



TEXAS RE

Texas Reliability Entity, Inc.

2025 Business Plan and Budget

Approved by Texas RE Board of Directors

Date: May 15, 2024

Table of Contents

INTRODUCTION	3
<i>Organizational Overview</i>	3
<i>Membership and Governance</i>	3
<i>Statutory Functional Scope</i>	4
<i>Funding</i>	4
<i>ERO Enterprise Model</i>	5
<i>ERO Enterprise Long-Term Strategy</i>	6
OVERVIEW OF FUNDING AND BUDGET REQUIREMENTS	8
<i>Major Drivers/Key Assumptions</i>	8
<i>Major Budget Drivers - Program Area Budgets</i>	11
<i>Major Budget Drivers - Administrative Services Budget</i>	12
<i>Personnel Analysis and Expenses</i>	14
<i>Contractors and Consulting Expenses</i>	15
<i>Reserve Analysis</i>	17
THREE-YEAR BUDGET PROJECTIONS	18
2025 STATUTORY PROGRAM DETAIL	20
<i>Reliability Standards</i>	20
<i>Compliance Monitoring, Enforcement and Organization Registration and Certification Program</i>	23
<i>Training and Education</i>	32
<i>Administrative Services</i>	35
ADDITIONAL INFORMATION	43
<i>Organizational Chart</i>	43
<i>Consolidated Statement of Activities</i>	44

Introduction

Organizational Overview

Texas Reliability Entity, Inc. (Texas RE) is a Texas non-profit corporation that is the Regional Entity for the Electric Reliability Council of Texas, Inc. (ERCOT) region, pursuant to its Amended and Restated Delegation Agreement (Delegation Agreement) with North American Electric Reliability Corporation (NERC) effective January 1, 2021. Texas RE ensures the reliability of the ERCOT region bulk-power system (BPS).

The ERCOT region is the geographic area located within the state of Texas that operates under the jurisdiction of the Public Utility Commission of Texas (PUCT) and is not synchronously interconnected with any electric utilities operating outside of Texas. The ERCOT region includes approximately 90 percent of Texas load and 75 percent of the Texas land area.

Membership and Governance

Membership

Texas RE has the following six membership sectors under its Bylaws:

- System Coordination and Planning
- Transmission and Distribution
- Cooperative Utility
- Municipal Utility
- Generation
- Load-Serving and Marketing

Membership in Texas RE is voluntary and open to any entity that is a user, owner, or operator in the ERCOT region BPS that registers with Texas RE as a member and complies with the Texas RE Bylaws (Bylaws) requirements. There is no charge for membership with Texas RE. Any person or entity that has a direct and material interest in the BPS has a right to participate in the Texas RE Standards Development Process, even if not a Texas RE member.

Texas RE has one stakeholder committee, the Member Representatives Committee (MRC). The MRC includes representatives from members in each of the six membership sectors and provides advice and recommendations to the Texas RE Board (Board) on administrative, financial, reliability-related, or any other matters, through its elected Chair and Vice Chair, who also serve as Affiliated Directors on Texas RE's Board. In addition, the MRC facilitates the Regional Standards Development Process, and coordinates the development of Regional Standards and variances with the development of continent-wide standards. A subcommittee of the MRC—the NERC Standards Review Forum (NSRF)—monitors, reviews, and discusses NERC (continent-wide) Reliability Standards under development and Reliability Standards interpretation requests.

Board of Directors

Texas RE is governed by a hybrid Board of Directors (Board), comprised of the following nine individuals:

- The Texas RE President and Chief Executive Officer (CEO)
- Four Independent Directors (elected by membership)
- Two Affiliated Directors (the Chair and Vice Chair of the MRC)
- Chairman of the PUCT (or another PUCT Commissioner designated by the Chairman) as an *ex officio* non-voting member
- Texas Public Counsel, from the Texas Office of Public Utility Counsel, as an *ex officio* non-voting member

The Board's primary role is to oversee the management of Texas RE, including assuring that Texas RE meets its requirements under the Bylaws and Delegation Agreement, and appointing a CEO to manage and be responsible for the day-to-day on-going activities of Texas RE.

Statutory Functional Scope

In accordance with its Delegation Agreement with NERC and in compliance with the NERC Rules of Procedure (NERC ROP), Texas RE performs the following statutory (or delegated) functions:

- Participation in the development of NERC Reliability Standards, or modifications thereof, and facilitation of developing needed Regional Standards or variances through Texas RE's Standards Development Process.
- Identification and registration of Responsible Entities with NERC and, as needed, certification of such entities within the ERCOT region.
- Monitoring and enforcement of compliance with approved NERC Reliability Standards and Regional Standards, in accordance with the NERC ROP, in the ERCOT region.
- Analysis and assessment of system events and disturbances.
- Assessment of the present and future reliability, adequacy, and security of the BPS.
- Promotion of effective training and education of personnel.
- Promotion of situation awareness and the protection of critical infrastructure.

Funding

Texas RE's annual Business Plan and Budget (BP&B) is subject to review and approval by NERC and FERC and once approved, Texas RE's annual funding is provided primarily through NERC, by assessments to load-serving entities within the ERCOT region. These assessments are allocated on a net energy-for-load (NEL) basis. Total NEL for 2023 is 444,684,012 megawatt hours.

ERO Enterprise Model

The vision of the Electric Reliability Organization (ERO) Enterprise, which is comprised of NERC and the six Regional Entities, is a highly reliable and secure North American BPS. Its mission is to assure 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.
- 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 Groups.



ERO Enterprise Long-Term Strategy

NERC and the Regional Entities are continually refining their individual and collective operating and governance practices to 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 Regional 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 (NERC Board) 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.
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.

Texas RE's corporate goals further complement and align with Texas RE's mission to ensure a highly reliable and secure bulk power system in the Electric Reliability Council of Texas (ERCOT) Interconnection, while ensuring Texas RE meets the common commitments shared across the ERO Enterprise. Program area narratives in Texas RE's Business Plan and Budget may reference how activities support each of the ERO Enterprise's strategic focus areas. They may also reference the activities supporting Texas RE's specific corporate goals and focus areas that are themselves informed by the ERO Enterprise's strategic focus areas and Texas RE's overall corporate mission.

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

Overview of Funding and Budget Requirements

In developing the Texas RE 2025 Business Plan and Budget, Texas RE reflects the collaborative development of the ERO Enterprise Long-Term Strategy. Texas RE also seeks input from its MRC and posts the budget online for comment. Prior to obtaining final approval from its Board, Texas RE seeks NERC input and a review of its annual Regional Entity Business Plan and Budget, including coordination of program requirements and any related key initiatives for the ERO Enterprise.

Texas RE proposes to increase its operating budget in 2025 from \$19,107,925 to \$20,244,882, an increase of \$1,136,959, or six percent.

Texas RE's proposed 2025 assessment of \$19,261,419 represents an increase of 3.1 percent, or \$580,406 from the 2024 assessment. Texas RE is releasing \$338,463 of penalty reserves and \$570,000 of assessment stabilization reserves to offset assessments. More information is included in the [Reserve Analysis](#) table.

Major Drivers/Key Assumptions

- **Personnel** – Expense increase in the amount of \$1,191,507 (8.1 percent).
 - Addition of two full-time employees (FTEs) and a budgeted 4 percent merit and market adjustment pool. One additional FTE is required in Operations & Planning (O&P) Compliance to address increasing workloads and complexity of initiatives. One additional FTE is required in Information Technology (IT) to mature the IT Department, promote sustainability, and to support functions consistent with sound governance models. Staffing changes are discussed in more detail in “Major Budget Drivers – Program Area Budgets” below and in subsequent program area sections.
 - Projected 10 percent increase over current actual rates for medical insurance premiums.
- **Meeting and Travel** – Expense increase in the amount of \$57,429 (12.3 percent).
 - Growth in the number and type of registered entities, along with the addition of new standards in key risk areas requires an increase in compliance oversight obligations, including site visits requiring travel. Expectations by NERC and FERC for new entity outreach also require an increase in travel.
 - Enhanced production for a hybrid annual workshop will increase meeting expenses.
- **Operating Expenses** – Expense decrease in the amount of \$111,978 (-2.9 percent).
 - Office Facilities – A decrease in rent and office maintenance costs over the 2024 Budget is to better align estimated costs with expenses experienced in new office space. The 2024 Budget was prepared before moving into new office space and expenses were estimates.

- Technology Investments – An increase in office costs includes expenses for an Enterprise Risk Management Tool and Energy Assessment Software.
- Contracts and Consultants – Increase is related to consulting expenses needed to meet ERO needs for an enhanced reliability assessment process that provides a systemic evaluation of resources' ability to deliver energy and meet demand across a range of assessment periods and scenarios.
- Professional Services – Increase is related to higher cost of insurance, financial audit fees, and legal and breach counsel services.

