



**Northeast Power Coordinating Council, Inc.
(NPCC)**

2025 Business Plan and Budget

**Approved by
NPCC Board of Directors
at its June 18, 2025 Meeting**

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Introduction

Organizational Overview

[Northeast Power Coordinating Council, Inc. \(NPCC\)](#) is a 501(c)(6) not-for-profit corporation in the state of New York 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 56 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.

Effective January 1, 2021, NPCC executed an Amended and Restated Regional Delegation Agreement with the North American Electric Reliability Corporation (NERC or Electric Reliability Organization (“ERO”)) that delegates to NPCC certain responsibilities and authorities of a cross-border Regional Entity as defined by Section 215 of the Federal Power Act in the U.S. In addition, NPCC has executed [Memoranda of Understanding \(MOU\) or Agreement](#) with Canadian provincial regulatory and/or governmental authorities in Ontario, Québec, New Brunswick, and Nova Scotia.

NPCC meets all requirements of Section 215 of the Federal Power Act, the ERO Regulations, and the NERC Rules of Procedure as approved by the Federal Energy Regulatory Commission (FERC) necessary to qualify for delegation. This Amended and Restated Regional Delegation Agreement incorporates the benefits of the NPCC and NERC mutual experience and lessons learned while operating under the predecessor agreement regarding NPCC U.S. and thereby provides for efficient and effective execution of respective responsibilities in a transparent manner pursuant to Section 215 and ERO Regulations.

Membership and Governance

Members

NPCC monitors approximately 237 registered entities and some 496 functions for compliance with mandatory NERC Reliability Standards. Not all registered entities are members of NPCC.

Currently, NPCC has 103 members in two categories, Full and General. 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), transmission companies, entities that perform the Balancing Authority (BA) function, and state or sub-regional reliability councils are expected to be Full Members. General Membership is open to any person or entity that has an interest in the reliable operation of the Northeastern North American bulk power system.

Board of Directors

Since January 1, 2012, NPCC has been governed by a Board of Directors consisting of seven stakeholder voting sectors consisting of a maximum of two directors per sector, an independent sector consisting of two independent directors, an independent Board Chair with voting rights to preclude board deadlocks, and the President and CEO. No two sectors can control and no one sector can block action. The voting sectors on the NPCC Board of Directors include:

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

Sector 8) Independent

There are four Board committees that advise Directors on finance, pension, 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.

Compliance activities are governed in the U.S. by the Amended and Restated Regional Delegation Agreement between NERC and NPCC, delegating portions of NERC's authority as the ERO to NPCC. NPCC compliance activities in Canada are governed by individual provincial MOU or

Agreement with New Brunswick, Nova Scotia, Ontario, and Québec, providing the unique parameters for compliance and enforcement activities.

Regional Entity Division Functional Scope

NPCC's Regional Entity division functions in support of the ERO include:

- Active participation in the development and revision of North American Reliability Standards for the Bulk Electric System (BES), 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.
- Facilitate the reliable deployment of DER and VER.
- Assessing gas-electric interdependencies, as well as other common mode failure and single points of disruption scenarios involving communications, water, and other interdependent critical infrastructure sectors.
- Assessment of the present and future reliability of the BPS.
- Operational coordination and situation awareness support.
- Event analysis and identification of lessons learned to enhance reliability.
- Effective training and education of reliability personnel.
- Participating in reliability and security activities that enhance resilience of the BPS.
- Coordinate NPCC and NERC activities with local State and Provincial Regulators to facilitate meeting decarbonization goals.

ERO Enterprise Model and Transformation

The vision of the ERO Enterprise, which is comprised of NERC and the six Regional Entities, is a highly reliable and secure North American bulk power system (BPS). Its mission is to assure the effective and efficient reduction of risks to the reliability and security of the grid. The ERO Enterprise is a collaborative group of organizations with distinct roles between NERC and the Regional Entities. The ERO Enterprise strives for consistency where necessary but recognizes that each Regional Entity addresses reliability in unique ways based on its own challenges and stakeholder needs. This model effectively blends a continent-wide scope with flexibility and responsiveness and provides the resources to tackle emerging issues while simultaneously enabling innovative and distinctive approaches to reliability risks and challenges.

Within the ERO Enterprise model, NERC has unique responsibilities to oversee ERO program areas, set qualifications and expectations for the performance of delegated activities, and assess, train, and give feedback to corresponding Regional Entity programs. The Regional Entities have a mirrored set of responsibilities, providing input into the overall development of each program area, providing training and development to meet qualifications, and ensuring delegated functions are completed. Both NERC and the Regional Entities have an obligation to meet professional standards of independence and objectivity.

As the ERO Enterprise continues to mature, the organization is working on a transformation initiative to further leverage resources, enhance communication and collaboration, and ensure grid reliability. A set of declarations was established in 2019, committing the ERO Enterprise to:

- Work together as one team and honor each of its roles;
- Actively support ERO Enterprise activities while eliminating unnecessary duplication of work;
- Collaborate to develop clear and consistent guidance across the ERO Enterprise;
- Share information, knowledge, and resources across the ERO Enterprise;
- Develop and share harmonized messages across ERO Enterprise communications; and
- Support innovation, initiatives, and the sharing of best-practices across the ERO Enterprise.



Building upon these commitments, the ERO Enterprise is now engaging in a collaborative process to accelerate its transformation through diverse activities, including ERO Enterprise-wide town halls, joint leadership training sessions, and work among ERO Enterprise Collaboration Group.

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 Regions, and the different corporate and governance responsibilities of each entity.

In 2019, ERO Enterprise leadership came together to revise the [ERO Enterprise Long-Term Strategy](#) as part of an effort to streamline its strategic and operational documents and ensure alignment with the NERC Reliability Issues Steering Committee's (RISC's) currently identified BPS risks. This strategy, which was approved by the NERC Board of Trustees on December 12, 2019, and reaffirmed by ERO Enterprise leadership in September 2020, includes the following strategic focus areas:

1. Expand risk-based focus in all standards, compliance monitoring, and enforcement programs;
2. Assess and catalyze steps to mitigate known and emerging risks to reliability and security, leveraging the RISC's biennial ERO Reliability Risk Priorities Report;
3. Build a strong, Electricity Information Sharing and Analysis Center (E-ISAC)-based security capability;
4. Strengthen engagement across the reliability and security ecosystem in North America; and
5. Capture effectiveness, efficiency, and continuous improvement opportunities.

As part of the business planning and budgeting process, NERC and the Regional Entities identify and discuss departmental goals and activities to ensure alignment with the long-term strategy and harmonization across the ERO Enterprise where appropriate. Program area narratives in each organization's Business Plan and Budget may reference how activities support each of the strategic focus areas.

Regional Entity Strategic Planning

2025 Strategic Focus Areas

Significant changes in resource mix (some due to regulatory and/or legislative initiatives related to de-carbonization), a proliferation of fast-acting digital protection and control technologies, increased integration of distributed energy resources (DER) and variable energy resources (VER), integration of inverter-based resources (IBR), increased system load due to electrification, and the retirement of fossil fired dispatchable generation are rapidly changing the reliability assurance landscape. The proliferation of DER creates jurisdictional challenges as the line blurs at the system interfaces between distribution, sub-transmission, and bulk power transmission which will affect the coordination of system planning, design, and operations. Additionally, aspects of both cyber and physical security are critical and central concerns in maintaining a reliable BPS. These changes in the electricity industry ecosystem have introduced new risks into the reliability equation and have impacted how NPCC measures BPS reliability moving forward. This will require NPCC to adapt in order to remain an effective provider of Regional Entity and Criteria Services reliability activities and functions while maintaining a culture that is transparent, objective, and effective.

As a result of the Board's September 2023 Strategic Session, the three previously identified major emerging reliability challenges remain and a fourth focus area has been added to capture staffing challenges."

- I. Enhancing System Resilience and Assuring Energy Sufficiency
- II. Reliably Integrating the Resources (DER, IBR, and VER) Brought Forward by Societal De-carbonization Objectives
- III. Addressing Cyber and Physical Threats
- IV. Attracting and Retaining Talented Staff

2025 Business Plan and Budget Overview

Funding and Budget Summary

Total NPCC Resource Requirements

NPCC proposes a 2025 total budget of \$26,904,257. This represents an increase of \$3,671,647 or 15.8% over the 2024 budget. The proposed 2025 funding requirement will be satisfied by a Regional Entity division assessment of \$24,092,831 and Criteria Services division membership fees of \$982,668 for a total of \$25,075,499. The total NPCC assessments and membership fees represent an increase of \$3,421,444 or 15.8% compared to the 2024 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](#).

Regional Entity Resource Requirements

The proposed 2025 Regional Entity division budget of \$25,685,104 represents an increase of \$3,598,338 or 16.3% over the 2024 budget. The proposed Regional Entity assessment of \$24,092,831 represents an increase of \$3,358,769 or 16.2% over the 2024 assessment. Assessments are allocated between US \$14,317,150 or 59% and Canada \$9,775,681 or 41%. The proposed assessment includes the release of \$903,656 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 2025 Business Plan and Budget (dollars are stated as an increase in the 2025 budget compared to the 2024 budget).

