



WECC

2024 Business Plan and Budget

Approved by: WECC Board of Directors

Date: June XX, 2023

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Introduction

TOTAL RESOURCES (in whole dollars)				
	2024 Budget	U.S.	Canada	Mexico
Statutory FTEs*	168.0			
Non-statutory FTEs	11.0			
Total FTEs	179.0			
Statutory Expenses	\$ 35,277,755			
Non-Statutory Expenses	\$ 3,244,237			
Total Expenses	\$ 38,521,993			
Statutory Incr(Decr) in Fixed Assets	\$ 127,040			
Non-Statutory Incr(Decr) in Fixed Assets	\$ 10,960			
Total Inc(Dec) in Fixed Assets	\$ 138,000			
Statutory Working Capital Requirement**	\$ (741,597)			
Non-Statutory Working Capital Requirement***	\$ (323,697)			
Total Working Capital Requirement	\$ (1,065,294)			
Total Statutory Funding Requirement	\$ 34,663,198			
Total Non-Statutory Funding Requirement	\$ 2,931,500			
Total Funding Requirement	\$ 37,594,698			
Statutory Assessments	\$ 24,000,000			
Non-Statutory Fees	\$ 2,931,500			
NEL****	-	tbd	tbd	tbd
NEL%	#VALUE!	#VALUE!	#VALUE!	#VALUE!

*An FTE is defined as a full-time equivalent employee.

**Refer to Statutory Reserve Analysis in Section B.

***Refer to Non-Statutory Reserve Analysis in Section C.

****NEL is defined as Net Energy for Load.

Organizational Overview

WECC is a 501(c)(4) social welfare organization funded through Load-Serving Entity (LSE) assessments authorized by the Federal Energy Regulatory Commission (FERC) under Section 215 of the Federal Power Act. WECC’s mission is to effectively and efficiently mitigate risks to the reliability and security of the Western Interconnection’s bulk power system (BPS), while carrying out the responsibilities of the Regional Entity. WECC operates under a delegation agreement with the North American Electric Reliability Corporation (NERC) and according to its bylaws. WECC executes its mission informed and assisted by working with a broad community of stakeholders and two advisory bodies—the Member Advisory Committee (MAC) and the Western Interconnection Regional Advisory Body (WIRAB).



The Western Interconnection is a geographic area in which the use and generation of electricity are synchronized. This area includes all or part of 14 Western states in the United States, the Canadian provinces of British Columbia and Alberta, and a portion of Baja California Norte, Mexico.

WECC delivers on its mission through:

- Effective risk-based monitoring and enforcement of Reliability Standards through standards development, entity certification and registration, compliance risk assessment, and audits and investigations;
- Informed actions, practices, and decisions of industry participants, regulators, and policymakers through strategic engagement regarding system modeling and information sharing, reliability assessments, performance analysis, situation awareness, and event analysis; and
- Targeted training, outreach, and dialogue to build relationships that foster a culture of reliability and security throughout the West.

WECC's business philosophy is guided by three principles:

Independence—We serve the public interest and represent what is best for reliability and security within the Western Interconnection with an impartial and unbiased voice.

Perspective—We are uniquely situated, with an interconnection-wide view, to develop comprehensive and influential work products for the benefit of reliability and security.

Partnership—We collaborate with, learn from, and inform industry leaders and technical experts, and decision-makers at the state, provincial, and national levels, to reduce risks to reliability and security.

WECC is evolving to better serve stakeholders by:

- Increasing our leadership through strategic partnerships, proactive and deliberate engagements, and technical competence and credibility;
- Building strong and constructive relationships with NERC and our regional partners, members, and stakeholders;
- Implementing risk-based concepts to provide consistency for industry, and increased flexibility within a rule-based, regulatory framework;
- Encouraging forward-looking reliability and security by assessing and advising industry on the design and implementation of effective internal controls; and
- Identifying and mitigating known and emerging risks to the reliability and security of the Western Interconnection.



Membership and Governance

WECC has 315 members¹ divided into the following five Membership Classes:

1. Large Transmission Owners;
2. Small Transmission Owners;
3. Electric Line of Business Entities doing business in the Western Interconnection that do not own, control, or operate transmission or distribution lines in the Western Interconnection;
4. End users and entities that represent the interests of end users; and
5. Representatives of state and provincial governments.

WECC membership is open to any person or entity that has an interest in the reliable and secure operation of the Western Interconnection BPS. WECC membership is not required for participation in the WECC Standards Development process.²

WECC is governed by a Board of Directors (Board), composed of nine independent Directors elected by the WECC membership, and WECC's president and CEO as appointed by the Board. The nine Directors are compensated by WECC for their governance and oversight.

Four governance committees provide functional oversight of WECC operations:

- Finance and Audit Committee (FAC);
- Governance Committee (GC);
- Human Resources and Compensation Committee (HRCC); and
- Nominating Committee (NC).

Under the direction of the Board, other committees provide technical advice and policy recommendations to the Board:

- Joint Guidance Committee (JGC);
- Member Advisory Committee (MAC);
- Reliability Assessment Committee (RAC);
- Reliability Risk Committee (RRC); and
- WECC Standards Committee (WSC).

2024 Strategic Goals

The electric industry is undergoing profound changes nationally, especially in the West. WECC's role continues to be the voice of reliability and security. WECC works closely with its diverse breadth of stakeholders to build trust, promote transparency, set priorities, and enhance the reliability and

¹ As of April 24, 2023.

² Non-WECC members may participate in standards drafting teams and may vote on Regional Reliability Standards (RRS). See WECC's Reliability Standards Development Procedures.



security of the Western Interconnection. WECC's focus is to proactively address issues for which the impacts to the Western Interconnection's reliability and security are acute or less understood (e.g., the risk is unique to the Western Interconnection) or for which WECC and its stakeholders (including its technical committees) can make a significant contribution to Western BPS reliability and security. Enhancing our strategic engagement allows WECC to thoughtfully and intentionally interact with stakeholders to ensure WECC's work is targeted and valuable.

WECC's Board-approved [Long-Term Strategy](#) builds on the foundation established by the Electric Reliability Organization (ERO) Enterprise Long-Term Strategy. Described more fully below, the ERO Enterprise Long-Term Strategy is representative of continent-wide risks and was vetted through a stakeholder process. WECC's Long-Term Strategy then identifies unique Western long-term focus areas to address the reliability and security needs of the Western Interconnection while supporting reliability and security across North America. These two strategy documents, coupled with the ERO Enterprise-driven program areas, will guide the work of WECC in 2024 and beyond.

Additionally, the Board approved the following [WECC Reliability Risk Priorities \(RRP\)](#) at its June 2022 meeting. These risk priorities guide both committee and program-area work plans. Much of the work related to the WECC RRP involves staff time; examples of activities supporting these priorities are noted in the appropriate statutory program area sections of the business plan. In 2024, these priorities may change depending upon the outcomes of the biennial Reliability Risk Priorities refresh, beginning with the February 2024 workshop and culminating with the planned Board approval of updated priorities at its June 2024 Board meeting.

Reliability Risk Priorities

The WECC RRP approved in 2022 are further described below.

Cybersecurity

Cyber-threats can result in loss of control or damage to communications, data, monitoring, protection and control systems, and operational tools. Attacks can cause the loss of situational awareness or even the loss of load. These attacks may also hinder resilience and recovery measures, further jeopardizing reliable grid operations. While cybersecurity threats are not unique to the West, the threat is so pervasive that it will require the focused efforts of all participants. WECC will continue to facilitate efforts to share E-ISAC information, best practices, and lessons learned with all registered entities to mitigate cyber-risks.

Extreme Natural Events

Extreme natural events are becoming more common in the Western Interconnection due to wide-ranging changes in climate and weather patterns. Record-breaking temperatures, extended and widespread hot and cold weather, prolonged drought, and increasing intensity of



wildfires have forced entities to rethink how they plan and operate the system. WECC has monitored, participated in, and led work in this area and will continue to do so to better understand and communicate the reliability and resilience threats.

Resource Adequacy and Performance

Resource adequacy has grown more complex and intertwined with other important considerations, such as transmission adequacy. Extreme events, clean energy policies, wide variance in state regulatory and policy actions, customer choice patterns (e.g., the move toward vehicle electrification), and other drivers are increasing variability and causing the generation and load patterns in the West to shift.

WECC studies and evaluates resource adequacy and transmission plans in the Western Interconnection. It gathers data and uses input from industry, policymakers, and regulators to shape its work. WECC then shares information from its analysis with planning entities, regulators, policymakers, and the broader group of stakeholders. WECC will continue to improve its stakeholder engagement to gather input; shape analytical work; and share useful, actionable, and timely information, particularly with its regulatory and policy partners.

Impact of Changing Resources and Customer Loads on the BPS

New and emerging technologies such as inverter-based resources (IBR) and electric vehicles make grid planning and operations more complex. Emerging technologies must be integrated into the system in a way that does not degrade reliability. To do this, the behavior and operation of new technology must be understood in the context of bulk power system operations. To date, the West has experienced several system disturbances specifically related to the performance of solar IBRs that demonstrate the need to urgently address this risk.

WECC has been and will continue to work with industry to explore the range of solutions to address this issue. Through its technical committees, WECC will continue to study, gather, and share information on the performance of resource technology (both utility- and customer-owned) and load technology and best practices for integration. WECC and industry will collaborate to create guidelines and share best practices. In addition, WECC will accelerate its work with entities to improve model accuracy and data quality.

ERO Enterprise

In 2019, the ERO Enterprise leadership revised the [ERO Enterprise Long-Term Strategy](#) to streamline its strategic and operational documents and ensure alignment with the NERC Reliability Issues Steering Committee's (RISC) identified BPS risks. The Board acknowledged this strategy on December 4, 2019, as a valuable input to the WECC strategic planning process and recognized it as a beneficial



collaboration by NERC and the Regional Entities. The ERO Long-Term Strategy served as the foundational input for developing WECC's Long-Term Strategy.

As part of the business planning and budgeting process, NERC and the Regional Entities identify and discuss program area goals and activities to ensure they align with the long-term strategy and that business processes and operations harmonize across the ERO Enterprise where appropriate. WECC acknowledges and supports the long-term strategy as well as the work products specific to WECC that are described in each statutory program area in Section A.

The ERO Enterprise strives for process consistency when appropriate while recognizing that each Regional Entity addresses reliability in unique ways. The ERO Enterprise model allows Regional Entities to locally address these unique reliability risks and challenges using innovative and distinctive approaches. The ERO Enterprise recognizes that, as the electric industry ecosystem is rapidly evolving, the ERO programs and practices must continue to transform to meet the future needs of reliability and security.

NERC and the Regional Entities coordinate activities to identify, prioritize, and address risks to reliability. The Regional Entities have similar responsibilities within the ERO Enterprise model:

- Providing input to the overall development of each ERO program area;
- Providing training and development to meet ERO qualifications; and
- Ensuring delegated responsibilities are completed.

Regional Entities also have an obligation to meet professional standards of independence and objectivity and provide the best available expertise to address regional risks. This way of working is represented by this visual.



2024 Key Assumptions and Overview of Cost Impacts

Over the last decade, the risks to reliability and security increased in complexity and velocity. The rapid pace of change, the introduction of new technologies and the retirement of traditional resources, the challenges to resource adequacy, and more frequent and geographically widespread extreme weather events, coupled with the increasing demand for and reliance on electricity, as well as the continued electrification of the economy, have intensified the need for a reliable, secure, and resilient BPS. The 2024 Business Plan and Budget assumes that all these challenges will continue, as will the transition to the post-pandemic new normal, where the competition for talent and the increasing costs to attract and retain a highly skilled workforce remain.

WECC's proposed 2024 statutory budget is \$35,405,000, a \$3,593,000 (11.3%) increase from the 2023 statutory budget. The net increase is mainly due to:

- 8.0 new full-time equivalents (FTE) to support increases in Compliance Monitoring and Enforcement activities and analytics, provide increased long-term reliability assessment and modeling insights, increase risk analysis capabilities, improve the organization's security posture, and ensure WECC has adequate staffing to meet the growing demands;
- Labor float assumption changes based on actual turnover and vacancy rates;
- Recruiting and retention initiatives due to the unprecedented pressure on the labor market;
- A 3% merit pool;
- An additional in-person Reliability & Security Workshop as requested by stakeholders; and
- Assumed increases in the number of in-person meetings.

FTEs represent the fractional allocation of a full-time position's cost to one or more functional areas. Headcount (HC) represents either vacant or filled positions. Major drivers of the change between the 2023 and 2024 statutory budgets are as follows:

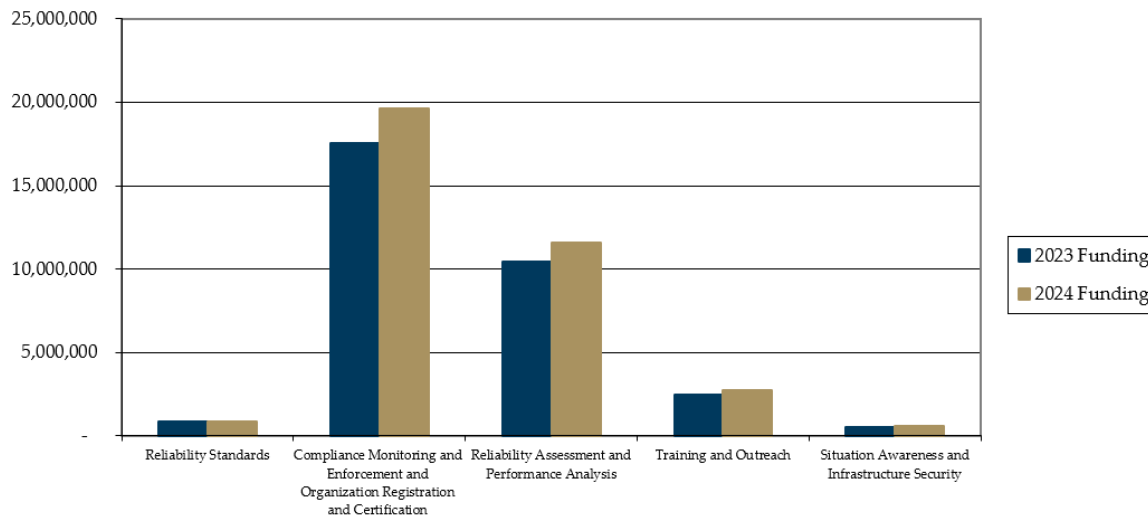
- Personnel Expenses increase by \$3,076,000 primarily due to 8.0 new FTEs, a budgeted 3% merit pool, and the refinement of payroll tax and benefits enrollment rates.
- Meeting Expenses increase by \$407,000 primarily due to an additional in-person Reliability & Security Workshop and increased travel costs due to both increases in meetings and inflationary impacts on airfare and hotel rates.
- Consultants and Contracts decrease by \$525,000 due to the completion of some projects and fine-tuning projects that can reasonably be completed during 2024.
- Office Costs increase by \$517,000 primarily due to an increase in subscription-based computer licensing, increases in licensing rates, and enterprise security tools.



