



WECC

2023 Business Plan and Budget

Approved by: WECC Board of Directors

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Introduction

TOTAL RESOURCES (in whole dollars)				
	2023 Budget	U.S.	Canada	Mexico
Statutory FTEs*	160.0			
Non-statutory FTEs	9.0			
Total FTEs	169.0			
Statutory Expenses	\$ 31,757,415			
Non-Statutory Expenses	\$ 2,852,906			
Total Expenses	\$ 34,610,322			
Statutory Incr(Decr) in Fixed Assets	\$ 54,868			
Non-Statutory Incr(Decr) in Fixed Assets	\$ 4,132			
Total Inc(Dec) in Fixed Assets	\$ 59,000			
Statutory Working Capital Requirement**	\$ (595,000)			
Non-Statutory Working Capital Requirement***	\$ (177,177)			
Total Working Capital Requirement	\$ (772,177)			
Total Statutory Funding Requirement	\$ 31,217,283			
Total Non-Statutory Funding Requirement	\$ 2,679,861			
Total Funding Requirement	\$ 33,897,144			
Statutory Assessments	\$ 19,750,537	15,747,192	3,425,574	577,771
Non-Statutory Fees	\$ 2,679,861	2,626,264	53,597	-
NEL****	866,219,863	725,329,758	125,349,171	15,540,934
NEL%	100.0%	83.7%	14.5%	1.8%

Organizational Overview

WECC is a 501(c)(4) social welfare organization funded through Load-Serving Entity (LSE) assessments authorized by the Federal Energy Regulatory Commission (FERC) under Section 215 of the Federal Power Act. WECC's mission is to effectively and efficiently mitigate risks to the reliability and security of the Western Interconnection's bulk power system (BPS), while carrying out the responsibilities of the Regional Entity. WECC operates under a delegation agreement with the North American Electric Reliability Corporation (NERC) and according to its bylaws. WECC executes its mission informed and assisted by working with a broad community of stakeholders and two advisory bodies—the Member Advisory Committee (MAC) and the Western Interconnection Regional Advisory Body (WIRAB).

The Western Interconnection is a geographic area in which the use and generation of electricity 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 on its mission through:

- Effective risk-based monitoring and enforcement of Reliability Standards through standards development, entity certification and registration, compliance risk assessment, and audits and investigations;
- Informed actions, practices, and decisions of industry participants, regulators, and policymakers through strategic engagement regarding reliability planning, performance analysis, situation awareness, and event analysis; and
- Targeted training, outreach, and dialogue to build relationships that foster a culture of reliability and security throughout the West.

WECC's business philosophy is guided by three principles:

Independence—We serve the public interest and represent what is best for reliability and security within the Western Interconnection with an impartial and unbiased voice.

Perspective—We are uniquely situated, with an interconnection-wide view, to develop comprehensive and influential work products for the benefit of reliability and security.

Partnership—We collaborate with, learn from, and inform industry leaders and technical experts, and decision-makers at the state, provincial, and national level, to reduce risks to reliability and security.

WECC is evolving to better serve stakeholders by:

- Increasing our leadership through strategic partnerships, proactive and deliberate engagements, and technical competence and credibility;
- Building strong and constructive relationships with NERC and our regional partners, members, and stakeholders;
- Implementing risk-based concepts to provide consistency for industry, and increased flexibility within a rule-based, regulatory framework;
- Encouraging forward-looking reliability and security by assessing and advising industry on the design and implementation of effective internal controls; and
- Identifying and mitigating known and emerging risks to the reliability and security of the Western Interconnection.

Membership and Governance

WECC has 310 members¹ divided into the following five Membership Classes:

1. Large Transmission Owners;
2. Small Transmission Owners;

¹ As of May 24, 2022.



3. Electric Line of Business Entities doing business in the Western Interconnection that do not own, control, or operate transmission or distribution lines in the Western Interconnection;
4. End users and entities that represent the interests of end users; and
5. Representatives of state and provincial governments.

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.²

WECC is governed by a Board of Directors (Board), composed of nine independent Directors elected by the WECC membership, and WECC's president and CEO as appointed by the Board. The nine Directors are compensated by WECC for their governance and oversight activities.

Four governance committees provide functional oversight of WECC operations:

- Finance and Audit Committee (FAC);
- Governance Committee (GC);
- Human Resources and Compensation Committee (HRCC); and
- Nominating Committee (NC).

Under the direction of the Board, other committees provide technical advice and policy recommendations to the Board:

- Joint Guidance Committee (JGC);
- Member Advisory Committee (MAC);
- Reliability Assessment Committee (RAC);
- Reliability Risk Committee (RRC); and
- WECC Standards Committee (WSC).

2023 Strategic Goals

The electric industry is undergoing profound changes nationally, especially in the West. Organizations such as WECC help to further the understanding of these changes. Working with other stakeholders helps build trust, promote transparency, set priorities, and enhance the reliability and security of the Western Interconnection. WECC proactively addresses issues for which the impacts to the Western Interconnection's reliability and security are 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. Strategic engagement allows WECC to thoughtfully and intentionally interact with stakeholders to ensure WECC's work is relevant and valuable.

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



WECC's Board-approved [Long-Term Strategy](#) builds on the foundation established by the Electric Reliability Organization (ERO) Enterprise Long-Term Strategy. Described more fully below, the ERO Enterprise Long-Term Strategy is representative of continent-wide risks and was vetted through a stakeholder process. WECC's Long-Term Strategy then identifies unique Western long-term focus areas 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 2023 and beyond.

Additionally, the Board approved the following [WECC Reliability Risk Priorities \(RRP\)](#) at its June 2022 meeting. These risk priorities guide both committee and program area work plans. Much of the work related to the WECC RRP involves staff time; examples of activities supporting these priorities are noted in the appropriate statutory program area sections of the business plan.

Reliability Risk Priorities

The WECC RRP approved in 2022 are further described below.

Cybersecurity

Cyberthreats can result in loss of control or damage to communications, data, monitoring, protection and control systems, and operational tools. Attacks can cause the loss of situational awareness or even the loss of load. These attacks may also hinder resilience and recovery measures, further jeopardizing reliable grid operations. WECC will continue to facilitate efforts to share NERC information, best practices, and lessons learned with parties that need to prepare for cyberattacks.

Extreme Natural Events

Extreme natural events are becoming more common in the Western Interconnection due to wide-ranging changes in climate and weather patterns. Record-breaking temperatures, extended cold weather, prolonged drought, and increasing intensity of wildfires have forced entities to rethink how they plan and operate the system. WECC has monitored, participated in, and led work in this area and will continue to do so.

Resource Adequacy and Performance

Resource adequacy has grown more complex and intertwined with other important considerations such as transmission adequacy. Extreme events, clean energy policies, wide variance in state regulatory and policy actions, customer choice patterns (e.g., the move toward vehicle electrification), and other drivers are increasing variability and causing the generation and load patterns in the West to shift.



WECC currently studies and evaluates resource adequacy and transmission plans in the Western Interconnection. It uses input from industry, policymakers, and regulators to shape its work. WECC then shares information from its analysis with planning entities, regulators, and the broader group of stakeholders. WECC will continue to improve its stakeholder engagement to gather input, shape analytical work, and share useful and timely information, particularly with its regulatory and policy partners.

Impact of Changing Resources and Customer Loads on the BPS Mix

New and emerging technologies such as inverter-based resources (IBR) and electric vehicles make grid planning and operations more complex. Emerging technologies must be integrated into the system in a way that does not degrade reliability. To do this, the behavior and operation of new technology must be understood in the context of bulk power system operations. To date, the West has experienced several system disturbances related to the performance of solar IBRs that demonstrate the need to address this risk.

WECC has been working, and can continue to work, with industry to explore the range of solutions to address this issue. Through its technical committees, WECC will continue to study, gather, and share information on the performance of resource technology (both utility- and customer-owned) and load technology and best practices for integration. WECC and industry will collaborate to create guidelines and share best practices. In addition, WECC will accelerate its work with entities to improve model accuracy and data quality.

ERO Enterprise

In 2019, the ERO Enterprise leadership revised the [ERO Enterprise Long-Term Strategy](#) to streamline its strategic and operational documents and ensure alignment with the NERC Reliability Issues Steering Committee's (RISC) identified BPS risks. The Board acknowledged this strategy on December 4, 2019, as a valuable input to the WECC strategic planning process and recognized it as a beneficial collaboration by NERC and the Regional Entities. The ERO Long-Term Strategy served as the foundational input for the development of WECC's Long-Term Strategy.

As part of the business planning and budgeting process, NERC and the Regional Entities identify and discuss program area goals and activities to ensure they align with the long-term strategy and that business processes and operations harmonize across the ERO Enterprise where appropriate. WECC acknowledges and supports the long-term strategy as well as the work products specific to WECC that are described in each statutory program area in Section A.

The ERO Enterprise strives for consistency when appropriate and recognizes that each Regional Entity addresses reliability in unique ways. The ERO Enterprise model allows Regional Entities to address these unique reliability risks and challenges locally using innovative and distinctive approaches. The



ERO Enterprise recognizes that, as the electric industry ecosystem is rapidly evolving, the ERO programs and practices must continue to transform to meet the future needs of reliability and security.

NERC and the Regional Entities coordinate activities to identify, prioritize, and address risks to reliability. The Regional Entities have similar responsibilities within the ERO Enterprise model:

- Providing input to the overall development of each ERO program area;
- Providing training and development to meet ERO qualifications; and
- Ensuring delegated responsibilities are completed.

Regional Entities also have an obligation to meet professional standards of independence and objectivity and provide the best available expertise to address regional risks. This way of working is represented by this visual.



2023 Key Assumptions and Overview of Cost Impacts

WECC's proposed 2023 statutory budget is \$31,812,000, a \$2,065,000 (6.94%) increase from the 2022 statutory budget. The net increase is mainly due to:

- 7.50 new full-time equivalents (FTE) to support the WECC RRP, improve the organization's security posture, and to ensure WECC has the bandwidth to deliver on its critical reliability mission;
- Labor float assumption changes based on actual turnover and vacancy rates;
- A 3% merit pool;
- Increased subscription-based computer licensing and enterprise security tools; and
- Changes in position levels.

FTEs represent the fractional allocation of a full-time position's cost to one or more functional areas. Headcount (HC) represents either vacant or filled positions. Major drivers of the change between the 2022 and 2023 statutory budgets are as follows:

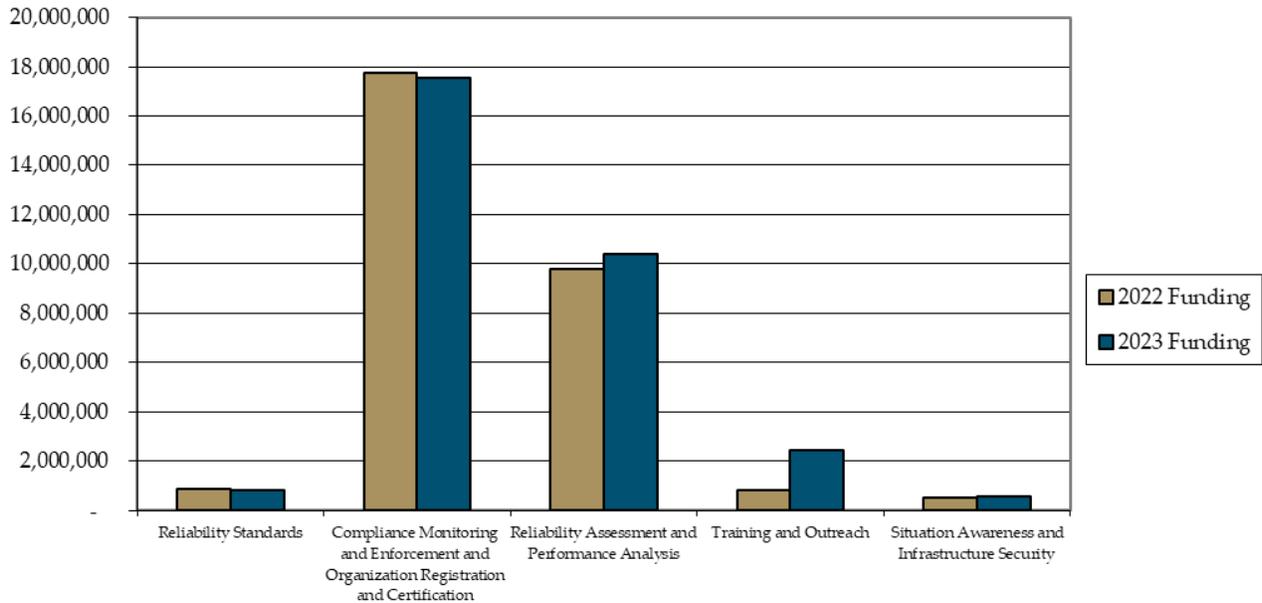
- Personnel Expenses increase by \$1,922,000 primarily due to 7.50 new FTEs, continued refinement of labor float percentages, a budgeted 3% merit pool, changes in position levels, and the refinement of payroll tax and benefits enrollment rates.
- Office Costs increase by \$329,000 primarily due to an increase in subscription-based computer licensing and enterprise security tools.

- Meeting Expenses decrease by \$283,000 primarily due to changes in on-site audit logistics and an expectation that many meeting participants will choose the virtual option when hybrid meetings resume.
- Consultants & Contracts increase by a net of \$250,000 primarily due to the inclusion of \$595,000 in Peak Reliability Donation project spending and the completion of one-time consulting projects in 2022.

The following table and chart present a summary of funding requirements for WECC's primary statutory program areas:

Program	Budget 2022	Projection 2022	Budget 2023	Variance 2022 Budget v 2023 Budget	Variance %
Reliability Standards	\$ 885,532	\$ 860,285	\$ 838,759	\$ (46,773)	(5.28%)
Compliance Monitoring and Enforcement and Organization Registration and Certification	17,730,856	16,925,502	17,550,239	(180,617)	(1.02%)
Reliability Assessment and Performance Analysis	9,802,354	9,756,600	10,414,249	611,895	6.24%
Training and Outreach	812,908	1,944,180	2,450,617	1,637,709	201.46%
Situation Awareness and Infrastructure Security	515,247	520,410	558,419	43,172	8.38%
Total By Program	\$ 29,746,899	\$ 30,006,979	\$ 31,812,283	\$ 2,065,385	6.94%

Comparison of 2022 to 2023 Budgeted Funding Requirements



Peak Reliability Donation

Peak Reliability (Peak) ceased all Reliability Coordinator (RC) operations in December 2019 and dissolved as a corporate entity in December 2020. After review and approval by the Board, WECC entered into a donation holdback agreement with Peak before its dissolution. Per the agreement, Peak donated \$4,127,000 of its remaining funds to WECC. Of the total amount, \$3,827,000 will be used to fund projects focused on the reliability and security of the BPS in the Western Interconnection. This portion was recorded as a statutory donation. Additionally, Peak requested WECC hold \$300,000 for a period of five years to pay any Peak bills that may be presented following Peak’s formal closure on December 31, 2020. This amount was recorded as a non-statutory liability. The statutory amount is currently included in WECC’s reserves, which are further detailed in Table B-1. Non-statutory funds remaining after the five-year period will also be used to fund reliability and security projects.

