

Jillian Lessner Chief Financial and Administrative Officer July 19, 2024

Mr. Andy Sharp Vice President, Chief Financial Officer North American Electric Reliability Corporation 3353 Peachtree Road, N.E. Suite 600—North Tower Atlanta, GA 30326

RE: WECC Q2 2024 Statutory Statement of Activities and Variance Report

Dear Andy,

Attached is WECC's second-quarter Statutory Statement of Activities and Variance Report. WECC's 2024 unaudited, net year-to-date results are \$1,172,739 under budget, excluding the impact of Generally Accepted Accounting Principles (GAAP) treatment of penalty revenue recognition. Explanations and drivers are noted below.

If you have questions or need more information, please contact me.

Regards,

Jillian Lessner

Chief Financial and Administrative Officer

Enclosures

Cc: Melanie Frye, President and Chief Executive Officer
WECC Finance and Audit Committee



Statutory Statement of Activities (Unaudited)

As of June 30, 2024

Variance Report

Year-to-date variances greater than \$10,000 and 10% are explained below. The explanations pertain to all statutory activities.

Funding

- Workshops & Miscellaneous: \$33,000 under budget
 Workshops & Miscellaneous funding is under budget primarily due to lower-than-budgeted workshop attendance for the March Reliability and Security Workshop.
- Interest: \$494,000 over budget
 Interest is over budget due to higher-than-budgeted interest rates and investment income.

Expenses

Employee Benefits: \$183,0000 under budget
 Employee Benefits are under budget primarily due to budgeted benefits enrollment level

assumptions compared to actual and the timing of Health Reimbursement Account (HRA) use.

- Meetings & Conference Calls: \$88,000 under budget
 Meetings & Conference Calls are under budget primarily due to the conversion of some inperson meetings to a virtual format.
- Travel: \$76,000 under budget
 - Travel is under budget primarily due to canceled and lower-than budgeted travel activity and the conversion of some in-person meetings to a virtual format.
- Consultants & Contracts: \$119,000 over budget
 Consultants & Contracts are over budget primarily due to unbudgeted Board Director search fees.
- Indirect Expenses: \$61,000 under budget
 Indirect Expenses are under budget due to the underrun in expenses allocated from the statutory to non-statutory activities.

Statutory Statement of Activities and Variance Explanations (July 19, 2024)

Fixed Assets

• Fixed Assets: \$61,000 under budget

Fixed Assets are under budget primarily due to the timing of server and equipment upgrades and replacements compared to budget.



Statutory Statement of Activities and Variance Explanations (July 19, 2024)



Western Electricity Coordinating Council Statutory Statement of Activities From 1/1/2024 to 6/30/2024 (Unaudited)

(In Whole Dollars)

