | \$ 1,241,766         | 5.3%                | \$ 26,292,914        | \$ 1,520,231         | 6.1%                |  |
| Payroll Taxes                                                                                     | 1,410,035            | 1,484,982            | 74,947               | 5.3%                | 1,575,841            | 90,859               | 6.1%                |  |
| Benefits                                                                                          | 2,603,224            | 2,803,224            | 200,000              | 7.7%                | 3,041,224            | 238,000              | 8.5%                |  |
| Retirement Costs                                                                                  | 3,138,201            | 3,304,500            | 166,299              | 5.3%                | 3,507,543            | 203,043              | 6.1%                |  |
| <b>Total Personnel Expenses</b>                                                                   | <b>\$ 30,682,377</b> | <b>\$ 32,365,389</b> | <b>\$ 1,683,012</b>  | <b>5.5%</b>         | <b>\$ 34,417,522</b> | <b>\$ 2,052,133</b>  | <b>6.3%</b>         |  |
| <b>Meeting Expenses</b>                                                                           |                      |                      |                      |                     |                      |                      |                     |  |
| Meetings & Conference Calls                                                                       | \$ 556,045           | \$ 583,847           | \$ 27,802            | 5.0%                | \$ 601,363           | \$ 17,516            | 3.0%                |  |
| Travel                                                                                            | 1,126,882            | 1,183,226            | 56,344               | 5.0%                | 1,218,723            | 35,497               | 3.0%                |  |
| <b>Total Meeting Expenses</b>                                                                     | <b>\$ 1,682,927</b>  | <b>\$ 1,767,073</b>  | <b>\$ 84,146</b>     | <b>5.0%</b>         | <b>\$ 1,820,086</b>  | <b>\$ 53,013</b>     | <b>3.0%</b>         |  |
| <b>Operating Expenses, excluding Depreciation</b>                                                 |                      |                      |                      |                     |                      |                      |                     |  |
| Consultants & Contracts                                                                           | \$ 1,317,000         | 1,522,000            | \$ 205,000           | 15.6%               | 1,412,000            | \$ (110,000)         | (7.2%)              |  |
| Office Rent                                                                                       | 1,290,000            | 1,290,000            | -                    | 0.0%                | 1,300,000            | 10,000               | 0.8%                |  |
| Office Costs                                                                                      | 1,777,271            | 1,972,771            | 195,500              | 11.0%               | 2,082,771            | 110,000              | 5.6%                |  |
| Professional Services                                                                             | 626,525              | 771,025              | 144,500              | 23.1%               | 677,025              | (94,000)             | (12.2%)             |  |
| Miscellaneous                                                                                     | -                    | -                    | -                    |                     | -                    | -                    |                     |  |
| <b>Total Operating Expenses</b>                                                                   | <b>\$ 5,010,796</b>  | <b>\$ 5,555,796</b>  | <b>\$ 545,000</b>    | <b>10.9%</b>        | <b>\$ 5,471,796</b>  | <b>\$ (84,000)</b>   | <b>(1.5%)</b>       |  |
| <b>Total Direct Expenses</b>                                                                      | <b>\$ 37,376,100</b> | <b>\$ 39,688,258</b> | <b>\$ 2,312,158</b>  | <b>6.2%</b>         | <b>\$ 41,709,404</b> | <b>\$ 2,021,146</b>  | <b>5.1%</b>         |  |
| <b>Indirect Expenses</b>                                                                          | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          |                     | <b>\$ -</b>          | <b>\$ -</b>          |                     |  |
| <b>Other Non-Operating Expenses</b>                                                               | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          |                     | <b>\$ -</b>          | <b>\$ -</b>          |                     |  |
| <b>Total Expenses (B)</b>                                                                         | <b>\$ 37,376,100</b> | <b>\$ 39,688,258</b> | <b>\$ 2,312,158</b>  | <b>6.2%</b>         | <b>\$ 41,709,404</b> | <b>\$ 2,021,146</b>  | <b>5.1%</b>         |  |
| <b>Change in Assets</b>                                                                           | <b>\$ (185,290)</b>  | <b>\$ 170,000</b>    | <b>\$ 355,290</b>    | <b>(191.7%)</b>     | <b>\$ 530,000</b>    | <b>\$ 360,000</b>    | <b>211.8%</b>       |  |
| <b>Fixed Assets</b>                                                                               |                      |                      |                      |                     |                      |                      |                     |  |
| Computer & Software CapEx                                                                         | 140,000              | 170,000              | 30,000               | 21.4%               | 140,000              | (30,000)             | (17.6%)             |  |
| Furniture & Fixtures CapEx                                                                        | -                    | -                    | -                    |                     | -                    | -                    |                     |  |
| Equipment CapEx                                                                                   | -                    | -                    | -                    |                     | 390,000              | 390,000              |                     |  |
| Leasehold Improvements                                                                            | -                    | -                    | -                    |                     | -                    | -                    |                     |  |
| Allocation of Fixed Assets                                                                        | -                    | -                    | -                    |                     | -                    | -                    |                     |  |
| <b>Incr(Dec) in Fixed Assets (C)</b>                                                              | <b>\$ 140,000</b>    | <b>\$ 170,000</b>    | <b>\$ 30,000</b>     | <b>21.4%</b>        | <b>\$ 530,000</b>    | <b>\$ 360,000</b>    | <b>211.8%</b>       |  |
| <b>TOTAL BUDGET (B+C)</b>                                                                         | <b>\$ 37,516,100</b> | <b>\$ 39,858,258</b> | <b>\$ 2,342,158</b>  | <b>6.2%</b>         | <b>\$ 42,239,404</b> | <b>\$ 2,381,146</b>  | <b>6.0%</b>         |  |
| <b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>                                                    | <b>\$ (325,290)</b>  | <b>\$ -</b>          | <b>\$ 325,290</b>    | <b>(100.0%)</b>     | <b>\$ -</b>          | <b>\$ -</b>          |                     |  |
| <b>FTEs</b>                                                                                       | <b>115.0</b>         | <b>116.0</b>         | <b>1.0</b>           |                     | <b>118.0</b>         | <b>2</b>             | <b>1.7%</b>         |  |

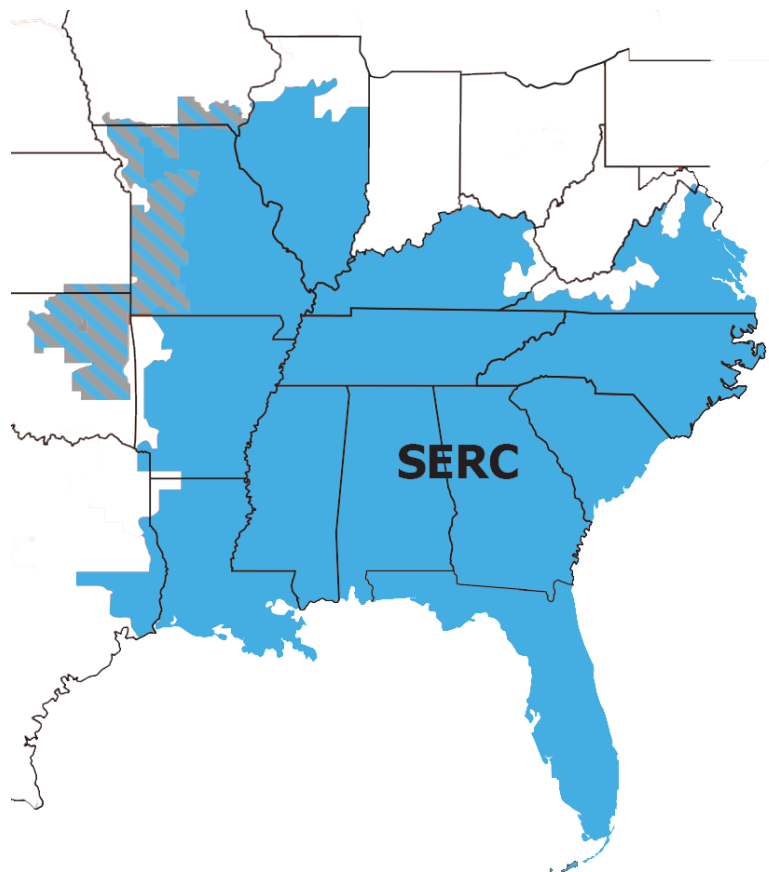
\* Penalties Released in the current year reflects the designated amount of funds released from the Assessment Stabilization Reserve (ASR) to offset U.S. assessments as approved by the SERC Board of Directors and FERC. Actual penalties invoiced in the current reporting year are shown as an increase in the ASR on the reserve summary table and will be reported as income on the audited financial statements in accordance with Generally Accepted Accounting Principles (GAAP).

**Table 9: Three-Year Budget Projections**

## Section D Regional Entity Goals and Statements of Activities

### 2026 Business Plan and Budget

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# Regional Entity Statutory Program Goals and Statements of Activities

## Reliability Standards Program

### Program Scope and Functional Description

SERC may develop Regional Reliability Standards to establish threshold requirements for assuring the planning and operation of the Bulk Electric System (BES). Per the SERC Reliability Standards Development Procedure, SERC develops and maintains its Regional Reliability Standards to minimize the risks of cascading failures and avoid damage to major equipment. These Standards must be more stringent than a NERC Reliability Standard or address a Regional difference or a physical difference in the BES.

SERC may also develop Regional criteria and guidelines. Regional criteria and guidelines are clear, timely, and effective in mitigating risks to the reliability and security of the Bulk Power System in the SERC footprint and support the use of good utility practices to enhance reliability, consider cost-effectiveness/impact, and may augment Reliability Standards. Regional criteria and guidelines are not Reliability Standards, and therefore are not enforceable. SERC develops its Regional criteria and guidelines following the Organization and Procedures Manual for SERC Technical Committees.

### 2026 Key Assumptions

The 2026 key assumptions for the Reliability Standards program are as follows:

- SERC expects the overall volume of NERC Reliability Standard changes to increase with the anticipated changes in the area of inverter-based resources, and extreme cold weather as several new standards are in the process of being developed and existing standards are being modified.
- SERC resources will support any SERC Regional Standards development and will maintain visibility into the activities of the NERC Reliability Standards.
- SERC anticipates that Regional criteria and guideline development will continue as needed to support reliability and security.

### 2026 Goals and Key Deliverables

The 2026 goals and key deliverables for the SERC Reliability Standards program are as follows:

- Manage the SERC Technical Committee documents per the approved 2026 Review Work Plan;
- Support the ERO Enterprise as needed to develop, modify, and conduct periodic reviews of Reliability Standards to ensure Standards are written clearly and structured properly for existing and emerging risks; and
- Provide information to SERC staff and stakeholders on upcoming Standards changes or implementation dates to ensure awareness and preparedness.

The Statement of Activities for this program area is shown below.



## Reliability Standards Statement of Activity

| Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital |                   |                   |                                                      |
|-----------------------------------------------------------------------------------|-------------------|-------------------|------------------------------------------------------|
| 2025 Budget and 2026 Budget                                                       |                   |                   |                                                      |
| RELIABILITY STANDARDS                                                             |                   |                   |                                                      |
|                                                                                   | 2025<br>Budget    | 2026<br>Budget    | Variance<br>2026 Budget<br>v 2025 Budget<br>Inc(Dec) |
| <b>Funding</b>                                                                    |                   |                   |                                                      |
| <b>Statutory Funding</b>                                                          |                   |                   |                                                      |
| SERC Assessments                                                                  | \$ 232,877        | \$ 255,050        | \$ 22,173                                            |
| Penalties Released                                                                | 19,150            | 16,295            | (2,855)                                              |
| <b>Total Statutory Funding</b>                                                    | <b>\$ 252,027</b> | <b>\$ 271,345</b> | <b>\$ 19,318</b>                                     |
| Membership Fees                                                                   | \$ -              | \$ -              | \$ -                                                 |
| Services & Software                                                               | -                 | -                 | -                                                    |
| Workshops & Miscellaneous                                                         | 213               | 219               | 6                                                    |
| Interest                                                                          | 1,095             | 1,095             | -                                                    |
| <b>Total Funding (A)</b>                                                          | <b>\$ 253,335</b> | <b>\$ 272,659</b> | <b>\$ 19,324</b>                                     |
| <b>Expenses</b>                                                                   |                   |                   |                                                      |
| <b>Personnel Expenses</b>                                                         |                   |                   |                                                      |
| Salaries                                                                          | \$ 120,454        | \$ 129,535        | \$ 9,081                                             |
| Payroll Taxes                                                                     | 7,227             | 7,772             | 545                                                  |
| Benefits                                                                          | 9,406             | 9,834             | 428                                                  |
| Retirement Costs                                                                  | 15,299            | 17,099            | 1,800                                                |
| <b>Total Personnel Expenses</b>                                                   | <b>\$ 152,386</b> | <b>\$ 164,240</b> | <b>\$ 11,854</b>                                     |
| <b>Meeting Expenses</b>                                                           |                   |                   |                                                      |
| Meetings & Conference Calls                                                       | \$ -              | \$ -              | \$ -                                                 |
| Travel                                                                            | 4,800             | 4,800             | -                                                    |
| <b>Total Meeting Expenses</b>                                                     | <b>\$ 4,800</b>   | <b>\$ 4,800</b>   | <b>\$ -</b>                                          |
| <b>Operating Expenses, excluding Depreciation</b>                                 |                   |                   |                                                      |
| Consultants & Contracts                                                           | \$ -              | \$ -              | \$ -                                                 |
| Office Rent                                                                       | -                 | -                 | -                                                    |
| Office Costs                                                                      | -                 | -                 | -                                                    |
| Professional Services                                                             | -                 | -                 | -                                                    |
| Miscellaneous                                                                     | -                 | -                 | -                                                    |
| <b>Total Operating Expenses</b>                                                   | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>                                          |
| <b>Total Direct Expenses</b>                                                      | <b>\$ 157,186</b> | <b>\$ 169,040</b> | <b>\$ 11,854</b>                                     |
| <b>Indirect Expenses</b>                                                          | <b>\$ 98,468</b>  | <b>\$ 105,255</b> | <b>\$ 6,787</b>                                      |
| <b>Other Non-Operating Expenses</b>                                               | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>                                          |
| <b>Total Expenses (B)</b>                                                         | <b>\$ 255,654</b> | <b>\$ 274,295</b> | <b>\$ 18,641</b>                                     |
| <b>Change in Assets</b>                                                           | <b>\$ (2,319)</b> | <b>\$ (1,636)</b> | <b>\$ 683</b>                                        |
| <b>Fixed Assets, excluding Right of Use Assets (C)</b>                            | <b>\$ 1,031</b>   | <b>\$ 902</b>     | <b>\$ (129)</b>                                      |
| <b>TOTAL BUDGET (B+C)</b>                                                         | <b>\$ 256,685</b> | <b>\$ 275,197</b> | <b>\$ 18,512</b>                                     |
| <b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>                                    | <b>\$ (3,350)</b> | <b>\$ (2,538)</b> | <b>\$ 812</b>                                        |
| FTEs                                                                              | 0.50              | 0.50              | -                                                    |

Table 10: Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital for Reliability Standards

## **Compliance Monitoring and Enforcement; Organization Registration and Certification Program**

### **Program Scope and Functional Description**

The purpose of the Compliance Monitoring and Enforcement program is to ensure that all compliance monitoring, risk assessment, mitigation, and enforcement activities are risk-based, reliability-focused, and adhere to the requirements of the NERC Rules of Procedure and the Amended and Restated Delegation Agreement between NERC and SERC. To accomplish this objective, SERC has divided its Compliance Monitoring and Enforcement program into five areas: Organization Registration and Certification, Compliance Monitoring, Risk Assessment and Mitigation, Risk Awareness and Oversight, and Enforcement.

#### **Organization Registration and Certification**

- Registers applicable owners, operators, and users of the Bulk Power System (BPS) for compliance with Reliability Standards; and
- Certifies applicable entities.

#### **Compliance Monitoring**

- Uses a risk-based monitoring approach to conduct SERC compliance monitoring activities (e.g., compliance audits, spot checks, self-certifications, etc.);
- Reviews entity internal controls during monitoring engagements;
- Implements the process for Periodic Data Submittals (PDS); and
- Implements the Critical Infrastructure Protection (CIP) Standards Technical Feasibility Exceptions (TFEs) process.

#### **Risk Assessment and Mitigation (RAM)**

- Serves as the technical point of contact for all noncompliance issues identified through one of the discovery methods (e.g., self-report, self-log, compliance audit, self-certification, spot check);
- Performs risk-harm assessments on noncompliance issues, which include determining the scope and root cause of the noncompliance, and the potential and actual risk or harm to BPS reliability;
- Reviews and approves the registered entity's mitigating activities to ensure the registered entity performs the actions necessary to correct the noncompliance and prevent recurrence to protect BPS reliability;
- Administers the SERC Regional self-logging program; and
- Performs Compliance Evaluations, when required, on events reported by registered entities.

#### **Risk Awareness and Oversight (RAO)**

- Conducts registered entity Inherent Risk Assessments;

- Develops and implements registered entity Compliance Oversight Plans (COPs);
- Provides registered entities an outreach opportunity to better understand the risk information in their COP Report;
- Performs internal control program maturity assessments on registered entities' compliance programs as requested by the registered entities; and
- Maintains an awareness of emerging and escalating risks, which may affect entities or groups of entities in the aggregate and incorporates mitigation strategies into various other SERC programs such as training, outreach, communication, and Technical Committee engagements.

### **Enforcement**

The SERC Enforcement team resolves all noncompliance issues associated with NERC Reliability Standards and/or SERC Regional Reliability Standards and imposes monetary and/or non-monetary penalties and sanctions, as appropriate. Utilizing themes, trends, and patterns identified through Enforcement processes, the Enforcement team reduces risks and enhances security of the bulk power system through:

- Transparent, consistent, and efficient disposition of noncompliance matters;
- Collaborative engagement with the ERO, registered entities, and government bodies, and;
- Agile use of regulatory tools to encourage risk reduction and deter future violations.

### **2026 Key Assumptions**

#### **Compliance Monitoring, RAM, and RAO**

The 2026 key assumptions for Compliance Monitoring, RAM, and RAO are as follows:

- The Compliance Monitoring team incorporates a purposeful risk-based approach into monitoring activities. This risk-based approach generally results in more frequent engagements with entities that pose a higher risk to the grid.
- The Compliance Monitoring team uses a hybrid approach for spot check and audits (i.e., combination of virtual and onsite).
- Compliance Monitoring uses self-certifications primarily for monitoring engagements for lower-risk entities as well as monitoring specific risks that impact the SERC Region as a whole.
- The number of incoming issues, whether through audit findings or self-reports, will remain relatively consistent with trends over the past 12 to 24 months.
- RAM will prioritize and process Potential non-Compliances based on risk posed to the BPS.
- RAM will experience no significant increase in travel for processing Potential non-Compliances.
- As subject matter experts, the Compliance Monitoring, RAM, and RAO staff will continue to receive training on Reliability Standards, current and emerging risks, internal controls,

and enhanced audit practices. Additionally, staff will pursue and maintain professional credentials to further enhance their knowledge and expertise in their respective fields.

### **Organization Registration and Certification**

The 2026 key assumptions for the Organization Registration and Certification program area are as follows:

- The volume of registration additions is expected to increase as a result of the changing resource mix and the modification to the registry criteria to include non-BES Inverter Based Resources.
- SERC Certification staff will continue to collaborate with NERC and implement the NERC Rules of Procedure (ROP) certification process to assess a registered entity's capability for performing its registered function(s). SERC expects the volume of certification engagements to increase.
- The number of Joint Registration Organization (JRO), Coordinated Functional Registration (CFR), and the Multi-Regional Registered Entity (MRRE) may increase as registered entities better delineate shared responsibilities and promote efficiency and effectiveness in compliance.

### **Enforcement**

The 2026 key assumptions for the SERC Enforcement program area are as follows:

- The number of incoming noncompliances, whether through audit findings or self-reports, will remain relatively consistent with trends over the past 12 to 24 months.
- Enforcement processes noncompliances in a timely and fair manner;
- Enforcement resolves noncompliances with appropriate dispositions based on risk, compliance history, and other factors;
- Enforcement shares general trends, themes, and takeaways from its noncompliance processes to help prevent future noncompliance issues and reduce the likelihood of future violations;
- Enforcement ensures consistent application of its processes and procedures and conducts periodic training to Enforcement staff; and
- Enhanced Enforcement engagement with FERC, NERC, Regions and entities will proactively identify reliability risks and solutions that reduce the likelihood of potential noncompliance issues becoming a violation pattern.

### **2026 Goals and Key Deliverables**

#### **Compliance Monitoring, Risk Awareness & Oversight, and Risk Assessment and Mitigation**

The 2026 goals and key deliverables for Compliance Monitoring, RAO, and RAM are as follows:

- Plan, prepare, and conduct risk-based Compliance Monitoring engagements pursuant to the NERC Rules of Procedure. Compliance Monitoring engagements for 2026 will consist of audits, spot checks, and self-certifications. As the RAO team completes or refreshes registered entities' Inherent Risk Assessments (IRAs) and Compliance Oversight Plans (COPs), the 2026 Compliance Monitoring schedule may change, with additional engagements added;
- Continue to process and reduce backlog inventory, achieving an average age of open inventory that does not exceed 12 months;

- 
- Develop a strategy to follow up on and utilize Audit identified Areas-of-Concern, Recommendations, and Positive Observations for opportunities to reduce risk;
  - Facilitate efficient and collaborative transitions to new and revised Standards through continued ERO Enterprise-wide collaboration;
  - Conduct thorough and objective assessments of entity's internal controls to understand their risks in meeting regulatory requirements and commitment to sound governance practices.
  - Evaluate the compliance monitoring, violation/noncompliance processing, risk assessment, and registration and certification activities for sufficiency and effectiveness, and modify the activities, as needed;
  - Collaborate with the ERO Enterprise to develop common and consistent CMEP processes, information systems, and methods among Regions;
  - Refine and implement risk-based compliance monitoring and enforcement by focusing on serious risk violations to improve the effectiveness of SERC operations, and reducing unnecessary costs of compliance on registered entities while ensuring the achievement of reliability objectives;
  - Ensure timely mitigation of all violations/noncompliance to restore compliance and prevent recurrence, thereby maintaining the reliability of the BPS;
  - Continue collaboration among RAM, Compliance Monitoring, Enforcement, RAO, Advanced Analytics, and IT departments to develop effective tools to quickly identify and share with stakeholders themes, trends, and emerging risks associated with their noncompliance;
  - Work strategically to enhance and improve tools and techniques to identify, understand, and quantify risk to the BPS earlier in the processing timeline, and use that information to craft more robust and comprehensive mitigation strategies;
  - Develop mature violation/noncompliance processing management tools and training based on risk-based techniques to improve the efficiency, transparency, consistency, quality, and timeliness of violation/noncompliance processing;
  - Apply a consistent ERO-wide approach in the process of completing registered entity Inherent Risk Assessments (IRA) and Compliance Oversight Plans (COP), while continuing to provide entities with an outreach opportunity to better understand their risk category from the COP Report;
  - Mature RAO's role as a centralized risk hub for identifying, evaluating, and responding to emerging and escalating risks (largely leveraging SERC's cross-functional Risk Trend Review Team for this) to ensure SERC is effectively deploying its resources toward risk mitigation;
  - Leverage NERC oversight activities to enhance CMEP processes and procedures.
  - Begin Monitoring efforts for Category 2 (IBR) Generation Owners and Generation Operators.
  - Continue an active role in maturing the ERO Enterprise-wide Align and Secure Evidence Locker (SEL); and
  - Continue to support the training requirements necessary to meet the criteria set forth by the ERO Auditor Manual and Handbook. SERC will ensure that:
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- compliance Monitoring staff and other personnel, as necessary, understand Compliance implementation guidance documents and risk-based principles;
- a process exists to evaluate audit team performance; and
- training exists that addresses initial and continuing training for capability and development.

### **Organization Registration and Certification**

The 2026 goals and key deliverables for Organization Registration and Certification are as follows:

- Continue to identify and register Category 2 (IBR) Generation Owners and Generation Operators in the SERC Region.
- Ensure that SERC provides NERC timely and accurate information about changes in registrations;
- Conduct certification activities as required; and
- Leverage NERC oversight activities to enhance Registration and Certification processes and procedures.

### **Enforcement**

The 2026 goals and key deliverables for the Enforcement program area are as follows:

- Continue managing Enforcement activities in an independent, fair, and consistent manner to ensure due process for all registered entities;
- Continue collaborating with the RAM team in achieving an average age of open inventory that does not exceed 12 months;
- Continue ensuring consistent application of enforcement processing and conduct periodic training to Enforcement staff;
- Continue utilizing process efficiencies to improve and enhance enforcement processing effectiveness;
- Mature Enforcement processes to proactively identify noncompliance risks and emerging violation trends to reduce the likelihood of higher risk violations before they occur, and, when appropriate, hold registered entities accountable for higher risk violations with monetary and/or non-monetary penalties commensurate with the risk posed to the security and reliability of the BPS;
- Expand internal focus on identifying themes, trends, emerging risks, and best practices associated with noncompliance issues, including identifying opportunities to share key takeaways with industry stakeholders, helping ensure the reduction of risk to BPS reliability.
- Continue external training, in collaboration with RAM, RAO, Outreach and Training and Reliability Assurance, to educate entities and industry stakeholders on new risk-based activities and provide guidance and transparency around self-reporting practices.
- Initiate new programming in collaboration with RAM, Advanced Analytics, RAO, Outreach and Training, and Reliability Assurance to share themes, trends, and takeaways from Enforcement processes with entities, the broader ERO Regions, and FERC;

- Utilize agile regulatory tools to help message desirable behavior and actions via monetary and/or non-monetary penalties, self-reporting, continued engagement and cooperation during enforcement processing, maintaining a strong Internal Compliance Program, voluntary and prompt mitigation to reduce risk, taking ownership of undesired behavior by admitting to violations, and resolving violations through a settlement agreement;
- Continue collaborating with the RAM, Advanced Analytics, and IT departments to develop and enhance process efficiency tools, leveraging new technologies, to quickly identify themes, trends, emerging risks, and best practices associated with their noncompliance;
- Enhance cross-regional collaboration and engagement with the ERO Enterprise and FERC on enforcement policy initiatives and guidance that increases efficiency and consistency in processing noncompliances; and
- Continue an active role in the identification of enhancements to the ERO Enterprise-wide Align and SEL to increase the value and usability of Align and SEL.

The Statement of Activities for this program area is shown below. See Compliance Monitoring and Enforcement and Organization Registration and Certification Program Major Budget Drivers for an explanation of significant variances.

## Regional Entity Goals and Statements of Activities

Compliance Monitoring, Enforcement, and  
Organization Registration and Certification Statement  
of ActivitiesCompliance Monitoring, Enforcement, and Organization Registration and  
Certification Statement of Activities

| Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital<br>2025 Budget and 2026 Budget |                      |                      |                                                      |
|------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|------------------------------------------------------|
| COMPLIANCE MONITORING AND ENFORCEMENT; ORGANIZATION REGISTRATION AND CERTIFICATION                               |                      |                      |                                                      |
|                                                                                                                  | 2025<br>Budget       | 2026<br>Budget       | Variance<br>2026 Budget<br>v 2025 Budget<br>Inc(Dec) |
| <b>Funding</b>                                                                                                   |                      |                      |                                                      |
| <b>Statutory Funding</b>                                                                                         |                      |                      |                                                      |
| SERC Assessments                                                                                                 | \$ 20,306,308        | \$ 22,485,734        | \$ 2,179,426                                         |
| Penalties Released                                                                                               | 1,953,274            | 1,694,690            | (258,584)                                            |
| <b>Total Statutory Funding</b>                                                                                   | <b>\$ 22,259,582</b> | <b>\$ 24,180,424</b> | <b>\$ 1,920,842</b>                                  |
| Membership Fees                                                                                                  | \$ -                 | \$ -                 | \$ -                                                 |
| Services & Software                                                                                              | -                    | -                    | -                                                    |
| Workshops & Miscellaneous                                                                                        | 21,688               | 22,784               | 1,096                                                |
| Interest                                                                                                         | 111,728              | 113,918              | 2,190                                                |
| <b>Total Funding (A)</b>                                                                                         | <b>\$ 22,392,998</b> | <b>\$ 24,317,126</b> | <b>\$ 1,924,128</b>                                  |
| <b>Expenses</b>                                                                                                  |                      |                      |                                                      |
| <b>Personnel Expenses</b>                                                                                        |                      |                      |                                                      |
| Salaries                                                                                                         | \$ 9,298,194         | \$ 9,973,483         | \$ 675,289                                           |
| Payroll Taxes                                                                                                    | 557,894              | 586,436              | 28,542                                               |
| Benefits                                                                                                         | 915,792              | 1,009,641            | 93,849                                               |
| Retirement Costs                                                                                                 | 1,182,804            | 1,290,155            | 107,351                                              |
| <b>Total Personnel Expenses</b>                                                                                  | <b>\$ 11,954,684</b> | <b>\$ 12,859,715</b> | <b>\$ 905,031</b>                                    |
| <b>Meeting Expenses</b>                                                                                          |                      |                      |                                                      |
| Meetings & Conference Calls                                                                                      | \$ 14,860            | \$ 19,405            | \$ 4,545                                             |
| Travel                                                                                                           | 533,100              | 569,917              | 36,817                                               |
| <b>Total Meeting Expenses</b>                                                                                    | <b>\$ 547,960</b>    | <b>\$ 589,322</b>    | <b>\$ 41,362</b>                                     |
| <b>Operating Expenses, excluding Depreciation</b>                                                                |                      |                      |                                                      |
| Consultants & Contracts                                                                                          | \$ -                 | \$ -                 | \$ -                                                 |
| Office Rent                                                                                                      | -                    | -                    | -                                                    |
| Office Costs                                                                                                     | 37,600               | 37,600               | -                                                    |
| Professional Services                                                                                            | -                    | -                    | -                                                    |
| Miscellaneous                                                                                                    | -                    | -                    | -                                                    |
| <b>Total Operating Expenses</b>                                                                                  | <b>\$ 37,600</b>     | <b>\$ 37,600</b>     | <b>\$ -</b>                                          |
| <b>Total Direct Expenses</b>                                                                                     | <b>\$ 12,540,244</b> | <b>\$ 13,486,637</b> | <b>\$ 946,393</b>                                    |
| <b>Indirect Expenses</b>                                                                                         | <b>\$ 10,043,758</b> | <b>\$ 10,946,563</b> | <b>\$ 902,805</b>                                    |
| <b>Other Non-Operating Expenses</b>                                                                              | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>                                          |
| <b>Total Expenses (B)</b>                                                                                        | <b>\$ 22,584,002</b> | <b>\$ 24,433,200</b> | <b>\$ 1,849,198</b>                                  |
| <b>Change in Assets</b>                                                                                          | <b>\$ (191,004)</b>  | <b>\$ (116,074)</b>  | <b>\$ 74,930</b>                                     |
| <b>Fixed Assets, excluding Right of Use Assets (C)</b>                                                           | <b>\$ 105,154</b>    | <b>\$ 93,815</b>     | <b>\$ (11,339)</b>                                   |
| <b>TOTAL BUDGET (B+C)</b>                                                                                        | <b>\$ 22,689,156</b> | <b>\$ 24,527,015</b> | <b>\$ 1,837,859</b>                                  |
| <b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>                                                                   | <b>\$ (296,158)</b>  | <b>\$ (209,889)</b>  | <b>\$ 86,269</b>                                     |
| <b>FTEs</b>                                                                                                      | <b>51.00</b>         | <b>52.00</b>         | <b>1.00</b>                                          |

Table 11: Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital for  
Compliance Monitoring, Enforcement, and Organization Registration and Certification



## Reliability Assessment and Performance Analysis Program

### Program Scope and Functional Description

SERC's Reliability Assessments and Performance Analysis (RAPA) program provides the overall assessment of reliability and security of the BPS for the SERC Region for seasonal and long-term time periods. The RAPA function identifies reliability risks to the BPS in the SERC footprint for integrated risk analysis. The program supports SERC's mission by identifying and prioritizing risks to reliability and security, analyzing performance, and maintaining a focus on activities to mitigate risk. This is a delegated function that SERC performs.

SERC conducts independent reliability assessments of the BPS within the SERC Region supported by model building, engineering studies, and analysis of the results. The assessment program uses data collected from SERC registered entities along with other external data sources, such as the NERC Transmission Availability Data System (TADS), Generating Availability Data Systems (GADS), Mis-operations Information Data Analysis System (MIDAS), EIA 860, and EIA 930, among other sources to perform both future reliability assessments and historic performance analyses.

SERC evaluates the overall reliability, performance, and adequacy of the SERC Region and reports its results to NERC, and in some cases, to the public. SERC's work supports NERC's obligation to perform continent-wide analysis of the interconnected North American BPS.

### 2026 Key Assumptions

The 2026 key assumptions for the SERC RAPA program are as follows:

- SERC will continue to support NERC's RAPA program to collect and analyze reliability data, perform engineering studies, develop reliability assessments, and report on the reliability of the BPS.
- SERC will support the ERO Enterprise in the identification and mitigation of significant reliability risks that are known today, as well as the identification and assessment of emerging and accelerating risks.
- SERC will continue to support its role per the Eastern Interconnection Regional Entity Assessments and Model Building Agreement, developed within the Eastern Interconnection Reliability Assessment Group (ERAG).
- SERC will continue to support its integrated risk management initiatives to promote awareness and discuss strategies for risk mitigation.
- As a key part of assessing risk, SERC will continue to evaluate generator winterization and freeze protection measures. This is an important element in determining overall reliability and preparedness for operating in extreme weather conditions.

### 2026 Goals and Key Deliverables

The 2026 goals and key deliverables for the RAPA program will support the following goals:

- Support NERC Reliability Assessments, Performance Analysis, and System Analysis programs;
- Support Regional analysis that contributes to NERC reliability analysis efforts, SERC reliability risk discussions, and performance analysis efforts;
- Submit timely and quality data, studies, and assessments to support SERC and NERC seasonal and long-term reliability assessments;

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- Continue to support ongoing improvements to SERC and ERAG Eastern Interconnection planning model development, to produce assessments, and analyses that shine the light on significant risks to the BPS;
  - Provide support to the SERC and NERC committees and initiatives related to reliability assessments, and performance analysis;
  - Continue to support outreach efforts to promote reliability risk-related discussions;
  - Utilize advanced probabilistic methods to perform resource adequacy studies and sensitivities to support the assessment of resource adequacy for the SERC Region.
  - Continue Regional improvements of the probabilistic model, and focus on scenarios to study based on inputs from the Engineering Committee and subgroups, SERC's Board of Directors, and applicable government authorities;
  - Perform energy assessments for the SERC Region and highlight the risk of energy deficiency by evaluating hourly resources and demand;
  - Complete interregional transfer capability studies for the SERC Region, including recommendations that would strengthen the reliability of the rapidly evolving BPS;
  - Complete annual FERC Form 715 submittals on behalf of SERC registered entities; and
  - Continue NERC and Regional coordination to improve processes and information sharing.

The Statement of Activities for this program area is shown below. See Reliability Assessment and Performance Analysis Major Budget Drivers for an explanation of significant variances.

## Reliability Assessment and Performance Analysis Statement of Activities

| Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital<br>2025 Budget and 2026 Budget |                     |                     |                                                      |
|------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|------------------------------------------------------|
| RELIABILITY ASSESSMENT AND PERFORMANCE ANALYSIS                                                                  |                     |                     |                                                      |
|                                                                                                                  | 2025<br>Budget      | 2026<br>Budget      | Variance<br>2026 Budget<br>v 2025 Budget<br>Inc(Dec) |
| <b>Funding</b>                                                                                                   |                     |                     |                                                      |
| <b>Statutory Funding</b>                                                                                         |                     |                     |                                                      |
| SERC Assessments                                                                                                 | \$ 4,189,545        | \$ 4,505,576        | \$ 316,031                                           |
| Penalties Released                                                                                               | 356,185             | 303,089             | (53,096)                                             |
| <b>Total Statutory Funding</b>                                                                                   | <b>\$ 4,545,730</b> | <b>\$ 4,808,665</b> | <b>\$ 262,935</b>                                    |
| Membership Fees                                                                                                  | \$ -                | \$ -                | \$ -                                                 |
| Services & Software                                                                                              | -                   | -                   | -                                                    |
| Workshops & Miscellaneous                                                                                        | 3,955               | 10,825              | 6,870                                                |
| Interest                                                                                                         | 20,374              | 20,374              | -                                                    |
| <b>Total Funding (A)</b>                                                                                         | <b>\$ 4,570,059</b> | <b>\$ 4,839,864</b> | <b>\$ 269,805</b>                                    |
| <b>Expenses</b>                                                                                                  |                     |                     |                                                      |
| <b>Personnel Expenses</b>                                                                                        |                     |                     |                                                      |
| Salaries                                                                                                         | \$ 1,758,668        | \$ 1,988,696        | \$ 230,028                                           |
| Payroll Taxes                                                                                                    | 105,524             | 119,326             | 13,802                                               |
| Benefits                                                                                                         | 156,354             | 175,809             | 19,455                                               |
| Retirement Costs                                                                                                 | 223,720             | 262,508             | 38,788                                               |
| <b>Total Personnel Expenses</b>                                                                                  | <b>\$ 2,244,266</b> | <b>\$ 2,546,339</b> | <b>\$ 302,073</b>                                    |
| <b>Meeting Expenses</b>                                                                                          |                     |                     |                                                      |
| Meetings & Conference Calls                                                                                      | \$ 25,000           | \$ 25,000           | \$ -                                                 |
| Travel                                                                                                           | 119,700             | 79,100              | (40,600)                                             |
| <b>Total Meeting Expenses</b>                                                                                    | <b>\$ 144,700</b>   | <b>\$ 104,100</b>   | <b>\$ (40,600)</b>                                   |
| <b>Operating Expenses, excluding Depreciation</b>                                                                |                     |                     |                                                      |
| Consultants & Contracts                                                                                          | \$ 263,850          | \$ 125,000          | \$ (138,850)                                         |
| Office Rent                                                                                                      | -                   | -                   | -                                                    |
| Office Costs                                                                                                     | 127,000             | 134,000             | 7,000                                                |
| Professional Services                                                                                            | -                   | -                   | -                                                    |
| Miscellaneous                                                                                                    | -                   | -                   | -                                                    |
| <b>Total Operating Expenses</b>                                                                                  | <b>\$ 390,850</b>   | <b>\$ 259,000</b>   | <b>\$ (131,850)</b>                                  |
| <b>Total Direct Expenses</b>                                                                                     | <b>\$ 2,779,816</b> | <b>\$ 2,909,439</b> | <b>\$ 129,623</b>                                    |
| <b>Indirect Expenses</b>                                                                                         | <b>\$ 1,831,509</b> | <b>\$ 1,957,751</b> | <b>\$ 126,242</b>                                    |
| <b>Other Non-Operating Expenses</b>                                                                              | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>                                          |
| <b>Total Expenses (B)</b>                                                                                        | <b>\$ 4,611,325</b> | <b>\$ 4,867,190</b> | <b>\$ 255,865</b>                                    |
| <b>Change in Assets</b>                                                                                          | <b>\$ (41,266)</b>  | <b>\$ (27,326)</b>  | <b>\$ 13,940</b>                                     |
| <b>Fixed Assets, excluding Right of Use Assets (C)</b>                                                           | <b>\$ 19,175</b>    | <b>\$ 16,778</b>    | <b>\$ (2,397)</b>                                    |
| <b>TOTAL BUDGET (B+C)</b>                                                                                        | <b>\$ 4,630,500</b> | <b>\$ 4,883,968</b> | <b>\$ 253,468</b>                                    |
| <b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>                                                                   | <b>\$ (60,441)</b>  | <b>\$ (44,104)</b>  | <b>\$ 16,337</b>                                     |

|      |      |      |   |
|------|------|------|---|
| FTEs | 9.30 | 9.30 | - |
|------|------|------|---|

Table 12: Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital for Reliability Assessment and Performance Analysis

## Training, Education, and Outreach

### Program Scope and Functional Description

The SERC Training, Education, and Stakeholder Outreach programs provide communication, education, and training necessary to obtain essential knowledge of BPS operations, reliability, and security. These programs collectively provide risk-based outreach options to stakeholders in the SERC Region and beyond. These options offer easy access to information, coaching, training, and educational opportunities through several formats, tools, and venues.

SERC Training, Education, and Stakeholder Outreach programs have annual scheduled events and targeted efforts focused on current and emerging risks to the reliability and security of the Region. Additionally, Training and Education programs support continuing education of NERC Certified System Operators, security and compliance professionals, trainers, and other critical subject matter experts, including accreditation and credentials support. These efforts are centralized and efficient through a “gold standard” learning portal that delivers easy access and reporting for users.

Stakeholder Outreach is a voluntary program that offers targeted information, coaching, assistance, and training to requesting registered entities, and is focused on internal controls, best practices, and risk mitigation.

The State and Regulatory Outreach program works with external stakeholders, including Federal, state, and local regulatory agencies, administrative bodies, and legislative policymakers, to effectuate and enhance the work of RAPA by ensuring effective communications, education opportunities, and timely dialogue on critical reliability and security matters. Outreach efforts focus on the timely production and distribution of high-quality analyses addressing reliability and security topics of interest and importance to decision-makers and policymakers throughout the SERC footprint.

### 2026 Key Assumptions

The 2026 key assumptions for the SERC Training, Education, and Stakeholder Outreach programs are as follows:

- SERC will support the ERO Enterprise goal to mitigate known and emerging risks by providing timely and valuable outreach and training events to stakeholders. Additionally, the Stakeholder Outreach program provides guidance and coaching to entities on effective mitigation of identified and emerging risks.
- SERC will continue to partner with other industry experts to solve emerging challenges and support ERO Enterprise initiatives that expand risk-based, focused programs and committees. Achieving this goal will require structured training and outreach.
- SERC will expand training, education, and Stakeholder Outreach efforts to Inverter Based Resources being added to the SERC Region.
- SERC will expand accreditation and support for credential training for operating, security, and compliance personnel at SERC and in the Region, with a focus on enhancing skills that promote effective operation, reliability, and security of the BPS.
- SERC will educate utility personnel regarding changes to NERC Reliability Standards, ERO Enterprise procedures, and programs that detect, monitor, report, correct, and prevent recurrence of issues with risk, reliability, security, and compliance.
- SERC will increase in-person workshops and remote (e-learning) training efforts that promote BPS reliability, security, and risk mitigation across its footprint.

- SERC will expand its centralized training and education capabilities and implement efficiencies through SERC University, our learning management system.
- SERC will upgrade its website to offer streamlined functionality and access to all of SERC Outreach and training products and services with adequate security controls.
- SERC will expand its outreach efforts to educate state regulators and policymakers on risks to the reliability and security of the bulk power system within SERC's footprint.
- Targeted and intentional outreach to state regulators will include in-person (and virtual) interactions with SERC-state regulatory agencies, including dedicated focus on the role of the ERO Enterprise and the value it brings to the bulk power system, as well as ways SERC and other Regions proactively assess and mitigate risks to the bulk power system. Information sharing and increased coordination with states is essential to better understanding opportunities and risks from state policy decisions, including resource adequacy, intermittent resources, and distribution-interconnected resources that may impact the bulk power system.

## 2026 Goals and Key Deliverables

The 2026 goals and key deliverables for the SERC Training, Education, and Stakeholder Outreach programs are as follows:

- Develop and deliver to internal and external stakeholders, timely and effective technical training and credential support that promotes the mission of SERC and the ERO Enterprise;
- Develop and deliver four accredited System Operator Conferences that promote BPS reliability by assuring the competence of real-time operating personnel through continuing education on power system operating topics.
- Develop and deliver 6 - 10 accredited Security Workshops that promote BPS security by assuring the competence of stakeholder security personnel and support industry credentials.
- Develop and deliver 2 – 4 accredited Reliability Workshops that promote BPS reliability and resilience by assuring the competence of stakeholder operational personnel and support industry credentials.
- Develop and deliver risk-based security and reliability seminars or webinars to BPS system operators, operating support personnel, compliance personnel, security personnel, and training personnel to raise awareness and provide training on identified and emerging reliability, security, and compliance threats.
- Develop and Deliver security, reliability, and standards focused training courses to support the integration of new Inverter Based Resources into the SERC Region.
- Provide guidance and expectations of new or revised Reliability Standards and related procedures and programs, as well as changes in observed performance. Provide targeted outreach that communicates, trains, and supports mitigation of current and emerging threats to the BPS.
- Enhance the efficiency and effectiveness of SERC learning management systems and credential support programs to expand accreditation and credentials support capabilities and expand outreach and training capabilities to support the influx of inverter-based resources and other Registered entities training needs.

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- Maintain and continue to cultivate effective relationships and lead interactions with the ERO Enterprise; federal and state regulators; policy and decision makers; federal, state, and local government agencies and administrative bodies; national labs and educational institutions; and the broader reliability and security community; and
  - Enhance strategic engagement with states by building relationships with policymakers and regulators in each of the 16 states in the SERC footprint to educate on what SERC does in the areas of reliability and security, NERC and Regional assessments, and reports.

The Statement of Activities for this program area is shown below. See Training, Education, and Stakeholder Outreach Program Major Budget Drivers for explanation of significant variances.

## Regional Entity Goals and Statements of Activities

Training, Education, and Stakeholder Outreach  
Statement of Activities

## Training, Education, and Stakeholder Outreach Statement of Activities

| Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital<br>2025 Budget and 2026 Budget |                     |                     |                                                      |
|------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|------------------------------------------------------|
| TRAINING AND OUTREACH                                                                                            |                     |                     |                                                      |
|                                                                                                                  | 2025<br>Budget      | 2026<br>Budget      | Variance<br>2026 Budget<br>v 2025 Budget<br>Inc(Dec) |
| <b>Funding</b>                                                                                                   |                     |                     |                                                      |
| <b>Statutory Funding</b>                                                                                         |                     |                     |                                                      |
| SERC Assessments                                                                                                 | \$ 5,612,091        | \$ 5,672,469        | \$ 60,378                                            |
| Penalties Released                                                                                               | 528,533             | 417,155             | (111,378)                                            |
| <b>Total Statutory Funding</b>                                                                                   | <u>\$ 6,140,624</u> | <u>\$ 6,089,624</u> | <u>\$ (51,000)</u>                                   |
| Membership Fees                                                                                                  | \$ -                | \$ -                | \$ -                                                 |
| Services & Software                                                                                              | -                   | -                   | -                                                    |
| Workshops & Miscellaneous                                                                                        | 172,868             | 200,758             | 27,890                                               |
| Interest                                                                                                         | 30,232              | 28,041              | (2,191)                                              |
| <b>Total Funding (A)</b>                                                                                         | <u>\$ 6,343,724</u> | <u>\$ 6,318,423</u> | <u>\$ (25,301)</u>                                   |
| <b>Expenses</b>                                                                                                  |                     |                     |                                                      |
| <b>Personnel Expenses</b>                                                                                        |                     |                     |                                                      |
| Salaries                                                                                                         | \$ 2,437,003        | \$ 2,358,239        | \$ (78,764)                                          |
| Payroll Taxes                                                                                                    | 146,224             | 153,473             | 7,249                                                |
| Benefits                                                                                                         | 258,210             | 293,813             | 35,603                                               |
| Retirement Costs                                                                                                 | 310,034             | 337,632             | 27,598                                               |
| <b>Total Personnel Expenses</b>                                                                                  | <u>\$ 3,151,471</u> | <u>\$ 3,143,157</u> | <u>\$ (8,314)</u>                                    |
| <b>Meeting Expenses</b>                                                                                          |                     |                     |                                                      |
| Meetings & Conference Calls                                                                                      | \$ 138,400          | \$ 192,000          | \$ 53,600                                            |
| Travel                                                                                                           | 157,995             | 185,015             | 27,020                                               |
| <b>Total Meeting Expenses</b>                                                                                    | <u>\$ 296,395</u>   | <u>\$ 377,015</u>   | <u>\$ 80,620</u>                                     |
| <b>Operating Expenses, excluding Depreciation</b>                                                                |                     |                     |                                                      |
| Consultants & Contracts                                                                                          | \$ -                | \$ 100,000          | \$ 100,000                                           |
| Office Rent                                                                                                      | -                   | -                   | -                                                    |
| Office Costs                                                                                                     | 33,580              | 36,736              | 3,156                                                |
| Professional Services                                                                                            | -                   | -                   | -                                                    |
| Miscellaneous                                                                                                    | -                   | -                   | -                                                    |
| <b>Total Operating Expenses</b>                                                                                  | <u>\$ 33,580</u>    | <u>\$ 136,736</u>   | <u>\$ 103,156</u>                                    |
| <b>Total Direct Expenses</b>                                                                                     | <u>\$ 3,481,446</u> | <u>\$ 3,656,908</u> | <u>\$ 175,462</u>                                    |
| <b>Indirect Expenses</b>                                                                                         | <u>\$ 2,717,723</u> | <u>\$ 2,694,539</u> | <u>\$ (23,184)</u>                                   |
| <b>Other Non-Operating Expenses</b>                                                                              | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>                                          |
| <b>Total Expenses (B)</b>                                                                                        | <u>\$ 6,199,169</u> | <u>\$ 6,351,447</u> | <u>\$ 152,278</u>                                    |
| <b>Change in Assets</b>                                                                                          | <u>\$ 144,555</u>   | <u>\$ (33,024)</u>  | <u>\$ (177,579)</u>                                  |
| <b>Fixed Assets, excluding Right of Use Assets (C)</b>                                                           | <u>\$ 228,454</u>   | <u>\$ 23,093</u>    | <u>\$ (205,361)</u>                                  |
| <b>TOTAL BUDGET (B+C)</b>                                                                                        | <u>\$ 6,427,623</u> | <u>\$ 6,374,540</u> | <u>\$ (53,083)</u>                                   |
| <b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>                                                                   | <u>\$ (83,899)</u>  | <u>\$ (56,117)</u>  | <u>\$ 27,782</u>                                     |
| FTEs                                                                                                             | 13.80               | 12.80               | (1.00)                                               |

Table 13: Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital for Training, Education, and Stakeholder Outreach

## Situational Awareness and Infrastructure Security Program

### Program Scope and Functional Description

The SERC Situational Awareness and Infrastructure Security (SAIS) program identifies and analyzes events and conditions that present risk to the BPS. This is accomplished by monitoring sources of information and maintaining communications with stakeholders, NERC, and other organizations. SERC analyzes significant BPS events and develops lessons learned to educate stakeholders on risks and vulnerabilities that could recur elsewhere within the BPS.

### 2026 Key Assumptions

The 2026 key assumptions for the SERC SAIS program are as follows:

- SERC will support the ERO Enterprise in the identification and mitigation of significant reliability risks, as well as the identification and assessment of conditions that indicate emerging risks.
- SERC will continue to work with NERC's Electricity Information Sharing and Analysis Center (E-ISAC) and SERC registered entities to identify opportunities for improving information sharing on cyber and physical security related events, threats, and vulnerabilities to improve reliability within the BPS.
- SERC will continue to support and enhance outreach efforts that communicate risk-based insights, lessons learned, best practices, and recommendations from events that occur on the BPS.
- SERC will continue to review, track, and trend reliability events to support the ERO Enterprise's goal of fewer, less severe events in the SERC Region.
- SERC will share risk-based mitigating measures and other BPS improvements with SERC entities and the ERO Enterprise to improve reliability on the BPS.
- SERC will continue to work with other Regional SAIS groups to identify conditions or best practices that improve reliability within the BPS.

### 2026 Goals and Key Deliverables

The 2026 goals and key deliverables for the SERC SAIS program are as follows:

- Continue to increase the utilization of data collection tools and data analysis to provide oversight of the BPS to gain knowledge and improve situation awareness and events analysis of the BPS in the SERC Region;
- Evaluate events information to identify risk trends and benchmarking efforts;
- Increase outreach efforts to communicate ongoing situation awareness of risk to the BPS in the SERC Region, with emphasis on events that have impacted the SERC footprint (extreme weather, security threats, emergency incident response triggers, historical trends);
- Collaborate with stakeholders and NERC to develop NERC Lessons Learned publications that support outreach efforts and encourage stakeholder participation in the Events Analysis Program;
- Facilitate and support post-event analysis in collaboration and coordination with NERC and applicable governmental agencies;
- Identify and prioritize risks based on reliability impacts, assessments, projected resources, and emerging issues; and



- Monitor and evaluate cyber and physical related threats, events, and vulnerabilities for information sharing with internal and external stakeholders.

The Statement of Activities for this program area is shown below.

**Situational Awareness and Infrastructure Security Statement of Activities**

| Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital<br>2025 Budget and 2026 Budget |                     |                     |                                                      |
|------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|------------------------------------------------------|
| SITUATION AWARENESS AND INFRASTRUCTURE SECURITY                                                                  |                     |                     |                                                      |
|                                                                                                                  | 2025<br>Budget      | 2026<br>Budget      | Variance<br>2026 Budget<br>v 2025 Budget<br>Inc(Dec) |
| <b>Funding</b>                                                                                                   |                     |                     |                                                      |
| <b>Statutory Funding</b>                                                                                         |                     |                     |                                                      |
| SERC Assessments                                                                                                 | \$ 1,206,794        | \$ 1,337,081        | \$ 130,287                                           |
| Penalties Released                                                                                               | 114,898             | 97,771              | (17,127)                                             |
| <b>Total Statutory Funding</b>                                                                                   | <u>\$ 1,321,692</u> | <u>\$ 1,434,852</u> | <u>\$ 113,160</u>                                    |
| Membership Fees                                                                                                  | \$ -                | \$ -                | \$ -                                                 |
| Services & Software                                                                                              | -                   | -                   | -                                                    |
| Workshops & Miscellaneous                                                                                        | 1,276               | 1,314               | 38                                                   |
| Interest                                                                                                         | 6,572               | 6,572               | -                                                    |
| <b>Total Funding (A)</b>                                                                                         | <u>\$ 1,329,540</u> | <u>\$ 1,442,738</u> | <u>\$ 113,198</u>                                    |
| <b>Expenses</b>                                                                                                  |                     |                     |                                                      |
| <b>Personnel Expenses</b>                                                                                        |                     |                     |                                                      |
| Salaries                                                                                                         | \$ 569,350          | \$ 625,549          | \$ 56,199                                            |
| Payroll Taxes                                                                                                    | 34,161              | 37,533              | 3,372                                                |
| Benefits                                                                                                         | 52,437              | 58,003              | 5,566                                                |
| Retirement Costs                                                                                                 | 72,402              | 82,572              | 10,170                                               |
| <b>Total Personnel Expenses</b>                                                                                  | <u>\$ 728,350</u>   | <u>\$ 803,657</u>   | <u>\$ 75,307</u>                                     |
| <b>Meeting Expenses</b>                                                                                          |                     |                     |                                                      |
| Meetings & Conference Calls                                                                                      | \$ -                | \$ -                | \$ -                                                 |
| Travel                                                                                                           | 20,700              | 13,700              | (7,000)                                              |
| <b>Total Meeting Expenses</b>                                                                                    | <u>\$ 20,700</u>    | <u>\$ 13,700</u>    | <u>\$ (7,000)</u>                                    |
| <b>Operating Expenses, excluding Depreciation</b>                                                                |                     |                     |                                                      |
| Consultants & Contracts                                                                                          | \$ -                | \$ -                | \$ -                                                 |
| Office Rent                                                                                                      | -                   | -                   | -                                                    |
| Office Costs                                                                                                     | 1,079               | 1,079               | -                                                    |
| Professional Services                                                                                            | -                   | -                   | -                                                    |
| Miscellaneous                                                                                                    | -                   | -                   | -                                                    |
| <b>Total Operating Expenses</b>                                                                                  | <u>\$ 1,079</u>     | <u>\$ 1,079</u>     | <u>\$ -</u>                                          |
| <b>Total Direct Expenses</b>                                                                                     | <u>\$ 750,129</u>   | <u>\$ 818,436</u>   | <u>\$ 68,307</u>                                     |
| <b>Indirect Expenses</b>                                                                                         | <u>\$ 590,809</u>   | <u>\$ 631,532</u>   | <u>\$ 40,723</u>                                     |
| <b>Other Non-Operating Expenses</b>                                                                              | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>                                          |
| <b>Total Expenses (B)</b>                                                                                        | <u>\$ 1,340,938</u> | <u>\$ 1,449,968</u> | <u>\$ 109,030</u>                                    |
| <b>Change in Assets</b>                                                                                          | <u>\$ (11,398)</u>  | <u>\$ (7,230)</u>   | <u>\$ 4,168</u>                                      |
| <b>Fixed Assets, excluding Right of Use Assets (C)</b>                                                           | <u>\$ 6,186</u>     | <u>\$ 5,412</u>     | <u>\$ (774)</u>                                      |
| <b>TOTAL BUDGET (B+C)</b>                                                                                        | <u>\$ 1,347,124</u> | <u>\$ 1,455,380</u> | <u>\$ 108,256</u>                                    |
| <b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>                                                                   | <u>\$ (17,584)</u>  | <u>\$ (12,642)</u>  | <u>\$ 4,942</u>                                      |
| FTEs                                                                                                             | 3.00                | 3.00                | -                                                    |

**Table 14: Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital for Situational Awareness and Infrastructure Security**

## **Corporate Services**

### **Program Scope and Functional Description**

SERC's Corporate Services program includes the budget for all business and administrative functions of the organization:

- Technical Committees and Member Forums
- General and Administrative
- Legal and Regulatory
- Information Technology (IT), Security and Analytics
- Human Resources
- Finance and Accounting

### **Methodology for Allocation of Corporate Services Expenses to Programs**

Expenses related to indirect programs are allocated proportionally to the direct programs for 2026 based on the number of FTEs in those programs.

Where applicable, Operating Expenses are accounted for within the related department's budget. If an expense cannot be attributed to a specific department, it is included in one of the Corporate Services programs. All expenses for the Corporate Services program, referred to as indirect expenses, are allocated proportionately based on FTE count to the direct programs. This allocation provides an improved financial perspective for the direct program areas.

## Technical Committees and Member Forums

### Program Scope and Functional Description

The Technical Committees and Member Forums programs provide a vehicle by which SERC engages reliability expertise within the Region through the active participation of industry volunteers. The forum structure provides a platform for stakeholders to collectively reduce risks associated with planning, operations, and critical infrastructure protection.

The success of SERC's Technical Committees and Member Forums depends on the active and direct participation of its members to collectively solve technical challenges facing the grid. The forums are also a source of expertise in the industry to identify, prioritize and mitigate current and emerging risk to the BPS.

### 2026 Key Assumptions

The 2026 key assumptions for the SERC Technical Committees and Member Forums programs are as follows:

- SERC will continue its Technical Committee and subgroup structure for effective stakeholder involvement in 2026.
- SERC will continue to invest in technology and innovation to allow efficient collaboration on technical issues related to reliability.
- SERC's Reliability Risk Working Group (RRWG) will continue to identify and educate SERC staff and Regional members about the reliability risks to the BPS in the SERC Region from engineering, operations, and physical and cyber security perspectives.
- SERC will continue to partner with its members as volunteer technical resources to support the Region's mission and initiatives. As needs change, SERC will assess committee structure to continue to meet the needs of our members.
- SERC Technical Committees and Member Forums programs will manage committee work according to the *Organization and Procedures Manual for SERC Technical Committees*.

### 2026 Goals and Key Deliverables

The 2026 goals and key deliverables for the SERC Technical Committees and Member Forums programs are as follows:

- Convene regular meetings of the standing committees and their subordinate groups, as necessary;
- Communicate to the Board and SERC staff on issues pertaining to operation, planning, and engineering of the BPS, and the advancement of the physical and cyber security of the BPS;
- Provide a forum for representatives to share experience and discuss issues of operations, planning and engineering, and physical and cyber security;
- Perform special projects at the request of the Board;
- Review the measurement of performance relative to Reliability Standards and performance measures (e.g., GADS, TADS, Mis-operations, etc.) to determine the risk level within the SERC Region;
- Review activities within the SERC Region that affect reliability and adequacy, as necessary, to meet Reliability Standards and other reliability initiatives;

**Regional Entity Goals and Statements of Activities****Technical Committees and Member Forums**

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- Perform technical functions through the assignment of specific tasks to subordinate groups to address current and emerging risks;
- Coordinate the content for System Operator Conferences for SERC members through the SERC System Operator Working Group (SOWG);
- Provide key inputs from the SERC RRWG for the CMEP Implementation Plan;
- Coordinate the Generator Working Group (GWG) and engage SERC members to develop best practices for issues related to generation; and
- Support development of SERC and NERC seasonal and long-term reliability assessments.

## **General and Administrative**

### **Program Scope and Functional Description**

The SERC General and Administrative function provides executive management and oversight of the corporation. Responsibilities include interacting with the Board and performing the Corporate Treasurer function. Responsibilities also include strategic planning, project management, enterprise risk management, continuous improvement, and program readiness (an internal audit function).

The department ensures execution of the SERC strategic priorities and the day-to-day management of the corporation.

### **2026 Key Assumptions**

The 2026 key assumptions for the SERC General and Administrative function are as follows:

- SERC will emphasize effective execution, efficiency, and transparency with a strong focus on continuous improvement and program readiness.
- SERC will facilitate reliability-enhancing activities.
- SERC will engage with its Board of Directors to solicit input for the strategic direction of the organization.
- SERC will hold itself accountable for the execution of deliverables captured through a multi-year Operating Plan and a portfolio of high-level projects managed through a Project Management Organization.

The General and Administrative Program incorporates the Regional-specific strategic and operating objectives set forth in the ERO Enterprise Long Term Strategy and the ERO Enterprise Operating Plan. ERO Enterprise strategic and operational objectives are considered in the development and maintenance of the SERC Strategic Plan on an annual basis.