Major Drivers

- **Personnel** expenses increase of \$2,524,894 associated with the addition of 9 full time employees (FTEs). A budgeted 5.5% average salary increase due to a highly competitive recruiting and retention environment (includes 4.0% - 4.5% average merit increase plus market adjustments related to 2024 compensation study), and a projected 8% increase in medical premiums. The 2025 Budget includes the full year employment cost associated with FTEs onboarded throughout 2024. 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 the following page and in subsequent program area sections.
- **Meetings & Travel** expenses increase of \$441,182 due to a measured return to meeting in-person, inflation, and a greater number of 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.
- **Consultants & Contracts** increase of \$310,000 related to an increase in contracts to perform reliability studies due to an anticipated increase in complexity and volume of the studies.

- **Professional Services** increase of \$281,500 primarily associated with exploring the transition to a more balanced hybrid Board structure by increasing the number of independent directors.

Regional Entity Statement of Activities and Variance Explanations

Statement of Activities and Capital Expenditures						
REGIONAL ENTITY DIVISION						
	2024 Budget	2024 Projection	Variance 2024 Projection v 2024 Budget Over(Under)	2025 Budget	Variance 2025 Budget v 2024 Budget Over(Under)	Variance %
Funding						
ERO Funding						
ERO Assessments	\$20,734,062	\$20,734,062	\$ -	\$24,092,831	\$ 3,358,769	
Penalty Sanctions ⁽¹⁾	400,000	400,000	-	500,000	100,000	
Total ERO Funding	\$21,134,062	\$21,134,062	\$ -	\$24,592,831	\$ 3,458,769	16.4%
Membership Dues	-	-	-	-	-	
Testing Fees	-	-	-	-	-	
Services & Software	-	-	-	-	-	
Workshops & Misc Revenue	27,500	47,500	20,000	60,625	33,125	
Interest & Investment Income	47,337	400,000	352,663	127,992	80,655	
Total Funding (A)	\$21,208,899	\$21,581,562	\$ 372,663	\$24,781,448	\$ 3,572,549	16.6%
Expenses						
Personnel Expenses						
Salaries	\$12,456,749	\$12,456,749	\$ -	\$14,428,204	\$ 1,971,455	
Payroll Taxes	886,163	886,163	-	1,019,783	133,620	
Benefits	3,198,026	3,198,026	-	3,391,801	193,775	
Retirement Costs	1,293,505	1,293,505	-	1,519,549	226,043	
Total Personnel Expenses	\$17,834,444	\$17,834,444	\$ -	\$20,359,338	\$ 2,524,894	14.2%
Meeting Expenses						
Meetings & Conference Calls	\$ 313,300	\$ 313,300	\$ -	\$ 519,832	\$ 206,532	
Travel	678,650	678,650	-	913,300	234,650	
Total Meeting Expenses	\$ 991,950	\$ 991,950	\$ -	\$ 1,433,132	\$ 441,182	44.5%
Operating Expenses, excluding Depreciation						
Consultants & Contracts	\$ 900,000	\$ 900,000	\$ -	\$ 1,210,000	\$ 310,000	
Office Rent	420,110	420,110	-	431,000	10,890	
Office Costs	1,216,463	1,096,463	(120,000)	1,318,728	102,265	
Professional Services	945,500	945,500	-	1,227,000	281,500	
Computer & Equipment Leases	-	-	-	-	-	
Miscellaneous	30,000	30,000	-	30,000	-	
Total Operating Expenses, excluding Depreciation	\$ 3,512,073	\$ 3,392,073	\$ (120,000)	\$ 4,216,728	\$ 704,655	20.8%
Total Direct Expenses	\$22,338,467	\$22,218,467	\$ (120,000)	\$26,009,198	\$ 3,670,731	16.5%
Indirect Expenses	\$ (414,900)	\$ (414,900)	\$ -	\$ (394,694)	\$ 20,207	-4.9%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Expenses (B)	\$21,923,566	\$21,803,566	\$ (120,000)	\$25,614,504	\$ 3,690,938	16.9%
Change in Net Assets (=A-B)	\$ (714,667)	\$ (222,004)	\$ 492,663	\$ (833,056)	\$ (118,389)	53.3%
Fixed Asset Additions (C)	\$ 163,200	163,200	-	\$ 70,600	\$ (92,600)	-56.7%
TOTAL BUDGET (=B+C)	\$22,086,766	\$21,966,766	\$ (120,000)	\$25,685,104	\$ 3,598,338	16.4%
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	\$ (877,867)	\$ (385,204)	\$ 492,663	\$ (903,656)	\$ (518,452)	134.6%
FTES	68.10	68.10	0.00	77.20	9.10	13%

\$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.
⁽¹⁾ 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).

⁽²⁾ 2024 Projections reflect expectations based on the first quarter statement of activities. It is anticipated that projections could change throughout 2024 and would be reflected in each subsequent quarter's statement of activities.

2025 Program Area Budgets – Major Budget Drivers

Program	Budget 2024	Budget 2025	Variance \$	Variance %
Reliability Standards	\$ 869,423	\$ 1,372,058	\$ 502,635	57.8%
Compliance Monitoring and Enforcement and Organization Registration and Certification	\$ 12,985,016	\$ 15,084,666	\$ 2,099,650	16.2%
Reliability Assessments and Performance Analysis	\$ 4,934,243	\$ 5,572,263	\$ 638,020	12.9%
Training, Education and Operator Certification	\$ 168,097	\$ 201,566	\$ 33,469	19.9%
Situation Awareness and Infrastructure Security	\$ 3,129,988	\$ 3,454,550	\$ 324,563	10.4%
Total	\$ 22,086,766	\$ 25,685,104	\$ 3,598,338	16.3%

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 increase of 1.10 FTE to support Reliability Standards program area activities to address increasing Standards Development projects.

Compliance Monitoring and Enforcement and Organization Registration and Certification Program

- **Personnel** expenses increase of 6 FTEs to enhance CORC's capacity to effectively execute its remit of BPS risk-reduction, while also managing the additional workload associated with IBR registration, compliance monitoring and enforcement.

Reliability Assessment and Performance Analysis

- **Personnel** expenses increase of 1 FTE to support Reliability Assessment and Performance Analysis data analysis needs.
- **Consultants & Contracts** increase of \$215,000 related to an increase in contracts to perform reliability studies due to an anticipated increase in complexity and volume of the studies.

Training, Education, and Operator Certification Program

- **Meetings & Travel** expenses increase of \$32,164 primarily related to inflation and the return to hosting NPCC's Physical and Cyber Security Workshop in-person.

Situation Awareness and Infrastructure Security

- **Consultants & Contracts** increase of \$155,000 related to an increase in contracts to support Situation Awareness and Infrastructure Security activities.

Administrative Services

Administrative Services Program Resources						
(in whole dollars)						
	Direct Expenses			FTEs		
	2024 Budget	2025 Budget	Increase (Decrease)	2024 Budget	2025 Budget	Increase (Decrease)
Technical Committees and Members Forum	\$ 183,438	\$ 192,884	\$ 9,445	0.50	0.50	0.00
General and Administrative	\$ 2,777,351	\$ 3,000,901	\$ 223,550	2.00	2.00	0.00
Legal and Regulatory	\$ 856,724	\$ 1,001,463	\$ 144,738	2.25	2.25	0.00
Information Technology	\$ 2,805,151	\$ 3,188,968	\$ 383,817	6.80	7.80	1.00
Human Resources	\$ 333,171	\$ 410,616	\$ 77,445	2.00	2.00	0.00
Finance and Accounting	\$ 997,478	\$ 1,078,849	\$ 81,371	3.00	3.00	0.00
Total Administrative Services¹	\$ 7,953,314	\$ 8,873,680	\$ 920,366	16.55	17.55	1.00

NPCC's 2025 Administrative Services Direct Expenses and Fixed Assets total \$8,873,680 of which \$394,694 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 2025 statutory budget are \$8,478,987 which is an increase of \$940,573 from the 2024 budget of \$7,538,414.

- **Personnel** expenses increase of 1 FTE in Information Technology to maintain effective security operations based on the volume and complexity of security alerts.
- **Consultants & Contracts** decrease of \$65,000 due to no comprehensive compensation study planned for 2025.
- **Office Costs** increase of \$100,665 stems from investments in IT infrastructure and data management tools. While IT needs continue to increase, staff has negotiated lower software contracts and license renewals to partially offset increasing IT costs.
- **Professional Services** increase of \$281,500 primarily associated with exploring the transition to a more balanced hybrid Board structure by increasing the number of independent directors.

Personnel Analysis and Expenses

Total FTEs by Program Area	2024 Budget	2025 Budget Direct FTES	2025 Budget Shared FTES	2025 Budget Total FTES	Change from 2024 Budget
REGIONAL ENTITY DIVISION					
Operational Programs					
Reliability Standards	2.30	1.10	2.30	3.40	1.10
Compliance Monitoring and Enforcement and Organization Registration and Certification	32.75	38.75	0.00	38.75	6.00
Training, Education, and Operator Certification	0.10	0.10	0.00	0.10	0.00
Reliability Assessment and Performance Analysis	9.30	9.70	0.60	10.30	1.00
Situation Awareness and Infrastructure Security	7.10	7.10	0.00	7.10	0.00
Total FTEs Operational Programs	51.55	56.75	2.90	59.65	8.10
Administrative Programs					
Technical Committees and Member Forums	0.50	0.00	0.00	0.50	0.00
General and Administrative	2.00	2.00	0.00	2.00	0.00
Information Technology	6.80	7.80	0.00	7.80	1.00
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
Total FTEs Administrative Programs	16.55	17.05	0.00	17.55	1.00
Total FTEs	68.10	73.80	2.90	77.20	9.10

*A shared FTE is defined as an employee who performs both Regional Entity and Criteria Services division functions.

