



**Board of Directors  
Meeting Agenda  
Salt Lake City, Utah**

Meeting [link](#), Password: WECC | Dial-in Number: 1-415-655-0003, Attendee Access Code: 2631 549 0055

**September 17, 2024, 12:45 to 3:30 p.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 June 12, 2024*

- 5. Review of September 17, 2024, Closed Session—Ric Campbell**
- 6. NERC Trustee Remarks—Jim Piro**
- 7. Remarks and Reports**

WECC President and CEO—Melanie Frye

*Approval Item: Endorse ERO Enterprise Long-term Strategy*

Reliability and Security Oversight—Steven Noess

Member Advisory Committee—Michele Beck

Western Interconnection Regional Advisory Body—Mary Throne

**Break**

- 8. Long-term Strategy Refresh—Jeff Droubay**
- 9. Public Comment**
- 10. Board Committee Reports**

Finance and Audit Committee—Gary Leidich



## Board Meeting Agenda—September 17, 2024

Governance Committee—Felicia Marcus

Human Resources and Compensation Committee—Shelley Longmuir

Standards Committee—Ian McKay

### 11. Technical Activities Update

Reliability Planning and Performance Analysis—Branden Sudduth

Joint Guidance Committee—Branden Sudduth and Chelsea Loomis

*Approval Item: Joint Guidance Committee Dissolution*

Reliability Assessments Committee—Philip Augustin

Reliability Risk Committee—Dede Subakti

### 12. Board Leadership Election—Ian McKay

### 13. Review New Action Items

### 14. Review Upcoming Meetings

December 10–11, 2024.....Salt Lake City, UT

March 11–12, 2025.....Salt Lake City, UT

June 10–11, 2025.....Salt Lake City, UT

### 15. Adjourn





**Board of Directors Meeting**

**Approval Item**

**Consent Agenda**

**September 17, 2024**

## **Board Resolution**

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The consent agenda for this meeting consists of:

Approval of June 12, 2024, minutes.

## **Recommendation**

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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**  
**June 12, 2024**  
**Salt Lake City, Utah**

**1. Welcome, Call to Order**

Ric Campbell, Board of Directors (Board) Chair, called the meeting to order at 8:00 a.m. MT on June 12, 2024. A quorum was present to conduct business. A list of attendees is attached as [Exhibit A](#).

Mr. Campbell commented that it was the last meeting for Dick Ferreira, Class 2 Member Advisory Committee (MAC) Representative, and thanked him for his service and contributions to WECC.

**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 Jim Avery, the Board approved the agenda.**

**4. Consent Agenda**

Mr. Campbell introduced the consent agenda.

**On a motion by Joe McArthur, the Board approved the consent agenda, which consisted of:**

*Approval Item: 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**

Mr. Campbell reviewed the June 11, 2024, closed session.



## Board Meeting Minutes—June 12, 2024

### 6. NERC President and CEO

Jim Robb, NERC President and CEO, commented on efforts by NERC to go fully virtual, acknowledged outgoing WECC Board directors, Kris Hafner, Shelley Longmuir, and Gary Leidich, and reflected on industry transformation. He remarked on the initiatives around inverter-based resources (IBR), changes in registration rules and procedures, work on the Interregional Transmission Capability Study (ITCS), infrastructure building, and the timeline of the ERO Enterprise Long-term Strategy (ERO LTS) refresh.

Mr. Robb responded to questions on how to look at risk, virtual workforce challenges, cyber concerns with remote work, retention and turnover, and artificial intelligence (AI) threats.

### 7. Remarks and Reports

The following people gave reports to the Board:

- a. Melanie Frye, President and CEO, informed the Board of the retirement of a WECC employee, Jay Loock, and honored his 42-years of contributions and impact on industry. Ms. Frye reported on the ERO LTS and included that it would be brought for Board endorsement at the September 18, 2024, Board meeting. She provided an update on the Western Transmission Expansion Coalition (WestTEC) project and summarized FERC, NERC, regional, and international activities. She closed with a high-level update on 2024 scorecard progress. Ms. Frye responded to questions on the WestTEC project, turnover and retention efforts, and Year 20 scenario work.
- b. Steven Noess, Vice President Reliability and Security Oversight, provided an update on compliance trends observations, IBRs, registration efforts, cold weather preparedness, and self-logging processing. The Board asked about projected IBR registration numbers, PNC inventory load, and voiced support for the Oversight team to receive the tools and staff needed to perform its functions.
- c. Michele Beck, Member Advisory Committee (MAC) Chair, summarized the MAC Budget Subcommittee (MBS) recommendation and subsequent MAC endorsement, and MAC accomplishments and ongoing work.
- d. Mary Throne, Western Interconnection Regional Advisory Body (WIRAB), summarized WIRAB advice on the WECC Reliability Risk Priorities (RRP) and the 2025 Business Plan and Budget (BP&B). She thanked WECC for attendance at the spring WIRAB meeting and participation on a panel on reliability and markets.

### 8. Public Comment

No comments were made.



## Board Meeting Minutes—June 12, 2024

### 9. WECC Long-term Strategy

Mr. Droubay provided an update on WECC LTS refresh efforts and the necessity to step forward 5 to 10 years and envision what WECC needs to be to meet its mission. The Board commented on the importance of the LTS and provided feedback on the draft focus areas. Mr. Droubay responded to questions on use of “invented future,” “risk,” and “reliability,” and ensuring it resonates with industry and WECC staff.

### 10. Reliability Risk Priorities

Kris Raper, Vice President Strategic Engagement and External Affairs, summarized the 2024 RRP process and final staff recommendation. The Board asked about merging the RRP and Risk Register processes.

**On a motion by Ian McKay, the Board approved the following 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

### 11. Board Committee Reports

#### a. Finance and Audit Committee

Gary Leidich, Finance and Audit Committee (FAC) Chair, reported on the previous day’s meeting, including an update on contractual and regulatory developments in Mexico, a review of the 2025 BP&B and the 2023 audited financial statements, and 2024 year-to-date results and forecast.

Mr. Leidich introduced the following 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. In addition, assessments are to be reduced by \$984,000 as discussed in the June 11, 2024, FAC meeting.



## Board Meeting Minutes—June 12, 2024

*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.

**On a motion by Gary Leidich, the Board approved the resolution.**

Mr. Leidich introduced the following motion:

*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.

**On a motion by Gary Leidich, the Board approved the resolution.**

### **b. Governance Committee**

Felicia Marcus, Governance Committee (GC) Chair, reported on the GC meeting held the day before, in which the GC reviewed edits to the Principles of Corporate Governance, the Knowledge Transfer and Onboarding document, and the Responsibility and Accountability Matrix. The GC discussed Board Self-Evaluation results and reviewed the 2024 work plan.

Ms. Marcus summarized proposed changes to the Principles of Corporate Governance, and introduced the following motion:

*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.

**On a motion by Felicia Marcus, the Board approved the resolution.**

Additional information is attached as [Exhibit B](#).

### **c. Human Resources and Compensation Committee**

Shelley Longmuir, HRCC Chair, reviewed the HRCC open and closed session meetings held on June 11, 2024, where the committee received updates on various employee matters and heard an annual HR review.

### **d. Nominating Committee**

Richard Woodward, Nominating Committee (NC) Chair, reported that the NC unanimously recommends the following candidates for 2024–2027 nomination:

- Ric Campbell, current WECC Board of Directors chair;
- David Morton, previous CEO and Chair of the British Columbia Utilities Commission;



## Board Meeting Minutes—June 12, 2024

- Mary Rose Martinez, current VP and Chief Information and Security Officer at Marathon Oil; and
- Sarah Mugel, recently retired General Counsel, Corporate Responsibility Officer and Corporate Secretary at National Fuel Gas Company.

With this recommendation, the NC work is complete.

### e. WECC Standards Committee

Ian McKay, WECC Standards Committee (WSC) Chair, reviewed WSC activities and presented a criterion recommendation, which was approved at the May 29, 2024, 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 June 12, 2024, approves the WECC Consolidated INT Criterion document as presented and attached.

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

## 12. Technical Activities Update

Vic Howell, Director of Reliability Assessments and Modeling, provided a technical activities report, including updates on the Interregional Transfer Capability Study (ITCS) timeline, the 2024 Summer Reliability Assessment, and the Year 20 Reliability Assessments. Mr. Howell responded to questions on the demand forecast, the summer reliability assessment results, and transfer capability additions.

Additional updates were provided by:

- a. Chelsea Loomis, Joint Guidance Committee (JGC), Co-chair, reported on JGC discussions to potentially disband the JGC, noting that the Reliability Assessment Committee (RAC) and Reliability Risk Committee (RRC) are coordinating well between them, thus obviating the need for JGC coordination. The JGC will have a recommendation for Board consideration at the September 18, 2024, Board meeting;
- b. Philip Augustin, RAC Co-chair, who reported on Long-term Transmission planning and base case flows; and
- c. Meg Albright, RRC Co-chair, who highlighted the RRC risk register activities. Ms. Albright responded to questions on RAC-JGC coordination.

## 13. Review New Action Items

There were no new action items created during this meeting.





**Board Meeting Minutes—June 12, 2024**

**14. Upcoming Meetings**

- September 17–18, 2024 ..... Salt Lake City, Utah
- December 10–11, 2024 ..... Salt Lake City, Utah
- March 11–12, 2025..... Salt Lake City, Utah

**15. Adjourn**

Mr. Campbell commented that the Section 4.9 Review will kick off in September 2024, and that work will be done under the GC, with an invitation to MAC and WIRAB to participate.

Mr. Campbell adjourned the meeting without objection at 11:12 a.m.



Board Meeting Minutes—June 12, 2024

Exhibit A: Attendance List

Members in Attendance

James Avery .....	Vice Chair
Ric Campbell .....	Chair
Melanie Frye.....	CEO
Gary Leidich.....	Director
Felicia Marcus .....	Director
Joe McArthur.....	Director
Ian McKay.....	Director
Shelley Longmuir .....	Director
Richard Woodward.....	Director



## Board Meeting Minutes—June 12, 2024

### Exhibit B: Principles of Corporate Governance One Pager

#### Approval

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*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

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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 directs 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

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There are no known issues or risks.





**WECC Board of Directors**  
**Review of September 17, 2024, Closed Session**

Verbal Update

Ric Campbell, Chair

September 17, 2024



## Jim Piro

Jim Piro was elected to the NERC Board of Trustees in February 2020. Mr. Piro is the chair of the Enterprise-wide Risk Committee and serves on the Finance and Audit, Nominating, and Technology and Security Committees.

Mr. Piro served as ecology president and CEO for Portland General Electric (PGE) from 2009 up to his retirement at the end of 2017. His tenure as CEO is noted for an unwavering commitment to public and employee safety, operational excellence, business growth, and giving back to the community.

Mr. Piro began his 43-year career in the energy industry in 1974 as a civil engineer designing transmission towers for Pacific Gas and Electric (PG&E). Joining PG&E in 1980, he worked his way through the company, first as an engineer at the Trojan Nuclear Plant, then in thermal plants. Eventually, he transferred to the rates and regulatory area. From 1998 to 2000, Jim was responsible for business development during the heady days of non-regulated growth for most utility companies. In 2000, he was appointed as executive vice president and chief financial officer and served in this role for eight years.

Throughout his career, Mr. Piro has been an advocate for smart energy solutions, a healthy state economy, and improved educational outcomes. He has served on local, state level, and national boards for a number of organizations, including: the Edison Electric Institute (as co-chair of the Electrification of Transportation Committee and member of the Policy Committee on Reliability, Security & Business Continuity); the Transportation Electrification Coalition, the Oregon Global Warming Commission; the Science, Technology, Engineering and Math (STEM) Investment Council (as chair); the Oregon Business Council; All Hands Raised; Cradle to Career; Greater Portland Inc. (as chair); Oregon State University Foundation; and the PGE Foundation.

Mr. Piro earned a bachelor's degree in Civil Engineering with an emphasis in Structural Engineering from Oregon State University and was inducted into the OSU Engineering Hall of Fame in 2018.