Statement of Activities and Fixed Asset Additions				
2024 Budget and 2025 Budgets				
STATUTORY				
	2024	2025	Variance	
	Budget	Budget	2024 Budget	
			v 2025 Budget	
			Over(Under)	
Funding				
ERO Funding				
NERC Assessments	\$ 18,681,013	\$ 19,261,419	\$ 580,406	3.1%
Penalties Released*	426,912	338,463	(88,449)	-20.7%
Total NERC Funding	\$ 19,107,925	\$ 19,599,882	\$ 491,957	2.6%
Interest	50,000	125,000	75,000	150.0%
Total Funding (A)	\$ 19,157,925	\$ 19,724,882	\$ 566,957	3.0%
Personnel Expenses				
Personnel Expenses				
Salaries	\$ 10,642,011	\$ 11,591,928	\$ 949,918	8.9%
Payroll Taxes	723,373	777,854	54,481	7.5%
Benefits	1,904,575	1,969,451	64,876	3.4%
Retirement Costs	1,520,920	1,643,152	122,232	8.0%
Total Personnel Expenses	\$ 14,790,879	\$ 15,982,386	\$ 1,191,507	8.1%
Meeting & Travel Expenses				
Meetings	\$ 85,900	\$ 120,900	\$ 35,000	40.7%
Travel	381,150	403,579	22,429	5.9%
Total Meeting & Travel Expenses	\$ 467,050	\$ 524,479	\$ 57,429	12.3%
Operating Expenses, Excluding Depreciation				
Consultants & Contracts	\$ 393,500	\$ 437,500	\$ 44,000	11.2%
Office Rent	2,045,702	1,751,692	(294,009)	-14.4%
Office Costs	735,619	811,325	75,706	10.3%
Professional Services	675,175	737,500	62,325	9.2%
Total Operating Expenses	\$ 3,849,996	\$ 3,738,017	\$ (111,978)	-2.9%
Total Direct Expenses	\$ 19,107,925	\$ 20,244,882	\$ 1,136,959	6.0%
Indirect Expenses	\$ -	\$ -	\$ -	
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 19,107,925	\$ 20,244,882	\$ 1,136,959	6.0%
Change in Net Assets (A - B)	\$ 50,000	\$ (520,000)	\$ (570,000)	-1140.0%
Fixed Assets, excluding Right of Use Assets (C)	\$ 50,000	\$ 50,000	-	0.0%
TOTAL BUDGET (B + C)	\$ 19,157,925	\$ 20,294,882	\$ 1,136,959	5.9%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ -	\$ (570,000)	\$ -	
FTEs	70.0	72.0	2.0	

*Penalties Released in the current year reflects the designated amount of funds released to offset U.S. Assessments. Actual penalties invoiced in the current year are reported as income on the audited financial statements in accordance with Generally Accepted Accounting Principles (GAAP).

Major Budget Drivers - Program Area Budgets

Base Operating Budget			Variance	
	2024 Budget	2025 Budget	2025 Budget v 2024 Budget	Variance %
Reliability Standards	\$ 429,172	\$ 455,755	\$ 26,583	6.2%
Compliance Enforcement and Organization Registration	15,136,737	15,390,892	254,155	1.7%
Reliability Assessments and Performance Analysis	2,792,883	3,601,486	808,603	29.0%
Training and Education	799,133	846,749	47,616	6.0%
Total by Program	\$ 19,157,925	\$ 20,294,882	\$ 1,136,957	5.9%

Reliability Standards

- **Personnel** – The number of FTEs and operating costs are consistent with the 2024 Budget.

Compliance Monitoring and Enforcement (CMEP)

- **Personnel** – The total number of FTEs in CMEP will decrease by one FTE. This reflects the addition of one FTE in the O&P Compliance department to address growth in the number and type of registered entities that are driving increased compliance oversight obligations in the O&P program area. New standards in key risk areas like Inverter-Based Resources (IBR) performance, winterization, and transmission planning for extreme events will also increase the workload, as will increasing expectations by NERC and FERC for new entity outreach. The CMEP FTE number is reduced by a transfer of one FTE from CMEP to RAPA to create Texas RE's Chief Engineer and Director, Reliability Outreach position in 2024 to support entity engagement and state outreach. Additionally, an FTE, previously in Enforcement, is transferred to Legal and Regulatory in the 2025 Budget to support Texas RE's enhanced Enterprise Risk Management program.
- **Meeting and Travel Expenses** – An increase in oversight engagement expectations, along with travel expenses for a new FTE is increasing travel expenses.

Reliability Assessment and Performance Analysis (RAPA)

- **Personnel** – The total number of FTEs in RAPA has increased by one FTE. This increase is from the transfer of one FTE from CMEP to RAPA to create Texas RE's Chief Engineer and Director, Reliability Outreach position in 2024 to support entity engagement and state outreach.
- **Consultants and Contracts** – New software tools and associated consulting support are needed to address ERO needs for an enhanced reliability assessment process that

provides a systemic evaluation of resources' ability to deliver energy and meet demand across a range of assessment periods and scenarios.

Training and Education

- **Personnel** – The number of FTEs and operating costs is consistent with the 2024 Budget.

Major Budget Drivers - Administrative Services Budget

Methodology for Allocation of Corporate Services Expenses to Programs

Texas RE allocates its Administrative Services expenses to the functional/direct areas proportionately based on FTE count. Each direct activity receives a pro-rata allocation of expense based on its FTEs compared to total direct program FTEs.

	Administrative Services					
	Direct Expenses & Fixed Assets			FTEs		
	2024 Budget	2025 Budget	Inc (Dec)	2024 Budget	2025 Budget	Inc (Dec)
General and Administrative	4,890,541	4,889,544	(997)	4.00	4.00	-
Legal and Regulatory	739,470	1,018,648	279,178	2.75	3.75	1.00 *
Information Technology	2,145,787	2,566,398	420,611	7.00	8.00	1.00
Human Resources	112,570	219,710	107,140	-	-	-
Finance and Accounting	607,161	655,755	48,594	3.00	3.00	-
Total Administrative Services	8,495,529	9,350,054	854,526	16.75	18.75	2.00 *

*One FTE was transferred from CMEP to Legal and Regulatory to support Texas RE's enhanced Enterprise Risk Management Program. This transfer did not change the total FTEs for the organization as a whole.

General and Administrative

- **Office rent and maintenance** – Office maintenance expenses are decreasing by \$294,012 (-14.4 percent) because estimates for the 2025 BP&B are based on expenses experienced in new offices. The 2024 Budget was prepared before Texas RE moved into new office space and expenses were estimated.
- **Professional fees** – Insurance costs are increasing by \$30,000 (6 percent).
- **Benefits** – Education Reimbursements and Training expenses are increasing by \$25,000 each, or 125 percent and 147 percent, respectively.

Legal and Regulatory

- **Personnel** – The number of FTEs in Legal and Regulatory will increase by one FTE. One FTE, previously in Enforcement, is transferred to Legal and Regulatory in the 2025 Budget to support the Enterprise Risk Management program. Total FTEs for the organization did not change with this transfer, although it increased the Legal and Regulatory Personnel Budget.
- **Professional Fees** – Legal Fees are increasing by \$10,000 (25 percent) for legislative support and breach counsel services.

Information Technology

- **Personnel** – The number of FTEs in Information Technology will increase by one FTE. The additional FTE is for the continued need to support a multi-year effort to mature the IT Security Department, promote sustainability, and to support full segregation of IT and security functions consistent with sound governance models.
- **Office Costs** – Investments in Enterprise Risk Management Software and Energy Assessment Software will increase office costs, enabling Texas RE to meet NERC expectations for implementation of a robust Enterprise Risk Management Program and to meet the ERO's need for an enhanced reliability assessment process.

Human Resources

- **Consultants and Contracts** – Increase of \$90,000 (120 percent) is related to leadership training and coaching scheduled for 2025.

Personnel Analysis and Expenses

Personnel	2024 Budget	2025 Budget	Variance	
			2025 Budget v 2024 Budget	Variance %
STATUTORY				
Salaries	\$ 10,642,011	\$ 11,591,928	\$ 949,918	8.9%
Payroll Taxes	723,373	777,854	54,481	7.5%
Benefits	1,904,575	1,969,451	64,876	3.4%
Retirement	1,520,920	1,643,152	122,232	8.0%
Total	\$ 14,790,879	\$ 15,982,386	\$ 1,191,507	8.1%

FTEs	70.00	72.00	2	2.9%
-------------	--------------	--------------	----------	-------------

Cost per FTE

Salaries	\$ 152,029	\$ 165,599	\$ 13,570	8.9%
Payroll Taxes	10,334	11,112	778	7.5%
Benefits	27,208	28,135	927	3.4%
Retirement	21,727	23,474	1,746	8.0%

Total	\$ 211,298	\$ 228,320	\$ 17,022	8.1%
--------------	-------------------	-------------------	------------------	-------------

Total FTEs by Program Area	2024 Budget	Direct FTEs 2025 Budget	Shared FTEs 2025 Budget	Total FTEs 2025 Budget	Change from 2024 Budget
STATUTORY					
Operational Programs					
Reliability Standards	1.25	1.25	-	1.25	-
Compliance and Organization Registration and Certification	42.75	41.75	-	41.75	(1.00) *
Training and Education	2.25	2.25	-	2.25	-
Reliability Assessment and Performance Analysis	7.00	8.00	-	8.00	1.00 *
Total FTEs Operational Programs	53.25	53.25	-	53.25	-
Administrative Programs					
General & Administrative	4.00	4.00	-	4.00	-
Legal and Regulatory	2.75	3.75	-	3.75	1.00 *
Information Technology	7.00	8.00	-	8.00	1.00
Human Resources	-	-	-	-	-
Finance and Accounting	3.00	3.00	-	3.00	-
Total FTEs Administrative Programs	16.75	18.75	-	18.75	2.00
Total FTEs	70.00	72.00	-	72.00	2.00

*Although one FTE position was added in CMEP, in 2024 one FTE was transferred from CMEP to RAPA to create a Chief Engineer and Director position and one FTE was transferred from CMEP to Legal and Regulatory to support Texas RE's enhanced Enterprise Risk Management Program.