### **2026 Goals and Key Deliverables**

The SERC General and Administrative function will support the following goals:

- Continue high-quality performance of delegated functions while maintaining an appropriate resource requirement;
- Maintain a robust set of Key Performance Indicators and department-specific operational metrics to manage the health of SERC programs and promote continuous improvement;
- Identify Corporate Strategic Initiatives that advance the strategic focus of the SERC Organization and position the company for success through multi-dimensional and impactful projects;
- Identify value propositions for strategic activities, and communicate these to SERC Stakeholders and SERC Staff; and
- Manage interface with NERC enterprise-wide internal audit initiatives.

## Legal and Regulatory

### Program Scope and Functional Description

SERC maintains in-house legal staff and hires outside legal consultants, as needed. These legal resources provide the following services:

- Provide legal advice to the Chief Executive Officer, Board, and staff on legal and regulatory matters that affect SERC and the Electric Reliability Organization;
- Reconcile and determine SERC's legal position on all legal matters;
- Draft and review items filed with governmental agencies for legal sufficiency;
- Support SERC's corporate governance function, including facilitating implementation of governance changes to transition the Board into a more strategic oversight body and providing input on matters for the Board's consideration;
- Review contracts and corporate documents;
- Ensure continuing recognition of SERC as a Regional Entity;
- Negotiate and author necessary changes to SERC's governing documents, including the SERC Bylaws and Regional Delegation Agreement with NERC;
- Provide input and obtain regulatory approvals, as needed, on governance changes and for new and revised Regional Reliability Standards;
- Review legal documents, including Notices of Penalty and settlement agreements, required to be filed with FERC. Provide legal support for contested enforcement actions and other assistance;
- Provide legal counsel during compliance and enforcement proceedings and support the approval process of enforcement filings before FERC;
- Interface with the appropriate authorities regarding responses/filings to related governmental/regulatory directives/orders;
- Assist in the development of and ensure proper administration of SERC corporate policies and procedures; and
- Manage relationships with SERC's outside counsel.

### 2026 Key Assumptions

The 2026 key assumptions for the SERC Legal and Regulatory function are as follows:

- SERC will continue to support SERC's governance structure by supporting the Board and Board committees, facilitating the selection of stakeholder and independent directors, and drafting and obtaining approval of any necessary modifications to Bylaws and other corresponding governance changes.
- SERC will continue to support the processing of enforcement actions through the development of settlement agreements and Notices of Penalty, leading settlement negotiations with the registered entities, discussing resolutions with NERC, and obtaining approvals from FERC.
- SERC will proactively engage with NERC and FERC to help ensure SERC's continued recognition as a Regional Entity.

## 2026 Goals and Key Deliverables

The 2026 goals and key deliverables for the SERC Legal and Regulatory function are as follows:

- Work with Enforcement to support processing enforcement actions, including the documentation of settlement agreements and Notices of Penalty, through the filing process at FERC;
- Support SERC's corporate governance needs;
- Support SERC's corporate legal needs; and
- Work with NERC and other Regions on obtaining renewal of SERC's Regional Delegation Agreement with NERC.



## Information Technology, Security, and Analytics and Data Management

### Program Scope and Functional Description

SERC's Information Technology (IT), Security, and Analytics and Data Management departments are implementing and monitoring maturity model frameworks to increase the effectiveness and efficiency of SERC's security, technology, and data management. Increased maturity in these areas will provide security and risk mitigation, increase technology innovation, support data collection and accuracy, and improve data-driven decisions and insights across SERC. The IT, Security, and Analytics and Data Management programs include the following functions:

- IT Operations
- Analytics and Data Management
- Security Operations

The Information Technology (IT) strategy includes providing users with cost-effective information technology tools and proactively delivers technologies that assist SERC departments in meeting their goals, objectives, and deliverables. The IT department minimizes the outsourcing of critical services including designing and maintaining SERC's network infrastructure as well as identifying risks in technical contracts by collaborating with Legal and Security. The department provides the necessary technical services in the following categories to ensure efficient and effective performance of all corporate functions:

- Infrastructure Maintenance (Data Center Management - Local/Remote)
- Hosting of Public and Multiple Secure Portal Websites
- Voice, Web, and Video Conferencing
- Vulnerability Management
- Mobile Device Management
- Wireless Network Management
- Audio/Video Management
- Document Management
- Email Management
- Help Desk Support
- Telecommuter Support
- Application Support and Development
- Data Warehousing Management
- Database Administration
- Cloud Tenant Management

The IT function offers computer and network services, including design and maintenance for the SERC computer and network infrastructure, as well as project and vendor management for all current and future technology-related contracts. The IT program executes and maintains the following functions:

- Improve Technology Service Delivery through implementing Information Technology Infrastructure Library's (ITIL) Information Technology Service Management (ITSM) Framework;
- Ensure protection, integrity, and availability of SERC systems, services, and data owned by SERC or provided by registered entities;
- Provide onsite and remote end user support and services to conduct SERC business;
- Provide SERC users with Align and the Secure Evidence Locker support;
- Provide project management and deployment of technical solutions;
- Provide Meeting and Audio-Visual Support; and
- Partner with SERC to build community, trust, and add value in support of the mission and vision.

The Analytics and Data Management department leverages data and information as a strategic asset critical to SERC's continued success, providing internal and external stakeholders access to high quality data that supports meaningful analysis of risk within the SERC Region and the ERO Enterprise. Analytics executes the following functions:

- Management of quality data that is usable, accurate, complete, and maintained throughout its lifecycle;
- Evaluation of data to determine risks;
- Analysis, visualization and reporting of data and results;
- Integration of machine learning techniques and AI to enhance data analysis capabilities;
- Provide expertise in AI risk and risk mitigation strategies to support SERC, the ERO Enterprise, and SERC Stakeholders;
- Promote strong data governance and data management activities across the ERO Enterprise;
- Development, maintenance, and provision to SERC Staff data literacy, classification, and handling training; and
- Calculation of key performance indicators and operations metrics for SERC.

SERC's Security Operations will continue to implement and manage cost effective controls that enhance the company's security posture and minimize risk. The department provides the necessary services that ensure efficient and effective controls are in place to protect the confidentiality, integrity, and availability of SERC's IT infrastructure, business critical assets, and data. This is done by collaborating with IT and executing the following functions:

- Access Control and Identity Management;
- Business Impact Analysis;
- Business Continuity and Disaster Recovery;
- Incident Response Planning;
- Information Security Protection and Monitoring;
- Risk Management Analysis;
- Security Assessments;

- Security Awareness and Training;
- Supply Chain Management;
- Monitoring, evaluating, and reporting control deficiencies and recommendations on a periodic basis; and
- Partnering with ERO Information Technology Security Group (ITSG) on implementing common security solutions and governance frameworks.

SERC supports the ERO Enterprise's efforts to implement, operate, and maintain software tools supporting common enterprise-wide IT operations. SERC is committed to working collaboratively with NERC and the other Regions to minimize duplication of effort and investments and improve operational efficiency. This collaboration continues to refine existing strategies, governance, and procurement practices applicable to the development, operation, and maintenance of enterprise architecture, software, and data systems supporting combined NERC and Regional Entity operations.

SERC supports the NERC Project Management Office (PMO) in its efforts to provide technology tools across the ERO Enterprise. SERC's budget assumes the availability of new and existing technology tools from the PMO and other sources. If the required technology tools are not available as planned, SERC could incur additional costs to ensure fulfillment of its core responsibilities.

NERC's BP&B will include ongoing funding support for the development, operation, and maintenance of NERC and Regional Entity-approved enterprise applications. Enterprise application funding in any given year will be subject to the budget and funding limits set forth in NERC's approved BP&B.

## 2026 Key Assumptions

The 2026 key assumptions for the Information Technology, Security, and Analytics, programs are as follows:

- SERC will continue to evaluate and consider shared ERO services and partnerships.
- SERC will continue to purchase and maintain a hardware and software lifecycle necessary to conduct business.
- SERC will continue utilizing secure third-party hosting centers.
- SERC will continue to support the ERO's Cybersecurity Strategy objectives and initiatives.
- SERC will continue to assess, enhance, and strengthen SERC's security posture.

## 2026 Goals and Key Deliverables

The 2026 goals and deliverables for the Information Technology, Security, and Analytics, programs are as follows:

- Improve the capabilities of SERC's Business Intelligence Center (BIC) to incorporate machine learning and AI capabilities;
- Maintain and improve the capabilities of SERC's member portal for contact/entity administration, data collection, and technical committee management.
- Support the improvement of the Align application tool and Secure Evidence Locker (SEL);
- Maintain modern Information Technology infrastructure per lifecycle management;

- Maintain and mature Information Technology and Security National Institute of Standards and Technology (NIST) Cybersecurity framework and strategy;
- Maintain maturity of the SERC Data Management framework;
- Improve cyber and physical security controls to defend against emerging threats;
- Guide and implement new ERO-sponsored Security and Information Technology collaboration efforts; and
- Create secure capabilities to share data, analytical tools, and products with external audiences.

## Human Resources

### Program Scope and Functional Description

The SERC Human Resources function provides the organization with structure and the ability to meet business needs through managing our most valuable resources—our employees. The Human Resources department is responsible for a variety of essential functions:

- Strategic resource and succession planning across all areas of the organization;
- Recruitment and retention of highly skilled talent, employee relations, performance management, training and professional development, and employee engagement;
- Compliance with state and federal employment laws to minimize organizational liability;
- Analysis and administration of competitive compensation and total rewards programs; and
- Administration of payroll, employee benefits, and Human Resource Information Systems.

### 2026 Key Assumptions

The 2026 key assumptions for the Human Resources function are as follows:

- SERC will continue to provide competitive compensation and benefits packages, including annual merit salary increases. The salary expense budgets for all program areas reflects this assumption.
- SERC will ensure that subject matter experts attain and maintain elevated professional credentials to remain a leader in the industry.

### 2026 Goals and Key Deliverables

The 2026 goals and key deliverables for the Human Resources department are as follows:

- Lead efforts to minimize turnover and ensure SERC is a highly desirable place to work, due to our values and the importance of our work;
- Promote employee engagement and empowerment;
- Attract, develop, and retain highly skilled and engaged staff;
- Refresh compensation and benefit studies to ensure organization and industry competitiveness;
- Create growth, training, and development, and recognition opportunities for staff; Partner with Training and Outreach and Analytics to research reporting capabilities around staff training and support celebrating professional development achievements.
- Ensure succession planning remains current and relevant; and
- Pilot an internship and/or co-op program to increase interest and awareness of SERC and the ERO Enterprise as a career option, create a pipeline for future talent, continue to build relationships with colleges and universities;
- Oversee successful annual 401(k) plan audit.

## Finance and Accounting

### Program Scope and Functional Description

The SERC Finance and Accounting department plays a pivotal role in providing essential financial services to SERC, encompassing accounting, analytical, and treasury functions. Key responsibilities include:

- Development of BP&B: The department leads the development of SERC's BP&B and conducts ongoing financial analysis to monitor expenditures and forecasts, ensuring alignment with organizational objectives and financial sustainability.
- Prepare monthly, quarterly, and annual financial statements;
- Review and refine accounting policies, regular review and refinement of accounting policies, procedures, and internal fiscal controls are conducted to adapt to the evolving business environment and maintain financial integrity;
- Coordinate with external auditors to ensure timely completion of the annual audit;
- Prepare and file required federal and state tax returns;
- Maintain banking relationships and manage cash flow and investments;
- Support the ERO's funding process by annually collecting NEL data as mandated by FERC;
- Work with the ERO Finance Working Group to provide consistent reporting throughout NERC and the Regions; and
- Manage accounts payable, accounts receivable, and fixed assets.

### 2026 Key Assumptions

The 2026 key assumptions for the Finance and Accounting function are as follows:

- Current accounting systems and controls are effective.
- There are no major changes in applicable accounting regulations.

### 2026 Goals and Key Deliverables

The 2026 goals and key deliverables for the SERC Finance and Accounting department are as follows:

- Allocate financial resources in a manner that best promotes the security and reduction of risk to the BPS;
- Identify and prioritize opportunities, and create efficiency through new processes, procedures, and technology;
- Provide timely, relevant, and accurate reporting and financial analysis to SERC management, the FAC, and the Board; and
- Ensure SERC has effective financial controls and exercises fiscal prudence.

The Statement of Activities for the Corporate Services program area is shown below.

**SERC Reliability Corporation**  
**2026 Business Plan and Budget**

**Corporate Services Program Statement of Activities**

| Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital |                        |                        |                                                      |
|-----------------------------------------------------------------------------------|------------------------|------------------------|------------------------------------------------------|
| 2025 Budget and 2026 Budget                                                       |                        |                        |                                                      |
| CORPORATE SERVICES                                                                |                        |                        |                                                      |
|                                                                                   | 2025<br>Budget         | 2026<br>Budget         | Variance<br>2026 Budget<br>v 2025 Budget<br>Inc(Dec) |
| <b>Funding</b>                                                                    |                        |                        |                                                      |
| <b>Statutory Funding</b>                                                          |                        |                        |                                                      |
| SERC Assessments                                                                  | \$ -                   | \$ -                   | \$ -                                                 |
| Penalties Released                                                                | -                      | -                      | -                                                    |
| <b>Total Statutory Funding</b>                                                    | <u>\$ -</u>            | <u>\$ -</u>            | <u>\$ -</u>                                          |
| Membership Fees                                                                   | \$ -                   | \$ -                   | \$ -                                                 |
| Services & Software                                                               | -                      | -                      | -                                                    |
| Workshops & Miscellaneous                                                         | -                      | -                      | -                                                    |
| Interest                                                                          | -                      | -                      | -                                                    |
| <b>Total Funding (A)</b>                                                          | <u>\$ -</u>            | <u>\$ -</u>            | <u>\$ -</u>                                          |
| <b>Expenses</b>                                                                   |                        |                        |                                                      |
| <b>Personnel Expenses</b>                                                         |                        |                        |                                                      |
| Salaries                                                                          | \$ 7,857,897           | \$ 8,455,415           | \$ 597,518                                           |
| Payroll Taxes                                                                     | 468,505                | 505,495                | 36,990                                               |
| Benefits                                                                          | 1,028,386              | 1,056,124              | 27,738                                               |
| Retirement Costs                                                                  | 1,025,643              | 1,148,235              | 122,592                                              |
| <b>Total Personnel Expenses</b>                                                   | <u>\$ 10,380,431</u>   | <u>\$ 11,165,269</u>   | <u>\$ 784,838</u>                                    |
| <b>Meeting Expenses</b>                                                           |                        |                        |                                                      |
| Meetings & Conference Calls                                                       | \$ 271,440             | \$ 319,640             | \$ 48,200                                            |
| Travel                                                                            | 278,600                | 274,350                | (4,250)                                              |
| <b>Total Meeting Expenses</b>                                                     | <u>\$ 550,040</u>      | <u>\$ 593,990</u>      | <u>\$ 43,950</u>                                     |
| <b>Operating Expenses, excluding Depreciation</b>                                 |                        |                        |                                                      |
| Consultants & Contracts                                                           | \$ 906,250             | \$ 1,092,000           | \$ 185,750                                           |
| Office Rent                                                                       | 1,344,800              | 1,290,000              | (54,800)                                             |
| Office Costs                                                                      | 1,519,221              | 1,567,856              | 48,635                                               |
| Professional Services                                                             | 581,525                | 626,525                | 45,000                                               |
| Miscellaneous                                                                     | -                      | -                      | -                                                    |
| <b>Total Operating Expenses</b>                                                   | <u>\$ 4,351,796</u>    | <u>\$ 4,576,381</u>    | <u>\$ 224,585</u>                                    |
| <b>Total Direct Expenses</b>                                                      | <u>\$ 15,282,267</u>   | <u>\$ 16,335,640</u>   | <u>\$ 1,053,373</u>                                  |
| <b>Indirect Expenses</b>                                                          | <u>\$ (15,282,267)</u> | <u>\$ (16,335,640)</u> | <u>\$ (1,053,373)</u>                                |
| <b>Other Non-Operating Expenses</b>                                               | <u>\$ -</u>            | <u>\$ -</u>            | <u>\$ -</u>                                          |
| <b>Total Expenses (B)</b>                                                         | <u>\$ -</u>            | <u>\$ -</u>            | <u>\$ -</u>                                          |
| <b>Change in Assets</b>                                                           | <u>\$ -</u>            | <u>\$ -</u>            | <u>\$ -</u>                                          |
| <b>Fixed Assets, excluding Right of Use Assets (C)</b>                            | <u>\$ -</u>            | <u>\$ -</u>            | <u>\$ -</u>                                          |
| <b>TOTAL BUDGET (B+C)</b>                                                         | <u>\$ -</u>            | <u>\$ -</u>            | <u>\$ -</u>                                          |
| <b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>                                    | <u>\$ -</u>            | <u>\$ -</u>            | <u>\$ -</u>                                          |
| FTEs                                                                              | 37.40                  | 37.40                  | -                                                    |

**Table 15: Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital for Corporate Services**

**SERC Reliability Corporation  
2026 Business Plan and Budget**

**Office Rent**

| Office Rent              |                     |                     | Variance                     |  | Variance %    |
|--------------------------|---------------------|---------------------|------------------------------|--|---------------|
|                          | Budget<br>2025      | Budget<br>2026      | 2025 Budget v 2026<br>Budget |  |               |
| Office Rent              | \$ 1,344,800        | \$ 1,290,000        | \$ (54,800)                  |  | (4.1%)        |
| Utilities                | -                   | -                   | -                            |  | 0.0%          |
| Maintenance              | -                   | -                   | -                            |  | 0.0%          |
| <b>Total Office Rent</b> | <b>\$ 1,344,800</b> | <b>\$ 1,290,000</b> | <b>\$ (54,800)</b>           |  | <b>(4.1%)</b> |

**Table 16: Office Rent**

**Explanation of Significant Variances – 2026 Budget versus 2025 Budget**

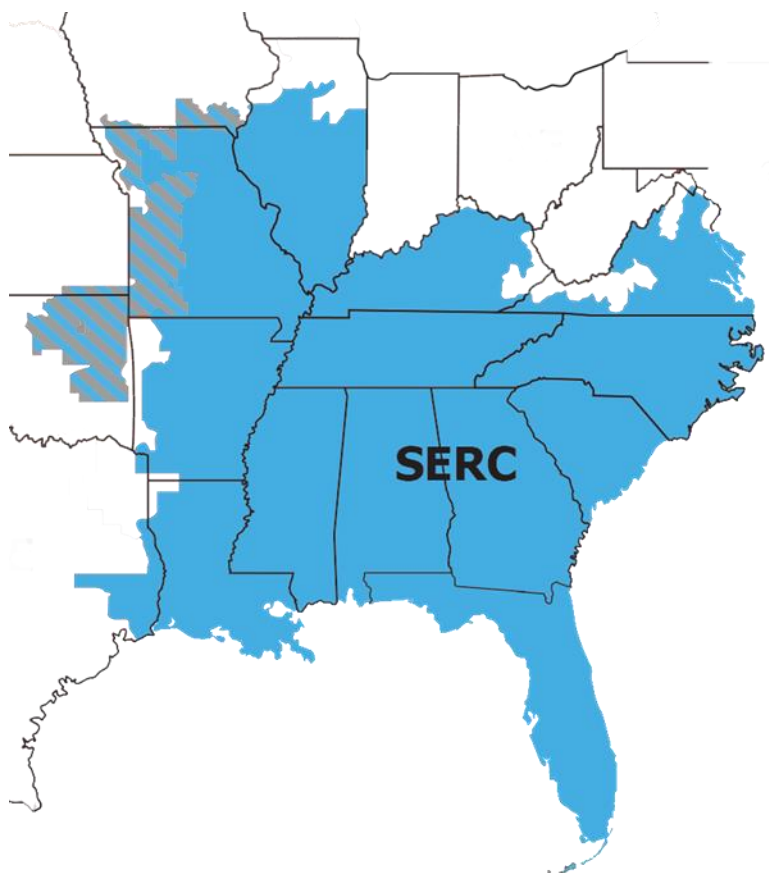
SERC will realize a decrease in rent expense associated with dual rent expense for a portion of 2025 as a new office lease took effect and operations move to a new corporate location.



## Section E Non-Statutory Activities

### 2026 Business Plan and Budget

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## Non-Statutory Activities

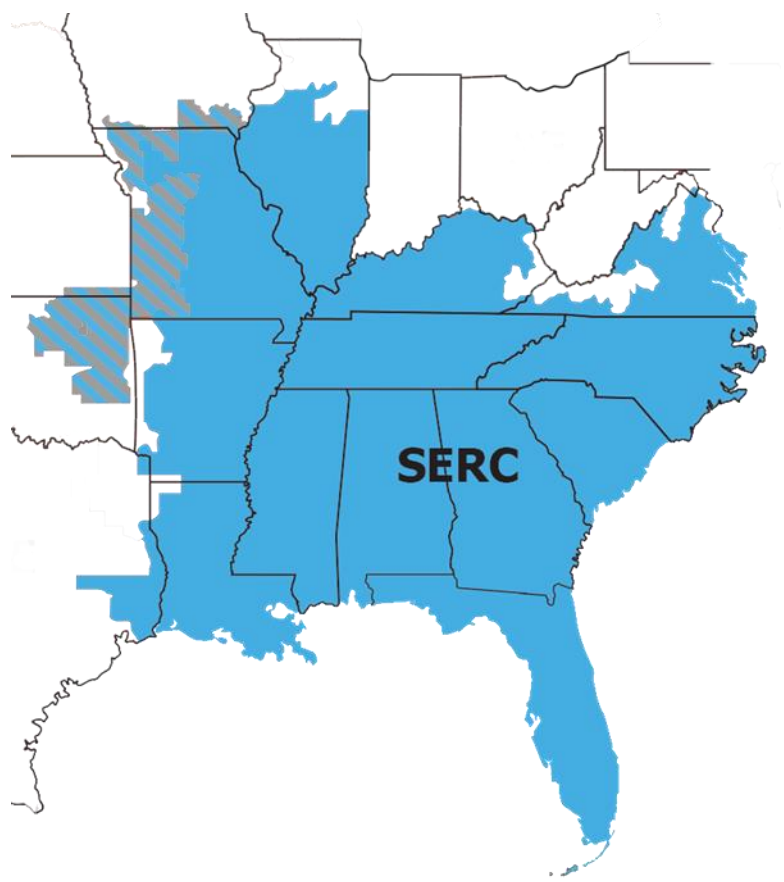
### 2026 Non-Statutory Business Plan and Budget

At present, SERC does not provide any non-statutory functions; therefore, Section E is not applicable at this time. However, SERC may in the future consider providing non-statutory functions from time to time, as appropriate and as permitted by its Board and applicable statutes and regulations.

# Appendices

## 2026 Business Plan and Budget

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## Appendix A. Consolidated Financial Statement of Activities by Program, Statutory and Non-Statutory

## Appendix A. Consolidated Financial Statement of Activities by Program, Statutory and Non-Statutory

| Statement of Activities and Capital Expenditures by Program | Total                | Statutory Total      | Non-Statutory Total | Statutory Total      | Reliability Standards | Compliance Monitoring and Enforcement; Organization Registration and Certification | Reliability Assessment and Performance Analysis | Training and Outreach | Situation Awareness and Infrastructure Security | Corporate Services   |
|-------------------------------------------------------------|----------------------|----------------------|---------------------|----------------------|-----------------------|------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------|-------------------------------------------------|----------------------|
| <b>Funding</b>                                              |                      |                      |                     |                      |                       |                                                                                    |                                                 |                       |                                                 |                      |
| Statutory Funding                                           |                      |                      |                     |                      |                       |                                                                                    |                                                 |                       |                                                 |                      |
| SERC Assessments                                            | \$ 34,255,910        | \$ 34,255,910        | \$ -                | \$ 34,255,910        | \$ 255,050            | \$ 22,485,734                                                                      | \$ 4,505,576                                    | \$ 5,672,469          | \$ 1,337,081                                    | \$ -                 |
| Penalties Released                                          | 2,529,000            | 2,529,000            | -                   | 2,529,000            | 16,295                | 1,694,690                                                                          | 303,089                                         | 417,155               | 97,771                                          | -                    |
| <b>Total Statutory Funding</b>                              | <b>\$ 36,784,910</b> | <b>\$ 36,784,910</b> | <b>\$ -</b>         | <b>\$ 36,784,910</b> | <b>\$ 271,345</b>     | <b>\$ 24,180,424</b>                                                               | <b>\$ 4,808,665</b>                             | <b>\$ 6,089,624</b>   | <b>\$ 1,434,852</b>                             | <b>\$ -</b>          |
| Non-statutory Funding                                       | \$ -                 | \$ -                 | \$ -                | \$ -                 | \$ -                  | \$ -                                                                               | \$ -                                            | \$ -                  | \$ -                                            | \$ -                 |
| Workshops & Miscellaneous                                   | 235,900              | 235,900              | -                   | 235,900              | 219                   | 22,784                                                                             | 10,825                                          | 200,758               | 1,314                                           | -                    |
| Interest                                                    | 170,000              | 170,000              | -                   | 170,000              | 1,095                 | 113,918                                                                            | 20,374                                          | 28,041                | 6,572                                           | -                    |
| <b>Total Funding (A)</b>                                    | <b>\$ 37,190,810</b> | <b>\$ 37,190,810</b> | <b>\$ -</b>         | <b>\$ 37,190,810</b> | <b>\$ 272,659</b>     | <b>\$ 24,317,126</b>                                                               | <b>\$ 4,839,864</b>                             | <b>\$ 6,318,423</b>   | <b>\$ 1,442,738</b>                             | <b>\$ -</b>          |
| <b>Expenses</b>                                             |                      |                      |                     |                      |                       |                                                                                    |                                                 |                       |                                                 |                      |
| Personnel Expenses                                          |                      |                      |                     |                      |                       |                                                                                    |                                                 |                       |                                                 |                      |
| Salaries                                                    | \$ 23,530,917        | \$ 23,530,917        | \$ -                | \$ 23,530,917        | \$ 129,535            | \$ 9,973,483                                                                       | \$ 1,988,696                                    | \$ 2,358,239          | \$ 625,549                                      | \$ 8,455,415         |
| Payroll Taxes                                               | 1,410,035            | 1,410,035            | -                   | 1,410,035            | 7,772                 | 586,436                                                                            | 119,326                                         | 153,473               | 37,533                                          | 505,495              |
| Benefits                                                    | 2,603,224            | 2,603,224            | -                   | 2,603,224            | 9,834                 | 1,009,641                                                                          | 175,809                                         | 293,813               | 58,003                                          | 1,056,124            |
| Retirement Costs                                            | 3,138,201            | 3,138,201            | -                   | 3,138,201            | 17,099                | 1,290,155                                                                          | 262,508                                         | 337,632               | 82,572                                          | 1,148,235            |
| <b>Total Personnel Expenses</b>                             | <b>\$ 30,682,377</b> | <b>\$ 30,682,377</b> | <b>\$ -</b>         | <b>\$ 30,682,377</b> | <b>\$ 164,240</b>     | <b>\$ 12,859,715</b>                                                               | <b>\$ 2,546,339</b>                             | <b>\$ 3,143,157</b>   | <b>\$ 803,657</b>                               | <b>\$ 11,165,269</b> |
| Meeting Expenses                                            |                      |                      |                     |                      |                       |                                                                                    |                                                 |                       |                                                 |                      |
| Meetings & Conference Calls                                 | \$ 556,045           | \$ 556,045           | \$ -                | \$ 556,045           | \$ -                  | \$ 19,405                                                                          | \$ 25,000                                       | \$ 192,000            | \$ -                                            | \$ 319,640           |
| Travel                                                      | 1,126,882            | 1,126,882            | -                   | 1,126,882            | 4,800                 | 569,917                                                                            | 79,100                                          | 185,015               | 13,700                                          | 274,350              |
| <b>Total Meeting Expenses</b>                               | <b>\$ 1,682,927</b>  | <b>\$ 1,682,927</b>  | <b>\$ -</b>         | <b>\$ 1,682,927</b>  | <b>\$ 4,800</b>       | <b>\$ 589,322</b>                                                                  | <b>\$ 104,100</b>                               | <b>\$ 377,015</b>     | <b>\$ 13,700</b>                                | <b>\$ 593,990</b>    |
| Operating Expenses, excluding Depreciation                  |                      |                      |                     |                      |                       |                                                                                    |                                                 |                       |                                                 |                      |
| Consultants & Contracts                                     | \$ 1,317,000         | \$ 1,317,000         | \$ -                | \$ 1,317,000         | \$ -                  | \$ -                                                                               | \$ 125,000                                      | \$ 100,000            | \$ -                                            | \$ 1,092,000         |
| Office Rent                                                 | 1,290,000            | 1,290,000            | -                   | 1,290,000            | -                     | -                                                                                  | -                                               | -                     | -                                               | 1,290,000            |
| Office Costs                                                | 1,777,271            | 1,777,271            | -                   | 1,777,271            | -                     | 37,600                                                                             | 134,000                                         | 36,736                | 1,079                                           | 1,567,856            |
| Professional Services                                       | 626,525              | 626,525              | -                   | 626,525              | -                     | -                                                                                  | -                                               | -                     | -                                               | 626,525              |
| Miscellaneous Expenses                                      | -                    | -                    | -                   | -                    | -                     | -                                                                                  | -                                               | -                     | -                                               | -                    |
| Depreciation                                                | -                    | -                    | -                   | -                    | -                     | -                                                                                  | -                                               | -                     | -                                               | -                    |
| <b>Total Operating Expenses</b>                             | <b>\$ 5,010,796</b>  | <b>\$ 5,010,796</b>  | <b>\$ -</b>         | <b>\$ 5,010,796</b>  | <b>\$ -</b>           | <b>\$ 37,600</b>                                                                   | <b>\$ 259,000</b>                               | <b>\$ 136,736</b>     | <b>\$ 1,079</b>                                 | <b>\$ 4,576,381</b>  |
| <b>Total Direct Expenses</b>                                | <b>\$ 37,376,100</b> | <b>\$ 37,376,100</b> | <b>\$ -</b>         | <b>\$ 37,376,100</b> | <b>\$ 169,040</b>     | <b>\$ 13,486,637</b>                                                               | <b>\$ 2,909,439</b>                             | <b>\$ 3,656,908</b>   | <b>\$ 818,436</b>                               | <b>\$ 16,335,640</b> |
| Indirect Expenses                                           | \$ -                 | \$ (0)               | \$ -                | \$ (0)               | \$ 105,255            | \$ 10,946,563                                                                      | \$ 1,957,751                                    | \$ 2,694,539          | \$ 631,532                                      | \$ (16,335,640)      |
| Other Non-Operating Expenses                                | \$ -                 | \$ -                 | \$ -                | \$ -                 | \$ -                  | \$ -                                                                               | \$ -                                            | \$ -                  | \$ -                                            | \$ -                 |
| <b>Total Expenses (B)</b>                                   | <b>\$ 37,376,100</b> | <b>\$ 37,376,100</b> | <b>\$ -</b>         | <b>\$ 37,376,100</b> | <b>\$ 274,295</b>     | <b>\$ 24,433,200</b>                                                               | <b>\$ 4,867,190</b>                             | <b>\$ 6,351,447</b>   | <b>\$ 1,449,968</b>                             | <b>\$ -</b>          |
| <b>Change in Assets</b>                                     | <b>\$ (185,290)</b>  | <b>\$ (185,290)</b>  | <b>\$ -</b>         | <b>\$ (185,290)</b>  | <b>\$ (1,636)</b>     | <b>\$ (116,074)</b>                                                                | <b>\$ (27,326)</b>                              | <b>\$ (33,024)</b>    | <b>\$ (7,230)</b>                               | <b>\$ -</b>          |
| Depreciation                                                |                      |                      |                     |                      |                       |                                                                                    |                                                 |                       |                                                 |                      |
| Computer & Software CapEx                                   | \$ 140,000           | \$ 140,000           | \$ -                | \$ 140,000           | \$ -                  | \$ -                                                                               | \$ -                                            | \$ -                  | \$ -                                            | \$ 140,000           |
| Furniture & Fixtures CapEx                                  | -                    | -                    | -                   | -                    | -                     | -                                                                                  | -                                               | -                     | -                                               | -                    |
| Equipment CapEx                                             | -                    | -                    | -                   | -                    | -                     | -                                                                                  | -                                               | -                     | -                                               | -                    |
| Leasehold Improvements                                      | -                    | -                    | -                   | -                    | -                     | -                                                                                  | -                                               | -                     | -                                               | -                    |
| <b>Allocation of Fixed Assets</b>                           | <b>-</b>             | <b>-</b>             | <b>-</b>            | <b>-</b>             | <b>902</b>            | <b>93,815</b>                                                                      | <b>16,778</b>                                   | <b>23,093</b>         | <b>5,412</b>                                    | <b>(140,000)</b>     |
| <b>Fixed Assets, excluding Right of Use Assets (C)</b>      | <b>\$ 140,000</b>    | <b>\$ 140,000</b>    | <b>\$ -</b>         | <b>\$ 140,000</b>    | <b>\$ 902</b>         | <b>\$ 93,815</b>                                                                   | <b>\$ 16,778</b>                                | <b>\$ 23,093</b>      | <b>\$ 5,412</b>                                 | <b>\$ -</b>          |
| <b>TOTAL BUDGET (B+C)</b>                                   | <b>\$ 37,516,100</b> | <b>\$ 37,516,100</b> | <b>\$ -</b>         | <b>\$ 37,516,100</b> | <b>\$ 275,197</b>     | <b>\$ 24,527,015</b>                                                               | <b>\$ 4,883,968</b>                             | <b>\$ 6,374,540</b>   | <b>\$ 1,455,380</b>                             | <b>\$ -</b>          |
| <b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>              | <b>\$ (325,290)</b>  | <b>\$ (325,290)</b>  | <b>\$ -</b>         | <b>\$ (325,290)</b>  | <b>\$ (2,538)</b>     | <b>\$ (209,889)</b>                                                                | <b>\$ (44,104)</b>                              | <b>\$ (56,117)</b>    | <b>\$ (12,642)</b>                              | <b>\$ -</b>          |
| <b>FTEs</b>                                                 | <b>115.0</b>         | <b>115.0</b>         | <b>-</b>            | <b>115.0</b>         | <b>0.5</b>            | <b>52.0</b>                                                                        | <b>9.3</b>                                      | <b>12.8</b>           | <b>3.0</b>                                      | <b>37.4</b>          |

## Appendix B. Organization Chart

The SERC Organization chart shown here compares 2025 and 2026 SERC personnel counts.

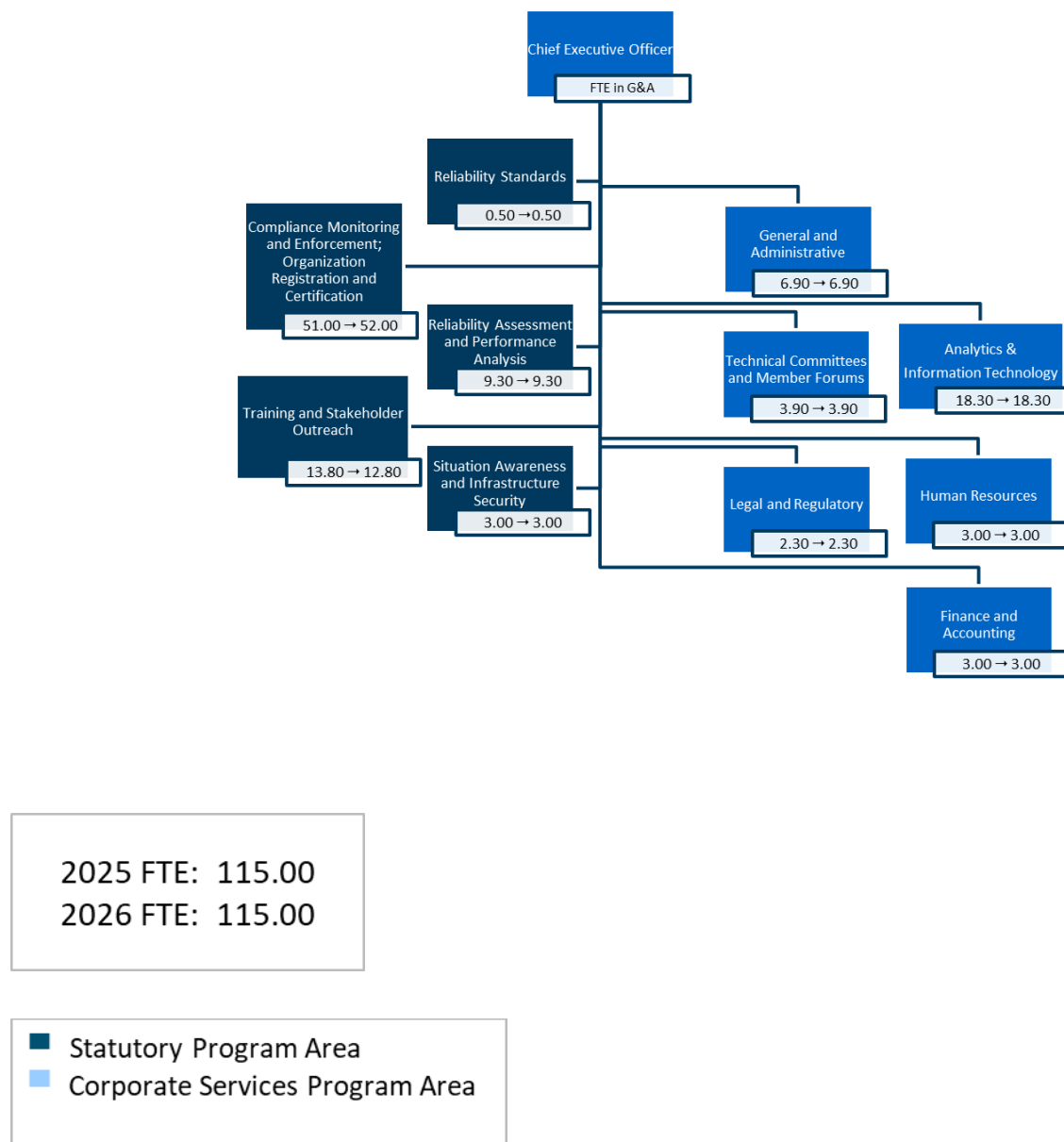


Figure 1: SERC Organization Chart

## Appendix C. Index of Figures and Tables

### List of Figures

|                                         |    |
|-----------------------------------------|----|
| Figure 1: SERC Organization Chart ..... | 61 |
|-----------------------------------------|----|

### List of Tables

|                                                                                                                                                                                           |    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| Table 1: Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital (2025 Budget and 2026 Budget) .....                                                            | 14 |
| Table 2: Major Budget Drivers - Program Areas .....                                                                                                                                       | 15 |
| Table 3: Corporate Services Direct Expenses and Fixed Assets .....                                                                                                                        | 16 |
| Table 4: Personnel Analysis and Expenses - Total FTEs by Program Area .....                                                                                                               | 17 |
| Table 5: Personnel Analysis and Expenses - Personnel Expenses .....                                                                                                                       | 17 |
| Table 6: Consultants and Contracts .....                                                                                                                                                  | 18 |
| Table 7: Fixed Assets .....                                                                                                                                                               | 18 |
| Table 8: Reserve Analysis - Statutory .....                                                                                                                                               | 19 |
| Table 9: Three-Year Budget Projections.....                                                                                                                                               | 22 |
| Table 10: Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital for Reliability Standards .....                                                               | 25 |
| Table 11: Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital for Compliance Monitoring, Enforcement, and Organization Registration and Certification ..... | 32 |
| Table 12: Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital for Reliability Assessment and Performance Analysis .....                                     | 35 |
| Table 13: Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital for Training, Education, and Stakeholder Outreach .....                                       | 39 |
| Table 14: Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital for Situational Awareness and Infrastructure Security .....                                   | 42 |
| Table 15: Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital for Corporate Services.....                                                                   | 55 |
| Table 16: Office Rent.....                                                                                                                                                                | 56 |

**DOCKET NO. RR25-\_\_-000**

**NORTH AMERICAN ELECTRIC RELIABILITY  
CORPORATION**

**2026 BUSINESS PLAN AND BUDGET FILING**

**ATTACHMENT 7**

**TEXAS RELIABILITY ENTITY**

**PROPOSED 2026 BUSINESS PLAN AND BUDGET**



# TEXAS RE

Ensuring electric reliability for Texans



# 2026 Business Plan and Budget

Approved by Texas RE Board of Directors: May 14, 2025



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## Table of Contents

---

|                                                                                                                 |           |
|-----------------------------------------------------------------------------------------------------------------|-----------|
| <b>INTRODUCTION.....</b>                                                                                        | <b>2</b>  |
| <i>Organizational Overview .....</i>                                                                            | <i>2</i>  |
| <i>Membership and Governance.....</i>                                                                           | <i>2</i>  |
| <i>Statutory Functional Scope .....</i>                                                                         | <i>3</i>  |
| <i>Funding .....</i>                                                                                            | <i>3</i>  |
| <i>ERO Enterprise Model .....</i>                                                                               | <i>3</i>  |
| <i>ERO Enterprise Long-Term Strategy.....</i>                                                                   | <i>4</i>  |
| <b>OVERVIEW OF FUNDING AND BUDGET REQUIREMENTS .....</b>                                                        | <b>6</b>  |
| <i>Major Drivers/Key Assumptions .....</i>                                                                      | <i>7</i>  |
| <i>Major Budget Drivers - Program Area Budgets.....</i>                                                         | <i>9</i>  |
| <i>Major Budget Drivers - Administrative Services Budget .....</i>                                              | <i>10</i> |
| <i>Personnel Analysis and Expenses .....</i>                                                                    | <i>12</i> |
| <i>Contractors and Consulting Expenses.....</i>                                                                 | <i>14</i> |
| <i>Reserve Analysis .....</i>                                                                                   | <i>15</i> |
| <b>THREE-YEAR BUDGET PROJECTIONS.....</b>                                                                       | <b>16</b> |
| <b>2025 STATUTORY PROGRAM DETAIL .....</b>                                                                      | <b>18</b> |
| <i>Reliability Standards .....</i>                                                                              | <i>18</i> |
| <i>Compliance Monitoring, Enforcement and Organization Registration and Certification<br/>    Program .....</i> | <i>22</i> |
| <i>Training and Education .....</i>                                                                             | <i>30</i> |
| <i>Administrative Services.....</i>                                                                             | <i>34</i> |
| <b>ADDITIONAL INFORMATION.....</b>                                                                              | <b>41</b> |
| <i>Organizational Chart .....</i>                                                                               | <i>41</i> |
| <i>Consolidated Statement of Activities.....</i>                                                                | <i>42</i> |

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## Introduction

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### Organizational Overview

Texas Reliability Entity, Inc. (Texas RE) is a Texas non-profit corporation that is the Regional Entity for the Electric Reliability Council of Texas, Inc. (ERCOT) region, pursuant to its Amended and Restated Delegation Agreement (Delegation Agreement) with North American Electric Reliability Corporation (NERC) effective January 1, 2021. Texas RE ensures the reliability of the ERCOT region bulk-power system (BPS).

The ERCOT region is the geographic area located within the state of Texas that operates under the jurisdiction of the Public Utility Commission of Texas (PUCT) and is not synchronously interconnected with any electric utilities operating outside of Texas. The ERCOT region includes approximately 90 percent of Texas load and 75 percent of the Texas land area.

### Membership and Governance

Texas RE has the following six membership sectors under its Bylaws:

- System Coordination and Planning
- Transmission and Distribution
- Cooperative Utility
- Municipal Utility
- Generation
- Load-Serving and Marketing

Membership in Texas RE is voluntary and open to any entity that is a user, owner, or operator in the ERCOT region BPS that registers with Texas RE as a member and complies with the Texas RE Bylaws (Bylaws) requirements. There is no charge for membership with Texas RE. Any person or entity that has a direct and material interest in the BPS has a right to participate in the Texas RE Standards Development Process, even if not a Texas RE member.

Texas RE has one stakeholder committee, the Member Representatives Committee (MRC). The MRC includes representatives from members in each of the six membership sectors and provides advice and recommendations to the Texas RE Board (Board) on administrative, financial, reliability-related, or any other matters, through its elected Chair and Vice Chair, who also serve as Affiliated Directors on Texas RE's Board. In addition, the MRC facilitates the Regional Standards development process and coordinates the development of Regional Standards and variances with the development of continent-wide standards. A subcommittee of the MRC—the NERC Standards Review Forum (NSRF)—monitors, reviews, and discusses NERC (continent-wide) Reliability Standards under development and Reliability Standards interpretation requests.

### Board of Directors

Texas RE is governed by a hybrid Board of Directors (Board), comprised of the following nine individuals:

- The Texas RE President and Chief Executive Officer (CEO)

- Four Independent Directors (elected by membership)
- Two Affiliated Directors (the Chair and Vice Chair of the MRC)
- Chairman of the PUCT (or another PUCT Commissioner designated by the Chairman) as an *ex officio* non-voting member
- Texas Public Counsel, from the Texas Office of Public Utility Counsel, as an *ex officio* non-voting member

The Board's primary role is to oversee the management of Texas RE, including assuring that Texas RE meets its requirements under the Bylaws and Delegation Agreement, and appointing a CEO to manage and be responsible for the day-to-day on-going activities of Texas RE.

### Statutory Functional Scope

In accordance with its Delegation Agreement with NERC and in compliance with the NERC Rules of Procedure (NERC ROP), Texas RE performs the following statutory (or delegated) functions:

- Participation in the development of NERC Reliability Standards, or modifications thereof, and facilitation of developing needed Regional Standards or variances through Texas RE's Standards Development Process.
- Identification and registration of Responsible Entities with NERC and, as needed, certification of such entities within the ERCOT region.
- Monitoring and enforcement of compliance with approved NERC Reliability Standards and Regional Standards, in accordance with the NERC ROP, in the ERCOT region.
- Analysis and assessment of system events and disturbances.
- Assessment of the present and future reliability, adequacy, and security of the BPS.
- Promote effective training and educate personnel.
- Promote situation awareness and the protection of critical infrastructure.

### Funding

Texas RE's annual Business Plan and Budget (BP&B) is subject to review and approval by NERC and FERC. Once approved, Texas RE's annual funding is provided primarily through NERC by assessments to load-serving entities within the ERCOT region. These assessments are allocated on a net energy-for-load (NEL) basis. Total NEL for 2024 is 461,549,959 megawatt hours.

### The ERO Enterprise

Electricity is a vital component of the fabric of modern society and the Electric Reliability Organization (ERO) Enterprise serves to strengthen that fabric for the benefit of nearly 400 million North Americans. The ERO Enterprise, which consists of the North American Electric Reliability Corporation (NERC) and the six Regional Entities, works with users, owners, and operators of the bulk power system (BPS), government partners, and other stakeholders and industry participants, to pursue its mission of assuring the effective and efficient reduction of risks to the reliability and security of the BPS.

NERC and the Regional Entities play different, but important and complementary, roles in delivering ERO Enterprise programs. NERC provides industry-wide perspective and oversight, and the Regional Entities have unique features and activities that serve the needs of their regional constituents, while ensuring that registered entities follow NERC and Regional Reliability Standards. The ERO Enterprise is explicitly committed to its collective success in achieving its vision of a highly reliable and secure North American BPS.



### ERO Enterprise Strategic and Operational Planning

NERC and the Regional Entities are continually refining their individual and collective operating and governance practices in support of strategic and operational goals and objectives that are designed to ensure the ERO fulfills its statutory obligations. This collaboration is done while acknowledging the unique differences across the Regional Entities, and the different corporate and governance responsibilities of each entity.

### ERO Enterprise Long-Term Strategy

In 2024, the ERO Enterprise revised the [ERO Enterprise Long-Term Strategy](#). This strategy includes the following focus areas for achieving success in its vision and mission:

- **Energy** – Effectively leverage a broad range of data, tools, and approaches to assist stakeholders and policymakers in addressing existing BPS risks and proactively identifying and preparing for emerging and unknown risks to the grid.

- **Security** – Maintain cyber and physical security programs (E-ISAC, Standards, Compliance Monitoring and Enforcement Program (CMEP), technical committee work,<sup>1</sup> outreach and engagement) that are risk-based, efficient, coordinated, and effectively advance the security posture of industry.
- **Engagement** – Ensure that the increasingly diverse spectrum of stakeholders and policymakers find value in engagements with the ERO Enterprise, seek ERO Enterprise expertise to inform their decision-making, and have confidence in the integrity and independence of ERO Enterprise programs.
- **Agility and Sustainability** – Perform as an effective and efficient team acting in coordination, ensuring its programs and efforts deliver value for stakeholders and policymakers as they manage changing reliability and security risk within the evolving industry landscape, and capturing cost efficiencies when practical.

As part of the business planning and budgeting process, NERC and the Regional Entities each have their own priorities and strategic focus areas and continually come together to ensure alignment with the long-term strategy and harmonization across the ERO Enterprise where appropriate.

Since risks to reliability and security are fluid and can be impacted by recent events, NERC and each Regional Entity may also create annual work plan priorities that summarize the most critical goals and objectives for the year. In many cases, these work plan priorities are also used for individual, departmental, and company performance measurements.

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<sup>1</sup> Technical committees include the NERC Standing Committees (Compliance and Certification Committee, Personnel Certification and Governance Committee, Reliability Issues Steering Committee, Reliability and Security Technical Committee, and Standards Committee) and Regional Entity committees.



## **Overview of Funding and Budget Requirements**

In developing the Texas RE 2026 Business Plan and Budget, Texas RE reflects the collaborative development of the ERO Enterprise Long-Term Strategy. Texas RE also seeks input from its MRC and posts the budget online for comment. Prior to obtaining final approval from its Board, Texas RE seeks NERC input and a review of its annual Regional Entity Business Plan and Budget, including coordination of program requirements and any related key initiatives for the ERO Enterprise.

Texas RE proposes to increase total expenses in 2026 from \$20,244,882 to \$21,523,423, an increase of \$1,278,542 or 6.3%.

Texas RE's proposed 2026 assessment of \$19,818,823 represents an increase of 2.9 percent, or \$557,404 from the 2025 assessment. Texas RE is releasing \$429,600 of penalty reserves and \$1,125,000 of assessment stabilization reserves to offset assessments. More information is included in the [Reserve Analysis](#) table.



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## Major Drivers/Key Assumptions

- **Personnel** – Expense increase in the amount of \$1,114,546 (7.0 percent).
  - Addition of three full-time employees (FTEs) and a budgeted 4 percent merit and market adjustment pool. One additional FTE for a CIP Auditor in Compliance is required to address growth in the number and type of registered entities, new standards and requirements, and increasing expectations for new entity outreach and engagements. Two FTEs, one General Attorney and one Human Resources Administrative Support position, are needed in Corporate Services to implement the ERO Long Term Strategic Plan’s Focus on Agility and Sustainability. Staffing changes are discussed in more detail in “Major Budget Drivers – Program Area Budgets” below and in subsequent program area sections.
  - Projected 10 percent increase over current actual rates for medical insurance premiums.
- **Operating Expenses** – Expense increase in the amount of \$215,802 (5.8 percent).
  - Contracts and Consultants – Increase is related to software consulting expenses needed to meet ERO needs for an enhanced reliability assessment process that provides a systematic evaluation of resources’ ability to deliver energy and meet demand across a range of assessment periods and scenarios.
  - Professional Services – Increase is related to higher cost of insurance and market adjustments for other existing professional services such as Board of Director fees.

**Statement of Activities and Fixed Asset Additions  
2025 and 2026 Budgets**

**STATUTORY**

|                                                      | 2025                 | 2026                  | Variance            |               |
|------------------------------------------------------|----------------------|-----------------------|---------------------|---------------|
|                                                      | Budget               | Budget                | 25 v 26 Budget      | Variance      |
|                                                      |                      |                       | Budget              | Percent       |
| <b>Funding</b>                                       |                      |                       |                     |               |
| <b>ERO Funding</b>                                   |                      |                       |                     |               |
| NERC Assessments                                     | \$ 19,261,419        | \$ 19,818,823         | \$ 557,404          | 2.9%          |
| Penalties Released*                                  | 338,463              | 429,600               | 91,137              | 26.9%         |
| <b>Total NERC Funding</b>                            | <b>\$ 19,599,882</b> | <b>\$ 20,248,423</b>  | <b>\$ 648,541</b>   | <b>3.3%</b>   |
| Interest                                             | 125,000              | 225,000               | 100,000             | 80.0%         |
| <b>Total Funding (A)</b>                             | <b>\$ 19,724,882</b> | <b>\$ 20,473,423</b>  | <b>\$ 748,541</b>   | <b>3.8%</b>   |
| <b>Personnel Expenses</b>                            |                      |                       |                     |               |
| <b>Personnel Expenses</b>                            |                      |                       |                     |               |
| Salaries                                             | \$ 11,591,928        | \$ 12,351,262         | \$ 759,334          | 6.6%          |
| Payroll Taxes                                        | 777,855              | 837,104               | 59,249              | 7.6%          |
| Benefits                                             | 1,969,451            | 2,163,395             | 193,944             | 9.8%          |
| Retirement Costs                                     | 1,643,152            | 1,745,171             | 102,019             | 6.2%          |
| <b>Total Personnel Expenses</b>                      | <b>\$ 15,982,386</b> | <b>\$ 17,096,932</b>  | <b>\$ 1,114,546</b> | <b>7.0%</b>   |
| <b>Meeting &amp; Travel Expenses</b>                 |                      |                       |                     |               |
| Meetings                                             | \$ 120,900           | \$ 142,400            | \$ 21,500           | 17.8%         |
| Travel                                               | 403,579              | 330,273               | (73,306)            | -18.2%        |
| <b>Total Meeting &amp; Travel Expenses</b>           | <b>\$ 524,479</b>    | <b>\$ 472,673</b>     | <b>\$ (51,806)</b>  | <b>-9.9%</b>  |
| <b>Operating Expenses, Excl. Depreciation</b>        |                      |                       |                     |               |
| Consultants & Contracts                              | \$ 437,500           | \$ 497,500            | \$ 60,000           | 13.7%         |
| Office Rent                                          | 1,751,692            | 1,803,978             | 52,287              | 3.0%          |
| Office Costs                                         | 811,325              | 842,400               | 31,075              | 3.8%          |
| Professional Services                                | 737,500              | 809,940               | 72,440              | 9.8%          |
| <b>Total Operating Expenses</b>                      | <b>\$ 3,738,017</b>  | <b>\$ 3,953,818</b>   | <b>\$ 215,802</b>   | <b>5.8%</b>   |
| <b>Total Direct Expenses</b>                         | <b>\$ 20,244,882</b> | <b>\$ 21,523,423</b>  | <b>\$ 1,278,542</b> | <b>6.3%</b>   |
| <b>Indirect Expenses</b>                             | \$ -                 | \$ -                  | \$ -                |               |
| <b>Other Non-Operating Expenses</b>                  | \$ -                 | \$ -                  | \$ -                |               |
| <b>Total Expenses (B)</b>                            | <b>\$ 20,244,882</b> | <b>\$ 21,523,423</b>  | <b>\$ 1,278,542</b> | <b>6.3%</b>   |
| <b>Change in Net Assets (A - B)</b>                  | <b>\$ (520,000)</b>  | <b>\$ (1,050,000)</b> | <b>\$ (530,000)</b> | <b>101.9%</b> |
| <b>Fixed Assets, Excl. Right of Use Assets ( C )</b> | <b>\$ 50,000</b>     | <b>\$ 75,000</b>      | <b>25,000</b>       | <b>50.0%</b>  |
| <b>TOTAL BUDGET (B + C)</b>                          | <b>\$ 20,294,882</b> | <b>\$ 21,598,423</b>  | <b>\$ 1,303,542</b> | <b>6.4%</b>   |
| <b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>       | <b>\$ (570,000)</b>  | <b>\$ (1,125,000)</b> | <b>\$ -</b>         |               |
| <b>FTEs</b>                                          | 72.0                 | 75.0                  | 3.0                 |               |

\*Penalties released in the current year reflect the designated amount of funds released to offset assessments. Actual penalties invoiced in the current year are reported as income on the audited financial statements in accordance with Generally Accepted Accounting Principles (GAAP).



## Major Budget Drivers - Program Area Budgets

| Base Operating Budget                                | 2025<br>Budget       | 2026<br>Budget       | Variance<br>2025 v 2026<br>Budget | Variance<br>Percent |
|------------------------------------------------------|----------------------|----------------------|-----------------------------------|---------------------|
| Reliability Standards                                | \$ 455,755           | \$ 479,350           | \$ 23,595                         | 5.2%                |
| Compliance Enforcement and Organization Registration | 15,390,893           | 16,419,177           | 1,028,284                         | 6.7%                |
| Reliability Assessments and Performance Analysis     | 3,601,485            | 3,352,399            | (249,086)                         | -6.9%               |
| Training and Education                               | 846,749              | 1,347,497            | 500,748                           | 59.1%               |
| <b>Total by Program</b>                              | <b>\$ 20,294,882</b> | <b>\$ 21,598,423</b> | <b>\$ 1,303,541</b>               | <b>6.4%</b>         |

### Reliability Standards

- The number of FTEs and operating costs are consistent with the 2025 Budget.

### Compliance Monitoring and Enforcement (CMEP)

- Personnel** – FTEs in CMEP will be increased by one CIP Auditor to address the need for increased compliance oversight engagements fueled by growth in the number and type of registered entities. New standards or requirements in areas such as communication between control centers and vendor electronic remote access for assets containing low impact Bulk Electric System (BES) cyber systems also increase the workload, as will increasing expectations by NERC and FERC for new entity outreach.

### Reliability Assessment and Performance Analysis (RAPA)

- Personnel** – The total number of FTEs in RAPA will decrease by .75 FTE. In 2024 a new position, Chief Engineer and Director, Reliability Outreach was created and remained in RAPA for 2024 and 2025. Although this position will continue to support the RAPA Department, 75 percent of this position consists of engagement and state outreach activities. In 2026, these activities are allocated to Communications and Training to better align these activities in a manner consistent with other ERO regional entities.
- Consultants and Contracts** – Continued implementation of software tools and associated consulting support is needed to address ERO needs for an enhanced reliability assessment process that provides a systemic evaluation of resources' ability to deliver energy and meet demand across a range of assessment periods and scenarios.

### Training and Education

- Personnel** – The number of FTEs is increasing by .75 because engagement and outreach activities performed by the Chief Engineer and Director, Reliability Outreach are transferred from the RAPA department to better align these activities in a manner consistent with other ERO Regional entities.

- **Travel Expenses** – the increase in travel expenses represent a transfer of expenses of the Chief Engineer and Director, Reliability Outreach from the RAPA department.

## Major Budget Drivers - Administrative Services Budget

### Methodology for Allocation of Corporate Services Expenses to Programs

Texas RE allocates its Administrative Services expenses to the functional/direct areas proportionately based on FTE count. Each direct activity receives a pro-rata allocation of expense based on its FTEs compared to total direct program FTEs.

|                               | Administrative Services        |             |           |             |             |           |
|-------------------------------|--------------------------------|-------------|-----------|-------------|-------------|-----------|
|                               | Direct Expenses & Fixed Assets |             |           | FTEs        |             |           |
|                               | 2025 Budget                    | 2026 Budget | Inc (Dec) | 2025 Budget | 2026 Budget | Inc (Dec) |
| General and Administrative    | 4,889,544                      | 5,397,744   | 508,200   | 4.00        | 5.00        | 1.00      |
| Legal and Regulatory          | 1,018,648                      | 1,322,225   | 303,577   | 3.75        | 4.75        | 1.00      |
| Information Technology        | 2,566,398                      | 2,539,516   | (26,882)  | 8.00        | 8.00        | -         |
| Human Resources               | 219,710                        | 219,735     | 25        | -           | -           | -         |
| Finance and Accounting        | 655,755                        | 701,425     | 45,670    | 3.00        | 3.00        | -         |
| Total Administrative Services | 9,350,055                      | 10,180,645  | 830,590   | 18.75       | 20.75       | 2.00      |

### General and Administrative

- **Personnel** – One FTE is added to support Human Resources. This position is in response to the overall growth in total FTEs and associated recruiting needs. The Human Resources Administrative Assistant will support workplace culture initiatives and will also address sustainability for the Human Resource Department, which is currently only one FTE.
- **Office rent and maintenance** – Office maintenance expenses are increasing by \$52,286 (3 percent) to allow for market increases.
- **Professional fees** – An increase of \$72,440 (9.9 percent) is because of an increase in general liability insurance and an adjustment for Board compensation in response to a benchmark compensation study performed at the end of 2024.

**Legal and Regulatory**

- **Personnel** – One FTE, a General Attorney, is added to address the notable increase in legal work to support growth and organizational maturation. The General Attorney will assist with implementation of Enterprise Risk Management, NERC oversight support, as well as IT risk management, security principles, and supply chain verification process.

**Information Technology**

- The number of FTEs and operating costs are consistent with the 2025 Budget.

**Human Resources**

- **Personnel** – These costs are included in General and Administrative.
- **Operating Expenses** – These costs are consistent with the 2025 Budget.

**Finance and Accounting**

- The number of FTEs and operating costs are consistent with the 2025 Budget.

