



Adam Jensen
Financial Controller
January 21, 2025

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 Q4 2024 Statutory Statement of Activities and Variance Report

Dear Andy,

Attached is WECC's fourth-quarter Statutory Statement of Activities (Unaudited) and Variance Report. WECC's 2024 unaudited, net year-to-date results are \$235,040 over 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,

Adam Jensen
Financial Controller

Enclosures

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



Statutory Statement of Activities
(Unaudited)
As of January 21, 2025
Variance Report

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

Funding

- Interest: \$840,000 over budget

Interest is over budget due to higher-than-budgeted interest rates and investment income.

Expenses

- Employee Benefits: \$352,000 under budget

Employee Benefits are under budget primarily due to budgeted benefits enrollment level assumptions compared to actual, and lower-than-budgeted utilization of the Health Reimbursement Account benefit.

- Meetings & Conference Calls: \$152,000 under budget

Meetings & Conference Calls are under budget primarily due to the conversion of some in-person meetings to a virtual format.

- Consultants & Contracts: \$238,000 over budget

Consultants & Contracts are over budget primarily due to unbudgeted Board Director search fees.

- Other Non-Operating Expenses: \$1.85 million over budget

Other Non-Operating Expenses are over budget by \$1.85 million due to the write-off of assessment invoices owed from Centro Nacional de Control de Energia.

Fixed Assets

- Fixed Assets: \$60,000 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 (Jan 21, 2025)



Western Electricity Coordinating Council
Statutory Statement of Activities
From 1/1/2024 to 12/31/2024
(Unaudited)

(In Whole Dollars)

	2024 YTD Actual	2024 YTD Budget	2024 YTD Variance	%
Funding				
Assessments	25,000,000	25,000,000	-	0.0%
Penalties Released ¹	10,137,948	10,137,948	-	0.0%
Workshops & Miscellaneous	431,552	475,250	(43,698)	-9.2%
Interest	1,440,284	600,000	840,284	140.0%
Total Funding	37,009,784	36,213,198	796,586	2.2%
Expenses				
Personnel Expenses				
Salaries	22,095,062	22,648,808	(553,746)	-2.4%
Payroll Taxes	1,554,953	1,436,739	118,214	8.2%
Employee Benefits	2,417,785	2,770,166	(352,381)	-12.7%
Retirement Costs	1,939,510	2,040,273	(100,763)	-4.9%
Total Personnel Expenses	28,007,310	28,895,986	(888,676)	-3.1%
Meeting Expenses				
Meetings & Conference Calls	452,323	604,764	(152,441)	-25.2%
Travel	744,896	749,170	(4,274)	-0.6%
Total Meeting Expenses	1,197,219	1,353,934	(156,715)	-11.6%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	967,069	728,900	238,169	32.7%
Office Rent	1,287,260	1,327,202	(39,942)	-3.0%
Office Costs	2,744,446	2,691,307	53,139	2.0%
Professional Services	1,177,666	1,261,211	(83,545)	-6.6%
Miscellaneous	-	-	-	
Total Operating Expenses	6,176,441	6,008,620	167,821	2.8%
Total Direct Expenses	35,380,970	36,258,540	(877,570)	-2.4%
Indirect Expenses	(863,111)	(980,785)	117,674	-12.0%
Other Non-Operating Expenses	1,851,793	-	1,851,793	
Total Expenses	36,369,652	35,277,755	1,091,897	3.1%
Change in Net Assets	640,132	935,443	(295,311)	-31.6%
Fixed Asset Additions, excluding Right of Use Assets	66,769	127,040	(60,271)	-47.4%
Total Expenditures	36,436,421	35,404,795	1,031,626	2.9%
Change in Working Capital (Total Funding less Total Budget)	573,363	808,403	(235,040)	
FTEs	155.18	168.00	(12.83)	
Headcount	160.00	168.00	(8.00)	
Working Capital at 1/1/2024	12,062,711	10,664,692	1,398,019	
Peak Reliability Donation Expenditures	400,760	250,000	150,760	
Change to WC - 2024	573,363	808,403	(235,040)	
Working Capital at 12/31/2024²	13,036,834	11,723,095	1,313,739	

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 See Working Capital and Reserve Analysis table for additional details.



Working Capital Reserve Analysis (Jan 21, 2025)

Working Capital and Reserve Analysis

Working Capital and Reserve Analysis					
STATUTORY					
	Total	Working Capital Reserve	Unreleased Penalties	Peak Reliability Donation	
Beginning Reserve, January 1, 2024	\$ 25,658,711	\$ 12,062,711	\$ 10,137,948	3,458,052	
Plus: Total Funding	37,014,184	37,009,784	4,400	-	
Penalties Release	(10,137,948)	-	(10,137,948)	-	
Less: Expenditures	(36,436,421)	(36,035,661)	-	(400,760)	
Plus: Non-Statutory Fund Adjustment	-	-	-	-	
Reserve, December 31, 2024	\$ 16,098,526	\$ 13,036,834	\$ 4,400	\$ 3,057,292	