Personnel Expenses	Budget		Variance	
	2024	2025	\$	%
Total Salaries	\$ 12,456,749	\$ 14,428,204	\$ 1,971,455	15.8%
Total Payroll Taxes	\$ 886,163	\$ 1,019,783	\$ 133,620	15.1%
Total Benefits	\$ 3,198,026	\$ 3,391,801	\$ 193,775	6.1%
Total Retirement	\$ 1,293,505	\$ 1,519,549	\$ 226,043	17.5%
Total	\$ 17,834,444	\$ 20,359,338	\$ 2,524,894	14.2%
FTEs	68.10	77.20	9.10	13.4%
Cost per FTE				
Salaries	\$ 182,918	\$ 186,894	\$ 3,975	2.2%
Payroll Taxes	\$ 13,013	\$ 13,210	\$ 197	1.5%
Benefits	\$ 46,961	\$ 43,935	\$ (3,025)	-6.4%
Retirement	\$ 18,994	\$ 19,683	\$ 689	3.6%
Total Cost per FTE	\$ 261,886	\$ 263,722	\$ 1,836	0.7%

Explanation of Significant Variances – 2024 Budget versus 2025 Budget

Variance explanations can be found in the [Major Drivers](#) and [Major Budget Drivers—Program Areas Section](#).

Consultants and Contracts

Consultants & Contracts	Budget 2024	Budget 2025	Variance \$	Variance %
Reliability Standards	\$ -	\$ 15,000	\$ 15,000	-
Compliance Enforcement and Organization Registration and Certification	\$ 10,000	\$ -	\$ (10,000)	-100.0%
Reliability Assessment and Performance Analysis	\$ 700,000	\$ 915,000	\$ 215,000	30.7%
Training and Education	\$ -	\$ -	\$ -	-
Situation Awareness and Infrastructure Security	\$ 35,000	\$ 190,000	\$ 155,000	442.9%
Member Forums	\$ -	\$ -	\$ -	-
General and Administrative	\$ 155,000	\$ 90,000	\$ (65,000)	-41.9%
Legal and Regulatory	\$ -	\$ -	\$ -	-
Information Technology	\$ -	\$ -	\$ -	-
Human Resources	\$ -	\$ -	\$ -	-
Accounting and Finance	\$ -	\$ -	\$ -	-
Total Consultants and Contracts	\$ 900,000	\$ 1,210,000	\$ 310,000	34.4%

Explanation of Significant Variances – 2024 Budget versus 2025 Budget

Variance explanations can be found in the [Major Drivers](#) and [Major Budget Drivers—Program Areas Section](#).

Fixed Assets

Fixed Asset Additions	Budget 2024	Budget 2025	Variance \$	Variance %
Equipment CapEx	\$ 134,400	\$ 41,800	\$ (92,600)	-68.9%
Computer & Software CapEx	\$ 28,800	\$ 28,800	\$ -	0.0%
Furniture & Fixtures CapEx	\$ -	\$ -	\$ -	-
Leasehold Improvements	\$ -	\$ -	\$ -	-
Allocation of Fixed Assets	\$ -	\$ -	\$ -	-
Total Fixed Asset Additions	\$ 163,200	\$ 70,600	\$ (92,600)	-56.7%

Explanation of Significant Variances – 2024 Budget versus 2025 Budget

- No major equipment replacement scheduled in 2025.

Regional Entity Reserve Analysis

Working Capital and Operating Reserve Analysis 2024-2025				
REGIONAL ENTITY DIVISION				
	Total Reserve	Working Capital	Operating Reserve	Assessment Stabilization
Beginning Total Reserve, December 31, 2023	8,785,020	5,307,176	1,766,941	1,710,903 ⁴
Plus: 2024 ERO Funding (from LSEs or designees)	21,134,062	21,134,062		
Plus: 2024 Other funding sources	447,500	447,500		
Plus: Penalties collected	0			0
Approved 2024 Penalties released to offset U.S. assessments	0	400,000		(400,000)
Less: 2024 Projected expenses & capital expenditures	(21,966,766)	(21,966,766)		
Projected Total Reserve, December 31, 2024	8,399,816	5,321,972	1,766,941	1,310,903
Desired Total Reserve, December 31, 2025	6,996,160	4,130,449 ¹	2,054,808 ²	810,903
Less: Projected Total Reserve, December 31, 2024	(8,399,816)	(5,321,972)	(1,766,941)	(1,310,903)
Increase(decrease) in assessments to achieve desired Total Reserve	(1,403,656)	(1,191,523)	287,867	(500,000)
2025 Expenses and Capital Expenditures	25,685,104			
Less: Penalty Sanctions (Applied to U.S. Only) ³	(500,000)			
Less: Other Funding Sources	(188,617)			
Adjustment to Operating Reserve to achieve desired Total Reserve balance ²			287,867	
Adjustment to Working Capital to achieve desired Total Reserve balance ¹		(1,191,523)		
2025 Assessment	24,092,831			

¹ Working Capital within a range from 8% to 25% of Budget. \$4,130,449 represents 16% of the 2025 budget of \$25,685,104

² Operating Reserve equal to 8% of Budget. \$2,054,808 represents 8% of the 2025 budget of \$25,685,104

³ Represents amount applied to reduce 2025 assessments. Balance of collections July 1, 2023 through June 30, 2024 retained for assessment stabilization purposes.

⁴ Assessment Stabilization Reserve balance was \$1,071,903 at June 30, 2023. Penalty Sanctions totaling \$639,000 were collected July 1, 2023 through December 31, 2023.

Explanation of Changes in Reserves

There was a revision to the existing Working Capital and Operating Reserve Policy in 2023 which changed utilization approval thresholds from dollar amounts to percentages of total budget. There was no change to the Working Capital and Operating Reserve target range. 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 30th 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, NERC and NPCC request 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 \$639,000 of penalties collected during the 12 months ended June 30, 2024 into the ASR, and (ii) use \$500,000 of the penalty funds in the ASR to reduce its 2025 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
2025 Budget & Projected 2026 and 2027 Budgets**

	2025 Budget	2026 Projection	\$ Change 25 v 26	% Change 25 v 26	2027 Projection	\$ Change 26 v 27	% Change 26 v 27
Funding							
ERO Funding							
ERO Assessments	\$ 24,092,831	\$ 28,236,955	\$ 4,144,124	17.2%	\$ 30,001,464	\$ 1,764,509	5.9%
Penalties Released	500,000	300,000	(200,000)	-40.0%	300,000	-	0.0%
Total ERO Funding	\$ 24,592,831	\$ 28,536,955	\$ 3,944,124	16.0%	\$ 30,301,464	\$ 1,764,509	5.8%
Membership Dues	-	-	-	-	-	-	-
Testing Fees	-	-	-	-	-	-	-
Services & Software	-	-	-	-	-	-	-
Workshops & Miscellaneous	60,625	60,625	-	0.0%	60,625	-	0.0%
Interest & Investment Income	127,992	128,000	8	0.0%	128,000	-	0.0%
Total Funding (A)	\$ 24,781,448	\$ 28,725,580	\$ 3,944,132	15.9%	\$ 30,490,089	\$ 1,764,509	6.1%
Expenses							
Personnel Expenses							
Salaries	\$ 14,428,204	\$ 16,295,332	\$ 1,867,128	12.9%	\$ 17,227,146	\$ 931,813	5.7%
Payroll Taxes	1,019,783	1,157,762	137,978	13.5%	1,251,227	93,466	8.1%
Benefits	3,391,801	3,850,981	459,180	13.5%	4,162,040	311,059	8.1%
Retirement Costs	1,519,549	1,719,503	199,955	13.2%	1,854,674	135,170	7.9%
Total Personnel Expenses	\$ 20,359,338	\$ 23,023,579	\$ 2,664,242	13.1%	\$ 24,495,087	\$ 1,471,508	6.4%
Meeting Expenses							
Meetings & Conference Calls	\$ 519,832	\$ 585,427	\$ 65,595	12.6%	\$ 652,990	\$ 67,563	11.5%
Travel	913,300	1,010,699	97,399	10.7%	1,111,020	100,321	9.9%
Total Meeting Expenses	\$ 1,433,132	\$ 1,596,126	\$ 162,994	11.4%	\$ 1,764,010	\$ 167,884	10.5%
Operating Expenses							
Consultants & Contracts	\$ 1,210,000	1,234,200	24,200	2.0%	1,333,884	\$ 99,684	8.1%
Office Rent	431,000	439,620	8,620	2.0%	448,412	8,792	2.0%
Office Costs	1,318,728	1,445,103	126,375	9.6%	1,574,005	128,902	8.9%
Professional Services	1,227,000	1,489,540	262,540	21.4%	1,519,331	29,791	2.0%
Miscellaneous	30,000	30,000	-	0.0%	30,000	-	0.0%
Total Operating Expenses	\$ 4,216,728	\$ 4,638,463	\$ 421,735	10.0%	\$ 4,905,632	\$ 267,169	5.8%
Total Direct Expenses	\$ 26,009,198	\$ 29,258,168	\$ 3,248,970	12.5%	\$ 31,164,729	\$ 1,906,561	6.5%
Indirect Expenses	\$ (394,694)	\$ (402,588)	\$ (7,894)	2.0%	\$ (410,639)	\$ (8,052)	2.0%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	-	\$ -	\$ -	-
Total Expenses (B)	\$ 25,614,504	\$ 28,855,580	\$ 3,241,076	12.7%	\$ 30,754,089	\$ 1,898,509	6.6%
Change in Assets	\$ (833,056)	\$ (130,000)	\$ 703,056	-84.4%	\$ (264,000)	\$ (134,000)	103.1%
Fixed Assets Additions (C)	\$ 70,600	\$ 170,000	\$ 99,400	140.8%	\$ 36,000	\$ (134,000)	-78.8%
TOTAL BUDGET (=B+C)	\$ 25,685,104	\$ 29,025,580	\$ 3,340,476	13.0%	\$ 30,790,089	\$ 1,764,509	6.1%
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	\$ (903,656)	\$ (300,000)	\$ 603,656	-66.8%	\$ (300,000)	\$ -	0.0%
FTEs	77.20	80.20	3	3.9%	82.20	2	2.5%

Key Assumptions

2026

- Increase of 3 FTEs (1 CORC, 2 IT) and full year cost of employment for FTEs onboarded throughout 2025.
- 4% average merit increase
- Meetings & travel expenses are expected to continue to increase in 2026.
- Office costs increase due to IT initiatives including website enhancements, license expansions related to FTE headcount, and AI initiatives.
- 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 scheduled for 2026.

