



Finance and Audit Committee

Meeting Agenda
Salt Lake City, Utah

[Link](#), Password: WECC
Dial-in Number: 1-415-655-0003
Attendee Access Code: 2870 413 3036
Register [here](#) to see the meeting link.

June 10, 2025

10:50 to 11:50 a.m. Mountain Time

1. **Welcome, Call to Order—Richard Woodward**
2. **Review WECC Antitrust Policy—Jillian Lessner**
The WECC Antitrust Policy can be found on wecc.org.
Please contact WECC legal counsel if you have any questions.
3. **Approve Agenda**
4. **Review and Approve Previous Meeting Minutes**
Approval Item: Minutes of the meeting on March 11, 2025
5. **Review Previous Action Items—Jillian Lessner**
6. **Member Advisory Committee Budget Subcommittee Comments—Dale Dunckel, Public Utility District No. 1 of Okanogan County**
7. **Review 2026 Business Plan and Budget—Jillian Lessner**
Approval Item: Recommend 2026 Business Plan and Budget for Board Approval
8. **Review 2024 Audited Financial Statements—Michael Michelsen, Partner, Eide Bailly**
Approval Item: Recommend 2024 Audited Financial Statements for Board Acceptance
9. **Review 2025 Year-to-Date Financial Results and 2025 Year-end Forecast—Jillian Lessner**
10. **Public Comment**
11. **Review New Action Items**

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12. Review Upcoming Meetings

- December 9, 2025.....Salt Lake City, Utah
- March 10, 2026.....Salt Lake City, Utah
- March 9, 2026Salt Lake City, Utah

13. Adjourn

<Public>



Finance and Audit Committee
DRAFT Meeting Minutes
March 11, 2025
Salt Lake City, Utah

1. Welcome, Call to Order

Richard Woodward, Finance and Audit Committee (FAC) Chair, called the meeting to order at 1:00 p.m. MT on March 11, 2025. A quorum was present to conduct business. A list of attendees is attached as Exhibit A.

2. Review WECC Antitrust Policy

Adam Jensen, Controller, read aloud the WECC Antitrust Policy statement. The policy can be found on wecc.org.

3. Approve Agenda

Mr. Woodward introduced the proposed meeting agenda.

On a motion by Joe McArthur, the FAC approved the agenda.

4. Review and Approve Previous Meeting Minutes

Mr. Woodward introduced the minutes from the meeting on December 10, 2024.

On a motion by David Morton, the FAC approved the minutes from December 10, 2024.

5. Review Previous Action Items

Mr. Jensen noted there were no previous action items.

6. Review Reserve Policy

Mr. Jensen reviewed the Reserve Policy, the working capital reserve balance and forecast, and where the balance is in the target range per the policy. He also noted that management is not suggesting any updates to the policy. The committee discussed the policy and did not suggest any updates.

7. Review Draft 2026 Business Plan and Budget

Jillian Lessner, Vice President and Chief Financial and Administrative Officer, introduced the 2026 Draft Budget, including a high-level overview of the numbers, major drivers, and proposed additional full-time equivalents (FTE). Budget considerations include the rapid pace of change and evolving complexity within the Western Interconnection, increasingly recurrent



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FAC Meeting Minutes—March 11, 2025

natural events, widespread generator retirements, with large numbers of new inverter-based resources coming onto the system, evolving cybersecurity and physical security threats, the proliferation of large loads, and a very competitive labor market. Ms. Lessner noted the significant increase in assessments is mainly due to no use of reserves to offset assessments and zero penalties collected to date during this budget cycle to offset assessments.

Ms. Lessner reviewed the major changes between the 2025 and 2026 statutory budgets. Ms. Lessner also reviewed the history and trends of funding sources, budgets, and assessments, noting all have been consistent with slight average increases over the past decade.

8. MAC Budget Subcommittee (MBS) Comments

Dale Dunckel, MBS Chair, commented that the committee has not had the opportunity to discuss the 2026 budget at length due to scheduling to date. He also outlined the upcoming MBS meeting schedule and responded to a question regarding utility customer sensitivity to rate increases.

9. Review of 2024 Unaudited Financial Results

Mr. Jensen reviewed the 2024 unaudited year-end financial results.

10. Review January 2025 Financial Results

Mr. Jensen reviewed the January 2025 financial results.

11. Public Comment

Lorissa Cardoza, Bonneville Power Administration, asked whether NERC would reevaluate Net Energy for Load (NEL) assessment allocation methodology for a more equitable rate recovery method for assessments. Ms. Lessner commented that neither WECC's NEL Task Force nor NERC have determined a more suitable alternative to the NEL method. Ms. Cardoza responded that an update to the NEL methodology is important, and NERC should continue to address this topic.

12. Review New Action Items

There were no new action items created during this meeting.

13. Upcoming Meetings

June 10, 2025.....	Salt Lake City, Utah
December 9, 2025.....	Salt Lake City, Utah
March 10, 2026.....	Salt Lake City, Utah



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FAC Meeting Minutes—March 11, 2025

14. Adjourn

Mr. Woodward adjourned the meeting without objection at 1:42 p.m. MT.



<Public>

FAC Meeting Minutes—March 11, 2025

Exhibit A: Attendance List

Members in Attendance

Richard Woodward	WECC Board
James Avery	WECC Board
Joe McArthur.....	WECC Board
David Morton.....	WECC Board





2026 Business Plan & Budget Recommendations

MAC Budget Subcommittee

May 1, 2025

Summary of Recommendations

The MAC Budget Subcommittee (MBS) was asked to review the WECC 2026 Business Plan and Budget (BP&B) and to provide comments and recommendations on the 2026 BP&B to the Member Advisory Committee (MAC), the Finance and Audit Committee (FAC), and the WECC Board of Directors. The MBS worked with WECC's Chief Financial and Administrative Officer and Controller through several meetings to discuss the 2026 BP&B. The MBS believes that WECC staff thoroughly reviewed the 2026 BP&B to ensure that all expenditures are necessary to accomplish WECC's mission and adopted all reasonable cost-containment measures.

- The MBS recommends that the MAC support the proposed 2026 BP&B, which it finds represents a good balance of (1) the reasonable costs needed for WECC to accomplish its mission and (2) appropriate actions taken to minimize the proposed budget and the assessments charged to WECC members, including the use of working capital reserves.
- The MBS requests the MAC approve the MBS recommendation on the 2026 BP&B and forward that recommendation to WECC's Finance and Audit Committee for its consideration.

WECC will present the draft BP&B to members and stakeholders at meetings to be held May 5 and May 15. The MBS may revise this recommendation based on feedback received during and after those meetings and from advice received from the Western Interconnection Regional Advisory Body ("WIRAB"). Unless the MBS believes it necessary to modify its recommendation based on that input, this recommendation will be presented to the Board at the June 2025 Board meeting.

Background

In reviewing and making recommendations on WECC's 2026 proposed budget, the MBS is mindful of WECC's significant responsibility to maintain reliability for 90 million people living in the Western Interconnection (WI).¹ The challenges facing the WI are numerous and rapidly evolving: extreme natural events, large-scale generator retirements, new generator technologies that present technological and dispatchability challenges, increasing cybersecurity and physical threats, risks and opportunities of artificial intelligence, and demand increasing due to new extra-large loads and electrification. WECC plays a pivotal and unique role in addressing these challenges. It is within this context the MBS reviewed the Draft 2026 BP&B.

¹ 2023 peak demand was just under 170 GW. In 2023 there were 448 registered entities, 334 generation owners, 52 transmission operators, 156,000 miles of transmission, 37 balancing authorities, and four reliability coordinators. [2024 State of the Interconnection](#). There were 453 registered entities as of February 2022, 2025.

A. The 2026 Draft Budget²

1. Budget Increase from 2025 to 2026

WECC's proposed budget for 2026 is \$40.0 million, an increase of approximately \$800,000 (2.1%) from 2025 to 2026. WECC developed this budget based on its operational needs, including meeting the terms of its Delegation Agreement, without presupposing the availability of penalties to offset assessments.

The major drivers of the proposed net budget increase include the following:

- Three full-time equivalent statutory (FTE) additions:³
 - Two in Compliance Monitoring and Enforcement (CMEP)
 - One in Reliability Assessment and Performance Analysis (RAPA);
- A 3% increase in the merit adjustment pool and a 1% in the market adjustment pool; and
- A 4% decrease in consulting for the final phase of the transmission planning study being undertaken by the Western Power Pool (WPP) through its WestTEC effort.

The reconciliation between the 2025 and 2026 budget is provided in the table below:

Reconciliation of 2025 to 2026 Statutory Budget—Major Drivers

	2025 Budget	2026 Budget	Variance \$ Incr(Decr)	Variance % Incr(Decr)	Primary Drivers
Funding					
Assessments	\$ 33,016,000	\$ 35,657,280	\$ 2,641,280	8.0%	Increase in budget, \$2.5 million usage of working capital reserves
Penalties	4,400	41,745	37,345	848.8%	
Other Income	1,703,541	1,757,506	53,965	3.2%	
Total Funding	\$ 34,723,941	\$ 37,456,531	\$ 2,732,590	7.9%	
Expenses					
Personnel Expenses	\$ 31,121,337	\$ 32,652,261	\$ 1,530,924	4.9%	3 FTE, 4% merit/market adj pool, labor float adj, refined tax/benefit rates
Meeting Expenses	1,697,461	1,655,128	(42,333)	-2.5%	Reduced travel costs
Operating Expenses	7,502,719	7,153,710	(349,009)	-4.7%	Enforcement contract labor, reduction in WestTEC project consulting
Indirect Expenses	(1,146,873)	(1,437,341)	(290,468)	25.3%	Increase in non-statutory FTE and Corporate Services budget
Total Expenses	\$ 39,174,644	\$ 40,023,758	\$ 849,114	2.2%	
Fixed Assets	\$ 150,713	\$ 109,116	\$ (41,597)	-27.6%	
Total Budget	\$ 39,325,357	\$ 40,132,874	\$ 807,517	2.1%	
Change in Working Capital	\$ (4,601,416)	\$ (2,676,343)	\$ 1,925,073	-41.8%	
FTEs	175.00	178.00	3	1.7%	

¹ Depreciation excluded from these values

The draft 2026 budget is funded mostly by assessments except for a small amount of investment and workshop revenue and Peak Reliability donation reserves.

² The 2026 Draft Business Plan and Budget is available at <https://www.wecc.org/wecc-document/20846>.

³ WECC is also proposing three non-statutory FTE additions. WECC's non-statutory budget applies only to the administration of the Western Renewable Generation Information System (WREGIS), and WREGIS's costs are collected through user fees, not on an NEL basis.



2. Assessment Increase from 2025 to 2026

The proposed assessment increases by \$2.6 million (8.0%) to \$35.7 million in 2026 due to the increased budget and a lack of penalties collected to offset costs.

3. Capital Reserves

WECC anticipates statutory working capital reserves to be approximately \$9.9 million by December 31, 2025, which is at WECC's Board-approved reserve policy ceiling (i.e. three months of operating expenses). WECC staff have proposed using \$2.5 million of working capital reserves to fund the 2026 budget and mitigate potential increases in assessments. For the 2026 BP&B, WECC management also proposes using approximately \$200,000 of Peak Reliability donation reserves to fund the 2026 budget.

B. MBS Review Process

The MBS met with WECC staff seven times between March 5 and May 1 to discuss the 2026 BP&B. During these meetings and via email exchanges, the MBS asked many questions and made several requests of WECC staff for additional information. WECC's responses were timely, relevant, and helpful. The MBS also provided input to WECC staff on WECC's initial and subsequent drafts of the BP&B. The MBS also shared various drafts of its proposed recommendation with, and took feedback on those drafts from, WECC staff.

Comments/Discussion

After review and discussion, the MBS believes that the proposed 2025 statutory budget is in alignment with WECC's mission to "...effectively and efficiently mitigate risks to the reliability and security of the Western Interconnection's bulk power system."⁴ While acknowledging that the increase in the proposed 2026 budget and assessments are significant, the MBS believes WECC's costs remain reasonable, particularly on a per capita basis⁵ and considering WECC's role in maintaining the reliability of an energy delivery system critical to a well-functioning society. The MBS believes that WECC is managing costs appropriately and appreciates WECC's focus on cost containment.

The MBS believes that WECC staff have sufficiently explained and justified the proposed FTE increase as necessary to effectively and efficiently accomplish WECC's mission.⁶ The MBS understands that there is significant additional work associated with increasing numbers of inverter-based resource

⁴ December 11, 2024 WECC Long-Term Strategy. This document is available at <https://www.wecc.org/wecc-document/17611>.

⁵ \$40.6 million divided by 90 million people is less than 50 cents per person.

⁶ The five CMEP additions are the following: two Enforcement Engineers to help process and reduce the current enforcement caseload backlog and the anticipated incoming caseload from an increase in registered entities; one Registration Engineer to enhance registration processing efficiency in line with increased registration activities related to inverter-based resources; one Compliance Program Coordinator to support the workload from increased registrations and increased demands on CMEP; and one Risk Assessment Engineer to assist in oversight planning and analysis. One Generator Readiness Specialist will be added to RAPA to support a weather readiness program for generators in the Western Interconnection.



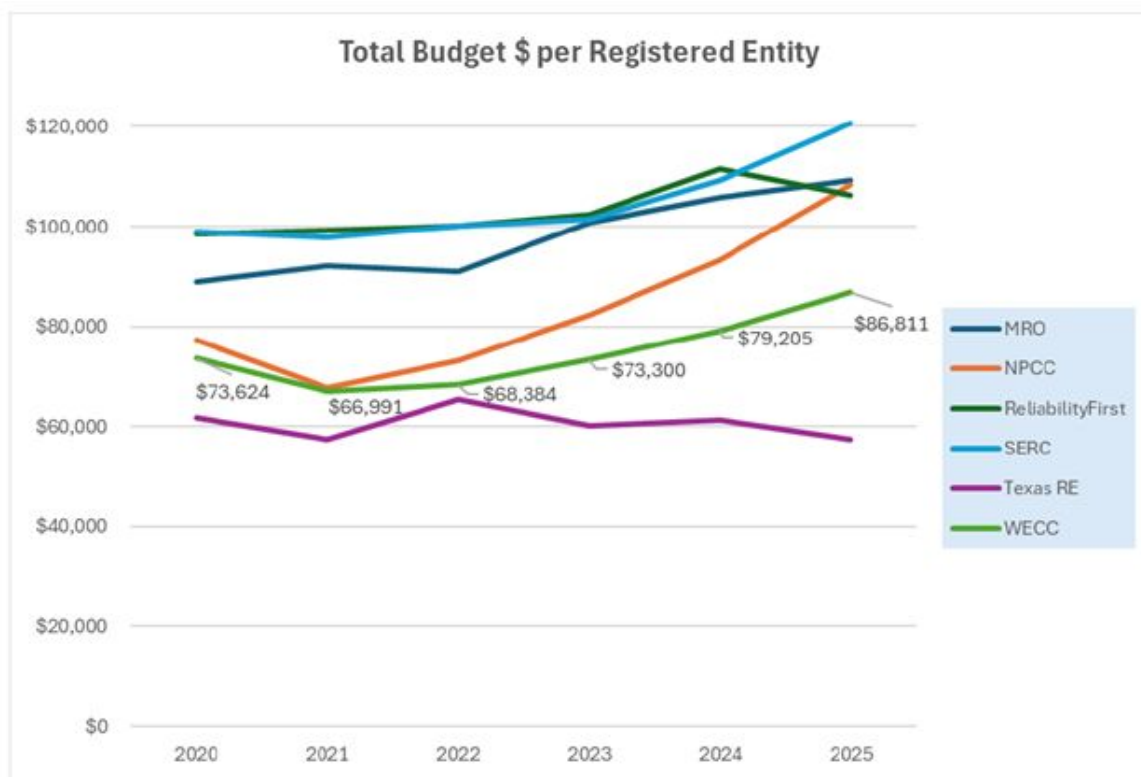
(IBR) registrations and higher registration turnover with such resources, which will require maintaining new FTE resources into the future. MBS also understands there is also significant work associated with self-reported violations as well as reducing the backlog of such violations.

A. WECC's Budget Mitigation Efforts

WECC staff have made great efforts to consider and adopt opportunities to reduce the budget where doing so would not affect WECC's ability to accomplish its mission (e.g., subleasing office space, reducing travel and meeting expenses, etc.). While these savings are small relative to the size of the budget, they reflect a mindset that is focused on reducing costs where possible.

B. Comparing WECC to Other Regional Entities

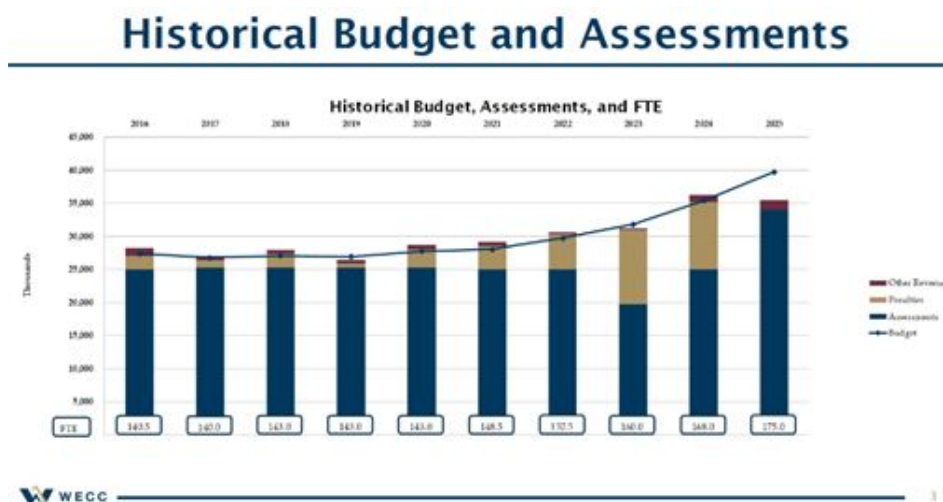
The MBS sought information to evaluate the WECC's proposed budget as benchmarked against other Regional Entities (REs). The MBS found that WECC compares favorably to other REs from an operations spend perspective. This favorable comparison is even clearer when considering the size of WECC's footprint and number of registered entities. Notably, WECC's cost per registered entity is among the lowest among the REs (see graph below and Appendix).



C. Assessments and Penalties

WECC's costs are allocated on an energy basis (net energy for load or NEL) to Class 1 and 2 members. These costs are then passed through to end-users (represented at WECC by Class 4). This cost allocation is intended to reflect cost-causation: load, which directly benefits from reliability, paying based on demand served via the grid. While end-users ultimately bear WECC's costs, Classes 1 and 2 are confronted with the immediate impact of assessments and may be subject to regulatory lag and limited in their ability to respond quickly to such increased costs. In evaluating the proposed budget and assessment increases, the MBS was mindful that WECC members of all classes are subject to extraordinary cost pressures.

The proposed increase in assessments for 2026 - 8.0% - reflects, in part, a paucity of compliance penalties to offset assessments. In 2023 and 2024 there were significant penalties that reduced assessments.⁷ In 2025 and 2026, penalties are historically low.



The MBS believes that better understanding and being able to project the long-term trend on penalties would better indicate whether 2025 and 2026 are aberrations or whether they reflect a more structural ongoing change. WECC staff provided excellent information in understanding the current situation but projections about longer-term trends, if possible, could provide insight into how future budgets and assessments may look.

D. Assessment Issues

The MBS discussed two issues associated with stabilizing assessments from year to year: (1) using capital reserves to offset assessment increases for 2026 and (2) the possibility of re-allocating the costs of assessments (i.e. beyond Classes 1 and 2).

⁷ In 2023, WECC had \$11 million in penalties to offset assessments. In 2024, WECC had \$8 million in penalties to offset assessments.



1. Utilizing Reserves to Offset Assessments

In the past, most recently for the 2025 BP&B, WECC has used capital reserves to offset assessments.⁸ Because WECC anticipates that its reserves will reach the cap of its reserve policy limit by the end of 2025,⁹ the MBS evaluated options for using reserves again in 2026 to mitigate the assessment increase. The MBS believes that utilizing reserves to reduce increases in assessments while still maintaining a reasonable level of reserves can be appropriate, particularly considering unique circumstances and/or low penalty amounts. The MBS is also cautious of unduly drawing down reserves, recognizing that using reserves to mitigate assessment increases is, at best, a short-term approach that cannot be regularly relied upon, and acknowledge that MBS has, in the past, recommended increasing the reserve policy. We believe a long-term strategy should be developed to mitigate the need to tap reserves for low penalties in future years.

For the 2026 BP&B, we believe using a portion of reserve funds is appropriate given the size of the assessment increase and anticipated level of funds in the reserve by the end of 2025. In its discussions, the MBS considered using an amount of reserves up to the mid-point of the Board-approved reserves range as reasonable (i.e. no more than \$4.9 million). Ultimately, the amount of reserves used should balance reducing the assessment increase with the risk of unforeseen challenges.

WECC has proposed using \$2.5 million of working capital reserves to fund the 2026 budget and mitigate a potential increase in assessments. The MBS finds that this proposed use of reserves, which would still project to leave WECC with working capital reserves that are on the higher end of the reserve policy, is appropriate. Using this amount of reserves in 2026 to offset assessments would increase assessments by 8%.¹⁰ An 8% increase is consistent with the assessment stabilization analysis conducted by WECC for the 2025 budget cycle, which forecast that it would be appropriate to increase assessments 8% in both 2026 and 2027.¹¹

2. Assessment Cost Allocation

As past MBSs have done, the MBS discussed whether it continues to be appropriate to allocate WECC's costs solely to Classes 1 and 2, particularly given the proliferation of IBRs and increased costs associated with increased IBR compliance registrations. Both WECC staff and the MBS acknowledge the potential inequity associated with allocating RE costs solely to end

⁸ For the 2025 BP&B WECC collected \$4,000 in penalties and used \$4.6 million in reserves to offset assessments. For the 2023 BP&B, WECC used \$595,000 in reserves.

⁹ Statutory working capital reserves are anticipated to be approximately \$9.9 million by December 31, 2025, which is at the reserve policy ceiling (three months of operating expenses).

¹⁰ Reducing the 2026 assessments by \$3 million (to \$35,689,079) and dividing that value by the 2025 assessments (\$33,016,000) yields an 8.1% increase.

¹¹ Updated Assessment Stabilization Analysis (April 1, 2024).



users. There remains, however, a strong basis for allocating WECC's costs on an NEL basis. The Federal Power Act requires NERC to establish rules that equitably allocate the reasonable costs associated with NERC and Registered entities.¹² In 2006, FERC Order No. 672 found that allocating such costs based on NEL basis is a "...fair, reasonable and uncomplicated method that minimizes the possibility of "double-counting."¹³ FERC also found that "...[a]lternative funding apportionment methods suggested by a few commenters appear to garner limited support, can be more complex to implement, or raise the issue of double counting."¹⁴ The potential for end-users double-paying for costs came up in the MBS' discussion of the pros and cons of moving away from an NEL-based allocation. While FERC did not expressly rule out other cost allocation methods,¹⁵ to date no other allocation method has been proposed or found to be just and reasonable. Consequently, while the MBS discussed the issue of how WECC's costs are allocated, the MBS is not recommending any further action on this matter now, given (1) FERC finding the NEL-based allocation of costs to be just and reasonable and (2) concerns about double-counting.

IV. Recommendations

- The MBS recommends that the MAC support the proposed 2026 Business Plan and Budget, including the addition of six (three statutory and three non-statutory) FTEs.
- For the 2026 Business Plan and Budget, the MBS recommends the Board approve the use of \$2.5 million of reserves to reduce the increase in 2026 assessments to 8%.

¹² Federal Power Act (16 USC 824o) Section 215 (c)(2)(B).

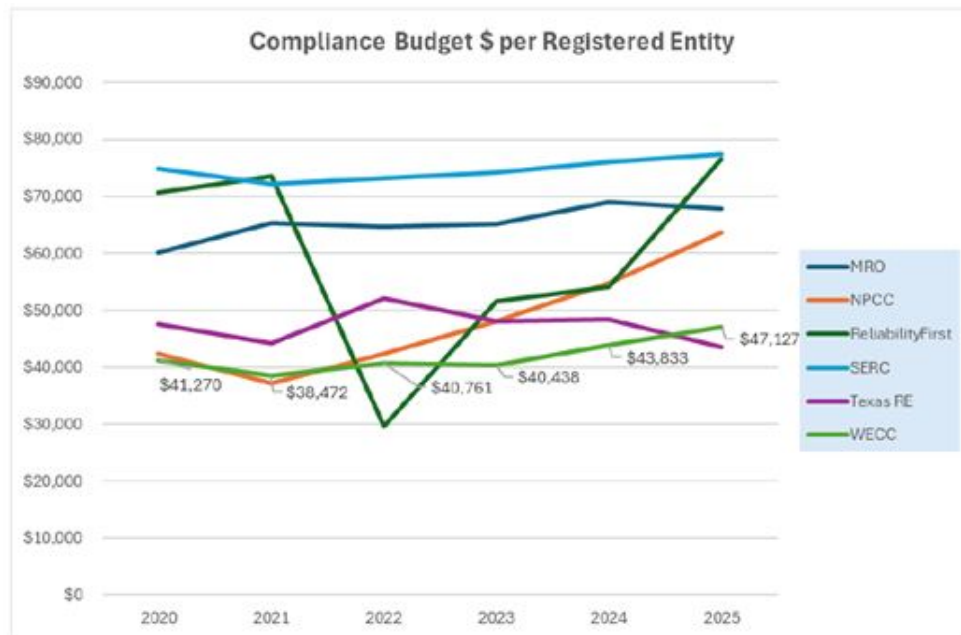
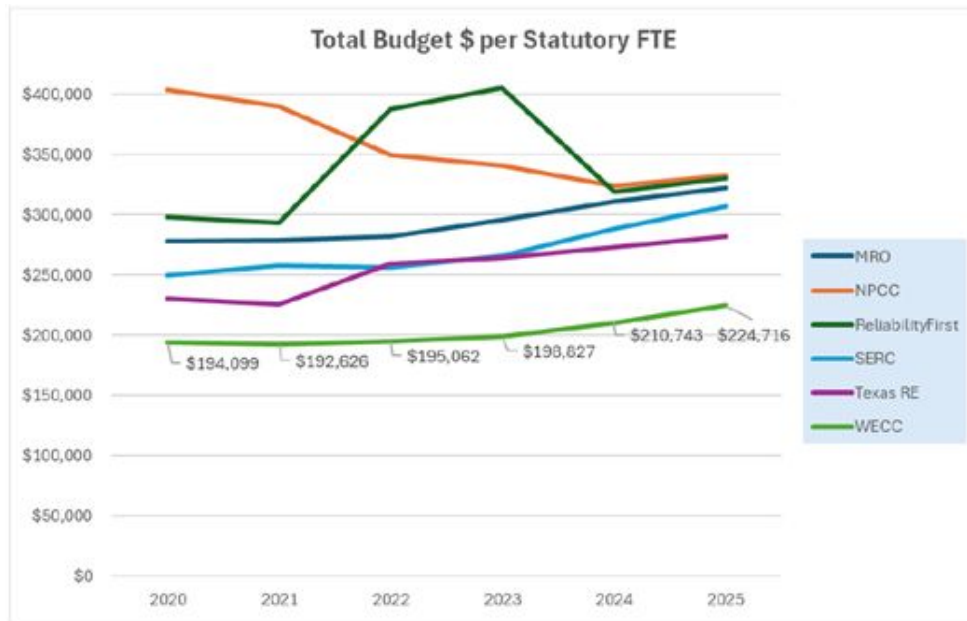
¹³ Order No. 672 at P. 35.

¹⁴ *Id.* at P 213.

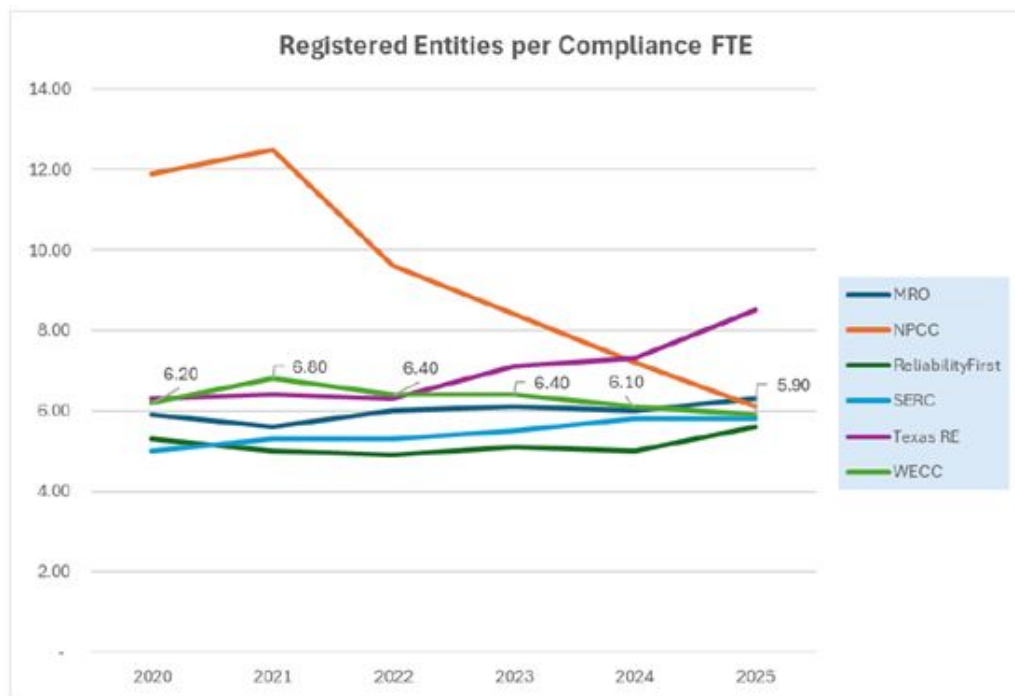
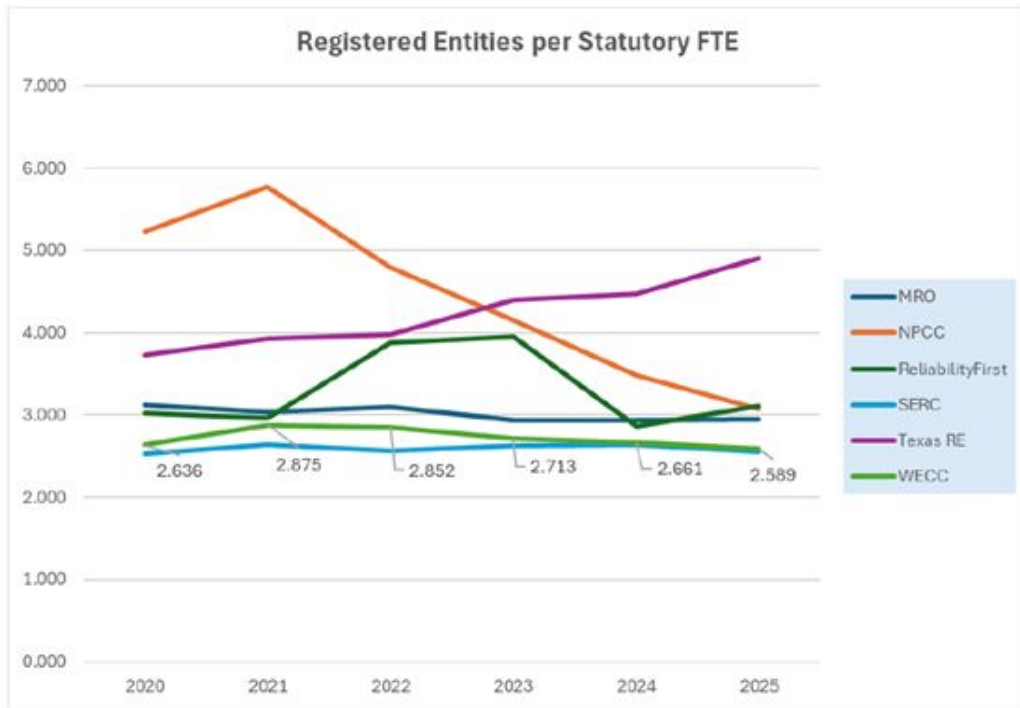
¹⁵ *Id.*



Appendix (all charts provided by WECC Staff)



Appendix (all charts provided by WECC Staff)



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MAC Budget Subcommittee 2026 BP&B Review and Recommendations

Dale Dunckel

Chair, MAC Budget Subcommittee

**Electric Reliability
& Security for the West**

June 10, 2025

<Public>



MAC Budget Subcommittee (MBS)

- Shaun Foster, Class 1
- Dale Dunckel, Class 2 - Chair
- Brian Theaker, Class 3
- Sophie Hayes, Class 4
- Grace Anderson, Class 5
- Evan Valeriote, International

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Background

- The MBS, supported by WECC's CFAO, Controller, and General Counsel, reviewed the proposed 2026 Business Plan & Budget (BP&B).
- The MBS met seven times between March and May.
- The MBS discussed budget expenditures, assessments, assessment stabilization scenarios, and how WECC allocates its costs.

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Commentary

- WECC staff presented to the MBS the initial draft budget and provided the opportunity for MBS to scrutinize the budget and explore modifications to the budget and to assessments.

Major Budget Drivers—Statutory Programs

Program Area	Budget 2025	Budget 2026	Variance \$	Variance %
Reliability Standards	\$ 954,606	\$ 947,690	\$ (6,916)	(0.72%)
Compliance Monitoring and Enforcement and Organization Registration and Certification	21,348,588	23,077,423	1,728,835	8.10%
Reliability Assessment and Performance Analysis	13,294,184	12,313,881	(980,303)	(7.37%)
Training and Outreach	3,132,745	3,181,402	48,657	1.55%
Situation Awareness and Infrastructure Security	595,234	612,478	17,244	2.90%
Total*	\$ 39,325,357	\$ 40,132,874	\$ 807,517	2.05%

*includes allocated Corporate Services costs

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Commentary (con't)

- Cost containment measures:
 - WECC has adjusted their additional staffing request from six (6) FTEs to three (3) FTEs, based on their assessment of need regarding the increased registered entities in the Western Interconnection.
 - Two (2) FTEs in Compliance Monitoring and Enforcement
 - One (1) FTE in Reliability Assessment and Performance Analysis
 - Staff reviewed all expenses, including travel and meetings, to ensure costs were necessary.
 - Staff proposed using reserves to keep the proposed assessment increase at 8% (down from the initially proposed 17%) while maintaining reserves within Board-approved levels.

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Conclusions

- MBS determined the proposed 2026 WECC BP&B to be in alignment with WECC's reliability mission and prior years' assessments trajectory.
 - WECC staff reviewed the 2026 BP&B and took appropriate cost-containment measures.
 - WECC is proposing to use reserves to mitigate increases in assessments while maintaining reserves within Board-approved levels.
 - WECC's cost per registered entity is near the bottom when compared to other regions.

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MAC Action on the MBS Recommendation

- The MBS recommendation on the 2026 BP&B was posted to the MAC web page on May 1, 2025.
- The MBS recommended the MAC support the proposed 2026 BP&B, which appropriately balanced:
 - (1) The reasonable costs needed for WECC to accomplish its reliability mission, and
 - (2) appropriate actions taken to minimize the proposed budget and associated assessments.
- On May 14, 2025, the MAC voted unanimously to approve the MBS recommendation on the 2026 BP&B.



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155 N 400 W, Salt Lake City, UT 84103, USA



2026 Business Plan and Budget

Approval Item
Board of Directors Meetings
June 10–11, 2025

Finance and Audit Committee Resolution

Resolved, that the Finance and Audit Committee (FAC), at its meeting on June 10, 2025, recommends the Board of Directors (Board) approve the 2026 Business Plan and Budget as presented and attached.

Board Resolution

Resolved, that the WECC Board of Directors (Board), acting on the recommendation of the FAC at the meeting of the Board on June 11, 2025, approves the 2026 Business Plan and Budget (BP&B) as presented and attached.

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

Background

A draft of the 2026 BP&B was presented to the FAC in March 2025 for preliminary review. On April 28, an updated draft of the 2026 BP&B was posted on the website for a comment period of 15 business days. WECC received two sets of comments from the Member Advisory Committee Budget Subcommittee (MBS) and the Western Interconnection Regional Advisory Body (WIRAB). WECC held two webinars to present stakeholders with an overview of the budget and key drivers during the comment period. WECC's Chief Financial and Administrative Officer also participated in several teleconferences with the MBS between February and May and WIRAB's May monthly meeting. All comments are included in the June 2024 FAC meeting materials.