<Public>

## CEO Report

September 17, 2024

Melanie Frye  
President and CEO

# Welcome to WECC!



**Amanda Shephard**  
Manager of Communications



**Trisha Brimhall**  
Director, Human Resources, People and Culture



**Adam Jensen**  
Controller, Finance and Accounting

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# ERO Enterprise Long-term Strategy

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- Focus is on the collective ERO Enterprise mission and vision, with separate but complementary roles between NERC and Regional Entities
- Refresh began over a year ago and has been shaped by input from ERO Enterprise staff, NERC and Regional Entity Boards, and stakeholders broadly
- Serves as the foundation on which WECC's Long-term Strategy is built
- Presented today for Board endorsement
- Anticipated NERC Board action in December



<Public>

# ERO Enterprise Long-term Strategy

## Energy

- Effectively leverage a broad range of data, tools, and approaches to assist stakeholders and policymakers in addressing existing bulk power system risks and proactively identifying and preparing for emerging and unknown risks to the grid.

## Security

- Maintain cyber- and physical security programs (E-ISAC, Standards, Compliance Monitoring and Enforcement Program (CMEP), NERC standing 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 and policymakers find value in engagements with the ERO Enterprise, seek ERO Enterprise expertise to inform their decision-making, and have confidence in the integrity and independence of ERO Enterprise programs.

## Agility and Sustainability

- Perform as an effective and efficient team acting in coordination, ensuring its programs and efforts deliver value for stakeholders and policymakers as they manage changing reliability and security risks within the evolving industry landscape, and capturing cost efficiencies when practical.

<Public>

# Resolution

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Resolved, that the WECC Board of Directors (Board),  
endorses the ERO Enterprise Long-term Strategy.

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## WestTEC Update

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- Draft three-party contract developed for Phase 1 of study work
- Western Power Pool also awarded a Department of Energy (DOE) grant
- WPP is in negotiations with DOE to finalize the grant, including review of the three-party study contract

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# FERC, NERC, and Regional Headlines

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## FERC

- Commission fully staffed with five Commissioners
- Reliability Technical Conference – October 16
- Co-location of Large Loads at Generating Facilities Technical Conference – November 1

## NERC

- NERC Board approved WECC 2025 Business Plan and Budget; filed with FERC for approval
- ERO Enterprise to perform blackstart study on Eastern and Western interconnections as recommended by Winter Storm Elliott Report

## Regional

- WRAP Revised Transition Plan delays binding to 2027; WPP Board consideration in September
- BPA delays day-ahead market decision to May 2025
- SPP CEO, Barbara Sugg, announced her retirement April 2025

<Public>

# International Updates

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## 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 engage with multiple stakeholders in Mexico City and Mexicali along with stakeholders in the U.S.
- No scheduled audits for Mexico in 2024.

<Public>

# Metrics Legend

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The metric fully reached its target








The metric is on track to reach its target in 2024



The metric is behind schedule or at risk of not reaching its target in 2024



The metric will not reach its target in 2024

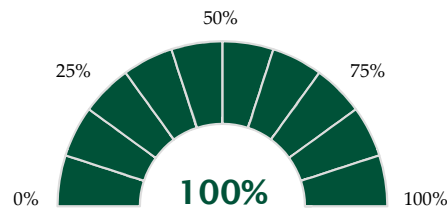
FOCUS AREA	METRICS	INITIATIVES			
FA1: Innovate and expand risk-based focus in all standards, compliance monitoring, and enforcement actions		ON TRACK	COMPLETED	AT RISK	NOT COMPLETED
		4	-	-	-
FA2: Assess and initiate action to mitigate known and emerging risks to the reliability and security of the Western Interconnection		ON TRACK	COMPLETED	AT RISK	NOT COMPLETED
		3	2	1	-
FA3: Strengthen engagement with the reliability and security community in the Western Interconnection		ON TRACK	COMPLETED	AT RISK	NOT COMPLETED
		2	2	-	-
FA4: Seize opportunities for effectiveness, efficiency, and continuous improvements		ON TRACK	COMPLETED	AT RISK	NOT COMPLETED
		2	1	-	-
FA5: Build the capability and culture that enable WECC to deliver on its critical reliability mission		ON TRACK	COMPLETED	AT RISK	NOT COMPLETED
		2	-	1	-

## Focus Area 1

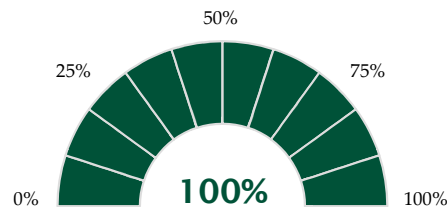
Innovate and expand risk-based focus in all standards, compliance monitoring, and enforcement actions

**Outcome 1:** Western viewpoints represented and incorporated in standards development

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

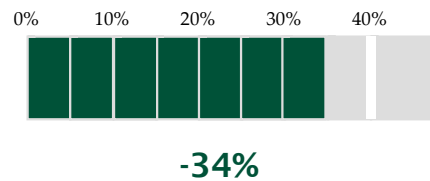


2. Standards under development on which WECC comments  
**Target: 100%**

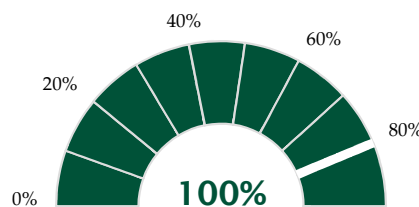


**Outcome 2:** Effective and efficient implementation of risk-based monitoring and enforcement activities

1. % Change in violation inventory over 2 years old  
**Target: -40%**



2. COP refreshes completed within six months  
**Target: 80%**



### 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 self-logging 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

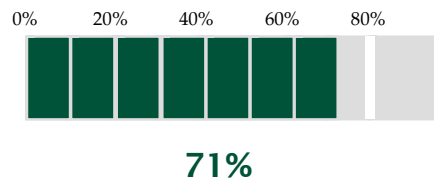


## Focus Area 2

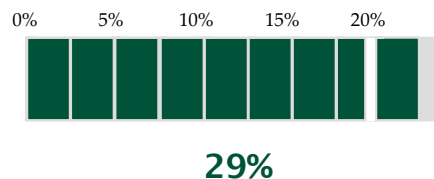
Assess and initiate action to mitigate known and emerging risks to the reliability and security of the Western Interconnection

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

1. Completion of vetted mitigation strategies to address RRP's  
**Target: 80%**

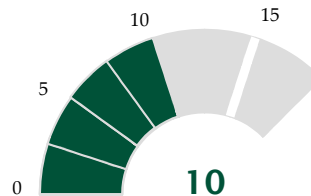


2. Power flow model shortcomings resolved vs. total identified  
**Target: 20%**

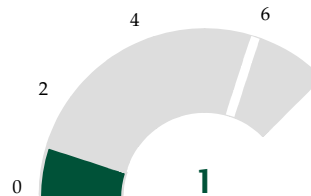


**Outcome 2:** Use of advanced tools, techniques, and industry subject matter experts to identify system performance trends and vulnerabilities

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



2. 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

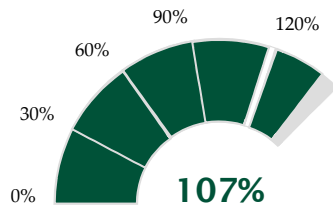
- ✓ Develop and publish revised System Performance Data Portal
- ✓ Implement improvements in resource adequacy assessments and include transmission impacts
- ✓ Enhance in-hour capacity to perform transfer capability reliability assessment

## Focus Area 3

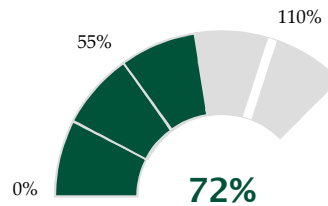
Strengthen engagement with the reliability and security community in the Western Interconnection

**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



2. Requests for input/advice/opinion  
Target: 110% of 2023



### Initiatives

#### Outcome 1

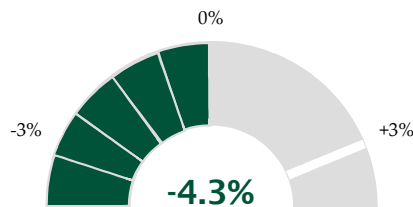
- ✓ Implement engagement strategies based on 2023 stakeholder mapping including knowledge gained through the 2023 Annual Meeting
- ✓ Improve products on wecc.org by creating digitally dynamic experience with enhanced user interactions
- ✓ Develop an outreach strategy targeted to new state officials
-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

## Focus Area 4

Seize opportunities for effectiveness, efficiency, and continuous improvement

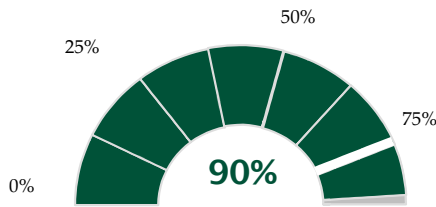
**Outcome 1:** Deliver of scorecard results, and development of methods/metrics for ongoing evaluation of effectiveness and efficiency

1. % of statutory budgeted expenditures  
**Target: +/-3%**

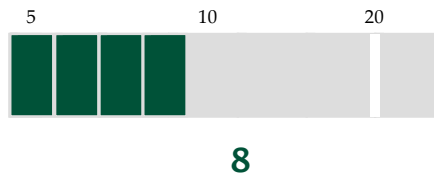


**Outcome 2:** Continuous improvement of organizational processes and tools to adapt to changes in the industry

1. New WECC products focused on current RRP's or emerging risks  
**Target: 75%**



2. Processes improved using framework  
**Target: 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

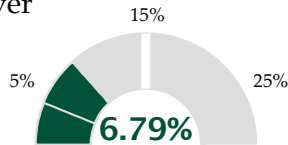
- ✓ Further work on improving clarity and alignment on the Denison organizational learning index and build on continuous improvement framework to foster innovative mindset
- ✓ Evaluate current human capital management system to identify areas of improvement and develop a needs analysis for a new system

## Focus Area 5

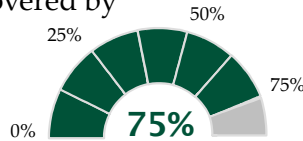
Build the capability and culture that enables WECC to deliver on its critical reliability mission

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

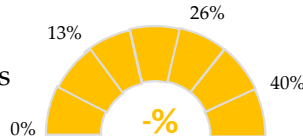
1. Voluntary turnover  
Target: < 15%



2. Critical skills covered by staff expertise  
Target: 75%

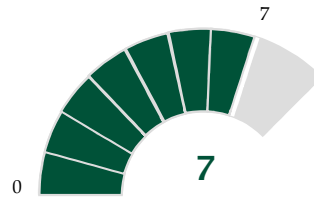


3. Successors and dev. plans for critical positions  
Target: 40%

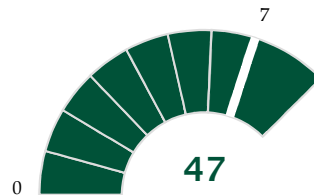


**Outcome 2:** WECC respected as a partner and trusted to produce high-quality, credible, and influential work

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

<Public>



# **DRAFT ERO Enterprise Long-Term Strategy**

August 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,<sup>1</sup> 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 registered entities follow 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, resilience, and security ecosystem includes new risks, new complexities, new terminology, new technologies, new requirements, new players, and the blurring of risk across traditional jurisdictional boundaries. With these changes coming faster and more frequently than ever before, it is becoming increasingly challenging for policymakers to effectively balance reliability, resilience, and security, environmental sustainability, and access and affordability. As the industry landscape changes, the ERO Enterprise is in a unique position to support stakeholders and inform policymakers 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.

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<sup>1</sup> 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).

- Collaborating in developing clear and consistent guidance across the ERO Enterprise.
- 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, tools, and approaches to assist stakeholders and policymakers in addressing existing BPS risks and proactively identifying and preparing for emerging and unknown risks to the grid.
- **Security:** Maintain cyber and physical security programs (E-ISAC, Standards, Compliance Monitoring and Enforcement Program (CMEP), NERC standing committee <sup>2</sup> 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 and policymakers find value in engagements with the ERO Enterprise, seek ERO Enterprise expertise to inform their decision-making, and have confidence in the integrity and independence of ERO Enterprise programs.
- **Agility and Sustainability:** Perform as an effective and efficient team acting in coordination, ensuring its programs and efforts deliver value for stakeholders and policymakers as they manage changing reliability and security risk within the evolving industry landscape, and capturing cost efficiencies when practical.