The following table and chart present a summary of funding requirements for WECC’s primary statutory program areas:

Program	Budget 2023	Projection 2023	Budget 2024	Variance 2023 Budget v 2024 Budget	Variance %
Reliability Standards	\$ 838,759	\$ 971,796	\$ 877,746	\$ 38,987	4.65%
Compliance Monitoring and Enforcement and Organization Registration and Certification	17,550,239	18,918,912	19,593,217	2,042,978	11.64%
Reliability Assessment and Performance Analysis	10,414,249	10,410,091	11,598,010	1,183,761	11.37%
Training and Outreach	2,450,617	2,416,152	2,755,239	304,622	12.43%
Situation Awareness and Infrastructure Security	558,419	610,474	580,583	22,164	3.97%
Total By Program	\$ 31,812,283	\$ 33,327,427	\$ 35,404,795	\$ 3,592,512	11.29%

Comparison of 2023 to 2024 Budgeted Funding Requirements



*This graphic representation does not include an allocation of working capital requirements among the Program Areas

Peak Reliability Donation

Peak Reliability (Peak) ceased all Reliability Coordinator (RC) operations in December 2019 and dissolved as a corporate entity in December 2020. After review and approval by the Board, WECC entered into a donation holdback agreement with Peak before its dissolution. Per the agreement, Peak



donated \$4,127,000 of its remaining funds to WECC. Of the total amount, \$3,827,000 will be used to fund projects focused on the reliability and security of the BPS in the Western Interconnection. This portion was recorded as a statutory donation. Additionally, Peak requested WECC hold \$300,000 for a period of five years to pay any Peak bills that may be presented following Peak's formal closure on December 31, 2020. This amount was recorded as a non-statutory liability. The statutory amount is currently included in WECC's reserves, which are further detailed in Table B-1. Non-statutory funds remaining after the five-year period will also be used to fund reliability and security projects.

Proposed projects are vetted with the executive team and stakeholders via targeted outreach, technical committees, and the Business Plan and Budget (BP&B) process. Two projects warrant inclusion in the 2024 BP&B:

- An expanded trial of PLEXOS software, an energy market simulation platform, to provide in-depth analytics and modeling support for reliability assessment activities; and
- The acquisition of Electromagnetic Transient (EMT) simulation software to support the data collection and analysis of inverter-based resources.

WECC proposes to use \$250,000 from the Peak Reliability Donation reserve to fund these projects in 2024. Future projects will be identified in the relevant annual BP&B using a similar stakeholder outreach approach. For projects not anticipated in the annual BP&B and expected to total more than \$500,000, WECC will seek approval from FERC via separate, one-time filings.

Personnel Overview

Over the last several years, events have highlighted increasing risks to reliability and security: extreme heat, severe cold weather, cybersecurity breaches, and physical security attacks on substations, to name a few. What used to be considered low probability events have become more frequent and continue to come at an unprecedented pace and complexity. Work associated with these increasing demands is seen in WECC's two primary operational areas: Compliance Monitoring and Enforcement Program (CMEP) and Reliability Assessment and Performance Analysis (RAPA). In both program areas, WECC needs additional specific expertise and resources to effectively work with stakeholders and manage the increasing workload. As a result, in the 2024 budget, WECC is adding 8.0 statutory FTEs (with an additional 2 FTEs in its non-statutory program for a total of 11.0 FTEs) and realigning some positions within program areas due to evolving organizational needs and priorities.

Compliance Monitoring and Enforcement

Five new FTEs are added to CMEP. One director is added to provide key leadership and management of risk-based analysis and oversight planning in the recently combined areas of entity risk assessment, program analysis, and program administration. Expanding focus on oversight planning enhances integration of all risk-based CMEP component areas. One manager and one lead are added in Entity Monitoring to provide management and leadership to ensure a more holistic ability to monitor across



the spectrum of entity types and risks, particularly with the accelerating growth of generation registrations. Over the next several years, registration of new entities will continue to increase, and oversight emphasis must continue evolving with the changing grid, emerging technologies, physical security focus, and data protection needs. The work plan associated with the recent FERC Order on Registration of Inverter-based Resources is also anticipated to contribute to a significant increase in registration activities and downstream monitoring and enforcement needs. The monitoring staff will need to develop approaches to ensure continued coverage of increasingly-varied entity types, which includes broadening early outreach and monitoring of more entities in a consistent value-added manner to reduce known and emerging risks to the BPS. One FTE is added with senior-level expertise in internal controls, and one FTE is added to provide additional capabilities in data management and analysis, and business intelligence reporting.

Reliability Assessment and Performance Analysis

Three FTEs are added to the RAPA program. In recent years, the pace of resource changes has accelerated, increasing the need for high-quality models and analytics. Enhanced models will become increasingly important to support the expected transmission expansion in the Western Interconnection to ensure continued BPS reliability. One director is added to provide additional expertise and oversight of WECC's modeling and data analytics functions. One risk analyst is added to support an integrated focus on understanding risk, increase risk assessment capabilities, and enhance the regional risk assessment. One engineer is added to focus on longer-term reliability assessments and support industry's need for year 20 scenario and model development.

Corporate Services

One position is transferred from Legal to Information Technology and converted to a business analyst position to provide support in areas such as change control, scorecards, asset management, and patch management, to free up subject matter experts for more technical work.

Non-Statutory

Two program analysts are added to the non-statutory program due to program growth, program expansion, and new fuel type tracking requirements, which are all being driven by state renewable portfolio standards targets in the coming years.



Details of the additions, transfers, and allocations are discussed in the respective program area sections of the BP&B.

Total FTEs by Program Area	Budget 2023	Projection 2023	Direct FTEs 2024 Budget	Shared FTEs* 2024 Budget	Total FTEs 2024 Budget	Change from 2023 Budget
STATUTORY						
Operational Programs						
Reliability Standards	3.00	3.00	3.00	-	3.00	-
Compliance Monitoring and Enforcement and Organization Registration and Certification	68.00	68.00	73.00	-	73.00	5.00
Reliability Assessment and Performance Analysis	38.00	38.00	41.00	-	41.00	3.00
Training and Outreach	8.50	8.50	8.50	-	8.50	-
Situation Awareness and Infrastructure Security	2.00	2.00	2.00	-	2.00	-
Total FTEs Operational Programs	119.50	119.50	127.50	-	127.50	8.00
Corporate Services						
Technical Committees and Member Forums	-	-	-	-	-	-
General and Administrative	18.00	18.00	18.00	-	18.00	-
Legal and Regulatory	4.50	4.50	3.50	-	3.50	(1.00)
Information Technology	11.00	11.00	12.00	-	12.00	1.00
Human Resources	4.00	4.00	4.00	-	4.00	-
Finance and Accounting	3.00	3.00	3.00	-	3.00	-
Total FTEs Corporate Services	40.50	40.50	40.50	-	40.50	-
Total FTEs	160.00	160.00	168.00	-	168.00	8.00

* A shared FTE is defined as an employee who performs both Statutory and Non-Statutory functions.

Penalty Sanctions and Assessments

WECC received \$888,000 in penalty sanctions between July 1, 2022, and June 30, 2023. WECC proposes, with NERC and Commission approval pursuant to Section 1107.4 of the NERC Rules of Procedure, to release those penalty sanctions to offset 2024 assessments, in addition to the remaining \$8,700,000 carried over from the 2023 Business Plan and Budget cycle. See the Monetary Penalties section for additional details.



2023 Statutory Budget and Projection and 2024 Budget Comparisons

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2023 Budget & Projection, and 2024 Budget

STATUTORY

	2023 Budget	2023 Projection	Variance 2023 Budget v 2023 Projection Over(Under)	2024 Budget	Variance 2024 Budget v 2023 Budget Inc(Dec)
Revenue					
Statutory Funding					
WECC Assessments	\$ 19,750,537	\$ 19,750,537	\$ -	\$ 24,000,000	\$ 4,249,463
Penalties Released ¹	11,218,646	11,218,646	-	9,587,948	(1,630,698)
Total Statutory Funding	\$ 30,969,183	\$ 30,969,183	\$ -	\$ 33,587,948	\$ 2,618,765
Membership Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Workshops & Miscellaneous	188,100	188,100	-	475,250	287,150
Interest	60,000	1,466,463	1,406,463	600,000	540,000
Total Revenue (A)	\$ 31,217,283	\$ 32,623,746	\$ 1,406,463	\$ 34,663,198	\$ 3,445,915
Expenses					
Personnel Expenses					
Salaries	\$ 20,039,300	\$ 21,539,650	\$ 1,500,350	\$ 22,648,808	\$ 2,609,508
Payroll Taxes	1,322,041	1,374,807	52,766	1,436,739	114,698
Benefits	2,649,518	2,395,768	(253,750)	2,770,166	120,648
Retirement Costs	1,809,267	1,835,354	26,087	2,040,273	231,006
Total Personnel Expenses	\$ 25,820,126	\$ 27,145,579	\$ 1,325,453	\$ 28,895,986	\$ 3,075,860
Meeting Expenses					
Meetings & Conference Calls	\$ 386,181	\$ 397,398	\$ 11,217	\$ 604,764	\$ 218,583
Travel	561,108	697,378	136,270	749,170	188,062
Total Meeting Expenses	\$ 947,289	\$ 1,094,776	\$ 147,487	\$ 1,353,934	\$ 406,645
Operating Expenses, excluding Depreciation					
Consultants & Contracts	\$ 1,254,100	\$ 1,466,297	\$ 212,197	\$ 728,900	\$ (525,200)
Office Rent	1,318,436	1,322,242	3,806	1,327,202	8,766
Office Costs	2,173,501	1,871,629	(301,872)	2,691,307	517,806
Professional Services	1,087,000	1,166,609	79,609	1,261,211	174,211
Miscellaneous	-	-	-	-	-
Total Operating Expenses	\$ 5,833,037	\$ 5,826,777	\$ (6,260)	\$ 6,008,620	\$ 175,583
Total Direct Expenses	\$ 32,600,452	\$ 34,067,132	\$ 1,466,680	\$ 36,258,540	\$ 3,658,088
Indirect Expenses	\$ (843,037)	\$ (802,648)	\$ 40,389	\$ (980,785)	\$ (137,748)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 31,757,415	\$ 33,264,484	\$ 1,507,069	\$ 35,277,755	\$ 3,520,340
Change in Net Assets (=A-B)	\$ (540,132)	\$ (640,738)	\$ (100,606)	\$ (614,557)	\$ (74,425)
Fixed Asset Additions, excluding Right of Use Assets (C)	\$ 54,868	\$ 62,941	\$ (8,073)	\$ 127,040	\$ 72,172
TOTAL BUDGET (B+C)	\$ 31,812,283	\$ 33,327,425	\$ 1,498,996	\$ 35,404,795	\$ 3,592,512
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (595,000)	\$ (703,679)	\$ (92,533)	\$ (741,597)	\$ (146,597)
FTEs	160.00	160.00	-	168.00	8.00
HC	160.00	160.00	-	168.00	8.00

¹ Represents the amount released from working capital reserves to offset U.S. assessments as approved by the NERC Board of Trustees and FERC. Actual penalties invoiced in the current reporting year will be reported as income on the audited financial statements in accordance with Generally Accepted Accounting Principles (GAAP).





Section A

Statutory Programs

Section A—Statutory Programs

Reliability Standards Program

Reliability Standards Program (in whole dollars)			
	2023 Budget	2024 Budget	Increase (Decrease)
Total FTEs	3.00	3.00	-
Direct Expenses	\$ 556,370	\$ 607,269	\$ 50,899
Indirect Expenses	\$ 281,011	\$ 267,487	\$ (13,524)
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ 1,378	\$ 2,990	\$ 1,612
Total Funding Requirement	\$ 838,759	\$ 877,746	\$ 38,987

Program Scope and Purpose

The Reliability Standards Program supports the NERC Reliability Standards Program, and its employees work with the WSC to aid the development of Regional Reliability Standards (RRS), Regional Variances to NERC Reliability Standards, and Regional Criteria to ensure the Bulk Electric System (BES) operates reliably.

The Reliability Standards Program deliverables include a five-year review of each current RRS, Regional Variance to NERC Reliability Standards, and Regional Criterion. These reviews can result in revisions to the document, retirement of the document if no longer needed for reliability, or a finding that no changes are necessary.

WECC supports the development of Regional Variances to NERC Reliability Standards when it is necessary to address complex Western reliability issues. The variances are required by a physical difference in the BPS or instances in which Western stakeholders want more stringent performance requirements. WECC will only develop an RRS, rather than a variance, when no NERC Reliability Standard exists to address a reliability issue.

Regional Criteria may be necessary to implement, augment, or comply with NERC Reliability Standards, but they are not Reliability Standards themselves and are not enforceable. Regional Criteria may include acceptable operating or planning parameters, guides, or other documents used to enhance BPS reliability.

2024 Key Budget Assumptions

- The number of RRS projects will remain low, with most focusing on the potential retirement of existing RRSs—due to the subject matter being included in NERC Reliability Standards—and



necessary revisions identified during the five-year review. It is possible, but not likely, that regulatory directives could result in RRS projects.

- Much of the work needed to develop RRSs, Regional Variances to NERC Reliability Standards, and Regional Criteria will continue to be performed by stakeholder volunteers.
- Stakeholder volunteers will continue to staff most NERC Standards drafting teams.
- WECC employees may, at times, participate as drafting team members or observers.
- Integration of renewable resources and related energy storage devices may require new or modified NERC Reliability Standards, RRSs, or Regional Variances to NERC Reliability Standards.
- WECC supports, and will participate in, the enhanced periodic reviews of NERC Reliability Standards and the NERC Standards Grading effort, when appropriate. The Standards Grading effort is being put on hold for one year while the grading process is reviewed and potentially modified. WECC standards staff will participate in the review of the grading process.

2024 Goals and Deliverables

- Ensure Western viewpoints are represented and incorporated in the development of NERC Reliability Standards, regional standards, and regional variances to NERC Reliability Standards by encouraging Western participation on standards drafting teams and commenting on standards under development.
- Continuously improve program processes and tools to adapt to changes in the industry.
- Deliver quantitative and qualitative results for corporate scorecard items, and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Ensure the development of RRSs and Regional Criteria is performed according to the most recent WECC Reliability Standards Development Procedures.
- Review existing RRSs to determine candidates for a Regional Variance to a NERC Reliability Standard and, if found, coordinate with NERC to address the change during NERC's periodic review.
- Review existing RRSs and Regional Criteria to improve their content and quality.
- Incorporate audit, enforcement, and event analysis information to determine whether new RRSs or revisions are necessary.

Resource Requirements/Explanation of Significant Changes

Personnel Expenses

- Personnel Expenses increase by a net of \$48,000 primarily due to recruiting and retention initiatives, a budgeted 3% merit pool, and the refinement of payroll tax and benefits enrollment rates.



Meeting Expenses

- No significant changes.

Operating Expenses

- No significant changes.

Fixed Assets

- No significant changes.

See Section B—Supplemental Financial Information for explanations of other variances between the 2023 and 2024 budgets.