Issues and Risks

Failure to approve the 2026 BP&B in time to meet regulatory milestones could result in a special Board meeting and a delay in funding. The remaining major milestones for this budget cycle are as follows:

- Early July: Final Board-approved BP&B due to NERC;
- August 13–14: Regional Entity (RE) BP&Bs presented to NERC Board of Trustees for approval;
- Late August: RE BP&Bs submitted to FERC for approval;
- October/November: FERC Order approving 2026 BP&Bs anticipated; and
- November 15: Billing date for 2026 assessment invoices.



2026 Business Plan and Budget

Approved by: WECC Board of Directors

June XX, 2025

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Introduction

TOTAL RESOURCES (in whole dollars)				
	2026 Budget	U.S.	Canada	Mexico
Statutory FTEs*	178.0	To be updated when NEL data received		
Non-statutory FTEs	16.0			
Total FTEs	194.0			
Statutory Budget	\$ 40,132,874			
Non-Statutory Budget	\$ 4,637,860			
Total Expenses	\$ 44,770,735			
Statutory Assessments	\$ 35,657,280	29,424,702	3,591,298	-
Non-Statutory Fees	\$ 3,567,500	2,856,650	677,000	33,850
NEL**	-			
NEL%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

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

**NEL is defined as Net Energy for Load.

Organizational Overview

WECC is a 501(c)(4) social welfare organization funded through Load-Serving Entity (LSE) assessments authorized by the Federal Energy Regulatory Commission (FERC) under Section 215 of the Federal Power Act. WECC's mission is to effectively and efficiently reduce risks to the reliability and security of the Western Interconnection's Bulk Power System (BPS). WECC operates under a delegation agreement with the North American Electric Reliability Corporation (NERC) and in accordance with its Bylaws. WECC executes its mission while working with a broad community consisting of industry stakeholders and two advisory bodies: the Member Advisory Committee (MAC) and the Western Interconnection Regional Advisory Body (WIRAB).

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

WECC delivers its mission through:

- Effective risk-based monitoring and enforcement of Reliability Standards through standards development, entity registration and certification, compliance risk assessments, audits and investigations, and, when necessary, enforcement;
- Working with industry participants, policymakers, and other stakeholders in the Western Interconnection to conduct system modeling and information sharing, reliability assessments, performance analyses, situation awareness, and event analyses; and



- Targeted training, outreach, and engagement to better educate and inform stakeholders about the near- and long-term impacts their decisions have on the reliability and security of the Western Interconnection.

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

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

Membership and Governance

WECC has 338 members¹ divided into the following five Membership Classes:

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

WECC membership is open to any person or entity that has an interest in the reliable and secure operation of the Western Interconnection BPS. WECC membership is not required for participation in the WECC Standards Development process or any other stakeholder proceeding.²

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

¹ As of Feb. 19, 2025

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

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

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

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

- Joint Guidance Committee (JGC);
- Market Interface Committee (MIC);
- Member Advisory Committee (MAC);
- Operating Committee (OC);
- Reliability Assessment Committee (RAC); and
- WECC Standards Committee (WSC).

2026 Strategic Goals

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

WECC's Board-approved [Long-Term Strategy](#) builds on the foundation established by the Electric Reliability Organization (ERO) Enterprise Long-Term Strategy. Described more fully below, the ERO Enterprise Long-Term Strategy represents continent-wide risks and was vetted through a stakeholder process. WECC's Long-Term Strategy then identifies unique Western long-term Impact Areas to address the reliability and security needs of the Western Interconnection while supporting reliability and security across North America. These two strategy documents, coupled with the ERO Enterprise-driven program areas, will guide the work of WECC in 2026 and beyond.

Additionally, at its June 2024 meeting, the Board approved [Reliability Risk Priorities \(RRP\)](#) intended to further focus WECC's work. Risks are now identified through an analytical process that begins with the Reliability Risk Committee (RRC). WECC is developing and implementing a more nimble approach to identify and mitigate reliability risks that engages stakeholders more broadly as risks arise and program area work plans are developed and modified. Much of the work related to the WECC RRP involves staff time; examples of activities supporting these priorities are noted in the proper statutory program area sections of the business plan.



Reliability Risk Priorities

Aridification and Associated Natural Events

Aridification is the gradual, permanent change of a region to a drier climate. Aridification is a long-term process with a timespan well beyond our current planning horizons; however, natural events associated with aridification have a more immediate and tangible effect. Drought, heat events, and increased wildfire activity challenge the planning and operation of the system in the West. While changes in climate are experienced across the continent, the changes associated with aridification are particular to and highly concentrated in the West.

Impact of Inverter-based Resources

Inverter-based resources (IBR) include wind turbines, solar photovoltaic, and battery energy storage systems. IBRs are facilities connected to the bulk power system that convert DC electricity from renewable sources into AC electricity, which allows power to flow into the grid. Over the next decade, entities in the West plan to add more than 100 GW of IBRs to the system to meet demand under clean and green energy policies.

Lack of Coordinated Resource and Transmission Planning

Historically, transmission planning and resource planning have occurred separately. While some entities combine the two types of planning, this is not the case on regional or interconnection-wide levels. Recent events and analyses have highlighted the need to coordinate resource and transmission planning on an interconnection-wide basis. As the heat wave in August 2020 and the Bootleg Fire in 2021 showed, under certain circumstances, the ability to move power can be as limiting as the availability of that power. As the footprint of natural events increases, so too must the ability to effectively move power across the Interconnection.

Modeling Quality and Input Validation

Modeling is the process of building computer models of energy systems to analyze and better understand them. Studying how assets on the grid will respond to disturbances or other changes (e.g., demand growth) helps prevent reliability issues on the bulk power system. With rapid changes occurring on the system, up-to-date, accurate models and data are critical to planning and operating the system.

Potential effects of energy policies in the West

The West is a patchwork of different, sometimes contradicting, energy policies that address topics such as energy efficiency, clean energy, transportation, building codes, and protection of legacy generation types. These policies drive changes to the operation and planning of the bulk power system and can create an environment that introduces risk to the reliability and resilience of that system. In aggregate, these policies create a varied and complex tapestry that may introduce more risks to the power system in the West.

ERO Enterprise



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

NERC and the Regional Entities play different, but important and complementary, roles in delivering ERO Enterprise programs. NERC provides industry-wide perspective and oversight, and the Regional Entities have unique features and activities that serve the needs of their regional constituents, while ensuring that registered entities follow NERC and Regional Reliability Standards. Regional Entities also have an obligation to meet professional standards of independence and objectivity and provide the best available expertise to address regional risks. This way of working is represented by this visual. The ERO Enterprise is explicitly committed to its collective success in achieving its vision of a highly reliable and secure North American BPS.



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

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

- Energy—Effectively leverage a broad range of data, tools, and approaches to assist stakeholders and policymakers in addressing existing BPS risks and proactively identifying and preparing for emerging and unknown risks to the grid.
- Security—Maintain cyber and physical security programs (E-ISAC, Standards, Compliance Monitoring and Enforcement Program (CMEP), technical committee work, outreach, and engagement) that are risk-based, efficient, coordinated, and effectively advance the security posture of industry.
- Engagement—Ensure that the increasingly diverse spectrum of stakeholders and policymakers find value in engagements with the ERO Enterprise, seek ERO Enterprise expertise to inform their decision-making, and have confidence in the integrity and independence of ERO Enterprise programs.

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

As part of the business planning and budgeting process, NERC and the Regional Entities each have their own priorities and strategic focus areas, but continually come together to ensure alignment with the long-term strategy and that business processes and operations harmonize across the ERO Enterprise where appropriate. WECC acknowledges and supports the long-term strategy as well as the work products specific to WECC that are described in each statutory program, discussed in [Statutory Programs](#).

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



2026 Statutory Budget Overview

Those who plan, operate, and care about the reliability of the Western Interconnection continue to confront numerous and rapidly evolving challenges—increasingly recurrent extreme natural events, large-scale generator retirements to meet aggressive clean energy goals, massive amounts of new generators that present new technological and dispatchability challenges, evolving and increasing cybersecurity and physical threats, the risks and opportunities posed by artificial intelligence, rapidly changing demand brought about by electrification, and the proliferation of data centers and other technologies, with their accompanying large loads. The 2026 Business Plan and Budget assumes that all these challenges will continue, as will the challenges in the labor market, where the competition for talent and the increasing costs to attract and retain a highly skilled workforce remain.

Budget and Funding Summary

WECC's proposed 2026 statutory budget is \$40,133,000, a \$808,000 (2.1%) increase from the 2025 statutory budget. WECC's proposed statutory assessment is \$35,657,000, a \$2,641,000 (8.0%) increase over the 2025 statutory assessment. Major drivers of the increase in budgeted expenditures are outlined below. 2026 funding includes the use of working capital reserves of \$2,476,000, Peak Donation reserves of \$200,000, and \$1,758,000 of other income.

Major Budget Drivers

Personnel Expenses

- Three new full-time equivalents (FTE) to support increasing demands on the organization:
 - Two FTE are added in Compliance Monitoring and Enforcement in response to different and new types of work, to build improved depth and breadth of skillsets, to address enforcement inventory, and in response to the downstream increase of all related work from new registrants;
 - One FTE is added in Reliability Assessment and Performance Analysis to support a weather readiness program for generators in the Western Interconnection;
- 3% merit and 1% market adjustment pools;
- Adjustments to compensation based on data from a salary survey to enable us to remain competitive with the market and hire and retain highly skilled employees;
- Refinement of payroll tax and benefits enrollment rates and premiums; and
- Labor float assumption changes based on actual turnover and vacancy rates.

Operating Expenses

- Consulting decreases due to the anticipated wrap-up of the transmission planning project performed in conjunction with WPP and WestTEC, which Peak Reliability donation funds have contributed to.
- Contract labor increases to reduce the open Enforcement inventory backlog.



Peak Reliability Donation

Peak Reliability (Peak) ceased all Reliability Coordinator (RC) operations in December 2019 and dissolved as a corporate entity in December 2020. After review and approval by the Board, WECC entered into a donation holdback agreement with Peak before its dissolution. Per the agreement, Peak donated \$4,127,000 of its remaining funds to WECC. Of the total amount, \$3,827,000 will be used to fund projects focused on the reliability and security of the BPS in the Western Interconnection. This portion was recorded as a statutory donation. Additionally, Peak requested WECC hold \$300,000 for a period of five years to pay any Peak bills that may be presented following Peak's formal closure on December 31, 2020. This amount was recorded as a non-statutory liability. The statutory amount is currently included in WECC's reserves, which are further detailed in the [Overview of Changes in Reserves](#). Non-statutory funds remaining after the five-year period will also be used to fund reliability and security projects. The holdback period ends at the end of 2025, and the remaining holdback amount plus compounded interest of approximately \$312,000 will be converted from non-statutory to statutory reserves through the 2026 Business Plan and Budget cycle.

Proposed projects are vetted with the executive team and stakeholders via targeted outreach, technical committees, and the Business Plan and Budget (BP&B) process. Our final contribution to the WestTEC transmission project is included in the 2026 BP&B.

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

In 2024, WECC proposed to use approximately \$500,000 of the Peak Donation reserve in 2024; that amount has been deferred to 2025 due to project delays. \$1,500,000 from the Peak Donation reserve was budgeted to fund this project in 2025. In 2026, \$200,000 is budgeted for the final phase of the project.

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



2025 Statutory Budget and Projection and 2026 Budget

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2025 Budget & Projection, and 2026 Budget						
STATUTORY						
	2025 Budget	2025 Projection	Variance 2025 Budget v 2025 Projection Over(Under)	2026 Budget	Variance (\$)	Variance (%)
Revenue						
Statutory Funding						
WECC Assessments	\$ 33,016,000	\$ 33,016,000	\$ -	\$ 35,657,280	\$ 2,641,280	8.00%
Penalties Released ¹	4,400	4,400	\$ -	41,745	\$ 37,345	848.75%
Total Statutory Funding	\$ 33,020,400	\$ 33,020,400	\$ -	\$ 35,699,025	\$ 2,678,625	8.11%
Membership Fees	\$ -	\$ -	\$ -	\$ -	\$ -	
Federal Grants	-	-	\$ -	-	\$ -	
Services & Software	-	-	\$ -	-	\$ -	
Workshops & Miscellaneous	703,541	\$ 695,093	\$ (8,448.00)	757,500	\$ 53,959	7.67%
Interest	1,000,000	\$ 1,228,265	\$ 228,265.00	1,000,006	\$ 6	0.00%
Total Revenue (A)	\$ 34,723,941	\$ 34,943,758	\$ 219,817	\$ 37,456,531	\$ 2,732,590	7.87%
Expenses						
Personnel Expenses						
Salaries	\$ 24,449,956	\$ 24,422,190	\$ (27,766.00)	\$ 26,016,824	\$ 1,566,868	6.41%
Payroll Taxes	1,536,792	1,612,311	\$ 75,519.00	1,577,297	\$ 40,505	2.64%
Benefits	2,934,023	2,903,909	\$ (30,114.00)	2,986,868	\$ 52,845	1.80%
Retirement Costs	2,200,566	2,105,751	\$ (94,815.00)	2,071,272	\$ (129,294)	-5.88%
Total Personnel Expenses	\$ 31,121,337	\$ 31,044,161	\$ (77,176)	\$ 32,652,261	\$ 1,530,924	4.92%
Meeting Expenses						
Meetings & Conference Calls	\$ 635,316	\$ 608,639	\$ (26,677.00)	\$ 611,168	\$ (24,148)	-3.80%
Travel	1,062,145	944,525	\$ (117,620.00)	1,043,960	\$ (18,185)	-1.71%
Total Meeting Expenses	\$ 1,697,461	\$ 1,553,164	\$ (144,297)	\$ 1,655,128	\$ (42,333)	-2.49%
Operating Expenses, Excluding Depreciation						
Consultants & Contracts	\$ 1,897,400	\$ 1,786,453	\$ (110,947.00)	\$ 1,495,400	\$ (402,000)	-21.19%
Office Rent	1,328,263	1,328,747	\$ 484.00	1,326,433	\$ (1,830)	-0.14%
Office Costs	2,949,356	2,715,077	\$ (234,279.00)	2,964,652	\$ 15,296	0.52%
Professional Services	1,327,700	1,297,321	\$ (30,379.00)	1,367,225	\$ 39,525	2.98%
Miscellaneous	-	-	\$ -	-	\$ -	
Total Operating Expenses	\$ 7,502,719	\$ 7,127,598	\$ (375,121)	\$ 7,153,710	\$ (349,009)	-4.65%
Total Direct Expenses	\$ 40,321,517	\$ 39,724,923	\$ (596,594)	\$ 41,461,099	\$ 1,139,582	2.83%
Indirect Expenses	\$ (1,146,873)	\$ (1,072,725)	\$ 74,148	\$ (1,437,341)	\$ (290,468)	25.33%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ (2)	
Total Expenses (B)	\$ 39,174,644	\$ 38,652,198	\$ (522,446)	\$ 40,023,758	\$ 849,112	2.17%
Change in Net Assets (=A-B)	\$ (4,450,703)	\$ (3,708,440)	\$ 742,263	\$ (2,567,227)	\$ 1,883,478	-42.32%
Fixed Asset Additions, Excluding Right of Use Assets (C)	\$ 150,713	\$ 176,778	\$ -	\$ 109,116	\$ (41,597)	-27.60%
TOTAL BUDGET (B+C)	\$ 39,325,357	\$ 38,828,976	\$ (522,446)	\$ 40,132,874	\$ 807,517	2.05%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (4,601,416)	\$ (3,885,218)	\$ 742,263	\$ (2,676,343)	\$ 1,925,075	-41.84%
FTEs	175.00	175.00	-	178.00	3.00	1.71%
HC	175.00	175.00	-	178.00	3.00	1.71%

¹ Represents the amount released from working capital reserves to offset U.S. assessments as approved by the NERC Board of Trustees and FERC. Actual penalties invoiced in the current reporting year will be reported as income on the audited financial statements in accordance with Generally Accepted Accounting Principles (GAAP).



Monetary Penalties

As documented in the NERC Policy Accounting, Financial Statement and Budgetary Treatment of Penalties Imposed and Received for Violations of Reliability Standards, penalty monies received on or before June 30, 2025, will be used to offset assessments in the 2026 WECC budget.

WECC collected \$4,400 in penalty monies between July 1, 2023, and June 30, 2024 to offset assessments for 2025.

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

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

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

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



Major Budget Drivers—Statutory Programs

Program Area	Budget 2025	Budget 2026	Variance \$	Variance %
Reliability Standards	\$ 954,606	\$ 947,690	\$ (6,916)	(0.72%)
Compliance Monitoring and Enforcement and Organization Registration and Certification	21,348,588	23,077,423	1,728,835	8.10%
Reliability Assessment and Performance Analysis	13,294,184	12,313,881	(980,303)	(7.37%)
Training and Outreach	3,132,745	3,181,402	48,657	1.55%
Situation Awareness and Infrastructure Security	595,234	612,478	17,244	2.90%
Total*	\$ 39,325,357	\$ 40,132,874	\$ 807,517	2.05%

*includes allocated Corporate Services costs

Reliability Standards

No major budget drivers in this area.

Compliance Monitoring and Enforcement and Organization Registration and Certification

Personnel Expenses

- Two new FTEs are added to the Compliance Monitoring and Enforcement (CMEP) and Organization Registration and Certification budget in 2026.
 - One Registration Engineer to enhance registration processing efficiency in line with increased registration activities related to IBRs.
 - One Risk Assessment Engineer to assist in oversight planning and analysis activities.
- A budgeted 3% merit pool, 1% market adjustment pool, some compensation adjustments resulting from a salary survey, refinement of labor float percentages, and the refinement of payroll tax and benefits premiums and enrollment rates contribute to increases in personnel expenses in this area and across the organization.

Consultants and Contracts

- Consulting increases due to the use of law firm services to reduce the enforcement inventory backlog.

Reliability Assessment and Performance Analysis

Personnel Expenses

- One Generator Readiness Specialist is added to the Reliability Assessment and Performance Analysis (RAPA) program area to support a weather readiness program for generators in the Western Interconnection.



- A budgeted 3% merit pool, 1% market adjustment pool, some compensation adjustments resulting from a salary survey, refinement of labor float percentages, and the refinement of payroll tax and benefits premiums and enrollment rates contributes to increases in personnel expenses in this area and across the organization.

Consultants and contracts

- Consulting decreases due to the anticipated completion of the transmission planning project performed in conjunction with WPP through its WestTEC effort.

Training and Outreach

- No major budget drivers in this area.

Situation Awareness and Infrastructure Security

- No major budget drivers in this area.

Corporate Services

Corporate Services (in whole dollars) Direct Expenses and Fixed Assets						
	2025 Budget	2026 Budget	Increase (Decrease)	FTEs 2025 Budget	FTEs 2026 Budget	Increase (Decrease)
Committee and Member Forums	\$ -	\$ -	\$ -	-	-	-
General and Administrative	\$ 6,110,050	\$ 6,325,595	\$ 215,545	19.00	17.50	(1.50)
Legal and Regulatory	\$ 1,142,835	\$ 1,273,986	\$ 131,151	3.50	4.00	0.50
Information Technology	\$ 3,810,520	\$ 4,177,585	\$ 367,065	13.00	14.00	1.00
Human Resources	\$ 1,219,717	\$ 1,200,673	\$ (19,044)	4.00	4.00	-
Accounting and Finance	\$ 718,535	\$ 753,974	\$ 35,439	3.00	3.00	-
Total Corporate Services*	\$ 13,001,657	\$ 13,731,813	\$ 730,156	42.50	42.50	-

*WECC's 2026 Corporate Services budget (expenses plus fixed assets) is \$13,731,813 of which \$1,450,225 is allocated to non-statutory activities. As a result of the allocation to the non-statutory function, the Corporate Services expenses included in the 2026 statutory budget are \$12,281,588, which is a \$441,591 increase from the 2025 budget.

Personnel Expenses

- One FTE is transferred from General and Administrative to Information Technology for a Database Engineer to increase our capabilities related to data and reporting.
- One half FTE is transferred from General and Administrative to Legal and Regulatory to realign the budget with the evolving responsibilities of the Corporate Secretary related to enhancing governance, compliance, and operational efficiency.
- A budgeted 3% merit pool, 1% market adjustment pool, some compensation adjustments resulting from a salary survey, refinement of labor float percentages, and the refinement of payroll tax and benefits premiums and enrollment rates contributes to increases in personnel expenses in this area and across the organization.



Personnel—Overview of FTEs and Expenses

Over the last several years, many events have highlighted increasing risks to reliability and security: extreme heat, severe cold weather, unexpected behavior of IBRs, cybersecurity breaches, and physical security attacks on substations, to name a few. What used to be considered low probability events have become more frequent and continue to come at an unprecedented pace and complexity. Work associated with these increasing demands is evident in the work of CMEP, RAPA and Strategic Engagement. WECC will require additional specific expertise and resources to effectively engage with stakeholders, manage the increasing workload, and minimize risks to the reliability and security of the Western Interconnection. Enhancing our stakeholder interaction, facilitation, and outreach will ensure that reliability remains paramount in the discussions with our wide range of stakeholders as the Interconnection transforms to meet policy objectives. As a result, in the 2026 budget, WECC is adding three statutory FTEs (with an additional three FTEs in its non-statutory program for a total of six FTEs) and realigning some positions within program areas due to evolving organizational needs and priorities.

Total FTEs by Program Area	Budget 2025	Direct FTEs 2026 Budget	Shared FTEs* 2026 Budget	Total FTEs 2026 Budget	Change from 2025 Budget
STATUTORY					
Operational Programs					
Reliability Standards	3.00	3.00	-	3.00	-
Compliance Monitoring and Enforcement and Organization Registration and Certification	77.00	79.00	-	79.00	2.00
Reliability Assessment and Performance Analysis	41.00	42.00	-	42.00	1.00
Training and Outreach	9.50	9.50	-	9.50	-
Situation Awareness and Infrastructure Security	2.00	2.00	-	2.00	-
Total FTEs Operational Programs	132.50	135.50	-	135.50	3.00
Corporate Services					
Technical Committees and Member Forums	-	-	-	-	-
General and Administrative	19.00	17.50	-	17.50	(1.50)
Legal and Regulatory	3.50	4.00	-	4.00	0.50
Information Technology	13.00	14.00	-	14.00	1.00
Human Resources	4.00	4.00	-	4.00	-
Finance and Accounting	3.00	3.00	-	3.00	-
Total FTEs Corporate Services	42.50	42.50	-	42.50	-
Total FTEs	175.00	178.00	-	178.00	3.00

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



Personnel Expenses	Budget 2025	Budget 2026	Variance \$	Variance %
Salaries				
Salaries	\$ 24,449,956	\$ 26,016,824	\$ 1,566,868	6.4%
Employment Agency Fees	-	-	-	
Temporary Office Services	-	-	-	
Total Salaries	\$ 24,449,956	\$ 26,016,824	\$ 1,566,868	6.4%
Total Payroll Taxes	\$ 1,536,792	\$ 1,577,297	\$ 40,505	2.6%
Benefits				
Workers Compensation	\$ 19,800	\$ -	\$ (19,800)	(100.0%)
Medical Insurance	2,591,317	2,651,047	59,730	2.3%
Life-LTD-STD Insurance	122,759	125,545	2,786	2.3%
Education	172,151	207,277	35,126	20.4%
Relocation	-	-	-	
Other	28,000	3,000	(25,000)	(89.3%)
Total Benefits	\$ 2,934,027	\$ 2,986,869	\$ 52,842	1.8%
Retirement				
Discretionary 401(k) Contribution	\$ 2,170,566	\$ 2,071,272	\$ (99,294)	(4.6%)
Retirement Administration Fees	30,000	-	(30,000)	
Total Retirement	\$ 2,200,566	\$ 2,071,272	\$ (129,294)	(5.9%)
Total Personnel Costs	\$ 31,121,341	\$ 32,652,262	\$ 1,530,921	4.9%
FTEs	175.0	178.0	3.0	1.7%
Cost per FTE				
Salaries	\$ 139,714	\$ 146,162	\$ 6,448	4.6%
Payroll Taxes	8,782	8,861	80	0.9%
Benefits	16,766	16,780	14	0.1%
Retirement	12,575	11,636	(938)	(7.5%)
Total Cost per FTE	\$ 177,836	\$ 183,440	\$ 5,603	3.2%

Explanation of Significant Variances

- FTEs increase by three. More detailed information is presented in [Major Budget Drivers—Statutory Programs](#).
- Merit pool of 3%.
- Market adjustment pool of 1%.
- Adjustments to compensation based on salary survey data.
- Labor float assumptions based on turnover and vacancy rates.
- Benefits enrollment rate refinement.



Meeting Expenses

Meeting & Conference Call Expenses	Budget 2025	Budget 2026	Variance \$	Variance %
Reliability Standards	\$ -	\$ -	\$ -	
Compliance Monitoring and Enforcement and Organization Registration and Certification	-	-	-	
Reliability Assessment and Performance Analysis	38,676	16,746	(21,930)	(56.7%)
Training and Outreach	525,720	501,120	(24,600)	(4.7%)
Situation Awareness and Infrastructure Security	-	-	-	
Corporate Services	70,920	93,302	22,382	31.6%
Total Meeting Expenses	\$ 635,316	\$ 611,168	\$ (24,148)	(3.8%)

Travel Expenses	Budget 2025	Budget 2026	Variance \$	Variance %
Reliability Standards	\$ 21,236	\$ 17,378	\$ (3,858)	(18.2%)
Compliance Monitoring and Enforcement and Organization Registration and Certification	606,370	589,330	(17,040)	(2.8%)
Reliability Assessment and Performance Analysis	197,585	206,301	8,716	4.4%
Training and Outreach	46,080	31,846	(14,234)	(30.9%)
Situation Awareness and Infrastructure Security	19,250	10,849	(8,401)	(43.6%)
Corporate Services	171,624	188,256	16,632	9.7%
Total Travel Expenses	\$ 1,062,145	\$ 1,043,960	\$ (18,185)	(1.7%)

Explanation of Significant Variances

- No major budget drivers in this area.



Consultants and Contracts

Consultants	Budget 2025	Budget 2026	Variance \$	Variance %
Consultants				
Reliability Standards	\$ -	\$ -	\$ -	
Compliance Monitoring and Enforcement and Organization Registration and Certification	12,000	12,000	-	0.0%
Reliability Assessment and Performance Analysis	1,608,400	318,400	(1,290,000)	(80.2%)
Training and Outreach	-	-	-	
Situation Awareness and Infrastructure Security	-	-	-	
Corporate Services	277,000	463,000	186,000	67.1%
Consultants Total	\$ 1,897,400	\$ 793,400	\$ (1,104,000)	(58.2%)

Contracts	Budget 2025	Budget 2026	Variance \$	Variance %
Contracts				
Reliability Standards	\$ -	\$ -	\$ -	
Compliance Monitoring and Enforcement and Organization Registration and Certification	-	702,000	702,000	
Reliability Assessment and Performance Analysis	-	-	-	
Training and Outreach	-	-	-	
Situation Awareness and Infrastructure Security	-	-	-	
Corporate Services	-	-	-	
Contracts Total	\$ -	\$ 702,000	\$ 702,000	
Total Consulting and Contracts	\$ 1,897,400	\$ 1,495,400	\$ (402,000)	(21.2%)

Explanation of Significant Variances

Corporate Services

- Consulting increases due to search fees for new Board Directors resulting from term limits and an independent Board compensation study.

Reliability Assessment and Performance Analysis

- Consulting decreases due to the 2026 anticipated completion of the transmission planning study being undertaken by the Western Power Pool (WPP) through its WestTEC effort. WestTEC is an interregional transmission planning project employing analytical technologies to produce an actionable long-term transmission plan intended to provide a range of transmission benefits to stakeholders throughout the West. The expected project duration is March 2024 through February 2026. WECC proposes to use \$200,000 from the Peak Reliability Donation reserve to fund the final phase of this project in 2026.

Compliance Monitoring and Enforcement and Organization Registration and Certification

- Contract labor increases to reduce the open enforcement inventory backlog.



Overview of Changes in Reserves

Working Capital Reserve Analysis				
STATUTORY				
	Total	Working Capital Reserve	Unreleased Penalties	Peak Reliability Donation
Beginning Reserve, January 1, 2025	\$ 16,098,526	\$ 13,036,834	\$ 4,400	\$ 3,057,292
Plus: 2025 Funding (from Load-Serving Entities (LSE) or designees)	33,016,000	33,016,000	-	-
Plus: Penalties released	-	4,400	(4,400)	-
Plus: Penalties received	41,745	-	41,745	-
Plus: 2025 Other funding sources	1,923,358	1,923,358	-	-
Less: 2025 Projected expenses & capital expenditures	(38,828,976)	(36,681,424)	-	(2,147,552)
Projected Reserve (Deficit), December 31, 2025	\$ 12,250,653	\$ 11,299,168	\$ 41,745	\$ 909,740
Plus: 2026 Funding (from Load-Serving Entities (LSE) or designees)	35,657,280	35,657,280	-	-
Plus: Penalties released	-	41,745	(41,745)	-
Plus: 2026 Other funding sources	1,757,506	1,757,506	-	-
Plus: 2026 Transfer of Peak Holdback Reserves to Statutory	-	312,000	-	(312,000)
Less: 2026 Projected expenses & capital expenditures	(40,132,874)	(39,932,874)	-	(200,000)
2026 Increase(Decrease) in Reserve	\$ (2,718,088)	(2,164,343)	\$ (41,745)	\$ (512,000)
Projected Reserve, December 31, 2026	\$ 9,532,565	\$ 9,134,825	\$ -	\$ 397,740
2026 Expenses and Capital Expenditures	40,132,874			
Less: Penalties Released	(41,745)			
Less: Other Funding Sources	(1,757,506)			
Change to Working Capital & Peak Reliability Donation Reserves	(2,676,343)			
2026 WECC Assessment	\$ 35,657,280			

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

In 2026, reserves are being used to fund a portion of the budget. Working capital reserves of \$2,476,000 are funding budgeted expenditures, and \$200,000 of the Peak Reliability Donation reserves are funding the WPP/WestTEC transmission planning project.

When Peak Reliability ceased operations, Peak requested WECC hold \$300,000 of the total donation amount for a period of five years to pay any Peak bills that may be presented following Peak's formal closure on December 31, 2020. This amount was recorded as a non-statutory liability. Any funds remaining after the five-year period will also be used to fund reliability and security projects. The holdback period ends at the end of 2025, and the remaining holdback amount plus compounded interest of approximately \$312,000 will be converted from non-statutory to statutory reserves through the 2026 Business Plan and Budget cycle and used to fund reliability and security projects in the future.

WECC received \$41,745 in penalty sanctions between July 1, 2024, and June 30, 2025. Each budget year, with NERC and Commission approval pursuant to Section 1107.4 of the NERC Rules of Procedure, WECC proposes to release penalty sanctions collected during the applicable period to offset assessments in the Business Plan and Budget.



Three-Year Budget Projections

Statement of Activities and Capital Expenditures 2026 Budget & Projected 2027 and 2028 Budgets							
	Statutory						
	2026 Budget	2027 Projection	\$ Change 26 v 27	% Change 26 v 27	2028 Projection	\$ Change 27 v 28	% Change 27 v 28
Revenue							
Statutory Funding							
WECC Assessments	\$ 35,657,280	\$ 38,509,862	\$ 2,852,582	8.0%	\$ 41,590,651	\$ 3,080,789	8.0%
Penalties Released	41,745	-	(41,745)	(100.0%)	-	-	-
Total Statutory Funding	\$ 35,699,025	\$ 38,509,862	\$ 2,810,837	7.9%	\$ 41,590,651	\$ 3,080,789	8.0%
Membership Fees	\$ -	\$ -	\$ -	-	\$ -	\$ -	-
Workshops & Miscellaneous	757,500	886,350	128,850	17.0%	942,285	55,935	6.3%
Interest	1,000,006	900,000	(100,006)	(10.0%)	900,000	-	0.0%
Total Revenue (A)	\$ 37,456,531	\$ 40,296,212	\$ 2,839,681	7.6%	\$ 43,432,936	\$ 3,136,724	7.8%
Expenses							
Personnel Expenses							
Salaries	\$ 26,016,824	\$ 27,558,226	\$ 1,541,402	5.9%	\$ 28,955,609	\$ 1,397,383	5.1%
Payroll Taxes	1,577,297	1,685,198	107,901	6.8%	1,767,079	81,881	4.9%
Benefits	2,986,868	3,267,655	280,787	9.4%	3,512,836	245,181	7.5%
Retirement Costs	2,071,272	2,196,593	125,321	6.1%	2,301,766	105,173	4.8%
Total Personnel Expenses	\$ 32,652,261	\$ 34,707,672	\$ 2,055,411	6.3%	\$ 36,537,290	\$ 1,829,618	5.3%
Meeting Expenses							
Meetings & Conference Calls	\$ 611,168	\$ 617,548	\$ 6,380	1.0%	\$ 630,665	\$ 13,117	2.1%
Travel	1,043,960	1,158,107	114,147	10.9%	1,226,948	68,841	5.9%
Total Meeting Expenses	\$ 1,655,128	\$ 1,775,655	\$ 120,527	7.3%	\$ 1,857,613	\$ 81,958	4.6%
Operating Expenses, excluding Depreciation							
Consultants & Contracts	\$ 1,495,400	\$ 1,277,400	\$ (218,000)	(14.6%)	\$ 525,400	\$ (752,000)	(58.9%)
Office Rent	1,326,433	1,316,037	(10,396)	(0.8%)	1,300,000	(16,037)	(1.2%)
Office Costs	2,964,652	3,176,860	212,208	7.2%	3,284,844	107,984	3.4%
Professional Services	1,367,225	1,424,041	56,816	4.2%	1,480,197	56,156	3.9%
Miscellaneous	-	-	-	-	-	-	-
Total Operating Expenses	\$ 7,153,710	\$ 7,194,338	\$ 40,628	0.6%	\$ 6,590,441	\$ (603,897)	(8.4%)
Total Direct Expenses	\$ 41,461,099	\$ 43,677,665	\$ 2,216,566	5.3%	\$ 44,985,344	\$ 1,307,679	3.0%
Indirect Expenses	\$ (1,437,341)	\$ (1,487,648)	\$ (50,307)	3.5%	\$ (1,547,154)	\$ (59,506)	4.0%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	-	\$ -	\$ -	-
Total Expenses (B)	\$ 40,023,758	\$ 42,190,017	\$ 2,166,258	5.4%	\$ 43,438,190	\$ 1,248,173	3.0%
Change in Assets	\$ (2,567,227)	\$ (1,893,805)	\$ 673,423	(26.2%)	\$ (5,254)	\$ 1,888,551	(99.7%)
Fixed Assets							
Incr(Dec) in Fixed Assets (C)	\$ 109,116	\$ 90,000	\$ (19,116)	(17.5%)	\$ 90,000	\$ -	0.0%
TOTAL BUDGET (B+C)	\$ 40,132,874	\$ 42,280,017	\$ 2,147,142	5.4%	\$ 43,528,190	\$ 1,248,173	3.0%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	(2,676,343)	(1,983,805)	692,539	(25.9%)	\$ (95,254)	\$ 1,888,551	(95.2%)
FTEs	178.00	186.00	8.00	4.5%	187.00	1.00	0.5%
HC	178.00	186.00	8.00	4.5%	187.00	1.00	0.5%



Statutory Programs

Goals, Budget Assumptions, and Statements of Activities

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

Reliability Standards

Program Scope, Purpose, and Impact

The WECC Reliability Standards Program supports the NERC Reliability Standards Program, and its employees work with the WECC Standards Committee (WSC) to aid the development of Regional Reliability Standards (RRS), Regional Variances to NERC Reliability Standards, and Regional Criteria to ensure the Bulk Electric System (BES) operates reliably.

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

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

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

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

NERC recently rated all their Reliability Standards projects as high, medium, or low priority. Several high priority projects were completed in 2024, and the remaining high priority projects are expected to be completed in 2025. Several of these projects are related to IBRs and their potential impact on the BES. Medium and low priority projects are expected to be completed in 2025 or 2026.

2026 Key Budget Assumptions

- The number of RRS projects will remain low, with most focusing on the potential retirement of existing RRSs—due to the subject matter being included in NERC Reliability Standards—and necessary revisions identified during the five-year review. It is possible, but not likely, that regulatory directives could result in RRS projects.
- Much of the work needed to develop RRSs, Regional Variances to NERC Reliability Standards, and Regional Criteria will continue to be performed by stakeholders.
- Stakeholder volunteers will continue to staff most NERC Standards drafting teams.
- WECC employees may, at times, participate as drafting team members or observers.



