



## **2027 Business Plan and Budget**

Approved by: WECC Board of Directors

June XX, 2026

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## Introduction

TOTAL RESOURCES (in whole dollars)				
	2027 Budget	U.S.	Canada	Mexico
Statutory FTEs*	187.0			
Non-statutory FTEs	19.0			
<b>Total FTEs</b>	206.0			
Statutory Budget	\$ 42,013,290			
Non-Statutory Budget	\$ 6,750,862			
<b>Total Expenses</b>	\$ 48,764,153			
<b>Statutory Assessments</b>	\$ 38,509,860			-
<b>Non-Statutory Fees</b>	\$ 4,332,740	3,449,640	841,048	42,052
NEL**	-			-
NEL%	0.0%	0.0%	0.0%	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 reduce risks to the reliability and security of the Western Interconnection's Bulk Power System (BPS). WECC operates under a delegation agreement with the North American Electric Reliability Corporation (NERC) and in accordance with WECC's Bylaws. WECC executes its mission while working with a broad stakeholder community 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 is 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 its mission through:

- Effective, risk-based monitoring and enforcement of Reliability Standards through standards development, entity registration and certification, compliance risk assessments, audits and investigations, and, when necessary, enforcement.
- Working with industry participants, policymakers, and other stakeholders in the Western Interconnection to conduct system modeling and information sharing, reliability assessments, performance analyses, situation awareness, and event analyses.
- Targeted training, outreach, and engagement to better educate and inform stakeholders about current and emerging risks to the reliability of BPS and the near- and long-term impacts their decisions have on the reliability and security of the Western Interconnection.



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To ensure that WECC adds value to the Western Interconnection and delivers on its vital reliability and security mission, WECC's Long-Term Strategy focuses on five Impact Areas:

1. Risk Mitigation: WECC is an organization aligned on risk reduction. WECC's holistic risk-based approach uses all the tools and skills available to deliver comprehensive risk mitigation strategies.
2. Partnership: WECC is sought after as a partner to address the risks that pose the greatest threat to reliability. WECC identifies concerns and facilitates solutions with input and assistance from diverse and often conflicting stakeholder perspectives, focusing our resources on risks that pose the greatest threat to reliability and security.
3. Perspective: WECC's insights, analyses, and outreach promote industry action. WECC is renowned for providing clear and actionable communications supported by data and rigorous analysis.
4. Independence: WECC's resource- and technology-neutral, interconnection-wide perspective is respected and trusted to assure decision-makers that they have an independent partner to rely on.
5. People: WECC's highly skilled and engaged employees are champions for reliability.

## Membership and Governance

WECC has 360 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
5. Representatives of state and provincial governments

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 or any other stakeholder proceeding.<sup>2</sup>

WECC is governed by a nine-member independent board of directors (board) elected by WECC members, and WECC's president and chief executive officer. The nine independent directors are compensated by WECC for their time.

WECC has four governance committees that provide functional oversight of WECC operations:

- Finance and Audit Committee (FAC)

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<sup>1</sup> As of April 14, 2026

<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.

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- Governance Committee (GC)
  - Human Resources and Compensation Committee (HRCC)
  - Nominating Committee (NC)

Under the direction of the WECC board, additional committees provide the board with technical advice and policy recommendations:

- Member Advisory Committee (MAC)
- Reliability Assessment Committee (RAC);
- Reliability Risk Committee (RRC)
- WECC Standards Committee (WSC)

## 2027 Strategic Goals

The electric industry continues to undergo profound changes, especially in the West. WECC's role continues to be the independent voice of bulk power system reliability and security in the Western Interconnection. WECC works closely with its broad stakeholder base to build trust, promote transparency, set priorities, and enhance the reliability and security of the Western Interconnection. WECC's focus is to proactively address risks for which the impacts to 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. WECC strategically engages with stakeholders thoughtfully and intentionally 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 represents continent-wide risks and was vetted through a stakeholder process and approved in December 2024. WECC's Long-Term Strategy identifies long-term Impact Areas 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 2027 and beyond.

Additionally, in conjunction with the WECC Reliability Risk Committee, a risk management program was created in 2023 to provide a structured approach to address known and emerging reliability and security risks within the Western Interconnection. With input from stakeholders, this process allows for risks to be identified, prioritized, monitored, and mitigated to help improve reliability and security.

The process was created using the principles found in the ISO 31000 Risk Management Process. Using these principles, a customized process was developed to fit with the core activities already established at WECC and with the industry. This customized approach:

- Provides a structured framework for WECC to prioritize efforts in addressing risks and monitor the effectiveness of those actions.
- Avoids duplication of known work and provides WECC the ability to build on the successes of others by becoming involved and partnering with other organizations and industry experts.



- Provides a necessary feedback process for any additional prioritization or mitigation efforts needed and overall program improvements.

The Western Interconnection Risk Register can be found [here](#).

## ERO Enterprise

Electricity is a vital component of the fabric of modern society and the ERO Enterprise serves to strengthen that fabric for the benefit of nearly 400 million North Americans. The ERO Enterprise, which consists of NERC and the six Regional Entities, works with users, owners, and operators of the BPS, government partners, and other stakeholders and industry participants, to pursue its mission of ensuring the effective and efficient reduction of risks to the reliability and security of the BPS.

NERC and the Regional Entities play different but important and complementary roles in delivering ERO Enterprise programs. NERC provides industry-wide perspective and oversight, and the Regional Entities have unique features and activities that serve the needs of their regional constituents, while ensuring that registered entities follow NERC and Regional Reliability Standards. 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. The ERO Enterprise is explicitly committed to its collective success in achieving its vision of a highly reliable and secure North American BPS.



NERC and the Regional Entities are continually refining their individual and collective operating and governance practices in support of strategic and operational goals and objectives that are designed to ensure the ERO fulfills its statutory obligations. This collaboration is done while acknowledging the unique differences across the Regional Entities, and the different corporate and governance responsibilities of each entity.

In September 2024, the WECC board acknowledged the [ERO Enterprise Long-Term Strategy](#) as a valuable input to the WECC strategic planning process and recognized it as beneficial collaboration between NERC and the Regional Entities. The strategy includes the following focus areas for achieving success in the ERO Enterprise vision and mission:

- Energy – Effectively leverage a broad range of data, tools, and approaches to assist stakeholders and policymakers in addressing existing BPS risks and proactively identifying and preparing for emerging and unknown risks to the grid.
- Security – Maintain cyber and physical security programs (E-ISAC, Standards, Compliance Monitoring and Enforcement Program (CMEM), technical committee work, outreach, and engagement) that are risk-based, efficient, coordinated, and effectively advance the security posture of industry.

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- Engagement – Ensure that the increasingly diverse spectrum of stakeholders and policymakers find value in engagements with the ERO Enterprise, seek ERO Enterprise expertise to inform their decision-making, and have confidence in the integrity and independence of ERO Enterprise programs.
  - Agility and Sustainability – Perform as an effective and efficient team acting in coordination, ensuring its programs and efforts deliver value for stakeholders and policymakers as they manage changing reliability and security risk within the evolving industry landscape, and capturing cost efficiencies when practical.

As part of the business planning and budgeting process, NERC and the Regional Entities each have their own priorities and strategic focus areas but regularly come together to ensure alignment 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 specific to WECC that is described in each statutory program, discussed in [Statutory Programs](#).

Risks to reliability and security are fluid and can be affected by recent events; therefore, NERC and each Regional Entity may also create annual work plan priorities that summarize the most critical goals and objectives for the year. In many cases, these work plan priorities are also used for individual, departmental, and company performance measurement.

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## 2027 Statutory Budget Overview

Those who plan, operate, and care about the reliability of the Western Interconnection continue to confront numerous and rapidly evolving challenges — increasingly recurrent extreme natural events, large-scale generator retirements to meet aggressive clean energy goals, massive amounts of new generators that present new technological and dispatchability challenges, evolving and increasing cybersecurity and physical threats, the risks and opportunities posed by artificial intelligence (AI), and the proliferation of data centers and other technologies, with their accompanying large demand for electricity. The 2027 Business Plan and Budget (BP&B) assumes that all these challenges will continue, as will the challenges in the labor market, where the competition for talent and the increasing costs to attract and retain a highly skilled workforce remain. Given the rapidly evolving state of AI, this budget assumes status quo relating to process improvements. Any potential efficiencies gained due to WECC's 2026 adoption of AI are not assumed here.

### Budget and Funding Summary

WECC's proposed 2027 statutory budget is \$42,013,000, a \$1,880,000 (4.69%) increase from the 2026 statutory budget. This increase includes a one-time \$1,000,000 consulting expenditure for a gas-electric interdependence study funded with Peak Reliability Donation reserves. The budget increase excluding that expenditure is 2.19%.

WECC's proposed statutory assessment is \$38,510,000, a \$2,853,000 (8.0%) increase over the 2026 statutory assessment, which is in line with prior assessment stabilization work and last year's MAC budget subcommittee recommendations. Major drivers of the increase in budgeted expenditures are outlined below. 2027 funding includes the use of working capital reserves of \$995,000, Peak Donation reserves of \$1,145,000, and \$1,363,000 of other income.

### Major Budget Drivers

#### Personnel Expenses

- Nine new full-time equivalents (FTE) to support increasing demands on the organization:
  - Seven FTEs are added in CMEP in response to the downstream increase of all related work from new registrants and to build improved depth and breadth of skillsets.
  - Two FTEs are added in information technology, an AI analyst to support the effective deployment of AI at WECC, and a business reporting analyst to help transform data into actionable insights.
- 4% merit and 1% market adjustment pools
- Refinement of payroll tax and benefits enrollment rates and premiums

#### Operating Expenses

- Consulting increases to support a one-time gas-electric study to help identify risks to the BPS related to the interdependency between natural gas infrastructure and generators, which will be largely funded with Peak Donation Reserves.



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## Indirect Expenses

- The overhead allocation to the non-statutory program increases \$254,000 due to increases in non-statutory FTEs and increases in Corporate Services expenses.

## 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, with \$300,000 held back for a period of five years to pay any Peak bills that may be presented following Peak's formal closure on December 31, 2020. The holdback period ended at the end of 2025, and the holdback amount was converted from non-statutory to statutory reserves in 2026, where the remainder of the donation is accounted for.

Proposed projects are vetted with the executive team and stakeholders via targeted outreach, technical committees, and the Business Plan and Budget Process.

In 2027, WECC proposes using \$1,145,000 of Peak Donation Reserves to fund a gas–electric interface study, AI projects, and data management projects, all of which would contribute a better understanding of reliability in the West and the advancement of our analytical capabilities.

In 2026, WECC intends to use some of the Peak Donation Reserves to fund further data management capabilities and our initial AI infrastructure and some initiatives, which will advance our analytical capabilities and effectiveness related to mitigating risks to reliability in the West. WECC does anticipate spending the remaining \$1,370,000 of Peak Donation Reserves by the end of 2027.

## 2026 Statutory Budget and Projection and 2027 Budget

### Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2026 Budget & Projection, and 2027 Budget STATUTORY

