

Board of Directors Meeting Agenda Salt Lake City, UT

Meeting link, Password: WECC | Dial-in Number: 1-415-655-0003, Attendee Access Code: 2633 981 9952

June 12, 2024, 8:00 to 11:15 a.m. Mountain Time

- 1. Welcome, Call to Order—Ric Campbell
- 2. Review WECC Antitrust Policy—Jeff Droubay

WECC Antitrust Policy.

Please contact WECC legal counsel if you have any questions.

- 3. Approve Agenda
- 4. Consent Agenda

Approval Item: Meeting Minutes from March 13, 2024

Approval Item: 2025 Annual Meeting Location

Approval Item: 2026 Board Meeting Dates

Approval Item: Responsibility and Accountability Matrix

- 5. Review of June 11, 2024, Closed Session—Ric Campbell
- 6. NERC President and CEO Remarks—Jim Robb
- 7. Remarks and Reports

WECC President and CEO—Melanie Frye

Reliability and Security Oversight—Steven Noess

Member Advisory Committee—Michele Beck

Western Interconnection Regional Advisory Body—Mary Throne

Break

- 8. Public Comment
- 9. WECC Long-term Strategy Refresh—Jeff Droubay



WECC Meeting Agenda—June 12, 2024

10. Reliability Risk Priorities—Kris Raper

Approval Item: 2024 Reliability Risk Priorities

11. Board Committee Reports

Finance and Audit Committee—Gary Leidich

Approval Item: 2025 Business Plan and Budget

Approval Item: Accept 2023 Audited Financial Statements

Governance Committee—Felicia Marcus

Approval Item: Principles of Corporate Governance

Human Resources and Compensation Committee - Shelley Longmuir

Nominating Committee—Richard Woodward

Standards Committee—Ian McKay

Approval Item: WECC Consolidated INT Criteria, developed as Project WECC-0153

12. Technical Activities Update

Reliability Planning and Performance Analysis—Vic Howell

Joint Guidance Committee—Chelsea Loomis

Reliability Assessments Committee—Philip Augustin

Reliability Risk Committee—Meg Albright

13. Review New Action Items

14. Review Upcoming Meetings

September 17–18, 2024	Salt Lake City, UT
December 10–11, 2024	Salt Lake City, UT
March 11–12, 2025	Salt Lake City, UT

15. Adjourn





Approval Item

Consent Agenda

June 12, 2024

Board Resolution

The consent agenda for this meeting consists of:

Approval of March 13, 2024, minutes.

Approval of the 2025 Annual Meeting Location.

Approval of the 2026 Board Meeting Dates.

Approval of the Reliability and Accountability Matrix.

Recommendation

Staff believes that these items do not require additional Board discussion, and each is non-controversial and appropriate for the consent agenda. Attached is background information on each item.



Board of Directors

DRAFT Meeting Minutes

March 13, 2024

Salt Lake City, UT

1. Welcome, Call to Order

Ric Campbell, Board of Directors (Board) Chair, called the meeting to order at 8:15 a.m. MT on March 13, 2024. A quorum was present to conduct business. A list of attendees is attached as Exhibit A.

2. Review WECC Antitrust Policy

Jeff Droubay, Vice President and General Counsel, read aloud the WECC Antitrust Policy statement. The meeting agenda included a link to the posted policy.

3. Approve Agenda

Mr. Campbell introduced the proposed meeting agenda.

On a motion by Richard Woodward, the Board approved the agenda.

4. Consent Agenda

On a motion by Ian McKay, the Board approved the consent agenda, which consisted of:

Approval Item: Minutes from December 6, 2023, and

Approval Item: Joint Guidance Committee (JGC) Charter, and

Approval Item: Member Advisory Committee (MAC) Charter.

5. Review of December 6, 2023, and January 25, 2024, Closed Sessions

Mr. Campbell reviewed the December 6, 2023, and January 25, 2024, closed sessions. Mr. Campbell also noted that the Board met in closed session the prior day, March 12, 2024, and provided a summary of that session.

6. Remarks and Reports

The following people gave reports to the Board:

a. Melanie Frye, President and CEO, informed the Board of the passing of former WECC CEO, Louise McCarren, and honored her contributions and impact on the industry. Ms. Frye reported on the ERO Long-term Strategy (LTS), the potential use of Peak donation funds on the Western Transmission Expansion Coalition (WestTEC) project, and summarized FERC,



Board Meeting Minutes—March 13, 2024

- NERC, regional, and international activities. She closed with a high-level update on 2024 scorecard progress. The Board asked for frequent updates on the WestTEC activities and that WECC staff provide a draft refresh of the WECC LTS.
- b. Steven Noess, Vice President Reliability and Security Oversight, provided an update on enforcement and mitigation efforts, self-logging processing, work plan milestones on invertbased resources (IBR), and monitoring and outreach on cold weather vulnerabilities. Mr. Noess responded to questions on potential noncompliance, and the Board voiced support for the Oversight team to receive the tools and staff members it needs.
- c. Andrea Coon, Director of Western Renewable Energy Generation Information System (WREGIS), provided an update on WREGIS activities. Ms. Coon responded to questions on energy storage tracking, industry activities, and a Department of Energy (DOE) hydrogen project.
- d. Michele Beck, Member Advisory Committee (MAC) Chair, summarized MAC accomplishments and planned 2024 activities, actions that came out of the December workshop, and considerations on what class communications should look like. Ms. Beck closed by posing an open question on whether the MAC can be better used by the Board. The Board commented that they look forward to hearing the MAC's view on the Reliability Risk Priorities (RRP).
- e. Mary Throne, Western Interconnection Regional Advisory Body (WIRAB), thanked Kris Hafner, retiring director, for her work and contributions to WECC and the industry. Ms. Throne commented that WIRAB is socializing with their members the possible use of Peak donation dollars on the WestTEC project, reviewing the WECC 2025 Business Plan and Budget (BP&B), and working on a project with Elevate Energy Consulting on a gap analysis on near- and mid-term strategies to address inverter-based resource risk. She reported on Western Interstate Energy Board (WIEB) conversations with the DOE and FERC and highlighted the opportunity to teach the FERC commissioners about activities in the West. Ms. Throne closed by thanking WECC for the RRP workshop, summarized WIRAB attendance at a meeting for the FERC-NARUC Task Force on transmission, highlighted the Wyoming legislature's interest in reliability issues, and invited WECC to participate in the CREPC-WIRAB meeting. Ms. Throne responded to questions on the WIRAB discussions with FERC.

7. Board Committee Reports

a. Finance and Audit Committee

Gary Leidich, Finance and Audit Committee (FAC) Chair, reported on the previous day's meeting, including a review of the reserve policy, the draft 2025 BP&B, and the assessment



Board Meeting Minutes—March 13, 2024

stabilization process. The FAC also had updates from Dana Cabbell, MAC Budget Subcommittee (MBS) Chair, and Mr. Droubay on the Mexican regulatory environment. The FAC meeting ended with a review of the 2023 and 2024 financial results.

b. Governance Committee

Felicia Marcus, Governance Committee (GC) Chair, reported on the GC meeting held the day before, in which the GC reviewed the 2024 work plan and proposed revisions to the Standards of Conduct.

c. Human Resources and Compensation Committee

Shelley Longmuir, Human Resources and Compensation Committee (HRCC) Chair, reviewed the closed session HRCC meetings held on January 19 and 25, 2024, in which the HRCC reviewed CEO compensation benchmarking and 2023 corporate performance.

d. Nominating Committee

Richard Woodward, Nominating Committee (NC) Chair, reported on NC activities, including the recommendation and subsequent MAC approval of the 2025 director compensation and work with Lyceum consultants to vet director candidates.

e. WECC Standards Committee

Ian McKay, WECC Standards Committee (WSC) Chair, reviewed WSC recommendations, which were approved at the December 5, 2023, WSC meeting.

Mr. McKay introduced the following resolution:

Resolved, that the WECC Board of Directors (Board), acting on the recommendation of the WECC Standards Committee (WSC) at the meeting of the Board on March 13, 2024, approves BAL-004-WECC-4, Automatic Time Error Correction Regional Reliability Standard as presented and attached.

On a motion by Ian McKay, the Board approved the resolution.

Mr. McKay introduced the following resolution:

Resolved, that the WECC Board of Directors (Board), acting on the recommendation of the WECC Standards Committee (WSC) at the meeting of the Board on March 13, 2024, approves PRC-001-WECC-CRT-3, Governor Droop Regional Criterion as presented and attached.

On a motion by Ian McKay, the Board approved the resolution.



Board Meeting Minutes—March 13, 2024

8. Reliability Risk Priorities

Kris Raper, Vice President Strategic Engagement and External Affairs, and Branden Sudduth, Vice President Reliability Planning and Performance Analysis, highlighted the Reliability Risk Committee's (RRC) work on a risk register versus the RRP development processes. Ms. Raper noted that WECC is considering possible opportunities for efficiencies and synergy between these two efforts. Ms. Raper thanked the MAC for the discussion at the previous day's MAC meeting and commented that WECC heard the need for more clarity and perhaps some merging of the processes. The Board commented on the importance of hearing from stakeholders, balancing effectiveness and efficiency improvements, and the need to stay on top of the changing and complex risks.

9. Public Comment

No comments were provided.

10. Technical Activities Update

Mr. Sudduth provided a technical activities report, including an update on the 2024 arctic storms, progress on the Interregional Transfer Capability Study (ITCS) timeline, and publication of the 2024 State of the Interconnection (SOTI).

The Board congratulated the team on the SOTI report, commented on the lack of load shed during the arctic storms, stated the potential for lessons to be learned on grid improvement, and asked about generation development and the planned retirement of resources.

Additional updates were provided by:

- a. Mr. Sudduth, who noted that there was no update for the JGC;
- b. Chelsea Loomis, Reliability Assessment Committee (RAC), Co-chair, who reported on RAC activities, including 20+ year transmission planning, and the impact of reliability standards on assessments; and
- c. Meg Albright, RRC Co-chair, who highlighted the RRC risk register timeline.

11. Review New Action Items

- Provide a draft refresh of the WECC Long-term Strategy for Board consideration.
 - o Assigned To: WECC Staff
 - o Due Date: June 12, 2024
- Provide frequent updates on the WestTEC activities, to include more details around the ongoing activities and timelines.



Open Session Board Meeting Book - Consent Agenda < Public>

<Public>

Board Meeting Minutes—March 13, 2024

o Assigned To: WECC Staff

o Due Date: Ongoing

12. Upcoming Meetings

March 12–13, 2024	Salt Lake City, UT
June 11–12, 2024	Salt Lake City, UT
September 17–18, 2024	Salt Lake City, UT

13. Adjourn

Mr. Campbell honored Kris Hafner and noted her many contributions to WECC and the industry. The Board reiterated Mr. Campbell's comments and thanked Ms. Hafner for her tremendous service as a WECC Board director. Ms. Hafner voiced her gratitude to the Board and appreciation for their collegiality and friendship.

On a motion by Ian McKay, the Board adjourned its open session at 10:47 a.m. MT and moved into a Closed Executive Session, which commenced at 11:00 a.m. MT.



Board Meeting Minutes—March 13, 2024

Exhibit A: Attendance List

Members in Attendance

James Avery (virtual)	Vice Chair
Ric Campbell	Chair
Melanie Frye	CEC
Kris Hafner (virtual)	Director
Gary Leidich	Director
Felicia Marcus (virtual)	Director
Joe McArthur	Director
Ian McKay	Director
Shelley Longmuir	Director
Richard Woodward	Director





Board of Directors Meeting 2025 Annual Meeting Location June 12, 2024

2025 Annual Meeting Location

WECC staff recommends that the Board of Directors (Board) approve Salt Lake City, Utah, as the 2025 Annual Member Meeting location. Considerations for holding the annual meeting in Salt Lake City include the need for additional meeting space, difficulty contracting with off-site venues, and cost savings of hosting at the WECC office.



Board of Directors Meeting 2026 Board Meeting Dates June 12, 2024

2026 Board Dates

The following dates are being proposed for the 2026 Board meetings. These dates are consistent with the schedule that WECC has historically followed.

March 10-11, 2026

June 9–10, 2026, 2026

September 15–16, 2026* (Annual Meeting)

December 8-9, 2026

*The Annual Meeting location has not been identified.

Recommendation

WECC staff recommends approval of the 2026 Board meeting dates as presented.



Board of Directors Meeting
Approval Item
Responsibility and Accountability Matrix
June 12, 2024

Approval

Resolved, that the Board of Directors (Board), acting on the recommendation of the Governance Committee (GC) at the meeting of the Board on June 12, 2024, approves the Responsibility and Accountability Matrix (RAM) as presented and attached.

Background

The RAM was developed during the 2015 Section 4.9 Review to document the relationship among various WECC activities and groups. The GC Charter directs the GC to review the RAM annually. Staff reviewed the RAM and proposed the following changes for GC and Board consideration:

- For the Business Plan and Budget, stakeholders are "consulted" (not "informed") given WECC's annual posting of the Business Plan and Budget for stakeholder comment;
- For CEO Compensation, the HRCC is "consulted" (not "responsible") and the Board is "responsible" consistent with recent changes to the HRCC Charter and proposed changes to the Principles of Corporate Governance; and

Issues and Risks

There are no known issues or risks.



Responsibility and Accountability Matrix

	Legend
Α	Accountable/Approver: Ultimately answerable for the activity or decision
R	Responsible/Recommend: Responsible for action/implementation
С	Consult: Consulted prior to a final decision or action
Ι	Inform: Inform after a decision is made

Governance	Stakeholder	Member Rep	MAC	Technical Committee	JGC	VP	CEO	Board Committee	Board
Amend Bylaws	С	A	С				R		R/A
Strategic Planning	I	I	С	I	I	R	R		A
Corporate Goals						R	R	R (HRCC)	A
Reliability Risk Priorities	С	С	С	С	С	R	R		A
Business Plan & Budget	С	I	С	I	I	R	R	R (FAC)	A
Corporate Policy						R	A		I
Director Election		A						R (NC)	
Director Compensation			A					R (NC)	
Board Effectiveness (MAC)			A						I
Board Effectiveness (Board)								R (GC)	A
Board Policy (not applicable to members)							R	R (GC)	A

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Responsibility and Accountability Matrix

Governance	Stakeholder	Member Rep	MAC	Technical Committee	JGC	VP	CEO	Board Committee	Board
Board Policy	С	С	R	С			R	R (GC)	A
(applicable to members)									
CEO Compensation							I	C (HRCC)	R/A
Compensation of VPs						I	R	R (HRCC)	A
Guidelines & Technical	С	С	I	R/A	I	С	С		С
Papers									
Staff Technical Papers	I	I	I	С	I	R	A		I
Resource Allocation						R	A	I (FAC)	
and budget									
management									
Standards Development	С							R (WSC)	A
Regional Criteria	С							R (WSC)	A
Special Reliability	I		I	I		R	A		I
Assessments									

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Responsibility and Accountability Matrix

Group

Stakeholders

Individuals and entities that have an interest in the business of WECC, but do not belong to one of the other participant categories (e.g., not a Member, MAC representative, technical committee representative). This group includes statutorily recognized bodies such as the Western Interconnection Regional Advisory Board (WIRAB), as well as members of the public who may desire to respond to public postings.

Member Representative/Alternate Member Representative (Member Rep)

The authorized, designated representative of each WECC Member, or designated alternate or proxy, is the only person authorized to cast the Member's vote with respect to Bylaws amendments, and Director and MAC Representative elections and is the only person authorized to submit comments to WECC on the members behalf. Consultation and information activities are performed via public postings and emails to the Member Rep.

Member Advisory Committee (MAC)

As described in the WECC Bylaws, the MAC is responsible for providing policy advice to the WECC Board of Directors. The MAC executes its responsibilities and accountabilities through the formal, collective action of its members in accordance with the WECC Bylaws. In providing policy advice to the Board, the MAC represents the views of the WECC Membership as a whole.

Technical Committee

Collectively, this refers to the Reliability Assessment Committee (RAC) and Reliability Risk Committee (RRC). Technical committee responsibility and accountability for each listed activity is determined by the nature of the activity with reference to each committee's charter. Where the committee is responsible, appropriate action should be taken by the whole committee. For those activities for which a committee is consulted, communication will typically occur through the committee chair who is then responsible for appropriate dissemination of information. For instance, the RRC may have no formal role in approval of a Board policy not related to the RRC's chartered responsibilities, but the Board Policy process recognizes a consultative role for the RRC, so staff would



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Responsibility and Accountability Matrix

communicate proposed revisions to the RRC chair for further dissemination and, as appropriate, the communication back to staff of RRC member feedback.

Joint Guidance Committee (JGC)

A chartered committee created by the Board of Directors and charged, generally, with ensuring the work of the Reliability Assessment Committee (RAC), Reliability Risk Committee (RRC) and their subgroups are aligned with WECC's strategic direction, objectives, and the priorities approved by the Board.

Vice President (VP)

The Vice Presidents of WECC are appointed by the Board of Directors. VPs are not officers of WECC unless appointed as officers by the WECC Board of Directors. The relevant VP for each activity listed is determined by the nature of the activity, as determined by the CEO. Alternatively, VP responsibility and accountability may refer collectively to all WECC VPs as members of the WECC executive management team.

Chief Executive Officer (CEO)

The WECC CEO is appointed by the WECC Board of Directors.

Board Committee

A committee created and chartered by the WECC Board of Directors for a specified purpose, chaired by a member of the WECC Board of Directors.

Board of Directors (Board)

The WECC Board takes formal action as a body in accordance with the WECC Bylaws.



Responsibility and Accountability Matrix

Role

A = ACCOUNTABLE/APPROVER

"The Buck Stops Here"

The accountable person is the individual or group who is ultimately answerable for the activity or decision. This includes "yes" or "no" authority and veto power. In most cases, only one "A" can be assigned to an action.

R = RESPONSIBLE/RECOMMEND

"The Doer"

The "doer" is the individual(s) or group(s) who completes the task. The "doer" is responsible for action/implementation. Responsibility can be shared. The degree of responsibility is determined by the individual with the "A."

C = CONSULT

"In the Loop"

The consult role is the individual(s) or group(s) (typically subject matter experts) to be consulted prior to a final decision or action. This is a predetermined need for two-way communication. Consultation can be direct or by more widespread means such as public posting for comment. For example, consultation may be made with the RRC chair or with the entire RRC membership, depending on the issue. Consultation implies "I'll be informed, and I'll be heard." Consultation does not imply control, nor does it require consensus.

I = INFORM

"Keep in the Picture"

This is the individual(s) who needs to be informed after a decision or action is taken. They may be required to take action as a result of the outcome. It is a one-way communication.



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Responsibility and Accountability Matrix

Process Examples

- 1. Amend Bylaws—The WECC Bylaws vest the membership with ultimate authority for Bylaws amendments, either by requiring member approval in the first instance or by permitting members to rescind a Board decision to amend the Bylaws. The amendment process may begin with a member, director, or FERC request to amend. Staff, on behalf of the CEO, may draft the requested amendment for consideration and comment to other potential stakeholders, as appropriate. In accordance with the Bylaws, the amendment will be posted in advance of Board and member approval.
- **2. Strategy**—The Board is accountable for ensuring a reasonable strategy is developed and executed to achieve WECC's reliability mission. The CEO and the executive team develop and draft WECC's strategy, with a mechanism for stakeholder engagement and feedback. The Board approves the strategy.
- 3. Director Compensation—The process for determining and setting Director compensation levels is described in WECC Bylaws section 6.4.4. Under the direction of the nominating committee, WECC staff initiate a board of director compensation study every two years. The nominating committee uses the study to formulate an annual director compensation recommendation. The nominating committee conveys its recommendation to the MAC. The MAC use the nominating committee's recommendation to set director compensation for the next year.





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Amend Bylaws	С	A	С				R		R/A
Strategic Planning	I	I	С	I	I	R	R		Α
Corporate Goals						R	R	R (HRCC)	A
Reliability Risk Priorities	С	С	С	С	С	R	R		A
Business Plan & Budget	<u> </u>	I	С	I	I	R	R	R (FAC)	A
Corporate Policy						R	A		I
Director Election		A						R (NC)	
Director Compensation			A					R (NC)	
Board Effectiveness (MAC)			A						I
Board Effectiveness (Board)								R (GC)	A
Board Policy (not applicable to members)							R	R (GC)	A

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								(HRCC)	
Compensation of VPs						I	R	R (HRCC)	A
Guidelines & Technical	C	С	I	R/A	I	С	С		С
Papers									
Staff Technical Papers	I	I	I	С	I	R	A		I
Resource Allocation						R	A	I (FAC)	
and budget									
management									
Standards Development	С							R (WSC)	A
Regional Criteria	С							R (WSC)	A
Special Reliability	I		I	I		R	A		I
Assessments									

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Responsibility and Accountability Matrix

communicate proposed revisions to the RRC chair for further dissemination and, as appropriate, the communication back to staff of RRC member feedback.

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Responsibility and Accountability Matrix

Process Examples

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- **2. Strategy**—The Board is accountable for ensuring a reasonable strategy is developed and executed to achieve WECC's reliability mission. The CEO and the executive team develop and draft WECC's strategy, with a mechanism for stakeholder engagement and feedback. The Board approves the strategy.
- 3. Director Compensation—The process for determining and setting Director compensation levels is described in WECC Bylaws section 6.4.4. Under the direction of the nominating committee, WECC staff initiate a board of director compensation study every two years. The nominating committee uses the study to formulate an annual director compensation recommendation. The nominating committee conveys its recommendation to the MAC. The MAC use the nominating committee's recommendation to set director compensation for the next year.





WECC Board of Directors Review of June 11, 2024, Closed Session

Verbal Update Ric Campbell, Chair June 12, 2024



James B. Robb

NERC President and Chief Executive Officer

James B. Robb assumed the role of NERC's president and chief executive officer (CEO) in April 2018. Robb oversees NERC's mission of assuring the reliability and security of the North American bulk power system. As president and CEO, Robb leads the Electric Reliability Organization (ERO) responsible for key programs, including those programs focused on development of mandatory NERC Reliability Standards, the Compliance

Monitoring and Enforcement Program, situational awareness, event and risk analysis, reliability assessments and forecasting, and cyber and physical security, affecting approximately 1,400 bulk power system users, owners, and operators. He is also responsible for the performance of the Electricity Information Sharing and Analysis Center (E-ISAC) and key government partnerships.

As CEO, he is the chair of the ERO Enterprise Executive Committee, which oversees the operations of the six Regional Entities that support the reliability mission across North America. Robb joined the ERO Enterprise in 2013 when he was appointed the president and CEO of the Western Electricity Coordinating Council (WECC), the Regional Entity serving the Western Interconnection.

Robb has more than 35 years of experience in the energy sector as an engineer, consultant, and senior executive. Prior to becoming WECC's CEO, he held three major leadership roles in the industry as senior vice president at Northeast Utilities (now Eversource Energy); senior vice president at Reliant Energy (now part of NRG Energy); and partner at McKinsey & Company. During his 15-year career at McKinsey, he worked closely with prominent electric power companies in California, western Canada, the Pacific Northwest, and the Rocky Mountain states and served clients in Western Europe, South America, and New Zealand. He has been a frequent speaker at industry events on the evolution of the electric power system, cyber security, integration of variable generation, and the increasing interdependency of electric and natural gas reliability.

Robb is a member of the Electricity Subsector Coordinating Council (ESCC) and serves on the United States Energy Association Board as well as a NERC trustee. In 2020, he was appointed chair of the Group of Experts on Cleaner Energy Systems for the United Nations Economic Commission for Europe. He has served on the boards of the Wadsworth Atheneum Museum of Art in Hartford, Connecticut, the Houston Symphony, the Woodland Park Zoo in Seattle, and as a policy advisor to the Bay Area Economic Forum in San Francisco.

Robb earned a bachelor's degree in Chemical Engineering from Purdue University in Indiana and a master's degree in Business Administration from the Wharton School of Business at the University of Pennsylvania in Philadelphia.



CEO Report

June 12, 2024

Melanie Frye

President and CEO

ERO Enterprise Long-term Strategy

Energy

• Effectively leverage a broad range of data and approaches to assist industry in addressing existing bulk power system risks and identifying and preparing for emerging and unknown risks to the grid.

Security

• Maintain cyber- and physical security programs (E-ISAC, Standards, Compliance Monitoring and Enforcement Program (CMEP), technical committee work, outreach and engagement) that are risk-based, efficient, coordinated, and effectively advance the security posture of the industry.

Engagement

• Ensure that the increasingly diverse spectrum of stakeholders find value in engagements with the ERO Enterprise, seek ERO Enterprise expertise to inform their decision-making, and have confidence in the integrity and independence of Enterprise programs.

Agility and Sustainability

• Perform as an effective and efficient team acting in coordination and ensuring its programs and efforts hold value for stakeholders as they manage changing reliability and security risks within the evolving industry landscape.



2

WestTEC Update

- WECC and Western Power Pool have entered into a memorandum of understanding regarding the WestTEC Project
- The proposed WestTEC Project Charter and Regional Partners
 Engagement Plan both identify WECC as a partner in the effort
- Energy Strategies and the WPP will perform the study plan in consultation with WECC
- WECC's Anchor Data Set will be used to establish the primary foundation for the study



FERC, NERC, and Regional Headlines

FERC

- Senate committee clears three nominees: Judy Chang, David Rosner, and Lindsay See
- Order No. 1920, Building for the Future through Electric Regional Transmission Planning and Cost Allocation

NERC

- 2024 Summer Reliability Assessment released
- Two executives, Manny Cancel and Stan Hoptroff, announced their retirement

Regional

- Pacific Northwest Utilities Conference Committee's 2024 Northwest Regional Forecast released; projects demand to increase more than 30% in the next 10 years
- Western Resource Adequacy Program (WRAP) delays move to binding program by one year, to 2027
- SPP files Markets+ tariff at FERC
- PacifiCorp formally committed to the California ISO's Extended Day-Ahead Market (EDAM) in late April, while
 Idaho Power and Portland General Electric signaled their intent to join EDAM
- BPA staff issues recommendation to join SPP Markets+



4

International Updates

British Columbia

WECC is conducting three compliance audits and six guided Self-Certifications in 2024.
 WECC continues to work closely with the BCUC on various registration, compliance monitoring, enforcement-related activities, and provides outreach on key activities.

Alberta

WECC conducted one compliance audit in Alberta in 2024. WECC continues to work closely
with the MSA on compliance monitoring and provides outreach on key activities.

Mexico

• WECC continues to pursue a contract with CENACE and CRE through CENACE's BA in the Baja California region—GCRBC. There appears to be continued progress, albeit at a slow pace. CENACE had successful meetings with CRE in Mexico City in May, with CRE stating its intent to formalize an agreement in 2024. Because there is not an agreement in place, WECC has no audits scheduled in Mexico.

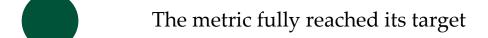


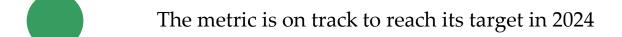
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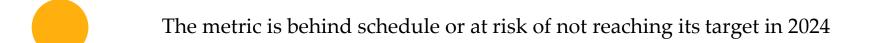
2024 Scorecard Dashboard



Metrics Legend







The metric will not reach its target in 2024



FOCUS AREA METRICS INITIATIVES NOT COMPLETED ON TRACK COMPLETED FA1: Innovate and expand risk-based focus in all standards, compliance monitoring, and enforcement actions NOT ON TRACK COMPLETED COMPLETED FA2: Assess and initiate action to mitigate known and emerging risks to the reliability and security of the Western Interconnection 5 ON TRACK COMPLETED COMPLETED FA3: Strengthen engagement with the reliability and security community in the Western Interconnection NOT COMPLETED ON TRACK COMPLETED FA4: Seize opportunities for effectiveness, efficiency, and continuous improvements NOT ON TRACK COMPLETED COMPLETED FA5: Build the capability and culture that enable WECC to deliver on its critical reliability mission 3

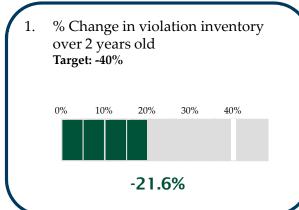
Focus Area 1

Innovate and expand risk-based focus in all standards, compliance monitoring, and enforcement actions

Outcome 1: Western viewpoints represented and incorporated in standards development

1. Standards drafting teams that have Western representation Target: 100%

Outcome 2: Effective and efficient implementation of risk-based monitoring and enforcement activities

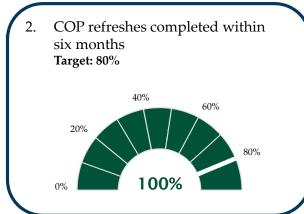


2. Standards under development on which WECC comments
Target: 100%

50%

75%

100%



Initiatives

Outcome 1

Develop a data-driven process based on feedback from CMEP activities for evaluating effectiveness of Standards and feedback mechanism

Outcome 2

- Enhance CMEP oversight strategies with ongoing and tailored outreach assurance activities
- Implement strategies to promote selflogging that results in 10+ new applicants in 2024
- Develop an outreach and engagement strategy with registration and compliance for GO IBR and GOP IBR registrants

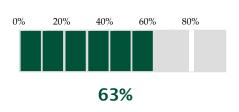
9

Focus Area 2

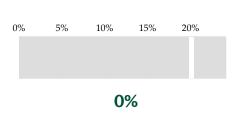
Assess and initiative action to mitigate known and emerging risks to the reliability and security of the Western Interconnection

Outcome 1: Clear understanding of emerging risks and mitigation strategies. High-precision information and models

1. Completion of vetted mitigation strategies to address RRPs
Target: 80%

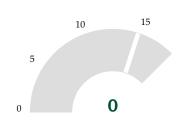


 Power flow model shortcomings resolved vs. total identified Target: 20%



Outcome 2: Use of advanced tools, techniques, and industry subject matter experts to identify system performance trends and vulnerabilities

1. Best practices/guidelines created and risk forums held Target: 15



 Reliability assessments performed Target: 6



Initiatives

Outcome 1

- Publish a Risk Report developed by staff with input from the RRC
- Develop data requirements, reporting procedures and roadmap for creating datasets and models for long-term transmission planning
- Implement data management software solution to increase security and modernized data management

Outcome 2

- Develop and publish revised System Performance Data Portal
- Implement improvements in resource adequacy assessments and include transmission impacts
- Enhance in-hour capacity to perform transfer capability reliability assessment

10

Focus Area 3

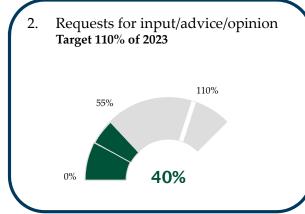
Strengthen engagement with the reliability and security community in the Western Interconnection

Outcome 1: Effective relationships with industry, committee, ERP Enterprise, regulatory, policy and decision-makers, national labs and educational institutions, and the broader reliability and security community

1. Strategic connections/touchpoints
Target: 120% of 2023

90%
120%
60%

38%



Initiatives

Outcome 1

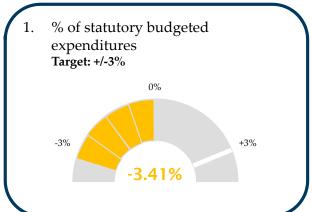
- Implement engagement strategies based on 2023 stakeholder mapping including knowledge gained through the 2023 Annual Meeting
- Improve products on wecc.org by creating digitally dynamic experience with enhanced user interactions
- Develop an outreach strategy targeted to new state officials
 - Enhance the development of the RRPs by incorporating risk work from the RRC and the Risk Analysis Department



Focus Area 4

Seize opportunities for effectiveness, efficiency, and continuous improvement

Outcome 1: Deliver of scorecard results, and development of methods/metrics for ongoing evaluation of effectiveness and efficiency



Outcome 2: Continuous improvement of organizational processes and tools to adapt to changes in the industry

1. New WECC products focused on current RRPs or emerging risks Target: 75%

2. Processes improved using framework Target: 20

5 10 20

Initiatives

Outcome 1

Increase effectiveness of future two years' budget forecasts via the three-year planning project and refine tools and systems for future two years

Outcome 2

Further work on improving clarity and alignment on the Denison organizational learning index and build on continuous improvement framework to foster innovative mindset

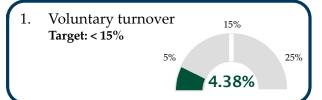
Evaluate current human capital management system to identify areas of improvement and develop a needs analysis for a new system



Focus Area 5

Build the capability and culture that enables WECC to deliver on its critical reliability mission

Outcome 1: WECC is employer of choice, with highly skilled, collaborative, and engaged employees committed to WECC's mission



- 2. Critical skills covered by staff expertise Target: 75%
- 3. Successors and dev. plans for critical positions Target: 40%

Outcome 2: WECC respected as a partner and trusted to produce high-quality, credible, and influential work

1. New collaborative projects with external partners
Target: 7



2. External citations of or references to our technical work
Target: 7



Initiatives

Outcome 1

- Develop and implement dispersed workforce engagement strategy to align with the workforce model
- Evolve the KAMs program and charts by creating formalized and structured competency-based career planning

Outcome 2

Establish organization-wide rotation program to increase internal training and development opportunities







DRAFT ERO Enterprise Long-Term Strategy

June 2024

Introduction

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

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

The electric industry is experiencing a rapid change in how systems are designed, planned, operated, and secured. The future reliability and security ecosystem includes new risks, new complexities, new terminology, new technologies, new requirements, new players, and jurisdictional challenges. With these changes coming faster and more frequently than ever before, it is becoming increasingly challenging for policy makers to effectively balance reliability and security, environmental sustainability, and access and affordability. As the industry landscape changes, the ERO Enterprise is in a unique position to support industry and inform policy makers through this extraordinary time of transformation.

With its collective mission and vision, the regional model is critical to the ERO Enterprise's success. The ERO Enterprise works to leverage its expertise and ensure it functions as a single synchronous machine maximizing the value of separate, but complementary, roles. The ERO Enterprise works to achieve this by engaging in a collaborative process through diverse activities, including ERO Enterprise-wide town halls, joint leadership training sessions, and work among chartered ERO Enterprise collaboration groups. The leadership of the ERO Enterprise has embraced the four foundational value drivers in the graphic to the right and the commitment to succeed by:



- Working together as one team and honoring each of its roles.
- Actively supporting ERO Enterprise activities, while eliminating unnecessary duplication of work.
- Collaborating in developing clear and consistent guidance across the ERO Enterprise.

¹ The Regional Entities include the Midwest Reliability Organization (MRO), Northeast Power Coordinating Council (NPCC), ReliabilityFirst (RF), SERC Reliability Corporation (SERC), Texas Reliability Entity (Texas RE), and Western Electricity Coordinating Council (WECC).

- Sharing information, knowledge, and resources across the ERO Enterprise.
- Developing and sharing harmonized messages across ERO Enterprise communications.
- Supporting innovation, initiatives, and the sharing of best-practices across the ERO Enterprise.

ERO Enterprise Focus Areas

The ERO Enterprise has identified four focus areas for achieving success in its vision and mission:

- Energy: Effectively leverage a broad range of data and approaches to assist industry in addressing existing BPS risks and identifying and preparing for emerging and unknown risks to the grid.
- **Security:** Maintain cyber and physical security programs (E-ISAC, Standards, Compliance Monitoring and Enforcement Program (CMEP), technical committee work, outreach and engagement) that are risk-based, efficient, coordinated, and effectively advance the security posture of industry.
- Engagement: Ensure that the increasingly diverse spectrum of stakeholders find value in
 engagements with the ERO Enterprise, seek ERO Enterprise expertise to inform their
 decision-making, and have confidence in the integrity and independence of Enterprise
 programs.
- **Agility and Sustainability:** Perform as an effective and efficient team acting in coordination and ensuring its programs and efforts hold value for stakeholders as they manage changing reliability and security risk within the evolving industry landscape.

More detail on how the ERO Enterprise will support each of the focus areas is provided below:

Energy: Effectively leverage a broad range of data and approaches to assist industry in addressing existing bulk power system risks and identifying and preparing for emerging and unknown risks to the grid. The ERO Enterprise will support this focus area as follows:

- Actively engage with industry stakeholders as they manage rapid change and evolving threats to create a sense of urgency to proactively implement risk mitigations.
- Develop the necessary process(es) to improve the ERO Enterprise's ability to understand new and emerging technologies and identify new and emerging risks, including supporting and leveraging the broader ecosystem's ability to identify new and emerging risks.
- Maintain sufficient resource levels with requisite skillsets, and acquire and implement new organizational structures, processes, and systems needed to sustain regulatory obligations and address the challenges of the transforming grid.
- Create an environment where industry participants focus on reliability, security, and resiliency as opposed to compliance risk.

Security: Maintain cyber and physical security programs (E-ISAC, Standards, CMEP, technical committee work, outreach and engagement) that are risk-based, efficient, coordinated, and effectively advance the security posture of the industry. The ERO Enterprise will support this focus area as follows:

- Maintain a detailed understanding of the threat landscape and situational awareness and facilitate information sharing across the ERO Enterprise and with key stakeholders.
- Ensure registered entities and other key stakeholders clearly understand the security threat landscape, key risks, and mitigation techniques.
- Through the E-ISAC, monitor and distribute threat intelligence, conduct security briefings as required, and execute the requisite data analysis programs to guide and better inform the Regional Entities, registered entities, and other key external stakeholders.
- Develop a coordinated and integrated security program that reduces security risks and better aligns the related activities conducted by the E-ISAC, IT, Standards, CMEP, technical committees, and Regional Entity outreach.
- Maintain position as a trusted advisor on security-related issues and improve ability to be sought out and inform future regulation.
- Maintain a mature security posture and attract and retain security talent across the ERO Enterprise.

Engagement: Ensure that the increasingly diverse spectrum of stakeholders find value in their engagements with the ERO Enterprise, seek ERO Enterprise expertise to inform decision-making, and have confidence in the integrity and independence of ERO Enterprise programs. The ERO Enterprise will support this focus area as follows:

- Develop high quality relationships with industry stakeholders and policymakers and seek constructive engagement on key reliability and security challenges facing the grid.
- Inform ERO Enterprise strategy and priorities by a deep and expert understanding of the wants and needs of the evolving and diverse stakeholder ecosystem.
- Deliver technically rigorous and intellectually honest insights and analyses in a timely, clear, concise, and compelling manner that inform stakeholders through coordinated and targeted communications.

Agility and Sustainability: Perform as an effective and efficient team acting in coordination and ensuring its programs and efforts hold value for stakeholders as they manage changing reliability and security risk within the evolving industry landscape. The ERO Enterprise will support this focus area as follows:

 Ensure standards development processes and prioritization create alignment on risk mitigation across the ERO Enterprise while being responsive to the changing grid.

- Harmonize the CMEP and Reliability Assessment and Performance Analysis (RAPA) program areas and leverage a common framework that focuses on risk-based efficiency, effectiveness, and agility across the ERO Enterprise.
- Harmonize planning, budgeting, and Information Technology systems, focusing on efficiency, effectiveness, and agility across the ERO Enterprise.
- Leverage evolving technology to improve effectiveness and efficiency of processes and minimize reliability and security risk.
- Leverage the ERO Enterprise in attracting, engaging, and retaining a workforce with
 the appropriate technical and leadership skills needed to execute strategy and
 address the focus areas. Seek top talent, provide opportunities for growth, share
 expertise across the ERO Enterprise, and position the ERO Enterprise organizations as
 "employers of choice."