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, tools, and approaches to assist stakeholders and policymakers in addressing existing BPS risks and proactively identifying and preparing for emerging and unknown risks to the grid. The ERO Enterprise will support this focus area as follows:**

- Actively engage and communicate with stakeholders and policymakers as they manage rapid change and evolving threats to create a sense of urgency to proactively implement risk mitigations.
- Develop the necessary process(es) and advanced analytical capabilities 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.

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<sup>2</sup> The NERC Standing Committees include the Compliance and Certification Committee (CCC), Personnel Certification and Governance Committee (PCGC), Reliability Issues Steering Committee (RISC), Reliability and Security Technical Committee (RSTC), and Standards Committee (SC).

- Create an environment where participants focus on reliability, resilience, and security performance as opposed to compliance risk.

**Security: Maintain cyber and physical security programs (E-ISAC, Standards, CMEP, NERC standing 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, NERC standing 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.
- Build and maintain a mature security posture across all ERO Enterprise companies.

**Engagement: Ensure that the increasingly diverse spectrum of stakeholders and policymakers 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 stakeholders and policymakers and seek constructive and collaborative engagement on key reliability, resilience 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 and policymaker ecosystem.
- Deliver technically rigorous and intellectually honest insights and analyses and communicate them in a timely, clear, concise, and compelling manner that inform stakeholders and policymakers.



**Agility and Sustainability: Perform as an effective and efficient team acting in coordination, ensuring its programs and efforts deliver value for stakeholders and policymakers as they manage changing reliability and security risk within the evolving industry landscape, and capturing cost efficiencies when practical. 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 and balance opportunities for stakeholder participation while being responsive to the changing risk environment.
- 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 to the extent practical recognizing the realities of the ERO Enterprise structure, 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, resilience, 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.



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## Reliability and Security Oversight Update

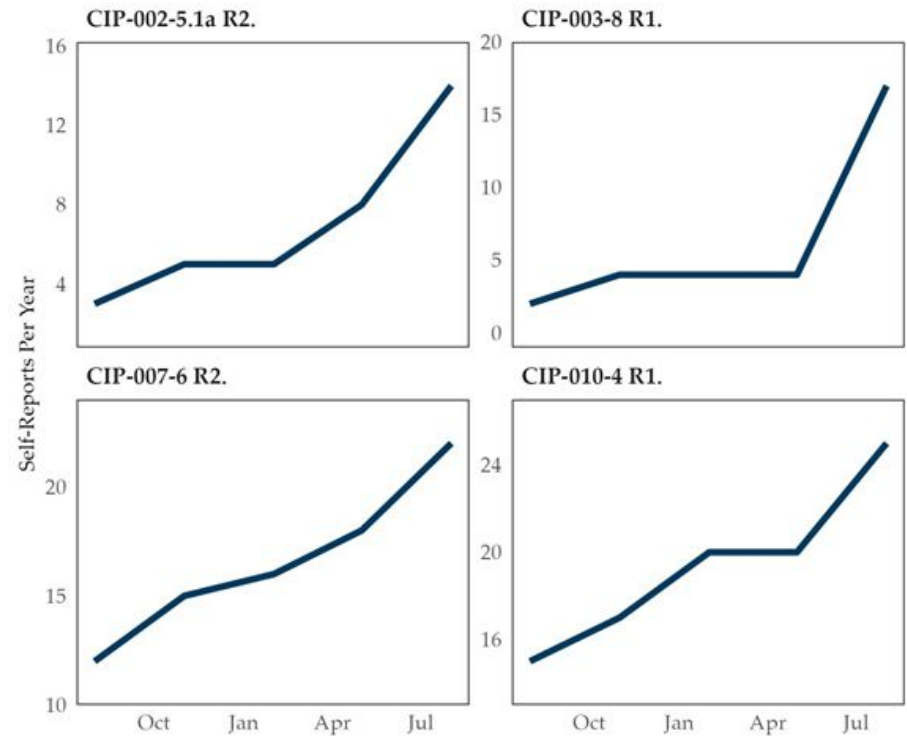
September 17, 2024

Steven Noess  
Vice President, Reliability  
and Security Oversight

<Public>

# Trends Update

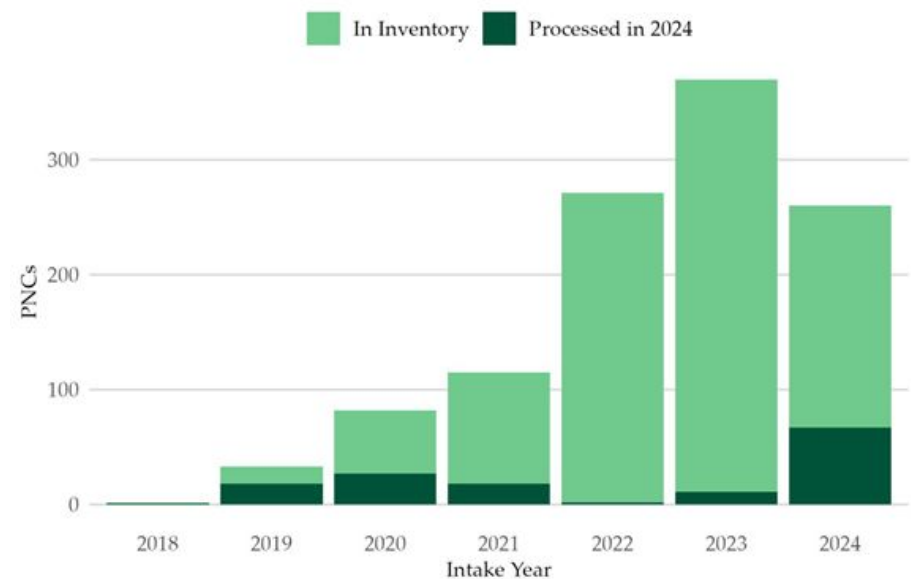
- [Q3 update posted](#)
- Observations:
- Increased self-reports across CIP standards



<Public>

# Trends Update

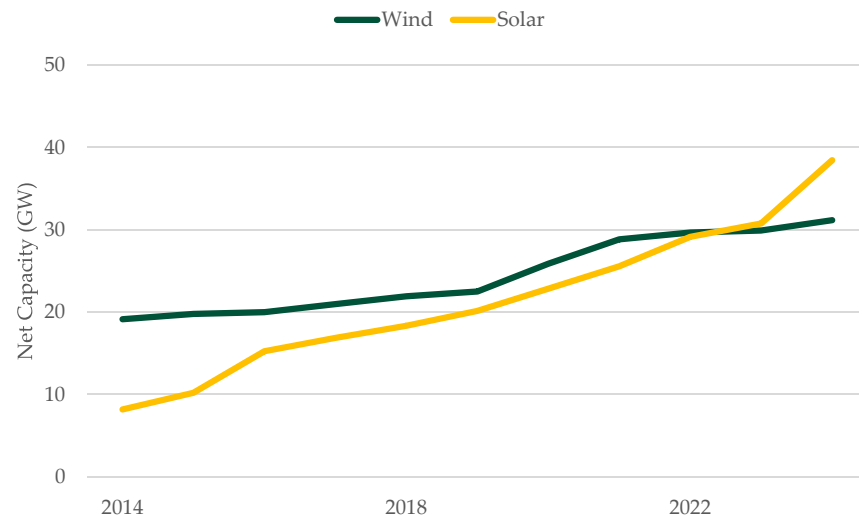
- Enforcement processing strategy
  - Aged inventory
  - New PNCs



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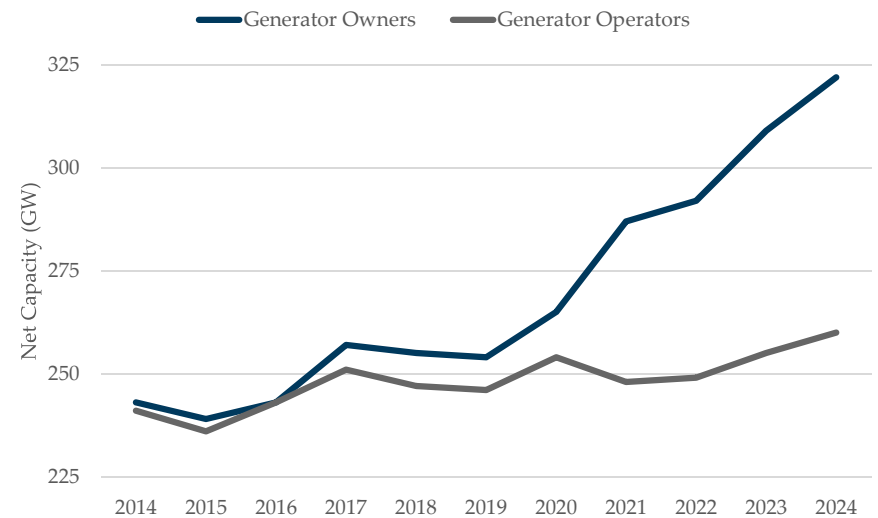
# Trends Update

IBR Installed Capacity in Western U.S.



Source: [EIA](#)

WECC Registered Entities



<Public>

# Inverter-based Resources

## ■ IBR Registration Initiative

- Phase 1 complete
- Phase 2 in progress

## ■ BA/TOP request

## ■ Standards approach

## ■ 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

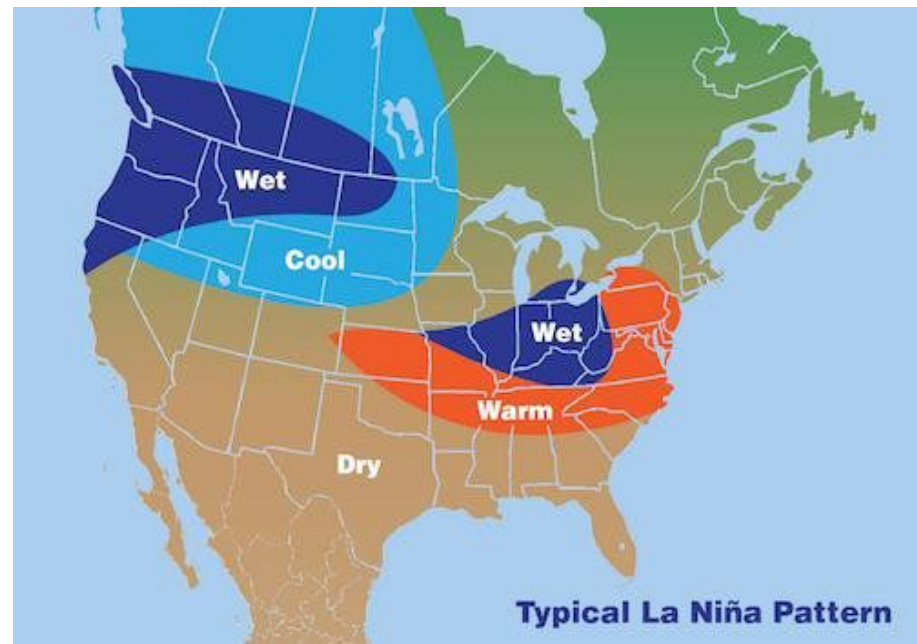
#### Phase 3: May 2025–May 2026

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

<Public>

# Cold Weather Preparedness

- EOP-012-2 approved with directives for revision
- Monitoring strategy
  - Self-Certification
- Outreach

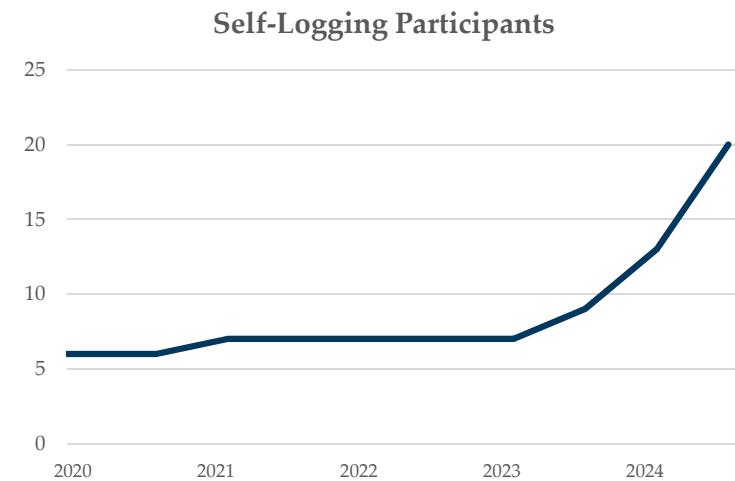


Source: [NOAA](https://www.noaa.gov/)

<Public>

# Self-Logging

- 20 active participants
- 7 applications received in 2024
- Candidate outreach and training
- ERO Enterprise harmonization





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**Member Advisory Committee  
Report to the WECC Board of Directors**

Michele Beck, MAC Chair

September 17, 2024

## MAC Report to the Board—September 17, 2024

### Highlights

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- Follow-up on Communications Discussions
- MAC Input on WECC Long-term Strategy
- Leadership Elections

### Purpose

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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

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No action items.