	2026 Budget	2026 Projection	Variance		Budget Variance (\$)	Budget Variance (%)
			2026 Budget v 2026 Projection Over(Under)	2027 Budget		
<b>Revenue</b>						
<b>Statutory Funding</b>						
WECC Assessments	\$ 35,657,280	\$ 35,657,280	\$ -	\$ 38,509,860	\$ 2,852,580	8.00%
Penalties Released <sup>1</sup>	41,745	41,745	\$ -	-	(41,745)	-100.00%
<b>Total Statutory Funding</b>	<b>\$ 35,699,025</b>	<b>\$ 35,699,025</b>	<b>\$ -</b>	<b>\$ 38,509,860</b>	<b>\$ 2,810,835</b>	<b>7.87%</b>
Membership Fees	\$ -	\$ -	\$ -	\$ -	\$ -	
Federal Grants	-	-	-	-	-	
Services & Software	-	-	-	-	-	
Workshops & Miscellaneous	757,500	1,089,042	331,542	583,053	(174,447)	-23.03%
Interest	1,000,006	951,806	\$ (48,200)	780,000	(220,006)	-22.00%
<b>Total Revenue (A)</b>	<b>\$ 37,456,531</b>	<b>\$ 37,739,873</b>	<b>\$ 283,342</b>	<b>\$ 39,872,913</b>	<b>\$ 2,416,382</b>	<b>6.45%</b>
<b>Expenses</b>						
<b>Personnel Expenses</b>						
Salaries	\$ 26,016,824	\$ 26,726,566	\$ 709,742	\$ 27,013,850	\$ 997,026	3.83%
Payroll Taxes	1,577,297	1,659,841	82,544	1,750,738	173,441	11.00%
Benefits	2,986,868	3,537,803	550,935	3,262,396	275,528	9.22%
Retirement Costs	2,071,272	2,158,009	86,737	2,153,991	82,719	3.99%
<b>Total Personnel Expenses</b>	<b>\$ 32,652,261</b>	<b>\$ 34,082,219</b>	<b>\$ 1,429,958</b>	<b>\$ 34,180,975</b>	<b>\$ 1,528,714</b>	<b>4.68%</b>
<b>Meeting Expenses</b>						
Meetings & Conference Calls	\$ 611,168	\$ 636,408	\$ 25,240	\$ 424,849	\$ (186,319)	-30.49%
Travel	1,043,960	1,009,783	\$ (34,177)	1,127,699	83,739	8.02%
<b>Total Meeting Expenses</b>	<b>\$ 1,655,128</b>	<b>\$ 1,646,191</b>	<b>\$ (8,937)</b>	<b>\$ 1,552,548</b>	<b>\$ (102,580)</b>	<b>-6.20%</b>
<b>Operating Expenses, Excluding Depreciation</b>						
Consultants & Contracts	\$ 1,495,400	\$ 1,493,300	\$ (2,100)	\$ 2,260,800	\$ 765,400	51.18%
Office Rent	1,326,433	1,325,211	(1,222)	1,324,151	(2,282)	-0.17%
Office Costs	2,964,652	2,876,230	(88,422)	2,826,976	(137,676)	-4.64%
Professional Services	1,367,225	1,370,641	3,416	1,426,947	59,722	4.37%
Miscellaneous	-	-	-	-	-	
<b>Total Operating Expenses</b>	<b>\$ 7,153,710</b>	<b>\$ 7,065,382</b>	<b>\$ (88,328)</b>	<b>\$ 7,838,874</b>	<b>\$ 685,164</b>	<b>9.58%</b>
<b>Total Direct Expenses</b>						
	<b>\$ 41,461,099</b>	<b>\$ 42,793,792</b>	<b>\$ 1,332,693</b>	<b>\$ 43,572,397</b>	<b>\$ 2,111,298</b>	<b>5.09%</b>
<b>Indirect Expenses</b>						
	<b>\$ (1,437,341)</b>	<b>\$ (1,340,016)</b>	<b>\$ 97,325</b>	<b>\$ (1,691,294)</b>	<b>\$ (253,953)</b>	<b>17.67%</b>
<b>Other Non-Operating Expenses</b>						
	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total Expenses (B)</b>	<b>\$ 40,023,758</b>	<b>\$ 41,453,776</b>	<b>\$ 1,430,018</b>	<b>\$ 41,881,103</b>	<b>\$ 1,857,345</b>	<b>4.64%</b>
<b>Change in Net Assets (=A-B)</b>	<b>\$ (2,567,227)</b>	<b>\$ (3,713,903)</b>	<b>\$ (1,146,676)</b>	<b>\$ (2,008,190)</b>	<b>\$ 559,037</b>	<b>-21.78%</b>
<b>Fixed Asset Additions, Excluding Right of Use Assets (C)</b>	<b>\$ 109,116</b>	<b>\$ 148,528</b>	<b>\$ 39,412</b>	<b>\$ 132,187</b>	<b>\$ 23,071</b>	<b>21.14%</b>
<b>TOTAL BUDGET (B+C)</b>	<b>\$ 40,132,874</b>	<b>\$ 41,602,304</b>	<b>\$ 1,469,430</b>	<b>\$ 42,013,290</b>	<b>\$ 1,880,416</b>	<b>4.69%</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ (2,676,343)</b>	<b>\$ (3,862,431)</b>	<b>\$ (1,186,088)</b>	<b>\$ (2,140,377)</b>	<b>\$ 535,966</b>	<b>-20.03%</b>
FTEs	178.00	171.86	(6.14)	187.00	9.00	5.06%
HC	178.00	180.00	2.00	187.00	9.00	5.06%

<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).



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## 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, 2026, will be used to offset assessments in the 2027 WECC budget.

WECC collected \$41,745 in penalty monies between July 1, 2024, and June 30, 2025, to offset assessments for 2026.

WECC collected \$0 in penalty monies between July 1, 2025, and June 30, 2026, to offset assessments for 2027.

**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 (RAPA)
- Training and Outreach
- 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 2026	Budget 2027	Variance \$	Variance %
Reliability Standards	\$ 947,690	\$ 955,341	\$ 7,651	0.81%
Compliance Monitoring and Enforcement and Organization Registration and Certification	23,077,423	24,240,556	1,163,133	5.04%
Reliability Assessment and Performance Analysis	12,313,881	13,590,438	1,276,557	10.37%
Training and Outreach	3,181,402	2,605,986	(575,416)	(18.09%)
Situation Awareness and Infrastructure Security	612,478	620,969	8,491	1.39%
<b>Total*</b>	<b>\$ 40,132,874</b>	<b>\$ 42,013,290</b>	<b>\$ 1,880,416</b>	<b>4.69%</b>

\*includes allocated Corporate Services costs

## Reliability Standards

No major budget drivers in this area.

## Compliance Monitoring and Enforcement and Organization Registration and Certification

### Personnel Expenses

- Seven new FTEs are added to the CMEP budget.
  - Four auditors are added due to increases in activity due to monitoring of new registrants and anticipated increases in expectations from NERC and FERC.
  - One risk assessment engineer is added to assist in oversight planning and analysis activities.
  - Two compliance program coordinators are added due to increased activities across registration and certification, entity monitoring, and enforcement due to new registrants.
- A budgeted 4% merit pool, 1% market adjustment pool, and the refinement of payroll tax and benefits premiums and enrollment rates contribute to increases in personnel expenses in this area and across the organization.
- Indirect Expenses increase due to the increase in FTEs in this program. Corporate Services expenses are allocated to statutory and non-statutory programs based on FTEs.

## Reliability Assessment and Performance Analysis

### Personnel Expenses

- A budgeted 4% merit pool, 1% market adjustment pool, and the refinement of payroll tax and benefits premiums and enrollment rates contribute to increases in personnel expenses in this area and across the organization.



## Consultants and Contracts

- Consulting increases due to a gas–electric interdependence study, which will be funded by Peak Donation Reserves.

## Training and Outreach

### Personnel Expenses

- One FTE is transferred to Corporate Services to align costs more closely with the position’s scope of work.
- The allocation of a half of an FTE from Corporate Services to Training and Outreach stopped in 2026 to align costs more closely with the position’s scope of work.
- A budgeted 4% merit pool, 1% market adjustment pool, and the refinement of payroll tax and benefits premiums and enrollment rates contribute to increases in personnel expenses in this area and across the organization.

### Meeting Expenses

- Meeting Expenses (and Workshop Revenue) decrease due to the elimination of one Reliability & Security Workshop, which will be replaced by smaller and more numerous outreach and engagement offerings to ensure ample opportunities are available to the diverse array of stakeholders in the Western Interconnection.
- Indirect Expenses decrease due to the decrease in FTEs in this program. Corporate Services expenses are allocated to statutory and non-statutory programs based on FTEs.

## Situation Awareness and Infrastructure Security

- No major budget drivers in this area.

## Corporate Services

Corporate Services (in whole dollars) Direct Expenses and Fixed Assets						
	2026 Budget	2027 Budget	Increase (Decrease)	FTEs 2026 Budget	FTEs 2027 Budget	Increase (Decrease)
Committee and Member Forums	\$ -	\$ -	\$ -	-	-	-
General and Administrative	\$ 6,325,595	\$ 6,408,685	\$ 83,090	17.50	19.00	1.50
Legal and Regulatory	\$ 1,273,986	\$ 1,206,507	\$ (67,479)	4.00	4.00	-
Information Technology	\$ 4,177,585	\$ 4,646,443	\$ 468,858	14.00	16.00	2.00
Human Resources	\$ 1,200,673	\$ 1,385,154	\$ 184,481	4.00	4.00	-
Accounting and Finance	\$ 753,974	\$ 745,677	\$ (8,297)	3.00	3.00	-
<b>Total Corporate Services*</b>	<b>\$ 13,731,813</b>	<b>\$ 14,392,466</b>	<b>\$ 660,653</b>	<b>42.50</b>	<b>46.00</b>	<b>3.50</b>

\*WECC’s 2027 preliminary Corporate Services budget (direct expenses plus fixed assets) is \$14,392,466 of which \$1,709,107 is allocated to non-statutory activities. As a result of the allocation of direct expenses and fixed assets to the non-statutory function, the final 2027 Corporate Services budget is \$12,683,359, which is a \$401,771 increase from the 2026 budget after direct expense and fixed asset allocations.



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## *Personnel Expenses*

- One FTE is transferred from Training and Outreach to General and Administrative to align costs more closely with the position's current responsibilities for graphic design and multimedia work.
- The allocation of a half of an FTE from General and Administrative to Training and Outreach stopped in 2026 to align costs more closely with the position's current communications-related responsibilities.
- Two FTEs are added in Information Technology for AI and reporting on data analytics to increase process efficiencies and expand data and reporting capabilities.
- A budgeted 4% merit pool, 1% market adjustment pool, and the refinement of payroll tax and benefits premiums and enrollment rates contribute to increases in personnel expenses in this area and across the organization.



## 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, unexpected behavior of inverter-based resources (IBR), 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 evident in the work of CMEP, RAPA, and Strategic Engagement. Additionally, technology enhancements in AI are changing the landscape of how we work and manage our processes. WECC will require additional specific expertise and resources to increase process effectiveness, engage optimally with stakeholders, manage the increasing workload, and minimize risks to the reliability and security of the Western Interconnection. As a result, in the 2027 budget, WECC is adding nine statutory FTEs (with an additional three FTEs in its non-statutory program for a total of 12 FTEs) and realigning some positions within program areas due to work scope, organizational needs, and priorities.

Total FTEs by Program Area	Budget 2026	Direct FTEs 2027 Budget	Shared FTEs* 2027 Budget	Total FTEs 2027 Budget	Change from 2026 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	79.00	86.00	-	86.00	<b>7.00</b>
Reliability Assessment and Performance Analysis	42.00	42.00	-	42.00	-
Training and Outreach	9.50	8.00	-	8.00	<b>(1.50)</b>
Situation Awareness and Infrastructure Security	2.00	2.00	-	2.00	-
<b>Total FTEs Operational Programs</b>	<b>135.50</b>	<b>141.00</b>	<b>-</b>	<b>141.00</b>	<b>5.50</b>
<b>Corporate Services</b>					
Technical Committees and Member Forums	-	-	-	-	-
General and Administrative	17.50	19.00	-	19.00	<b>1.50</b>
Legal and Regulatory	4.00	4.00	-	4.00	-
Information Technology	14.00	16.00	-	16.00	<b>2.00</b>
Human Resources	4.00	4.00	-	4.00	-
Finance and Accounting	3.00	3.00	-	3.00	-
<b>Total FTEs Corporate Services</b>	<b>42.50</b>	<b>46.00</b>	<b>-</b>	<b>46.00</b>	<b>3.50</b>
<b>Total FTEs</b>	<b>178.00</b>	<b>187.00</b>	<b>-</b>	<b>187.00</b>	<b>9.00</b>

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



Personnel Expenses	Budget 2026	Budget 2027	Variance \$	Variance %
<b>Salaries</b>				
Salaries	\$ 26,016,824	\$ 27,013,850	\$ 997,026	3.8%
Employment Agency Fees	-	-	-	
Temporary Office Services	-	-	-	
<b>Total Salaries</b>	<b>\$ 26,016,824</b>	<b>\$ 27,013,850</b>	<b>\$ 997,026</b>	<b>3.8%</b>
<b>Total Payroll Taxes</b>	<b>\$ 1,577,297</b>	<b>\$ 1,750,738</b>	<b>\$ 173,441</b>	<b>11.0%</b>
<b>Benefits</b>				
Workers Compensation	\$ -	\$ -	\$ -	
Medical Insurance	2,651,046	2,980,537	329,491	12.4%
Life-LTD-STD Insurance	125,545	104,504	(21,041)	(16.8%)
Training and Development	207,277	174,355	(32,922)	(15.9%)
Relocation	-	-	-	
Other	3,000	3,000	-	0.0%
<b>Total Benefits</b>	<b>\$ 2,986,868</b>	<b>\$ 3,262,396</b>	<b>\$ 275,528</b>	<b>9.2%</b>
<b>Retirement</b>				
Discretionary 401(k) Contribution	\$ 2,071,272	\$ 2,153,991	\$ 82,719	4.0%
Retirement Administration Fees	-	-	-	
<b>Total Retirement</b>	<b>\$ 2,071,272</b>	<b>\$ 2,153,991</b>	<b>\$ 82,719</b>	<b>4.0%</b>
<b>Total Personnel Costs</b>	<b>\$ 32,652,261</b>	<b>\$ 34,180,975</b>	<b>\$ 1,528,714</b>	<b>4.7%</b>
<b>FTEs</b>	<b>178.0</b>	<b>187.0</b>	<b>9.0</b>	<b>5.1%</b>
<b>Cost per FTE</b>				
Salaries	\$ 146,162	\$ 144,459	\$ (1,703)	(1.2%)
Payroll Taxes	8,861	9,362	501	5.7%
Benefits	16,780	17,446	666	4.0%
Retirement	11,636	11,519	(118)	(1.0%)
<b>Total Cost per FTE</b>	<b>\$ 183,440</b>	<b>\$ 182,786</b>	<b>\$ (654)</b>	<b>(0.4%)</b>

## Explanation of Significant Variances

- FTEs increase by nine. (More detailed information is presented in [Major Budget Drivers—Statutory Programs](#))
- Merit pool of 4%
- Market adjustment pool of 1%
- Payroll tax and benefits cost refinement
- Benefits enrollment rate refinement



## Meeting Expenses

Meeting & Conference Call Expenses	Budget 2026	Budget 2027	Variance \$	Variance %
Reliability Standards	\$ -	\$ -	\$ -	
Compliance Monitoring and Enforcement and Organization Registration and Certification	-	-	-	
Reliability Assessment and Performance Analysis	16,746	29,136	12,390	74.0%
Training and Outreach	501,120	274,497	(226,623)	(45.2%)
Situation Awareness and Infrastructure Security	-	-	-	
Corporate Services	93,302	121,216	27,914	29.9%
<b>Total Meeting Expenses</b>	<b>\$ 611,168</b>	<b>\$ 424,849</b>	<b>\$ (186,319)</b>	<b>(30.5%)</b>

Travel Expenses	Budget 2026	Budget 2027	Variance \$	Variance %
Reliability Standards	\$ 17,378	\$ 20,115	\$ 2,737	15.7%
Compliance Monitoring and Enforcement and Organization Registration and Certification	589,330	595,485	6,155	1.0%
Reliability Assessment and Performance Analysis	206,301	196,325	(9,976)	(4.8%)
Training and Outreach	31,846	31,900	54	0.2%
Situation Awareness and Infrastructure Security	10,849	13,915	3,066	28.3%
Corporate Services	188,256	269,959	81,703	43.4%
<b>Total Travel Expenses</b>	<b>\$ 1,043,960</b>	<b>\$ 1,127,699</b>	<b>\$ 83,739</b>	<b>8.0%</b>

## Explanation of Significant Variances

### *Training and Outreach*

- Meeting & Conference Calls decrease due to the elimination of one Reliability & Security Workshop, which will be replaced by smaller and more numerous outreach and engagement offerings to ensure ample opportunities are available to the diverse array of stakeholders in the Western Interconnection.