Personnel Analysis and Expenses

| Personnel Expenses           | 2025 Budget         | 2026 Budget         | Variance           |             |
|------------------------------|---------------------|---------------------|--------------------|-------------|
|                              |                     |                     | 2025 v 2026 Budget | Variance %  |
| Salaries                     | \$11,591,928        | \$12,351,262        | \$ 759,334         | 6.6%        |
| Payroll Taxes                | 777,855             | 837,104             | 59,249             | 7.6%        |
| Benefits                     | 1,969,451           | 2,163,395           | 193,944            | 9.8%        |
| Retirement                   | 1,643,152           | 1,745,171           | 102,019            | 6.2%        |
| <b>Total Personnel Costs</b> | <b>\$15,982,386</b> | <b>\$17,096,932</b> | <b>\$1,114,546</b> | <b>7.0%</b> |
| <b>FTEs</b>                  | <b>72.0</b>         | <b>75.0</b>         | <b>3.0</b>         | <b>4.2%</b> |
| <b>Cost per FTE</b>          |                     |                     |                    |             |
| Salaries                     | \$ 160,999          | \$ 164,683          | \$ 3,684           | 2.3%        |
| Payroll Taxes                | 10,804              | 11,161              | 358                | 3.3%        |
| Benefits                     | 27,353              | 28,845              | 1,492              | 5.5%        |
| Retirement                   | 22,822              | 23,269              | 447                | 2.0%        |
| <b>Total Cost per FTE</b>    | <b>\$ 221,978</b>   | <b>\$ 227,959</b>   | <b>\$ 5,982</b>    | <b>2.7%</b> |

|                                                            | 2025<br>Budget | 2026<br>Budget | Change<br>from 2025<br>Budget |
|------------------------------------------------------------|----------------|----------------|-------------------------------|
| <b>Total FTEs by Program Area</b>                          |                |                |                               |
| <b>Operational Programs</b>                                |                |                |                               |
| Reliability Standards                                      | 1.25           | 1.25           | -                             |
| Compliance and Organization Registration and Certification | 41.75          | 42.75          | 1.00                          |
| Training and Education                                     | 2.25           | 3.00           | 0.75                          |
| Reliability Assessment and Performance Analysis            | 8.00           | 7.25           | (0.75)                        |
| <b>Total FTEs Operational Programs</b>                     | <b>53.25</b>   | <b>54.25</b>   | <b>1.00</b>                   |
| <b>Administrative Programs</b>                             |                |                |                               |
| General & Administrative                                   | 4.00           | 5.00           | 1.00                          |
| Legal and Regulatory                                       | 3.75           | 4.75           | 1.00                          |
| Information Technology                                     | 8.00           | 8.00           | -                             |
| Human Resources                                            | -              | -              | -                             |
| Finance and Accounting                                     | 3.00           | 3.00           | -                             |
| <b>Total FTEs Administrative Programs</b>                  | <b>18.75</b>   | <b>20.75</b>   | <b>2.00</b>                   |
| <b>Total FTEs</b>                                          | <b>72.00</b>   | <b>75.00</b>   | <b>3.00</b>                   |

**Personnel: Significant Variances – 2025 Budget vs 2026 Budget**

- Addition of three FTEs – More details can be found in the [Major Budget Drivers – Program Area Budgets](#).
  - One FTE in CMEP – CIP Auditor
  - One FTE in Legal – General Attorney
  - One FTE in HR – Administrative Assistant
- Budgeted 4 percent merit and market adjustment pool.
- Estimated medical insurance premium increase of 10 percent over 2025 actual cost.

## Contractors and Consulting Expenses

### Contractors and Consulting Expenses: Significant Variances – 2025 Budget vs 2026 Budget

- RAPA** – Increase is to meet ERO needs for an enhanced reliability assessment process that provides a systematic evaluation of resources' ability to deliver energy and meet demand across a range of assessment periods and scenarios. The biennial probabilistic energy assessment will be performed every year and began in 2024. Software tools, support, and training will continue to be needed in 2026 to meet the new ERO energy assessment requirements for full implementation in 2026.

| Consultants and Contracts                                  | 2025<br>Budget    | 2026<br>Budget    | Variance<br>2025 v 2026<br>Budget | Variance %   |
|------------------------------------------------------------|-------------------|-------------------|-----------------------------------|--------------|
| Reliability Standards                                      | \$ -              | \$ -              | \$ -                              | 0.0%         |
| Compliance and Organization Registration and Certification | -                 | -                 | -                                 | 0.0%         |
| Reliability Assessment and Performance Analysis            | 75,000            | 135,000           | 60,000                            | 80.0%        |
| Training and Education                                     | -                 | -                 | -                                 | 0.0%         |
| General and Administrative                                 | 80,000            | 80,000            | -                                 | 0.0%         |
| Legal and Regulatory                                       | 2,500             | 2,500             | -                                 | 0.0%         |
| Information Technology                                     | 115,000           | 115,000           | -                                 | 0.0%         |
| Human Resources                                            | 165,000           | 165,000           | -                                 | 0.0%         |
| Accounting and Finance                                     | -                 | -                 | -                                 | 0.0%         |
| <b>Total Consultants and Contracts</b>                     | <b>\$ 437,500</b> | <b>\$ 497,500</b> | <b>\$ 60,000</b>                  | <b>13.7%</b> |

## Fixed Asset Additions

### Significant Variances – 2025 Budget versus 2026 Budget

- Fixed asset additions are routine equipment replacements and is expected to increase in 2026 as equipment ages.

| Fixed Assets               | 2025<br>Budget   | 2026<br>Budget   | Variance<br>2025 v 2026<br>Budget | Variance %   |
|----------------------------|------------------|------------------|-----------------------------------|--------------|
| Compute Software CapEx     | -                | -                | -                                 | 0.0%         |
| Furniture & Fixtures CapEx | -                | -                | -                                 | 0.0%         |
| Equipment CapEx            | 50,000           | 75,000           | 25,000                            | 50.0%        |
| Leasehold Improvements     | -                | -                | -                                 | 0.0%         |
| <b>Total Fixed Assets</b>  | <b>\$ 50,000</b> | <b>\$ 75,000</b> | <b>\$ 25,000</b>                  | <b>50.0%</b> |

## Reserve Analysis

### Working Capital Reserve Analysis 2025-2026

#### STATUTORY

|                                                             | Total Reserves        | Contingency Reserve | Working Capital and Assessment Stabilization | Reserve for Future Lease Obligations | Unreleased Penalties |
|-------------------------------------------------------------|-----------------------|---------------------|----------------------------------------------|--------------------------------------|----------------------|
| <b>Beginning Reserves, January 1, 2025</b>                  | \$ 9,039,264          | \$ 2,000,000        | \$ 6,368,083                                 | \$ 332,718                           | \$ 338,463           |
| Plus: 2025 Funding (from LSEs or designees)                 | 19,261,419            | -                   | 19,231,029                                   | 30,390                               | -                    |
| Plus: 2025 Other funding sources                            | 125,000               | -                   | 125,000                                      | -                                    | -                    |
| Released from Assessment Stabilization & Contingency        | -                     | -                   | -                                            | -                                    | -                    |
| Penalties Released in 2025                                  | -                     | -                   | 338,463                                      | -                                    | (338,463)            |
| Penalty Sanctions Received July 1, 2024 - June 30, 2025     | 429,600               | -                   | -                                            | -                                    | 429,600              |
| Less: 2025 Projected expenses & capital expenditures        | (20,294,882)          | -                   | (20,294,882)                                 | -                                    | -                    |
| <b>Projected Reserves, December 31, 2025</b>                | <b>\$ 8,560,401</b>   | <b>\$ 2,000,000</b> | <b>\$ 5,767,693</b>                          | <b>\$ 363,108</b>                    | <b>\$ 429,600</b>    |
| <b>Desired Reserves, December 31, 2026</b>                  |                       |                     |                                              |                                      |                      |
| Target Reserve December 31, 2026                            | \$ 7,013,752          | \$ 2,000,000        | \$ 4,642,693                                 | \$ 371,059                           | \$ -                 |
| Minus: Projected Reserves, December 31, 2025                | (8,560,401)           | (2,000,000)         | (5,767,693)                                  | (363,108)                            | (429,600)            |
| <b>Incr(decr) in funding requirement to achieve Reserve</b> | <b>\$ (1,546,649)</b> | <b>\$ -</b>         | <b>\$ (1,125,000)</b>                        | <b>\$ 7,951</b>                      | <b>\$ (429,600)</b>  |
| 2026 Expenses and Capital Expenditures                      | \$ 21,598,423         |                     |                                              |                                      |                      |
| Less: Other Funding Sources                                 | (225,000)             |                     |                                              |                                      |                      |
| Adjustment to achieve targeted working capital              | -                     |                     |                                              |                                      |                      |
| Reserves released from Assessment Stabilization             | (1,125,000)           |                     |                                              |                                      |                      |
| Penalty Sanctions Released                                  | (429,600)             |                     |                                              |                                      |                      |
| <b>2025 NERC Assessment to Texas RE</b>                     | <b>19,818,823</b>     |                     |                                              |                                      |                      |

## Explanation of Reserves

Texas RE has a Board approved Working Capital and Operating Reserve Policy, which requires Texas RE to retain a \$2,000,000 cash reserve (or an amount as adjusted by the Board, or as required by regulators). This reserve is a contingency reserve which can only be used with Board approval.

Penalty monies received between July 1, 2023 and June 30, 2024, in the amount of \$338,464 are to be used to offset assessments in the 2025 Budget, as documented in the NERC Policy – *ACCOUNTING FINANCIAL STATEMENT AND BUDGETARY TREATMENT OF PENALTIES IMPOSED AND RECEIVED FOR VIOLATIONS OF RELIABILITY STANDARD*. Penalty monies received from July 1, 2024 to June 30, 2025, in the amount of \$429,600 will be used to offset assessments in the 2026 Budget.

Assessment Stabilization Reserves in the amount of \$1,125,000 will be used to offset assessments in the 2026 Budget.



## **Three-Year Budget Projections**

### **Major budget drivers in 2027 and 2028**

- The addition of three FTEs in 2027 and two FTEs in 2028.
- Merit and market adjustment pool increases of 4 percent and health insurance benefit increases of 10 percent.
- Increased Consulting and Contract expenses in 2027 to allow for Board of Director Search Fees.



**Statement of Activities, Fixed Assets Expenditures and Change in Working Capital**  
**2026 Budget & Projected 2027 and 2028 Budgets**

|                                                   | <b>2026<br/>Budget</b> | <b>2027<br/>Projection</b> | <b>% Change<br/>27 v 26</b> | <b>2028<br/>Projection</b> | <b>% Change<br/>28 v 27</b> |
|---------------------------------------------------|------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|
| <b>Funding</b>                                    |                        |                            |                             |                            |                             |
| ERO Funding                                       | \$ 19,818,823          | \$ 23,111,195              | 16.6%                       | \$ 24,442,575              | 5.8%                        |
| Fines & Penalties                                 | 429,600                | -                          | -100.0%                     | -                          | 0.0%                        |
| Interest                                          | 225,000                | 170,000                    | -24.4%                      | 115,000                    | -32.4%                      |
| <b>Total Revenue</b>                              | <b>\$ 20,473,423</b>   | <b>\$ 23,281,195</b>       | <b>13.7%</b>                | <b>\$ 24,557,575</b>       | <b>5.5%</b>                 |
| <b>Personnel Expenses</b>                         |                        |                            |                             |                            |                             |
| Salaries                                          | \$ 12,351,262          | \$ 13,195,313              | 6.8%                        | \$ 13,973,125              | 5.9%                        |
| Payroll Taxes                                     | 837,104                | 894,309                    | 6.8%                        | 947,025                    | 5.9%                        |
| Benefits                                          | 2,163,395              | 2,485,334                  | 14.9%                       | 2,804,267                  | 12.8%                       |
| Retirement Cost                                   | 1,745,171              | 1,865,728                  | 6.9%                        | 1,976,607                  | 5.9%                        |
| <b>Total Personnel</b>                            | <b>\$ 17,096,932</b>   | <b>\$ 18,440,684</b>       | <b>7.9%</b>                 | <b>\$ 19,701,025</b>       | <b>6.8%</b>                 |
| <b>Meeting &amp; Travel Expenses</b>              |                        |                            |                             |                            |                             |
| Meeting Expense                                   | \$ 142,400             | \$ 148,096                 | 4.0%                        | \$ 154,020                 | 4.0%                        |
| Travel                                            | 330,273                | 373,484                    | 13.1%                       | 388,423                    | 4.0%                        |
| <b>Total Meetings &amp; Travel</b>                | <b>\$ 472,673</b>      | <b>\$ 521,580</b>          | <b>10.3%</b>                | <b>\$ 542,443</b>          | <b>4.0%</b>                 |
| <b>Operating Expenses, excluding Depreciation</b> |                        |                            |                             |                            |                             |
| Consultants & Contracts                           | \$ 497,500             | \$ 667,400                 | 34.2%                       | \$ 538,096                 | -19.4%                      |
| Office Rent & Maintenance                         | 1,803,978              | 1,858,097                  | 3.0%                        | 1,913,840                  | 3.0%                        |
| Office Costs                                      | 842,400                | 876,096                    | 4.0%                        | 911,140                    | 4.0%                        |
| Professional Services                             | 809,940                | 842,338                    | 4.0%                        | 876,031                    | 4.0%                        |
| <b>Total Operating Expenses</b>                   | <b>\$ 3,953,818</b>    | <b>\$ 4,243,931</b>        | <b>7.3%</b>                 | <b>\$ 4,239,107</b>        | <b>-0.1%</b>                |
| <b>Fixed Assets</b>                               | <b>\$ 75,000</b>       | <b>\$ 75,000</b>           | <b>0.0%</b>                 | <b>\$ 75,000</b>           | <b>0.0%</b>                 |
| <b>TOTAL BUDGET</b>                               | <b>\$ 21,598,423</b>   | <b>\$ 23,281,195</b>       | <b>7.8%</b>                 | <b>\$ 24,557,575</b>       | <b>5.5%</b>                 |
| <b>TOTAL CHANGE IN WORKING CAPITAL</b>            | <b>\$ (1,125,000)</b>  | <b>\$ -</b>                | <b>0.0%</b>                 | <b>\$ -</b>                | <b>0.0%</b>                 |

Proposing 3 & 2 add'l FTEs with 4% Salary Adj, 10% Benefit Incr, 3% Building Maint, BOD Search Fees in 2027



## **2026 Statutory Program Detail**

### **Reliability Standards**

Texas RE's Reliability Standards Program supports the NERC Reliability Standards Program as well as facilitates the development of regional standards and variances, in accordance with the Texas RE Regional Standards Development Process (RSDP). Texas RE standards staff coordinates and publicly posts information regarding the activities of the Texas RE MRC's standards development activities, the NERC Standards Review Forum (NSRF), and all regional standard drafting teams (SDTs).

The RSDP, Texas RE's FERC-approved process for developing Regional Standards, is open to all individuals and organizations that are directly and materially affected by the ERCOT region BPS, with no undue financial barriers and regardless of Texas RE membership status. Texas RE's RSDP provides for fair and due process by providing sufficient public notice of the intent to develop a Regional Standard. The RSDP includes an appeal process and an interpretation process. Texas RE standards staff assists NERC, as needed, with obtaining NERC Board approval and subsequent filing(s) with FERC and other regulatory authorities, as appropriate, including developing the records necessary to support approval.

The Texas RE standards staff supports and participates in the NERC Standards Committee and other NERC activities relating to standards development. Texas RE regularly comments and votes on proposed NERC Reliability Standards and revisions based on recommendations and input from subject matter experts employed by Texas RE and from its perspective as the Compliance Enforcement Authority.

Additionally, this program area supports and facilitates standards activities of the Texas RE MRC and the NSRF. The MRC is a stakeholder committee that oversees the execution of the Texas RE Standards Development Process. The NSRF provides a regional stakeholder forum for education and discussion of NERC Reliability Standards activities, both regional and continent-wide.

Texas RE Standards staff provides education and advice to other Texas RE departments regarding issues relating to standards, including applicability and interpretation of requirements in accordance with NERC processes.

### **2026 Key Assumptions**

- Continent-wide NERC Reliability Standards projects will consist primarily of new Standards Authorization Requests and existing projects in the NERC Standards Development Work Plan, covering both Critical Infrastructure Protection (CIP) and Operations and Planning standards. These activities will require the allocation of technical resources from several internal departments (e.g., Reliability Assessment and Performance Analysis (RAPA), Reliability Risk Management (RRM), Compliance Analysis and Certification (CAC), and Compliance Assurance) and support from the ERO Enterprise.
- The NERC Standards Modernization Project will report its findings and potentially recommend changes to the NERC Rules of Procedure that may impact Reliability Standards development activities.
- Regional Standards development activity will be driven by requests the Regional Entity may receive or reliability issues the Regional Entity may identify. Although Regional Standards development activity is expected to remain low, Texas RE Regional Standard BAL-001-TRE-2 is subject to periodic review and revision under the Texas RE Regional Standard development process, and additional technical resources may be required in support of region-specific activities in connection with this standard.
- In coordination with SDTs and consistent with current approaches, Regional Entities may support outreach during standards development. Additionally, following FERC approval, Regions will assist the transition of standards to compliance monitoring and enforcement, supporting industry and auditor training, or providing information about the standard's intent.
- The number of interpretations is expected to remain low. However, guidance requests associated with the implementation of standards may increase.

**2026 Goals and Deliverables**

- Provide input on and facilitate industry review of new and existing NERC Reliability Standards.
- Provide input and feedback for new and existing NERC Reliability Standards using compliance monitoring experience as a basis.
- Support stakeholder awareness of standards development through engagement and support of the NSRF.
- Support NERC's standards development process review and provide information to stakeholders to promote awareness.
- Provide guidance and outreach on approved NERC Reliability Standards and Regional Standards.
- Develop, as needed, regional variances or Regional Standards to address specific reliability risks and evaluate the need for existing Regional Standards.
- Review existing Regional Standards to determine if any could be incorporated as a regional variance to a continent-wide NERC Reliability Standard.

**Major Budget Drivers**

See pages 6-11 of the 2026 Business Plan and Budget Overview for discussion.

**Statement of Activities and Fixed Asset Additions**  
**2025 and 2026 Budgets**

**RELIABILITY STANDARDS**

|                                                          |                   |                   | Variance<br>2025 v 2026<br>Budget<br>Over(Under) |
|----------------------------------------------------------|-------------------|-------------------|--------------------------------------------------|
|                                                          | 2025<br>Budget    | 2026<br>Budget    |                                                  |
| <b>Funding</b>                                           |                   |                   |                                                  |
| <b>ERO Funding</b>                                       |                   |                   |                                                  |
| NERC Assessments                                         | \$ 452,146        | \$ 456,655        | \$ 4,509                                         |
| Penalties Released                                       | 7,945             | 9,899             | 1,954                                            |
| <b>Total NERC Funding</b>                                | <b>\$ 460,091</b> | <b>\$ 466,554</b> | <b>\$ 6,463</b>                                  |
| Interest                                                 | 2,934             | 5,184             | 2,250                                            |
| <b>Total Funding</b>                                     | <b>\$ 463,025</b> | <b>\$ 471,738</b> | <b>\$ 8,713</b>                                  |
| <b>Expenses</b>                                          |                   |                   |                                                  |
| <b>Personnel Expenses</b>                                |                   |                   |                                                  |
| Salaries                                                 | \$ 161,280        | \$ 168,490        | \$ 7,210                                         |
| Payroll Taxes                                            | 12,418            | 12,973            | 555                                              |
| Benefits                                                 | 35,002            | 37,187            | 2,185                                            |
| Retirement Costs                                         | 23,295            | 24,348            | 1,053                                            |
| <b>Total Personnel Expenses</b>                          | <b>\$ 231,995</b> | <b>\$ 242,998</b> | <b>\$ 11,003</b>                                 |
| <b>Meeting &amp; Travel Expenses</b>                     |                   |                   |                                                  |
| Meetings & Conference Calls                              | \$ -              | \$ -              | \$ -                                             |
| Travel                                                   | 4,275             | 1,775             | (2,500)                                          |
| <b>Total Meeting &amp; Travel Expenses</b>               | <b>\$ 4,275</b>   | <b>\$ 1,775</b>   | <b>\$ (2,500)</b>                                |
| <b>Operating Expenses, excluding Depreciation</b>        |                   |                   |                                                  |
| Consultants & Contracts                                  | \$ -              | \$ -              | \$ -                                             |
| Office Rent                                              | -                 | -                 | -                                                |
| Office Costs                                             | -                 | -                 | -                                                |
| Professional Services                                    | -                 | -                 | -                                                |
| <b>Total Operating Expenses</b>                          | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>                                      |
| <b>Total Direct Expenses</b>                             | <b>\$ 236,270</b> | <b>\$ 244,773</b> | <b>\$ 8,503</b>                                  |
| <b>Indirect Expenses</b>                                 | <b>\$ 218,311</b> | <b>\$ 232,849</b> | <b>\$ 14,538</b>                                 |
| <b>Other Non-Operating Expenses</b>                      | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>                                      |
| <b>Total Expenses</b>                                    | <b>\$ 454,581</b> | <b>\$ 477,622</b> | <b>\$ 23,041</b>                                 |
| <b>Change in Assets</b>                                  | <b>\$ 8,444</b>   | <b>\$ (5,884)</b> | <b>\$ (14,328)</b>                               |
| <b>Fixed Assets, excluding Right of Use Assets ( C )</b> | <b>\$ 1,174</b>   | <b>\$ 1,728</b>   | <b>554</b>                                       |
| <b>TOTAL BUDGET</b>                                      | <b>\$ 455,755</b> | <b>\$ 479,350</b> | <b>\$ 23,595</b>                                 |
| <b>TOTAL CHANGE IN WORKING CAPITAL</b>                   | <b>\$ 7,270</b>   | <b>\$ (7,612)</b> | <b>\$ (14,882)</b>                               |
| <b>FTEs</b>                                              | 1.25              | 1.25              | -                                                |

## **Compliance Monitoring, Enforcement and Organization Registration and Certification Program**

Texas RE's Compliance Monitoring and Enforcement and Organization Registration and Certification Program includes the key activities of registering (and where required, certifying) Responsible Entities, monitoring and assessing compliance with the NERC Reliability Standards and Regional Standards, and enforcing and ensuring mitigation of violations of standards in accordance with the NERC Rules of Procedure (ROP). The 2026 Business Plan & Budget anticipates that Texas RE will perform CMEP activities for approximately 460 registered entities, an increase of approximately 71 registered entities from 2025. This increase reflects both long-term trends in the number of new registered entities, as well as the estimated increases from the registration of new "Type II" generation resources in 2026.

### **CMEP**

Regarding the CMEP, there are several major ERO-wide activities that are expected to benefit NERC, the Regional Entities, and registered entities. The risk-based CMEP is a multi-year effort to identify and implement changes to enhance the effectiveness of the ERO's compliance and enforcement functions. The primary monitoring and assessment methods include audits, self-reports, self-certifications, complaints, spot checks, compliance investigations, and data submittals. Texas RE's risk-based CMEP work is performed by four departments or groups. First, Texas RE's Risk Assessment group develops Inherent Risk Assessments (IRAs) for registered entities. These IRAs are combined with historic entity performance, data, information regarding internal controls, and other quantitative and qualitative assessments to develop Compliance Oversight Plans (COPs) specific to the risk that each registered entity poses and refresh those COPs based on risk triggers. Specific, risk-based compliance monitoring activities (including Compliance Audits, Self-Certifications, Spot Checks, and Compliance Investigations) are then performed by Texas RE's O&P and CIP Compliance departments, respectively. Finally, Texas RE's Enforcement Department independently reviews and processes noncompliance using risk-based disposition methods, including assessing penalties where appropriate.

The increase in the number and type of registered entities will require Texas RE to appropriately allocate current resources and judiciously augment overall staffing levels to address critical emerging risks associated with resource mix changes. These include proactively focusing on key risk elements such as generator winterization, inverter-based resource performance, and low-impact cybersecurity protections. Texas RE will also continue on-site visits to select generation resources to review these risk elements among other activities, as well as elevate targeted outreach efforts, particularly for new generation resources.

### **Registration and Certification**

Texas RE's Registration and Certification department focuses on identifying and registering Bulk Electric System (BES) owners, operators, and users. Core activities include maintaining accurate, up-to-date registration information through the Centralized Organization Registration ERO System (CORES), registering entities responsible for compliance, and aiding entity personnel's access to and training on ERO systems and processes. In addition, Texas RE periodically certifies that entities performing the functions of Reliability Coordinator, Balancing

Authority, and Transmission Operator have and maintain the tools, processes, and training to meet applicable Reliability Standards requirements.

Given current growth in new generation and energy storage, Texas RE anticipates a significant number of entities may be added or removed in the Region's portion of the NERC registry or significantly changed through mergers and acquisitions in the coming year. Additionally, Registration work will focus on identifying non-registered IBR and preparing those IBR to register by 2026 in accordance with FERC directives. This work will include gathering data to determine registration eligibility, outreach about the registration process, maintaining compliance, and processing the changes. Texas RE anticipates one full certification review and three to four "lesser activities" in 2026, which is consistent with 2025 activity levels.

### **2026 Key Assumptions**

- Continued need to address growth of registered entities and ensure appropriate, risk-based monitoring and engagement activities.
- Increased activity in the development of IRAs and COPs for current and new registered entities, including the need to review and refresh IRAs and COPs in response to risk triggers.
- Continued need to implement a risk-based focus in all standards, compliance monitoring, and enforcement programs.
- Ongoing need to strengthen engagement across the reliability and security ecosystem in North America, with a particular focus on outreach to newly registered entities and on key risk focus areas, including low-impact generation resources.
- Ongoing generator site visits to monitor compliance with key winterization, facility rating reliability standards, and low-impact cybersecurity controls.
- Significant changes to the generation fuel mix in the ERCOT Interconnection, as well as the registration of new "Type II" generation resources, will continue to increase the volume of registration changes.

### **2026 Goals and Key Deliverables**

The 2026 goals and deliverables for the CMEP and Registration and Certification program areas are as follows:

#### **Compliance Monitoring and Risk Assessment**

- Continue stakeholder outreach for new and enhanced NERC Reliability Standards to minimize reliability and security risks and encourage consideration of ERCOT regional differences.
- Continue to enhance cyber and physical security outreach beyond CMEP activities to share security information, best practices, mitigation strategies, and lessons learned, with a focus on cyber and physical security risks and mitigation of the risks.
- Continue outreach efforts to new registered entities and new Primary Compliance Contacts by conducting one-on-one touchpoints to discuss reliability and security issues and share best practices.
- Continue targeted outreach for key risk elements.



- Continue to enhance IRA and COP processes and continue targeted outreach to stakeholders for awareness.
- Continue to enhance the risk-based approach and internal control assessment to compliance monitoring processes.
- Continue to actively engage in the enhancement and full utilization of Align and Secure Evidence Locker (SEL) to ensure CMEP processes are efficient, effective, secure, and consistent for staff and stakeholders.
- Continue to identify current and emerging risks to security and reliability affecting the ERCOT Interconnection.
- Continue to support the ERO's Inverter-Based Resource Strategy and provide outreach to industry on developments to ensure awareness.
- Identify and develop monitoring approaches focusing on emerging risks such as Inverter-Based Resources, Distributed Energy Resources (DER), storage, and demand side resources.
- Continue collaboration with government and state authorities on cyber and physical security issues.
- Promote and encourage effective collaboration and engagement with the Board, industry, regulators, and stakeholders.
- Expand ERO Enterprise stakeholder engagement to ensure the right subject matter experts participate to resolve issues in a timely and cost-effective manner.
- Proactively participate and collaborate in ERO working groups to efficiently and effectively work with the ERO Enterprise.
- Continue to enhance and further coordinate CIP and O&P physical walkthroughs during Compliance Audits for physical security, facility ratings, cold weather preparedness, and low-impact cyber assets.
- Ensure Texas RE is appropriately staffed and managed to maximize stakeholder value, maintain independence, and perform all delegated responsibilities.
- Promote communication, motivation, team building, leadership and workforce development within Texas RE.

### **Enforcement**

- Review, validate, and process or dismiss all possible violations in a timely fashion using the Align and SEL systems.
- Undertake enforcement activities in accordance with established risk-based approaches.
- Manage all settlements and contested cases to completion, as efficiently as possible.
- Coordinate appropriate engineering, other subject matter experts, and legal resources for the processing of alleged violations, including all settlements, appeals, and contested cases.
- Use targeted, aggressive enforcement for the violations posing the most risk to BPS reliability.
- Conduct technical assessments of registered entities' plans and activities to mitigate noncompliance.
- Support streamlined mechanisms implemented to expedite possible violations that pose a lesser reliability risk to the BPS.



- Improve the consistency and timeliness of all compliance and enforcement data tracking to enable review and reporting for compliance and enforcement staff, management, the Board, NERC, and stakeholders.
- Promote timeliness and transparency of compliance results, including those efforts associated with meeting the caseload index, average violation aging, and mitigation aging metrics.
- Assure timely mitigation of all violations, assess all mitigating activities and mitigation plans for effectiveness and reasonableness of implementation, tracking completion of accepted plans to closure, and verifying completion of mitigation plans.
- Collaborate within the ERO to ensure consistency and efficiency in processing possible violations.

**Registration and Certification**

- Track equipment and facilities development in the Region, evaluate elements for BES status and materiality when needed and coordinate with other Regions and NERC on cross-Regional facilities and impacts as pertains to the registration program.
- Effectively implement the registration process for new “Type II” generator owners and operators.
- Promote coordinated improvement and consistency in the ERO registration-related program through participation in registration-related groups and outreach.
- Provide targeted outreach to stakeholders on common issues encountered in the inverter-based resource interconnection process, including resource commissioning.
- Collaborate within the ERO to identify and register non-registered IBR in accordance with FERC directives.

**Major Budget Drivers**

See pages 6-11 of the 2026 Business Plan and Budget Overview for discussion.

| Statement of Activities and Fixed Asset Additions                                  |                      |                      |                                                  |
|------------------------------------------------------------------------------------|----------------------|----------------------|--------------------------------------------------|
| 2025 and 2026 Budgets                                                              |                      |                      |                                                  |
| COMPLIANCE MONITORING, ENFORCEMENT and ORGANIZATION REGISTRATION and CERTIFICATION |                      |                      |                                                  |
|                                                                                    |                      |                      | Variance<br>2025 v 2026<br>Budget<br>Over(Under) |
|                                                                                    | 2025<br>Budget       | 2026<br>Budget       |                                                  |
| <b>Funding</b>                                                                     |                      |                      |                                                  |
| <b>ERO Funding</b>                                                                 |                      |                      |                                                  |
| NERC Assessments                                                                   | \$ 15,101,676        | \$ 15,617,597        | \$ 515,921                                       |
| Penalties Released                                                                 | 265,368              | 338,533              | 73,165                                           |
| <b>Total NERC Funding</b>                                                          | <b>\$ 15,367,043</b> | <b>\$ 15,956,130</b> | <b>\$ 589,086</b>                                |
| Interest                                                                           | 98,005               | 177,304              | 79,299                                           |
| <b>Total Funding</b>                                                               | <b>\$ 15,465,048</b> | <b>\$ 16,133,434</b> | <b>\$ 668,385</b>                                |
| <b>Expenses</b>                                                                    |                      |                      |                                                  |
| <b>Personnel Expenses</b>                                                          |                      |                      |                                                  |
| Salaries                                                                           | \$ 5,652,280         | \$ 5,921,952         | \$ 269,672                                       |
| Payroll Taxes                                                                      | 421,430              | 445,475              | 24,045                                           |
| Benefits                                                                           | 1,009,557            | 1,056,493            | 46,936                                           |
| Retirement Costs                                                                   | 813,243              | 852,303              | 39,060                                           |
| <b>Total Personnel Expenses</b>                                                    | <b>\$ 7,896,510</b>  | <b>\$ 8,276,223</b>  | <b>\$ 379,713</b>                                |
| <b>Meeting &amp; Travel Expenses</b>                                               |                      |                      |                                                  |
| Meetings & Conference Calls                                                        | \$ -                 | \$ -                 | \$ -                                             |
| Travel                                                                             | 156,439              | 113,268              | (43,171)                                         |
| <b>Total Meeting &amp; Travel Expenses</b>                                         | <b>\$ 156,439</b>    | <b>\$ 113,268</b>    | <b>\$ (43,171)</b>                               |
| <b>Operating Expenses, excluding Depreciation</b>                                  |                      |                      |                                                  |
| Consultants & Contracts                                                            | \$ -                 | \$ -                 | \$ -                                             |
| Office Rent                                                                        | -                    | -                    | -                                                |
| Office Costs                                                                       | 7,150                | 7,150                | -                                                |
| Professional Services                                                              | -                    | -                    | -                                                |
| Miscellaneous                                                                      | -                    | -                    | -                                                |
| <b>Total Operating Expenses</b>                                                    | <b>\$ 7,150</b>      | <b>\$ 7,150</b>      | <b>\$ -</b>                                      |
| <b>Total Direct Expenses</b>                                                       | <b>\$ 8,060,099</b>  | <b>\$ 8,396,641</b>  | <b>\$ 336,541</b>                                |
| <b>Indirect Expenses</b>                                                           | <b>\$ 7,291,592</b>  | <b>\$ 7,963,435</b>  | <b>\$ 671,843</b>                                |
| <b>Other Non-Operating Expenses</b>                                                | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>                                      |
| <b>Total Expenses</b>                                                              | <b>\$ 15,351,691</b> | <b>\$ 16,360,076</b> | <b>\$ 1,008,384</b>                              |
| <b>Change in Net Assets</b>                                                        | <b>\$ 113,357</b>    | <b>\$ (226,641)</b>  | <b>\$ (339,998)</b>                              |
| <b>Fixed Assets, excluding Right of Use Assets</b>                                 | <b>\$ 39,202</b>     | <b>\$ 59,101</b>     | <b>\$ 19,899</b>                                 |
| <b>TOTAL BUDGET</b>                                                                | <b>\$ 15,390,893</b> | <b>\$ 16,419,177</b> | <b>\$ 1,028,283</b>                              |
| <b>TOTAL CHANGE IN WORKING CAPITAL</b>                                             | <b>\$ 74,155</b>     | <b>\$ (285,743)</b>  | <b>\$ (359,898)</b>                              |
| <b>FTEs</b>                                                                        | <b>41.75</b>         | <b>42.75</b>         | <b>1.00</b>                                      |

## Reliability Assessment and Performance Analysis Program

Texas RE's RAPA Program supports assessment of system adequacy and operating reliability of the BPS in the ERCOT region, both existing and planned, as well as review of system disturbances in the ERCOT region. In addition to these assessments and analyses, Texas RE collaborates with NERC, the Regions and stakeholders in ongoing work to evaluate system performance, measure progress in improving current reliability and track leading indicators of future reliability. This program requires validation and analysis of data collected from registered entities, which is used in the measurement of ongoing reliability performance of generation, transmission, and overall system response. RAPA also identifies risks and analyzes key grid transformation issues that may affect reliability, such as market practices, government actions, technology developments, high-impact low frequency (HILF) events, and grid transformation. Event analyses will determine causative factors for system disturbances and lessons learned upon recovering from them. Texas RE will disseminate these insights to industry and seek broader collaboration among stakeholders to identify and reduce threats to reliability.

RAPA also includes Situation Awareness (SA) and Infrastructure Security. Situation Awareness is closely tied to initial event notifications and review, performed as part of the Event Analysis Process in the RAPA Program, while Texas RE's Infrastructure Security effort is handled primarily by Information Technology (IT) staff and CIP resources within CMEP.

Texas RE anticipates that the scope of the RAPA program will continue to increase to address continuing changes to the resource mix and changes in load growth. Texas RE anticipates increasing probabilistic assessments and inter-regional transfer studies will be included in the long-term reliability assessment and seasonal assessment. Particularly, Texas RE is continuing to implement the ERO energy assessment program as part of its requirement to conduct an annual independent study of energy adequacy.

### 2026 Assumptions

- Increased resource needs stemming from the growth in new registrants and the changing resource mix.
- Increased focus on enhancing reliability assessments to include assessments of energy availability and expanded use of probabilistic methods to identify potential energy shortfalls, including the acquisition and training on new software tools and consulting support for these enhancements.
- Continued ERCOT and regional stakeholder support is expected in regional activities that meet ERO schedules for the proposed energy and other reliability assessments, including Interconnection study case model building activities and ERO technical groups.
- Access to ERCOT data and applications continues as in the past, along with cooperation and coordination with ERCOT and registered entity technical experts for analysis of operations and trends.
- Travel and meeting expenses are targeted to decrease modestly over 2025 levels given increased virtual gatherings and projects.

## 2026 Goals and Key Deliverables

- Provide independent review of regional data and assist NERC in overall development of the annual long-term, summer and winter seasonal reliability assessments, and the probabilistic assessment.
- Draw upon the lessons learned from the 2025 pilot test year to fully implement Texas RE's energy assessment program in 2026, including support for enhanced use of probabilistic analysis and consideration of extreme condition scenarios for the development of ERO energy assessments.
- Support NERC-wide modeling improvement efforts, particularly those related to dynamic loads, inverter-based resources, DER, and generator model validation.
- Serve as the Interconnection model designee associated with MOD-032 and MOD-033 Reliability Standards and provide outreach with stakeholders to integrate annual fidelity and quality tests into Interconnection study-case development processes.
- Participate in ERO technical working groups under the NERC Reliability and Security Technical Committee (RSTC) and contribute to development of Reliability Guidelines and Technical Reference documents. Provide follow-up on guideline effectiveness with stakeholder outreach, especially for related ERCOT technical groups. Encourage stakeholder participation in NERC RSTC subgroups.
- Provide Section 1600 data collection support and analysis to meet NERC Performance Analysis initiatives or FERC requests, as well as initiatives related to data collection activities from wind, solar, and battery systems.
- Perform analysis and support NERC's annual State of Reliability report along with Region-specific annual reports and quarterly reviews. Support NERC Reliability Standards development and provide related outreach. Evaluate existing and proposed regional criteria and processes for reliability concerns and possible gaps.
- Continue efforts to enhance mutual support between CMEP, RAPA, and Registration to further overall ERO workplan priorities, especially those aiming to mitigate risks associated with inverter-based resources, extreme weather, and physical/cyber security.
- Promote data analytics leveraging PowerBI, PIVision, and Geographic Information System (GIS) tools with the Risk Assessment team and the ERO's analytics collaboration group.
- Implement the NERC event analysis and cause-coding process, expecting a similar volume of events as prior years, estimated at 6 to 8 Category 1 (minor). Review and trend approximately 90 lesser system events, such as protection system mis-operations, loss of control or monitoring ability by BES control centers, and frequency disturbances.
- Support application of the revisions to the BES Definition, Registration criteria and associated processes through technical review of Registration requests.
- Promote NERC RISC identification and prioritization of BPS reliability risks and incorporate into RAPA activities and projects, focusing on likely impacts within the Region and means to mitigate them.
- Provide content for workshops, webinars, and other outreach to disseminate recommendations, lessons learned, best practices, trends, and observations from RAPA activities. Conduct focused reviews with registered entities or ERCOT stakeholder groups on topics such as protection system mis-operations, model usage and validation, generator winter preparation or equipment performance.

- Support Texas RE cross-departmental use of software applications and data from ERCOT ISO, NERC, and other sources for analysis needs. Provide regional coordination to maintain the Situation Awareness for FERC, NERC and the Regional Entities (SAFNR) tool, along with internal real-time visualization tools.
- Provide Situational Awareness during extreme conditions, major system events and ERO Crisis Action Plan drills. Manage NERC Alerts within the Region, anticipating four alerts, with two alerts expected to require extensive response coordination.
- Continue to enhance engagement and coordination with the Public Utility Commission of Texas on reliability program priorities in support of Texas RE's state outreach initiatives.

**Major Budget Drivers**

See pages 6-11 of the 2026 Business Plan and Budget Overview for discussion.

**Statement of Activities and Fixed Asset Additions  
2025 and 2026 Budgets**

**RELIABILITY ASSESSMENTS and PERFORMANCE ANALYSIS**

|                                                    |                     |                     | Variance<br>2025 v 2026<br>Budget<br>Over(Under) |
|----------------------------------------------------|---------------------|---------------------|--------------------------------------------------|
|                                                    | 2025<br>Budget      | 2026<br>Budget      |                                                  |
| <b>Funding</b>                                     |                     |                     |                                                  |
| <b>ERO Funding</b>                                 |                     |                     |                                                  |
| NERC Assessments                                   | \$ 2,893,734        | \$ 2,648,598        | \$ (245,136)                                     |
| Penalties Released                                 | 50,849              | 57,412              | 6,563                                            |
| <b>Total NERC Funding</b>                          | <b>\$ 2,944,583</b> | <b>\$ 2,706,010</b> | <b>\$ (238,573)</b>                              |
| Interest                                           | 18,779              | 30,069              | 11,290                                           |
| <b>Total Funding</b>                               | <b>\$ 2,963,362</b> | <b>\$ 2,736,080</b> | <b>\$ (227,282)</b>                              |
| <b>Expenses</b>                                    |                     |                     |                                                  |
| <b>Personnel Expenses</b>                          |                     |                     |                                                  |
| Salaries                                           | \$ 1,489,063        | \$ 1,292,133        | \$ (196,930)                                     |
| Payroll Taxes                                      | 102,021             | 93,104              | (8,917)                                          |
| Benefits                                           | 217,027             | 218,215             | 1,188                                            |
| Retirement Costs                                   | 214,461             | 185,901             | (28,560)                                         |
| <b>Total Personnel Expenses</b>                    | <b>\$ 2,022,572</b> | <b>\$ 1,789,352</b> | <b>\$ (233,220)</b>                              |
| <b>Meeting &amp; Travel Expenses</b>               |                     |                     |                                                  |
| Meetings & Conference Calls                        | \$ -                | \$ -                | \$ -                                             |
| Travel                                             | 97,960              | 61,500              | (36,460)                                         |
| <b>Total Meeting &amp; Travel Expenses</b>         | <b>\$ 97,960</b>    | <b>\$ 61,500</b>    | <b>\$ (36,460)</b>                               |
| <b>Operating Expenses, excluding Depreciation</b>  |                     |                     |                                                  |
| Consultants & Contracts                            | \$ 75,000           | \$ 135,000          | \$ 60,000                                        |
| Office Rent                                        | -                   | -                   | -                                                |
| Office Costs                                       | 1,250               | 6,000               | 4,750                                            |
| Professional Services                              | -                   | -                   | -                                                |
| Miscellaneous                                      | -                   | -                   | -                                                |
| <b>Total Operating Expenses</b>                    | <b>\$ 76,250</b>    | <b>\$ 141,000</b>   | <b>\$ 64,750</b>                                 |
| <b>Total Direct Expenses</b>                       | <b>\$ 2,196,782</b> | <b>\$ 1,991,852</b> | <b>\$ (204,930)</b>                              |
| <b>Indirect Expenses</b>                           | <b>\$ 1,397,191</b> | <b>\$ 1,350,524</b> | <b>\$ (46,667)</b>                               |
| <b>Other Non-Operating Expenses</b>                | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>                                      |
| <b>Total Expenses</b>                              | <b>\$ 3,593,973</b> | <b>\$ 3,342,376</b> | <b>\$ (251,597)</b>                              |
| <b>Change in Net Assets</b>                        | <b>\$ (630,611)</b> | <b>\$ (606,297)</b> | <b>\$ 24,314</b>                                 |
| <b>Fixed Assets, excluding Right of Use Assets</b> | <b>\$ 7,512</b>     | <b>\$ 10,023</b>    | <b>\$ 2,511</b>                                  |
| <b>TOTAL BUDGET</b>                                | <b>\$ 3,601,485</b> | <b>\$ 3,352,399</b> | <b>\$ (249,086)</b>                              |
| <b>TOTAL CHANGE IN WORKING CAPITAL</b>             | <b>\$ (638,123)</b> | <b>\$ (616,320)</b> | <b>\$ 21,803</b>                                 |
| <b>FTEs</b>                                        | <b>8.00</b>         | <b>7.25</b>         | <b>(0.75)</b>                                    |

## Training and Education

Texas RE's Training and Education Program provides education and training primarily focused on implementation of the CMEP (including processes and expectations), application of NERC and Regional Reliability Standards, lessons learned from event analyses, and other related information pertinent to system reliability and compliance. Texas RE subject matter experts from other programs provide expertise for educational materials, meetings, and workshops. Texas RE also supports ERO-wide initiatives such as GridSecCon (including co-hosting on a rotational basis among the Regions) and other events. In addition, Texas RE hosts the Winter Weatherization Workshop.

Texas RE will continue to coordinate Spring and Fall Standards, Security, and Reliability workshops, Reliability 101 and 201, security-based CIP workshops, and other education and sharing meetings and webinars, including Talk with Texas RE, in 2026. The purpose of these workshops, meetings, and webinars is to provide standards, compliance, and procedural information and expectations, share lessons learned and best practices, obtain feedback from stakeholders, and provide sharing opportunities for registered entities and other stakeholders. Texas RE will use cost-effective additional education mechanisms such as webinars, newsletters, and conference calls, and will coordinate presentations by Texas RE subject matter experts at other ERO Enterprise and external industry meetings.

### 2026 Key Assumptions

- Host a similar number of training and outreach events as in prior years.
- Share best practices concerning generator plant winter readiness.
- Provide continued guidance on the implementation of the Risk-Based CMEP, including Inherent Risk Assessments, Compliance Oversight Plans, and Internal Control Reviews.
- Identify and communicate common themes and root causes of Reliability Standard violations.
- Deliver internal and stakeholder training related to the implementation of the new releases of Align and the Secure Evidence Locker platforms.
- Support the ERO goal to mitigate known and emerging risks by providing timely and valuable outreach and training events to stakeholders. Additionally, the stakeholder outreach program provides guidance and coaching to entities on effective mitigation of identified and emerging risks.
- Educate registered entities regarding changes to NERC Reliability Standards, ERO procedures, and programs that detect, monitor, report, correct, and prevent recurrence of issues with risk, reliability, security, and compliance.
- Increase targeted outreach efforts that promote BPS reliability, security, and risk mitigation across its footprint, particularly focusing on augmenting its existing new entity outreach efforts.

**2026 Goals and Key Deliverables**

- Communicate and maintain effective relationships with industry, regulators, and stakeholders.
- Promote stakeholder engagement in Texas RE and the ERO Enterprise, including attending training opportunities.
- Develop technical materials and present Standards, Security, and Reliability workshops for registered entities.
- Present additional workshops, webinars, meetings, and other industry outreach, including Talk with Texas RE meetings to support CMEP implementation and any new or modified NERC Reliability Standards, procedures or programs.
- Create and publish newsletters that disseminate lessons learned for registered entities and include useful updates regarding Reliability Standards revisions and interpretations, other reliability or compliance-related information, as well as Texas RE and NERC activities.
- Maintain and continually enhance the Texas RE website.
- Develop an Annual Report summarizing Texas RE's accomplishments during the prior year.
- Coordinate with and provide Texas RE subject matter experts as a resource for ERCOT regional stakeholder training and NERC compliance and reliability working groups.
- Provide a mechanism for workshops, webinars, and meeting participants and other stakeholders to provide feedback and suggestions to be used to enhance future workshops, webinars, and meetings.
- Explore opportunities to improve training for stakeholders and keep Texas RE's content and delivery mediums relevant.

**Major Budget Drivers**

See page 6-11 of the 2026 Business Plan and Budget Overview for discussion.



**Statement of Activities and Fixed Asset Additions  
2025 and 2026 Budgets**

**TRAINING AND EDUCATION**

|                                                    |                    |                     | Variance<br>2025 v 2026<br>Budget<br>Over(Under) |
|----------------------------------------------------|--------------------|---------------------|--------------------------------------------------|
|                                                    | 2025<br>Budget     | 2026<br>Budget      |                                                  |
| <b>Funding</b>                                     |                    |                     |                                                  |
| <b>ERO Funding</b>                                 |                    |                     |                                                  |
| NERC Assessments                                   | \$ 813,863         | \$ 1,095,972        | \$ 282,109                                       |
| Penalties Released                                 | 14,301             | 23,757              | 9,456                                            |
| <b>Total NERC Funding</b>                          | <b>\$ 828,164</b>  | <b>\$ 1,119,728</b> | <b>\$ 291,564</b>                                |
| Interest                                           | 5,282              | 12,442              | 7,160                                            |
| <b>Total Funding</b>                               | <b>\$ 833,446</b>  | <b>\$ 1,132,171</b> | <b>\$ 298,725</b>                                |
| <b>Expenses</b>                                    |                    |                     |                                                  |
| <b>Personnel Expenses</b>                          |                    |                     |                                                  |
| Salaries                                           | \$ 296,953         | \$ 499,175          | \$ 202,222                                       |
| Payroll Taxes                                      | 20,044             | 31,819              | 11,775                                           |
| Benefits                                           | 36,791             | 84,534              | 47,743                                           |
| Retirement Costs                                   | 41,613             | 70,209              | 28,596                                           |
| <b>Total Personnel Expenses</b>                    | <b>\$ 395,401</b>  | <b>\$ 685,737</b>   | <b>\$ 290,336</b>                                |
| <b>Meeting &amp; Travel Expenses</b>               |                    |                     |                                                  |
| Meetings & Conference Calls                        | \$ 44,500          | \$ 66,000           | \$ 21,500                                        |
| Travel                                             | 4,575              | 23,075              | 18,500                                           |
| <b>Total Meeting &amp; Travel Expenses</b>         | <b>\$ 49,075</b>   | <b>\$ 89,075</b>    | <b>\$ 40,000</b>                                 |
| <b>Operating Expenses, excluding Depreciation</b>  |                    |                     |                                                  |
| Consultants & Contracts                            | \$ -               | \$ -                | \$ -                                             |
| Office Rent                                        | -                  | -                   | -                                                |
| Office Costs                                       | 2,700              | 5,200               | 2,500                                            |
| Professional Services                              | 4,500              | 4,500               | -                                                |
| Miscellaneous                                      | -                  | -                   | -                                                |
| <b>Total Operating Expenses</b>                    | <b>\$ 7,200</b>    | <b>\$ 9,700</b>     | <b>\$ 2,500</b>                                  |
| <b>Total Direct Expenses</b>                       | <b>\$ 451,676</b>  | <b>\$ 784,512</b>   | <b>\$ 332,836</b>                                |
| <b>Indirect Expenses</b>                           | <b>\$ 392,960</b>  | <b>\$ 558,838</b>   | <b>\$ 165,878</b>                                |
| <b>Other Non-Operating Expenses</b>                | <b>\$ -</b>        | <b>\$ -</b>         | <b>\$ -</b>                                      |
| <b>Total Expenses</b>                              | <b>\$ 844,636</b>  | <b>\$ 1,343,349</b> | <b>\$ 498,713</b>                                |
| <b>Change in Net Assets</b>                        | <b>\$ (11,191)</b> | <b>\$ (211,179)</b> | <b>\$ (199,988)</b>                              |
| <b>Fixed Assets, excluding Right of Use Assets</b> | <b>\$ 2,113</b>    | <b>\$ 4,147</b>     | <b>\$ 2,034</b>                                  |
| <b>TOTAL BUDGET</b>                                | <b>\$ 846,749</b>  | <b>\$ 1,347,497</b> | <b>\$ 500,748</b>                                |
| <b>TOTAL CHANGE IN WORKING CAPITAL</b>             | <b>\$ (13,303)</b> | <b>\$ (215,326)</b> | <b>\$ (202,023)</b>                              |
| <b>FTEs</b>                                        | <b>2.25</b>        | <b>3.00</b>         | <b>0.75</b>                                      |

## **Administrative Services**

Texas RE's Administrative Services departments includes the budget for administrative functions of the organization:

- General and Administrative
- Legal and Regulatory
- Information Technology
- Human Resources
- Finance and Accounting

### **General and Administrative**

This Program includes the President and CEO, the Vice President and Chief Operating Officer (COO), the personnel costs for the HR Department, and the compensation and expenses of the Texas RE Board. The President and CEO carries out the general affairs of Texas RE, including administrative and corporate facilities support. The President and CEO reports to the Board and is responsible for leading, overseeing and managing the activities of Texas RE, managing relationships with NERC, FERC, registered entities, and other stakeholders, and for making final decisions with respect to non-contested enforcement actions. The President performs a leadership role in coordinating and facilitating the activities of all Texas RE programs. The Vice President and COO reports to the CEO and acts on behalf of the CEO in his absence. Personnel expenses for Human Resources (HR) are included in General and Administrative (G&A). The benefits expenses in G&A include tuition reimbursement, training and classes, and relocation costs.

### **Major Budget Drivers**

See pages 6-11 of the 2026 Business Plan and Budget Overview for discussion.

### **Legal and Regulatory**

The Legal and Regulatory group provides legal advice, counsel, and governmental and external relations support to Texas RE management, Board, and employees, on all legal and regulatory matters affecting the organization. The Legal and Regulatory group also oversees (1) corporate membership enrollment, meetings, and voting; (2) Board and committee meetings, minutes, support, training, and other activities; (3) corporate documents, contracts, and transactions; (4) governmental, regulatory relations, and communications; (5) the work of any outside legal counsel; and (6) the prosecution of any contested enforcement matters.

### **2026 Key Assumptions**

- Texas RE will maintain the scope of its current operations.
- Texas RE will continue the implementation of the enterprise risk management program.
- The volume of activities required to support growth and organizational maturation have increased the workload of the Legal and Regulatory program, requiring the addition of an attorney.

### **2025 Key Deliverables and Goals**

- Provide timely, useful legal advice to the CEO, the Board, and all Program areas, and provide annual employee and Board ethics and antitrust compliance training.

- Communicate effectively to the Board, Texas RE members, and registered entities.
- Oversee membership registration, membership voting and meetings, and maintain an accurate roster of members.
- Maintain effective relationships and communications with NERC, FERC, PUCT, and other state and federal representatives, and timely file all documents required by NERC or FERC.
- Negotiate contracts and review corporate documents.
- Update and maintain corporate policies and procedures.
- Oversee the prosecution and any appeal of contested enforcement or disputed registration matters.
- Negotiate and author necessary changes to Texas RE's governing documents, including the Texas RE Bylaws and Regional Delegation Agreement with NERC.
- Provide input and obtain regulatory approvals, as needed, on governance changes and for new and revised Regional Reliability Standards.
- Interface with the appropriate authorities regarding responses/filings to related governmental/regulatory directives/orders.
- Provide legal review of communication and outreach to Texas RE's stakeholders, the public, and media.
- Support the internal and external audits of the corporation and oversee all regulatory filings and interactions.
- Manage relationships with Texas RE's outside counsel, including breach counsel.
- Provide legal support and perform the Corporate Secretary function (the Vice President and General Counsel serves as the corporation's Corporate Secretary), such as preparing Board materials and minutes, facilitating, and conducting Board training, and ensuring that Director elections, Board of Directors and Committee meetings, and Meetings of Members adhere to the Texas RE Bylaws and other relevant governing documents.
- Provide legal support to all other departments of the corporation to ensure that those departments and their activities are consistent with NERC directives, FERC orders, rules, and regulations, and other applicable law.
- Support the enterprise risk management function.

### **Major Budget Drivers**

See pages 6-11 of the 2025 Business Plan and Budget Overview for discussion.

### **Information Technology**

Texas RE's Information Technology (IT) and physical and cyber security program provides IT and security support to Texas RE, including the following: hardware, systems, software, and applications support; physical and electronic and security, data center operations, IT and security-related vendor management; strategy, planning, development, and deployment of enterprise systems and applications, including training and planning for improvement and efficiency of business processes and operations.

Texas RE supports the ERO efforts to implement, operate, and maintain software tools supporting common enterprise-wide operations that have been approved by the ERO Executive

Committee (ERO EC), which is comprised of the senior leadership of NERC and each of the Regional Entities. Texas RE's budget assumes the availability of enterprise software tools as described in NERC's Business Plan and Budget. If implementation of these software applications is delayed or otherwise not available as planned, Texas RE could incur additional costs to conduct operations pending these applications' availability. The NERC information technology budget does not supplant Texas RE's need for IT expenditures for specific regional projects and internal region-specific IT support needs. Texas RE's 2026 Business Plan and Budget assumes agreed-upon ERO Enterprise applications will be available and includes Texas RE costs for internal region-specific support needs.

NERC and the Regional Entities are committed to working collaboratively to minimize duplication of effort and investments and improve operational efficiency. This collaboration continues to refine existing strategies, governance, and procurement practices applicable to the development, operation, and maintenance of enterprise architecture, software, and data systems supporting combined NERC and Regional Entity operations.

As the complexity of the security risks and tools utilized to address them continues to evolve, Texas RE continues to identify the need for additional resources to increase its security capabilities, including the implementation of enhanced data loss protection tools and governance activities.

### **2026 Key Assumptions**

- Texas RE will continue to purchase and maintain hardware and software lifecycles necessary to conduct business.
- Texas RE will continue to support the ERO Enterprise's Cybersecurity Strategy objectives and initiatives, including the effective implementation of National Institute of Standards and Technology (NIST) principles across the ERO Enterprise.
- Texas RE will continue to mature its cybersecurity governance model.
- Texas RE will continue to address risks to sensitive data by supporting the development and implementation of appropriate data classification and handling protocols.

### **2026 Goals and Key Deliverables**

- Implement new capabilities within the data and analytics space that will support the Texas RE mission.
- Continue to mature Texas RE's cybersecurity governance model and implement appropriate enhancements.
- Provide IT and security support to all Texas RE's operations, including IT and security; infrastructure; service support; service design and delivery; service transition; and hardware and network security in a secure and efficient manner, with the following strategy:
  - Continue to develop knowledge of systems through training and experience to reduce the reliance on external vendors and enhance expertise in core areas.
  - Leverage outside services for needs that are outside core competencies or to initiate new capabilities.

- Continue to use third-party security services to evaluate and test Texas RE's security posture, while fostering maturity in Texas RE's IT and Security internal controls program and security posture.
- Continue to maintain the appropriate number of employees to oversee the strategy, policies and procedures, service, and performance, budget, and vendor management. Cross-train employees as backups and mentors to each other.
- Develop automated processes and workflows using third-party platforms to increase consistency, efficiency, and assist users in business processes. Assist business staff with enhancement requests and other IT-related project requirements and prioritize and oversee all IT or security-related projects.
- Coordinate and share best practices with other Regional Entities and NERC to drive towards implementation of Data Analytics and Security Principles for the ERO Enterprise adopted by the ERO EC.
- Participate in the design, planning and implementation of ERO Centralized Applications.
- Enhance the Security Awareness Program that addresses, through education and training, threats to Texas RE systems and employees.
- Train and support Texas RE staff on software and applications.
- Build and test resilience in the Texas RE systems in alignment with organization risk appetite.

### **Major Budget Drivers**

See pages 6-11 of the 2026 Business Plan and Budget Overview for discussion.

### **Human Resources**

The Texas RE Human Resources (HR) program area is responsible for the delivery of all HR functions, including recruitment, staffing, compensation, benefits, health and safety, employee relations, performance management, and employee training and development. HR maintains Human Resources Information System products and ensures compliance with all federal and state requirements.

### **2026 Key Assumptions**

- Provide competitive compensation and benefits.
- Ensure that Texas RE maintains a skilled, qualified workforce.
- Maintain appropriate salaries and benefits based on industry data.

### **2026 Goals and Key Deliverables**

- Recruit highly skilled employees.
- Review and update employee handbook and policies and procedures, as needed.
- Review and manage employee benefit plans.
- Review Texas RE compensation strategy in concert with the management team to ensure Texas RE remains a competitive employer in its industry.

Personnel expenses are reported under G&A.

### **Major Budget Drivers**

See pages 6-11 of the 2026 Business Plan and Budget Overview for discussion.

### **Finance and Accounting**

The Finance and Accounting function provides all accounting services and financial analysis for Texas RE. Texas RE Finance and Accounting personnel are responsible for general accounting and reporting, budget preparation and reporting, cash management, and tax filing.

### **2026 Key Assumptions**

- Current accounting systems and controls are adequate.
- Identify and implement efficiencies in financial processes.
- Provide reporting and financial analysis to Directors; the Audit, Governance, Risk, and Finance Committee; and the Board of Directors.

### **2026 Goals and Key Deliverables**

- Work with all Regional Entities to provide consistency in budget submittals to NERC and FERC.
- Provide enhanced reporting and financial analysis to the Texas RE CEO, Senior Management, and the Texas RE Board.
- Ensure strong internal controls designed to protect the assets of Texas RE and ensure accurate financial reporting.
- Identify opportunities for improvement and implement efficiencies in financial processes.
- Ensure that Texas RE receives an unqualified opinion on the audit of its financial statements.

- The budgeted number of FTEs for Finance and Accounting will remain consistent with 2025.

**Non-Statutory Activities**

Texas RE has no Non-Statutory activities.