Conclusion

As the reliability and security ecosystem changes, the ERO Enterprise is in a unique position to support industry in ensuring North American BPS reliability, resilience, and security. These four focus areas — Energy, Security, Engagement, and Agility and Sustainability — will serve as a common input to NERC and Regional Entity business planning processes and are intended to guide the ERO Enterprise throughout multiple business planning and budgeting cycles. ERO Enterprise leadership will revisit these areas periodically to ensure the long-term strategy's relevancy and efficacy, particularly in response to any changes to the ERO Enterprise landscape, as well as emerging reliability and security risks captured through the ERO Enterprise's ongoing monitoring of reliability and the Reliability Issues Steering Committee's processes and biennial report.



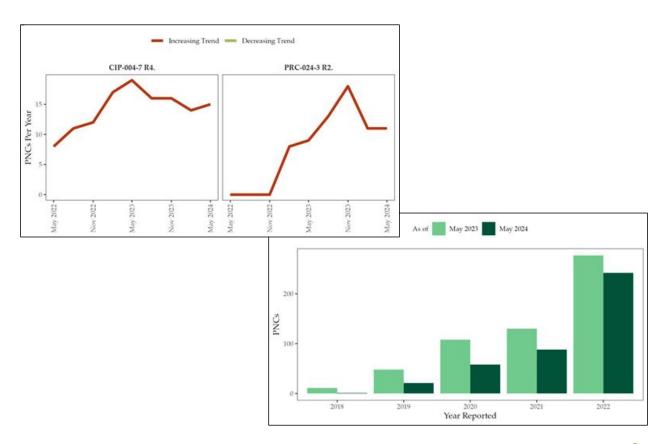
Reliability and Security Oversight Update

June 12, 2024

Steven Noess
Vice President, Reliability
and Security Oversight

Trends Update

- Q2 update posted
- Observations:
 - Self-reports on access management program and voltage protection requirements
 - Aged inventory processing





Inverter-based Resources

- IBR registration work plan
 - Proposed ROP changes filed
 - Outreach efforts
- FERC Order 901 work plan
- Internal task team

IBR Work Plan Milestones

Phase 1: May 2023-May 2024

Revise registration-related sections of ROP. Seek NERC Board and FERC approval. Begin outreach and education with Category 2 GO and GOP candidates.

Phase 2: May 2024–May 2025

Identify registration candidates. Continue outreach and education. Develop approach to establish applicable standards.

Phase 3: May 2025–May 2026

Complete registration activities for Category 2 GO and GOP candidates, including technology updates, training, and onboarding. Notify entities of registration and compliance responsibilities.



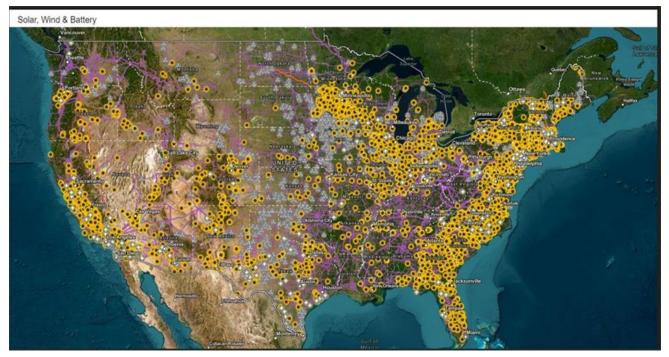
Registration Efforts

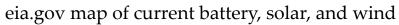
- NERC Rules of Procedure Changes
 - Pending FERC approval
 - Category 2 GO and GOP
- ERO Enterprise efforts
 - Preparing training for the new entities
 - Outreach with road shows across the regions
- WECC Registration team
 - Analyzing the numbers for the new entity data
 - Working with cross-departmental WECC IBR Task Team



Registration Team Efforts

What does the data show?







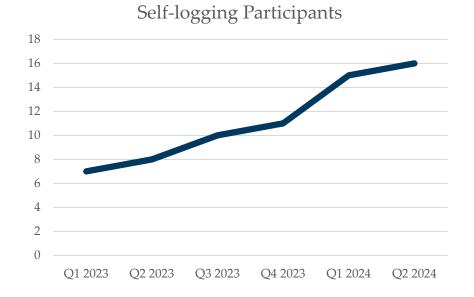
Cold Weather Preparedness

- FERC/NERC review of January 2024 storms
- Preparedness outreach—
 - Prevention
 - Detection
 - Training
- Monitoring engagements



Self-logging

- 16 participants
 - +5 approved since Jan 1
- Candidate outreach
- Training









www.wecc.org



Member Advisory Committee Report to the WECC Board of Directors

Michele Beck, MAC Chair June 12, 2024

MAC Report to the Board—June 12, 2024

Highlights

- MAC Budget Subcommittee presented recommendations to the MAC
- Nominating Committee work continues
- MAC

Purpose

The Member Advisory Committee (MAC) advises the Board of Directors (Board) on any matters the Board requests the committee to evaluate or consider, and advises the Board on policy, business planning, and budgetary matters as the committee deems appropriate.

WECC Board Action Items

No action items.

Current Year Goals

- Review and analyze key reliability issues, providing advice to the Board as warranted.
- Review and provide recommendations on the WECC budget.
- Participate in the Nominating Committee.

Major Accomplishments and Planned Activities

1. MAC Supports the Recommendations of the MAC Budget Subcommittee

The MAC Budget Subcommittee (MBS) provided its recommendations to the MAC on May 20, 2024, for discussion and vote at the special MAC meeting held on May 30, 2024. The MBS summarized the significant analysis it conducted and the collaborative efforts with WECC staff that resulted in refinements of the budget. The MBS explained its rationale for supporting the budget in context of the value WECC brings to ensuring the reliability and security of the Western Interconnection. Some MAC members indicated particular interest in WECC pursuing discussions with NERC to evaluate cost allocations other than Net Energy for Load and revisiting evaluations of how to pursue assessment stabilization.

After discussion and clarifying questions, the MAC agreed on these recommendations as being aligned with WECC's mission "to effectively and efficiently mitigate risks to the reliability and security of the Western Interconnection's bulk power system." The MAC passed a resolution that included the following:

• Support for the 2025 Business Plan and Budget, including the proposed additional seven statutory FTEs, the proposed \$9 million (36%) increase in assessments for 2025 and the



MAC Report to the Board—June 12, 2024

8% increase in 2026 and 2027, and proposed disposition of the unpaid Mexico assessments.

- Recommendation that the WECC Board of Directors approve the 2025 Business Plan and Budget.
- Recommendation that WECC explore with NERC how registered entities are allocated
 the annual assessments, given the current allocation among all load-serving entities
 based on annual Net Energy for Load and the significant increase in the number of
 registered entities related to the growing number of inverter-based resources in the
 West.
- Support for use of \$2.2 million of the Peak Reliability donation for the WestTEC transmission project (to be used as follows—2024: \$500,000; 2025: \$1,500,500; 2026: \$200,000) with the possibility to reduce the amount if the Western Power Pool is awarded a grant from the Department of Energy to fund part of WestTEC.

2. MAC evaluation and input on Reliability Risk Priorities

The MAC discussed the Reliability Risk Priorities, both in substance and process, at its March and April meetings. Through these discussions, the MAC provided informal input to the Board. In general, the MAC was supportive of the changes in process but recommended that the MAC's role could have been better defined and more clearly incorporated in the timeline of the development of the risk priorities and Board decision-making. Individual MAC members also provided specific recommendations on which risk priorities should be included as the priorities.

3. Planned Activities

The MAC plans to continue to focus its meeting discussions on key reliability issues and provide links to major studies, rather than including briefings in its meetings. Upcoming activities also include additional discussion on communication among the MAC and between the MAC and members.





Member Advisory Committee

June 12, 2024

Michele Beck MAC Chair

Business Plan and Budget Recommendations

- Support the 2025 Business Plan and Budget and recommend approval by the Board of Directors
- Recommend that WECC staff explore with NERC how registered entities are allocated the annual assessments
 - Current allocations are to each load-serving entity based on annual Net Energy for Load
 - Significant increase in the number of registered entities related to the growing number of inverter-based resources
- Support using \$2.2 million of the Peak Reliability donation for the WestTEC transmission planning project



MAC Accomplishments and Ongoing Work

- Recent Accomplishments
 - Minor updates to MAC survey of Board effectiveness to reflect lessons learned
 - Reliability Risk Priorities—substantive discussions and informal recommendations to the Board
- Ongoing Work
 - Participation in Nominating Committee
 - Continued focus on key priority issues
 - Discussions on communication among MAC members and between the MAC and all WECC members









WECC Board of Directors Western Interconnection Regional Advisory Body

Verbal Update

Mary Throne, Chair

June 12, 2024



Alberta Arizona Baja California British Columbia California Colorado

WIRAB Advice to WECC on the Preliminary 2024 WECC Reliability Risk Priorities

April 29, 2024, updated May 29, 2024

Idaho Montana Nebraska Nevada

Introduction:

New Mexico Oregon South Dakota Texas Utah

The Western Interconnection Regional Advisory Body (WIRAB) appreciates the opportunity to submit advice to the WECC Board of Directors on the organization's proposed 2024 Reliability Risk Priorities (RRP).

Utah Washington Wyoming

Background:

Mary Throne Chair

In 2023, WECC and the Reliability Risk Committee (RRC) established a process to

Lea Márquez Peterson

identify and analyze risks to the Western Interconnection. This led to the

Vice Chair

creation of the WECC Risk Register, a matrix categorizing and assessing risks, which was used as the foundation for the Reliability Risk Priorities process.

Laura Rennick
Executive Director

On February 29, 2024, WECC hosted a Reliability Risk Priorities Workshop, where

WECC staff engaged stakeholders in discussions and exercises on reliability risks within the Western Interconnection. Participants were asked to prioritize risks during the workshop.

WECC staff took the information it collected from the workshop and created a prioritized list of risks based on three considerations: 1) relevance to the Western Interconnection, 2) potential for unique work, and 3) the opportunity for significant impact. WECC invites stakeholders to comment on the preliminary list in preparation for the WECC Board's Workshop on April 29, 2024.

Specifically, WECC is seeking feedback on two general questions for each preliminary RRP:

- Given the considerations listed above, should the risk be included as a 2024 RRP?
- What kind of unique and valuable work can WECC do to understand the risk? What kind of work does or can WECC do to make a significant contribution to addressing and mitigating this risk?

These RRPs are important because they guide WECC's efforts to address emerging reliability risks in the Western Interconnection.

Preliminary List of Reliability Risk Priorities:

- 1. Aridification and associated natural events: drought, heat events, and wildfires
- 2. Changes in load from electrification
- 3. Cybersecurity interruption to operations
- 4. Inverter-based Resources

- 5. Lack of coordinated planning for building out resources and transmission
- 6. Impacts of large loads
- 7. Modeling quality and input validation
- 8. Physical damage or compromise of system assets
- 9. Potential effects of energy policies in the West
- 10. Supply chain

WIRAB Comments

WIRAB reviewed the risks based on two key principles:

- Is the risk unique to the Western Interconnection?; and
- Can WECC effectively address and mitigate the risk?

All preliminary RRPs are important, and industry stakeholders, WECC, and other entities must assess and minimize these risks. WECC has made progress on addressing RRPs in the past, so prioritizing RRPs that will have the greatest impact on Western Interconnection reliability is essential.

WIRAB Advises the Board to elevate the following RRPs in 2024, based on WIRAB's key principles:

1. Aridification and associated natural events: drought, heat events, and wildfires

What makes this risk unique to the West?

Aridification and natural events, such as drought, heat waves, and wildfires, present significant risks to the Western Interconnection due to the region's climate. The scarcity of water in much of the region requires careful resource management to meet the demands of the economy, environment, and population.

The Western Interconnection relies heavily on hydroelectric power, which provides nearly 27% of its total capacity. Weather-dependent resources such as wind and solar account for another 18%. The performance of these resources is closely tied to precipitation and weather patterns, affecting the reliability of the system.

Climate change is altering temperature, precipitation, and other patterns, leading to potential reliability risks that impact bulk power system planning and operations. Severe droughts, heat waves, and wildfires can immediately disrupt system reliability.

How can WECC contribute to mitigating this risk?

Although WECC cannot control aridification and natural events, it can support the industry in preparing for and understanding the long-term effects and planning for extreme events related to aridification. To address this risk, WECC could study changing trends and assess how long-term patterns should be considered in WECC's reliability assessments.

WECC can collaborate with members and stakeholders, such as the National Labs, to analyze comprehensive datasets on temperature and precipitation trends in the Western Interconnection. Through its stakeholder process, WECC can verify regional changes and update assessment models to evaluate current and future reliability impacts more accurately.

Using this information, WECC should ensure its assumptions are current in the Western Assessment of Resource Adequacy and Reliability Assessment Committee studies to account for climate pattern changes linked to aridification.

Finally, WECC should share its findings with stakeholders across the West to encourage entities to review their weather-sensitive resource planning and operational assumptions. This would enable them to reassess existing models for operations and planning more effectively.

4. Inverter-based Resources

What makes this risk unique to the West?

The Western electric system has a large and growing share of Inverter-Based Resources (IBRs), including wind, solar photovoltaics (PV), and battery storage. These resources account for over 20% of the installed capacity in the Western Interconnection, compared to just 6% in the East. As traditional thermal generation decreases, IBRs are crucial in grid operations, raising questions about reliability.

Joint WECC and NERC reports have identified reliability issues caused by solar PV resources during system disturbances. These reductions were due to factors such as inverter and plant-level controls.

Until recently, NERC Reliability Standards did not include specific requirements for these resources, but FERC Order 901 directed NERC to address the gap. It is important to establish technical requirements for bulk power system reliability.

However, active interconnection and commissioning requirements may lack clarity for IBRs. Ensuring the interconnection process correctly integrates resources into the grid is essential for system reliability.

How can WECC contribute to mitigating this risk?

WIRAB is working on a project assessing the IBR-related risks and potential gaps in the Western Interconnection. This work aims to identify proactive measures that industry stakeholders, including utilities, system operators, WECC, state regulators, and policymakers, can take. WIRAB hopes to partner with WECC in this project to address gaps. WECC can also play a key role in supporting national efforts led by NERC by making sure the Western region has a strong voice in developing NERC standards revisions. In addition, WECC could go beyond national efforts by initiating specific measures tailored to the Western region.

WECC should work with developers and operators to clarify guidelines and ensure inverter-based resource owners follow through on them. It can lead the effort to establish coordinated interconnection requirements for transmission-connected inverter-based resources, ensuring these reliability standards are met during the initial interconnection phase rather than having to address them later through NERC performance standards.

By providing recommendations and support, WECC can help inverter-based resource developers and operators contribute to grid reliability.

5. Lack of coordinated planning for building out resources and transmission

What makes this risk unique to the West?

The Western Interconnection faces challenges from a lack of coordinated planning across transmission and resource planning, as well as operational functions. Unlike other regions, the West does not have Regional Transmission Organizations (RTOs), resulting in separate resource adequacy programs, competing day-ahead and real-time markets, individual balancing authorities, and isolated transmission planning entities.

The region's complex regulatory landscape includes three separate FERC Order 1000 regions and different state policies on resource mixes and greenhouse gas emissions.

Historically, transmission and resource planning in the West have been conducted independently, leading to inefficiencies and missed opportunities for optimal system development. This siloed approach can hinder the creation of a cohesive system that manages diverse regional needs effectively.

Coordinated planning is essential for interconnection-wide analysis and efficient, effective system design. It enables better resource integration, more accurate load forecasting, and improved reliability while supporting the energy transition.

How can WECC contribute to mitigating this risk?

WECC can support coordinated planning across the Western Interconnection, enhancing resource adequacy and system development. As the interconnection-wide model builder, WECC can facilitate comprehensive planning by addressing gaps or inaccuracies in information provided to build interconnection-wide models.

WECC can support the WestTEC effort, aimed at improving transmission expansion and coordination, benefiting the entire region.

Additionally, WECC can increase its capacity to assess resource adequacy in the West, expanding its work in the Western Assessment of Resource Adequacy. WECC may need to assess resource

adequacy during non-binding periods for the Western Resource Adequacy Program (WRAP). This assessment would help manage potential resource shortfalls even when the program is not fully in place.

Evaluating the risks associated with entities choosing not to join WRAP or other resource adequacy programs can provide insights into potential gaps in regional coordination and resource planning. Understanding these risks helps guide entities and inform states on collaborative solutions that enhance reliability and efficiency.

Through its expertise in reliability assessments, WECC can bridge information gaps and support coordinated system assessment capabilities. This leads to a stronger, more resilient electric grid that can meet the region's evolving energy needs.

7. Modeling quality and input validation

What makes this risk unique to the West?

The Western Interconnection's high level of interdependence makes accurate modeling across the region essential for overall system reliability. As the grid transitions from traditional thermal synchronous generation to higher penetrations of inverter-based resources, understanding how these assets perform under different conditions is critical.

Unpredictable performance of inverter-based resources has caused large-scale disturbances on the bulk power system, leading to unexpected generation loss and potential outages. These disturbances often stem from improper modeling and validation of inverter-based resources due to manufacturers' reluctance to share data and lack of mandatory reporting.

Emerging grid-enhancing technologies like long-duration energy storage, dynamic line ratings, and HVDC systems are being integrated into the Western electric system. These technologies require new approaches to assess their impact on bulk power system reliability.

How can WECC contribute to mitigating this risk?

WECC can help mitigate the risk by becoming the go-to source for high-quality, vetted models that entities trust for reliability assessments. WECC can work with IBR developers to gain insight into IBR design and operation under real system conditions.

Standardizing inputs for generation and load/demand forecasts can improve accuracy across entities. WECC can continue improving modeling of behind-the-meter solar and storage and exploring challenges related to long-duration energy storage. WECC can also focus on techniques to model dynamic line ratings and other grid-enhancing technologies.

In May 2024, WECC staff provided their recommendations on the Reliability Risk Priorities. In addition to the four priorities WIRAB has identified above, WECC staff recommended the inclusion of *Potential Effects*

of Energy Policies in the West, as a fifth priority for WECC in the coming year. WIRAB did not include Potential Effects of Energy Policies in the West as one of its top priorities for WECC in the coming year, however WIRAB provides the following comments to the Board for consideration:

9. Potential Effects of Energy Policies in the West

What makes this risk unique to the West?

The Western Interconnection faces unique challenges due to its vast and varied landscape, encompassing multiple states with diverse climates, resources, and energy demands. This diversity extends to a broad spectrum of energy policies, ranging from advanced renewable energy initiatives to the maintenance of traditional energy infrastructures. The interplay between these policies not only influences energy development but also impacts regulatory compliance, economic incentives, and technological adoption, presenting a complex scenario for aligning varied approaches within a coherent framework that supports both regional and national energy goals.

Efficient management and adaptation of these policies are critical for ensuring grid stability, particularly in the face of demands for increased integration of variable energy resources and aging infrastructure. Policies that enhance grid resilience, improve energy efficiency, and facilitate technology upgrades are vital in maintaining an uninterrupted power supply, even more so during extreme weather events. These strategic policies require not only technical solutions but also a regulatory environment that supports efficient and stable energy distribution across diverse jurisdictions.

Strategic inter-state coordination is essential for mitigating potential risks associated with diverse policy and to fully leverage the diverse energy resources of the region. This underscores the importance of developing custom, region-specific strategies which are designed to meet the distinct needs and conditions of the Western Interconnection.

How can WECC contribute to mitigating this risk?

WECC can leverage its analytical capabilities to provide support in understanding and predicting the impacts of diverse energy policies on grid reliability and resiliency. This includes developing comprehensive assessments that help visualize how varying energy policies interact and affect the grid's performance. It is crucial, however, that WECC retain its impartiality as it analyzes the impact of energy policy on grid performance.

WECC can play a crucial role in formulating a set of risk management frameworks that aid in the integration of renewable and traditional energy sources. These frameworks ensure that energy policies across the region not only support grid reliability but allow for common understanding between varying state entities.

Conclusion:

WIRAB believes that all preliminary RRPs identified by WECC staff are important, and efforts should be made to mitigate these risks across the industry. Not everything can be a priority, thus WIRAB recommends focusing on the most unique and impactful risks to the West that WECC can effectively evaluate and help mitigate.

Therefore, WIRAB advises the Board to prioritize the following RRPs in 2024:

- 1. Aridification and associated natural events: drought, heat events, and wildfires
- 4. Inverter-based Resources
- 5. Lack of coordinated planning for building out resources and transmission
- 7. Modeling quality and input validation



Alberta Arizona Baja California British Columbia California Colorado Idaho

WIRAB Advice on the WECC 2025 Business Plan and Budget

May 17, 2024

Idaho Montana Nebraska

Nevada
New Mexico
Oregon
South Dakota
Texas
Utah
Washington
Wyoming

Mary Throne

Chair

Lea Márquez Peterson Vice Chair

Laura Rennick
Executive Director

Introduction:

The Western Interconnection Regional Advisory Body (WIRAB) appreciates the opportunity to provide advice on WECC's proposed 2025 Business Plan and Budget (BP&B). Established by the Federal Energy Regulatory Commission (FERC) at the request of Western Governors under Section 215(j) of the Federal Power Act, WIRAB's mandate includes advising FERC, WECC, and the North American Electric Reliability Corporation (NERC) on whether Reliability Standards, governance, fees, and other reliability matters proposed within the western region are reasonable and in the public interest.

The purpose of WECC's proposed 2025 BP&B is to allocate funding to enable the organization to fulfill its statutory responsibilities and its mission to effectively manage risks to the reliability and security of the Western Interconnection. With

a proposed statutory budget of \$39.716 million for 2025, representing a 12.2 percent increase over the 2024 budget, WECC aims to address emerging challenges and bolster its operational capabilities.

Notably, the proposed statutory assessment to Load Serving Entities (LSEs) for 2025 is set at \$34.0 million, marking a significant 36 percent increase from 2024. Unlike previous years, where penalty sanctions from Reliability Standard violations offset these assessments, 2025 anticipates no penalty dollars to mitigate the burden on LSEs. This marks one of the only times penalties have not been levied in a budget year since the enforcement of mandatory reliability standards.

Key drivers behind the statutory budget increase, as outlined in WECC's line-item budget, include:

- (1) **Personnel Expenses:** A \$2.618 million increase primarily attributed to the addition of 7.0 Full-Time Equivalents (FTEs), along with budgeted merit and equity pools, and adjustments for labor, taxes, and benefits.
- (2) **Transmission Planning Project:** A \$1.5 million increase allocated to a collaborative transmission planning project with WPP and WestTEC to address evolving infrastructure needs.
- (3) **Travel Costs:** A \$313,000 increase driven by a distributed workforce, increased FTEs, inflationary travel expenses, and on-site requirements for oversight activities.
- (4) **Meeting Expenses**: A \$30,000 increase reflecting rising costs associated with organizational meetings due to inflation.
- (5) IT Consulting Projects: A \$303,000 decrease due to the completion of projects in preceding years.
- (6) **Software Licenses**: A \$229,000 increase due to escalation in software maintenance and licensing.

- (7) Board Compensation: A \$68,000 increase due to MAC approved Board compensation.
- (8) **Indirect Costs Allocation**: A \$168,000 decrease attributed to more indirect costs being allocated to non-statutory programs.

Additional changes contribute to an approximate \$54,000 overall increase in the statutory budget.

WECC's statutory funding projections for 2025 include:

(1) Statutory Assessments: \$34,000,000(2) Penalty Sanctions to be released: \$0(3) Workshop & Miscellaneous fees: \$532,500

(4) Interest: \$1,000,000

(5) Peak Donation Reserves: \$1,500,000

(6) Reserves: \$2,728,000

Comments and Recommendations:

WIRAB provides the following comments and recommendations regarding WECC's 2025 BP&B:

 WIRAB supports WECC's proposal to augment the Compliance Monitoring and Enforcement Program (CMEP) by adding 4.0 FTEs. This strategic increase in staffing is essential to ensure that the program area can effectively address the growing workload associated with CMEP activities.

The CMEP team at WECC plays a pivotal role in monitoring and enforcing compliance with mandatory FERC-approved NERC Reliability Standards among Registered Entities. With responsibility for overseeing over 400 registered owners, operators, and users of the Bulk Electric System (BES), the CMEP's work is paramount to fulfilling WECC's mission. However, as the industry landscape evolves, so do WECC's needs and priorities, necessitating adjustments to meet the demands of the sector.

WECC has observed a continuous uptick in entity registrations, primarily driven by Reliability Standard changes targeting inverter-based resources. In response to this trend, WECC proposes to bolster the CMEP by adding 4.0 FTEs. These additions include an enforcement engineer and an enforcement attorney to enhance bench strength, reduce the backlog in enforcement inventory, and manage the increased workload stemming from the self-logging program. Additionally, a compliance program coordinator is proposed to support the escalating workload associated with increased registrations and heightened expectations of the CMEP. A registration and certification manager also will be appointed to oversee the registration and certification staff as a dedicated team within the oversight planning group, reflecting the burgeoning workload in this domain.

In recent years, WECC has made concerted efforts to enhance staffing and expertise within the CMEP. These endeavors have resulted in increased staff competency and engagement across various areas, including operations and planning standards, critical infrastructure protection (CIP) standards, internal controls design and implementation for registered

entities, self-logging programs, proactive engagement, training, and entity risk assessments.

Given the escalating complexity of the dynamic grid landscape and compliance programs, adequate staffing within the CMEP is imperative to ensure robust oversight of Registered Entities. Furthermore, WECC's proactive engagement and risk-based compliance approach necessitates a team of skilled staff members capable of assisting registered entities in navigating reliability challenges, thereby mitigating overall system risk within the Western Interconnection.

In light of these considerations, WIRAB supports WECC's proposal to add 4.0 FTEs to the CMEP. Recognizing the pressure that the additional workload will place on this program area, WIRAB acknowledges the importance of these regulatory changes and stands behind WECC's proactive measures to bolster its compliance monitoring and enforcement capabilities.

2. WIRAB supports WECC's initiative to strengthen its Reliability Assessment and Performance Analysis (RAPA) program area by adding 1.0 FTE with specialized expertise in electromagnetic transient (EMT) modeling.

The RAPA department at WECC plays a pivotal role in conducting a diverse array of studies and assessments crucial for the reliable planning and operation of the Bulk Electric System (BES) in the Western Interconnection. Collaborating closely with stakeholders, WECC RAPA staff strategizes to identify and mitigate potential risks to the system. Through a range of assessments, analyses, and studies, they provide invaluable insights essential for the reliable functioning of the BPS in the Western Interconnection. Moreover, by compiling and disseminating data and information, RAPA staff supports regional and local planning efforts, ultimately enhancing the region's overall ability to evaluate and address reliability risks.

In the 2025 BP&B, the request for an additional FTE in the RAPA program area reflects the organization's proactive response to the evolving landscape of resource changes impacting reliability. The accelerated pace of these changes underscores the need for sophisticated models and analytics. Particularly, as inverter-based resources become increasingly prevalent, the development of enhanced models, including EMT modeling, becomes imperative to uphold BPS reliability. Therefore, WECC's pursuit of an additional FTE with specialized expertise in EMT modeling is well-founded.

WIRAB has consistently championed WECC's endeavors to enhance assessments affecting the reliable operation of the bulk power system. By investing in improved models, WECC not only strengthens its own assessment capabilities but also delivers significant value to stakeholders across the West. These advanced models serve as invaluable tools for enhancing assessments and are instrumental in fostering collaboration and knowledge-sharing among stakeholders.

In light of these considerations, WIRAB believes WECC adequately justified the request in augment the RAPA program area with 1.0 FTE specializing in electromagnetic transient modeling. This strategic investment will undoubtedly fortify WECC's ability to conduct robust assessments and contribute to the continued reliability of the Western Interconnection.

3. WIRAB supports WECC's proposed addition of 1.0 FTE to its Training and Outreach program area as it will enable WECC to stay abreast of emerging policy issues and respond effectively to policy drivers, strengthening its connection with policymakers and addressing potential impacts on grid reliability.

The Training and Outreach Program engages directly with stakeholders on topics including Reliability Standards, risk assessments, reliability planning and performance analysis, seasonal preparedness, policy impacts on reliability, grid operations, and security. This program encompasses two departments within the Strategic Engagement group: Training and Outreach, and External Affairs. Both departments work with external stakeholders to support the Compliance Monitoring and Enforcement Program (CMEP) and Reliability Assessment and Performance Analysis (RAPA) by facilitating clear communication, education opportunities, and timely discussions on reliability and security matters.

NERC has named energy policy as a new risk profile with broad implications across various energy and electric sectors. Energy policy can drive rapid changes in bulk power system (BPS) planning and operations, potentially affecting reliability and resilience. WECC should continue to enhance its outreach and collaboration with state commissions, WIRAB, and critical stakeholders. Effective communication, coordination, and collaboration with all key stakeholders are essential to navigate increasingly complex jurisdictional lines. An additional FTE focused on policy issues will empower WECC to respond proactively to policy changes and maintain robust connections with policymakers, ultimately supporting the reliability of the Western Interconnection.

4. WIRAB supports WECC's proposal to increase its Information Technology department by one FTE to provide cloud security expertise due to the rising deployment of cloud-based applications across the organization.

WECC plays a crucial role in housing and managing vital data and systems essential to the secure operations and planning of the Western Interconnection. As such, the organization is not immune to cyber threats and potential attacks targeting critical infrastructure information. With WECC's transition to a distributed workforce model, there is an increased reliance on cloud-based applications for daily operations.

Cloud computing offers significant benefits, such as improved accessibility, scalability, and efficiency in data management and storage. However, these advantages also come with new cybersecurity challenges that require specialized knowledge and skills to address. By investing in an expert in cloud security, WECC can ensure the safety and integrity of its cloud-based systems, mitigating risks of data breaches and cyberattacks. This proactive measure will strengthen the organization's overall cloud-computing capabilities and safeguard critical infrastructure information about the Western Interconnection.

 WIRAB supports the allocation of Peak Reliability Donation Funds to contribute to the financing of the Western Power Pool's (WPP) Western Transmission Expansion Coalition (WestTEC) initiative.

In 2020, Peak Reliability, a non-profit organization overseeing Reliability Coordinator services across most of the Western Interconnection, ceased operations and donated approximately \$3.8 million in financial reserves from its Reliability Services activities to WECC. These funds were originally designated to enhance Peak Reliability Services, specifically focusing on maintaining real-time operational reliability within the Western Interconnection. It's crucial to note that these funds were not intended to support Peak's routine responsibilities as a Reliability Coordinator, but rather to finance special projects aimed at improving reliability within the Western Interconnection beyond the requirements of NERC Standards.

Following Advice from WIRAB, WECC designated Peak Reliability Donation Funds for investment in special projects targeting the reliability and security of the Bulk Power System in the Western Interconnection. WECC devised a structured process to determine the utilization of Peak donations, involving the development of a strategic framework and thematic considerations and soliciting direct stakeholder input to optimize their utilization. Subsequently, WECC allocated approximately \$400,000 in 2022, \$595,000 in 2023, and \$250,000 in 2024 from Peak Donation Funds towards special projects enhancing WECC's data management capabilities and assessment performance.

WECC proposes allocating \$2.2 million in Peak Donation Funds over three budgetary years to further the transmission planning initiative undertaken by the Western Power Pool through its WestTEC project. Within the \$39.716 million 2025 statutory budget, \$1.5 million from Peak Donation Funds is designated to support the WestTEC endeavor, with an additional \$500,000 allocated for 2024 and \$200,000 for 2026. WestTEC represents a collaborative, West-wide effort aimed at formulating an actionable transmission plan to meet the future energy grid's needs. While this effort is included in the statutory budget, it should be viewed as a distinct, fully self-funded project beyond WECC's statutory obligations, thereby resulting in only an approximate \$2.8 million (7.9 percent) year-over-year increase in the WECC statutory budget.

WECC's executive team has maintained transparency with WIRAB and WECC stakeholders throughout the deliberations concerning using Peak Donation Funds for this project. WIRAB acknowledges and values this direct engagement and encourages WECC to ensure that the WestTEC initiative adheres to principles of transparency, independence, and inclusivity, with due consideration for interconnection-wide transmission planning perspectives. Additionally, WIRAB underscores the importance of WECC's continued involvement in the decision-making process to uphold these objectives and advocates for regular reporting on the initiative's progress to the WECC Board and stakeholders.

Given the direct involvement of Western States and Provinces in the WestTEC effort through the Committee on Regional Electric Power Cooperation (CREPC), WIRAB emphasizes the significance of keeping stakeholders informed about progress and seeking WIRAB Advice to ensure the initiative adequately addresses reliability within the Western Interconnection. WECC 2025 Business Plan and Budget May 17, 2024

WIRAB believes that the WestTEC initiative represents a valuable step towards ensuring a reliable transmission system for the future. By upholding principles of transparency, independence, and inclusivity, the initiative can secure social license. Therefore, WIRAB endorses using Peak Reliability Donation Funds to partially finance the WPP's WestTEC effort to formulate an actionable transmission plan to support the future energy grid.

WIRAB supports the proposed Statutory Assessment of \$34 million, a \$9 million (36 percent)
increase over the 2024 assessment, as it appropriately funds WECC's operations and does
not artificially cap the organization's business plan and budget.

The proposed Statutory Assessment for Load Serving Entities (LSEs) in 2025 is set at \$34 million, marking a notable 36 percent increase from 2024. This adjustment is necessary due to WECC's anticipated lack of penalty sanctions collected to offset assessments. In 2023, WECC received significant penalty sanctions totaling over \$18 million for Reliability Standards violations from Western Entities. NERC's policy allows these penalty funds received by June 30 to offset assessments in the following year. WECC offset assessment with the large penalty sanctions over two years with approval from FERC and support from WIRAB. However, in 2025, WECC anticipates no penalty dollars collected by this deadline, marking the first instance of no penalties levied in a budget year since the enforcement of mandatory reliability standards.

WIRAB supports the increase, acknowledging that it may pose a challenge to LSEs that had budgeted based on prior assessments. Nevertheless, WECC's approach to budgeting and setting assessments based on costs is suitable and aligns with the public interest. WECC's transparent Business Plan and Budget process offers LSEs sufficient information and lead time to plan for the upcoming assessment in 2025.

WECC's budget development process has been open and transparent. To further aid in the transition and to the extent it is not already doing so, WIRAB encourages WECC to proactively notify LSEs of the estimated impact of its 2025 assessment compared to 2024, including the rationale for the increase, as soon as the board approves the Draft Business Plan and Budget, in order to provide WECC entities with sufficient time to incorporate the assessment into their budgeting processes and to explain the increase to their decision-makers.

In conclusion, WIRAB supports the proposed Statutory Assessment for 2025 as it ensures WECC's continued ability to operate effectively and uphold reliability standards while allowing LSEs time to adjust to the new budgetary impacts.

Advice:

Following review, WIRAB finds the proposed statutory budget and assessment for 2025 to be reasonable and in the public interest. WIRAB advises that the WECC Board approve WECC's 2025 Business Plan and Budget and Assessment.

Open Session Board Meeting Book - Remarks and Reports <Public>

WECC 2025 Business Plan and Budget May 17, 2024

WIRAB further advises that WECC take extra care to inform and to explain to LSEs, responsible for WECC Assessments, about the anticipated impact of the 2025 Assessment upon approval of the Draft BP&B by the Board. This early notification will enable entities to seamlessly integrate the Assessment increase into their budgeting procedures.



Long-term Strategy Update

June 12, 2024

Jeff Droubay

Background

- WECC adopted its long-term strategy (LTS) in 2020.
- In the four years since then, changes in the Western Interconnection and accompanying risks to reliability have evolved and accelerated.
- It is best practice for an organization to review its long-term strategy every three to five years.
- The ERO Enterprise is revising its long-term strategy.
- Considering this, in March, the Board gave the Executive Team an action to evaluate and refresh WECC's LTS.



WECC's Long-Term Strategy

Vision: A reliable and secure bulk power system in the Western Interconnection

Mission: To effectively and efficiently mitigate risks to the reliability and security of the Western Interconnection's Bulk Power System

Invented Future: WECC is *the* voice of reliability throughout the Western Interconnection

Long-term Strategy: WECC's LTS supports its Vision and Mission and drives WECC intentionally toward its Invented Future

- Aligned with the ERO Enterprise long-term strategy
- Developed with input from WECC's Board, MAC, and other stakeholders

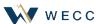


3

Proposed Focus Areas

WECC's Executive Team proposes that WECC adopt the five core tenets of its Invented Future as the five Focus Areas of WECC's LTS.

Invented Future	Current Focus Areas	Draft ERO Enterprise LTS
We are an organization aligned around risk reduction. Our holistic risk- based approach uses all the tools and skills available to deliver comprehensive risk mitigation strategies.	Innovate and expand risk-based focus in all standards, compliance monitoring, and enforcement activities.	Energy
We are sought after as a partner to address the most challenging reliability issues. We deeply understand stakeholder needs and facilitate solutions with input from diverse and often conflicting stakeholder perspectives, focusing our resources on risks that pose the greatest threat to reliability and security.	Strengthen engagement with the reliability and security community in the Western Interconnection.	Engagement
Our insights, analyses, and outreach drive industry action. We are renowned for providing clear and actionable communications supported by data and rigorous analysis.	Assess and initiate action to mitigate known and emerging risks to reliability and security.	Security
Our independent, interconnection-wide perspective is respected and trusted to assure decision-makers that they have a resource neutral partner to rely on.	Strengthen engagement with the reliability and security community in the Western Interconnection.	Engagement
Our highly skilled and engaged employees are champions for reliability.	 Build the capability and culture that enable WECC to deliver on its critical reliability mission. Seize opportunities for effectiveness, efficiency, and continuous improvement. 	Agility and Sustainability



4

Timeline for Long-term Strategy

	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Alignment of Focus Areas to WECC Invented Future and ERO Ent LTS									
Gather and address feedback on Focus Areas									
Share draft ERO Ent LTS with WECC Board and MAC									
Develop Outcomes for each Focus Area									
Develop scorecard metrics and initiatives for each Focus Area									
NERC Posting of ERO Ent LTS for input prior to NERC BOT									
Prepare WECC's draft LTS and Scorecard for Sept. Board meeting									
Presentation of WECC's draft LTS and 2025 Scorecard at Sept. Board meeting for comment									
Proposed endorsement by WECC's Board of the ERO Ent LTS									
Receive and address comments on WECC's LTS and 2025 Scorecard									
Proposed approval by WECC's Board of WECC's LTS and 2025 Scorecard									









Board of Directors Meeting
Approval Item
2024 Reliability Risk Priorities
June 12, 2024

Board Resolution

Resolved, that the WECC Board of Directors (Board), acting at the meeting of the Board on June 12, 2024, approves the 2024 Reliability Risk Priorities as presented and recommended here.

Background

Every two years, WECC engages in a stakeholder-focused process to determine the most pressing reliability risks facing the Western Interconnection, so WECC staff, technical committees, and stakeholders can study, assess, and address those risks. These Reliability Risk Priorities (RRP) are areas of strategic focus for WECC intended to guide its work in the coming years. This process was last done in 2022 and resulted in the identification of, and work to address, the following RRPs:

- 1. Cybersecurity,
- 2. Extreme Natural Events,
- 3. Resource Adequacy, and
- 4. Impact of Changing Resources and Customer Loads on the BPS.