### *Corporate Services*

- Travel increases due to off-site costs for WECC Week, which brings all employees together for in-person meetings, strategy and culture alignment, training, collaboration, and team building.

## Consultants and Contracts

Consultants	Budget 2026	Budget 2027	Variance \$	Variance %
<b>Consultants</b>				
Reliability Standards	\$ -	\$ -	\$ -	
Compliance Monitoring and Enforcement and Organization Registration and Certification	12,000	6,000	(6,000)	(50.0%)
Reliability Assessment and Performance Analysis	318,400	1,124,400	806,000	253.1%
Training and Outreach	-	-	-	
Situation Awareness and Infrastructure Security	-	-	-	
Corporate Services	463,000	428,400	(34,600)	(7.5%)
<b>Consultants Total</b>	<b>\$ 793,400</b>	<b>\$ 1,558,800</b>	<b>\$ 765,400</b>	<b>96.5%</b>

Contracts	Budget 2026	Budget 2027	Variance \$	Variance %
<b>Contracts</b>				
Reliability Standards	\$ -	\$ -	\$ -	
Compliance Monitoring and Enforcement and Organization Registration and Certification	702,000	702,000	-	0.0%
Reliability Assessment and Performance Analysis	-	-	-	
Training and Outreach	-	-	-	
Situation Awareness and Infrastructure Security	-	-	-	
Corporate Services	-	-	-	
<b>Contracts Total</b>	<b>\$ 702,000</b>	<b>\$ 702,000</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Total Consulting and Contracts</b>	<b>\$ 1,495,400</b>	<b>\$ 2,260,800</b>	<b>\$ 765,400</b>	<b>51.2%</b>

## Explanation of Significant Variances

### *Reliability Assessment and Performance Analysis*

- Consulting increases due to a gas–electric interdependence study.

## Overview of Changes in Reserves

Working Capital Reserve Analysis				
STATUTORY				
	Total	Working Capital Reserve	Unreleased Penalties	Peak Reliability Donation
<b>Beginning Reserves, January 1, 2026</b>	\$ 12,295,203	\$ 10,998,427	\$ 41,745	\$ 1,255,031
Plus: 2026 Funding (from Load-Serving Entities (LSE) or designees)	35,657,280	35,657,280	-	-
Plus: Penalties released	-	41,745	(41,745)	-
Plus: Penalties received	-	-	-	-
Plus: 2026 Other funding sources	2,040,848	2,040,848	-	-
Plus: 2026 Transfer of Peak Holdback Reserves to Statutory	292,000			292,000
Less: 2026 Projected expenses & capital expenditures	(41,602,304)	(41,202,304)	-	(400,000)
<b>Projected Reserves (Deficit), December 31, 2026</b>	<b>\$ 8,683,027</b>	<b>\$ 7,535,996</b>	<b>\$ -</b>	<b>\$ 1,147,031</b>
Plus: 2027 Funding (from Load-Serving Entities (LSE) or designees)	38,509,860	38,509,860	-	-
Plus: Penalties released	-	-	-	-
Plus: 2027 Other funding sources	1,363,053	1,363,053	-	-
Less: 2027 Projected expenses & capital expenditures	(42,013,290)	(40,868,290)	-	(1,145,000)
<b>2027 Increase(Decrease) in Reserves</b>	<b>\$ (2,140,377)</b>	<b>(995,377)</b>	<b>\$ -</b>	<b>\$ (1,145,000)</b>
<b>Projected Reserves, December 31, 2027</b>	<b>\$ 6,542,650</b>	<b>\$ 6,540,619</b>	<b>\$ -</b>	<b>\$ 2,031</b>
2027 Expenses and Capital Expenditures	42,013,290			
Less: Penalties Released	-			
Less: Other Funding Sources	(1,363,053)			
Change to Working Capital & Peak Reliability Donation Reserves	(2,140,377)			
<b>2027 WECC Assessment</b>	<b>\$ 38,509,860</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 2027, reserves are being used to fund a portion of the budget. Working capital reserves of \$995,000 are funding budgeted expenditures, and \$1,145,000 of the Peak Reliability Donation reserves are funding the gas–electric interdependence study, AI projects to benefit analytical capabilities, and data management projects.

When Peak Reliability ceased operations, Peak requested WECC hold \$300,000 of the total donation amount 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. Any funds remaining after the five-year period will also be used to fund reliability and security projects. The holdback period ended at the end of 2025, and the remaining holdback amount of \$292,000 was converted from non-statutory to statutory reserves in 2026 and will be used to fund reliability and security projects in 2027.

WECC received \$XX in penalty sanctions between July 1, 2025, and June 30, 2026, that offset assessments in 2027. 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 BP&B.



## Three-Year Budget Projections

Statement of Activities and Capital Expenditures 2027 Budget & Projected 2028 and 2029 Budgets							
Statutory							
	2027 Budget	2028 Projection	\$ Change 27 v 28	% Change 27 v 28	2029 Projection	\$ Change 27 v 28	% Change 27 v 28
<b>Revenue</b>							
<b>Statutory Funding</b>							
WECC Assessments	\$ 38,509,860	\$ 41,590,649	\$ 3,080,789	8.0%	\$ 44,818,865	\$ 3,228,216	7.8%
Penalties Released	-	-	-		-	-	
<b>Total Statutory Funding</b>	<b>\$ 38,509,860</b>	<b>\$ 41,590,649</b>	<b>\$ 3,080,789</b>	<b>8.0%</b>	<b>\$ 44,818,865</b>	<b>\$ 3,228,216</b>	<b>7.8%</b>
Membership Fees	\$ -	\$ -	\$ -		\$ -	\$ -	
Workshops & Miscellaneous	583,053	573,566	(9,487)	(1.6%)	723,566	150,000	26.2%
Interest	780,000	750,000	(30,000)	(3.8%)	700,000	(50,000)	(6.7%)
<b>Total Revenue (A)</b>	<b>\$ 39,872,913</b>	<b>\$ 42,914,215</b>	<b>\$ 3,041,302</b>	<b>7.6%</b>	<b>\$ 46,242,431</b>	<b>\$ 3,328,216</b>	<b>7.8%</b>
<b>Expenses</b>							
<b>Personnel Expenses</b>							
Salaries	\$ 27,013,850	\$ 28,483,360	\$ 1,469,510	5.4%	\$ 29,948,017	\$ 1,464,657	5.1%
Payroll Taxes	1,750,738	1,847,865	97,127	5.5%	1,943,720	95,855	5.2%
Benefits	3,262,396	3,468,368	205,972	6.3%	3,707,115	238,747	6.9%
Retirement Costs	2,153,991	2,270,962	116,971	5.4%	2,387,762	116,800	5.1%
<b>Total Personnel Expenses</b>	<b>\$ 34,180,975</b>	<b>\$ 36,070,555</b>	<b>\$ 1,889,580</b>	<b>5.5%</b>	<b>\$ 37,986,614</b>	<b>\$ 1,916,059</b>	<b>5.3%</b>
<b>Meeting Expenses</b>							
Meetings & Conference Calls	\$ 424,849	\$ 410,400	\$ (14,449)	(3.4%)	\$ 676,870	\$ 266,470	64.9%
Travel	1,127,699	1,206,285	78,586	7.0%	1,153,284	(53,001)	(4.4%)
<b>Total Meeting Expenses</b>	<b>\$ 1,552,548</b>	<b>\$ 1,616,685</b>	<b>\$ 64,137</b>	<b>4.1%</b>	<b>\$ 1,830,154</b>	<b>\$ 213,469</b>	<b>13.2%</b>
<b>Operating Expenses, excluding Depreciation</b>							
Consultants & Contracts	\$ 2,260,800	\$ 486,400	\$ (1,774,400)	(78.5%)	\$ 527,400	\$ 41,000	8.4%
Office Rent	1,324,151	1,326,088	1,937	0.1%	1,326,088	-	0.0%
Office Costs	2,826,976	2,862,560	35,584	1.3%	2,911,099	48,539	1.7%
Professional Services	1,426,947	1,485,995	59,048	4.1%	1,561,077	75,082	5.1%
Miscellaneous	-	-	-		-	-	
<b>Total Operating Expenses</b>	<b>\$ 7,838,874</b>	<b>\$ 6,161,043</b>	<b>\$ (1,677,831)</b>	<b>(21.4%)</b>	<b>\$ 6,325,664</b>	<b>\$ 164,621</b>	<b>2.7%</b>
<b>Total Direct Expenses</b>	<b>\$ 43,572,397</b>	<b>\$ 43,848,283</b>	<b>\$ 275,886</b>	<b>0.6%</b>	<b>\$ 46,142,432</b>	<b>\$ 2,294,149</b>	<b>5.2%</b>
<b>Indirect Expenses</b>	<b>\$ (1,691,294)</b>	<b>\$ -</b>	<b>\$ 1,691,294</b>	<b>(100.0%)</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	
<b>Total Expenses (B)</b>	<b>\$ 41,881,103</b>	<b>\$ 43,848,283</b>	<b>\$ 1,967,179</b>	<b>4.7%</b>	<b>\$ 46,142,432</b>	<b>\$ 2,294,149</b>	<b>5.2%</b>
<b>Change in Assets</b>	<b>\$ (2,008,190)</b>	<b>\$ (934,068)</b>	<b>\$ 1,074,123</b>	<b>(53.5%)</b>	<b>\$ 99,999</b>	<b>\$ 1,034,067</b>	<b>(110.7%)</b>
<b>Fixed Assets</b>							
<b>Incr(Dec) in Fixed Assets (C)</b>	<b>\$ 132,187</b>	<b>\$ 50,000</b>	<b>\$ (82,187)</b>	<b>(62.2%)</b>	<b>\$ 100,000</b>	<b>\$ 50,000</b>	<b>100.0%</b>
<b>TOTAL BUDGET (B+C)</b>	<b>\$ 42,013,290</b>	<b>\$ 43,898,283</b>	<b>\$ 1,884,992</b>	<b>4.5%</b>	<b>\$ 46,242,432</b>	<b>\$ 2,344,149</b>	<b>5.3%</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>(2,140,377)</b>	<b>(984,068)</b>	<b>1,156,310</b>	<b>(54.0%)</b>	<b>\$ (1)</b>	<b>\$ 984,067</b>	<b>(100.0%)</b>
FTEs	187.00	190.00	3.00	1.6%	191.00	1.00	0.5%
HC	187.00	190.00	3.00	1.6%	191.00	1.00	0.5%

Due to the separation of WREGIS from WECC in 2028 (see 2027 Non-Statutory Budget Overview) there will not be an overhead allocation to the non-statutory program from 2028 forward. The termination of the overhead allocation increases the statutory budget by \$1.7 million from 2027 to 2028.



# Statutory Programs

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

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

### Reliability Standards

#### Program Scope, Purpose, and Impact

The WECC Reliability Standards Program supports the NERC Reliability Standards Program, and its employees work with the WECC Standards Committee (WSC) to aid the development of Regional Reliability Standards (RRS), Regional Variances to NERC Reliability Standards, and Regional Criteria to ensure the Bulk Electric System (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 its Reliability Standards projects as high, medium, or low priority. Several high priority projects were completed in 2025, and the remaining high priority projects are expected to be completed in 2026. Several of these projects are related to IBRs and their potential impact on the BES. Medium and low priority projects are expected to be worked on as time permits in 2026 or 2027.

#### 2027 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.



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- WECC employees may, at times, participate as drafting team members or observers.
  - The NERC board of trustees approved the recommendations of the Modernization of Standards Processes and Procedures Task Force (MSPPTF) at the February 2026 NERC board meeting. One of the recommendations was to eliminate the NERC Standards Committee (SC) and replace it with a group comprising members of the Reliability Issues Steering Committee (RISC) or a subcommittee of the RISC. The work to incorporate this recommendation will most likely take 12 to 18 months. Once this is complete, WECC will no longer be involved with the NERC SC but will still be involved with future NERC Standards development.
  - All Regions are expected to be invited to participate in an ERO-wide effort to coordinate standards assumptions and development.
  - 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. Effort is underway to develop a new Regional Criterion to identify how Western Interconnection Generator Owners and Operators will conduct electromagnetic transient (EMT) modeling and assessments. A standards authorization request (SAR) is expected to be submitted in February 2026 and work will likely continue through 2027.
  - 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 if it is continued.