WECC has committed to its stakeholders and FERC that decisions about how to spend the Peak funds will be informed by stakeholder consultation, review, and comment. There are many critical issues facing the Western Interconnection, and WECC values the many different perspectives the stakeholder community can bring to the consideration of how best to spend these funds. Ultimately, the expenditure of these funds is not about merely “having \$3,827,000 to spend.” Instead, this is an opportunity for WECC to add real value by addressing critical reliability risks and issues in the West by answering these questions:

- What are the critical needs that are not being adequately addressed?



- What could WECC do, using these funds, to deliver significant value to the stakeholders who are working to address reliability and security challenges every day?

All projects are vetted with the executive team and stakeholders via targeted outreach, technical committees, and the Business Plan and Budget (BP&B) process. Two projects warrant inclusion in the 2023 BP&B. These are:

- The second phase of a system planning data management system, to improve data management processes, support consistent data formats, reduce processing time, and allow sharing of interconnection-wide data with appropriate stakeholders; and
- The acquisition of PLEXOS software, an energy market simulation platform, to provide in-depth analytics and modeling support for reliability planning activities.

WECC proposes to use \$595,000 from the Peak Reliability Donation reserve to fund these projects in 2023. This process will be followed for future projects, which will be identified in future BP&Bs. For projects not anticipated in the annual BP&B and expected to total more than \$500,000, WECC will seek approval from FERC via separate one-time filings.

Personnel Overview

Over the last two years, several events have highlighted risks to reliability and security: the August 2020 heat wave, the February 2021 cold weather event, the 2020 SolarWinds breach, and the 2021 log4j vulnerability, among others. What used to be considered low probability events have become more frequent and are coming at a pace and complexity that WECC has not seen before. WECC needs specific expertise and resources to keep pace and to work with its stakeholders to address emerging issues. As a result, in the 2023 budget, WECC is adding 7.50 statutory FTEs (9.50 FTEs in total) and realigning some positions within program areas due to evolving organizational needs and priorities driven by the environment in which WECC is operating.

Compliance Monitoring and Enforcement

Two new FTEs are added to the Compliance Monitoring and Enforcement Program (CMEP). One vice president, Reliability and Security Oversight, is added to provide key leadership in the continued development of a risk-informed CMEP to mitigate reliability and security risks to the interconnection. One cybersecurity risk engineer is added to increase bench strength, mitigate bandwidth constraints, and address an increasing workload related to assessing inherent and operational risk to reliability associated with the Cybersecurity Infrastructure Protection (CIP) standards. One FTE is transferred from CMEP to Training and Outreach to support the development and enhancement of the Strategic Engagement group and 0.75 FTE is transferred from CMEP to Legal and Regulatory due to realigned job responsibilities.



Reliability Assessment and Performance Analysis

Three FTEs are added to the Reliability Assessment and Performance Analysis (RAPA) Program. In recent years, as the RAC's Study Program has become more robust in developing studies aimed at addressing the WECC RRs, more staff time has been needed to complete the work. One senior engineer is added to help develop these studies. Two senior resource adequacy analysts are added to more fully analyze and understand the increasing risks of resource adequacy, one of the WECC RRs, and to increase engagement in subregional resource adequacy programs. Additionally, 0.80 FTE is transferred from RAPA to Training and Outreach to provide administrative and project support to the Strategic Engagement group.

Training and Outreach

Four FTEs and one FTE are transferred from Legal and Regulatory and CMEP, respectively, to the Training and Outreach Program area due to a 2022 organizational realignment, the details of which are noted in the Training and Outreach program scope. Additionally, 0.80 and 0.20 FTE are transferred from RAPA and G&A, respectively, to Training and Outreach to provide administrative and project support to the Strategic Engagement group.

An additional 0.50 FTE is added to the Training and Outreach Program to help ensure WECC's insights and analyses are received and understood by a wide array of stakeholders and decision-makers and that relevant work products are reaching appropriate stakeholders in a timely manner. WECC will use this partial FTE to convert the 0.50 FTE added in the 2022 BP&B to a full-time position.

Corporate Services

One associate systems administrator and one information security analyst are added to the Information Technology Program, to provide administration and security monitoring of increased enterprise security tools. These positions, in conjunction with other security personnel, work to continually improve WECC's security posture and to protect the increasing volume of stakeholder data housed in our systems.

Additionally, the following transfers affect Corporate Services:

- 0.20 FTE is transferred from G&A to Training and Outreach to provide administrative and project support to the Strategic Engagement group;
- 0.50 FTE is transferred from Finance and Accounting to G&A to assist with administrative tasks;
- 0.75 FTE is transferred from CMEP to Legal and Regulatory to realign job responsibilities; and
- 4.00 FTEs are transferred from Legal and Regulatory to Training and Outreach due to a 2022 organizational realignment.



Non-Statutory

Two program analysts are added to the non-statutory program due to program growth, increasing account holder audit requirements, and software administration needs.

Details of the additions, transfers, and allocations are discussed in the respective program area sections of the BP&B.

Total FTEs by Program Area	Budget	Projection	Direct FTEs	Shared	Total FTEs	Change
	2022	2022	2023 Budget	FTEs* 2023 Budget	2023 Budget	from 2022 Budget
STATUTORY						
Operational Programs						
Reliability Standards	3.00	3.00	3.00	-	3.00	-
Compliance Monitoring and Enforcement and Organization Registration and Certification	67.75	67.00	68.00	-	68.00	0.25
Reliability Assessment and Performance Analysis	35.80	38.00	38.00	-	38.00	2.20
Training and Outreach	2.00	8.50	8.50	-	8.50	6.50
Situation Awareness and Infrastructure Security	2.00	2.00	2.00	-	2.00	-
Total FTEs Operational Programs	110.55	118.50	119.50	-	119.50	8.95
Corporate Services						
Technical Committees and Member Forums	-	-	-	-	-	-
General and Administrative	17.70	16.50	18.00	-	18.00	0.30
Legal and Regulatory	7.75	5.00	4.50	-	4.50	(3.25)
Information Technology	9.00	10.00	11.00	-	11.00	2.00
Human Resources	4.00	4.00	4.00	-	4.00	-
Finance and Accounting	3.50	3.00	3.00	-	3.00	(0.50)
Total FTEs Corporate Services	41.95	38.50	40.50	-	40.50	(1.45)
Total FTEs	152.50	157.00	160.00	-	160.00	7.50

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

Penalty Sanctions and Assessments

WECC received \$19,919,000 in penalty sanctions between July 1, 2021, and June 30, 2022. WECC proposes, with NERC and Commission approval pursuant to Section 1107.4 of the NERC Rules of Procedure, to release \$11,219,000 in penalty sanctions to offset 2023 assessments, with the remaining \$8,700,000 to be released in 2024. The rationale for releasing the penalties over two years is to avoid a steep decrease in assessments in one year and a sharp increase in the second year. See the Monetary Penalties section for additional details.



2022 Statutory Budget and Projection and 2023 Budget Comparisons

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2022 Budget & Projection, and 2023 Budget

STATUTORY

	2022 Budget	2022 Projection	Variance 2022 Budget v 2022 Projection Over(Under)	2023 Budget	Variance 2023 Budget v 2022 Budget Inc(Dec)
Revenue					
Statutory Funding					
WECC Assessments	\$ 25,000,000	\$ 25,000,000	\$ -	\$ 19,750,537	\$ (5,249,463)
Penalties Released ¹	5,298,000	5,298,000	-	11,218,646	5,920,646
Total Statutory Funding	\$ 30,298,000	\$ 30,298,000	\$ -	\$ 30,969,183	\$ 671,183
Membership Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Workshops & Miscellaneous	194,700	177,300	(17,400)	188,100	(6,600)
Interest	109,501	51,678	(57,823)	60,000	(49,501)
Total Revenue (A)	\$ 30,602,201	\$ 30,526,978	\$ (75,223)	\$ 31,217,283	\$ 615,082
Expenses					
Personnel Expenses					
Salaries	\$ 18,411,644	\$ 18,853,286	\$ 441,642	\$ 20,039,300	\$ 1,627,656
Payroll Taxes	1,217,683	1,330,681	112,998	1,322,041	104,358
Benefits	2,605,571	2,321,337	(284,234)	2,649,518	43,947
Retirement Costs	1,663,608	1,685,244	21,636	1,809,267	145,659
Total Personnel Expenses	\$ 23,898,506	\$ 24,190,548	\$ 292,042	\$ 25,820,126	\$ 1,921,620
Meeting Expenses					
Meetings & Conference Calls	\$ 458,044	\$ 356,370	\$ (101,674)	\$ 386,181	\$ (71,863)
Travel	772,654	475,134	(297,520)	561,108	(211,546)
Total Meeting Expenses	\$ 1,230,698	\$ 831,504	\$ (399,194)	\$ 947,289	\$ (283,409)
Operating Expenses, excluding Depreciation					
Consultants & Contracts	\$ 1,004,600	\$ 1,221,713	\$ 217,113	\$ 1,254,100	\$ 249,500
Office Rent	1,306,912	1,317,296	10,384	1,318,436	11,524
Office Costs	1,844,335	1,933,734	89,399	2,173,501	329,166
Professional Services	1,045,000	1,166,533	121,533	1,087,000	42,000
Miscellaneous	-	-	-	-	-
Total Operating Expenses	\$ 5,200,847	\$ 5,639,276	\$ 438,429	\$ 5,833,037	\$ 632,190
Total Direct Expenses	\$ 30,330,051	\$ 30,661,328	\$ 331,277	\$ 32,600,452	\$ 2,270,401
Indirect Expenses	\$ (695,066)	\$ (714,824)	\$ (19,758)	\$ (843,037)	\$ (147,971)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 29,634,985	\$ 29,946,504	\$ 311,519	\$ 31,757,415	\$ 2,122,430
Change in Net Assets (=A-B)	\$ 967,216	\$ 580,474	\$ (386,742)	\$ (540,132)	\$ (1,507,348)
Fixed Asset Additions, excluding Right of Use Assets (C)	\$ 111,914	\$ 60,475	\$ 51,439	\$ 54,868	\$ (57,046)
TOTAL BUDGET (B+C)	\$ 29,746,899	\$ 30,006,979	\$ 362,958	\$ 31,812,283	\$ 2,065,384
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ 855,302	\$ 519,999	\$ (438,181)	\$ (595,000)	\$ (1,450,302)
FTEs	152.50	157.00	4.50	160.00	7.50
HC	152.00	157.00	5.00	160.00	8.00

¹ 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).





Section A

Statutory Programs

Section A—Statutory Programs

Reliability Standards Program

Reliability Standards Program (in whole dollars)			
	2022 Budget	2023 Budget	Increase (Decrease)
Total FTEs	3.00	3.00	-
Direct Expenses	\$ 584,610	\$ 556,370	\$ (28,240)
Indirect Expenses	\$ 297,886	\$ 281,011	\$ (16,875)
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ 3,036	\$ 1,378	\$ (1,658)
Total Funding Requirement	\$ 885,532	\$ 838,759	\$ (46,773)

Program Scope and Purpose

The Reliability Standards Program supports the NERC Reliability Standards Program and its employees work with the 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.

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.

2023 Key Budget Assumptions

- The number of RRS projects will remain low, with most focusing on 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 stakeholder volunteers.
- Stakeholder volunteers will continue to staff most NERC Standards drafting teams.
- WECC employees may, at times, participate as drafting team members or observers.
- Integration of renewable resources and related energy storage devices may require new or modified NERC Reliability Standards, RRSs, or Regional Variances to NERC Reliability Standards.
- WECC supports, and will participate in, the enhanced periodic reviews of NERC Reliability Standards and the NERC Standards Grading effort, when appropriate.
- Increases in virtual meetings will decrease travel expenses.

2023 Goals and Deliverables

- Ensure Western viewpoints are represented and incorporated in the development of NERC Reliability Standards, regional standards, and regional variances to NERC Reliability Standards by encouraging Western participation on standards drafting teams and commenting on standards under development.
- Continuously improve program processes and tools to adapt to changes in the industry.
- Deliver quantitative and qualitative results for corporate scorecard items, and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Ensure the development of RRSs and Regional Criteria is performed according to the most recent WECC Reliability Standards Development Procedures.
- Review existing RRSs to determine candidates for a Regional Variance to a NERC Reliability Standard and, if so, coordinate with NERC to address the change during NERC's periodic review.
- Review existing RRSs and Regional Criteria to improve their content and quality.
- Incorporate audit, enforcement, and event analysis information to determine whether new RRSs or revisions are necessary.

Resource Requirements/Explanation of Significant Changes

Personnel Expenses

- Personnel Expenses decrease by a net of \$23,000 primarily due to continued refinement of labor float percentages, a budgeted 3% merit pool, and the refinement of payroll tax and benefits rates.



Meeting Expenses

- No significant changes.

Operating Expenses

- No significant changes.

Fixed Assets

- No significant changes.

See Section B—Supplemental Financial Information for explanations of other variances between the 2022 and 2023 budgets.



Reliability Standards Program Funding Sources and Expenditures

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2022 Budget & Projection, and 2023 Budget					
RELIABILITY STANDARDS					
	2022	2022	Variance		Variance
	Budget	Projection	2022 Budget v 2022 Projection Over(Under)	2023 Budget	2023 Budget v 2022 Budget Inc(Dec)
Revenue					
Statutory Funding					
WECC Assessments	\$ 764,248	\$ 764,248	\$ -	\$ 539,925	\$ (224,323)
Penalties Released	143,772	143,772	-	281,639	137,867
Total Statutory Funding	\$ 908,020	\$ 908,020	\$ -	\$ 821,564	\$ (86,456)
Membership Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Workshops & Miscellaneous	-	-	-	-	-
Interest	2,972	1,291	(1,681)	1,507	(1,465)
Total Revenue (A)	\$ 910,992	\$ 909,311	\$ (1,681)	\$ 823,071	\$ (87,921)
Expenses					
Personnel Expenses					
Salaries	\$ 454,624	\$ 454,898	\$ 274	\$ 437,183	\$ (17,441)
Payroll Taxes	30,150	32,117	1,967	28,906	(1,244)
Benefits	42,770	49,763	6,993	40,337	(2,433)
Retirement Costs	40,461	40,762	301	38,809	(1,652)
Total Personnel Expenses	\$ 568,005	\$ 577,540	\$ 9,535	\$ 545,235	\$ (22,770)
Meeting Expenses					
Meetings & Conference Calls	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	13,065	8,730	(4,335)	7,520	(5,545)
Total Meeting Expenses	\$ 13,065	\$ 8,730	\$ (4,335)	\$ 7,520	\$ (5,545)
Operating Expenses, excluding Depreciation					
Consultants & Contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Office Rent	-	-	-	-	-
Office Costs	3,540	4,424	884	3,615	75
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Operating Expenses	\$ 3,540	\$ 4,424	\$ 884	\$ 3,615	\$ 75
Total Direct Expenses	\$ 584,610	\$ 590,694	\$ 6,084	\$ 556,370	\$ (28,240)
Indirect Expenses	\$ 297,886	\$ 268,060	\$ (29,826)	\$ 281,011	\$ (16,875)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 882,496	\$ 858,754	\$ (23,742)	\$ 837,381	\$ (45,115)
Change in Net Assets (=A-B)	\$ 28,496	\$ 50,557	\$ 22,061	\$ (14,310)	\$ (42,806)
Fixed Assets, excluding Right of Use Assets (C)	\$ 3,036	\$ 1,531	\$ (1,505)	\$ 1,378	\$ (1,658)
TOTAL BUDGET (B+C)	\$ 885,532	\$ 860,285	\$ (25,247)	\$ 838,759	\$ (46,773)
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ 25,460	\$ 49,026	\$ 23,566	\$ (15,688)	\$ (41,148)
FTEs	3.00	3.00	-	3.00	-
HC	3.00	3.00	-	3.00	-



Compliance Monitoring and Enforcement and Organization Registration and Certification Program

Compliance Monitoring and Enforcement and Organization Registration and Certification Program (in whole dollars)			
	2022 Budget	2023 Budget	Increase (Decrease)
Total FTEs	67.75	68.00	0.25
Direct Expenses	\$ 10,935,018	\$ 11,149,411	\$ 214,393
Indirect Expenses	\$ 6,727,252	\$ 6,369,606	\$ (357,646)
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ 68,586	\$ 31,222	\$ (37,364)
Total Funding Requirement	\$ 17,730,856	\$ 17,550,239	\$ (180,617)

Program Scope and Purpose

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 Registered Entities in the Western Interconnection to promote a strong culture of reliability and security by focusing on known and future 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 and the Compliance Monitoring and Enforcement Program. Staff monitors and enforces the NERC Reliability Standards across 403³ 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 entity.