WECC started the process to refresh the RRP list on February 29, 2024, with the stakeholder workshop. At the workshop, stakeholders discussed risks listed on the WECC Reliability Risk Committee's (RRC) Risk Register. The Risk Register represents a joint effort between WECC staff and technical stakeholders to identify and rank risks to the BPS in the Western Interconnection. The process used to develop the register includes risks from sources like NERC's reliability risk profiles. During the Board meeting on March 13, 2024, there was a discussion about the potential benefits of merging the RRP development process with the RRC's risk analysis process, which underpins the Risk Register. The discussion highlighted benefits such as using a dynamic risk identification process instead of a static process, reduction of work duplication, and increased clarity for stakeholders as to when and how they can provide input. Discussion about merging the two processes is ongoing.

Following the stakeholder workshop, WECC staff narrowed the risks down to a list of 10 potential RRPs and released the list for stakeholder comment in April. At the end of the comment period, on April 29, 2024, WECC's Board of Directors held a workshop. The Board discussed the risks informed by stakeholder comments and input from WIRAB and the MAC.

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Approval Item—2024 Reliability Risk Priorities

WECC staff used input from the Board workshop and stakeholders to develop its list of recommended RRPs. On May 10, 2024, WECC staff published its recommendations. WECC staff is seeking approval of the recommended RRPs from the WECC Board at its meeting on June 12, 2024.

Recommendation

Given the input received and the considerations used to prioritize the risks, and considering WECC's ability to materially contribute to the mitigation of the risk, the 2024 proposed RRP list has been narrowed to the following five risks:

- 1. Aridification and associated natural events;
- 2. Impact of inverter-based resources;
- 3. Lack of coordinated resource and transmission planning;
- 4. Modeling quality and input validation; and
- 5. Potential effects of energy policies in the West.

WECC staff recommends that the Board approves the 2024 RRPs as proposed.





Reliability Risk Priorities

June 12, 2024

Kris Raper
Vice President, Strategic
Engagement and External Affairs

2024 RRP Staff Recommendation

- Aridification and associated natural events
- Impact of inverter-based resources
- Lack of coordinated resource and transmission planning
- Modeling quality and input validation
- Potential effects of energy policies in the West



2024 RRP Resolution

Resolved, that the WECC Board of Directors (Board), acting at the meeting of the Board on June 12, 2024, approves the 2024 Reliability Risk Priorities as presented and recommended here.

- Aridification and associated natural events
- Impact of inverter-based resources
- Lack of coordinated resource and transmission planning
- Modeling quality and input validation
- Potential effects of energy policies in the West







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Board of Directors Meeting
Approval Item
2025 Business Plan and Budget
June 12, 2024

Board Resolution

Resolved, that the WECC Board of Directors (Board), acting on the recommendation of the Finance and Audit Committee (FAC) at the meeting of the Board on June 12, 2024, approves the 2025 Business Plan and Budget (BP&B) as presented and attached.

Further resolved, that the Board authorizes the CEO to file the BP&B for regulatory approval when appropriate and to make changes to the BP&B as deemed necessary to prepare the BP&B for regulatory filing and approval.

Background

A draft of the 2025 BP&B was presented to the FAC in March 2024 for preliminary review. On April 26, an updated draft of the 2025 BP&B was posted on the website for a comment period of 15 business days. Aside from the comments of the Member Advisory Committee Budget Subcommittee (MBS) and the Western Interconnection Regional Advisory Body, WECC received eight sets of comments, which were primarily related to the support of the WestTEC transmission planning project and use of Peak Reliability donation reserves to fund the analytical work to support the project. WECC held two webinars to present stakeholders with an overview of the budget and key drivers during the comment period. WECC executives also participated in several teleconferences with the MBS between February and May. All comments are included in the June 2024 FAC meeting materials.

Recommendation

The FAC recommends Board approval of the 2025 BP&B to meet regulatory milestones and to fund operations for the coming year.

Issues and Risks

Failure to meet regulatory milestones could result in a special Board meeting and a delay in funding. The remaining major milestones in the current budget cycle are as follows:

- Early July: Final Board-approved BP&B due to NERC;
- August 14–15: Regional Entity (RE) BP&Bs presented to NERC Board of Trustees for approval;
- Late August: RE BP&Bs submitted to FERC for approval; and
- October/November: FERC Order approving 2025 BP&Bs anticipated.

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Approved by: WECC Board of Directors

Date: June xx, 2024

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Introduction

Introduction

	TOTAL RES (in whole			
	2025 Budge	t U.S.	Canada	Mexico
Statutory FTEs*	175	.0		
Non-statutory FTEs	13	.0		
Total FTEs	188	To be comple	ted after NEL colle	ection
Statutory Budget	\$ 39,325,3			
Non-Statutory Budget	\$ 3,693,3	52		
Total Expenses	\$ 43,018,7	10		
			_	_
Statutory Assessments	\$ 34,000,0	00 #REF!	#REF!	#REF!
Non-Statutory Fees	\$ 3,259,8	75 2,613,626	615,475	30,774
NEL**	#REF!	#REF!	#REF!	#REF!
NEL%	#R	EF! #REF	! #REF!	#REF!

^{*}An FTE is defined as a full-time equivalent employee.

Organizational Overview

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

The Western Interconnection is a geographic area in which the use and generation of electricity are synchronized. This area includes all or part of 14 Western states in the United States, the Canadian provinces of British Columbia and Alberta, and a portion of Baja California Norte, Mexico.

WECC delivers on its mission through:

- Effective risk-based monitoring and enforcement of Reliability Standards through standards development, entity registration and certification, compliance risk assessment, and audits and investigations;
- Informed actions, practices, and decisions of industry participants, regulators, and policymakers through strategic engagement regarding system modeling and information



^{**}NEL is defined as Net Energy for Load.

- sharing, reliability assessments, performance analysis, situation awareness, and event analysis; and
- Targeted training, outreach, and dialogue to build relationships that foster a culture of reliability and security throughout the West.

Three principles guide WECC's business philosophy:

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

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

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

WECC is evolving to better serve stakeholders by:

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

Membership and Governance

WECC has 329 members¹ divided into the following five Membership Classes:

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

¹ As of February 22, 2024.

WECC membership is open to any person or entity that has an interest in the reliable and secure operation of the Western Interconnection BPS. WECC membership is not required for participation in the WECC Standards Development process.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.

Four governance committees provide functional oversight of WECC operations:

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

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

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

2025 Strategic Goals

The electric industry is undergoing profound changes nationally, especially in the West. WECC's role continues to be the voice of reliability and security. WECC works closely with its diverse breadth of stakeholders to build trust, promote transparency, set priorities, and enhance the reliability and security of the Western Interconnection. WECC's focus is to proactively address issues for which the impacts to the Western Interconnection's reliability and security are acute or less understood (e.g., the risk is unique to the Western Interconnection) or for which WECC and its stakeholders (including its technical committees) can make a significant contribution to Western BPS reliability and security. Enhancing our strategic engagement allows WECC to thoughtfully and intentionally interact with stakeholders to ensure WECC's work is targeted and valuable.

WECC's Board-approved <u>Long-Term Strategy</u> 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

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.

to address the reliability and security needs of the Western Interconnection while supporting reliability and security across North America. These two strategy documents, coupled with the ERO Enterprise-driven program areas, will guide the work of WECC in 2025 and beyond.

Additionally, the Board approved the following <u>WECC Reliability Risk Priorities (RRP)</u> at its June 2022 meeting. These risk priorities guide both committee and program-area work plans. Much of the work related to the WECC RRPs involves staff time; examples of activities supporting these priorities are noted in the appropriate statutory program area sections of the business plan. In 2025, these priorities may change depending upon the outcomes of the biennial Reliability Risk Priorities refresh, beginning with the February 2024 stakeholder workshop and culminating with the planned Board approval of updated priorities at its June 2024 Board meeting.

Reliability Risk Priorities

The WECC RRPs approved in 2022 [to be updated based on 2024 RRP Workshop] are further described below.

Cybersecurity

Cyber-threats 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. While cybersecurity threats are not unique to the West, the threat is so pervasive that it will require the focused efforts of all participants. WECC will continue to facilitate efforts to share E-ISAC information, best practices, and lessons learned with all registered entities to mitigate cyber-risks.

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 and widespread hot and 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 to better understand and communicate the reliability and resilience threats.

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

Impact of Changing Resources and Customer Loads on the BPS

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 specifically related to the performance of solar IBRs that demonstrate the need to urgently address this risk.

WECC has been and will 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 customerowned) 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 WECC Board acknowledged this strategy on December 4, 2019, as a valuable input to the WECC strategic planning process and recognized it as a beneficial collaboration by NERC and the Regional Entities. The ERO Long-Term Strategy served as the foundational input for developing WECC's Long-Term Strategy.

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

The ERO Enterprise strives for process consistency when appropriate while recognizing that each Regional Entity addresses reliability in unique ways. The ERO Enterprise model allows Regional Entities to locally address these unique reliability risks and challenges using innovative and distinctive approaches. The ERO Enterprise recognizes that, as the electric industry ecosystem is rapidly evolving,

Introduction

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.





Statutory Budget Overview

2025 Statutory Budget Overview

Over the last decade, the risks to reliability and security increased in complexity and velocity. The rapid pace of change, the introduction of new technologies and the retirement of traditional resources, the challenges to resource adequacy, and more frequent and geographically widespread extreme weather events, coupled with the increasing demand for and reliance on electricity, as well as the continued electrification of the economy, have intensified the need for a reliable, secure, and resilient BPS. The 2025 Business Plan and Budget assumes that all these challenges will continue, as will the ongoing transition to the post-pandemic new normal, where the competition for talent and the increasing costs to attract and retain a highly skilled workforce remain.

Budget and Funding Summary

WECC's proposed 2025 statutory budget is \$39,325,000, a \$3,921,000 (11.1%) increase from the 2024 statutory budget. WECC's proposed statutory assessment is \$34,000,000, a \$9,000,000 (36.0%) increase over the 2024 statutory assessment. Major drivers of the increase in budgeted expenditures are outlined below. The assessment increase is attributed in part to the increase in budget and also to a reduction in penalties available to offset assessments from \$10.1 million in 2024 to \$4,400 in 2025. 2025 funding includes the use of working capital reserves of \$2,508,000, Peak Donation reserves of \$1,500,000, and \$1,704,000 of other income.

Major Budget Drivers

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



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

Meeting Expenses

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

Operating Expenses

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

Peak Reliability Donation

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

Proposed projects are vetted with the executive team and stakeholders via targeted outreach, technical committees, and the Business Plan and Budget (BP&B) process. One major transmission-related project is being explored for inclusion in the 2025 BP&B.

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

Statutory Budget Overview

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

Future projects will be identified in the relevant annual BP&B using a similar stakeholder outreach approach. For projects not anticipated in the annual BP&B and expected to total more than \$500,000, WECC will seek approval from FERC via separate, one-time filings.



Statutory Budget Overview

2024 Statutory Budget and Projection and 2025 Budget

Statement of Acti		es, Fixed Ass 124 Budget &					Work	ing Capital			
			ST	ATUTORY							
						Variance					
					20	24 Budget v					
		2024		2024		24 Projection		2025		Variance	Variance
		Budget		Projection		ver(Under)		Budget		(\$)	(%)
Revenue		0.0		,	_	/		. 0		***	****
Statutory Funding											
WECC Assessments	\$	25,000,000	\$	25,000,000	\$	_	\$	34,000,000	\$	9,000,000	36.00%
Penalties Released ¹	Ψ	10,137,948	Ψ	10,137,948	\$	-	Ψ	4,400	\$	(10,133,548)	-99.96%
	\$		-\$, \$	-	\$	34,004,400	- \$	(1,133,548)	-3.23%
Total Statutory Funding	-	35,137,948	<u> </u>	35,137,948	<u> </u>	<u>-</u>		34,004,400	Þ	(1,133,346)	-3.23 %
Membership Fees	\$	-	\$	-	\$	-	\$	-	\$	-	
Workshops & Miscellaneous		475,250	\$	538,189	\$	62,939.00		703,541	\$	228,291	48.04%
Interest		600,000	\$	1,537,726	\$	937,726.00		1,000,000	\$	400,000	66.67%
Total Revenue (A)	\$	36,213,198	\$	37,213,863	\$	1,000,665	\$	35,707,941	\$	(505,257)	-1.40%
Expenses											
Personnel Expenses											
Salaries	\$	22,648,808	\$	23,261,282	\$	612,474.00	\$	24,449,956	\$	1,801,148	7.95%
Payroll Taxes		1,436,739	\$	1,635,298	\$	198,559.00		1,536,792	\$	100,053	6.96%
Benefits		2,770,166	\$	2,618,111	\$	(152,055.00)		2,934,023	\$	163,857	5.92%
Retirement Costs	_	2,040,273	\$	2,025,460	\$	(14,813.00)	_	2,200,566	\$	160,293	7.86%
Total Personnel Expenses	\$	28,895,986	\$	29,540,151	\$	644,165	\$	31,121,337	\$	2,225,351	7.70%
Meeting Expenses											
Meetings & Conference Calls	\$	604,764	\$	507,165	\$	(97,599.00)	\$	635,316	\$	30,552	5.05%
Travel	Ψ	749,170	\$	684,637	\$	(64,533.00)	Ψ	1,062,145	\$	312,975	41.78%
Total Meeting Expenses	\$	1,353,934	\$	1,191,802	\$	(162,132)	\$	1,697,461	\$	343,527	25.37%
Once the Francisco and the Brancistics											
Operating Expenses, excluding Depreciation		73 0 000		2 102 500		1 271 000 00		4 00= 400		1 1 4 0 500	1.0.210/
Consultants & Contracts	\$	728,900	\$	2,103,709		1,374,809.00	\$	1,897,400	\$	1,168,500	160.31%
Office Rent		1,327,202	\$	1,316,634	\$	(10,568.00)		1,328,263	\$	1,061	0.08%
Office Costs		2,691,307	\$	2,622,912	\$	(68,395.49)		2,949,356	\$	258,049	9.59%
Professional Services		1,261,211	\$	1,238,299	\$	(22,912.00)		1,327,700	\$	66,489	5.27%
Miscellaneous	_		\$		\$		_		\$	-	
Total Operating Expenses	\$	6,008,620	\$	7,281,554	\$	1,272,934	\$	7,502,719	\$	1,494,099	24.87%
Total Direct Expenses	\$	36,258,540	\$	38,013,507	\$	1,754,967	\$	40,321,517	\$	4,062,977	11.21%
Indirect Expenses	\$	(980,785)	\$	(954,257)	\$	26,528	\$	(1,146,873)	\$	(166,088)	16.93%
Other Non-Operating Expenses	\$		\$		\$		\$		\$		
Total Expenses (B)	\$	35,277,755	\$	37,059,250	\$	1,781,495	\$	39,174,644	\$	3,896,889	11.05%
Change in Net Assets (=A-B)	\$	935,443	\$	154,613	\$	(780,830)	\$	(3,466,703)	\$	(4,402,146)	-470.60%
						-					
Fixed Asset Additions, excluding Right of Use Assets (C)	\$	127,040	\$	118,727	\$		\$	150,713	\$	23,673	18.63%
TOTAL BUDGET (B+C)	\$	35,404,795	\$	37,177,977	\$	1,781,495	\$	39,325,357	\$	3,920,562	11.07%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$	808,403	\$	35,886	\$	(780,830)	\$	(3,617,416)	\$	(4,425,819)	-547.48%
FTEs		168.00		168.00		_		175.00		7.00	4.17%
HC		168.00		171.00		3.00		175.00		7.00	4.17%

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).



Statutory Budget Overview

Monetary Penalties

As documented in the NERC Policy *Accounting, Financial Statement and Budgetary Treatment of Penalties Imposed and Received for Violations of Reliability Standards*, penalty monies received on or before June 30, 2024, will be used to offset assessments in the 2025 WECC budget.

WECC received \$19,919,000 in penalty monies between July 1, 2021, and June 30, 2022. Of this amount, WECC obtained FERC approval through the 2023 Business Plan and Budget process to release \$11,219,000 in penalty monies to offset 2023 assessments, with the remaining unreleased penalties of \$8,700,000 to be used to offset and stabilize assessments in 2024.

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

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

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

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



Statutory Budget Overview

Major Budget Drivers—Statutory Programs

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

Reliability Standards

Personnel Expenses

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

Compliance Monitoring and Enforcement and Organization Registration and Certification

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



Statutory Budget Overview

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

Meeting Expenses

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

Office Costs

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

Reliability Assessment and Performance Analysis

Personnel Expenses

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

Consultants and contracts

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

Training and Outreach

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



Statutory Budget Overview

Meeting Expenses

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

Situation Awareness and Infrastructure Security

Personnel Expenses

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

Corporate Services

Corporate Services (in whole dollars) Direct Expenses and Fixed Assets											
	20	24 Budget	20	25 Budget		Increase Decrease)	FTEs 2024 Budget	FTEs 2025 Budget	Increase (Decrease)		
Committee and Member Forums	\$	-	\$	-	\$	-	1	-	-		
General and Administrative	\$	5,703,604	\$	6,110,050	\$	406,446	18.00	19.00	1.00		
Legal and Regulatory	\$	1,077,139	\$	1,142,835	\$	65,696	3.50	3.50	-		
Information Technology	\$	3,836,034	\$	3,810,520	\$	(25,514)	12.00	13.00	1.00		
Human Resources	\$	1,212,919	\$	1,219,717	\$	6,798	4.00	4.00	-		
Accounting and Finance	\$	657,274	\$	718,535	\$	61,261	3.00	3.00	-		
Total Corporate Services*	\$	12,486,970	\$	13,001,657	\$	514,687	40.50	42.50	2.00		

^{*}WECC's 2025 Corporate Services budget (expenses plus fixed assets) is \$13,001,6573 of which \$1,161,660 is allocated to non-statutory activities. As a result of the allocation to the non-statutory function, the Corporate Services expenses included in the 2025 statutory budget are \$11,839,997, which is a \$345,000 increase from the 2024 budget.

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



Statutory Budget Overview

Office Costs

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



Statutory Budget Overview

Personnel—Overview of FTEs and Expenses

Over the last several years, many events have highlighted increasing risks to reliability and security: extreme heat, severe cold weather, cybersecurity breaches, and physical security attacks on substations, to name a few. What used to be considered low probability events have become more frequent and continue to come at an unprecedented pace and complexity. Work associated with these increasing demands is seen in WECC's two primary operational areas: CMEP and RAPA. In both program areas, WECC needs additional specific expertise and resources to effectively work with stakeholders, manage the increasing workload, and minimize risks to the reliability and security of the Western Interconnection. Enhancing our stakeholder interaction, facilitation and outreach will ensure that reliability remains paramount in the discussions with our wide range of stakeholders as the Interconnection transforms to meet policy objectives. As a result, in the 2025 budget, WECC is adding seven statutory FTEs (with an additional two FTEs in its non-statutory program for a total of nine FTEs) and realigning some positions within program areas due to evolving organizational needs and priorities.

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

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



Statutory Budget Overview

		Budget	Budget		
Personnel Expenses		виадет 2024	виадет 2025	Variance \$	Variance %
Salaries					
Salaries	\$	22,648,811	\$ 24,449,956	\$ 1,801,145	8.0%
Employment Agency Fees		-	-	-	
Temporary Office Services		-	-	-	
Total Salaries	\$	22,648,811	\$ 24,449,956	\$ 1,801,145	8.0%
Total Payroll Taxes	\$	1,436,740	\$ 1,536,793	\$ 100,053	7.0%
Benefits					
Workers Compensation	\$	19,800	\$ 19,800	\$ -	0.0%
Medical Insurance		2,465,138	2,591,317	126,179	5.1%
Life-LTD-STD Insurance		114,795	122,759	7,964	6.9%
Education		145,437	172,151	26,714	18.4%
Relocation		-	-	-	
Other		24,996	28,000	3,004	12.0%
Total Benefits	\$	2,770,166	\$ 2,934,027	\$ 163,861	5.9%
Retirement					
Discretionary 401(k) Contribution	\$	2,010,272	\$ 2,170,566	\$ 160,294	8.0%
Retirement Administration Fees		30,000	30,000	-	
Total Retirement	\$	2,040,272	\$ 2,200,566	\$ 160,294	7.9%
Total Personnel Costs	\$	28,895,989	\$ 31,121,342	\$ 2,225,353	7.7%
FTEs		168.0	175.0	7.0	4.2%
1120		100.0	170.0	7.0	11270
Cost per FTE					
Salarie		134,814	\$ 139,714	\$ 4,900	3.6%
Payroll Taxe		8,552	8,782	230	2.7%
Benefit	s	16,489	16,766	277	1.7%
Retiremen	t	12,144	12,575	430	3.5%
Total Cost per FTE	\$	172,000	\$ 177,836	\$ 5,836	3.4%

Explanation of Significant Variances

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



Statutory Budget Overview

Meeting Expenses

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

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

Explanation of Significant Variances

Compliance Monitoring and Enforcement and Organization Registration and Certification

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

Training and Outreach

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



Statutory Budget Overview

Corporate Services

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

Consultants and Contracts

Consultants		Budget 2024	Budget 2025		Variance \$	Variance %
Consultants	_	_		_		
Reliability Standards	\$	- \$	-	\$	-	
Compliance Monitoring and Enforcement and		36.000	12.000		(24,000)	(66.7%)
Organization Registration and Certification		30,000	12,000		(24,000)	(00.7 /0)
Reliability Assessment and Performance Analysis		133,400	1,608,400		1,475,000	1,105.7%
Training and Outreach		-	-		-	
Situation Awareness and Infrastructure Security		-	-		-	
Corporate Services		559,500	277,000		(282,500)	(50.5%)
Consultants Total	\$	728,900 \$	1,897,400	\$	1,168,500	160.3%

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

Explanation of Significant Variances

Reliability Assessment and Performance Analysis

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



Statutory Budget Overview

Corporate Services

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



Statutory Budget Overview

Overview of Changes in Reserves

Working Capital Reserve Analysis STATUTORY											
		Total	Wo	orking Capital Reserve		Unreleased Penalties	Ре	eak Reliability Donation			
Beginning Reserve, January 1, 2024	\$	25,658,712	\$	12,062,711	\$	10,137,948	\$	3,458,053			
Plus: 2024 Funding (from Load-Serving Entities (LSE) or designees) Plus: Penalties released Plus: Penalties received Plus: 2024 Other funding sources Less: 2024 Projected expenses & capital expenditures		25,000,000 - 4,400 2,075,915 (37,177,368)		25,000,000 10,137,948 - 2,075,915 (36,427,368)		- (10,137,948) 4,400 - -		- - - - (750,000)			
Projected Reserve (Deficit), December 31, 2024	\$	15,561,659	\$	12,849,206	\$	4,400	\$	2,708,053			
Plus: 2025 Funding (from Load-Serving Entities (LSE) or designees) Plus: Penalties released Plus: 2025 Other funding sources Less: 2025 Projected expenses & capital expenditures		34,000,000 - 1,703,541 (39,325,357)		34,000,000 4,400 1,703,541 (37,825,357)		- (4,400) - -		- - - (1,500,000)			
2025 Increase(Decrease) in Reserve	\$	(3,621,816)		(2,117,416)	\$	(4,400)	\$	(1,500,000)			
Projected Reserve, December 31, 2025	\$	11,939,843	\$	10,731,790	\$	-	\$	1,208,053			
2025 Expenses and Capital Expenditures Less: Penalties Released Less: Other Funding Sources Change to Working Capital & Peak Reliability Donation Reserves		39,325,357 (4,400) (1,703,541) (3,617,416)									
2025 WECC Assessment	\$	34,000,000									

WECC's Board has approved a Working Capital Reserve balance equal to one to three months of Personnel, Meeting, and Operating Expenses per its Reserve Policy.

In 2025, reserves are being used to fund a portion of the budget. \$2,117,000 of working capital reserves are funding normal operations and \$1,500,000 of the Peak Realibility Donation reserves are funding the WPP/WestTEC transmission planning project.

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



Statutory Budget Overview

Three-Year Budget Projections

	Statement (of Activities an	d Capital Expe	nditures			
	2025 Budge		026 and 2027	Budgets			
		Statut	-				
	2025	2026	\$ Change	% Change	2027	\$ Change	% Change
_	Budget	Projection	25 v 26	25 v 26	Projection	26 v 27	26 v 27
Revenue							
Statutory Funding							
WECC Assessments	\$34,000,000	\$36,720,000	\$ 2,720,000	8.0%	\$39,657,600	\$ 2,937,600	8.0%
Penalties Released	4,400		(4,400)	(100.0%)			
Total Statutory Funding	\$34,004,400	\$36,720,000	\$ 2,715,600	8.0%	\$39,657,600	\$ 2,937,600	8.0%
Membership Fees	\$ -	\$ -	\$ -		\$ -	\$ -	
Workshops & Miscellaneous	703,541	730,166	26,625	3.8%	758,122	27,956	3.8%
Interest	1,000,000	750,000	(250,000)	(25.0%)	750,000		0.0%
Total Revenue (A)	\$35,707,941	\$38,200,166	\$ 2,492,225	7.0%	\$41,165,722	\$ 2,965,556	7.8%
Expenses							
Personnel Expenses							
Salaries	\$24,449,956	\$26,153,052	\$ 1,703,096	7.0%	\$27,323,818	\$ 1,170,766	4.5%
Payroll Taxes	1,536,792	1,652,632	115,840	7.5%	1,676,474	23,842	1.4%
Benefits	2,934,023	3,244,709	310,686	10.6%	3,321,158	76,449	2.4%
Retirement Costs	2,200,566	2,358,719	158,153	7.2%	2,385,442	26,723	1.1%
Total Personnel Expenses	\$31,121,337	\$33,409,112	\$ 2,287,775	7.4%	\$34,706,892	\$ 1,297,780	3.9%
Meeting Expenses							
Meetings & Conference Calls	\$ 635,316	\$ 716,795	\$ 81,479	12.8%	\$ 744,395	\$ 27,600	3.9%
Travel	1,062,145	1,219,484	157,339	14.8%	1,257,711	38,227	3.1%
Total Meeting Expenses	\$ 1,697,461	\$ 1,936,279	\$ 238,818	14.1%	\$ 2,002,106	\$ 65,827	3.4%
Operating Expenses, excluding Depreciation	ı						
Consultants & Contracts	\$ 1,897,400	\$ 738,500	\$ (1,158,900)	(61.1%)	\$ 493,500	\$ (245,000)	(33.2%)
Office Rent	1,328,263	1,364,094	35,831	2.7%	1,404,567	40,473	3.0%
Office Costs	2,949,356	2,952,970	3,614	0.1%	3,137,120	184,150	6.2%
Professional Services	1,327,700	1,375,105	47,405	3.6%	1,451,710	76,605	5.6%
Miscellaneous							
Total Operating Expenses	\$ 7,502,719	\$ 6,430,669	\$ (1,072,050)	(14.3%)	\$ 6,486,897	\$ 56,228	0.9%
Total Direct Expenses	\$40,321,517	\$41,776,060	\$ 1,454,543	3.6%	\$43,195,895	\$ 1,419,835	3.4%
Indirect Expenses	\$ (1,146,873)	\$ (1,187,014)	\$ (40,141)	3.5%	\$ (1,234,494)	\$ (47,481)	4.0%
Other Non-Operating Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	
Total Expenses (B)	\$39,174,644	\$40,589,046	\$ 1,414,401	3.6%	\$41,961,401	\$ 1,372,354	3.4%
Change in Assets	\$ (3,466,703)	\$ (2,388,880)	\$ 1,077,824	(31.1%)	\$ (795,679)	\$ 1,593,202	(66.7%)
Incr(Dec) in Fixed Assets (C)	\$ 150,713	\$ 150,000	\$ (713)	(0.5%)	\$ 160,000	\$ 10,000	6.7%
TOTAL BUDGET (B+C)	\$39,325,357	\$40,739,046	\$ 1,413,688	3.6%	\$42,121,401	\$ 1,382,354	3.4%
TOTAL CHANGE IN WORKING CAPITAL (A	-B-C (3,617,416)	(2,538,880)	1,078,537	(29.8%)	\$ (955,679)	\$ 1,583,202	(62.4%)
FTEs	175.00	180.00	5.00	2.9%	184.00	4.00	2.2%
HC	175.00	180.00	5.00	2.9%	184.00	4.00	2.2%

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





Goals, Budget Assumptions, and Statements of Activities



Reliability Standards

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

Reliability Standards Program

Program Scope, Purpose, and Impact

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

The Reliability Standards Program deliverables include a five-year review of each current RRS, Regional Variance to NERC Reliability Standards, and Regional Criterion. These reviews can result in revisions to the document, retirement of the document if no longer needed for reliability, or a finding that no changes are necessary.

WECC supports the development of Regional Variances to NERC Reliability Standards when it is necessary to address complex Western reliability issues. The variances are required by a physical difference in the BPS or instances in which Western stakeholders want more stringent performance requirements. WECC will only develop an RRS, rather than a variance, when no NERC Reliability Standard exists to address a reliability issue.

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

Regional Criteria may be necessary to implement, augment, or comply with NERC Reliability Standards, but they are not Reliability Standards themselves and are not enforceable. Regional Criteria may include acceptable operating or planning parameters, guides, or other documents used to enhance BPS reliability.

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

2025 Key Budget Assumptions

• The number of RRS projects will remain low, with most focusing on the potential retirement of existing RRSs—due to the subject matter being included in NERC Reliability Standards—and



Reliability Standards

- necessary revisions identified during the five-year review. It is possible, but not likely, that regulatory directives could result in RRS projects.
- Much of the work needed to develop RRSs, Regional Variances to NERC Reliability Standards, and Regional Criteria will continue to be performed by stakeholders.
- Stakeholder volunteers will continue to staff most NERC Standards drafting teams.
- WECC employees may, at times, participate as drafting team members or observers.
- Integration of renewable resources and related energy storage devices has resulted in several new or modified NERC Reliability Standards and could potentially result in new or revised RRSs, or Regional Variances to NERC Reliability Standards.
- WECC supports, and will participate in, the enhanced periodic reviews of NERC Reliability Standards and the NERC Standards Grading effort, when appropriate. WECC standards staff, as well as other subject matter experts, will participate in the grading process.

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



Reliability Standards

Reliability Standards Statement of Activities

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

645,130 238,540 883,670 - 14,118 897,788 479,911 30,188 40,466 42,482 593,047	\$ \$ \$	840,180 100 840,280 - 3,873 22,642 866,795	\$ \$ \$ \$ \$	(\$) 195,050 (238,440) (43,390) - 3,873 8,524 (30,993)	(%) 30.23% -99.96% -4.91% 60.38% -3.45%
238,540 883,670 - 14,118 897,788 479,911 30,188 40,466 42,482	\$ \$	3,873 22,642 866,795	\$ \$ \$ \$	(238,440) (43,390) - 3,873 8,524	-99.96% - 4.91 % 60.38%
238,540 883,670 - 14,118 897,788 479,911 30,188 40,466 42,482	\$ \$	3,873 22,642 866,795	\$ \$ \$ \$	(238,440) (43,390) - 3,873 8,524	-99.96% - 4.91 % 60.38%
238,540 883,670 - 14,118 897,788 479,911 30,188 40,466 42,482	\$ \$	3,873 22,642 866,795	\$ \$ \$ \$	(238,440) (43,390) - 3,873 8,524	-99.96% - 4.91 % 60.38%
883,670 - 14,118 897,788 479,911 30,188 40,466 42,482	\$	3,873 22,642 866,795	\$ \$ \$ \$	(43,390) - 3,873 8,524	-4.91% 60.38%
- 14,118 897,788 479,911 30,188 40,466 42,482	\$	3,873 22,642 866,795	\$ \$ \$	- 3,873 8,524	60.38%
14,118 897,788 479,911 30,188 40,466 42,482	\$	22,642 866,795	\$ \$	8,524	
479,911 30,188 40,466 42,482		22,642 866,795	\$	8,524	
479,911 30,188 40,466 42,482		866,795			
479,911 30,188 40,466 42,482			\$	(30,993)	-3.45%
30,188 40,466 42,482	\$	527 566			
30,188 40,466 42,482	\$	537 566			
30,188 40,466 42,482	\$	527 566			
40,466 42,482		337,300	\$	57,655	12.01%
42,482		33,324	\$	3,136	10.39%
		43,605	\$	3,139	7.76%
593,047		47,843	\$	5,361	12.62%
	\$	662,338	\$	69,291	11.68%
_	\$	_	\$	_	
11,315	Ψ	21,236	\$	9,921	87.68%
11,315	\$	21,236	\$	9,921	87.68%
	ф		¢.		
-	\$	-	\$	-	
2 007		2.057		- F0	1 720/
2,907		2,937		30	1.72%
-		-		-	
2 907	•	2 957			1.72%
2,907	Φ	2,937	Ф		1,72 /0
607,269	\$	686,531	\$	79,262	13.05%
267,487	\$	264,663	\$	(2,824)	-1.06%
-	\$	-	\$	-	
874,756	\$	951,194	\$	76,438	8.74%
23,032	\$	(84,399)	\$	(107,431)	-466.44%
2,990	\$	3,412	\$	422	14.11%
877.746	\$	954-606	\$	76,860	8.76%
20,042	\$	(87,811)	\$	(107,853)	-538.13%
		3.00			2.25
3.00				=	0.00%
	267,487 - 874,756 23,032 2,990 877,746	2,907 \$ 607,269 \$ 267,487 \$ - \$ 874,756 \$ 23,032 \$ 2,990 \$ 877,746 \$ 20,042 \$	2,907 \$ 2,957 607,269 \$ 686,531 267,487 \$ 264,663 - \$ - 874,756 \$ 951,194 23,032 \$ (84,399) 2,990 \$ 3,412 877,746 \$ 954,606 20,042 \$ (87,811)	- \$	2,907 2,957 \$ 50 - - \$ - 2,907 \$ 2,957 \$ 50 607,269 \$ 686,531 \$ 79,262 267,487 \$ 264,663 \$ (2,824) - \$ - \$ - 874,756 \$ 951,194 \$ 76,438 23,032 \$ (84,399) \$ (107,431) 2,990 \$ 3,412 \$ 422 877,746 \$ 954,606 \$ 76,860 20,042 \$ (87,811) \$ (107,853)



Compliance Monitoring and Enforcement and Organization Registration and Certification Program

Program Scope, Purpose, and Impact

The reliability and security of the BPS is the central focus of WECC's mission. The Reliability and Security Oversight department is integral to maintaining that focus and works with a growing number of Registered Entities in the Western Interconnection to promote a strong culture of reliability and security by focusing on known and emerging risks. Program area staff, who are independent of all users, owners, and operators of the BPS, ensure that Registered Entities mitigate risks to the BPS by implementing the NERC Organization Registration and Certification Program (ORCP) and the CMEP. Staff monitors and enforces the NERC Reliability Standards across 4533 registered owners, operators, and users of the BPS through a variety of risk-based activities, delivering consistent, impartial, and meaningful, real-time feedback to the entities.

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

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

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

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

³ As of February 22, 2024.

Compliance in Alberta, British Columbia, and Mexico

Alberta and British Columbia, Canada, and a portion of Baja California Norte, Mexico, are all part of the Western Interconnection and have adopted or are adopting mandatory Reliability Standards based on FERC-approved Standards. WECC has entered into agreements with the Alberta Market Surveillance Administrator (MSA), the British Columbia Utilities Commission (BCUC), and Mexico's Comisión Reguladora de Energía (CRE)⁴, under which WECC performs various compliance monitoring and enforcement activities to help ensure reliability across international borders within the Western Interconnection.

2025 Key Budget Assumptions

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

⁴ WECC has historically entered into an annual agreement with CRE; at the time of this filing, the regulatory environment in Mexico remains uncertain. WECC is monitoring this situation, while using other means to monitor the reliability of the Mexican portion of the BPS, and is engaging with the appropriate Mexican authorities regarding the drafting of a new agreement.

Compliance Monitoring and Enforcement

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

- Enhance CMEP oversight strategies focused on a holistic approach to enhance the efficiency and effectiveness of the ERO Enterprise Risk-Based Framework and enhance Compliance Oversight Plan processes and provide a targeted approach for monitoring and outreach.
- Continue to enhance and improve processing times to reduce backlog and inventory statistics.
- Work with the ERO Enterprise and industry on development and deployment of effective internal controls and internal controls programs to monitor, detect, correct, and report to prevent deficiencies in compliance, reliability, and security.
- Continuously improve program processes and tools to adapt to changes in the industry.
- Deliver quantitative and qualitative results for corporate scorecard items and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Consult with the international compliance enforcement authorities to determine which elements
 of the risk based CMEP could provide value and should be incorporated in the respective
 programs for international entities. Currently, WECC does not conduct IRAs or develop COPs
 for international entities.
- Provide continued outreach and training on the Align tool to staff and Registered Entities.
- Participate in ERO Enterprise collaboration groups to continue to build effective relationships and ensure ORCP and CMEP consistency, where applicable and appropriate, across Regional Entities.
- Complete audits and spot-checks for 31 Registered Entities that include an on-site component.
 Schedule additional monitoring activities (e.g., spot-checks, self-certifications with supporting evidence, investigations, compliance assessments, and complaint evaluations) based on BPS risk.
- Work strategically to enhance and improve tools and techniques to identify, understand, and quantify risk to the BPS sooner in the processing timeline, and use that information to craft more robust and comprehensive mitigation strategies.
- Ensure that WECC provides NERC with timely and accurate information about changes in registrations.



Compliance Monitoring and Enforcement

Compliance Monitoring and Enforcement Statement of Activities

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

COMPLIANCE MONITORING AND ENFORCEMENT AND ORGANIZATION REGISTRATION AND CERTIFICATION

		2024 Budget		2025 Budget	Variance (\$)	Variance (%)
Revenue		Duugei		Duugei	(ψ)	(70)
Statutory Funding						
WECC Assessments	\$	13,892,589	\$	18,701,712	\$ 4,809,123	34.62%
Penalties Released	4	5,804,472	-	2,557	\$ (5,801,915)	-99.96%
Total Statutory Funding	\$	19,697,061	\$	18,704,269	\$ (992,792)	-5.04%
Membership Fees	\$		\$	_	\$ 	
Workshops & Miscellaneous	Ψ	_	Ψ	99,397	\$ 99,397	
Interest		343,529		581,132	\$ 237,603	69.17%
Total Revenue (A)	\$	20,040,590	\$	19,384,798	\$ (655,792)	-3.27%
Expenses	·					
Personnel Expenses						
Salaries	\$	9,910,169	\$	10,754,742	\$ 844,573	8.52%
Payroll Taxes	Ψ	639,015	Ψ	688,366	\$ 49,351	7.72%
Benefits		1,012,416		1,136,519	\$ 124,103	12.26%
Retirement Costs		879,599		954,003	\$ 74,404	8.46%
Total Personnel Expenses	\$	12,441,199	\$	13,533,630	\$ 1,092,431	8.78%
Meeting Expenses						
Meetings & Conference Calls	\$	_	\$	_	\$ _	
Travel	Ψ	323,430	Ψ	606,370	\$ 282,940	87.48%
Total Meeting Expenses	\$	323,430	\$	606,370	\$ 282,940	87.48%
Operating Expenses, excluding Depreciation	·					
Consultants & Contracts	\$	36,000	\$	12,000	\$ (24,000)	-66.67%
Office Rent	4	-	7	,	\$ -	
Office Costs		211,009		315,986	\$ 104,977	49.75%
Professional Services		-		-	\$ -	19.1.070
Miscellaneous		_		_	\$ _	
Total Operating Expenses	\$	247,009	\$	327,986	\$ 80,977	32.78%
Total Direct Expenses	\$	13,011,638	\$	14,467,986	\$ 1,456,348	11.19%
Indirect Expenses	\$	6,508,843	\$	6,793,018	\$ 284,175	4.37%
		0,300,043		0,7 93,010	204,173	4.57 /0
Other Non-Operating Expenses	\$		\$		\$ -	
Total Expenses (B)	\$	19,520,481	\$	21,261,004	\$ 1,740,523	8.92%
Change in Net Assets (=A-B)	\$	520,109	\$	(1,876,206)	\$ (2,396,315)	-460.73%
Fixed Assets, excluding Right of Use Assets (C)	\$	72,736	\$	87,584	\$ 14,848	20.41%
TOTAL BUDGET (B+C)	\$	19,593,217	\$	21,348,588	\$ 1,755,371	8.96%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$	447,373	\$	(1,963,790)	\$ (2,411,163)	-538.96%
FTEs		73.00		77.00	4.00	5.48%
НС		73.00		77.00	4.00	5.48%

Reliability Assessment and Performance Analysis Program

Program Scope, Purpose, and Impact

As the West continues to face ever-growing and complex threats to the reliability and security of the BPS, it is essential that WECC staff and stakeholders collaborate to develop strategies to identify and mitigate these risks. RAPA staff, in conjunction with the technical committees, conducts a variety of assessments, analyses, and studies essential to the reliable planning and operation of the BPS in the Western Interconnection. Additionally, staff compiles and distributes data and information used by WECC and its stakeholders to help with regional and local planning efforts. These integrated assessment and planning activities enhance the West's overall ability to assess and mitigate potential reliability and security risks in the Western Interconnection.