## 2027 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.
- Ensure RRSs and Regional Criteria are developed 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 ensure their content and quality continues to meet the reliability needs of the interconnection.
- Evaluate audit, enforcement, and event analysis information to determine whether new RRSs or revisions are necessary.
- Employ AI to rethink work processes and improve efficiencies and effectiveness in areas where it is the most impactful.



# Reliability Standards Statement of Activities

**Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital  
2026 Budget and 2027 Budget  
RELIABILITY STANDARDS**

	2026 Budget	2027 Budget	Variance (\$)	Variance (%)
<b>Revenue</b>				
<b>Statutory Funding</b>				
WECC Assessments	\$ 855,914	\$ 883,191	\$ 27,277	3.19%
Penalties Released	924	-	(924)	-100.00%
<b>Total Statutory Funding</b>	<b>\$ 856,838</b>	<b>\$ 883,191</b>	<b>\$ 26,353</b>	<b>3.08%</b>
Membership Fees	\$ -	\$ -	\$ -	
Federal Grants	-	-	-	
Services & Software	-	-	-	
Workshops & Miscellaneous	5,513	6,884	1,371	24.87%
Interest	22,140	16,596	(5,544)	-25.04%
<b>Total Revenue (A)</b>	<b>\$ 884,491</b>	<b>\$ 906,671</b>	<b>\$ 22,180</b>	<b>2.51%</b>
<b>Expenses</b>				
<b>Personnel Expenses</b>				
Salaries	\$ 538,597	\$ 540,617	\$ 2,020	0.38%
Payroll Taxes	31,969	34,416	2,447	7.65%
Benefits	42,986	45,330	2,344	5.45%
Retirement Costs	43,088	43,249	161	0.37%
<b>Total Personnel Expenses</b>	<b>\$ 656,640</b>	<b>\$ 663,612</b>	<b>\$ 6,972</b>	<b>1.06%</b>
<b>Meeting Expenses</b>				
Meetings & Conference Calls	\$ -	\$ -	\$ -	
Travel	17,378	20,115	2,737	15.75%
<b>Total Meeting Expenses</b>	<b>\$ 17,378</b>	<b>\$ 20,115</b>	<b>\$ 2,737</b>	<b>15.75%</b>
<b>Operating Expenses, excluding Depreciation</b>				
Consultants & Contracts	\$ -	\$ -	\$ -	
Office Rent	-	-	-	
Office Costs	1,755	1,755	-	0.00%
Professional Services	-	-	-	
Miscellaneous	-	-	-	
<b>Total Operating Expenses</b>	<b>\$ 1,755</b>	<b>\$ 1,755</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Total Direct Expenses</b>	<b>\$ 675,773</b>	<b>\$ 685,482</b>	<b>\$ 9,709</b>	<b>1.44%</b>
<b>Indirect Expenses</b>	<b>\$ 269,501</b>	<b>\$ 267,046</b>	<b>\$ (2,455)</b>	<b>-0.91%</b>
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Total Expenses (B)</b>	<b>\$ 945,274</b>	<b>\$ 952,528</b>	<b>\$ 7,254</b>	<b>0.77%</b>
<b>Change in Net Assets (=A-B)</b>	<b>\$ (60,783)</b>	<b>\$ (45,857)</b>	<b>\$ 14,926</b>	<b>-24.56%</b>
<b>Fixed Assets, excluding Right of Use Assets (C)</b>	<b>\$ 2,416</b>	<b>\$ 2,813</b>	<b>\$ 397</b>	<b>\$ 0</b>
<b>TOTAL BUDGET (B+C)</b>	<b>\$ 947,690</b>	<b>\$ 955,341</b>	<b>\$ 7,651</b>	<b>0.81%</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ (63,199)</b>	<b>\$ (48,670)</b>	<b>\$ 14,529</b>	<b>-22.99%</b>
FTEs	3.00	3.00	-	0.00%
HC	3.00	3.00	-	0.00%



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## 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 485<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:

1. Organization Registration and Certification
2. Oversight Planning
3. Entity Monitoring
4. Enforcement and Mitigation
5. Program Analysis and Administration

Staff will perform delegated activities, consistent with ERO Enterprise guidance, including:

- Regional Risk Assessments
- Oversight planning activities, including 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
- BES Exception Requests
- Targeted outreach activities

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<sup>3</sup> As of February 21, 2026.

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## 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 CMEP activities<sup>4</sup>.

### 2027 Key Budget Assumptions

- The volume and complexity of registration activities will increase in accordance with FERC's Order on IBRs and integration of renewable resources and related energy storage devices in the Western Interconnection, which included modifications to the registration criteria that will result in more IBRs that must register.
- An increase in certification reviews is anticipated with FERC Order 881's deadline requiring all transmission providers to use ambient adjusted ratings (AAR) as the basis for evaluating near-term transmission service to increase the accuracy of near-term line ratings, as entities that make frequent or significant functionality changes to their Energy Management Systems to meet AAR implementation requirements may require a certification review.
- All Inherent Risk Assessment and oversight planning 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 and Security Oversight department will increase under the risk-based framework.
- Monitoring activities for non-U.S. jurisdictions will continue according to the approved agreements and applicable compliance monitoring programs with Canadian 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.

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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.

- 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 the ERO Enterprise Align tool, and the Secure Evidence Locker (SEL).
- WECC will contribute funding to support the Align and Secure Evidence Locker refresh.
- Increased outreach, training, travel, and monitoring and enforcement are anticipated to help enhance registered entity programs as new or modified Reliability Standards that tackle changing risks in the Western Interconnection are developed.
- Maintenance and license fees for software tools (e.g., Box) increased due to contract pricing escalations.
- Targeted outreach is performed on key reliability and security risks through monthly webinars, biannual workshops, and supporting ERO Enterprise wide data collection efforts, analysis efforts.
- One risk assessment engineer is added to assist in oversight planning and analysis activities.
- Two compliance program coordinators are added due to increased activities across registration and certification, entity monitoring, and enforcement due to increased risk to the BPS and processing efficiency.
- Four auditors are added in entity monitoring in response to the growing number of new registrations and level of risks in the Western Interconnection including resource adequacy concerns, emergency preparedness for extreme weather and wildfires, and the changing resource mix.

## 2027 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 oversight planning 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 for international entities.
- Process BES Exception Requests and participate in NERC-led Review Panels.
- Provide regular outreach and training on the Align tool for 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.



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- Increase scheduled monitoring activities (e.g., spot-checks, self-certifications with supporting evidence, investigations, compliance assessments, and complaint evaluations) based on emerging BPS risk and registrations.
  - 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.
  - Employ AI to rethink work processes and improve efficiencies and effectiveness in areas where it is the most impactful.

# Compliance Monitoring and Enforcement Statement of Activities

## Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2026 Budget and 2027 Budget

### COMPLIANCE MONITORING AND ENFORCEMENT AND ORGANIZATION REGISTRATION AND CERTIFICATION

	2026 Budget	2027 Budget	Variance (\$)	Variance (%)
<b>Revenue</b>				
<b>Statutory Funding</b>				
WECC Assessments	\$ 20,785,916	\$ 22,332,516	\$ 1,546,600	7.44%
Penalties Released	24,339	-	(24,339)	-100.00%
<b>Total Statutory Funding</b>	<b>\$ 20,810,255</b>	<b>\$ 22,332,516</b>	<b>\$ 1,522,261</b>	<b>7.31%</b>
Membership Fees	\$ -	\$ -	\$ -	
Federal Grants	-	-	-	
Services & Software	-	-	-	
Workshops & Miscellaneous	145,173	197,354	52,181	
Interest	583,029	475,745	(107,284)	-18.40%
<b>Total Revenue (A)</b>	<b>\$ 21,538,457</b>	<b>\$ 23,005,615</b>	<b>\$ 1,467,158</b>	<b>6.81%</b>
<b>Expenses</b>				
<b>Personnel Expenses</b>				
Salaries	\$ 11,513,585	\$ 11,944,021	\$ 430,436	3.74%
Payroll Taxes	710,244	785,443	75,199	10.59%
Benefits	1,130,885	1,258,341	127,456	11.27%
Retirement Costs	915,811	951,833	36,022	3.93%
<b>Total Personnel Expenses</b>	<b>\$ 14,270,525</b>	<b>\$ 14,939,638</b>	<b>\$ 669,113</b>	<b>4.69%</b>
<b>Meeting Expenses</b>				
Meetings & Conference Calls	\$ -	\$ -	\$ -	
Travel	589,330	595,485	6,155	1.04%
<b>Total Meeting Expenses</b>	<b>\$ 589,330</b>	<b>\$ 595,485</b>	<b>\$ 6,155</b>	<b>1.04%</b>
<b>Operating Expenses, excluding Depreciation</b>				
Consultants & Contracts	\$ 714,000	\$ 708,000	\$ (6,000)	-0.84%
Office Rent	-	-	-	
Office Costs	343,085	261,484	(81,601)	-23.78%
Professional Services	-	-	-	
Miscellaneous	-	-	-	
<b>Total Operating Expenses</b>	<b>\$ 1,057,085</b>	<b>\$ 969,484</b>	<b>\$ (87,601)</b>	<b>-8.29%</b>
<b>Total Direct Expenses</b>	<b>\$ 15,916,940</b>	<b>\$ 16,504,607</b>	<b>\$ 587,667</b>	<b>3.69%</b>
<b>Indirect Expenses</b>	<b>\$ 7,096,866</b>	<b>\$ 7,655,325</b>	<b>\$ 558,459</b>	<b>7.87%</b>
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Total Expenses (B)</b>	<b>\$ 23,013,806</b>	<b>\$ 24,159,932</b>	<b>\$ 1,146,126</b>	<b>4.98%</b>
<b>Change in Net Assets (=A-B)</b>	<b>\$ (1,475,349)</b>	<b>\$ (1,154,317)</b>	<b>\$ 321,032</b>	<b>-21.76%</b>
<b>Fixed Assets</b>				
<b>Fixed Assets, excluding Right of Use Assets (C)</b>	<b>\$ 63,617</b>	<b>\$ 80,624</b>	<b>\$ 17,007</b>	<b>\$ 0</b>
<b>TOTAL BUDGET (B+C)</b>	<b>\$ 23,077,423</b>	<b>\$ 24,240,556</b>	<b>\$ 1,163,133</b>	<b>5.04%</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ (1,538,966)</b>	<b>\$ (1,234,941)</b>	<b>\$ 304,025</b>	<b>-19.76%</b>
FTEs	79.00	86.00	7.00	8.86%
HC	79.00	86.00	7.00	8.86%



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## Reliability Assessment and Performance Analysis

### 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 coordination with NERC and Western stakeholders, 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 stakeholders, 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, and 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, time frames, and tools. These assessments are performed in close coordination with NERC, WECC's technical partnerships, and other stakeholders. Assessments include 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 Reliability Risk Management Program and other risks that may affect the reliability of the BPS.

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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.

## 2027 Key Budget Assumptions

- Executive outreach to stakeholders will continue.
- WECC and technical stakeholder group work will focus on understanding and treating priority reliability and security risks identified through WECC's Risk Management Program.
- WECC will respond to unanticipated emerging reliability risks and work with stakeholders to develop timely and meaningful reliability outreach and assessments.
- WECC will continue to participate in external meetings concerning the reliability, security, and resiliency of the BES.
- WECC will focus on expanding resource and energy adequacy studies through increased stakeholder outreach.
- WECC will expand its readiness assurance program to address priority risks.
- WECC will focus on continuous improvement and development of staff capabilities. Current capabilities will be reviewed and improved to enhance reliability assessments and models.
- WECC and the ERO Enterprise will incorporate transfer capability analysis into reliability assessments.
- Transmission planning activities in the West will expand to incorporate longer-term (greater than 10-year) horizons.
- Reliability challenges associated with IBRs, large loads, 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.
- WECC will support required NERC reliability assessments and perform additional reliability assessments as requested.
- No new FTEs are requested in 2027.

## 2027 Goals and Deliverables

- Work with stakeholders to develop a clear understanding of emerging risks to the BPS and associated mitigation strategies, particularly for priority reliability and security risks identified through WECC's Risk Management Program.
- Ensure high precision of information and models used to assess the reliability of the BPS.
- Hold modeling workshops focused on improving model data quality.



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- Use advanced tools, techniques, and industry subject matter experts to identify system performance trends and vulnerabilities.
  - Hold reliability and security risk forums.
  - Conduct a one-time gas-electric study to help identify risks to the BPS related to the interdependence between natural gas infrastructure and generators.
  - 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 WECC's prioritized risks.
  - Use the Reliability Risk Management Program to align staff and stakeholder engagement on risk treatments within the Western Interconnection.
  - Ensure WECC's perspective 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, Regional Criteria, recommendations, 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 large loads.
  - Implement technology solutions for enhanced data collection, analysis, validation, and storage.
  - Support Reliability Standards drafting activities by providing subject matter expertise to appropriate Standards Drafting Teams.
  - Successfully carry out all other RAPA delegated responsibilities.
  - Expand the use of performance and geospatial data to enhance the analysis of WECC's prioritized risks and identify emerging trends.
  - Employ AI to rethink work processes and improve efficiencies and effectiveness in areas where it is the most impactful.