To accomplish its objectives, the program is divided into five main areas:

- Organization Registration and Certification⁴;
- Entity Risk Assessment;
- Entity Monitoring;
- Enforcement and Mitigation; and
- Program Analysis and Administration.

³ As of May 24, 2022.

⁴ At WECC, certification activities have historically been performed in the RAPA program area. Certification activities will transition to CMEP in 2023.



WECC will conduct its monitoring and enforcement activities according to the Board-endorsed Regulatory Philosophy, the key tenets of which are:

- Be an informed regulator;
- Identify top risks to reliability and security;
- Exercise discretion responsibly; and
- Enforce fairly.

Staff will support ERO Enterprise activities, including:

- Regional Risk Assessments;
- Compliance Oversight Plans (COP) and Inherent Risk Assessments (IRA);
- Organization Registration and Certification;
- Mitigation plan review, acceptance, and verification;
- Potential noncompliance reviews to assess extent of condition, root cause, and risk to BPS;
- Processing and disposition of entity self-logging and other minimal-risk issues;
- Enforcement of moderate- and serious-risk noncompliance through established risk-based approaches;
- Periodic Data Submittal review and validation;
- Internal Compliance Program assessments;
- Internal Controls Program reviews;
- Entity monitoring including, audits, spot-checks, self-certifications, investigations, and assessments of complaints; and
- BES Exception Requests.

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), the British Columbia Utilities Commission (BCUC), and Mexico's Comisión Reguladora de Energía (CRE)⁵, under which WECC performs various compliance monitoring and enforcement activities to help ensure reliability across international borders within the Western Interconnection.

⁵ 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 will engage with the appropriate Mexican authorities as circumstances become clearer.

2023 Key Budget Assumptions

- WECC will address known and future reliability risks by staffing at adequate levels to monitor the FERC-approved NERC Reliability Standards for applicable entities through audits, investigations, self-certifications, or spot-checks during the year. A risk-based approach will be applied to ensure all monitoring activities, on-site and off-site, and post-monitoring activities are completed according to the NERC Rules of Procedure and the CMEP within the United States. With respect to non-U.S. jurisdictions, compliance will be monitored according to the approved agreements and applicable compliance monitoring programs with Canadian and Mexican authorities.
- Staff will develop and implement COPs for new Registered Entities and refresh COPs as per risk triggers. The plans focus on relevant risks, including consideration of IRAs, entity performance history, other operational risks based on performance considerations, and the maturity of internal controls.
- Staff will participate in NERC-led, centralized review panel sessions as part of the application process for materiality tests of the risk-based registration process outlined in Appendix 5A of the NERC Rules of Procedure. Registration recommendations will be reviewed, assessed, validated, and submitted to NERC for new registrations, partial deactivations, transfer of access, and full deregistration changes affecting the NERC Compliance Registry (NCR).
- Certification activities are transferred into this program from RAPA.
- 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.
- Regional Risk Assessment (RRA) results provide input on focus areas in the ERO CMEP Implementation Plan.
- Costs related to a hearing that may arise will be funded through working capital reserves.
- WECC does not foresee any new or revised Reliability Standards that would require increased resources in 2023.
- One vice president, Reliability & Security Oversight, is added to CMEP to provide key leadership in the continued development of a risk-informed CMEP to mitigate reliability and security risks to the interconnection.
- One cybersecurity risk engineer is added to CMEP to increase bench strength, mitigate bandwidth constraints, and address an increasing workload related to assessing inherent and operational risk to reliability associated with the CIP standards.
- One position is transferred from CMEP to Training and Outreach to realign job responsibilities and support the development and enhancement of the Strategic Engagement group.



- Due to realignment of job responsibilities, 0.75 FTE is transferred from CMEP to Legal and Regulatory.
- Increases in virtual meetings and changes in monitoring activity logistics will decrease monitoring travel expenses resulting from lessons learned about effective technology use during the COVID-19 pandemic.

2023 Goals and Deliverables

- Effective and efficient implementation of risk-based monitoring and enforcement activities.
- Continue to improve violation inventory statistics.
- Continue to improve COP refresh timeliness and focus on effective and efficient implementation of ERO Enterprise COP process.
- Continuously improve program processes and tools to adapt to changes in the industry.
- Deliver quantitative and qualitative results for corporate scorecard items, and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Consult with the international compliance enforcement authorities to determine which elements of the risk-based CMEP could provide value and should be incorporated in the respective programs for international entities. Currently, WECC does not conduct IRAs or develop COPs for international entities.
- Provide outreach and training on the Align tool to staff and Registered Entities.
- Process all BES Exception submittals according to Appendix 5C.
- Fully integrate organization certification into the program area and work with RAPA staff to ensure a smooth and seamless transition.
- Participate in ERO Enterprise collaboration groups to ensure consistency to continue to build effective relationships and ensure CMEP consistency, where applicable and appropriate, across Regional Entities.
- Complete 20 audits with an on-site component and 10 off-site audits. Additional monitoring activities (e.g., spot-checks, self-certifications with supporting evidence, investigations, compliance assessments, and complaint evaluations) will be scheduled based on BES risk.
- Complete initial IRAs and COPs for all new registrations and refresh IRAs and COPs as needed for changes in the entity risk profile.
- Participate in ERO Enterprise collaboration groups to further consistency in long-term planning and risk-based monitoring.
- Ensure WECC's RRA of the Western Interconnection is aligned with WECC RRP and is refreshed regularly.
- Promote the benefits of internal controls and their impact on BPS reliability with Registered Entities.
- Improve outreach to stakeholders via webinars, conferences, and entity-specific engagements to support ERO Enterprise activities and priorities.



- Monitor, manage, and improve enforcement measures and metrics in support of the ERO Enterprise Long-Term Strategy, including caseload index, violation aging, and mitigation plan aging; and collaborate with the ERO Enterprise to develop better measures of program effectiveness.
- Continue working with NERC and the other Regional Entities to shape and refine the ERO Enterprise enforcement philosophy that supports uniform, repeatable, transparent, and reliability-focused approaches.

Resource Requirements/Explanation of Significant Changes

Personnel Expenses

- Personnel Expenses increase by a net of \$346,000 primarily due to two new positions, 1.75 FTEs transferred to other program areas, a budgeted 3% merit pool, continued refinement of labor float percentages, changes in position levels, and the refinement of payroll tax and benefits rates.

Meeting Expenses

- Travel decreases by \$182,000 primarily due to planned reductions in travel requirements for audit teams and support staff and a planned increase in virtual meetings.

Operating Expenses

- Consultants & Contracts increase by \$50,000 due to Reliability and Security Oversight consulting to address a skills gap in protection and controls standards.

Fixed Assets

- Fixed Assets decrease by a net of \$37,000 primarily due to a reduction in fixed asset additions in Corporate Services. Corporate Services expenses are allocated to statutory and non-statutory program areas based on FTEs.

See Section B—Supplemental Financial Information for explanations of other variances between the 2022 and 2023 budgets.



Compliance Monitoring and Enforcement and Organization Registration and Certification Program Funding Sources and Expenditures

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2022 Budget & Projection, and 2023 Budget					
COMPLIANCE MONITORING AND ENFORCEMENT AND ORGANIZATION REGISTRATION AND CERTIFICATION					
	2022 Budget	2022 Projection	Variance 2022 Budget v 2022 Projection Over(Under)	2023 Budget	Variance 2023 Budget v 2022 Budget Inc(Dec)
Revenue					
Statutory Funding					
WECC Assessments	\$ 14,926,708	\$ 14,926,708	\$ -	\$ 10,804,015	\$ (4,122,693)
Penalties Released	3,246,852	3,246,852	-	6,383,832	3,136,980
Total Statutory Funding	\$ 18,173,560	\$ 18,173,560	\$ -	\$ 17,187,847	\$ (985,713)
Membership Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Workshops & Miscellaneous	-	-	-	-	-
Interest	67,107	28,834	(38,273)	34,142	(32,965)
Total Revenue (A)	\$ 18,240,667	\$ 18,202,394	\$ (38,273)	\$ 17,221,989	\$ (1,018,678)
Expenses					
Personnel Expenses					
Salaries	\$ 8,152,114	\$ 8,257,976	\$ 105,862	\$ 8,451,094	\$ 298,980
Payroll Taxes	550,760	598,365	47,605	570,620	19,860
Benefits	953,931	773,430	(180,501)	954,682	751
Retirement Costs	724,861	725,451	590	751,618	26,757
Total Personnel Expenses	\$ 10,381,666	\$ 10,355,222	\$ (26,444)	\$ 10,728,014	\$ 346,348
Meeting Expenses					
Meetings & Conference Calls	\$ -	\$ 1,003	\$ 1,003	\$ -	\$ -
Travel	357,990	186,141	(171,849)	175,520	(182,470)
Total Meeting Expenses	\$ 357,990	\$ 187,144	\$ (170,846)	\$ 175,520	\$ (182,470)
Operating Expenses, excluding Depreciation					
Consultants & Contracts	\$ -	\$ 59,734	\$ 59,734	\$ 50,000	\$ 50,000
Office Rent	-	-	-	-	-
Office Costs	195,362	301,704	106,342	195,877	515
Professional Services	-	840	840	-	-
Miscellaneous	-	-	-	-	-
Total Operating Expenses	\$ 195,362	\$ 362,278	\$ 166,916	\$ 245,877	\$ 50,515
Total Direct Expenses	\$ 10,935,018	\$ 10,904,644	\$ (30,374)	\$ 11,149,411	\$ 214,393
Indirect Expenses	\$ 6,727,252	\$ 5,986,666	\$ (740,586)	\$ 6,369,606	\$ (357,646)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 17,662,270	\$ 16,891,310	\$ (770,960)	\$ 17,519,017	\$ (143,253)
Change in Net Assets (=A-B)	\$ 578,397	\$ 1,311,084	\$ 732,687	\$ (297,028)	\$ (875,425)
Fixed Assets, excluding Right of Use Assets (C)	\$ 68,586	\$ 34,192	\$ (34,394)	\$ 31,222	\$ (37,364)
TOTAL BUDGET (B+C)	\$ 17,730,856	\$ 16,925,502	\$ (805,354)	\$ 17,550,239	\$ (180,617)
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ 509,811	\$ 509,811	\$ 767,081	\$ (328,250)	\$ (838,061)
FTEs	67.75	67.00	(0.75)	68.00	0.25
HC	67.00	67.00	-	68.00	1.00



Reliability Assessment and Performance Analysis

Reliability Assessment and Performance Analysis (in whole dollars)			
	2022 Budget	2023 Budget	Increase (Decrease)
Total FTEs	35.80	38.00	2.20
Direct Expenses	\$ 6,211,343	\$ 6,837,316	\$ 625,973
Indirect Expenses	\$ 3,554,769	\$ 3,559,486	\$ 4,717
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ 36,242	\$ 17,447	\$ (18,795)
Total Funding Requirement	\$ 9,802,354	\$ 10,414,249	\$ 611,895

Program Scope and Purpose

RAPA staff conducts a variety of assessments, analyses, and studies essential to the reliable planning and operation of the BPS in the Western Interconnection. Staff compiles and distributes data and information used by WECC and its stakeholders to help with regional and local planning studies. These integrated assessment and planning efforts enhance WECC's overall ability to assess potential reliability risks in the Western Interconnection.

The RAPA Program is organized into four departments:

1. The **Performance Analysis and Resource Adequacy Department** analyzes the historical operation and performance of the Western Interconnection. The analyses are used to assess interconnection-wide risks and vulnerabilities. The information produced helps to identify best practices and mitigate potential risk. The department also conducts forward-looking resource adequacy assessments using deterministic and probabilistic methods.
2. The **Events Analysis Department** analyzes system conditions and events that affect or may affect the reliable operation of the BPS. 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.

3. The **System Stability Department** is the NERC-designated, interconnection-wide model builder under the MOD-032 Reliability Standard. The department develops the planning tools and datasets to support transmission planning and performs special studies on priority reliability issues as they are identified. The studies, performed in close collaboration with the technical committees, consider power flow and system stability.
4. The **System Adequacy Department**, in close collaboration with the technical committees, develops datasets and models used by WECC and its stakeholders to perform interconnection-wide production cost model reliability assessments. The department performs analytical work using production cost and other modeling tools. The department also develops future scenarios of the Western Interconnection, based on drivers of change, ongoing issues, and trends.

The RAPA Program supports the development of 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.

2023 Key Budget Assumptions

- Staff and technical committees will focus on assessment activities that address the WECC RRP’s approved by the Board in June 2022.
- Staff will respond to unanticipated emerging reliability risks and work with stakeholders to develop timely and meaningful reliability outreach and assessments.
- Meeting costs associated with the RAC and RRC were transferred from Corporate Services to the RAPA Program area.
- Staff will participate remotely in several external meetings that have historically only been offered in person.
- New committees to support resource adequacy assessment work will become part of the technical committee structure.
- Staff will focus on expanding resource adequacy studies and assessments of regional resource adequacy programs and increase stakeholder outreach.
- There will be a focus on continuous improvement and development of staff capabilities. Current capabilities will be reviewed and improved to enhance reliability assessments.
- One senior engineer position is added to support the production of influential reliability analyses.
- Two senior resource adequacy analyst positions are to fully analyze the increasing risks of resource adequacy and the development of resource adequacy solutions.
- 0.80 FTE is transferred from RAPA to Training and Outreach to provide administrative and project support to the Strategic Engagement group.