To accomplish its objectives, the program is organized into four departments:

- 1. The **Operations Analysis Department** is responsible for three primary functional areas—Event Analysis, Performance Analysis, and Situation Awareness and Infrastructure Security (SAIS), whose budget is outlined in the SAIS Program. The department analyzes system conditions and events that affect or may affect the reliable operation of the BPS and analyzes the historical operation and performance of the Western Interconnection. The department's activities ensure that stakeholders, NERC, and FERC are well-informed of system events, emerging trends, lessons learned, and expected actions affecting BPS reliability. The analyses are used to assess interconnection-wide risks and vulnerabilities. The information produced helps identify best practices and mitigate potential risks.
- 2. The Risk Analysis and Data Services Department performs two main functions. The first, Risk Analysis, assesses interconnection-wide risks and vulnerabilities at the regional and entity levels. Using information gathered throughout the organization, and in coordination with the technical committees, the department identifies and tracks mitigation activities related to interconnection-wide risks. The second, Data Services, develops meaningful approaches to analyze and visualize information and data for consumption by the entire RAPA program area. The department collects various types of data such as NERC TADS, GADS, MIDAS and supports WECC's performance analysis obligations. Data Services specializes in data visualization used in reports, dashboards, and maps to help convey reliability risks to a wide stakeholder base.
- 3. The **Reliability Assessments Department** performs reliability assessments across multiple platforms, timeframes, and tools. These assessments are performed in close coordination with NERC, WECC's technical committees, and other stakeholders. Assessments include, but are not limited to, historical operation of the Western Interconnection, forward-looking resource adequacy using deterministic and probabilistic methods, power flow and system stability analysis, and transmission utilization. Analysis is performed on a variety of future (up to 20



Reliability Assessment and Performance Analysis

- years out) scenarios of the Western Interconnection. The assessments are designed to address pertinent reliability risks informed by WECC's RRPs and other risks that may affect the reliability of the BPS.
- 4. The Reliability Modeling Department produces and distributes power system models of the Western Interconnection for use both within WECC and by stakeholders to perform reliability assessments. WECC is the NERC-designated, interconnection-wide model builder under the MOD-032 Reliability Standard. The department collects and distributes model data in a variety of formats and across multiple software tools.

The RAPA Program supports NERC's RAPA activities through targeted data gathering and participation in the Summer, Winter, Long-Term Reliability, and special assessments. The program also provides a technical advisory role in studies led by organizations such as national labs, universities, and the Department of Energy.

2025 Key Budget Assumptions

- Staff and technical committees will focus on assessment activities that address the WECC RRPs approved by the Board in June 2022 [to be updated after Board-approval of the 2024 RRPs].
- Staff will respond to unanticipated emerging reliability risks and work with stakeholders to develop timely and meaningful reliability outreach and assessments.
- Staff will continue to participate in many external meetings concerning the reliability, security, and resiliency of the BES.
- Staff will focus on expanding resource adequacy studies and assessments of regional resource adequacy programs and increase stakeholder outreach.
- There will be a focus on continuous improvement and development of staff capabilities. Current capabilities will be reviewed and improved to enhance reliability assessments.
- Regional Risk Assessment results provide input on focus areas in the ERO CMEP Implementation Plan.
- Staff will continue to explore opportunities and implement new activities to provide value in transmission planning.
- The ERO Enterprise will identify ways to incorporate transfer capability analysis into ongoing reliability assessments.
- Transmission planning activities in the West will expand to incorporate longer-term (greater than 10-year) horizons.
- Reliability challenges associated with inverter-based resources and extreme natural events will
 create a need for new data and tools (e.g., EMT programs) to study the impacts of these
 technologies and events.
- Staff will support various NERC reliability assessments and perform additional independent reliability assessments.



Reliability Assessment and Performance Analysis

- Work with technical committees to develop a clear understanding of emerging risks to the BPS and associated mitigation strategies, particularly for the WECC RRPs.
- Ensure high precision of information and models used to assess the reliability of the BPS.
- Use advanced tools, techniques, and industry subject matter experts to identify system performance trends and vulnerabilities.
- Hold reliability and security risk forums.
- Continuously improve program processes and tools to adapt to changes in the industry.
- Deliver quantitative and qualitative results for corporate scorecard items.
- Deliver high-quality and influential work products focused on the WECC RRPs.
- Continue the three-year planning cycle with the JGC to align staff and technical committee work plans in support of the WECC RRPs.
- Ensure that WECC's RRA of the Western Interconnection is aligned with WECC RRPs and is refreshed annually.
- Ensure the Western Interconnection is represented in reliability matters by participating in regional and national stakeholder forums.
- Add value for a wide variety of stakeholders by developing reliability guidelines, technical
 white papers and reports, and reference documents to address emerging issues, operational
 risks, and industry concerns related to system operations and transmission/resource planning.
- Facilitate production cost, dynamic model, electromagnetic transient (EMT), and power flow tool development, focusing on new technology resources and concepts like energy storage and dynamic line ratings.
- Implement technology solutions for enhanced data collection, validation, and storage.
- Support Reliability Standards drafting activities by providing subject matter expertise to appropriate Standards Drafting Teams.
- Promote reliability of the future transmission system in the Western Interconnection by supporting the WestTEC effort.
- Successfully carry out all other RAPA delegated responsibilities.



Reliability Assessment and Performance Analysis

Reliability Assessment and Performance Analysis Statement of Activities

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

RELIABILITY ASSESSMENT AND PERFORMANCE ANALYSIS

		2024		2025 Budget		Variance	Variance	
		Budget		Budget		(\$)	(%)	
Revenue								
Statutory Funding								
WECC Assessments	\$	8,409,843	\$	11,707,572	\$	3,297,729	39.21%	
Penalties Released		3,260,046		1,362	\$	(3,258,684)	-99.96%	
Total Statutory Funding	\$	11,669,889	\$	11,708,934	\$	39,045	0.33%	
Membership Fees	\$	-	\$	-	\$	-		
Workshops & Miscellaneous		-		52,926	\$	52,926		
Interest		192,941		309,434	\$	116,493	60.38%	
Total Revenue (A)	\$	11,862,830	\$	12,071,294	\$	208,464	1.76%	
Expenses								
Personnel Expenses								
Salaries	\$	5,548,711	\$	5,816,351	\$	267,640	4.82%	
Payroll Taxes		355,291		368,322	\$	13,031	3.67%	
Benefits		589,838		589,810	\$	(28)	0.00%	
Retirement Costs		493,293		516,630	\$	23,337	4.73%	
Total Personnel Expenses	\$	6,987,133	\$	7,291,113	\$	303,980	4.35%	
Meeting Expenses								
Meetings & Conference Calls	\$	59,228	\$	38,676	\$	(20,552)	-34.70%	
Travel		215,878		197,585	\$	(18,293)	-8.47%	
Total Meeting Expenses	\$	275,106	\$	236,261	\$	(38,845)	-14.12%	
Operating Expenses, excluding Depreciation								
Consultants & Contracts	\$	133,400	\$	1,608,400	\$	1,475,000	1105.70%	
Office Rent		-		-	\$	-		
Office Costs		505,867		494,713	\$	(11,154)	-2.20%	
Professional Services		-		-	\$	-		
Miscellaneous				-	\$			
Total Operating Expenses	\$	639,267	\$	2,103,113	\$	1,463,846	228.99%	
Total Direct Expenses	\$	7,901,506	\$	9,630,487	\$	1,728,981	21.88%	
Indirect Expenses	\$	3,655,652	\$	3,617,061	\$	(38,591)	-1.06%	
Other Non-Operating Expenses	\$	-	\$	-	\$	-		
Total Expenses (B)	\$	11,557,158	\$	13,247,548	\$	1,690,390	14.63%	
Change in Net Assets (=A-B)	\$	305,672	\$	(1,176,254)	\$	(1,481,926)	-484.81%	
	_	000,012	_	(1)11 0)20 1)		(1)101/320/	10110170	
Fixed Assets, excluding Right of Use Assets (C)		40,852		46,636	\$	5,784	14.16%	
TOTAL BUDGET (B+C)	\$	11,598,010	\$	13,294,184	\$	1,696,174	14.62%	
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$	264,820	\$	(1,222,890)	\$	(1,487,710)	-561.78%	
FTEs		41.00		41.00		-	0.00%	
нс		41.00		41.00		_	0.00%	



Training and Outreach

Training and Outreach Program

Program Scope, Purpose, and Impact

The Training and Outreach Program informs, educates, and interacts directly with stakeholders on a range of topics including Reliability Standards, risk assessments, reliability planning and performance analysis, seasonal preparedness, the impact of policy on reliability, grid operations and security.

This program is comprised of two of the three departments that make up the Strategic Engagement group—Training and Outreach and External Affairs. Both departments work with external stakeholders to facilitate and enhance the work of CMEP and RAPA by ensuring effective communications, education opportunities, and timely dialogue on critical reliability and security matters. Strategic Engagement also focuses on the timely production and distribution of high-quality analyses addressing reliability and security topics of interest and importance to decision-makers throughout the Western Interconnection. An understanding of the dynamics within the Western Interconnection through engagement with WECC's stakeholders is essential to effectively address reliability and security risks.

2025 Key Budget Assumptions

- WECC will host an increasing number of training and outreach events to inform stakeholder awareness of critical reliability issues.
- Two Reliability and Security Workshops will be held in-person at off-site locations.
- One Grid Fundamentals course will be held in-person at the WECC office.
- Virtual Training and Outreach formats will be used where appropriate.
- WECC will increase partnerships and collaboration with the ERO Enterprise where appropriate to expand stakeholder participation and to share subject matter expertise.
- Eventbrite fees for meeting registrations are anticipated to increase.
- WECC will co-host the 2025 Grid Security Conference with NERC.

- Maintain and continue to cultivate effective relationships with industry groups, WECC
 technical committees, ERO Enterprise, federal, state, and provincial regulators, policy- and
 decision-makers, national labs and educational institutions, and the broader reliability and
 security community.
- Participate regionally and nationally (where appropriate) in seminars and conferences to promote the reliability and security of the BPS.
- Increase inclusion of stakeholder perspectives and opportunities for collaboration into the product development process.
- Assist other program areas in ensuring key studies and initiatives are aligned with the WECC Long-Term Strategy and RRPs.



Training and Outreach

- Continue to refine stakeholder engagement and outreach plans.
- Improve program processes and tools continuously to respond to stakeholder feedback and adapt to changes in the industry.
- Increase utilization of digitally dynamic products to improve stakeholder outreach and education.
- Deliver quantitative and qualitative results for corporate scorecard items, and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Deliver Reliability & Security Oversight Monthly Update to educate and collaborate with stakeholders on various oversight activities.
- Conduct webinars and workshops to expand awareness of reliability planning tools, modeling capabilities, and study results.
- Continue to promote and facilitate three Grid Fundamentals courses to teach people who are
 new to the industry how the electric power system works, how it is managed, and how to better
 understand reliability issues.
- Deliver two Reliability & Security Workshops to provide targeted outreach to address and mitigate key risks to reliability and security in the Western Interconnection. Specific topics include:
 - Lessons learned and process improvement for implementation of risk-based concepts;
 - Enforcement trends and statistics; and
 - o Information on audit approach for standards.
- Provide opportunities for further education through webinars and workshops to promote the reliability and security of the Western Interconnection. Topics include:
 - Current and future transmission planning studies throughout the Western Interconnection;
 - Reliability planning tools and modeling capabilities, including base case and production cost model studies;
 - o Contingency studies and analyses;
 - Scenario planning and regulatory issues and trends; and
 - Event analysis.



Training and Outreach

Training and Outreach Statement of Activities

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

		2024 Budget		2025 Budget	•	Variance (\$)	Variance (%)
Revenue		zunger		Zuuger		(Ψ)	(70)
Statutory Funding							
WECC Assessments	\$	1,627,037	\$	2,227,798	\$	600,761	36.92%
Penalties Released	4	675,863	4	315	\$	(675,548)	-99.95%
Total Statutory Funding	\$	2,302,900	\$	2,228,113	\$	(74,787)	-3.25%
Membership Fees	\$	_	\$	_	\$	_	
Workshops & Miscellaneous	•	475,250	•	544,763	\$	69,513	14.63%
Interest		40,000		71,698	\$	31,698	79.25%
Total Revenue (A)	\$	2,818,150	\$	2,844,574	\$	26,424	0.94%
Expenses							
Personnel Expenses							
Salaries	\$	1,145,832	\$	1,310,264	\$	164,432	14.35%
Payroll Taxes		71,219		80,854	\$	9,635	13.53%
Benefits		123,107		136,291	\$	13,184	10.71%
Retirement Costs		101,715		116,505	\$	14,790	14.54%
Total Personnel Expenses	\$	1,441,873	\$	1,643,914	\$	202,041	14.01%
Meeting Expenses							
Meetings & Conference Calls	\$	470,133	\$	525,720	\$	55,587	11.82%
Travel		32,540		46,080	\$	13,540	41.61%
Total Meeting Expenses	\$	502,673	\$	571,800	\$	69,127	13.75%
Operating Expenses, excluding Depreciation							
Consultants & Contracts	\$	-	\$	-	\$	-	
Office Rent		-		-	\$	-	
Office Costs		44,345		68,125	\$	23,780	53.62%
Professional Services		-		_	\$	-	
Miscellaneous		-		-	\$	-	
Total Operating Expenses	\$	44,345	\$	68,125	\$	23,780	53.62%
Total Direct Expenses	\$	1,988,891	\$	2,283,839	\$	294,948	14.83%
Indirect Expenses	\$	757,879	\$	838,100	\$	80,221	10.58%
Other Non-Operating Expenses	\$	-	\$	-	\$	_	
Total Expenses (B)	\$	2,746,770	\$	3,121,939	\$	375,169	13.66%
Change in Net Assets (=A-B)	\$	71,380	\$	(277,365)	\$	(348,745)	-488.58%
Change in 14th 1255th (12 2)		71,000		(277,000)		(8 10): 10)	100.00 /0
Fixed Assets, excluding Right of Use Assets (C)	\$	8,469	\$	10,806	\$	2,337	27.59%
TOTAL BUDGET (B+C)	\$	2,755,239	\$	3,132,745	\$	377,506	13.70%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$	62,911	\$	(288,171)	\$	(351,082)	-558.06%
FTEs	_	8.50	· <u>-</u>	9.50		1.00	11.76%
HC		8.00		9.00		1.00	12.50%



Situation Awareness and Infrastructure Security Program

Program Scope, Purpose, and Impact

The Situation Awareness and Infrastructure Security (SAIS) Program maintains near-real-time awareness of conditions and potential risks to the reliability and security of the BPS in the Western Interconnection. WECC has access to limited near-real-time data through the Situation Awareness for FERC, NERC, and the Regions (SAFNR) tool, the Plant Information (PI) system, and the University of Tennessee Frequency Monitoring NETwork (FNET), as well as messaging systems used by the RCs notifying the SA team when there has been an outage to a line or generation source.

The SAIS Program works to understand system and security issues when they emerge and coordinate with relevant parties (typically NERC and FERC) about the conditions of the BPS. Through this coordination, WECC identifies patterns and trends that will help build a stronger and more resilient system. Staff responds to events by providing coordination, assistance, and communication with the RCs, stakeholders, and NERC SAIS personnel. SAIS work also supports event analysis capabilities.

2025 Key Budget Assumptions

- Cybersecurity and physical security threats will continue to increase as the grid digitizes and evolves. WECC will work with stakeholders and support the E-ISAC, WECC Cyber and Physical Security Forums, and other stakeholder groups to focus on security outreach and education.
- WECC will support NERC and FERC's efforts for situation awareness of current system conditions.
- WECC will maximize sharing of reliability and security data, within agreed parameters, and
 insights from Events Analysis, including near misses, to enhance understanding of reliability
 and security issues, promote operational excellence, promptly share best practices and lessons
 learned, and engage third-party experts to expand capabilities and resources applied to critical
 reliability and security issues.
- Technical stakeholder groups will support the development of lessons learned and recommendations from events and reliability and security risks.

- Continuously improve program processes and tools to adapt to changes in the industry.
- Deliver quantitative and qualitative results for corporate scorecard items.
- Monitor system events, collect information, and coordinate prompt distribution of updates on system events to industry stakeholders and NERC SAIS personnel.
- Work with NERC to monitor system data, weather, and technological developments to understand trends that affect reliability for the near- and long-term horizons.



Situation Awareness and Infrastructure Security

- Coordinate the communication of critical information in daily NERC SAIS meetings and the NERC Crisis Action Plan meetings.
- Support efforts and work to develop and enhance ways to improve the use of SAFNR, the PI system, and other tools to further support SAIS.
- Improve reliability readiness by participating in periodic wide-area security exercises (e.g., GridEx, Monitoring and Situation Awareness Workshop, NERC Alerts).
- Promote rapid and appropriate sharing of situation awareness information to support critical infrastructure security.
- Enhance engagement with Western stakeholders to improve the coordination and sharing of appropriate security information.



Situation Awareness and Infrastructure Security

Situation Awareness and Infrastructure Security Statement of Activities

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

SITUATION AWARENESS AND INFRASTRUCTURE SECURITY

		2024 Budget		2025 Budget	v	ariance (\$)	Variance (%)
Revenue		2 mager		zunger		Ψ)	(70)
Statutory Funding							
WECC Assessments	\$	425,401	\$	522,738	\$	97,337	22.88%
Penalties Released	•	159,027	,	66	\$	(158,961)	-99.96%
Total Statutory Funding	\$	584,428	\$	522,804	\$	(61,624)	-10.54%
Membership Fees	\$	_	\$	_	\$	-	
Workshops & Miscellaneous		_		2,582	\$	2,582	
Interest		9,412		15,094	\$	5,682	60.37%
Total Revenue (A)	\$	593,840	\$	540,480	\$	(53,360)	-8.99%
Expenses							
Personnel Expenses							
Salaries	\$	302,007	\$	314,546	\$	12,539	4.15%
Payroll Taxes		19,875		20,700	\$	825	4.15%
Benefits		31,235		30,426	\$	(809)	-2.59%
Retirement Costs		26,879		27,995	\$	1,116	4.15%
Total Personnel Expenses	\$	379,996	\$	393,667	\$	13,671	3.60%
Meeting Expenses							
Meetings & Conference Calls	\$	-	\$	-	\$	-	
Travel		17,470		19,250	\$	1,780	10.19%
Total Meeting Expenses	\$	17,470	\$	19,250	\$	1,780	10.19%
Operating Expenses, excluding Depreciation							
Consultants & Contracts	\$	-	\$	-	\$	-	
Office Rent		-		-	\$	-	
Office Costs		2,800		3,600	\$	800	28.57%
Professional Services		-		-	\$	-	
Miscellaneous					\$	-	
Total Operating Expenses	\$	2,800	\$	3,600	\$	800	28.57%
Total Direct Expenses	\$	400,266	\$	416,517	\$	16,251	4.06%
Indirect Expenses	\$	178,324	\$	176,442	\$	(1,882)	-1.06%
Other Non-Operating Expenses	\$	-	\$	-	\$	-	
Total Expenses (B)	\$	578,590	\$	592,959	\$	14,369	2.48%
Change in Net Assets (=A-B)	\$	15,250	\$	(52,479)	\$	(67,729)	-444.12%
Change in Net Assets (-A-b)	Ψ	13,230	Ψ	(32,479)	Ψ	(07,723)	-111.12 /0
Fixed Assets, excluding Right of Use Assets (C)	\$	1,993	\$	2,275	\$	282	14.15%
TOTAL BUDGET (B+C)	\$	580,583	\$	595,234	\$	14,651	2.52%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$	13,257	\$	(54,754)	\$	(68,011)	-513.02%
FTEs		2.00		2.00		-	0.00%
НС		2.00		2.00		-	0.00%



Statutory Programs Corporate Services

Corporate Services

	Corporate Services (in whole dollars) Direct Expenses and Fixed Assets														
	20	24 Budget	20	25 Budget) (C	FTEs 2024 Budget	FTEs 2025 Budget	Increase (Decrease)							
Committee and Member Forums	\$	-	\$	-	\$	-	ı	ı	-						
General and Administrative	\$	5,703,604	\$	6,110,050	\$	406,446	18.00	19.00	1.00						
Legal and Regulatory	\$	1,077,139	\$	1,142,835	\$	65,696	3.50	3.50	-						
Information Technology	\$	3,836,034	\$	3,810,520	\$	(25,514)	12.00	13.00	1.00						
Human Resources	\$	1,212,919	\$	1,219,717	\$	6,798	4.00	4.00	-						
Accounting and Finance	\$	657,274	\$	718,535	\$	61,261	3.00	3.00	-						
Total Corporate Services*	\$	12,486,970	\$	13,001,657	\$	514,687	40.50	42.50	2.00						

^{*}WECC's 2025 Corporate Services budget (expenses plus fixed assets) is \$13,001,6573 of which \$1,161,660 is allocated to non-statutory activities. As a result of the allocation to the non-statutory function, the Corporate Services expenses included in the 2025 statutory budget are \$11,839,997, which is a \$345,000 increase from the 2024 budget.

Program Scope, Purpose, and Impact

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

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

These support functions are foundational for the existence and successful operation of the organization. Corporate Services also provides executive leadership, corporate communications, and administrative and technical support for staff, committees, members, and stakeholders.

Method for Allocation of Corporate Services Expenses to Programs

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



Corporate Services

Technical Committees and Member Forums

Program Scope, Purpose, and Impact

WECC undertook technical committee restructuring efforts in 2021 and 2022 to streamline the committee structure and governance and optimize stakeholder engagement. As a result, this budget was merged into the RAPA Program, beginning in 2024, where most of the committee work is facilitated.

General and Administrative

Program Scope, Purpose, and Impact

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

2025 Key Budget Assumptions

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

- 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.



Corporate Services

Legal and Regulatory

Program Scope, Purpose, and Impact

The Legal and Regulatory Program provides coordinated legal services and subject matter expertise to the Board, committees, and staff, in addition to consistent legal interpretations of relevant statutes, regulations, court opinions, and regulatory decisions. This program is also responsible for enterprise risk management: identifying particular events or circumstances relevant to the organization, assessing their likelihood and their magnitude of impact, determining a response strategy, and monitoring risk status over time. On occasion, major efforts may be outsourced to select law firms, but the responsibility for all legal matters remains with Legal and Regulatory. WECC's broad scope of activities requires significant legal support and review. Arranging for legal support is complicated by the technical nature of this developing area of law, and there are many potential areas of conflict prohibiting the use of law firms with energy practices.

2025 Key Budget Assumptions

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

2025 Goals and Deliverables

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

Information Technology

Program Scope, Purpose, and Impact

The Information Technology (IT) Program provides enterprise and desktop systems, applications, security monitoring and support, and technical expertise. This includes physical security and cybersecurity risk mitigation - including end-user training, and operational support for hardware, software, database, system administration, network, data center and cloud operations, email, and telephony. IT implements new technology solutions using staff and external service providers to improve the security, effectiveness, and efficiency of business processes and operations. IT provides resources and tools to enable the organization to meet evolving requirements in support of its mission and delegated responsibilities. System and operational enhancements enable higher levels of security



Corporate Services

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

2025 Key Budget Assumptions

- WECC will increase security capabilities with more access controls and enhanced threat monitoring, detection, and reporting tools due to the ever-changing cybersecurity landscape.
- Internal and external penetration tests on the network and systems will be performed annually.
- IT will select, implement, and train users on a more robust organization-wide data reporting tool for increased data visualization, analytical, and reporting capabilities.
- Consultants will be used for project-based work to augment staff skill sets.
- IT will continue to drive long-term levelized costs by obtaining subscription services for software and infrastructure when practical.
- To retain vendor support and to reduce unplanned outages, desktop computer equipment will be replaced every four years, servers every five years, and network equipment every seven to 10 years.
- IT will continue to work collaboratively to share and make the most of the knowledge across the ERO Enterprise, minimize duplication of effort and investments, and improve operational efficiency, in support of the ERO Enterprise IT Strategy.
- One security analyst is added to provide cloud-focused security analysis, reporting, coordination, and support as more business tools and functions migrate to cloud-based services and integrate artificial intelligence with services and technology.

- Continuously improve program processes and tools.
- Deliver quantitative and qualitative results for corporate scorecard items and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Provide enhanced enterprise data management and reporting tools and communication capabilities.
- Create centralized database service, automated workflow processes, network and traffic monitoring, and other tools to organize a growing volume of electronic data.
- Enhance the capabilities, performance, and security controls for mobile device use and remote workers.
- Continuously improve WECC's security program and posture due to the critical nature of some of WECC's data and evolving cybersecurity risks.
- Provide increased business intelligence and reporting tools to the enterprise.



Corporate Services

Human Resources

Program Scope, Purpose, and Impact

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

2025 Key Budget Assumptions

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

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



Statutory Programs Corporate Services

• Deliver a comprehensive yet affordable benefits package to retain current employees and attract prospective employees while managing costs.

• Expand recruiting efforts through college campus outreach, WECC and industry trainings and meetings, social media platforms, and employee referral programs.

Finance and Accounting

Program Scope, Purpose, and Impact

The Finance and Accounting Program provides accounting and financial analysis and helps coordinate the financial reporting and budgeting cycles with stakeholders. The program is responsible for payroll, accounts payable, accounts receivable, budgeting, forecasting, fixed assets management, banking, cash management, tax filings, and financial reporting. The program reports financial results in a timely and effective manner to help departments recognize and seize opportunities for improvement in current and future activities. Accounting works with stakeholders and provides outreach to help increase understanding of annual budget requests.

2025 Key Budget Assumptions

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

- Continuously improve accounting processes and tools.
- Deliver quantitative and qualitative results for corporate scorecard items, and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Provide regular financial education to the management team and budget managers.
- Identify and implement efficiencies in financial processes and increase the effectiveness of budgeting and financial reporting.
- Help departments effectively manage resources and operate within approved budgets.
- Ensure effective financial controls are in place, including routine monitoring of spending compared to budget.
- Provide quality reporting and financial analysis to managers, executives, the FAC, and the Board.
- Maintain secure and reliable cloud-based software.



Statutory Programs Corporate Services

Corporate Services Statement of Activities

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

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





Goals, Budget Assumptions, and Statements of Activities

Budget Overview

2025 Non-Statutory Budget Overview

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

Budget and Funding Summary

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

Major Budget Drivers

Funding Sources

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

Personnel Expenses

- Two FTE are added due to program growth, program expansion, and new fuel type tracking requirements, which are all being driven by state renewable portfolio standards targets in the coming years.
- 3% merit and 1% equity pools.
- Refinement of payroll tax and benefits enrollment rates and premiums.
- Labor float assumption changes based on actual turnover and vacancy rates.

Meeting Expenses

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

Indirect Expenses

• Indirect Expenses increase due to two new FTEs added in this program and an increase in Corporate Services expenses. Corporate Services expenses are allocated to statutory and non-statutory program areas based on FTEs.



Budget Overview

WREGIS Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2024 Budget & Projection, and 2025 Budget **NON-STATUTORY** Variance 2024 Budget v 2024 2024 2024 Projection 2025 Variance Variance Budget Projection Over(Under) Budget (\$) (%) Revenue Statutory Funding WECC Assessments \$ Penalties Released **Total Statutory Funding** \$ \$ 2,857,000 \$ 2,953,999 \$ 96,999.00 3,077,375 \$ 220,375 7.71% Membership Fees Workshops & Miscellaneous 2,500 \$ (9.224)\$ (11,724.00) 2,500 \$ 0.00% Interest 72,000 324,587 \$252,587.00 180,000 108,000 150.00% Total Revenue (A) \$ 2,931,500 \$ 3,269,362 337,862 \$ 3,259,875 328,375 11.20% Expenses Personnel Expenses 18.97% Salaries 958,109 943,851 \$ (14,258.00) \$ 1,139,845 \$ 181,736 Payroll Taxes 61,639 68,830 \$ 7,191.00 72,898 11,259 18.27% Benefits 144,047 \$ 120,665 \$ (23,382.00) 174,656 \$ 30,609 21.25% 85,154 (706.00)18.96% Retirement Costs 84,448 101,295 16,141 \$ 1,248,949 \$ 1,217,794 (31,155) \$ 1,488,694 239,745 19.20% **Total Personnel Expenses** \$ Meeting Expenses 2.100 \$ (2,100.00) \$ \$ 1,000 23.81% Meetings & Conference Calls \$ 4,200 \$ 5,200 25,880 \$ 22.237 \$ (3,643.00) 46,830 \$ 20,950 80.95% Travel **Total Meeting Expenses** 30,080 \$ 24,337 \$ (5,743) \$ 52,030 \$ 21,950 72.97% Operating Expenses, excluding Depreciation Consultants & Contracts \$ \$ \$ \$ \$ Office Rent \$ \$ Office Costs 984,423 \$ 985,751 \$ 1,328.00 990,968 \$ 6,545 0.66% Professional Services \$ \$ \$ Miscellaneous 0.66% 984,423 985,751 1,328 990,968 6,545 **Total Operating Expenses** \$ \$ **Total Direct Expenses** \$ 2,263,452 \$ 2,227,882 (35,570)\$ 2,531,692 268,240 11.85% 16.93% Indirect Expenses 980,785 954,258 (26,527)\$ 1,146,873 166,088 Other Non-Operating Expenses \$ \$ \$ \$ \$ 13.39%Total Expenses (B) \$ 3,244,237 \$ 3,182,140 (62,097)\$ 3,678,565 434,328 Change in Net Assets (=A-B) (312,737) 87,222 399,959 \$ (418,690) (105,953) 33.88% Fixed Assets, excluding Right of Use Assets (C) (10,960) 14,787 34.92% \$ 10,960 3,827 \$ \$ 3,182,140 TOTAL BUDGET (B+C) \$ 3,693,352 \$ 3,255,197 (73,057)438,155 13.46% TOTAL CHANGE IN WORKING CAPITAL (=A-B-C) \$ (323,697) 87,222 410.919 \$ (433,477) (109,780) 33.91% \$ \$ \$ FTEs 11.00 11.00 13.00 2.00 18.18%



HC

_ 50

18.18%

11.00

13.00

2.00

11.00

Budget Overview

Personnel—Overview of FTEs and Expenses

FTEs are defined as full-time equivalent employees only. Fractional FTEs reflect part-time employees or employees who worked in fewer than all four quarters of the year.

Total FTEs by Program Area	Budget 2024 NON-STAT	Direct FTEs 2025 Budget UTORY	Shared FTEs* 2025 Budget	Total FTEs 2025 Budget	Change from 2024 Budget
Operational Programs					
Total FTEs Operational Programs	-	-	-	-	-
Administrative Programs WREGIS	11.00	13.00	-	13.00	2.00
Total FTEs Administrative Programs	11.00	13.00	-	13.00	2.00
Total FTEs	11.00	13.00	-	13.00	2.00

Overview of Changes in Reserves

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



WREGIS

Non-Statutory Program—Goals and Budget Assumptions WREGIS

Program Scope, Purpose, and Impact

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

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

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

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

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

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

2025 Key Budget Assumptions

WREGIS is funded entirely by user fees and is not subsidized by Section 215 funding. There are several types of user fees. Annual fees are paid by Generator and General Organizations and are based on size (generation capacity) and organization type. Transaction fees are paid by General Organizations. WREGIS also charges fees for ad hoc reporting and e-Tag-related data services.

- Transaction fees are based on organization type.
 - o Approximately 4% of revenues are based on annual fees.



Non-Statutory Program WREGIS

 Approximately 92% of revenues are based on transaction fees, which may depend on factors like weather (wind and solar generation levels) and state regulatory policies (retirement, transfers, etc.).

- Approximately 4% of revenues are attributable to fees for specific, requested functions like tracking e-Tags.
- Revenues vary from year to year, so WREGIS reserves are held to allow for normal operations
 or special large-scale improvements.
- The new software is a cloud-based software as a service product and all costs, including upgrades, maintenance and licenses are built into the monthly fee.
- Interest rates will continue to increase.
- Travel for training and audits will increase after a reduction caused by the COVID-19 pandemic.
- Two analysts are added due to program growth, increasing customer audit requirements, and software needs.

- Continuously improve program processes and tools to adapt to changes in the industry.
- Deliver quantitative and qualitative results for corporate scorecard items and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Maintain compliance with the participating state and provincial programs, and voluntary programs.
- Register program participants.
- Refine and improve data collection to ensure high-quality data.
- Perform four customer audits each for Qualified Reporting Entities and REC holding customers.
- Deliver two in-person customer training sessions and quarterly virtual customer training sessions.
- Deliver one in-person and two virtual Qualified Reporting Entity training sessions.





Appendix

Additional Information

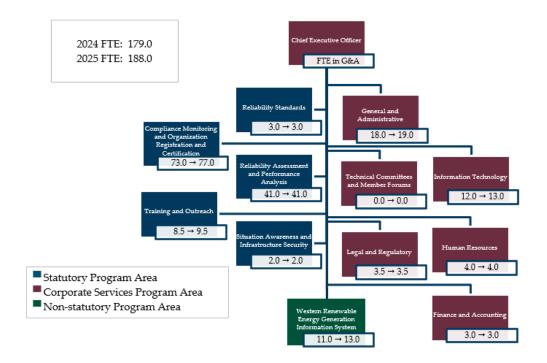
Appendix A

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

									Sta	atutory Functio	ns						Non-Statutory	Functions
Statement of Activities and Capital Expenditures by Program		Total	Statutory Total	Non-Statutory Total		Statutory Total	Reliability Standards	Or Re	ompliance and ganization gistration and ertification	Reliability Assessment and Performance Analysis	Training a Outreac		Situation Awareness ar Infrastructur Security		Corporate Services		n-Statutory Total	WREGIS
Revenue																		
Statutory Funding WECC Assessments Penalties Released Total Statutory Funding	\$	34,000,000 \$ 4,400 34,004,400 \$	4,400	=	\$	34,000,000 4,400 34,004,400	100	\$	18,701,712 2,557 18,704,269	\$ 11,707,572 1,362 \$ 11,708,934		315	6	6	-	\$ 	- \$ - \$	-
, ,								-								_		
Non-statutory Funding Workshops & Miscellaneous Interest Table Programs (A)	\$	3,077,375 \$ 706,041 1,180,000 38,967,816 \$	703,541 1,000,000	\$ 3,077,375 2,500 180,000 \$ 3,259,875	\$ 	703,541 1,000,000 35,707,941	3,873 22,642	\$	99,397 581,132	\$ - 52,926 309,434 \$ 12,071,294	544 71	,763 ,698	2,58 15,09	4	- - -	\$ 	3,077,375 \$ 2,500 180,000 3,259,875 \$	3,077,375 2,500 180,000 3,259,875
Total Revenue (A)	-	30,907,010 \$	35,/0/,941	\$ 3,239,873	-	35,/0/,941	\$ 600,/95	•	19,364,798	\$ 12,0/1,294	\$ 2,044	,3/4	\$ 540,48	0 \$		-	3,239,873 \$	3,239,873
Expenses Personnel Expenses Salaries Payroll Taxes	\$	25,589,801 \$ 1,609,690	24,449,956 1,536,792	\$ 1,139,845 72,898	\$	24,449,956 1,536,792	\$ 537,566 33,324	\$	10,754,742 688,366	\$ 5,816,351 368,322		,264 ,854	\$ 314,54 20,70		5,716,487 345,226	\$	1,139,845 \$ 72,898	1,139,845 72,898
Benefits		3,108,679	2,934,023	174,656		2,934,023	43,605		1,136,519	589,810	136		30,42		997,372		174,656	174,656
Retirement Costs Total Personnel Expenses	\$	2,301,861 32,610,031 \$	2,200,566 31,121,337	101,295 \$ 1,488,694	\$	2,200,566 31,121,337	\$ 662,338	\$	954,003 13,533,630	\$ 7,291,113		,505 ,914	\$ 393,66		537,590 7,596,675	\$	101,295 1,488,694 \$	1,488,694
Meeting Expenses Meetings & Conference Calls Travel	\$	640,516 \$ 1.108,975	635,316 1,062,145	\$ 5,200 46,830	\$	635,316 1,062,145	\$ - 21,236	\$	- 606,370	\$ 38,676 197,585		,720	\$ - 19,25	\$	70,920 171,624	\$	5,200 \$ 46,830	5,20 46,83
Total Meeting Expenses	\$	1,749,491 \$	1,697,461	\$ 52,030	\$	1,697,461	\$ 21,236	\$	606,370	\$ 236,261	\$ 571	,800	\$ 19,25	0 \$	242,544	\$	52,030 \$	52,030
Operating Expenses, excluding Depreciation Consultants & Contracts Office Rent Office Costs Professional Services Miscellaneous	\$	1,897,400 \$ 1,328,263 3,940,324 1,327,700	1,897,400 1,328,263 2,949,356 1,327,700	\$ - - 990,968 - -	\$	1,897,400 1,328,263 2,949,356 1,327,700	\$ - - 2,957 - -	\$	12,000 - 315,986 -	\$ 1,608,400 - 494,713 -		- - ,125 - -	\$ - 3,60	\$	277,000 1,328,263 2,063,975 1,327,700	\$	- \$ - 990,968 -	- - 990,960 -
Total Operating Expenses	\$	8,493,687 \$	7,502,719	\$ 990,968	\$	7,502,719	\$ 2,957	\$	327,986	\$ 2,103,113	\$ 68	,125	\$ 3,60	0 \$	4,996,938	\$	990,968 \$	990,96
Total Direct Expenses	\$	42,853,209 \$	40,321,517	\$ 2,531,692	\$	40,321,517	\$ 686,531	\$	14,467,986	\$ 9,630,487	\$ 2,283	,839	\$ 416,51	7 \$	12,836,157	\$	2,531,692 \$	2,531,69
Indirect Expenses	\$	- \$	(1,146,873)	\$ 1,146,873	\$	(1,146,873)	\$ 264,663	\$	6,793,018	\$ 3,617,061	\$ 838	,100	\$ 176,44	2 \$	(12,836,157)	\$	1,146,873 \$	1,146,87
Other Non-Operating Expenses	\$	- \$		\$ -	\$	-	\$ -	\$	-	\$ -	\$	-	\$ -	\$	-	\$	- \$	-
Total Expenses (B)	\$	42,853,209 \$	39,174,644	\$ 3,678,565	\$	39,174,644	\$ 951,194	\$	21,261,004	\$ 13,247,548	\$ 3,121	,939	\$ 592,95	9 \$		\$	3,678,565 \$	3,678,56
Change in Net Assets (=A-B)	\$	(3,885,393) \$	(3,466,703)	\$ (418,690)	\$	(3,466,703)	\$ (84,399)	\$	(1,876,206)	\$ (1,176,254)	\$ (277	,365)	\$ (52,47	9) \$		\$	(418,690) \$	(418,69)
Fixed Assets, excluding Right of Use Assets (C)	\$	165,500 \$	150,713	\$ 14,787	\$	150,713	\$ 3,412	\$	87,584	\$ 46,636	\$ 10	,806	\$ 2,27	5 \$		\$	14,787 \$	14,78
TOTAL BUDGET (B+C) TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$	43,018,709 \$ (4,050,893) \$			\$	39,325,357 (3,617,416)			21,348,588 (1,963,790)	\$ 13,294,184 \$ (1,222,890)		,745 ,171)			<u>-</u>	\$ \$	3,693,352 \$ (433,477) \$	3,693,352
FTEs HC		188.00 188.00	175.00 175.00	13.00 13.00		175.00 175.00	3.00 3.00		77.00 77.00	41.00 41.00		9.50 9.00	2.0		42.50 43.00		13.00 13.00	13.00 13.00

Appendix B

Appendix B—Organizational Chart—Changes in FTE by Program





Appendix C

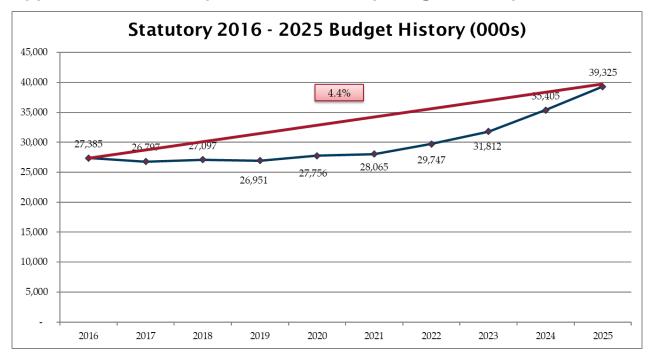
Appendix C—Adjustment to the Alberta Electric System Operator (AESO) Assessment

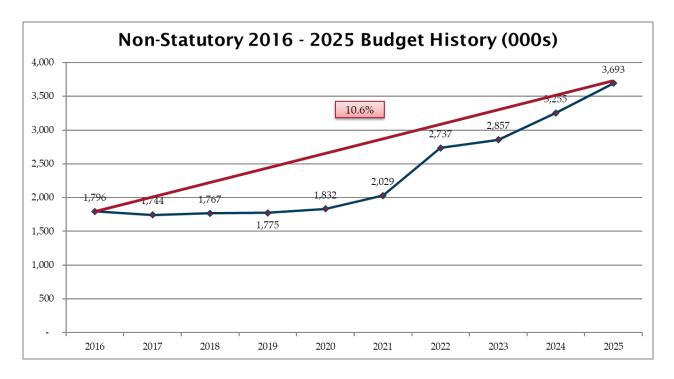
To be calculated and inserted after NEL data is collected.