# Reliability Assessment and Performance Analysis Statement of Activities

## Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2026 Budget and 2027 Budget

### RELIABILITY ASSESSMENT AND PERFORMANCE ANALYSIS

	2026 Budget	2027 Budget	Variance (\$)	Variance (%)
<b>Revenue</b>				
<b>Statutory Funding</b>				
WECC Assessments	\$ 11,092,619	\$ 12,569,348	\$ 1,476,729	13.31%
Penalties Released	12,939	-	(12,939)	-100.00%
<b>Total Statutory Funding</b>	<b>\$ 11,105,558</b>	<b>\$ 12,569,348</b>	<b>\$ 1,463,790</b>	<b>13.18%</b>
Membership Fees	\$ -	\$ -	\$ -	
Federal Grants	-	-	-	
Services & Software	-	-	-	
Workshops & Miscellaneous	77,181	96,382	19,201	
Interest	309,966	232,340	(77,626)	-25.04%
<b>Total Revenue (A)</b>	<b>\$ 11,492,705</b>	<b>\$ 12,898,070</b>	<b>\$ 1,405,365</b>	<b>12.23%</b>
<b>Expenses</b>				
<b>Personnel Expenses</b>				
Salaries	\$ 6,104,030	\$ 6,460,704	\$ 356,674	5.84%
Payroll Taxes	371,857	420,671	48,814	13.13%
Benefits	600,508	621,448	20,940	3.49%
Retirement Costs	484,879	514,413	29,534	6.09%
<b>Total Personnel Expenses</b>	<b>\$ 7,561,274</b>	<b>\$ 8,017,236</b>	<b>\$ 455,962</b>	<b>6.03%</b>
<b>Meeting Expenses</b>				
Meetings & Conference Calls	\$ 16,746	\$ 29,136	\$ 12,390	73.99%
Travel	206,301	196,325	(9,976)	-4.84%
<b>Total Meeting Expenses</b>	<b>\$ 223,047</b>	<b>\$ 225,461</b>	<b>\$ 2,414</b>	<b>1.08%</b>
<b>Operating Expenses, excluding Depreciation</b>				
Consultants & Contracts	\$ 318,400	\$ 1,124,400	\$ 806,000	253.14%
Office Rent	-	-	-	
Office Costs	404,321	445,319	40,998	10.14%
Professional Services	-	-	-	
Miscellaneous	-	-	-	
<b>Total Operating Expenses</b>	<b>\$ 722,721</b>	<b>\$ 1,569,719</b>	<b>\$ 846,998</b>	<b>117.20%</b>
<b>Total Direct Expenses</b>	<b>\$ 8,507,042</b>	<b>\$ 9,812,416</b>	<b>\$ 1,305,374</b>	<b>15.34%</b>
<b>Indirect Expenses</b>	<b>\$ 3,773,017</b>	<b>\$ 3,738,647</b>	<b>\$ (34,370)</b>	<b>-0.91%</b>
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Total Expenses (B)</b>	<b>\$ 12,280,059</b>	<b>\$ 13,551,063</b>	<b>\$ 1,271,004</b>	<b>10.35%</b>
<b>Change in Net Assets (=A-B)</b>	<b>\$ (787,354)</b>	<b>\$ (652,993)</b>	<b>\$ 134,361</b>	<b>-17.06%</b>
<b>Fixed Assets</b>				
<b>Fixed Assets, excluding Right of Use Assets (C)</b>	<b>\$ 33,822</b>	<b>\$ 39,375</b>	<b>\$ 5,553</b>	<b>\$ 0</b>
<b>TOTAL BUDGET (B+C)</b>	<b>\$ 12,313,881</b>	<b>\$ 13,590,438</b>	<b>\$ 1,276,557</b>	<b>10.37%</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ (821,176)</b>	<b>\$ (692,368)</b>	<b>\$ 128,808</b>	<b>-15.69%</b>
FTEs	42.00	42.00	-	0.00%
HC	42.00	42.00	-	0.00%



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## Training and Outreach

This program comprises one of the two departments that make up the Strategic Engagement group – Outreach and Partnerships. (The other department is Strategic Communications in the Corporate Services program). This department works with other internal departments to amplify WECC's voice to drive the most impactful reliability and security work being done in the Western Interconnection.

In alignment with the ERO Enterprise, this program:

- Works in close collaboration with CMEP and RAPA to develop reliability-risk-based outreach strategies that invite and incorporate industry input, drive industry action, draw the necessary resources/partners to our technical work, and use the right tools for the right stakeholders on our most significant risks to reliability (Risk Mitigation area of our Long-term Strategy).
- Is always conscious of WECC's perspective and independence, and has engagement and outreach strategies to enhance WECC's reputation as the only independent organization with a Western Interconnection-wide perspective, an organization that provides relevant and outstanding technical work and that reduces reliability risk through its outstanding oversight (Perspective and Independence Impact Areas of our Long-term Strategy).
- Works closely with the executive team and human resources to enroll all WECC employees in our culture, mission, and strategy, and to engage and align everyone at WECC to elevate our organizational performance (People Impact Area of our Long-term Strategy).
- Ensures that we provide to our board, MAC, WIRAB, NERC, FERC, and other key partners the communication and engagement they need to fulfill their roles and have the highest confidence in WECC (Partnership Impact Area of our Long-term Strategy).

### 2027 Key Budget Assumptions

- WECC will host training and outreach events to inform stakeholder awareness of critical reliability issues, with specific focus on the greatest reliability risks.
- One Reliability & Security Workshop will be held in person in Salt Lake City, Utah, to provide targeted outreach to address and mitigate key risks to reliability and security in the Western Interconnection.
- One Grid Fundamentals course will be held in-person at the WECC office.
- Virtual 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.
- One FTE is transferred from Training and Outreach to General and Administrative to align costs more closely with the position's current responsibilities for graphic design and multimedia work.
- The allocation of a half of an FTE from General and Administrative to Training and Outreach stopped in 2026 to align costs more closely with the position's current communications-related responsibilities.

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## 2027 Goals and Deliverables

- Implement an engagement strategy focused on addressing the top risks to the reliability and security of the BPS.
- Maintain and continue to cultivate effective relationships with industry groups, WECC technical committees, ERO Enterprise staff, federal, state, and provincial regulators, policy- and decision-makers, and the broader reliability and security community.
- Participate regionally and nationally (where appropriate) in seminars and conferences to promote the importance of BPS reliability and security.
- Increase inclusion of stakeholder perspectives and opportunities for collaboration into the product development process with the use of advisory groups.
- Assist other program areas in ensuring key studies and initiatives are aligned with the WECC Long-Term Strategy and priority reliability and security risks identified through the Risk Management Program.
- Use multimedia, digitally dynamic, and design strategies to develop new, more engaging, forms of products and interactions with stakeholders.
- Improve program processes and tools continuously to respond to stakeholder feedback and 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.
- 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.
- Provide increased opportunities for stakeholder education through webinars and workshops to address reliability and security risks to the Western Interconnection.
- Employ AI to rethink work processes and improve efficiencies and effectiveness in areas where it is the most impactful.



# Training and Outreach Statement of Activities

**Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital  
2026 Budget and 2027 Budget  
TRAINING AND OUTREACH**

	2026 Budget	2027 Budget	Variance (\$)	Variance (%)
<b>Revenue</b>				
<b>Statutory Funding</b>				
WECC Assessments	\$ 2,370,248	\$ 2,151,125	\$ (219,123)	-9.24%
Penalties Released	2,927	-	(2,927)	-100.00%
<b>Total Statutory Funding</b>	<b>\$ 2,373,175</b>	<b>\$ 2,151,125</b>	<b>\$ (222,050)</b>	<b>-9.36%</b>
Membership Fees	\$ -	\$ -	\$ -	
Federal Grants	-	-	-	
Services & Software	-	-	-	
Workshops & Miscellaneous	525,958	277,843	(248,115)	-47.17%
Interest	70,111	44,255	(25,856)	-36.88%
<b>Total Revenue (A)</b>	<b>\$ 2,969,244</b>	<b>\$ 2,473,223</b>	<b>\$ (496,021)</b>	<b>-16.71%</b>
<b>Expenses</b>				
<b>Personnel Expenses</b>				
Salaries	\$ 1,373,830	\$ 1,231,800	\$ (142,030)	-10.34%
Payroll Taxes	81,182	77,724	(3,458)	-4.26%
Benefits	133,268	123,036	(10,232)	-7.68%
Retirement Costs	109,231	98,026	(11,205)	-10.26%
<b>Total Personnel Expenses</b>	<b>\$ 1,697,511</b>	<b>\$ 1,530,586</b>	<b>\$ (166,925)</b>	<b>-9.83%</b>
<b>Meeting Expenses</b>				
Meetings & Conference Calls	\$ 501,120	\$ 274,497	\$ (226,623)	-45.22%
Travel	31,846	31,900	54	0.17%
<b>Total Meeting Expenses</b>	<b>\$ 532,966</b>	<b>\$ 306,397</b>	<b>\$ (226,569)</b>	<b>-42.51%</b>
<b>Operating Expenses, excluding Depreciation</b>				
Consultants & Contracts	\$ -	\$ -	\$ -	
Office Rent	-	-	-	
Office Costs	89,854	49,380	(40,474)	-45.04%
Professional Services	-	-	-	
Miscellaneous	-	-	-	
<b>Total Operating Expenses</b>	<b>\$ 89,854</b>	<b>\$ 49,380</b>	<b>\$ (40,474)</b>	<b>-45.04%</b>
<b>Total Direct Expenses</b>	<b>\$ 2,320,331</b>	<b>\$ 1,886,363</b>	<b>\$ (433,968)</b>	<b>-18.70%</b>
<b>Indirect Expenses</b>	<b>\$ 853,421</b>	<b>\$ 712,123</b>	<b>\$ (141,298)</b>	<b>-16.56%</b>
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Total Expenses (B)</b>	<b>\$ 3,173,752</b>	<b>\$ 2,598,486</b>	<b>\$ (575,266)</b>	<b>-18.13%</b>
<b>Change in Net Assets (=A-B)</b>	<b>\$ (204,508)</b>	<b>\$ (125,263)</b>	<b>\$ 79,245</b>	<b>-38.75%</b>
<b>Fixed Assets</b>				
<b>Fixed Assets, excluding Right of Use Assets (C)</b>	<b>\$ 7,650</b>	<b>\$ 7,500</b>	<b>\$ (150)</b>	<b>\$ (0)</b>
<b>TOTAL BUDGET (B+C)</b>	<b>\$ 3,181,402</b>	<b>\$ 2,605,986</b>	<b>\$ (575,416)</b>	<b>-18.09%</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ (212,158)</b>	<b>\$ (132,763)</b>	<b>\$ 79,395</b>	<b>-37.42%</b>
FTEs	9.50	8.00	(1.50)	-15.79%
HC	9.00	8.00	(1.00)	-11.11%



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## Situation Awareness and Infrastructure Security

### 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.

### 2027 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.

### 2027 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.



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- 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 by hosting the annual Security Conference.
  - Employ AI to rethink work processes and improve efficiencies and effectiveness in areas where it is the most impactful.



# Situation Awareness and Infrastructure Security Statement of Activities

## Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2026 Budget and 2027 Budget

