



Jillian Lessner
CFAO
January 21, 2026

Mr. Andy Sharp
Vice President, Chief Financial Officer
North American Electric Reliability Corporation
1401 H Street NW, Suite 410
Washington, DC 20005
RE: WECC Q4 2025 Statutory Statement of Activities and Variance Report

Dear Andy,

Attached is WECC's year-end Statutory Statement of Activities (Unaudited) and Variance Report. WECC's 2025 unaudited, net year-to-date results are \$114,000 under budget, excluding the impact of Generally Accepted Accounting Principles' (GAAP) treatment of penalty revenue recognition. Explanations and drivers are noted below.

If you have any questions, please do not hesitate to contact me.

Regards,

A handwritten signature in blue ink, appearing to read 'JLessner', written in a cursive style.

Jillian Lessner
Chief Financial and Administrative Officer

Enclosures

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

Year-to-date statutory variances greater than \$10,000 and 10% are explained below.

Funding

- Workshops & Miscellaneous: \$110,000 under budget

Workshops & Miscellaneous are under budget primarily due to lower-than-budgeted attendance and revenue from the Reliability and Security Workshops.

- Interest: \$226,000 over budget

Interest is over budget due to higher-than-budgeted rates of return on cash and investments.

Expenses

- Payroll Taxes: \$169,000 over budget

Payroll Taxes are over budget primarily due to higher actual tax rates compared to budgeted rates.

- Consultants & Contracts: \$362,000 over budget

Consultants & Contracts are over budget primarily due to the timing of actual project expenditures compared to budget. Most of these timing variances are due to expenditures that were budgeted in 2024.

- Professional Services: \$132,000 under budget

Professional Services are under budget primarily due to two vacancies on the Board of Directors through September 2025.

- Indirect Expenses: \$243,000 under budget

Indirect Expenses are under budget due to lower allocable expenses in the Corporate Services program area and several vacant positions in the non-statutory program area.

- Fixed Assets: \$31,000 over budget

Fixed Assets are over budget primarily due to the timing of equipment upgrades and laptop refreshes compared to budget as well as unbudgeted upgrades to the conference space sound system.



Western Electricity Coordinating Council
Statutory Statement of Activities
As of December 31, 2025
(Unaudited)

(In Whole Dollars)

	2025 Actuals	2025 Budget	2025 \$ Variance	2025 % Variance
Funding				
Assessments	33,016,000	33,016,000	-	0.0%
Penalties Released ¹	4,400	4,400	-	0.0%
Services & Software	-	-	-	-
Workshops & Miscellaneous	422,761	703,541	(280,780)	-39.9%
Interest	1,397,155	1,000,000	397,155	39.7%
Total Funding	34,840,316	34,723,941	116,375	0.3%
Expenses				
Personnel Expenses				
Salaries	24,193,088	24,449,956	(256,868)	-1.1%
Payroll Taxes	1,705,454	1,536,792	168,662	11.0%
Employee Benefits	2,951,687	2,934,023	17,664	0.6%
Retirement Costs	2,071,970	2,200,566	(128,596)	-5.8%
Total Personnel Expenses	30,922,199	31,121,337	(199,138)	-0.6%
Meeting Expenses				
Meetings & Conference Calls	648,051	635,316	12,735	2.0%
Travel	962,127	1,062,145	(100,018)	-9.4%
Total Meeting Expenses	1,610,178	1,697,461	(87,283)	-5.1%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	2,259,623	1,897,400	362,223	19.1%
Office Rent	1,308,343	1,328,263	(19,920)	-1.5%
Office Costs	2,753,524	2,949,356	(195,832)	-6.6%
Professional Services	1,195,588	1,327,700	(132,112)	-10.0%
Miscellaneous	-	-	-	-
Total Operating Expenses	7,517,078	7,502,719	14,359	0.2%
Total Direct Expenses	40,049,455	40,321,517	(272,062)	-0.7%
Indirect Expenses	(903,917)	(1,146,873)	242,956	-21.2%
Other Non-Operating Expenses	-	-	-	-
Total Expenses	39,145,538	39,174,644	(29,106)	-0.1%
Change in Net Assets	(4,305,222)	(4,450,703)	145,481	-3.3%
Fixed Asset Additions, excluding Right of Use Assets	181,962	150,713	31,249	20.7%
Total Expenditures	39,327,500	39,325,357	2,143	0.0%
Change in Working Capital (Total Funding less Total Budget)	(4,487,184)	(4,601,416)	114,232	
FTEs	162.11	175.00	(12.89)	
Headcount	165.00	175.00	(10.00)	
Working Capital at 1/1/2025	14,188,218	12,848,597	1,339,621	
Peak Reliability Donation Expenditures	1,802,261	1,500,000	302,261	
Change to WC - 2025	(4,487,184)	(4,601,416)	114,232	
Working Capital at 12/31/2025	11,503,295	9,747,181	1,756,114	

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



Working Capital and Reserve Analysis

Working Capital and Reserve Analysis				
STATUTORY				
	Total	Working Capital Reserve	Unreleased Penalties	Peak Reliability Donation
Beginning Reserve, January 1, 2025	\$ 17,249,910	\$ 14,188,218	\$ 4,400	\$ 3,057,292
Plus: Total Funding	34,882,061	34,840,316	41,745	-
Penalties Release	(4,400)	-	(4,400)	-
Less: Expenditures	(39,327,500)	(37,525,239)	-	(1,802,261)
Plus: Non-Statutory Fund Adjustment	-	-	-	-
Reserve, December 31, 2025	<u>\$ 12,800,071</u>	<u>\$ 11,503,295</u>	<u>\$ 41,745</u>	<u>\$ 1,255,031</u>