Reliability Standards Program Funding Sources and Expenditures

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2023 Budget & Projection, and 2024 Budget					
RELIABILITY STANDARDS					
	2023 Budget	2023 Projection	Variance 2023 Budget v 2023 Projection Over(Under)	2024 Budget	Variance 2024 Budget v 2023 Budget Inc(Dec)
Revenue					
Statutory Funding					
WECC Assessments	\$ 539,925	\$ 539,925	\$ -	\$ 619,644	\$ 79,719
Penalties Released	281,639	281,639	-	225,599	(56,040)
Total Statutory Funding	\$ 821,564	\$ 821,564	\$ -	\$ 845,243	\$ 23,679
Membership Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Workshops & Miscellaneous	-	-	-	-	-
Interest	1,507	40,087	38,580	14,118	12,611
Total Revenue (A)	\$ 823,071	\$ 861,651	\$ 38,580	\$ 859,361	\$ 36,290
Expenses					
Personnel Expenses					
Salaries	\$ 437,183	\$ 522,867	\$ 85,684	\$ 479,911	\$ 42,728
Payroll Taxes	28,906	34,892	5,986	30,188	1,282
Benefits	40,337	54,710	14,373	40,466	129
Retirement Costs	38,809	44,879	6,070	42,482	3,673
Total Personnel Expenses	\$ 545,235	\$ 657,348	\$ 112,113	\$ 593,047	\$ 47,812
Meeting Expenses					
Meetings & Conference Calls	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	7,520	9,742	2,222	11,315	3,795
Total Meeting Expenses	\$ 7,520	\$ 9,742	\$ 2,222	\$ 11,315	\$ 3,795
Operating Expenses, excluding Depreciation					
Consultants & Contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Office Rent	-	-	-	-	-
Office Costs	3,615	1,993	(1,622)	2,907	(708)
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Operating Expenses	\$ 3,615	\$ 1,993	\$ (1,622)	\$ 2,907	\$ (708)
Total Direct Expenses	\$ 556,370	\$ 669,083	\$ 112,713	\$ 607,269	\$ 50,899
Indirect Expenses	\$ 281,011	\$ 300,992	\$ 19,981	\$ 267,487	\$ (13,524)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 837,381	\$ 970,075	\$ 132,694	\$ 874,756	\$ 37,375
Change in Net Assets (=A-B)	\$ (14,310)	\$ (108,424)	\$ (94,114)	\$ (15,395)	\$ (1,085)
Fixed Assets, excluding Right of Use Assets (C)	\$ 1,378	\$ 1,721	\$ 343	\$ 2,990	\$ 1,612
TOTAL BUDGET (B+C)	\$ 838,759	\$ 971,796	\$ 133,037	\$ 877,746	\$ 38,987
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (15,688)	\$ (110,145)	\$ (94,457)	\$ (18,385)	\$ (2,697)
FTEs	3.00	3.00	-	3.00	-
HC	3.00	3.00	-	3.00	-



Compliance Monitoring and Enforcement and Organization Registration and Certification Program

Compliance Monitoring and Enforcement and Organization Registration and Certification Program (in whole dollars)			
	2023 Budget	2024 Budget	Increase (Decrease)
Total FTEs	68.00	73.00	5.00
Direct Expenses	\$ 11,149,411	\$ 13,011,638	\$ 1,862,227
Indirect Expenses	\$ 6,369,606	\$ 6,508,843	\$ 139,237
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ 31,222	\$ 72,736	\$ 41,514
Total Funding Requirement	\$ 17,550,239	\$ 19,593,217	\$ 2,042,978

Program Scope and Purpose

The reliability and security of the BPS is the central focus of WECC’s mission. The Reliability and Security Oversight department is integral to maintaining that focus and works with a growing number of Registered Entities in the Western Interconnection to promote a strong culture of reliability and security by focusing on known and future risks. Program area staff, who are independent of all users, owners, and operators of the BPS, ensure that Registered Entities mitigate risks to the BPS by implementing the NERC Organization Registration and Certification Program (ORCP) and the CMEP. Staff monitors and enforces the NERC Reliability Standards across 407³ registered owners, operators, and users of the BPS through a variety of risk-based activities, delivering consistent, impartial, and meaningful, real-time feedback to the entities.

To accomplish its objectives, the program is divided into four main areas:

- Organization Registration and Certification;
- Oversight Planning;
- Entity Monitoring; and
- Enforcement and Mitigation.

WECC will conduct its monitoring and enforcement activities according to the Board-endorsed Regulatory Philosophy, the key tenets of which are:

- Be an informed regulator;
- Identify top risks to reliability and security;

³ As of February 10, 2023.



- Exercise discretion responsibly; and
- Enforce fairly.

Staff will support ERO Enterprise activities, including:

- Regional Risk Assessments;
- Compliance Oversight Plans (COP) and Inherent Risk Assessments (IRA);
- Organization Registration and Certification;
- Mitigation plan review, acceptance, and verification;
- Potential noncompliance reviews to assess extent of condition, root cause, and risk to BPS;
- Processing and disposition of entity self-logging and other minimal-risk issues;
- Enforcement of moderate- and serious-risk noncompliance through established risk-based approaches;
- Periodic Data Submittal review and validation;
- Internal Compliance Program assessments;
- Internal Controls Program reviews;
- Entity monitoring including, audits, spot-checks, self-certifications, investigations, and assessments of complaints; and
- BES Exception Requests.

Compliance in Alberta, British Columbia, and Mexico

Alberta and British Columbia, Canada, and a portion of Baja California Norte, Mexico, are all part of the Western Interconnection and have adopted or are adopting mandatory Reliability Standards based on FERC-approved Standards. WECC has entered into agreements with the Alberta Market Surveillance Administrator (MSA), the British Columbia Utilities Commission (BCUC), and Mexico's Comisión Reguladora de Energía (CRE)⁴, under which WECC performs various compliance monitoring and enforcement activities to help ensure reliability across international borders within the Western Interconnection.

2024 Key Budget Assumptions

- WECC will address known and future reliability risks by staffing at adequate levels to monitor the FERC-approved NERC Reliability Standards for applicable entities through audits, investigations, self-certifications, or spot-checks during the year. A risk-based approach will be applied to ensure all monitoring activities—on-site and off-site—and post-monitoring activities are completed according to the NERC Rules of Procedure and the CMEP within the United

⁴ WECC has historically entered into an annual agreement with CRE; at the time of this filing, the regulatory environment in Mexico remains uncertain. WECC is monitoring this situation, while using other means to monitor the reliability of the Mexican portion of the BPS, and is engaging with the appropriate Mexican authorities regarding the drafting of a new agreement.



States. With respect to non-U.S. jurisdictions, compliance will be monitored according to the approved agreements and applicable compliance monitoring programs with Canadian and Mexican authorities.

- Staff will develop and implement COPs for new Registered Entities and refresh COPs as per risk triggers. The plans focus on relevant risks, including consideration of IRAs, entity performance history, other operational risks based on performance considerations, and the maturity of internal controls.
- Staff will participate in NERC-led, centralized review panel sessions as part of the application process for materiality tests of the risk-based registration process outlined in Appendix 5A of the NERC Rules of Procedure. Registration recommendations will be reviewed, assessed, validated, and submitted to NERC for new registrations, partial deactivations, transfer of access, and full deregistration changes affecting the NERC Compliance Registry (NCR).
- WECC fully supports ERO Enterprise efforts and activities to evaluate business practices, tools, consistency, implementation, and guidance within the risk-based CMEP. Staff will provide feedback to the ERO Enterprise on emerging and existing risks, with an emphasis on standards development, standards modification, monitoring approaches, enforcement considerations, and potential gaps.
- Regional Risk Assessment (RRA) results provide input on focus areas in the ERO CMEP Implementation Plan.
- Costs related to any hearing that may arise are not budgeted and will be funded through working capital reserves.
- As the Align system is integrated across international entities, costs related to maintaining the legacy systems that Align is replacing will continue until the transition is complete.
- WECC foresees a continued growth in the number of entity registrations, increasing resource impacts across all ORCP and CMEP program areas.
- New or revised Reliability Standards may require increased monitoring resources in 2024.
- Travel for monitoring activities has resumed, though lessons learned about effective technology use during the COVID-19 pandemic inform monitoring activities and are expected to help moderate travel expense increases.
- One director is added in Oversight Planning to provide key leadership and management of risk-based analysis and planning in the recently combined areas of entity risk assessment, program analysis, and program administration.
- One manager and one lead are added in Entity Monitoring to ensure a more holistic ability to monitor across the spectrum of entity types and risks, particularly with the accelerating growth of generation registrations.
- One senior technical expert is added in Oversight Planning to increase capabilities related to internal controls evaluation.



- One data analyst is added in Oversight Planning for increased and more robust data management and business intelligence reporting.

2024 Goals and Deliverables

- Effective and efficient implementation of risk-based monitoring and enforcement activities.
- Continue to improve violation inventory statistics.
- Continue to improve COP refresh timeliness and focus on effective and efficient implementation of ERO Enterprise COP process.
- Continuously improve program processes and tools to adapt to changes in the industry.
- Deliver quantitative and qualitative results for corporate scorecard items, and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Consult with the international compliance enforcement authorities to determine which elements of the risk-based CMEP could provide value and should be incorporated in the respective programs for international entities. Currently, WECC does not conduct IRAs or develop COPs for international entities.
- Provide continued outreach and training on the Align tool to staff and Registered Entities.
- Process all BES Exception submittals according to Appendix 5C.
- Participate in ERO Enterprise collaboration groups to continue to build effective relationships and ensure ORCP and CMEP consistency, where applicable and appropriate, across Regional Entities.
- Complete audits for 25 Registered Entities, including 19 with an on-site component. Additional monitoring activities (e.g., spot-checks, self-certifications with supporting evidence, investigations, compliance assessments, and complaint evaluations) will be scheduled based on BES risk.
- Complete initial IRAs and COPs for all new registrations and refresh IRAs and COPs as needed for changes in the entity risk profile.
- Ensure that WECC's RRA of the Western Interconnection is aligned with WECC RRP and is refreshed annually.
- Promote the benefits of internal controls and their impact on BPS reliability with Registered Entities.
- Improve outreach to stakeholders via webinars, conferences, and entity-specific engagements to support ERO Enterprise activities and priorities.
- Monitor, manage, and improve enforcement measures and metrics in support of the ERO Enterprise Long-Term Strategy, including caseload index, violation aging, and mitigation plan aging; and collaborate with the ERO Enterprise to develop better measures of program effectiveness.

- Continue working with NERC and the other Regional Entities to shape and refine the ERO Enterprise enforcement philosophy that supports uniform, repeatable, transparent, and reliability-focused approaches.
- Successfully carry out all other CMEP delegated responsibilities.

Resource Requirements/Explanation of Significant Changes

Personnel Expenses

- Personnel Expenses increase by a net of \$1.71 million primarily due to five new positions, recruiting and retention initiatives, a budgeted 3% merit pool, continued refinement of labor float percentages, changes in position levels, and the refinement of payroll tax and benefits enrollment rates.

Meeting Expenses

- Travel increases by \$148,000 primarily due to the increase in FTEs, inflationary impacts on airfare and hotel rates, a higher anticipated number of in-person meetings, and more remote employees.

Operating Expenses

- No significant changes.

Fixed Assets

- No significant changes.

See Section B—Supplemental Financial Information for explanations of other variances between the 2023 and 2024 budgets.



Compliance Monitoring and Enforcement and Organization Registration and Certification Program Funding Sources and Expenditures

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2023 Budget & Projection, and 2024 Budget					
COMPLIANCE MONITORING AND ENFORCEMENT AND ORGANIZATION REGISTRATION AND CERTIFICATION					
	2023 Budget	2023 Projection	Variance 2023 Budget v 2023 Projection Over(Under)	2024 Budget	Variance 2024 Budget v 2023 Budget Inc(Dec)
Revenue					
Statutory Funding					
WECC Assessments	\$ 10,804,015	\$ 10,804,015	\$ -	\$ 13,349,713	\$ 2,545,698
Penalties Released	6,383,832	6,383,832	-	5,489,570	(894,262)
Total Statutory Funding	\$ 17,187,847	\$ 17,187,847	\$ -	\$ 18,839,283	\$ 1,651,436
Membership Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Workshops & Miscellaneous	-	-	-	-	-
Interest	34,142	835,115	800,973	343,529	309,387
Total Revenue (A)	\$ 17,221,989	\$ 18,022,962	\$ 800,973	\$ 19,182,812	\$ 1,960,823
Expenses					
Personnel Expenses					
Salaries	\$ 8,451,094	\$ 9,477,157	\$ 1,026,063	\$ 9,910,169	\$ 1,459,075
Payroll Taxes	570,620	613,642	43,022	639,015	68,395
Benefits	954,682	875,818	(78,864)	1,012,416	57,734
Retirement Costs	751,618	804,922	53,304	879,599	127,981
Total Personnel Expenses	\$ 10,728,014	\$ 11,771,539	\$ 1,043,525	\$ 12,441,199	\$ 1,713,185
Meeting Expenses					
Meetings & Conference Calls	\$ -	\$ 711	\$ 711	\$ -	\$ -
Travel	175,520	338,573	163,053	323,430	147,910
Total Meeting Expenses	\$ 175,520	\$ 339,284	\$ 163,764	\$ 323,430	\$ 147,910
Operating Expenses, excluding Depreciation					
Consultants & Contracts	\$ 50,000	\$ 257,823	\$ 207,823	\$ 36,000	\$ (14,000)
Office Rent	-	-	-	-	-
Office Costs	195,877	243,664	47,787	211,009	15,132
Professional Services	-	80	80	-	-
Miscellaneous	-	-	-	-	-
Total Operating Expenses	\$ 245,877	\$ 501,567	\$ 255,690	\$ 247,009	\$ 1,132
Total Direct Expenses	\$ 11,149,411	\$ 12,612,390	\$ 1,462,979	\$ 13,011,638	\$ 1,862,227
Indirect Expenses	\$ 6,369,606	\$ 6,270,679	\$ (98,927)	\$ 6,508,843	\$ 139,237
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 17,519,017	\$ 18,883,069	\$ 1,364,052	\$ 19,520,481	\$ 2,001,464
Change in Net Assets (=A-B)	\$ (297,028)	\$ (860,107)	\$ (563,079)	\$ (337,669)	\$ (40,641)
Fixed Assets, excluding Right of Use Assets (C)	\$ 31,222	\$ 35,843	\$ 4,621	\$ 72,736	\$ 41,514
TOTAL BUDGET (B+C)	\$ 17,550,239	\$ 18,918,912	\$ 1,368,673	\$ 19,593,217	\$ 2,042,978
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (328,250)	\$ (328,250)	\$ (567,700)	\$ (410,405)	\$ (82,155)
FTEs	68.00	68.00	-	73.00	5.00
HC	68.00	68.00	-	73.00	5.00



Reliability Assessment and Performance Analysis

Reliability Assessment and Performance Analysis (in whole dollars)			
	2023 Budget	2024 Budget	Increase (Decrease)
Total FTEs	38.00	41.00	3.00
Direct Expenses	\$ 6,837,316	\$ 7,901,506	\$ 1,064,190
Indirect Expenses	\$ 3,559,486	\$ 3,655,652	\$ 96,166
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ 17,447	\$ 40,852	\$ 23,405
Total Funding Requirement	\$ 10,414,249	\$ 11,598,010	\$ 1,183,761

Program Scope and Purpose

As the West continues to face ever-growing and complex threats to the reliability and security of the Bulk Power System, it is essential that WECC staff and stakeholders collaborate to develop strategies to identify and mitigate these risks. RAPA staff, in conjunction with the technical committees, conducts a variety of assessments, analyses, and studies essential to the reliable planning and operation of the BPS in the Western Interconnection. Additionally, staff compiles and distributes data and information used by WECC and its stakeholders to help with regional and local planning efforts. These integrated assessment and planning activities enhance the West's overall ability to assess and mitigate potential reliability and security risks in the Western Interconnection.

To accomplish its objectives, the program is organized into four departments:

1. The **Operations Analysis Department** is responsible for three primary functional areas—Event Analysis, Performance Analysis, and Situation Awareness and Infrastructure Security (SAIS), whose budget is outlined in the SAIS Program. The department analyzes system conditions and events that affect or may affect the reliable operation of the BPS and analyzes the historical operation and performance of the Western Interconnection. The department's activities ensure that stakeholders, NERC, and FERC are well-informed of system events, emerging trends, lessons learned, and expected actions affecting BPS reliability. The analyses are used to assess interconnection-wide risks and vulnerabilities. The information produced helps identify best practices and mitigate potential risks.