Appendix D

Appendix D—Statutory and Non-Statutory Budget History Charts





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Board of Directors Meeting

Acceptance Item

2023 Audited Financial Statements

June 12, 2024

Board Resolution

Resolved, that the WECC Board of Directors (Board), acting on the recommendation of the Finance and Audit Committee (FAC) at the meeting of the Board on June 12, 2024, accepts the 2023 Audited Financial Statements as presented and attached.

Background

WECC received a clean opinion on its 2023 financial statements from Eide Bailly, which did not note any material weaknesses or significant deficiencies related to internal controls.

Recommendation

The FAC is recommending Board acceptance of the 2023 Audited Financial Statements.

Issues and Risks

The financial statements present fairly, in all material respects, WECC's financial position as of December 31, 2023. There are no organizational issues or risks related to the Board's acceptance of the attached financial statements.



Financial Statements
December 31, 2023 and 2022

Western Electricity Coordinating Council (WECC)



eidebailly.com

Open Session Board Meeting Book - Board Committee Reports < Public>

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Independent Auditor's Report

The Board of Directors
Western Electricity Coordinating Council (WECC)
Salt Lake City, Utah

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of WECC, which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of WECC as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of WECC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WECC's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit in order to design audit
 procedures that are appropriate in the circumstances, but not for the purpose of expressing an
 opinion on the effectiveness of WECC's internal controls. Accordingly, no such opinion is
 expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WECC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

Salt Lake City, Utah

April 30, 2024

WECC Statements of Financial Position December 31, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	\$ 29,670,009	\$ 26,611,209
Contractually restricted cash and cash equivalents	10,920,442	20,551,961
Certificates of deposit	496,533	3,855,337
Investments	12,105,717	8,664,427
Accounts receivable, net of allowance for credit losses		
\$138,641 in 2023 and \$79,914 in 2022	3,209,239	1,438,745
Prepaid expenses and other assets	790,281	791,301
Property and equipment, net	1,849,969	2,549,772
Operating lease right-of-use asset	7,734,678	8,639,767
Total assets	\$ 66,776,868	\$ 73,102,519
Liabilities and Net Assets		
Accounts payable	\$ 8,497,302	\$ 6,655,406
Accrued expenses	4,884,992	3,534,379
Deferred revenue	11,387,303	10,136,029
Other liabilities	238,887	56,443
Operating lease liability	8,809,515	9,706,059
Total liabilities	33,817,999	30,088,316
Net Assets		
Without donor restrictions	32,958,869	43,014,203
Total liabilities and net assets	\$ 66,776,868	\$ 73,102,519

WECC Statements of Activities Years Ended December 31, 2023 and 2022

	2023	2022
Revenues Electric Reliability Organization funding Western Renewable Energy Generation Information System (WREGIS) Meetings and workshops Net investment return	\$ 20,800,537 2,828,689 246,700 1,929,772	\$ 43,967,948 2,525,746 244,900 546,755
Total revenues	25,805,698	47,285,349
Expenses Program expenses		
Statutory Non-statutory	21,826,523 2,659,427	19,366,820 1,969,725
Total program expenses	24,485,950	21,336,545
Supporting expenses Management and general	11,375,082	11,057,706
Total expenses	35,861,032	32,394,251
Change in Net Assets without Donor Restrictions	(10,055,334)	14,891,098
Net Assets without Donor Restrictions, Beginning of Year	43,014,203	28,123,105
Net Assets without Donor Restrictions, End of Year	\$ 32,958,869	\$ 43,014,203

WECC Statement of Functional Expenses Year Ended December 31, 2023

		Program Services		Management	
	Statutory	Non-Statutory	Total	and General	Total
Labor	\$ 19,937,218	\$ 1,037,852	\$ 20,975,070	\$ 6,590,020	\$ 27,565,090
Office and equipment	735,742	879,348	1,615,090	2,753,670	4,368,760
Depreciation	4,167	666,667	670,834	173,219	844,053
Contract labor and consultants	333,403	-	333,403	306,507	639,910
Meetings	814,593	13,560	828,153	324,548	1,152,701
Professional services	1,400	-	1,400	1,179,740	1,181,140
Excise taxes	-	-	-	47,378	47,378
Other	<u> </u>	62,000	62,000		62,000
Total expenses included in the statement of activities	\$ 21,826,523	\$ 2,659,427	\$ 24,485,950	\$ 11,375,082	\$ 35,861,032

See Notes to Financial Statements

WECC Statement of Functional Expenses Year Ended December 31, 2022

		Program Services	Management			
	Statutory	Non-Statutory	Total	and General	Total	
Labor	\$ 17,738,472	\$ 911,786	\$ 18,650,258	\$ 6,033,344	\$ 24,683,602	
Office and equipment	778,660	860,260	1,638,920	2,540,053	4,178,973	
Depreciation	1,389	111,111	112,500	202,612	315,112	
Contract labor and consultants	253,377	7,948	261,325	825,078	1,086,403	
Meetings	589,882	13,620	603,502	251,425	854,927	
Professional services	5,040	-	5,040	1,146,833	1,151,873	
Excise taxes	-	-	-	58,361	58,361	
Other		65,000	65,000		65,000	
Total expenses included in the statement of activities	\$ 19,366,820	\$ 1,969,725	\$ 21,336,545	\$ 11,057,706	\$ 32,394,251	

See Notes to Financial Statements

WECC Statements of Cash Flows Years Ended December 31, 2023 and 2022

	2023	2022
Operating Activities		
Change in net assets	\$ (10,055,334)	\$ 14,891,098
Adjustments to reconcile change in net assets to	ψ (=0,000,00 ·)	Ψ = 1,000=,000
net cash used for operating activities		
Depreciation	844,053	315,112
Credit losses	62,000	65,000
Realized and unrealized loss on operating investments	140,795	59,727
Changes in assets and liabilities	•	•
Accounts receivable	(1,832,494)	943,783
Prepaid expenses and other assets	1,020	(92,833)
Accounts payable	1,841,896	1,144,363
Accrued expenses	1,350,613	208,458
Deferred revenue	1,251,274	(18,573,074)
Other liabilities	182,444	(869,925)
Operating lease assets and liabilities	8,545	1,066,292
Net Cash used for Operating Activities	(6,205,188)	(841,999)
Investing Activities		
Purchases of property and equipment	(144,250)	(2,107,832)
Purchases of investments and certificates of deposit	(6,970,929)	(20,100,382)
Proceeds from sale of investments and certificates of deposit	6,747,648	17,441,279
Net Cash used for Investing Activities	(367,531)	(4,766,935)
Net Change in Cash, Cash Equivalents and		
Contractually Restricted Cash	(6,572,719)	(5,608,934)
Cash, Cash Equivalents and Contractually		
Restricted Cash, Beginning of Year	47,163,170	52,772,104
Cash and Cash Equivalents and Contractually		
Restricted Cash, End of Year	\$ 40,590,451	\$ 47,163,170
Cash, Cash Equivalents and Contractually Restricted Cash are presented as financial position:	follows on the state	ement of
Cook and each aminute	ć 20.670.000	ć 20.044.200
Cash and cash equivalents	\$ 29,670,009	\$ 26,611,209
Contractually restricted cash and cash equivalents	10,920,442	20,551,961
	\$ 40,590,451	\$ 47,163,170

Note 1 - Summary of Significant Accounting Policies

Organization

Western Electricity Coordinating Council (WECC) is a not-for-profit organization whose primary mission is to effectively and efficiently mitigate risks to the reliability and security of the Western Interconnection's Bulk Power System (Western Interconnection). The Western Interconnection extends from Canada to Mexico and includes the Canadian provinces of Alberta and British Columbia, the northern part of Baja California in Mexico, and all or part of the 14 Western states in between. WECC's revenues are generated through performance of statutory and non-statutory activities.

WECC performs statutory activities pursuant to the Delegation Agreement effective October 2007 and Amended and Restated Delegation Agreement effective January 2021 with the North American Electric Reliability Corporation (NERC). NERC is the Electric Reliability Organization (ERO) certified by the Federal Energy Regulatory Commission (FERC) to establish and enforce reliability standards for the bulk power system. Statutory activities authorize WECC to develop, monitor, assess, and enforce compliance with NERC reliability standards and regional standards within the United States portion of the geographic boundaries of the Western Interconnection. Statutory revenues are derived from WECC's statutory funding from NERC, which NERC has delegated WECC to collect through assessments to Load-Serving Entities (LSEs) within the Western Interconnection.

Non-statutory activities include oversight of the operations of a component of WECC "doing business as" Western Renewable Energy Generation Information System (WREGIS). WREGIS is an independent, renewable energy tracking system. WECC funds its non-statutory activities through annual and other activity-based fees.

Cash, Cash Equivalents and Contractually Restricted Cash

For the purpose of the statement of cash flows, cash and cash equivalents consists of highly liquid investments with an original maturity of three months or less, including contractually restricted cash and cash equivalents.

Pursuant to the Delegation Agreement with NERC, contractually restricted cash and cash equivalents as of December 31, 2023 and 2022, were \$10,920,442 and \$20,551,961, respectively.

Certificates of Deposit

Certificates of deposit held by WECC that are not classified as debt securities have original maturities greater than three months. Certificates of deposit are reported at amortized cost.

Accounts Receivables and Allowance for Credit Losses

Accounts receivable consist primarily of noninterest-bearing amounts due for statutory funding and other fees receivable. Receivables from contracts with customers are reported as accounts receivable, net in the accompanying statements of financial position. Contract liabilities are reported as deferred revenue in the accompanying statements of financial position. WECC has tracked historical loss information for its accounts receivable and compiled historical credit loss percentages for different aging categories (current, 1–30 days past due, 31–60 days past due, 61–90 days past due, and more than 90 days past due).

Management believes that the historical loss information it has compiled is a reasonable basis on which to determine expected credit losses for accounts receivable held at December 31, 2023 and 2022 because the composition of the accounts receivable at those dates are consistent with that used in developing the historical credit-loss percentages (i.e., the similar risk characteristics of its customers and its lending practices have not changed significantly over time). Additionally, management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have not been adjusted for differences in current conditions or forecasted changes. Accordingly, the allowance for credit losses at December 31, 2023 and 2022 totaled \$138,641 and \$79,914, respectively.

Changes in the allowance for credit losses for receivables are as follows for the years ended December 31:

	 2023
Allowance for Credit Losses, Beginning of Year Provision for credit losses Charge-offs	\$ 79,914 62,000 (3,273)
Allowance for Credit Losses, End of Year	\$ 138,641

Property and Equipment

WECC records property and equipment additions over \$5,000 at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to five years or, in the case of leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed when incurred.

WECC reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2023 and 2022.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor- (or certain grantor-) imposed restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As of December 31, 2023 and 2022, WECC did not have any net assets with donor imposed restrictions.

Revenue Recognition

WECC recognizes revenue from the statutory funding provided by NERC for performing the statutory activities that have been delegated to WECC. Statutory funding consists of annual assessments and penalty sanction revenue.

The annual assessments are collected by WECC, remitted first to NERC and then are returned to WECC within a few days. WECC generally receives assessment payments in advance of the assessment period and records them as assessments payable or as deferred revenue after payments have been remitted to NERC and returned to WECC. Assessments are recognized as revenue in the year they are intended to fund.

Penalty sanctions are assessed by WECC and approved by FERC for violations of the Reliability Standards. Once FERC has approved the penalty sanction, WECC has satisfied all performance obligations related to the penalty. Therefore, WECC recognizes penalty sanction revenue when it is approved by FERC.

Other types of revenues, such as non-statutory revenue, are recognized when the services or products have been provided.

Deferred revenue consists of advance payments from customers, in the form of cash, for revenue to be recognized in the following years.

The beginning and ending balances for accounts receivable and deferred revenues were as follows for January 1, 2023 and 2022:

	January 1,			
		2023		2022
Accounts receivable, net of allowance for credit losses	\$	1,438,745	\$	2,447,528
Deferred revenue		10,136,029		28,709,103

For the years ended December 31, 2023 and 2022, all revenue was recognized at a point in time.

Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barriers, and a right of return, are not recognized until the conditions on which they depend have been substantially met. WECC's agreements stipulated that a portion of donations received are conditional upon certain performance requirements. Consequently, at December 31, 2023 and 2022, conditional contributions approximating \$300,000 have been recognized within accrued expenses in the accompanying financial statements.

Functional Allocation of Expenses

The costs of programs and supporting services activities have been summarized on a functional basis in the statements of activities. WECC's expenses are classified as Statutory Expenses or Non-statutory Expenses as the majority of expenses incurred fulfill the purposes or mission for which WECC exists. Furthermore, the statutory expenses are classified according to the statutory functions WECC performs pursuant to the Delegation Agreement with NERC. All direct costs are charged to the functional area to which they pertain. Indirect costs are charged to programs and supporting services based on estimates made by management, taking into account the nature of the expense and how it relates to the functional area.

Income Taxes

WECC is organized as a Utah nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(4). WECC is required to file an annual Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, WECC is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes.

WECC believes that it has appropriate support for any tax positions taken affecting its annual filing requirements and, as such, does not have any uncertain tax positions that are material to the financial statements. WECC would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk

WECC maintains its cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. At December 31, 2023 and 2022, WECC had approximately \$20,735,000 and \$17,500,000, respectively, of cash, cash equivalents, and contractually restricted cash and cash equivalents, in excess of FDIC-insured limits. Additionally, at December 31, 2023 and 2022, WECC had \$19,514,734 and \$29,400,379, respectively, held in short term United States insured securities.

WECC manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by WECC to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, WECC has not experienced losses in any of these accounts. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Finance and Audit Committee believe that the investment policies and guidelines are prudent for the long-term welfare of WECC. Credit risk associated with accounts receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts NERC has delegated WECC to collect through assessments to LSEs within the Western Interconnection. Investments are made by diversified investment managers whose performance is monitored by management and the Finance and Audit Committee of the Board of Directors.

Adoption of Accounting Standards Codification Topic 326

As of January 1, 2023, WECC adopted Accounting Standards Update (ASU) No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASU 2016-13), which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The CECL model is applicable to the measurement of credit losses on financial assets measured at amortized cost, including trade and loan receivables, and held to maturity debt securities. CECL requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The update also requires that credit losses on available-for-sale debt securities be presented as an allowance rather than a write-down of the security. This standard provides financial statement users with more decision-useful information about the expected losses on financial instruments.

WECC adopted ASU 2016-13 using the modified retrospective review method for all financial assets measured at amortized cost. Results for reporting periods beginning after January 1, 2023, are presented under Topic 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. As a result of the adoption of the new credit loss guidance, there was no cumulative effect adjustment to net assets. The adoption of the new standard did not materially impact WECC's statements of activities or statements of cash flows.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2023	2022
Cash and cash equivalents	\$ 29,670,009	\$ 26,611,209
Certificates of deposit Investments	496,533 12,105,717	3,855,337 8,664,427
Accounts receivable, net	3,209,239	1,438,745
	\$ 45,481,498	\$ 40,569,718

As part of a liquidity management plan, cash in excess of daily requirements is invested in short-term investments, certificates of deposit, and money market funds.

Note 3 - Fair Value Measurements and Disclosures

WECC reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to WECC's assessment of the quality, risk or liquidity profile of the asset or liability.

WECC invests in U.S. Government asset backed securities and mutual funds that are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates and market-rate assumptions, and are classified within Level 2.

The following table presents assets measured at fair value on a recurring basis at December 31, 2023:

		Fair Value Measurements at Report Date Using					
		Quoted					
		Prices in	Significant				
		Active Markets	Other	Significant			
		for Identical	Observable	Unobservable			
		Assets	Inputs	Inputs			
	Total	(Level 1)	(Level 2)	(Level 3)			
Investments							
Government agency bonds	\$ 8,750,973	\$ -	\$ 8,750,973	\$ -			
Mutual funds	3,354,744		3,354,744				
	\$ 12,105,717	<u> </u>	\$ 12,105,717	\$ -			

The following table presents assets measured at fair value on a recurring basis at December 31, 2022:

	Fair Value Measurements at Report Date Usi						Jsing	
			Qu	oted				
			Prio	ces in	9	Significant		
			Active	Markets		Other	Sigr	nificant
			for Id	lentical	(Observable	Unob	servable
			As	sets		Inputs	Ir	nputs
		Total	(Le	vel 1)		(Level 2)	(Le	evel 3)
Investments								
Government agency bonds	\$	5,410,293	\$	-	\$	5,410,293	\$	-
Mutual funds		3,254,134				3,254,134		
	\$	8,664,427	\$	-	\$	8,664,427	\$	-

Note 4 - Net Investment Return

Net investment return consists of the following for the years ended December 31, 2023 and 2022:

	2023	2022
Operating investments Interest and dividends Net realized and unrealized gain (loss)	\$ 1,772,466 157,306	
	\$ 1,929,772	\$ 546,755

Note 5 - Property and Equipment

Property and equipment consists of the following at December 31, 2023 and 2022:

	2023		2022	
Equipment Software Furniture and fixtures	\$	1,189,686 2,344,943 272,649 1,959,412	\$	1,045,436 2,344,943 272,649
Leasehold improvements Less accumulated depreciation		5,766,690 (3,916,721)		1,959,412 5,622,440 (3,072,668)
Less accumulated depreciation	\$	1,849,969	\$	2,549,772

Note 6 - Net Assets

WECC reports information regarding Statutory and Non-statutory earnings to the FERC in accordance with its Delegation Agreement with NERC dated October 16, 2007, as amended, and restated January 1, 2016. As of December 31, 2023 and 2022, the breakdown of such earnings included in net assets without donor restrictions consisted of the following:

	2023	 2022
Non-statutory earnings Statutory earnings	\$ 7,657,737 25,301,132	\$ 8,185,732 34,828,471
	\$ 32,958,869	\$ 43,014,203

Note 7 - Leases

WECC leases office space and equipment for various terms under long-term, non-cancelable operating lease agreements. The leases expire at various dates through 2031 and provide for renewal options ranging from five to fifteen years. WECC included in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The leases provide for increases in future minimum annual rental payments. Also, the agreements generally require WECC to pay real estate taxes, insurance, and repairs.

The weighted-average discount rate is based on the discount rate implicit in the lease. WECC has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. WECC has applied the risk-free rate option to the building and office equipment classes of assets.

Total lease costs for the years ended December 31, 2023 and 2022, are as follows:

	 2023		2022	
Operating lease cost	\$ 1,336,047	\$	1,335,904	

The following table summarizes the supplemental cash flow information for the years ended December 31, 2023 and 2022:

	2023	2022
Cash Paid for Amounts Included in the Measurement of Lease Liabilities		
Operating cash flows from operating leases	\$ 1,286,877	\$ 1,249,899

The following summarizes the weighted-average remaining lease term and weight-average discount rate:

	2023	2022
Weighted-Average Remaining Lease Term in Years Operating leases	7.2	8.2
Weighted-Average Discount Rate Operating leases	4.00%	4.00%

The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of December 31, 2023.

Years Ending December 31,	Operating	
2024 2025 2026 2027 2028	\$	1,307,302 1,346,521 1,386,917 1,428,524 1,471,380
Thereafter		3,506,790
Total lease payments		10,447,434
Less interest		(1,637,919)
Present value of lease liabilities	\$	8,809,515

Note 8 - Employee Benefits

WECC sponsors a 401(k) Retirement Savings Plan (the Plan) for eligible employees. The Plan requires WECC to make matching contributions equal to 50% of the first 6% of eligible compensation of the participating employees' contributions to the Plan. WECC may also make, at its discretion, supplemental contributions for eligible employees. The Plan expense reflected in the accompanying statements of activities was \$1,830,472 and \$1,655,811 for the years ended December 31, 2023 and 2022, respectively. In 2006, WECC adopted an elective 457(b) deferred compensation plan to provide certain employees of WECC with the benefit of additional tax-deferred retirement savings opportunities. The annual 457(b) deferral limitation for 2023 and 2022 was \$22,500 and \$20,500, respectively. The Plan is entirely funded by elective employee salary deferrals.

WECC Notes to Financial Statements

December 31, 2023 and 2022

Note 9 - Subsequent Events

In April 2024, WECC entered into an agreement to sublet a portion of their building. WECC expects to receive cash flows of approximately \$95,000 during the year ended December 31, 2024.

WECC has evaluated subsequent events through April 30, 2024, the date the financial statements were available to be issued.



Board of Directors Meeting
Approval Item
Principles of Corporate Governance
June 12, 2024

Approval

Resolved, that the Board of Directors (Board), acting on the recommendation of the Governance Committee (GC) at the meeting of the Board on June 12, 2024, approves the Principles of Corporate Governance as presented and attached.

Background

The Board adopted the Principles of Corporate Governance to provide a framework for the general governance of WECC, the Board, and Board committees. The GC is responsible for reviewing the Principles of Corporate Governance biennially and recommending changes for Board approval. The GC directed and recommends the following changes:

- Board members will be guided by WECC's Business Travel and Expense Policy in booking their travel and in seeking reimbursement for travel-related expenses;
- The Board may seek input from the Human Resources and Compensation Committee (HRCC) when determining the annual performance and compensation of the CEO; and
- The addition of a new Section 2.11—Director Training, which provides for the training of all new directors in accordance with the "Director Knowledge Transfer and Onboarding" document and annual training for all directors on the applicable Standards of Conduct.

Issues and Risks

There are no known issues or risks.

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Board of Directors Principles of Corporate Governance

1. Principles of Corporate Governance

Under Utah law, the Western Electricity Coordinating Council (WECC) is managed under the direction of an independent Board of Directors (Board). The Board establishes broad corporate policies and authorizes various types of transactions, but it is not involved in day-to-day management and operations. Its various responsibilities include the selection, evaluation, and compensation of the chief executive officer (CEO), the understanding and approval of corporate strategies, and the understanding of the major issues and risks WECC faces.

The mission of the Board is to foster the long-term success and corporate sustainability of WECC consistent with its responsibilities to members, other stakeholders, governmental authorities, and end-use customers. The Board performs a central role in achieving this goal by ensuring that management is capable of performing its duties and achieving its objectives consistent with WECC's strategic plan and core values.

Directors also have the obligation to ensure that WECC's disclosures include accurate information that fairly presents WECC and its operations to stakeholders and the public in conformity with applicable laws and regulations. This is also consistent with the Internal Revenue Service's designation of WECC as a tax-exempt social welfare organization under Section 501(c)(4) of the Internal Revenue Code.

The Board has adopted the following Principles of Corporate Governance to provide a framework for the general governance of WECC and its Board and committees.

2. Board of Directors

2.1. Role of the Board of Directors

The Board, elected by the members to act on behalf of a broad and diverse stakeholder community, acts,

as fiduciaries, to further WECC's vision and mission for a reliable Bulk Electric System. Each director has a responsibility to be open and honest, though respectful, in communications with others and to be fair and impartial in all aspects of deliberations and decision-making. Each director has a responsibility to constructively engage in furthering WECC's mission, including a responsibility to raise issues or viewpoints of importance to that mission, even when those issues or viewpoints are not unanimously (or fully) embraced by the members and stakeholders.

The directors are independent. Directors shall promote the independence of the Board to represent the best interests of WECC, its members, and stakeholders as a whole. Directors are committed to representing the long-term interests of WECC.

The Board takes overall responsibility for the oversight and monitoring of WECC's enterprise risk management. The CEO has primary responsibility for notifying the Board of any issue that could have a material effect on the operational or financial condition of WECC, as well as on its regulatory and legal status. The CEO or designee will present to the Board, at least semiannually, a risk management report that includes a risk dashboard analysis.

The CEO will ensure additional risk management reports are provided as needed to ensure timely communication of potential material risks.

2.2. Conflicts of Interest

Directors are expected to adhere to the law and to the highest ethical standards in their own conduct and ensure that WECC operates to further its stated objectives in compliance with legal requirements and the highest ethical standards. The Board expects directors to act ethically at all times and to acknowledge directors' adherence to WECC's Standards of Conduct. If an actual or potential conflict of interest arises, the director must promptly inform the general counsel. If a conflict exists that cannot be resolved, the director should resign. All directors will recuse themselves from any discussion or decision affecting their personal, business, or professional interests.

Except for mementos and meals typically given for or in connection with a speech, retirement, or similar occasion, a director may not accept any gift, regardless of monetary value or source, given because of the director's position at WECC. Under all circumstances, directors are encouraged to seek guidance on this matter from WECC's General Counsel.

2.3. Board and Board Committee Effectiveness and Assessment

The Board will perform a biennial self-evaluation of its effectiveness and that of its committees. The Governance Committee shall evaluate biennially, in the off years when no evaluation is occurring, the thoroughness and effectiveness of the Board self-assessment process. The purpose of this evaluation is to increase the efficiency and competence of the Board as a whole and to gather opinions and information regarding areas in which the Board believes that its performance could be improved.

Each committee of the Board will biennially evaluate its performance in a similar self-evaluation process with a view toward improving its efficiency and competence. Any significant change that a committee proposes with regard to its charter or its operations shall be presented to the Board of directors for its approval. Committee assessments are open to the public.

Board and Committee evaluations should occur before the Board meeting held in conjunction with the Annual Member Meeting with results reported at the Board meeting.

2.4. Director Term Limits

An individual may not serve as a WECC director for more than four three-year terms. This limitation, however, will not be applied to preclude a director from continuing to serve during a holdover period, to cure a procedural vacancy, or to serve as a temporary director (as each of these circumstances are addressed in the WECC Bylaws) for a period which would extend beyond this limitation.

2.5. Process for Selection of Board of Directors Chair and Vice Chair

On an annual basis before the Board meeting held in conjunction with the Annual Member Meeting, the Board will begin the process for selecting a chair and vice chair from the Board members. Any Board member, except the

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CEO, is eligible to serve in these positions. The process for selecting a new chair and vice chair will be led by the previous chair, vice chair, or most senior tenured director, whoever is available in this rank order.

It is intended that the director serving as chair serve a maximum of three consecutive one-year terms, assuming director satisfaction with the chair's performance.

Performance feedback will be given to the chair and vice chair throughout the year. At the time of the annual election, Board members will review the performance of the chair and vice chair considering their receptivity to feedback and the transparency of their leadership to the rest of the Board members, including regularity and full disclosure of activities undertaken on behalf of the Board. The chair and vice chair acknowledge their status as equal peers to other Board members.

Candidates for chair and vice chair may be determined by self-nomination or nomination by other Board members. Criteria for consideration include a desire to serve, demonstrated leadership experience, and broad support by other Board members.

While elections for the chair and vice chair positions are separate, it is the intent of the Board that the vice chair progress to the chair position when deemed highly effective by peers. The Board acknowledges the benefits of continuity and stability resulting from this progression.

The vice chair supports and collaborates with the chair and assumes the chair's duties if the chair is unable to serve or if the chair position becomes vacant.

If more than one candidate is put forth for either chair or vice chair, the Board will hold a special Executive Session, without candidates present, to determine the candidate of choice. Discussion of the candidates during the Executive Session will be led by the previous chair, vice chair, or most senior tenured director, whoever is available in this rank order.

The final vote for chair and vice chair should occur in open session at the Board meeting held in conjunction with the Annual Member Meeting.

2.6. Duties and Responsibilities of the Chair

The chair is a peer of the other directors and each director has an equal voice in matters before the Board. However, the chair has the additional responsibility to plan, coordinate, and conduct the business of the Board. The chair will receive communications from stakeholders on behalf of the Board and provide timely reports of those communications to all directors. The chair must be unbiased in the conduct of Board business, but is free to express personal opinion, as are all directors. The chair, in consultation with the CEO and the directors, will prepare the agenda for each meeting. As provided in the Bylaws and committee charters, the chair may make committee appointments and assignments after reasonable consultation with all directors.

2.7. External Communications

The Board is committed to active communication with stakeholders. Such communications are usually most appropriate and useful in conjunction with meetings of the Board, the Member Advisory Committee, at the Annual Meeting, or at meetings scheduled by state or federal regulators. Directors should be attentive to stakeholder concerns in performing their mission and responsibilities. Directors should advise the CEO and the other Board members of any significant communications.

Regarding communication to the Board: Anyone who has a concern about WECC's conduct may communicate that concern directly to the Board of Directors. Communications may also be submitted in writing to the General Counsel. WECC's compliance hotline is published on WECC's website. It can be used by employees and stakeholders to anonymously report alleged illegal, inappropriate, or unethical activity.

Individual directors should act in a manner that recognizes that they do not represent WECC, unless authorized to do so by the chair or the CEO. The Board recognizes that a third party may initiate a communication directly with a director on Board or WECC business without notice to the other directors. On such occasions, a director may indicate that he or she is a WECC director, provided that this is done for identification purposes and provided that opinions expressed and statements made are attributed solely to the individual involved rather than to the Board or WECC. Directors may state WECC policy where this can be done accurately. They may also describe WECC activities, plans and involvement where this can be done accurately and is consistent with requirements to maintain confidentiality. The director who is involved in such communication must promptly report the substance of the discussion to the CEO and to the full Board no later than its next regularly scheduled meeting.

Except as authorized above, the Board chair and CEO, or any person authorized by them, shall represent WECC and speak on its behalf on all matters.

2.8. Board and Committee Meetings

The Board and committees established by the Board may meet face-to-face or remotely, by videoconference or teleconference. When traveling for face-to-face meetings (or when traveling on other WECC business), members of the Board will be guided by WECC's Business Travel and Expense Policy in booking their travel and in seeking reimbursement for travel-related expenses.

Meetings (face-to-face and by teleconference) of the Board and of committees established by the Board are open to the public, subject to reasonable limitations such as the availability and size of meeting facilities. A meeting may be held in or adjourned to closed session if the subject matter of the meeting so warrants, consistent with the provisions of WECC's Bylaws and these Principles of Corporate Governance.

In general, a meeting of the Board or any committee established by the Board shall be conducted as follows:

- **Open Meeting.** WECC members and the public may attend and observe the deliberations of the Board or any committee during such meetings.
- Closed Session. WECC members and the public may not attend or observe the deliberations of the Board or committees. The Board or committee may invite or excuse particular persons—including staff and executive management—as necessary to further the business of the Board or committee.

Such closed sessions shall be held as necessary to:

- 1. Consider the employment, evaluation of performance, or dismissal of an employee of WECC and to deliberate regarding decisions that the Board may be called upon to make regarding the nomination, qualification, appointment, or removal of a member of the Board of Directors;
- 2. Discuss pending or proposed litigation and to receive confidential attorney-client communications from legal counsel; and
- 3. Receive and discuss any information that is privileged, trade secret, cybersecurity related, critical energy infrastructure information (as defined by the Federal Energy Regulatory Commission), protected from

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public disclosure by law, or that the Board determines should be confidential to protect a legitimate public interest.1

2.9. Relationship of the CEO to the Board

The directors and CEO should at all times maintain a close professional relationship while avoiding a personal relationship that could lead to, or be perceived as, causing a conflict of interest regarding the respective roles of the director and the CEO. However, the CEO is at all times free to seek professional development advice and mentoring from any director.

2.10. Assessment and Compensation of Chief Executive Officer and Other Officers

The annual performance and related compensation, including any bonus, of WECC's CEO shall be determined by the Board. The Board may seek input from the Human Resources and Compensation Committee to assist the Board in making these determinations. . In its deliberations, the Board shall make use of market data as it deems appropriate. The Board chair will communicate the Board's assessment to the CEO.

The CEO shall recommend annual compensation for WECC's other officers to the HRCC. The HRCC shall provide its recommendations for the annual compensation for each officer to the Board for approval. The HRCC shall make use of market data as it deems appropriate, and shall also consider the degree to which WECC and the officer have achieved established goals.

The Board will oversee the creation and administration of a management succession plan to ensure business continuity as it relates to the position of the CEO. In addition, the Board will monitor similar succession plans both for officers and other executive positions to be established and administered by the CEO. All succession plans will be reviewed on a regular basis by the HRCC. These same succession plans will be reviewed in summary form by the entire Board in executive session at least annually.

2.11. Director Training

New directors will be trained in accordance with the "Director Knowledge Transfer and Onboarding" document approved by the Governance Committee and available in Diligent. All directors will receive annual training from the General Counsel on the "Standards of Conduct for Members of the WECC Board of Directors."

3. Amendment

The Board may amend these Guiding Principles and Principles of Corporate Governance, if needed. The Governance Committee shall review these Guiding Principles and Principles of Corporate Governance, at least biennially, and recommend any amendments to the Board.

This policy supersedes and revokes all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. WECC reserves the right to add to, delete, change, or revoke this policy at any time, with or without notice. This policy does not create a contract between WECC and any employee or contractor, nor does it create any entitlement to employment or any benefit provided by WECC to its employees or contractors.

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Caution!—This document may be out of date if printed.

¹ WECC Bylaws, 7.6.1. Examples of activities that may be considered confidential in order to protect a legitimate public interest and therefore discussed only in closed session include: a) consideration of assumption of liabilities, business combinations, or the purchase or lease of real property or assets; b) investment contracts; c) strategy and negotiation sessions; d) discussion of emergency and security procedures; e) consideration of matters classified as confidential by federal or state law; f) specifications for competitive bidding; and g) to discuss a specific proposal that if discussed in open session would jeopardize the cost or give an unfair competitive or bargaining advantage to any person or entity.



WECC Board of Directors Human Resources and Compensation Committee

Verbal Update Shelley Longmuir, Chair June 12, 2024



WECC Board of Directors Nominating Committee

Verbal Update
Richard Woodward, Chair
June 12, 2024



WECC Standards Committee (WSC) Report to the WECC Board of Directors

Ian McKay, WSC Chair Steve Rueckert, Director of Standards June 12, 2024

WSC Report to the Board—June 12, 2024

Highlights

Project WECC-0147 BAL-004-WECC-4 Automatic Time Error Correction (ATEC) Regional Reliability Standard posted at NERC for a mandatory 45-day comment period—page 3.

Project WECC-0153 WECC Interchange Criteria Consolidation was posted for ballot and was approved by the Ballot Pool—page 2.

Project WECC-0154 VAR-001-5, Voltage and Reactive Flow WECC Regional Variance Standard project filed with NERC—page 4.

The WSC approved a minor revision to the WSC Charter—page 4.

The WSC accepted a new Standard Authorization Request (SAR) for the mandatory five-year review of PRC-006-WECC-CRT-4 Underfrequency Load Shedding Regional Criterion—page 4.

Strategic Purpose

The purpose of the WECC Standards Committee (WSC) is to oversee the implementation of the WECC Reliability Standards Development Procedures (Procedures).

The WSC will-

- 1. Maintain and administer the Procedures, including:
 - a. Due process,
 - b. Balloting,
 - c. Annual review of the WECC Glossary of Terms and Naming Conventions, and
 - d. Meeting the quality control attributes of FERC Order 672.
- 2. Administer each Standard Authorization Request (SAR) to ensure the project:
 - a. Is within WECC's authority to develop,
 - b. Is appropriate for development by WECC, and that it,
 - c. Remains within the scope of the SAR, as may be changed by the WSC.
- 3. Monitor and manage drafting teams, including:
 - a. Team selection, and
 - b. Provision of general oversight and guidance to include a description and explanation of the project to be drafted and time prioritization where needed.
- 4. Monitor and manage the development of projects created per the Procedures, including prioritization.
- 5. Perform other duties assigned by the Board of Directors (Board).

WECC Board Action Items

The WSC seeks approval of the consolidated 11 WECC INT Criteria to a single document.

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WSC Report to the Board—June 12, 2024

There are currently 11 individual WECC INT Criteria. With the requirement to conduct a review of each WECC Regional Reliability Standard, WECC Regional Variance to a NERC Reliability Standard, or WECC Regional Criterion, the WSC has had at least one review conducted during the last 13 years. Several of the current INT Criteria have as few as one requirement. To reduce labor and procedural efforts, WECC submitted a SAR to consolidate the 11 documents into a single WECC INT Criterion. The existing INT Criteria are now referred to as "sections" in the proposed consolidated Criterion. A preamble is added to the proposed document. Changes for clarification were made but no substantive changes are proposed as several of these Criteria were recently reviewed. Because the proposed consolidated document includes 11 Criteria, a redline version showing changes from the 11 individual documents to a single consolidated document was very difficult to create. Rather, a document listing the changes is included in the Board packet. An attempted redline is available for those who would like to review it. The proposed Regional Criterion received a 91.7% quorum and a 100% weighted segment approval of the Ballot Pool. If this Regional Criterion consolidation is approved by the Board, it will become effective the first day of the second quarter after Board approval.