- Integration of renewable resources and related energy storage devices has resulted in several new or modified NERC Reliability Standards and could potentially result in new or revised RRSs, or Regional Variances to NERC Reliability Standards.
- WECC supports, and will participate in, the enhanced periodic reviews of NERC Reliability Standards and the NERC Standards Grading effort, when appropriate. WECC standards staff, as well as other subject matter experts, will participate in the grading process if it is continued.

2026 Goals and Deliverables

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



Reliability Standards Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2025 Budget and 2026 Budget RELIABILITY STANDARDS				
	2025 Budget	2026 Budget	Variance (\$)	Variance (%)
Revenue				
Statutory Funding				
WECC Assessments	\$ 816,294	\$ 855,914	\$ 39,620	4.85%
Penalties Released	100	924	\$ 824	824.00%
Total Statutory Funding	\$ 816,394	\$ 856,838	\$ 40,444	4.95%
Membership Fees	\$ -	\$ -	\$ -	
Federal Grants	-	-	\$ -	
Services & Software	-	-	\$ -	
Workshops & Miscellaneous	3,873	5,513	\$ 1,640	
Interest	22,642	22,140	\$ (502)	-2.22%
Total Revenue (A)	\$ 842,909	\$ 884,491	\$ 41,582	4.93%
Expenses				
Personnel Expenses				
Salaries	\$ 537,566	\$ 538,597	\$ 1,031	0.19%
Payroll Taxes	33,324	31,969	\$ (1,355)	-4.07%
Benefits	43,605	42,986	\$ (619)	-1.42%
Retirement Costs	47,843	43,088	\$ (4,755)	-9.94%
Total Personnel Expenses	\$ 662,338	\$ 656,640	\$ (5,698)	-0.86%
Meeting Expenses				
Meetings & Conference Calls	\$ -	\$ -	\$ -	
Travel	21,236	17,378	\$ (3,858)	-18.17%
Total Meeting Expenses	\$ 21,236	\$ 17,378	\$ (3,858)	-18.17%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ -	\$ -	\$ -	
Office Rent	-	-	\$ -	
Office Costs	2,957	1,755	\$ (1,202)	-40.65%
Professional Services	-	-	\$ -	
Miscellaneous	-	-	\$ -	
Total Operating Expenses	\$ 2,957	\$ 1,755	\$ (1,202)	-40.65%
Total Direct Expenses	\$ 686,531	\$ 675,773	\$ (10,758)	-1.57%
Indirect Expenses	\$ 264,663	\$ 269,501	\$ 4,838	1.83%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 951,194	\$ 945,274	\$ (5,920)	-0.62%
Change in Net Assets (=A-B)	\$ (108,285)	\$ (60,783)	\$ 47,502	-43.87%
Fixed Assets, excluding Right of Use Assets (C)	\$ 3,412	\$ 2,416	\$ (996)	\$ (0)
TOTAL BUDGET (B+C)	\$ 954,606	\$ 947,690	\$ (6,916)	-0.72%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (111,697)	\$ (63,199)	\$ 48,498	-43.42%
FTEs	3.00	3.00	-	0.00%
HC	3.00	3.00	-	0.00%



Compliance Monitoring and Enforcement and Organization Registration and Certification Program

Program Scope, Purpose, and Impact

The reliability and security of the BPS is the central focus of WECC's mission. The Reliability and Security Oversight department is integral to maintaining that focus and works with a growing number of Registered Entities in the Western Interconnection to promote a strong culture of reliability and security by focusing on known and emerging risks. Program area staff, who are independent of all users, owners, and operators of the BPS, ensure that Registered Entities mitigate risks to the BPS by implementing the NERC Organization Registration and Certification Program (ORCP) and the CMEP. Staff monitors and enforces the NERC Reliability Standards across 471³ registered owners, operators, and users of the BPS through a variety of risk-based activities, delivering consistent, impartial, and meaningful, real-time feedback to the entities.

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

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

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

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

³ As of February 21, 2025.



Compliance in Alberta, British Columbia, and Mexico

Alberta and British Columbia, Canada, and a portion of Baja California Norte, Mexico, are all part of the Western Interconnection and have adopted or are adopting mandatory Reliability Standards based on FERC-approved Standards. WECC has entered into agreements with the Alberta Market Surveillance Administrator (MSA) and the British Columbia Utilities Commission (BCUC) under which WECC performs various compliance monitoring and enforcement activities to help ensure reliability across international borders within the Western Interconnection. Mexico is not currently participating in WECC and Western Interconnection-related CMEP activities⁴.

2026 Key Budget Assumptions

- The volume and complexity of registration activities will increase in accordance with FERC's Order on IBRs and integration of renewable resources and related energy storage devices in the Western Interconnection, which included modifications to the registration criteria that will result in more IBRs that must register.
- An increase in certification reviews is anticipated with FERC Order 881's deadline requiring all transmission providers to use ambient adjusted ratings (AAR) as the basis for evaluating near-term transmission service to increase the accuracy of near-term line ratings, as entities that make frequent or significant functionality changes to their Energy Management Systems to meet AAR implementation requirements may require a certification review.
- All Inherent Risk Assessment and oversight planning activities are aligned around identifying, prioritizing, and addressing risks to the Western Interconnection. With trends in registration requests, the changing reliability and security landscape, and risk mitigation strategies, workloads of all program areas of the Reliability and Security Oversight department will increase under the risk-based framework.
- Monitoring activities for non-U.S. jurisdictions will continue according to the approved agreements and applicable compliance monitoring programs with Canadian authorities. In accordance with the NERC Rules of Procedure, Appendix 5A, WECC staff continues to participate in NERC-led Registration Review Panels.
- WECC fully supports ERO Enterprise efforts and activities to evaluate business practices, tools, consistency, implementation, and guidance within the risk-based CMEP. Staff will provide feedback to the ERO Enterprise on emerging and existing risks, with an emphasis on standards development, standards modification, monitoring approaches, enforcement considerations, and potential gaps.
- Legal fees related to any hearing that may arise are not budgeted and will be funded through working capital reserves. Costs related to hearing officers and procedures will be funded by NERC.

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



- WECC will continue to support development, design, testing, training, and implementation of ERO Enterprise-wide maintenance and enhancement of the risk-based CMEP practices and tools. Specifically, WECC staff resources will be allocated to these activities for the ERO Enterprise Align tool, and the Secure Evidence Locker (SEL).
- Increased outreach, training, travel, and monitoring and enforcement are anticipated to help enhance registered entity programs as new or modified Reliability Standards that tackle changing risks in the Western Interconnection are developed.
- Maintenance and license fees for software tools (e.g., Box) increased due to contract pricing escalations.
- Targeted outreach is performed on key reliability and security risks through monthly webinars, biannual workshops, and supporting ERO Enterprise wide data collection efforts, analysis efforts.
- Two FTEs are added in Compliance Monitoring and Enforcement and Organization Registration and Certification in response to different and new types of work, to build improved depth and breadth of skillsets, to address enforcement inventory, and in response to the downstream increase of all related work from new registrants.

2026 Goals and Deliverables

- Enhance CMEP oversight strategies focused on a holistic approach to enhance the efficiency and effectiveness of the ERO Enterprise Risk-Based Framework and enhance oversight planning processes and provide a targeted approach for monitoring and outreach.
- Continue to enhance and improve processing times to reduce backlog and inventory statistics.
- Work with the ERO Enterprise and industry on development and deployment of effective internal controls and internal controls programs to monitor, detect, correct, and report to prevent deficiencies in compliance, reliability, and security.
- Continuously improve program processes and tools to adapt to changes in the industry.
- Deliver quantitative and qualitative results for Corporate Scorecard items and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Consult with the international compliance enforcement authorities to determine which elements of the risk based CMEP could provide value and should be incorporated in the respective programs for international entities. Currently, WECC does not conduct IRAs for international entities.
- Process BES Exception Requests and participate in NERC-led Review Panels.
- Provide continued outreach and training on the Align tool for staff and Registered Entities.
- Participate in ERO Enterprise collaboration groups to continue to build effective relationships and ensure ORCP and CMEP consistency, where applicable and appropriate, across Regional Entities.
- Increase scheduled monitoring activities (e.g., spot-checks, self-certifications with supporting evidence, investigations, compliance assessments, and complaint evaluations) based on emerging BPS risk.



- Work strategically to enhance and improve tools and techniques to identify, understand, and quantify risk to the BPS sooner in the processing timeline, and use that information to craft more robust and comprehensive mitigation strategies.



Compliance Monitoring and Enforcement Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2025 Budget and 2026 Budget				
COMPLIANCE MONITORING AND ENFORCEMENT AND ORGANIZATION REGISTRATION AND CERTIFICATION				
	2025 Budget	2026 Budget	Variance (\$)	Variance (%)
Revenue				
Statutory Funding				
WECC Assessments	\$ 18,167,528	\$ 20,785,916	\$ 2,618,388	14.41%
Penalties Released	2,557	24,339	\$ 21,782	851.86%
Total Statutory Funding	\$ 18,170,085	\$ 20,810,255	\$ 2,640,170	14.53%
Membership Fees	\$ -	\$ -	\$ -	
Federal Grants	-	-	\$ -	
Services & Software	-	-	\$ -	
Workshops & Miscellaneous	99,397	145,173	\$ 45,776	
Interest	581,132	583,029	\$ 1,897	0.33%
Total Revenue (A)	\$ 18,850,614	\$ 21,538,457	\$ 2,687,843	14.26%
Expenses				
Personnel Expenses				
Salaries	\$ 10,754,742	\$ 11,513,585	\$ 758,843	7.06%
Payroll Taxes	688,366	710,244	\$ 21,878	3.18%
Benefits	1,136,519	1,130,885	\$ (5,634)	-0.50%
Retirement Costs	954,003	915,811	\$ (38,192)	-4.00%
Total Personnel Expenses	\$ 13,533,630	\$ 14,270,525	\$ 736,895	5.44%
Meeting Expenses				
Meetings & Conference Calls	\$ -	\$ -	\$ -	
Travel	606,370	589,330	\$ (17,040)	-2.81%
Total Meeting Expenses	\$ 606,370	\$ 589,330	\$ (17,040)	-2.81%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ 12,000	\$ 714,000	\$ 702,000	5850.00%
Office Rent	-	-	\$ -	
Office Costs	315,986	343,085	\$ 27,099	8.58%
Professional Services	-	-	\$ -	
Miscellaneous	-	-	\$ -	
Total Operating Expenses	\$ 327,986	\$ 1,057,085	\$ 729,099	222.30%
Total Direct Expenses	\$ 14,467,986	\$ 15,916,940	\$ 1,448,954	10.01%
Indirect Expenses	\$ 6,793,018	\$ 7,096,866	\$ 303,848	4.47%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 21,261,004	\$ 23,013,806	\$ 1,752,802	8.24%
Change in Net Assets (=A-B)	\$ (2,410,390)	\$ (1,475,349)	\$ 935,041	-38.79%
Fixed Assets, excluding Right of Use Assets (C)	\$ 87,584	\$ 63,617	\$ (23,967)	\$ (0)
TOTAL BUDGET (B+C)	\$ 21,348,588	\$ 23,077,423	\$ 1,728,835	8.10%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (2,497,974)	\$ (1,538,966)	\$ 959,008	-38.39%
FTEs	77.00	79.00	2.00	2.60%
HC	77.00	79.00	2.00	2.60%



Reliability Assessment and Performance Analysis

Program Scope, Purpose, and Impact

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

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

1. The **Operations Analysis Department** is responsible for three primary functional areas—Event Analysis, Performance Analysis, and Situation Awareness and Infrastructure Security (SAIS), whose budget is outlined in the SAIS Program. The department analyzes system conditions and events that affect or may affect the reliable operation of the BPS and analyzes the historical operation and performance of the Western Interconnection. The department's activities ensure that stakeholders, NERC, and FERC are well-informed of system events, emerging trends, lessons learned, and expected actions affecting BPS reliability. The analyses are used to assess interconnection-wide risks and vulnerabilities. The information produced helps identify best practices and mitigate potential risks.
2. The **Risk Analysis and Data Services Department** performs two main functions. The first, Risk Analysis, assesses interconnection-wide risks and vulnerabilities at the regional and entity levels. Using information gathered throughout the organization, and in coordination with the technical committees, the department identifies and tracks mitigation activities related to interconnection-wide risks. The second, Data Services, develops meaningful approaches to analyze and visualize information and data for consumption by the entire RAPA program area. The department collects various types of data such as NERC TADS, GADS, MIDAS and supports WECC's performance analysis obligations. Data Services specializes in data visualization used in reports, dashboards, and maps to help convey reliability risks to a wide stakeholder base.
3. The **Reliability Assessments Department** performs reliability assessments across multiple platforms, time frames, and tools. These assessments are performed in close coordination with NERC, WECC's technical committees, and other stakeholders. Assessments include historical operation of the Western Interconnection, forward-looking resource adequacy using deterministic and probabilistic methods, power flow and system stability analysis, and transmission utilization. Analysis is performed on a variety of future (up to 20 years out) scenarios of the Western Interconnection. The assessments are designed to address pertinent reliability risks informed by WECC's prioritized risks and other risks that may affect the reliability of the BPS.
4. The **Reliability Modeling Department** produces and distributes power system models of the Western Interconnection for use both within WECC and by stakeholders to perform reliability



assessments. WECC is the NERC-designated, interconnection-wide model builder under the MOD-032 Reliability Standard. The department collects and distributes model data in a variety of formats and across multiple software tools.

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

2026 Key Budget Assumptions

- Executive outreach to stakeholders increases.
- WECC and technical stakeholder group work will focus on understanding and treating priority reliability and security risks to the BES.
- WECC will respond to unanticipated emerging reliability risks and work with stakeholders to develop timely and meaningful reliability outreach and assessments.
- WECC will continue to participate in external meetings concerning the reliability, security, and resiliency of the BES.
- WECC will focus on expanding resource adequacy studies through increased stakeholder outreach.
- WECC will expand its generator weather readiness program.
- WECC will focus on continuous improvement and development of staff capabilities. Current capabilities will be reviewed and improved to enhance reliability assessments.
- Regional Risk Assessment results provide input on focus areas in the ERO CMEP Implementation Plan.
- WECC will continue to explore opportunities and implement new activities to provide value in transmission planning.
- WECC and the ERO Enterprise will identify ways to incorporate transfer capability analysis into ongoing reliability assessments.
- Transmission planning activities in the West will expand to incorporate longer-term (greater than 10-year) horizons.
- Reliability challenges associated with IBRs and extreme natural events will create a need for new data and tools (e.g., EMT programs) to study the impacts of these technologies and events.
- WECC will support various NERC reliability assessments and perform additional reliability assessments.

2026 Goals and Deliverables

- Work with stakeholders to develop a clear understanding of emerging risks to the BPS and associated mitigation strategies, particularly for the WECC prioritized risks.
- Ensure high precision of information and models used to assess the reliability of the BPS.
- Use advanced tools, techniques, and industry subject matter experts to identify system performance trends and vulnerabilities.



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- Hold reliability and security risk forums.
 - Continuously improve program processes and tools to adapt to changes in the industry.
 - Deliver quantitative and qualitative results for Corporate Scorecard items.
 - Deliver high-quality and influential work products focused on WECC's prioritized risks.
 - Use the Reliability Risk Management Process to align staff and stakeholder engagement on risk treatments within the Western Interconnection.
 - Ensure that WECC's RRA of the Western Interconnection is aligned with WECC prioritized risks and is refreshed annually.
 - Ensure the Western Interconnection is represented in reliability matters by participating in regional and national stakeholder forums.
 - Add value for a wide variety of stakeholders by developing reliability guidelines, technical white papers and reports, recommendations, and reference documents to address emerging issues, operational risks, and industry concerns related to system operations and transmission/resource planning.
 - Facilitate production cost, dynamic model, electromagnetic transient (EMT), and power flow tool development, focusing on new technology resources and concepts like energy storage and dynamic line ratings.
 - Implement technology solutions for enhanced data collection, validation, and storage.
 - Support Reliability Standards drafting activities by providing subject matter expertise to appropriate Standards Drafting Teams.
 - Promote reliability of the future transmission system in the Western Interconnection by supporting the WestTEC effort.
 - Successfully carry out all other RAPA delegated responsibilities.
 - Expand the use of performance and geospatial data to enhance the analysis of WECC's prioritized risks and identify emerging trends.



Reliability Assessment and Performance Analysis Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2025 Budget and 2026 Budget RELIABILITY ASSESSMENT AND PERFORMANCE ANALYSIS				
	2025 Budget	2026 Budget	Variance (\$)	Variance (%)
Revenue				
Statutory Funding				
WECC Assessments	\$ 11,374,924	\$ 11,092,619	\$ (282,305)	-2.48%
Penalties Released	1,362	12,939	\$ 11,577	850.00%
Total Statutory Funding	\$ 11,376,286	\$ 11,105,558	\$ (270,728)	-2.38%
Membership Fees	\$ -	\$ -	\$ -	
Federal Grants	-	-	\$ -	
Services & Software	-	-	\$ -	
Workshops & Miscellaneous	52,926	77,181	\$ 24,255	
Interest	309,434	309,966	\$ 532	0.17%
Total Revenue (A)	\$ 11,738,646	\$ 11,492,705	\$ (245,941)	-2.10%
Expenses				
Personnel Expenses				
Salaries	\$ 5,816,351	\$ 6,104,030	\$ 287,679	4.95%
Payroll Taxes	368,322	371,857	\$ 3,535	0.96%
Benefits	589,810	600,508	\$ 10,698	1.81%
Retirement Costs	516,630	484,879	\$ (31,751)	-6.15%
Total Personnel Expenses	\$ 7,291,113	\$ 7,561,274	\$ 270,161	3.71%
Meeting Expenses				
Meetings & Conference Calls	\$ 38,676	\$ 16,746	\$ (21,930)	-56.70%
Travel	197,585	206,301	\$ 8,716	4.41%
Total Meeting Expenses	\$ 236,261	\$ 223,047	\$ (13,214)	-5.59%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ 1,608,400	\$ 318,400	\$ (1,290,000)	-80.20%
Office Rent	-	-	\$ -	
Office Costs	494,713	404,321	\$ (90,392)	-18.27%
Professional Services	-	-	\$ -	
Miscellaneous	-	-	\$ -	
Total Operating Expenses	\$ 2,103,113	\$ 722,721	\$ (1,380,392)	-65.64%
Total Direct Expenses	\$ 9,630,487	\$ 8,507,042	\$ (1,123,445)	-11.67%
Indirect Expenses	\$ 3,617,061	\$ 3,773,017	\$ 155,956	4.31%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 13,247,548	\$ 12,280,059	\$ (967,489)	-7.30%
Change in Net Assets (=A-B)	\$ (1,508,902)	\$ (787,354)	\$ 721,548	-47.82%
Fixed Assets, excluding Right of Use Assets (C)	\$ 46,636	\$ 33,822	\$ (12,814)	\$ (0)
TOTAL BUDGET (B+C)	\$ 13,294,184	\$ 12,313,881	\$ (980,303)	-7.37%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (1,555,538)	\$ (821,176)	\$ 734,362	-47.21%
FTEs	41.00	42.00	1.00	2.44%
HC	41.00	42.00	1.00	2.44%



Training and Outreach

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

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

2026 Key Budget Assumptions

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

2026 Goals and Deliverables

- Maintain and continue to cultivate effective relationships with industry groups, WECC technical committees, ERO Enterprise, federal, state, and provincial regulators, policy- and decision-makers, and the broader reliability and security community.
- Engage in ongoing collaborations with national labs and educational institutions to match theory with practicality and actual grid response.
- Participate regionally and nationally (where appropriate) in seminars and conferences to promote the importance of BPS reliability and security.
- Increase inclusion of stakeholder perspectives and opportunities for collaboration into the product development process with the use of advisory groups.
- Assist other program areas in ensuring key studies and initiatives are aligned with the WECC Long-Term Strategy and Reliability Risk Priorities.
- Continue to refine stakeholder engagement strategies and outreach.
- Use multimedia and design strategies to develop new, more engaging, forms of interactions with stakeholders.



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- Improve program processes and tools continuously to respond to stakeholder feedback and adapt to changes in the industry.
 - Increase utilization of digitally dynamic products to improve stakeholder outreach and education.
 - Deliver quantitative and qualitative results for Corporate Scorecard items and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
 - Deliver Reliability & Security Oversight Monthly Update to educate and collaborate with stakeholders on various oversight activities.
 - Conduct webinars and workshops to expand awareness of reliability planning tools, modeling capabilities, and study results.
 - Continue to promote and facilitate three Grid Fundamentals courses to teach people who are new to the industry how the electric power system works, how it is managed, and how to better understand reliability issues.
 - Deliver two Reliability & Security Workshops to provide targeted outreach to address and mitigate key risks to reliability and security in the Western Interconnection.
 - Provide increased opportunities for stakeholder education through webinars and workshops to promote the reliability and security of the Western Interconnection. Topics include:
 - Current and future transmission planning studies throughout the Western Interconnection;
 - The top challenges to reliability of the BPS: IBRs, large loads, data centers, AI, transportation electrification;
 - Regulatory issues and trends; and
 - Event analysis.



Training and Outreach Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital				
2025 Budget and 2026 Budget				
TRAINING AND OUTREACH				
	2025 Budget	2026 Budget	Variance (\$)	Variance (%)
Revenue				
Statutory Funding				
WECC Assessments	\$ 2,149,410	\$ 2,370,248	\$ 220,838	10.27%
Penalties Released	315	2,927	\$ 2,612	829.21%
Total Statutory Funding	\$ 2,149,725	\$ 2,373,175	\$ 223,450	10.39%
Membership Fees	\$ -	\$ -	\$ -	
Federal Grants	-	-	\$ -	#DIV/0!
Services & Software	-	-	\$ -	#DIV/0!
Workshops & Miscellaneous	544,763	525,958	\$ (18,805)	-3.45%
Interest	71,698	70,111	\$ (1,587)	-2.21%
Total Revenue (A)	\$ 2,766,186	\$ 2,969,244	\$ 203,058	7.34%
Expenses				
Personnel Expenses				
Salaries	\$ 1,310,264	\$ 1,373,830	\$ 63,566	4.85%
Payroll Taxes	80,854	81,182	\$ 328	0.41%
Benefits	136,291	133,268	\$ (3,023)	-2.22%
Retirement Costs	116,505	109,231	\$ (7,274)	-6.24%
Total Personnel Expenses	\$ 1,643,914	\$ 1,697,511	\$ 53,597	3.26%
Meeting Expenses				
Meetings & Conference Calls	\$ 525,720	\$ 501,120	\$ (24,600)	-4.68%
Travel	46,080	31,846	\$ (14,234)	-30.89%
Total Meeting Expenses	\$ 571,800	\$ 532,966	\$ (38,834)	-6.79%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ -	\$ -	\$ -	
Office Rent	-	-	\$ -	
Office Costs	68,125	89,854	\$ 21,729	31.90%
Professional Services	-	-	\$ -	
Miscellaneous	-	-	\$ -	
Total Operating Expenses	\$ 68,125	\$ 89,854	\$ 21,729	31.90%
Total Direct Expenses	\$ 2,283,839	\$ 2,320,331	\$ 36,492	1.60%
Indirect Expenses	\$ 838,100	\$ 853,421	\$ 15,321	1.83%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 3,121,939	\$ 3,173,752	\$ 51,813	1.66%
Change in Net Assets (=A-B)	\$ (355,753)	\$ (204,508)	\$ 151,245	-42.51%
Fixed Assets, excluding Right of Use Assets (C)	\$ 10,806	\$ 7,650	\$ (3,156)	\$ (0)
TOTAL BUDGET (B+C)	\$ 3,132,745	\$ 3,181,402	\$ 48,657	1.55%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (366,559)	\$ (212,158)	\$ 154,401	-42.12%
FTEs	9.50	9.50	-	0.00%
HC	9.00	9.00	-	0.00%



Situation Awareness and Infrastructure Security

Program Scope, Purpose, and Impact

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

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

2026 Key Budget Assumptions

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

2026 Goals and Deliverables

- Continuously improve program processes and tools to adapt to changes in the industry.
- Deliver quantitative and qualitative results for Corporate Scorecard items.
- Monitor system events, collect information, and coordinate prompt distribution of updates on system events to industry stakeholders and NERC SAIS personnel.
- Work with NERC to monitor system data, weather, and technological developments to understand trends that affect reliability for the near- and long-term horizons.
- Coordinate the communication of critical information in daily NERC SAIS meetings and the NERC Crisis Action Plan meetings.
- Support efforts and work to develop and enhance ways to improve the use of SAFNR, the PI system, and other tools to further support SAIS.



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- Improve reliability readiness by participating in periodic wide-area security exercises (e.g., GridEx, Monitoring and Situation Awareness Workshop, NERC Alerts).
 - Promote rapid and appropriate sharing of situation awareness information to support critical infrastructure security.
 - Enhance engagement with Western stakeholders to improve the coordination and sharing of appropriate security information by hosting the annual Security Conference.



Situation Awareness and Infrastructure Security Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital				
2025 Budget and 2026 Budget				
SITUATION AWARENESS AND INFRASTRUCTURE SECURITY				
	2025 Budget	2026 Budget	Variance (\$)	Variance (%)
Revenue				
Statutory Funding				
WECC Assessments	\$ 507,844	\$ 552,583	\$ 44,739	8.81%
Penalties Released	66	616	\$ 550	833.33%
Total Statutory Funding	\$ 507,910	\$ 553,199	\$ 45,289	8.92%
Membership Fees	\$ -	\$ -	\$ -	
Federal Grants	-	-	\$ -	
Services & Software	-	-	\$ -	
Workshops & Miscellaneous	2,582	3,675	\$ 1,093	
Interest	15,094	14,760	\$ (334)	-2.21%
Total Revenue (A)	\$ 525,586	\$ 571,634	\$ 46,048	8.76%
Expenses				
Personnel Expenses				
Salaries	\$ 314,564	\$ 338,501	\$ 23,937	7.61%
Payroll Taxes	20,700	21,658	\$ 958	4.63%
Benefits	30,426	30,592	\$ 166	0.55%
Retirement Costs	27,995	27,080	\$ (915)	-3.27%
Total Personnel Expenses	\$ 393,685	\$ 417,831	\$ 24,146	6.13%
Meeting Expenses				
Meetings & Conference Calls	\$ -	\$ -	\$ -	
Travel	19,250	10,849	\$ (8,401)	-43.64%
Total Meeting Expenses	\$ 19,250	\$ 10,849	\$ (8,401)	-43.64%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ -	\$ -	\$ -	
Office Rent	-	-	\$ -	
Office Costs	3,600	2,520	\$ (1,080)	-30.00%
Professional Services	-	-	\$ -	
Miscellaneous	-	-	\$ -	
Total Operating Expenses	\$ 3,600	\$ 2,520	\$ (1,080)	-30.00%
Total Direct Expenses	\$ 416,517	\$ 431,200	\$ 14,665	3.52%
Indirect Expenses	\$ 176,442	\$ 179,667	\$ 3,225	1.83%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 592,959	\$ 610,867	\$ 17,908	3.02%
Change in Net Assets (=A-B)	\$ (67,373)	\$ (39,233)	\$ 28,140	-41.77%
Fixed Assets, excluding Right of Use Assets (C)	\$ 2,275	\$ 1,611	\$ (664)	\$ (0)
TOTAL BUDGET (B+C)	\$ 595,234	\$ 612,478	\$ 17,244	2.90%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (69,648)	\$ (40,844)	\$ 28,804	-41.36%
FTEs	2.00	2.00	-	0.00%
HC	2.00	2.00	-	0.00%



Corporate Services

Corporate Services (in whole dollars) Direct Expenses and Fixed Assets						
	2025 Budget	2026 Budget	Increase (Decrease)	FTEs 2025 Budget	FTEs 2026 Budget	Increase (Decrease)
Committee and Member Forums	\$ -	\$ -	\$ -	-	-	-
General and Administrative	\$ 6,110,050	\$ 6,325,595	\$ 215,545	19.00	17.50	(1.50)
Legal and Regulatory	\$ 1,142,835	\$ 1,273,986	\$ 131,151	3.50	4.00	0.50
Information Technology	\$ 3,810,520	\$ 4,177,585	\$ 367,065	13.00	14.00	1.00
Human Resources	\$ 1,219,717	\$ 1,200,673	\$ (19,044)	4.00	4.00	-
Accounting and Finance	\$ 718,535	\$ 753,974	\$ 35,439	3.00	3.00	-
Total Corporate Services*	\$ 13,001,657	\$ 13,731,813	\$ 730,156	42.50	42.50	-

*WECC's 2026 preliminary Corporate Services budget (direct expenses plus fixed assets) is \$13,731,813 of which \$1,450,225 is allocated to non-statutory activities. As a result of the allocation of direct expenses and fixed assets to the non-statutory function, the final 2026 Corporate Services budget is \$12,281,588, which is a \$441,591 increase from the 2025 budget after direct expense and fixed asset allocations.

Program Scope, Purpose, and Impact

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

- General and Administrative;
- Legal and Regulatory;
- Information Technology;
- Human Resources; and
- Finance and Accounting.

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

Method for Allocation of Corporate Services Expenses to Programs

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



General and Administrative

Program Scope, Purpose, and Impact

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

2026 Key Budget Assumptions

- Executive outreach to stakeholders increases.
- WECC staff will provide the same level of meetings and meeting support as 2025 for the Board of Directors and Board Committees.
- Salt Lake City, Utah is the Board-approved location for the 2026 Annual Meeting.
- Board Directors will be compensated according to the 2025 Board compensation structure, and compensation is expected to increase.
- WECC's unused office space is subleased.

2026 Goals and Deliverables

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

Legal and Regulatory

Program Scope, Purpose, and Impact

The Legal and Regulatory Program provides coordinated legal services and subject matter expertise to the Board, committees, and staff, in addition to consistent legal interpretations of relevant statutes, regulations, court opinions, and regulatory decisions. Legal is also responsible for enterprise risk management: identifying particular events or circumstances relevant to the organization, assessing their likelihood and their magnitude of impact, determining a response strategy, and monitoring risk status over time. This program is also responsible for WECC's Long-Term Strategy refreshes and Corporate Scorecard development and monitoring. On occasion, major efforts may be outsourced to



select law firms, but the responsibility for all legal matters remains with Legal and Regulatory. WECC's broad scope of activities requires significant legal support and review. Arranging for legal support is complicated by the technical nature of this developing area of law, and there are many potential areas of conflict prohibiting the use of law firms with energy practices.

2026 Key Budget Assumptions

- The scope of current Legal operations will be maintained.
- Reliance on outside legal counsel is minimal.
- Business insurance premiums increase by a modest amount.
- FTEs increase by 0.5 due to the removal of an allocation to the General and Administrative area resulting from changes in scope of work.

2026 Goals and Deliverables

- Continuously improve program processes and tools.
- Deliver quantitative and qualitative results for Corporate Scorecard items and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Provide efficient, cost-effective legal support to the Board, committees, and staff through a combination of in-house and outside resources.
- Advise staff on legal matters by participating in the development of products and ensuring protected information and data is not compromised.
- Coordinate with the ERO Enterprise legal group to identify and share best practices.

Information Technology

Program Scope, Purpose, and Impact

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

2026 Key Budget Assumptions

- WECC will increase security capabilities with more access controls and enhanced threat monitoring, detection, and reporting tools due to the ever-changing cybersecurity landscape.
- Internal and external penetration tests on the network and systems will be performed annually.
- IT will select, implement, and train users on a more robust organization-wide data reporting tool for increased data visualization, analytical, and reporting capabilities.



- Consultants will be used for project-based work to augment staff skill sets.
- IT will continue to drive long-term levelized costs by obtaining subscription services for software and infrastructure when practical.
- To retain vendor support and to reduce unplanned outages, desktop computer equipment will be replaced every four years, servers every five years, and network equipment every seven to 10 years.
- IT will continue to work collaboratively to share and make the most of the knowledge across the ERO Enterprise, minimize duplication of effort and investments, and improve operational efficiency, in support of the ERO Enterprise IT Strategy.
- One Database Engineer is added for support of expanded data workloads.

2026 Goals and Deliverables

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

Human Resources

Program Scope, Purpose, and Impact

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

2026 Key Budget Assumptions

- Total WECC headcount increases by six in 2026.
- WECC's current benefit levels are maintained.
- Employee engagement efforts are continually refined and adjusted to retain talent and build on WECC's strong cultural foundation. Specific focus will be on supporting and enhancing interactions and relationships with a distributed workforce.



- Management development and training will continue to be prioritized with a focus on written and interpersonal communication, accountability, coaching, and process improvement.
- NERC's Learning Management System and LinkedIn Learning are used as training resources for employees.

2026 Goals and Deliverables

- Continuously improve program processes and tools.
- Deliver quantitative and qualitative results for Corporate Scorecard items and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Target national markets for most positions, allowing WECC to hire from a larger candidate pool of highly skilled talent.
- Enhance all facets of the employee experience to achieve lower levels of turnover.
- Minimize employee skills gaps through the identification of critical technical skills, knowledge assessment criteria, and competency-based career pathing with a focus on targeted internal and external professional development/education, knowledge transfer efforts, and succession planning.
- Increase the effectiveness of performance management processes through manager training and development.
- Conduct training on interpersonal skills; harassment prevention; and other topics for all employees and managers.
- Deliver a comprehensive yet affordable benefits package to retain current employees and attract prospective employees while managing costs.
- Expand recruiting efforts through college campus outreach, social media platforms, and employee referral programs.

Finance and Accounting

Program Scope, Purpose, and Impact

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

2026 Key Budget Assumptions

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



2026 Goals and Deliverables

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



Corporate Services Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital				
2025 Budget and 2026 Budget				
CORPORATE SERVICES				
	2025 Budget	2026 Budget	Variance (\$)	Variance (%)
Revenue				
Statutory Funding				
WECC Assessments	\$ -	\$ -	\$ -	
Penalties Released	-	-	\$ -	
Total Statutory Funding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Membership Fees	\$ -	\$ -	\$ -	
Federal Grants	-	-	\$ -	
Services & Software	-	-	\$ -	
Workshops & Miscellaneous	-	-	\$ -	
Interest	-	-	\$ -	
Total Revenue (A)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Expenses				
Personnel Expenses				
Salaries	\$ 5,716,487	\$ 6,148,281	\$ 431,794	7.55%
Payroll Taxes	345,226	360,387	\$ 15,161	4.39%
Benefits	997,372	1,048,629	\$ 51,257	5.14%
Retirement Costs	537,590	491,183	\$ (46,407)	-8.63%
Total Personnel Expenses	<u>\$ 7,596,675</u>	<u>\$ 8,048,480</u>	<u>\$ 451,805</u>	<u>5.95%</u>
Meeting Expenses				
Meetings & Conference Calls	\$ 70,920	\$ 93,302	\$ 22,382	31.56%
Travel	171,624	188,256	\$ 16,632	9.69%
Total Meeting Expenses	<u>\$ 242,544</u>	<u>\$ 281,558</u>	<u>\$ 39,014</u>	<u>16.09%</u>
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ 277,000	\$ 463,000	\$ 186,000	67.15%
Office Rent	1,328,263	1,326,433	\$ (1,830)	-0.14%
Office Costs	2,063,975	2,123,117	\$ 59,142	2.87%
Professional Services	1,327,700	1,367,225	\$ 39,525	2.98%
Miscellaneous	-	-	\$ -	
Total Operating Expenses	<u>\$ 4,996,938</u>	<u>\$ 5,279,775</u>	<u>\$ 282,837</u>	<u>5.66%</u>
Total Direct Expenses	<u>\$ 12,836,157</u>	<u>\$ 13,609,813</u>	<u>\$ 773,656</u>	<u>6.03%</u>
Indirect Expenses	<u>\$ (12,836,157)</u>	<u>\$ (13,609,813)</u>	<u>\$ (773,656)</u>	<u>6.03%</u>
Other Non-Operating Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Total Expenses (B)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Change in Net Assets (=A-B)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Fixed Assets, excluding Right of Use Assets (C)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
TOTAL BUDGET (B+C)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
FTEs	42.50	42.50	-	0.00%
HC	43.00	43.00	-	0.00%



Non-Statutory Program

Goals, Budget Assumptions, and Statements of Activities

2026 Non-Statutory Budget Overview

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

Budget and Funding Summary

WECC's proposed 2026 non-statutory budget is \$4,638,000, a \$945,000 (26.0%) increase from the 2025 non-statutory budget. Non-statutory funding, derived predominantly from activity-based fees, is budgeted at \$3,568,000, a \$308,000 (9.4%) increase from 2025.

