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## **2025 Business Plan and Budget**

Approved by: WECC Board of Directors

Date: June 12, 2024

# Table of Contents

Introduction.....	1
Organizational Overview.....	1
Membership and Governance .....	2
2025 Strategic Goals .....	3
2025 Statutory Budget Overview .....	7
Budget and Funding Summary.....	7
Major Budget Drivers .....	7
Peak Reliability Donation .....	8
2024 Statutory Budget and Projection and 2025 Budget.....	10
Monetary Penalties .....	11
Major Budget Drivers—Statutory Programs.....	12
Personnel—Overview of FTEs and Expenses .....	15
Meeting Expenses.....	17
Consultants and Contracts.....	18
Overview of Changes in Reserves .....	20
Three-Year Budget Projections.....	21
Statutory Programs .....	22
Statutory Programs—Goals, Budget Assumptions, and Statements of Activities .....	23
Reliability Standards Program .....	23
Compliance Monitoring and Enforcement.....	26
Reliability Assessment and Performance Analysis Program.....	30
Training and Outreach Program.....	34
Training and Outreach Statement of Activities .....	36
Situation Awareness and Infrastructure Security Program .....	37
Corporate Services .....	40
Non-Statutory Program.....	47
2025 Non-Statutory Budget Overview .....	48



Budget and Funding Summary ..... 48

Major Budget Drivers ..... 48

Non-Statutory Program—Goals and Budget Assumptions ..... 51

WREGIS ..... 51

Appendix A—2025 Statement of Activities by Program, Statutory and Non-Statutory ..... 54

Appendix B—Organizational Chart—Changes in FTE by Program ..... 55

Appendix C—Adjustment to the Alberta Electric System Operator (AESO) Assessment..... 56

Appendix D—Statutory and Non-Statutory Budget History Charts ..... 57



## Introduction

TOTAL RESOURCES (in whole dollars)				
	2025 Budget	U.S.	Canada	Mexico
Statutory FTEs*	175.0			
Non-statutory FTEs	13.0			
<b>Total FTEs</b>	188.0			
Statutory Budget	\$ 39,325,357			
Non-Statutory Budget	\$ 3,693,352			
<b>Total Expenses</b>	\$ 43,018,710			
<b>Statutory Assessments</b>	\$ 33,016,000	28,225,159	4,790,841	-
<b>Non-Statutory Fees</b>	\$ 3,259,875	2,613,626	615,475	30,774
NEL**	850,783,074	727,345,301	123,437,773	-
NEL%	100.0%	85.5%	14.5%	0.0%

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

\*\*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 registration and certification, 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.

Three principles guide WECC's business philosophy:

***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 332 members<sup>1</sup> 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.

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<sup>1</sup> As of July 15, 2024.

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.<sup>2</sup>

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).

## 2025 Strategic Goals

The electric industry is undergoing profound changes, 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 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

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



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 2025 and beyond.

Additionally, the Board approved the following WECC Reliability Risk Priorities (RRP) at its June 2024 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.

### **Reliability Risk Priorities**

The WECC RRP approved in 2024 are further described below.

#### *Aridification and Associated Natural Events*

Aridification is the gradual, permanent change of a region to a drier climate. Aridification is a long-term process with a timespan well beyond our current planning horizons; however, natural events associated with aridification have a more immediate and tangible effect. Drought, heat events, and increased wildfire activity challenge the planning and operation of the system in the West. While changes in climate are experienced across the continent, the changes associated with aridification are particular to and highly concentrated in the West.

#### *Impact of Inverter-based Resources*

Inverter-based resources (IBR) include wind turbines, solar photovoltaic, and battery energy storage systems. IBRs are facilities connected to the bulk power system that convert DC electricity from renewable sources into AC electricity, which allows power to flow into the grid. Over the next decade, entities in the West plan to add more than 100 GW of IBRs to the system to meet demand under clean and green energy policies.

#### *Lack of Coordinated Resource and Transmission Planning*

Historically, transmission planning and resource planning have occurred separately. While some entities combine the two types of planning, this is not the case on regional or interconnection-wide levels. Recent events and analyses have highlighted the need to coordinate resource and transmission planning on an interconnection-wide basis. As the heat wave in August 2020 and the Bootleg Fire in 2021 demonstrated, under certain circumstances, the ability to move power can be as limiting as the availability of that power.

#### *Modeling Quality and Input Validation*

Modeling is the process of building computer models of energy systems to analyze and better understand them. Studying how assets on the grid will respond to disturbances or other changes (e.g., demand growth) helps prevent reliability issues on the bulk power system. With



rapid changes occurring on the system, up-to-date, accurate models and data are critical to planning and operating the system.

### *Potential effects of energy policies in the West*

The West is a patchwork of different, sometimes contradicting, energy policies that address topics such as energy efficiency, clean energy, transportation, building codes, and protection of legacy generation types. These policies drive changes to the operation and planning of the bulk power system and can create an environment that introduces risk to the reliability and resilience of that system. In aggregate, these policies create a varied and complex tapestry that may introduce additional risks to the power system in the West.

### **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 WECC 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, discussed in [Statutory Programs](#).

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.



## 2025 Statutory Budget Overview

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 2025 Business Plan and Budget assumes that all these challenges will continue, as will the ongoing 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.

### Budget and Funding Summary

WECC's proposed 2025 statutory budget is \$39,325,000, a \$3,921,000 (11.1%) increase from the 2024 statutory budget. WECC's proposed statutory assessment is \$33,016,000, an \$8,016,000 (32.1%) increase over the 2024 statutory assessment. Major drivers of the increase in budgeted expenditures are outlined below. The assessment increase is attributed in part to the increase in budget and also to a reduction in penalties available to offset assessments from \$10.1 million in 2024 to \$4,400 in 2025. 2025 funding includes the use of working capital reserves of \$3,101,000, Peak Donation reserves of \$1,500,000, and \$1,704,000 of other income.

### Major Budget Drivers

#### Personnel Expenses

- Seven new full-time equivalents (FTE) to support increasing demands on the organization:
  - One FTE is added in Organization Registration and Certification due to increasing registrations;
  - Three FTE are added in Compliance Monitoring and Enforcement in response to different and new types of work, to build improved depth and breadth of skillsets, to address enforcement inventory, and in response to the downstream increase of all related work from new registrants;
  - One FTE is added in Reliability Assessment and Performance Analysis to enhance EMT modeling capabilities;
  - One FTE is added in Training and Outreach to focus on and keep up with policy issues as they develop, so we know how to best respond to policy decisions that may have an impact on reliability; and
  - One FTE is added in IT to provide cloud security expertise due to continual increases in cloud-based applications.
- 3% merit and 1% equity pools;
- Refinement of payroll tax and benefits enrollment rates and premiums; and



- Labor float assumption changes based on actual turnover and vacancy rates.

### Meeting Expenses

- Additional travel due to the distributed workforce;
- Inflationary impacts on airfare and hotel rates;
- Increases in FTEs contributes to increased travel costs; and
- Increases in on-site requirements for oversight activities.

### Operating Expenses

- Consulting increases due to a transmission planning project performed in conjunction with WPP and WestTEC, which will be funded with Peak Reliability donation funds.

## 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 the [Overview of Changes in Reserves](#). 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. One major transmission-related project is being explored for inclusion in the 2025 BP&B.

Following stakeholder feedback and confirmation of the independence of the work and content of the work product, WECC proposes to use a total of \$2.2 million over three budget years to further the transmission planning endeavor being undertaken by the Western Power Pool (WPP) through its WestTEC effort. WestTEC is a response to a widely recognized concern that current transmission planning frameworks in the West do not result in the identification of sufficient transmission solutions to support the reliability of the future energy grid. WestTEC is an interregional transmission planning project that intends to employ analytical technologies to produce an actionable long-term transmission plan that will provide a range of transmission benefits to stakeholders throughout the West. WECC's investment of Peak reserve funds would help finance the analytical work being conducted by an independent third party. The project duration is March, 2024 through February, 2026.



WECC proposes to use \$1,500,000 from the Peak Reliability Donation reserve to fund this project in 2025. Approximately \$500,000 of the reserve will be used to fund a portion of this project in 2024, and \$200,000 will be budgeted in 2026 for the remainder of the project.

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.



## 2024 Statutory Budget and Projection and 2025 Budget

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2024 Budget & Projection, and 2025 Budget						
STATUTORY						
	2024 Budget	2024 Projection	Variance 2024 Budget v 2024 Projection Over(Under)	2025 Budget	Variance (\$)	Variance (%)
<b>Revenue</b>						
<b>Statutory Funding</b>						
WECC Assessments	\$ 25,000,000	\$ 25,000,000	\$ -	\$ 33,016,000	\$ 8,016,000	32.06%
Penalties Released <sup>1</sup>	10,137,948	10,137,948	\$ -	4,400	\$ (10,133,548)	-99.96%
<b>Total Statutory Funding</b>	<b>\$ 35,137,948</b>	<b>\$ 35,137,948</b>	<b>\$ -</b>	<b>\$ 33,020,400</b>	<b>\$ (2,117,548)</b>	<b>-6.03%</b>
Membership Fees	\$ -	\$ -	\$ -	\$ -	\$ -	
Workshops & Miscellaneous	475,250	\$ 538,189	\$ 62,939.00	703,541	\$ 228,291	48.04%
Interest	600,000	\$ 1,537,726	\$ 937,726.00	1,000,000	\$ 400,000	66.67%
<b>Total Revenue (A)</b>	<b>\$ 36,213,198</b>	<b>\$ 37,213,863</b>	<b>\$ 1,000,665</b>	<b>\$ 34,723,941</b>	<b>\$ (1,489,257)</b>	<b>-4.11%</b>
<b>Expenses</b>						
<b>Personnel Expenses</b>						
Salaries	\$ 22,648,808	\$ 23,261,282	\$ 612,474.00	\$ 24,449,956	\$ 1,801,148	7.95%
Payroll Taxes	1,436,739	\$ 1,635,298	\$ 198,559.00	1,536,792	\$ 100,053	6.96%
Benefits	2,770,166	\$ 2,618,111	\$ (152,055.00)	2,934,023	\$ 163,857	5.92%
Retirement Costs	2,040,273	\$ 2,025,460	\$ (14,813.00)	2,200,566	\$ 160,293	7.86%
<b>Total Personnel Expenses</b>	<b>\$ 28,895,986</b>	<b>\$ 29,540,151</b>	<b>\$ 644,165</b>	<b>\$ 31,121,337</b>	<b>\$ 2,225,351</b>	<b>7.70%</b>
<b>Meeting Expenses</b>						
Meetings & Conference Calls	\$ 604,764	\$ 507,165	\$ (97,599.00)	\$ 635,316	\$ 30,552	5.05%
Travel	749,170	\$ 684,637	\$ (64,533.00)	1,062,145	\$ 312,975	41.78%
<b>Total Meeting Expenses</b>	<b>\$ 1,353,934</b>	<b>\$ 1,191,802</b>	<b>\$ (162,132)</b>	<b>\$ 1,697,461</b>	<b>\$ 343,527</b>	<b>25.37%</b>
<b>Operating Expenses, excluding Depreciation</b>						
Consultants & Contracts	\$ 728,900	\$ 2,103,709	\$ 1,374,809.00	\$ 1,897,400	\$ 1,168,500	160.31%
Office Rent	1,327,202	\$ 1,316,634	\$ (10,568.00)	1,328,263	\$ 1,061	0.08%
Office Costs	2,691,307	\$ 2,622,912	\$ (68,395.49)	2,949,356	\$ 258,049	9.59%
Professional Services	1,261,211	\$ 1,238,299	\$ (22,912.00)	1,327,700	\$ 66,489	5.27%
Miscellaneous	-	\$ -	\$ -	-	\$ -	
<b>Total Operating Expenses</b>	<b>\$ 6,008,620</b>	<b>\$ 7,281,554</b>	<b>\$ 1,272,934</b>	<b>\$ 7,502,719</b>	<b>\$ 1,494,099</b>	<b>24.87%</b>
<b>Total Direct Expenses</b>	<b>\$ 36,258,540</b>	<b>\$ 38,013,507</b>	<b>\$ 1,754,967</b>	<b>\$ 40,321,517</b>	<b>\$ 4,062,977</b>	<b>11.21%</b>
<b>Indirect Expenses</b>	<b>\$ (980,785)</b>	<b>\$ (954,257)</b>	<b>\$ 26,528</b>	<b>\$ (1,146,873)</b>	<b>\$ (166,088)</b>	<b>16.93%</b>
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Total Expenses (B)</b>	<b>\$ 35,277,755</b>	<b>\$ 37,059,250</b>	<b>\$ 1,781,495</b>	<b>\$ 39,174,644</b>	<b>\$ 3,896,889</b>	<b>11.05%</b>
<b>Change in Net Assets (=A-B)</b>	<b>\$ 935,443</b>	<b>\$ 154,613</b>	<b>\$ (780,830)</b>	<b>\$ (4,450,703)</b>	<b>\$ (5,386,146)</b>	<b>-575.79%</b>
<b>Fixed Asset Additions, excluding Right of Use Assets (C)</b>	<b>\$ 127,040</b>	<b>\$ 118,727</b>	<b>\$ -</b>	<b>\$ 150,713</b>	<b>\$ 23,673</b>	<b>18.63%</b>
<b>TOTAL BUDGET (B+C)</b>	<b>\$ 35,404,795</b>	<b>\$ 37,177,977</b>	<b>\$ 1,781,495</b>	<b>\$ 39,325,357</b>	<b>\$ 3,920,562</b>	<b>11.07%</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ 808,403</b>	<b>\$ 35,886</b>	<b>\$ (780,830)</b>	<b>\$ (4,601,416)</b>	<b>\$ (5,409,819)</b>	<b>-669.20%</b>
<b>FTEs</b>	168.00	168.00	-	175.00	7.00	4.17%
<b>HC</b>	168.00	171.00	3.00	175.00	7.00	4.17%