Current Year Goals

- Keep the WECC Standards Development Process moving forward by overseeing the drafting teams.
- Act on requests and recommendations from the drafting teams.
- Review the WSC Charter and WECC Procedures to revise and improve them.

Major Accomplishments and Planned Activities

1. Project WECC-0147—BAL-004-WECC-4 Automatic Time Error Correction (ATEC) Regional Reliability Standard.

This project expands the Background section, creates a Standard-specific definition (Interchange Software), and addresses treatment of Balancing Authorities that do not have a full year of operating data (purpose of the initial SAR). The proposed revisions received a 100% quorum and a 100% weighted segment approval of the Ballot Pool. The WECC Board approved this Regional Reliability Standard at its March 2024 meeting. NERC procedures require that, after a Regional Reliability Standard receives the approval of the Regional Board, it be posted for a 45-day comment period by NERC.

2. Project WECC-0153-INT Consolidation Criterion.

This project received a 91.7% quorum and a 100% weighted segment approval of the Ballot Pool. This consolidated Criterion will be presented to the Board for approval.

WSC Report to the Board—June 12, 2024

3. Project WECC-0154-Voltage and Reactive Flow WECC Regional Variance.

The purpose of this project was to address the required five-year review. The SAR for this project was approved by the WSC at its December 2023 meeting. No outstanding issues were identified in the SAR. The drafting team met once and concluded that no changes were necessary. A notice was provided to NERC indicating the mandatory five-year review has been completed and no changes are necessary.

4. WSC Charter

The WSC approved minor revisions to its charter in May 2024. The charter will be presented to the Board with other charters in December 2024.

5. Project WECC-0155 PRC-006-WECC-CRT-4 Underfrequency Load Shedding.

The WSC accepted a new SAR for the required five-year review of WECC Regional Criterion PRC-006-WECC-CRT-4 at its meeting in May. A nomination for drafting team members will be distributed, and a drafting team will be approved and begin review of the criterion soon.



Board of Directors Meeting

Approval Item

WECC INT Criterion Consolidation

June 12, 2024

Board Resolution

Resolved, that the WECC Board of Directors (Board), acting on the recommendation of the WECC Standards Committee (WSC) at the meeting of the Board on June 12, 2024, approves the WECC Consolidated INT Criterion document as presented and attached.

Background

A clean version and a list of revisions to the original 11 Criteria are included in the Board package.

This project was initiated to consolidate the 11 existing WECC INT Regional Criteria into a single WECC INT Criterion. The proposed revisions include several changes to clarify language. The consolidation will also reduce the number of five-year reviews from 11 to one. Although the single review will be more intensive, it will reduce the overall effort.

Recommendation

The WSC recommends approval of the proposed consolidated Regional INT Criterion.

Issues and Risks

If the proposed consolidated Regional INT Criterion is not approved, the overall workload will not be reduced.



WECC Consolidated INT Criteria

Developed as WECC-0153 Final

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Overview

This document incorporates the 11 INT-related WECC Criteria (CRT) effective as of October 1, 2023. In the INT Consolidated Criterion (ICC), the 11 CRTs are referred to as "sections." During conversion to a single document: 1) syntax was streamlined wherever possible, 2) language was updated reflecting its use in a single document, 3) duplicative information was excerpted throughout for single use in the preamble, and 4) unless otherwise indicated, the term Interchange Software replaced "WIT" throughout.

If new INT-related CRTs are developed, those CRTs will reside in this document providing a single source document for all INT-related CRTs.

This document is a WECC Criterion. Changes to this document are controlled by the WECC Reliability Standards Development Procedures (Procedures).

Effective Date / Targeted Review 2029

This document is effective as of the first day of the second quarter following approval by the WECC Board of Directors (Board). This document is targeted for review in June 2029.

Use of Functional Entities¹

NAESB Registered Entity (NRE)

When drafting the Applicability section of a WECC Criterion (as opposed to a Reliability Standard), "functions outside of the NERC Compliance Registry may be used." As a result, INT sections may apply to the NAESB NRE even though that term is not used in NERC's Functional Model. For example, the Applicability section may read:

4.1.1 Any *NAESB Registered Entity (NRE)* that creates an e-Tag by submitting a Request for Interchange (RFI), (such as a Purchasing-Selling Entity, Load-Serving Entity, Generator-Serving Entity, or Balancing Authority. (*Emphasis added.*)

Capitalized Terms

This document contains various capitalized terms. Capitalized terms are defined by NERC, NAESB, and by WECC drafting teams specifically for use in this document.

If a term is defined by both NERC and NAESB, NERC's definition is the default interpretation.

¹ In 2017, WECC adopted NERC's Standard Voting Segments (SVS) as the foundation for WECC's Ballot Body. Because the Purchasing-Selling Entity (PSE) was no longer directly included in an SVS, use of the SVSs disenfranchised the PSE leaving the PSE without a vote on WECC Criteria to which it was obligated to adhere. To remedy the concern, WECC adopted the NAESB Registered Entity (NRE) to replace the PSE.



5

If a term is defined by neither NERC nor NAESB, the term is interpreted as a proper noun (with no further definition proposed).

Changes to defined terms incorporated by reference from NERC and NAESB self-execute into this document.

Definitions

Definitions included in this document apply only to this document or a subsection of this document, where specifically indicated.

Term	Definition
Capacity	NAESB term
Current Level	NAESB term
e-Tag	As defined by NAESB.
e-Tag Authority Service	As defined by NAESB.
FERC	Federal Energy Regulatory Commission
Generator-Serving Entity (GSE)	This term is a proper noun used by NAESB, describing the role of a specific entity. (For example, the GSE could be the Purchasing-Selling Entity (PSE) responsible for providing the source generation from owned, affiliated, or contractually bound generation.)
Interchange Software	The single electronic confirmation tool identified by the Western Electricity Coordinating Council (WECC), or its successor, to be used by all Balancing Authorities throughout the Western Interconnection (WI), that serves as the primary means for confirmation and creation of the final record of Scheduled Net Interchange (NIs²) and Actual Net Interchange (NIA³), during all periods when the Interchange Software is available. Historically, the Interchange Software was colloquially known by various designations such as the WECC Interchange Tool, the Western Interchange Tool, and/or "WIT."
Market Level	A defined by NAESB.
NAESB	North American Energy Standards Board
NAESB Registered Entity (NRE)	NRE refers to entities registered in the NAESB Electronic Industry Registry (EIR).
NERC	North American Electricity Reliability Corporation
NERC Glossary	NERC Glossary of Terms Used in Reliability Standards, as maintained by NERC.

² Previously called Net Scheduled Interchange

³ Previously called Net Actual Interchange



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Term	Definition
Net Interchange	NIs is synonymous with Net Scheduled Interchange.
Scheduled (NIs)	
Net Interchange Actual	NI₄ is synonymous with Actual Net Interchange.
(NIa)	
Recallable	As defined by NAESB.
Tag Author and Tag	As defined by NAESB.
Author Service	
Transaction Type	As defined by NAESB. For example, a Transaction Type might include: 1) Normal,
	2) Dynamic, 3) Emergency, 4) Loss Supply, 5) Capacity, 6) Pseudo-Tie, and 7)
	Recallable.
Transmission	As defined by NAESB.
Allocation	

Numbering

Voids exist in the ICC numbering sequence because sections were previously tied to NERC Standards. As NERC retires its INT Standards and WECC retires or reorganizes its associated documents, numbering voids were created. These voids do not represent missing INT-CRTs.

Disclaimer

WECC receives data used in its analyses from a wide variety of sources. WECC strives to source its data from reliable entities and undertakes reasonable efforts to validate the accuracy of the data used. WECC believes the data contained herein and used in its analyses is accurate and reliable. However, WECC disclaims any and all representations, guarantees, warranties, and liability for the information contained herein and any use thereof. Persons who use and rely on the information contained herein do so at their own risk.



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WECC Criterion INT-001-WECC-CRT-5

INT-001-WECC-CRT-5—Introduction

1. Title: Wrongful Denial of Request for Interchange (RFI)

2. Number: INT-001-WECC-CRT-5

3. **Purpose**: To manage Arranged Interchange and address evaluation errors not explicitly

addressed in NERC Reliability Standards or NAESB Business Practice Standards,

but are considered necessary for transactions sinking within the Western

Interconnection.

4. Applicability:

4.1. Functional Entities:

4.1.1. Balancing Authorities

4.1.2. Transmission Service Provider

5. Effective Date: See preamble.

Requirements and Measures

- **WR1**. Each Balancing Authority and Transmission Service Provider receiving an on-time Arranged Interchange, an Emergency RFI, or a Reliability Adjustment RFI for reliability assessment, shall approve its transition to Confirmed Interchange unless one of the following occurs:
 - Implementation of the Confirmed Interchange would result in violation of a NERC Reliability Standard, NAESB Business Practice Standard, WECC Regional Criterion, Transmission Service Provider Transmission Tariff, or business practice.
 - **WM1**. In those cases where the interchange transaction was denied, each Balancing Authority and Transmission Service Provider will have evidence of one of the following, as required in WR1:
 - Acceptance of an Arranged Interchange would have resulted in the violation of any NERC Reliability Standard, NAESB Business Practice Standard, WECC Regional Criterion, Transmission Service Provider Transmission Tariff, or business practice.
- **WR2**. Each Balancing Authority and Transmission Service Provider that incorrectly denies the transition of Arranged Interchange to Confirmed Interchange, or allows on-time Arranged Interchange, an Emergency RFI, or a Reliability Adjustment RFI to transition to EXPIRED, shall take the following corrective action:
 - If the Arranged Interchange has not transitioned to a final composite state, correct its denial by approving the transition from Arranged Interchange to Confirmed Interchange.
 - If the Arranged Interchange has transitioned to a final composite state of DENIED or EXPIRED, contact the submitter of the RFI and request that they re-submit the RFI.
 - Approve or deny the transition of the re-submitted Arranged Interchange to Confirmed
 Interchange, subject to WR1 above, without consideration to the LATE time
 classification. Contact those remaining entities that have yet to approve or have denied
 the transition from Arranged Interchange to Confirmed Interchange and communicate
 to them that the Arranged Interchange is subject to this document.
 - WM2. Each Balancing Authority and Transmission Service Provider will have evidence that corrective action was taken if either the Balancing Authority or the Transmission Service Provider incorrectly allowed on-time Arranged Interchange, an emergency RFI, or a Reliability Adjustment RFI to transition to a final composite state of DENIED or EXPIRED, as required in WR2.



Examples of evidence to prove corrective action was taken may include, but is not limited to, voice recordings, dispatcher logs, or other related records.

- **WR3**. Each Balancing Authority and Transmission Service Provider submitting a Reliability Adjustment RFI that sets the reliability limit below the actual available reliability limit shall submit a new Reliability Adjustment RFI with the accurate reliability limit within five minutes after discovering the error.
 - **WM3**. Each Balancing Authority and Transmission Service Provider will have evidence that a new Reliability Adjustment RFI was submitted, as required in WR3.



Version History

Version	Date	Action	Change Tracking
2		Initial Tracking	INT-BPS-001-2 (Previous tracking system.)
3	September 6, 2007	Requirements change. Change to "3."	INT-BPS-001-3. (Previous tracking system.) Delete WR3.1.2 as e-Tag 1.8 TSP no longer allowed in the Scheduling Entity field; deleted the "or" in
			WR3.1.1 as there is no "or" with deletion of 3.1.2; deleted WR4.1 because there never was a 4.1.
1	August 31, 2009	Designation change to "Criterion."	Developed as WECC-0053 Renamed: INT-001-WECC-CRT-01
2	October 20, 2010	Standing Committee approved	Approved for Board review as INT-001-WECC-CRT-02 Updated as part of INT Rewrite Project
2	December 9, 2010	WECC Board of Directors approved	
2	September 5, 2012	Board changed designation	INT-001-WECC-CRT-2 changed to INT-001-WECC-RBP-2
2	June 25, 2014	Board changed designation	INT-001-WECC-RBP-2 changed to INT-001-WECC-CRT-2
2.1	January 28, 2016	Errata	The word "of" was inserted into the Title line.
2.1	April 1, 2016	No change	Converted to new template
3	June 21, 2017	WECC Standards Committee approved	Developed as WECC-0121A. Five-year review. Conformed to drafting conventions. Capitalized terms changed to lower case where possible. This project was not forwarded to the WECC Board of Directors pending a second ballot to relocate WR1/WM1 from this document to WECC-0129 INT-004-WECC-CRT-3, Treatment of Reliability Adjustments. That ballot was approved followed by WECC Board of Directors approval on December 5, 2018.
4	December 5, 2018	WECC Board of Directors approved	Developed as WECC-0121A; the June 21, 2017, version was not made effective pending the outcome of a ballot to relocate WR1/WM1. That relocation was approved on December 5, 2018. The format was also adjusted.
4.1	June 18, 2019	Errata	Converted to newest template. In Version 4.1: 1) Applicability 4.1.3 and 4.1.4 were deleted as redundant and 2) Version History syntax was corrected.



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5	WECC Board of	Previous effective date: June 18, 2019.
	Directors approved	Converted to the ICC. In Version 5: 1) the title was
		shortened, 2) use of lower case "emergency" was
		changed to upper case "Emergency," and 3)
		footnote content for the Version column was moved
		to the Change Tracking column.



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Not used.



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Not used.





WECC Criterion INT-003-WECC-CRT-4

INT-003-WECC-CRT-4—Introduction

1. Title: Interchange Prescheduling Calendar

2. Number: INT-003-WECC-CRT-4

3. **Purpose**: To facilitate submittal of Interchange Schedule information through Request for

Interchange (RFI) prior to the day of implementation.

4. Applicability:

4.1. Functional Entities:

4.1.1. Any NAESB NRE, such as a Purchasing-Selling Entity, Load-Serving Entity,

Generator-Serving Entity, or Balancing Authority, creating an e-Tag by submitting

an RFI.

4.1.2. Balancing Authority

5. **Effective Date**: See preamble.

Requirements and Measures

- **WR1.** Each NRE submitting a prescheduled RFI shall do so by 1500 HRS, Pacific Prevailing Time (PPT), for the preschedule day(s) in accordance with WECC's current year prescheduling calendar.
 - **WM1.** Each NRE submitting a prescheduled RFI will have evidence that its RFIs, submitted per WR1, met the criteria required in WR1. Evidence may include, but is not limited to, presentation of the RFIs covered by this requirement.
- **WR2.** Each Balancing Authority shall make personnel or processes available on a seven-day basis for facilitating subsequent-day Interchange Schedule(s) and preschedule checkouts.
 - **WM2.** Each Balancing Authority will have evidence that it made personnel or processes available meeting the criteria as described in WR2. Evidence may include, but is not limited to, documentation of personnel or processes meeting the criteria described in WR2.



Version History

Version	Date	Action	Change Tracking
1	March 7, 2007	Operating Committee Approved	Initial approved text
2	August 31, 2009	Operating Committee Approved	Converting current approved Business Practice (INT-BPS-003-0) into new Regional Criterion format—no other changes were made.
2	September 5, 2012	WECC Board of Directors changed designation to "RBP"	Changed the designation from "CRT" to "RBP"
2	December 6, 2012	WECC Board of Directors Approved	Developed as WECC-0076. WR1 and WR2 were combined into WR1. WR3 was deleted.
2.1	December 18, 2012	Errata	Reference to WIT as "Western" Interchange Tool was changed to "WECC" Interchange Tool. Designation was changed from "CRT" to "RBP."
2.1	June 25, 2014	WECC Board of Directors changed designation to "CRT"	Changed the designation from "RBP" to "CRT"
2.1	April 1, 2016	No Change	Converted to new template
3	December 5, 2018	WECC Board of Directors approved	Developed as WECC-0131. Changes for Version 3 include: 1) replacement of the Purchasing-Selling Entity with NRE (NAESB Registered Entity); use of the NERC Functional Model is not required for a WECC Criterion, 2) enhanced syntax throughout, 3) deletion of the annual adherence attestation from WM2, 4) additions to the Rationale section explaining the use of proper nouns and NRE, 5) addition of footnote 1 annotating Peak Reliability's use of data.
3.1	June 18, 2019	Errata	Converted to newest template. In Version 3.1: 1) "HRS" was changed to "hrs," throughout, 2) "auspices" was changed to "auspice" (Rationale), 3) "Balancing Authority" was spelled out followed by its acronym "BA" (Rationale), 4) Functional Entities paragraph updated to match Section 4. Applicability (Rationale), 5) "Interchange Scheduling" was corrected to "Interchange scheduling" (Rationale), and 5) Version History syntax was corrected.
3.2	December 3, 2019	Errata	Footnote one was added stating, "The term "NRE" refers to entities registered in the NAESB Electronic Industry Registry (EIR)."
4		WECC Board of Directors approved	Previous effective date: December 3, 2019. Converted to the ICC. In Version 4: 1) the footnote information was deleted and moved to the preamble, along with duplicative information, 2) WIT was replaced with Interchange Software, 3) the background was updated, 4) references to "Peak" as the RC were replaced with a generic reference to the RC, 5) references to the ISAS were updated to Interchange Scheduling and Energy Accounting



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Subcommittee (ISEAS), 6) "must" was replaced wit "may," and 6) the Rationale section was updated	h
and redrafted for clarity.	



Attachments

Not Used



Rationale

It is expected that NREs will process RFIs in accordance with NERC Reliability Standards and applicable NAESB Business Practice Standards.

Use of Terms

For purposes of INT-003-WECC-CRT, the term preschedule is intended to mean transactions submitted as RFIs at least a day prior to implementation.

This document addresses RFIs in the context of the Interchange Software used to facilitate those RFIs. Generally, the specifications for creation and treatment of RFIs are detailed by NAESB in the e-Tag specification, or its successor.

For purposes of this document:

- 1) The NAESB terms "Hour Ending Value," and "Uploaded NSI" are adopted as proper nouns without further definition.
- 2) For purposes of this document, the term *preschedule* is intended to mean transactions submitted as RFIs, at least a day prior to implementation.

Background

On March 29, 1996, the New York Mercantile Exchange (NYMEX) began trading electricity futures at Palo Verde, Arizona, and the California-Oregon Border (COB). At that time, significant issues were found which affected coordination and reliability of control areas in the West.

In July 1996, a meeting was held to begin coordination of preschedule calendars within WECC. This led to the creation of the Interchange Scheduling and Accounting Subcommittee (ISAS). The ISAS's purpose was to develop scheduling, tagging, and accounting practices enabling scheduling entities to schedule using the same parameters.

In February 2003, the ISAS approved guidelines streamlining and standardizing creation of the annual WECC Prescheduling Calendar (Calendar)⁴, later to be supported by the WECC Prescheduling Calendar Guideline (Guideline). Although these tools were initially presented as information-only, scheduling entities are now expected to use the Calendar and Guideline enabling all entities to schedule within the same parameters.

Over the course of committee restructuring at WECC, the ISAS merged with various groups (such as the After-the-Fact Work Group), and was renamed the Interchange Scheduling and Energy Accounting Subcommittee (ISEAS).

⁴ For purposes of this Background, the WECC Preschedule Calendar means the annual preschedule calendar defining the timing for scheduling of energy transmission.



Requirement

WR1

The intent of WR1 is to facilitate the submittal of preschedule transactions based upon the WECC prescheduling calendar. It is not the intent to mandate that <u>all</u> transactions be submitted prior to 1500 PPT. The document does not prohibit the submission of transactions after 1500 PPT or transactions submitted the day of implementation.

Balancing Authorities and Transmission Service Providers should continue to process and perform reliability assessments of requests received after 1500 PPT. An RFI that is received after 1500 PPT, and is at least four hours prior to ramp start, has a reliability assessment time of two hours and may remain in a pending state until preschedule checkouts are performed. Historically, Balancing Authorities have denied RFIs received later than 1500 PPT on the prescheduling day, according to the prescheduling calendar. A Balancing Authority should not deny an RFI with the sole intention of excluding it from the preschedule checkout process. The Balancing Authority may choose to exclude an RFI that is received after 1500 PPT in its preschedule checkout totals by delaying the assessment of the RFI until closer to the reliability assessment deadline.

For example, an RFI that is received at 1505 may not be approved by all entities until 17:04:59. It would only be included in the WECC Net Scheduled Interchange (NSI) and the Balancing Authority's confirmed NSI at that time and would most likely be excluded from preschedule checkout.

A prompt and efficient preschedule checkout process typically happens between 1500 and 1700 PPT. To ensure this, the document implies that RFI processing continue, while the preschedule checkout is conducted by each Balancing Authority through a direct comparison of the instantaneous confirmed NSI in the Balancing Authority scheduling system and the Interchange Software.

Currently, each WECC Balancing Authority calculates NSI with its adjacent Balancing Authorities, usually based on information in the Balancing Authority's scheduling system. Since these calculations are conducted independently, it is important that they be compared with the Interchange Software.

The Interchange Software facilitates preschedule, next hour, and After-the-Fact (ATF) checkout with adjacent Balancing Authorities, since each Balancing Authority should be controlling to the net schedule that the Interchange Software calculates—or resolving any differences before the operating hour. Using the Interchange Software in prescheduling allows the Balancing Authority to ensure that they include all net schedules in the scheduling system. It is important that each Balancing Authority compare the instantaneous preschedule values of confirmed NSI with those of the Interchange Software. The checkout will be conducted at any time—usually after 1500—and may be defined within a Balancing Authority's operational procedures and/or practices.

The Balancing Authority preschedule desk may conduct a preschedule checkout by using one of the following processes:



- a) The Balancing Authority scheduler must manually compare each Hour Ending value in the preschedule horizon between the Balancing Authority's scheduling system, and the NSI that is calculated and displayed in the Interchange Software. The scheduler, for auditing purposes, may check the checkout box available under each Hour Ending value to ensure that a Balancing Authority has completed its checkout with the Interchange Software.
- b) As required, the Balancing Authority will upload the NSI from their scheduling system into the Interchange Software through the available Electric Industry Data Exchange (EIDE) interface.⁵ Once the Confirmed NSI is uploaded, it will appear in the Interchange Software field titled Uploaded NSI. The Balancing Authority scheduler may manually compare each Hour Ending Value in the preschedule horizon between the Uploaded NSI and the NSI in the Interchange Software. The scheduler, for auditing purposes, may check the checkout box available under each Hour Ending Value to ensure that a Balancing Authority has completed its checkout with the Interchange Software.

It is important to note that the preschedule process does not require adjacent Balancing Authorities to call or fax one another to ensure that preschedule checkout is complete. Once a Balancing Authority validates that its confirmed NSI matches the Interchange Software NSI using one of the processes outlined above, it is deemed to have completed the obligations of a preschedule checkout.

WR2

The intent of this requirement is to have available personnel that will respond to preschedule checkout issues. WR2 encourages Balancing Authorities to provide personnel to facilitate Interchange scheduling when issues arise which affect future days. This requirement helps ensure that issues with Interchange scheduling can be resolved in a timely manner.

WR2 is not to be interpreted as a mandate for any entity to create a seven-day per week scheduling department. Further, this is not a requirement to create an immediate response desk.

⁵ To perform Reliability Coordination (RC) functions for WECC members, the RC needs to receive various forecasts as specified in the RC data request. The RC may also receive data from WECC members on behalf of other entities. Those non-RC entities are responsible for specifying and requesting the data they wish the RC to receive from their participants.



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WECC Criterion INT-004-WECC-CRT-4

INT-004-WECC-CRT-4—Introduction

1. Title: Treatment of Reliability Adjustments

2. Number: INT-004-WECC-CRT-4

3. **Purpose**: To ensure uniform treatment of reliability-based Curtailment(s) through a

Reliability Adjustment Arranged Interchange (RAAI)

4. Applicability:

4.1. Functional Entities:

4.1.1. Balancing Authority

4.1.2. Transmission Service Provider

5. Effective Date: See preamble.

Requirements and Measures

- **WR1**. Each Balancing Authority and Transmission Service Provider submitting a Curtailment as an RAAI shall do so with a start time no earlier than ten minutes prior to the submittal time.
 - **WM1**. Each Balancing Authority and Transmission Service Provider submitting a Curtailment as an RAAI will have evidence that those transactions met the criteria specified in WR1. Evidence may include, but is not limited to, production of an Interchange Transaction Tag that included a Curtailment through an RAAI with the start time and submittal time reflecting the parameters of WR1.
- **WR2**. Each Balancing Authority and Transmission Service Provider shall approve a market adjustment when the Purchasing-Selling Entity reduces its transmission allocation profile to an amount equal to or greater than the reliability limit profile, and the start time of the adjustment is no earlier than the Curtailment start time.
 - WM2. Each Balancing Authority and Transmission Service Provider will have evidence that it approved each market adjustment received that met the criteria described in WR2. Evidence may include, but is not limited to, production of an Interchange Transaction Tag that includes approval reflecting the parameters of WR2.
- **WR3**. Each Source and Sink Balancing Authority shall approve each Curtailment submitted as a RAAI, within the reliability assessment period identified in NERC INT standards, or their successor.
 - **WM3**. Each Source and Sink Balancing Authority will have evidence that it approved each Curtailment submitted as an RAAI, meeting the criteria specified in WR3.
- **WR4**. Each Balancing Authority and Transmission Service Provider initiating a Curtailment shall ensure that the Curtailment meets each of the following:
 - 1) Releases its own reliability limit profile on the Interchange Transaction Tag, when the reliability event allows for the reloading of the transaction, without releasing the reliability limit of other Balancing Authorities and Transmission Service Providers;
 - 2) The Current Level on the Interchange Transaction Tag shall not be greater than the most limiting reliability limit. (Refer to the Rationale Section for narrative regarding the "Current Level.")
 - **WM4**. Each Balancing Authority and Transmission Service Provider will have evidence that, when initiating a Curtailment, the Curtailment met each of the criteria described in WR4. Evidence may include, but is not limited to, production of the Interchange Transaction Tag(s) containing each of the characteristics specified in WR4.



- **WR5**. Each Balancing Authority and Transmission Service Provider shall use the e-Tag as the primary tool to communicate Reliability Adjustment RFIs when transmission curtailment on its system is required.
 - **WM5**. Each Balancing Authority and each Transmission Service Provider will have evidence that it used the e-Tag as its primary tool to communicate Reliability Adjustment RFIs as required in WR5. Evidence may include, but is not limited to, production of the associated e-Tag.



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Version History

Version	Date	Action	Change Tracking
1	March 7, 2007	Operating Committee Approved	Initial
2	August 31, 2009	Converted current approved Business Practice (INT-BPS- 004-0) into new Regional criterion format.	No substantive change
2	September 5, 2012	WECC Board of Directors changed designation from "CRT" to "RBP."	Designation change
2	March 13, 2013	WECC Board of Directors Approved	Developed as WECC-0077. Updated as part of INT Rewrite Project
2	June 25, 2014	WECC Board of Directors changed designation from "RBP" to "CRT."	Designation change
2.1	January 28, 2016	Errata	The nomenclature changed from RBP to CRT. In the Applicability section, the plural of Balancing Authorities was changed to the singular Balancing Authority.
2.1	April 1, 2016	No Change	Converted to new template
3	December 5, 2018	WECC Board of Directors approved along with WECC-0121A INT-001-WECC-CRT-2.1, e-Tag Requirements for WECC including Wrongful Denial of RFI, in which WECC-0121A, Requirement WR1 and WM1 were approved for relocation to this document.	Developed as WECC-0129 in parallel with WECC-0121A. Changes include: 1) enhanced syntax and drafting conformity, 2) updates to the Title and Purpose statements, 3) in WR1, "RFI" was replaced with "Curtailment as an RAAI" and "submission" was replaced with "submittal," 4) in WR2, "Interchange Transaction" was changed to "market adjustment," 5) in WR3, "Curtailment" was replaced with "each Curtailment submitted as an RAAI" and "addressed" was replaced with "identified," 6) in WR4, each "Reliability Adjustment" was replaced with "the Curtailment." Measures were updates accordingly.
			Relocation of Requirement creating WR5 Ballots ran concurrently for WECC-0121A and WECC-0129. Both were approved. As a
			result, WECC-0121A WR1/WM1 of WECC-



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			121A was deleted from WECC-0121A and inserted into WECC-0129 as WR5/WM5.
3.1	June 18, 2019	Errata	Converted to newest template.
			In Version 3.1: 1) "Request-For-Interchange" was replaced with "Request for Interchange" and the "RFI" acronym, 2) "with respect to" was replaced with regarding the" (Rationale), 3) "portions" was replaced with "parts" (Rationale), 4) "WECC Requirement (WR)" was replaced with "WECC Requirement," 5) a footnote was added connecting "NERC Glossary of Terms Used in Reliability Standards" to "NERC Glossary" and, 6) Version History syntax was corrected.
4		WECC Board of Directors approved	Previous effective date: June 18, 2019
			Converted to ICC. In Version 4: 1) lower
			case "current level" was changed to upper case "Current Level," 2) the first sentence of
			the third paragraph in the Rationale was
			deleted as superfluous.



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Attachments

Not used.



Rationale

Purpose

The stated purpose of this section is to "ensure uniform treatment of reliability-based Curtailment(s) through a Reliability Adjustment Arranged Interchange (RAAI)."

This section of the ICC recognizes that there are multiple NERC Glossary and NAESB definitions that could pertain to a Curtailment request type on a Request for Interchange (RFI), such as Reliability Adjustment Arranged Interchange (RAAI) and Curtailment.

If there is confusion regarding the applicability of the NERC Glossary and NAESB definitions noted above, the underlying concept is that any WECC reliability entity issuing a Curtailment request type on an RFI (no matter which of the two defined terms above describes the underlying reason for this action), the Curtailment will be approved by all, and will not be denied within WECC.

This section also recognizes that the NERC Glossary and NAESB definitions contain multiple defined terms representing synonyms for RFIs, or subsets and parts thereof. Some of these definitions are still used colloquially but no longer have an effective date.⁶

To avoid confusion and for purposes of this section of the ICC, whether the term Curtailment is used in a WECC Requirement (WR) or used in any portion or type of an RFI, the term carries the definition used in the NERC Glossary.

Requirement WR1

Both the Balancing Authority and the Transmission Service Provider are responsible for initiating Curtailments.

WR1 was historically included because the NAESB e-Tag specification did not address the ability of adjusting the time on reliability adjustments in the past. Tagging vendors indicated that drafting a business practice mandating this functionality would permit the vendor to update the software coding at no cost. To remedy the concern, the WECC ISAS determined that allowing RFIs a start time no longer than 10 minutes in the past addressed the ability to put an element back in service prior to

⁶ For example	e
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Reliability Project 2008-12 FERC approval A request to modify a Confirmed Adjustment Arranged Coordinate Interchange 6/30/2014; effective Interchange or Implemented Interchange Standards 10/1/2014 Interchange for reliability purposes. Reliability Project 2007-14 FERC approved Request to modify an Implemented Adjustment RFI Coordinate Interchange-12/17/2009; no Interchange Schedule for reliability Timing Table effective date listed. purposes.



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performing reliability adjustments (Curtailments). Additionally, this reduces the amount of potential inadvertent interchange that can occur.

Requirement WR2

WR2 originated to ensure Balancing Authorities and Transmission Service Providers approve market adjustments, releasing the transmission profile to match reliability adjustments. The benefit of requiring this functionality is twofold: 1) transmission customers can prevent unwanted reloads, and 2) transmission customers can potentially utilize the transmission rights elsewhere.

Requirement WR3

WR3 requires the Source and Sink Balancing Authority to approve all Curtailments within the reliability assessment period identified in NERC INT standards, or their successor.

WR3 recognizes that, within the Western Interconnection, the established practice is to approve each Curtailment submitted, without exception.

In applying this requirement, it must be noted that, by definition, a Curtailment is a "reduction in scheduled capacity or energy delivery." (Emphasis added.) Per that definition, a Curtailment cannot be an *increase* in scheduled capacity or energy delivery, even though a software function may allow it.

Further detail addressing treatment of Curtailments and reloads is contained in the NAESB e-Tag specification.

Requirement WR4

WR4 ensures that, when multiple Curtailments and reliability limits are set by Balancing Authorities and Transmission Service Providers, those limits are adhered to by parties on the e-Tag.

The multiple reliability limits set by each Balancing Authority and Transmission Service Provider should be managed by each entity and should be released by each entity when the reliability event is over. However, the overall reliability limit should be based on the most limiting level set across all Balancing Authorities and Transmission Service Providers.

The Current Level should not exceed the most limiting reliability event. This ensures that, once an e-Tag is reloaded by one entity, another entity such as a Balancing Authority or Transmission Service Provider does not need to initiate a curtailment to reset the reliability limit.

Requirement WR5 7 NERC Glossary



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This requirement was imported from WECC-0121A INT-001-WECC-CRT-2.1, e-Tag Requirements for WECC including Wrongful Denial of RFI. See Version History table.





WECC Criterion INT-007-WECC-CRT-5

INT-007-WECC-CRT-5—Introduction

1. Title: Processing of Emergency Requests for Interchange (RFI)

2. Number: INT-007-WECC-CRT-5

3. **Purpose**: To define the processing of Emergency RFI

4. Applicability:

4.1. Functional Entities:

4.1.1. Balancing Authority

4.1.2. Transmission Service Provider

5. **Effective Date**: See preamble.

INT-007-WECC-CRT-5—Processing of Emergency RFI

Requirements and Measures

- **WR1.** Each Balancing Authority, Transmission Service Provider, and each entity listed as an approving party on an Emergency RFI shall approve an Emergency RFI when each of the following conditions is met for a specific transaction:
 - 1) The RFI author has designated the RFI transaction type as an Emergency RFI;
 - 2) The content of the Emergency RFI is correct and meets all NERC, NAESB, and WECC requirements;
 - 3) The Sink Balancing Authority has approved the RFI;
 - 4) The duration of the RFI is two hours or less.
 - **WM1.** Each Balancing Authority, Transmission Service Provider, and each entity listed as an approving party on an Emergency RFI will have evidence that each Emergency RFI meeting all the above conditions was approved as required in WR1.
- **WR2.** Each Sink Balancing Authority shall verify that the conditions of the Emergency RFI exist based on any of the following actual or anticipated conditions:
 - Loss of generation, including potential violation of license requirements, regulations, or statutes that apply under normal operating conditions;
 - Loss of transmission;
 - Loss of resource due to transmission constraint;
 - Inadequate reserves;
 - At the request of the Reliability Coordinator.
 - **WM2.** Each Sink Balancing Authority verifying the conditions of the Emergency RFI will have evidence that each confirmed Emergency RFI met at least one of the requirements listed in WR2.

Evidence may include, but is not limited to, operator logs, voice recordings or transcripts of voice recordings, electronic communications, computer printouts, or other equivalent evidence that assisted the Sink Balancing Authority in adhering to WR2.



Version History

Version	Date	Action	Change Tracking
1	March 7, 2007	WECC Operating Committee approved	Initial
1	April 25, 2007	WECC Board of Directors approved	Initial
1	August 31, 2009	Updated format	No change
2	July 13, 2011	WECC Operating Committee approved	Address "emergency" verbiage; translated from Version Zero
2	September 22, 2011	WECC Board of Directors approved	Developed as WECC-0056.
2.1	October 3, 2011	Errata	"The Sink Balancing Authority" in WR2 was replaced with "Each Sink Balancing Authority." The WM2 phrase, "Each Sink Balancing Authority and each Purchase-Selling Entity that requested the RFI shall have and provide upon request evidence that each Emergency Confirmed Interchange that the RFI met at least one of the requirements listed in WR2." was changed to read, "Each Sink Balancing Authority that requested the RFI shall have and provide upon request, evidence that for each Emergency Confirmed Interchange the RFI met at least one of the requirements listed in WR2." The change was made to eliminate the PSE that was not mentioned in the associated WR2.
2.1	September 5, 2012	WECC Board of Directors changed designation from "CRT" to "RBP."	Designation change
2.1	June 25, 2014	WECC Board of Directors changed designation from "RBP" to "CRT."	Designation change
2.2	January 28, 2016	Errata	In the Applicability section, plurals were changed to singular.
2.2	April 1, 2016	No change	Converted to new template
3	June 21, 2017	WECC Standards Committee approved	Developed as WECC-0121B. Five-year review. This project: 1) eliminated the Purchasing-Selling Entity (PSE) from the Applicability section, 2) generic language was added to WR1 filling the PSE void, and 3) an addition was made to the Guidance Section directing the reader to the WECC Process for Monitoring and Enforcement for information regarding adherence of PSEs.
3	December 6, 2017	WECC Board of Directors approved	The first day of the second quarter following WECC Board of Director approval. Effective Date April 1, 2018



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3.1	June 18, 2019	Errata	Converted to newest template.
			In Version 3.1: 1) North American Electric Reliability Corporation and North American Energy Standards Board were spelled out for first use, 2) "all of" was replaced with "all" (WM1), 3) "in complying with WR2" was replaced with "in adhering to WR2" (WM2), and 4) Version History syntax was corrected.
4	December 6, 2022	WECC Standards Committee (WSC) approved Non- Substantive change	Developed as WECC-0151. The WSC approved the following Non-Substantive change at footnote 1: from "See Guidance section" to "See Guidance, under Rationale section."
5		WECC Board of Directors approved	Last effective date: December 6, 2022. Converted to ICC.



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Attachments

Not used.



Rationale

In WR1, Version 3, the Purchasing-Selling Entity (PSE) was removed and replaced with the phrase "and each entity listed as an approving party on an Emergency RFI."

This section acknowledges the regulatory trend of removing entities from compliance and adherence documents except where those entities are included in the NERC Compliance Registry. This document also acknowledges that entities such as the Purchasing-Selling Entity (PSE) and the Load-Serving Entity (LSE) continue to perform functions related to e-Tagging.

Adherence and monitoring of WECC Criterion, such as this document, continue to be addressed in The Process for Monitoring Adherence to Regional Criteria (Process) that encompasses "each entity listed as an approving party." The Process does not require that a non-adhering entity be listed in the NERC Compliance Registry; rather, the non-adhering entity is simply referred to as the "Alleged Non-Adhering Party."

(WECC Document Categorization Policy, Section 2.2, WECC Regional Criteria, Monitoring, and Enforcement (pages 5-6); see also WECC's Process for Monitoring Adherence to WECC Regional Criterion Requirements.)





WECC Criterion INT-008-WECC-CRT-4

INT-008-WECC-CRT-4—Introduction

1. Title: Treatment of Dynamic Transfer Request for Interchange (RFI)

2. Number: INT-008-WECC-CRT-4

3. **Purpose**: To define RFI requirements for Dynamic Transfers

4. Applicability:

4.1. Functional Entities:

This document only applies to those Applicable Entities listed below that are identified as parties to a Dynamic Transfer.

- **4.1.1.** Any NAESB Registered Entity (NRE) that creates an e-Tag by submitting an RFI (such as a Purchasing-Selling Entity, Load-Serving Entity, Generator-Serving Entity, or Balancing Authority).
- **4.1.2.** Balancing Authority
- 5. Effective Date: See preamble.