Marian	(III WHOLE DONALS)	2024 YTD Actual	2024 YTD Budget	2024 YTD Variance	%	2024 Projection	2024 Annual Budget	2024 Projected Variance	%
Parallitic Released	Funding								
Penaltics Relossed 10,137,948 10,137,9	· ·	25,000,000	25,000,000	-	0.0%	25,000,000	25,000,000	-	0.0%
Part				-				-	
Page	Workshops & Miscellaneous	193,390	226,500	(33,110)	-14.6%	564,569	475,250	89,319	18.8%
Personal Expenses Salaries 10,062,776 10,311,828 (249,052) 2.4% 22,974,887 22,648,08 326,079 1.4% Payroll Taxes 752,115 712,464 39,651 5.6% 10,00,892 1,436,739 164,153 11.4% Employee Benefits 1,185,233 13,6739 164,165 11.4% 2.489,721 2.70,166 (284,45) 1.01,156 2.040,273 (79,107) 3.9% 70,107 70,10	Interest	793,579	300,000	493,579	164.5%	1,506,671	600,000	906,671	151.1%
Salaries 10,062,776 10,311,828 (249,052) 2.248,808 22,648,808 326,079 1.41 Payroll Taxes 752,115 712,464 39,651 5.6% 1,600,892 1,436,739 164,153 11.4% Employee Benefits 1,185,293 1,367,939 (182,646) 1-34% 1,248,9721 2,770,107 3-98 Retirement Costs 834,777 93,246 (78,89) 8-34 1,961,66 2,409,273 (79,107) -3-98 Total Personnel Expenses 12,854,941 13,324,877 (469,96) -3.5% 290,26,66 2,989,896 130,800 0.5% Meeting Expenses 203,263 290,998 (87,735) -3.1% 510,679 604,764 (94,085) 1.56% Total Meeting Expenses 588,177 722,623 (164,206) 227% 1,211,393 1,335,393 (142,541) 1.05.6% Obricaling Expenses 588,177 722,623 164,206 22,78 1,281,324 1,327,202 (42,908) 3,23% Office C	Total Funding	36,124,917	35,664,448	460,469	1.3%	37,209,188	36,213,198	995,990	2.8%
Salaries 10.062,776 10.311,828 (249,052) 2-24% (22974,887 22,648,808 326,079 1.4% Employee Penefits 1,185,293 1,367,393 (186,046) -13.4% 2,489,771 2,770,166 (280,445) -10.1% Retirement Costs 884,757 932,646 (77,889) 8-48% 1,661,666 2,040,273 (79,107) -3.9% Total Fersenes 12,854,941 13,248,777 (469)36 -3.5% 29,026,666 28,959,966 130,808 0.5% Meeting Expenses 12,854,941 32,248,77 (469)36 -3.6% 29,026,666 28,959,966 130,808 0.5% Meeting Expenses 355,154 431,625 (76,471) -17,7% 700,714 749,170 (48,456) -6.5% 70,401 72,263 (164,206) -2.27% 1,211,393 1,353,934 (142,541) -10.5% (162,646) -2.27% -2.28% (164,206) -2.27% -2.28% -2.2	Expenses								
Payroll Taxes	-								
Retirement Costs						, ,			
Total Personnel Expenses 12,854,941 13,324,877 (469,936) -3.5% 29,026,666 28,985,986 130,680 0.5% Meeting Expenses 12,854,941 13,324,877 (469,936) -3.5% 29,026,666 28,985,986 130,680 0.5% Meetings & Conference Calls 203,263 290,986 (87.735) -30.1% 510,679 604,764 (94,855) -15.6% Travel 3351,544 431,625 (76,471) -1.7% 700,714 749,170 (48,456) -4.5% Total Meeting Expenses 558,417 722,623 (164,206) -2.27% 1211,393 1,353,394 (42,2541) -10.5% Operating Expenses -2.27% -2.27% -2.27% -2.21	•								
Meeting Expenses 12,884,941 13,324,877 (469,936) -3.5% 29,026,666 28,895,986 130,680 0.5% Meeting Expenses 2032,663 290,998 (87,735) -30.1% 510,679 604,764 (94,085) -15.6% Travel 355,154 431,625 (76,471) -17.7% 700,714 749,170 (48,456) -6.5% 1704 Meeting Expenses 558,417 722,623 (164,206) -22.7% 12,11,393 1,353,934 (142,541) -10.5% Operating Expenses, excluding Depreciation Consultants & Contracts 441,544 322,367 119,177 37.0% 1,836,580 728,900 1,107,680 152.0% Office Costs 1,284,180 1,404,210 (120,030) -8.5% 2,564,147 2,691,307 (127,160) -4.7% Professional Services 603,386 642,106 (38,720) -6.0% 1,218,947 1,261,211 (42,264) -3.4% Miscellaneous								, ,	
