



# 2025 Draft Statutory Budget Overview

March 1, 2024

WECC Executive Team

# 2025 Budget Context

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- Recognize growing complexity and pace of change
- Ensure adequate resources to support increasing workload
- Maintain working capital reserves
- Consider inflationary and distributed workforce impacts on meetings and travel

# Compliance Monitoring and Enforcement

Administration					FTE: 2
Registration and Certification	Oversight Planning	Entity Monitoring	Enforcement and Mitigation	Program Analysis and Administration	
<ul style="list-style-type: none"> <li>• Registration</li> <li>• BES exception process</li> <li>• Functional mapping</li> <li>• Certification and Certification Review</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance Oversight Plans</li> <li>• Coordination with Entity Monitoring on scoping</li> <li>• Entity internal compliance program assessments</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance Monitoring (audits, spots checks, self- certification, periodic data submittals, and investigations)</li> <li>• Compliance review of events</li> <li>• Subject Matter Expert review on SARs and standards under development</li> </ul>	<ul style="list-style-type: none"> <li>• Review and validate potential noncompliance</li> <li>• Settlement activities</li> <li>• Noncompliance disposition</li> <li>• Self-Logging program</li> </ul>	<ul style="list-style-type: none"> <li>• CMEP activity coordination</li> <li>• Multi-Regional Registered Entity Program for Coordinated Oversight</li> <li>• Document control</li> <li>• Metrics and trend reporting</li> <li>• Align implementation, outreach, and training</li> </ul>	
FTE: 4	FTE: 10	FTE: 33	FTE: 18	FTE: 10	