2027

- Increase of 2 FTEs (1 CORC, 1 IT)
- 4% average merit increase.
- Meetings & travel expenses are expected to continue to increase in 2027.
- Consultants & contracts increase due to compensation study scheduled for 2027.
- Office costs increase due to IT initiatives including license expansions related to FTE headcount and AI initiatives.
- Decrease in fixed asset additions due to no major equipment replacements scheduled for 2027.

Regional Entity Assessment Analysis

In the area of assessments there are distinct funding mechanisms as outlined in the following table. For the Regional Entity 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 2023 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 2023 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.

Audits and Investigations (AI) 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.

Mitigation and Enforcement (ME) 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 2025 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 Balancing Authorities (LSE Designees)	2023 Net Energy for Load (MWh)	2023 NPCC US NEL (MWh)	2023 NEL % of NPCC Total	2023 NEL % of NPCC U.S.	Associated with U.S. Only Reliability Study ¹	2025 ² NPCC RE Division Expenses & Fixed Assets Minus CORC and U.S. Only	Adjustment to RE Division Cash Reserve Requirement Less CORC Assigned	2025 ² NPCC RE Division Funding Requirement Minus CORC Program	Penalty Monies Applied to RE Division Minus CORC Program	Budgeted Workshop Fees and Interest Income	2025 ² NPCC RE Division Assessment Minus CORC (G-1 plus F-1)	2025 NPCC CS Division Expenses Minus Interest Income	2025 CS Division Adjustment to Cash Reserve Requirement	2025 NPCC CS Division Funding Requirement (K-1 plus L-1)	2025 CS Division Budgeted Interest Income	2025 NPCC CS Division Member Fees (M-1 plus N-1)
New England	114,726	114,726	18.578%	43.826%	TBD	1,969,401	-146,535	1,822,866	-76,778	-55,042	1,711,045	226,501	-42,819	183,681	-1,116	182,565
New York	147,050	147,050	23.813%	56.174%	TBD	2,524,279	-187,821	2,336,457	-98,410	-44,915	2,193,132	290,317	-54,883	235,434	-1,431	234,003
Ontario	137,131	137,131	22.207%			2,354,003	-175,152	2,178,851	0	-41,886	2,136,965	270,734	-51,181	219,552	-1,334	218,218
Quebec	192,702	192,702	31.206%			3,307,947	-246,131	3,061,816	0	-58,859	3,002,956	380,446	-71,922	308,524	-1,875	306,650
New Brunswick	14,658	14,658	2.374%			251,621	-18,722	232,899	0	-4,477	228,422	28,939	-5,471	23,468	-143	23,325
Nova Scotia	11,254	11,254	1.822%			193,188	-14,374	178,813	0	-3,437	175,376	22,218	-4,200	18,018	-109	17,909
Total	617,521	261,776	100.000%	100.000%	\$0	\$10,600,438	-\$788,736	\$9,811,702	-\$175,189	-\$188,617	\$9,447,897	\$1,219,155	-\$230,477	\$988,678	-\$6,008	\$982,670

A-2	B-2	C-2	D-2	E-2	F-2	G-2	H-2	I-2	J-2
NPCC Balancing Authorities (LSE Designees)	7 Year Average CORC Costs Allocation ³	2025 Total CORC Program Expenses & Fixed Assets	2025 Assigned CORC Program Penalty Monies Applied to CORC Program	Assigned CORC Program vs Budget Variance	2025 Total CORC Program Assessment (C-2 plus D-2 plus E-2)	2025 RE Division Total Funding Requirement (G-1 plus C-2) plus E-2	2025 RE Division Total Assessment (H-1 plus F-2) (D-1 plus H-2)	2025 NPCC Total Funding Requirement (I-1 plus J-2)	2025 NPCC Total Assessment & Member Fees (O-1 plus H-2)
New England	31.32%	4,724,127	-142,352	-36,290	4,545,485	6,510,703	6,256,531	6,694,385	6,439,096
New York	40.12%	6,096,764	-182,459	-46,816	5,867,488	8,336,405	8,080,619	8,621,838	8,294,622
Ontario	7.32%	1,104,000	0	-9,341	1,094,659	3,273,510	3,231,625	3,493,063	3,449,843
Quebec	16.19%	2,441,571	0	-17,307	2,424,265	5,486,081	5,427,221	5,794,605	5,733,871
New Brunswick	3.27%	493,388	0	-3,375	490,013	722,912	718,433	746,380	741,760
Nova Scotia	1.49%	224,816	0	-1,792	223,024	401,837	398,400	419,856	416,309
Total	100.000%	\$15,084,666	-\$324,811	-\$114,920	\$14,644,934	\$24,781,448	\$24,092,831	\$25,770,126	\$25,075,501

1. Any sub-regional reliability assessment costs in response to U.S. only regulatory initiatives will be considered for allocation to U.S. only BAs 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 percentages. CORC Program Fundamentals expenses are allocated each year using the Regional NEL based methodology. Audit and Investigation expenses attributable to Canadian NPCC BAs 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 Register Data requirements as of May 1, 2024. Mitigation and Enforcement expenses are allocated annually utilizing an enforcement activity based methodology for Canadian NPCC BAs. 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

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 regionally specific Reliability Standards, 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). 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.

NPCC's 2024 - 2027 Strategic Plan ensures alignment with the ERO Enterprise Long-Term Strategy and harmonization of business processes and operations across the ERO Enterprise where appropriate. Deliverables in this program area support both the NPCC and ERO Enterprise long-term strategies.

2025 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.
- Participate in the ERO Standards Feedback Loop project. The scope of this project includes developing effective feedback mechanisms and processes, along with increasing the visibility of the ERO's aspirations. This project will challenge the status quo of how work with the ERO will be conducted.
- Support any further development of cost effectiveness principles, processes, and pilots. Continue to provide insights to NERC, based on NPCC experiences, regarding strategy for developing cost effectiveness analysis for standards and identify opportunities to mitigate implementation costs for the draft standards and provide comments on cost effective alternative requirements.
- Participate in the NERC Standards Efficiency Review Project to retire standard requirements that are duplicative, administrative and add no additional benefit to the reliable operation of the BPS and revise NERC process to ensure efficiency and effectiveness of standards development.
- 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.
- Participate in the Periodic Review Standing Team's grading efforts and coordinate and represent the Regional and interregional input.
- . Develop a list of any unaddressed reliability issues to inform and allow the Members to cast a ballot based on Regional concerns. This will continue to enhance the efficiency of the ERO standards development projects.

- 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.
- Monitor the NERC RISC and the Reliability and Security Technical Committee (RSTC) activities as they identify emerging risks, develop recommended actions to mitigate such risks, and endorse Standards Authorization Requests (SARs) to initiate standards development. Provide a Regional point of contact for all potential reliability related risks and gaps within the Northeast or as noted by NPCC's stakeholders (e.g., impact of DERs on BPS planning, operations, and design).
- Participate in and provide support to critical standards projects, such as Cold Weather Standard revisions, Energy Assurance, CIP, Supply Chain, and changes to standards driven by inverter-based resources.
- Conduct reviews of Regional Standards 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.
- Conduct ongoing DER/VER Forum activities to collaborate with industry stakeholders and identify both opportunities and challenges to enhancing reliability through education, and guidance, particularly for the interconnection of utility scale DER on the Distribution System and large VER installations on the Transmission system.
- 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.
- Collaborate through outreach with State and Provincial regulatory staff to identify areas where NPCC can support local decarbonization goals.
- 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.