2023 Goals and Deliverables

- Work with technical committees to develop a clear understanding of emerging risks to the BPS and associated mitigation strategies, particularly for the WECC RRP.
- Ensure high precision of information and models used to assess the reliability of the BPS.
- Use advanced tools, techniques, and industry subject matter experts to identify system performance trends and vulnerabilities.
- Hold reliability and security risk forums.
- Continuously improve program processes and tools to adapt to changes in the industry.
- Deliver quantitative and qualitative results for corporate scorecard items, and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Deliver high-quality and influential work products focused on the WECC RRP.
- Continue the three-year planning cycle with the JGC to align staff and technical committee work plans in support of the WECC RRP.
- Ensure the Western Interconnection is represented in reliability matters by participating in regional and national stakeholder forums.
- Add value for stakeholders by developing reliability guidelines, technical white papers and reports, and reference documents to address emerging issues, operational risks, and industry concerns related to system operations and planning.
- Facilitate production cost, dynamic model, and power flow tool development, focusing on new technology resources and concepts like energy storage and dynamic line ratings.
- Explore and implement technology solutions for enhanced data collection, validation, and storage.
- Assess the effectiveness of the Western Interconnection Underfrequency Load Shedding Plan.
- Successfully carry out all other RAPA delegated responsibilities.

Resource Requirements/Explanation of Significant Changes

Personnel Expenses

- Personnel Expenses increase by a net of \$495,000 primarily due to the net of three new positions, 0.80 FTE transferred to Training and Outreach, a budgeted 3% merit pool, continued refinement of labor float percentages, changes in position levels, and the refinement of payroll tax and benefits rates.

Meeting Expenses

- Meetings & Conference Calls increase by a net of \$27,000 primarily due to the transfer of the technical committees' budget from Corporate Services.



Operating Expenses

- Consultants & Contracts decrease by a net of \$49,000 primarily due to the completion of one-time Multi-Area Variable Resource Integration Convolution (MAVRIC) probabilistic tool updates in 2022.
- Office Costs increase by a net of \$150,000 primarily due to the addition of the PLEXOS energy market simulation platform which will be funded with Peak Reliability Donation funds.

Fixed Assets

- Fixed Assets decrease by a net of \$19,000 primarily due to a reduction in fixed asset additions in Corporate Services. Corporate Services expenses are allocated to statutory and non-statutory program areas based on FTEs.

See Section B—Supplemental Financial Information for explanations of other variances between the 2022 and 2023 budgets.



Reliability Assessment and Performance Analysis Program Funding Sources and Expenditures

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2022 Budget & Projection, and 2023 Budget					
RELIABILITY ASSESSMENT AND PERFORMANCE ANALYSIS					
	2022 Budget	2022 Projection	Variance 2022 Budget v 2022 Projection Over(Under)	2023 Budget	Variance 2023 Budget v 2022 Budget Inc(Dec)
Revenue					
Statutory Funding					
WECC Assessments	\$ 8,333,059	\$ 8,333,059	\$ -	\$ 6,632,951	\$ (1,700,108)
Penalties Released	1,715,680	1,715,680	-	3,567,436	1,851,756
Total Statutory Funding	\$ 10,048,739	\$ 10,048,739	\$ -	\$ 10,200,387	\$ 151,648
Membership Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Workshops & Miscellaneous	-	-	-	-	-
Interest	35,460	16,354	(19,106)	19,079	(16,381)
Total Revenue (A)	\$ 10,084,199	\$ 10,065,093	\$ (19,106)	\$ 10,219,466	\$ 135,267
Expenses					
Personnel Expenses					
Salaries	\$ 4,381,226	\$ 4,506,790	\$ 125,564	\$ 4,781,745	\$ 400,519
Payroll Taxes	292,557	332,022	39,465	319,728	27,171
Benefits	512,784	502,852	(9,932)	544,248	31,464
Retirement Costs	389,613	405,063	15,450	425,406	35,793
Total Personnel Expenses	\$ 5,576,180	\$ 5,746,727	\$ 170,547	\$ 6,071,127	\$ 494,947
Meeting Expenses					
Meetings & Conference Calls	\$ 29,476	\$ 21,289	\$ (8,187)	\$ 56,722	\$ 27,246
Travel	148,062	87,948	(60,114)	151,230	3,168
Total Meeting Expenses	\$ 177,538	\$ 109,237	\$ (68,301)	\$ 207,952	\$ 30,414
Operating Expenses, excluding Depreciation					
Consultants & Contracts	\$ 208,100	\$ 243,078	\$ 34,978	\$ 159,000	\$ (49,100)
Office Rent	-	-	-	-	-
Office Costs	249,525	242,742	(6,783)	399,237	149,712
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Operating Expenses	\$ 457,625	\$ 485,820	\$ 28,195	\$ 558,237	\$ 100,612
Total Direct Expenses	\$ 6,211,343	\$ 6,341,784	\$ 130,441	\$ 6,837,316	\$ 625,973
Indirect Expenses	\$ 3,554,769	\$ 3,395,423	(159,346)	\$ 3,559,486	\$ 4,717
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 9,766,112	\$ 9,737,207	\$ (28,905)	\$ 10,396,802	\$ 630,690
Change in Net Assets (=A-B)	\$ 318,087	\$ 327,886	\$ 9,799	\$ (177,336)	\$ (495,423)
Fixed Assets, excluding Right of Use Assets (C)	\$ 36,242	\$ 19,393	\$ (16,849)	\$ 17,447	\$ (18,795)
TOTAL BUDGET (B+C)	\$ 9,802,354	\$ 9,756,600	\$ (45,754)	\$ 10,414,249	\$ 611,895
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ 281,845	\$ 308,493	\$ 26,648	\$ (194,783)	\$ (476,628)
FTEs	35.80	38.00	-	38.00	2.20
HC	36.00	38.00	2.00	38.00	2.00



Training and Outreach

Training and Outreach (in whole dollars)			
	2022 Budget	2023 Budget	Increase (Decrease)
Total FTEs	2.00	8.50	6.50
Direct Expenses	\$ 612,293	\$ 1,650,513	\$ 1,038,220
Indirect Expenses	\$ 198,590	\$ 796,201	\$ 597,611
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ 2,025	\$ 3,903	\$ 1,878
Total Funding Requirement	\$ 812,908	\$ 2,450,617	\$ 1,637,709

Program Scope and Purpose

The Training and Outreach Program informs and educates stakeholders through engaging outreach, education, and training on a range of topics including Reliability Standards, risk assessments, reliability planning and performance analysis, seasonal preparedness, grid operations and security, and human performance improvement.

To align the budget with a 2022 reorganization, the External Affairs department is transferred from Legal and Regulatory to Training and Outreach in 2023. The External Affairs department—like Training and Outreach—is part of the Strategic Engagement group. In 2022, the Senior Vice President, Strategic Engagement, General Counsel, and Corporate Secretary role was restructured, and strategic engagement was decoupled from the General Counsel role. As a result of that change, External Affairs now more appropriately aligns with the Training and Outreach program area. Both functions work with external stakeholders to facilitate and enhance the work of CMEP and RAPA by ensuring effective communications, education opportunities, and timely dialogue on critical reliability and security matters. Strategic Engagement also focuses on the timely production and distribution of high-quality analyses addressing reliability and security topics of interest and importance to decision-makers throughout the Western Interconnection. An understanding of the dynamics within the Western Interconnection through the strategic engagement of WECC's stakeholders is essential to effectively address reliability and security risks.

2023 Key Budget Assumptions

- WECC will host an increasing number of training and outreach events to inform stakeholder awareness of critical reliability issues.
- Virtual Training and Outreach formats will be used where appropriate.



- WECC will increase partnerships and collaboration with the ERO Enterprise where appropriate to expand audience participation and to share subject matter expertise.
- Expenses and 4.00 FTEs associated with the External Affairs department are transferred from Corporate Services to the Training and Outreach Program area due to a 2022 reorganization.
- One position is transferred from CMEP to realign job responsibilities and support the development and enhancement of the Strategic Engagement group.
- 0.80 FTE and 0.20 FTE were transferred from RAPA and G&A, respectively, to Training and Outreach to provide administrative and project support in the Strategic Engagement group.
- 0.50 FTE is added to ensure WECC’s insights and analyses are received and understood by a wide array of stakeholders and decision-makers, and to make sure that relevant work products are reaching appropriate stakeholders promptly.

2023 Goals and Deliverables

- Build and cultivate effective relationships with industry groups, WECC technical committees, ERO Enterprise, federal, state, and provincial regulators, policy- and decision-makers, national labs and educational institutions, and the broader reliability and security community.
- Lead a 2023 Long-Term Strategy refresh with a focus on Board involvement and stakeholder perspectives while maintaining alignment with the ERO Enterprise Long-Term Strategy.
- Embed stakeholder perspectives and opportunities for collaboration into product development process.
- Work with other program areas to ensure key studies and initiatives are aligned with the WECC Long-Term Strategy or WECC RRP.
- Perform stakeholder needs assessment and mapping.
- Develop and implement stakeholder engagement and outreach plans.
- Improve program processes and tools continuously 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.
- Deliver monthly Compliance Open Webinars to educate stakeholders on various oversight activities.
- Conduct webinars and workshops to expand awareness of reliability planning tools, modeling capabilities, and study results.
- Deliver quarterly Grid Fundamentals Workshops to teach people who are new to the industry how the electric power system works, how it is managed, and how to better understand reliability issues.
- Deliver two Reliability and Security Workshops to provide targeted outreach to address and mitigate key risks to reliability and security in the Western Interconnection. One of the workshops will be virtual. Specific topics include:
 - Lessons learned and process improvement for implementation of risk-based concepts;



- Enforcement trends and statistics; and
- Information on audit approach for standards.
- Deliver educational webinars and workshops to further enhance the reliability and security of the Western Interconnection. Topics include:
 - WECC Reliability Risk Priorities (RRP);
 - Reliability planning tools and modeling capabilities, including base case and production cost model studies;
 - Contingency studies and analyses;
 - Scenario planning and regulatory issues and trends; and
 - Event analysis.

Resource Requirements/Explanation of Significant Changes

Personnel Expenses

- Personnel Expenses increase by a net of \$1,024,000 primarily due to four positions transferred from Legal and Regulatory, 0.80 FTE transferred from RAPA, 0.5 newly added FTE, 0.20 FTE transferred from G&A, a budgeted 3% merit pool, continued refinement of labor float percentages, and the refinement of payroll tax and benefits rates.

Meeting Expenses

- Meetings & Conference Calls decrease by \$46,000 primarily to align the budget with historical spending for in-person meetings and the change of three Grid Fundamental classes to a virtual format to increase engagement and to accommodate circumstances related to the pandemic.
- Travel increases by \$38,000 primarily due to travel expenses transferred from Legal and Regulatory for state and provincial outreach visits by the Vice President, External Affairs.

Operating Expenses

- Office Costs increase by \$21,000 primarily due to policy and legislative tracking subscriptions transferred from Legal and Regulatory.

Fixed Assets

- No significant changes.

See Section B—Supplemental Financial Information for explanations of other variances between the 2022 and 2023 budgets.



Training and Outreach Program Funding Sources and Expenditures

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2022 Budget & Projection, and 2023 Budget					
TRAINING AND OUTREACH					
	2022 Budget	2022 Projection	Variance 2022 Budget v 2022 Projection Over(Under)	2023 Budget	Variance 2023 Budget v 2022 Budget Inc(Dec)
Revenue					
Statutory Funding					
WECC Assessments	\$ 543,752	\$ 543,752	\$ -	\$ 1,414,435	\$ 870,683
Penalties Released	95,848	95,848	-	797,979	702,131
Total Statutory Funding	\$ 639,600	\$ 639,600	\$ -	\$ 2,212,414	\$ 1,572,814
Membership Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Workshops & Miscellaneous	194,700	177,300	(17,400)	188,100	(6,600)
Interest	1,981	4,338	2,357	4,268	2,287
Total Revenue (A)	\$ 836,281	\$ 821,238	\$ (15,043)	\$ 2,404,782	\$ 1,568,501
Expenses					
Personnel Expenses					
Salaries	\$ 235,668	\$ 721,135	\$ 485,467	\$ 1,045,639	\$ 809,971
Payroll Taxes	15,911	46,068	30,157	67,253	51,342
Benefits	30,201	61,125	30,924	121,308	91,107
Retirement Costs	20,974	64,220	43,246	92,883	71,909
Total Personnel Expenses	\$ 302,754	\$ 892,548	\$ 589,794	\$ 1,327,083	\$ 1,024,329
Meeting Expenses					
Meetings & Conference Calls	\$ 277,146	\$ 224,646	\$ (52,500)	\$ 231,509	\$ (45,637)
Travel	6,995	15,350	8,355	45,341	38,346
Total Meeting Expenses	\$ 284,141	\$ 239,996	\$ (44,145)	\$ 276,850	\$ (7,291)
Operating Expenses, excluding Depreciation					
Consultants & Contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Office Rent	-	-	-	-	-
Office Costs	25,398	47,796	22,398	46,580	21,182
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Operating Expenses	\$ 25,398	\$ 47,796	\$ 22,398	\$ 46,580	\$ 21,182
Total Direct Expenses	\$ 612,293	\$ 1,180,340	\$ 568,047	\$ 1,650,513	\$ 1,038,220
Indirect Expenses	\$ 198,590	\$ 759,502	\$ 560,912	\$ 796,201	\$ 597,611
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 810,883	\$ 1,939,842	\$ 1,128,959	\$ 2,446,714	\$ 1,635,831
Change in Net Assets (=A-B)	\$ 25,398	\$ (1,118,604)	\$ (1,144,002)	\$ (41,932)	\$ (67,330)
Fixed Assets, excluding Right of Use Assets (C)	\$ 2,025	\$ 4,338	\$ 2,313	\$ 3,903	\$ 1,878
TOTAL BUDGET (B+C)	\$ 812,908	\$ 1,944,180	\$ 1,131,272	\$ 2,450,617	\$ 1,637,709
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ 23,373	\$ (1,122,942)	\$ (1,146,315)	\$ (45,835)	\$ (69,208)
FTEs	2.00	8.50	6.50	8.50	6.50
HC	1.00	8.00	7.00	8.00	7.00



Situation Awareness and Infrastructure Security

Situation Awareness and Infrastructure Security (in whole dollars)			
	2022 Budget	2023 Budget	Increase (Decrease)
Total FTEs	2.00	2.00	-
Direct Expenses	\$ 314,631	\$ 370,160	\$ 55,529
Indirect Expenses	\$ 198,591	\$ 187,341	\$ (11,250)
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ 2,025	\$ 918	\$ (1,107)
Total Funding Requirement	\$ 515,247	\$ 558,419	\$ 43,172

Program Scope and Purpose

The Situation Awareness and Infrastructure Security (SAIS) Program maintains near-real-time awareness about the conditions and significant occurrences on the BPS in the Western Interconnection to recognize conditions and situations that could affect the reliability and security of the BPS. 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).

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.

2023 Key Budget Assumptions

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

2023 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.
- Monitor system events, collect information, and coordinate prompt distribution of updates on system events to industry stakeholders and NERC SAIS personnel.
- Work with NERC to monitor system data, weather, and technological developments to understand trends that affect reliability for the near- and long-term horizons.
- Coordinate the communication of critical information in daily NERC SAIS meetings and the NERC Crisis Action Plan meetings.
- Support efforts and work to develop and enhance ways to improve the use of SAFNR, the PI system, and other tools to further support SAIS.
- Improve reliability readiness by participating in periodic wide-area security exercises (e.g., GridEx, Monitoring and Situation Awareness Workshop, NERC Alerts).
- Promote rapid and appropriate sharing of situation awareness information to support critical infrastructure security.
- Enhance engagement with Western stakeholders to improve the coordination and sharing of appropriate security information.