Major Budget Drivers

Funding Sources

- Membership Fees increase due to an anticipated increase in program participation and expansions of some programs.
- Interest remains stable due to anticipated rates of return on investments.
- Training revenue derived from customer training course fees.

Personnel Expenses

- Three FTEs are added due to program growth, program expansion, and new fuel type tracking requirements, which are all being driven by state renewable portfolio standards targets in the coming years.
- 3% merit and 1% market adjustment pools.
- Adjustments to compensation based on data from a salary survey to enable us to remain competitive with the market and hire and retain highly skilled employees.
- Refinement of payroll tax and benefits enrollment rates and premiums.
- Labor float assumption changes based on actual turnover and vacancy rates.

Meeting Expenses

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

Indirect Expenses

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



Consultants and Contracts

- Consulting increases to provide project management and documentation assistance for various software projects.

Computer/Software Maintenance & Licenses

- Software costs increase due to escalations in software licensing fees as well as new software for a help desk solution.



WREGIS Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2025 Budget & Projection, and 2026 Budget NON-STATUTORY						
	2025 Budget	2025 Projection	Variance 2025 Budget v 2025 Projection Over(Under)	2026 Budget	Variance (\$)	Variance (%)
Revenue						
Statutory Funding						
WECC Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	
Penalties Released	-	-	-	-	-	
Total Statutory Funding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Membership Fees	\$ 3,077,375	\$ 3,196,796	\$ 119,421	3,385,000	\$ 307,625	10.00%
Federal Grants	-	-	-	-	-	
Services & Software	-	-	-	-	-	
Workshops & Miscellaneous	2,500	1,800	(700)	2,500	-	0.00%
Interest	180,000	304,713	124,713	180,000	-	0.00%
Total Revenue (A)	<u>\$ 3,259,875</u>	<u>\$ 3,503,309</u>	<u>\$ 243,434</u>	<u>\$ 3,567,500</u>	<u>\$ 307,625</u>	<u>9.44%</u>
Expenses						
Personnel Expenses						
Salaries	\$ 1,139,845	\$ 1,029,073	\$ (110,772)	\$ 1,390,198	\$ 250,353	21.96%
Payroll Taxes	72,898	69,230	(3,668)	85,687	12,789	17.54%
Benefits	174,656	140,508	(34,148)	201,563	26,907	15.41%
Retirement Costs	101,295	91,774	(9,521)	110,735	9,440	9.32%
Total Personnel Expenses	<u>\$ 1,488,694</u>	<u>\$ 1,330,585</u>	<u>\$ (158,109)</u>	<u>\$ 1,788,183</u>	<u>\$ 299,489</u>	<u>20.12%</u>
Meeting Expenses						
Meetings & Conference Calls	\$ 5,200	\$ 3,439	\$ (1,761.00)	\$ 5,400	\$ 200	3.85%
Travel	46,830	43,299	(3,531)	46,080	(750)	-1.60%
Total Meeting Expenses	<u>\$ 52,030</u>	<u>\$ 46,738</u>	<u>\$ (5,292)</u>	<u>\$ 51,480</u>	<u>\$ (550)</u>	<u>-1.06%</u>
Operating Expenses, excluding Depreciation						
Consultants & Contracts	\$ -	\$ 264,000	\$ 264,000	\$ 100,000	\$ 100,000	
Office Rent	-	-	-	-	-	
Office Costs	990,968	1,004,960	13,992	1,247,972	257,004	25.93%
Professional Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Total Operating Expenses	<u>\$ 990,968</u>	<u>\$ 1,268,960</u>	<u>\$ 277,992</u>	<u>\$ 1,347,972</u>	<u>\$ 357,004</u>	<u>36.03%</u>
Total Direct Expenses	<u>\$ 2,531,692</u>	<u>\$ 2,646,283</u>	<u>\$ 114,591</u>	<u>\$ 3,187,635</u>	<u>\$ 655,943</u>	<u>25.91%</u>
Indirect Expenses	<u>\$ 1,146,873</u>	<u>\$ 1,072,725</u>	<u>\$ (74,148)</u>	<u>\$ 1,437,341</u>	<u>\$ 290,468</u>	<u>25.33%</u>
Other Non-Operating Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Total Expenses (B)	<u>\$ 3,678,565</u>	<u>\$ 3,719,008</u>	<u>\$ 40,443</u>	<u>\$ 4,624,976</u>	<u>\$ 946,411</u>	<u>25.73%</u>
Change in Net Assets (=A-B)	<u>\$ (418,690)</u>	<u>\$ (215,699)</u>	<u>\$ 202,991</u>	<u>\$ (1,057,476)</u>	<u>\$ (638,786)</u>	<u>152.57%</u>
Fixed Assets, excluding Right of Use Assets (C)	<u>\$ 14,787</u>	<u>\$ -</u>	<u>\$ (14,787)</u>	<u>\$ 12,884</u>	<u>\$ (1,903)</u>	<u>-12.87%</u>
TOTAL BUDGET (B+C)	<u>\$ 3,693,352</u>	<u>\$ 3,719,008</u>	<u>\$ 25,656</u>	<u>\$ 4,637,860</u>	<u>\$ 944,508</u>	<u>25.57%</u>
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	<u>\$ (433,477)</u>	<u>\$ (215,699)</u>	<u>\$ 217,778</u>	<u>\$ (1,070,360)</u>	<u>\$ (636,883)</u>	<u>146.92%</u>
FTEs	13.00	13.00	-	16.00	3.00	23.08%
HC	13.00	13.00	-	16.00	3.00	23.08%



Personnel—Overview of FTEs and Expenses

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

Total FTEs by Program Area	Budget 2025	Direct FTEs 2026 Budget	Shared FTEs* 2026 Budget	Total FTEs 2026 Budget	Change from 2025 Budget
NON-STATUTORY					
Operational Programs					
Total FTEs Operational Programs	-	-	-	-	-
Administrative Programs					
WREGIS	13.00	16.00	-	16.00	3.00
Total FTEs Administrative Programs	13.00	16.00	-	16.00	3.00
Total FTEs	13.00	16.00	-	16.00	3.00

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



Overview of Changes in Reserves

Working Capital Reserve Analysis	
NON-STATUTORY	
	Total
Beginning Reserve (Deficit), January 1, 2025	\$ 7,305,200
Plus: 2025 Funding	3,503,309
Less: 2025 Projected expenses & capital expenditures	(3,719,008)
Projected Working Capital Reserve (Deficit), December 31, 2025	<u>\$ 7,089,501</u>
Plus: 2026 Funding	3,567,500
Less: 2026 Transfer of Peak Holdback Reserves from Non-Statutory to Statutory	(312,000)
Less: 2026 Projected expenses & capital expenditures	(4,637,860)
Projected Working Capital Reserve, December 31, 2026	<u>\$ 5,707,141</u>



Non-Statutory Program—Goals and Budget Assumptions

WREGIS

Program Scope, Purpose, and Impact

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

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

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

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

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

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

2026 Key Budget Assumptions

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

- Transaction fees are based on organization type.
 - Approximately 4% of revenues are based on annual fees.
 - Approximately 92% of revenues are based on transaction fees, which may depend on factors like weather (wind and solar generation levels) and state regulatory policies (retirement, transfers, etc.).



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

2026 Goals and Deliverables

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



Appendices

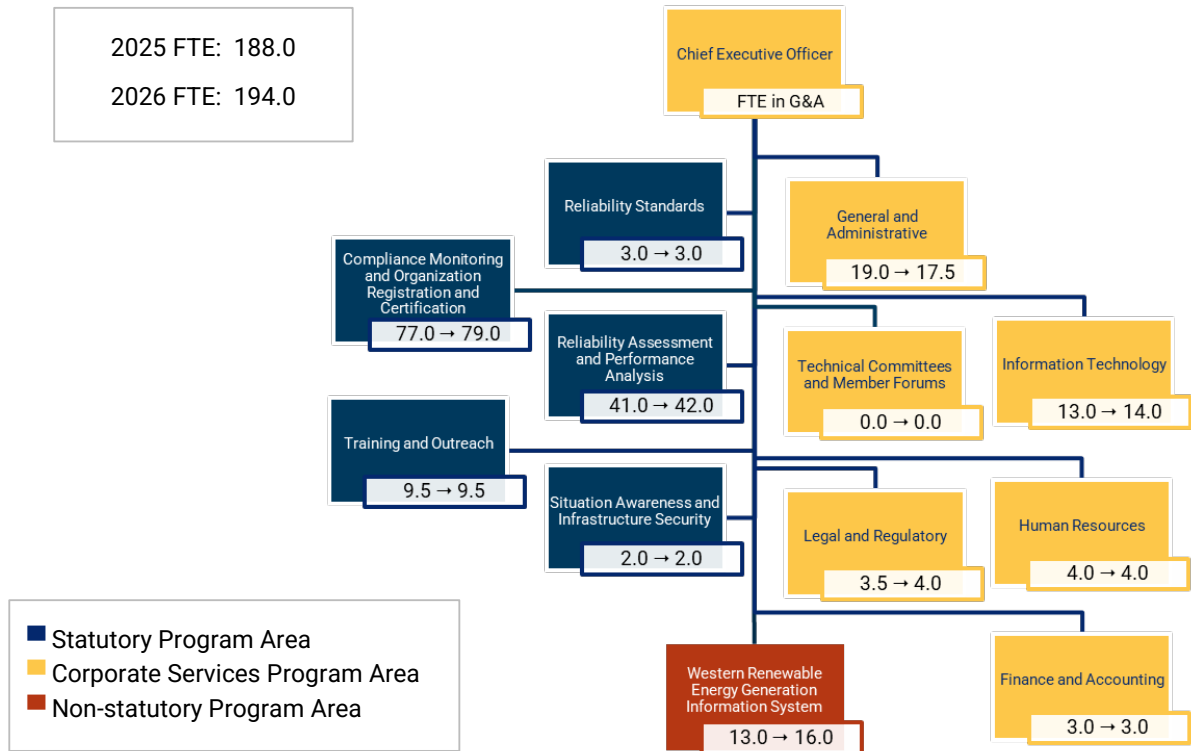
Additional Information

Appendix A—2026 Statement of Activities by Program, Statutory and Non-Statutory

Statement of Activities and Capital Expenditures by Program	Total	Statutory Total	Non-Statutory Total	Statutory Programs							Non-Statutory Program	
				Statutory Total	Reliability Standards	Compliance and Organization Registration and Certification	Reliability Assessment and Performance Analysis	Training and Outreach	Situation Awareness and Infrastructure Security	Corporate Services	Non-Statutory Total	WREGIS
Revenue												
Statutory Funding												
WECC Assessments	\$ 35,657,280	\$ 35,657,280	\$ -	\$ 35,657,280	\$ 855,914	\$ 20,785,916	\$ 11,092,619	\$ 2,370,248	\$ 552,583	\$ -	\$ -	\$ -
Penalties Released	41,745	41,745	-	41,745	924	24,339	12,939	2,927	616	-	-	-
Total Statutory Funding	\$ 35,699,025	\$ 35,699,025	\$ -	\$ 35,699,025	\$ 856,838	\$ 20,810,255	\$ 11,105,558	\$ 2,373,175	\$ 553,199	\$ -	\$ -	\$ -
Non-statutory Funding	\$ 3,385,000	\$ -	\$ 3,385,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,385,000	\$ 3,385,000
Workshops & Miscellaneous	760,000	757,500	2,500	757,500	5,513	145,173	77,181	525,958	3,675	-	2,500	2,500
Interest	1,180,006	1,000,006	180,000	1,000,006	22,140	583,029	309,966	70,111	14,760	-	180,000	180,000
Total Revenue (A)	\$ 41,024,031	\$ 37,456,531	\$ 3,567,500	\$ 37,456,531	\$ 884,491	\$ 21,538,457	\$ 11,492,705	\$ 2,969,244	\$ 571,634	\$ -	\$ 3,567,500	\$ 3,567,500
Expenses												
Personnel Expenses												
Salaries	\$ 27,407,022	\$ 26,016,824	\$ 1,390,198	\$ 26,016,824	\$ 538,597	\$ 11,513,585	\$ 6,104,030	\$ 1,373,830	\$ 338,501	\$ 6,148,281	\$ 1,390,198	\$ 1,390,198
Payroll Taxes	1,662,984	1,577,297	85,687	1,577,297	31,969	710,244	371,857	81,182	21,658	360,387	85,687	85,687
Benefits	3,188,431	2,986,868	201,563	2,986,868	42,986	1,130,885	600,508	133,268	30,592	1,048,629	201,563	201,563
Retirement Costs	2,182,007	2,071,272	110,735	2,071,272	43,088	915,811	484,879	109,231	27,080	491,183	110,735	110,735
Total Personnel Expenses	\$ 34,440,444	\$ 32,652,261	\$ 1,788,183	\$ 32,652,261	\$ 656,640	\$ 14,270,525	\$ 7,561,274	\$ 1,697,511	\$ 417,831	\$ 8,048,480	\$ 1,788,183	\$ 1,788,183
Meeting Expenses												
Meetings & Conference Calls	\$ 616,568	\$ 611,168	\$ 5,400	\$ 611,168	\$ -	\$ -	\$ 16,746	\$ 501,120	\$ -	\$ 93,302	\$ 5,400	\$ 5,400
Travel	1,090,040	1,043,960	46,080	1,043,960	17,378	589,330	206,301	31,846	10,849	188,256	46,080	46,080
Total Meeting Expenses	\$ 1,706,608	\$ 1,655,128	\$ 51,480	\$ 1,655,128	\$ 17,378	\$ 589,330	\$ 223,047	\$ 532,966	\$ 10,849	\$ 281,558	\$ 51,480	\$ 51,480
Operating Expenses, excluding Depreciation												
Consultants & Contracts	\$ 1,595,400	\$ 1,495,400	\$ 100,000	\$ 1,495,400	\$ -	\$ 714,000	\$ 318,400	\$ -	\$ -	\$ 463,000	\$ 100,000	\$ 100,000
Office Rent	1,326,433	1,326,433	-	1,326,433	-	-	-	-	-	1,326,433	-	-
Office Costs	4,212,624	2,964,652	1,247,972	2,964,652	1,755	343,085	404,321	89,854	2,520	2,123,117	1,247,972	1,247,972
Professional Services	1,367,225	1,367,225	-	1,367,225	-	-	-	-	-	1,367,225	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	\$ 8,501,682	\$ 7,153,710	\$ 1,347,972	\$ 7,153,710	\$ 1,755	\$ 1,057,085	\$ 722,721	\$ 89,854	\$ 2,520	\$ 5,279,775	\$ 1,347,972	\$ 1,347,972
Total Direct Expenses	\$ 44,648,734	\$ 41,461,099	\$ 3,187,635	\$ 41,461,099	\$ 675,773	\$ 15,916,940	\$ 8,507,042	\$ 2,320,331	\$ 431,200	\$ 13,609,813	\$ 3,187,635	\$ 3,187,635
Indirect Expenses	\$ -	\$ (1,437,341)	\$ 1,437,341	\$ (1,437,341)	\$ 269,501	\$ 7,096,866	\$ 3,773,017	\$ 853,421	\$ 179,667	\$ (13,609,813)	\$ 1,437,341	\$ 1,437,341
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 44,648,734	\$ 40,023,758	\$ 4,624,976	\$ 40,023,758	\$ 945,274	\$ 23,013,806	\$ 12,280,059	\$ 3,173,752	\$ 610,867	\$ -	\$ 4,624,976	\$ 4,624,976
Change in Net Assets (=A-B)	\$ (3,624,703)	\$ (2,567,227)	\$ (1,057,476)	\$ (2,567,227)	\$ (60,783)	\$ (1,475,349)	\$ (787,354)	\$ (204,508)	\$ (39,233)	\$ -	\$ (1,057,476)	\$ (1,057,476)
Fixed Assets, excluding Right of Use Assets (C)	\$ 122,000	\$ 109,116	\$ 12,884	\$ 109,116	\$ 2,416	\$ 63,617	\$ 33,822	\$ 7,650	\$ 1,611	\$ -	\$ 12,884	\$ 12,884
TOTAL BUDGET (B+C)	\$ 44,770,734	\$ 40,132,874	\$ 4,637,860	\$ 40,132,874	\$ 947,690	\$ 23,077,423	\$ 12,313,881	\$ 3,181,402	\$ 612,478	\$ -	\$ 4,637,860	\$ 4,637,860
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (3,746,703)	\$ (2,676,343)	\$ (1,070,360)	\$ (2,676,343)	\$ (63,199)	\$ (1,538,966)	\$ (821,176)	\$ (212,158)	\$ (40,844)	\$ -	\$ (1,070,360)	\$ (1,070,360)
FTEs	194.00	178.00	16.00	178.00	3.00	79.00	42.00	9.50	2.00	42.50	16.00	16.00
HC	194.00	178.00	16.00	178.00	3.00	79.00	42.00	9.00	2.00	43.00	16.00	16.00



Appendix B—Organizational Chart—Changes in FTE by Program

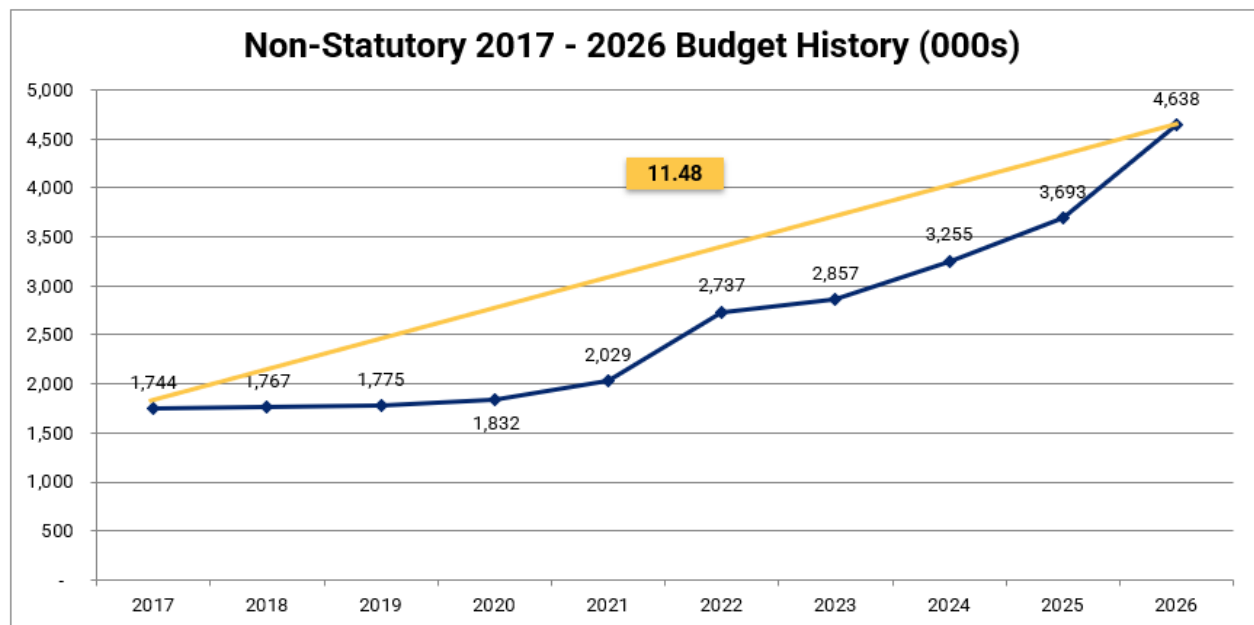
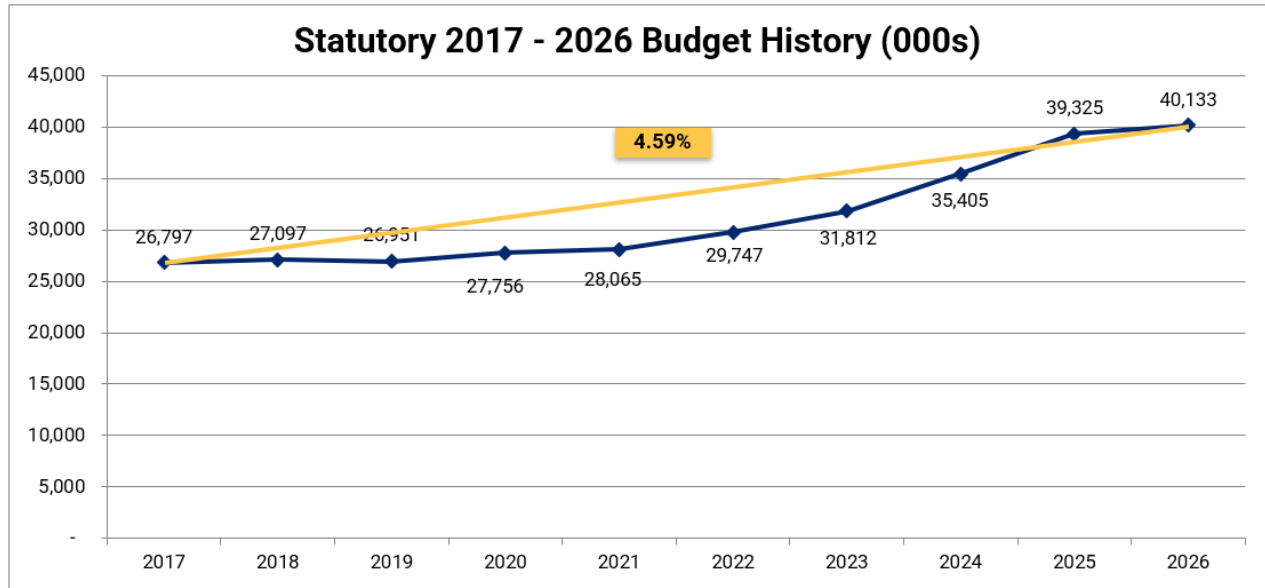


Appendix C—Adjustment to the Alberta Electric System Operator (AESO) Assessment

To be calculated and inserted after NEL data is collected.



Appendix D—Statutory and Non-Statutory Budget History Charts





2026 Business Plan and Budget

Approved by: WECC Board of Directors

June XX, 2025

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Introduction

TOTAL RESOURCES (in whole dollars)				
	2026 Budget	U.S.	Canada	Mexico
Statutory FTEs*	178.0	To be updated when NEL data received		
Non-statutory FTEs	16.0			
Total FTEs	194.0			
Statutory Budget	\$ 40,132,874			
Non-Statutory Budget	\$ 4,637,860			
Total Expenses	\$ 44,770,735			
Statutory Assessments	\$ 35,657,280	29,424,702	3,591,298	-
Non-Statutory Fees	\$ 3,567,500	2,856,650	677,000	33,850
NEL**	-			
NEL%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

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

**NEL is defined as Net Energy for Load.

Organizational Overview

WECC is a 501(c)(4) social welfare organization funded through Load-Serving Entity (LSE) assessments authorized by the Federal Energy Regulatory Commission (FERC) under Section 215 of the Federal Power Act. WECC's mission is to effectively and efficiently reduce risks to the reliability and security of the Western Interconnection's Bulk Power System (BPS). WECC operates under a delegation agreement with the North American Electric Reliability Corporation (NERC) and in accordance with its Bylaws. WECC executes its mission while working with a broad community consisting of industry stakeholders and two advisory bodies: the Member Advisory Committee (MAC) and the Western Interconnection Regional Advisory Body (WIRAB).

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

WECC delivers its mission through:

- Effective risk-based monitoring and enforcement of Reliability Standards through standards development, entity registration and certification, compliance risk assessments, audits and investigations, and, when necessary, enforcement;
- Working with industry participants, policymakers and other stakeholders in the Western Interconnection to conduct system modeling and information sharing, reliability assessments, performance analyses, situation awareness, and event analyses; and



- Targeted training, outreach, and engagement to better educate and inform stakeholders about the near- and long-term impacts their decisions have on the reliability and security of the Western Interconnection.

Three principles guide WECC's business philosophy:

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

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

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

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

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

Membership and Governance

WECC has 338 members¹ divided into the following five Membership Classes:

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

¹ As of Feb. 19, 2025

WECC membership is open to any person or entity that has an interest in the reliable and secure operation of the Western Interconnection BPS. WECC membership is not required for participation in the WECC Standards Development process [or any other stakeholder proceeding](#).²

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

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

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

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

- Joint Guidance Committee (JGC);
- Market Interface Committee (MIC);
- Member Advisory Committee (MAC);
- Operating Committee (OC);
- Reliability Assessment Committee (RAC); and
- WECC Standards Committee (WSC).

2026 Strategic Goals

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

WECC's Board-approved [Long-Term Strategy](#) builds on the foundation established by the Electric Reliability Organization (ERO) Enterprise Long-Term Strategy. Described more fully below, the ERO Enterprise Long-Term Strategy represents continent-wide risks and was vetted through a stakeholder process. WECC's Long-Term Strategy then identifies unique Western long-term Impact Areas to address the reliability and security needs of the Western Interconnection while supporting reliability and

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



security across North America. These two strategy documents, coupled with the ERO Enterprise-driven program areas, will guide the work of WECC in 2026 and beyond.

Additionally, at its June 2024 meeting, the Board approved the following Reliability Risk Priorities (RRP) at its June 2024 meeting intended to further focus WECC's work. ~~The~~ Risks ~~were~~ are now identified through an analytical process ~~developed within that begins with~~ the Reliability Risk Committee (RRC). WECC is developing and implementing a more nimble approach to identify and treat mitigate reliability risks that engages stakeholders more broadly ~~Identification and treatment of reliability risks through the work of the RRC and engagement more broadly with stakeholders provides a nimbler approach as~~ risks arise and program area work plans are developed and modified. Much of the work related to the WECC RRP involves staff time; examples of activities supporting these priorities are noted in the proper statutory program area sections of the business plan.

Reliability Risk Priorities

Aridification and Associated Natural Events

Aridification is the gradual, permanent change of a region to a drier climate. Aridification is a long-term process with a timespan well beyond our current planning horizons; however, natural events associated with aridification have a more immediate and tangible effect. Drought, heat events, and increased wildfire activity challenge the planning and operation of the system in the West. While changes in climate are experienced across the continent, the changes associated with aridification are particular to and highly concentrated in the West.

Impact of Inverter-based Resources

Inverter-based resources (IBR) include wind turbines, solar photovoltaic, and battery energy storage systems. IBRs are facilities connected to the bulk power system that convert DC electricity from renewable sources into AC electricity, which allows power to flow into the grid. Over the next decade, entities in the West plan to add more than 100 GW of IBRs to the system to meet demand under clean and green energy policies.

Lack of Coordinated Resource and Transmission Planning

Historically, transmission planning and resource planning have occurred separately. While some entities combine the two types of planning, this is not the case on regional or interconnection-wide levels. Recent events and analyses have highlighted the need to coordinate resource and transmission planning on an interconnection-wide basis. As the heat wave in August 2020 and the Bootleg Fire in 2021 showed, under certain circumstances, the ability to move power can be as limiting as the availability of that power. As the footprint of natural events increases, so too must the ability to effectively move power across the Interconnection.

Modeling Quality and Input Validation

Modeling is the process of building computer models of energy systems to analyze and better understand them. Studying how assets on the grid will respond to disturbances or other changes (e.g., demand growth) helps prevent reliability issues on the bulk power system. With rapid changes



occurring on the system, up-to-date, accurate models and data are critical to planning and operating the system.

Potential effects of energy policies in the West

The West is a patchwork of different, sometimes contradicting, energy policies that address topics such as energy efficiency, clean energy, transportation, building codes, and protection of legacy generation types. These policies drive changes to the operation and planning of the bulk power system and can create an environment that introduces risk to the reliability and resilience of that system. In aggregate, these policies create a varied and complex tapestry that may introduce more risks to the power system in the West.

ERO Enterprise

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

NERC and the Regional Entities play different, but important and complementary, roles in delivering ERO Enterprise programs. NERC provides industry-wide perspective and oversight, and the Regional Entities have unique features and activities that serve the needs of their regional constituents, while ensuring that registered entities follow NERC and Regional Reliability Standards. Regional Entities also have an obligation to meet professional standards of independence and objectivity and provide the best available expertise to address regional risks. This way of working is represented by this visual. The ERO Enterprise is explicitly committed to its collective success in achieving its vision of a highly reliable and secure North American BPS.



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

In 2024, the ERO Enterprise revised the [ERO Enterprise Long-Term Strategy](#). The WECC Board acknowledged this strategy in September 2024 as a valuable input to the WECC strategic planning process and recognized it as a beneficial collaboration with NERC and the Regional Entities. The

strategy includes the following focus areas for achieving success in the ERO Enterprise vision and mission:

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

As part of the business planning and budgeting process, NERC and the Regional Entities each have their own priorities and strategic focus areas, but continually come together to ensure alignment with the long-term strategy and that business processes and operations harmonize across the ERO Enterprise where appropriate. WECC acknowledges and supports the long-term strategy as well as the work products specific to WECC that are described in each statutory program, discussed in [Statutory Programs](#).

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



2026 Statutory Budget Overview

Those who plan, operate, and care about the reliability of the Western Interconnection continue to confront numerous and rapidly evolving challenges—increasingly recurrent extreme natural events, large-scale generator retirements to meet aggressive clean energy goals, massive amounts of new generators that present new technological and dispatchability challenges, evolving and increasing cybersecurity and physical threats, the risks and opportunities posed by artificial intelligence, rapidly changing demand brought about by electrification, and the proliferation of data centers and other technologies, with their accompanying large loads. The 2026 Business Plan and Budget assumes that all these challenges will continue, as will the challenges in the labor market, where the competition for talent and the increasing costs to attract and retain a highly skilled workforce remain

Budget and Funding Summary

WECC's proposed 2026 statutory budget is \$40,133,000~~569,000~~, a \$8081,243,000 (2.13.2%) increase from the 2025 statutory budget. WECC's proposed statutory assessment is \$35,6578,689,000, a \$2,6415,673,000 (48.02%) increase over the 2025 statutory assessment. Major drivers of the increase in budgeted expenditures are outlined below ~~The assessment increase is attributed in part to the increase in budget and to a \$4.40 million reduction in the use of reserves to fund budgeted expenditures compared to 2025.~~ 2026 funding includes the use of working capital reserves of \$2,476,000, Peak Donation reserves of \$200,000, and \$1,758680,000 of other income.

Major Budget Drivers

Personnel Expenses

- ~~ThreeSix~~ new full-time equivalents (FTE) to support increasing demands on the organization:
 - ~~TwoFive~~ FTE are added in Compliance Monitoring and Enforcement in response to different and new types of work, to build improved depth and breadth of skillsets, to address enforcement inventory, and in response to the downstream increase of all related work from new registrants;
 - One FTE is added in Reliability Assessment and Performance Analysis to support a weather readiness program for generators in the Western Interconnection;
- 3% merit and 1% market adjustment pools;
- Adjustments to compensation based on data from a salary survey to enable us to remain competitive with the market and hire and retain highly skilled employees;
- Refinement of payroll tax and benefits enrollment rates and premiums; and
- Labor float assumption changes based on actual turnover and vacancy rates.

Meeting Expenses

- ~~Annual meeting budgeted to be off site.~~



Operating Expenses

- Consulting decreases due to the anticipated wrap-up of the transmission planning project performed in conjunction with WPP and WestTEC, which Peak Reliability donation funds have contributed to.
- Contract labor increases to reduce the open Enforcement inventory backlog.

Peak Reliability Donation

Peak Reliability (Peak) ceased all Reliability Coordinator (RC) operations in December 2019 and dissolved as a corporate entity in December 2020. After review and approval by the Board, WECC entered into a donation holdback agreement with Peak before its dissolution. Per the agreement, Peak donated \$4,127,000 of its remaining funds to WECC. Of the total amount, \$3,827,000 will be used to fund projects focused on the reliability and security of the BPS in the Western Interconnection. This portion was recorded as a statutory donation. Additionally, Peak requested WECC hold \$300,000 for a period of five years to pay any Peak bills that may be presented following Peak's formal closure on December 31, 2020. This amount was recorded as a non-statutory liability. The statutory amount is currently included in WECC's reserves, which are further detailed in the [Overview of Changes in Reserves](#). Non-statutory funds remaining after the five-year period will also be used to fund reliability and security projects. The holdback period ends at the end of 2025, and the remaining holdback amount plus compounded interest of approximately \$312,000 will be converted from non-statutory to statutory reserves through the 2026 Business Plan and Budget cycle.

Proposed projects are vetted with the executive team and stakeholders via targeted outreach, technical committees, and the Business Plan and Budget (BP&B) process. Our final contribution to the WestTEC transmission project is included in the 2026 BP&B.

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

In 2024, WECC proposed to use approximately \$500,000 of the Peak Donation reserve in 2024; that amount has been deferred to 2025 due to project delays. \$1,500,000 from the Peak Donation reserve was budgeted to fund this project in 2025. In 2026, \$200,000 is budgeted for the final phase of the project.

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



2025 Statutory Budget and Projection and 2026 Budget

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2025 Budget & Projection, and 2026 Budget						
STATUTORY						
	2025 Budget	2025 Projection	Variance 2025 Budget v 2025 Projection Over(Under)	2026 Budget	Variance (\$)	Variance (%)
Revenue						
Statutory Funding						
WECC Assessments	\$ 33,016,000	\$ 33,016,000	\$ -	\$ 35,657,280	\$ 2,641,280	8.00%
Penalties Released ¹	4,400	4,400	\$ -	41,745	\$ 37,345	848.75%
Total Statutory Funding	\$ 33,020,400	\$ 33,020,400	\$ -	\$ 35,699,025	\$ 2,678,625	8.11%
Membership Fees	\$ -	\$ -	\$ -	\$ -	\$ -	
Federal Grants	-	-	\$ -	-	\$ -	
Services & Software	-	-	\$ -	-	\$ -	
Workshops & Miscellaneous	703,541	\$ 695,093	\$ (8,448.00)	757,500	\$ 53,959	7.67%
Interest	1,000,000	\$ 1,228,265	\$ 228,265.00	1,000,006	\$ 6	0.00%
Total Revenue (A)	\$ 34,723,941	\$ 34,943,758	\$ 219,817	\$ 37,456,531	\$ 2,732,590	7.87%
Expenses						
Personnel Expenses						
Salaries	\$ 24,449,956	\$ 24,422,190	\$ (27,766.00)	\$ 26,016,824	\$ 1,566,868	6.41%
Payroll Taxes	1,536,792	1,612,311	\$ 75,519.00	1,577,297	\$ 40,505	2.64%
Benefits	2,934,023	2,903,909	\$ (30,114.00)	2,986,868	\$ 52,845	1.80%
Retirement Costs	2,200,566	2,105,751	\$ (94,815.00)	2,071,272	\$ (129,294)	-5.88%
Total Personnel Expenses	\$ 31,121,337	\$ 31,044,161	\$ (77,176)	\$ 32,652,261	\$ 1,530,924	4.92%
Meeting Expenses						
Meetings & Conference Calls	\$ 635,316	\$ 608,639	\$ (26,677.00)	\$ 611,168	\$ (24,148)	-3.80%
Travel	1,062,145	944,525	\$ (117,620.00)	1,043,960	\$ (18,185)	-1.71%
Total Meeting Expenses	\$ 1,697,461	\$ 1,553,164	\$ (144,297)	\$ 1,655,128	\$ (42,333)	-2.49%
Operating Expenses, Excluding Depreciation						
Consultants & Contracts	\$ 1,897,400	\$ 1,786,453	\$ (110,947.00)	\$ 1,495,400	\$ (402,000)	-21.19%
Office Rent	1,328,263	1,328,747	\$ 484.00	1,326,433	\$ (1,830)	-0.14%
Office Costs	2,949,356	2,715,077	\$ (234,279.00)	2,964,652	\$ 15,296	0.52%
Professional Services	1,327,700	1,297,321	\$ (30,379.00)	1,367,225	\$ 39,525	2.98%
Miscellaneous	-	-	\$ -	-	\$ -	
Total Operating Expenses	\$ 7,502,719	\$ 7,127,598	\$ (375,121)	\$ 7,153,710	\$ (349,009)	-4.65%
Total Direct Expenses	\$ 40,321,517	\$ 39,724,923	\$ (596,594)	\$ 41,461,099	\$ 1,139,582	2.83%
Indirect Expenses	\$ (1,146,873)	\$ (1,072,725)	\$ 74,148	\$ (1,437,341)	\$ (290,468)	25.33%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ (2)	
Total Expenses (B)	\$ 39,174,644	\$ 38,652,198	\$ (522,446)	\$ 40,023,758	\$ 849,112	2.17%
Change in Net Assets (=A-B)	\$ (4,450,703)	\$ (3,708,440)	\$ 742,263	\$ (2,567,227)	\$ 1,883,478	-42.32%
Fixed Asset Additions, Excluding Right of Use Assets (C)	\$ 150,713	\$ 176,778	\$ -	\$ 109,116	\$ (41,597)	-27.60%
TOTAL BUDGET (B+C)	\$ 39,325,357	\$ 38,828,976	\$ (522,446)	\$ 40,132,874	\$ 807,517	2.05%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (4,601,416)	\$ (3,885,218)	\$ 742,263	\$ (2,676,343)	\$ 1,925,075	-41.84%
FTEs	175.00	175.00	-	178.00	3.00	1.71%
HC	175.00	175.00	-	178.00	3.00	1.71%

¹ Represents the amount released from working capital reserves to offset U.S. assessments as approved by the NERC Board of Trustees and FERC. Actual penalties invoiced in the current reporting year will be reported as income on the audited financial statements in accordance with Generally Accepted Accounting Principles (GAAP).