Meeting Expenses Conference Calls 203,263 290,998 (87,735) -30.1% 510,679 604,764 (94,085) 1.56% Travel 355,154 431,625 (76,471) -17.7% 700,714 749,170 (48,456) 6.5% Total Meeting Expenses 558,417 722,623 (164,206) -22.7% 1,211,393 1,353,934 (142,541) -10.5% Operating Expenses, excluding Expenses, excluding Depreciation 80,000 80,000 80,000 1,211,393 1,353,934 (142,541) -10.5% Orfice Cost St 441,544 322,367 119,177 37.0% 1,284,581 1,294,180 1,404,210 (120,030) -8.5% 1,284,234 1,327,202 (42,968) 3.2% Office Costs 1,284,180 1,404,210 (120,030) -8.5% 1,284,147 2,691,307 (127,160) 4.7% Professional Services 603,386 642,106 (38,720) -6.0% 1,218,947 1,261,211 (42,264) 3.4% Total Operating Expenses 2,958,317	-			, ,				, ,	
Meetings & Conference Calls 203,263 290,998 (87,735) -30.1% 510,679 604,764 (94,085) -15.6% Travel 335,154 431,625 (76,471) -1.77% 700,714 749,170 (48,456) -6.5% 7041 Meeting Expenses 558,417 722,623 (164,206) -22.7% 1,211,393 1,353,934 (142,541) -10.5% 7041 Meeting Expenses -1.20 -1.2	• -	12,854,941	13,324,877	(469,936)	-3.5%	29,026,666	28,895,986	130,680	0.5%
Travel 335,154 431,625 (76,471) 1.77% 700,714 749,170 (48,456) 6.5% Total Meeting Expenses 538,417 722,623 (164,206) -22.7% 1,211,393 1,383,934 (142,541) -10.5% Operating Expenses cexcluding Depreciation 32.2% 119,177 37.0% 1,836,580 728,900 1,107,680 152.0% Office Rent 629,207 668,281 (39,074) 5.8% 1,284,234 1,327,202 (42,968) 3.2% Office Costs 1,284,180 1,404,210 (120,000) 4.5% 2,564,147 2,691,307 (127,160 4.7% Professional Services 603,386 642,106 (38,720) -6.0% 1,218,947 1,261,211 (42,264) -3.4% Miscellaneous 2,958,317 3,036,964 (78,647) -2.6% 6,903,908 6,08,620 895,288 14.9% Total Operating Expenses 16,371,675 17,084,464 (712,789) -4.2% (919,418) (980,785) 61,367 -4.3%<	= = =	202 262	200.008	(87 725)	20.19/	510 470	604 764	(04.085)	15 49/
Total Meeting Expenses 558,417 722,623 (164,206) -22,7% 1,211,393 1,353,934 (142,541) -10.5% Operating Expenses, excluding Depreciation Consultants & Contracts 441,544 322,367 119,177 37,0% 1,836,580 728,900 1,107,680 152,0% Office Costs 1,284,180 1,404,210 (120,030) 8.5% 1,284,234 1,327,202 (42,968) 3.2% Office Costs 1,284,180 1,404,210 (120,030) 8.5% 1,284,234 1,327,202 (42,968) 3.2% Office Costs 1,284,180 1,404,210 (120,030) 8.5% 1,284,234 1,327,202 (42,968) 3.2% Office Costs 1,284,180 1,404,210 (120,030) 8.5% 1,284,234 1,327,202 (42,968) 3.2% Professional Services 603,386 642,106 (38,720) 6.0% 1,218,947 1,261,211 (42,264) 3.4% Miscellaneous 2,958,317 3,036,964 (78,647) 2.6% 6,903,908 6,008,620 895,288 14.9% Total Direct Expenses 16,371,675 17,084,464 (712,789) 4.2% 37,141,967 36,258,540 883,427 2.4% Indirect Expenses (429,028) (490,395) 61,367 12.5% (919,418) (980,785) 61,367 6.3% Other Non-Operating Expenses -	O .			, ,		*		, ,	
