

## 2026 Director Compensation

WECC Nominating Committee

April 11, 2025

From: Ian McKay, Nominating Committee Chair

To: Brian Theaker, Member Advisory Committee Chair

### **Authority**

WECC Bylaws §6.4.4 requires the Nominating Committee (NC) to make an annual recommendation to the Member Advisory Committee (MAC) regarding the compensation of WECC Directors for the following year. This letter transmits the NC's unanimous 2025 Director compensation recommendations to the MAC.

### **2026 Director, Board Chair, and Committee Chair Compensation**

The 2024/25 NC unanimously recommends the 2026 Director compensation, effective January 1, 2026, be as follows:

- Annual Director retainer be increased by 7.3% from \$107,500 to \$115,373;
- Annual WECC Board Chair premium to remain at \$25,000; and
- Annual premia for WECC Board Vice-Chair and WECC Board Committee Chairs to remain at \$10,000.

If approved, the annual total budget amount for 2026 Director compensation will be \$1,123,357, an overall increase of \$70,857 (6.7%) from 2024.

### **Rationale**

The 2024/25 NC again affirms the Board compensation approach adopted by prior NCs, namely, to target a range that is at or near the high end of compensation for other Regional Entity (RE) independent directors and less than NERC's Board of Trustees members. This approach is supported by:

1. The larger WECC footprint as compared to the other REs;
2. WECC's greater organizational range and complexity as compared to the other REs;
3. WECC being the only regional entity with a fully independent Board;
4. A higher overall workload for WECC's independent Board of professional Directors in contrast to the other REs that supplement their stakeholder boards with a few independent directors;
5. A desire to keep WECC's Board compensation at a level that promotes the retention and recruitment of experienced, talented Directors; and
6. The recent economic environment marked by historically high inflation.

This year, in accordance with WECC Bylaws §6.4.4, the NC did not engage an independent executive compensation firm. In 2024 Meridian Compensation Partners (Meridian) issued a report to the then NC stating that the “Goal is to position pay lower than NERC, but higher than REs (moving target given timing lag of certain market data points)”. The NC was fortunate to access details of the current NERC Board of Trustee compensation from NERC publicly available meeting materials. The most recently available information for director compensation for other REs is from form 990s that are accessible only through 2023. This information, as well as past NERC Board of Trustee compensation from form 990s allowed a comparison of WECC director compensation to other REs from 2019 through to 2023 and to NERC through to 2026.

WECC director compensation has consistently been within a narrow percentage range (average of 73%) of NERC’s Board of Trustee’s (BoT) compensation and been below actual or target compensation for at least two other regional entities (Reliability First and SERC).

### **Director Compensation**

The NC’s analysis indicates that WECC’s director compensation is falling behind the market advice that was provided by Meridian - specifically that WECC’s Directors should be compensated in a range between the director compensation of the other REs and NERC’s trustee compensation. The NC’s unanimous recommendation to increase WECC director compensation by 7.3% to \$115,373 is consistent with the approach of previous NCs. This increase will result in WECC director compensation being approximately 72% of NERC’s BoT compensation and is expected to be below that of Reliability First and SERC.

As the premia for Board Chair and Committee chairs was increased in 2024 and 2025 respectively no adjustments are being recommended to chair premia for 2026.

The following table provides a history of director compensation since 2022 as well as the recommended compensation for 2026.

	2022	2023	2024	2025	2026*
Annual Retainer	94,000	98,000	102,655	107,500	115,373
% increase from prior year	3.3%	4.3%	4.75%	4.72%	7.32%
BOD Chair Premium	20,000	20,000	25,000	25,000	25,000
BOD Vice Chair Premium	7,500	7,500	7,500	10,000	10,000
BOD Committee Chair Premium	7,500	7,500	7,500	10,000	10,000
Total Compensation Budget	911,000	947,000	993,895	1,052,500	1,123,357
% Increase from previous year	3.1%	4%	5%	5.9%	6.7%

\* - recommended

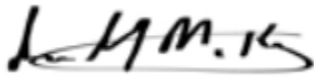


---

## Summary

After thorough, detailed reviews of the current WECC, other regional entity, and NERC compensation information, prior advice by Meridian, and WECC's Board compensation history, and after affirming and adopting the compensation principles used by previous NCs, the 2024/25 NC unanimously recommends increasing the 2026 Board retainer to \$115,373 and maintaining the 2026 Board Chair premium at \$25,000, and committee chair premium at \$10,000.

**On behalf of the Nominating Committee:**

A handwritten signature in black ink, appearing to read "I. McKay", is written over a horizontal line.

Ian McKay, Nominating Committee Chair