# Reliability Assessment and Performance Analysis

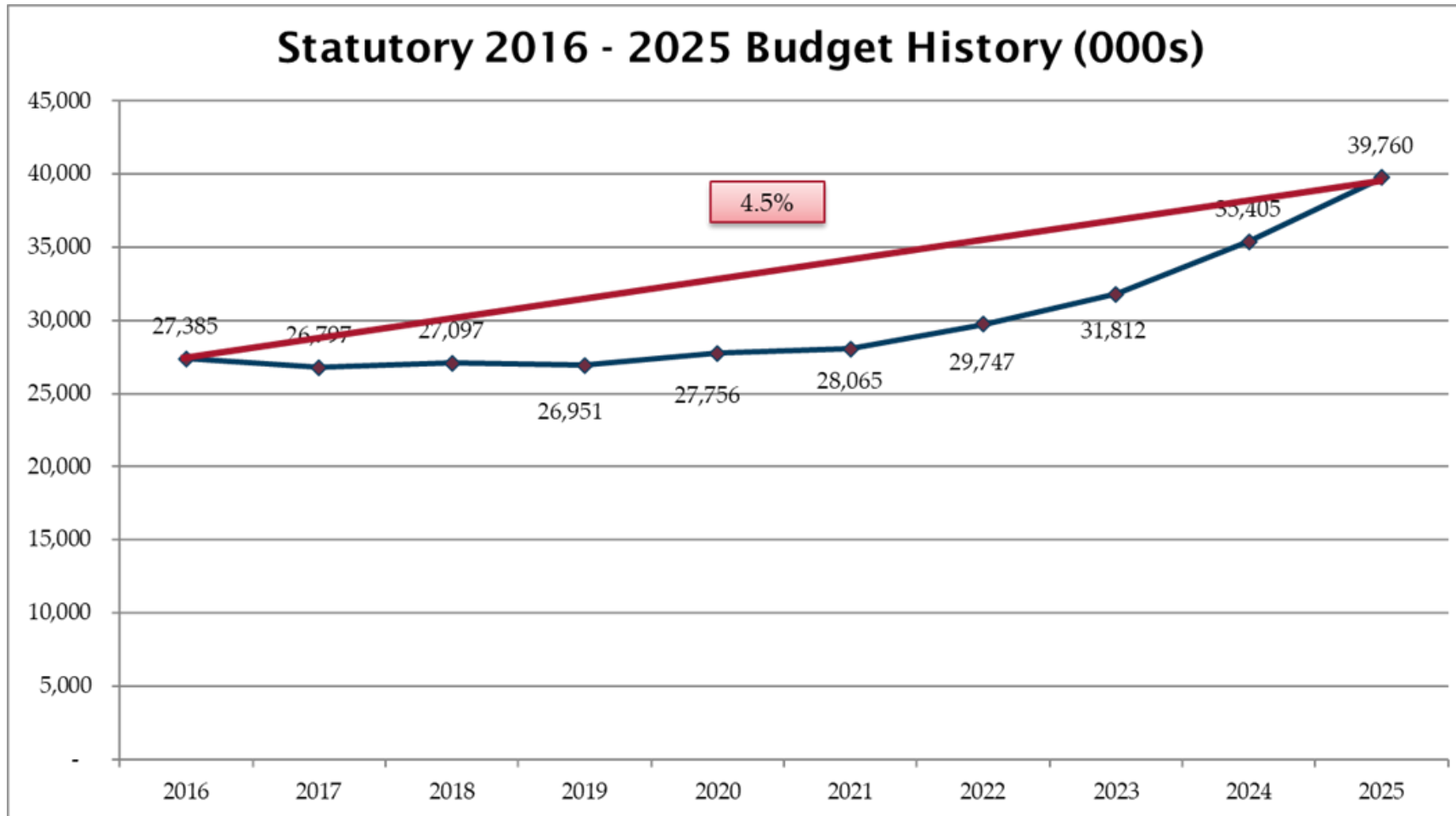
Administration				FTE: 3
Risk Analysis & Data Services	Reliability Assessments	Reliability Modeling	Operations Analysis	
<ul style="list-style-type: none"> <li>• Risk identification and mitigation management</li> <li>• Regional risk analysis</li> <li>• Entity risk assessment</li> <li>• ERO data collection efforts (e.g., GADS)</li> <li>• Data trending and analysis</li> <li>• Data visualization</li> <li>• Data management</li> </ul>	<ul style="list-style-type: none"> <li>• ERO reliability assessments</li> <li>• Resource adequacy</li> <li>• Transmission congestion and transfer capability</li> <li>• Contingency analysis</li> <li>• Scenario analysis</li> <li>• Industry resource and transmission planning awareness</li> <li>• Planning services (e.g., Path Rating Process)</li> </ul>	<ul style="list-style-type: none"> <li>• Power flow and dynamics data</li> <li>• Production cost models</li> <li>• Loads and resources (RA)</li> <li>• Short-circuit data</li> <li>• EMT modeling</li> <li>• Model and tool enhancements</li> <li>• Model validation</li> </ul>	<ul style="list-style-type: none"> <li>• Event analysis</li> <li>• Situation awareness</li> <li>• Performance analysis</li> <li>• Infrastructure security</li> <li>• Assurance visits and operational coordination</li> </ul>	
FTE: 9	FTE: 11	FTE: 13	FTE: 5	