### SITUATION AWARENESS AND INFRASTRUCTURE SECURITY

	2026 Budget	2027 Budget	Variance (\$)	Variance (%)
<b>Revenue</b>				
<b>Statutory Funding</b>				
WECC Assessments	\$ 552,583	\$ 573,680	\$ 21,097	3.82%
Penalties Released	616	-	(616)	-100.00%
<b>Total Statutory Funding</b>	<b>\$ 553,199</b>	<b>\$ 573,680</b>	<b>\$ 20,481</b>	<b>3.70%</b>
Membership Fees	\$ -	\$ -	\$ -	
Federal Grants	-	-	-	
Services & Software	-	-	-	
Workshops & Miscellaneous	3,675	4,590	915	24.90%
Interest	14,760	11,064	(3,696)	-25.04%
<b>Total Revenue (A)</b>	<b>\$ 571,634</b>	<b>\$ 589,334</b>	<b>\$ 17,700</b>	<b>3.10%</b>
<b>Expenses</b>				
<b>Personnel Expenses</b>				
Salaries	\$ 338,501	\$ 342,536	\$ 4,035	1.19%
Payroll Taxes	21,658	23,227	1,569	7.24%
Benefits	30,592	32,142	1,550	5.07%
Retirement Costs	27,080	27,403	323	1.19%
<b>Total Personnel Expenses</b>	<b>\$ 417,831</b>	<b>\$ 425,308</b>	<b>\$ 7,477</b>	<b>1.79%</b>
<b>Meeting Expenses</b>				
Meetings & Conference Calls	\$ -	\$ -	\$ -	
Travel	10,849	13,915	3,066	28.26%
<b>Total Meeting Expenses</b>	<b>\$ 10,849</b>	<b>\$ 13,915</b>	<b>\$ 3,066</b>	<b>28.26%</b>
<b>Operating Expenses, excluding Depreciation</b>				
Consultants & Contracts	\$ -	\$ -	\$ -	
Office Rent	-	-	-	
Office Costs	2,520	1,840	(680)	-26.98%
Professional Services	-	-	-	
Miscellaneous	-	-	-	
<b>Total Operating Expenses</b>	<b>\$ 2,520</b>	<b>\$ 1,840</b>	<b>\$ (680)</b>	<b>-26.98%</b>
<b>Total Direct Expenses</b>	<b>\$ 431,200</b>	<b>\$ 441,063</b>	<b>\$ 9,863</b>	<b>2.29%</b>
<b>Indirect Expenses</b>	<b>\$ 179,667</b>	<b>\$ 178,031</b>	<b>\$ (1,636)</b>	<b>-0.91%</b>
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Total Expenses (B)</b>	<b>\$ 610,867</b>	<b>\$ 619,094</b>	<b>\$ 8,227</b>	<b>1.35%</b>
<b>Change in Net Assets (=A-B)</b>	<b>\$ (39,233)</b>	<b>\$ (29,760)</b>	<b>\$ 9,473</b>	<b>-24.15%</b>
<b>Fixed Assets</b>				
<b>Fixed Assets, excluding Right of Use Assets (C)</b>	<b>\$ 1,611</b>	<b>\$ 1,875</b>	<b>\$ 264</b>	<b>\$ 0</b>
<b>TOTAL BUDGET (B+C)</b>	<b>\$ 612,478</b>	<b>\$ 620,969</b>	<b>\$ 8,491</b>	<b>1.39%</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ (40,844)</b>	<b>\$ (31,635)</b>	<b>\$ 9,209</b>	<b>-22.55%</b>
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						
	2026 Budget	2027 Budget	Increase (Decrease)	FTEs 2026 Budget	FTEs 2027 Budget	Increase (Decrease)
Committee and Member Forums	\$ -	\$ -	\$ -	-	-	-
General and Administrative	\$ 6,325,595	\$ 6,408,685	\$ 83,090	17.50	19.00	1.50
Legal and Regulatory	\$ 1,273,986	\$ 1,206,507	\$ (67,479)	4.00	4.00	-
Information Technology	\$ 4,177,585	\$ 4,646,443	\$ 468,858	14.00	16.00	2.00
Human Resources	\$ 1,200,673	\$ 1,385,154	\$ 184,481	4.00	4.00	-
Accounting and Finance	\$ 753,974	\$ 745,677	\$ (8,297)	3.00	3.00	-
<b>Total Corporate Services*</b>	<b>\$ 13,731,813</b>	<b>\$ 14,392,466</b>	<b>\$ 660,653</b>	<b>42.50</b>	<b>46.00</b>	<b>3.50</b>

\*WECC's 2027 preliminary Corporate Services budget (direct expenses plus fixed assets) is \$14,392,466 of which \$1,709,107 is allocated to non-statutory activities. As a result of the allocation of direct expenses and fixed assets to the non-statutory function, the final 2027 Corporate Services budget is \$12,683,359, which is a \$401,771 increase from the 2026 budget after direct expense and fixed asset allocations.

### Program Scope, Purpose, and Impact

Corporate Services encompasses the following areas and includes all business and administrative functions of the organization:

- General and Administrative
- Legal and Regulatory
- Information Technology
- Human Resources
- 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.



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## 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 all areas of the organization.

### 2027 Key Budget Assumptions

- CEO outreach to stakeholders increases.
- WECC staff will provide the same level of meetings and meeting support as the prior year for the board of directors and board committee meetings.
- There is no Annual Member Meeting in 2027.
- Board directors will be compensated according to the current board compensation structure, and compensation is expected to increase.
- WECC's unused office space is subleased.
- One FTE is transferred from Training and Outreach to General and Administrative to align costs more closely with the position's current responsibilities for graphic design and multimedia work.
- The allocation of a half of an FTE from General and Administrative to Training and Outreach stopped in 2026 to align costs more closely with the position's current communications-related responsibilities.

### 2027 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, strategic priorities, 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 to increase employee and stakeholder engagement.
- Continue to improve and enhance WECC's security posture and programs.
- Employ AI to rethink work processes and improve efficiencies and effectiveness in areas where it is the most impactful.



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## 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. Legal 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. This program is also responsible for WECC's Long-Term Strategy refreshes and Corporate Scorecard development and monitoring. 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.

### 2027 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.

### 2027 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 by participating in the development of products and ensuring protected information and data is not compromised.
- Coordinate with the ERO Enterprise legal group to identify and share best practices.
- Employ AI to rethink work processes and improve efficiencies and effectiveness in areas where it is the most impactful.

## 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



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

## 2027 Key Budget Assumptions

- Total WECC headcount increases by 12.
- IT will work with communications to redesign wecc.org to improve the end user experience.
- 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 continue to train users on available organization-wide data reporting tools for increased data visualization, analytics, and reporting capabilities.
- Consultants will be used for project-based work to augment staff skillsets.
- IT will continue to drive long-term levelized costs by obtaining subscription services for software and infrastructure when practical.
- Vendor support will be required and replace desktop computer equipment every four years, servers every five years, and network equipment every seven to 10 years to reduce unplanned outages.
- 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 AI analyst is added to help translate business needs into data workflows for AI tools to improve processes and analytical capabilities.
- One data reporting analyst is added to provide and expand data management and reporting capabilities across the organization.

## 2027 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.
- Continue to consolidate data into a centralized database service, add 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 all areas of the business.
- Employ AI to rethink work processes and improve efficiencies and effectiveness in areas where it is the most impactful.



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## 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, professional and leadership development, succession planning, knowledge transfer, and employee engagement. HR also maintains employee-data systems and ensures compliance with employment-related federal and state laws.

### 2027 Key Budget Assumptions

- Total WECC headcount increases by 12.
- WECC's current benefit levels are maintained; premiums are expected to increase.
- Employee engagement efforts are continually refined and adjusted to retain talent and build on WECC's strong cultural foundation. Specific focus will continue on supporting and enhancing interactions and relationships with a distributed workforce.
- Management development and training is 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.

### 2027 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 candidate pool of highly skilled talent.
- Enhance all facets of the employee experience to maintain low 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 other topics 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, social media platforms, and employee referral programs.
- Employ AI to rethink work processes and improve efficiencies and effectiveness in areas where it is the most impactful.



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## Finance and Accounting

### Program Scope, Purpose, and Impact

The Finance and Accounting Program provides accounting and financial analysis and disseminates financial reports and information. Additionally, the program coordinates budget cycles with budget managers, WECC's board, stakeholders, NERC, and FERC. The program is responsible for payroll, accounts payable, accounts receivable, budgeting, forecasting, fixed asset 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. The program works with stakeholders and provides outreach to help increase understanding of annual budget requests.

### 2027 Key Budget Assumptions

- Interest rates decrease slightly, and investment income is conservatively budgeted.
- Bank and investment fees increase.
- Current accounting systems and controls are effective.
- Software licensing fees increase.

### 2027 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 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.
- Employ AI to rethink work processes and improve efficiencies and effectiveness in areas where it is the most impactful.

# Corporate Services Statement of Activities

## Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2026 Budget and 2027 Budget

### CORPORATE SERVICES

	2026 Budget	2027 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	\$ -	\$ -	\$ -	
Federal Grants	-	-	-	
Services & Software	-	-	-	
Workshops & Miscellaneous	-	-	-	
Interest	-	-	-	
<b>Total Revenue (A)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
<b>Expenses</b>				
<b>Personnel Expenses</b>				
Salaries	\$ 6,148,281	\$ 6,494,172	\$ 345,891	5.63%
Payroll Taxes	360,387	409,257	48,870	13.56%
Benefits	1,048,629	1,182,099	133,470	12.73%
Retirement Costs	491,183	519,067	27,884	5.68%
<b>Total Personnel Expenses</b>	<u>\$ 8,048,480</u>	<u>\$ 8,604,595</u>	<u>\$ 556,115</u>	<u>6.91%</u>
<b>Meeting Expenses</b>				
Meetings & Conference Calls	\$ 93,302	\$ 121,216	\$ 27,914	29.92%
Travel	188,256	269,959	81,703	43.40%
<b>Total Meeting Expenses</b>	<u>\$ 281,558</u>	<u>\$ 391,175</u>	<u>\$ 109,617</u>	<u>38.93%</u>
<b>Operating Expenses, excluding Depreciation</b>				
Consultants & Contracts	\$ 463,000	\$ 428,400	\$ (34,600)	-7.47%
Office Rent	1,326,433	1,324,151	(2,282)	-0.17%
Office Costs	2,123,117	2,067,198	(55,919)	-2.63%
Professional Services	1,367,225	1,426,947	59,722	4.37%
Miscellaneous	-	-	-	
<b>Total Operating Expenses</b>	<u>\$ 5,279,775</u>	<u>\$ 5,246,696</u>	<u>\$ (33,079)</u>	<u>-0.63%</u>
<b>Total Direct Expenses</b>	<u>\$ 13,609,813</u>	<u>\$ 14,242,466</u>	<u>\$ 632,653</u>	<u>4.65%</u>
<b>Indirect Expenses</b>	<u>\$ (13,609,813)</u>	<u>\$ (14,242,466)</u>	<u>\$ (632,653)</u>	<u>4.65%</u>
<b>Other Non-Operating Expenses</b>	\$ -	\$ -	\$ -	
<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	42.50	46.00	3.50	8.24%
HC	43.00	46.00	3.00	6.98%



# **Non-Statutory Program**

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

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## 2027 Non-Statutory Budget Overview

The Western Renewable Energy Generation Information System (WREGIS), WECC's only non-statutory program, is an independent, web-based tracking system for renewable energy certificates (REC) predominantly in the Western Interconnection and has been housed at WECC since 2006. WREGIS is funded through activity-based fees charged to its users. Although aligned with WECC's commitment to resource neutrality and interconnection-wide perspective, WREGIS's core activities are not part of WECC's core statutory business functions and are therefore, considered non-statutory.

Over the last decade, the use of renewable energy and the need to have reliable, credible information for regulatory compliance and voluntary renewable usage has increased. States and provinces across North America are increasing both the amount of renewable energy they are requiring and the ways in which they count this energy for regulatory purposes. Current and proposed legislation around the West anticipates the increased use of renewable energy through the end of the decade and beyond. The WREGIS budget assumes that increased renewable energy penetration will drive increased utilization of WREGIS.

In addition, the 2027 budget is a transition year to an eventual separation of WREGIS into an independent company. This transition is expected to take place after the completion of Phase 2 software development work and is projected for January 1, 2028.

### Budget and Funding Summary

WREGIS's web-based tracking system currently operates using a third-party software solution. In October 2024, CleanCounts, the software provider since November 2022, notified WECC that it would not renew its software agreement with WECC at the end of the agreement's term, December 31, 2027.

The expiration of WECC's software agreement with CleanCounts created an opportunity for WECC and its board to evaluate how WREGIS can best meet the needs of its users and the programs it serves in the future. Following a significant review of potential paths forward, the long-term decision is that developing custom software and separating WREGIS from WECC is the best path forward.

At the direction of WECC's board, an RFP was issued, and Atomic Object was selected to create a greenfield attribute tracking software that is accurate, effortless, and empowering – a tool that saves time, reduces stress, builds trust, and provides users with a seamless experience. The software development project commenced in late 2025 and WECC anticipates that Phase 2 of the software development project will be completed by the middle of 2027. All expenditures incurred for both the software development and the establishment of the new entity will be funded by non-statutory program revenue and reserves.

WECC's proposed 2027 non-statutory budget is \$6,748,000, a \$2,110,000 (45.5%) increase from the 2026 non-statutory budget. Non-statutory funding, derived predominantly from activity-based fees, is budgeted at \$4,333,000, a \$765,000 (21.5%) increase from 2026.

While the increase is significant over the 2026 non-statutory budget, it is important to note that the 2027 budget includes both the CleanCounts software licensing fees and an overhead allocation, totaling \$2.5 million. Without those expenses, which will not exist in a stand-alone WREGIS, the 2027



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budget would have been \$4.5 million, which is on par with our current projections for first-year operations as a stand-alone entity.

## Major Budget Drivers

### Funding Sources

- Membership Fees increase due to continued increases in program participation and volumes, and expansions of some programs.
- Interest income decreases due to WREGIS' use of reserves to fund its software development project.

### Personnel Expenses

- Three FTEs are added to support the separation of WREGIS from WECC and the need to have adequate business support roles filled before the transition date. These positions are anticipated to be hired in the last quarter of 2027.
- 4% merit and 1% market adjustment pools.
- Refinement of payroll tax and benefits enrollment rates and premiums.

### Operating Expenses

- Consulting increases due to software development and corporate separation assistance, HRIS and accounting software implementations, and board director search fees, to enable the organization to be independent in January 2028.
- Office costs decrease due to net changes in licensing fees for various software programs.
- Professional Fees increase due to assumed one-time legal costs associated with corporate separation.

### Indirect Expenses

- Indirect Expenses increase due to three additional FTEs 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.

### Fixed Assets

- Software increases due to development fees for the new WREGIS software product.