<sup>1</sup> 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).



## 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, 2024, will be used to offset assessments in the 2025 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.

WECC collected \$4,400 in penalty monies between July 1, 2023, and June 30, 2024 to offset assessments for 2025. Penalty collections between 2024 and 2025 have decreased over \$10 million, which is a major contributor to the increase in assessments in 2025.

**Allocation Method:** Penalty monies collected and released to offset assessments are allocated to the following Statutory Programs:

- 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.



## Major Budget Drivers—Statutory Programs

Program Area	Budget 2024	Budget 2025	Variance \$	Variance %
Reliability Standards	\$ 877,746	\$ 954,606	\$ 76,860	8.76%
Compliance Monitoring and Enforcement and Organization Registration and Certification	19,593,217	21,348,588	1,755,371	8.96%
Reliability Assessment and Performance Analysis	11,598,010	13,294,184	1,696,174	14.62%
Training and Outreach	2,755,239	3,132,745	377,506	13.70%
Situation Awareness and Infrastructure Security	580,583	595,234	14,651	2.52%
<b>Total*</b>	<b>\$ 35,404,795</b>	<b>\$ 39,325,357</b>	<b>\$ 3,920,562</b>	<b>11.07%</b>

\*includes allocated Corporate Services costs

### Reliability Standards

#### Personnel Expenses

- A budgeted 3% merit pool, 1% equity adjustment pool, refinement of labor float percentages, and the refinement of payroll tax and benefits premiums and enrollment rates contributes to increases in personnel expenses in this area and across the organization.

### Compliance Monitoring and Enforcement and Organization Registration and Certification

#### Personnel Expenses

- Four new FTEs are added to the Compliance Monitoring and Enforcement (CMEP) and Organization Registration and Certification budget in 2025.
  - One Enforcement Engineer will help develop and increase bench strength, reduce the open enforcement inventory backlog, and help with workload due to increases in the self-logging program.
  - One Enforcement Attorney will help develop and increase bench strength, reduce the open enforcement inventory backlog, and help with workload due to increases in the self-logging program.
  - One Compliance Program Coordinator will support workload associated with increased registrations and increased demands and expectations of the CMEP area.
  - One Registration and Certification Manager will manage the registration and certification staff as a standalone team within the oversight planning group, reflective of the increasing workload in this area.



- A budgeted 3% merit pool, 1% equity adjustment pool, refinement of labor float percentages, and the refinement of payroll tax and benefits premiums and enrollment rates contributes to increases in personnel expenses in this area and across the organization.

#### *Meeting Expenses*

- Travel increases due to increases in FTE, increases in on-site oversight activities, like physical security audits, increases in the number of Registered Entities, and a distributed workforce.

#### *Office Costs*

- Software licensing costs increase due to new data management and security software and price escalations for existing software licensing renewals.

### **Reliability Assessment and Performance Analysis**

#### *Personnel Expenses*

- One FTE is added to the Reliability Assessment and Performance Analysis (RAPA) program area. In recent years, the pace of resource changes has accelerated, increasing the need for high-quality models and analytics. Enhanced models, specifically for understanding the behavior of inverter-based resources, will become increasingly important to ensure continued BPS reliability. One engineer is added to provide electromagnetic transient (EMT) expertise to WECC's modeling function.
- One FTE is transferred from RAPA to Corporate Services. This project coordinator's focus has evolved to provide project management support to the entire organization.
- A budgeted 3% merit pool, 1% equity adjustment pool, refinement of labor float percentages, and the refinement of payroll tax and benefits premiums and enrollment rates contributes to increases in personnel expenses in this area and across the organization.

#### *Consultants and contracts*

- Consulting increases due to a transmission planning project performed in conjunction with WPP and WestTEC, which will be funded with Peak Reliability donation funds.

### **Training and Outreach**

#### *Personnel Expenses*

- One FTE is added to Training and Outreach to focus on and keep up with policy issues as they develop to help WECC respond to policy drivers and connect with policy-makers on impacts to reliability.
- A budgeted 3% merit pool, 1% equity adjustment pool, refinement of labor float percentages, and the refinement of payroll tax and benefits premiums and enrollment rates contributes to increases in personnel expenses in this area and across the organization.





*Meeting Expenses*

- Meeting costs increase due to inflationary impacts on hotel food and beverage, audiovisual, and room rental rates.

**Situation Awareness and Infrastructure Security***Personnel Expenses*

- A budgeted 3% merit pool, 1% equity adjustment pool, refinement of labor float percentages, and the refinement of payroll tax and benefits premiums and enrollment rates contributes to increases in personnel expenses in this area and across the organization.

**Corporate Services**

Corporate Services (in whole dollars) Direct Expenses and Fixed Assets						
	2024 Budget	2025 Budget	Increase (Decrease)	FTEs 2024 Budget	FTEs 2025 Budget	Increase (Decrease)
Committee and Member Forums	\$ -	\$ -	\$ -	-	-	-
General and Administrative	\$ 5,703,604	\$ 6,110,050	\$ 406,446	18.00	19.00	1.00
Legal and Regulatory	\$ 1,077,139	\$ 1,142,835	\$ 65,696	3.50	3.50	-
Information Technology	\$ 3,836,034	\$ 3,810,520	\$ (25,514)	12.00	13.00	1.00
Human Resources	\$ 1,212,919	\$ 1,219,717	\$ 6,798	4.00	4.00	-
Accounting and Finance	\$ 657,274	\$ 718,535	\$ 61,261	3.00	3.00	-
Total Corporate Services*	\$ 12,486,970	\$ 13,001,657	\$ 514,687	40.50	42.50	2.00

\*WECC's 2025 Corporate Services budget (expenses plus fixed assets) is \$13,001,657 of which \$1,161,660 is allocated to non-statutory activities. As a result of the allocation to the non-statutory function, the Corporate Services expenses included in the 2025 statutory budget are \$11,839,997, which is a \$345,000 increase from the 2024 budget.

*Personnel Expenses*

- One FTE is transferred to General and Administrative from RAPA. This project coordinator's focus has evolved to provide project management support to the entire organization.
- One FTE is added in Information Technology to provide expertise in cloud security due to the growing number of cloud-based applications being deployed across the organization.
- A budgeted 3% merit pool, 1% equity adjustment pool, refinement of labor float percentages, and the refinement of payroll tax and benefits premiums and enrollment rates contributes to increases in personnel expenses in this area and across the organization.

*Office Costs*

- Board Director retainers increase, and an additional Board Committee will exist in 2025 to oversee WECC's Structure and Governance Review mandated by Section 4.9 of the bylaws. This review occurs at least every five years.



## Personnel—Overview of FTEs and Expenses

Over the last several years, many 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: CMEP and RAPA. In both program areas, WECC needs additional specific expertise and resources to effectively work with stakeholders, manage the increasing workload, and minimize risks to the reliability and security of the Western Interconnection. Enhancing our stakeholder interaction, facilitation and outreach will ensure that reliability remains paramount in the discussions with our wide range of stakeholders as the Interconnection transforms to meet policy objectives. As a result, in the 2025 budget, WECC is adding seven statutory FTEs (with an additional two FTEs in its non-statutory program for a total of nine FTEs) and realigning some positions within program areas due to evolving organizational needs and priorities.

Total FTEs by Program Area	Budget 2024	Direct FTEs 2025 Budget	Shared FTEs* 2025 Budget	Total FTEs 2025 Budget	Change from 2024 Budget
<b>STATUTORY</b>					
<b>Operational Programs</b>					
Reliability Standards	3.00	3.00	-	3.00	-
Compliance Monitoring and Enforcement and Organization Registration and Certification	73.00	77.00	-	77.00	4.00
Reliability Assessment and Performance Analysis	41.00	41.00	-	41.00	-
Training and Outreach	8.50	9.50	-	9.50	1.00
Situation Awareness and Infrastructure Security	2.00	2.00	-	2.00	-
<b>Total FTEs Operational Programs</b>	<b>127.50</b>	<b>132.50</b>	<b>-</b>	<b>132.50</b>	<b>5.00</b>
<b>Corporate Services</b>					
Technical Committees and Member Forums	-	-	-	-	-
General and Administrative	18.00	19.00	-	19.00	1.00
Legal and Regulatory	3.50	3.50	-	3.50	-
Information Technology	12.00	13.00	-	13.00	1.00
Human Resources	4.00	4.00	-	4.00	-
Finance and Accounting	3.00	3.00	-	3.00	-
<b>Total FTEs Corporate Services</b>	<b>40.50</b>	<b>42.50</b>	<b>-</b>	<b>42.50</b>	<b>2.00</b>
<b>Total FTEs</b>	<b>168.00</b>	<b>175.00</b>	<b>-</b>	<b>175.00</b>	<b>7.00</b>

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



Personnel Expenses	Budget 2024	Budget 2025	Variance \$	Variance %
<b>Salaries</b>				
Salaries	\$ 22,648,811	\$ 24,449,956	\$ 1,801,145	8.0%
Employment Agency Fees	-	-	-	
Temporary Office Services	-	-	-	
<b>Total Salaries</b>	<b>\$ 22,648,811</b>	<b>\$ 24,449,956</b>	<b>\$ 1,801,145</b>	<b>8.0%</b>
<b>Total Payroll Taxes</b>	<b>\$ 1,436,740</b>	<b>\$ 1,536,793</b>	<b>\$ 100,053</b>	<b>7.0%</b>
<b>Benefits</b>				
Workers Compensation	\$ 19,800	\$ 19,800	\$ -	0.0%
Medical Insurance	2,465,138	2,591,317	126,179	5.1%
Life-LTD-STD Insurance	114,795	122,759	7,964	6.9%
Education	145,437	172,151	26,714	18.4%
Relocation	-	-	-	
Other	24,996	28,000	3,004	12.0%
<b>Total Benefits</b>	<b>\$ 2,770,166</b>	<b>\$ 2,934,027</b>	<b>\$ 163,861</b>	<b>5.9%</b>
<b>Retirement</b>				
Discretionary 401(k) Contribution	\$ 2,010,272	\$ 2,170,566	\$ 160,294	8.0%
Retirement Administration Fees	30,000	30,000	-	
<b>Total Retirement</b>	<b>\$ 2,040,272</b>	<b>\$ 2,200,566</b>	<b>\$ 160,294</b>	<b>7.9%</b>
<b>Total Personnel Costs</b>	<b>\$ 28,895,989</b>	<b>\$ 31,121,342</b>	<b>\$ 2,225,353</b>	<b>7.7%</b>
<b>FTEs</b>	<b>168.0</b>	<b>175.0</b>	<b>7.0</b>	<b>4.2%</b>
<b>Cost per FTE</b>				
Salaries	\$ 134,814	\$ 139,714	\$ 4,900	3.6%
Payroll Taxes	8,552	8,782	230	2.7%
Benefits	16,489	16,766	277	1.7%
Retirement	12,144	12,575	430	3.5%
<b>Total Cost per FTE</b>	<b>\$ 172,000</b>	<b>\$ 177,836</b>	<b>\$ 5,836</b>	<b>3.4%</b>

### Explanation of Significant Variances

- FTEs increase by seven. More detailed information is presented in [Major Budget Drivers—Statutory Programs](#).
- Merit pool of 3%.
- Equity adjustment pool of 1%.
- Labor float assumptions based on turnover and vacancy rates.
- Insurance premium increases.
- Benefits enrollment rate refinement.