2. The **Risk Analysis Department** assesses interconnection-wide risks and vulnerabilities at the regional and entity levels. Using information gathered throughout the organization, and in coordination with the technical committees, the department identifies and tracks mitigation activities related to interconnection-wide risks.
3. The **Reliability Assessments Department** performs reliability assessments across multiple platforms and tools. These assessments are performed in close coordination with NERC, WECC’s technical committees, and other stakeholders. Assessments include, but are not limited to, historical operation of the Western Interconnection, forward-looking resource adequacy using deterministic and probabilistic methods, power flow and system stability, and transmission utilization. Analysis is performed on a variety of future scenarios of the Western Interconnection. The assessments are designed to address pertinent reliability risks informed by WECC’s RRP’s and other risks that may affect the reliability of the BPS.
4. The **Reliability Modeling Department** produces and distributes power system models of the Western Interconnection for use both within WECC and by stakeholders to perform reliability assessments. WECC is the NERC-designated, interconnection-wide model builder under the MOD-032 Reliability Standard. The department collects and distributes model data in a variety of formats and across multiple software tools.
5. The **Data Services Department** develops meaningful approaches to analyze and visualize information and data for consumption by the entire RAPA program area. The department collects various types of data such as NERC TADS, GADS, MIDAS and supports WECC’s performance analysis obligations. The department helps visualize data used in reports, dashboards, and maps to help convey reliability risks across a wide stakeholder base.

The RAPA Program supports NERC’s RAPA activities through targeted data gathering and participation in the Summer, Winter, Long-Term Reliability, and special assessments. The program also provides a technical advisory role in studies led by organizations such as national labs, universities, and the Department of Energy.

2024 Key Budget Assumptions

- Staff and technical committees will focus on assessment activities that address the WECC RRP’s approved by the Board in June 2022 and any updates approved in 2024.
- The biennial Reliability Risk Priorities Workshop will be held in Salt Lake City at the WECC office in February 2024.
- Staff will respond to unanticipated emerging reliability risks and work with stakeholders to develop timely and meaningful reliability outreach and assessments.
- Staff will continue to participate remotely in many external meetings.
- Staff will focus on expanding resource adequacy studies and assessments of regional resource adequacy programs and increase stakeholder outreach.



- There will be a focus on continuous improvement and development of staff capabilities. Current capabilities will be reviewed and improved to enhance reliability assessments.
- RRA results provide input on focus areas in the ERO CMEP Implementation Plan.
- Staff will continue to explore opportunities and implement new activities to provide value in transmission planning.
- Transmission planning activities in the West will expand to incorporate longer-term (greater than 10-year) horizons.
- Reliability challenges associated with inverter-based resources will create a need for new data and tools (e.g., EMT programs) to study the impacts of these technologies.
- Staff will support various NERC reliability assessments and perform additional independent reliability assessments.
- One director is added to provide expertise and oversight of Reliability Modeling and Data Services.
- One risk analyst is added in Risk Analysis to support the improvement of a holistic, WECC-wide approach to identifying and mitigating reliability and security risks to the BPS.
- One engineer is added in Reliability Modeling to focus on long-term reliability assessment and support industry's need for long-term scenario and model development.

2024 Goals and Deliverables

- Refresh WECC's RRP's through stakeholder and Board engagement activities.
- Work with technical committees to develop a clear understanding of emerging risks to the BPS and associated mitigation strategies, particularly for the WECC RRP's.
- Ensure high precision of information and models used to assess the reliability of the BPS.
- Use advanced tools, techniques, and industry subject matter experts to identify system performance trends and vulnerabilities.
- Hold reliability and security risk forums.
- Continuously improve program processes and tools to adapt to changes in the industry.
- Deliver quantitative and qualitative results for corporate scorecard items, and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Deliver high-quality and influential work products focused on the WECC RRP's.
- Continue the three-year planning cycle with the JGC to align staff and technical committee work plans in support of the WECC RRP's.
- Ensure that WECC's RRA of the Western Interconnection is aligned with WECC RRP's and is refreshed annually.
- Ensure the Western Interconnection is represented in reliability matters by participating in regional and national stakeholder forums.



- Add value for a wide variety of stakeholders by developing reliability guidelines, technical white papers and reports, and reference documents to address emerging issues, operational risks, and industry concerns related to system operations and transmission/resource planning.
- Facilitate production cost, dynamic model, and power flow tool development, focusing on new technology resources and concepts like energy storage and dynamic line ratings.
- Implement technology solutions for enhanced data collection, validation, and storage.
- Support technical committees to analyze the effectiveness of the Western Interconnection Underfrequency Load Shedding Plan.
- Successfully carry out all other RAPA delegated responsibilities.

Resource Requirements/Explanation of Significant Changes

Personnel Expenses

- Personnel Expenses increase by a net of \$916,000 primarily due to three new positions, recruiting and retention initiatives, a budgeted 3% merit pool, and the refinement of payroll tax and benefits enrollment rates.

Meeting Expenses

- Travel increases by a net of \$65,000 primarily due to inflationary impacts on airfare and hotel rates, a higher anticipated number of in-person meetings, an increase in FTEs, and more remote employees.

Operating Expenses

- Office Costs increase by a net of \$106,000 primarily due to the conversion of the PLEXOS energy market simulation platform trial license to a full version and the acquisition of EMT software (both of which are proposed to be funded with Peak Reliability Donation funds).

Fixed Assets

- No significant changes.

See Section B—Supplemental Financial Information for explanations of other variances between the 2023 and 2024 budgets.



Reliability Assessment and Performance Analysis Program Funding Sources and Expenditures

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2023 Budget & Projection, and 2024 Budget					
RELIABILITY ASSESSMENT AND PERFORMANCE ANALYSIS					
	2023 Budget	2023 Projection	Variance 2023 Budget v 2023 Projection Over(Under)	2024 Budget	Variance 2024 Budget v 2023 Budget Inc(Dec)
Revenue					
Statutory Funding					
WECC Assessments	\$ 6,632,951	\$ 6,632,951	\$ -	\$ 8,078,952	\$ 1,446,001
Penalties Released	3,567,436	3,567,436	-	3,083,183	(484,253)
Total Statutory Funding	\$ 10,200,387	\$ 10,200,387	\$ -	\$ 11,162,135	\$ 961,748
Membership Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Workshops & Miscellaneous	-	-	-	-	-
Interest	19,079	460,983	441,904	192,941	173,862
Total Revenue (A)	\$ 10,219,466	\$ 10,661,370	\$ 441,904	\$ 11,355,076	\$ 1,135,610
Expenses					
Personnel Expenses					
Salaries	\$ 4,781,745	\$ 5,065,198	\$ 283,453	\$ 5,548,711	\$ 766,966
Payroll Taxes	319,728	339,094	19,366	355,291	35,563
Benefits	544,248	487,260	(56,988)	589,838	45,590
Retirement Costs	425,406	423,794	(1,612)	493,293	67,887
Total Personnel Expenses	\$ 6,071,127	\$ 6,315,346	\$ 244,219	\$ 6,987,133	\$ 916,006
Meeting Expenses					
Meetings & Conference Calls	\$ 56,722	\$ 50,904	\$ (5,818)	\$ 59,228	\$ 2,506
Travel	151,230	149,014	(2,216)	215,878	64,648
Total Meeting Expenses	\$ 207,952	\$ 199,918	\$ (8,034)	\$ 275,106	\$ 67,154
Operating Expenses, excluding Depreciation					
Consultants & Contracts	\$ 159,000	\$ 195,658	\$ 36,658	\$ 133,400	\$ (25,600)
Office Rent	-	-	-	-	-
Office Costs	399,237	217,968	(181,269)	505,867	106,630
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Operating Expenses	\$ 558,237	\$ 413,626	\$ (144,611)	\$ 639,267	\$ 81,030
Total Direct Expenses	\$ 6,837,316	\$ 6,928,890	\$ 91,574	\$ 7,901,506	\$ 1,064,190
Indirect Expenses	\$ 3,559,486	\$ 3,461,416	(98,070)	\$ 3,655,652	\$ 96,166
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 10,396,802	\$ 10,390,306	\$ (6,496)	\$ 11,557,158	\$ 1,160,356
Change in Net Assets (=A-B)	\$ (177,336)	\$ 271,064	\$ 448,400	\$ (202,082)	\$ (24,746)
Fixed Assets, excluding Right of Use Assets (C)	\$ 17,447	\$ 19,785	\$ 2,338	\$ 40,852	\$ 23,405
TOTAL BUDGET (B+C)	\$ 10,414,249	\$ 10,410,091	\$ (4,158)	\$ 11,598,010	\$ 1,183,761
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (194,783)	\$ 251,279	\$ 446,062	\$ (242,934)	\$ (48,151)
FTEs	38.00	38.00	-	41.00	3.00
HC	38.00	38.00	-	41.00	3.00



Training and Outreach

Training and Outreach (in whole dollars)			
	2023 Budget	2024 Budget	Increase (Decrease)
Total FTEs	8.50	8.50	-
Direct Expenses	\$ 1,650,513	\$ 1,988,891	\$ 338,378
Indirect Expenses	\$ 796,201	\$ 757,879	\$ (38,322)
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ 3,903	\$ 8,469	\$ 4,566
Total Funding Requirement	\$ 2,450,617	\$ 2,755,239	\$ 304,622

Program Scope and Purpose

The Training and Outreach Program informs, educates, and interacts directly with stakeholders on a range of topics including Reliability Standards, risk assessments, reliability planning and performance analysis, seasonal preparedness, grid operations and security, and human performance improvement.

This program is comprised of two of the three departments that make up the Strategic Engagement group—Training and Outreach and External Affairs. Both departments work with external stakeholders to facilitate and enhance the work of CMEP and RAPA by ensuring effective communications, education opportunities, and timely dialogue on critical reliability and security matters. Strategic Engagement also focuses on the timely production and distribution of high-quality analyses addressing reliability and security topics of interest and importance to decision-makers throughout the Western Interconnection. An understanding of the dynamics within the Western Interconnection through engagement with WECC’s stakeholders is essential to effectively address reliability and security risks.

2024 Key Budget Assumptions

- WECC will host an increasing number of training and outreach events to inform stakeholder awareness of critical reliability issues.
- Two Reliability and Security Workshops will be held in-person at off-site locations.
- One Grid Fundamentals course will be held in-person at the WECC office.
- Virtual Training and Outreach formats will be used where appropriate.
- WECC will increase partnerships and collaboration with the ERO Enterprise where appropriate to expand audience participation and to share subject matter expertise.



2024 Goals and Deliverables

- Maintain and continue to cultivate effective relationships with industry groups, WECC technical committees, ERO Enterprise, federal, state, and provincial regulators, policy- and decision-makers, national labs and educational institutions, and the broader reliability and security community.
- Participate regionally and nationally (where appropriate) in seminars and conferences to promote the reliability and security of the BPS.
- Lead a 2024 Long-Term Strategy refresh with a focus on Board involvement and stakeholder feedback while maintaining alignment with the ERO Enterprise Long-Term Strategy.
- Embed stakeholder perspectives and opportunities for collaboration into the product development process.
- Assist other program areas in ensuring key studies and initiatives are aligned with the WECC Long-Term Strategy or WECC RRP.
- Continue to refine stakeholder engagement and outreach plans.
- Improve program processes and tools continuously to respond to stakeholder feedback and adapt to changes in the industry.
- Deliver quantitative and qualitative results for corporate scorecard items, and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Deliver monthly Compliance Open Webinars to educate and collaborate with stakeholders on various oversight activities.
- Conduct webinars and workshops to expand awareness of reliability planning tools, modeling capabilities, and study results.
- Continue to promote and facilitate quarterly Grid Fundamentals courses to teach people who are new to the industry how the electric power system works, how it is managed, and how to better understand reliability issues.
- Deliver two Reliability and Security Workshops to provide targeted outreach to address and mitigate key risks to reliability and security in the Western Interconnection. Specific topics include:
 - Lessons learned and process improvement for implementation of risk-based concepts;
 - Enforcement trends and statistics; and
 - Information on audit approach for standards.
- Provide opportunities for further education through webinars and workshops to promote the reliability and security of the Western Interconnection. Topics include:
 - WECC Reliability Risk Priorities (RRP);
 - Reliability planning tools and modeling capabilities, including base case and production cost model studies;
 - Contingency studies and analyses;



- Scenario planning and regulatory issues and trends; and
- Event analysis.

Resource Requirements/Explanation of Significant Changes

Personnel Expenses

- Personnel Expenses increase by a net of \$115,000 primarily due to recruiting and retention initiatives, a budgeted 3% merit pool, and the refinement of payroll tax and benefits enrollment rates.

Meeting Expenses

- Meetings & Conference Calls increase by \$239,000 primarily due to hosting both Reliability and Security Workshops in-person at off-site locations due to stakeholder feedback and requests.

Operating Expenses

- No significant changes.

Fixed Assets

- No significant changes.

See Section B—Supplemental Financial Information for explanations of other variances between the 2023 and 2024 budgets.



Training and Outreach Program Funding Sources and Expenditures

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2023 Budget & Projection, and 2024 Budget					
TRAINING AND OUTREACH					
	2023 Budget	2023 Projection	Variance 2023 Budget v 2023 Projection Over(Under)	2024 Budget	Variance 2024 Budget v 2023 Budget Inc(Dec)
Revenue					
Statutory Funding					
WECC Assessments	\$ 1,414,435	\$ 1,414,435	\$ -	\$ 1,543,080	\$ 128,645
Penalties Released	797,979	797,979	-	639,197	(158,782)
Total Statutory Funding	\$ 2,212,414	\$ 2,212,414	\$ -	\$ 2,182,277	\$ (30,137)
Membership Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Workshops & Miscellaneous	188,100	188,100	-	475,250	287,150
Interest	4,268	103,554	99,286	40,000	35,732
Total Revenue (A)	\$ 2,404,782	\$ 2,504,068	\$ 99,286	\$ 2,697,527	\$ 292,745
Expenses					
Personnel Expenses					
Salaries	\$ 1,045,639	\$ 1,077,780	\$ 32,141	\$ 1,145,832	\$ 100,193
Payroll Taxes	67,253	71,999	4,746	71,219	3,966
Benefits	121,308	102,442	(18,866)	123,107	1,799
Retirement Costs	92,883	91,385	(1,498)	101,715	8,832
Total Personnel Expenses	\$ 1,327,083	\$ 1,343,606	\$ 16,523	\$ 1,441,873	\$ 114,790
Meeting Expenses					
Meetings & Conference Calls	\$ 231,509	\$ 235,005	\$ 3,496	\$ 470,133	\$ 238,624
Travel	45,341	21,778	(23,563)	32,540	(12,801)
Total Meeting Expenses	\$ 276,850	\$ 256,783	\$ (20,067)	\$ 502,673	\$ 225,823
Operating Expenses, excluding Depreciation					
Consultants & Contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Office Rent	-	-	-	-	-
Office Costs	46,580	33,754	(12,826)	44,345	(2,235)
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Operating Expenses	\$ 46,580	\$ 33,754	\$ (12,826)	\$ 44,345	\$ (2,235)
Total Direct Expenses	\$ 1,650,513	\$ 1,634,143	\$ (16,370)	\$ 1,988,891	\$ 338,378
Indirect Expenses	\$ 796,201	\$ 777,564	\$ (18,637)	\$ 757,879	\$ (38,322)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 2,446,714	\$ 2,411,707	\$ (35,007)	\$ 2,746,770	\$ 300,056
Change in Net Assets (=A-B)	\$ (41,932)	\$ 92,361	\$ 134,293	\$ (49,243)	\$ (7,311)
Fixed Assets, excluding Right of Use Assets (C)	\$ 3,903	\$ 4,445	\$ 542	\$ 8,469	\$ 4,566
TOTAL BUDGET (B+C)	\$ 2,450,617	\$ 2,416,152	\$ (34,465)	\$ 2,755,239	\$ 304,622
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (45,835)	\$ 87,916	\$ 133,751	\$ (57,712)	\$ (11,877)
FTEs	8.50	8.50	-	8.50	-
HC	8.00	8.00	-	8.00	-



Situation Awareness and Infrastructure Security

Situation Awareness and Infrastructure Security (in whole dollars)			
	2023 Budget	2024 Budget	Increase (Decrease)
Total FTEs	2.00	2.00	-
Direct Expenses	\$ 370,160	\$ 400,266	\$ 30,106
Indirect Expenses	\$ 187,341	\$ 178,324	\$ (9,017)
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ 918	\$ 1,993	\$ 1,075
Total Funding Requirement	\$ 558,419	\$ 580,583	\$ 22,164

Program Scope and Purpose

The Situation Awareness and Infrastructure Security (SAIS) Program maintains near-real-time awareness about the conditions and significant occurrences on the BPS in the Western Interconnection to recognize conditions and situations that could affect the reliability and security of the BPS. WECC has access to limited near-real-time data through the Situation Awareness for FERC, NERC, and the Regions (SAFNR) tool, the Plant Information (PI) system, and the University of Tennessee Frequency Monitoring NETwork (FNET).