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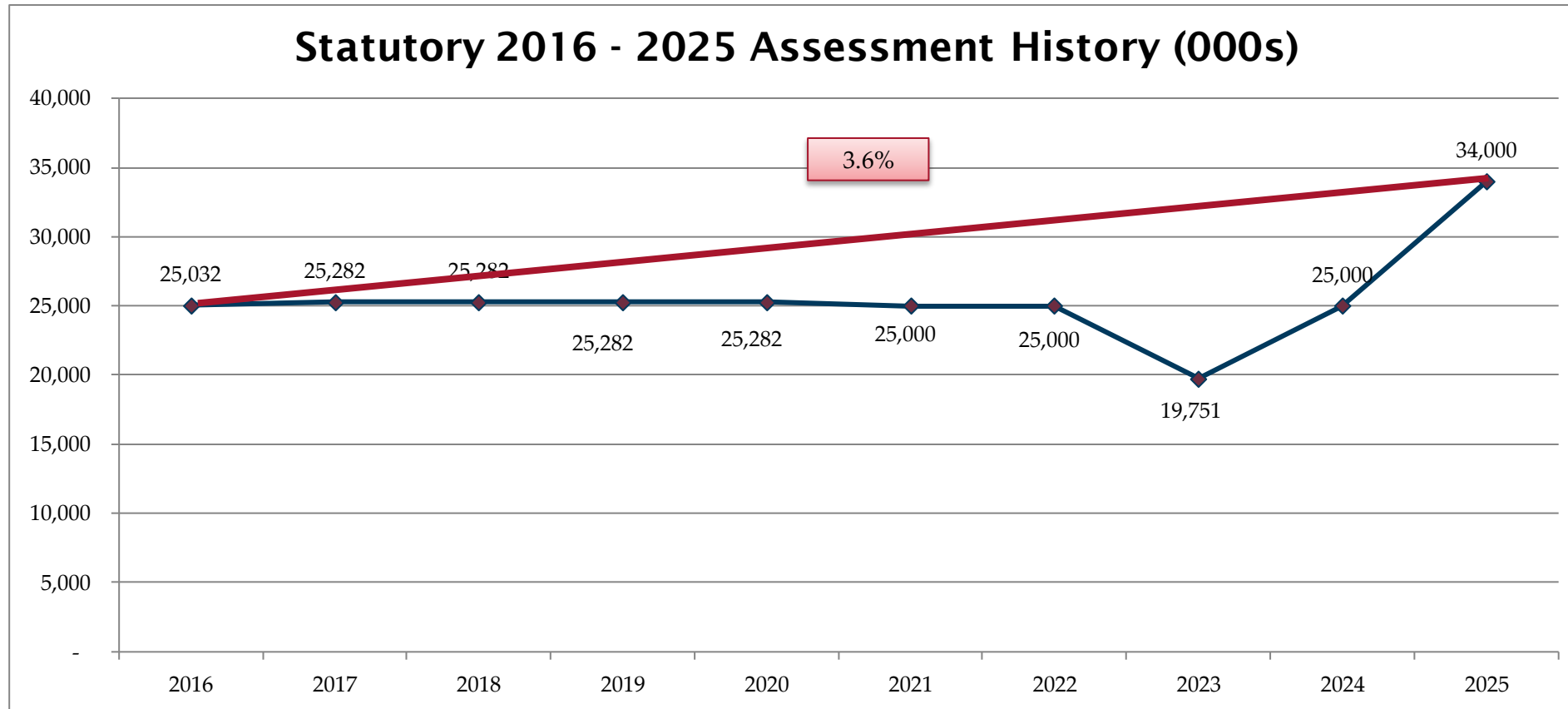
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- Budget increase—\$4.4 million (12.3%)
  - Budget total—\$39.7 million
- 7 additional statutory FTE
- Assessments increase—\$9 million (36%)
  - Assessments total—\$34.0 million
- Penalties collected and released—\$0