## Meeting Expenses

Meeting & Conference Call Expenses	Budget 2024	Budget 2025	Variance \$	Variance %
Reliability Standards	\$ -	\$ -	\$ -	
Compliance Monitoring and Enforcement and Organization Registration and Certification	-	-	-	
Reliability Assessment and Performance Analysis	59,228	38,676	(20,552)	(34.7%)
Training and Outreach	470,133	525,720	55,587	11.8%
Situation Awareness and Infrastructure Security	-	-	-	
Corporate Services	75,403	70,920	(4,483)	(5.9%)
<b>Total Meeting Expenses</b>	<b>\$ 604,764</b>	<b>\$ 635,316</b>	<b>\$ 30,552</b>	<b>5.1%</b>

Travel Expenses	Budget 2024	Budget 2025	Variance \$	Variance %
Reliability Standards	\$ 11,315	\$ 21,236	\$ 9,921	87.7%
Compliance Monitoring and Enforcement and Organization Registration and Certification	323,430	606,370	282,940	87.5%
Reliability Assessment and Performance Analysis	215,878	197,585	(18,293)	(8.5%)
Training and Outreach	32,540	46,080	13,540	41.6%
Situation Awareness and Infrastructure Security	17,470	19,250	1,780	10.2%
Corporate Services	148,537	171,624	23,087	15.5%
<b>Total Travel Expenses</b>	<b>\$ 749,170</b>	<b>\$ 1,062,145</b>	<b>\$ 312,975</b>	<b>41.8%</b>

## Explanation of Significant Variances

### *Compliance Monitoring and Enforcement and Organization Registration and Certification*

- Travel increases due to an increase in FTE, increased on-site oversight activities in 2025, particularly related to physical security, increasing number of registered entities, and a distributed workforce model. While the increase between 2024 and 2025 is a large year-over-year change, the 2025 budget for travel is lower than pre-pandemic travel expenses.

### *Training and Outreach*

- Meetings increase due to inflationary impacts on hotel rates for food and beverage, audio visual, and space rental for training and outreach events.
- Travel increases due to increases in outreach activities and inflationary impacts on airfare and hotel rates.



*Corporate Services*

- Travel increases due to increases in outreach activities and inflationary impacts on airfare and hotel rates.

**Consultants and Contracts**

Consultants	Budget 2024	Budget 2025	Variance \$	Variance %
<b>Consultants</b>				
Reliability Standards	\$ -	\$ -	\$ -	
Compliance Monitoring and Enforcement and Organization Registration and Certification	36,000	12,000	(24,000)	(66.7%)
Reliability Assessment and Performance Analysis	133,400	1,608,400	1,475,000	1,105.7%
Training and Outreach	-	-	-	
Situation Awareness and Infrastructure Security	-	-	-	
Corporate Services	559,500	277,000	(282,500)	(50.5%)
<b>Consultants Total</b>	<b>\$ 728,900</b>	<b>\$ 1,897,400</b>	<b>\$ 1,168,500</b>	<b>160.3%</b>

Contracts	Budget 2024	Budget 2025	Variance \$	Variance %
<b>Contracts</b>				
Reliability Standards	\$ -	\$ -	\$ -	
Compliance Monitoring and Enforcement and Organization Registration and Certification	-	-	-	
Reliability Assessment and Performance Analysis	-	-	-	
Training and Outreach	-	-	-	
Situation Awareness and Infrastructure Security	-	-	-	
Corporate Services	-	-	-	
<b>Contracts Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Total Consulting and Contracts</b>	<b>\$ 728,900</b>	<b>\$ 1,897,400</b>	<b>\$ 1,168,500</b>	<b>160.3%</b>

**Explanation of Significant Variances***Reliability Assessment and Performance Analysis*

- Consulting increases to further the transmission planning endeavor being undertaken by the Western Power Pool (WPP) through its WestTEC effort. WestTEC is a response to a widely recognized concern that current transmission planning frameworks in the West do not result in the identification of sufficient transmission solutions to support the reliability of the future energy grid. WestTEC is an interregional transmission planning project that intends to employ analytical technologies to produce an actionable long-term transmission plan that will provide a range of transmission benefits to stakeholders throughout the West. WECC proposes to use \$1,500,000 from the Peak Reliability Donation reserve to fund this project in 2025. WECC's investment of Peak reserve funds would help finance the analytical work being conducted by an independent third party. The project duration is March, 2024 through February, 2026.



### *Corporate Services*

- Consulting decreases due to the higher cost and number of one-time IT consulting projects in 2024 (SharePoint cloud migration, Microsoft Dynamics CRM cloud migration, security upgrades, and a dynamic data reporting tool) compared to 2025 (intranet upgrade, data integrations, and data management).



## Overview of Changes in Reserves

Working Capital Reserve Analysis				
STATUTORY				
	Total	Working Capital Reserve	Unreleased Penalties	Peak Reliability Donation
<b>Beginning Reserve, January 1, 2024</b>	\$ 25,658,712	\$ 12,062,711	\$ 10,137,948	\$ 3,458,053
Plus: 2024 Funding (from Load-Serving Entities (LSE) or designees)	25,000,000	25,000,000	-	-
Plus: Penalties released	-	10,137,948	(10,137,948)	-
Plus: Penalties received	4,400	-	4,400	-
Plus: 2024 Other funding sources	2,075,915	2,075,915	-	-
Less: 2024 Projected expenses & capital expenditures	(37,177,977)	(36,427,977)	-	(750,000)
<b>Projected Reserve (Deficit), December 31, 2024</b>	<b>\$ 15,561,050</b>	<b>\$ 12,848,597</b>	<b>\$ 4,400</b>	<b>\$ 2,708,053</b>
Plus: 2025 Funding (from Load-Serving Entities (LSE) or designees)	33,016,000	33,016,000	-	-
Plus: Penalties released	-	4,400	(4,400)	-
Plus: 2025 Other funding sources	1,703,541	1,703,541	-	-
Less: 2025 Projected expenses & capital expenditures	(39,325,357)	(37,825,357)	-	(1,500,000)
<b>2025 Increase(Decrease) in Reserve</b>	<b>\$ (4,605,816)</b>	<b>(3,101,416)</b>	<b>\$ (4,400)</b>	<b>\$ (1,500,000)</b>
<b>Projected Reserve, December 31, 2025</b>	<b>\$ 10,955,234</b>	<b>\$ 9,747,181</b>	<b>\$ -</b>	<b>\$ 1,208,053</b>
2025 Expenses and Capital Expenditures	39,325,357			
Less: Penalties Released	(4,400)			
Less: Other Funding Sources	(1,703,541)			
Change to Working Capital & Peak Reliability Donation Reserves	(4,601,416)			
<b>2025 WECC Assessment</b>	<b>\$ 33,016,000</b>			

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.

In 2025, reserves are being used to fund a portion of the budget. \$3,101,000 of working capital reserves are funding normal operations and \$1,500,000 of the Peak Reliability Donation reserves are funding the WPP/WestTEC transmission planning project.

WECC received \$4,400 in penalty sanctions between July 1, 2023, and June 30, 2024. Each budget year, with NERC and Commission approval pursuant to Section 1107.4 of the NERC Rules of Procedure, WECC proposes to release penalty sanctions collected during the applicable period to offset assessments in the Business Plan and Budget.