The SAIS Program works to understand system and security issues when they emerge and coordinate with relevant parties (typically NERC and FERC) about the conditions of the BPS. Through this coordination, WECC identifies patterns and trends that will help build a stronger and more resilient system. Staff responds to events by providing coordination, assistance, and communication with the RCs, stakeholders, and NERC SAIS personnel. SAIS work also supports event analysis capabilities.

2024 Key Budget Assumptions

- Cybersecurity and physical security threats will continue to increase as the grid evolves. WECC will work with stakeholders and support the E-ISAC, WECC Cyber and Physical Security Work Groups, and other stakeholder groups to focus on security outreach and education.
- WECC will support NERC and FERC's efforts for situation awareness of current system conditions.
- WECC will maximize sharing of reliability and security data, within agreed parameters, and insights from Events Analysis, including near misses, to enhance understanding of reliability and security issues, promote operational excellence, promptly share best practices and lessons learned, and engage third-party experts to expand capabilities and resources applied to critical reliability and security issues.



- Technical stakeholder groups will support the development of lessons learned and recommendations from events and reliability and security risks.

2024 Goals and Deliverables

- Continuously improve program processes and tools to adapt to changes in the industry.
- Deliver quantitative and qualitative results for corporate scorecard items, and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Monitor system events, collect information, and coordinate prompt distribution of updates on system events to industry stakeholders and NERC SAIS personnel.
- Work with NERC to monitor system data, weather, and technological developments to understand trends that affect reliability for the near- and long-term horizons.
- Coordinate the communication of critical information in daily NERC SAIS meetings and the NERC Crisis Action Plan meetings.
- Support efforts and work to develop and enhance ways to improve the use of SAFNR, the PI system, and other tools to further support SAIS.
- Improve reliability readiness by participating in periodic wide-area security exercises (e.g., GridEx, Monitoring and Situation Awareness Workshop, NERC Alerts).
- Promote rapid and appropriate sharing of situation awareness information to support critical infrastructure security.
- Enhance engagement with Western stakeholders to improve the coordination and sharing of appropriate security information.

Resource Requirements/Explanation of Significant Changes

Personnel Expenses

- Personnel Expenses increase by a net of \$29,000 primarily due to recruiting and retention initiatives, a budgeted 3% merit pool, continued refinement of labor float percentages, and the refinement of payroll tax and benefits enrollment rates.

Meeting Expenses

- No significant changes.

Operating Expenses

- No significant changes.

Fixed Assets

- No significant changes.



See Section B—Supplemental Financial Information for explanations of other variances between the 2023 and 2024 budgets.



Situation Awareness and Infrastructure Security Program Funding Sources and Expenditures

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2023 Budget & Projection, and 2024 Budget					
SITUATION AWARENESS AND INFRASTRUCTURE SECURITY					
	2023 Budget	2023 Projection	Variance 2023 Budget v 2023 Projection Over(Under)	2024 Budget	Variance 2024 Budget v 2023 Budget Inc(Dec)
Revenue					
Statutory Funding					
WECC Assessments	\$ 359,211	\$ 359,211	\$ -	\$ 408,611	\$ 49,400
Penalties Released	187,760	187,760	-	150,399	(37,361)
Total Statutory Funding	\$ 546,971	\$ 546,971	\$ -	\$ 559,010	\$ 12,039
Membership Fees	-	-	-	-	-
Workshops & Miscellaneous	-	-	-	-	-
Interest	1,004	26,724	25,720	9,412	8,408
Total Revenue (A)	\$ 547,975	\$ 573,695	\$ 25,720	\$ 568,422	\$ 20,447
Expenses					
Personnel Expenses					
Salaries	\$ 276,946	\$ 313,848	\$ 36,902	\$ 302,007	\$ 25,061
Payroll Taxes	19,137	22,710	3,573	19,875	738
Benefits	29,904	30,396	492	31,235	1,331
Retirement Costs	24,648	23,303	(1,345)	26,879	2,231
Total Personnel Expenses	\$ 350,635	\$ 390,257	\$ 39,622	\$ 379,996	\$ 29,361
Meeting Expenses					
Meetings & Conference Calls	-	-	-	-	-
Travel	16,050	15,250	(800)	17,470	1,420
Total Meeting Expenses	\$ 16,050	\$ 15,250	\$ (800)	\$ 17,470	\$ 1,420
Operating Expenses, excluding Depreciation					
Consultants & Contracts	-	-	-	-	-
Office Rent	-	-	-	-	-
Office Costs	3,475	3,158	(317)	2,800	(675)
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Operating Expenses	\$ 3,475	\$ 3,158	\$ (317)	\$ 2,800	\$ (675)
Total Direct Expenses	\$ 370,160	\$ 408,665	\$ 38,505	\$ 400,266	\$ 30,106
Indirect Expenses	\$ 187,341	\$ 200,662	\$ 13,321	\$ 178,324	\$ (9,017)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 557,501	\$ 609,327	\$ 51,826	\$ 578,590	\$ 21,089
Change in Net Assets (=A-B)	\$ (9,526)	\$ (35,632)	\$ (26,106)	\$ (10,168)	\$ (642)
Fixed Assets, excluding Right of Use Assets (C)	\$ 918	\$ 1,147	\$ 229	\$ 1,993	\$ 1,075
TOTAL BUDGET (B+C)	\$ 558,419	\$ 610,474	\$ 52,055	\$ 580,583	\$ 22,164
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (10,444)	\$ (36,779)	\$ (26,335)	\$ (12,161)	\$ (1,717)
FTEs	2.00	2.00	-	2.00	-
HC	2.00	2.00	-	2.00	-



Corporate Services

Corporate Services (in whole dollars) Direct Expenses and Fixed Assets						
	2023 Budget	2024 Budget	Increase (Decrease)	FTEs 2023 Budget	FTEs 2024 Budget	Increase (Decrease)
Committee and Member Forums	\$ -	\$ -	\$ -	-	-	-
General and Administrative	\$ 5,412,320	\$ 5,703,604	\$ 291,284	18.00	18.00	-
Legal and Regulatory	\$ 1,276,141	\$ 1,077,139	\$ (199,002)	4.50	3.50	(1.00)
Information Technology	\$ 3,651,025	\$ 3,836,034	\$ 185,009	11.00	12.00	1.00
Human Resources	\$ 1,209,397	\$ 1,212,919	\$ 3,522	4.00	4.00	-
Accounting and Finance	\$ 546,799	\$ 657,274	\$ 110,475	3.00	3.00	-
Total Corporate Services*	\$ 12,095,682	\$ 12,486,970	\$ 391,288	40.50	40.50	-

*WECC’s 2024 Corporate Services budget (expenses plus fixed assets) is \$12,348,970 of which \$980,785 is allocated to non-statutory activities. As a result of the allocation to the non-statutory function, the Corporate Services expenses included in the 2024 statutory budget are \$11,368,185, which is a \$600,000 increase from the 2023 budget.

Program Scope and Purpose

Corporate Services encompasses the following program areas and includes all business and administrative functions of the organization:

- Technical Committees and Member Forums;
- General and Administrative;
- Legal and Regulatory;
- Information Technology;
- Human Resources; and
- Finance and Accounting.

These support functions are foundational for the existence and operation of the organization. This area provides executive leadership and administrative and technical support for staff, committees, members, and stakeholders.

Method for Allocation of Corporate Services Expenses to Programs

Corporate Services expenses are allocated to statutory and non-statutory program areas based on FTEs.



Technical Committees and Member Forums

Program Scope and Purpose

WECC undertook technical committee restructuring efforts in 2021 and 2022 to streamline the committee structure and governance and optimize stakeholder engagement. As a result, this budget was merged into the RAPA Program, beginning in 2023, where most of the committee work is facilitated.



General and Administrative

Program Scope and Purpose

The G&A Program provides executive leadership; enterprise security; enterprise risk management; communications; and administrative support for staff, committees, and members; as well as logistics support for the office and meeting facilities. In addition, indirect costs like Office Rent that benefit multiple functional areas are accounted for in this program.

2024 Key Budget Assumptions

- WECC staff will provide the same level of meetings and meeting support as 2023 for the Board of Directors and Board Committees.
- Salt Lake City, UT, is the Board-approved location for the 2024 Annual Meeting.
- Board Directors will be compensated according to the 2024 Board compensation structure.

2024 Goals and Deliverables

- Continuously improve program processes and tools to adapt to changes in the industry.
- Deliver quantitative and qualitative results for corporate scorecard items, and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Provide strong executive leadership and strategic guidance for WECC's activities, and ensure WECC supports the ERO Enterprise Long-Term Strategy and meets the expectations of the Regional Delegation Agreement.
- Provide excellent support and logistics coordination for the Board and Board committees.
- Identify opportunities for efficiencies and increased effectiveness of meetings and stakeholder services teams.
- Enhance internal and external communications.
- Improve WECC's security posture and programs.

Resource Requirements/Explanation of Significant Changes

Personnel Expenses

- Personnel Expenses increase by a net of \$269,000 primarily due to recruiting and retention initiatives, a budgeted 3% merit pool, and the refinement of payroll tax and benefits enrollment rates.

Meeting Expenses

- No significant changes.



Operating Expenses

- No significant changes.

Fixed Assets

- No significant changes.



Legal and Regulatory

Program Scope and Purpose

The Legal and Regulatory Program provides coordinated legal services and subject matter expertise to the Board, committees, and staff, in addition to consistent legal interpretations of relevant statutes, regulations, court opinions, and regulatory decisions. On occasion, major efforts may be outsourced to select law firms, but the responsibility for all legal matters remains with Legal and Regulatory. WECC's broad scope of activities requires significant legal support and review. Arranging for legal support is complicated by the technical nature of this developing area of law, and there are many potential areas of conflict prohibiting the use of law firms with energy practices.

2024 Key Budget Assumptions

- The scope of current Legal operations will be maintained.
- One FTE is transferred to Information Technology due to efficiencies gained and increased use of external legal counsel.

2024 Goals and Deliverables

- Continuously improve program processes and tools.
- Deliver quantitative and qualitative results for corporate scorecard items, and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Provide efficient, cost-effective legal support to the Board, committees, and staff through a combination of in-house and outside resources.
- Advise staff on legal matters.
- Coordinate with the ERO Enterprise legal group to identify and share best practices.

Resource Requirements/Explanation of Significant Changes

Personnel Expenses

- Personnel Expenses decrease by a net of \$294,000 primarily due to one position transferred to Information Technology, changes in position levels, recruiting and retention initiatives, a budgeted 3% merit pool, and the refinement of payroll tax and benefits enrollment rates.

Meeting Expenses

- No significant changes.

Operating Expenses

- Professional Services increase by \$124,000 primarily due to increases in business insurance premiums and fees for outside counsel advice.



Fixed Assets

- No significant changes.



Information Technology

Program Scope and Purpose

The Information Technology (IT) Program provides enterprise and desktop systems, security monitoring and support, and technical expertise. This includes physical security and cybersecurity risk mitigation, and operational support for hardware, software, database, system administration, data center operations, email, and telephony. IT implements new technology solutions using staff and external service providers to improve the security, effectiveness, and efficiency of business processes and operations. IT provides resources and tools to enable the organization to meet evolving requirements in support of its mission and delegated responsibilities.

2024 Key Budget Assumptions

- WECC will increase security capabilities with more access controls and enhanced threat monitoring, detection, and reporting tools due to the ever-changing cybersecurity landscape.
- Penetration tests on the network and systems will be performed annually.
- Dark web monitoring will commence in 2024.
- IT will select and implement a more robust organization-wide data reporting tool for increased data visualization, analytical, and reporting capabilities.
- Consultants will be used for project-based work to augment staff skill sets.
- IT will continue to drive long-term levelized costs by obtaining subscription services for software and infrastructure when practical.
- To retain vendor support and to reduce unplanned outages, desktop computer equipment will be replaced every four years, servers every five years, and network equipment every seven to 10 years.
- IT will continue to work collaboratively to share and make the most of the knowledge across the ERO Enterprise, minimize duplication of effort and investments, and improve operational efficiency, in support of the ERO Enterprise IT Strategy.
- One business analyst is added to provide project, reporting, coordination, and departmental support to allow subject matter experts to focus on more specialized, technical areas.

2024 Goals and Deliverables

- Continuously improve program processes and tools.
- Deliver quantitative and qualitative results for corporate scorecard items, and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Provide enhanced enterprise data management and reporting tools and communication capabilities.



- Create centralized databases, automated processes, and tools to organize a growing volume of electronic data.
- Enhance the capabilities, performance, and security controls for mobile device use and remote workers.
- Continuously improve WECC’s security program and posture due to the critical nature of some of WECC’s data and evolving cybersecurity risks.
- Provide increased business intelligence tools to the business.

Resource Requirements/Explanation of Significant Changes

Personnel Expenses

- Personnel Expenses increase by a net of \$263,000 primarily due to one position transferred from Legal and Regulatory, recruiting and retention initiatives, a budgeted 3% merit pool, and the refinement of payroll tax and benefits enrollment rates.

Meeting Expenses

- No significant changes.

Operating Expenses

- Consultants & Contracts decrease by a net of \$479,000 primarily due to the completion of the wecc.org platform conversion that was undertaken in 2022 and 2023 for increased security of the website and the completion of a data management project that was funded with the Peak Reliability Donation.
- Office Costs increase by \$313,000 primarily due to increased licensing fee rates and licensing costs for new security, reporting, and document management tools.

Fixed Assets

- Equipment CapEx increases by a net of \$72,000 primarily due to security upgrades for the corporate Wi-Fi network, battery backup replacements, and refreshes of storage arrays. These costs have been allocated to the Statutory Program areas via the Fixed Asset Allocation.



Human Resources

Program Scope and Purpose

The Human Resources (HR) Program is responsible for the delivery of all HR functions to ensure WECC is viewed as an employer of choice with highly skilled, collaborative, and engaged employees who are committed to WECC's mission. Responsibilities include recruitment, compensation, benefits, safety, health and wellness, employee relations, personal and professional development, succession planning, knowledge transfer, and leadership and employee engagement. HR also maintains employee-data systems and ensures compliance with employment-related federal and state requirements.