# WREGIS Statement of Activities

## Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2026 Budget & Projection, and 2027 Budget

### NON-STATUTORY

	2026 Budget	2026 Projection	Variance 2026 Budget v 2026 Projection Over(Under)	2027 Budget	Budget Variance (\$)	Budget Variance (%)
<b>Revenue</b>						
<b>Statutory Funding</b>						
WECC Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	
Penalties Released	-	-	-	-	-	
<b>Total Statutory Funding</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
Membership Fees	\$ 3,385,000	\$ 3,929,040	\$ 544,040	4,205,240	\$ 820,240	24.23%
Federal Grants	-	-	-	-	-	
Services & Software	-	-	-	-	-	
Workshops & Miscellaneous	2,500	2,500	-	7,500	5,000	200.00%
Interest	180,000	140,000	(40,000)	120,000	(60,000)	-33.33%
<b>Total Revenue (A)</b>	<b>\$ 3,567,500</b>	<b>\$ 4,071,540</b>	<b>\$ 504,040</b>	<b>\$ 4,332,740</b>	<b>\$ 765,240</b>	<b>21.45%</b>
<b>Expenses</b>						
<b>Personnel Expenses</b>						
Salaries	\$ 1,390,198	\$ 1,359,866	\$ (30,332)	\$ 2,065,316	\$ 675,118	48.56%
Payroll Taxes	85,687	84,880	(807)	135,335	49,648	57.94%
Benefits	201,563	145,174	(56,389)	237,517	35,954	17.84%
Retirement Costs	110,735	111,014	279	164,699	53,964	48.73%
<b>Total Personnel Expenses</b>	<b>\$ 1,788,183</b>	<b>\$ 1,700,934</b>	<b>\$ (87,249)</b>	<b>\$ 2,602,867</b>	<b>\$ 814,684</b>	<b>45.56%</b>
<b>Meeting Expenses</b>						
Meetings & Conference Calls	\$ 5,400	\$ 5,400	\$ -	\$ 8,100	\$ 2,700	50.00%
Travel	46,080	46,080	-	42,685	(3,395)	-7.37%
<b>Total Meeting Expenses</b>	<b>\$ 51,480</b>	<b>\$ 51,480</b>	<b>\$ -</b>	<b>\$ 50,785</b>	<b>\$ (695)</b>	<b>-1.35%</b>
<b>Operating Expenses, excluding Depreciation</b>						
Consultants & Contracts	\$ 100,000	\$ 377,239	\$ 277,239	\$ 272,000	\$ 172,000	172.00%
Office Rent	-	-	-	-	-	
Office Costs	1,247,972	1,247,972	-	1,107,263	(140,709)	-11.28%
Professional Services	-	50,000	50,000	90,000	90,000	
Miscellaneous	-	-	-	-	-	
<b>Total Operating Expenses</b>	<b>\$ 1,347,972</b>	<b>\$ 1,675,211</b>	<b>\$ 327,239</b>	<b>\$ 1,469,263</b>	<b>\$ 121,291</b>	<b>9.00%</b>
<b>Total Direct Expenses</b>	<b>\$ 3,187,635</b>	<b>\$ 3,427,625</b>	<b>\$ 239,990</b>	<b>\$ 4,122,915</b>	<b>\$ 935,280</b>	<b>29.34%</b>
<b>Indirect Expenses</b>	<b>\$ 1,437,341</b>	<b>\$ 1,340,016</b>	<b>\$ (97,325)</b>	<b>\$ 1,691,294</b>	<b>\$ 253,953</b>	<b>17.67%</b>
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Total Expenses (B)</b>	<b>\$ 4,624,976</b>	<b>\$ 4,767,641</b>	<b>\$ 142,665</b>	<b>\$ 5,814,209</b>	<b>\$ 1,189,233</b>	<b>25.71%</b>
<b>Change in Net Assets (=A-B)</b>	<b>\$ (1,057,476)</b>	<b>\$ (696,101)</b>	<b>\$ 361,375</b>	<b>\$ (1,481,469)</b>	<b>\$ (423,993)</b>	<b>40.09%</b>
<b>Fixed Assets</b>						
<b>Fixed Assets, excluding Right of Use Assets (C)</b>	<b>\$ 12,884</b>	<b>\$ 2,313,480</b>	<b>\$ 2,300,596</b>	<b>\$ 936,653</b>	<b>\$ 923,769</b>	<b>7169.89%</b>
<b>TOTAL BUDGET (B+C)</b>	<b>\$ 4,637,860</b>	<b>\$ 7,081,121</b>	<b>\$ 2,443,261</b>	<b>\$ 6,750,862</b>	<b>\$ 2,113,002</b>	<b>45.56%</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)</b>	<b>\$ (1,070,360)</b>	<b>\$ (3,009,581)</b>	<b>\$ (1,939,221)</b>	<b>\$ (2,418,122)</b>	<b>\$ (1,347,762)</b>	<b>125.92%</b>
FTEs	16.00	13.00	(3.00)	19.00	3.00	18.75%
HC	16.00	13.00	(3.00)	19.00	3.00	18.75%



## 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 2026	Direct FTEs 2027 Budget	Shared FTEs* 2027 Budget	Total FTEs 2027 Budget	Change from 2026 Budget
<b>NON-STATUTORY</b>					
<b>Operational Programs</b>					
<b>Total FTEs Operational Programs</b>	-	-	-	-	-
<b>Administrative Programs</b>					
WREGIS	16.00	19.00	-	19.00	3.00
<b>Total FTEs Administrative Programs</b>	<b>16.00</b>	<b>19.00</b>	<b>-</b>	<b>19.00</b>	<b>3.00</b>
<b>Total FTEs</b>	<b>16.00</b>	<b>19.00</b>	<b>-</b>	<b>19.00</b>	<b>3.00</b>

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



## Overview of Changes in Reserves

<b>Working Capital Reserve Analysis</b>	
<b>NON-STATUTORY</b>	
	Total
<b>Beginning Reserves, January 1, 2026</b>	\$ 6,523,065
Plus: 2026 Funding	4,071,540
Less: 2026 Projected expenses & capital expenditures	(7,081,121)
Less: 2026 Transfer of Peak Holdback Reserves to Statutory	(292,000)
<b>Projected Reserves (Deficit), December 31, 2026</b>	<u><u>\$ 3,221,484</u></u>
Plus: 2027 Funding	4,332,740
Less: 2027 Projected expenses & capital expenditures	(6,750,862)
<b>Projected Reserves, December 31, 2027</b>	<u><u>\$ 803,362</u></u>

After WREGIS separates from WECC, the new organization will no longer receive an indirect allocation from WECC and will not have certain software licensing fees to pay, which will reduce expenses for the new organization by approximately \$2.5 million for 2028.

While the reduction in reserves is substantial through 2027, the current estimated monthly expense run rate for the new organization will be approximately \$360,000. With revenue factored in, the stand-alone entity is currently estimated to generate a profit in 2028 of \$241,000. The estimated WREGIS reserve balance at the end of 2027 is the equivalent of approximately two months of operating expenses for the new organization, and this is in line with WECC’s current reserve policy. The new organization’s management and board will determine what reserve levels are appropriate, effective 2028 and forward.



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## 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 fully integrated into WECC on March 31, 2012, following the expiration of the contract between WECC and the CEC that provided backstop funding for WREGIS. 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 WREGIS members, defined as entities with active organizations in WREGIS, and various key 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 an FTE 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
- Testing software releases
- Supporting participating programs by facilitating cooperation and research into ongoing issues and sharing documentation with participants
- Auditing generation and other data
- Managing the budgeting, billing, and financial reporting

#### 2027 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.



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- 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.
  - The new, custom-built software will be implemented in late 2026 or early 2027 and will be used as the sole tracking system from that point forward.
  - CleanCounts software license fees are budgeted until the contract expires on December 31, 2027.
  - Interest rates remain stable.
  - Travel for training and audits remains stable.
  - One system administrator is added in the last quarter to maintain the IT resources and focus on system maintenance, performance monitoring, user management, and troubleshooting in preparation for the January 1, 2028, separation from WECC.
  - One accounting professional is added in the last quarter to handle accounting and financial reporting for the new organization in preparation for the January 1, 2028, separation from WECC.
  - One communications and marketing professional is added in the last quarter to plan, create, and deliver promotional materials, digital content, and communication strategies to increase engagement and brand awareness. in preparation for the January 1, 2028, separation from WECC.
  - All expenses incurred in 2027 related to software development and the separation of WREGIS from WECC will be funded by non-statutory reserves, not WECC statutory funds.

## 2027 Goals and Deliverables

- Deliver Phase 2 of the new custom software by mid-2027.
- Regularly engage with stakeholders related to software development progress and the separation of WREGIS from WECC.
- Continuously improve program processes and tools to adapt to changes in the industry and increase efficiency.
- Develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Maintain compliance with the participating state and provincial programs, as well as with voluntary programs.
- Refine and improve data collection to ensure high-quality data.
- Perform between two and four audits for each of the following: Qualified Reporting Entities, REC-holding customers, and Generator Owners depending upon highest determined risks.
- Deliver multiple virtual and in-person user training sessions to enable customers to use the newly launched software effectively and efficiently.
- WREGIS reserves are held to allow for continuity of normal operations or to fund special large-scale improvements.
- Ensure the organizational structure for the new entity is in place by the end of 2027.



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- Ensure business processes and tools are adequate for the January 1, 2028, separation of WREGIS from WECC.



# Appendices

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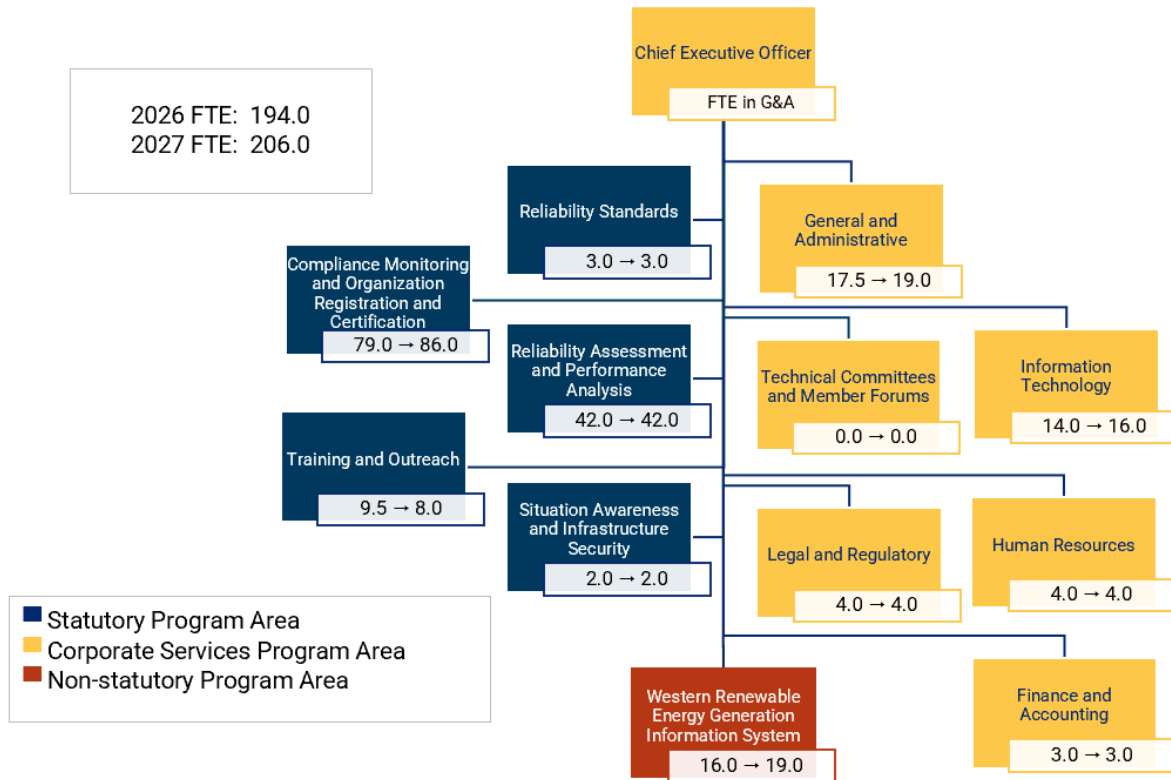
**Additional Information**