**Statement of Activities and Fixed Asset Additions  
2025 and 2026 Budgets**

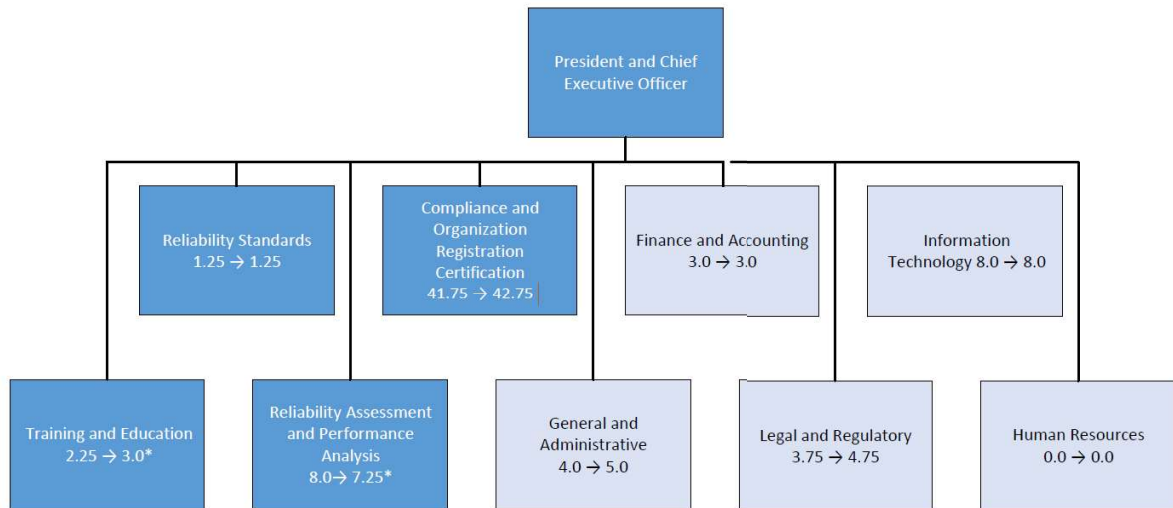
**ADMINISTRATIVE SERVICES**

|                                                    |                       |                        | Variance<br>2025 v 2026<br>Budget<br>Over(Under) |
|----------------------------------------------------|-----------------------|------------------------|--------------------------------------------------|
|                                                    | 2025<br>Budget        | 2026<br>Budget         |                                                  |
| <b>Funding</b>                                     |                       |                        |                                                  |
| <b>ERO Funding</b>                                 |                       |                        |                                                  |
| NERC Assessments                                   | \$ -                  | \$ -                   | \$ -                                             |
| Penalties Released                                 | -                     | -                      | -                                                |
| <b>Total NERC Funding</b>                          | <u>\$ -</u>           | <u>\$ -</u>            | <u>\$ -</u>                                      |
| Interest                                           | -                     | -                      | -                                                |
| <b>Total Funding</b>                               | <u>\$ -</u>           | <u>\$ -</u>            | <u>\$ -</u>                                      |
| <b>Expenses</b>                                    |                       |                        |                                                  |
| <b>Personnel Expenses</b>                          |                       |                        |                                                  |
| Salaries                                           | \$ 3,992,352          | \$ 4,469,513           | \$ 477,161                                       |
| Payroll Taxes                                      | 221,939               | 253,733                | 31,794                                           |
| Benefits                                           | 671,077               | 766,966                | 95,889                                           |
| Retirement Costs                                   | 550,540               | 612,410                | 61,870                                           |
| <b>Total Personnel Expenses</b>                    | <u>\$ 5,435,908</u>   | <u>\$ 6,102,622</u>    | <u>\$ 666,714</u>                                |
| <b>Meeting and Travel Expenses</b>                 |                       |                        |                                                  |
| Meetings & Conference Calls                        | \$ 76,400             | \$ 76,400              | \$ -                                             |
| Travel                                             | 140,330               | 130,655                | (9,675)                                          |
| <b>Total Meeting &amp; Travel Expenses</b>         | <u>\$ 216,730</u>     | <u>\$ 207,055</u>      | <u>\$ (9,675)</u>                                |
| <b>Operating Expenses, excluding Depreciation</b>  |                       |                        |                                                  |
| Consultants & Contracts                            | \$ 362,500            | \$ 362,500             | \$ -                                             |
| Office Rent                                        | 1,751,692             | 1,803,978              | 52,286                                           |
| Office Costs                                       | 800,225               | 824,050                | 23,825                                           |
| Professional Services                              | 733,000               | 805,440                | 72,440                                           |
| <b>Total Operating Expenses</b>                    | <u>\$ 3,647,417</u>   | <u>\$ 3,795,968</u>    | <u>\$ 148,551</u>                                |
| <b>Total Direct Expenses</b>                       | <u>\$ 9,300,055</u>   | <u>\$ 10,105,645</u>   | <u>\$ 805,590</u>                                |
| <b>Indirect Expenses</b>                           | <u>\$ (9,300,055)</u> | <u>\$ (10,105,645)</u> | <u>\$ (805,590)</u>                              |
| <b>Other Non-Operating Expenses</b>                | <u>\$ -</u>           | <u>\$ -</u>            | <u>\$ -</u>                                      |
| <b>Total Expenses</b>                              | <u>\$ -</u>           | <u>\$ -</u>            | <u>\$ -</u>                                      |
| <b>Change in Assets</b>                            | <u>\$ -</u>           | <u>\$ -</u>            | <u>\$ -</u>                                      |
| <b>Fixed Assets</b>                                |                       |                        |                                                  |
| Equipment CapEx                                    | 50,000                | 75,000                 | 25,000                                           |
| Allocation of Fixed Assets                         | (50,000)              | (75,000)               | (25,000)                                         |
| <b>Fixed Assets, excluding Right of Use Assets</b> | <u>\$ -</u>           | <u>\$ -</u>            | <u>\$ -</u>                                      |
| <b>TOTAL BUDGET</b>                                | <u>\$ -</u>           | <u>\$ -</u>            | <u>\$ -</u>                                      |
| <b>TOTAL CHANGE IN WORKING CAPITAL</b>             | <u>\$ -</u>           | <u>\$ -</u>            | <u>\$ -</u>                                      |
| <b>FTEs</b>                                        | <b>18.75</b>          | <b>\$ 20.75</b>        | <b>2.00</b>                                      |



## Additional Information

### Organizational Chart



-  Statutory Program Area
-  Administrative Services Program Area

Arrow indicates number of FTEs from 2025 to 2026.

\*Transfer of .75 FTE from RAPA to Training and Education, representing engagement and outreach activities

## Consolidated Statement of Activities

| Funding                                            | Statutory Total       | Reliability Standards | CMEP                 | RAPA                | Training and Education | General and Administrative | Legal and Regulatory  | Information Technology | Human Resources     | Accounting and Finance |
|----------------------------------------------------|-----------------------|-----------------------|----------------------|---------------------|------------------------|----------------------------|-----------------------|------------------------|---------------------|------------------------|
| <b>ERO Funding</b>                                 |                       |                       |                      |                     |                        |                            |                       |                        |                     |                        |
| NERC Assessments                                   | \$ 19,818,823         | \$ 456,655            | \$ 15,617,597        | \$ 2,648,598        | \$ 1,095,972           | \$ -                       | \$ -                  | \$ -                   | \$ -                | \$ -                   |
| Penalties Released                                 | 429,600               | 9,899                 | 338,533              | 57,412              | 23,757                 | -                          | -                     | -                      | -                   | -                      |
| <b>Total NERC Funding</b>                          | <b>\$ 20,248,423</b>  | <b>\$ 466,554</b>     | <b>\$ 15,956,130</b> | <b>\$ 2,706,010</b> | <b>\$ 1,119,728</b>    | <b>\$ -</b>                | <b>\$ -</b>           | <b>\$ -</b>            | <b>\$ -</b>         | <b>\$ -</b>            |
| Interest                                           | 225,000               | 5,184                 | 177,304              | 30,069              | 12,442                 | -                          | -                     | -                      | -                   | -                      |
| <b>Total Funding</b>                               | <b>\$ 20,473,423</b>  | <b>\$ 471,738</b>     | <b>\$ 16,133,434</b> | <b>\$ 2,736,080</b> | <b>\$ 1,132,171</b>    | <b>\$ -</b>                | <b>\$ -</b>           | <b>\$ -</b>            | <b>\$ -</b>         | <b>\$ -</b>            |
| <b>Expenses</b>                                    |                       |                       |                      |                     |                        |                            |                       |                        |                     |                        |
| <b>Personnel Expenses</b>                          |                       |                       |                      |                     |                        |                            |                       |                        |                     |                        |
| Salaries                                           | \$ 12,351,262         | \$ 168,490            | \$ 5,921,952         | \$ 1,292,133        | \$ 499,175             | \$ 1,979,137               | \$ 909,808            | \$ 1,125,885           | \$ -                | \$ 454,683             |
| Payroll Taxes                                      | 837,104               | 12,973                | 445,475              | 93,104              | 31,819                 | 76,276                     | 60,499                | 85,184                 | -                   | 31,774                 |
| Benefits                                           | 2,163,395             | 37,187                | 1,056,493            | 218,215             | 84,534                 | 269,693                    | 152,512               | 279,826                | -                   | 64,935                 |
| Retirement Costs                                   | 1,745,171             | 24,348                | 852,303              | 185,901             | 70,209                 | 255,776                    | 129,756               | 162,021                | -                   | 64,857                 |
| <b>Total Personnel Expenses</b>                    | <b>\$ 17,096,932</b>  | <b>\$ 242,998</b>     | <b>\$ 8,276,223</b>  | <b>\$ 1,789,352</b> | <b>\$ 685,737</b>      | <b>\$ 2,580,881</b>        | <b>\$ 1,252,575</b>   | <b>\$ 1,652,916</b>    | <b>\$ -</b>         | <b>\$ 616,250</b>      |
| <b>Meeting Expenses</b>                            |                       |                       |                      |                     |                        |                            |                       |                        |                     |                        |
| Meetings & Conference Calls                        | \$ 142,400            | \$ -                  | \$ -                 | \$ -                | \$ 66,000              | \$ 30,000                  | \$ -                  | \$ 11,400              | \$ 35,000           | \$ -                   |
| Travel                                             | 330,273               | 1,775                 | 113,268              | 61,500              | 23,075                 | 93,395                     | 10,500                | 8,950                  | 7,585               | 10,225                 |
| <b>Total Meeting Expenses</b>                      | <b>\$ 472,673</b>     | <b>\$ 1,775</b>       | <b>\$ 113,268</b>    | <b>\$ 61,500</b>    | <b>\$ 89,075</b>       | <b>\$ 123,395</b>          | <b>\$ 10,500</b>      | <b>\$ 20,350</b>       | <b>\$ 42,585</b>    | <b>\$ 10,225</b>       |
| <b>Operating Expenses, excluding Depreciation</b>  |                       |                       |                      |                     |                        |                            |                       |                        |                     |                        |
| Consultants & Contracts                            | \$ 497,500            | \$ -                  | \$ -                 | \$ 135,000          | \$ -                   | \$ 80,000                  | \$ 2,500              | \$ 115,000             | \$ 165,000          | \$ -                   |
| Office Rent                                        | 1,803,978             | -                     | -                    | -                   | -                      | 1,803,978                  | -                     | -                      | -                   | -                      |
| Office Costs                                       | 842,400               | -                     | 7,150                | 6,000               | 5,200                  | 103,550                    | 6,650                 | 701,250                | 11,150              | 1,450                  |
| Professional Services                              | 809,940               | -                     | -                    | -                   | 4,500                  | 630,940                    | 50,000                | 50,000                 | 1,000               | 73,500                 |
| Miscellaneous                                      | -                     | -                     | -                    | -                   | -                      | -                          | -                     | -                      | -                   | -                      |
| <b>Total Operating Expenses</b>                    | <b>\$ 3,953,818</b>   | <b>\$ -</b>           | <b>\$ 7,150</b>      | <b>\$ 141,000</b>   | <b>\$ 9,700</b>        | <b>\$ 2,618,468</b>        | <b>\$ 59,150</b>      | <b>\$ 866,250</b>      | <b>\$ 177,150</b>   | <b>\$ 74,950</b>       |
| <b>Total Direct Expenses</b>                       | <b>\$ 21,523,421</b>  | <b>\$ 244,773</b>     | <b>\$ 8,396,641</b>  | <b>\$ 1,991,852</b> | <b>\$ 784,512</b>      | <b>\$ 5,322,744</b>        | <b>\$ 1,322,225</b>   | <b>\$ 2,539,516</b>    | <b>\$ 219,735</b>   | <b>\$ 701,425</b>      |
| <b>Indirect Expenses</b>                           | <b>\$ 0</b>           | <b>\$ 232,849</b>     | <b>\$ 7,963,435</b>  | <b>\$ 1,350,524</b> | <b>\$ 558,838</b>      | <b>\$ (5,322,744)</b>      | <b>\$ (1,322,225)</b> | <b>\$ (2,539,516)</b>  | <b>\$ (219,735)</b> | <b>\$ (701,425)</b>    |
| <b>Total Expenses</b>                              | <b>\$ 21,523,421</b>  | <b>\$ 477,622</b>     | <b>\$ 16,360,076</b> | <b>\$ 3,342,376</b> | <b>\$ 1,343,349</b>    | <b>\$ -</b>                | <b>\$ -</b>           | <b>\$ -</b>            | <b>\$ -</b>         | <b>\$ -</b>            |
| <b>Change in Net Assets</b>                        | <b>\$ (1,049,998)</b> | <b>\$ (5,884)</b>     | <b>\$ (226,641)</b>  | <b>\$ (606,297)</b> | <b>\$ (211,178)</b>    | <b>\$ -</b>                | <b>\$ -</b>           | <b>\$ -</b>            | <b>\$ -</b>         | <b>\$ -</b>            |
| <b>Fixed Assets</b>                                |                       |                       |                      |                     |                        |                            |                       |                        |                     |                        |
| Depreciation                                       | \$ -                  | \$ -                  | \$ -                 | \$ -                | \$ -                   | \$ -                       | \$ -                  | \$ -                   | \$ -                | \$ -                   |
| Computer & Software CapEx                          | -                     | -                     | -                    | -                   | -                      | -                          | -                     | -                      | -                   | -                      |
| Furniture & Fixtures CapEx                         | -                     | -                     | -                    | -                   | -                      | -                          | -                     | -                      | -                   | -                      |
| Equipment CapEx                                    | 75,000                | -                     | -                    | -                   | -                      | 75,000                     | -                     | -                      | -                   | -                      |
| Leasehold Improvements                             | -                     | -                     | -                    | -                   | -                      | -                          | -                     | -                      | -                   | -                      |
| Allocation of Fixed Assets                         | -                     | 1,728                 | 59,101               | 10,023              | 4,147                  | (75,000)                   | -                     | -                      | -                   | -                      |
| <b>Fixed Assets, excluding Right of Use Assets</b> | <b>\$ 75,000</b>      | <b>\$ 1,728</b>       | <b>\$ 59,101</b>     | <b>\$ 10,023</b>    | <b>\$ 4,147</b>        | <b>\$ -</b>                | <b>\$ -</b>           | <b>\$ -</b>            | <b>\$ -</b>         | <b>\$ -</b>            |
| <b>TOTAL BUDGET</b>                                | <b>\$ 21,598,423</b>  | <b>\$ 479,350</b>     | <b>\$ 16,419,177</b> | <b>\$ 3,352,399</b> | <b>\$ 1,347,497</b>    | <b>\$ -</b>                | <b>\$ -</b>           | <b>\$ -</b>            | <b>\$ -</b>         | <b>\$ -</b>            |
| <b>TOTAL CHANGE IN WORKING CAPITAL</b>             | <b>\$ (1,125,000)</b> | <b>\$ (7,612)</b>     | <b>\$ (285,743)</b>  | <b>\$ (616,320)</b> | <b>\$ (215,326)</b>    | <b>\$ -</b>                | <b>\$ -</b>           | <b>\$ -</b>            | <b>\$ -</b>         | <b>\$ -</b>            |
| <b>FTEs</b>                                        | <b>75.00</b>          | <b>1.25</b>           | <b>42.75</b>         | <b>7.25</b>         | <b>3.00</b>            | <b>5.00</b>                | <b>4.75</b>           | <b>8.00</b>            | <b>-</b>            | <b>3.00</b>            |

**DOCKET NO. RR25-\_\_-000**

**NORTH AMERICAN ELECTRIC RELIABILITY  
CORPORATION**

**2026 BUSINESS PLAN AND BUDGET FILING**

**ATTACHMENT 8**

**WESTERN ELECTRICITY COORDINATING COUNCIL**

**PROPOSED 2026 BUSINESS PLAN AND BUDGET**



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## **2026 Business Plan and Budget**

Approved by: WECC Board of Directors

June 11, 2025

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## Table of Contents

|                                                                                  |    |
|----------------------------------------------------------------------------------|----|
| Introduction .....                                                               | 1  |
| Organizational Overview .....                                                    | 1  |
| Membership and Governance.....                                                   | 2  |
| 2026 Strategic Goals .....                                                       | 3  |
| 2026 Statutory Budget Overview .....                                             | 7  |
| Budget and Funding Summary .....                                                 | 7  |
| Major Budget Drivers .....                                                       | 7  |
| Peak Reliability Donation.....                                                   | 8  |
| 2025 Statutory Budget and Projection and 2026 Budget .....                       | 9  |
| Monetary Penalties .....                                                         | 10 |
| Major Budget Drivers—Statutory Programs.....                                     | 11 |
| Personnel—Overview of FTEs and Expenses.....                                     | 13 |
| Meeting Expenses .....                                                           | 15 |
| Consultants and Contracts .....                                                  | 16 |
| Overview of Changes in Reserves .....                                            | 17 |
| Three-Year Budget Projections .....                                              | 18 |
| Statutory Programs.....                                                          | 19 |
| Statutory Programs—Goals, Budget Assumptions, and Statements of Activities ..... | 20 |
| Reliability Standards .....                                                      | 20 |
| Compliance Monitoring and Enforcement.....                                       | 23 |
| Reliability Assessment and Performance Analysis.....                             | 28 |
| Training and Outreach .....                                                      | 32 |
| Situation Awareness and Infrastructure Security.....                             | 35 |
| Corporate Services .....                                                         | 38 |
| Non-Statutory Program.....                                                       | 45 |
| 2026 Non-Statutory Budget Overview .....                                         | 46 |
| Budget and Funding Summary .....                                                 | 46 |
| Major Budget Drivers .....                                                       | 46 |
| WREGIS Business Update .....                                                     | 47 |



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|                                                                                       |    |
|---------------------------------------------------------------------------------------|----|
| Personnel—Overview of FTEs and Expenses.....                                          | 49 |
| Overview of Changes in Reserves .....                                                 | 50 |
| Non-Statutory Program—Goals and Budget Assumptions .....                              | 51 |
| WREGIS.....                                                                           | 51 |
| Appendices.....                                                                       | 53 |
| Appendix A—2026 Statement of Activities by Program, Statutory and Non-Statutory ..... | 54 |
| Appendix B—Organizational Chart—Changes in FTE by Program.....                        | 55 |
| Appendix C—Adjustment to the Alberta Electric System Operator (AESO) Assessment.....  | 56 |
| Appendix D—Statutory and Non-Statutory Budget History Charts.....                     | 57 |

## Introduction

| TOTAL RESOURCES<br>(in whole dollars) |               |             |             |        |
|---------------------------------------|---------------|-------------|-------------|--------|
|                                       | 2026 Budget   | U.S.        | Canada      | Mexico |
| Statutory FTEs*                       | 178.0         |             |             |        |
| Non-statutory FTEs                    | 16.0          |             |             |        |
| <b>Total FTEs</b>                     | 194.0         |             |             |        |
| Statutory Budget                      | \$ 40,132,874 |             |             |        |
| Non-Statutory Budget                  | \$ 4,637,860  |             |             |        |
| <b>Total Expenses</b>                 | \$ 44,770,735 |             |             |        |
| <b>Statutory Assessments</b>          | \$ 35,657,280 | 29,424,702  | 3,591,298   | -      |
| <b>Non-Statutory Fees</b>             | \$ 3,567,500  | 2,856,650   | 677,000     | 33,850 |
| NEL**                                 | 875,115,674   | 745,650,333 | 129,465,341 | -      |
| NEL%                                  | 100.0%        | 85.2%       | 14.8%       | 0.0%   |

\*An FTE is defined as a full-time equivalent employee.

\*\*NEL is defined as Net Energy for Load.

## Organizational Overview

WECC is a 501(c)(4) social welfare organization funded through Load-Serving Entity (LSE) assessments authorized by the Federal Energy Regulatory Commission (FERC) under Section 215 of the Federal Power Act. WECC's mission is to effectively and efficiently reduce risks to the reliability and security of the Western Interconnection's Bulk Power System (BPS). WECC operates under a delegation agreement with the North American Electric Reliability Corporation (NERC) and in accordance with its Bylaws. WECC executes its mission while working with a broad community consisting of industry stakeholders and two advisory bodies: the Member Advisory Committee (MAC) and the Western Interconnection Regional Advisory Body (WIRAB).

The Western Interconnection is a geographic area in which the use and generation of electricity is synchronized. This area includes all or part of 14 Western states in the United States, the Canadian provinces of British Columbia and Alberta, and a portion of Baja California Norte, Mexico.

WECC delivers its mission through:

- Effective risk-based monitoring and enforcement of Reliability Standards through standards development, entity registration and certification, compliance risk assessments, audits and investigations, and, when necessary, enforcement;
- Working with industry participants, policymakers, and other stakeholders in the Western Interconnection to conduct system modeling and information sharing, reliability assessments, performance analyses, situation awareness, and event analyses; and



- 
- Targeted training, outreach, and engagement to better educate and inform stakeholders about the near- and long-term impacts their decisions have on the reliability and security of the Western Interconnection.

To ensure that WECC adds value to the Western Interconnection and delivers on its vital reliability and security mission, WECC's Long-Term Strategy focuses on five Impact Areas:

1. Risk Mitigation: WECC is an organization aligned around risk reduction. WECC's holistic risk-based approach uses all the tools and skills available to deliver comprehensive risk mitigation strategies.
2. Partnership: WECC is sought after as a partner to address the risks that pose the greatest threat to reliability. WECC identifies concerns and facilitates solutions with input and assistance from diverse and often conflicting stakeholder perspectives, focusing our resources on risks that pose the greatest threat to reliability and security.
3. Perspective: WECC's insights, analyses, and outreach promote industry action. WECC is renowned for providing clear and actionable communications supported by data and rigorous analysis.
4. Independence: WECC's resource- and technology-neutral, interconnection-wide perspective is respected and trusted to allow decision-makers to rely on WECC as an independent partner.
5. People: WECC's highly skilled and engaged employees are champions for reliability.

## Membership and Governance

WECC has 338 members<sup>1</sup> divided into the following five Membership Classes:

1. Large Transmission Owners;
2. Small Transmission Owners;
3. Electric Line of Business Entities doing business in the Western Interconnection that do not own, control, or operate transmission or distribution lines in the Western Interconnection;
4. End Users and entities that represent the interests of end users; and
5. Representatives of state and provincial governments.

WECC membership is open to any person or entity that has an interest in the reliable and secure operation of the Western Interconnection BPS. WECC membership is not required for participation in the WECC Standards Development process or any other stakeholder proceeding.<sup>2</sup>

WECC is governed by a nine-member independent Board of Directors (Board) elected by the WECC membership, and WECC's president and chief executive officer. The nine independent directors are compensated by WECC for their time.

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<sup>1</sup> As of Feb. 19, 2025

<sup>2</sup> Non-WECC members may participate in standards drafting teams and may vote on Regional Reliability Standards (RRS). See WECC's Reliability Standards Development Procedures.



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WECC has four governance committees that provide functional oversight of WECC operations:

- Finance and Audit Committee (FAC);
- Governance Committee (GC);
- Human Resources and Compensation Committee (HRCC); and
- Nominating Committee (NC).

Under the direction of the WECC Board, additional committees provide the Board with technical advice and policy recommendations:

- Member Advisory Committee (MAC);
- Reliability Assessment Committee (RAC);
- Reliability Risk Committee (RRC); and
- WECC Standards Committee (WSC).

## 2026 Strategic Goals

The electric industry is undergoing profound changes, especially in the West. WECC's role continues to be the independent voice of Bulk Power System reliability and security in the Western Interconnection. WECC works closely with its broad stakeholder base to build trust, promote transparency, set priorities, and enhance the reliability and security of the Western Interconnection. WECC's focus is to proactively address issues for which the impacts to reliability and security are acute or less understood (e.g., the risk is unique to the Western Interconnection) or for which WECC and its stakeholders (including its technical committees) can make a significant contribution to Western BPS reliability and security. Enhancing our strategic engagement allows WECC to thoughtfully and intentionally interact with stakeholders to ensure WECC's work is targeted and valuable.

WECC's Board-approved [Long-Term Strategy](#) builds on the foundation established by the Electric Reliability Organization (ERO) Enterprise Long-Term Strategy. Described more fully below, the ERO Enterprise Long-Term Strategy represents continent-wide risks and was vetted through a stakeholder process. WECC's Long-Term Strategy then identifies unique Western long-term Impact Areas to address the reliability and security needs of the Western Interconnection while supporting reliability and security across North America. These two strategy documents, coupled with the ERO Enterprise-driven program areas, will guide the work of WECC in 2026 and beyond.

Additionally, at its June 2024 meeting, the Board approved [Reliability Risk Priorities \(RRP\)](#) intended to further focus WECC's work. Risks are now identified through an analytical process that begins with the Reliability Risk Committee (RRC). WECC is developing and implementing a more nimble approach to identify and mitigate reliability risks that engages stakeholders more broadly as risks arise and program area work plans are developed and modified. Much of the work related to the WECC RRP involves staff time; examples of activities supporting these priorities are noted in the proper statutory program area sections of the business plan.

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## Reliability Risk Priorities

### *Aridification and Associated Natural Events*

Aridification is the gradual, permanent change of a region to a drier climate. Aridification is a long-term process with a timespan well beyond our current planning horizons; however, natural events associated with aridification have a more immediate and tangible effect. Drought, heat events, and increased wildfire activity challenge the planning and operation of the system in the West. While changes in climate are experienced across the continent, the changes associated with aridification are particular to and highly concentrated in the West.

### *Impact of Inverter-based Resources*

Inverter-based resources (IBR) include wind turbines, solar photovoltaic, and battery energy storage systems. IBRs are facilities connected to the bulk power system that convert DC electricity from renewable sources into AC electricity, which allows power to flow into the grid. Over the next decade, entities in the West plan to add more than 100 GW of IBRs to the system to meet demand under clean and green energy policies.

### *Lack of Coordinated Resource and Transmission Planning*

Historically, transmission planning and resource planning have occurred separately. While some entities combine the two types of planning, this is not the case on regional or interconnection-wide levels. Recent events and analyses have highlighted the need to coordinate resource and transmission planning on an interconnection-wide basis. As the heat wave in August 2020 and the Bootleg Fire in 2021 showed, under certain circumstances, the ability to move power can be as limiting as the availability of that power. As the footprint of natural events increases, so too must the ability to effectively move power across the Interconnection.

### *Modeling Quality and Input Validation*

Modeling is the process of building computer models of energy systems to analyze and better understand them. Studying how assets on the grid will respond to disturbances or other changes (e.g., demand growth) helps prevent reliability issues on the bulk power system. With rapid changes occurring on the system, up-to-date, accurate models and data are critical to planning and operating the system.

### *Potential effects of energy policies in the West*

The West is a patchwork of different, sometimes contradicting, energy policies that address topics such as energy efficiency, clean energy, transportation, building codes, and protection of legacy generation types. These policies drive changes to the operation and planning of the bulk power system and can create an environment that introduces risk to the reliability and resilience of that system. In aggregate, these policies create a varied and complex tapestry that may introduce more risks to the power system in the West.

## ERO Enterprise

Electricity is a vital component of the fabric of modern society and the Electric Reliability Organization (ERO) Enterprise serves to strengthen that fabric for the benefit of nearly 400 million North Americans. The ERO Enterprise, which consists of the North American Electric Reliability Corporation (NERC) and the six Regional Entities, works with users, owners, and operators of the bulk power system (BPS), government partners, and other stakeholders and industry participants, to pursue its mission of assuring the effective and efficient reduction of risks to the reliability and security of the BPS.

NERC and the Regional Entities play different, but important and complementary, roles in delivering ERO Enterprise programs. NERC provides industry-wide perspective and oversight, and the Regional Entities have unique features and activities that serve the needs of their regional constituents, while ensuring that registered entities follow NERC and Regional Reliability Standards. Regional Entities also have an obligation to meet professional standards of independence and objectivity and provide the best available expertise to address regional risks. This way of working is represented by this visual. The ERO Enterprise is explicitly committed to its collective success in achieving its vision of a highly reliable and secure North American BPS.



NERC and the Regional Entities are continually refining their individual and collective operating and governance practices in support of strategic and operational goals and objectives that are designed to ensure the ERO fulfills its statutory obligations. This collaboration is done while acknowledging the unique differences across the Regional Entities, and the different corporate and governance responsibilities of each entity.

In 2024, the ERO Enterprise revised the [ERO Enterprise Long-Term Strategy](#). The WECC Board acknowledged this strategy in September 2024 as a valuable input to the WECC strategic planning process and recognized it as a beneficial collaboration with NERC and the Regional Entities. The strategy includes the following focus areas for achieving success in the ERO Enterprise vision and mission:

- **Energy**—Effectively leverage a broad range of data, tools, and approaches to assist stakeholders and policymakers in addressing existing BPS risks and proactively identifying and preparing for emerging and unknown risks to the grid.
- **Security**—Maintain cyber and physical security programs (E-ISAC, Standards, Compliance Monitoring and Enforcement Program (CMEP), technical committee work, outreach, and engagement) that are risk-based, efficient, coordinated, and effectively advance the security posture of industry.
- **Engagement**—Ensure that the increasingly diverse spectrum of stakeholders and policymakers find value in engagements with the ERO Enterprise, seek ERO Enterprise expertise to inform

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their decision-making, and have confidence in the integrity and independence of ERO Enterprise programs.

- **Agility and Sustainability**—Perform as an effective and efficient team acting in coordination, ensuring its programs and efforts deliver value for stakeholders and policymakers as they manage changing reliability and security risk within the evolving industry landscape, and capturing cost efficiencies when practical.

As part of the business planning and budgeting process, NERC and the Regional Entities each have their own priorities and strategic focus areas, but continually come together to ensure alignment with the long-term strategy and that business processes and operations harmonize across the ERO Enterprise where appropriate. WECC acknowledges and supports the long-term strategy as well as the work products specific to WECC that are described in each statutory program, discussed in [Statutory Programs](#).

Risks to reliability and security are fluid and can be affected by recent events, therefore NERC and each Regional Entity may also create annual work plan priorities that summarize the most critical goals and objectives for the year. In many cases, these work plan priorities are also used for individual, departmental, and company performance measurement.

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## 2026 Statutory Budget Overview

Those who plan, operate, and care about the reliability of the Western Interconnection continue to confront numerous and rapidly evolving challenges—increasingly recurrent extreme natural events, large-scale generator retirements to meet aggressive clean energy goals, massive amounts of new generators that present new technological and dispatchability challenges, evolving and increasing cybersecurity and physical threats, the risks and opportunities posed by artificial intelligence, rapidly changing demand brought about by electrification, and the proliferation of data centers and other technologies, with their accompanying large loads. The 2026 Business Plan and Budget assumes that all these challenges will continue, as will the challenges in the labor market, where the competition for talent and the increasing costs to attract and retain a highly skilled workforce remain.

### Budget and Funding Summary

WECC's proposed 2026 statutory budget is \$40,133,000, a \$808,000 (2.1%) increase from the 2025 statutory budget. WECC's proposed statutory assessment is \$35,657,000, a \$2,641,000 (8.0%) increase over the 2025 statutory assessment. Major drivers of the increase in budgeted expenditures are outlined below. 2026 funding includes the use of working capital reserves of \$2,476,000, Peak Donation reserves of \$200,000, and \$1,758,000 of other income.

### Major Budget Drivers

#### Personnel Expenses

- Three new full-time equivalents (FTE) to support increasing demands on the organization:
  - Two FTE are added in Compliance Monitoring and Enforcement in response to different and new types of work, to build improved depth and breadth of skillsets, to address enforcement inventory, and in response to the downstream increase of all related work from new registrants;
  - One FTE is added in Reliability Assessment and Performance Analysis to support a weather readiness program for generators in the Western Interconnection;
- 3% merit and 1% market adjustment pools;
- Adjustments to compensation based on data from a salary survey to enable us to remain competitive with the market and hire and retain highly skilled employees;
- Refinement of payroll tax and benefits enrollment rates and premiums; and
- Labor float assumption changes based on actual turnover and vacancy rates.

#### Operating Expenses

- Consulting decreases due to the anticipated wrap-up of the transmission planning project performed in conjunction with WPP and WestTEC, which Peak Reliability donation funds have contributed to.
- Contract labor increases to reduce the open Enforcement inventory backlog.

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## Peak Reliability Donation

Peak Reliability (Peak) ceased all Reliability Coordinator (RC) operations in December 2019 and dissolved as a corporate entity in December 2020. After review and approval by the Board, WECC entered into a donation holdback agreement with Peak before its dissolution. Per the agreement, Peak donated \$4,127,000 of its remaining funds to WECC. Of the total amount, \$3,827,000 will be used to fund projects focused on the reliability and security of the BPS in the Western Interconnection. This portion was recorded as a statutory donation. Additionally, Peak requested WECC hold \$300,000 for a period of five years to pay any Peak bills that may be presented following Peak's formal closure on December 31, 2020. This amount was recorded as a non-statutory liability. The statutory amount is currently included in WECC's reserves, which are further detailed in the [Overview of Changes in Reserves](#). Non-statutory funds remaining after the five-year period will also be used to fund reliability and security projects. The holdback period ends at the end of 2025, and the remaining holdback amount plus compounded interest of approximately \$312,000 will be converted from non-statutory to statutory reserves through the 2026 Business Plan and Budget cycle.

Proposed projects are vetted with the executive team and stakeholders via targeted outreach, technical committees, and the Business Plan and Budget (BP&B) process. Our final contribution to the WestTEC transmission project is included in the 2026 BP&B.

In 2024, following stakeholder feedback and confirmation of the independence of the work and content of the work product, WECC proposed to use a total of \$2.2 million over three budget years to further the transmission planning endeavor being undertaken by the Western Power Pool (WPP) through its WestTEC effort. WestTEC is a response to a widely recognized concern that current transmission planning frameworks in the West do not result in the identification of sufficient transmission solutions to support the reliability of the future energy grid. WestTEC is an interregional transmission planning project that intends to employ analytical technologies to produce an actionable long-term transmission plan that will provide a range of transmission benefits to stakeholders throughout the West. WECC's investment of Peak reserve funds would help continue to finance the analytical work being conducted by an independent third party. The project duration is March 2024 through February 2026.

In 2024, WECC proposed to use approximately \$500,000 of the Peak Donation reserve in 2024; that amount has been deferred to 2025 due to project delays. \$1,500,000 from the Peak Donation reserve was budgeted to fund this project in 2025. In 2026, \$200,000 is budgeted for the final phase of the project.

Future projects will be identified in the relevant annual BP&B using a similar stakeholder outreach approach. For projects not anticipated in the annual BP&B and expected to total more than \$500,000, WECC will seek approval from FERC via separate, one-time filings.

## 2025 Statutory Budget and Projection and 2026 Budget

| Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital |                       |                       |                                                             |                       |                     |                 |
|-----------------------------------------------------------------------------------|-----------------------|-----------------------|-------------------------------------------------------------|-----------------------|---------------------|-----------------|
| 2025 Budget & Projection, and 2026 Budget                                         |                       |                       |                                                             |                       |                     |                 |
| STATUTORY                                                                         |                       |                       |                                                             |                       |                     |                 |
|                                                                                   | 2025<br>Budget        | 2025<br>Projection    | Variance<br>2025 Budget v<br>2025 Projection<br>Over(Under) | 2026<br>Budget        | Variance<br>(%)     | Variance<br>(%) |
| <b>Revenue</b>                                                                    |                       |                       |                                                             |                       |                     |                 |
| <b>Statutory Funding</b>                                                          |                       |                       |                                                             |                       |                     |                 |
| WECC Assessments                                                                  | \$ 33,016,000         | \$ 33,016,000         | \$ -                                                        | \$ 35,657,280         | \$ 2,641,280        | 8.00%           |
| Penalties Released <sup>1</sup>                                                   | 4,400                 | 4,400                 | \$ -                                                        | 41,745                | \$ 37,345           | 848.75%         |
| <b>Total Statutory Funding</b>                                                    | <b>\$ 33,020,400</b>  | <b>\$ 33,020,400</b>  | <b>\$ -</b>                                                 | <b>\$ 35,699,025</b>  | <b>\$ 2,678,625</b> | <b>8.11%</b>    |
| Membership Fees                                                                   | \$ -                  | \$ -                  | \$ -                                                        | \$ -                  | \$ -                |                 |
| Federal Grants                                                                    | -                     | -                     | -                                                           | -                     | -                   |                 |
| Services & Software                                                               | -                     | -                     | -                                                           | -                     | -                   |                 |
| Workshops & Miscellaneous                                                         | 703,541               | \$ 695,093            | \$ (8,448.00)                                               | 757,500               | \$ 53,959           | 7.67%           |
| Interest                                                                          | 1,000,000             | \$ 1,228,265          | \$ 228,265.00                                               | 1,000,006             | \$ 6                | 0.00%           |
| <b>Total Revenue (A)</b>                                                          | <b>\$ 34,723,941</b>  | <b>\$ 34,943,758</b>  | <b>\$ 219,817</b>                                           | <b>\$ 37,456,531</b>  | <b>\$ 2,732,590</b> | <b>7.87%</b>    |
| <b>Expenses</b>                                                                   |                       |                       |                                                             |                       |                     |                 |
| <b>Personnel Expenses</b>                                                         |                       |                       |                                                             |                       |                     |                 |
| Salaries                                                                          | \$ 24,449,956         | \$ 24,422,190         | \$ (27,766.00)                                              | \$ 26,016,824         | \$ 1,566,868        | 6.41%           |
| Payroll Taxes                                                                     | 1,536,792             | 1,612,311             | \$ 75,519.00                                                | 1,577,297             | \$ 40,505           | 2.64%           |
| Benefits                                                                          | 2,934,023             | 2,903,909             | \$ (30,114.00)                                              | 2,986,868             | \$ 52,845           | 1.80%           |
| Retirement Costs                                                                  | 2,200,566             | 2,105,751             | \$ (94,815.00)                                              | 2,071,272             | \$ (129,294)        | -5.88%          |
| <b>Total Personnel Expenses</b>                                                   | <b>\$ 31,121,337</b>  | <b>\$ 31,044,161</b>  | <b>\$ (77,176)</b>                                          | <b>\$ 32,652,261</b>  | <b>\$ 1,530,924</b> | <b>4.92%</b>    |
| <b>Meeting Expenses</b>                                                           |                       |                       |                                                             |                       |                     |                 |
| Meetings & Conference Calls                                                       | \$ 635,316            | \$ 608,639            | \$ (26,677.00)                                              | \$ 611,168            | \$ (24,148)         | -3.80%          |
| Travel                                                                            | 1,062,145             | 944,525               | \$ (117,620.00)                                             | 1,043,960             | \$ (18,185)         | -1.71%          |
| <b>Total Meeting Expenses</b>                                                     | <b>\$ 1,697,461</b>   | <b>\$ 1,553,164</b>   | <b>\$ (144,297)</b>                                         | <b>\$ 1,655,128</b>   | <b>\$ (42,333)</b>  | <b>-2.49%</b>   |
| <b>Operating Expenses, Excluding Depreciation</b>                                 |                       |                       |                                                             |                       |                     |                 |
| Consultants & Contracts                                                           | \$ 1,897,400          | \$ 1,786,453          | \$ (110,947.00)                                             | \$ 1,495,400          | \$ (402,000)        | -21.19%         |
| Office Rent                                                                       | 1,328,263             | 1,328,747             | \$ 484.00                                                   | 1,326,433             | \$ (1,830)          | -0.14%          |
| Office Costs                                                                      | 2,949,356             | 2,715,077             | \$ (234,279.00)                                             | 2,964,652             | \$ 15,296           | 0.52%           |
| Professional Services                                                             | 1,327,700             | 1,297,321             | \$ (30,379.00)                                              | 1,367,225             | \$ 39,525           | 2.98%           |
| Miscellaneous                                                                     | -                     | -                     | \$ -                                                        | -                     | \$ -                |                 |
| <b>Total Operating Expenses</b>                                                   | <b>\$ 7,502,719</b>   | <b>\$ 7,127,598</b>   | <b>\$ (375,121)</b>                                         | <b>\$ 7,153,710</b>   | <b>\$ (349,009)</b> | <b>-4.65%</b>   |
| <b>Total Direct Expenses</b>                                                      | <b>\$ 40,321,517</b>  | <b>\$ 39,724,923</b>  | <b>\$ (596,594)</b>                                         | <b>\$ 41,461,099</b>  | <b>\$ 1,139,582</b> | <b>2.83%</b>    |
| <b>Indirect Expenses</b>                                                          | <b>\$ (1,146,873)</b> | <b>\$ (1,072,725)</b> | <b>\$ 74,148</b>                                            | <b>\$ (1,437,341)</b> | <b>\$ (290,468)</b> | <b>25.33%</b>   |
| <b>Other Non-Operating Expenses</b>                                               | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>                                                 | <b>\$ -</b>           | <b>\$ (2)</b>       |                 |
| <b>Total Expenses (B)</b>                                                         | <b>\$ 39,174,644</b>  | <b>\$ 38,652,198</b>  | <b>\$ (522,446)</b>                                         | <b>\$ 40,023,758</b>  | <b>\$ 849,112</b>   | <b>2.17%</b>    |
| <b>Change in Net Assets (=A-B)</b>                                                | <b>\$ (4,450,703)</b> | <b>\$ (3,708,440)</b> | <b>\$ 742,263</b>                                           | <b>\$ (2,567,227)</b> | <b>\$ 1,883,478</b> | <b>-42.32%</b>  |
| <b>Fixed Asset Additions, Excluding Right of Use Assets (C)</b>                   | <b>\$ 150,713</b>     | <b>\$ 176,778</b>     | <b>\$ -</b>                                                 | <b>\$ 109,116</b>     | <b>\$ (41,597)</b>  | <b>-27.60%</b>  |
| <b>TOTAL BUDGET (B+C)</b>                                                         | <b>\$ 39,325,357</b>  | <b>\$ 38,828,976</b>  | <b>\$ (522,446)</b>                                         | <b>\$ 40,132,874</b>  | <b>\$ 807,517</b>   | <b>2.05%</b>    |
| <b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>                                    | <b>\$ (4,601,416)</b> | <b>\$ (3,885,218)</b> | <b>\$ 742,263</b>                                           | <b>\$ (2,676,343)</b> | <b>\$ 1,925,075</b> | <b>-41.84%</b>  |
| <b>FTEs</b>                                                                       | 175.00                | 175.00                | -                                                           | 178.00                | 3.00                | 1.71%           |
| <b>HC</b>                                                                         | 175.00                | 175.00                | -                                                           | 178.00                | 3.00                | 1.71%           |

<sup>1</sup> Represents the amount released from working capital reserves to offset U.S. assessments as approved by the NERC Board of Trustees and FERC. Actual penalties invoiced in the current reporting year will be reported as income on the audited financial statements in accordance with Generally Accepted Accounting Principles (GAAP).





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## Monetary Penalties

As documented in the NERC Policy Accounting, *Financial Statement and Budgetary Treatment of Penalties Imposed and Received for Violations of Reliability Standards*, penalty monies received on or before June 30, 2025, will be used to offset assessments in the 2026 WECC budget.

WECC collected \$4,400 in penalty monies between July 1, 2023, and June 30, 2024 to offset assessments for 2025.

WECC collected \$41,745 in penalty monies between July 1, 2024, and June 30, 2025 to offset assessments for 2026.

**Allocation Method:** Penalty monies collected and released to offset assessments are allocated to the following Statutory Programs:

- Reliability Standards;
  - Compliance Monitoring and Enforcement and Organization Registration and Certification;
- Reliability Assessment and Performance Analysis;
- Training and Outreach; and
- Situation Awareness and Infrastructure Security.

Penalty monies are allocated based on the number of FTEs in the functional areas divided by the aggregate total FTEs in the programs receiving the allocation.



## Major Budget Drivers—Statutory Programs

| Program Area                                                                             | Budget<br>2025       | Budget<br>2026       | Variance \$       | Variance %   |
|------------------------------------------------------------------------------------------|----------------------|----------------------|-------------------|--------------|
| Reliability Standards                                                                    | \$ 954,606           | \$ 947,690           | \$ (6,916)        | (0.72%)      |
| Compliance Monitoring and Enforcement and Organization<br>Registration and Certification | 21,348,588           | 23,077,423           | 1,728,835         | 8.10%        |
| Reliability Assessment and Performance Analysis                                          | 13,294,184           | 12,313,881           | (980,303)         | (7.37%)      |
| Training and Outreach                                                                    | 3,132,745            | 3,181,402            | 48,657            | 1.55%        |
| Situation Awareness and Infrastructure Security                                          | 595,234              | 612,478              | 17,244            | 2.90%        |
| <b>Total*</b>                                                                            | <b>\$ 39,325,357</b> | <b>\$ 40,132,874</b> | <b>\$ 807,517</b> | <b>2.05%</b> |

\*includes allocated Corporate Services costs

### Reliability Standards

No major budget drivers in this area.

### Compliance Monitoring and Enforcement and Organization Registration and Certification

#### Personnel Expenses

- Two new FTEs are added to the Compliance Monitoring and Enforcement (CMEP) and Organization Registration and Certification budget in 2026.
  - One Registration Engineer to enhance registration processing efficiency in line with increased registration activities related to IBRs.
  - One Risk Assessment Engineer to assist in oversight planning and analysis activities.
- A budgeted 3% merit pool, 1% market adjustment pool, some compensation adjustments resulting from a salary survey, refinement of labor float percentages, and the refinement of payroll tax and benefits premiums and enrollment rates contribute to increases in personnel expenses in this area and across the organization.

#### Consultants and Contracts

- Consulting increases due to the use of law firm services to reduce the enforcement inventory backlog.

### Reliability Assessment and Performance Analysis

#### Personnel Expenses

- One Generator Readiness Specialist is added to the Reliability Assessment and Performance Analysis (RAPA) program area to support a weather readiness program for generators in the Western Interconnection.



- A budgeted 3% merit pool, 1% market adjustment pool, some compensation adjustments resulting from a salary survey, refinement of labor float percentages, and the refinement of payroll tax and benefits premiums and enrollment rates contributes to increases in personnel expenses in this area and across the organization.

### *Consultants and contracts*

- Consulting decreases due to the anticipated completion of the transmission planning project performed in conjunction with WPP through its WestTEC effort.

### **Training and Outreach**

- No major budget drivers in this area.

### **Situation Awareness and Infrastructure Security**

- No major budget drivers in this area.

### **Corporate Services**

| <b>Corporate Services</b><br>(in whole dollars)<br><b>Direct Expenses and Fixed Assets</b> |                      |                      |                        |                     |                     |                        |
|--------------------------------------------------------------------------------------------|----------------------|----------------------|------------------------|---------------------|---------------------|------------------------|
|                                                                                            | 2025 Budget          | 2026 Budget          | Increase<br>(Decrease) | FTEs<br>2025 Budget | FTEs<br>2026 Budget | Increase<br>(Decrease) |
| Committee and Member Forums                                                                | \$ -                 | \$ -                 | \$ -                   | -                   | -                   | -                      |
| General and Administrative                                                                 | \$ 6,110,050         | \$ 6,325,595         | \$ 215,545             | 19.00               | 17.50               | (1.50)                 |
| Legal and Regulatory                                                                       | \$ 1,142,835         | \$ 1,273,986         | \$ 131,151             | 3.50                | 4.00                | 0.50                   |
| Information Technology                                                                     | \$ 3,810,520         | \$ 4,177,585         | \$ 367,065             | 13.00               | 14.00               | 1.00                   |
| Human Resources                                                                            | \$ 1,219,717         | \$ 1,200,673         | \$ (19,044)            | 4.00                | 4.00                | -                      |
| Accounting and Finance                                                                     | \$ 718,535           | \$ 753,974           | \$ 35,439              | 3.00                | 3.00                | -                      |
| <b>Total Corporate Services*</b>                                                           | <b>\$ 13,001,657</b> | <b>\$ 13,731,813</b> | <b>\$ 730,156</b>      | <b>42.50</b>        | <b>42.50</b>        | <b>-</b>               |

\*WECC's 2026 Corporate Services budget (expenses plus fixed assets) is \$13,731,813 of which \$1,450,225 is allocated to non-statutory activities. As a result of the allocation to the non-statutory function, the Corporate Services expenses included in the 2026 statutory budget are \$12,281,588, which is a \$441,591 increase from the 2025 budget.

### *Personnel Expenses*

- One FTE is transferred from General and Administrative to Information Technology for a Database Engineer to increase our capabilities related to data and reporting.
- One half FTE is transferred from General and Administrative to Legal and Regulatory to realign the budget with the evolving responsibilities of the Corporate Secretary related to enhancing governance, compliance, and operational efficiency.
- A budgeted 3% merit pool, 1% market adjustment pool, some compensation adjustments resulting from a salary survey, refinement of labor float percentages, and the refinement of payroll tax and benefits premiums and enrollment rates contributes to increases in personnel expenses in this area and across the organization.



## Personnel—Overview of FTEs and Expenses

Over the last several years, many events have highlighted increasing risks to reliability and security: extreme heat, severe cold weather, unexpected behavior of IBRs, cybersecurity breaches, and physical security attacks on substations, to name a few. What used to be considered low probability events have become more frequent and continue to come at an unprecedented pace and complexity. Work associated with these increasing demands is evident in the work of CMEP, RAPA and Strategic Engagement. WECC will require additional specific expertise and resources to effectively engage with stakeholders, manage the increasing workload, and minimize risks to the reliability and security of the Western Interconnection. Enhancing our stakeholder interaction, facilitation, and outreach will ensure that reliability remains paramount in the discussions with our wide range of stakeholders as the Interconnection transforms to meet policy objectives. As a result, in the 2026 budget, WECC is adding three statutory FTEs (with an additional three FTEs in its non-statutory program for a total of six FTEs) and realigning some positions within program areas due to evolving organizational needs and priorities.

| Total FTEs by Program Area                                                               | Budget<br>2025 | Direct FTEs<br>2026 Budget | Shared FTEs*<br>2026 Budget | Total FTEs<br>2026 Budget | Change from<br>2025 Budget |
|------------------------------------------------------------------------------------------|----------------|----------------------------|-----------------------------|---------------------------|----------------------------|
| <b>STATUTORY</b>                                                                         |                |                            |                             |                           |                            |
| <b>Operational Programs</b>                                                              |                |                            |                             |                           |                            |
| Reliability Standards                                                                    | 3.00           | 3.00                       | -                           | 3.00                      | -                          |
| Compliance Monitoring and Enforcement and<br>Organization Registration and Certification | 77.00          | 79.00                      | -                           | 79.00                     | <b>2.00</b>                |
| Reliability Assessment and Performance Analysis                                          | 41.00          | 42.00                      | -                           | 42.00                     | <b>1.00</b>                |
| Training and Outreach                                                                    | 9.50           | 9.50                       | -                           | 9.50                      | -                          |
| Situation Awareness and Infrastructure Security                                          | 2.00           | 2.00                       | -                           | 2.00                      | -                          |
| <b>Total FTEs Operational Programs</b>                                                   | <b>132.50</b>  | <b>135.50</b>              | <b>-</b>                    | <b>135.50</b>             | <b>3.00</b>                |
| <b>Corporate Services</b>                                                                |                |                            |                             |                           |                            |
| Technical Committees and Member Forums                                                   | -              | -                          | -                           | -                         | -                          |
| General and Administrative                                                               | 19.00          | 17.50                      | -                           | 17.50                     | <b>(1.50)</b>              |
| Legal and Regulatory                                                                     | 3.50           | 4.00                       | -                           | 4.00                      | <b>0.50</b>                |
| Information Technology                                                                   | 13.00          | 14.00                      | -                           | 14.00                     | <b>1.00</b>                |
| Human Resources                                                                          | 4.00           | 4.00                       | -                           | 4.00                      | -                          |
| Finance and Accounting                                                                   | 3.00           | 3.00                       | -                           | 3.00                      | -                          |
| <b>Total FTEs Corporate Services</b>                                                     | <b>42.50</b>   | <b>42.50</b>               | <b>-</b>                    | <b>42.50</b>              | <b>-</b>                   |
| <b>Total FTEs</b>                                                                        | <b>175.00</b>  | <b>178.00</b>              | <b>-</b>                    | <b>178.00</b>             | <b>3.00</b>                |

\*A shared FTE is defined as an employee who performs both Statutory and Non-Statutory functions.



| Personnel Expenses                | Budget<br>2025       | Budget<br>2026       | Variance \$         | Variance %    |
|-----------------------------------|----------------------|----------------------|---------------------|---------------|
| <b>Salaries</b>                   |                      |                      |                     |               |
| Salaries                          | \$ 24,449,956        | \$ 26,016,824        | \$ 1,566,868        | 6.4%          |
| Employment Agency Fees            | -                    | -                    | -                   |               |
| Temporary Office Services         | -                    | -                    | -                   |               |
| <b>Total Salaries</b>             | <b>\$ 24,449,956</b> | <b>\$ 26,016,824</b> | <b>\$ 1,566,868</b> | <b>6.4%</b>   |
| <b>Total Payroll Taxes</b>        | <b>\$ 1,536,792</b>  | <b>\$ 1,577,297</b>  | <b>\$ 40,505</b>    | <b>2.6%</b>   |
| <b>Benefits</b>                   |                      |                      |                     |               |
| Workers Compensation              | \$ 19,800            | \$ -                 | \$ (19,800)         | (100.0%)      |
| Medical Insurance                 | 2,591,317            | 2,651,047            | 59,730              | 2.3%          |
| Life-LTD-STD Insurance            | 122,759              | 125,545              | 2,786               | 2.3%          |
| Education                         | 172,151              | 207,277              | 35,126              | 20.4%         |
| Relocation                        | -                    | -                    | -                   |               |
| Other                             | 28,000               | 3,000                | (25,000)            | (89.3%)       |
| <b>Total Benefits</b>             | <b>\$ 2,934,027</b>  | <b>\$ 2,986,869</b>  | <b>\$ 52,842</b>    | <b>1.8%</b>   |
| <b>Retirement</b>                 |                      |                      |                     |               |
| Discretionary 401(k) Contribution | \$ 2,170,566         | \$ 2,071,272         | \$ (99,294)         | (4.6%)        |
| Retirement Administration Fees    | 30,000               | -                    | (30,000)            |               |
| <b>Total Retirement</b>           | <b>\$ 2,200,566</b>  | <b>\$ 2,071,272</b>  | <b>\$ (129,294)</b> | <b>(5.9%)</b> |
| <b>Total Personnel Costs</b>      | <b>\$ 31,121,341</b> | <b>\$ 32,652,262</b> | <b>\$ 1,530,921</b> | <b>4.9%</b>   |
| <b>FTEs</b>                       | 175.0                | 178.0                | 3.0                 | 1.7%          |
| <b>Cost per FTE</b>               |                      |                      |                     |               |
| Salaries                          | \$ 139,714           | \$ 146,162           | \$ 6,448            | 4.6%          |
| Payroll Taxes                     | 8,782                | 8,861                | 80                  | 0.9%          |
| Benefits                          | 16,766               | 16,780               | 14                  | 0.1%          |
| Retirement                        | 12,575               | 11,636               | (938)               | (7.5%)        |
| <b>Total Cost per FTE</b>         | <b>\$ 177,836</b>    | <b>\$ 183,440</b>    | <b>\$ 5,603</b>     | <b>3.2%</b>   |

## Explanation of Significant Variances

- FTEs increase by three. More detailed information is presented in [Major Budget Drivers—Statutory Programs](#).
- Merit pool of 3%.
- Market adjustment pool of 1%.
- Adjustments to compensation based on salary survey data.
- Labor float assumptions based on turnover and vacancy rates.
- Benefits enrollment rate refinement.



## Meeting Expenses

| Meeting & Conference Call Expenses                                                       | Budget<br>2025    | Budget<br>2026    | Variance \$        | Variance %    |
|------------------------------------------------------------------------------------------|-------------------|-------------------|--------------------|---------------|
| Reliability Standards                                                                    | \$ -              | \$ -              | \$ -               |               |
| Compliance Monitoring and Enforcement and Organization<br>Registration and Certification | -                 | -                 | -                  |               |
| Reliability Assessment and Performance Analysis                                          | 38,676            | 16,746            | (21,930)           | (56.7%)       |
| Training and Outreach                                                                    | 525,720           | 501,120           | (24,600)           | (4.7%)        |
| Situation Awareness and Infrastructure Security                                          | -                 | -                 | -                  |               |
| Corporate Services                                                                       | 70,920            | 93,302            | 22,382             | 31.6%         |
| <b>Total Meeting Expenses</b>                                                            | <b>\$ 635,316</b> | <b>\$ 611,168</b> | <b>\$ (24,148)</b> | <b>(3.8%)</b> |

| Travel Expenses                                                                          | Budget<br>2025      | Budget<br>2026      | Variance \$        | Variance %    |
|------------------------------------------------------------------------------------------|---------------------|---------------------|--------------------|---------------|
| Reliability Standards                                                                    | \$ 21,236           | \$ 17,378           | \$ (3,858)         | (18.2%)       |
| Compliance Monitoring and Enforcement and Organization<br>Registration and Certification | 606,370             | 589,330             | (17,040)           | (2.8%)        |
| Reliability Assessment and Performance Analysis                                          | 197,585             | 206,301             | 8,716              | 4.4%          |
| Training and Outreach                                                                    | 46,080              | 31,846              | (14,234)           | (30.9%)       |
| Situation Awareness and Infrastructure Security                                          | 19,250              | 10,849              | (8,401)            | (43.6%)       |
| Corporate Services                                                                       | 171,624             | 188,256             | 16,632             | 9.7%          |
| <b>Total Travel Expenses</b>                                                             | <b>\$ 1,062,145</b> | <b>\$ 1,043,960</b> | <b>\$ (18,185)</b> | <b>(1.7%)</b> |

## Explanation of Significant Variances

- No major budget drivers in this area.

## Consultants and Contracts

| Consultants                                                                              | Budget<br>2025      | Budget<br>2026    | Variance \$           | Variance %     |
|------------------------------------------------------------------------------------------|---------------------|-------------------|-----------------------|----------------|
| <b>Consultants</b>                                                                       |                     |                   |                       |                |
| Reliability Standards                                                                    | \$ -                | \$ -              | \$ -                  |                |
| Compliance Monitoring and Enforcement and Organization<br>Registration and Certification | 12,000              | 12,000            | -                     | 0.0%           |
| Reliability Assessment and Performance Analysis                                          | 1,608,400           | 318,400           | (1,290,000)           | (80.2%)        |
| Training and Outreach                                                                    | -                   | -                 | -                     |                |
| Situation Awareness and Infrastructure Security                                          | -                   | -                 | -                     |                |
| Corporate Services                                                                       | 277,000             | 463,000           | 186,000               | 67.1%          |
| <b>Consultants Total</b>                                                                 | <b>\$ 1,897,400</b> | <b>\$ 793,400</b> | <b>\$ (1,104,000)</b> | <b>(58.2%)</b> |

| Contracts                                                                                | Budget<br>2025      | Budget<br>2026      | Variance \$         | Variance %     |
|------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|----------------|
| <b>Contracts</b>                                                                         |                     |                     |                     |                |
| Reliability Standards                                                                    | \$ -                | \$ -                | \$ -                |                |
| Compliance Monitoring and Enforcement and Organization<br>Registration and Certification | -                   | 702,000             | 702,000             |                |
| Reliability Assessment and Performance Analysis                                          | -                   | -                   | -                   |                |
| Training and Outreach                                                                    | -                   | -                   | -                   |                |
| Situation Awareness and Infrastructure Security                                          | -                   | -                   | -                   |                |
| Corporate Services                                                                       | -                   | -                   | -                   |                |
| <b>Contracts Total</b>                                                                   | <b>\$ -</b>         | <b>\$ 702,000</b>   | <b>\$ 702,000</b>   |                |
| <b>Total Consulting and Contracts</b>                                                    | <b>\$ 1,897,400</b> | <b>\$ 1,495,400</b> | <b>\$ (402,000)</b> | <b>(21.2%)</b> |

## Explanation of Significant Variances

### Corporate Services

- Consulting increases due to search fees for new Board Directors resulting from term limits and an independent Board compensation study.

### Reliability Assessment and Performance Analysis

- Consulting decreases due to the 2026 anticipated completion of the transmission planning study being undertaken by the Western Power Pool (WPP) through its WestTEC effort. WestTEC is an interregional transmission planning project employing analytical technologies to produce an actionable long-term transmission plan intended to provide a range of transmission benefits to stakeholders throughout the West. The expected project duration is March 2024 through February 2026. WECC proposes to use \$200,000 from the Peak Reliability Donation reserve to fund the final phase of this project in 2026.

### Compliance Monitoring and Enforcement and Organization Registration and Certification

- Contract labor increases to reduce the open enforcement inventory backlog.



## Overview of Changes in Reserves

| Working Capital Reserve Analysis                                   |                       |                         |                      |                           |
|--------------------------------------------------------------------|-----------------------|-------------------------|----------------------|---------------------------|
| STATUTORY                                                          |                       |                         |                      |                           |
|                                                                    | Total                 | Working Capital Reserve | Unreleased Penalties | Peak Reliability Donation |
| <b>Beginning Reserve, January 1, 2025</b>                          | \$ 16,098,526         | \$ 13,036,834           | \$ 4,400             | \$ 3,057,292              |
| Plus: 2025 Funding (from Load-Serving Entities (LSE) or designees) | 33,016,000            | 33,016,000              | -                    | -                         |
| Plus: Penalties released                                           | -                     | 4,400                   | (4,400)              | -                         |
| Plus: Penalties received                                           | 41,745                | -                       | 41,745               | -                         |
| Plus: 2025 Other funding sources                                   | 1,923,358             | 1,923,358               | -                    | -                         |
| Less: 2025 Projected expenses & capital expenditures               | (38,828,976)          | (36,681,424)            | -                    | (2,147,552)               |
| <b>Projected Reserve (Deficit), December 31, 2025</b>              | <b>\$ 12,250,653</b>  | <b>\$ 11,299,168</b>    | <b>\$ 41,745</b>     | <b>\$ 909,740</b>         |
| Plus: 2026 Funding (from Load-Serving Entities (LSE) or designees) | 35,657,280            | 35,657,280              | -                    | -                         |
| Plus: Penalties released                                           | -                     | 41,745                  | (41,745)             | -                         |
| Plus: 2026 Other funding sources                                   | 1,757,506             | 1,757,506               | -                    | -                         |
| Plus: 2026 Transfer of Peak Holdback Reserves to Statutory         | -                     | 312,000                 | -                    | (312,000)                 |
| Less: 2026 Projected expenses & capital expenditures               | (40,132,874)          | (39,932,874)            | -                    | (200,000)                 |
| <b>2026 Increase(Decrease) in Reserve</b>                          | <b>\$ (2,718,088)</b> | <b>(2,164,343)</b>      | <b>\$ (41,745)</b>   | <b>\$ (512,000)</b>       |
| <b>Projected Reserve, December 31, 2026</b>                        | <b>\$ 9,532,565</b>   | <b>\$ 9,134,825</b>     | <b>\$ -</b>          | <b>\$ 397,740</b>         |
| 2026 Expenses and Capital Expenditures                             | 40,132,874            |                         |                      |                           |
| Less: Penalties Released                                           | (41,745)              |                         |                      |                           |
| Less: Other Funding Sources                                        | (1,757,506)           |                         |                      |                           |
| Change to Working Capital & Peak Reliability Donation Reserves     | (2,676,343)           |                         |                      |                           |
| <b>2026 WECC Assessment</b>                                        | <b>\$ 35,657,280</b>  |                         |                      |                           |

WECC's Board has approved a Working Capital Reserve balance equal to one to three months of Personnel, Meeting, and Operating Expenses per its Reserve Policy.