### Current Year Goals

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

### Major Accomplishments and Planned Activities

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#### 1. Follow-up on Communications Discussions

The MAC has completed its two major tasks of reviewing and providing recommendations on the Business Plan and Budget and participating in the Nominating Committee. The assigned MAC liaisons continue to provide routine reports to the full MAC, which the communications survey reported to be of significant value to the MAC members. In addition, the MAC has discussed several elements of its communications, both from the MAC to WECC Members, as well as from WECC to WECC Members. These issues were first raised in the December 2023 MAC workshop, and the MAC has addressed them as time allowed throughout the year. The September MAC meeting will include some work products that were suggested as part of these discussions for MAC review.

#### 2. MAC Input on WECC Long-term Strategy

MAC members are prepared to contribute to the Technical Session on WECC Long-term Strategy and plan to further address the topic at the MAC meeting on September 18.



<Public>

## **MAC Report to the Board—September 17, 2024**

### **3. Leadership Elections**

Consistent with recent practice of rotating leadership each year, the MAC will elect a new chair and vice chair at its meeting on September 18.



<Public>

## MAC Report to the Board—September 17, 2024

### Supporting Topic





<Public>

## Member Advisory Committee

September 17, 2024

Michele Beck, MAC Chair

<Public>

# MAC Accomplishments and Ongoing Work

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- Recent Accomplishments
  - Review and recommendations on Business Plan and Budget
  - Participation on Nominating Committee
- Ongoing Work
  - Follow-up work products related to communications discussions
  - Input on WECC Long-term Strategy
  - Continuation of recent practice to rotate leadership each year

<Public>







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**WECC Board of Directors**  
**Western Interconnection Regional Advisory Body**

Verbal Update

Mary Throne

September 17, 2024



**Board of Directors**  
**Long-term Strategy**  
**September 17, 2024**

## **Introduction**

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The Western Interconnection continues to undergo rapid and unprecedented change. Increasingly recurrent extreme natural events, large-scale generator retirements, massive amounts of new generators that present new technological and dispatchability challenges, evolving and increasing cyber- and physical threats, the risks and opportunities posed by artificial intelligence, rapidly changing demand brought about by electrification, and the proliferation of data centers and other technologies, with their accompanying large loads, are all transforming the way that electricity is generated, transmitted, and used across the Interconnection.

In recognition of this, WECC's Board of Directors, in March, instructed WECC's Executive Team to review WECC's Long-term Strategy (LTS) to ensure that WECC continues to fulfil our Mission to effectively and efficiently mitigate risks to the reliability and security of the Western Interconnection's Bulk Power System.

## **Draft Long-term Strategy**

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The Draft LTS that follows was developed over a six-month period by WECC's Executive Team, working closely with WECC's team of directors. The draft LTS builds upon the LTS approved by the Board in September, 2020, and demonstrates WECC's commitment to taking the actions necessary to ensure that WECC remains the voice of reliability in the Western Interconnection.

The draft LTS also aligns with the ERO Enterprise Long-term Strategy. It is more important than ever that the ERO Enterprise is aligned as it addresses the evolving risks to the reliability and security of the North American electrical grid.

This Draft will be further revised and refined based upon comments from the Board, MAC, WIRAB, and other stakeholders. It is our intent to seek final approval of the LTS from the Board during the Board's December 2024 meeting.

## Introduction

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### Our “Why”

Electricity is an essential part of the fabric of modern life. WECC strengthens that fabric to preserve and improve society’s future. Our “why” is at the heart of all we do, because we know what happens when the power goes out—gas systems fail, water pumps cease to operate, communication networks shut down, emergency services are impaired, economies are affected, people panic, and lives are lost.

The Western Interconnection is changing at a magnitude and pace that is unparalleled. Those who plan, operate, and care about the reliability of the interconnection must confront challenges more frequently—increasingly recurrent extreme natural events, large-scale generator retirements to meet aggressive clean energy goals, massive amounts of new generators that present new technological and dispatchability challenges, evolving and increasing cyber- and physical threats, the risks and opportunities posed by artificial intelligence, rapidly changing demand brought about by electrification, and the proliferation of data centers and other technologies, with their accompanying large loads. In short, change is affecting everything, everywhere, all at once.

To fulfill our mission to effectively and efficiently mitigate risks to the reliability and security of the Western Interconnection’s Bulk Power System, we must continue to elevate our organizational health and organizational performance. We must be *The Voice of Reliability* in the West.

### We are part of a Brilliant Model



We are unified in our reliability Mission with the other entities of the ERO Enterprise. 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. The partnership

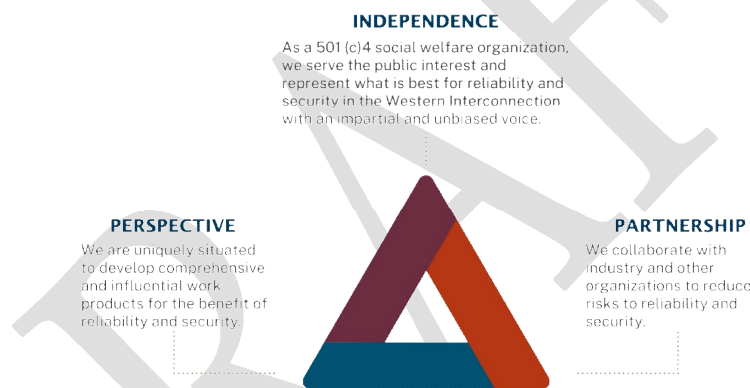
## DRAFT Long-term Strategy

between NERC and the Regional Entities is critical to the success of the ERO Enterprise. As an enterprise, we are committed to:

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

At WECC, our Long-term Strategy with its five Impact Areas very deliberately aligns with the ERO Enterprise Long-term Strategy and its four Focus Areas.

### We are uniquely positioned to be *The Voice of Reliability in the West*



Our ability to inform, educate and collaborate makes us unique in the Western Interconnection.

- **Independence:** All stakeholders look to and rely upon us as the impartial and unbiased voice on matters that impact reliability in the Western Interconnection. We deliver relevant insight and sometimes difficult messages necessary to address and mitigate risks to the grid. Our analytical, oversight, and study work support and reinforce our independent approach/mission.
- **Perspective:** We develop comprehensive and influential work products that ensure reliability and security. WECC is distinguished as a regional entity with an interconnection-wide view. Our unique perspective and role allow us to analyze a wide variety of data which assists in identifying and addressing/mitigating broad risks to reliability and security.
- **Partnership:** We collaborate and coordinate across stakeholders to identify, evaluate, and reduce risks to the reliability and security of the Western Interconnection. Our credibility with industry, policymakers, government entities, regional bodies, interested stakeholders and the ERO Enterprise is the key to successfully achieving our mission.



## Impact Areas

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We have identified five Impact Areas that will ensure a future in which we continue to realize our vision of a reliable and secure bulk power system in the Western Interconnection.

1. 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.
2. We are sought after as a partner to address the risks that pose the greatest threat to reliability. We identify concerns 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.
3. Our insights, analyses, and outreach promote industry action. We are renowned for providing clear and actionable communications supported by data and rigorous analysis.
4. Our resource- and technology-neutral, interconnection-wide perspective is respected and trusted to assure decision-makers that they have an independent partner to rely on.
5. Our highly skilled and engaged employees are champions for reliability.

Detail on each of these Impact Areas follows.

**Impact Area 1: 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.**

We develop cohesive, well-coordinated strategies to identify and mitigate risks to reliability and security. These strategies are effective and leverage all of the tools at our disposal. To ensure that our risk-based approach meets the reliability and security challenges facing the Western Interconnection:

- We collectively work from, orient around, and live by a single, company-wide register of risks that drives a holistic, coordinated, comprehensive, one-WECC mindset and approach to identifying, prioritizing, and mitigating reliability and security risks.
- We use effective and coordinated implementation of resources (e.g., oversight, event analysis, reliability assessments, outreach, strategic engagement, internal and external relationships, training, etc.) and skills across the organization in support of identifying and reducing risks to reliability.
- We create an environment where industry participants in the Western Interconnection focus on how to identify and mitigate risks to reliability and security as opposed to focusing solely on compliance risk.

**Impact Area 2: We are sought after as a partner to address the risks that pose the greatest threat to reliability. We identify concerns 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.**



## **DRAFT Long-term Strategy**

Our stakeholders share their known and emerging reliability risks with us and seek to partner with us to address their related needs and concerns. They are actively engaged in our oversight and risk identification programs. They gather and share impact data and relevant considerations related to the identified risks. Our stakeholders implement collectively-identified risk mitigation strategies. To ensure we are the sought after partner for reliability issues in the Western Interconnection:

- Our stakeholders collaborate with us in a way that strengthens our independence, enabling us to perform world-class monitoring and oversight and to produce timely, relevant work that informs reliability and security in the Western Interconnection.
- Our stakeholders rely upon and value the unique perspective that we have as both a regulator and a partner.
- Our teams' commitment to interdisciplinary collaboration fosters the partnership and coordination with stakeholders necessary to maximize our impact on the most important reliability topics, while ensuring we do not expend resources on low-impact activities.

### **Impact Area 3: Our insights, analyses, and outreach drive industry action. We are renowned for providing clear and actionable communications supported by data and rigorous analysis.**

Our broad range of stakeholders in the Western Interconnection rely on our products as authoritative sources to inform conclusions and resulting actions. Our communications and publications are celebrated by their targeted audiences for being timely, clear, and compelling because:

- We enhance existing and create new modes of training, outreach, and communication.
- We use the latest technologies and tools available to acquire the data we need, to understand and analyze that data, and to manage the data in an exemplary manner.
- We ensure that they are technically rigorous while being tailored to their intended recipients and are timely delivered to the stakeholders who need them.

### **Impact Area 4: Our resource- and technology-neutral, interconnection-wide perspective is respected and trusted to assure decision-makers that they have an independent partner to rely on.**

We are a critical partner in discussions that impact reliability and security across the interconnection. Decision makers use our information to support decisions being made within their jurisdictions to the benefit of reliability. We are the trusted and critical partner decision-makers in the Western Interconnection need because:

- Our products and insights empower decision makers in the Western Interconnection to make decisions that have reliability as a priority.
- Our products speak across multiple audiences. Everything we develop and produce exhibits outside-in thinking.



## **DRAFT Long-term Strategy**

- Our neutrality and singular focus on reliability creates a space where decision-makers can share their diverse perspectives to address the most significant reliability issues.

### **Impact Area 5: Our highly skilled and engaged employees are champions for reliability.**

Our employees have sought out and remain with us because they are passionate about our Vision and Mission, our culture, and opportunities to develop and do work that matters. Our employees are valued and trusted partners who produce high quality, credible, and influential work. Our employees are engaged, highly skilled and want to be part of an organization that is taking on the most significant reliability issues because:

- We intentionally connect all our employees to our Vision, Mission, and culture, through our workforce engagement model.
- We trust each other and are empowered and accountable to challenge the status quo, embrace change, and elevate our contributions.
- We focus on professional development and knowledge transfer to build cross-functional teams, to provide development opportunities to employees, and ensure that we have the bench strength to fulfill our mission.

## **Conclusion**

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Electricity is an integral part of the fabric of modern life. Our reliability and security vision and mission are crucial to preserving the strength of that fabric. In the increasingly complex and rapidly changing landscape of the Western Interconnection, we embrace our role as *The Voice of Reliability* by adopting this Long-term Strategy.