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Consultants & Contracts 441,544 322,367 119,177 37.0% 1,836,580 728,900 1,107,680 152,0% Office Rent 629,207 668,281 (39,074) 5.8% 1,284,234 1,327,202 (42,968) 3.2% Office Costs 1,284,180 1,404,210 (20,303) 8.5% 2,584,147 2,691,307 (127,160) 4.7% Professional Services 603,386 642,106 (38,720) -6.0% 1,218,947 1,261,211 (42,264) -3.4% Miscellaneous -									
Office Rent 629,207 668,281 (39,074) 5.8% 1,284,234 1,327,202 (42,668) -3.2% Office Costs 1,284,180 1,404,210 (120,030) 8.5% 2,564,147 2,691,307 (127,160) 4.7% Professional Services 603,386 642,106 (38,720) -6.0% 1,218,947 1,261,211 (42,264) -3.4% Miscellaneous -	· .	441,544	322,367	119.177	37.0%	1.836.580	728.900	1.107.680	152.0%
Office Costs 1,284,180 1,404,210 (120,030) -8.5% 2,564,147 2,691,307 (127,160) 4.7% Professional Services 603,386 642,106 (38,720) -6.0% 1,218,947 1,261,211 (42,264) 3.4% Miscellaneous 2.958,317 3,036,964 (78,647) -2.6% 6,903,908 6,008,620 895,288 14.9% Total Operating Expenses 16,371,675 17,084,464 (712,789) -4.2% 37,141,967 36,258,540 883,427 2.4% Indirect Expenses (429,028) (490,395) 61,367 -12.5% (919,418) (980,785) 61,367 -6.3% Other Non-Operating Expenses 15,942,647 16,594,069 (651,422) -3.9% 36,222,549 35,277,755 944,794 2.7% Change in Net Assets 20,182,270 19,070,379 1,111,891 5.8% 986,639 935,443 51,196 5.5% Fixed Asset Additions, excluding Right of Use Assets 17,152 78,000 (60,848) -78.0% 71,152 12		,							
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Miscellaneous - <								, ,	
Total Operating Expenses 2,958,317 3,036,964 (78,647) -2.6% 6,903,908 6,008,620 895,288 14.9% Total Direct Expenses 16,371,675 17,084,464 (712,789) -4.2% 37,141,967 36,258,540 883,427 2.4% Indirect Expenses (429,028) (490,395) 61,367 -12.5% (919,418) (980,785) 61,367 -6.3% Other Non-Operating Expenses -		-	-	-		-	-	-	
Indirect Expenses	<u> </u>	2,958,317	3,036,964	(78,647)	-2.6%	6,903,908	6,008,620	895,288	14.9%
Other Non-Operating Expenses -	Total Direct Expenses	16,371,675	17,084,464	(712,789)	-4.2%	37,141,967	36,258,540	883,427	2.4%
Total Expenses 15,942,647 16,594,069 (651,422) -3.9% 36,222,549 35,277,755 944,794 2.7% Change in Net Assets 20,182,270 19,070,379 1,111,891 5.8% 986,639 935,443 51,196 5.5% Fixed Asset Additions, excluding Right of Use Assets 17,152 78,000 (60,848) -78.0% 71,152 127,040 (55,888) -44.0% Total Expenditures 15,959,799 16,672,069 (712,270) -4.3% 36,293,701 35,404,795 888,906 2.5% Change in Working Capital (Total Funding less Total Budget) 20,165,118 18,992,379 1,172,739 915,487 808,403 107,084 FTEs 151.66 168.00 (16.34) 158.66 168.00 (9.34) Headcount 151.00 168.00 (17.00) 165.00 168.00 (3.00) Working Capital at 1/1/2024 Peak Reliability Donation Expenditures 19,725 - 19,725 595,000 (575,275) Change to WC - 2024 20,165,118 18,992,379 1,172,739	Indirect Expenses	(429,028)	(490,395)	61,367	-12.5%	(919,418)	(980,785)	61,367	-6.3%