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

Statement of Activities and Capital Expenditures 2024 Budget and 2025 Budget

Reliability Standards

	2024 Budget	2025 Budget	Variance (\$)	Variance %
Funding				
ERO Funding				
ERO Assessments	\$ 851,576	\$ 1,343,559	\$ 491,982	
Penalty Sanctions	17,847	28,500	10,653	
Total ERO Funding	\$ 869,423	\$ 1,372,058	\$ 502,635	58%
Membership Dues	-	-	-	
Testing Fees	-	-	-	
Services & Software	-	-	-	
Workshops & Misc Revenue	-	-	-	
Interest & Investment Income	-	-	-	
Total Funding (A)	\$ 869,423	\$ 1,372,058	\$ 502,635	58%
Expenses				
Personnel Expenses				
Salaries	\$ 324,313	\$ 550,301	\$ 225,988	
Payroll Taxes	25,604	44,694	19,089	
Benefits	93,031	169,296	76,265	
Retirement Costs	28,534	52,880	24,346	
Total Personnel Expenses	\$ 471,483	\$ 817,171	\$ 345,689	73%
Meeting Expenses				
Meetings & Conference Calls	\$ 9,000	\$ 592	\$ (8,408)	
Travel	50,000	53,400	3,400	
Total Meeting Expenses	\$ 59,000	\$ 53,992	\$ (5,008)	-8%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ -	\$ 15,000	\$ 15,000	
Office Rent	-	-	-	
Office Costs	2,600	2,600	-	
Professional Services	-	-	-	
Computer & Equipment Leases	-	-	-	
Miscellaneous	-	-	-	
Total Operating Expenses, excluding Depreciation	\$ 2,600	\$ 17,600	\$ 15,000	577%
Total Direct Expenses	\$ 533,083	\$ 888,763	\$ 355,681	67%
Indirect Expenses	\$ 329,059	\$ 479,271	\$ 150,212	46%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 862,142	\$ 1,368,034	\$ 505,893	59%
Change in Net Assets (=A-B)	\$ 7,281	\$ 4,024	\$ (3,257)	-45%
Fixed Asset Additions, excluding Right of Use Assets (C)	7,281	4,024	(3,257)	-45%
TOTAL BUDGET (=B+C)	\$ 869,423	\$ 1,372,058	\$ 502,635	58%
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	\$ -	\$ -	\$ -	
FTES	2.30	3.40	1.10	48%

2025 Key Assumptions

The Reliability Standards 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 2024 - 2027 Strategic Plan, and the Regional Standards Committee Work Plan for calendar year 2024 – 2025.

There have been several standards development opportunities identified by FERC, industry, and NERC committees to improve cold weather operations, cyber security, supply chain, data gathering, and modeling of inverter-based resources (IBR). It is, therefore, expected that the industry and NERC committees will be submitting multiple Standard Authorization Requests (SARs) to address these and other known risks including energy assurance, and resilience for extreme weather.

- NERC recently submitted a comprehensive Work Plan to FERC to address directives from FERC Order 901. The Work Plan explains how NERC will develop standard development projects consistent with the timelines specified in the Order, with full implementation of the revised standards by 2030. The revised standards will be submitted to FERC in tranches over a three-year period beginning on November 4, 2024, with subsequent tranches submitted by November 4 of 2025 and 2026. The NPCC Regional Standards Committee and NPCC Staff will facilitate review of these projects.
- To support the expected increase in standard development projects, NERC has categorized existing projects as High, Medium, or Low Priority, allowing NERC to focus its resources strategically to address the growing number of IBR related development projects that are subject to FERC directives and deadlines.
- Continent-wide reliability standard development projects will also be driven by the recommendations of the Standards Efficiency Review project, and Standards Grading activities which conduct periodic reviews on existing ERO Reliability Standards to improve their content and quality based on Compliance Monitoring and Enforcement feedback.
- 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).
- The number of NERC and Regional standards interpretations is expected to remain low. Compliance Implementation Guidance documents, which provide approaches to being compliant with NERC Reliability Standards may be developed using NPCC’s open process and other industry vetting practices. These guidance documents are currently being developed by industry and the Standard Drafting Teams, and the number of requests may increase. The NPCC Reliability Standards Program will assist and facilitate support of these activities.
- Consistent with the NERC Rules of Procedure Sections 312 and 313, as continent-wide standards continue to evolve, NPCC Regional Standards and Criteria will continually be reviewed to ensure they augment but do not add redundancy to the NERC Reliability Standards.
- NPCC outreach activities in support of industry decarbonization will continue with anticipated outreach sessions with State and Provincial Regulators in addition to multiple DER/VER Forums.

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 NPCC's filed and approved Regional Delegation Agreement, the NERC Rules of Procedure (ROP), 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), the ERO Enterprise Long-Term Strategy, and aligns with NPCC Board of Director goals and strategies. NPCC CORC strives to be a credible authority that is independent, objective, and fair while promoting a culture of reliability excellence by performing risk-informed registration, entity risk assessment, compliance monitoring, noncompliance risk assessment, mitigation, and enforcement activities.

The CORC Program Area scope includes:

- Identification, registration, and certification of entities that are required to comply with the NERC Reliability Standards and approved Regional Reliability Standards.
- Implementation of the risk-based 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.
- Pursuant to the relevant MOUs, the implementation of the risk-based NERC CMEP 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 (AI); and Compliance Mitigation and Enforcement (ME).

Compliance Fundamentals

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 (CORES-Centralized Organization Registration ERO System) 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 two stakeholder compliance workshops on an annual basis.
- Assesses compliance trends and conducts additional 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

The AI sub-program area is responsible for conducting all risk-based compliance monitoring activities.

- Conducts NPCC compliance monitoring activities, including audits, spot checks, and guided 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 guided 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.
- 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.
- Leads or assists with the development of the annual CMEP implementation plans (ERO Enterprise, New Brunswick, Québec).

Compliance Mitigation and Enforcement

The ME 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, ME 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.

2025 Business Plan and Budget Regional Entity Program Goals and Statements of Activities

- 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.

2025 Key Assumptions

- The CORC 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 2024 - 2027 Strategic Plan.
- The 2025 Business Plan projects the same number of enforcement processing activities as the 2024 Business Plan, however, the complexity of processing noncompliance is expected to continue to increase as entities' compliance history grows and technology continues to evolve and advance.

2025 Goals and Key Deliverables

- Conduct scheduled compliance monitoring and enforcement activities pursuant to the 2025 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 implement Align and the Secure Evidence Locker (SEL) for NPCC staff to:
 - Use Align/SEL and allowed legacy processes for Release 1, Release 2, Release 3, and Release 4.
 - Support the testing, training, and rollout of future fixes and enhancements.
- 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 – Centralized Organization Registration ERO System) 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 2025 CMEP Implementation Plans (ERO Enterprise, Québec, New Brunswick).
- Attend training necessary and/or beneficial to performing duties (Registration, Certification, Entity Risk Assessment, assessment of internal controls, Monitoring, and Enforcement activities).
- Assure that NPCC staff is appropriately assigned to conduct Certification and Auditing activities.
- Provide detailed responses to oversight activities performed by NERC, FERC, and other relevant authorities.
- Continue to perform and update IRAs and COPs for registered entities as needed.
- Continue to assess and document internal controls during monitoring engagements.

2025 Business Plan and Budget Regional Entity Program Goals and Statements of Activities

- Conduct 2025 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.
- Evaluate registered entities internal compliance programs to determine participation in the Self-Logging Program.
- 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.
- Assess evolving cybersecurity risks for opportunities to provide entity guidance.

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 2024 Budget and 2025 Budget****Compliance Monitoring and Enforcement and Organization Registration and Certification**

	2024 Budget	2025 Budget	Variance (\$)	Variance %
Funding				
ERO Funding				
ERO Assessments	\$11,857,483	\$ 14,644,934	\$ 2,787,451	
Penalty Sanctions	254,122	324,811	70,689	
Total ERO Funding	\$12,111,606	\$ 14,969,746	\$ 2,858,140	24%
Membership Dues	-	-	-	
Testing Fees	-	-	-	
Services & Software	-	-	-	
Workshops & Misc Revenue	-	-	-	
Interest & Investment Income	-	-	-	
Total Funding (A)	\$12,111,606	\$ 14,969,746	\$ 2,858,140	24%
Expenses				
Personnel Expenses				
Salaries	\$ 5,559,186	\$ 6,553,205	\$ 994,019	
Payroll Taxes	424,280	497,543	73,262	
Benefits	1,375,117	1,486,808	111,691	
Retirement Costs	569,187	676,472	107,285	
Total Personnel Expenses	\$ 7,927,770	\$ 9,214,027	\$ 1,286,257	16%
Meeting Expenses				
Meetings & Conference Calls	\$ 4,000	\$ 17,646	\$ 13,646	
Travel	225,550	318,350	92,800	
Total Meeting Expenses	\$ 229,550	\$ 335,996	\$ 106,446	46%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ 10,000	\$ -	\$ (10,000)	
Office Rent	-	-	-	
Office Costs	28,500	26,500	(2,000)	
Professional Services	-	-	-	
Computer & Equipment Leases	-	-	-	
Miscellaneous	-	-	-	
Total Operating Expenses, excluding Depreciation	\$ 38,500	\$ 26,500	\$ (12,000)	-31%
Total Direct Expenses	\$ 8,195,820	\$ 9,576,523	\$ 1,380,703	17%
Indirect Expenses	\$ 4,685,514	\$ 5,462,280	\$ 776,765	17%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$12,881,334	\$ 15,038,802	\$ 2,157,469	17%
Change in Net Assets (=A-B)	\$ (769,728)	\$ (69,057)	\$ 700,671	-91%
Fixed Asset Additions, excluding Right of Use Assets (C)	103,682	45,863	(57,818)	-56%
TOTAL BUDGET (=B+C)	\$12,985,016	\$ 15,084,666	\$ 2,099,650	16%
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	\$ (873,410)	\$ (114,920)	\$ 758,490	-87%
FTES	32.75	38.75	6.00	18%

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 aids in the identification and assesses 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.

2025 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 2024 - 2027 Strategic Plan, and the Reliability Coordinating Committee Work Plan for calendar year 2024 - 2025.

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.