Resource Requirements/Explanation of Significant Changes

Personnel Expenses

- Personnel Expenses increase by a net of \$46,000 primarily due to changes in position levels, budgeted 3% merit pool, continued refinement of labor float percentages, and the refinement of payroll tax and benefits rates.

Meeting Expenses

- No significant changes.

Operating Expenses

- No significant changes.

Fixed Assets

- No significant changes.



See Section B—Supplemental Financial Information for explanations of other variances between the 2022 and 2023 budgets.



Situation Awareness and Infrastructure Security Program Funding Sources and Expenditures

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2022 Budget & Projection, and 2023 Budget					
SITUATION AWARENESS AND INFRASTRUCTURE SECURITY					
	2022 Budget	2022 Projection	Variance 2022 Budget v 2022 Projection Over(Under)	2023 Budget	Variance 2023 Budget v 2022 Budget Inc(Dec)
Revenue					
Statutory Funding					
WECC Assessments	\$ 432,233	\$ 432,233	\$ -	\$ 359,211	\$ (73,022)
Penalties Released	95,848	95,848	-	187,760	91,912
Total Statutory Funding	\$ 528,081	\$ 528,081	\$ -	\$ 546,971	\$ 18,890
Membership Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Workshops & Miscellaneous	-	-	-	-	-
Interest	1,981	861	(1,120)	1,004	(977)
Total Revenue (A)	\$ 530,062	\$ 528,942	\$ (1,120)	\$ 547,975	\$ 17,913
Expenses					
Personnel Expenses					
Salaries	\$ 238,519	\$ 270,466	\$ 31,947	\$ 276,946	\$ 38,427
Payroll Taxes	16,482	19,778	3,296	19,137	2,655
Benefits	28,447	17,867	(10,580)	29,904	1,457
Retirement Costs	21,228	24,163	2,935	24,648	3,420
Total Personnel Expenses	\$ 304,676	\$ 332,274	\$ 27,598	\$ 350,635	\$ 45,959
Meeting Expenses					
Meetings & Conference Calls	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	7,120	6,530	(590)	16,050	8,930
Total Meeting Expenses	\$ 7,120	\$ 6,530	\$ (590)	\$ 16,050	\$ 8,930
Operating Expenses, excluding Depreciation					
Consultants & Contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Office Rent	-	-	-	-	-
Office Costs	2,835	1,879	(956)	3,475	640
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Operating Expenses	\$ 2,835	\$ 1,879	\$ (956)	\$ 3,475	\$ 640
Total Direct Expenses	\$ 314,631	\$ 340,683	\$ 26,052	\$ 370,160	\$ 55,529
Indirect Expenses	\$ 198,591	\$ 178,706	\$ (19,885)	\$ 187,341	\$ (11,250)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 513,222	\$ 519,389	\$ 6,167	\$ 557,501	\$ 44,279
Change in Net Assets (=A-B)	\$ 16,840	\$ 9,553	\$ (7,287)	\$ (9,526)	\$ (26,366)
Fixed Assets, excluding Right of Use Assets (C)	\$ 2,025	\$ 1,021	\$ (1,004)	\$ 918	\$ (1,107)
TOTAL BUDGET (B+C)	\$ 515,247	\$ 520,410	\$ 5,163	\$ 558,419	\$ 43,172
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ 14,815	\$ 8,532	\$ (6,283)	\$ (10,444)	\$ (25,259)
FTEs	2.00	2.00	-	2.00	-
HC	2.00	2.00	-	2.00	-



Corporate Services

Corporate Services (in whole dollars) Direct Expenses and Fixed Assets						
	2022 Budget	2023 Budget	Increase (Decrease)	FTEs 2022 Budget	FTEs 2023 Budget	Increase (Decrease)
Committee and Member Forums	\$ 47,380	\$ -	\$ (47,380)	-	-	-
General and Administrative	\$ 5,429,771	\$ 5,412,320	\$ (17,451)	17.70	18.00	0.30
Legal and Regulatory	\$ 1,665,035	\$ 1,276,141	\$ (388,894)	7.75	4.50	(3.25)
Information Technology	\$ 2,827,948	\$ 3,651,025	\$ 823,077	9.00	11.00	2.00
Human Resources	\$ 1,232,199	\$ 1,209,397	\$ (22,802)	4.00	4.00	-
Accounting and Finance	\$ 588,821	\$ 546,799	\$ (42,022)	3.50	3.00	(0.50)
Total Corporate Services*	\$ 11,791,155	\$ 12,095,682	\$ 304,527	41.95	40.50	(1.45)

*WECC's 2023 Corporate Services budget (expenses plus fixed assets) is \$12,095,682 of which \$847,169 is allocated to non-statutory activities. As a result of the allocation to the non-statutory function, the Corporate Services expenses included in the 2023 statutory budget are \$11,248,513, which is a \$542,642 increase from the 2022 budget.

Program Scope and Purpose

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

- Technical Committees and Member Forums;
- General and Administrative;
- Legal and Regulatory;
- Information Technology;
- Human Resources; and
- Finance and Accounting.

These support functions are foundational for the existence and operation of the organization. This area provides executive leadership and administrative and technical support for staff, committees, members, and stakeholders.

Method for Allocation of Corporate Services Expenses to Programs

Corporate Services expenses are allocated to statutory and non-statutory program areas based on FTEs.



Technical Committees and Member Forums

Program Scope and Purpose

WECC undertook technical committee restructuring efforts in 2021 and 2022 to streamline the committee structure governance and optimize stakeholder engagement. As a result, this budget was merged into the RAPA program area, where most of the committee work is facilitated.

2023 Key Budget Assumptions

- Beginning in 2023, the technical committees' budget will be included in the RAPA Program area.

2023 Goals and Deliverables

- Support and coordinate the meeting logistics for the technical committees.
- Staff liaisons and administrative assistants provide valuable support.

Resource Requirements/Explanation of Significant Changes

Personnel Expenses

- No significant changes.

Meeting Expenses

- Meetings & Conference Calls decrease by \$45,000 due to the transfer of the technical committees' budget to RAPA.

Operating Expenses

- No significant changes.

Fixed Assets

- No significant changes.



General and Administrative

Program Scope and Purpose

The G&A Program provides executive leadership; enterprise security; enterprise risk management; communications; and administrative support for staff, committees, and members; as well as logistics support for the office and meeting facilities. In addition, indirect costs like Office Rent that benefit multiple functional areas are accounted for in this program.

2023 Key Budget Assumptions

- WECC staff will provide the same level of meetings and meeting support as 2022 for the Board of Directors and Board Committees.
- Vancouver, British Columbia, is the Board-approved location for the 2023 Annual Meeting.
- Board Directors will be compensated according to the 2023 Board compensation structure.
- 0.20 FTE is transferred to Training and Outreach to provide administrative and project support to the Strategic Engagement group.
- 0.50 FTE is transferred from Finance and Accounting to assist with administrative tasks.

2023 Goals and Deliverables

- Continuously improve program processes and tools to adapt to changes in the industry.
- Deliver quantitative and qualitative results for corporate scorecard items, and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Provide strong executive leadership and strategic guidance for WECC's activities, and ensure WECC supports the ERO Enterprise Long-Term Strategy and meets the expectations of the Regional Delegation Agreement.
- Provide excellent support and logistics coordination for the Board and Board committees.
- Identify opportunities for efficiencies and increased effectiveness of meetings and stakeholder services teams.
- Enhance internal and external communications.
- Improve WECC's security posture and programs.

Resource Requirements/Explanation of Significant Changes

Personnel Expenses

- Personnel Expenses increase by a net of \$157,000 primarily due to 0.20 FTE transferred to Training and Outreach, 0.50 FTE transferred from Finance and Accounting, a budgeted 3% merit pool, continued refinement of labor float percentages, and the refinement of payroll tax and benefits rates.



Meeting Expenses

- Travel decreases by a net of \$33,000 primarily due to a planned increase in virtual meetings and to align the budget with historical spending for in-person meetings.

Operating Expenses

- Consultants & Contracts decrease by a net of \$143,000 primarily due to the completion of a Board Director search and a planned reduction in organizational development consulting.
- Office Rent increases by a net of \$12,000 primarily due to anticipated increases for operating expenses for the Salt Lake office lease.
- Office Costs decrease by a net of \$44,000 primarily to align the budget with historical spending for Board Director dues and memberships.
- Professional Services increase by a net of \$36,000 primarily due to an increase in Board Director retainers.

Fixed Assets

- No significant changes.



Legal and Regulatory

Program Scope and Purpose

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. 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.

2023 Key Budget Assumptions

- The scope of current Legal operations will be maintained.
- Expenses and 4.00 FTEs associated with the External Affairs department are transferred from Legal and Regulatory to the Training and Outreach Program area due to a 2022 reorganization.
- 0.75 FTE is transferred from CMEP to realign job responsibilities.

2023 Goals and Deliverables

- Continuously improve program processes and tools.
- Deliver quantitative and qualitative results for corporate scorecard items, and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Provide efficient, cost-effective legal support to the Board, committees, and staff through a combination of in-house and outside resources.
- Advise staff on legal matters.
- Coordinate with the ERO Enterprise legal group to identify and share best practices.

Resource Requirements/Explanation of Significant Changes

Personnel Expenses

- Personnel Expenses decrease by a net of \$332,000 primarily due to four positions transferred to Training and Outreach, 0.75 FTE transferred from CMEP, a budgeted 3% merit pool, continued refinement of labor float percentages, changes in position levels, and the refinement of payroll tax and benefits rates.

Meeting Expenses

- Travel decreases by a net of \$29,000 primarily due the transfer of travel expenses to Training and Outreach for state and provincial outreach visits by the Vice President, External Affairs.



Operating Expenses

- Office Costs decrease by \$31,000 primarily due to policy and legislative tracking subscriptions transferred to Training and Outreach.

Fixed Assets

- No significant changes.



Information Technology

Program Scope and Purpose

The Information Technology (IT) Program provides enterprise and desktop systems, security monitoring and support, and technical expertise. This includes physical security and cybersecurity risk mitigation, as well as operational support for hardware, software, database, system administration, data center 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.

2023 Key Budget Assumptions

- WECC will increase security capabilities with more access controls and enhanced threat monitoring, detection, and reporting tools due to the ever-changing cybersecurity landscape.
- Consultants will be used for project-based work to augment staff skill sets.
- IT will continue to drive long-term leveled costs by obtaining subscription services for software and infrastructure when practical.
- To retain vendor support and to reduce unplanned outages, desktop computer equipment will be replaced every four years, servers every five years, and network equipment every seven to 10 years.
- In support of the ERO Enterprise IT Strategy, 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.
- Upgrade and refresh the secure sections of wecc.org to enhance data security.
- Some of the Peak Reliability donation will be used for content management tools to improve data management processes, support consistent data formats, reduce processing time, and allow sharing of interconnection-wide data with appropriate stakeholders.
- One associate systems administrator and one information security analyst are added to the IT Program, to provide administration and monitoring of increased enterprise security tools.

2023 Goals and Deliverables

- Continuously improve program processes and tools.
- Upgrade and refresh the secure sections of wecc.org.
- Deliver quantitative and qualitative results for corporate scorecard items, and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Provide enterprise data management and reporting tools, enhanced telephony, and communication capabilities.



- Migrate customer relationship management software to the cloud.
- Create centralized databases, automated processes, and 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.

Resource Requirements/Explanation of Significant Changes

Personnel Expenses

- Personnel Expenses increase by a net of \$250,000 primarily due to two new positions, a budgeted 3% merit pool, changes in position levels, continued refinement of labor float percentages, and the refinement of payroll tax and benefits rates.

Meeting Expenses

- No significant changes.

Operating Expenses

- Consultants & Contracts increase by a net of \$404,000 primarily due to data submission and portal projects, to be funded with the Peak Reliability donation.
- Office Costs increase by a net of \$236,000 primarily due to increased subscription-based computer licensing and new enterprise security tools.

Fixed Assets

- Equipment CapEx decreases by a net of \$60,000 primarily due to refreshes of storage arrays completed in 2022.



Human Resources

Program Scope and Purpose

The Human Resources (HR) Program is responsible for the delivery of all HR functions to ensure WECC is viewed as an employer of choice with highly skilled, collaborative, and engaged employees who are committed to WECC's mission. Responsibilities include recruitment, compensation, benefits, safety, health and wellness, employee relations, personal and professional development, succession planning, knowledge transfer, and leadership and employee engagement. HR also maintains employee-data systems and ensures compliance with employment-related federal and state requirements.

2023 Key Budget Assumptions

- Total WECC headcount increases by 9.5 FTEs in 2023.
- WECC's current benefit levels are maintained with minimal premium increases.
- Employee skills gaps are minimized through identification of critical technical skills, targeted internal and external professional development/education, knowledge transfer efforts, and succession planning.
- Recruiting services can target the national markets for most positions, allowing WECC to identify and hire from a larger and more diverse candidate pool of high-quality talent.
- Employee engagement and recognition efforts will be prioritized to retain talent and build on WECC's strong cultural foundation. Specific effort will be given to practices that support and enhance interactions and relationships within a hybrid workforce.
- Management development will continue to be prioritized with a focus on written and interpersonal communication, accountability, coaching, and process improvement.

2023 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.
- Enhance all facets of the employee experience to achieve low levels of turnover.
- Increase the effectiveness of performance management processes through manager training and development.
- Conduct interpersonal skills, harassment prevention and diversity, equity, and inclusion (DE&I) training for all employees and managers.
- Enhance the scope of succession planning and knowledge transfer, which are vital to developing and maintaining a highly skilled, qualified, and diverse workforce that is necessary to deliver on WECC's mission.



- Deliver a comprehensive, yet affordable benefits package to retain current employees and attract prospective employees while managing costs.
- Expand recruiting efforts through college campus outreach, WECC and industry trainings and meetings, social media platforms, and employee referral programs.
- Use NERC Learning Management System to monitor and track employee online training and skills completion (e.g., learning plans, course or certification completion).

Resource Requirements/Explanation of Significant Changes

Personnel Expenses

- Personnel Expenses decrease by a net of \$14,000 primarily due to changes in health reimbursement account assumptions to better align the budget with historical spending, a budgeted 3% merit pool, continued refinement of labor float percentages, and the refinement of payroll tax and benefits enrollment rates.

Meeting Expenses

- Travel decreases by a net of \$10,000 primarily due to a reduction in in-person employee gatherings and meals, and to align the budget with historical spending.

Operating Expenses

- Consultants & Contracts decrease by a net of \$13,000 primarily due to the completion of employee engagement and compensation surveys in 2022 and the addition of DE&I consulting.
- Office Costs increase by \$13,000 primarily to align the budget with historical spending on recruiting and the human resources information system.

Fixed Assets

- No significant changes.



Finance and Accounting

Program Scope and Purpose

The Finance and Accounting Program provides accounting and financial analysis and helps coordinate the financial reporting and budgeting cycles with stakeholders. 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 is responsible for payroll, accounts payable, accounts receivable, budgeting, forecasting, fixed assets management, banking, cash management, tax filings, and financial reporting.

2023 Key Budget Assumptions

- Interest rates remain flat.
- 0.5 FTE is transferred to G&A to assist with administrative tasks.

2023 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.
- Train management team on budgeting and forecasting processes.
- Identify and implement efficiencies in financial processes and increase effectiveness of budgeting and financial reporting.
- Help departments efficiently and 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, the FAC, and the Board.
- Maintain secure and reliable cloud-based software.