Change in Net Assets 20,182,270 19,070,379 1,111,891 5.8% 986,639 935,443 51,196 5.5% Fixed Asset Additions, excluding Right of Use Assets 17,152 78,000 (60,848) -78.0% 71,152 127,040 (55,888) -44.0% Total Expenditures 15,959,799 16,672,069 (712,270) -4.3% 36,293,701 35,404,795 888,906 2.5% Change in Working Capital 20,165,118 18,992,379 1,172,739 915,487 808,403 107,084 FTEs 151.66 168.00 (16.34) 158.66 168.00 (9.34) Headcount 151.00 168.00 (17.00) 165.00 168.00 (3.00) Working Capital at 1/1/2024 12,062,711 10,664,692 1,398,019 12,062,711 10,664,692 1,398,019 Peak Reliability Donation Expenditures 19,725 - 19,725 595,000 (575,275) Change to WC - 2024 20,165,118 18,992,379 1,172,739 915,487 808,403 107,084	Other Non-Operating Expenses	-	-	_			_	_	
Change in Net Assets 20,182,270 19,070,379 1,111,891 5.8% 986,639 935,443 51,196 5.5% Fixed Asset Additions, excluding Right of Use Assets 17,152 78,000 (60,848) -78.0% 71,152 127,040 (55,888) -44.0% Total Expenditures 15,959,799 16,672,069 (712,270) -4.3% 36,293,701 35,404,795 888,906 2.5% Change in Working Capital 20,165,118 18,992,379 1,172,739 915,487 808,403 107,084 FTEs 151.66 168.00 (16.34) 158.66 168.00 (9.34) Headcount 151.00 168.00 (17.00) 165.00 168.00 (3.00) Working Capital at 1/1/2024 12,062,711 10,664,692 1,398,019 12,062,711 10,664,692 1,398,019 Peak Reliability Donation Expenditures 19,725 - 19,725 595,000 (575,275) Change to WC - 2024 20,165,118 18,992,379 1,172,739 915,487 808,403 107,084	_								
Fixed Asset Additions, excluding Right of Use Assets 17,152 78,000 (60,848) -78.0% 71,152 127,040 (55,888) -44.0% Total Expenditures 15,959,799 16,672,069 (712,270) -4.3% 36,293,701 35,404,795 888,906 2.5% Change in Working Capital (Total Funding less Total Budget) 20,165,118 18,992,379 1,172,739 915,487 808,403 107,084 FTEs 151.66 168.00 (16.34) 158.66 168.00 (9.34) Headcount 151.00 168.00 (17.00) 165.00 168.00 (3.00) Working Capital at 1/1/2024 12,062,711 10,664,692 1,398,019 12,062,711 10,664,692 1,398,019 Peak Reliability Donation Expenditures 19,725 - 19,725 595,000 (575,275) Change to WC - 2024 20,165,118 18,992,379 1,172,739 915,487 808,403 107,084	Total Expenses	15,942,647	16,594,069	(651,422)	-3.9%	36,222,549	35,277,755	944,794	2.7%
Right of Use Assets 17,152 78,000 (60,848) -78.0% 71,152 127,040 (55,888) -44.0% Total Expenditures 15,959,799 16,672,069 (712,270) -4.3% 36,293,701 35,404,795 888,906 2.5% Change in Working Capital (Total Funding less Total Budget) 20,165,118 18,992,379 1,172,739 915,487 808,403 107,084 FTEs 151.66 168.00 (16.34) 158.66 168.00 (9.34) Headcount 151.00 168.00 (17.00) 165.00 168.00 (3.00) Working Capital at 1/1/2024 Peak Reliability Donation Expenditures 19,725 - 19,725 595,000 (575,275) Change to WC - 2024 20,165,118 18,992,379 1,172,739 915,487 808,403 107,084	Change in Net Assets	20,182,270	19,070,379	1,111,891	5.8%	986,639	935,443	51,196	5.5%