2025 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 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.
 - 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.
 - Collaborative through ERAG in performance of Eastern Interconnection assessment studies and proposed Canadian-related interregional transmission capability studies.
 - 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 has a leadership role in the System Planning Impacts from DER Working Group and 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, 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 2024 Budget and 2025 Budget Reliability Assessment and Performance Analysis

	2024 Budget	2025 Budget	Variance (\$)	Variance %
Funding				
ERO Funding				
ERO Assessments	\$ 4,862,080	\$ 5,485,926	\$ 623,846	
Penalty Sanctions	72,163	86,337	14,174	
Total ERO Funding	\$ 4,934,243	\$ 5,572,263	\$ 638,020	13%
Membership Dues	-	-	-	
Testing Fees	-	-	-	
Services & Software	-	-	-	
Workshops & Misc Revenue	-	-	-	
Interest & Investment Income	-	-	-	
Total Funding (A)	\$ 4,934,243	\$ 5,572,263	\$ 638,020	13%
Expenses				
Personnel Expenses				
Salaries	\$ 1,817,734	\$ 2,011,805	\$ 194,071	
Payroll Taxes	128,446	140,467	12,020	
Benefits	479,572	490,722	11,150	
Retirement Costs	185,405	213,667	28,262	
Total Personnel Expenses	\$ 2,611,157	\$ 2,856,661	\$ 245,504	9%
Meeting Expenses				
Meetings & Conference Calls	\$ 45,000	\$ 70,802	\$ 25,802	
Travel	205,000	250,100	45,100	
Total Meeting Expenses	\$ 250,000	\$ 320,902	\$ 70,902	28%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ 700,000	\$ 915,000	\$ 215,000	
Office Rent	-	-	-	
Office Costs	13,100	15,600	2,500	
Professional Services	-	-	-	
Computer & Equipment Leases	-	-	-	
Miscellaneous	-	-	-	
Total Operating Expenses, excluding Depreciation	\$ 713,100	\$ 930,600	\$ 217,500	31%
Total Direct Expenses	\$ 3,574,257	\$ 4,108,163	\$ 533,906	15%
Indirect Expenses	\$ 1,330,543	\$ 1,451,909	\$ 121,366	9%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 4,904,800	\$ 5,560,072	\$ 655,272	13%
Change in Net Assets (=A-B)	\$ 29,442	\$ 12,191	\$ (17,252)	-59%
Fixed Asset Additions, excluding Right of Use Assets (C)	29,442	12,191	(17,252)	-59%
TOTAL BUDGET (=B+C)	\$ 4,934,243	\$ 5,572,263	\$ 638,020	13%
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	\$ -	\$ -	\$ -	
FTES	9.30	10.30	1.00	11%

Training, Education, and Operator Certification Program

Program Scope and Functional Description

The NPCC Training, Education, and Operator Certification (TEC) 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, compliance topics and improvement of compliance and reliability assurance programs.

The TEC 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 addition to the semiannual System Operators (SO) seminars, NPCC will conduct one hybrid format Compliance and Reliability conference in 2025 for NPCC Stakeholders, for the express purpose of providing the most current and applicable information related to the development of NERC and Regional Reliability Standards and the implementation of the CMEP. The workshops include targeted/topical breakout classroom sessions and presentations on current industry related activities to provide for the most efficient exchange of information between NPCC Compliance and Standards staff and the NPCC Stakeholders.

To supplement the SO seminars and Standards and Compliance 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 support future ERO Enterprise human performance engagements in a capacity determined by the RAPA SG as the ERO Enterprise considers how best to address its role in human performance engagement from a regulatory, reliability and resourcing perspective.

2025 Key Assumptions

The TEC 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 2024 - 2027 Strategic Plan.

- 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 SG.

2025 Goals and Key Deliverables

- Conduct the 2025 Spring and Fall NPCC SO seminars.

- Continue collaboration and sharing of the intended RC/BA approaches, experiences, and materials to task identification and training development.
- 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.
- Support RAPA SG activities in redevelopment of the approach to future risk mitigating activities related to human performance.
- 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, Education, and Operator Certification Program Statement of Activities

Statement of Activities and Capital Expenditures 2024 Budget and 2025 Budget

Training, Education, and Operator Certification

	2024 Budget	2025 Budget	Variance (\$)	Variance %
Funding				
ERO Funding				
ERO Assessments	\$ 139,821	\$ 140,103	\$ 282	
Penalty Sanctions	776	838	62	
Total ERO Funding	\$ 140,597	\$ 140,941	\$ 344	0%
Membership Dues	-	-	-	
Testing Fees	-	-	-	
Services & Software	-	-	-	
Workshops & Misc Revenue	27,500	60,625	33,125	
Interest & Investment Income	-	-	-	
Total Funding (A)	\$ 168,097	\$ 201,566	\$ 33,469	20%
Expenses				
Personnel Expenses				
Salaries	\$ 23,158	\$ 24,440	\$ 1,283	
Payroll Taxes	1,460	1,547	86	
Benefits	4,554	4,774	220	
Retirement Costs	2,451	2,577	126	
Total Personnel Expenses	\$ 31,623	\$ 33,338	\$ 1,715	5%
Meeting Expenses				
Meetings & Conference Calls	\$ 106,100	\$ 138,164	\$ 32,064	
Travel	15,500	15,600	100	
Total Meeting Expenses	\$ 121,600	\$ 153,764	\$ 32,164	26%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ -	\$ -	\$ -	
Office Rent	-	-	-	
Office Costs	250	250	-	
Professional Services	-	-	-	
Computer & Equipment Leases	-	-	-	
Miscellaneous	-	-	-	
Total Operating Expenses, excluding Depreciation	\$ 250	\$ 250	\$ -	0%
Total Direct Expenses	\$ 153,473	\$ 187,352	\$ 33,878	22%
Indirect Expenses	\$ 14,307	\$ 14,096	\$ (211)	-1%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 167,780	\$ 201,448	\$ 33,668	20%
Change in Net Assets (=A-B)	\$ 317	\$ 118	\$ (198)	-63%
Fixed Asset Additions, excluding Right of Use Assets (C)	317	118	(198)	-63%
TOTAL BUDGET (=B+C)	\$ 168,097	\$ 201,566	\$ 33,469	20%
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	\$ -	\$ -	\$ -	
FTES	0.10	0.10	0.00	0%

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 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 and advocating 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 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 and industry activities, in partnership with government and law enforcement agencies.

2025 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 2024 - 2027 Strategic Plan, and the Reliability Coordinating Committee Work Plan for calendar year 2024 - 2025.

- 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 SA 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.

2025 Goals and Key Deliverables

Situation Awareness 2025 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, Regions 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.

Infrastructure Security 2025 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 all governmental agencies’ 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 & 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.

2025 Business Plan and Budget Regional Entity Program Goals and Statements of Activities

- 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 2024 Budget and 2025 Budget
Situation Awareness and Infrastructure Security

	2024 Budget	2025 Budget	Variance (\$)	Variance %
Funding				
ERO Funding				
ERO Assessments	\$ 3,074,895	\$ 3,395,036	\$ 320,141	
Penalty Sanctions	55,092	59,514	4,422	
Total ERO Funding	\$ 3,129,988	\$ 3,454,550	\$ 324,563	10%
Membership Dues	-	-	-	
Testing Fees	-	-	-	
Services & Software	-	-	-	
Workshops & Misc Revenue	-	-	-	
Interest & Investment Income	-	-	-	
Total Funding (A)	\$ 3,129,988	\$ 3,454,550	\$ 324,563	10%
Expenses				
Personnel Expenses				
Salaries	\$ 1,337,197	\$ 1,422,378	\$ 85,181	
Payroll Taxes	97,484	103,350	5,866	
Benefits	353,897	393,430	39,533	
Retirement Costs	133,441	152,954	19,513	
Total Personnel Expenses	\$ 1,922,019	\$ 2,072,112	\$ 150,092	8%
Meeting Expenses				
Meetings & Conference Calls	\$ 20,000	\$ 26,305	\$ 6,305	
Travel	110,000	151,100	41,100	
Total Meeting Expenses	\$ 130,000	\$ 177,405	\$ 47,405	36%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ 35,000	\$ 190,000	\$ 155,000	443%
Office Rent	-	-	-	
Office Costs	4,700	5,800	1,100	
Professional Services	-	-	-	
Computer & Equipment Leases	-	-	-	
Miscellaneous	-	-	-	
Total Operating Expenses, excluding Depreciation	\$ 39,700	\$ 195,800	\$ 156,100	393%
Total Direct Expenses	\$ 2,091,719	\$ 2,445,316	\$ 353,597	17%
Indirect Expenses	\$ 1,015,791	\$ 1,000,831	\$ (14,960)	-1%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 3,107,510	\$ 3,446,147	\$ 338,637	11%
Change in Net Assets (=A-B)	\$ 22,478	\$ 8,403	\$ (14,074)	-63%
Fixed Asset Additions, excluding Right of Use Assets (C)	22,478	8,403	(14,074)	-63%
TOTAL BUDGET (=B+C)	\$ 3,129,988	\$ 3,454,550	\$ 324,563	10%
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	\$ -	\$ -	\$ -	
FTES	7.10	7.10	0.00	0%

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, Education, and Operator Certification;
- Reliability Assessment and Performance Analysis; and
- Situation Awareness and Infrastructure Security.

Administrative Services:

- Technical Committees and Members' Forums;
- 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 based on FTE to the program's as Indirect Expenses. 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.