In 2026, reserves are being used to fund a portion of the budget. Working capital reserves of \$2,476,000 are funding budgeted expenditures, and \$200,000 of the Peak Reliability Donation reserves are funding the WPP/WestTEC transmission planning project.

When Peak Reliability ceased operations, Peak requested WECC hold \$300,000 of the total donation amount for a period of five years to pay any Peak bills that may be presented following Peak's formal closure on December 31, 2020. This amount was recorded as a non-statutory liability. Any funds remaining after the five-year period will also be used to fund reliability and security projects. The holdback period ends at the end of 2025, and the remaining holdback amount plus compounded interest of approximately \$312,000 will be converted from non-statutory to statutory reserves through the 2026 Business Plan and Budget cycle and used to fund reliability and security projects in the future.

WECC received \$41,745 in penalty sanctions between July 1, 2024, and June 30, 2025. Each budget year, with NERC and Commission approval pursuant to Section 1107.4 of the NERC Rules of Procedure, WECC proposes to release penalty sanctions collected during the applicable period to offset assessments in the Business Plan and Budget.



## Three-Year Budget Projections

| Statement of Activities and Capital Expenditures<br>2026 Budget & Projected 2027 and 2028 Budgets |                       |                       |                      |                     |                       |                      |                     |
|---------------------------------------------------------------------------------------------------|-----------------------|-----------------------|----------------------|---------------------|-----------------------|----------------------|---------------------|
|                                                                                                   | Statutory             |                       |                      |                     |                       |                      |                     |
|                                                                                                   | 2026<br>Budget        | 2027<br>Projection    | \$ Change<br>26 v 27 | % Change<br>26 v 27 | 2028<br>Projection    | \$ Change<br>27 v 28 | % Change<br>27 v 28 |
| <b>Revenue</b>                                                                                    |                       |                       |                      |                     |                       |                      |                     |
| <b>Statutory Funding</b>                                                                          |                       |                       |                      |                     |                       |                      |                     |
| WECC Assessments                                                                                  | \$ 35,657,280         | \$ 38,509,862         | \$ 2,852,582         | 8.0%                | \$ 41,590,651         | \$ 3,080,789         | 8.0%                |
| Penalties Released                                                                                | 41,745                | -                     | (41,745)             | (100.0%)            | -                     | -                    | -                   |
| <b>Total Statutory Funding</b>                                                                    | <b>\$ 35,699,025</b>  | <b>\$ 38,509,862</b>  | <b>\$ 2,810,837</b>  | <b>7.9%</b>         | <b>\$ 41,590,651</b>  | <b>\$ 3,080,789</b>  | <b>8.0%</b>         |
| Membership Fees                                                                                   | \$ -                  | \$ -                  | \$ -                 | -                   | \$ -                  | \$ -                 | -                   |
| Workshops & Miscellaneous                                                                         | 757,500               | 886,350               | 128,850              | 17.0%               | 942,285               | 55,935               | 6.3%                |
| Interest                                                                                          | 1,000,006             | 900,000               | (100,006)            | (10.0%)             | 900,000               | -                    | 0.0%                |
| <b>Total Revenue (A)</b>                                                                          | <b>\$ 37,456,531</b>  | <b>\$ 40,296,212</b>  | <b>\$ 2,839,681</b>  | <b>7.6%</b>         | <b>\$ 43,432,936</b>  | <b>\$ 3,136,724</b>  | <b>7.8%</b>         |
| <b>Expenses</b>                                                                                   |                       |                       |                      |                     |                       |                      |                     |
| <b>Personnel Expenses</b>                                                                         |                       |                       |                      |                     |                       |                      |                     |
| Salaries                                                                                          | \$ 26,016,824         | \$ 27,558,226         | \$ 1,541,402         | 5.9%                | \$ 28,955,609         | \$ 1,397,383         | 5.1%                |
| Payroll Taxes                                                                                     | 1,577,297             | 1,685,198             | 107,901              | 6.8%                | 1,767,079             | 81,881               | 4.9%                |
| Benefits                                                                                          | 2,986,868             | 3,267,655             | 280,787              | 9.4%                | 3,512,836             | 245,181              | 7.5%                |
| Retirement Costs                                                                                  | 2,071,272             | 2,196,593             | 125,321              | 6.1%                | 2,301,766             | 105,173              | 4.8%                |
| <b>Total Personnel Expenses</b>                                                                   | <b>\$ 32,652,261</b>  | <b>\$ 34,707,672</b>  | <b>\$ 2,055,411</b>  | <b>6.3%</b>         | <b>\$ 36,537,290</b>  | <b>\$ 1,829,618</b>  | <b>5.3%</b>         |
| <b>Meeting Expenses</b>                                                                           |                       |                       |                      |                     |                       |                      |                     |
| Meetings & Conference Calls                                                                       | \$ 611,168            | \$ 617,548            | \$ 6,380             | 1.0%                | \$ 630,665            | \$ 13,117            | 2.1%                |
| Travel                                                                                            | 1,043,960             | 1,158,107             | 114,147              | 10.9%               | 1,226,948             | 68,841               | 5.9%                |
| <b>Total Meeting Expenses</b>                                                                     | <b>\$ 1,655,128</b>   | <b>\$ 1,775,655</b>   | <b>\$ 120,527</b>    | <b>7.3%</b>         | <b>\$ 1,857,613</b>   | <b>\$ 81,958</b>     | <b>4.6%</b>         |
| <b>Operating Expenses, excluding Depreciation</b>                                                 |                       |                       |                      |                     |                       |                      |                     |
| Consultants & Contracts                                                                           | \$ 1,495,400          | \$ 1,277,400          | \$ (218,000)         | (14.6%)             | \$ 525,400            | \$ (752,000)         | (58.9%)             |
| Office Rent                                                                                       | 1,326,433             | 1,316,037             | (10,396)             | (0.8%)              | 1,300,000             | (16,037)             | (1.2%)              |
| Office Costs                                                                                      | 2,964,652             | 3,176,860             | 212,208              | 7.2%                | 3,284,844             | 107,984              | 3.4%                |
| Professional Services                                                                             | 1,367,225             | 1,424,041             | 56,816               | 4.2%                | 1,480,197             | 56,156               | 3.9%                |
| Miscellaneous                                                                                     | -                     | -                     | -                    | -                   | -                     | -                    | -                   |
| <b>Total Operating Expenses</b>                                                                   | <b>\$ 7,153,710</b>   | <b>\$ 7,194,338</b>   | <b>\$ 40,628</b>     | <b>0.6%</b>         | <b>\$ 6,590,441</b>   | <b>\$ (603,897)</b>  | <b>(8.4%)</b>       |
| <b>Total Direct Expenses</b>                                                                      | <b>\$ 41,461,099</b>  | <b>\$ 43,677,665</b>  | <b>\$ 2,216,566</b>  | <b>5.3%</b>         | <b>\$ 44,985,344</b>  | <b>\$ 1,307,679</b>  | <b>3.0%</b>         |
| <b>Indirect Expenses</b>                                                                          | <b>\$ (1,437,341)</b> | <b>\$ (1,487,648)</b> | <b>\$ (50,307)</b>   | <b>3.5%</b>         | <b>\$ (1,547,154)</b> | <b>\$ (59,506)</b>   | <b>4.0%</b>         |
| <b>Other Non-Operating Expenses</b>                                                               | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>          | <b>-</b>            | <b>\$ -</b>           | <b>\$ -</b>          | <b>-</b>            |
| <b>Total Expenses (B)</b>                                                                         | <b>\$ 40,023,758</b>  | <b>\$ 42,190,017</b>  | <b>\$ 2,166,258</b>  | <b>5.4%</b>         | <b>\$ 43,438,190</b>  | <b>\$ 1,248,173</b>  | <b>3.0%</b>         |
| <b>Change in Assets</b>                                                                           | <b>\$ (2,567,227)</b> | <b>\$ (1,893,805)</b> | <b>\$ 673,423</b>    | <b>(26.2%)</b>      | <b>\$ (5,254)</b>     | <b>\$ 1,888,551</b>  | <b>(99.7%)</b>      |
| <b>Fixed Assets</b>                                                                               |                       |                       |                      |                     |                       |                      |                     |
| <b>Incr(Dec) in Fixed Assets (C)</b>                                                              | <b>\$ 109,116</b>     | <b>\$ 90,000</b>      | <b>\$ (19,116)</b>   | <b>(17.5%)</b>      | <b>\$ 90,000</b>      | <b>\$ -</b>          | <b>0.0%</b>         |
| <b>TOTAL BUDGET (B+C)</b>                                                                         | <b>\$ 40,132,874</b>  | <b>\$ 42,280,017</b>  | <b>\$ 2,147,142</b>  | <b>5.4%</b>         | <b>\$ 43,528,190</b>  | <b>\$ 1,248,173</b>  | <b>3.0%</b>         |
| <b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>                                                    | <b>(2,676,343)</b>    | <b>(1,983,805)</b>    | <b>692,539</b>       | <b>(25.9%)</b>      | <b>\$ (95,254)</b>    | <b>\$ 1,888,551</b>  | <b>(95.2%)</b>      |
| FTEs                                                                                              | 178.00                | 186.00                | 8.00                 | 4.5%                | 187.00                | 1.00                 | 0.5%                |
| HC                                                                                                | 178.00                | 186.00                | 8.00                 | 4.5%                | 187.00                | 1.00                 | 0.5%                |





# Statutory Programs

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**Goals, Budget Assumptions, and Statements of Activities**

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## Statutory Programs—Goals, Budget Assumptions, and Statements of Activities

### Reliability Standards

#### Program Scope, Purpose, and Impact

The WECC Reliability Standards Program supports the NERC Reliability Standards Program, and its employees work with the WECC Standards Committee (WSC) to aid the development of Regional Reliability Standards (RRS), Regional Variances to NERC Reliability Standards, and Regional Criteria to ensure the Bulk Electric System (BES) operates reliably.

The Reliability Standards Program deliverables include a five-year review of each current RRS, Regional Variance to NERC Reliability Standards, and Regional Criterion. These reviews can result in revisions to the document, retirement of the document if no longer needed for reliability, or a finding that no changes are necessary.

WECC supports the development of Regional Variances to NERC Reliability Standards when it is necessary to address complex Western reliability issues. The variances are required by a physical difference in the BPS or instances in which Western stakeholders want more stringent performance requirements. WECC will only develop an RRS, rather than a variance, when no NERC Reliability Standard exists to address a reliability issue.

In most instances a continent-wide standard addresses reliability risks because the physics of the electric grid are the same everywhere, but in a few instances a Regional Variance or Regional Reliability Standard is necessary to address risks that are based on the specific geographic conditions in the region.

Regional Criteria may be necessary to implement, augment, or comply with NERC Reliability Standards, but they are not Reliability Standards themselves and are not enforceable. Regional Criteria may include acceptable operating or planning parameters, guides, or other documents used to enhance BPS reliability.

NERC recently rated all their Reliability Standards projects as high, medium, or low priority. Several high priority projects were completed in 2024, and the remaining high priority projects are expected to be completed in 2025. Several of these projects are related to IBRs and their potential impact on the BES. Medium and low priority projects are expected to be completed in 2025 or 2026.

#### 2026 Key Budget Assumptions

- The number of RRS projects will remain low, with most focusing on the potential retirement of existing RRSs—due to the subject matter being included in NERC Reliability Standards—and necessary revisions identified during the five-year review. It is possible, but not likely, that regulatory directives could result in RRS projects.
- Much of the work needed to develop RRSs, Regional Variances to NERC Reliability Standards, and Regional Criteria will continue to be performed by stakeholders.
- Stakeholder volunteers will continue to staff most NERC Standards drafting teams.
- WECC employees may, at times, participate as drafting team members or observers.



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- Integration of renewable resources and related energy storage devices has resulted in several new or modified NERC Reliability Standards and could potentially result in new or revised RRSs, or Regional Variances to NERC Reliability Standards.
  - WECC supports, and will participate in, the enhanced periodic reviews of NERC Reliability Standards and the NERC Standards Grading effort, when appropriate. WECC standards staff, as well as other subject matter experts, will participate in the grading process if it is continued.

## 2026 Goals and Deliverables

- Ensure Western viewpoints are represented and incorporated in the development of NERC Reliability Standards, regional standards, and Regional Variances to NERC Reliability Standards by encouraging Western participation on standards drafting teams and commenting on standards under development.
- Continuously improve program processes and tools to adapt to changes in the industry.
- Ensure the development of RRSs and Regional Criteria is performed according to the most recent WECC Reliability Standards Development Procedures.
- Review existing RRSs to determine candidates for a Regional Variance to a NERC Reliability Standard and, if found, coordinate with NERC to address the change during NERC's periodic review.
- Review existing RRSs and Regional Criteria to improve their content and quality.
- Evaluate audit, enforcement, and event analysis information to determine whether new RRSs or revisions are necessary.

## Reliability Standards Statement of Activities

| Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital |                     |                    |                    |                 |
|-----------------------------------------------------------------------------------|---------------------|--------------------|--------------------|-----------------|
| 2025 Budget and 2026 Budget                                                       |                     |                    |                    |                 |
| RELIABILITY STANDARDS                                                             |                     |                    |                    |                 |
|                                                                                   | 2025<br>Budget      | 2026<br>Budget     | Variance<br>(\$)   | Variance<br>(%) |
| <b>Revenue</b>                                                                    |                     |                    |                    |                 |
| <b>Statutory Funding</b>                                                          |                     |                    |                    |                 |
| WECC Assessments                                                                  | \$ 816,294          | \$ 855,914         | \$ 39,620          | 4.85%           |
| Penalties Released                                                                | 100                 | 924                | \$ 824             | 824.00%         |
| <b>Total Statutory Funding</b>                                                    | <b>\$ 816,394</b>   | <b>\$ 856,838</b>  | <b>\$ 40,444</b>   | <b>4.95%</b>    |
| Membership Fees                                                                   | \$ -                | \$ -               | \$ -               |                 |
| Federal Grants                                                                    | -                   | -                  | \$ -               |                 |
| Services & Software                                                               | -                   | -                  | \$ -               |                 |
| Workshops & Miscellaneous                                                         | 3,873               | 5,513              | \$ 1,640           |                 |
| Interest                                                                          | 22,642              | 22,140             | \$ (502)           | -2.22%          |
| <b>Total Revenue (A)</b>                                                          | <b>\$ 842,909</b>   | <b>\$ 884,491</b>  | <b>\$ 41,582</b>   | <b>4.93%</b>    |
| <b>Expenses</b>                                                                   |                     |                    |                    |                 |
| <b>Personnel Expenses</b>                                                         |                     |                    |                    |                 |
| Salaries                                                                          | \$ 537,566          | \$ 538,597         | \$ 1,031           | 0.19%           |
| Payroll Taxes                                                                     | 33,324              | 31,969             | \$ (1,355)         | -4.07%          |
| Benefits                                                                          | 43,605              | 42,986             | \$ (619)           | -1.42%          |
| Retirement Costs                                                                  | 47,843              | 43,088             | \$ (4,755)         | -9.94%          |
| <b>Total Personnel Expenses</b>                                                   | <b>\$ 662,338</b>   | <b>\$ 656,640</b>  | <b>\$ (5,698)</b>  | <b>-0.86%</b>   |
| <b>Meeting Expenses</b>                                                           |                     |                    |                    |                 |
| Meetings & Conference Calls                                                       | \$ -                | \$ -               | \$ -               |                 |
| Travel                                                                            | 21,236              | 17,378             | \$ (3,858)         | -18.17%         |
| <b>Total Meeting Expenses</b>                                                     | <b>\$ 21,236</b>    | <b>\$ 17,378</b>   | <b>\$ (3,858)</b>  | <b>-18.17%</b>  |
| <b>Operating Expenses, excluding Depreciation</b>                                 |                     |                    |                    |                 |
| Consultants & Contracts                                                           | \$ -                | \$ -               | \$ -               |                 |
| Office Rent                                                                       | -                   | -                  | \$ -               |                 |
| Office Costs                                                                      | 2,957               | 1,755              | \$ (1,202)         | -40.65%         |
| Professional Services                                                             | -                   | -                  | \$ -               |                 |
| Miscellaneous                                                                     | -                   | -                  | \$ -               |                 |
| <b>Total Operating Expenses</b>                                                   | <b>\$ 2,957</b>     | <b>\$ 1,755</b>    | <b>\$ (1,202)</b>  | <b>-40.65%</b>  |
| <b>Total Direct Expenses</b>                                                      | <b>\$ 686,531</b>   | <b>\$ 675,773</b>  | <b>\$ (10,758)</b> | <b>-1.57%</b>   |
| <b>Indirect Expenses</b>                                                          | <b>\$ 264,663</b>   | <b>\$ 269,501</b>  | <b>\$ 4,838</b>    | <b>1.83%</b>    |
| <b>Other Non-Operating Expenses</b>                                               | <b>\$ -</b>         | <b>\$ -</b>        | <b>\$ -</b>        |                 |
| <b>Total Expenses (B)</b>                                                         | <b>\$ 951,194</b>   | <b>\$ 945,274</b>  | <b>\$ (5,920)</b>  | <b>-0.62%</b>   |
| <b>Change in Net Assets (=A-B)</b>                                                | <b>\$ (108,285)</b> | <b>\$ (60,783)</b> | <b>\$ 47,502</b>   | <b>-43.87%</b>  |
| <b>Fixed Assets, excluding Right of Use Assets (C)</b>                            | <b>\$ 3,412</b>     | <b>\$ 2,416</b>    | <b>\$ (996)</b>    | <b>\$ (0)</b>   |
| <b>TOTAL BUDGET (B+C)</b>                                                         | <b>\$ 954,606</b>   | <b>\$ 947,690</b>  | <b>\$ (6,916)</b>  | <b>-0.72%</b>   |
| <b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>                                    | <b>\$ (111,697)</b> | <b>\$ (63,199)</b> | <b>\$ 48,498</b>   | <b>-43.42%</b>  |
| FTEs                                                                              | 3.00                | 3.00               | -                  | 0.00%           |
| HC                                                                                | 3.00                | 3.00               | -                  | 0.00%           |



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## Compliance Monitoring and Enforcement and Organization Registration and Certification Program

### Program Scope, Purpose, and Impact

The reliability and security of the BPS is the central focus of WECC's mission. The Reliability and Security Oversight department is integral to maintaining that focus and works with a growing number of Registered Entities in the Western Interconnection to promote a strong culture of reliability and security by focusing on known and emerging risks. Program area staff, who are independent of all users, owners, and operators of the BPS, ensure that Registered Entities mitigate risks to the BPS by implementing the NERC Organization Registration and Certification Program (ORCP) and the CMEP. Staff monitors and enforces the NERC Reliability Standards across 471<sup>3</sup> registered owners, operators, and users of the BPS through a variety of risk-based activities, delivering consistent, impartial, and meaningful, real-time feedback to the entities.

To accomplish its objectives, the program is divided into five main areas:

1. Organization Registration and Certification;
2. Oversight Planning;
3. Entity Monitoring;
4. Enforcement and Mitigation; and
5. Program Analysis and Administration.

Staff will perform delegated activities, consistent with ERO Enterprise guidance, including:

- Regional Risk Assessments;
- Oversight planning activities, including Inherent Risk Assessments (IRA);
- Organization Registration and Certification;
- Mitigation plan review, acceptance, and verification;
- Potential noncompliance reviews to assess extent of condition, root cause, and risk to BPS;
- Processing and disposition of entity self-logging and other minimal-risk issues;
- Enforcement of moderate- and serious-risk noncompliance through established risk-based approaches;
- Periodic Data Submittal review and validation;
- Internal Compliance Program assessments;
- Internal Controls Program reviews;
- Entity monitoring, including audits, spot-checks, self-certifications, investigations, and assessments of complaints;
- BES Exception Requests; and
- Targeted outreach activities.

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<sup>3</sup> As of February 21, 2025.

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## Compliance in Alberta, British Columbia, and Mexico

Alberta and British Columbia, Canada, and a portion of Baja California Norte, Mexico, are all part of the Western Interconnection and have adopted or are adopting mandatory Reliability Standards based on FERC-approved Standards. WECC has entered into agreements with the Alberta Market Surveillance Administrator (MSA) and the British Columbia Utilities Commission (BCUC) under which WECC performs various compliance monitoring and enforcement activities to help ensure reliability across international borders within the Western Interconnection. Mexico is not currently participating in WECC and Western Interconnection-related CMEP activities<sup>4</sup>.

### 2026 Key Budget Assumptions

- The volume and complexity of registration activities will increase in accordance with FERC's Order on IBRs and integration of renewable resources and related energy storage devices in the Western Interconnection, which included modifications to the registration criteria that will result in more IBRs that must register.
- An increase in certification reviews is anticipated with FERC Order 881's deadline requiring all transmission providers to use ambient adjusted ratings (AAR) as the basis for evaluating near-term transmission service to increase the accuracy of near-term line ratings, as entities that make frequent or significant functionality changes to their Energy Management Systems to meet AAR implementation requirements may require a certification review.
- All Inherent Risk Assessment and oversight planning activities are aligned around identifying, prioritizing, and addressing risks to the Western Interconnection. With trends in registration requests, the changing reliability and security landscape, and risk mitigation strategies, workloads of all program areas of the Reliability and Security Oversight department will increase under the risk-based framework.
- Monitoring activities for non-U.S. jurisdictions will continue according to the approved agreements and applicable compliance monitoring programs with Canadian authorities. In accordance with the NERC Rules of Procedure, Appendix 5A, WECC staff continues to participate in NERC-led Registration Review Panels.
- WECC fully supports ERO Enterprise efforts and activities to evaluate business practices, tools, consistency, implementation, and guidance within the risk-based CMEP. Staff will provide feedback to the ERO Enterprise on emerging and existing risks, with an emphasis on standards development, standards modification, monitoring approaches, enforcement considerations, and potential gaps.
- Legal fees related to any hearing that may arise are not budgeted and will be funded through working capital reserves. Costs related to hearing officers and procedures will be funded by NERC.

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<sup>4</sup> WECC has historically entered into an annual agreement with CRE; at the time of this filing, the regulatory environment in Mexico remains uncertain. WECC is monitoring this situation, while using other means to monitor the reliability of the Mexican portion of the BPS and is engaging with the appropriate Mexican authorities regarding the drafting of a new agreement.

- WECC will continue to support development, design, testing, training, and implementation of ERO Enterprise-wide maintenance and enhancement of the risk-based CMEP practices and tools. Specifically, WECC staff resources will be allocated to these activities for the ERO Enterprise Align tool, and the Secure Evidence Locker (SEL).
- Increased outreach, training, travel, and monitoring and enforcement are anticipated to help enhance registered entity programs as new or modified Reliability Standards that tackle changing risks in the Western Interconnection are developed.
- Maintenance and license fees for software tools (e.g., Box) increased due to contract pricing escalations.
- Targeted outreach is performed on key reliability and security risks through monthly webinars, biannual workshops, and supporting ERO Enterprise wide data collection efforts, analysis efforts.
- Two FTEs are added in Compliance Monitoring and Enforcement and Organization Registration and Certification in response to different and new types of work, to build improved depth and breadth of skillsets, to address enforcement inventory, and in response to the downstream increase of all related work from new registrants.

## 2026 Goals and Deliverables

- Enhance CMEP oversight strategies focused on a holistic approach to enhance the efficiency and effectiveness of the ERO Enterprise Risk-Based Framework and enhance oversight planning processes and provide a targeted approach for monitoring and outreach.
- Continue to enhance and improve processing times to reduce backlog and inventory statistics.
- Work with the ERO Enterprise and industry on development and deployment of effective internal controls and internal controls programs to monitor, detect, correct, and report to prevent deficiencies in compliance, reliability, and security.
- Continuously improve program processes and tools to adapt to changes in the industry.
- Deliver quantitative and qualitative results for Corporate Scorecard items and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Consult with the international compliance enforcement authorities to determine which elements of the risk based CMEP could provide value and should be incorporated in the respective programs for international entities. Currently, WECC does not conduct IRAs for international entities.
- Process BES Exception Requests and participate in NERC-led Review Panels.
- Provide continued outreach and training on the Align tool for staff and Registered Entities.
- Participate in ERO Enterprise collaboration groups to continue to build effective relationships and ensure ORCP and CMEP consistency, where applicable and appropriate, across Regional Entities.
- Increase scheduled monitoring activities (e.g., spot-checks, self-certifications with supporting evidence, investigations, compliance assessments, and complaint evaluations) based on emerging BPS risk.



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- Work strategically to enhance and improve tools and techniques to identify, understand, and quantify risk to the BPS sooner in the processing timeline, and use that information to craft more robust and comprehensive mitigation strategies.



## Compliance Monitoring and Enforcement Statement of Activities

### Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2025 Budget and 2026 Budget

#### COMPLIANCE MONITORING AND ENFORCEMENT AND ORGANIZATION REGISTRATION AND CERTIFICATION

|                                                        | 2025<br>Budget        | 2026<br>Budget        | Variance<br>(\$)    | Variance<br>(%) |
|--------------------------------------------------------|-----------------------|-----------------------|---------------------|-----------------|
| <b>Revenue</b>                                         |                       |                       |                     |                 |
| <b>Statutory Funding</b>                               |                       |                       |                     |                 |
| WECC Assessments                                       | \$ 18,167,528         | \$ 20,785,916         | \$ 2,618,388        | 14.41%          |
| Penalties Released                                     | 2,557                 | 24,339                | \$ 21,782           | 851.86%         |
| <b>Total Statutory Funding</b>                         | <b>\$ 18,170,085</b>  | <b>\$ 20,810,255</b>  | <b>\$ 2,640,170</b> | <b>14.53%</b>   |
| Membership Fees                                        | \$ -                  | \$ -                  | \$ -                |                 |
| Federal Grants                                         | -                     | -                     | \$ -                |                 |
| Services & Software                                    | -                     | -                     | \$ -                |                 |
| Workshops & Miscellaneous                              | 99,397                | 145,173               | \$ 45,776           |                 |
| Interest                                               | 581,132               | 583,029               | \$ 1,897            | 0.33%           |
| <b>Total Revenue (A)</b>                               | <b>\$ 18,850,614</b>  | <b>\$ 21,538,457</b>  | <b>\$ 2,687,843</b> | <b>14.26%</b>   |
| <b>Expenses</b>                                        |                       |                       |                     |                 |
| <b>Personnel Expenses</b>                              |                       |                       |                     |                 |
| Salaries                                               | \$ 10,754,742         | \$ 11,513,585         | \$ 758,843          | 7.06%           |
| Payroll Taxes                                          | 688,366               | 710,244               | \$ 21,878           | 3.18%           |
| Benefits                                               | 1,136,519             | 1,130,885             | \$ (5,634)          | -0.50%          |
| Retirement Costs                                       | 954,003               | 915,811               | \$ (38,192)         | -4.00%          |
| <b>Total Personnel Expenses</b>                        | <b>\$ 13,533,630</b>  | <b>\$ 14,270,525</b>  | <b>\$ 736,895</b>   | <b>5.44%</b>    |
| <b>Meeting Expenses</b>                                |                       |                       |                     |                 |
| Meetings & Conference Calls                            | \$ -                  | \$ -                  | \$ -                |                 |
| Travel                                                 | 606,370               | 589,330               | \$ (17,040)         | -2.81%          |
| <b>Total Meeting Expenses</b>                          | <b>\$ 606,370</b>     | <b>\$ 589,330</b>     | <b>\$ (17,040)</b>  | <b>-2.81%</b>   |
| <b>Operating Expenses, excluding Depreciation</b>      |                       |                       |                     |                 |
| Consultants & Contracts                                | \$ 12,000             | \$ 714,000            | \$ 702,000          | 5850.00%        |
| Office Rent                                            | -                     | -                     | \$ -                |                 |
| Office Costs                                           | 315,986               | 343,085               | \$ 27,099           | 8.58%           |
| Professional Services                                  | -                     | -                     | \$ -                |                 |
| Miscellaneous                                          | -                     | -                     | \$ -                |                 |
| <b>Total Operating Expenses</b>                        | <b>\$ 327,986</b>     | <b>\$ 1,057,085</b>   | <b>\$ 729,099</b>   | <b>222.30%</b>  |
| <b>Total Direct Expenses</b>                           | <b>\$ 14,467,986</b>  | <b>\$ 15,916,940</b>  | <b>\$ 1,448,954</b> | <b>10.01%</b>   |
| <b>Indirect Expenses</b>                               | <b>\$ 6,793,018</b>   | <b>\$ 7,096,866</b>   | <b>\$ 303,848</b>   | <b>4.47%</b>    |
| <b>Other Non-Operating Expenses</b>                    | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>         |                 |
| <b>Total Expenses (B)</b>                              | <b>\$ 21,261,004</b>  | <b>\$ 23,013,806</b>  | <b>\$ 1,752,802</b> | <b>8.24%</b>    |
| <b>Change in Net Assets (=A-B)</b>                     | <b>\$ (2,410,390)</b> | <b>\$ (1,475,349)</b> | <b>\$ 935,041</b>   | <b>-38.79%</b>  |
| <b>Fixed Assets, excluding Right of Use Assets (C)</b> | <b>\$ 87,584</b>      | <b>\$ 63,617</b>      | <b>\$ (23,967)</b>  | <b>\$ (0)</b>   |
| <b>TOTAL BUDGET (B+C)</b>                              | <b>\$ 21,348,588</b>  | <b>\$ 23,077,423</b>  | <b>\$ 1,728,835</b> | <b>8.10%</b>    |
| <b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>         | <b>\$ (2,497,974)</b> | <b>\$ (1,538,966)</b> | <b>\$ 959,008</b>   | <b>-38.39%</b>  |
| FTEs                                                   | 77.00                 | 79.00                 | 2.00                | 2.60%           |
| HC                                                     | 77.00                 | 79.00                 | 2.00                | 2.60%           |



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## Reliability Assessment and Performance Analysis

### Program Scope, Purpose, and Impact

As the West continues to face ever-growing and complex threats to the reliability and security of the BPS, it is essential that WECC staff and stakeholders collaborate to develop strategies to identify and mitigate these risks. RAPA staff, in conjunction with the technical committees, conducts a variety of assessments, analyses, and studies essential to the reliable planning and operation of the BPS in the Western Interconnection. Additionally, staff compiles and distributes data and information used by WECC and its stakeholders to help with regional and local planning efforts. These integrated assessment and planning activities enhance the West's overall ability to assess and mitigate potential reliability and security risks in the Western Interconnection.

To accomplish its objectives, the program is organized into four departments:

1. The **Operations Analysis Department** is responsible for three primary functional areas—Event Analysis, Performance Analysis, and Situation Awareness and Infrastructure Security (SAIS), whose budget is outlined in the SAIS Program. The department analyzes system conditions and events that affect or may affect the reliable operation of the BPS and analyzes the historical operation and performance of the Western Interconnection. The department's activities ensure that stakeholders, NERC, and FERC are well-informed of system events, emerging trends, lessons learned, and expected actions affecting BPS reliability. The analyses are used to assess interconnection-wide risks and vulnerabilities. The information produced helps identify best practices and mitigate potential risks.
2. The **Risk Analysis and Data Services Department** performs two main functions. The first, Risk Analysis, assesses interconnection-wide risks and vulnerabilities at the regional and entity levels. Using information gathered throughout the organization, and in coordination with the technical committees, the department identifies and tracks mitigation activities related to interconnection-wide risks. The second, Data Services, develops meaningful approaches to analyze and visualize information and data for consumption by the entire RAPA program area. The department collects various types of data such as NERC TADS, GADS, MIDAS and supports WECC's performance analysis obligations. Data Services specializes in data visualization used in reports, dashboards, and maps to help convey reliability risks to a wide stakeholder base.
3. The **Reliability Assessments Department** performs reliability assessments across multiple platforms, time frames, and tools. These assessments are performed in close coordination with NERC, WECC's technical committees, and other stakeholders. Assessments include historical operation of the Western Interconnection, forward-looking resource adequacy using deterministic and probabilistic methods, power flow and system stability analysis, and transmission utilization. Analysis is performed on a variety of future (up to 20 years out) scenarios of the Western Interconnection. The assessments are designed to address pertinent reliability risks informed by WECC's prioritized risks and other risks that may affect the reliability of the BPS.
4. The **Reliability Modeling Department** produces and distributes power system models of the Western Interconnection for use both within WECC and by stakeholders to perform reliability

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assessments. WECC is the NERC-designated, interconnection-wide model builder under the MOD-032 Reliability Standard. The department collects and distributes model data in a variety of formats and across multiple software tools.

The RAPA Program supports NERC's RAPA activities through targeted data gathering and participation in the Summer, Winter, Long-Term Reliability, and special assessments. The program also provides a technical advisory role in studies led by organizations such as national labs, universities, and the Department of Energy.

## 2026 Key Budget Assumptions

- Executive outreach to stakeholders increases.
- WECC and technical stakeholder group work will focus on understanding and treating priority reliability and security risks to the BES.
- WECC will respond to unanticipated emerging reliability risks and work with stakeholders to develop timely and meaningful reliability outreach and assessments.
- WECC will continue to participate in external meetings concerning the reliability, security, and resiliency of the BES.
- WECC will focus on expanding resource adequacy studies through increased stakeholder outreach.
- WECC will expand its generator weather readiness program.
- WECC will focus on continuous improvement and development of staff capabilities. Current capabilities will be reviewed and improved to enhance reliability assessments.
- Regional Risk Assessment results provide input on focus areas in the ERO CMEP Implementation Plan.
- WECC will continue to explore opportunities and implement new activities to provide value in transmission planning.
- WECC and the ERO Enterprise will identify ways to incorporate transfer capability analysis into ongoing reliability assessments.
- Transmission planning activities in the West will expand to incorporate longer-term (greater than 10-year) horizons.
- Reliability challenges associated with IBRs and extreme natural events will create a need for new data and tools (e.g., EMT programs) to study the impacts of these technologies and events.
- WECC will support various NERC reliability assessments and perform additional reliability assessments.

## 2026 Goals and Deliverables

- Work with stakeholders to develop a clear understanding of emerging risks to the BPS and associated mitigation strategies, particularly for the WECC prioritized risks.
- Ensure high precision of information and models used to assess the reliability of the BPS.
- Use advanced tools, techniques, and industry subject matter experts to identify system performance trends and vulnerabilities.



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- Hold reliability and security risk forums.
  - Continuously improve program processes and tools to adapt to changes in the industry.
  - Deliver quantitative and qualitative results for Corporate Scorecard items.
  - Deliver high-quality and influential work products focused on WECC's prioritized risks.
  - Use the Reliability Risk Management Process to align staff and stakeholder engagement on risk treatments within the Western Interconnection.
  - Ensure that WECC's RRA of the Western Interconnection is aligned with WECC prioritized risks and is refreshed annually.
  - Ensure the Western Interconnection is represented in reliability matters by participating in regional and national stakeholder forums.
  - Add value for a wide variety of stakeholders by developing reliability guidelines, technical white papers and reports, recommendations, and reference documents to address emerging issues, operational risks, and industry concerns related to system operations and transmission/resource planning.
  - Facilitate production cost, dynamic model, electromagnetic transient (EMT), and power flow tool development, focusing on new technology resources and concepts like energy storage and dynamic line ratings.
  - Implement technology solutions for enhanced data collection, validation, and storage.
  - Support Reliability Standards drafting activities by providing subject matter expertise to appropriate Standards Drafting Teams.
  - Promote reliability of the future transmission system in the Western Interconnection by supporting the WestTEC effort.
  - Successfully carry out all other RAPA delegated responsibilities.
  - Expand the use of performance and geospatial data to enhance the analysis of WECC's prioritized risks and identify emerging trends.

## Reliability Assessment and Performance Analysis Statement of Activities

### Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2025 Budget and 2026 Budget

#### RELIABILITY ASSESSMENT AND PERFORMANCE ANALYSIS

|                                                        | 2025<br>Budget        | 2026<br>Budget       | Variance<br>(\$)      | Variance<br>(%) |
|--------------------------------------------------------|-----------------------|----------------------|-----------------------|-----------------|
| <b>Revenue</b>                                         |                       |                      |                       |                 |
| <b>Statutory Funding</b>                               |                       |                      |                       |                 |
| WECC Assessments                                       | \$ 11,374,924         | \$ 11,092,619        | \$ (282,305)          | -2.48%          |
| Penalties Released                                     | 1,362                 | 12,939               | \$ 11,577             | 850.00%         |
| <b>Total Statutory Funding</b>                         | <u>\$ 11,376,286</u>  | <u>\$ 11,105,558</u> | <u>\$ (270,728)</u>   | <u>-2.38%</u>   |
| Membership Fees                                        | \$ -                  | \$ -                 | \$ -                  |                 |
| Federal Grants                                         | -                     | -                    | \$ -                  |                 |
| Services & Software                                    | -                     | -                    | \$ -                  |                 |
| Workshops & Miscellaneous                              | 52,926                | 77,181               | \$ 24,255             |                 |
| Interest                                               | 309,434               | 309,966              | \$ 532                | 0.17%           |
| <b>Total Revenue (A)</b>                               | <u>\$ 11,738,646</u>  | <u>\$ 11,492,705</u> | <u>\$ (245,941)</u>   | <u>-2.10%</u>   |
| <b>Expenses</b>                                        |                       |                      |                       |                 |
| <b>Personnel Expenses</b>                              |                       |                      |                       |                 |
| Salaries                                               | \$ 5,816,351          | \$ 6,104,030         | \$ 287,679            | 4.95%           |
| Payroll Taxes                                          | 368,322               | 371,857              | \$ 3,535              | 0.96%           |
| Benefits                                               | 589,810               | 600,508              | \$ 10,698             | 1.81%           |
| Retirement Costs                                       | 516,630               | 484,879              | \$ (31,751)           | -6.15%          |
| <b>Total Personnel Expenses</b>                        | <u>\$ 7,291,113</u>   | <u>\$ 7,561,274</u>  | <u>\$ 270,161</u>     | <u>3.71%</u>    |
| <b>Meeting Expenses</b>                                |                       |                      |                       |                 |
| Meetings & Conference Calls                            | \$ 38,676             | \$ 16,746            | \$ (21,930)           | -56.70%         |
| Travel                                                 | 197,585               | 206,301              | \$ 8,716              | 4.41%           |
| <b>Total Meeting Expenses</b>                          | <u>\$ 236,261</u>     | <u>\$ 223,047</u>    | <u>\$ (13,214)</u>    | <u>-5.59%</u>   |
| <b>Operating Expenses, excluding Depreciation</b>      |                       |                      |                       |                 |
| Consultants & Contracts                                | \$ 1,608,400          | \$ 318,400           | \$ (1,290,000)        | -80.20%         |
| Office Rent                                            | -                     | -                    | \$ -                  |                 |
| Office Costs                                           | 494,713               | 404,321              | \$ (90,392)           | -18.27%         |
| Professional Services                                  | -                     | -                    | \$ -                  |                 |
| Miscellaneous                                          | -                     | -                    | \$ -                  |                 |
| <b>Total Operating Expenses</b>                        | <u>\$ 2,103,113</u>   | <u>\$ 722,721</u>    | <u>\$ (1,380,392)</u> | <u>-65.64%</u>  |
| <b>Total Direct Expenses</b>                           | <u>\$ 9,630,487</u>   | <u>\$ 8,507,042</u>  | <u>\$ (1,123,445)</u> | <u>-11.67%</u>  |
| <b>Indirect Expenses</b>                               | <u>\$ 3,617,061</u>   | <u>\$ 3,773,017</u>  | <u>\$ 155,956</u>     | <u>4.31%</u>    |
| <b>Other Non-Operating Expenses</b>                    | <u>\$ -</u>           | <u>\$ -</u>          | <u>\$ -</u>           |                 |
| <b>Total Expenses (B)</b>                              | <u>\$ 13,247,548</u>  | <u>\$ 12,280,059</u> | <u>\$ (967,489)</u>   | <u>-7.30%</u>   |
| <b>Change in Net Assets (=A-B)</b>                     | <u>\$ (1,508,902)</u> | <u>\$ (787,354)</u>  | <u>\$ 721,548</u>     | <u>-47.82%</u>  |
| <b>Fixed Assets, excluding Right of Use Assets (C)</b> | <u>\$ 46,636</u>      | <u>\$ 33,822</u>     | <u>\$ (12,814)</u>    | <u>\$ (0)</u>   |
| <b>TOTAL BUDGET (B+C)</b>                              | <u>\$ 13,294,184</u>  | <u>\$ 12,313,881</u> | <u>\$ (980,303)</u>   | <u>-7.37%</u>   |
| <b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>         | <u>\$ (1,555,538)</u> | <u>\$ (821,176)</u>  | <u>\$ 734,362</u>     | <u>-47.21%</u>  |
| FTEs                                                   | 41.00                 | 42.00                | 1.00                  | 2.44%           |
| HC                                                     | 41.00                 | 42.00                | 1.00                  | 2.44%           |



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## Training and Outreach

The Training and Outreach Program informs, educates, and interacts directly with stakeholders on a range of topics including Reliability Standards, risk assessments, reliability planning and performance analysis, seasonal preparedness, the impact of policy on reliability, grid operations, and both cybersecurity and physical security.

This program is comprised of two of the three departments that make up the Strategic Engagement group—Training and Outreach and External Affairs. Both departments work with external stakeholders to facilitate and enhance the work of CMEP and RAPA by ensuring effective communications, education opportunities, and timely dialogue on critical reliability and security matters. Strategic Engagement also focuses on the timely production and distribution of high-quality analyses addressing reliability and security topics of interest and importance to stakeholders throughout the Western Interconnection. Providing education and information to policymakers is of particular importance. An understanding of the dynamics within the Western Interconnection through engagement with WECC's stakeholders is essential to effectively address reliability and security risks.

### 2026 Key Budget Assumptions

- WECC will host an increasing number of training and outreach events to inform stakeholder awareness of critical reliability issues, with specific focus on the greatest reliability risks.
- Two Reliability and Security Workshops will be held in-person at off-site locations.
- One Grid Fundamentals course will be held in-person at the WECC office.
- Virtual Training and Outreach formats will be used where appropriate.
- WECC will increase partnerships and collaboration with the ERO Enterprise where appropriate to expand stakeholder participation and to share subject matter expertise.
- Eventbrite fees for meeting registrations are anticipated to increase.

### 2026 Goals and Deliverables

- Maintain and continue to cultivate effective relationships with industry groups, WECC technical committees, ERO Enterprise, federal, state, and provincial regulators, policy- and decision-makers, and the broader reliability and security community.
- Engage in ongoing collaborations with national labs and educational institutions to match theory with practicality and actual grid response.
- Participate regionally and nationally (where appropriate) in seminars and conferences to promote the importance of BPS reliability and security.
- Increase inclusion of stakeholder perspectives and opportunities for collaboration into the product development process with the use of advisory groups.
- Assist other program areas in ensuring key studies and initiatives are aligned with the WECC Long-Term Strategy and Reliability Risk Priorities.
- Continue to refine stakeholder engagement strategies and outreach.
- Use multimedia and design strategies to develop new, more engaging, forms of interactions with stakeholders.

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- Improve program processes and tools continuously to respond to stakeholder feedback and adapt to changes in the industry.
  - Increase utilization of digitally dynamic products to improve stakeholder outreach and education.
  - Deliver quantitative and qualitative results for Corporate Scorecard items and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
  - Deliver Reliability & Security Oversight Monthly Update to educate and collaborate with stakeholders on various oversight activities.
  - Conduct webinars and workshops to expand awareness of reliability planning tools, modeling capabilities, and study results.
  - Continue to promote and facilitate three Grid Fundamentals courses to teach people who are new to the industry how the electric power system works, how it is managed, and how to better understand reliability issues.
  - Deliver two Reliability & Security Workshops to provide targeted outreach to address and mitigate key risks to reliability and security in the Western Interconnection.
  - Provide increased opportunities for stakeholder education through webinars and workshops to promote the reliability and security of the Western Interconnection. Topics include:
    - Current and future transmission planning studies throughout the Western Interconnection;
    - The top challenges to reliability of the BPS: IBRs, large loads, data centers, AI, transportation electrification;
    - Regulatory issues and trends; and
    - Event analysis.

## Training and Outreach Statement of Activities

### Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2025 Budget and 2026 Budget TRAINING AND OUTREACH

|                                                        | 2025<br>Budget      | 2026<br>Budget      | Variance<br>(\$)   | Variance<br>(%) |
|--------------------------------------------------------|---------------------|---------------------|--------------------|-----------------|
| <b>Revenue</b>                                         |                     |                     |                    |                 |
| <b>Statutory Funding</b>                               |                     |                     |                    |                 |
| WECC Assessments                                       | \$ 2,149,410        | \$ 2,370,248        | \$ 220,838         | 10.27%          |
| Penalties Released                                     | 315                 | 2,927               | \$ 2,612           | 829.21%         |
| <b>Total Statutory Funding</b>                         | <b>\$ 2,149,725</b> | <b>\$ 2,373,175</b> | <b>\$ 223,450</b>  | <b>10.39%</b>   |
| Membership Fees                                        | \$ -                | \$ -                | \$ -               |                 |
| Federal Grants                                         | -                   | -                   | \$ -               | #DIV/0!         |
| Services & Software                                    | -                   | -                   | \$ -               | #DIV/0!         |
| Workshops & Miscellaneous                              | 544,763             | 525,958             | \$ (18,805)        | -3.45%          |
| Interest                                               | 71,698              | 70,111              | \$ (1,587)         | -2.21%          |
| <b>Total Revenue (A)</b>                               | <b>\$ 2,766,186</b> | <b>\$ 2,969,244</b> | <b>\$ 203,058</b>  | <b>7.34%</b>    |
| <b>Expenses</b>                                        |                     |                     |                    |                 |
| <b>Personnel Expenses</b>                              |                     |                     |                    |                 |
| Salaries                                               | \$ 1,310,264        | \$ 1,373,830        | \$ 63,566          | 4.85%           |
| Payroll Taxes                                          | 80,854              | 81,182              | \$ 328             | 0.41%           |
| Benefits                                               | 136,291             | 133,268             | \$ (3,023)         | -2.22%          |
| Retirement Costs                                       | 116,505             | 109,231             | \$ (7,274)         | -6.24%          |
| <b>Total Personnel Expenses</b>                        | <b>\$ 1,643,914</b> | <b>\$ 1,697,511</b> | <b>\$ 53,597</b>   | <b>3.26%</b>    |
| <b>Meeting Expenses</b>                                |                     |                     |                    |                 |
| Meetings & Conference Calls                            | \$ 525,720          | \$ 501,120          | \$ (24,600)        | -4.68%          |
| Travel                                                 | 46,080              | 31,846              | \$ (14,234)        | -30.89%         |
| <b>Total Meeting Expenses</b>                          | <b>\$ 571,800</b>   | <b>\$ 532,966</b>   | <b>\$ (38,834)</b> | <b>-6.79%</b>   |
| <b>Operating Expenses, excluding Depreciation</b>      |                     |                     |                    |                 |
| Consultants & Contracts                                | \$ -                | \$ -                | \$ -               |                 |
| Office Rent                                            | -                   | -                   | \$ -               |                 |
| Office Costs                                           | 68,125              | 89,854              | \$ 21,729          | 31.90%          |
| Professional Services                                  | -                   | -                   | \$ -               |                 |
| Miscellaneous                                          | -                   | -                   | \$ -               |                 |
| <b>Total Operating Expenses</b>                        | <b>\$ 68,125</b>    | <b>\$ 89,854</b>    | <b>\$ 21,729</b>   | <b>31.90%</b>   |
| <b>Total Direct Expenses</b>                           | <b>\$ 2,283,839</b> | <b>\$ 2,320,331</b> | <b>\$ 36,492</b>   | <b>1.60%</b>    |
| <b>Indirect Expenses</b>                               | <b>\$ 838,100</b>   | <b>\$ 853,421</b>   | <b>\$ 15,321</b>   | <b>1.83%</b>    |
| <b>Other Non-Operating Expenses</b>                    | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>        |                 |
| <b>Total Expenses (B)</b>                              | <b>\$ 3,121,939</b> | <b>\$ 3,173,752</b> | <b>\$ 51,813</b>   | <b>1.66%</b>    |
| <b>Change in Net Assets (=A-B)</b>                     | <b>\$ (355,753)</b> | <b>\$ (204,508)</b> | <b>\$ 151,245</b>  | <b>-42.51%</b>  |
| <b>Fixed Assets, excluding Right of Use Assets (C)</b> | <b>\$ 10,806</b>    | <b>\$ 7,650</b>     | <b>\$ (3,156)</b>  | <b>\$ (0)</b>   |
| <b>TOTAL BUDGET (B+C)</b>                              | <b>\$ 3,132,745</b> | <b>\$ 3,181,402</b> | <b>\$ 48,657</b>   | <b>1.55%</b>    |
| <b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>         | <b>\$ (366,559)</b> | <b>\$ (212,158)</b> | <b>\$ 154,401</b>  | <b>-42.12%</b>  |
| FTEs                                                   | 9.50                | 9.50                | -                  | 0.00%           |
| HC                                                     | 9.00                | 9.00                | -                  | 0.00%           |





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## Situation Awareness and Infrastructure Security

### Program Scope, Purpose, and Impact

The Situation Awareness and Infrastructure Security (SAIS) Program maintains near-real-time awareness of conditions and potential risks to the reliability and security of the BPS in the Western Interconnection. WECC has access to limited near-real-time data through the Situation Awareness for FERC, NERC, and the Regions (SAFNR) tool, the Plant Information (PI) system, and the University of Tennessee Frequency Monitoring NETwork (FNET), as well as messaging systems used by the RCs notifying the SA team when there has been an outage to a line or generation source.

The SAIS Program works to understand system and security issues when they emerge and coordinate with relevant parties (typically NERC and FERC) about the conditions of the BPS. Through this coordination, WECC identifies patterns and trends that will help build a stronger and more resilient system. Staff responds to events by providing coordination, assistance, and communication with the RCs, stakeholders, and NERC SAIS personnel. SAIS work also supports event analysis capabilities.

### 2026 Key Budget Assumptions

- Cybersecurity and physical security threats will continue to increase as the grid digitizes and evolves. WECC will work with stakeholders and support the E-ISAC, WECC Cyber and Physical Security Forums, and other stakeholder groups to focus on security outreach and education.
- WECC will support NERC and FERC's efforts for situation awareness of current system conditions.
- WECC will maximize sharing of reliability and security data, within agreed parameters, and insights from Events Analysis, including near misses, to enhance understanding of reliability and security issues, promote operational excellence, promptly share best practices and lessons learned, and engage third-party experts to expand capabilities and resources applied to critical reliability and security issues.
- Technical stakeholder groups will support the development of lessons learned and recommendations from events and reliability and security risks.

### 2026 Goals and Deliverables

- Continuously improve program processes and tools to adapt to changes in the industry.
- Deliver quantitative and qualitative results for Corporate Scorecard items.
- Monitor system events, collect information, and coordinate prompt distribution of updates on system events to industry stakeholders and NERC SAIS personnel.
- Work with NERC to monitor system data, weather, and technological developments to understand trends that affect reliability for the near- and long-term horizons.
- Coordinate the communication of critical information in daily NERC SAIS meetings and the NERC Crisis Action Plan meetings.
- Support efforts and work to develop and enhance ways to improve the use of SAFNR, the PI system, and other tools to further support SAIS.



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- Improve reliability readiness by participating in periodic wide-area security exercises (e.g., GridEx, Monitoring and Situation Awareness Workshop, NERC Alerts).
  - Promote rapid and appropriate sharing of situation awareness information to support critical infrastructure security.
  - Enhance engagement with Western stakeholders to improve the coordination and sharing of appropriate security information by hosting the annual Security Conference.

## Situation Awareness and Infrastructure Security Statement of Activities

### Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2025 Budget and 2026 Budget

#### SITUATION AWARENESS AND INFRASTRUCTURE SECURITY

|                                                        | 2025<br>Budget     | 2026<br>Budget     | Variance<br>(\$)  | Variance<br>(%) |
|--------------------------------------------------------|--------------------|--------------------|-------------------|-----------------|
| <b>Revenue</b>                                         |                    |                    |                   |                 |
| <b>Statutory Funding</b>                               |                    |                    |                   |                 |
| WECC Assessments                                       | \$ 507,844         | \$ 552,583         | \$ 44,739         | 8.81%           |
| Penalties Released                                     | 66                 | 616                | \$ 550            | 833.33%         |
| <b>Total Statutory Funding</b>                         | <b>\$ 507,910</b>  | <b>\$ 553,199</b>  | <b>\$ 45,289</b>  | <b>8.92%</b>    |
| Membership Fees                                        | \$ -               | \$ -               | \$ -              |                 |
| Federal Grants                                         | -                  | -                  | \$ -              |                 |
| Services & Software                                    | -                  | -                  | \$ -              |                 |
| Workshops & Miscellaneous                              | 2,582              | 3,675              | \$ 1,093          |                 |
| Interest                                               | 15,094             | 14,760             | \$ (334)          | -2.21%          |
| <b>Total Revenue (A)</b>                               | <b>\$ 525,586</b>  | <b>\$ 571,634</b>  | <b>\$ 46,048</b>  | <b>8.76%</b>    |
| <b>Expenses</b>                                        |                    |                    |                   |                 |
| <b>Personnel Expenses</b>                              |                    |                    |                   |                 |
| Salaries                                               | \$ 314,564         | \$ 338,501         | \$ 23,937         | 7.61%           |
| Payroll Taxes                                          | 20,700             | 21,658             | \$ 958            | 4.63%           |
| Benefits                                               | 30,426             | 30,592             | \$ 166            | 0.55%           |
| Retirement Costs                                       | 27,995             | 27,080             | \$ (915)          | -3.27%          |
| <b>Total Personnel Expenses</b>                        | <b>\$ 393,685</b>  | <b>\$ 417,831</b>  | <b>\$ 24,146</b>  | <b>6.13%</b>    |
| <b>Meeting Expenses</b>                                |                    |                    |                   |                 |
| Meetings & Conference Calls                            | \$ -               | \$ -               | \$ -              |                 |
| Travel                                                 | 19,250             | 10,849             | \$ (8,401)        | -43.64%         |
| <b>Total Meeting Expenses</b>                          | <b>\$ 19,250</b>   | <b>\$ 10,849</b>   | <b>\$ (8,401)</b> | <b>-43.64%</b>  |
| <b>Operating Expenses, excluding Depreciation</b>      |                    |                    |                   |                 |
| Consultants & Contracts                                | \$ -               | \$ -               | \$ -              |                 |
| Office Rent                                            | -                  | -                  | \$ -              |                 |
| Office Costs                                           | 3,600              | 2,520              | \$ (1,080)        | -30.00%         |
| Professional Services                                  | -                  | -                  | \$ -              |                 |
| Miscellaneous                                          | -                  | -                  | \$ -              |                 |
| <b>Total Operating Expenses</b>                        | <b>\$ 3,600</b>    | <b>\$ 2,520</b>    | <b>\$ (1,080)</b> | <b>-30.00%</b>  |
| <b>Total Direct Expenses</b>                           | <b>\$ 416,517</b>  | <b>\$ 431,200</b>  | <b>\$ 14,665</b>  | <b>3.52%</b>    |
| <b>Indirect Expenses</b>                               | <b>\$ 176,442</b>  | <b>\$ 179,667</b>  | <b>\$ 3,225</b>   | <b>1.83%</b>    |
| <b>Other Non-Operating Expenses</b>                    | <b>\$ -</b>        | <b>\$ -</b>        | <b>\$ -</b>       |                 |
| <b>Total Expenses (B)</b>                              | <b>\$ 592,959</b>  | <b>\$ 610,867</b>  | <b>\$ 17,908</b>  | <b>3.02%</b>    |
| <b>Change in Net Assets (=A-B)</b>                     | <b>\$ (67,373)</b> | <b>\$ (39,233)</b> | <b>\$ 28,140</b>  | <b>-41.77%</b>  |
| <b>Fixed Assets, excluding Right of Use Assets (C)</b> | <b>\$ 2,275</b>    | <b>\$ 1,611</b>    | <b>\$ (664)</b>   | <b>\$ (0)</b>   |
| <b>TOTAL BUDGET (B+C)</b>                              | <b>\$ 595,234</b>  | <b>\$ 612,478</b>  | <b>\$ 17,244</b>  | <b>2.90%</b>    |
| <b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>         | <b>\$ (69,648)</b> | <b>\$ (40,844)</b> | <b>\$ 28,804</b>  | <b>-41.36%</b>  |
| FTEs                                                   | 2.00               | 2.00               | -                 | 0.00%           |
| HC                                                     | 2.00               | 2.00               | -                 | 0.00%           |



## Corporate Services

| <b>Corporate Services</b><br>(in whole dollars)<br><b>Direct Expenses and Fixed Assets</b> |                      |                      |                        |                        |                        |                        |
|--------------------------------------------------------------------------------------------|----------------------|----------------------|------------------------|------------------------|------------------------|------------------------|
|                                                                                            | 2025 Budget          | 2026 Budget          | Increase<br>(Decrease) | FTEs<br>2025<br>Budget | FTEs<br>2026<br>Budget | Increase<br>(Decrease) |
| Committee and Member Forums                                                                | \$ -                 | \$ -                 | \$ -                   | -                      | -                      | -                      |
| General and Administrative                                                                 | \$ 6,110,050         | \$ 6,325,595         | \$ 215,545             | 19.00                  | 17.50                  | (1.50)                 |
| Legal and Regulatory                                                                       | \$ 1,142,835         | \$ 1,273,986         | \$ 131,151             | 3.50                   | 4.00                   | 0.50                   |
| Information Technology                                                                     | \$ 3,810,520         | \$ 4,177,585         | \$ 367,065             | 13.00                  | 14.00                  | 1.00                   |
| Human Resources                                                                            | \$ 1,219,717         | \$ 1,200,673         | \$ (19,044)            | 4.00                   | 4.00                   | -                      |
| Accounting and Finance                                                                     | \$ 718,535           | \$ 753,974           | \$ 35,439              | 3.00                   | 3.00                   | -                      |
| <b>Total Corporate Services*</b>                                                           | <b>\$ 13,001,657</b> | <b>\$ 13,731,813</b> | <b>\$ 730,156</b>      | <b>42.50</b>           | <b>42.50</b>           | <b>-</b>               |

\*WECC's 2026 preliminary Corporate Services budget (direct expenses plus fixed assets) is \$13,731,813 of which \$1,450,225 is allocated to non-statutory activities. As a result of the allocation of direct expenses and fixed assets to the non-statutory function, the final 2026 Corporate Services budget is \$12,281,588, which is a \$441,591 increase from the 2025 budget after direct expense and fixed asset allocations.

## Program Scope, Purpose, and Impact

Corporate Services encompasses the following areas and includes all business and administrative functions of the organization:

- General and Administrative;
- Legal and Regulatory;
- Information Technology;
- Human Resources; and
- Finance and Accounting.

These support functions are foundational for the existence and successful operation of the organization. Corporate Services also provides executive leadership, corporate communications, and administrative and technical support for staff, committees, members, and stakeholders.

## Method for Allocation of Corporate Services Expenses to Programs

Corporate Services expenses are allocated to statutory and non-statutory program areas based on FTEs.

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## **General and Administrative**

### **Program Scope, Purpose, and Impact**

The General and Administrative Program provides executive leadership; enterprise security; communications; project management, and administrative support for staff, committees, and members to ensure successful business operations, consistency of service delivery, and high-quality customer service for internal and external stakeholders; as well as logistics support for the office and meeting facilities. In addition, this program accounts for indirect costs like Office Rent that benefit all areas of the organization.

### **2026 Key Budget Assumptions**

- Executive outreach to stakeholders increases.
- WECC staff will provide the same level of meetings and meeting support as 2025 for the Board of Directors and Board Committees.
- Salt Lake City, Utah is the Board-approved location for the 2026 Annual Meeting.
- Board Directors will be compensated according to the 2025 Board compensation structure, and compensation is expected to increase.
- WECC's unused office space is subleased.

### **2026 Goals and Deliverables**

- Continuously improve program processes and tools to adapt to changes in the industry.
- Deliver quantitative and qualitative results for Corporate Scorecard items and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Provide strong executive leadership and strategic guidance for WECC's activities and ensure WECC supports the ERO Enterprise Long-Term Strategy and meets the expectations of the Regional Delegation Agreement.
- Provide excellent support and logistics coordination for the Board and Board committees.
- Identify opportunities for efficiencies and increased effectiveness of meetings and stakeholder services teams.
- Enhance internal and external communications to increase employee and stakeholder engagement.
- Continue to improve and enhance WECC's security posture and programs.

## **Legal and Regulatory**

### **Program Scope, Purpose, and Impact**

The Legal and Regulatory Program provides coordinated legal services and subject matter expertise to the Board, committees, and staff, in addition to consistent legal interpretations of relevant statutes, regulations, court opinions, and regulatory decisions. Legal is also responsible for enterprise risk management: identifying particular events or circumstances relevant to the organization, assessing their likelihood and their magnitude of impact, determining a response strategy, and monitoring risk status over time. This program is also responsible for WECC's Long-Term Strategy refreshes and Corporate Scorecard development and monitoring. On occasion, major efforts may be outsourced to



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select law firms, but the responsibility for all legal matters remains with Legal and Regulatory. WECC's broad scope of activities requires significant legal support and review. Arranging for legal support is complicated by the technical nature of this developing area of law, and there are many potential areas of conflict prohibiting the use of law firms with energy practices.