# Budget Trending



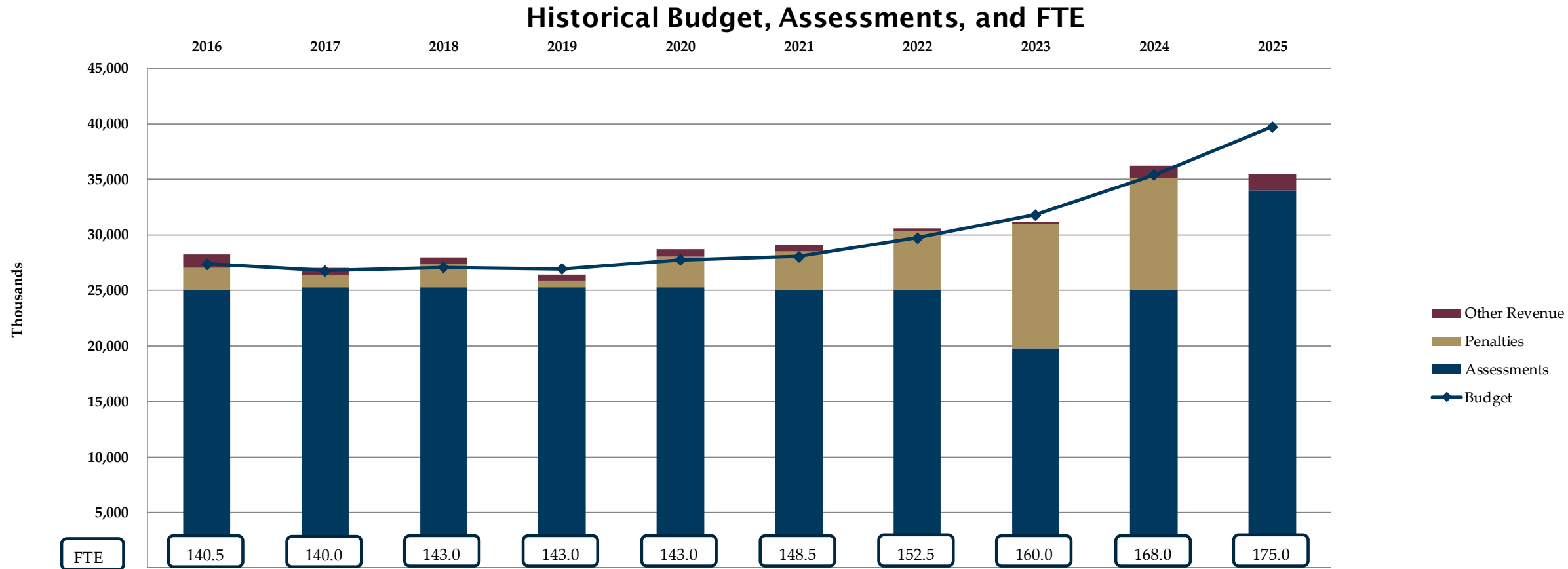
# Assessments Trending



# Assessment Stabilization



# Budget Compared to Funding Sources



# Statutory FTE Analysis

Total FTEs by Program Area	Budget 2024	Direct FTEs 2025 Budget	Shared FTEs* 2025 Budget	Total FTEs 2025 Budget	Change from 2024 Budget
STATUTORY					
<b>Operational Programs</b>					
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	-
<b>Total FTEs Operational Programs</b>	<b>127.50</b>	<b>132.50</b>	<b>-</b>	<b>132.50</b>	<b>5.00</b>
<b>Corporate Services</b>					
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	-
<b>Total FTEs Corporate Services</b>	<b>40.50</b>	<b>42.50</b>	<b>-</b>	<b>42.50</b>	<b>2.00</b>
<b>Total FTEs</b>	<b>168.00</b>	<b>175.00</b>	<b>-</b>	<b>175.00</b>	<b>7.00</b>