## Three-Year Budget Projections

Statement of Activities and Capital Expenditures 2025 Budget & Projected 2026 and 2027 Budgets							
	Statutory						
	2025 Budget	2026 Projection	\$ Change 25 v 26	% Change 25 v 26	2027 Projection	\$ Change 26 v 27	% Change 26 v 27
<b>Revenue</b>							
<b>Statutory Funding</b>							
WECC Assessments	\$33,016,000	\$35,657,280	\$ 2,641,280	8.0%	\$38,509,862	\$ 2,852,582	8.0%
Penalties Released	4,400	-	(4,400)	(100.0%)	-	-	
<b>Total Statutory Funding</b>	<b>\$33,020,400</b>	<b>\$35,657,280</b>	<b>\$ 2,636,880</b>	<b>8.0%</b>	<b>\$38,509,862</b>	<b>\$ 2,852,582</b>	<b>8.0%</b>
Membership Fees	\$ -	\$ -	\$ -		\$ -	\$ -	
Workshops & Miscellaneous	703,541	730,166	26,625	3.8%	758,122	27,956	3.8%
Interest	1,000,000	750,000	(250,000)	(25.0%)	750,000	-	0.0%
<b>Total Revenue (A)</b>	<b>\$34,723,941</b>	<b>\$37,137,446</b>	<b>\$ 2,413,505</b>	<b>7.0%</b>	<b>\$40,017,984</b>	<b>\$ 2,880,538</b>	<b>7.8%</b>
<b>Expenses</b>							
<b>Personnel Expenses</b>							
Salaries	\$24,449,956	\$26,153,052	\$ 1,703,096	7.0%	\$27,323,818	\$ 1,170,766	4.5%
Payroll Taxes	1,536,792	1,652,632	115,840	7.5%	1,676,474	23,842	1.4%
Benefits	2,934,023	3,244,709	310,686	10.6%	3,321,158	76,449	2.4%
Retirement Costs	2,200,566	2,358,719	158,153	7.2%	2,385,442	26,723	1.1%
<b>Total Personnel Expenses</b>	<b>\$31,121,337</b>	<b>\$33,409,112</b>	<b>\$ 2,287,775</b>	<b>7.4%</b>	<b>\$34,706,892</b>	<b>\$ 1,297,780</b>	<b>3.9%</b>
<b>Meeting Expenses</b>							
Meetings & Conference Calls	\$ 635,316	\$ 716,795	\$ 81,479	12.8%	\$ 744,395	\$ 27,600	3.9%
Travel	1,062,145	1,219,484	157,339	14.8%	1,257,711	38,227	3.1%
<b>Total Meeting Expenses</b>	<b>\$ 1,697,461</b>	<b>\$ 1,936,279</b>	<b>\$ 238,818</b>	<b>14.1%</b>	<b>\$ 2,002,106</b>	<b>\$ 65,827</b>	<b>3.4%</b>
<b>Operating Expenses, excluding Depreciation</b>							
Consultants & Contracts	\$ 1,897,400	\$ 738,500	\$ (1,158,900)	(61.1%)	\$ 493,500	\$ (245,000)	(33.2%)
Office Rent	1,328,263	1,364,094	35,831	2.7%	1,404,567	40,473	3.0%
Office Costs	2,949,356	2,952,970	3,614	0.1%	3,137,120	184,150	6.2%
Professional Services	1,327,700	1,375,105	47,405	3.6%	1,451,710	76,605	5.6%
Miscellaneous	-	-	-		-	-	
<b>Total Operating Expenses</b>	<b>\$ 7,502,719</b>	<b>\$ 6,430,669</b>	<b>\$ (1,072,050)</b>	<b>(14.3%)</b>	<b>\$ 6,486,897</b>	<b>\$ 56,228</b>	<b>0.9%</b>
<b>Total Direct Expenses</b>	<b>\$40,321,517</b>	<b>\$41,776,060</b>	<b>\$ 1,454,543</b>	<b>3.6%</b>	<b>\$43,195,895</b>	<b>\$ 1,419,835</b>	<b>3.4%</b>
<b>Indirect Expenses</b>	<b>\$ (1,146,873)</b>	<b>\$ (1,187,014)</b>	<b>\$ (40,141)</b>	<b>3.5%</b>	<b>\$ (1,234,494)</b>	<b>\$ (47,481)</b>	<b>4.0%</b>
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	
<b>Total Expenses (B)</b>	<b>\$39,174,644</b>	<b>\$40,589,046</b>	<b>\$ 1,414,401</b>	<b>3.6%</b>	<b>\$41,961,401</b>	<b>\$ 1,372,354</b>	<b>3.4%</b>
<b>Change in Assets</b>	<b>\$ (4,450,703)</b>	<b>\$ (3,451,600)</b>	<b>\$ 999,104</b>	<b>(22.4%)</b>	<b>\$ (1,943,417)</b>	<b>\$ 1,508,184</b>	<b>(43.7%)</b>
<b>Incr(Dec) in Fixed Assets (C)</b>	<b>\$ 150,713</b>	<b>\$ 150,000</b>	<b>\$ (713)</b>	<b>(0.5%)</b>	<b>\$ 160,000</b>	<b>\$ 10,000</b>	<b>6.7%</b>
<b>TOTAL BUDGET (B+C)</b>	<b>\$39,325,357</b>	<b>\$40,739,046</b>	<b>\$ 1,413,688</b>	<b>3.6%</b>	<b>\$42,121,401</b>	<b>\$ 1,382,354</b>	<b>3.4%</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>(4,601,416)</b>	<b>(3,601,600)</b>	<b>999,817</b>	<b>(21.7%)</b>	<b>\$ (2,103,417)</b>	<b>\$ 1,498,184</b>	<b>(41.6%)</b>
FTEs	175.00	180.00	5.00	2.9%	184.00	4.00	2.2%
HC	175.00	180.00	5.00	2.9%	184.00	4.00	2.2%

In the 2024 Business Plan and Budget process, WECC fine-tuned its resource planning efforts by creating a more robust process for workforce planning and analysis for the current budget and two future years' projections. During the 2025 budget cycle, the planning process for tools and systems is being refined along with the development of the two future years' projections, in general.







# Statutory Programs

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**Goals, Budget Assumptions, and Statements of Activities**

## Statutory Programs—Goals, Budget Assumptions, and Statements of Activities

### Reliability Standards Program

#### Program Scope, Purpose, and Impact

The Reliability Standards Program supports the NERC Reliability Standards Program, and its employees work with the WSC to aid the development of RRSs, Regional Variances to NERC Reliability Standards, and Regional Criteria to ensure the 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.

In most instances a continent-wide standard addresses reliability risks because the physics of the electric grid are the same everywhere, but in a few instances a regional variance or Regional Reliability Standard is necessary to address risks that are based on the specific geographic conditions in the region.

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.

NERC recently rated all of their Standards projects as High, Medium, or Low priority. High priority projects are expected to be completed in 2024. Several of these projects are related to inverter-based resources and their potential impact on the Bulk Electric System. Medium and Low priority projects are expected to be completed in 2025 or 2026.

#### 2025 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 stakeholders.
- 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 has resulted in several new or modified NERC Reliability Standards and could potentially result in new or revised 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. WECC standards staff, as well as other subject matter experts, will participate in the grading process.

## 2025 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.
- Evaluate audit, enforcement, and event analysis information to determine whether new RRSs or revisions are necessary.

## Reliability Standards Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2024 Budget and 2025 Budget				
RELIABILITY STANDARDS				
	2024 Budget	2025 Budget	Variance (\$)	Variance (%)
<b>Revenue</b>				
<b>Statutory Funding</b>				
WECC Assessments	\$ 645,130	\$ 816,294	\$ 171,164	26.53%
Penalties Released	238,540	100	\$ (238,440)	-99.96%
<b>Total Statutory Funding</b>	<u>\$ 883,670</u>	<u>\$ 816,394</u>	<u>\$ (67,276)</u>	<u>-7.61%</u>
Membership Fees	\$ -	\$ -	\$ -	
Workshops & Miscellaneous	-	3,873	\$ 3,873	
Interest	14,118	22,642	\$ 8,524	60.38%
<b>Total Revenue (A)</b>	<u>\$ 897,788</u>	<u>\$ 842,909</u>	<u>\$ (54,879)</u>	<u>-6.11%</u>
<b>Expenses</b>				
<b>Personnel Expenses</b>				
Salaries	\$ 479,911	\$ 537,566	\$ 57,655	12.01%
Payroll Taxes	30,188	33,324	\$ 3,136	10.39%
Benefits	40,466	43,605	\$ 3,139	7.76%
Retirement Costs	42,482	47,843	\$ 5,361	12.62%
<b>Total Personnel Expenses</b>	<u>\$ 593,047</u>	<u>\$ 662,338</u>	<u>\$ 69,291</u>	<u>11.68%</u>
<b>Meeting Expenses</b>				
Meetings & Conference Calls	\$ -	\$ -	\$ -	
Travel	11,315	21,236	\$ 9,921	87.68%
<b>Total Meeting Expenses</b>	<u>\$ 11,315</u>	<u>\$ 21,236</u>	<u>\$ 9,921</u>	<u>87.68%</u>
<b>Operating Expenses, excluding Depreciation</b>				
Consultants & Contracts	\$ -	\$ -	\$ -	
Office Rent	-	-	\$ -	
Office Costs	2,907	2,957	\$ 50	1.72%
Professional Services	-	-	\$ -	
Miscellaneous	-	-	\$ -	
<b>Total Operating Expenses</b>	<u>\$ 2,907</u>	<u>\$ 2,957</u>	<u>\$ 50</u>	<u>1.72%</u>
<b>Total Direct Expenses</b>	<u>\$ 607,269</u>	<u>\$ 686,531</u>	<u>\$ 79,262</u>	<u>13.05%</u>
<b>Indirect Expenses</b>	<u>\$ 267,487</u>	<u>\$ 264,663</u>	<u>\$ (2,824)</u>	<u>-1.06%</u>
<b>Other Non-Operating Expenses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
<b>Total Expenses (B)</b>	<u>\$ 874,756</u>	<u>\$ 951,194</u>	<u>\$ 76,438</u>	<u>8.74%</u>
<b>Change in Net Assets (=A-B)</b>	<u>\$ 23,032</u>	<u>\$ (108,285)</u>	<u>\$ (131,317)</u>	<u>-570.15%</u>
<b>Fixed Assets, excluding Right of Use Assets (C)</b>	<u>\$ 2,990</u>	<u>\$ 3,412</u>	<u>\$ 422</u>	<u>14.11%</u>
<b>TOTAL BUDGET (B+C)</b>	<u>\$ 877,746</u>	<u>\$ 954,606</u>	<u>\$ 76,860</u>	<u>8.76%</u>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<u>\$ 20,042</u>	<u>\$ (111,697)</u>	<u>\$ (131,739)</u>	<u>-657.31%</u>
FTEs	3.00	3.00	-	0.00%
HC	3.00	3.00	-	0.00%



## Compliance Monitoring and Enforcement and Organization Registration and Certification Program

### Program Scope, Purpose, and Impact

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 emerging 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 453<sup>3</sup> 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 five main areas:

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

Staff will perform delegated activities, consistent with ERO Enterprise guidance, 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.

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<sup>3</sup> As of February 22, 2024.



## 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) and the British Columbia Utilities Commission (BCUC) under which WECC performs various compliance monitoring and enforcement activities to help ensure reliability across international borders within the Western Interconnection. Mexico is not currently participating in WECC and Western Interconnection-related activities<sup>4</sup>.

### 2025 Key Budget Assumptions

- In accordance with FERC's Order on inverter-based resources and integration of renewable resources and related energy storage devices in the Western Interconnection, WECC expects significant increases in registration requests.
- All Inherent Risk Assessment/Compliance Oversight Plans activities are aligned around identifying, prioritizing, and addressing risks to the Western Interconnection. With trends in registration requests, the changing reliability and security landscape, and risk mitigation strategies, workloads of all program areas of the Reliability Security and Oversight department will increase under the risk-based framework.
- For non-U.S. jurisdictions, compliance will continue monitoring activities according to the approved agreements and applicable compliance monitoring programs with Canadian and Mexican authorities. In accordance with the NERC Rules of Procedure, Appendix 5A, WECC staff continues to participate in NERC-led Registration Review Panels.
- 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.
- Legal fees related to any hearing that may arise are not budgeted and will be funded through working capital reserves. Costs related to hearing officers and procedures will be funded by NERC.
- WECC will continue to support development, design, testing, training, and implementation of ERO Enterprise-wide maintenance and enhancement of the risk-based CMEP practices and tools. Specifically, WECC staff resources will be allocated to these activities for ERO Enterprise Align tool, and the Secure Evidence Locker (SEL).

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<sup>4</sup> 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.



- With the development of new or modified Reliability Standards that tackle changing risks in the Western Interconnection, WECC anticipates the need for additional outreach, training and monitoring to help enhance registered entity programs.
- Travel for monitoring activities within the Western Interconnection will focus on areas where on-site tours or interviews will add value, and travel prioritization will include enhanced focus on physical security and cold weather preparedness assessments.
- webCDMS is maintained for Canadian entities.

## 2025 Goals and Deliverables

- Enhance CMEP oversight strategies focused on a holistic approach to enhance the efficiency and effectiveness of the ERO Enterprise Risk-Based Framework and enhance Compliance Oversight Plan processes and provide a targeted approach for monitoring and outreach.
- Continue to enhance and improve processing times to reduce backlog and inventory statistics.
- Work with the ERO Enterprise and industry on development and deployment of effective internal controls and internal controls programs to monitor, detect, correct, and report to prevent deficiencies in compliance, reliability, and security.
- 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.
- 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 and spot-checks for 31 Registered Entities that include an on-site component. Schedule additional monitoring activities (e.g., spot-checks, self-certifications with supporting evidence, investigations, compliance assessments, and complaint evaluations) based on BPS risk.
- Work strategically to enhance and improve tools and techniques to identify, understand, and quantify risk to the BPS sooner in the processing timeline, and use that information to craft more robust and comprehensive mitigation strategies.
- Ensure that WECC provides NERC with timely and accurate information about changes in registrations.