Monetary Penalties

As documented in the NERC Policy *Accounting, Financial Statement and Budgetary Treatment of Penalties Imposed and Received for Violations of Reliability Standards*, penalty monies received on or before June 30, 2025, will be used to offset assessments in the 2026 WECC budget.

WECC collected \$4,400 in penalty monies between July 1, 2023, and June 30, 2024 to offset assessments for 2025.

WECC ~~has not~~ collected \$41,745 in any penalty monies between July 1, 2024, and June 30, 2025 to offset assessments for 2026.

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

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

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



Major Budget Drivers—Statutory Programs

Program Area	Budget 2025	Budget 2026	Variance \$	Variance %
Reliability Standards	\$ 954,606	\$ 947,690	\$ (6,916)	(0.72%)
Compliance Monitoring and Enforcement and Organization Registration and Certification	21,348,588	23,077,423	1,728,835	8.10%
Reliability Assessment and Performance Analysis	13,294,184	12,313,881	(980,303)	(7.37%)
Training and Outreach	3,132,745	3,181,402	48,657	1.55%
Situation Awareness and Infrastructure Security	595,234	612,478	17,244	2.90%
Total*	\$ 39,325,357	\$ 40,132,874	\$ 807,517	2.05%

*includes allocated Corporate Services costs

Reliability Standards

No major budget drivers in this area.

Compliance Monitoring and Enforcement and Organization Registration and Certification

Personnel Expenses

- ~~Two~~Five new FTEs are added to the Compliance Monitoring and Enforcement (CMEP) and Organization Registration and Certification budget in 2026.
 - ~~Two Enforcement Mitigation Engineers will help process and reduce current enforcement caseload backlog and the anticipated incoming caseload commensurate with an increase in registered entities.~~
 - One Registration Engineer to enhance registration processing efficiency in line with increased registration activities related to IBRs.
 - ~~One Compliance Program Coordinator to support the workload commensurate with increased registrations and increased demands and expectations of the CMEP area.~~
 - One Risk Assessment Engineer to assist in oversight planning and analysis activities.
- A budgeted 3% merit pool, 1% market adjustment pool, some compensation adjustments resulting from a salary survey, refinement of labor float percentages, and the refinement of payroll tax and benefits premiums and enrollment rates contribute to increases in personnel expenses in this area and across the organization.

Consultants and Contracts

- Consulting increases due to the use of law firm services to reduce the enforcement inventory backlog.



Reliability Assessment and Performance Analysis

Personnel Expenses

- One Generator Readiness Specialist is added to the Reliability Assessment and Performance Analysis (RAPA) program area to support a weather readiness program for generators in the Western Interconnection.
- A budgeted 3% merit pool, 1% market adjustment pool, some compensation adjustments resulting from a salary survey, refinement of labor float percentages, and the refinement of payroll tax and benefits premiums and enrollment rates contributes to increases in personnel expenses in this area and across the organization.

Consultants and contracts

- Consulting decreases due to the anticipated completion of the transmission planning project performed in conjunction with WPP through its WestTEC effort.

Training and Outreach

- No major budget drivers in this area.

Situation Awareness and Infrastructure Security

- No major budget drivers in this area.

Corporate Services

Corporate Services (in whole dollars) Direct Expenses and Fixed Assets						
	2025 Budget	2026 Budget	Increase (Decrease)	FTEs 2025 Budget	FTEs 2026 Budget	Increase (Decrease)
Committee and Member Forums	\$ -	\$ -	\$ -	-	-	-
General and Administrative	\$ 6,110,050	\$ 6,325,595	\$ 215,545	19.00	17.50	(1.50)
Legal and Regulatory	\$ 1,142,835	\$ 1,273,986	\$ 131,151	3.50	4.00	0.50
Information Technology	\$ 3,810,520	\$ 4,177,585	\$ 367,065	13.00	14.00	1.00
Human Resources	\$ 1,219,717	\$ 1,200,673	\$ (19,044)	4.00	4.00	-
Accounting and Finance	\$ 718,535	\$ 753,974	\$ 35,439	3.00	3.00	-
Total Corporate Services*	\$ 13,001,657	\$ 13,731,813	\$ 730,156	42.50	42.50	-

*WECC's 2026 Corporate Services budget (expenses plus fixed assets) is \$13,731,813 of which \$1,450,225 is allocated to non-statutory activities. As a result of the allocation to the non-statutory function, the Corporate Services expenses included in the 2026 statutory budget are \$12,281,588, which is a \$441,591 increase from the 2025 budget.

Personnel Expenses

- One FTE is transferred from General and Administrative to Information Technology for a Database Engineer to increase our capabilities related to data and reporting.



- One half FTE is transferred from General and Administrative to Legal and Regulatory to realign the budget with the evolving responsibilities of the Corporate Secretary related to enhancing governance, compliance, and operational efficiency.
- A budgeted 3% merit pool, 1% market adjustment pool, some compensation adjustments resulting from a salary survey, refinement of labor float percentages, and the refinement of payroll tax and benefits premiums and enrollment rates contributes to increases in personnel expenses in this area and across the organization.



Personnel—Overview of FTEs and Expenses

Over the last several years, many events have highlighted increasing risks to reliability and security: extreme heat, severe cold weather, unexpected behavior of IBRs, cybersecurity breaches, and physical security attacks on substations, to name a few. What used to be considered low probability events have become more frequent and continue to come at an unprecedented pace and complexity. Work associated with these increasing demands is evident in the work of CMEP, RAPA and Strategic Engagement. WECC will require additional specific expertise and resources to effectively engage with stakeholders, manage the increasing workload, and minimize risks to the reliability and security of the Western Interconnection. Enhancing our stakeholder interaction, facilitation, and outreach will ensure that reliability remains paramount in the discussions with our wide range of stakeholders as the Interconnection transforms to meet policy objectives. As a result, in the 2026 budget, WECC is adding ~~threesix~~ statutory FTEs (with an additional three FTEs in its non-statutory program for a total of ~~sixnine~~ FTEs) and realigning some positions within program areas due to evolving organizational needs and priorities.

Total FTEs by Program Area	Budget 2025	Direct FTEs 2026 Budget	Shared FTEs* 2026 Budget	Total FTEs 2026 Budget	Change from 2025 Budget
STATUTORY					
Operational Programs					
Reliability Standards	3.00	3.00	-	3.00	-
Compliance Monitoring and Enforcement and Organization Registration and Certification	77.00	79.00	-	79.00	2.00
Reliability Assessment and Performance Analysis	41.00	42.00	-	42.00	1.00
Training and Outreach	9.50	9.50	-	9.50	-
Situation Awareness and Infrastructure Security	2.00	2.00	-	2.00	-
Total FTEs Operational Programs	132.50	135.50	-	135.50	3.00
Corporate Services					
Technical Committees and Member Forums	-	-	-	-	-
General and Administrative	19.00	17.50	-	17.50	(1.50)
Legal and Regulatory	3.50	4.00	-	4.00	0.50
Information Technology	13.00	14.00	-	14.00	1.00
Human Resources	4.00	4.00	-	4.00	-
Finance and Accounting	3.00	3.00	-	3.00	-
Total FTEs Corporate Services	42.50	42.50	-	42.50	-
Total FTEs	175.00	178.00	-	178.00	3.00

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



Personnel Expenses	Budget 2025	Budget 2026	Variance \$	Variance %
Salaries				
Salaries	\$ 24,449,956	\$ 26,016,824	\$ 1,566,868	6.4%
Employment Agency Fees	-	-	-	
Temporary Office Services	-	-	-	
Total Salaries	\$ 24,449,956	\$ 26,016,824	\$ 1,566,868	6.4%
Total Payroll Taxes	\$ 1,536,792	\$ 1,577,297	\$ 40,505	2.6%
Benefits				
Workers Compensation	\$ 19,800	\$ -	\$ (19,800)	(100.0%)
Medical Insurance	2,591,317	2,651,047	59,730	2.3%
Life-LTD-STD Insurance	122,759	125,545	2,786	2.3%
Education	172,151	207,277	35,126	20.4%
Relocation	-	-	-	
Other	28,000	3,000	(25,000)	(89.3%)
Total Benefits	\$ 2,934,027	\$ 2,986,869	\$ 52,842	1.8%
Retirement				
Discretionary 401(k) Contribution	\$ 2,170,566	\$ 2,071,272	\$ (99,294)	(4.6%)
Retirement Administration Fees	30,000	-	(30,000)	
Total Retirement	\$ 2,200,566	\$ 2,071,272	\$ (129,294)	(5.9%)
Total Personnel Costs	\$ 31,121,341	\$ 32,652,262	\$ 1,530,921	4.9%
FTEs	175.0	178.0	3.0	1.7%
Cost per FTE				
Salaries	\$ 139,714	\$ 146,162	\$ 6,448	4.6%
Payroll Taxes	8,782	8,861	80	0.9%
Benefits	16,766	16,780	14	0.1%
Retirement	12,575	11,636	(938)	(7.5%)
Total Cost per FTE	\$ 177,836	\$ 183,440	\$ 5,603	3.2%

Explanation of Significant Variances

- FTEs increase by threesix. More detailed information is presented in [Major Budget Drivers—Statutory Programs](#).
- Merit pool of 3%.
- Market adjustment pool of 1%.
- Adjustments to compensation based on salary survey data.
- Labor float assumptions based on turnover and vacancy rates.
- Benefits enrollment rate refinement.



Meeting Expenses

Meeting & Conference Call Expenses	Budget 2025	Budget 2026	Variance \$	Variance %
Reliability Standards	\$ -	\$ -	\$ -	
Compliance Monitoring and Enforcement and Organization	-	-	-	
Registration and Certification	-	-	-	
Reliability Assessment and Performance Analysis	38,676	16,746	(21,930)	(56.7%)
Training and Outreach	525,720	501,120	(24,600)	(4.7%)
Situation Awareness and Infrastructure Security	-	-	-	
Corporate Services	70,920	93,302	22,382	31.6%
Total Meeting Expenses	\$ 635,316	\$ 611,168	\$ (24,148)	(3.8%)

Travel Expenses	Budget 2025	Budget 2026	Variance \$	Variance %
Reliability Standards	\$ 21,236	\$ 17,378	\$ (3,858)	(18.2%)
Compliance Monitoring and Enforcement and Organization	606,370	589,330	(17,040)	(2.8%)
Registration and Certification	-	-	-	
Reliability Assessment and Performance Analysis	197,585	206,301	8,716	4.4%
Training and Outreach	46,080	31,846	(14,234)	(30.9%)
Situation Awareness and Infrastructure Security	19,250	10,849	(8,401)	(43.6%)
Corporate Services	171,624	188,256	16,632	9.7%
Total Travel Expenses	\$ 1,062,145	\$ 1,043,960	\$ (18,185)	(1.7%)

Explanation of Significant Variances

Corporate Services

- No major budget drivers in this area.

Meeting expenses increase for the off-site Annual meeting.



Consultants and Contracts

Consultants	Budget 2025	Budget 2026	Variance \$	Variance %
Consultants				
Reliability Standards	\$ -	\$ -	\$ -	
Compliance Monitoring and Enforcement and Organization Registration and Certification	12,000	12,000	-	0.0%
Reliability Assessment and Performance Analysis	1,608,400	318,400	(1,290,000)	(80.2%)
Training and Outreach	-	-	-	
Situation Awareness and Infrastructure Security	-	-	-	
Corporate Services	277,000	463,000	186,000	67.1%
Consultants Total	\$ 1,897,400	\$ 793,400	\$ (1,104,000)	(58.2%)

Contracts	Budget 2025	Budget 2026	Variance \$	Variance %
Contracts				
Reliability Standards	\$ -	\$ -	\$ -	
Compliance Monitoring and Enforcement and Organization Registration and Certification	-	702,000	702,000	
Reliability Assessment and Performance Analysis	-	-	-	
Training and Outreach	-	-	-	
Situation Awareness and Infrastructure Security	-	-	-	
Corporate Services	-	-	-	
Contracts Total	\$ -	\$ 702,000	\$ 702,000	
Total Consulting and Contracts	\$ 1,897,400	\$ 1,495,400	\$ (402,000)	(21.2%)

Explanation of Significant Variances

Corporate Services

- Consulting increases due to search fees for new Board Directors resulting from term limits and an independent Board compensation study.

Reliability Assessment and Performance Analysis

- Consulting decreases due to the 2026 anticipated completion of the transmission planning study being undertaken by the Western Power Pool (WPP) through its WestTEC effort. WestTEC is an interregional transmission planning project employing analytical technologies to produce an actionable long-term transmission plan intended to provide a range of transmission benefits to stakeholders throughout the West. The expected project duration is March 2024 through February 2026. WECC proposes to use \$200,000 from the Peak Reliability Donation reserve to fund the final phase of this project in 2026.

Compliance Monitoring and Enforcement and Organization Registration and Certification

- Contract labor increases to reduce the open enforcement inventory backlog.



Overview of Changes in Reserves

Working Capital Reserve Analysis				
STATUTORY				
	Total	Working Capital Reserve	Unreleased Penalties	Peak Reliability Donation
Beginning Reserve, January 1, 2025	\$ 16,098,526	\$ 13,036,834	\$ 4,400	\$ 3,057,292
Plus: 2025 Funding (from Load-Serving Entities (LSE) or designees)	33,016,000	33,016,000	-	-
Plus: Penalties released	-	4,400	(4,400)	-
Plus: Penalties received	41,745	-	41,745	-
Plus: 2025 Other funding sources	1,923,358	1,923,358	-	-
Less: 2025 Projected expenses & capital expenditures	(38,828,976)	(36,681,424)	-	(2,147,552)
Projected Reserve (Deficit), December 31, 2025	\$ 12,250,653	\$ 11,299,168	\$ 41,745	\$ 909,740
Plus: 2026 Funding (from Load-Serving Entities (LSE) or designees)	35,657,280	35,657,280	-	-
Plus: Penalties released	-	41,745	(41,745)	-
Plus: 2026 Other funding sources	1,757,506	1,757,506	-	-
Plus: 2026 Transfer of Peak Holdback Reserves to Statutory	-	312,000	-	(312,000)
Less: 2026 Projected expenses & capital expenditures	(40,132,874)	(39,932,874)	-	(200,000)
2026 Increase(Decrease) in Reserve	\$ (2,718,088)	(2,164,343)	\$ (41,745)	\$ (512,000)
Projected Reserve, December 31, 2026	\$ 9,532,565	\$ 9,134,825	\$ -	\$ 397,740
2026 Expenses and Capital Expenditures	40,132,874			
Less: Penalties Released	(41,745)			
Less: Other Funding Sources	(1,757,506)			
Change to Working Capital & Peak Reliability Donation Reserves	(2,676,343)			
2026 WECC Assessment	\$ 35,657,280			

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

In 2026, reserves are being used to fund a portion of the budget. Working capital reserves of \$2,476,000 are funding budgeted expenditures, and \$200,000 of the Peak Reliability Donation reserves are funding the WPP/WestTEC transmission planning project.

When Peak Reliability ceased operations, Peak requested WECC hold \$300,000 of the total donation amount for a period of five years to pay any Peak bills that may be presented following Peak's formal closure on December 31, 2020. This amount was recorded as a non-statutory liability. Any funds remaining after the five-year period will also be used to fund reliability and security projects. The holdback period ends at the end of 2025, and the remaining holdback amount plus compounded interest of approximately \$312,000 will be converted from non-statutory to statutory reserves through the 2026 Business Plan and Budget cycle and used to fund reliability and security projects in the future.

WECC ~~did not~~ received \$41,745 any in penalty sanctions between July 1, 2024, and June 30, 2025. Each budget year, with NERC and Commission approval pursuant to Section 1107.4 of the NERC Rules of Procedure, WECC proposes to release penalty sanctions collected during the applicable period to offset assessments in the Business Plan and Budget.



Three-Year Budget Projections

Statement of Activities and Capital Expenditures 2026 Budget & Projected 2027 and 2028 Budgets							
	Statutory						
	2026 Budget	2027 Projection	\$ Change 26 v 27	% Change 26 v 27	2028 Projection	\$ Change 27 v 28	% Change 27 v 28
Revenue							
Statutory Funding							
WECC Assessments	\$ 35,657,280	\$ 38,509,862	\$ 2,852,582	8.0%	\$ 41,590,651	\$ 3,080,789	8.0%
Penalties Released	41,745	-	(41,745)	(100.0%)	-	-	-
Total Statutory Funding	\$ 35,699,025	\$ 38,509,862	\$ 2,810,837	7.9%	\$ 41,590,651	\$ 3,080,789	8.0%
Membership Fees	\$ -	\$ -	\$ -	-	\$ -	\$ -	-
Workshops & Miscellaneous	757,500	886,350	128,850	17.0%	942,285	55,935	6.3%
Interest	1,000,006	900,000	(100,006)	(10.0%)	900,000	-	0.0%
Total Revenue (A)	\$ 37,456,531	\$ 40,296,212	\$ 2,839,681	7.6%	\$ 43,432,936	\$ 3,136,724	7.8%
Expenses							
Personnel Expenses							
Salaries	\$ 26,016,824	\$ 27,558,226	\$ 1,541,402	5.9%	\$ 28,955,609	\$ 1,397,383	5.1%
Payroll Taxes	1,577,297	1,685,198	107,901	6.8%	1,767,079	81,881	4.9%
Benefits	2,986,868	3,267,655	280,787	9.4%	3,512,836	245,181	7.5%
Retirement Costs	2,071,272	2,196,593	125,321	6.1%	2,301,766	105,173	4.8%
Total Personnel Expenses	\$ 32,652,261	\$ 34,707,672	\$ 2,055,411	6.3%	\$ 36,537,290	\$ 1,829,618	5.3%
Meeting Expenses							
Meetings & Conference Calls	\$ 611,168	\$ 617,548	\$ 6,380	1.0%	\$ 630,665	\$ 13,117	2.1%
Travel	1,043,960	1,158,107	114,147	10.9%	1,226,948	68,841	5.9%
Total Meeting Expenses	\$ 1,655,128	\$ 1,775,655	\$ 120,527	7.3%	\$ 1,857,613	\$ 81,958	4.6%
Operating Expenses, excluding Depreciation							
Consultants & Contracts	\$ 1,495,400	\$ 1,277,400	\$ (218,000)	(14.6%)	\$ 525,400	\$ (752,000)	(58.9%)
Office Rent	1,326,433	1,316,037	(10,396)	(0.8%)	1,300,000	(16,037)	(1.2%)
Office Costs	2,964,652	3,176,860	212,208	7.2%	3,284,844	107,984	3.4%
Professional Services	1,367,225	1,424,041	56,816	4.2%	1,480,197	56,156	3.9%
Miscellaneous	-	-	-	-	-	-	-
Total Operating Expenses	\$ 7,153,710	\$ 7,194,338	\$ 40,628	0.6%	\$ 6,590,441	\$ (603,897)	(8.4%)
Total Direct Expenses	\$ 41,461,099	\$ 43,677,665	\$ 2,216,566	5.3%	\$ 44,985,344	\$ 1,307,679	3.0%
Indirect Expenses	\$ (1,437,341)	\$ (1,487,648)	\$ (50,307)	3.5%	\$ (1,547,154)	\$ (59,506)	4.0%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	-	\$ -	\$ -	-
Total Expenses (B)	\$ 40,023,758	\$ 42,190,017	\$ 2,166,258	5.4%	\$ 43,438,190	\$ 1,248,173	3.0%
Change in Assets	\$ (2,567,227)	\$ (1,893,805)	\$ 673,423	(26.2%)	\$ (5,254)	\$ 1,888,551	(99.7%)
Fixed Assets							
Incr(Dec) in Fixed Assets (C)	\$ 109,116	\$ 90,000	\$ (19,116)	(17.5%)	\$ 90,000	\$ -	0.0%
TOTAL BUDGET (B+C)	\$ 40,132,874	\$ 42,280,017	\$ 2,147,142	5.4%	\$ 43,528,190	\$ 1,248,173	3.0%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	(2,676,343)	(1,983,805)	692,539	(25.9%)	\$ (95,254)	\$ 1,888,551	(95.2%)
FTEs	178.00	186.00	8.00	4.5%	187.00	1.00	0.5%
HC	178.00	186.00	8.00	4.5%	187.00	1.00	0.5%



Statutory Programs

Goals, Budget Assumptions, and Statements of Activities

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

Reliability Standards

Program Scope, Purpose, and Impact

The WECC Reliability Standards Program supports the NERC Reliability Standards Program, and its employees work with the WECC Standards Committee (WSC) to aid the development of Regional Reliability Standards (RRS), Regional Variances to NERC Reliability Standards, and Regional Criteria to ensure the Bulk Electric System (BES) operates reliably.

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

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

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

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

NERC recently rated all of their Reliability Standards projects as high, medium, or low priority. Several high priority projects were completed in 2024, and the remaining high priority projects are expected to be completed in 2025. Several of these projects are related to IBRs and their potential impact on the BES. Medium and low priority projects are expected to be completed in 2025 or 2026.

2026 Key Budget Assumptions

- The number of RRS projects will remain low, with most focusing on the potential retirement of existing RRSs—due to the subject matter being included in NERC Reliability Standards—and necessary revisions identified during the five-year review. It is possible, but not likely, that regulatory directives could result in RRS projects.
- Much of the work needed to develop RRSs, Regional Variances to NERC Reliability Standards, and Regional Criteria will continue to be performed by stakeholders.
- Stakeholder volunteers will continue to staff most NERC Standards drafting teams.
- WECC employees may, at times, participate as drafting team members or observers.



- Integration of renewable resources and related energy storage devices has resulted in several new or modified NERC Reliability Standards and could potentially result in new or revised RRSs, or Regional Variances to NERC Reliability Standards.
- WECC supports, and will participate in, the enhanced periodic reviews of NERC Reliability Standards and the NERC Standards Grading effort, when appropriate. WECC standards staff, as well as other subject matter experts, will participate in the grading process if it is continued.

2026 Goals and Deliverables

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



Reliability Standards Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2025 Budget and 2026 Budget RELIABILITY STANDARDS				
	2025 Budget	2026 Budget	Variance (\$)	Variance (%)
Revenue				
Statutory Funding				
WECC Assessments	\$ 816,294	\$ 855,914	\$ 39,620	4.85%
Penalties Released	100	924	\$ 824	824.00%
Total Statutory Funding	\$ 816,394	\$ 856,838	\$ 40,444	4.95%
Membership Fees	\$ -	\$ -	\$ -	
Federal Grants	-	-	\$ -	
Services & Software	-	-	\$ -	
Workshops & Miscellaneous	3,873	5,513	\$ 1,640	
Interest	22,642	22,140	\$ (502)	-2.22%
Total Revenue (A)	\$ 842,909	\$ 884,491	\$ 41,582	4.93%
Expenses				
Personnel Expenses				
Salaries	\$ 537,566	\$ 538,597	\$ 1,031	0.19%
Payroll Taxes	33,324	31,969	\$ (1,355)	-4.07%
Benefits	43,605	42,986	\$ (619)	-1.42%
Retirement Costs	47,843	43,088	\$ (4,755)	-9.94%
Total Personnel Expenses	\$ 662,338	\$ 656,640	\$ (5,698)	-0.86%
Meeting Expenses				
Meetings & Conference Calls	\$ -	\$ -	\$ -	
Travel	21,236	17,378	\$ (3,858)	-18.17%
Total Meeting Expenses	\$ 21,236	\$ 17,378	\$ (3,858)	-18.17%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ -	\$ -	\$ -	
Office Rent	-	-	\$ -	
Office Costs	2,957	1,755	\$ (1,202)	-40.65%
Professional Services	-	-	\$ -	
Miscellaneous	-	-	\$ -	
Total Operating Expenses	\$ 2,957	\$ 1,755	\$ (1,202)	-40.65%
Total Direct Expenses	\$ 686,531	\$ 675,773	\$ (10,758)	-1.57%
Indirect Expenses	\$ 264,663	\$ 269,501	\$ 4,838	1.83%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 951,194	\$ 945,274	\$ (5,920)	-0.62%
Change in Net Assets (=A-B)	\$ (108,285)	\$ (60,783)	\$ 47,502	-43.87%
Fixed Assets, excluding Right of Use Assets (C)	\$ 3,412	\$ 2,416	\$ (996)	\$ (0)
TOTAL BUDGET (B+C)	\$ 954,606	\$ 947,690	\$ (6,916)	-0.72%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (111,697)	\$ (63,199)	\$ 48,498	-43.42%
FTEs	3.00	3.00	-	0.00%
HC	3.00	3.00	-	0.00%



Compliance Monitoring and Enforcement and Organization Registration and Certification Program

Program Scope, Purpose, and Impact

The reliability and security of the BPS is the central focus of WECC's mission. The Reliability and Security Oversight department is integral to maintaining that focus and works with a growing number of Registered Entities in the Western Interconnection to promote a strong culture of reliability and security by focusing on known and emerging risks. Program area staff, who are independent of all users, owners, and operators of the BPS, ensure that Registered Entities mitigate risks to the BPS by implementing the NERC Organization Registration and Certification Program (ORCP) and the CMEP. Staff monitors and enforces the NERC Reliability Standards across 471³ registered owners, operators, and users of the BPS through a variety of risk-based activities, delivering consistent, impartial, and meaningful, real-time feedback to the entities.

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

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

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

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

³ As of February 21, 2025.



Compliance in Alberta, British Columbia, and Mexico

Alberta and British Columbia, Canada, and a portion of Baja California Norte, Mexico, are all part of the Western Interconnection and have adopted or are adopting mandatory Reliability Standards based on FERC-approved Standards. WECC has entered into agreements with the Alberta Market Surveillance Administrator (MSA) and the British Columbia Utilities Commission (BCUC) under which WECC performs various compliance monitoring and enforcement activities to help ensure reliability across international borders within the Western Interconnection. Mexico is not currently participating in WECC and Western Interconnection-related CMEP activities⁴.

2026 Key Budget Assumptions

- The volume and complexity of registration activities will increase in accordance with FERC's Order on IBRs and integration of renewable resources and related energy storage devices in the Western Interconnection, which included modifications to the registration criteria that will result in more IBRs that must register.
- An increase in certification reviews is anticipated with FERC Order 881's deadline requiring all transmission providers to use ambient adjusted ratings (AAR) as the basis for evaluating near-term transmission service to increase the accuracy of near-term line ratings, as entities that make frequent or significant functionality changes to their Energy Management Systems to meet AAR implementation requirements may require a certification review.
- All Inherent Risk Assessment and oversight planning activities are aligned around identifying, prioritizing, and addressing risks to the Western Interconnection. With trends in registration requests, the changing reliability and security landscape, and risk mitigation strategies, workloads of all program areas of the Reliability and Security Oversight department will increase under the risk-based framework.
- Monitoring activities for non-U.S. jurisdictions will continue according to the approved agreements and applicable compliance monitoring programs with Canadian authorities. In accordance with the NERC Rules of Procedure, Appendix 5A, WECC staff continues to participate in NERC-led Registration Review Panels.
- WECC fully supports ERO Enterprise efforts and activities to evaluate business practices, tools, consistency, implementation, and guidance within the risk-based CMEP. Staff will provide feedback to the ERO Enterprise on emerging and existing risks, with an emphasis on standards development, standards modification, monitoring approaches, enforcement considerations, and potential gaps.
- Legal fees related to any hearing that may arise are not budgeted and will be funded through working capital reserves. Costs related to hearing officers and procedures will be funded by NERC.

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



- WECC will continue to support development, design, testing, training, and implementation of ERO Enterprise-wide maintenance and enhancement of the risk-based CMEP practices and tools. Specifically, WECC staff resources will be allocated to these activities for the ERO Enterprise Align tool, and the Secure Evidence Locker (SEL).
- Increased outreach, training, travel, and monitoring and enforcement are anticipated to help enhance registered entity programs as new or modified Reliability Standards that tackle changing risks in the Western Interconnection are developed.
- Maintenance and license fees for software tools (e.g., Box) increased due to contract pricing escalations.
- Targeted outreach is performed on key reliability and security risks through monthly webinars, biannual workshops, and supporting ERO Enterprise wide data collection efforts, analysis efforts.
- TwoFive FTEs are added in Compliance Monitoring and Enforcement and Organization Registration and Certification in response to different and new types of work, to build improved depth and breadth of skillsets, to address enforcement inventory, and in response to the downstream increase of all related work from new registrants.

2026 Goals and Deliverables

- Enhance CMEP oversight strategies focused on a holistic approach to enhance the efficiency and effectiveness of the ERO Enterprise Risk-Based Framework and enhance oversight planning processes and provide a targeted approach for monitoring and outreach.
- Continue to enhance and improve processing times to reduce backlog and inventory statistics.
- Work with the ERO Enterprise and industry on development and deployment of effective internal controls and internal controls programs to monitor, detect, correct, and report to prevent deficiencies in compliance, reliability, and security.
- Continuously improve program processes and tools to adapt to changes in the industry.
- Deliver quantitative and qualitative results for Corporate Scorecard items and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Consult with the international compliance enforcement authorities to determine which elements of the risk based CMEP could provide value and should be incorporated in the respective programs for international entities. Currently, WECC does not conduct IRAs for international entities.
- Process BES Exception Requests and participate in NERC-led Review Panels.
- Provide continued outreach and training on the Align tool for staff and Registered Entities.
- Participate in ERO Enterprise collaboration groups to continue to build effective relationships and ensure ORCP and CMEP consistency, where applicable and appropriate, across Regional Entities.
- Increase scheduled monitoring activities (e.g., spot-checks, self-certifications with supporting evidence, investigations, compliance assessments, and complaint evaluations) based on emerging BPS risk.



- Work strategically to enhance and improve tools and techniques to identify, understand, and quantify risk to the BPS sooner in the processing timeline, and use that information to craft more robust and comprehensive mitigation strategies.



Compliance Monitoring and Enforcement Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2025 Budget and 2026 Budget				
COMPLIANCE MONITORING AND ENFORCEMENT AND ORGANIZATION REGISTRATION AND CERTIFICATION				
	2025 Budget	2026 Budget	Variance (\$)	Variance (%)
Revenue				
Statutory Funding				
WECC Assessments	\$ 18,167,528	\$ 20,785,916	\$ 2,618,388	14.41%
Penalties Released	2,557	24,339	\$ 21,782	851.86%
Total Statutory Funding	\$ 18,170,085	\$ 20,810,255	\$ 2,640,170	14.53%
Membership Fees	\$ -	\$ -	\$ -	
Federal Grants	-	-	\$ -	
Services & Software	-	-	\$ -	
Workshops & Miscellaneous	99,397	145,173	\$ 45,776	
Interest	581,132	583,029	\$ 1,897	0.33%
Total Revenue (A)	\$ 18,850,614	\$ 21,538,457	\$ 2,687,843	14.26%
Expenses				
Personnel Expenses				
Salaries	\$ 10,754,742	\$ 11,513,585	\$ 758,843	7.06%
Payroll Taxes	688,366	710,244	\$ 21,878	3.18%
Benefits	1,136,519	1,130,885	\$ (5,634)	-0.50%
Retirement Costs	954,003	915,811	\$ (38,192)	-4.00%
Total Personnel Expenses	\$ 13,533,630	\$ 14,270,525	\$ 736,895	5.44%
Meeting Expenses				
Meetings & Conference Calls	\$ -	\$ -	\$ -	
Travel	606,370	589,330	\$ (17,040)	-2.81%
Total Meeting Expenses	\$ 606,370	\$ 589,330	\$ (17,040)	-2.81%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ 12,000	\$ 714,000	\$ 702,000	5850.00%
Office Rent	-	-	\$ -	
Office Costs	315,986	343,085	\$ 27,099	8.58%
Professional Services	-	-	\$ -	
Miscellaneous	-	-	\$ -	
Total Operating Expenses	\$ 327,986	\$ 1,057,085	\$ 729,099	222.30%
Total Direct Expenses	\$ 14,467,986	\$ 15,916,940	\$ 1,448,954	10.01%
Indirect Expenses	\$ 6,793,018	\$ 7,096,866	\$ 303,848	4.47%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 21,261,004	\$ 23,013,806	\$ 1,752,802	8.24%
Change in Net Assets (=A-B)	\$ (2,410,390)	\$ (1,475,349)	\$ 935,041	-38.79%
Fixed Assets, excluding Right of Use Assets (C)	\$ 87,584	\$ 63,617	\$ (23,967)	\$ (0)
TOTAL BUDGET (B+C)	\$ 21,348,588	\$ 23,077,423	\$ 1,728,835	8.10%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (2,497,974)	\$ (1,538,966)	\$ 959,008	-38.39%
FTEs	77.00	79.00	2.00	2.60%
HC	77.00	79.00	2.00	2.60%



Reliability Assessment and Performance Analysis

Program Scope, Purpose, and Impact

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

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

1. The **Operations Analysis Department** is responsible for three primary functional areas—Event Analysis, Performance Analysis, and Situation Awareness and Infrastructure Security (SAIS), whose budget is outlined in the SAIS Program. The department analyzes system conditions and events that affect or may affect the reliable operation of the BPS and analyzes the historical operation and performance of the Western Interconnection. The department's activities ensure that stakeholders, NERC, and FERC are well-informed of system events, emerging trends, lessons learned, and expected actions affecting BPS reliability. The analyses are used to assess interconnection-wide risks and vulnerabilities. The information produced helps identify best practices and mitigate potential risks.
2. The **Risk Analysis and Data Services Department** performs two main functions. The first, Risk Analysis, assesses interconnection-wide risks and vulnerabilities at the regional and entity levels. Using information gathered throughout the organization, and in coordination with the technical committees, the department identifies and tracks mitigation activities related to interconnection-wide risks. The second, Data Services, develops meaningful approaches to analyze and visualize information and data for consumption by the entire RAPA program area. The department collects various types of data such as NERC TADS, GADS, MIDAS and supports WECC's performance analysis obligations. Data Services specializes in data visualization used in reports, dashboards, and maps to help convey reliability risks to a wide stakeholder base.
3. The **Reliability Assessments Department** performs reliability assessments across multiple platforms, time frames, and tools. These assessments are performed in close coordination with NERC, WECC's technical committees, and other stakeholders. Assessments include historical operation of the Western Interconnection, forward-looking resource adequacy using deterministic and probabilistic methods, power flow and system stability analysis, and transmission utilization. Analysis is performed on a variety of future (up to 20 years out) scenarios of the Western Interconnection. The assessments are designed to address pertinent reliability risks informed by WECC's prioritized risks and other risks that may affect the reliability of the BPS.
4. The **Reliability Modeling Department** produces and distributes power system models of the Western Interconnection for use both within WECC and by stakeholders to perform reliability



assessments. WECC is the NERC-designated, interconnection-wide model builder under the MOD-032 Reliability Standard. The department collects and distributes model data in a variety of formats and across multiple software tools.

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

2026 Key Budget Assumptions

- Executive outreach to stakeholders increases.
- WECC and technical stakeholder group work will focus on understanding and treating priority reliability and security risks to the BES.
- WECC will respond to unanticipated emerging reliability risks and work with stakeholders to develop timely and meaningful reliability outreach and assessments.
- WECC will continue to participate in external meetings concerning the reliability, security, and resiliency of the BES.
- WECC will focus on expanding resource adequacy studies through increased stakeholder outreach.
- WECC will expand its generator weather readiness program.
- WECC will focus on continuous improvement and development of staff capabilities. Current capabilities will be reviewed and improved to enhance reliability assessments.
- Regional Risk Assessment results provide input on focus areas in the ERO CMEP Implementation Plan.
- WECC will continue to explore opportunities and implement new activities to provide value in transmission planning.
- WECC and the ERO Enterprise will identify ways to incorporate transfer capability analysis into ongoing reliability assessments.
- Transmission planning activities in the West will expand to incorporate longer-term (greater than 10-year) horizons.
- Reliability challenges associated with IBRs and extreme natural events will create a need for new data and tools (e.g., EMT programs) to study the impacts of these technologies and events.
- WECC will support various NERC reliability assessments and perform additional reliability assessments.