Personnel: Significant Variances – 2024 Budget vs 2025 Budget

- Addition of two FTEs – More details can be found in the [Major Budget Drivers – Program Area Budgets](#).
 - One FTE in CMEP – O&P Compliance Auditor
 - One FTE in IT Security
- Budgeted 4 percent merit and market adjustment pool.
- Estimated medical insurance premium increase of 10 percent. Medical Insurance did not increase as projected in 2024; however, medical insurance expense is projected to increase 10 percent over 2024 cost.

Contractors and Consulting Expenses

Consultants and Contracts	2024 Budget	2025 Budget	Variance 2025 Budget v 2024 Budget	Variance %
Reliability Standards	\$ -	\$ -	\$ -	0.0%
Compliance and Organization Registration and Certification	-	-	-	0.0%
Reliability Assessment and Performance Analysis	-	75,000	75,000	100.0%
Training and Education	-	-	-	0.0%
General and Administrative	101,000	80,000	(21,000)	-20.8%
Legal and Regulatory	2,500	2,500	-	0.0%
Information Technology	215,000	115,000	(100,000)	-46.5%
Human Resources	75,000	165,000	90,000	120.0%
Accounting and Finance	-	-	-	0.0%
Consultants Total	\$ 393,500	\$ 437,500	\$ 44,000	11.2%

Contractors and Consulting Expenses: Significant Variances – 2024 Budget vs 2025 Budget

- **RAPA** – Increase is to meet ERO needs for an enhanced reliability assessment process that provides a systematic evaluation of resources' ability to deliver energy and meet demand across a range of assessment periods and scenarios. The biennial probabilistic energy assessment will be performed every year beginning 2024. Initial outlays for software tools, support, and training will be needed in 2025 to meet the new ERO energy assessment requirements for full implementation in 2026.
- **Information technology** – Decrease is because of a realignment of what was previously IT Managed Services, which has been replaced with software subscription services and are better aligned under software expense in the Office Costs category.
- **Human Resources** – Increase is for leadership training and coaching scheduled for 2025.

Fixed Asset Additions

Fixed Assets	2024		2025		Variance		
	Budget		Budget		2025 Budget v 2024 Budget	Variance %	
Depreciation	\$	-	\$	-	\$	-	0.0%
Computer & Software CapEx		-		-		-	0.0%
Furniture & Fixtures CapEx		-		-		-	0.0%
Equipment CapEx		50,000		50,000		-	0.0%
Leasehold Improvements		-		-		-	0.0%
Total Fixed Assets	\$	50,000	\$	50,000	\$	-	0.0%

Significant Variances – 2024 Budget versus 2025 Budget

- Fixed asset additions are expected to be routine equipment replacements consistent with the 2024 Budget.

Reserve Analysis

Working Capital Reserve Analysis 2024-2025				
STATUTORY				
	Total Reserves	Contingency Reserve	Working Capital and Assessment Stabilization	Unreleased Penalties
Beginning Reserves, January 1, 2024	\$ 5,705,091	\$ 2,000,000	\$ 3,278,179	\$ 426,912
Plus: 2024 Funding (from LSEs or designees)	18,681,013	-	18,681,013	-
Plus: 2024 Other funding sources	50,000	-	50,000	-
Released from Assessment Stabilization & Contingency	-	-	-	-
Penalties Released in 2024	-	-	426,912	(426,912)
Penalty Sanctions Received July 1, 2023 - June 30, 2024	338,463	-	-	338,463
Less: 2024 Projected expenses & capital expenditures	(19,157,925)	-	(19,157,925)	-
Projected Reserves, December 31, 2024	\$ 5,616,642	\$ 2,000,000	\$ 3,278,179	\$ 338,463
Desired Reserves, December 31, 2025				
Target Reserve December 31, 2025	\$ 4,708,179	\$ 2,000,000	\$ 2,708,179	\$ -
Minus: Projected Reserves, December 31, 2024	(5,616,642)	(2,000,000)	(3,278,179)	(338,463)
Incr(decr) in funding requirement to achieve Reserve	\$ (908,463)	\$ -	\$ (570,000)	\$ (338,463)
2025 Expenses and Capital Expenditures	\$ 20,294,882			
Less: Other Funding Sources	(125,000)			
Adjustment to achieve targeted working capital	-			
Reserves released from Assessment Stabilization	(570,000)			
Penalty Sanctions Released	(338,463)			
2025 NERC Assessment to Texas RE	19,261,419			

Explanation of Reserves

Texas RE has a Board approved Working Capital and Operating Reserve Policy, which requires Texas RE to retain a \$2,000,000 cash reserve (or an amount as adjusted by the Board, or as required by regulators). This reserve is a contingency reserve which can only be used with Board approval.

Penalty monies received between July 1, 2022 and June 30, 2023, in the amount of \$426,911 are to be used to offset assessments in the 2024 Budget, as documented in the NERC Policy – *ACCOUNTING FINANCIAL STATEMENT AND BUDGETARY TREATMENT OF PENALTIES IMPOSED AND RECEIVED FOR VIOLATIONS OF RELIABILITY STANDARD*. Penalty monies received from July 1, 2023 to June 30, 2024, in the amount of \$338,464 will be used to offset assessments in the 2025 Budget.

Assessment Stabilization Reserves in the amount of \$570,000 will be used to offset assessments in the 2025 Budget.

Three-Year Budget Projections

Statement of Activities, Fixed Assets Expenditures and Change in Working Capital 2025 Budget & Projected 2026 and 2027 Budgets

	2025 Budget	2026 Projection	% Change 26 v 25	2027 Projection	% Change 27 v 26
Funding					
ERO Funding	\$ 19,261,419	\$ 21,706,527	12.7%	\$ 23,023,244	6.1%
Fines & Penalties	338,463	-	-100.0%	-	0.0%
Interest	125,000	115,000	-8.0%	100,000	-13.0%
Total Revenue	\$ 19,724,882	\$ 21,821,527	10.6%	\$ 23,123,244	6.0%
Personnel Expenses					
Salaries	\$ 11,591,928	\$ 12,435,605	7.3%	\$ 13,113,030	5.4%
Payroll Taxes	777,854	834,467	7.3%	879,925	5.4%
Benefits	1,969,451	2,271,996	15.4%	2,569,596	13.1%
Retirement Cost	1,643,152	1,763,978	7.4%	1,860,637	5.5%
Total Personnel	\$ 15,982,386	\$ 17,306,047	8.3%	\$ 18,423,188	6.5%
Meeting & Travel Expenses					
Meeting Expense	\$ 120,900	\$ 125,736	4.0%	\$ 130,765	4.0%
Travel	403,579	419,722	4.0%	436,511	4.0%
Total Meetings & Travel	\$ 524,479	\$ 545,458	4.0%	\$ 567,276	4.0%
Operating Expenses, excluding Depreciation					
Consultants & Contracts	\$ 437,500	\$ 480,000	9.7%	\$ 524,200	9.2%
Office Rent & Maintenance	1,751,692	1,804,243	3.0%	1,858,371	3.0%
Office Costs	811,325	843,778	4.0%	877,529	4.0%
Professional Services	737,500	767,000	4.0%	797,680	4.0%
Total Operating Expenses	\$ 3,738,017	\$ 3,895,021	4.2%	\$ 4,057,780	4.2%
Fixed Assets	\$ 50,000	\$ 75,000	50.0%	\$ 75,000	0.0%
TOTAL BUDGET	\$ 20,294,882	\$ 21,821,527	7.5%	\$ 23,123,244	6.0%
TOTAL CHANGE IN WORKING CAPITAL	\$ (570,000)	\$ -	0.0%	\$ -	0.0%

Major budget drivers in 2026 and 2027 are as follows:

- The addition of three FTEs in 2026 and two FTEs in 2027.
- Merit and market adjustment pool increases of 4 percent and health insurance benefit increases of 10 percent.

- Increased Consulting expenses to assist with full implementation of an enhanced reliability assessment process that provides a more systematic evaluation of resources' ability to deliver energy and meet demand across a range of assessment periods and scenarios.
- Increase in capital expenditure for Furniture and Equipment is for new FTEs.

2025 Statutory Program Detail

Reliability Standards

Program Scope and Functional Description

Texas RE's Reliability Standards Program supports the NERC Reliability Standards Program as well as facilitates the development of regional standards and variances, in accordance with the Texas RE Regional Standards Development Process (RSDP). Texas RE standards staff coordinates and publicly posts information regarding the activities of the Texas RE MRC's standards development activities, the NERC Standards Review Forum (NSRF), and all regional standard drafting teams (SDTs).

The RSDP, Texas RE's FERC-approved process for developing Regional Standards, is open to all individuals and organizations that are directly and materially affected by the ERCOT region BPS, with no undue financial barriers and regardless of Texas RE membership status. Texas RE's RSDP provides for fair and due process by providing sufficient public notice of the intent to develop a Regional Standard. The RSDP includes an appeal process and an interpretation process. Texas RE standards staff assists NERC as needed with obtaining NERC Board approval and subsequent filing(s) with FERC and other regulatory authorities, as appropriate, including developing the record necessary to support approval.

The Texas RE standards staff supports and participates in the NERC Standards Committee and other NERC activities relating to standards development. Texas RE regularly comments and votes on proposed NERC Reliability Standards and revisions from its perspective as the Compliance Enforcement Authority, based on recommendations and input from subject matter experts employed by Texas RE.

Additionally, this program area supports and facilitates standards activities of the Texas RE MRC and the NSRF. The MRC is a stakeholder committee that oversees the execution of the Texas RE Standards Development Process. The NSRF provides a regional stakeholder forum for education and discussion of NERC Reliability Standards activities, both regional and continent-wide.

Texas RE Standards staff provides education and advice to other Texas RE departments regarding issues relating to standards, including applicability and interpretation of requirements in accordance with NERC processes.