Technical Committees and Member Forums

Program Scope and Functional Description

The success of the NPCC programs depends on the active and direct volunteerism and participation of its members. NPCC stakeholders are the source of subject matter expertise in the industry. To promote the reliable and efficient operation of the interconnected bulk power systems in Northeastern North America, NPCC invites high-level policy makers from Federal, Provincial and State regulatory and/or governmental authorities and senior executives within NPCC and NERC to identify and discuss emerging reliability issues related to the NPCC Region.

2025 Key Assumptions

- NPCC's standing committee and subgroup structure for effective stakeholder involvement will continue in 2025.
- NPCC will continue to utilize methods to encourage active involvement in its Regional programs.
- NPCC will continue to invest in technology and innovation to allow efficient collaboration on technical issues related to reliability.

2025 Goals and Key Deliverables

- In 2025 NPCC will provide opportunities for NPCC Members to meet high level policy makers from Federal, Provincial and State regulatory and/or governmental authorities and senior NERC and NPCC executives to discuss topics related to the Strategic Focus Areas identified within the NPCC 2024 - 2027 Strategic Plan: Enhancing System Resilience and Assuring Energy Sufficiency; Reliably Integrating the Resources (DER, IBR, and VER) Brought Forward by Societal De-carbonization Objectives; and Addressing Cyber and Physical Threats.
- 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 2025 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).

General and Administrative

Program Scope and Functional Description

The NPCC general and administrative function provides executive management of the corporation, enterprise risk management, 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.

2025 Key Assumptions

The 2025 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.

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 Strategic Plan on an annual basis.

2025 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; and
- Provide pertinent and timely information to stakeholders to improve efficiency of interactions with NPCC staff.
- Manage interface with NERC enterprise-wide internal audit initiatives

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 ME subprogram area of CORC. This includes overseeing settlements, contested enforcement matters, and enforcement submissions or filings with FERC and other Canadian regulatory agencies.

2025 Key Assumptions

The 2025 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 modifications to Bylaws and other corresponding governance changes.
- 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, discussing resolutions with NERC, obtaining approvals from the NERC Board of Trustees Compliance Committee, and with FERC;
- 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 help ensure NPCC’s continued recognition as a Regional Entity.

2025 Goals and Key Deliverables

The 2025 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
- Work with NERC and other Regions on obtaining renewal of NPCC’s Regional Delegation Agreement with NERC.

Information Technology

Program Scope and Functional Description

The Information Technology (IT) department manages the installation, maintenance, and security control configuration of NPCC information assets and network infrastructure. The department 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, the IT department 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.

NPCC partners with the ERO to implement, operate and maintain software tools supporting common enterprise-wide operations and 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.

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.

2025 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 2025 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 for the Reliability Services Program Areas.
- NPCC will actively participate in designing, planning, and implementing ERO Centralized Applications.
- 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 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.

2025 Goals and Key Deliverables

The IT department 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:

- Evaluate NPCC's existing security controls and align them with industry-standard security frameworks.
- 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.
- Establish 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 secure communication capabilities.
- NPCC IT support of the ERO Analytical Community of Excellence (ERO ACE) program 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 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.

2025 Key Assumptions

The Human Resources area will maintain its scope of operations from 2024. An increased number of employees drives the organization's recruitment needs, resulting in an increased workload.

2025 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.

2025 Key Assumptions

The Accounting and Finance program area will maintain its scope of operations from 2024.

2025 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 2024 Budget and 2025 Budget
ADMINISTRATIVE SERVICES

	2024 Budget	2025 Budget	Variance (\$)	Variance %
Funding				
ERO Funding				
ERO Assessments	\$ (51,794)	\$ (916,728)	\$ (864,934)	
Penalty Sanctions	-	-	-	
Total ERO Funding	\$ (51,794)	\$ (916,728)	\$ (864,934)	1670%
Membership Dues	-	-	-	
Testing Fees	-	-	-	
Services & Software	-	-	-	
Workshops & Misc Revenue	-	-	-	
Interest & Investment Income	47,337	127,992	80,655	
Total Funding (A)	\$ (4,457)	\$ (788,736)	\$ (784,279)	17597%
Expenses				
Personnel Expenses				
Salaries	\$ 3,395,162	\$ 3,866,075	\$ 470,913	
Payroll Taxes	208,888	232,184	23,296	
Benefits	891,855	846,772	(45,084)	
Retirement Costs	374,487	420,998	46,511	
Total Personnel Expenses	\$ 4,870,392	\$ 5,366,029	\$ 495,637	10%
Meeting Expenses				
Meetings & Conference Calls	\$ 129,200	\$ 266,324	\$ 137,124	
Travel	72,600	124,750	52,150	
Total Meeting Expenses	\$ 201,800	\$ 391,074	\$ 189,274	94%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ 155,000	\$ 90,000	\$ (65,000)	
Office Rent	420,110	431,000	10,890	
Office Costs	1,167,313	1,267,978	100,665	
Professional Services	945,500	1,227,000	281,500	
Computer & Equipment Leases	-	-	-	
Miscellaneous	30,000	30,000	-	
Total Operating Expenses, excluding Depreciation	\$ 2,717,923	\$ 3,045,978	\$ 328,055	12%
Total Direct Expenses	\$ 7,790,114	\$ 8,803,080	\$ 1,012,966	13%
Indirect Expenses	\$ (7,790,114)	\$ (8,803,080)	\$ (1,012,966)	13%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 0	\$ 0	\$ -	0%
Change in Net Assets (=A-B)	\$ (4,457)	\$ (788,736)	\$ (784,279)	17597%
Fixed Asset Additions, excluding Right of Use Assets (C)	-	-	-	
TOTAL BUDGET (=B+C)	\$ 0	\$ 0	\$ -	0%
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	\$ (4,457)	\$ (788,736)	\$ (784,279)	17597%
FTES	16.55	17.55	1.00	6%

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

NPCC Regionally-Specific Criteria Services Overview

NPCC Criteria Services division activities are based on the development, maintenance (including retirement), and promulgation of new or revised 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 BPS elements through the performance-based methodology identified in the 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. The 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 2025 and beyond, the potential reliability impacts of increased penetration of (DER, IBR and large amounts of VER e.g., offshore wind) along with the associated changing fuel mixes 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 associated with increased deployment of decarbonized resources.

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 BA function, are not assessed an annual membership fee. Those that perform BA functions are assessed and remit a proportional NEL share of expenses for Criteria Services. NPCC would also directly assign Criteria Service division costs to a BAA or entity, where significant costs are incurred for that BAA. 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

2025 Key Assumptions

The Criteria Services division activities are expected to remain stable throughout 2025.

2025 Goals and Objectives

- Continue the development and maintenance of a set of NPCC Directories 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, IBR, VER and energy storage.
- Identify opportunities to address enhancements in 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 any additional NPCC Directories to ensure that the more stringent or Regionally-specific Criteria is being met.
- 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 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 2025, 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 2025.

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 2025.

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 2024.

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 review this Directory in 2024 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 2024.

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 2024.

Directory No.7, Special Protection Systems

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 2024.

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 2025, 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 CCEP-1 NPCC Criteria Compliance and Enforcement Program (CCEP) Process Document. 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 2025 Criteria Services budget of \$1,219,153 represents an increase of \$73,309 or 6.4% over the 2024 budget. The proposed Criteria Services membership fees of \$982,668 represents an increase of \$62,676 or 6.8% over the 2024 membership fees. Increase in membership fees is greater than increase in budget due to lower utilization of reserves to offset membership fees in 2025 than in 2024.

Major Drivers

- **Personnel** expenses increase of \$100,998 is associated with a budgeted 5.5% average salary increase due to a highly competitive recruiting and retention environment (includes 4.0% - 4.5% average merit increase plus market adjustments related to 2024 compensation study), and a projected 8% increase in medical premiums.

Criteria Service Statement of Activities

Statement of Activities and Capital Expenditures

CRITERIA SERVICES DIVISION

	2024 Budget	2024 Projection	2025 Budget	Variance \$	Variance %
Funding					
ERO Funding					
ERO Assessments	\$ -	\$ -	\$ -	\$ -	
Penalty Sanctions	-	-	-	-	
Total ERO Funding	\$ -	\$ -	\$ -	\$ -	
Membership Dues	919,992	919,992	982,668	62,676	
Testing Fees	-	-	-	-	
Services & Software	-	-	-	-	
Workshops & Misc Revenue	-	-	-	-	
Interest & Investment Income	2,663	20,000	6,008	3,345	
Total Funding (A)	\$ 922,655	\$ 939,992	\$ 988,676	\$ 66,021	7%
Expenses					
Personnel Expenses					
Salaries	\$ 473,354	\$ 473,354	\$ 539,483	\$ 66,129	
Payroll Taxes	34,534	34,534	39,662	5,128	
Benefits	90,941	90,941	108,836	17,895	
Retirement Costs	43,614	43,614	55,460	11,846	
Total Personnel Expenses	\$ 642,443	\$ 642,443	\$ 743,441	\$ 100,998	16%
Meeting Expenses					
Meetings	\$ 6,600	\$ 6,600	\$ 11,718	\$ 5,118	
Travel	42,000	42,000	48,800	6,800	
Total Meeting Expenses	\$ 48,600	\$ 48,600	\$ 60,518	\$ 11,918	25%
Operating Expenses, excluding Depreciation					
Consultants & Contracts	\$ 30,000	\$ 30,000	\$ 15,000	\$ (15,000)	
Office Rent	-	-	-	-	
Office Costs	3,100	3,100	2,100	(1,000)	
Professional Services	-	-	-	-	
Computer & Equipment Leases	-	-	-	-	
Miscellaneous	-	-	-	-	
Total Operating Expenses, excluding Depreciation	\$ 33,100	\$ 33,100	\$ 17,100	\$ (16,000)	-48%
Total Direct Expenses	\$ 724,143	\$ 724,143	\$ 821,059	\$ 96,916	13%
Indirect Expenses	\$ 414,900	\$ 414,900	\$ 394,694	\$ (20,207)	-5%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 1,139,044	\$ 1,139,044	\$ 1,215,753	\$ 76,709	7%
Change in Net Assets (=A-B)	\$ (216,389)	\$ (199,052)	\$ (227,077)	\$ (10,688)	
Fixed Asset Additions, excluding Right of Use Assets (C)	6,800	6,800	3,400	(3,400)	-50%
TOTAL BUDGET (=B+C)	\$ 1,145,844	\$ 1,145,844	\$ 1,219,153	\$ 73,309	6%
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	\$ (223,189)	\$ (205,852)	\$ (230,477)	\$ (7,288)	3%
FTES	2.90	2.90	2.80	0.10	3%