## Compliance Monitoring and Enforcement Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2024 Budget and 2025 Budget				
COMPLIANCE MONITORING AND ENFORCEMENT AND ORGANIZATION REGISTRATION AND CERTIFICATION				
	2024 Budget	2025 Budget	Variance (\$)	Variance (%)
<b>Revenue</b>				
<b>Statutory Funding</b>				
WECC Assessments	\$ 13,892,589	\$ 18,167,528	\$ 4,274,939	30.77%
Penalties Released	5,804,472	2,557	\$ (5,801,915)	-99.96%
<b>Total Statutory Funding</b>	<b>\$ 19,697,061</b>	<b>\$ 18,170,085</b>	<b>\$ (1,526,976)</b>	<b>-7.75%</b>
Membership Fees	\$ -	\$ -	\$ -	
Workshops & Miscellaneous	-	99,397	\$ 99,397	
Interest	343,529	581,132	\$ 237,603	69.17%
<b>Total Revenue (A)</b>	<b>\$ 20,040,590</b>	<b>\$ 18,850,614</b>	<b>\$ (1,189,976)</b>	<b>-5.94%</b>
<b>Expenses</b>				
<b>Personnel Expenses</b>				
Salaries	\$ 9,910,169	\$ 10,754,742	\$ 844,573	8.52%
Payroll Taxes	639,015	688,366	\$ 49,351	7.72%
Benefits	1,012,416	1,136,519	\$ 124,103	12.26%
Retirement Costs	879,599	954,003	\$ 74,404	8.46%
<b>Total Personnel Expenses</b>	<b>\$ 12,441,199</b>	<b>\$ 13,533,630</b>	<b>\$ 1,092,431</b>	<b>8.78%</b>
<b>Meeting Expenses</b>				
Meetings & Conference Calls	\$ -	\$ -	\$ -	
Travel	323,430	606,370	\$ 282,940	87.48%
<b>Total Meeting Expenses</b>	<b>\$ 323,430</b>	<b>\$ 606,370</b>	<b>\$ 282,940</b>	<b>87.48%</b>
<b>Operating Expenses, excluding Depreciation</b>				
Consultants & Contracts	\$ 36,000	\$ 12,000	\$ (24,000)	-66.67%
Office Rent	-	-	\$ -	
Office Costs	211,009	315,986	\$ 104,977	49.75%
Professional Services	-	-	\$ -	
Miscellaneous	-	-	\$ -	
<b>Total Operating Expenses</b>	<b>\$ 247,009</b>	<b>\$ 327,986</b>	<b>\$ 80,977</b>	<b>32.78%</b>
<b>Total Direct Expenses</b>	<b>\$ 13,011,638</b>	<b>\$ 14,467,986</b>	<b>\$ 1,456,348</b>	<b>11.19%</b>
<b>Indirect Expenses</b>	<b>\$ 6,508,843</b>	<b>\$ 6,793,018</b>	<b>\$ 284,175</b>	<b>4.37%</b>
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Total Expenses (B)</b>	<b>\$ 19,520,481</b>	<b>\$ 21,261,004</b>	<b>\$ 1,740,523</b>	<b>8.92%</b>
<b>Change in Net Assets (=A-B)</b>	<b>\$ 520,109</b>	<b>\$ (2,410,390)</b>	<b>\$ (2,930,499)</b>	<b>-563.44%</b>
<b>Fixed Assets, excluding Right of Use Assets (C)</b>	<b>\$ 72,736</b>	<b>\$ 87,584</b>	<b>\$ 14,848</b>	<b>20.41%</b>
<b>TOTAL BUDGET (B+C)</b>	<b>\$ 19,593,217</b>	<b>\$ 21,348,588</b>	<b>\$ 1,755,371</b>	<b>8.96%</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ 447,373</b>	<b>\$ (2,497,974)</b>	<b>\$ (2,945,347)</b>	<b>-658.36%</b>
FTEs	73.00	77.00	4.00	5.48%
HC	73.00	77.00	4.00	5.48%





## Reliability Assessment and Performance Analysis Program

### Program Scope, Purpose, and Impact

As the West continues to face ever-growing and complex threats to the reliability and security of the BPS, 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 and Data Services Department** performs two main functions. The first, Risk Analysis, 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. The second, Data Services, 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. Data Services specializes in data visualization used in reports, dashboards, and maps to help convey reliability risks to a wide stakeholder base.
3. The **Reliability Assessments Department** performs reliability assessments across multiple platforms, timeframes, 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 analysis, and transmission utilization. Analysis is performed on a variety of future (up to 20



years out) scenarios of the Western Interconnection. The assessments are designed to address pertinent reliability risks informed by WECC's RRP 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.

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.

### 2025 Key Budget Assumptions

- Staff and technical committee assessment work will focus on understanding and mitigating the potential risks associated with the WECC RRP approved by the Board in June 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 in many external meetings concerning the reliability, security, and resiliency of the BES.
- 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.
- Regional Risk Assessment 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.
- The ERO Enterprise will identify ways to incorporate transfer capability analysis into ongoing reliability assessments.
- Transmission planning activities in the West will expand to incorporate longer-term (greater than 10-year) horizons.
- Reliability challenges associated with inverter-based resources and extreme natural events will create a need for new data and tools (e.g., EMT programs) to study the impacts of these technologies and events.
- Staff will support various NERC reliability assessments and perform additional independent reliability assessments.



## 2025 Goals and Deliverables

- Work with technical committees to develop a clear understanding of emerging risks to the BPS and associated mitigation strategies, particularly for the WECC RRP.
- 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.
- Deliver high-quality and influential work products focused on the WECC RRP.
- Continue the three-year planning cycle with the JGC to align staff and technical committee work plans in support of the WECC RRP.
- Ensure that WECC's RRA of the Western Interconnection is aligned with WECC RRP 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, electromagnetic transient (EMT), 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 Reliability Standards drafting activities by providing subject matter expertise to appropriate Standards Drafting Teams.
- Promote reliability of the future transmission system in the Western Interconnection by supporting the WestTEC effort.
- Successfully carry out all other RAPA delegated responsibilities.

## Reliability Assessment and Performance Analysis Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital  
2024 Budget and 2025 Budget

## RELIABILITY ASSESSMENT AND PERFORMANCE ANALYSIS

	2024 Budget	2025 Budget	Variance (\$)	Variance (%)
<b>Revenue</b>				
<b>Statutory Funding</b>				
WECC Assessments	\$ 8,409,843	\$ 11,374,924	\$ 2,965,081	35.26%
Penalties Released	3,260,046	1,362	\$ (3,258,684)	-99.96%
<b>Total Statutory Funding</b>	<b>\$ 11,669,889</b>	<b>\$ 11,376,286</b>	<b>\$ (293,603)</b>	<b>-2.52%</b>
Membership Fees	\$ -	\$ -	\$ -	
Workshops & Miscellaneous	-	52,926	\$ 52,926	
Interest	192,941	309,434	\$ 116,493	60.38%
<b>Total Revenue (A)</b>	<b>\$ 11,862,830</b>	<b>\$ 11,738,646</b>	<b>\$ (124,184)</b>	<b>-1.05%</b>
<b>Expenses</b>				
<b>Personnel Expenses</b>				
Salaries	\$ 5,548,711	\$ 5,816,351	\$ 267,640	4.82%
Payroll Taxes	355,291	368,322	\$ 13,031	3.67%
Benefits	589,838	589,810	\$ (28)	0.00%
Retirement Costs	493,293	516,630	\$ 23,337	4.73%
<b>Total Personnel Expenses</b>	<b>\$ 6,987,133</b>	<b>\$ 7,291,113</b>	<b>\$ 303,980</b>	<b>4.35%</b>
<b>Meeting Expenses</b>				
Meetings & Conference Calls	\$ 59,228	\$ 38,676	\$ (20,552)	-34.70%
Travel	215,878	197,585	\$ (18,293)	-8.47%
<b>Total Meeting Expenses</b>	<b>\$ 275,106</b>	<b>\$ 236,261</b>	<b>\$ (38,845)</b>	<b>-14.12%</b>
<b>Operating Expenses, excluding Depreciation</b>				
Consultants & Contracts	\$ 133,400	\$ 1,608,400	\$ 1,475,000	1105.70%
Office Rent	-	-	\$ -	
Office Costs	505,867	494,713	\$ (11,154)	-2.20%
Professional Services	-	-	\$ -	
Miscellaneous	-	-	\$ -	
<b>Total Operating Expenses</b>	<b>\$ 639,267</b>	<b>\$ 2,103,113</b>	<b>\$ 1,463,846</b>	<b>228.99%</b>
<b>Total Direct Expenses</b>	<b>\$ 7,901,506</b>	<b>\$ 9,630,487</b>	<b>\$ 1,728,981</b>	<b>21.88%</b>
<b>Indirect Expenses</b>	<b>\$ 3,655,652</b>	<b>\$ 3,617,061</b>	<b>\$ (38,591)</b>	<b>-1.06%</b>
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Total Expenses (B)</b>	<b>\$ 11,557,158</b>	<b>\$ 13,247,548</b>	<b>\$ 1,690,390</b>	<b>14.63%</b>
<b>Change in Net Assets (=A-B)</b>	<b>\$ 305,672</b>	<b>\$ (1,508,902)</b>	<b>\$ (1,814,574)</b>	<b>-593.63%</b>
<b>Fixed Assets, excluding Right of Use Assets (C)</b>	<b>\$ 40,852</b>	<b>\$ 46,636</b>	<b>\$ 5,784</b>	<b>14.16%</b>
<b>TOTAL BUDGET (B+C)</b>	<b>\$ 11,598,010</b>	<b>\$ 13,294,184</b>	<b>\$ 1,696,174</b>	<b>14.62%</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ 264,820</b>	<b>\$ (1,555,538)</b>	<b>\$ (1,820,358)</b>	<b>-687.39%</b>
FTEs	41.00	41.00	-	0.00%
HC	41.00	41.00	-	0.00%



## Training and Outreach Program

### Program Scope, Purpose, and Impact

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, the impact of policy on reliability, grid operations and security.

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.

### 2025 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 stakeholder participation and to share subject matter expertise.
- Eventbrite fees for meeting registrations are anticipated to increase.
- WECC will co-host the 2025 Grid Security Conference with NERC.

### 2025 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.
- Increase inclusion of 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 and 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.
- Increase utilization of digitally dynamic products to improve stakeholder outreach and education.
- Deliver quantitative and qualitative results for corporate scorecard items, and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Deliver Reliability & Security Oversight Monthly Update 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 three 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 & 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:
  - Current and future transmission planning studies throughout the Western Interconnection;
  - 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.