Resource Requirements/Explanation of Significant Changes

Personnel Expenses

- Personnel Expenses decrease by a net of \$28,000 primarily due to a 0.5 FTE transferred to G&A, a budgeted 3% merit pool, continued refinement of labor float percentages, and the refinement of payroll tax and benefits rates.

Meeting Expenses

- No significant changes.



Operating Expenses

- Office costs decrease by a net of \$14,000 primarily due to a decrease in business and occupational taxes assessed on WECC's annual assessments.

Fixed Assets

- No significant changes.



Corporate Services Funding Sources and Expenditures

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2022 Budget & Projection, and 2023 Budget					
CORPORATE SERVICES					
	2022 Budget	2022 Projection	Variance 2022 Budget v 2022 Projection Over(Under)	2023 Budget	Variance 2023 Budget v 2022 Budget Inc(Dec)
Revenue					
Statutory Funding					
WECC Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Penalties Released	-	-	-	-	-
Total Statutory Funding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Membership Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Workshops & Miscellaneous	-	-	-	-	-
Interest	-	-	-	-	-
Total Revenue (A)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses					
Personnel Expenses					
Salaries	\$ 4,949,493	\$ 4,642,021	\$ (307,472)	\$ 5,046,693	\$ 97,200
Payroll Taxes	311,823	302,331	(9,492)	316,397	4,574
Benefits	1,037,438	916,300	(121,138)	959,039	(78,399)
Retirement Costs	466,470	425,584	(40,886)	475,903	9,433
Total Personnel Expenses	<u>\$ 6,765,224</u>	<u>\$ 6,286,236</u>	<u>\$ (478,988)</u>	<u>\$ 6,798,032</u>	<u>\$ 32,808</u>
Meeting Expenses					
Meetings & Conference Calls	\$ 151,422	\$ 109,432	\$ (41,990)	\$ 97,950	\$ (53,472)
Travel	239,422	170,435	(68,987)	165,447	(73,975)
Total Meeting Expenses	<u>\$ 390,844</u>	<u>\$ 279,867</u>	<u>\$ (110,977)</u>	<u>\$ 263,397</u>	<u>\$ (127,447)</u>
Operating Expenses, excluding Depreciation					
Consultants & Contracts	\$ 796,500	\$ 918,901	\$ 122,401	\$ 1,045,100	\$ 248,600
Office Rent	1,306,912	1,317,296	10,384	1,318,436	11,524
Office Costs	1,367,675	1,335,189	(32,486)	1,524,717	157,042
Professional Services	1,045,000	1,165,693	120,693	1,087,000	42,000
Miscellaneous	-	-	-	-	-
Total Operating Expenses	<u>\$ 4,516,087</u>	<u>\$ 4,737,079</u>	<u>\$ 220,992</u>	<u>\$ 4,975,253</u>	<u>\$ 459,166</u>
Total Direct Expenses	<u>\$ 11,672,155</u>	<u>\$ 11,303,182</u>	<u>\$ (368,973)</u>	<u>\$ 12,036,682</u>	<u>\$ 364,527</u>
Indirect Expenses	<u>\$ (11,672,155)</u>	<u>\$ (11,303,182)</u>	<u>\$ 368,973</u>	<u>\$ (12,036,682)</u>	<u>\$ (364,527)</u>
Other Non-Operating Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenses (B)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Change in Net Assets (=A-B)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fixed Assets, excluding Right of Use Assets (C)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL BUDGET (B+C)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FTEs	41.95	38.50	(3.45)	40.50	(1.45)
HC	43.00	39.00	(4.00)	41.00	(2.00)





Section B

Supplemental Financial Information

Section B—Supplemental Financial Information

Reserve Analysis

Table B-1

Working Capital Reserve Analysis 2022-2023				
STATUTORY				
	Total	Working Capital Reserve	Unreleased Penalties	Peak Reliability Donation
Beginning Reserve, January 1, 2022	\$ 19,761,417	\$ 9,690,377	\$ 6,243,646	\$ 3,827,394
Plus: 2022 Funding (from Load-Serving Entities (LSE) or designees)	25,000,000	25,000,000	-	-
Plus: Penalties released	-	5,298,000	(5,298,000)	-
Plus: Penalties received	18,973,000	-	18,973,000	-
Plus: 2022 Other funding sources	228,978	228,978	-	-
Less: 2022 Projected expenses & capital expenditures	(30,406,979)	(30,006,979)	-	(400,000)
Projected Reserve (Deficit), December 31, 2022	\$ 33,556,416	\$ 10,210,376	\$ 19,918,646	\$ 3,427,394
Plus: 2023 Funding (from Load-Serving Entities (LSE) or designees)	19,750,537	19,750,537	-	-
Plus: Penalties released	-	11,218,646	(11,218,646)	-
Plus: 2023 Other funding sources	248,100	248,100	-	-
Less: 2023 Projected expenses & capital expenditures	(31,812,283)	(31,217,283)	-	(595,000)
2023 Increase(Decrease) in Reserve	\$ (11,813,646)	-	\$ (11,218,646)	\$ (595,000)
Projected Reserve, December 31, 2023	\$ 21,742,770	\$ 10,210,376	\$ 8,700,000	\$ 2,832,394
2023 Expenses and Capital Expenditures	31,812,283			
Less: Penalties Released	(11,218,646)			
Less: Other Funding Sources	(248,100)			
Change to Working Capital & Peak Reliability Donation Reserves	(595,000)			
2023 WECC Assessment	\$ 19,750,537			

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, approved by the FAC on June 16, 2020.



Breakdown of Statement of Activities

The following detailed schedules are in support of the Statutory Statement of Activities and Capital Expenditures on page 13.

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, 2022, will be used to offset assessments in the 2023 WECC budget.

WECC received \$19,919,000 in penalty monies between July 1, 2021, and June 30, 2022. Of this amount, WECC is seeking FERC approval through the Business Plan and Budget process to release \$11,219,000 in penalty monies to offset 2023 assessments, with the remaining unreleased penalties to be used to offset and stabilize assessments in 2024. WECC is requesting an exception to NERC ROP 1107.2 pursuant to NERC Rules of Procedure (ROP) Section 1107.4, which specifies that all penalty funds received between July 1 and June 30 shall be applied as an offset to the budget requirement for the subsequent fiscal year. WECC is requesting an exception to hold \$8,700,000 of penalty funds received between July 1, 2021, and June 30, 2022, to use to reduce 2024 statutory assessments rather than 2023 statutory assessments.

Allocation Method: Penalty monies released have been allocated to the following Statutory Programs to reduce assessments:

- Reliability Standards;
- Compliance Monitoring and Enforcement and Organization Registration and Certification;
- Reliability Assessment and Performance Analysis;
- Training and Outreach; and
- Situation Awareness and Infrastructure Security.

Penalty monies are allocated based on the number of FTEs in the functional areas divided by the aggregate total FTEs in the programs receiving the allocation.



Penalty Sanctions

Table B-2

Penalty Information	
Total penalties available to offset 2023 assessments	\$ 19,918,646
Penalties released to offset 2023 assessments	(11,218,646)
Unreleased penalties to offset 2024 assessments	<u>\$ 8,700,000</u>



Supplemental Funding

Table B-3

Supplemental Revenue Breakdown By Program (Excludes Assessments & Penalty Sanctions)		Budget 2022	Projection 2022	Budget 2023	Variance 2022 Budget v 2023 Budget
Reliability Standards					
Interest		\$ 2,972	\$ 1,291	\$ 1,507	\$ (1,465)
	Total	\$ 2,972	\$ 1,291	\$ 1,507	\$ (1,465)
Compliance Monitoring, Enforcement & Org. Registration					
Interest		\$ 67,107	\$ 28,834	\$ 34,142	\$ (32,965)
	Total	\$ 67,107	\$ 28,834	\$ 34,142	\$ (32,965)
Reliability Assessment and Performance Analysis					
Interest		\$ 35,460	\$ 16,354	\$ 19,079	\$ (16,381)
	Total	\$ 35,460	\$ 16,354	\$ 19,079	\$ (16,381)
Training and Outreach					
Workshops & Miscellaneous		\$ 194,700	\$ 177,300	\$ 188,100	\$ (6,600)
Interest		1,981	4,338	4,268	2,287
	Total	\$ 196,681	\$ 181,638	\$ 192,368	\$ (4,313)
Situation Awareness and Infrastructure Security					
Interest		\$ 1,981	\$ 861	\$ 1,004	\$ (977)
	Total	\$ 1,981	\$ 861	\$ 1,004	\$ (977)
Corporate Services					
Interest		\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -
	Total Supplemental Funding	\$ 304,201	\$ 228,978	\$ 248,100	\$ (56,101)

Explanation of Significant Variances—2023 Budget versus 2022 Budget

WECC anticipates its investments will earn interest of approximately \$60,000 in 2023. This revenue is allocated to the Statutory Programs based on FTEs.

Reliability Standards

- No significant changes.

Compliance Monitoring and Enforcement and Organization Registration and Certification

- No significant changes.

Reliability Assessment and Performance Analysis

- No significant changes.



Training and Outreach

- No significant changes.

Situation Awareness and Infrastructure Security

- No significant changes.

Corporate Services

- No significant changes.



Personnel Expenses

Table B-4

Personnel Expenses	Budget 2022		Projection 2022		Budget 2023		Variance 2022 Budget v 2023 Budget		Variance %
Salaries									
Salaries	\$	18,388,644	\$	18,696,988	\$	20,039,300	\$	1,650,656	9.0%
Employment Agency Fees		23,000		154,649		-		(23,000)	(100.0%)
Temporary Office Services		-		1,649		-		-	
Total Salaries	\$	18,411,644	\$	18,853,286	\$	20,039,300	\$	1,627,656	8.8%
Total Payroll Taxes									
	\$	1,217,683	\$	1,330,681	\$	1,322,041	\$	104,358	8.6%
Benefits									
Workers Compensation	\$	16,000	\$	20,843	\$	15,000	\$	(1,000)	(6.3%)
Medical Insurance		2,298,657		2,013,117		2,339,510		40,853	1.8%
Life-LTD-STD Insurance		98,165		86,699		105,665		7,500	7.6%
Education		173,249		176,275		164,347		(8,902)	(5.1%)
Relocation		-		3,128		-		-	
Other		19,500		21,275		24,996		5,496	28.2%
Total Benefits	\$	2,605,571	\$	2,321,337	\$	2,649,518	\$	43,947	1.7%
Retirement									
Discretionary 401(k) Contribution	\$	1,633,608	\$	1,655,244	\$	1,779,267	\$	145,659	8.9%
Retirement Administration Fees		30,000		30,000		30,000		-	
Total Retirement	\$	1,663,608	\$	1,685,244	\$	1,809,267	\$	145,659	8.8%
Total Personnel Costs									
	\$	23,898,506	\$	24,190,548	\$	25,820,126	\$	1,921,620	8.0%
FTEs									
		152.5		157.0		160.0		7.5	4.9%
Cost per FTE									
Salaries	\$	120,732	\$	120,085	\$	125,246	\$	4,514	3.7%
Payroll Taxes		7,985		8,476		8,263		278	3.5%
Benefits		17,086		14,786		16,559		(526)	(3.1%)
Retirement		10,909		10,734		11,308		399	3.7%
Total Cost per FTE	\$	156,712	\$	154,080	\$	161,376	\$	4,664	3.0%

Explanation of Significant Variances—2023 Budget versus 2022 Budget

Salaries

- Salaries increase by a net of \$1,628,000 primarily due to 7.5 new FTEs, a budgeted 3% merit pool, continued refinement of labor float percentages, and changes in position levels.

Payroll Taxes

- Payroll Taxes increase by a net of \$104,000 primarily due to increases in salaries.



Section B—Supplemental Financial Information

Benefits

- Medical Insurance increases by a net of \$41,000 primarily due to additional FTEs and changes in participation levels.

Retirement

- Discretionary 401(k) Contribution increases by a net of \$146,000 primarily due to increases in salaries.



Meeting Expenses

Table B-5

Meeting & Conference Call Expense	Budget 2022	Projection 2022	Budget 2023	Variance 2022 Budget v 2023 Budget	Variance %
Reliability Standards	\$ -	\$ -	\$ -	\$ -	
Compliance Monitoring and Enforcement and Organization Registration and Certification	-	1,003	-	-	
Reliability Assessment and Performance Analysis	29,476	21,289	56,722	27,246	92.4%
Training and Outreach	277,146	224,646	231,509	(45,637)	(16.5%)
Situation Awareness and Infrastructure Security	-	-	-	-	
Corporate Services	151,422	109,432	97,950	(53,472)	(35.3%)
Total Meeting Expenses	\$ 458,044	\$ 356,370	\$ 386,181	\$ (71,863)	(15.7%)

Travel Expense	Budget 2022	Projection 2022	Budget 2023	Variance 2022 Budget v 2023 Budget	Variance %
Reliability Standards	\$ 13,065	\$ 8,730	\$ 7,520	\$ (5,545)	(42.4%)
Compliance Monitoring and Enforcement and Organization Registration and Certification	357,990	186,141	175,520	(182,470)	(51.0%)
Reliability Assessment and Performance Analysis	148,062	87,948	151,230	3,168	2.1%
Training and Outreach	6,995	15,350	45,341	38,346	548.2%
Situation Awareness and Infrastructure Security	7,120	6,530	16,050	8,930	100.0%
Corporate Services	239,422	170,435	165,447	(73,975)	(30.9%)
Total Travel Expenses	\$ 772,654	\$ 475,134	\$ 561,108	\$ (211,546)	(27.4%)

Explanation of Significant Variances—2023 Budget versus 2022 Budget

Meeting & Conference Call Expense

- RAPA increases by \$27,000 primarily due to the transfer of the technical committees’ budget from Corporate Services.
- Training and Outreach decreases by \$46,000 primarily to align the budget with historical spending for in-person meetings and the change of three Grid Fundamental classes to a virtual format to increase engagement and to accommodate circumstances related to the pandemic.
- Corporate Services decreases by a net of \$53,000 primarily due to the transfer of the technical committees’ budget to RAPA.

Travel Expense

- CMEP decreases by a net of \$182,000 primarily due to planned reductions in travel requirements for audit teams and support staff and a planned increase in virtual meetings.
- Training and Outreach increases by \$38,000 primarily due to the transfer of state and provincial outreach visits from Legal and Regulatory.



Section B—Supplemental Financial Information

- Corporate Services decreases by a net of \$74,000 primarily due to a planned increase in virtual meetings, the transfer of state and provincial outreach visits from Legal and Regulatory to Training and Outreach, and to align the budget with historical spending.