Personnel Analysis

Total FTEs by Program Area	2024 Budget	2025 Budget Direct FTES	2025 Budget Shared FTES	2025 Budget Total FTES	Change from 2024 Budget
CRITERIA SERVICES DIVISION					
Criteria Services	2.90	0.00	2.80	2.80	-0.10
Total FTEs Criteria Services Division	2.90	0.00	2.80	2.80	-0.10

¹A 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 2024-2025			
CRITERIA SERVICES DIVISION			
	Total Reserve	Working Capital	Operating Reserve
Beginning Total Reserve, December 31, 2023	645,214	553,546	91,668
2024 Non-Statutory Funding (from members)	919,992	919,992	
Plus: 2024 Other funding sources	20,000	20,000	
Less: 2024 Projected expenses & fixed asset additions	(1,145,844)	(1,145,844)	
Remaining Business Continuity Reserves released into Working Capital	0		
Projected Total Reserve, December 31, 2024	439,362	347,695	91,668
Desired Total Reserve, December 31, 2025	208,886	111,353 ¹	97,532 ²
Less: Projected Total Reserve, December 31, 2024	(439,362)	(347,695)	(91,668)
Increase(decrease) in assessments to achieve desired Total Reserve	(230,477)	(236,342)	5,865
2025 Funding requirement for expenses and fixed asset additions	1,219,155		
Less: Other Funding Sources	(6,008)		
Adjustment to Operating Reserve to achieve desired Total Reserve balance ²	5,865		
Adjustment to Working Capital to achieve desired Total Reserve balance ¹	(236,342)		
2025 Funding and reserve requirement	982,670		

¹ Working Capital must be within a range from 8% to 25% of Budget. \$111,353 represents 9% of the 2025 budget of \$1,219,155.

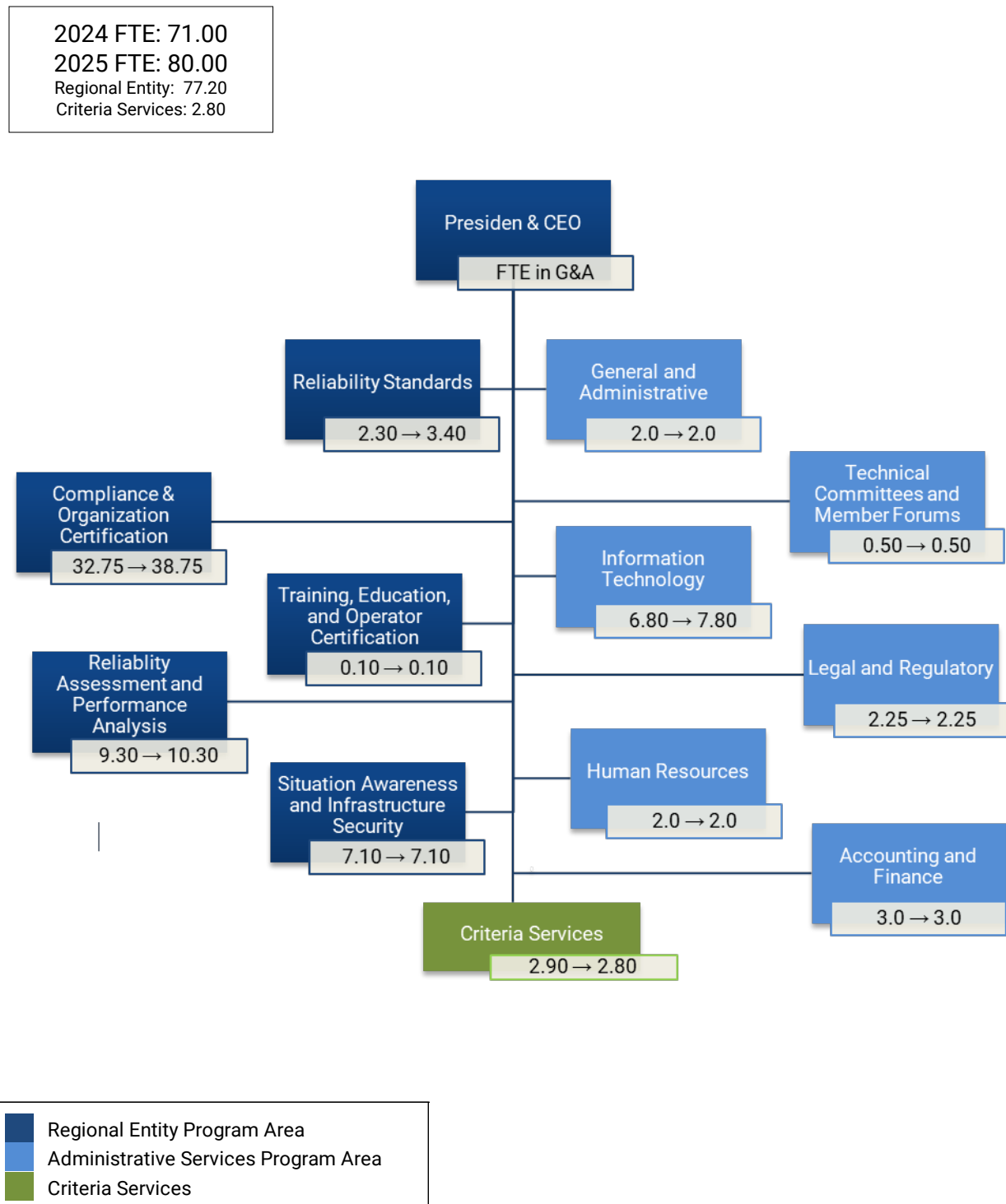
² Operating Reserve must equal 8% of Budget. \$97,532 represents 8% of the 2025 budget of \$1,219,155.

Explanation of Changes in Reserve Policy from Prior Year

There was a revision to the existing Working Capital and Operating Reserve Policy in 2023 which changed utilization approval thresholds from dollar amounts to percentages of total budget. There was no change to the Working Capital and Operating Reserve target range.

Appendix A - NPCC Organizational Chart

Changes in Budgeted FTE by Program Area



Appendix B - Acronyms

Acronym	Definition
AI	Audits and Investigations
AMWG	Acceptable Model Working Group
ASR	Assessment Stabilization Reserve
BA	Balancing Authority
BAA	Balancing Authority Area
BEP	BES Exception Process
BES	Bulk Electric System
BPS	Bulk Power System
CAP	Crisis Action Plan
CC	Compliance Committee
CCEP	Criteria Compliance and Enforcement Program
CDAA	CMEP Data Administration Application
CEH	Continuing Education Hour
CF	CORC Fundamentals
CGNC	Corporate Governance and Nominating Committee
CIGRE	Conseil International des Grands Réseaux Electriques (Council on Large Electric Systems)
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
EG	Enforcement Group
EIA	Energy Info Admin
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
EROACE	Electric Reliability Organization Analytical Community of Excellence
EROEC	Electric Reliability Organization Executive Committee
ESIG	Energy Systems Integration Group
FAC	Finance and Audit Committee
FERC	Federal Energy Regulatory Commission
FFT	Find, Fix, Track and Report
FTE	Full Time Employee
GADSWG	Generating Availability Data System Working Group
GMD	Geomagnetic Disturbance
HQCMÉ	Hydro-Québec Contrôle des mouvements d'énergie
HSIN	Homeland Security Information Network
IEEE	Institute of Electrical and Electronics Engineers
IESO	Independent Electricity System Operator
IRA	Inherent Risk Assessment
IRPTF	Inverter-Based Resource Performance Task Force
ISO	Independent System Operator
LCEF&T	Load Capacity Energy Fuels & Transmission Report
LMTF	Load Modeling Task Force
LSE	Load Serving Entity
MACD	Market Assessment and Compliance Division
MDCC	Management Development and Compensation Committee
ME	Mitigation and Enforcement
MIDASWG	Misoperation Information Data Analysis System Working Group
MMWG	Multi-Regional Modeling Working Group
MOU	Memorandum of Understanding
MST	Manual Task Force
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
RPMG	Risk Performance and Monitoring Group
RISC	Reliability Issues Steering Committee
RSC	Regional Standards Committee
RSDP	Reliability Standards Development Plan
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
SEL	Secure Evidence Locker
SPCS	System Protection and Control Subcommittee
SMS	Synchronized Measurement Subcommittee
SO	System Operator
SPIDERWG	System Planning Impacts from Distributed Energy Resources Working Group
SPS	Special Protection Systems
TAD	Transmission Availability Data System
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
VER	Variable Energy Resources