2026 Goals and Deliverables

- Work with stakeholders to develop a clear understanding of emerging risks to the BPS and associated mitigation strategies, particularly for the WECC prioritized risks.
- Ensure high precision of information and models used to assess the reliability of the BPS.
- Use advanced tools, techniques, and industry subject matter experts to identify system performance trends and vulnerabilities.



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- Hold reliability and security risk forums.
 - Continuously improve program processes and tools to adapt to changes in the industry.
 - Deliver quantitative and qualitative results for Corporate Scorecard items.
 - Deliver high-quality and influential work products focused on WECC's prioritized risks.
 - Use the Reliability Risk Management Process to align staff and stakeholder engagement on risk treatments within the Western Interconnection.
 - Ensure that WECC's RRA of the Western Interconnection is aligned with WECC prioritized risks and is refreshed annually.
 - Ensure the Western Interconnection is represented in reliability matters by participating in regional and national stakeholder forums.
 - Add value for a wide variety of stakeholders by developing reliability guidelines, technical white papers and reports, recommendations, and reference documents to address emerging issues, operational risks, and industry concerns related to system operations and transmission/resource planning.
 - Facilitate production cost, dynamic model, electromagnetic transient (EMT), and power flow tool development, focusing on new technology resources and concepts like energy storage and dynamic line ratings.
 - Implement technology solutions for enhanced data collection, validation, and storage.
 - Support Reliability Standards drafting activities by providing subject matter expertise to appropriate Standards Drafting Teams.
 - Promote reliability of the future transmission system in the Western Interconnection by supporting the WestTEC effort.
 - Successfully carry out all other RAPA delegated responsibilities.
 - Expand the use of performance and geospatial data to enhance the analysis of WECC's prioritized risks and identify emerging trends.



Reliability Assessment and Performance Analysis Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2025 Budget and 2026 Budget RELIABILITY ASSESSMENT AND PERFORMANCE ANALYSIS				
	2025 Budget	2026 Budget	Variance (\$)	Variance (%)
Revenue				
Statutory Funding				
WECC Assessments	\$ 11,374,924	\$ 11,092,619	\$ (282,305)	-2.48%
Penalties Released	1,362	12,939	\$ 11,577	850.00%
Total Statutory Funding	\$ 11,376,286	\$ 11,105,558	\$ (270,728)	-2.38%
Membership Fees	\$ -	\$ -	\$ -	
Federal Grants	-	-	\$ -	
Services & Software	-	-	\$ -	
Workshops & Miscellaneous	52,926	77,181	\$ 24,255	
Interest	309,434	309,966	\$ 532	0.17%
Total Revenue (A)	\$ 11,738,646	\$ 11,492,705	\$ (245,941)	-2.10%
Expenses				
Personnel Expenses				
Salaries	\$ 5,816,351	\$ 6,104,030	\$ 287,679	4.95%
Payroll Taxes	368,322	371,857	\$ 3,535	0.96%
Benefits	589,810	600,508	\$ 10,698	1.81%
Retirement Costs	516,630	484,879	\$ (31,751)	-6.15%
Total Personnel Expenses	\$ 7,291,113	\$ 7,561,274	\$ 270,161	3.71%
Meeting Expenses				
Meetings & Conference Calls	\$ 38,676	\$ 16,746	\$ (21,930)	-56.70%
Travel	197,585	206,301	\$ 8,716	4.41%
Total Meeting Expenses	\$ 236,261	\$ 223,047	\$ (13,214)	-5.59%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ 1,608,400	\$ 318,400	\$ (1,290,000)	-80.20%
Office Rent	-	-	\$ -	
Office Costs	494,713	404,321	\$ (90,392)	-18.27%
Professional Services	-	-	\$ -	
Miscellaneous	-	-	\$ -	
Total Operating Expenses	\$ 2,103,113	\$ 722,721	\$ (1,380,392)	-65.64%
Total Direct Expenses	\$ 9,630,487	\$ 8,507,042	\$ (1,123,445)	-11.67%
Indirect Expenses	\$ 3,617,061	\$ 3,773,017	\$ 155,956	4.31%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 13,247,548	\$ 12,280,059	\$ (967,489)	-7.30%
Change in Net Assets (=A-B)	\$ (1,508,902)	\$ (787,354)	\$ 721,548	-47.82%
Fixed Assets, excluding Right of Use Assets (C)	\$ 46,636	\$ 33,822	\$ (12,814)	\$ (0)
TOTAL BUDGET (B+C)	\$ 13,294,184	\$ 12,313,881	\$ (980,303)	-7.37%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (1,555,538)	\$ (821,176)	\$ 734,362	-47.21%
FTEs	41.00	42.00	1.00	2.44%
HC	41.00	42.00	1.00	2.44%



Training and Outreach

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

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

2026 Key Budget Assumptions

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

2026 Goals and Deliverables

- Maintain and continue to cultivate effective relationships with industry groups, WECC technical committees, ERO Enterprise, federal, state, and provincial regulators, policy- and decision-makers, and the broader reliability and security community.
- Engage in ongoing collaborations with national labs and educational institutions to match theory with practicality and actual grid response.
- Participate regionally and nationally (where appropriate) in seminars and conferences to promote the importance of BPS reliability and security.
- Increase inclusion of stakeholder perspectives and opportunities for collaboration into the product development process with the use of advisory groups.
- Assist other program areas in ensuring key studies and initiatives are aligned with the WECC Long-Term Strategy and Reliability Risk Priorities.
- Continue to refine stakeholder engagement strategies and outreach.
- Use multimedia and design strategies to develop new, more engaging, forms of interactions with stakeholders.



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- Improve program processes and tools continuously to respond to stakeholder feedback and adapt to changes in the industry.
 - Increase utilization of digitally dynamic products to improve stakeholder outreach and education.
 - Deliver quantitative and qualitative results for Corporate Scorecard items and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
 - Deliver Reliability & Security Oversight Monthly Update to educate and collaborate with stakeholders on various oversight activities.
 - Conduct webinars and workshops to expand awareness of reliability planning tools, modeling capabilities, and study results.
 - Continue to promote and facilitate three Grid Fundamentals courses to teach people who are new to the industry how the electric power system works, how it is managed, and how to better understand reliability issues.
 - Deliver two Reliability & Security Workshops to provide targeted outreach to address and mitigate key risks to reliability and security in the Western Interconnection.
 - Provide increased opportunities for stakeholder education through webinars and workshops to promote the reliability and security of the Western Interconnection. Topics include:
 - Current and future transmission planning studies throughout the Western Interconnection;
 - The top challenges to reliability of the BPS: IBRs, large loads, data centers, AI, transportation electrification;
 - Regulatory issues and trends; and
 - Event analysis.



Training and Outreach Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital				
2025 Budget and 2026 Budget				
TRAINING AND OUTREACH				
	2025 Budget	2026 Budget	Variance (\$)	Variance (%)
Revenue				
Statutory Funding				
WECC Assessments	\$ 2,149,410	\$ 2,370,248	\$ 220,838	10.27%
Penalties Released	315	2,927	\$ 2,612	829.21%
Total Statutory Funding	\$ 2,149,725	\$ 2,373,175	\$ 223,450	10.39%
Membership Fees	\$ -	\$ -	\$ -	
Federal Grants	-	-	\$ -	#DIV/0!
Services & Software	-	-	\$ -	#DIV/0!
Workshops & Miscellaneous	544,763	525,958	\$ (18,805)	-3.45%
Interest	71,698	70,111	\$ (1,587)	-2.21%
Total Revenue (A)	\$ 2,766,186	\$ 2,969,244	\$ 203,058	7.34%
Expenses				
Personnel Expenses				
Salaries	\$ 1,310,264	\$ 1,373,830	\$ 63,566	4.85%
Payroll Taxes	80,854	81,182	\$ 328	0.41%
Benefits	136,291	133,268	\$ (3,023)	-2.22%
Retirement Costs	116,505	109,231	\$ (7,274)	-6.24%
Total Personnel Expenses	\$ 1,643,914	\$ 1,697,511	\$ 53,597	3.26%
Meeting Expenses				
Meetings & Conference Calls	\$ 525,720	\$ 501,120	\$ (24,600)	-4.68%
Travel	46,080	31,846	\$ (14,234)	-30.89%
Total Meeting Expenses	\$ 571,800	\$ 532,966	\$ (38,834)	-6.79%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ -	\$ -	\$ -	
Office Rent	-	-	\$ -	
Office Costs	68,125	89,854	\$ 21,729	31.90%
Professional Services	-	-	\$ -	
Miscellaneous	-	-	\$ -	
Total Operating Expenses	\$ 68,125	\$ 89,854	\$ 21,729	31.90%
Total Direct Expenses	\$ 2,283,839	\$ 2,320,331	\$ 36,492	1.60%
Indirect Expenses	\$ 838,100	\$ 853,421	\$ 15,321	1.83%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 3,121,939	\$ 3,173,752	\$ 51,813	1.66%
Change in Net Assets (=A-B)	\$ (355,753)	\$ (204,508)	\$ 151,245	-42.51%
Fixed Assets, excluding Right of Use Assets (C)	\$ 10,806	\$ 7,650	\$ (3,156)	\$ (0)
TOTAL BUDGET (B+C)	\$ 3,132,745	\$ 3,181,402	\$ 48,657	1.55%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (366,559)	\$ (212,158)	\$ 154,401	-42.12%
FTEs	9.50	9.50	-	0.00%
HC	9.00	9.00	-	0.00%



Situation Awareness and Infrastructure Security

Program Scope, Purpose, and Impact

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

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

2026 Key Budget Assumptions

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

2026 Goals and Deliverables

- Continuously improve program processes and tools to adapt to changes in the industry.
- Deliver quantitative and qualitative results for Corporate Scorecard items.
- Monitor system events, collect information, and coordinate prompt distribution of updates on system events to industry stakeholders and NERC SAIS personnel.
- Work with NERC to monitor system data, weather, and technological developments to understand trends that affect reliability for the near- and long-term horizons.
- Coordinate the communication of critical information in daily NERC SAIS meetings and the NERC Crisis Action Plan meetings.
- Support efforts and work to develop and enhance ways to improve the use of SAFNR, the PI system, and other tools to further support SAIS.



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- Improve reliability readiness by participating in periodic wide-area security exercises (e.g., GridEx, Monitoring and Situation Awareness Workshop, NERC Alerts).
 - Promote rapid and appropriate sharing of situation awareness information to support critical infrastructure security.
 - Enhance engagement with Western stakeholders to improve the coordination and sharing of appropriate security information by hosting the annual Security Conference.



Situation Awareness and Infrastructure Security Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital				
2025 Budget and 2026 Budget				
SITUATION AWARENESS AND INFRASTRUCTURE SECURITY				
	2025 Budget	2026 Budget	Variance (\$)	Variance (%)
Revenue				
Statutory Funding				
WECC Assessments	\$ 507,844	\$ 552,583	\$ 44,739	8.81%
Penalties Released	66	616	\$ 550	833.33%
Total Statutory Funding	\$ 507,910	\$ 553,199	\$ 45,289	8.92%
Membership Fees	\$ -	\$ -	\$ -	
Federal Grants	-	-	\$ -	
Services & Software	-	-	\$ -	
Workshops & Miscellaneous	2,582	3,675	\$ 1,093	
Interest	15,094	14,760	\$ (334)	-2.21%
Total Revenue (A)	\$ 525,586	\$ 571,634	\$ 46,048	8.76%
Expenses				
Personnel Expenses				
Salaries	\$ 314,564	\$ 338,501	\$ 23,937	7.61%
Payroll Taxes	20,700	21,658	\$ 958	4.63%
Benefits	30,426	30,592	\$ 166	0.55%
Retirement Costs	27,995	27,080	\$ (915)	-3.27%
Total Personnel Expenses	\$ 393,685	\$ 417,831	\$ 24,146	6.13%
Meeting Expenses				
Meetings & Conference Calls	\$ -	\$ -	\$ -	
Travel	19,250	10,849	\$ (8,401)	-43.64%
Total Meeting Expenses	\$ 19,250	\$ 10,849	\$ (8,401)	-43.64%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ -	\$ -	\$ -	
Office Rent	-	-	\$ -	
Office Costs	3,600	2,520	\$ (1,080)	-30.00%
Professional Services	-	-	\$ -	
Miscellaneous	-	-	\$ -	
Total Operating Expenses	\$ 3,600	\$ 2,520	\$ (1,080)	-30.00%
Total Direct Expenses	\$ 416,517	\$ 431,200	\$ 14,665	3.52%
Indirect Expenses	\$ 176,442	\$ 179,667	\$ 3,225	1.83%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 592,959	\$ 610,867	\$ 17,908	3.02%
Change in Net Assets (=A-B)	\$ (67,373)	\$ (39,233)	\$ 28,140	-41.77%
Fixed Assets, excluding Right of Use Assets (C)	\$ 2,275	\$ 1,611	\$ (664)	\$ (0)
TOTAL BUDGET (B+C)	\$ 595,234	\$ 612,478	\$ 17,244	2.90%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (69,648)	\$ (40,844)	\$ 28,804	-41.36%
FTEs	2.00	2.00	-	0.00%
HC	2.00	2.00	-	0.00%



Corporate Services

Corporate Services (in whole dollars) Direct Expenses and Fixed Assets						
	2025 Budget	2026 Budget	Increase (Decrease)	FTEs 2025 Budget	FTEs 2026 Budget	Increase (Decrease)
Committee and Member Forums	\$ -	\$ -	\$ -	-	-	-
General and Administrative	\$ 6,110,050	\$ 6,325,595	\$ 215,545	19.00	17.50	(1.50)
Legal and Regulatory	\$ 1,142,835	\$ 1,273,986	\$ 131,151	3.50	4.00	0.50
Information Technology	\$ 3,810,520	\$ 4,177,585	\$ 367,065	13.00	14.00	1.00
Human Resources	\$ 1,219,717	\$ 1,200,673	\$ (19,044)	4.00	4.00	-
Accounting and Finance	\$ 718,535	\$ 753,974	\$ 35,439	3.00	3.00	-
Total Corporate Services*	\$ 13,001,657	\$ 13,731,813	\$ 730,156	42.50	42.50	-

*WECC's 2026 preliminary Corporate Services budget (direct expenses plus fixed assets) is \$13,731,813 of which \$1,450,225 is allocated to non-statutory activities. As a result of the allocation of direct expenses and fixed assets to the non-statutory function, the final 2026 Corporate Services budget is \$12,281,588, which is a \$441,591 increase from the 2025 budget after direct expense and fixed asset allocations.

Program Scope, Purpose, and Impact

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

- General and Administrative;
- Legal and Regulatory;
- Information Technology;
- Human Resources; and
- Finance and Accounting.

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

Method for Allocation of Corporate Services Expenses to Programs

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



General and Administrative

Program Scope, Purpose, and Impact

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

2026 Key Budget Assumptions

- Executive outreach to stakeholders increases.
- WECC staff will provide the same level of meetings and meeting support as 2025 for the Board of Directors and Board Committees.
- [Salt Lake City, Utah](#) ~~TBD~~ is the Board-approved location for the 2026 Annual Meeting.
- Board Directors will be compensated according to the 2025 Board compensation structure, and compensation is expected to increase.
- WECC's unused office space is subleased.

2026 Goals and Deliverables

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

Legal and Regulatory

Program Scope, Purpose, and Impact

The Legal and Regulatory Program provides coordinated legal services and subject matter expertise to the Board, committees, and staff, in addition to consistent legal interpretations of relevant statutes, regulations, court opinions, and regulatory decisions. Legal is also responsible for enterprise risk management: identifying particular events or circumstances relevant to the organization, assessing their likelihood and their magnitude of impact, determining a response strategy, and monitoring risk status over time. This program is also responsible for WECC's Long-Term Strategy refreshes and Corporate Scorecard development and monitoring. On occasion, major efforts may be outsourced to



select law firms, but the responsibility for all legal matters remains with Legal and Regulatory. WECC's broad scope of activities requires significant legal support and review. Arranging for legal support is complicated by the technical nature of this developing area of law, and there are many potential areas of conflict prohibiting the use of law firms with energy practices.

2026 Key Budget Assumptions

- The scope of current Legal operations will be maintained.
- Reliance on outside legal counsel is minimal.
- Business insurance premiums increase by a modest amount.
- FTEs increase by 0.5 due to the removal of an allocation to the General and Administrative area resulting from changes in scope of work.

2026 Goals and Deliverables

- Continuously improve program processes and tools.
- Deliver quantitative and qualitative results for Corporate Scorecard items and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Provide efficient, cost-effective legal support to the Board, committees, and staff through a combination of in-house and outside resources.
- Advise staff on legal matters by participating in the development of products and ensuring protected information and data is not compromised.
- Coordinate with the ERO Enterprise legal group to identify and share best practices.

Information Technology

Program Scope, Purpose, and Impact

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

2026 Key Budget Assumptions

- WECC will increase security capabilities with more access controls and enhanced threat monitoring, detection, and reporting tools due to the ever-changing cybersecurity landscape.
- Internal and external penetration tests on the network and systems will be performed annually.
- IT will select, implement, and train users on a more robust organization-wide data reporting tool for increased data visualization, analytical, and reporting capabilities.



- Consultants will be used for project-based work to augment staff skill sets.
- IT will continue to drive long-term levelized costs by obtaining subscription services for software and infrastructure when practical.
- To retain vendor support and to reduce unplanned outages, desktop computer equipment will be replaced every four years, servers every five years, and network equipment every seven to 10 years.
- IT will continue to work collaboratively to share and make the most of the knowledge across the ERO Enterprise, minimize duplication of effort and investments, and improve operational efficiency, in support of the ERO Enterprise IT Strategy.
- One Database Engineer is added for support of expanded data workloads.

2026 Goals and Deliverables

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

Human Resources

Program Scope, Purpose, and Impact

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

2026 Key Budget Assumptions

- Total WECC headcount increases by ~~six~~nine in 2026.
- WECC's current benefit levels are maintained.
- Employee engagement efforts are continually refined and adjusted to retain talent and build on WECC's strong cultural foundation. Specific focus will be on supporting and enhancing interactions and relationships with a distributed workforce.



- Management development and training will continue to be prioritized with a focus on written and interpersonal communication, accountability, coaching, and process improvement.
- NERC's Learning Management System and LinkedIn Learning are used as training resources for employees.

2026 Goals and Deliverables

- Continuously improve program processes and tools.
- Deliver quantitative and qualitative results for Corporate Scorecard items and develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Target national markets for most positions, allowing WECC to hire from a larger candidate pool of highly skilled talent.
- Enhance all facets of the employee experience to achieve lower levels of turnover.
- Minimize employee skills gaps through the identification of critical technical skills, knowledge assessment criteria, and competency-based career pathing with a focus on targeted internal and external professional development/education, knowledge transfer efforts, and succession planning.
- Increase the effectiveness of performance management processes through manager training and development.
- Conduct training on interpersonal skills; harassment prevention; and other topics for all employees and managers.
- Deliver a comprehensive yet affordable benefits package to retain current employees and attract prospective employees while managing costs.
- Expand recruiting efforts through college campus outreach, social media platforms, and employee referral programs.

Finance and Accounting

Program Scope, Purpose, and Impact

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

2026 Key Budget Assumptions

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



2026 Goals and Deliverables

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



Corporate Services Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2025 Budget and 2026 Budget CORPORATE SERVICES				
	2025 Budget	2026 Budget	Variance (\$)	Variance (%)
Revenue				
Statutory Funding				
WECC Assessments	\$ -	\$ -	\$ -	
Penalties Released	-	-	\$ -	
Total Statutory Funding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Membership Fees	\$ -	\$ -	\$ -	
Federal Grants	-	-	\$ -	
Services & Software	-	-	\$ -	
Workshops & Miscellaneous	-	-	\$ -	
Interest	-	-	\$ -	
Total Revenue (A)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Expenses				
Personnel Expenses				
Salaries	\$ 5,716,487	\$ 6,148,281	\$ 431,794	7.55%
Payroll Taxes	345,226	360,387	\$ 15,161	4.39%
Benefits	997,372	1,048,629	\$ 51,257	5.14%
Retirement Costs	537,590	491,183	\$ (46,407)	-8.63%
Total Personnel Expenses	<u>\$ 7,596,675</u>	<u>\$ 8,048,480</u>	<u>\$ 451,805</u>	<u>5.95%</u>
Meeting Expenses				
Meetings & Conference Calls	\$ 70,920	\$ 93,302	\$ 22,382	31.56%
Travel	171,624	188,256	\$ 16,632	9.69%
Total Meeting Expenses	<u>\$ 242,544</u>	<u>\$ 281,558</u>	<u>\$ 39,014</u>	<u>16.09%</u>
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ 277,000	\$ 463,000	\$ 186,000	67.15%
Office Rent	1,328,263	1,326,433	\$ (1,830)	-0.14%
Office Costs	2,063,975	2,123,117	\$ 59,142	2.87%
Professional Services	1,327,700	1,367,225	\$ 39,525	2.98%
Miscellaneous	-	-	\$ -	
Total Operating Expenses	<u>\$ 4,996,938</u>	<u>\$ 5,279,775</u>	<u>\$ 282,837</u>	<u>5.66%</u>
Total Direct Expenses	<u>\$ 12,836,157</u>	<u>\$ 13,609,813</u>	<u>\$ 773,656</u>	<u>6.03%</u>
Indirect Expenses	<u>\$ (12,836,157)</u>	<u>\$ (13,609,813)</u>	<u>\$ (773,656)</u>	<u>6.03%</u>
Other Non-Operating Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Total Expenses (B)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Change in Net Assets (=A-B)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Fixed Assets, excluding Right of Use Assets (C)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
TOTAL BUDGET (B+C)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
FTEs	42.50	42.50	-	0.00%
HC	43.00	43.00	-	0.00%



Non-Statutory Program

Goals, Budget Assumptions, and Statements of Activities

2026 Non-Statutory Budget Overview

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

Budget and Funding Summary

WECC's proposed 2026 non-statutory budget is \$4,63818,000, a \$94525,000 (265.0%) increase from the 2025 non-statutory budget. Non-statutory funding, derived predominantly from activity-based fees, is budgeted at \$3,568,000, a \$308,000 (9.4%) increase from 2025.

Major Budget Drivers

Funding Sources

- Membership Fees increase due to an anticipated increase in program participation and expansions of some programs.
- Interest remains stable due to anticipated rates of return on investments.
- Training revenue derived from customer training course fees.

Personnel Expenses

- Three FTEs are added due to program growth, program expansion, and new fuel type tracking requirements, which are all being driven by state renewable portfolio standards targets in the coming years.
- 3% merit and 1% market adjustment pools.
- Adjustments to compensation based on data from a salary survey to enable us to remain competitive with the market and hire and retain highly skilled employees.
- Refinement of payroll tax and benefits enrollment rates and premiums.
- Labor float assumption changes based on actual turnover and vacancy rates.

Meeting Expenses

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

Indirect Expenses

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



Consultants and Contracts

- Consulting increases to provide project management and documentation assistance for various software projects.

Computer/Software Maintenance & Licenses

- Software costs increase due to escalations in software licensing fees as well as new software for a help desk solution.



WREGIS Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2025 Budget & Projection, and 2026 Budget NON-STATUTORY						
	2025 Budget	2025 Projection	Variance 2025 Budget v 2025 Projection Over(Under)	2026 Budget	Variance (\$)	Variance (%)
Revenue						
Statutory Funding						
WECC Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	
Penalties Released	-	-	-	-	-	
Total Statutory Funding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Membership Fees	\$ 3,077,375	\$ 3,196,796	\$ 119,421	3,385,000	\$ 307,625	10.00%
Federal Grants	-	-	-	-	-	
Services & Software	-	-	-	-	-	
Workshops & Miscellaneous	2,500	1,800	(700)	2,500	-	0.00%
Interest	180,000	304,713	124,713	180,000	-	0.00%
Total Revenue (A)	<u>\$ 3,259,875</u>	<u>\$ 3,503,309</u>	<u>\$ 243,434</u>	<u>\$ 3,567,500</u>	<u>\$ 307,625</u>	<u>9.44%</u>
Expenses						
Personnel Expenses						
Salaries	\$ 1,139,845	\$ 1,029,073	\$ (110,772)	\$ 1,390,198	\$ 250,353	21.96%
Payroll Taxes	72,898	69,230	(3,668)	85,687	12,789	17.54%
Benefits	174,656	140,508	(34,148)	201,563	26,907	15.41%
Retirement Costs	101,295	91,774	(9,521)	110,735	9,440	9.32%
Total Personnel Expenses	<u>\$ 1,488,694</u>	<u>\$ 1,330,585</u>	<u>\$ (158,109)</u>	<u>\$ 1,788,183</u>	<u>\$ 299,489</u>	<u>20.12%</u>
Meeting Expenses						
Meetings & Conference Calls	\$ 5,200	\$ 3,439	\$ (1,761.00)	\$ 5,400	\$ 200	3.85%
Travel	46,830	43,299	(3,531)	46,080	(750)	-1.60%
Total Meeting Expenses	<u>\$ 52,030</u>	<u>\$ 46,738</u>	<u>\$ (5,292)</u>	<u>\$ 51,480</u>	<u>\$ (550)</u>	<u>-1.06%</u>
Operating Expenses, excluding Depreciation						
Consultants & Contracts	\$ -	\$ 264,000	\$ 264,000	\$ 100,000	\$ 100,000	
Office Rent	-	-	-	-	-	
Office Costs	990,968	1,004,960	13,992	1,247,972	257,004	25.93%
Professional Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Total Operating Expenses	<u>\$ 990,968</u>	<u>\$ 1,268,960</u>	<u>\$ 277,992</u>	<u>\$ 1,347,972</u>	<u>\$ 357,004</u>	<u>36.03%</u>
Total Direct Expenses	<u>\$ 2,531,692</u>	<u>\$ 2,646,283</u>	<u>\$ 114,591</u>	<u>\$ 3,187,635</u>	<u>\$ 655,943</u>	<u>25.91%</u>
Indirect Expenses	<u>\$ 1,146,873</u>	<u>\$ 1,072,725</u>	<u>\$ (74,148)</u>	<u>\$ 1,437,341</u>	<u>\$ 290,468</u>	<u>25.33%</u>
Other Non-Operating Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Total Expenses (B)	<u>\$ 3,678,565</u>	<u>\$ 3,719,008</u>	<u>\$ 40,443</u>	<u>\$ 4,624,976</u>	<u>\$ 946,411</u>	<u>25.73%</u>
Change in Net Assets (=A-B)	<u>\$ (418,690)</u>	<u>\$ (215,699)</u>	<u>\$ 202,991</u>	<u>\$ (1,057,476)</u>	<u>\$ (638,786)</u>	<u>152.57%</u>
Fixed Assets, excluding Right of Use Assets (C)	<u>\$ 14,787</u>	<u>\$ -</u>	<u>\$ (14,787)</u>	<u>\$ 12,884</u>	<u>\$ (1,903)</u>	<u>-12.87%</u>
TOTAL BUDGET (B+C)	<u>\$ 3,693,352</u>	<u>\$ 3,719,008</u>	<u>\$ 25,656</u>	<u>\$ 4,637,860</u>	<u>\$ 944,508</u>	<u>25.57%</u>
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	<u>\$ (433,477)</u>	<u>\$ (215,699)</u>	<u>\$ 217,778</u>	<u>\$ (1,070,360)</u>	<u>\$ (636,883)</u>	<u>146.92%</u>
FTEs	13.00	13.00	-	16.00	3.00	23.08%
HC	13.00	13.00	-	16.00	3.00	23.08%



Personnel—Overview of FTEs and Expenses

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

Total FTEs by Program Area	Budget 2025	Direct FTEs 2026 Budget	Shared FTEs* 2026 Budget	Total FTEs 2026 Budget	Change from 2025 Budget
NON-STATUTORY					
Operational Programs					
Total FTEs Operational Programs	-	-	-	-	-
Administrative Programs					
WREGIS	13.00	16.00	-	16.00	3.00
Total FTEs Administrative Programs	13.00	16.00	-	16.00	3.00
Total FTEs	13.00	16.00	-	16.00	3.00

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



Overview of Changes in Reserves

Working Capital Reserve Analysis	
NON-STATUTORY	
	Total
Beginning Reserve (Deficit), January 1, 2025	\$ 7,305,200
Plus: 2025 Funding	3,503,309
Less: 2025 Projected expenses & capital expenditures	(3,719,008)
Projected Working Capital Reserve (Deficit), December 31, 2025	<u>\$ 7,089,501</u>
Plus: 2026 Funding	3,567,500
Less: 2026 Transfer of Peak Holdback Reserves from Non-Statutory to Statutory	(312,000)
Less: 2026 Projected expenses & capital expenditures	(4,637,860)
Projected Working Capital Reserve, December 31, 2026	<u>\$ 5,707,141</u>



Non-Statutory Program—Goals and Budget Assumptions

WREGIS

Program Scope, Purpose, and Impact

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

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

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

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

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

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

2026 Key Budget Assumptions

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

- Transaction fees are based on organization type.
 - Approximately 4% of revenues are based on annual fees.
 - Approximately 92% of revenues are based on transaction fees, which may depend on factors like weather (wind and solar generation levels) and state regulatory policies (retirement, transfers, etc.).



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

2026 Goals and Deliverables

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



Appendices

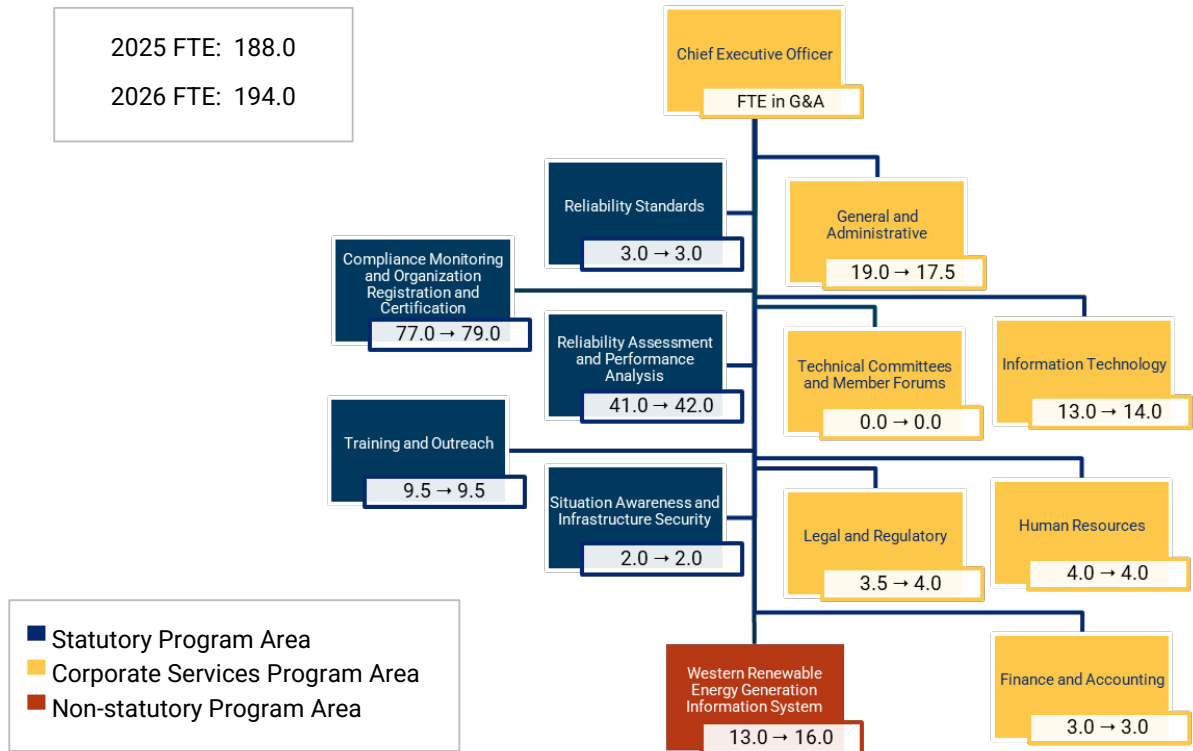
Additional Information

Appendix A—2026 Statement of Activities by Program, Statutory and Non-Statutory

Statement of Activities and Capital Expenditures by Program	Total	Statutory Total	Non-Statutory Total	Statutory Programs							Non-Statutory Program	
				Statutory Total	Reliability Standards	Compliance and Organization Registration and Certification	Reliability Assessment and Performance Analysis	Training and Outreach	Situation Awareness and Infrastructure Security	Corporate Services	Non-Statutory Total	WREGIS
Revenue												
Statutory Funding												
WECC Assessments	\$ 35,657,280	\$ 35,657,280	\$ -	\$ 35,657,280	\$ 855,914	\$ 20,785,916	\$ 11,092,619	\$ 2,370,248	\$ 552,583	\$ -	\$ -	\$ -
Penalties Released	41,745	41,745	-	41,745	924	24,339	12,939	2,927	616	-	-	-
Total Statutory Funding	\$ 35,699,025	\$ 35,699,025	\$ -	\$ 35,699,025	\$ 856,838	\$ 20,810,255	\$ 11,105,558	\$ 2,373,175	\$ 553,199	\$ -	\$ -	\$ -
Non-statutory Funding	\$ 3,385,000	\$ -	\$ 3,385,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,385,000	\$ 3,385,000
Workshops & Miscellaneous	760,000	757,500	2,500	757,500	5,513	145,173	77,181	525,958	3,675	-	2,500	2,500
Interest	1,180,006	1,000,006	180,000	1,000,006	22,140	583,029	309,966	70,111	14,760	-	180,000	180,000
Total Revenue (A)	\$ 41,024,031	\$ 37,456,531	\$ 3,567,500	\$ 37,456,531	\$ 884,491	\$ 21,538,457	\$ 11,492,705	\$ 2,969,244	\$ 571,634	\$ -	\$ 3,567,500	\$ 3,567,500
Expenses												
Personnel Expenses												
Salaries	\$ 27,407,022	\$ 26,016,824	\$ 1,390,198	\$ 26,016,824	\$ 538,597	\$ 11,513,585	\$ 6,104,030	\$ 1,373,830	\$ 338,501	\$ 6,148,281	\$ 1,390,198	\$ 1,390,198
Payroll Taxes	1,662,984	1,577,297	85,687	1,577,297	31,969	710,244	371,857	81,182	21,658	360,387	85,687	85,687
Benefits	3,188,431	2,986,868	201,563	2,986,868	42,986	1,130,885	600,508	133,268	30,592	1,048,629	201,563	201,563
Retirement Costs	2,182,007	2,071,272	110,735	2,071,272	43,088	915,811	484,879	109,231	27,080	491,183	110,735	110,735
Total Personnel Expenses	\$ 34,440,444	\$ 32,652,261	\$ 1,788,183	\$ 32,652,261	\$ 656,640	\$ 14,270,525	\$ 7,561,274	\$ 1,697,511	\$ 417,831	\$ 8,048,480	\$ 1,788,183	\$ 1,788,183
Meeting Expenses												
Meetings & Conference Calls	\$ 616,568	\$ 611,168	\$ 5,400	\$ 611,168	\$ -	\$ -	\$ 16,746	\$ 501,120	\$ -	\$ 93,302	\$ 5,400	\$ 5,400
Travel	1,090,040	1,043,960	46,080	1,043,960	17,378	589,330	206,301	31,846	10,849	188,256	46,080	46,080
Total Meeting Expenses	\$ 1,706,608	\$ 1,655,128	\$ 51,480	\$ 1,655,128	\$ 17,378	\$ 589,330	\$ 223,047	\$ 532,966	\$ 10,849	\$ 281,558	\$ 51,480	\$ 51,480
Operating Expenses, excluding Depreciation												
Consultants & Contracts	\$ 1,595,400	\$ 1,495,400	\$ 100,000	\$ 1,495,400	\$ -	\$ 714,000	\$ 318,400	\$ -	\$ -	\$ 463,000	\$ 100,000	\$ 100,000
Office Rent	1,326,433	1,326,433	-	1,326,433	-	-	-	-	-	1,326,433	-	-
Office Costs	4,212,624	2,964,652	1,247,972	2,964,652	1,755	343,085	404,321	89,854	2,520	2,123,117	1,247,972	1,247,972
Professional Services	1,367,225	1,367,225	-	1,367,225	-	-	-	-	-	1,367,225	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	\$ 8,501,682	\$ 7,153,710	\$ 1,347,972	\$ 7,153,710	\$ 1,755	\$ 1,057,085	\$ 722,721	\$ 89,854	\$ 2,520	\$ 5,279,775	\$ 1,347,972	\$ 1,347,972
Total Direct Expenses	\$ 44,648,734	\$ 41,461,099	\$ 3,187,635	\$ 41,461,099	\$ 675,773	\$ 15,916,940	\$ 8,507,042	\$ 2,320,331	\$ 431,200	\$ 13,609,813	\$ 3,187,635	\$ 3,187,635
Indirect Expenses	\$ -	\$ (1,437,341)	\$ 1,437,341	\$ (1,437,341)	\$ 269,501	\$ 7,096,866	\$ 3,773,017	\$ 853,421	\$ 179,667	\$ (13,609,813)	\$ 1,437,341	\$ 1,437,341
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 44,648,734	\$ 40,023,758	\$ 4,624,976	\$ 40,023,758	\$ 945,274	\$ 23,013,806	\$ 12,280,059	\$ 3,173,752	\$ 610,867	\$ -	\$ 4,624,976	\$ 4,624,976
Change in Net Assets (=A-B)	\$ (3,624,703)	\$ (2,567,227)	\$ (1,057,476)	\$ (2,567,227)	\$ (60,783)	\$ (1,475,349)	\$ (787,354)	\$ (204,508)	\$ (39,233)	\$ -	\$ (1,057,476)	\$ (1,057,476)
Fixed Assets, excluding Right of Use Assets (C)	\$ 122,000	\$ 109,116	\$ 12,884	\$ 109,116	\$ 2,416	\$ 63,617	\$ 33,822	\$ 7,650	\$ 1,611	\$ -	\$ 12,884	\$ 12,884
TOTAL BUDGET (B+C)	\$ 44,770,734	\$ 40,132,874	\$ 4,637,860	\$ 40,132,874	\$ 947,690	\$ 23,077,423	\$ 12,313,881	\$ 3,181,402	\$ 612,478	\$ -	\$ 4,637,860	\$ 4,637,860
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (3,746,703)	\$ (2,676,343)	\$ (1,070,360)	\$ (2,676,343)	\$ (63,199)	\$ (1,538,966)	\$ (821,176)	\$ (212,158)	\$ (40,844)	\$ -	\$ (1,070,360)	\$ (1,070,360)
FTEs	194.00	178.00	16.00	178.00	3.00	79.00	42.00	9.50	2.00	42.50	16.00	16.00
HC	194.00	178.00	16.00	178.00	3.00	79.00	42.00	9.00	2.00	43.00	16.00	16.00