2025 Key Assumptions

- Continent-wide NERC Reliability Standards projects will consist primarily of new Standards Authorization Requests and existing projects mainly stemming from FERC directives, covering both Critical Infrastructure Protection (CIP) and Operations and Planning standards. These activities will require the allocation of technical resources

from several internal NERC departments (e.g., Reliability Assessment and Performance Analysis (RAPA), Reliability Risk Management (RRM), Compliance Analysis and Certification (CAC), and Compliance Assurance) and support from across the ERO Enterprise.

- Regional Standards development activity will be driven by requests the Regional Entity may receive or reliability issues the Regional Entity may identify. Although Regional Standards development activity is expected to remain low, Texas RE Regional Standard BAL-001-TRE-2 is subject to periodic review and revision under the Texas RE Regional Standard development process, and additional technical resources may be required in support of region-specific activities in connection with this standard.
- In coordination with SDTs and consistent with current approaches, Regional Entities may support outreach during standards development. Additionally, following FERC approval, Regions will assist the transition of standards to compliance monitoring and enforcement, supporting industry and auditor training, or providing information about the standard's intent.
- The number of interpretations is expected to remain low. However, guidance requests associated with the implementation of standards may increase.

2025 Goals and Deliverables

- Provide input on and facilitate industry review of new and existing NERC Reliability Standards.
- Provide input and feedback for new and existing NERC Reliability Standards using compliance monitoring experience as a basis.
- Support stakeholder awareness of standards development through engagement and support of the NSRF.
- Support NERC's standards development process review and provide information to stakeholders to promote awareness.
- Provide guidance and outreach on approved NERC Reliability Standards and Regional Standards.
- Develop, as needed, regional variances or Regional Standards to address specific reliability risks and evaluate the need for existing Regional Standards.
- Review existing Regional Standards to determine if any could be incorporated as a regional variance to a continent-wide NERC Reliability Standard.

Major Budget Drivers

[See pages 11-13 of the 2025 Business Plan and Budget Overview for discussion]

Statement of Activities and Fixed Asset Additions			
2024 Budget and 2025 Budgets			
RELIABILITY STANDARDS			
	2024	2025	Variance
	Budget	Budget	2025 Budget v 2024 Budget Over(Under)
Funding			
ERO Funding			
NERC Assessments	\$ 438,521	\$ 452,146	\$ 13,625
Penalties Released	10,021	7,945	(2,076)
Total NERC Funding	\$ 448,542	\$ 460,091	\$ 11,549
Interest	1,174	2,934	1,760
Total Funding	\$ 449,716	\$ 463,025	\$ 13,309
Expenses			
Personnel Expenses			
Salaries	\$ 154,150	\$ 161,280	\$ 7,130
Payroll Taxes	11,878	12,418	540
Benefits	35,737	35,002	(735)
Retirement Costs	22,266	23,295	1,029
Total Personnel Expenses	\$ 224,031	\$ 231,995	\$ 7,964
Meeting & Travel Expenses			
Meetings & Conference Calls	\$ -	\$ -	\$ -
Travel	4,275	4,275	-
Total Meeting & Travel Expenses	\$ 4,275	\$ 4,275	\$ -
Operating Expenses, excluding Depreciation			
Consultants & Contracts	\$ -	\$ -	\$ -
Office Rent	-	-	-
Office Costs	1,440	-	(1,440)
Professional Services	-	-	-
Total Operating Expenses	\$ 1,440	\$ -	\$ (1,440)
Total Direct Expenses	\$ 229,746	\$ 236,270	\$ 6,524
Indirect Expenses	\$ 198,252	\$ 218,311	\$ 20,059
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Total Expenses	\$ 427,998	\$ 454,581	\$ 26,583
Change in Assets	\$ 21,718	\$ 8,444	\$ (13,274)
Fixed Assets, excluding Right of Use Assets (C)	\$ 1,174	\$ 1,174	(0)
TOTAL BUDGET	\$ 429,172	\$ 455,755	\$ 26,583
TOTAL CHANGE IN WORKING CAPITAL	\$ 20,544	\$ 7,270	\$ (13,274)
FTEs	1.25	1.25	-

Compliance Monitoring, Enforcement and Organization Registration and Certification Program

Program Scope and Functional Description

Texas RE's Compliance Monitoring and Enforcement and Organization Registration and Certification Program includes the key activities of registering (and where required, certifying) Responsible Entities, monitoring and assessing compliance with the NERC Reliability Standards and Regional Standards, and enforcing and ensuring mitigation of violations of standards in accordance with the NERC Rules of Procedure (ROP). The 2025 Business Plan & Budget anticipates that Texas RE will perform CMEP activities for approximately 393 registered entities, an increase of approximately 24 registered entities from 2024.

CMEP

Regarding the CMEP, there are several major ERO-wide activities that are expected to benefit NERC, the Regional Entities, and registered entities. The risk-based CMEP is a multi-year effort to identify and implement changes to enhance the effectiveness of the ERO's compliance and enforcement functions. The primary monitoring and assessment methods include audits, self-reports, self-certifications, complaints, spot checks, compliance investigations, and data submittals. Texas RE's risk-based CMEP work is performed by four departments or groups. First, Texas RE's Risk Assessment group develops Inherent Risk Assessments (IRAs) for registered entities. These IRAs are combined with historic entity performance, data, information regarding internal controls, and other qualitative assessments to develop Compliance Oversight Plans (COPs) specific to the risk that each registered entity poses and refresh those COPs based on risk triggers. Specific, risk-based compliance monitoring activities (including audits, self-certifications, spot checks, and investigations) are then performed by Texas RE's O&P and CIP Compliance departments, respectively. Finally, Texas RE's Enforcement Department independently reviews and processes noncompliance using risk-based disposition methods, including assessing penalties where appropriate.

The increase in the number and type of registered entities will require Texas RE to appropriately allocate current resources and judiciously augment overall staffing levels to address critical emerging risks associated with resource mix changes. These include proactively focusing on key risk elements such as generator winterization and inverter-based resource performance, including site visits to select generation resources. Texas RE is therefore focusing on enhancing its O&P Compliance department to implement appropriate risk-based compliance activities and elevate targeted outreach efforts.

Registration and Certification

Texas RE's Registration and Certification department focuses on identifying and registering Bulk Electric System (BES) owners, operators, and users. Core activities include maintaining accurate, up-to-date registration information through the Centralized Organization Registration ERO System (CORES), registering entities responsible for compliance, and aiding entity personnel's access to and training on ERO systems and processes. In addition, Texas RE

periodically certifies that entities performing the functions of Reliability Coordinator, Balancing Authority, and Transmission Operator have and maintain the tools, processes, and training to meet applicable Reliability Standards requirements.

Given current growth in new generation and energy storage, Texas RE anticipates a significant number of entities may be added or removed in the Region's portion of the NERC registry, or significantly changed through mergers and acquisitions, in the coming year. Additionally, Registration work will focus on identifying non-registered IBR and preparing those IBR to register by 2026 in accordance with FERC directives. This work will include gathering data to determine registration eligibility, outreach about the registration process and maintaining compliance, and processing the changes. Regarding certification activities, Texas RE anticipates two or three engagements in 2025, consistent with past years.

2025 Key Assumptions

- Continued need to address growth of registered entities and ensure appropriate, risk-based monitoring and engagement activities.
- Increased activity around the development of IRAs and COPs for current and new registered entities and the need to review and refresh IRAs and COPs in response to risk triggers.
- Continued need to implement a risk-based focus in all standards, compliance monitoring, and enforcement programs.
- Ongoing need to strengthen engagement across the reliability and security ecosystem in North America with a particular focus on outreach to newly registered entities and on key risk focus areas such as grid transformation and extreme events.
- Increased activity in terms of generator site visits to monitor compliance with key winterization and facility rating reliability standards.
- Due to the significant changes to the generation fuel mix in the ERCOT Interconnection, the volume of registration changes is expected to continue to increase.

2025 Goals and Key Deliverables

The 2025 goals and deliverables for the CMEP and Registration and Certification program areas are as follows:

Compliance Monitoring and Risk Assessment

- Continue stakeholder outreach for new and enhanced NERC Reliability Standards to minimize reliability and security risks and encourage consideration of ERCOT regional differences.
- Continue to enhance cyber and physical security outreach beyond CMEP activities to share security information, best practices, mitigation strategies, and lessons learned focused on cyber and physical security risks and mitigation of the risks.
- Continue outreach efforts to new registered entities and new Primary Compliance Contacts by conducting one-on-one touchpoints to discuss reliability and security issues and share best practices.

- Continue targeted outreach for winterization and extreme weather events.
- Continue to enhance IRA and COP processes and continue targeted outreach to stakeholders for awareness.
- Continue to enhance the risk-based approach and internal control assessment to compliance monitoring processes.
- Continue to actively engage in the enhancement and full utilization of Align and Secure Evidence Locker (SEL) to ensure CMEP processes are efficient, effective, secure, and consistent for staff and stakeholders.
- Continue to identify current and emerging risks to security and reliability affecting the ERCOT Interconnection.
- Support the ERO's Inverter-Based Resource Strategy and provide outreach to industry on developments to ensure awareness.
- Identify and develop monitoring approaches focusing on emerging risks such as Inverter-Based Resources, Distributed Energy Resources (DER), storage, and demand side resources.
- Continue collaboration with government and state authorities on cyber and physical security issues.
- Promote and encourage effective collaboration and engagement with the Board, industry, regulators, and stakeholders.
- Expand ERO Enterprise stakeholder engagement to ensure the right subject matter experts participate to resolve issues in a timely and cost-effective manner.
- Proactively participate and collaborate in ERO working groups to efficiently and effectively work with the ERO Enterprise.
- Enhance and further coordinate CIP and O&P physical walkthroughs during Compliance Audits for physical security, facility ratings, and cold weather preparedness.
- Ensure Texas RE is appropriately staffed and managed to maximize stakeholder value, maintain independence, and perform all delegated responsibilities. Promote communication, motivation, team building, and workforce development within Texas RE.