## **2026 Key Budget Assumptions**

- The scope of current Legal operations will be maintained.
- Reliance on outside legal counsel is minimal.
- Business insurance premiums increase by a modest amount.
- FTEs increase by 0.5 due to the removal of an allocation to the General and Administrative area resulting from changes in scope of work.

## **2026 Goals and Deliverables**

- Continuously improve program processes and tools.
- Deliver quantitative and qualitative results for Corporate Scorecard items and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Provide efficient, cost-effective legal support to the Board, committees, and staff through a combination of in-house and outside resources.
- Advise staff on legal matters by participating in the development of products and ensuring protected information and data is not compromised.
- Coordinate with the ERO Enterprise legal group to identify and share best practices.

## **Information Technology**

### **Program Scope, Purpose, and Impact**

The Information Technology (IT) Program provides enterprise and desktop systems, applications, security monitoring and support, and technical expertise. This includes physical security and cybersecurity risk mitigation—including end-user training, and operational support for hardware, software, database, system administration, network, data center and cloud operations, email, and telephony. IT implements new technology solutions using staff and external service providers to improve the security, effectiveness, and efficiency of business processes and operations. IT provides resources and tools to enable the organization to meet evolving requirements in support of its mission and delegated responsibilities. System and operational enhancements enable higher levels of security and enhanced business capabilities for our hybrid workforce, including evolving cloud-based services and tools.

## **2026 Key Budget Assumptions**

- WECC will increase security capabilities with more access controls and enhanced threat monitoring, detection, and reporting tools due to the ever-changing cybersecurity landscape.
- Internal and external penetration tests on the network and systems will be performed annually.
- IT will select, implement, and train users on a more robust organization-wide data reporting tool for increased data visualization, analytical, and reporting capabilities.



- Consultants will be used for project-based work to augment staff skill sets.
- IT will continue to drive long-term levelized costs by obtaining subscription services for software and infrastructure when practical.
- To retain vendor support and to reduce unplanned outages, desktop computer equipment will be replaced every four years, servers every five years, and network equipment every seven to 10 years.
- IT will continue to work collaboratively to share and make the most of the knowledge across the ERO Enterprise, minimize duplication of effort and investments, and improve operational efficiency, in support of the ERO Enterprise IT Strategy.
- One Database Engineer is added for support of expanded data workloads.

## 2026 Goals and Deliverables

- Continuously improve program processes and tools.
- Deliver quantitative and qualitative results for Corporate Scorecard items and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Provide enhanced enterprise data management and reporting tools and communication capabilities.
- Create centralized database service, automated workflow processes, network and traffic monitoring, and other tools to organize a growing volume of electronic data.
- Enhance the capabilities, performance, and security controls for mobile device use and remote workers.
- Continuously improve WECC's security program and posture due to the critical nature of some of WECC's data and evolving cybersecurity risks.
- Provide increased business intelligence and reporting tools to the Enterprise.

## Human Resources

### Program Scope, Purpose, and Impact

The Human Resources (HR) Program is responsible for the delivery of all HR functions to ensure WECC is viewed as an employer of choice with highly skilled, collaborative, and engaged employees who are committed to WECC's mission. Responsibilities include recruitment, compensation, benefits, safety, health and wellness, employee relations, personal and professional development, succession planning, knowledge transfer, and leadership and employee engagement. HR also maintains employee-data systems and ensures compliance with employment-related federal and state laws.

### 2026 Key Budget Assumptions

- Total WECC headcount increases by six in 2026.
- WECC's current benefit levels are maintained.
- Employee engagement efforts are continually refined and adjusted to retain talent and build on WECC's strong cultural foundation. Specific focus will be on supporting and enhancing interactions and relationships with a distributed workforce.



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- Management development and training will continue to be prioritized with a focus on written and interpersonal communication, accountability, coaching, and process improvement.
  - NERC's Learning Management System and LinkedIn Learning are used as training resources for employees.

## **2026 Goals and Deliverables**

- Continuously improve program processes and tools.
- Deliver quantitative and qualitative results for Corporate Scorecard items and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Target national markets for most positions, allowing WECC to hire from a larger candidate pool of highly skilled talent.
- Enhance all facets of the employee experience to achieve lower levels of turnover.
- Minimize employee skills gaps through the identification of critical technical skills, knowledge assessment criteria, and competency-based career pathing with a focus on targeted internal and external professional development/education, knowledge transfer efforts, and succession planning.
- Increase the effectiveness of performance management processes through manager training and development.
- Conduct training on interpersonal skills; harassment prevention; and other topics for all employees and managers.
- Deliver a comprehensive yet affordable benefits package to retain current employees and attract prospective employees while managing costs.
- Expand recruiting efforts through college campus outreach, social media platforms, and employee referral programs.

## **Finance and Accounting**

### **Program Scope, Purpose, and Impact**

The Finance and Accounting Program provides accounting and financial analysis and helps coordinate the financial reporting and budgeting cycles with stakeholders. The program is responsible for payroll, accounts payable, accounts receivable, budgeting, forecasting, fixed assets management, banking, cash management, tax filings, and financial reporting. The program reports financial results in a timely and effective manner to help departments recognize and seize opportunities for improvement in current and future activities. Accounting works with stakeholders and provides outreach to help increase understanding of annual budget requests.

### **2026 Key Budget Assumptions**

- Interest rates remain steady, and investment income is conservatively budgeted.
- Bank and investment fees increase.
- Current accounting systems and controls are effective.
- Software licensing fees increase.





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## 2026 Goals and Deliverables

- Continuously improve accounting processes and tools.
- Deliver quantitative and qualitative results for Corporate Scorecard items and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Provide regular financial education to the management team and budget managers.
- Identify and implement efficiencies in financial processes and increase the effectiveness of budgeting and financial reporting.
- Help departments effectively manage resources and operate within approved budgets.
- Ensure effective financial controls are in place, including routine monitoring of spending compared to budget.
- Provide quality reporting and financial analysis to managers, executives, the FAC, and the Board.
- Maintain secure and reliable cloud-based software.

## Corporate Services Statement of Activities

### Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2025 Budget and 2026 Budget CORPORATE SERVICES

|                                                        | 2025<br>Budget         | 2026<br>Budget         | Variance<br>(\$)    | Variance<br>(%) |
|--------------------------------------------------------|------------------------|------------------------|---------------------|-----------------|
| <b>Revenue</b>                                         |                        |                        |                     |                 |
| <b>Statutory Funding</b>                               |                        |                        |                     |                 |
| WECC Assessments                                       | \$ -                   | \$ -                   | \$ -                |                 |
| Penalties Released                                     | -                      | -                      | \$ -                |                 |
| <b>Total Statutory Funding</b>                         | <u>\$ -</u>            | <u>\$ -</u>            | <u>\$ -</u>         |                 |
| Membership Fees                                        | \$ -                   | \$ -                   | \$ -                |                 |
| Federal Grants                                         | -                      | -                      | \$ -                |                 |
| Services & Software                                    | -                      | -                      | \$ -                |                 |
| Workshops & Miscellaneous                              | -                      | -                      | \$ -                |                 |
| Interest                                               | -                      | -                      | \$ -                |                 |
| <b>Total Revenue (A)</b>                               | <u>\$ -</u>            | <u>\$ -</u>            | <u>\$ -</u>         |                 |
| <b>Expenses</b>                                        |                        |                        |                     |                 |
| <b>Personnel Expenses</b>                              |                        |                        |                     |                 |
| Salaries                                               | \$ 5,716,487           | \$ 6,148,281           | \$ 431,794          | 7.55%           |
| Payroll Taxes                                          | 345,226                | 360,387                | \$ 15,161           | 4.39%           |
| Benefits                                               | 997,372                | 1,048,629              | \$ 51,257           | 5.14%           |
| Retirement Costs                                       | 537,590                | 491,183                | \$ (46,407)         | -8.63%          |
| <b>Total Personnel Expenses</b>                        | <u>\$ 7,596,675</u>    | <u>\$ 8,048,480</u>    | <u>\$ 451,805</u>   | <u>5.95%</u>    |
| <b>Meeting Expenses</b>                                |                        |                        |                     |                 |
| Meetings & Conference Calls                            | \$ 70,920              | \$ 93,302              | \$ 22,382           | 31.56%          |
| Travel                                                 | 171,624                | 188,256                | \$ 16,632           | 9.69%           |
| <b>Total Meeting Expenses</b>                          | <u>\$ 242,544</u>      | <u>\$ 281,558</u>      | <u>\$ 39,014</u>    | <u>16.09%</u>   |
| <b>Operating Expenses, excluding Depreciation</b>      |                        |                        |                     |                 |
| Consultants & Contracts                                | \$ 277,000             | \$ 463,000             | \$ 186,000          | 67.15%          |
| Office Rent                                            | 1,328,263              | 1,326,433              | \$ (1,830)          | -0.14%          |
| Office Costs                                           | 2,063,975              | 2,123,117              | \$ 59,142           | 2.87%           |
| Professional Services                                  | 1,327,700              | 1,367,225              | \$ 39,525           | 2.98%           |
| Miscellaneous                                          | -                      | -                      | \$ -                |                 |
| <b>Total Operating Expenses</b>                        | <u>\$ 4,996,938</u>    | <u>\$ 5,279,775</u>    | <u>\$ 282,837</u>   | <u>5.66%</u>    |
| <b>Total Direct Expenses</b>                           | <u>\$ 12,836,157</u>   | <u>\$ 13,609,813</u>   | <u>\$ 773,656</u>   | <u>6.03%</u>    |
| <b>Indirect Expenses</b>                               | <u>\$ (12,836,157)</u> | <u>\$ (13,609,813)</u> | <u>\$ (773,656)</u> | <u>6.03%</u>    |
| <b>Other Non-Operating Expenses</b>                    | <u>\$ -</u>            | <u>\$ -</u>            | <u>\$ -</u>         |                 |
| <b>Total Expenses (B)</b>                              | <u>\$ -</u>            | <u>\$ -</u>            | <u>\$ -</u>         |                 |
| <b>Change in Net Assets (=A-B)</b>                     | <u>\$ -</u>            | <u>\$ -</u>            | <u>\$ -</u>         |                 |
| <b>Fixed Assets, excluding Right of Use Assets (C)</b> | <u>\$ -</u>            | <u>\$ -</u>            | <u>\$ -</u>         |                 |
| <b>TOTAL BUDGET (B+C)</b>                              | <u>\$ -</u>            | <u>\$ -</u>            | <u>\$ -</u>         |                 |
| <b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>         | <u>\$ -</u>            | <u>\$ -</u>            | <u>\$ -</u>         |                 |
| FTEs                                                   | 42.50                  | 42.50                  | -                   | 0.00%           |
| HC                                                     | 43.00                  | 43.00                  | -                   | 0.00%           |

# Non-Statutory Program

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**Goals, Budget Assumptions, and Statements of Activities**

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## 2026 Non-Statutory Budget Overview

Over the last decade, the use of renewable energy and the need to have reliable, credible information for compliance and voluntary renewable usage has increased. States and provinces across the continent are increasing both the amount of renewable energy they are requiring and how they count this energy for compliance. Current and proposed legislation around the West anticipates the increased use of renewable energy through the end of the decade and beyond. The Western Renewable Energy Generation Information System (WREGIS) budget assumes that increased renewable energy penetration will require increased resources from WREGIS.

### Budget and Funding Summary

WECC's proposed 2026 non-statutory budget is \$4,638,000, a \$945,000 (26.0%) increase from the 2025 non-statutory budget. Non-statutory funding, derived predominantly from activity-based fees, is budgeted at \$3,568,000, a \$308,000 (9.4%) increase from 2025.

### Major Budget Drivers

#### Funding Sources

- Membership Fees increase due to an anticipated increase in program participation and expansions of some programs.
- Interest remains stable due to anticipated rates of return on investments.

#### Personnel Expenses

- Three FTEs are added due to program growth, program expansion, and new fuel type tracking requirements, which are all being driven by state renewable portfolio standards targets in the coming years.
- 3% merit and 1% market adjustment pools.
- Adjustments to compensation based on data from a salary survey to enable us to remain competitive with the market and hire and retain highly skilled employees.
- Refinement of payroll tax and benefits enrollment rates and premiums.
- Labor float assumption changes based on actual turnover and vacancy rates.

#### Meeting Expenses

- Travel increases due to increased on-site audit activities to assist program participants with training and compliance and in-person staff training.

#### Indirect Expenses

- Indirect Expenses increase due to three FTEs added in this program and an increase in Corporate Services expenses. Corporate Services expenses are allocated to statutory and non-statutory program areas based on FTEs.



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## Consultants and Contracts

- Consulting increases to provide project management and documentation assistance for various software projects.

## Computer/Software Maintenance & Licenses

- Software costs increase due to escalations in software licensing fees as well as new software for a help desk solution.

## WREGIS Business Update

WECC and CleanCounts (f/k/a M-RETS) have an agreement under which CleanCounts currently provides software services to support WREGIS. This agreement ends on December 31, 2027, and CleanCounts has opted not to extend the agreement beyond this date.

The expiration of the current software agreement with CleanCounts has created an opportunity to consider WREGIS's future and how WREGIS can best meet the needs of its users and the programs it serves. To assist in determining the best path forward for WREGIS, WECC retained a consultant who has assisted us in conducting a thorough assessment of a variety of potential paths forward for WREGIS. The consultant offered an independent perspective on what is best for WREGIS and its many stakeholders and for WECC.

At WECC's June 2025 Board Meeting, recommendations were presented to WECC's Board. Based upon those recommendations, the Board has instructed as follows:

- WECC will issue an RFP to third-party software developers for the development of custom software to meet the needs of WREGIS and its customers and stakeholders; and
- WECC will explore separation of WREGIS from WECC, establishing WREGIS as an independent company focused solely upon meeting the needs of its customers, stakeholders, and programs in the West. This change would allow WECC to focus solely on its delegated responsibilities under its Regional Delegation Agreement.

WECC anticipates that both the software development work and the separation of WREGIS from WECC will be completed by December 31, 2027, at the very latest to minimize disruption to WREGIS's customers. All expenditures incurred related to the software development and the establishment of the new entity will be funded by non-statutory program revenue and reserves. Currently, there is uncertainty surrounding the impact to WECC's non-statutory 2026 budget for WREGIS, so nothing is included in the 2026 budget related to the software or the separation of WREGIS from WECC.

## WREGIS Statement of Activities

| Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital |                     |                     |                                                             |                       |                     |                 |
|-----------------------------------------------------------------------------------|---------------------|---------------------|-------------------------------------------------------------|-----------------------|---------------------|-----------------|
| 2025 Budget & Projection, and 2026 Budget                                         |                     |                     |                                                             |                       |                     |                 |
| NON-STATUTORY                                                                     |                     |                     |                                                             |                       |                     |                 |
|                                                                                   | 2025<br>Budget      | 2025<br>Projection  | Variance<br>2025 Budget v<br>2025 Projection<br>Over(Under) | 2026<br>Budget        | Variance<br>(\$)    | Variance<br>(%) |
| <b>Revenue</b>                                                                    |                     |                     |                                                             |                       |                     |                 |
| <b>Statutory Funding</b>                                                          |                     |                     |                                                             |                       |                     |                 |
| WECC Assessments                                                                  | \$ -                | \$ -                | \$ -                                                        | \$ -                  | \$ -                |                 |
| Penalties Released                                                                | -                   | -                   | -                                                           | -                     | -                   |                 |
| <b>Total Statutory Funding</b>                                                    | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>                                                 | <u>\$ -</u>           | <u>\$ -</u>         |                 |
| Membership Fees                                                                   | \$ 3,077,375        | \$ 3,196,796        | \$ 119,421                                                  | 3,385,000             | \$ 307,625          | 10.00%          |
| Federal Grants                                                                    | -                   | -                   | -                                                           | -                     | -                   |                 |
| Services & Software                                                               | -                   | -                   | -                                                           | -                     | -                   |                 |
| Workshops & Miscellaneous                                                         | 2,500               | 1,800               | (700)                                                       | 2,500                 | -                   | 0.00%           |
| Interest                                                                          | 180,000             | 304,713             | 124,713                                                     | 180,000               | -                   | 0.00%           |
| <b>Total Revenue (A)</b>                                                          | <u>\$ 3,259,875</u> | <u>\$ 3,503,309</u> | <u>\$ 243,434</u>                                           | <u>\$ 3,567,500</u>   | <u>\$ 307,625</u>   | <u>9.44%</u>    |
| <b>Expenses</b>                                                                   |                     |                     |                                                             |                       |                     |                 |
| <b>Personnel Expenses</b>                                                         |                     |                     |                                                             |                       |                     |                 |
| Salaries                                                                          | \$ 1,139,845        | \$ 1,029,073        | \$ (110,772)                                                | \$ 1,390,198          | \$ 250,353          | 21.96%          |
| Payroll Taxes                                                                     | 72,898              | 69,230              | (3,668)                                                     | 85,687                | 12,789              | 17.54%          |
| Benefits                                                                          | 174,656             | 140,508             | (34,148)                                                    | 201,563               | 26,907              | 15.41%          |
| Retirement Costs                                                                  | 101,295             | 91,774              | (9,521)                                                     | 110,735               | 9,440               | 9.32%           |
| <b>Total Personnel Expenses</b>                                                   | <u>\$ 1,488,694</u> | <u>\$ 1,330,585</u> | <u>\$ (158,109)</u>                                         | <u>\$ 1,788,183</u>   | <u>\$ 299,489</u>   | <u>20.12%</u>   |
| <b>Meeting Expenses</b>                                                           |                     |                     |                                                             |                       |                     |                 |
| Meetings & Conference Calls                                                       | \$ 5,200            | \$ 3,439            | \$ (1,761.00)                                               | \$ 5,400              | \$ 200              | 3.85%           |
| Travel                                                                            | 46,830              | 43,299              | (3,531)                                                     | 46,080                | (750)               | -1.60%          |
| <b>Total Meeting Expenses</b>                                                     | <u>\$ 52,030</u>    | <u>\$ 46,738</u>    | <u>\$ (5,292)</u>                                           | <u>\$ 51,480</u>      | <u>\$ (550)</u>     | <u>-1.06%</u>   |
| <b>Operating Expenses, excluding Depreciation</b>                                 |                     |                     |                                                             |                       |                     |                 |
| Consultants & Contracts                                                           | \$ -                | \$ 264,000          | \$ 264,000                                                  | \$ 100,000            | \$ 100,000          |                 |
| Office Rent                                                                       | -                   | -                   | -                                                           | -                     | -                   |                 |
| Office Costs                                                                      | 990,968             | 1,004,960           | 13,992                                                      | 1,247,972             | 257,004             | 25.93%          |
| Professional Services                                                             | -                   | -                   | -                                                           | -                     | -                   |                 |
| Miscellaneous                                                                     | -                   | -                   | -                                                           | -                     | -                   |                 |
| <b>Total Operating Expenses</b>                                                   | <u>\$ 990,968</u>   | <u>\$ 1,268,960</u> | <u>\$ 277,992</u>                                           | <u>\$ 1,347,972</u>   | <u>\$ 357,004</u>   | <u>36.03%</u>   |
| <b>Total Direct Expenses</b>                                                      | <u>\$ 2,531,692</u> | <u>\$ 2,646,283</u> | <u>\$ 114,591</u>                                           | <u>\$ 3,187,635</u>   | <u>\$ 655,943</u>   | <u>25.91%</u>   |
| <b>Indirect Expenses</b>                                                          | <u>\$ 1,146,873</u> | <u>\$ 1,072,725</u> | <u>\$ (74,148)</u>                                          | <u>\$ 1,437,341</u>   | <u>\$ 290,468</u>   | <u>25.33%</u>   |
| <b>Other Non-Operating Expenses</b>                                               | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>                                                 | <u>\$ -</u>           | <u>\$ -</u>         |                 |
| <b>Total Expenses (B)</b>                                                         | <u>\$ 3,678,565</u> | <u>\$ 3,719,008</u> | <u>\$ 40,443</u>                                            | <u>\$ 4,624,976</u>   | <u>\$ 946,411</u>   | <u>25.73%</u>   |
| <b>Change in Net Assets (=A-B)</b>                                                | <u>\$ (418,690)</u> | <u>\$ (215,699)</u> | <u>\$ 202,991</u>                                           | <u>\$ (1,057,476)</u> | <u>\$ (638,786)</u> | <u>152.57%</u>  |
| <b>Fixed Assets, excluding Right of Use Assets (C)</b>                            | <u>\$ 14,787</u>    | <u>\$ -</u>         | <u>\$ (14,787)</u>                                          | <u>\$ 12,884</u>      | <u>\$ (1,903)</u>   | <u>-12.87%</u>  |
| <b>TOTAL BUDGET (B+C)</b>                                                         | <u>\$ 3,693,352</u> | <u>\$ 3,719,008</u> | <u>\$ 25,656</u>                                            | <u>\$ 4,637,860</u>   | <u>\$ 944,508</u>   | <u>25.57%</u>   |
| <b>TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)</b>                                   | <u>\$ (433,477)</u> | <u>\$ (215,699)</u> | <u>\$ 217,778</u>                                           | <u>\$ (1,070,360)</u> | <u>\$ (636,883)</u> | <u>146.92%</u>  |
| FTEs                                                                              | 13.00               | 13.00               | -                                                           | 16.00                 | 3.00                | 23.08%          |
| HC                                                                                | 13.00               | 13.00               | -                                                           | 16.00                 | 3.00                | 23.08%          |



## Personnel—Overview of FTEs and Expenses

FTEs are defined as full-time equivalent employees only. Fractional FTEs reflect part-time employees or employees who worked in fewer than all four quarters of the year.

| Total FTEs by Program Area                | Budget<br>2025 | Direct FTEs<br>2026 Budget | Shared FTEs*<br>2026 Budget | Total FTEs<br>2026 Budget | Change from<br>2025 Budget |
|-------------------------------------------|----------------|----------------------------|-----------------------------|---------------------------|----------------------------|
| <b>NON-STATUTORY</b>                      |                |                            |                             |                           |                            |
| <b>Operational Programs</b>               |                |                            |                             |                           |                            |
|                                           |                |                            |                             |                           |                            |
| <b>Total FTEs Operational Programs</b>    | -              | -                          | -                           | -                         | -                          |
| <b>Administrative Programs</b>            |                |                            |                             |                           |                            |
| WREGIS                                    | 13.00          | 16.00                      | -                           | 16.00                     | 3.00                       |
|                                           |                |                            |                             |                           |                            |
| <b>Total FTEs Administrative Programs</b> | <b>13.00</b>   | <b>16.00</b>               | <b>-</b>                    | <b>16.00</b>              | <b>3.00</b>                |
| <b>Total FTEs</b>                         | <b>13.00</b>   | <b>16.00</b>               | <b>-</b>                    | <b>16.00</b>              | <b>3.00</b>                |

\*A shared FTE is defined as an employee who performs both Statutory and Non-Statutory functions.



# Overview of Changes in Reserves

| Working Capital Reserve Analysis                                              |                            |
|-------------------------------------------------------------------------------|----------------------------|
| NON-STATUTORY                                                                 |                            |
|                                                                               | Total                      |
| <b>Beginning Reserve (Deficit), January 1, 2025</b>                           | <b>\$ 7,305,200</b>        |
| Plus: 2025 Funding                                                            | 3,503,309                  |
| Less: 2025 Projected expenses & capital expenditures                          | (3,719,008)                |
| <b>Projected Working Capital Reserve (Deficit), December 31, 2025</b>         | <b><u>\$ 7,089,501</u></b> |
| Plus: 2026 Funding                                                            | 3,567,500                  |
| Less: 2026 Transfer of Peak Holdback Reserves from Non-Statutory to Statutory | (312,000)                  |
| Less: 2026 Projected expenses & capital expenditures                          | (4,637,860)                |
| <b>Projected Working Capital Reserve, December 31, 2026</b>                   | <b><u>\$ 5,707,141</u></b> |





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## Non-Statutory Program—Goals and Budget Assumptions

### WREGIS

#### Program Scope, Purpose, and Impact

WREGIS is an independent, renewable energy database for the Western Interconnection. WREGIS creates renewable energy certificates (REC) for verifiable renewable generation from units that are registered in the database.

WREGIS was developed by the Western Governors' Association, the Western Regional Air Partnership, and the California Energy Commission (CEC). This development was further guided by stakeholder input from more than 400 participants for more than three years.

The program was integrated into WECC on March 31, 2012, following the expiration of the contract between WECC and the CEC that provided for backstop funding. WREGIS is advised by two committees: the Stakeholder Advisory Committee, which is open to all interested participants, and the WREGIS Committee, which is open to members and various stakeholder groups.

WREGIS costs fall outside Section 215 of the Federal Power Act. Participants fund WREGIS through registration and transaction fees. To avoid any crossover of Section 215 dollars, a portion of WECC's overhead costs is allocated to the program based on a formula implemented following a FERC audit.

WREGIS consists of two parts: the information system software and administrative operations. Staff coordinates with the software contractor and performs all the administrative tasks, including:

- Registering customers and generation units;
- Training users;
- Providing customer service and help desk services;
- Testing software releases;
- Supporting participating programs by facilitating cooperation and research into ongoing issues and sharing documentation with participants;
- Auditing generation and other data; and
- Managing the budgeting, billing, and financial reporting.

#### 2026 Key Budget Assumptions

WREGIS is funded entirely by user fees and is not subsidized by Section 215 funding. There are several types of user fees. Annual fees are paid by Generator and General Organizations and are based on size (generation capacity) and organization type. Transaction fees are paid by General Organizations. WREGIS also charges fees for ad hoc reporting and e-Tag-related data services.

- Transaction fees are based on organization type.
  - Approximately 4% of revenues are based on annual fees.
  - Approximately 92% of revenues are based on transaction fees, which may depend on factors like weather (wind and solar generation levels) and state regulatory policies (retirement, transfers, etc.).



- 
- Approximately 4% of revenues are attributable to fees for specific, requested functions like tracking e-Tags.
  - Revenues vary from year to year, so WREGIS reserves are held to allow for normal operations or special large-scale improvements.
  - The current software is a cloud-based software as a service product and all costs, including upgrades, maintenance and licenses are built into the monthly fee.
  - Interest rates remain stable.
  - Travel for training and audits will increase after a reduction caused by the COVID-19 pandemic.
  - Two analysts are added due to program growth, increasing customer audit requirements, and software needs.
  - One manager is added to assist with the growing staff loads and managerial duties.
  - Any expenses incurred in 2026 related to software development and the separation of WREGIS from WECC will be funded by non-statutory reserves.

## 2026 Goals and Deliverables

- Continuously improve program processes and tools to adapt to changes in the industry.
- Deliver quantitative and qualitative results for Corporate Scorecard items and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Maintain compliance with the participating state and provincial programs, and voluntary programs.
- Register program participants.
- Refine and improve data collection to ensure high-quality data.
- Perform four customer audits each for Qualified Reporting Entities, REC-holding customers, and Generator Owners.
- Deliver two in-person customer training sessions and quarterly virtual customer training sessions.
- Deliver two virtual Qualified Reporting Entity training sessions.
- Make progress on the development of custom software and the separation of WREGIS from WECC.

# Appendices

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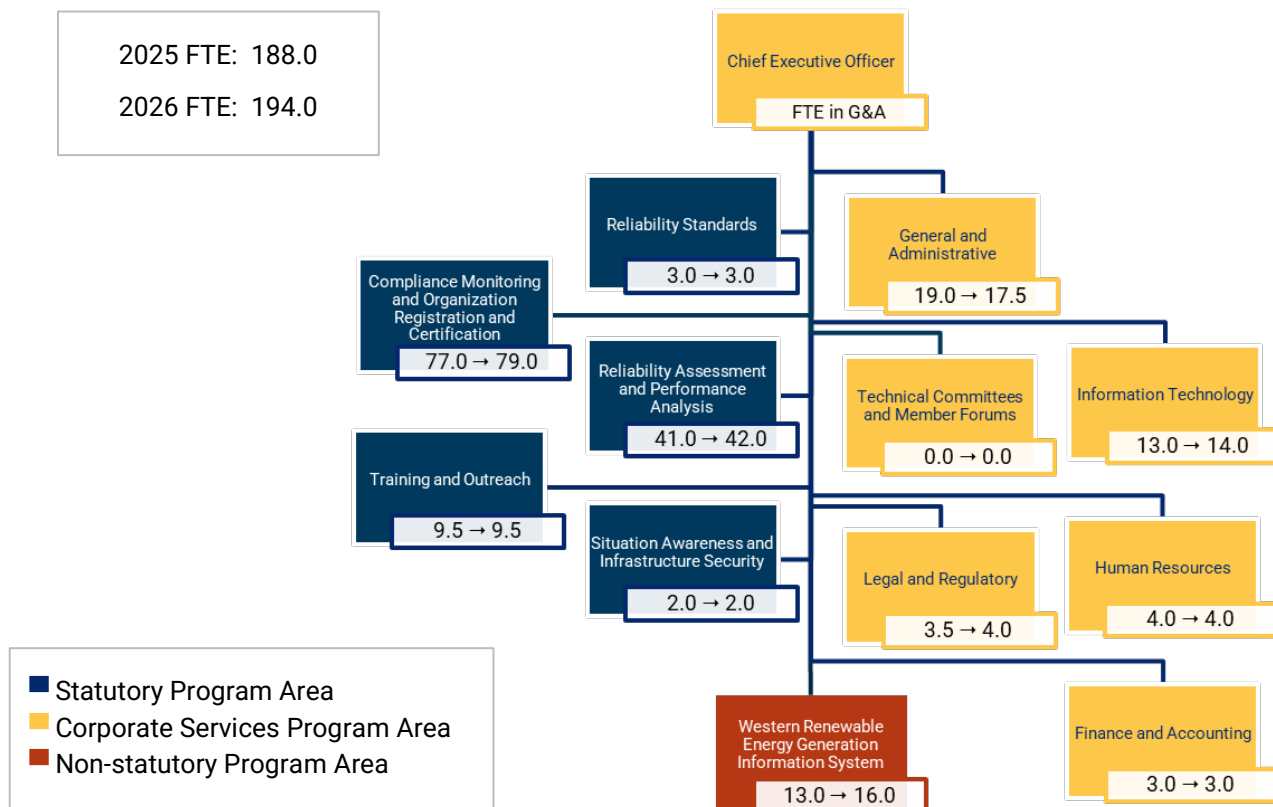
**Additional Information**

## Appendix A—2026 Statement of Activities by Program, Statutory and Non-Statutory

| Statement of Activities and Capital Expenditures by Program | Total          | Statutory Total | Non-Statutory Total | Statutory Programs |                       |                                                            |                                                 |                       |                                                 |                    | Non-Statutory Program |                |
|-------------------------------------------------------------|----------------|-----------------|---------------------|--------------------|-----------------------|------------------------------------------------------------|-------------------------------------------------|-----------------------|-------------------------------------------------|--------------------|-----------------------|----------------|
|                                                             |                |                 |                     | Statutory Total    | Reliability Standards | Compliance and Organization Registration and Certification | Reliability Assessment and Performance Analysis | Training and Outreach | Situation Awareness and Infrastructure Security | Corporate Services | Non-Statutory Total   | WREGIS         |
| Revenue                                                     |                |                 |                     |                    |                       |                                                            |                                                 |                       |                                                 |                    |                       |                |
| Statutory Funding                                           |                |                 |                     |                    |                       |                                                            |                                                 |                       |                                                 |                    |                       |                |
| WECC Assessments                                            | \$ 35,657,280  | \$ 35,657,280   | \$ -                | \$ 35,657,280      | \$ 855,914            | \$ 20,785,916                                              | \$ 11,092,619                                   | \$ 2,370,248          | \$ 552,583                                      | \$ -               | \$ -                  | \$ -           |
| Penalties Released                                          | 41,745         | 41,745          | -                   | 41,745             | 924                   | 24,339                                                     | 12,939                                          | 2,927                 | 616                                             | -                  | -                     | -              |
| Total Statutory Funding                                     | \$ 35,699,025  | \$ 35,699,025   | \$ -                | \$ 35,699,025      | \$ 856,838            | \$ 20,810,255                                              | \$ 11,105,558                                   | \$ 2,373,175          | \$ 553,199                                      | \$ -               | \$ -                  | \$ -           |
| Non-statutory Funding                                       | \$ 3,385,000   | \$ -            | \$ 3,385,000        | \$ -               | \$ -                  | \$ -                                                       | \$ -                                            | \$ -                  | \$ -                                            | \$ -               | \$ 3,385,000          | \$ 3,385,000   |
| Workshops & Miscellaneous                                   | 760,000        | 757,500         | 2,500               | 757,500            | 5,513                 | 145,173                                                    | 77,181                                          | 525,958               | 3,675                                           | -                  | 2,500                 | 2,500          |
| Interest                                                    | 1,180,006      | 1,000,006       | 180,000             | 1,000,006          | 22,140                | 583,029                                                    | 309,966                                         | 70,111                | 14,760                                          | -                  | 180,000               | 180,000        |
| Total Revenue (A)                                           | \$ 41,024,031  | \$ 37,456,531   | \$ 3,567,500        | \$ 37,456,531      | \$ 884,491            | \$ 21,538,457                                              | \$ 11,492,705                                   | \$ 2,969,244          | \$ 571,634                                      | \$ -               | \$ 3,567,500          | \$ 3,567,500   |
| Expenses                                                    |                |                 |                     |                    |                       |                                                            |                                                 |                       |                                                 |                    |                       |                |
| Personnel Expenses                                          |                |                 |                     |                    |                       |                                                            |                                                 |                       |                                                 |                    |                       |                |
| Salaries                                                    | \$ 27,407,022  | \$ 26,016,824   | \$ 1,390,198        | \$ 26,016,824      | \$ 538,597            | \$ 11,513,585                                              | \$ 6,104,030                                    | \$ 1,373,830          | \$ 338,501                                      | \$ 6,148,281       | \$ 1,390,198          | \$ 1,390,198   |
| Payroll Taxes                                               | 1,662,984      | 1,577,297       | 85,687              | 1,577,297          | 31,969                | 710,244                                                    | 371,857                                         | 81,182                | 21,658                                          | 360,387            | 85,687                | 85,687         |
| Benefits                                                    | 3,188,431      | 2,986,868       | 201,563             | 2,986,868          | 42,986                | 1,130,885                                                  | 600,508                                         | 133,268               | 30,592                                          | 1,048,629          | 201,563               | 201,563        |
| Retirement Costs                                            | 2,182,007      | 2,071,272       | 110,735             | 2,071,272          | 43,088                | 915,811                                                    | 484,879                                         | 109,231               | 27,080                                          | 491,183            | 110,735               | 110,735        |
| Total Personnel Expenses                                    | \$ 34,440,444  | \$ 32,652,261   | \$ 1,788,183        | \$ 32,652,261      | \$ 656,640            | \$ 14,270,525                                              | \$ 7,561,274                                    | \$ 1,697,511          | \$ 417,831                                      | \$ 8,048,480       | \$ 1,788,183          | \$ 1,788,183   |
| Meeting Expenses                                            |                |                 |                     |                    |                       |                                                            |                                                 |                       |                                                 |                    |                       |                |
| Meetings & Conference Calls                                 | \$ 616,568     | \$ 611,168      | \$ 5,400            | \$ 611,168         | \$ -                  | \$ -                                                       | \$ 16,746                                       | \$ 501,120            | \$ -                                            | \$ 93,302          | \$ 5,400              | \$ 5,400       |
| Travel                                                      | 1,090,040      | 1,043,960       | 46,080              | 1,043,960          | 17,378                | 589,330                                                    | 206,301                                         | 31,846                | 10,849                                          | 188,256            | 46,080                | 46,080         |
| Total Meeting Expenses                                      | \$ 1,706,608   | \$ 1,655,128    | \$ 51,480           | \$ 1,655,128       | \$ 17,378             | \$ 589,330                                                 | \$ 223,047                                      | \$ 532,966            | \$ 10,849                                       | \$ 281,558         | \$ 51,480             | \$ 51,480      |
| Operating Expenses, excluding Depreciation                  |                |                 |                     |                    |                       |                                                            |                                                 |                       |                                                 |                    |                       |                |
| Consultants & Contracts                                     | \$ 1,595,400   | \$ 1,495,400    | \$ 100,000          | \$ 1,495,400       | \$ -                  | \$ 714,000                                                 | \$ 318,400                                      | \$ -                  | \$ -                                            | \$ 463,000         | \$ 100,000            | \$ 100,000     |
| Office Rent                                                 | 1,326,433      | 1,326,433       | -                   | 1,326,433          | -                     | -                                                          | -                                               | -                     | -                                               | 1,326,433          | -                     | -              |
| Office Costs                                                | 4,212,624      | 2,964,652       | 1,247,972           | 2,964,652          | 1,755                 | 343,085                                                    | 404,321                                         | 89,854                | 2,520                                           | 2,123,117          | 1,247,972             | 1,247,972      |
| Professional Services                                       | 1,367,225      | 1,367,225       | -                   | 1,367,225          | -                     | -                                                          | -                                               | -                     | -                                               | 1,367,225          | -                     | -              |
| Miscellaneous                                               | -              | -               | -                   | -                  | -                     | -                                                          | -                                               | -                     | -                                               | -                  | -                     | -              |
| Total Operating Expenses                                    | \$ 8,501,682   | \$ 7,153,710    | \$ 1,347,972        | \$ 7,153,710       | \$ 1,755              | \$ 1,057,085                                               | \$ 722,721                                      | \$ 89,854             | \$ 2,520                                        | \$ 5,279,775       | \$ 1,347,972          | \$ 1,347,972   |
| Total Direct Expenses                                       | \$ 44,648,734  | \$ 41,461,099   | \$ 3,187,635        | \$ 41,461,099      | \$ 675,773            | \$ 15,916,940                                              | \$ 8,507,042                                    | \$ 2,320,331          | \$ 431,200                                      | \$ 13,609,813      | \$ 3,187,635          | \$ 3,187,635   |
| Indirect Expenses                                           | \$ -           | \$ (1,437,341)  | \$ 1,437,341        | \$ (1,437,341)     | \$ 269,501            | \$ 7,096,866                                               | \$ 3,773,017                                    | \$ 853,421            | \$ 179,667                                      | \$ (13,609,813)    | \$ 1,437,341          | \$ 1,437,341   |
| Other Non-Operating Expenses                                | \$ -           | \$ -            | \$ -                | \$ -               | \$ -                  | \$ -                                                       | \$ -                                            | \$ -                  | \$ -                                            | \$ -               | \$ -                  | \$ -           |
| Total Expenses (B)                                          | \$ 44,648,734  | \$ 40,023,758   | \$ 4,624,976        | \$ 40,023,758      | \$ 945,274            | \$ 23,013,806                                              | \$ 12,280,059                                   | \$ 3,173,752          | \$ 610,867                                      | \$ -               | \$ 4,624,976          | \$ 4,624,976   |
| Change in Net Assets (=A-B)                                 | \$ (3,624,703) | \$ (2,567,227)  | \$ (1,057,476)      | \$ (2,567,227)     | \$ (60,783)           | \$ (1,475,349)                                             | \$ (787,354)                                    | \$ (204,508)          | \$ (39,233)                                     | \$ -               | \$ (1,057,476)        | \$ (1,057,476) |
| Fixed Assets, excluding Right of Use Assets (C)             |                |                 |                     |                    |                       |                                                            |                                                 |                       |                                                 |                    |                       |                |
|                                                             | \$ 122,000     | \$ 109,116      | \$ 12,884           | \$ 109,116         | \$ 2,416              | \$ 63,617                                                  | \$ 33,822                                       | \$ 7,650              | \$ 1,611                                        | \$ -               | \$ 12,884             | \$ 12,884      |
| TOTAL BUDGET (B+C)                                          |                |                 |                     |                    |                       |                                                            |                                                 |                       |                                                 |                    |                       |                |
|                                                             | \$ 44,770,734  | \$ 40,132,874   | \$ 4,637,860        | \$ 40,132,874      | \$ 947,690            | \$ 23,077,423                                              | \$ 12,313,881                                   | \$ 3,181,402          | \$ 612,478                                      | \$ -               | \$ 4,637,860          | \$ 4,637,860   |
| TOTAL CHANGE IN WORKING CAPITAL (A-B-C)                     |                |                 |                     |                    |                       |                                                            |                                                 |                       |                                                 |                    |                       |                |
|                                                             | \$ (3,746,703) | \$ (2,676,343)  | \$ (1,070,360)      | \$ (2,676,343)     | \$ (63,199)           | \$ (1,538,966)                                             | \$ (821,176)                                    | \$ (212,158)          | \$ (40,844)                                     | \$ -               | \$ (1,070,360)        | \$ (1,070,360) |
| FTEs                                                        | 194.00         | 178.00          | 16.00               | 178.00             | 3.00                  | 79.00                                                      | 42.00                                           | 9.50                  | 2.00                                            | 42.50              | 16.00                 | 16.00          |
| HC                                                          | 194.00         | 178.00          | 16.00               | 178.00             | 3.00                  | 79.00                                                      | 42.00                                           | 9.00                  | 2.00                                            | 43.00              | 16.00                 | 16.00          |



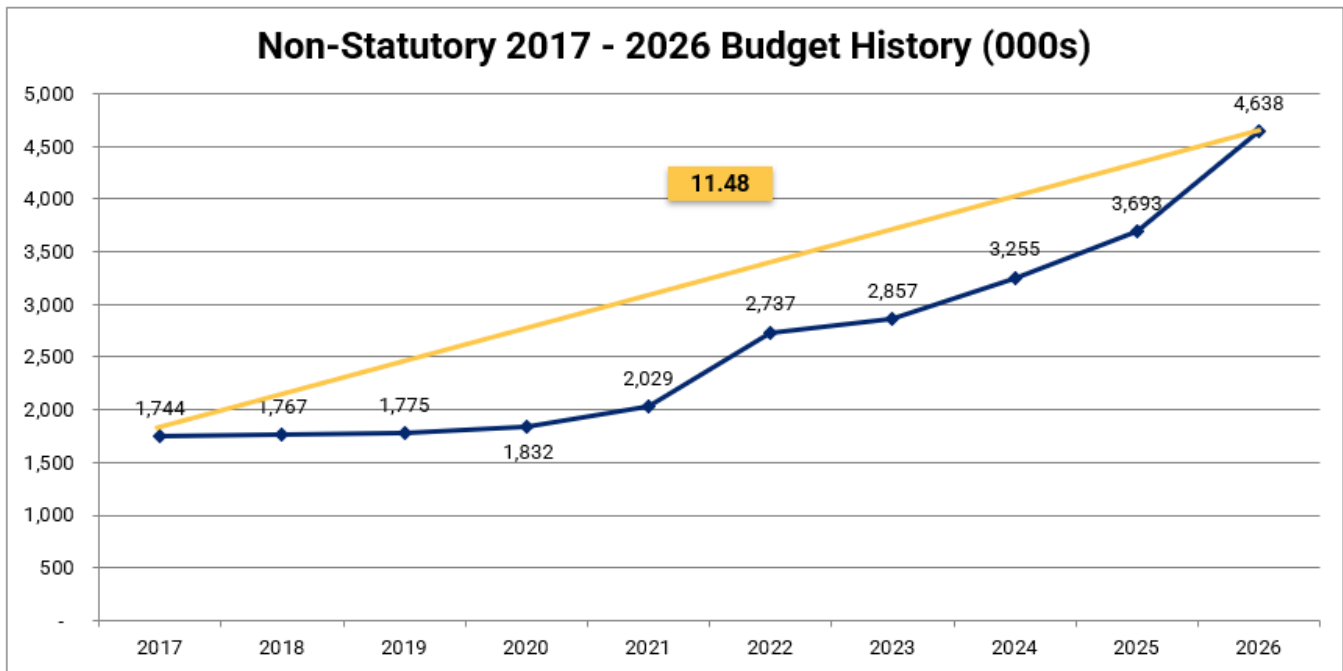
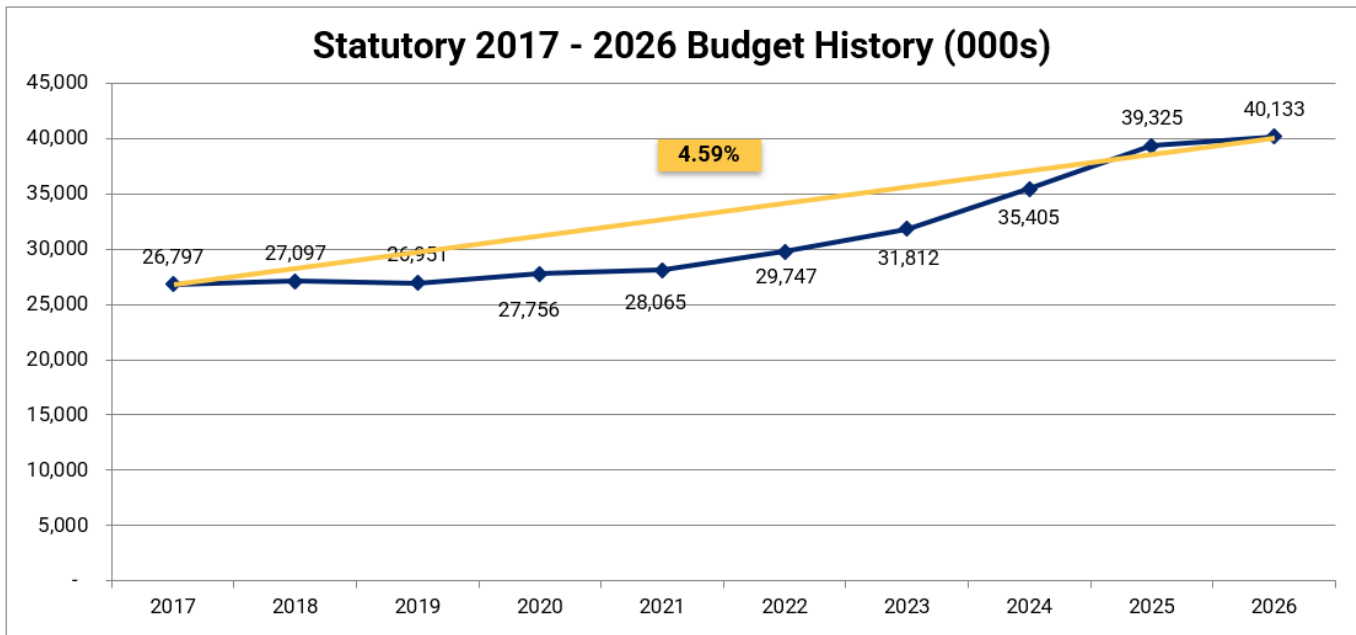
## Appendix B—Organizational Chart—Changes in FTE by Program



## Appendix C—Adjustment to the Alberta Electric System Operator (AESO) Assessment

| Adjustment to the AESO Assessments                                         |                                                  |                                                  |
|----------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| Credit for WECC Compliance Costs                                           |                                                  |                                                  |
|                                                                            | 2025<br>Compliance Budget<br>AESO NEL Allocation | 2026<br>Compliance Budget<br>AESO NEL Allocation |
| <b>WECC Compliance Costs</b>                                               |                                                  |                                                  |
| Direct Costs less Revenue                                                  | \$ 13,787,457                                    | \$ 15,188,738                                    |
| Indirect Costs                                                             | 6,793,018                                        | 7,096,866                                        |
| Fixed Asset Expenditures                                                   | 87,584                                           | 63,617                                           |
| <b>Total Net Costs, including Fixed Assets</b>                             | <b>\$ 20,668,059</b>                             | <b>\$ 22,349,221</b>                             |
| <b>Net total to be allocated</b>                                           | <b>\$ 20,668,059</b>                             | <b>\$ 22,349,221</b>                             |
| AESO NEL Share (2023 and 2024)                                             | 6.949%                                           | 7.203%                                           |
| <b>AESO Proportional Share of Compliance Costs, including Fixed Assets</b> | <b>\$ 1,436,177</b>                              | <b>\$ 1,609,898</b>                              |
| % Credit (70.00 of 77.00 FTE for 2025; )                                   | 90.91%                                           | 93.99%                                           |
| <b>AESO Credit for Compliance Costs</b>                                    | <b>\$ 1,305,616</b>                              | <b>\$ 1,513,101</b>                              |

# Appendix D—Statutory and Non-Statutory Budget History Charts



**DOCKET NO. RR25-\_\_-000**

**NORTH AMERICAN ELECTRIC RELIABILITY  
CORPORATION**

**2026 BUSINESS PLAN AND BUDGET FILING**

**ATTACHMENT 9**

**WESTERN INTERCONNECTION  
REGIONAL ADVISORY BODY**

**PROPOSED 2026 BUSINESS PLAN AND BUDGET**





**Western Interconnection  
Regional Advisory Body**

**2026 Business Plan and Budget**

**June 25, 2025**

**Approved by  
Appointed Members of the  
Western Interconnection Regional  
Advisory Body**

**1600 Broadway, Suite 1020  
Denver, Colorado 80202  
720-897-4600**

## Table of Contents

|                                                                         |           |
|-------------------------------------------------------------------------|-----------|
| <b>INTRODUCTION .....</b>                                               | <b>3</b>  |
| TABLE 1. WIRAB BUDGET FOR 2026 .....                                    | 4         |
| <b>ORGANIZATIONAL OVERVIEW .....</b>                                    | <b>5</b>  |
| FIGURE 1. ORGANIZATIONAL RELATIONSHIPS .....                            | 6         |
| <b>MEMBERSHIP AND GOVERNANCE .....</b>                                  | <b>6</b>  |
| FIGURE 2. WIRAB MEMBERSHIP LIST .....                                   | 7         |
| <b>STATUTORY FUNCTIONAL SCOPE .....</b>                                 | <b>8</b>  |
| <b>2026 STRATEGIC INITIATIVES.....</b>                                  | <b>8</b>  |
| <b>2026 BUDGET AND ASSESSMENT IMPACTS .....</b>                         | <b>18</b> |
| PERSONNEL AND INDIRECT EXPENSES .....                                   | 18        |
| TABLE 2. PERSONNEL AND INDIRECT EXPENSE ANALYSIS, 2025-2026.....        | 19        |
| MEETING EXPENSE .....                                                   | 20        |
| TRAVEL EXPENSE .....                                                    | 20        |
| CONSULTANTS AND CONTRACTS .....                                         | 20        |
| TABLE 3. BUDGET COMPARISON 2025 TO 2026.....                            | 21        |
| STATUTORY ASSESSMENTS .....                                             | 22        |
| KEY ASSUMPTIONS .....                                                   | 22        |
| <b>SECTION A – STATUTORY ACTIVITIES.....</b>                            | <b>23</b> |
| GOVERNANCE AND STRATEGIC PLANNING .....                                 | 24        |
| EMERGING TRENDS AND SYSTEM RISKS.....                                   | 24        |
| EVENT ANALYSIS AND SITUATIONAL AWARENESS: .....                         | 25        |
| EXPANDING MARKET OPERATIONS: .....                                      | 25        |
| ESSENTIAL RELIABILITY SERVICES:.....                                    | 26        |
| LOAD GROWTH AND LARGE LOADS: .....                                      | 27        |
| PERIODIC RELIABILITY ASSESSMENTS .....                                  | 27        |
| RELIABILITY STANDARDS AND PROACTIVE ENFORCEMENT .....                   | 29        |
| OPERATIONS AND PLANNING RELIABILITY STANDARDS: .....                    | 29        |
| PHYSICAL AND CYBER SECURITY:.....                                       | 29        |
| <b>SECTION B – SUPPLEMENTARY FINANCIAL INFORMATION.....</b>             | <b>31</b> |
| WORKING CAPITAL RESERVE.....                                            | 31        |
| TABLE B-1. WORKING CAPITAL RESERVE ANALYSIS 2025 – 2026.....            | 32        |
| TABLE B-2. 2025 BUDGET WITH 2026 & 2027 PROJECTIONS .....               | 33        |
| <b>SECTION C – NON-STATUTORY ACTIVITIES.....</b>                        | <b>34</b> |
| <b>SECTION D – ADDITIONAL CONSOLIDATED FINANCIAL .....</b>              | <b>35</b> |
| <b>STATEMENTS.....</b>                                                  | <b>35</b> |
| STATEMENT OF FINANCIAL POSITION.....                                    | 35        |
| TABLE D-1. STATEMENT OF FINANCIAL POSITION, THREE-YEAR COMPARISON ..... | 35        |
| <b>APPENDIX A – ORGANIZATION CHART.....</b>                             | <b>36</b> |

## Introduction

The Western Interconnection Regional Advisory Body (WIRAB) proposed budget for 2026 is \$862,480. This amount is \$30,919 (3.7%) higher than the amount in WIRAB's approved 2025 budget. Total proposed full-time equivalents (FTEs) for 2026 have increased from 2.60 FTEs in 2025 to 3.00 FTEs in 2026. Major drivers of the budget increase are due to personnel, indirect expenses, and meeting expenses. Personnel expenses increased by 3% due to the addition of 0.40 FTEs in 2026, and annual budgeted cost of living and merit increases of 4%. Indirect expenses increased by 5% due to an increase in direct labor and an indirect rate increase from 95 percent to 96.8 percent in 2026. Meeting expenses increased by 8.9% to align with rising event costs for the Joint CREPC-WIRAB meetings held in the Spring and Fall. WIRAB's total funding requirement is \$708,080. As shown in Table 1 below, this amount represents the total statutory expenses of \$862,480 less \$154,400 in statutory working capital requirement. WIRAB's proposed funding assessment is \$706,080, a decrease of \$ (1.3%) from the 2025 funding assessment. The modest assessment decrease is necessary for the continuation of assessment stabilization and the prevention of major fluctuation in future budget periods. 2026 funding includes the use of working capital reserves in the amount of \$154,400. WIRAB proposes to allocate the funding assessment as follows: \$601,622 (85%) to the U.S. portion; and \$104,458 (15%) to the Canadian portion. Table 1 summarizes the WIRAB proposed budget for 2026.

Table 1. WIRAB Budget for 2026

| WIRAB - Total Resources<br>(in whole dollars)    | 2026 Budget  | U.S.        | Canada      | Mexico |
|--------------------------------------------------|--------------|-------------|-------------|--------|
| Statutory FTEs*                                  | 3.00         |             |             |        |
| Non-statutory FTEs                               |              |             |             |        |
| <b>Total FTEs</b>                                | 3.00         |             |             |        |
| Statutory Expenses                               | \$ 862,480   |             |             |        |
| Non-Statutory Expenses                           |              |             |             |        |
| <b>Total Expenses</b>                            | \$ 862,480   |             |             |        |
| Statutory Inc(Dec) in Fixed Assets               |              |             |             |        |
| Non-Statutory Inc(Dec) in Fixed Assets           |              |             |             |        |
| <b>Total Inc(Dec) in Fixed Assets</b>            | \$ -         |             |             |        |
| Statutory Working Capital Requirement            | \$ (154,400) |             |             |        |
| Non-Statutory Working Capital Requirement        | 0            |             |             |        |
| <b>Total Working Capital Requirement</b>         | \$ (154,400) |             |             |        |
| Total Statutory Funding Requirement              | \$ 708,080   |             |             |        |
| Total Non-Statutory Funding Requirement          | \$ -         |             |             |        |
| <b>Total Funding Requirement</b>                 | \$ 708,080   |             |             |        |
|                                                  |              |             |             |        |
| <b>Statutory Funding Assessments<sup>1</sup></b> | \$ 706,080   | \$ 601,622  | \$ 104,458  | \$ -   |
| <b>Non-Statutory Fees</b>                        |              |             |             |        |
| NEL **                                           | 875,115,674  | 745,650,333 | 129,465,341 | -      |
| NEL%                                             | 100.0%       | 85%         | 15%         | 0.0%   |

\*An FTE is defined as a full-time equivalent employee.

\*\*NEL is defined as Net Energy for Load.

<sup>1</sup> The allocation of the statutory assessments was updated to reflect 2024 NEL data on July 2, 2025. The 2026 allocation of assessments does not include Mexico. NERC, WECC, and WIRAB have been unable to collect assessments from Mexico since 2021 and have decided not to assess Mexico until a new agreement is reached. In accordance with their ROP, NERC recovered the outstanding balances owed from Mexico up through the 2024 assessment for the portions owed to NERC (\$954k) and WIRAB (\$39k) by reallocating these amounts to WECC LSE's as part of a special assessment reflected on their 2025 Assessment Schedule. To offset the impact, WECC's final 2025 BP&B reflected a reserve release of \$984k to reduce WECC's 2025 assessment. The WECC portion of the outstanding assessments from Mexico is \$1.9M. Instead of NERC charging the WECC LSE's this portion in 2025, WECC wrote off this amount in 2024 using WECC reserves to fund the write off.

## Organizational Overview

The Federal Energy Regulatory Commission (FERC or Commission) created WIRAB in April 2006, upon petition of ten Western Governors and in accordance with Section 215(j) of the Federal Power Act (FPA). The Governors invited all U.S. states, Canadian provinces, and Mexican jurisdictions with territory in the Western Interconnection to join WIRAB and to participate in WIRAB's activities as a regional advisory body charged with advising FERC, the North American Electric Reliability Corporation (NERC), and the Regional Entity (i.e., the Western Electricity Coordinating Council or WECC) on matters of electric grid reliability.

In July 2006, FERC issued an order granting the Governors' petition to establish WIRAB.<sup>2</sup> In its order, FERC determined that WIRAB should receive funding for its Section 215(j) activities and directed WIRAB to annually develop a budget and related information for submittal through the Electric Reliability Organization (ERO) budget approval process. The Commission instructed WIRAB to develop a budget in a form similar to that specified for regional entities as set forth in Order 672.<sup>3</sup> FERC also required WIRAB to identify the portion of its funding to be received from Canada and Mexico.

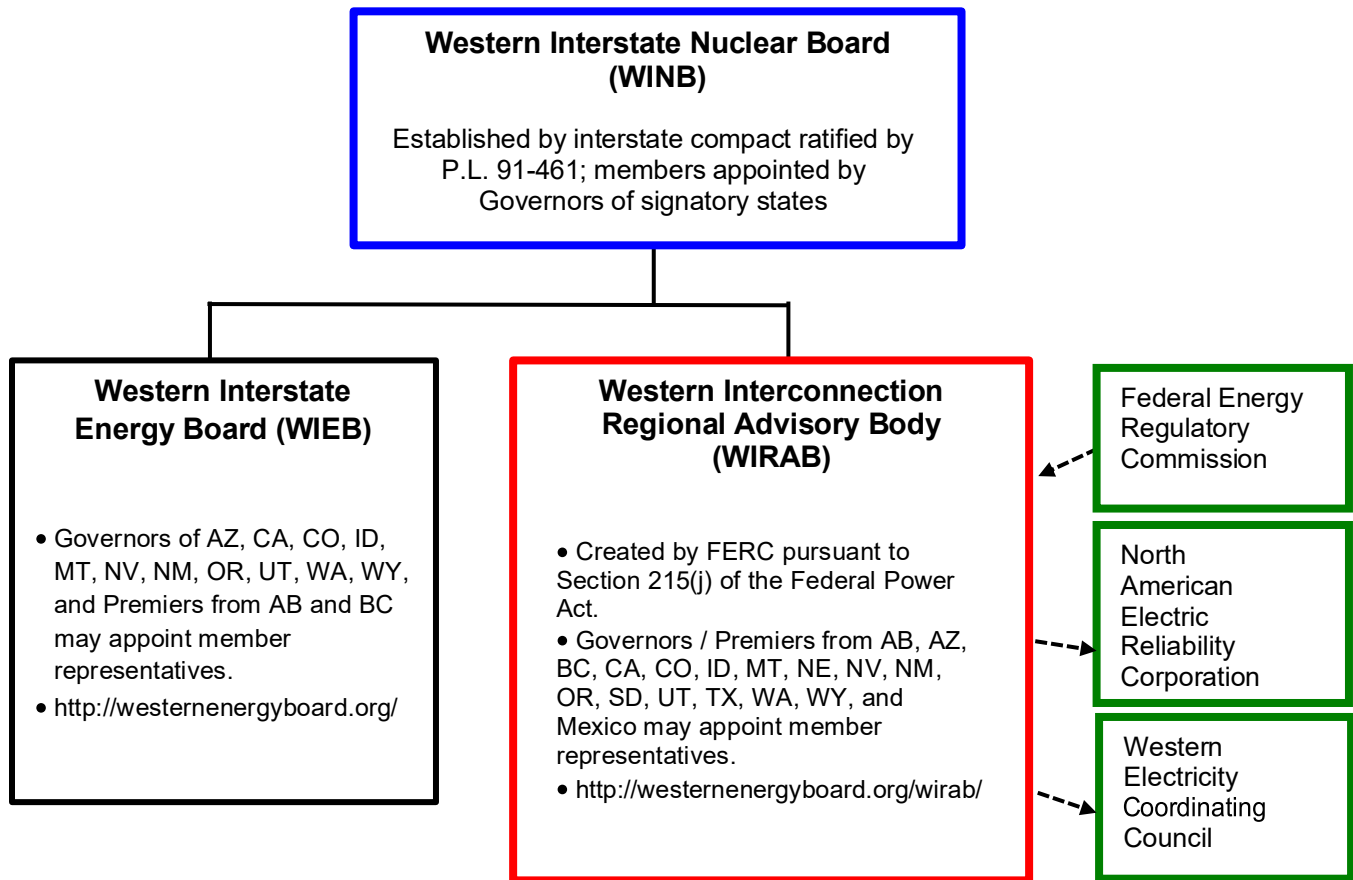
The Governors created WIRAB as a standing advisory committee to the Western Interstate Nuclear Board (WINB), which was formed pursuant to the Western Interstate Nuclear Compact, P.L. 91-461. WIRAB has the same status under the compact as the Western Interstate Energy Board (WIEB). Below is a chart that illustrates these organizational relationships.