Appendix B—Organizational Chart—Changes in FTE by Program

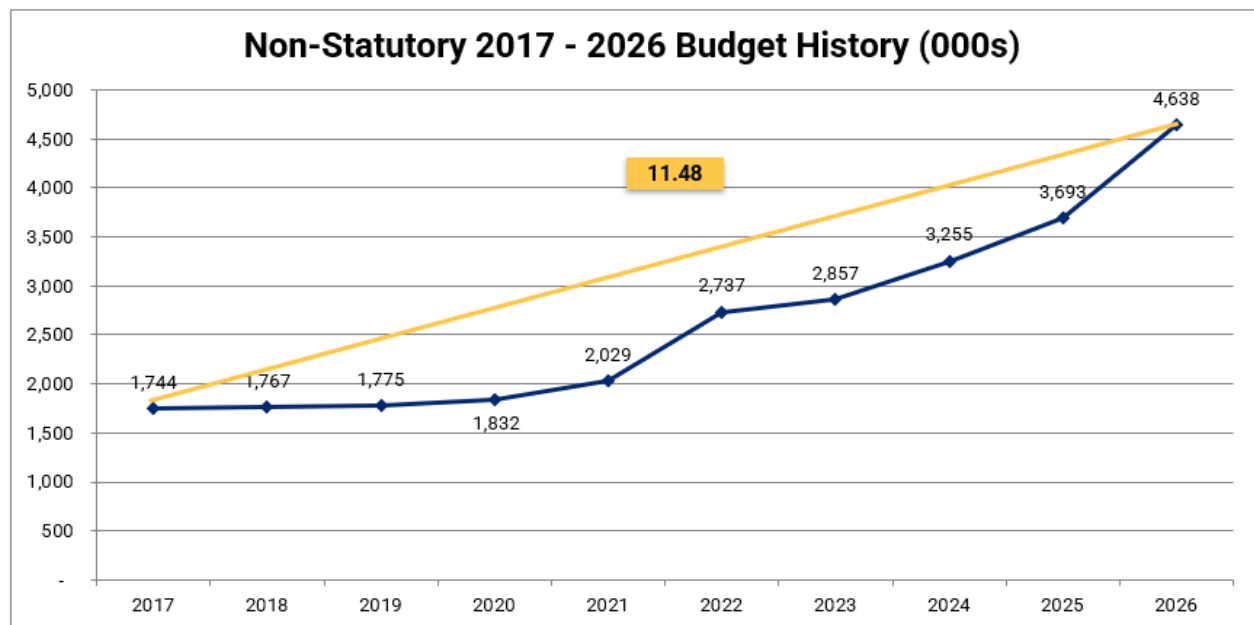
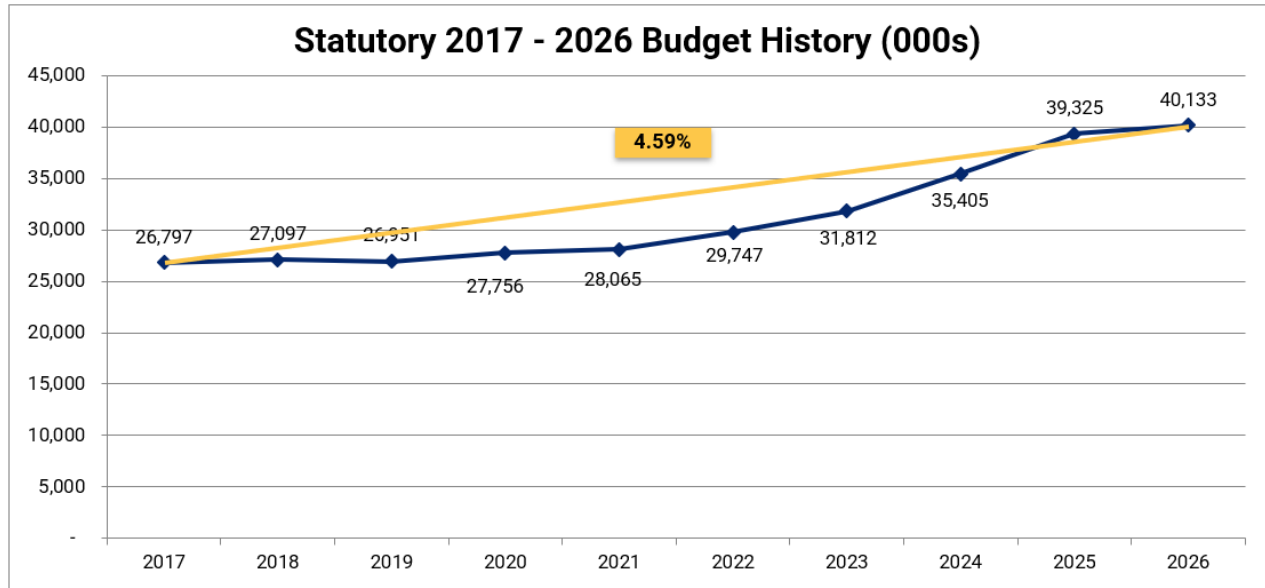


Appendix C—Adjustment to the Alberta Electric System Operator (AESO) Assessment

To be calculated and inserted after NEL data is collected.



Appendix D—Statutory and Non-Statutory Budget History Charts





WIRAB Advice on the WECC 2026 Business Plan and Budget

May 16, 2025

Alberta
 Arizona
 Baja California
 British Columbia
 California
 Colorado
 Idaho
 Montana
 Nebraska
 Nevada
 New Mexico
 Oregon
 South Dakota
 Texas
 Utah
 Washington
 Wyoming

Mary Throne
 Chair

Lea Márquez Peterson
 Vice Chair

Laura Rennick
 Executive Director

Introduction:

The Western Interconnection Regional Advisory Body (WIRAB) appreciates the opportunity to provide advice on WECC's proposed 2026 Business Plan and Budget (BP&B). Established by the Federal Energy Regulatory Commission (FERC) at the request of Western Governors under Section 215(j) of the Federal Power Act, WIRAB's mandate includes advising FERC, WECC, and the North American Electric Reliability Corporation (NERC) on whether Reliability Standards, governance, fees, and other reliability matters proposed within the western region are reasonable and in the public interest.

WECC's proposed 2026 BP&B outlines a \$40.1 million statutory budget—a 2.1 percent increase over 2025. It is designed to ensure the organization is equipped to fulfill its mission of managing emerging reliability and security risks in the Western Interconnection and to carry out activities delegated to it from NERC. This proposed budget aligns with the projections made in 2023 that were included in WECC's 2024 BP&B and supports the organization's ongoing focus on proactive risk identification and mitigation.

The proposed statutory assessment for Load Serving Entities (LSEs) is \$35.7 million, representing a \$2.6 million (8.0 percent) increase over 2025. This equates to approximately 0.00379 cents per kWh and will ultimately be borne by electricity consumers in the Western Interconnection. While the budget increase contributes to the higher assessment, WECC is limiting the burden on LSEs by using approximately \$2.5 million in Working Capital Reserves to offset assessments. Additionally, WECC collected \$41,745 in penalty dollars which will be used to offset assessments in 2026.

WIRAB commends WECC for adjusting its early Draft 2026 Business Plan and Budget shared in March 2025 in response to feedback from the Member Advisory Committee (MAC) and other stakeholders. WECC's revisions demonstrate a strong commitment to balancing cost-consciousness with the need to adequately resource the organization to fulfill its critical reliability mission. WIRAB believes that the modest budget adjustments preserve key strategic investments while reducing the assessment increase to LSEs from what was initially proposed.

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

- (1) **Personnel Expenses:** A \$1.5 million increase driven by the addition of 3.0 new Full-Time Equivalents (FTEs), merit and equity pools, and adjustments to taxes and benefits.

WIRAB Advice on the WECC 2026 Business Plan and Budget
May 16, 2025

- (2) **Meetings & Travel Costs:** A \$137,000 decrease reflecting decreased travel costs and in-person meetings being hosted primarily in WECC's Salt Lake City offices.
- (3) **Consulting Expenses:** A \$349,000 reduction, largely due to enforcement contract labor and reduced use of Peak Donation Funds for the WestTEC initiative.
- (4) **Indirect Costs Allocation:** A \$290,000 decrease based on a smaller proportion of indirect costs being assigned to statutory programs.

WECC's statutory funding projections for 2026 include:

- (1) Statutory Assessments: \$35,700,000
- (2) Penalty Sanctions to be released: \$41,745
- (3) Workshop & Miscellaneous fees: \$757,500
- (4) Interest: \$1,000,000
- (5) Peak Donation Reserves: \$200,000
- (6) Working Capital Reserves: \$2,676,000

Comments and Recommendations:

WIRAB provides the following comments and recommendations regarding WECC's 2026 BP&B:

1. WIRAB Supports Continued Use of Peak Reliability Donation Funds to Advance the WestTEC Initiative.

WIRAB continues to support WECC's proposed allocation of \$200,000 in Peak Reliability Donation Funds in 2026 to advance the Western Power Pool's (WPP) Western Transmission Expansion Coalition (WestTEC) initiative.

In 2020, Peak Reliability donated approximately \$4.1 million in reserves to WECC upon ceasing its operations as a Reliability Coordinator. These funds were intended to support targeted projects that enhance reliability in the Western Interconnection beyond routine compliance with NERC standards. Following WIRAB's advice, WECC developed a strategic process to guide the use of these funds, including establishing priority themes and soliciting stakeholder input.

Since 2022, WECC has allocated Peak funds to projects that strengthen risk assessments and data capabilities—including \$400,000 in 2022, \$595,000 in 2023, \$500,000 in 2024, and \$1.5 million in 2025. A portion of the 2024 and 2025 funds has supported the WestTEC effort, with a total commitment of \$2.2 million planned over three years. For 2026, WECC intends to use \$200,000 to fund the final portion of the WestTEC effort. While this amount is included in the statutory budget, this \$200,000 allocation is fully self-funded and outside of WECC's statutory obligations and assessments. After 2026, approximately \$1.0 million will be left in the Peak Donation Fund to potentially allocate to future projects.

WestTEC is a collaborative, interconnection-wide transmission planning initiative aimed at delivering actionable infrastructure recommendations to meet future grid reliability needs. WIRAB believes that supporting this effort aligns with the original purpose of the Peak funds and will benefit the long-term reliability and resilience of the Western Interconnection.

WIRAB Advice on the WECC 2026 Business Plan and Budget
May 16, 2025

WIRAB appreciates WECC's transparency in engaging stakeholders throughout the Peak Fund allocation process and encourages WECC to continue ensuring that WestTEC adheres to principles of transparency, independence, and inclusivity. WIRAB also recommends regular updates on the initiative's progress and encourages WECC to maintain strong coordination in WestTEC.

By continuing to support WestTEC, WECC can help advance a more reliable and forward-looking transmission system. WIRAB endorses the use of Peak Donation Funds for this effort and stands ready to provide further advice to ensure the initiative delivers value across the Western Interconnection.

2. WIRAB Supports Modest Expansion of the Compliance Monitoring and Enforcement Program (CMEP) to Meet Growing Needs.

WIRAB supports WECC's proposal to expand its Compliance Monitoring and Enforcement Program (CMEP) by adding 2.0 Full-Time Equivalents (FTEs) in the 2026 budget. This targeted staffing increase is necessary to manage the growing volume and complexity of compliance activities, particularly those related to the rapid growth of inverter-based resources (IBRs).

The CMEP is essential to WECC's mission and delegated function of ensuring compliance with FERC-approved NERC Reliability Standards. With oversight of more than 400 registered owners, operators, and users of the Bulk Electric System (BES), the CMEP team plays a critical role in maintaining system reliability. Recent and upcoming changes to NERC Reliability Standards have led to an increase in new entity registrations, especially among entities operating IBRs. This has contributed to a higher compliance workload and a growing enforcement inventory.

To meet these demands, WECC proposes to add two new positions:

- One Registration Engineer to improve registration workflow efficiency and manage new IBR-related entities;
- One Risk Assessment Engineer to assist with oversight planning and risk-informed compliance strategies.

With these additions, CMEP staffing will rise to 79 FTEs—maintaining WECC's Registered Entity-to-Compliance Staff ratio with that of other Regional Entities at approximately 6:1.

The CMEP program area was the primary department to defer new FTE additions until 2027 from the budget shared in March 2025. This deferral may ultimately indicate that current staffing levels are sufficient to meet program goals and objectives. However, it may also demonstrate that additional personnel are necessary, and further staffing increases could be warranted in the 2027 Business Plan and Budget.

Over the past few years, WECC has made significant improvements in CMEP operations, including enhanced staff expertise in both Operations and Planning and Critical Infrastructure

WIRAB Advice on the WECC 2026 Business Plan and Budget
May 16, 2025

Protection (CIP) standards. These improvements have contributed to more effective internal controls, increased proactive engagement with Registered Entities, and better risk-informed compliance assessments. These efforts have also contributed to a decline in penalty sanctions, suggesting greater industry adherence to standards and improved overall system reliability.

As grid complexity grows, particularly with the integration of IBRs and other emerging technologies, robust compliance oversight and proactive engagement becomes increasingly important. WECC's proposal reflects a forward-looking investment in risk mitigation and regulatory resilience. WIRAB supports this expansion as necessary to maintain a high standard of reliability oversight and to proactively manage emerging risks in the Western Interconnection.

3. WIRAB Supports Additional RAPA Staffing Focused on Generator Readiness to Address Reliability Risks Posed by Extreme Weather.

WIRAB supports WECC's proposal to add 1.0 FTE to the Reliability Assessment and Performance Analysis (RAPA) program area, with a focus on generator readiness. This addition reflects WECC's proactive approach to addressing emerging reliability risks posed by extreme weather events.

The RAPA team plays a critical role in conducting studies, assessments, and analyses to support the reliable planning and operation of the Bulk Electric System (BES) in the Western Interconnection. In collaboration with stakeholders, RAPA helps identify potential reliability risks and provides essential data and insights to support system planning and decision-making at both the regional and local levels.

The 2026 Business Plan and Budget includes funding for a new staff member with expertise in generator performance and weather readiness. This position will support WECC's effort to expand its generator readiness program and assist Generator Owners in complying with the newly effective Reliability Standard EOP-012-1, Extreme Cold Weather Preparedness and Operations. This standard requires Generator Owners to develop and implement plans to mitigate the impact of extreme cold weather on generating units. WECC's program is intended to help entities meet these requirements and reduce system risk by improving generator preparedness ahead of future extreme weather events.

Given the increasing frequency and severity of weather-related disruptions, WIRAB believes this staffing addition is well-justified and aligned with WECC's strategic focus on reliability risk mitigation. A dedicated resource in this area will enhance WECC's ability to support Generator Owners, strengthen system resilience, and improve readiness across the Western Interconnection.

4. WIRAB Supports the Optimization of WECC's Most Critical Asset, its Employees, While Still Fulfilling its Critical Mission.

WIRAB Advice on the WECC 2026 Business Plan and Budget
May 16, 2025

WECC is an organization of knowledgeable, highly trained, and experienced professionals who make it possible for WECC to effectively and efficiently mitigate risks to the reliability and security of the Western Interconnection. As such, direct personnel costs account for nearly 81 percent of its overall budget. Therefore, it is critical for WECC to manage this critical asset. WECC is constantly optimizing its staff resources to meet the needs of the organization. Given the staff increases in the critical program areas CMEP and RAPA, WECC's other staffing needs are remaining flat with minor shifts in FTEs between various corporate services.

WIRAB supports WECC effectively using its existing resources to meet its needs. Still, when it's appropriate to fulfill the organization's and industry's changing needs, WIRAB supports WECC looking beyond its existing resources to create a well-staffed and effective Regional Entity for the Western Interconnection.

5. WIRAB Supports the Proposed 2026 Statutory Assessment Increase that Fully Funds the Budget.

WIRAB supports WECC's proposed 2026 Statutory Assessment of \$35.7 million—a \$2.6 million (8.0 percent) increase over 2025—as it appropriately funds WECC's operations and avoids artificially capping the organization's budget due to the lack of one-time penalty offsets. WECC is limiting the burden on LSEs by using approximately \$2.5 million in Working Capital Reserves to offset assessments. Additionally, WECC collected \$41,745 in penalty dollars which will be used to offset assessments in 2026.

While this increase may present a budgeting challenge for some LSEs, WIRAB believes WECC's approach—building its budget based on actual costs rather than artificially suppressing its budget to previous assessments—is both transparent and in the public interest. It is not prudent for WECC to rely on unpredictable penalty revenues to fund core reliability functions, nor to constrain its budget to unsustainably low assessments previously offset by one-time enforcement penalties.

WIRAB does caution, however, that continued reliance on Working Capital Reserves to align annual assessments with historical levels may risk depleting reserves or deferring necessary assessment increases to future years. That said, WIRAB supports the planned use of reserves in 2026, noting that WECC will remain within its reserve policy target of holding one to three months of operating expenses in reserve.

In conclusion, WIRAB supports the 2026 Statutory Assessment as a necessary and prudent step to ensure WECC is adequately resourced to meet its reliability mission and delegated functions and supports the use of Working Capital Reserves support funding statutory programs.

Advice:

Following review, WIRAB finds the proposed statutory budget and assessment for 2026 to be in the public interest and advises that the WECC Board approve WECC's 2026 Business Plan and Budget and Assessment.



2026 Business Plan and Budget Overview

Jillian Lessner

Chief Financial and Administrative Officer

**Electric Reliability
& Security for the West**

June 10, 2025



Long-term Strategy



Impact Area 1
Risk Mitigation



Impact Area 2
Partnership



Impact Area 3
Perspective



Impact Area 4
Independence



Impact Area 5
People

**The Independent Voice of Bulk Power System
Reliability in the Western Interconnection**



Budget Context

- Recognize growing complexity and pace of change
- Ensure adequate resources to support increasing workload
- Maintain working capital reserves
- Honoring most recent assessment stabilization analysis



Statutory Budget Overview

- Budget increase—\$808K (2.1%)
 - Budget total—\$40.1 million
- 3 additional statutory FTE
 - 2 in CMEP, 1 in RAPA
- Assessments increase—\$2.6 million (8.0%)
 - Assessments total—\$35.6 million
- Penalties collected and released—\$42K



Major Statutory Budget Drivers

- Personnel Expenses
 - 3 proposed FTE additions
 - 4% merit/market adjustment pool
 - Vacancy rate adjustments
- Operating Expenses
 - Enforcement contract labor
 - WestTEC project completion
- Indirect Expense Allocation
 - Increases in Non-statutory FTE



Budget Comparison—2025 to 2026

	2025 Budget	2026 Budget	Variance \$ Incr(Decr)	Variance % Incr(Decr)	Primary Drivers (>\$100K)
Funding					
Assessments	\$ 33,016,000	\$ 35,657,280	\$ 2,641,280	8.0%	Increase in budget, use of working capital reserves
Penalties	4,400	41,745	37,345	848.8%	
Other Income	1,703,541	1,757,506	53,965	3.2%	
Total Funding	\$ 34,723,941	\$ 37,456,531	\$ 2,732,590	7.9%	
Expenses					
Personnel Expenses	\$ 31,121,337	\$ 32,652,261	\$ 1,530,924	4.9%	3 FTE, 4% merit/market adjustment pool, vacancy rate adjustments
Meeting Expenses	1,697,461	1,655,128	(42,333)	-2.5%	
Operating Expenses	7,502,719	7,153,710	(349,009)	-4.7%	Enforcement contract labor, reduction in WestTEC project consulting
Indirect Expenses	(1,146,873)	(1,437,341)	(290,468)	25.3%	Increase in non-statutory FTE and Corporate Services budget
Total Expenses	\$ 39,174,644	\$ 40,023,758	\$ 849,114	2.2%	
Fixed Assets	\$ 150,713	\$ 109,116	\$ (41,597)	-27.6%	
Total Budget	\$ 39,325,357	\$ 40,132,874	\$ 807,517	2.1%	
Change in Working Capital	\$ (4,601,416)	\$ (2,676,343)	\$ 1,925,073	-41.8%	
 FTEs	 175.00	 178.00	 3	 1.7%	

¹ Depreciation excluded from these values

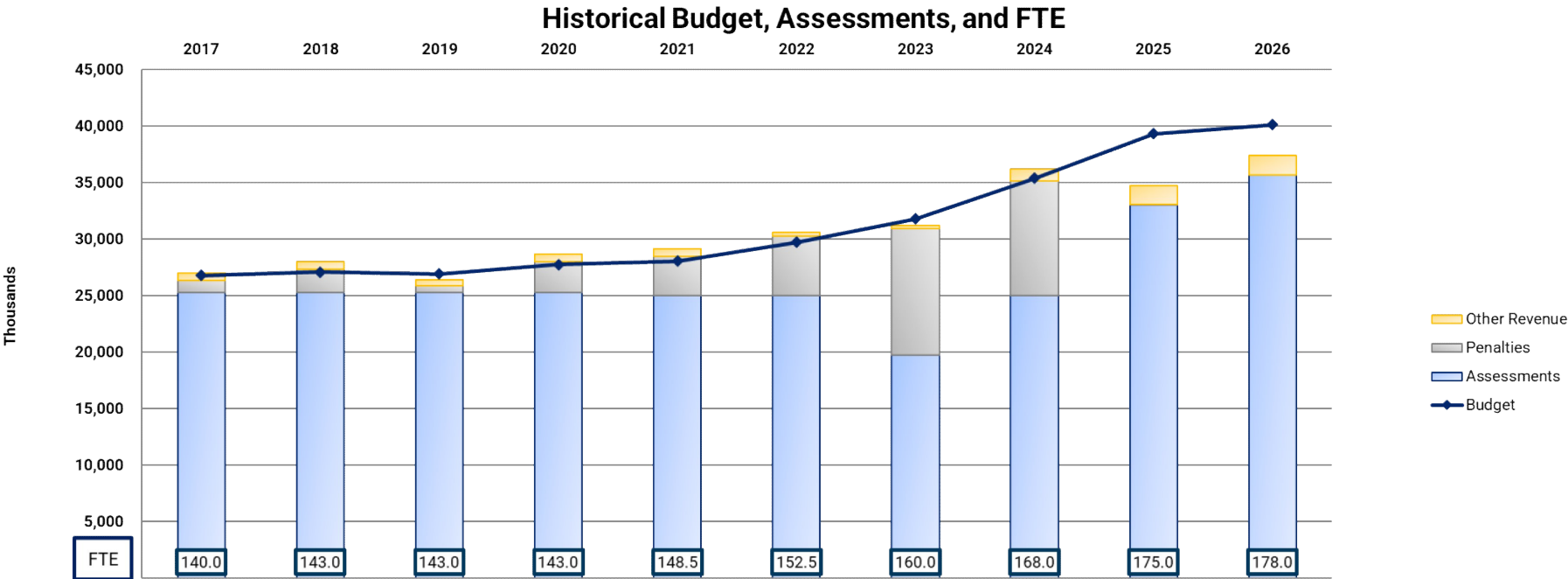


Budget Comparison—Draft #1 to Draft #2

	2026 Budget Draft #1	2026 Budget Draft #2	Variance \$ Incr(Decr)	Variance % Incr(Decr)	Primary Drivers
Funding					
Assessments	\$ 38,689,079	\$ 35,657,280	\$ (3,031,799)	-7.8%	Decrease in budget, \$2.5 million additional use of working capital reserves
Penalties	-	41,745	41,745	100.0%	
Other Income	1,679,508	1,757,506	77,998	4.6%	Additional tenant and sublease income
Total Funding	\$ 40,368,587	\$ 37,456,531	\$ (2,912,056)	-7.2%	
Expenses					
Personnel Expenses	\$ 32,847,939	\$ 32,652,261	\$ (195,678)	-0.6%	Deferred three FTE requests in CMEP to 2027
Meeting Expenses	1,834,092	1,655,128	(178,964)	-9.8%	Annual meeting location change to SLC, reduced travel activity
Operating Expenses	7,195,290	7,153,710	(41,580)	-0.6%	Reduced publication and subscription costs
Indirect Expenses	(1,418,100)	(1,437,341)	(19,241)	1.4%	
Total Expenses	\$ 40,459,221	\$ 40,023,758	\$ (435,463)	-1.1%	
Fixed Assets	\$ 109,366	\$ 109,116	\$ (250)	-0.2%	
Total Budget	\$ 40,568,587	\$ 40,132,874	\$ (435,713)	-1.1%	
Change in Working Capital	\$ (200,000)	\$ (2,676,343)	\$ (2,476,343)	1238.2%	
 FTEs	 181.00	 178.00	 (3)	 -1.7%	



Trending—Budget and Funding





Projected Reserves

- Projected balance at December 31, 2026
 - Peak donation—\$400K
 - Working capital—\$9.1 million
- Reserve Policy range: one to three months of opex
 - Range = \$3.3 million to \$10 million



Stakeholder Engagement

- Stakeholder comment period: April 28 – May 16
- WIRAB budget overview: May 1
- Stakeholder budget overviews: May 5 and 15
- Stakeholder comments received
 - MAC Budget Subcommittee
 - WIRAB



Regional Entity Budgets



Regional Entity Budget Increases (2026 vs 2025)

Budget Change (in millions)	2025	2026	2025 vs. 2026 \$ Change	2025 vs. 2026 % Change
WECC <i>(excludes WIRAB)</i>	39.3	40.1	0.8	2.1%
SERC	35.4	37.5	2.2	6.1%
RF	33.4	35.6	2.3	6.8%
MRO	26.8	27.8	1.0	3.9%
NPCC	25.7	28.4	2.7	10.6%
TEXAS RE	20.3	21.6	1.3	6.4%



RELIABILITY | RESILIENCE | SECURITY



Regional Entity Assessments



Regional Entity Assessment Increases (2026 vs 2025)

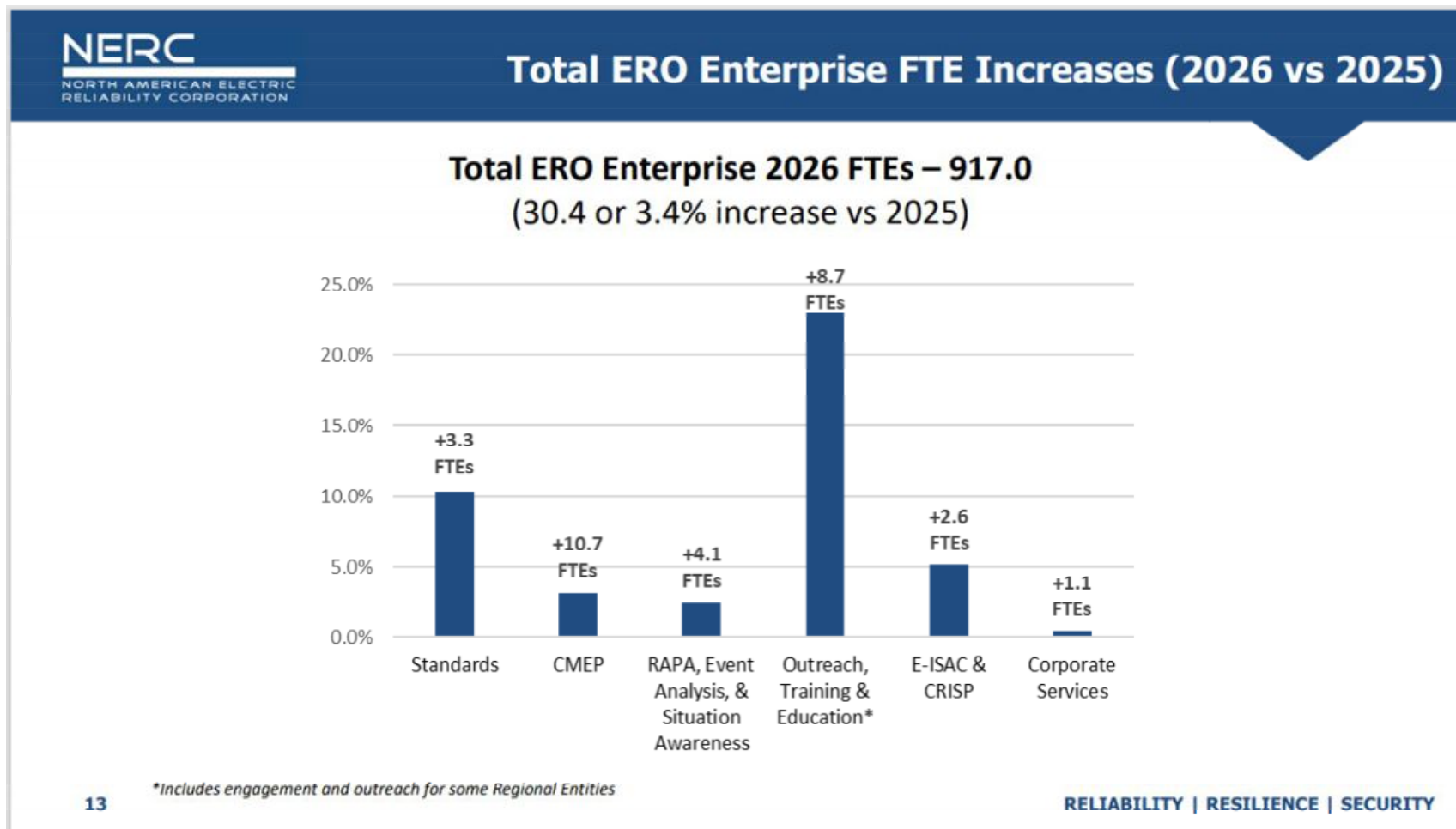
Assessments Change (in millions)	2025	2026	2025 vs. 2026 \$ Change	2025 vs. 2026 % Change
WECC <i>(excludes WIRAB)</i>	33.0	35.7	2.6	8.0%
SERC	31.5	34.3	2.7	8.6%
RF	28.6	32.6	4.0	14.0%
MRO	25.2	26.2	1.0	3.9%
NPCC	24.1	26.6	2.5	10.5%
TEXAS RE	19.3	19.8	0.6	2.9%



RELIABILITY | RESILIENCE | SECURITY



ERO Enterprise FTE Additions





2027 and 2028 Statutory Budget Projections

- 2027
 - Budget—\$42.3 million (5.4% increase)
 - Assessment—\$38.5 million (8.0% increase)
 - FTE—186 (+8)
- 2028
 - Budget—\$43.5 million (3.0% increase)
 - Assessment—\$41.6 million (8.0% increase)
 - FTE—187 (+1)



Non-statutory Budget Overview

- Non-statutory budget increase—\$945K (25.6%)
 - Budget total—\$4.6 million
- 3 additional FTE
- Revenue increase—\$308K (10.0%)



Next Steps

- June 11—Board of Directors approval
- August—NERC BOT approval; FERC filing
- October—FERC Order anticipated
- November 15—2026 assessment invoices distributed



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155 N 400 W, Salt Lake City, UT 84103, USA

<Public>



2024 Audited Financial Statements

Approval Item
Board of Directors Meetings
June 10–11, 2025

Finance and Audit Committee Resolution

Resolved, that the Finance and Audit Committee (FAC), at its meeting on June 10, 2025, recommends the Board of Directors (Board) accepts the 2024 Audited Financial Statements as presented and attached.

Board Resolution

Resolved, that the WECC Board of Directors (Board), acting on the recommendation of the FAC at the meeting of the Board on June 11, 2025, accepts the 2024 Audited Financial Statements as presented and attached.

Background

WECC received a clean opinion on its 2024 financial statements from Eide Bailly, which did not note any material weaknesses or significant deficiencies related to internal controls.