Enforcement

- Review, validate, and process or dismiss all possible violations in a timely fashion using the Align and SEL systems.
- Undertake enforcement activities in accordance with established risk-based approaches.
- Manage all settlements and contested cases to completion, as efficiently as possible.
- Coordinate appropriate engineering, other subject matter experts, and legal resources for the processing of alleged violations, including all settlements, appeals, and contested cases.
- Use targeted, aggressive enforcement for the violations posing the most risk to BPS reliability.
- Conduct technical assessments of registered entities' plans and activities to mitigate noncompliance.

- Support streamlined mechanisms implemented to expedite possible violations that pose a lesser reliability risk to the BPS.
- Improve the consistency and timeliness of all compliance and enforcement data tracking to enable review and reporting for compliance and enforcement staff, management, the Board, NERC, and stakeholders.
- Promote timeliness and transparency of compliance results, including those efforts associated with meeting the caseload index, average violation aging, and mitigation aging metrics.
- Assure timely mitigation of all violations, assess all mitigating activities and mitigation plans for effectiveness and reasonableness of implementation, tracking completion of accepted plans to closure, and verifying completion of mitigation plans.
- Collaborate within the ERO to ensure consistency and efficiency in processing possible violations.

Registration and Certification

- Track equipment and facilities development in the Region, evaluate elements for BES status and materiality when needed and coordinate with other Regions and NERC on cross-Regional facilities and impacts as pertains to the registration program.
- Promote coordinated improvement and consistency in the ERO registration-related program through participation in registration-related groups and outreach.
- Provide targeted outreach to stakeholders on common issues encountered in the inverter-based resource interconnection process, including resource commissioning.
- Collaborate within the ERO to identify and register non-registered IBR in accordance with FERC directives.

Major Budget Drivers

[See pages 11-13 of the 2025 Business Plan and Budget Overview for discussion]

**Statement of Activities and Fixed Asset Additions
2024 Budget and 2025 Budgets**

COMPLIANCE MONITORING, ENFORCEMENT and ORGANIZATION REGISTRATION and CERTIFICATION

	2024 Budget	2025 Budget	Variance 2025 Budget v 2024 Budget Over(Under)
Funding			
ERO Funding			
NERC Assessments	\$ 14,997,433	\$ 15,101,676	\$ 104,243
Penalties Released	342,732	265,368	(77,364)
Total NERC Funding	<u>\$ 15,340,164</u>	<u>\$ 15,367,044</u>	<u>\$ 26,879</u>
Interest	40,141	98,005	57,864
Total Funding	<u>\$ 15,380,305</u>	<u>\$ 15,465,048</u>	<u>\$ 84,742</u>
Expenses			
Personnel Expenses			
Salaries	\$ 5,783,866	\$ 5,652,280	\$ (131,586)
Payroll Taxes	428,670	421,431	(7,239)
Benefits	1,107,774	1,009,556	(98,218)
Retirement Costs	833,634	813,243	(20,391)
Total Personnel Expenses	<u>\$ 8,153,944</u>	<u>\$ 7,896,509</u>	<u>\$ (257,435)</u>
Meeting & Travel Expenses			
Meetings & Conference Calls	\$ -	\$ -	\$ -
Travel	140,400	156,439	16,039
Total Meeting & Travel Expenses	<u>\$ 140,400</u>	<u>\$ 156,439</u>	<u>\$ 16,039</u>
Operating Expenses, excluding Depreciation			
Consultants & Contracts	\$ -	\$ -	\$ -
Office Rent	-	-	-
Office Costs	22,040	7,150	(14,890)
Professional Services	-	-	-
Miscellaneous	-	-	-
Depreciation	-	-	-
Total Operating Expenses	<u>\$ 22,040</u>	<u>\$ 7,150</u>	<u>\$ (14,890)</u>
Total Direct Expenses	<u>\$ 8,316,384</u>	<u>\$ 8,060,098</u>	<u>\$ (256,287)</u>
Indirect Expenses	<u>\$ 6,780,213</u>	<u>\$ 7,291,592</u>	<u>\$ 511,379</u>
Other Non-Operating Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenses	<u>\$ 15,096,597</u>	<u>\$ 15,351,690</u>	<u>\$ 255,092</u>
Change in Net Assets	<u>\$ 283,708</u>	<u>\$ 113,358</u>	<u>\$ (170,350)</u>
Fixed Assets, excluding Right of Use Assets	<u>\$ 40,141</u>	<u>\$ 39,202</u>	<u>\$ (939)</u>
TOTAL BUDGET	<u>\$ 15,136,738</u>	<u>\$ 15,390,892</u>	<u>\$ 254,153</u>
TOTAL CHANGE IN WORKING CAPITAL	<u>\$ 243,567</u>	<u>\$ 74,156</u>	<u>\$ (169,411)</u>
FTEs	42.75	41.75	(1.00)

Reliability Assessment and Performance Analysis Program

Program Scope and Functional Description

Texas RE's RAPA Program supports assessment of system adequacy and operating reliability of the BPS in the ERCOT region, both existing and planned, as well as review of system disturbances in the ERCOT region. In addition to these assessments and analyses, Texas RE collaborates with NERC, the Regions and stakeholders in ongoing work to evaluate system performance, measure progress in improving current reliability and track leading indicators of future reliability. This program requires validation and analysis of data collected from registered entities, which is used in measurement of ongoing reliability performance of generation, transmission, and overall system response. RAPA also identifies risks and analyzes key grid transformation issues that may affect reliability, such as market practices, government actions, technology developments, high-impact low frequency (HILF) events, and grid transformation. Event analyses will determine causative factors for system disturbances and lessons learned upon recovering from them. Texas RE will disseminate these insights to industry and seek broader collaboration among stakeholders to identify and reduce threats to reliability.

RAPA also includes Situation Awareness (SA) and Infrastructure Security. Situation Awareness is closely tied to initial event notifications and review, performed as part of the Event Analysis Process in the RAPA Program, while Texas RE's Infrastructure Security effort is handled primarily by Information Technology (IT) staff and CIP resources within CMEP.

Texas RE anticipates that the scope of the RAPA program will continue to increase to address continuing resource mix trends. In particular, Texas RE anticipates increasing probabilistic assessments and energy availability analyses as part of its support for long-term and seasonal assessment activities.

2025 Assumptions

- Increased resource needs stemming from the growth in new registrants and the changing resource mix.
- Increased focus on enhancing reliability assessments to include assessments of energy availability and expanded use of probabilistic methods to identify potential energy shortfalls, including the need for new software tools and consulting support for these enhancements.
- Continued ERCOT and regional stakeholder support is expected in regional activities that meet ERO schedules for the proposed energy and other reliability assessments, including Interconnection study case model building activities and ERO technical groups.
- Access to ERCOT data and applications continues as in the past, along with cooperation and coordination with ERCOT and registered entity technical experts for analysis of operations and trends.
- Travel and meeting expenses are targeted to increase modestly over 2024 levels given increased in-person gatherings and projects in 2024, as well as activities supporting enhanced entity engagement through the 2024 creation of Texas RE's Chief Engineer

and Director, Reliability Outreach position, although web conferencing will continue for a significant portion of such meetings.

2025 Goals and Key Deliverables

- Provide independent review of regional data and assist NERC in overall development of the annual long-term, summer and winter reliability assessments, support enhanced use of probabilistic analysis and consideration of extreme condition scenarios for the development of ERO energy assessments.
- Support NERC-wide modeling improvement efforts, particularly those related to dynamic loads, inverter-based resources, DER, and generator model validation.
- Serve as the Interconnection model designee associated with MOD-032 and MOD-033 Reliability Standards and provide outreach with stakeholders to integrate annual fidelity and quality tests into Interconnection study-case development processes.
- Participate in ERO technical working groups under the NERC Reliability and Security Technical Committee (RSTC) and contribute to development of Reliability Guidelines and Technical Reference documents. Provide follow-up on guideline effectiveness with stakeholder outreach, especially for related ERCOT technical groups. Encourage stakeholder participation in NERC RSTC subgroups.
- Provide Section 1600 data collection support and analysis to meet NERC Performance Analysis initiatives or FERC requests. Support the continued rollout of additional data collection for wind, solar, and battery systems. Work closely with Registration to assist new stakeholder personnel on system access, reporting instructions and training.
- Perform analysis and support NERC's annual State of Reliability report along with Region-specific annual reports and quarterly reviews. Support NERC Reliability Standards development and provide related outreach. Evaluate existing and proposed regional criteria and processes for reliability concerns and possible gaps.
- Continue efforts to enhance mutual support between CMEP, RAPA, and Registration to further overall ERO workplan priorities, especially those aiming to mitigate risks associated with inverter-based resources and extreme conditions.
- Promote data analytics leveraging PowerBI and PIVision tools with the Risk Assessment team and the ERO's analytics collaboration group.
- Implement the NERC event analysis and cause-coding process, expecting a similar volume of events as prior years, estimated at 12 Category 1 (minor). Review and trend approximately 80 lesser system events, such as remedial action scheme mis-operations, communications issues, and frequency disturbances.
- Support application of the BES Definition, Registration criteria and associated processes through technical review of Registration requests. Roughly ten requests with significant review are expected, possibly including support of the BES Exception process and materiality panels for other Regions.
- Promote NERC RISC identification and prioritization of BPS reliability risks and incorporate into RAPA activities and projects, focusing on likely impacts within the Region and means to mitigate them.