Requirements and Measures

- **WR1.** Each NRE shall submit an RFI for each of the following Transaction Types:
 - 1) "Dynamic Schedule" 8
 - 2) "Pseudo-Tie"
 - **WM1.** Each NRE submitting an RFI for a "Dynamic Transfer" or a "Pseudo-Tie" as specified in WR1 will have evidence of that submittal. Evidence may include, but is not limited to, production of the RFI including the prescribed content.
- **WR2.** Each NRE shall inform the Transmission Service Provider (TSP), via the transmission allocation section of the RFI, of the transmission capacity required to serve the maximum flow of the NRE's Dynamic Transfer.
 - **WM2.** Each NRE will have evidence that it informed the TSP of the transmission capacity allocation, per the criteria specified in WR2. Evidence may include, but is not limited to, production of an RFI showing the Dynamic Transfer and the attributes required in WR2 or production of other forms of communication if the tagging system is not available.
- **WR3.** Each Source Balancing Authority and Sink Balancing Authority shall implement the Interchange without exceeding either the transmission allocation profile or the reliability limit profile stated in the Confirmed Interchange.
 - **WM3.** Each Source and Sink Balancing Authority implementing the Interchange as specified in WR3 will have evidence that the Interchange was implemented as specified in WR3. Evidence may include, but is not limited to, documentation that, during the operating hour, the Implemented Interchange did not exceed either the transmission allocation profile or the reliability limit profile stated in the e-Tag associated with the Confirmed Interchange.
- **WR4.** Each Balancing Authority shall exclude the estimated energy profile from its implemented "Dynamic Schedule" Tag, when used in the Net Scheduled Interchange (NSI) between Adjacent Balancing Authorities, for future hour check-out, until after the completion of the operating hour, when the value should be included.

⁸ When used in quotation marks, these terms refer to proper nouns and not the defined terms used in the NERC Glossary of Terms Used in Reliability Standards.



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- **WM4.** Each Balancing Authority will have evidence that it treated its estimated energy profile from "Dynamic Schedule" Tag per the criteria in WR5. Evidence may include, but is not limited to, production of RFIs reflecting the prescribed WR4 criteria.
- **WR5.** Each NRE, Source Balancing Authority, and Sink Balancing Authority that is a party to a tag for Dynamic Transfer shall jointly agree on which of those three applicable entities will update the Dynamic Transfer profile.
 - **WM5.** Each NRE, Source Balancing Authority, and Sink Balancing Authority that is a party to a tag for Dynamic Transfer will have evidence that it jointly agreed on which of those three applicable entities were to update the Dynamic Transfer profile as required in WR5. Evidence may include, but is not limited to, any form of written or recorded correspondence showing that agreement was reached by the parties specified in WR5 and indicating which of the three entities was selected to update the Dynamic Transfer profile.
- **WR6.** Each NRE, Source Balancing Authority, and Sink Balancing Authority that is a party to an e-Tag for Dynamic Transfer shall use the values obtained from a common agreed on source, to submit updates to the Dynamic Transfer energy profile with the integrated value (MWh) within 60 minutes after the completion of the operating hour.
 - **WM6.** Each NRE, Source Balancing Authority and Sink Balancing Authority that is a party to an e-Tag for Dynamic Transfer per WR6 will have evidence that the e-Tag reflected the criteria specified in WR6. Evidence may include, but is not limited to, production of an after-the-fact tag adjustment reflecting a submittal time no greater than 60 minutes after the completion of the operating hour.
- **WR7.** Each Balancing Authority shall include each adjusted "Dynamic Schedule" for Implemented Interchange, in the Net *Scheduled* Interchange between Adjacent Balancing Authorities, after the completion of the operating hour (emphasis added).
 - **WM7.** Each Balancing Authority will have evidence that it included each adjusted "Dynamic Schedule" for Implemented Interchange, in the Net *Scheduled* Interchange between Adjacent Balancing Authorities, after the completion of the operating hour, as specified in WR7. Evidence may include, but is not limited to, production of tags reflecting the prescribed WR7 criteria.
- **WR8.** Each Balancing Authority shall include each adjusted "Pseudo-Tie" Implemented Interchange, in the Net *Actual* Interchange between Adjacent Balancing Authorities, after the completion of the operating hour (emphasis added).
 - **WM8.** Each Balancing Authority will have evidence that it included each adjusted "Pseudo-Tie" for Implemented Interchange in the Net *Actual* Interchange between Adjacent



Balancing Authorities, after the completion of the operating hour, as specified in WR8. Evidence may include, but is not limited to, production of tags reflecting the prescribed WR8 criteria.



Version History

Version	Date	Action	Change Tracking
1	December 20, 2006	Initial Version	Initial Version
1	June 14, 2007	Operating Committee Approved	Initial Version
1	August 31, 2009	Designation change from "BPS" to "CRT" format.	Designation change
1	September 5, 2012	WECC Board of Directors changed designation from "CRT" to "RBP."	Designation change
1	June 26, 2013	Implement WECC Board of Directors approval from June 2012 Board meeting.	Updated as part of INT Rewrite Project. Retire INT-008-WECC-RBP-1. Retire INT-017- WECC-RBP-1, WECC Requirements WR1 and WR2. The substance of WR1 was moved to INT-016- WECC-RBP-2, Data Submittal. The substance of WR2 is included in INT-008-WECC-RBP-2.
2	June 26, 2013	WECC Board of Directors Approved	Developed as WECC-0087. Effective date July 1, 2013
2.1	July 19, 2013	Erratum	Changed "CRT" annotation to "RBP" in Section A.2
2.1	June 25, 2014	WECC Board of Directors changed designation from "RBP" to "CRT."	Designation change
2.1	April 1, 2016	No change	Converted to new template
3	December 5, 2018	WECC Board of Directors approved	Developed as WECC-0132. Changes for Version 3 include: 1) Updated Title, 2) Purchasing-Selling Entity was replaced with NRE (NAESB Registered Entity), references throughout were updated, 3) Transmission Service Provider (TSP) was deleted from the Applicability section as the TSP has no assigned tasks, 4) Version 2.1, WR2 and its Rationale section were deleted; addressed in Version 3 WR5 and WR6, 5) Version 3, WR8 was added addressing Pseudo-ties to mimic Version 3, WR7 addressing Dynamic Schedules, 6) Rationale section changed to explain the use of proper nouns, NRE, and data origins, 8) links were deleted, 9) reference to the NERC Dynamic Transfer Reference Guideline was deleted, 10) Rationale section WR1, use of lower case "dynamic" and "pseudo-tie" was changed to uppercase "Dynamic Schedule" and "Pseudo-tie," 11) Rationale section for WR5 was added, 12) Rationale section WR6 added "energy" after the phrase "submit updates to the Dynamic Transfer," 13) enhanced syntax throughout, and 14) Measures were updated accordingly.
3.1	June 18, 2019	Errata	Converted to newest template. In Version 3.1: 1) North American Energy Standards Board, Net Scheduled Interchange, and



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			Transmission Service Provider were spelled out for first use, 2) "Authority" was added after the word "Balancing" (WM3), 3) capitalization was corrected from "Pseudo-Tie" to "Pseudo-tie," throughout, and 4) Version History syntax was corrected.
3.2	December 3, 2019	Errata	Footnote one was added stating, "The term "NRE" refers to entities registered in the NAESB Electronic Industry Registry (EIR)."
4		WECC Board of Directors approved	Converted to ICC. In Version 4: 1) at 4.1.1., "Generating" was changed to "Generator," 2) at WM5, "shall" was deleted, 3) at WR6/WM6, "a tag" was replaced with "an e-Tag," 4) at WR8/WM8, "Pseudo-tie" was replaced with "Pseudo-Tie," (and throughout) 5) in the rationale section, Dynamic Schedule and Pseudo-Tie are referred to a "Transaction Types," 6) references to OATI were deleted, 7) in the Rationale Overview section, "interchange," "interchange schedules," "dynamic" and "pseudo-tie" were capitalized, and 8) "WECC Interchange Tool" was replaced with "Interchange Software."



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Attachments

Not Used



Rationale

The terms Dynamic Schedule and Pseudo-Tie appear in both the NERC Glossary and certain NAESB documents. For purposes of this section, where these two terms are used in quotation marks, the NAESB Transaction Type is intended with no further attempt to define these terms; otherwise, the definitions default to the NERC Glossary.

Overview

This section defines the requirements for creating and updating e-Tags for Dynamic Transfers in the WECC, with the goal of addressing portions of the overuse of transmission rights as voiced by the FERC in Order 890, paragraphs 834 through 838. There, FERC stated that scheduled Interchange should only use the transmission service that the transmission customer had secured, and in cases of excess use of rights, unreserved use penalties should act as an incentive for transmission customers to secure transmission rights.

Specifically, this section instructs the Applicable Entities to:

- Specify Dynamic or Pseudo-Tie fields;
- Communicate the data;
- Use the data;
- Implement the associated Interchange;
- Exclude Implemented Interchange from NSI; and
- Include adjusted Implemented Interchange from NSI.

Requirement WR1

In WR1, the Applicable Entity is instructed to specify the e-Tag's transaction type as either a "Dynamic Schedule" or a "Pseudo-Tie" in order to properly identify the transaction as a Dynamic Transfer. WR1 provides clear information to all Balancing Authorities, reducing the possibility of erroneous labeling of the Transaction Type on the e-Tag. This prevents duplication of the schedule.

This designation also informs the reviewer how to treat the transaction with specific emphasis on the appropriate inclusion and exclusion of the "Dynamic Schedule" or "Pseudo-Tie" into the Balancing Authority's Area Control Error equation.

It should be noted for purposes of WR1 that, where a transfer does not cross a Balancing Authority Area boundary, that transaction does not classify as a Pseudo-Tie for purposes of this section; therefore, this document does not apply to that specific type of transfer.

A Balancing Authority must be aware that a Dynamic Transfer is being sourced, sunk, or wheeled into or through its Balancing Authority Area and must account for Dynamic Transfer(s) accordingly in its Area Control Error. As stated in NERC's Dynamic Transfer Guideline, Dynamic Schedules are to be



accounted for as Interchange Schedules by the source, sink, and contract intermediary Balancing Authority(ies), both in its respective Area Control Error equations and throughout its energy accounting processes.⁹

⁹ This document has its history, in part, in the NERC Dynamic Transfer Reference Guideline. For additional background, the reader is encouraged to review the NERC Dynamic Transfer Reference Guideline, as updated from time-to-time.



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Requirement WR3

WR3 ensures Dynamic Transfers do not exceed the maximum transmission capacity stated in the RFI. It should not be the intention of the NRE to incur overuse penalties or charges by not securing adequate transmission capacity rights for the dynamic flow.

Requirement WR4

WR4 requires that once all data is obtained, fields set, and data is used, the Applicable Entities implement the Interchange without exceeding either the transmission allocation profile or the reliability limit profile stated in the Confirmed Interchange. Since the maximum transmission capacity for each Transmission Service Provider is set in accordance with the Transmission Service Provider's tariffs, the Applicable Entities must be aware of all transmission allocations from Source to Sink so that dispatch signals do not exceed the most limiting transmission allocation profile.

WR4 is designed to assist the Balancing Authority in calculating its NSI between Adjacent Balancing Authorities and it instructs those entities on when to include/exclude both Implemented and adjusted Implemented Interchange.

WR4 instructs exclusion of the Dynamic Schedule RFIs from the NSI prior to the operating hour; however, the "Dynamic Schedule" as it is used during the operating hour must be included in the NSI and averaged over the hour for after-the-fact accounting purposes. Since the dispatches during the hour can be as frequent as every few seconds, the RFI does not need to be updated until the completion of the current operating hour. This distinguishes the Dynamic Schedule from other types of schedules and prevents the dynamic component of NSI from being included with the tagged static component of NSI. Further, by excluding the values until the end of the current operating hour, the industry is afforded a distinct time to establish values for purposes of settlement.

Requirement WR5

WR5 answers the question, "Where does the data come from?" WR5 is intended to bring the parties together to agree upon a single data source from which numeric values will be obtained.

In WR5, the NRE, the Source Balancing Authority and the Sink Balancing Authority that are parties to an RFI for Dynamic Transfer are instructed to agree on which of those entities will update the Dynamic Transfer profile. This ensures consistency.

In earlier versions, parties were required to agree on a specific data source. That requirement (V2.1, WR2) was deleted in favor of a mandate for a common data source included in NERC Standard BAL-005-1, Balancing Authority Control, effective date January 1, 2019. If NERC Standards cease to contain that mandate, this document should be considered for update. (See BAL-005-1, Rationale section, Requirement R7 for more background.)



WR5 does not supersede any other requirement in this section or any NERC Reliability Standard. The common data source of BAL-005-1 is not to be understood as superseding the maximum transmission allocation profile of the reliability limit profile established elsewhere in this section or peripheral NERC Standards.

Requirement WR6

WR6 indicates that the three specified entities will agree upon which of the three will submit updates to the Dynamic Transfer energy profile, and as soon after the operating hour as possible, but in no case more than 60 minutes after the completion of the operating hour, will use the designated data.

It should be clearly noted that, prior to this occurrence, the affected entities must agree upon a single designated source from which the values will be gleaned. Having obtained the data from the designated data source, and having properly designated the software fields for purposes of Dynamic Scheduling, the Applicable Entities are instructed to use the designated values to submit updates to the Dynamic Transfer energy profile.

Requirement WR7/WR8

The specified time windows identified in WR7/WR8 of this section are designed to lock down the specified point in time at which values will be modified after-the-fact, and when the NSI updates will appear on the Interchange Software 's NSI between Balancing Authorities.

The Source and Sink Balancing Authorities would use this information to ensure the Dynamic Transfers do not exceed the maximum transmission capacity in the transmission allocation area of the RFI and that after-the-fact adjustments do not exceed the maximum capacity indicated.





WECC Criterion INT-009-WECC-CRT4

INT-009-WECC-CRT-4—Introduction

1. Title: Capacity e-Tag Functionality

2. Number: INT-009-WECC-CRT-4

3. **Purpose**: To define the functionality of a capacity type e-Tag transaction by creating a

uniform set of capacity type e-Tag criteria for use with on-demand Spinning and

Non-Spinning resources.

4. Applicability:

4.1. Functional Entities:

4.1.1. Any NAESB Registered Entity (NRE) that creates an e-Tag by submitting a

Request for Interchange (RFI), (such as a Purchasing-Selling Entity, Load-Serving

Entity, Generator-Serving Entity, or Balancing Authority).

4.1.2. Balancing Authority

5. **Effective Date**: See preamble.

Requirements and Measures

- **WR1**. Each NRE (Tag Author) submitting an RFI for on-demand Spinning and Non-Spinning Reserve transactions shall specify each of the following:
 - 1) Transaction type set to "Capacity;"¹⁰
 - 2) Energy product type set to either "C-SP" for Spinning Reserves or "C-NS" for Non-Spinning Reserves;
 - 3) Market Level profile set to any value between zero and the transmission allocation profile; and
 - 4) Transmission Allocation profile set to the maximum amount of energy that can be delivered on the transaction.
 - **WM1**. Each NRE will have evidence its RFIs met the criteria required in WR1. Evidence may include, but is not limited to, production of a Capacity e-Tag showing its status as having been implemented, in accordance with WR1.
- **WR2**. Each Source Balancing Authority and Sink Balancing Authority shall account for capacity reserves by using the difference between the Current Level profile and the lower of either the Transmission Allocation profile or the reliability limit profile.
 - **WM2**. Each Source Balancing Authority and Sink Balancing Authority will have evidence that it accounted for reserves in the manner required in WR2. Evidence may include, but is not limited to, production of a Capacity e-Tag, impacting reserve accounting, showing its status as having been implemented, in accordance with WR2.
- **WR3**. Each Sink Balancing Authority shall activate capacity reserves through the NRE (Tag Author) submitting a WECC Capacity e-Tag, Market Level profile adjustment request with either a default start time ramp duration of zero or with a start time ramp duration that is agreed upon by all parties.
 - **WM3**. Each Sink Balancing Authority will have evidence that it activated capacity reserves using the prescribed method in WR3. Evidence may include, but is not limited to, production of an e-Tag adjustment indicating the activation of capacity reserves, the status of which shows the e-Tag has been implemented, in accordance with WR3.

[&]quot;Availability of E-Tag [sic] Information to Commission Staff," footnote 6. (Issued December 20, 2012), 141 FERC ¶ 61,235, 18 CFR Part 366, Docket No. RM11-12-000



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¹⁰ See NAESB Electronic Tagging Functional Specifications, Version 1.8.4., or successor. See also FERC Order 771,

- **WR4**. Each Sink Balancing Authority shall activate capacity reserves through the NRE (Tag Author) submitting a WECC Capacity e-Tag, Market Level profile adjustment request with a start time no more than 10 minutes prior to the submittal time.
 - **WM4**. Each Sink Balancing Authority will have evidence that, when activating capacity reserves, the WR4 criteria was used. Evidence may include, but is not limited to, production of the e-Tag reflecting activation of capacity reserves no more than 10 minutes prior to the submittal time, in accordance with WR4.
- **WR5**. Each Source Balancing Authority and Sink Balancing Authority shall approve all WECC Capacity e-Tag(s), Market-Level-only profile adjustment requests unless the adjustment exceeds the Transmission Allocation profile.
 - **WM5**. Each Source and each Sink Balancing Authority will have evidence that it approved its WECC Capacity e-Tag(s), Market-Level-only profile adjustment requests, as required in WR5. Evidence may include, but is not limited to, production of an e-Tag showing the e-Tag was approved and implemented, in accordance with WR5.



Version History

Version	Date	Action	Change Tracking	
1	March 6, 2008	WECC Operating Committee Approved	Initial Version	
1	May 20, 2008	Clarification	WR4—clarified responsible party for identifying the Energy Product Code. WR5.1 changed to further clarify the intent of adjustments versus curtailments. WR5.2, the full convention naming of LSE with hyphen was inserted for clarity.	
1	August 31, 2009	Converted INT-BPS-009-1 into Regional Criterion format.	Format change	
2	September 5, 2012	WECC Board of Directors changed designation from "CRT" to "RBP."	Designation change	
2	March 13, 2013	WECC Board of Directors Approved	Developed as WECC-0078. Newly drafted under INT Rewrite Project	
2	June 25, 2014	WECC Board of Directors changed designation from "RBP" to "CRT."	Designation change	
2.1	January 28, 2016	Errata	In the Applicability section, plurals were changed to singular.	
2.1	April 1, 2016	No Change	Converted to new template	
3	March 6, 2019	WECC Board of Directors Approved	Developed as WECC-0133. Converted to newest template. This project is the result of a five-year review making the following changes: 1) the Purchasing-Selling Entity was replaced with a newly created applicable entity, "Any NAESB Registered Entity (NRE)," 2) Measures were conformed to current drafting conventions, 3) the Rationale section was updated to explain why the NRE was introduced and how proper nouns were used, 4) Version History syntax was corrected.	
3.1	December 3, 2019	Errata	Footnote one was added stating, "The term "NRE" refers to entities registered in the NAESB Electronic Industry registry (EIR)."	
4		WECC Board of Directors approved	Last effective date: December 3, 2019. Converted to ICC. In Version 4: 1) at 4.1.1., "Generating" is replaced with "Generator," 2) at WR1/WM1, "capacity" and "allocation" were capitalized (Capacity was capitalized throughout), 3) at WR3, "Capacity" was inserted in front of e-Tag, 4) at WR5, "transmission allocation" was capitalized and an "(s)" was added to e-Tag, and 5) in the Rationale Requirements sections, "spinning," "non- spinning," and "curtailment" were capitalized.	



Attachments

Not Used



Rationale

Requirements

WR1 allows the NRE, such as the Purchasing-Selling Entity, to show where Spinning and Non-Spinning reserves are being held.

WR2 addresses how to account for e-Tag reserve components. WR2 is not a mandate prescribing how to calculate reserves.

The Current Level referenced in WR2 should not exceed the most limiting reliability event. This ensures that, once an e-Tag is reloaded by one entity, another entity such as a Balancing Authority or Transmission Service Provider does not need to initiate a Curtailment to reset the reliability limit.

WR3 through WR5 outline how capacity reserves are activated and approved through an e-Tag adjustment.

The reference to "all" transactions in WR5 highlights inclusion of both inter- and intra-hour transactions.





WECC Criterion INT-011-WECC-CRT-5

INT-011-WECC-CRT-5—Introduction

1. Title: Ten-Minute Recallable e-Tag Functionality

2. Number: INT-011-WECC-CRT-5

3. **Purpose**: To define the use of 10-minute recallable e-Tags as Operating Reserve—

Supplemental (ORS)

4. **Applicability**: This document applies only to those entities whose market rules allow for 10-

minute recallable transactions.

4.1. Functional Entities:

4.1.1. Any NAESB Registered Entity (NRE) (such as a Purchasing-Selling Entity, Load-

Serving Entity, Generator-Serving Entity, or Balancing Authority) that creates an

e-Tag by submitting an RFI.

4.1.2. Balancing Authority

5. Effective Date: See preamble.

Requirements and Measures

- **WR1.** Each NRE (Tag Author) submitting a Request for Interchange (RFI) for 10-minute recallable transactions for ORS shall specify each of the following:
 - 1) Transaction type option set to "Recallable;"
 - 2) Both the Source Balancing Authority and the Sink Balancing Authority are located within the Western Interconnection;
 - 3) Energy product type option in the first segment of the market path set to "C-RE."
 - **WM1.** Each NRE (Tag Author) submitting an RFI for 10-minute recallable transactions for ORS will have evidence that it specified in that request each of the items required in WR1.
- **WR2.** Each NRE and each Source Balancing Authority activating 10-minute recallable transactions for ORS shall decrease the Market Level profile through an adjustment to the electronic tag to include each of the following characteristics:
 - 1) A start time that is no earlier than 10 minutes prior to the submittal time.
 - 2) A default start time ramp duration of zero minutes.
 - **WM2.** Each NRE and each Source Balancing Authority submitting an adjustment to a 10-minute recallable transaction for ORS will have evidence that it submitted a downward e-Tag Market Level profile adjustment for that activation and that the e-Tag included each of the characteristics required in WR2.
- WR3. Each Source Balancing Authority and Sink Balancing Authority receiving a Market Level profile adjustment request for a 10-minute Recallable transaction shall approve the request.
 - **WM3.** Each Source Balancing Authority and Sink Balancing Authority receiving a Market Level profile adjustment request for a 10-minute Recallable transaction will have evidence that, upon receipt of a downward e-Tag market profile adjustment for 10-minute Recallable transactions, it approved the request as required in WR3.
 - Where an entity has not received a request per WR3, a written statement to that effect is sufficient to show adherence.



Version History

Version	Date	Action	Change Tracking
1	March 6, 2008	Approved by the Operating Initial Committee	
1	August 31, 2009	Converting current approved Business Practice (INT-BPS-011-1) into new Regional Criterion format—no other changes are being submitted No other change	
2	September 5, 2012	WECC Board of Directors changed designation from "CRT" to "RBP."	Designation change
2	March 13, 2013	WECC Board of Directors Approved	Developed as WECC-0079. Redraft as part of the INT Rewrite Project
2	June 25, 2014	WECC Board of Directors changed designation from "RBP" to "CRT."	Designation change
3	June 24, 2015	WECC Board of Directors Approved	Developed as WECC-0110. Align the INT with BAL-002-WECC-2, Contingency Reserve
3	April 1, 2016	Errata	Converted to new template
3.1	June 18, 2019	Errata	Converted to newest template Version Table for Version 3 changed from "No change" to "Errata" for uniformity.
4	December 4, 2019	WECC Board of Directors Approved	In Version 4: 1) the title was shortened, 2) "BAM" was replaced with NAESB NRE throughout, 3) footnotes were added to explain NAESB and NRE, 4) "in the first segment of the market path" was added to WR1.3., 5) syntax was clarified in WR2, 6) "BA" was replaced with "Balancing Authority" as needed, 7) "downward" was deleted in WR3/WM3 and replaced with "market level profile," 8) a "Use of Capitalized Terms" section was added to the Rationale section.
5		WECC Board of Directors approved	Last effective date: January 1, 2020 Converted to ICC. In Version 5: 1) at 4.1.1.1., "Generating" was replaced with "Generator,", 2) at WR1., "recallable" was capitalized, 2) WR1, "source point" and "sink point" were replaced with "Source Balancing Authority" and "Sink Balancing Authority." Respectively, 3) at WR2/WM2, "market level" was capitalized, and 4) at WR3,/WM3, "market level" and "recallable" were capitalized (items 3 and 4 were changed throughout).



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Attachments

Not used.



Rationale

Requirements

WR1 instructs each NRE (Tag Author) on information required to indicate that the RFI is a 10-minute Recallable transaction for ORS.

WR2 recognizes the NRE (Tag Author), or the Source Balancing Authority may request an adjustment to the Market Level profile of a 10-minute recallable transaction for ORS.

WR3 ensures that the adjustments to 10-minute Recallable transactions are approved.





WECC Criterion INT-016-WECC-CRT-5

INT-016-WECC-CRT-5—Introduction

1. Title: Data Submittal

2. Number: INT-016-WECC-CRT-5

3. **Purpose**: To ensure an e-Tag is created for all Requests for Interchange (RFI), less than 60

minutes in duration

4. Applicability:

4.1. Functional Entities:

4.1.1. Balancing Authority

5. Effective Date: See preamble.

Requirements and Measures

- **WR1.** Each Balancing Authority meeting either of the following criteria shall electronically submit the RFI to the Interchange Software:
 - A Balancing Authority submitting an RFI not otherwise required under a NERC Standard or a NAESB Business Practice Standard; (or),
 - A Balancing Authority that has experienced a loss of resources affecting Net Scheduled Interchange.

WM1. Each Balancing Authority meeting either of the criteria specified in WR1 will have evidence that it submitted the RFI as required in WR1.



Version History

Version	Date	Action	Change Tracking
0	April 10, 2007	Initial Tracking	INT-BPS-016-0
0	May 1, 2007	Operating Committee Approved	Initial version
1	August 31, 2009	Converting current approved Business Practice into a new regional Criterion format—no other changes are being submitted	Designation change
2	June 25, 2012	WECC Board of Directors Approved	Developed as WECC-0082. Updated as part of INT Rewrite Project
2	July 1, 2012	Effective Date	Designation change
		INT-016-WECC-CRT-1 was retired by the WECC Board of Directors as of the Effective Date of INT-016-WECC- CRT-2.	The substance of INT-016 and 017 were combined into this document. WR2 of INT-017-WECC-CRT-1 has been removed and is under development in INT-008-WECC-CRT-2 as of July 1, 2012.
2	September 5, 2013	WECC Board of Directors changed designation from "CRT" to "RBP"	Designation change
2	June 25, 2014	WECC Board of Directors changed designation from "RBP" to "CRT."	Designation change
2.1	January 28, 2016	Errata	Numbered items in WR1 were changed to bulleted items. Numbered items indicate an all-inclusive set; bullets indicate either/or.
2.1	April 1, 2016	No Change	Converted to new template
3	June 21, 2017	WECC Standards Committee for approval	Developed as WECC-0121B. Five-year review. The project: 1) eliminated the Purchasing-Selling Entity (PSE) from the Applicability section in favor of the Balancing Authority, 2) deleted WR2/WM2, and 3) included a Guidance Section entry explaining the generic use of the term "interchange software."
3	December 6, 2017	WECC Board of Directors approved	Developed as WECC-0121B. The first day of the second quarter following WECC Board of Director approval. Effective date April 1, 2018.
3.1	June 18,	Errata	Converted to newest template.
	2019		In Version 3.1: 1) NERC and NAESB are spelled out for first use, 2) "submitting an RFI" was replaced with "submitting an RFI," throughout, 4) hyphens were removed from "60-minutes," and 5) Version History syntax was corrected.



4	December 6, 2022	WECC Standards Committee (WSC) approved Non-Substantive change	Developed as WECC-0152. WSC approved the following Non-Substantive changes: 1) Rationale section replaced Peak Reliability with reference to the ATFWG and Reliability Coordinator West (RC West).
5		WECC Board of Directors approved	Last effective date: December 6, 2022. Converted to ICC. In Version 5: 1) at WR1 and in the Rationale, "interchange software" was capitalized.



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Attachments

Not used.



Rationale

Requirements

WR1

WR1 establishes the entity responsible for submitting an RFI less than 60 minutes in duration. Thereafter, it ensures the designated entity submits the transaction electronically thereby allowing the Interchange Software to perform its tasks in an automated fashion.





WECC Criterion INT-018-WECC-CRT-4

INT-018-WECC-CRT-4—Introduction

1. Title: Western Interconnection (WI) e-Tag Energy Product Codes

2. Number: INT-018-WECC-CRT-4

3. **Purpose**: To identify specific e-Tag product codes used in the WI

4. Applicability:

4.1. Functional Entities:

4.1.1. Any NAESB Registered Entity (NRE) creating an e-Tag by submitting a Request for Interchange (RFI) (such as a Purchasing-Selling Entity, Load-Serving Entity, Generator-Serving Entity, or Balancing Authority).

5. Section Specific Definitions:

5.1. See Attachment A—Energy Product Codes.

6. Effective Date: See preamble.

INT-018-WECC-CRT-4—WI e-Tag Energy Product Codes

Requirements and Measures

- **WR1.** Each NRE (Tag Author) submitting an electronic tag (e-Tag) within the WI shall use one of the following energy product codes in the first segment of the market path to describe the energy transaction type. (See Attachment A—Energy Product Codes.)
 - G-F: Firm Energy
 - G-NF: Non-firm Energy
 - G-FC: Firm Contingent
 - G-FP: Firm Provisional Energy
 - G-F1: Hourly Firm Energy
 - G-EX: Exchange of Firm Energy
 - C-SP: Capacity for Spinning Reserve
 - C-NS: Capacity for Non-Spinning Reserve
 - C-RE: Capacity Associated with Energy Recallable for Reserves

WM1. Each NRE (Tag Author) that authors an e-Tag within the WI will have evidence that it used the energy product codes in the first segment of the market path to describe the energy transaction type, as defined in Attachment A—Energy Product Codes.



INT-018-WECC-CRT-4—WI e-Tag Energy Product Codes

Version History

Version	Date	Action	Change Tracking
0	August 3, 2007	Initial version	Initial version
0	November 16, 2007	Market Interface Committee Approved	Initial version
0	December 6, 2007	WECC Board of Directors Approved	Initial version
0	January 22, 2008	Designation change	Designation changed from INT-BPS—WECC-004-0 to INT-BPS-018-0.
0	September 5, 2012	WECC Board of Directors Approved	Designation changed from "CRT" to "RBP."
0	June 25, 2014	WECC Board of Directors Approved	Designation changed from "RBP" to "CRT."
1	September 18, 2014	WECC Board of Directors Approved	Developed as WECC-0106. Defined terms moved to the glossary. Language updated to Version 1 styles. The word "accurately" was removed from WECC Requirement WR1. To be effective the first day of the second quarter after approval.
1.1	March 10, 2015	Errata	"WECC Glossary for Criteria and WECC Regional Business Practices and Naming Convention" corrected to "WECC Glossary for Terms and Naming Conventions."
1.2	January 28, 2016	Errata	The phrase "WECC Glossary for Terms and Naming Conventions" changed to "WECC Glossary of Terms and Naming Conventions" to match the name of the glossary. (emphasis added) The letter "W" was added in front of R1 in the Measure for WECC Requirement WR1.
1.2	April 1, 2016	No Change	Converted to new template
1.3	June 18, 2019	Errata	Converted to newest template. Measure M1, "shall" changed to "will."
2	December 4, 2019	WECC Board of Directors Approved	Developed as WECC-0137. In Version 2, 1) titles were shortened, 2) the "NRE" entity replaced the Broker/Aggregator/Marketer and a descriptive footnote added, 3) WR1/WM1 syntax was clarified, 4) descriptive narratives were added to the Rationale section to include, (a) "Use of Capitalized Terms from the NAESB Glossary," (b) Use of Capitalized Terms from the WECC Glossary" and (c) "Applicable Entity" in the Rationale section. As approved September 18, 2014, the definition for Capacity for Non-Spinning Reserve and Capacity for Spinning Reserve both used the capitalized term "On



INT-018-WECC-CRT-4—WI e-Tag Energy Product Codes

			Demand." Version 2 of this criterion corrected the use to lower case as the term is not defined. As approved September 18, 2014, the definition for Firm Energy used the capitalized NAESB term "Seller." Version 2 of this criterion corrected "Seller" to lower case.
3	March 7, 2023	WECC Standards Committee	On March 7, 2023, the WECC Glossary of Terms Used in WECC Criteria (Glossary) was retired, and all document-specific definitions were moved into their associated WECC Criteria. Definitions for energy product codes used in e-Tags were incorporated as Attachment A—Energy Product Codes. Section 5., Document Specific Definitions, WR1/WM1, and Rationale—Use of Capitalized Terms were adjusted to reflect the change. Reference to INT-018-WECC-CRT-2, WR2 in the above row was deleted as that version did not have a WR2.
4		WECC Board of Directors approved	Last effective date: March 7, 2023. Converted to ICC. In Version: 1) at 4.1.1., "Generating" was replaced with "Generator," 2) at the Energy Product Codes section, annotations in column three duplicating information in column one were deleted, and "recallable" was capitalized, and 3) appended information regarding terms used in Version 2 was relocated to the history table.



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INT-018-WECC-CRT-4—WI e-Tag Energy Product Codes

Attachment A

Energy Product Codes

Term	Original Approval Date	Approved Definition	Term Origin
Capacity Associated with Energy Recallable for Reserves	September 18, 2014	C-RE: This product is energy that is Recallable within 10 minutes of activation of reserves and has been included in the Source Balancing Authority's reserve resources.	INT-018-WECC-CRT-1.2
Capacity for Non- Spinning Reserve	September 18, 2014	C-NS: On-demand Non-Spinning Reserve obligation/resource is a Non-Spinning Reserve product that can be activated through the adjustment of a capacity e-Tag.	INT-018-WECC-CRT-1.2
Capacity for Spinning Reserve	September 18, 2014	C-SP: On-demand Spinning Reserve obligation/resource is a Spinning Reserve product that can be activated through the adjustment of a capacity e-Tag.	INT-018-WECC-CRT-1.2
Exchange of Firm Energy	September 18, 2014	G-EX: An exchange of firm energy where one entity delivers energy to another entity at one point on the grid and receives an agreed upon amount of energy from that entity at another point on the grid.	INT-018-WECC-CRT-1.2
Firm Contingent	September 18, 2014	G-FC: The energy is from a designated generating unit or source. This product may be interrupted only to the extent the output capability of the designated unit or source has been reduced due to a deration or outage of the designated unit or source. A G-FC product cannot be interrupted for economic reasons.	INT-018-WECC-CRT-1.2
Firm Energy	September 18, 2014	G-F: This product may be curtailed only in the event of a reliability condition or to meet seller's public utility or statutory obligations for reliability of service to native load. A G-F product cannot be interrupted for economic reasons.	INT-018-WECC-CRT-1.2
Firm Provisional Energy	September 18, 2014	G-FP: This product may be interrupted only if the interruption is within the recall time and for conditions allowed by applicable provisions governing interruption of service, as mutually agreed to by the parties. A G-FP product cannot be	INT-018-WECC-CRT-1.2



INT-018-WECC-CRT-4—WI e-Tag Energy Product Codes

		interrupted for economic reasons.	
Hourly Firm Energy	September 18, 2014	G-F1: This product may be interrupted, consistent with the provisions of the transaction, provided the Purchasing-Selling Entity or Load-Serving Entity receives notification of the interruption 40 minutes or more prior to the start of the operating hour. A G-F1 product cannot be interrupted for economic reasons.	INT-018-WECC-CRT-1.2
Non-Firm Energy	September 18, 2014	G-NF: This product may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.	INT-018-WECC-CRT-1.2





WECC Criterion INT-020-WECC-CRT-4

INT-020-WECC-CRT-4—Introduction

1. Title: Interchange Schedule Backup Process

2. Number: INT-020-WECC-CRT-4

3. **Purpose**: The purpose of this document is to establish a coordinated scheduling process

for use during failure of the NAESB e-Tag Authority Service as determined by

Sink Balancing Authority Areas.

4. Applicability:

4.1. Functional Entities:

4.1.1. Reliability Coordinators

4.1.2. Balancing Authorities

4.1.3. Transmission Service Providers

5. **Effective Date**: See preamble.

INT-020-WECC-CRT-4—Interchange Schedule Backup Process

Requirements and Measures

The following requirements only apply during failure of the NAESB e-Tag Authority Service within the Western Interconnection.

- **WR1.** Each Sink Balancing Authority shall implement new Interchange transactions when necessary to maintain load-to-generation balance, reserve requirements, or to maintain reliability.
 - **WM1.** Each Sink Balancing Authority will have evidence that it implemented new Interchange transactions that were necessary to maintain load-to-generation balance, reserve requirements, or to maintain reliability, per WR1.
- **WR2.** Each Sink Balancing Authority shall create new Interchange by verbally communicating and confirming with the Source Balancing Authority.
 - **WM2.** Each Sink Balancing Authority will have evidence that the Sink Balancing Authority created and confirmed new Interchange with the Source Balancing Authority that was a party to the new Interchange, per WR2.

The following requirements only apply after restoration of the NAESB e-Tag Authority Service within the Western Interconnection.

- **WR3.** Each Sink Balancing Authority shall submit or cause to have submitted an After-the-Fact (ATF) e-Tag before the end of the ATF e-Tag submission deadline for each transaction implemented during the outage.
 - **WM3.** Each Sink Balancing Authority will have evidence that it submitted an After-the-Fact (ATF) e-Tag that met the criteria of WR3.



INT-020-WECC-CRT-4—Interchange Schedule Backup Process

Version History

Version	Date	Action	Change Tracking
1	June 10, 2010	Operating Committee Approved	Developed as WECC-0054. Initial version
1	July 29, 2010	WECC Board of Directors Approved	Initial version
1	September 5, 2012	WECC Board of Directors changed designation from "CRT" to "RBP"	Designation change
1.1	January 16, 2013	Errata	In Attachment A, the word "Western" was changed to "WECC" in regard to the "WECC Interchange Tool." In the Purpose statement, the term "Criterion" was changed to "document." Attachment A was reformatted from landscape to portrait. Conformed to current template.
1.1	June 25, 2014	WECC Board of Directors changed designation from "RBP" to "CRT"	Designation change
1.2	January 28, 2016	Errata	"WIAB" was added to the title to match the header. In Attachment A, references to INT-020-WECC-RBP-1 and its location on the WECC websites were removed as they are out of date. Reference to the project tracking number was removed from the attachment and relocated into the document header to match the current template.
2	June 21, 2017	WECC Board of Directors Approved	Developed as WECC-0118. This project: 1) deleted defined terms "Interchange Authority Emergency" and "Interchange Authority Software Provider," 2) deleted the Purchasing-Selling Entities from the Applicability section, and 3) added a Guidance section to address the generic terms for software. Replaces Interchange Tool (WIT) Checkout.
2.1	June 18, 2019	Errata	Converted to newest template.
			In Version 2.1: 1) WM3 "Net Scheduled Interchange" was abbreviated, 2) apostrophes were eliminated from "NSI's," 3) unnecessary commas were removed from WM10, WM11, WM13, WR15 and the Guidance section, 4) quotations were added to "Interchange Software," 5) dashes were removed from "time-to-time," and 6) Version History syntax was corrected.
3	June 15, 2021	WECC Standards Committee approved with no further due process pending. All changes were deemed non-substantive.	Developed as WECC-0144. The following changes were made: 1) syntax of the Purpose statement and WM4 was updated for readability, 2) "interchange software" was replaced with "WECC Interchange Tool" (WIT), 3) WR8/WM8 were updated clarifying that the requirement addresses "resources and all of its external pseudo-tied resources," 4) "aft" was replaced with "ATF," 5) "tag" was replaced with e-Tag, 5) "fax," "WECC Reserves Requirements Entity" and "WECC Reserve Requirements



INT-020-WECC-CRT-4—Interchange Schedule Backup Process

		Percent" were deleted from Attachment A., 6) Generic Use of the Term "Interchange Software" was deleted from the Guidance Section.
4	WECC Board of Directors approved	In Version 4: 1) deleted WR/WM 1-8, and WR/WM 11-16, 2) WM9, delete all after "maintain reliability," 3) WR10 delete all after "Source Balancing Authority,", WM10, delete all after "Source balancing Authority," and 4) update Rationale to reflect these changes. WR5 moved to INT-021-WECC-CRT.