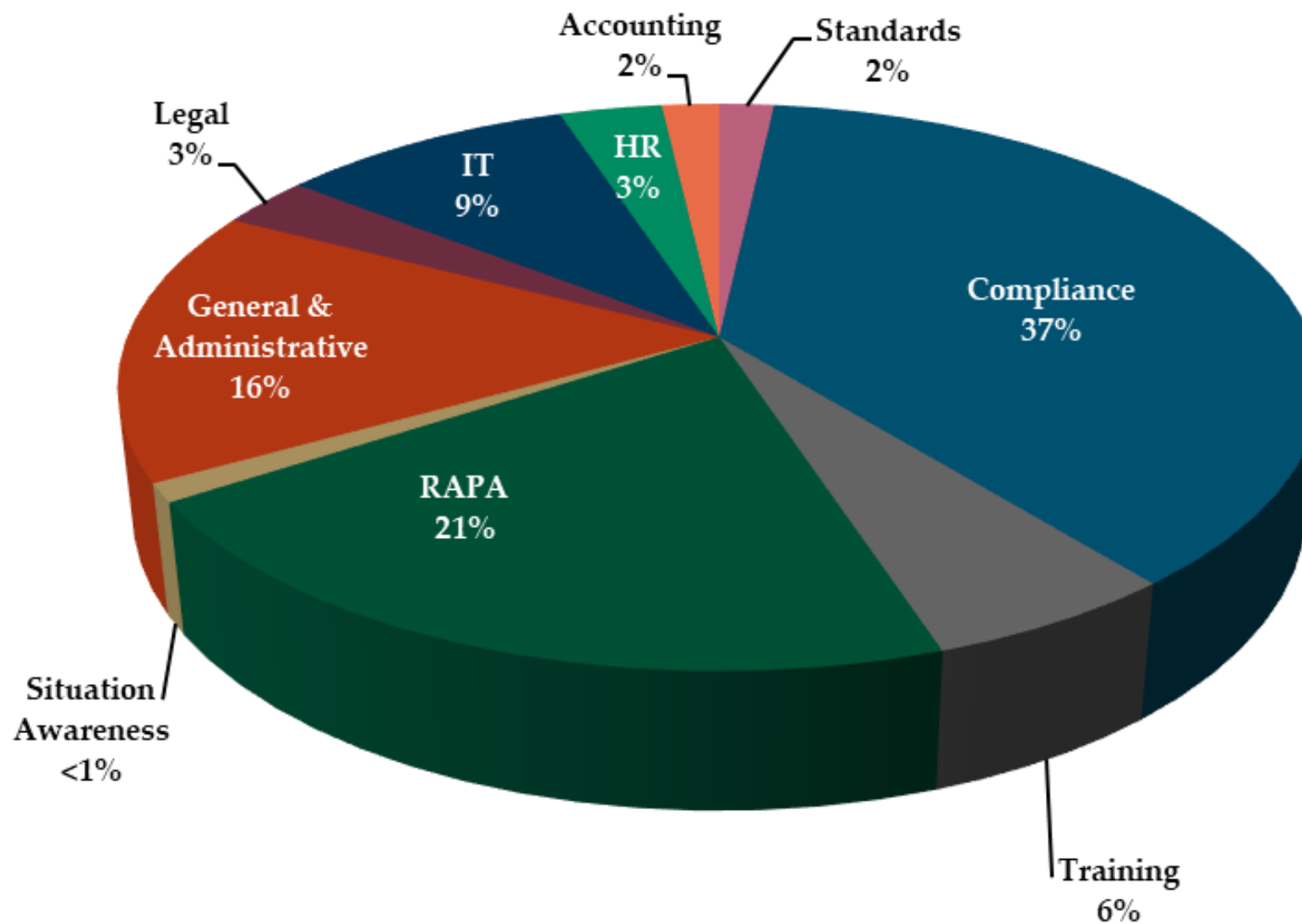
\* A shared FTE is defined as an employee who performs both Statutory and Non-Statutory functions.

# 2024 to 2025 Budget Change Drivers

## Reconciliation of 2024 to 2025 DRAFT Statutory Budget—Major Drivers

	<u>in 000s</u>	
<b>2024 Approved Budget</b>	<b>35,405</b>	
+ 7 FTE, 3% merit pool, 1% equity pool, labor float adj., refinement of taxes/benefits	2,679	
+ Transmission planning project in coordination with WPP and WestTEC	1,500	
- Changes in one-time IT consulting projects	(291)	
+ Net increase in travel due to distributed workforce, increase in FTE, inflationary impact on travel costs, and increase in on-site requirements for oversight activities	426	
+ Indirect expense allocation to WREGIS increases	(181)	
+ Increase in cost of meetings across the organization due to inflation and the Annual Meeting is anticipated to be off-site in 2025	81	
+ Proposed increase in board compensation	68	
+ Consulting for implementation of new HRIS	50	
+ Escalation in software maintenance licensing	50	
+ Other net changes	(27)	
<b>2025 DRAFT Budget</b>	<b>39,760</b>	<b>12.3% increase</b>

# Statutory Program Areas



# Peak Donation Project and Reserves

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- Western Power Pool/WestTEC effort
- Two-year project—March 2024 through February 2026
- Actionable long-term transmission plan to benefit Western stakeholders
- Proposed approximate use of Peak Reliability Donation funds
  - \$500K in 2024
  - \$1.5M in 2025
  - \$200K in 2026

# Mexico Assessments

# Next Steps

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- March 12—FAC meeting
- March through April
  - Meet with and provide information to the MBS
  - MBS members provide feedback
- April 26—Post draft 1 of BP&B for stakeholder comment
- April 30, May 2 (WIRAB monthly meeting), May 13—stakeholder overview webinars
- May 17—stakeholder comment period ends
- June 14—Board of Directors meeting