Consultants and Contracts

Table B-6

Consultants	Budget 2022	Projection 2022	Budget 2023	Variance 2022 Budget v 2023 Budget	Variance %
Consultants					
Reliability Standards	\$ -	\$ -	\$ -	\$ -	
Compliance Monitoring and Enforcement and Organization Registration and Certification	-	32,334	50,000	50,000	100.0%
Reliability Assessment and Performance Analysis	208,100	243,078	159,000	(49,100)	(23.6%)
Training and Outreach	-	-	-	-	
Situation Awareness and Infrastructure Security	-	-	-	-	
Corporate Services	796,500	893,521	1,045,100	248,600	31.2%
Consultants Total	\$ 1,004,600	\$ 1,168,933	\$ 1,254,100	\$ 249,500	24.8%

Contracts	Budget 2022	Projection 2022	Budget 2023	Variance 2022 Budget v 2023 Budget	Variance %
Contracts					
Reliability Standards	\$ -	\$ -	\$ -	\$ -	
Compliance Monitoring and Enforcement and Organization Registration and Certification	-	27,400	-	-	
Reliability Assessment and Performance Analysis	-	-	-	-	
Training and Outreach	-	-	-	-	
Situation Awareness and Infrastructure Security	-	-	-	-	
Corporate Services	-	25,380	-	-	
Contracts Total	\$ -	\$ 52,780	\$ -	\$ -	
Total Consulting and Contracts	\$ 1,004,600	\$ 1,221,713	\$ 1,254,100	\$ 249,500	24.8%

Explanation of Significant Variances—2023 Budget versus 2022 Budget

Consultants

- CMEP increases by \$50,000 due to Reliability and Security Oversight consulting to address a skills gap in protection and controls standards.
- RAPA decreases by a net of \$49,000 primarily due to the completion of one-time MAVRIC probabilistic tool updates.
- Corporate Services increases by a net of \$249,000 primarily due to the addition of content management tools to enhance data portals, collection, and management to be funded with the Peak Reliability donation, the completion of a Board Director search, and a planned reduction in organizational development consulting.

Contracts

- No significant changes.



Office Rent

Table B-7

Office Rent	Budget 2022	Projection 2022	Budget 2023	Variance 2022 Budget v 2023 Budget	Variance %
Office Rent	\$ 1,293,336	\$ 1,309,031	\$ 1,301,772	\$ 8,436	0.7%
Utilities	-	-	-	-	
Maintenance	13,576	8,265	16,664	3,088	22.7%
Security	-	-	-	-	
Total Office Rent	\$ 1,306,912	\$ 1,317,296	\$ 1,318,436	\$ 11,524	0.9%

Explanation of Significant Variances—2023 Budget versus 2022 Budget

- Office Rent increases by \$12,000 primarily due to anticipated increases for operating expenses for the Salt Lake office lease.



Office Costs

Table B-8

Office Costs	Budget 2022	Projection 2022	Budget 2023	Variance 2022 Budget v 2023 Budget	Variance %
Telephone	\$ 91,100	\$ 83,025	\$ 92,600	\$ 1,500	1.6%
Internet	82,992	75,002	85,776	2,784	3.4%
Office Supplies	75,613	68,360	73,224	(2,389)	(3.2%)
Computer Supplies and Maintenance	1,092,854	1,219,144	1,520,317	427,463	39.1%
Publications and Subscriptions	61,314	61,702	64,420	3,106	5.1%
Dues and Fees	312,699	288,768	235,957	(76,742)	(24.5%)
Postage	1,500	1,504	1,500	-	0.0%
Express Shipping	5,722	6,585	7,844	2,122	37.1%
Copying	18,316	11,077	11,516	(6,800)	(37.1%)
Bank Charges	51,225	63,829	51,225	-	0.0%
Taxes	51,000	54,738	29,122	(21,878)	(42.9%)
Total Office Costs	\$ 1,844,335	\$ 1,933,734	\$ 2,173,501	\$ 329,166	17.8%

Explanation of Significant Variances—2023 Budget versus 2022 Budget

- Computer Supplies and Maintenance increases by a net of \$427,000 primarily due to the increase in subscription-based security tools and software and the addition of the PLEXOS energy market simulation platform which will be funded with Peak Reliability Donation funds. A portion of the increase also relates to the reclassification of cybersecurity costs from Dues and Fees.
- Dues and Fees decrease by \$77,000 primarily due to reclassification of cybersecurity costs as Computer Supplies and Maintenance and to align the budget with historical spending for Board Director dues and memberships.
- Taxes decrease by \$22,000 due to a decrease in business and occupational taxes assessed on WECC’s annual assessments.



Professional Services

Table B-9

Professional Services	Budget 2022	Projection 2022	Budget 2023	Variance 2022 Budget v 2023 Budget	Variance %
Board Director Fees	\$ 911,000	\$ 938,000	\$ 947,000	\$ 36,000	4.0%
Outside Legal	-	44,011	-	-	
Accounting and Auditing Fees	41,000	41,500	44,000	3,000	7.3%
Insurance Commercial	93,000	143,022	96,000	3,000	3.2%
Total Services	\$ 1,045,000	\$ 1,166,533	\$ 1,087,000	\$ 42,000	4.0%

Explanation of Significant Variances—2023 Budget versus 2022 Budget

- Board Director Fees increase by a net of \$36,000 primarily due to an increase in Board Director retainers.



Miscellaneous Expenses

Table B-10

Miscellaneous Expenses	Budget 2022	Projection 2022	Budget 2023	Variance 2022 Budget v 2023 Budget	Variance %
Miscellaneous	\$ -	\$ -	\$ -	\$ -	-
Total Miscellaneous Expenses	\$ -	\$ -	\$ -	\$ -	-

Explanation of Significant Variances—2023 Budget versus 2022 Budget

- Not applicable.



Other Non-Operating

Table B-11

Other Non-Operating Expenses	Budget 2022	Projection 2022	Budget 2023	Variance 2022 Budget v 2023 Budget	Variance %
Interest Expense	\$ -	\$ -	\$ -	\$ -	-
Line of Credit Payment	-	-	-	-	-
Office Relocation	-	-	-	-	-
Total Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	-

Explanation of Significant Variances—2023 Budget versus 2022 Budget

- Not applicable.



Fixed Assets

Table B-12

Fixed Assets	Budget 2022	Projection 2022	Budget 2023	Variance 2022 Budget v 2023 Budget	Variance %
Computer and Software CapEx	\$ -	\$ -	\$ -	\$ -	
Furniture and Fixtures CapEx	-	-	-	-	
Equipment CapEx	119,000	119,000	59,000	(60,000)	(50.4%)
Leasehold Improvements	-	-	-	-	
	\$ 119,000	\$ 119,000	\$ 59,000	\$ (60,000)	(50.4%)

Explanation of Significant Variances—2023 Budget versus 2022 Budget

- Equipment CapEx decreases by a net of \$60,000 primarily due to refreshes of storage arrays completed in 2022.



Section C

Non-Statutory Program

Section C—Non-Statutory Program

Western Renewable Energy Generation Information System (in whole dollars)			
	2022 Budget	2023 Budget	Increase (Decrease)
Total FTEs	7.00	9.00	2.00
Direct Expenses	\$ 1,359,383	\$ 2,009,869	\$ 650,486
Indirect Expenses	\$ 695,066	\$ 843,037	\$ 147,971
Inc(Dec) in Fixed Assets	\$ 682,086	\$ 4,132	\$ (677,954)
Total Funding Requirement	\$ (437,693)	\$ (177,177)	\$ 260,516

WREGIS

The Western Renewable Energy Generation Information System (WREGIS) is an independent, renewable energy database for the Western Interconnection. WREGIS creates renewable energy certificates (REC) for verifiable renewable generation from units that are registered in the database.

WREGIS was developed by the Western Governors' Association, the Western Regional Air Partnership, and the California Energy Commission (CEC). This development was further guided by stakeholder input from more than 400 participants for more than three years.

The program was integrated into WECC on March 31, 2012, following the expiration of the contract between WECC and the CEC that provided for backstop funding. WREGIS is advised by two committees: the Stakeholder Advisory Committee, which is open to all interested participants, and the WREGIS Committee, which is open to members and various stakeholder groups.

WREGIS costs fall outside Section 215 of the Federal Power Act. Participants fund WREGIS through registration and transaction fees. To avoid any crossover of Section 215 dollars, a portion of WECC's overhead costs are allocated to the program based on a formula implemented following a FERC audit.

WREGIS consists of two parts: the information system software and administrative operations. Staff coordinates with the software contractor and performs all the administrative tasks, including:

- Registering account holders and generation units;
- Training users;
- Providing customer service and help desk services;
- Supporting participating programs by facilitating cooperation and research into ongoing issues and sharing documentation with participants;
- Auditing generation and other data; and
- Managing the budgeting, billing, and financial reporting.



2023 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 all users and are based on size (generation capacity) and user type. Usage fees are paid by all but micro, small, and medium generation owners. WREGIS also charges fees for ad hoc reporting and e-Tag related data services.

- User fees are based on size (generation capacity) and user type.
 - Approximately 4% of revenues are based on annual fees.
 - Approximately 92% of revenues are based on usage fees, which can depend on factors like weather (wind and solar generation levels) and state regulatory policies (retirement, transfers, etc.).
 - Approximately 4% of revenues are attributable to fees for specific, requested functions like tracking e-Tags.
- Revenues vary from year to year, so WREGIS reserves are held to allow for normal operations.
- The software will receive continual upgrades and the costs are built into the monthly fee.
- Travel for training and audits will begin to increase after a reduction caused by the COVID-19 pandemic.
- Two program analysts are added due to program growth, increasing account holder audit requirements, and software needs.

2023 Goals and Key Deliverables

- Continuously improve program processes and tools to adapt to changes in the industry.
- Deliver quantitative and qualitative results for corporate scorecard items and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Maintain compliance with the participating state and provincial programs, and voluntary programs.
- Register program participants.
- Refine and improve data collection to ensure high-quality data.
- Perform 12 tabletop account holder audits split between Qualified Reporting Entities and account holder customers. Four audits are expected to be completed on site.
- Deliver one in-person account holder training session and quarterly virtual account holder training sessions.
- Deliver one in-person and two virtual Qualified Reporting Entity training sessions.

Resource Requirements/Explanation of Significant Changes

Funding Sources

- Membership Fees increase by a net of \$440,000 primarily due to an anticipated increase in program participation.



Section C—Non-Statutory Program

- Interest decreases by \$60,000 primarily due to low rates of return on investments.

Personnel Expenses

- Personnel Expenses increase by a net of \$249,000 primarily due to two new positions, a budgeted 3% merit pool, continued refinement of labor float percentages, and the refinement of payroll tax and benefits rates.

Meeting Expenses

- No significant changes.

Operating Expenses

- Office Costs increase by \$392,000 primarily due to increased maintenance expenses and planned upgrades for the WREGIS software.

Indirect Expenses

- Indirect Expenses increase by a net of \$148,000 primarily due to two new positions added in this program and an increase in Corporate Services expenses. Corporate Services expenses are allocated to statutory and non-statutory program areas based on FTEs.

Fixed Assets

- Fixed Assets decrease by a net of \$678,000 primarily due to a major software upgrade to the WREGIS software completed in 2022 and a reduction in fixed asset additions in Corporate Services. Corporate Services expenses are allocated to statutory and non-statutory program areas based on FTEs.

Other Non-Operating Expenses

- No significant changes.



WREGIS Program Funding Sources and Expenditures

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital					
2022 Budget & Projection, and 2023 Budget					
NON-STATUTORY					
	2022 Budget	2022 Projection	Variance 2022 Budget v 2022 Projection Over(Under)	2023 Budget	Variance 2023 Budget v 2022 Budget Inc(Dec)
Revenue					
Statutory Funding					
WECC Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Penalties Released	-	-	-	-	-
Total Statutory Funding	\$ -	\$ -	\$ -	\$ -	\$ -
Membership Fees	\$ 2,226,842	\$ 2,364,256	\$ 137,414	2,666,736	\$ 439,894
Workshops & Miscellaneous	-	-	-	1,125	1,125
Interest	72,000	6,456	(65,544)	12,000	(60,000)
Total Revenue (A)	\$ 2,298,842	\$ 2,370,712	\$ 71,870	\$ 2,679,861	\$ 381,019
Expenses					
Personnel Expenses					
Salaries	\$ 575,261	\$ 688,558	\$ 113,297	\$ 765,205	\$ 189,944
Payroll Taxes	38,580	51,111	12,531	51,670	13,090
Benefits	94,874	81,298	(13,576)	123,553	28,679
Retirement Costs	51,123	61,135	10,012	68,072	16,949
Total Personnel Expenses	\$ 759,838	\$ 882,102	\$ 122,264	\$ 1,008,500	\$ 248,662
Meeting Expenses					
Meetings & Conference Calls	\$ 1,485	\$ 1,485	\$ -	\$ 3,350	\$ 1,865
Travel	9,975	8,531	(1,444)	17,620	7,645
Total Meeting Expenses	\$ 11,460	\$ 10,016	\$ (1,444)	\$ 20,970	\$ 9,510
Operating Expenses, excluding Depreciation					
Consultants & Contracts	\$ -	\$ 6,600	\$ 6,600	\$ -	\$ -
Office Rent	-	-	-	-	-
Office Costs	588,085	708,196	120,111	980,399	392,314
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Operating Expenses	\$ 588,085	\$ 714,796	\$ 126,711	\$ 980,399	\$ 392,314
Total Direct Expenses	\$ 1,359,383	\$ 1,606,914	\$ 247,531	\$ 2,009,869	\$ 650,486
Indirect Expenses	\$ 695,066	\$ 714,824	\$ 19,758	\$ 843,037	\$ 147,971
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 2,054,449	\$ 2,321,738	\$ 267,289	\$ 2,852,906	\$ 798,457
Change in Net Assets (=A-B)	\$ 244,393	\$ 48,974	\$ (195,419)	\$ (173,045)	\$ (417,438)
Fixed Assets, excluding Right of Use Assets (C)	\$ 682,086	\$ 2,004,083	\$ 1,321,997	\$ 4,132	\$ (677,954)
TOTAL BUDGET (=B+C)	\$ 2,736,535	\$ 4,325,821	\$ 1,589,286	\$ 2,857,038	\$ 120,503
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	\$ (437,693)	\$ (1,955,109)	\$ (1,517,416)	\$ (177,177)	\$ 260,516
FTEs	7.00	8.00	1.00	9.00	2.00
HC	7.00	8.00	1.00	9.00	2.00



Section C—Non-Statutory Program

Personnel Analysis

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 2022	Projection 2022	Direct FTEs 2023 Budget	Shared FTEs* 2023 Budget	Total FTEs 2023 Budget	Change from 2022 Budget
NON-STATUTORY						
Operational Programs						
Total FTEs Operational Programs	-	-	-	-	-	-
Administrative Programs						
WREGIS	7.00	8.00	9.00	-	9.00	2.00
Total FTEs Administrative Programs	7.00	8.00	9.00	-	9.00	2.00
Total FTEs	7.00	8.00	9.00	-	9.00	2.00

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

Reserve Analysis

Working Capital Reserve Analysis
NON-STATUTORY

Beginning Reserve (Deficit), January 1, 2022	Total \$ 8,435,435
Plus: 2022 Funding	2,370,712
Less: 2022 Projected expenses & capital expenditures	(4,325,821)
Projected Working Capital Reserve (Deficit), December 31, 2022	\$ 6,480,326
Plus: 2023 Funding	2,679,861
Less: 2023 Projected expenses & capital expenditures	(2,857,038)
Projected Working Capital Reserve, December 31, 2023	\$ 6,303,149