## Training and Outreach Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2024 Budget and 2025 Budget TRAINING AND OUTREACH				
	2024 Budget	2025 Budget	Variance (\$)	Variance (%)
<b>Revenue</b>				
<b>Statutory Funding</b>				
WECC Assessments	\$ 1,627,037	\$ 2,149,410	\$ 522,373	32.11%
Penalties Released	675,863	315	\$ (675,548)	-99.95%
<b>Total Statutory Funding</b>	<u>\$ 2,302,900</u>	<u>\$ 2,149,725</u>	<u>\$ (153,175)</u>	<u>-6.65%</u>
Membership Fees	\$ -	\$ -	\$ -	
Workshops & Miscellaneous	475,250	544,763	\$ 69,513	14.63%
Interest	40,000	71,698	\$ 31,698	79.25%
<b>Total Revenue (A)</b>	<u>\$ 2,818,150</u>	<u>\$ 2,766,186</u>	<u>\$ (51,964)</u>	<u>-1.84%</u>
<b>Expenses</b>				
<b>Personnel Expenses</b>				
Salaries	\$ 1,145,832	\$ 1,310,264	\$ 164,432	14.35%
Payroll Taxes	71,219	80,854	\$ 9,635	13.53%
Benefits	123,107	136,291	\$ 13,184	10.71%
Retirement Costs	101,715	116,505	\$ 14,790	14.54%
<b>Total Personnel Expenses</b>	<u>\$ 1,441,873</u>	<u>\$ 1,643,914</u>	<u>\$ 202,041</u>	<u>14.01%</u>
<b>Meeting Expenses</b>				
Meetings & Conference Calls	\$ 470,133	\$ 525,720	\$ 55,587	11.82%
Travel	32,540	46,080	\$ 13,540	41.61%
<b>Total Meeting Expenses</b>	<u>\$ 502,673</u>	<u>\$ 571,800</u>	<u>\$ 69,127</u>	<u>13.75%</u>
<b>Operating Expenses, excluding Depreciation</b>				
Consultants & Contracts	\$ -	\$ -	\$ -	
Office Rent	-	-	\$ -	
Office Costs	44,345	68,125	\$ 23,780	53.62%
Professional Services	-	-	\$ -	
Miscellaneous	-	-	\$ -	
<b>Total Operating Expenses</b>	<u>\$ 44,345</u>	<u>\$ 68,125</u>	<u>\$ 23,780</u>	<u>53.62%</u>
<b>Total Direct Expenses</b>	<u>\$ 1,988,891</u>	<u>\$ 2,283,839</u>	<u>\$ 294,948</u>	<u>14.83%</u>
<b>Indirect Expenses</b>	<u>\$ 757,879</u>	<u>\$ 838,100</u>	<u>\$ 80,221</u>	<u>10.58%</u>
<b>Other Non-Operating Expenses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
<b>Total Expenses (B)</b>	<u>\$ 2,746,770</u>	<u>\$ 3,121,939</u>	<u>\$ 375,169</u>	<u>13.66%</u>
<b>Change in Net Assets (=A-B)</b>	<u>\$ 71,380</u>	<u>\$ (355,753)</u>	<u>\$ (427,133)</u>	<u>-598.39%</u>
<b>Fixed Assets, excluding Right of Use Assets (C)</b>	<u>\$ 8,469</u>	<u>\$ 10,806</u>	<u>\$ 2,337</u>	<u>27.59%</u>
<b>TOTAL BUDGET (B+C)</b>	<u>\$ 2,755,239</u>	<u>\$ 3,132,745</u>	<u>\$ 377,506</u>	<u>13.70%</u>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<u>\$ 62,911</u>	<u>\$ (366,559)</u>	<u>\$ (429,470)</u>	<u>-682.66%</u>
FTEs	8.50	9.50	1.00	11.76%
HC	8.00	9.00	1.00	12.50%





## Situation Awareness and Infrastructure Security Program

### Program Scope, Purpose, and Impact

The Situation Awareness and Infrastructure Security (SAIS) Program maintains near-real-time awareness of conditions and potential risks to the reliability and security of the BPS in the Western Interconnection. 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), as well as messaging systems used by the RCs notifying the SA team when there has been an outage to a line or generation source.

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.

### 2025 Key Budget Assumptions

- Cybersecurity and physical security threats will continue to increase as the grid digitizes and evolves. WECC will work with stakeholders and support the E-ISAC, WECC Cyber and Physical Security Forums, 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.

### 2025 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.
- 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.

## Situation Awareness and Infrastructure Security Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2024 Budget and 2025 Budget				
SITUATION AWARENESS AND INFRASTRUCTURE SECURITY				
	2024 Budget	2025 Budget	Variance (\$)	Variance (%)
<b>Revenue</b>				
<b>Statutory Funding</b>				
WECC Assessments	\$ 425,401	\$ 507,844	\$ 82,443	19.38%
Penalties Released	159,027	66	\$ (158,961)	-99.96%
<b>Total Statutory Funding</b>	<u>\$ 584,428</u>	<u>\$ 507,910</u>	<u>\$ (76,518)</u>	<u>-13.09%</u>
Membership Fees	\$ -	\$ -	\$ -	
Workshops & Miscellaneous	-	2,582	\$ 2,582	
Interest	9,412	15,094	\$ 5,682	60.37%
<b>Total Revenue (A)</b>	<u>\$ 593,840</u>	<u>\$ 525,586</u>	<u>\$ (68,254)</u>	<u>-11.49%</u>
<b>Expenses</b>				
<b>Personnel Expenses</b>				
Salaries	\$ 302,007	\$ 314,546	\$ 12,539	4.15%
Payroll Taxes	19,875	20,700	\$ 825	4.15%
Benefits	31,235	30,426	\$ (809)	-2.59%
Retirement Costs	26,879	27,995	\$ 1,116	4.15%
<b>Total Personnel Expenses</b>	<u>\$ 379,996</u>	<u>\$ 393,667</u>	<u>\$ 13,671</u>	<u>3.60%</u>
<b>Meeting Expenses</b>				
Meetings & Conference Calls	\$ -	\$ -	\$ -	
Travel	17,470	19,250	\$ 1,780	10.19%
<b>Total Meeting Expenses</b>	<u>\$ 17,470</u>	<u>\$ 19,250</u>	<u>\$ 1,780</u>	<u>10.19%</u>
<b>Operating Expenses, excluding Depreciation</b>				
Consultants & Contracts	\$ -	\$ -	\$ -	
Office Rent	-	-	\$ -	
Office Costs	2,800	3,600	\$ 800	28.57%
Professional Services	-	-	\$ -	
Miscellaneous	-	-	\$ -	
<b>Total Operating Expenses</b>	<u>\$ 2,800</u>	<u>\$ 3,600</u>	<u>\$ 800</u>	<u>28.57%</u>
<b>Total Direct Expenses</b>	<u>\$ 400,266</u>	<u>\$ 416,517</u>	<u>\$ 16,251</u>	<u>4.06%</u>
<b>Indirect Expenses</b>	<u>\$ 178,324</u>	<u>\$ 176,442</u>	<u>\$ (1,882)</u>	<u>-1.06%</u>
<b>Other Non-Operating Expenses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
<b>Total Expenses (B)</b>	<u>\$ 578,590</u>	<u>\$ 592,959</u>	<u>\$ 14,369</u>	<u>2.48%</u>
<b>Change in Net Assets (=A-B)</b>	<u>\$ 15,250</u>	<u>\$ (67,373)</u>	<u>\$ (82,623)</u>	<u>-541.79%</u>
<b>Fixed Assets, excluding Right of Use Assets (C)</b>	<u>\$ 1,993</u>	<u>\$ 2,275</u>	<u>\$ 282</u>	<u>14.15%</u>
<b>TOTAL BUDGET (B+C)</b>	<u>\$ 580,583</u>	<u>\$ 595,234</u>	<u>\$ 14,651</u>	<u>2.52%</u>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<u>\$ 13,257</u>	<u>\$ (69,648)</u>	<u>\$ (82,905)</u>	<u>-625.37%</u>
FTEs	2.00	2.00	-	0.00%
HC	2.00	2.00	-	0.00%



## Corporate Services

Corporate Services (in whole dollars) Direct Expenses and Fixed Assets						
	2024 Budget	2025 Budget	Increase (Decrease)	FTEs 2024 Budget	FTEs 2025 Budget	Increase (Decrease)
Committee and Member Forums	\$ -	\$ -	\$ -	-	-	-
General and Administrative	\$ 5,703,604	\$ 6,110,050	\$ 406,446	18.00	19.00	1.00
Legal and Regulatory	\$ 1,077,139	\$ 1,142,835	\$ 65,696	3.50	3.50	-
Information Technology	\$ 3,836,034	\$ 3,810,520	\$ (25,514)	12.00	13.00	1.00
Human Resources	\$ 1,212,919	\$ 1,219,717	\$ 6,798	4.00	4.00	-
Accounting and Finance	\$ 657,274	\$ 718,535	\$ 61,261	3.00	3.00	-
Total Corporate Services*	\$ 12,486,970	\$ 13,001,657	\$ 514,687	40.50	42.50	2.00

\*WECC's 2025 Corporate Services budget (expenses plus fixed assets) is \$13,001,657 of which \$1,161,660 is allocated to non-statutory activities. As a result of the allocation to the non-statutory function, the Corporate Services expenses included in the 2025 statutory budget are \$11,839,997, which is a \$345,000 increase from the 2024 budget.

### Program Scope, Purpose, and Impact

Corporate Services encompasses the following 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 successful operation of the organization. Corporate Services also provides executive leadership, corporate communications, 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, Purpose, and Impact

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 2024, where most of the committee work is facilitated.

## General and Administrative

### Program Scope, Purpose, and Impact

The General and Administrative Program provides executive leadership; enterprise security; communications; project management, and administrative support for staff, committees, and members to ensure successful business operations, consistency of service delivery, and high-quality customer service for internal and external stakeholders; as well as logistics support for the office and meeting facilities. In addition, this program accounts for indirect costs like Office Rent that benefit multiple functional areas.

### 2025 Key Budget Assumptions

- WECC staff will provide the same level of meetings and meeting support as 2024 for the Board of Directors and Board Committees.
- Salt Lake City is the Board-approved location for the 2025 Annual Meeting.
- Board Directors will be compensated according to the 2025 Board compensation structure, and compensation is expected to increase.

### 2025 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.



## Legal and Regulatory

### Program Scope, Purpose, and Impact

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. This program is also responsible for enterprise risk management: identifying particular events or circumstances relevant to the organization, assessing their likelihood and their magnitude of impact, determining a response strategy, and monitoring risk status over time. 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.

### 2025 Key Budget Assumptions

- The scope of current Legal operations will be maintained.
- Reliance on outside legal counsel is minimal.
- Business insurance premiums increase by a modest amount.

### 2025 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.

## Information Technology

### Program Scope, Purpose, and Impact

The Information Technology (IT) Program provides enterprise and desktop systems, applications, security monitoring and support, and technical expertise. This includes physical security and cybersecurity risk mitigation - including end-user training, and operational support for hardware, software, database, system administration, network, data center and cloud 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. System and operational enhancements enable higher levels of security



and enhanced business capabilities for our hybrid workforce, including evolving cloud-based services and tools.

### 2025 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.
- Internal and external penetration tests on the network and systems will be performed annually.
- IT will select, implement, and train users on 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 leveled 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 security analyst is added to provide cloud-focused security analysis, reporting, coordination, and support as more business tools and functions migrate to cloud-based services and integrate artificial intelligence with services and technology.

### 2025 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 database service, automated workflow processes, network and traffic monitoring, and other 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 and reporting tools to the enterprise.



## Human Resources

### Program Scope, Purpose, and Impact

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.

### 2025 Key Budget Assumptions

- Total WECC headcount increases by 9 FTEs in 2025.
- WECC's current benefit levels are maintained, with an anticipated premium increase to adjust for claims escalation and market increases.
- Employee engagement efforts are continually refined and adjusted to retain talent and build on WECC's strong cultural foundation. Specific focus will be on supporting and enhancing interactions and relationships with a distributed workforce.
- Management development and training will continue to be prioritized with a focus on written and interpersonal communication, accountability, coaching, and process improvement.
- NERC's Learning Management System and LinkedIn Learning are used as training resources for employees.
- A new human resources information system (HRIS) to be implemented in 2025.

### 2025 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.
- Target national markets for most positions, allowing WECC to hire from a larger and more diverse candidate pool of highly skilled talent.
- Enhance all facets of the employee experience to achieve lower levels of turnover.
- Minimize employee skills gaps through the identification of critical technical skills, knowledge assessment criteria, and competency-based career pathing with a focus on targeted internal and external professional development/education, knowledge transfer efforts, and succession planning.
- Increase the effectiveness of performance management processes through manager training and development.
- Conduct training on interpersonal skills; harassment prevention; and diversity, equity, and inclusion (DE&I) for all employees and managers.



- 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.

## **Finance and Accounting**

### **Program Scope, Purpose, and Impact**

The Finance and Accounting Program provides accounting and financial analysis and helps coordinate the financial reporting and budgeting cycles with stakeholders. The program is responsible for payroll, accounts payable, accounts receivable, budgeting, forecasting, fixed assets management, banking, cash management, tax filings, and financial reporting. 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. Accounting works with stakeholders and provides outreach to help increase understanding of annual budget requests.

### **2025 Key Budget Assumptions**

- Interest rates remain stable and investment income is conservatively budgeted.
- Bank and investment fees increase.
- Current accounting systems and controls are effective.
- A new HRIS to be implemented in 2025.