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<sup>2</sup> Order on Petition to Establish a Regional Advisory Body for the Western Interconnection, 116 FERC ¶ 61,061, Docket No. RR06-2-000, July 20, 2006.

<sup>3</sup> Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Reliability Standards, Order 672, Docket RM05-30-000, Feb. 3, 2006, P. 228. "Each Regional Entity must submit its complete business plan, entire budget, and organizational chart to the ERO for it to submit to the Commission. The complete business plan and the entire budget will provide the Commission with necessary information about any non-statutory activities, the source of their funding, and whether the pursuit of such activities presents a conflict of interest for the Regional Entity. For a Cross-Border Regional Entity, this information will also inform the Commission as to what portion of the budget is expended upon activities within the United States."

Figure 1. Organizational Relationships



## Membership and Governance

All U.S. states with territory in the Western Interconnection (Arizona, California, Colorado, Idaho, Montana, Nebraska, Nevada, New Mexico, Oregon, South Dakota, Texas, Utah, Washington, and Wyoming) the Canadian provinces of Alberta and British Columbia, and the Mexican state of Baja California are eligible to appoint members to WIRAB. Member representatives of WIRAB are appointees of the respective Governors and Premiers, or representative-designated alternates. Below is the list of current WIRAB member representatives (as of May 1, 2025):

Figure 2. WIRAB Membership List

| WIRAB Member Representatives |                      |                                                                                                       |                  |
|------------------------------|----------------------|-------------------------------------------------------------------------------------------------------|------------------|
| State/Province               | Name                 | Title/Agency                                                                                          | WIRAB Leadership |
| Alberta                      | Betsy Li Alward      | Director, Generation, Transmission and Markets Policy, Utilities, Alberta Affordability and Utilities |                  |
| Arizona                      | Lea Márquez Peterson | Commissioner, Arizona Corporation Commission                                                          | Vice-Chair       |
| British Columbia             | Chris Gilmore        | Executive Director, Electricity Policy Branch, Ministry of Energy, Mines and Low Carbon Innovation    |                  |
| California                   | Siva Gunda           | Vice Chair, California Energy Commission                                                              |                  |
| Colorado                     | James Lester         | Senior Policy Lead on Transmission, Climate and Energy, Colorado Energy Office                        |                  |
| Idaho                        | Cally Younger        | Administrator, Idaho Governor's Office of Energy and Mineral Resources                                |                  |
| Mexico                       | Vacant               | -                                                                                                     |                  |
| Montana                      | Michael Freeman      | Natural Resources Policy Advisor, Montana Office of the Governor                                      |                  |
| Nebraska                     | Tim Texel            | Executive Director, Nebraska Power Review Board                                                       |                  |
| Nevada                       | Dwayne McClinton     | Director, Nevada Governor's Office of Energy                                                          |                  |
| New Mexico                   | Vacant               |                                                                                                       |                  |
| Oregon                       | Janine Benner        | Director, Oregon Dept of Energy                                                                       |                  |
| South Dakota                 | Greg Rislov          | Commission Advisor, South Dakota Public Utility Commission                                            |                  |
| Texas                        | Vacant               | -                                                                                                     |                  |
| Utah                         | Emy Lesofski         | Director, Utah Office of Energy Development                                                           |                  |
| Washington                   | Elizabeth Osborne    | Senior Energy Policy Analyst, Washington State Energy Office                                          |                  |
| Wyoming                      | Mary Throne          | Chairman, Wyoming Public Service Commission                                                           | Chair            |

WIRAB holds two in-person meetings each year, usually in Spring and Fall. These meetings are open to the public. WIRAB also holds open monthly conference calls to discuss current and emerging issues and hosts periodic webinars with presentations from subject matter experts on key electric grid reliability topics.

## Statutory Functional Scope

FERC established WIRAB as a Regional Advisory Body under section 215(j) of the FPA. The language in Section 215(j) specifically provides for WIRAB's authority to advise FERC, NERC, and WECC on whether reliability standards, budgets and fees, governance, compliance, assessments, strategic direction, and other activities conducted pursuant to Section 215 are just, reasonable, not unduly discriminatory, or preferential, and in the public interest.

WIRAB's advice to FERC, NERC, and WECC can be grouped into four categories that are appropriately funded under Section 215 of the FPA, including:

1. Governance and Strategic Planning;
2. Emerging Trends and System Risks;
3. Periodic Reliability Assessments; and
4. Reliability Standards and Proactive Enforcement.

WIRAB's activities in each of these categories are described in Section A – Statutory Activities.

## 2026 Strategic Initiatives

The Western Interconnection is vital to the region's economy and its people. It serves a population of nearly 90 million, and they are asking for more of the electric system to meet the demands of everyday life. Although energy efficiency has reduced the demand of traditional electricity use cases, previously non-electrified services, such as transportation, and growing services, such as data centers and other large loads, are creating new dynamic impacts on the system. Traditionally, supply and demand were fairly predictable, but demand is growing and becoming more variable, all with greater expectations for reliable service.

The energy generation mix in the Western Interconnection that is used to meet these demands continues to evolve, driven by environmental policies, market dynamics, new technologies, and aging infrastructure. Inverter-based resources like solar photovoltaics are experiencing significant growth, particularly in regions like California and the Desert Southwest. Plus, utility-scale wind continues to be developed where wind resources are most available, likely



requiring the addition of long transmission lines to serve population centers. Additionally, the procurement of energy storage solutions, such as batteries, is becoming increasingly vital to support the integration of weather-dependent renewable energy resources. Traditional thermal generation, such as coal, continues to retire, shifting the dynamics of the Western Interconnection and requiring new approaches to ensure system reliability.

The Western Interconnection faces ongoing challenges from extreme natural events, which require careful consideration when managing critical infrastructure. From wildfires and droughts to heatwaves and extreme cold, these environmental factors complicate utility planning and operations. Additionally, energy policymakers and regulators are increasingly factoring environmental and climate considerations into grid infrastructure decisions, highlighting the critical need to prioritize grid reliability as they adapt to meet current and future energy demands.

Transmission planning, siting, and development are critical to ensuring a reliable and resilient electric grid in the West. As the generation resource mix continues to change and the grid increases in complexity, adequate transmission infrastructure is necessary to deliver power to where it is needed most, maintain system stability, and reduce congestion. Planning and developing new transmission lines and upgrades to existing infrastructure will be essential to support the integration of new renewable energy resources and ensure grid reliability throughout the region.

Grid modernization efforts present both opportunities and challenges for the Western grid. The continued growing presence of rooftop solar emphasizes the need for enhanced coordination between Bulk Power System and distribution system operators. Moreover, integrating new technologies designed to increase efficiency and reliability may introduce new complexities and vulnerabilities. Further research, development, and deployment of innovative technologies and operational tools are imperative to achieve improved reliability. It is also imperative to ensure the cyber and physical security of critical grid infrastructure across the Western Interconnection.

Furthermore, the evolving structure of Western power markets introduces both challenges and opportunities for reliability. Market reforms are poised to bring significant changes to system operations, including transmission scheduling, congestion management, and reliability coordination. Additionally, regulatory frameworks aimed at ensuring resource adequacy across

extensive regions of the West are progressing, reshaping how entities demonstrate their capacity to meet customer demands consistently throughout the region.

In light of these challenges, WIRAB has identified strategic initiatives for 2026 that encourage WECC, the ERO, and industry to take actions to ensure a reliable electric grid in the Western Interconnection. By focusing on these strategic initiatives, WIRAB aims to strengthen the reliability and security of the Western Interconnection, ensuring that WECC and its stakeholders remain well-equipped to navigate the evolving energy landscape in the West.

**Initiative 1: Advise WECC to work with states, provinces, and planning entities to improve long-term planning assumptions, data, and models to meet evolving regulatory and reliability needs.**

As the Western Interconnection prepares for a future marked by large-scale deployment of new generation, unprecedented load growth, and ambitious state and provincial policy targets, the need for robust and coordinated long-term transmission planning is more urgent than ever. This initiative supports WECC's engagement with transmission providers, planning entities, and state and provincial agencies to enhance foundational planning tools, assumptions, and models. It builds on the momentum of regional efforts such as the Western Transmission Expansion Coalition (WestTEC) and responds directly to new federal policy directives.

FERC Order No. 1920, as first issued in May 2024 and amended, requires transmission providers to participate in Long-Term Regional Transmission Planning (LTRTP) processes that look at least 20 years into the future. The rule mandates that transmission planners identify long-term transmission needs and evaluate potential projects to meet those needs. Additionally, planners must consider diverse scenarios incorporating load growth, resource changes, and evolving state and federal policy. Planners must also consult with states on several issues, including cost allocation, selection criteria, and scenario development. FERC Order 1920 also provides the opportunity for states to propose an ex-ante cost allocation methodology and to propose a State Agreement Process to consider alternative cost allocation methodologies after projects that meet cost allocation requirements are identified in the planning process. FERC Orders 1920A and 1920B reinforced state involvement, by requiring state-proposed methodologies to be filed at FERC and allowing states to request an extension to allow for more time in the state engagement

period. States in the West, through the CREPC 1920 Ad Hoc Committee, requested a six-month extension which was granted by FERC. States anticipate the need for access to data and technical assistance to help develop cost allocation proposals and to help provide input into other aspects of long-term regional transmission planning.

To help support implementation of FERC Order No. 1920, WECC's Long-Term Transmission Planning Task Force (LTPTF), convened under the Reliability Assessment Committee (RAC), recommended that WECC take on a greater role in:

- Developing foundational 20-year datasets and base cases (e.g., power flow and production cost models).
- Documenting transparent and repeatable planning assumptions and methodologies.
- Collecting and sharing regional data on proposed transmission and generation projects.
- Hosting a neutral forum to coordinate inputs and scenarios across entities.

This effort would extend WECC's existing 10-year Anchor Data Set (ADS) framework into a 20-year planning horizon and it will provide critical support for LTRTP and regional reliability assessments, while also enabling better coordination across jurisdictions and planning authorities.

The goals of this initiative include:

- Aligning WECC's long-term planning efforts with state and provincial policy objectives, ensuring that reliability assessments support broader energy goals.
- Enhancing collaboration between WECC and regional planning entities to develop consistent and comprehensive planning assumptions.
- Improving modeling tools and methodologies to accurately reflect future grid conditions, including high penetrations of renewable energy and emerging technologies.

To achieve these goals, WIRAB staff will:

- Participate in WECC's RAC and other relevant technical working groups to track progress on long-term planning data and model development.
- Encourage WECC to establish and maintain a 20-year base case with regionally vetted

assumptions, including input from state and provincial policymakers.

- Review documentation produced by the LTPTF and RAC to ensure transparency and consistency in long-term planning practices.
- Promote stakeholder, particularly state engagement by urging WECC to hold webinars or workshops that gather feedback on modeling assumptions, scenarios, and regional priorities.
- Monitor how WestTEC and other planning forums integrate with WECC's long-term efforts to avoid duplication and ensure coordinated outcomes.

By undertaking these actions, WECC can play a pivotal role in advancing long-term transmission planning that is responsive to the region's evolving energy landscape, thereby enhancing the reliability and resilience of the Western Interconnection.

**Initiative 2: Advise WECC, NERC, and stakeholders to develop common interconnection and performance requirements for large loads—especially data centers—to ensure reliable and secure integration into the Bulk Power System.**

Across the Western Interconnection, the emergence of large, energy-intensive loads—especially data centers, industrial electrification projects, and hydrogen production facilities—is placing increasing pressure on the grid. These loads are not only larger than traditional commercial or industrial customers, but they also introduce new operational characteristics that challenge system planning and reliability. As described in WECC's 2024 *Large Loads Risk Assessment*, these loads can develop rapidly, outpace traditional interconnection timelines, and are often clustered in locations with limited infrastructure. They frequently have complex configurations, including behind-the-meter (BTM) generation, on-site storage, or co-location with renewable resources. This makes them more difficult to model and integrate, particularly when information about their real-time behavior is incomplete or unavailable.

The *NERC Large Load Task Force* is exploring this concern by highlighting that large loads may operate with non-linear characteristics, experience high ramp rates, or include power electronic interfaces that create challenges related to voltage stability, harmonics, and system protection. Yet, unlike inverter-based generation—which is increasingly subject to defined performance expectations through IEEE-2800 and emerging NERC standards—no consistent regional framework exists for the interconnection of large loads. Current practices vary widely

across utilities and balancing authorities. In many cases, large load developers negotiate site-specific interconnection terms with limited transparency, technical guidance, or standardized expectations. This fragmented approach increases the risk of inconsistent modeling, uncoordinated infrastructure development, and localized reliability vulnerabilities.

To mitigate these risks, both WECC and NERC have identified the need to develop standard interconnection and performance requirements for large loads. A uniform, technically grounded framework would improve transparency and planning certainty for utilities, developers, and regulators alike. It would also help ensure that the rapid proliferation of large loads does not undermine grid reliability, especially in regions where transmission capacity, reserves, and situational awareness may be limited. WECC should also assess the possibility that large loads, properly managed, could enhance grid stability. WIRAB recognizes this as a pressing reliability and governance issue and seeks to promote regional coordination and best practices in addressing it.

The goals of this initiative include:

- Supporting the development of an interconnection requirement template for large loads, with input from utilities, regulators, and developers.
- Increasing awareness of the reliability risks posed by rapidly growing, energy-intensive loads.
- Promoting consistency in performance expectations and visibility requirements for large load facilities across the Western Interconnection.
- Ensuring Western regulators are equipped to ask informed questions and request appropriate commitments from load-serving entities and developers.
- Exploring ways to manage large loads to support grid stability

To achieve these goals, WIRAB staff will:

- Monitor and engage with the NERC's Large Load Task Force and other national forums such as the Large Load Task Force supported by the Energy Systems Integration Group (ESIG).
- Encourage WECC and NERC to identify and convene stakeholders to incorporate guidance from NERC's Large Load Task Force and other national forums.

- Host briefings and panel discussions to engage state and provincial regulators on large load integration challenges and solutions.

In conclusion, standardized practices for large load interconnections will help WECC and the industry improve planning certainty, facilitate infrastructure coordination, and maintain system reliability amid rapid growth and electrification across the Western Interconnection.

**Initiative 3: Advise WECC to study the impacts of rapid electrification and large load growth on reliability, including regional and seasonal resource adequacy trends.**

The Western Interconnection is experiencing substantial and accelerating electric load growth driven by trends in electrification (e.g., buildings and transportation), the proliferation of data centers and industrial facilities, and population growth. While these developments support economic and policy goals, they present significant challenges to maintaining electric system reliability, particularly where resource procurement and transmission expansion lag demand.

WECC's 2024 *Western Assessment of Resource Adequacy (WARA)* identifies growing tightness in capacity margins, especially under high-load and extreme weather scenarios. The report highlights regional differences in risk exposure, including areas where reliability risks spike in winter due to changing load patterns, and others where summer remains the primary concern. In particular, WECC's analysis suggests that electrification and industrial demand could substantially shift peak timing, increase net load variability, and stress resource portfolios in unanticipated ways.

Similarly, WECC's *Large Load Risk Assessment* emphasizes that many new loads—particularly hyperscale data centers—may appear quickly, with little warning or alignment with long-term planning processes. These loads are often large enough to materially alter system conditions and may not participate fully in traditional load forecasting or integrated resource planning. Without timely analysis and coordination, the cumulative impact of these loads may exacerbate resource adequacy risks across multiple subregions.

To ensure the Western Interconnection remains reliable, planners and policymakers must understand how multiple scenarios of load growth timing and development variability may interact

with resource procurement, especially in the presence of variable renewable generation and evolving market frameworks. WIRAB believes this initiative is essential for advancing WECC's ability to support forward-looking, geographically resolved, and policy-informed resource adequacy assessments.

The goals of this initiative include:

- Encouraging WECC to incorporate multiple load growth scenarios—including data centers, electrification, and industrial development—into future resource adequacy assessments.
- Promoting geographic and seasonal granularity in assessments, capturing differences across states and subregions.
- Ensuring assessments consider a range of policy and market conditions, including differing levels of market participation, state policy driven resource requirements, and regional coordination.
- Providing state and provincial policymakers with timely, actionable data to support resource planning decisions.

To achieve these goals, WIRAB staff will:

- Engage with WECC's Reliability Assessment Committee (RAC) and Resource Adequacy Modeling Work Group to advocate for expanded load growth modeling and scenario analysis.
- Monitor and provide feedback on the WARA process and its treatment of electrification and large load trends.
- Collaborate with state and provincial energy offices and utility commissions to identify key planning questions that future adequacy assessments should address.
- Encourage WECC to convene webinars or workshops to share findings from WECC's resource adequacy work and gather input from WIRAB members and stakeholders.
- Contract with subject matter experts, if needed, to evaluate the modeling methods or assumptions used in adequacy studies and to identify potential improvements.

As the Western Interconnection undergoes transformative change driven by electrification,

industrial development, and regional policy shifts, it is critical that reliability assessments evolve to match the pace and complexity of this transition. By proactively examining the implications of rapid load growth and changing adequacy dynamics, WECC can provide the data and insights that state and provincial leaders need to ensure a reliable and resilient grid.

**Initiative 4: Advise WECC and the ERO to assess whether reliability standards adequately reflect the growing role of energy storage technologies in supporting grid stability and essential reliability services.**

As the deployment of battery storage and hybrid resources accelerates, it is critical to ensure that reliability standards and practices account for their unique operating characteristics. According to WECC's 2023 *Western Assessment of Resource Adequacy*, battery energy storage systems (BESS) are projected to make up over 12% of nameplate capacity by 2032 in the Western Interconnection, a dramatic increase from just 1.4% in 2023. Many of these resources are expected to be hybridized with solar PV, presenting new challenges for modeling, forecasting, and performance expectations. As energy storage increasingly contributes to peak capacity and essential reliability services, ensuring standards reflect these technologies' capabilities—particularly around frequency response, voltage control, and fault ride-through—is vital for maintaining system reliability.

However, the current suite of reliability standards and interconnection requirements may not fully reflect the operating characteristics, potential contributions, and unique vulnerabilities of these technologies. A recent *June 2023 NERC Reliability Guideline* on BESS and hybrid resource performance in modeling and studies identifies the need for enhanced clarity around expected performance, particularly under abnormal grid conditions. Additionally, a *September 2023 NERC White Paper* on Grid-Forming Inverter (GFM) functional specifications proposes a standardized framework for GFM behavior encouraging GFM for BESS but stops short of establishing enforceable requirements. These gaps can lead to inconsistent modeling, insufficient coordination between developers and operators, and underutilization of energy storage capabilities.

Furthermore, industry groups such as the American Clean Power Association (ACP) and the Energy Systems Integration Group (ESIG) have highlighted limitations in existing codes and standards—such as IEEE 1547 and UL 9540—that focus heavily on safety and interconnection,



but do not adequately address the operational contributions of storage under high inverter-based resource (IBR) penetration scenarios. In particular, ESIG’s guidance on GFM batteries stresses the importance of moving toward performance-based requirements that reflect modern grid needs.

In the Western Interconnection, where renewable penetration is increasing rapidly, energy storage is poised to play a crucial role in maintaining essential reliability services. However, without a clear and comprehensive review of how reliability standards apply to storage, there is a risk that these resources may be underutilized or mischaracterized in planning and operations. WECC is well-positioned to convene stakeholders, assess standards applicability, and identify opportunities for refinement, including through regional criteria or guidance.

The goals of this initiative include:

- Assessing whether current WECC reliability criteria and NERC standards sufficiently reflect the performance capabilities and operational characteristics of battery energy storage and hybrid systems.
- Identifying gaps or ambiguities in existing standards and modeling practices that could limit the ability of storage resources to contribute to essential reliability services.
- Supporting the development of regional guidance or templates to improve consistency in how storage is studied, interconnected, and operated.
- Encouraging the use of performance-based expectations that enable emerging technologies—like grid-forming inverters—to provide enhanced grid support under high IBR scenarios.

To achieve these goals, WIRAB staff will:

- Monitor the application of NERC Reliability Guidelines and emerging standards relevant to energy storage integration and identify areas where regional guidance may be warranted.
- Participate in relevant WECC and NERC technical committees (e.g., ESF, RRC, RAC, and RSTC) and task forces where energy storage is being studied or discussed.
- Contract with subject matter experts, if needed, to evaluate gaps or ambiguities in existing standards and modeling practices that could limit the ability of storage resources to contribute to essential reliability services.

- Support WECC in engaging with stakeholders—such as utilities, developers, and state regulators—to collect perspectives on the adequacy and clarity of existing standards for storage.
- Convene panel discussions or webinars to inform WIRAB members about storage-related reliability challenges and opportunities, particularly as hybrid resources grow in the West.

As the Western Interconnection navigates a rapidly evolving resource mix, ensuring that reliability standards evolve alongside new technologies is essential. This initiative will help position WECC and its stakeholders to fully leverage the capabilities of energy storage while mitigating emerging risks.

## 2026 Budget and Assessment Impacts

The WIRAB proposed budget for 2026 is \$862,480. This amount is \$30,919 (3.7%) higher than the amount in WIRAB's approved budget for 2025. Total proposed FTEs for 2026 are 3.00, an increase of 0.40 FTEs over 2025. The budget continues to maintain two employees dedicated to WIRAB activities with additional support from six other technical staff for a total of 3.00 FTEs. WIRAB's total funding requirement is \$708,080. WIRAB's proposed funding assessment is \$706,080, a \$9,381 (1.3%) decrease over the 2025 assessment. The modest assessment decrease is necessary for the continuation of assessment stabilization and the prevention of major fluctuations in future budget periods, while incrementally drawing down reserves to twenty five percent of budgeted expenses. 2026 funding includes the use of working capital reserves in the amount of \$154,400.

### Personnel and Indirect Expenses

Direct labor expenses (exclusive of indirect expenses) increased from \$281,826 in the 2025 Budget to \$290,386 (3.0%) in the 2026 Budget. This is attributable to standard annual cost of living and merit increases and the addition of 0.40 FTEs in 2026. WIRAB uses a single rate method for indirect expenses. Indirect expenses include office expenses, medical and retirement expenses as well as holiday, vacation, and sick leave for WIRAB staff. The indirect rate is the ratio between overhead expenses to direct labor allocated to WIRAB. The indirect rate increases from 95% to 96.8% of direct labor costs in the 2026 Budget. Table 2 shows personnel and indirect expenses per FTE for the approved 2025 Budget and the proposed 2026 Budget.

Table 2. Personnel and Indirect Expense Analysis, 2025-2026

| WIRAB - Personnel and Indirect Expense Analysis 2026 |                |                    |                |              |             |
|------------------------------------------------------|----------------|--------------------|----------------|--------------|-------------|
| STATUTORY                                            |                |                    |                |              |             |
|                                                      | Budget<br>2025 | Projection<br>2025 | Budget<br>2026 | Change<br>\$ | Change<br>% |
| <b>Personnel</b>                                     |                |                    |                |              |             |
| Direct Labor                                         | \$ 281,826     | \$ 281,826         | \$ 290,386     | \$ 8,560     | 3.0%        |
| FTEs                                                 | 2.60           | 2.60               | 3.00           | 0.40         | 15.4%       |
| Cost per FTE                                         | \$ 108,395     | \$ 108,395         | \$ 96,795      | \$ (11,599)  | -10.7%      |
| <b>Indirect</b>                                      |                |                    |                |              |             |
| Indirect Rate                                        | 95.0%          | 95.0%              | 96.8%          |              | 1.9%        |
| Indirect Expense                                     | \$ 267,735     | \$ 267,735         | \$ 281,094     | \$ 13,359    | 5.0%        |
| FTEs                                                 | 2.60           | 2.60               | 3.00           | 0.40         | 15.4%       |
| Cost per FTE                                         | \$ 102,975     | \$ 102,975         | \$ 93,698      | \$ (9,277)   | -9.0%       |
| Average Total Cost per FTE                           |                |                    | \$ 95,247      |              |             |

**Meeting Expense**

Meeting expenses increased by 8.9 percent, from \$101,500 in 2025 to \$110,500 in the 2026 budget. This increase is necessary to account for rising costs, including inflation, to hold two major in-person meetings per year that include participation by state and provincial agencies with electric power responsibilities in the Western Interconnection. Wherever feasible, WIRAB meetings will be coordinated with other meetings of the Western states and provinces. Webinars on topics of concern will continue to be utilized between in-person meetings. WIRAB also conducts monthly conference calls to update members on current activities and to develop positions on reliability issues in the Western Interconnection.

**Travel Expense**

Travel costs remain flat at \$80,500. WIRAB members' travel to biannual meetings and reliability conferences accounts for \$42,400. WIRAB staff travel to attend meetings of WIRAB, WECC, NERC, FERC, and other activities account for \$38,100. Hotel and travel costs are based on experience from previous years and in consideration of continued economic conditions.

**Consultants and Contracts**

The 2025 budget included \$100,000 in contract funding for technical expertise on issues related to improved grid operating practices, reliability standards and compliance; the same amount is budgeted for 2026. This expertise will assist WIRAB in preparing and providing technically-sound advice to be submitted to the FERC, NERC, and WECC as authorized under Section 215(j).

Table 3. Budget Comparison 2025 to 2026

| WIRAB - Statement of Activities and Change in Working Capital<br>2025 Budget & Projection, and 2026 Budget |                     |                     |                         |              |                     |                                                         |              |
|------------------------------------------------------------------------------------------------------------|---------------------|---------------------|-------------------------|--------------|---------------------|---------------------------------------------------------|--------------|
| STATUTORY                                                                                                  |                     |                     |                         |              |                     |                                                         |              |
|                                                                                                            | 2025<br>Budget      | 2025<br>Projection  | Variance<br>Over(Under) | % Change     | 2026<br>Budget      | Variance<br>2026 Budget<br>v 2025 Budget<br>Over(Under) | % Change     |
| <b>Funding</b>                                                                                             |                     |                     |                         |              |                     |                                                         |              |
| <b>WIRAB Funding</b>                                                                                       |                     |                     |                         |              |                     |                                                         |              |
| Assessments                                                                                                | \$ 715,461          | \$ 715,461          | \$ -                    | 0.0%         | \$ 706,080          | \$ (9,381)                                              | -1.3%        |
| Penalty Sanctions                                                                                          | -                   | -                   | -                       |              | -                   | -                                                       |              |
| <b>Total WIRAB Funding</b>                                                                                 | <b>\$ 715,461</b>   | <b>\$ 715,461</b>   | <b>\$ -</b>             | <b>0.0%</b>  | <b>\$ 706,080</b>   | <b>\$ (9,381)</b>                                       | <b>-1.3%</b> |
| Membership Dues                                                                                            | -                   | -                   | -                       |              | -                   | -                                                       |              |
| Interest                                                                                                   | 2,000               | 2,000               | \$ -                    | 0.0%         | 2,000               | \$ -                                                    | 0.0%         |
| Miscellaneous                                                                                              | -                   | -                   | -                       |              | -                   | -                                                       |              |
| <b>Total Funding (A)</b>                                                                                   | <b>\$ 717,461</b>   | <b>\$ 717,461</b>   | <b>\$ -</b>             | <b>0.0%</b>  | <b>\$ 708,080</b>   | <b>\$ (9,381)</b>                                       | <b>-1.3%</b> |
| <b>Expenses</b>                                                                                            |                     |                     |                         |              |                     |                                                         |              |
| <b>Personnel Expenses</b>                                                                                  |                     |                     |                         |              |                     |                                                         |              |
| Direct Labor                                                                                               | 281,826             | 281,826             | -                       | 0.0%         | 290,386             | \$ 8,560                                                | 3.0%         |
| Payroll Taxes                                                                                              |                     |                     | -                       |              |                     | -                                                       |              |
| Benefits                                                                                                   |                     |                     | -                       |              |                     | -                                                       |              |
| Retirement Costs                                                                                           |                     |                     | -                       |              |                     | -                                                       |              |
| <b>Total Personnel Expenses</b>                                                                            | <b>\$ 281,826</b>   | <b>\$ 281,826</b>   | <b>\$ -</b>             | <b>0.0%</b>  | <b>\$ 290,386</b>   | <b>\$ 8,560</b>                                         | <b>3.0%</b>  |
| <b>Meeting Expenses</b>                                                                                    |                     |                     |                         |              |                     |                                                         |              |
| WIRAB Meetings                                                                                             | \$ 101,500          | \$ 101,500          | \$ -                    | 0.0%         | \$ 110,500          | \$ 9,000                                                | 8.9%         |
| State Travel                                                                                               | 42,400              | 42,400              | \$ -                    | 0.0%         | 42,400              | \$ -                                                    | 0.0%         |
| Staff Travel                                                                                               | 38,100              | 35,000              | \$ (3,100)              | -8.1%        | 38,100              | \$ -                                                    | 0.0%         |
|                                                                                                            |                     | -                   | \$ -                    |              | -                   | \$ -                                                    |              |
| <b>Total Meeting Expenses</b>                                                                              | <b>\$ 182,000</b>   | <b>\$ 178,900</b>   | <b>\$ (3,100)</b>       | <b>-1.7%</b> | <b>\$ 191,000</b>   | <b>\$ 9,000</b>                                         | <b>4.9%</b>  |
| <b>Operating Expenses</b>                                                                                  |                     |                     |                         |              |                     |                                                         |              |
| Consultants & Contracts                                                                                    | \$ 100,000          | \$ 100,000          | \$ -                    | 0.0%         | \$ 100,000          | \$ -                                                    | 0.0%         |
| Office Rent                                                                                                | -                   | -                   | -                       | -            | -                   | -                                                       | -            |
| Office Costs                                                                                               | -                   | -                   | -                       | -            | -                   | -                                                       | -            |
| Professional Services                                                                                      | -                   | -                   | -                       | -            | -                   | -                                                       | -            |
| Miscellaneous                                                                                              | -                   | -                   | -                       | -            | -                   | -                                                       | -            |
| Depreciation                                                                                               | -                   | -                   | -                       | -            | -                   | -                                                       | -            |
| <b>Total Operating Expenses</b>                                                                            | <b>\$ 100,000</b>   | <b>\$ 100,000</b>   | <b>\$ -</b>             | <b>0.0%</b>  | <b>\$ 100,000</b>   | <b>\$ -</b>                                             | <b>0.0%</b>  |
| <b>Total Direct Expenses</b>                                                                               | <b>\$ 563,826</b>   | <b>\$ 560,726</b>   | <b>\$ (3,100)</b>       | <b>-0.5%</b> | <b>\$ 581,386</b>   | <b>\$ 17,560</b>                                        | <b>3.1%</b>  |
| <b>Indirect Expenses</b>                                                                                   | <b>\$ 267,735</b>   | <b>\$ 267,735</b>   | <b>\$ (0)</b>           | <b>0.0%</b>  | <b>\$ 281,094</b>   | <b>\$ 13,359</b>                                        | <b>5.0%</b>  |
| <b>Other Non-Operating Expenses</b>                                                                        | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>             | <b>-</b>     | <b>\$ -</b>         | <b>\$ -</b>                                             | <b>-</b>     |
| <b>TOTAL BUDGET (B)</b>                                                                                    | <b>\$ 831,561</b>   | <b>\$ 828,461</b>   | <b>\$ (3,100)</b>       | <b>-0.4%</b> | <b>\$ 862,480</b>   | <b>\$ 30,919</b>                                        | <b>3.7%</b>  |
| <b>CHANGE IN WORKING CAPITAL (=A-B)<sup>1</sup></b>                                                        | <b>\$ (114,100)</b> | <b>\$ (111,000)</b> | <b>\$ 3,100</b>         | <b>-</b>     | <b>\$ (154,400)</b> | <b>\$ (40,300)</b>                                      | <b>-</b>     |
| <b>FTEs</b>                                                                                                | 2.60                | 2.60                | -                       | 0.0%         | 3.00                | 0.40                                                    | 15.4%        |

## Statutory Assessments

WIRAB's proposed funding assessment of \$706,080 is allocated at \$601,622 (85%) to the U.S. portion; and \$104,458 (15%) to the Canadian portion, based on 2024 NEL data received and updated on July 2, 2025.

## Key Assumptions

The WIRAB 2026 Business Plan and Budget is based on the following assumptions:

- There will be no significant expansion of the FERC responsibilities as a result of legislation or administrative actions.
- There is a continued minor expansion of NERC and WECC responsibilities due to FERC Order 901 requiring NERC to develop new or modify Reliability Standards to Address Inverter-Based Resources.
- WIRAB will monitor reliability coordination activities at the RC West, SPP, the AESO, and BC Hydro.
- WIRAB will monitor resource adequacy and transmission planning activities at the Western Power Pool.
- WIRAB will hold two in-person meetings in 2026.
- WIRAB will organize and sponsor webinars and workshops on key reliability issues for WIRAB members, state and provincial representatives, industry representatives, and other interested stakeholders.
- WIRAB will attend all WECC Board of Directors and Member Advisory Committee (MAC) meetings.
- WIRAB will monitor all NERC Board of Trustees meetings and attend select NERC meetings and workshops when necessary.
- WIRAB will annually visit FERC in its offices.
- WIRAB will monitor all FERC business meetings.
- WIRAB will attend FERC technical conferences on reliability issues.

## Section A – Statutory Activities

### 2026 Business Plan and Budget

WIRAB's advice to the FERC, NERC, and WECC can be grouped into four categories that are appropriately funded under Section 215 of the FPA:

1. **Governance and Strategic Planning:** Section 215(j) of the FPA authorizes WIRAB to provide advice to the FERC on the governance, strategic direction, budget, and fees of WECC.
2. **Emerging Trends and System Risks:** WIRAB must maintain awareness of system conditions, emerging trends, and system risks in order to provide effective and technically sound advice regarding the strategic direction of the FERC, NERC, and WECC. WIRAB also uses knowledge of emerging trends and risks to provide advice to WECC on reliability readiness activities and proactive compliance efforts. These activities are appropriately funded under Section 215(j) of the FPA.
3. **Periodic Reliability Assessments:** Section 215(g) of the FPA requires NERC to conduct periodic assessments of the reliability and adequacy of the BPS. WECC assists NERC in performing this statutory activity. WIRAB works closely with WECC to improve reliability and resource adequacy assessments in the Western Interconnection.
4. **Reliability Standards and Proactive Enforcement:** Section 215(j) of the FPA authorizes WIRAB to provide advice to the FERC on whether reliability standards are just, reasonable, not unduly discriminatory, or preferential, and in the public interest. WIRAB works closely with WECC to identify emerging problems or conditions that should be considered in the course of requesting, drafting, and voting on amendments to existing standards and in developing new standards.

WIRAB's activities in each of these categories are described in the following subsections.

## **Governance and Strategic Planning**

Section 215(j) of the FPA authorizes WIRAB to advise the FERC, NERC, and the regional entity (i.e., WECC) on the governance, strategic direction, budget, and fees of WECC. To inform WIRAB on governance matters, the WIRAB staff engages with the WECC Board of Directors, management, Technical Committees, and Member Advisory Committee (MAC). Through this engagement, WIRAB monitors developments related to WECC's organizational governance, strategic direction, and business plan and budget. This engagement informs WIRAB's efforts to evaluate the effectiveness and efficiency of operations at WECC and to ensure that all "activities conducted pursuant to Section 215 are just, reasonable, not unduly discriminatory or preferential, and in the public interest."

The WIRAB staff also conduct open monthly meetings with WIRAB Members. During these teleconference meetings, WIRAB staff provides WIRAB Members, WECC's Class 5 Representatives (i.e., representatives of state and provincial governments), and other interested stakeholders with regular updates on current and upcoming activities at WECC and other reliability topics in the Western Interconnection. These meetings provide WIRAB Members with an opportunity to develop and review WIRAB's written Advice. During these webinars, the WIRAB staff also provides opportunities for WECC staff to engage with and discuss governance-related activities with WIRAB Members. WIRAB provides WECC with Advice with a single common voice from the states and provinces on operational practices and performance, annual business plans and budgets, strategic planning, committee charters, proposed bylaw amendments, fees, and other matters.

Additionally, WIRAB is deeply involved in WECC's quinquennial organizational review required by Section 4.9 of the WECC Bylaws. Once the organizational review is completed, WIRAB monitors and participates in the implementation of the recommendations that the WECC Board develops during the organizational review. WIRAB and the WIRAB staff will continue to engage with WECC and to provide Advice and guidance to the organization as appropriate.

## **Emerging Trends and System Risks**

WIRAB staff engages in the following ongoing activities in order to provide independent expert advice on emerging reliability trends and system risks:



**Event Analysis and Situational Awareness:**

Understanding important operational issues facing the bulk power system (BPS) today, as well as in the past, is key to maintaining and improving reliability in the Western Interconnection. Event analysis and situational awareness matters should be discussed in open and transparent forums, when appropriate. These types of discussions bring together utility operators, who deal with these types of issues on a day-to-day basis, with thought leaders to provide different perspectives that can add value to tackling reliability challenges. It is important to share lessons learned and to promote best practices to ensure that system operators have access to the tools and knowledge necessary to maintain a reliable grid in real-time.

WIRAB members and the WIRAB staff engage in relevant discussions and activities by attending and participating in WECC's technical committee meetings, monitoring the western Reliability Coordinators, and monitoring reliability activities in other forums. The WIRAB staff also provides leadership by conducting educational webinars and develops panel sessions for WIRAB's in-person meetings. These outreach opportunities are designed to promote discussions among Western regulators, policymakers, and other stakeholders regarding emerging trends and risks associated with system events.

**Expanding Market Operations:**

Organized markets continue to expand in the Western Interconnection. The California Independent System Operator (CAISO) Western Energy Imbalance Market (WEIM) continues to gain new participants, and CAISO will soon offer day-ahead market services to WEIM participants (Extended Day-Ahead Market, or EDAM). The Southwest Power Pool (SPP) is also offering market services, including Western Energy Imbalance Services (WEIS), to Balancing Authorities (BAs) and Transmission Operators (TOPs) within the Western Interconnection with expanding services through its Market+ initiative. Some western utilities are expected to join SPP's full RTO with expansion into the Western Interconnection. Additionally, discussions are occurring through the West-Wide Governance Pathways Initiative to explore a viable path to electricity market inclusive of all western states, with independent governance. These market reforms could result in significant changes to system operations (e.g., transmission scheduling, congestion management, etc.) and create new reliability challenges and opportunities for the Western Interconnection. The

Western Power Pool's Western Resource Adequacy Program (WRAP) is in a non-binding period, and when it moves to fully binding operations it will allow Western participants to coordinate resource adequacy requirements necessary to maintain reliability.

The WIRAB staff monitors market reform efforts in the Western Interconnection and provides a forum for discussions about reliability-related issues associated with developing multiple markets in the Western Interconnection. The WIRAB staff monitors and participates in forums that are exploring these reliability issues associated with markets taking place at public utility commissions, regional TOP meetings, and ISO/RTO workshops. Additionally, the WIRAB staff engages in relevant WECC technical committee meetings and activities, such as those of WECC's Reliability Risk Committee. WIRAB will continue to provide advice to WECC and to make recommendations as appropriate on reliability challenges and opportunities associated with expanding market operations in the Western Interconnection.

**Essential Reliability Services:**

As the resource mix continues to change, some reliability services that have traditionally been provided by synchronous generating resources may not be available to the same extent in the future as the BPS is becoming increasingly reliant on variable inverter-based resources. The electric utility industry must examine alternative opportunities to provide these essential reliability services and develop practices today that support ongoing BPS reliability under a new paradigm. Inverter-based resources, specifically solar PV generation, have historically been regarded as unable to provide grid supporting services, such as frequency support and voltage control, traditionally provided by synchronous resources. However, new power electronic technologies available through advanced inverters and other grid-enhancing technologies now enable inverter-based generation to provide grid support similar to synchronous generators if programmed correctly. FERC Order 901, which requires NERC to develop new or modify Reliability Standards to Address Inverter-Based Resources, will address some reliability gaps related to inverter-based resources in data sharing, model validation, planning and operational studies, and performance and ride-through requirements. The West has been at the forefront of the inverter-based resource issue, so there may still be a need for additional policies and practices to account for emerging technologies to support grid reliability in the future in the Western Interconnection.

WIRAB Members and the WIRAB staff develop expertise by attending, participating in, and monitoring WECC's Technical Committees, NERC's Reliability Issues Steering Committee (RISC), Reliability and Security Technical Committee (RSTC), the FERC's Reliability Technical Conferences, and other forums within the industry such as the Energy Systems Integration Group (ESIG). WIRAB provides advice on policies regarding the risks associated with the provision of essential reliability services in the Western Interconnection. Additionally, WIRAB leverages subject matter expertise via consultant projects to educate and inform WIRAB Advice. WIRAB staff also provide periodic outreach webinars and develop panel sessions for WIRAB's in-person meetings to discuss emerging trends. These forums provide an opportunity to inform Western policymakers and other interested stakeholders of the emerging risks associated with the changing resource mix and the importance of maintaining essential reliability services in the Western Interconnection.

### **Load Growth and Large Loads:**

The Western Interconnection is experiencing a surge in electricity demand driven by electrification efforts and the rapid emergence of large loads, such as advanced manufacturing facilities and data centers. These loads often require hundreds of megawatts of new demand, may be clustered in locations with limited transmission capacity, and can be deployed much faster than utility infrastructure can be upgraded. This imbalance presents significant reliability planning and operational challenges.

WIRAB monitors the potential system risks from this unprecedented load growth by engaging with regulators, utilities, WECC and NERC technical committees, and other industry forums. The WIRAB staff also participates in discussions around transmission and distribution system impacts, utility interconnection processes, and the adequacy of planning models and assumptions to address fast-evolving load scenarios. WIRAB advises WECC to work with industry stakeholders to evaluate accelerated load scenarios and large load impacts on the reliability of the Western Interconnection.

### **Periodic Reliability Assessments**

Assessing the reliability implications of a changing resource mix is a high priority for WIRAB. WIRAB strives for WECC to produce high-quality assessments that address the

reliability implications of the changing resource mix in the Western Interconnection over a 10- to 20-year timeframe to inform policymaking in the West. Production cost modeling can identify the economic dispatch of a potential new resource mix for every hour over a future year and identify critical hours of system stress. Power flow analysis then examines these critical stress hours for traditional reliability parameters. The integrated use of production cost modeling and power flow analysis will be essential for future reliability assessments of the Western Interconnection.

Additionally, the Western Power Pool (WPP), through its Western Transmission Expansion Coalition (WestTEC) initiative, is undertaking a collaborative, West-wide effort aimed at formulating an actionable transmission plan to cater to the future energy grid's requirements. A West-wide transmission plan will have significant reliability implications that require adherence to principles of transparency, independence, and inclusivity, with due consideration for interconnection-wide transmission planning perspectives. WECC is contributing both time and money to support this effort.

WIRAB will monitor the WestTEC initiative and Advise WECC in its participation in the effort. Additionally, WIRAB monitors, advises, and participates in WECC's RAC to promote improved reliability assessments of the Western Interconnection. WIRAB will encourage and support the RAC in its efforts to integrate WECC's data and modeling capability to perform roundtrip reliability assessments that combine power flow analysis and production cost modeling. WIRAB will also monitor, engage, and communicate findings on leading research about the integration of variable energy resources into the Western Interconnection, such as the work of NERC's Inverter- Based Resource Subcommittee. WIRAB maintains a non-voting member status of the Energy Systems Integration Group (ESIG) where WIRAB Staff engage in technical working groups and workshops to discuss emerging issues, which helps to inform WIRAB's advice to WECC, NERC and FERC. Further, WIRAB staff monitors and engages with national laboratories, academic and industry trade organizations such as the Institute of Electrical and Electronics Engineers (IEEE), registered entity activities, and other forums investigating the flexibility and reliability of the power system. WIRAB also provides outreach to Western states and provinces on the policy implications associated with new research.

## Reliability Standards and Proactive Enforcement

WIRAB staff engages in the following ongoing activities in order to provide independent expert advice on the development and proactive enforcement of reliability standards:

### Operations and Planning Reliability Standards:

Reliability standards were created to provide the minimum requirements for planning and operating the electric grid. The compliance and enforcement of these reliability standards ensure there is oversight and accountability of BPS owners and operators to maintain system-wide reliability. Reliability standards must be strict enough to guarantee that system reliability is maintained, but flexible enough to respond to the changing industry. It is essential to develop and review reliability standards to ensure they effectively preserve reliability while not being overly burdensome on the entities required to comply.

WIRAB staff develops WIRAB advice on the development and proactive enforcement of reliability standards by contracting with subject matter experts with direct knowledge of the efficacy of reliability standards and the burden of compliance on regulated entities. WIRAB staff attends, participates, or monitors WECC's Technical Committee meetings, WECC's Standards Committee meetings, WECC's Reliability and Security Workshop, NERC's standard development process, and other industry forums. When necessary, WIRAB provides written advice to WECC, NERC and the FERC on the implementation of specific standards within the Western Interconnection and standards that have a significant impact on the Western Interconnection. WIRAB staff also conduct educational webinars and in-person panel discussions for WIRAB's meetings to consider emerging trends that may require changes to reliability standards in the Western Interconnection.

### Physical and Cyber Security:

The electric grid's physical and cyber security continues to represent issues of growing concern in the Western Interconnection and across the ERO. The Western Interconnection has experienced physical and cyber incidents that have potentially impacted system reliability. Experiences worldwide demonstrate there is a greater threat to the electric grid reliability related to physical and cyber security. The Critical Infrastructure Protection (CIP) standards provide a baseline level set of requirements for registered entities to maintain the protection of critical assets

of the BPS. The CIP standards must be risk-based to ensure that critical assets are protected while maintaining the flexibility to respond to the changing nature of potential threats. It is essential to develop and review the CIP standards to effectively preserve reliability while not being overly burdensome on the entities required to comply.

WIRAB stays abreast of significant incidents that have compromised both the physical and cyber security of the grid through secure briefings and updates from security experts. WIRAB works with WECC and subject matter experts to educate regulators on the steps registered entities take to maintain the physical and cyber security of the grid. WIRAB continues to monitor the development of NERC's CIP standards and will provide advice when appropriate. WIRAB staff observes NERC's GridEx exercises, which allow utilities to demonstrate how they would respond to coordinated cyber and physical security events. WIRAB encourages entities to broadly share lessons learned and best practices across the Western Interconnection.

## Section B – Supplementary Financial Information

### 2026 Business Plan and Budget

#### Working Capital Reserve

WIRAB projects that it will have a working capital reserve of \$671,900 on December 31, 2025, as compared to a desired working capital reserve on December 31, 2026, of \$517,500 which is 60 percent of budgeted expenses, and remains flat from 2025. The level of reserves is projected to incrementally decrease to 25 percent in 2028. WIRAB's target working capital reserve is 25 percent of budgeted expenses. In order to maintain assessment stabilization and avoid large fluctuations over several budget cycles, a more desirable level of reserves has been established for 2026 to draw down reserves incrementally and consistently. The surplus working capital reserve results in a \$154,400 reduction in WIRAB's funding requirement for 2026.

In its 2018 Business Plan and Budget, WIRAB changed its reserve policy to stabilize statutory assessments while reducing its surplus financial reserve over several budget cycles. FERC allows WIRAB to carry a financial reserve under the proviso that any excess reserves be used to offset future assessments. WIRAB's funding assessments are calculated nine months in advance of each budget year. This assessment is fixed, meaning that, once approved, it cannot be decreased or increased mid-year to match actual expenses more closely. The financial reserve allows for some budgetary flexibility.

Table B-1. Working Capital Reserve Analysis 2025 – 2026

| WIRAB - Working Capital Reserve Analysis 2025 - 2026                                |                  |
|-------------------------------------------------------------------------------------|------------------|
| STATUTORY                                                                           |                  |
| <b>Beginning Working Capital Reserve (Deficit), December 31, 2024</b>               | 782,876          |
| Plus: 2025 Funding (from LSEs or designees)                                         | 715,461          |
| Plus: 2025 Other funding sources                                                    | 2,000            |
| Minus: 2025 Projected expenses & capital expenditures                               | (828,461)        |
| <b>Projected Working Capital Reserve (Deficit), December 31, 2025</b>               | <b>671,900</b>   |
| <b>Desired Working Capital Reserve, December 31, 2026</b>                           | 517,500          |
| Minus: Projected Working Capital Reserve, December 31, 2025                         | (671,900)        |
| <b>Increase(decrease) in funding requirement to achieve Working Capital Reserve</b> | <b>(154,400)</b> |
| 2026 Expenses and Capital Expenditures                                              | 862,480          |
| Less: Penalty Sanctions                                                             | 0                |
| Less: Other Funding Sources                                                         | (2,000)          |
| Adjustment: To achieve desired Working Capital Reserve                              | (154,400)        |
| <b>2026 NERC Assessment</b>                                                         | <b>706,080</b>   |



Table B-2. 2025 Budget with 2026, 2027, and 2028 Projections

WIRAB projects a 3.7% increase to its annual budget in 2026 and a 3.3% increase in 2027 and 2028. These increases reflect standard annual adjustments for cost-of-living and merit increases, and standard annual inflationary adjustments to other direct expenses.

| WIRAB - 2025 Budget and 2026 - 2028 Projections |                |                    |                                            |          |                    |                                            |          |                    |                                            |          |
|-------------------------------------------------|----------------|--------------------|--------------------------------------------|----------|--------------------|--------------------------------------------|----------|--------------------|--------------------------------------------|----------|
| STATUTORY                                       |                |                    |                                            |          |                    |                                            |          |                    |                                            |          |
|                                                 | 2025<br>Budget | 2026<br>Projection | Change<br>2026 Projection<br>v 2025 Budget |          | 2027<br>Projection | Change<br>2027 Projection<br>v 2026 Budget |          | 2028<br>Projection | Change<br>2028 Projection<br>v 2027 Budget |          |
|                                                 |                |                    | Over(Under)                                | % Change |                    | Over(Under)                                | % Change |                    | Over(Under)                                | % Change |
| Funding                                         |                |                    |                                            |          |                    |                                            |          |                    |                                            |          |
| WIRAB Funding                                   |                |                    |                                            |          |                    |                                            |          |                    |                                            |          |
| Assessments                                     | \$ 715,461     | \$ 706,080         | \$ (9,381)                                 | -1.3%    | \$ 724,300         | \$ 18,220                                  | 2.6%     | \$ 786,500         | \$ 62,200                                  | 8.6%     |
| Penalty Sanctions                               | -              | -                  | -                                          |          | -                  | -                                          |          | -                  | -                                          |          |
| Total WIRAB Funding                             | \$ 715,461     | \$ 706,080         | \$ (9,381)                                 | -1.3%    | \$ 724,300         | \$ 18,220                                  | 2.6%     | \$ 786,500         | \$ 62,200                                  | 8.6%     |
|                                                 |                |                    |                                            |          |                    |                                            |          |                    |                                            |          |
| Membership Dues                                 | -              | -                  | -                                          |          | -                  | -                                          |          | -                  | -                                          |          |
| Testing Fees                                    | -              | -                  | -                                          |          | -                  | -                                          |          | -                  | -                                          |          |
| Services & Software                             | -              | -                  | -                                          |          | -                  | -                                          |          | -                  | -                                          |          |
| Workshops                                       | -              | -                  | -                                          |          | -                  | -                                          |          | -                  | -                                          |          |
| Interest                                        | 2,000          | 2,000              | \$ -                                       | 0.0%     | 2,000              | \$ -                                       | 0.0%     | 2,000              | \$ -                                       | 0.0%     |
| Miscellaneous                                   | -              | -                  | -                                          |          | -                  | -                                          |          | -                  | -                                          |          |
| Total Funding (A)                               | \$ 717,461     | \$ 708,080         | \$ (9,381)                                 | -1.3%    | \$ 726,300         | \$ 18,220                                  | 2.6%     | \$ 788,500         | \$ 62,200                                  | 8.6%     |
| Expenses                                        |                |                    |                                            |          |                    |                                            |          |                    |                                            |          |
| Personnel Expenses                              |                |                    |                                            |          |                    |                                            |          |                    |                                            |          |
| Direct Labor                                    | 281,826        | 290,386            | 8,560                                      | 3.0%     | 302,000            | \$ 11,614                                  | 4.0%     | 314,100            | \$ 12,100                                  | 4.0%     |
| Payroll Taxes                                   |                |                    | -                                          |          |                    | -                                          |          |                    | -                                          |          |
| Benefits                                        |                |                    | -                                          |          |                    | -                                          |          |                    | -                                          |          |
| Retirement Costs                                |                |                    | -                                          |          |                    | -                                          |          |                    | -                                          |          |
| Total Personnel Expenses                        | \$ 281,826     | \$ 290,386         | \$ 8,560                                   | 3.0%     | \$ 302,000         | \$ 11,614                                  | 4.0%     | \$ 314,100         | \$ 12,100                                  | 4.0%     |
|                                                 |                |                    |                                            |          |                    |                                            |          |                    |                                            |          |
| Meeting Expenses                                |                |                    |                                            |          |                    |                                            |          |                    |                                            |          |
| WIRAB Meetings                                  | \$ 101,500     | \$ 110,500         | \$ 9,000                                   | 8.9%     | \$ 113,800         | \$ 3,300                                   | 3.0%     | \$ 117,200         | \$ 3,400                                   | 3.0%     |
| State Travel                                    | \$ 42,400      | \$ 42,400          | \$ -                                       | 0.0%     | \$ 43,700          | \$ 1,300                                   | 3.1%     | \$ 45,000          | \$ 1,300                                   | 3.0%     |
| Staff Travel                                    | \$ 38,100      | \$ 38,100          | \$ -                                       | 0.0%     | \$ 39,200          | \$ 1,100                                   | 2.9%     | \$ 40,400          | \$ 1,200                                   | 3.1%     |
| Total Meeting Expenses                          | \$ 182,000     | \$ 191,000         | \$ 9,000                                   | 4.9%     | \$ 196,700         | \$ 5,700                                   | 3.0%     | \$ 202,600         | \$ 5,900                                   | 3.0%     |
|                                                 |                |                    |                                            |          |                    |                                            |          |                    |                                            |          |
| Operating Expenses                              |                |                    |                                            |          |                    |                                            |          |                    |                                            |          |
| Consultants & Contracts                         | \$ 100,000     | \$ 100,000         | \$ -                                       | 0.0%     | \$ 100,000         | \$ -                                       | 0.0%     | \$ 100,000         | \$ -                                       | 0.0%     |
| Office Rent                                     | -              | -                  | -                                          | -        | -                  | -                                          | -        | -                  | -                                          | -        |
| Office Costs                                    | -              | -                  | -                                          | -        | -                  | -                                          | -        | -                  | -                                          | -        |
| Professional Services                           | -              | -                  | -                                          | -        | -                  | -                                          | -        | -                  | -                                          | -        |
| Miscellaneous                                   | -              | -                  | -                                          | -        | -                  | -                                          | -        | -                  | -                                          | -        |
| Depreciation                                    | -              | -                  | -                                          | -        | -                  | -                                          | -        | -                  | -                                          | -        |
| Total Operating Expenses                        | \$ 100,000     | \$ 100,000         | \$ -                                       | 0.0%     | \$ 100,000         | \$ -                                       | 0.0%     | \$ 100,000         | \$ -                                       | 0.0%     |
|                                                 |                |                    |                                            |          |                    |                                            |          |                    |                                            |          |
| Total Direct Expenses                           | \$ 563,826     | \$ 581,386         | \$ 17,560                                  | 3.1%     | \$ 598,700         | \$ 17,314                                  | 3.0%     | \$ 616,700         | \$ 18,000                                  | 3.0%     |
|                                                 |                |                    |                                            |          |                    |                                            |          |                    |                                            |          |
| Indirect Expenses                               | \$ 267,735     | \$ 281,094         | \$ 13,359                                  | 5.0%     | \$ 292,300         | \$ 11,206                                  | 4.0%     | \$ 304,000         | \$ 11,700                                  | 4.0%     |
|                                                 |                |                    |                                            |          |                    |                                            |          |                    |                                            |          |
| Other Non-Operating Expenses                    | \$ -           | \$ -               | \$ -                                       | -        | \$ -               | \$ -                                       | -        | \$ -               | \$ -                                       | -        |
|                                                 |                |                    |                                            |          |                    |                                            |          |                    |                                            |          |
| TOTAL BUDGET (B)                                | \$ 831,561     | \$ 862,480         | \$ 30,919                                  | 3.7%     | \$ 891,000         | \$ 28,520                                  | 3.3%     | \$ 920,700         | \$ 29,700                                  | 3.3%     |
|                                                 |                |                    |                                            |          |                    |                                            |          |                    |                                            |          |
| CHANGE IN WORKING CAPITAL (=A-B) <sup>1</sup>   | \$ (114,100)   | \$ (154,400)       | \$ (40,300)                                | -        | \$ (164,700)       | \$ (10,300)                                | -        | \$ (132,200)       | \$ 32,500                                  | -        |
|                                                 |                |                    |                                            |          |                    |                                            |          |                    |                                            |          |
| FTEs                                            | 2.60           | 3.00               | 0.40                                       | 15.4%    | 3.00               | -                                          | 0.0%     | 3.00               | -                                          | 0.0%     |

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## Section C – Non-Statutory Activities

### 2026 Business Plan and Budget

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WIRAB does not engage in non-statutory activities.

## Section D – Additional Consolidated Financial Statements

### 2026 Business Plan and Budget

#### Statement of Financial Position

Table D-1 provides WIRAB's Statement of Financial Position as of the following dates:

- As of June 30, 2024, per audit
- As of December 31, 2025, projected
- As of December 31, 2026, as budgeted

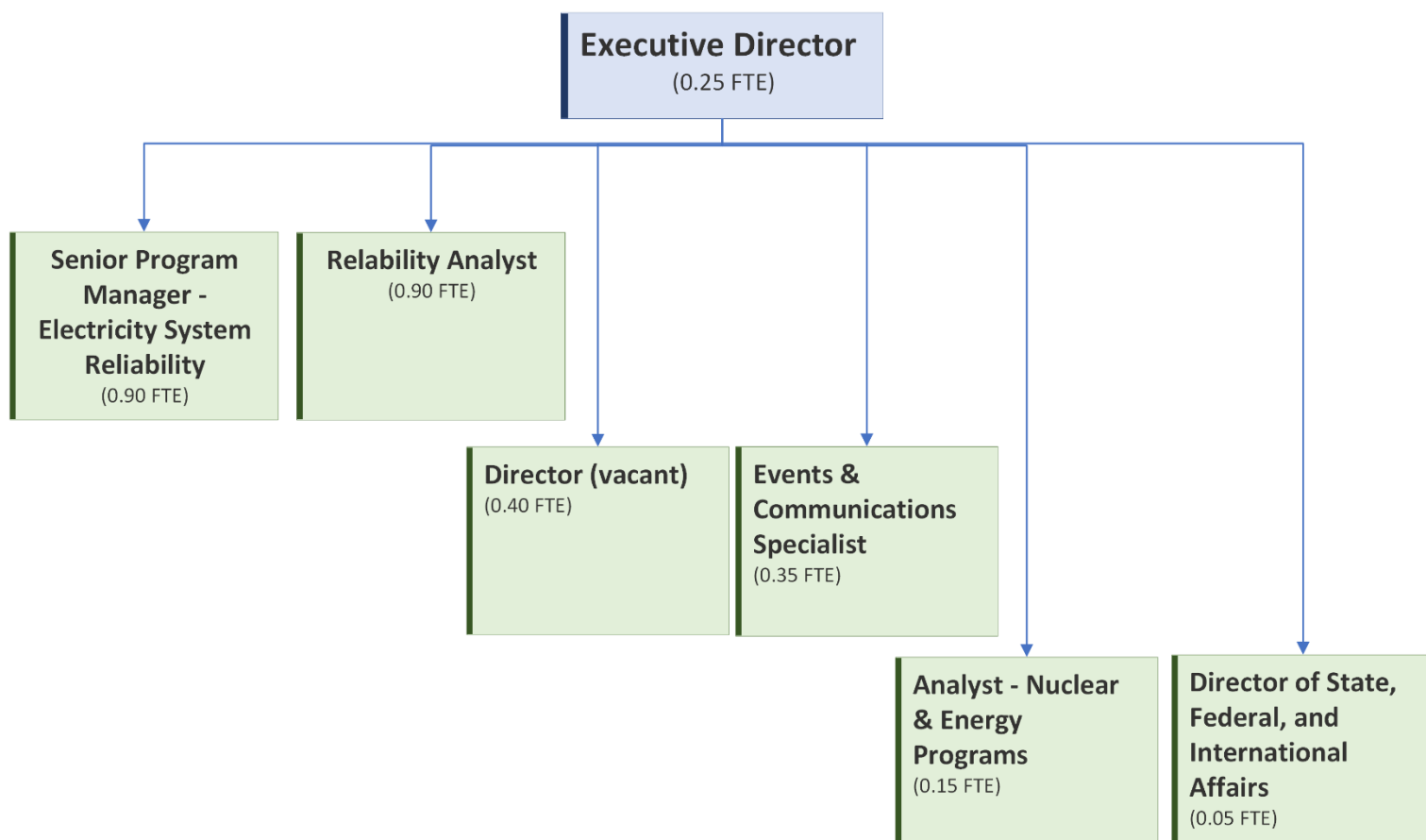
**Table D-1. Statement of Financial Position, Three-Year Comparison**

| WIRAB - Statement of Financial Position |                                   |                                           |                                          |
|-----------------------------------------|-----------------------------------|-------------------------------------------|------------------------------------------|
| STATUTORY                               |                                   |                                           |                                          |
|                                         | As of<br>June 30, 2024<br>(Audit) | As of<br>December 31, 2025<br>(Projected) | As of<br>December 31, 2026<br>(Budgeted) |
| <b>Assets</b>                           |                                   |                                           |                                          |
| Cash and Investments                    | \$ 908,160                        | \$ 671,900                                | \$ 517,500                               |
| <b>Total Assets</b>                     | <b>\$ 908,160</b>                 | <b>\$ 671,900</b>                         | <b>\$ 517,500</b>                        |

## Appendix A – Organization Chart

### 2026 Business Plan and Budget

The WIRAB Staff Organization Chart is shown below.