- Provide content for workshops, webinars, and other outreach to disseminate recommendations, lessons learned, best practices, trends, and observations from RAPA activities. Conduct focused reviews with registered entities or ERCOT stakeholder groups on topics such as protection system mis-operations, model usage and validation, generator winter preparation or equipment performance.
- Support Texas RE cross-departmental use of software applications and data from ERCOT ISO, NERC, and other sources for analysis needs. Provide regional coordination to maintain the Situation Awareness for FERC, NERC and the Regional Entities (SAFNR) tool, along with internal real-time visualization tools.
- Provide Situational Awareness during extreme conditions, major system events and ERO Crisis Action Plan drills. Manage NERC Alerts within the Region, anticipating four alerts, with two alerts expected to require extensive response coordination.
- Continue to enhance engagement and coordination with the Public Utility Commission of Texas on reliability program priorities in support of Texas RE's state outreach framework.

Major Budget Drivers

[See pages 11-13 of the 2025 Business Plan and Budget Overview for discussion]

Statement of Activities and Fixed Asset Additions			
2024 Budget and 2025 Budgets			
RELIABILITY ASSESSMENTS and PERFORMANCE ANALYSIS			
	2024	2025	Variance
	Budget	Budget	2025 Budget v 2024 Budget Over(Under)
Funding			
ERO Funding			
NERC Assessments	\$ 2,455,720	\$ 2,893,734	\$ 438,014
Penalties Released	56,120	50,849	(5,271)
Total NERC Funding	<u>\$ 2,511,840</u>	<u>\$ 2,944,583</u>	<u>\$ 432,743</u>
Interest	6,573	18,779	12,206
Total Funding	<u>\$ 2,518,413</u>	<u>\$ 2,963,363</u>	<u>\$ 444,950</u>
Expenses			
Personnel Expenses			
Salaries	\$ 1,145,345	\$ 1,489,063	\$ 343,718
Payroll Taxes	81,886	102,022	20,136
Benefits	182,978	217,027	34,049
Retirement Costs	165,261	214,461	49,200
Total Personnel Expenses	<u>\$ 1,575,470</u>	<u>\$ 2,022,573</u>	<u>\$ 447,103</u>
Meeting & Travel Expenses			
Meetings & Conference Calls	\$ -	\$ -	\$ -
Travel	89,550	97,960	8,410
Total Meeting & Travel Expenses	<u>\$ 89,550</u>	<u>\$ 97,960</u>	<u>\$ 8,410</u>
Operating Expenses, excluding Depreciation			
Consultants & Contracts	\$ -	\$ 75,000	\$ 75,000
Office Rent	-	-	-
Office Costs	11,080	1,250	(9,830)
Professional Services	-	-	-
Miscellaneous	-	-	-
Depreciation	-	-	-
Total Operating Expenses	<u>\$ 11,080</u>	<u>\$ 76,250</u>	<u>\$ 65,170</u>
Total Direct Expenses	<u>\$ 1,676,100</u>	<u>\$ 2,196,783</u>	<u>\$ 520,683</u>
Indirect Expenses	<u>\$ 1,110,210</u>	<u>\$ 1,397,191</u>	<u>\$ 286,981</u>
Other Non-Operating Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenses	<u>\$ 2,786,310</u>	<u>\$ 3,593,974</u>	<u>\$ 807,664</u>
Change in Net Assets	<u>\$ (267,897)</u>	<u>\$ (630,611)</u>	<u>\$ (362,714)</u>
Fixed Assets, excluding Right of Use Assets	<u>\$ 6,573</u>	<u>\$ 7,512</u>	<u>\$ 939</u>
TOTAL BUDGET	<u>\$ 2,792,883</u>	<u>\$ 3,601,486</u>	<u>\$ 808,603</u>
TOTAL CHANGE IN WORKING CAPITAL	<u>\$ (274,470)</u>	<u>\$ (638,123)</u>	<u>\$ (363,653)</u>
FTEs	7.00	8.00	1.00

Training and Education

Program Scope and Functional Description

Texas RE's Training and Education Program provides education and training primarily focused on implementation of the CMEP (including processes and expectations), application of NERC and Regional Reliability Standards, lessons learned from event analyses, and other related information pertinent to system reliability and compliance. Texas RE subject matter experts from other programs provide expertise for educational materials, meetings, and workshops. Texas RE also supports ERO-wide initiatives such as GridSecCon (including co-hosting on a rotational basis among the Regions) and other events. In addition, Texas RE hosts the Winter Weatherization Workshop.

Texas RE will continue to coordinate Spring and Fall Standards, Security, and Reliability workshops, Reliability 101 and 201, security-based CIP workshops, and other education and sharing meetings and webinars, including Talk with Texas RE, in 2025. The purpose of these workshops, meetings, and webinars is to provide standards, compliance, and procedural information and expectations, share lessons learned and best practices, obtain feedback from stakeholders, and provide sharing opportunities for registered entities and other stakeholders. Texas RE will use cost-effective additional education mechanisms such as webinars, newsletters, and conference calls, and will coordinate presentations by Texas RE subject matter experts at other ERO Enterprise and external industry meetings.

2025 Key Assumptions

- Host a similar number of training and outreach events as in prior years.
- Share best practices concerning generator plant winter readiness.
- Provide continued guidance on the implementation of the Risk-Based CMEP, including Inherent Risk Assessments, Compliance Oversight Plans, and Internal Control Reviews
- Identify and communicate common themes and root causes of Reliability Standard violations.
- Deliver internal and stakeholder training related to the implementation of the new releases of Align and the Secure Evidence Locker platforms.
- Support the ERO goal to mitigate known and emerging risks by providing timely and valuable outreach and training events to stakeholders. Additionally, the stakeholder outreach program provides guidance and coaching to entities on effective mitigation of identified and emerging risks.
- Educate registered entities regarding changes to NERC Reliability Standards, ERO procedures, and programs that detect, monitor, report, correct, and prevent recurrence of issues with risk, reliability, security, and compliance.
- Increase targeted outreach efforts that promote BPS reliability, security, and risk mitigation across its footprint, particularly focusing on augmenting its existing new entity outreach efforts.

2025 Goals and Key Deliverables

- Communicate and maintain effective relationships with industry, regulators, and stakeholders.
- Promote stakeholder engagement in Texas RE and the ERO Enterprise, including attending training opportunities.
- Develop technical materials for and present Standards, Security, and Reliability workshops for registered entities.
- Present additional workshops, webinars, meetings, and other industry outreach, including Talk with Texas RE meetings to support CMEP implementation and any new or modified NERC Reliability Standards, procedures, or programs.
- Create and publish newsletters that disseminate lessons learned for registered entities and include useful updates regarding Reliability Standards revisions and interpretations, other reliability or compliance-related information, as well as Texas RE and NERC activities.
- Maintain and continually enhance the Texas RE website.
- Develop an Annual Report summarizing Texas RE's accomplishments during the prior year.
- Coordinate with and provide Texas RE subject matter experts as a resource for ERCOT regional stakeholder training and NERC compliance and reliability working groups.
- Provide a mechanism for workshop, webinar, and meeting participants and other stakeholders to provide feedback and suggestions to be used to enhance future workshops, webinars, and meetings.
- Explore opportunities to improve training for stakeholders and keep Texas RE's content and delivery mediums relevant.

Major Budget Drivers

[See page 11-13 of the 2025 Business Plan and Budget Overview for discussion]

Statement of Activities and Fixed Asset Additions			
2024 Budget and 2025 Budgets			
TRAINING AND EDUCATION			
	2024	2025	Variance
	Budget	Budget	2025 Budget v 2024 Budget Over(Under)
Funding			
ERO Funding			
NERC Assessments	\$ 789,339	\$ 813,863	\$ 24,524
Penalties Released	18,039	14,301	(3,738)
Total NERC Funding	<u>\$ 807,378</u>	<u>\$ 828,164</u>	<u>\$ 20,786</u>
Interest	2,113	5,282	3,169
Total Funding	<u>\$ 809,491</u>	<u>\$ 833,446</u>	<u>\$ 23,955</u>
Expenses			
Personnel Expenses			
Salaries	\$ 278,244	\$ 296,953	\$ 18,709
Payroll Taxes	19,422	20,045	623
Benefits	45,219	36,791	(8,428)
Retirement Costs	39,627	41,613	1,986
Total Personnel Expenses	<u>\$ 382,512</u>	<u>\$ 395,401</u>	<u>\$ 12,889</u>
Meeting & Travel Expenses			
Meetings & Conference Calls	\$ 44,500	\$ 44,500	\$ -
Travel	4,575	4,575	-
Total Meeting & Travel Expenses	<u>\$ 49,075</u>	<u>\$ 49,075</u>	<u>\$ -</u>
Operating Expenses, excluding Depreciation			
Consultants & Contracts	\$ -	\$ -	\$ -
Office Rent	-	-	-
Office Costs	5,580	2,700	(2,880)
Professional Services	3,000	4,500	1,500
Miscellaneous	-	-	-
Depreciation	-	-	-
Total Operating Expenses	<u>\$ 8,580</u>	<u>\$ 7,200</u>	<u>\$ (1,380)</u>
Total Direct Expenses	<u>\$ 440,167</u>	<u>\$ 451,676</u>	<u>\$ 11,509</u>
Indirect Expenses	<u>\$ 356,853</u>	<u>\$ 392,960</u>	<u>\$ 36,107</u>
Other Non-Operating Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenses	<u>\$ 797,020</u>	<u>\$ 844,636</u>	<u>\$ 47,616</u>
Change in Net Assets	<u>\$ 12,470</u>	<u>\$ (11,192)</u>	<u>\$ (23,662)</u>
Fixed Assets, excluding Right of Use Assets	<u>\$ 2,113</u>	<u>\$ 2,113</u>	<u>\$ (0)</u>
TOTAL BUDGET	<u>\$ 799,133</u>	<u>\$ 846,749</u>	<u>\$ 47,616</u>
TOTAL CHANGE IN WORKING CAPITAL	<u>\$ 10,358</u>	<u>\$ (13,303)</u>	<u>\$ (23,661)</u>
FTEs	2.25	2.25	-