INT-020-WECC-CRT-4—Interchange Schedule Backup Process

Rationale

The following overview is offered for background noting that e-Tagging and associated services can be contractually driven and may change from time-to-time.

Overview

Within the Western Interconnection, the Interchange Software processes Interchange, including accounting for primary inadvertent interchange. If the Interchange Software fails, its failure does not impact the *validation or distribution* of an e-Tag.

By contrast, the NAESB e-Tag "Authority Service *validates and distributes* e-Tags for approval on behalf of the Sink Balancing Authority."¹¹ (Emphasis added.) Whereas an e-Tag Author¹² may use the NAESB *Agent* Service, a Balancing Authority would use the NAESB *Authority* Service.

¹² An e-Tag Author is typically a Purchasing-Selling Entity. A PSE is the entity that purchases or sells, and takes title to, energy, capacity, and Interconnected Operations Services. PSEs may be affiliated or unaffiliated merchants and may or may not own generating facilities. FERC Order 771.



¹¹ See NAESB Electronic Tagging Functional Specifications, Version 1.8.4., or successor. See also FERC Order 771, "Availability of E-Tag [sic] Information to Commission Staff," footnote 6. (Issued December 20, 2012), 141 FERC ¶ 61,235, 18 CFR Part 366, Docket No. RM11-12-000



WECC Criterion INT-021-WECC-CRT-3

INT-021-WECC-CRT-3—Introduction

1. Title: Interchange Software Checkout Confirmation

2. Number: INT-021-WECC-CRT-3

3. **Purpose**: To provide WECC Balancing Authorities with an auditable means of confirming

Net Scheduled Interchange (NSI) and Net Actual Interchange (NAI). The

Interchange Software, or successor electronic confirmation tool will serve as the primary means for confirmation and will be treated as the final record of NSI and

NAI under normal operating conditions.

4. Applicability:

4.1. Functional Entities:

4.1.1. Balancing Authority

5. Effective Date: See preamble.

INT-021-WECC-CRT-3—Interchange Software Checkout Confirmation Backup Process

Requirements and Measures

- **WR1.** Each Balancing Authority shall use the Interchange Software as the primary means to confirm common Net Scheduled Interchange (NSI) and Net Actual Interchange (NAI), except when the Interchange Software is not available.
 - **WM1**. Each Balancing Authority will have evidence that it used the Interchange Software as the Balancing Authority's primary means of common NSI and NAI confirmation, except when the Interchange Software is not available, as required in Requirement WR1.
- **WR2.** Each Balancing Authority shall confirm its common NSI with each Adjacent Balancing Authority at the following times:
 - 1) Prior to implementing the energy profile of the aggregated Confirmed Interchange, and
 - 2) After the operating hour.
 - **WM2**. Each Balancing Authority will have evidence that it confirmed its common NSI with each Adjacent Balancing Authority at the times required in Requirement WR2. Evidence may include, but is not limited to, the confirmation audit log provided by the Interchange Software. Bullet 2 is not to be interpreted to conflict with the allowance of After the Fact settlement.
- **WR3.** Each Balancing Authority shall provide to the Interchange Software hourly NAI data, equal in magnitude and opposite in sign or direction, for each of its Adjacent Balancing Authorities no later than the end of the current hour for the last hour in which the energy flowed.
 - **WM3.** Each Balancing Authority will have evidence that hourly NAI data was submitted to the Interchange Software for each of its Adjacent Balancing Authorities, as required in WR3. Evidence may include, but is not limited to, the data submittal audit log provided by the Interchange Software.
- **WR4.** Each Balancing Authority shall report atypical operation of the Interchange Software to their Reliability Coordinator and the Interchange Software provider within 15 minutes of that determination, or in accordance with the reporting times established by the Interchange Software provider, whichever is longer.¹³
 - **WM4.** Each Balancing Authority will have evidence of reports made per WR4. For purposes of WR4, what constitutes atypical operation of the Interchange Software is performance other than that which the software was designed to create. (Please see Rationale Section.)

¹³ Previously WR5 of INT-021-WECC-CRT.



INT-021-WECC-CRT-3—Interchange Software Checkout Confirmation Backup Process

Version History

Version	Date	Action	Change Tracking
1	July 14, 2011	Operating Committee approve	Initial version
1	September 22, 2011	WECC Board of Directors approved	Initial version
1.1	October 4, 2011	Errata	WM2 "Balancing Area" was corrected to reach "Balancing Authority."
1.1	September 5, 2012	WECC Board of Directors changed designation from "CRT" to "RBP"	Designation change
1.2	December 13, 2011	Errata	"Interchange Authority" was removed from the Applicability section as there are no assigned tasks and the entity is not an approved entity under the NERC Functional Model, Version 5. In WM2 and WM3, "Interchange Authority" was replaced with the proper term "Interchange Coordinator" as approved under the NERC Functional Model, Version 5.
1.3	January 16, 2013	Errata	The term "Western" in the Title was corrected to "WECC." The "Number" was corrected from the project number of "WECC-0064" to the document number "INT-021-WECC-RBP-1.3." Fn 1 was added to explain the Effective Dates. The document was conformed to a new template.
1.3	June 25, 2014	WECC Board of Directors changed designation from "RBP" to "CRT"	Designation change
2	September 15, 2015	WECC Board of Directors approved	Developed as WECC-0108. Changes to the scheduling standardization methodology
2.1	January 28, 2016	Errata	A period was added to the end of the last sentence of WM2. In the Rationale section: 1) the phrase "This Criterion" was replaced with the phrase "This document," 2) the phrase "For purposes of INT-021-WECC-CRT-2" has been replaced with "For purposes of this document." Both changes were made to keep the document current as document titles and categories fluctuate.
2.1	April 1, 2016	No change	Converted to new template.
2.2	June 18, 2019	Errata	Converted to newest template. In Version 2.2: 1) the word "periods" was deleted from WR2 as superfluous, 2) unnecessary commas were deleted from WR2, WM2 and WM3, 3) in WR3 "agreed-to" was hyphenated, 4) abbreviations NSI, NAI and BA were used in the Rationale section, 5) quotations were added to "common" in the Rationale section, 5) footnote 1 was added noting BAL-006-2 is no longer active, and 6) Version History syntax was updated.



INT-021-WECC-CRT-3—Interchange Software Checkout Confirmation Backup Process

3	June 15, 2021	WECC Standards Committee approved. All changes deemed Non-Substantive.	Developed as WECC-0145. The following changes were made: 1) at WR1 and WM2, "or its successor" was deleted, 2) "tool" was exchanged for "WIT," 3) "after the fact" was replaced with "After the Fact" in WM2, 4) in WR3, "WIT" replaced "electronic confirmation on tool," 5) the phrase "or within a mutually agreed time frame if mutually agreed to changes arise" was deleted, 6) in the Guidance WECC Section, BAL0062 was updated to BAL004 3 for greater precision, and 7) foot note 1 was deleted as no longer applicable.
4		WECC Board of Directors approved	In Version 4: 1) previous version of INT-020-WECC-CRT-4, WR5 (deleted from INT-020) is relocated to INT-021-WECC-CRT-4 as a new requirement, WR4.

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Attachments

Not used.



INT-021-WECC-CRT-3—Interchange Software Checkout Confirmation Backup Process

Rationale

This document is in support of WECC's Automatic Time Error Correction (ATEC) Regional Relibaility Standard.

For purposes of this document, the word "common" means that NSI or NAI between only two Adjacent BAs as opposed to the aggregate NSI or NAI with all BAs.

WR4 is designed to create an early warning system that incorporates the variable of informed judgment. Ideally, this communication loop enhances the ability to identify and remedy Interchange Software anomalies before they result in complete software failure. To accommodate this variable, the standard-of-review threshold for adherence to the WR is to be based on the knowledge and experience of the specific Interchange Software user at the time the determination was made.

The WR and its measurement also recognize that although the typical or designed performance of the software can objectively be measured by comparison to the software's specifications: 1) not all users will have the same knowledge depth regarding the Interchange Software's performance specifications, and 2) the specific Interchange Software provider may have its own established communication protocols through which a suspected failure or observation of atypical performance should be reported. In the latter case, the Requirement is designed to default to the reporting time windows of the Interchange Software provider should the reporting time windows exceed the prescribed 15-minute window.





WECC-0153 WECC INT Consolidate Criterion Balloted Changes Criterion

Overview

This document incorporates the 11 INT-related WECC Criteria (CRT) effective as of October 1, 2023.

During conversion to a single document: 1) syntax was streamlined wherever possible, 2) language was updated reflecting its use in a single document, 3) duplicate information was excerpted throughout for single use in the preamble, 4) a descriptive narrative was added as a preamble, and 4) unless otherwise indicated, the term Interchange Software replaced "WIT" throughout.

INT-001-WECC-CRT-5— Wrongful Denial of Request for Interchange

In Version 5: 1) the title was shortened, 2) use of lower case "emergency" was changed to upper case "Emergency," and 3) footnote content for the Version column was moved to the Change Tracking column.

INT-003-WECC-CRT-4—Interchange Prescheduling Calendar

In Version 4: 1) the footnote information was deleted and moved to the preamble, along with duplicate information, 2) WIT was replaced with Interchange Software, 3) the background was updated, 4) references to "Peak" as the RC were replaced with a generic reference to the RC, 5) references to the ISAS were updated to Interchange Scheduling and Energy Accounting Subcommittee (ISEAS), 6) "must" was replaced with "may," and 6) the Rationale section was updated and redrafted for clarity.

INT-004-WECC-CRT-4—Treatment of Reliability Adjustments

In Version 4: 1) lower case "current level" was changed to upper case "Current Level," 2) the first sentence of the third paragraph in the Rationale was deleted as superfluous.

INT-007-WECC-CRT-5— Processing of Emerg. Req. for Interchange

No change.

INT-008-WECC-CRT-4— Treatment of Dynamic Transfer RFI

In Version 4: 1) at 4.1.1., "Generating" was changed to "Generator," 2) at WM5, "shall" was deleted, 3) at WR6/WM6, "a tag" was replaced with "an e-Tag," 4) at WR8/WM8, "Pseudo-tie" was replaced with "Pseudo-Tie," (and throughout) 5) in the rationale section, Dynamic Schedule and Pseudo-Tie are referred to a "Transaction Types," 6) references to OATI were deleted, 7) in the Rationale Overview section, "interchange," "interchange schedules," "dynamic" and "pseudo-tie" were capitalized, and 8) "WECC Interchange Tool" was replaced with "Interchange Software."

INT-009-WECC-CRT-4—Capacity e-Tag Functionality

In Version 4: 1) at 4.1.1., "Generating" is replaced with "Generator," 2) at WR1/WM1, "capacity" and "allocation" were capitalized (Capacity was capitalized throughout), 3) at WR3, "Capacity" was inserted in front of e-Tag, 4) at WR5, "transmission allocation" was capitalized and an "(s)" was added to e-Tag, and 5) in the Rationale Requirements sections,

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"spinning," "non-spinning," and "curtailment" were capitalized.

INT-011-WECC-CRT-5—Ten-Minute Recallable e-Tag Functionality

In Version 5: 1) at 4.1.1.1., "Generating" was replaced with "Generator", 2) at WR1, "recallable" was capitalized, 2) WR1, "source point" and "sink point" were replaced with "Source Balancing Authority" and "Sink Balancing Authority," respectively, 3) at WR2/WM2, "market level" was capitalized, and 4) at WR3/WM3, "market level" and "recallable" were capitalized (items 3 and 4 were changed throughout).

INT-016-WECC-CRT-5—Data Submittal

In Version 5: 1) at WR1 and in the Rationale, "interchange software" was capitalized.

INT-018-WECC-CRT-4—West. Interc. e-Tag Energy Product Codes

In Version: 1) at 4.1.1., "Generating" was replaced with "Generator," 2) at the Energy Product Codes section, annotations in column three duplicating information in column one were deleted, and "recallable" was capitalized, and 3) appended information regarding terms used in Version 2 was relocated to the history table.

INT-020-WECC-CRT-4—Interchange Schedule Backup Process

In Version 4: 1) deleted WR/WM 1-8, and WR/WM 11-16, 2) WM9, deleted all after "maintain reliability," 3) WR10 deleted all after "Source Balancing Authority," WM10, deleted all after "Source Balancing Authority," and 4) updated Rationale to reflect these changes. WR5 moved to INT-021-WECC-CRT.

INT-021-WECC-CRT-3—Interchange Software Checkout Confirmation

Developed as WECC-0145. The following changes were made: 1) at WR1 and WM2, "or its successor" was deleted, 2) "tool" was exchanged for "WIT," 3) "after the fact" was replaced with "After the Fact" in WM2, 4) in WR3, "WIT" replaced "electronic confirmation on tool," 5) the phrase "or within a mutually agreed time frame if mutually agreed to changes arise" was deleted, 6) in the Guidance WECC Section, BAL0062 was updated to BAL004 3 for greater precision, and 7) foot note 1 was deleted as no longer applicable.





Attachment N
Final Ballot Results
WECC-0153

INT Consolidation Criterion Project (ICC)

Ballot Name: WECC-0153 INT Consolidation Criterion Project (ICC)

Overview: Because the 11 consolidated INT CRTs have various review dates, this

request resets those dates to a single date five years after the ICC is approved by the WECC Board of Directors (Board). (A chart listing all incorporated documents is available in the WECC-0153 Standard Authorization Request

(SAR).)

If approved, the 11 separate INT CRTs will be removed from the WECC Approved Regional Criteria accordion and replaced with the single ICC

document.

Ballot Pool Open: 04/16/2024 Ballot Pool Closed: 04/30/2024

Ballot Opened: 05/02/2024 Ballot Closed: 05/16/2024

Total Ballot Pool: 24 Total Votes: 22

Quorum: 91.7% Weighted Votes: 100%

Ballot Results: Pass

Voting Sectors	Total in Ballot Pool	In-Pool Affiliates Excluded	Votes Non- Abstain	Sector Weight	Yes Votes	Weighted Segment Vote	No Votes	Abstain	Total Votes for Quorum	Did Not Vote
Transmission Owners	7		5	0.5	5	50.0%	0	0	5	2
Regional Transmission Organizations (RTO) and Independent System Operators (ISO)	0		0	0	0	0.0%	0	0	0	0
Load-Serving Entities (LSE)	5		5	0.5	5	50.0%	0	0	5	0
Transmission Dependent Utilities (TDU)	2		2	0.2	2	20.0%	0	0	2	0
Electric Generators	4		4	0.4	4	40.0%	0	0	4	0
Electricity Brokers, Aggregators, and Marketers	6		6	0.6	6	60.0%	0	0	6	0
Large Electricity End Users	0		0	0	0	0.0%	0	0	0	0
Small Electricity Users	0		0	0	0	0.0%	0	0	0	0
Federal, State, Provincial Regulatory, other Gov. Entities	0		0	0	0	0.0%	0	0	0	0
Regional Entities	0	·	0	0	0	0.0%	0	0	0	0
Totals	24	0	22	2.2	22	100.0%	0	0	22	2

155 North 400 West | Suite 200 | Salt Lake City, Utah 84103 www.wecc.org

Final Ballot Results

Title	Company	Sector	Vote	Comments	Created By
WECC-0153	Bonneville Power Administration	Electricity Brokers, Aggregators, and Marketers	Yes	0	Tanner Brier
WECC-0153	Bonneville Power Administration	Load-Serving Entities (LSEs)	Yes	0	Ron Sporseen
WECC-0153	Public Service Company of New Mexico	Electric Generators	Yes	0	Lynn Goldstein
WECC-0153	Public Service Company of New Mexico	Transmission Owners	Yes	0	Lynn Goldstein
WECC-0153	Public Service Company of New Mexico	Load-Serving Entities (LSEs)	Yes	0	Lynn Goldstein
WECC-0153	Public Service Company of New Mexico	Electricity Brokers, Aggregators, and Marketers	Yes	0	Lynn Goldstein
WECC-0153	Sacramento Municipal Utility District	Electric Generators	Yes	0	Tim Kelley
WECC-0153	Sacramento Municipal Utility District	Transmission Yes Dependent Utilities (TDUs)		0	Tim Kelley
WECC-0153	Sacramento Municipal Utility District	Transmission Owners	Yes	0	Tim Kelley
WECC-0153	Sacramento Municipal Utility District	Load-Serving Entities (LSEs)	Yes	0	Tim Kelley
WECC-0153	Sacramento Municipal Utility District	Electricity Brokers, Aggregators, and Marketers	Yes	0	Tim Kelley
WECC-0153	Balancing Authority of Northern California	Transmission Owners	Yes	0	Tim Kelley



Final Ballot Results

WECC-0153	Balancing Authority of Northern California	Electricity Brokers, Aggregators, and Marketers	Yes	0	Tim Kelley
WECC-0153	Powerex, Inc.	Electricity Brokers, Aggregators, and Marketers	Yes	0	Raj Hundal
WECC-0153	Arizona Public Service Company	Electricity Brokers, Aggregators, and Marketers	Yes	0	Marcus Bortman
WECC-0153	Arizona Public Service Company	Electric Generators	Yes	0	Andrew Smith
WECC-0153	Arizona Public Service Company	Load-Serving Yes 0 Entities (LSEs)		Jessica Lopez	
WECC-0153	Arizona Public Service Company	Transmission Owners	Yes	0	Daniela Atanasovski
WECC-0153	British Columbia Hydro and Power Authority	Electric Generators	Yes	0	Adrian Andreoiu
WECC-0153	British Columbia Hydro and Power Authority	Transmission Dependent Utilities (TDUs)	Yes	0	Adrian Andreoiu
WECC-0153	British Columbia Hydro and Power Authority	Transmission Owners	Yes	0	Adrian Andreoiu
WECC-0153	British Columbia Hydro and Power Authority	Load-Serving Entities (LSEs)	Yes	0	Adrian Andreoiu
WECC-0153	U.S. Bureau of Reclamation	Transmission Owners	0	0	Richard Jackson
WECC-0153	Western Area Power Administration	Transmission Owners	0	0	Ben Hammer





Technical Activities Update to the WECC Board of Directors

Branden Sudduth, VP of Reliability Planning and Performance Analysis and JGC Co-chair

Kris Raper, VP of Strategic Engagement and External Affairs
Chelsea Loomis, JGC Co-chair
Philip Augustin and Chelsea Loomis, RAC Co-chairs
Dede Subakti and Margaret Albright, RRC Co-chairs

June 12, 2024

Technical Activities Report to the Board—June 12, 2024

This report is a compilation of activities being undertaken by the Reliability Planning and Performance Analysis department, the Strategic Engagement and External Affairs department, and the WECC technical committees.

Activities related to WECC's Reliability Risk Priorities (RRP) and activities and tools being supported by Peak Donation funds are identified with the following symbols:

- Peak Donation Items
- RRP: Cybersecurity
- RRP: Resource Adequacy
- RRP: Extreme Natural Events
- RRP: Impacts of Changing Resources and Customer Loads on the BPS

New Initiatives and Recent Activity Highlights

Interregional Transfer Capability Study (ITCS)

The ITCS is moving forward and the project team is on track to complete the study by the December 2, 2024 deadline. Highlights include the following:

- The ERO Project team is continuing its technical work:
 - The Phase 1 team has performed two transfer analysis runs, reviewing the results from those runs with Planning Coordinators and Transmission Planners. It is possible that the second run may be the final run. The Phase 1 work is on schedule to be completed by July 1.
 - The Phase 2 team has developed the energy analysis method and the tool used for the analysis. The team is currently coordinating with the ITCS Advisory Group on finalizing assumptions, working with the regions to address remaining data discrepancies, and performing initial analysis runs.
 - o The Phase 2 work (determination of "prudent additions" to transfer capability) is on track to be completed and finalized by August 30. In response to much discussion on this topic, NERC has clarified that "prudent additions" should be interpreted as "technically prudent additions to transfer capability that will strengthen reliability".
 - o Results from all three phases will be reviewed and vetted with stakeholders.
- The report writing team is making progress on the report, reviewing portions of the report with the Project Team and the ITCS Advisory Group as they are developed.
- On the communications and outreach front, NERC continues to hold monthly virtual meetings with the ITCS Advisory Group meetings to provide updates and solicit input and feedback. These meetings are open to the public.
- For more information, please refer to NERC's ITCS webpage.



Technical Activities Report to the Board—June 12, 2024

Reliability in the West Discussion Series

In February, WECC began hosting a "Reliability in the West" discussion series. May and June installments were dedicated to discussions about summer readiness. We addressed aridification, wildfires, and the potential for extreme natural events that could negatively impact the reliability of the Western Interconnection. Representatives from the West's Reliability Coordinators discussed how they are poised to respond to an event. With the recent release of NERC's Summer Reliability Assessment, WECC staff addressed the risks for regions in the West as summer approaches. It is our intent to continue to engage stakeholders throughout the industry to address the most pressing concerns surrounding reliability in the West.

Winter Storm Elliot Recommendation 1.b

The <u>Winter Storm Elliot Report</u> had several recommendations to the industry, but also included others like Recommendation 1b, recommending NERC and the Regions perform an evaluation of the cold weather readiness of the generation fleet in their respective regions. In response to this, WECC assembled a cross-departmental team (RPPA and CMEP) to perform this task by using the following steps.

- 1. The team used various datasets to identify a list of potentially riskier generating sites based on cold weather outage history, open essential actions from the 2023 Cold Weather NERC Alert, geographic location, and resource type.
- 2. An initial list of questions was sent to these entities through an official Request for Information. Follow-up calls were held with entities addressing any items that were unclear with the written responses.
- 3. The team determined the sites on which to perform an on-site readiness assessment.
- 4. Feedback forms were provided to all entities involved with this effort.

As the team completed this task in May 2024, they are now evaluating Recommendation 1c from the Winter Storm Elliot Report. This recommendation states Regional Entities should establish a Generator Readiness Program that would perform this type of evaluation annually.

System Performance Data and Metrics

Event Analysis (EA) / Situational Awareness (SA)

The Operations Analysis team at WECC maintains situation awareness through various means. One source of system events is mandatory reporting through the Department of Energy's OE-417 and the NERC Reliability Standard's EOP-004-4 process. A few items are worth noting:

The WECC SA team participated in a nationwide review of winter storms Gerri and Heather, which passed through the country in mid-January of this year. In the West, the Pacific Northwest was affected the most. Several entities experienced all-time winter demand records during this storm. The WECC

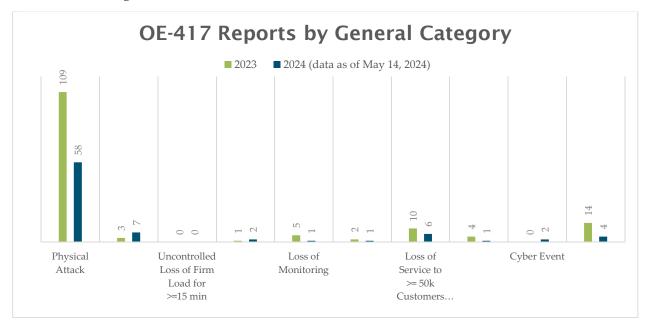


Technical Activities Report to the Board—June 12, 2024

team had conversations with all the entities that entered any level of Energy Emergency Alerts (EEA). Some contributing factors to these EEAs were all-time high demand coupled with poor wind contributions, which made it difficult for some entities to retain minimum contingency reserve obligations. There was only one EEA-3 (highest level of EEA) and no load shedding throughout the storm. The WECC team shared its findings with FERC and NERC. FERC shared its key observations from this storm during an open session on April 25. Analysis of this storm will be the focus of the technical session coincident with this Board meeting.

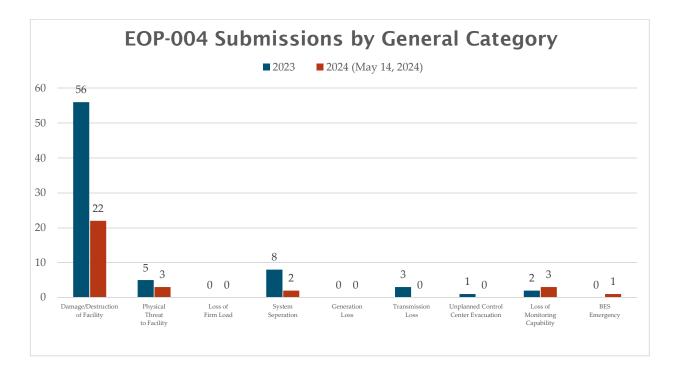
The Operations Analysis team at WECC reviews all event reports submitted by entities in the Western Interconnection. Physical attacks and damage to facilities make up the highest number of events. While most of these events are prompted by theft of grounding wire or other material, some are more severe and should be a cause for the industry to be more vigilant in physical security approaches. WECC coordinates with NERC and E-ISAC on these events and with the WECC's Physical Security Forum.

Recently, the Operations Analysis team worked with entities on the loss of monitoring and control capabilities in the control room. There are several reasons for these types of events. Many occur when performing maintenance on Energy Management Systems. These events are shared in closed sessions of the Event and Performance Analysis Subcommittee, so, peer entities know what to look for and avoid similar outages within the control room.





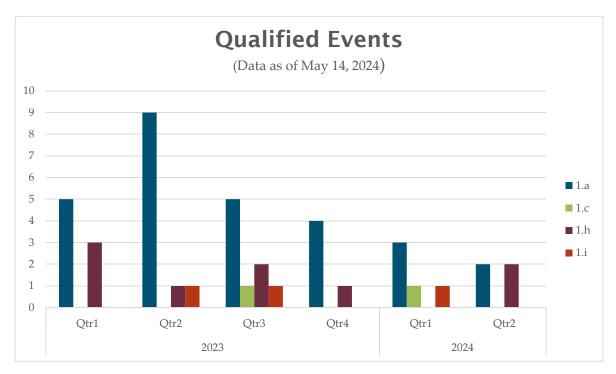
Technical Activities Report to the Board—June 12, 2024



There have been nine qualified events in 2024. Over half of these events are category 1a events: an unexpected outage—that is contrary to design—of three or more BES Facilities caused by a common disturbance. The most notable event in 2024 happened on March 25 in which a combined solar generation loss of 1,036 MW occurred in Southern California. This combined loss was due to a bus fault that operated as designed. WECC is working with California Independent System Operator to investigate the event and work with the solar plants involved to determine what improvements can be made. In addition, the WECC Operations Analysis department has used the NERC Alert data from last year to contact plants that have inverters with known performance issues. These solar plant owners are being encouraged to contact their inverter manufacturer to improve their performance settings. The team has received feedback from plants who have performed this action because of this outreach. This effort will help reduce unwanted response from inverter-based resources during system disturbances.



Technical Activities Report to the Board—June 12, 2024



The Operations Analysis department is working with NERC on another solar reduction event that occurred in Southwestern Utah in September 2023. The team is currently finishing its meetings with the plant owners and equipment manufacturers and will be releasing a disturbance report once it is complete. This is the second event for this area but the impact of it was less than the first. This is due to some of the solar plants from the first event acting on the recommendations given to them in that report.

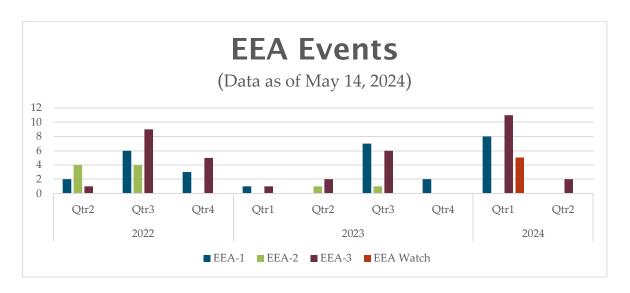
Energy Emergency Alerts

This year, there have been 21 EEA events as of mid-May, compared to 23 for all of 2023. More than half of these occurred during winter storms Gerri and Heather. All EEAs that did not occur during the winter storms were reported by two entities. Marginal generation options coupled with limited options for imports add operating challenges for these two entities that can result in EEA events.

On April 5, one of these entities shed 250 MW of load while in an EEA event. About half of the entity's dispatchable resources were out of service, some due to forced outages and some for maintenance. Solar and wind production within its system was low for the day, and imports were not sufficient to cover the demand. This entity is winter peaking. For this to happen in the early morning in April shows a vulnerability in this part of the system.



Technical Activities Report to the Board—June 12, 2024



Infrastructure Security

The Operations Analysis Department is responsible for cyber- and physical security events affecting the BES. As part of these efforts, the team is helping plan, advertise, and facilitate the E-ISAC Physical Security Regional Workshop held in Belleview, Washington, on May 16, 2024. The team is also taking the lead for the second annual WECC Power Systems Security Conference scheduled for August 13 through 15 at the WECC offices in Salt Lake City. The conference will have presenters from E-ISAC, FBI, CISA, INL, WECC staff, and SMEs from other Regional Entities.

Status of Ongoing Activities

ADS Development

The 2034 Anchor Data Set (ADS) is under development; the Production Cost Data Subcommittee (PCDS) released version 1 of the 2034 ADS on April 4, 2024, which is based on the 2023 Loads and Resources (L&R) data. Version 2 of the 2034 ADS is under development and expected to be released on June 28, 2024.

Modeling Assumption Enhancements

The RAC has made changes to future base case description sheets for typical winter flows. Historically, the flows have been north to south on the California-Oregon Intertie; however, recently, a shift has been seen with south-to-north flows, and that change will be reflected in cases produced in 2025.



Technical Activities Report to the Board—June 12, 2024

Base Case Development

Base Case Activity (as of 5/16/2024)						
Base Case Name	Status	Date Posted				
2025 Light Spring 1	Final	3/1/2024				
2024-25 Heavy Winter 3	Final	3/26/2024				
2024-25 Light Winter 1	Final	4/5/2024				
2030 Heavy Summer 2	In review	4/16/2024				

Base Case Data Quality

WECC, in coordination with the base case data submitters, is constantly looking for ways to enhance the data quality of the base cases. The list of priority potential data shortcomings was approved at the System Review Subcommittee meeting in April 2024. These shortcomings were selected because of the impact they will have on the useability of the base cases. The target for reduction of the priority data shortcomings in 2024 is 20%. Work is underway to develop approaches and to work with data submitters to ensure that the targeted model shortcomings meet the target.

2023 Reliability Assessments 🎘 🎉 🦍



In 2023, WECC decided to release several 2023 Study Program studies in the first part of 2024. WECC released the Year 20 Load, Resource, and Transmission Trends report, encompassing all aspects of WECC's Year 20 work, on April 1. This report was supplemented with additional technical details through the release of the five subsequent reports published between April and June. This collection of studies emphasizes the innovation that WECC is undertaking in the Year 20 period. All six reports in this collection will be released by the end of June.

- Year 20 Load, Resource, and Transmission Trends—published April 1
- Year 20 Foundational Case—published April 16
- Year 20 Extreme Cold Weather Event Study—published May 7
- Year 20 Compound Load Impacts Study—published May 16
- Year 20 Extreme Heat Event Study—published May 23
- Year 20 Transmission Trends—published May 30

2024 Reliability Assessments 🎘 🎉 🦍



The 2024 NERC Summer Reliability Assessment (SRA) was released on May 15. WECC will also share some of the results specific to the West at the "Reliability in the West" webinar in June. WECC is working on the 2024 NERC Long-term Reliability Assessment and the Probabilistic Assessment. The



Technical Activities Report to the Board—June 12, 2024

NERC Probabilistic Assessment is usually done every other year. The last NERC Probabilistic Assessment was in 2022. The decision was made to enhance reliability by performing the NERC Probabilistic Assessment every year beginning in 2024.

WECC has contracted with a consultant to assist in research and data collection to be used in future WECC modeling and assessments. Both contracts are expected to go through the end of 2024. These two efforts are focused on helping RPPA to 1) form a strategy to address Electromagnetic Transient (EMT) modeling and 2) understand the risks of large loads (e.g., data centers, electrification). Both efforts have begun the data collection stage, which includes input from WECC stakeholders.

RPPA is gathering and compiling a list of assessment proposals to accurately capture the priority, scope, and value to stakeholders. This new process for identifying assessments has a strong emphasis on being timely, beneficial, and useable. RPPA will continue formalizing the new process to identify the top priority assessments to pursue in the coming months.

Resource Adequacy 🧎



After the positive feedback from the new interactive digital format of the 2024 State of the Interconnection, WECC decided to use the same platform for the 2024 Western Assessment of Resource Adequacy. This platform allows WECC to provide a comprehensive view, while allowing the audience to select the information most important to them.

RPPA has begun learning about available vendor-supported resource adequacy tools as a replacement for the WECC-produced MAVRIC tool. A plan and timeline for replacing MAVRIC is underway.

Reliability Risk Report

The first Reliability Risk Report based on the RRC Risk Management Process has been drafted and is planned to be released in July of this year. The report summarizes the risks identified and ranked in the risk register created by the RRC, RAC, and the WECC Risk Analysis group. The initial draft was sent out for comments to the RRC, RAC, internal WECC staff, and the public.

Additional Technical Committee Highlights and Approval Items

Joint Guidance Committee

The JGC is doing an internal review of the value it adds to the overall committee structure and function. Discussions include consideration of the work being performed by the RAC and RRC and evaluations of how to alleviate redundancy.



Technical Activities Report to the Board—June 12, 2024

Extreme Natural Events Mitigation Advisory Group

With the RRC Steering Committee (RRCSC) support, WECC created an advisory group to help identify and document mitigating activities for certain risks marked in the RRC risk register for reduction. These risks are:

- 1. Large and prolonged heat waves,
- 2. Cold weather preparedness,
- 3. Wildfire, and
- 4. Exploratory: Aridification (drought).

The group plans to complete its work by the end of the year, using identified activities to reduce the risk and maximize its potential effectiveness. Once complete, the RRCSC will determine the treatment steps per the RRC Risk Management Process document.

RAC-RRC Coordination

Coordination and cooperation between the RRC and the RAC are important aspects of WECC's technical committee work. Committee leadership is intentionally creating strong ties between the groups. The members of the RRC and RAC leadership collaboration group continue to coordinate on how they can support each other and continue to focus on the RRC Risk Register. To help with this effort, the group is planning a joint meeting on July 10 to discuss topics of interest to both committees. The agenda will include topics about the risk management process, recent oscillation events caused by inverter-based resources, and energy assessment awareness.

Building Capabilities

Performance Analysis

One of the corporate scorecard items for 2024 is to develop and publish a revised version of the System Performance Data Portal. This enhancement also includes changing to a new platform, as the existing one will not be supported with the website refresh. The project went through the 30% executive review in April and is now in the implementation phase. The enhanced portal is scheduled to be completed in Q3 2024.



Technical Activities Update

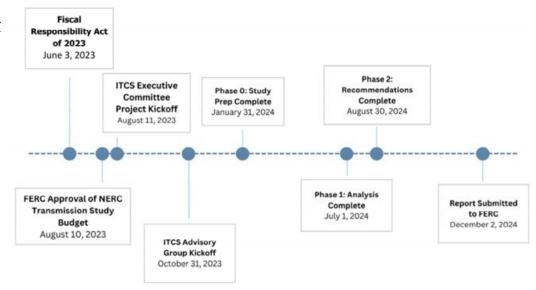
June 12, 2024



Vic Howell, Director of Reliability
Assessments and Modeling
Chelsea Loomis, JGC Co-chair
Philip Augustin, RAC Co-chair
Meg Albright, RRC Co-chair

NERC ITCS

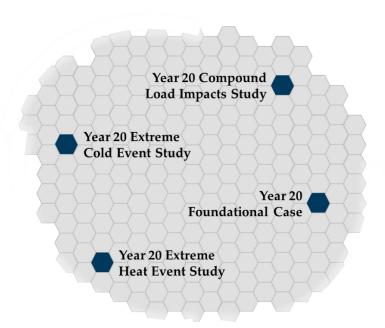
- Everything on track
 - Phase 1—transfer analysis
 - Phase 2—energy assessment
 - Report





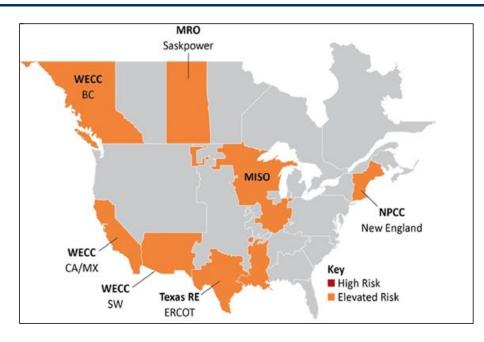
Year 20 Reliability Assessments

- Report development strategy
- What we learned and what's next
- Uncharted territory
- Innovation space
- FERC Order 1920





2024 Summer Reliability Assessment



	Seasonal Risk Assessment Summary
High	Potential for insufficient operating reserves in normal peak conditions
Elevated	Potential for insufficient operating reserves in extreme conditions
Normal	Sufficient operating reserves expected

- All areas have adequate resources for normal summer demand
- British Columbia (BC),
 California/MX (CA/MX), and the
 Southwest (SW) have "Elevated
 Risk" under "Extreme Conditions"
- Extreme Conditions = at or above 90/10 demand forecast, historical high generator outages, and low wind/solar scenarios



JGC

- Discussing future of the group
 - Change in RAC/RRC collaboration is covering some JGC responsibilities
 - Strategic alignment of the technical committees
 - o Three-year work planning
 - Work has been focused on governance and process
 - Dwindling participation and long-standing openings
- Aim to bring the discussion to the Board in September

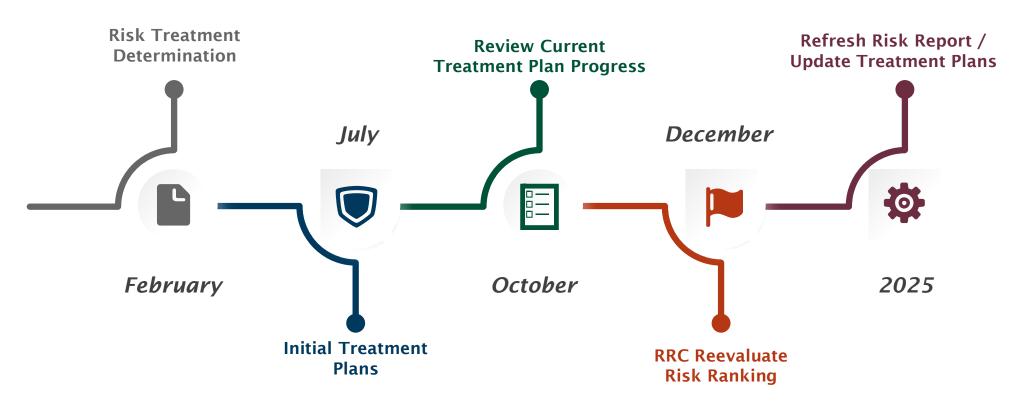


RAC

- Long-term Transmission Planning
 - FERC Order 1920—Building for the Future Through Electric Regional Transmission Planning and Cost Allocation
 - Focuses on no less than 20 years
 - Entire duration of the 20-year transmission planning horizon must be planned for
 - Congestion and production cost are key metrics
- New normal flows reflected in base cases
 - South to north on the California Oregon Intertie in typical winter cases



RRC









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