



Jillian Lessner
CFAO
April 20, 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 Q1 2026 Statutory Statement of Activities and Variance Report

Dear Andy,

Attached is WECC's first-quarter, unaudited Statutory Statement of Activities and Variance Report. WECC's net, year-to-date results are \$193,000 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 let me know.

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: Jeff Droubay, President and Chief Executive Officer
WECC Finance and Audit Committee

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

Funding

- Workshops & Miscellaneous: \$332,000 over budget

Workshops & Miscellaneous are over budget primarily due to PEAK donation revenue recognized in February for the holdback amount that expired at the end of 2025.

- Interest: \$36,000 over budget

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

Expenses

- Payroll Taxes: \$54,000 over budget

Payroll Taxes are over budget due to lower-than-budgeted vacancy rates and higher-than-budgeted payroll tax rates.

- Employee Benefits: \$104,000 over budget

Employee Benefits are over budget due to higher-than-budgeted benefits enrollment rates and medical premium increases.

- Travel: \$37,000 under budget

Travel is under budget primarily due to the timing of actual travel compared to budget.

- Consultants & Contracts: \$244,000 under budget

Consultants & Contracts are under budget primarily due to the timing of actual expenditures compared to budget.

- Indirect Expenses: \$97,000 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: \$81,000 under budget

Fixed Assets are under budget primarily due to the timing of equipment refresh cycles compared to budget.



Western Electricity Coordinating Council
Statutory Statement of Activities
As of March 31, 2026
(Unaudited)

(In Whole Dollars)

	2026 YTD Actual	2026 YTD Budget	2026 YTD Variance	%	2026 Projection	2026 Annual Budget	2026 Projected Variance	%
Funding								
Assessments	35,657,280	35,657,280	-	0.0%	35,657,280	35,657,280	-	0.0%
Penalties Released ¹	41,745	41,745	-	0.0%	41,745	41,745	-	0.0%
Services & Software	-	-	-	-	-	-	-	-
Workshops & Miscellaneous	621,292	289,750	331,542	114.4%	1,089,042	757,500	331,542	43.8%
Interest	285,806	250,002	35,804	14.3%	951,806	1,000,006	(48,200)	-4.8%
Total Funding	36,606,123	36,238,777	367,346	1.0%	37,739,873	37,456,531	283,342	0.8%
Expenses								
Personnel Expenses								
Salaries	5,929,308	5,654,186	275,122	4.9%	26,726,566	26,016,823	709,743	2.7%
Payroll Taxes	444,929	390,648	54,281	13.9%	1,659,841	1,577,298	82,543	5.2%
Employee Benefits	823,403	718,908	104,495	14.5%	3,537,803	2,986,868	550,935	18.4%
Retirement Costs	494,459	452,269	42,190	9.3%	2,158,009	2,071,272	86,737	4.2%
Total Personnel Expenses	7,692,099	7,216,011	476,088	6.6%	34,082,219	32,652,261	1,429,958	4.4%
Meeting Expenses								
Meetings & Conference Calls	298,622	274,362	24,260	8.8%	636,408	611,168	25,240	4.1%
Travel	235,907	273,045	(37,138)	-13.6%	1,009,783	1,043,960	(34,177)	-3.3%
Total Meeting Expenses	534,529	547,407	(12,878)	-2.4%	1,646,191	1,655,128	(8,937)	-0.5%
Operating Expenses, excluding Depreciation								
Consultants & Contracts	99,125	343,600	(244,475)	-71.2%	1,493,300	1,495,400	(2,100)	-0.1%
Office Rent	331,091	332,314	(1,223)	-0.4%	1,325,211	1,326,433	(1,222)	-0.1%
Office Costs	758,335	841,568	(83,233)	-9.9%	2,876,230	2,964,652	(88,422)	-3.0%
Professional Services	353,261	328,806	24,455	7.4%	1,370,641	1,367,225	3,416	0.2%
Miscellaneous	-	-	-	-	-	-	-	-
Total Operating Expenses	1,541,812	1,846,288	(304,476)	-16.5%	7,065,382	7,153,710	(88,328)	-1.2%
Total Direct Expenses	9,768,440	9,609,706	158,734	1.7%	42,793,792	41,461,099	1,332,693	3.2%
Indirect Expenses	(262,011)	(359,335)	97,324	-27.1%	(1,340,016)	(1,437,340)	97,324	-6.8%
Other Non-Operating Expenses	-	-	-	-	-	-	-	-
Total Expenses	9,506,429	9,250,371	256,058	2.8%	41,453,776	40,023,759	1,430,017	3.6%
Change in Net Assets	27,099,694	26,988,406	111,288	0.4%	(3,713,903)	(2,567,228)	(1,146,675)	44.7%
Fixed Asset Additions, excluding Right of Use Assets	15,528	97,000	(81,472)	-84.0%	148,528	109,116	39,412	36.1%
Total Expenditures	9,521,957	9,347,371	174,586	1.9%	41,602,304	40,132,875	1,469,429	3.7%
Change in Working Capital (Total Funding less Total Budget)	27,084,166	26,891,406	192,760		(3,862,431)	(2,676,344)	(1,186,087)	
FTEs	163.86	178.00	(14.14)		171.86	178.00	(6.14)	
Headcount	164.00	178.00	(14.00)		180.00	178.00	2.00	
Working Capital at 1/1/2026	10,998,427	11,299,168	(300,741)		10,998,427	11,299,168	(300,741)	
Peak Reliability Donation Expenditures	-	-	-		450,000	200,000	250,000	
Change to WC - 2026	27,084,166	26,891,406	192,760		(3,862,431)	(2,676,344)	(1,186,087)	
Working Capital at 3/31/2026	38,082,593	38,190,574	(107,981)		7,585,996	8,822,824	(1,236,828)	

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



Working Capital and Reserve Analysis

Working Capital and Reserve Analysis

STATUTORY

	Total	Working Capital Reserve	Unreleased Penalties	Peak Reliability Donation
Beginning Reserve, January 1, 2026	12,295,203	\$ 10,998,427	\$ 41,745	1,255,031
Plus: Total Funding	36,606,123	36,606,123	-	-
Penalties Release	(41,745)	-	(41,745)	-
Less: Expenditures	(9,521,957)	(9,521,957)	-	-
Plus: Non-Statutory Fund Adjustmen	-	-	-	-
Reserve, March 31, 2026	\$ 39,337,624	\$ 38,082,593	\$ -	\$ 1,255,031