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**WECC Board of Directors  
Finance and Audit Committee**

Verbal Update

Gary Leidich, Chair

September 17, 2024





## July 2024 Financial Results

Jillian Lessner

September 17, 2024

## Summary

As of July 31, 2024, statutory programs were over budget by a net of \$8.7 million. The non-statutory program was under budget by a net of \$456,000. The main driver of the net statutory overrun relates to a timing difference of penalty revenue recognition allowed under Generally Accepted Accounting Principles (GAAP). For financial reporting purposes, WECC recognizes penalties when FERC approves them, and for budgeting purposes, WECC recognizes penalties in the year in which the penalties offset assessments. Penalties revenue is less than budget by \$10.1 million per GAAP treatment. Additionally, other funding sources are \$557,000 over budget and expenditures are \$840,000 under budget through July 31, 2024.

Variances greater than \$100,000 are explained in subsequent sections. Two versions of the statutory year-to-date results are provided. The first table (Figure 1) represents GAAP reporting, with the penalty revenue recognition changes included. The second table (Figure 2) represents results without the penalty variance, to isolate other more relevant variances in the total net results.

## Statutory Program Statement of Activities

### Major Driver of Statutory Program Variances (Greater than \$100,000)

Figure 1: Statutory Year-to-Date Results  
(GAAP)

	Actual 2024	Budget 2024	Variance (over) /under
Funding			
ERO Funding	25,004,400	35,137,948	(10,133,548)
Other Funding	1,133,091	576,500	556,591
<b>Total Funding</b>	<b>26,137,491</b>	<b>35,714,448</b>	<b>(9,576,957)</b>
Expenses			
Personnel Expenses	15,008,448	15,578,503	570,055
Meeting & Travel Expenses	608,973	788,874	179,901
Operating Expenses	3,359,660	3,437,873	78,213
Indirect Allocation	(429,028)	(490,395)	(61,367)
Total Expenses	18,548,053	19,314,855	766,802
Fixed Assets	17,152	90,000	72,848
<b>Total Expenditures</b>	<b>18,565,205</b>	<b>19,404,855</b>	<b>839,650</b>
<b>Funding Less Expenditures</b>	<b>7,572,286</b>	<b>16,309,593</b>	<b>(8,737,307)</b>

Figure 2: Statutory Year-to-Date Results  
(Excluding Penalty Variance)

	Actual 2024	Budget 2024	Variance (over) /under
Funding			
ERO Funding	35,137,948	35,137,948	-
Other Funding	1,133,091	576,500	556,591
<b>Total Funding</b>	<b>36,271,039</b>	<b>35,714,448</b>	<b>556,591</b>
Expenses			
Personnel Expenses	15,008,448	15,578,503	570,055
Meeting & Travel Expenses	608,973	788,874	179,901
Operating Expenses	3,359,660	3,437,873	78,213
Indirect Allocation	(429,028)	(490,395)	(61,367)
Total Expenses	18,548,053	19,314,855	766,802
Fixed Assets	17,152	90,000	72,848
<b>Total Expenditures</b>	<b>18,565,205</b>	<b>19,404,855</b>	<b>839,650</b>
<b>Funding Less Expenditures</b>	<b>17,705,834</b>	<b>16,309,593</b>	<b>1,396,241</b>



## July 2024 Financial Results

### Year-to-Date (GAAP)

- ERO Funding: \$10,134,000 under budget due to penalty revenue recognition per GAAP compared to budget treatment. The underrun represents the net of:
  - \$10,138,000 in penalties recognized as revenue in 2022 and 2023 for financial reporting purposes, but budgeted to offset assessments in the 2024 Business Plan and Budget; and
  - \$4,000 in penalties recognized as revenue in 2024 for financial reporting purposes but will offset assessments in the 2025 Business Plan and Budget.
- Other Funding: \$557,000 over budget due to higher-than-budgeted interest rates and investment income.
- Personnel Expenses: \$570,000 under budget primarily due to actual job vacancies across the organization compared to budget assumptions.
- Meeting & Travel Expenses: \$180,000 under budget due to:
  - Reliability Workshop was converted to a virtual meeting;
  - Canceled travel in Q1 and lower-than-budgeted travel activity; and
  - Lower-than-budgeted March R&S Workshop expenses.

**Figure 3: Statutory Year-end Forecast  
(GAAP)**

	Forecast 2024	Budget 2024	Variance (over) /under
<b>Funding</b>			
ERO Funding	25,004,400	35,137,948	(10,133,548)
Other Funding	1,978,108	1,075,250	902,858
<b>Total Funding</b>	<b>26,982,508</b>	<b>36,213,198</b>	<b>(9,230,690)</b>
<b>Expenses</b>			
Personnel Expenses	28,385,863	28,895,986	510,123
Meeting & Travel Expenses	1,223,219	1,353,934	130,715
Operating Expenses	6,832,993	6,008,620	(824,373)
Indirect Allocation	(919,418)	(980,785)	(61,367)
<b>Total Expenses</b>	<b>35,522,657</b>	<b>35,277,755</b>	<b>(244,902)</b>
Fixed Assets	17,152	127,040	109,888
<b>Total Expenditures</b>	<b>35,539,809</b>	<b>35,404,795</b>	<b>(135,014)</b>
<b>Funding Less Expenditures</b>	<b>(8,557,301)</b>	<b>808,403</b>	<b>(9,365,704)</b>

**Figure 4: Statutory Year-end Forecast  
(Excluding Penalty Variance)**

	Forecast 2024	Budget 2024	Variance (over) /under
<b>Funding</b>			
ERO Funding	35,137,948	35,137,948	-
Other Funding	1,978,108	1,075,250	902,858
<b>Total Funding</b>	<b>37,116,056</b>	<b>36,213,198</b>	<b>902,858</b>
<b>Expenses</b>			
Personnel Expenses	28,385,863	28,895,986	510,123
Meeting & Travel Expenses	1,223,219	1,353,934	130,715
Operating Expenses	6,832,993	6,008,620	(824,373)
Indirect Allocation	(919,418)	(980,785)	(61,367)
<b>Total Expenses</b>	<b>35,522,657</b>	<b>35,277,755</b>	<b>(244,902)</b>
Fixed Assets	17,152	127,040	109,888
<b>Total Expenditures</b>	<b>35,539,809</b>	<b>35,404,795</b>	<b>(135,014)</b>
<b>Funding Less Expenditures</b>	<b>1,576,247</b>	<b>808,403</b>	<b>767,844</b>



## July 2024 Financial Results

### *Year-End Forecast*

- ERO Funding: \$10,134,000 under budget due to penalty revenue recognition per GAAP compared to budget treatment. The underrun represents the net of:
  - \$10,138,000 in penalties recognized as revenue in 2022 and 2023 for financial reporting purposes, but budgeted to offset assessments in the 2024 Business Plan and Budget; and
  - \$4,000 in penalties recognized as revenue in 2024 for financial reporting purposes but will offset assessments in the 2025 Business Plan and Budget.
- Other Funding: \$903,000 over budget due to higher-than-budgeted interest rates and investment income.
- Personnel Expenses: \$510,000 under budget primarily due to:
  - Budgeted labor float rate and wage assumptions compared to actual rates; and
  - Lower-than-budgeted benefits enrollment rates.
- Meeting & Travel Expenses: \$131,000 under budget primarily due to:
  - Reliability Risk Priorities Workshop converted from an in-person to a virtual meeting;
  - Lower-than-budgeted March Reliability and Security Workshop costs; and
  - Canceled and lower-than budgeted travel activity.
- Operating Expenses: \$824,000 over budget primarily due to the net of:
  - Unbudgeted expenses for the WestTEC transmission planning project;
  - Unbudgeted Board Director search fees; and
  - Timing of the data management project, which was budgeted in prior years and began this year (Q3, 2024).
  - Unbudgeted consulting for the new wecc.org back-end implementation.

## July 2024 Financial Results

### Non-Statutory Program Statement of Activities

#### Major Drivers of Non-Statutory Program Variances (Greater than \$100,000)

Figure 3: Non-Statutory Year-to-Date Results

	Actual 2024	Budget 2024	Variance
Funding			
ERO Funding	-	-	-
Other Funding	2,227,419	1,893,250	334,169
<b>Total Funding</b>	<b>2,227,419</b>	<b>1,893,250</b>	<b>334,169</b>
Expenses			
Personnel Expenses	609,470	660,460	50,990
Meeting & Travel Expenses	7,598	16,300	8,702
Operating Expenses	573,765	574,319	554
Indirect Allocation	429,028	490,393	61,365
Total Expenses	1,619,861	1,741,472	121,611
Fixed Assets	-	-	-
<b>Total Expenditures</b>	<b>1,619,861</b>	<b>1,741,472</b>	<b>121,611</b>
<b>Funding Less Expenditures</b>	<b>607,558</b>	<b>151,778</b>	<b>455,780</b>

#### Year-to-Date

- Other Funding: \$334K over budget primarily due to:
  - Higher-than-budgeted certificate activity; and
  - Higher-than-budgeted interest rates and investment income.

Figure 4: Non-Statutory Year-end Forecast

	Forecast 2024	Budget 2024	Variance
Funding			
ERO Funding	-	-	-
Other Funding	3,286,169	2,931,500	354,669
<b>Total Funding</b>	<b>3,286,169</b>	<b>2,931,500</b>	<b>354,669</b>
Expenses			
Personnel Expenses	1,140,281	1,248,950	108,669
Meeting & Travel Expenses	22,199	30,080	7,881
Operating Expenses	985,418	984,423	(995)
Indirect Allocation	919,421	980,785	61,364
Total Expenses	3,067,319	3,244,238	176,919
Fixed Assets	-	10,960	(10,960)
<b>Total Expenditures</b>	<b>3,067,319</b>	<b>3,255,198</b>	<b>165,959</b>
<b>Funding Less Expenditures</b>	<b>218,850</b>	<b>(323,698)</b>	<b>542,548</b>



## July 2024 Financial Results

### *Year-end Forecast*

- Other Funding: \$355K over budget primarily due to:
  - Higher-than-budgeted certificate activity; and
  - Higher-than-budgeted interest rates and investment income.
- Personnel Expenses: \$109,000 under budget primarily due to:
  - Budgeted labor float rate and wage assumptions compared to actual rates; and
  - Lower-than-budgeted benefits enrollment rates.





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**WECC Board of Directors  
Governance Committee**

Verbal Update

Felicia Marcus, Chair

September 17, 2024



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**WECC Board of Directors**  
**Human Resources and Compensation Committee**

Verbal Update

Shelley Longmuir, Chair

September 17, 2024



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

Ian McKay, WSC Chair

Steve Rueckert, Director of Standards

September 17, 2024



## WSC Report to the Board—September 17, 2024

### Highlights

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Project WECC-0142 BAL-002-WECC-3 Contingency Reserve Regional Reliability Standard retirement drafting continues—page 3.

New WSC members—page 3.

### Strategic Purpose

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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

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The WSC has no approval items for the Board at the September meeting.

### Current Year Goals

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- 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

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### 1. Project WECC-0142—BAL-002-WECC-3 Contingency Reserve Regional Reliability Standard Request to Retire.

The Standard Authorization Request (SAR) proposing retirement of this WECC Regional Reliability Standard was initially received on August 14, 2020. A drafting team was appointed and the development of justification for retirement began. The project was put in abeyance during the COVID pandemic. The effort to justify retirement began again early this year, and the team is meeting regularly. The team is focusing on the fact that the substantial amount of Contingency Reserve that is required by the Regional Reliability Standard is unnecessary for reliability and could be used to serve load during resource-limited periods. Members of the drafting team believe that the NERC continent-wide requirement to carry Contingency Reserves equal to the Most Severe Single Contingency is adequate for reliability. This may require a field test to confirm the proposal.