## Appendix A – 2027 Statement of Activities by Program, Statutory and Non-Statutory

Statement of Activities and Capital Expenditures by Program	Total	Statutory Total	Non-Statutory Total	Statutory Programs						Non-Statutory Program		
				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	\$ 38,509,860	\$ 38,509,860	\$ -	\$ 38,509,860	\$ 883,191	\$ 22,332,516	\$ 12,569,348	\$ 2,151,125	\$ 573,680	\$ -	\$ -	\$ -
Penalties Released	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Statutory Funding</b>	<b>\$ 38,509,860</b>	<b>\$ 38,509,860</b>	<b>\$ -</b>	<b>\$ 38,509,860</b>	<b>\$ 883,191</b>	<b>\$ 22,332,516</b>	<b>\$ 12,569,348</b>	<b>\$ 2,151,125</b>	<b>\$ 573,680</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Non-statutory Funding</b>												
Workshops & Miscellaneous	\$ 4,205,240	\$ -	\$ 4,205,240	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,205,240	\$ 4,205,240
Interest	590,553	583,053	7,500	583,053	6,884	197,354	96,382	277,843	4,590	-	7,500	7,500
	900,000	780,000	120,000	780,000	16,596	475,745	232,340	44,255	11,064	-	120,000	120,000
<b>Total Revenue (A)</b>	<b>\$ 44,205,653</b>	<b>\$ 39,872,913</b>	<b>\$ 4,332,740</b>	<b>\$ 39,872,913</b>	<b>\$ 906,671</b>	<b>\$ 23,005,615</b>	<b>\$ 12,898,070</b>	<b>\$ 2,473,223</b>	<b>\$ 589,334</b>	<b>\$ -</b>	<b>\$ 4,332,740</b>	<b>\$ 4,332,740</b>
<b>Expenses</b>												
<b>Personnel Expenses</b>												
Salaries	\$ 29,079,166	\$ 27,013,850	\$ 2,065,316	\$ 27,013,850	\$ 540,617	\$ 11,944,021	\$ 6,460,704	\$ 1,231,800	\$ 342,536	\$ 6,494,172	\$ 2,065,316	\$ 2,065,316
Payroll Taxes	1,886,073	1,750,738	135,335	1,750,738	34,416	785,443	420,671	77,724	23,227	409,257	135,335	135,335
Benefits	3,499,913	3,262,396	237,517	3,262,396	45,330	1,258,341	621,448	123,036	32,142	1,182,099	237,517	237,517
Retirement Costs	2,318,690	2,153,991	164,699	2,153,991	43,249	951,833	514,413	98,026	27,403	519,067	164,699	164,699
<b>Total Personnel Expenses</b>	<b>\$ 36,783,842</b>	<b>\$ 34,180,975</b>	<b>\$ 2,602,867</b>	<b>\$ 34,180,975</b>	<b>\$ 663,612</b>	<b>\$ 14,939,638</b>	<b>\$ 8,017,236</b>	<b>\$ 1,530,586</b>	<b>\$ 425,308</b>	<b>\$ 8,604,595</b>	<b>\$ 2,602,867</b>	<b>\$ 2,602,867</b>
<b>Meeting Expenses</b>												
Meetings & Conference Calls	\$ 432,949	\$ 424,849	\$ 8,100	\$ 424,849	\$ -	\$ -	\$ 29,136	\$ 274,497	\$ -	\$ 121,216	\$ 8,100	\$ 8,100
Travel	1,170,384	1,127,699	42,685	1,127,699	20,115	595,485	196,325	31,900	13,915	269,959	42,685	42,685
<b>Total Meeting Expenses</b>	<b>\$ 1,603,333</b>	<b>\$ 1,552,548</b>	<b>\$ 50,785</b>	<b>\$ 1,552,548</b>	<b>\$ 20,115</b>	<b>\$ 595,485</b>	<b>\$ 225,461</b>	<b>\$ 306,397</b>	<b>\$ 13,915</b>	<b>\$ 391,175</b>	<b>\$ 50,785</b>	<b>\$ 50,785</b>
<b>Operating Expenses, excluding Depreciation</b>												
Consultants & Contracts	\$ 2,532,800	\$ 2,260,800	\$ 272,000	\$ 2,260,800	\$ -	\$ 708,000	\$ 1,124,400	\$ -	\$ -	\$ 428,400	\$ 272,000	\$ 272,000
Office Rent	1,324,151	1,324,151	-	1,324,151	-	-	-	-	-	1,324,151	-	-
Office Costs	3,934,239	2,826,976	1,107,263	2,826,976	1,755	261,484	445,319	49,380	1,840	2,067,198	1,107,263	1,107,263
Professional Services	1,516,947	1,426,947	90,000	1,426,947	-	-	-	-	-	1,426,947	90,000	90,000
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 9,308,137</b>	<b>\$ 7,838,874</b>	<b>\$ 1,469,263</b>	<b>\$ 7,838,874</b>	<b>\$ 1,755</b>	<b>\$ 969,484</b>	<b>\$ 1,569,719</b>	<b>\$ 49,380</b>	<b>\$ 1,840</b>	<b>\$ 5,246,696</b>	<b>\$ 1,469,263</b>	<b>\$ 1,469,263</b>
<b>Total Direct Expenses</b>	<b>\$ 47,695,312</b>	<b>\$ 43,572,397</b>	<b>\$ 4,122,915</b>	<b>\$ 43,572,397</b>	<b>\$ 685,482</b>	<b>\$ 16,504,607</b>	<b>\$ 9,812,416</b>	<b>\$ 1,886,363</b>	<b>\$ 441,063</b>	<b>\$ 14,242,466</b>	<b>\$ 4,122,915</b>	<b>\$ 4,122,915</b>
<b>Indirect Expenses</b>	\$ -	\$ (1,691,294)	\$ 1,691,294	\$ (1,691,294)	\$ 267,046	\$ 7,655,325	\$ 3,738,647	\$ 712,123	\$ 178,031	\$ (14,242,466)	\$ 1,691,294	\$ 1,691,294
<b>Other Non-Operating Expenses</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Expenses (B)</b>	<b>\$ 47,695,312</b>	<b>\$ 41,881,103</b>	<b>\$ 5,814,209</b>	<b>\$ 41,881,103</b>	<b>\$ 952,528</b>	<b>\$ 24,159,932</b>	<b>\$ 13,551,063</b>	<b>\$ 2,598,486</b>	<b>\$ 619,094</b>	<b>\$ -</b>	<b>\$ 5,814,209</b>	<b>\$ 5,814,209</b>
<b>Change in Net Assets (=A-B)</b>	<b>\$ (3,489,659)</b>	<b>\$ (2,008,190)</b>	<b>\$ (1,481,469)</b>	<b>\$ (2,008,190)</b>	<b>\$ (45,857)</b>	<b>\$ (1,154,317)</b>	<b>\$ (652,993)</b>	<b>\$ (125,263)</b>	<b>\$ (29,760)</b>	<b>\$ -</b>	<b>\$ (1,481,469)</b>	<b>\$ (1,481,469)</b>
<b>Depreciation</b>												
Computer & Software CapEx	\$ 918,840	\$ -	\$ 918,840	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 918,840	\$ 918,840
Furniture & Fixtures CapEx	-	-	-	-	-	-	-	-	-	-	-	-
Equipment CapEx	150,000	150,000	-	150,000	-	-	-	-	-	150,000	-	-
Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of Fixed Assets	-	(17,813)	17,813	(17,813)	2,813	80,624	39,375	7,500	1,875	(150,000)	17,813	17,813
<b>Fixed Assets, excluding Right of Use Assets (C)</b>	<b>\$ 1,068,840</b>	<b>\$ 132,187</b>	<b>\$ 936,653</b>	<b>\$ 132,187</b>	<b>\$ 2,813</b>	<b>\$ 80,624</b>	<b>\$ 39,375</b>	<b>\$ 7,500</b>	<b>\$ 1,875</b>	<b>\$ -</b>	<b>\$ 936,653</b>	<b>\$ 936,653</b>
<b>TOTAL BUDGET (B+C)</b>	<b>\$ 48,764,152</b>	<b>\$ 42,013,290</b>	<b>\$ 6,750,862</b>	<b>\$ 42,013,290</b>	<b>\$ 955,341</b>	<b>\$ 24,240,556</b>	<b>\$ 13,590,438</b>	<b>\$ 2,605,986</b>	<b>\$ 620,969</b>	<b>\$ -</b>	<b>\$ 6,750,862</b>	<b>\$ 6,750,862</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ (4,558,499)</b>	<b>\$ (2,140,377)</b>	<b>\$ (2,418,122)</b>	<b>\$ (2,140,377)</b>	<b>\$ (48,670)</b>	<b>\$ (1,234,941)</b>	<b>\$ (692,368)</b>	<b>\$ (132,763)</b>	<b>\$ (31,635)</b>	<b>\$ -</b>	<b>\$ (2,418,122)</b>	<b>\$ (2,418,122)</b>
<b>FTEs</b>	<b>206.00</b>	<b>187.00</b>	<b>19.00</b>	<b>187.00</b>	<b>3.00</b>	<b>86.00</b>	<b>42.00</b>	<b>8.00</b>	<b>2.00</b>	<b>46.00</b>	<b>19.00</b>	<b>19.00</b>
<b>HC</b>	<b>206.00</b>	<b>187.00</b>	<b>19.00</b>	<b>187.00</b>	<b>3.00</b>	<b>86.00</b>	<b>42.00</b>	<b>8.00</b>	<b>2.00</b>	<b>46.00</b>	<b>19.00</b>	<b>19.00</b>



## Appendix B – Organizational Chart – Changes in FTE by Program

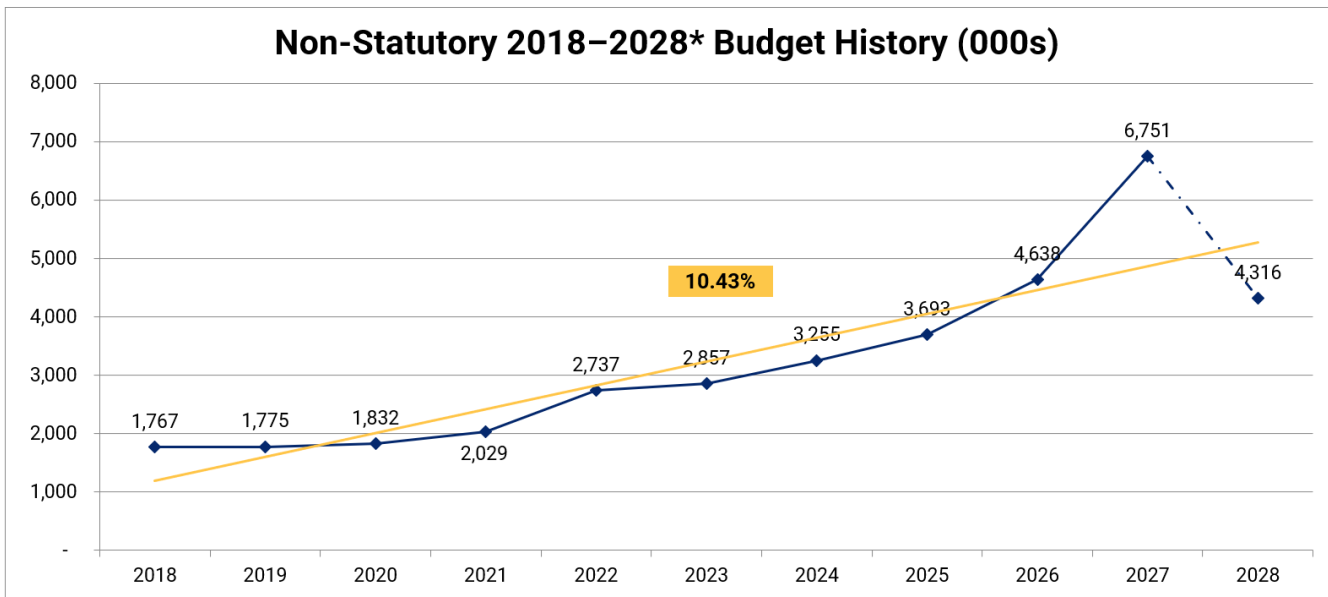
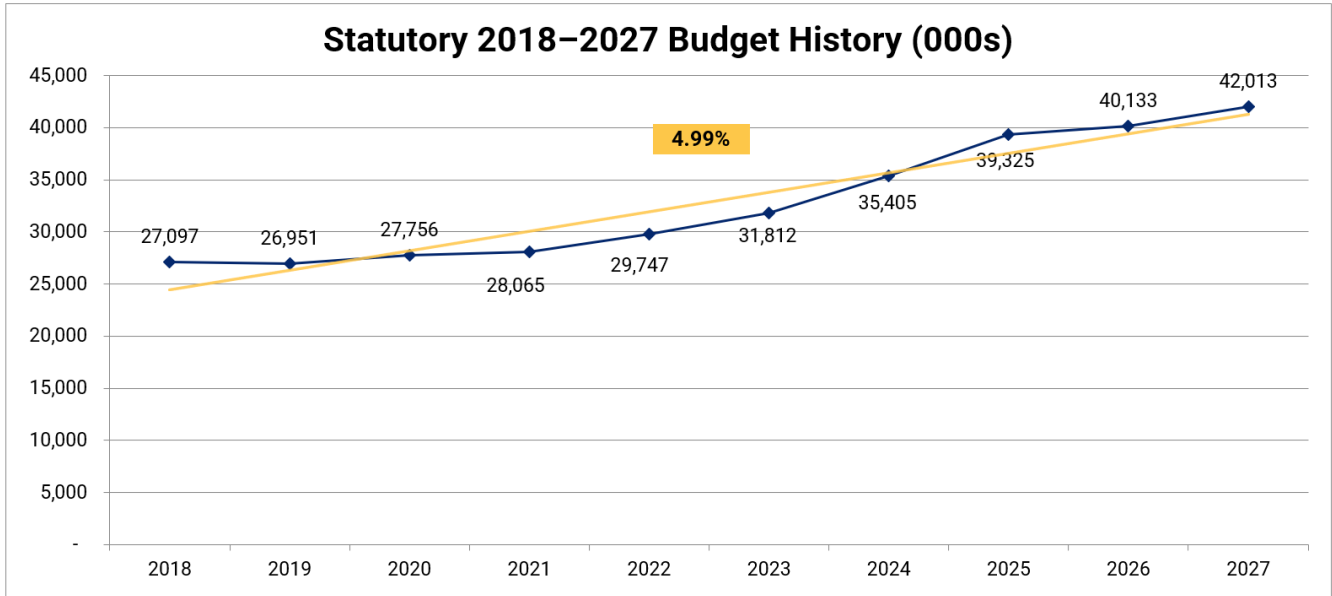


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## Appendix C – Adjustment to the Alberta Electric System Operator (AESO) Assessment

*To be inserted after NEL collection process*

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



\*2028 is displayed to demonstrate the impact of eliminated software licensing fees and overhead allocation post-separation from WECC.