2024 Key Budget Assumptions

- Total WECC headcount increases by 10 FTEs in 2024.
- WECC's current benefit levels are maintained with minimal premium increases.
- Employee skills gaps are minimized through the identification of critical technical skills, targeted internal and external professional development/education, knowledge transfer efforts, and succession planning.
- National markets will be targeted for many positions, allowing WECC to hire from a larger and more diverse candidate pool of highly skilled talent.
- Employee engagement efforts are continually refined and adjusted to retain talent and build on WECC's strong cultural foundation. Specific effort will be given to practices that support and enhance interactions and relationships within a hybrid workforce.
- Management development will continue to be prioritized with a focus on written and interpersonal communication, accountability, coaching, and process improvement.
- Use NERC's Learning Management System and LinkedIn Learning as training resources for employees.

2024 Goals and Deliverables

- Continuously improve program processes and tools.
- Deliver quantitative and qualitative results for corporate scorecard items, and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Enhance all facets of the employee experience to achieve low levels of turnover.
- Increase the effectiveness of performance management processes through manager training and development.
- Conduct interpersonal skills, harassment prevention and diversity, equity, and inclusion (DE&I) training for all employees and managers.



- Enhance the scope of succession planning and knowledge transfer, which are vital to developing and maintaining a highly skilled, qualified, and diverse workforce that is necessary to deliver on WECC’s mission.
- Deliver a comprehensive yet affordable benefits package to retain current employees and attract prospective employees while managing costs.
- Expand recruiting efforts through college campus outreach, WECC and industry trainings and meetings, social media platforms, and employee referral programs.

Resource Requirements/Explanation of Significant Changes

Personnel Expenses

- Personnel Expenses decrease by a net of \$29,000 primarily due to the refinement of some budget assumptions to better align the budget with historical spending, changes in position levels, recruiting and retention initiatives, a budgeted 3% merit pool, and the refinement of payroll tax and benefits enrollment rates.

Meeting Expenses

- No significant changes.

Operating Expenses

- No significant changes.

Fixed Assets

- No significant changes.



Finance and Accounting

Program Scope and Purpose

The Finance and Accounting Program provides accounting and financial analysis and helps coordinate the financial reporting and budgeting cycles with stakeholders. The program reports financial results in a timely and effective manner to help departments recognize and seize opportunities for improvement in current and future activities. The program is responsible for payroll, accounts payable, accounts receivable, budgeting, forecasting, fixed assets management, banking, cash management, tax filings, and financial reporting.

2024 Key Budget Assumptions

- Interest rates continue to increase.
- Bank and investment fees increase.
- Cloud-based accounting software licenses and support fees increase.

2024 Goals and Deliverables

- Continuously improve program processes and tools.
- Deliver quantitative and qualitative results for corporate scorecard items, and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Train management team on budgeting and forecasting processes.
- Identify and implement efficiencies in financial processes and increase the effectiveness of budgeting and financial reporting.
- Help departments effectively manage resources and operate within approved budgets.
- Ensure effective financial controls are in place, including routine monitoring of spending compared to budget.
- Provide quality reporting and financial analysis to managers, the FAC, and the Board.
- Maintain secure and reliable cloud-based software.

Resource Requirements/Explanation of Significant Changes

Personnel Expenses

- Personnel Expenses increase by a net of \$46,000 primarily due to recruiting and retention initiatives, a budgeted 3% merit pool, and the refinement of payroll tax and benefits enrollment rates.

Meeting Expenses

- No significant changes.



Operating Expenses

- Office costs increase by a net of \$60,000 primarily due to an increase in business and occupational taxes on WECC’s annual assessments, increases in personal property tax rates, and increases in bank, merchant, and investment fees.

Fixed Assets

- No significant changes.



Corporate Services Funding Sources and Expenditures

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital
2023 Budget & Projection, and 2024 Budget

CORPORATE SERVICES

	2023 Budget	2023 Projection	Variance 2023 Budget v 2023 Projection Over(Under)	2024 Budget	Variance 2024 Budget v 2023 Budget Inc(Dec)
Revenue					
Statutory Funding					
WECC Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Penalties Released	-	-	-	-	-
Total Statutory Funding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Membership Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Workshops & Miscellaneous	-	-	-	-	-
Interest	-	-	-	-	-
Total Revenue (A)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses					
Personnel Expenses					
Salaries	\$ 5,046,693	\$ 5,082,800	\$ 36,107	\$ 5,262,178	\$ 215,485
Payroll Taxes	316,397	292,470	(23,927)	321,151	4,754
Benefits	959,039	845,142	(113,897)	973,104	14,065
Retirement Costs	475,903	447,071	(28,832)	496,305	20,402
Total Personnel Expenses	<u>\$ 6,798,032</u>	<u>\$ 6,667,483</u>	<u>\$ (130,549)</u>	<u>\$ 7,052,738</u>	<u>\$ 254,706</u>
Meeting Expenses					
Meetings & Conference Calls	\$ 97,950	\$ 110,778	\$ 12,828	\$ 75,403	\$ (22,547)
Travel	165,447	163,021	(2,426)	148,537	(16,910)
Total Meeting Expenses	<u>\$ 263,397</u>	<u>\$ 273,799</u>	<u>\$ 10,402</u>	<u>\$ 223,940</u>	<u>\$ (39,457)</u>
Operating Expenses, excluding Depreciation					
Consultants & Contracts	\$ 1,045,100	\$ 1,012,816	\$ (32,284)	\$ 559,500	\$ (485,600)
Office Rent	1,318,436	1,322,242	3,806	1,327,202	8,766
Office Costs	1,524,717	1,371,092	(153,625)	1,924,379	399,662
Professional Services	1,087,000	1,166,529	79,529	1,261,211	174,211
Miscellaneous	-	-	-	-	-
Total Operating Expenses	<u>\$ 4,975,253</u>	<u>\$ 4,872,679</u>	<u>\$ (102,574)</u>	<u>\$ 5,072,292</u>	<u>\$ 97,039</u>
Total Direct Expenses	<u>\$ 12,036,682</u>	<u>\$ 11,813,961</u>	<u>\$ (222,721)</u>	<u>\$ 12,348,970</u>	<u>\$ 312,288</u>
Indirect Expenses	<u>\$ (12,036,682)</u>	<u>\$ (11,813,961)</u>	<u>\$ 222,721</u>	<u>\$ (12,348,970)</u>	<u>\$ (312,288)</u>
Other Non-Operating Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenses (B)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Change in Net Assets (=A-B)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fixed Assets, excluding Right of Use Assets (C)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL BUDGET (B+C)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FTEs	40.50	40.50	-	40.50	-
HC	41.00	41.00	-	41.00	-





Section B

Supplemental Financial Information

Section B—Supplemental Financial Information

Reserve Analysis

Table B-1

Working Capital Reserve Analysis				
STATUTORY				
	Total	Working Capital Reserve	Unreleased Penalties	Peak Reliability Donation
Beginning Reserve, January 1, 2023	\$ 35,140,129	\$ 11,368,371	\$ 20,306,594	\$ 3,465,164
Plus: 2023 Funding (from Load-Serving Entities (LSE) or designees)	19,750,537	19,750,537	-	-
Plus: Penalties released	-	11,218,646	(11,218,646)	-
Plus: Penalties received	500,000	-	500,000	-
Plus: 2023 Other funding sources	1,654,563	1,654,563	-	-
Less: 2023 Projected expenses & capital expenditures	(33,922,425)	(33,327,425)	-	(595,000)
Projected Reserve (Deficit), December 31, 2023	\$ 23,122,804	\$ 10,664,692	\$ 9,587,948	\$ 2,870,164
Plus: 2024 Funding (from Load-Serving Entities (LSE) or designees)	24,000,000	24,000,000	-	-
Plus: Penalties released	-	9,587,948	(9,587,948)	-
Plus: 2024 Other funding sources	1,075,250	1,075,250	-	-
Less: 2024 Projected expenses & capital expenditures	(35,404,795)	(35,154,795)	-	(250,000)
2024 Increase(Decrease) in Reserve	\$ (10,329,545)	(491,597)	\$ (9,587,948)	\$ (250,000)
Projected Reserve, December 31, 2024	\$ 12,793,259	\$ 10,173,095	\$ -	\$ 2,620,164
2024 Expenses and Capital Expenditures	35,404,795			
Less: Penalties Released	(9,587,948)			
Less: Other Funding Sources	(1,075,250)			
Change to Working Capital & Peak Reliability Donation Reserves	(741,597)			
2024 WECC Assessment	\$ 24,000,000			

WECC's Board has approved a Working Capital Reserve balance equal to one to three months of Personnel, Meeting, and Operating Expenses per its Reserve Policy, approved by the FAC in June 2023.



Breakdown of Statement of Activities

The following detailed schedules are in support of the Statutory Statement of Activities and Capital Expenditures on page 13.

Monetary Penalties

As documented in the NERC Policy *Accounting, Financial Statement and Budgetary Treatment of Penalties Imposed and Received for Violations of Reliability Standards*, penalty monies received on or before June 30, 2023, will be used to offset assessments in the 2024 WECC budget.

WECC received \$19,919,000 in penalty monies between July 1, 2021, and June 30, 2022. Of this amount, WECC obtained FERC approval through the 2023 Business Plan and Budget process to release \$11,219,000 in penalty monies to offset 2023 assessments, with the remaining unreleased penalties of \$8,700,000 to be used to offset and stabilize assessments in 2024.

In addition to the penalty funds carried forward to 2024, other penalty monies collected to offset 2024 assessments are included in Table B-2.

Allocation Method: Penalty monies released have been allocated to the following Statutory Programs to reduce assessments:

- Reliability Standards;
- Compliance Monitoring and Enforcement and Organization Registration and Certification;
- Reliability Assessment and Performance Analysis;
- Training and Outreach; and
- Situation Awareness and Infrastructure Security.

Penalty monies are allocated based on the number of FTEs in the functional areas divided by the aggregate total FTEs in the programs receiving the allocation.

Section B—Supplemental Financial Information

Penalty Sanctions

Table B-2

Penalty Information	
Total penalties available to offset 2024 assessments	\$ 9,587,948
Penalties released to offset 2024 assessments	(9,587,948)
Unreleased penalties to offset 2025 assessments	<u><u>\$ -</u></u>



Section B—Supplemental Financial Information

Supplemental Funding

Table B-3

Supplemental Revenue Breakdown By Program (Excludes Assessments & Penalty Sanctions)		Budget 2023	Projection 2023	Budget 2024	Variance 2023 Budget v 2024 Budget
Reliability Standards					
Interest		\$ 1,507	\$ 40,087	\$ 14,118	\$ 12,611
	Total	\$ 1,507	\$ 40,087	\$ 14,118	\$ 12,611
Compliance Monitoring, Enforcement & Org. Registration					
Interest		\$ 34,142	\$ 835,115	\$ 343,529	\$ 309,387
	Total	\$ 34,142	\$ 835,115	\$ 343,529	\$ 309,387
Reliability Assessment and Performance Analysis					
Interest		\$ 19,079	\$ 460,983	\$ 192,941	\$ 173,862
	Total	\$ 19,079	\$ 460,983	\$ 192,941	\$ 173,862
Training and Outreach					
Workshops & Miscellaneous		\$ 188,100	\$ 188,100	\$ 475,250	\$ 287,150
Interest		4,268	103,554	40,000	35,732
	Total	\$ 192,368	\$ 291,654	\$ 515,250	\$ 322,882
Situation Awareness and Infrastructure Security					
Interest		\$ 1,004	\$ 26,724	\$ 9,412	\$ 8,408
	Total	\$ 1,004	\$ 26,724	\$ 9,412	\$ 8,408
Corporate Services					
Interest		\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -
Total Supplemental Funding		\$ 248,100	\$ 1,654,563	\$ 1,075,250	\$ 827,150

Explanation of Significant Variances—2024 Budget versus 2023 Budget

WECC anticipates its investments will earn interest of approximately \$600,000 in 2024 due to higher interest rates than prior years. This revenue is allocated to the Statutory Programs based on FTEs.

Reliability Standards

- No significant changes.

Compliance Monitoring and Enforcement and Organization Registration and Certification

- No significant changes.

Reliability Assessment and Performance Analysis

- No significant changes.



Section B—Supplemental Financial Information

Training and Outreach

- One additional Reliability and Security Workshop is held in person—fees for in-person attendance are higher than virtual attendance fees.

Situation Awareness and Infrastructure Security

- No significant changes.

Corporate Services

- No significant changes.



Section B—Supplemental Financial Information

Personnel Expenses

Table B-4

Personnel Expenses	Budget 2023	Projection 2023	Budget 2024	Variance		
				2023 Budget v 2024 Budget	Variance %	
Salaries						
Salaries	\$ 20,039,300	\$ 21,457,898	\$ 22,648,811	\$ 2,609,511	13.0%	
Employment Agency Fees	-	75,250	-	-	(100.0%)	
Temporary Office Services	-	6,500	-	-		
Total Salaries	\$ 20,039,300	\$ 21,539,648	\$ 22,648,811	\$ 2,609,511	13.0%	
Total Payroll Taxes	\$ 1,322,041	\$ 1,374,810	\$ 1,436,740	\$ 114,699	8.7%	
Benefits						
Workers Compensation	\$ 15,000	\$ 16,982	\$ 19,800	\$ 4,800	32.0%	
Medical Insurance	2,339,510	2,061,612	2,465,138	125,628	5.4%	
Life-LTD-STD Insurance	105,665	105,433	114,795	9,130	8.6%	
Education	164,347	187,580	145,437	(18,910)	(11.5%)	
Relocation	-	-	-	-		
Other	24,996	24,159	24,996	-	0.0%	
Total Benefits	\$ 2,649,518	\$ 2,395,766	\$ 2,770,166	\$ 120,648	4.6%	
Retirement						
Discretionary 401(k) Contribution	\$ 1,779,267	\$ 1,805,354	\$ 2,010,272	\$ 231,005	13.0%	
Retirement Administration Fees	30,000	30,000	30,000	-		
Total Retirement	\$ 1,809,267	\$ 1,835,354	\$ 2,040,272	\$ 231,005	12.8%	
Total Personnel Costs	\$ 25,820,126	\$ 27,145,578	\$ 28,895,989	\$ 3,075,863	11.9%	
FTEs	160.0	160.0	168.0	8.0	5.0%	
Cost per FTE						
Salaries	\$ 125,246	\$ 134,623	\$ 134,814	\$ 9,569	7.6%	
Payroll Taxes	8,263	8,593	8,552	289	3.5%	
Benefits	16,559	14,974	16,489	(70)	(0.4%)	
Retirement	11,308	11,471	12,144	837	7.4%	
Total Cost per FTE	\$ 161,376	\$ 169,660	\$ 172,000	\$ 10,624	6.6%	

Explanation of Significant Variances—2024 Budget versus 2023 Budget

Salaries

- Salaries increase by a net of \$2,610,000 primarily due to 8.0 new FTEs, recruiting and retention initiatives, and a budgeted 3% merit pool.

Payroll Taxes

- Payroll Taxes increase by a net of \$115,000 and fluctuate with salaries.



Section B—Supplemental Financial Information

Benefits

- Medical Insurance increases by a net of \$126,000 primarily due to additional FTEs and changes in participation and enrollment levels.

Retirement

- Discretionary 401(k) Contribution increases by a net of \$231,000 because retirement contributions fluctuate with salaries.