### 2. NEW WSC Members.

The WSC Charter states that the normal term of service on the WSC is two years, with no term limits, with the terms being staggered so that one half of the membership's terms expire each year. This year, Standards Voting Segments (SVS) 2, 3, 5, 6, and 10 will conclude at the annual meeting. All open position SVS representatives indicated the desire to serve another term on the WSC. The charter specifies that, if only one nominee is received for any SVS, a ballot is not necessary, and that person may be considered for the opening. In July 2024, the SVS 3 representative retired. Two additional notices were distributed with no candidate for SVS 3 being nominated. The following is a list of WSC members for the upcoming year:

1. Ron Sporseen, Bonneville Power Administration—SVS 1 Transmission (member through 2025)
2. Alan Wahlstrom, Southwest Power Pool—SVS 2 RSO/ITO (returning)
3. Vacant—SVS 3 Load-serving Entities (seeking nominees)
4. Paul Rodriguez, Imperial Irrigation District—SVS 4 TDU (member through 2025)
5. Adrian Andreoiu, BC Hydro—SVS 5 Generators (returning)
6. Tim Kelley, Sacramento Municipal Utility District—SVS 6 Broker/Aggregator/Marketers (returning)
7. Leo Bernie, AES—SVS 7 Large Electricity End Users (member through 2025)
8. Crystal Musselman, Proven Compliance Solutions—SVS 8 Small Electricity Users (member through 2025)
9. Chris McLean, California Energy Commission—SVS 9 Gov. Entities (Member through 2025)
10. Steven Rueckert, WECC—SVS 10 Regional Entities (returning)
11. Ian McKay, Chair—Non-Affiliated Director



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## **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

September 17, 2024

## Technical Activities Report to the Board—September 17, 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.

### New Initiatives and Recent Activity Highlights

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#### Interregional Transfer Capability Study (ITCS)

The ITCS has made major strides in the last quarter and is on track to be complete by the December 2, 2024, deadline. The completed ITCS will include four separate reports: Overview of Study Needs and Approach, Part 1: Transfer Capability Analysis, Part 2: Prudent Additions, and Canadian Analysis.

- The initial report, the [Overview of Study Need and Approach](#), was released on June 27 and gives context on the study details and explains the need for this project.
- Part 1: Transfer Capability Analysis
  - The ERO Project team has completed the total transfer capability (TTC) calculation for the 2023/2024 year.
  - The report for Part 1 is written and under review. It is expected to be published this month, August 2024.
- Part 2: Prudent Additions
  - The consultant team has calculated preliminary results and is seeking feedback from the ITCS Advisory Group on finishing assumptions, working with the Regions to address data discrepancies, and performing the final analysis runs.
  - The criteria for recommending prudent additions to transfer capability for reliability is being finished with the ERO Project team and ITCS Advisory Group.
  - The Part 2 report identifying prudent additions is in progress and expected to be published this November.
- The analysis to identify and make recommendations to transfer capability from the United States to Canada or between Canadian provinces is expected to be published in Q1 of 2025. This analysis will be a supplement to the other three ITCS reports and is not required to meet the ITCS deadline.

For more information, please see the NERC ITCS [webpage](#).

#### Western Interconnection Wildfire Update

Beginning in early June, wildfires became a major threat to the reliability of the Western Interconnection and continued to be through August. From early June through August, fires have threatened several major 500-kV transmission lines in the Western Interconnection (WI), significantly altering the operations of the electrical grid. During many days, the WI operated in a potential open-loop condition—a high reliability risk configuration where the next contingency could cause system



## Technical Activities Report to the Board—September 17, 2024

separation, instability, and possible generation tripping. This condition called for significant reductions in transfer capability on major WECC Paths, which created congestion on key transfer paths across the interconnection. Due to these configurations and potential threats to the system, grid operators activated Transmission Emergency Procedures in specific areas to minimize customer outages. During these off-normal conditions, and to minimize risk to the grid's overall reliability, Transmission Operators issued restricted maintenance orders in high-risk areas. Additionally, 16 Transmission Operators have implemented formal procedures for taking preemptive action to de-energize circuits in high fire risk areas to lessen potential for ignition of a fire (i.e., Public Safety Power Shutoffs). Wildfire potential for August through September will remain high throughout much of the interconnection, with high temperatures and continued drought creating abundant wildfire fuel.

### Reliability in the West Discussion Series

In February, WECC began hosting a “Reliability in the West” discussion series. We have included a variety of different stakeholders in many conversations about the matters most critical to the reliability of the grid. In July, we took the month off. In August, we used a different format. Three WECC executives—Steve Noess, Branden Sudduth, and Kris Raper—had a broad conversation from different perspectives about the concerns most important to identifying and mitigating risks to the bulk power system. It was an active discussion with strong audience participation. In September we and industry partners will discuss the unique challenges presented by large load customers.

### Cold Weather Efforts

The [Winter Storm Elliot Report](#) included several recommendations to NERC and the Regions. WECC completed Recommendation 1b from the report in May, which is to perform an evaluation of the cold weather readiness of the generation fleet that poses the highest risk to the bulk electric system (BES). WECC is working on a similar effort for Recommendation 1c, which is to perform a risk-based generator readiness assessment. The entities for this effort are being selected, and Requests for Information (RFI) are scheduled to be sent out at the beginning of September. Recommendation 3 of the report asks NERC and the regions to review the readiness of the Black Start Generation Fleet across North America. WECC has selected entities for this effort and sent out RFIs. WECC will publish the results of this effort in Q4 of this year.

A WECC Winter Weather Readiness Workshop is scheduled for September 10, 2024. The agenda is confirmed and has presenters from the WECC Generator Operator Forum, Reliability Coordinators within the interconnection, and SMEs from WECC.



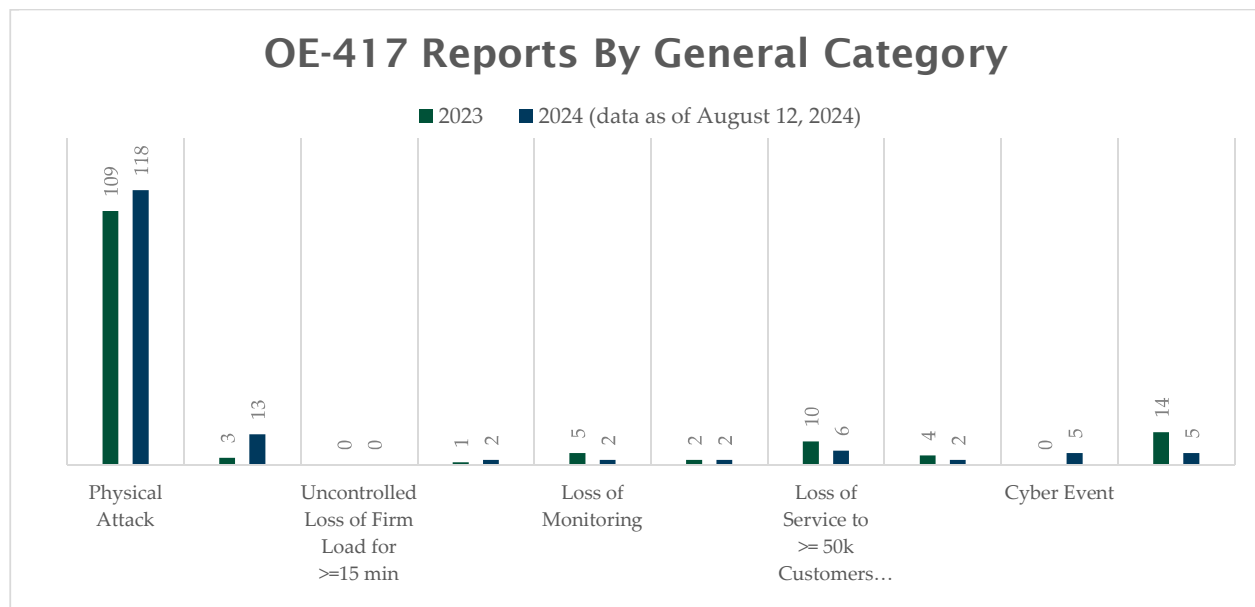
**Technical Activities Report to the Board—September 17, 2024****System Performance Data and Metrics****Event Analysis (EA)/Situation Awareness (SA)**

The Operations Analysis team at WECC maintains situation awareness in various ways. One source of system events is mandatory reporting through the Department of Energy's OE-417 and the NERC Reliability Standards EOP-004-4 process. A few items are worth noting:

A new interconnection peak demand of 167,988 MW took place on July 11, 2024, around 18:10. This is an increase of 458 MW from the previous peak of 167,530 MW on September 6, 2022.

This has been an active fire season. The WECC SA team publishes a weekly Wildfire Update that highlights the most consequential fires and the forecast of fire conditions for the next week. One of the most serious fires this season is the Park Fire, which started on July 24 in Northern California. This has become the fourth largest wildfire in California's history and is only 40% contained as of August 14. The proximity to major transmission lines has had significant impacts on system operations.

WECC reviews all event reports submitted by entities in the Western Interconnection. There have already been more OE-417 reports submitted in 2024 than in 2023. Physical attacks and damage to facilities make up the bulk of events. One of the largest entities in the interconnection started reporting every substation break-in through an OE-417 form, which is why there have been so many reports received this year.



There have been 21 qualified events so far in 2024. The most important observation is there have been four Category 1i events this year, which is a nonconsequential inverter-based resource loss of over 500



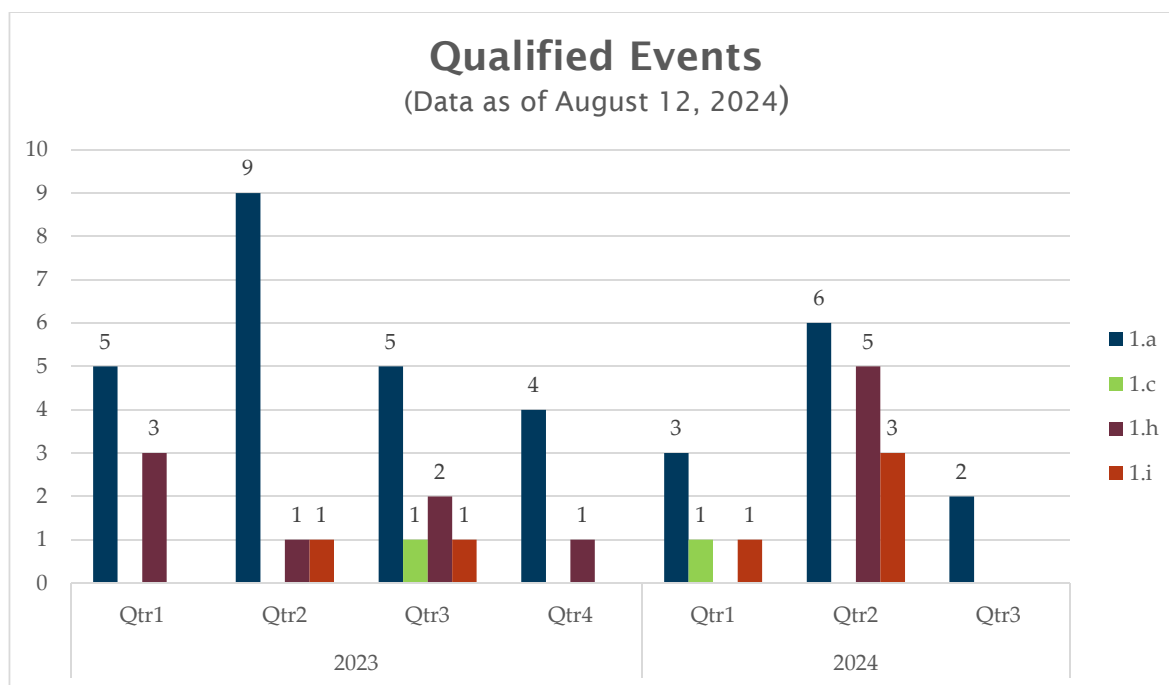
**Technical Activities Report to the Board—September 17, 2024**

MW. This is the most solar loss events observed in a single year. The reductions observed have been from solar, battery storage, and small amounts of wind. There have been other solar loss events identified that have been less than the 500 MW threshold criteria. Many of the plants reducing output during these normally cleared faults are newer installations, and they are not meeting the requirements agreed to in the interconnection agreements. California Independent System Operator (CAISO) is sending breach of contract letters to these plants requiring them to make the performance improvements that will allow them to keep generating during these system faults.

WECC EA staff is working with three entities on lessons-learned documents. These documents will cover:

- Power oscillations introduced while commissioning battery energy storage systems; and
- Ensuring the system clock is involved in failover and redundancy testing;
  - Confirming processes regarding EMS updates are complete and current to help avoid loss of monitoring and control within the control room.

These documents will be shared publicly in the NERC Lessons Learned Library once they have gone through the established process.