### **2025 Goals and Deliverables**

- Continuously improve accounting 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 regular financial education to the management team and budget managers.
- 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, executives, the FAC, and the Board.
- Maintain secure and reliable cloud-based software.





## Corporate Services Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2024 Budget and 2025 Budget				
CORPORATE SERVICES				
	2024 Budget	2025 Budget	Variance (\$)	Variance (%)
<b>Revenue</b>				
<b>Statutory Funding</b>				
WECC Assessments	\$ -	\$ -	\$ -	
Penalties Released	-	-	\$ -	
<b>Total Statutory Funding</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Membership Fees	\$ -	\$ -	\$ -	
Workshops & Miscellaneous	-	-	\$ -	
Interest	-	-	\$ -	
<b>Total Revenue (A)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
<b>Expenses</b>				
<b>Personnel Expenses</b>				
Salaries	\$ 5,262,178	\$ 5,716,487	\$ 454,309	8.63%
Payroll Taxes	321,151	345,226	\$ 24,075	7.50%
Benefits	973,104	997,372	\$ 24,268	2.49%
Retirement Costs	496,305	537,590	\$ 41,285	8.32%
<b>Total Personnel Expenses</b>	<u>\$ 7,052,738</u>	<u>\$ 7,596,675</u>	<u>\$ 543,937</u>	<u>7.71%</u>
<b>Meeting Expenses</b>				
Meetings & Conference Calls	\$ 75,403	\$ 70,920	\$ (4,483)	-5.95%
Travel	148,537	171,624	\$ 23,087	15.54%
<b>Total Meeting Expenses</b>	<u>\$ 223,940</u>	<u>\$ 242,544</u>	<u>\$ 18,604</u>	<u>8.31%</u>
<b>Operating Expenses, excluding Depreciation</b>				
Consultants & Contracts	\$ 559,500	\$ 277,000	\$ (282,500)	-50.49%
Office Rent	1,327,202	1,328,263	\$ 1,061	0.08%
Office Costs	1,924,379	2,063,975	\$ 139,596	7.25%
Professional Services	1,261,211	1,327,700	\$ 66,489	5.27%
Miscellaneous	-	-	\$ -	
<b>Total Operating Expenses</b>	<u>\$ 5,072,292</u>	<u>\$ 4,996,938</u>	<u>\$ (75,354)</u>	<u>-1.49%</u>
<b>Total Direct Expenses</b>	<u>\$ 12,348,970</u>	<u>\$ 12,836,157</u>	<u>\$ 487,187</u>	<u>3.95%</u>
<b>Indirect Expenses</b>	<u>\$ (12,348,970)</u>	<u>\$ (12,836,157)</u>	<u>\$ (487,187)</u>	<u>3.95%</u>
<b>Other Non-Operating Expenses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
<b>Total Expenses (B)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
<b>Change in Net Assets (=A-B)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
<b>Fixed Assets, excluding Right of Use Assets (C)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
<b>TOTAL BUDGET (B+C)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
FTEs	40.50	42.50	2.00	4.94%
HC	41.00	43.00	2.00	4.88%





# **Non-Statutory Program**

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**Goals, Budget Assumptions, and Statements of Activities**

## 2025 Non-Statutory Budget Overview

Over the last decade, the use of renewable energy and the need to have reliable, credible information for compliance and voluntary renewable usage has increased. States and provinces across the continent are increasing both the amount of renewable energy they are requiring and how they count this energy for compliance. Current and proposed legislation around the West anticipates the increased use of renewable energy through the end of the decade. The Western Renewable Energy Generation Information System (WREGIS) budget assumes that increased renewable energy penetration will require increased resources from WREGIS.

### Budget and Funding Summary

WECC's proposed 2025 non-statutory budget is \$3,693,000 a \$438,000 (13.5%) increase from the 2024 non-statutory budget. Non-statutory funding, derived predominantly from activity-based fees, is budgeted at \$3,260,000, a \$328,000 (11.2%) increase from 2024.

### Major Budget Drivers

#### Funding Sources

- Membership Fees increase due to an anticipated increase in program participation and expansions of some programs.
- Interest increases due to anticipated rates of return on investments.

#### Personnel Expenses

- Two FTE are added 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.
- 3% merit and 1% equity pools.
- Refinement of payroll tax and benefits enrollment rates and premiums.
- Labor float assumption changes based on actual turnover and vacancy rates.

#### Meeting Expenses

- Travel increases due to increased on-site audit activities to assist program participants with training and compliance.

#### Indirect Expenses

- Indirect Expenses increase due to two new FTEs 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.



## WREGIS Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2024 Budget & Projection, and 2025 Budget						
NON-STATUTORY						
	2024 Budget	2024 Projection	Variance 2024 Budget v 2024 Projection Over(Under)	2025 Budget	Variance (\$)	Variance (%)
<b>Revenue</b>						
<b>Statutory Funding</b>						
WECC Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	
Penalties Released	-	-	\$ -	-	\$ -	
<b>Total Statutory Funding</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Membership Fees	\$ 2,857,000	\$ 2,953,999	\$ 96,999.00	3,077,375	\$ 220,375	7.71%
Workshops & Miscellaneous	2,500	\$ (9,224)	\$ (11,724.00)	2,500	\$ -	0.00%
Interest	72,000	\$ 324,587	\$252,587.00	180,000	\$ 108,000	150.00%
<b>Total Revenue (A)</b>	<u>\$ 2,931,500</u>	<u>\$ 3,269,362</u>	<u>\$ 337,862</u>	<u>\$ 3,259,875</u>	<u>\$ 328,375</u>	<u>11.20%</u>
<b>Expenses</b>						
<b>Personnel Expenses</b>						
Salaries	\$ 958,109	\$ 943,851	\$ (14,258.00)	\$ 1,139,845	\$ 181,736	18.97%
Payroll Taxes	61,639	\$ 68,830	\$ 7,191.00	72,898	\$ 11,259	18.27%
Benefits	144,047	\$ 120,665	\$ (23,382.00)	174,656	\$ 30,609	21.25%
Retirement Costs	85,154	\$ 84,448	\$ (706.00)	101,295	\$ 16,141	18.96%
<b>Total Personnel Expenses</b>	<u>\$ 1,248,949</u>	<u>\$ 1,217,794</u>	<u>\$ (31,155)</u>	<u>\$ 1,488,694</u>	<u>\$ 239,745</u>	<u>19.20%</u>
<b>Meeting Expenses</b>						
Meetings & Conference Calls	\$ 4,200	\$ 2,100	\$ (2,100.00)	\$ 5,200	\$ 1,000	23.81%
Travel	25,880	\$ 22,237	\$ (3,643.00)	46,830	\$ 20,950	80.95%
<b>Total Meeting Expenses</b>	<u>\$ 30,080</u>	<u>\$ 24,337</u>	<u>\$ (5,743)</u>	<u>\$ 52,030</u>	<u>\$ 21,950</u>	<u>72.97%</u>
<b>Operating Expenses, excluding Depreciation</b>						
Consultants & Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	
Office Rent	-	\$ -	\$ -	-	\$ -	
Office Costs	984,423	\$ 985,751	\$ 1,328.00	990,968	\$ 6,545	0.66%
Professional Services	-	\$ -	\$ -	-	\$ -	
Miscellaneous	-	\$ -	\$ -	-	\$ -	
<b>Total Operating Expenses</b>	<u>\$ 984,423</u>	<u>\$ 985,751</u>	<u>\$ 1,328</u>	<u>\$ 990,968</u>	<u>\$ 6,545</u>	<u>0.66%</u>
<b>Total Direct Expenses</b>	<u>\$ 2,263,452</u>	<u>\$ 2,227,882</u>	<u>\$ (35,570)</u>	<u>\$ 2,531,692</u>	<u>\$ 268,240</u>	<u>11.85%</u>
<b>Indirect Expenses</b>	<u>\$ 980,785</u>	<u>\$ 954,258</u>	<u>\$ (26,527)</u>	<u>\$ 1,146,873</u>	<u>\$ 166,088</u>	<u>16.93%</u>
<b>Other Non-Operating Expenses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
<b>Total Expenses (B)</b>	<u>\$ 3,244,237</u>	<u>\$ 3,182,140</u>	<u>\$ (62,097)</u>	<u>\$ 3,678,565</u>	<u>\$ 434,328</u>	<u>13.39%</u>
<b>Change in Net Assets (=A-B)</b>	<u>\$ (312,737)</u>	<u>\$ 87,222</u>	<u>\$ 399,959</u>	<u>\$ (418,690)</u>	<u>\$ (105,953)</u>	<u>33.88%</u>
<b>Fixed Assets, excluding Right of Use Assets (C)</b>	<u>\$ 10,960</u>	<u>\$ -</u>	<u>\$ (10,960)</u>	<u>\$ 14,787</u>	<u>\$ 3,827</u>	<u>34.92%</u>
<b>TOTAL BUDGET (B+C)</b>	<u>\$ 3,255,197</u>	<u>\$ 3,182,140</u>	<u>\$ (73,057)</u>	<u>\$ 3,693,352</u>	<u>\$ 438,155</u>	<u>13.46%</u>
<b>TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)</b>	<u>\$ (323,697)</u>	<u>\$ 87,222</u>	<u>\$ 410,919</u>	<u>\$ (433,477)</u>	<u>\$ (109,780)</u>	<u>33.91%</u>
FTEs	11.00	11.00	-	13.00	2.00	18.18%
HC	11.00	11.00	-	13.00	2.00	18.18%



Personnel—Overview of FTEs and Expenses

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 2024	Direct FTEs 2025 Budget	Shared FTEs* 2025 Budget	Total FTEs 2025 Budget	Change from 2024 Budget
NON-STATUTORY					
Operational Programs					
Total FTEs Operational Programs	-	-	-	-	-
Administrative Programs					
WREGIS	11.00	13.00	-	13.00	2.00
Total FTEs Administrative Programs	11.00	13.00	-	13.00	2.00
Total FTEs	11.00	13.00	-	13.00	2.00

Overview of Changes in Reserves

Working Capital Reserve Analysis	
NON-STATUTORY	
Beginning Reserve (Deficit), January 1, 2024	Total \$ 6,796,749
Plus: 2024 Funding	3,269,362
Less: 2024 Projected expenses & capital expenditures	(3,182,140)
Projected Working Capital Reserve (Deficit), December 31, 2024	<u>\$ 6,883,971</u>
Plus: 2025 Funding	3,259,875
Less: 2025 Projected expenses & capital expenditures	(3,693,352)
Projected Working Capital Reserve, December 31, 2025	<u>\$ 6,450,494</u>



## Non-Statutory Program—Goals and Budget Assumptions

### WREGIS

#### Program Scope, Purpose, and Impact

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.

#### 2025 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 may 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.

## 2025 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.
- 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 each for Qualified Reporting Entities and REC holding customers.
- Deliver two in-person customer training sessions and quarterly virtual customer training sessions.
- Deliver one in-person and two virtual Qualified Reporting Entity training sessions.