Section B—Supplemental Financial Information

Meeting Expenses

Table B-5

Meeting & Conference Call Expense	Budget 2023	Projection 2023	Budget 2024	Variance 2023 Budget v 2024 Budget	Variance %
Reliability Standards	\$ -	\$ -	\$ -	\$ -	
Compliance Monitoring and Enforcement and Organization Registration and Certification	-	711	-	-	
Reliability Assessment and Performance Analysis	56,722	50,904	59,228	2,506	4.4%
Training and Outreach	231,509	235,005	470,133	238,624	103.1%
Situation Awareness and Infrastructure Security	-	-	-	-	
Corporate Services	97,950	110,778	75,403	(22,547)	(23.0%)
Total Meeting Expenses	\$ 386,181	\$ 397,398	\$ 604,764	\$ 218,583	56.6%

Travel Expense	Budget 2023	Projection 2023	Budget 2024	Variance 2023 Budget v 2024 Budget	Variance %
Reliability Standards	\$ 7,520	\$ 9,742	\$ 11,315	\$ 3,795	50.5%
Compliance Monitoring and Enforcement and Organization Registration and Certification	175,520	338,573	323,430	147,910	84.3%
Reliability Assessment and Performance Analysis	151,230	149,014	215,878	64,648	42.7%
Training and Outreach	45,341	21,778	32,540	(12,801)	(28.2%)
Situation Awareness and Infrastructure Security	16,050	15,250	17,470	1,420	8.8%
Corporate Services	165,447	163,021	148,537	(16,910)	(10.2%)
Total Travel Expenses	\$ 561,108	\$ 697,378	\$ 749,170	\$ 188,062	33.5%

Explanation of Significant Variances—2024 Budget versus 2023 Budget

Meeting & Conference Call Expense

- Training and Outreach increases by \$239,000 primarily due to holding the fall Reliability and Security Workshop in person due to stakeholder feedback. The costs of these workshops are funded through attendee and vendor registration fees.

Travel Expense

- CMEP increases by a net of \$148,000 primarily due to increases in in-person meetings and outreach, 5.0 additional FTEs, inflationary impacts on airfare and hotel rates, and increases in remote employees.
- RAPA increases by a net of \$65,000 primarily due to increases in in-person meetings and outreach, 3.0 additional FTEs, inflationary impacts on airfare and hotel rates, and increases in remote employees.



Section B—Supplemental Financial Information

Consultants and Contracts

Table B-6

Consultants	Budget 2023	Projection 2023	Budget 2024	Variance 2023 Budget v 2024 Budget	Variance %
Consultants					
Reliability Standards	\$ -	\$ -	\$ -	\$ -	
Compliance Monitoring and Enforcement and Organization Registration and Certification	50,000	50,073	36,000	(14,000)	(28.0%)
Reliability Assessment and Performance Analysis	159,000	195,658	133,400	(25,600)	(16.1%)
Training and Outreach	-	-	-	-	
Situation Awareness and Infrastructure Security	-	-	-	-	
Corporate Services	1,045,100	1,011,897	559,500	(485,600)	(46.5%)
Consultants Total	\$ 1,254,100	\$ 1,257,628	\$ 728,900	\$ (525,200)	(41.9%)

Contracts	Budget 2023	Projection 2023	Budget 2024	Variance 2023 Budget v 2024 Budget	Variance %
Contracts					
Reliability Standards	\$ -	\$ -	\$ -	\$ -	
Compliance Monitoring and Enforcement and Organization Registration and Certification	-	207,750	-	-	
Reliability Assessment and Performance Analysis	-	-	-	-	
Training and Outreach	-	-	-	-	
Situation Awareness and Infrastructure Security	-	-	-	-	
Corporate Services	-	919	-	-	
Contracts Total	\$ -	\$ 208,669	\$ -	\$ -	
Total Consulting and Contracts	\$ 1,254,100	\$ 1,466,297	\$ 728,900	\$ (525,200)	(41.9%)

Explanation of Significant Variances—2024 Budget versus 2023 Budget

Consultants

- RAPA decreases by a net of \$26,000 primarily due to the completion of one-time MAVRIC probabilistic tool updates.
- Corporate Services decreases by a net of \$486,000 primarily due to the completion of a content management system implementation, a data management project, and a planned reduction in organizational development consulting.

Contracts

- Not applicable.



Section B—Supplemental Financial Information

Office Rent

Table B-7

Office Rent	Budget 2023	Projection 2023	Budget 2024	Variance	
				2023 Budget v 2024 Budget	Variance %
Office Rent	\$ 1,301,772	\$ 1,304,442	\$ 1,309,800	\$ 8,028	0.6%
Utilities	-	-	-	-	
Maintenance	16,664	17,799	17,402	738	4.4%
Security	-	-	-	-	
Total Office Rent	\$ 1,318,436	\$ 1,322,241	\$ 1,327,202	\$ 8,766	0.7%

Explanation of Significant Variances—2024 Budget versus 2023 Budget

- No significant changes.



Section B—Supplemental Financial Information

Office Costs

Table B-8

Office Costs	Budget 2023	Projection 2023	Budget 2024	Variance 2023 Budget v 2024 Budget	Variance %
Telephone	\$ 92,600	\$ 93,325	\$ 87,860	\$ (4,740)	(5.1%)
Internet	85,776	69,014	53,691	(32,085)	(37.4%)
Office Supplies	73,224	73,763	68,677	(4,547)	(6.2%)
Computer Supplies and Maintenance	1,520,317	1,232,840	2,028,971	508,654	33.5%
Publications and Subscriptions	64,420	59,595	57,052	(7,368)	(11.4%)
Dues and Fees	235,957	221,818	241,143	5,186	2.2%
Postage	1,500	1,000	3,400	1,900	126.7%
Express Shipping	7,844	7,889	9,215	1,371	17.5%
Copying	11,516	10,273	13,298	1,782	15.5%
Bank Charges	51,225	58,260	72,000	20,775	40.6%
Taxes	29,122	43,851	56,000	26,878	92.3%
Total Office Costs	\$ 2,173,501	\$ 1,871,628	\$ 2,691,307	\$ 517,806	23.8%

Explanation of Significant Variances—2024 Budget versus 2023 Budget

- Internet decreases by \$32,000 due to a planned phase-out of wireless hotspots due to increased security provided by an always-on VPN product scheduled to be implemented in 2023.
- Computer Supplies and Maintenance increases by a net of \$509,000 primarily due to an increase in subscription-based security tools and software, the conversion of the PLEXOS energy market simulation platform trial license to a permanent license, and licensing for new software, like a document management system and a more robust business intelligence tool.



Section B—Supplemental Financial Information

Professional Services

Table B-9

Professional Services	Budget 2023	Projection 2023	Budget 2024	Variance	
				2023 Budget v 2024 Budget	Variance %
Board Director Fees	\$ 947,000	\$ 947,000	\$ 993,895	\$ 46,895	5.0%
Outside Legal	-	5,613	60,320	60,320	
Accounting and Auditing Fees	44,000	51,980	47,000	3,000	6.8%
Insurance Commercial	96,000	162,015	159,996	63,996	66.7%
Total Services	\$ 1,087,000	\$ 1,166,608	\$ 1,261,211	\$ 174,211	16.0%

Explanation of Significant Variances—2024 Budget versus 2023 Budget

- Board Director Fees increase by \$47,000 due to an increase in Board Director retainers for 2024 compensation.
- Outside Legal increases by \$60,000 due to increased reliance on outside counsel for specific expertise.
- Insurance Commercial increases by \$64,000 due to increases in business insurance premiums.



Section B—Supplemental Financial Information

Miscellaneous Expenses

Table B-10

Miscellaneous Expenses	Budget 2023	Projection 2023	Budget 2024	Variance 2023 Budget v 2024 Budget	Variance %
Miscellaneous	\$ -	\$ -	\$ -	\$ -	-
Total Miscellaneous Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

Explanation of Significant Variances—2024 Budget versus 2023 Budget

- Not applicable.



Section B—Supplemental Financial Information

Other Non-Operating

Table B-11

Other Non-Operating Expenses	Budget 2023	Projection 2023	Budget 2024	Variance 2023 Budget v 2024 Budget	Variance %
Interest Expense	\$ -	\$ -	\$ -	\$ -	-
Line of Credit Payment	-	-	-	-	-
Office Relocation	-	-	-	-	-
Total Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	-

Explanation of Significant Variances—2024 Budget versus 2023 Budget

- Not applicable.



Section B—Supplemental Financial Information

Fixed Assets

Table B-12

Fixed Assets	Budget 2023	Projection 2023	Budget 2024	Variance	
				2023 Budget v 2024 Budget	Variance %
Computer and Software CapEx	\$ -	\$ -	\$ -	\$ -	
Furniture and Fixtures CapEx	-	-	-	-	
Equipment CapEx	54,868	62,941	127,040	72,172	131.5%
Leasehold Improvements	-	-	-	-	
	<u>\$ 54,868</u>	<u>\$ 62,941</u>	<u>\$ 127,040</u>	<u>\$ 72,172</u>	<u>131.5%</u>

Explanation of Significant Variances—2024 Budget versus 2023 Budget

- Equipment CapEx increases by a net of \$72,000 primarily due to refreshes of servers, security upgrades to the corporate Wi-Fi, and battery back-up replacement.





Section C

Non-Statutory Program

Section C—Non-Statutory Program

Western Renewable Energy Generation Information System (in whole dollars)			
	2023 Budget	2024 Budget	Increase (Decrease)
Total FTEs	9.00	11.00	2.00
Direct Expenses	\$ 2,009,869	\$ 2,263,452	\$ 253,583
Indirect Expenses	\$ 843,037	\$ 980,785	\$ 137,748
Inc(Dec) in Fixed Assets	\$ 4,132	\$ 10,960	\$ 6,828
Total Funding Requirement	\$ (177,177)	\$ (323,697)	\$ (146,520)

WREGIS

The Western Renewable Energy Generation Information System (WREGIS) is an independent, renewable energy database for the Western Interconnection. WREGIS creates renewable energy certificates (REC) for verifiable renewable generation from units that are registered in the database.

WREGIS was developed by the Western Governors' Association, the Western Regional Air Partnership, and the California Energy Commission (CEC). This development was further guided by stakeholder input from more than 400 participants for more than three years.

The program was integrated into WECC on March 31, 2012, following the expiration of the contract between WECC and the CEC that provided for backstop funding. WREGIS is advised by two committees: the Stakeholder Advisory Committee, which is open to all interested participants, and the WREGIS Committee, which is open to members and various stakeholder groups.

WREGIS costs fall outside Section 215 of the Federal Power Act. Participants fund WREGIS through registration and transaction fees. To avoid any crossover of Section 215 dollars, a portion of WECC's overhead costs is allocated to the program based on a formula implemented following a FERC audit.

WREGIS consists of two parts: the information system software and administrative operations. Staff coordinates with the software contractor and performs all the administrative tasks, including:

- Registering customers and generation units;
- Training users;
- Providing customer service and help desk services;
- Supporting participating programs by facilitating cooperation and research into ongoing issues and sharing documentation with participants;
- Auditing generation and other data; and
- Managing the budgeting, billing, and financial reporting.



2024 Key Budget Assumptions

WREGIS is funded entirely by user fees and is not subsidized by Section 215 funding. There are several types of user fees. Annual fees are paid by Generator and General Organizations and are based on size (generation capacity) and organization type. Transaction fees are paid by General Organizations. WREGIS also charges fees for ad hoc reporting and e-Tag related data services.

- Transaction fees are based on organization type.
 - Approximately 4% of revenues are based on annual fees.
 - Approximately 92% of revenues are based on transaction fees, which can depend on factors like weather (wind and solar generation levels) and state regulatory policies (retirement, transfers, etc.).
 - Approximately 4% of revenues are attributable to fees for specific, requested functions like tracking e-Tags.
- Revenues vary from year to year, so WREGIS reserves are held to allow for normal operations or special large-scale improvements.
- The new software is a cloud-based software as a service product and all costs, including upgrades, maintenance and licenses are built into the monthly fee.
- Interest rates will continue to increase.
- Travel for training and audits will increase after a reduction caused by the COVID-19 pandemic.
- Two analysts are added due to program growth, increasing customer audit requirements, and software needs.

2024 Goals and Key Deliverables

- Continuously improve program processes and tools to adapt to changes in the industry.
- Deliver quantitative and qualitative results for corporate scorecard items and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Maintain compliance with the participating state and provincial programs, and voluntary programs.
- Register program participants.
- Refine and improve data collection to ensure high-quality data.
- Perform four customer audits split between Qualified Reporting Entities and REC holding customers.
- Deliver one in-person customer training session and quarterly virtual customer training sessions.
- Deliver one in-person and two virtual Qualified Reporting Entity training sessions.

Resource Requirements/Explanation of Significant Changes

Funding Sources

- Membership Fees increase by a net of \$190,000 primarily due to an anticipated increase in program participation and expansions of some programs.
- Interest increases by \$60,000 primarily due to higher rates of return on investments.

Personnel Expenses

- Personnel Expenses increase by a net of \$240,000 primarily due to two new positions, recruiting and retention initiatives, a budgeted 3% merit pool, continued refinement of labor float percentages, and the refinement of payroll tax and benefits enrollment rates.

Meeting Expenses

- No significant changes.

Operating Expenses

- No significant changes.

Indirect Expenses

- Indirect Expenses increase by a net of \$138,000 primarily due to two new positions added in this program and an increase in Corporate Services expenses. Corporate Services expenses are allocated to statutory and non-statutory program areas based on FTEs.

Other Non-Operating Expenses

- No significant changes.

Fixed Assets

- No significant changes.



WREGIS Program Funding Sources and Expenditures

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital					
2023 Budget & Projection, and 2024 Budget					
NON-STATUTORY					
	2023 Budget	2023 Projection	Variance 2023 Budget v 2023 Projection Over(Under)	2024 Budget	Variance 2024 Budget v 2023 Budget Inc(Dec)
Revenue					
Statutory Funding					
WECC Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Penalties Released	-	-	-	-	-
Total Statutory Funding	\$ -	\$ -	\$ -	\$ -	\$ -
Membership Fees	\$ 2,666,736	\$ 2,878,098	\$ 211,362	2,857,000	\$ 190,264
Workshops & Miscellaneous	1,125	1,125	-	2,500	1,375
Interest	12,000	83,080	71,080	72,000	60,000
Total Revenue (A)	\$ 2,679,861	\$ 2,962,303	\$ 282,442	\$ 2,931,500	\$ 251,639
Expenses					
Personnel Expenses					
Salaries	\$ 765,205	\$ 789,689	\$ 24,484	\$ 958,109	\$ 192,904
Payroll Taxes	51,670	52,794	1,124	61,639	9,969
Benefits	123,553	112,672	(10,881)	144,047	20,494
Retirement Costs	68,072	67,719	(353)	85,154	17,082
Total Personnel Expenses	\$ 1,008,500	\$ 1,022,874	\$ 14,374	\$ 1,248,949	\$ 240,449
Meeting Expenses					
Meetings & Conference Calls	\$ 3,350	\$ 3,350	\$ -	\$ 4,200	\$ 850
Travel	17,620	15,306	(2,314)	25,880	8,260
Total Meeting Expenses	\$ 20,970	\$ 18,656	\$ (2,314)	\$ 30,080	\$ 9,110
Operating Expenses, excluding Depreciation					
Consultants & Contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Office Rent	-	-	-	-	-
Office Costs	980,399	700,144	(280,255)	984,423	4,024
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Operating Expenses	\$ 980,399	\$ 700,144	\$ (280,255)	\$ 984,423	\$ 4,024
Total Direct Expenses	\$ 2,009,869	\$ 1,741,674	\$ (268,195)	\$ 2,263,452	\$ 253,583
Indirect Expenses	\$ 843,037	\$ 802,648	\$ (40,389)	\$ 980,785	\$ 137,748
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 2,852,906	\$ 2,544,322	\$ (308,584)	\$ 3,244,237	\$ 391,331
Change in Net Assets (=A-B)	\$ (173,045)	\$ 417,981	\$ 591,026	\$ (312,737)	\$ (139,692)
Fixed Assets, excluding Right of Use Assets (C)	\$ 4,132	\$ 2,004,588	\$ 2,000,456	\$ 10,960	\$ 6,828
TOTAL BUDGET (=B+C)	\$ 2,857,038	\$ 4,548,910	\$ 1,691,872	\$ 3,255,197	\$ 398,159
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	\$ (177,177)	\$ (1,586,607)	\$ (1,409,430)	\$ (323,697)	\$ (146,520)
FTEs	9.00	8.00	(1.00)	11.00	2.00
HC	9.00	9.00	-	11.00	2.00



Personnel Analysis

FTEs are defined as full-time equivalent employees only. Fractional FTEs reflect part-time employees or employees who worked in fewer than all four quarters of the year.