Administrative Services

Scope and Functional Description

Texas RE's Administrative Services departments includes the budget for administrative functions of the organization:

- General and Administrative
- Legal and Regulatory
- Information Technology
- Human Resources
- Finance and Accounting

General and Administrative

This Program includes the President and CEO, the Vice President and Chief Operating Officer (COO), the personnel costs for the HR Department, and the compensation and expenses of the Texas RE Board. The President and CEO carries out the general affairs of Texas RE, including administrative and corporate facilities support. The President and CEO reports to the Board and is responsible for leading, overseeing and managing the activities of Texas RE, managing relationships with NERC, FERC, registered entities, and other stakeholders, and for making final decisions with respect to non-contested enforcement actions. The President performs a leadership role in coordinating and facilitating the activities of all Texas RE programs. The Vice President and COO reports to the CEO and acts on behalf of the CEO in his absence. Personnel expenses for Human Resources (HR) are included in General and Administrative (G&A). The benefits expenses in G&A include tuition reimbursement, training and classes, and relocation costs.

Major Budget Drivers

[See pages 11-13 of the 2025 Business Plan and Budget Overview for discussion]

Legal and Regulatory

The Legal and Regulatory group provides legal advice, counsel, and governmental and external relations support to Texas RE management, Board, and employees, on all legal and regulatory matters affecting the organization. The Legal and Regulatory group also oversees (1) corporate membership enrollment, meetings, and voting; (2) Board and committee meetings, minutes, support, training, and other activities; (3) corporate documents, contracts, and transactions; (4) governmental, regulatory relations, and communications; (5) the work of any outside legal counsel; and (6) the prosecution of any contested enforcement matters.

2025 Key Assumptions

- Texas RE will maintain the scope of its current operations.

- Texas RE will continue the implementation of the enterprise risk management program.
- Activities of the Legal and Regulatory program will be consistent with current levels.

2025 Key Deliverables and Goals

- Provide timely, useful legal advice to the CEO, the Board, and all Program areas, and provide annual employee and Board ethics and antitrust compliance training.
- Effectively communicate information to the Board, Texas RE members, and registered entities.
- Oversee membership registration, membership voting and meetings, and maintain an accurate roster of members.
- Maintain effective relationships and communications with NERC, FERC, PUCT, and other state and federal representatives, and timely file all documents required by NERC or FERC.
- Negotiate contracts and review corporate documents.
- Update and maintain corporate policies and procedures.
- Oversee the prosecution and any appeal of contested enforcement or disputed registration matters.
- Negotiate and author necessary changes to Texas RE's governing documents, including the Texas RE Bylaws and Regional Delegation Agreement with NERC.
- Provide input and obtain regulatory approvals, as needed, on governance changes and for new and revised Regional Reliability Standards.
- Interface with the appropriate authorities regarding responses/filings to related governmental/regulatory directives/orders.
- Provide legal review of communication and outreach to Texas RE's stakeholders, the general public, and media.
- Support the internal and external audits of the corporation and oversee all regulatory filings and interactions.
- Manage relationships with Texas RE's outside counsel, including breach counsel.
- Provide legal support and perform the Corporate Secretary function (the Vice President and General Counsel serves as the corporation's Corporate Secretary), such as preparing Board materials and minutes, facilitating, and conducting Board training, and ensuring that Director elections, Board of Directors and Committee meetings, and Meetings of Members adhere to the Texas RE Bylaws and other relevant governing documents.
- Provide legal support to all other departments of the corporation to ensure that those departments and their activities are consistent with NERC directives, FERC orders, rules, and regulations, and other applicable law.
- Support the enterprise risk management function.

Major Budget Drivers

[See pages 11-13 of the 2025 Business Plan and Budget Overview for discussion]

Information Technology

Texas RE's Information Technology (IT) and physical and cyber security program provides IT and security support to Texas RE, including the following: hardware, systems, software, and applications support; physical and electronic and security, data center operations, IT and security-related vendor management; strategy, planning, development, and deployment of enterprise systems and applications, including training and planning for improvement and efficiency of business processes and operations.

Texas RE supports the ERO efforts to implement, operate, and maintain software tools supporting common enterprise-wide operations that have been approved by the ERO Executive Committee (ERO EC), which is comprised of the senior leadership of NERC and each of the Regional Entities. Texas RE's budget assumes the availability of enterprise software tools as described in NERC's Business Plan and Budget. If implementation of these software applications is delayed or otherwise not available as planned Texas RE could incur additional costs to conduct operations pending these applications' availability. The NERC information technology budget does not supplant Texas RE's need for IT expenditures for specific regional projects and internal region-specific IT support needs. Texas RE's 2025 Business Plan and Budget assumes agreed-upon ERO Enterprise applications will be available and includes Texas RE costs for internal region-specific support needs.

NERC and the Regional Entities are committed to working collaboratively to minimize duplication of effort and investments and improve operational efficiency. This collaboration continues to refine existing strategies, governance, and procurement practices applicable to the development, operation, and maintenance of enterprise architecture, software, and data systems supporting combined NERC and Regional Entity operations.

As the complexity of the security risks and tools utilized to address them continues to evolve, Texas RE continues to identify the need for additional resources to increase its security capabilities, including the implementation of enhanced data loss protection tools and governance activities.

2025 Key Assumptions

- Texas RE will continue to purchase and maintain hardware and software lifecycles necessary to conduct business.
- Texas RE will continue to support the ERO Enterprise's Cybersecurity Strategy objectives and initiatives, including the effective implementation of National Institute of Standards and Technology (NIST) principles across the ERO Enterprise.
- Texas RE will continue to mature its cybersecurity governance model.
- Texas RE will continue to address risks to sensitive data by supporting the development and implementation of appropriate data classification and handling protocols.

2025 Goals and Key Deliverables

- Continue to mature Texas RE's cybersecurity governance model and implement appropriate enhancements.
- Provide IT and security support to all Texas RE's operations, including IT and security; infrastructure; service support; service design and delivery; service transition; and hardware and network security in a secure and efficient manner, with the following strategy:
 - Continue to develop knowledge of systems through training and experience to reduce the reliance on external vendors.
 - Continue to use third-party security services to evaluate and test Texas RE's security posture, while fostering maturity in Texas RE's IT and Security internal controls program and security posture.
 - Continue to maintain the appropriate number of employees to oversee the strategy, policies and procedures, service, and performance, budget, and vendor management. Cross-train employees to serve as backups and mentors to each other.
 - Continue to outsource IT and security services that are not within the core competencies, and augment employees with temporary contractors as needed to meet business requirements while developing knowledge of systems through training and experience to reduce the reliance on external vendors.
- Develop automated processes and workflows using third-party platforms to increase consistency, efficiency, and assist users in business processes. Assist business staff with enhancement requests and other IT-related project requirements and prioritize and oversee all IT or security-related projects.
- Coordinate and share best practices with other Regional Entities and NERC to drive towards implementation of Security Principles for the ERO Enterprise adopted by the ERO EC.
- Participate in the design, planning and implementation of ERO Centralized Applications.
- Continue the Security Awareness Program that addresses, through education and training, social media vulnerabilities that pose threats to Texas RE systems.
- Train and support Texas RE staff on software and applications.
- Continue to develop and test failover and disaster recovery methods for all Texas RE systems.

Major Budget Drivers

[See pages 11-13 of the 2025 Business Plan and Budget Overview for discussion]

Human Resources

The Texas RE Human Resources (HR) program area is responsible for the delivery of all HR functions, including recruitment, staffing, compensation, benefits, health and safety, employee relations, performance management, and employee training and development. HR maintains Human Resources Information System products and ensures compliance with all federal and state requirements.

2025 Key Assumptions

- Provide competitive compensation and benefits.
- Ensure that Texas RE maintains a skilled, qualified workforce.
- Maintain appropriate salaries and benefits based on industry data.

2025 Goals and Key Deliverables

- Recruit highly skilled employees.
- Review and update employee handbook and policies and procedures, as needed.
- Review and manage employee benefit plans.
- Review Texas RE compensation strategy in concert with executive management team to ensure Texas RE remains a competitive employer in its industry.

Personnel expenses are reported under G&A.

Major Budget Drivers

[See pages 11-13 of the 2025 Business Plan and Budget Overview for discussion]

Finance and Accounting

The Finance and Accounting function provides all accounting services and financial analysis for Texas RE. Texas RE Finance and Accounting personnel are responsible for general accounting and reporting, budget preparation and reporting, cash management, and tax filing.

2025 Key Assumptions

- Current accounting systems and controls are adequate.
- Identify and implement efficiencies in financial processes.
- Provide improved reporting and financial analysis to Directors; the Audit, Governance, Risk, and Finance Committee; and the Board of Directors.