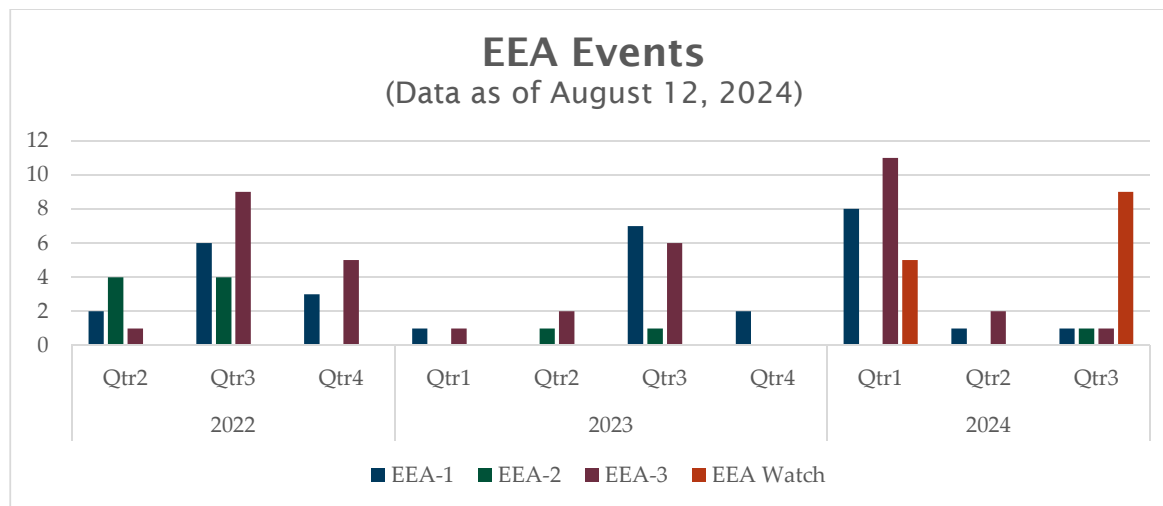
**Energy Emergency Alerts (EEA)**

As of mid-August 2024, there have been a total of 25 EEA events, which is more than the 23 seen in the entire year of 2023. This excludes EEA watches, a tool used by CAISO, but not an official EEA level in EOP-011. There are two factors that lead to EEAs in the Western Interconnection. The first is having



## Technical Activities Report to the Board—September 17, 2024

extreme weather present. There were 11 EEAs during Winter Storms Gerri and Heather. The other major factor is the entity's location in the interconnection. Some entities have limited import options. Forced outages to these entities' generation fleets can result in an EEA. There have been 12 EEAs outside of Winter Storms Gerri and Heather reported by two entities where these import challenges are present.



### Infrastructure Security

The Operations Analysis Department is responsible for cybersecurity and physical security events affecting the BES. On Friday, July 19, the CrowdStrike incident occurred. There were a few entities in the Western Interconnection affected by this incident. The team has worked with these entities to quantify the effect, identifying process improvements, and working on lessons from which the industry can learn.

The Infrastructure Security Team took the lead for the second annual WECC Power Systems Security Conference held August 13–15 at the WECC offices in Salt Lake City. The event featured keynote speakers and subject matter experts from CISA, FBI, E-ISAC, Idaho National Labs, University of Idaho, TRE, WECC, and more. The conference was well attended, with 55 people attending the physical security track, and 46 attending the cybersecurity track—a total of 101 attendees. The feedback from attendees has been positive.

### Status of Ongoing Activities

#### ADS development

On July 25, 2024, WECC released the 2034 Anchor Data Set (ADS) Version 2. Version 2 is based on the 2024 Loads and Resource data collection and represents the most recent data WECC has received, the final data submittal was collected in April. There will likely be at least one more ADS release, which





**Technical Activities Report to the Board—September 17, 2024**

will include updated demand response, updated reserve calculations, and renewable generation profiles for new renewable generation added in the 2024 data. Our National Laboratory partners stated that developing this information will take months to complete.

**Base Case Development**

Base Case Activity (as of 5/16/2024)		
Base Case Name	Status	Date Posted
2025 Heavy Spring 1	Final	6/5/2024
2025 Heavy Summer 4	In Review	6/10/2024
2029-30 Heavy Winter 2	In Review	6/21/2024
2025 Light Summer 1	In Review	7/2/2024
2035 Heavy Summer 1	In Review	7/22/2024

**Base Case Data Quality**

WECC, in coordination with the base case data submitters, is always looking for ways to enhance the data quality of the base cases. One of the model shortcomings WECC targeted this year was missing dynamic generator models. WECC has worked directly with data submitters, and one of the data submitters stood out by providing dynamic models that drove significant improvement. The target for reduction of the priority data shortcomings in 2024 is 20%. As mentioned above, the 2025 Heavy Summer 4 case is being completed, and, upon completion, we will know whether the target was met.

**2024 Reliability Assessments**

The WECC-portion of the 2024 NERC Long-term Reliability Assessment (LTRA) was drafted and has gone through two rounds of peer reviews. Final updates from the reviews are due in September with publishing planned for December. In addition, the Western Assessment of Resource Adequacy (Western Assessment) is finishing the model results for analysis and the team is exploring new opportunities to review resource adequacy, including a reference to the ITCS results that will be published before the Western Assessment.

The Large Loads Project team, along with the consultant, Elevate Energy Consulting, has been meeting regularly with an advisory group of interested stakeholders, collecting insightful data, and hearing from experts on different topics about how large loads affect reliability. Also, a group of staff from WECC has started discussions to ensure a comprehensive approach to any recommendations or actions that WECC wants to pursue because of this project. The contract with Elevate Energy Consulting goes through the end of 2024, then the team will publish a report sharing what it learned. The information will be used for future WECC reliability assessments.



**Technical Activities Report to the Board—September 17, 2024****Resource Adequacy**

In 2023, The ERO RAPA Steering Group finished a strategy document outlining a new future for ERO interconnection-wide energy assessments. The ERO Reliability Assessments Group was subsequently asked to enact this strategy in coordination with the NERC Reliability Assessment Subcommittee (RAS) and the NERC Probabilistic Working Group (PAWG). One aspect of the strategy is for the ERO to use a common approach and software tool for interconnection-wide energy assessments. WECC has been working with the ERO to select a new tool for performing energy assessments; WECC intends for this new tool to replace its in-house resource adequacy tool (MAVRIC). Tool selection is underway, and RPPA has decided to pursue a trial license of SERVIM, as the Eastern Interconnection is leaning toward it and already has it in production.

**Additional Technical Committee Highlights and Approval Items**

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**Joint Guidance Committee (JGC)**

The JGC completed an internal review of its work and value. Based on the results, the JGC voted unanimously at its July meeting to recommend that the Board dissolve the JGC. A one-pager and business case document with background information and a proposed resolution are appended to this report.

**Extreme Natural Events Mitigation Plan Advisory Group**

The Extreme Natural Event Mitigation Plan Advisory Group (ENEMPAG) has held biweekly meetings since June 6 and recently completed research into the mitigation options for its four identified Extreme Natural Events (large and prolonged heat waves, cold weather preparedness, wildfire, and aridification (drought)). The advisory group is beginning to prioritize these mitigation options and will develop a proposal for the RRC Steering Committee by mid-October for consideration.

**Building Capabilities**

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**Performance Analysis**

One of the corporate scorecard items for 2024 is to revise the System Performance Data Portal. This includes converting to a new platform, as the existing one will not be supported with the website upgrade. The project went through the 90% executive review in early August and is scheduled to be complete and published in the first week of September.





## Board of Directors Meeting

### Approval Item

### JGC Dissolution

September 17, 2024

## Board Resolution

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*Resolved*, that the WECC Board of Directors (Board), acting on the recommendation of the Joint Guidance Committee (JGC) at the meeting of the Board on September 17, 2024, approves the dissolution of the JGC and retirement of the JGC Charter.

## Background

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The JGC must review its work and structure periodically to ensure it continues to carry out the duties assigned to it by the Board in the committee restructure following the last Section 4.9 review. The JGC's self-review showed that many of its responsibilities have been taken on by other groups, including the Reliability Assessment Committee (RAC), Reliability Risk Committee (RRC), and WECC staff. In particular, the leadership of the RAC and RRC (in conjunction with WECC staff), as they grow and continue to cooperate, now carry the responsibility to coordinate and align the work of the technical committees. Other activities assigned to the JGC, such as committee leadership training, have gone to WECC staff, as they are the people best positioned to carry out and track the work.

As part of its self-review, the JGC asked WECC staff to evaluate the JGC's work and the cost of its meetings. The evaluation showed that, as part of their increased cooperation, the RAC and RRC have undertaken most of the JGC's substantive duties. Additionally, the JGC has had many vacant member spots for some time, and it has sometimes been difficult to achieve quorum at meetings to conduct business. Ultimately, the costs of the JGC outweigh the value.

WECC staff produced a business case for dissolution of the JGC outlining how JGC responsibilities are currently handled and how they would be handled if the JGC were to dissolve. The business case was presented to the JGC leadership and members at their meeting on July 12, 2024. The JGC members voted unanimously to dissolve the JGC.

The dissolution of the JGC shows the ability of WECC and its stakeholders to see the value of an activity, to recognize when the value has been provided, and decide when a group should end. This ability is part of WECC's constant pursuit of continuous improvement.



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## **JGC Dissolution Business Case**

June 2024

## JGC Dissolution Business Case

### Executive Summary

At the direction of the leadership of the Joint Guidance Committee (JGC), WECC staff has analyzed the efficiency and effectiveness of the JGC and how its work would be done if the committee were to disband.

The leadership of the JGC recommends the JGC be dissolved and its work given to the Reliability Risk Committee (RRC), Reliability Assessment Committee (RAC), and WECC staff.



**JGC Dissolution Business Case****Overview**

WECC is committed to continuous improvement, including within the structure of the technical committees. Over time, the value of the Joint Guidance Committee (JGC) has declined: participation has waned, several member spots have been vacant for some time, and it has not been producing substantive work. The leadership of the JGC asked WECC staff to evaluate the JGC's work and the costs of its meetings. From the evaluation, the JGC leadership sees a gain in efficiency by dissolving the JGC.

During the last Section 4.9 review, the Board revised the JGC. It intended for the JGC to help align the work of the technical committees with WECC's mission, long-term strategy, and other guiding documents. Over the last three years, the JGC has discussed the alignment with the Reliability Assessment Committee (RAC) and Reliability Risk Committee (RRC) and hosted annual alignment meetings. The meetings were minimally successful, which led to a change in the JGC Charter provision that requires an annual alignment meeting. During that time, the RRC has matured, created a risk management process, and established strong leadership ties with the RAC. These factors, particularly the cooperation between the leaders of the two committees, make the JGC's role in aligning the technical committee work supportive at best, redundant at worst. As such, the JGC finds itself mostly handling governance and process issues—issues that can be handled by WECC staff.

**Analysis and Alternatives****Required Activities**

WECC staff has analyzed what is required of the JGC from its charter, how that work is being done, and how it could be done if the JGC no longer existed. WECC staff has seen that the RAC, the RRC, and WECC staff already do those tasks through coordinated work.