**DOCKET NO. RR25-\_\_-000**

**NORTH AMERICAN ELECTRIC RELIABILITY  
CORPORATION**

**2026 BUSINESS PLAN AND BUDGET FILING**

**ATTACHMENT 10**

**NERC MANAGEMENT'S RESPONSES  
TO STAKEHOLDER COMMENTS SUBMITTED  
ON POSTED DRAFT OF NERC'S  
2026 BUSINESS PLAN AND BUDGET**

Re: Management Response to Comments on the Draft NERC 2026 Business Plan and Budget

Date: July 31, 2025

The deadline for comments on the draft NERC 2026 Business Plan and Budget (BP&B) ended on June 23, 2025. The BP&B proposed a budget of \$128.3M, which is a 4.3% increase from the 2025 budget, and an assessment of \$113.7M, which is a 4.9% increase from the 2025 assessment. One comment submission was received from Electricity Canada, which is posted on [NERC's website](#), and summarized as follows:

- Appreciation for NERC's rationale in approaching 2026 as a bridge year between three-year plans
- Continued support for the three-year planning model
- Concern with the trajectory of consecutive, above-inflation increases, encouraging NERC to continue its engagement with policymakers and regulators so that there is clarity around rising costs

NERC appreciates the comments received and engagement with the BP&B preparation process. While we don't see the comments driving any material changes to the final 2026 BP&B, we value the input of our stakeholders and will continue to provide ongoing, transparent information on the progress and benefits of our investments. The proposed final 2026 BP&B will be posted on the NERC website in advance of the NERC Board of Trustees' meetings on August 13 and 14, 2025, as part of the material for the August 13 Finance and Audit Committee open meeting.

We are all facing a moving target on priorities as the grid grows ever-more complex. Our role as the ERO is to shine the light on any challenges on the grid—now and for the future—and our focus remains on the strategic thematic areas as part of the *ERO Enterprise Long-Term Strategy: **Energy, Security, Engagement, and Agility and Sustainability***. We understand that cost increases are never welcomed, regardless of the benefits they may provide, and we vow to continue being good stewards for the effective and efficient use of our resources.

Sincerely,



Andy Sharp  
Vice President and Chief Financial Officer

**DOCKET NO. RR25-\_\_-000**

**NORTH AMERICAN ELECTRIC RELIABILITY  
CORPORATION**

**2026 BUSINESS PLAN AND BUDGET FILING**

**ATTACHMENT 11**

**CALCULATION OF ADJUSTMENTS TO  
AESO 2026 NERC ASSESSMENT,  
IESO 2026 NERC ASSESSMENT,  
NEW BRUNSWICK 2026 NERC ASSESSMENT,  
QUEBEC 2026 NERC ASSESSMENT**

**2026 AESO Assessment Adjustment**  
**Credit for NERC Compliance Costs**

|                                                       | 2026 NERC Final<br>Budget | AESO NEL Share<br>(2024)<br><u>1.333%</u> | %<br>Credit | <u>AESO Credit</u> |
|-------------------------------------------------------|---------------------------|-------------------------------------------|-------------|--------------------|
| <b>NERC Compliance Program Budget</b>                 |                           |                                           |             |                    |
| Compliance Assurance and Certification                | \$ 13,452,230             |                                           |             |                    |
| Registration                                          | 3,019,804                 |                                           |             |                    |
| Enforcement                                           | 9,289,081                 |                                           |             |                    |
| <b>Total Compliance Costs, including Fixed Assets</b> | <b>\$ 25,761,115</b>      | <b>\$ 343,353</b>                         | <b>99%</b>  | <b>\$ 339,919</b>  |
| <b>2026 Total Compliance Credit</b>                   |                           |                                           |             | <b>\$ 339,919</b>  |
| <b>2025 Total Credit</b>                              |                           |                                           |             | <b>\$ 314,982</b>  |
| <b>Change from 2025</b>                               |                           |                                           |             | <b>\$ 24,937</b>   |
| <b>2026 Assessment</b>                                |                           |                                           |             |                    |
| 2026 NERC Assessment                                  | \$ 1,176,173              |                                           |             |                    |
| 2026 RE Assessment (WECC & WIRAB)                     | 1,109,295                 |                                           |             |                    |
| <b>Total 2026 Assessment</b>                          | <b>\$ 2,285,468</b>       |                                           |             |                    |
| <b>2025 Assessment</b>                                |                           |                                           |             |                    |
| 2025 NERC Assessment                                  | \$ 1,144,038              |                                           |             |                    |
| 2025 RE Assessment (WECC & WIRAB)                     | 1,041,325                 |                                           |             |                    |
| <b>Total 2025 Assessment</b>                          | <b>\$ 2,185,363</b>       |                                           |             |                    |
| <b>Change in Total Assessment</b>                     | <b>\$ 100,105</b>         |                                           |             |                    |
|                                                       | <b>4.6%</b>               |                                           |             |                    |
| <b>Change in NERC Assessment</b>                      | <b>\$ 32,135</b>          |                                           |             |                    |
|                                                       | <b>2.8%</b>               |                                           |             |                    |



**2026 IESO Assessment Adjustment****Credit for NERC Compliance Costs**

|                                                       | <b>2026 NERC Final<br/>Budget</b> | <b>IESO NEL Share<br/>(2024)<br/><u>2.984%</u></b> | <b>%<br/>Credit</b> | <b><u>IESO Credit</u></b> |
|-------------------------------------------------------|-----------------------------------|----------------------------------------------------|---------------------|---------------------------|
| <b>NERC Compliance Program Budget</b>                 |                                   |                                                    |                     |                           |
| Compliance Assurance and Certification                | \$ 13,452,230                     |                                                    |                     |                           |
| Registration                                          | 3,019,804                         |                                                    |                     |                           |
| Enforcement                                           | 9,289,081                         |                                                    |                     |                           |
| <b>Total Compliance Costs, including Fixed Assets</b> | <b>\$ 25,761,115</b>              | <b>\$ 768,818</b>                                  | <b>95%</b>          | <b><u>\$ 730,377</u></b>  |
| <b>2026 Total Compliance Credits</b>                  |                                   |                                                    |                     | <b><u>\$ 730,377</u></b>  |
| <b>2025 Total Credits</b>                             |                                   |                                                    |                     | <b><u>\$ 701,106</u></b>  |
| <b>Change from 2025</b>                               |                                   |                                                    |                     | <b><u>\$ 29,271</u></b>   |
| <b>2026 Assessment</b>                                |                                   |                                                    |                     |                           |
| 2026 NERC Assessment                                  | \$ 2,664,376                      |                                                    |                     |                           |
| 2026 RE Assessment                                    | 3,587,213                         |                                                    |                     |                           |
| <b>Total 2026 Assessment</b>                          | <b><u>\$ 6,251,589</u></b>        |                                                    |                     |                           |
| <b>2025 Assessment</b>                                |                                   |                                                    |                     |                           |
| 2025 NERC Assessment                                  | \$ 2,530,813                      |                                                    |                     |                           |
| 2025 RE Assessment                                    | 3,231,628                         |                                                    |                     |                           |
| <b>Total 2025 Assessment</b>                          | <b><u>\$ 5,762,441</u></b>        |                                                    |                     |                           |
| <b>Change in Total Assessment</b>                     | <b>\$ 489,148</b>                 |                                                    |                     |                           |
|                                                       | <b>8.5%</b>                       |                                                    |                     |                           |
| <b>Change in NERC Assessment</b>                      | <b>\$ 133,563</b>                 |                                                    |                     |                           |
|                                                       | <b>5.3%</b>                       |                                                    |                     |                           |

**2026 New Brunswick Assessment Adjustment**  
**Credit for NERC Compliance Costs**

|                                                       | <b>2026 NERC Final<br/>Budget</b> | <b>NB NEL Share<br/>(2024)<br/><u>0.309%</u></b> | <b>%<br/>Credit</b> | <b><u>New Brunswick Credit</u></b> |
|-------------------------------------------------------|-----------------------------------|--------------------------------------------------|---------------------|------------------------------------|
| <b>NERC Compliance Program Budget</b>                 |                                   |                                                  |                     |                                    |
| Compliance Assurance and Certification                | \$ 13,452,230                     |                                                  |                     |                                    |
| Registration                                          | 3,019,804                         |                                                  |                     |                                    |
| Enforcement                                           | 9,289,081                         |                                                  |                     |                                    |
| <b>Total Compliance Costs, including Fixed Assets</b> | <b>\$ 25,761,115</b>              | <b>\$ 79,602</b>                                 | <b>95%</b>          | <b>\$ 75,622</b>                   |
| <b>2026 Total Compliance Credits</b>                  |                                   |                                                  |                     | <b>\$ 75,622</b>                   |
| <b>2025 Total Credits</b>                             |                                   |                                                  |                     | <b>\$ 69,068</b>                   |
| <b>Change from 2025</b>                               |                                   |                                                  |                     | <b>\$ 6,554</b>                    |
| <b>2026 Assessment</b>                                |                                   |                                                  |                     |                                    |
| 2026 NERC Assessment                                  | \$ 275,660                        |                                                  |                     |                                    |
| 2026 RE Assessment                                    | 794,976                           |                                                  |                     |                                    |
| <b>Total 2025 Assessment</b>                          | <b>\$ 1,070,636</b>               |                                                  |                     |                                    |
| <b>2025 Assessment (before amendment)</b>             |                                   |                                                  |                     |                                    |
| 2025 NERC Assessment                                  | \$ 270,519                        |                                                  |                     |                                    |
| 2025 RE Assessment                                    | 718,435                           |                                                  |                     |                                    |
| <b>Total 2024 Assessment</b>                          | <b>\$ 988,954</b>                 |                                                  |                     |                                    |
| <b>Change in Total Assessment</b>                     | <b>\$ 81,682</b>                  |                                                  |                     |                                    |
|                                                       | <b>8.3%</b>                       |                                                  |                     |                                    |
| <b>Change in NERC Assessment</b>                      | <b>\$ 5,141</b>                   |                                                  |                     |                                    |
|                                                       | <b>1.9%</b>                       |                                                  |                     |                                    |

## 2026 Quebec Assessment Adjustment

### Credit for NERC Compliance Costs

|                                                       | 2026 NERC Final<br>Budget | Quebec NEL<br>Share (2024)<br>4.060% |            | Quebec<br>Credit  | Costs Paid by<br>Quebec | Payment Allocation  |                     |
|-------------------------------------------------------|---------------------------|--------------------------------------|------------|-------------------|-------------------------|---------------------|---------------------|
|                                                       |                           |                                      |            |                   |                         | Regie               | Hydro Quebec        |
| <b>NERC Compliance Program Budget</b>                 |                           |                                      |            |                   |                         |                     |                     |
| Compliance Assurance and Certification                | \$ 13,452,230             |                                      |            |                   |                         |                     |                     |
| Registration                                          | 3,019,804                 |                                      |            |                   |                         |                     |                     |
| Enforcement                                           | 9,289,081                 |                                      |            |                   |                         |                     |                     |
| <b>Total Compliance Costs, including Fixed Assets</b> | <b>\$ 25,761,115</b>      | <b>\$ 1,045,868</b>                  | <b>75%</b> | <b>\$ 784,401</b> | <b>\$ 261,467</b>       | <b>\$ 1,500</b>     | <b>\$ 259,967</b>   |
| <b>2026 Total compliance cost share and credits</b>   |                           | <b>\$ 1,045,868</b>                  |            | <b>\$ 784,401</b> | <b>\$ 261,467</b>       | <b>\$ 1,500</b>     | <b>\$ 259,967</b>   |
| <b>2024 Total cost share and credits</b>              |                           | <b>\$ 930,372</b>                    |            | <b>\$ 697,779</b> | <b>\$ 232,593</b>       | <b>\$ 1,500</b>     | <b>\$ 231,093</b>   |
| <b>Change from 2024</b>                               |                           | <b>\$ 115,496</b>                    |            | <b>\$ 86,622</b>  | <b>\$ 28,874</b>        | <b>\$ -</b>         | <b>\$ 28,874</b>    |
| <b>2026 Assessment</b>                                |                           |                                      |            |                   |                         |                     |                     |
| 2026 NERC Assessment                                  | \$ 3,833,681              |                                      |            |                   |                         | \$ 1,500            | \$ 3,832,181        |
| 2026 RE Assessment                                    | 6,111,799                 |                                      |            |                   |                         | 2,744,935           | 3,366,864           |
| <b>Total 2026 Assessment</b>                          | <b>\$ 9,945,480</b>       |                                      |            |                   |                         | <b>\$ 2,746,435</b> | <b>\$ 7,199,045</b> |
| <b>2025 Assessment</b>                                |                           |                                      |            |                   |                         |                     |                     |
| 2025 NERC Assessment                                  | \$ 3,763,816              |                                      |            |                   |                         | \$ 1,500            | \$ 3,762,316        |
| 2025 RE Assessment                                    | 5,427,219                 |                                      |            |                   |                         | 2,424,265           | 3,002,954           |
| <b>Total 2024 Assessment</b>                          | <b>\$ 9,191,035</b>       |                                      |            |                   |                         | <b>\$ 2,425,765</b> | <b>\$ 6,765,270</b> |
| <b>Change in Total Assessment</b>                     | <b>\$ 754,445</b>         |                                      |            |                   |                         | <b>\$ 320,670</b>   | <b>\$ 433,775</b>   |
|                                                       | <b>8.2%</b>               |                                      |            |                   |                         | <b>13.2%</b>        | <b>6.4%</b>         |
| <b>Change in NERC Assessment</b>                      | <b>\$ 69,865</b>          |                                      |            |                   |                         |                     |                     |
|                                                       | <b>1.9%</b>               |                                      |            |                   |                         |                     |                     |

**DOCKET NO. RR25-\_\_-000**

**NORTH AMERICAN ELECTRIC RELIABILITY  
CORPORATION**

**2026 BUSINESS PLAN AND BUDGET FILING**

**ATTACHMENT 12**

**BOARD OF TRUSTEE COMPENSATION CHANGES**

## **Board of Trustees Proposed Compensation Changes**

### **Action**

Accept and recommend Board of Trustees approval of any changes to Trustee compensation.

### **Summary**

In accordance with the requirements of the NERC Governance Guidelines, its Mandate, and the Settlement Agreement with FERC relating to the 2012 audit, the Corporate Governance and Human Resources Committee (Committee) conducts an annual review of Trustee compensation and conducts periodic studies regarding the structure and amount of Trustee compensation.

In February 2024 at the direction of the Committee, NERC management engaged Meridian Compensation Partners, LLC (Meridian) to conduct a market study of Board compensation on behalf of NERC to aid the Committee in its review of the NERC Trustee compensation program (a responsibility of the Committee under its Mandate) and to assist the Committee in determining whether to recommend any changes to the program.

Meridian compared current Trustee compensation and the structure of the Board's current compensation program to the market perspectives updating its view of overall compensation trends. The summary of findings includes: (i) comparing the "typical Trustee's" compensation to the "typical Director's" compensation; (ii) comparing the NERC Board Chair's compensation to the market perspectives for non-executive chairs (i.e., independent chairs of boards where the CEO of the organization is not also the board chair); (iii) comparing the Board's committee chair compensation to the market perspectives; (iv) comparing the workload of NERC Trustees to the market perspectives, and (v) reviewing trends in director compensation.

Key findings by Meridian include:

1. NERC average total Trustee pay of \$141k is ~21% below the Midpoint (\$177K) of RTO/ISO 50th percentile (\$127k) and IOU 25th percentile (\$227k).
2. NERC average total pay per director is materially below the midpoint, primarily driven by equity provided to IOU directors (an important competitive consideration).
1. Chair compensation is below the 25<sup>th</sup> percentile for the three most prevalent committees relative to the for-profit peer group.
2. The additional compensation for Board Committee chairs is below the median provided to Committee chairs at the three most common types of committees at both IOUs and general industry companies.
  - a. NERC Board Committee Chairs current additional compensation is \$10,000.
  - b. Peer Company Audit/Finance, Governance, and Nominating Committees' median additional compensation is \$15,000, \$13,000, \$12,500 respectively.
3. The workload of NERC Trustees continues to increase and continues to be among the highest at each of the market perspectives.

4. Director pay continues to increase as role responsibility becomes greater, generally, director pay increases 3-5% annually.
5. Recruiting directors may become more challenging as the role becomes more requiring and the pool of candidates becomes smaller.

Based on its findings, Meridian has recommended that NERC maintain its current retainer compensation approach (rather than per meeting fees) consisting of:

1. Trustee annual retainer
2. A retainer for each committee chair
3. A retainer for the non-executive chair and vice chair
4. A retainer for the Standing Committees liaison

Meridian further noted that given the increased workload of Trustees, the current position of Trustee compensation in the bottom half of the competitive pay range, and the increase in market pay levels since the last study, an increase in Trustee compensation is warranted. Under NERC's Governance Guidelines, the Committee is required to determine the dollar range between the 50<sup>th</sup> percentile of RTOs/ISO independent director compensation and the 25<sup>th</sup> percentile for IOU independent director compensation.

#### **Key Considerations for the Committee's Review and Discussion**

In determining its recommendation to the Board with respect to Board compensation, the Committee intends to consider the following:

1. The findings and recommendations contained in the Meridian report.
2. The need to consider any compensation adjustment in light of NERC's overall budget.
3. That the workload for all Trustees has continued to be at a level higher than any of the peer groups.
4. That the Board Chair, Vice Chair and Committee chairs have substantial additional responsibilities and time commitments. Additionally, members of the Board serve as liaisons to the Standards Committee and the Reliability and Security Technical Committee.
5. That the current compensation structure (i.e., utilizing fixed retainers) is consistent with best practice trends in director compensation.
6. That it remains important for NERC to be able to recruit and retain qualified and quality individuals to board service, and that NERC competes directly with Regional Entities, ISOs and RTOs, IOUs, and even private sector companies in attempting to attract such individuals to NERC.
7. That the conflict of interest requirements at NERC for Trustees, which include financial interest and investment prohibitions, employment/consulting prohibitions, and industry board service prohibitions, and that NERC is non-profit and offers no stock options or benefits, reinforce the need for NERC to offer competitive compensation to Trustees, understanding the limits NERC places on what might be other opportunities for financial reward.

## Potential Approach

In its review of the study and with consideration of the factors listed above, the Committee has discussed a possible approach to adjusting Board compensation. The Committee is currently considering the following option and will discuss it at its open meeting on December 9, 2024 when public input is invited.

| Program Component               | NERC<br>Current 2024 | NERC Proposed |           |           |
|---------------------------------|----------------------|---------------|-----------|-----------|
|                                 |                      | 2025          | 2026      | 2027      |
| <b>Annual Board Retainer</b>    | \$135,000            | \$150,000     | \$160,000 | \$170,000 |
| <b>Committee Chair Fee</b>      | \$10,000             | \$15,000      | \$15,000  | \$15,000  |
| Board Chair Retainer            | \$47,500             | \$55,000      | \$55,000  | \$55,000  |
| Vice Chair Retainer             | \$10,000             | \$15,000      | \$15,000  | \$15,000  |
| Board Advisory, Liaison Support | \$5,000              | \$5,000       | \$5,000   | \$5,000   |

1. Establish a target annual retainer for each Trustee of \$170,000 (currently \$135,000), which is below the median of the range contemplated by the NERC Governance Guidelines. The new retainer would be implemented annually over the next three years with a \$15,000 increase in 2025, and a \$10,000 increase in 2026, and a \$10,000 increase in 2027. This will assist in the potential recruitment of Board candidate(s) for the next several years.
2. Increase the annual retainer for the Board Chair to \$55,000, as well as increase the Vice Chair annual retainer to \$15,000 for the three-year period, which is below the median of the range contemplated by the Governance Guidelines.
3. Increase the annual retainer for the Board Committee Chairs to \$15,000 for the three-year period.
4. Continue the annual retainer of \$5,000 for the Trustee(s) who is designated as the liaison to the Standards Committee and the Reliability and Security Technical Committee.

While it is the expectation of the Committee that this compensation adjustment (assuming some action on this proposal or any alternate) should permit NERC to solicit and retain qualified individuals as independent trustees through 2027, in accordance with its Mandate the Committee will review compensation each year to confirm that circumstances remain as anticipated in this effort (including the opportunity for MRC/stakeholder/public comment). It is also expected that the Committee will conduct another formal review of compensation in 2027 for subsequent years to assure that NERC remains competitive in the market for independent Trustees.

**DOCKET NO. RR25-\_\_-000**

**NORTH AMERICAN ELECTRIC RELIABILITY  
CORPORATION**

**2026 BUSINESS PLAN AND BUDGET FILING**

**ATTACHMENT 13**

**SUMMARY OF NERC REVIEW OF AND PARTICIPATION**

**IN DEVELOPMENT OF**

**REGIONAL ENTITY 2026 BUSINESS PLANS AND BUDGETS**



To: NERC Board of Trustees

From: Andy Sharp

Re: NERC Review of Regional Entity 2026 BP&Bs

Date: July 10, 2025

NERC has reviewed the Regional Entity 2026 BP&Bs and believes each provides for adequate resources to meet its delegated functions. Additional details on the review process and outcomes are discussed below.

In accordance with 18 C.F.R. Section 39.4, Rules of Procedure Section 1104, and Exhibit E of the regional delegation agreements, NERC oversees that the Regional Entities are adequately funded to accomplish their delegated functions. For each annual BP&B cycle, the Regional Entities submit their BP&Bs to NERC according to a schedule established collaboratively by NERC and the Regional Entities, and NERC conducts reviews of each, focusing on the following:

- Adequacy of the resources and activities to perform delegated functions;
- Alignment of the Regional Entity's activities with ERO goals, objectives, and strategic focus areas;
- Efforts to improve efficiency and control costs;
- Quality and completeness of the financial information presented, including:
  - Conformance with FERC budget reporting requirements and common presentation format;
  - Separation of statutory and non-statutory activities;
  - Supporting detail, including explanations for significant changes from the previous budget;
  - Reporting of reserve budgets and explanation of policies; and
  - Compliance with any budget or audit-related orders from FERC, if applicable.

These reviews generally occur according to the following timeline and process for each BP&B cycle:

- End of April/early May – Regional Entities provide their draft BP&Bs to NERC
- May through early June – Managerial staff from each NERC statutory program area reviews its respective sections of each Regional Entity BP&B and completes a template/checklist to indicate alignment with the above noted areas of focus. NERC Finance staff reviews for conformance to reporting requirements and presentation format. NERC also coordinates reviews of the Regional

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Atlanta, GA 30326  
404-446-2560 | [www.nerc.com](http://www.nerc.com)

Entity BP&Bs with counsel who prepares the annual BP&B filing to provide feedback regarding overall document integrity and adherence to FERC expectations and requirements.

- NERC provides any necessary feedback to the Regional Entity on suggested revisions.
- Regional Entities address feedback, and NERC confirms implementation of revisions.
- Mid-May through June – Regional Entities provide their BP&Bs to their boards for approval.
- Mid-June – Regional Entities submit their Net Energy for Load and Load-Serving Entity (LSE) data to NERC.
- Mid-June through July – NERC validates the data and calculates assessments for each LSE to be included with the submission of the final NERC and Regional Entity BP&Bs to the Board in August, followed by applicable regulatory filings.

The above process is in addition to regular touchpoints with the ERO Finance Group (comprised of NERC and Regional Entity financial representatives) to discuss and coordinate development of the BP&Bs, as well as ongoing discussions among the other ERO working groups and ERO Executive Committee.

In recent years, this review process has produced minimal feedback to the Regional Entities, as resources are generally found to be adequate with respect to Regional Entities fulfilling their delegated statutory functions. Any input has primarily been limited to suggestions on narrative language or, from the financial perspective, ensuring alignment in the presentation of financial tables. Any areas of improvement for the Regional Entities regarding activities, processes, and procedures are addressed through ongoing Regional Entity oversight and the collaborative work of the ERO Executive Committee and its working groups.

NERC recently completed reviews of the Regional Entity 2026 BP&Bs. The following is a summary of the review findings and outcomes.

- All Regional Entity budgets cover activities eligible for funding, consistent with the regional delegation agreements as well as section 215 criteria.
- All statutory areas for all Regional Entities have adequate resources to fulfill their delegated functions. Any considerations for specific areas are being addressed through ongoing Regional Entity oversight processes.
- All Regional Entities conform to necessary budget reporting and format requirements.
- Other minor wording change suggestions.

**DOCKET NO. RR26-\_\_-000**

**NORTH AMERICAN ELECTRIC RELIABILITY  
CORPORATION**

**2026 BUSINESS PLAN AND BUDGET FILING**

**ATTACHMENT 14**

**METRICS COMPARING  
REGIONAL ENTITY OPERATIONS  
BASED ON  
THE 2026 BUDGETS**

**2026 Metrics for Budget Submissions**

|    | Budget Metrics                             | MRO           | NPCC <sup>6</sup> | ReliabilityFirst | SERC          | Texas RE      | WECC          |
|----|--------------------------------------------|---------------|-------------------|------------------|---------------|---------------|---------------|
| 1  | Number of registered entities <sup>1</sup> | 250           | 243               | 324              | 345           | 380           | 498           |
| 2  | Number of registered functions             | 634           | 690               | 598              | 805           | 629           | 1,104         |
| 3  | Total NEL (GWh)                            | 517,757       | 626,935           | 877,516          | 1,370,732     | 461,550       | 875,116       |
| 4  | NEL (GWh) per registered entity            | 2,071         | 2,580             | 2,708            | 3,973         | 1,215         | 1,757         |
| 5  | Total ERO Funding <sup>2</sup>             | \$ 26,243,335 | \$ 27,122,578     | \$ 33,637,736    | \$ 36,784,910 | \$ 20,248,423 | \$ 35,699,025 |
| 6  | ERO Funding per registered entity          | \$ 104,973    | \$ 111,616        | \$ 103,820       | \$ 106,623    | \$ 53,285     | \$ 71,685     |
| 7  | ERO Funding per registered function        | \$ 41,393     | \$ 39,308         | \$ 56,250        | \$ 45,696     | \$ 32,191     | \$ 32,336     |
| 8  | Total Budget <sup>3</sup>                  | \$ 27,797,583 | \$ 28,395,867     | \$ 35,857,122    | \$ 37,516,100 | \$ 21,598,423 | \$ 40,132,874 |
| 9  | Total Budget per registered entity         | \$ 111,190    | \$ 116,855        | \$ 110,670       | \$ 108,742    | \$ 56,838     | \$ 80,588     |
| 10 | Total Budget per registered function       | \$ 43,845     | \$ 41,153         | \$ 59,962        | \$ 46,604     | \$ 34,338     | \$ 36,352     |
| 11 | Total Statutory FTE <sup>4</sup>           | 87.00         | 83.30             | 106.00           | 115.00        | 75.00         | 178.00        |
| 12 | Registered entity per Statutory FTE        | 2.874         | 2.917             | 3.057            | 3.000         | 5.067         | 2.798         |
| 13 | Registered function per Statutory FTE      | 7.287         | 8.283             | 5.642            | 7.000         | 8.387         | 6.202         |
| 14 | Total CMEP Budget <sup>5</sup>             | \$ 16,929,546 | \$ 16,920,537     | \$ 24,562,000    | \$ 24,527,015 | \$ 16,419,177 | \$ 23,077,423 |
| 15 | CMEP budget per registered entity          | \$ 67,718     | \$ 69,632         | \$ 75,809        | \$ 71,093     | \$ 43,208     | \$ 46,340     |
| 16 | CMEP budget per registered function        | \$ 26,703     | \$ 24,523         | \$ 41,074        | \$ 30,468     | \$ 26,104     | \$ 20,903     |
| 17 | Total CMEP FTE                             | 39.78         | 41.70             | 57.00            | 52.00         | 42.75         | 79.00         |
| 18 | Registered entity per CMEP FTE             | 6.3           | 5.8               | 5.7              | 6.6           | 8.9           | 6.3           |
| 19 | Registered function per CMEP FTE           | 15.9          | 16.5              | 10.5             | 15.5          | 14.7          | 14.0          |

<sup>1</sup> As of June 2025.

<sup>2</sup> ERO Funding is the sum of Assessments and Penalty Release funds only. (Excludes funding such as Membership Dues, Testing Fees, Services & Software, Workshops, Interest, and Miscellaneous.)

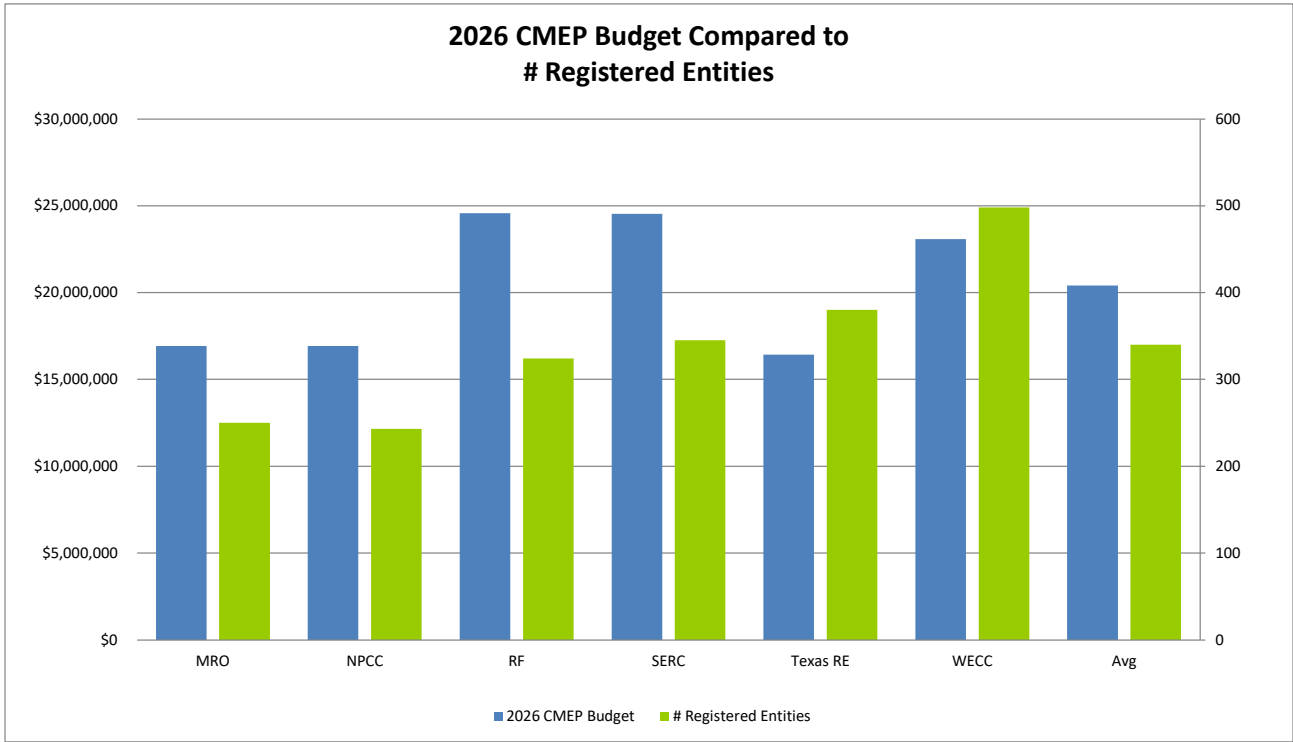
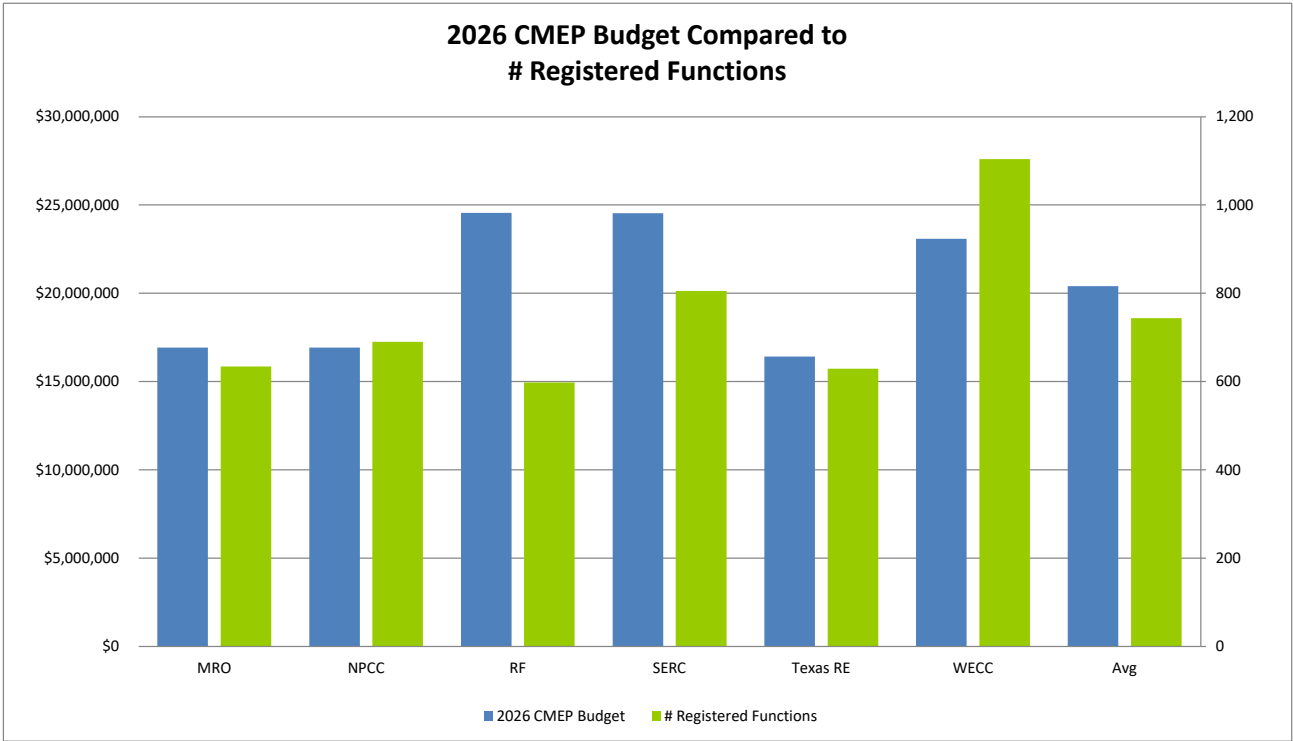
<sup>3</sup> Total Budget is the sum of Total Expenses and Fixed Asset Expenditures.

<sup>4</sup> Each FTE that works 2,080 hours per year is counted as one FTE. An FTE working less than the 2,080 hours per year is counted as a fractional FTE.

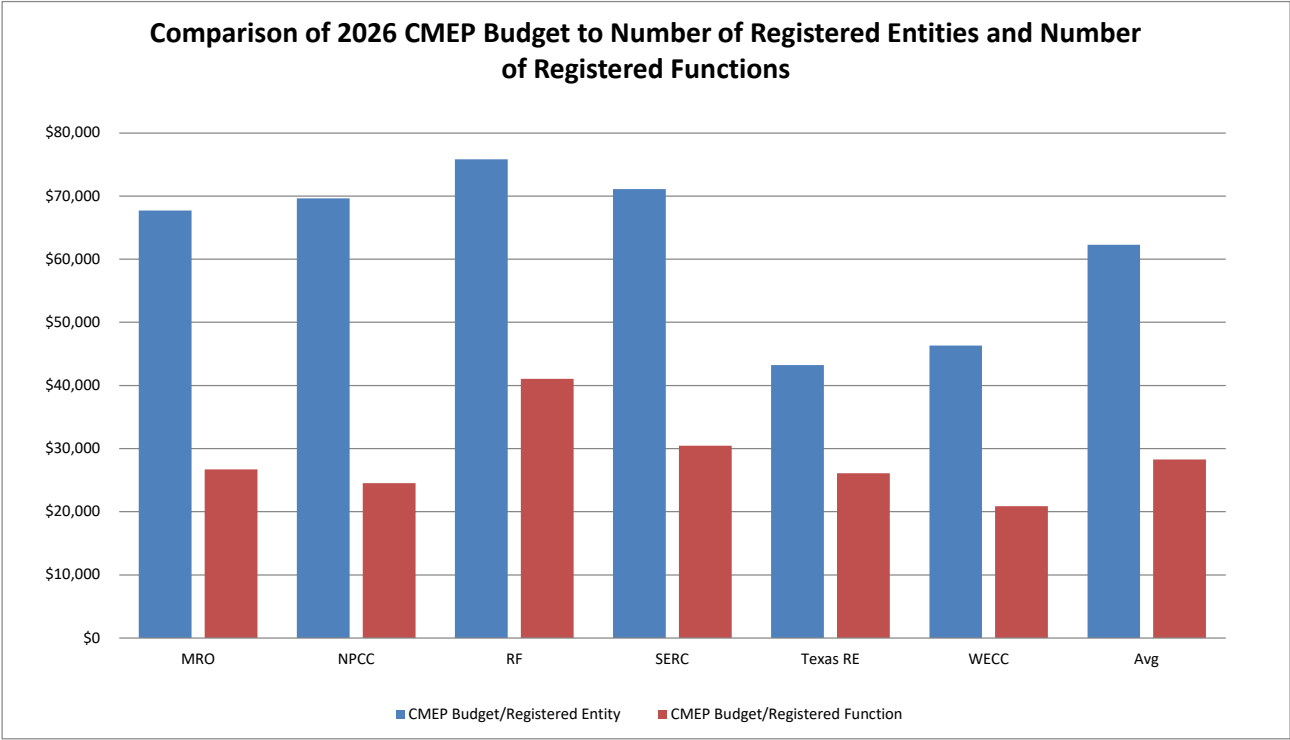
<sup>5</sup> Total CMEP (Compliance, Enforcement, & Organization Registration and Certification) Budget is a sum of Direct Expenses, Indirect Expenses, and Fixed Asset Expenditures.

<sup>6</sup> Due to the specifics of the compliance program included in the individual provincial MOUs for cross-border regional entities, some of these metrics are not directly comparable.

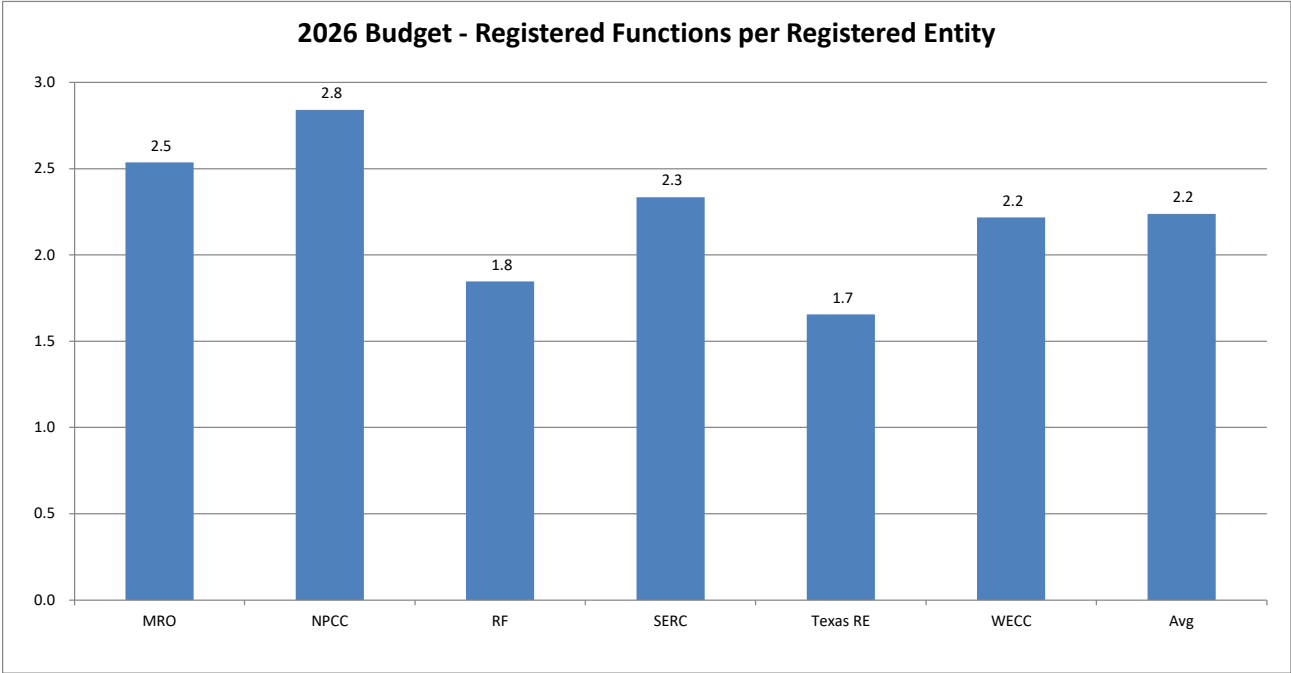
|                        | MRO          | NPCC         | RF           | SERC         | Texas RE     | WECC         | Avg          |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 2026 CMEP Budget       | \$16,929,546 | \$16,920,537 | \$24,562,000 | \$24,527,015 | \$16,419,177 | \$23,077,423 | \$20,405,950 |
| # Registered Entities  | 250          | 243          | 324          | 345          | 380          | 498          | 340          |
| # Registered Functions | 634          | 690          | 598          | 805          | 629          | 1,104        | 743          |



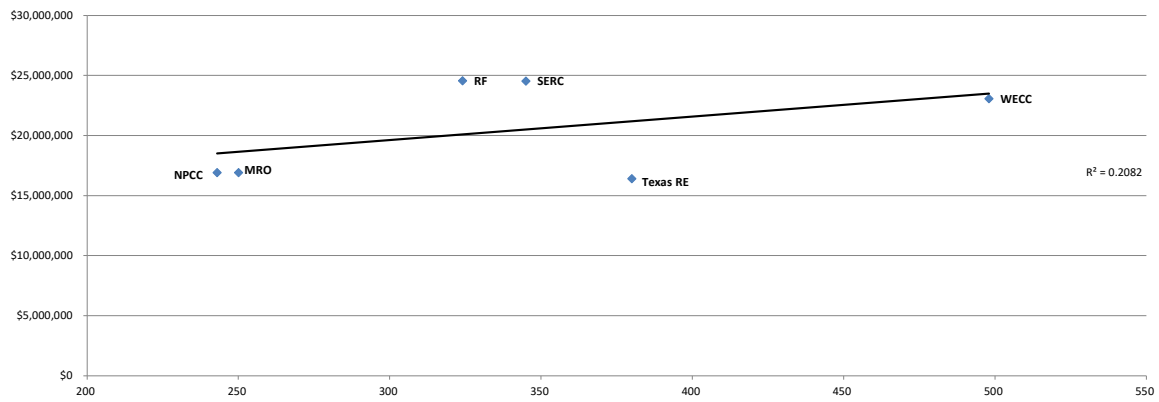
|                                 | MRO      | NPCC     | RF       | SERC     | Texas RE | WECC     | Avg      |
|---------------------------------|----------|----------|----------|----------|----------|----------|----------|
| CMEP Budget/Registered Entity   | \$67,718 | \$69,632 | \$75,809 | \$71,093 | \$43,208 | \$46,340 | \$62,300 |
| CMEP Budget/Registered Function | \$26,703 | \$24,523 | \$41,074 | \$30,468 | \$26,104 | \$20,903 | \$28,296 |



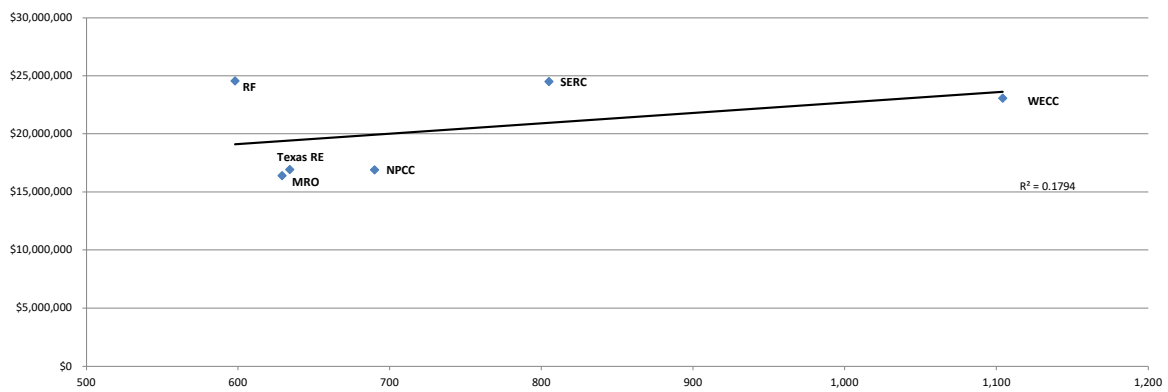
|                                                           | MRO | NPCC | RF  | SERC | Texas RE | WECC | Avg |
|-----------------------------------------------------------|-----|------|-----|------|----------|------|-----|
| Registered Functions per Registered Entity<br>2026 Budget | 2.5 | 2.8  | 1.8 | 2.3  | 1.7      | 2.2  | 2.2 |



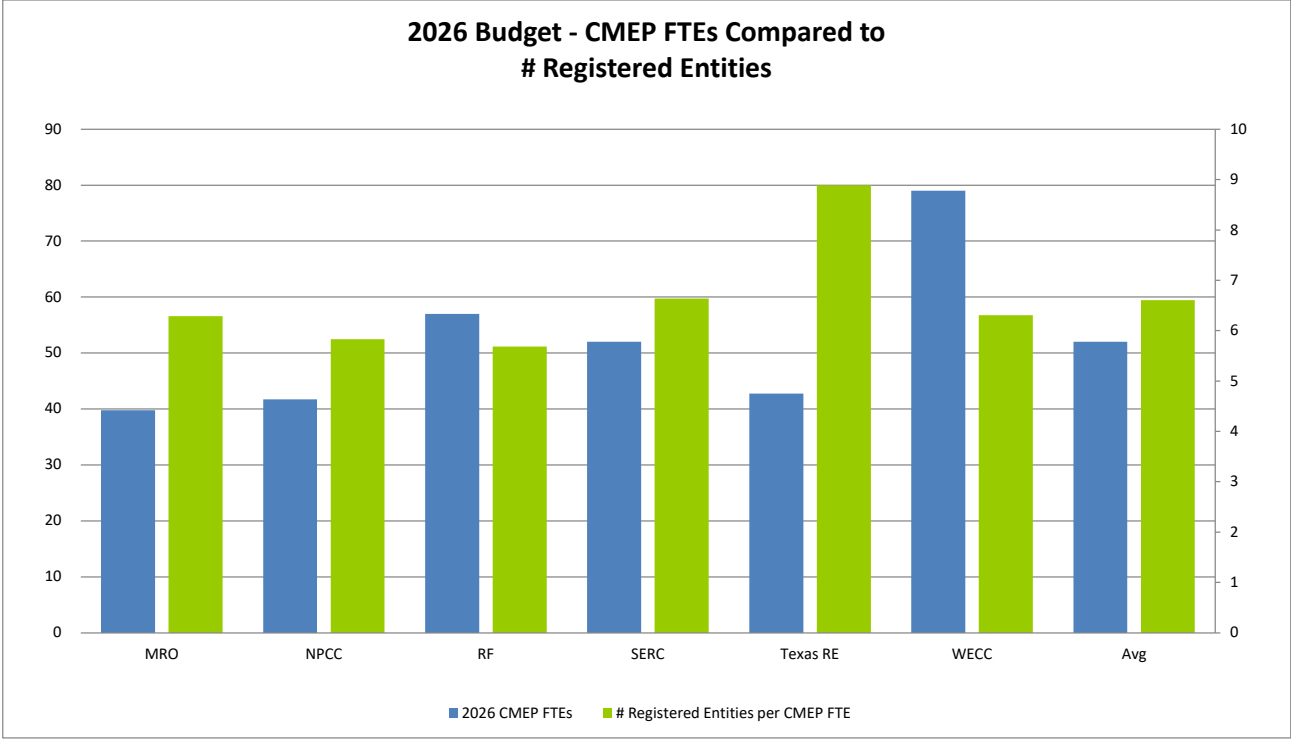
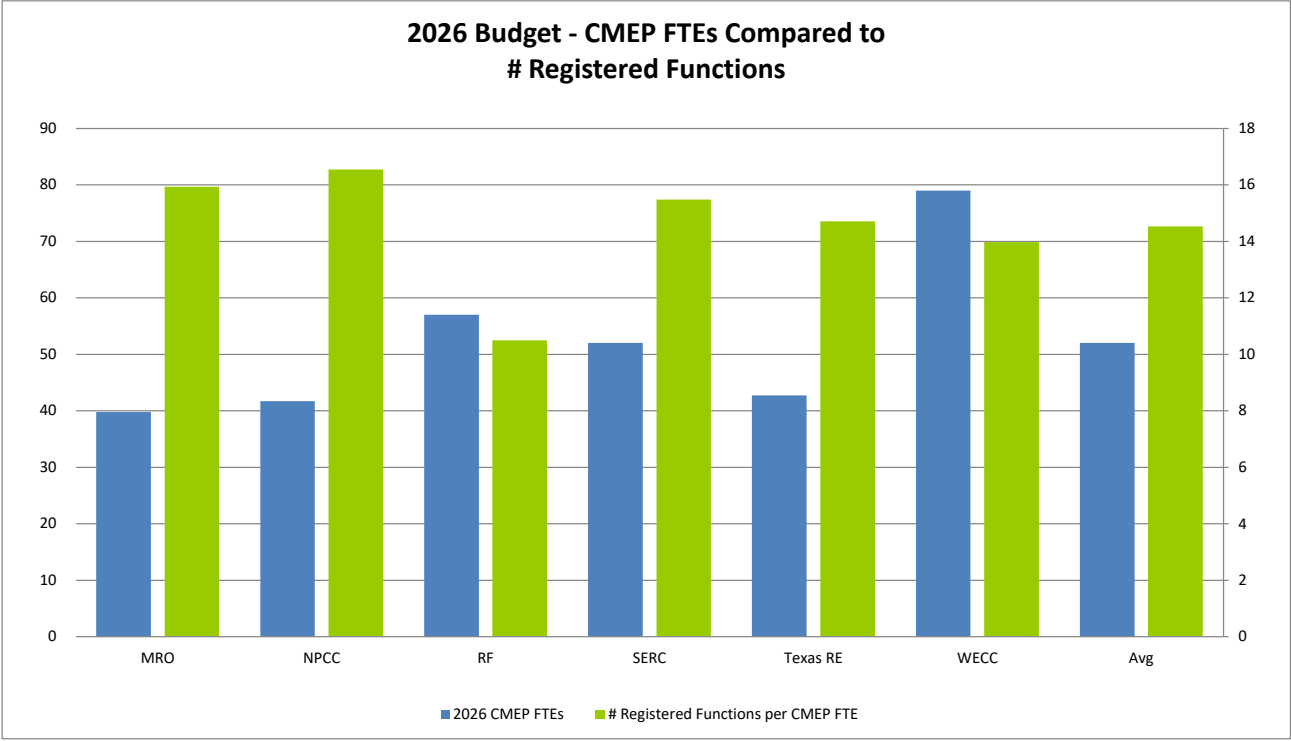
Regional Entity 2026 CMEP Budget as Function of Number of Registered Entities



Regional Entity 2026 CMEP Budget as Function of Number of Registered Functions

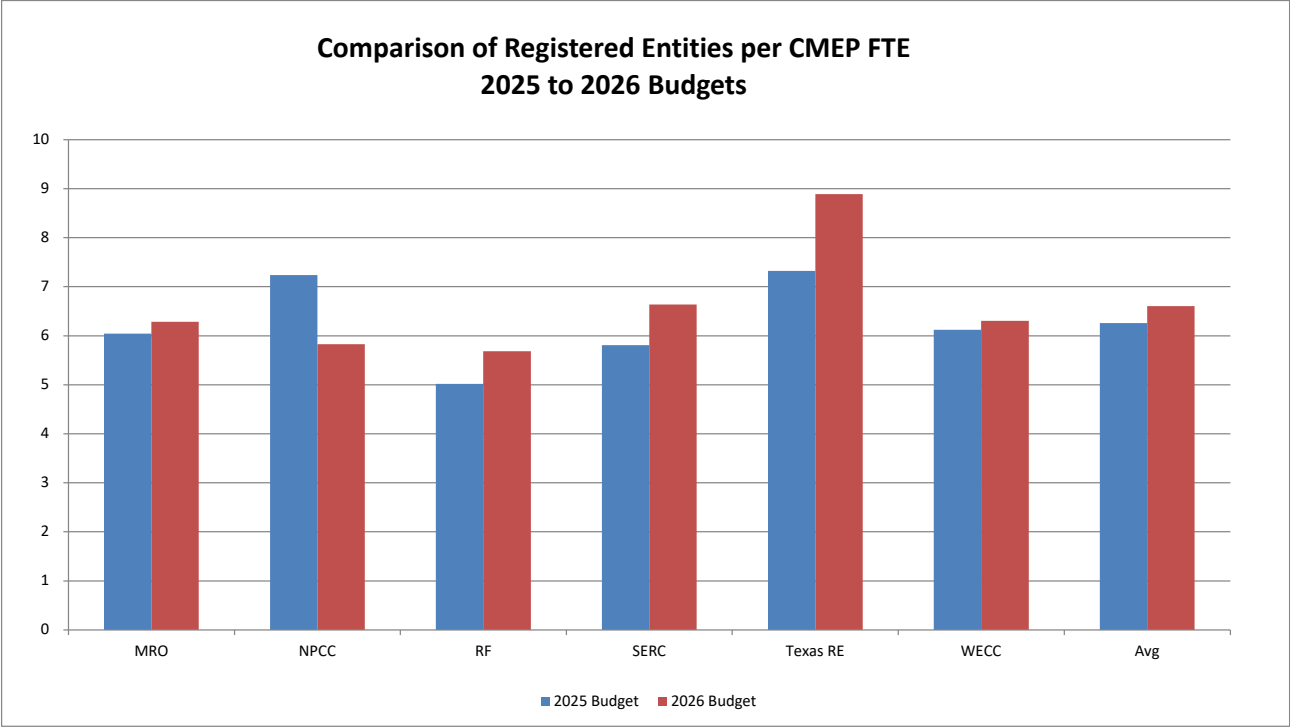


|                                     | MRO   | NPCC  | RF    | SERC  | Texas RE | WECC  | Avg   |
|-------------------------------------|-------|-------|-------|-------|----------|-------|-------|
| 2026 CMEP FTEs                      | 39.78 | 41.70 | 57.00 | 52.00 | 42.75    | 79.00 | 52.04 |
| # Registered Entities per CMEP FTE  | 6.3   | 5.8   | 5.7   | 6.6   | 8.9      | 6.3   | 6.6   |
| # Registered Functions per CMEP FTE | 15.9  | 16.5  | 10.5  | 15.5  | 14.7     | 14.0  | 14.5  |

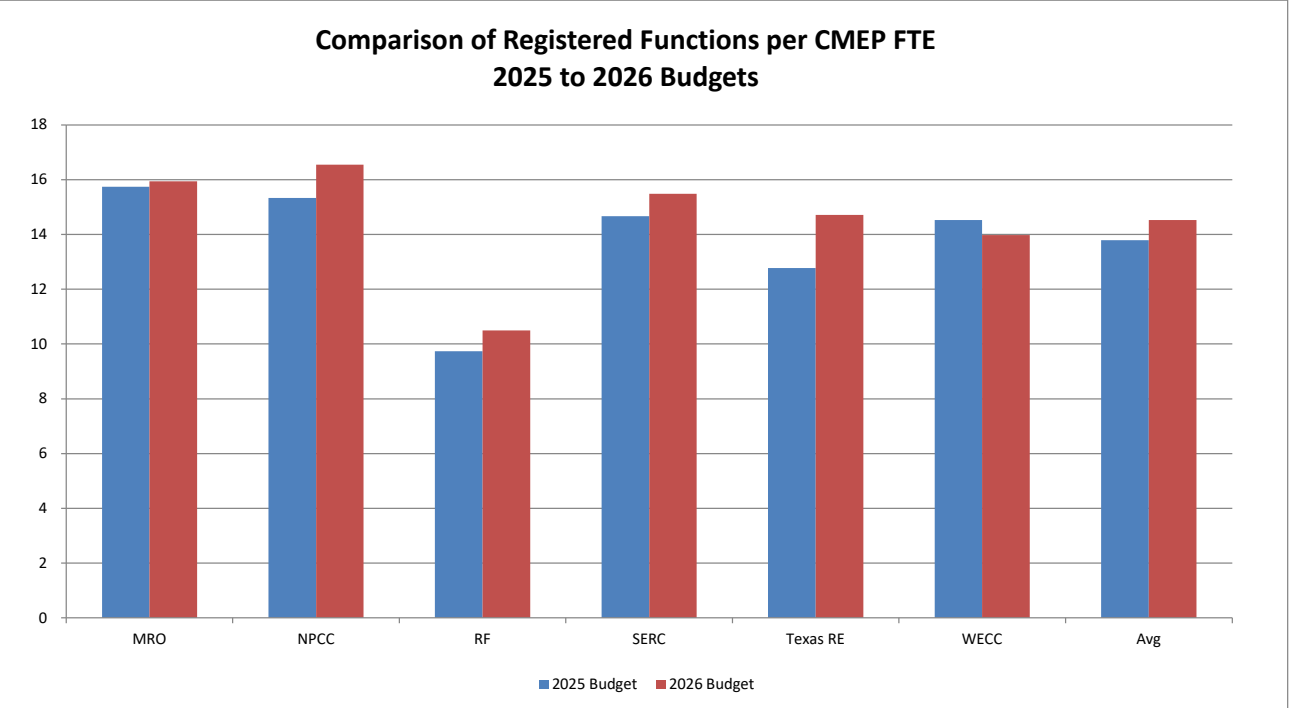




|             | MRO | NPCC | RF  | SERC | Texas RE | WECC | Avg |
|-------------|-----|------|-----|------|----------|------|-----|
| 2025 Budget | 6.0 | 7.2  | 5.0 | 5.8  | 7.3      | 6.1  | 6.3 |
| 2026 Budget | 6.3 | 5.8  | 5.7 | 6.6  | 8.9      | 6.3  | 6.6 |



|             | MRO  | NPCC | RF   | SERC | Texas RE | WECC | Avg  |
|-------------|------|------|------|------|----------|------|------|
| 2025 Budget | 15.7 | 15.3 | 9.7  | 14.7 | 12.8     | 14.5 | 13.8 |
| 2026 Budget | 15.9 | 16.5 | 10.5 | 15.5 | 14.7     | 14.0 | 14.5 |



**DOCKET NO. RR25-\_\_-000**

**NORTH AMERICAN ELECTRIC RELIABILITY  
CORPORATION**

**2026 BUSINESS PLAN AND BUDGET FILING**

**ATTACHMENT 15**

**METRICS ON NERC AND REGIONAL ENTITY**

**ADMINISTRATIVE (INDIRECT) COSTS**

**BASED ON**

**THE 2025 AND 2026 BUDGETS**

Analysis of Indirect (Corporate Services) Costs  
2026 Budget versus 2025 Budget

| 2025 BUDGET            |                               |                                 |                                                       |                                                     |          | 2026 BUDGET            |                               |                                 |                                                       |                                                     |  |
|------------------------|-------------------------------|---------------------------------|-------------------------------------------------------|-----------------------------------------------------|----------|------------------------|-------------------------------|---------------------------------|-------------------------------------------------------|-----------------------------------------------------|--|
| Total Statutory Budget | Total Statutory Direct Budget | Total Statutory Indirect Budget | % Statutory Indirect Budget to Total Statutory Budget | Ratio of Statutory Direct Budget to Indirect Budget |          | Total Statutory Budget | Total Statutory Direct Budget | Total Statutory Indirect Budget | % Statutory Indirect Budget to Total Statutory Budget | Ratio of Statutory Direct Budget to Indirect Budget |  |
| \$ 122,994,669         | \$ 70,218,993                 | \$ 52,775,676                   | 42.9%                                                 | 1.33                                                | NERC     | \$ 128,344,246         | \$ 72,929,492                 | \$ 55,414,754                   | 43.2%                                                 | 1.32                                                |  |
| 26,751,333             | 16,950,592                    | 9,800,741                       | 36.6%                                                 | 1.73                                                | MRO      | 27,797,584             | 17,660,588                    | 10,136,996                      | 36.5%                                                 | 1.74                                                |  |
| 25,685,104             | 17,206,117                    | 8,478,987                       | 33.0%                                                 | 2.03                                                | NPCC     | 28,395,866             | 18,947,187                    | 9,448,679                       | 33.3%                                                 | 2.01                                                |  |
| 33,373,022             | 22,228,989                    | 11,144,033                      | 33.4%                                                 | 1.99                                                | RF       | 35,857,122             | 24,744,240                    | 11,112,882                      | 31.0%                                                 | 2.23                                                |  |
| 35,351,088             | 20,068,821                    | 15,282,267                      | 43.2%                                                 | 1.31                                                | SERC     | 37,516,100             | 21,040,460                    | 16,475,640                      | 43.9%                                                 | 1.28                                                |  |
| 20,294,882             | 10,944,827                    | 9,350,055                       | 46.1%                                                 | 1.17                                                | Texas RE | 21,598,423             | 11,417,778                    | 10,180,645                      | 47.1%                                                 | 1.12                                                |  |
| \$ 39,325,357          | \$ 27,485,360                 | \$ 11,839,997                   | 30.1%                                                 | 2.32                                                | WECC     | \$ 40,132,874          | \$ 27,851,286                 | \$ 12,281,588                   | 30.6%                                                 | 2.27                                                |  |
|                        |                               |                                 |                                                       |                                                     | AVERAGE  |                        |                               |                                 |                                                       |                                                     |  |
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