Issues and Risks

The financial statements present fairly, in all material respects, WECC's financial position as of December 31, 2024. There are no organizational issues or risks related to the Board's acceptance of the attached financial statements



Financial Statements

December 31, 2024 and 2023

Western Electricity Coordinating Council (WECC)

WECC
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December 31, 2024 and 2023

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of WECC, which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of WECC as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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



Salt Lake City, Utah
May 2, 2025

WECC
Statements of Financial Position
December 31, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	\$ 38,753,988	\$ 29,670,009
Contractually restricted cash and cash equivalents	4,180	10,920,442
Certificates of deposit	1,002,558	496,533
Investments	15,272,372	12,105,717
Accounts receivable, net of allowance for credit losses	770,533	3,209,239
Prepaid expenses and other assets	1,219,050	790,281
Property and equipment, net	1,087,629	1,849,969
Operating lease right-of-use asset	6,792,379	7,734,678
Total assets	\$ 64,902,689	\$ 66,776,868
Liabilities and Net Assets		
Accounts payable	\$ 9,720,202	\$ 8,497,302
Accrued expenses	5,029,799	4,884,992
Deferred revenue	19,209,894	11,387,303
Other liabilities	388,223	238,887
Operating lease liability	7,837,684	8,809,515
Total liabilities	42,185,802	33,817,999
Net Assets		
Without donor restrictions	22,716,887	32,958,869
Total liabilities and net assets	\$ 64,902,689	\$ 66,776,868

WECC

Statements of Activities

Years Ended December 31, 2024 and 2023

	2024	2023
Revenues		
Electric Reliability Organization funding	\$ 25,004,400	\$ 20,800,537
Western Renewable Energy Generation Information System (WREGIS)	3,148,803	2,828,689
Meetings and workshops	432,702	246,700
Net investment return	1,681,529	1,929,772
Other income	116,005	-
Total revenues	30,383,439	25,805,698
Expenses		
Program expenses		
Statutory	25,362,379	21,826,523
Non-statutory	2,813,540	2,659,427
Total program expenses	28,175,919	24,485,950
Supporting expenses		
Management and general	12,449,502	11,375,082
Total expenses	40,625,421	35,861,032
Change in Net Assets without Donor Restrictions	(10,241,982)	(10,055,334)
Net Assets without Donor Restrictions, Beginning of Year	32,958,869	43,014,203
Net Assets without Donor Restrictions, End of Year	\$ 22,716,887	\$ 32,958,869

See Notes to Financial Statements

4

WECC
Statement of Functional Expenses
Year Ended December 31, 2024

	Program Services			Management and General	Total
	Statutory	Non-Statutory	Total		
Labor	\$ 21,444,607	\$ 1,133,695	\$ 22,578,302	\$ 6,963,293	\$ 29,541,595
Office and equipment	939,574	989,565	1,929,139	3,049,718	4,978,857
Depreciation	4,167	666,667	670,834	158,275	829,109
Contract labor and consultants	184,400	-	184,400	782,665	967,065
Meetings	937,839	23,613	961,452	259,380	1,220,832
Professional services	-	-	-	1,177,667	1,177,667
Excise taxes	-	-	-	58,504	58,504
Other	1,851,792	-	1,851,792	-	1,851,792
Total expenses included in the statement of activities	<u>\$ 25,362,379</u>	<u>\$ 2,813,540</u>	<u>\$ 28,175,919</u>	<u>\$ 12,449,502</u>	<u>\$ 40,625,421</u>

See Notes to Financial Statements

WECC
Statement of Functional Expenses
Year Ended December 31, 2023

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

See Notes to Financial Statements

WECC
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Activities		
Change in net assets	\$ (10,241,982)	\$ (10,055,334)
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation	829,109	844,053
Credit losses	1,851,792	62,000
Realized and unrealized loss on operating investments	80,270	140,795
Changes in assets and liabilities		
Accounts receivable	586,914	(1,832,494)
Prepaid expenses and other assets	(428,769)	1,020
Accounts payable	1,222,900	1,841,896
Accrued expenses	144,807	1,350,613
Deferred revenue	7,822,591	1,251,274
Other liabilities	149,336	182,444
Operating lease asset and liability	(29,532)	8,545
Net Cash from (used for) Operating Activities	<u>1,987,436</u>	<u>(6,205,188)</u>
Investing Activities		
Purchases of property and equipment	(66,769)	(144,250)
Purchases of investments and certificates of deposit	(10,800,275)	(6,970,929)
Proceeds from sales of investments and certificates of deposit	<u>7,047,325</u>	<u>6,747,648</u>
Net Cash used for Investing Activities	<u>(3,819,719)</u>	<u>(367,531)</u>
Net Change in Cash, Cash Equivalents and Contractually Restricted Cash	(1,832,283)	(6,572,719)
Cash, Cash Equivalents and Contractually Restricted Cash, Beginning of Year	<u>40,590,451</u>	<u>47,163,170</u>
Cash, Cash Equivalents and Contractually Restricted Cash, End of Year	<u>\$ 38,758,168</u>	<u>\$ 40,590,451</u>
Cash, Cash Equivalents and Contractually Restricted Cash are presented as follows on the statements of financial position:		
Cash and cash equivalents	\$ 38,753,988	\$ 29,670,009
Contractually restricted cash and cash equivalents	<u>4,180</u>	<u>10,920,442</u>
	<u>\$ 38,758,168</u>	<u>\$ 40,590,451</u>

Note 1 - Summary of Significant Accounting Policies**Organization**

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

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

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

Cash, Cash Equivalents and Contractually Restricted Cash

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

Pursuant to the Delegation Agreement with NERC, contractually restricted cash and cash equivalents as of December 31, 2024 and 2023, were \$4,180 and \$10,920,442, respectively.

Certificates of Deposit

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

WECC

Notes to Financial Statements
December 31, 2024 and 2023**Accounts Receivables and Allowance for Credit Losses**

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

Management believes that the historical loss information it has compiled is a reasonable basis on which to determine expected credit losses for accounts receivable held at December 31, 2024 and 2023 because the composition of the accounts receivable at those dates are consistent with that used in developing the historical credit-loss percentages (i.e., the similar risk characteristics of its customers and its lending practices have not changed significantly over time). Additionally, management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have not been adjusted for differences in current conditions or forecasted changes. Accordingly, the allowance for credit losses at December 31, 2024 and 2023 totaled \$127,613 and \$138,641, respectively.

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

	2024	2023
Allowance for Credit Losses, Beginning of Year	\$ 138,641	79,914
Provision for credit losses	1,851,792	62,000
Charge-offs	(1,862,820)	(3,273)
Allowance for Credit Losses, End of Year	<u>\$ 127,613</u>	<u>\$ 138,641</u>

Property and Equipment

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

WECC reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2024 and 2023.

Right of Use Leased Assets and Liabilities

Right to use leased assets and the related liabilities are recognized at the lease commencement date and represent the Organization's right to use an underlying asset and lease obligations for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. The amortization period varies among the leases.

Investments

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

Net Assets

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

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

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As of December 31, 2024 and 2023, WECC did not have any net assets with donor imposed restrictions.

Revenue Recognition

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

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

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

WECC

Notes to Financial Statements
December 31, 2024 and 2023

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

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

The beginning and ending balances for accounts receivable and deferred revenues were as follows for January 1, 2024 and 2023:

	January 1,	
	2024	2023
Accounts receivable, net of allowance for credit losses	\$ 3,209,239	\$ 1,438,745
Deferred revenue	11,387,303	10,136,029

For the years ended December 31, 2024 and 2023, all revenue was recognized at a point in time.

Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barriers, and a right of return, are not recognized until the conditions on which they depend have been substantially met. WECC's agreements stipulated that a portion of donations received are conditional upon certain performance requirements. Consequently, at December 31, 2024 and 2023, conditional contributions approximating \$300,000 have been recognized within accrued expenses in the accompanying financial statements.

Functional Allocation of Expenses

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

Income Taxes

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

WECC

Notes to Financial Statements
December 31, 2024 and 2023

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

Estimates

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

Financial Instruments and Credit Risk

WECC maintains its cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. At December 31, 2024 and 2023, WECC had approximately \$30,970,000 and \$20,735,000, respectively, of cash, cash equivalents, and contractually restricted cash and cash equivalents, in excess of FDIC-insured limits. Additionally, at December 31, 2024 and 2023, WECC had \$7,273,170 and \$19,514,734, respectively, held in short term United States insured securities.

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

Subsequent Events

WECC has evaluated subsequent events through May 2, 2025, the date the consolidated financial statements were available to be issued.

WECC

Notes to Financial Statements
December 31, 2024 and 2023**Note 2 - Liquidity and Availability**

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

	2024	2023
Cash and cash equivalents	\$ 38,753,988	\$ 29,670,009
Certificates of deposit	1,002,558	496,533
Investments	15,272,372	12,105,717
Accounts receivable, net	770,533	3,209,239
	<u>\$ 55,799,451</u>	<u>\$ 45,481,498</u>

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

Note 3 - Fair Value Measurements and Disclosures

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

A three-tier hierarchy categorizes the inputs as follows:

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

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

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

WECC

Notes to Financial Statements
December 31, 2024 and 2023

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

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

The following table presents assets measured at fair value on a recurring basis at December 31, 2024:

		Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
Investments				
Government agency obligations	\$ 9,437,658	\$ -	\$ 9,437,658	\$ -
Debt securities	2,090,817	-	2,090,817	-
Mutual funds	3,743,897	-	3,743,897	-
	<u>\$ 15,272,372</u>	<u>\$ -</u>	<u>\$ 15,272,372</u>	<u>\$ -</u>

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

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

WECC

Notes to Financial Statements
December 31, 2024 and 2023**Note 4 - Property and Equipment**

Property and equipment consists of the following at December 31, 2024 and 2023:

	2024	2023
Equipment	\$ 1,247,728	\$ 1,189,686
Software	2,353,669	2,344,943
Furniture and fixtures	272,649	272,649
Leasehold improvements	1,959,412	1,959,412
	5,833,458	5,766,690
Less accumulated depreciation	(4,745,829)	(3,916,721)
	<u>\$ 1,087,629</u>	<u>\$ 1,849,969</u>

Note 5 - Net Assets

WECC reports information regarding Statutory and Non-statutory earnings to the FERC in accordance with its Delegation Agreement with NERC dated October 16, 2007, as amended, and restated January 1, 2016. As of December 31, 2024 and 2023, the breakdown of such earnings included in net assets without donor restrictions consisted of the following:

	2024	2023
Non-statutory earnings	\$ 7,344,541	\$ 7,657,737
Statutory earnings	15,372,346	25,301,132
	<u>\$ 22,716,887</u>	<u>\$ 32,958,869</u>

Note 6 - Leases***Operating Leases as Lessee***

WECC leases office space under a long-term, non-cancelable operating lease agreement. The lease expires during 2031. WECC included in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The lease provides for increases in future minimum annual rental payments. Also, the agreement generally requires WECC to pay real estate taxes, insurance, and repairs.

WECC

Notes to Financial Statements
December 31, 2024 and 2023

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

Total lease costs for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
Operating lease cost	\$ 1,270,304	\$ 1,336,047

The following table summarizes the supplemental cash flow information for the years ended December 31, 2024 and 2023:

	2024	2023
Cash Paid for Amounts Included in the Measurement of Lease Liabilities		
Operating cash flows from operating leases	\$ 1,307,302	\$ 1,286,877

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

	2024	2023
Weighted-Average Remaining Lease Term in Years		
Operating leases	6.2	7.2
Weighted-Average Discount Rate		
Operating leases	4.00%	4.00%

The future minimum lease payments under non-cancelable operating leases with terms greater than one year are listed below as of December 31, 2024.

<u>Years Ending December 31,</u>	<u>Operating</u>
2025	\$ 1,346,521
2026	1,386,917
2027	1,428,524
2028	1,471,380
2029	1,515,522
Thereafter	<u>1,991,268</u>
Total lease payments	9,140,132
Less interest	<u>(1,302,448)</u>
Present value of lease liabilities	<u><u>\$ 7,837,684</u></u>

WECC

Notes to Financial Statements
December 31, 2024 and 2023

Operating Leases as Lessor

WECC subleases a portion of its facility to a retail tenant under a non-cancelable operating lease agreement. The lease commenced in May 2024, and is scheduled to expire April 2029. Lease payments under the agreement are \$13,638 per month, with annual increases of 3%. The lease agreement includes a renewal option for an additional twenty-two-month term, that is exercisable at the tenant's discretion.

The following table sets forth the lease income recognized from the operating lease:

	2024
Lease income realting to lease payments	\$ 116,005

Revenue from operating leases is included in other income in the statement of activities.

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease payments to be received as of December 31, 2024:

<u>Years Ending December 31,</u>	
2025	\$ 166,923
2026	171,931
2027	177,089
2028	182,401
2029	61,397
Total lease payments	\$ 759,741

Note 7 - Employee Benefits

WECC sponsors a 401(k) retirement savings plan (the Plan) for eligible employees. The Plan requires WECC to make matching contributions equal to 50% of the first 6% of eligible compensation of the participating employees' contributions to the Plan. WECC may also make, at its discretion, supplemental contributions for eligible employees. The Plan expense reflected in the accompanying statements of activities was \$1,983,454 and \$1,830,472 for the years ended December 31, 2024 and 2023, respectively. In 2006, WECC adopted an elective 457(b) deferred compensation plan to provide certain employees of WECC with the benefit of additional tax-deferred retirement savings opportunities. The annual 457(b) deferral limitation for 2024 and 2023 was \$23,000 and \$22,500, respectively. The Plan is entirely funded by elective employee salary deferrals.



May 2, 2025

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

In planning and performing our audit of the financial statements of WECC as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered WECC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of WECC's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the Board of Directors, others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in dark ink that reads "Eide Bailly LLP".

Salt Lake City, Utah



May 2, 2025

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

We have audited the financial statements of WECC as of and for the year ended December 31, 2024, and have issued our report thereon dated May 2, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our letter dated February 13, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of WECC solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by WECC is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. No such sensitive accounting estimates were identified.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. There were no financial statement disclosures that we consider to be particularly sensitive or involve significant judgment.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

The following summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Recording Right of Use Asset and Liability

Understatement of property and equipment	\$54,798	
Understatement of lease liability		\$55,224
Overstatement of change in net assets	\$426	

The effect of these uncorrected misstatements as of and for the year ended December 31, 2024, is an overstatement of the change in net assets of \$426 and an overstatement of net assets without donor restrictions of \$426.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We did not identify any circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated May 2, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with WECC, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as WECC's auditors.

This report is intended solely for the information and use of the Board of Directors, and management of WECC and is not intended to be and should not be used by anyone other than these specified parties.

Eide Bailly LLP

Salt Lake City, Utah



WESTERN ELECTRICITY COORDINATING COUNCIL

Board and Management Discussion
June 10, 2025

AUDITOR'S REPORT

Opinion

- Unmodified opinion dated May 2, 2025

Basis for Opinion

- Performed audit in accordance with ethical standards (auditing standards generally accepted in the United States [GAAS]).
- Eide Bailly is independent of WECC



AUDITOR'S REPORT – INDEPENDENCE

GAAS requires that all covered members be independent of audit clients. Independence rules prohibit an ownership interest in audit clients.

- Partners and managers (including spouses and dependents) in the office performing the audit.
- All participants in the audit engagement (associate through partner)

Independence requirement apply to all Eide Bailly offices and all audit clients. This means that as a firm, we are independent of WECC and electric utilities we may audit.



AUDITOR'S REPORT – MANAGEMENT RESPONSIBILITIES

Management is responsible for:

- The preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States;
- Establishing design, implementation, and maintenance of internal controls; and
- Evaluating whether there are conditions or events that raise substantial doubt about the organization's ability to continue as a going concern.



AUDITOR'S REPORT – AUDITOR RESPONSIBILITIES

In providing reasonable assurance the auditor is responsible to:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of WECC's financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks;
- Obtain an understanding of WECC's internal controls relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WECC's internal controls;
- Evaluate the appropriateness of accounting policies used by WECC and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements; and
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WECC's ability to continue as a going concern for a reasonable period of time.



AUDIT PROCESS

Consideration of internal controls over financial reporting:

- Reviewed controls in place and documented conclusion about whether properly designed in in place;
- Most audit areas received a walkthrough of reconciliation process; and
- Did not test operating effectiveness of internal controls.

As a result of our consideration of internal controls over financial reporting, we did not report material weaknesses or significant deficiencies.



REQUIRED AUDITOR COMMUNICATIONS

Significant Risks Identified (communicated during planning)

- **Management Override of Controls** – Professional standards require auditors to address the possibility of management overriding controls. Accordingly, we identified as a significant risk that management of the organization may have the ability to override controls that the organization has implemented. Management may override the organization's controls in order to modify the financial records with the intent of manipulating the financial statements to overstate the organization's financial performance or with the intent of concealing fraudulent transactions.
- **Revenue Recognition** – We identified revenue recognition as a significant risk due to financial and operational incentives for the organization to overstate revenues.



REQUIRED AUDITOR COMMUNICATIONS

Significant Accounting Policies

- Described in Note 1.
- No policy changes or new standards during 2024.

Uncorrected and Corrected Misstatements

Uncorrected Misstatement

Recording Right of Use Asset and Liability

Understatement of property and equipment	\$54,798
Understatement of lease liability	\$55,224
Overstatement of change in net assets	\$426



REQUIRED AUDITOR COMMUNICATIONS

Difficulties Encountered in Performing the Audit

None

Disagreements with Management

None

Management Consultations with Other Independent Accountants

None



FINANCIAL STATEMENTS – OVERVIEW

	2024	2023
Total Assets	\$ 64,902,689	\$ 66,776,868
Total Liabilities	42,185,802	33,817,999
Net Assets Without Donor Restrictions	22,716,887	32,958,869
Liquid Financial Assets (Note 2)	55,799,451	45,481,498
Accounts Payable and Accrued Expenses	14,750,001	13,382,294
Operating Revenues	30,383,439	25,805,698
Change in Net Assets Without Donor Restrictions	(10,241,982)	(10,055,334)



THANK YOU!

Michael Michelsen, CPA

Partner

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801.456.5457



CPAs & BUSINESS ADVISORS

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Financial Results as of April 2025

Jillian Lessner

June 10, 2025

<Public>

Summary

As of April 30, 2025, statutory programs were under budget by a net of \$269,000, and the non-statutory program was under budget by a net of \$7,000. The main drivers of the net statutory underrun primarily relate to actual vacancy rates compared to budget and lower travel activity and costs than budgeted.

In addition, there is a minor timing difference for 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 greater than budget by \$37,000 per GAAP treatment.

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 variance included. The second table (Figure 2) represents results without the penalty variance, which mirrors the budget and financial reports provided to NERC and FERC.

Statutory Year-to-Date Results

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

	Actual 2025	Budget 2025	Variance (over) /under
Funding			
ERO Funding	33,057,745	33,020,400	37,345
Other Funding	711,531	625,347	86,184
Total Funding	33,769,276	33,645,747	123,529
Expenses			
Personnel Expenses	9,399,997	9,503,101	103,104
Meeting & Travel Expenses	494,055	610,681	116,626
Operating Expenses	2,483,320	2,510,245	26,925
Indirect Allocation	(212,570)	(286,718)	(74,148)
Total Expenses	12,164,802	12,337,309	172,507
Fixed Assets	68,778	42,000	(26,778)
Total Expenditures	12,233,580	12,379,309	145,729
Funding Less Expenditures	21,535,696	21,266,438	269,258

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

	Actual 2025	Budget 2025	Variance (over) /under
Funding			
ERO Funding	33,020,400	33,020,400	-
Other Funding	711,531	625,347	86,184
Total Funding	33,731,931	33,645,747	86,184
Expenses			
Personnel Expenses	9,399,997	9,503,101	103,104
Meeting & Travel Expenses	494,055	610,681	116,626
Operating Expenses	2,483,320	2,510,245	26,925
Indirect Allocation	(212,570)	(286,718)	(74,148)
Total Expenses	12,164,802	12,337,309	172,507
Fixed Assets	68,778	42,000	(26,778)
Total Expenditures	12,233,580	12,379,309	145,729
Funding Less Expenditures	21,498,351	21,266,438	231,913

Major Variances

- Personnel Expenses: \$103,000 under budget due to actual vacancy rates compared to budget.
- Meeting & Travel Expenses: \$117,000 under budget due to lower-than-budgeted travel activity and costs, primarily in the CMEP area.
- Operating Expenses: \$27,000 under budget primarily due to the net of:
 - Consultants are over budget by \$171,000 due to the timing of actual expenses compared to budget for the WestTEC and data management projects; and
 - Computer/Software Maintenance & Licenses are under budget by \$143,000 due to the timing of actual expenses compared to budget and overestimation of licensing fees and increases for some software tools, primarily in the IT department.



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Statutory Year-end Forecast

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

	Forecast 2025	Budget 2025	Variance (over) /under
Funding			
ERO Funding	33,057,745	33,020,400	37,345
Other Funding	1,923,058	1,703,541	219,517
Total Funding	34,980,803	34,723,941	256,862
Expenses			
Personnel Expenses	31,044,161	31,121,337	77,176
Meeting & Travel Expenses	1,553,164	1,697,461	144,297
Operating Expenses	7,127,562	7,502,719	375,157
Indirect Allocation	(1,072,725)	(1,146,873)	(74,148)
Total Expenses	38,652,162	39,174,644	522,482
Fixed Assets	176,778	150,713	(26,065)
Total Expenditures	38,828,940	39,325,357	496,417
Funding Less Expenditures	(3,848,137)	(4,601,416)	753,279

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

	Forecast 2025	Budget 2025	Variance (over) /under
Funding			
ERO Funding	33,020,400	33,020,400	-
Other Funding	1,923,058	1,703,541	219,517
Total Funding	34,943,458	34,723,941	219,517
Expenses			
Personnel Expenses	31,044,161	31,121,337	77,176
Meeting & Travel Expenses	1,553,164	1,697,461	144,297
Operating Expenses	7,127,562	7,502,719	375,157
Indirect Allocation	(1,072,725)	(1,146,873)	(74,148)
Total Expenses	38,652,162	39,174,644	522,482
Fixed Assets	176,778	150,713	(26,065)
Total Expenditures	38,828,940	39,325,357	496,417
Funding Less Expenditures	(3,885,482)	(4,601,416)	715,934

Major Variances

- Other Funding: \$220,000 over budget due to higher-than-budgeted interest rates and investment income.
- Meeting & Travel Expenses: \$144,000 under budget primarily due to lower-than-budgeted travel activity and costs.
- Operating Expenses: \$375,000 under budget primarily due to:
 - Consultants are under budget by \$111,000 due to the timing of actual expenses compared to budget for the WestTEC and the data management projects.
 - Computer/Software Maintenance & Licenses are under budget by \$277,000 due to timing of actual expenses compared to budget and overestimation of licensing fees and increases for some software tools, primarily in the IT department.



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Non-statutory Year-to-Date Results

Figure 5: Non-statutory Year-to-Date Results

	Actual 2025	Budget 2025	Variance
Funding			
ERO Funding	-	-	-
Other Funding	1,237,984	1,169,137	68,847
Total Funding	1,237,984	1,169,137	68,847
Expenses			
Personnel Expenses	364,234	444,782	80,548
Meeting & Travel Expenses	6,808	15,310	8,502
Operating Expenses	555,608	330,323	(225,285)
Indirect Allocation	212,570	286,718	74,148
Total Expenses	1,139,220	1,077,133	(62,087)
Fixed Assets	-	-	-
Total Expenditures	1,139,220	1,077,133	(62,087)
Funding Less Expenditures	98,764	92,004	6,760

Major Variances

- Operating Expenses: \$225,000 over budget primarily due to unbudgeted technology consulting.

Non-statutory Year-end Forecast

Figure 6: Non-statutory Year-end Forecast

	Forecast 2025	Budget 2025	Variance
Funding			
ERO Funding	-	-	-
Other Funding	3,503,309	3,259,875	243,434
Total Funding	3,503,309	3,259,875	243,434
Expenses			
Personnel Expenses	1,330,585	1,488,694	158,109
Meeting & Travel Expenses	46,738	52,030	5,292
Operating Expenses	1,268,960	990,968	(277,992)
Indirect Allocation	1,072,725	1,146,873	74,148
Total Expenses	3,719,008	3,678,565	(40,443)
Fixed Assets	-	14,787	(14,787)
Total Expenditures	3,719,008	3,693,352	(55,230)
Funding Less Expenditures	(215,699)	(433,477)	217,778

Major Variances

- Other Funding: \$243,000 over budget primarily due to:
 - Higher-than-budgeted certificate activity; and
 - Higher-than-budgeted interest rates and investment income.
- Personnel Expenses: \$158,000 under budget due to actual vacancy rates compared to budget.
- Operating Expenses: \$278,000 over budget primarily due to unbudgeted technology consulting.



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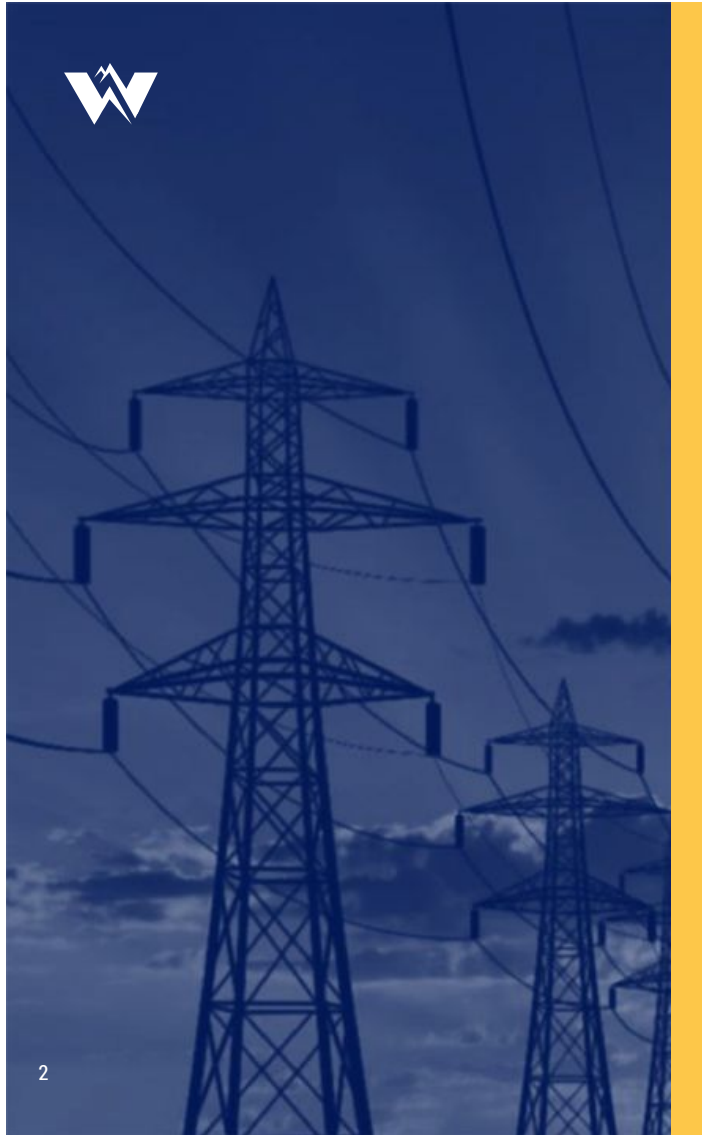
Year-to-Date Financial Results and 2025 Forecast

Jillian Lessner

Chief Financial and Administrative Officer

**Electric Reliability
& Security for the West**

June 10, 2025



Statutory Results and Forecast as of April 30, 2025

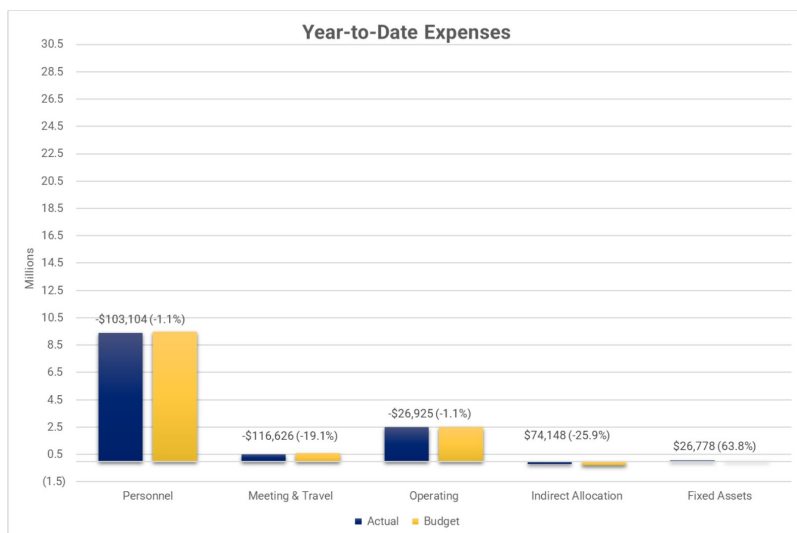
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Statutory Results

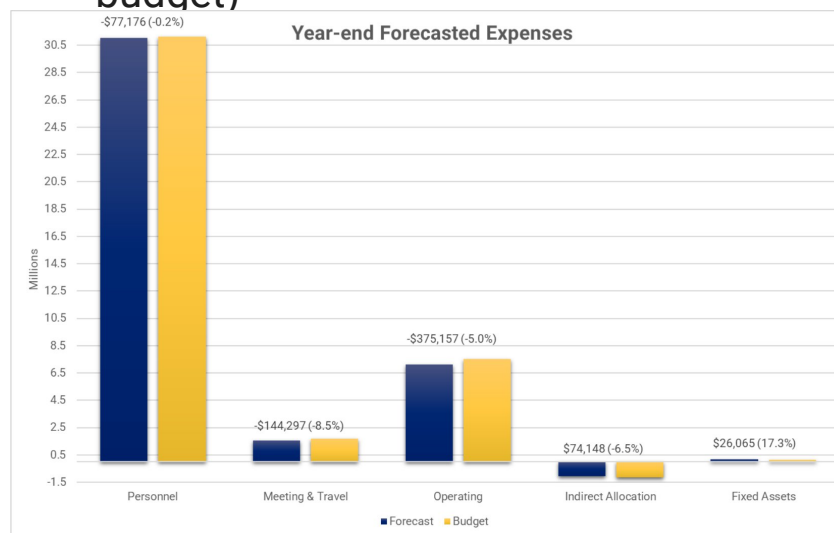
Year-to-Date

- Funding —\$33.7M (\$86K/.3% over budget)
- Expenses—\$12.2M (\$146K/1.2% under)



Year-end Forecast

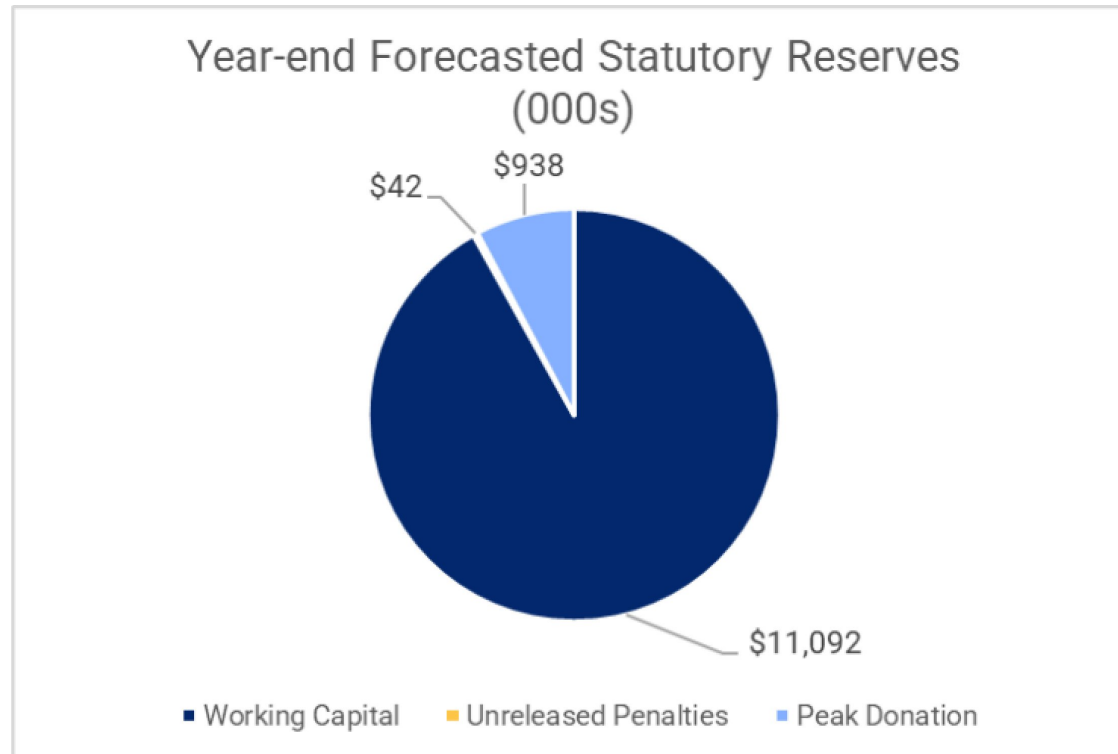
- Funding—\$34.9M (\$220K/.6% over budget)
- Expenses—\$38.8M (\$496K/1.3% over budget)

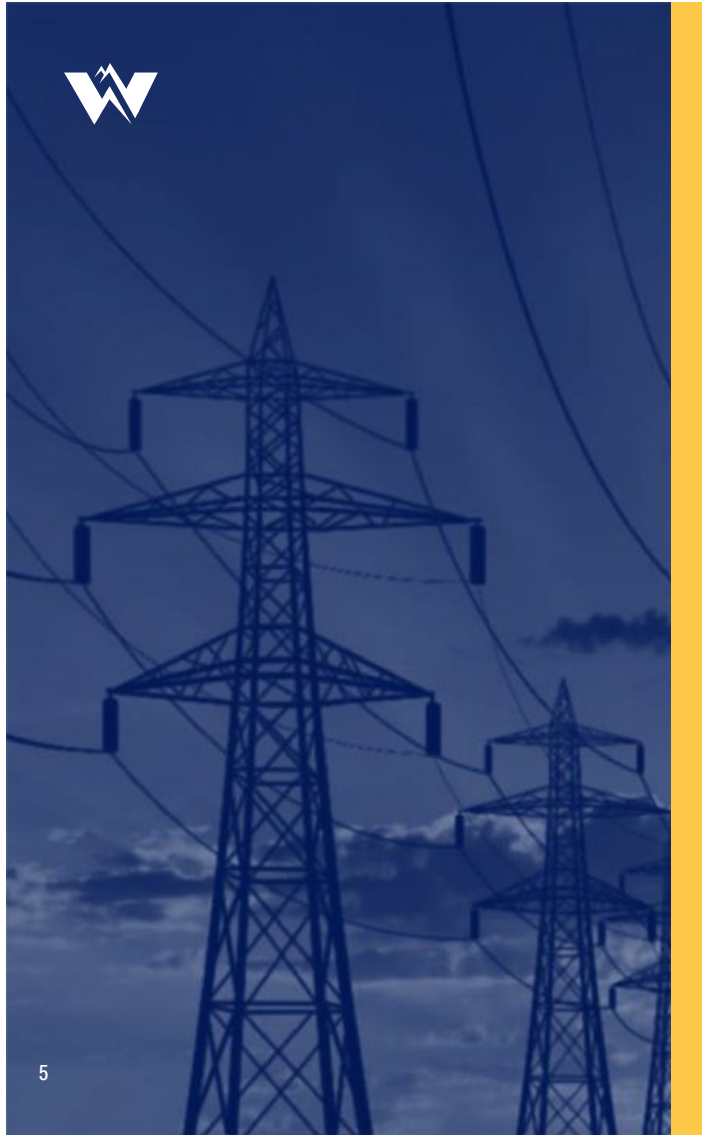


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Year-end Forecasted Statutory Reserves





Non-statutory Results and Forecast as of April 30, 2025

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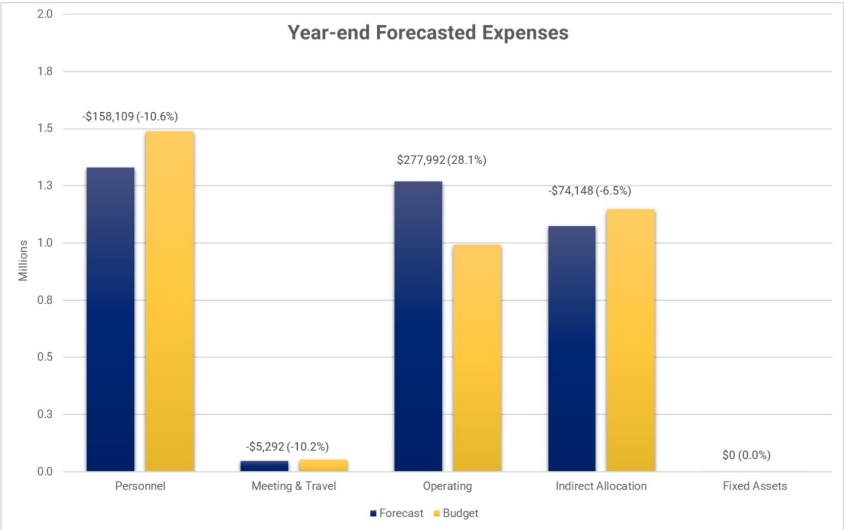
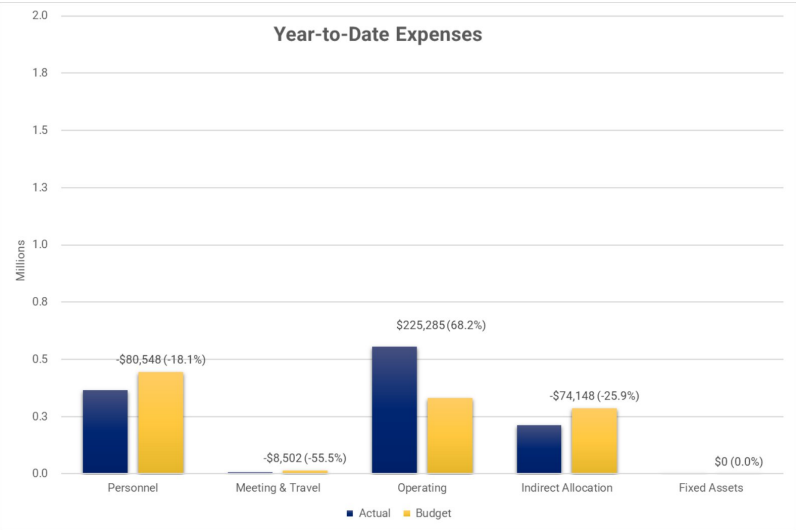
Non-statutory Results

Year-to-Date

- Funding—\$1.2M (\$69K/5.9% over budget)
- Expenses—\$1.1M (\$62K/5.8% over budget)

Year-end Forecast

- Funding—\$3.5M (\$243K/7.5% over budget)
- Expenses—\$3.7M (\$55K/1.5% over budget)





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