Tasks/Responsibilities Identified in JGC Charter	How Work is Done & How it Could be Done if JGC Dissolves
<ol style="list-style-type: none"> <li>1. Coordinate with WECC management to make sure technical committee work aligns with WECC strategic objectives and RRP.</li> <li>a. Advise technical committees on three-year work plans.</li> <li>b. Make recommendations to RAC or RRC for changes.</li> <li>c. Review/endorse committee work plans.</li> </ol>	<p>WECC staff will continue to participate in the technical committee work and the coordination with management could be handled internally. The three-year work plans are discussed during the technical committee meetings, so needs or additions can be handled during the committee meetings. If there is a need for additional input, we could also add a comment period.</p> <p>The RRC Risk Management Process will highlight the Reliability Risk Priorities (RRP)</p>



## JGC Dissolution Business Case

	that the technical committees should focus on and should be an input into the three-year planning process. Mitigating activities done by the technical committees associated with the risks identified in the register should be tracked in the register and reviewed by the RAC and RRC.
<p>2. Ensure reliability issues are being addressed by committees.</p> <ul style="list-style-type: none"> <li>a. Conduct gap-and-overlap analysis.</li> <li>b. Create and oversee <i>ad hoc</i> groups, as necessary.</li> <li>c. Identify issues that require many committees working together.</li> </ul>	<p>The RRC and RAC can continue to handle this in their coordination meetings.</p> <p>The RRC Risk Management Process will highlight the risks on which the the committees should focus and track the mitigating activities associated with it in the risk register. As the RAC and RRC review the activities through the register, they can address these items.</p>
<p>3. Manage processes and governance of technical committees to ensure work is completed on time and to minimize time spent on process and governance.</p> <ul style="list-style-type: none"> <li>a. Develop criteria for creating new groups (not created by WECC management). Ratify creation of new groups approved by RRC/RAC.</li> <li>b. Ensure strategic and tactical communication and cooperation among committees.</li> <li>c. Oversee WECC committee leadership training.</li> <li>d. Set consistent charter requirements.</li> <li>e. Hear petitions to alter requirements if needed.</li> <li>f. Endorse technical committee charters.</li> </ul>	<p>WECC staff does and can continue to perform these functions. WECC staff could work with the RAC and RRC leadership if they need more stakeholder input.</p> <ul style="list-style-type: none"> <li>a. Criteria for creating new groups exists. Staff can work with RAC and RRC leadership to update those criteria if necessary.</li> <li>b. RRC/RAC coordination, WECC staff.</li> <li>c. Training is overseen by WECC staff in the Strategic Engagement department. Staff will continue to work with stakeholder leaders to conduct training.</li> <li>d. Charter requirements done by WECC Legal.</li> <li>e. RRC/RAC can hear petitions if needed.</li> <li>f. RRC/RAC approve charters. The JGC then endorses charters, and often the group has been meeting for several weeks or months before JGC endorsement. This role has proven confusing and redundant, and it has no real authority.</li> </ul>



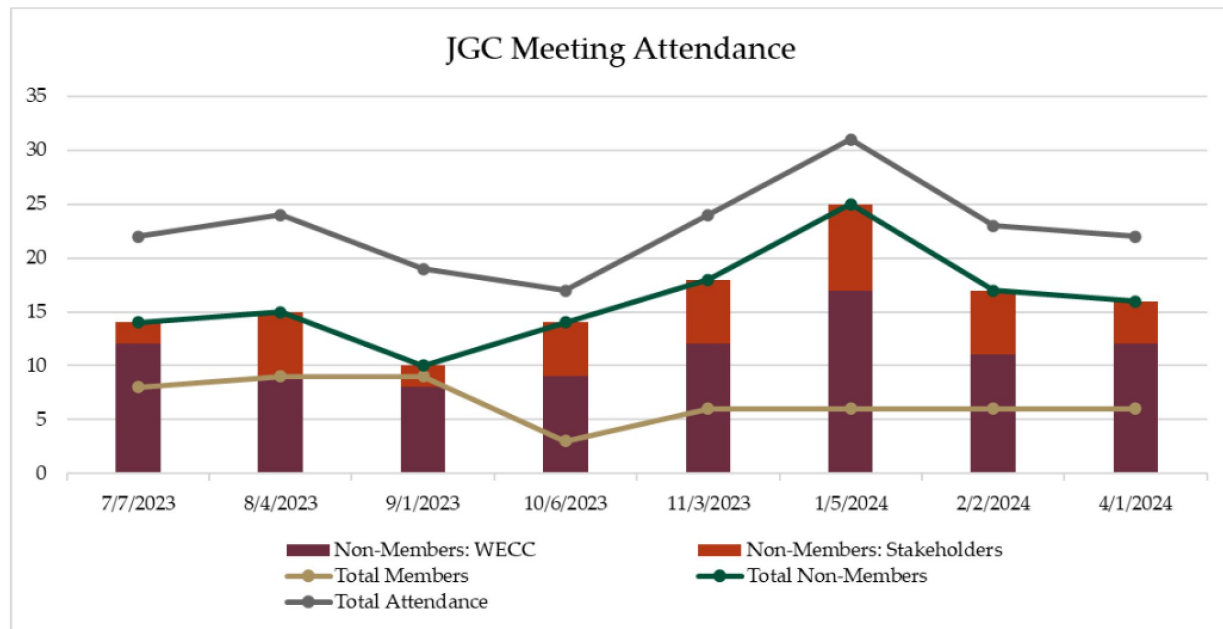
## JGC Dissolution Business Case

<p>4. Ensure continuous improvement of technical committee structure—review and adjust as appropriate.</p> <p>a. Three-year rolling review of each committee and propose changes if needed.</p>	<p>This activity could be delegated to the RAC and RRC and discussed at the RAC and RRC coordination meetings. WECC staff could also take a larger role in looking for improvement opportunities for the structure of committees.</p>
<p>5. Advise Board and WECC CEO on strategic direction.</p>	<p>The Risk Management Process should guide the work of the committees as they address risks to the interconnection. The RAC/RRC should report to the WECC Board of Directors to approve what actions are taken and the strategic direction.</p>

## Membership

There are seven members. There are five open seats, which have been vacant for several months.

## Meeting Attendance



## Alternatives

The alternative is to keep the JGC an active committee. However, because most of its work is already done by other parties, and it does not make sense to create work to keep the group active, this is not a viable alternative.





## JGC Dissolution Business Case

### Recommendations

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The JGC leadership recommends the JGC be dissolved and its work given to the RRC, RAC, and WECC staff as described.

### Details of the Chosen Option

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The WECC staff liaisons for the RRC and RAC were heavily involved in the analysis and are prepared to enact this recommendation.

The following JGC-approved documents will change as follows:

- WECC Committee Charter Template—WECC staff will take ownership;
- Forum Governance Guideline—WECC staff will take ownership;
- Technical Committee Categorization Process—WECC staff will take ownership;
- Committee Categorization Review—will be retired; and
- Technical Committee Metrics—will be retired.

Committee charters and other documents may also need to be updated to reflect the change.

If the JGC members agree with the recommendation, the JGC could vote to dissolve the committee at its June/July meeting. The WECC Board of Directors could then vote at its September meeting.





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# Technical Activities Update

September 17, 2024

Branden Sudduth, VP Reliability Planning and Performance Analysis,  
JGC Co-chair

Chelsea Loomis, JGC Co-chair

Philip Augustin, RAC Co-chair

Dede Subakti, RRC Co-chair

<Public>

# Enhanced System Performance Data Portal

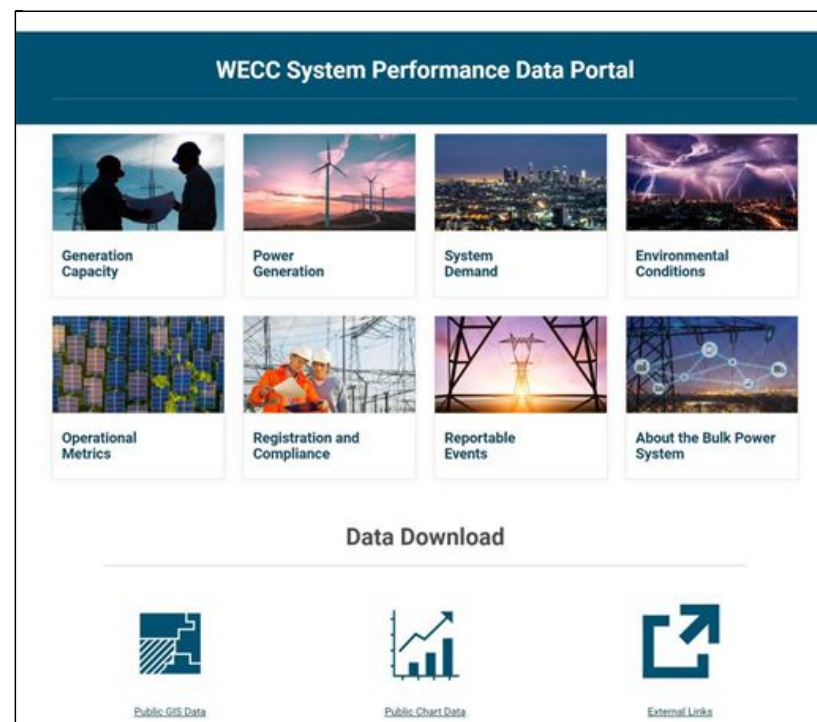
- Identified improvements with help of Stakeholder Strike Team

- Data and Visuals

- New interactive pages
- Incorporating new operational and generator performance metrics
- Improved visuals for MIDAS, GADS, and TADS

- Functionality

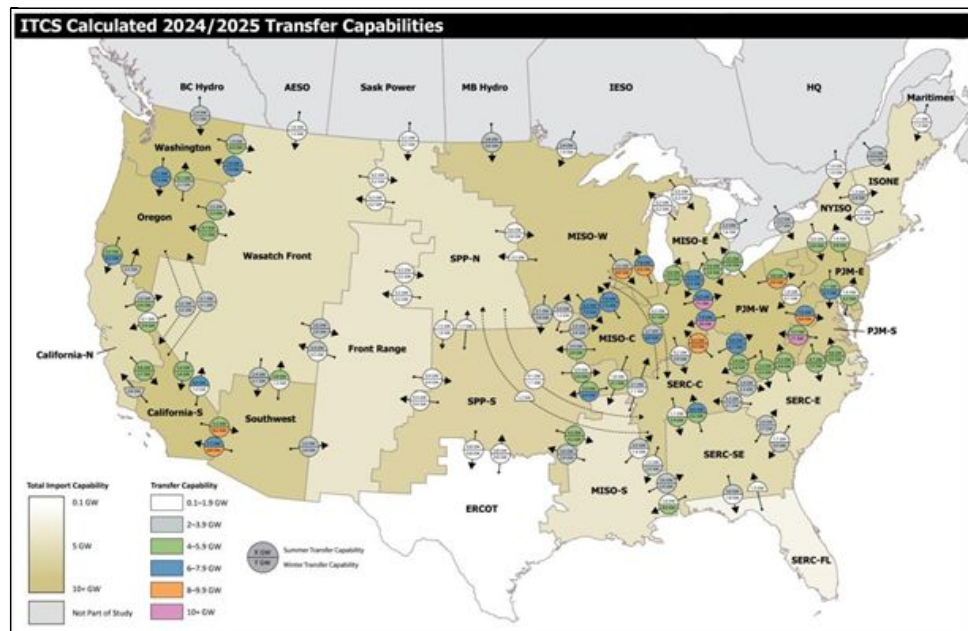
- Interactive maps
- Improved website navigation
- User/stakeholder **public** data downloads
- Easy collection and integration of user feedback



<Public>

# Transmission Assessment Updates

- Interregional Transfer Capability Study (ITCS)
  - Part 1 (current transfer capability) report released on August 27
- WestTEC
  - Study Plan approved on August 28
  - 10-year and 20-year study horizon



Source: [https://www.nerc.com/pa/RAPA/Documents/ITCS\\_CTC\\_Map.pdf](https://www.nerc.com/pa/RAPA/Documents/ITCS_CTC_Map.pdf)

<Public>

## National Activities

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- NERC Board invokes Section 321 of the Rules of Procedure for PRC-029-1
  - Standard developed in response to FERC Order 901
  - Technical Conference held on September 4–5
  - Board may adopt the Standard if it reaches 60% ballot approval
- NERC Alerts for Inverter-based Resources

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## JGC Dissolution

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- RRC and RAC coordination has improved to such a level that they now manage alignment of technical committees that was once the duty of JGC
- Remaining JGC duties were mainly governance and process issues, which can be handled by WECC staff
- Seeing an opportunity to make the committee structure more effective and efficient, and honoring the time of its members, the JGC unanimously voted to disband

<Public>

## Resolution

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*Resolved*, that the WECC Board of Directors, acting on the recommendation of the Joint Guidance Committee (JGC) at the meeting of the Board on September 17, 2024, approves the dissolution of the JGC and retirement of the JGC Charter.

<Public>

# Reliability Assessment Committee

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## Accomplishments

Anchor Data Set Version 2 Released



## Enhance Data quality and completeness

Explore how we can engage organization decision makers

- More company resources focused on data quality
- Develop new ways to motivate high-quality data submissions



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# RRC/RAC Coordination Meetings

- Coordinate activities and improve the risk process
  - Established a joint team to identify potential reliability risks on implementation of FERC order 881 (Ambient Adjusted Ratings)
  - Exploring ways to continuously improve coordination between the two groups to identify and mitigate risks



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# Reliability Risk Committee

- Risk Reduction Efforts
  - Extreme Natural Event Mitigation Plan Advisory Group
  - 20 risks will be reviewed by the RRC in October to determine their risk tolerance



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## **WECC Board of Directors Board Leadership Election**

Verbal Update and Election

Ian McKay, Director

September 17, 2024