Change in Working Capital (Total Funding less Total Budget) 20,165,118 18,992,379 1,172,739 915,487 808,403 107,084 FTES 151.66 168.00 (16.34) 158.66 168.00 (9.34) Headcount 151.00 168.00 (17.00) 165.00 168.00 (3.00) Working Capital at 1/1/2024 Peak Reliability Donation Expenditures 12,062,711 10,664,692 1,398,019 12,062,711 10,664,692 1,398,019 Change to WC - 2024 20,165,118 18,992,379 1,172,739 915,487 808,403 107,084	· ·	17,152	78,000	(60,848)	-78.0%	71,152	127,040	(55,888)	-44.0%
(Total Funding less Total Budget) 20,165,118 18,992,379 1,172,739 915,487 808,403 107,084 FTEs 151.66 168.00 (16.34) 158.66 168.00 (9.34) Headcount 151.00 168.00 (17.00) 165.00 168.00 (3.00) Working Capital at 1/1/2024 Peak Reliability Donation 12,062,711 10,664,692 1,398,019 12,062,711 10,664,692 1,398,019 Expenditures 19,725 - 19,725 595,000 (575,275) Change to WC - 2024 20,165,118 18,992,379 1,172,739 915,487 808,403 107,084		15,959,799	16,672,069	(712,270)	-4.3%	36,293,701	35,404,795	888,906	2.5%
Headcount 151.00 168.00 (17.00) 165.00 168.00 (3.00) Working Capital at 1/1/2024 12,062,711 10,664,692 1,398,019 12,062,711 10,664,692 1,398,019 Peak Reliability Donation Expenditures 19,725 - 19,725 595,000 (575,275) Change to WC - 2024 20,165,118 18,992,379 1,172,739 915,487 808,403 107,084		20,165,118	18,992,379	1,172,739		915,487	808,403	107,084	
Headcount 151.00 168.00 (17.00) 165.00 168.00 (3.00) Working Capital at 1/1/2024 12,062,711 10,664,692 1,398,019 12,062,711 10,664,692 1,398,019 Peak Reliability Donation Expenditures 19,725 - 19,725 595,000 (575,275) Change to WC - 2024 20,165,118 18,992,379 1,172,739 915,487 808,403 107,084	FTEs	151.66	168.00	(16.34)		158.66	168.00	(9.34)	
Peak Reliability Donation Expenditures 19,725 - 19,725 595,000 (575,275) Change to WC - 2024 20,165,118 18,992,379 1,172,739 915,487 808,403 107,084				. ,				. ,	
Change to WC - 2024 20,165,118 18,992,379 1,172,739 915,487 808,403 107,084	0 1	12,062,711	10,664,692	1,398,019		12,062,711	10,664,692	1,398,019	
Working Capital at 6/30/2024 32,247,554 29,657,071 2,570,758 12,997,923 12,068,095 929,828	•		- 18,992,379	1,172,739					
	Working Capital at 6/30/2024	32,247,554	29,657,071	2,570,758		12,997,923	12,068,095	929,828	

¹ Penalties released in the current year reflects the designated amount of funds released to offset U.S. assessments as approved by the WECC Board of Directors and FERC. Actual penalties invoiced in the current reporting year will be reported as income on the audited financial statements in accordance with GAAP.

 $^{^2\,\}mathrm{See}$ Working Capital and Reserve Analysis table for additional details.



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Working Capital and Reserve Analysis (July 19, 2024)

Working Capital and Reserve Analysis

Working Capital and Reserve Analysis STATUTORY

	Working Capit Total Reserve		orking Capital Reserve	Unrelea	ased Penalties	Peak Reliability Donation	
Beginning Reserve, January 1, 2024	25,658,711	\$	12,062,711	\$	10,137,948	3,458,052	
Plus: Total Funding	36,129,317		36,124,917		4,400	-	
Penalties Release	(10,137,948)		-		(10,137,948)	-	
Less: Expenditures	(15,959,799)		(15,940,074)		-	(19,725)	
Plus: Non-Statutory Fund Adjustment	-				-	-	
Reserve, June 30, 2024	\$ 35,690,281	\$	32,247,554	\$	4,400 \$	3,438,327	