Total FTEs by Program Area	Budget 2023	Projection 2023	Direct FTEs 2024 Budget	FTEs* 2024 Budget	Total FTEs 2024 Budget	Change from 2023 Budget
NON-STATUTORY						
Operational Programs						
Total FTEs Operational Programs	-	-	-	-	-	-
Administrative Programs						
WREGIS	9.00	8.00	11.00	-	11.00	2.00
Total FTEs Administrative Programs	9.00	8.00	11.00	-	11.00	2.00
Total FTEs	9.00	8.00	11.00	-	11.00	2.00

*A shared FTE is defined as an employee who performs both Statutory and Non-Statutory functions.

Reserve Analysis

Working Capital Reserve Analysis	
NON-STATUTORY	
Beginning Reserve (Deficit), January 1, 2023	Total \$ 6,479,874
Plus: 2023 Funding	2,962,303
Less: 2023 Projected expenses & capital expenditures	(4,548,910)
Projected Working Capital Reserve (Deficit), December 31, 2023	<u>\$ 4,893,267</u>
Plus: 2024 Funding	2,931,500
Less: 2024 Projected expenses & capital expenditures	(3,255,197)
Projected Working Capital Reserve, December 31, 2024	<u>\$ 4,569,570</u>





Section D

Additional Financial Information

Section D—Additional Financial Information

Section D—Additional Financial Information

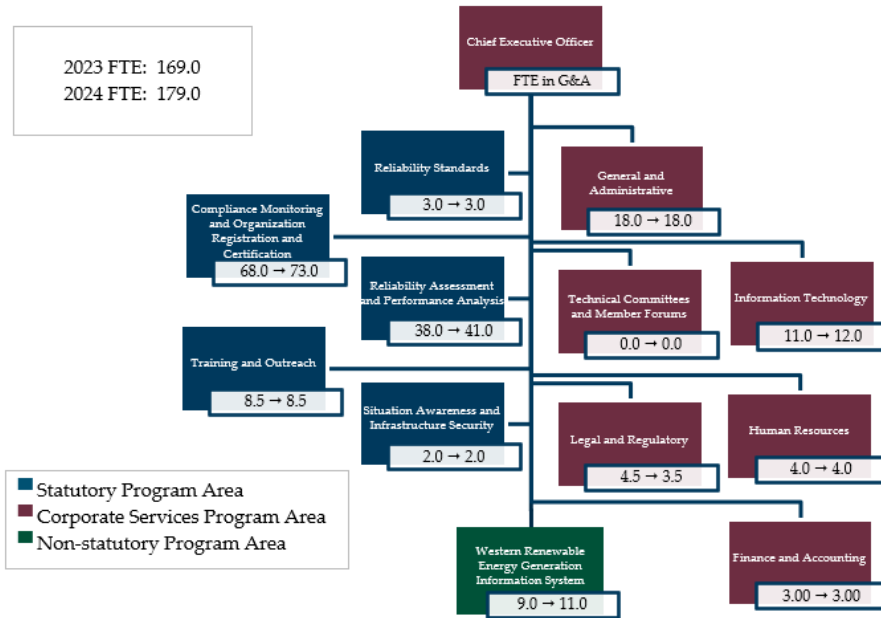
2024 Consolidated Statement of Activities by Program, Statutory, and Non-Statutory

Statement of Activities and Capital Expenditures by Program	Total	Statutory Total	Non-Statutory Total	Statutory Functions						Non-Statutory Functions		
				Statutory Total	Reliability Standards	Compliance and Organization Registration and Certification	Reliability Assessment and Performance Analysis	Training and Outreach	Situation Awareness and Infrastructure Security	Corporate Services	Non-Statutory Total	WREGIS
Revenue												
Statutory Funding												
WECC Assessments	\$ 24,000,000	\$ 24,000,000	\$ -	\$ 24,000,000	\$ 619,644	\$ 13,349,713	\$ 8,078,952	\$ 1,543,080	\$ 408,611	\$ -	\$ -	\$ -
Penalties Released	9,587,948	9,587,948	-	9,587,948	225,599	5,489,570	3,083,183	639,197	150,399	-	-	-
Total Statutory Funding	\$ 33,587,948	\$ 33,587,948	\$ -	\$ 33,587,948	\$ 845,243	\$ 18,839,283	\$ 11,162,135	\$ 2,182,277	\$ 559,010	\$ -	\$ -	\$ -
Non-statutory Funding												
Non-statutory Funding	\$ 2,857,000	\$ -	\$ 2,857,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,857,000
Workshops & Miscellaneous	477,750	475,250	2,500	475,250	-	-	-	475,250	-	-	-	2,500
Interest	672,000	600,000	72,000	600,000	14,118	343,529	192,941	40,000	9,412	-	-	72,000
Total Revenue (A)	\$ 37,594,698	\$ 34,663,198	\$ 2,931,500	\$ 34,663,198	\$ 859,361	\$ 19,182,812	\$ 11,355,076	\$ 2,697,527	\$ 568,422	\$ -	\$ 2,931,500	\$ 2,931,500
Expenses												
Personnel Expenses												
Salaries	\$ 23,606,917	\$ 22,648,808	\$ 958,109	\$ 22,648,808	\$ 479,911	\$ 9,910,169	\$ 5,548,711	\$ 1,145,832	\$ 302,007	\$ 5,262,178	\$ 958,109	\$ 958,109
Payroll Taxes	1,498,378	1,436,739	61,639	1,436,739	30,188	639,015	355,291	71,219	19,875	321,151	61,639	61,639
Benefits	2,914,213	2,770,166	144,047	2,770,166	40,466	1,012,416	589,838	123,107	31,235	973,104	144,047	144,047
Retirement Costs	2,125,427	2,040,273	85,154	2,040,273	42,482	879,599	493,293	101,715	26,879	496,305	85,154	85,154
Total Personnel Expenses	\$ 30,144,935	\$ 28,895,986	\$ 1,248,949	\$ 28,895,986	\$ 593,047	\$ 12,441,199	\$ 6,987,133	\$ 1,441,873	\$ 379,996	\$ 7,052,738	\$ 1,248,949	\$ 1,248,949
Meeting Expenses												
Meetings & Conference Calls	\$ 608,964	\$ 604,764	\$ 4,200	\$ 604,764	\$ -	\$ -	\$ 59,228	\$ 470,133	\$ -	\$ 75,403	\$ 4,200	\$ 4,200
Travel	775,050	749,170	25,880	749,170	11,315	323,430	215,878	32,540	17,470	148,537	25,880	25,880
Total Meeting Expenses	\$ 1,384,014	\$ 1,353,934	\$ 30,080	\$ 1,353,934	\$ 11,315	\$ 323,430	\$ 275,106	\$ 502,673	\$ 17,470	\$ 223,940	\$ 30,080	\$ 30,080
Operating Expenses, excluding Depreciation												
Consultants & Contracts	\$ 728,900	\$ 728,900	\$ -	\$ 728,900	\$ -	\$ 36,000	\$ 133,400	\$ -	\$ -	\$ 559,500	\$ -	\$ -
Office Rent	1,327,202	1,327,202	-	1,327,202	-	-	-	-	-	1,327,202	-	-
Office Costs	3,675,730	2,691,307	984,423	2,691,307	2,907	211,009	505,867	44,345	2,800	1,924,379	984,423	984,423
Professional Services	1,261,211	1,261,211	-	1,261,211	-	-	-	-	-	1,261,211	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	\$ 6,993,043	\$ 6,008,620	\$ 984,423	\$ 6,008,620	\$ 2,907	\$ 247,009	\$ 639,267	\$ 44,345	\$ 2,800	\$ 5,072,292	\$ 984,423	\$ 984,423
Total Direct Expenses												
Total Direct Expenses	\$ 38,521,992	\$ 36,258,540	\$ 2,263,452	\$ 36,258,540	\$ 607,269	\$ 13,011,638	\$ 7,901,506	\$ 1,988,891	\$ 400,266	\$ 12,348,970	\$ 2,263,452	\$ 2,263,452
Indirect Expenses												
Indirect Expenses	\$ -	\$ (980,785)	\$ 980,785	\$ (980,785)	\$ 267,487	\$ 6,508,843	\$ 3,655,652	\$ 757,879	\$ 178,324	\$ (12,348,970)	\$ 980,785	\$ 980,785
Other Non-Operating Expenses												
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 38,521,992	\$ 35,277,755	\$ 3,244,237	\$ 35,277,755	\$ 874,756	\$ 19,520,481	\$ 11,557,158	\$ 2,746,770	\$ 578,590	\$ -	\$ 3,244,237	\$ 3,244,237
Change in Net Assets (=A-B)	\$ (927,294)	\$ (614,557)	\$ (312,737)	\$ (614,557)	\$ (15,395)	\$ (337,669)	\$ (202,082)	\$ (49,243)	\$ (10,168)	\$ -	\$ (312,737)	\$ (312,737)
Depreciation												
Computer & Software CapEx	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Furniture & Fixtures CapEx	-	-	-	-	-	-	-	-	-	-	-	-
Equipment CapEx	138,000	138,000	-	138,000	-	-	-	-	-	138,000	-	-
Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of Fixed Assets	-	(10,960)	10,960	(10,960)	2,990	72,736	40,852	8,469	1,993	(138,000)	10,960	10,960
Fixed Assets, excluding Right of Use Assets (C)	\$ 138,000	\$ 127,040	\$ 10,960	\$ 127,040	\$ 2,990	\$ 72,736	\$ 40,852	\$ 8,469	\$ 1,993	\$ -	\$ 10,960	\$ 10,960
TOTAL BUDGET (B+C)	\$ 38,659,992	\$ 35,404,795	\$ 3,255,197	\$ 35,404,795	\$ 877,746	\$ 19,593,217	\$ 11,598,010	\$ 2,755,239	\$ 580,583	\$ -	\$ 3,255,197	\$ 3,255,197
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (1,065,294)	\$ (741,597)	\$ (323,697)	\$ (741,597)	\$ (18,385)	\$ (410,405)	\$ (242,934)	\$ (57,712)	\$ (12,161)	\$ -	\$ (323,697)	\$ (323,697)
FTEs	179.00	168.00	11.00	168.00	3.00	73.00	41.00	8.50	2.00	40.50	11.00	11.00
HC	179.00	168.00	11.00	168.00	3.00	73.00	41.00	8.00	2.00	41.00	11.00	11.00



Appendix A—Organizational Chart

Changes in Budgeted FTE by Program Area



Appendix B—2024 Budget and Projected 2025 and 2026 Budgets

Statement of Activities and Capital Expenditures 2024 Budget & Projected 2025 and 2026 Budgets								
Statutory								
	2024	2025	\$ Change	% Change	2026	\$ Change	% Change	
	Budget	Projection	24 v 25	24 v 25	Projection	25 v 26	25 v 26	
Revenue								
Statutory Funding								
WECC Assessments	\$ 24,000,000	\$ 30,000,000	\$ 6,000,000	25.0%	\$ 30,000,000	\$ -	0.0%	
Penalties Released	9,587,948	-	(9,587,948)	(100.0%)	-	-		
Total Statutory Funding	\$ 33,587,948	\$ 30,000,000	\$ (3,587,948)	(10.7%)	\$ 30,000,000	\$ -	0.0%	
Membership Fees	\$ -	\$ -	\$ -		\$ -	\$ -		
Workshops & Miscellaneous	475,250	475,250	-	0.0%	475,250	-	0.0%	
Interest	600,000	600,000	-	0.0%	600,000	-	0.0%	
Total Revenue (A)	\$ 34,663,198	\$ 31,075,250	\$ (3,587,948)	(10.4%)	\$ 31,075,250	\$ -	0.0%	
Expenses								
Personnel Expenses								
Salaries	\$ 22,648,808	\$ 23,956,766	\$ 1,307,958	5.8%	\$ 25,300,970	\$ 1,344,204	5.6%	
Payroll Taxes	1,436,739	1,519,710	82,971	5.8%	1,604,980	85,270	5.6%	
Benefits	2,770,166	3,047,183	277,017	10.0%	3,199,542	152,359	5.0%	
Retirement Costs	2,040,273	2,156,109	115,836	5.7%	2,277,087	120,978	5.6%	
Total Personnel Expenses	\$ 28,895,986	\$ 30,679,768	\$ 1,783,782	6.2%	\$ 32,382,579	\$ 1,702,812	5.6%	
Meeting Expenses								
Meetings & Conference Calls	\$ 604,764	\$ 679,764	\$ 75,000	12.4%	\$ 779,764	\$ 100,000	14.7%	
Travel	749,170	824,087	74,917	10.0%	906,496	82,409	10.0%	
Total Meeting Expenses	\$ 1,353,934	\$ 1,503,851	\$ 149,917	11.1%	\$ 1,686,260	\$ 182,409	12.1%	
Operating Expenses, excluding Depreciation								
Consultants & Contracts	\$ 728,900	\$ 613,900	\$ (115,000)	(15.8%)	\$ 613,900	\$ -	0.0%	
Office Rent	1,327,202	929,041	(398,161)	(30.0%)	929,041	-	0.0%	
Office Costs	2,691,307	2,745,133	53,826	2.0%	2,800,036	54,903	2.0%	
Professional Services	1,261,211	1,299,047	37,836	3.0%	1,338,019	38,971	3.0%	
Miscellaneous	-	-	-		-	-		
Total Operating Expenses	\$ 6,008,620	\$ 5,587,122	\$ (421,498)	(7.0%)	\$ 5,680,996	\$ 93,874	1.7%	
Total Direct Expenses	\$ 36,258,540	\$ 37,770,740	\$ 1,512,200	4.2%	\$ 39,749,835	\$ 1,979,095	5.2%	
Indirect Expenses	\$ (980,785)	\$ (1,038,695)	\$ (57,910)	5.9%	\$ (1,132,870)	\$ (94,175)	9.1%	
Other Non-Operating Expenses	\$ -	\$ -	\$ -		\$ -	\$ -		
Total Expenses (B)	\$ 35,277,755	\$ 36,732,045	\$ 1,454,289	4.1%	\$ 38,616,965	\$ 1,884,920	5.1%	
Change in Assets	\$ (614,557)	\$ (5,656,795)	\$ (5,042,237)	820.5%	\$ (7,541,715)	\$ (1,884,920)	33.3%	
Incr(Dec) in Fixed Assets (C)	\$ 127,040	\$ 125,000	\$ (2,040)	(1.6%)	\$ 125,000	\$ -	0.0%	
TOTAL BUDGET (B+C)	\$ 35,404,795	\$ 36,857,045	\$ 1,452,249	4.1%	\$ 38,741,965	\$ 1,884,920	5.1%	
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	(741,597)	(5,781,795)	(5,040,197)	679.6%	(7,666,715)	(1,884,920)	32.6%	
FTEs	168.00	174.00	6.00	3.6%	178.00	4.00	2.3%	
HC	168.00	174.00	6.00	3.6%	178.00	4.00	2.3%	



Appendix C—Adjustment to the Alberta Electric System Operator (AESO) Assessment

To be inserted after Net Energy for Load data is collected

Appendix D—Statutory and Non-Statutory Budget History Charts