Section D

Additional Financial Information

Section D—Additional Financial Information

2023 Consolidated Statement of Activities by Program, Statutory, and Non-Statutory

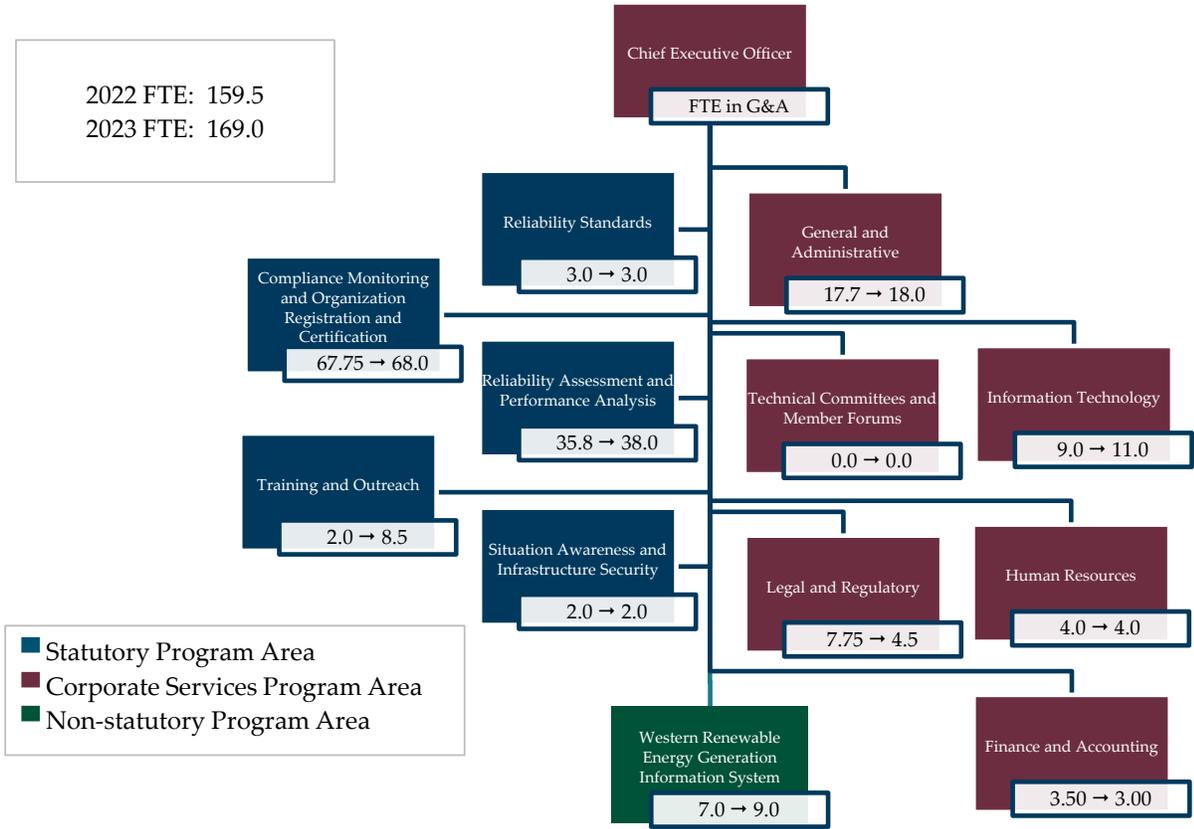
Statement of Activities and Capital Expenditures by Program	Total	Statutory Total	Non-Statutory Total	Statutory Functions							Non-Statutory Functions	
				Statutory Total	Reliability Standards	Compliance and Organization Registration and Certification	Reliability Assessment and Performance Analysis	Training and Outreach	Situation Awareness and Infrastructure Security	Corporate Services	Non-Statutory Total	WREGIS
Revenue												
Statutory Funding												
WECC Assessments	\$ 19,750,537	\$ 19,750,537	\$ -	\$ 19,750,537	\$ 539,925	\$ 10,804,015	\$ 6,632,951	\$ 1,414,435	\$ 359,211	\$ -	\$ -	\$ -
Penalties Released	11,218,646	11,218,646	-	11,218,646	281,639	6,383,832	3,567,436	797,979	187,760	-	-	-
Total Statutory Funding	\$ 30,969,183	\$ 30,969,183	\$ -	\$ 30,969,183	\$ 821,564	\$ 17,187,847	\$ 10,200,387	\$ 2,212,414	\$ 546,971	\$ -	\$ -	\$ -
Non-statutory Funding												
Workshops & Miscellaneous	\$ 2,666,736	\$ -	\$ 2,666,736	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,666,736	\$ 2,666,736
Interest	189,225	188,100	1,125	188,100	-	-	-	188,100	-	-	1,125	1,125
	72,000	60,000	12,000	60,000	1,507	34,142	19,079	4,268	1,004	-	12,000	12,000
Total Revenue (A)	\$ 33,897,144	\$ 31,217,283	\$ 2,679,861	\$ 31,217,283	\$ 823,071	\$ 17,221,989	\$ 10,219,466	\$ 2,404,782	\$ 547,975	\$ -	\$ 2,679,861	\$ 2,679,861
Expenses												
Personnel Expenses												
Salaries	\$ 20,804,505	\$ 20,039,300	\$ 765,205	\$ 20,039,300	\$ 437,183	\$ 8,451,094	\$ 4,781,745	\$ 1,045,639	\$ 276,946	\$ 5,046,693	\$ 765,205	\$ 765,205
Payroll Taxes	1,373,711	1,322,041	51,670	1,322,041	28,906	570,620	319,728	67,253	19,137	316,397	51,670	51,670
Benefits	2,773,071	2,649,518	123,553	2,649,518	40,337	954,682	544,248	121,308	29,904	959,039	123,553	123,553
Retirement Costs	1,877,339	1,809,267	68,072	1,809,267	38,809	751,618	425,406	92,883	24,648	475,903	68,072	68,072
Total Personnel Expenses	\$ 26,828,626	\$ 25,820,126	\$ 1,008,500	\$ 25,820,126	\$ 545,235	\$ 10,728,014	\$ 6,071,127	\$ 1,327,083	\$ 350,635	\$ 6,798,032	\$ 1,008,500	\$ 1,008,500
Meeting Expenses												
Meetings & Conference Calls	\$ 389,531	\$ 386,181	\$ 3,350	\$ 386,181	\$ -	\$ -	\$ 56,722	\$ 231,509	\$ -	\$ 97,950	\$ 3,350	\$ 3,350
Travel	578,728	561,108	17,620	561,108	7,520	175,520	151,230	45,341	16,050	165,447	17,620	17,620
Total Meeting Expenses	\$ 968,259	\$ 947,289	\$ 20,970	\$ 947,289	\$ 7,520	\$ 175,520	\$ 207,952	\$ 276,850	\$ 16,050	\$ 263,397	\$ 20,970	\$ 20,970
Operating Expenses, excluding Depreciation												
Consultants & Contracts	\$ 1,254,100	\$ 1,254,100	\$ -	\$ 1,254,100	\$ -	\$ 50,000	\$ 159,000	\$ -	\$ -	\$ 1,045,100	\$ -	\$ -
Office Rent	1,318,436	1,318,436	-	1,318,436	-	-	-	-	-	1,318,436	-	-
Office Costs	3,153,900	2,173,501	980,399	2,173,501	3,615	195,877	399,237	46,580	3,475	1,524,717	980,399	980,399
Professional Services	1,087,000	1,087,000	-	1,087,000	-	-	-	-	-	1,087,000	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	\$ 6,813,436	\$ 5,833,037	\$ 980,399	\$ 5,833,037	\$ 3,615	\$ 245,877	\$ 558,237	\$ 46,580	\$ 3,475	\$ 4,975,253	\$ 980,399	\$ 980,399
Total Direct Expenses	\$ 34,610,321	\$ 32,600,452	\$ 2,009,869	\$ 32,600,452	\$ 556,370	\$ 11,149,411	\$ 6,837,316	\$ 1,650,513	\$ 370,160	\$ 12,036,682	\$ 2,009,869	\$ 2,009,869
Indirect Expenses												
	\$ -	\$ (843,037)	\$ 843,037	\$ (843,037)	\$ 281,011	\$ 6,369,606	\$ 3,559,486	\$ 796,201	\$ 187,341	\$ (12,036,682)	\$ 843,037	\$ 843,037
Other Non-Operating Expenses												
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 34,610,321	\$ 31,757,415	\$ 2,852,906	\$ 31,757,415	\$ 837,381	\$ 17,519,017	\$ 10,396,802	\$ 2,446,714	\$ 557,501	\$ -	\$ 2,852,906	\$ 2,852,906
Change in Net Assets (=A-B)	\$ (713,177)	\$ (540,132)	\$ (173,045)	\$ (540,132)	\$ (14,310)	\$ (297,028)	\$ (177,336)	\$ (41,932)	\$ (9,526)	\$ -	\$ (173,045)	\$ (173,045)
Fixed Assets, excluding Right of Use Assets (C)												
	\$ 59,000	\$ 54,868	\$ 4,132	\$ 54,868	\$ 1,378	\$ 31,222	\$ 17,447	\$ 3,903	\$ 918	\$ -	\$ 4,132	\$ 4,132
TOTAL BUDGET (B+C)	\$ 34,669,321	\$ 31,812,283	\$ 2,857,038	\$ 31,812,283	\$ 838,759	\$ 17,550,239	\$ 10,414,249	\$ 2,450,617	\$ 558,419	\$ -	\$ 2,857,038	\$ 2,857,038
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (772,177)	\$ (595,000)	\$ (177,177)	\$ (595,000)	\$ (15,688)	\$ (328,250)	\$ (194,783)	\$ (45,835)	\$ (10,444)	\$ -	\$ (177,177)	\$ (177,177)
FTEs	169.00	160.00	9.00	160.00	3.00	68.00	38.00	8.50	2.00	40.50	9.00	9.00
HC	169.00	160.00	9.00	160.00	3.00	68.00	38.00	8.00	2.00	41.00	9.00	9.00



Appendix A—Organizational Chart

Changes in Budgeted FTE by Program Area

2022 FTE: 159.5
2023 FTE: 169.0



Appendix B—2023 Budget & Projected 2024 and 2025 Budgets

Statement of Activities and Capital Expenditures							
2023 Budget & Projected 2024 and 2025 Budgets							
	Statutory						
	2023 Budget	2024 Projection	\$ Change 23 v 24	% Change 23 v 24	2025 Projection	\$ Change 24 v 25	% Change 24 v 25
Revenue							
Statutory Funding							
WECC Assessments	\$ 19,750,537	\$ 23,137,473	\$ 3,386,936	17.1%	\$ 26,000,000	\$ 2,862,527	12.4%
Penalties Released	11,218,646	8,700,000	(2,518,646)	(22.5%)	-	(8,700,000)	(100.0%)
Total Statutory Funding	\$ 30,969,183	\$ 31,837,473	\$ 868,290	2.8%	\$ 26,000,000	\$ (5,837,473)	(18.3%)
Membership Fees	\$ -	\$ -	\$ -		\$ -	\$ -	
Workshops & Miscellaneous	188,100	188,100	-	0.0%	188,100	-	0.0%
Interest	60,000	60,000	-	0.0%	60,000	-	0.0%
Total Revenue (A)	\$ 31,217,283	\$ 32,085,573	\$ 868,290	2.8%	\$ 26,248,100	\$ (5,837,473)	(18.2%)
Expenses							
Personnel Expenses							
Salaries	\$ 20,039,300	\$ 20,640,479	\$ 601,179	3.0%	\$ 21,259,693	\$ 619,214	3.0%
Payroll Taxes	1,322,041	1,361,702	39,661	3.0%	1,402,553	40,851	3.0%
Benefits	2,649,518	2,729,004	79,486	3.0%	2,810,874	81,870	3.0%
Retirement Costs	1,809,267	1,863,545	54,278	3.0%	1,919,451	55,906	3.0%
Total Personnel Expenses	\$ 25,820,126	\$ 26,594,730	\$ 774,604	3.0%	\$ 27,392,572	\$ 797,842	3.0%
Meeting Expenses							
Meetings & Conference Calls	\$ 386,181	\$ 386,181	\$ -	0.0%	\$ 386,181	\$ -	0.0%
Travel	561,108	589,163	28,055	5.0%	618,622	29,458	5.0%
Total Meeting Expenses	\$ 947,289	\$ 975,344	\$ 28,055	3.0%	\$ 1,004,803	\$ 29,458	3.0%
Operating Expenses, excluding Depreciation							
Consultants & Contracts	\$ 1,254,100	\$ 629,100	\$ (625,000)	(49.8%)	\$ 629,100	\$ -	0.0%
Office Rent	1,318,436	1,318,436	-	0.0%	1,318,436	-	0.0%
Office Costs	2,173,501	2,195,236	21,735	1.0%	2,217,188	21,952	1.0%
Professional Services	1,087,000	1,119,610	32,610	3.0%	1,153,198	33,588	3.0%
Miscellaneous	-	-	-		-	-	
Total Operating Expenses	\$ 5,833,037	\$ 5,262,382	\$ (570,655)	(9.8%)	\$ 5,317,923	\$ 55,541	1.1%
Total Direct Expenses	\$ 32,600,452	\$ 32,832,456	\$ 232,004	0.7%	\$ 33,715,297	\$ 882,841	2.7%
Indirect Expenses	\$ (843,037)	\$ (848,938)	\$ (5,901)	0.7%	\$ (871,860)	\$ (22,921.33)	2.7%
Other Non-Operating Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	
Total Expenses (B)	\$ 31,757,415	\$ 31,983,518	\$ 226,102	0.7%	\$ 32,843,437	\$ 859,919	2.7%
Change in Assets	\$ (540,132)	\$ 102,055	\$ 642,188	(118.9%)	\$ (6,595,337)	\$ (6,697,392)	(6,562.5%)
Incr(Dec) in Fixed Assets (C)	\$ 54,868	\$ 54,868	\$ -	0.0%	\$ 54,868	\$ -	0.0%
TOTAL BUDGET (B+C)	\$ 31,812,283	\$ 32,038,386	\$ 226,102	0.7%	\$ 32,898,305	\$ 859,919	2.7%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	(595,000)	47,187	642,188	(107.9%)	(6,650,205)	(6,697,392)	(14,193.3%)
FTEs	160.00	160.00	-	0.0%	160.00	-	0.0%
HC	160.00	160.00	-	0.0%	160.00	-	0.0%



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

Adjustment to the AESO Assessments		
Credit for WECC Compliance Costs		
	2022	2023
	Compliance Budget AESO NEL Allocation	Compliance Budget AESO NEL Allocation
WECC Compliance Costs		
Direct Costs less Direct Revenue	\$ 10,867,911	\$ 11,115,269
Indirect Costs	6,727,252	6,369,606
Fixed Asset Expenditures	68,586	31,222
Total Net Costs, including Fixed Assets	\$ 17,663,749	\$ 17,516,097
Net total to be allocated	\$ 17,663,749	\$ 17,516,097
AESO NEL Share (2020 and 2021)	7.021%	6.967%
AESO Proportional Share of Compliance Costs, including Fixed Assets	\$ 1,240,172	\$ 1,220,346
% Credit (64.15 of 67.75 FTE for 2022; 63.00 of 68.00 FTE for 2023)	94.69%	94.12%
AESO Credit for Compliance Costs	\$ 1,174,344	\$ 1,148,561

Appendix D—Statutory and Non-Statutory Budget History Charts