2025 Goals and Key Deliverables

- Work with all Regional Entities to provide consistency in budget submittals to NERC and FERC.

- Provide improved reporting and financial analysis to the Texas RE CEO, Senior Management, and the Texas RE Board.
- Ensure strong internal controls designed to protect the assets of Texas RE and ensure accurate financial reporting.
- Identify and implement efficiencies in the financial processes.
- Ensure that Texas RE receives an unqualified opinion on the audit of its financial statements.
- The budgeted number of FTEs for Finance and Accounting will remain constant in 2025.

Statement of Activities and Fixed Asset Additions			
2024 Budget and 2025 Budgets			
ADMINISTRATIVE SERVICES			
	2024	2025	Variance
	Budget	Budget	2025 Budget v 2024 Budget Over(Under)
Funding			
ERO Funding			
NERC Assessments	\$ -	\$ -	\$ -
Penalties Released	-	-	-
Total NERC Funding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Interest	-	-	-
Total Funding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses			
Personnel Expenses			
Salaries	\$ 3,280,405	\$ 3,992,352	\$ 711,947
Payroll Taxes	181,516	221,939	40,423
Benefits	532,867	671,076	138,209
Retirement Costs	460,132	550,540	90,408
Total Personnel Expenses	<u>\$ 4,454,920</u>	<u>\$ 5,435,907</u>	<u>\$ 980,987</u>
Meeting and Travel Expenses			
Meetings & Conference Calls	\$ 41,400	\$ 76,400	\$ 35,000
Travel	142,350	140,330	(2,020)
Total Meeting & Travel Expenses	<u>\$ 183,750</u>	<u>\$ 216,730</u>	<u>\$ 32,980</u>
Operating Expenses, excluding Depreciation			
Consultants & Contracts	\$ 393,500	\$ 362,500	\$ (31,000)
Office Rent	2,045,704	1,751,692	(294,012)
Office Costs	695,479	800,225	104,746
Professional Services	672,175	733,000	60,825
Miscellaneous	-	-	-
Depreciation	-	-	-
Total Operating Expenses	<u>\$ 3,806,858</u>	<u>\$ 3,647,417</u>	<u>\$ (159,441)</u>
Total Direct Expenses	<u>\$ 8,445,528</u>	<u>\$ 9,300,054</u>	<u>\$ 854,526</u>
Indirect Expenses	<u>\$ (8,445,528)</u>	<u>\$ (9,300,054)</u>	<u>\$ (854,526)</u>
Other Non-Operating Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Change in Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fixed Assets			
Equipment CapEx	50,000	50,000	-
Allocation of Fixed Assets	(50,000)	(50,000)	-
Fixed Assets, excluding Right of Use Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL BUDGET	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL CHANGE IN WORKING CAPITAL	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FTEs	16.75	\$ 18.75	2.00

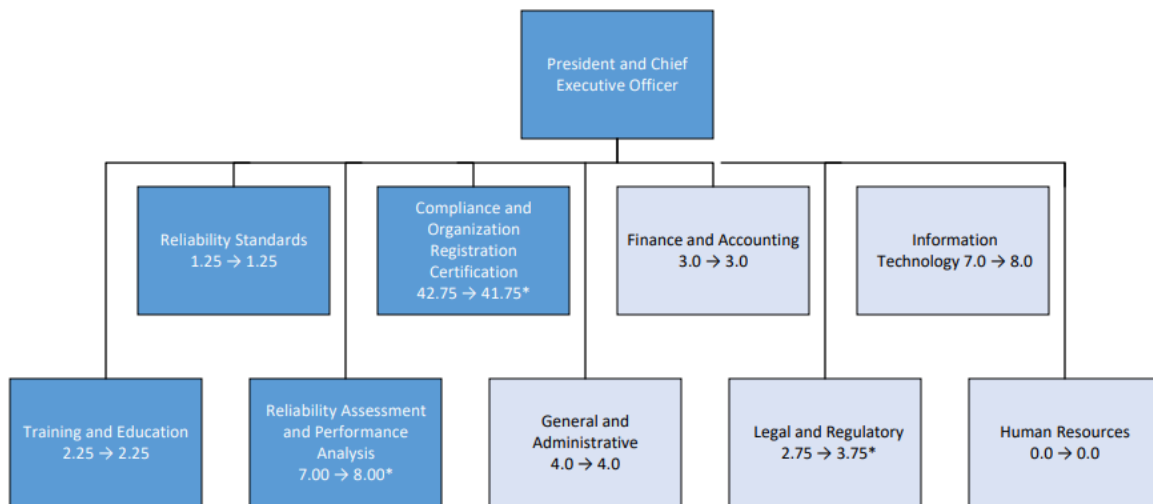
Non-Statutory Activities

Texas RE has no Non-Statutory activities.

Additional Information

Organizational Chart

2025 Texas RE Organization Chart



- Statutory Program Area
- Administrative Services Program Area

Arrow indicates number of FTEs from 2024 to 2025.

*Although one FTE position was added in CMEP, in 2024 one FTE was transferred from CMEP to RAPA to create a Chief Engineer and Director position and one FTE was transferred from CMEP to Legal and Regulatory to support Texas RE's enhanced Enterprise Risk Management Program.

Consolidated Statement of Activities

Funding	Statutory Total	Reliability Standards	CMEP	RAPA	Training and Education	Situation Awareness & Infrastructure Security	Committee and Member Forums	General and Administrative	Legal and Regulatory	Information Technology	Human Resources	Accounting and Finance
ERO Funding												
NERC Assessments	\$ 19,261,419	\$ 452,146	\$ 15,101,676	\$ 2,893,734	\$ 813,863	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Penalties Released	338,463	7,945	265,368	50,849	14,301	-	-	-	-	-	-	-
Total NERC Funding	\$ 19,599,882	\$ 460,091	\$ 15,367,044	\$ 2,944,583	\$ 828,164	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	125,000	2,934	98,005	18,779	5,282	-	-	-	-	-	-	-
Total Funding	\$ 19,724,882	\$ 463,025	\$ 15,465,048	\$ 2,963,363	\$ 833,446	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses												
Personnel Expenses												
Salaries	\$ 11,591,928	\$ 161,280	\$ 5,652,280	\$ 1,489,063	\$ 296,953	\$ -	\$ -	\$ 1,725,949	\$ 694,360	\$ 1,155,146	\$ -	\$ 416,897
Payroll Taxes	777,854	12,418	421,431	102,022	20,045	-	-	63,202	43,227	86,804	-	28,707
Benefits	1,969,451	35,002	1,009,556	217,027	36,791	-	-	220,417	114,897	270,371	-	65,391
Retirement Costs	1,643,152	23,295	813,243	214,461	41,613	-	-	226,339	98,514	166,278	-	59,409
Total Personnel Expenses	\$ 15,982,386	\$ 231,995	\$ 7,896,509	\$ 2,022,573	\$ 395,401	\$ -	\$ -	\$ 2,235,906	\$ 950,998	\$ 1,678,598	\$ -	\$ 570,405
Meeting Expenses												
Meetings & Conference Calls	\$ 120,900	\$ -	\$ -	\$ -	\$ 44,500	\$ -	\$ -	\$ 30,000	\$ -	\$ 11,400	\$ 35,000	\$ -
Travel	403,579	4,275	156,439	97,960	4,575	-	-	96,395	12,000	9,950	7,585	14,400
Total Meeting Expenses	\$ 524,479	\$ 4,275	\$ 156,439	\$ 97,960	\$ 49,075	\$ -	\$ -	\$ 126,395	\$ 12,000	\$ 21,350	\$ 42,585	\$ 14,400
Operating Expenses, excluding Depreciation												
Consultants & Contracts	\$ 437,500	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 80,000	\$ 2,500	\$ 115,000	\$ 165,000	\$ -
Office Rent	1,751,692	-	-	-	-	-	-	1,751,692	-	-	-	-
Office Costs	811,325	-	7,150	1,250	2,700	-	-	103,550	3,150	681,450	11,125	950
Professional Services	737,500	-	-	-	4,500	-	-	542,000	50,000	70,000	1,000	70,000
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	\$ 3,738,017	\$ -	\$ 7,150	\$ 76,250	\$ 7,200	\$ -	\$ -	\$ 2,477,242	\$ 55,650	\$ 866,450	\$ 177,125	\$ 70,950
Total Direct Expenses	\$ 20,244,880	\$ 236,270	\$ 8,060,098	\$ 2,196,783	\$ 451,676	\$ -	\$ -	\$ 4,839,544	\$ 1,018,648	\$ 2,566,398	\$ 219,710	\$ 655,755
Indirect Expenses	\$ -	\$ 218,311	\$ 7,291,592	\$ 1,397,191	\$ 392,960	\$ -	\$ -	\$ (4,839,544)	\$ (1,018,648)	\$ (2,566,398)	\$ (219,710)	\$ (655,755)
Total Expenses	\$ 20,244,880	\$ 454,581	\$ 15,351,690	\$ 3,593,974	\$ 844,636	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Net Assets	\$ (519,998)	\$ 8,444	\$ 113,358	\$ (630,611)	\$ (11,191)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fixed Assets, excluding Right of Use Assets	\$ 50,000	\$ 1,174	\$ 39,202	\$ 7,512	\$ 2,113	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL BUDGET	\$ 20,294,882	\$ 455,755	\$ 15,390,892	\$ 3,601,486	\$ 846,749	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL CHANGE IN WORKING CAPITAL	\$ (570,000)	\$ 7,270	\$ 74,156	\$ (638,123)	\$ (13,303)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FTEs	72.00	1.25	41.75	8.00	2.25	-	-	4.00	3.75	8.00	-	3.00