# Appendix

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## Additional Information

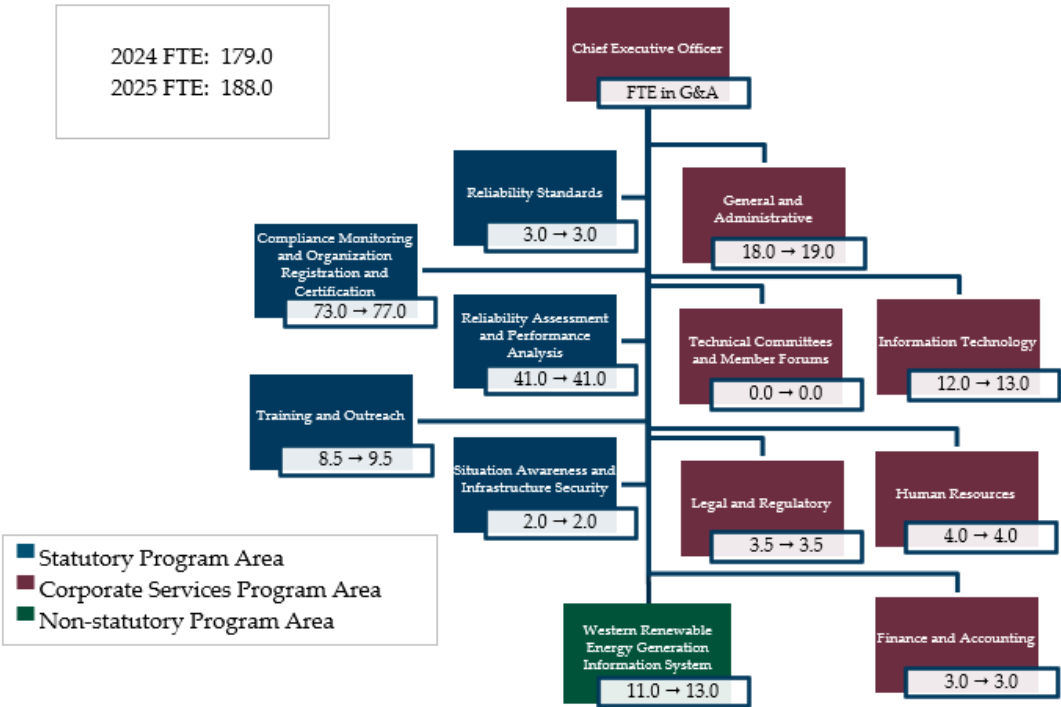


## Appendix A—2025 Statement of Activities by Program, Statutory and Non-Statutory

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
<b>Revenue</b>												
<b>Statutory Funding</b>												
WECC Assessments	\$ 33,016,000	\$ 33,016,000	\$ -	\$ 33,016,000	\$ 816,294	\$ 18,167,528	\$ 11,374,924	\$ 2,149,410	\$ 507,844	\$ -	\$ -	\$ -
Penalties Released	4,400	4,400	-	4,400	100	2,557	1,362	315	66	-	-	-
<b>Total Statutory Funding</b>	<b>\$ 33,020,400</b>	<b>\$ 33,020,400</b>	<b>\$ -</b>	<b>\$ 33,020,400</b>	<b>\$ 816,394</b>	<b>\$ 18,170,085</b>	<b>\$ 11,376,286</b>	<b>\$ 2,149,725</b>	<b>\$ 507,910</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Non-statutory Funding</b>	<b>\$ 3,077,375</b>	<b>\$ -</b>	<b>\$ 3,077,375</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,077,375</b>	<b>\$ 3,077,375</b>
Workshops & Miscellaneous	706,041	703,541	2,500	703,541	3,873	99,397	52,926	544,763	2,582	-	2,500	2,500
Interest	1,180,000	1,000,000	180,000	1,000,000	22,642	581,132	309,434	71,698	15,094	-	180,000	180,000
<b>Total Revenue (A)</b>	<b>\$ 37,983,816</b>	<b>\$ 34,723,941</b>	<b>\$ 3,259,875</b>	<b>\$ 34,723,941</b>	<b>\$ 842,909</b>	<b>\$ 18,850,614</b>	<b>\$ 11,738,646</b>	<b>\$ 2,766,186</b>	<b>\$ 525,586</b>	<b>\$ -</b>	<b>\$ 3,259,875</b>	<b>\$ 3,259,875</b>
<b>Expenses</b>												
<b>Personnel Expenses</b>												
Salaries	\$ 25,589,801	\$ 24,449,956	\$ 1,139,845	\$ 24,449,956	\$ 537,566	\$ 10,754,742	\$ 5,816,351	\$ 1,310,264	\$ 314,546	\$ 5,716,487	\$ 1,139,845	\$ 1,139,845
Payroll Taxes	1,609,690	1,536,792	72,898	1,536,792	33,324	688,366	368,322	80,854	20,700	345,226	72,898	72,898
Benefits	3,108,679	2,934,023	174,656	2,934,023	43,605	1,136,519	589,810	136,291	30,426	997,372	174,656	174,656
Retirement Costs	2,301,861	2,200,566	101,295	2,200,566	47,843	954,003	516,630	116,505	27,995	537,590	101,295	101,295
<b>Total Personnel Expenses</b>	<b>\$ 32,610,031</b>	<b>\$ 31,121,337</b>	<b>\$ 1,488,694</b>	<b>\$ 31,121,337</b>	<b>\$ 662,338</b>	<b>\$ 13,533,630</b>	<b>\$ 7,291,113</b>	<b>\$ 1,643,914</b>	<b>\$ 393,667</b>	<b>\$ 7,596,675</b>	<b>\$ 1,488,694</b>	<b>\$ 1,488,694</b>
<b>Meeting Expenses</b>												
Meetings & Conference Calls	\$ 640,516	\$ 635,316	\$ 5,200	\$ 635,316	\$ -	\$ -	\$ 38,676	\$ 525,720	\$ -	\$ 70,920	\$ 5,200	\$ 5,200
Travel	1,108,975	1,062,145	46,830	1,062,145	21,236	606,370	197,585	46,080	19,250	171,624	46,830	46,830
<b>Total Meeting Expenses</b>	<b>\$ 1,749,491</b>	<b>\$ 1,697,461</b>	<b>\$ 52,030</b>	<b>\$ 1,697,461</b>	<b>\$ 21,236</b>	<b>\$ 606,370</b>	<b>\$ 236,261</b>	<b>\$ 571,800</b>	<b>\$ 19,250</b>	<b>\$ 242,544</b>	<b>\$ 52,030</b>	<b>\$ 52,030</b>
<b>Operating Expenses, excluding Depreciation</b>												
Consultants & Contracts	\$ 1,897,400	\$ 1,897,400	\$ -	\$ 1,897,400	\$ -	\$ 12,000	\$ 1,608,400	\$ -	\$ -	\$ 277,000	\$ -	\$ -
Office Rent	1,328,263	1,328,263	-	1,328,263	-	-	-	-	-	1,328,263	-	-
Office Costs	3,940,324	2,949,356	990,968	2,949,356	2,957	315,986	494,713	68,125	3,600	2,063,975	990,968	990,968
Professional Services	1,327,700	1,327,700	-	1,327,700	-	-	-	-	-	1,327,700	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 8,493,687</b>	<b>\$ 7,502,719</b>	<b>\$ 990,968</b>	<b>\$ 7,502,719</b>	<b>\$ 2,957</b>	<b>\$ 327,986</b>	<b>\$ 2,103,113</b>	<b>\$ 68,125</b>	<b>\$ 3,600</b>	<b>\$ 4,996,938</b>	<b>\$ 990,968</b>	<b>\$ 990,968</b>
<b>Total Direct Expenses</b>	<b>\$ 42,853,209</b>	<b>\$ 40,321,517</b>	<b>\$ 2,531,692</b>	<b>\$ 40,321,517</b>	<b>\$ 686,531</b>	<b>\$ 14,467,986</b>	<b>\$ 9,630,487</b>	<b>\$ 2,283,839</b>	<b>\$ 416,517</b>	<b>\$ 12,836,157</b>	<b>\$ 2,531,692</b>	<b>\$ 2,531,692</b>
<b>Indirect Expenses</b>	<b>\$ -</b>	<b>\$ (1,146,873)</b>	<b>\$ 1,146,873</b>	<b>\$ (1,146,873)</b>	<b>\$ 264,663</b>	<b>\$ 6,793,018</b>	<b>\$ 3,617,061</b>	<b>\$ 838,100</b>	<b>\$ 176,442</b>	<b>\$ (12,836,157)</b>	<b>\$ 1,146,873</b>	<b>\$ 1,146,873</b>
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses (B)</b>	<b>\$ 42,853,209</b>	<b>\$ 39,174,644</b>	<b>\$ 3,678,565</b>	<b>\$ 39,174,644</b>	<b>\$ 951,194</b>	<b>\$ 21,261,004</b>	<b>\$ 13,247,548</b>	<b>\$ 3,121,939</b>	<b>\$ 592,959</b>	<b>\$ -</b>	<b>\$ 3,678,565</b>	<b>\$ 3,678,565</b>
<b>Change in Net Assets (=A-B)</b>	<b>\$ (4,869,393)</b>	<b>\$ (4,450,703)</b>	<b>\$ (418,690)</b>	<b>\$ (4,450,703)</b>	<b>\$ (108,285)</b>	<b>\$ (2,410,390)</b>	<b>\$ (1,508,902)</b>	<b>\$ (355,753)</b>	<b>\$ (67,373)</b>	<b>\$ -</b>	<b>\$ (418,690)</b>	<b>\$ (418,690)</b>
<b>Fixed Assets, excluding Right of Use Assets (C)</b>	<b>\$ 165,500</b>	<b>\$ 150,713</b>	<b>\$ 14,787</b>	<b>\$ 150,713</b>	<b>\$ 3,412</b>	<b>\$ 87,584</b>	<b>\$ 46,636</b>	<b>\$ 10,806</b>	<b>\$ 2,275</b>	<b>\$ -</b>	<b>\$ 14,787</b>	<b>\$ 14,787</b>
<b>TOTAL BUDGET (B+C)</b>	<b>\$ 43,018,709</b>	<b>\$ 39,325,357</b>	<b>\$ 3,693,352</b>	<b>\$ 39,325,357</b>	<b>\$ 954,606</b>	<b>\$ 21,348,588</b>	<b>\$ 13,294,184</b>	<b>\$ 3,132,745</b>	<b>\$ 595,234</b>	<b>\$ -</b>	<b>\$ 3,693,352</b>	<b>\$ 3,693,352</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ (5,034,893)</b>	<b>\$ (4,601,416)</b>	<b>\$ (433,477)</b>	<b>\$ (4,601,416)</b>	<b>\$ (111,697)</b>	<b>\$ (2,497,974)</b>	<b>\$ (1,555,538)</b>	<b>\$ (366,559)</b>	<b>\$ (69,648)</b>	<b>\$ -</b>	<b>\$ (433,477)</b>	<b>\$ (433,477)</b>
FTEs	188.00	175.00	13.00	175.00	3.00	77.00	41.00	9.50	2.00	42.50	13.00	13.00
HC	188.00	175.00	13.00	175.00	3.00	77.00	41.00	9.00	2.00	43.00	13.00	13.00



Appendix B—Organizational Chart—Changes in FTE by Program



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

Adjustment to the AESO Assessments		
Credit for WECC Compliance Costs		
	2024	2025
	Compliance Budget AESO NEL Allocation	Compliance Budget AESO NEL Allocation
<b>WECC Compliance Costs</b>		
Direct Costs less Direct Revenue	\$ 12,668,109	\$ 13,787,457
Indirect Costs	6,508,843	6,793,018
Fixed Asset Expenditures	72,736	87,584
<b>Total Net Costs, including Fixed Assets</b>	<b>\$ 19,249,688</b>	<b>\$ 20,668,059</b>
<b>Net total to be allocated</b>	<b>\$ 19,249,688</b>	<b>\$ 20,668,059</b>
AESO NEL Share (2022 and 2023)	6.934%	6.949%
<b>AESO Proportional Share of Compliance Costs, including Fixed Assets</b>	<b>\$ 1,334,773</b>	<b>\$ 1,436,177</b>
% Credit (68.00 of 73.00 FTE for 2024; 70.00 of 77.00 FTE for 2025)	93.15%	90.91%
<b>AESO Credit for Compliance Costs</b>	<b>\$ 1,243,341</b>	<b>\$ 1,305,616</b>

## Appendix D—Statutory and Non-Statutory Budget History Charts

